**In It To Win: Jack & Overconfidence Bias**

*In It To Win: Jack & Overconfidence Bias* introduces the concept of the overconfidence bias, which refers to the tendency of people to be more confident than is objectively justified in their abilities and characteristics, including in their moral character and their ability to act ethically. If people are overconfident in their own ethicality, they may make decisions that indicate very little moral insight.

**Questions for classroom discussions:**

*In It to Win: Jack & Overconfidence Bias*

1) Can you explain overconfidence bias in your own words? How does it affect moral decision-making?

2) How does overconfidence bias apply to Jack Abramoff? What examples from his story can you cite to support your argument?

3) Can you think of an example from your own life where you or someone else fell victim to overconfidence bias?

4) How might you anticipate and/or mitigate the effects of overconfidence bias in your own life or decision-making?
Additional Teaching Note

The instructional resources in this series include a feature documentary, *In It To Win: The Jack Abramoff Story* (25 minutes), and six short videos (approx. 5 minutes each) that concentrate on specific decision-making errors people tend to make, as illustrated by Jack Abramoff’s story.

These decision-making errors are part of a new field of study known as behavioral ethics, which draws on behavioral psychology, cognitive science, and related fields to determine why people make the ethical decisions, both good and bad, that they do. A detailed article with extensive resources for teaching behavioral ethics is Prentice, Robert. 2014. “Teaching Behavioral Ethics.” *Journal of Legal Studies Education* 31 (2): 325-365; and may be downloaded here:


*In It To Win: The Jack Abramoff Story* draws from footage shot when Jack Abramoff visited The University of Texas at Austin campus in spring 2012 to talk about his experiences and his life as well as corrupt lobbying in Washington, which he is now dedicated to reforming. Jack Abramoff is not someone who just “doesn’t get” ethics; rather, he is a smart man, a family man, a religious man, and a man who thought he was one of the “good guys” as he battled for his clients. In retrospect, he can see where he went wrong and appears to regret his errors deeply. Why couldn’t he see it at the time?

Most obviously, this documentary exposes personal and systemic ethical concerns in government, business, and economics. But beyond those areas, it is also appropriate for use in courses on journalism, film, policy, American studies, history, law, communications, and psychology. The film explores the ethics of documentary film-making, the responsibility of the individual to organizations and communities, the relationship between law and ethics, issues of power and privilege, and above all, the potential pitfalls any ambitious person faces when operating within a hyper-competitive environment.

See the Transcript of *Overconfidence Bias* below (from our Concepts Unwrapped Series) for more on the concept of Overconfidence Bias.
Background on Jack Abramoff

During the Bush Administration, super-lobbyist Jack Abramoff was perhaps the most influential lobbyist in Washington D.C. His excesses led to his downfall and that of Congressmen with whom he was closely connected, including Tom Delay (R-Tex.) who left Washington in disgrace and Bob Ney (R-Ohio) who went to prison.

Because of the access that Abramoff had to members of the Bush administration and their allies, he was at the center of one of the most significant political scandals since Watergate. For more information about Jack Abramoff’s life and career, see his Wikipedia page: http://en.wikipedia.org/wiki/Jack_Abramoff.

Books about the scandal include Jack Abramoff’s own account, Capitol Punishment: The Hard Truth About Washington Corruption from America’s Most Notorious Lobbyist (WND Books, 2011) and an exposé from journalist Peter H. Stone, Heist: Superlobbyist Jack Abramoff, His Republican Allies, and the Buying of Washington (Farrar, Straus and Giroux, 2006). Movies about the scandal include a documentary, Casino Jack and the United States of Money (Dir. Alex Gibney, 2010), and a dramatization starring Kevin Spacey, Casino Jack (Dir. George Hickenlooper, 2010).

Transcript of Overconfidence Bias (Concepts Unwrapped Series)
Written by Professor Robert Prentice

Good character can be undermined by overconfidence. David Brooks wrote in his book The Social Animal that human minds are “overconfidence machines,” and the psychological literature bears that out. A substantial majority of people believe erroneously that they are better than average drivers, more likely to be able to afford to own a house than their peers, and more accurate eyewitnesses than most other people.

Entrepreneurs like Bernie Ebbers of WorldCom and Richard Scrushy of Health South, who built small, obscure companies into economic powerhouses, may gain a sense of invulnerability through a series of successes. Their minds underplay any role that luck had in their success. Indeed, a 2012 Empirical study indicated that overconfident executives with unrealistic beliefs about their future performance are more likely to commit financial reporting fraud than other...
executives. Essentially, they are more likely to get themselves into predicaments where committing fraud seems the only way to deliver on their promises.

People’s irrational overconfidence also applies to the ethical correctness of their acts and judgments. In one survey, more people thought that they would go to heaven than that Mother Teresa would! Other individuals surveyed reported that they were twice as likely to follow the Ten Commandments as other people. In fact, 92% of Americans report that they are satisfied with their own character.

This same overconfidence manifests itself in the workplace where impossibly high percentages of people believe they are more ethical than their competitors and coworkers. In one study, 61% of doctors believed that the “freebies” given out by pharmaceutical companies affected the judgment of other physicians, but only 16% believed that their own judgment was similarly affected.

Most of us simply assume that we are good people and therefore we will make sound ethical decisions. This overconfidence in one’s own moral compass can lead us to make decisions without any serious ethical reflection. When hints of the Enron scandal first began to appear in the press, Enron employees’ overweening confidence in the competence and strategies of their company, often named the “most innovative” in America, caused them to express surprise and indignation that anyone would question the ethicality of many of the firm’s actions. Any outsider who questioned Enron’s tactics or numbers was told that they “just didn’t get it.” That’s ethical overconfidence in action, and it’s part of the reason that Enron no longer exists.