

# Daniel Kahneman, Nobel-winning economist, dies at 90

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By Chris Power

March 27, 2024 at 10:48 a.m. EDT

Daniel Kahneman, an Israeli-American psychologist and best-selling author whose Nobel Prize-winning research upended economics — as well as fields ranging from sports to public health — by demonstrating the extent to which people abandon logic and leap to conclusions, died March 27. He was 90.

His death was confirmed by his stepdaughter Deborah Treisman, the fiction editor for the New Yorker. She did not say where or how he died.

Dr. Kahneman's research was best known for debunking the notion of "homo economicus," the "economic man" who since the epoch of Adam Smith was considered a rational being who acts out of self-interest. Instead, Dr. Kahneman found, people rely on intellectual shortcuts that often lead to wrongheaded decisions that go against their own best interest.

These misguided decisions occur because humans "are much too influenced by recent events," Dr. Kahneman once said. "They are much too quick to jump to conclusions under some conditions and, under other conditions, they are much too slow to change."

Dr. Kahneman was affiliated with Princeton University when he shared the 2002 Nobel Memorial Prize in Economic Sciences "for having integrated insights from psychological research into economic science, especially concerning human judgment and decision-making under uncertainty." His co-recipient, Vernon L. Smith, then of George Mason University in Virginia, pioneered the use of laboratory experiments in economics.

Dr. Kahneman took a dim view of people's ability to think their way through a problem. "Many people are overconfident, prone to place too much faith in their intuitions," he wrote in his popular 2011 book "Thinking, Fast and Slow." "They apparently find cognitive effort at least mildly unpleasant and avoid it as much as possible."

Dr. Kahneman spent much of his career working alongside psychologist Amos Tversky, who he said deserved much of the credit for their prizewinning work. But Tversky died in 1996, and the Nobel is never awarded posthumously.

Both men were atheist grandsons of Lithuanian rabbis, and both had studied and lectured at Hebrew University. Their three-decade friendship and close collaboration, chronicled in Michael Lewis's 2016 book "The Undoing Project," was a study in opposites.

According to Lewis, Tversky was the life of the party; Dr. Kahneman never even went. Tversky had a mechanical pencil on his desk and nothing else; Dr. Kahneman's office was full of books and articles he never finished. Still, Dr. Kahneman said, at times it was as if "we were sharing a mind." They worked so closely together that they tossed a coin to decide whose name would go first on an article or a book.

Their research helped establish the field of behavioral economics, which applies psychological insights to the study of economic decision-making, but also had a far-reaching effect outside the academy. It was credited with changing the way baseball scouts evaluate prospects, governments make public policy, and doctors arrive at medical diagnoses.

Inspired in part by "Judgments Under Uncertainty," an early paper by Dr. Kahneman and Tversky, economist Richard Thaler and legal scholar Cass Sunstein developed the concept of "libertarian paternalism." Thaler and Sunstein's 2008 book, "Nudge," suggested ways that governments could encourage people to save for retirement, take care of their health and make other intelligent choices with minimal intrusion by the authorities.

Dr. Kahneman presented his ideas to a general audience in "Thinking, Fast and Slow," which distinguished between two modes of thought: System 1, in which the mind, acting quickly, relies on intuition, immediate impressions and emotional reactions; and System 2, in which the mind, slowing down, functions more rationally and analytically and is able to correct errors made by System 1.

Much of the time, Dr. Kahneman argued, the mind works in System 1 and draws conclusions using System 1's toolbox: rules of thumb, cognitive biases and anything else that speeds up the judgment process.

Dr. Kahneman and Tversky did experiments that demonstrated various cognitive biases. They showed, for instance, that many more people were willing to make a 20-minute trip to save \$5 on the price of a \$15 calculator than to make the same trip to save the same amount of money, \$5, on a \$125 calculator — an example of what is known as the framing effect.

In another Kahneman-Tversky experiment, students were told about a fictitious Linda, 31, who was an activist in college and "was deeply concerned with issues of discrimination and social justice, and also participated in anti-nuclear demonstrations."

Then the students were asked which was more likely: that Linda is a bank teller or that Linda is a bank teller and is active in the feminist movement. The vast majority went with bank teller and active feminist, which has to be the less likely choice because the probability of two conditions will always be less than the probability of either one. This experiment demonstrated what is known as the conjunction fallacy, another way in which people sometimes fail to think logically.

One type of psychological distortion that occupied Dr. Kahneman in later years was the difference between "experienced" and "remembered" well-being and between experienced and remembered happiness or unhappiness. The remembered experience, he said, was largely determined by its most extreme moment, or peak, and by its end" — hence the "peak-end rule."

According to the rule, if we have a pleasurable experience at the end of vacation, for instance, we tend to remember the entire holiday fondly. Similarly, if we experience less pain at the end of a medical procedure, we recall the entire experience as less painful. Sometimes, he found, the remembered experience is more important than the experience itself.

Daniel Kahneman was born in Tel Aviv on March 5, 1934, while his mother was visiting relatives in what was then the British mandate of Palestine. The Kahnemans made their home in France, and young Daniel was raised in Paris, where his mother was a homemaker and his father was the chief of research for a cosmetics firm.

During World War II, he was forced to wear a Star of David after Nazi German forces occupied the city in 1940. One night in 1941 or '42, he later recalled, he stayed out past the German-imposed curfew for Jews while visiting a friend, and he turned his sweater inside out to hide the star while he walked a few blocks home. He then crossed paths with a soldier in the SS, who called Daniel over, picked him up — and hugged him.

“I was terrified that he would notice the star inside my sweater,” Dr. Kahneman noted in a biographical essay for the Nobel Prize ceremonies. But the German pulled out his wallet, showed him a photo of a boy, gave him some money and sent him on his way. “I went home more certain than ever that my mother was right,” Dr. Kahneman said in the essay. “People were endlessly complicated and interesting.”

As the Nazis stepped up the mass arrest of French Jews, Dr. Kahneman’s father narrowly escaped deportation to a death camp. The family fled to still-unoccupied Vichy France, where they eventually found refuge in a chicken coop in the seaside town of Cagnes sur Mer. In November 1942, the Germans took control of Vichy France.

As Lewis noted in his book, Daniel had to hide in plain sight, attending school but avoiding social contact with teachers and classmates. While he found human personality intensely interesting, Lewis wrote, “his survival had depended on keeping himself apart.”

The Germans and their French collaborators stepped up the search for Jews in hiding. Dr. Kahneman’s father, a diabetic, found it increasingly difficult to secure medication and died of complications from the disease just six weeks before the Allied D-Day invasion. “I was really angry about his dying,” Dr. Kahneman told Lewis. “He had been good. But he had not been strong.”

After the war, Dr. Kahneman moved with his mother and sister to what soon became the state of Israel. At 15, he took a vocational test that said he had the makings of a psychologist. He graduated from Hebrew University in 1954 with a bachelor’s degree in psychology and mathematics. He fulfilled part of his military service requirement by devising character assessment tests for recruits.

In 1961, Dr. Kahneman received a doctorate in psychology from the University of California at Berkeley and returned to Hebrew University as a lecturer. There he met Tversky, who was gaining a reputation as one of the most brilliant psychologists of his generation.

Dr. Kahneman’s first marriage, to Irah Kahn, ended in divorce. In 1978, he wed Anne Treisman, a Princeton psychologist who studied mechanisms of perception and attention. Dr. Kahneman taught at the University of British Columbia and Berkeley before joining Princeton in 1993.

Meanwhile, Tversky took a position at Stanford University. The physical separation made cooperation difficult, if not impossible, and the friendship soured.

By the late 1980s, Dr. Kahneman had come to believe that Tversky did not sufficiently value his contributions to their work, and Tversky had his own complaints about Dr. Kahneman. “I sort of divorced him,” Dr. Kahneman later said. The two revived their friendship in the months before Tversky died of melanoma in 1996.

Treisman died in 2018. Dr. Kahneman later lived with Barbara Tversky, the widow of his longtime collaborator.

In addition to Tversky, his partner of four years, survivors include two children from his first marriage, Michael Kahneman and Lenore Shoham; four stepchildren, Jessica, Daniel, Stephen and Deborah Treisman; and seven grandchildren.

Dr. Kahneman received the Presidential Medal of Freedom, the nation’s highest civilian honor, from President Barack Obama in 2013. An inveterate pessimist, he said he and his wife had not expected the Nobel, despite a raft of honors received over the years.

“We thought the probability was 0.2,” Treisman told the Philadelphia Inquirer after Dr. Kahneman’s award was announced. “We were quite interested to see who won.”