

Centre For Health Economics Seminar Series 2019

Cognitive changes, mental and physical health as determinants of preferences of older adults to trust agents

Presenter: Dr Jonas Fookien
Date: Wednesday 15 May 2019
Time: 12.00pm - 1.00pm
Venue: Room H.921 Caulfield campus



Abstract

Population ageing is discussed as a societal challenge and conjectured to put strain on retirement and health care systems, but in practice ageing has meant the increase of life expectancy and life years in good health. Hence, individuals live more years in a condition in which they do not require assistance from others. However, ageing may still have consequences for older people as economic decision makers, for example due to very mild age-related decrease in subjective well-being or cognitive decline. This paper uses an economic experiment to study how age, physical and mental health, and cognitive functioning influence the decisions of older adults to trust others. It also investigates how greater complexity in trust influences decision-making. Trust and complexity in trust are important for many economic decisions of older adults, from (dis)investments of retirement funds to following medical advice when medical practitioners may have financial incentives for particular treatment pathways. Preliminary results show that trust does not depend on age, but trust with complexity does, as older adults do not adapt complexity as expected given their preferences. Cognitive decline, but not subjective health appears to be the driver.

Presenter

Jonas Fookien is a Postdoctoral Research Fellow with the Centre for the Business and Economics of Health at the University of Queensland. His expertise is in design of economic experiments, and he works on topics of behavioural economics in health. Before joining UQ in 2016, Jonas worked for the Behavioural Economics Team of the European Commission's Joint Research Centre, where he studied behavioural issues of health and tax policies for the EC and for EU Member States.

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