Thinking and Deciding, Fourth Edition

Beginning with its first edition and through three 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, the fourth edition, 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, Bayes’s theorem, and moral thinking. With the student in mind, the fourth edition emphasizes the development of an understanding of the fundamental concepts in judgment and decision making. This book is essential reading for students and scholars in judgment and decision making and related fields, including psychology, economics, law, medicine, and business.

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Thinking and Deciding

Fourth Edition

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Preface to the fourth edition

The fourth edition retains many of the features of the first three editions:

1. Knowledge about judgment and decision making has been scattered among a number of different fields. Philosophers, psychologists, educators, economists, decision scientists, and computer scientists have different approaches to the theory. The approach in this book represents my own effort to draw together some of the key ideas from these different disciplines. Much of what I present is not original or new. If it were either of these, I would not be so confident that it is basically correct.

2. I retain the idea that all goal-directed thinking and decision making can be described in terms of what I call the search-inference framework: Thinking can be described as inferences made from possibilities, evidence, and goals that are discovered through searching.

3. I also argue that one main problem with our thinking and decision making is that much of it suffers from a lack of active open-mindedness: We ignore possibilities, evidence, and goals that we ought to consider, and we make inferences in ways that protect our favored ideas.

In the course of this book, I apply these ideas to the major concepts and theories in the study of thinking. I begin, in Part I, with general considerations: the nature of rationality; methods for studying thinking; and logic. Part II is concerned with belief formation, which is a form of thinking in which the goal of thinking is held constant. In this part, I introduce probability theory as a formal standard. Part III concerns decision making, including the making of decisions about personal plans and goals, and decisions that affect others, such as those that involve moral issues or matters of public concern. This part introduces utility theory, which formalizes many of the ideas that run throughout the book.

The fourth edition continues the trend of increasing the emphasis on judgment and decision making and correspondingly reducing the discussion of problem solving and logic. Nonetheless, I have retained the original title with the expectation that this edition will be the last, so it is no time to change that. Because I want this edition to be useful for a while, I have also attempted to emphasize fundamental concepts. I make less of an attempt at keeping up to date with current literature. In a few cases, however, my crystal ball says that some recent ideas in the literature will last, so I have tried to explain them. The same fallible crystal ball tells me that other ideas of some current interest are passing fads. Because I cannot cover everything, I have
used this fallible judgment as a guide for exclusion.

Otherwise, the changes, although extensive, are mostly at the level of detail. The only major change in structure is in the chapter on morality. I have also made an effort to organize what some have claimed to be a disorganized heap of biases. The organization is listed in a table on p. 56, and I have attempted to refer back to this in much of the discussion.

Many people have provided useful comments and other assistance. For the first three editions, Judy Baron, Kathie Galotti, and anonymous reviewers each gave useful advice about several chapters. Other chapters or sections were helpfully read by George Ainslie, David Baron, Judy Baron, Dorrit Billman, Colin Camerer, Allan Collins, Craig Fox, Deborah Frisch, Robin Gregory, John C. Hershey, Joel Kupperman, Liang Zhuyuan, David Messick, Chris Poliquin, Peter Ubel, and Peter Wakker. Many students brought errors to my attention. Christie Lerch, as an editor for Cambridge University Press, provided the final, most demanding, most detailed, and most helpful set of criticisms and constructive suggestions concerning all levels of writing and organization. The book was formatted using LATEX, and figures were drawn (over many years) with Systat, Metapost, R, Xfig, and raw PostScript.

I am also grateful to many colleagues who have influenced my thinking over the years, including Jane Beattie, Colin Camerer, Deborah Frisch, John C. Hershey, Howard Kunreuther, David Perkins, Ilana Ritov, John Sabini, Jay Schulkin, Mark Spranca, and Peter Ubel.

I dedicate this edition to the memory of two colleagues whom I shall never forget: Jane Beattie and John Sabini.