

Risk Savvy How To Make Good Decisions Gerd Gigerenzer

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Simple Heuristics That Make Us Smart invites readers to embark on a new journey into a land of rationality that differs from the familiar territory of cognitive science and economics. Traditional views of rationality tend to see decision makers as possessing superhuman powers of reason, limitless knowledge, and all of eternity in which to ponder choices. To understand decisions in the real world, we need a different, more psychologically plausible notion of rationality, and this book provides it. It is about fast and frugal heuristics—simple rules for making decisions when time is pressing and deep thought an unaffordable luxury. These heuristics can enable both living organisms and artificial systems to make smart choices, classifications, and predictions by employing bounded rationality. But when and how can such fast and frugal heuristics work? Can judgments based simply on one good reason be as accurate as those based on many reasons? Could less knowledge even lead to systematically better predictions than more knowledge? Simple Heuristics explores these questions, developing computational models of heuristics and testing them through experiments and analyses. It shows how fast and frugal heuristics can produce adaptive decisions in situations as varied as choosing a mate, dividing resources among offspring, predicting high school drop out rates, and playing the stock market. As an interdisciplinary work that is both useful and engaging, this book will appeal to a wide audience. It is ideal for researchers in cognitive psychology, evolutionary psychology, and cognitive science, as well as in economics and artificial intelligence. It will also inspire anyone interested in simply making good decisions.

Cyber risk is the second highest perceived business risk according to U.S. risk managers and corporate insurance experts. Digital assets now represent over 85% of an organization's value. In a survey of Fortune 1000 organizations, 83% surveyed described cyber risk as an organizationally complex topic, with most using only qualitative metrics that provide little, if any insight into an effective cyber strategy. Written by one of the foremost cyber risk experts in the world and with contributions from other senior professionals in the field, Managing Cyber Risk provides corporate cyber stakeholders – managers, executives, and directors – with context and tools to accomplish several strategic objectives. These include enabling managers to understand and have proper governance oversight of this crucial area and ensuring improved cyber resilience. Managing Cyber Risk helps businesses to understand cyber risk quantification in business terms that lead risk owners to determine how much cyber insurance they should buy based on the size and the scope of policy, the cyber budget required, and how to prioritize risk remediation based on reputational, operational, legal, and financial impacts. Directors are held to standards of fiduciary duty, loyalty, and care. These insights provide the ability to demonstrate that directors have appropriately discharged their duties, which often dictates the ability to successfully rebut claims made against such individuals. Cyber is a strategic business issue that requires quantitative metrics to ensure cyber resiliency. This handbook acts as a roadmap for executives to understand how to increase cyber resiliency and is unique since it quantifies exposures at the digital asset level.

A fascinating, practical guide to making better decisions with our money, health and personal lives from Gerd Gigerenzer, the author of Reckoning with Risk. Risk-taking is essential for innovation, fun, and the courage to face the uncertainties in life. Yet for many important decisions, we're often presented with statistics and probabilities that we don't really understand and we inevitably rely on experts in the relevant fields - policy makers, financial advisors, doctors - to analyse and choose for us. But what if they don't quite understand the way the information is presented either? How do we make sure we're asking doctors the right questions about proposed treatment? Is there a rule of thumb that could help choose the right partner? This entertaining book shows us how to recognize when we don't have all the information and know what to do about it. Gerd Gigerenzer looks at examples from every aspect of life to identify the reasons for our collective misunderstanding of the risks we face. He shows how we can all use simple rules to avoid being manipulated into unrealistic fears or hopes, to make better-informed decisions, and to learn to understand risk and uncertainty in our own lives. 'Gigerenzer is brilliant and his topic is fabulous' Steven Pinker 'Catchily optimistic and slyly funny' Guardian Gerd Gigerenzer is Director of the Center for Adaptive Behavior and Cognition at the Max Planck Institute for Human Development in Berlin and former Professor of Psychology at the University of Chicago. He is the author of several books on heuristics and decision making, including Reckoning with Risk.

A vibrant new voice . . . a modern classic. For generations, the Beaumont family has harbored a magical secret. They each possess a “savvy”—a special supernatural power that strikes when they turn thirteen. Grandpa Bomba moves mountains, her older brothers create hurricanes and spark electricity . . . and now it's the eve of Mibs's big day. As if waiting weren't hard enough, the family gets scary news two days before Mibs's birthday: Poppa has been in a terrible accident. Mibs develops the singular mission to get to the hospital and prove that her new power can save her dad. So she sneaks onto a salesman's bus . . . only to find the bus heading in the opposite direction. Suddenly Mibs finds herself on an unforgettable odyssey that will force her to make sense of growing up—and of other people, who might also have a few secrets hidden just beneath the skin.

The #1 international bestselling author of The Gray Rhino offers a bold new framework for understanding and re-shaping our relationship with risk and uncertainty to live more productive and successful lives. What drives a sixty-four-year-old woman to hurl herself over Niagara Falls in a barrel? Why do we often create bigger risks than the risks we try to avoid? Why are corporate boards newly worried about risky personal behavior by CEOs? Why are some nations quicker than others to recognize and manage risks like pandemics, technological change, and climate crisis? The answers define each person, organization, and society as distinctively as a fingerprint. Understanding the often-surprising origins of these risk fingerprints can open your eyes, inspire new habits, catalyze innovation and creativity, improve teamwork, and provide a beacon in a world that seems suddenly more uncertain than ever. How you see risk and what you do about it depend on your personality and experiences. How you make these cost-benefit calculations depend on your culture, your values, the people in the room, and even unexpected things like what you've eaten recently, the temperature, the music playing, or the fragrance in the air. Being alert to these often-unconscious influences will help you to seize opportunity and avoid danger. You Are What You Risk is a clarion call for an entirely new conversation about our relationship with risk and uncertainty. In this ground-breaking, accessible and eminently timely book, Michele Wucker examines why it's so important to understand your risk fingerprint and how to make your risk relationship work better in business, life, and the world. Drawing on compelling risk stories around the world and weaving in economics, anthropology, sociology, and psychology research, Wucker bridges the divide between professional and lay risk conversations. She challenges stereotypes about risk attitudes, re-frames how gender and risk are related, and shines new light on generational differences. She shows how the new science of “risk personality” is re-shaping business and finance, how healthy risk ecosystems support economies and societies, and why embracing risk empathy can resolve conflicts. Wucker shares insights, practical tools, and proven strategies that will help you to understand what makes you who you are—and, in turn, to make better choices, both big and small.

Nudge meets Hooked in a practical approach to designing products and services that change behavior, from what we buy to how we work. Deciding what to create at modern companies often looks like an episode of Mad Men: people throw ideas around until one sounds sexy enough to execute and then they scale it to everyone. The result? Companies overspend on marketing to drive engagement with products and services that people don't want and won't help them be happier and healthier. Start at the End offers a new framework for design, grounded in behavioral science. Technology executive and behavioral scientist Matt Wallaert argues that the purpose of everything is

behavior change. By starting with outcomes instead of processes, the most effective companies understand what people want to do and why they aren't already doing it, then build products and services to bridge the gap. Wallaert is a behavioral psychologist who has led product design at organizations ranging from startups like Clover Health to industry leaders such as Microsoft. Whether dissecting the success behind Uber's ridesharing service or Flamin' Hot Cheetos, he underscores with clarity and humor how this approach can improve the way we work and live. This is an essential roadmap for building products that matter--and changing behavior for the better.

How do people make decisions when time is limited, information unreliable, and the future uncertain? Based on the work of Nobel laureate Herbert Simon and with the help of colleagues around the world, the Adaptive Behavior and Cognition (ABC) Group at the Max Planck Institute for Human Development in Berlin has developed a research program on simple heuristics, also known as fast and frugal heuristics. In the social sciences, heuristics have been believed to be generally inferior to complex methods for inference, or even irrational. Although this may be true in "small worlds" where everything is known for certain, we show that in the actual world in which we live, full of uncertainties and surprises, heuristics are indispensable and often more accurate than complex methods. Contrary to a deeply entrenched belief, complex problems do not necessitate complex computations. Less can be more. Simple heuristics exploit the information structure of the environment, and thus embody ecological rather than logical rationality. Simon (1999) applauded this new program as a "revolution in cognitive science, striking a great blow for sanity in the approach to human rationality." By providing a fresh look at how the mind works as well as the nature of rationality, the simple heuristics program has stimulated a large body of research, led to fascinating applications in diverse fields from law to medicine to business to sports, and instigated controversial debates in psychology, philosophy, and economics. In a single volume, the present reader compiles key articles that have been published in journals across many disciplines. These articles present theory, real-world applications, and a sample of the large number of existing experimental studies that provide evidence for people's adaptive use of heuristics.

#1 NEW YORK TIMES BEST SELLER • In this urgent, authoritative book, Bill Gates sets out a wide-ranging, practical—and accessible—plan for how the world can get to zero greenhouse gas emissions in time to avoid a climate catastrophe. Bill Gates has spent a decade investigating the causes and effects of climate change. With the help of experts in the fields of physics, chemistry, biology, engineering, political science, and finance, he has focused on what must be done in order to stop the planet's slide to certain environmental disaster. In this book, he not only explains why we need to work toward net-zero emissions of greenhouse gases, but also details what we need to do to achieve this profoundly important goal. He gives us a clear-eyed description of the challenges we face. Drawing on his understanding of innovation and what it takes to get new ideas into the market, he describes the areas in which technology is already helping to reduce emissions, where and how the current technology can be made to function more effectively, where breakthrough technologies are needed, and who is working on these essential innovations. Finally, he lays out a concrete, practical plan for achieving the goal of zero emissions—suggesting not only policies that governments should adopt, but what we as individuals can do to keep our government, our employers, and ourselves accountable in this crucial enterprise. As Bill Gates makes clear, achieving zero emissions will not be simple or easy to do, but if we follow the plan he sets out here, it is a goal firmly within our reach.

INSTANT NEW YORK TIMES BESTSELLER A REESE'S BOOK CLUB WINTER YA PICK A new love, a secret sister, and a summer she'll never forget. From the beloved author of Tweet Cute comes Emma Lord's *You Have a Match*, a hilarious and heartfelt novel of romance, sisterhood, and friendship... When Abby signs up for a DNA service, it's mainly to give her friend and secret love interest, Leo, a nudge. After all, she knows who she is already: Avid photographer. Injury-prone tree climber. Best friend to Leo and Connie...although ever since the B.E.I. (Big Embarrassing Incident) with Leo, things have been awkward on that front. But she didn't know she's a younger sister. When the DNA service reveals Abby has a secret sister, shimmery-haired Instagram star Savannah Tully, it's hard to believe they're from the same planet, never mind the same parents — especially considering Savannah, queen of green smoothies, is only a year and a half older than Abby herself. The logical course of action? Meet up at summer camp (obviously) and figure out why Abby's parents gave Savvy up for adoption. But there are complications: Savvy is a rigid rule-follower and total narc. Leo is the camp's co-chef, putting Abby's growing feelings for him on blast. And her parents have a secret that threatens to unravel everything. But part of life is showing up, leaning in, and learning to fit all your awkward pieces together. Because sometimes, the hardest things can also be the best ones. "A YA contemporary set at summer camp? Count us in." —BuzzFeed "Heartfelt and engaging, *You Have a Match* is a masterclass on love in all its forms." —Sophie Gonzales, author of *Only Mostly Devastated* and *Perfect on Paper* "A bright summer tale of connection and self-discovery." —Booklist "A cute, feel-good coming-of-age story." —Kirkus

Complex problem solving is the core skill for 21st Century Teams Complex problem solving is at the very top of the list of essential skills for career progression in the modern world. But how problem solving is taught in our schools, universities, businesses and organizations comes up short. In *Bulletproof Problem Solving: The One Skill That Changes Everything* you'll learn the seven-step systematic approach to creative problem solving developed in top consulting firms that will work in any field or industry, turning you into a highly sought-after bulletproof problem solver who can tackle challenges that others balk at. The problem-solving technique outlined in this book is based on a highly visual, logic-tree method that can be applied to everything from everyday decisions to strategic issues in business to global social challenges. The authors, with decades of experience at McKinsey and Company, provide 30 detailed, real-world examples, so you can see exactly how the technique works in action. With this bulletproof approach to defining, unpacking, understanding, and ultimately solving problems, you'll have a personal superpower for developing compelling solutions in your workplace. Discover the time-tested 7-step technique to problem solving that top consulting professionals employ Learn how a simple visual system can help you break down and understand the component parts of even the most complex problems Build team brainstorming techniques that fight cognitive bias, streamline workplanning, and speed solutions Know when and how to employ modern analytic tools and techniques from machine learning to game theory Learn how to structure and communicate your findings to convince audiences and compel action The secrets revealed in *Bulletproof Problem Solving* will transform the way you approach problems and take you to the next level of business and personal success. An indispensable guide for any recent graduate that provides simple, easy-to-follow rules for making smart personal finance choices during the first decade of one's career. • Demonstrates how simple choices, especially in the years after college, can guarantee (barring misfortunes such as catastrophic illness or drug addiction) a lifelong, healthy relationship with money • Illustrates how to apply the attitudes inherent in modesty, skepticism, and optimism to all financial decision-making, both upon graduating and in the future • Includes a math refresher for understanding the basic principles of

interest rates, credit card debt, investment, and retirement savings • Demystifies without boring, simplifies without condescending to, and above all highlights the relevance and practical applications of financial planning during one's first ten years out of school

This volume of collected papers brings together applied and theoretical research on risks and decision making in the fields of medicine, psychology, and economics.

Are your federal benefits at risk? Are we at the point of every man/woman for themselves? FedSavvy will take you through the complexities of the federal retirement system so that you can make informed decisions about your financial future. Federal Employees have some great benefits, however, going through the maze to figure out if you are taking advantage of them can sometimes be complicated. At present, most federal employees are feeling threatened because the Congressional Budget Office is dangling a knife over their benefits. Build a meaningful and profitable retirement profile, by understanding: • How to calculate your CSRS and FERS pension • Documents you will need to have • The best dates to retire • Credit for unused sick leave and annual leave • How does Social Security affect the CSRS annuity • VCP - the best benefit for CSRS and CSRS Offset • How to not only save but allocate your funds in the Thrift Savings Plan • Sequential Income Planning with TSP • Magic Numbers for TSP • An understanding of the Federal Insurance Programs: FEHB, FEGLI, and FLTCIP

From the Nobel Prize-winning author of *Thinking, Fast and Slow* and the coauthor of *Nudge*, a revolutionary exploration of why people make bad judgments and how to make better ones—"a tour de force" (New York Times). Imagine that two doctors in the same city give different diagnoses to identical patients—or that two judges in the same courthouse give markedly different sentences to people who have committed the same crime. Suppose that different interviewers at the same firm make different decisions about indistinguishable job applicants—or that when a company is handling customer complaints, the resolution depends on who happens to answer the phone. Now imagine that the same doctor, the same judge, the same interviewer, or the same customer service agent makes different decisions depending on whether it is morning or afternoon, or Monday rather than Wednesday. These are examples of noise: variability in judgments that should be identical. In *Noise*, Daniel Kahneman, Olivier Sibony, and Cass R. Sunstein show the detrimental effects of noise in many fields, including medicine, law, economic forecasting, forensic science, bail, child protection, strategy, performance reviews, and personnel selection. Wherever there is judgment, there is noise. Yet, most of the time, individuals and organizations alike are unaware of it. They neglect noise. With a few simple remedies, people can reduce both noise and bias, and so make far better decisions. Packed with original ideas, and offering the same kinds of research-based insights that made *Thinking, Fast and Slow* and *Nudge* groundbreaking New York Times bestsellers, *Noise* explains how and why humans are so susceptible to noise in judgment—and what we can do about it.

Becoming a successful entrepreneur is impossible without accepting risk - the question is which risk to take and at what time. This guide offers practical, no-nonsense advice for marketing and financing your business, bringing on partners and employees, and launching your business as inexpensively and aggressively as possible.

Women now control most of the assets in the United States yet many feel they lack the skills to make financial decisions. *Owning Your Financial Success* explores the strategies that savvy women utilize to build financial confidence. *Owning Your Financial Success* covers everything from negotiating skills to owning income producing assets. It gives concrete steps that everyone can take to move themselves towards financial success.

At the beginning of the twentieth century, H. G. Wells predicted that statistical thinking would be as necessary for citizenship in a technological world as the ability to read and write. But in the twenty-first century, we are often overwhelmed by a baffling array of percentages and probabilities as we try to navigate in a world dominated by statistics. Cognitive scientist Gerd Gigerenzer says that because we haven't learned statistical thinking, we don't understand risk and uncertainty. In order to assess risk -- everything from the risk of an automobile accident to the certainty or uncertainty of some common medical screening tests -- we need a basic understanding of statistics. Astonishingly, doctors and lawyers don't understand risk any better than anyone else. Gigerenzer reports a study in which doctors were told the results of breast cancer screenings and then were asked to explain the risks of contracting breast cancer to a woman who received a positive result from a screening. The actual risk was small because the test gives many false positives. But nearly every physician in the study overstated the risk. Yet many people will have to make important health decisions based on such information and the interpretation of that information by their doctors. Gigerenzer explains that a major obstacle to our understanding of numbers is that we live with an illusion of certainty. Many of us believe that HIV tests, DNA fingerprinting, and the growing number of genetic tests are absolutely certain. But even DNA evidence can produce spurious matches. We cling to our illusion of certainty because the medical industry, insurance companies, investment advisers, and election campaigns have become purveyors of certainty, marketing it like a commodity. To avoid confusion, says Gigerenzer, we should rely on more understandable representations of risk, such as absolute risks. For example, it is said that a mammography screening reduces the risk of breast cancer by 25 percent. But in absolute risks, that means that out of every 1,000 women who do not participate in screening, 4 will die; while out of 1,000 women who do, 3 will die. A 25 percent risk reduction sounds much more significant than a benefit that 1 out of 1,000 women will reap. This eye-opening book explains how we can overcome our ignorance of numbers and better understand the risks we may be taking with our money, our health, and our lives.

Add value with every decision using a simple yet powerful framework Few things are as valuable in business, and in life, as the ability to make good decisions. Can you imagine how much more rewarding your life and your business would be if every decision you made were the best it could be? *Decision Quality* empowers you to make the best possible choice and get more of what you truly want from every decision. Dr. Carl Spetzler is a leader in the field of decision science and has worked with organizations across industries to improve their decision-making capabilities. He and his co-authors, all experienced consultants and educators

in this field, show you how to frame a problem or opportunity, create a set of attractive alternatives, identify relevant uncertain information, clarify the values that are important in the decision, apply tools of analysis, and develop buy-in among stakeholders. Their straightforward approach is elegantly simple, yet practical and powerful. It can be applied to all types of decisions. Our business and our personal lives are marked by a stream of decisions. Some are small. Some are large. Some are life-altering or strategic. How well we make those decisions truly matters. This book gives you a framework and thinking tools that will help you to improve the odds of getting more of what you value from every choice. You will learn: The six requirements for decision quality, and how to apply them The difference between a good decision and a good outcome Why a decision can only be as good as the best of the available alternatives Methods for making both "significant" and strategic decisions The mental traps that undermine decision quality and how to avoid them How to deal with uncertainty—a factor in every important choice How to judge the quality of a decision at the time you're making it How organizations have benefited from building quality into their decisions. Many people are satisfied with 'good enough' when making important decisions. This book provides a method that will take you and your co-workers beyond 'good enough' to true Decision Quality.

Is more data always better? Do algorithms really make better decisions than humans? Can we stay in control in an increasingly automated world? Drawing on decades of research into decision-making under uncertainty, Gerd Gigerenzer makes a compelling case for the enduring importance of human discernment in an automated world that we are told can - and will - replace our efforts. From dating apps and self-driving cars to facial recognition and the justice system, the increasing presence of AI has been widely championed - but there are limitations and risks too. Humans are the greatest source of uncertainty in these situations and Gigerenzer shows how, when people are involved, trust in complex algorithms can lead to illusions of certainty that become a recipe for disaster. Filled with practical examples and cutting-edge research, *How to Stay Smart in a Smart World* examines the growing role of AI at all levels of daily life with refreshing clarity. This book is a liferaft in a sea of information and an urgent invitation to actively shape the digital world in which we want to live.

Where do new ideas come from? What is social intelligence? Why do social scientists perform mindless statistical rituals? This vital book is about rethinking rationality as adaptive thinking: to understand how minds cope with their environments, both ecological and social. Gerd Gigerenzer proposes and illustrates a bold new research program that investigates the psychology of rationality, introducing the concepts of ecological, bounded, and social rationality. His path-breaking collection takes research on thinking, social intelligence, creativity, and decision-making out of an ethereal world where the laws of logic and probability reign, and places it into our real world of human behavior and interaction. *Adaptive Thinking* is accessibly written for general readers with an interest in psychology, cognitive science, economics, sociology, philosophy, artificial intelligence, and animal behavior. It also teaches a practical audience, such as physicians, AIDS counselors, and experts in criminal law, how to understand and communicate uncertainties and risks.

A comprehensive value investing framework for the individual investor In a straightforward and accessible manner, *The Dhandho Investor* lays out the powerful framework of value investing. Written with the intelligent individual investor in mind, this comprehensive guide distills the Dhandho capital allocation framework of the business savvy Patels from India and presents how they can be applied successfully to the stock market. The Dhandho method expands on the groundbreaking principles of value investing expounded by Benjamin Graham, Warren Buffett, and Charlie Munger. Readers will be introduced to important value investing concepts such as "Heads, I win! Tails, I don't lose that much!," "Few Bets, Big Bets, Infrequent Bets," Abhimanyu's dilemma, and a detailed treatise on using the Kelly Formula to invest in undervalued stocks. Using a light, entertaining style, Pabrai lays out the Dhandho framework in an easy-to-use format. Any investor who adopts the framework is bound to improve on results and soundly beat the markets and most professionals.

Gigerenzer is one of the researchers of behavioral intuition responsible for the science behind Malcolm Gladwell's bestseller *Blink*. Gladwell showed how snap decisions often yield better results than careful analysis. Now, Gigerenzer explains why intuition "Provocative and richly textured. . . .Schwartz's analyses of the inadequacies of contemporary scientific views of human nature are compelling, but the consequences are even more worthy of note." —Los Angeles Times Out of the investigations and speculations of contemporary science, a challenging view of human behavior and society has emerged and gained strength. It is a view that equates "human nature" utterly and unalterably with the pursuit of self-interest. Influenced by this view, people increasingly appeal to natural imperatives, instead of moral ones, to explain and justify their actions and those of others.

A short, sharp guide to tackling life's biggest challenges: understanding ourselves and making the right choices. Every day offers moments of decision, from what to eat for lunch to how to settle a dispute with a colleague. Still larger questions loom: How can I motivate my team? How can I work more efficiently? What is the long tail anyway? Whether you're a newly minted MBA, a chronic second-guesser, or just someone eager for a new vantage point, *The Decision Book* presents fifty models for better structuring, and subsequently understanding, life's steady challenges. Interactive and thought-provoking, this illustrated workbook offers succinct summaries of popular strategies, including the Rubber Band Model for dilemmas with many directions, the Personal Performance Model to test whether to change jobs, and the Black Swan Model to illustrate why experience doesn't guarantee wisdom. Packed with familiar tools like the Pareto Principle, the Prisoner's Dilemma, and an unusual exercise inspired by Warren Buffet, *The Decision Book* is the ideal reference for flexible thinkers.

The authors summarize and synthesize research on the selection and presentation of data pertinent to public health and provide practical suggestions, based on this research summary and synthesis, on how scientists and other public health practitioners can better communicate data to the public, policy makers and the press.

Beginning with its first edition and through subsequent editions, *Thinking and Deciding* has established itself as the required text and important reference work for students and scholars of human cognition and rationality. In this fourth edition, first published in 2007, Jonathan Baron retains the comprehensive attention to the key questions addressed in the previous editions - how should we think? What, if anything, keeps us from thinking that way? How can we improve our thinking and decision making? - and his expanded treatment of topics such as risk, utilitarianism, Baye's theorem, and moral thinking. With the student in mind, the fourth edition emphasises the development of an understanding of the fundamental concepts in judgement and decision making. This book is essential reading for students and scholars in judgement and decision making and related fields, including psychology, economics, law, medicine, and business.

Groundbreaking book that redefines risk in business as potentially powerful strategically to help increase profits. bull; Get out of your "defensive crouch ": learn which risks to avoid, which to mitigate, and which to actively exploit. bull; Master risk management

techniques that can drive competitive advantage, increase firm value, and enhance growth and profitability. bull; By Dr. Aswath Damodaran, one of the field's top "gurus" - known worldwide for his classic guides to corporate finance and valuation.

An eye-opening look at the ways we misjudge risk every day and a guide to making better decisions with our money, health, and personal lives In the age of Big Data we often believe that our predictions about the future are better than ever before. But as risk expert Gerd Gigerenzer shows, the surprising truth is that in the real world, we often get better results by using simple rules and considering less information. In Risk Savvy, Gigerenzer reveals that most of us, including doctors, lawyers, financial advisers, and elected officials, misunderstand statistics much more often than we think, leaving us not only misinformed, but vulnerable to exploitation. Yet there is hope. Anyone can learn to make better decisions for their health, finances, family, and business without needing to consult an expert or a super computer, and Gigerenzer shows us how. Risk Savvy is an insightful and easy-to-understand remedy to our collective information overload and an essential guide to making smart, confident decisions in the face of uncertainty.

If you've been tasked with building a team to handle risk management for online payments (RMP), this practical introduction provides a framework for choosing the technologies and personnel you need. Author and financial services executive Ohad Samet explains the components of payments risk management, and presents a coherent strategy and operational approach. You'll learn the answers to questions you're likely to encounter in the first 18 months of operation, with information that Samet has shaped and tested over several years in the industry. This book is ideal whether you intend to be a one-person task force or work with dozens of agents and analysts. Use both a portfolio and behavioral approach to analyzing and optimizing losses Learn about your customers to determine if they can and will meet obligations Build an RMP team for payment risk operations, analytics, and decision automation Use linking mechanisms and velocity models to detect unusual activity among your customers Design system and data architecture to facilitate your activity analysis Implement the decision and loss-reduction mechanisms you need to act on your findings

Risk SavvyHow to Make Good DecisionsPenguin

SOON TO BE AN HBO® DOCUMENTARY FROM AWARD-WINNING DIRECTOR JOHN MAGGIO * "An important--and deeply sobering--new book about cyberwarfare" (Nicholas Kristof, New York Times), now updated with a new chapter. The Perfect Weapon is the startling inside story of how the rise of cyberweapons transformed geopolitics like nothing since the invention of the atomic bomb. Cheap to acquire, easy to deny, and usable for a variety of malicious purposes, cyber is now the weapon of choice for democracies, dictators, and terrorists. Two presidents--Bush and Obama--drew first blood with Operation Olympic Games, which used malicious code to blow up Iran's nuclear centrifuges, and yet America proved remarkably unprepared when its own weapons were stolen from its arsenal and, during President Trump's first year, turned back on the United States and its allies. And if Obama would begin his presidency by helping to launch the new era of cyberwar, he would end it struggling unsuccessfully to defend against Russia's broad attack on the 2016 US election. Moving from the White House Situation Room to the dens of Chinese government hackers to the boardrooms of Silicon Valley, New York Times national security correspondent David Sanger reveals a world coming face-to-face with the perils of technological revolution, where everyone is a target. "Timely and bracing . . . With the deep knowledge and bright clarity that have long characterized his work, Sanger recounts the cunning and dangerous development of cyberspace into the global battlefield of the 21st century." --Washington Post

A new eye-opener on how we can make better decisions—by the author of Gut Feelings In this age of big data we often trust that expert analysis—whether it's about next year's stock market or a person's risk of getting cancer—is accurate. But, as risk expert Gerd Gigerenzer reveals in his latest book, Risk Savvy, most of us, including doctors, lawyers, and financial advisors, often misunderstand statistics, leaving us misinformed and vulnerable to exploitation. Yet there's hope. In Risk Savvy, Gigerenzer gives us an essential guide to the science of good decision making, showing how ordinary people can make better decisions for their money, their health, and their families. Here, Gigerenzer delivers the surprising conclusion that the best results often come from considering less information and listening to your gut.

How eliminating "risk illiteracy" among doctors and patients will lead to better health care decision making. Contrary to popular opinion, one of the main problems in providing uniformly excellent health care is not lack of money but lack of knowledge—on the part of both doctors and patients. The studies in this book show that many doctors and most patients do not understand the available medical evidence. Both patients and doctors are "risk illiterate"—frequently unable to tell the difference between actual risk and relative risk. Further, unwarranted disparity in treatment decisions is the rule rather than the exception in the United States and Europe. All of this contributes to much wasted spending in health care. The contributors to Better Doctors, Better Patients, Better Decisions investigate the roots of the problem, from the emphasis in medical research on technology and blockbuster drugs to the lack of education for both doctors and patients. They call for a new, more enlightened health care, with better medical education, journals that report study outcomes completely and transparently, and patients in control of their personal medical records, not afraid of statistics but able to use them to make informed decisions about their treatments.

Redefining and Reclaiming Financial Literacy As a certified financial planner with thirty-five years of industry experience, Cindy Couyoumjian is committed to filling the financial literacy void for many Americans. In her timely and thought-provoking book, Cindy gives a unique macro perspective of what she calls "the hidden forces behind your money," which are the unseen political and economic forces that may influence your investment decisions. Through meticulous research, Cindy shows how these hidden forces have contributed to a complex retirement system, which includes pensions, social security, and what she believes is the outdated 60/40 investment model. To address this issue, Cindy spent endless hours developing a new multi-asset class investment methodology, known as the REALM model, that may offer broader investment strategies aimed to mitigate risk from the hidden forces that may negatively impact your goals. Redefining Financial Literacy can help you • Understand the complex macro forces that you cannot control, yet could determine your financial future, • Take actionable steps to regain command of your retirement strategy, • Build a retirement with potential durable income strategies, lesser volatility, and risk-adjusted returns. Redefining Financial Literacy and Cindy's innovative REALM model can open your eyes to investment possibilities while helping you regain confidence in the American dream. Diversification does not guarantee profit nor is it guaranteed to protect assets. There is no assurance that any strategy/model will achieve its objectives. Registered Principal offers securities and advisory services through Independent Financial Group, LLC (IFG), a Registered Investment Adviser. Member FINRA/SIPC. IFG, Cinergy Financial, and Greenleaf Book Group are not affiliated companies.

Are ordinary people able to reason with risk? Detailing case histories and examples, this text presents readers with tools for

understanding statistics. In so doing, it encourages us to overcome our innumeracy and empowers us to take responsibility for our own choices.

Rules for building formal models that use fast-and-frugal heuristics, extending the psychological study of classification to the real world of uncertainty. This book focuses on classification--allocating objects into categories--"in the wild," in real-world situations and far from the certainty of the lab. In the wild, unlike in typical psychological experiments, the future is not knowable and uncertainty cannot be meaningfully reduced to probability. Connecting the science of heuristics with machine learning, the book shows how to create formal models using classification rules that are simple, fast, and transparent and that can be as accurate as mathematically sophisticated algorithms developed for machine learning.

Pensions and retirement saving plans have helped millions of households build financial security. But tens of millions of people have been left behind, without access to these wealth accumulation vehicles. For many others, the plans they have do not ensure financial security in retirement. The problems that underlie these failures can be addressed. This book proposes concrete, practical ways to make dependable retirement income accessible for all Americans—not just those with means. Individual accounts have eclipsed traditional pensions as the primary vehicle for retirement saving in the United States—a shift that underlies many sources of retirement insecurity. The 401(k) plan and similar accounts have increased financial security for many people but have done nothing for millions more. Many of those who do have such plans are burdened with the need to make numerous saving, investment, and withdrawal decisions that stress their financial acumen. Financial advice that is unbiased, unconflicted, and affordable is often difficult to find. Managing wealth in retirement—especially the need to convert retirement savings into steady income—poses significant challenges that current financial instruments and practices do not adequately address. Economic downturns like the Great Recession and the COVID-19 pandemic increase financial insecurity and make addressing these issues more urgent. Written by noted experts in the field, *Wealth After Work* offers practical solutions that address these concerns. The proposals show how policymakers can help all Americans gain access to retirement savings accounts, obtain better information about their savings choices, and better manage their wealth in retirement. By proposing solutions that build on, rather than replace the existing system, the book provides a nuanced, practical guide to reform that would benefit all Americans.

Gerd Gigerenzer's influential work examines the rationality of individuals not from the perspective of logic or probability, but from the point of view of adaptation to the real world of human behavior and interaction with the environment. Seen from this perspective, human behavior is more rational than it might otherwise appear. This work is extremely influential and has spawned an entire research program. This volume (which follows on a previous collection, *Adaptive Thinking*, also published by OUP) collects his most recent articles, looking at how people use "fast and frugal heuristics" to calculate probability and risk and make decisions. It includes a newly written, substantial introduction, and the articles have been revised and updated where appropriate. This volume should appeal, like the earlier volumes, to a broad mixture of cognitive psychologists, philosophers, economists, and others who study decision making.

Are risk-takers born or made? Why are some more willing to go out on a limb (so to speak) than others? How do we weigh the value of opportunities large or small that may have the potential to change the course of our lives? These are just a few of the questions that author Kayt Sukel tackles, applying the latest research in neuroscience and psychology to compelling real-world situations. Building on a portfolio of work that has appeared in such publications as *Scientific American*, *Atlantic Monthly*, *The Washington Post*, and more, Sukel offers an in-depth look at risk-taking and its role in the many facets of life that resonates on a personal level. Smart, progressive, and truly enlightening, *The Art of Risk* blends riveting case studies and hard-hitting science to explore risk-taking and how it impacts decision-making in work, play, love, and life, providing insight in understanding individual behavior and furthering personal success.

Think less and know more. A sportsman can catch a ball without calculating its speed or distance. A group of amateurs beat the experts at playing the stock market. A man falls for the right woman even though she's wrong on paper. All these people succeeded by trusting their instincts but how does it work? In *Gut Feelings* psychologist and behavioural expert Gerd Gigerenzer reveals the secrets of fast and effective decision-making. He explains that, in an uncertain world, sometimes we have to ignore too much information and rely on our brains' short cut, or heuristic. By explaining how intuition works and analyzing the techniques that people use to make good decisions—whether it's in personnel selection or heart surgery—Gigerenzer will show you why gut thinking can change your world.

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