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Taking Precautions is Not the Same as Choosing Gambles: Prospect Theory and the Use of Probability in Risky Choices Kusev, Petko (UCL, SJDM ); Ayton, Peter (City University London, SJDM); van Schaik, Paul (Teesside University); Chater, Nick (UCL)

In four experiments we studied precautionary decisions where participants decided whether or not to adopt a specified precaution with a known cost in the face of a described risk. We find that both the weighting function and the value function required to model these decisions exhibit different properties for precautionary decisions than those observed for choices between gambles. Overweighting of probability is observed for moderate and high probabilities – a finding not anticipated by Prospect theory. Our results highlight a need for differentiation between models to account for precautionary behavior and models of other types of decision-making under risk\uncertainty.