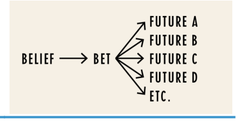
Annie Duke - Thinking in bets

6. Adventures in Mental Time Travel

- Let Marty McFly run into Marty McFly
  - 👍 In the past chapters we learnt how to recruit other people to be our decision buddies
  - 👍 In this chapter we learn how to recruit future ourselves!
- We need to reduce the emotion we feel in the moment and consider our past- and future- selves
  - Temporal discounting
    - 👎 We favor our present-self at the expense of our future-self
      - We go to bed too late and wake up sleepy
      - We start saving for retirement too late and too little
  - 👍 LOSS LIMIT gives you a chance to TAKE A PAUSE FOR regret the decision before you bought more chips
  - TODO: 10-10-10 tool (by Suzy Welch) as a habit to interrupt emotional decisions
    - 👍 Recruit your future-self
      - What are the consequences in 10 minutes? In 10 months? In 10 years?
    - 👍 Recruit your past-self
      - How would I feel now if I had this 10 minutes ago? 10 months ago? 10 years ago?
  - ⚠️ What has happened in the RECENT PAST drives our emotional response much more than how we are doing overall!
    - Flat tyre
      - 👎 Flat tyre now - is a huge problem
      - 👍 Flat tyre a year ago won't be a problem now - it would be a fun story
    - Losing/winning money
      - 👎 Losing $1000 and then winning $900 (i.e. getting a result of -$100 in total) is more pleasant than winning $1000 and then losing $900 (i.e. getting a result of +$100 in total)!!!
      - 👍 But when we think about the outcome in the distant past, we would rather win $100 than lose $100!
        - So we need to exercise ourselves in time-travel!
- Tilt
  - Bad outcomes influence our emotions that compromise further decisions, and so forth
  - 👍 TODO: develop a habit to "take a walk" when you see signs of Tilt
    - take ten deep breaths
    - why don't you sleep on it?
    - 10-10-10
      - What's happened to you in the past when you've felt this way?
      - Do you think it's going to help you to be in this state while you're making decisions?
      - Ask yourself how or whether this will have a real effect on your long-term happiness
    - Your truthseeking pod can help with facilitating questions
      - Do you think maybe you are/were on tilt?
      - Do you think this will really matter in the long run?
- Time traveling to PRECOMMIT
  - Be like Odysseus!
    - Tie the Odysseus's hands to the mast and fill the crew members' ears with beeswax - to win Sirens!
  - 👍 Barrier-inducing contract
    - Raise a barrier against your irrationality!
      - Use ride-sharing service (instead of car) when go to a bar
      - Do not going to the mall at all if you are trying to eat healthier
      - Or budget our time tightly so you don't have time for food court
  - 👍 Barrier-reducing contract
    - Precommit to carry healthy snacks in our bag
    - Automatic allocation from our pay into a retirement account
  - Precommitment contracts trigger a decision-interrupt
    - Will that prevent an emotional, irrational decision every time?
      - No
    - Will we sometimes still decide in a reflexive or mindless way?
      - Of course
        - But it will happen less often
- Decision swear jar (watch-out words for truthseeking group)
  - ⚠️ Swear jar
    - If someone swears, they put a dollar in the jar
  - Signs of the illusion of certainty
    - I know
    - I'm sure
    - I knew it
    - It always happens this way
    - I'm certain of it
    - you're 100% wrong
    - You have no idea what you're talking about
    - There's no way that's true
    - "0%" or "100%" or their equivalents
    - "best", "worst", "always" or "never"
  - Overconfidence
    - similar terms to the illusion of certainty
  - Irrational outcome fielding
    - I can't believe how unlucky I got
    - I'm at the absolute top of my game
    - I planned it perfectly
    - They totally had that coming
    - They brought it on themselves
    - Why do they always get so lucky?
  - Any kind of moaning or complaining about bad luck just to off-load it
    - with no real point to the story other than to get sympathy
      - (An exception would be when we're in a truthseeking group and we make explicit that we'e taking a momentary break to vent)
  - Generalized characterizations of people meant to dismiss their ideas
    - insulting, pejorative characterizations of others
      - idiot
      - donkey
    - "another typical ...."
  - Other violations of the Mertonian norm of universalism
    - shooting the message
      - Any sweeping term about someone
        - "gun nut", "bleeding heart", "East Coast", "Bible belter", "California values"
  - Signals that we have zoomed in on a moment, out of proportion with the scope of time
    - "worst day ever"
    - "the day from hell"
  - Expressions that explicitly signal motivated reasoning
  - The word "wrong" deserves its own swear jar
    - it is is a conclusion, not a rationale
  - Lack of self-compassion
    - if we're going to be self-critical (the focus should be on the lesson and how to calibrate future decisions!)
      - I have the worst judgment on relationships
      - I should have known
      - How could I be so stupid?
  - Signals we're being overly generous editors when we share a story
  - Infecting our listeners with a conflict of interest
    - including our own conclusion or belief when asking for advice or informing the listener of the outcome before getting their input
  - Terms that discourage engagement of others and their opinions
    - including expressions of certainty and also initial phrasing inconsistent with that great lesson from improvisation "yes, and..."
      - That includes getting opinions or information from others and starting with "no" or "but . . ."
- Reconnaissance: mapping the future
  - Betting on a future

  - Scenario planning in practice
    - Make decision trees
      - 👍 Calculate expected value for each brach
        - Outcome * Probability
  - Backcasting: working backward from a positive future
    - 👍 Identify the goal and work backward from there to "remember" how we got there
    - Backcasting reveals the positive space
  - Premortems: working backward from a negative future
    - Premortems reveal the negative space
    - 👍 Incorporating negative visualization makes us more likely to achieve our goals
      - (despite the popular wisdom that we achieve success through positive visualization)
    - ⚠️ We need to have positive goals, but we are more likely to execute on those goals if we think about the negative futures
- Dendrology and hindsight bias (or, Give the chainsaw a rest)
  - When we see back we don't see branches - we only see the trunk!
  - 👎 hindsight bias
    - the human tendency to believe that whatever happened was bound to happen, and that everyone must have known it
      - I should have known
      - I told you so