Opinions as Incentives*

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Abstract

We study a model where a decision maker (DM) must select an adviser to advise her about an unknown state of the world. There is a pool of available advisers who all have the same underlying preferences as the DM; they differ, however, in their prior beliefs about the state, which we interpret as differences of opinion. We derive a tradeoff faced by the DM: an adviser with a greater difference of opinion has greater incentives to acquire information, but reveals less of any information she acquires, via strategic disclosure. Nevertheless, it is optimal to choose an adviser with at least some difference of opinion. The analysis reveals two novel incentives for an agent to acquire information: a “persuasion” motive and a motive to “avoid prejudice.” Delegation is costly for the DM because it eliminates both of these incentives. We also study the relationship between difference of opinion and difference of preference.

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