

Have you ever made a decision that felt completely logical in the moment only to look back and think, what on earth was I thinking? Maybe you bought something way too expensive you didn't need because it was on sale, or maybe you stayed in a job you didn't like because you already put in so many years.

If so, you are in good company. You, me, every single human throughout history, we are all influenced by what are called cognitive biases, and that's what we're gonna talk about in this episode.

Welcome to Wiser World, a podcast for busy people who need a refresher on all things world. Here we explore different regions of the globe, giving you the facts and context you need to think historically about current events. I truly believe that the more we learn about the world, the more we embrace our shared humanity.

I'm your host, Alli Roper. Thanks for being here.

Now we spend the majority of podcast time talking about world history and culture, but I also feel like in order to have a wiser world, we have to understand the way our brains work. And as a history minded person, I'm fascinated by why our minds do what they do and how it affects our decisions, which in turn affect history.

So. Harnessing the power of the mind has this trickle down effect to history, which is why I occasionally talk about it. Like I have my two logical fallacy episodes, episode 35 and 52. If you wanna look those up. I really enjoy thinking about these things and talking about them. And today we're gonna talk about our incredibly powerful minds through the lens of heuristics and cognitive bias.

I plan to keep it super relevant to real life because we all fall prey to these biases all the time, myself included. And we have a lot to learn here. So. Let's get started with the mental shortcuts. So we humans use mental shortcuts all the time. They help us make decisions, and they help us solve problems fast because we cannot analyze every detail, or we would go crazy.

You know, imagine that you're living in a forest hundreds of years ago and you see some rustling in the bushes. You don't sit down with a clipboard and start weighing probabilities, right? You think tiger and you run, and that snap judgment could save your life. But today most of us are not dealing with tigers.

We are dealing with other stressors, and our brains are still wired to jump to conclusions. So the danger today might be a text from your boss or a headline in your newsfeed, or an awkward look from a friend that you don't know how to interpret. And you have to be aware of what shortcuts your brain is taking and whether or not they're true.

And psychologists call these shortcuts, heuristics. They're efficient, especially when you don't have a lot of time, energy, or information. And many of us use heuristics successfully every

single day. They're not all bad. For example, you might go to the store to buy a tool and you see two brands to choose from.

One brand you recognize the other you don't. And the recognition. The recognition heuristic means that you choose the one you recognize. And oftentimes this works out well because if a brand has been around for a long enough time to be recognizable, it's probably pretty reliable. And so heuristics are kind of the rules of thumb that we develop over our lives, and in many cases, they work and they help us sometimes through these shortcuts.

Misfire and they can lead to flawed judgment and bad decision making. So the heuristic is the shortcut and the bias is the mistake that sometimes comes from using the shortcut. So again, the heuristic is the shortcut, the cognitive bias is the mistake that sometimes comes from using. Shortcut if we're not aware of it.

So we're gonna talk about some of the most common cognitive biases. I'm gonna give you some examples so you can see what I mean. Just how they show up in everyday life, how they've shaped human decisions, and then how we can spot them. And in many cases, how we can inoculate ourselves against them. And there are many more cognitive biases that I'm gonna cover in this episode.

There might be another episode in the future with more, but we're gonna cover 11 in this episode. So let's start with bias number one. This is the anchoring bias. So the anchoring bias is when people rely too heavily on the first piece of information they get when making decisions, even if it's not the most relevant or accurate.

So that first piece of information they get, that's the anchor. They're putting too much weight into it. So we see this all the time in real estate. Real estate agents and home sellers use this in a variety of ways. For example, sellers often set the initial asking price of a home higher than the market value.

They do this so that the buyer's expectations get anchored to that first number, and then if negotiations bring the price down, the buyers still feel like they got a deal. Right, even if the final price is still higher than they would've paid without the high anchor. So real estate agents do this in property tours too.

An agent might show you a more expensive, less appealing home first, and then when you see the next house, which is still pricey but slightly cheaper, it will seem. More like a bargain. Now, I'm not saying that real estate agents or home sellers are corrupt or anything. I'm just saying that they often assume that you will fall for the anchoring bias.

And depending on the situation, it may help you to just be aware of it so that you're making the decision that you actually want. Another example would be in getting hired for a new job, you might hear a salary number for this job and think, whoa, that's amazing, and you get anchored to that number and then you might forget to compare benefits.

Or the cost of living in the area they're asking you to move to. People have anchoring bias with negative comments all the time too. So a child might be told once by a teacher or a parent that they aren't a good reader. Or they're not smart and they get anchored to that and then they let it affect their view of their abilities for years.

Right? Restaurants also love this one. Sometimes restaurants will have an item or two on the menu, usually at the top that's very overpriced. Like there's one restaurant in New York City that created a \$69 hot dog, and this seems so high that when you see an \$18 hamburger further down, you know, it feels like a deal.

In history, anchoring bias has played out in negotiations where the first number thrown out in a treaty or a trade deal often frames the rest of the conversation, even if it's not very realistic. Our brains really love a starting point, and once we have one. We have trouble letting it go. So as you can see here, anchoring bias leads to distorted decision making, overpaying or underselling and misjudging people or ideas based off of first impressions or just what you heard first about them.

There are a lot of ways that we can vaccinate ourselves against this one, but one way is to just notice the first piece of information you learn about something and to just take note of it. In other words, name the anchor. And then challenge the anchor. Did you first hear about this political candidate from someone you like or someone you didn't like, and is that affecting the way you view that person?

Are you anchoring only to the first thing and letting it color all of your other opinions? A question you could ask yourself is, if I didn't know this first thing or this first number, what would I think the value is? This kind of mentally resets you and it forces you to think from scratch. And sometimes it can help to set your own anchor first, like in negotiations, come prepared with your own well-researched starting point, so you're less influenced by the other side's anchor.

So that's bias number one, the anchoring bias. Bias. Number two is the effort bias. This is where we tend to think something is better just because it required more work. So if two essays have the same argument, but one is 10 pages longer, many people will assume that the longer one is better. They'll say things like, it took me 10 hours to write this.

It has to be the best paper. Another example is you stay in a major, you dislike because you've already taken several classes and you've just put so much work into it that can work with jobs as well. Or you stay in a toxic friendship because we've known each other forever and worked so hard on this relationship.

Right? You might rave about a friend's three hour homemade lasagna, but then a, you know. 20 minute pasta dish could actually taste just as good or better, and so the extra effort feels like it must equal more value, even though effort and quality. Uh. Aren't always the same thing. Sometimes it's sometimes Everett really does yield a better result, right?

But we can't fall into the trap of thinking more time must mean better quality. So historically, societies have sometimes fallen into this trap of thinking, you know, a complicated and wordy political speech is more insightful than a short, clear one. And wars have been prolonged because leaders have felt like they've just come too far to quit.

So effort bias can feel harmless because you know, it's nice to take pride in hard work, but it can quietly distort our decisions. Sometimes people will overvalue poor results just because it took a lot of time. People will stay in terrible relationships just because they've put so much effort into them.

Another danger of this bias is just the waste of resources. The idea of, I've already put so much into this, I can't stop now. So you end up pouring even more time, money, and energy into something that's just not worth it. Better to cut your losses, get out, right? It can also change how you see people. You might assume that someone's work is valuable just because you know they put in a lot of effort, even if the result really isn't up to snuff.

So to check yourself on effort bias, try to separate effort from outcome. So when evaluating your work or someone else's ask, if someone else had made this with half the effort, would I still value it the same? And this helps you focus on results instead of just how much sweat was sunk into it. And again, I wanna reiterate that effort is good, right?

We're not, we're, I'm not saying effort's not good, but it's just this attachment to effort must equal value, and that's not always the case. Bias. Number three is the egocentric bias. So in general, we all overestimate our own role in events. We all have this little ego inside of us that thinks that we had more to do with things than we likely did.

Of all the biases I cover in this episode, I think this is the one I see the very most because it's just so common. For example, when most people are working in a group, they see themselves as the one pulling the most weight. Working the hardest, right on the internet. We see this all the time. Worse, everyone seems to think that they care the most about social issues more than anybody else.

And this bias can go to extremes where people may assume that their opinion is the one that really made all the difference and the outcome of the conversation, or they think that their vote really affected the outcome of the election. And leaders in history often fall prey to this bias believing that their personal genius was responsible for the victory, right?

When in reality like weather or alliances or just plain luck or just other people played huge roles in the success. In the outcome right now. Again, sometimes it is true. Sometimes you really are the one who tips the scales, or you really are the one who is working the hardest. But the key is to recognize all of the other contributions made by other people or by other natural causes.

It's the goal to inoculate yourself against the egocentric bias is to just check your ego by looking around being intentional and seeing all of the other things that are making things happen. Noticing them and saying them out loud. Alright, that's the egocentric bias. Let's do bias number four. This is the hindsight bias.

You know, this one, this is like, I knew it all along, or I could tell from the start that company was gonna fail, right? We hear this one all the time. So hindsight bias is when after an event has happened, we convince ourselves that we could have predicted it. It's really sneaky. Because it quietly rewrites your memory of what you thought before something happened.

So you fail a test and you say, I knew it was gonna be hard. Even though maybe you were actually confident beforehand or after an election result, you claim you always knew who was gonna win. I remember once saying, in college, I knew he was gonna break up with me, even though, really the day before I told my mom that I thought I was gonna marry this guy.

Right? So now I know he is gonna, he broke up with me. I'm looking back on it and I'm thinking. I knew I can now see hindsight's 2020, right? Because we really can view things differently once the event has happened. But the bias comes in when you claim that you really did know even when you didn't. And in history, hindsight, bias can make the past seem more predictable than it was, which is dangerous because it can make us overconfident in predicting the future.

It also can distort how. You learn from events and it can also make you very judgmental of other people because you think, oh, well, they missed something that they could, you know, maybe they couldn't have known at the time. Right? Some ways to prevent yourself from falling for this is to actually write down your predictions.

This. Checks your biased memory. Another idea is to think in probabilities instead of certainties. So you can say something like, I think that there's a 40% chance that X is gonna happen, and that leaves a little more room for uncertainty. So that's just a few ideas for how to avoid or check your hindsight bias.

Bias number five and six, I'm gonna teach together. So these biases are the optimism bias and the pessimism bias. These are two sides of the same coin. So the optimism bias makes us think that the future is going to turn out better than the evidence suggests. So you assume you're going to get the job because you're passionate.

If you're underqualified or you assume your future self will easily break those habits without a plan or believing that your candidate is definitely gonna win the election, even when the data suggests otherwise. Pessimism bias is the exact opposite. It's expecting the worst, even when things are going.

Well, this is believing you're gonna fail a class because you missed one homework assignment. Even though you have great grades, or when your friend cancels plans because they're busy, you start to assume that they're pulling away and they don't really like you anymore. Or

believing that your future is doomed after you receive one piece of constructive criticism despite having a very positive track record, believing your country is headed for collapse because of one disappointing election result.

This kind of, this kind of reminds me of the slippery slope, logical fallacy too. Both of these, the PE optimism bias and the pessimism bias are dangerous because they distort how we judge both risk and opportunity. So with the pessimism bias, you miss opportunities because you overplay what could go wrong.

People with a strong pessimism bias tend to have chronic stress and anxiety. And this can lead to self-fulfilling prophecies, right? Where your negative expectations actually lead you to act in a way that brings the very failure that you don't want, right? Most people don't love hanging out with people with a strong pessimism bias.

Optimism bias leads to other problems, right? Being under-prepared. You might not make backup plans or take precautions because you just assume that things are gonna go well or that the rules don't apply to you. If you're too overconfident, it can lead to risky investments or ignoring warning signs, and those little red flags you ignore can add up over time.

So to guard against these two biases. Imagine your mind as a seesaw. If you naturally lean a little too optimistic, actively look for reasons that something could not work. And if you lean more pessimistic, look for evidence that success is possible. And. I would recommend asking for different opinions, like actually talking with people and saying, I think I'm really pessimistic about this.

I think I have a bias towards pessimism on this. Can you check me on this and see what you think? Because asking someone if you have a blind spot, it obviously opens up better relationships and it can, it can be a positive way to just check yourself. Bias. Number seven is the recency bias, and this one is very easy to remember.

We give more weight to the most recent thing we've seen or experienced, just psychology. An example of this is when you're interviewing someone for a job, and most of their answers have been pretty meh. They're like, not that great, but then the candidate gives this really great answer to the last question, and so you walk away from the interview thinking that it went better than it really did.

Or in sports, if a player scores a ton of points in last night's game, you might suddenly think they're the best player. Even if earlier games they weren't playing so well. People play on the recency bias. All the time, right? When planning a conference, people try to end on the best speaker, the highest note, because they know that's what you'll actually remember when the whole thing is over.

And this one seems pretty harmless, and in many cases it is, right? But it can lead to skew decision making when people may base their decisions off of. Only the latest short-term trend.

Instead of looking at the full track record, sometimes people will make impulsive decisions like switching their investments or changing their college major after one bad result.

And in history, this can influence public opinion. Politicians approval ratings often swing wildly right after a single recent event, even if it doesn't reflect their overall record, and people will. Just completely stop trusting someone based off of the last mistake they made, rather than looking at the entire relationship.

So to prevent recency bias, try to look at the full timeline before you make a judgment. Keep logs if you have to with certain topics that matter to you. Keep a log, like rely on actual history, not just your memory, and decide that you'll assess things over a set time rather than reacting week to week.

One question to ask yourself is, am I giving this thing more power because it just happened? And if that's the case, then you're falling for the recency bias. Bias. Number eight is the confirmation bias. And this might be the most famous of all the cognitive biases and for good reason. It's so important.

And the cognitive bias is that we pay attention to information that confirms what we already believe and ignore anything that challenges it. So another way to put that is that we choose to believe information that aligns with what we already think, and we seek out information on things we already believe.

So for an example, a couple examples, if you believe your family has an unkind culture, you are naturally going to look for the times that they're unkind and maybe not notice the times that they behave well. You will seek out what you believe about them. Or if you only read news from sources that match your political beliefs, then you're gonna claim that you're always right.

If you really wanna buy a certain phone, like you're really excited to buy a certain phone, you are gonna click on only positive reviews, and you're gonna assume that the negative ones are written by crazy people. This is confirmation bias and it's everywhere. It's in health, sports, media, parenting, politics, the workplace, and it's only growing more and more with social media. Because of how the algorithms are built, they are literally designing us our own echo chambers.

Right. It's, it's tragic and confirmation bias has shaped entire eras. Scientists ignoring crucial evidence that challenged their theories or governments dismissing reports that didn't fit their plans. It's dangerous for so many obvious reasons. Reasons, but it can ultimately lead to very bad decisions because you might ignore evidence that contradicts your plans and it can reinforce false beliefs.

This can lead to polarization. We're seeing that all over the world where only ideas that everyone likes are listened to on each side. Group think builds. We talked about that in the Cuba 101 series, and if you fall for confirmation bias, you just miss out on opportunities to learn and. And you might not change your mind.

You know, if you, if you get information that's different from what you believe, you might not change your mind, but exploring new perspectives can actually lead you to improving your understanding of what you believe or your strategy. The best way to prevent confirmation bias is to act, actively seek disconfirmation, right?

So one way to do that is to make it a rule to find at least one strong argument against your position before finalizing your decision. Again, it might not change how you actually feel, but that disconfirmation is really important. To, to offset the bias. Play devil's advocate with yourself. If you've got a strong opinion about something, ask yourself.

If I had to argue the opposite side, what would I say? You can also diversify where you get your information and encourage people around you that are trusted to poke holes in your reasoning, and then to be open to their feedback. When you do. There's lots of ways to prevent confirmation bias, but those are just a few ideas.

All right. Bias number nine is the present bias. This one is so interesting to me. The present bias is when we choose smaller rewards now over bigger rewards later. So you skip exercising for Netflix even though you know you'll regret it. You're choosing the small reward of the easy show and skipping out on what you know will give you the longest.

Term benefit or you vote for a short-term tax cut, even if it might hurt long-term programs that you really care about or you put off doing your homework to scroll on your phone even though it means you're gonna have more stress later. It's basically present me stealing from future me right now, it's not too hard to think of.

The dangers in this. Chronic procrastination leads to a lot of issues. It can set you back financially, you know, your health, your work. It's impossible to reach long-term goals if short-term temptations are always taking priority. And throughout history, this bias has influenced policies that brought quick popularity, but came with long-term problems.

I think this is one of the most painful parts for me about studying history. It's being able to look at the history and see, oh, I see what they're doing here. They want a quick win. So they can get reelected or they wanna solve this problem really fast in the short term, but in the long term, this is gonna bite them in the butt.

And we have seen this so often, especially in like post World War II times where countries made very quick decisions to try to solve things quickly. And it has in the conflicts that have resulted have been very long lasting. That was present bias. We see it all the time in not only politics, but in parenting in schools, right?

Like, let's just get a quick win. And there are entire books for how to work on stopping this. So thinking about the long-term benefit and working towards that. But here are just a few tips for

preventing this. First is that you can break big, long-term rewards into smaller milestones that you can hit sooner, so that that future benefit doesn't feel so far away.

You can also increase the short term cost of bad choices by making yourself more accountable to somebody or something. You can also use pre-commitment strategies like auto saving your money or signing up for a prepaid class or setting your deadlines publicly. There's lots of ideas, but that is the present bias is when you choose small rewards now over bigger rewards later, and if you do this chronically it, you know, it can really mess up life.

Alright, bias number 10 is the scarcity bias. Scarcity bias is our tendency to see something as more valuable or desirable, simply because it's rare or it's limited or it's hard to get, even if that scarcity doesn't actually make it better. So if a company says only three left in stock, or limited edition or exclusive access, they are playing on your scarcity bias.

People feel more desperate to get tickets after they hear they're almost sold out. Even if they weren't actually sure they wanted to go. You know, you want a limited edition sneaker because it's rare, even if a similar shoe is gonna work just as well. Scarcity bias is about quantity. There's not enough of this thing, so I've gotta act on it.

Buying shoes you really don't need just because the website says there's only two left in stock, or reserving a hotel immediately when the booking site flashes. Only one room left. Right there, there isn't enough. So I've gotta act, our brains equate rarity with value. And again, that's the heuristic, right?

And sometimes it works. But the thing to notice is if something is scarce, we assume it must be worth more or better than common alternatives, and that's just not always the case. Now, the scarcity bias is obviously dangerous because it leads to impulse everything, impulse spending, especially where you don't actually evaluate if you need something or if it's worth the price and just general poor decision making to prevent this.

Pause. If you see limited time or only a few left, step away for a few minutes and ask yourself, would I want this as much if it were always available? This strips away the urgency and tests if you truly value it. Also, research alternatives. Quickly check if there's similar or better options existing before you commit.

Or you can set purchase criteria in advance. You can decide what qualities matter most to you. Is it price? Is it features? Is it fit? What is it before shopping? So that scarcity doesn't override your priorities? Bias number 11. Our last bias is the urgency bias, and this one plays off of the scarcity of bias.

So. This is where we give more importance to tasks or offers or decisions that feel time sensitive even when they aren't the most important. So this is where you see sale ends in 30 minutes or register by midnight or hurry. Events start soon. Our brains prioritize what feels immediate because it fears missing out or failing to act in time.

Again, that's a heuristic that that works a lot of the time, but urgency bias makes us prioritize what feels urgent over what's truly important because it makes you feel like time is running out, even if it's not. Companies use countdown timers all the time for this. They know that it flips our brain from decision making mode into action mode very quickly.

And maybe you're like me and you're thinking. This sounds a lot like scarcity bias, and that's because these two are very closely related and marketers love to mix them together, but they're not quite the same mental shortcut. So the difference is that the scarcity bias is about quantity. There's not enough of this thing, so I've gotta act.

And urgency. Bias is about time. There's not enough time, so I must act. They often overlap. For example, like a flash sale will say, only two left at this price, and that hits both biases at once. Now, the same dangers apply here as to scarcity of bias. It can lead to hasty decision making. And in politics, this can be downright dangerous.

We saw this in the Bay of Pigs invasion in the Cuba 1 0 1 series. You know. It's just dangerous. So if you, if you have to, if you see yourself falling for urgency bias, often, you need to trick yourself. This is what I do, is I have to slow myself down enough to make a better decision without. Losing out on a real opportunity.

So you don't want to not be urgent when it's actually urgent, but a lot of things are not actually urgent and people make you feel that they are. So you gotta stop yourself and ask, is this urgent and important? And if it's urgent but not important, it can probably wait. And if the choice is truly important, buying yourself a longer pause hours or days before deciding usually is not gonna hurt you.

Another idea for this one is to look for artificial urgency cues. So words like last chance or end, soon or ticking. Countdown timers, they often create false urgency, and so you can ask yourself if this offer or task didn't have a time limit, would I still choose it? I, I admit that I'm very glad to have a fresh reminder of these two biases before the holiday Biden season coming up in a few months, because those marketers, man, they get you good.

And I, I just think it's good to keep those two in mind when everyone's trying to get you to spend money. All right. I hope that learning about these three different cognitive biases has been helpful for you. I honestly love learning about how our brains work, and I think that the more we review them, we talk with others about them, we share these ideas with others to just keep 'em top of mind, the better off we really will be.

I, I think it really matters, and when I have these biases on my mind, I just start seeing 'em all the time and I can check myself a little bit better. The thing to remember though is that cognitive bias. It's not just a quirk in our thinking. Cognitive biases really do shape politics, business relationships, and even the course of history.

And when we study them, we're not just learning psychology, we're learning that self-awareness. And the more we recognize these shortcuts that we have, when they're helpful and when they're not. We could slow down, ask better questions, make decisions that aren't just automatic reactions. So maybe the next time you feel certain that you know why someone acted the way they did, or you're sure you can predict the outcome of an event, hopefully we can pause and ask ourselves.

Is this reality or is this just my brain taking a shortcut? Because while we can't completely get rid of our biases, we can learn to notice them. And that awareness, that humility that comes from that just might change the way that we see the world. If you want a full list of these cognitive biases with definitions and examples to help you remember them, maybe to put on your fridge or your bathroom mirror or whatever, you can go to [patreon.com/wiser World Podcast](https://patreon.com/wiserworld) and you can download a printable PDF.

I'm so grateful for. All of those who support on Patreon. On Patreon, you get ad free episodes, you get additional resources to help you grow in your knowledge. I'm just so grateful for Patreon supporters and if you enjoyed this episode, consider clicking the plus button on your favorite podcasting app.

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And in the meantime, let's go make the world a little wiser.