



Why People Gamble with Natural Hazards

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In spite of a vast and continually growing body of literature devoted to the ‘wise’ and ‘rational’ development, management and use of lands subject to floods, fires, droughts, erosion or landslides, hurricanes, typhoons and earthquakes, we continue to observe people practicing the opposite. People like to build on lands subject to natural hazards. People develop floodplains along rivers, and construct vacation homes on coastal lands bordering seas and oceans. People like to live among the trees of a forest. People like the views provided by the tops of cliffs, knowing they erode. People do this even at their, or their property’s, risk of being flooded, burned, or damaged in other ways. Annual expected damages caused by natural processes such as floods, fires, droughts, wind, or sudden changes in land forms continue to increase in the United States, despite increased investments in protection and mitigation. Why? This paper will explore some answers to this question, which identify policy issues with regard to development.