

7 REASONS YOU MAKE BAD DECISIONS



"Can I get you anything else?"

As I'm staring out of the train window, the attendant passes through with a trolley of assorted drinks and snacks. It is a first class carriage, so anything I order is free, but I'm not particularly hungry or thirsty at this moment. However, I'm not too far away from my destination, so will she be passing by again later if I change my mind? Should I take something just in case, but risk eating too much if I just get bored? The person opposite me just ordered a beer and now I'm feeling like maybe that would be a good choice.

"I'm fine for now, thanks."

All of those thoughts went through my mind in flash in less than a fraction of a second. In that moment, I was forced to make a decision, one that I hadn't contemplated, that would have an impact on the rest of my life. Ok, that is a slight overstatement, but at least for the rest of the journey. In that particular moment, I admit, I panicked a little.

Every day, we are faced with decisions.

Some of which may seem trivial, such as *"one sugar or two"* or *"which socks to wear today"*. We make hundreds of these decisions each and every day and whilst they may not seem significant, they still require some element of cognitive effort.

Other decisions may have somewhat more of an impact. Anyone who has ever wanted to leave their job and start a new business will know that can be a tricky decision to make. There are certainly pros and cons on both sides, and ultimately, you never know how these decisions will play out in the future.

Once we have made the decision, that is it, no going back. You have placed your bets and now you just need to spin the roulette wheel that is life.

Now, I'd really like to tell you that over the millions of years of human development, we have managed to find a way to hone and perfect our decision making strategies. But, as you probably already know, maybe even from personal experience, we aren't quite there. In fact, there is a lot of evidence to say we don't make very good decisions at all.

Think about it, if we all made good decisions, we would all have great jobs and careers, we would start a pension before we finished school, we would all exercise regularly, and we would all be with the man or woman of our dreams.

So why do so many people complain about their jobs, or how little money they have in retirement, or why they feel so tired and fat, or why they are stuck in a terrible relationship?

It all comes down to decisions.

The good news is, once you realise some of the reasons why you make bad decisions, you'll be able to recognise that behaviour in your own decision strategies. This book is all about uncovering some of those reasons and helping to give you a strategy that will stop you making those mistakes again.

I also want to point out before we get started that this isn't just some theoretical, anecdotal list. Instead, this covers the latest science coming from the world of behavioural economics and decision science. We'll be looking at these elements from both a psychological as well as a neurophysiological aspect and we will look at specific studies that highlight each issue. I'll do my best to straddle the line between abstract science and practical applications, tying the concepts to the real world where possible.

Let's get started.

1 Your Brain Is Lazy

Over the last million years or so, or neurophysiology hasn't changed too much. Some growth around the prefrontal cortex has given us more power over logic and language, but we are still pretty much wired the same way.

Society however, has changed a little bit faster. Our brains have a limited capacity for judgment and decision making, and yet we live in a world that requires us to make decisions every minute of the day. What do we wear to work? How do we take our coffee? What do we eat for lunch? And amongst all these small decisions lie the more significant choices that truly shape our lives.

As you can imagine, paying attention to all of these choices would drain our brain power rapidly, so our brain has evolved in a way to help us make some decisions using minimal amounts of attention and effort.

These cognitive shortcuts are called **Heuristics**.

Heuristics are the way our brain has evolved to reduce the cognitive load, often by simplifying a problem. This allows us to calculate the answers to more problems in our head for the same amount of cognitive energy.

What is 9% of 81?

Take the problem above for example. If you were just asked to give an approximation to the answer, most of us would change the numbers so that the problem looked more like this:

What is 10% of 80?

The second problem is a lot easier to solve, and if we don't need to give a precise answer, then using this heuristic is perfectly fine. We won't get the exact answer (*7.29 in case you were wondering*), but if we said 8 then we are in the right ballpark.

Our brain has created an **adaptive toolbox** that contains a repertoire of such fast and frugal rules for making judgments and decisions. These mental shortcuts help us make more efficient decisions in such a mentally challenging world.

However, there are times when using heuristics is not effective. Consider the following problem:

A bat and a ball together cost one pound ten pence.

The bat costs one pound more than the ball. How much does the ball cost?



If you are like the majority of the population, a heuristic answer came quickly to mind, and that answer is wrong.

If you immediately thought “10 pence”, that would make the bat £1.10 and therefore the total £1.20.

The correct answer is 5 pence.

If you got this immediately, well done, you are in the minority, but you probably still came up with the heuristic answer first. However, you decided to give this problem a little more attention and engage your slower, less impulsive brain system.

As Nobel Prize winner Daniel Kahneman explains, our mind has two systems: a fast system which is impulsive, emotional and automatic, and a second slow, effortful and calculating system.

System 1 help us in situations where we need to make frequent, low-consequence decisions. It works almost subconsciously, and allows us to be as efficient as possible in how we use our cognitive energy. If you have a hunch or intuition about a situation, it comes from system 1.

System 2 is engaged when we really need to consider something. It takes resources, perhaps a lot of cognitive energy, and as a result, we tend not to engage it for all choices we are faced with. Can you imagine weighing the pros and cons and calculating multiple outcomes and possibilities for all decisions we face? This really wouldn't be possible.

The secret then is realising when to use each system, or at least being aware of when each system may or may not be appropriate.

There is a good chance that many of the decisions you allow to be made by the fast system could probably do with a little more focus and attention. I'm sure you can think of a few choices you made recently that, had you given them a little more consideration, you would have been able to get a better outcome.

At the same time, there are probably a few decisions you have made recently that you gave too much thought to. Many people find that they overly deliberate on issues that, really, are not all that important at the end of the day.

Become aware of which of the two systems is driving the majority of your decisions. Do you need to engage your fast system or your slow system a little more often to make better choices?

System 1

Fast
Automatic
Heuristic
Emotional
Subconscious

System 2

Slow
Effortful
Rational
Logical
Calculating

2 You Are Overly Optimistic

There are a lot of benefits that come from having a more positive outlook on life. However, in the realm of decision making, optimism is most definitely a bias. Lets look at an example.

How do you rate your skills as a driver?

Would you say you are in the top 50% of drivers based on your skill set?



OR



If you are like the majority of people (*and I'll give you the numbers in a minute*) you will typically say yes to the above question. Rarely do we want to admit that it is us that causes accidents or traffic jams or sit in the middle lane or not notice when the light has gone green (*you can enter any peeve that you may have with bad drivers here*).

So how is it possible that 93% of drivers rate themselves as above average?

That's right. According to [Svenson](#) (1981), 93% of students in the U.S. rated their driving ability as above average. Another study by [McCormick, Walkey and Green](#) (1986) found 80% of drivers rated themselves as above average over a 8-point scale.

Needless to say, some of those people are deluded. (*Of course I'm not to be included in that group of people, my driving skills are clearly without question!*)

The reason more than 50% of people put themselves in the top 50% of drivers is because we overestimate our own ability, and tend to disregard statistics that apply to world in general.

Want some other examples?

Imagine starting a business when statistics show that **8 out of 10 businesses fail in the first 18 months**. From the outside, that seems like a big challenge, but speak to the aspiring entrepreneur and all they see is success down the road. They definitely put themselves in the 2 rather than the 8.

What about the newlyweds? As they exchange their vows in front of the congregation, do you think that in the back of their mind they are considering that **42% of marriages end in divorce**? Of course not. They are caught up in the excitement and will go sleep that night dreaming of growing old together.

So what is the answer? Pessimism?

The key is to have a better understanding of statistics and how they may influence your decisions.

For example, you find yourself in a casino playing roulette and you decide to place a single bet. You decide to try and double your money, so you are going to put everything on either red or black. Which one do you choose?

Maybe you have a rule for situations like this. I know if I am calling heads or tails, I always call tails. If I'm betting red or black, then I take Wesley Snipes advice from the movie Passenger 57... I always bet on black!

However, in this case, you decide to watch the wheel for a few spins before placing your bet. As you watch, the ball lands in red 6 times in a row.



Which colour do you choose now?

Here's what we know. If we ignore the green zero (*house always wins in the end!*) then there is a 50/50 chance of red or black. Over time, this means that half of all spins will land on red, and half will land on black.

So if we just had 6 reds, then it HAS to land on black next, right?

If you just nodded your head, congratulations, you just became another victim of what is known as the **Gambler's Fallacy**.

You understand the principle of regression to the mean, which says that over time, things will even out and there will be half reds and half blacks. However, that is over time. This next spin of the wheel is a singular event, and so on its own, holds the 50/50 odds. You are looking at a sample that is too small and inferring that the wheel will 'correct' the results faster than it really will.

As you start to understand statistics a little better, you'll be less inclined to be guilty of over-optimism whilst still being able to maintain the regular optimism.

Until that happens, can you lend me some money? It could never land on red 8 times in a row... surely?



3 You Are So Inconsistent

I think it is a little ironic that I start writing about this effect in Starbucks and that I am currently being fuelled by the results of this exact bias. However, as a result, I'm going to be able to cram a lot more information into this section in the same amount of time, so hold on tight!

You see, we are all guilty of falling for framing affects and allowing them to influence our choices.

Let's think of Starbucks for a moment. Starbucks started with two sizes - short (8oz) and tall (12oz).



That is a pretty easy choice. Do you want a small coffee or something with a little more punch?

But selling small coffees is never going to turn you into a billion dollar business.

So how do you sell more bigger coffees? Easy... add one that is even bigger!



By adding a larger coffee, the mean sale went from somewhere around 10oz up to around 12oz. All of a sudden, the average sale becomes the previous biggest possible sale.

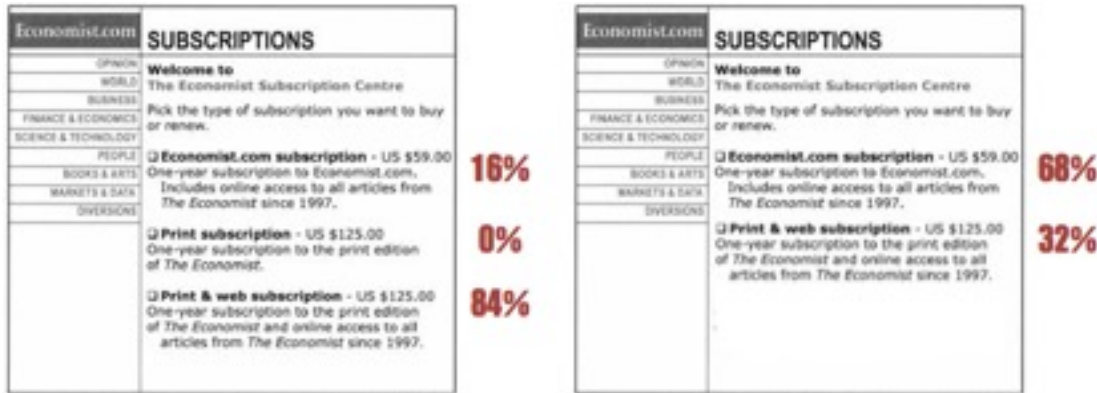
Couple that with consumers asking for larger sizes, Starbucks added venti and short was put out to pasture. Now the large coffee that I am drinking is 24oz, 3x the size of the original short coffee.

So, when you are asked for which coffee you want in Starbucks, that isn't the real question. You are answering a slightly different question - *"which of our sizing options seems most attractive to you in this moment?"*

Let's see some stats that show this in another way.

Would you prefer an online subscription to a magazine, or a printed version? What if the online version was significantly cheaper? How much would you pay for both?

The Economist magazine is a great example of how using a pricing decoy can be very effective.



Dan Ariely used this pricing model to show how the addition of a third, unattractive option, can significantly influence decisions. In the situation with three options, the overwhelming favourite option was the combined print and web version at 84%. No one selected the dominated, print-only option, and only 16% went for web only.

However, when the decoy option was removed, something drastic happened. The least favourite option suddenly became the preferred option (68% web only), and what had previously been the overwhelming favourite now suddenly didn't seem as enticing (32%).

By inserting a third option to compare against, and by manipulating its factors in terms of attractiveness compared to either of the existing options, you can push people toward a decision that ultimately may not have been as favourable.

If you look at websites, you will see the inclusion of a platinum or diamond package which is priced so much higher than the other packages. They don't necessarily want you to buy this

(although you would make them happy if you did), but they do want you to think their 'preferred' option is cheaper in comparison.

When you buy a car, does the sales person begin with the price of the extras, or leave that until after you have decided to buy the car. A £3000 stereo system may seem like a crazy price to pay, but when you have just spent £30,000 on the car, the cost of the stereo doesn't seem so much.

How far would you travel to save £10. Well if you are buying a product for £40 then you would probably work hard to save that money. But if that same discount is available on a £450 product, you probably won't bother yourself, after all, it is only £10.

How much food do you want to eat? You would think you would only eat as much as you need to satisfy your hunger. However, if I give you a bigger bowl or plate, you will eat more. Why do you think those all-you-can-eat places have such small plates?

Make sure you are asking the right question, rather than the question that you are being presented with. Be aware of comparisons and decoy options and be sure to choose the option that is right for you.

(Before we move onto the next element, I need to finish my venti coffee... I ordered too much!)



4 You Are So Easily Persuaded

So far you have seen that you can't even be trusted to make your own decision in situations where the choice architecture is setup in such a way to direct you to somebody else's preferred outcome for you. If that can be influenced just by changing the context of a decision, what happens if you introduce someone skilled in the art of persuasion?

Persuasion is about getting people to do something that you want them to do, whether they realise that they want to do it yet, or not.

Since man first evolved, people have been trying to convince each other to do things. Caveman would exchange food for pelts, trading what they had in abundance for what they may have desperately needed. If they showed weakness, they would find themselves in a compromised bargaining position, being forced to accept less-than-fair exchange rates compared to what they

may have been able to get, had they not needed to trade so urgently. Being in a position of power helped them get fair price during the exchanges.

Today, these trading cavemen have evolved into salespeople and marketers.

Every day, we are faced with advertisements, brochures and all sorts of promotional material encouraging us to buy a particular product or service.

As much as we would love to believe that persuasive material doesn't affect us, we are wrong.

In fact, persuasion acts upon us, not just in one, but in two different ways.

The first way is through our **Central Route**, which we tend to use when we are paying attention to something (*remember our slow system from earlier?*). When we have the ability to process an argument (*for example, we are not tired, bored, stressed or preoccupied*), we will pay attention to the content of the message being presented. It is during this time that the salesperson attempts to communicate as many reasons as possible that you should follow his or her advice and buy this product.

The second way persuasion works is through our **Peripheral Route**. When we aren't really paying attention, it is the context more than the content which will influence the persuasiveness of an argument. We jump to conclusions (*remember our fast system this time?*) based on more superficial elements of the message. A dentist is promoting a toothpaste: it must be a good toothpaste. One of our favourite celebrities uses a fragrance: we would probably like that fragrance too.

One of the best books on persuasion is **Influence by Robert Cialdini**. In the book, Cialdini explores the impact that contextual situations affect behaviour.



For example, **Authority** plays a huge part in influencing behaviour.

We tend to take the word of people in authority (*think doctors, police, firefighters*) more seriously and act accordingly. A doctor suggests that you start taking vitamins for a health condition. Do you take them because it makes sense to take the vitamins (*central route*) or are you more likely to act because a doctor told you to do it (*peripheral route*)? Conversely, security systems will often use real criminals to show how safe their system is and how even professionals cannot get past their latest technology.

Another example of getting people to take a different action is due to perceptions of **Scarcity**. This is widely used by well known hotel booking websites, department stores having a sale and anyone looking to create a sense of urgency. By limiting availability in terms of quantity or time, advertisers are able to accelerate behaviours. Why do you think that website says there are '*only 2 rooms left*'? Is it purely informational, or are they attempting to get you to book now for **Fear Of Missing Out** (*FOMO in sales and marketing speak*). Why does the shop sale say '*Ending Tomorrow*'? Instead of walking by and coming in another day, you are more likely to enter the store... but of course, you are only browsing.

As you are no doubt aware, over time, we have learned to spot sales techniques and become a little less susceptible. However, the effect of the peripheral route is hard to counter.

Brands invest billions to make themselves appear more attractive through clever advertising... and it works.

Line up two similar products side by side and ask people which they prefer. **Research from Stanford University** showed that even by the age of 3-5, children identify identical products that are branded as McDonalds as tastier than an unbranded (*yes... identical!*) item. I'm not just talking cheeseburgers, but actually carrots and milk with the McDonalds logo are rated as tastier.



McCarrots?



Who do you support in the cola wars? Pepsi wins in the vast majority of taste tests, but Coke outsells Pepsi by a long shot. Even Diet Coke pushes Pepsi down into just third place.

When you drink Coke, and you know you are drinking Coke, it isn't necessarily the taste of the drink that you enjoy. Rather it is the association to all the uplifting adverts that you have been bombarded with over the years.

What about wine? Think you know which wine you like? I bet if I told you that if I played music while you were shopping for wine, you wouldn't think that it would change which bottle(s) you selected. However, the **research shows** that playing French music increases the sales of French wine.

Yes, unfortunately, when it comes to carrots, cola, wine and I'm sure a whole range of other products, thanks to marketers and salespeople, you have absolutely no idea what you really want. It seems that what you buy and what you actually prefer can often be two completely separate things.

5 You Cannot Delay Gratification

*Would you prefer one marshmallow now,
or two in fifteen minutes?*

In the late 1960's, a psychologist by the name of Walter Mischel started asking children one question. This question later became known as the **Stanford Marshmallow Experiment**.

This might seem to be a simple decision, as two marshmallows (*or insert your preferred snack food here*) is clearly a more attractive option, and a 15 minute wait is hardly an expensive price to pay for doubling the reward. To make it a little more challenging, the experimenters left the treat right in front of the kids before leaving the room.

Imagine it. Your favourite treat in front of you, and if you can resist eating it for just 15 minutes, you get double.



If you have seen the **videos of these experiments**, you will understand just how creative kids can be. Some would take big deep breaths, trying to suck every molecule of smell through their nose without resorting to eating the marshmallow. Others would hide behind their hands, trying to pretend the marshmallow wasn't there. Others even tried to figure out whether licking the marshmallow counted as 'eating'.

In the end, 15 minutes turned out to be just too much for around two thirds of the children. It turned out that the lure of immediate gratification far outweighed the deferred benefit of the additional treat.

Luckily, we grow out of that as we get older, right?

Although age was a determinate of whether or not the child would be able to wait for the additional treat, it is not something that we completely grow out of.

The technical term is **Temporal Discounting** which describes how items have the greatest value now, when you want them. As we imagine time going on, these same items depreciate in perceived value, to the point where inferior options in the present will win over superior options in the future.

Think about smoking for an example. No one can deny that smoking is unhealthy, and likely to cause health problems down the line. However, those health problems are a long way away, and smokers are probably focusing on immediate stresses when they reach for a cigarette. In that moment, the immediate gratification of the nicotine entering the bloodstream far outweighs the distant thought of, well, you can insert any disease you want here really.

Like the kids in the marshmallow test, smokers know that willpower is rarely enough on its own.

Instead of trying to ignore the cigarette/marshmallow, there are a couple of things that you can do.

Firstly, you probably want to **Remove The Temptation**. Willpower is definitely finite, and will run out after a while, so if that does happen, you don't want marshmallows to be close at hand. That doesn't just mean clearing out your secret stashes (*I know you have one!*), that means adjusting your schedule and daily habits so you don't find yourself in the same places you normally visit.

The second thing that works is **Distraction**. If the kids in the marshmallow test thought about something else, they were far more likely to last the distance. Not just anything though (*counting sheep probably won't help*), something enjoyable. That means if you are looking to quit a bad habit, you need to take something else up to take its place.

Health is definitely something we are guilty of time discounting, but there are other things too. Too many people enter their retirement years short of funds because they did not invest early enough into a pension fund. Credit cards only exist because people want things now and are prepared to pay for them later; the desire for the thing in the present outweighs the likely situation that they will pay more for the item over time. And anyone who has ever procrastinated anything will understand that there is always something more important to do, until the deadline creeps up and, well, future discounting isn't as easy when there isn't as much future any more.

Wonder what happened to the kids from the marshmallow test?

The ability to delay gratification was a predictor of better SAT scores, social competence, self-assuredness and self-worth. They also seem to be better at dealing with stress and planning ahead. In adulthood, those who were able to withstand temptation were less likely to have drug or addiction issues, get divorced or end up being overweight.

I'm not suggesting you sit there in front of a marshmallow, training your delay-gratification muscles. However, you probably should consider whether you are guilty of temporal discounting when you are making your decisions.

If in doubt, sleep on a decision and come back to it tomorrow. If you are under the influence of any persuasion effects, this will help minimise those as well.

Otherwise, ask yourself whether you are giving up the opportunity for two marshmallows in the future by grabbing this marshmallow now.

6 You Are Risk Averse

A year or so ago, I finally learned the difference between waterproof and water-resistant.

After exploring the Great Barrier Reef using my phone in a water-resistant pouch (*some of you will see the error of my ways already*), when I climbed back on board the boat, it seemed my phone had lost some of its functionality. And by some, I mean all!

When I got home and bought my replacement phone, I was offered insurance.

Now, insurance companies are smart and have access to a lot more data than us mere mortals. They know the exact likelihood of someone breaking their phone and so when they are giving us the quote for insurance, their calculations look a little like this:

(Likelihood of breakage x average replacement cost)
+ Insurance profit margin

= How much insurance I pay

When we do or do not buy insurance, it is because our approximation of one of the first two numbers differs from the insurance company's valuations.

For example, if I have recently broken my phone or had it stolen or once again became confused about whether or not water-resistant is sufficient (*reminder to self - it is not!*), I might over-estimate my likelihood of the likelihood of breakage. Therefore, the cheap price to insure something that is ***more-than-likely to happen*** seems like a great deal and I buy the insurance.

Alternatively, I may value my phone differently. If I have a cheap phone, I may not be worried about the cost of replacement, and so insurance is not so important to me. But if I have the latest model, I will likely overestimate its value. This is also known as the **Endowment Effect**, where people ascribe more value to items just because they own them. Now, the cheap insurance price is minimal in comparison to replacing ***my super-valuable phone***.

In the end, insurance companies all make money because they know that, even if they didn't add any sort of profit margin, we tend to **overestimate our likelihood of occurrence** and **overvalue our goods**.

When we purchase insurance, we are reducing the element of risk, and we are happy to pay a premium for this certainty.

Consider the following example.

You are in a legal scenario and your lawyer informs you that you have a 95% chance of winning the full £100,000 of your claim. Before the final court session, the other party offers to settle for £75,000. What would you do?

If you are like the majority of people, that settlement figure looks very attractive. Even though the expected value (EV) of the judgment is £95,000 ($£100,000 \times 95\%$), you are considering taking the lower value because you are certain of the win, and can you imagine how you would feel if you turned down the settlement offer and ended up losing?

I wonder how long you would be prepared to go with a settlement like this.

The term is **Certainty Equivalent**. This is the number that you would be prepared to settle for to remove the element of risk from the equation.

But there are so many scenarios in life from which risk cannot be removed, even if you could pay a premium.

Relationships may not go the way you expect them to. Careers may start off promising but then quickly become stale. Health cannot be guaranteed, even if you do exercise.

Our challenge in life is not the limitation and removal of risk. Instead, it is the understanding and recognition of any sort of uncertain situation, and the recognition of how we try to avoid risk in our lives. Perhaps we chose the safe relationship or career because it brings us more certainty than what may lie in the future. Better the devil you know in those situations.

However, if all we have is certainty in our lives, this will very quickly become boring.

Rather than going out and recklessly putting your entire life savings on number 13 of the roulette table, instead just look at how you currently tend to take the safe option. Order something different from the Starbucks or takeaway menu. Greet people with more excitement in the mornings. Make that call you have been procrastinating for weeks... months... years! Get a little bit outside of your comfort zone and notice how it feels. I'm guessing it will be uncomfortable, but in an exciting kind of way.

Now, when a decision arises, notice your default, safe decision strategy. Next, ask yourself if this is the way you want to go this time. What would happen if you were a little more daring? What could result in a moment or two of courage? What does lie outside of your comfort zone?

Recognise your risk aversion, and commit to challenge it when appropriate.

7 You Are Constantly Stressed

Once upon a time, stress was relatively easy to deal with. The fight or flight elements of your physiology triggered any time there was a sabretooth tiger nearby and you had to fight to defend your family. After an intense, but brief battle, your body shut all of the stress hormones off, and you and your family sat down to a nice barbecue (*assuming things turned out well!*).

As it happens, neurophysiology and society do not evolve at the same rate.

Our brains are still wired to deal with stress in the same way as our caveman ancestors, but the stresses in our world have changed significantly. Today, sabretooth tigers are replaced with emails, traffic wardens, being late for the train, electricity bills and the cliffhanger ending on the latest episode of your favourite Netflix boxset.

Instead of large doses of stress hormones once in a while, we now have stress hormones circulating 24/7.



So what I hear you say. You like a little stress, keeps you focused, keeps you on top of your game.

True, there is an element of stress that does raise your performance. But I'm talking about long-term, chronic, daily grind stress. This is the kind of stress that makes you worry, fret and grind your teeth. You know, **THAT** kind of stress.

You probably know the impact that stress has on your mood. Perhaps it makes you a little grumpy, more short-tempered than normal, not as communicative.

But what impact does stress have on your decisions?

When we are stressed, **research shows our choices move away from goal-directed behaviour and favour our routine habits.**

It turns out, stress hormones change the way our brain functions. The neural pathways that exist in our pre-frontal cortex, one of the primary brain areas involved in reasoning, planning and problem solving, are significantly affected by stress. Mild stresses certainly cause reductions in cognitive abilities in these areas. But the more worrying element is that long term stress actually creates



architectural changes in the brain, with the areas responsible for goal directed behaviours becoming more and more atrophied over time.

To go along with that, there is an increased development in the amygdala region of the brain which enhances fear conditioning and anxiety-like behaviour.

Just like going to the gym and working your favourite exercises so you get stronger, stress is like a workout for the fear centres of your brain, making them even more effective at driving your choices.

So not only are you likely to be less focused and goal-directed in your behaviour, you are also going to become more nervous to take action outside of your comfort zone in the long term.

We all knew stress wasn't great for our physical health, but now we know it has a real impact on the way we think and our subsequent actions.

One thing you can do is try to immediately take action on some of the things that cause stress in your life. Let's try and get rid of some of the root causes of stress and free up some mental space to focus back again on our goals.

Talking of mental space, actually making decisions can be stressful in its own right. Turns out, **making decisions uses up the same resources as self-regulation and executive control**, meaning if we have made a lot of decisions one particular day, our will power and attention will be significantly reduced.

Many of the top performers in the world have developed certain morning routines and habits that help reduce the amount thought they need to give more trivial situations.

People such as Steve Jobs, Mark Zuckerberg, Albert Einstein, even Barack Obama, simplified their wardrobe (*some to the point of only having one outfit*) so that the effort spent deliberating what to wear each day was removed, thereby freeing up that mental space. That is going to some level of extreme (*Einstein didn't even do his hair!*), but if you want to take a step in that direction, consider developing a **capsule wardrobe** for yourself.

Tim Ferriss has interviewed thousands of world-class performers from every way of life, and one of the questions he always asks them is "what is your morning routine?". If you want to find out more about the morning rituals Tim has adopted as a result of his findings **check out this article**.

Ultimately, whatever you can do to reduce stress and free up some mental space, that is going to help your decision making in both the immediate as well as more distant futures.

If I look back at some of the decisions I've made in life, especially those that haven't gone so well, I can definitely recognise some of these points as leading me towards the choices I made.

By better understand behavioural decision science and why we do what we do, my goal is to understand my own behaviour patterns, tendencies and preferences so that I hopefully end up making better decisions in general.

I hope reading these reasons for making bad mistakes have helped you recognise some of your tendencies and will give you a couple of eureka (*or d'oh!*) moments. Unfortunately, we can't go back in time, but hopefully we can avoid making the same mistakes again in the future.

We will never be able to make perfect decisions every single time. Our brain is hardwired with these two systems so we will always have the tendency to want to jump to conclusions and use our heuristic systems when sometimes we should probably give the problem a little more consideration. However, we also want to learn to recognise the situations where we can be a little more economical with our cognitive effort, knowing that it is a limited resource, so we should also find ways to think less when appropriate.

Ultimately, all of the results we get in our life come down to the decisions we make (*mixed in with a little luck*), so by making better decisions, we can have a significant impact on the quality of our life and future.



About Dan Storey

Dan Storey has been asking the question “*why do we do what we do?*” for over 10 years.

A neuro-linguistic programming (*NLP*) master practitioner and trainer as well as working towards his PhD in Behavioural Decision Sciences, Dan is trying to use psychology to figure out what drives us, motivates us and ultimately makes the difference between those who are successful and those who don't quite make it.

An expert in persuasion and influence, Dan is the author of Next Level Persuasion, teaching sales people how to use the tools and techniques of neuro-linguistic programming to become better communicators and persuaders.

To find out more about Dan Storey as well as trainings and workshops that will help you to better understand your own decision making strategies, visit www.DanStorey.com and be sure to register your email address to be kept up-to-date.