One day, long after my wife and I had lost a bid on a house, we got a call from our realtor asking us if we were still interested in the house. We were. Since the owner had come back to us to ask us for a new offer, I bid $4,000 less than the asking price. It was less than we had bid the first time. The owner responded vaguely, saying, "I'm going to need more money than that." Perhaps, dear reader, you're a better person than I because my immediate reaction was the desire to add a single dollar to my previous offer. In light of a number of considerations, my offer was quite fair. In our previous interactions with the seller a month or so before, he had agreed to a sale to us for less than his asking price, he then delayed in signing the contract, and then surprised us by signing another contract despite our verbal agreement. In the end, we increased our offer by $1000—instead of just $1—and he accepted. We spent many happy years raising our daughter in that house before we moved again.

Lawyers and lay-persons alike go through many such interactions. We have our price, our number, our value, and the other party to the negotiation has theirs. We become rather attached to our numbers. They become the base to which we cling. It is like this for all kinds of things even apart from numbers. If my wife says, "Let's have a beach vacation!" my first response will likely be to think of places on the Florida coast as opposed to the small, sandy fringes of Redfish Lake in Idaho's Sawtooth Mountains. "Beach" anchors me to ideas of long stretches of warm sand on vast shorelines. If some insurance adjuster called me to offer $50,000 on a case we were negotiating, my counteroffer would usually be somewhere near that number instead of being closer to $50 million. This tendency to stick close to information we've already been given is called an "anchoring bias" or "anchoring effect." A helpful definition of anchoring is as follows: "[it] occurs when an individual depends too much on an initial piece of information (the "anchor") to make subsequent judgments."[1]

An anchor can be relevant—like the word "beach" bringing to mind the sands of Florida versus the sands of a mountain lake. An anchor can be irrelevant as well. In fact, I use the mystical force of the irrelevant anchor to reveal to my students the power of anchoring. So, this month, I wish to share with you an exercise I use to illustrate how anchoring works. At the end, I have provided the "forms" you'll need to perform the exercise with your students. First, I'll provide a description of the set up.

I will come into the large group with two separate forms that I'll distribute among the group. The forms say two different things, but that isn't known to the group until the exercise is over. One form, as you'll see, reads as follows: "The current population of Topeka, Kansas is 112,000.[2] Please write below your guess for the current population of Des Moines, Iowa?" The second form asks the same question but provides a much larger anchor. "The current population of Oklahoma City, Oklahoma is 1,515,000. Please write below your guess for the current population of Des Moines, Iowa?" I make enough photocopies for each student to receive just one form, but half of the copies will contain the smaller Topeka number and half will contain the larger Oklahoma City number.

Once I am in the classroom, I start off by telling my students that I'm going to give them a short quiz on U.S. capitals. I then hand out the forms to the class. Here, however, I take great care in distributing the first form to the students sitting on one half of the class and great care in getting the second form to the students sitting in the other half of the classroom. This is best done in rooms that have a center aisle, but I've pulled it off in rooms without a center aisle by looking for larger-sized gaps between the halves. Once

[1] Bryce Hoffman, The Anchoring Effect: What It Is And How To Overcome It, FORBES (Feb. 24, 2024, 3:04 PM), https://www.forbes.com/sites/brycehoffman/2024/02/24/anchoring-effect-what-it-is-and-how-to-overcome-it/?sh=7f37c3921e70

[2] The population figures used here are not accurate numbers. Accuracy here does not really matter. These numbers are merely examples used to create a disparity of over one million people.

the forms are distributed, I tell the students to write their answer on their forms. Finally, I ask students for their answers, alternating from the two sides of the room. As I write down their answers, I am careful to separate the answers coming from the two halves of the class. For instance, I'll write down numbers from the small-anchor side of the class on one side of a white board and the numbers from the large-anchor side of the class on the other side of the board. I write down about 5 to 7 answers from each half. You'll notice a lovely disparity developing! Low numbers will come from the Topeka group. Higher numbers will come from the Oklahoma City group.

Once I have the obvious disparity on the board, I like to chide the two halves of the group on how their numbers ended up so different even though they're all classmates answering the same question. It's then that I ask one student on one side to read their form and then I ask a student from the other half to read their form—thus revealing the trick. This becomes the perfect spot to discuss anchoring, comparing the answers on the board with the anchors on the forms. It's worth pointing out to them the irrelevancy of the anchors they were given. The population of one state capital provides next to no useful information in determining the population of another state's capital. It's perhaps only slightly more relevant than providing the students with, say, the population of Luxembourg. If trying to guess a 2024 population number for Des Moines, a far more relevant anchor would be telling the students that the population of Des Moines was 720,000 in 2022.

It's a fun little lesson that is memorable enough to prompt students to carefully weigh the weight of the anchors they will select for their later negotiations or proposals. I hope you find this exercise to be of some use, though I suspect that if you actually live in Des Moines, you might to have to change a few things to make this exercise useful again. After all, the knowledge of the actual population of Des Moines is its own weighty anchor.

State Capitals Quiz

The current population of Topeka, Kansas is 112,000.

Please write below your guess for the current population of Des Moines, Iowa?

State Capitals Quiz

The population of Oklahoma City, Oklahoma is 1,515,000.

Please write below your guess for the current population of Des Moines, Iowa?