## Appendix B. Instructions (The Study Instructions Were Provided in Swahili)

### TIME AND RISK STUDY

Good morning/afternoon everybody and welcome. Today we ask you to participate in a game.

This game consists of three sessions. The first session takes place today. The second one will take place in this same venue on __DATE____. The third session will occur in 4 weeks. It is very important that you attend all three sessions. We will give you a *letter* to remind you of the date of the second and third session.

In the first session of the game that occurs today, we will ask you to make an economic plan now for money we will give you in xx weeks during the second session. You will have to decide now how to use this money in xx weeks. In xx weeks, you will divide the money, based on the economic plan you make today, between two account cups: a savings cup and a business cup. The money that you decide today to put in the business cup in xx weeks can generate more money than the savings one; however, there is the possibility of no gain. The money that you decide today to place in the saving cup in xx weeks as well as the money that you place in the business cup will be stored and given out to you at the end of the third session. Now, we will explain the game to you step-by-step.

In xx weeks, you will be given _____ shillings. First, make a decision now on how to allocate your _____ shillings that you will have in possession in xx weeks. This is the amount of money we give to you at the start of the second session in xx weeks, and it is how much you can decide to divide between the two cups now.

[HAND OUT MONEY AND HAVE THEM SIGNING RECEIPT]

The money that you are paid is yours, and you will decide now how to divide it between the two cups – the savings cup and the business cup. *Hold up the two cups.* The money that you put in the business cup can be used to generate more money – like a business – but that money might not generate any gain to you at all. Your investment will either succeed or fail. If it succeeds, you will be paid [FIVE] times the amount you put in the business cup; if it fails, you will get zero shillings from the business cup. So, if the "business" succeeds, you get back more than you put in the business cup. If the "business" fails, you get zero shillings from the business cup. Money that you put in the savings cup will be stored safely there until the second session of the game when you'll get to recoup all of the money in the savings cup.

Please remember that you can place in each cup only multiples of one hundred shillings. For example, you can place 0, 100, 200, 300 shillings and so on up to TSH _____. However, you cannot place 230 shillings or 1,370 shillings in one of the cups.

How do we determine what happens to the money that you put in the business cup? The money in the business cup is stored there until the third session. In the second session, we will remind you how you decided to divide your money during the first session. Notice that the choice you make now is binding. You will NOT be able to change your decision in the second session. In the last third session, we will then ask you to toss a coin – like this. *Demonstrate.* Whether your coin lands with heads or tails facing up will determine what happens to the money that you decided to put in the business cup – the money will either be multiplied by five, or it will be lost. Both possibilities are equally likely, and you don't know in advance which one is going to happen. If your coin lands with heads facing up, you are paid five times the amount you put into the business cup. If your coin lands facing down, you get zero shillings from the business cup.

*Demonstrate the following.* So, if you put 100 shillings into the business cup, how much will you get at the end of the game? You'll flip a coin to determine how much. If the coin lands with heads facing up, you'll get five times 100 shillings – that's 500 shillings. However, if the coin lands with tails facing up, you'll get zero shillings from the business cup. Either way, at the end of the second session, you'll still get to take the money that you put in the savings cup.

You can place as much or as little money as you want into the business cup as long as the amount is a multiple of one hundred shillings. For each amount that you place in the business cup, this poster tells you what can potentially happen to your money in the second session. *Point to poster while reading the next two sentences.* For each amount that you might place in the business cup, you can see – here (point) – how much money you'll receive if the coin lands

with heads facing up, and you can see that you will get zero shillings from your investment if the coin lands with tails facing up.

Are there any questions so far? Let's go through a couple of examples.

For the following examples, assume that the amount you will be given is 2,000 TSH and third session occurs in 4 weeks:

Example #1: First, imagine that you decide to put 200 shillings into the business cup, and the remaining 1,800 shillings into the savings cup. *Demonstrate.* We will record your choice and store the money. What happens next? When we meet you in the second session we will recall you your choice. Again, you will not be able to change your decision on how to divide the money. Then in 4 weeks, you will come back for a third time. We will then ask you to flip the coin. *Demonstrate.* If the coin lands with heads facing up, then you receive 5 times the 200 shillings in the business cup – that's 1,000 shillings – plus the 1,800 shillings you chose to put in the savings cup. That's a total of 2,800 shillings. However, if the coin lands with tails facing up, then you only receive the 1,800 shillings you put in the savings cup – so, you take home 2,800 shillings at the end of the third session.

Example #2: First, imagine that you decide to put 1,800 shillings into the business cup, and the remaining 200 shillings into the savings cup. *Demonstrate.* We will record your choice. What happens next? When we meet you in the second sessions we will recall you your choice and you will place the money in a box. Again, you will not be able to change your decision on how to divide the money. In 4 weeks, you will come back for a third session. We will then ask you to flip the coin. *Demonstrate.* If the coin lands with heads facing up, then you receive 5 times the 1,800 shillings in the business cup – that's 9,000 shillings – plus the 200 shillings you chose to put in the savings cup. That's a total of 9,200 shillings. However, However, If the coin lands with tails facing up, then you only receive the 200 shillings you put in the savings cup – so, you take home 200 shillings at the end of the second session.

Are there any questions so far?

Ok, now we will call each one of you individually to play the game and fill out the questionnaire. Your questionnaire study

Once you finish, you should come back to your room. We ask that you refrain from talking throughout the game, even after you've made your decisions!

**Amounts in Savings Cup and Business Cup must add up to 2,000 shillings.**

**Your choice:**

A. Amount in Savings Cup: |_____|

B. Amount in Business Cup |_____|