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FINANCIAL

## The Dangers of Hindsight Bias

Hello Rebecca,

A recent article in Forbes delves into an intriguing and often underestimated psychological phenomenon that can subtly but significantly shape your financial decision-making in pernicious ways.

Hindsight bias, encapsulated by the colloquial phrasing "I knew it all along," causes us to misremember past events such that they appear more predictable in the present. When it comes to financial planning and investing, this tendency can cloud our judgment, leading us to believe that certain outcomes were more foreseeable than they actually were. Although this may seem like an innocent fudging of the truth, the reality is that it can negatively impact decision making by fostering overconfidence or eliciting undue caution.

Consider those moments when a passed-over stock over triples in value, or when an unanticipated market downturn comes to pass. The instinctive retrospection of believing we "saw it coming" may lead to skewed risk assessment, misguided strategies, and, ultimately, suboptimal investment results. Recognizing this tendency and its dangers are the first steps to mitigating its effects, ensuring your financial decisions are rooted in rational analysis rather than retrospective illusions.

See (and share!) the articles below for more information on hindsight bias and much else as well.

Let's safeguard your financial journey from the pitfalls of cognitive distractions by continuing to build a more prosperous tomorrow grounded in a clear-eyed, forward-thinking strategy.



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*Thoughtful Wealth Management Starts with a Conversation*

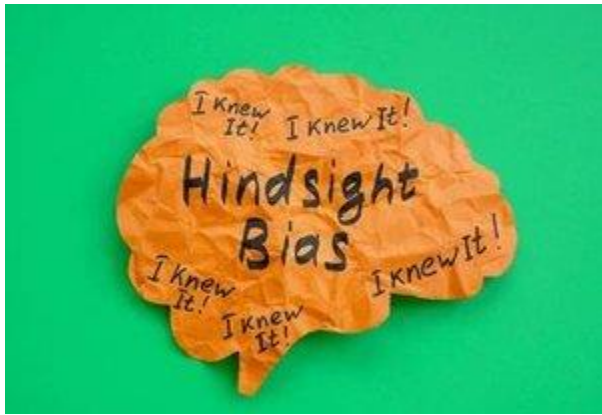
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