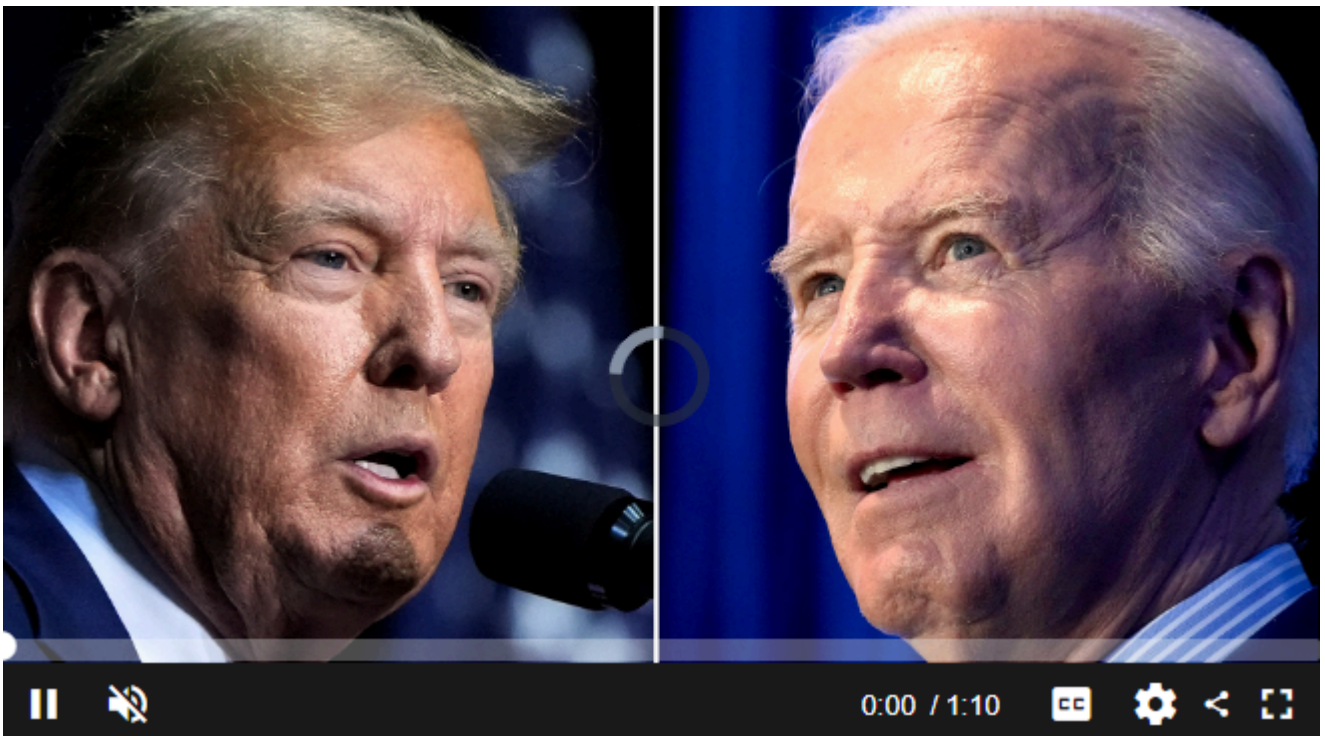


THE HILL

Biden and his backers are falling for the sunk cost fallacy

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Published September 8, 2024 12:00PM ET



Joe Biden's self-inflicted electoral crisis is a classic case study in the "sunk cost fallacy." As Vice President Kamala Harris and party leaders pour resources into the president's flailing campaign, the argument that Biden is the only one who can defeat Donald Trump in November and "protect democracy" is increasingly falling on electoral and donor deaf ears.

Coined in 1980 by economist Richard Thaler, the sunk-cost fallacy describes a cognitive bias that leads people to double down on failed strategies in which they have invested time, resources and emotional energy.

Thaler used this concept to describe the irrational decisions that went into the failed multibillion-dollar effort in the 1960s and 1970s to build the supersonic Concorde jet. As an executive leadership coach to CEOs and founders, I have identified three lessons from Biden's failure to ensure his party's success in November and three tactical recommendations. Otherwise, he faces a serious risk: becoming the Concorde of politics.

There are three takeaways. First, it's important for leaders in any field, be it business or politics, to build a succession plan and a deep bench should they get "hit by a bus," literally or figuratively. They must train their successors assiduously and give them all their wisdom and knowledge to step in should the need arise. Above all, instead of constantly investing in themselves, they must get out of the spotlight and let those new leaders shine — something Biden has failed to do.

Next is an insight a former tech founder gave me when I entered the C-suite: "Understand that your biggest strengths could also be your biggest weaknesses. And you must compensate for that."

In Biden's case, his stubbornness and loyalty have helped him overcome tremendous odds in life and work, bounce back from tragedies, and build strong teams that have followed him throughout his career. However, those traits have resulted in tunnel vision and "savior syndrome," thinking he is the only one who can "save" America.

Third, great leaders not only turn to their trusted circle for advice but also know how to build concentric circles of honest brokers who have no vested interest in the outcome — and aren't afraid to disagree with these leaders, no matter how powerful. They remind their circles that they need honest advice, no matter how unpalatable. The president's

reputed loyalty has resulted in his refusal to let people go, resulting in a stagnant team of staffers and power-hungry advisers who allowed him to become a sitting duck on the debate stage. Somewhere along the line, his team stopped telling Biden the truth, with embarrassing consequences.

Based on these takeaways, Biden should step out of the way gracefully and ensure that the best person from the Democratic Party's deep bench of younger talent can take his place. As a "Khive" of buzz builds for Harris to lead the presidential ticket, Biden should listen and exit stage left.

Unfortunately, it's likely that for all the reasons he is in this predicament today, Biden convinces himself or is convinced by others to stay the course.

Truly, as often happens with gamblers waging sunk cost fallacies, it was a high-risk move to do the extended interview with ABC News anchor George Stephanopoulos, and it'll be more "sunk costs" for Biden to do other spontaneous live events without teleprompters. Any missteps will add fuel to the fire, as the president acknowledged last week, according to the New York Times. He knows he has little time to turn the tide on the growing calls from his own party, voters and donors to step down.

If Biden decides to stay the course, there are three tactical tips to survive those interviews and live events.

First, he can't insult his voters and base. Biden must acknowledge that he has worked hard to achieve all he has accomplished and that age and fatigue have caught up with him. He can then note that if he is old, so is Donald Trump, and that perhaps his opponent looks and feels healthier because he has not worked as hard or has accomplished as much.

Second, Biden needs to keep it simple. He must avoid his biggest weaknesses, which, at his age and state of mind, are names and numbers, and highlight his accomplishments in

simple words, not high-level platitudes or complicated numbers that he is bound to botch. Stick to themes and anecdotes. Emphasize the practical impacts of his policies. Have potholes been fixed? Jobs created? Healthcare expanded? What's the bottom line?

He must speak with his heart, not his brain.

Finally, Biden must remind voters of what's important. In addition to his legislative and global leadership successes, he must dispel the false equivalency that his failed debate performance has fueled: that voters are now stuck between two equally bad candidates. Biden must remind them that he has done everything in his power to protect democracy while his opponent is hell-bent on destroying it, and that's what separates them the most.

Throughout his life, Biden has exemplified some of the traits of great leaders: honesty, integrity, loyalty, steadfastness, stick-to-it-iveness, and the ability to bring policy debates back to what matters most to the average American.

Now, Biden must exercise other key leadership traits — self-awareness, sacrifice, and stewardship — that will put him in the history books as the president who put America and the world above his own ambition.

The problem with sunk cost is that the second path is often summarily dismissed. That's exactly what Biden and his team have done — and what Trump hopes the president will continue to do.