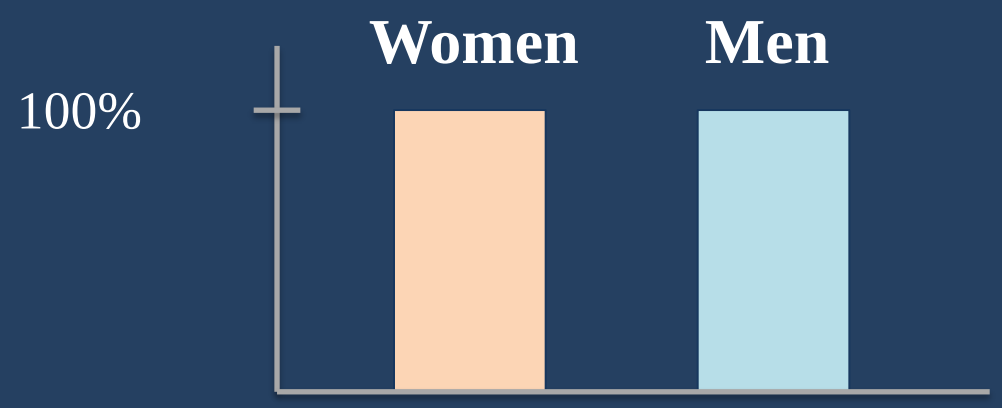
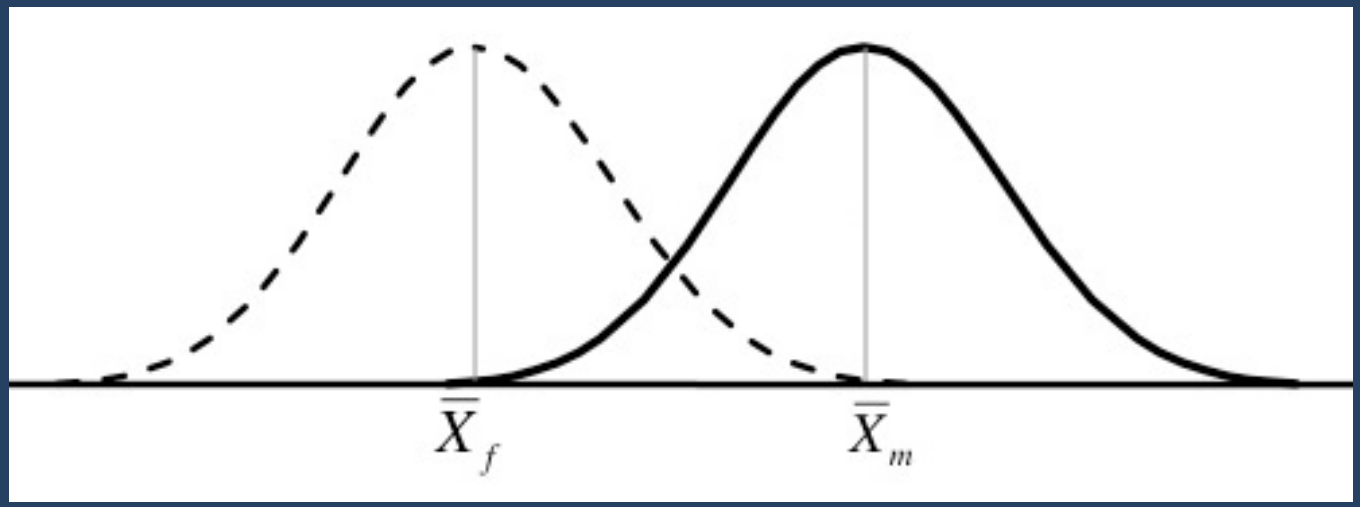
“Gender-specific”

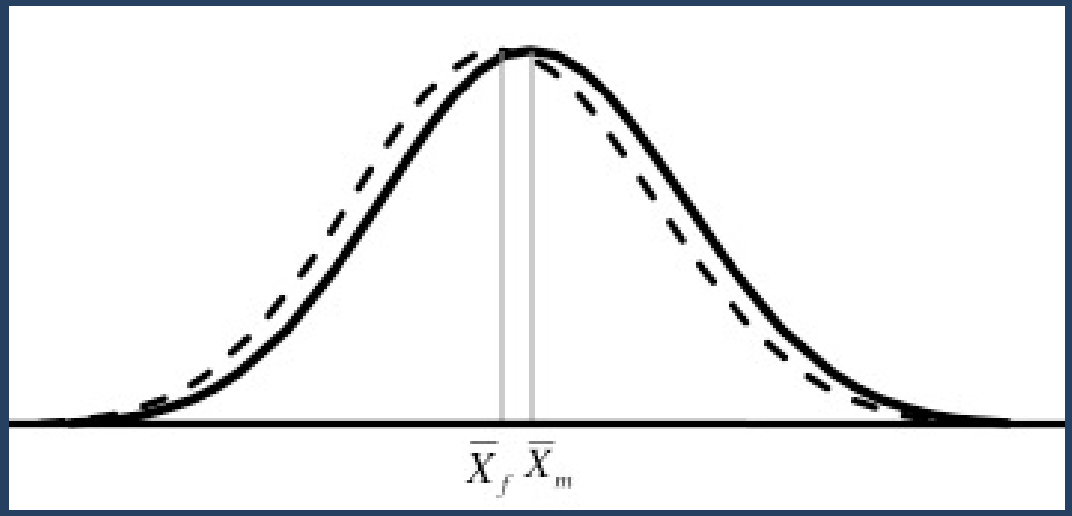
suggests



Categorical difference



d ≅ 2.60 (heights)



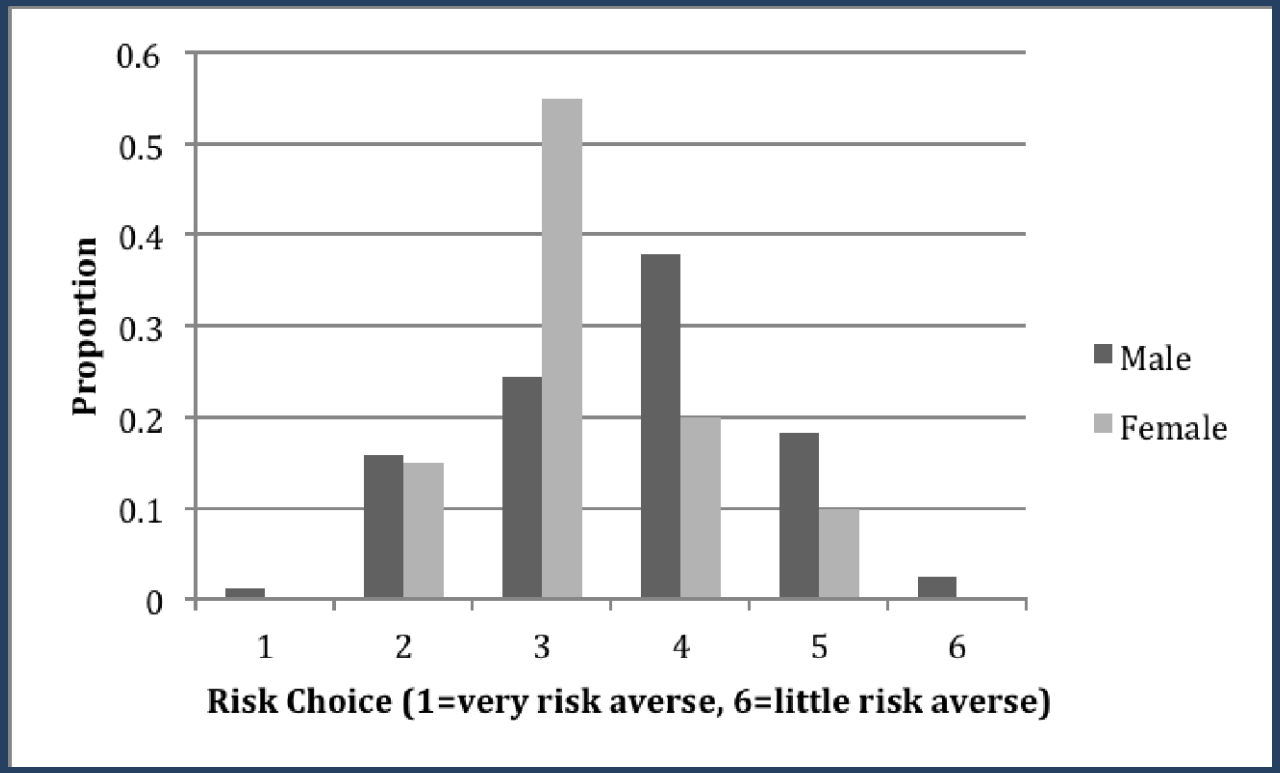
d ≅ 0.35

TABLE 1

Magnitudes of Male vs. Female Differences and Similarities Related to Risk

Author(s)	Cohen's d	Index of Similarity
Harris, Jenkins, et al., 2006	–.34 to NSS to .74	—
Fehr-Duda, De Gennaro, et al., 2006	–.25 to NSS to .49	—
Barber and Odean, 2001	–.09 to .26	—
Barsky, Juster, et al., 1997	—	.98
Arano et al, 2010	NSS	—
Bernasek and Shwiff, 2001	NSS	.87
Lindquist and Save-Soderbergh, 2011	NSS	—
Holt and Laury, 2002	NSS to .37	.83 to .86
Booth and Nolen, 2012	NSS to .38	.84
Beckmann and Menkhoff, 2008	NSS to .46	.67 to .91
Dohmen, Falk, et al., 2011	NSS to .48	.80 to .88
Olsen and Cox, 2001	NSS to .65	.60 to .86
Meier-Pesti and Penz, 2008	NSS to .85	—
Powell and Ansic, 1997	.06 to .17	.90 to .93
Sunden and Surette, 1998	.08 to .16	.95 to .96
Finucane, Slovic, et al., 2000	.11 to .33	.86 to .93
Kahan, Braman et al., 2007	.15 to .36	—
Eriksson and Simpson, 2010	.19 to .22	.89 to .91
Hartog, Ferrer-i-Carbonell, et al., 2002	.22 to .29	.85 to .96
Borghans, Golsteyn, et al., 2009	.32 to .55	—
Eckel and Grossman, 2008	.55 to 1.13	.60 to .80

Meta-analysis



$d \cong 0.4$

Confirmation Bias:

- Differences in means were only statistically detectable in 1 out of 4 countries studied.
- Yet the article claims "a victory for gender difference" and suggests that female investors be paired with female investment advisors.

“Is risk behavior gender-specific?”

No

- A meta-analyses of over fifty empirical studies of gender and financial risk shows that sometimes researchers find a statistically detectable difference in mean scores by gender in the direction predicted by stereotypes…but also, often, do not.
- Even when a study does find that the *average* man takes more risks that the *average* woman, the size of this difference it is always trivial in comparison to the differences between men and *other men*, and between women and *other women*.
- The connection between sex and risk preferences is extremely weak (d=.13). Men and women are far more similar than different.
- The widespread belief that “women are more risk-averse than men” is rooted in sexist stereotypes and encouraged by an inadequate grasp of statistics, misleading use of language, and confirmation and publication biases.

“Would a balanced gender mix in policy institution make for better decisions?”

Yes

- This is *not* because individual women “bring something different” to male-dominated leadership groups. They do not.
- However, the fields of economics and finance have long been cognitively associated not only with male leadership but also with “macho” traits such as risk-taking and competitive individualism.
- Discarding both the social and the cognitive bias would allow a more comprehensive set of human traits and interests—including concerns with safety and trust-worthiness—to be appreciated by all leaders.

References

- Julie A. Nelson (2018) *Gender and Risk-Taking: Economics, Evidence, and Why the Answer Matters*. New York: Routledge.

- Julie A. Nelson (2014) 'The power of stereotyping and confirmation bias to overwhelm accurate assessment: The case of economics, gender, and risk aversion', *Journal of Economic Methodology* 21(3), 211-231.