Subjects for this experiment will be recruited from Iowa State University (ISU) and Amazon's Mechanical Turk (M-Turk), an online labor market. Subjects are assigned to one of two possible roles - employer or worker - and will be recruited separately. Employers will be recruited from ISU and workers from M-Turk.

**Employer's Recruitment and Activity:**

Employers play a minimal role in our study since our focus is not on analyzing their behavior. Yet, we want a worker to feel she is truly connected to the employer she works for. This avoids the problem of deception – workers feeling they are being deceived into believing they are working for a real employer. We will recruit employers only for our “altruistic” and “reciprocity” treatments (in all, 6 out of a total of 10 treatments). We will recruit 6 employers each for all 6 treatments (36 employers).

In order to recruit employers, we will solicit participation from known contacts and from students (via e-mail) at ISU, and seek from among them, male subjects who racially identify as either Black or White. The recruitment material is given in the relevant section of this application.

Recruits who are assigned as employers will be invited to be video-recorded as they read off a script and perform a trial task intended to be viewed later by workers. Only the hand of the employer (not the face) will be captured in the video.

The video to be recorded will be tailored to the assigned treatment. The exact script for each treatment is attached as Annex: Scripts. After a recruited employer arrives at the lab, he/she will be presented with a consent form, then a small demographic survey before they are assigned to the treatment. The exact flow is given in Annex: Employer’s flow. The survey will be filled out on Qualtrics. The video will be saved directly on a Dropbox folder (which encrypts the data when saving). See <https://www.dropbox.com/security#files> for Dropbox policy on data security.

Employers will be informed that they will be matched to multiple workers on M-Turk who will watch the video before commencing work on a task. Employers will know they’ll be paid an extra amount depending on the performance of their matched workers (1 cent per 100 points scored by a worker).

In the 3 reciprocity treatments, employers will be additionally asked to decide if they want to reward matched workers with 20 cents each. The amount for this will be paid by us, employers will have to decide whether they want to reward the worker or not. If they choose not to reward the worker, they won't be matched with any worker and their video will not be used in any of the treatments. This is explained in the Annex: Employer's flow.

We intend to continue to recruit employers until we have reached the appropriate number and racial composition (equal number of Blacks and Whites in baseline-altruistic and baseline-reciprocity treatments).

After the video recording is complete, we will pay $5 to the subjects and tell them to collect the variable amount in 2 weeks.

**Worker's Recruitment and Activity:**

Workers for this experiment will be recruited after all the employers have been recruited. We will post a HIT on M-Turk which will describe the study for potential workers. The text for recruitment of workers is provided in relevant section of this application.

Once a worker accepts the HIT and click on the link to participate in the study, he/she will be taken to the Qualtrics survey and presented with the consent form, followed by a demographic survey. The survey is given in page 5 and 6 of the Annex: Worker’s Flow.

Based on the responses to demographic survey, subjects who are above 18 and have a reported race of Black or White will be allowed to initiate the study as shown in the Annex: Worker’s Flow

Once a participant clicks next to start the study, he/she will be randomly assigned to one of the following treatments;

i. Piece Rate - 0 cents

ii. Piece Rate - 3 cents

iii. Piece Rate - 6 cents

iv. Piece Rate - 9 cents

v. Altruism

vi. Altruism Black

vii. Altruism White

viii. Reciprocity

ix. Reciprocity White

x. Reciprocity Black

Then depending on the treatment, instructions will be presented to the subjects. These instructions will be presented in a video format. The script for each video is given in the Annex: Scripts. 6 of these treatment videos would be recorded by the employers as explained above while the other 4 will be recorded by us using robotic voice and wearing gloves on the hand so that no identity information is revealed.

Here is the summary of what will happen in each treatment;

**Piece Rate – 0 cents:** Worker will work on a button-pressing task for 10 minutes. Their payment won’t be affected by their performance on the task.

**Piece Rate – 3 cents:** Worker will work on a button-pressing task for 10 minutes. They will be paid extra 3 cents for every 100 points that they score on this task over and above their participation fee.

**Piece Rate – 6 cents:** Worker will work on a button-pressing task for 10 minutes. They will be paid extra 6 cents for every 100 points that they score on this task.

**Piece Rate – 9 cents:** Worker will work on a button-pressing task for 10 minutes. They will be paid extra 9 cents for every 100 points that they score on this task.

**Altruism:** A worker will be matched to an employer and will work on a button-pressing task for 10 minutes. Matched employer will be paid 1 cent for every 100 points scored by the worker. Neither employer nor worker will see any information about the identity of the other participant.

**Altruism - Black:** A worker will be matched to a Black employer and will work on a button-pressing task for 10 minutes. Matched employer will be paid 1 cent for every 100 points scored by the worker. Worker will be able to see (in the video) that the employer is black. Only the hand of the employer will be shown in the video.

**Altruism - White:** A worker will be matched to a White employer and will work on a button-pressing task for 10 minutes. Matched employer will be paid 1 cent for every 100 points scored by the worker. Worker will be able to see (in the video) that the employer is White. Only the hand of the employer will be shown in the video.

**Reciprocity:** A worker will be matched to an employer and will work on a button-pressing task for 10 minutes. Matched employer will be paid 1 cent for every 100 points scored by the worker. Worker will be paid additional 20 cents for working. Neither employer nor worker will see any information about the identity of the other participant.

**Reciprocity - Black:** A worker will be matched to a Black employer and will work on a button-pressing task for 10 minutes. Matched employer will be paid 1 cent for every 100 points scored by the worker. Worker will be paid additional 20 cents for working. Worker will be able to see (in the video) that the employer is Black. Only the hand of the employer will be shown in the video.

**Reciprocity - White:** A worker will be matched to a White employer and will work on a button-pressing task for 10 minutes. Matched employer will be paid 1 cent for every 100 points scored by the worker. Worker will be paid additional 20 cents for working. Worker will be able to see (in the video) that the employer is White. Only the hand of the employer will be shown in the video.

After watching the respective video, worker will then work on a button-pressing task for 10 minutes.

Workers will also answer questions about their racial preferences after they are done with the task. These questions are given in page 15 and 16 of the Annex: Worker’s Flow.

After the experiment is complete, participants will be paid using M-Turk’s payment system.

Once the data is collected, we will analyze it to see if the average points scored vary across treatments and racial groups. For example, from the piece rate treatments we can study whether average points scored correlate positively with the piece rate? In the altruism treatments, we will see whether workers care about the payoff to the employer and if this altruism depend on the employer’s race? Similarly, we will examine whether workers reciprocate differently to black and white employer using data from reciprocity treatments.