

### Reading Response 9

This chapter takes a different approach to climate risk by focusing on what they call “fat tails” – essentially, the extreme, unlikely scenarios that could have devastating impacts. While most climate discussions seem centered around average outcomes, Wagner and Weitzman argue that we’re not paying enough attention to these low-probability, high-stakes risks. The analogy to financial markets, where rare crashes can cause enormous disruption, really drives this point home.

It made me rethink how we talk about climate change risks. Most conversations, and even policies, seem aimed at the “middle ground” scenarios – the likely impacts. But if there’s even a small chance of severe climate events, shouldn’t we be planning around those too? There’s this compelling argument here that our existing models are almost too comfortable with uncertainty. Maybe this “comfort” is leading to a lack of urgency in addressing climate change. It feels like the idea of fat tails pushes us to consider stronger, more proactive responses.

In terms of connecting to real life, this chapter made me think about how these extreme risks translate into things we do daily – whether that’s about where we build our infrastructure or how we prepare for emergencies. It reminds me of the saying, “Prepare for the worst, hope for the best.” This chapter is almost a wake up call to not just look at the middle of the probability curve but to take a hard look at the edges, where the really catastrophic possibilities lie. It’s a different way to frame climate policy – one that feels a lot more realistic about the stakes.