Welcome to the experiment!

This is an experiment to study decision making, so we are not interested in your particular choices but in individuals’ average behavior. Therefore, during the experiment you’ll be treated anonymously. Neither the experimenters nor the people in this room will ever know your particular choices.

Next, you will find the instructions on the computer screen explaining how the experiment unfolds. The instructions are the same for all subjects in the laboratory and will be read aloud by the experimenters. It is important for you to understand the experiment before starting, as the money that you will earn will depend on your choices. You also have a copy of the instructions on your table.

Number of rounds

This experiment has 18 rounds in total. The first 3 rounds are for you to become familiar with the software. The remaining 15 rounds will be used to determine your final payoff, so please be sure that you understand the experiment before starting the 4th round. This will help you to earn more money.¹

What is this experiment about?

At the beginning of each round, you will be provided a certain amount of money (40 pesetas) to be deposited in a bank. The same will be done with two other depositors. The bank in which you will invest your money will be formed by 3 depositors: one of them is you, the other one is someone else in this room and the third depositor is simulated by the computer. Therefore, the bank in which you deposit your money will have 120 pesetas per round in total.

¹We use the data from the 18 rounds in our analysis. We note that the results are robust if we only consider the rounds that are being paid (see the supplementary material).
Choice and earnings

In principle, your decision is to choose whether to withdraw your money from the common bank in the first period or to wait until the second period, taking into account that your earnings will depend not only on your choice but also on other depositors’ choices. Indeed, it is important to know that the computer will always withdraw her money and, thus that your earnings in each round will only depend on your choice and the choice of the other depositor in this room.

Specifically, if you both wait until the second period to withdraw your money, you will get 70 pesetas, corresponding to your initial investment plus interests generated during the first period of time (in which you have decided to wait).

If only one of you withdraws the money, then the one who withdraws takes 50 pesetas (exactly the same amount that the computer will take in this case).

[Treatment NO] The depositor who waits will receive the remaining 20 pesetas. You can think that the bank needs that you both wait to carry out a project, so if one of you withdraws, then the bank cannot invest in the project and pays 20 pesetas to the depositor that has waited.

[Treatment LOW] The depositor who waits will receive 30 pesetas. In this case, this depositor receives the amount that remains in the bank after the first period -20 pesetas- plus an additional quantity of interest (10 pesetas).

[Treatment HIGH] The depositor who waits will receive 40 pesetas. In this case, this depositor receives the amount that remains in the bank after the first period -20 pesetas- plus an additional quantity of interest (20 pesetas).

Finally, it might be the case that you both withdraw your money in the first period. As a result, your earnings will depend on the available amount in the bank and your position in the line. Therefore, if you are at Position 1 or Position 2 in the line and decide to withdraw, you will take 50 pesetas, but if you are the last one in the line (Position 3), only 20 pesetas will remain in the bank and this is exactly the amount of money that you will receive.

Therefore, your payoffs can be summarized in the following table:

[Notice that the value of $c_{01}^D$ depends on the treatment, so we presented a different table in each treatment, where $c_{01}^{NO} = 20$, $c_{01}^{LOW} = 30$ and $c_{01}^{HIGH} = 40$]
Please remember that the depositor simulated by the computer will always withdraw the money in the first period.

Before starting, it may be important for you to consider that:

1. The person with whom you are linked will change every round. As a result, do not think that you are going to play with the same person.

2. You will always know your position in the line, but this position might change in each round. In particular, you may be located at Position 1, Position 2 or Position 3 with the same probability. The same is true for the computer.

3. In each round, you will have different information about what other depositors at your bank have done. Therefore, in some cases, you will know what has happened before you arrived at the bank (number of waitings and withdrawals) and in some other cases, you will not. At the time of making your choice, you will also know whether someone else will observe your decision. It may be of your interest to consider this information when making your decision. The information will appear at the left-hand side of the computer screen:

   E.g., You are at Position 1. Depositors at Position 2 and Position 3 will observe your choice.

   E.g., You are at Position 2. Depositor at Position 1 has waited. Depositor at Position 3 will not observe your choices

We are now going to start with the first three rounds. At the end of the three rounds, you can ask any questions to make sure that you have understood the procedure. If you have any doubt afterwards, please raise your hand and remain silent. You will be attended by the experimenters as soon as possible. Talking is forbidden during this experiment.

<table>
<thead>
<tr>
<th>Number of previous withdrawals</th>
<th>If you withdraw</th>
<th>If the other depositor in the room waits and only the computer withdraws</th>
<th>If the other depositor in the room and the computer withdraws</th>
</tr>
</thead>
</table>
| 0                             | 50             | 70                                                                      | \( P_D \)
| 1                             | 50             | 70                                                                      | \( P_D \)
| 2                             | 20             | Not applicable                                                         | \( P_D \)                                                        |

Please remember that the depositor simulated by the computer will always withdraw the money in the first period.