Soon after *Predictably Irrational* was published I started receiving questions and observations from people about ways that (ir)rationality played out in their own lives. Many of these e-mails got me thinking differently about my own research, and they gave me a more detailed and nuanced view of how irrationality penetrates many unexpected corners of everything we do. Below are some of the questions I have been asked, and my attempts to answer them.

Since the standards of writing for print are different from those when writing online, I have edited some of the questions, hidden the identity of the persons asking them, and expanded my answers beyond those I originally provided.
Setting Defaults

February 2008

Dear Dan,

What is your opinion on changing default options throughout society? For example, people could make organ donation the default option when they get their driver’s licenses. There seem to be many situations that would benefit from using this general method. What do you think about this as a general policy?

Thanks,

Brian

Dear Brian,

One of my favorite graphs in all of social science is a plot from an inspiring paper by Eric Johnson and Daniel Goldstein. This graph 36 (see opposite) shows the percentage of people in different European countries who are willing to donate their organs after they pass away. When people see this plot and try to speculate about the reasons for the differences between the countries that donate a little (on the left) and the countries that donate a lot (on the right), they usually assume that it has something to do with “big” reasons, such as religious or cultural underpinnings.

But you will notice that pairs of countries we think of as being very similar have very different levels of organ donation. For example, take the following pairs of countries: Denmark and Sweden; the Netherlands and Belgium; Austria and Germany; and (depending on your
individual perspective) France and the United Kingdom). Though these countries share many commonalities in terms of culture, religion, and so on, their levels of organ donations differ greatly.

So what does explain these differences? Basically, it has to do with the design of the enrollment forms. In countries where the instructions read “Check the box below if you want to participate in the organ donation program,” people do not check the box (opt in) and don’t join the program. In countries where the instructions read, “Check the box below if you don’t want to participate in the organ donation program” people still don’t check the box (opt out), but in this version by default they become a part of the organ donor program.

You might think that people don’t check the box sim-
ply because they don’t care about the outcome. You’d think that the decision about donating their organs is so trivial that they can’t be bothered to lift the pencil and check the box (after all, it is a decision about something that will happened after their death). But the opposite is true. Confronted with the emotional difficulty of thinking about what will happen to our bodies after we die and the effect it will have on those close to us (not to mention the idea of our own mortality), we just don’t know what to do—so we simply avoid the question by adopting the default option.

Now back to your question. Personally, I believe that defaults could be used very effectively in many areas of life. Take energy saving, for example. What would happen if new light fixtures came preinstalled with low-energy bulbs? Or if your thermostat had a default that would set the temperature in your house to, say, 65 degrees in winter and 73 degrees in summer—conditions to which you would soon adapt. One other example of defaults is Dick Thaler and Shlomo Benartzi’s “Save More Tomorrow” plan (see Chapter 13). This plan is based on a few psychological “tricks.” One of them is the default of increased savings every time someone gets a salary increase, and it works! Similar defaults could be used in many aspects of our lives and could be very effective in helping us behave differently.

Of course, in the same way that defaults can be used for good, they can also be used for bad—it depends on who designs the defaults and to what purpose. Think about 401(k) retirement plans. If you were a malevolent employer and didn’t want your employees to participate in your 401(k) program, you might consider asking them
to choose from 1,000 options (thereby making the decision more difficult and complex), setting the default to nonparticipation, and adding a note at the top of the form telling the employees that this is the most important decision of their life and that they should be certain that they are making the right choice. With this setup, your employees would likely take a long time to figure out what options to pick, which would delay or even prevent their participation. However, if you were a compassionate employer who wanted to encourage your workers to take part in a 401(k) program, you could again use the same power of complexity (providing 1000 options) and importance (including the note to the employees), only this time you would default each employee into the one option that you thought would benefit him or her most. In this type of choice, there is always a default, and it is up to you to decide how you want the default to work.

_Irrationally yours,
Dan_

**Canceling FREE! Subscriptions**

March 2008

Dear Dr. Ariely,

While I was reading *Predictably Irrational*, a common practice used by many companies came to mind. It’s the “Try it free for three months and if you do not like the service, just call and cancel. All we ask is that you give us your credit card number now so we can con-
e-mails and responses

tinue your service uninterrupted.” I personally never participated in any of these trials because I dread dealing with automated answering services when I would eventually call to cancel the service, but I wonder if this approach aims at so many of our weaknesses: to start with, it’s “free,” but once we have it, we don’t want to lose it, and add to that our tendency to procrastinate, which keeps us from canceling. What do you think?

Thanks,
Aaron

Hi Aaron,

This is a great observation. Although such offers promise people a “risk-free” experience, they also, as you suggest, create an endowment effect. Once people get used to a product or service—whether it’s a magazine subscription, cable package, or sofa—they become overly attached to it; they feel as if it is a part of them, and it’s harder to give it up.

On top of that, when we respond to such offers, we don’t fully consider the future hassle involved in canceling. When the time comes to cancel, procrastination kicks in, particularly when we know that we will be greeted by a long and complex voicemail tree, at the end of which, after being placed on hold, a representative will take up more of our time trying to talk us out of canceling.

The third trick companies sometimes use is automatic enrollment. Because most people don’t check each individual charge on their credit card statement, such charges can go unnoticed for months. This happened to
me a few years ago when somebody used my credit card to get an AOL subscription. The person had been using my card for eight months before I discovered it, and it took me three more months and countless hours on the phone to cancel the charges.

Considering all this, it is safe for us to say that what might seem to be “risk-free” trials might, in fact, be very risky.

_All the best,_
_Dan_

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**Getting Rid of Stuff**

April 2008

Dear Irrational,

I took early retirement four years ago in order to travel, but I haven’t budged. I have done a great deal of investigation into the places I want to go, but my possessions are holding me back. I have an attic, a garage, and a three-bedroom house full of stuff, including a beautiful sleigh bed, a plasma television, a Ping-Pong table, and a lot of ski equipment that I don’t need or even want. I am not very attached to any of it and would like to move on with my life, but I’m afraid to let it go. Why, in the face of what’s abundantly clear, am I stuck in this irrational immovable mode?

_Sincerely,_
_Leslie_
Dear Leslie,

You are in a difficult situation. There are two forces that are at work in situations like yours: One is that you’ve grown too attached to your stuff just by virtue of owning it. The other is that you don’t like the feeling of wastefulness that comes with just throwing (or giving) things away.

I have talked at length in Chapter 7 about the problem of overattachment to things that we own, so let me elaborate a bit on wastefulness.

There is a beautiful paper by Hal Arkes about the psychology of waste. Arkes conducted his experiment in a men’s store that gave customers either $100 off a new suit or the option to bring in an old suit in exchange for $100 off a new suit. What he found was that customers responded more positively to the second option, because they had a hard time buying a new suit when they already had one at home; they could justify getting a new suit only if they did not have one hanging in the closet at home, and they could justify getting rid of their old suite only if they got something for it.

With the power of ownership and wastefulness working against you, I recommend that you do the following: First, entrust a friend or relative with the decision about what you should sell, keep in storage, and give away. Ideally this will be someone who knows you well, so that he or she can make good decisions for you. You should give this person free reign to make any decision that he or she thinks is right, and you should promise not to be upset with any decision that person may make (put this promise in writing). Once you have selected the person, leave for six months to allow this person to clear
out or sell your belongings while you are away. When you get back, I bet you won’t remember much of what you had and you won’t know what you miss—thus avoiding both the problem with ownership and the problem with wastefulness. And, most important, you will have traveled.

_Good luck to you,_

_Dan_

**Decisions As Cold, Hard Things**

April 2008

Hi Mr. Ariely,

I am trying to decide which college to attend next fall. My goal is to make a perfectly rational decision, without emotion, based on objective data and a carefully measured list of the values I place on certain characteristics. For example, I know I want a small school with a small undergraduate population. I also know that I want the school to be in a city and to have a strong art history program.

I have narrowed my options to two schools, but now I feel like I am trapped in a Buridan’s ass scenario.* I cannot find a logical reason to pick one school over the other. How do you suggest I make my decision?

_Sincerely,_

_Tamara_

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*See Chapter 8, “Keeping Doors Open.”
Dear Tamara,

Perhaps you are trying to be too rational, and perhaps you could get some benefit from also consulting your gut. You might think that it is somehow morally wrong to make such important decisions based on feelings, but realize that rationality helped you determine that a small school in a city was important to you. Thinking systematically about this choice also helped you to narrow down your options, and now both of the schools you are considering are very good options for you. On top of that, you have also realized that thinking rationally about this final choice has not provided you with any progress. So, maybe it is time to benefit from making the last step of the decision based on feelings?

Here is a personal story about trying to be too rational. Many years ago, I decided it was time to trade in my motorcycle for a car, and I was trying to figure out which car was right for me. The Web was just starting to explode, and to my delight I found a site that provided advice on purchasing cars. The Web site, which is now defunct, asked me a series of questions, ranging from my preferred safety rating, to my desired braking distance, to my ideal turning radius, and of course about my price range.

I spent 15 minutes answering all the questions. At the top of each page, I watched the progress bar inch closer to my results. The final screen displayed all my answers; then all I had to do was press the “submit” button to receive my tailored recommendation. I pressed the button and quickly learned that the perfect car for me was a Ford Taurus. Now, I might not know much about cars (in truth, I know very little about them), but I knew that I did not want a Ford Taurus.
e-mails and responses

So I backtracked and changed many of my original answers. Periodically, I checked to see how the different answers translated into different car recommendations. I kept this up until the car adviser suggested a Mazda Miata. The moment the program was kind enough to recommend a small convertible, I was grateful to the fantastic software and decided to follow its advice. A few weeks later I became the proud owner of a Mazda Miata, which has served me loyally for many years.

This experience taught me that sometimes our decisions have a rational veneer, when they are, in fact, based on a gut feeling about what we want. In our attempt to create this rational appearance we go through a lot of mental gymnastics, justification, and rationalization in order to manipulate our preferences. Sometimes these rationalizations are complex and time-consuming, and sometimes we have the benefit of software to help us with this rationalization. Perhaps this was the real function of the software I used—not necessarily to help me make a better decision, but to help me justify and feel confident about the decision I had already made. At the end this process of following our gut feelings, and of finding rational ways to justify it as rational after the fact, is not necessarily bad; it usually leads us to pick a satisfactory outcome, or at least prevents us from ending up with the equivalent of a Ford Taurus.

In your case, I think that using gut feelings as a way to resolve your conflict between the two schools would be very useful. If there were a university-selection tool that was similar to my car software, I would recommend that you use it, but you can achieve the same effect even without the help of modern technology. When
you are stuck between two similarly appealing options, pick a coin. Assign one of the options to “heads” and the other to “tails,” and toss the coin in the air. When the coin is still in the air, think about which outcome you would prefer—and you have your answer. This coin-toss method will not only force you to make a decision rather than agonize over it for a long time, but it will also allow you to follow your gut feeling, and most important, it will give you a way to justify your decision. After all, you simply followed the “coin-toss method’s” advice.

So this is what I suggest you do. Toss that coin, and I hope you find much happiness with your rational decision.

*Irrationally yours,*

*Dan*

**Will I Ever Be a Rationality Pro?**

May 2008

Dear Dan,

I recently decided to change careers and quit my job in television to become a teacher. This change entailed returning to college and relocating to a different part of the state. Before making my decision, I carefully weighed the pros and cons. As a teacher, I would make less money than I would in television, but I didn’t enjoy the television job, and I thought that teaching would make me feel I was making an important contribution to society. The school I chose had a superb teaching program and
the relocation meant I would be closer to the family I missed so much. However, after one semester, I realized that going back to school was not for me. I am currently trying to decide what I should try next. I am wondering whether I will ever reach a point where I make completely rational decisions all the time.

Elizabeth

Dear Elizabeth,

Sorry, but there is no way that you will ever make completely rational decisions.

Irrationally yours,

Dan

Too Good to Be Free

June 2008

Hi Dan,

I have just finished reading the chapter on “FREE!” and want to offer the following story as an example of a different way in which the idea of FREE! can work on us.

About 12 years ago, I started a series of free outdoors programs teaching kayaking on a large bay. The programs included lessons, a boat, a paddle, and a life jacket. There were also weekend tours to Liberty Island and, eventually, sailing instruction on several small sailboats.

Here’s what happened: Most of the people who ac-
cepted the offer for paddling lessons had to be convinced that it was truly free. It was simply too much of a good thing. “Why is it free?” people would ask me, sometimes belligerently, followed by “Do I have to change my religion?” or “Do I have to change my cell service?” Interestingly, when people came in groups to the paddling lessons, their aversion to FREE! was vastly diminished, I guess because the herding thing took over.

Later, as the programs caught on, the most common question became “How can I pay you something for all this?” We guides replied that we couldn’t accept money since we were in bathing suits and soaking wet all day and had no place to carry it. This response, which was meant to be humorous, disturbed prospective “customers” even more. Eventually, we put out a bland, anonymous box where people could deposit checks and cash, which they did even when we actively discouraged them from doing so.

Over time the programs have expanded to three locations, and other clubs have started doing the same thing in nearby boroughs. I got married, had a kid, and I find little time for kayaking anymore, but when I do occasionally visit or volunteer, I still hear the same sense of disbelief among some visitors: “How can it be free?”

*Go figure.*

*Gil*

Dear Gil,

Thanks for your letter, and in general for being an awfully nice guy. As you’ve experienced, FREE! is actually a complex price and there are multiple forces that come
into play where it is concerned. In the experiments I described in Chapter 3, we offered popular chocolates of well-known quality, so that uncertainty about the quality of the experience was not a factor in people’s decisions.

However, in cases like yours where the quality is unknown, FREE! can cause people to infer (sometimes wrongly) that they’ll have an OK experience at best. I described some of these effects in Chapter 10, when I wrote about the ways price influences our expectations. The basic finding was that if people bought something at a discount price—we experimented with painkiller placebos and SoBe energy drinks—then they believed that it wasn’t as good as those that were more expensive.

A third phenomenon that happens with FREE!, and the one most pertinent to your case, is that people have a hard time believing that something could truly be free. We are always looking for the catch. A few years ago, we ran a study in Boston in which we gave money away. We sat at a table with a large sign that said, “Free money!” and below it we wrote the amount that we were giving away ($10, $20, and $50). Even when we were giving away $50, fewer than 20 percent of all the people who walked by stopped to ask if our offer was for real (and when we told those people it was real they took the money and went on their way). Unfortunately, we live in a world where people are often scammed, so suspicion is high. As you experienced with your patrons, when the quality is unknown, FREE! automatically raises eyebrows.

Best,
Dan
Dear Mr. Ariely,

I just finished listening to the illegally downloaded version of your audio book this morning.

I am a 30-year-old African American male from the inner city of Chicago, and for the last five years, I have been making my living by illegally selling CDs and DVDs. I am the only person in my family who is not in prison or homeless. As the last survivor of a family that represents all that is wrong with America, and as someone breaking the law today, I know it is only a matter of time before I join my family in prison.

Some time ago I got a 9-to-5 job, and was excited at the idea of starting a respectable life, but soon after I started, I quit and went back to the illegal business. This is because of the pain I felt at giving up an illegal business that I had built and nurtured for five years. I owned it, and I couldn’t find a job that gave me the same feeling of ownership. Needless to say, I really understood your chapter on ownership.

Something else made leaving my illegal business even harder. In the retail store where I worked, people often talked about loyalty and care, but I don’t think they understood what this means. In the illegal industry, loyalty and care are much stronger and more intense than anything I encountered in legal retail. Over the years I have built a network of about 100 people who kindly buy from me. We have become real friends with real connections and developed a level of care for one another. The
connections and friendship with my clients made it very hard for me to give up the business and their friendship in the process.

I’m happy that I listened to your book.

Elijah

Dear Elijah,

You’ve made some great connections. I hadn’t considered how some of the concepts in behavioral economics would apply to an illegal retail business.

It sounds to me like you are describing the endowment effect—once you became used to a way of life, it became a part of you. As you describe, I suspect that relative to a legal job, being in the illegal business became an even larger part of your self-definition, and giving it up was accordingly very difficult.

I am especially drawn to the idea that an illegal retail business could be so much more socially connected and meaningful than a legal one. It sounds like there is a deep level of trust involved between you and your customers that isn’t required for legal retailers, and this makes your illegal experience very different and more personally rewarding (as long as you don’t get caught).

I’d like to talk with you more about this. I’ll be in Chicago in a few weeks. Would you be interested having lunch with me?

Best, Dan

Reader note: We arranged a meeting, but Elijah canceled a few hours beforehand. Maybe he was afraid that I would notify the authorities.
e-mails and responses

Relative Risk

August 2008

Hi Dan,

I am interested in the ways we irrationally perceive personal risk. For example, people worry about flying on airplanes because of the possibility of crashing, terrorism, and so on, but the mortality statistics in ordinary passenger cars are much worse per passenger mile. Even when this is explained in simple terms, the plane is still perceived as more frightening.

Any comments on, or interests in, perception of risk and irrationality?

Henry

Hi Henry,

One reason for some of these biases is our need to feel in control. This is why driving, an activity in which we can be literally in the driver’s seat, is less frightening than flying in an airplane, something that by definition we have absolutely no control over. There is a very interesting paper by Gerd Gigerenzer, “Dread Risk, September 11, and Fatal Traffic Accidents,” in which he analyzes the ramifications of the public’s post-9/11 decision to switch from flying to driving.38 Sadly, the study results showed that more people died during the three months following the attacks by switching from flying to driving than the number of passengers who died on the four fatal flights. What we fear is not reality. Whenever I go to Israel—the country where I grew up—people ask if I am
afraid because I might be hit by a rocket or blown up in a terrorist attack. I tell them, “No, I’m afraid of the drivers. Chances of dying in a car accident in Israel are much greater than the chances of dying in a terrorist act.”

We also know that media headlines influence our perception of risk. Since the media largely determine what sits at the forefront of our minds, we worry about events that they report. And, as you know, the media usually report on sensational events (“Man Eaten by Shark!”) rather than everyday ones (“Man Drowns in Bathtub!”), and this is why we worry about some events but not others (not to mention the fact that no one has made a movie with scary music about drowning in a bathtub). The media also do their best to make us feel personally involved in the risk (e.g., “What happened to this man could happen to any of us!” or the infamous “What household product that you probably own could kill you and your entire family? Find out at 10!”). By causing us to identify with those injured or at risk, the media increase our likelihood of watching their programs or reading their publications. They also make us more fearful of things that are far less likely to happen than a car accident.

Overall, there is a large disconnect between real risks in the world and the way we perceive them. We would be much better off if we tried to align our perception with reality, but this is not an easy task.

Irrationally yours,

Dan
Why Can’t My Students Learn One Simple Lesson?

September 2008

Dear Irrational,

I am a finance professor at one of the top business schools in the U.S., and I am starting to doubt the assumptions of rationality because of what I see in my students.

Here is the situation: Every year when I teach the MBA and Executive MBA basic finance class, we discuss, at length, the benefit of diversification, including how to think about risk and return. Every year I emphasize the importance of diversifying, including diversification in their own employee stocks. And every year I come to the realization that they either do not care about, or do not remember, this very simple lesson.

My best example of this is a recent student who took a position with Bear Stearns after graduation. He was partially compensated with shares and options, and he recently called to tell me how much he regretted not diversifying his portfolio. How can such a smart student fail to apply such a basic but important lesson?

What can I do so that this lesson will be etched in their minds?

Yours truly,

James

Dear James,

As you’ve noticed, people do not learn or remember abstract lessons very well. It helps if the lesson is specific
and concrete, which is why at Harvard Business School cases describe one instance with many details rather than more general principles—the stories help students remember the lessons. I would use your former student as an example. To create such a story for your lesson, I would ask for his permission to use his picture and story to present an analysis of how much he lost, including both the social and the financial ramifications of his mistake. It would be particularly powerful if he came to the class and discussed his mistake. Maybe you could also take a video of him talking about his experience, and if you could also interview his wife for this video you will get the maximum impact. I suspect that such a personal example would be very helpful in getting the students to remember the lesson.

Another idea is to make a key chain or a pen with the phrase “Always diversify” on it. The idea is that if your students use it, they will have a constant reminder of their own pledge to diversify. A more extreme version of the same idea is to distribute certificates during the last class, with a pledge to always diversify. Have the students sign this certificate and promise to hang it on the wall in their office or above their bed. Presumably the signature and pledge will remind them of what they need to do.

Another approach would be to pair the students up. Each member of a pair would agree to an annual review of his or her financial allocation by the other person, who would then give the partner feedback about his or her allocations. This way the students will get a yearly check on the wisdom of their decisions and will have to explain them to someone who is not vested in their finances.
If you try any of these techniques, please let me know how they work.

_Irrationally yours,
Dan_

**Spend More! Save Less!**

October 2008

Hi Dan,

I’ve been thinking that those of us who were prudent with money in the past and chose to save for retirement, our kids’ college tuition, and so on, seem to be getting “punished” now for our sound behavior. Every time I open one of my investment accounts and see a 40 to 45 percent decline, it makes me think that I should have bought that $2,000 mountain bike I really wanted last year when I had the money. Meanwhile, people who did not save but instead spent their money on fancy cars, clothing, and toys at least have something to show for it.

Assuming we eventually come out of this terrible market situation, I wonder how this experience will affect people’s desire to save for the long term. In general, the U.S. population didn’t save a lot before the crisis and it seems to me that the current market will only discourage people from saving. Of course, this will have implications on the banking sector and economy in general. I am interested in your thoughts.

_Yours truly,
Jonathan_
Dear Jonathan,

I’m sorry to hear that you haven’t escaped from the downturn in the market. I hope you can find some comfort in the knowledge that many of us are in the same boat and that, in relative terms (because we have all lost a lot), you are probably in the same position as you were before the financial crisis.

It seems to me that since you had a specific idea of how you would have used the money (mountain bike) if you hadn’t socked it away into your retirement savings, you might, in fact, be suffering more than people who simply saved the same amount but did not have a very vivid image of what they sacrificed.

One of the things we know about emotions is that when they are connected to one particular person or a salient object (such as mountain bike), our feelings are much more intense. I suspect that since you had a specific idea of how you would have liked to use your money, you feel as if you “lost a bike,” which is psychologically much more painful than losing money in the abstract.

As for the implications for long-term savings, my hypothesis is that people who have observed their portfolios losing money will also lose some of their appetite for investing in the stock market. After all, who would want to put more money in the stock market when they could lose half of it within a few months? Once burned, twice shy. I also suspect that experiencing a large loss in the stock market is one of those painful life lessons that we are likely to remember and act on for a long time.

As a consequence, I think that for the majority of people the sense of uncertainly will increase their desire
for control, the comfort of having cash on hand, and frugality more generally. Together with the loss of desire to play in the market, these individuals will most likely start to hold more cash and also pay off their mortgages more quickly. Imagine that you have a $300,000 mortgage and each month you have an extra $500 that you don’t need for other expenses, such as trips to Starbucks, payments on a new car, or a weekend ski trip. Your options are to invest it, deposit it in a regular savings account, or put it toward your mortgage payment. I suspect that, given the lack of appeal of investing in the stock market and the low interest rates of savings accounts, paying off mortgages will become more popular.

But I also expect that some people will have a different reaction and decide that since the stock market is not a place to put money, they will increase their spending (under the logic that a new designer bag or a fancy car is likely to lose less of its value than the same amount in the stock market). Perhaps this is how you are feeling right now?

*Irrationally yours,*

*Dan*

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**Behavioral Economics, Cheating, and Toilet Paper**

November 2008

Dear Professor Ariely,

I found your experiments on cheating particularly interesting (e.g., the nonexistent “MIT honor code” and
“The 10 Commandments”) and actually modeled an experiment of my own on yours.

I live in a house near the UC Berkeley campus. I share the house with many housemates; none of us knew each other before moving in. Moreover, a bunch of new students moved into the house for the summer months last year. This living arrangement led to a number of problems—namely, the stealing of toilet paper.

Every Sunday, a housekeeper restocks each toilet with three fresh rolls of toilet paper. Last summer, however, I noticed that by Monday evening, all the toilet paper would be gone. This is not unlike a “tragedy of the commons” type situation, and it has become clear that certain housemates were hoarding the tissue paper for their private use. I tried to think of ways to stop the hoarding. I did not want to confront anyone, because my goal was to keep the TP from disappearing, not to alienate people.

With your experiment in mind, I put a note in the upstairs bathroom asking housemates not to take toilet paper outside the restroom for personal use.

A couple of hours later, one fresh roll of toilet paper magically reappeared in the bathroom where I had placed the note. This had never happened before. The experiment worked! I checked the downstairs restroom, where I had not left a note—no rolls there. Two days later, another fresh roll of toilet paper reappeared in the upstairs bathroom.

I was quite pleased that my note helped put an end to the hoarding/stealing. Thank you for the inspiration! Behavioral economics is certainly applicable to daily life!

Regards,
Rhonda
Dear Rhonda,

When I was thinking about the implications of this research, toilet paper wasn’t the first thing that came to mind, but I’m happy you made the connection. I am also very pleased that you placed the note in some of the bathrooms but not others—nice experimental control.

Good job!

Dan

Prenuptial Agreements

December 2008

Dear Dan,

Your discussion about the clash of social norms and market norms made me think about prenuptial agreements. Maybe prenuptials are so emotionally complex because they introduce market norms into a very significant social arena. Am I right?

Thanks,

Keith

Dear Keith,

You are right; by introducing market norms—including prenuptial agreements—into a relationship, you run the risk of making love transactional and ruining the whole experience.

One example of this is a story about a woman who, in 2007, posted an ad on Craigslist seeking a husband who earned more than $500,000 a year. She described herself
as spectacularly beautiful, articulate, and superficial, but she also said what while she was able to date businessmen who made $250,000, she was unable to get above this income level and date someone who could get her to Central Park West.

Because she bluntly introduced market norms into her search, respondents compared her offer to a business transaction. One anonymous respondent, who assured the woman that he met her criteria, explained that the proposal was a “crappy business deal” by pointing out that his assets (money) were likely to appreciate, while her assets (looks) would certainly depreciate as she got older. He also added that in this situation he would rather lease than buy.

Now let’s assume that the woman who posted the ad really was spectacularly beautiful, articulate, and just wonderful in every way. What would happen if she walked into a bar filled with stockbrokers (before the 2008 market collapse), found her guy, and explicitly stated her goal as she did in the ad. The terms of the relationship would certainly shift. Say that they eventually get married; what would happen the first time she didn’t want to have sex with him or refused to spend the holidays with his family? My guess is that the give-and-take that are is so common and acceptable in regular romantic relationships would disappear, and the simple exchange of beauty for money would ensure that the relationship would be unlikely to last.

I think that prenups are not as bad a thing as this story implies, but that they operate in a similar manner. They blatantly introduce market norms into a social relationship; once the marriage is set on that course, it is
Of Cell Phones and Passion

December 2008

Dear Professor Ariely,

About two years ago in undergraduate school I met a woman named Annie, and we became best friends. A few months ago, she was admitted to law school at Northwestern and traveled to New York to see me, where I was working for a large consulting firm. Over the course of the weekend, we made the rational (and we hope at least partially emotional) decision to start dating. We both knew that long-distance relationships are never easy. So we began thinking of ways to stay romantically connected during our time apart and ended up starting “The Annie and Richard Book Club.” We read your book and enjoyed discussing it together, especially the numerous parts that held real-life applicability for us.

One night during a weekend visit things got hot and heavy, and we ended up talking about Chapter 5, “The Influence of Arousal,” while we were making out. Annie jokingly asked me if I would fly in from New York to visit her on a Tuesday, a big, inconvenient deviation from our rational game plan of bimonthly weekend visits. I responded, “Of course!” Annie said, “I guess we’re not so rational now, huh? Maybe that Ariely guy really does know what he’s talking about!”

Irrationally yours

Dan
A few minutes later, my pocket, rubbing against Annie’s leg, started making off-rhythm beeping noises. It was my stupid BlackBerry. Annie, the more rational of us, told me to turn off the phone. In a complete state of arousal, I responded “What do I care? Call my manager! Call the director of the firm! What are they going to do about it? Hell, they will be happy to tune in!”

Fade to black. . . .

Later on, fully clothed and back in my rational head, I decided to check my phone. As it turns out the phone had auto-dialed my boss. I immediately checked the call log and learned that he had picked up, and that the call had lasted a bit over six minutes. At that moment, my sentiment about the idea of my colleagues “listening in” changed drastically. All of a sudden it looked to me as the worst thing that happened in my whole life. Yet the only thing that had changed in the bedroom was the location of our clothes—they were now on us instead of the floor—and the direction of blood flow.

Following this adventure, Annie and I made a very rational decision. We decided to keep the book club going while we are apart; and when we are together, well, let’s just say we will keep our phones turned off.

All the best,

Richard

Dear Richard,

I hope you still have a job! But look on the bright side: your boss will now know exactly who you are, he will most likely pay more attention to what you do, and maybe this will help you move forward in the company.
As you learned, one of the best things about technology is that it allows us to connect with more people with little effort, and one of the worst things about technology is that it allows us to connect with more people with little effort. This means that when you are in the heat of the moment, even small technological actions, such as pressing a button, can open the door for damage. Sending e-mails to your boss (and maybe to the whole company) when you are upset, buying stocks on the Internet after a fight with your significant other, or shopping for baked goods online when you are hungry can cause you substantial regret later on.

In all these situations, we act out of emotion and end up doing things that we wouldn’t otherwise have done in a calm state. Your resolution to keep your phones turned off when you are together sounds like the perfect way to avoid another potential disaster.

Irrationally yours,

Dan