

Understanding Odds Ratio and Relative Risk: A Statistical Comparison

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November 2, 2025

RECOMMENDED CITATION

Mohammed loot (2025). *Understanding Odds Ratio and Relative Risk: A Statistical Comparison*. PSYCHOLOGICAL STATISTICS. Retrieved from <https://statistics.arabpsychology.com/?p=8666>

Introduction: Deciphering Key Statistical Measures of Association

In quantitative research, particularly across fields like [statistics](#), epidemiology, and clinical trials, researchers rely on precise metrics to quantify the relationship between an exposure (or intervention) and a specific outcome. Among the most frequently used--and often confused--are the **odds ratio** (OR) and the **relative risk** (RR). While both serve as essential measures of effect size, quantifying the strength of an association, they are derived from fundamentally distinct mathematical definitions.

A crucial step toward accurate scientific communication is mastering the specific contexts and interpretations of these two metrics. Failing to distinguish between the odds ratio and the relative risk can result in severely misleading conclusions about the effectiveness of a treatment or the danger associated with an exposure. This misinterpretation becomes particularly problematic when the event or outcome being studied is common, as the numerical values of the OR and RR diverge significantly, leading to an exaggerated perception of effect size when relying solely on the OR.

Regardless of which metric is ultimately calculated, both the odds ratio and the relative risk originate from data organized within a standard **2x2 contingency table**. This foundational structure efficiently summarizes categorical outcomes based on two binary variables--typically exposure status (present/absent) and outcome status (event/no event)--providing the necessary cell counts for the subsequent calculation of effect measures.

The Foundation: The Essential 2x2 Contingency Table

To investigate how a specific factor influences an outcome, researchers systematically organize their data into a four-cell structure, known as the [2x2 contingency table](#). This organizational method is indispensable because it allows for the direct comparison of frequencies between the exposed and unexposed groups. Mastery of the standard nomenclature for this table is required to correctly apply the formulas for calculating measures of association.

The standard convention assigns letters A, B, C, and D to represent the counts of subjects falling into each specific combination of exposure and outcome:

| | Event | No Event |
|-----------|-------|----------|
| Treatment | A | B |
| Control | C | D |

In this classic arrangement, A represents the count of subjects who were exposed and

experienced the event, and B represents those exposed but who did not experience the event. Conversely, C represents the unexposed subjects who experienced the event, and D represents the unexposed subjects who did not experience the event. The calculation of both the odds ratio and the relative risk relies entirely on these four cell counts, but they utilize these counts in fundamentally different proportional structures.

Defining and Interpreting the Odds Ratio (OR)

The [odds ratio](#) (OR) is mathematically defined as the ratio of two specific odds. Specifically, it compares the odds of the event occurring in the exposed or treatment group (calculated as A/B) to the odds of the event occurring in the control or unexposed group (calculated as C/D). The odds ratio is frequently the only feasible measure of association available for specific retrospective study designs, such as case-control studies, where the true population incidence rates cannot be directly ascertained.

When calculated from the 2x2 table, the **odds ratio** simplifies to the cross-product ratio. This calculation involves taking the ratio of the product of the cells representing the successful diagonal (A multiplied by D) to the product of the cells representing the unsuccessful diagonal (B multiplied by C):

Odds Ratio = (Odds of event in Exposed Group) / (Odds of event in Control Group)

The calculation is thus commonly expressed as:

Odds ratio = $(A * D) / (B * C)$

Interpretation hinges on the null value of 1.0. An OR of 1.0 indicates zero association between the exposure and the outcome. If the OR is greater than 1.0, the exposure is associated with increased odds of the outcome event. Conversely, if the OR is less than 1.0, the exposure is associated with reduced odds. For instance, an OR of 1.8 implies that the odds of experiencing the outcome are 80% higher in the exposed population compared to the unexposed population.

Defining and Interpreting Relative Risk (RR)

The **relative risk** (RR), often referred to as the risk ratio, is generally considered more intuitive because it compares the absolute probabilities (or true risks) of an event occurring in two distinct groups. Since the RR requires researchers to calculate the true incidence rate within both the exposed and unexposed groups, it is the preferred and often necessary metric for prospective designs, including randomized controlled trials and prospective [cohort studies](#).

The relative risk is calculated by dividing the absolute probability of the event in the treatment group by the absolute probability of the event in the control group:

Relative Risk = (Probability of event in Treatment Group) / (Probability of event in Control Group)

Using the standard notation from the 2x2 table, the formula for the [relative risk](#) is:

Relative risk = /

Like the OR, the interpretation of the RR is relative to the value of 1.0. An RR equal to 1.0 indicates that the risk is identical in both groups. An RR greater than 1.0 signifies an increased risk associated with the exposure. For example, an RR of 1.25 demonstrates that the absolute risk of the outcome is 25% higher in the exposed group compared to the control group. Because the RR uses the total population of each group (A+B and C+D) as its denominator, it yields a direct and easily understood measure of comparative risk.

The Crucial Theoretical Difference: Odds Versus Probability

The fundamental mathematical separation between the odds ratio and the relative risk hinges on the conceptual difference between **odds** and [probability](#). Although these terms are often used interchangeably in everyday conversation, they denote distinct statistical ratios:

Probability (P): This is the ratio of the chance of an event happening to the total number of subjects or attempts ($P = \text{Event} / \text{Total}$).

Odds (O): This is the ratio of the chance of an event happening to the chance of the event not happening ($O = \text{Event} / \text{Non-Event}$).

These definitions confirm the foundational distinction between the two statistical measures:

The **odds ratio** expresses the relationship as a ratio of two **odds**.

The relative risk expresses the relationship as a ratio of two **probabilities**.

A pivotal statistical principle governing their relationship is the rare outcome assumption: when the outcome event has a low incidence rate (typically below 10%), the numerical value of the odds ratio provides an extremely close estimate of the relative risk. This assumption is critical, as it justifies the use of the OR as a proxy for the RR in retrospective studies. Crucially, however, as the outcome becomes more prevalent, the odds ratio will increasingly inflate and exaggerate the perceived strength of the association compared to the true relative risk.

Practical Application: Calculating OR and RR in a Controlled Study

To illustrate the calculation process and demonstrate how the OR and RR diverge when the outcome is common, consider an observational study comparing the effectiveness of two distinct

basketball training programs. We track 100 players utilizing a new program (Treatment Group) and 100 players using an old program (Control Group). The primary outcome is whether or not the player successfully passes a standardized skills test.

The following table summarizes the test results based on the program used:

| | Passed | Failed |
|-------------|--------|--------|
| New Program | 61 | 39 |
| Old Program | 52 | 48 |

Step 1: Calculating the Odds Ratio (OR)

We apply the cross-product formula using the cell counts: A=61 (Pass/New), B=39 (Fail/New), C=52 (Pass/Old), and D=48 (Fail/Old).

$$\text{Odds ratio} = (A * D) / (B * C)$$

$$\text{Odds ratio} = (61 * 48) / (39 * 52)$$

$$\text{Odds ratio} = 2928 / 2028$$

$$\text{Odds ratio} = 1.44$$

This result implies that the odds of a player passing the skills test using the new program are **1.44 times greater** than the odds of a player passing the test using the old program. The new training program is clearly associated with superior odds of success.

Step 2: Calculating the Relative Risk (RR)

We first calculate the absolute probability (risk) of passing under each respective program:

$$\text{Probability of passing under new program} = 61 / (61 + 39) = 61 / 100 = 0.61$$

$$\text{Probability of passing under old program} = 52 / (52 + 48) = 52 / 100 = 0.52$$

The relative risk is then the ratio of these two probabilities:

$$\text{Relative risk} = /$$

$$\text{Relative risk} = /$$

$$\text{Relative risk} = 1.17$$

The calculated **relative risk** of 1.17 means that the probability (or risk) of a player passing the test

using the new program is 1.17 times higher than the probability of passing using the old program. Since the outcome rate (passing) is very high (61% and 52% respectively), the odds ratio (1.44) is noticeably larger than the relative risk (1.17), illustrating the mathematical inflation that occurs when the event is common.

Choosing the Right Metric: Study Design Constraints

The decision to report the OR versus the RR is frequently dictated by the methodology employed during data collection, particularly whether the study design is prospective or retrospective.

The Preferred Use of Relative Risk

The RR is considered the gold standard for prospective designs. These include randomized controlled trials (RCTs) and observational [cohort studies](#), where investigators define groups based on their exposure status and follow them forward in time. This methodology allows for the accurate calculation of true incidence rates (absolute probabilities) within both the exposed and unexposed populations, guaranteeing that the RR provides a valid measure of comparative risk.

The Necessity of the Odds Ratio

The odds ratio is the necessary measure of association when dealing with retrospective designs, most notably [case-control studies](#). In these studies, subjects are sampled based on the outcome status (cases have the event, controls do not), and researchers then look backward to determine exposure history. Because the true population denominators are unknown due to the sampling method, it is statistically impossible to calculate a true probability-based relative risk. Therefore, the OR is utilized as the primary measure, relying on the assumption that it approximates the RR only if the outcome is sufficiently rare.

In conclusion, although the odds ratio and relative risk often convey similar directional information--that the chances of experiencing an event are greater in the treatment group compared to the control group (when both values are greater than 1)--they interpret those chances differently. The OR quantifies the ratio of odds, while the RR quantifies the ratio of probabilities. Understanding this distinction is vital for accurate interpretation of research findings across all scientific disciplines.

Additional Resources for Further Study

The following resources offer additional information on the mathematical properties and clinical applications of odds ratios and relative risk, focusing on complex epidemiological research and multivariate statistical modeling: