

File 20100921.0950: Today is the autumnal equinox. Status of HSBC accounts is:

- ONLINE SAVER 40-35-34 32454556 1366.67 C
- HSBC ADVANCE 40-35-34 32457245 757.39 C
- CREDIT CARD 5434604589712870 6.77 D

My fees are all paid at school; what remains in the HSBC account is there to be used for travel to Oxford for upcoming vivas.

In [1, p. 112], the author says ‘If the satisfaction to be derived from each successive increase in wealth is smaller than the satisfaction derived from the previous increase in wealth, then the *disutility* caused by a loss will always exceed the positive utility provided by a gain of equal size.’

I think this provides an explanation for Schneier’s observation [2] that people tend to fear a loss more than they value a gain in a trade.

Books on risk written by economists are geared towards financial examples; books on risk written for the safety and security community are slanted in an orthogonal direction. I have to extrapolate.

## References

- [1] Peter L. Bernstein. *Against the Gods*. John Wiley & Sons, New York, 1996.
- [2] Bruce Schneier. The psychology of security. <http://www.schneier.com/essay-155.pdf>, January 21, 2008.