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## **Value for Biased Information**

**Abstract:** Demand for information is driven by information's ability to reduce uncertainty and change actions. Some recent work documents that people also have non-instrumental value for information. How much of the demand for information is explained by instrumental value and how much is driven by other sources? In this paper we experimentally decompose the value of information in these two sources. By controlling the environment and recovering beliefs used by subjects, we account for systematic distortions in belief updating and test whether these account for what appears as value. We show that the stochastic properties of information sources affects both how the information is processed and the difference between perceived and true value for information. Thus, we show that non-instrumental value depends on the characteristics of the problem.