**Name your job posting:** Participate in an Experiment

**Describe the work to be done:**

We need people to participate in an experiment for an economics research project. The task involves making economic decisions in a strategic environment.

This experiment is approved by the Institutional Review Board at Iowa State University. Your decision to apply for this project will be construed as your consent to participate in the experiment. If you decide to participate in this experiment you should know that researchers of the project will use identifiable information from your upwork profile to do the analysis, along with the decisions that you make in experiment. It is assured that the confidentiality of your profile data along with the choices that you make in an experiment will be strictly maintained. Researchers of the project will report results from your profile and the choices you make in an experiment as aggregates.

In this experiment you will be randomly matched with another participant. You will be paid 3 dollars for participating in this experiment. On top of that you may earn anywhere from zero dollars to 10 dollars based on the choices/decisions that you and other participants make during the experiment.

There are no specific skills required for this project.

**Available Slots**

This experiment requires approximately 1 hour of your undivided time. Please indicate all possible time slots in which you can participate in this experiment. Only one of the selected time slots will be chosen based on the availability of other participants. If we can’t find enough other participants on your available slot(s), we won’t be able to allow you to participate in this experiment.

Paste the link to your upwork profile against the available time slots.

*List of time slots in Central Time Zone.*

**Chosen Slot**

Thank you for expressing interest in participating in the experiment. Based on your available times (and available times of other participants) we would like you to participate in the experiment at the following date and time.

Date:

Time:

Please respond back to confirm your availability for the stated date and time. If you confirm your availability we will send you a link to an experiment 5 minutes before the stated time.

**Instructions for “Baseline” and “Race Salient” Treatments (for Workers)**

This experiment is part of the research project conducted by Iowa State University. It is used to analyze decision behavior in markets. The instructions are simple and if you read them carefully and make appropriate decisions, you can earn money ranging from zero to 10 dollars (on top of 3 dollars participation fee). Your earnings will be calculated in points which will be converted to dollars at the end of experiment at the following rate.

**1 point = 10 cents**

In this whole experiment consider yourself as a worker who is working for an employer. These employers are real people (like yourself) who are assigned the “role of employer” by the experimenters. As part of this experiment you will be randomly matched with the employer. That employer will select a wage for you and you will chose effort level. Effort is costly to you but profitable to your employer. Throughout this experiment, your randomly matched employer will not know your identity.

The experiment will consist of 10 periods. In each period you will be matched with a new employer. Each period will consist of two stages. In the first stage your employer will select a wage. In the second stage you (worker) will see the wage and choose the effort level. Both wage rate and effort level will affect yours and your employer’s earnings. Your earning from a period will be as follows;

Worker Earning = Wage – 26 – Effort Cost

Your employer earning will be as follows;

Employer Earning = (126 – Wage) x Effort

Putting more effort is costly to you but it benefits your employer. Your cost for each allowed level of efforts is as follows;

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Effort | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1 |
| Effort Cost | 0 | 1 | 2 | 4 | 6 | 8 | 10 | 12 | 15 | 18 |

Your employer can offer you any wage between 30 and 125 (in increments of 5).

For example, if your employer selected the **wage offer of 50** and you chose **effort level of 0.5**, your and your employer’s earnings will be as follows;

Worker Earning = (50 – 26 – 6) = 20

Employer Earnings = (126 – 50) x 0.5 = 38

Throughout the experiment you will have access to on-screen calculator in which you can input different values for effort and see your earnings and your employers’ earning for that period before submitting your effort choice. As already mentioned there will be 10 periods in this experiment, which means you will make an effort choice 10 times (for 10 different employers). At the end of this experiment, one of the 10 periods will be randomly chosen by the computer and you and your employer’s final earnings will be what you and your employer earned in that chosen period. It is in your interest to do your best in each period.

Make sure you understand the instructions before proceeding. The next screen will ask you questions related to some arbitrary examples of what could happen in the experiment.

**Instructions for “Bonus” and “Race Salient with Bonus” Treatments (for Workers)**

This experiment is part of the research project conducted by Iowa State University. It is used to analyze decision behavior in markets. The instructions are simple and if you read them carefully and make appropriate decisions, you can earn money ranging from zero to 10 dollars (on top of 3 dollars participation fee). Your earnings will be calculated in points which will be converted to dollars at the end of experiment at the following rate.

**1 point = 10 cents**

In this whole experiment consider yourself as a worker who is working for an employer. These employers are real people (like yourself) who are assigned the “role of employer” by the experimenters. As part of this experiment you will be randomly matched with the employer. That employer will select a wage for you and you will chose effort level and then employer can reward you with discretionary bonus. Effort is costly to you but profitable to your employer. Throughout this experiment, your randomly matched employer will not know your identity.

The experiment will consist of 10 periods. In each period you will be matched with a new employer. Each period will consist of three stages. In the first stage your employer will select a wage. In the second stage you (worker) will see the wage and choose the effort level. In the third stage employer will observe your effort choice and decide whether to reward you bonus of **10 points** or not. Wage rate, effort level and bonus will affect yours and your employer’s earnings. Your earning from a period will be as follows;

Worker Earning = Wage – 26 – Effort Cost + Bonus

Your employer earning will be as follows;

Employer Earning = (126 – Wage) x Effort

Putting more effort is costly to you but it benefits your employer. Your cost for each allowed level of efforts is as follows;

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Effort | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1 |
| Effort Cost | 0 | 1 | 2 | 4 | 6 | 8 | 10 | 12 | 15 | 18 |

Your employer can offer you any wage between 30 and 125 (in increments of 5).

For example, if your employer selected the wage offer of 50, you chose effort level of 0.5 and the employer decided to reward the bonus then your and your employer’s earnings will be as follows;

Worker Earning = 50 – 26 – 6 + 10= 30

Employer Earnings = (126 – 50) x 0.5 = 38

Throughout the experiment you will have access to on-screen calculator in which you can input different values for effort and see your earnings and your employers’ earning for that period before submitting your effort choice. As already mentioned there will be 10 periods in this experiment, which means you will make an effort choice 10 times (for 10 different employers). At the end of this experiment, one of the 10 periods will be randomly chosen by the computer and you and your employer’s final earnings will be what you and your employer earned in that chosen period. It is in your interest to do your best in each period.

Make sure you understand the instructions before proceeding. The next screen will ask you questions related to some arbitrary examples of what could happen in the experiment.

**Instructions for All Treatments (for Employers)**

This experiment is part of the research project conducted by Iowa State University. It is used to analyze decision behavior in markets. The instructions are simple and if you read them carefully and make appropriate decisions, you can earn money ranging from zero to 8 dollars (on top of 3 dollars participation fee). Your earnings will be calculated in points which will be converted to dollars at the end of experiment at the following rate.

**1 point = 10 cents**

In this whole experiment consider yourself as an employer who is hiring workers. These workers are real people (like yourself) who are assigned the “role of worker” by the experimenters. As part of this experiment you will be randomly matched with different workers. You will select a wage offer for the matched worker and the worker will select the effort level.

Effort is costly to workers but profitable to employers (like yourself). Throughout this experiment, your randomly matched worker will not know your identity *(for baseline treatment)* /will see your name and picture from upwork profile *(for race salient treatments)*.

The experiment will consist of 10 periods. In each period you will be matched with a new worker. Each period will consist of two *(three for Bonus treatments*) stages. In the first stage you (employer) will select a wage level. In the second stage worker will see the wage and choose the effort level. In the third stage you (employer) will observe the effort choice of your matched worker and decide whether to reward bonus of **10 points** to the worker. Wage rate, effort level and bonus will affect yours and your worker’s earnings. Your earning from a period will be as follows;

Employer Earning = (126 – Wage) x Effort

Your randomly matched worker’s earning will be as follows;

Worker Earning = Wage – 26 – Effort Cost + Bonus

Putting more effort is costly to worker but it benefits employer. Worker’s cost for each allowed level of efforts is as follows;

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Effort | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1 |
| Effort Cost | 0 | 1 | 2 | 4 | 6 | 8 | 10 | 12 | 15 | 18 |

You (employer) can offer any wage between 30 and 125 (in increments of 5).

For example, if you selected the **wage offer of 50**, your worker chose **effort level of 0.5** and you decide to reward the bonus then your and your worker’s earnings will be as follows;

Employer Earnings = (126 – 50) x 0.5 = 38

Worker Earning = (50 – 26 – 6 + 10) = 30

Throughout the experiment you will have access to on-screen calculator in which you can input different values for wages and effort and see your earnings and your worker’s earning for that period before submitting your wage choice. As already mentioned there will be 10 periods in this experiment, which means you will select wage choice and decide bonus 10 times (for 10 different workers). At the end of this experiment, one of the 10 periods will be randomly chosen by the computer and you and your worker’s final earnings will be what you and your worker earned in that chosen period. It is in your interest to do your best in each period.

**Control Questions:**

1. What is your role in the experiment?
   1. Worker
   2. Employer
2. How many periods are there in this experiment? \_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Assume that in one of the periods an employer selected a wage of 30, and a worker chose the effort level of 0.1 (and employer did not reward the bonus *(for Bonus treatments)*).

What will be employer earnings in this period? \_\_\_\_\_\_\_\_\_

What will be worker earnings in this period? \_\_\_\_\_\_\_\_\_\_\_\_\_

1. Assume that in one of the periods an employer selected a wage of 30, and a woker chose the effort level of 0.5 (and employer did not reward the bonus *(for Bonus treatments)*)..

What will be employer earnings in this period? \_\_\_\_\_\_\_\_\_

What will be worker earnings in this period? \_\_\_\_\_\_\_\_\_\_\_\_\_

1. Assume that in one of the periods an employer selected a wage of 30, and a worker chose the effort level of 1 (and employer did not reward the bonus *(for Bonus treatments)*)..

What will be employer earnings in this period? \_\_\_\_\_\_\_\_\_

What will be worker earnings in this period? \_\_\_\_\_\_\_\_\_\_\_\_\_

1. Assume that in one of the periods an employer employer selected a wage of 125, and a worker chose the effort level of 0.1 (and employer rewarded the bonus *(for Bonus treatments)*).

What will be employer earnings in this period? \_\_\_\_\_\_\_\_\_

What will be worker earnings in this period? \_\_\_\_\_\_\_\_\_\_\_\_\_

1. Assume that in one of the periods an employer selected a wage of 125, and a worker chose the effort level of 0.5 (and employer rewarded the bonus *(for Bonus treatments)*).

What will be employer earnings in this period? \_\_\_\_\_\_\_\_\_

What will be worker earnings in this period? \_\_\_\_\_\_\_\_\_\_\_\_\_

1. Assume that in one of the periods an employer selected a wage of 125, and a worker chose the effort level of 1 (and employer rewarded the bonus *(for Bonus treatments)*).

What will be employer earnings in this period? \_\_\_\_\_\_\_\_\_

What will be worker earnings in this period? \_\_\_\_\_\_\_\_\_\_\_\_\_

**Layout of Interface (Baseline and Bonus Treatment for Workers)**

In this period, you are matched with the following employer. Before you can see the actual wage selected by the employer, you need to make a guess of the selected wage. If your guess is exactly right, you will get 5 extra points. If it deviates by 5 points you will get 3 extra points. If it deviates by 10 points you will get 1 extra point. If it deviates by more than 10, you won’t get any extra points.

|  |  |
| --- | --- |
| Employer ID: |  |
| Wage selected by the employer: | Submit your guess to view this. |
| Guessed Wage | Enter your guess here and click submit. |

Now select the effort level for the above employer.

|  |  |
| --- | --- |
| Effort Level | Input values between 0.1 and 1 in the increment of 0.1. |
| Your Earning | Pre-Calculated Field |
| Your Employer Earning | Pre-Calculated Field |
|  |  |
|  | Submit Effort Choice |

**Layout of Interface (Race Salient Treatments for Workers)**

In this period, you are matched with the following employer. Before you can see the actual wage selected by the employer, you need to make a guess of the selected wage. If your guess is exactly right, you will get 5 extra points. If it deviates by 5 points you will get 3 extra points. If it deviates by 10 points you will get 1 extra point. If it deviates by more than 10, you won’t get any extra points.

|  |  |  |
| --- | --- | --- |
| Employer ID: |  |  |
| Employer Name: |  |
| Wage selected by the employer: | Submit your guess to view this. |
| Guessed Wage | Enter your guess here and click submit. |

Now select the effort level for the above employer.

|  |  |
| --- | --- |
| Effort Level | Input values between 0.1 and 1 in the increment of 0.1. |
| Your Earning | Pre-Calculated Field |
| Your Employer Earning | Pre-Calculated Field |
|  |  |
|  | Submit Effort Choice |

**Layout of Interface (First Stage for Employers)**

In this period, you are matched with a worker. You will select a wage offer for a worker by rolling a 10-faced die. Based on the number of die a wage bracket will be chosen for you, you will then select an exact wage offer from that bracket.

Click on the die below to roll it;



Based on the die roll. You can select a wage offer from any of the following offers;

|  |  |  |
| --- | --- | --- |
| Wage 1 | Wage 2 |  |
|  |  | Submit Wage Offer |

**Layout of Interface (Third Stage for Employers)**

Your matched worker chosen the following effort level in this period.

|  |  |  |
| --- | --- | --- |
| Wage you offered |  | |
| Effort Chosen by the Worker |  | |
| Do you want to reward the bonus to this worker? | Yes | No |
|  |  | |

**Debriefing**

Thank you for participating in the experiment. We will now explain the full purpose of the study that you just participated in. The experiment was designed to investigate whether economic agents in the market setting exhibit different degree of reciprocity to different employer’s type. We are investigating whether people respond with different effort levels to white employers versus the black employers. The answer to this question is important because it helps improve our understanding of the dynamics of job markets.

We will be analyzing the decisions that you made during the experiment to answer and analyze the above question. It was necessary to not tell you that this research is about difference in reciprocity towards employer’s types because research has found that telling people the purpose of a study tends to change behavior in one direction or the other. We wanted to avoid those confounds and see if differences in effort choices exhibit themselves without any priming. We are very thankful for your participation in this experiment and helping with the research.

We would also like to disclose that your employers in this experiment were not real people and you were in fact playing with the computer throughout the experiment. This was necessary because we wanted the wages from the employers to be completely random and hence only focus on the worker side of the market.

If you have any questions about your rights as a research participant, you are welcome to contact the Institutional Review Board (IRB) at Iowa State University by writing to [irb@iastate.edu](mailto:irb@iastate.edu).