

OVERCONFIDENCE IN INDIVIDUAL AND GROUP INVESTMENT DECISIONS

Alberto S. Matsumoto, Universidade Católica de Brasília
José L. B. Fernandes, Universidade Católica de Brasília
Paulo C. Chagas, Universidade Católica de Brasília
Nathália A. B. Oliveira, Universidade Católica de Brasília

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ABSTRACT

This study analyzes group influence on investment decisions in an attempt to determine the correlation between two financial behavior tendencies: overconfidence and herding behavior. An experiment was carried out with 92 students from the Universidade Católica de Brasília. The results indicated that acting in a group tended to diminish overconfidence and that women presented more overconfidence than men, even though this effect was not highly significant. It was also verified that the performance of the two genders acting together was more rational than when they acted separately.

Keywords: *Behavioral finance, Overconfidence, Herding behavior.*