



Hyperbolic discounting - the tendency to discount future gains in favour of more immediate rewards

One of the standard explanations in the axiomatic measurement tradition that is relevant to risk perception in the context of environmental challenges refers to the phenomenon of hyperbolic discounting of future gains and losses (Weber, 2006). Hyperbolic discounting is the tendency to discount future gains at a greater rate when the delay for receiving the reward occurs sooner in time. This phenomenon can be used to explain a wide range of people's "irrational" behaviours; for example, it can help us understand why people are reluctant to engage in activities to mitigate climate change (Weber, 2006). Namely, what mitigation requires is the immediate sacrifice in consumption, while the reward for such behaviour will come at some later point in time. Therefore, the benefit from mitigation actions is highly discounted which prevents people from engaging in such activities.

Note: See source document for full reference.

Applicable to:

Stakeholders: [Attitudes toward environmental issues](#), [Worldviews](#)

Disaster Phases: [Prevention](#)

Types of Actors Concerned: [Non-active citizens](#)

Hazards: [Natural hazards](#)

Recommendations:

- [Develop risk assessments methodologies, which consider cultural factors, the manner in which people cognitively process information and which employ a gender perspective](#)

Source

[Deliverable D4.1 "Mapping risk perception concepts in the context of disasters" \(page 43\)](#)

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