

Public Abstract

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Department:Psychology

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Title:Stability of risk attitude across choice contexts and frames

We report the results of the large-scale study of risk attitude demonstrating substantial heterogeneity both between and within decision makers across three risky choice contexts: financial, mortality and climate change. We use a p-additive model of risk to classify decision makers according to their risk attitude in each context and frame (i.e., gains or losses). Our results indicate that while some decision makers exhibit stable risk preferences across contexts and decision frames, many others have risk preferences which vary depending on the choice environment. We find almost no evidence of the reflection effect for individual DMs or in choice data aggregated across DMs. We discuss the implications for economic and psychological research and modeling of risk attitudes, emphasizing that any one-size-fits-all approach to risk attitude such as assuming risk neutrality or risk aversion is unlikely to accurately describe the choice behavior of decision makers.