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# How close is close enough? How even neighbors of extreme choices drive risky choice

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## Abstract

There are often systematic differences between description- and experience-based risky choices. For description-based choices, individuals are more risk-seeking for losses than for gains. Nevertheless, for experience-based choices, such a trend is reversed when they encounter alternatives associated with extreme outcomes (i.e., the best and worst). One reason is that extreme outcomes are more salient in memory, potentially due to their distinctiveness and proximity to the edges of the outcome distribution. Ludvig and colleagues (2018) have suggested that proximity to edges (not distinctiveness) results in memory bias for extreme outcomes. The current study replicates and extends upon Ludvig et al. (2018)'s work to examine the effects of increasing distances (addition, scaling) between neighboring outcomes. The results are consistent with those observed in the previous study, thereby further supporting the claim that extreme outcomes are prominent in both memory and choice because they are close to the edges of the experienced distribution.