Derived from The Art of Thinking Clearly

Only few cognitive errors is selected due relatedness in data understanding

Survivorship Bias

Definition: Overestimate the chances of success. Only recognized the successful factors attribute but not the failing factors attribute. If you this, u will success is wrong

Example: 1. Warplane during world war

2. Successful businessman, product, athletes key success

Solution: Digging the failing factors attribute also

Sunk cost fallacy:

Definition: the more someone invested, the greater the urge to continue

Example: When someone invest so much money, time and energy to a purpose, buat it doesn’t achieve any yet

Solution: Need rational decision whether to continue or stop the resources invested. Forget about the cost

Conformation Bias

Definition: Tendency to interpret new information so it can suit our existing theories beliefs and convictions

Example: Whenever there is new idea contradixt with you, you will try to justify it

Solution: Try to compare it with moral, policy or laws as guide

Authority Bias

Definition: Authority figures that exerting on inf luence on someone reasonong

Example: Captain pilot to copilot communication boundaries

Solution:

28. Base-Rate Neglect

Definition: A disregard to fundamental distribution levels. Most common errors in reasoning

Examples: A criminal goes to jail . Need to guess which races he is? The base rate most goes to jail is majority race

Solution: Always look which is the base rate before sampling, picking, guessing

34. Exponential growth

Definition: Nothing grows exponentially grow forever, It will reach a limit

Example: inflation is 5 percent a year, 70/5 =14 years, in 14 years 1 dollar will become 0.5 cent

Solution: use \*magic no is 70, 70/x% = Z years

37: False Causality

Definition: Relate a cause that contribute to something

Example: kids with many mouths tends to lawyer, leader

Solution: Correlation isn’t causation

What is presented turns out to be the effect

38, Halo effect

Definition: believes one single aspect could drive the whole performance

Example: one CEOs in success in one industry can thrive in another industry

Solution: Play in blind. Meritocracy. Data and factors Not pretty but educational

55. Problem with Averages

Definition: A single outlier radically altered the picture, Often mask the underlying distribution

Example: 5 random people, 4 with 50 k and 1 people with 1 mill income, Now the average is 210k

Solution: think twice, remove the outlier

83. Salience Effect

Definition: Try to make conclusion based on what is prominent, stand out attribute, cacthing eye

Example: Immigrant do it again

Solution: don’t neglect hidden discret factors

95: Feature Positive

Definition: What exist means a lot more than what is missing

Example: People don’t ask what they don’t know absence on the list

Solution: Ask people, contemplate, put yourself in the shoes

19. Regression tgo mean

Definition:

Example:

Solution:

Definition:

Example:

Solution:

Definition:

Example:

Solution: