

**Abstract:** We investigate whether individuals' risk preferences change after experiencing a natural disaster—specifically, the Great East Japan Earthquake in 2011. The novelty of our study is that we use panels of nationally representative surveys, and thus, we can track the changes in risk preferences of the same individuals. We find that people who experienced greater intensity of the Earthquake become more risk tolerant. Interestingly, all the results are driven by men. Furthermore, these men gamble and drink more. Finally, we compare the estimates from cross-sectional and panel specifications, demonstrating that the cross-sectional estimate may be biased due to unobserved heterogeneity.