

Erkut, Hande

Working Paper

Social norms and preferences for generosity are domain dependent

WZB Discussion Paper, No. SP II 2018-207

Provided in Cooperation with:

WZB Berlin Social Science Center

Suggested Citation: Erkut, Hande (2018) : Social norms and preferences for generosity are domain dependent, WZB Discussion Paper, No. SP II 2018-207, Wissenschaftszentrum Berlin für Sozialforschung (WZB), Berlin

This Version is available at:

<https://hdl.handle.net/10419/190799>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



Hande Erkut

Social norms and preferences for generosity are domain dependent

Discussion Paper

SP II 2018–207

December 2018

WZB Berlin Social Science Center

Research Area

Markets and Choice

Research Unit

Market Behavior

Wissenschaftszentrum Berlin für Sozialforschung gGmbH
Reichpietschufer 50
10785 Berlin
Germany
www.wzb.eu

Copyright remains with the author(s).

Discussion papers of the WZB serve to disseminate the research results of work in progress prior to publication to encourage the exchange of ideas and academic debate. Inclusion of a paper in the discussion paper series does not constitute publication and should not limit publication in any other venue. The discussion papers published by the WZB represent the views of the respective author(s) and not of the institute as a whole.

Hande Erkut

Social norms and preferences for generosity are domain dependent

Affiliation of the author:

Hande Erkut

WZB Berlin Social Science Center

Abstract

Social norms and preferences for generosity are domain dependent

by Hande Erkut^{*}

Experimental research on generosity has focused predominantly on behavior in the monetary domain, although many real life decisions take place in the non-monetary domain. Investigating generosity preferences in the non-monetary domain is important to understand a large class of situations ranging from effort provision at work to individual CO₂ emissions. This study explores whether generosity differs between the monetary and non-monetary domains and if so why. The results show that preferences for generosity are different between domains and that different social norms of allocation can explain the greater levels of generosity in the non-monetary compared to the monetary domain.

Keywords: generosity, dictator game, non-monetary domain, GARP, social norms

JEL classification: D030, D640, C910

^{*} E-mail: hande.erkut@wzb.eu.

Acknowledgments: I am grateful to my PhD supervisors Arno Riedl and Ronald Peeters for their feedback on this piece of work. Also, I would like to thank my colleagues, friends, and participants at a number of seminars and conferences for their helpful comments, and especially Kai Barron, Steffen Huck, Dorothea Kübler, Levent Neyse, Roel van Veldhuizen, and Roberto Weber for reading later drafts of this paper and providing detailed comments and suggestions. I acknowledge financial support from GSBE at Maastricht University.

1 Introduction

Imagine that you are walking down a street, and a stranger asks you for €10. What would your reaction be? Now, imagine that a stranger approaches you and asks you to help him carry a heavy suitcase. What would your reaction be this time? Are you more likely to help a stranger carry a suitcase or to give him money?

In everyday life, we face both possible decisions: whether to help someone by giving him money or to give someone a helping hand with an unpleasant task. We help strangers by donating money to charities, and help friends and family by giving money when times are tough. We also help colleagues with work-related tasks, we would help a friend paint her house, and a stranger carry his luggage up the stairs. Either way, sharing a non-pecuniary burden and sharing money has some cost to us, and it is not clear whether we evaluate these costs differently and show different levels of generosity as a result.

This study experimentally investigates whether people exhibit different generosity levels when sharing money and sharing a non-monetary burden, and it explores possible reasons for this difference. Investigating generosity in the monetary and the non-monetary domains is important for two reasons. First, it is important in order to test the external validity of social preference research. Experiments investigating social preferences are generally conducted in the monetary domain, and it is not clear whether the results of these experiments will extend to the non-monetary domain. Second, it is important when seeking to design optimal mechanisms for fundraising for money and non-monetary resources, and for volunteering.

The first research question of this study is “*Do generosity levels differ between the monetary and the non-monetary domain?*” Many experimental studies use the dictator game, where a person (dictator) allocates a given pie between herself and another person (recipient), as the workhorse for measuring generosity. In a dictator game, a dictator’s generosity is measured by the proportion of the pie she gives to the recipient. In the current experiment, I compare the choices in a standard monetary dictator game with a non-monetary version of the dictator game where participants allocate time spent listening to an aversive tone (90 dB and 2083 Hz). Aversive tones are commonly used as the non-monetary bad in psychology experiments (e.g., Grillon 2002; Neumann et al. 2008), including those on social settings

(e.g., Katz et al. 1979; Twenge et al. 2001).

Both psychology and economics have examined non-monetary domain decisions. Psychologists' investigations in the non-monetary domain suggest that people are willing to give up personal benefits in order to help someone by spending time or by reducing someone's pain (Batson and Toi 1982; Batson et al. 1988). In economics, two studies that compare generosity in the monetary and the non-monetary domains suggest that people are more generous in the non-monetary domain than in the monetary one (Davis et al. 2015; Story et al. 2015). However, another study (Noussair and Stoop 2015) that compares generosity between domains finds no difference between generosity levels. Hence, the economics literature is inconclusive.

One reason for the inconclusiveness of the literature might be that none of the aforementioned studies performed a thorough initial calibration of stake sizes in the monetary and non-monetary domains. The generosity in the non-monetary domain might not be comparable to the generosity in the monetary domain if monetary and non-monetary stakes are of different sizes. In order to control for that, I ran a calibration experiment where I elicited the values subjects assign to the tone, and used these values to equalize the monetary value of the pies in different domains. Once the pies have been calibrated, the results of the current study show that generosity is larger in the non-monetary domain than in the monetary domain. This result is robust to controlling for the positive versus negative framing of the allocation situation.

Three explanations may be considered for why there may be greater generosity in the non-monetary domain than in the monetary domain. These explanations concern the mistakes people make while maximizing their utility functions, possible differences in a person's valuation of the tone for self and for another person, and possible differences in social norms for the allocation of money and tone. The first explanation focuses on the possible differences in utility maximizing behaviour between domains, prompting the second research question *"Is the greater generosity in the non-monetary domain than in the monetary domain due to differences in utility maximizing behaviour between domains?"*

Previous studies have shown that in the non-monetary domain, people are not as successful at maximizing a utility function as in the monetary domain (e.g., Andreoni and Miller

2002; Davis et al. 2017). This study investigates this claim by comparing the severity of generalized axiom of revealed preferences (GARP) violations between the monetary and the non-monetary domains. Results show that when people allocate the aversive tone, more severe GARP violations are observed than when they allocate money.

Moreover, I test whether this difference in behavior results in different generosity levels between domains. This is not the case. The differences in generosity between the monetary and the non-monetary domains remain when controlling for the differences in the severity of the GARP violations. Thus, the observed greater generosity in the non-monetary domain is not an artifact of the people who fail to maximize a utility function.

A second possible explanation focuses on the potential differences in the valuation of the non-monetary bad, prompting the third research question *“Is greater generosity in the non-monetary domain than in the monetary domain due to a different monetary valuation of the tone for self and another person?”* For example, imagine a person can pay a price to not have to listen to an aversive tone. If the price she would like to pay to save herself from listening to the tone is lower than the price she would like to pay to save another person from listening to the tone, then she might be more generous in allocating some duration of tone between herself and the other person, compared to the case where such an asymmetry in prices is not present.

In order to investigate whether such an asymmetry in valuation is present, I ran a *valuation experiment* to elicit subjects’ value of the tone for themselves and for another person listening to it. Previous psychological evidence suggests that people are less inclined to harm others than themselves (Crockett et al. 2014). Nevertheless, results suggest that people do not value the tone differently for themselves and for another person. Hence, different generosity levels between the monetary and the non-monetary domains cannot be explained by an asymmetry in the valuation of the tone for the self and for another person.

The third explanation considered different social norms of allocation in different domains, prompting the fourth and last research question: *“Is the greater generosity in the non-monetary domain than in the monetary domain due to differences in the social norms of allocation between domains?”* Social norms are based on actions rather than on outcomes and in the current study, dictators need to take different actions in the monetary and non-

monetary domains i.e, allocate money in the former case, and allocate tone in the latter case. Recently, Krupka and Weber (2013) (henceforth KW) developed a method for measuring social norms based on Elster’s (1989) action-oriented definition of social norms. This method elicits the social appropriateness of each action that could be taken in a given situation; hence, it assigns an appropriateness rating for each possible action. The *social norms experiment* using the KW method was run to elicit people’s social norms regarding allocating money versus allocating a tone. Results show that the norms of allocation are different for money and tone, and that this difference is consistent with the distinct generosity levels between the monetary and the non-monetary domains.

This study is related to a number of recent experiments exploring preferences for generosity in monetary and non-monetary domains using dictator games. Davis et al. (2015) (henceforth DJMW) and Noussair and Stoop (2015) use waiting time as the non-monetary bad and allow dictators to allocate the given pie in any way they like. Moreover, Story et al. (2015) use electric shocks as the non-monetary bad and allow dictators to leave the default allocations unchanged or to alter the default allocations to a pre-specified allocation of shocks. DJMW and Story et al. (2015) control for the positive versus negative framing of the allocation situation whereas Noussair and Stoop (2015) do not employ such controls. Among those studies, the present design, which measures generosity, is closest to that of DJMW since dictators were allowed to allocate the given pie in any way they like and positive vs. negative framing was controlled for.

Nevertheless, the current study differs from DJMW and the other studies in important ways. Firstly, as far as we know, the other studies did not perform a thorough initial calibration to equalize monetary and non-monetary incentives. Hence, stake sizes in those domains are possibly not the same, which makes the comparison of generosity levels difficult. By equalizing the stake sizes, this study provides a clearer comparison of generosity levels between domains. Secondly, unlike other studies, this study experimentally investigates a potential explanation for the differences in generosity levels i.e, utility maximizing behavior, valuation, and social norms. Hence, the added value of the current study is that it provides a clearer comparison of generosity between domains and goes one step further toward evaluating the reasons for the differences in generosity.

In the next section, I present the experimental design and results of the experiments that measure differences in generosity. In section 3, I discuss three potential reasons for the possible generosity differences between monetary and non-monetary domains and introduce the experiments that address these potential reasons. I conclude the study in section 4.

2 Is generosity different for the monetary and the non-monetary domain?

In order to investigate whether generosity levels are different for the monetary and non-monetary domains, I conducted GenGARP experiment where subjects played an adapted version of the modified dictator game presented in Andreoni and Miller (2002) (hereafter AM). In AM, dictators divide a given number of tokens between themselves and the recipients for different budget sets. The budget sets vary with respect to the amount of tokens to be divided and the value for holding and passing a token. The reason for choosing this particular design was so that subjects' GARP violations could be investigated, which requires me to collect data on multiple budget sets. At least two data points from distinct budget sets are required in order to detect a GARP violation. Unlike the AM study, in the current study's budget sets, subjects had varying amounts of endowments.¹ Adding these endowments was necessary to have similar outcome spaces in terms of final allocations across treatments, which will be discussed in detail in the GenGARP experimental design section.

Since I intend to compare the level of generosity for money and for an aversive tone, I needed to ensure that people value one unit of money and one unit of tone similarly. In order to achieve this, I ran a calibration experiment to elicit subjects' monetary valuation of the tone using the Becker-DeGroot-Marschak (Becker et al., 1964) (hereafter BDM) mechanism. The elicited value of the tone was then used to equalize the stake sizes in the monetary and the non-monetary treatments of the GenGARP experiment. The design and results of the calibration experiment can be found in Appendix A.

In this section, first I present the hypothesis (section 2.1), then the design and the results

¹These endowments are specified as 'Wealth in value' throughout the paper.

of the GenGARP experiment (section 2.2).

2.1 Hypotheses

The first research question is whether generosity levels differ between the monetary and the non-monetary domains. From a given pie, dictator D chooses a share $s_D = x_D/T$ where $s_D \in [0, 1]$, leaving the remaining share $1 - s_D$ to recipient R. Hence, generosity g is defined as the share of the pie given to the recipient $g = 1 - s_D$ if the pie is positive, and as the share of the pie kept for self $g = s_D$ if the pie is negative. An intuitive assumption to make is that people value the outcomes of identical levels of generosity similarly, even if the generosity is produced in different contexts. In particular, it is assumed that generosity preferences do not interact with Money and Tone domains. Given this assumption, outcome-based social preference models such as inequality aversion predict the same level of generosity for the monetary and non-monetary domains, prompting the following first null hypothesis for generosity:

G_0 : *Generosity is not different between the monetary and the non-monetary domains.*

Although there is no theoretical reason to expect differences in generosity levels between the monetary and the non-monetary domains, there is empirical evidence suggesting that people are more generous in the non-monetary domain than in the monetary domain (e.g., Davis et al. 2015; Story et al. 2015). Hence, I formulate the alternative hypothesis for generosity as follows:

G_A : *Generosity is greater in the non-monetary domain than in the monetary domain.*

$W_D = W_R$ and $v_D = v_R$).

2.2 GenGARP Experiment

2.2.1 Experimental design

In the GenGARP experiment, subjects played a modified dictator game, where dictators have to divide a given amount of tokens (T) between themselves and the recipient. The amount the dictator allocates to herself will be referred as x_D and the amount the dictator allocates to the recipient will be referred to as $x_R = T - x_D$. Dictators and recipients receive

points based on the allocation of tokens by the dictator. There are two treatment variations; the *domain* is either money or tone, and the *framing* is either positive or negative. Thus, the treatments are monetary positive (MoneyPos), monetary negative (MoneyNeg), non-monetary positive (TonePos) and non-monetary negative (ToneNeg). The experiment uses a between-subjects design where each subject makes decisions for one treatment only and dictators allocate tokens based on eight budget sets presented in Table 1 and Table 2.

The budget sets vary with respect to T , the amount of points the dictator and the recipient are endowed with (W_D and W_R), and the value for holding and passing a token (v_D and v_R). The payoffs for the dictator and the recipient are given in Equation 1.

$$\begin{aligned}\pi_D &= W_D + (x_D * v_D) \\ \pi_R &= W_R + (x_R * v_R)\end{aligned}\tag{1}$$

Unlike the AM study, in the current study's budget sets subjects are endowed with a given amount of points (given in the column named as 'Wealth in value' in tables 1 and 2) before the dictator makes her decision. In the decision situation, the dictator decides on x_D out of a given amount of tokens T . Wealth in value was included in the budget sets to have similar outcome spaces in terms of final allocations in MoneyPos/ToneNeg and in MoneyNeg/TonePos. For instance, in budget set 1, when a dictator in MoneyPos allocates all 40 tokens to herself, she ends up with $0 + (40 * 3) = 120$ points and the recipient ends up with $40 + (0 * 1) = 40$ points. Similarly, when a dictator in MoneyNeg allocates all -40 tokens to the recipient, she ends up with $120 - (0 * 3) = 120$ points and the recipient ends up with $80 - (40 * 1) = 40$ points. Moreover, the budget sets are constructed in such a way that an equal split of the tokens leads to the egalitarian outcome i.e., if $x_D = x_R$, then $\pi_D = \pi_R$. For instance, when a dictator in ToneNeg allocates half of the tokens to him/herself in budget 3, she ends up with $0 + (30 * 2) = 60$ points and the recipient ends up with $30 + (30 * 1) = 60$ points.

Table 1: Budget sets for MoneyPos and ToneNeg treatments

Budget	Tokens to divide	Value of tokens		Wealth in value	
		Dictator	Recipient	Dictator	Recipient
1	40	3	1	0	40
2	40	1	3	40	0
3	60	2	1	0	30
4	60	1	2	30	0
5	75	2	1	0	37.5
6	75	1	2	37.5	0
7	60	1	1	0	0
8	100	1	1	0	0

Table 2: Budget sets for MoneyNeg and TonePos treatments

Budget	Tokens to divide	Value of tokens		Wealth in value	
		Dictator	Recipient	Dictator	Recipient
1	-40	3	1	120	80
2	-40	1	3	80	120
3	-60	2	1	120	90
4	-60	1	2	90	120
5	-75	2	1	150	112.5
6	-75	1	2	112.5	150
7	-60	1	1	60	60
8	-100	1	1	100	100

As presented in Figure 1a, the timeline of the monetary treatments were as follows: After subjects finished reading the instructions, dictators answered three control questions to make sure they had understood the consequences of the allocation decisions. Dictators could not proceed to the next stage until they had answered the questions correctly. After the control questions, dictators made allocation decisions for the eight budget sets that were presented in random order. Electronic calculators were provided for dictators at all stages, including the control question and allocation decision stages. After decisions were made, a budget set was randomly chosen for payment, and the resulting payoffs of the randomly chosen budget set were displayed to the subjects. Afterwards, subjects filled in the questionnaire and the payment was made according to the dictator's allocation decision for the randomly chosen budget set.

In the non-monetary treatments presented in Figure 1b, there were four additional stages

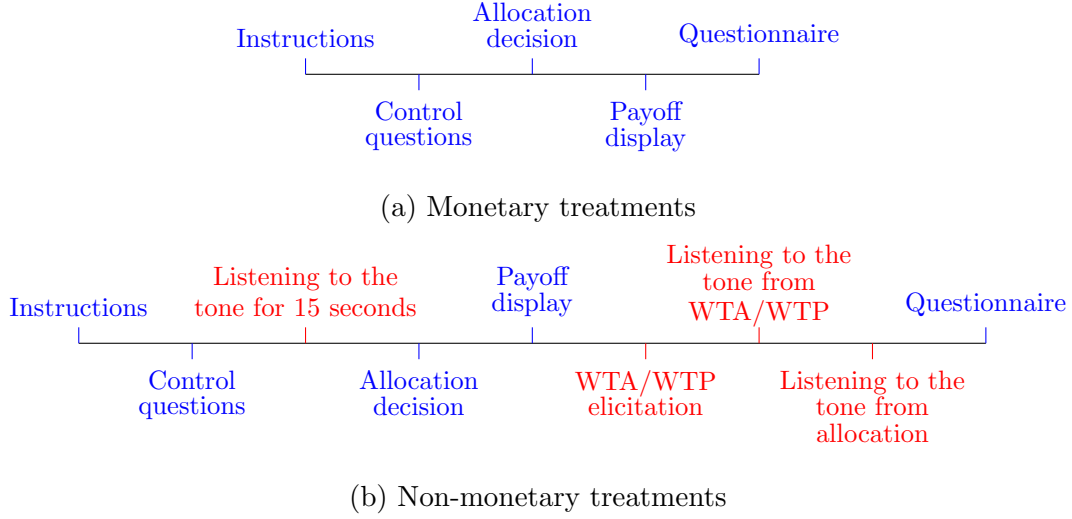


Figure 1: Timeline of the experiment

compared to monetary treatments. Before dictators gave the allocation decisions, they listened to 15 seconds of aversive tone of 2083 Hz and 90 dB to experience the nature of the ‘bad’. After the allocation decisions were made, a budget set was randomly chosen for execution. The listening duration of tone was displayed for the randomly chosen budget set and the WTA/WTP values for 60 seconds of aversive tone experience were elicited from the subjects by BDM mechanism and the tone was executed for 60 seconds based on the elicited WTA/WTP values.² Subsequently, the aversive tone was executed based on the dictator’s allocation decision for the randomly chosen budget set.

All experiments presented in this paper were programmed in z-Tree (Fischbacher 2007) and were conducted at the Behavioral and Experimental Laboratory (BEELab) of Maastricht University with students recruited through ORSEE (Greiner 2015). For the treatments involving aversive tone, all subjects read and signed the consent document to make sure that they had no medical problems with their hearing.³ The instructions of all the experiments presented in this paper can be found in Appendix F.

In total, 310 subjects participated in the experiment in 14 sessions (3 for MoneyPos and

²We elicit WTA/WTP values in order to control for the differences in valuation of the tone. Subjects were informed about the existence of this part of experiment at the beginning, but they had not yet been provided with an explanation of the details.

³See Appendix F.6 for the ethical consent document.

MoneyNeg each and 4 for TonePos and ToneNeg each) and data from 308 subjects could be used.⁴ Hence, 38 dictators gave decisions each in MoneyPos, TonePos and ToneNeg and 40 dictators gave decisions in MoneyNeg.

Based on the results of the calibration experiment, each point is worth 5 cents in the MoneyPos and MoneyNeg, four seconds of aversive tone in ToneNeg and eight seconds of aversive tone in TonePos.⁵ Given these units, the expected value of the monetary treatments is €2.94 for an egalitarian person i.e., for a person who prefers an equal split. The expected number of allocated minutes is 7.83 in TonePos and 3.82 in ToneNeg for an egalitarian person, which amounts to the expected monetary value of -€2.94. The experiment lasts about an hour, so for subjects to earn the equivalent of €12 on average, the participation fee for the monetary treatments was €9 and the participation fee for the non-monetary treatments was €15.

2.2.2 Results

Generosity $g_i \in [0, 1]$ is defined as the share of the pie passed by the dictator $1 - s_D$ in the gain frame, denoted as g_i^{MonPos} for the MoneyPos treatment and $g_i^{TonePos}$ for the TonePos treatment, and the share of the pie kept by the dictator s_D in the loss frame, denoted as g_i^{MonNeg} for the MoneyNeg treatment and $g_i^{ToneNeg}$ for the ToneNeg treatment. Generosity for the budget sets with a slope of minus one (budget sets 7 and 8) are investigated, which ensures that the price of passing a token is equal to the price of keeping a token. These budget sets have an initial wealth $W_D = W_R$ for dictators and recipients, hence the generosity observed for these budget sets will not be confounded by the differences in initial wealth.

Nevertheless, it is also important to observe whether the generosity differences across treatments are sustained in the other budget sets. In order to examine this, subjects' choices were classified into three prototypical utility functions by calculating the Euclidean distance of their choices to the prototypical utility functions. The generosity results for all budget sets mimic the results of budget sets 7 and 8. These results can be found in Appendix C.

⁴One subject that had the role of dictator in one of the TonePos sessions decided to quit the experiment before giving his allocation decisions.

⁵See Appendix A for the calibration details.

RESULT 1: The first null hypothesis for generosity G_0 is rejected. Generosity is higher in the non-monetary domain than in the monetary domain.

SUPPORT: As shown in Figure 2, on average, people gave 15% of the pie in MoneyPos and 34% of the pie in TonePos, and people kept an average of 11% of the pie in MoneyNeg and 39% of the pie in ToneNeg.⁶

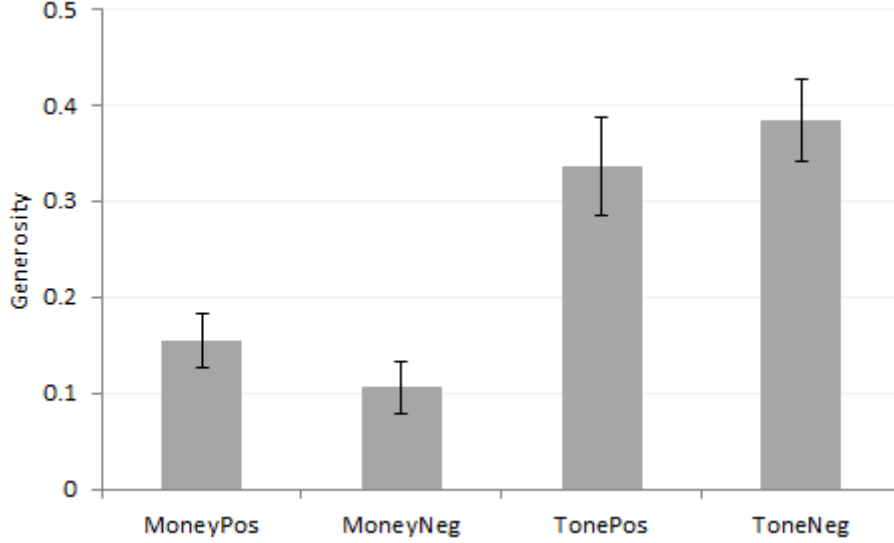


Figure 2: Mean generosity per treatment

A Wilcoxon rank-sum test verifies that the observed difference of generosity between the monetary and the non-monetary domain is significant at 1% level ($p = 0.000$). Moreover, when a comparison between the monetary and the non-monetary domains is made while keeping the framing constant, the results do not change. In the positive frame, $g^{MonPos} = 0.15 < 0.34 = g^{TonePos}$ ($p = 0.014$) and in the negative frame, $g^{MonNeg} = 0.11 < 0.39 = g^{ToneNeg}$ ($p = 0.000$). Figure 2 suggests that generosity is slightly higher in the positive frame compared to the negative frame in the monetary treatments, and higher in the negative frame compared to the positive frame in the non-monetary treatments. However, these differences in generosity are not statistically significant in either the non-monetary domain ($p = 0.141$) or the monetary domain ($p = 0.411$).

⁶The unit of observation is the average of decisions of each dictator in budget 7 and budget 8. The separate mean generosity levels of budget sets 7 and 8 can be found in Table 9 in Appendix C.

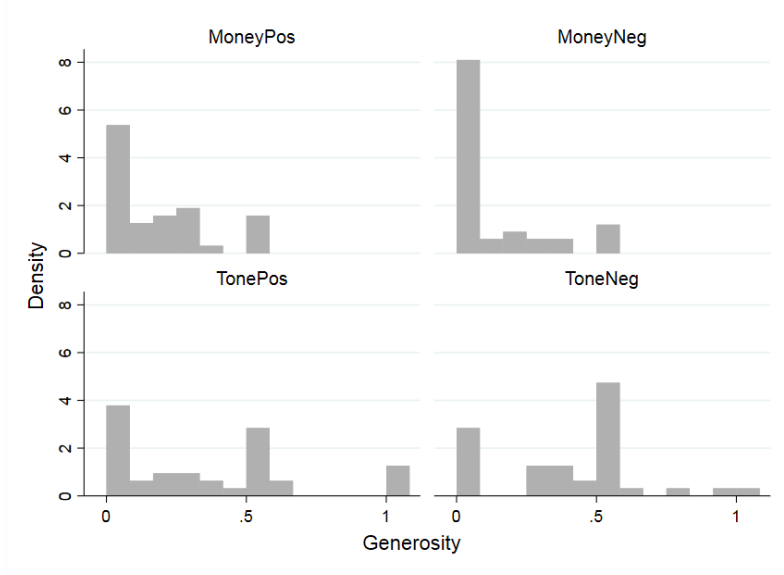


Figure 3: Distribution of generosity per treatment

Figure 3 shows the distribution of generosity levels per treatment. To check whether there is a significant difference in these distributions across treatments with respect to generosity, Kolmogorov-Smirnov tests were conducted. Results show that the distribution of generosity levels are significantly different between monetary and non-monetary domains ($p = 0.000$) and not significantly different between positive and negative frames ($p = 0.850$). Furthermore, more hypergenerous offers with generosity $g_i > 0.5$ in the non-monetary domain were observed compared to the monetary domain. Nevertheless, based on the test of proportions results, this difference is not statistically significant at the 10% level ($p = 0.268$).

Finally, Spearman's rank correlation test results suggest that there is no significant correlation between subjects' generosity levels and their elicited WTA/WTP values for listening to the tone for 60 seconds in both TonePos ($p = 0.846$) and ToneNeg ($p = 0.161$) treatments.

3 Why different levels of generosity?

The previous section shows that generosity levels are different between the monetary and non-monetary domains even after controlling for the stake sizes and for the negative vs. positive framing of the decision situation. In this section, possible explanations for greater generosity in the non-monetary domain are considered. In particular, the differences in the

utility maximizing behavior, different valuations of the tone for self and others and social norms are considered as potential explanations for the differences in generosity levels.

3.1 Utility maximizing behavior

3.1.1 Hypotheses

The second research question asks whether the eventual larger generosity in the non-monetary compared to the monetary domain is due to differences in the utility maximizing behavior between domains. In particular, the differences in GARP violations between these two domains are examined. Ex ante, there is no reason to expect any difference in the severity of violations of GARP between these two domains. The reason is that the allocation decisions people have to make in these domains are similar in terms of complexity. In the experiment, the only difference between the instructions of the monetary and the non-monetary treatments were the value of tokens i.e., whether a token represented one unit of money or one unit of the aversive tone. Thus, the null hypothesis for utility maximization was formulated as follows:

U_0 : *The amount and severity of GARP violations do not differ between the monetary and the non-monetary domains.*

Although there is no theoretical reason to expect differences in the utility maximizing behavior in the monetary and the non-monetary domain, there is empirical evidence suggesting that utility maximizing behavior might differ in these two domains. AM showed that unselfish behavior in the monetary domain can be explained by a well-behaved preference ordering that leads to continuous, convex, and monotonic utility functions. In their experiment, 98% of the dictators behaved as if maximizing a utility function. However, Davis et al. (2017) found that only 74% of the dictators behaved as if they were maximizing a utility function in the non-monetary domain. Hence, based on the empirical evidence, the alternative hypothesis for utility maximization was formulated as follows:

U_A : *The amount and severity of GARP violations is larger in the non-monetary domain compared to the monetary domain.*

Empirical evidence on the difference in utility maximizing behavior between different

domains brings the question of whether the eventual larger generosity in the non-monetary domain is an artifact of people failing to maximize a utility function. Therefore, the second null hypothesis for generosity has been formulated as follows:

G'_0 : *Generosity levels are not different between the monetary and non-monetary domains once we control for the GARP violations.*

3.1.2 Violations of GARP

RESULT 2: The null hypothesis for utility maximization U_0 is rejected. Greater GARP violations are observed in proportion and severity in the non-monetary domain than in the monetary domain.

SUPPORT: 32% of the subjects in MoneyPos, 15% of the subjects in MoneyNeg, 58% of the subjects in TonePos, and 58% of the subjects in ToneNeg violated GARP.⁷ Thus, there are more violations in the non-monetary domain compared to the monetary domain. Based on the test of proportions result, this difference is statistically significant at 1% level ($p = 0.000$). The amount of GARP violations is not significantly different between positive and negative framing when the domain is kept constant.

The critical cost efficiency index (CCEI) that was introduced by Afriat (1972) was used to measure the severity of GARP violations. As CCEI gets closer to 1, the severity of violations decreases. As suggested by Varian (1991), $CCEI = 0.95$ is the threshold to decide upon the significance of violations. The distribution of CCEI values is presented in intervals in order to group violations in terms of their severity and observe the density of these groups in different treatments. The proportion of the subjects with a CCEI value within a given interval are presented in Table 3. Methods for measuring GARP violations and Table 10 representing the frequency of CCEI values for the four different treatments can be found in Appendix B.

⁷The method used for measuring GARP violations can be found in Appendix B.

Table 3: Distribution of CCEI values as share of total number of subjects per treatment

Interval of CCEI	MoneyPos	MoneyNeg	TonePos	ToneNeg
[0; 0.95)	11%	2.5%	34%	24%
[0.95; 1)	21%	12.5%	24%	34%
[1]	68%	85%	42%	42%
CCEI ≥ 0.95	89%	97.5%	66%	76%

From Table 3, it is possible to infer that the number of subjects that have a CCEI of 1 is higher in the monetary than in the non-monetary treatments. Moreover, the proportion of subjects that pass the 0.95 threshold level for CCEI is highest in MoneyNeg (97.5%) and lowest in TonePos (66%). Figure 4 shows the cumulative distribution of CCEI values across treatments. It can be observed that subjects in the monetary treatments have higher CCEI values than the subjects in the non-monetary treatments.

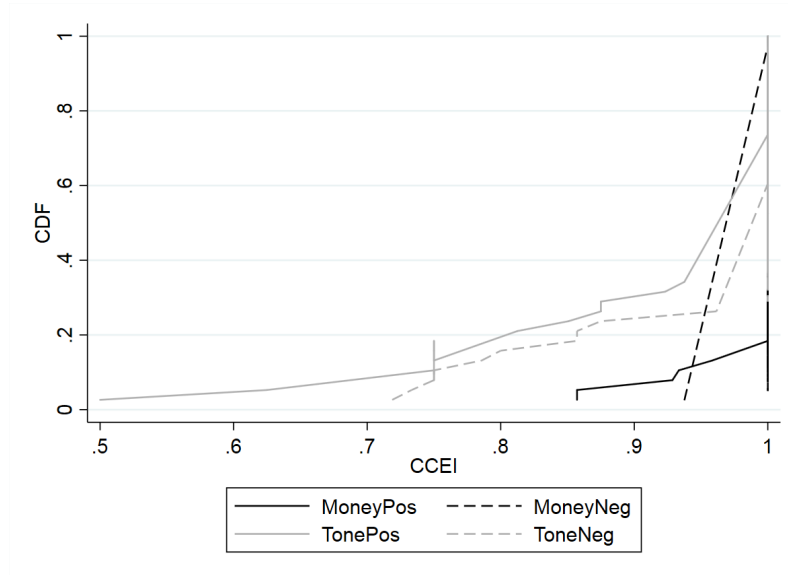


Figure 4: Cumulative distribution of CCEI values per treatment

To check the significance of the difference between treatments with respect to CCEI values, Kolmogorov-Smirnov tests were conducted. Pairwise comparisons between the treatments show that TonePos is different from MoneyPos at 10% level ($p = 0.098$), and ToneNeg is different from MoneyNeg at 1% significance level ($p = 0.001$). Moreover, TonePos is not different from ToneNeg at 10% level ($p = 0.973$), and MoneyPos is not different from Mon-

eyNeg at 10% significance level ($p = 0.571$). When we use a Bonferroni correction to account for multiple hypotheses testing, TonePos is no longer different from MoneyPos ($p = 0.392$) but ToneNeg is still significantly different from MoneyNeg at 1% level ($p = 0.004$). Based on a Kolmogorov-Smirnov test result, the null hypothesis of utility maximization U_0 was rejected, suggesting that the distribution of CCEIs are not the same across monetary and non-monetary domains at 1% ($p = 0.000$) significance level.

3.1.3 Robustness of generosity

RESULT 3: G'_0 is rejected. Generosity is higher in the non-monetary domain than in the monetary domain even if we control for the utility maximizing behavior.

SUPPORT: First, the correlation between average giving in budgets 7 and 8, and CCEI values were calculated using Spearman's correlation test. The results show that generosity is negatively correlated with CCEI at 1% significance level for MoneyPos ($p = 0.000$) and MoneyNeg ($p = 0.002$), and at 10% significance level for ToneNeg ($p = 0.066$). This indicates that less rational subjects behave more generously.

Second, to control for the robustness of generosity differences between the monetary and the non-monetary domain with respect to utility maximizing behavior, individuals were grouped based on their CCEI values, and the level of generosity for those that had insignificant GARP violations was calculated. I use a 0.95 threshold level, suggested by Varian (1991), to decide on the significance of violations. Group 1 consists of people who have a CCEI value smaller than 0.95 (significant GARP violation) and Group 2 consists of people who have a CCEI value greater than or equal to 0.95 (insignificant GARP violation).

People in Group 2 gave, on average, 12% of the pie in MoneyPos and 38% of the pie in TonePos, and people kept an average of 11% of the pie in MoneyNeg and 37% of the pie in ToneNeg. Hence, once the severity of GARP violations is controlled for, generosity is still higher for the tone treatments compared to the money treatments (significant at 1% level $p = 0.000$ based on Wilcoxon rank-sum test results). Specifically, for the Group 2 subjects, $g^{MonPos} = 0.12 < 0.38 = g^{TonePos}$ in the positive framing, suggesting a significant difference at the 1% level ($p = 0.004$), and $g^{MonNeg} = 0.11 < 0.37 = g^{ToneNeg}$ in the negative framing, suggesting a significant difference at the 1% level ($p = 0.000$). Hence, the difference

in generosity across monetary and non-monetary domains is robust when we control for differences in utility maximizing behavior. In conclusion, although Spearman correlation results show that generosity and CCEI values are negatively correlated, we observe that the larger generosity in the non-monetary domain is sustained even for those people with insignificant GARP violations. Hence, the differences in generosity between domains are not driven by the differences in GARP violations.

3.2 Different valuation of the tone for self and others

A possible reason for observing different generosity levels in the monetary compared to the non-monetary domain is that people value the good/bad differently for themselves than for others. For example, a person may have a higher willingness to accept (WTA) value for another person listening to an aversive tone for a given duration than the value she has for listening to the tone for the same duration herself. Likewise, a person may have a higher willingness to pay (WTP) value to save another person from listening to an aversive tone for a given duration than the value she is prepared to pay to save herself from listening to the tone for the same duration. If this is the case i.e., if WTA and WTP values are higher for others than for self, this can explain greater generosity levels in the non-monetary domain compared to the monetary domain.

In order to investigate this, the Valuation experiment was run. People's valuation of the aversive tone was elicited using the BDM mechanism in a case where they had to listen to the tone and in a case where another person had to listen to the tone.

3.2.1 Hypotheses

I investigate whether the previously observed greater generosity in the non-monetary compared to the monetary domain was due to the different monetary valuation of the tone for the self and for another person.

While formulating the null hypothesis for generosity G_0 in section 2.1⁸, I implicitly assumed that if the share s_D the dictator D takes for herself is the same as the share s_R she

⁸ G_0 suggests that generosity is not different between the monetary and the non-monetary domains.

gives to recipient R, then the personal monetary value the dictator assigns to her share s_D is identical to the personal monetary value the dictator assigns to the share s_R that recipient R gets. Ex ante, there is no theoretical reason to assume that the valuations assigned to the shares s_D and s_R would be different in the case of $s_D = s_R$. Hence, the null hypothesis for valuation was formulated as follows:

V_0 : There is no difference in dictator D's valuation of the same share $s = s_D = s_R$ for herself and for recipient R.

Although there is no theoretical reason to expect differences in the valuations of the tone for self and for another person, there is experimental evidence suggesting that there might be an asymmetry in people's valuation of the tone. Crockett et al. (2014) showed that people are less likely to harm another person than they are to harm themselves since they are more averse to harming others than harming themselves. This evidence indicates the possibility that people might assign a higher value to the tone for another person than for themselves. Hence, based on the experimental evidence, the alternative hypothesis for valuation was formulated as follows:

V_A : Dictator D's valuation of the same share $s = s_D = s_R$ is greater for the recipient R than for herself.

If the valuation of the tone is different for self and for another person, then outcome-based social preference models such as inequality aversion predict different levels of generosity for the monetary and the non-monetary domains. For instance, if dictator D values the recipient's share s_R more than her share s_D , given $s_D = s_R$, dictator D's generosity level will be higher in the non-monetary domain than in the monetary domain.

3.2.2 Experimental design

The experiment is a 2x2 between-subjects design, where each subject makes decisions for one of the four treatments; SelfWTA, SelfWTP, OtherWTA and OtherWTP. In the SelfWTA and SelfWTP treatments (Self treatments), subjects' WTA values for themselves listening to an aversive tone and their WTP values for saving themselves from listening to an aversive tone were elicited. In the OtherWTA and OtherWTP treatments (Other treatments), subjects' WTA values for another person listening to an aversive tone and their WTP values for saving

another person from listening to an aversive tone were elicited. The aversive tone used in the experiment was the same as in the study explained in section 2. The values are elicited in an incentive-compatible way using the BDM mechanism. For details on how the mechanism was executed, see Appendix F.

For all four treatments, the subjects state their WTA and WTP values for 4, 6, 7.5, and 10 minutes in 0.1 point increments. The maximum WTA/WTP they could state was 7. After subjects had made their decisions, one of the four durations was randomly selected and the resulting decision was put into practice. To cover losses, both active and inactive subjects in SelfWTA and OtherWTA treatments received €7 and both active and inactive subjects in SelfWTP and OtherWTP treatments received €10 as a participation fee.⁹ The experiment lasted about 30 minutes and subjects earned €9 on average.

3.2.3 Results

RESULT 4: V_0 is failed to be rejected. Dictators do not value the tone differently for self and for others.

SUPPORT: I obtained 38 observations each for SelfWTA and SelfWTP, and 32 observations each for OtherWTA and OtherWTP. First, a WTA-WTP discrepancy was observed: Based on Wilcoxon rank-sum test results, WTA values are significantly higher than those of WTP for both for self and other at 1% level. This result is in line with the standard endowment effect.

Secondly, it was observed that the valuations of the tone for self and other look similar. Mean WTA and WTP values for self and for others are presented in Figure 5. To test for differences between valuations, I conducted Wilcoxon rank-sum tests that compare the valuations elicited in SelfWTA and OtherWTA, and the valuations elicited in SelfWTP and OtherWTP, for all tone durations (4, 6, 7.5, and 10). Results suggest that none of the

⁹Active subjects were not informed about the participation fee received by inactive subjects and vice versa. This design choice was implemented to ensure that the values given by active subjects would not be influenced by inactive subjects' participation fees.

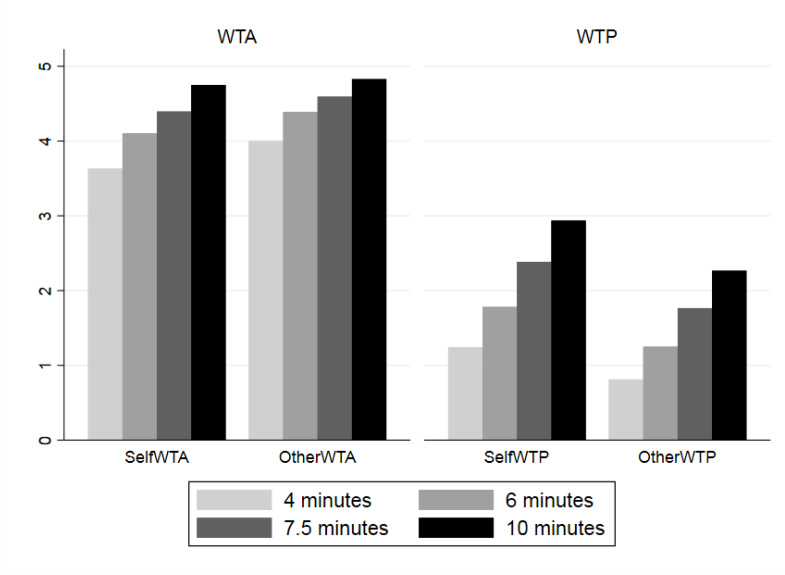


Figure 5: Mean WTA/WTP values for treatments

valuations for self and others are significantly different.¹⁰¹¹

To check whether there is a significant difference in the distributions of the WTA and WTP values for self and other, multiple Kolmogorov-Smirnov tests were conducted for each duration of tone. Results show that valuations for self and other are not significantly different for any of the comparisons.¹²

The results imply that we fail to reject the null hypothesis V_0 . A person's WTA or WTP values are not different when another person has to listen to the tone compared to when she/he has to listen to the tone. Hence, monetary valuations of the tone are independent of whether the tone is consumed by the self or by the other. This result suggests that the previously documented evidence on the differences in generosity levels between monetary and non-monetary domains do not result from different monetary valuations of the non-monetary good for self versus another person.

¹⁰For detailed descriptive statistics and significance results, see tables 14 and 15 in Appendix D.

¹¹For each four durations of tone, nonparametric equality-of-medians test have also been conducted to test the differences in medians between self and other. Based on the test results, none of the medians are significantly different from each other.

¹²For Kernel Density Estimates of the WTA and WTP values for each duration of tone for self and others, see Figure 10 in Appendix D.

3.3 Social norms

One potential explanation for the differences in generosity between the monetary and non-monetary domains is that social norms of allocation might differ between those domains, and different social norms can lead to different behaviors. It has been found that social norms can explain behavior in a variety of settings such as dictator games (Krupka and Weber 2013) and gift-exchange games (Gächter et al. 2013).

Following the definition by Elster (1989), social norms are collectively perceived and prescribe or proscribe actions rather than outcomes. Hence, they are non-outcome-oriented restrictions on actions. In the context of dictator games with money and an aversive tone, generosity in different domains requires different actions to be taken i.e., dictators allocate money in the monetary domain and allocate the aversive tone in the non-monetary domain. It is, for instance, possible that the most selfish action in the monetary domain (allocation of the full amount of money to self) is perceived as much more socially appropriate than the most selfish action in the non-monetary domain (allocation of the full amount of aversive tone to another person). If this is the case, we would be more likely to observe greater generosity in the allocation of an aversive tone compared to the allocation of money.

Theoretical framework

We are interested in the role social norms play in dictators' choices. To estimate individuals' concern for norm compliance, a simple utility framework suggested by KW, where individuals care about both social norms and money, is used.

$$u(a_k) = V(\pi(a_k)) + \gamma N(a_k). \quad (2)$$

A social norm $N(a_k) \in [0, 1]$ is defined as the collective judgment that assigns an appropriateness level to each action a_k available in a dictator game. The parameter $\gamma \geq 0$ represents the individual's sensitivity to the social norm.

In the money domain, the function $V()$ maps the monetary payoff $\pi(a_k)$ an action brings to the value the individual places on the respective monetary payoff. In the tone domain, the function $V()$ maps the monetary equivalent $\pi(a_k)$ of the duration of tone an action brings

to the value the individual places to the respective monetary equivalent. The monetary equivalent of the duration of tone is calculated based on the monetary value of the tone that was elicited using the Becker-DeGroot-Marschak (Becker et al. 1964, henceforth BDM) mechanism.

3.3.1 Experimental design

We are interested in the social norms of allocation in the money and tone domains, and the influence of social norms on the allocation behavior in those domains. In order to identify the social norms of allocation, the social norms experiment was ran where the social appropriateness of actions available to dictators in a dictator game in either the money or the tone domain was measured using the KW norm elicitation method. In the MoneySN treatment, subjects were given instructions for a dictator game where a dictator was endowed with €10, the recipient was endowed with €0, and the dictator’s task was to decide how much of his endowment he wanted to give to the recipient in €1 increments. In the ToneSN treatment, subjects were given an explanation of a dictator game where a dictator was endowed with 10 minutes of an aversive tone (90 dB and 2083 Hz), the recipient was endowed with 0 minutes of the tone, and the dictator’s task was to decide how much of his/her endowment s/he wanted to give to the recipient in one-minute increments.

To measure the social appropriateness of each action the dictator could take, subjects were asked to rate each action available to the dictator as very socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, or very socially appropriate. At the end of the experiment subjects were randomly paired with another participant. One of the dictator’s possible action was then randomly selected, and both subjects received €10 if their appropriateness ratings for the selected action matched, and €0 otherwise.

I conducted two sessions for each treatment, thus four sessions in total. I obtained 72 observations; 38 observations for the Money treatment and 34 for the Tone treatment. Sessions lasted approximately 40 minutes.

For simplicity, I chose to elicit the social norms of allocation for the dictator games with 11 actions explained above rather than for the modified dictator games in GenGARP experiment. As a result, in order to get the clearest possible comparison between behavior and

social norms, I ran additional treatments measuring dictator game-giving in a setting with 11 actions. The results of these simple dictator games (Gen experiment) are qualitatively similar to those of GenGARP experiment. For details of the experimental design and the results of the Gen experiment, see Appendix E.

3.3.2 Hypotheses

I investigate whether the previously observed greater generosity in the non-monetary compared to the monetary domain was due to the different allocation norms for money and tone. Assuming that the allocation norms do not differ across different domains, the null hypothesis for social norms is formed as follows:

SN₀: There is no difference in the social norms of allocating money and tone.

Social norms are defined on actions, and subjects take different actions in order to achieve a given level of generosity in money and tone domains. Hence, the social norms of allocating money and tone may be different in those domains, prompting the following alternative hypothesis for social norms:

SN_A: There is a difference in the social norms of allocating money and tone.

People behave differently in dictator games with tone and in the dictator games with money: i.e., generosity is higher in the former compared to the latter. One potential explanation for the difference in behavior is that social norms of allocation of money and tone are different, and different social norms influence allocation behavior. Hence, I form the norm-following hypothesis as follows:

NF: Social norms of allocation of money and tone influence the behavior in the dictator games played in those domains.

3.3.3 Results

In this section, first I investigate whether there is a difference in the social norms of allocation between money and tone domains. Second, I make predictions about behavior in dictator games based on the elicited norms and investigate whether the behavior is in line with the predictions. Finally, I examine whether the social norms of allocation influence allocation behavior.

Norms

RESULT 5: SN_0 is rejected. Social norms for allocating money and tone are different.

SUPPORT: Figure 6 shows mean appropriateness ratings for money and tone.¹³ As in KW, the appropriateness ratings elicited in MoneySN and ToneSN treatments are converted to the following scores: very socially inappropriate is -1 , somewhat socially inappropriate is -0.33 , somewhat socially appropriate is 0.33 , and very socially appropriate is 1 .

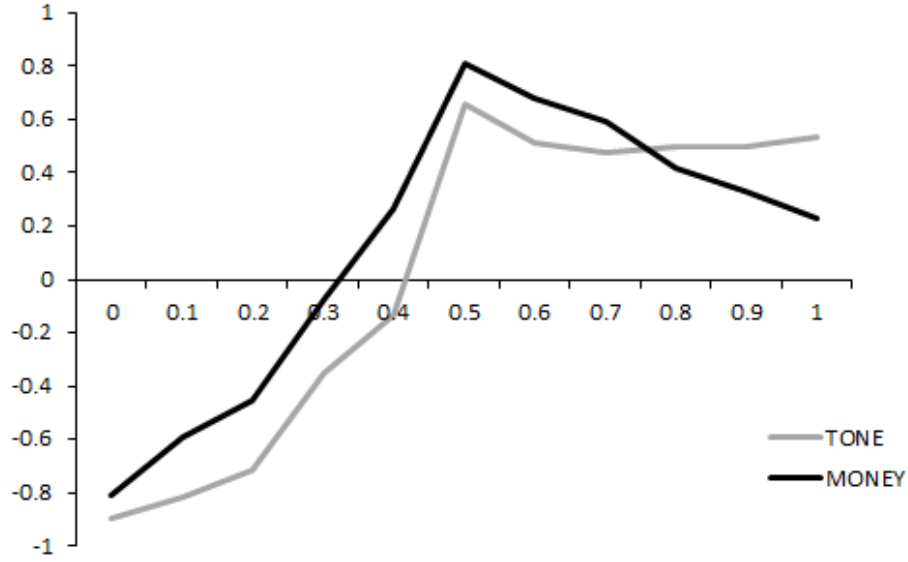


Figure 6: Mean appropriateness ratings

On the x axis, action $g = 0$ refers to giving no money in the money domain and giving all the tone in the tone domain. Hence, as one moves from $g = 0$ to $g = 10$, generosity increases in both domains. There are two main takeaways from Figure 6. First, for the actions that lead to generosity $g \leq 0.7$, taking that action is less appropriate in the tone domain than in the money domain.¹⁴ Second, in the money domain, mean appropriateness decreases as we move from giving €5 to giving €10; suggesting a decreasing trend. On the other hand, in the tone domain, mean appropriateness stays the same as we move from giving 5 minutes of

¹³See Table 16 in Appendix E for the mean appropriateness ratings and the distribution of different rating levels associated with each action available to a dictator in the money and tone domains.

¹⁴The ratings are significantly different for actions that involve giving €2 (9 minutes) and giving between €4-€7 (6-3 minutes). See Table 16 in Appendix E for all comparisons.

the tone to giving 0 minutes of the tone.¹⁵

Norm-based prediction and behavior

Based on the results of the elicited social norms and the utility function presented in Equation 2, we have the following prediction:

Prediction. *Conditional on not choosing the action that leads to the generosity level $g=0$, agents are more likely to choose the equal split ($g = 0.5$) than any other action in the tone domain, whereas the chosen actions will be more equally distributed among actions leading to generosity levels $0.1 < g \leq 0.5$ in the money domain.*

The prediction states that the people who want to give something will choose an equal split in the tone domain, and they will give anything less than or equal to half of the pie in the money domain. The reasoning is as follows: In the tone domain, people who want to give something are more likely to go for the 50-50 offer than any other offer leading to $0 < g < 0.5$ since it is inappropriate to take any action that leads to a generosity level $g \leq 0.4$, and the appropriateness level jumps from -0.14 at $g = 0.4$ to 0.65 at $g = 0.5$. On the other hand, giving €4 instead of giving half of the pie is still appropriate in the monetary domain. Also, people who like to give something are more likely to go for an equal split instead of $g > 0.5$ in both the monetary and non-monetary domains since the appropriateness of the actions leading to generosity level $g > 0.5$ are similar to (smaller than) the appropriateness of equal split in non-monetary (monetary) domain, and the cost of the equal split is less than that of any action that lead to generosity levels $g > 0.5$.

In order to examine whether the behavior is in line with the prediction, I compared the likelihood of choosing an equal split in the dictator games played in the monetary and non-monetary domains. Both in Gen and GenGARP experiments, dictators chose the equal split more often in the non-monetary domain than in the monetary domain. Based on the Pearsons X^2 test results, this difference is significant at 1% level ($p = 0.003$) in both the Gen and GenGARP experiments.

¹⁵Nonparametric test for trend confirms a significant decreasing trend in the money domain for the appropriateness of actions that lead to $g \geq 0.5$.

Norms and behavior

To investigate whether the elicited norms can explain the behavioral data, I estimate equation (3). The social norms data of MoneySN and ToneSN treatments consist of multiple observations for each individual and each observation represents an alternative that may be chosen by an individual, i.e., an action that might have been taken by a dictator. I am primarily interested in how an alternative-specific property can influence the decision to choose that alternative, i.e., how an action’s social appropriateness rating and its monetary value can influence the choice of this very action. Hence, I use alternative-specific conditional fixed-effects logit model (McFadden 1974) to estimate β and γ in the following utility model:

$$u(a_k) = \beta(\pi(a_k)) + \gamma N(a_k). \quad (3)$$

The binary dependent variable is whether an action a_k was selected or not by the dictator. There are 11 actions available to dictators in both the money and tone domains, hence $k \in \{0, 1, 2, \dots, 11\}$. In the money domain, these actions are “Give €0,” “Give €1,” ..., “Give €10.” In the tone domain, these actions are “Give 10 minutes,” “Give 9 minutes,” ..., “Give 0 minutes.” The chosen action is given a value of 1 as the dependent variable. For the dependent variable, I use dictator game data with 11 actions (data from Gen experiment).

The first independent variable *Own payoff* is the monetary payoff an action brings in the money domain, and the monetary equivalent of the tone an action brings in the tone domain that is calculated by the BDM mechanism. The second independent variable *Appropriateness rating* is the social appropriateness of an action in a given domain; for each action, the mean elicited appropriateness ratings ($N(a_k)$) in MoneySN and ToneSN treatments were included. The third and fourth independent variables *Own payoff X M* and *Appropriateness rating X M* are interaction variables constructed by the multiplication of the dummy variable *Money domain* and the first two independent variables.¹⁶

RESULT 6: *NF* is accepted. Social norms for allocation influence behavior in the money and tone domains.

¹⁶The dummy variable *Money domain* is given the value 1 if the domain is money, and the value 0 if the domain is tone.

Table 4: Conditional (fixed-effects) logit estimation of choice of action

	(1)	(2)
Own payoff (β)	1.528*** (0.212)	1.351*** (0.260)
Appropriateness rating (γ)	3.916*** (0.603)	3.550*** (0.672)
Own payoff X M		0.516 (0.574)
Appropriateness rating X M		1.364 (1.797)
Log-likelihood	-132.02	-131.65
Observations	858	858
Subjects	78	78

Notes *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Standard errors are in parantheses.

SUPPORT: Estimation results are reported in Table 4. In both models, the coefficients for own payoff and social appropriateness ratings are both positive and significant, suggesting that people care about their own payoff and the social appropriateness while choosing an action. Model 2 investigates whether the value people put on money and the sensitivity to social norms differ between money and tone domains. Coefficients of the interaction variables are insignificant, suggesting that the concern for own payoff and sensitivity to social norms are similar across the money and tone domains.

Hence, results suggest that people care about their own payoff and the social appropriateness while choosing an action. Moreover, the concern for own payoff and sensitivity to social norms are similar across the money and tone domains. Given that the social norms of allocating money and tone are different, and people care about social norms as well as own payoff, the NF hypothesis is accepted. Higher generosity levels observed in the non-monetary domain compared to the monetary domain can partly be explained by the difference in social norms of allocation.

4 Conclusion

This study asks whether preferences for generosity differ between the monetary and the non-monetary domains, and if so, why. To answer this question, I compared generosity in a modified dictator game across the monetary and non-monetary domains with positive and negative framing. By conducting an additional experiment, the value people assign to the non-monetary bad was elicited and used to equalize the level of stakes in the main experiment. I found that generosity is higher in non-monetary treatments than in monetary treatments.

I considered several explanations for why the generosity levels differ between domains. In particular, I hypothesized that distinct generosity levels may be caused by the differences in utility maximising behaviour between domains, the valuation of the tone for self and others, and differences in social norms in the monetary and the non-monetary domains. To investigate the differences in utility maximizing behavior between the allocation of money and tone, I compared the severity of GARP violations in allocation decisions, and observed that GARP violations in the non-monetary domain were more severe than in the monetary domain. Nevertheless, I found that the difference in generosity between the monetary and the non-monetary domain is robust when controlling for differences in the severity of GARP violations. Thus, the observed larger generosity in the non-monetary domain is not an artefact of the people who fail to maximize a utility function.

I also considered the possibility that people value the non-monetary bad differently for themselves and for another person and that this difference in valuation leads people to be more generous in the non-monetary domain than in the monetary domain. The valuation experiment that was run suggests that people do not value the tone differently for themselves compared to others. Thus, higher generosity levels in the non-monetary domain compared to the monetary domain do not result from different monetary valuations of the non-monetary bad for the self versus another person. Finally, I investigated the social norms of allocation in different domains as a possible cause for the differences in generosity between domains. The social norms experiment that was run shows that people have different allocation norms for money and tone, and that these norms can predict the behavior in money and tone domains.

In this study, one type of non-monetary bad was used, yet it is an open question whether the results from this experiment would generalize to the non-monetary domain in general. Nevertheless, the current study's results on the differences in generosity are in line with the average outcome in earlier studies using other types of non-monetary bads such as electrical shocks and waiting time. Given these results, my conjecture is that money is a special case when it comes to preferences for generosity and social preferences in general. This conjecture is in line with the previous literature documenting evidence that people behave differently when they are in a market and a non-market setting (e.g., Gneezy and Rustichini 2000; Heyman and Ariely 2004; Falk and Szech 2013).¹⁷

This study also has one important methodological implication. One of the conventions experimental economists follow is to use monetary incentives. Although not all transactions or institutional designs that are in the interest of economic discipline involve money, it is common standard to use monetary incentives in economic experiments. The current study has shown that the domain interacts with generosity preferences. Hence, it can potentially be misleading to make inferences from experiments using monetary incentives for the settings that involve non-monetary stakes.

¹⁷Gneezy and Rustichini (2000) showed that when a monetary fine is introduced for a non-social behavior, the frequency of that very behavior increases. Moreover, Falk and Szech (2013) showed that the price for harming third parties is lower when the harming decision is made in a market setting (bilateral or multilateral market setting) rather than individually.

References

- Afriat, S. N. (1972). Efficiency estimation of production function. *International Economic Review* 13, 568–98.
- Andreoni, J. and J. Miller (2002). Giving according to garp: An experimental test of the consistency of preferences for altruism. *Econometrica* 70(2), 737–753.
- Batson, C. D., J. L. Dyck, J. R. Brandt, J. G. Batson, A. L. Powell, M. R. McMaster, and C. Griffitt (1988). Five studies testing two new egoistic alternatives to the empathy-altruism hypothesis. *Journal of Personality and Social Psychology* 55, 52–77.
- Batson, C. D. and Toi, M.(1982). More evidence that empathy is a source of altruistic motivation. *Journal of Personality and Social Psychology* 43(2):281.
- Becker, G., Degroot, M. H., and Marschak, J. (1964). Measuring utility by a single-response sequential method. *System Research and Behavioral Science* 9(3), 226–232.
- Crockett, M. J., Kurth-Nelson, Z., Siegel, J. Z., Dayan, P. and Dolan, J. D. (2014). Harm to others outweighs harm to self in moral decision making. *Proceedings of the National Academy of Sciences* 111 (48), pp. 17320–17325.
- Davis, A. L., N. R. Jehli, J. H. Miller, and R. A. Weber (2015). Generosity across contexts. *CESIFO Working paper NO. 5272*.
- Davis, A. L., Miller, J. H. and Bhatia, S. (2017). Are preferences for allocating harm rational? *Decision*. Advance online publication.
- DeVoe, S. E. and S. S. Iyengar (2010). *Psychological Science* 21, 159–162.
- Elster, J. (1989). Social Norms and Economic Theory. *The Journal of Economic Perspectives* 3, 99–117.
- Engel, C. (2011). Dictator games: a meta study. *Experimental Economics* 14/4, 583–610.
- Falk, A. and Szech, N. (2013). Morals and markets. *Science* 340, 707–711.

- Fischbacher, U. (2007). z-tree: Zurich toolbox for ready-made economic experiments. *Experimental Economics*, Springer 10, 171–178.
- Gächter, S., Nosenzo, D. and Sefton, M. (2013). Peer effects in pro-social behavior: social norms or social preferences? *Journal of the European Economic Association* 11, 548–573.
- Gneezy, U. and Rustichini, A. (2000). A Fine is a Price. *The Journal of Legal Studies* 29(1), 1–17.
- Greiner, B. (2015). Subject pool recruitment procedures: organizing experiments with orsee. *Journal of the Economic Science Association* 1, 114–125.
- Grillon, C. (2002). Startle reactivity and anxiety disorders: Aversive conditioning, context, and neurobiology. *Biological Psychiatry* 52, 958–975.
- Heyman, J. and Ariely, D. (2004). Effort for payment: A tale of two markets. *Psychological Science* 15(11), 787–793.
- Hjorth, K. and Fosgerau, M. (2008). Determinants of the degree of loss aversion. *Proceedings of the European Transport Conference*, Noordwijkerhout.
- Horowitz, J. K. and K. E. McConnell (2002). A review of wta/wtp studies. *Journal of Environmental Economics and Management* 44(3), 426 – 447.
- Kahneman, D., J. L. Knetsch, and R. H. Thaler (1990). Experimental Tests of the Endowment Effect and the Coase Theorem. *Journal of Political Economy* 98(6), 1325–48.
- Kahneman, D. and A. Tversky (1984). Choices, values and frames. *American Psychological Association* 39, 341–350.
- Katz, I., D. C. Glass, D. Lucido, and J. Farber (1979). Harm-doing and victims racial or orthopedic stigma as determinants of helping. *Journal of Personality* 47, 340–364.
- Krupka, Erin L. and Weber, Roberto A. (2013). Identifying social norms using coordination games: Why does dictator game sharing varies?. *Journal of the European Economic Association* 11(3), 1542–4774.

- Liu, W. and J. Aaker (2008). The happiness of giving: The time-ask effect. *Journal of Consumer Research* 35(3), pp. 543–557.
- McFadden, D. (1974). Conditional Logit Analysis of Qualitative Choice Behavior. *In Frontiers in Econometrics edited by P. Zarembka. Academic.*
- Neumann, D. L., A. M. Waters, and H. R. Westbury (2008). The use of an unpleasant sound as the unconditional stimulus in aversive Pavlovian conditioning experiments that involve children and adolescent participants. *Behavior Research Methods* 40(2), pp. 622–625.
- Noussair, C.N. and J. Stoop (2015). Time as a medium of reward in three social preference experiments. *Experimental Economics* 18(3), pp. 442–456.
- Story, G. W., Vlaev, I., Metcalfe, R. D., Crockett, M. J., Kurth-Nelson, Z., Darzi, A., and Dolan, R. J. (2015). Social redistribution of pain and money. *Scientific Reports* 5(10).
- Tversky, A. and D. Kahneman (1991). Loss aversion in riskless choice: A reference-dependent model. *The Quarterly Journal of Economics* 106, 1039–1061.
- Twenge, J. M., R. F. Baumeister, D. M. Tice, and T. S. Stucke (2001). If you can’t join them, beat them: effects of social exclusion on aggressive behavior. *Journal of Personality and Social Psychology* 81(6), pp. 1058–1069.
- Varian, H. R. (1993). *Microeconomic Analysis Third Edition. New York: Norton.*
- Varian, H. R. (1991). Goodness-of-fit for revealed preference tests. *University of Michigan CREST Working Paper Number 13.*
- Vohs, K. D., N. L. Mead, and M. R. Goode (2006). The psychological consequences of money. *Science* 314, 1154–1156.

Appendix

A Generosity

A.1 Calibration experiment

Experimental design

In the experiments presented in this paper, an aversive tone of 90 dB and 2083 Hz is used in the non-monetary treatments. In order to calibrate one unit of aversive tone to one unit of money, a calibration experiment was conducted to elicit subjects' willingness to accept (WTA) values for themselves listening to x amount of tone and willingness to pay (WTP) values to save themselves from listening to x amount of tone. WTA and WTP values are elicited from different groups of subjects. Variable x took the values 4, 5, 7.5 and 10 minutes. Subjects had to separately give WTA or WTP for all four values of x . At the end of the experiment, one value of x is randomly chosen for payment.

After reading the instructions, subjects listened to t seconds of the tone to familiarize themselves with the nature of the 'bad.' To investigate whether the duration of time subjects spent familiarizing themselves with the tone has an effect on the stated valuations, the amount of time t that subjects listened to the aversive tone was controlled for. Variable t took the values 15, 30 or 60 seconds. Table 5 shows the treatments of the 2 X 3 between-subjects design.

Table 5: Treatments of the calibration experiment

	t=15	t=30	t=60
WTA	A15	A30	A60
WTP	P15	P30	P60

The WTA and WTP values were elicited using the BDM mechanism: In the WTP treatments, subjects were informed that they had been endowed with x minutes of aversive tone, and they were asked how much money they would like to pay to get rid of the endowed amount of aversive tone. To make sure the true WTP values were revealed, the stated value was compared with a value P determined by a random number generator. If the stated WTP

value was greater than or equal to P , subjects paid P and did not listen to the aversive tone. If the stated WTP value was smaller than P , subjects paid nothing and listened to the endowed amount of aversive tone.

In the WTA treatments, subjects were asked how much money they would like to get to listen to x amount of aversive tone. To make sure that true WTA values were revealed, the stated value was compared with a value P determined by a random number generator. If the stated WTA value was greater than P , subjects did not listen to the aversive tone and did not receive the payment. If the stated WTA value was smaller than or equal to P , then subjects listened to the endowed amount of aversive tone and received P .

Two sessions were conducted for each treatment, making 12 sessions in total. There were 225 observations collected; 36 observations for the A30 treatment, 37 for the P30 treatment, and 38 observations for each of the other treatments. Sessions lasted approximately 40 minutes. In the WTA treatments, subjects earned €9.02 on average including a €7 show-up fee, and in the WTP treatments, they earned €9.52 on average including a €10 show-up fee.¹⁸

Results

Table 6: Mean WTA and WTP values

minutes (x)	A15	A30	A60	P15	P30	P60
4	3.63 (2.37)	3.03 (1.71)	3.54 (2.16)	1.28 (1.63)	1.23 (1.59)	0.39 (0.95)
6	4.10 (2.22)	3.82 (1.89)	4.10 (2.03)	1.83 (1.93)	1.77 (1.93)	0.63 (1.08)
7.5	4.39 (2.19)	4.64 (1.99)	4.59 (1.99)	2.45 (2.22)	2.34 (2.22)	1.09 (1.33)
10	4.75 (2.31)	5.42 (2.13)	5 (2.02)	3.01 (2.53)	2.86 (2.38)	1.53 (1.53)
N	38	36	38	38	37	38

^a Standard deviations are in parentheses.

^b N is number of observations.

¹⁸Different show-up fees for WTA and WTP treatments are chosen in order to equalize the average earnings.

Mean WTA and WTP values for different treatments are provided in Table 6. Wilcoxon rank-sum test results show that the WTA values are significantly higher than the WTP values for all values of x at 1% level ($p = 0.000$) and that listening to 60 seconds of the tone led people to give significantly different values of WTP compared to listening to 15 or 30 seconds of the tone.¹⁹

Table 7: Random effects estimation of stated values

Variable	Coefficient	(Std. Err.)
d_wtp	-2.079**	(0.471)
d_30	0.005	(0.458)
d_60	0.089	(0.462)
wtp60	-1.319*	(0.593)
wtp30	-0.096	(0.646)
_lminutes_6	0.524**	(0.045)
_lminutes_7	1.062**	(0.076)
_lminutes_10	1.571**	(0.111)
Intercept	3.431**	(0.347)

Note: * $p < 0.05$, ** $p < 0.01$

^a Robust standard errors are clustered by subject.

Table 7 reports the regression that explores the factors that possibly influence the stated values for the tone. Variable x , which takes the values of 4, 6, 7.5 or 10 is set as the time variable in the panel set. The dependent variable is the stated value. All the independent variables are dummy variables. The reference category consists of the stated values in the A15 treatment. $d_wtp = 1$ implies WTP treatment, $d_30 = 1$ implies the subject listened to the tone for 30 seconds in the beginning and $d_60 = 1$ implies subject listens to the tone for 60 seconds at the beginning. $_lminutes_6$, $_lminutes_7$ and $_lminutes_10$ are the *minutes* dummies that specifies the WTA or WTP values given for different minutes of listening to the tone. $wtp60$ and $wtp30$ are interaction variables formed by multiplying d_wtp and d_60 and, d_wtp and d_30 respectively.

The results show that the stated WTP values are 2.08 less than the stated WTA values. Furthermore, as can be observed from the coefficients of $_lminutes_x$ dummies, stated

¹⁹WTP values are significantly different at the 1% level for x equals to 4 or 6 ($p = 0.000$), at the 1% level for x equals to 7.5 ($p = 0.003$), and at the 1% level for x equals to 10 ($p = 0.005$).

WTA/WTP values increase as x increases. Finally, the coefficient of the interaction variable $wtp60$ is negative and significant at the 5% level, suggesting that the stated WTP values are 1.32 less when people listen to 60 seconds of tone instead of 15 seconds at the beginning of the experiment.

Calibration

Based on the results of the calibration experiment, the following can be inferred for the GenGARP experiment. First, listening to the tone for 60 seconds at the beginning of the experiment further increases the discrepancy between the stated WTA and WTP values. Hence, in the main experiment, subjects should listen to either 15 seconds or 30 seconds of the tone. Consequently, it was decided that all the subjects of the non-monetary treatments in the GenGARP experiment should listen to 15 seconds of tone at the beginning of the experiment.

Secondly, results suggest that listening to the tone for 15, 30 or 60 seconds does not significantly change the stated WTA values. Thus, data from A15, A30, and A60 treatments can be pooled to calibrate non-monetary unit to Euros. Moreover, listening to the tone for 15 or 30 seconds does not significantly change the stated WTP values. Thus data from P15 and P30 treatments can be pooled to calibrate the non-monetary unit to Euros. The resulting mean and median values are given in Table 8.

Table 8: Mean and median WTA and WTP values for pooled data

minutes	WTA		WTP	
	mean	median	mean	median
4	3.40	3	1.25	1
	(2.10)		(1.60)	
6	4.01	4	1.8	1
	(2.04)		(1.92)	
7.5	4.54	5	2.4	2
	(2.04)		(2.21)	
10	5.05	6	2.94	2
	(2.15)		(2.44)	

^a Standard deviations are in parentheses.

In the GenGARP experiment, there are treatments with positive and negative framing.

For calibration, the monetary unit was set at 5 cents and the mean values given in Table 8 were used to calculate the non-monetary units of the GenGARP experiment for the positive and the negative framing. To do that, I first calculated for each value of x the number of seconds one would listen to the tone to earn 5 cents (WTA) and the seconds one would pay 5 cents (WTP) for to avoid listening to it. For instance, as shown in Table 8, mean WTA value for listening to 4 minutes of the tone is 3.40 Euros, implying that the tone equivalent of 5 cents is 3.5 seconds. Then, we take the average of these amount of seconds respectively for both WTA and WTP, in order to obtain the non-monetary units for the positive and the negative framing. Once we make the calculations, the non-monetary unit for negative framing is approximately 4 seconds (i.e., 4 seconds \sim 5 cents) and the non-monetary unit for positive framing is approximately 8 seconds (i.e., 8 seconds \sim 5 cents).

Note that, although the relationship between the value of the tone and the listening duration of the tone is non-linear, the calibration is made assuming linearity. Linear conversion was performed to keep the decision situation simple for the subjects. Moreover, it can ex-post be assured that this design choice did not cause the differences in generosity levels between the monetary and non-monetary domains. To support this claim, we need to check the observed generosity levels from the Gen and GenGARP experiments.²⁰ Based on the current calibration, a decision-maker allocates 400 seconds (6.66 minutes) in the non-monetary domain with negative framing and 500 cents in the monetary domain for the budget set 8 of the GenGARP experiment. The non-linear conversion would suggest that 500 cents is equal to the monetary value of 570 seconds (9.5 minutes) and not 400 seconds. The question is whether allocating 6.6 minutes or 9.5 minutes would yield different generosity levels. If this was the case, we would not have a clean comparison of generosity levels between the monetary and the non-monetary domain. However, this is not the case. The results of the GenGARP experiment suggest that the mean generosity observed when people divide 6.6 minutes of the tone is 0.34. Moreover, the results of the Gen experiment suggest that the mean generosity observed when people divide 10 minutes of the tone is 0.32. The similarity of the generosity levels for 6.6 minutes and 10 minutes of tone supports the statement that linear conversion for money and tone did not cause the differences in generosity levels

²⁰For details of the Gen experiment, see Appendix E.

between the monetary and non-monetary treatments.

A.2 GenGARP experiment

A.2.1 Generosity levels

Table 9: Generosity in budget sets 7 and 8

	Budget 7		Budget 8		Average	
	Pos	Neg	Pos	Neg	Pos	Neg
Money	0.16	0.12	0.15	0.10	0.15	0.11
	(0.19)	(0.18)	(0.11)	(0.11)	(0.17)	(0.17)
<i>N</i>	38	40	38	40	76	80
Tone	0.34	0.40	0.33	0.37	0.34	0.39
	(0.34)	(0.40)	(0.21)	(0.24)	(0.32)	(0.26)
<i>N</i>	38	38	38	38	76	76

^a For MoneyPos and TonePos treatments, the numbers represent the proportion of the pie passed by the dictator. For MoneyNeg and ToneNeg treatments, the numbers represent the proportion of the pie kept by the dictator.

^b Standard devitatoms are in parentheses.

^c *N* is number of observations.

B GARP violations

B.1 Methods for measuring GARP violations

The current study investigates whether individuals have a well-behaved preference ordering that leads to continuous, convex, and monotonic utility functions in the monetary and the non-monetary domains. Given linear budget constraints, Varian (1993) has shown that satisfying GARP is both a necessary and a sufficient condition for having well-behaved preferences. GARP is defined as follows:

GARP: If a consumption bundle a is directly revealed preferred to a consumption bundle b , then a is not in the interior of the budget set when b is chosen.

In the context of the present study, a GARP violation would be similar to the following description:

In Figure 7, the x axis represents the amount of tokens a dictator takes for herself, and the y axis represents the amount of tokens a dictator gives to the recipient in a dictator game.

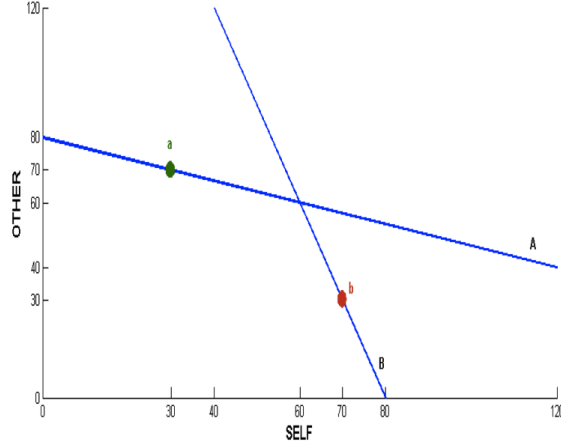


Figure 7: a GARP violation

If a dictator chooses consumption bundle a from budget set A , it implies that consumption bundle a is directly revealed preferred to the consumption bundle b since b is in the interior of the choice set when a is chosen. On the other hand, if the same dictator chooses consumption bundle b from budget set B , then b is directly preferred to consumption bundle a since a is in the interior of the choice set when b is chosen. This is a GARP violation since it implies $a \succ b$ and $b \succ a$.

The current study also attempts to show how severe the GARP violations are. It uses the Critical Cost Efficiency Index (CCEI) that was introduced by Afriat (1972) to measure the severity of the GARP violations. CCEI gives information about the amount by which we have to modify budget constraints in order to eliminate GARP violations. For instance, if CCEI equals 1 then there are no GARP violations. Hence, as CCEI gets closer to 1, the severity of the violations decreases.

CCEI is formally defined in Varian (1991) as follows: Let $e^t \in [0; 1]$ be a vector of numbers for $t = 1, \dots, T$. Define revealed preference relation $R^D(e^t)$ to be $x^t R^D(e^t) x^s$ iff $e^t p^t x^t \geq p^s x^s$. So for instance, if $x^t R^D(e^t) x^s$, then x^t is directly revealed preferred to x^s at efficiency level e^t . Define $R(e^t)$ as the transitive closure of $R^D(e^t)$. Then define $GARP(e^t)$ as 'if $x^t R(e^t) x^s$, then $e^t p^s x^s \leq p^t x^t$ '. Then the CCEI is the largest value of e^t such that there are no violations of $GARP(e^t)$.

B.2 Frequency of CCEI values

Table 10: Frequency of CCEI values

Interval	CCEI	MoneyPos	MoneyNeg	TonePos	ToneNeg
[0; 0.95)	0.5	0	0	1	0
	0.63	0	0	1	0
	0.72	0	0	0	1
	0.73	0	0	0	1
	0.75	0	0	5	2
	0.79	0	0	0	1
	0.8	0	0	0	1
	0.81	0	0	1	0
	0.85	0	0	1	0
	0.86	2	0	0	2
	0.88	0	0	2	1
	0.92	0	0	1	0
	0.93	1	0	0	0
	0.94	0	1	1	0
[0.95; 1)	0.96	1	0	0	1
	0.99	7	5	9	12
[1]	1	26	34	16	16
$CCEI \geq 0.95$		34	39	25	28

^a The numbers in the last four columns indicate how many subjects chose the CCEI value specified in the second column across treatments.

C Analysis of all budget sets

C.1 Generosity and utility functions

As stated before, generosity was measured using the budget sets with a slope of minus one (budget sets 7 and 8), in order to ensure that the price of passing a token was equal to the price of keeping a token. Nevertheless, it is also important to observe whether the generosity differences across treatments are sustained in the other budget sets. In order to examine this, subjects' choices were classified into three prototypical utility functions by calculating the Euclidean distance of their choices to the prototypical utility functions.

Following AM's classification, selfish ($U(\pi_D, \pi_R) = \pi_D$), Leontief ($U(\pi_D, \pi_R) = \min\{\pi_D, \pi_R\}$), and perfect substitutes ($U(\pi_D, \pi_R) = \pi_D + \pi_R$) were used as the prototypical utility functions. Hence, perfectly selfish people were expected to allocate all the money to themselves and the tone to the others, people with perfectly Leontief preferences were expected to allocate

the money/tone equally, and people with perfect substitutes preferences were expected to allocate all the money to the person who had the lowest price, and all the tone to the person who had the highest price. If the generosity differences across treatments are sustained i.e., if people are more generous in the tone domain than in the money domain, selfish utility functions are expected to be observed more frequently in the money domain compared to the tone domain, and Leontief utility functions are expected to be observed less frequently in the money domain compared to the tone domain.

RESULT 1c: Selfish utility functions are observed more frequently in the money domain compared to the tone domain. Moreover, the Leontief utility function is observed less frequently in the money domain compared to the tone domain.

SUPPORT: If a subject’s choices have an Euclidean distance of 0 to a utility function then the subject’s preferences strongly fit the respective utility function. Table 11 shows the percentage of subjects that strongly fit one of the prototypical utility functions in respective treatments. For instance, the upper-left cell shows that 34% of the subjects in MoneyPos treatment have preferences that strongly fit the selfish utility function.

Table 11: Percentage of subjects that strongly fit to one of the prototypical functions

	Selfish		Leontief		Perfect Substitutes	
	Pos	Neg	Pos	Neg	Pos	Neg
Money	34%	55%	0%	0%	0%	2%
Tone	16%	18%	0%	8%	0%	0%

^a The numbers represent the percentage of the subjects that strongly fits to the respective utility function in respective treatment.

Table 11 shows that the proportion of the strongly selfish people are higher in the money domain than in tone the domain. Based on the test of proportions results, this difference is significant at the 1% level ($p = 0.0001$). Also, the proportion of strongly selfish people are significantly higher in the MoneyNeg treatment than in the MoneyPos treatment at the 5% level ($p = 0.033$). We observe that the behavior of subjects cannot be explained by a Leontief utility function, with the exception of 8% of subjects in the ToneNeg treatment. Moreover, the behavior of subjects cannot be explained by a perfect substitutes utility function, with the exception of 2% of subjects in the MoneyNeg treatment.

When all four treatments are taken into account, 35% of the subjects’ behavior strongly

fit one of the three types of preferences. For subjects whose behavior do not strongly fit one of the three types of preferences, the mean Euclidean distances of their behavior to three prototypical utility functions were calculated. Subjects were then classified under the utility function that had the minimum distance to their choices. These subjects' utility function groups are identified as weak selfish, weak Leontief, and weak perfect substitutes.²¹

Table 12: Percentage of subjects that fit to one of the prototypical functions

	Selfish		Leontief		Perfect Substitutes	
	Pos	Neg	Pos	Neg	Pos	Neg
Money	79%	78%	21%	20%	0%	2%
Tone	48%	27%	42%	68%	10%	5%

^a The numbers represent the percentage of the subjects that fits to the respective utility function in respective treatments.

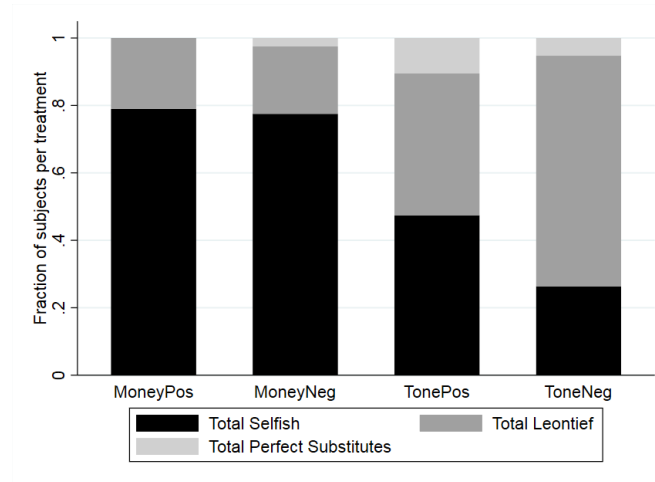


Figure 8: Proportion of subjects that fit to one of the prototypical functions

²¹To give an example, suppose a subject in the MoneyPos treatment gave 30 tokens to the recipient out of 100 tokens and kept 70 tokens for herself for budget set 8. For budget set 8, a choice that is in line with strongly selfish preferences would be taking 100 tokens for one's self and giving nothing to the recipient. The Euclidean distance of the choice to the selfish preference is $|100 - 70| = 30$. In the same manner, I calculate the distance for all the budget sets, and take the average of these distances in order to find the mean distance of a subject's choice to the selfish utility function. I repeat the same exercise for the other prototypical utility functions (Leontief and perfect substitutes) and calculate a mean distance for them as well. Finally, I compare the three mean distances I got for the prototypical utility functions, and classify subjects under the utility function that has the smallest mean distance.

The combination of weak and strong types in terms of preferences can be observed in Table 12 and Figure 8. The proportion of selfish types are higher in the money domain than in the tone domain ($p = 0.000$), and the proportion of Leontief types are higher in the tone domain than in the money domain ($p = 0.000$). These differences are significant at 1% level. The proportion of selfish types ($p = 0.183$) and Leontief types ($p = 0.124$) are not significantly different with respect to positive vs. negative framing.

The subjects' utility function classifications across treatments are in keeping with the expected differences in generosity. By definition, behaving in line with the Leontief utility function leads people to be more generous compared to behaving in line with the selfish utility function. The results show that the frequency of having a selfish utility function is higher in the money domain compared to the tone domain. Moreover, the frequency of having a Leontief utility function is lower in the money domain compared to the tone domain. Hence, when all the budget sets are considered, people are still more generous in the tone domain compared to the money domain.

C.2 Robustness of generosity with respect to utility functions

I also examine whether the robustness of generosity is sustained when all the budget sets are taken into account. Hence, subjects' utility function classifications were investigated across domains, for Group 2 subjects that have insignificant GARP violations i.e., that have CCEI value greater than or equal to 0.95.

RESULT 3b: Selfish utility functions are observed more frequently in the money domain compared to the tone domain, and the Leontief utility functions are observed less frequently in the money domain compared to the tone domain even if we control for utility maximizing behavior.

SUPPORT: The percentage of Group 2 subjects that strongly fits and that weakly fits to one of the prototypical utility functions are given in 13. The combination of weak and strong Group 2 subjects can be observed in Table 13 and Figure 9.

Table 13: Percentage of subjects with insignificant GARP violations that fit to one of the prototypical functions

		Selfish		Leontief		Perfect Substitutes	
		Pos	Neg	Pos	Neg	Pos	Neg
Strong	Money	38%	56%	0%	0%	0%	3%
	Tone	24%	24%	0%	10%	0%	0%
Weak	Money	47%	21%	15%	20%	0%	0%
	Tone	16%	7%	48%	52%	12%	7%
Total	Money	85%	77%	15%	20%	0%	3%
	Tone	40%	31%	48%	62%	12%	7%

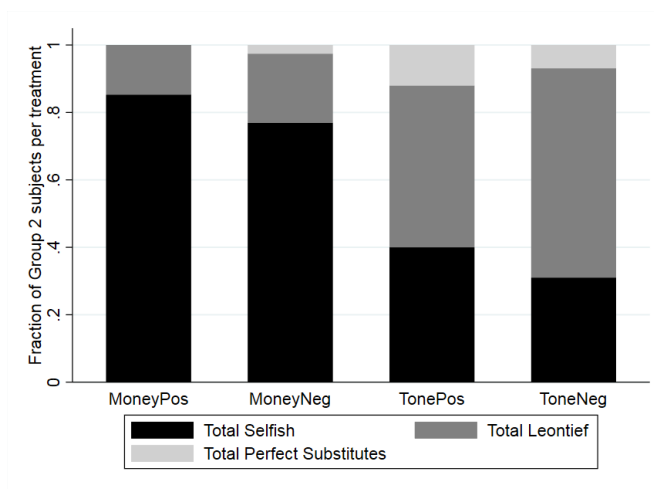


Figure 9: Proportion of Group 2 subjects that fit to one of the prototypical functions

For subjects with insignificant GARP violations, classifications of utility functions across treatments are very similar to those of the whole subject pool. The proportion of subjects with selfish preferences is significantly higher in the money domain than in the tone domain for both strong and weak type classifications. Moreover, the proportion of subjects with Leontief preferences is significantly lower in the money domain than in the tone domain for both strong and weak type classifications. Hence, the difference in utility function classifications across money and tone domains is robust when we control for differences in utility maximizing behavior.

D Valuation experiment

D.1 BDM mechanism

For the SelfWTA and SelfWTP treatments, the data from the calibration experiment treated in Appendix A was used. In the Self treatments, the BDM method was carried out in a setting where there is one type of subject who gives the values for him/herself listening to the tone, and is affected by his/her own decision.

For the OtherWTP and OtherWTA treatments, subjects were randomly assigned to one of two different roles: active or inactive. Active players were those from whom WTP or WTA values were elicited and inactive players were those who were affected by the decisions of the active players. Every active player was randomly matched with an inactive player. Before subjects made their decisions, they listened to 15 seconds of the aversive tone to familiarize themselves with the nature of the ‘bad.’

For the OtherWTP treatment, the BDM method was carried out as follows: Active subjects were told that the person they were matched with was endowed with x minutes of the tone, and they were asked how much they would like to pay to save that person from listening to the endowed duration of tone. To make sure that the true WTP values were revealed, the stated value was compared with a value P determined by a random number generator. If the stated WTP value was greater than or equal to P , active subjects paid P and inactive subjects did not listen to the tone. If the stated WTP value was smaller than P , active subjects paid nothing and inactive subjects listened to the endowed amount of tone.

For the OtherWTA treatment, the BDM method was carried out as follows: Active subjects were asked how much money they would like to get to let another person listen to x duration of tone. To make sure that true WTA values were revealed, the stated value was compared with a value P determined by a random number generator. If the stated WTA value was greater than P , inactive subjects did not listen to the tone and the active subjects did not get paid. If the stated WTA value was smaller than or equal to P then inactive subjects listened to the endowed amount of tone and active subjects got P . It was common knowledge that active subjects knew the nature of the bad and that another person would

be affected by the valuations (s)he gave.

D.2 Mean WTA and WTP values

Table 14: Mean and median WTA values for Self and Other

minutes	SelfWTA ($N=38$)		OtherWTA ($N=32$)		Rank-sum (p)
	mean	median	mean	median	
4	3.63 (2.37)	3.5	4 (2.21)	4	0.48
6	4.11 (2.21)	4	4.39 (2.12)	4.5	0.63
7.5	4.39 (2.19)	4	4.59 (2.11)	4.5	0.77
10	4.75 (2.31)	5.25	4.83 (2.32)	5	0.78

^a Standard deviations are in parentheses.

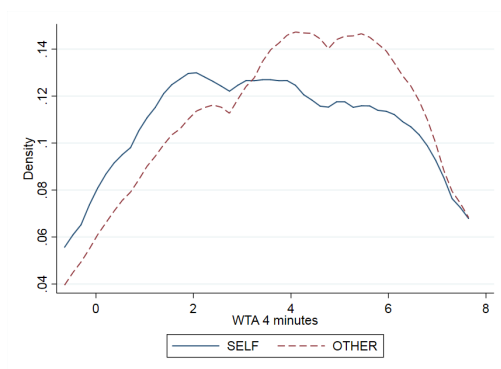
Table 15: Mean and median WTP values for Self and Other

minutes	SelfWTP ($N=38$)		OtherWTP ($N=32$)		Rank-sum (p)
	mean	median	mean	median	
4	1.24 (1.62)	1	0.81 (1.08)	0	0.25
6	1.78 (1.93)	1	1.25 (1.33)	0.5	0.36
7.5	2.38 (2.23)	2	1.77 (1.59)	1.25	0.36
10	2.94 (2.54)	2	2.27 (1.88)	2	0.36

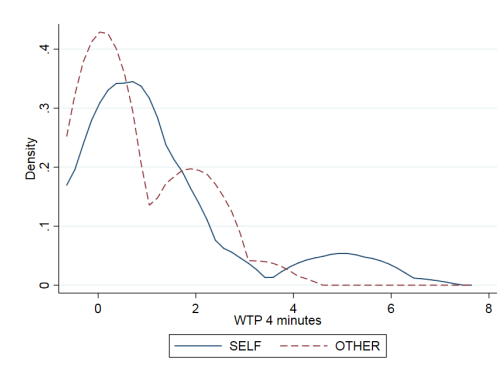
^a Standard deviations are in parentheses.

D.3 Kernel Density Estimates

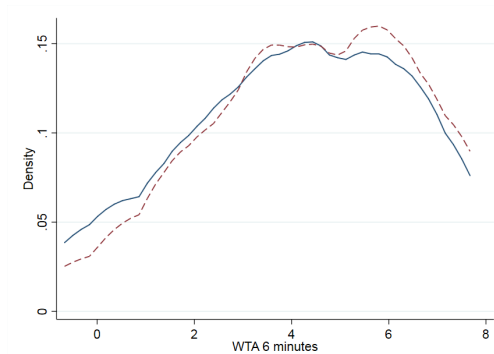
Figure 10: Kernel density estimates (KDE) of the WTA and WTP values for Self and Other.



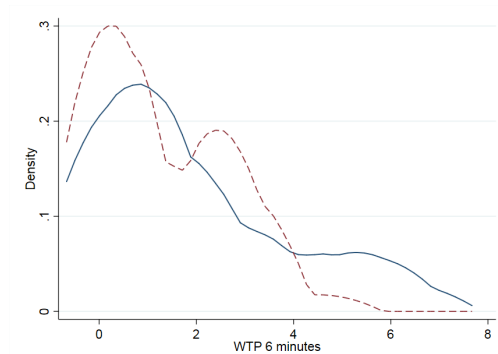
(a) WTA for 4 min.



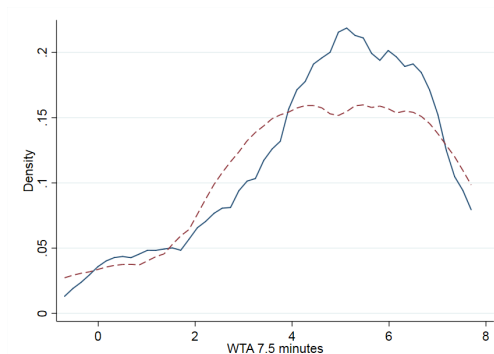
(b) WTP for 4 min.



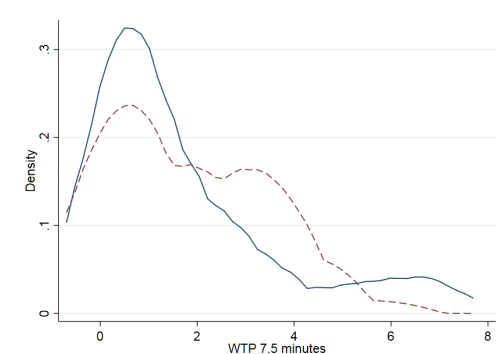
(c) WTA for 6 min.



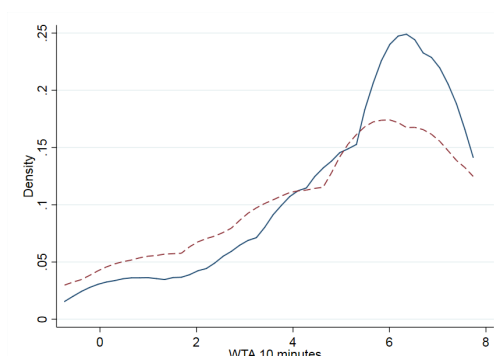
(d) WTP for 6 min.



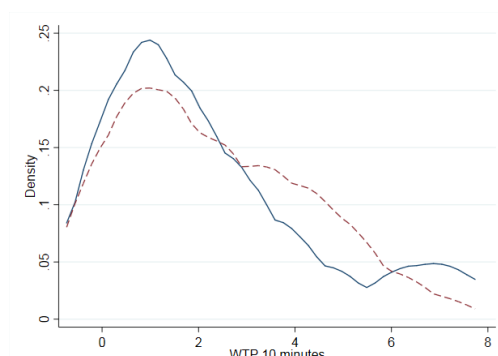
(e) WTA for 7.5 min.



(f) WTP for 7.5 min.



(g) WTA for 10 min.



(h) WTP for 10 min.

E Social norms

E.1 Gen experiment

In the dictator game played with money (money treatment), subjects played a dictator game where a dictator was endowed with €10, the recipient was endowed with €0, and the dictator's task was to decide how much of her endowment she wanted to give to the recipient in €1 increments. In the dictator game played with the tone (tone treatment), another group of subjects played a dictator game where a dictator was endowed with 10 minutes of an aversive tone (90 dB and 2083 Hz), the recipient was endowed with 0 minutes of the tone, and the dictator's task was to decide how much of her endowment she wanted to give to the recipient in one-minute increments. Two sessions for each treatment were conducted, thus four sessions in total. There were 78 dictator observations: 38 observations for the money treatment and 40 for the tone treatment. Sessions lasted approximately 40 minutes.

RESULT 1a: The first null hypothesis for generosity G_0 is rejected. Generosity is higher in the non-monetary domain than in the monetary domain.

SUPPORT: Mean generosity levels observed in money and tone treatments are 0.14 and 0.32 respectively. Based on the Wilcoxon rank-sum test result, generosity is significantly higher in the tone treatment than in the money treatment at the 1% level ($p = 0.000$).

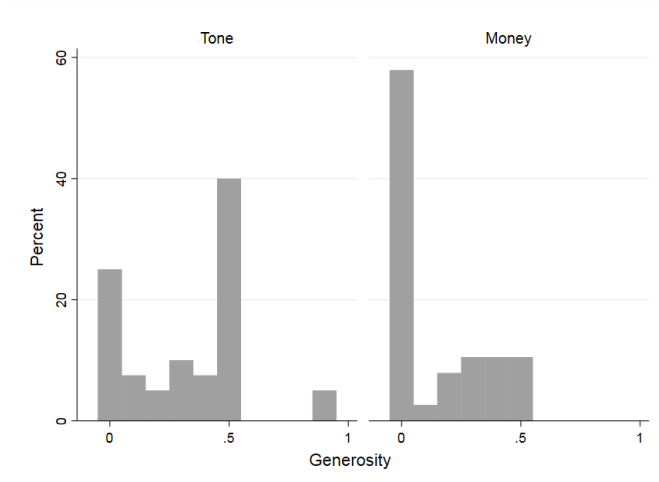


Figure 11: Distribution of generosity in the tone and money treatments

Moreover, as we can observe from the distribution of generosity levels in Figure 11,

generosity level $g = 0$ is observed more frequently in the money treatment than in the tone treatment, and generosity level $g = 0.5$ is observed more in the tone treatment than in the money treatment. Based on the Kolmogorov-Smirnov test result, distributions of generosity in the money and the tone treatments are significantly different at the 1% level ($p = 0.01$).

E.2 Appropriateness ratings

Table 16: Appropriateness ratings for Money and Tone

Money ($n = 38$)						Tone ($n = 34$)						<i>Rank-sum</i>
Action	Mean	- -	-	+	++	Action	Mean	- -	-	+	++	<i>test (z)</i>
Give €0	-0.81	84%	8%	3%	5%	Give 10 minutes	-0.90	91%	6%	0%	3%	0.84
Give €1	-0.58	53%	34%	11%	3%	Give 9 minutes	-0.82	79%	18%	0%	3%	1.87*
Give €2	-0.44	32%	53%	16%	0%	Give 8 minutes	-0.72	62%	35%	3%	0%	1.25
Give €3	-0.07	3%	55%	42%	0%	Give 7 minutes	-0.35	21%	62%	18%	0%	0.56
Give €4	0.28	0%	18%	71%	11%	Give 6 minutes	-0.14	12%	53%	29%	6%	4.42***
Give €5	0.82	3%	3%	13%	82%	Give 5 minutes	0.65	3%	9%	26%	62%	2.13**
Give €6	0.68	0%	11%	26%	63%	Give 4 minutes	0.51	3%	3%	59%	35%	3.06***
Give €7	0.58	3%	18%	18%	61%	Give 3 minutes	0.49	0%	12%	53%	35%	1.84*
Give €8	0.40	11%	21%	16%	53%	Give 2 minutes	0.51	6%	15%	26%	53%	-0.37
Give €9	0.32	18%	21%	5%	55%	Give 1 minute	0.51	12%	9%	21%	59%	-0.85
Give €10	0.21	32%	11%	3%	55%	Give 0 minutes	0.55	15%	3%	18%	65%	-1.30

^a * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

^b Responses are very socially inappropriate (- -), somewhat socially inappropriate (-), somewhat socially appropriate (+), and very socially appropriate (++). Modal responses are shaded.

F Instructions

F.1 Calibration Experiment

F1.1 WTA Elicitation

Welcome to our experiment.

In this experiment, we ask you to state the amount of money for which you would be willing to listen to a tone for a certain duration.

Next, a number X between 0.0 and 7.0 (in multiples of 0.1) is drawn at random, with each number being equally likely to be drawn. If the amount you stated is smaller than or equal to this number X , then you have to listen to the tone for the given duration and receive a compensation of X . If, on the other hand, the amount you stated is greater than this randomly drawn number X , then you do not have to listen to the tone and do not receive any compensation.

We will ask you this question for four different durations (4, 6, 7.5 and 10 minutes), but for only one randomly chosen duration (each of the four with equal chance) your decision will be effectuated.

In addition to the possible compensation for listening to the tone, you will receive 7 euros participation fee.

Note that you have right to leave the experiment at any time if you feel uncomfortable. However, if you decide to leave before the experiment ends, you will only get 2 euros show-up fee.

Now, you will listen to the tone, to get to know the tone before you give your decisions. Please put on your headphones and when you are ready, press OK button.

F1.2 WTP Elicitation

Welcome to our experiment.

In this experiment, we ask you to state the amount of money you would like to pay to get rid of listening to tone for a certain duration.

Next, a number X between 0.0 and 7.0 (in multiples of 0.1) is drawn at random, with each number being equally likely to be drawn. If the amount you stated is greater than or equal to this number X , then you will pay X and you do not have to listen the tone. If, on the other hand, the amount you stated is smaller than this randomly drawn number X , then you pay nothing and you have to listen to the tone for the given duration.

We will ask you this question for four different durations (4, 6, 7.5 and 10 minutes), but for only one randomly chosen duration (each of the four with equal chance) your decision will be effectuated.

At the end of the experiment, you will receive 7 euros participation fee. X amount of money will be deducted from your participation fee depending on your decision, as explained above.

Note that you have right to leave the experiment at any time if you feel uncomfortable. However, if you decide to leave before the experiment ends, you will only get 2 euros show-up fee.

Now, you will listen to the tone, to get to know the tone before you give your decisions. Please put on your headphones and when you are ready, press OK button.

F.2 GENGarp Experiment

F2.1 Dictator Instructions

MoneyPos Treatment

Welcome to our experiment.

In this experiment, we ask you to give a number of allocation decisions. You and the person you are matched with are endowed with a given amount of points. You are endowed with X points and the person you are matched with is endowed with Y points in the beginning. Each point you and the second person are endowed with is worth 5 cents. Thus you are endowed with $X \cdot 5$ cents and the second person is endowed with $Y \cdot 5$ cents in the beginning. We ask you to allocate T amount of tokens between yourself and the second person. Your allocation of tokens will lead you and the second person to get points. Since each point is worth 5 cents, your allocation decision will determine how much money you and the second person will gain at the end of the experiment.

You will give eight allocation decisions concerning eight different situations. These eight situations will differ from each other with respect to the amount of points you and the second person are endowed with (X and Y), the amount of tokens you will allocate in total (T), the value of keeping a token for yourself and the value for giving a token to the second person. Let us give two examples of decisions you will make and the consequences of possible allocations for you and the second person.

Example 1: You and the second person are endowed with 0 points.

Divide 100 tokens: Hold ____ tokens at 1 point per token and Pass ____ tokens at 1 point per token.

In this example you and the second person both have 0 points. You are asked to divide 100 tokens between yourself and the second person. You can decide to keep all tokens for yourself, hold some tokens and pass some to the second person, or pass all tokens to the second person. Here, each token you hold is counted as 1 point and each token you pass is also counted as 1 point.

So for instance, if you allocate all 100 tokens to yourself and allocate nothing to the second person, you will get $100 \cdot 1 = 100$ points and the second person will get $0 \cdot 1 = 0$ points. You and the second person were both endowed with 0 points in the beginning. Therefore you will gain 100 points in addition to the 0 points you were endowed with and get 100 points in total, and the second person will gain 0 points in addition to the 0 points she was endowed with so that she will get 0 points in total at the end of the experiment.

Alternatively, you might decide to allocate 60 tokens to yourself and 40 tokens to the second person. In this case, you will get $60 \times 1 = 60$ points and the second person will get $40 \times 1 = 40$ points. You and the second person were both endowed with 0 points in the beginning. Therefore you will gain 60 points in addition to the 0 points you were endowed with and get 60 points in total, and the second person will gain 40 points in addition to the 0 points she was endowed with so that she will get 40 points in total at the end of the experiment.

Or, you can decide to allocate all 100 tokens to the second person and allocate nothing to yourself. In this case, you will get $0 \times 1 = 0$ points and the second person will get $100 \times 1 = 100$ points. You and the second person were both endowed with 0 points in the beginning. So you will gain 0 points in addition to the 0 points you were endowed with and get 0 points in total, and the second person will gain 100 points in addition to the 0 points she was endowed with so that she will get 100 points in total at the end of the experiment.

Example 2: You are endowed with 0 points and the second person is endowed with 30 points.

Divide 60 tokens: Hold ____ tokens at 2 points per token and Pass ____ tokens at 1 point per token.

In this example you are endowed with 0 points and the second person is endowed with 30 points. You are asked to divide 60 tokens between yourself and the second person. Each token you allocate to yourself (you hold) is counted as 2 points and each token you pass to the second person is counted as 1 point.

So for instance, if you allocate all 60 tokens to yourself and allocate nothing to the second person, you will get $60 \times 2 = 120$ points and the second person will get $0 \times 1 = 0$ points. You were endowed with 0 points and the second person was endowed with 30 points in the beginning. Therefore you will gain 120 points in addition to the 0 points you were endowed with and get 120 points in total, and the second person will gain 0 points in addition to the 30 points she was endowed with so that she will get 30 points in total at the end of the experiment.

Alternatively, you might decide to allocate 20 tokens to yourself and 40 tokens to the second person. In this case, you will get $20 \times 2 = 40$ points and the second person will get $40 \times 1 = 40$ points. You were endowed with 0 points and the second person was endowed with 30 points in the beginning. Therefore you will gain 40 points in addition to the 0 points you were endowed with and get 40 points in total, and the second person will gain 40 points in addition to the 30 points she was endowed with so that she will get 70 points in total at the end of the experiment.

Or, you can decide to allocate all 60 tokens to the second person and allocate nothing to yourself. In this case, you will get $0 \times 2 = 0$ points and the second person will get $60 \times 1 = 60$ points. You were endowed with 0 points and the second person was endowed with 30 points in the beginning. Therefore you will gain 0 points in addition to the 0 points you were endowed with and get 0 points in total, and the second person will gain 60 points in addition to the 30 points she was endowed with so that she will get 90 points in total at the end of the experiment.

You can divide the tokens any way you like but the sum of the tokens you hold and pass should be exactly equal to the amount of tokens that are available. For instance, in Example 2, you

should allocate exactly 60 tokens. Electronic calculators will be provided to you. You can use the calculator by pressing the calculator button on the screen of the decision stage.

You will receive 9 euros as participation fee.

At the end of the experiment, one of the eight allocation decisions you made will be randomly chosen and the payment you get from your decision and the participation fee will be given to you in person. After the experiment ends, you will be requested to fill a questionnaire.

Please note that your identity will not be revealed to the third parties, including the other person you are matched with.

Before you give your decisions, we would like you to answer some questions to make sure that you fully understand the consequences of your decisions. After you correctly answer these questions, you can proceed to the experiment.

MoneyNeg Treatment

Welcome to our experiment.

In this experiment, we ask you to give a number of allocation decisions. You and the person you are matched with are endowed with a given amount of points. You are endowed with X points and the person you are matched with is endowed with Y points in the beginning. Each point you and the second person are endowed with is worth 5 cents. Thus you are endowed with $X \cdot 5$ cents and the second person is endowed with $Y \cdot 5$ cents in the beginning. We ask you to allocate a loss of T tokens between yourself and the second person. Your allocation of tokens will lead you and the second person to lose points. Since each point is worth 5 cents, your allocation decision will determine how much money you and the second person will lose at the end of the experiment.

You will give eight allocation decisions concerning eight different situations. These eight situations will differ from each other with respect to the amount of points you and the second person are endowed with (X and Y), the amount of tokens you will allocate in total (T), the value of keeping a token for yourself and the value for giving a token to the second person. Let us give an example of a decision you will make and the consequences of possible allocations for you and the second person.

Example 1: You and the second person are endowed with 100 points each.

Divide a loss of 100 tokens: Hold ____ tokens at 1 point per token and Pass ____ tokens at 1 point per token.

In this example you and the second person both have 100 points. You are asked to divide a loss of 100 tokens between yourself and the second person. You can decide to keep all tokens for yourself, hold some tokens and pass some to the second person, or pass all tokens to the second person. Here, each token you hold is counted as 1 point and each token you pass is also counted as 1 point.

So for instance, if you allocate all the loss of 100 tokens to yourself and allocate nothing to the second person, you will lose $100 \cdot 1 = 100$ points and the second person will lose $0 \cdot 1 = 0$ points. You and the second person were both endowed with 100 points in the beginning. Therefore you will lose 100 points out of the 100 points you were endowed and get 0 points in total, and the

second person will lose 0 points out of the 100 points she was endowed with so that she will get 100 points in total at the end of the experiment.

Alternatively, you might decide to allocate a loss of 60 tokens to yourself and a loss of 40 tokens to the second person. In this case, you will lose $60 \times 1 = 60$ points and the second person will lose $40 \times 1 = 40$ points. You and the second person were both endowed with 100 points in the beginning. Therefore you will lose 60 points out of the 100 points you were endowed with and get 40 points in total, and the second person will lose 40 points out of the 100 points she was endowed with so that she will get 60 points in total at the end of the experiment.

Or, you can decide to allocate all the loss of 100 tokens to the second person and allocate nothing to yourself. In this case, you will lose $0 \times 1 = 0$ points and the second person will lose $100 \times 1 = 100$ points. You and the second person were both endowed with 100 points in the beginning. Therefore you will lose 0 points out of the 100 points you were endowed and get 100 points in total, and the second person will lose 100 points out of the 100 points she was endowed with so that she will get 0 points in total at the end of the experiment.

Example 2: You are endowed with 120 points and the second person is endowed with 90 points.

Divide a loss of 60 tokens: Hold ____ tokens at 2 points per token and Pass ____ tokens at 1 point per token.

In this example you are endowed with 120 points and the second person is endowed with 90 points. You are asked to divide a loss of 60 tokens between yourself and the second person. Each token you allocate to yourself (you hold) is counted as 2 points and each token you pass to second person is counted as 1 point.

So for instance, if you allocate all the loss of 60 tokens to yourself and allocate nothing to the second person, you will lose $60 \times 2 = 120$ points and the second person will lose $0 \times 1 = 0$ points. You were endowed with 120 points and the second person was endowed with 90 points in the beginning. Therefore you will lose 120 points out of the 120 points you were endowed and get 0 points in total, and the second person will lose 0 points out of the 90 points she was endowed with so that she will get 90 points in total at the end of the experiment.

Alternatively, you might decide to allocate a loss of 20 tokens to yourself and a loss of 40 tokens to the second person. In this case, you will lose $20 \times 2 = 40$ points and the second person will lose $40 \times 1 = 40$ points. You were endowed with 120 points and the second person was endowed with 90 points in the beginning. Therefore you will lose 40 points out of the 120 points you were endowed and get 80 points in total, and the second person will lose 40 points out of the 90 points she was endowed with so that she will get 50 points in total at the end of the experiment.

Or, you can decide to allocate all the loss of 60 tokens to the second person and allocate nothing to yourself. In this case, you will lose $0 \times 2 = 0$ points and the second person will lose $60 \times 1 = 60$ points. You were endowed with 120 points and the second person was endowed with 90 points in the beginning. Therefore you will lose 0 points out of the 120 points you were endowed and

get 120 points in total, and the second person will lose 60 points out of the 90 points she was endowed with so that she will get 30 points in total at the end of the experiment.

You can divide the tokens any way you like but the sum of the tokens you hold and pass should be exactly equal to the amount of tokens that are available. For instance, in Example 2, you should allocate exactly 60 tokens. Electronic calculators will be provided to you. You can use the calculator by pressing the calculator button on the screen of the decision stage.

You will receive 9 euros as participation fee.

At the end of the experiment, one of the eight allocation decisions you made will be randomly chosen and the payment you get from your decision and the participation fee will be made to you in person. After the experiment ends, you will be requested to fill a questionnaire.

Please note that your identity will not be revealed to the third parties, including the other person you are matched with.

Before you give your decisions, we would like you to answer some questions to make sure that you fully understand the consequences of your decisions. After you correctly answer these questions, you can proceed to the experiment.

TonePos Treatment

Welcome to our experiment.

In this experiment, we ask you to give a number of allocation decisions. You and the person you are matched with are endowed with a given amount of points. You are endowed with X points and the person you are matched with is endowed with Y points in the beginning. Each point you and the second person are endowed with is worth 8 seconds. Thus, you are endowed with $X \cdot 8$ seconds and the second person is endowed with $Y \cdot 8$ seconds of tone in the beginning. We ask you to allocate a deduction of T tokens and save yourself and the second player from listening to $T \cdot 8$ seconds of tone in total. Your allocation of tokens will lead you and the second person to get points. Since each point is worth 8 seconds of a tone, your allocation decision will determine how much you and the second person will get rid of listening to an endowed amount of tone at the end of the experiment.

You will give eight allocation decisions concerning eight different situations. These eight situations will differ from each other with respect to the amount of points you and the second person are endowed with (X and Y), amount of tokens you will allocate (T), the value of keeping a token for yourself and the value for giving a token to the second person. Let us give an example of a decision you will make and the consequences of possible allocations for you and the second person.

Example 1: You and the second person are endowed with 100 points each.

Divide a deduction of 100 tokens: Hold ____ tokens at 1 point per token and Pass ____ tokens at 1 point per token.

In this example you and the second person both have 100 points. You are asked to divide a deduction of 100 tokens between yourself and the second person. You can decide to keep all tokens for yourself, hold some tokens and pass some to the second person, or pass all tokens to the second person. Here, each token you hold is counted as 1 point and each token you pass is also counted as 1 point.

So for instance, if you allocate all the deduction of 100 tokens to yourself and allocate nothing to the second person, $100 \times 1 = 100$ points will be deducted from the points you already have and $0 \times 1 = 0$ points will be deducted from the points the second person already has. You and the second person were both endowed with 100 points in the beginning. Therefore you will save yourself from 100 points out of the 100 points you were endowed with and get 0 points in total, and save the second person from 0 points out of the 100 points she was endowed with so that she will get 100 points in total at the end of the experiment.

Alternatively, you might decide to allocate a deduction of 60 tokens to yourself and deduction of 40 tokens to the second person. In this case, you will get a deduction of $60 \times 1 = 60$ points and the second person will get a deduction of $40 \times 1 = 40$ points. You and the second person were both endowed with 100 points in the beginning. Therefore you will save yourself from 60 points out of the 100 points you were endowed with and get 40 points in total, and save the second person from 40 points out of the 100 points she was endowed with so that she will get 60 points in total at the end of the experiment.

Or, you can decide to allocate all the deduction of 100 tokens to the second person and allocate nothing to yourself. In this case, the second person will get a deduction of $100 \times 1 = 100$ points and you will get a deduction of $0 \times 1 = 0$ points. You and the second person were both endowed 100 points in the beginning. So you will save yourself from 0 points out of the 100 points you were endowed with and get 100 points in total, and save the second person from 100 points out of the 100 points she was endowed with so that she will get 0 points in total at the end of the experiment.

Example 2: You are endowed with 120 points and the second person is endowed with 90 points.

Divide a deduction of 60 tokens: Hold ____ tokens at 2 points per token and Pass ____ tokens at 1 point per token.

In this example you are endowed with 120 points and the second person is endowed with 90 points. You are asked to divide a deduction of 60 tokens between yourself and the second person. Each token you allocate yourself (you hold) is counted as 2 points and each token you pass to second person is counted as 1 point.

So for instance, if you allocate all the deduction of 60 tokens to yourself and allocate nothing to the second person, you will get a deduction of $60 \times 2 = 120$ points and the second person will get a deduction of $0 \times 1 = 0$ points. You were endowed with 120 points and the second person was endowed with 90 points in the beginning. Therefore you will save yourself from 120 points out of the 120 points you were endowed with and get 0 points in total, and save the second person

from 0 points out of the 90 points she was endowed with so that she will get 90 points in total at the end of the experiment.

Alternatively, you might decide to allocate a deduction of 20 tokens to yourself and a deduction of 40 tokens to the second person. In this case, you will get a deduction of $20 \times 2 = 40$ points and the second person will get a deduction of $40 \times 1 = 40$ points. You were endowed with 120 points and the second person was endowed with 90 points in the beginning. So you will save yourself from 40 points out of the 120 points you were endowed with and get 80 points in total, and save the second person from 40 points out of the 90 points she was endowed with so that she will get 50 points in total at the end of the experiment.

Or, you can decide to allocate all the deduction of 60 tokens to the second person and allocate nothing to yourself. In this case, you will get a deduction of $0 \times 2 = 0$ points and the second person will get a deduction of $60 \times 1 = 60$ points. You were endowed with 120 points and the second person was endowed with 90 points in the beginning. So you will save yourself from 0 points out of the 120 points you were endowed with and get 120 points in total, and save the second person from 60 points out of the 90 points she was endowed with so that she will get 30 points in total at the end of the experiment.

You can divide the tokens any way you like but the sum of the tokens you hold and pass should be exactly equal to the amount of tokens that are available. For instance, in Example 2, you should allocate exactly a deduction of 60 tokens. Electronic calculators will be provided to you. You can use the calculator by pressing the calculator button on the screen of the decision stage.

After you finish first part, the second part of the experiment will start. At the end of the experiment, one of the eight allocation decisions you made will be randomly chosen and your decision will be effectuated. You will receive 15 euros as participation fee.

Your identity will not be revealed to the third parties, including the other person you are matched with.

Please note that you have right to leave the experiment at any time if you feel uncomfortable. However, if you decide to leave before the experiment ends, you will only get 5 euros show-up fee.

Before you give your decisions, we would like you to answer some questions to make sure that you fully understand the consequences of your decisions. After you correctly answer these questions, you can proceed to the experiment.

ToneNeg Treatment

Welcome to our experiment.

In this experiment, we ask you to give a number of allocation decisions. You and the person you are matched with are endowed with a given amount of points. You are endowed with X points and the person you are matched with is endowed with Y points in the beginning. Each points you and the second person are endowed with is worth 4 seconds. Thus you are endowed with $X \times 4$ seconds and the second person is endowed with $Y \times 4$ seconds in the beginning. We ask you to allocate T amount of tokens between yourself and the second person. Your allocation of tokens will lead you and the second person to get points. Since each point is worth 4 seconds of a

tone, your allocation decision will determine how much you and the second person will listen to a tone at the end of the experiment.

You will give eight allocation decisions concerning eight different situations. These eight situations will differ from each other with respect to the amount of points you and the second person are endowed with (X and Y), amount of tokens you will allocate (T), the value of keeping a token for yourself and the value for giving a token to the second person. Let us give an example of a decision you will make and the consequences of possible allocations for you and the second person.

Example 1: You and the second person are endowed with 0 points.

Divide 100 tokens: Hold ____ tokens at 1 point per token and Pass ____ tokens at 1 point per token.

In this example you and the second person both have 0 points. You are asked to divide 100 tokens between yourself and the second person. You can decide to keep all tokens for yourself, hold some tokens and pass some to the second person, or pass all tokens to the second person. Here, each token you hold is counted as 1 point and each token you pass is also counted as 1 point.

So for instance, if you allocate all 100 tokens to yourself and allocate nothing to the second person, you will get $100 \times 1 = 100$ points and the second person will get $0 \times 1 = 0$ points. You and the second person were both endowed with 0 points in the beginning. Therefore you will get 100 points in addition to the 0 points you were endowed with and get 100 points in total, and the second person will get 0 points in addition to the 0 points she was endowed with so that she will get 0 points in total at the end of the experiment.

Alternatively, you might decide to allocate 60 tokens to yourself and 40 tokens to the second person. In this case, you will get $60 \times 1 = 60$ points and the second person will get $40 \times 1 = 40$ points. You and the second person were both endowed with 0 points of tone in the beginning. Therefore you will get 60 points in addition to the 0 points you were endowed with and get 60 points in total, and the second person will get 40 points in addition to the 0 points she was endowed with so that she will get 40 points in total at the end of the experiment.

Or, you can decide to allocate all 100 tokens to the second person and allocate nothing to yourself. In this case, you will get $0 \times 1 = 0$ points and the second person will get $100 \times 1 = 100$ points. You and the second person were both endowed with 0 points of tone in the beginning. Therefore you will get 0 points in addition to the 0 points you were endowed with and get 0 points in total, and the second person will get 100 points in addition to the 0 points she was endowed with so that she will get 100 points in total at the end of the experiment.

Example 2: You are endowed with 0 points and the second person is endowed with 30 points.

Divide 60 tokens: Hold ____ tokens at 2 points per token and Pass ____ tokens at 1 point per token.

In this example you are endowed with 0 points and the second person is endowed with 30 points. You are asked to divide 60 tokens between yourself and the second person. Each token

you allocate yourself (you hold) is counted as 2 points and each token you pass to second person is counted as 1 point.

So for instance, if you allocate all 60 tokens to yourself and allocate nothing to the second person, you will get $60 \times 2 = 120$ points and the second person will get $0 \times 1 = 0$ points. You were endowed with 0 points and the second person was endowed with 30 points in the beginning. Therefore you will get 120 points in addition to the 0 points you were endowed with and get 120 points in total, and the second person will get 0 points in addition to the 30 points she was endowed with so that she will get 30 points in total at the end of the experiment.

Alternatively, you might decide to allocate 20 tokens to yourself and 40 tokens to the second person. In this case, you will get $20 \times 2 = 40$ points the second person will get $40 \times 1 = 40$ points. You were endowed with 0 points and the second person was endowed with 30 points in the beginning. Therefore you will get 40 points in addition to the 0 points you were endowed with and get 40 points in total, and the second person will get 40 points in addition to the 30 points she was endowed with so that she will get 70 points in total at the end of the experiment.

Or, you can decide to allocate all 60 tokens to the second person and allocate nothing to yourself. In this case, you will get $0 \times 2 = 0$ points and the second person will get $60 \times 1 = 60$ points. You were endowed with 0 points and the second person was endowed with 30 points in the beginning. Therefore you will get 0 points in addition to the 0 points you were endowed with and get 0 points in total, and the second person will get 60 points in addition to the 30 points she was endowed with so that she will get 90 points in total at the end of the experiment.

You can divide the tokens any way you like but the sum of the tokens you hold and pass should be exactly equal to the amount of tokens that are available. For instance, in Example 2, you should allocate exactly 60 tokens. Electronic calculators will be provided to you. You can use the calculator by pressing the calculator button on the screen of the decision stage.

After you finish first part, the second part of the experiment will start. At the end of the experiment, one of the eight allocation decisions you made will be randomly chosen and your decision will be effectuated. You will receive 15 euros as participation fee.

Your identity will not be revealed to the third parties, including the other person you are matched with.

Please note that you have right to leave the experiment at any time if you feel uncomfortable. However, if you decide to leave before the experiment ends, you will only get 5 euros show-up fee.

Before you give your decisions, we would like you to answer some questions to make sure that you fully understand the consequences of your decisions. After you correctly answer these questions, you can proceed to the experiment.

F2.2 Recipient Instructions

Money domain

Welcome to our experiment.

In this experiment, you are randomly matched with another person in the room and you will be affected by the decisions of this person. You will not make any decisions yourself. After the other person has made her decisions, you might receive some money. Afterwards, you will be requested to fill in a questionnaire.

You will receive 9 euros as participation fee.

Now, please wait until the other person gives her decision.

Tone domain

Welcome to our experiment.

In this experiment, you are randomly matched with another person in the room and you will be affected by the decisions of this person. You will not make any decisions yourself. After the other person has made her decisions, you might listen to a tone for a certain duration. After listening to this tone, you will be requested to fill in a questionnaire.

You will receive 15 euros as participation fee.

Now, please wait until the other person gives her decision.

F1.3 Control Questions

MoneyPos Treatment

These questions are prepared to make sure that you fully understand the consequences of your decision. In the questions below, we present a hypothetical allocation of tokens and ask you to calculate the consequences of this allocation to you and to the second person in points and in euros. You cannot proceed to the experiment until you give the correct answers. You can use the electronic calculator by pressing the calculator button.

Reminder: Each point is worth 5 cents.

1. You are endowed with 0 token and the second player is endowed with 0 token.

Divide 60 tokens: Hold 20 tokens at 1 point per token and Pass 40 tokens at 1 point per token.

You get ___ points and second person

get ___ points. Thus you earn ___ euros and second person earns ___ euros.

2. You are endowed with 37,5 tokens and the second player is endowed with 0 token.

Divide 75 tokens: Hold 30 tokens at 1 point per token and pass 35 tokens at 2 points per token.

You get ___ points and second person gets ___ points. Thus you earn ___ euros and second person earns ___ euros.

MoneyNeg Treatment

These questions are prepared to make sure that you fully understand the consequences of your decision. In the questions below, we present a hypothetical allocation of tokens

and ask you to calculate the consequences of this allocation to you and to the second person in points and in euros. You cannot proceed to the experiment until you give the correct answers. You can use the electronic calculator by pressing the calculator button.

Reminder: Each point is worth 5 cents.

1. You are endowed with 90 tokens and the second player is endowed with 120 token.

Divide a loss of 60 tokens: Hold 30 tokens at 1 point per token and Pass 30 tokens at 2 point per token.

You get ___ points and second person get ___ points. Thus you lose ___ euros and second person loses ___ euros.

2. You are endowed with 100 tokens and the second player is endowed with 100 tokens.

Divide a loss of 100 tokens: Hold 70 tokens at 1 point per token and pass 30 tokens at 1 point per token.

You get ___ points and second person gets ___ points. Thus you lose ___ euros and second person loses ___ euros.

TonePos Treatment

These questions are prepared to make sure that you fully understand the consequences of your decision. In the questions below, we present a hypothetical allocation of tokens and ask you to calculate the consequences of this allocation to you and to the second person in points and in seconds. You cannot proceed to the experiment until you give the correct answers. You can use the electronic calculator by pressing the calculator button.

Reminders:

-In the beginning, you and the second person are endowed with (token endowment)*6 seconds.

-Each point is worth 8 seconds of the tone.

1. You are endowed with 60 tokens and the second person is endowed with 60 tokens.

Divide a deduction of 60 tokens: Hold 20 tokens at 1 point per token and Pass 40 tokens at 1 point per token.

You get a deduction of ___ points and second person gets a deduction of ___ points.

Your points in total ___. Second player's points in total ___.

Thus, you will listen to ___ seconds of the tone and the second person will listen to ___ seconds of the tone as a result of your decision.

2. You are endowed with 120 tokens and the second person is endowed with 80 tokens.

Divide a deduction of 40 tokens: Hold 10 tokens at 3 point per token and Pass 30 tokens at 1 point per token.

You get a deduction of ___ points and second person gets a deduction of ___ points.

Your points in total ___. Second player's points in total ___.

Thus, you will listen to ___ seconds of the tone and the second person will listen to ___ seconds of the tone as a result of your decision.

ToneNeg Treatment

These questions are prepared to make sure that you fully understand the consequences of your decision. In the questions below, we present a hypothetical allocation of tokens and ask you to calculate the consequences of this allocation to you and to the second person in points and in seconds. You cannot proceed to the experiment until you give the correct answers. You can use the electronic calculator by pressing the calculator button.

Reminder: Each point is worth 4 seconds of the tone.

1. You are endowed with 40 tokens and the second player is endowed with 0 token.

Divide 40 tokens: Hold 30 tokens at 1 point per token and Pass 10 tokens at 3 point per token.

You get ___ points and second person get ___ points.

Your points in total ___. Second player's points in total ___.

Thus you will listen to ___ seconds of the tone and the second person will listen to ___ seconds of the tone.

2. You are endowed with 30 tokens and the second player is endowed with 0 token.

Divide 60 tokens: Hold 10 tokens at 1 point per token and pass 50 tokens at 2 points per token.

You get ___ points and second person get ___ points.

Your points in total ___. Second player's points in total ___.

Thus you will listen to ___ seconds of the tone and the second person will listen to ___ seconds of the tone.

F2.3 Value Elicitation

WTA Elicitation

Thank you for your decision. Before executing your decision, we would like you to answer one more question. Your answer will have a small monetary consequence as you will read below:

Please state the amount of money (in multiples of 0.5) for which you would be willing to listen to the tone for sixty seconds.

Next, a number X between 0.0 and 2.0 (in multiples of 0.1) is drawn at random, with each number being equally likely to be drawn. If the amount you stated is smaller than or equal to this number X, then you have to listen to the tone for sixty seconds and receive a compensation of X.

If, on the other hand, the amount you stated is greater than this randomly drawn number X , then you do not have to listen to the tone and do not receive any compensation.

WTP Elicitation

Thank you for your decision. Before executing your decision, we would like you to answer one more question. Your answer will have a small monetary consequence as you will read below:

Please state the amount of money (in multiples of 0.5) you would like to pay to get rid of listening to the tone for sixty seconds.

Next, a number X between 0.0 and 2.0 (in multiples of 0.1) is drawn at random, with each number being equally likely to be drawn. If the amount you stated is greater than or equal to this number X , then you will pay X and you do not have to listen the tone. If, on the other hand, the amount you stated is smaller than this randomly drawn number X , then you pay nothing and you have to listen to the tone for sixty seconds.

F.3 Valuation Experiment

F3.1 Active subject instructions

OtherWTA Treatment

Welcome to our experiment.

In this experiment, you are paired with another person randomly and, we ask you to state the amount of money for which you would be willing to let him/her to listen to a tone for a certain duration.

Next, a number X between 0.0 and 7.0 (in multiples of 0.1) is drawn at random, with each number being equally likely to be drawn. If the amount you stated is smaller than or equal to this number X , then he/she has to listen to the tone for the given duration and you receive a payment of X . If, on the other hand, the amount you stated is greater than this randomly drawn number X , then he/she does not have to listen to the tone and you do not receive any payment.

We will ask you this question for four different durations (4, 6, 7.5 and 10 minutes), but for only one randomly chosen duration (each of the four with equal chance) your decision will be effectuated.

Once you give your decision, the person you are paired with will be informed about the amounts you provided for different durations, and then your decision will be effectuated. Your identity will not be revealed to the third parties, including the person you are paired with.

In addition to the possible payment you will get from your decision, you will receive 7 euros participation fee.

Now, you will listen to the tone for 15 seconds, to get to know the tone before you give your decisions. Note that the person you are paired with knows you listen to the tone for 15 seconds before you give your decision. Please put on your headphones and when you are ready, press OK button.

OtherWTP Treatment

Welcome to our experiment.

In this experiment, you are paired with another person randomly and, we ask you to state the amount of money you would like to pay to let him/her get rid of listening to a tone for a certain duration.

Next, a number X between 0.0 and 7.0 (in multiples of 0.1) is drawn at random, with each number being equally likely to be drawn. If the amount you stated is greater than or equal to this number X , then you will pay X and he/she does not have to listen the tone. If, on the other hand, the amount you stated is smaller than this randomly drawn number X , then you pay nothing and he/she has to listen to the tone for the given duration.

We will ask you this question for four different durations (4, 6, 7.5 and 10 minutes), but for only one randomly chosen duration (each of the four with equal chance) your decision will be effectuated.

Once you give your decision, the person you are paired with will be informed about the amounts you provided for different durations, and then your decision will be effectuated. Your identity will not be revealed to the third parties, including the person you are paired with.

At the end of the experiment, you will receive 10 euros participation fee. X amount of money will be deducted from your participation fee depending on your decision, as explained above.

Now, you will listen to the tone for 15 seconds, to get to know the tone before you give your decisions. Note that the person you are paired with knows you listen to the tone for 15 seconds before you give your decision. Please put on your headphones and when you are ready, press OK button.

F3.2 Inactive subject instructions

OtherWTA Treatment

Welcome to our experiment.

In this experiment, you are paired with another person randomly and, we ask him/her to state the amount of money for which he/she would be willing to let you listen to a tone for a certain duration.

Next, a number X between 0.0 and 7.0 (in multiples of 0.1) is drawn at random, with each number being equally likely to be drawn. If the amount he/she stated is smaller than or equal to this number X , then you have to listen to the tone for the given duration and he/she receives a payment of X . If, on the other hand, the amount he/she stated is greater than this randomly drawn number X , then you do not have to listen to the tone and he/she does not receive any payment.

We will ask him/her this question for four different durations (4, 6, 7.5 and 10 minutes), but for only one randomly chosen duration (each of the four with equal chance) his/her decision will be effectuated. Note that he/she listens to the tone for 15 seconds to get to know the tone, before he/she gives his/her decision.

Once he/she gives his/her decision, you will be informed about the amounts he/she provided for different durations, and then his/her decision will be effectuated. Your identity will not be revealed to the third parties, including the person you are paired with.

You will receive 7 euros participation fee. Note that you have right to leave the experiment at any time if you feel uncomfortable. However, if you decide to leave before the experiment ends, you will only get 2 euros show-up fee.

OtherWTP Treatment

Welcome to our experiment.

In this experiment, you are paired with another person randomly and, we ask him/her to state the amount of money he/she would like to pay to let you get rid of listening to a tone for a certain duration.

Next, a number X between 0.0 and 7.0 (in multiples of 0.1) is drawn at random, with each number being equally likely to be drawn. If the amount he/she stated is greater than or equal to this number X , then he/she will pay X and you do not have to listen the tone. If, on the other hand, the amount he/she stated is smaller than this randomly drawn number X , then he/she pays nothing and you have to listen to the tone for the given duration.

We will ask him/her this question for four different durations (4, 6, 7.5 and 10 minutes), but for only one randomly chosen duration (each of the four with equal chance) his/her decision will be effectuated.

Once he/she gives his/her decision, you will be informed about the amounts he/she provided for different durations, and then his/her decision will be effectuated. Your identity will not be revealed to the third parties, including the other person you are paired with. Note that he/she listens to the tone for 15 seconds to get to know the tone, before he/she gives his/her decision.

At the end of the experiment, you will receive 10 euros participation fee. Note that you have right to leave the experiment at any time if you feel uncomfortable. However, if you decide to leave before the experiment ends, you will only get 2 euros show-up fee.

F.4 Social Norms Experiment

Welcome to our decision-making experiment. For your participation, you will be paid a show-up fee of €5. In addition, you may receive some additional money based on your choices and the choices of others in the task described below.

It is important that you do not talk to any of the other participants until the experiment is over. If you have a question at any time, raise your hand and a monitor will come to your desk to answer it.

In the task, you will read description of a situation on your computer screen. This description corresponds to a situation in which one person, "Individual A", must make a decision. For this situation, you will be given a description of the decision faced by Individual A. This description will include several possible choices available to Individual A.

After you read the description of the decision, you will be asked to evaluate the different possible choices available to Individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with moral or proper social behavior" or "socially inappropriate" and "inconsistent with moral or proper social behavior."

By socially appropriate, we mean behavior that most people agree is the "correct" or "ethical" thing to do. Another way to think about what we mean is that if Individual A were to select a socially inappropriate choice, then someone else might be angry at Individual A for doing so. In each of your responses, we would like you to answer as truthfully as possible, based on your opinions of what constitutes socially appropriate or socially inappropriate behavior.

To give you an idea of how the experiment will proceed, we will go through an example situation and show you how you will indicate your responses.

Example Situation

Individual A is at a local coffee shop near campus. While there, individual A notices that someone has left a wallet at one of the tables. Individual A must decide what to do. Individual A has four possible choices: take the wallet, ask others nearby if the wallet belongs to them, leave the wallet where it is, or give the wallet to the shop manager. Individual A can choose one of these four options.

The table below presents a list of the possible choices available to Individual A. For each of the choices, you will be asked to indicate whether you believe choosing that option is very socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, or very socially appropriate. To indicate your response, you would place a check mark in the corresponding box.

Individual A's choice	<i>Very Socially Inappropriate</i>	<i>Somewhat Socially Inappropriate</i>	<i>Somewhat Socially Appropriate</i>	<i>Very Socially Appropriate</i>
Take the wallet				
Ask others nearby if the wallet belongs to them				
Leave the wallet where it is				
Give the wallet to the shop manager				

If this was the situation for this study, you would consider each of the possible choices above and, for that choice, indicate the extent to which you believe taking that action would be "socially appropriate" and "consistent with moral or proper social behavior" or "socially inappropriate" and "inconsistent with moral or proper social behavior". Recall that by socially appropriate we mean behavior that most people agree is the "correct" or "ethical" thing to do.

For example, suppose you thought that taking the wallet was very socially inappropriate, asking others nearby if the wallet belongs to them was somewhat socially appropriate, leaving the

wallet where it is was somewhat socially inappropriate, and giving the wallet to the shop manager was very socially appropriate. Then you would indicate your responses as follows:

Individual A's choice	<i>Very Socially Inappropriate</i>	<i>Somewhat Socially Inappropriate</i>	<i>Somewhat Socially Appropriate</i>	<i>Very Socially Appropriate</i>
Take the wallet	✓			
Ask others nearby if the wallet belongs to them			✓	
Leave the wallet where it is		✓		
Give the wallet to the shop manager				✓

Are there any questions about this example situation or about how to indicate your responses?

In a few minutes you will be given the description of a situation where Individual A, a participant in an experiment, has to make a decision. After you read the description, you must consider the possible decisions and indicate how socially appropriate these are in a table similar to the one shown above for the example situation.

One of the possible choices that Individual A could make will be randomly selected by the computer. Your earnings from the task will be €10 if your evaluation of this action matches that of another randomly selected participant, and zero otherwise.

For instance, if the example situation above was the actual situation and the possible choice "Leave the wallet where it is," was selected by the computer and if your evaluation had been "somewhat socially inappropriate," then your task earnings would be €10 if the person you are matched with also evaluated the action as "somewhat socially inappropriate", and zero otherwise.

Now, please wait for the description of the situation to appear on your screen.

F4.1 Description screen for dictator game with money

Individual A, a participant in an experiment, receives the following instructions:

"Welcome to our decision-making experiment. In this experiment, everybody will receive a show-up of €5. In addition, you may receive some additional money based on your choices and the choice of others during the experiment. You will be randomly matched with another person in this room. There are two different roles in this experiment. You are randomly assigned to the role of 'Individual A' and the person you are matched with is randomly assigned to role of 'Individual B'. You are endowed with €10 and the other person is endowed with €0. Your task is to allocate the €10 you are endowed with between you and the other person you are matched with in €1 increments.

You can decide to allocate €10 anyway you like. You can allocate all €10 to yourself and €0 to the person you are matched with, you can allocate some part of money to yourself and some to the other person, or you can allocate all €10 to the other person and take €0 for yourself.

Your decision determines how much you and the person you are matched with will earn. If, you decide to allocate €X to yourself and € (10-X) to the other person, you will earn €X and the person you are matched with will earn € (10-X)."

F4.1 Description screen for dictator game with tone

Individual A, a participant in an experiment, receives the following instructions:

"Welcome to our decision-making experiment. In this experiment, everybody will receive a show-up of €5. In addition, participants may listen to a 90dB and 2083Hz of tone based on their choices and the choice of others during the experiment. You will be randomly matched with another person in this room. There are two different roles in this experiment. You are randomly assigned to the role of 'Individual A' and the person you are matched with is randomly assigned to role of 'Individual B'. You are endowed with 10 minutes of a 90dB and 2083hZ tone and the other person is endowed with 0 minutes of the tone. Your task is to allocate the 10 minutes of tone you are endowed with between yourself and the other person you are matched with in 1 minute increments.

You can decide to allocate 10 minutes anyway you like. You can allocate all 10 minutes to yourself and 0 minute to the person you are matched with, you can allocate some part of the tone to yourself and some to the other person, or you can allocate all 10 minutes to the other person and take 0 minutes for yourself.

Your decision determines how much you and the person you are matched with will listen to the tone. If you decide to allocate X minutes to yourself and (10-X) minutes to the other person, you will listen to X minutes of the tone and the other person will listen to (10-X) minutes of the tone.

After you have made a decision, the other person will also be informed of your choice and your decision will be executed."

F.5 GEN Experiment

F5.1 Dictator Instructions

Money Domain

In this part, there are two different roles: Individual A and Individual B. Based on the number you randomly drew, you are assigned to the role of **Individual A. Everyone seated in your room (Room A) has the same role as you (Individual A) and everyone seated in the other room (Room B) has the role of Individual B. You will be randomly matched with one of the participants in the other room.**

You are endowed with €10 and Individual B is endowed with €0. Your task is to allocate the €10 you are endowed with between yourself and Individual B.

You can decide to allocate €10 anyway you like in €1 increments . You can allocate all €10 to yourself and €0 to the person you are matched with; you can allocate some part of money to yourself and some to the other person, or you can allocate €0 to yourself and all €10 to the other person.

Your decision determines how much you and the person you are matched with will earn in Part 1. If you decide to allocate €X to yourself and € (10-X) to the other person, you will earn €X and the person you are matched with will earn € (10-X).

Tone Domain

Welcome to our decision-making experiment. In this experiment, everybody will receive a show-up fee of €12. In addition, participants may listen to an aversive tone (2083Hz; 90dB) based on their choices and the choice of others during the experiment. You will be randomly matched with another person in this room. There are two different roles in this experiment. You are randomly assigned to the role of 'Individual A' and the person you are matched with is randomly assigned to role of 'Individual B'. You are endowed with 10 minutes of the aversive tone (2083Hz; 90dB) and the other person is endowed with 0 minutes of the tone. Your task is to allocate the 10 minutes of tone you are endowed with between yourself and the other person you are matched with in 1 minute increments.

You can decide to allocate 10 minutes anyway you like. You can allocate all 10 minutes to yourself and 0 minute to to the person you are matched with, you can allocate some part of the tone to yourself and some to the other person, or you can allocate all 10 minutes to the other person and take 0 minutes for yourself.

Your decision determines how much you and the person you are matched with will listen to the tone. If you decide to allocate X minutes to yourself and (10-X) minutes to the other person, you will listen to X minutes of the tone and the other person will listen to (10-X) minutes of the tone.

After you have made a decision, the other person will also be informed of your choice and your decision will be executed.

Now, you will listen to the 90dB and 2083Hz tone for 15 seconds to get to know the tone before you give your decision. Please put on your headphones and when you are ready, press the OK button.

F5.2 Recipient Instructions

Money Domain

In this part, there are two different roles: Individual A and Individual B. Based on the number you randomly drew, you are assigned to the role of **Individual B. Everyone seated in your room (Room B) has the same role as you (Individual B) and everyone seated in the other room (Room A) has the role of Individual A. You will be randomly matched with one of the participants in the other room.**

Individual A is endowed with €10 and you are endowed with €0. Individual A's task is to allocate the €10 he/she is endowed with between him/herself and yourself.

Individual A can decide to allocate €10 anyway he/she likes in €1 increments. Individual A can allocate all €10 to him/herself and €0 to you; Individual A can allocate some part of money to him/herself and some to you, or Individual A can allocate €0 to him/herself and all €10 to you.

Individual A's decision determines how much Individual A and you will earn in Part 1. If Individual A decides to allocate €X to him/herself and € (10-X) to you, Individual A will earn €X and you will earn € (10-X).

After Individual A has made a decision, both participants will be informed of the choice in Part 1 and proceed to Part 2 of the experiment.

Tone Domain

Welcome to our decision-making experiment. In this experiment, everybody will receive a show-up fee of €12. In addition, participants may listen to an aversive tone (2083Hz; 90dB) based on their choices and the choice of others during the experiment. You are randomly matched with another person in this room. There are two different roles in this experiment. You are randomly assigned to the role of 'Individual B' and the person you are matched with is randomly assigned to role of 'Individual A'.

Individual A is endowed with 10 minutes of the aversive tone (2083Hz; 90dB) and you are endowed with 0 minutes of the tone. Individual A's task is to allocate the 10 minutes of tone he/she is endowed with between him/herself and you in 1 minute increments. \par Individual A can decide to allocate 10 minutes anyway he/she likes. He/she can allocate all 10 minutes to him/herself and 0 minute to you, he/she can allocate some part of the tone to him/herself and some to you, or he/she can allocate all 10 minutes to the you and take 0 minutes for him/herself.

Individual A's decision determines how much he/she and you will listen to the tone. If he/she decides to allocate X minutes to him/herself and (10-X) minutes to you, he/she will listen to X minutes of the tone and you will listen to (10-X) minutes of the tone.

After he/she has made a decision, you will also be informed of his/her choice and his/her decision will be executed.

F.6 Ethical consent document

You are invited to participate in a research study that investigates economic preferences. In this study, you will be exposed to a 90dB/2083Hz tone during some parts of the experiment. The maximum amount of time you will possibly be exposed to this tone during the experiment is by far within legal bounds for sound exposure in Dutch workplaces. However, to be eligible to take part in this study, you must not be diagnosed with tinnitus or hyperacusis. Moreover, for today, you should not be involved in other activities that would lead to a situation that your total exposure to sounds above 90dB exceeds two hours.

Note that you have the right to leave the experiment at any time if you feel uncomfortable. However, if you decide to leave before the experiment ends, you will only get 2 euros show-up fee.

"I have read the foregoing information. I have had the opportunity to ask questions about it and any questions that I have asked have been answered to my satisfaction. I consent voluntarily to participate as a participant in this research."

Name of Participant_____

Signature of Participant _____

Date _____

Discussion Papers of the Research Area Markets and Choice 2018

Research Unit: **Market Behavior**

Mustafa Oğuz Afacan, Inácio Bó, Bertan Turhan Assignment maximization	SP II 2018-201
Inácio Bó, Chiu Yu Ko Competitive screening and information transmission	SP II 2018-202
Dirk Engelmann, Jana Friedrichsen, Dorothea Kübler Fairness in markets and market experiments	SP II 2018-203
Daphne Chang, Roy Chen, Erin Krupka Rhetoric matters: A social norms explanation for the anomaly of framing	SP II 2018-204
Christian Basteck, Bettina Klaus, Dorothea Kübler How lotteries in school choice help to level the playing field	SP II 2018-205
Mira Fischer, Valentin Wagner Effects of timing and reference frame of feedback: Evidence from a field experiment	SPII2018-206
Hande Erkut Social norms and preferences for generosity are domain dependent	SPII2018-207

Research Unit: **Economics of Change**

Kai Barron, Christina Gravert Confidence and career choices: An experiment	SP II 2018-301
Piotr Evdokimov, Umberto Garfagnini Communication and behavior in organizations: An experiment	SP II 2018-302
Andrea Contigiani, David H. Hsu, Iwan Barankay Trade secrets and innovation: Evidence from the “inevitable disclosure” doctrine	SP II 2018-303
Thomas Mariotti, Nikolaus Schweizer, Nora Szech, Jonas von Wangenheim Information nudges and self-control	SP II 2018-304

Research Professorship: **Market Design: Theory and Pragmatics**

Daniel Friedman, Sameh Habib, Duncan James, Sean Crockett Varieties of risk elicitation	SP II 2018-501
---	----------------

Junior Research Group: **Neuroeconomics**

Martin Fochmann, Frank Hechtner, Peter Mohr When happy people make society unhappy: How incidental emotions affect compliance behavior	SP II 2018-601
--	----------------

All discussion papers are downloadable:

<http://www.wzb.eu/en/publications/discussion-papers/markets-and-choice>