

### Framing

Imagine that the U.S. is preparing for the outbreak of an unusual Asian disease, which is expected to kill 600 people. Two alternative programs to combat the disease have been proposed. Assume that the exact scientific estimate of the consequences of the programs are as follows:

Program A: 200 people will be saved.

Program B: A  $1/3$  probability that 600 people will be saved, and  $2/3$  probability that no people will be saved.

Now, consider the same scenario with the following two options:

Program C: 400 people will die.

Program D: A  $1/3$  probability that nobody will die, and a  $2/3$  probability that 600 people will die.

#### Results:

In the first choice, Kahneman and Tversky found that 72% chose program A and 28% chose program B. In the second scenario 22% chose program C while 78% chose program D.

See Kahneman, Daniel and Amos Tversky, "The Framing of Decisions and the Psychology of Choice," *Science*, Vol, 211. pp, 453-458.