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Lesson 3: Gambling Fallacies

People have many incorrect ideas that encourage them to gamble too much. Gamblers tend to

- overestimate how many other people gamble as much as they do
- remember their wins better than their losses
- develop a lot of superstitious behavior they associate with winning (that does not actually change the odds or help them win)
- ignore the true odds of winning
- forget about the law of averages: short winning streaks are common, but long winning streaks are impossible

Problem gamblers also tend to have muddled thinking due to

- having experienced an early big win
- incorrectly believing their wins are due to their skill at gambling and their losses are due to bad luck
- incorrectly believing that money will solve their problems or make them happy
- incorrectly believing that their history of past outcomes will impact the next outcome in a game of chance. (The truth is that most gambling involves completely random events with results that can never be predicted accurately.)

Question: Who is more likely to throw a pair of sixes?

a) someone who has just thrown a pair of sixes
b) someone who has not thrown a pair of sixes in the last ten throws

Answer: It's a trick question! Both are equally likely.

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