Optimal Verification of Rumors in Networks

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Abstract

We study the diffusion of a true and a false message when agents are biased and able to verify messages. As a recipient of a rumor who verifies it becomes informed of the truth, a higher rumor prevalence can increase the prevalence of the truth. We uncover conditions such that this happens and discuss policy implications. Specifically, a planner aiming to maximize the prevalence of the truth should allow rumors to circulate if: verification overcomes ignorance of messages, transmission of information is relatively low, and the planner’s budget to induce verification is neither too low nor too high.

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1 Introduction

The diffusion of rumors, misinformation, or “fake news” has received considerable attention in recent years (e.g., Allcott and Gentzkow, 2017, Lazer et al., 2018). Yet, such information generally diffuses simultaneously with correct information, and possible interactions are often overlooked in the quest to minimize rumor diffusion. In particular, the prevalence of the truth may be the socially relevant variable. This is especially the case when being aware of the truth makes a person more likely to adopt a correct behavior, while believing the rumor implies taking the same action as an uninformed agent. For example, being aware that HIV is a sexually transmitted disease makes it more likely for individuals to have protected sexual contacts rather than unprotected ones, leading furthermore to positive externalities. Broadly, this situation occurs naturally whenever the truth requires a specific change in behavior, such as when a new disease is discovered.

The diffusion of information on social networks is a complex matter and various policies have been suggested to curb the spread of rumors. In the present paper, we focus on one particular aspect, namely the rate at which agents verify messages they receive. Policy makers or online social platforms can influence agents’ incentives to verify through various channels. These include direct ones, such as raising information literacy rates or publishing guides on how to spot fake news, as done by, e.g., The New York Times or Le Monde, as well as indirect ones, by investing in education in general. Our main question of interest is the verification rate that a benevolent planner, whose goal it is to maximize the proportion of correctly informed agents in society, would set. We uncover the conditions under which this rate also minimizes the diffusion of a rumor opposing the truth versus when it does not. Meaning, some rumor that could be eradicated is allowed to circulate as it “creates some truth”.

In our model, we describe the diffusion of information using the SIS (Susceptible-Infected-Susceptible) framework, initially developed in epidemiology,
where the network is modeled as the number of meetings each agent has per period. On this network, two messages pertaining to the true state of the world diffuse via word of mouth. In particular, one is correct about the true state, and the other not (the rumor).\footnote{We employ the term “rumor” as shorthand for “incorrect information”. This encompasses misinformation, disinformation or “fake news”, and does not stipulate a certain agenda on the side of the person passing on the information.} Agents belong to one of two types, each biased towards believing one of these messages. Importantly, agents who do not verify ignore messages not in line with their bias.\footnote{This assumption captures the concept of information avoidance \cite{GolmanHagmannLoewenstein2017}, which we discuss in detail in Section \ref{sec:verify}.} Verification instead is able to reveal the veracity of information.\footnote{While in the main model we assume verification rates are exogenous, we microfound the problem of choosing verification rates with a model in which agents individually choose whether to acquire the ability to verify information, e.g., through schooling. A planner may impact these rates by subsidizing schooling.} Consequently, irrespective of which message agents receive, if they verify it, they become aware of the true state of the world. Finally, agents only pass on information they believe to their neighbors.

We find that, in steady state, rumor prevalence is strictly decreasing in verification rates; in fact, high enough verification rates are able to eradicate the rumor entirely. The prevalence of the truth is increasing in verification rates if the rumor dies out; but if the rumor survives, truth prevalence is actually increasing in rumor prevalence. Indeed, as verification of a rumor reveals the truth, there are some agents who become aware of the truth after receiving a rumor. This is particularly relevant for those agents who, absent verification, would ignore the truth. Thus, an increase in verification rates may either in- or decrease the prevalence of the truth.

For a planner aiming to maximize the truth’s prevalence, the optimal policy depends on the available budget and total information prevalence. For either a very low or very high budget, it is optimal to use all of it, if possible until the rumor is completely debunked. However, for intermediate levels of the budget, it may be better to induce lower verification rates, which
allow the rumor to circulate. This is true only if information prevalence is initially low, as otherwise there’s little benefit in fostering the rumor.

This result implies that a central planner may optimally choose to allow a rumor to circulate, even if they have sufficient resources to eradicate it. This insight challenges the intuition that making it easier to assess the veracity of information must necessarily be beneficial to society.

In a similar spirit, if the planner could target verification rates to the group biased against the truth, which is the one that determines the survival of the rumor, they may choose to target also the other group to let some rumor circulate.

Additionally, we show that rumor eradication is the optimal policy if the rumor causes too much harm, while optimal verification rates are decreasing in the benefits it might create. Importantly, a rumor might still be allowed to circulate even if believing it confers non-zero costs.

Our model highlights the importance of information being lost in the transmission process by adding agents who, instead of ignoring messages against their bias, react by transmitting their own bias. We can think of such agents as transmitting their opinion, rather than repeating the information they have received, a framework introduced in Merlino, Pin and Tabasso (2023). We show that our results continue to hold in this scenario, as long as the share of agents that ignore contradictory messages is high enough.

We focus on the problem a planner faces when they are able to set verification rates or, alternatively, affect agents’ incentives to verify messages through policy. This is a complementary problem to questions of strategic diffusion of messages (Bloch, Demange and Kranton, 2018; Kranton and McAdams, 2024; Bravard et al., 2023; Acemoglu, Ozdaglar and Siderius, 2022). Papanastasiou (2020) studies the decision of agents and a platform to verify messages in a herding model à la Banerjee (1993) to minimize the probability that there is a rumor cascade\(^4\). Instead, our main question of

\(^4\)The emergence of a rumor cascade is also the focus of Roth, Iyer and Mani (2023).
interest is the diffusion of \textit{truthful} messages in the presence of misinformation. A comparison of truthful and incorrect message diffusion is also the focus of \cite{Merlino2023}. However, there the focus is on the diffusion of opinions, while here it is on the diffusion of messages; this implies that in \cite{Merlino2023} there is no loss of information in the transmission process, leading to a different impact of verification rates on the prevalence of the truth. We discuss more in detail this difference in assumptions and its implications in Section \ref{sec:framework}. After we present the model.

Verification in our paper acts very much like vaccination against a disease, as it inoculates agents against believing a rumor. This relates us to papers that focus on strategic decisions to protect one against the diffusion of a disease \cite{Chen2014, Goyal2015, Toxvaerd2019, Talamas2020, Bizzarri2021, Giannitsarou2021}. In particular, \cite{Galeotti2013} employ the \textit{SIS} model to investigate how a planner would allocate vaccinations among two groups in the population. In contrast to these papers, our focus is not how protection affects the harmful state, but instead its impact on the prevalence of the truth, a positive state. Furthermore, while in these papers protection is a local public good \cite{Kinateder2017, Kinateder2023}, this is not true in our framework.

Related to our work, \cite{Tabasso2019} and \cite{Campbell2019} study the simultaneous diffusion of two types of information. However, in these papers the two information may be held by agents simultaneously.

The paper proceeds as follows. Section \ref{sec:framework} introduces the model. Section \ref{sec:results} presents the results of the diffusion process and Section \ref{sec:planners} solves the planner’s problem. In Section \ref{sec:discussion} we discuss our result and present some extensions of our model. Section \ref{sec:conclusion} concludes. All proofs are in the Appendix.
2 The Model

We start by formally introducing information, agents and the diffusion process. Next, we derive the differential equations that arise from it, and set up the planner’s problem. To end the section, we discuss the main assumptions of the model.

**Information.** Time, indexed by $t$, is continuous. There exist two messages $m \in \{0, 1\}$ that diffuse simultaneously on the network. These messages convey information about the state of the world, $\Phi \in \{0, 1\}$. Without loss of generality, we assume that the true state of the world, unknown to the agents, is $\Phi = 0$. Hence, we refer to $m = 0$ as the “truth”, and $m = 1$ the “rumor”.

**Agents.** We consider an infinite population of mass 1, whose members are indexed by $i$. Agents are classified as being either in state $S$ (Susceptible, that is, agents who do not hold an opinion and are susceptible to forming one) or in state $I$ (Infected, or Informed, that is, agents who believe in either 0 or 1).

The population is partitioned into two groups, denoted by $b = \{0, 1\}$. We assume that mass $x \in [0, 1]$ of the population are of type $b = 0$ and mass $1 - x$ are of type $b = 1$.

Before explaining what an agent’s type represents, we need to introduce the notion of verification of messages. In particular, we assume that a proportion $\alpha \in [0, 1]$ of the population verifies a message upon receiving it.\(^5\) After verification, the agent becomes aware (with certainty) of the true state of the world, and accepts it.

An agent’s type represents their information bias. Specifically, an agent believes an unverified message only if it is in line with their bias, and ignores

\(^5\)As we discuss below, while we take verification as fixed, we discuss in Section 5 how this can be seen as a reduced form problem of one in which this is an individual choice, while the planner can affect the cost of verification.
it otherwise.

Thus, after receiving message $m$, an agent of type $b$ believes it in the case that either, (i) the message is in line with their type, $m = b$, (in which case it does not matter if it was verified or not) or (ii) the message is not in line with their type, $m \neq b$, but it has been verified, so the agent understands that the message is correct.

Once agents believe a message (i.e., they are in state $I$), they do not update their belief until they die, which happens at rate $\delta$, and are replaced by identical agents in state $S$.\footnote{In many scenarios, $\delta$ will conceivably be very small, given the speed at which information diffuses. Our model can accommodate arbitrarily small values of $\delta > 0$.}

To sum up, agents are in state $S$ if they are unaware of both messages, or if they ignore a message they have received. Figure 1 summarizes which opinion an infected agent holds depending on her type, the message received and verification.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure1.png}
\caption{A summary of the potential opinions an agent $i$ may hold, depending on her type, the message received by agent $j$, and verification.}
\end{figure}

**Diffusion Framework.** A link between two agents $i$ and $j$ signifies a meeting between them. The set of meetings can be represented by a communication network. This network is realized independently in every period. Formally, we model the mean-field approximation of the system.

Each agent $i$ has $k$ meetings at $t$, also denoted the degree of the agent, which is constant over time. We denote by $\nu$ the per contact transmission
rate of \( m \), which again is independent of an agent’s type. It is affected, for example, by communication technology.

**Information Prevalence.** We define \( \rho_{b,m,t}^\alpha (\rho_{b,m,t}^{1-\alpha}) \) as the proportion of type \( b \) agents at time \( t \) who believe message \( m \) after (not) having verified it, for \( b \in \{0,1\} \). Note that due to susceptibility to messages, it is the case that 
\[
\rho_{0,1,t}^\alpha = \rho_{0,0,t}^{1-\alpha} = \rho_{1,0,t}^{1-\alpha} = \rho_{1,1,t}^\alpha = 0.
\]
A randomly chosen contact of an agent believes message \( m \in \{0,1\} \), at time \( t \) with probability \( \theta_{m,t} \) given by
\[
\theta_{0,t}(\alpha) = x\alpha \rho_{0,0,t}^\alpha + (1-\alpha)\rho_{0,0,t}^{1-\alpha} + (1-x)\alpha \rho_{0,0,t}^\alpha,
\]
\[
\theta_{1,t}(\alpha) = (1-x)(1-\alpha)\rho_{1,1,t}^{1-\alpha}.
\]
\( \theta_{0,t} \) and \( \theta_{1,t} \) are also the overall truth and rumor prevalence in the population at time \( t \).

We assume that the per contact transmission rate, \( \nu \), is sufficiently small that an agent in state \( S \) becomes aware of message \( m \) at rate \( k\nu \theta_{m,t} \) through meeting \( k \) neighbors, for \( m \in \{0,1\} \). This framework allows us to model information diffusion as a set of differential equations:

\[
\frac{\partial \rho_{0,0,t}^\alpha}{\partial t} = x\alpha(1-\rho_{0,0,t}^\alpha)k\nu[\theta_{0,t} + \theta_{1,t}] - x\alpha\rho_{0,0,t}^\alpha \delta ,
\]
\[
\frac{\partial \rho_{0,0,t}^{1-\alpha}}{\partial t} = x(1-\alpha)(1-\rho_{0,0,t}^{1-\alpha})k\nu \theta_{0,t} - x(1-\alpha)\rho_{0,0,t}^{1-\alpha} \delta ,
\]
\[
\frac{\partial \rho_{1,0,t}^\alpha}{\partial t} = (1-x)\alpha(1-\rho_{1,0,t}^\alpha)k\nu[\theta_{0,t} + \theta_{1,t}] - (1-x)\alpha\rho_{1,0,t}^\alpha \delta ,
\]
\[
\frac{\partial \rho_{1,1,t}^{1-\alpha}}{\partial t} = (1-x)(1-\alpha)(1-\rho_{1,1,t}^{1-\alpha})k\nu \theta_{1,t} - (1-x)(1-\alpha)\rho_{1,1,t}^{1-\alpha} \delta .
\]

These expressions keep track of how many agents enter and leave each group at each point in time. Take for example expression (3) for truth prevalence among verifying agents of type 0. The first term describes the mass of these

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7With a slight abuse of notation we suppress the dependence of the various \( \rho \)'s on the number of meetings, \( k \), which is the same for all agents.
agents that newly believe message \( m = 0 \): they are the proportion of verifying type \( b = 0 \) agents \( (x\alpha) \) that did not yet believe message 0 before time \( t \) \( (1 - \rho_{0,0,t}^\alpha) \); in each period they meet \( k \) others, of whom \( \theta_{0,t} + \theta_{1,t} \) are in state \( I \), and communicate with them with probability \( \nu \). The second (negative) term, indicates that a proportion \( \delta \) of the agents of this group die. The interpretation of the other expressions is similar.

**Steady State.** We are interested in the steady state of the system, where equations (3)-(6) are equal to zero. We remove the time subscript \( t \) to indicate the steady state value of variables. We define a positive steady state as a steady state in which at least one type of information exhibits a positive prevalence.

**Social Planner.** We are interested in the problem of a social planner, whose policy tool is the verification rate \( \alpha \) of the population. We assume that the planner has a budget of \( A \) available to induce verification rate \( \alpha \), and that, for simplicity, the unit cost of inducing verification is one.

We assume that agents are better off if they are correctly informed about the true state of the world, independently of their type. In the benchmark model, we assume that being uninformed or believing the rumor lead to the same payoffs. The planner’s objective is then to maximize the steady state prevalence of the truth, \( \theta_0 \). In Section 5, we consider alternative objectives.

**Discussion of the Main Assumptions.** Before continuing, let us discuss the main assumptions of our model in more detail.

In the model, we introduce verification as a parameter that can be costly chosen by the social planner. This captures the fact that a social planner can to a certain extent affect the cost of verification that agents face when they decide how much time or effort to dedicate to verifying messages, as they do in Merlino, Pin and Tabasso (2023). Here, we consider a reduced form-version of this problem, where the planner directly chooses verification rates. Another interpretation is that the verification rate represents the proportion
of the population that is information literate, and that the planner may influence this rate, e.g., through education or (digital) campaigns and guides on how to spot misinformation. There is empirical evidence that increased education, or sophistication, of agents makes them less susceptible to rumors (Bello and Rocco, 2021; Pennycook and Rand, 2019). Indeed, we show in Section 5 that our reduced-form model is equivalent to one in which the planner affects verification rates by subsidising education.

A key assumption is that agents’ biases limit their susceptibility to messages. This behavioural assumption captures succinctly the tendency of agents to treat information that contradicts their opinion or view of the world differently from information that confirms it, such as filtering out of negative information (Taylor and Brown, 1988). In essence, we assume that agents exhibit information avoidance by ignoring messages that contradict their types, but believing information that confirms it (Golman, Hagmann and Loewenstein, 2017). However, we assume that verification reveals the true state of the world, and agents accept it, so that information avoidance is not extreme.

As this paper, Merlino, Pin and Tabasso (2023) investigate the diffusion of two contradictory pieces of information. The main difference between the two papers lies in how agents assimilate and transmit information. In Merlino, Pin and Tabasso (2023), messages that are not verified lead to agents holding an opinion in line with their bias; on the contrary, in the present paper, agents who receive messages not in line with their bias that have not been verified ignore them. The two assumptions describe two different and well documented behaviors: ours is rooted in information avoidance (e.g., Taylor and Brown, 1988; Golman, Hagmann and Loewenstein, 2017), while the one of Merlino, Pin and Tabasso (2023) in the observation that exposure to debunking can make agents more vocal about their stance (e.g., Zollo 2021).

8This fits well the assumption that in our model verification rates are set before messages are received. Otherwise, the verification rate would differ depending on the message received, as in Merlino, Pin and Tabasso (2023).
In reality, both behaviors could be present at the same time. Hence, in Section 5 we present a model encompassing both. For now, note that this difference is important. When agents ignore unverified messages not in line with their bias, verification rates affect how many people are susceptible, and hence the total information prevalence, in a non-linear way. This is necessary to have a non-monotonic effect of verification rates on truth prevalence. In contrast, in Merlino, Pin and Tabasso (2023), this is unrelated to verification rates, and in consequence higher verification rates always increase the prevalence of the truth.

3 Diffusion of Truth and Rumor

Defining the diffusion rate $\lambda$ as $\lambda = \nu k / \delta$, the conditions for an information steady state are

$$\rho_{0,0}^\alpha = \rho_{1,0}^\alpha = \frac{\lambda[\theta_0 + \theta_1]}{1 + \lambda[\theta_0 + \theta_1]}, \quad (7)$$

$$\rho_{0,0}^{1-\alpha} = \frac{\lambda \theta_0}{1 + \lambda \theta_0}, \quad (8)$$

$$\rho_{1,1}^{1-\alpha} = \frac{\lambda \theta_1}{1 + \lambda \theta_1}. \quad (9)$$

Another interpretation of the assumption of this paper is that, while only one message is true, there are several rumors about the true state of the world. In such case, disbelieving a message does not automatically translate in knowing the truth, as suggested by the fact that we are assuming a binary message. A third interpretation is that agents cannot transmit their opinion but only some evidence supporting it (possibly wrong). Hence, they cannot forge such evidence if they did not receive it from one of their social contacts, or they did not acquire it via verification.
Substituting equations (7) - (9) into equations (1) and (2) respectively, the steady states for $\theta_0$ and $\theta_1$ are fixed points of the following expressions:

\[
H(\theta_0, \theta_1) = \alpha \frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)} + x(1 - \alpha) \frac{\lambda \theta_0}{1 + \lambda \theta_0}, \quad (10)
\]

\[
G(\theta_1) = (1 - x)(1 - \alpha) \frac{\lambda \theta_1}{1 + \lambda \theta_1}. \quad (11)
\]

A steady state of the system as a whole is a fixed point of $\theta_0 = H(\theta_0, \theta_1)$ conditional on $\theta_1 = G(\theta_1)$, where $H(\cdot)$ and $G(\cdot)$ are strictly increasing and concave functions in their arguments with $H(0, \theta_1) \geq 0$, $G(0) = 0$, and $H(1, \theta_1), G(1) < 1$. Thus, they each cross the 45-degree line at most once, and they do so from above. As $\theta_1$ is determined independently by (11), with a slight abuse of notation, from now on we write $H(\theta_0)$ instead of $H(\theta_0, \theta_1)$.

Consequently, for each information, at most one positive steady state exists, and if it does, it is globally stable. Trivially, for any $\lambda, x, \alpha \geq 0$, there exists a steady state in which $\theta_0 = \theta_1 = 0$, which is globally stable if the positive steady state does not exist. In addition, if $\theta_1 > 0$, equation (11) allows us to explicitly derive

\[
\theta_1 = (1 - \alpha)(1 - x) - \frac{1}{\lambda}. \quad (12)
\]

Hence, $\theta_1 > 0$ if and only if $\alpha < 1 - 1/[(\lambda(1 - x)]$. As intuition suggests, rumor prevalence is strictly decreasing in the verification rate $\alpha$, and, if enough agents verify, the rumor dies out.

Regarding equation (10), the first part of it represents the influence of verifying agents—for them, receiving either message results in believing that the true state of the world is 0. The second is the additional impact on truth prevalence of those agents of type 0 who receive $m = 0$ and do not verify. If the rumor dies out, we can also explicitly derive a positive steady state of the truth,

\[
\theta_0 = \alpha(1 - x) + x - \frac{1}{\lambda}. \quad (13)
\]
This is positive if and only if $\alpha > (1/\lambda - x)/(1 - x)$. Absent the rumor, the prevalence of the truth is strictly increasing in verification and a high enough proportion of verifiers is necessary for the truth to exhibit a positive steady state. Indeed, a higher share of verifiers implies that fewer agents biased towards the rumor ignore the truthful message when they receive it.

If both $\alpha > 0$ and $\theta_1 > 0$, then $H(0) > 0$. This means that, whenever the rumor circulates in steady state, so does the truth.

Hence, the only case in which no positive steady state for either information exists is if $1 - 1/\lambda(1 - x)] \leq \alpha \leq (1/\lambda - x)/(1 - x)$, which is possible only if $\lambda \leq 2$. Otherwise, low verification rates, which benefit the rumor, lead to both rumor and truth exhibiting positive steady states, while high verification rates imply that the rumor dies out and only the truth has a positive steady state. Note that in the case of low verification rates, the truth has a positive prevalence if and only if the rumor also has a positive prevalence. In other words, the truth only survives because some agents heard the rumor and verified it, thus discovering the truth. In general, higher values of the diffusion rate, $\lambda$, benefit the diffusion of either type of information. Consequently, they increase the range of verification rates for which the rumor and/or the truth survive, which is why we observe a range of verification in which neither survives only for relatively low values of the diffusion rate.

The following proposition summarizes these results.

**Proposition 1** Suppose that there is some verification, i.e., $\alpha > 0$. Then,

1. if $\alpha \in \left(0, 1 - \frac{1}{\lambda(1-x)}\right)$, there exists a unique globally stable steady state, in which both the truth and the rumor have positive prevalence, given by (12) and (10).

2. if $\lambda < 2$ and $\alpha \in \left[1 - \frac{1}{\lambda(1-x)}, \frac{1 - x}{1 - x}\right]$, there exists a unique, and globally stable steady state and it is such that both rumor and truth die out.

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10 As discussed above, while a steady state in which both rumor and truth die out always exists, it is unstable if a positive steady state exists. So, in this proposition we only focus on positive steady states whenever they exist.
3. if $\alpha \in \left( \max\{1 - \frac{1}{\lambda(1-x)}, \frac{1-x}{1-x}\}, 1 \right)$, there exists a unique positive steady state in which only the truth has positive prevalence, given by (13). This steady state is globally stable.

Overall, there is no steady state in which the truth dies out if the rumor survives. In addition, equation (10) highlights that, in the steady state described in point (1) of Proposition 1, the rumor in fact benefits the diffusion of the truth. Hence, in a sense, “the rumor creates truth”. Consequently, in an environment in which verification can overcome agents’ tendency to ignore messages against which they are biased, it might be beneficial to let the rumor circulate to some extent. This observation motivates us to study the optimal level of verification next.

4 Optimal Verification

While public discussions often focus on misinformation alone, another plausible objective for a planner is to maximize the prevalence of the truth. Indeed, in many scenarios that agents face, such as how to act to minimize the chance of being infected with a disease, it is important to spread the correct guidelines on how to behave optimally. Being aware of the truth might entail taking an action that has positive externalities. For example, being aware that HIV is a sexually transmitted disease makes it more likely to have protected sexual contacts rather than unprotected ones. Thus, in these contexts, a benevolent planner will have the objective to maximize the diffusion of the truth. This can be done by appropriately choosing the verification rate, $\alpha$, for example, by implementing policies that change the costs agents face when verifying messages.

As the results of Section 3 suggest, the diffusion of the rumor plays a non-trivial role in the diffusion of the truth. The following Proposition establishes general results about the optimal use of a planner’s budget $A$ when setting
the optimal verification rate $\alpha^*$ in order to maximize $\theta_0$.\footnote{By our earlier results, each value of the verification rate induces a unique stable steady state of the truth, on which we focus.}

**Proposition 2** Let $A$ be the budget available to a planner wishing to maximize the prevalence of the truth in the population and verification rates have a unitary cost. Then,

i) For all values of the diffusion rate, $\lambda$, and the share of agents of group 0, $x$, there exist values $A$ and $\bar{A}$ such that, for all $A < A$ and for all $A > \bar{A}$, it is optimal for the planner to use all the budget available for debunking the rumor, i.e., $\alpha^* = A$.

ii) There exists a value of the diffusion rate $\bar{\lambda}$ such that, for $\lambda < \bar{\lambda}$, there exists a range of $A \leq A \leq \bar{A}$ such that it is optimal for the planner not to use all the budget available for debunking, i.e., $\alpha^* \in (0, A)$.

Proposition 2 establishes that it may be optimal policy for a planner to not fully eradicate the rumor, even if that was possible. At the same time, whenever it is optimal to eradicate the rumor, it is also optimal to spend the entire budget to induce verification.

Intuitively, verification has both a positive and a negative effect on the diffusion of the truth. On the one hand, it reduces the proportion of agents that ignore truthful messages, which benefits the prevalence of the truth. On the other hand, it reduces rumor prevalence, which cases an indirect effect of fewer messages being transformed into truthful ones.

Figure 2 highlights how, when verification rates are high enough to eradicate the rumor, only the first, positive, effect is present and the truth prevalence is unambiguously increasing in verification rates. If instead verification rates are not sufficiently high to eradicate the rumor, both forces affect the prevalence of the truth. Which effect dominates depends on the verification rate and the initial prevalence of the rumor. When there is little verification or little circulation of the rumor, the indirect effect is naturally very weak;
Figure 2: Steady state prevalence of the truth, $\theta_0$, as a function of $\alpha$, for $\lambda = 2$ and $x = 0.3$.

in this case, more verification is good for the prevalence of the truth. Instead, for intermediate levels of verification, as long as there is enough rumor circulating, the indirect effect dominates the direct effect.

As verification rates depend on the budget available to the planner, the non-monotonic effect is present only for intermediate levels of the budget.

Additionally, this effect is present only for relatively low values of the diffusion rate, $\lambda$. This describes well scenarios where few people are informed (whether correctly or incorrectly) about an issue, and thus there is only little communication, so that few people become informed directly. An example is information about the AIDS-HIV link and sexual transmission of HIV in the early 80's. Our model would predict that in this early phase, with little communication due to lack of understanding of the disease and stigmatization, an increase in the discourse (even if not correct) would have led to more correctly informed people than a focus on all information being correct.

However, once diffusion rates are higher, the optimal policy becomes one
of minimization of the rumor, and full eradication. Indeed, high diffusion rates imply a high prevalence of the truth, which then lowers the relative importance of the indirect effect of verification.

Full eradication, however, requires higher verification rates as diffusion rates increase. Returning to the HIV-AIDS example, while undoubtedly nowadays most people in the world are informed about the topic, and most acknowledge that HIV is a sexually transmitted disease, denial of the HIV-AIDS link is still present and causes significant harm. This is despite a significant drive to educate people and the ease with which the correct information is accessible.

To sum up, the conditions under which it is beneficial for the diffusion of the truth to allow a rumor to circulate are that, (i), verification affects the proportion of agents that are susceptible to information per se, (ii), the overall diffusion rate of information is low, and , (iii), the budget available is intermediate. We turn now to discuss how these conditions are affected by different specifications of the model.

5 Discussion

5.1 Individual Verification Choices

In the benchmark model, the planner directly chooses the level of verification in the economy. However, this can be seen as a reduced form problem of one in which agents choose verification rates, while the planner affects their costs.

In particular, consider a model in which agents decide verification before the diffusion process begins. The idea is that agents decide at the beginning of their lives whether to educate themselves to allow them to discern truthful from incorrect messages. Education bears a cost of $c$, and agents receive a flow utility of one if they are aware of the truth and zero otherwise. Agents

\footnote{This assumption simplifies the analysis—see Merlino, Pin and Tabasso (2023) for a model in which agents decide whether to verify messages after they received them.}
are infinitely patient, so they only care about the expected proportion of their lives during which they are correctly informed. Each agent is infinitesimal, and hence unable to affect the total proportion of educated agents $\alpha$. Denoting by $\alpha_i$ agent $i$’s verification rate, $i$’s expected lifetime utility is

$$U_i(\alpha) = \begin{cases} \frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)} - \bar{c} & \text{if } \alpha_i = 1, \\ x\frac{\lambda \theta_0}{1 + \lambda \theta_0} & \text{if } \alpha_i = 0. \end{cases}$$

For ease of exposition, assume that $\bar{c}$ is so high that, absent the planner’s intervention, nobody would get educated and verify.

The planner hence sets a subsidy $s$ (at unit cost) such that

$$\frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)} - x\frac{\lambda \theta_0}{1 + \lambda \theta_0} = \bar{c} - s.$$  \hspace{1cm} (14)

The left-hand side of equation (14) is continuous in the verification rate $\alpha$, it is always positive, and smaller than $\bar{c}$ (by assumption). Therefore, the planner can induce any possible aggregate verification rate $\alpha$ by appropriately choosing the subsidy $s$. In particular, the planner sets the optimal subsidy by solving the following problem:

$$\max \theta_0$$

$$s.t. \quad \theta_0 = H(\theta_0) \text{ from equation (10),}$$

$$\frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)} - x\frac{\lambda \theta_0}{1 + \lambda \theta_0} = \bar{c} - s,$$

$$\alpha s \leq A,$$

$$\alpha \in (0, 1).$$

This problem delivers a solution equivalent to that of the benchmark model. Note also that, if agents differ in their individual costs of education—i.e., $\bar{c}_i$ is agent $i$’s education cost—the planner will minimize their cost of inducing a specific verification rate $\alpha$ by preferentially subsidizing agents with lower
education costs. Hence, our analysis also extends to such a case.

5.2 Agents (Sometimes) Negatively React to Messages

In our model, agents who receive an unverified message that goes against their bias ignore it—and hence remain susceptible to future messages. This assumption contrasts to that of Merlino, Pin and Tabasso (2023), who assume instead that, in such a case, agents become informed of the debate, but react negatively to the message they received; hence, they hold an opinion in line with their bias, and spread it. As discussed above, the two assumptions capture different aspects of online communication.

The implication of these different assumptions is that, while in the present scenario increases in verification rates can have a non-monotonic effect on the prevalence of the truth, in Merlino, Pin and Tabasso (2023) this relationship is always positive.

In reality, people sometimes spread their opinions (such as liking/not liking posts, posting (negative) comments, or posting contradictory information in response to a message they received), and sometimes they simply ignore messages they do not agree with, while re-posting those they find credible.

We now extend our model by introducing a parameter $z$ describing the proportion of the population that ignores unverified messages that go against their bias, while a share $1 - z$ of the population converts them into the belief matching their bias. Thus, $z = 1$ is the case analyzed in our benchmark model, while $z = 0$ corresponds to that of Merlino, Pin and Tabasso (2023). Setting up the truth and rumor prevalence as in Section 2 for the two groups and their differential equations, we can derive the steady states of truth and

---

13 As before, $z$ can also be interpreted as the probability with which an agent adopts one behavior vs. the other.
rumor as the fixed point(s) of the following system:

\[ \begin{align*}
\theta_0 &= H(\theta_0, \theta_1) = z \left\{ \alpha \frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)} + x(1 - \alpha) \frac{\lambda \theta_0}{1 + \lambda \theta_0} \right\} + \\
&\quad + (1 - z)(x + \alpha(1 - x)) \frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)}, \\
\theta_1 &= G(\theta_0, \theta_1) = (1 - x)(1 - \alpha) \left\{ z \frac{\lambda \theta_1}{1 + \lambda \theta_1} + (1 - z) \frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)} \right\}. 
\end{align*} \tag{15} \tag{16} \]

Solving this system shows that the prevalence of the truth is continuous in the share of the population that ignores opposing messages, \( z \). We therefore find that higher verification may decrease the prevalence of the truth also if some agents share their opinions. At the same time, the effect disappears if too many do so.\[ \tag{15} \tag{16} \]

5.3 Negative vs. Positive Effects of the Rumor

In our benchmark model, we assume that agents are indifferent between believing the rumor and being uninformed. This assumption fits well scenarios such as information about a new disease spreading, where only correctly informed agents can take the correct action. However, there are situations in which believing the rumor can induce actions that have negative consequences.

On the contrary, believing the rumor might entail a positive payoff, if not for agents, potentially for the planner. For example, online platforms obtain revenues as a function of total engagement. As a result, they may have incentives to maximize the volume of communication (which in our model equals total information prevalence), rather than that of only the truth.

\[ \tag{15} \tag{16} \]

14 These follow straightforwardly the arguments in Section 2, however the system is now comprised of seven differential equations. The exact equations are available from the authors upon request, as are the explicit solutions referred to below.

15 The exact value of \( z \) above which the non-monotonicity of truth prevalence in verification may occur depends on the other parameters of the model, but does not provide any additional insight into the process.
To address these concerns, we extend our model by modifying the social planner’s objective function as follows

$$\Theta = \theta_0 + \Phi \theta_1,$$

(17)

where $\Phi \in \mathbb{R}$. Hence, our benchmark model corresponds to setting $\Phi = 0$, while if $\Phi < 0$ or $\Phi > 0$ it is costly or beneficial for the planner if agents believe the rumor, respectively. We can now state the following result.

**Proposition 3** *When the planner maximizes (17), there exists a threshold $\bar{\Phi}$ such that, for all $\Phi < \bar{\Phi}$, the planner uses all the available budget $A$ to eradicate the rumor. Otherwise, the optimal verification rate is lower than the available budget $A$.*

The proof of this result follows straightforwardly from noting that $\theta_1$ is linearly decreasing in the verification rate $\alpha$, by a factor $-(1 - x)$. Hence, $\Theta$ reacts to changes in the verification rate exactly as $\theta_0$ does, simply augmented by a shift factor of $-\Phi(1 - x)$.

The intuition for the result is as follows. The lower $\Phi$ is, the costlier it is to let the rumor circulate. Hence, if these costs are high enough, it is optimal for the planner to use all of the available budget to eradicate the rumor. In particular, when the diffusion rate $\lambda$ is low and the budget intermediate, it follows from Proposition 2 that $\bar{\Phi}$ is negative; in other words, if it is optimal not to use all the budget available for verification when the only objective of the planner is to maximize the truth, the costs associated with the rumor circulating have to be sufficiently large to make it optimal to eradicate it completely.

On the contrary, if $\Phi$ is larger than the threshold $\bar{\Phi}$, i.e., if the benefits associated with the rumor are large enough, it is optimal to let it circulate, either fully or at least to some extent.
5.4 Targeted Verification

In our model, we assume that message susceptibility of agents is restricted by their type, and that this restriction is overcome through verification of messages. From equations (12) and (13), we can see that if no agent was biased towards the rumor, it would die out and the truth would achieve its maximum prevalence. This raises the question whether truth prevalence could be increased by instigating verification of messages particularly among those agents whose type biases them towards believing the rumor. Online guides on how to spot misinformation, or information literacy campaigns, may be tailored and placed accordingly.

In this scenario, the steady state of the truth is the fixed point of

\[ H(\theta_0) = x \left[ \alpha_0 \frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)} + (1 - \alpha_0) \frac{\lambda \theta_0}{1 + \lambda \theta_0} \right] + (1 - x) \alpha_1 \frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)}. \] (18)

The prevalence of the rumor instead is given by \[ \theta_1 = (1 - x)(1 - \alpha_1) - 1/\lambda \] and depends exclusively on verification in the group biased towards the rumor.

Given a budget \( A \) and assuming that verification costs are the same in both groups, the planner’s problem is the following:

\[
\begin{align*}
\text{max} & \quad \theta_0 \\
\text{s.t.} & \quad \theta_0 = H(\theta_0) \\
& \quad x\alpha_0 + (1 - x)\alpha_1 \leq A \\
& \quad \alpha_0, \alpha_1 \in (0, 1). \tag{19, 20, 21}
\end{align*}
\]

In the following, we constrain ourselves to scenarios where \( \lambda > 1/(1 - x) \), as otherwise the rumor always dies out, independently of verification rates. As we want to focus on the question of budget allocation across groups, we restrict our attention to budgets \( A \leq x \); this implies that for positive rumor prevalence, it is always optimal for the planner to use all their budget.\(^{16}\)

\(^{16}\)As this condition implies a budget sufficient to allow all agents of type 0 to verify
Under these conditions, we can derive the optimal allocation of resources to induce targeted verification.

**Proposition 4** The planner’s problem to maximise the prevalence of the truth subject to verification constraints as described in (19)–(22) has a unique solution. Furthermore,

i) For all values of the diffusion rate, $\lambda$, there exist values $A''$ and $A'$, with $A' < 1 - 1/(\lambda(1 - x))$, such that for all $A < A'$ and for all $A > A''$, it is optimal to debunk rumors only in group 1, i.e., $\alpha_0 = 0$.

ii) For $A \in [A', A'']$, there exist combinations of the budget, $A$, and the diffusion rate, $\lambda$, such that it is optimal to debunk rumors also in group 0, i.e., $\alpha_0 > 0$.

As Proposition 4 highlights, the main result of our baseline model, namely that it may be optimal to allow a rumor to circulate, carries over also when the planner can target individual groups to induce verification. Here, this takes the form of diverting resources towards verification in the group biased towards the truth, despite them being insusceptible to the rumor.

### 6 Conclusions

In this paper, we model how a true and a false message spread in a population of biased agents who become aware of the veracity of messages they receive if they verify them.

In this framework, we find that the presence of a false message (the rumor) can create truth, in the sense that a larger prevalence of the rumor leads to a larger prevalence of the truth. This effect can lead to the counterintuitive outcome that increasing verification rates lowers the prevalence of messages, we do not perceive this as particularly stringent.
the truth. This happens when the following conditions are met: (i), Verification overcomes ignorance of messages, (ii), total information prevalence is relatively low, (iii), verification rates are in an intermediate range, and, (iv), believing the rumor does not come at too high costs.

We employ this result to show that a central planner may optimally choose to allow a rumor to perpetuate in the network, even if they have sufficient resources to eradicate it. Our results challenge the intuition that making it easier to assess the veracity of information must necessarily be beneficial to society. They highlight the importance for a planner to be as aware as possible of the conditions underlying the information sharing process when aiming to induce verification rates.

In our work, all agents benefit from being aware of the truth, and there are no incentives for agents to diffuse an information they themselves do not believe. The inclusion of such strategic considerations appears a promising avenue for future research.
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A Proofs

Proof of Proposition 2. First, note that by equation (13) the prevalence of the truth is equal to $\theta_0 = 1 - 1/\lambda$ if $\alpha = 1$. This is the highest value that $\theta_0$ can take. By continuity of $\theta_0$ in $\alpha$, there always exists a value $\bar{A}$, such that it is optimal to set $\alpha = A$ if $A > \bar{A}$.

Next, assume that the planner’s budget is not sufficiently large to fully eradi-
cate the rumor. Hence, the steady state truth prevalence is given by equation (10). By the implicit function theorem, the effect of $\alpha$ on $\theta_0$ is given by

$$
\frac{d\theta_0}{d\alpha} = -\frac{\frac{\partial H}{\partial \alpha}}{1 - \frac{\partial H}{\partial \theta_0}}.
$$

As $H(\theta_0)$ is strictly concave in $\theta_0$, we know that at the steady state, $\partial H(\theta_0)/\partial \theta_0 < 1$. Hence, $d\theta_0/d\alpha > 0$ if and only if $\partial H(\theta_0)/\partial \alpha > 0$, where

$$
\frac{\partial H(\theta_0)}{\partial \alpha} = \frac{\lambda(\theta_0 + \theta_1)}{1 + \lambda(\theta_0 + \theta_1)} - x \frac{\lambda\theta_0}{1 + \lambda\theta_0} - \alpha(1 - x) \frac{\lambda}{[1 + \lambda(\theta_0 + \theta_1)]^2}. \tag{A-1}
$$

As the combination of the first two terms is always positive whenever some information survives, it is obvious from equation (A-1) that at $\alpha = 0$ it is beneficial for the truth to increase verification rates. As $\theta_1$ is strictly decreasing in $\alpha$, for given $\theta_0$, $\partial H(\theta_0)/\partial \alpha$ is strictly decreasing in $\alpha$. Thus, by continuity, setting $\alpha = A$ is optimal for low values of $A$, i.e., for all $A < \bar{A}$.

Finally, we show when $\partial H(\theta_0)/\partial \alpha$ is negative if $A \in [\underline{A}, \bar{A}]$. As $\partial H(\theta_0)/\partial \alpha$ is decreasing in $\alpha$, we look at its value for the highest possible value of $\alpha$ such that the rumor still survives. In fact, the rumor dies out if $\alpha = 1 - 1/\left[\lambda(1-x)\right]$. The limit of $\partial H(\theta_0)/\partial \alpha$ as $\alpha$ approaches this value is

$$
\frac{\partial H(\theta_0)}{\partial \alpha} = (1 - x) \frac{\lambda \theta_0}{1 + \lambda \theta_0} - \left[1 - x - \frac{1}{\lambda}\right] \frac{\lambda}{[1 + \lambda \theta_0]^2},
$$
which is negative if
\[ \theta_0 [1 + \lambda \theta_0] < 1 - \frac{1}{\lambda(1-x)}, \] (A-2)
i.e., for low values of \( \theta_0 \), and positive for high ones. As \( \alpha \to 1 - 1/[\lambda(1-x)] \), we find that \( \theta_0 \to 1 - 2/\lambda \) and therefore condition (A-2) is satisfied whenever \( \lambda < 2 + \sqrt{2 - 1/(1-x)} \). Continuity of (A-1) in both \( \lambda \) and \( \alpha \) then yields the result.

\[ \blacksquare \]

**Proof of Proposition 4.** First, given that it is optimal for the planner to use all their budget whenever \( A \leq x \), their problem (19) can be rewritten as
\[
\max_{\alpha_0 \in [0,1]} \theta_0 \quad \text{s.t.} \quad \theta_0^3 \lambda^2 + \theta_0^2 B + \theta_0 C + D = 0. \tag{A-3}
\]
where \( B = \lambda(1+\lambda-2A\lambda-2\lambda x+2\alpha_0 \lambda x), \) \( C = \lambda(1-A-x(1-\alpha_0))(1-A\lambda-\lambda x+\alpha_0 \lambda x) \) and \( D = A(1-\lambda+\lambda A+\lambda x-\alpha_0 \lambda x) \). Dividing by \( \lambda^2 \) and after some algebra, the constraint can be rewritten as \( f(\alpha_0, \theta_0) = \theta_0^3 \lambda^2 + \theta_0^2 b + \theta_0 c + d = 0 \) with \( b = -(2\alpha_1(1-x) + 2x - 1 - 1/\lambda)/\lambda^2, \) \( c = -(1 - \alpha_1)(1 - x)(\alpha_1(1 - x) + x - 1/\lambda)/\lambda^2 \) and \( d = -\theta_1/\lambda \). Note that \( f(\alpha_0, \theta_0) \) is continuous in \( \alpha_0 \). Furthermore, given that \( b \) can be either positive or negative and that \( c, d < 0 \), by Descartes’ rule of sign, \( f(\alpha_0, \theta_0) = 0 \) admits at most one positive real solution. If the solution is negative, \( \theta_0^* = 0 \). If it is bigger than one, \( \theta_0^* = 1 \). This proves existence and uniqueness.

Next, we consider the question whether it is always optimal to prioritise verification in group 1 above the one in group 0. First, note that whenever the rumor dies out, the prevalence of the truth becomes \( \theta_0 = x + (1-x)\alpha_1 - 1/\lambda \), strictly increasing in \( \alpha_1 \) and independent of \( \alpha_0 \). As in the case of a unique verification rate of the whole population, \( \theta_0 \) is maximised at \( \alpha_1 = 1 \), thus, there always exists a budget \( A'' \) such that for \( A > A'' \) it is optimal to invest it entirely in the verification of group 1 and to set \( \alpha_0 = 0 \). Next, the implicit function theorem allows us to study the effect of increases in \( \alpha_1 \) by
determining the sign of

\[
\frac{\partial H(\theta_0)}{\partial \alpha_1} = (1 - x) \left[ \frac{\lambda \theta_0}{1 + \lambda \theta_0} - A \frac{\lambda}{[1 + \lambda(\theta_0 + \theta_1)]^2} \right]. \tag{A-4}
\]

It is straightforward to show that for given \( \theta_0 \), equation \( \text{(A-4)} \) is strictly increasing in \( \lambda \) and decreasing in \( A \) and \( \alpha_1 \). Furthermore, it is negative at \( \theta_0 = 0 \), positive at \( \theta_0 = 1 \), and strictly increasing in \( \theta_0 \). At \( A = 0 \), the effect of increasing \( \alpha_1 \) on the prevalence is positive, strictly so whenever \( \theta_0 > 0 \). By continuity of equation \( \text{(A-4)} \) in \( A \), we can then always find a value \( A' \) such that it is optimal for the planner to set \( \alpha_0 = 0 \) if \( A < A' \), with one caveat: If \( \lambda \leq 1/(x + (1 - x)\alpha_1) \), i.e., the truth only survives if the rumor does, any increase in \( \alpha_1 \) must be such that the rumor continues to survive. In fact, as \( A = 1 - x - 1/\lambda \) is necessary to eradicate the rumor, setting \( \alpha_0 = 0 \) is always optimal whenever \( A < A' \leq 1 - x - 1/\lambda \).

Finally, consider the limit of equation \( \text{(A-4)} \) as \( \alpha_1 \to 1 - 1/(\lambda(1 - x)) \). In this case \( \theta_1 \to 0 \) and \( \theta_0 \to 1 - 2/\lambda \). At these values, equation \( \text{(A-4)} \) shows that truth prevalence increases as \( \alpha_1 \) is reduced if

\[-3 + \lambda + \frac{2}{\lambda} < A,\]

which means, whenever

\[\lambda \in \left( \frac{3 + A - [(3 + A)^2 - 8]^{1/2}}{2}, \frac{3 + A + [(3 + A)^2 - 8]^{1/2}}{2} \right). \tag{A-5}\]

Due to continuity of equation \( \text{(A-4)} \) in \( \alpha_1 \), the result follows. This concludes the proof of Proposition \( \text{[4]} \). \( \blacksquare \)