

Who takes risks?

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A forthcoming paper in *Current Directions in Psychological Science*, a journal of the Association for Psychological Science, by Bernd Figner, Research Scientist at the Center for Decision Sciences at Columbia Business School, and Postdoctoral Research Scientist at the University of Amsterdam; and Professor Elke Weber, Co-Director, Center for Decision Sciences and the Jerome A. Chazen Professor of International Business, Management at Columbia Business School, depicts that the reality of who takes risks and when goes beyond stereotypes.

The paper reveals how adolescents can be as cool-headed as adults, and in some realms, women take more risks than men.

The researchers' discoveries challenge the [assumption](#) that women take fewer risks than men, and that adolescents do not consider [consequences](#) when [making decisions](#). The study finds that men are willing to take more risks in finances. On the other hand, women take more social risks – examples include starting a new career in their mid-thirties or addressing an unpopular issue in a meeting at work.

The researchers believe that these differences derive from the different ways men and women perceive risks. Professor Weber explains, "That difference in perception may be partly because of how familiar men and women are with certain situations. If you have more experience with a risky situation, you may perceive it to be not as risky."

Adolescents are known for risky behaviors. However, when they think calmly about a situation in an experiment, adolescents can be just as

cautious and careful as adults and children. One important difference between the lab and the real world is the extent to which a scenario involves emotion. In an experiment where adolescents' emotions were strongly triggered (with the Columbia Card Task, a gambling task in which they made stepwise decisions of increasing risk and got immediate feedback on how good or bad they were doing, a situation much closer to real-world incremental or dynamic risk decisions), they took bigger risks than children and adults, just as observed in real world settings.

"Emotion impacts decisions about risk-taking in all age groups, not just adolescents," Bernd Figner says. "And the emotion doesn't necessarily have to be triggered from the decision situation itself. For example, if you're angry about an argument, you might later drive too fast on the highway."

The researchers aim to understand when and how people take risks, in order to help people avoid risky decisions that they may regret.

Provided by Columbia Business School

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