

Expected income or the wage, \hat{y}, w

$\hat{y}(\Delta)$

\hat{y}_a

w^c

\bar{w}_a

Better for
Ana

u_2^A

u_1^A

m

$\hat{y}(\Delta) - \bar{p} \cdot k$

Certain
wage, w^c

Δ_a

Δ

Risk, Δ

