



Howard Kunreuther | Dealing with large-scale risks

We must develop long-term strategies for coping with extreme events

By [Howard Kunreuther](#) · September 9, 2011, 1:29 am

Anniversaries are a time to remember and a time to reflect. The 10th anniversary of 9/11 provides all of us who experienced the event to use it as an opportunity to take stock of how we dealt with the terrorist attack and what we may want to do differently in the future when facing disasters that have a small chance of occurring but have severe consequences if they do.

The vast majority of the students currently at Penn experienced the terrorist attacks of Sept. 11, 2001, when they were in elementary school. It may be hard for those of you who were young at the time to remember how the nation came together right after these attacks. I was on sabbatical at Columbia University arriving in New York one week before 9/11. Reflecting back on my year there, I have very fond memories of how everyone went out of their way to help fellow New Yorkers. On a broader level we were willing to put our country first rather than thinking just about our own problems and concerns.

But this feeling of wanting to help others doesn't last. In fact, our memories are short and we forget quickly. When we go through security at the airport today and have to take off our shoes and not carry liquids in large bottles, we view this as a major inconvenience (which it is) but may not remember that these rules were instituted because of terrorist threats involving a shoe bomber and liquid explosives carried on a plane. These protective measures and others were taken to contain the terrorist threat, and we have been largely successful in the United States in this regard. While no new attacks have been successfully perpetrated on U.S. soil since 2001, there have been a series of successful terrorist attacks in other parts of the world, notably in Madrid (2004), London (2005) and Mumbai (2008), as well as near-misses, such as the bombs loaded in UPS and FedEx cargo in November 2010.

The 10th anniversary of 9/11 provides us with an opportunity to think about ways that we can overcome our short-term memories and look to long-term solutions for dealing with the large-scale risks that we currently face — not just terrorism but other threats as well, such as climate change and natural disasters. When those of us living in Philadelphia or Washington experienced the hottest July on record, we may think about the importance of taking steps to reduce global warming. The record floods in upstate New York and Vermont triggered by Hurricane Irene remind us of the ravages that natural disasters can do to property and lives.

But we forget quickly. If next winter is extremely cold with unusual amounts of snow, as Philadelphia experienced last year, then we are bound to read articles and hear some politicians claim that climate change is a hoax and there is nothing to worry about. If we don't have any severe hurricanes making landfall in the United States during the next few years, as was the case in 2009 and 2010, then we won't think about why we should take protective actions against these disasters.

The Wharton Risk Management and Decision Processes Center at the University of Pennsylvania has devoted its research activities over the past few years to developing long-term strategies for coping with extreme events such as terrorism, global warming and natural disasters while at the same time recognizing the need to provide relevant information and economic incentives to deal with our myopic behavior. Currently we are involved in a project with the Wharton Center for Leadership and the World Economic Forum to address issues of catastrophic risk. In the process of this research we have learned that if we don't take steps after a disaster or after reflecting on past events, as the nation will be doing this Sunday, then we have missed a golden opportunity to take steps to reduce losses in the future. Let us use 9/11/11 to propose strategies for dealing with events that threaten our future so that we are constantly reminded as to what the consequences are likely to be if we don't act now.

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