1. **Title:** When Testing for a Virus Makes Things Worse

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3. **Abstract:** I show that a moderately informative test for a virus may lower society’s welfare. This is due to adverse selection: riskier types may be unwilling to isolate after a falsely benign test outcome (no fever or symptoms) when the agent has the virus. Thus, the pool of people in society who aren’t isolating has a higher prevalence of the virus. On the flip side, less risky types may be overly pessimistic after a falsely positive test outcome (e.g. high temperature due to exertion); and hence inefficiently few people will not isolate.

4. **Data Description:** No data is used.

5. **JEL Codes:** D82; D83; C72; I18

6. **Keywords:** COVID-19; Coronavirus; Adverse Selection; Information Design; Bayesian Persuasion; Group Testing; Pandemics

7. **Current Working Paper URL:** https://sites.google.com/site/markwhitmeyer/home/covid-19-paper