In the article in the last article, I outlined some mental traps that can blindside us into making faulty decisions unless we are aware of them and take corrective action. Following up in this column, here are some more of the most common decision-making mistakes people make.

**The Confirming-Evidence Trap**

This trap is the bias that leads us to seek out information to support our existing point of view while avoiding information that contradicts it. This bias not only affects where we go to collect evidence to reinforce a current stance or perspective, but also how we interpret the evidence we receive, leading us to give too much weight to supporting information and opinions and too little to those that are conflicting.

In one study of this phenomenon, two groups— one opposed to and one supporting capital punishment— each read two reports of carefully conducted research on the effectiveness of the death penalty as a deterrent to crime. One report concluded that it was effective, the other that it was not. Despite being exposed to solid scientific information supporting counter-arguments, the members of both groups became even more convinced of the validity of their own positions after reading both reports.

Two fundamental and extraordinarily powerful psychological forces are at work here. Please read the next two sentences twice, as they describe two of the most subtle and pervasive ways we let our rush of first emotions bias our better, more balanced judgment. The first is our tendency to subconsciously decide what we want to do before we figure out why we want to do it. The second is our inclination to be more engaged by things we like than by things we dislike - a tendency well documented, even in babies.

What can you do about these traps? Always check to see whether you are examining all the evidence with equal rigor. Avoid the tendency to accept confirming evidence without question. Get someone you respect to play devil’s advocate, or build the counter-arguments yourself. What’s the strongest reason to make a different choice? The second strongest? The third?

Be honest with yourself about your motives. Are you really gathering information to help you make a smart choice, or are you just looking for evidence confirming what you think you want to do? In seeking advice from others, don’t ask leading questions that make your decision-making
inclination evident. Make sure the people from whom you want perspective are not biased by your views and can offer you truly independent information and opinions.

**The Framing Trap**

How you make a decision is often determined by how you view your choices or how you frame the questions around it. For example, to reduce insurance costs, the neighboring states of New Jersey and Pennsylvania made similar changes in their laws. Each state gave drivers a new option: By accepting a limited right to sue, drivers could lower their premiums. But the two states framed the choices very differently, and how the state officials framed the vehicle owners’ choices for insurance costs made a $200 million difference in how the drivers in one state chose to pay versus those in the other state.

In New Jersey, you automatically got the limited right to sue unless you specified otherwise. In Pennsylvania, you got the full right to sue unless you specified otherwise. As a result, about 80% of drivers in New Jersey chose the limited right to sue, but only 25% in Pennsylvania. A frame can establish the “status quo” or introduce an “anchor.” It can lead you to “justify past actions” or highlight confirming evidence. Two kinds of frames can distort decision-making with startling frequency.

**Frame As a Gain or As a Loss**

People are risk averse and will look for reasons to turn down or avoid a decision where a loss, however small, is possible even if a larger chance exists for an upside gain. People also tend to adopt the framing of the situation as it is presented to them, rather than restating the problem in their own way. Don’t automatically accept the initial frame, whether you or someone else created it. Try to reframe the problem or opportunity in several ways to see it from different sides and envision different potential outcomes. Also try posing decision-making situations in a neutral way that combines gains and losses or embraces different reference points. Throughout the decision-making process, ask yourself how your thinking might change if the framing changed.

**Estimating and Forecasting Traps**

We are all fairly good at estimating time, volume, distance, and weight,
because we make such decisions frequently and get quick feedback about our accuracy. We are less experienced (and get less verification) when deciding on less certain forecasts. Weather forecasters and bookmakers have opportunities and incentives to maintain a record of their judgments to see when they have been accurate and to plan to replicate the accurate reasoning in their next decision. We make mistakes in estimating and forecasting in one of the following three ways:

**The Overconfidence Trap**

We believe we are better at making forecasts or estimates than we actually are. In one series of tests, people were asked to forecast the next week’s closing value for the Dow Jones Industrial Average. To account for uncertainty, they were then asked to estimate a range within which the closing value would likely fall. In picking the top number of the range, they were asked to choose a high estimate they thought had only a 1% chance of being exceeded by the closing value. Similarly, for the bottom end, they were told to pick a low estimate for which they thought there would be only a 1% chance that the closing value would fall lower. If they were good at judging their forecasting accuracy, you’d expect the participants to be wrong only about 2% of the time, but hundreds of tests have shown that the actual Dow Jones averages fell outside the forecast ranges 20% to 30% of the time. Overly confident about their ability to predict, most people set too narrow a range of possibilities.

**The Prudence Trap**

People are often overly cautious or prudent in forecasting. When faced with high-stakes decisions, we tend to adjust our estimates or forecasts "just to be on the safe side." An extreme example is the "worst-case scenario analysis" once popular in the design of weapons systems and still used in certain engineering and regulatory settings. Using this approach, engineers designed weapons to operate under the worst possible combination of circumstances, even though the odds of those circumstances actually coming to pass were infinitesimal.

**The Recallability Trap**

Even if we are neither too confident nor unduly prudent, we can fall into a trap when making estimates or forecasts. Because we frequently base our predictions about the future on our memories of the past, we can be overly influenced by dramatic events—those that leave a strong impression on us. We all, for example, exaggerate the probability of rare but catastrophic
occurrences such as plane crashes because they get disproportionate attention in the media. A dramatic or traumatic event in your own life will distort your thinking forever. You will assign a higher probability that similar things might happen to you and to others in the future.

To minimize the distortion caused by variations in recallability, carefully examine all of your assumptions. Many of these traps work, not in isolation, but in concert with each other, thus amplifying their power to distort. When we make a fast decision, thinking we are relying on gut instincts, we are often falling into a trap.

Before you spend too much time actually making a decision, take time to review how you are making it. Don’t get emotionally attached to one outcome before you're sure your decision making process serves you well.

One way I've made these traps familiar to me so I will recognize them in my own thinking has been to see them in situations around me. I teach a monthly lesson to four graders at our nearby school here in Sausalito. The students have already become adept and gleeful at showing examples of these traps to their parents.

As I have been writing about making smart choices, I’ve noticed how pervasive these decision-making traps are in my life. I’ve seen them influencing us in advertisements. I’ve started to discount valid information from someone I distrust. I’ve seen a client refuse to change course in the face of his subordinates compelling case to do so. I've even read vivid examples of all the traps in Elizabeth George’s mystery book, Deception on His Mind. Perhaps the methods in this article will help you as they’ve helped me to make smarter choices, o you can savor the results too.

A helpful next step is to practice comfortable ways to communicate to connect, rather than to conflict with others so you can attract smarter support sooner. From the research on our gut instinctual reactions and behaviors, I've craft an approach that has been taught to over 30,000 people, which you can learn in an e-book, “LikeABILITY: How to Come Through Conflict to Create a Happier, Higher-Performing Life for Yourself - With Others” available at http://www.sayitbetter.com/store/merchant.mv? You may also want to subscribe to the e-zine now read by over 32,000 other people at http://www.sayitbetter.com/ezine.html
"How We Sometimes Fool Ourselves When Making Decisions"
and other books and speaker on how to communicate to connect, Kare Anderson (www.sayitbetter.com)

Think back on a crucial decision you’ve made in your work or with a loved one that haunts you still. Now, consider some smaller decisions where you realize in retrospect that, if you’d made another choice, you’d have saved a situation, time, “face”, a relationship, money or another resource, or simply avoided aggravation.

What if you found out that your mind played tricks on you?
You could have thought things out better, and made a wiser choice? Perhaps you were relying on your “gut instincts”, yet, in fact, were fooled by unconscious making traps we all fall into when trying to figure out what we should do. According to renowned negotiation and games theory expert, Howard Raiffa, we are destined to repeat the same faulty decision-making process and face more grief from the poor results if we don’t gain insights into some of these traps.

Raiffa has found that the fault often lies not in the decision-making process but rather in the mind of the decision maker. The way the human brain works can sabotage our decisions. Here are some insights into the most well-documented traps we set for ourselves in making decisions. Perhaps they can help you make better decisions in the future.

How We Often Distort Our Decision Making
We use unconscious routines, called heuristics, to cope with the complexity inherent in decision-making. They serve us well in most situations. For example, in judging distances, we equate clarity with proximity. The clearer an object appears, the closer we judge it to be. The fuzzier, the farther we think it is. Like most heuristics, it is not foolproof. On days that are hazier than that to which we are accustomed, our eyes will tend to trick our minds into thinking that things are more distant than they actually are.

For airplane pilots this distortion could be catastrophic if they weren’t trained to use other truly objective measures and instruments. While this decision-making flaw is based on sensory perception others are based on biases, still others on irrational anomalies in our thinking. They are potentially dangerous because they are invisible to us. They are hardwired into our thinking so we fail to even recognize we are using them.
Here are some of the most common decision-making traps - and what you can do to overcome them.

Anchoring

How would you answer these two questions?
1. Is the population of Turkey greater than 35 million?

2. What’s your best estimate of Turkey’s population?

If you are like most people, the figure of 35 million (researchers chose arbitrarily) influenced your answer to the second question. When behavioral scientists ask variations of these questions to groups of people many times over the past decade. In half the cases, 35 million was used in the first question, in the other half, 100 million.

Without fail, the answers to the second question increase by millions when the larger figure is used (as an anchor). When considering a decision, the mind gives disproportionate weight to the first information it receives. Initial impressions, estimates, or other data anchor subsequent thoughts and judgments. The implications to influence another’s perceptions are mind-boggling and can take many guises. A colleague can offer a comment, or a statistic can appear in the morning newspaper that will influence your subsequent decision making on that topic.

In business, one of the most frequent “anchors” is a past event or trend. A marketer in attempting to project sales of a product for the coming year often begins by looking at the sales volumes for past years. This approach tends to put too much weight on past history and not enough weight on other factors.

Because anchors can establish the terms on which a decision will be made, they can be used to influence how someone feels about a political issue or as a bargaining tactic by savvy negotiators.

Reduce the impact of the effects of anchoring in these ways:
1. Be open-minded. Seek information and opinions from a variety of people to widen your frame of reference, without dwelling disproportionately on what you heard first.

2. In seeking advice from others, offer information -- just the facts without your opinion -- so that you don’t inadvertently anchor them with your thoughts. Then you can benefit from hearing diverse views on the situation without their views being colored or anchored by yours.

3. Whoever most vividly characterizes the situation usually anchors the other’s perception of it. That’s an immensely powerful ability. Others literally see
and discuss the situation while anchored from that most memorably stated perspective. The vivid communicator has literally created the playing field on which the game will be played on. Be especially wary of anchors in negotiations. Think through your position before any negotiation begins in order to avoid being anchored by someone else’s proposal or position.

**The Status-Quo Trap**

We instinctively stay with what seems familiar. Thus we look for decisions that involve the least change. For example, when radically new products are introduced they are made to look like an existing and familiar product. The first cars looked like horseless carriages. The first online newspapers and magazines had formats much like their print counterparts.

To protect our egos from damage we avoid acting to change the status quo, even in the face of early warnings that demonstrate that change will be safer. We look for reasons to do nothing.

For example, in one experiment, a group of people were randomly given one of two gifts of approximately the same value, half received a mug, the other half got a large, Swiss chocolate bar. They were told that they could easily exchange the gift they received for the other gift. While you might expect that about half would have wanted to make the exchange, only one in ten actually did. The power of status quo kicked in within minutes of receiving an object.

Other experiments have shown that the more choices you are given, the more pull the status quo has. Why? Because more choices involve more effort while selecting the status quo avoids that effort.

In business, the sins of commission (doing something) tend to be punished much more severely than sins of omission (doing nothing). In all parts of life, people want to avoid rocking the boat.

What can you do? Think of your goals first, when preparing to make a decision, then review how they are served by the status quo as compared by a change. Look at each possible change, one at a time, so as to not overwhelm yourself and then instinctively want to “stay safe” and unchanged.

Never think of the status quo as your only alternative. Ask yourself whether you would choose the status quo, if, in fact, it weren’t the status quo.

Avoid the natural tendency of exaggerating the effort or cost or emotional reaction of others or for yourself if you change from the status quo.
Remember that the desirability of the status quo may change over time. When considering a change, look at possible future situations. If you have several alternatives that are superior to the status quo, avoid the natural tendency to fall back upon the status quo because you are having a hard time choosing between the other alternatives.

The Justify- Past-Actions Trap

The more actions you have taken on behalf of a friendship, choice or belief, the more difficult you find it to change direction or acknowledge that you now feel differently. Whenever you invest time, money, or other resources, or your personal reputation is at stake, you will find it more difficult to change your decision or course of action. Suppose, after walking around a store, a low-key clerk asks you to describe your favorite feature of the store. You answer. She asks you to elaborate or show her. Each time you move, speak and demonstrate what you mean, you deepen your belief, get more articulate about it and are more likely to tell others your view after you leave the store.

Suppose you pour a great deal of time and effort into an issue. Because you have already used resources to prepare to put the process in place, you will find it difficult to withdraw, even when others are not enthusiastic about your idea. If you have a once-close childhood friend who has not been supportive to you for years, you’ll be reluctant to acknowledge that change and are likely to act as if you are still close. Banks used to continue to lend to businesses that had fallen back on payments, thus throwing good money after bad.

For all decisions with a history, make a conscious effort to set aside your past actions, investments of emotion, money or other resources, as you consider whether to change direction. Seek out and listen to people who were uninvolved with the earlier decisions. Examine why admitting an earlier mistake distresses you. If the problem lies in your wounded ego, deal with it straightaway. As the well-known investor, Warren Buffet once said, “When you find yourself in a hole, the best thing you can do is stop digging.”

Don’t cultivate a failure-fearing culture in the people around you at home or at work so that others perpetuate mistakes rather than admitting them to you and changing course. Set an example of admitting mistakes in your choices and self-correcting so that others believe they can do likewise without penalties from you.

If you’d like to learn more I recommend three classic books. One is co-authored by one of my mentors, Howard Raiffa, the Frank Plumpton Ramsey Professor Emeritus of Managerial Economics at the Harvard Business School. He and co-authors, John S. Hammond and Ralph L. Keeney, wrote Smart Choices: A Practical Guide to Making Better Decisions. Two other landmark books on
decision making are J. Edward Russo and Paul J. H. Schoemaker’s 1989 book, 
*Decision Traps: The Ten Barriers to Brilliant Decision Making and How to 
Overcome Them* and Max Bazerman’s *Judgment in Managerial Decision Making* 