

Best books Recommended and Reviewed

Several Authors with notes from Derek Sivers' blog

2021

- Michael Gerber: EMythRevisited
- Nicholas Epley: Mindwise
- William Irvine: StoicJoy
- Daniel Gilbert: StumblingOnHappiness
- Daniel Kahneman: ThinkingFastAndSlow
- Philip Zimbardo and John Boyd: TimeParadox

E-Myth Revisited - by Michael Gerber

ISBN: 0887307280

Date read: 2004-02-26

How strongly I recommend it: 10/10

(See my list of 200+ books, for more.)

Go to the Amazon page for details and reviews.

Absolutely everyone who is an entrepreneur or wants to be one needs to read this book. I first read it after 10 years of successfully running my company, and was still blown away and totally humbled by its wisdom. Re-reading it today, I'm amazed how my view of business was completely changed by this one little book. See my notes for examples, but definitely read the book itself to get the real impact.

my notes

Fatal assumption : if you understand the technical work of a business, you understand a business that does that technical work.

The technical work of a business, and a business that does that technical work are two totally different things.

The technician is forced to learn how to make the business work, rather than do the work himself.

Every technician suffering from an Entrepreneurial Seizure experiences the same thing:

1. Exhilaration, 2. Terror, 3. Exhaustion, 4. Despair - a terrible sense of loss,

loss of special relationship with their work, loss of purpose, loss of self.

== ENTREPRENEUR, MANAGER, TECHNICIAN

Everybody who goes into business is actually three people in one:

The Entrepreneur dreams

The Manager frets

The Technician ruminates

While each of these personalities wants to be the boss, none of them wants to have a boss.

The Entrepreneur lives in the future, never in the past, rarely in the present. He's happiest when left free to construct images of "what if" and "if when".

In business, the Entrepreneur is the innovator, grand strategist, creator of new methods.

Given his need for change, the Entrepreneur creates a great deal of havoc around him, which is predictably unsettling for those he enlists in his projects.

The entrepreneur builds a house and the instant it's done begins planning the next one.

The Manager craves order, compulsively clings to the status quo. While entrepreneur sees opportunities, manager sees the problems.

The Manager creates neat orderly rows of things. The Entrepreneur creates the things that the manager puts in rows.

The Manager is the one who runs after the Entrepreneur to clean up the mess. Without the Entrepreneur there would be no mess to clean up.

Technician is the doer : "if you want something done right, do it yourself".

As long as the Technician is working, he is happy, but only on one thing at a time. He knows he can't get things done simultaneously, so he works steadily and is happiest when he is in control of the work flow.

If the three were equally balanced, we'd be describing an incredibly competent individual.

The Entrepreneur would be free to forge ahead into new areas of interest.

The Manager would be solidifying the base of operations.

The Technician would be doing the technical work.

Without all three of these personalities being given opportunity, the freedom, the nourishment they each need to grow, your business cannot help but mirror your own lopsidedness.

An Entrepreneur does the work of envisioning the business as something apart

from you, the owner. The work of asking all the right questions about WHY this business, opposed to that business?

== INFANCY

Unfortunately most business do what the owner wants as opposed to what the business needs.

It's easy to spot a business in infancy : the owner and business are one and the same.

Infancy ends when the owner realizes the business cannot continue to run the way it has been, that to survive it will have to change. This is where most business failures occur.

If your business depends on you, you don't own a business - you have a job. (and you're working for a lunatic)

The purpose of going into business is to get free of a job so you can create jobs for other people.

== ADOLESCENCE

Error: Management by abdication ("To relinquish formally a high office or responsibility.") rather than delegation.

The process of deterioration where the number of the balls in the air is not only too much for you, but too much for your people as well.

== BEYOND THE COMFORT ZONE

True trust comes from knowing, not from blind faith.

To know, one must understand.

To understand, one must have an intimate awareness of what conditions are truly present. What people know, do, want, are - and what they don't/aren't.

A business that "gets small again" is a business reduced to the level of its owner's personal resistance to change - its owner's comfort zone. (works and waits for something positive to happen)

Businesses that "get small again" die, implode.

Your job is to prepare yourself and your business for growth.

To educate yourself so that, as your business grows, the foundation and structure can carry the additional weight.

** It's up to you to dictate your business's rate of growth by understanding the key processes that need to be performed, the key objectives that need to be achieved, the key position you're aiming for in the marketplace.

Write it down, clearly, so others can understand it. (If you can't, you don't own it!)

== MATURITY

Maturity is not an inevitable result of the first two phases. It is not the end of a serial process. Great companies didn't end up as mature companies - they started out that way.

Mature company must also go through infancy and adolescence, but go through them in a different way. It's the perspective that makes the difference.

Very clear picture of what the company would look like when it was done. How it would act.

Unless you act that way from the beginning, you'll never get there. In order to become a great company, act like a great company long before it ever becomes one.

Every day at IBM was a day devoted to business development, not doing business. We didn't do business at IBM, we built one.

The very best businesses are fashioned after a model of a business that works.

How must the business work?

Business as a system for producing outside results - for the customer - resulting in profits.

Picture of a well-defined future, then comes back to the present with the intention of changing it to match the vision.

Survey the world and ask, "Where is the opportunity?"

Identify it, then go back to the drawing board and construct a solution to the frustration found in a group of customers.

Acts the way the customer needs it to act, not the Entrepreneur.

"How will my business look to the customer?" "How will my business stand out from all the rest?"

Within the customer is a continuing parade of changing wants, begging to be satisfied. Find out what those wants are, and what they will be in the future.

== THE TURN-KEY REVOLUTION / FRANCHISE PROTOTYPE

A systems-dependent business, not a people-dependent business.

Integrity : doing what you say you will do, and if you can't : learning how.

Franchise prototype is where all assumptions are put to the test to see how well they work before becoming operational in the business.

The system runs the business. The people run the system.

The system isn't something you bring to the business. It's something you derive from the process of building the business.

Entrepreneur : franchise prototype is the medium through which vision takes form in the real world.

Manager : franchise prototype provides the order, predictability, system.

Technician : franchise prototype is where he is free to do the things he loves to do : the technical work.

== WORKING ON YOUR BUSINESS, NOT IN IT

Your business is not your life.

Your business is something apart from you, with its own rules and its own purposes. An organism that will live or die according to how well it performs its sole function : find and keep customers.

The primary purpose of your business is to serve your life (not vice-versa)

Make a perfect prototype for 5000 more just like it. Exactly like it, not just similar.

Franchise model:

1. provides consistent value to customers, employees, etc - beyond what they expect
2. operated by people with the lowest possible skill
3. a place of impeccable order
4. all work documented in operations manuals
5. provides uniformly predictable service to the customer
6. uses uniform color, dress, facilities code

Lowest possible level of skill necessary to fulfill the functions for which each is intended. Of course, in a legal firm you need attorneys, medical, physicians. But you don't need to hire brilliant attorneys or physicians.

Create the very best system through which good attorneys and good physicians can be leveraged to produce exquisite results.

How can I give my customer the results he wants systematically rather than personally?

How can I create a business whose results are systems-dependent rather than people-dependent or expert-dependent?

How can I create an expert system rather than hire one?

Great business are not built by extraordinary people, but by ordinary people doing extraordinary things.

Develop those tools and teach your people how to use them.

People's job is to use the tools you've developed and recommend improvements based on their experience with them.

NO : Typical owner of a small business prefers highly skilled people because he believes they make his job easier - he can simply leave the work to them.

Unfortunately then the business grows to depend on the whims and moods of its people.

If they're in the mood, the job gets done. If they're not, it doesn't.
In this kind of business, "How do I motivate my people?" comes up : "How do I keep them in the mood?"
It is literally impossible to create a consistent result in a business that depends on extraordinary people.
When you intentionally build your business around the skills of ordinary people, you will be forced to ask the difficult questions about how to produce a result without the extraordinary ones.
You will be forced to find a system that leverages your ordinary people to the point where they can produce extraordinary results over and over again.
You will be forced to invent innovative system solutions to the people problems that plague businesses.
You will be forced to build a business that works.

Documentation says, "This is how we do it here."
Without documentation, all routinized work turns into exceptions.
Designates the purpose of the work, specifies the steps needed to be taken while doing that work, and summarizes the standards associated with both the process and result.

BARBER story : He was constantly and arbitrarily changing my experience for me. He was in control of my experience, not I. Running the business for him, not me. Deprived me of the experience of making a decision to patronize his business for my own reasons. It didn't matter what I wanted.
What you do in your model is not as important as doing what you do the same way, each and every time.

- * How can I get my business to work without me?
- * How can I get my people to work without my interference?
- * How can I systematize my business so it could be replicated thousands of times?
- * How can I own my business, and still be free of it?
- * How can I spend my time doing the work I love to do rather than the work I have to do?

== BUSINESS DEVELOPMENT PROCESS

People constantly asking, "What is the best way to do this?" - knowing we'll never discover the best way, but by asking we discover a better way.
Innovation is the "best way" skill. It produces a high level of energy in every company.

Quantification : numbers related to the impact an innovation makes.
Quantify EVERYTHING related to how you do business.
Eventually, you and your people will think of your entire business in terms of

the numbers.

Read your business' health chart by the flow of the numbers.

Know which numbers are critical and which aren't.

Become as familiar with your business' numbers as a doctor is with blood pressure / pulse rates.

Without the numbers, you don't know where you are or where you're going.

With the numbers, your business will take on a totally new meaning.

Orchestration is the elimination of discretion or choice at the operating level of your business.

Without orchestration, nothing could be planned or anticipated by you or your customer.

If you're doing everything differently every time you do it, if everyone is doing it at their own discretion, you're creating chaos, not order.

If you haven't orchestrated it, you don't own it.

If you don't own it, you can't depend on it.

Unless your unique way of doing business can be replicated every single time, you don't own it.

Unless your customer gets everything he wants every time, he'll go someplace else to get it.

The business development process is not static - it's not something you do and then are done with - it's something you do all the time.

Innovation, Quantification, Orchestration are the backbone of a business - the Business Development Process.

== BUSINESS DEVELOPMENT PROGRAM

Your...

1. Primary Aim
2. Strategic Objective
3. Organizational Strategy
4. Management Strategy
5. People Strategy
6. Marketing Strategy
7. Systems Strategy

== PRIMARY AIM:

What do I value most?

What kind of life do I want?

What do I want my life to look like, to feel like?

How do I wish my day-to-day to be?

What would I like to be able to say I truly know in my life, about my life?

Who do I wish to be?

How would I like to be with other people in my life : my family, friends, business

associates, customers, employees?

How would I like people to think about me?

2 years from now? 10? 20? End of life?

What specifically would I like to learn during my life : spiritually, physically, financially, technically, intellectually, about relationships?

Begin living your life as if it were important. Take it seriously. Create it intentionally.

== STRATEGIC OBJECTIVE:

Your strategic objective is a very clear statement of what your business has to ultimately do for you to achieve your primary aim.

The first standard is gross revenues. How big will your company be when it's finally done? Know your gross profits, pretax profits, after-tax profits. You can't know all this, but any standards are better than no standards.

Does the business I have in mind alleviate a frustration experienced by a large enough group of consumers to make it worth my while?

Central demographic model : a most probable customer.

== ORGANIZATIONAL STRATEGY

The organizational development reflected in the Organizational Chart can have a more profound impact on a small company than any other single business development step.

More companies organize around personalities rather than around functions. (& the result is chaos)

Make a chart of positions : COO, VP Marketing, VP Operations, VP Finance, Sales manager, Advertising/Research manager, Production manager, Service manager, Facilities manager, Accounts receivable manager, Accounts payable manager. (clear tree of who reports to who)

A position contract : a summary of the results to be achieved by each position in the company, the work that position is accountable for, a list of standards by which results are to be evaluated. Sign off on it. Not a job description, it is a contract between the company, employee, and a summary of the rules of the game. It provides each person with a sense of commitment and accountability.

Look at each position as a franchise prototype of its own.

When one goes to work in a position, one goes to work ON a position, implementing the business development process of innovation, quantification, orchestration.

Don't hire someone with experience. Not a master technician. A novice, a beginner, an apprentice. Someone eager to learn how to do it right. Willing to learn what you've spent so much time and energy discovering. Someone who is

open to the possibility of learning skills not developed yet, skills he/she wants to learn.

If you don't obey the rules, honor them, extol them, why should you expect anyone else to take your game seriously?

== MANAGEMENT STRATEGY

You may think your plan depends on highly skilled people. It doesn't. You don't need such people. You can't afford them. They will become the bane of your existence.

What you need is a management system.

The system will become your management strategy, and produces the results you want.

The system will become your solution to the problems of unpredictable people, by orchestrating the process by which management decisions are made, while eliminating the need for such decisions whenever possible.

A management system is a system designed into your prototype to produce a marketing result.

The more automatic that system is, the more effective your franchise prototype will be.

Management development - the process through which you create your management system, and teach up-and-coming managers to use it, isn't a management tool - it's a marketing tool.

Its purpose is not just to create an efficient prototype but an effective one : one that finds and keeps customers, profitably, better than any other.

(HOTEL STORY HERE)

== PEOPLE STRATEGY

"How do I get my people to do what I want?"

You can't get your people to do anything.

If you want it done, create an environment where "doing it" is more important to them than not doing it. Where "doing it" well becomes a way of life.

The work we do is a reflection of who we are. If we're sloppy at it, it's because we're sloppy inside. If we're late, it's because we're late inside. If we're bored, we're bored inside.

The most menial work can be a piece of art when done by an artist.

So the job here is not outside of ourselves, but inside of ourselves.

Make sure they understand the idea behind the work they're being asked to do.

An idea more important than the work itself.

Everyone who works here is expected to work towards being the best he can possibly be at the tasks he's accountable for. When he can't do that, he should

act like he is. If unwilling to act, leave.

A business is like a martial arts practice hall - a dojo - a place you go to practice being the best you can be.

A game to be played in which the rules symbolize the idea you, the owner, have about the world.

The degree to which they buy into your game doesn't depend on them but on how well you communicate the game to them - at the outset of the relationship - not after it's begun.

Your People Strategy is the way you communicate your idea.

1. Never try to make a game out of what you want your people to do. The game has to come first, what your people do comes second. (?)
2. Never create a game you're unwilling to play yourself.
3. Make sure there are ways of winning the game without ending it. (never actually end it, but give occasional victories)
4. Change the game from time to time : the tactics, not the strategy. (any game can become boring, no matter how extraordinary it was. anticipate the end before anyone else does, and change it by executive action)
5. Remind people of the game, constantly. Once a week, have a meeting about the game. Once a day, make some kind of issue about an exception to the way the game has been played, and make certain everyone knows about it.
6. The game has to make sense.
7. The game needs to be fun from time to time. (not all the time)
8. If you can't think of a good game, steal one.

The hiring process is the first and most essential medium for communicating the Boss' idea.

HIRING:

1. scripted presentation communicating the Boss' idea in a group meeting to all the applicants at once. describe the idea, history, successful experience implementing the idea, attributes required of the successful candidate for the position.
2. meeting with each applicant individually to discuss reactions and feelings about the idea, as well as his background and experience. ask why they feel they're great for the role in implementing the idea.
3. notify successful candidate by phone.
4. notify unsuccessful applicants, thanking for their interest.
5. first day of training:
 - reviewing boss' idea
 - summarizing the system
 - take a tour of facilities, highlighting people at work, systems at work, to demonstrate the interdependence of systems on people and people on systems
 - answering employee's questions fully
 - give operations manual
 - review operations manual
 - completing employment papers

Don't hire experienced managers, because they'll manage by standards they learned somewhere else.

You must take full accountability for what's going on in your business. You must lead the company in the direction you intend it to go.

You must set the standard.

The Management System : all managers and future-managers are expected to produce results.

You don't need professional managers to manage to those standards : just people who wish to learn how to manage them. People who are personally committed to those standards as you are.

You need people who want to play your game. Not people who believe they have a better one.

Hierarchy of systems: (where the "it" is the stated purpose of your business.)

1 : how we do it here

2 : how we recruit, hire, and train people to do it here

3 : how we manage it here

4 : how we change it here

== MARKETING STRATEGY:

When it comes to marketing, what you want is unimportant. It's what your customer wants that matters.

What your customer wants is probably different than what he thinks he wants.

Make a promise the customer wants to hear, then deliver on that promise better than anyone else on the block.

The COO is the driver of all of this. The COO connects each part of the business process. The COO maintains the integrity of the whole.

== SYSTEMS STRATEGY:

A system is a set of things, actions, ideas, and information that interact with each other, and in so doing, alter other systems. (?)

Information is the glue that holds your system strategy together. It tells you when and why you need to change. :::

Mindwise: How We Understand What Others Think, Believe, Feel, and Want - by Nicholas Epley

ISBN: 0307595919

Date read: 2014-10-01

How strongly I recommend it: 10/10

(See my list of 200+ books, for more.)

Go to the Amazon page for details and reviews.

Many new brilliant insights, especially about over-estimating the differences between you and others, thereby separating into us-vs-them tribalism. Scan to the end of my notes, to see. If you know more books like this, please recommend them to me. I adore this subject.

my notes

“The only true voyage of discovery, the only fountain of Eternal Youth, would be not to visit strange lands but to possess other eyes, to behold the universe through the eyes of another.” - MARCEL PROUST

Your brain’s greatest skill is its ability to think about the minds of others in order to understand them better.

More time together did not make the couples any more accurate; it just gave them the illusion that they were more accurate.

Compared to the mental abilities of other species on this planet, our sixth sense is what truly makes our brains superpowered. The problem is that the confidence we have in this sense far outstrips our actual ability, and the confidence we have in our judgment rarely gives us a good sense of how accurate we actually are. The main goal of this book is to reduce your illusion of insight into the minds of others, both by trying to improve your understanding and by inducing a greater sense of humility about what you know - and what you do not know - about others.

Descartes was so certain about his introspective ability that he staked his own, as well as God’s, existence on it with his famous “I think, therefore I am”.

People who imagined seeing an instance of blatant sexism thought they would be outraged. When people actually saw this very same act, however, they felt virtually no rage at all. Do people not know their own minds?

You are consciously aware of your brain’s finished products - conscious

attitudes, beliefs, intentions, and feelings - but are unaware of the processes your brain went through to construct those final products, and you are therefore unable to recognize its mistakes.

In each of us there is another whom we do not know.

People tended to select attractively enhanced images of themselves, thinking they were more attractive than they actually were. This is why most of the pictures taken of you seem to look so bad.

When you don't know the actual facts about yourself, your consciousness pieces together a compelling story, much in the same way it does when you're trying to read the minds of other people to make sense of why they act as they do.

Shoppers were first shown four pairs of stockings and asked to pick the best. In fact, the stockings were identical. The researchers found that the ordering mattered: shoppers preferred whichever stocking was on the far right (thereby evaluated last) four times more often than whichever stocking was on the far left (thereby evaluated first).

No psychologist asks people to explain the causes of their own thoughts or behavior anymore unless they're interested in understanding storytelling.

If you see someone hunched over, you will assume that they are not feeling very proud. Find yourself hunching over in the same way, even if only because you're filling out a survey on a table with very short legs, and you may report being less proud of yourself and your accomplishments, too.

An illusion that we know our own minds more deeply than we actually do has one disturbing consequence: it can make your mind appear superior to the minds of others.

Naïve realism: the intuitive sense that we see the world out there as it actually is, rather than as it appears from our own perspective.

If the illusions you hold about your own brain lead you to believe that you see the world as it actually is and you find that others see the world differently, then they must be the ones who are biased, distorted, uninformed, ignorant, unreasonable, or evil.

The worst sin towards our fellow creatures is not to hate them, but to be indifferent to them.

Europeans since the time of the ancient Greeks viewed those living in relatively primitive cultures as lacking a mind in one of two ways: either lacking self-control and emotions, like an animal, or lacking reason and intellect, like a

child.

It can be easy to forget that other people have minds with the same general capacities and experiences as your own.

Distance keeps your sixth sense disengaged.

Your ability to understand the minds of others can be triggered by your physical senses.

Sit up straight and you'll feel more proud of your accomplishments.

Furrowing your brow, as if you are thinking harder, can lead you to actually think harder.

Botox dulls your social senses right along with your wrinkles.

Medial prefrontal cortex (MPFC) is involved in making inferences about the minds of others. MPFC is engaged more when you're thinking about yourself, your close friends and family, and others who have beliefs similar to your own. It is activated when you care enough about others to care what they are thinking, and not when you are indifferent to others.

A universal tendency to assume that others' minds are less sophisticated and more superficial than one's own.

Ubuntu: "a person is a person through other persons." Your humanity comes from the way you treat others, the idea goes, not the way you behave in isolation.

You can recognize intrinsic motivations more easily in yourself than in others.

Treat workers with respect, encourage them to think independently, allow them to make decisions, and make them feel connected to an important effort.

I stopped staring blankly and instead looked one of the boys directly in the eyes, smiled, and waved. It was like I flipped a switch in him. I suddenly wasn't just a foreigner; I was a human being. He flew into a wide-eyed smile and a big wave.

Engage the minds of others more routinely instead of treating nearby neighbors as mindless objects.

Attributing a mind to a nonhuman agent is the inverse process of fail-

ing to attribute a mind to another person.

Too fast or too slow and the robot in these experiments was recognized as a mindless machine, but at just the right speed, closer to human speed, the robot seemed more mindful. It started to look like it might be thinking or planning or feeling something.

The concept of a mind can explain the behavior of almost anything.

Religious beliefs are intuitively compelling because minds are intuitive explanations for the behavior of almost anything.

Urban children are more likely to anthropomorphize animals such as cows and pigs and deer than are rural children. Why? Because rural children are likely to have considerably more knowledge about these animals, knowledge acquired through direct experience.

A man on one side of a river shouts to a man standing on the other side, “Hey, how do I get to the other side of the river?” The other man responds, “You are on the other side of the river.”

People are insanely self-conscious. People act like they’re always being watched. Even their house is a performance.

All of the world may indeed be a stage, and it’s easy to feel that we’re at the center of it.

The social spotlight does not shine on us nearly as brightly as we think.

Be who you are and say what you feel, because those who mind don’t matter and those who matter don’t mind.

Becoming aware of your own perspective liberates you from it.

“The media” are consistently accused of being biased but never found to favor those making the accusations.

People tend to exaggerate the extent to which others think, believe, and feel as they do.

Knowledge is a curse because once you have it, you can’t imagine what it’s like not to possess it.

Ever tried to get driving directions from a local?

Tappers estimated that listeners would identify the song correctly, on

average, 50 percent of the time. In fact, listeners guessed correctly only 2.5 percent of the time.

The lens problem affects anyone who has unique knowledge of anything: the boss who understands a proposal inside out and is trying to convey the ideas to new clients, the inventor who knows precisely why her invention is so important speaking to impatient venture capitalists, or the coworker who is “just teasing” a new hire who knows nothing of the teaser’s friendly intentions. The expert’s problem is assuming that what’s so clear in his or her own mind is more obvious to others.

Consider how they would be judged by someone looking at their photograph.

Knowing how you are seen through the eyes of others requires looking at yourself though the same lens that others do.

Ambiguous mediums like email and texting and Twitter are such fertile ground for misunderstanding.

Those actually receiving the messages, however, could understand the speaker’s intention only when the speaker was on the phone. They could hear the sarcasm dripping from their voice regardless of whether they were actually using their voice or typing with their fingers. Those receiving the message, of course, could hear the sarcasm only through the speaker’s voice and heard nothing from the speaker’s fingers.

Believers might be even more egocentric when reasoning about God’s beliefs than when reasoning about other people’s beliefs.

If God is a moral compass, then the compass seems prone to pointing believers in whatever direction they are already facing.

Politicians talk about what “the people” want: the speaker’s own beliefs.

You can’t judge another person until you’ve walked a mile in their shoes. You hear it so often because the advice is so routinely ignored - by the rich who judge the poor as lazy and incompetent, the sober who judge the addicted to be weak and immoral, and the happy who can’t understand why the depressed don’t just “snap out of it.”

Learn that someone is a member of a different group than you, and you will drop egocentrism and pick up a stereotype to reason about that person’s mind instead.

Liberals favor a more equitable distribution than do conservatives, but

by how much? The difference between Democratic and Republican presidential voters was only 3.5 percent. Expecting a 40 percent gap between poor and rich when the actual gap was only 3 percent.

How your brain thinks of groups of anything: Instead of remembering exact details, you extract the “gist” of the information. The “gist” of a group is not its individual members but, rather, its average.

Women tended to think men would be more sexist than they actually were, exaggerating the differences between men and women.

Where our stereotypes go wrong: getting too little information, defining groups by their differences, and being unable to observe the true causes of group differences directly.

Each of us views only a small slice of the world’s people, hears only haphazard bits of highly selected evidence from news outlets or other sources, and talks to only a narrow group of generally like-minded friends.

Stereotypes about majority groups also look to be more accurate than stereotypes about minority groups, simply because larger groups provide more observational evidence than smaller groups.

When you go on a trip, much of your experience involves doing the same thing for long stretches of time - flying, driving, sleeping, standing, waiting, walking - but the story you tell your friends afterward is all about the different things you experienced.

You define yourself by the attributes that make you different.

A man who claims to be searching for himself is looking for a sense of distinction.

Consider the common stereotype that women are more emotional than men: Men and women watching the same emotionally evocative scenes show the same emotional reactions, on average, of the same intensity. Where men and women differ is in the outward expressions of their emotions, with women being more expressive than men. But when people watch these men and women, they infer that women are feeling more emotion than men because they are showing more emotion than men.

There are real differences in what men and women want but even larger similarities.

Those who write about gender are more attentive to differences than to similarities.

The differences among men and women are far larger than the differences between men and women.

Consider politics: people on opposing sides of each issue consistently assume that the other side is more extreme than it actually is. Real partisanship increases partly because of imagined partisanship on the other side. Israel and Egypt were disputing ownership of the Sinai Peninsula in 1976. Instead of fighting a zero-sum battle, the two sides came together and figured out each other's actual interests. Israel wanted security, and Egypt wanted sovereignty. The Israelis didn't want the Sinai Peninsula; they just didn't want to be attacked from it. The solution reached at Camp David was to give the land back to Egypt but to create a demilitarized band along the border. Israel got its safety, and Egypt got its land.

When groups are defined by their differences, people think they have less in common with people of other races or faiths or genders than they actually do.

Ignoring real group differences is every bit as mistaken as exaggerating them.

The elderly can behave differently than the young, blacks differently than whites, and women differently than men because of stereotypes about these groups rather than because of any inherent differences.

The questioner asked difficult questions and, therefore, looked bright. The contestant answered incorrectly and, therefore, looked dim. This is the correspondence bias, inferring a mind that corresponds with observed actions.

Common sense infers that the players are of unequal intellect rather than on an unequal playing field.

Those living in collectivist cultures and those generally more concerned with social norms and interpersonal harmony (such as in Southeast Asia) are, broadly speaking, more likely to recognize when people's actions reflect the dictates of their roles and environments rather than their corresponding states of mind, compared to people in cultures that place an emphasis on individual freedom and choice.

Most people trust what others tell them even when they might be lying.

The difficulty of disbelieving behavior that we naturally take at face value.

Misunderstanding the power of context can lead us to design ineffective solutions to important problems. If our intuitions tell us that people do what they want, then one path to changing their behavior is obvious: you need to make people want the right things.

Hurricane Katrina: “We’ve got to figure out some way to convince people that whenever warnings go out, it’s for their own good.” The main problem in Brown’s mind was that people didn’t want to leave, and so the solution is to persuade people more effectively the next time. This solution may create a great warning system that leaves just as many people stranded the next time. Many who stayed wanted desperately to leave but couldn’t. They didn’t need convincing, they needed a bus. You can see the offspring of this error in many well-meaning interventions. The poor making unwise financial choices? Roll out a financial literacy program to make their minds smarter.

Much more effective for changing behavior is targeting the broader context rather than individual minds, making it easier for people to do the things they already want to do. To keep people from littering, add additional trash cans, and then to pick up existing trash that otherwise makes it look like everyone else is littering.

Paying students and teachers for improved performance was completely ineffective.

Assuming that a person’s mind corresponds directly to his or her actions misses the importance of context in shaping behavior.

As the number of bystanders increases, the likelihood that any one of them will help you actually decreases. The ideal number might be two: one to help you and the other to call an ambulance.

The tools at our intuitive disposal are simplifying heuristics that give imperfect insight into the minds of others. The mistakes they lead to create predictable errors that keep us from perfect understanding.

Provide simple shortcuts for understanding the minds of others, but they come at the cost of oversimplifying them.

After I mention that I’m working on a book about mind reading, my conversational partner assumes I’m writing about either body language (learning to read facial cues or physical gestures) or perspective taking (learning to imagine yourself in another person’s situation). Which approach does the scientific evidence support? Neither.

To predict how the storyteller was feeling at each moment, those who could only see the storyteller were significantly less accurate than those who

could only hear the storyteller. Emotions were carried primarily on the speaker's voice.

“Microexpressions,” very brief flashes of emotion lasting less than one-fifth of a second and shown either on the entire face or in just a small part of it: The scientific credibility of claims about microexpressions is currently weak, at best.

Most of us are better liars than we think we are.

Perspective taking consistently decreased accuracy. Overthinking someone's emotional expression or inner intentions when there is little else to go on might introduce more error than insight.

Perspective taking exaggerated the perceived differences between the groups, thereby increasing distrust and enhancing selfishness.

What's the best way to get someone a gift? The science is clear. You don't try to adopt another person's perspective and guess better. Instead, you adopt a different approach. You have to actually get the other person's perspective, and perhaps the only way to do that is to ask what they want, or listen carefully while they drop hints, and then give it to them. That turns out to be widely applicable wisdom.

Nearly everything you know is secondhand: things you know only because someone told you.

The best predictor of empathic accuracy appears to be verbal intelligence. Knowing others' minds requires asking and listening, not just reading and guessing.

Getting your partner's perspective by asking them directly works much better than taking your partner's perspective by using your imagination.

Getting people to tell you their minds is the best overall solution for understanding them.

The main barrier to getting perspective is that others won't tell you what you'd like to know. They lie, mislead, misdirect, avoid, or simply refuse to divulge the truth. The vast majority of these lies are told by a small number of chronic liars. Keep your cynicism in check. Many people will tell you the truth if you ask a direct question in a context where they feel at liberty to give an honest answer and you are open to hearing.

The main reason people lie is to avoid being punished.

Instead of pressuring suspects until they crack from intimidation, fear, and pain, the new and more effective interrogation approach is one that establishes rapport and reduces fears of punishment. People were more willing to admit to having done something immoral when confronted a few minutes after the event - when their fear had subsided a bit - than when questioned immediately after the incident.

It makes no more sense for a pollster to ask you why you're voting for someone than it does for a doctor to ask you why you're feeling sick. And so pollsters instead ask about what people think.

People know their feelings right now more accurately than they can project what they'll be feeling months from now. Generally focus questions on the present rather than the future. Getting perspective fails if your direct questions turn speculative.

If you have to reiterate someone else's point to their satisfaction, then you'll find out if you've understood.

Understanding other people requires getting their perspective and then verifying that you've understood it correctly.

Technique for creating fast friends is to have two strangers disclose private thoughts or memories to each other.

The secret to understanding each other better seems to come not through an increased ability to read body language or improved perspective taking but, rather, through the hard relational work of putting people in a position where they can tell you their minds openly and honestly. ∴

A Guide to the Good Life: The Ancient Art of Stoic Joy - by William Irvine

ISBN: 0195374614

Date read: 2010-09-26

How strongly I recommend it: 10/10

(See my list of 200+ books, for more.)

Go to the Amazon page for details and reviews.

Almost too personal for me to give an objective review, because I found when reading it that the quirky philosophy I've been living my life by since 17 matches up exactly with a 2000-year-old philosophy called Stoicism. Mine was self-developed haphazardly, so it was fascinating to read the refined developed original. Really resonated.

my notes

If you lack a grand goal in living, you lack a coherent philosophy of life.
When you are on your deathbed, you will look back and realize that you wasted your one chance at living.
Instead of spending your life pursuing something genuinely valuable, you squandered it because you allowed yourself to be distracted.

Whatever philosophy of life you adopt, you will probably have a better life than if you tried to live without a coherent philosophy of life.

Of the things in life you might pursue, which is the thing you believe to be most valuable?

Find delight in your own resources, and desire no joys greater than your inner joys.

You are unlikely to have a good and meaningful life unless you can overcome your insatiability.

Why is self-discipline worth possessing? Because those who possess it have the ability to determine what they do with their life. Those who lack self-discipline will have the path they take through life determined by someone or something else.

Philosophical thinking took a giant leap forward in the sixth century BC:

Pythagoras (570-500 BC) in Italy

Thales (636-546 BC), Anaximander (641-547 BC), and Heracleitus (535-475 BC) in Greece

Confucius (551-479 BC) in China

Buddha (563-483 BC) in India

Philosophers provided their pupils with a philosophy of life: They taught them what things in life were worth pursuing and how best to pursue them.

The Cynics thought people should enjoy the good things life has to offer, including friendship and wealth, but only if they did not cling to these good things. They thought we should periodically interrupt our enjoyment of what life has to offer to spend time contemplating the loss of whatever it is we are enjoying.

But if they avoided the "good things," as the Cynics did, they thereby demonstrated that the things in question really were good - were things that, if they did not hide them from themselves, they would crave.

The Stoics enjoyed whatever "good things" happened to be available, but even as they did so, they prepared themselves to give up the things in

question.

The Stoics were not stoical!

Religions, after telling adherents what they must do to be morally up-standing and get into heaven, leave it to them to determine what things in life are and aren't worth pursuing. These religions see nothing wrong with an adherent working hard so he can afford a huge mansion and an expensive sports car. Adherents of the various religions, despite the differences in their religious beliefs, end up with the same impromptu philosophy of life, namely, a form of enlightened hedonism.

Pay attention to your enemies, for they are the first to discover your mistakes.

Hunger is the best appetizer, because if you wait until you're hungry or thirsty before you eat or drink, you'll eat simple food with greater pleasure than others do of the costliest of foods.

Parents sent their children to schools of philosophy not just so they could learn how to live well but so they could sharpen their skills of persuasion. By teaching their students logic, the Stoics were helping them develop these skills: Students who knew logic could detect the fallacies committed by others and thereby prevail over them in arguments.

We differ from other animals in one important respect: We have the ability to reason. We were designed to be reasonable.

A Stoic sage is free from vanity. He is indifferent to good or evil report. He never feels grief, since grief is an irrational contraction of the soul.

The sage is a target to aim at, even though you fail to hit it. The sage is to Stoicism as Buddha is to Buddhism. Most Buddhists can never hope to become as enlightened as Buddha, but nevertheless, reflecting on Buddha's perfection can help them gain a degree of enlightenment.

Tranquility is a psychological state in which we experience few negative emotions, such as anxiety, grief, and fear, but an abundance of positive emotions, especially joy.

Seneca explains how best to pursue tranquility. Use your reasoning ability to drive away all that excites or affrights you. If you can do this, there will ensue unbroken tranquility and enduring freedom.

A Stoic school should be like a physician's consulting room: patients should leave feeling bad rather than feeling good - the idea being that any

treatment likely to cure a patient is also likely to cause him discomfort.

You rob present ills of their power if you expect them.

Misfortune weighs most heavily on those who expect nothing but good fortune.

We're unhappy because we're insatiable. After working hard to get what we want, we lose interest in the object of our desire. Rather than feeling satisfied, we feel a bit bored, and in response to this boredom, we go on to form new, even grander desires.

The easiest way to gain happiness is to want the things you already have.

Spend time imagining that you have lost the things you value - that your wife has left you, your car was stolen, you lost your job. Doing this will make you value your wife, your car, and your job more than you otherwise would.

While kissing your child, silently reflect on the possibility that she will die tomorrow.

As we go about our day, periodically pause to reflect on the fact that you will not live forever and therefore this day could be your last.

Think about how you would feel if you lost your material possessions, including your house, car, clothing, pets, and bank balance. How you would feel if you lost your abilities, including your ability to speak, hear, walk, breathe, and swallow; and how you would feel if you lost your freedom.

You are living the dream you once had for yourself. Married to the person you once dreamed of marrying, have the children and job you once dreamed of having, and own the car you once dreamed of buying.

You are living in what to your ancestors would have been a dream world. You take for granted things that your ancestors had to live without.

An optimist sees his glass as being half full. For a Stoic, this degree of optimism would only be a starting point. After expressing his appreciation that his glass is half full rather than being completely empty, he will go on to express his delight in even having a glass: It could, after all, have been broken or stolen. And if he is atop his Stoic game, he might go on to comment about what an astonishing thing glass vessels are: They are cheap and fairly durable, impart no taste to what we put in them, and-miracle of miracles!-allow us to see what they contain.

There is a difference between contemplating something bad happening and worrying about it. Contemplation is an intellectual exercise. Conduct such

exercises without affecting your emotions.

One father periodically contemplates the loss of his child and therefore does not take her for granted; to the contrary, he appreciates her very much. Another father assumes that his child will always be there for him and therefore takes her for granted.

Do not over-love the things you enjoy. Be the user, but not the slave, of the gifts of fortune.

There will be a last time you hear the sound of snow falling, watch the moon rise, smell popcorn, feel the warmth of a child falling asleep in your arms. Every time you do something could be the last time you do it, and this recognition can invest the things you do with a significance and intensity that would otherwise be absent.

It is impossible that happiness, and yearning for what is not present, should ever be united.

Want only those things that are easy to obtain. Want only those things you can be certain of obtaining.

Gain contentment by changing ourselves - by changing our desires.

If you refuse to enter contests that you are capable of losing, you will never lose a contest.

The key to having a good life is to value things that are genuinely valuable and be indifferent to things that lack value.

Any time and energy spent on events you can't control will have no effect on the outcome of events and will therefore be wasted time and energy.

Set internal rather than external goals.

Internalize your goals. Make a goal not to change the world, but to do your best to bring about certain changes. Even if your efforts prove to be ineffectual, you can rest easy knowing you accomplished your goal: You did what you could do.

Be fatalistic with respect to the past and present. Refuse to compare your situation with alternative, preferable situations in which you might have found or might now find yourself.

Be attentive to all the advantages that adorn life.

Besides contemplating bad things happening, sometimes live as if they had happened. Instead of merely thinking about what it would be like to lose your wealth, periodically practice poverty: Content yourself with cheap fare and rough dress.

Examine the things you thought you needed so you can determine which of them you can in fact live without.

If you coddle yourself and allow yourself to be corrupted by pleasure, nothing will seem bearable. Not because things are hard but because you are soft. Ensure you never get too comfortable.

Periodically experience discomfort that you could have avoided. Underdress for cold weather or go shoeless. Become thirsty or hungry, even though water and food are at hand.

Do not inflict these discomforts to punish yourself; rather, do it to increase your enjoyment of life.

Harden yourself against misfortunes that might befall you in the future. If all you know is comfort, you might be traumatized when you are forced to experience pain or discomfort, as you someday almost surely will.

If you periodically experience minor discomforts, you will grow confident that you can withstand major discomforts as well. So you won't fear experiencing such discomforts at some future time. By experiencing minor discomforts, you train yourself to be courageous.

You'll better appreciate whatever comfort you experience.

If you periodically embrace discomfort, you're more likely to be comfortable than someone who tries to avoid all discomfort. You'll have a much wider comfort zone than others and will therefore feel comfortable under circumstances that would cause others distress.

Sometimes abstain from harmless pleasures. Pass up an opportunity to drink wine - not because you fear becoming an alcoholic but so you can learn self-control.

Willpower is like muscle power: the more you exercise your will, the stronger it gets.

By practicing self-denial techniques over a long period, you can transform yourself into someone remarkable for your courage and self-control. You will be able to do things that others dread doing, and refrain from doing things that others cannot resist doing. You will be thoroughly in control of yourself.

This self-control makes it far more likely that you will attain the goals of your philosophy of life, and this in turn dramatically increases your chances of living a good life.

Consciously abstaining from pleasure can itself be pleasant.
You will be pleased and will praise yourself.

Periodically meditate on the events of daily living, how you responded to these events, and how, in accordance with Stoic principles, you should have responded to them.

Shrug off all insults and slights. Also shrug off any praise.

To know how many are jealous of you, count your admirers.

Stop blaming, censuring, and praising others. Stop boasting about ourselves and how much we know. Blame yourself, not external circumstances, when your desires are thwarted.

Perform with resoluteness the duties we humans were created to perform. Nothing else should distract you. When you wake, rather than lying in bed, you must get up to do the proper work of man, the work you were created to perform.

If you do the things you were made for, you will enjoy man's true delight.

You cannot simply avoid dealing with annoying people, even though doing so would make your life easier. Nor can you capitulate to these annoying people to avoid discord. Instead, you should confront them and work for the common welfare. Show true love to the people with whom destiny has surrounded you.

Doing your social duty will give you the best chance at having a good life. This is the reward for doing one's duty: a good life.

Form a certain character and pattern for yourself when you are alone. Then, when you associate with other people, remain true to who you are.

Be selective about which social functions you attend.

You must associate with annoying, misguided, or malicious people in order to work for common interests. But be selective about whom you befriend. Avoid befriending people whose values have been corrupted, so their values won't contaminate yours. Instead seek people who share our values and in particular, people who are doing a better job than we are of living in accordance with good values. While enjoying the companionship of these individuals, work hard to learn what you can from them.

Spend time with an "unclean" person, and you will become unclean as well.

When irritated by someone's shortcomings, pause to reflect on your own shortcomings. Doing this will help you become more empathetic to this individual's faults and therefore become more tolerant of him.

Social fatalism: When dealing with others, assume they are fated to behave in a certain way. It is therefore pointless to wish they could be any other way.

The biggest risk in dealing with annoying people is that they will make you hate them, a hatred that is injurious to you. Therefore, you need to work to make sure men do not succeed in destroying your charitable feelings toward them.

The Stoics were big advocates of marriage. A wise man will marry, and having married, he and his wife will work hard to keep each other happy. In a good marriage, two people will join in a loving union and will try to outdo each other in the care they show for each other.

Consider the source of an insult. If you respect the source and value his opinions, then his critical remarks shouldn't upset you.

If you don't respect the source of an insult, rather than feeling hurt by his insults, you should feel relieved.

Take the insults of your fellow humans to be like the barking of a dog. When a dog barks, you might make a mental note that the dog appears to dislike you, but you would be a fool to become upset by this fact.

What upsets people is not things themselves but their judgments about these things.

Refusing to respond to an insult is one of the most effective responses.

Protecting disadvantaged individuals from insults will tend to make them hypersensitive to insults.

Grieving the death of his brother, Seneca writes, "Nature requires from us some sorrow, while more than this is the result of vanity."

Retrospective negative visualization: imagine never having had something that you have lost. By engaging in retrospective negative visualization, you can replace your feelings of regret at having lost something with feelings of thanks for once having had it.

Reason is our best weapon against grief, because unless reason puts an end to our tears, fortune will not do so.

Responding to the grief of friends by also grieving is as foolish as helping someone who has been poisoned by also taking poison.

We are bad men living among bad men, and only one thing can calm us: we must agree to go easy on one another.

People mistakenly pursue fame. Some want to be known around the world. Some seek regional fame or popularity within their social circle or recognition in their chosen profession. Almost everyone seeks the admiration of friends and neighbors.

The price of fame is so high that it far outweighs any benefits.

Don't seek social status, since if you make it your goal to please others, you will no longer be free to please yourself. You will have enslaved yourself.

Dealing with other people, be indifferent to what they think of us. Be consistent in your indifference. Be as dismissive of approval as you are of disapproval.

Cato consciously did things to trigger the disdain of other people simply so he could practice ignoring their disdain.

Not needing wealth is more valuable than wealth itself.

If you are exposed to a luxurious lifestyle, you might lose your ability to take delight in simple things.

Being exposed to luxurious living, people become hard to please. But rather than mourning the loss of their ability to enjoy simple things, they take pride in their newly gained inability to enjoy anything but "the best."

People who achieve luxurious lifestyles are rarely satisfied: Experiencing luxury only whets their appetite for even more luxury.

Dress to protect our bodies, not to impress other people. Likewise, our housing should be functional.

Imagine what it would be like to be old. The abilities you once took for granted will have departed. You used to run for miles; now you get winded walking down the hallway. You used to handle the finances of a corporation; now you can't even balance your checkbook.

The most delightful time of life is when it is on the downward slope, but has not yet reached the abrupt decline.

In your youth, because you assumed that you would live forever, you take your days for granted and as a result wasted many of them. In old age, however, waking up each morning can be a cause for celebration.

Having a coherent philosophy of life can make you more accepting of death. With a coherent philosophy of life you'll know what in life is worth attaining, and because you spent time trying to attain the thing in life you believe to be worth attaining, you have probably attained it, to the extent that it was possible for you to do so. Consequently, when it comes time for you to die, you will not feel cheated.

Those who have lived without a coherent philosophy of life, though, will desperately want to delay death. Because their improvised philosophy of life has convinced them that what is worth having in life is more of everything, and they cannot get more of everything if they die.

Someone who thinks he will live forever is far more likely to waste his days than someone who fully understands that his days are numbered.

We would also be better off...

if, instead of working hard to become wealthy, we trained ourselves to be satisfied with what we have

if, instead of seeking fame, we overcame our craving for the admiration of others

if, instead of spending time scheming to harm someone we envy, we spent that time overcoming our feelings of envy

if, instead of knocking ourselves out trying to become popular, we worked to maintain and improve our relationships with those we knew to be true friends.

Learn how to enjoy things without feeling entitled to them and without clinging to them.

Thoreau was interested in developing a philosophy of life. Always the practical question: How best can I live my daily life?

When people experience personal catastrophes, it is perfectly natural to experience grief. After this bout of reflexive grief, though, a Stoic will try to dispel whatever grief remains in him by trying to reason it out of existence. He will invoke the kinds of arguments Seneca used in his consolations: "Is this what the person who died would want me to do? Of course not! She would want me to be happy! The best way to honor her memory is to leave off grieving and get on with life."

Because grief is a negative emotion, the Stoics opposed it. At the same time, they realized that because we are mere mortals, some grief is inevitable in the course of a lifetime, as are some fear, some anxiety, some anger, some hatred, some humiliation, and some envy. The goal of the Stoics was therefore not to eliminate grief but to minimize it.

The first step in transforming a society into one in which people live a good life is to teach people how to make their happiness depend as little as possible on their external circumstances.

The second step in transforming a society is to change people's external circumstances.

If we fail to transform ourselves, then no matter how much we transform the society in which we live, we are unlikely to have a good life.

If you had gone to Epictetus and said, "I want to live a good life. What should I do?" he would have had an answer for you: "Live in accordance with nature." He would then have told you, in great detail, how to do this.

If you went to a 20-century analytic philosopher and asked the same question, he probably would have responded not by answering the question you asked but by analyzing the question itself: "The answer to your question depends on what you mean by 'a good life,' which in turn depends on what you mean by 'good' and 'a life.'" He might then walk you through all the things you could conceivably mean in asking how to live a good life and explain why each of these meanings is logically muddled.

His conclusion: It makes no sense to ask how to live a good life. When this philosopher had finished speaking, you might be impressed with his flair for philosophical analysis, but you might also conclude, with good reason, that he himself lacked a coherent philosophy of life.

Philosophies of life have two components: They tell us what things in life are and aren't worth pursuing, and they tell us how to gain the things that are worth having.

If you lack a grand goal in living, you lack a coherent philosophy of life.

We gained the ability to walk because our ancestors who had this ability were more likely to survive and reproduce than those who didn't, and yet some people use this ability to climb Mount Everest, an activity that distinctly reduces their chances of surviving.

Just as we can "misuse" our ability to hear or walk-use these abilities, that is, in a way that has nothing to do with the survival and reproduction of

our species—we can misuse our ability to reason.

In particular, we can use it to circumvent the behavioral tendencies that have been programmed into us by evolution.

We can use our reasoning ability to conclude that many of the things that our evolutionary programming encourages us to seek, such as social status and more of anything we already have, may be valuable if our goal is simply to survive and reproduce, but aren't at all valuable if our goal is instead to experience tranquility while we are alive.

It's now possible to survive despite having low social status; even if others despise us, the law prevents them from taking our food from us or driving us from our home. Furthermore, low social status is no longer an impediment to reproduction; indeed, in many parts of the world, men and women with low social status have higher rates of reproduction than men and women with high social status. If our goal is not merely to survive and reproduce but to enjoy a tranquil existence, the pain associated with a loss of social status isn't just useless, it is counterproductive.

Consider our insatiability: As we have seen, our evolutionary ancestors benefited from wanting more of everything, which is why we today have this tendency. But our insatiability, if we do not take steps to bridle it, will disrupt our tranquility; instead of enjoying what we already have, we will spend our life working hard to gain things we don't have, in the sadly mistaken belief that once we have them, we will enjoy them and search no further. What we must do, again, is misuse our intellect. Instead of using it to devise clever strategies to get more of everything, we must use it to overcome our tendency toward insatiability.

Stoicism is a cure for a disease. The disease in question is the anxiety, grief, fear, and various other negative emotions that plague humans and prevent them from experiencing a joyful existence.

Engage in negative visualization each night at bedtime.

After mastering negative visualization, a novice Stoic should move on to become proficient in applying the trichotomy of control.

Do your best to accept the past, whatever it might have been, and to embrace the present, whatever it might be.

Refuse to spend time engaging in "if only" thoughts about the past and present.

Whenever you undertake an activity in which public failure is a possibility, you are likely to experience butterflies in your stomach. Since becoming a stoic, I have become a collector of insults. I have also become a collector of

butterflies.

A calm life is actually disquieting because we are unaware of whether we would remain strong in the case of a tempest.

The biggest mistake, the one made by a huge number of people, is to have no philosophy of life at all. These people feel their way through life by following the promptings of their evolutionary programming, by assiduously seeking out what feels good and avoiding what feels bad. By doing this, they might have a comfortable life or even a life filled with pleasure. The question remains, however, whether they could have a better life by turning their back on their evolutionary programming and instead devoting time and energy to acquiring a philosophy of life.

Visit my author website (williambirvine.com) for information on how to obtain a copy of Cynthia King's translation of Musonius's works. :::

Stumbling on Happiness - by Daniel Gilbert

ISBN: 1400077427

Date read: 2007-07-11

How strongly I recommend it: 10/10

(See my list of 200+ books, for more.)

Go to the Amazon page for details and reviews.

Not at all new-agey, as the title might suggest. Harvard professor of psychology has studied happiness for years, and shares factual findings that will change the way you look at the world.

my notes

How much of what you do is for now, and how much is to please the future you?

We do "good" things in the charitable service of the people we will soon become. We treat our future selves as though they were our children, constructing tomorrows that we hope will make them happy.

The human being is the only animal that thinks about the future.

The greatest achievement of the human brain is its ability to imagine objects and episodes that do not exist in the realm of the real, and it is this ability that allows us to think about the future. The human brain is an "anticipation machine" and "making future" is the most important thing it does.

Volunteers imagined themselves requesting a date with a person on whom they

had a major crush, and those who had had the most elaborate and delicious fantasies about approaching their heartthrob were *least* likely to do so over the next few months.

When people find it easy to imagine an event, they overestimate the likelihood that it will occur. Because we get more practice imagining good events than bad events, we overestimate the likelihood that good events will actually happen to us, which leads us to be unrealistically optimistic about our futures.

Although citizens of other nations are not as optimistic as Americans, they also tend to imagine that their futures will be brighter than those of their peers.

Fear, worry, and anxiety have useful roles to play in our lives. We motivate by dramatizing the unpleasant consequences of misbehaviors by imagining the unpleasant tomorrows.

The most important reason why our brains insist on simulating the future is that our brains want to control the experiences we are about to have.

If we lose our ability to control things, we become unhappy, helpless, hopeless, and depressed.

People often act as though they can control the uncontrollable. People bet more money on games of chance when their opponents seem incompetent than competent - as though they believed they could control the random drawing of cards from a deck and thus take advantage of a weak opponent. People feel more certain that they will win a lottery if they can control the number on their ticket, and they feel more confident that they will win a dice toss if they can throw the dice themselves. People will wager more money on dice that have not yet been tossed than on dice that have already been tossed but whose outcome is not yet known, and they will bet more if they, rather than someone else, are allowed to decide which number will count as a win. All of these are absolutely absurd if they believed they had no control over an uncontrollable event.

Subjectivity : the fact that experience is unobservable to everyone but the person having it.

Remembering yellow: 73% of people not-describing a remembered color remembered it. Only 33% of those that described it in-between remembered it. Describing the color impaired rather than improved performance. Verbal descriptions overwrote their memories.

No one knows what happiness really is. Therefore we should never say we are happy until we are dead because otherwise, if the real thing ever does

come along, we will have used up the word and won't have any way to tell the newspapers about it.

Volunteers showed quiz-show questions, and asked to estimate the likelihood that they could answer them correctly. Volunteers who saw only the questions thought they were difficult. Volunteers who saw both the question and the answer believed they could have answered the questions easily had they never seen the answers at all.

^ Once we have an experience, we cannot simply set it aside and see the world as we would have seen it had the experience never happened. The jury cannot disregard the prosecutor's snide remarks.

To say an experience that once brought me pleasure no longer does? A man given a drink of water in the desert may rate his happiness at that moment as an 8/8. A year later, that same drink might make him feel no better than a 2/8. Are we to believe he was wrong about how happy he was in the desert, or that a sip of water can be a source of ecstasy or a source of moisture depending on one's experiential background?

The moment we encounter an object, our brains instantly analyze just a few of its key features and then use the presence or absence of these features to make one very fast simple decision: "Is this object an important thing to which I ought to respond right now?"

Numbfeel : It is possible - at least for some of the people some of the time - to be happy, sad, bored, or curious, and not know it.

Our brain offers us an interpretation of the way things are. Because those interpretations are usually so good, we do not realize that we are seeing an interpretation. Instead, we feel as though we are sitting comfortably inside our heads, looking out through the clear glass windshield of our eyes, watching the world as it really is. We forget that our brains are talented forgers, weaving a tapestry of memory and perception whose detail is so compelling that its inauthenticity is rarely detected. The mistake we make when we unthinkingly accept the validity of our memories and perceptions is the same mistake we make when we imagine our futures.

Seeing in time is like seeing in space. When things are far away (in space) they are vague and lacking in detail. We do not mistakenly conclude that the far-away thing is vague and lacking in detail. But when we remember or imagine a distant (in time) event, our brains seem to overlook the fact that details vanish, and we conclude that the distant events are as vague as we are imagining and remembering them. For example, have you ever wondered why you often make commitments that you deeply regret when the moment to fulfill them arrives? When we said yes, we were thinking in terms of why instead of

how, in terms of causes of consequences instead of execution, and we failed to consider the fact that the detail-free event we were imagining would not be the detail-laden event we would actually experience. Doing something next month is "an act of love", whereas doing it right now is "an act of lunch".

When volunteers are asked to "imagine a good day", they imagine a greater variety of events if the good day is tomorrow than if the good day is a year later. Tomorrow is imagined in considerable detail, as mix of good stuff and unpleasant stuff. A good day a year later is imagined as a smooth purée of happy episodes. When asked, they think the mental images of the near and far futures are equally realistic.

Curiosity : people given boring quiz asked (beforehand) if they'd prefer a candy bar at the end or to know the answers. Everyone predicted they'd want the candy bar. But after the test, even though the questions were trite, people chose to know the answers over the candy bar. Like a mystery novel, couldn't stand not knowing.

Just as imagination previews objects, so does it prefeel events.

Before making a choice, some volunteers were asked to think logically, whereas others were asked to make their choice quickly and "from the gut". When asked days later about the result of their decision, the thinkers were least satisfied. Nonthinkers trusted their prefeelings: if imagining the future made them feel good, choosing that choice would make them feel good, and they were right.

Prefeeling allowed nonthinkers to predict their future satisfaction more accurately than thinkers did. When people are prevented from feeling emotion in the present, they become temporarily unable to predict how they will feel in the future.

When we ask our brains to look at a real object and an imaginary object at the same time, our brains choose the real object. (Eyes open and looking at something overrides imagining something.)

When we try to ignore our current gloomy state and make a forecast about how we will feel tomorrow, we find it's a lot like trying to imagine the taste of marshmallow while chewing liver. It's only natural that we should imagine the future and then consider how doing so makes us feel, but because our brains are hell-bent on responding to current events, we mistakenly conclude that we will feel tomorrow as we feel today.

Volunteers in a no-variety group were more satisfied than volunteers in the variety group. Variety made people less happy, not more.

Wonderful things are especially wonderful the first time they happen, but their wonderfulness wanes with repetition. (Think about the first time your love said "I love you", versus the 100th time.)

Time and variety are two ways to avoid habituation, and if you have one, then you don't need the other.

When episodes are sufficiently separated in time, variety is not only unnecessary, it can actually be costly.

Starting points have a profound impact on ending points. Starting points matter because we often end up close to where we started. When people predict future feelings by imagining a future event as though it were happening in the present and then correcting for the event's actual location in time, they make the same error.

People prefer to have a job that pays \$30k, then \$40k, then \$50k - rather than a job that earns \$60k, then \$50k, then \$40k, even though the latter would earn more money.

We don't think in absolute dollars. We think of relative dollars. (We would drive across town to save \$50 on a \$100 radio, but not to save \$50 on a \$100,000 car.)

If you ask someone to pay an unrealistically large cost ("could you commit to coming to our rally every weekend this summer?") before asking them to pay a smaller amount ("ok then could you at least contribute \$20?") - they're much more likely to agree to pay the small cost after having contemplated the large one, in part because doing so makes the small cost seem so bearable.

People are more likely to purchase a vacation package that has been marked down from \$600 to \$500 than an identical package that costs \$400 that was on sale the previous day for \$300. We end up preferring bad deals that have become decent deals to great deals that were once amazing deals.

People don't like to buy the most expensive item in a category, so retailers can improve their sales by stocking a few very expensive items that no one actually buys (a \$500 bottle of champagne) that makes less expensive items seem like a bargain by comparison (a \$60 champagne). Real estate people often bring clients to shitholes first, so that the ordinary house feels like a miracle in comparison.

People were given the opportunity to bid on a dictionary that was in perfect condition and had 10,000 words. They bid \$24. Others given the opportunity to bid on a dictionary with a torn cover but 20,000 words. They bid \$20. When a different group was able to compare them side-by-side, they

bid \$19 for the small intact dictionary and \$27 for the large torn dictionary. People care about an attribute (# of words) only when it is brought to their attention by side-by-side comparison.

What do all these facts about comparison mean for our ability to imagine future feelings?

- (a) - value is determined by the comparison of one thing to another
- (b) - there is more than one kind of comparison we can make in any given instance
- (c) - we may value something more highly when we make one kind of comparison than when we make a different kind of comparison.

If we want to predict how something will make us feel in the future, we must consider the kind of comparison we will be making in the future, and not the kind of comparison we happen to be making in the present.

When we start shopping for a new pair of sunglasses, we compare the cool new ones in the store with the old outdated ones on our nose. But a few days after buying the new ones, we stop comparing them with the old pair and the delight that the comparison produced is gone.

"Presentism": judging historical figures by contemporary standards. Condemning Thomas Jefferson for keeping slaves or Sigmund Freud for patronizing women is like arresting someone today for having driven without a seat belt in 1923.

People who don't have dire reactions to tragic events are sometimes diagnosed as having "absent grief". Recent research shows conventional wisdom is wrong, that the absence of grief is quite normal, and most people are surprisingly resilient in the face of trauma.

When people are asked to predict how they'll feel if a bad event occurs, they consistently overestimate how awful they'll feel and how long they'll feel awful.

Researchers asked volunteers to write down their definition of "talented", then to estimate their talent using that definition as a guide. Other volunteers were given the definitions that the first group had written down and were asked to estimate their own talent using those definitions as a guide. The ones who defined "talented" rated themselves as more talented than the non-definers. Because definers were given the liberty to define the word talented any way they wished, they defined it exactly as wished - in terms of some activity at which they happened to excel.

Because experiences are inherently ambiguous, finding a positive view of an experience is done well and often. Racetrack gamblers evaluate their horses more positively when they are leaving the betting window than when

they are approaching it. Same with voters. Objects are fine on their own, but when they become *our* objects, they are instantly finer. People are adept at finding a positive way to view things once those things become their own.

We cannot do without reality and we cannot do without illusion. Each serves a purpose, each imposes a limit on the influence of the other, and our experience of the world is inbetween.

When volunteers in one study were told that they'd scored poorly on an IQ test, and were then given an opportunity to peruse articles about IQ tests, they spent more time reading articles that questioned the validity of such tests than articles that sanctioned them. When volunteers in another study were given a glowing evaluation by a supervisor, they were more interested in reading background information that praised the supervisor's competence and acumen than background information that impeached it.

Half a group was shown that extraverts are more successful. Other half shown that introverts are more successful. Then when asked to recall events from their past to help determine which they were, they remembered just the events that support the successful group they were told.

We spent countless hours and dollars arranging our lives to ensure that we are surrounded by people who like us, and people who are like us.

A question such as "Am I the best lover you've ever had?" is dangerous because it has only one answer that can make us truly happy. "What do you like best about my lovemaking?" is brilliant because it has only one answer that can make us truly miserable.

96% of cancer patients claim to be in better health than the average cancer patient.

If we can't find people who are doing more poorly than we are, we create them. Volunteers in one study took a test and were given the opportunity to provide hints that would either help or hinder a friend's performance on the same test. When described as a game, they gave helpful hints. When described as an intelligence test, they gave hindering hints.

Although the word "fact" seems to suggest an unquestionable irrefutability, facts are nothing more than conjectures that have met a certain standard of proof. If we set that standard high enough, then nothing can ever be proved, including the fact of our own existence.

When we want to believe that someone is smart, a single letter of recommendation may suffice. When we don't want to believe that person is smart, we may demand a thick envelope full of transcripts, tests, and testimony.

It doesn't take much to convince us that we are smart and healthy, but it takes a lot of facts to convince us of the opposite.

People are typically unaware of the reasons why they are doing what they are doing, but when asked for a reason, they readily supply one.

Listening to a piece of music, some volunteers were told to just listen, while others were told to listen while consciously trying to be happy. The volunteers who had tried to be happy were in a worse mood than the ones who had simply listened. Why? (1) deliberate attempts to be happy tend to backfire and we end up feeling worse than we did before. (2) deliberate attempts to cook the facts are so transparent that they make us feel cheap.

Nobody wants to be stood up at the altar, but those who have had it happen say it was the best thing that happened to them. Like so many things, getting jilted is more painful in prospect and more rosy in retrospect.

Most people think they will regret foolish actions more than foolish inactions. But 90% of them are wrong. People in all walks of life seem to regret NOT having done things much more than they regret things they did. The most popular regrets are not going to college, not grasping profitable business opportunities, and not spending enough time with family and friends.

It's harder to manufacture positive and credible views of inactions than actions. When our inactions cause regret, we can't console ourselves by thinking of all the things we learned from the experience because there wasn't one.

The intensity of suffering triggers defensive systems, which work to help them achieve a credible and positive view of their experience. When people are given electric shocks, they actually feel less pain when they believe they are suffering for something of great value. The intense shocks were unpleasant enough to trigger their psychological defenses, but the mild shocks were not, hence they valued the club most when its initiation was painful. That's why you can forgive your spouse for cheating but stay angry about the dishes.

You may ultimately feel better when you are the victim of an insult than when you are bystander to it.

We're more likely to look for and find a positive view of the things we're stuck with than of the things we're not.

It is only when we cannot change the experience that we look for ways to change our view of the experience.

We find silver linings only when we must.

People try to explain events. When people do not complete the things they set out to do, they are especially likely to think about and remember their unfinished business. Once we explain an event, we can fold it up nicely, put it away in memory's drawer, and move on to the next one. But if an event defies explanation, it becomes a mystery or a conundrum, which refuse to stay in the back of our mind.

People choose certainty over uncertainty and clarity over mystery, despite the fact that in both cases clarity and certainty had been shown to diminish happiness.

We naturally (but incorrectly) assume that things that come easily to mind are things we have frequently encountered.

Infrequent or unusual experiences are the most memorable.

The fact that the least likely experience is often the most likely memory can wreak havoc with our ability to predict future experiences.

Memory's fetish for endings explains why women often remember childbirth as less painful than it really was, and why couples whose relationships have gone sour remember that they were never really happy in the first place.

Genes tend to be transmitted when they make us do things that transmit genes.

Wealth increases happiness when it lifts people out of poverty into middle class, but it does little to increase happiness thereafter.

Economies grow only if people are deluded into believing that the production of wealth will make them happy.

The belief that children are a source of happiness becomes a part of our cultural wisdom simply because the opposite belief unravels the fabric of any society that holds it.

One way to make predictions about our own emotional futures is to find someone who is having the experience we are contemplating and ask them how they feel.

The best way to predict our feelings tomorrow is to see how others are feeling today.

The average person doesn't see themselves as average. Most students see themselves as more intelligent than the average student. Most business

managers see themselves as more competent than the average business manager. Most football players see themselves as having better sense than their teammates. 90% of motorists consider themselves to be safer-than-average drivers. 94% of college professors consider themselves to be better-than-average teachers. Ironically, our bias towards seeing ourselves as better than average causes us to see ourselves as less biased than average, too.

This is general tendency to think of ourselves as different from others - often for better but sometimes for worse. When people are asked about generosity, they claim to perform a greater number of generous acts than others do, but when asked about selfishness, they claim to perform a greater number of selfish acts than others do. When people are asked about their ability to perform an easy task, (driving, bike-riding), they rate themselves better than others, but when asked about their ability to perform a difficult task (juggling or playing chess), they rate themselves as worse than others.

We don't always see ourselves as superior, but we almost always see ourselves as unique.

Surrogation is a cheap and effective way to predict one's future emotions, but because we don't realize just how similar we all are, we reject this reliable method and rely instead on our imaginations, as flawed and fallible as they may be. :::

Thinking, Fast and Slow - by Daniel Kahneman

ISBN: 66157471

Date read: 2011-12-08

How strongly I recommend it: 10/10

(See my list of 200+ books, for more.)

Go to the Amazon page for details and reviews.

If you liked "Predictably Irrational" or "Stumbling on Happiness" or any of those pop-psychology books, well, this is the Godfather of all of their work. Huge thorough book gives a great overview of much of his work. Read the other quotes on Amazon about it.

my notes

The title of the book refers to two modes of thinking, which he refers to as:

* "System 1" = The instant, unconscious, automatic, emotional, intuitive thinking.

* "System 2" = The slower, conscious, rational, reasoning, deliberate thinking.

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EXPERTISE:

Expert intuition: The situation has provided a cue; this cue has given the expert access to information stored in memory, and the information provides the answer. Intuition is nothing more and nothing less than recognition.

Valid intuitions develop when experts have learned to recognize familiar elements in a new situation and to act in a manner that is appropriate to it.

Philip Tetlock's book "Expert Political Judgment: How Good Is It? How Can We Know?" - gathered more than 80,000 predictions. The experts performed worse than they would have if they had simply assigned equal probabilities. Even in the region they knew best, experts were not significantly better than nonspecialists.

People who spend their time, and earn their living, studying a particular topic produce poorer predictions than dart-throwing monkeys.

Those with the most knowledge are often less reliable. The reason is that the person who acquires more knowledge develops an enhanced illusion of her skill and becomes unrealistically overconfident.

Hedgehogs "know one big thing" and have a theory about the world; they account for particular events within a coherent framework, bristle with impatience toward those who don't see things their way, and are confident in their forecasts. They are also especially reluctant to admit error.

It is much easier to strive for perfection when you are never bored.

Flow neatly separates the two forms of effort: concentration on the task and the deliberate control of attention.

In a state of flow, maintaining focused attention on these absorbing activities requires no exertion of self-control, thereby freeing resources to be directed to the task at hand.

Many people are overconfident, prone to place too much faith in their intuitions. They apparently find cognitive effort at least mildly unpleasant and avoid it as much as possible.

Putting the participants in a good mood before the test by having them think happy thoughts more than doubled accuracy. An even more striking result is that unhappy subjects were completely incapable of performing the intuitive task accurately; their guesses were no better than random. Mood evidently affects the operation of System 1: when we are uncomfortable and unhappy, we

lose touch with our intuition.

When in a good mood, people become more intuitive and more creative but also less vigilant and more prone to logical errors. Here again, as in the mere exposure effect, the connection makes biological sense. A good mood is a signal that things are generally going well, the environment is safe, and it is all right to let one's guard down. A bad mood indicates that things are not going very well, there may be a threat, and vigilance is required.

Surprise itself is the most sensitive indication of how we understand our world and what we expect from it.

The main function of System 1 is to maintain and update a model of your personal world, which represents what is normal in it.

When System 2 is otherwise engaged, we will believe almost anything. System 1 is gullible and biased to believe, System 2 is in charge of doubting and unbelieving, but System 2 is sometimes busy, and often lazy.

Understanding a statement must begin with an attempt to believe it: you must first know what the idea would mean if it were true. Only then can you decide whether or not to disbelieve it. The initial attempt to believe is an automatic operation of System 1.

Disbelieving is an operation of System 2.

The operations of associative memory contribute to a general confirmation bias. When asked, "Is Sam friendly?" different instances of Sam's behavior will come to mind than would if you had been asked "Is Sam unfriendly?" A deliberate search for confirming evidence, known as positive test strategy, is also how System 2 tests a hypothesis. Contrary to the rules of philosophers of science, who advise testing hypotheses by trying to refute them, people (and scientists, quite often) seek data that are likely to be compatible with the beliefs they currently hold. The confirmatory bias of System 1 favors uncritical acceptance of suggestions and exaggeration of the likelihood of extreme and improbable events.

Herbert Simon's definition of intuition: Expertise in a domain is not a single skill but rather a large collection of miniskills.

The confidence that people have in their intuitions is not a reliable guide to their validity. In other words, do not trust anyone - including yourself - to tell you how much you should trust their judgment.

When do judgments reflect true expertise?

An environment that is sufficiently regular to be predictable an opportunity to

learn these regularities through prolonged practice.
When both these conditions are satisfied, intuitions are likely to be skilled.

Intuition cannot be trusted in the absence of stable regularities in the environment.

If the environment is sufficiently regular and if the judge has had a chance to learn its regularities, the associative machinery will recognize situations and generate quick and accurate predictions and decisions. You can trust someone's intuitions if these conditions are met.

When evaluating expert intuition you should always consider whether there was an adequate opportunity to learn the cues, even in a regular environment.

"Does he really believe that the environment of start-ups is sufficiently regular to justify an intuition that goes against the base rates?"

"Did he really have an opportunity to learn? How quick and how clear was the feedback he received on his judgments?"

The proper way to elicit information from a group is not by starting with a public discussion but by confidentially collecting each person's judgment.

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JUMPING TO CONCLUSIONS

The way to block errors that originate in System 1 is simple in principle: recognize the signs that you are in a cognitive minefield, slow down, and ask for reinforcement from System 2.

When you see lines with fins pointing in different directions, you will recognize the situation as one in which you should not trust your impressions of length. Unfortunately, this sensible procedure is least likely to be applied when it is needed most.

Organizations are better than individuals when it comes to avoiding errors, because they naturally think more slowly and have the power to impose orderly procedures. Organizations can institute and enforce the application of useful checklists,

When the question is difficult and a skilled solution is not available, intuition still has a shot: an answer may come to mind quickly - but it is not an answer to the original question.

When faced with a difficult question, we often answer an easier one instead, usually without noticing the substitution.

An easy question (How do I feel about it?) serves as an answer to a much harder question (What do I think about it?).

System 1 effortlessly originates impressions and feelings that are the main sources of the explicit beliefs and deliberate choices of System 2. The automatic operations of System 1 generate surprisingly complex patterns of ideas, but only the slower System 2 can construct thoughts in an orderly series of steps.

You can also feel a surge of conscious attention whenever you are surprised. System 2 is activated when an event is detected that violates the model of the world that System 1 maintains.

Most of what you (your System 2) think and do originates in your System 1, but System 2 takes over when things get difficult, and it normally has the last word.

Continuous vigilance is not necessarily good, and it is certainly impractical. Constantly questioning our own thinking would be impossibly tedious, and System 2 is much too slow and inefficient to serve as a substitute for System 1 in making routine decisions. The best we can do is a compromise: learn to recognize situations in which mistakes are likely and try harder to avoid significant mistakes

Anything that occupies your working memory reduces your ability to think.

Test Questions were chosen because they also invite an intuitive answer that is both compelling and wrong:

Students who scored very low on this test - their supervisory function of System 2 is weak - and they are prone to answer questions with the first idea that comes to mind and unwilling to invest the effort needed to check their intuitions.

Individuals who uncritically follow their intuitions about puzzles are also prone to accept other suggestions from System 1. In particular, they are impulsive, impatient, and keen to receive immediate gratification.

What makes some people more susceptible than others to biases of judgment? Stanovich published his conclusions in a book titled *Rationality and the Reflective Mind*.

Superficial or “lazy” thinking is a flaw in the reflective mind, a failure of rationality.

Rationality should be distinguished from intelligence.

When information is scarce, which is a common occurrence, System 1 operates as a machine for jumping to conclusions. You did not start by asking, “What would I need to know before I formed an opinion about the quality of someone’s leadership?” System 1 got to work on its own from the first adjective.

The combination of a coherence-seeking System 1 with a lazy System 2 implies that System 2 will endorse many intuitive beliefs, which closely reflect the impressions generated by System 1.

Based on brief exposure to photographs and without any political context: In about 70% of the races for senator, congressman, and governor, the election winner was the candidate whose face had earned a higher rating of competence.

A remarkable aspect of your mental life is that you are rarely stumped. You have intuitive feelings and opinions about almost everything that comes your way. You often have answers to questions that you do not completely understand, relying on evidence that you can neither explain nor defend.

If a satisfactory answer to a hard question is not found quickly, System 1 will find a related question that is easier and will answer it.

If they had been given indefinite time and told to follow logic and not to answer until they were sure of their answer, I believe that most of our subjects would have avoided the conjunction fallacy. However, their vacation did not depend on a correct answer; they spent very little time on it, and were content to answer as if they had only been “asked for their opinion.” The laziness of System 2 is an important fact of life.

Following our intuitions is more natural, and somehow more pleasant, than acting against them.

You cannot help dealing with the limited information you have as if it were all there is to know. You build the best possible story from the information available to you, and if it is a good story, you believe it. Paradoxically, it is easier to construct a coherent story when you know little, when there are fewer pieces to fit into the puzzle. Our comforting conviction that the world makes sense rests on a secure foundation: our almost unlimited ability to ignore our ignorance.

Poor evidence can make a very good story.

For some of our most important beliefs we have no evidence at all, except that people we love and trust hold these beliefs.

Cognitive illusions can be more stubborn than visual illusions. What

you learned about the Müller-Lyer illusion did not change the way you see the lines.

Intuition adds value, but only after a disciplined collection of objective information and disciplined scoring of separate traits.

Do not simply trust intuitive judgment - your own or that of others - but do not dismiss it, either.

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STATISTICS

People are prone to apply causal thinking inappropriately, to situations that require statistical reasoning. Statistical thinking derives conclusions about individual cases from properties of categories and ensembles. Unfortunately, System 1 does not have the capability for this mode of reasoning; System 2 can learn to think statistically, but few people receive the necessary training.

From the same urn, two very patient marble counters take turns. Jack draws 4 marbles on each trial, Jill draws 7. They both record each time they observe a homogeneous sample - all white or all red. If they go on long enough, Jack will observe such extreme outcomes more often than Jill - by a factor of 8 (the expected percentages are 12.5% and 1.56%). Again, no hammer, no causation, but a mathematical fact: samples of 4 marbles yield extreme results more often than samples of 7 marbles do. Now imagine the population of the United States as marbles in a giant urn. Some marbles are marked KC, for kidney cancer. You draw samples of marbles and populate each county in turn. Rural samples are smaller than other samples. Just as in the game of Jack and Jill, extreme outcomes (very high and/or very low cancer rates) are most likely to be found in sparsely populated counties. This is all there is to the story.

People should regard their statistical intuitions with proper suspicion and replace impression formation by computation whenever possible.

We are prone to exaggerate the consistency and coherence of what we see. The exaggerated faith of researchers in what can be learned from a few observations is closely related to the halo effect, the sense we often get that we know and understand a person about whom we actually know very little.

The associative machinery seeks causes. The difficulty we have with statistical regularities is that they call for a different approach. Instead of focusing on how the event at hand came to be, the statistical view relates it to what could have happened instead. Nothing in particular caused it to be what it is - chance selected it from among its alternatives. Our predilection for causal thinking ex-

poses us to serious mistakes in evaluating the randomness of truly random events.

Bad schools also tend to be smaller than average. The truth is that small schools are not better on average; they are simply more variable.

A basic limitation in the ability of our mind to deal with small risks: we either ignore them altogether or give them far too much weight - nothing in between.

We tend to overweight small risks and are willing to pay far more than expected value to eliminate them altogether.

When an unlikely event becomes the focus of attention, we will assign it much more weight than its probability deserves.

Reducing or mitigating the risk is not adequate; to eliminate the worry the probability must be brought down to zero.

People overestimate the probabilities of unlikely events. People overweight unlikely events in their decisions.

What is the probability that a baby born in your local hospital will be released within three days? You were asked to estimate the probability of the baby going home, but you almost certainly focused on the events that might cause a baby not to be released within the normal period. Our mind has a useful capability to focus spontaneously on whatever is odd, different, or unusual.

The unlikely event became focal.

Your estimate of the frequency of problems was too high.

The successful execution of a plan is specific and easy to imagine when one tries to forecast the outcome of a project. In contrast, the alternative of failure is diffuse, because there are innumerable ways for things to go wrong. Entrepreneurs and the investors who evaluate their prospects are prone both to overestimate their chances and to overweight their estimates.

The decision weight for a 90% chance was 71.2 and the decision weight for a 10% chance was 18.6.

The valuation of gambles was much less sensitive to probability when the (fictitious) outcomes were emotional, than when the outcomes were gains or losses of cash.

The fear of an impending electric shock was essentially uncorrelated with the probability of receiving the shock. The mere possibility of a shock

triggered the full-blown fear response.

Urn A contains 10 marbles, of which 1 is red.

Urn B contains 100 marbles, of which 8 are red.

30%–40% of students choose the urn with the larger number of winning marbles, rather than the urn that provides a better chance of winning.

If your attention is drawn to the winning marbles, you do not assess the number of nonwinning marbles with the same care. Vivid imagery contributes to denominator neglect.

Low-probability events are much more heavily weighted when described in terms of relative frequencies (how many) than when stated in more abstract terms of “chances,” “risk,” or “probability” (how likely). As we have seen, System 1 is much better at dealing with individuals than categories.

“A disease that kills 1,286 people out of every 10,000” was judged more dangerous than a disease that “kills 24.4 out of 100.”

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PRIMING / ANCHORING

Your actions and your emotions can be primed by events of which you are not even aware.

The common admonition to “act calm and kind regardless of how you feel” is very good advice: You are likely to be rewarded by actually feeling calm and kind.

Money-primed people become more independent than they would be without the associative trigger. They persevered almost twice as long in trying to solve a very difficult problem before they asked the experimenter for help, a crisp demonstration of increased self-reliance. Money-primed people are also more selfish: they were much less willing to spend time helping another student who pretended to be confused about an experimental task. When an experimenter clumsily dropped a bunch of pencils on the floor, the participants with money (unconsciously) on their mind picked up fewer pencils.

Money-primed undergraduates also showed a greater preference for being alone. The general theme of these findings is that the idea of money primes individualism: a reluctance to be involved with others, to depend on others, or to accept demands from others. The psychologist who has done this remarkable research, Kathleen Vohs,

Living in a culture that surrounds us with reminders of money may

shape our behavior and our attitudes in ways that we do not know about and of which we may not be proud. Some cultures provide frequent reminders of respect, others constantly remind their members of God, and some societies prime obedience by large images of the Dear Leader.

Reminding people of their mortality increases the appeal of authoritarian ideas, which may become reassuring in the context of the terror of death.

Feeling that one's soul is stained appears to trigger a desire to cleanse one's body.

A reliable way to make people believe in falsehoods is frequent repetition, because familiarity is not easily distinguished from truth.

Words that were presented more frequently were rated much more favorably than the words that had been shown only once or twice.

Biological fact: an organism should react cautiously to a novel stimulus, with withdrawal and fear.

If repeated exposure of a stimulus is followed by nothing bad, such a stimulus will eventually become a safety signal.

The evaluation of the risk depends on the choice of a measure - with the obvious possibility that the choice may have been guided by a preference for one outcome or another. He goes on to conclude that "defining risk is thus an exercise in power."

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AVAILABILITY HEURISTIC

The experience of familiarity has a simple but powerful quality of 'pastness' that seems to indicate that it is a direct reflection of prior experience. This quality of pastness is an illusion.

A name you've seen before will look familiar when you see it because you will see it more clearly. Words that you have seen before become easier to see again - you can identify them better than other words when they are shown very briefly or masked by noise, and you will be quicker (by a few hundredths of a second) to read them than to read other words. In short, you experience greater cognitive ease in perceiving a word you have seen earlier, and it is this sense of ease that gives you the impression of familiarity.

Information that is not retrieved (even unconsciously) from memory might as well not exist. System 1 excels at constructing the best possible story that incorporates ideas currently activated, but it does not (cannot) allow for information it does not have. The measure of success for System 1 is the

coherence of the story it manages to create.

Availability heuristic, like other heuristics of judgment, substitutes one question for another: you wish to estimate the size of a category or the frequency of an event, but you report an impression of the ease with which instances come to mind.

Discover how the heuristic leads to biases by following a simple procedure: list factors other than frequency that make it easy to come up with instances. Each factor in your list will be a potential source of bias.

People are less confident in a choice when they are asked to produce more arguments to support it.

Students who listed more ways to improve the class rated it higher!

Death by accidents was judged to be more than 300 times more likely than death by diabetes, but the true ratio is 1:4. The lesson is clear: estimates of causes of death are warped by media coverage. The coverage is itself biased toward novelty and poignancy.

The ease with which ideas of various risks come to mind and the emotional reactions to these risks are inextricably linked. Frightening thoughts and images occur to us with particular ease, and thoughts of danger that are fluent and vivid exacerbate fear.

Anchoring effect. It occurs when people consider a particular value for an unknown quantity before estimating that quantity. What happens is one of the most reliable and robust results of experimental psychology: the estimates stay close to the number that people considered.

The same house will appear more valuable if its listing price is high than if it is low, even if you are determined to resist the influence of this number.

Any number that you are asked to consider as a possible solution to an estimation problem will induce an anchoring effect.

On some days, a sign on the shelf said limit of 12 per person. On other days, the sign said no limit per person. Shoppers purchased an average of 7 cans when the limit was in force, twice as many as they bought when the limit was removed. Anchoring is not the sole explanation. Rationing also implies that the goods are flying off the shelves, and shoppers should feel some urgency about stocking up.

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STEREOTYPES

Stereotypes are statements about the group that are (at least tentatively) accepted as facts about every member. Here are two examples: Most of the graduates of this inner-city school go to college. Interest in cycling is widespread in France.

You will be reminded of these facts when you think about the likelihood that a particular graduate of the school will attend college, or when you wonder whether to bring up the Tour de France in a conversation with a Frenchman you just met. Stereotyping is a bad word in our culture, but in my usage it is neutral. One of the basic characteristics of System 1 is that it represents categories as norms and prototypical exemplars.

In sensitive social contexts, we do not want to draw possibly erroneous conclusions about the individual from the statistics of the group. We consider it morally desirable for base rates to be treated as statistical facts about the group rather than as presumptive facts about individuals. In other words, we reject causal base rates. The social norm against stereotyping, including the opposition to profiling, has been highly beneficial in creating a more civilized and more equal society. It is useful to remember, however, that neglecting valid stereotypes inevitably results in suboptimal judgments. Resistance to stereotyping is a laudable moral position, but the simplistic idea that the resistance is costless is wrong. The costs are worth paying to achieve a better society, but denying that the costs exist, while satisfying to the soul and politically correct, is not scientifically defensible.

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REVERT TO THE MEAN

When you have doubts about the quality of the evidence: let your judgments of probability stay close to the base rate.

How to Discipline Intuition:

You should not let yourself believe whatever comes to your mind. To be useful, your beliefs should be constrained by the logic of probability.

Base rates matter, even in the presence of evidence about the case at hand.

Intuitive impressions of the diagnosticity of evidence are often exaggerated.

The combination of WYSIATI and associative coherence tends to make

us believe in the stories we spin for ourselves.

Anchor your judgment of the probability of an outcome on a plausible base rate. Question the diagnosticity of your evidence.

“This start-up looks as if it could not fail, but the base rate of success in the industry is extremely low. How do we know this case is different?”

“They keep making the same mistake: predicting rare events from weak evidence. When the evidence is weak, one should stick with the base rates.”

An important principle of skill training: rewards for improved performance work better than punishment of mistakes.

A significant fact of the human condition: the feedback to which life exposes us is perverse. Because we tend to be nice to other people when they please us and nasty when they do not, we are statistically punished for being nice and rewarded for being nasty.

The “Sports Illustrated jinx,” the claim that an athlete whose picture appears on the cover of the magazine is doomed to perform poorly the following season. Overconfidence and the pressure of meeting high expectations are often offered as explanations. But there is a simpler account of the jinx: an athlete who gets to be on the cover of Sports Illustrated must have performed exceptionally well in the preceding season, probably with the assistance of a nudge from luck - and luck is fickle.

If you treated a group of depressed children for some time with an energy drink, they would show a clinically significant improvement. It is also the case that depressed children who spend some time standing on their head or hug a cat for twenty minutes a day will also show improvement. Most readers of such headlines will automatically infer that the energy drink or the cat hugging caused an improvement, but this conclusion is completely unjustified. Depressed children are an extreme group, they are more depressed than most other children - and extreme groups regress to the mean over time. The correlation between depression scores on successive occasions of testing is less than perfect, so there will be regression to the mean: depressed children will get somewhat better over time even if they hug no cats and drink no Red Bull. In order to conclude that an energy drink - or any other treatment - is effective, you must compare a group of patients who receive this treatment to a “control group” that receives no treatment (or, better, receives a placebo). The control group is expected to improve by regression alone, and the aim of the experiment is to determine whether the treated patients improve more than regression can explain.

“She says experience has taught her that criticism is more effective than praise. What she doesn’t understand is that it’s all due to regression to the

mean.”

“Perhaps his second interview was less impressive than the first because he was afraid of disappointing us, but more likely it was his first that was unusually good.”

The basic message of *Built to Last* and other similar books is that good managerial practices can be identified and that good practices will be rewarded by good results. Both messages are overstated. The comparison of firms that have been more or less successful is to a significant extent a comparison between firms that have been more or less lucky. Knowing the importance of luck, you should be particularly suspicious when highly consistent patterns emerge from the comparison of successful and less successful firms. In the presence of randomness, regular patterns can only be mirages.

On average, the gap in corporate profitability and stock returns between the outstanding firms and the less successful firms studied in *Built to Last* shrank to almost nothing in the period following the study.

A study of Fortune’s “Most Admired Companies” finds that over a twenty-year period, the firms with the worst ratings went on to earn much higher stock returns than the most admired firms.

The average gap must shrink, because the original gap was due in good part to luck, which contributed both to the success of the top firms and to the lagging performance of the rest. We have already encountered this statistical fact of life: regression to the mean.

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PREDICTIONS

Philip Tetlock’s book “Expert Political Judgment: How Good Is It? How Can We Know?” - gathered more than 80,000 predictions. The experts performed worse than they would have if they had simply assigned equal probabilities. Even in the region they knew best, experts were not significantly better than nonspecialists.

People who spend their time, and earn their living, studying a particular topic produce poorer predictions than dart-throwing monkeys.

“Miswanting”: bad choices that arise from errors of affective forecasting.

Eliminating redundancy from your sources of information is always a good idea.

The magic of error reduction works well only when the observations are independent and their errors uncorrelated. If the observers share a bias, the aggregation of judgments will not reduce it. Allowing the observers to influence each other effectively reduces the size of the sample, and with it the precision of the group estimate. To derive the most useful information from multiple sources of evidence, you should always try to make these sources independent of each other.

The prediction of the future is not distinguished from an evaluation of current evidence - prediction matches evaluation.

People are asked for a prediction but they substitute an evaluation of the evidence, without noticing that the question they answer is not the one they were asked. This process is guaranteed to generate predictions that are systematically biased; they completely ignore regression to the mean.

Start with an estimate of average GPA. Determine the GPA that matches your impression of the evidence. Estimate the correlation between your evidence and GPA. If the correlation is .30, move 30% of the distance from the average to the matching GPA.

Suppose that I predict for each golfer in a tournament that his score on day 2 will be the same as his score on day 1. This prediction does not allow for regression to the mean: the golfers who fared well on day 1 will on average do less well on day 2, and those who did poorly will mostly improve. When they are eventually compared to actual outcomes, nonregressive predictions will be found to be biased. They are on average overly optimistic for those who did best on the first day and overly pessimistic for those who had a bad start.

Similarly, if you use childhood achievements to predict grades in college without regressing your predictions toward the mean, you will more often than not be disappointed by the academic outcomes of early readers and happily surprised by the grades of those who learned to read relatively late. The corrected intuitive predictions eliminate these biases.

A baseline prediction, which you would make if you knew nothing about the case at hand. In the categorical case, it was the base rate. In the numerical case, it is the average outcome in the relevant category.

An intuitive prediction, which expresses the number that comes to your mind. Aim for a prediction that is intermediate between the baseline and your intuitive response.

In the default case of no useful evidence, you stay with the baseline.

Find some reason to doubt that the correlation between your intuitive judgment and the truth is perfect, and you will end up somewhere between the two poles.

Intuitive predictions tend to be overconfident and overly extreme.

Correcting your intuitions may complicate your life.

Unbiased predictions permit the prediction of rare or extreme events only when the information is very good. If you expect your predictions to be of modest validity, you will never guess an outcome that is either rare or far from the mean. If your predictions are unbiased, you will never have the satisfying experience of correctly calling an extreme case. You will never be able to say, "I thought so!"

The ultimate test of an explanation is whether it would have made the event predictable in advance.

We can know something only if it is both true and knowable. But the crisis was not knowable. What is perverse about the use of know in this context is not that some individuals get credit for prescience that they do not deserve. It is that the language implies that the world is more knowable than it is. It helps perpetuate a pernicious illusion.

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CAUSAL

Our mind is strongly biased toward causal explanations.

Students "quietly exempt themselves" (and their friends and acquaintances) from the conclusions of experiments that surprise them.

When they presented their students with a surprising statistical fact, the students managed to learn nothing at all. But when the students were surprised by individual cases - two nice people who had not helped - they immediately made the generalization.

Subjects' unwillingness to deduce the particular from the general was matched only by their willingness to infer the general from the particular. This is a profoundly important conclusion. People who are taught surprising statistical facts about human behavior may be impressed to the point of telling their friends about what they have heard, but this does not mean that their understanding of the world has really changed. The test of learning psychology is whether your understanding of situations you encounter has changed, not whether you have learned a new fact.

Surprising individual cases have a powerful impact and are a more effective tool for teaching psychology because the incongruity must be resolved and embedded in a causal story.

You are more likely to learn something by finding surprises in your own behavior than by hearing surprising facts about people in general.

When our attention is called to an event, associative memory will look for its cause. Any cause that is already stored in memory. Causal explanations will be evoked when regression is detected, but they will be wrong because the truth is that regression to the mean has an explanation but does not have a cause.

The explanatory stories that people find compelling are simple; are concrete rather than abstract; assign a larger role to talent, stupidity, and intentions than to luck; and focus on a few striking events that happened rather than on the countless events that failed to happen.

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RANDOMNESS

Success = talent + luck great success = a little more talent + a lot of luck.

The idea that the future is unpredictable is undermined every day by the ease with which the past is explained.

The idea that large historical events are determined by luck is profoundly shocking, although it is demonstrably true.

The line that separates the possibly predictable future from the unpredictable distant future is yet to be drawn.

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INVESTING

Absence of bias is not always what matters most.

A venture capitalist will never be told that the probability of success for a start-up in its early stages is “very high.”

When a venture capitalist looks for “the next big thing,” the risk of missing the next Google or Facebook is far more important than the risk of making a modest investment in a start-up that ultimately fails. The goal of venture capitalists is to call the extreme cases correctly, even at the cost of overestimating the prospects of many other ventures.

Some of us may need the security of distorted estimates to avoid paral-

ysis. If you choose to delude yourself by accepting extreme predictions, however, you will do well to remain aware of your self-indulgence. Perhaps the most valuable contribution of the corrective procedures I propose is that they will require you to think about how much you know.

I have heard of too many people who “knew well before it happened that the 2008 financial crisis was inevitable.”

When an unpredicted event occurs, we immediately adjust our view of the world to accommodate the surprise.

We have an imperfect ability to reconstruct past states of knowledge.

Once you adopt a new view of the world (or of any part of it), you immediately lose much of your ability to recall what you used to believe before your mind changed.

The illusion that one has understood the past feeds the further illusion that one can predict and control the future. These illusions are comforting. They reduce the anxiety that we would experience if we allowed ourselves to fully acknowledge the uncertainties of existence. We all have a need for the reassuring message that actions have appropriate consequences, and that success will reward wisdom and courage. Many business books are tailor-made to satisfy this need.

“When you sell a stock,” I asked, “who buys it?” He answered with a wave in the vague direction of the window, indicating that he expected the buyer to be someone else very much like him. That was odd: What made one person buy and the other sell? What did the sellers think they knew that the buyers did not?

A major industry appears to be built largely on an illusion of skill.

The buyers and sellers know that they have the same information; they exchange the stocks primarily because they have different opinions.

If all assets in a market are correctly priced, no one can expect either to gain or to lose by trading. Perfect prices leave no scope for cleverness, but they also protect fools from their own folly.

For the large majority of individual investors, taking a shower and doing nothing would have been a better policy than implementing the ideas that came to their minds.

Individual investors predictably flock to companies that draw their attention because they are in the news. Professional investors are more selective in responding to news. These findings provide some justification for the label of

“smart money” that finance professionals apply to themselves.

A basic test of skill: persistent achievement. The diagnostic for the existence of any skill is the consistency of individual differences in achievement.

The illusion of skill is not only an individual aberration; it is deeply ingrained in the culture of the industry. Facts that challenge such basic assumptions - and thereby threaten people’s livelihood and self-esteem - are simply not absorbed. The mind does not digest them.

Skill in evaluating the business prospects of a firm is not sufficient for successful stock trading, where the key question is whether the information about the firm is already incorporated in the price of its stock. Traders apparently lack the skill to answer this crucial question, but they appear to be ignorant of their ignorance.

Large numbers of individuals in that world believe themselves to be among the chosen few who can do what they believe others cannot.

The financial benefits of self-employment are mediocre: given the same qualifications, people achieve higher average returns by selling their skills to employers than by setting out on their own. The evidence suggests that optimism is widespread, stubborn, and costly.

Daniel Bernoulli argued that a gift of 10 ducats has the same utility to someone who already has 100 ducats as a gift of 20 ducats to someone whose current wealth is 200 ducats.

The psychological response to a change of wealth is inversely proportional to the initial amount of wealth.

A decision maker with diminishing marginal utility for wealth will be risk averse.

Much more likely to take her chances, as others do when faced with very bad options.

Once you have accepted a theory and used it as a tool in your thinking, it is extraordinarily difficult to notice its flaws. If you come upon an observation that does not seem to fit the model, you assume that there must be a perfectly good explanation that you are somehow missing. You give the theory the benefit of the doubt, trusting the community of experts who have accepted it.

Disbelieving is hard work, and System 2 is easily tired.

People become risk seeking when all their options are bad.

Organisms that treat threats as more urgent than opportunities have a better chance to survive and reproduce.

In mixed gambles, where both a gain and a loss are possible, loss aversion causes extremely risk-averse choices. In bad choices, where a sure loss is compared to a larger loss that is merely probable, diminishing sensitivity causes risk seeking.

Diminishing marginal utility: the more leisure you have, the less you care for an extra day of it, and each added day is worth less than the one before. Similarly, the more income you have, the less you care for an extra dollar, and the amount you are willing to give up for an extra day of leisure increases.

A mistaken assumption: that your utility for a state of affairs depends only on that state and is not affected by your history.

When you shop for shoes, the merchant who gives up the shoes in exchange for money certainly feels no loss. Indeed, the shoes that he hands over have always been, from his point of view, a cumbersome proxy for money that he was hoping to collect from some consumer. Furthermore, you probably do not experience paying the merchant as a loss, because you were effectively holding money as a proxy for the shoes you intended to buy.

Both the shoes the merchant sells you and the money you spend from your budget for shoes are held “for exchange.” They are intended to be traded for other goods. Other goods, such as wine and Super Bowl tickets, are held “for use,” to be consumed or otherwise enjoyed.

Your leisure time and the standard of living that your income supports are also not intended for sale or exchange.

Only 18% of the inexperienced traders were willing to exchange their gift for the other. In sharp contrast, experienced traders showed no trace of an endowment effect: 48% of them traded!

People who are poor think like traders, but all their choices are between losses. Money that is spent on one good is the loss of another good that could have been purchased instead. For the poor, costs are losses.

Asked a friend whether he would accept a gamble on the toss of a coin in which he could lose \$100 or win \$200. His friend responded, “I won’t bet because I would feel the \$100 loss more than the \$200 gain. But I’ll take you on if you promise to let me make 100 such bets.”

I sympathize with your aversion to losing any gamble, but it is costing you a lot of money.

Is this the last offer of a small favorable gamble that you will ever consider?

You will have many opportunities to consider attractive gambles with stakes that are very small relative to your wealth. You will do yourself a large financial favor if you are able to see each of these gambles as part of a bundle of small gambles.

Rehearse the mantra that will get you significantly closer to economic rationality: you win a few, you lose a few. The main purpose of the mantra is to control your emotional response when you do lose.

The mantra works when the gambles are genuinely independent of each other; it does not apply to multiple investments in the same industry, which would all go bad together. It works only when the possible loss does not cause you to worry about your total wealth. If you would take the loss as significant bad news about your economic future, watch it! It should not be applied to long shots, where the probability of winning is very small for each bet. If you have the emotional discipline that this rule requires, you will never consider a small gamble in isolation or be loss averse for a small gamble.

Broad framing blunted the emotional reaction to losses and increased the willingness to take risks. The combination of loss aversion and narrow framing is a costly curse. Individual investors can avoid that curse, achieving the emotional benefits of broad framing while also saving time and agony, by reducing the frequency with which they check how well their investments are doing. Closely following daily fluctuations is a losing proposition, because the pain of the frequent small losses exceeds the pleasure of the equally frequent small gains.

The deliberate avoidance of exposure to short-term outcomes improves the quality of both decisions and outcomes.

A commitment not to change one's position for several periods (the equivalent of "locking in" an investment) improves financial performance.

Having a risk policy that they routinely apply whenever a relevant problem arises. Familiar examples of risk policies are "always take the highest possible deductible when purchasing insurance" and "never buy extended warranties." A risk policy is a broad frame.

Reduce or eliminate the pain of the occasional loss by the thought that the policy that left you exposed to it will almost certainly be financially advantageous over the long run.

The outside view and the risk policy are remedies against two distinct

biases that affect many decisions: the exaggerated optimism of the planning fallacy and the exaggerated caution induced by loss aversion.

Top managers of the 25 divisions of a large company. He asked them to consider a risky option in which, with equal probabilities, they could lose a large amount of the capital they controlled or earn double that amount. None of the executives was willing to take such a dangerous gamble. Thaler then turned to the CEO of the company, who was also present, and asked for his opinion. Without hesitation, the CEO answered, "I would like all of them to accept their risks." In the context of that conversation, it was natural for the CEO to adopt a broad frame that encompassed all 25 bets.

He could count on statistical aggregation to mitigate the overall risk.

Money is a proxy for points on a scale of self-regard and achievement.

Finance research has documented a massive preference for selling winners rather than losers - a bias that has been given an opaque label: the disposition effect. The disposition effect is an instance of narrow framing. The investor has set up an account for each share that she bought, and she wants to close every account as a gain. A rational agent would have a comprehensive view of the portfolio.

The sunk-cost fallacy keeps people for too long in poor jobs, unhappy marriages, and unpromising research projects.

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ALGORITHMS

Each of these domains entails a significant degree of uncertainty and unpredictability. We describe them as "low-validity environments." In every case, the accuracy of experts was matched or exceeded by a simple algorithm.

Clinical vs. Statistical Prediction: A Theoretical Analysis and a Review of the Evidence.

Orley Ashenfelter has offered a compelling demonstration of the power of simple statistics to outdo world-renowned experts. Ashenfelter wanted to predict the future value of fine Bordeaux wines from information available in the year they are made.

Ashenfelter converted that conventional knowledge into a statistical formula that predicts the price of a wine - for a particular property and at a particular age - by three features of the weather: the average temperature over the summer growing season, the amount of rain at harvest-time, and the total

rainfall during the previous winter. His formula provides accurate price forecasts years and even decades into the future. Indeed, his formula forecasts future prices much more accurately than the current prices of young wines do.

Ashenfelter's formula is extremely accurate - the correlation between his predictions and actual prices is above .90.

Why are experts inferior to algorithms? One reason, which Meehl suspected, is that experts try to be clever, think outside the box, and consider complex combinations of features in making their predictions. Complexity may work in the odd case, but more often than not it reduces validity. Simple combinations of features are better.

Human decision makers are inferior to a prediction formula even when they are given the score suggested by the formula! They feel that they can overrule the formula because they have additional information.

There are few circumstances under which it is a good idea to substitute judgment for a formula. In a famous thought experiment, he described a formula that predicts whether a particular person will go to the movies tonight and noted that it is proper to disregard the formula if information is received that the individual broke a leg today. The name "broken-leg rule" has stuck. The point, of course, is that broken legs are very rare - as well as decisive.

To maximize predictive accuracy, final decisions should be left to formulas, especially in low-validity environments.

It is possible to develop useful algorithms without any prior statistical research. Simple equally weighted formulas based on existing statistics or on common sense are often very good predictors of significant outcomes.

Marital stability is well predicted by a formula: frequency of lovemaking minus frequency of quarrels.

An algorithm that is constructed on the back of an envelope is often good enough to compete with an optimally weighted formula, and certainly good enough to outdo expert judgment.

If you are serious about hiring the best possible person for the job, this is what you should do. First, select a few traits that are prerequisites for success in this position (technical proficiency, engaging personality, reliability, and so on). Don't overdo it - six dimensions is a good number. The traits you choose should be as independent as possible from each other, and you should feel that you can assess them reliably by asking a few factual questions. Next, make a list of those questions for each trait and think about how you will score it, say on a 1-5 scale.

Collect the information on one trait at a time, scoring each before you move on to the next one. Do not skip around. To evaluate each candidate, add up the six scores.

Firmly resolve that you will hire the candidate whose final score is the highest, even if there is another one whom you like better - try to resist your wish to invent broken legs to change the ranking.

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OUTSIDE VIEW

Baseline prediction: the prediction you make about a case if you know nothing except the category to which it belongs.

The baseline prediction should be the anchor for further adjustments.

People who have information about an individual case rarely feel the need to know the statistics of the class to which the case belongs.

“What is the probability of the defendant winning in cases like this one?” His sharp answer: “Every case is unique.”

A proud emphasis on the uniqueness of cases is also common in medicine, in spite of recent advances in evidence-based medicine that point the other way.

A survey of American homeowners who had remodeled their kitchens found that, on average, they had expected the job to cost \$18,658; in fact, they ended up paying an average of \$38,769.

The greatest responsibility for avoiding the planning fallacy lies with the decision makers who approve the plan.

If they do not recognize the need for an outside view, they commit a planning fallacy.

The prevalent tendency to underweight or ignore distributional information is perhaps the major source of error in forecasting. Planners should therefore make every effort to frame the forecasting problem so as to facilitate utilizing all the distributional information that is available. This may be considered the single most important piece of advice regarding how to increase accuracy in forecasting through improved methods.

Identify an appropriate reference class (kitchen renovations, large railway projects, etc.). Obtain the statistics of the reference class (in terms of cost

per mile of railway, or of the percentage by which expenditures exceeded budget). Use the statistics to generate a baseline prediction. Use specific information about the case to adjust the baseline prediction, if there are particular reasons to expect the optimistic bias to be more or less pronounced in this project than in others of the same type.

Executives too easily fall victim to the planning fallacy. In its grip, they make decisions based on delusional optimism rather than on a rational weighting of gains, losses, and probabilities. They overestimate benefits and underestimate costs. They spin scenarios of success while overlooking the potential for mistakes and miscalculations. As a result, they pursue initiatives that are unlikely to come in on budget or on time or to deliver the expected returns - or even to be completed. In this view, people often (but not always) take on risky projects because they are overly optimistic about the odds they face.

This is an explanation of why people litigate, why they start wars, and why they open small businesses.

If you are genetically endowed with an optimistic bias, you hardly need to be told that you are a lucky person - you already feel fortunate. An optimistic attitude is largely inherited, and it is part of a general disposition for well-being, which may also include a preference for seeing the bright side of everything. If you were allowed one wish for your child, seriously consider wishing him or her optimism. Optimists are normally cheerful and happy, and therefore popular; they are resilient in adapting to failures and hardships, their chances of clinical depression are reduced, their immune system is stronger, they take better care of their health, they feel healthier than others and are in fact likely to live longer. A study of people who exaggerate their expected life span beyond actuarial predictions showed that they work longer hours, are more optimistic about their future

Optimistic individuals play a disproportionate role in shaping our lives. Their decisions make a difference; they are the inventors, the entrepreneurs, the political and military leaders - not average people. They got to where they are by seeking challenges and taking risks. They are talented and they have been lucky, almost certainly luckier than they acknowledge.

The people who have the greatest influence on the lives of others are likely to be optimistic and overconfident, and to take more risks than they realize.

These persistent (or obstinate) individuals doubled their initial losses before giving up. Significantly, persistence after discouraging advice was relatively common among inventors who had a high score on a personality measure of optimism.

The damage caused by overconfident CEOs is compounded when the

business press anoints them as celebrities; the evidence indicates that prestigious press awards to the CEO are costly to stockholders. The authors write, “We find that firms with award-winning CEOs subsequently underperform, in terms both of stock and of operating performance. At the same time, CEO compensation increases, CEOs spend more time on activities outside the company such as writing books and sitting on outside boards, and they are more likely to engage in earnings management.”

To explain entrepreneurial optimism, cognitive biases play an important role.

We focus on our goal, anchor on our plan, and neglect relevant base rates, exposing ourselves to the planning fallacy. We focus on what we want to do and can do, neglecting the plans and skills of others. Both in explaining the past and in predicting the future, we focus on the causal role of skill and neglect the role of luck. We are therefore prone to an illusion of control. We focus on what we know and neglect what we do not know, which makes us overly confident in our beliefs.

I have had several occasions to ask founders and participants in innovative start-ups a question: To what extent will the outcome of your effort depend on what you do in your firm? This is evidently an easy question; the answer comes quickly and in my small sample it has never been less than 80%. Even when they are not sure they will succeed, these bold people think their fate is almost entirely in their own hands. They are surely wrong: the outcome of a start-up depends as much on the achievements of its competitors and on changes in the market as on its own efforts. However, WY SIATI plays its part, and entrepreneurs naturally focus on what they know best - their plans and actions and the most immediate threats and opportunities, such as the availability of funding. They know less about their competitors and therefore find it natural to imagine a future in which the competition plays little part.

Entrepreneurial firms that fail but signal new markets to more qualified competitors “optimistic martyrs” - good for the economy but bad for their investors.

A survey in which the chief financial officers of large corporations estimated the returns of the Standard & Poor’s index over the following year. The Duke scholars collected 11,600 such forecasts and examined their accuracy. The conclusion was straightforward: financial officers of large corporations had no clue about the short-term future of the stock market; the correlation between their estimates and the true value was slightly less than zero! When they said the market would go down, it was slightly more likely than not that it would go up.

The answer that a truthful CFO would offer is plainly ridiculous. A CFO who informs his colleagues that “there is a good chance that the S&P

returns will be between -10% and $+30\%$ ” can expect to be laughed out of the room. The wide confidence interval is a confession of ignorance, which is not socially acceptable for someone who is paid to be knowledgeable in financial matters. Even if they knew how little they know, the executives would be penalized for admitting it.

The emotional, cognitive, and social factors that support exaggerated optimism are a heady brew, which sometimes leads people to take risks that they would avoid if they knew the odds.

The contribution of optimism to good implementation is certainly positive. The main benefit of optimism is resilience in the face of setbacks.

Someone who lacks a delusional sense of significance will wilt in the face of repeated experiences of multiple small failures and rare successes, the fate of most small business.

When the organization has almost come to an important decision but has not formally committed itself, Klein proposes gathering for a brief session a group of individuals who are knowledgeable about the decision. The premise of the session is a short speech: “Imagine that we are a year into the future. We implemented the plan as it now exists. The outcome was a disaster. Please take 5 to 10 minutes to write a brief history of that disaster.”

Premortem has two main advantages: it overcomes the groupthink that affects many teams once a decision appears to have been made, and it unleashes the imagination of knowledgeable individuals in a much-needed direction.

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LOSSES

We submitted our essay to *Econometrica*, a journal that publishes significant theoretical articles in economics and in decision theory. The choice of venue turned out to be important; if we had published the identical paper in a psychological journal, it would likely have had little impact on economics. However, our decision was not guided by a wish to influence economics; *Econometrica* just happened to be where the best papers on decision making had been published in the past, and we were aspiring to be in that company.

A single cockroach will completely wreck the appeal of a bowl of cherries, but a cherry will do nothing at all for a bowl of cockroaches.

Bad emotions, bad parents, and bad feedback have more impact than good ones, and bad information is processed more thoroughly than good. The self is more motivated to avoid bad self-definitions than to pursue good ones.

Bad impressions and bad stereotypes are quicker to form and more resistant to disconfirmation than good ones.

The long-term success of a relationship depends far more on avoiding the negative than on seeking the positive.

A friendship that may take years to develop can be ruined by a single action.

The aversion to the failure of not reaching the goal is much stronger than the desire to exceed it. People often adopt short-term goals that they strive to achieve but not necessarily to exceed. They are likely to reduce their efforts when they have reached an immediate goal, with results that sometimes violate economic logic.

Players would try a little harder when putting for par (to avoid a bogey) than when putting for a birdie.

Loss aversion creates an asymmetry that makes agreements difficult to reach. The concessions you make to me are my gains, but they are your losses; they cause you much more pain than they give me pleasure. Inevitably, you will place a higher value on them than I do.

Negotiators often pretend intense attachment to some good.

Although they actually view that good as a bargaining chip and intend ultimately to give it away in an exchange. Because negotiators are influenced by a norm of reciprocity, a concession that is presented as painful calls for an equally painful (and perhaps equally inauthentic) concession from the other side.

A biologist observed that “when a territory holder is challenged by a rival, the owner almost always wins the contest - usually within a matter of seconds.”

Altruistic punishment is accompanied by increased activity in the “pleasure centers” of the brain. It appears that maintaining the social order and the rules of fairness in this fashion is its own reward. Altruistic punishment could well be the glue that holds societies together.

People attach values to gains and losses rather than to wealth.

The fourfold pattern of preferences is considered one of the core achievements of prospect theory.

When you consider a choice between a sure loss and a gamble with a high probability of a larger loss, diminishing sensitivity makes the sure

loss more aversive, and the certainty effect reduces the aversiveness of the gamble.

This is where people who face very bad options take desperate gambles, accepting a high probability of making things worse in exchange for a small hope of avoiding a large loss. Risk taking of this kind often turns manageable failures into disasters. The thought of accepting the large sure loss is too painful, and the hope of complete relief too enticing, to make the sensible decision that it is time to cut one's losses. This is where businesses that are losing ground to a superior technology waste their remaining assets in futile attempts to catch up. Because defeat is so difficult to accept, the losing side in wars often fights long past the point at which the victory of the other side is certain.

People expect to have stronger emotional reactions (including regret) to an outcome that is produced by action than to the same outcome when it is produced by inaction.

Be explicit about the anticipation of regret. People generally anticipate more regret than they will actually experience, because they underestimate the efficacy of the psychological defenses they will deploy - which they label the "psychological immune system." Their recommendation is that you should not put too much weight on regret; even if you have some, it will hurt less than you now think.

When you see cases in isolation, you are likely to be guided by an emotional reaction of System 1.

Would you accept a gamble that offers a 10% chance to win \$95 and a 90% chance to lose \$5? Would you pay \$5 to participate in a lottery that offers a 10% chance to win \$100 and a 90% chance to win nothing?

A bad outcome is much more acceptable if it is framed as the cost of a lottery ticket that did not win than if it is simply described as losing a gamble. We should not be surprised: losses evokes stronger negative feelings than costs.

Tendencies to approach or avoid are evoked by the words, and we expect System 1 to be biased in favor of the sure option when it is designated as KEEP and against that same option when it is designated as LOSE.

Decision makers tend to prefer the sure thing over the gamble (they are risk averse) when the outcomes are good. They tend to reject the sure thing and accept the gamble (they are risk seeking) when both outcomes are negative.

System 1 delivers an immediate response to any question about rich and poor: when in doubt, favor the poor.

Your moral feelings are attached to frames, to descriptions of reality rather than to reality itself.

=====

EXPERIENCING

The experiencing self is the one that answers the question: “Does it hurt now?” The remembering self is the one that answers the question: “How was it, on the whole?” Memories are all we get to keep from our experience of living, and the only perspective that we can adopt as we think about our lives is therefore that of the remembering self.

Confusing experience with the memory of it is a compelling cognitive illusion - and it is the substitution that makes us believe a past experience can be ruined. The experiencing self does not have a voice. The remembering self is sometimes wrong, but it is the one that keeps score and governs what we learn from living, and it is the one that makes decisions. What we learn from the past is to maximize the qualities of our future memories, not necessarily of our future experience.

My happy childhood: I always cried when my mother came to tear me away from my toys to take me to the park, and cried again when she took me away from the swings and the slide. The resistance to interruption was a sign I had been having a good time, both with my toys and with the swings.

At random intervals during the day, the phone presents a brief menu of questions about what the respondent was doing and who was with her when she was interrupted. The participant is also shown rating scales to report the intensity of various feelings: happiness, tension, anger, worry, engagement, physical pain, and others.

The percentage of time that an individual spends in an unpleasant state is the U-index. For example, an individual who spent 4 hours of a 16-hour waking day in an unpleasant state would have a U-index of 25%.

Our emotional state is largely determined by what we attend to, and we are normally focused on our current activity and immediate environment.

To get pleasure from eating, for example, you must notice that you are doing it.

Americans were far more prone to combine eating with other activities, and their pleasure from eating was correspondingly diluted.

Priming students with the idea of wealth reduces the pleasure their face expresses as they eat a bar of chocolate.

Goals make a large difference. Nineteen years after they stated their financial aspirations, many of the people who wanted a high income had achieved it. Each additional point on the money-importance scale was associated with an increment of over \$14,000 of job income.

The goals that people set for themselves are so important to what they do and how they feel about it that an exclusive focus on experienced well-being is not tenable. We cannot hold a concept of well-being that ignores what people want.

Nothing in life is as important as you think it is when you are thinking about it. :::

The Time Paradox - by Philip Zimbardo and John Boyd

ISBN: 1416541993

Date read: 2009-04-03

How strongly I recommend it: **10/10**

(See my list of 200+ books, for more.)

Go to the Amazon page for details and reviews.

Profound idea that everyone has a primary time focus: either Future-focused, Present-focused, or Past-focused. Fascinating implications of each. Because I'm so future-focused, reading this book helped me understand people who are very present-focused. Also great advice on shifting your focus when needed. I read it 7 years ago, but still think about it almost every day.

my notes

Just as fish may be unaware of the existence of the water in which they swim, most of us are unaware of the ceaselessly flowing time in which we live.

How you spend today ultimately determines both your past and future.

A financial planner helps to determine your investment strategy based upon your personal investment goals. If only there were such a person to call upon for investing time! Asking: What do you want out of life? How can you make your time matter? What is the right use of your time?

90% of the students that were late (told to rush across campus) didn't stop to help a homeless person, even though they were being tested on compassion. They were in a future-oriented mindset.

Future-oriented people tend to be more successful professionally and

academically, to eat well, to exercise regularly, and to schedule preventative doctor's exams. But they are the least likely to help others in need.

Present-oriented people tend to be willing to help others, but appear less willing or able to help themselves. They're more likely to engage in risky sexual behavior, to gamble, to use drugs and alcohol than future-oriented people are. They are also less likely to exercise, eat well, and engage in preventative health such as flossing and getting regular exams. They are the least likely to be successful.

Psychoanalysis stresses the importance of the past. Existential psychotherapy stresses the importance of the present. Humanistic psychotherapy stresses the importance of the future.

In a typical day, you make hundreds of decisions: What to wear, what to eat, what to do with your free time, with whom to associate, and whom to avoid. On any given day, these decisions appear trivial, even inconsequential. Taken as a whole, they define who you were, who you are, and who you will become.

Death is the end of a lifetime. Denial of death is a denial that time will end. If you deny that time ends, you are likely to treat time much differently than you would if you felt time to be scarce and of limited duration. If you imagine your life as infinite, you are unlikely to value time as more precious than gold and more likely to treat it as ordinary grains of sand on a beach. Ironically, denying death relieves anxiety and psychological stress, but it may also lead you to devalue life, so you may live less fully.

When faced with routine decisions, people conserve their thought cycles and rely instead on mental heuristics - simple, practical rules of thumb that we learn through trial and error. We save our judgement and decision-making skills for thinking about the novel, unpredictable, and dangerous forces in our lives: for predicting the future.

"No man who is correctly informed as to the past will be disposed to take a morose or desponding view of the present." - Thomas Babington Macaulay

SIX TIME PERSPECTIVES:

- Past-negative
- Past-positive
- Present-fatalistic
- Present-hedonistic
- Future
- Transcendental-future

Take the tests at <http://www.thetimeparadox.com> to find your type.

Another present-oriented time zone can be called the Holistic Present. It involves training to live one's life in the present moment and to include past and future in an expanded state of focus on the present.

The Crypt of the Capuchin Monks: "What you are, they once were. What they are, you will be."

Live meaningfully and fully the lives we are living right now.

Robert Levine measured the pace of life in 36 American cities by recording walking speed, bank teller speed, talking speed, and the frequency that watches are worn. Boston, NYC and other Northeast cities are the fastest cities in America. Southern and Western are the slowest. Los Angeles is the slowest of all. Cities with the fastest pace of life were the least helpful (Good Samaritan research). Los Angeles was unique for being slowest and least helpful.

*** THE PAST:

Your ability to cast your time consciously in a positive light is a good indicator of psychological and emotional health.

You can reinterpret and rewrite your personal past, which can give you a greater sense of control over the future.

How we think and feel today influences how we remember yesterday.

After being shown an ad talking about the wonders of Disneyland, including shaking hands with Bugs Bunny, people were asked about their own memories of visiting Disneyland. 16 percent vividly remembered shaking hands with Bugs Bunny, even though there's no Bugs Bunny at Disneyland. (He's a Warner Brothers character.)

It's not the events of the past that most strongly influence our lives. Our attitude toward events in the past matter more than the events themselves.

WHO WAS I? Answer 20 times (forcing into creativity)

I was _____

I was _____

List 3 significant events that have occurred in your life:

1. _____

2. _____

3. _____

What positive messages can be taken from these events?

1. _____
2. _____
3. _____

How can these lessons improve your future?

1. _____
2. _____
3. _____

Complete a Gratitude List each day for two weeks. At the end of each day, simply write a list of things for which you were grateful that day.

"To be able to enjoy one's past is to live twice." - Martial (1st century Roman poet)

If the people in a culture that uses the past to evaluate current situations share a past trauma, they are likely to want revenge.

To the extent that people share positive views of the past, they seek to maintain the status quo culturally and politically.

In a global economy, nations that live in the past will be left behind.

Those with most involvement with their families are highly past-positive.

*** THE PRESENT:

Our lives start with a natural focus on the present, but some people continue to focus on present biological stimulation into adulthood, responding only to events happening in their immediate physical and social environment.

Some present information is needed to enjoy life. Too much present orientation can rob life of happiness.

People in volatile economies do not invest. Political and economic instability also causes instability within families and causes people to trust only what they can hold in their hands. The development of a future orientation requires stability and consistency in the present.

Less educated people are more likely to live in the present. Societies that offer less opportunity for education are likely to have more citizens whose focus is limited to the present.

When women's educational level advances, their children and social class also advance.

Ambition and a need for achievement drive a future orientation that fo-

cuses on work, savings, and planning for a continually better life through one's efforts.

Present-oriented top athletes or rock stars also worked hard for their money, but many also retained a present perspective that biases them toward addictive behaviors.

Robert Levine fascinating book: A Geography of Time

Hedonistic people enjoy all things that yield pleasure and avoid things that cause pain. Beyond passive enjoyment, hedonists actively seek pleasure. They arrange their choices in life around activities and relationships that are pleasurable, arousing, stimulating, exciting, and novel. They focus on immediate gratification, self-stimulation, and short-term payoffs. Such people avoid people and situations that are tedious, that require high effort and maintenance, or that are regularized or boring. They are playful and impulsive at all ages, undertaking play and pleasant leisure activities for their intrinsic worth and continuing them as long as they do not become boring.

On the negative side, they are likely to have undercontrolled egos, to prefer inconsistency in their lives, to have weak impulse control, and to be less conscientious and emotionally stable than others. On the positive side, they make good friends, lovers, and party guests. They enjoy other people as a source of stimulation, as long as the others are not boring.

(Phil Z tripping:) The sensual sensations occurred only when his time sense was expanded.

The present perspective has both good and bad effects, though the good generally offset the bad. Hedonists live active high-intensity lives, filled with as much excitement, novelty, and spontaneity as possible. They engage in diverse activities, sports, and hobbies. They learn early to make friends and lovers easily and frequently, and are apt to fill their lives with people whom they find stimulating and with possessions they can show off. If they have enough money, they take great joy in living, appreciating nature, animals, and people around them. People like to be with them because, like children, they have an open-eyed readiness to connect and an intensity that comes from being totally in the moment. The demands of the to-do list never dilute their here-and-now. They generally do not make lists, and when they do, forget to check them.

Sensuality is central. They are always open to sensory input, taking time to smell the proverbial roses and to touch.

Future-oriented folks can also become totally absorbed in their work: get into the flow.

Characteristics of FLOW:

- Clear goals
- Concentrating and focusing
- Loss of self-consciousness
- Distorted sense of time
- Balance between ability level and challenge (not too easy or too hard)
- Personal control over the situation or activity
- The activity is intrinsically rewarding, so there's an effortlessness of action

Flow is involvement in the process of whatever you are doing. When in flow, you are not focused on the product of the process in which you are engaged. When we are concerned about the product, we worry about how it will be judged, evaluated, accepted, and rejected.

Painting: Half the group was told they would be judged, half told to focus on process. Present hedonists painting in the process condition were most creative. Futures painting in the product condition produced paintings with the most technical merit.

Immediate large rewards that result in large delayed punishments and overall net loss: has the effect like reverse binoculars, making the future small and remote, not allowing it to affect current decisions and actions.

Programs like DARE focus on aversive future consequences that work for future-oriented people but not for present-oriented: the target audience. They focus on personal willpower, which fails to recognize powerful situational and social forces in the present behavioral context that influence Hedonists and Fatalists more than they do others.

WHO AM I? Answer 20 times

I am _____

I am _____

When am I _____

When am I _____

Where am I _____

Where am I _____

How do I feel _____

How do I feel _____

What happens when many people in any society live in the present?
They are all late! They are never on time!

**** THE FUTURE:

Ratomir Dujkovic brought to the present-oriented Ghana team a Balkan discipline that featured a highly focused future time perspective and in-

sistence on discipline. Instilled discipline, toughness, goal-scoring and puntuality most important. High expectations of future success. When they combined their present-oriented creativity with their newfound future desire to win, they came in eighth-finals for World Cup, only losing to Brazil (2006).

((DEREK'S NOTE: I've emails from at least 10 different people, telling me this info is not correct. Please, no need to do that again. The details of the example don't matter.))

The mantra of a Future is "meet tomorrow's deadline, complete all the necessary work before tonight's play". Futures consider work a source of special pleasure. Tomorrow's anticipated gains and losses fuel today's decisions and actions.

Unlike their Hedonistic peers who live in their bodies, the Futures live in their minds, envisioning other selves, scenarios, rewards, and successes.

The soccer team's belief in its own strength and high level of performance: they believed that they could influence the future by working hard in the present.

When you want to achieve something and you believe that you can, you work harder.

Environment that creates Future-oriented people:

- living in a temperate zone
- living in a stable family
- being Protestant or Jewish
- becoming educated
- being a young or middle-aged adult
- having a job
- using technology regularly
- being successful
- having future-oriented role models
- recovering from childhood illness

Preparing for seasonal change involves planning, so people become used to anticipating worse weather in winter and summer. Living in a mildly tropical climate is being in paradise with an extended lease.

Early repeated failure breeds a sense of helplessness and makes you shun that area of performance where you failed.

Learning that a hero became successful through hard work, effort, practice, and self-denial in order to pursue a dream inspires emulation of that person.

MAZE: When challenged to solve puzzles as quickly as they could, the

Presents and Futures responded very differently. The Presents started immediately from the start, moving their pencils through the maze. The Futures did not move at all at first, looking for the goal, then working backwards to the starting point, checking out dead ends en route. The Futures always won.

People discontinue physical rehabilitation because it hurts more to do the regimen than to quit it. Futures endure the pain for the short term because of the long-term gain it provides.

Futures are competitive when negotiating deals or arguing.

Tragedy of the commons: the selfish prevail over the farsighted because shorter-term individual yields would be greater than the communal, longer-term gain. The common good is not a moral matter but a time-perspective matter.

WHO WILL I BE? Answer 15 times:

I will be _____

I will be _____

Concrete future goal: _____ Completed by: _____

Concrete future goal: _____ Completed by: _____

Mentally rehearse reaching goals. Focus on the outcome. Rehearse the individual steps, step-by-step.

**** TRANSCENDENTAL FUTURE:

Because there is no possibility of contradictory evidence, belief in the transcendental future may be especially resistant to change.

"In every deliberation, we must consider the impact on the 7th generation, even if it requires having skin as thick as the bark of a pine." - Iroquois Indian saying.

We will win the war on terror not by destroying our enemy's future but by nurturing it. The motivational power of the mundane future must be restored if mundane future goals are to compete with transcendental-future goals. Only by building a mundane future full of hope, optimism, respect, health, and prosperity can the motivational power of the transcendental future be balanced.

Doing so requires replacing past-negatives and present-fatalistic time perspectives with past-positive and present-hedonistic ones. We have to respect people for their pasts and allow them to enjoy the present. Provide adequate resources and opportunities to those who lack them: food, shelter, money, education, employment, recreation, relaxation, and community celebration.

Instill a sense of personal responsibility for seizing a desirable opportunity. Individual initiative must be encouraged and rewarded. Supplementing transcendental-future time perspectives with more practical future time perspectives. (Expecting people to change their transcendental-future beliefs is insulting and exacerbates conflict.) Offer hope, opportunity, and fulfillment in the future on the way to the Promised Land. The development of a future time perspective requires stable political, economic, and family conditions. People must believe that their actions today will lead to predictable and desirable rewards in the future.

*** TIME, BODY, HEALTH

Circadian rhythm comes from Latin "circa" (around) "dies" (day) : means "about a day".

Car accidents increase by 10% the day after clocks are set forward in the spring, and decrease by a smaller amount the day after clocks are set back in the fall.

Dangerous events often restrict time perspective to the present. Under acute stress, refugees narrowed their view to a highly focused present.

Fear and excitement heighten our present awareness, sharpen our instincts, and help us survive.

Emotions deal with the present. Thinking prepares for the future.

Depressed people look not to the future but to the past to relieve their depression. They feel that rehashing and rehearsing the causes of their symptoms will somehow help to solve their problems. This quickly deteriorates into a vicious downward spiral that exacerbates the severity and length of depression.

An obsessive focus on the past makes people less able to think about the future. Maintaining past-negative attitudes by thinking and talking about them repeatedly is not a good strategy. Put the past to rest and build on it the vision of a better future.

Women on Dr. Phil's show: had never consciously chosen to be fat, but then had chosen what they ate from a purely present-oriented perspective, without regard for consequences.

*** TIME AND MONEY

The ability to delay gratification at age 4 is twice as good a predictor of later SAT scores as IQ.

Your chronological time - time passed since birth - is as relevant as your sense of the time remaining until your death.

Anything that constrains our sense of an unlimited future shifts our motivations and priorities away from future goals and toward present emotional satisfaction. A limited future encourages us to make choices that enhance our positive emotional state rather than, for instance, to pursue an education or other future-oriented activity. Because older people anticipate a limited future, they are more apt to do what feels good - from speaking their minds to travelling to making dramatic changes in their lives. The same may be said for anyone who is in a situation that portends an uncertain future or clearly defined end, such as having a terminal disease or losing a job.

We regulate our emotions to try to maintain a sense of overall well-being. When you imagine that you have a lot of time left, you use it to learn more about the world, meet new people, and experience novelty. When a life's time is short, its goals become more short-term. Those who anticipate a long-term future say "more is better" and look to spend time with a lot of different people and new acquaintances. Those who anticipate a short future is "quality not quantity", and they choose to spend quality time with fewer people.

Men who have not established a convoy of buddies (a reliable group of friends) by early adulthood may never do so, and may go through life with few or no close friends.

Seek knowledge about yourself and your world. Look for help doing so from a range of experts and variety of acquaintances.

Learning to control impulses and make better choices is inextricably connected with being aware of one's internal states and with managing feelings rather than acting them out. Emotions rather than reason tend to drive the behavior of people who have poor impulse control. Impulsivity is the hallmark of present-hedonistic adolescents, but many carry it over into adulthood.

Thrill wins over will.

We sometimes delude ourselves that we proceed in a rational manner and weigh all of the pros and cons of various alternatives. But this is seldom the actual case. Quite often "I decided in favor of X" is no more than "I liked X". We buy the cars we like, choose the jobs and houses we find attractive, then justify these choices by various reason.

If we always chose the consequences of our actions when we chose those

actions, none of us would be fat, drink, smoke, or fail examinations by not studying. Future-oriented people believe that when you choose a behavior, you choose its future consequences. But sometimes you do not choose a behavior. Sometimes a behavior chooses you based upon the environment in which you find yourself.

Queen Elizabeth said she'd "trade all my possessions for a moment of time". There were no takers.

Pasts are more interested in preserving money. Present Fatalists treat money as though it doesn't matter. Hedonists use their money to create fun and excitement. Futures feel time and money denote possibilities for the future.

*** LOVE AND HAPPINESS

Couples with mismatched time perspectives will be prone to miscommunication and misunderstanding.

How do you bridge the gap in the languages of time? You start with the present. The present is the bridge from the past to the future. The present is the meeting place for good as well as difficult times. When two people are arguing, they can be tempted to leave the bridge of the present and become lost in the fog of the past or imagined future, losing their connection.

By always looking through the present to the next goal, you likely do not fully appreciate the present.

Read Sonka Lyubomirsky's book "The How of Happiness" and Martin Seligman's "Authentic Happiness".

Buddhist student worked for years to see the master. Ascended to a mountaintop and waited for days. The master finally acknowledged the student by asking, "At the beginning of the trail that leads to this mountaintop, there is a sign on one side of the trail. On which side is it?" Mindfulness matters more than abstract knowledge.

"Success is a peace of mind which is a direct result of self-satisfaction in knowing you did your best to become the best that you are capable of becoming." - John Wooden

Identify the things in your life that make you happy, and do more of them.

Identify the things in your life that make you unhappy, and do less of them.

By being mindful, you may be able to detect the influence of your envi-

ronment with you want to be rid of it.

*** BUSINESS, POLITICS AND TIME:

(Enron:) Greed dissolved future orientation and replaced it with a present orientation that excluded the prospect of getting caught.

Great leaders are able to become completely engrossed in the present and to harness the passion they generate in the service of future goals. They have a unique ability to be fully in the moment and to make an audience feel that they are the exclusive focus of their attention. Then they use the energy they generate by their present focus to create a compelling vision of the future.

The unexpected occurs when the future doesn't turn out the way you thought it would. The unexpected can signal unexpected success or unexpected failure. Both have their virtues.

When the unexpected chance event happens, it is more likely that future-oriented people will understand what it means and how to capitalize on it, because they have already invested in education and have learned to focus on contingencies and causal thinking. They can quickly go from "aha" to "so that's it!" because they are prepared to take the new and put it in familiar old molds or create new ones that fit better.

Future goals can help us avoid the urgent-new trap. Once we've determined whether we want fame, fortune, happiness, excitement, quiet, comfort, some, or all of the above, then we can decide how to best spend our time achieving them.

People are generally risk-averse in the domain of gains. This means that people avoid risk after having secured a sure gain.

Students: Ill-defined and unrealistic goals (brain surgeon, rock star, NBA superstar) were replaced with specific well-defined goals that they could reasonably meet.

When a person does not have a concept of the future or believes there is no future for him, the future cannot be taken from him.

*** RESETTING YOUR CLOCK

"To achieve great things, two things are needed: a plan, and not quite enough time." - Leonard Bernstein

The optimal time perspective profile is:

- high in past-positive
- moderately high in future
- moderately high in present-hedonistic
- low in past-negative
- low in present-fatalistic

Choose the time perspective most appropriate for each situation. Open your eyes to the full range of human experience. Depending on the demands of a situation, one time perspective must take precedence, while others may temporarily recede. When you have work to finish, the future time perspective comes to the forefront. When your work is done, and it's time for pleasure, the present-hedonistic time perspective will surface. During the holidays, the past-positive time perspective is most appropriate for preparing you to enjoy family customs.

Self actualizing person: Tie the past and the future to the present in meaningful continuity. Not burdened by guilts, regrets, and resentments. Aspirations are tied meaningfully to present working goals. Faith in the future without rigid or over-idealistic goals.

*** OUT OF TIME

The Golden Rule of time: Use your time as you would like others to use theirs.

*** GREAT SUMMARY FROM AN AMAZON REVIEWER:

Past-oriented people:

- 1- They are generally more concerned with their past and seem to be able to distance themselves from the realities of the present or the future.
- 2- They usually tend to be traditional, religious, and conservative.
- 3- They have a stable sense of self.
- 4- They usually tend to be family- and group-oriented and are distrustful of strangers; thus they may have a tendency to be prejudiced.
- 5- They usually focus on their obligations and commitments whether personal or collective (i.e. family, cultural, or tribal obligations).
- 6- Rituals and myths play important roles in their lives.
- 7- They may have guilt as a dominant feeling.
- 8- They usually try to maintain the status quo and thus may not be progressive.
- 9- They usually do not take risks and are not adventurous.
- 10- Within their group, they usually tend to be dependent and cooperative rather than competitive.

Present-oriented people:

- 1- They tend to focus on the present and their current sensations, feelings, and concerns while ignoring commitments made in the past or for the future; thus they are more concerned with "what is" than "what was" or "what may be".
- 2- Their thinking is more concrete rather than abstract (i.e. one hundred dollar right now is much better than two hundred dollars in the future).
- 3- It is difficult for them to give up temptations or delay gratification and thus they are easily distracted from the performance of necessary current tasks and tend to be procrastinators.
- 4- They tend to concentrate on activities that bring pleasure and avoid pain.
- 5- Their knowledge or insight may not deter them from performing actions that may not be beneficial to them.
- 6- They are usually more sensation and novelty seekers, more aggressive, more depressed, less conscientious, and less emotionally stable. They have less concern for future consequences, less ego and impulse control, and less preference for consistency. They also tend to lie.
- 7- Usually people who are poor or uneducated tend to be present-oriented since they usually tend to focus on emergent needs of the present.
- 8- Since they are not good in abstract thinking, are more concerned with immediate gratification, and less concerned about the future, they usually tend to get low grades in school.
- 9- Because they are immediate pleasure seekers, they usually don't pay good attention to their health and can additionally abuse substances.
- 10- They are usually considered to be fun people to be around.

Future-oriented people:

- 1- They are more focused on their future than the present or the past; their thoughts are concerned with the future consequences of their present actions; they logically analyze various outcomes that may result from their action.
- 2- They are goal-oriented and can delay gratification and endure an unpleasant situation in order to achieve long-term goals. They pay attention to responsibility, liability, efficiency, distant payoffs, and tend to optimize future outcomes. Thus they can work hard and avoid temptations, distractions, waste of time to accomplish a goal. They usually tend to rehearse various future plans.
- 3- Since they are concerned about the future, they tend to save their money and resources.
- 4- They could be either cooperative or competitive depending on which action results in the best outcome.
- 5- They tend to be health-conscious in order to prevent future negative health outcomes.
- 6- They may be unable to enjoy fun activities due to the fear of wasting time.
- 7- They may have difficulty in intimate relationships since they thrive on control, predictability, and consistency, factors that may interfere with the freedom and spontaneity of relationships.
- 8- Although they usually have low anxiety levels, concern for the future may increase their anxiety. They usually tend to be workaholic, and have midlife crises.

- 9- They tend to be more conscientious, less aggressive, less depressed, more reward-dependent, less sensation seeker, more studious, more creative, and use less addictive drugs and alcohol.
- 10- They tend to have more self-esteem, energy, openness, ego-control, and grade-point average.

Time paradoxes:

Four main paradoxes are:

- 1- Time is one of the most powerful influences on our thoughts, feelings, and actions, yet we are usually totally unaware of the affect of time in our lives.
- 2- We can buy food, objects, space (i.e. land), but not time. Once we lose time, we lose it forever.
- 3- Each specific attitude toward time--or time perspective--is associated with numerous benefits, yet in excess each is associated with even greater costs.
- 4- Individual attitudes toward time are learned through personal experience, yet collectively attitudes toward time influence national destinies. ∴