Humans are gifted at many things; jokes, story telling, endurance exercise, and brewing coffee are some particularly enjoyable ones. However, big data and statistics are completely foreign to us, perhaps because they weren't a part of our environment until the last several decades. Thus, we need to calibrate ourselves in the world of data-driven prediction in order to make accurate decisions using the vast quantities of data at our disposal. This exercise allows us to immediately understand our biases when using data by showing us whether we are prone to over-predicting or under-predicting, and how confident we are vs how confident we should be. When we make estimates, we learned from *The Flaw of Averages* that our single-number forecast will always be wrong. Thus, this activity helps us think in ranges such as making predictions with confidence intervals, akin to a stochastic prediction rather than a deterministic model.

My prediction scores varied tremendously over the three exercise, but trended up. On the first sheet with only a lower bound and an upper bound, I got 60% correct vs the 90% target. I also got 5 of the binary correct with a predicted 7.2, for a 44% binary overconfidence. Next, on the second sheet I got 35% correct vs 90% target, and this is because I was adjusting to the new process of estimating an actual number, and varying the top and bottom the same amount. I realized that I don’t like to equally weight the upper range and lower range, and this process forces an equal range. On the binary section I got 11 correct out of 12.8 predicted, for a 16% binary overconfidence. Finally, on the last section I got my highest prediction score at 65%, still well short of the 90% target. I still prefer setting an asymmetric range, however I became more comfortable shifting the entire range starting with the expected answer. My binary overconfidence increased because I got 10/12.1 predicted for a score of 21% overconfident, which does not seem to be too far off the improved score from the last round.

This exercise is beneficial because the future of forecasting, planning, risk management, and finance is in probability-based decision making. Probabilities are not a natural way for us to think, and it is easy to make poor decisions based on a misunderstanding of statistics. The exercise helps us individually learn how we tend to misunderstand data, and where our biases in predications lie. Becoming comfortable thinking in terms of odds, and communicating in terms of likelihoods will be imperative in the future.