

INCREMENTAL DECISION-MAKING



What is it?

Humans feel more comfortable making decisions in small steps in a larger process which often perpetuates into making a series of small decisions.



How to hack Incremental decision making at home

Household budgeting is a chore unto itself, and it's not easy. With today's easy-spending options like automatic billing, subscription services, and auto-renewals on one-time purchases, it's easy to forget how much you've spent. Isn't it hard to reign it in when the commitment is so easy? Only \$9.99 per month and the first month is FREE, all with the click of a button? Easy-peasy, let's commit. That's the fallacy of incremental decision-making: you commit to a decision based on only the first step, not the entirety of the decision.

So, how do you break yourself of these easy-spending habits? Think of your household budget holistically. If you commit to \$10/month starting next month, in a year you'll have spent about \$120 dollars on just one subscription streaming service. Do you have an extra \$120 a year to spend, on top of the \$600 in subscription services you're already spending?



When you step back and look at the entirety of your budget, you might realize that that's actually a really large chunk of your household income that's being spent on non-essentials and it might help you to reassess if that added expense is really worth it.

So stop making your decisions based on today's little commitment and start saying "goodbye" to incremental decision-making by taking a grander look at your entire year and budget.