# Children's Trust and Cheating
## The Impact of Whom You Play With

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## Motivation and research questions

Trust and honesty are foundational for cooperation, social capital, and state capacity.

Adults show selective trust toward outgroups and heterogeneous compliance with norms (tax morale, rule-following). **Little is known about the origins of honesty in childhood and its relationship with trust and expectations.**

We provide novel evidence on: (i) intergroup trust among children, and (ii) an incentivized, high-stakes measure of cheating tied to expectations

Do children trust partners with different characteristics? How does disappointment in the trust game shape cheating behavior?

## How do we measure trust?

A non-simultaneous, incentivized trust game.

**Player 1**
- Receives an initial endowment of **5 stickers**.
- Chooses if and how many stickers to **send to the partner**.
- Sent stickers are **tripled** before reaching the partner.
- Reports **expectations**: "How many stickers do you think he/she will return?"

**Player 2**
- Students also act as Player 2 and complete a full **conditional return schedule**: for each possible amount they might receive, they specify if and how many stickers they would return.

Students are matched with **out-of-sample partners** represented by AI-generated photos. Partners vary by gender and migration background. Students believe they are playing real peers of the same age. (And they are—partners made actual decisions beforehand!)

Payoffs depend on the **choices** of each student and their matched partner.

## How do we measure cheating?

- At the end of the game, the tablet displays how many stickers the student earned.
- Students are instructed to take exactly that number from the envelope attached to their tablet.
- Enumerators observe but do not intervene.
- We record stickers in the envelope before and after collection.
- Cheating = Stickers Taken - Stickers Earned, yielding a **precise, incentivized measure of dishonesty**.



Il giocatore A può scegliere di tenere per sé tutti gli sticker, o può scegliere di darne alcuni al giocatore B.
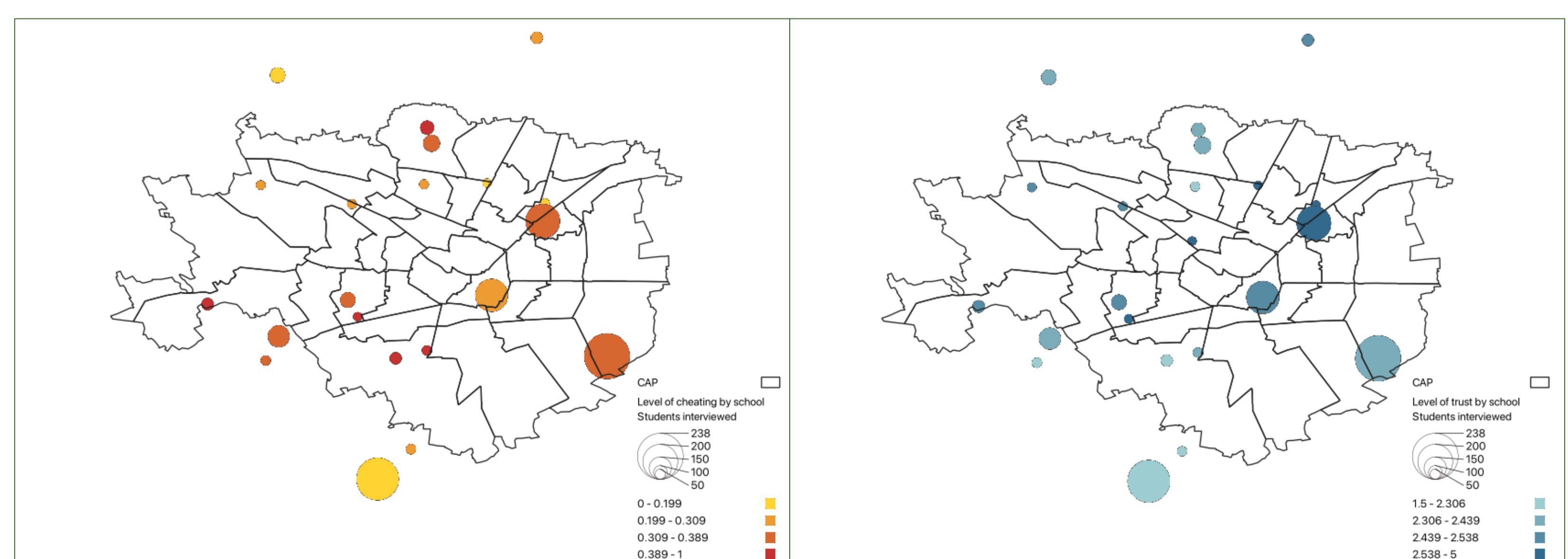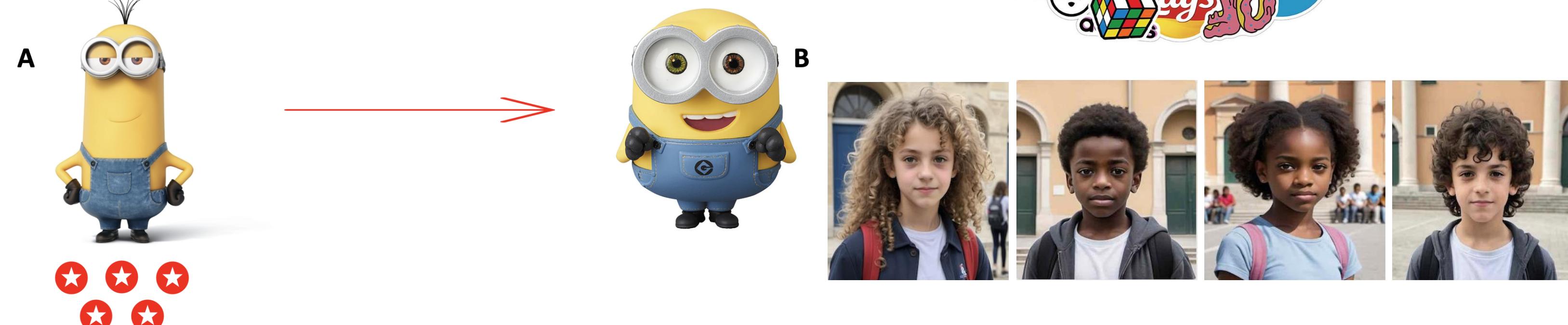
## The sample

- 2,368 students in 23 public lower secondary schools, across Milan
- The entire sample participated during regular school hours.
- Grade distribution: 1st year: 20.7%, 2nd year: 64.7%, 3rd year: 14.6%
- Gender: 46.7% female
- Migration background: 32.1% first- or second-generation immigrant



Mean Trust Transfers by Treatment Arms



Mean Trust Transfers by Treatment × Immigrant Status



Amount Cheated by Stickers Received
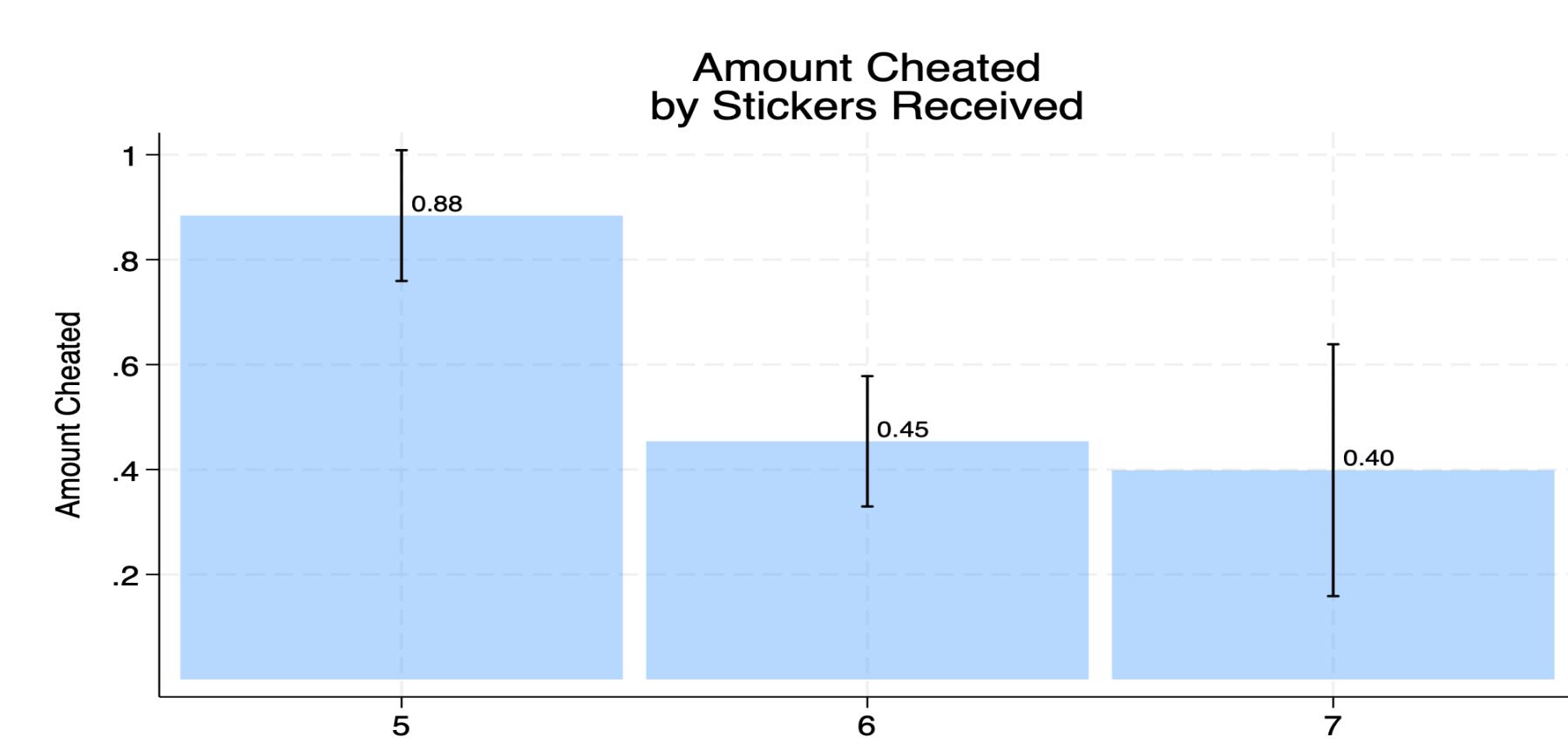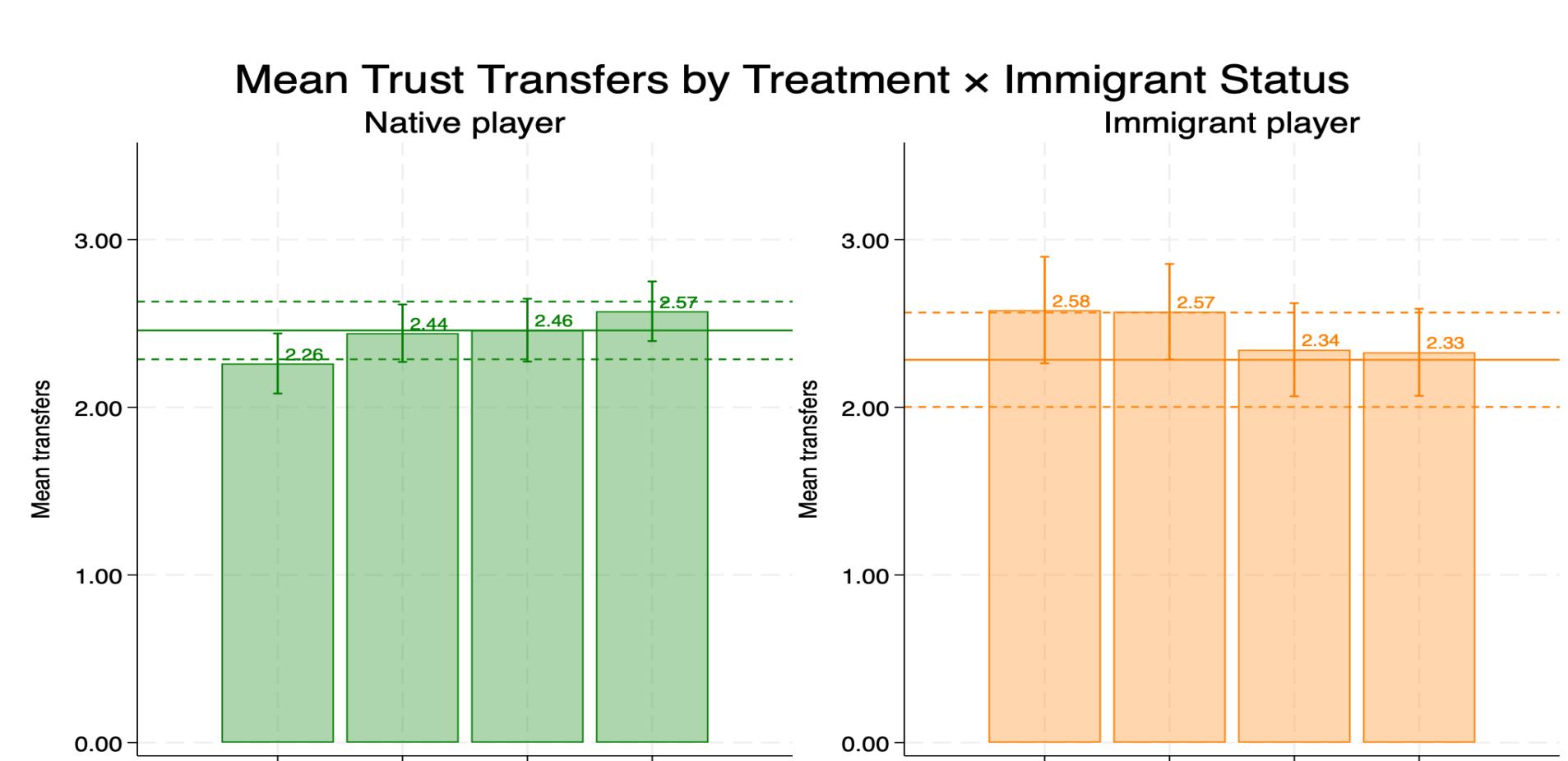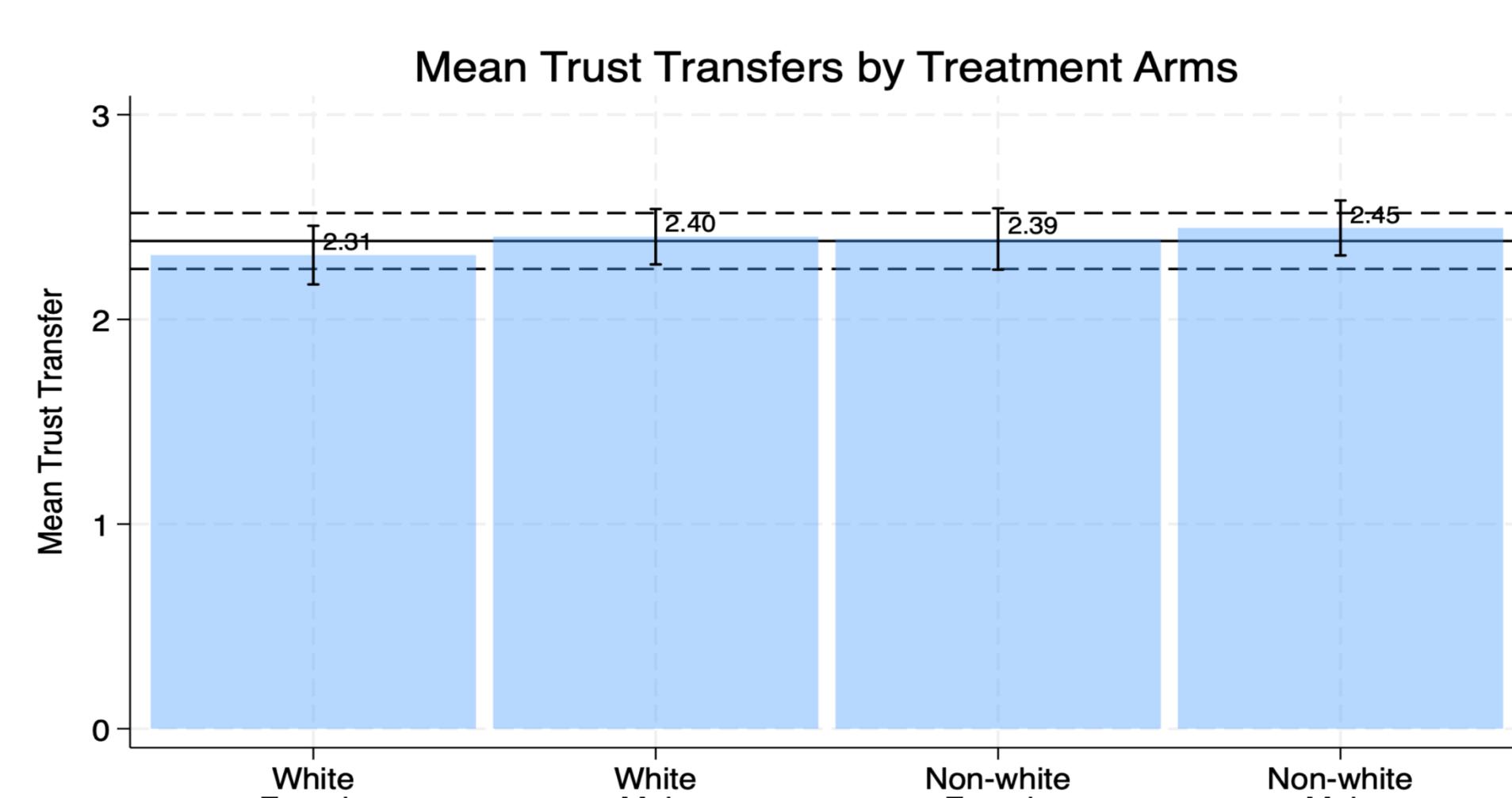


## Preliminary results

- Overall, children **do not exhibit strong heterogeneity in trust** across partner types.
- **Native students give less trust to white female partners.**
- **First- or second-generation immigrant students give more trust** when paired with photos of **white boys and girls**.
- **Cheating is systematically higher** among children whose expectations were disappointed.
- The **magnitude of disappointment** strongly predicts both the **likelihood** and **extent** of cheating.

## Contributions

We introduce a **novel, incentivized measure of honesty** directly tied to strategic expectations.

We investigate how **unfulfilled expectations** can undermine children's rule-following behavior. Integrates **intergroup trust**, **bias**, and **compliance norms** into a unified experimental framework.

This highlights the **policy relevance** of understanding early-life roots of trust, fairness, and civic honesty.