Living at the Peak:
Health and Public Finance during the COVID-19 Pandemic

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Abstract:
This paper provides novel evidence for the determinants of preferences for public health and the willingness to pay for health services using a survey experiment implemented during the third week of the lockdown in Spain. At the time of our experiment the confirmed COVID-19 cases reached the 100k mark in Spain and 1 million worldwide. We collect information on several health outcomes, which we are able to benchmark with results from previous surveys. Results show a substantial deterioration of mental health, which is more pronounced in groups of the population with less stable income sources. Furthermore, we implement two information treatments about the fatality rate across age groups and the incidence rate across regions. In the first case, the treatment is stronger for those in, or with relatives in the risk group. The fact that regions are on different parts of the trajectory creates variation across regions in the second treatment. We ask participants about their preferred budget allocation, which we can again benchmark against the enacted budget and previous surveys. Results suggest that preferences for health care expenditures have almost doubled. Furthermore, we ask respondents about their willingness to pay for one out of three randomly assigned health care improvements. Contributions for more ICU beds are significantly higher compared to medical treatments and a vaccine.

Data description:
Representative online survey, n=1097, collected on April 2nd and 3rd

JEL codes for the project:
I1, I14, H2, H12

Keywords:
Pandemic; public health; preferences; information bias; survey experiment