

TED Talk Tuesday: Planning for optimism bias in Utah



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Tali Sharot spoke in Feb. 2012 on "The Optimism Bias." Sharot is a cognitive neuroscientist and wrote the book "The Optimism Bias: A Tour of the Irrationally Positive Brain" and how people are wired to look on the bright side.

Jordan: It's January, and I'm optimistic not because I've made a slew of New Year's resolutions, but because the holidays are finally over. According to Ted Talk speaker Tali Sharot, 80 percent of us have an optimism bias -- so maybe a handful of glass-half-empty people are justified.

But overall, Sharot emphasizes, "Private optimism about our own personal future remains persistent. And it doesn't mean that we think things will magically turn out okay, but rather that we have the unique ability to make it so."

I believe this is especially pervasive in American business; it's the American dream. We might not be in ideal circumstances or sail smooth seas the entirety of our careers, but we have the ability to make it what we want. That is up to us.

As a little girl, my parents once gave me a delicate gift securely packaged in a box. Never having received such a motivational item previously or since, it has stood out to me through my childhood, adolescence and adulthood. A little ceramic bear with a bow in her hair was latched to a chalkboard and read "If you can imagine it, you can achieve it. If you can dream it, you can become it." That figurine sat by my bed for years. To that young obstinate girl, full of plenty of naiveté and dreams, it became truth. In more instances than not, I believe a lot of hard work can turn dreams into reality. Sharot said in fact, optimism bias can become self-fulfilling prophesy -- it leads to success.

It is that same optimism bias that inspires and guides so many entrepreneurs, inventors, investors and politicians.

Now, this bias is not without pitfalls. It can cause risky behavior, faulty planning and financial collapse -- all of which Sharot addresses -- that we vigorously avoid in businesses. However, with balance, Sharot says we can establish rules and plans to protect ourselves and our businesses. As we look forward to the bright future many have projected for Utah business, we would be wise to protect ourselves from the dangers of optimism and then, hope for the best.

Renaë: Everything is going to be alright. It will be OK. It will all work out for the best. How often do we tell ourselves, that no matter what the evidence tells you, that everything is going to work out great. This is our optimism bias in full swing. Or, as Sharot puts it, "It's our

tendency to overestimate our likelihood of experiencing good events in our lives and underestimate our likelihood of experiencing bad events. So we underestimate our likelihood of suffering from cancer, being in a car accident. We overestimate our longevity, our career prospects. In short, we're more optimistic than realistic, but we are oblivious to the fact."

We move forward with the idea that we will come out ahead, but that is not always the case. While being optimistic can, and often is, so beneficial in both personal life and business, so is being realistic about the situation. Knowing the facts and taking them into real consideration can be helpful in all aspects of business. Sharot mentions the budget for the London Olympic being adjusted for the optimism bias. It is good to move forward with optimism, life wouldn't be worth it if you didn't, but it is also wise to adjust for it.