

ONLINE APPENDIX FOR:

# **Perceptions of Program Abuse and Support for Social Insurance**

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## A Disability Insurance Game Instructions

Each of the following boxes represents a separate page of instructions. Text in **red** describes display logic and is not shown to participants. Instructions are shown in the following order.

### Introduction

This is an experiment on decision making. In the following experiment you will make a series of choices. At the end of the experiment, you will be paid depending on the specific choices that you made during the experiment and the choices made by other people. All of your interactions will be through the computer terminals at which you are sitting, and your true identity will never be revealed to any other person in the laboratory. Please remain silent and listen carefully to the instructions.

In addition to your show-up payment of \$12, during the course of the experiment you will have the opportunity to earn tokens that will be converted into dollars at the end of the experiment. **The conversion rate is: 1 token = 2 cents.**

As you read the instructions, you will see examples of the interface so you can familiarize yourself with each step of the experiment.

### Overview

In this game, you will take the role of a worker in a laboratory economy. At the beginning of the game, you will be assigned to a skill level, which qualifies you to hold certain jobs.

The game is divided into 60 periods. You will begin the game by being healthy. In each period you are healthy, you earn tokens at the start of the period that you can spend as effort to work at your job to earn a wage.

However, there is a possibility that you will be injured. If you are injured, you no longer get tokens to spend as effort, which means you will lose your job.

Disability benefits are available to those who suffer an injury and therefore lose their job. Once you qualify for disability benefits, you can receive those benefits each period for the remainder of the game as long as you aren't working.

However, you can recover from being injured and become healthy again, in which case you can return to working if you choose to do so.

There are 12 total participants in your session.

## Skill

You have been assigned a (low/medium/high) skill level. You will have this skill level for the entire game.

You can hold any job at or below your skill level. The higher skill level job you hold, the higher your wage will be.

Since you are a (low/medium/high) skill level worker, you can work at (a low/a low or medium/a low, medium, or high) skill job.

At the beginning of the game, you will have a job that matches your skill level.

If you are healthy and not working a job at your skill level at the beginning of a period (either because you aren't working or because you are working at a job below your skill level) and a job at your skill level becomes available, you will be given the option to take the job at your skill level.

### *Quiz:*

1. If your skill level is medium in period 1. What is your skill level in period 5?
  - (Response options: Low; Medium; High; It depends on my job)
2. If you are a medium skill worker:
  - (Response options: You can hold high, medium, or low skill jobs; You can hold a medium or low skill job; You can only hold a medium skill job; You can only hold a low skill job)

Here are the answers to the comprehension questions. The answers you got correct will appear in green and the answers you got incorrect will appear in red. Please review the answers carefully.

1. If your skill level is medium in period 1, what is your skill level in period 5?
  - Your skill level does not change. If your skill level is medium in period 1, it is medium in period 5.
2. If you are a medium skill worker:
  - You can hold a medium or low skill job.

## Work

In each period that you are healthy, you get 4 tokens for being healthy. If you are working, you spend those 4 tokens as effort in order to work and receive a wage.

A high skill job pays a wage of 48 tokens, a medium skill job pays a wage of 32 tokens, and a low skill job pays a wage of 24 tokens.

Initially, you pay 12 tokens in taxes if you work a high skill job, 8 tokens if you work a medium skill job, and 6 tokens if you work a low skill job.

After deducting effort and taxes, a high skill job earns 32 tokens per period, a medium skill job earns 20 tokens per period, and a low skill job earns 14 tokens per period.

A sample screen for working appears below.

«SHOW SCREENSHOT»

## Quiz

1. If you were a high skill worker who spent 4 tokens of effort to work at your high skill job in a period 1, what would you earn in that period?
  - (Response options: 48 tokens; 44 tokens; 32 tokens; 20 tokens)
2. If you were a high skilled worker who was working at a medium skill job in a given period, how many tokens in effort would you spend to work in that period?
  - (Response options: 4 tokens; 6 tokens; 8 tokens; 10 tokens)

Here are the answers to the comprehension questions. The answers you got correct will appear in green and the answers you got incorrect will appear in red. Please review the answers carefully.

1. If you were a high skill worker who spent 4 tokens of effort to work at your high skill job in a period 1, what would you earn in that period?
  - 32 tokens. 48 tokens in wage minus 4 tokens in effort and 12 tokens in taxes.
2. If you were a high skilled worker who was working at a medium skill job in a given period, how many tokens in effort would you spend to work in that period?
  - 4 tokens. You spend 4 tokens of effort to work regardless of the job you are working.

## Injury

At the beginning of the game you are healthy.

**You could get injured:** The chances you suffer an injury in each period are 20% (1 in 5). All workers with a job face the same risk of becoming injured, regardless of skill level or which job they have. However, if you do not have a job, you cannot become injured. You will be informed at the beginning of each period if you suffered an injury that will cause you to lose your job.

In the first period, nobody can get injured.

**What happens when you are injured?** When you are injured, you don't get 4 tokens. Because you can't spend those tokens as effort to work, you will lose your job. (You can't spend tokens you've earned in other periods as effort.)

However, once you are injured, you become eligible for disability payments.

A sample screen for suffering an injury appears below.

«SHOW SCREENSHOT»

## Quiz

1. Can you get injured while you are not working?
  - (Response options: Yes; No; It depends on my skill level)
2. All workers with a job face the same risk of becoming injured.
  - (Response options: True; False)

Here are the answers to the comprehension questions. The answers you got correct will appear in green and the answers you got incorrect will appear in red. Please review the answer carefully.

1. Can you get injured while you are not working?
  - No. You can only get injured while you are working.
2. All workers with a job face the same risk of becoming injured.
  - True. All workers with a job face the same risk of becoming injured.

## Disability

Once you suffer an injury, you will receive disability benefits in each period starting in that period. How much you get in benefits in each period depends on your wage in the last period that you worked [**ONLY SHOW FOR EXPERIMENT 2:** and current benefit levels].

Once you suffer an injury, you will receive disability benefits in each period starting in that period. How much you get in benefits in each period depends on your wage in the last period that you worked.

**Benefit levels:** Benefit levels are set as follows: If your last job was low skill, you'd get 6 tokens, if your last job was medium skill you'd get 8 tokens, and if your last job was high skill you'd get 12 tokens.

**Continuation of benefits:** Once you qualify for disability benefits, you can receive them in all subsequent periods as long as you don't take another job. If you accept another job, you can only receive benefits again if you suffer another injury.

A sample screen for collecting disability appears below.

«SHOW SCREENSHOT»

### Quiz

1. Your benefit level depends only on your skill level.
  - (Response options: True; False)
2. You stop receiving benefits when:
  - (Response options: You get healthy; When you get healthy and take a job; Never; At any time)

Here are the answers to the comprehension questions. The answers you got correct will appear in green and the answers you got incorrect will appear in red. Please review the answer carefully.

1. Your benefit level depends only on your skill level
  - False. Your benefit level depends only on the skill level of the last job your worked.
2. You stop receiving benefits when:
  - You stop receiving benefits when you get healthy and take a job.

## Recovery

After suffering an injury, you have a 33% (1 in 3) chance of recovering and becoming healthy in each subsequent period. If you are injured, you will be informed if you recovered at the beginning of a new period.

**What if you don't recover?** If you do not recover, you continue to receive disability benefits in each period that you are injured.

**What happens when you recover?** If you recover, you again get 4 tokens at the beginning of each period. Because you have these effort tokens, you can work again.

**Taking a job.** Once you are recovered, you can then take any job for which you have enough skill. Importantly, when you recover from an injury, you may not be able to find a job that matches your skill level. Additionally, if you do take a new job, you no longer qualify for disability benefits.

If you don't take a job, you can keep your 4 tokens and also keep receiving disability benefits.

A sample screen for taking a job or continuing to receive disability benefits appears below.

«SHOW SCREENSHOT»

## Quiz

1. Suppose you were a medium skill worker who gets healthy after becoming injured while working a medium skill job. After getting healthy, you choose not to return to work. How many tokens would you earn in this period:

- (Response options: 8 tokens from disability and 4 tokens from effort for a total of 12 tokens; 4 tokens from effort; 8 tokens from disability; None. You would only earn tokens when you start working again.)

Here are the answers to the comprehension questions. The answers you got correct will appear in green and the answers you got incorrect will appear in red. Please review the answer carefully.

1. Suppose you were a medium skill worker who gets healthy after becoming injured while working a medium skill job. After getting healthy, you choose not to return to work. How many tokens would you earn in this period:
  - 8 tokens for disability and 4 tokens of effort for a total of 12 tokens.

### **Information**

At the end of each period, you will receive information about the other participants in the session.

You will see the number of participants including yourself who were working in the period and the number of participants who were collecting disability benefits.

You will also be shown a participant chosen at random who is collecting disability. Specifically, you will see if that worker is healthy or injured. If there are no participants collecting disability, you will not be shown any additional information.

### **ONLY SHOW PAGE IF IN EXPERIMENT 2**

#### **Changing Disability Levels**

#### **ONLY SHOW IF ASSIGNED TO FREE LUNCH CONDITION:**

You and the other workers will vote on disability benefit levels every 5 periods. When you vote, you will decide whether to increase by one token, decrease by one token, or keep disability benefits the same.

As a reminder, benefits are initially set to 6 tokens if you are injured while working a low skill job, 8 tokens if you are injured while working a medium skill job, and 12 tokens if you are injured while working a high skill job. So, for example, if you voted to decrease benefits by 1 token, they would be 5 tokens if you are injured while working a low skill job, 7 tokens if you are injured while working a medium skill job, and 11 tokens if you are injured while working a high skill job.

If a majority of participants in your session vote to increase or decrease benefits, benefits will be changed for the remainder of the game unless a majority of participants vote to change the benefits again.

The most benefits can be altered from the starting point is +3 tokens or -3 tokens. If either point is reached, you will only be allowed to keep benefits the same or adjust them back towards the starting point.

The voting screen will appear at the end of each period in the periods you can vote.

#### **ONLY SHOW IF ASSIGNED TO BUDGET CONSTRAINT CONDITION:**

You and the other workers will vote on disability benefit levels every 5 periods. When



you vote, you will decide whether to increase by one token, decrease by one token, or keep disability benefits and taxes the same.

If disability benefits are increased by one token, taxes on all workers are also increased by half a token (.5 tokens). Similarly, if disability benefits are decreased by one token, taxes on all workers are also decreased by half a token (.5 tokens).

As a reminder, benefits and taxes are initially set as follows:

Skill Level of Job	Benefits (if last working at that skill level)	Taxes if working at that skill level
Low	6	6
Medium	8	8
High	12	12

This means that, for example, if you voted to decrease benefits and taxes, benefits and taxes would be set as follows:

Skill Level of Job	Benefits (if last working at that skill level)	Taxes if working at that skill level
Low	5	5.5
Medium	7	7.5
High	11	11.5

If a majority of participants in your session vote to increase or decrease benefits, benefits will be changed for the remainder of the game unless a majority of participants vote to change the benefits again.

The most benefits can be altered from the starting point is +3 tokens or -3 tokens. If either point is reached, you will only be allowed to keep benefits the same or adjust them back towards the starting point.

## SHOW ALL IN EXPERIMENT 2:

The voting screen will appear at the end of each period in the periods you can vote.

### Quiz

- You will vote in every period
  - (Response options: True; False)
- If 5 participants vote to increase benefits and taxes, 6 participants vote to decrease benefits, and 1 participant votes to keep benefits the same, what happens?
  - (Response options: Benefits increase; Benefits decrease; Benefits stay the same)

Here are the answers to the comprehension questions. The answers you got correct will appear in green and the answers you got incorrect will appear in red. Please review the answer carefully.

1. You will vote every period.

- False. You will vote every 5 periods.

2. You stop receiving benefits when:

- Benefits stay the same. Changing benefit levels requires that a majority of participants (7+) vote for the same option.

## Order of Play

### ONLY SHOW IF IN EXPERIMENT 1:

So to review, here is a quick summary of how each period of play will work.

1. If you are injured at the beginning of a period and you do not recover OR if you are healthy at the beginning of period but become injured, you will:

1. Receive disability benefits
2. Learn information about what others are doing

2. If you are injured at the beginning of a period and recover from your injury OR if you are healthy at the beginning of a period but not working, you can choose to take an available job for which you are qualified or keep receiving disability.

If you do not take a job, you will:

1. Receive 4 tokens for being healthy
2. Receive disability benefits
3. Learn information about what others are doing

If you do take a job, you will:

1. Receive 4 tokens for being healthy
2. Spend those 4 tokens to work, earn wages, and pay taxes
3. Learn information about what others are doing

3. If you are healthy and working at the beginning of a period:

If you are working below your skill level AND a job of a higher skill level becomes available for which you are qualified, you can choose to take the higher skill job.

You will then:

1. Receive 4 tokens for being healthy
2. Spend those 4 tokens to work, earn wages, and pay taxes
3. Learn information about what others are doing

**ONLY SHOW IF IN EXPERIMENT 2 & ASSIGNED TO FREE LUNCH CONDITION:**

So to review, here is a quick summary of how each period of play will work.

1. If you are injured at the beginning of a period and you do not recover OR if you are healthy at the beginning of period but become injured, you will:

1. Receive disability benefits
2. Learn information about what others are doing
3. Vote on disability benefit level changes (if it is a period when voting takes place)

2. If you are injured at the beginning of a period and recover from your injury OR if you are healthy at the beginning of a period but not working, you can choose to take an available job for which you are qualified or keep receiving disability.

If you do not take a job, you will:

1. Receive 4 tokens for being healthy
2. Receive disability benefits
3. Learn information about what others are doing
4. Vote on disability benefit level changes (if it is a period when voting takes place)

If you do take a job, you will:

1. Receive 4 tokens for being healthy
2. Spend those 4 tokens to work, earn wages, and pay taxes
3. Learn information about what others are doing
4. Vote on disability benefit level changes (if it is a period when voting takes place)

3. If you are healthy and working at the beginning of a period:

If you are working below your skill level AND a job of a higher skill level becomes available for which you are qualified, you can choose to take the higher skill job.

You will then:

1. Receive 4 tokens for being healthy
2. Spend those 4 tokens to work, earn wages, and pay taxes
3. Learn information about what others are doing
4. Vote on disability benefit level changes (if it is a period when voting takes place)

**ONLY SHOW IF IN EXPERIMENT 2 & ASSIGNED TO BUDGET CONSTRAINT CONDITION:**

So to review, here is a quick summary of how each period of play will work.

1. If you are injured at the beginning of a period and you do not recover OR if you are healthy at the beginning of period but become injured, you will:

1. Receive disability benefits
2. Learn information about what others are doing
3. Vote on disability benefit and tax level changes (if it is a period when voting takes place)

2. If you are injured at the beginning of a period and recover from your injury OR if you are healthy at the beginning of a period but not working, you can choose to take an available job for which you are qualified or keep receiving disability.

If you do not take a job, you will:

1. Receive 4 tokens for being healthy
2. Receive disability benefits
3. Learn information about what others are doing
4. Vote on disability benefit and tax level changes (if it is a period when voting takes place)

If you do take a job, you will:

1. Receive 4 tokens for being healthy

2. Spend those 4 tokens to work, earn wages, and pay taxes
3. Learn information about what others are doing
4. Vote on disability benefit and tax level changes (if it is a period when voting takes place)

3. If you are healthy and working at the beginning of a period:

If you are working below your skill level AND a job of a higher skill level becomes available for which you are qualified, you can choose to take the higher skill job.

You will then:

1. Receive 4 tokens for being healthy
2. Spend those 4 tokens to work, earn wages, and pay taxes
3. Learn information about what others are doing
4. Vote on disability benefit and tax level changes (if it is a period when voting takes place)

### **End-of-Session Questionnaire**

How did you decide whether to return to work after recovering from an injury?

How did learning about other people's decisions affect your decisions about returning to work after recovering from an injury?

Were there other considerations that affected your decisions about returning to work after recovering from an injury? If so, what were they and how did they affect your decisions?

Did you ever get healthy and face a decision whether to take a job below your skill level? If you did, how did you decide what to do?

**Note:** The following two questions only appeared in Experiment 2.

How did learning about other people's decisions affect your decisions to change (or not change) disability benefit levels?

Were there other considerations that affected your decisions to change disability benefit


levels? If so, what were they and how did they affect your decisions?

Please write any other comments you have about this study in the space below:

## B Screenshots of Disability Insurance Game Interface

- If a worker is healthy:

Period	Your Skill Level	Total Earnings
1	Medium	0



Health Status:  
You are healthy. You get 4 tokens


Next

Period	Your Skill Level	Total Earnings
1	Medium	0

Job:  
You have a medium skill job.

Spend 4 tokens  
to work.

Period	Your Skill Level	Total Earnings
1	Medium	0

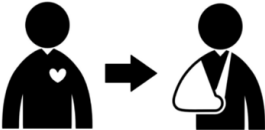


Earnings:  
You spent 4 in effort to earn 32 in wages and paid 8 in taxes. You will add 20 to earnings.

Next

- If a worker is injured:

Period	Your Skill Level	Total Earnings
4	Medium	60

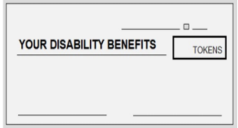


Health Update:  
You suffered an injury.  
You will lose your job this period.

Collect Disability Benefits



Period	Your Skill Level	Total Earnings
4	Medium	60

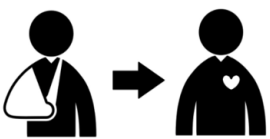


**Earnings:**  
 You received 8 in disability benefits. You will add 8 to earnings.

[Next](#)

- If a worker recovers and faces the choice of returning to work or staying on disability:

Period	Your Skill Level	Total Earnings
14	Medium	151



**Health Status:**  
 You recovered from being injured.  
 You have 4 tokens to spend and can look for work.

[Next](#)

(if the labor market is good)

Period 14	Your Skill Level Medium	Total Earnings 151
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Would you like to take an available job or continue to collect disability?

**Available Jobs**

Job Skill Level	Wage	
High	48	
Medium	32	<a href="#">Accept Job</a>
Low	24	<a href="#">Accept Job</a>

**Disability**

[Continue to Collect Disability Benefits](#)

(if the labor market is bad)

Period 21	Your Skill Level Medium	Total Earnings 258
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Would you like to take an available job or continue to collect disability?

**Available Jobs**

Job Skill Level	Wage	
High	48	
There are no medium skill jobs available		
Low	24	<a href="#">Accept Job</a>

**Disability**

[Continue to Collect Disability Benefits](#)

Period 5	Your Skill Level Medium	Total Earnings 44
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YOUR DISABILITY BENEFITS


TOKENS

Earnings:  
You received 4 in effort and 8 in disability benefits. You will add 12 to earnings.


Next

- If a worker recovers and returns to work:

Period 14	Your Skill Level Medium	Total Earnings 151
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→



Health Status:  
You recovered from being injured.  
You have 4 tokens to spend and can look for work.

Next

(if the labor market is good)

Period 14	Your Skill Level Medium	Total Earnings 151
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Would you like to take an available job or continue to collect disability?

**Available Jobs**

Job Skill Level	Wage	
High	48	
Medium	32	<a href="#">Accept Job</a>
Low	24	<a href="#">Accept Job</a>

**Disability**

[Continue to Collect Disability Benefits](#)

(if the labor market is bad)

Period 21	Your Skill Level Medium	Total Earnings 258
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Would you like to take an available job or continue to collect disability?

**Available Jobs**

Job Skill Level	Wage	
High	48	
There are no medium skill jobs available		
Low	24	<a href="#">Accept Job</a>

**Disability**


[Continue to Collect Disability Benefits](#)

Period	Your Skill Level	Total Earnings
1	Medium	0

Job:  
You have a medium skill job.

Spend 4 tokens  
to work.

Period	Your Skill Level	Total Earnings
1	Medium	0



Earnings:  
You spent 4 in effort to earn 32 in wages and paid 8 in taxes. You will add 20 to earnings.

Next

- At the end of each period all workers see a feedback screen:

Period 2	Your Skill Level Medium	Total Earnings 40				
<p>This is the number of people working and the number of people receiving disability.</p> <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <th style="text-align: center;">Number Working</th> <th style="text-align: center;">Number on Disability</th> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> </table> <p style="text-align: center;">One participant who is collecting disability is <b>injured</b>.</p> <p style="text-align: center;"> <input type="button" value="Next"/> </p>			Number Working	Number on Disability	1	1
Number Working	Number on Disability					
1	1					

- At the end of every fifth period in Experiment 2 all workers vote. Here is what it looks like in the Free Lunch condition:

Period 10	Your Skill Level Medium	Total Earnings 121
<p>All players can now vote to either keep disability benefit levels the same or to change them.</p> <p>As a reminder, the benefits you earn depend on the skill level of your last job.</p> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; background-color: #007bff; color: white;">             Decrease all disability benefits by 1 token           </div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; background-color: #007bff; color: white;">             Keep current disability benefit levels the same           </div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; background-color: #007bff; color: white;">             Increase all disability benefits by 1 token           </div> </div>		

Period 10	Your Skill Level Medium	Total Earnings 121
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Because of how everyone voted, disability benefits have increased.

Here are the benefit levels that will now be in place:

Skill Level of Last Job	Disability Benefit
High	14
Medium	10
Low	8

Next

## C Additional Analyses for Experiment 2

**Table A1:** Making Benefits Costly Increases the Probability of Voting to Reduce Benefit Levels (Experiment 2)

	(1) Vote to Change Benefit Levels (-1=Decrease, 0=No Change, 1=Increase)	(2) Vote to Reduce Benefit Levels (1=Yes, 0=No)
Benefits Costly (1=Yes, 0=Free Lunch)	-0.731*** (0.093)	0.306*** (0.049)
Period = 10	0.042 (0.112)	-0.028 (0.059)
Period = 15	0.014 (0.114)	-0.014 (0.060)
Period = 20	0.019 (0.181)	0.042 (0.101)
Period = 25	-0.093 (0.184)	0.125 (0.103)
Period = 30	0.102 (0.182)	0.014 (0.100)
Period = 35	-0.037 (0.180)	0.069 (0.102)
Period = 40	0.046 (0.187)	0.069 (0.102)
Period = 45	0.074 (0.180)	0.014 (0.100)
Period = 50	-0.009 (0.187)	0.097 (0.102)
Period = 55	-0.009 (0.183)	0.069 (0.102)
Period = 60	0.060 (0.202)	-0.014 (0.114)
Constant	0.713*** (0.076)	0.042 (0.034)
Observations	528	528
R-squared	0.119	0.105

\*\*\*p<0.01, \*\*p<0.05, \*p<0.1.

Robust standard errors in parentheses.

Sample restricted to voting conditions when possible to increase or decrease benefits.



**Table A2:** Making Benefits Costly Increases the Probability of Voting to Reduce Benefit Levels, by Current Level of Benefits (Experiment 2)

	(1)	(2)	(3)	(4)	(5)	(6)
	Vote (-1/0/1)	Voted to Reduce (1=Yes)	Vote (-1/0/1)	Voted to Reduce (1=Yes)	Vote (-1/0/1)	Voted to Reduce (1=Yes)
	Medium Benefits=8	Medium Benefits=8	Medium Benefits=9	Medium Benefits=9	Medium Benefits=10	Medium Benefits=10
Benefits Costly (1=Yes, 0=Free Lunch)	-0.917*** (0.154)	0.389*** (0.083)	-0.806*** (0.272)	0.389** (0.150)	-1.083*** (0.245)	0.528*** (0.151)
Period = 10	0.167 (0.196)	-0.083 (0.115)				
Period = 15	0.167 (0.196)	-0.083 (0.115)				
Period = 20	-0.056 (0.225)	0.069 (0.134)	0.417 (0.362)	-0.167 (0.196)		
Period = 25	0.278 (0.300)	-0.056 (0.163)				
Period = 30	0.361 (0.282)	-0.139 (0.153)	0.000 (0.365)	-0.000 (0.209)		
Period = 35	0.194 (0.290)	-0.056 (0.163)	0.000 (0.365)	-0.000 (0.209)		
Period = 40	0.278 (0.300)	-0.056 (0.163)	0.167 (0.384)	-0.000 (0.209)		
Period = 45	0.278 (0.274)	-0.139 (0.153)	0.167 (0.365)	-0.083 (0.204)		
Period = 50	0.194 (0.290)	-0.056 (0.163)	0.167 (0.384)	-0.000 (0.209)		
Period = 55	0.278 (0.300)	-0.056 (0.163)	0.167 (0.365)	-0.083 (0.204)		
Period = 60	0.278 (0.274)	-0.139 (0.153)				
Constant	0.806*** (0.068)	0.000 (0.000)	0.722*** (0.087)	0.028 (0.028)	0.667*** (0.098)	0.056 (0.039)
Observations	264	264	132	132	48	48
R-squared	0.114	0.078	0.137	0.131	0.358	0.343

\*\*\*p<0.01, \*\*p<0.05, \*p<0.1. Robust standard errors in parentheses.

**Table A3:** Low- and High-Skill Workers Are No More Likely to Remain on Disability Benefits As Medium-Skill Workers in the Bad Labor Market (Experiment 2)

	(1)	(2)
	DV: Stay on disability in period recovered from injury (1=Yes, 0=No)	
Bad Labor Market (1=No Medium Skill Jobs)	0.350*** (0.059)	0.377*** (0.062)
Post Bad Labor Market (1=Yes)	-0.007 (0.023)	0.005 (0.035)
Low Skill Worker x Bad Labor Market	-0.495*** (0.112)	-0.500*** (0.113)
Low Skill Worker x Post Bad Labor Market	-0.150 (0.127)	-0.150 (0.128)
High Skill Worker x Bad Labor Market	-0.350*** (0.059)	-0.352*** (0.059)
High Skill Worker x Post Bad Labor Market	0.007 (0.023)	0.017 (0.029)
Disability Benefits for Medium Skill Worker = 6		0.001 (0.074)
Disability Benefits for Medium Skill Worker = 7		-0.132** (0.061)
Disability Benefits for Medium Skill Worker = 8		-0.048 (0.051)
Disability Benefits for Medium Skill Worker = 9		-0.033 (0.062)
Disability Benefits for Medium Skill Worker = 10		-0.036 (0.091)
Disability Benefits for Medium Skill Worker = 11		-0.074 (0.084)
Constant	0.036* (0.020)	0.085 (0.062)
Player Fixed Effects?	Y	Y
Observations	485	485
Number of Participants	72	72
R-squared	0.265	0.272

\*\*\*p<0.01, \*\*p<0.05, \*p<0.1. The table reports estimates from fixed-effects models with standard errors in parentheses. The interaction terms in the models estimate simple effects, not interaction effects. (Since worker skill does not vary within participant, the low skill worker and high skill worker main effects drop out of the fixed-effects models.)

**Table A4:** Positive Association between Benefit Level and the Probability of Staying on Disability in Period Recovered from Injury among Medium Skill Workers in the Budget Constraint Condition (Experiment 2)

	(1)	(2)
	DV: Stay on disability in period recovered from injury (1=Yes, 0=No)	
Disability Benefits for Medium Skill Worker	0.135*	0.141*
	(0.072)	(0.074)
Period		0.013
		(0.157)
Period Squared / 100		-0.008
		(0.261)
Constant	-0.719	-1.072
	(0.572)	(2.448)
Observations	49	49
R-squared	0.070	0.078

\*\*\*p<0.01, \*\*p<0.05, \*p<0.1. Standard errors in parentheses.

**Table A5:** No Positive Effect of Seeing a Healthy Worker on Disability on Voting to Reduce Benefits in the Free Lunch Condition (Experiment 2)

	(1)
	DV: Voted to Reduce Benefits (1=Yes)
Observed a Healthy Worker Collecting Disability	0.244***
	(0.066)
Saw Healthy on Disability x Free Lunch condition	-0.211**
	(0.095)
Constant	0.227***
	(0.017)
Player Fixed Effects?	Y
Observations	288
Number of Participants	24
R-squared	0.050

\*\*\*p<0.01, \*\*p<0.05, \*p<0.1. The table reports estimates from a fixed-effects model with standard errors in parentheses. The interaction term in the model estimates a simple effect, not an interaction effect. (Since the Free Lunch condition does not vary within participant, the Free Lunch main effect drops out of the fixed-effects model.)

**Figure A1:** Probabilities of Observing Another Healthy Worker on Disability and Average Rates of Voting to Reduce Benefits by Medium Skill Workers, by Labor Market Condition and Budget Constraint (versus Free Lunch) Condition (Experiment 2)

