Research Procedure

1. We will post the HIT in Amazon Mechanical Turk for a 2-minute demographic survey. Subjects will use their webcam to take their picture to submit with the survey. Each subject who successfully submits the picture will be paid 5 cents. Subject’s HIT will be rejected if the taken picture is not clear. Here is the text which will be posted to invite subjects to the survey.

*“Fill out this 2-minutes survey to qualify for the study which will be posted later (that study will take 15 minutes and pay 1 dollar plus bonus).*

*You will be required to use your webcam and take picture of your face to be considered for the study.”*

1. Once the subjects click on “Accept and Work” button in front of the task, they will be presented with the consent form. They will only be able to participate in the study if they consent otherwise the survey will end for them and they won’t be paid anything.
2. Participants who consent to participating in the experiment, will be shown a demographic survey. The survey is attached as Annex A: Demographic Survey. The survey includes the tool to access webcam of the subject and take picture. Subjects will be prompted to allow the tool to use the camera and then click on the button to take picture. Subjects will be required to use the webcam to be able to participate in the study. These pictures will be used to verify the race of the participant and then this picture may be showed to other participant depending on the assigned treatment. These pictures may be evaluated later for different psychological factors such as attractiveness, trustworthiness etc. All that information is included in the consent document.
3. Based on the responses to demographic survey, we will send a link to participate in an experiment to subjects who are above 18, have a race of Black or White, and the uploaded picture is clear. Each subject will be given a unique password to be able to participate in the study which will be linked to the demographic survey of the subject. The experiment will be posted on MTurk with the following description

*“This HIT is only for preapproved workers, who qualified through an earlier HIT. You will be asked for a password at the beginning of the experiment.”*

1. Once a participant clicks on the link to the experiment, he/she will be randomly assigned to one of the following four treatments and then to the role of employer or worker.
2. Baseline Treatment
3. Race Salient Treatment
4. Three Stage Treatment
5. Race Salient and Three Stage Treatment

The role of employer or worker will be assigned based on the arrival time of the subject. In each treatment, a subject need to be paired with another subject and employers make the decision first. So, the first person who is assigned to a treatment will act as an employer and the second person will act as worker for the first person. Similarly, third person to join will act as an employer for forth person and so forth.

1. Then depending on the treatment and the role of the subject, instructions will be presented to the subjects. These instructions are given in the Annex B for employers and Annex C for workers for all the treatments.
2. Here is the summary of what is happening in each treatment;
   1. Baseline Treatment: Employer will select a piece rate, worker will observe the piece rate selected by the employer and work on a button-pressing task for 10 minutes. Neither employer nor worker will see any information about the identity of the other participant.
   2. Race Salient Treatment: Employer will select a piece rate, worker will observe the piece rate selected by the employer and work on a button-pressing task for 10 minutes. Worker will see the picture of an employer who made the offer. Employer won’t see any information about the identify of worker.
   3. Three Stage Treatment: Employer will select a piece rate, worker will observe the piece rate selected by the employer, work on a button-pressing task for 10 minutes and employer will decide whether to reward the worker based on the points scored by the worker. Neither employer nor worker will see any information about the identity of the other participant.
   4. Three Stage and Race Salient Treatment: Employer will select a piece rate, worker will observe the piece rate selected by the employer, work on a button-pressing task for 10 minutes and employer will decide whether to reward the worker based on the points scored by the worker. Worker will see the picture of an employer who made the offer. Employer won’t see any information about the identify of worker.
3. After reviewing the instructions, subjects will see some control questions to test their understanding of the experiment. The control questions are given in Annex D. Subjects will only be able to move forward until they answer all questions correctly.
4. After answering control questions, employer will select a bonus rate for worker. While worker will observe the selected bonus rate and then work on a button-pressing task for 10 minutes. In the three-stage treatment, employer will also decide whether to give 10 percent of his/her earnings to worker as a reward for different levels of points scored. The decision of reward will be revealed to the worker only after they have finished working on the task.
5. After the experiment is complete, participants will be paid using MTurk’s payment system.
6. Now after we have collected the data from the above experiment. We will analyze the data to see if the average points scored vary across treatments and racial groups. For example, from the baseline treatment we will analyze whether average points scored correlate positively with the bonus rate? In the race salient treatment, we will analyze whether average points scored for a black employer differs from the points scored for the white employer and in what direction? The three-stage treatment will answer whether workers change their behavior in anticipation of reward from the employer? Three-stage combined with race salient treatment will tell us whether workers have different anticipation of reward from different racial groups.