

Why individuals underprepare for natural disasters: A behavioral approach

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The aim of the project is to map the cognitive factors that are responsible for individual's under-preparedness against natural disasters. Natural disasters are a specific type of event. They are low in probability, and high in severity. Our cognitive systems were not wired by natural selection with tools able to face these events in a rational way (Kahneman, 2011). It is well known that individuals do not use enough resources to mitigate the potential devastating consequences of floods, earthquakes and storms, despite they declare to be aware of the severity of the risk (Michel-Kerjan et al., 2012). It is therefore clear that protective actions (insurance and prevention) do not stem only from the emotional fear of incurring in a potential loss (risk)(Meyer et al., 2014). Other cognitive biases are responsible for the decision making in front of a potential natural disaster (Kunreuther and Michel-Kerjan, 2015; Meyer and Kunreuther, 2017). Employing the tools of behavioral economics and experimental psychology, we wish to understand, and possibly change, individual's under-preparedness to such events. Candidates should have a strong interest in the construct of risk preference, its measurement in the lab, and its consequences for important real-life outcomes. Experience with methods in psychometric are desirable.

References

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