Present Bias

Why people plan to save and then do not.

Economics

Hyperbolic discounting means near-term trade-offs are weighted far more steeply than distant ones.

Prefer £100 today to £110 tomorrow, but £110 in 31 days to £100 in 30

Choosing in advance	**Patient choice**
Choosing in the moment Reversal.	**Impatient choice**
Commitment device	**Locks in the earlier plan**

THE COMMON MISTAKE

× **Treating it as a failure of willpower**

✓ **It is a structural feature of discounting**

The preference genuinely reverses as the delay shrinks. Commitment devices work where resolve does not.

Automatic enrolment works for exactly this reason: it makes the patient choice the one requiring no action.