29 2nd Check Investment Biases

(Source: List of Cognitive Biases from Wikipedia as of November 4, 2017)

Decision-making, belief, and behavioral biases

Many of these biases affect belief formation, business and economic decisions, and human behavior in general. They arise as a replicable result to a specific condition. When confronted with a specific situation, the deviation from what is normally expected can be characterized by:

Name	Description
Backfire effect	The reaction to disconfirming evidence by strengthening one's previous beliefs.[19] cf. Continued influence effect.
Berkson's paradox	The tendency to misinterpret statistical experiments involving conditional probabilities.
Choice-supportive bias	The tendency to remember one's choices as better than they actually were.[25]
Conservatism (belief revision)	The tendency to revise one's belief insufficiently when presented with new evidence.[5][28][29]
Continued influence effect	The tendency to believe previously learned misinformation even after it has been corrected. Misinformation can still influence inferences one generates after a correction has occurred.[30] cf. *Backfire effect*
Courtesy bias	The tendency to give an opinion that is more socially correct than one's true opinion, so as to avoid offending anyone.[32]
Duration neglect	The neglect of the duration of an episode in determining its value
Endowment effect	The tendency for people to demand much more to give up an object than they would be willing to pay to acquire it.[38]

Experimenter's or expectation bias	The tendency for experimenters to believe, certify, and publish data that agree with their expectations for the outcome of an experiment, and to disbelieve, discard, or downgrade the corresponding weightings for data that appear to conflict with those expectations.[40]
Framing effect	Drawing different conclusions from the same information, depending on how that information is presented
Hindsight bias	Sometimes called the "I-knew-it-all-along" effect, the tendency to see past events as being predictable[46] at the time those events happened.
Hyperbolic discounting	Discounting is the tendency for people to have a stronger preference for more immediate payoffs relative to later payoffs. Hyperbolic discounting leads to choices that are inconsistent over time – people make choices today that their future selves would prefer not to have made, despite using the same reasoning.[47] Also known as current moment bias, present-bias, and related to Dynamic inconsistency.
IKEA effect (***FOR DIRECTORS***)	The tendency for people to place a disproportionately high value on objects that they partially assembled themselves, such as furniture from IKEA, regardless of the quality of the end result.
Illusion of control	The tendency to overestimate one's degree of influence over other external events.[49]
Illusion of validity	Belief that furtherly acquired information generates additional relevant data for predictions, even when it evidently does not.[50]
Irrational escalation	The phenomenon where people justify increased investment in a decision, based on the cumulative prior investment, despite new evidence suggesting that the decision was probably wrong. Also known as the sunk cost fallacy.
Loss aversion	The disutility of giving up an object is greater than the utility associated with acquiring it.[55] (see also Sunk cost effects and endowment effect).

Mere exposure effect	The tendency to express undue liking for things merely because of familiarity with them.[56]
Normalcy bias	The refusal to plan for, or react to, a disaster which has never happened before.
Observer-expectancy effect	When a researcher expects a given result and therefore unconsciously manipulates an experiment or misinterprets data in order to find it (see also subject-expectancy effect).
Ostrich effect	Ignoring an obvious (negative) situation.
Outcome bias	The tendency to judge a decision by its eventual outcome instead of based on the quality of the decision at the time it was made.
Post-purchase rationalization	The tendency to persuade oneself through rational argument that a purchase was good value.
Pseudo-certainty effect	The tendency to make risk-averse choices if the expected outcome is positive, but make risk-seeking choices to avoid negative outcomes.[70]
Risk compensation / Peltzman effect	The tendency to take greater risks when perceived safety increases.
Semmelweis reflex	The tendency to reject new evidence that contradicts a paradigm.[29]
Status quo bias	The tendency to like things to stay relatively the same (see also loss aversion, endowment effect, and system justification).[75][76]
Subadditivity effect	The tendency to judge probability of the whole to be less than the probabilities of the parts.[77]

Triviality / Parkinson's Law of	The tendency to give disproportionate weight to trivial issues. Also known as bike-shedding, this bias explains why an organization may avoid specialized or complex subjects, such as the design of a nuclear reactor, and instead focus on something easy to grasp or rewarding to the average participant, such as the design of an adjacent bike shed.[78]

Submitted November 2017 by John O. Huston; (614) 578-8483
jh@BowTiedAngel.com