



## Your Behavioral Bias Checklist

### Manage **choice overload**:

- Narrow your choices in advance.** For example, giving yourself a spending limit. At the café, would you have made a different beverage choice if you could only spend \$3?
- Remember your goals.** If you're choosing between investments, remind yourself of the time horizon you're working with and whether that narrow your choices.
- Allow yourself time to choose.** Set aside time in your calendar to meet with an advisor or do the research you need to do.

### Make **mental accounting** work for you:

- Review your budget on a recurring basis.** Make sure the plans you have for your money are still the right ones. If you don't need the same takeout budget you've had for the last year, put that money towards something else.
- Remember that money is fluid.** It can be spent, saved, earned, invested, in many different ways.

### Counter **over-confidence bias**:

- Get a second (or third) opinion.** Be open to others' opinions and try not to be entrenched in your own.
- Look at your past.** Visualize some of the investment decisions you've made on your own and consider how well or poorly they worked out.

### Counter **loss aversion** or **sunk cost fallacy**:

- Compare potential losses and gains.** Re-frame the decision to compare what you could lose or what you could gain. This will help you to consider other alternatives.
- Diversify your portfolio.**

### Manage **anchoring bias**:

- Being aware** that you are prone to this kind of bias can help you avoid it.
- Consider alternative choices** when making decisions, for example if you would make a different choice if you relied on different information.

### Manage **status quo bias**:

- Weigh the pros and cons of the decision.** Critical thinking can often help you consider alternatives and make an informed decision in the end.
- Check your motivations.** Will your decision help you reach your goals, or is it simply the easiest choice to make right now?
- Set immediately, attainable goals.**