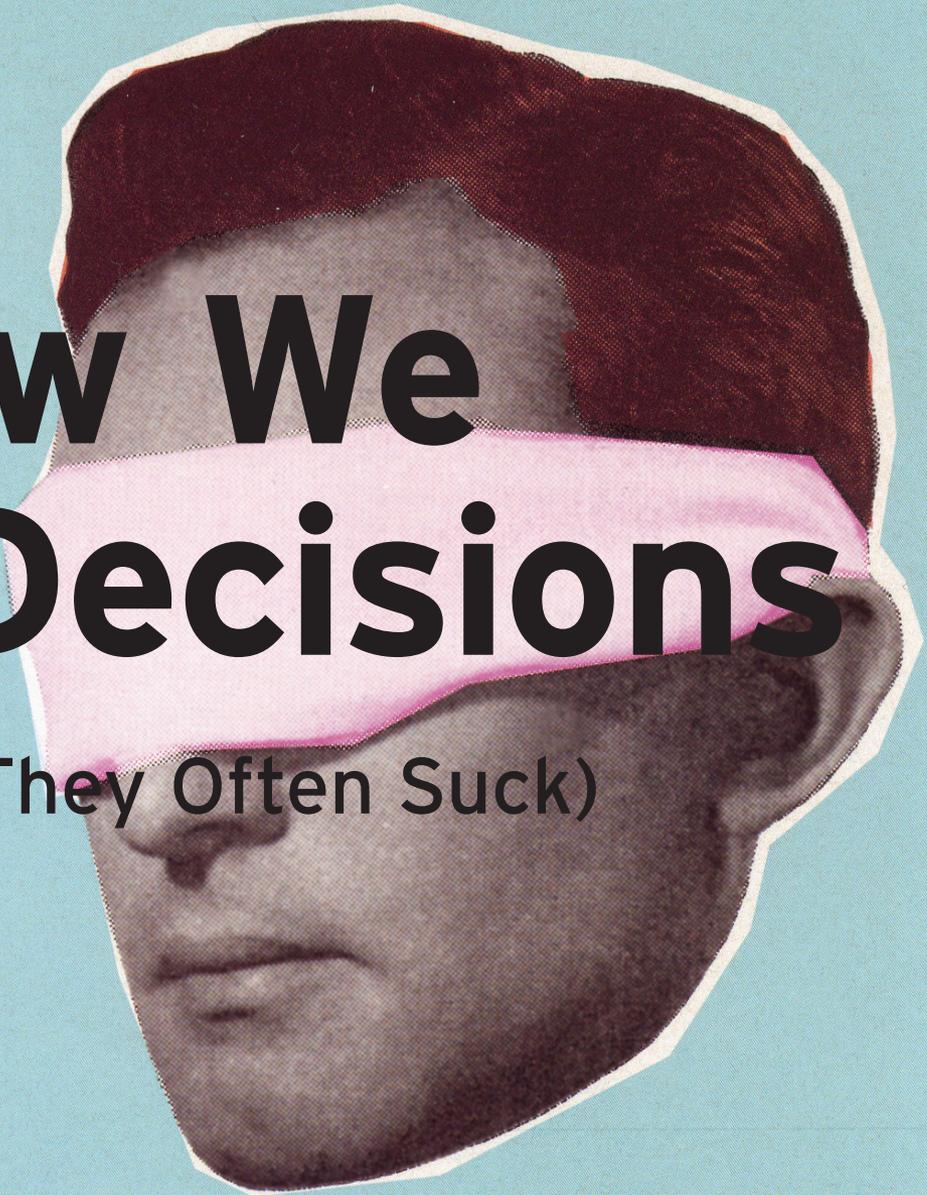


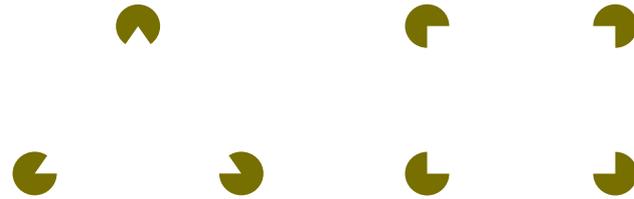


*Party  
Presentation  
Night*

# How We Make Decisions

(And Why They Often Suck)





# Thesis statement

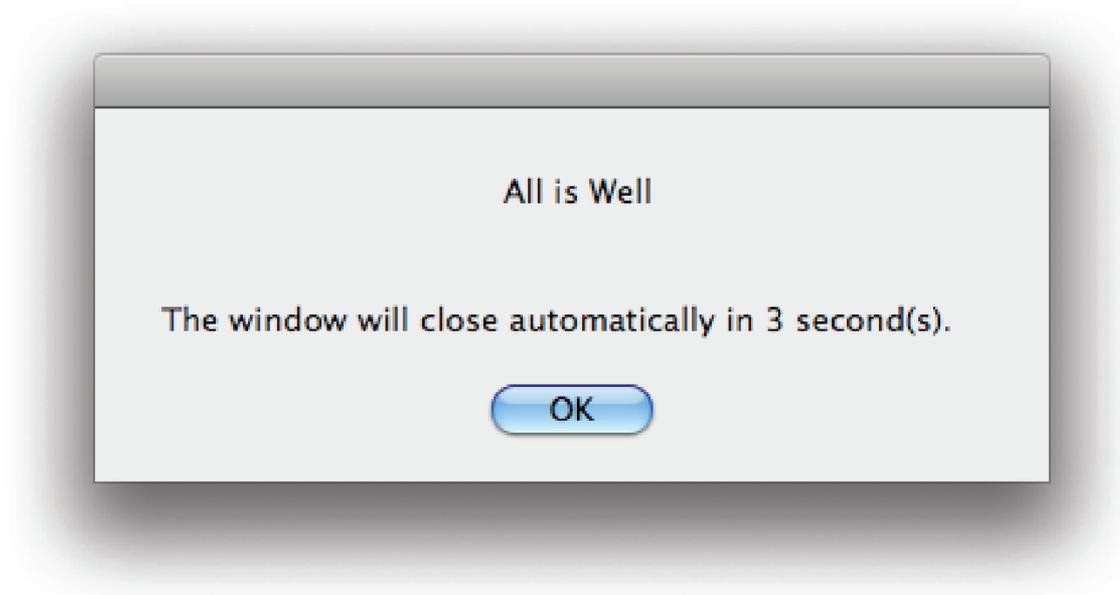
We've evolved to look for patterns. To quickly extrapolate from a small amount of information and make snap judgments to get the best course of action. Why? Because this makes sense if you are a hunter/gatherer in Africa trying to decide if the rustling in the bushes is a tiger or just the wind. But for most decisions now, it's just because we don't have time to research everything, weigh every factor and always choose with complete certainty and rationality. So we develop models of the world or heuristics, a kind of shortcut to intuitively understanding our world and solving problems. The problem is that this process has a lot of variables and traps that can lead to extremely irrational—and therefore bad—decisions.

# Confirmation Bias





# Loss Aversion



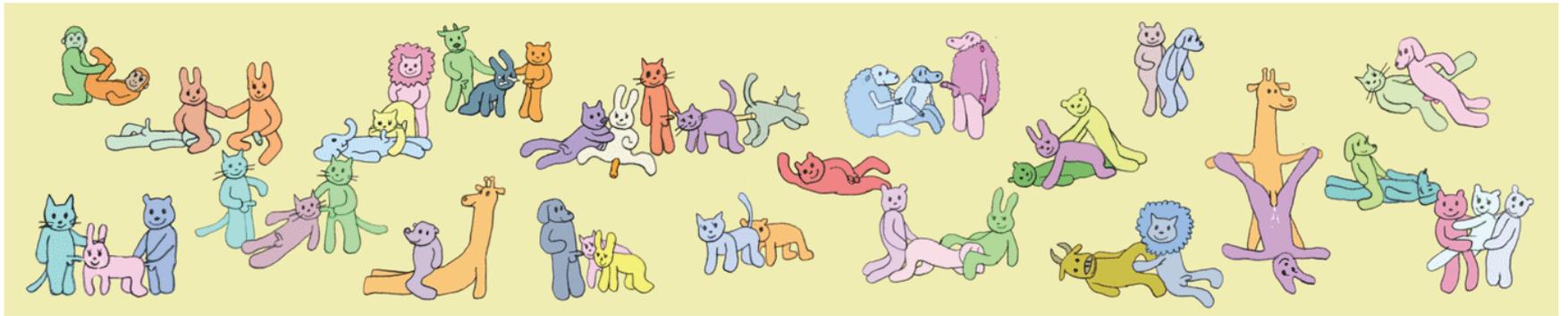
# Disposition Effect



# Fairness Impulse



# Consistency Bias



# Anchoring



**do you  
love me?**

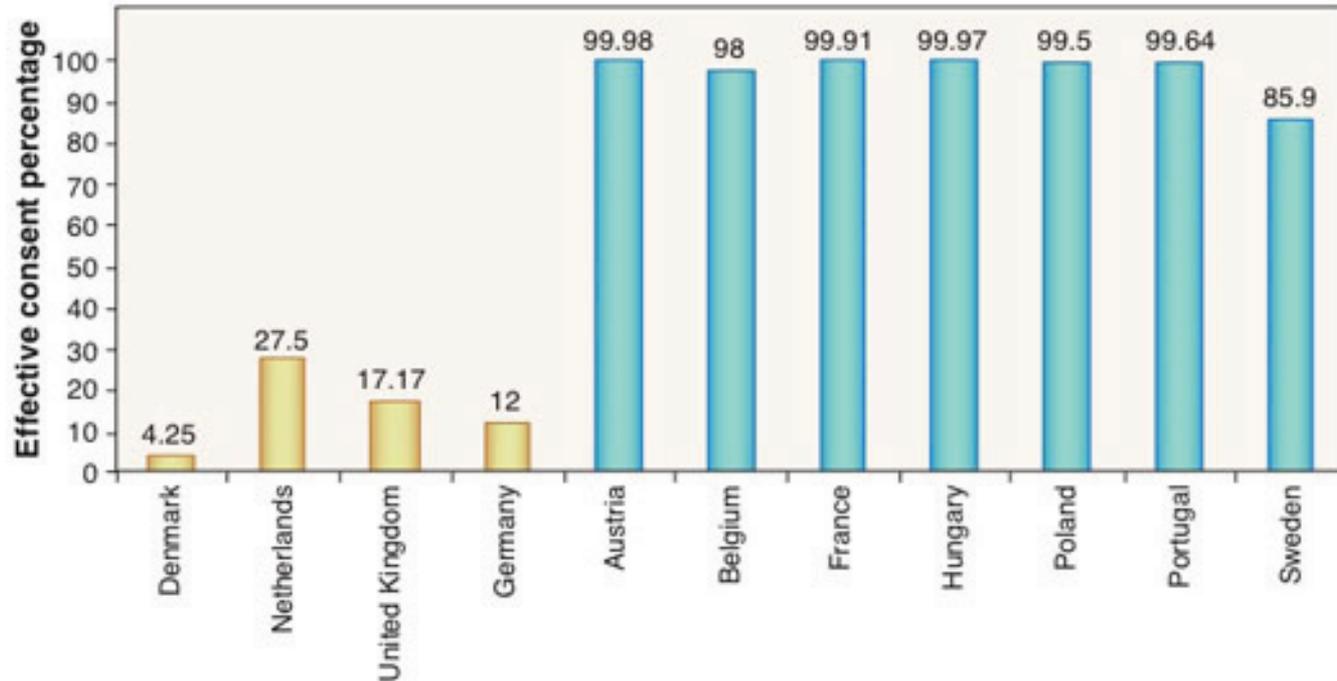


**not really!**

**Yeah,  
Whatever**



# Look at this graph!



Effective consent rates, by country. Explicit consent (opt-in, gold) and presumed consent (opt-out, blue).

# Another interesting case study



# Weakness for Authority





# References



(note: I have not read all these books)

- » *How We Decide* by Jonah Lehrer
- » *The Undercover Economist* by Tim Harford
- » *Predictably Irrational and The Upside of Irrationality* by Dan Ariely
- » *Descartes' Error: Emotion, Reason and the Human Brain* by Antonio Damasio
- » *Freakonomics* by Steven D. Levitt and Stephen J. Dubner
- » *Nudge: Improving Decisions...* by Richard Thaler
- » *Thinking and Deciding* by Jonathan Baron
- » *Influence: The Psychology of Persuasion* by Robert Cialdini
- » *Simplicity* by Jeffrey Kluger
- » *The Stuff of Thought* by Steven Pinker