

How to use Second-Order Thinking

What it is

Before deciding, ask what happens right away, then ask what happens because of that.

When to use it

For any decision where the obvious upside might cause a less obvious problem later.

Steps

1. **Name the decision.** What are you thinking about doing?
2. **First-order effect.** What happens right away if you do it?
3. **Second-order effect.** Because of that, what happens next?
4. **Third-order effect.** And then what happens after that?

Common mistake

Stopping at the first, obvious upside and never asking what it leads to.

Pairs with

Inversion and Regret Minimization.

Example: taking a job in a new city

Date: Tue, Oct 14

The decision

Take the higher-paying job in a new city

First-order effect What happens right away?

More money and a fresh professional start

Second-order effect Then what happens?

Leaving family and friends, higher cost of living eats into the raise

Third-order effect And then?

Might feel isolated the first year, but could build a stronger network long term

Second-Order Consequence Chain

Date: _____

The decision

First-order effect What happens right away?

Second-order effect Then what happens?

Third-order effect And then?
