author notes, we think movie actors are uniformly rich, as we don't see the obscure (but highly numerous) individuals who call themselves actors but have little or nothing to show for it. Also, people who would be considered highly successful professionally or monetarily within a full population distribution often experience some level of career dissatisfaction because they compare themselves only with the very most successful figures in their fields.

3. Taleb is greatly concerned (perhaps obsessed, even) with events that are both extremely rare and extremely devastating if they occur. He discusses the ''black swan'' problem, that no matter how many instances one has observed of exclusively white swans, one cannot say that there are no black swans. In terms of a hypothetical claim that ''The market never goes down 20% in a given three-month period'' that has heretofore not been contradicted, Taleb argues that '' . . . you cannot easily make the logical leap from 'has never gone down' to 'never goes down'" (p. 119).

He also discusses a scenario in which Event A has a 0.999 probability and payoff of $1.00, for an expected value of 99.9 cents, whereas Event B has a 0.001 probability, but results in the loss of $10 000, for an expected value of minus $10.00. The overall expectation is thus of losing roughly 9 dollars. Taleb claims that he has encountered many people in his field who do not appreciate the difference between probability (alone) and probability times payoff.

Taleb concludes that, ''My lesson from Soros is to start every meeting at my boutique by convincing everyone that we are a bunch of idiots who know nothing and are mistake-prone, but happen to be endowed with the rare privilege of knowing it'' (p. 243).

From reading other reviews and sampling the opinions of colleagues, I've become aware of criticisms people have of particular aspects of Fooled by Randomness: that it is too skeptical, that some of the ideas are not that new, and that the tone in places is dismissive. I can see where readers would come away with these feelings. Further, the book is not always reader-friendly. For those of you who don't like to skip the preliminary sections of a book before getting to the main text, the paperback version of Fooled by Randomness will test your patience. Before the beginning of the book proper, you'll have to read a preface, a set of acknowledgments for the new edition, chapter summaries, and a prologue. Some might find the writing itself to be a bit rugged; in fact, Taleb explicitly states that he ignored editorial suggestions for changes. Most observers appear to feel, however, that whatever deficiencies they see in the book are outweighed by its strengths. In this, I concur.

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Putting the decider first

RATIONAL CHOICE AND JUDGMENT: DECISION ANALYSIS FOR THE DECIDER, Rex Brown (Ed.), Hoboken, New Jersey: John Wiley & Sons, 2005. ISBN: 0-471-20237-1, 245 pp., $83.95 (€70.00), hardcover.

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Rex Brown has been a fixture in the decision analysis community for quite a long time. Now a distinguished senior fellow in the School of Public Policy at George Mason University, he has more than forty years of academic and professional experience, including teaching appointments at Harvard Business School, Cambridge University, and the London School of Economics, and an impressive roster of consulting clients, both in business and in government. He co-founded the Decision Analysis Society. Dr. Brown has synthesized these years of learning and practice into a new book published by Wiley-Interscience.

Rational Choice and Judgment is not another ordinary decision analysis text. Indeed, recent best-selling contributions to the market (e.g., Clemen & Reilly, 2003) would leave little room for a new book that did not succeed in carving out its own niche. This is precisely what Brown's rather unique offering attempts to do. The subtitle, *Decision Analysis for the Decider*, gives the reader the first hint to Brown's philosophy. His fear that decision support is too often driven by the aider's interests and capabilities rather than the decider's needs pervades the book. Concerns that ''[m]iddlemen, typically technically oriented support staff, have intervened between the aider and the real decider and miscommunicated the decider's needs,'' (p. xv) have motivated him to put straightforward tools for more effective choice and judgment in the hands of the decision maker. Enhancing, rather than replacing, the decider's existing thinking is his stated goal.

Brown sets out to accomplish these objectives with a decidedly qualitative tool box. While this emphasis on qualitative tools is not necessarily a bad thing, and in fact contributes to an area of decision analytical pedagogy that is often neglected, Brown gives quantitative tools short shrift. Indeed, while the preface promises four chapters of quantitative tools (p. xx), his treatment of utility and probability models are left wanting for technical detail. Further, from the outset, Brown limits the scope of the text to decisions that deal with ''the special case of choice among a few options'' and decisions that are ''to be made immediately'' (p. xvii). While these restrictions are consistent with his goals for the book, I am afraid that they may render its application too narrow for general use, at least as a stand alone text.

Rational Choice and Judgment is a textbook by explicit design. Each chapter is supplemented with exercises and case studies that are carefully designed. Many of the examples are drawn from Brown's own experience. The final chapter outlines a capstone project, which Brown calls a ''term project,'' that can most effectively be used throughout the term, with students incrementally applying new ideas and skills to the problem stage by stage. The rest of the material is well organized. Chapter 1 describes the environment in which decision are made and, along with Chapter 2, introduces the importance of decision analysis, particularly from the vantage point of the ''decision aiding'' philosophy so central to Brown's main theme. Chapter 3 introduces qualitative analysis with discussions about structuring pros and cons and a matrix for organizing goals, options, and outcomes that Brown calls the ''GOO table.'' Chapter 4 begins Brown's treatment of ''quantitative'' aids to rational choice, but his discussion is limited to the simple tallying of pluses and minuses made famous by Benjamin Franklin, and very basic decision trees. Along the way, he necessarily provides a skeletal outline of subjective expected utility and an application of multiple criteria that is quite useful. Chapter 5 develops the ideas associated with multiple criteria and provides a fairly detailed discussion of rating scales with a particular focus on comparisons between scales. Chapter 6 describes the disaggregation of subjective utility into multiple criteria and Chapter 7 very briefly introduces the consequences of uncertainty all with no more mathematics than basic arithmetic. Chapter 8 returns to the theme of decision-aiding by offering an application of the material from Chapters 3–7 to a model of plural evaluation, or the use of several approaches to a particular judgment or choice. According to Brown, this helps to avoid what he views as a major flaw in decision analysis practice, the tendency to employ decision models ''that do not take into account much valuable knowledge that [deciders have] access to and already [use] implicitly'' (p. 142). The appendix to Chapter 8 introduces a sort of influence diagram for mapping out the utility of various options. Chapter 9 continues with a discussion of the institutional constraints on the aiding of professional deciders. Chapters 10 and 11 provide basic discussions of the challenges associated with the elicitation of subjective probabilities and preferences.

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All and all, if one accepts the limitations in scope that Brown readily acknowledges and the emphasis on qualitative methodologies, *Rational Choice and Judgment* makes a unique contribution to the teaching material in the field. Brown offers a distinctive vantage point and he writes clearly and quite accessibly. Particularly his treatments of multiple criteria, scale comparisons, and disaggregation of utility are very well done for audiences that lack technical sophistication. However, somewhat contrary to Brown's claim that *Rational Choice and Judgment* could serve as a textbook for courses in public policy, business management, and systems engineering, the dearth of quantitative methods in the text make it necessary to pair it with other material for complete treatment. Certainly, courses in M.B.A. programs will require something like Clemen's *Making Hard Decisions* to round out the syllabus. Even undergraduate offerings would benefit from an applied modeling text like Clauss' *Applied Management Science and Spreadsheet Modeling*. Systems engineering courses may require even more technical sophistication.

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