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HIV Testing, Subjective Beliefs and Economic Behavior

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Abstract:

This paper examines the effects of learning HIV status on economic behavior among rural Malawians. According to economic life-cycle models, if learning HIV results is informative about additional years of life, being diagnosed HIV-positive or negative should predict changes in consumption, investment and savings behavior with important micro and macro-economic implications. Using an experiment that randomly assigned incentives to learn HIV results, I find that while learning HIV results had short term effects on subjective belief of HIV infection, these differences did not persist after two years. Consistent with this, there were relatively few differences two years later in savings, income, expenditures, and employment between those who learned and did not learn their status.

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