

Link between good looks and financial risk

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Men's appetite for financial risk is influenced by good looks in other men.
Credit: Thinkstock

Advertisers have long known that a consumer who aspires to be like the happy person they see in an ad will subconsciously be inspired to buy the product. In which case, if the desired outcome is to inspire men to take on greater financial risk, banks may want to picture buff dudes rather than professionals in suits.

"A [man](#) in a very suggestive pose, or a man who is physically fit ... could easily do the trick," says researcher Eugene Chan.

Dr Chan, a lecturer in marketing at the University of Technology, Sydney (UTS), has been testing whether the use of good-looking models inspires consumers to be more reckless with their money.

To find out, he divided 180 [heterosexual men](#) and women into groups and showed them images from fashion ads of men (for the male respondents) and women (for the female) who were either average looking – being neither fit nor obese – or glamorous types.

Separately, a questionnaire asked them to choose between lottery gambles with varying degrees of risk but equivalent outcomes: would they prefer the certainty of winning \$50, for example, or the 50 per cent chance of winning \$100 (the other outcome in the latter case being nothing).

"Mathematically, the choices were equivalent but one is more risky," Dr Chan says.

The men who rated themselves less good looking than the handsome models in Abercrombie & Fitch ads took significantly more risk than average for the two male groups. But the men who judged themselves more attractive took less financial risk than average.

With the women, the result was quite different. For a start, the women began with a greater appetite for risk than men had overall. And when they were shown images from Victoria's Secret campaigns they were no more attracted to risk. There was no great influence on the gambles they would accept.

The results from the study show we are all, to some extent, still "in the cave". Whether they realise it or not, men compete to increase reproductive success, Dr Chan says. "If I see another man who is physically attractive, I would think he poses competition for me in attracting women."

So, in this instance, the less attractive male is inclined to take more financial risk to increase his wealth, because women value not only

physical attractiveness but also financial resources. This is from an evolutionary standpoint for men and women. "It's all subconscious," Dr Chan says.

Sexual stimuli are so prevalent in everyday life that it's important to understand how they affect people, says Dr Chan, whose findings are published in the journal *Evolution & Human Behavior*. His previous research has shown how religious belief and mood can influence financial risk taking.

One benchmark for masculinity in advertising is the legendary Solo Man, the kayaking, ravine-crossing, singlet-wearing adventurer who "cracks" a can (or even a barrel) of the lemon soft drink at the end of each challenge.

If the same standard of masculinity were to be adopted by financial services companies, would we one day see ads where surfers with glistening abs emerged from the waves to place heavily leveraged bets on the foreign exchange market?

For now, the models in investment ads are handsome but nearly always fully clothed.

David Waller, acting head of the Marketing Discipline Group at UTS Business School, says that's because financial services companies – still recovering from the damage to reputations suffered during the global financial crisis – err on the side of caution.

"Financial institutions usually don't take a controversial route when it comes to their messages," Dr Waller says of the current flavour of their advertising. "They want to show themselves as strong, dependable, conservative."

Dr Chan says men nevertheless need to be aware how other forms of advertising may affect their appetite for risk.

"Other sexualised advertising might still increase [financial risk](#) taking, and this research raises the possibility that even seemingly unrelated ads for clothing, say, might still have an impact on financial decisions."

For now, though, "he-[men](#)" such as Bear Grylls, star of the Man vs Wild series, will have to stick to ads for vitamins and airlines, rather than managed funds and superannuation.

More information: "Physically-attractive males increase men's financial risk-taking." DOI:

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