Trust and Promises over Time

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Online Appendix

ONLINE APPENDIX: TRUSTEE DECISION SCREEN

Summary

You are a Person B.
In this decision task, you will choose *ROLL* or *DON'T ROLL*.
Your matched Person A already chose *IN* or *OUT* during the laboratory session.
The possible payoffs are given in the table below.
Both you and Person A make 10 decisions.
Only one of these 10 decisions will be selected randomly to count for payment.

	A's Payoff	Your Payoff
A chooses *OUT*	$15	$15
A chooses IN, you choose DON'T ROLL	$0	$42
A chooses IN, you choose ROLL, die = 1	$0	$30
A chooses IN, you choose ROLL, die = 2/3/4/5/6	$36	$30

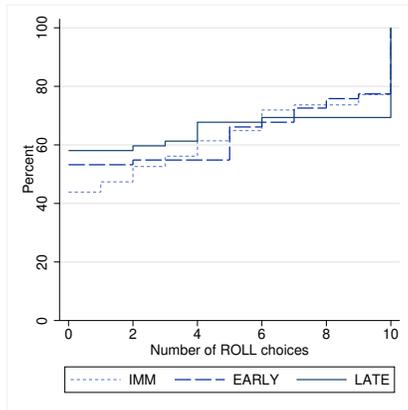(a) Decision screen upper half

Please enter your decisions:

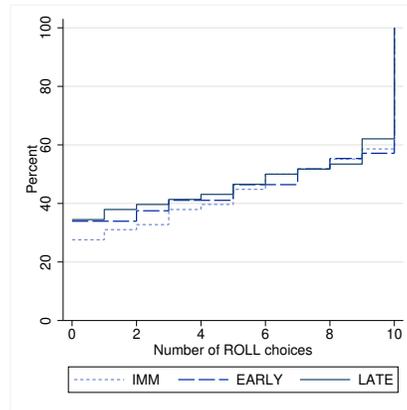|	DON'T ROLL	ROLL
Decision 1	○	○
Decision 2	○	○
Decision 3	○	○
Decision 4	○	○
Decision 5	○	○
Decision 6	○	○
Decision 7	○	○
Decision 8	○	○
Decision 9	○	○
Decision 10	○	○

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(b) Decision screen lower half

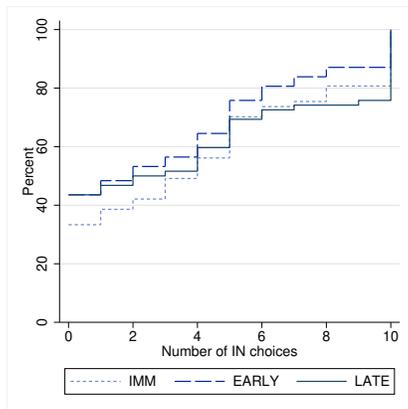Figure A1. : Trustee decision screen

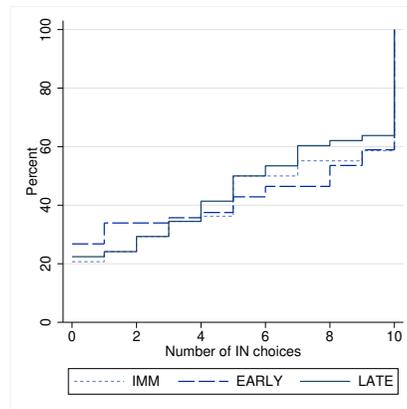ONLINE APPENDIX: CUMULATIVE DISTRIBUTIONS OF ROLL AND IN CHOICES

(a) Trustees: NOCOMM

(b) Trustees: COMM

(c) Trustors: NOCOMM

(d) Trustors: COMM

Figure B1. : Cumulative choice distributions across conditions.

Online Appendix: Message Classification

The main classification, which we fixed ex-ante, contained the categories "Promise," "Other Content," and "No Message."[1] We then gave the experimental instructions and the messages to two research assistants who were blind to our hypotheses. The assistants then coded the messages independently according to the categories described above and received a monetary incentive for indicating the same categories as the other coder.[2]

We allowed three levels for the coding: 0 (category not present in message); 1 (category somewhat present in message); 2 (category strongly present in message). The correlation between the two research assistants was high (for the Promise category, Pearson correlation is 0.87 and Cronbach's $\alpha = 0.93$). We classified a message as a promise if both assistants coded the message as such.[3]

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[1]After sighting the messages, we decided to break down the "Other Content" category into "Appeal to Efficiency," "Appeal to Fairness," and "Other Content." We did this because we realized that some participants seemed to use other, non-promise, types of arguments to convince the trustor to choose IN. The same message could be classified into more than one category (e.g., both as Promise and as an Appeal to Efficiency). Only 13 messages (8 percent) contain an appeal to fairness but 84 messages (49 percent) contain an appeal to efficiency. The latter is highly correlated with the presence of a promise (Pearson correlation 0.75).

[2]This is a standard procedure for message coding, see Brandts, Cooper and Rott (2019).

[3]That is, if both coders scored the message at least with one. The results remain qualitatively unchanged if we apply more stringent definitions of a promise.

ONLINE APPENDIX: SUBJECT INSTRUCTIONS

Instructions

Thank you for participating in today's study.

I will read through a script to explain to you the nature of today's experiment as well as how to navigate the computer interface with which you will be working. I will use this script to make sure that the information given in all sessions of this study is the same.

In addition to a \$10 payment that you receive for your participation, you will be paid an amount of money that you accumulate from the decision task that will be described to you in a moment. The total amount you receive will be determined during the experiment and will depend on your decisions as well as the decisions of others.

If you have any questions during the experiment, please raise your hand and wait for an experimenter to come to you. Please do not talk, exclaim, or try to communicate with other participants during the experiment. Participants intentionally violating the rules may be asked to leave the experiment with only their participation payment.

Timeline of the experiment

As already mentioned in the invitation e-mail, this study requires you to answer **two** questionnaires, besides participating in today's laboratory session. Each questionnaire will take no more than 10 minutes to complete. The link for the second questionnaire will be sent to you via e-mail.

- The first questionnaire must be completed at the end of this session. We will come to your computer station and switch the program to an internet browser window for this.

- The second questionnaire must be completed **within a 24-hour window, starting 3 weeks from today** (on Friday, October 27, 12pm – Saturday, October 28, 12pm).

Important: You will only be paid for this study if you complete this laboratory session and **both questionnaires**. *At this point, please let the experimenter know if you will be unable to complete the online questionnaire three weeks from now.*

Payment

The experiment comprises 10 decision tasks. In each of these decisions, you have the opportunity to earn money. At the end of the experiment, we will pay you the amount of money produced by **one randomly selected decision**. Each of the 10 decisions is equally likely to be chosen for payment.

Moreover, you will have the possibility to earn an additional amount of money in other tasks. Your final payment at the end of the experiment will consist of the money obtained in one randomly chosen decision, the amount obtained from the additional tasks, and the participation payment.

Your participation payment ($10) will be paid out in cash at the end this session. Your remaining payment will be paid to you as an Amazon voucher three weeks from now. It will be sent to your email address after the conclusion of the second questionnaire. Depending on your decision in an additional task, you may receive a part of your payment sooner, also as an Amazon voucher. If you receive money from this task, the voucher will be sent to you by tomorrow. No participant will be told the payoffs of other participants.

Decision Task

At the beginning of the experiment you will be randomly matched with another participant. This will be the only participant with whom you will interact. All interactions will be anonymous and will take place through a computer. This means that you will never know the identity of the other participant with whom you are matched, and this participant will never know your identity.

In each pair, one participant will have the role of Person A and the other will have the role of Person B. Roles will be assigned randomly, by the computer. The amount of money you will earn depends on the decisions made in your pair.

At the beginning of the decision task, each Person A will indicate whether he or she wishes to choose *IN* or *OUT*. If A chooses *OUT*, the task ends and both, A and B, receive $15.

Next, each Person B will indicate whether he or she wants to choose *ROLL* or *DON`T ROLL*. Note that when Person B makes her decision, she will not know about A's previous decision. However, the decision of Person B will only make a difference when A has actually chosen *IN*. Therefore, for the purpose of making this decision, Person B should presume that the paired Person A has chosen *IN*, since this is the only case in which Person B's decision will matter.

Assuming that A has chosen *IN*, then:

- If B chooses *DON'T ROLL*, A's payoff is $0 and B's payoff is $42.

- If B chooses *ROLL*, then the payoffs for the two people in the pair are determined by the (computerized) roll of a six-sided die. If the die roll is 2, 3, 4, 5 or 6 then A's payoff is $36 and B's payoff is $30. If the die roll is 1, then A's payoff is $0 and B's payoff is $30. This information is summarized in the following chart:

Payoffs

	Payoff of A	Payoff of B
A chooses *OUT*	$15	$15
A chooses *IN* and B chooses *DON'T ROLL*	$0	$42
A chooses *IN* and B chooses *ROLL*, die = 1	$0	$30
A chooses *IN* and B chooses *ROLL*, die =2, 3, 4, 5, 6	$36	$30

You will make 10 decisions in the task just described. In each decision you will be interacting with the same other person. Specifically, each Person A in a pair will make the decision whether to choose *OUT* or *IN* ten times and each Person B in a pair will make the decision whether to *ROLL* or *DON'T ROLL* ten times. Remember that **only one** of these 10 decisions in a pair will be selected to count for payment.

Person B's decision will be made at the end of this session. B will choose whether to *ROLL* or *DON'T ROLL* when answering the first questionnaire.

The experiment consists of 5 steps that are described below in more detail.

Step 1: Enter your email address

Before the decision task starts, you will be prompted on the screen to provide your email address. After the conclusion of the entire experiment, that is, after you complete both questionnaires in three weeks, the final payoff from the above decision task, as well as additional tasks, will be emailed to this address as an Amazon voucher.

To receive your payments, it is very important that you **provide the correct email address**. Your email address is treated confidentially and is only used to send the questionnaire link and to transfer your payments.

Step 2: Role assignment

At the beginning of the decision task, you will be randomly paired with another participant by the computer. However, no participant will ever know the identity of the person with whom he or she is matched. In each pair, one person will then be randomly assigned the role of Person A and the other the role of Person B. It is equally likely that you will be assigned to either role. Your role will be displayed on the computer screen. You will remain in the same role throughout the experiment.

Step 3: Communication Phase

After role assignment, but before participants make their 10 decisions in the decision task, Person B will have an option to send a written message to Person A, if desired. This message can be seen by A before she will have to make a decision.

Important: You are not allowed to reveal your identity. (That is, you are not allowed to reveal your name, or any other identifying feature such as gender, appearance etc.) The experimenter will monitor the messages. Violations of these rules will result in the exclusion from the experiment and all payments for B. In this case, the paired Person A will then get the participation fee as well as the payoff that would arise if he or she chose OUT, i.e. $15.

Also, please refrain from using profane or offensive language.

Other than these restrictions, person B is free to send any message.

Step 4: Decision by Person A

Each Person A will indicate whether to choose *IN* or *OUT*. Since there are ten decisions, Person A will decide for each decision separately whether to choose *IN* or *OUT*. For the decisions in which A chooses *OUT*, Person B's decisions are irrelevant and both receive payoffs of $15. For the decisions in which A chooses *IN*, Person B's decisions of whether to ROLL or DON'T ROLL, possibly along with the outcome of a die roll, will determine payoffs.

Step 5: Decision by Person B

This step will be conducted at the end this session, while you are completing the first questionnaire. When completing the questionnaire, each Person B will decide whether to choose *ROLL* or *DON'T ROLL* for each of the ten decisions. These choices will determine the payoffs for those decisions in which Person A chose *IN*.

As mentioned above, B will not be told about A's decisions before submitting his or her decisions. For the decisions in which B chooses *DON'T ROLL*, the task ends at that point. For the decisions in which B chooses *ROLL*, a separate computerized die roll determines the payoffs for A and B for each decision.

For each pair, one of the 10 decisions will be randomly selected to count. For this decision, Person A's choice of *IN* or *OUT*, and Person B's choice of *ROLL* or *DON'T ROLL*, which is made during the first questionnaire, at the end of this session, will determine payments.

Remember that you will only be paid in three weeks, after you have completed **the online questionnaire**. You will not be affected if you complete the study but the person with whom you are matched fails to complete both questionnaires.

Additional tasks:

In addition to the above task, you will be presented with some additional tasks, at the end of this session and in the later questionnaire. Instructions for these tasks will be displayed on your screen before you begin the respective task. For some of these tasks, you may accumulate additional money. However, the choices that you make in these additional tasks will never affect the outcome of the 10 decisions described above.

Please raise your hand if you have any questions.

We will now proceed to a few comprehension questions to ensure that the instructions are clear to everybody.

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REFERENCES

Brandts, Jordi, David J. Cooper, and Christina Rott. 2019. "Communication in laboratory experiments." In *Handbook of Research Methods and Applications in Experimental Economics*. Edward Elgar Publishing.