

The Effects of Religious Background on Risk Aversion

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Abstract

This paper studies the relationship between people's risk aversion and their religious background. Using dataset from Netherland, with detailed information about participants' religiosity and their risk attitude, it aims to answer three questions. Firstly, is there any relationship between one's religious background and his/her risk aversion? Secondly, are there any different effects between different religions? Lastly, if there is any, what factors are the different effects driven by?

It is known that people's risk attitude is related to their religion and other religious factors, and that the relationship varies from different religions. This study obtains a new finding that the link between risk aversion and religion comes from various aspects for people belong to different church.