Overconfidence

Economics

The most consistently documented bias, and what it costs.

Forms and consequences.

Forms

Overestimating one's own ability	Overprecision — intervals too narrow
Overplacement — better than average	Illusion of control over random outcomes

Economic consequences

Excessive trading, reducing returns	Business failure rates underestimated
Project timelines systematically optimistic	Insufficient insurance against tail risks

> The planning fallacy is a special case: forecasts of one's own project times are optimistic even by people who know this.