Table 1: Common Behavioral Biases

Behavioral Bias	Definition
Loss Aversion	Feeling the pain of a loss a lot more intensely than the joy of a gain, coupled with the need to wait until the investor is made whole again. It can harm investors by leading them to overreact to major market drops.
Recency	Viewing potential outcomes too much through the lens of shorter time periods, say, the most recent six months, losing track of longer-term market patterns. Investors' brains are wired to rely on recent experience even though they may claim they're investing for the long term.
Hindsight	Inaccurately claiming to have foreseen outcomes when in fact we had not clearly predicted them. When investors rewrite the success rate of their own past predictions, it can lead to a false sense of skill for future decisions.
Illusion of Control	Presuming that we influence outcomes that in fact are random. As in many aspects of life, humans frequently comfort themselves with control over outcomes to make us feel less powerless in the hands of fate.
Overconfidence	Overestimating our investment abilities. Most of us tend to distort our own skills, as it makes us feel better about ourselves.
Confirmation	Overemphasizing evidence that supports our belief system or desires while ignoring contrary data or arguments. The mind gets easily drawn into rationalizing the acceptance of evidence that fits our desires or subconscious and rejection of evidence that contradicts what we want to hear.