

Overconfidence BIAS



The tendency people have to be more confident in their own abilities such as driving, teaching, or spelling than is objectively reasonable. Leads to unethical actions and dangerous assumptions.

examples

- A person who thinks they have a photographic memory and a detailed understanding of a subject. The person could show overconfidence by deciding not to study for a test but then receiving a poor grade due to lack of preparation.

Gender Overconfidence in Common Stock Investment (2008)
(Brad M Barber & Terrance Odean)

AIM: To see if overconfidence is more relevant in boys or girls when involving financial situations and to find out what extent people will take actions to.

METHOD: - partitioning investors on genders
- Using data for over 35,000 households from a large discount brokerage, analyzed the common stock investments of men & women from 1991-1997.

FINDINGS: - men trade more excessively than women
- men trade 45% more than women
- trading reduces mens net returns by 2.65 percentage points a year as opposed to 1.72 percentage points for women

CONCLUSION: - men are overconfident about their abilities, knowledge, and their future prospects
- Odean shows that overconfident investors—who believe that the probability of their knowledge about the value of a security is greater than it actually is.

Oxford Study

TIPS

1. challenge your beliefs
2. reflect on your mistakes
3. manage your time
4. slow down
5. become competent

"Overconfidence will drown you in the sea of reality" - Noram

"The problem with the world is that the intelligent people are full of doubts while the stupid ones are full of confidence" - Charles Bukowski

CONCLUSION:

BEING PAID ONLY \$1 SUFFICIENT INCENTIVE FOR MANY SO THOSE WHO WERE PAID \$1 EXPERIENCED DISSONANCE. THEY COULD ONLY OVERCOME THAT DISSONANCE BY COMING TO BELIEVE THAT THE TASKS RESULT WERE INTERESTING. BEING PAID \$20 PROVIDED A REASON FOR DOING THE TASK, AND THEREFORE THERE IS NO DISSONANCE.

COGNITIVE DISSONANCE

DESCRIPTION:

COGNITIVE DISSONANCE IS WHEN YOU HOLD TWO THOUGHTS THAT GO AGAINST ONE ANOTHER. IT IS A MENTAL STRESS OR DISCOMFORT EXPERIENCED BY AN INDIVIDUAL OR CULTURE WHO HOLDS CONTRADICTORY BELIEFS OR VALUES, WHICH CAN GIVE RISE TO IRRATIONAL AND SOMETIMES MALADAPTIVE BEHAVIOR.



EXAMPLE:

" I LOVE ANIMALS"
" I EAT MEAT"

WHY:

MEAT HAS BEEN A BIG PART OF THE HUMAN DIET FOR A VERY LONG TIME THEREFORE IT CAN BE HARD TO SEE THE CONNECTION BETWEEN A CUTE ANIMAL AND BACON.

RESEARCH:

NAME: FESTINGER + CARL SMITH (1959)

AIM: TO INVESTIGATE IF MAKING PEOPLE PERFORM A DULL TASK WOULD CREATE COGNITIVE DISSONANCE THROUGH FORCED COMPLIANCE BEHAVIOR.

METHOD: THEY USED 11 MALE STUDENTS TO PERFORM A SERIES OF DULL TASKS. THEY WERE THEN PAID EITHER \$1 OR \$20 TO TELL A WAITING PARTICIPANT THAT THE TASK WAS FUN.

RESULTS: THE PARTICIPANTS WHO WERE PAID \$1 RATED THE TASK AS MORE FUN THAN THOSE WHO WERE PAID \$20 TO LIE

Cognitive Dissonance

-the state of having inconsistent thoughts, beliefs, or attitudes, especially as relating to behavior, decisions, and attitude change

Study: Festinger and Carlsmith et al (1959)

Aim: Festinger and Carlsmith (1959) investigated if making people perform a dull task would create cognitive dissonance through forced compliance behavior

Method: In their laboratory experiment, they used 71 male students as participants to perform a series of dull tasks (such as turning pegs in a peg board for an hour). They were then paid either \$1 or \$20 to tell a waiting participant (a confederate) that the tasks were really interesting. Almost all of the participants agreed to walk into the waiting room and persuade the confederate that the boring experiment would be fun.

Findings: When the participants were asked to evaluate the experiment, the participants who were paid only \$1 rated the tedious task as more fun and enjoyable than the participants who were paid \$20 to lie.

Conclusion: Being paid only \$1 is not sufficient incentive for lying and so those who were paid \$1 experienced dissonance. They could only overcome that dissonance by coming to believe that the tasks really were interesting and enjoyable. Being paid \$20 provides a reason for turning pegs, and there is therefore no dissonance.

How does this impact behavior?

-People do things that they know they shouldn't do, such as smoking or cheating.

Additional information:

You can engage in dissonance reduction by

1. Lowering the importance of one of the discordant factors
 2. Adding consonant elements, or
 3. Changing one of the dissonant factors.
- This bias sheds light on otherwise puzzling, irrational, and even destructive behavior

• ONE PAPER •

WIKI MAGNAS

EXAMPLES

We may underestimate our risk of getting cancer relative to other people. This causes individuals to be very naive and comes about with the idea of underestimating the probability of negative events occurring.

OPTIMISM BIAS

A cognitive bias that causes a person to believe that they are at a lesser risk of experiencing a negative event compared to others.

- 80% of people in US are optimists
- Tip: know the consequences of your behavior
- We do NOT learn from our mistakes of optimism
- "Controlled experiments suggest that optimism is not only related to success, it leads to success" - Tali Sharot
Fun Facts



SHULIK ET AL (2006)

Aim: To show the ability to anticipate is a hallmark of cognition. Inferences about what will occur in the future are critical to decision making leading us to prepare our actions for the future.
Method: Participants were asked to predict the likelihood of different life events that might occur to them in the upcoming month (such as receiving a job, buying a car, getting a raise in traffic). At the end of the month they reported back to the events that occurred.
Results: Greater pessimism bias was associated with depressive symptoms as measured by BDI-II scores. Individuals scoring low on depression symptoms showed optimism bias, while individuals with high BDI-II scores showed pessimism bias. Scores high on depression symptoms.

Conclusion: Optimistic people are less likely to become depressed.

OVERCONFIDENCE BIAS

INTELLIGENCE THEORIES AND OVERCONFIDENCE STUDY
AIM: TO FIND THE RELATIONSHIP BETWEEN THEORIES OF INTELLIGENCE AND OVERCONFIDENCE.

METHOD: FIFTY-THREE UNIVERSITY STUDENTS PARTICIPATED IN THIS STUDY IN EXCHANGE FOR EXTRA CREDIT IN THEIR PSYCHOLOGY COURSES (62% FEMALE)

PROCEDURE: SEVERAL DAYS BEFORE THE MAIN EXPERIMENT, PARTICIPANTS COMPLETED A WEB-BASED 8-ITEM MEASURE OF THEIR THEORIES OF INTELLIGENCE. THE MAIN SESSION HAD PARTICIPANTS COMPLETE A 10-ITEM MULTIPLE CHOICE TEST OF ANONYM PROBLEMS. UPON COMPLETING THE TEST, PARTICIPANTS WERE ASKED TO INDICATE THEIR CONFIDENCE BY RATING HOW THEIR PERFORMANCE WAS COMPARED TO THAT OF OTHER PARTICIPANTS IN THE STUDY. THEY WERE ASKED TO ESTIMATE THEIR PERCENTILE SCORE BY CHOOSING A NUMBER BETWEEN 0% (WORSE THAN ALL OTHERS) AND 99% (BETTER THAN ALL OTHERS). 50% OF THESE STUDENTS WERE DESCRIBED AS REPRESENTING AVERAGE PERFORMANCE. THE OTHER STUDENTS WERE FROM THAT UNIVERSITY.

FINDINGS: PARTICIPANTS WITH MORE ENTITY VIEWS OF INTELLIGENCE OFFERED MORE OVERCONFIDENT ESTIMATES THAN PARTICIPANTS WHO MORE STRONGLY ENDORSED AN INCREMENTAL THEORY. PARTICIPANTS WITH STRONGER ENTITY THEORIES CLEARLY DISPLAYED OVERCONFIDENCE.

CONCLUSION: PEOPLE WITH FIXED MINDSETS WILL BE MORE LIKELY TO HAVE OVERCONFIDENCE BIAS BECAUSE THEY BELIEVE THEIR ABILITIES ARE ENOUGH. THE BEST THEY CAN BE WHEN THAT MAY NOT ACTUALLY BE TRUE.

TIPS

ALWAYS BE OPEN TO LEARNING NEW THINGS EVEN IF YOU ARE CONFIDENT IN WHAT YOU ALREADY KNOW.

WHEN LEARNING A NEW SKILL, BEWARE THAT YOU ARE NOT AN EXPERTISE. THIS WILL HELP STOP YOU FROM BEING OVERCONFIDENT.

KNOW WHEN TO BE CONFIDENT. IT IS NOT BAD TO USE YOUR KNOWLEDGE BASED ON YOUR CONFIDENCE BUT DON'T RELY ON ONLY THAT.

WHEN MAKING A DECISION THAT IS BASED ON YOUR OVERCONFIDENCE BIAS, LOOK AT ALL THE WAYS YOUR DECISION MAY BE WRONG AND SOLELY BASED ON YOUR PERSONAL BIAS AND YOU WILL STOP YOURSELF FROM MAKING A MISTAKE AND HAVING OVERCONFIDENCE BIAS OVERPOWER YOU.

ASK FOR ADVICE FROM OTHERS THAT KNOW YOUR ABILITIES AND SKILLS.

DEFINITION

A TENDENCY PEOPLE HAVE TO BE MORE CONFIDENT IN THEIR OWN ABILITIES THAN IS OBJECTIVELY REASONABLE.

MORE INFORMATION

OVERCONFIDENCE BIAS INVOLVES MATTERS OF CHARACTER AND LEADS SOMEONE TO BELIEVE THE FALSE ASSUMPTION THAT THEY ARE BETTER THAN OTHERS DUE TO THEIR OWN FALSE SENSE OF SKILL, TALENT OR SELF-BELIEF. WHEN BEING OVERLY CONFIDENT, ONE IGNORES THEIR VULNERABILITY TO BIAS AND ERROR.

* THOSE WHO VIEW INTELLIGENCE AS FIXED ACCOUNT FOR MOST OF THE OVERCONFIDENCE THERE IS.

* OVERCONFIDENCE IS PERSEVERED IN PART, BY ATTENDING TO EASY MORE THAN DIFFICULT TASKS.

REAL WORLD EXAMPLES

• OVERCONFIDENCE BIAS CAN TAKE A TOLL ON YOUR CHARACTER AND ATTITUDE. IT MAKES YOU BELIEVE YOU ARE BETTER THAN OTHERS EVEN IF IT IS NOT TRUE.

• THERE ARE STUDIES THAT HAVE BEEN MADE THAT SHOW HOW MANY DRIVERS BELIEVE THEMSELVES TO BE BETTER THAN MOST. OBVIOUSLY THIS CAN'T BE TRUE BECAUSE OVER 50% OF DRIVERS BELIEVE THEY ARE AND STATS SHOW OTHERWISE.

• OVERCONFIDENCE BIAS CAN BE SEEN A LOT IN FINALES. SOME INVESTORS BELIEVE THEY ARE CAPABLE OF TAKING BIG RISKS AND DON'T PAY ATTENTION TO THE NEGATIVE IMPACT THEIR MAY BE IF THINGS DON'T TURN OUT HOW THEY EXPECTED.

Definition

A psychological phenomenon in which a person tends to accept those references or findings which confirm his/her existing beliefs in things. This leads to statistical errors, as it influences the way people gather and interpret information.

Description

Confirmation bias is a type of cognitive bias that leads to poor decision making. It often blinds us when we are looking at a situation. In other words, it prevents us from looking at a situation objectively to make a decision. For example, Confirmation bias is commonly seen around the election time when people from all walks of life are in favor of a specific party or an individual who they think is fit to win when they are asked, why they vote a particular party. They would bring out all the positive information they have about the party of individual.

Confirmation Bias

Example

Confirmation biases contribute to personal beliefs which may dramatically strengthen beliefs that when faced with contradictory evidence, the result may be disastrous.

Elena Muzdallid

Tips to Avoiding

Take some time before executing your decision and ask yourself your decision would be happened if you had what the opposite choice. Gather the data you would need to defend this opposite view and compare it with data to support your original decision. Perceive your data set, your decision. In light of the bigger picture, your perspective may still be incomplete, but it will be much more balanced.

Evidence Wason or al (2011)

Aim: to demonstrate that most people do not proceed optimally in the testing hypothesis. So in his experiment Wason challenged subjects to identify a rule applying to triples of numbers.

Method: The subjects were asked to identify a rule that applies to a series of triples of numbers.

Findings: The subjects give a few more tries until they felt sure about their hypothesis and stopped since they thought they have already discovered the rule. Their guess wasn't the rule. The rule was simply increasing numbers.

Conclusion: Almost all subjects examined this hypothesis and tried number sequences that only prove their hypothesis and very few actually tried to make up a number sequence that might disprove their hypothesis. They did not want to break their own rule.

THE ATEP

An inconvenient truth

but

THE ATEP

A reassurance lie

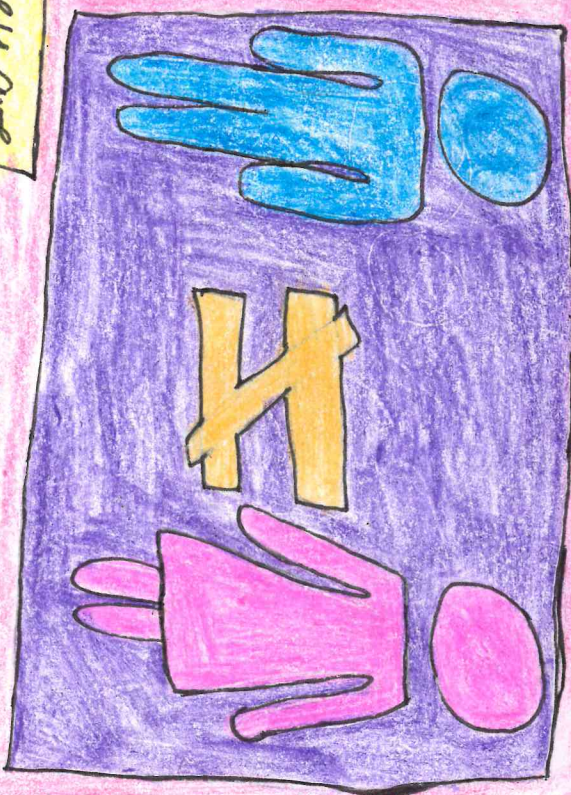
but

♀♀♀♀♀♀

Gender Bias

Definition:
Unfair difference in treatment of men and women because of gender.

How to Avoid:
Treat everybody the same way no matter who they are



Study: Videogame Exposure and Sexism in a Representative Sample of Adolescents.

Aim: To investigate the links between videogames and sexist attitudes.

Method: They gave a paper questionnaire to 13520 participants aged 11-19 in randomly selected classrooms in France from both private and public schools.

Findings: Sexism was higher among males and decreased as socioeconomic status increased. Religion, television exposure, and videogame exposure were also related to higher sexism.

Conclusion: Videogame and television exposure as well as religion are related to sexism.

EXAMPLES:

- My mom's boss once said that the insurance industry was still a man's industry
- Treating a man and woman different in any way whether good or bad

Definition: a cognitive bias that causes a person to believe that they are at lesser risk of experiencing a negative event compared others.

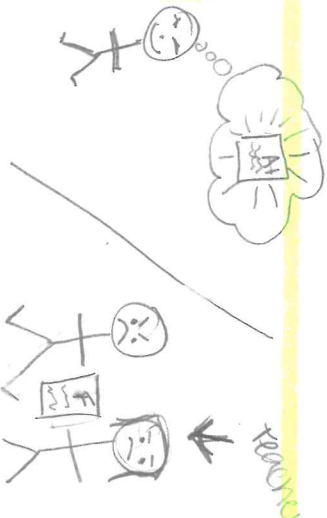
Optimism Bids

Examples:

- Underestimating the likely mood of nursing cancer.
- Down in a car accident
- Coining a test
- Career prospects

Additional Information:

- 80% of US use more optimism bias
- Optimists are more likely to remarry after divorce.
- Praise optimism bias about our future (numbers per state)
- (From Tedd talk) 3/4 of British people said they were optimistic about future of their own families (75%). While 30% said that families in general are doing better than a few generations ago.



Evidence: THE SIMMONS, J. P. & MORSEY, C. (2012)

Aim: NFL fans were asked to predict the winner of a single game. 1/2 predicted a game involving their favorite team, the other 1/2 predicted a game of 2 teams they were neutral about.

Method: participants were promised either \$5 or \$50 for correctly predicting the game's winner.

Findings/conclusion: optimism emerged when when \$50 dollars was promised as participants were more likely than neutrals to predict their favorite teams to win. Strong optimism also emerged among participants who responded to follow-up question strongly suggested that they believe the predictions they made.

Definition

The tendency to interpret new evidence as confirmation of ones existing belief or theory

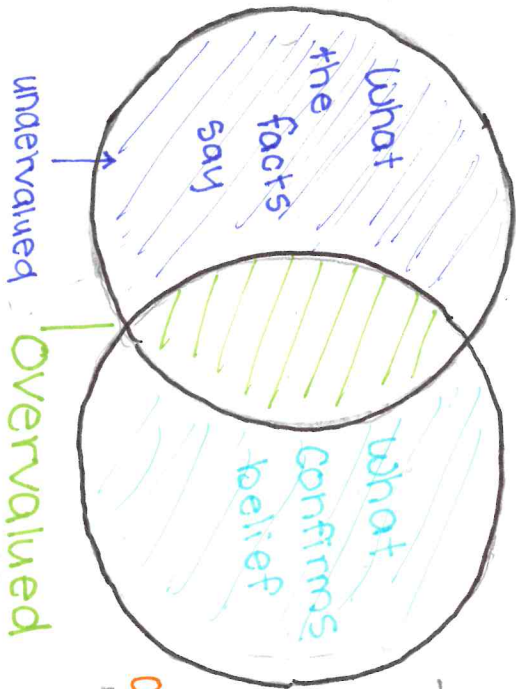
- Only look for information to support ones ideas

- Not supporting ideas are disregarded

- when we want certain ideas to be true

Confirmation Bias

Bias



(evidence)

Study name (Peter Wason 1960)

aim: to demonstrate people are biased towards confirming existing beliefs
method: subjects were asked to identify rule that applied to a series of triples of numbers

- Wason made up a row for the construction of given sequences

• (2 - 4 - 6) satisfy

- Subjects may construct other sets of 3 numbers
Results most participants made hypothesis about rule

even numbers

- test rule by proposing more to support

- The rule was simply increasing

Conclusion - almost all formed theory that only proved their hypothesis non tried to disprove it
- not to falsify hypothesis

(Additional Information)

phenomenon of making

- Peoples tendency to form to the confirmation bias may lead to disastrous decisions

- contribute to over confidence in personal beliefs, may dramatically strengthen the beliefs that when faced with contrary evidence the results may be disastrous especially in organization - political - context

(Quote) "Believing is seeing - Once we

have a belief we see information

that will confirm that belief and

we stop seeing what we don't

want to see, we want to see evidence

that confirms our beliefs.....

- Dr. Carol Tavris

(example)

Behavior in the real world....

- Overlook anything to falsify actions

- evidence does not have to be strong

- Friend doesn't answer text for a week

- Think she hates you not her phone broken
- behavior is negative from assumption (she is ignoring you)
- want to believe she is ignoring you

RACIAL BIAS: ATTITUDE/STEREOTYPE THAT CHANGE THE WAY THEY VIEW/TREAT ANOTHER RACE

GENDER BIAS: THE UNFAIR DIFFERENCE IN THE WAY MEN AND WOMEN ARE TREATED

DEFINITIONS

GO GET US LUNCH JENNIFER! (2)

I HAVE AN IDEA! (1)

THIS IDEA THAT IS MORE IDEAS
1)
2)



DESCRIPTION

THESE BIAS MOSTLY TAKE PLACE IN THE WORKPLACE, WHERE WOMEN, WHITE AND COLORED, AND COLORED MEN WILL FACE DISCRIMINATION

RACIAL AND GENDER BIAS

EVIDENCE

EXAMPLES:

- CREATE A HOSTILE AND UNFAIR WORK ENVIRONMENT
- CREATE STEREOTYPES THAT WOMEN ONLY GET DISCRIMINATED BY GENDER BIAS, MEN DO TO
- PROMOTES PPL TO TREAT PPL UNFAIRLY BC THATS HOW THE SYSTEM TREATS THEM

THEY STUDY, "YOU CAN'T CHANGE WHAT YOU CAN'T SEE: INTERRUPTING BIAS IN THE LEGAL PROFESSION." AIM WAS TO SEE WHY MEN AND WOMEN OF COLOR HAD LOW STATISTICS WHEN IT CAME TO TOP POSITIONS. THEY HAD 2,827 LAWYERS FILL OUT ONLINE SURVEYS ABOUT THERE WORK EXPERIENCE. THEY FOUND WOMEN PPL OF COLOR WERE HELD TO HIGHER STANDARD THAN THE WHITE MEN. MOSTLY WOMEN OF COLOR HAD THE HIGHEST LEVEL OF BUS IN EVERY CATAGORIZES ABOUT HALP OF THE WOMEN FELT THEY DIDNT HAVE EQUAL ACCESS TO QUALITY ASSESSMENTS WHILE MEN FELT 81% THAT WAY

Jones and Harris - Castro Essays evaluation

Aim: Demonstrate the Fundamental Attribution Error theory

Method: University students read pro and anti Fidel Castro (the Cuban revolutionary) essays, and were then asked to rate the "pro Castro" attitudes of the writer on a scale of 10 to 70.

Findings:

When the subject believed that the writers had free choices of their position, they rated writers who spoke (wrote) in favor of Castro as having a more positive attitude (towards Castro).

When subject was told that the writers determined their position with a coin toss, subjects still rated writers who wrote in favor of Castro as having a more positive attitude.

Conclusion: Although behavior was severely constrained (or forced) by situation, observers still opted for internal attribution.

Fundamental Attribution Error

Another Explanation

Just a big tendency people have to overemphasize personal characteristics and ignore situational factors when judging one's behavior.
(People do bad things because they are bad people).

Statistic:

one study found that when something bad happened to someone else, subjects blamed the person's behavior or personality 65% of the time. When something bad happened to the subject, they only blamed themselves 44% of the time, blaming the situation more.

The concept that, in contrast to

interpretations of their own behavior, people tend to (unduly) emphasize the agent's internal characteristics (character or intention), rather than external factors, in explaining other people's behavior. Described as "the tendency to believe that what people do reflects who they are"

For example

Two people are practicing for a band concert. Avery watches Lauren make some mistakes while playing and wishes Lauren would have spent more time practicing beforehand. But when Avery makes mistakes while she plays, she blames it on the complexity of the song, or the difficulty of her instrument.

How to Stop FAE

- Assume the good will of the other person
- Make up excuses for the other person
- Think about how you would behave in a similar situation
- Ask the person about their behavior

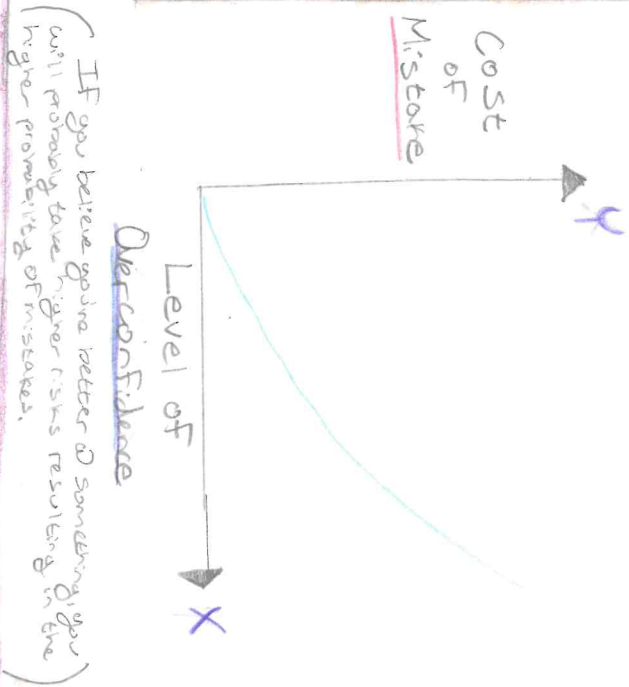
Overconfidence Bias

- tendency people have to be more confident in their abilities

Description

- involves matters of character
- often take ethical issues
- matter of all biases
- causes people to overestimate how much money they donate or time they volunteer
- fear of being wrong

Types: OverRanking, Illusion of Control, Training Optimism, Resiliability-Effect



Evidence/Study

Montier 2006:
 Asked 300 professional fund managers how many believe they are above average in their jobs

- + 74% are above average @ investing
- + 93% of American drivers claim to be better than the median
- + Recent study showed that 50% of business people polled believed that they were in the top 10% ethically

Examples

- driving
- teaching
- spelling
- Found in stock/Finance careers

Illusory Correlation

Hamilton and Gifford (1976)

Aim: to find out whether subjects form correlatory between variables not correlated

Method: Subjects given information about groups A and B, 26 and 13 respectively. Both groups have a ratio of 70% desirable and 30% undesirable traits. Subjects had to estimate number of times they heard undesirable traits

Findings: B was less frequent, therefore more noticeable

B overestimated undesirable ratio

When a person perceives a relationship between two variables when no such relationship exists

$$1+1+2 = 1+1+2+2 \dots$$

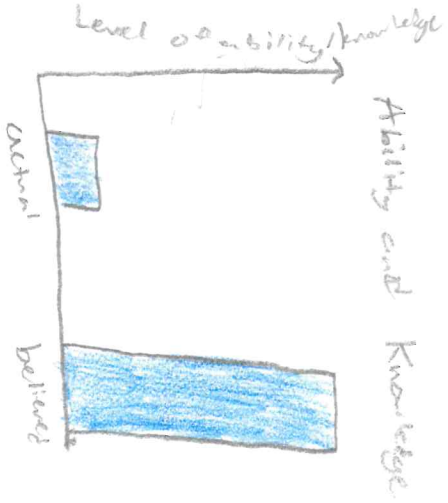
$$1+1+2+3 \neq 5 \dots$$

Examples

- Academic ability
- Expectations of behavior
- Superstitions

Overconfidence Bias

The tendency of people to believe they are better at a certain skill, or have more knowledge on a topic than they do.



Tetlock and Mellers. (2015)

Aim: To see how confident people are when making predictions about something they know little about.

Method: Gave 25,000 people a forecast to see what they thought the future held to see if they were sure of their prediction.

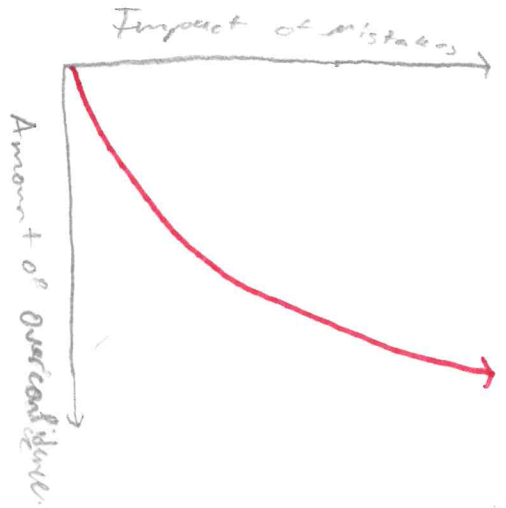
Findings: - People were sure 80% of the time
- They were correct less than 60%

Conclusion: People believe they are better than they are

Because people believe they are more knowledgeable than they are

This is not an act of arrogance but rather the tendency we all have to overrate our abilities (Belsky NY Times)

If you believe you are better at something than you are, you may take bigger risks resulting in bigger consequences.



- How to combat it
- Be honest with yourself
 - Don't compare yourself
 - Continually test yourself
 - Listen to criticism
 - Keep futuristic reports from reality
- Examples:
- Stocks
 - Taking risks
 - One isn't prepared for predictions
 - Ignoring information
 - Following others, wrong

(Think about
How the news is presented (omitted)
When it comes to... (omitted)
generally is... (omitted)
speaking the same... (omitted)
reported in (psychology today)
noted in the news

Illusory Correlation

the phenomenon of perceiving a relationship between variables even when no such relationship exists.

Stereotypes evidence

- Examples
- News
 - Stereotypes
 - Relationships
 - Actions
 - events

Hamilton & Rose

Aim: investigate the cognitive processes in the maintenance of social stereotypes

Method: word sets or sentences in which

the members of different occupational groups were described by pairs of trait adjectives, 2 experiments trait adjectives were either consistent or unrelated

Findings: All studies showed a systematic bias in judgements so that the perceived correlation between traits and occupations was more congruent with existing stereotype beliefs than actual correlations.

Self-Serving Bias

Examples:

- hinders abilities at sports or school → you blame others for your own failures
- ↳ This is because of personal defensiveness → they do not want to self improve

Self-serving bias: cognitive / perceptual process that is distorted by the need or tendency to perceive oneself in an overly favorable manner

- depression + low self-esteem can affect this + drive this.

If you can take credit for your wins, take credit for your losses

job interview - hired because of qualifications - not hired - employer is unfair.

factors that affect this: - male vs. female - culture - age



McAllister (1996):

Aim: to see who students contribute their success or failure to depending on the outcome

Method: college students were assigned to 1 of 3 roles (student, teacher, observer). The teacher conducts a lesson for the students to study.

Findings: students + teachers took responsibility for the success of the simulation, but if the lesson plan failed, teachers did not take responsibility, and students blamed the teacher.

Conclusion: This can show people tend to perceive themselves in a favorable manner and tend to brush off failure to an external factor due to arrogance

showing self-serving bias

CHEN 2011

Aim: To investigate patients' optimism and outlook when it came to their own treatment.

Method: ethicists surveyed 70 patients enrolled in several early phase cancer trials and asked them about their expectations and understanding of their respective trials.

Findings: Solid majority understood their trials purpose was to advance research, not to treat them. The patients were also blinded by what researchers called an "unrealistic optimism" when it came to applying that knowledge to their own particular situations.

Conclusion: optimism bias correlated because patients may simply optimistic and have strong needs to express hope.

EXAMPLES

- car accidents
- cancer
- fights
- dining

DESCRIPTION

causes a person to believe that they are at a lesser risk of experiencing a negative event compared to others. positive events often lead to feelings of well-being and self-esteem, while negative events lead to consequences involving more risks such as engaging in risky behaviors and not taking precautionary measures for safety.

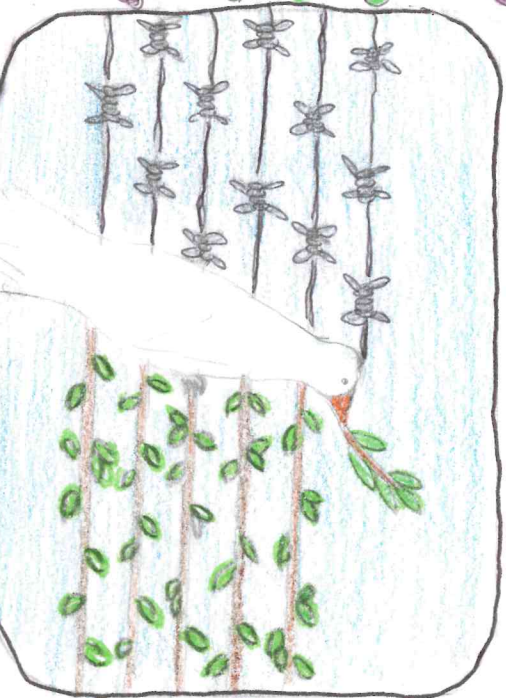
OPTIMISM BIAS

ADDITIONAL INFORMATION

- four factors that cause a person to be optimistically biased:
 1. their desired end state
 2. their cognitive mechanisms
 3. information they have about themselves vs others
 4. overall mood

"It was hard not to convince ourselves that optimism, even if based on somewhat false hopes, had to be helpful for someone in her position" - researchers

optimism = hope



Optimism Bias

+DESCRIPTION+

Definition : The tendency to think that negative effects are less likely to happen to oneself than to one's peers. / A cognitive bias that causes a person to believe that they are at a lesser risk of experiencing a negative event compared to others.

- Overestimate the likelihood of positive events & overestimate the likelihood of negative events
- Defined as the difference between a person's expectation and the outcome that follows
- Extent of bias is measured empirically (self experience than pure logic) by recording an individual's expectations before an event unfolds and contrasting those with the outcomes that transpire
- If expectations are better than reality: bias is optimistic (vice versa, bias is pessimistic: not to confuse with pessimistic bias!)

+EXAMPLES+

- Underrate our chances of getting a divorce, being in a car accident, or suffering from cancer
- Underestimate how long a project will take to complete and how much it will cost
- Most of us predict deriving greater pleasure from a vacation than we subsequently do

+EVIDENCE+

Study Name : It Won't Happen to Me: An Investigation of Optimism Bias in Occupational Health and Safety

Aim : (What are they striving to get to/ achieve?)

- Investigation to assess an individual's mindset of Optimism Bias in OHS (Occupational Health and Safety)

Method : (Process/ Approach taken)

- OHS hazards was assessed in 105 postgraduate students & university employees

Findings : (Results)

- Significant levels of optimism bias were found for several events (eg suffering/ causing injury)
- While further study is required, the present study demonstrates that people tend to think hazardous events at work are less likely to happen to themselves compared to others doing the same job, which has important implications for management of safety at work

Conclusion : (Summary)

- Though optimism bias was not related to perceived controllability, administration of OHS by management may explain why this observation differs from findings in other domains

Explanation : (In Your Own Words)

- Very limited/ targeted participants in a certain setting for specifics (OHS), especially, in other domains - only certain things can this bias be applied to (eg environment)

+ADDITIONAL INFORMATION+

"Across many different methods and rains, studies consistently report that a large majority of the population (about 80% according to most estimates) display an optimism bias. Optimistic errors seem to be an integral part of human nature, observed across gender, race, nationality and age."

Fatally slip during

What Are The Odds?

Date a supermodel

Die from residential electrical