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Crypto Investor Bias Profile

The Hype Chaser

Primary Bias: Availability Bias + FOMO

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Your Profile: The Hype Chaser

Primary Bias: Availability Bias + FOMO

| You are not making an investment decision. You are responding to a dopamine signal.

The Hype Chaser mistakes cognitive accessibility for investment quality. When an asset appears frequently in social feeds, news stories, and community conversations, your brain interprets that visibility as evidence of value. This is the Availability Heuristic at work: the brain evaluates probability based on how easily examples come to mind, not on actual evidence. Add FOMO — the acute anxiety that others are profiting while you are not — and you have a behavioral profile that buys momentum, chases narratives, and exits positions based on social signal rather than fundamental analysis. You confuse dopamine for due diligence. They are not the same thing.

The Neuroscience

WHAT IS HAPPENING IN YOUR BRAIN

The Hype Chaser pattern is driven by two neurological systems in sequence. First, the dopaminergic reward system activates in response to the anticipation of gain — not gain itself. When you see a token going vertical, your brain releases dopamine before you have made a single decision. That signal feels like insight. It is not. It is your reward system responding to pattern recognition and social proof. Second, the social pain system — the same neural circuits that process physical pain — activates when you perceive that others are gaining while you are not. FOMO is not metaphorical discomfort. It registers in the brain as a genuine threat that demands resolution through action. The action available is: buy now.

What It Is Costing You

THE FINANCIAL CONSEQUENCES OF THIS BIAS

- Buying at peaks: you enter positions when visibility is highest, which is typically when price is highest.
- Short holding periods: you exit when the next narrative appears, creating a cycle of late entry and premature exit.
- High transaction costs: frequent trading erodes returns through fees, gas costs, and tax events.
- Narrative amnesia: you forget past hype cycles because each new one always feels different. It rarely is.

Your 5-Point Action Plan

BEHAVIORAL INTERVENTIONS FOR THE HYPE CHASER

The following interventions are ordered by leverage. Implement them as non-negotiable rules, not as guidelines. Rules constrain System 1 behavior. Guidelines are overridden by it.

#	Action	The Intervention
1	The 48-Hour Rule	Impose a mandatory 48-hour waiting period between the moment you first notice an opportunity and the moment you act. The dopamine signal fades within hours. The analysis remains. What survives the 48-hour test is worth evaluating. What does not survive was never an investment — it was an impulse.
2	The Source Audit	Before acting on any opportunity, list every source in which you have encountered it. If more than two sources are social media, influencers, or

community chats, treat it as a signal of hype intensity rather than investment quality. The volume of social coverage and the quality of an investment are uncorrelated.

3

Pre-Commit Your Size

Before you open a price chart for any new opportunity, decide your maximum position size in writing. The number you commit to before dopamine activation is more reliable than the number you choose during it. Pre-commitment is not a limitation on upside — it is a constraint on behavioral error.

4

The Availability Test

Before acting, ask honestly: am I buying this because I have done the analysis, or because I have seen it everywhere recently? If the honest answer is the latter, the Availability Heuristic is making the decision, not you. This single question, answered honestly, is one of the highest-leverage behavioral interventions available.

5

The Watchlist Protocol

Move any new opportunity you notice directly to a watchlist rather than immediately evaluating it. Review the watchlist only during a scheduled weekly session, not in real time. This creates the gap between signal and action that your System 2 brain needs to engage before System 1 makes an irreversible commitment.

Your Self-Assessment

HOW TO MEASURE YOUR PROGRESS

In the last six months, how many investment decisions did you make within 24 hours of first hearing about the opportunity? Divide that number by your total investment decisions in the same period. If the ratio exceeds 40%, the Availability Heuristic is your primary investment driver. The honest calculation of this ratio is more valuable than any market analysis you will do today.

Your Prescription

Your System 2 brain is your most powerful investment tool. The 48-Hour Rule and Source Audit are the two highest-leverage behavioral interventions for your profile. Implement them as non-negotiable rules, not as guidelines. The deeper framework for understanding and managing Availability Bias in your investment decisions is in Blockchain Psychology (Carswell, 2026) and the Web3 Decision Hygiene Template, available free at blocpsych.com.

NEXT STEP

Get the Book. Blockchain Psychology by C.J. Carswell (Amazon, 2026) is the foundational text behind this profile — the first systematic behavioral framework for understanding how humans interact with decentralized systems. Available on Amazon in print and Kindle.

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Crypto Investor Bias Profile

The Panic Seller

Primary Bias: Loss Aversion

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Your Profile: The Panic Seller

Primary Bias: Loss Aversion

| *Your investment decisions are being made by your amygdala. Not by your analysis.*

The Panic Seller's portfolio decisions are controlled by Loss Aversion — the neurological reality that losses feel approximately twice as painful as equivalent gains feel pleasurable, as established by Kahneman and Tversky's Prospect Theory. For the Panic Seller, this asymmetry is not a background influence: it is the dominant force in every portfolio decision. Red candles produce a neurological response that is physiologically indistinguishable from the response to physical threat. The resulting decision — sell — feels like rational self-protection. It is almost always the worst possible response to temporary volatility. You confuse discomfort with danger. They are not the same thing.

The Neuroscience

WHAT IS HAPPENING IN YOUR BRAIN

Loss Aversion is embedded in the human threat-detection system because, in evolutionary terms, losses were often irreversible and potentially fatal. A missed meal was uncomfortable; a predator encounter was existential. The amygdala's response to the possibility of loss is therefore disproportionately strong — calibrated to protect against genuine threat rather than financial volatility. When portfolio value drops, the amygdala fires before the prefrontal cortex can process the data analytically. The emotional resolution — sell, stop the loss, restore psychological safety — arrives before any rational evaluation. By the time System 2 engages, System 1 has already decided. The pain of watching unrealized losses is neurologically equivalent to realized losses. But only realized losses are permanent.

What It Is Costing You

THE FINANCIAL CONSEQUENCES OF THIS BIAS

- Selling at bottoms: you exit positions at peak negative emotion, which is typically at peak discount from fair value.
- Missing recoveries: you re-enter at higher prices after watching from the sidelines during the rebound that follows the bottom.
- Locking in permanent losses: unrealized losses carry the possibility of recovery. Realized losses do not.
- Chronic underperformance: repeated sell-at-lows and buy-at-highs cycles compound into significant long-term underperformance relative to simply holding.

Your 5-Point Action Plan

BEHAVIORAL INTERVENTIONS FOR THE PANIC SELLER

The following interventions are ordered by leverage. Implement them as non-negotiable rules, not as guidelines. Rules constrain System 1 behavior. Guidelines are overridden by it.

#	Action	The Intervention
1	Pre-Set Your Exit Rules	Before entering any position, define your stop-loss price and your investment thesis in writing. These are System 2 decisions made under calm, analytical conditions. They will be honored when System 1 is activated during a drawdown. An exit rule set in advance is the most powerful behavioral tool available to the Panic Seller.

2	Percentage Not Dollars	Reprogram all portfolio monitoring to display percentage changes rather than dollar amounts. Your portfolio down 8% is an analytical data point. Your portfolio down \$4,000 is a visceral financial loss. The same information activates Loss Aversion at dramatically different intensities depending on its frame. Control the frame before Loss Aversion controls you.
3	The 24-Hour Cooling Rule	Implement a mandatory 24-hour waiting period before any sell decision made during a drawdown of more than 10%. This is not about ignoring risk. It is about ensuring that the decision to exit is made by your prefrontal cortex rather than your amygdala. If the thesis still fails after 24 hours of calm evaluation, then you sell with conviction rather than panic.
4	The Thesis Check	When you feel the urge to sell, ask one question: has my investment thesis changed, or has the price changed? If only the price has changed, Loss Aversion is the reason for the sell impulse, not fundamental deterioration. A sell decision that cannot be justified by a change in thesis is a behavioral error, not an investment decision.
5	Automate Your Exits	Use pre-set stop-losses and limit orders to remove the emotional decision point from volatile conditions entirely. An automated exit at your pre-committed stop-loss is a System 2 decision executed by infrastructure rather than by your amygdala under duress. Automation is not a crutch — it is the behavioral equivalent of installing a smoke alarm: you make the rational decision once, in advance, so you do not make it under panic.

Your Self-Assessment

HOW TO MEASURE YOUR PROGRESS

List your last five sell decisions. For each one, note what the price did in the 30 days following your sale. If more than three of your last five sells were followed by a price recovery that exceeded 15%, you are systematically selling at emotional bottoms rather than at rational decision points. This single calculation is worth more than any market analysis you will do today.

Your Prescription

Pre-commitment is your most powerful behavioral tool. The single highest-leverage intervention for the Panic Seller is to set exit rules before volatility begins — not during it. Rules made in calm conditions are System 2 decisions. Rules made during a drawdown are System 1 panic. The deeper framework for understanding and managing Loss Aversion is in Blockchain Psychology (Carswell, 2026) and the Web3 Decision Hygiene Template, available free at blocpsych.com.

NEXT STEP

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Crypto Investor Bias Profile

The Loyalist

Primary Bias: Authority Bias + Confirmation Bias

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Your Profile: The Loyalist

Primary Bias: Authority Bias + Confirmation Bias

You have outsourced your due diligence to a community. The community cannot do it for you.

The Loyalist has replaced independent analysis with community consensus. This feels like wisdom — leveraging the knowledge of experienced, trusted voices in a complex space — but it is a cognitive shortcut that exposes you to Authority Bias, Confirmation Bias, and the echo chamber dynamics of Excessive Coherence. In the Loyalist pattern, community sentiment substitutes for individual analysis. Trusted voices substitute for primary research. And gradually, the inability to hear or act on contradicting evidence creates an investment position held by social identity rather than by rational conviction. You confuse community for certainty. They are not the same thing.

The Neuroscience

WHAT IS HAPPENING IN YOUR BRAIN

The Loyalist pattern emerges from two powerful social cognition systems. Authority Bias — the tendency to trust and defer to those who appear knowledgeable or prestigious — evolved because following experienced group members was generally adaptive. In blockchain communities, this heuristic is systematically exploited: project founders, influential analysts, and community elders accrue authority that may be entirely disconnected from their actual track record. Confirmation Bias — the tendency to seek, weight, and remember information that confirms existing beliefs — creates a self-reinforcing information environment in which contradicting evidence is invisible not because it does not exist but because the brain actively filters it out. Together, these biases create a closed epistemic loop from which willpower alone cannot escape.

What It Is Costing You

THE FINANCIAL CONSEQUENCES OF THIS BIAS

- Overconcentration in community favorites: positions grow beyond rational allocation because community sentiment feels like validation.
- Inability to exit: selling a community-favored project feels like betrayal rather than portfolio management. Social identity and financial position become fused.
- Missing warning signs: early negative signals are labeled FUD and dismissed rather than evaluated on their merits. This is the moment of maximum risk.
- Vulnerability to manipulation: whale holders with positions in your community's favored assets can move your decisions with coordinated social effort and minimal capital.

Your 5-Point Action Plan

BEHAVIORAL INTERVENTIONS FOR THE LOYALIST

The following interventions are ordered by leverage. Implement them as non-negotiable rules, not as guidelines. Rules constrain System 1 behavior. Guidelines are overridden by it.

#	Action	The Intervention
1	The Independent Analysis Requirement	Before acting on any community recommendation, conduct your own primary research — whitepaper, on-chain data, team background, competitive

		landscape — before reading any community analysis. Your thesis must be formed independently before it can be confirmed or refuted. Confirmation Bias makes post-hoc research feel like due diligence. It is not.
2	Steelman the Opposition	For every consensus position you hold, actively find the strongest, most credible bear case. Do not look for weak critics to dismiss. Look for the smartest, most evidence-based opposition available. If you cannot locate a credible opposing view, you have not looked hard enough. Credible opposition always exists for any non-trivial investment thesis.
3	Track the Source Record	Maintain a log of investment decisions made on the basis of community recommendations or specific trusted voices. Track outcomes honestly over 10 or more decisions. Authority Bias inflates the perceived accuracy of trusted voices in your memory. An empirical record deflates it. The log is the antidote to the selective memory that sustains Authority Bias indefinitely.
4	The Identity Separation Exercise	Ask yourself: if this token were issued by a project you had never heard of, with no community you belonged to and no influencer you followed, would you invest based solely on the fundamentals? If the honest answer is no, your position is held by community identity, not by conviction. Identity and conviction produce very different exit behaviors when conditions deteriorate.
5	Diversify Your Information Diet	Deliberately and consistently follow analysts and voices who reach different conclusions than your primary community. This is not about finding people who are right — it is about maintaining the epistemic diversity that prevents complete Confirmation Bias capture. One well-reasoned dissenting voice read regularly is worth more than dozens of confirming ones.

Your Self-Assessment

HOW TO MEASURE YOUR PROGRESS

Of your last ten investment decisions, how many were primarily influenced by community consensus, specific influential voices, or social proof from people you follow? Divide that number by ten. If the ratio exceeds 60%, Authority Bias and Confirmation Bias are your primary investment drivers. For each of those decisions, ask: could you have defended the position to a skeptical outsider based solely on fundamentals at the time of purchase? The honest answer is your actual due diligence score.

Your Prescription

Epistemic independence is your most valuable behavioral asset. The single highest-leverage intervention for the Loyalist is the Independent Analysis Requirement: primary research before community research, always. The deeper framework for understanding Authority Bias, Confirmation Bias, and Excessive Coherence is in Blockchain Psychology (Carswell, 2026) and the BE DAO White Paper (Carswell, 2024), available free on SSRN. The DAO Governance Health Check at blocpsych.com assesses whether your DAO has the structural protections that guard against these biases at the community level.

NEXT STEP

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