

**Risk preferences in the health and financial domain: evidence from a field experiment with patients**

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Objectivos (Objectives): We run a field experiment to assess whether preferences for risk significantly differ across health and financial domains.

Metodologia (Methodology): We administer a questionnaire followed by an experimental test to a sample of 91 patients attending outpatients clinics in a university hospital in Athens, Greece. The questionnaire measures health characteristics, habits and life style and assesses individual psychological traits. We elicit preferences for risk in a financial context by using variants of the Holt and Laury (2002) paired lotteries test with hypothetical payments. We further adapt this test by framing the lotteries under a hypothetical health scenario. Conditional on individual health and psychological variables, we estimate the risk preferences for each subject, under both a financial and health frame. Finally we regress differences in preferences between the two domains on individual characteristics.

Resultados (Results): The aims of our paper were i) to investigate within-subjects differences in risk preferences between the health and the financial domain; and ii) to explore the factors that explain such differences. On the first question, we find empirical evidence that individual risk perception significantly differ between the health and the financial domain. This is in agreement with empirical evidence coming from psychology (Blais et al 2006; Weber et al 2002) and with the health economics literature exploring risk preferences in different contexts (van der Pol and Ruggeri 2008). Concerning the second question, we find that, while subjects with worse financial situations tend to be more risk averse in the health domain, patients with chronic health conditions or poorer health state tend to be more risk averse in the financial domain. Moreover, the results from our within-subjects estimates suggest that some factors are likely to accurately predict the difference in individual risk attitudes across domains. In fact, a subject is likely to be relatively more risk averse in the financial than in the health domain if she is a woman, has (self-assessed) better health, suffers from chronic health conditions, and has received either very low, or very high education. On the other hand, the difference between the perception of risks across the financial and the health domains seems relatively smaller when the subjects feel heavily constrained by their financial situations, suggesting that subjects with poorer income status may tend to be relatively more risk averse in the health domain.

Conclusões (Conclusions): Examining how individual risk attitudes correlate across different domains, and what explains such a correlation, is particularly important in understanding how people make decisions involving both health and finance. The issue has potentially major implications for health policy, not only for designing tailored information and prevention campaigns targeted to reducing risky behaviours, but also for anticipating the effects of healthcare reforms that aim at introducing, on the top of the publicly-funded universal coverage, a layer of private insurance schemes. For instance, in light of our experimental evidence, it may be anticipated that subjects who are more risk averse in the health than in the financial domain (e.g. relatively wealthy people with chronic health conditions) are more likely to subscribe voluntary health insurance schemes.