

## **The Impact of Religiosity on Risk Aversion in Mergers and Acquisitions**

Existing research has put forward a variety of theories regarding the causes of corporate mergers and acquisitions (M&A), including the cost and availability of financing, desire for diversification, overconfidence, optimism, confirmation bias, and management hubris. However, avoidance of M&A activity due to risk aversion has not been heavily studied. This research examines risk aversion using *religiosity*, as defined by the Centrality of Religiosity Scale, and its relationship with corporate M&A. Using multiple linear regression and controlling for other influencers, the results indicate that religiosity does serve as an effective alternative measure of risk aversion as it relates to corporate M&A. In particular, religiosity shows a significant relationship between transactions per capita, average transaction size, and average premiums paid.