

# The Cognitive Biases Tricking Your Brain

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I am staring at a photograph of myself that shows me 20 years older than I am now. I have not stepped into the twilight zone. Rather, I am trying to rid myself of some measure of my present bias, which is the tendency people have, when considering a trade-off between two future moments, to more heavily weight the one closer to the present. A great many academic studies have shown this bias—also known as hyperbolic discounting—to be robust and persistent.

Most of them have focused on money. When asked whether they would prefer to have, say, \$150 today or \$180 in one month, people tend to choose the \$150. Giving up a 20 percent return on investment is a bad move—which is easy to recognize when the question is thrust away from the present. Asked whether they would take \$150 a year from now or \$180 in 13 months, people are overwhelmingly willing to wait an extra month for the extra \$30.

Present bias shows up not just in experiments, of course, but in the real world. Especially in the United States, [people egregiously undersave for retirement](#)—even when they make enough money to not spend their whole paycheck on expenses, and even when they work for a company that will kick in additional funds to retirement plans when they contribute.