

Security Briefs 060 – Risk Assessment Part 5

Script

Likelihood and Impact — How to Think About Risk Probability

Welcome back to Security Briefs and our series on Risk Assessment.

Today we talk about likelihood and impact. Likelihood asks: how probable is this? Impact asks: how serious would it be if it happened? Both matter — and neither tells the full story alone.

The Risk Matrix

Some things are likely but not very serious. In some cities, petty theft may be common. A phone may eventually be stolen, a bag grabbed, or cash taken from a wallet. That is a real problem, but the impact may be limited if people are prepared.

Other things may be unlikely but catastrophic. Kidnapping may be rare in a particular city, but if it happens, the impact on the worker, family, field, organization, and local believers could be devastating.

A simple way to think about this is a four-quadrant grid. Low likelihood, low impact: monitor but do not dwell. High likelihood, low impact: reduce where you can, but do not panic. Low likelihood, high impact: plan for it even if it may never happen, because the consequences would be severe. High likelihood, high impact: act now. This requires immediate attention.

The goal is not to predict the future. It is to allocate your attention wisely. Not every threat deserves equal weight.

Cognitive Traps

But here is where it gets harder. Our brains are not naturally good at assessing likelihood and impact objectively. Let me name four common traps.

Availability bias: we judge something as more likely if it is vivid or recent. After hearing a dramatic kidnapping story, we may overestimate that risk in our own context.

Normalcy bias: we assume the future will look like the past. “It has always been fine here” — even when indicators are quietly changing.

Optimism bias: we believe bad things are more likely to happen to others than to us.

Overreaction: we treat every possible threat as though it were probable and catastrophic, which exhausts people and can lead to unnecessary withdrawal.

The goal is not certainty — you will never have that. The goal is calibration. Is this as likely as I fear? As unlikely as I hope? Is the impact as severe as it feels, or as manageable as I am telling myself?

Diverse perspectives are the best corrective. Your cognitive biases are not the same as your colleague's. What you normalize, they may flag. What you overestimate, they may ground. That tension, in a healthy group process, produces a more accurate picture than any individual assessment.

To sum up: likelihood and impact work together, and a simple grid helps sort priorities. But our minds resist accuracy — be aware of the traps. And bring others in.

Now you know. Next time, we will talk about risk tolerance and why good people can look at the same situation and reach opposite conclusions.

Episode Summary

This episode introduces likelihood and impact as a simple way to think about risk probability and consequence. It also addresses common cognitive errors such as availability bias, normalcy bias, optimism bias, and overreaction.