

Women backed by women: taking risks

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(PhysOrg.com) -- New research from The Australian National University has shown that women are more likely to make risky choices when they are surrounded by other women. The findings could help to reduce gender inequality in the workforce.

In an experiment at the University of Essex, Professor Alison Booth from the ANU Research School of Economics and colleagues, tested whether single-sex classrooms in co-educational environments altered students' risk-taking attitudes.

Professor Booth said the results showed risk-taking in [women](#) came down to social learning and environmental factors, rather than inherent gender traits.

“We designed a controlled experiment using first-year university students who made choices over real-stakes lotteries at two different dates. Students were randomly assigned to classes of three types: all female, all male, and co-educational. They were not allowed to change group subsequently,” said Professor Booth.

“We found that on average women are less likely to make [risky choices](#) than men at both dates. However, after eight weeks in a single-sex environment, women were significantly more likely to choose the lottery than their counterparts in co-educational groups. Indeed, by week eight women in all-female groups behaved in a similar way to men. It was also interesting to note that the risk-taking behaviour of men was unaffected by group composition.

“Women, even those endowed with an intrinsic propensity to make riskier choices, may be discouraged from doing so because they are inhibited by culturally-driven norms and beliefs about the appropriate mode of female behaviour-avoiding risk. But once they are placed in an all-female environment, this inhibition is reduced.”

Professor Booth said that the findings had implications for the labour market.

“Recent studies in experimental economics have shown that, on average, women are more risk averse than men. If much of the remuneration in high-paying jobs consists of bonuses linked to a company’s performance, relatively fewer women will choose high-paying jobs because of the uncertainty.

“This is why these findings are important. They show that risk-taking behaviour is not necessarily innate – it can be affected by the environment in which the individual is placed.

“Given that risk attitudes can be shaped by the environment, changing the educational or training context could help address under-representation of women in certain areas.”

Provided by Australian National University

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