

## Unreliable memories: How people remember Covid-19 will differ

The decisions we make today are often based on how we remember similar events. So, for some, memories of Covid-19 and the lockdowns will prove to be a minor inconvenience, but for others, memories will be dominated by the loss of loved ones or financial difficulty leaving scars that may impact their attitude towards money and risk for the rest of their lives



Source: Shutterstock

Memories can be unreliable. They may not reflect our feelings when actually experiencing an event. This disjoint between what we remember and what we experience can have implications for the choices we make, ranging from our finances to how we may manage life after lockdown.

Understanding the process behind how we remember helps explain why our memories can be so imprecise and provide clues to making better decisions.

## The remembering and the experiencing self

Daniel Kahneman, the psychologist who won the 2002 Nobel prize in economics, coined the terms 'the remembering self' and 'the experiencing self'. In his 2011 book, "Thinking Fast and Slow", he defined the experiencing self as the one that answers the question "Does it hurt now?" and the remembering self as the one that answers the question "How was it, on the whole?"

Kahneman demonstrated the concept using various scenarios. [In 1993](#), Kahneman and colleagues designed what he called 'the cold hand situation'. Volunteers were told they would undergo three tests. The first involved submerging one hand in 14 degrees Celsius cold water, which is moderately painful, for 60 seconds before being offered a warm towel. Their pain was recorded continuously during the immersion by using their free hand to control arrows on a keyboard. Seven minutes later, the other hand was placed into the same uncomfortably cold water for the same 60 seconds. However, instead of ending there, for an additional 30 seconds water only one degree warmer was syphoned in, making it less painful for the volunteer, but lasting 90 seconds overall.

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A further seven minutes passed before the volunteers were told the third test would be their choice: repeat the longer or shorter test.

The outcome saw 80% of trialists who said the pain eased towards the end of the 90 second experiment opting to repeat this longer option, thus exposing themselves to 30 seconds of unnecessary pain. One explanation for this was that the remembering self dominated the experiencing self.

Another experiment into the nature of memory by Kahneman and others was conducted in [1996](#) using colonoscopy outpatients as subjects. The real-time pain intensity of 154 colonoscopy patients was measured. These days, anaesthetics and amnesia drugs are administered, but back then, the discomfort wasn't generally eased.

Patients were asked to judge the level of pain being endured over 60 second intervals – zero being no pain whatsoever; ten equaling intolerable pain. A crucial element of the tests was that the painful procedure was ended quickly for some while for others, the end of the procedure was extended as with the equipment withdrawn slowly to ease discomfort. Asked to rate the total amount of pain experienced during the procedure, those that had the procedure extended did not necessarily judge it to be the most painful. Instead, those who suffered an unpleasant ending to the examination were more likely on average to remember the overall experience as painful even though they suffered for a shorter period.

## The peak-end rule and duration neglect

These tests formed the basis for Kahneman and others to argue that our recollection of events are

dominated by two aspects.

First, our memories are dominated by the most intense periods of the experience and how the experience ended. This process is referred to as the peak-end rule.

Second, because the peak and the end dominate memory, the length of time the experience lasted – be it pleasant or unpleasant lasted – is largely forgotten. The researchers called this duration neglect.

That our memories may not reflect the experience can be important because we tend to act on them. “The experiencing self does not have a voice” writes Kahneman. “The remembering self is sometimes wrong, but it is the one that keeps score and governs what we learn from living, and it is the one that makes decisions.”

## Questioning memory

The aim of this research was originally designed to question whether people behaved in the way that many economic models of the time suggested. The models often assumed that people took decisions that maximised their pleasure (technically called utility). Yet the experiments pointed to duration neglect, which negated utility maximisation.

Experiments seeking to replicate the peak-end effect and duration neglect give varying levels of support, as seen [here](#) back in 2016 and [here](#) from 2019. It is probably fair to say that it is still a reasonable way to think about how memories are formed.

This discussion may seem far removed from daily life. Nothing could be further from the truth.

One lesson to learn from unreliable memories is that it can pay to consider advice from others carefully.

Imagine you’re considering a change of career. You have a passion for baking and your friend, a somewhat successful owner of several local patisseries, recounts how excited they felt opening their first shop. Adding how the business developed into a success that now provides a handsome income, maybe enough to persuade you to follow a similar career path.

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This friend, however, may neglect to mention the occasions the business almost went bankrupt. Or how long they spent before they achieved success. Your friend may not be misleading. You are speaking to the remembering friend. The experiencing friend, as Kahneman wrote, has no voice. However, digging deeper and asking your friend for more details may provide a more accurate picture as to whether you are really cut out to be a baker.

Another way to consider this is to think about the performance of two investments over a 12-month period. Let’s say both end the year with the same 5% return. But then compare how they

performed over the year. Fund one may have been a rollercoaster coming good at the end. Fund two was more stable and delivered the same 5% return.

Investment professionals try to avoid the possible cognitive bias of remembering only the final performance of the two funds through calculations combining risks and uncertainty. By doing this, the professionals hope to make better decisions. Non-professionals may have to dig deeper to find the appropriate data and understand the maths.

## Remembering Covid

No one knows how or when Covid-19 and the lockdown will end.

For some, it may prove a minor inconvenience that will end once a vaccine is found. For others, their memories may be dominated by the loss of a loved one or of the financial difficulty they find themselves when activity returns to normal.

One person's memory of the pandemic is likely to differ from another's. It is more than likely that many people are experiencing significant changes to their lives at the moment. For some, it may leave [scars](#) that affect their attitudes to money and risk for the rest of their lives.