• I know a man who phenomenon: we use rep. heuristic even when we know that we work w/ very small samples

• Ignorance of base rates phenomenon: e.g. symptoms look like ASD

- Availability Heuristic
  • making judgements based on how easily we can call to mind that we perceive as relevant instances of a phenomenon (media, vividness)
  • people hang out a lot on FB/insta think that ppl are happier than them on average
  • couples claim that they do most of the chores

- Anchoring and Adjustment Heuristic
  • ppl adjust their evaluations of things by means of certain ref. pts. (anchors)
    - 8x7x6x5x4x3x2x1 is eval. as higher than 1x2x3x4x5x6x7x8
      - b/c 8x7 > 1x2 —> anchoring
      - also explains how ppl's donation amounts are affected by others
  - Anchor value may be unreliable —> ppl seem to use the initial asking price as an actor and adjust in its offers accordingly
    • higher the price higher the offer

- Framing Effect: the way options are presented influence our decisions (75% fat free vs 25% fat)
  - humans exhibit risk aversion when faces w/ potential gains (certain smaller gains > risky larger gains)
  - humans exhibit risk seeking when faced w/ options involving potential losses

- Tversky & Khaneman example:
  • Imagine that the US is prepping for the outbreak of a disease to kill 600 people. Two Alternative programs to combat the disease have been proposed
    - if program A —> 200 ppl will be saved
    - If program B is adopted, three is a 1/3 prob that 600 will be saved and 2/3 prob that no one will be saved
  - 72% chooses program A —> risk aversion when there are potential gains (600 > 200)