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The Impact of Sleep Restriction on Contributions and Punishment: First Evidence

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DISCUSSION PAPER SERIES

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JUNE 2017

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ABSTRACT

The Impact of Sleep Restriction on Contributions and Punishment: First Evidence*

We implement a one-week partial sleep restriction protocol to investigate the effect of sleep deprivation on joint production in a standard voluntary contributions mechanism (VCM) experiment. Additionally, the effect of sleep restriction on an individual's likelihood of sending costly peer punishment is examined. Actigraphy sleep monitoring watches are used to validate that our random assignment to sleep restricted (SR) and well-rested (WR) conditions generates significant differences in both objective nightly sleep duration and subject sleepiness. Using multiple measures of sleep restriction, and non-parametric as well as regression analysis, we find that when punishment is not available, sleep restriction does not affect the contributions made to joint production. When punishment is available, we find weak evidence that SR subjects contribute more than WR subjects, but there is no evidence that SR and WR subjects differ in the amount they punish others. However, we also find that SR subject contributions are significantly more sensitive to the introduction of peer punishment. SR subject punishment decisions may also be more sensitive to the deviation of their contributions from other group members' contributions and more sensitive to having received punishment themselves. Our results have implications for understanding how the norm enforcement availability may differentially impact individuals depending on their current sleep state.

JEL Classification: C92, D03, H40, I12, J24

Keywords: sleep restriction, sleep deprivation, social dilemma, VCM, punishment, experiments

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1. Introduction

According to repeated rounds of the National Health Interview Survey, American adults' age adjusted average sleep per 24-hour period fell from 7.40 hours in 1985 to 7.18 hours in 2004, holding steady at that level in 2012. Over this same time, the proportion of adults sleeping less than 6 hours consistently increased, from 22.3% in 1985 to 29.2% in 2012 (Ford et al., 2015), and the US Center for Disease Control has recently labeled mild but chronic sleep restriction a "public health problem." Some sleep researchers suggest a bifurcation in sleep trends, with recent overall average sleep estimates steady or rising, even as the proportion getting by on less than 6 hours increases (Robinson and Michelson, 2010). This could be because sleep time is negatively correlated with both working hours and education. Aguir and Hurst (2009) note that over the past forty years individual labour hours have declined in the United States for less well-educated workers, but risen steadily for better-educated ones. Internationally, insufficient sleep is habitual for an estimated 25%-50% of adult populations in many developed nations.¹

Economists have estimated the economic cost of insufficient sleep to be anywhere from 1%-3% of annual GDP counting only direct effects on productivity and mortality risk (see for example Hafner et al, 2016). Recent results from a cohort study also found that insufficient sleep reduced labor force participation, particularly among low-skilled mothers. This suggests a potential contributing factor to poverty traps may be the quality of the sleep of one's child, given that child nighttime awakenings impacts mothers' sleep duration (Costa-Font and Fléche, 2017). Given these well document causes and costs of insufficient sleep, our question of interest is whether insufficient sleep specifically affects the ability of people to work together in tasks requiring joint production (e.g., in the home, community, or more formally in paid employment). Should employers worry about negative spillovers from encouraging longer working hours in our ever-connected age? While recent research has explored causal links between sleep and decision making, there is a gap in the literature regarding the effect of insufficient sleep on joint production of public goods. This paper provides the first evidence of which we are aware on the impact of mild persistent sleep restriction on group cooperation and norm enforcement in a well-known social dilemma: the voluntary contributions mechanism (VCM) with peer punishment.

¹ See *National Sleep Foundation* 2013 International Bedroom Poll at <https://sleepfoundation.org/sites/default/files/RPT495a.pdf> .

This paper reports on data from an ecologically valid protocol where subjects are randomly assigned a full week of sleep-restricted (SR) or well-rested (WR) sleep levels in their home environment. We use validated actigraphy (“sleep watch”) devices commonly used in sleep research to provide objective measures of subjects’ sleep levels. At the end of the treatment week, subjects come back to the experimental lab in an SR or WR state, and participate in the VCM public good/joint production game. Both objective and subjective measures are assessed to document the validity of our treatment manipulation in a sample of $n=126$ subjects. Because our implementation of insufficient sleep involves a full week of manipulated sleep levels, we believe this approach credibly impairs participants’ deliberative cognitive processes, and generates results that are transferable to real world decision makers. No limitations are placed on SR subjects’ ability to use compensatory behaviors to combat sleepiness (other than sleeping more), which we believe further increases the external validity of our particular cognitive manipulation.

Sleep restriction in our data is defined either by random assignment to binary treatment (SR or WR), or by continuous measure of sleep deprivation relative to individual self-reported optimal sleep levels, Personal SD. We find that SR and WR subjects do not differ significantly in their contributions to joint production when costly punishment is not available. When norm enforcement via peer punishment is available, there is weak evidence that SR subjects contribute more than WR subjects, though the result is not robust across all specifications we estimate. Regarding punishment, SR and WR subjects do not differ significantly in the amount they punish other group members, though again there is weak evidence that subjects with higher levels of the continuous Personal SD measure punish less than those who are less sleep deprived. At the same time, we find evidence of some significant interaction effects that suggest SR and WR subjects respond differently to exogenous changes within the experiment and to the endogenous behavior of others. SR subjects raise their contributions more than do WR subjects when norm enforcement via peer punishment becomes available. Also, results indicate that punishment amounts sent by SR subjects are weakly more sensitive both to one’s deviation from other group members’ contributions and to having personally received punishment from others.

The remainder of the paper works as follows. In section 2 we review the literature relevant to VCM experiments, including those with costly peer punishment, and the more limited

literature on the effects of sleep deprivation on social interactions. Section 3 provides our experimental design, while Section 4 provides our results concerning protocol compliance, and then outcomes in the VCM experiment. Section 5 concludes the paper.

2. Literature Review: Joint production and sleep deprivation

Public good provision or joint production, as well as norm enforcement, have received significant attention in the experimental literature over the past several decades. The voluntary contributions mechanism (VCM) framework has served as a standard for the examination of behavior in cooperative dilemma environments. Here, individual incentives are at odds with group incentives, and the common finding is that groups initially contribute to the joint good at 40%-50% of the socially optimal level, but then contributions decline with finite repetition (Ledyard, 1995). Subsequent investigations have focused on identifying factors that may influence cooperative versus free-riding behavior.² One such factor that has received much attention has been the use of costly peer punishment as a device for norm enforcement. Peer punishment was first examined by Fehr and Gächter (2000), where it tended to be used primarily against individuals contributing less to joint production than their group's average. Fehr and Gächter found that the introduction of peer punishment significantly increased cooperation in groups.³

In contrast to the extensive experimental literature on joint production with and without peer punishment, there is a much sparser literature examining the effect of sleep on social interactions. We are not aware of any studies that have examined the impact of sleep restriction in the classic social dilemma paradigm of the VCM for jointly produced goods. However, there has been a small number of studies on the effects of highly controlled laboratory sleep deprivation on decision making in other social tasks, broadly defined. Anderson and Dickinson

² See seminal contributions by Isaac et al. (1985), Andreoni (1988), Isaac and Walker (1988), and a survey papers in Ledyard (1995) and Chaudhuri (2011).

³ Gächter et al. (2008) later address the issue of punishment being net welfare reducing in the short run in repeated games due to the costs incurred by punishers and punished outweighing the gains in joint production. They show however, that in a repeated game with a sufficiently long horizon, peer-punishment is welfare enhancing. Peer punishment as a deterrent to free riding has been investigated also by Masclet et al. (2003), Noussair and Tucker (2005), Bochet et al. (2006), Anderson and Putterman (2006), Sefton et al. (2007), Carpenter (2007), Egas and Riedl (2008), Nikiforakis (2008), Nikiforakis and Normann (2008), Engelmann and Nikiforakis (2015), and Dickinson and Masclet (2015).

(2010) found that a single night of total sleep deprivation (TSD) both reduced subjects' revealed trust in trust games, and increased the minimum acceptable offers in ultimatum bargaining games. Both effects are consistent with sleep deprivation increasing one's aversion to being exploited in a social exchange, which may hold implications for VCM behavior. Ferrara et al. (2015) examined the effect of TSD on risk preference and dictator decisions, and found that TSD reduced dictator giving, though only among females. More closely relevant to our work is a paper by Dickinson and McElroy (2017). Their study examined a larger sample of subjects compared to typical TSD research, and they also varied chronic *partial* at-home sleep restriction over a full week rather than examining a single night of TSD. Arguably, the chronic partial SR protocol is more relevant to examining sleep deprivation effects outside the lab, where workers or family members regularly get insufficient sleep, rather than a one-off experience of no sleep. Dickinson and McElroy (2017) found that sleep restriction reduced subjects' prosocial behaviors in general (including trust), which might suggest that SR individuals would be more likely to free ride in a VCM environment.

Though we might hypothesize that sleep restriction will reduce VCM contributions, no studies of which we are aware touch directly on its effect on norm enforcement mechanisms like peer punishment. The literature may guide our intuition, nevertheless. While punishment may be considered a reaction to one's anger at free-riders, norm enforcement through punishment may have prosocial elements of altruism at its heart (Fehr and Gächter, 2002). Neuroscience has found that deliberative thinking is important for prosocial decisions (see Rilling and Sanfey, 2011; Krajbich *et al.*, 2009; McCabe et al, 2001), and sleep deprivation is known to disproportionately impact people's deliberative (prefrontal) brain activation (Horne, 1993; Muzur et al, 2002; Chee and Chuah, 2008).⁴ Thus, the willingness to enforce norms by punishing others may be lower when sleep restricted given the prosocial nature of punishing free-riders in a joint production setting. And, as argued by Anderson and Dickinson (2010), if sleep deprivation increases people's aversion to exploitation or to suffering loss in a social exchange, this might suggest that SR subjects will increase contributions in response to the introduction of a punishment institution in order to avoid being punished. Other than these

⁴ Dickinson and McElroy (2017) note that some studies find *increased* prefrontal activation in sleep deprived subjects, but in such cases the increased activation has not been found to enhance decision-making. For example, sleep deprivation has been found to increase ventromedial prefrontal cortex activation, which points to an enhanced focus on monetary gains that is suggestive of an optimism bias (see Venkatraman et al, 2007).

insights, our research is exploratory in the sense that we do not have clear *a priori* hypotheses regarding how sleep restriction may impact other elements of behavior in this setting.

3. Experimental Design

Prior to this experiment, we administered a preliminary online screening survey to generate a database of several hundred potential subjects for whom we had necessary demographic and sleep data for recruitment to this study. This preliminary survey contained a validated short form of the “morningness-eveningness” questionnaire (Adan and Almiral, 1991) and screening questions for depressive and anxiety disorders, along with self-reported sleep measures. Importantly, we excluded from this study subjects scoring at risk for a major depressive or anxiety disorder, or who self-reported a sleep disorder or insomnia. We also used the morningness-eveningness profiles to exclude subjects with strong morning-type or evening-type preference so that we did not introduce the confounding factor of circadian (mis)timing of our subsequent decision tasks.⁵

Once excluded subjects were removed from the database, but prior to recruitment, remaining subjects were randomly assigned, *ex ante*, to the well-rested (WR) or sleep-restricted (SR) treatment condition. Recruitment emails were then sent to subjects offering them the opportunity to participate in a one-week experiment that would involve a prescribed nightly sleep level for 7 nights. The recruitment email included the specific sleep prescription randomly assigned to the subject.⁶ Subjects were also informed they would be required to wear a wrist-watch sized actigraphy device to objectively yet passively measure their sleep levels, keep a basic sleep diary provided by the experimenters, and participate in a 1.5 hour decision session at the end of the week.⁷ This one-week experiment protocol therefore required two lab visits by the subject. At session 1 subjects answered survey questions on a 6-item cognitive reflection task (Primi et al, 2015) and a short-version of the Big Five personality measures (Gosling et al, 2003), and were issued the actigraphy device, sleep diary and instructions on their use during the

⁵ We also tried to remove circadian timing effects by running all sessions for the main experiment between 10am-4pm, and only from Tuesday-Thursday to minimize weekend effects.

⁶ Subjects were not allowed to opt out of one treatment to select the other. Thus, subjects either participated in their randomly assigned sleep condition, or they could not participate in the experiment.

⁷ The actigraphy device is a wrist-worn accelerometer intended to be worn all day every day with few exceptions. Importantly, we use devices common to sleep research that have several advantages over lower cost commercial devices. The validity of the particular devices we used has been established in the literature and actigraphy is a well-accepted way to generate objective and valid data on sleep levels in non-disordered individuals (Sadeh, 2011).

treatment week. Subjects were free then to ask questions regarding the prescribed sleep treatments, which were answered without revealing any individual subject's random treatment assignment. In practice, cohorts of typically 10-15 subjects were recruited for a given week, and these cohorts were a mix of SR and WR subjects.⁸

Upon leaving the first session, contact with experimenters was limited to daily text or emails the subjects would send to indicate bed/wake times. This was in addition to the same information included as part of the subject's sleep diary, but the emails allowed the experimenter to have some daily monitoring of subjects' attempted sleep levels. Nevertheless, these emails were self-reports, and we treat them as secondary to the actigraphy-generated sleep data recorded for each subject. The experimenters also emailed the subjects every 1-2 days during the treatment week to remind them of the prescribed sleep levels, caution them regarding the risk of certain activities when sleepy (a likely factor for the SR participants, but sent to all), and to remind them of the approaching second session at the end of the sleep treatment week. Session 2 occurred one week after session 1 (at the same time of day), and included a short survey and self-report on sleepiness, two decision experiments, the removal of the actigraphy devices, and cash payments for the decision experiments. In addition to variable payoffs for outcomes in the decision experiments, subjects also received a fixed payment of \$25 for adhering to the conditions of the sleep week and returning the actigraphy device and sleep diaries at session 2. Subjects were made aware that the fixed payment would be received several days later by Amazon.com gift code or check (their choice) after sleep data were downloaded and the experimenters could verify good faith efforts at compliance.⁹

4. Results

4.1 Compliance and Protocol Validity

We initially recruited $n=167$ treatment subjects into the main study, but not all subjects completed the one week protocol. Of the 167 subjects, 16 failed to show up for the first session (6 SR, 10 WR). Of the 151 subjects who attended the first session, 18 withdrew at some point

⁸ Subjects of differing sleep conditions participated within the same cohort so that another game not reported in this paper, a coordination game, would contain heterogeneity of sleep levels.

⁹ Note that our standard for "compliance" with respect to paying subjects the \$25 was not as stringent as our standard for compliance regarding data analysis later in this paper. In general, we wished to err on the side of paying subjects the \$25 in most instances and gave partial payment to the few subjects who withdrew partway through the sleep treatment week.

during the treatment week (17 SR, 1 WR).¹⁰ We therefore had a total of 133 subjects who completed the main one-week sleep and decision study. Of these, 7 subjects experienced sleep watch malfunctions or failed to wear the device. Thus, for analysis we have a sample of complete sleep and behavioral data for 126 treatment subjects (65 SR, 61 WR; n=81 female). Descriptive statistics by treatment and compliance (discussed next) are presented in Table 1.¹¹

Compliance with conditions of the sleep protocol is a particular concern in a study such as this. Figure 1 shows the distributions (kernel density estimates) of nightly sleep as measured by actigraphy. As Figure 1 illustrates, not all subjects necessarily complied with the sleep levels prescribed. This presents us with a dilemma when constructing binary SR/WR classifications of subjects. We are interested in the effects of *actual* sleep deprivation on joint production, and thus in the behavior of subjects who complied with sleep protocols. But we faced a judgement call when trying to map binary attempted compliance from somewhat arbitrary quantifiable thresholds. As has been done in previous sleep research, we choose data-driven compliance thresholds as a way to score subjects as “compliant” or “non-compliant” with their respective treatment conditions. We score an SR subject as compliant if his or her actigraphy data showed 375 minutes (6.25 hours) or less of objectively measured nightly sleep, and a WR subject as compliant with 405 minutes (6.75 hours) or more of measured nightly sleep.¹² The resulting region of non-compliance (6.25 to 6.75 hrs/night sleep) is close to the average nightly sleep levels experienced by adults in recent surveys.¹³ Excluding subjects with nightly sleep near

¹⁰ The fact that almost all subjects lost were in the SR condition is likely due to subjects finding compliance with the requirements of that condition more difficult than anticipated. Conversely, of those subjects who completed the one-week protocol, most who were in hindsight deemed non-compliant were WR subjects. That is, rather than withdraw from the study as non-compliant SR subjects did, non-compliant WR subjects were more likely to finish the protocol but not achieve sufficient rest (as subsequently identified by sleep watch data).

¹¹ VCM groups were of size n=3. Due to the high fixed costs of recruiting subjects for the sleep protocol, we ensured maximized use of all treated subjects by recruiting a small number of “backup” subjects with no prior sleep manipulation for each decision session. These subjects were used to ensure the total number of subjects in the decision making session was divisible by n=3. Of the 49 total VCM groups containing 147 subjects, 16 were backup subjects. We do not analyze the individual behavior of the backup subjects, but we do analyze the behavior of SR and WR subjects in groups with backup subjects. We believe this to be valid because group members were not aware of the sleep status of others in their groups.

¹² Using a within-subjects protocol, Dickinson et al (2017) also uses a compliance standard that is subjective but somewhat data driven and based on the desire to minimize the likelihood that a treatment subject was statistically indistinguishable from a control subject not assigned an SR treatment week.

¹³ See National Sleep Foundation. 2013 *International Bedroom Poll*. [Online] Available: <https://sleepfoundation.org/sites/default/files/RPT495a.pdf> [accessed April 12, 2017]. Recent Gallup poll results highlight that average sleep levels of young adults are lower than adults in general. Thus the average sleep levels

Table 1: Descriptive Statistics

A: Compliant Subjects Only

| Variable | Assigned Treatment | N | Mean | St Dev | Min | Max |
|---|--------------------|-----|--------|--------|--------|--------|
| Age | Sleep Restricted | 59 | 19.88 | 1.80 | 18 | 28 |
| | Well Rested | 50 | 20.88 | 4.58 | 18 | 43 |
| | Total | 109 | 20.34 | 3.39 | 18 | 43 |
| Female | Sleep Restricted | 59 | 0.66 | 0.48 | 0 | 1 |
| | Well Rested | 50 | 0.62 | 0.49 | 0 | 1 |
| | Total | 109 | 0.64 | 0.48 | 0 | 1 |
| Cognitive Test | Sleep Restricted | 59 | 37.01 | 30.80 | 0 | 100 |
| | Well Rested | 50 | 37.33 | 28.68 | 0 | 100 |
| | Total | 109 | 37.16 | 29.71 | 0 | 100 |
| Personalized Sleep Deprivation (in minutes/night) | Sleep Restricted | 59 | 160.45 | 61.95 | -34.5 | 333.07 |
| | Well Rested | 50 | 47.08 | 53.64 | -82.07 | 164.50 |
| | Total | 109 | 108.44 | 81.16 | -82.07 | 333.07 |

B. Compliant and Noncompliant Subjects Combined

| Variable | Assigned Treatment | N | Mean | St Dev | Min | Max |
|-----------------------------------|--------------------|-----|--------|--------|--------|--------|
| Age | Sleep Restricted | 61 | 19.90 | 1.80 | 18 | 28 |
| | Well Rested | 65 | 20.72 | 4.10 | 18 | 43 |
| | Total | 126 | 20.33 | 3.21 | 18 | 43 |
| Female | Sleep Restricted | 61 | 0.67 | 0.47 | 0 | 1 |
| | Well Rested | 65 | 0.62 | 0.49 | 0 | 1 |
| | Total | 126 | 0.64 | 0.48 | 0 | 1 |
| Cognitive Test | Sleep Restricted | 61 | 37.43 | 30.98 | 0 | 100 |
| | Well Rested | 65 | 38.21 | 28.98 | 0 | 100 |
| | Total | 126 | 37.83 | 29.84 | 0 | 100 |
| Personalized Sleep Deprivation | Sleep Restricted | 61 | 155.61 | 67.36 | -48.29 | 333.07 |
| | Well Rested | 65 | 58.23 | 58.92 | -82.07 | 193.21 |
| | Total | 126 | 105.37 | 79.64 | -82.07 | 333.07 |

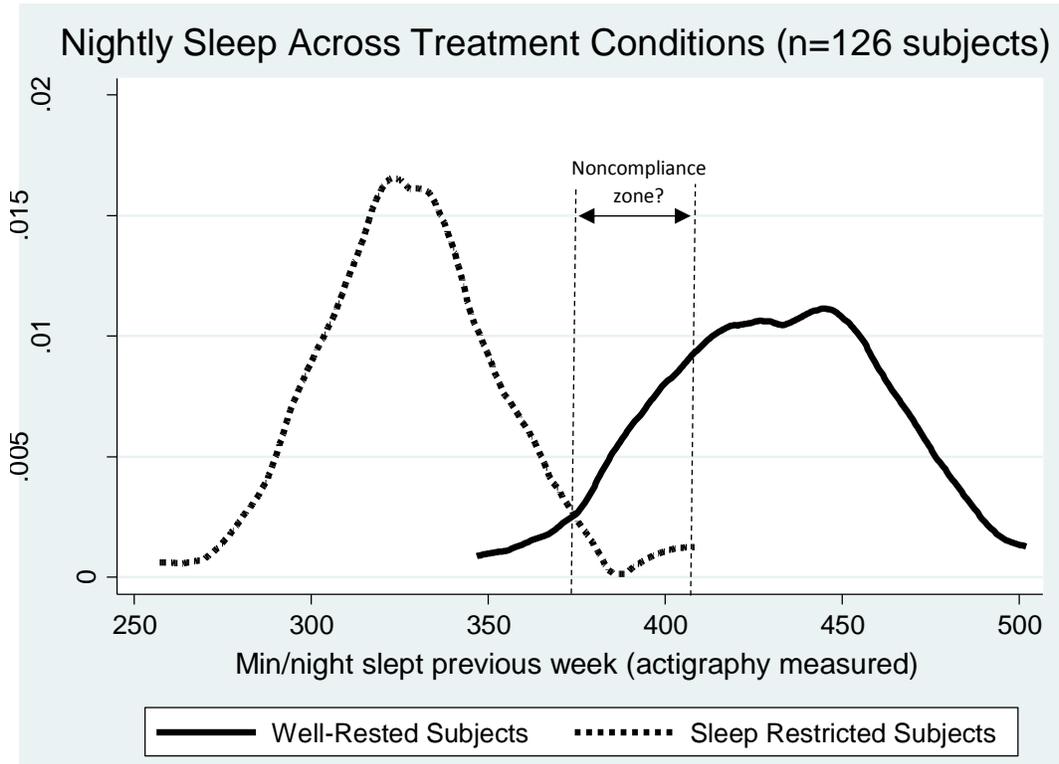
of adults the age of our college student sample are likely similar to our noncompliance range of sleep (see <http://www.gallup.com/poll/166553/less-recommended-amount-sleep.aspx> [accessed March 31, 2017])

average levels can be thought of as a conservative way to remove subjects who are difficult to classify as SR or WR.

We thus condition our primary binary analysis on compliance. As can be seen in Figure 1 (and from Table 1 data), this standard for compliance removes 17 non-compliant subjects in total, predominantly from the WR assignment (n=15). We thus have n=109 subjects scored as compliant by this standard (59 SR, 50 WR), which is a similar proportion of compliant subjects as that obtained in a recent study using a more extensive at-home sleep protocol (Dickinson et al, 2017). Descriptive statistics comparing the characteristics of the compliant subjects are presented in Table 1. In all that follows, we also conduct analysis with the full sample (N=126) that includes non-compliant subjects to evaluate the sensitivity of our results to this issue.

The validity of our protocol at manipulating sleep levels and/or sleepiness can be assessed using both objective and subjective measures. Our objective measure is actigraphy-derived sleep levels during the treatment week, *Previous Week Sleep*, given as average number of minutes of sleep per night. Another quasi-objective measure is constructed by subtracting *Previous Week Sleep* from the subject's self-reported level of optimal sleep (also in minutes per night). The latter measure was elicited at an earlier point in time in the preliminary online screening survey, and so it poses no risk of endogeneity due to the subject's subsequent random treatment assignment. We call this difference the subject's *Personal Sleep Deprivation*. This measure recognizes that some individuals are likely aware of their differential sleep needs compared to others. In addition to these objective sleep level measures, subjects reported their sleepiness on a 1-9 scale (9= most sleepy) commonly used in sleep research, *Karolinska Sleepiness*. Subjects also reported the extent to which the protocol caused them to sleep less or more than typically (ranging between -4 to +4, where 0 was "no effect"), which we called *Treatment Impact*. The subjective measures, *Karolinska Sleepiness* and *Treatment Impact*, were elicited at the end of the sleep treatment week, but before the decision task. Table 2 reports manipulation validity checks for each of these measures, using both our full and compliant samples. Reassuringly, Mann-Whitney tests show a statistically significant difference between the SR and WR groups on these objective and subjective measures ($p < .01$ in all instances). Thus, we have confidence that our design successfully manipulated sleep levels and perceived sleepiness of the subjects in the two randomly assigned sleep conditions.

Figure 1: Sleep Levels by Treatment Assignment



Finally, we note that the variable *Personal Sleep Deprivation (SD)* has an additional use beyond validity checks, in that it can be used as a continuous (non binary) measure of inadequate sleep personalized to perceived sleep need as an alternative to our binary WR/SR treatment assignment. In what follows we shall report results below using both the binary measure of sleep restriction, and this continuous measure of personalized sleep deprivation.

4.2 Sleep and Contributions to Joint Production

In each round of the VCM task, subjects were endowed with 15 tokens and asked to decide how many of them to ‘keep’ or ‘invest’ towards joint production. Each token kept was worth \$.08 in experimental currency to that subject alone, but each token invested was worth \$.05 both to that subject and to each of the other 2 group members as well. Similarly, each token invested by other members of one’s VCM group generated \$.05 of earnings for that subject. In what follows, we refer to tokens invested as “contributions”, which is perhaps more common in the literature. These parameters represent a marginal per capital return (MPCR) on investment of

**Table 2: Compliance with Sleep Protocol (objective and subjective measures)
Means (st dev) in minutes**

| Variable | SR assigned (n=61) | WR assigned (n=65) | Mann-Whitney test (WR-SR) Z-statistic |
|---|------------------------|------------------------|---|
| <i>Previous week sleep</i> (min/night) | 328.32 (.32) | 430.54 (32.14) | 9.43 ($p < .01$) |
| <i>Personal SD</i> (min/night) | 155.61 (67.36) | 58.23 (58.92) | -7.16 ($p < .01$) |
| <i>Karolinska sleepiness</i> [1-9] scale | 6.03 (1.84) | 3.58 (1.40) | -6.71 ($p < .01$) |
| <i>Treatment Impact</i> [-4, +4] scale | -2.87 (1.04) | 1.44 (1.51) | 9.59 ($p < .01$) |
| Variable | SR compliant (n=59) | WR compliant (n=50) | Mann-Whitney test (WR-SR) Z-statistic |
| <i>Previous week sleep</i> (min/night) | 325.65 (22.71) | 443.12 (23.77) | 8.97 ($p < .01$) |
| <i>Personal SD</i> (min/night) | 160.45 (61.95) | 47.08 (53.64) | -7.52 ($p < .01$) |
| <i>Karolinska sleepiness</i> [1, 9] scale | 6.12 (1.78) | 3.75 (1.43) | -6.08 ($p < .01$) |
| <i>Treatment Impact</i> [-4, +4] scale | -2.92 (1.00) | 1.54 (1.47) | 8.88 ($p < .01$) |

Notes: Two non-compliant subjects assigned to SR and one assigned to WR did not provide complete actigraphy data but still provided subjective sleep measures. Including these subjects would lead to n=63 SR-assigned and n=66 WR-assigned subjects. Table 1 measures and tests for *Karolinska sleepiness* and *Treatment impact* are not appreciably affected by the exclusion or inclusion of these subjects.

.625, which implies the standard private incentive to free ride off others' contributions to the public good even though the efficient outcome is full contributions. The exchange rate from experimental currency to US dollars was \$1.00 = US\$0.40 for all but the first of nine cohorts, where it was \$1.00 = US\$0.50. All VCM groups were of size n=3, and subjects played in a partners (fixed groups) design for two 10-round treatments—one with and one without a punishment option. Cohorts 1, 3, 7, 8 and 9 experienced the “No Punishment” treatment first, and cohorts 2, 4, 5 and 6 experienced the “Punishment” treatment first. Subjects were informed of each individual's contributions to the group account after each round. While subjects were aware of the fixed matching protocol, interactions took place anonymously over a computerized network using the online program available within the Veconlab software platform.¹⁴ When punishment was available, it worked as follows. Once subjects were informed of the total contributions of each group member for a round, each could elect to send between 0 and 10 total

¹⁴ Specifically, we used the Voluntary Contributions game option in Veconlab, which can be found at <http://veconlab.econ.virginia.edu/pg/pg.php>.

“punishment points” towards one or both of the other two group members. Each point sent cost the sender \$0.10, such that senders could spend up to \$1 on punishing others following a round. Each point received cost a recipient 10% of his/her earnings that round. In principle, someone could lose as much as 200% of his or her earnings from a given round, though in practice this never happened. Subjects were informed of the identification number of the person sending the punishment points. The potential for ‘round bankruptcy’ was offset by endowing all subjects with \$5 prior to Round 1.

All cohorts of the experiment were run at Appalachian State University between March and November of 2016. Average earnings (in US\$) per subject from the VCM were $\$14.57 \pm \2.31 (min=\$8.94, max=\$20.80) paid in cash at the end of the decision session. Subjects were also compensated a fixed US\$25.00 for sleep protocol compliance, though the fixed payment was sent a few days after the session so that experimenters could download the sleep watch data to verify compliance.¹⁵

Of the nine cohorts of subjects brought through the one week protocol, a change occurred after cohort 1, and a problem emerged with cohort 3. Following cohort 1, the exchange rate from experimental currency to US dollars was lowered from \$0.50 to \$0.40, though relative incentives between investing and keeping tokens were otherwise the same. Of greater concern, a programming error for cohort 3 led to a difference being introduced between the return a contributed token yielded to the investor vs to other group members.¹⁶ While the overall dominant strategy remained free riding (i.e., keeping all tokens for oneself), the exact MPCR differed in cohort 3, as did the complexity of the incentives. For non-parametric analysis, our strategy is to present results with and without cohort 1, and to test whether cohort 3 could be pooled with the other cohorts on our outcomes of interest, and to exclude it if pooling is rejected. In practice, subjects in cohort 3 differed from those in other cohorts in sending punishment when it was available (p -value .005 in two tailed Mann Whitney tests, using individual ten-round averages.) With cohort 3 excluded, subjects in cohort 1 differed from those in the remaining cohorts in the contributions when punishment was not available (p -value = .048). Nonetheless,

¹⁵ The decision task session included two other decision tasks for which subjects earned cash as well, although no payments were given until the end of the session (and order of tasks varied across sessions).

¹⁶ To be specific, in cohort 3 the return to an individual from keeping a token was \$.10 (instead of \$.08), and the return from a token invested was \$.08 for oneself but \$.05 for each of the other 2 group members. Note, however, that the private incentives are to free-ride, while efficiency implies full investments (contributions).

because the exchange rate change in cohort 1 did not affect relative incentives, we report non-parametric analysis with and without it. For regression analysis, however, we retain both cohorts 1 and 3 by including dummy variables for these cohorts, and interactions between these dummies and our sleep treatment variable of interest.

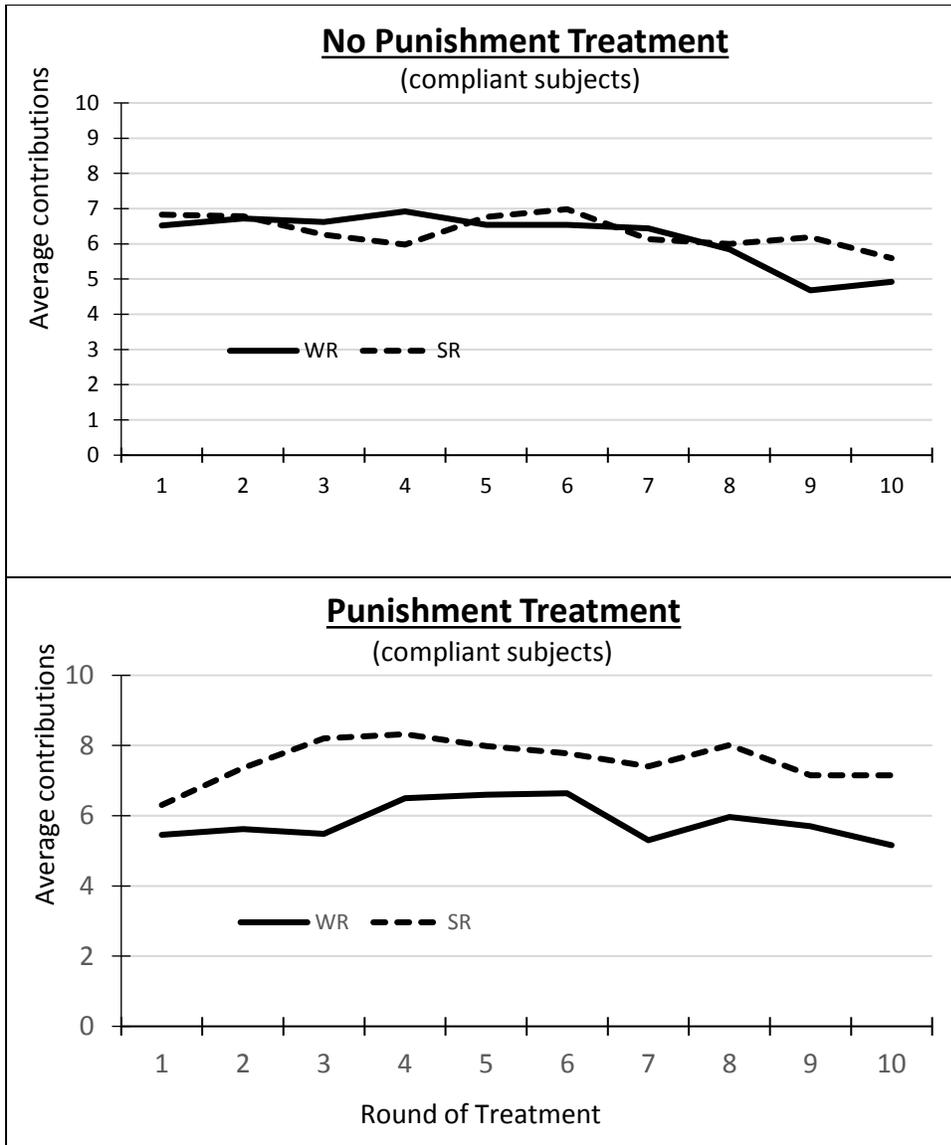
Figure 2 illustrates individual average contributions across rounds (using the compliant individuals from all nine cohorts) for the Punishment and No Punishment treatments. SR and WR subjects seem to behave quite similarly when punishment is not available, whereas SR subjects seem to contribute more than WR subjects when norm enforcement via punishment is available.¹⁷ More subtly, the introduction of punishment seems to lower average WR subject contributions but raise SR subject contributions. To test for treatment effects more formally, we move first to nonparametric tests, and then regression analysis.

Table 3 reports both the 10-round average contributions of (compliant) individuals by sleep treatment, and by whether punishment was available, along with Mann-Whitney tests for sleep effects (Appendix Table 1 provides analogous results when non-compliant subjects are retained). As foreshadowed in Figure 2, SR and WR mean contributions to the group account are similar when punishment is not available; averaged over ten rounds, SR contributions are 6.53 tokens (6.58 without cohort 1), while WR contributions are 5.83 tokens (6.44 without cohort 1). Lack of difference in the mean contributions cannot be rejected (two-tailed p -value = .554 with cohort 1, and .797 without it). When punishment is available, mean SR contributions climb to 7.58 tokens (7.49 without cohort 1), while WR contributions fall to 5.74 tokens (6.27 without cohort 1). Despite the large differences in mean with punishment, the standard deviations are high enough that the difference in the distributions is only marginally significant, with two-tailed p -value = .054 (.303 without cohort 1). Results when using both compliant and non-compliant subjects are presented in Appendix 1.

Moving to regression analysis (Tables 4 and 5), we are again able to test for treatment effects, but also various interaction effects that indicate whether the sleepy and well rested differ in their behavior and response to others. With regressions, we can control for potential

¹⁷ We note that cohort 1, which is rejected from pooling in nonparametric analysis, but included in regression analysis, has an especially pronounced disparity in SR/WR contributions levels.

Figure 2: Average Contribution Levels



differences arising from cohorts 1 and 3, and we can also exploit individual contributions at the round level, rather than averaged over the entire treatment set. We cluster standard errors to the (n=3) group level to recognize the influence group members have on each other's contributions. Because our main treatment of interest, sleep status, is constant for each subject and group compositions are fixed, we do not use fixed effects, but rather pooled cross section regressions. In all specifications we control for round dummies, whether punishment was available, the order

Table 3: Non Parametric Tests for Treatment Effects - Compliant Subjects Only^a

Contributions (Averaged Over 10 Rounds)

| Punishment Not Available | Excluding Cohort 1 | | | Including Cohort 1 | | |
|--------------------------|--------------------|-------------|---------------------------------|--------------------|-------------|---------------------------------|
| | Sleep Restricted | Well Rested | Mann Whitney SR vs WR (p value) | Sleep Restricted | Well Rested | Mann Whitney SR vs WR (p value) |
| Mean | 6.58 | 6.44 | | 6.53 | 5.83 | |
| Stand Dev | 4.57 | 3.64 | 0.797 | 4.42 | 3.75 | 0.554 |
| N | 47 | 36 | | 53 | 42 | |
| Punishment Available | | | | | | |
| Mean | 7.49 | 6.27 | | 7.58 | 5.74 | |
| Stand Dev | 4.02 | 3.87 | 0.303 | 4.06 | 3.96 | 0.054* |
| N | 47 | 36 | | 53 | 42 | |

Punishment Sent (Averaged Over 10 Rounds)

| | Excluding Cohort 1 | | | Including Cohort 1 | | |
|-----------|--------------------|-------------|---------------------------------|--------------------|-------------|---------------------------------|
| | Sleep Restricted | Well Rested | Mann Whitney SR vs WR (p value) | Sleep Restricted | Well Rested | Mann Whitney SR vs WR (p value) |
| Mean | 0.82 | 0.54 | | 0.73 | 0.55 | |
| Stand Dev | 1.51 | 0.73 | 0.466 | 1.44 | 0.69 | 0.960 |
| N | 47 | 36 | | 53 | 42 | |

^a In all cases excluding cohort 3, for which there were programming errors

of punishment availability, dummies for cohorts 1 and 3, and interactions between cohorts 1 and 3 and sleep status. To examine sleep treatment effects, we include a dummy for SR status, and an interaction between SR status and whether punishment was available in that round, *PunishAllow*. Our omitted baseline is thus the average contribution of WR subjects in round 1, with punishment unavailable. To ask whether sleep treatment affects contributions *without* punishment, we test whether the coefficient on the SR dummy differs significantly from zero. To ask whether sleep treatment affects contributions *with* punishment, we test whether the sum of coefficients on SR plus SR**PunishAllow* differs significantly from zero.¹⁸ Though we focus

¹⁸ With punishment available, the relevant total effects for both WR and SR subjects also include the coefficient on the Punishment Allowed dummy, but in comparisons of WR and SR subjects this coefficient cancels out.

primarily here on sleep rather than punishment treatment effects, the coefficient on *PunishAllow* by itself tests how the availability of punishment affects WR (the baseline group's) contributions, while the sum of the coefficients on *PunishAllow* plus the interaction term tests the effect of allowing punishment on the level of SR contributions.

In expanded specifications, we also include individual *i*'s lagged contribution (*Lag Contribution*) in round *t-1*, and the lagged difference of *i*'s contribution from the average of the other two people contributions in round *t-1* (*Lag Deviation of Contribution*). A positive value of this deviation indicates that *i* is contributing more than the other group members. We would expect current contributions to be positively associated with *Lag Contribution* to reflect individual persistence in contribution patterns, and negatively associated with *Lag Deviation of Contribution* to the extent people seek to follow contribution norms, or avoid exploitation by others. In a yet fuller specification, we also control for demographic characteristics that may not have washed out in random assignment between treatments: gender, age, and total score in a 6-item cognitive reflection task.¹⁹ To address the clustering of contributions at the lower permissible bound of zero, we also include a lower bound censored Tobit specification, parallel to our baseline specification. Our results are presented in models 1-3 and 8 of Table 4 for compliant subjects, with analogous results when the non-compliant are included in Appendix 2.

Regression results regarding sleep treatment effects are similar to those found in non-parametric tests. When punishment is not available, sleep restriction has no significant effect on contributions to joint production. The coefficient on SR is negative but not significantly different from zero in models 1-3 and 8 in Table 4 (or Appendix 2). When punishment is available, sleep restriction has a borderline significant positive effect on contributions. As reported in the final row of Table 4, the *p*-value on the relevant test is .123 in model 1, .119 in model 2, .080 in (fullest) model 3, and .078 in (Tobit) model 8. For example, in the fullest OLS specification, SR subjects contribute on average .526 tokens more to joint production than WR subjects ($=-0.059 + 0.585$) when punishment is available. Results when non-compliant subjects are retained are similar, though the joint test loses significance in the Tobit specification.

¹⁹ The cognitive reflection task asks subjects 6 questions where heuristic short cuts might suggest an answer that differs from the correct answer (see Primi et al. 2015). Our scaled measure takes the total score of correct answers, and can range from 0 to 100.

Table 4: Regression Results for Contributions - Compliant Subjects Only

Binary SR WR

| | Treatment Effects | | | | Interaction Effects | | | Censoring |
|-------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | OLS | OLS | OLS | OLS | OLS | OLS | OLS | Tobit |
| Sleep Restricted | -0.085 [0.889] | -0.099 [0.253] | -0.059 [0.253] | 0.251 [0.410] | -0.030 [0.427] | 0.413 [0.302] | 0.459* [0.262] | -0.198 [0.979] |
| SR*PunishAllow | 1.549*** [0.562] | 0.576** [0.244] | 0.585** [0.247] | | 0.587** [0.245] | | | 2.012*** [0.700] |
| Punishment Allowed | -0.333 [0.460] | -0.050 [0.166] | -0.056 [0.168] | 0.261** [0.114] | -0.055 [0.169] | | | -0.465 [0.595] |
| Lag Contribution | | 0.882*** [0.028] | 0.883*** [0.028] | 0.887*** [0.040] | 0.886*** [0.040] | 0.929*** [0.026] | 0.929*** [0.026] | |
| Lag Deviation of Contribution | | -0.317*** [0.042] | -0.329*** [0.039] | -0.329*** [0.039] | -0.329*** [0.039] | -0.367*** [0.060] | -0.367*** [0.060] | |
| Female | | | 0.133 [0.211] | 0.133 [0.208] | 0.130 [0.209] | 0.132 [0.264] | 0.123 [0.268] | |
| Age | | | 0.061*** [0.023] | 0.061*** [0.023] | 0.061*** [0.023] | 0.052** [0.022] | 0.051** [0.023] | |
| Cognitive Reflection Test | | | 0.008* [0.004] | 0.008* [0.004] | 0.008* [0.004] | 0.009* [0.005] | 0.009* [0.005] | |
| SR*Lag Contribution | | | | -0.003 [0.048] | -0.004 [0.048] | | | |
| Lag Punishment Received | | | | | | -0.056 [0.083] | -0.011 [0.142] | |
| SR*Lag Punishment Received | | | | | | | -0.070 [0.186] | |
| Constant | 5.600*** [0.741] | 0.990** [0.457] | -0.126 [0.692] | -0.836 [0.781] | -0.678 [0.778] | -1.677* [0.881] | -0.020 [0.750] | 5.121*** [0.834] |
| Round Dummies | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Order dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 1 dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 3 dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 1 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 3 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| N | 2180 | 1962 | 1962 | 1962 | 1962 | 981 | 981 | 2180 |
| R ² | 0.059 | 0.543 | 0.546 | 0.545 | 0.546 | 0.600 | 0.600 | 0.011 |
| p value SR+SR*PunAllow=0: | 0.123 | 0.119 | 0.080 | | | | | 0.078 |

Standard errors clustered to group level.

Before examining sleep interaction effects, we can also use regression analysis to test for the main effect of an alternative continuous measure of personalized sleep deprivation, *Sleep Deprivation*, on contributions. These are presented in analogous models 1-3 and 8 in Table 5 for compliant subjects, and in Appendix 3 when non-compliant subjects are included. These results confirm that when punishment is not available, more sleep deprived (relative to self-reported optimum) contributed no differently than the less sleep deprived. Similarly, when punishment is available, there is again marginal evidence that the sleep deprived contribute more. The *p*-values from the final row of Table 5 are above the .10 level in models 1-3 and 8, but below the .10 level in models 1 (.061) and 8 (.066) when the personalized sleep deprivation of the non-compliant are retained (Appendix Table 3). For example, in the sparse OLS model 1 of Appendix Table 3, a 60-min nightly increase in one's sleep deprivation was associated with a .54 token increase in contributions, on average ($=60*(.002+.007)$). In short, when focused on main treatment effects, we find that SR subjects do not differ from well-rested subjects in contributing to joint production when peer punishment of free riders is unavailable, but borderline evidence that SR subjects contribute more when costly peer-punishment is available.

Of equal interest to whether contribution levels vary by treatment is whether treated subjects differ in their contributions response to the availability of peer punishment or to the behavior of other group members. These questions we investigate by focusing on the interaction term coefficient estimates in the models of Tables 4 and 5. Most strikingly here, the coefficient on the *SR*PunishAllowed* interaction term is significant at the 5% level or better in all specifications of Table 4. The positive sign of this interaction indicates that SR subjects respond differently in their contribution behavior than do WR subjects to the availability of peer punishment. Specifically, adding the option of norm enforcement via peer punishment raises SR subjects' contributions by significantly more than it does WR subjects' contributions (.585 tokens more in the fullest OLS specification of model 3). The effects are estimated somewhat less precisely in Table 5 with the personalized sleep deprivation measure, but the direction of effect is the same, and is significant at the 10% level or better in five of size models, and narrowly missing this level in model 1. We thus have robust evidence that sleep restriction makes people respond differently to the possibility of sending and receiving punishment – they respond to this change by increasing their contributions more so than WR subjects.

Table 5: Regression Results for Contributions - Compliant Subjects Only

Personalized Sleep Deprivation

| | Treatment Effects | | | | Interaction Effects | | | Censoring |
|-------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | OLS | OLS | OLS | OLS | OLS | OLS | OLS | Tobit |
| Sleep Deprivation | 0.003 [0.005] | -0.001 [0.002] | -0.001 [0.002] | -0.002 [0.002] | -0.004 [0.002] | 0.002 [0.002] | 0.002 [0.002] | 0.002 [0.006] |
| SleepDep*PunishAllow | 0.005 [0.003] | 0.003** [0.001] | 0.003** [0.001] | | 0.003* [0.001] | | | 0.007* [0.004] |
| Punishment Allowed | -0.058 [0.472] | -0.061 [0.191] | -0.066 [0.194] | 0.245** [0.114] | -0.061 [0.211] | | | -0.102 [0.595] |
| Lag Contribution | | 0.890*** [0.026] | 0.893*** [0.026] | 0.838*** [0.040] | 0.838*** [0.040] | 0.939*** [0.026] | 0.939*** [0.025] | |
| Lag Deviation of Contribution | | -0.323*** [0.042] | -0.336*** [0.040] | -0.335*** [0.040] | -0.335*** [0.040] | -0.370*** [0.061] | -0.370*** [0.061] | |
| Female | | | 0.136 [0.216] | 0.194 [0.221] | 0.193 [0.221] | 0.142 [0.277] | 0.147 [0.276] | |
| Age | | | 0.055** [0.023] | 0.053** [0.023] | 0.054** [0.023] | 0.045** [0.022] | 0.046* [0.023] | |
| Cognitive Reflection Test | | | 0.008* [0.004] | 0.008** [0.004] | 0.008** [0.004] | 0.009* [0.005] | 0.009* [0.005] | |
| SD*Lag Contribution | | | | 0.000** [0.000] | 0.000** [0.000] | | | |
| Lag Punishment Received | | | | | | -0.029 [0.077] | 0.142 [0.529] | |
| SD*Lag Punishment Received | | | | | | | 0.000 [0.001] | |
| Constant | 5.260*** [0.704] | 0.992** [0.446] | -0.576 [0.754] | -0.388 [0.764] | -0.245 [0.766] | 0.094 [0.750] | 0.080 [0.752] | 4.803*** [0.822] |
| Round Dummies | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Order dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 1 dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 3 dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| SleepDep*Session 1 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| SleepDep*Session 3 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| N | 2180 | 1962 | 1962 | 1962 | 1962 | 981 | 981 | 2180 |
| R ² | 0.039 | 0.543 | 0.546 | 0.547 | 0.547 | 0.598 | 0.598 | 0.007 |
| p value SD+SD*PunAllow=0: | 0.107 | 0.264 | 0.197 | | | | | 0.127 |

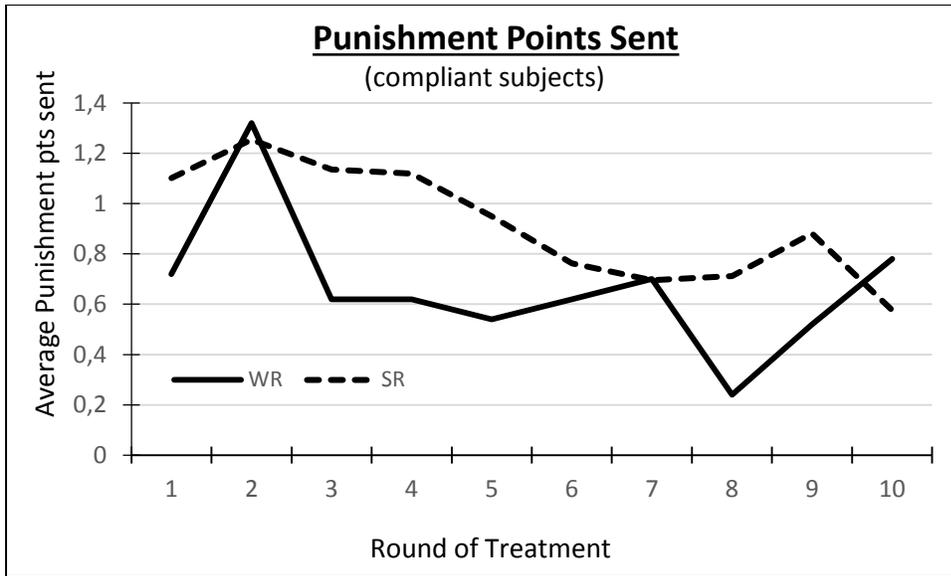
Standard errors clustered to group level.

To test whether SR and WR subjects also respond differently to the behavior of others within the experiment, we introduce other interaction terms in models 4-7 of Tables 4 and 5. First, to test the possibility that SR subjects are less attentive than WR subjects to the evolving contributions of other group members, we introduce an interaction between SR and lagged contribution in models 4 and 5. Using the binary WR/SR classification of Table 4, we do not find that SR subjects' current contributions are more dependent on their lagged contributions than WR subject contributions. In contrast, when using the continuous measures of sleep deprivation we do find that the more sleep deprived subjects' contributions are more influenced by their lagged contributions in models 4 and 5 of Table 5. However, the magnitude of the effect is very small. Second, to test the possibility that SR subjects respond differently than WR subjects to receiving punishment, we first introduce *Lagged Punishment Received* in model 6 of Tables 4 and 5, and then an interaction sleep status in model 7 (note: these models can only be run on the Punishment treatment data, hence the reduced number of observations). Here, we find no evidence that either SR or personally sleep deprived subjects respond differently to the more well rested in terms of subsequent contributions when receiving punishment from others. Thus, where contributions are concerned, we find that the SR respond to the option of peer punishment differently than do WR subjects. But SR subjects base contribution levels are no different than WR subjects, and neither do their contributions respond differently to receiving punishment from others compared to WR subjects.

4.3 Sleep and Punishing Others

Because subjects were not aware of the sleep status of the individuals in their group, we focus on their punishment-sending, rather than receiving, behavior. Figure 3 illustrates the average number of punishment points that (compliant) individuals sent by round, by sleep restriction treatment. When available for norm enforcement, SR subjects appear to send more punishment to other group members than WR subjects. To test whether this apparent difference is statistically significant, we proceed with analysis analogous to that performed for contributions, both for treatment effects and interactions effects.

Figure 3: Average Punishment Points Sent



The lower panel of Table 3 shows the average number of punishment points sent by compliant SR and WR subjects averaged over a ten round set, either with or without cohort 1. Analogous results that include non-compliant SR and WR subjects are in Appendix Table 1. SR subjects sent .73 points on average (.82 points excluding cohort 1), while WR subjects sent .55 points (.54 points), but these differences are not statistically significant (two-tailed Mann-Whitney p -value = .960, or .466 without cohort 1).

We can look again for treatment effects using regression analysis in Table 6, as well as for differential reactions of SR and WR subjects to the behavior of others using interaction effects. As with the contributions analysis, controls for round, order, cohorts 1 or 3 and their possible interaction with SR status are included. A control is also now included to capture the impact of a positive deviation of the individual's contributions from the average of the other two group members in the current round, because this information is common knowledge in the experimental setting prior to making one's punishment choices for that decision round. Beginning with treatment effects, in all of models 1-3 (OLS) and 6 (Tobit) specifications, we find as with nonparametric tests that SR and WR subjects do not differ in the punishment they send others. The coefficient on SR is positive, but never significantly different from zero. Identical results hold when non-compliant subjects are included in Appendix Table 4. Somewhat curiously, when we move to using the continuous personalized measure of sleep deprivation

Table 6: Regression Results for Punishment Sent - Compliant Subjects Only

Binary SR WR

| | Treatment Effects | | | Interactions | | Censoring |
|--------------------------------------|--------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| | OLS | OLS | OLS | OLS | OLS | Tobit |
| Sleep Restricted | 0.209 [0.237] | 0.194 [0.183] | 0.207 [0.183] | 0.196 [0.176] | 0.055 [0.156] | 0.167 [1.084] |
| Deviation from Others' Contributions | 0.051 [0.036] | 0.053* [0.031] | 0.051 [0.031] | 0.005 [0.023] | 0.052* [0.029] | 0.181* [0.093] |
| Lagged Punishment Received | | 0.373*** [0.062] | 0.372*** [0.060] | 0.382*** [0.063] | 0.225** [0.086] | |
| Female | | | -0.000 [0.153] | -0.000 [0.156] | 0.028 [0.155] | |
| Age | | | 0.006 [0.018] | 0.006 [0.017] | 0.009 [0.020] | |
| Cognitive Reflection Test | | | 0.003 [0.002] | 0.002 [0.002] | 0.003 [0.002] | |
| SR*Dev from Others' Contributions | | | | 0.093* [0.055] | | |
| SR*Lagged Punishment Received | | | | | 0.227** [0.098] | |
| Constant | 0.962** [0.363] | 0.218 [0.192] | -0.015 [0.505] | 0.014 [0.479] | -0.031 [0.525] | -3.220** [1.512] |
| Round Dummies | Yes | Yes | Yes | Yes | Yes | Yes |
| Order dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 1 dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 3 dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 1 | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 3 | Yes | Yes | Yes | Yes | Yes | Yes |
| N | 1090 | 981 | 981 | 981 | 981 | 1090 |
| R ² | 0.100 | 0.208 | 0.209 | 0.221 | 0.218 | 0.046 |

Standard errors clustered to group level.

rather than the binary SR/WR assignment in Table 7, we find that the coefficient on sleep deprivation is negative, though significant only at the 10% level, and only in the Tobit specification. There, an additional 60 minutes of *Personal Sleep Deprivation* per night is associated with a reduction of .48 punishment points sent ($=60*0.008$). This negative association between personal sleep deprivation and punishment sent is moderately strengthened when non-compliant subjects are included in Appendix Table 5. There sleep deprivation is significantly negatively associated with amount of punishment sent in sparse OLS or Tobit models, though still not in fuller OLS models.

In short, when focused on treatment main effects, we do not find evidence that SR affects the quantity of punishment that subjects send to other group members. Yet we find suggestive evidence that subjects who are more sleep deprived relative to their own optimal quantity of sleep send *less* punishment than do less sleep deprived subjects. This effect is weakened by the inclusion of additional covariates in Table 7, but strengthened by the inclusion of non-compliant subjects in Appendix Table 5.

We next use the regressions of Tables 6 and 7 to ask whether the sleepy and well-rested differ in their response to the behavior of others in their groups when it comes to sending punishment. First, to test the possibility that SR subjects respond differently to WR subjects upon learning that they contributed more than other group members, in model 4 of Table 6 we include an $SR * Deviation\ from\ others' Contributions$ interaction term. We find it positive and significant at the 10% level, suggesting SR subjects' punishment choices respond more than WR subjects' choices to learning about their own above-group-average contributions. However, we do not find this result persists when we move to the analogous model 4 with personalized sleep deprivation in Table 7, where the interaction term is not significant. Second, to test the possibility that SR subjects send punishment differently to WR subjects upon have received punishment in the prior round, in model 5 of Table 6 we include an $SR * Lagged\ Punishment\ Received$ variable. This interaction term is positive and significant. Thus, while all subjects are on average more likely to send punishment to other group members if they received punishment in the previous round, the effect is much more pronounced for SR subjects than for WR subjects. From model 5 in Table 6, a one unit increase in lagged punishment received is associated with a .225 unit increase in punishment sent by WR subjects, but by a .452 unit increase by SR subjects.

Table 7: Regression Results for Punishment Sent - Compliant Subjects Only

Personalized Sleep Deprivation

| | Treatment Effects | | | Interactions | | Censoring |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| | 1 OLS | 2 OLS | 3 OLS | 4 OLS | 5 OLS | 6 Tobit |
| Sleep Deprivation | -0.001 [0.001] | -0.001 [0.001] | -0.001 [0.001] | -0.001 [0.001] | -0.001 [0.001] | -0.008* [0.005] |
| Deviation from Others' Contributions | 0.053 [0.037] | 0.055* [0.032] | 0.053* [0.031] | 0.100* [0.052] | 0.053 [0.032] | 0.180** [0.089] |
| Lagged Punishment Received | | 0.382*** [0.052] | 0.382*** [0.051] | 0.367*** [0.048] | 0.388*** [0.082] | |
| Female | | | 0.017 [0.158] | 0.001 [0.153] | 0.017 [0.157] | |
| Age | | | -0.000 [0.017] | -0.000 [0.017] | -0.000 [0.017] | |
| Cognitive Reflection Test | | | 0.003 [0.002] | 0.003 [0.002] | 0.003 [0.002] | |
| SD*Dev from Others' Contributions | | | | -0.000 [0.000] | | |
| SD*Lagged Punishment Received | | | | | -0.000 [0.001] | |
| Constant | 1.216*** [0.353] | 0.681*** [0.249] | 0.562 [0.556] | 0.549 [0.547] | 0.561 [0.554] | -2.319* [1.287] |
| Round Dummies | Yes | Yes | Yes | Yes | Yes | Yes |
| Order dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 1 dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 3 dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| SleepDep*Session 1 | Yes | Yes | Yes | Yes | Yes | Yes |
| SleepDep*Session 3 | Yes | Yes | Yes | Yes | Yes | Yes |
| N | 1090 | 981 | 981 | 981 | 981 | 1090 |
| R ² | 0.094 | 0.206 | 0.207 | 0.212 | 0.207 | 0.043 |

Standard errors clustered to group level.

Curiously, again we do not find this result persists when we move to the analogous model 5 with personalized sleep deprivation, where the interaction term is not significant. Thus, where sending punishment is concerned, SR subjects may be more sensitive than WR subjects to giving more than others in their group, or to having received punishment from others, though our effect is not robust to changing the sleep control to the continuous personal sleep deprivation measure.

5. Discussion and Conclusion

Surveys and time use studies over recent years have shown that the proportion of the adult population getting less than 6 hours of sleep per night is increasing, possibly due in part to increased labour hours by workers in higher education/skill roles (Ford et al., 2015; Robinson and Michelson, 2010; Aguir and Hurst, 2009). What effects could such mild but persistent sleep restriction have on people's contributions to joint production, whether in the home, community organizations, or the workplace? This paper reports on the first study we know of that examines the effect of insufficient sleep on joint production in a lab experiment. In particular, we examine the effect of randomly assigned partial but chronic (one week) sleep restriction on choices in a public goods provision environment using the voluntary contribution mechanism (VCM) both with and without the option of norm enforcement through costly peer punishment. We primarily compare the contributions and punishment behavior of subjects who averaged ≤ 6.25 hrs/night of objectively measured sleep over the past week with that of subjects who slept ≥ 6.75 hrs/night. This comparison is somewhat in line with average sleep levels in adult populations who are considered to suffer from insufficient sleep compared to recommended nightly sleep levels. For robustness, we repeat our analysis to include those subjects who did not comply with their assigned sleep prescription. We also conduct analysis with continuous measures of sleep deprivation, which we define as the difference between a subject's objectively measured nightly sleep and his/her self-reported optimal nightly sleep—this continuous measure of personal sleep deprivation represents an alternative to binary SR classification as the regressor of interest.

Contrary to our initial expectations, we do not find that SR subjects are less pro-social in VCM contributions compared to WR subjects, nor do we find that they are more 'trigger happy' in sending costly punishment to others when it is available. Rather, we find that in the absence of a peer-punishment option, SR subjects do not differ in their contributions or amount of

punishment sent compared to WR subjects. In fact, when costly peer punishment is available, we find weak evidence that the SR subjects contribute *more* (or invest more) to joint production than WR subjects, though the difference is not as precisely estimated as one might like (i.e., $p < .10$ only). However, we find clearer evidence of differences when we move from main effects to interactions: SR subjects' marginal contribution response (as opposed to their level of contribution) to punishment availability is significantly higher than that of WR subjects. This finding is consistent with the hypothesis that SR subjects increase contributions in response to the threat of punishment more than do WR subjects. Alternatively, this result may reflect SR subjects being more averse to the losses they would incur if punished.

Regarding the choice to administer costly punishment, we report that SR subjects do not punish more than WR subjects, in general, and we even find weak evidence that punishment sent is *decreasing* in the level of subjects' personal sleep deprivation. However, when we examine interactions, we find weak evidence that SR subjects may be more responsive than WR subjects to the difference between their own contributions and the other group members' contributions (i.e., more prone to social comparisons). Also, SR subjects may be more prone to retaliate by sending punishment if they receive punishment in the previous round. By itself, a lesser willingness to punish implies a lesser willingness to engage in altruistic norm enforcement that would benefit the group. Of course, some punishment may not be altruistically motivated, such as the retaliatory punishment that results from receiving punishment in the previous round. So, while we caution that our results regarding SR subjects' willingness to punish are only weakly estimated at best, they are in a direction that is somewhat intuitive. That is, SR subjects are less willing to help group outcomes by punishing to enforce norms ($p < .10$ in only one specification of Table 7), but they have an increased tendency to punish-back if punished themselves ($p < .05$ in the specification of Table 6).

Overall, our two strongest findings seem to be 1) a lack of evidence that SR subjects contribute any differently to joint production than WR subjects when peer punishment is unavailable, and 2) robust evidence that sleep restriction increases the marginal impact of punishment availability on contributions. From one estimate, the introduction of possible peer punishment makes SR subjects raise their contributions by .6 tokens more than do WR subjects.

These results can be looked at in the context of previous findings from related sleep research on different tasks. Findings in Dickinson and McElroy (2017) as well as those in Anderson and Dickinson (2010) suggest partial sleep restriction reduces subjects' prosocial behaviors and total sleep deprivation leads to choices that limit potential losses in social exchange, respectively. While increased contributions in VCM environments are generally considered a cooperative and prosocial behavior, increased contributions in the shadow of punishment threat can be viewed as a way to limit risk of sanction from peers (i.e., not a pro-social motivation). Because SR subjects respond to the introduction of punishment more than WR subjects, the present results are somewhat consistent the findings in the literature suggestion sleep restriction makes one more averse to loss in social exchange. At the same time, we do not find a general reduction in pro-social contributions among SR subjects when peer-punishment is not available.

There are caveats in applying findings such as ours from lab experiments to the field. One might argue that the social distance between the members of the group in our laboratory VCM is far greater than that between members of families, volunteer groups, or work teams (see Hoffman et al., 1996). But what we can say is that our results do not provide *prima facie* evidence to suggest that recent patterns of reduced sleep and longer working hours among some sectors of the labour market are harming joint production in the home or workplace. If anything, norm enforcement through behavioral “sticks” may motivate sleepy individuals to be somewhat more cooperative in order to avoid feeling the sting of punishment.

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Appendix Table 1: Non Parametric Tests for Treatment Effects - Compliant plus Non-compliant^a

Contributions (Averaged Over 10 Rounds)

| Punishment Not Available | Excluding Cohort 1 | | | Including Cohort 1 | | |
|--------------------------|--------------------|-------------|---------------------------------|--------------------|-------------|---------------------------------|
| | Sleep Restricted | Well Rested | Mann Whitney SR vs WR (p value) | Sleep Restricted | Well Rested | Mann Whitney SR vs WR (p value) |
| Mean | 6.61 | 6.83 | | 6.56 | 6.23 | |
| Stand Dev | 4.47 | 4.04 | 0.667 | 4.34 | 4.14 | 0.675 |
| N | 49 | 49 | | 55 | 56 | |

Punishment Available

| | | | | | | |
|-----------|------|------|-------|------|------|-------|
| Mean | 7.44 | 6.64 | | 7.54 | 6.10 | |
| Stand Dev | 3.95 | 4.00 | 0.525 | 3.99 | 4.12 | 0.112 |
| N | 49 | 49 | | 55 | 56 | |

Punishment Sent (Averaged Over 10 Rounds)

| | Excluding Cohort 1 | | | Including Cohort 1 | | |
|-----------|--------------------|-------------|---------------------------------|--------------------|-------------|---------------------------------|
| | Sleep Restricted | Well Rested | Mann Whitney SR vs WR (p value) | Sleep Restricted | Well Rested | Mann Whitney SR vs WR (p value) |
| Mean | 0.83 | 0.64 | | 0.75 | 0.62 | |
| Stand Dev | 1.49 | 1.03 | 0.503 | 1.42 | 0.97 | 0.976 |
| N | 49 | 49 | | 55 | 56 | |

^a In all cases excluding cohort 3, for which there were programming errors

Appendix Table 2: Regression Results for Contributions - Compliant and Noncompliant Subjects

Binary SR WR

| | Treatment Effects | | | | Interaction Effects | | | Censorin |
|-------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | 1 OLS | 2 OLS | 3 OLS | 4 OLS | 5 OLS | 6 OLS | 7 OLS | 8 Tobit |
| Sleep Restricted | -0.446 [0.869] | -0.149 [0.269] | -0.102 [0.261] | 0.097 [0.414] | -0.176 [0.437] | 0.380 [0.275] | 0.318 [0.261] | -0.587 [0.956] |
| SR*PunishAllow | 1.477*** [0.488] | 0.563** [0.232] | 0.577** [0.237] | | 0.573** [0.235] | | | 1.891*** [0.601] |
| Punishment Allowed | -0.346 [0.418] | -0.062 [0.145] | -0.069 [0.148] | 0.205* [0.103] | -0.071 [0.151] | | | -0.454 [0.527] |
| Lag Contribution | | 0.881*** [0.027] | 0.880*** [0.027] | 0.876*** [0.040] | 0.875*** [0.040] | 0.919*** [0.026] | 0.919*** [0.026] | |
| Lag Deviation of Contribution | | -0.324*** [0.038] | -0.339*** [0.036] | -0.339*** [0.037] | -0.339*** [0.037] | -0.379*** [0.056] | -0.378*** [0.056] | |
| Female | | | 0.217 [0.188] | 0.228 [0.196] | 0.226 [0.196] | 0.189 [0.236] | 0.199 [0.236] | |
| Age | | | 0.067*** [0.024] | 0.067*** [0.023] | 0.067*** [0.024] | 0.059** [0.023] | 0.059** [0.023] | |
| Cognitive Reflection Test | | | 0.010*** [0.004] | 0.010*** [0.004] | 0.010*** [0.004] | 0.010** [0.004] | 0.010** [0.004] | |
| SR*Lag Contribution | | | | 0.013 [0.050] | 0.011 [0.050] | | | |
| Lag Punishment Received | | | | | | -0.110 [0.075] | -0.157 [0.121] | |
| SR*Lag Punishment Received | | | | | | | 0.087 [0.171] | |
| Constant | 6.212*** [0.798] | 1.019** [0.422] | -0.925 [0.738] | -1.030 [0.767] | -0.890 [0.768] | -1.370* [0.776] | -1.357* [0.768] | 5.818*** [0.882] |
| Round Dummies | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Order dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 1 dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 3 dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 1 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 3 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| N | 2520 | 2268 | 2268 | 2268 | 2268 | 1134 | 1134 | 2520 |
| R ² | 0.059 | 0.539 | 0.544 | 0.543 | 0.544 | 0.591 | 0.591 | 0.012 |
| p value SR+SR*PunAllow=0: | 0.241 | 0.147 | 0.083 | | | | | 0.168 |

Standard errors clustered to group level.

Appendix Table 3: Regression Results for Contributions - Compliant and Noncompliant Subjects

Personalized Sleep Deprivation

| | Treatment Effects | | | | Interaction Effects | | | Censoring |
|-------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | OLS | OLS | OLS | OLS | OLS | OLS | OLS | Tobit |
| Sleep Deprivation | 0.002 [0.005] | -0.001 [0.002] | -0.000 [0.002] | -0.002 [0.002] | -0.004 [0.002] | 0.002 [0.002] | 0.001 [0.002] | 0.001 [0.005] |
| SleepDep*PunishAllow | 0.007*** [0.003] | 0.003** [0.001] | 0.003** [0.001] | | 0.003** [0.001] | | | 0.009*** [0.003] |
| Punishment Allowed | -0.355 [0.446] | -0.096 [0.174] | -0.101 [0.177] | 0.189* [0.102] | -0.116 [0.194] | | | -0.467 [0.560] |
| Lag Contribution | | 0.887*** [0.026] | 0.888*** [0.025] | 0.835*** [0.039] | 0.834*** [0.039] | 0.928*** [0.025] | 0.927*** [0.024] | |
| Lag Deviation of Contribution | | -0.328*** [0.039] | -0.344*** [0.037] | -0.345*** [0.037] | -0.344*** [0.037] | -0.381*** [0.057] | -0.379*** [0.057] | |
| Female | | | 0.239 [0.194] | 0.286 [0.198] | 0.285 [0.198] | 0.229 [0.250] | 0.234 [0.246] | |
| Age | | | 0.064*** [0.024] | 0.062*** [0.023] | 0.062*** [0.023] | 0.054** [0.022] | 0.056** [0.024] | |
| Cognitive Reflection Test | | | 0.011*** [0.004] | 0.011*** [0.004] | 0.011*** [0.004] | 0.011** [0.004] | 0.011** [0.004] | |
| SD*Lag Contribution | | | | 0.000** [0.000] | 0.000** [0.000] | | | |
| Lag Punishment Received | | | | | | -0.092 [0.072] | 0.191 [0.530] | |
| SD*Lag Punishment Received | | | | | | | 0.001 [0.001] | |
| Constant | 5.804*** [0.802] | 1.002** [0.413] | -0.934 [0.737] | -0.728 [0.761] | -0.572 [0.766] | -1.353* [0.770] | -0.147 [0.750] | 5.444*** [0.893] |
| Round Dummies | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Order dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 1 dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 3 dummy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 1 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 3 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| N | 2520 | 2268 | 2268 | 2268 | 2268 | 1134 | 1134 | 2520 |
| R ² | 0.041 | 0.539 | 0.543 | 0.544 | 0.544 | 0.589 | 0.589 | 0.008 |
| p value SD+SD*PunAllow=0: | 0.061 | 0.227 | 0.140 | | | | | 0.066 |

Standard errors clustered to group level.

Appendix Table 4: Regression Results for Punishment Sent - Compliant and Noncompliant Subjects

Binary SR WR

| | Treatment Effects | | | Interactions | | Censoring |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 1 OLS | 2 OLS | 3 OLS | 4 OLS | 5 OLS | 6 Tobit |
| Sleep Restricted | 0.162 [0.225] | 0.191 [0.161] | 0.203 [0.155] | 0.179 [0.141] | 0.060 [0.148] | 0.310 [0.905] |
| Deviation from Others' Contributions | 0.039 [0.033] | 0.046 [0.029] | 0.042 [0.029] | 0.000 [0.022] | 0.043 [0.027] | 0.148* [0.087] |
| Lagged Punishment Received | | 0.344*** [0.057] | 0.341*** [0.055] | 0.347*** [0.059] | 0.232*** [0.055] | |
| Female | | | 0.062 [0.119] | 0.061 [0.123] | 0.086 [0.123] | |
| Age | | | 0.016 [0.020] | 0.017 [0.019] | 0.017 [0.020] | |
| Cognitive Reflection Test | | | 0.002 [0.002] | 0.002 [0.002] | 0.003 [0.002] | |
| SR*Dev from Others' Contributions | | | | 0.095* [0.055] | | |
| SR*Lagged Punishment Received | | | | | 0.203*** [0.075] | |
| Constant | 1.089*** [0.352] | 0.462** [0.226] | -0.003 [0.549] | 0.009 [0.528] | -0.239 [0.511] | -3.246** [1.348] |
| Round Dummies | Yes | Yes | Yes | Yes | Yes | Yes |
| Order dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 1 dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 3 dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 1 | Yes | Yes | Yes | Yes | Yes | Yes |
| SR*Session 3 | Yes | Yes | Yes | Yes | Yes | Yes |
| N | 1260 | 1134 | 1134 | 1134 | 1134 | 1260 |
| R ² | 0.084 | 0.183 | 0.185 | 0.196 | 0.193 | 0.040 |

Standard errors clustered to group level.

Appendix Table 5: Regression Results for Punishment Sent - Compliant and Noncompliant Subjects

Personalized Sleep Deprivation

| | Treatment Effects | | | Interactions | | Censoring |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 1 OLS | 2 OLS | 3 OLS | 4 OLS | 5 OLS | 6 Tobit |
| Sleep Deprivation | -0.002** [0.001] | -0.001 [0.001] | -0.001 [0.001] | -0.001 [0.001] | -0.002* [0.001] | -0.011*** [0.004] |
| Deviation from Others' Contributions | 0.041 [0.034] | 0.047 [0.030] | 0.044 [0.030] | 0.088* [0.046] | 0.047 [0.030] | 0.146* [0.085] |
| Lagged Punishment Received | | 0.349*** [0.052] | 0.348*** [0.050] | 0.338*** [0.047] | 0.283*** [0.074] | |
| Female | | | 0.062 [0.125] | 0.049 [0.121] | 0.059 [0.124] | |
| Age | | | 0.009 [0.020] | 0.010 [0.020] | 0.010 [0.020] | |
| Cognitive Reflection Test | | | 0.002 [0.002] | 0.003 [0.002] | 0.002 [0.002] | |
| SD*Dev from Others' Contributions | | | | -0.000* [0.000] | | |
| SD*Lagged Punishment Received | | | | | 0.001 [0.001] | |
| Constant | 1.381*** [0.356] | 0.427** [0.162] | 0.095 [0.538] | 0.321 [0.576] | 0.380 [0.588] | -1.984* [1.190] |
| Round Dummies | Yes | Yes | Yes | Yes | Yes | Yes |
| Order dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 1 dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| Session 3 dummy | Yes | Yes | Yes | Yes | Yes | Yes |
| SleepDep*Session 1 | Yes | Yes | Yes | Yes | Yes | Yes |
| SleepDep*Session 3 | Yes | Yes | Yes | Yes | Yes | Yes |
| N | 1260 | 1134 | 1134 | 1134 | 1134 | 1260 |
| R ² | 0.083 | 0.182 | 0.183 | 0.188 | 0.185 | 0.042 |

Standard errors clustered to group level.