

Part 8:
The Price of FREE

25¢

How does the price
difference compare to
the quality difference?

1¢



24¢



FREE





FREE?!?!!!!!

OPTION 1



OPTION 2



TED W.

OPTION 1



OPTION 2

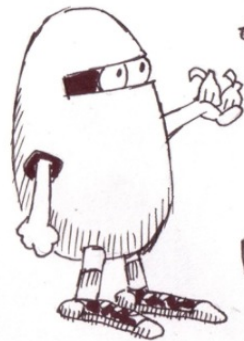


TED W.

OPTION 1



for FREE



OPTION 2



for



TED W.

OPTION 1

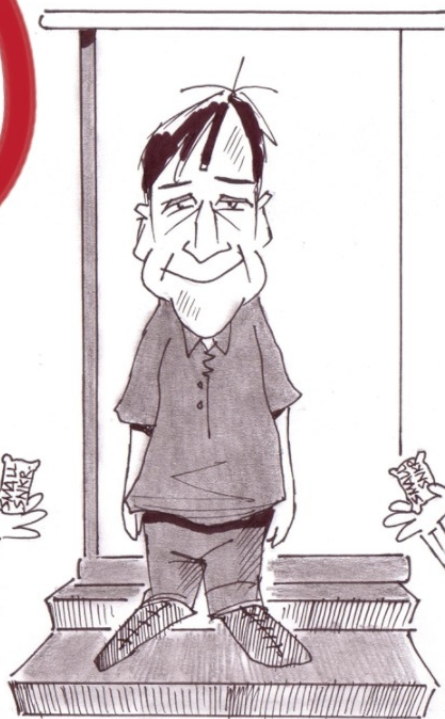


for FREE


OPTION 2



for



TED W.

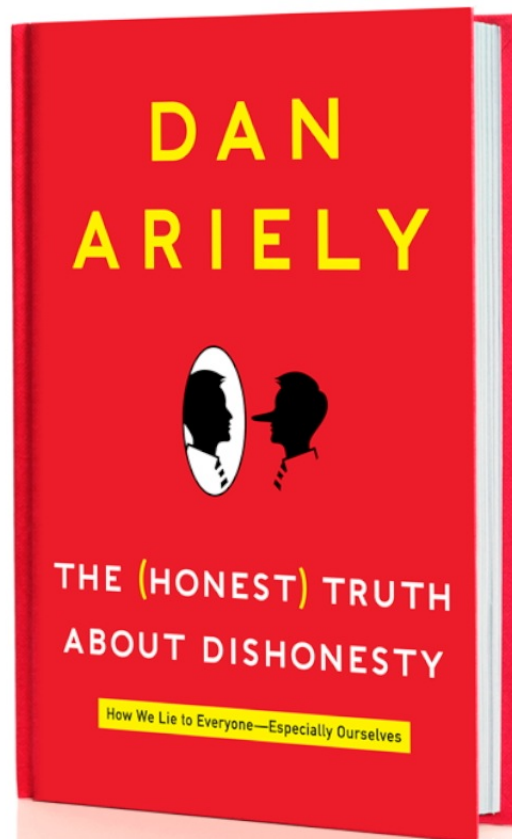


We only see the benefits,
not the costs, of things
that are FREE.





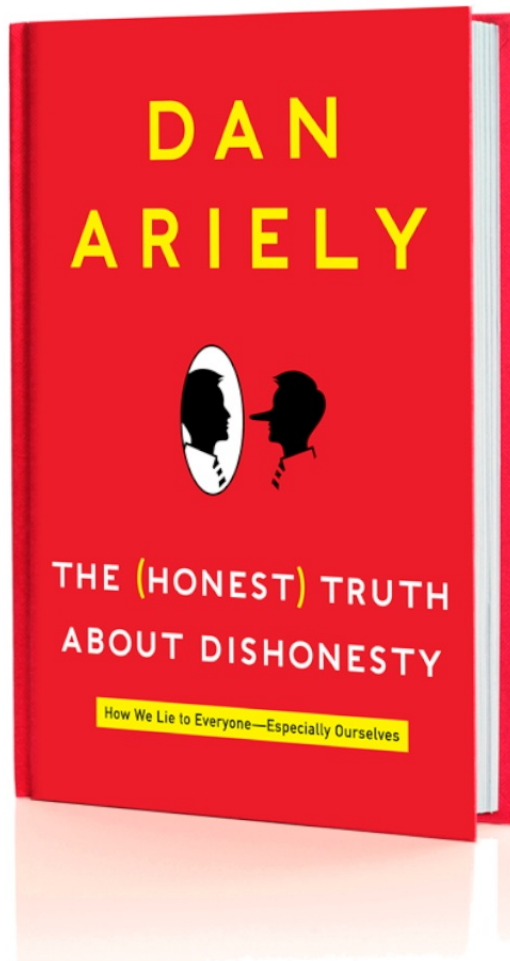
We could eliminate the co-pay
for unpleasant medical exams,
like colonoscopies.



\$10
+ \$10 shipping

\$20
+ FREE shipping

FREE
+ \$20 shipping



~~\$40~~
~~+ \$0 shipping~~

\$20
+ FREE shipping

FREE
+ \$20 shipping



Some ways to manage a restaurant bill with friends:

- ~~1)~~ split the bill exactly, according to what each person had
- 2) split the bill evenly, according to the number of people
- ☒ 3) have one person pay and alternate each time you go out



Why is a single payer best?

For recipients:

- pain of paying is eliminated
- they get a FREE meal

For the payer:

- warm, fuzzy feeling of giving
- pain of paying has diminishing returns as price increases

Diminishing Returns of the Pain of Paying

