

This classic thought experiment explains the weird decisions we make about spending money

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Quartz:

Some years ago, I interviewed the Nobel prize-winning psychologist and bestselling author Daniel Kahneman. He told me one of his all-time favorite thought experiments, which is something of a classic in behavioral economics.

It involves a woman who has spent \$160 on two theatre tickets. She is looking forward to the show, but when she arrives at the theatre she can't find the tickets. She empties out her bag. She goes through her pockets. No sign of them. She feels slightly sick as she thinks of the large sum of money she's wasted. But what about the show? Will she spend another \$160 on replacement tickets, or will she just give up and go home?

Read the whole story: [Quartz](#)