Not For Publication

NEW YORK UNIVERSITY

Instructions

In this session of this experiment, you will take part in 2 practice rounds and then 24 regular rounds.

In each round, you will be shown a group of options from which you will be asked to make a selection. Here is an example of an option:
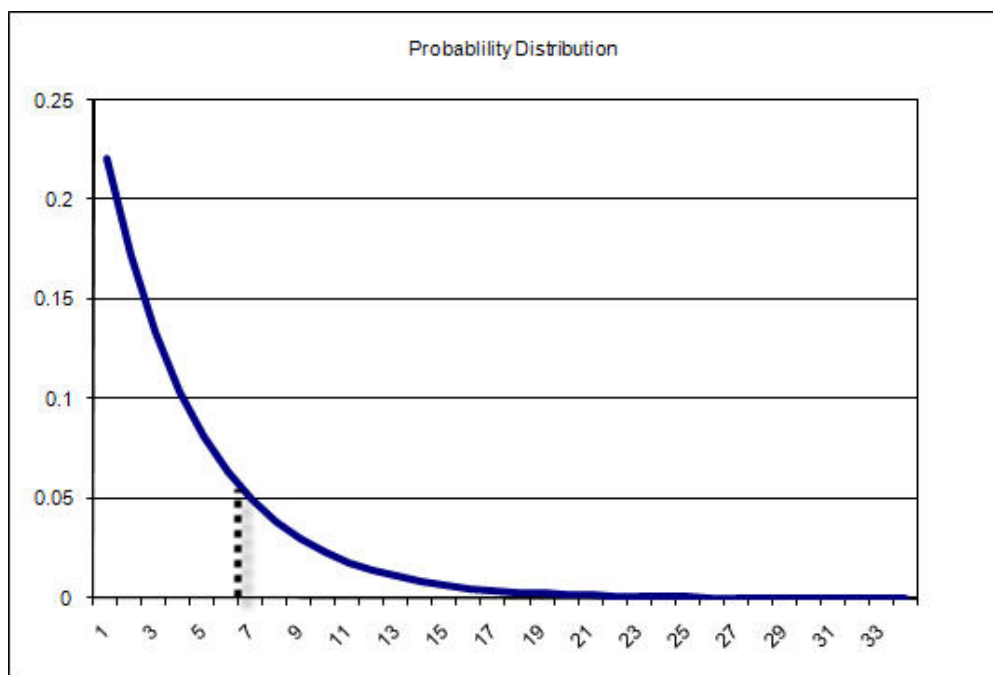
nine minus two plus four minus three

And here is another example of an option:

five minus eleven plus thirteen minus two plus three

Options are valued at the total of the numbers shown. In this example, both options are valued at $8 because 9 - 2 + 4 - 3 = 8 and 5 - 11 + 13 - 2 + 3 = 8. Options can contain up to 9 addition and subtraction operations. Feel free to use scratch paper as you do calculations.

The value of each object is independent of the value of other objects, and the value of each object is determined by drawing a random integer number between 1 and 35 from an particular distribution, which is pictured below. The possible values are on the bottom, and the probability of each value is on the left. For example, there is around a 5% chance of an object having a value of exactly $7.

Note that the value of an option is not related to the length of an object or the number of addition or subtraction operations.

When a round begins, 4, 10, 20, or 40 options will be presented to you on the computer screen.

Each round will last up to 2 minutes. At any time, you can end a round by clicking on the 'Finished' button, but there is no penalty for using the entire 2 minutes. Clicking the 'Finished' button is the same as letting the remaining time run out with your current selection still selected. If you click the 'Finished' button, you cannot make any more changes in that round.
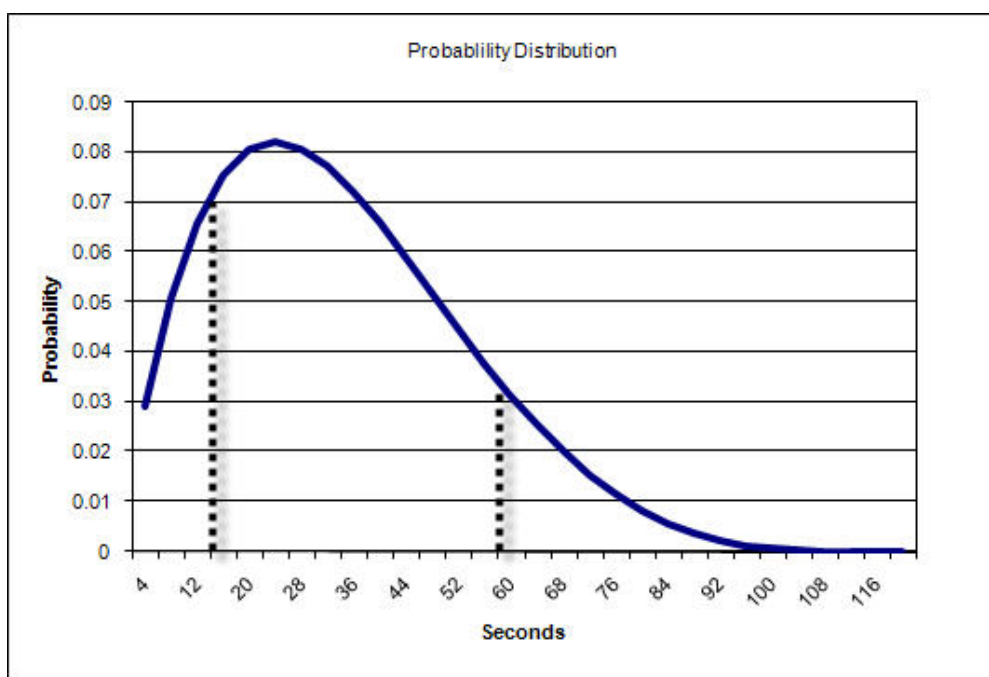
When the first round starts, the option that is located on the top of the list will have been selected for you. This option will give you $0. This is the 'worst' option, in that all other options will give you more than $0. You can change which option is selected by clicking on the button to the left of the option you want or by clicking anywhere on the option itself. You are free to change which option is selected at any time and as many times as you like.

You can highlight an option without selecting it by moving the mouse cursor over that option. The option will remain highlighted as long as the cursor stays anywhere on top of it.

After 2 minutes or whenever you click on the 'Finished' button, the first round will come to an end. At that point, a time will be picked at random from between 1 and 120 seconds (as described below). THE OPTION WHICH WAS SELECTED AT THAT TIME WILL BE RECORDED AS YOUR CHOICE FOR THAT ROUND. Therefore, **if at any point you prefer a different option to the one you have selected, you should change your selection** as this will reduce the chance of the less preferred option being recorded as your choice.

Remember, the option that is recorded as your choice is not necessarily the one selected when you click the finish button, but rather the one selected at the randomly determined time.

The time that the selected option is recorded as your choice is determined by drawing a random integer number between 1 and 120 from an particular distribution, which is pictured below. The possible times are on the bottom, and the probability of each time is on the left. For example, there is a 7% chance of your selected choice being recorded at exactly 16 seconds and around a 3% chance of your selected choice being recorded at exactly 60 seconds.

After the round has ended, you will be told which option was recorded as your choice. After a brief

pause, you will be given the opportunity to either review the instructions again on the computer screen or proceed to the second round. The second round and all following rounds will proceed exactly like the first round. This will continue until you have completed 2 practice rounds and 24 regular rounds, for a total of 26 rounds. After these rounds are complete, you will proceed to a final section of the experiment, which will have different directions.

At the end of the experiment, one of the 24 regular rounds will be picked at random, and you will be paid the value of your choice in that round.

REMEMBER:

Selecting a option

- You can select an option by clicking on the empty circle to the left of that option or by clicking anywhere on the option.
- Only one option can be selected at a time.
- Initially, the top option will be selected, which gives $0 for sure.
- You are free to change your selected option to any other option at any time, whether or not you have picked that option previously.
- You can change the selected option as many times as you would like.
- After clicking on the 'Finished' button, the round will end, and it will be as if the selected option remained selected for the remainder of the round.

How your choice is recorded

- You should select an option as soon as you know that it is better than your currently selected option.
- After each round, a time between 1 and 120 seconds will be picked at random.
- The option that was selected at that time will be recorded as your choice.
- The option that is recorded as your choice is not necessarily the one selected when you click the finish button, but rather the one selected at the randomly determined time.
- At the end of each round, you will be told which option was recorded as your choice for that round.

How you are paid

- At the end of the experiment, we will pick one round at random, and you will be paid the value of your choice in that round. That money will be paid in addition the $5 show-up fee and any payments from the last section of the experiment.
- At the beginning of each round, the option selected pays $0. If this option is still selected at the random time allotted for that round, it will be recorded as your choice for that round. If this round is the one randomly picked at the end of the experiment, you will receive no money for this selection. Thus, you should move off of the $0 option as quickly as possible.
- Choices recorded during the <u>practice</u> rounds will <u>not</u> be picked at the end of the experiment to play for money.

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