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planning fallacy

The tendency to predict that your own task will take less time and cost less than similar tasks have taken before.

How it works

1. To estimate a task, people picture the steps of their own plan: the inside view.
2. The plan leaves out illness, other work and problems nobody can foresee in detail.
3. People blame past delays on outside events that will not recur, so the past seems irrelevant.
4. So the estimate is too short, even when people know similar tasks ran late.

Example

Thesis students in Canada, published 1994

- 37 psychology students guessed on average they would finish their thesis in 33.9 days.
- The students actually needed 55.5 days, and only 29.7% finished by their guess.

→ Even the students' worst-case guesses were too short: only 48.7% finished by them.

Use it for

- ✓ Setting a deadline for an essay, a move or a home renovation
- ✓ Checking a budget for a large public project against similar finished projects
- ✓ Giving a manager a date by looking at how long similar work took

Watch out

- ✕ Imagining the worst case does not fix the error: thesis worst-case guesses were still short.
- ✕ Big projects also run late because low estimates are given on purpose to win approval.

Remember Before you set a date, ask how long similar tasks really took.