

# THE **NEW** BAZAAR

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## EPISODE 3: A story of poker and risk

*Maria Konnikova on poker and the psychology of making decisions*

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**CARDIFF GARCIA:** Hey, I'm Cardiff Garcia, you're listening to The New Bazaar. Coming up on today's show.

**MARIA KONNIKOVA:** What poker teaches you is that sometimes when you're too passive and you play it safe, that's how you lose. That's how you bleed chips. That's how you, that's how you end up broke.

**CG:** Maria Konnikova on how we can all make better decisions.

Today's episode is just so much fun, and also enlightening and insightful and maybe a little bit weird too, in the best way. Just like every conversation I've ever had with Maria Konnikova. Maria is a journalist who writes about psychology for The New Yorker, and she also has a PhD in psychology. And the backstory on Maria is that a few years ago, she took a leave from her job at The New Yorker to try to become a professional poker player. She wanted to write something about the experience. And so she started out the way a lot of journalists begin these kinds of Gonzo journalistic experiments. She studied poker, she read about it, she played online, and crucially, she also persuaded a legendary poker player named Erik Seidel to be her mentor. And what ended up happening, was both unexpected and kind of unbelievable, even to Maria herself. In a very short time, she became awesome at poker, way beyond what was necessary just to write about it.

She was actually winning big tournaments within just a couple of years, she was making hundreds of thousands of dollars at these tournaments, and in general, just becoming a big deal in the world of professional poker. But even more fascinating, at least to me, was what poker ended up teaching Maria about herself about her psychological makeup, and especially about her capacity to change. Because all throughout the story, there were even big fundamental parts of her personality that were evolving along with her understanding of the game. And specifically, when she makes big decisions, her default emotional settings have been completely transformed now, by poker. It's just a hell of a story. And it's one with all kinds of lessons for the rest of us. It's also a story by the way that Maria tells in her book, *The Biggest Bluff: How I Learned to Pay Attention, Master Myself and Win*, which is now out in paperback. And yes, there's even some economics in this story.

A quick word before we start, it was like 110 degrees in Las Vegas when we spoke with Maria. And so the air conditioning in her hotel room was automatically popping on and off throughout our chat. So if you notice a buzzing sound, faint buzzing sound in the background, that's what it is. There just wasn't much we could do about it. And now, my conversation with Maria Konnikova. Here it is.

**CG:** Maria, I was intrigued to learn that your PhD dissertation was actually about the stock market. I learned about this in your book. And it has a very, very important meaning in terms of what you learned about poker as, as you became a poker player. Can you just start by telling us a little bit about the setup of the dissertation and, and what you took from it?

**MK:** Yeah, absolutely. Um, so by way of a bit of context, I got to grad school in 2008. And I had been working in media beforehand. And I decided I was going to do this PhD earlier, because obviously, it takes a while to apply to programs. But just as I got to grad school, the stock markets crashed, and we had the big 08 crash, and a, a lot of my colleagues got laid off and it was just a, you know, it was a bloodbath in the world of media.

But it was something that really ended up affecting me from kind of a psychological standpoint. And I wanted to explore, you know, not necessarily why it had happened, but what the dynamics underlying it were psychologically speaking, and whether there were some people who made it better than it would have otherwise been. Now, I was working with Walter Mischel, who people know as the marshmallow guy. Um, the psychologist who is famous for the marshmallow studies, you know, do you eat your marshmallow, or are you able to wait?

**CG:** For our listeners who don't know who he is, that's the experiment where a young child is put in a room and is told that, that child can either eat the marshmallow, uh, in front of him or her, or wait a little while and then there'll be given a second marshmallow a little bit later. And the kids that ended up waiting, uh, tended to have better outcomes for the rest of their lives. It was like a test of self control, very famous experiment. And he was your mentor.

**MK:** He was, he was my graduate advisor. And I got to work actually with some of these original Bing kids, the study is called the Bing study because it was at the Bing preschool in Stanford. But, um, because I was in this environment where we were looking at self control, we had this notion that people who are good at self control, that they would do better in these changing stock market environments, that they would actually have helped mitigate the financial crisis, that they would have been the first ones to realize what was going on, to learn from it, et cetera, et cetera, et cetera. Because as you mentioned, Cardiff, um, we know that people who are high in self control tend to have better life outcomes across the board.

You know, they're more intelligent, end up being more successful financially, happier, healthier, all of these different things. That was the hypothesis going in. And so we designed, um, we actually modified this task that neuroscientists had been using to

look at brain activity and risk taking behavior. And it's a stock market task where there are stocks and bonds, and you get to design your portfolio. And you constantly are making decisions, because you see how everything is performing. And the trick is that we change parameters partway through the task. So things that used to be the "good stocks" end up becoming worse stocks, and vice versa. And so if you're savvy, if you notice these things, if you kind of look and are constantly updating your information, then you should change strategies at some point in that experiment.

And what we ended up finding was actually the opposite of what we'd expected. So we'd expected that people who were very high on self control would do much better at this. And that wasn't the case, it turned out that they were worse, it turns out that they would lose more money, because they failed to take in negative information from their environment when their initial strategy stopped working, rather than say, "Oh, huh, you know, maybe I need to reconsider." They'd say, "Oh, no, no, I know exactly what I'm doing. You know, I'm good. It's just noise and the environment's bad." And this overconfidence, this feeling of being in control where they actually weren't, that's what was underpinning their failure to learn. And so we realize that people who are high in self control had this Achilles' heel, which was that they were much more susceptible to the illusion of control, to thinking you're still in control, you're still making decisions that are kind of the best decisions, even when you're not, even when the environment changes, even when that's taken away from you.

That was very eye opening. And to Walter's credit, he was so excited, instead of saying, "Oh, no, no, something's wrong. People who are high in self control are good at everything." He was like, "This is so exciting. We found the Achilles' heel."

**CG:** And, and so interesting too, because it doesn't just lead people to make bad decisions based on that illusion of self control, it prevents them from, as you said, making decisions that would actually fix the problematic results of their earlier decisions. They kept doubling down, uh, they overestimated as you write in the book, their own skill relative to luck. And that made it almost impossible for them to learn from what the environment was trying to tell them. Again, that's a direct quote from your book. It's, it's really fascinating.

**MK:** It is, it is. And it you know, it really set up a fascination that I have to this day with this notion of the illusion of control of our ability to still think that we're in control, when we're not. I mean, the human brain just loves that feeling of agency and of control. We try to create those causal stories all the time, even when they don't exist, and it's so easy. And yet, I, I've yet to meet a person who is not susceptible to the illusion of control in the right circumstances.

**CG:** Yeah, and it's furthermore a problem because people are quite bad at thinking statistically or probabilistically. We're bad with probabilities, we tend to make a lot of decisions based on our own direct experiences. And you kind of open the book and you, you, explain the introduction to your own journey into becoming a poker player through this framework of people are bad at thinking probabilistically, and they also tend to overestimate when they're in control. And I think this also, uh, is a good place

to sort of introduce what you found in poker as something that sort of represents, you know, this tension between where we're in control and when you know, outcomes are gonna be determined by luck and how we make decisions when we encounter it. So why don't you take us through that analogy of poker and this tension between these two opposing forces?

**MK:** Absolutely. So, so, there are two elements to what you're talking about. The first one is our statistical illiteracy, so to speak, when it comes to real life. This is true of statisticians, by the way. So, I'm not saying, "Oh, you don't know anything about probabilities." I'm saying, humans in general, full stop, are very bad at making probabilistic decisions in their day-to-day life because that's not the way that the brain works. So I talk in the book about this notion of the description experience gap, which is the gap in how our brains learn from description versus how we learn by experience. And it turns out that we learn so much better by experience, by what's happened to us to the people we know. We learn by doing and by being immersed in something we don't learn when people just tell us stuff, description just goes in one ear out the other. And when it comes to probabilities, this is a really big problem because, you know, if I tell you 2%, 20%, you don't really have a great feeling of what that is. And instead, you go to your own personal experience.

You know, have I experienced this? So we tend to over weigh things where we have experienced them or where we have, you know, knowledge of them intimately, and we under weigh things that seem remote, even though that should not be the way we're actually deciding. In poker, it's this unique learning environment, where you actually get to learn probabilities correctly, because you're sampling them over and over and over, you play thousands of hands. So you actually internalize what 1% feels like, what 2% feels like, what 65% feels like, 98. You actually start feeling what that means and being able to use it in your decision making in a way that no other environment I've encountered, really has enabled me to learn how to do. So, that's the first part. But the second part is kind of this entry point of my journey, which is where does control end? You know, where does chance begin?

And the beautiful thing when you're playing poker, is that you're playing a game. It has rules, um, there are you know finite variables, and finite noise. And it's actually much cleaner, so you can learn. Whereas in life, you know, you can tell any story you want basically, because it's so noisy, there're so many things going on that you can always if something doesn't go your way, you can say, "Oh, you know, blame it on the weather, blame it on this, blame it on that?" And if something goes well, you can take credit and say, "Yeah, I'm brilliant. You know, [laughs] I did, I did so well, did everything right, I'm a genius." In poker, if you think that way, you're gonna go broke. Because in poker, there's a very clear delineation between what you do and don't control.

You control your thought process, you control those decisions that you make, your emotional reactions, the calculus, how you're making decisions, but you're not controlling the cards. So you have no control over what cards you get, what cards anyone else gets dealt, and you have no control over what happens after you make

your decision, what the next card off the deck is going to be. And so it's a really wonderful way of figuring out, "Okay, how do I separate the process of the decision from the outcome of that decision?" And that is crucial, because the process that skill, and the outcome is not skilled, the outcome is actually chance. And we just tend to conflate the two in life, we use the outcome as a proxy for was it a good decision? And poker teaches you that you can't do that, that the best you can do is make a good decision with the information you have.

Get your money in as a favorite. You know, if I get my money in as a 75% favorite, I'm just jumping, you know, up and down in the air. I'm ecstatic because that's amazing. That means that I'm going to be making money in the long term. But it means that right now, you know, 25% of the time I'm gonna lose. Does that mean I made the wrong decision? No, absolutely not. It just means I got unlucky. And so you learn over and over and over how to differentiate the two. And that your goal is to you know, put yourself in a position to get lucky. But then what happens after that, the outcome after that, that's no longer up to you. That's not something that you have any control over. And to me, that's just such a powerful lesson. And such a powerful way of avoiding overconfidence, avoiding those moments where you say, "Oh, I'm brilliant." And it turns out, you actually made a really shitty decision, you just got really, really lucky.

**CG:** Yeah. And that reminds me of what might be my favorite anecdote in the book, which was when you were at a tournament and you had played your hand exactly as you should. And by just a stroke of terrible luck, one of your opponents had a better hand that you could not have anticipated. And you went after the game was over to your poker mentor who was a very famous poker player named Eric Seidel. And you started kind of telling him like. "God, you wouldn't believe what happened, this horrible bit of luck." And he sort of cut you off kind of harshly. It was like, "I don't wanna hear it. That's not what matters here." Tell me about the process.

**MK:** That's exactly right. So the only correction I will make in your telling of the story, because this is very important, is that he did not somehow have a better hand. When the money went in, I was the clear favorite. So he just happened to be on a draw that he hid, he hid his one card, but our cards were already face up, which is the definition of a bad beat. When you get your money in as an overwhelming favorite, and your opponent beats you all the same, your opponent sucks out. It's a tiny nuance there. But it's actually important, because the crucial thing is had the money gone in on the river, it would have been a bad decision, because there would have been a possible handout there that beats mine. Right? So then it would have been me not actually thinking through all of the things properly.

At the time, I was, no one could beat me, I had the absolute best hand. And so that's exactly what I did, was complain to Eric and start telling him about how this idiot stayed in the hand even though he should have folded. And how he hid his miracle card, you know, on and on and on. And Eric, as you say, he basically just said, "Shut up."

And he made me realize, I mean, it's a lesson that I'm still you know, that I carry around with me every single day. He said, "Do you have a question about how you played the hand?" And that just made me stop and say, "Well, you know, I guess no. I mean, I had top set and..." And he said, "That's it, that's all you need to know. The outcome does not matter. All that matters is how you made the decision." If you have no issues in the decision process, if that process is solid, then it doesn't matter if you lost, that's not the important thing. Then he said something really important after that, as well. He said, "You know, if you're telling people bad beat stories, it's like taking your trash and dumping it on their lawn."

And that's such a great analogy, because it's not just toxic to the other person, it's also toxic to you, because you actually took that trash, and you carried it with you, and you were breathing in its fumes, before you could dump it out. And carrying around bad beat stories focusing on the outcome, that's exactly what that is. It's carrying your trash around with you. Because rather than using your finite mental and emotional resources to analyzing your thought process, making yourself a better decision maker, figuring out, "Okay, what do I need to do better next time? Did I make any mistakes? How do I need to react to this?" You're ruminating on something that you had no control over, and that you have no power to change, because that was not the result of your skill, that's not the result of something you can actually control.

And if we spend all our energy focusing on the things we can't control, I mean, that's just a recipe for disaster that's horrible for your mental game and your mental well being, it's horrible for your learning, because you're going to take the wrong lessons out of it. Imagine if after that hand, I was like, "Oh, I'm never gonna, you know, I'm never gonna put my money in with top set ever again." Wrong, wrong lesson.

And wrong, wrong thing to take from that. It would make me completely irrational and too risk averse and into a much worse decision maker. And so it's such a liberating thing actually, and an empowering thing to just let go of the outcome and say, "You know what? I can't control that. So why waste my time thinking about it? Let me think about the things that I can actually change, that I can actually affect, that I can actually improve if I work on it." I can't improve the outcome of a hand. That's actually a really great test. Can I improve if I think about this? If the answer is no, move on.

**CG:** Yeah. And I guess, you know, one of the risks would have been ruminating too much on this unlucky beat and then maybe subconsciously internalizing the wrong lesson, and it might end up dissuading you from playing the hand of the right way next time. And so this bit of bad luck ends up affecting your skill in the future. And that's a big problem, because as you write in the book, "Luck is a short term friend or foe, skill shines through over the longer term horizon."

**MK:** That sentiment really is the key because, you know, in any given hand, in any given moment, in any given tournament, in any given decision, you know, anything can happen, because in the immediate term luck is huge. But when you are talking

about poker, when you're talking about life, you're not worried about any one specific moment, you're worried about the long term. And in the long term, the people who are the most skilled are going to be the winners. Because when I said earlier, you know, if I get my money in as a 75% favorite, I'm ecstatic. You know, in the immediate term, I might lose and lose and lose, because one of the important things that we haven't yet talked about, about probabilities is that they're not normally distributed.

It's not like, you know, if you lose three times in a row, you have to win the fourth time, no probability has no memory, every outcome is completely independent. So you have no idea how long these streaks will go. And so variance, you know, those immediate swings, the only way to cure that, the only antidote to its volume is by hitting the long term by doing this over and over and over, because over the long term, 75%, you're golden, you're going to be great. In the short term, not so much, you can't rely on that. And so you have to have that longer term mindset, that longer time horizon in your head when you're making decisions.

That also prevents you from being too hard on yourself in any given point in time if things aren't going well. You know, if you just put it in context and say, "You know what? This is just one moment in [laughs] time, this is one point, this does not reflect on me in the long term." I think that that's also mentally very helpful, and helps avoid, you're feeling so bad for yourself that once again, you're not learning, you're not improving, you're not focusing on what actually matters.

**CG:** Yeah, it's so interesting that you say that, because one of the themes in the book was that there were parts of, I think, your own personality, if that's the right psychology word, that evolved as you became a better poker player, the ability to step outside to, or to observe the decision making process outside of the sort of prism of like your own ego, if that makes sense. The ability to think about the decision you're making without being worried about the threat to your own self-esteem was fascinating that you sort of were able to conquer that sort of thing, which I think is something that we all struggle with. You know, if you make a bad decision, and the outcome is bad, you feel like a personal failure of some kind. But if you can get past that, then it almost certainly leads to both a happier life, but also just better outcomes of the decisions that you do end up making.

**MK:** Yeah, it's a really difficult skill to master, um, to step outside of yourself and actually try to look at these things not personally, not through the prism of your own ego, um, but just objectively and dispassionately and to take blame when you need to, but also let yourself off the hook when you should be let off the hook. And either way to just learn and to see what can I take from this experience in a non judgmental way? And it's something that I still struggle with. And I will point out, because I think this is important, that I had a lot of help. You know, I had great coaches and actually had a mental coach, who specializes, um, he used to work just with professional athletes, but then expanded his definition of athletes to include poker, and eSports, um, and things that are more mental games in that sense.

And he was one of the reasons that I was able to achieve this. So you know, for people listening, it's, it's hard to do on your own. And even when you have good help, it's something that is still a constant struggle, because it's just so easy to judge yourself and to be hard on yourself, and to, you know, take these moments that are very emotional, because when things don't go well, you know it, you can speak a good game and I can give you all of these rah rah rah, you know, outcome doesn't matter. But when a bad outcome happens, it sucks. . In the moment, it sucks.

**CG:** You just lost money, you know.

**MK:** Exactly.

**CG:** Of course, it sucks a lot, you know. You can actually quantify how badly you just lost. That's terrible. Yeah. Um, th- there's a, there's also another moment in the book where you're at a table and one of the other opponents at the table, who's, who you're playing against is a, a finance type, I think, I think a hedge fund guy, and he's like trying to bully everybody at the table, he's raising, he's calling or you know, whatever. And then at one point, you knew that you should not engage him in a hand. You didn't have great cards, but some other people around the table were like, "What, are you gonna let him, you're gonna let him keep doing that to shove everybody around? Come on, you gotta call him."

And you did and you lost your money, and that seemed like that was an important lesson to learn that, you know, you knew, you knew instantly you shouldn't have done that. And you sort of tried to try to master that skill of not falling for all the external pressure of, of letting this be something that, that you're able to sort of, you know, judge dispassionately or, or, you know, outside of the context of all these other people like, you know, trying to like out tough guy the tough guy or whatever.

**MK:** Yeah, boy. I mean, that still brings so many memories.

**CG:** You're still annoyed by it.

**MARIA KONNIKOVA:** Yeah. I still, you're talking about this and emotionally, I'm just like, I have this pit in my stomach.

I remember exactly how it felt. Because it's hard to dismiss those things as noise and to say, "You know what? I need to do what's right, and ignore what people are saying." It's a really, really difficult position in which to find yourself. I guess it's, sort it's peer pressure, but it's also kind of just the, the pressure of the moment and of what other people say you should do have these expectations. And it's so easy to fall for that. I mean, that's why we struggle with peer pressure from elementary school. The, the voices on the outside, it's, it's tough to silence those and to amplify your inner voice and to amplify what you know to be right.



As you say, I knew I should be folding. I mean, there was nothing to even hope for, it was just a bad, bad situation. And I'm still angry that I let myself be goaded into, into that call. And in poker, there's this lovely concept known as tilt, which means letting your emotions into your decision process, rather than thinking rationally and objectively. And you know, moments like this, that's kind of tilt. It's tilt at its worst. And it's painful.

**CG:** Well, you know, the good news is that there were times when you kind of used other people's biases against them at the poker table, you sort of learned that the ways that people end up making decisions are often, you know, are often quite flawed based on preconceptions. And specifically, there were some times at the poker table when you realize that the men were playing against you differently because you were a woman, and you were able to sort of see what was happening, you identified the pattern, where like, if somebody was trying to bully you all the time, because they, you know, because they, you know, they didn't like being at the same table as a female poker player, you were like, "Well, if you're gonna bluff all the time, I'm just gonna keep calling you and I'll take all your money. That's totally fine by me."

But it was fascinating because, uh, poker is I believe the statistic in your book was something like 97% male in some, or maybe that's limited to some parts of it, some tournaments. But that's an astonishing figure.

**MK:** Yeah. I mean, it's anywhere from 96 to 98% male in the field. So, um, in, in tournaments that are 96% male, the tournament organizers, fist pump and say, "Yes, we got it, we got so many girls, so many girls playing." Um, not realizing that, you know, 4% is just laughably to me.

But yes. Um, I, you know, I did undergo kind of this transformation, where at the beginning, I let people bully me, I let them get to me. And then I realized that, you know, all of these biases could be my superpower if I could just figure out how they saw that girls played poker, because there are so few of us. And so they don't really have a sample size. And instead, they have all of these mental models for how a girl plays, you know, maybe their girlfriend plays, maybe their grandmother played, whatever it is, you know, they, they have this preconception. And oftentimes, that's what they use.

And so as you say, you know, there are people who would love me relentlessly, and I'd call them down. There are others who they, when they bet big, I knew I should fold everything basically, because they were very chivalrous, and they didn't wanna take my money. They thought it was ungentlemanly. They were very patronizing. Um, and, and that was great. You know, I'll take being patronizing if you also show me that you had pocket aces. And that I made a good fold. But that's great. You're allowed to call me honey then.

So you know, they're very different tendencies. Some people never fold to a girl because they'd rather die than be caught being bluffed by a female. Others will just assume that I never bluff, so they'll fold to aggression very easily. And of course, how

I play is gonna change drastically. The other thing, though, that I say in the book, which I think is really important to note, is that everyone has these biases. And so I experienced them myself, I made the same mistakes where I would see a certain type of player and make assumptions that I shouldn't have made and make bad decisions that were not based on actual data, behavior, how they were playing, but were based on appearance, what they looked like, what it seemed like they were going to play like. And that's a mistake that we all make and that's something that everyone has to be very wary of. Because that's not the data that matter, that's not the way that we should be making decisions. Because it has nothing to do with observable objective behavior, which is, those are the metrics you should be looking at.

**CG:** That's another instance where reading your book made me suspect that a lot of the tropes we see in movies that have card games, and that have poker in them, uh, might not be super helpful to somebody who's playing actual poker in the real world. Because you know, in the movies, there might be something about a tell, you know, oh, that person's, you know, exhibiting some kind of behavior. And actually, that doesn't work super well in real life. Like you have to learn these things by playing the hands and identifying patterns and seeing how people are playing against you, as you wrote, um, rather than, you know, judging them based on like, you know, whether their shoes are shined or something like that.

And so I have another question, actually, for you about movie tropes and poker, which is that, I'm sure you've seen a bunch of movies that include card games by this point, just cause some of them are very famous. And I'm not just thinking about like Rounders, which is explicitly about poker. Um, I'm thinking about movies like Casino Royale, where you need the hero to win the hand, the specific hand that he's playing at that time, or at least when the tournament, and he's sitting across from the villain, and the villain always goes second to last, and turns over some cards, those cards are like really good. And then the hero gives them kind of a sly look and turns over his cards, and those are the best cards and he wins, and everybody's happy and that kind of thing.

But like your book is all about how in the short term, you can't rely on the best player to win every single individual hand or tournament, it's a long term thing where if you get your process, right, you'll be a successful poker player, but it's not like two super skilled people where one is slightly more skilled than the other is always gonna win against a slightly less skilled opponent. That's not really how it works. You know what I mean? Is that right? Was I right to think about all this as I was reading your book?

**MK:** Absolutely. And don't get me started with the poker scenes, um, in Casino Royale. I don't... I, it is. I love James Bond. I love Daniel Craig. I love that movie. That poker scene just is a nightmare.

But anyway. So, so yeah. Um, it's not just that the best players don't necessarily win, um, in any given hand or tournament or game. And it's not even necessarily. I should take that modifier out of that sentence. The best players don't win every hand, it is

going to be one of these things where you are sometimes going to lose even if you're the best player in the world, because that's poker, you know, that's life in any given moment you're gonna lose. Um, but, but that's not the only element here. I think the other element that Casino Royale and scenes like that bring up, is that, you know, in popular media, there's way too much emphasis on, on tells that on these like minute as you say, you know, your shoes are shined, or your eyes twitching, or, or whatever it is.

And that's not the way that you should be making decisions in poker, um, or in life for that matter. Um, because most of the time, that's just noise and it's meaningless. And you should not be making judgments based on that you need to observe people over a long period of time, you need to observe how they play, you need to if you see something that you think is a tell, you need to see it over and over and you need to get feedback, you need to know what to tell of, maybe it means they're strong, maybe it means they're weak. All these different things that you just don't even know. And to me, that's one of the really interesting things about the game, how you do have to observe so very closely, and you do have to take in all of this information. And you have to be willing to update what you think certain things mean. And you also have to be very careful how you weight that information.

You know, do I use it? Do I not use it? Um, obviously in Casino Royale, we've got tells playing a very big part of this, of the storyline. Um, and I think that we, we often overestimate those types of personal things. And, you know, for me as a psychologist to say that, it's, it's not like I'm dismissing the fact that people give off information, but I am dismissing the fact that you know, you can tell when someone's lying. Um, that's bullshit.

**CG:** Yeah, when you played a bunch of tournaments over a couple of weeks in Monte Carlo, this is, uh, uh, another anecdote related in the book. You were relatively new to poker, I think just a few months in, and you were winning some money. And it wasn't like a huge amount of money yet, that would come later. But you were really, you were really happy about it. And again, you went to your mentor who was there, Eric's Seidel. And you said, "Hey, look, look at all this money, I'm, I'm winning."

And what he identified pretty quickly was that actually, this, the information that you're absorbing from the money that you were winning was the wrong kind of information, that actually, you weren't taking sufficiently big risks, and that you'd have to be comfortable taking those bigger risks if you wanted to become like a serious poker player of the kind who actually makes a living from it. And I just thought that was such a fascinating way to look at it. And I, I was wondering if you could just kind of tell us about it and tell us how your sort of relationship with risk, uh, also was influenced by this experience you had with becoming a poker player?

**MK:** That's a great question and a great moment in my learning journey, and one that I'm actually still learning. Um, because I'm not someone who's a natural risk taker. Um, for me, you know, I am someone who's just in my personal life much more

cautious. Um, and, you know, I need, I need a lot of evidence before I take certain risks. Not in all areas of my life. You know, I talk in, in the book about how I've taken very big risks sometimes, um, without a second thought, but, but as a general rule, and especially when I was playing poker, the beginning, um, I was a much more cautious player than I was a risky, risk seeking, risk taking aggressive player. And what Eric noted was that I kept cashing, yes, but it was a min cash.

And what that means for people who don't play poker, is you barely make back what you spent on the tournament. So say, I enter a tournament for \$100. Um, and my min cash is \$120, or \$110, let's say. And what does that mean? Well, it means that I made \$10. Okay, wonderful. If you do that, you know, in every tournament, which is what I was doing in Monte Carlo, not every tournament, but I was cashing in a lot of events. And if it's always a min cash, what are you actually earning? And it turns out that you're losing money. Because how much did it cost you to get there? How much did the flights cost? How much did the hotels cost? What about those few tournaments that you didn't cash, cause you're not cashing in 100% of tournaments. All of a sudden, those multiple cashes become a negative number. And so you have to realize that there's a very big difference between playing for the cash and playing for the win.

And that you have to learn to not play for the cash, but to play for the win. To put yourself in a position to actually win big, because the real money is at the top, it's not in those I barely squeaked through and now, you know, I made all of these risk averse decisions to get there, because I was so worried about not cashing. And now I don't actually have any maneuverability, I can't actually make it further. Um, and your goal should be to make it further. Your goal shouldn't be to just get that minimum amount of money. And that's a really interesting way of looking not just at poker, but how you, you know, make decisions in life. How do you play life? You know, do you play for the min cash, or do you play for the win? And I think that that tells you a lot about your own aptitude and appetite for risk taking and whether you need to go out on a limb a little bit more and rethink the decisions you're making a little bit more, it definitely forced me to do that.

And it definitely forced me to start going out of my comfort zone, when it comes to risk. So it's like all of these things, everything we've been talking about for the last hour, um, all of these things are just constant struggles. They're something that you keep learning and you keep working on. It's not like all of a sudden, there's a magic wand that you waive and you say, "Okay, now I take all the right risks, and, you know, I'm objective, and all of these things are fixed." It's, it's a constant process.

**CG:** Yeah, and I absolutely do that analogy as well, while reading that part of the book. Because the frequency of those big risks is also important. It's not just that every now and again, you take a big risk and you sort of, you know, put all your chips, metaphorically on, on this one thing you're trying, um, instead, we should be doing that, you know, over and over and over again, with the right process for

decision making. I'm not saying we should all go out there and be super reckless about it.

But for really big decisions, like, you know, starting down a new career path or deciding, you know, you know, to have kids or to not have kids, um telling somebody that you love them and not knowing what the response is gonna be, you know, being willing to do that repeatedly in life is kind of the only way that you're gonna get a lot of great things, it just means that by definition, because a lot of these are gonna be low probability events like starting a business, there are gonna be some pretty big failures too. But that doesn't mean you stop doing it. This is something that's a lifetime strategy rather than a one time strategy. So, I thought that was just a lovely way to sort of interpret how we make decisions in life. And all through the prism of this like, you know, this two week adventure that you had in Monte Carlo, ha- having, having taken one of those risks yourself when you shifted to becoming a poker player and, and leaving behind for a time your career as a journalist.

**MK:** Yeah, I think, I think that's exactly right. Um, and you know, I think in life, it's, it's so easy. I mean, it's easy in poker too. But it's so easy to kind of argue your way out of taking any given risk, you know to say, "Oh, well, you know, in general, I'll take risks. But right now I'm going to play it safe. And what you don't realize is that those decisions add up and right now becomes always, because you are failing to take the risks that you need to take, and you're playing it safe. And playing it safe doesn't actually mean playing it safe. Because what poker teaches you is that sometimes when you're too passive and you play it safe, that's how you lose. That's how you bleed chips. That's how you, that's how you end up broke. Um, and so you might think that you're doing something that's very safe, and you're actually being very stupid.

**CG:** Yeah. And having taken one of those big risks yourself, actually a couple of them, you know, you, you decided not to be an academic psychologist, you decided to be a journalist for example. And then of course, shifting for time from journalism into poker. What advice do you give to people who are about to embark on something like that? And I should, um, before you answer I should tell you, I promised Aimee Keane, uh, my co founder in this new business that, uh, that I'd ask you, so that we could take, so that we could learn from your answer as well.

We just left our jobs, our safe jobs to start this company ourselves. And I'm, I'm fascinated to know what, what advice you would give to us and other people like us who take risks like this.

**MK:** You know, I think that taking risks is important. And it's also very important to do it in a smart way. I am not someone who just advocates, you know, leave it all, burn it to the ground, follow your passion and do the thing. You know, before I left academia to pursue journalism, I already had a foothold and had started publishing while I was still in academia, and had, you know, I had by lines and, and had kind of had something there. When I, you know, made the switch to poker, obviously, I'd sold a book. Um, and I had savings that I'd put together in order to enable me to do this.

And I wrote out a really careful budget to make sure that I didn't actually go broke in two years.

And, and all of these things. And so I think that, uh, you know, it's very easy also in our culture to just glamorize, you know, follow your passion, you know, take risks, do the- do these big things. Um, and people often don't talk about the nitty gritty of it. I think you need to be prepared to fail. And you need to have a safety net, and you need to work hard and know that it's not going to be just this magical thing. And that's something that people don't talk about nearly enough. You know, the, the need to have very good fiscal planning, the need to know that you will be able to survive the worst.

That's actually the mental trick that I use, whenever I take really big risks. I play out what the worst case scenario would be, you know, if everything just goes wrong, if everything goes to shit, uh, how will that feel? And then afterwards, nothing feels so bad, because you already know what the worst case scenario is, and you've prepared yourself for it. And to me, you know, that's how I personally think about it. But one of the things that poker teaches you is that some of the poker players who take really big shots, which means, you know, playing in bigger games, um, you know, taking, taking these risks on moving up in their careers. Some of them succeed, and some of them go broke. And the difference is often not one of talent. It's in when do you take your shot? How do you take your shot? And how do you react if that shot doesn't go well?

Some people, they'll win, you know, a lot of money, and then they'll take a shot and it doesn't go well and they'll keep taking it. They actually completely start playing above their bankroll, take too many risks and they go broke. Others, they'll take a shot, it doesn't work, they'll move down, they'll actually go back to a comfortable level and build back up. And they won't see that as failure, they won't see that as a blow to their, to their ego, they just say, "Okay, you know, time to kind of rethink, work on a few things and then take the shot again later on." And those are the players who tend to survive. And I think that that's, you know, that's important advice to, to think about, as you take big risks in life.

You know, do what's going to happen if you don't succeed, because sometimes you won't, and it does doesn't mean you're not successful overall, that doesn't mean you're not gonna be successful in this eventually. But you have to, as, as we say, you know, you have to realize that, in the immediate term, anything can happen, and that the only way to cure variance is through volume, and through time.

**CG:** Oh, yeah, there's a fascinating lesson in diversifying your skill set there too. You mentioned the variance. And it's kind of like, you've got this one skill set that's pretty new, but that you've developed quite quickly, which is poker, which is a very high variance, I think, you know, in terms of outcomes, and how much money you can make. You know, you can, you can make zero money at a tournament, or you can make and you have in some tournaments made quite a lot of money. Right? But it is,

there is a lot of variability there. And then you got journalism, which is the sort of steadier, you know, path where like, the outcomes

**MK:** I'm sorry, I'm just gonna, I'm gonna stop, I'm gonna stop you there for a second because I've always been a freelance journalist. And so I have never had, so, it seems just as crazy.

**CARDIFF GARCIA:** Fair enough. Okay. Uh, well, then it's just diversifying your skill sets so that you have two skill sets you can draw on at different times, if you will.

**MK:** Exactly.

**CG:** Um, but it's not the story of one, one thing where you have a paycheck and another one where you can supplement the paycheck. Okay, fair enough.

**MK:** But that's great actually. If you can, if you can make that work, that's a wonderful way to let yourself take risk. You know, if you have a steady paycheck, that's a great time to experiment. You know, I started writing when I had a full time job, I'd write nights and weekends and that's how I was able to, to make that work.

**CK:** Yeah. And I wanna also make sure that I ask you about your two mentors, um, Eric Seidel in the poker world, and Walter Mischel, um, in the world of psychology, because it seems like there are at least some parallels between the two. You know, in both cases, you had to convince them to take you on as a mentee, because you were a little bit of an outsider. You know, you wanted to, you wanted to get your PhD in psychology, but you also wanted to be a writer and Walter Mischel, um, as you note, appreciated that about you. And Eric Seidel was like, "Wait a minute, you're, you know, you're coming to poker brand new to write a book?"

You know, you're not a poker player, you didn't even know I think how many cards were in a deck when you first talked to him, which is fascinating. Um, both of these guys were kind of, I don't wanna say suspicious, maybe a little skeptical or scrutinizing of modern trends. You know, Walter Mischel, was a little bit annoyed by the kind of always have to be publishing things in psychology like that approach to things instead of just trying to figure out what's true and what's relevant. Um, and Eric Seidel kind of resisted the big trendy move towards like the mathematization of poker, the quantification of it, he appreciated it, he acknowledged that it could give you an edge, but he still thought that playing against the other people at the table mattered a lot that you had to have a good process for playing poker, which is why he's been around for so long.

They both are kind of long term, um, successes in their fields. Uh, and they both seem to like your sort of outsideriness. And I guess I'm wondering if that's something that you consciously look for in mentors? Or, or if you agree that there were these

parallels between the two of them? Like, how would you sort of find the commonalities between Walter Mischel and, and Eric Seidel?

**MK:** I think that's a, a very astute observation. I do think that that's a parallel between the two of them. Um, and, you know, it's not that I consciously look for that, um, but I think it is true that a lot of the people I've chosen to, um, affiliate with over the years have been people who've gone against the grain a little bit, um, and who are independent thinkers and who are their own person. And to me, that's just the most important thing in the world. Um, I, I don't want to learn from someone who just follows the herd. I want to learn from someone who can teach me how to think better, who can teach me how to be more critical, who can teach me how to develop my skills. And I think in both cases, as you correctly point out the fact that I was not traditional, I think that's what helped both...

That's what helped me in both cases, um, be able to forge these relationships because you know, in the case of Walter, he was done taking PhD students, you know, he, he was gonna be retiring. Um, he was in his late 70s at the time, and you know, his last PhD student who graduated a few years ago, and he was done. And, you know, I was able to convince him that he wasn't done, and that I wasn't going to be a traditional PhD student. That's not what I wanted from him, that I was going to be kind of much more self-directed.

And he didn't need to do anything other than talk to me and, and be there, and I think he appreciated that I was very honest and said, I don't wanna go into academia, because as he con- confided in me, you know, at the beginning, was that he wouldn't go into academia these days either, because he really didn't like the direction it had gone in. And so I think that one of the reasons he took me on was because I was not your typical graduate student. Likewise, with Eric, who doesn't take poker students, who doesn't give lessons. I think the fact that I wasn't a poker player is what attracted him, because it was a way of proving his mindset, that kind of his approach could still be successful.

And I was a blank slate, I was a great proof of concept. Um, you know, could he take me from zero, um, or less than zero? Because as you correctly said, I didn't know how many cards were in a deck. So that was, that was very bad information to be going into it.

But could he take me from there and actually make me into a successful player because that would show a lot of things about, you know, his approach to the world. And I don't think he would have taken me on had I been just another poker player, saying, "Hey, you know, teach me, I wanna be better." I think the fact that I wasn't, the fact that I was an outsider was what kind of helped convince him that this might be a good idea.

**CG:** He, he must be, Eric Seidel must be so proud of, of how it went. Uh, what was his reaction to the book and, and to, you know, and to the book being out in public



and out in the world, and, and some of his own life being, um, you know, being part of the public record now.

**MK:** Um, I mean, I, I think he was very happy. Um, I don't wanna put words in his mouth. But I, I think he, I think he's happy with how it all turned out. And I think he really appreciates that the book seems to have brought new interest to poker and new people who want to learn how to play poker, because he's someone who really loves the game wants to grow it, um, and anything that, that contributes to that, um, is something that he's on board with. Um, and by the way, you know, it's my, my journalistic training, I never let sources, you know, read things ahead of time.

But in this particular case, you know, Eric was the first person other than my editor, uh, to read the book to make sure that he was comfortable with it, because it is his life as well, um, and he's such a huge part of it. Um, and so it was very gratifying. You know, that was, in some ways, that was the feedback that I was most dreading, um, and most worried about. So, it was very gratifying that he liked it, um, and that he thought that I did him justice.

**CG:** Yeah. And you, you write quite touchingly, uh, at times in the book about your family. And usually in the context of how you understand this relationship between fortune and the things that we can control. You know, um, throughout the time that you're writing about here, you, you had a kind of a streak of bad luck at one point, you know, where, um, your mother lost her job, which she'd been, you know, she had this long standing career, she lost her job and struggled to find a new one. Um, I think at one point, your husband also lost his job, um, and, and you had a health scare.

And you write about it in the context of like, how do you approach you know, making great decisions, not just in, in your career in the way these things are normally written about, but in your personal life as well. So let me finish with that question. What did you learn from poker and, and from this journey into becoming a poker player about how to approach your personal life and, and your relationships and, and your loved ones, and, and not just sort of, you know, your career and how to make money and things like that?

**MK:** Yeah. Um, you know, I, I think it's taught me to be a, a lot more a zen, for, for lack of a better word. And to just realize that, you know, bad deeds are gonna happen in life. Sometimes you'll seem, you'll do everything right, and then, you know, shit happens.

It's one of these things that are just a fact of life. And you know, the, the most we can do is try to kind of move on and try to realize that it's not personal, you know, it's, it's life. And what can I do? What can I control? What can I change? How do I prepare myself to be in the best possible position when I again, get lucky, when things start going my way? How do I have a mindset where I'm prepared to see opportunities? How do I act and make myself prepared to seize those opportunities when they

come? How do I maximize them when they come? You know, how do I basically try to make the most of luck when it's on my side?

And when it's not on my side, how do I just mentally have the fortitude to deal with it, to acknowledge it, to accept it and then to move on so that I'm in a forward motion forward thinking type of mindset and not in a backwards thinking, you know, dwelling on these bad beats sing? What was me, I'm so unlucky type of mindset because that, that doesn't serve anyone.

**CG:** Maria, thanks so much. This was, this was awesome.

**MK:** Thank you. It's been a pleasure.

**CG:** The book is, *The Biggest Bluff: How I Learned to Pay Attention, Master Myself and Win*, by Maria Konnikova, now out in paperback. And that's our show for today. You can find links to Maria's books and her articles in The New Yorker in the show notes for this episode. The New Bazaar is a production of Bazaar Audio for me and executive producer Aimee Keane. And speaking of exceptional minds and decision making prowess, somebody please study the brain of Aimee Keane and then share the secrets with the rest of humanity. Thanks for everything Aimee. And thanks also to Adrienne Lily, our sound engineer who had her work cut out for her with that AC unit humming in the background and did a lovely job as always.

Our music, this gorgeous theme that plays us out every episode came from the singular talents of Scott Lane and DJ Harrison of Sub Floor Studio, check them out. Please follow or subscribe to The New Bazaar on your app of choice. And if you enjoyed today's show, please leave us a review or tell a friend. Aimee and I wanna say we've been blown away by the reception that we've gotten in the first few episodes, we're really touched by all the notes you sent us and we'd love for more people to know about the podcast so that we can keep making it. If you wanna get in touch, I'm on Twitter as @CardiffGarcia, or you can email us at Hello@bazaaraudio.com. That's hello at B-A-Z-A-A-R-A-U-D-I-O.com, and we'll see you next week.