

- 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)
 - $8 \times 7 \times 6 \times 5 \times 4 \times 3 \times 2 \times 1$ is eval. as higher than $1 \times 2 \times 3 \times 4 \times 5 \times 6 \times 7 \times 8$
 - b/c $8 \times 7 > 1 \times 2$ → anchoring
 - also explains how ppl's donation amounts are affected by others
 - Anchor value may be unreliable → ppl tend to use the initial asking price as an anchor and adjust their 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, there is a $\frac{1}{3}$ prob that 600 will be saved and $\frac{2}{3}$ prob that no one will be saved
 - 72% chooses program A → risk aversion when there are potential gains ($600 > 200$)