Biases & Mental **Shortcuts**



Making an **Evaluation**



Forming

How We **Preferences** See Ourselves



To Take an **Action or Not**



Representativeness

When we assume two things are more similar than they really are

Availability

Things that are easy to recall are thought to be more common, or likely to occur

 Context Effects We tend to prefer the middle option

Present Rias

A preference for sooner smaller rewards

Hot-cold Gap

We are bad predictors of how changes in our emotions change our preferences

Loss Aversion

We feel losses more strongly than we do gains Hindsight Bias

When we think we predicted an outcome when we really didn't

Overconfidence

When we believe we know more than we really do

Illusion of Control

When we believe our actions impact events we have no control over Status Ouo Bias

A preference to 'stick with the current state' or stick with defaults

Licensing Effect

When we use doing something good as an excuse to do something a little bad



Behavioural Interventions



Reframe Information



Self-Concept Maintenance

Self-concept Priming

and have a positive view

of themselves. Cue this to encourage consistent behaviours

People like to be consistent



Make it Easy



Present information, and think about it as a whole Focus on 'the big picture'

Loss & Gain Framing

Present risks as potential

losses or as potential gains

Putting something down in writing can be more powerful than a

Pledges

verbal commitment

Cue the Future Self.

Help people think about their future by writing letters or imagining what their future will be like

Defaults

People like to stick with the 'status quo'

Fresh Start Effect

Use specific dates as a 'fresh start'

Implementation Intentions

Break larger tasks down into small specific actions

Pre-commitment

Getting people to commit to an action in the future is easier than committing to an action right now



Mental Accounting Setting different accounts for different purposes

Manulife Investment Management

