

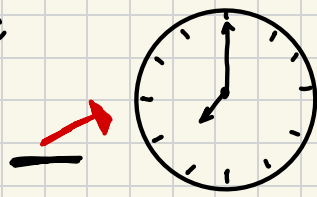
THINKING FAST & SLOW...

MEDIA ≠ REALITY

System 1: already Paid
System 2: "Ignore Sunk Costs!"

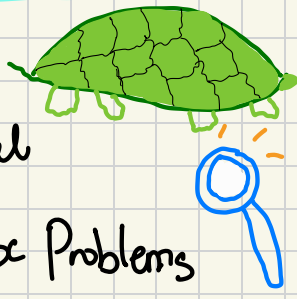
SYSTEM 1 - FAST

- Automatic
- Intuitive
- Everyday Situations



SYSTEM 2 - SLOW

- Logical
- Careful
- Complex Problems



! Big Idea #1: System 1 vs 2

ANCHORING

is 8000? is 100?
Group 1 Group 2
\$657 \$2447

◆ First info is an anchor for guessing!!
FIRST NUMBER = ANCHOR!!

AVAILABILITY

CRASH!
TERROR!
- We fear what's most available in our mind

10% Chance You Die 90% Chance You Live

▶ Same Facts, Different Meanings

LOSS AVERSION

+100
-100

▶ Past Costs → Future Decisions
Can't Let Go!
Losing WAY feels worse

SUNK COST FALLACY

PAST	NOW
\$\$\$ Already Spent	? What helps me now?

Money spent is already gone!

SMART THINKING = knowing when to SLOW DOWN!

✓ System 1 helps us Survive

✓ System 2 helps us Analyze.

Awareness of Bias = Better Choices