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The Web3 Decision Hygiene Template

A Pre-Commitment Protocol for Investors and DAO Participants

Based on Decision Hygiene (Kahneman, Sibony & Sunstein) · Applied to Web3 through the BE DAO Framework

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How to Use This Template

"The quality of your decisions is determined less by your intelligence than by the conditions under which you make them." — Daniel Kahneman

Decision Hygiene is a formal framework originated by Daniel Kahneman, Olivier Sibony, and Cass R. Sunstein in their 2021 book *Noise: A Flaw in Human Judgment*. It describes the structured practices that reduce unwanted variability — noise — in human judgment, particularly in high-stakes, irreversible decisions.

This template applies Decision Hygiene to two of the highest-stakes decision contexts in Web3: trading and governance voting. The adaptation to blockchain investing and DAO governance is the original work of C.J. Carswell, developed through the BE DAO framework (BlocPsych, LLC, 2024) and the Theory of Blockchain Psychology.

Use Part 1 before any significant trade or portfolio change. Use Part 2 before any governance vote with material consequences. Complete each section honestly. The template only works as a commitment device, not a box-ticking exercise.

Source: Kahneman, D., Sibony, O., & Sunstein, C.R. (2021). *Noise: A Flaw in Human Judgment*. Little, Brown Spark. Applied to Web3 through the BE DAO Framework: Carswell, C.J. (2024). *BE DAO: A Whitepaper for Managing Blockchain Communities*. BlocPsych, LLC.

THE DECISION HYGIENE PRINCIPLES

The eight principles below are drawn from the noise-reduction methodology of Kahneman, Sibony, and Sunstein, adapted here to the specific cognitive challenges of Web3 decision-making.

Principle	What It Protects Against
System State Awareness	System 1 panic, emotional reactivity, cognitive fatigue
Pre-Commitment	Panic selling, impulsive buying, changing rules under stress
Thesis Discipline	Confirmation bias, post-hoc rationalization
Source Auditing	Availability bias, FOMO, engineered FUD
Anchoring Awareness	Price anchoring, arbitrary reference points distorting judgment
Contra-Argument	Excessive coherence, groupthink, echo chambers
Pre-Mortem Analysis	Optimism bias, overconfidence, planning fallacy
Cooling-Off Period	Amygdala hijack, emotional contagion, urgency manipulation

Part 1: The Pre-Trade Protocol

Complete before any significant investment, trade, or portfolio change

Date: _____ Asset: _____ Proposed Position Size: _____

Complete every item. Do not proceed to Part 1D (Pre-Commitment Rules) without completing Parts 1A-1C.

1A — COGNITIVE STATE CHECK

Assess the conditions under which you are making this decision. Decisions made under cognitive duress are System 1 decisions regardless of how rational they feel.

My current state is:

Calm and focused

Somewhat pressured

Stressed / urgent

Sleep-deprived

I am looking at this because:

My own scheduled review

Something I just saw/read

Someone told me

Price movement I noticed

Decision Hygiene Rule: If your state is "Stressed/Urgent" or "Sleep-deprived," stop here. Return in 24 hours. If your reason is market movement or social pressure, apply maximum scrutiny to every item below.

1B — THESIS & SOURCE AUDIT

01 The Written Thesis

Ask yourself: Can I write my investment thesis in two or three sentences without referencing price action, others' opinions, or the current market mood?

WHY A thesis that cannot be stated without referencing price action or social consensus is not a thesis — it is a rationalization. Writing forces System 2 engagement before System 1 constructs a post-hoc story.

My notes:

02 The Source Audit

Ask yourself: Where did I first learn about this opportunity? Is that source financially incentivized by my buying? How many independent sources have I consulted?

WHY Availability Bias makes the most vivid and recent source feel like the most important. Sources that benefit from your buying — influencers, project teams, promoters — are not independent signal. They are engineered availability.

My notes:

03 The Anchor Audit

Ask yourself: *What is the first price I heard for this asset? Am I comparing the current price to that anchor? What would I think of this if I had no price history?*

WHY Anchoring Bias makes arbitrary prior prices feel like meaningful reference points. The ATH, the ICO price, and the "I almost bought it at X" memory are all anchors that distort rational valuation. Evaluate from fundamentals first.

My notes:

04 The Confirmation Check

Ask yourself: *Have I actively sought the strongest argument against this investment? Can I state it clearly and honestly? Has it changed my assessment?*

WHY If you cannot steelman the bear case, you have done your rationalization, not your research. Counter Confirmation Bias by writing the bear case before the bull case.

My notes:

05 The Framing Audit

Ask yourself: *How was this opportunity framed when I encountered it? As a gain opportunity or loss avoidance? As "cheap" or "still has upside"? How would I think about it if the frame were reversed?*

WHY The Framing Effect means identical information presented differently produces different decisions. Identify the frame before you act on it — then consciously reverse it to see if your assessment holds.

My notes:

1C — RISK & REALITY CHECK

06 The Overnight Test

Ask yourself: *If this asset dropped 30% tomorrow and I could not exit immediately, how would I feel? Would I be able to sleep? Would I be tempted to make further impulsive decisions?*

WHY The Overnight Test reveals your true risk tolerance, which is almost always lower than your stated tolerance. If the honest answer is "I would panic," your position size is too large for your actual behavioral profile.

My notes:

07 The Liquidity Reality Check

Ask yourself: *Can I exit this position when I need to? What is the realistic exit cost in a stressed market? Are there lockups, staking requirements, or gas costs that make exit harder than entry?*

WHY Cognitive Ease around entry obscures the Cognitive Load of exit. Investors consistently underestimate the behavioral cost of illiquidity. The psychological cost of being unable to exit exceeds the financial cost alone.

My notes:

08 The Pre-Mortem

Ask yourself: *If this investment loses 80% of its value in 12 months, what is the most likely reason? Is that risk visible in what I know today?*

WHY Pre-Mortem analysis forces you to construct failure scenarios before they happen — the most powerful antidote to Optimism Bias. Most investors are systematically overconfident in positive outcomes for their own decisions.

My notes:

1D — PRE-COMMITMENT RULES

Do not skip this section. Pre-Commitment is the primary mechanism by which Decision Hygiene prevents Behavioral Liquidation. You are writing a contract with your future self.

Rule	My Pre-Committed Decision
I will invest a maximum of:	_____
My target exit price (gain):	_____
My stop-loss exit price (loss):	_____
I will NOT add to this position unless:	_____
I will NOT exit this position until:	_____
If price drops X%, I will automatically:	_____

Signed commitment: I agree to honor these pre-committed rules even when the market — or my emotions — are telling me to do otherwise. The rules were made by my System 2. They will be honored by my System 1.

Signature / Initials: _____ Date: _____

Part 2: The Pre-Vote Protocol

Complete before any governance vote with material consequences

Date: _____ DAO / Protocol: _____ Proposal ID: _____

DAO governance is where Rational Disengagement, Excessive Coherence, and Cognitive Load combine to produce the worst collective decisions. This protocol ensures your vote is a System 2 decision.

2A — COGNITIVE STATE & INDEPENDENCE CHECK

My current state:

Clear and focused

Somewhat distracted

Under time pressure

Emotionally activated

My vote intention formed by:

My own independent analysis

Community discussion

A whale / influencer

Financial self-interest

Decision Hygiene Rule: If your intention was formed primarily by an influential community member or financial self-interest, complete 2B and 2C with particular care. You may be experiencing Authority Bias or Excessive Coherence rather than independent judgment.

2B — PROPOSAL COMPREHENSION AUDIT

01 The Plain Language Test

Ask yourself: Can I explain what this proposal does — its mechanism, who it affects, and what it changes — in plain language to someone with no blockchain background?

WHY If you cannot explain a governance proposal in plain language, you cannot evaluate it. Voting on proposals you cannot explain is Cognitive Load surrender — you are delegating your judgment to whoever summarized it, who may not be neutral.

My notes:

02 The Treasury & Incentive Map

Ask yourself: Who benefits most from this proposal passing — financially, reputationally, or in governance power? Are its promoters among those who benefit?

WHY Principal-Agent Problems in DAO governance are common and frequently invisible. Proposals are framed in the language of community benefit even when primary beneficiaries are specific actors. Mapping incentives is due diligence, not cynicism.

My notes:

03 The Long-Term Consequence Test

Ask yourself: *In 12 months if this proposal passes, what is the most likely outcome? In 5 years? Have I considered second-order effects — what behaviors does this incentivize?*

WHY Governance decisions have compounding effects rarely visible in the short term. Temporal Discounting makes immediate consequences feel more real than future ones. Force yourself to reason through 12-month and 5-year scenarios before voting.

My notes:

2C — DISSENT & CONTRA-ARGUMENT CHECK

04 The Strongest Opposition Test

Ask yourself: *What is the most compelling argument against this proposal? Have I actively sought it out, or am I only aware of arguments made by its proponents?*

WHY Excessive Coherence means the strongest arguments against a popular proposal are often the least visible in community forums. Actively searching for the best contra-argument is the primary antidote to groupthink in DAO governance.

My notes:

05 The Echo Chamber Test

Ask yourself: *Have I engaged with community members who hold a different position? Are there credible, well-reasoned voices on the opposing side I have not fully considered?*

WHY Confirmation Bias drives us toward confirming information. In governance communities with strong identity norms, this can produce near-unanimous visible consensus that masks substantial unexpressed dissent. Seek the dissent deliberately.

My notes:

06 The Abstention Test

Ask yourself: *Is abstaining or voting "no" a legitimate option I have genuinely considered? If I am*

genuinely uncertain, is that sufficient reason to withhold my vote?

WHY Social pressure in DAO communities treats non-participation and opposition as deviant. Decision Hygiene recognizes that abstaining from a decision you cannot adequately evaluate is more responsible than voting by default or social compliance.

My notes:

2D — COOLING-OFF & COMMITMENT

07 The Cooling-Off Check

Ask yourself: *Have I slept on this before voting? Has my position changed since I first encountered the proposal? Am I voting now because the decision is genuinely ready, or because voting feels urgent?*

WHY Urgency in governance proposals is frequently manufactured by voting mechanism time pressure or by social pressure from invested community members. Genuine urgency in governance is rare. The sense of urgency is almost always a System 1 trigger.

My notes:

08 The Reversibility Check

Ask yourself: *If this proposal passes and the outcome is negative, how difficult is it to reverse? Does the irreversibility of this decision warrant additional scrutiny?*

WHY Irreversibility is a multiplier on decision quality requirements. The more difficult a governance outcome is to reverse, the more rigorously the decision deserves to be made before the vote is cast.

My notes:

My final vote:	My one-sentence reasoning:
<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST <input type="checkbox"/> ABSTAIN	<hr/>

Quick Reference

The 18 Decision Hygiene Checks at a Glance

PART 1: PRE-TRADE	PART 2: PRE-VOTE
<input type="checkbox"/> 1A Cognitive State Check	<input type="checkbox"/> 2A Cognitive State & Independence
<input type="checkbox"/> 1B-1 Written Thesis	<input type="checkbox"/> 2B-1 Plain Language Test
<input type="checkbox"/> 1B-2 Source Audit	<input type="checkbox"/> 2B-2 Treasury & Incentive Map
<input type="checkbox"/> 1B-3 Anchor Audit	<input type="checkbox"/> 2B-3 Long-Term Consequence Test
<input type="checkbox"/> 1B-4 Confirmation Check	<input type="checkbox"/> 2C-1 Strongest Opposition Test
<input type="checkbox"/> 1B-5 Framing Audit	<input type="checkbox"/> 2C-2 Echo Chamber Test
<input type="checkbox"/> 1C-1 Overnight Test	<input type="checkbox"/> 2C-3 Abstention Test
<input type="checkbox"/> 1C-2 Liquidity Reality Check	<input type="checkbox"/> 2D-1 Cooling-Off Check
<input type="checkbox"/> 1C-3 Pre-Mortem Analysis	<input type="checkbox"/> 2D-2 Reversibility Check
<input type="checkbox"/> 1D Pre-Commitment Rules	<input type="checkbox"/> Final Vote Decision & Reasoning

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"Noise is the variability in judgments that should ideally be identical. Decision hygiene consists of measures that reduce noise without requiring us to identify exactly where the noise comes from." — Kahneman, Sibony & Sunstein, Noise: A Flaw in Human Judgment (2021)

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