Self-Help Tools: Measuring Risk

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The mind tends to exaggerate risk, blending fear and uncertainty into one big obstacle. To break through the noise, separate it into four parts and rate each from 1 to 3.

Physical Risk

Will this affect my health or safety?

Cognitive Risk

Will this drain me or help me grow?

Emotional Risk

Will this shake my confidence or identity?

Financial Risk

Will this impact my ability to support myself or my family?

Score total:

- 4-5: No Risk | 6-7: Low Risk | 8-9: Medium Risk | 10-12: High Risk

Someone considers leaving a stable corporate job to freelance as a graphic designer. Physical Risk: 1. Cognitive Risk: 2 (steep learning curve for running a business). Emotional Risk: 2 (leaving a stable identity). Financial Risk: 2 (three months of savings and one potential client). Total: 7, Low Risk. Seeing the number does not make the decision easy. But it separates the actual risk from the fear of change, which in this case was doing most of the talking.

How to use it:

Take a decision you are considering and score it. Seeing numbers instead of fears helps you respond rationally rather than react emotionally.