

Decision Making In Life A Calculus

[Lifetime Learning Institute of NOVA](#)

Thursday – June 13, 2024

Wisdom – ~~Despair~~ and Hope

- “Life is a sum of all your choices.” A. Camus



- “You cannot go back and change the beginning, but you can start where you are and change the ending.” C S Lewis



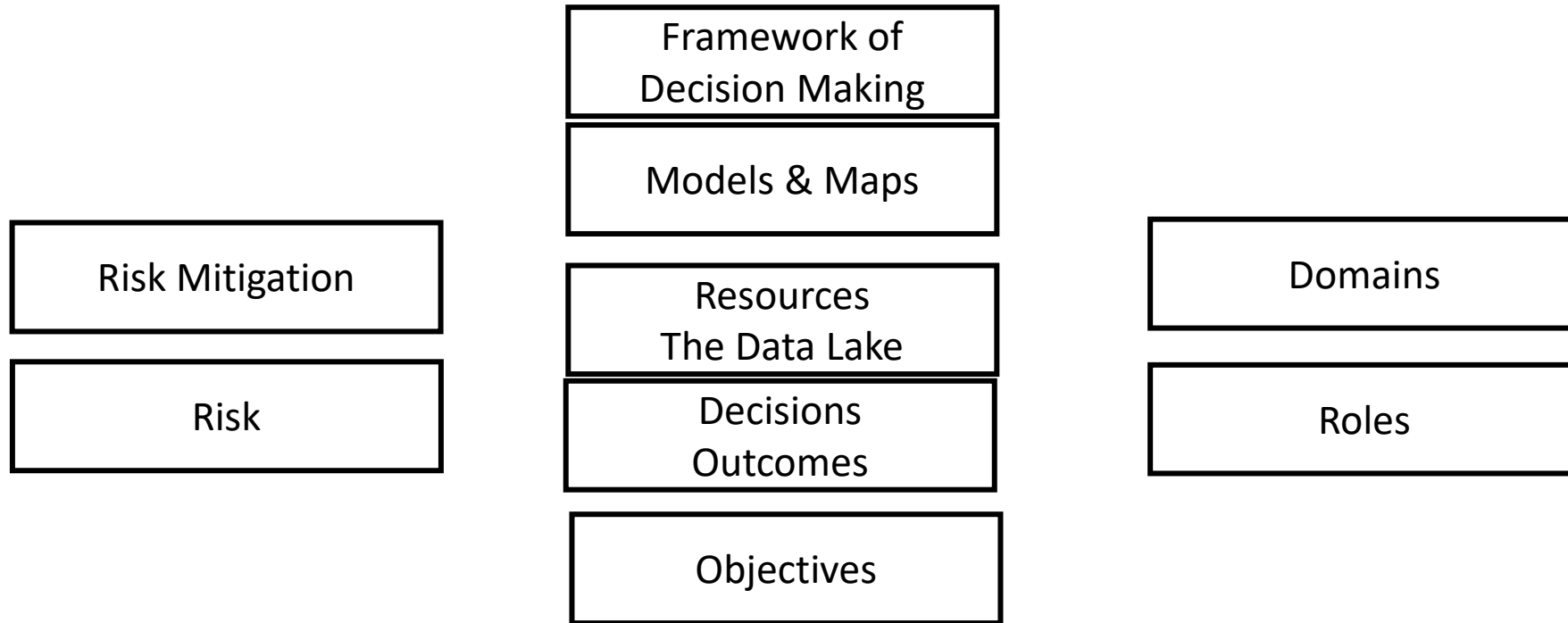
Bottom Line Up Front (BLUF)

A Quick Take Away on Common Biases

- Confirmation Bias
- Survivorship Bias
- Anchoring Bias
- Recency Bias
- Social Proof Bias (?Mimetic?)
https://en.wikipedia.org/wiki/Mimetic_theory

Decision Making In Life – A Calculus

The Father Sarducci Version



All choices involve tradeoffs

Scenario: Widow – 65 years of age

- Widow (65 years of age)
- Husband Passed 2 yrs ago, bed-ridden for previous 5 yrs
- 2 Grown Daughters – 1 in town, 1 an 8-hour drive away
- 3 vehicles: Porsche; SUV; Jeep
- 3 Dogs; 1 Large Bird
- 1 Shotgun Set – High End Skeet Set
- Large 4 Bedroom home w/ Swimming Pool & Cabana
- 3 Bedroom TH – originally for Daughter 2
- Mother's Home as Rental – Collecting Rent sporadically

Scenario II: Widow – 85 years of age

- Widow (85 years of age)
- Currently in great health
- Husband Passed 38 yrs ago
- 6 Grown Children – all over the country
- Owns a 2 Bedrm Home (Debt free) in SW US (40+ yrs)
 - Near a large sports field complex
 - On a very busy thoroughfare
 - Long drive to medical provider
 - Increasingly concerned about upkeep costs

Scenario III: Couple - NOVA

- 2017: Daughter/SIL to Vail AZ (Vic Tucson)
- 2018: Cut the Cable
- 2019: Out of the FT Work Force – Spouse Announces Move
- 2020: Cross-country trek to Tucson – Apr 6-9, 2020
(VA/TN/AR/TX/NM/
- 2022: Cross-country trek to NE TN

Scenario IV: Moneyist – Elder Abuse?

Fact Set (Moneyist Jul 6, 2022)

- Widow (nearly 100 years of age)
 - Currently in Assisted-living facility
 - Husband Passed several years prior, leaving Home mortgage-free to support Wife
 - Several Grown Children
 - One son/brother ‘tricked’ Mother into deeding house to him
 - Second sibling (after several years) concerned Mother will run out of assets – what to do?
-
- MS observation on many, if not most, letters to the Moneyist: Broken relationships and Broken Trust Mechanisms are at the heart of the dispute

Scenario V: Separate Checks?

Fact Set (Moneyist June 7, 2024)

MarketWatch

THE MONEYIST

‘They think I’m rich because I have a very nice house’: My friends order drinks and pricey dishes when eating out. Is it rude to ask for a separate check?

“I am comfortable. I retired four years ago. I don’t drink much alcohol.”

[Read More](#)

Scenario VI: Tipping?

Fact Set (Moneyist June 7, 2024)

THE CHEESECAKE FACTORY
KNOXVILLE

0107 TABLE 63 #Party 2
SvrCk: 10 13:04 06/07/24
DINING ROOM

1 Iced Black Tea	4.50
1 Renees, caesar salad accmp	16.95
1 Renees Chicken Salad Sand	15.95

Sub Total: 37.40
Tax: 3.46
06/07 13:45 TOTAL: 40.86

Gratuity Not Included
Suggested Gratuity:

22% TIP	8.99
20% TIP	8.17
18% TIP	7.35

Riverfront Seafood
Company
1777 Netherland Inn Rd
Kingsport TN, 37660
423-245-3474

Server: [REDACTED]
Check #142 Table 10
Guest Count: 2
Ordered:
6/6/24 5:15 PM

2 Iced Tea	\$6.98
Hamburger	\$12.99
American Cheese	\$1.00
Hamburger	\$12.99

Subtotal \$33.96
Tax \$3.22
Total \$37.18

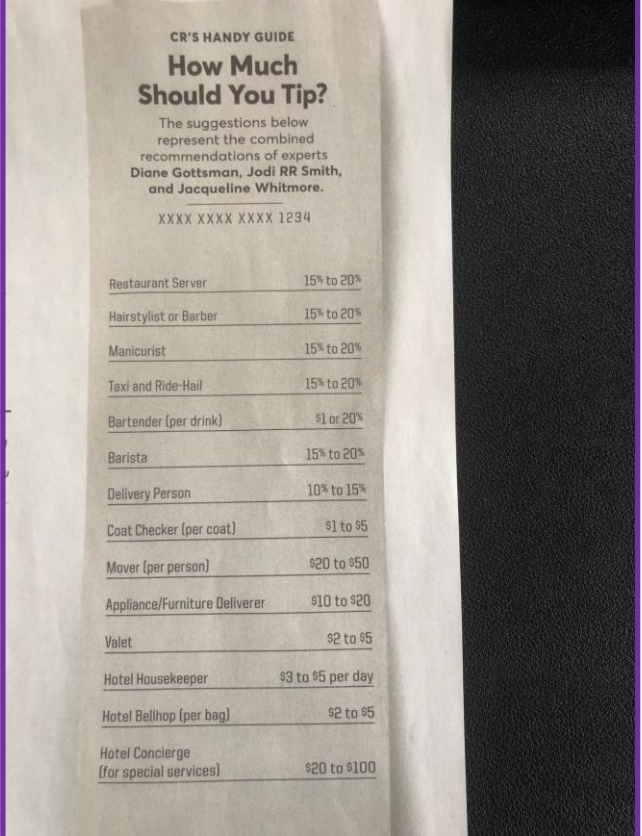
Suggested Tip:
18%: (Tip \$6.11 Total \$43.29)
20%: (Tip \$6.79 Total \$43.97)
25%: (Tip \$8.49 Total \$45.67)
Tip percentages are based on
the check price before taxes.

Powered by Toast
Attitude Is
Everything!

Scenario VI: Tipping? Further ...

Inset: Consumer Reports (July 2024)

- Whole Foods Seafood Bar
- Wegman's Pub
- McDonalds, et. al.
- Panera
- Olive Garden Tableside Kiosk
- Pizza – pickup
- Pizza – delivery
- Ruth's Chris
- Main Dining Room vs Bar Happy Hour



CR'S HANDY GUIDE
How Much Should You Tip?
The suggestions below represent the combined recommendations of experts Diane Gottsman, Jodi RR Smith, and Jacqueline Whitmore.
XXXX XXXX XXXX 1234

Restaurant Server	15% to 20%
Hair stylist or Barber	15% to 20%
Manicurist	15% to 20%
Taxi and Ride-Hail	15% to 20%
Bartender (per drink)	\$1 or 20%
Barista	15% to 20%
Delivery Person	10% to 15%
Coat Checker (per coat)	\$1 to \$5
Mover (per person)	\$20 to \$50
Appliance/Furniture Deliverer	\$10 to \$20
Valet	\$2 to \$5
Hotel Housekeeper	\$3 to \$5 per day
Hotel Bellhop (per bag)	\$2 to \$5
Hotel Concierge (for special services)	\$20 to \$100

Scenario VII: Streaming – O/A 2018+/-

- Cable Bill: Phone (LL); Internet; TV -- \$276/mo
 - -- Premium Channels + 6 Set Top Boxes
- Amazon Prime Video: \$119/yr (Incl “Lewis”)
- Netflix: \$12/mo
- Alternatives:
 - Antenna (fcc.gov/media/engineering/dtvmaps)
 - Acorn (British TV) -- \$5/mo
 - Reading – Oh What A Peculiar Idea!
 - Discourse – Now We’ve Gone Too Far!

Scenario VII: Streaming – June 2024

Yahoo Finance

- Price increases
- Tiering
- Bundling
- Ads
- Lock-ins – Lockouts?
- ?

Bottom Line
There's a Bottom Line!

Scenario VIII: Moving

Yahoo Finance

- 55 yo Single Woman
- Retired State Department Professional
- MS View: A Bit Impulsive
- Announced Intention to Move to France & Purchase a home
- She asked the gathering for advice

My View

Rent/Lease to get a feel for the area

Outcomes

Outcome

Bad Process –
Good Outcome

Bad Process –
Bad Outcome

Good Process –
Good Outcome

Good Process –
Bad Outcome

Outcome – Journal

- Financial
- Mental/Cognitive
 - Exercise; Continued Learning; Nutritional
- Spiritual
- Physical
 - Medical PCP; Exercise; Hearing; Nutritional
- Travel -
 - Locations; Restaurants; Attractions

Tools & Resources

A Few Tools

- Planning Calendar – WORD Table or Excel Table over Decades
- Journals – By Domain? Other?
- Life Objectives Inventory (A Bucket List?)
- Back/Forward Azimuth
- Decluttering!
- Estate Planning Documents

Physical – Nutrition, Hydration, Exercise

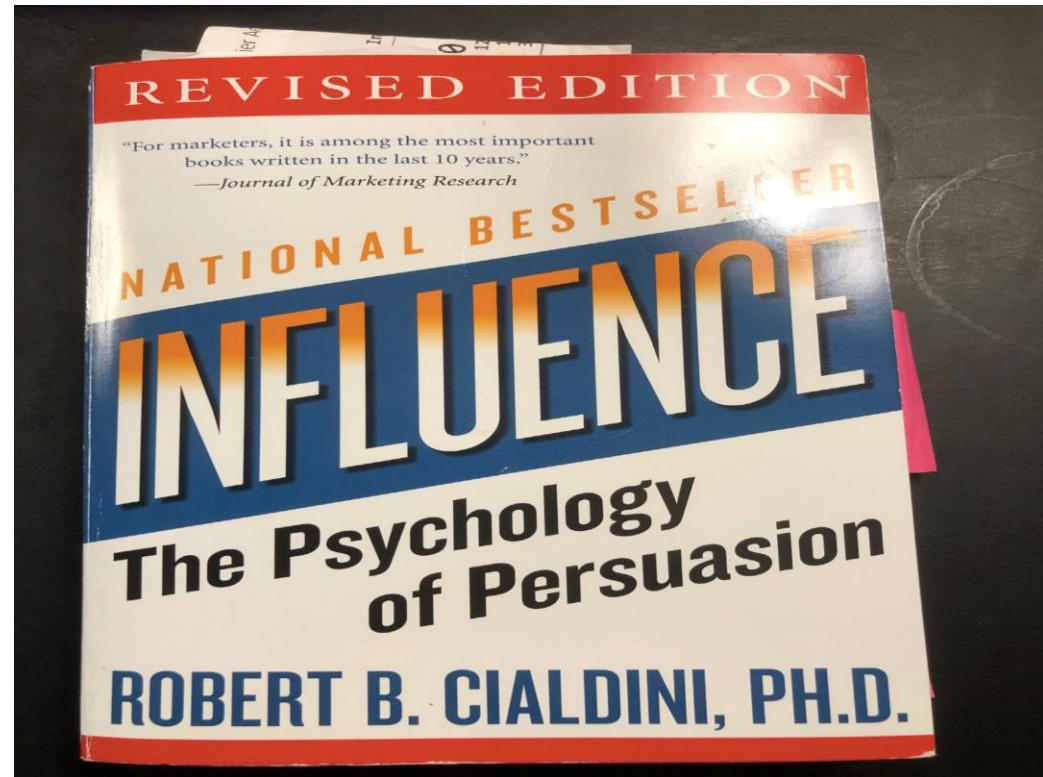
- Mobility
- Balance
- Dexterity
- Strength
- Vision
- Dental

Tools – The Variety Pack

- Notice – Imagine (HT – Steven Gaffney)
- Exploit – Explore (TED Talks)
- 37% (TED Talks)
- Personal BOA
- Don't conflate Roles (Friend – FA)
- And AI can accelerate all your processes – Good AND Bad

Mental – Influence (Cialdini 1984, 1994, 2007)

- Reciprocation
- Commitment & Consistency
- Social Proof
- Liking
- Authority
- Scarcity



Good Process Can End
In a **Bad** Outcome

Decision Making Framework

Bad Process Can End
In a **Good** Outcome

<u>Role Stack</u>	<u>Filter Stack</u>	<u>Domain Stack</u>	<u>Maker Stack</u>	<u>Cognitive Bias Stack</u> **	<u>Risk Mitigation Stack</u>
Son/1stBorn RC Brother Student Trap Boy M&S Bank Teller Bar Tender Steward Man Soldier Husband Father BankofPop	Visual Audio Touch Olfactory Taste Personality <u>Objectives</u> Company Place Time Emotion	Physical Mental Spiritual <u>Financial</u> Political Cultural	Individual Family Friends Social Group HOA City County State National	Anchors Framing Availability Recency Confirmation Regression2Mean FOMO FOBO Loss Aversion 7 Cardinal Sins	37% Heuristic 5W+H Back2Basics Family/Friends Goals/Objectives TCOO Trust Mechanisms <u>Patience</u> 7 Cardinal Virtues

The Limiting Factor – Time

“Life is a sum of all your choices.” Albert Camus

“You cannot go back and change the beginning, but you can start where you are and change the ending.” C S Lewis

**Wikipedia: 188 listed
AKA Risk

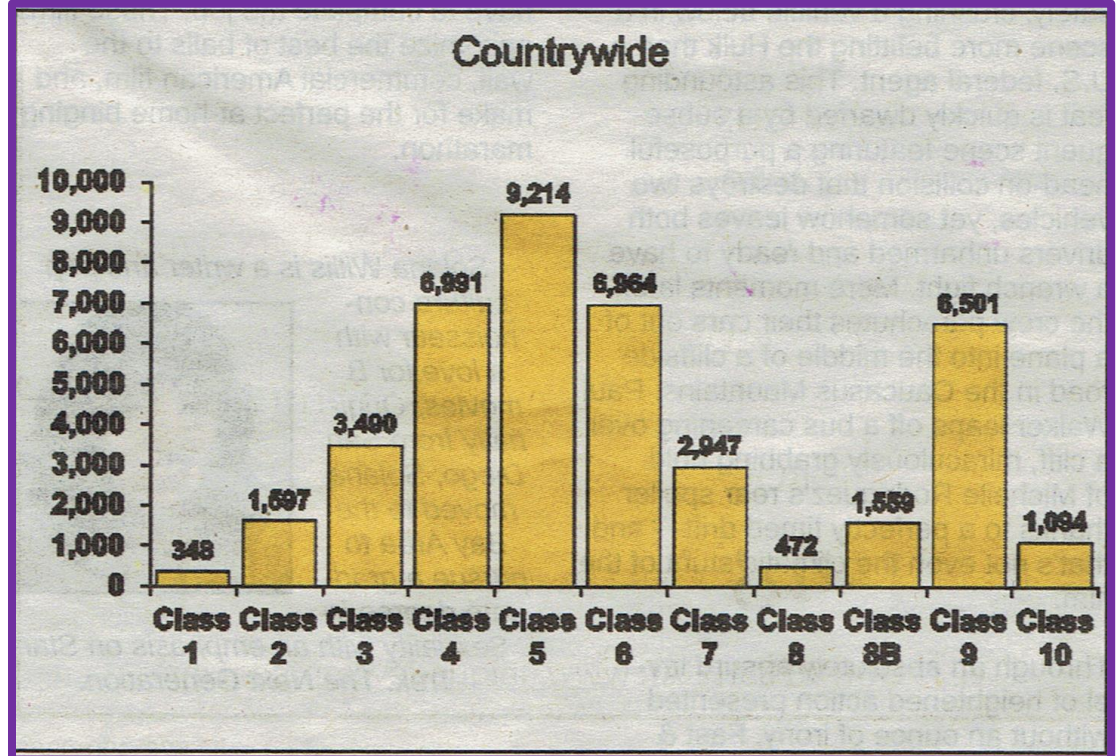
Responsibility – Authority – Accountability – Risk

Short Term

Long Term

Concept Introduction – Rating Scale, Risk, Risk Mitigation, Trust Mechanism

- Rincon Valley Fire Department
 - Achieved Class 2 Rating Recently
 - Provided by Insurance Services Office (ISO) for Ins Co's (FSRS)
 - Ins Co's leverage for Home Rates
 - Follow Natl Fire Prot Assn Stnds
- Risk: Home Fires
- Mitigation: Fire Dept & Home Insurance
- Trust Mechanism: ISO & NFPA



Concept Introduction – Rating Scale

Rating	"Lewis Class"	Objective Criteria
5		
4		
3		
2		
1		
0		

Rating Scale – Evaluation Tool

Rating	Outside Expert	Me
5		
4		
3		
2		
1		
0		

Classes of Decision

Class	Easy to Hard	Examples		Notes
I	Hardest			
II	Hard			
III	Normal			
IV	Easy			
V	Easiest			

Framing – Difficulty – Gravity – Novelty – Emotionality – Strain – Confliction – Iteration
– Reversibility – Maturity – Urgency – Proximity Impact – Longevity

Physical – Cognitive – Physical – Financial

Planning Tool – Preparation/Transition Phase

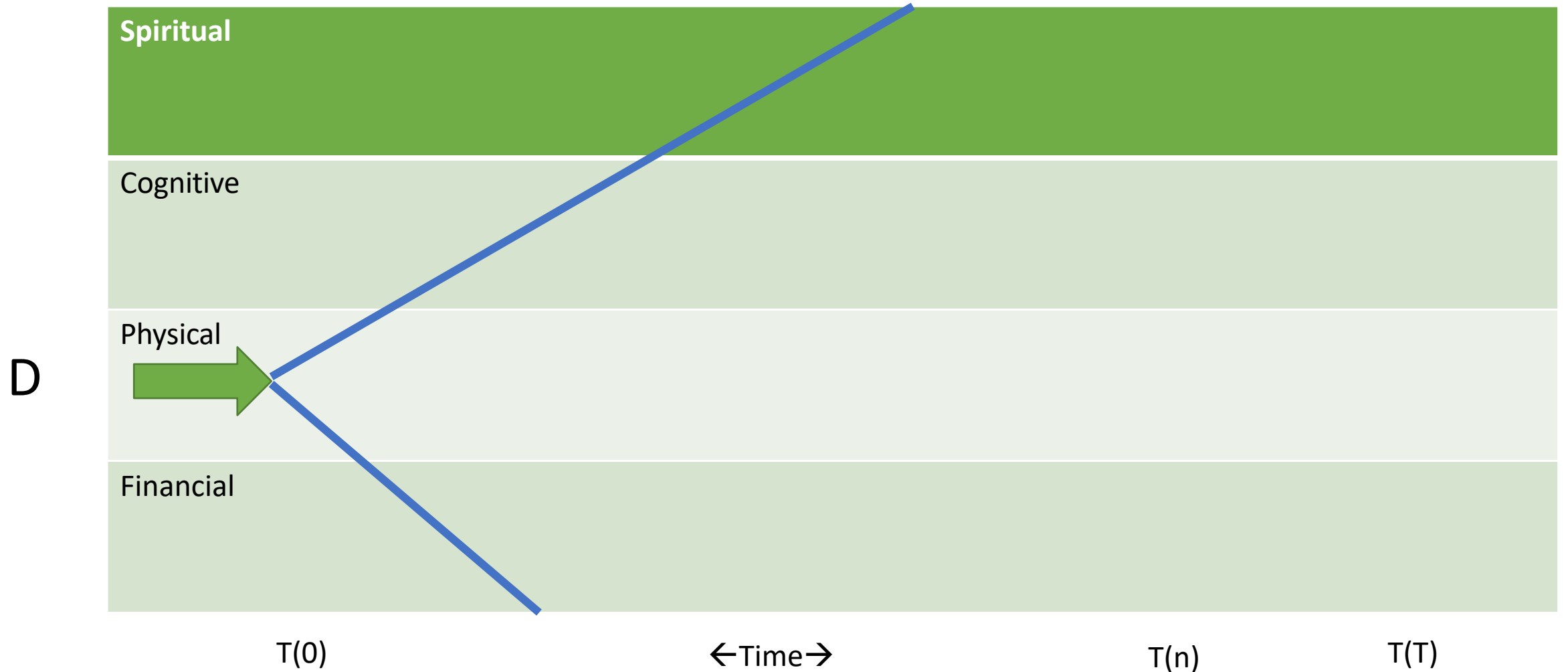
Sub System Degradation and/or Failure

Loss of	Action	Support
Sight		
Hearing		
Touch		
Smell		
Taste		
Mobility: Pedestrian; Auto		
Strength – Esp Stairs!		
Cognitive: Legal; Health; Financial		
Daily Functions x6		
Balance		

Loss of Spouse – An Essential Conversation!

Decision Architecture Over Time

Decision Architecture – Domains/Time



Decision Architecture Hierarchy–Role

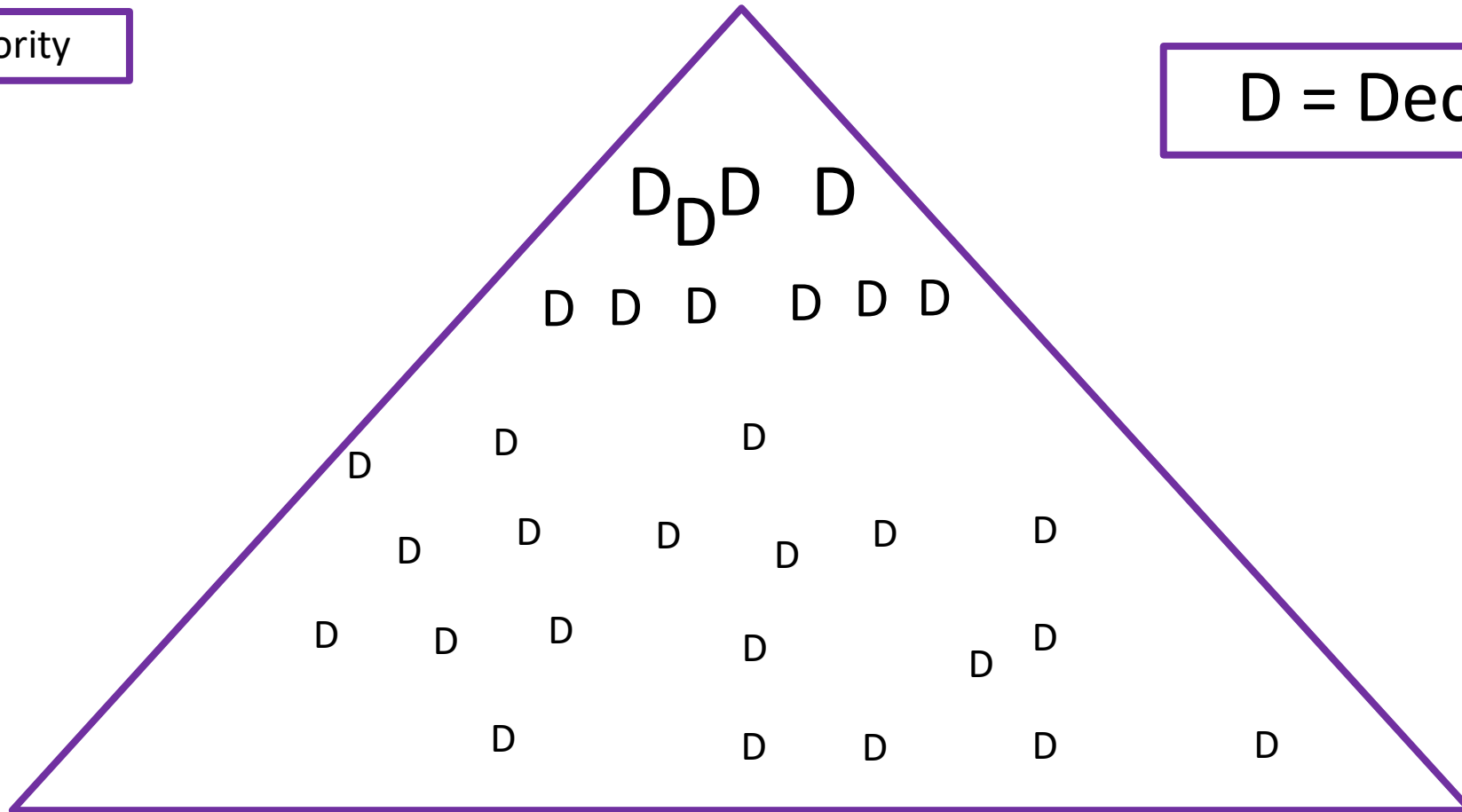
Decision Architecture – Hierarchy–Role

Level of Authority

D = Decision

Senior

Junior



← Functional Stacks →

Some Resources

Daniel Kahneman: Thinking, Fast & Slow

Richard Thaler & Cass Sunstein: Nudge

Robert B Cialdini, Ph.D.: Influence

Annie Duke: Thinking In Bets

Hans Rosling: Factfulness

Jean Paul Zogby: The Power of Time

Karen Kingston: Clear Your Clutter with Feng Shui

Michael LeGault: Think

Daniel Pink: When *

Ben Heirs: Professional Decision Thinker

John Wooden: They Call Me Coach

Richard E. Neustadt: Thinking In Time

Barry Schwartz: The Paradox of Choice *

Mikael Krogerus: The Decision Book (50 Models)

Dan Ariely: Predictably Irrational

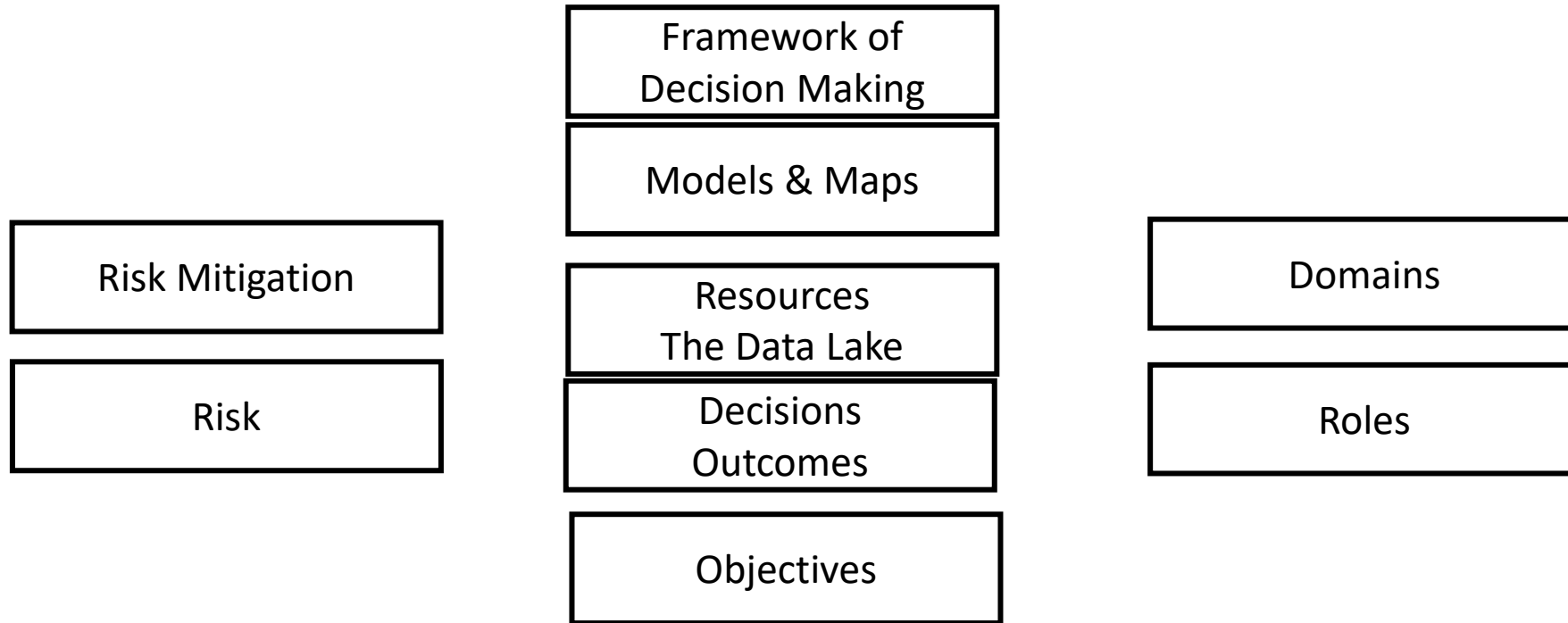
Patrick Lencioni: Series

Movie: Other Peoples Money *

Movie: Dead Poets Society *

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All choices involve tradeoffs

... Last Scene of All ...

Sans Teeth
Sans Eyes
Sans Taste
Sans Everything

Thank you all!