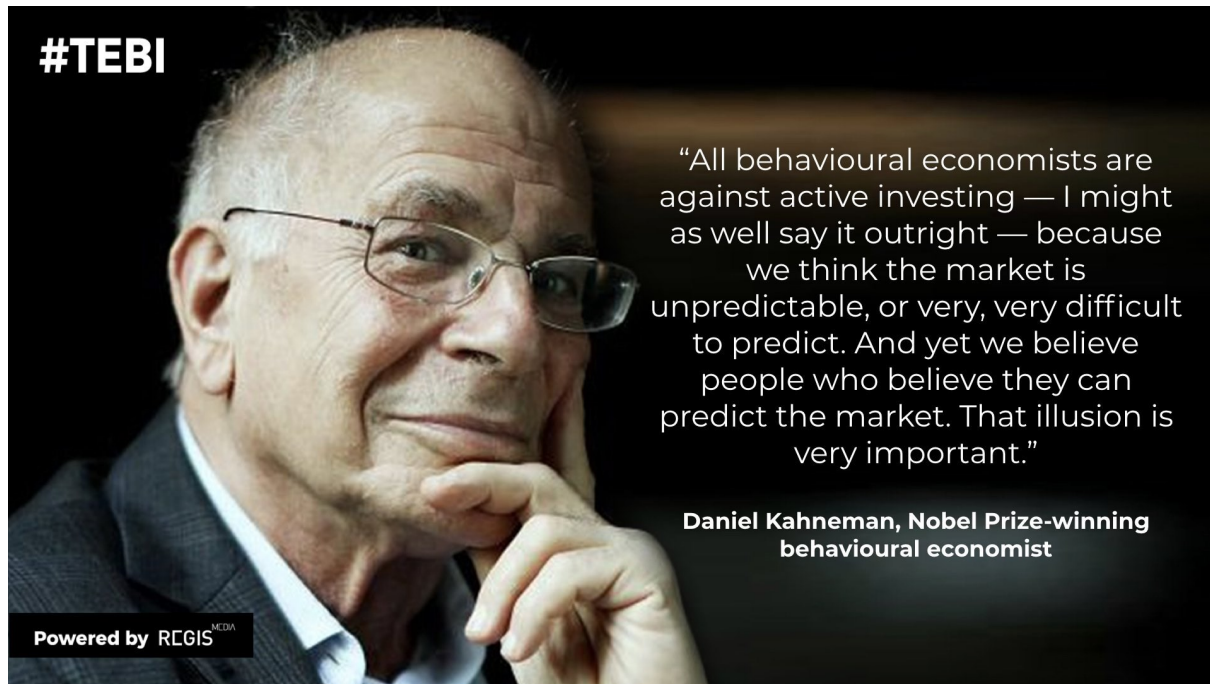


Kahneman on Evidence-Based Investing



Robin Powell@RobinJPowell .(June 29, 2018). New from The Evidence-Based Investor: Nobel laureate Daniel Kahneman explains why he and apparently all behavioural economists are against active investing @CFAinstitute Hat tip @fatherofgriff #Behavioural Economics #Investing <http://ow.ly/i4vb3oklJB5>

Daniel Kahneman is a nobel laureate who transformed the field of economics and investing. He won the Nobel Memorial Prize in Economic Sciences in 2002 for his work in applying psychological insights to economic theory. He is Professor of Psychology and Public Affairs, Emeritus at the Woodrow Wilson School and the Eugene Higgins Professor of Psychology, Emeritus at Princeton University. He held other prestigious university positions and won many awards over his long career.¹ Kahneman is published widely and is noted for his work in developing prospect theory, an analysis about how people make decisions under risk.² He also studied how optimism, overconfidence, loss aversion and regret influence decision-making and biases in investing. For example, he found that people who have a high potential for regret about decisions tend to sell at the wrong time or buy when prices are high. Kahneman said “regret is probably the greatest enemy of good decision making in personal finance.”³ Kahneman didn’t start his career in economics, but was inspired by his long-time good friend Richard Thaler, another nobel laureate in Economic Sciences.

1. Retrieved from <https://scholar.princeton.edu/kahneman/home>
2. Retrieved from <https://www.apa.org/monitor/deco2/nobel.aspx>
3. Retrieved from <https://annual.cfainstitute.org/2018/06/07/daniel-kahneman-on-expertise-bias-and-the-investment-industry/>

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