

This blog is inspired by Professor Barbara Piette. At the last class of her ES720 Management Communications, she asked us with a slide: “Are You Lucky” and I just realized this topic was never taught or even talked about in schools before. My curiosity pushed me to dig a little more into this topic and found the role of luck in life is far greater than we think of. I hope this blog could help anyone who rarely ponder luck just like I was.

What Is Luck?

Definition of luck: Good events happened to people which were not much caused by their own actions.

What Is Being Lucky?

Being lucky is an impression of people about if some events happened to someone can be concluded as luck. Although “lucky” is concluded by past events, people use it all the time with a bias to project into future luck.

Since “lucky” is a subjective term like “beautiful”, someone’s view of lucky can be viewed as unlucky in others’, and vice versa. However, there is commonly held standards of beauty by the majority public in this society despite each of us has a different opinion, thus for luck as well. So, we are going to discuss “lucky” in a macro view (under common-sense agreed lucky standards) and in a micro view (under personally defined lucky) in this blog.

A Macro Perspective of Luck

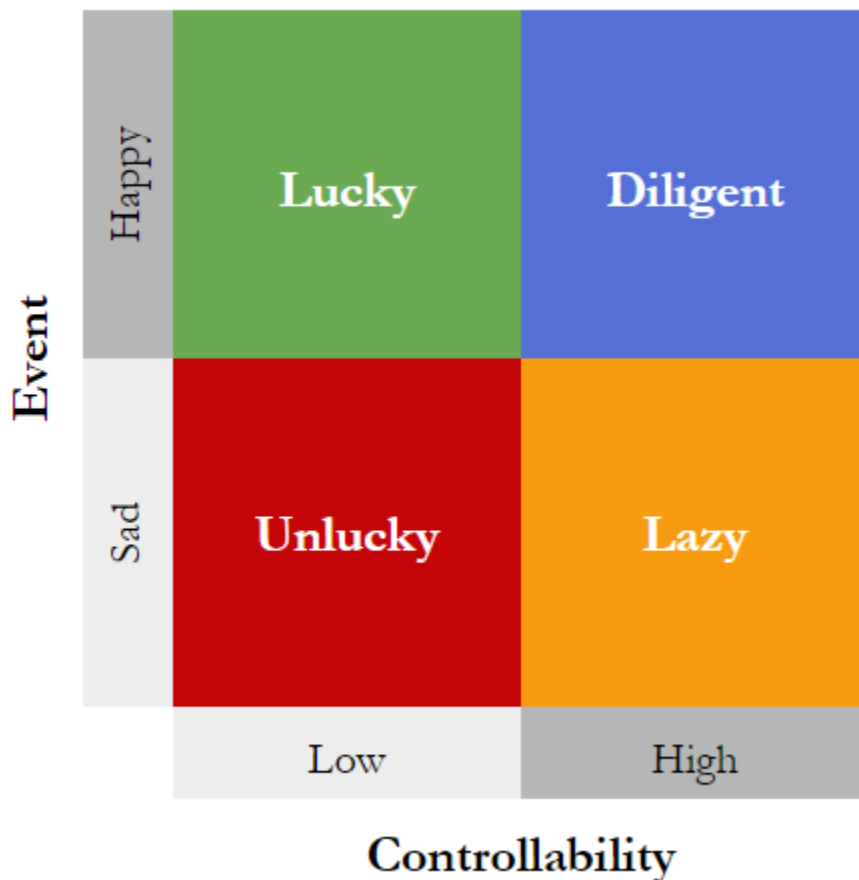
Luck is really important when we take a macro view considering the commonly held standards in the world. No matter in which society, luck determines most of the life, such as: when and where you were born in, what kind of family you have, which college you go to, etc. I will not try to prove this opinion in this blog anymore since Howard Marks has discussed this point very well in his memo: *Getting Lucky*.

https://www.oaktreecapital.com/docs/default-source/memos/2014-01-16-getting-lucky.pdf?sfvrsn=c4b70f65_2

Nassim Taleb and Michael Mauboussin also have written very interesting theories in their books that worth reading.

I will hereby introduce you my model: Impression Matrix.

Impression Matrix



The Impression Matrix divides people's impressions on success or failure into four quadrants with two variables. Each of the four quadrants represents a specific combination of people's emotion towards the event and the controllability of the event:

1. **Low control, Happy Event.** The protagonist is viewed as **lucky**.
2. **Low control, Sad Event.** The protagonist is viewed as **unlucky**.
3. **High control, Happy Event.** The protagonist is viewed as **diligent**.
4. **High control, Sad Event.** The protagonist is viewed as **lazy**.

Fun Facts of people in Each Quadrant Behave

- People in the lucky quadrant often want to pretend to be in the diligent quadrant. Lucky quadrant people always want to accredit their success mostly to their diligence, especially when telling their success stories to others. One reason is due to the survival bias and another due to linear prediction bias. A lot of successful ones never talk about how lucky they were and that creates a misleading stereotype to the public of success means hard work now.

- People in the diligent quadrant often want to appear humble and avoid over-competition, so they pretend to be lucky sometimes. Companies in this quadrant don't want to admit too, because they don't want people to have a monopoly impression of them which could lead to antitrust cases or turning their industry into a red ocean.
- The lazy quadrant people pretend to be in the unlucky quadrant all the time by finding excuses and avoiding responsibilities. These people are the ones who blame others all the time, including luck, of course.
- Although the culture in the society now portrays people in the diligent quadrant, most successful people are in the lucky quadrant. I guess the unfair concept of it's better to be lucky than diligent bothers people a lot.

Are You Lucky in A Macro View? Do You Seem Lucky?

This is a way to estimate if you seem lucky under commonly held standards of luck. You can plot each life event as one circle in Impression Matrix, with the circle's size proportional to the event's effect. It's a good idea to start with major life events as bigger circles and finish up with minor events as smaller circles. Then, you should have a general grasp of where most areas of circles are distributed in the Impression Matrix. Now, you will have a macro sense of if you are lucky.

How to Get More Luck?

- Take more risks in life to have more randomness. However, be prepared to hedge more unlucky events as well. For example, investing in just a few stocks instead of the index will result in a higher return upper bound.
- Create more butterfly-effect events by doing more seemingly unrelated good deeds. This is often referred to as Karma in many religions. For example, helping random strangers could lead to unexpected valuable connections. Many people even find jobs/true loves by talking to someone they never meet on public transportations/social media.
- Believe in yourself that hard work will finally result in success. This motivates people to be preserved to stay long enough to get lucky one day. Countless examples of startup/Hollywood stories having someone never gives up and succeeded at the end.

A Micro Perspective of Luck

Richard Wiseman has found that luck is completely a matter of how we choose to look at our lives. In the end, we are the ones who decide if we are feeling lucky despite common standards.

Are You Lucky in A Micro View? Do You Feel Lucky?

Unlike uniformed standards, personal feelings of 'lucky' depend on your subjective view on life events. You can always feel lucky if you want to.

How to Feel Luckier?

- Savoring helps to remind you of the past lucky events makes you feel luckier now. For example, think about the happy wedding you had or the best birthday party.
- Try to think about something in your life which unlucky people having a hard time getting. Most people take a lot of things for granted and don't feel lucky with the stable society we now live in. For example, few people open water taps and shout out: "I am so lucky to have clean tap water!" However, we can make people feel luckier for themselves by playing a video of people who lack water severely before they open the taps in their bathrooms easily.
- Imagine today is your last day. People often feel luckier about life after experiencing a major disease. You don't have to get cancer, but even imagine it helps to feel luckier about the current life.