

The influences of risk and information aversions on screening decisions

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Abstract

The screening decision for a disease depends on how much the individual values the information. We consider that the value of information provided by the test has two components: the instrumental value which allows the individual to improve her future health state and the emotional value triggered by the information itself. Moreover, whereas the instrumental value of information is influenced by the individual's attitude towards risk over health state, her attitude towards the emotional component of information influences the emotional value of information. By considering into one model these two components of information, we investigate how and when information and risk aversions influence the screening decision. We find that information aversion always decreases the emotional value of information and the likelihood to undertake the test. However, risk aversion can increase or decrease the instrumental value of information. We show that, for low levels of information aversion, risk aversion increases the likelihood to get tested while risk aversion decreases it for high enough levels of information aversion.

Keywords: Screening decision ; Value of information ; Risk aversion ; Anticipated emotions ; Information aversion

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