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Blog

There Are No Atheists In Foxholes

Posted on [September 10, 2011](#) by [Chris](#)

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Several of our mentorees recently took part in the [2011 Investment Trends](#) survey of Trading Behaviour. Buried in the usual stats about numbers of traders and their expectations was the little gem below.

This chart looks at the inputs that traders use for their decision making. The interesting point is that traders are using less true analysis than they were a year ago and relying more on research recommendations and business/economic news. This is not so interesting, what is interesting is the increase in the numbers of trader using what I would consider irrational sources such as gut feeling, tips from friends and tips from various sources of social media.

This tallies with two observations I have. Firstly, the default state of humans is one of irrationality. Rationality is something we cling to and 300 years after the being of the age of enlightenment we still have a tenuous grasp on it. Secondly, in times of crisis this irrationality comes to the fore. For example post the GFC Wall St has seen an increase in the [numbers attending](#) lunch time services, In Japan post the tsunami the Japanese have begun to [resurrect ancient beliefs](#).

This tendency to move back to either dependence upon others to tell us what to do or a reliance upon magical thinking is our default state. It only takes a small shock to strip away peoples perceived layer of rationality and turn them into a Neanderthal who struggles to understand the night sky in anything but terms of magic.

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