We invited 192 people from a pool of volunteers to take part in an incentivised experiment. All participants were undergraduate students. In the invitation email, participants were told that the sessions involved the use of equipment to measure heart rate, skin conductivity using Shimmer technology and facial expressions, but that no facial image recording would take place. 175 participants turned up for the sessions.

Every experimental session followed the same sequence:

Stage 1: Experimental Setup. Participants sat down in a computer booth and read the consent form. The experimenters reminded participants about the use of the Shimmer units and Affectiva software, and instructed participants on how to set the units up. Participants placed bracelet and finger straps for the Shimmer units. The experimenters completed the physical set up for the Shimmer units. The experimenters instructed participants to put on a set of headphones and to keep it on for the duration of the experiment. Participants could read the instructions on the screen and also could see a video recording of the instructions being read aloud. A set of instructions preceded each stage of the actual experiment.

Stage 2: Pre-Experimental Questionnaire. Participants filled in a questionnaire on socio-demographic information, as well as completed a sequence of non-incentivized economic decisions.

Stage 3: Emotional Manipulation. Participants were exposed to an emotional manipulation task, depending on the treatment (Video/PASAT/Control).

Stage 4: Emotional Self-Reporting. Participants filled a brief questionnaire where they self-reported their levels of: contentment, happiness, joy, irritation, sadness and anger.

Stage 5: Income Earning Task. Participants completed a real effort task, which determined the main component of their payment for the session. The task was to highlight on the screen spelling errors in a paragraph of text. Participants knew that there were 20 spelling errors in total. Participants would earn 50 pence for each spelling error they detected.

Stage 6: Income Reporting Task. Participants collected their payment and left the room. In the Mark treatments, the experimenters would come to each individual booth to pay participants. In the Opportunity treatments, participants had the maximum possible payoff on the desk from the start of the session, and had to pay themselves out of that amount. They were instructed to put the remainder in an opaque envelope and place their envelope in a box on their way out of the lab. We will now describe the two distinct manipulations of emotional states which were implemented. The Paced Auditory Serial Addition Test (PASAT), developed by Gronwall (1977) is a task in which a series of single digits flash on screen in a sequence; subjects must correctly add the last two numbers that have appeared on the screen. For example, if the sequence of numbers was 1, 5, 7, 9, and 3, then subjects would have had to answer 6, 12, 16, and 12, which correspond to 1+5, 5+7, 7+9 and 9+3, respectively. For each correct answer, subjects earn 20 pence; for each incorrect answer, subjects lose 10 pence. Subjects experience stress through several features of the task including the speed with which numbers flash on the screen progressively increases over the course of the task, making errors more likely; incorrect answers incur a financial loss; a series of auditory stimuli are present during the task; a large klaxon noise sounds whenever subjects enter an incorrect answer; and a clock ticking sound is present throughout the task. This task has been shown to temporarily induce high levels of stress (Mathias et al. 2004).

The video was a short clip from the film “My Bodyguard” (1980), where a young boy comes to a new school and gets harassed by a bully. Previous research (Drouvelis and Grosskopf, 2016) demonstrates exposure to this video resulted in increased self-reported measures of anger, and resulted in lower contributions to a public good.We now describe the other dimension of our design, in which we manipulate the opportunity subjects had to misreport their income.In the Mark Treatment, the computer showed on the screen the number of correctly highlighted words that were incorrectly spelled. The experimenters would come to each boot and pay participants. There was no opportunity for misreporting; any incorrectly spelled words are a result of error.

In the Opportunity Treatment, each booth had an opaque envelope with twenty 50 pence coins. Upon completing the highlighting task, participants had to take out their payment from the envelope, leave the remainder inside the envelope, seal it and drop it off in a box on their way out of the lab. The computer did not give any feedback as to how many words had been correctly highlighted. This treatment allows for error, but also deliberate evasion, since each participant can claim for more money than they earned.