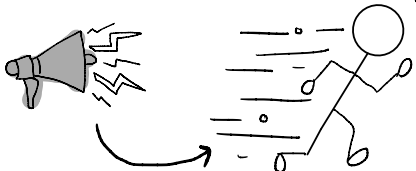


THINKING FAST & SLOW

SYSTEM 1

FAST, AUTOMATIC



✓ Survival
✗ using system 1 instead of system 2 → biases & fallacies

SYSTEM 2

SLOW, LOGICAL

Solve $-5x + 23 = y$
 $-x - y = 56$
 $x = ? \quad y = ?$

FRAMING

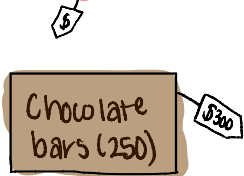
10% chance you'll die

90% chance you'll live



framing of outcomes affects choice

SUNK COST FALLACY



ANCHORING

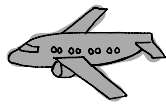
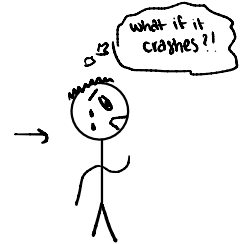


Burger 1:	\$19
Burger 2:	\$18.75
Burger 3:	\$19
Burger 4:	\$475 (served with bottle of Dom Pérignon)

PALO ALTO CREAMERY

Wow! \$19 is cheap, look at burger 4!

AVAILABILITY



LOSS AVERSION

WIN \$1000? \$1100? \$2000 ✓



50/50 chance

LOSE \$1000