

>>From WXXI news, it's 1370 Connection. [background music] I'm Bob Smith and maybe Seal got it right. His first major hit in 1990 caught everybody's attention when he sang if we're ever gonna survive, we gotta be a little crazy. Well is irrationality sometimes the most reasonable way to think? Does it at least have its own internal logic? And when can it crossover and start to bite you? Well those are questions we're asking a lot these crazy days. Maybe my guest this hour can help us out. Dan Ariely is a man who's nominally a psychologist for the faculty of Duke University but his interests cover the fields of not only psychology but economics, sociology, business, human behavior in general and he's the author of bestselling books including Predictably Irrational and the Upside of Irrationality. He's the latest in the Gannett series of lecturers at RIT, joining me in studio right now, after having addressed an RIT audience, a packed crowd at Webb Auditorium last night. Dan, welcome, good to have you with us today.

>>Thank you very much

>>Okay, we are kind of a strange mix of logic, of passion and just absolute irrationality so I suppose what a lot of people wonder, maybe even as they look at the mirror in the morning getting ready to shave is how do we get this way and is it doing us any good?

>>So how do we get this way? So this is partially a question of how we were designed and partially the forces of evolution and it's doing us some good but doing us some bad. So let's think about something simple like emotions. If you think about why emotions were designed to act this way, you basically came about as creating a mechanism to compel us to act in a certain way without thinking. Imagine you walk in a jungle many years ago and you see a tiger? What do you want to do? Do you want to start thinking about what should I do, what's the cost, what's the benefits? Of course not. You want to create something that will compel people to act immediately and without thinking and that's what emotions are for. They're basically almost like an executable program that the moment it's activated by an external source, just can't get carried out. Now we still have these emotions. We don't have tigers anymore but now we get these emotions when somebody cuts in front of us when we drive or our spouse says something and still we have this thing that just compel us to act in a certain way, even though it doesn't make sense in this new environment that we've created for ourselves.

>>So the same impulse that may have caused you to either reach for a knife or a gun or run like crazy when you saw a tiger, is the same impulse that creates horns blaring, fists pumping and screams and road rage today.

>>That's right. And there's lots of things like this, right so it's about herding behavior, it's about following other people, which is kind of an instinct we have and it's about revenge so it is kind of an interesting way to think about this.

>>I understand some of that can have a good annotation because let's face it there are very few things in life that are more irresistible than a little baby. You feel that you want to protect the little baby, cuddle it and you want to take care of it and that's natural and it's really a positive adaptation because we take care of our young and the species will survive.

>>It's really good for the baby to have this mechanism.

>>It's great for the baby and it's really great for all of us too because we're

>>That's right

>>We're perpetuating all of our species.

>>But we also have these irresistible feelings, not just with babies but also towards donuts, which is not as useful. So you know if you think about it, it would be really good to design people to want to eat sugar and fat. Every time we walk around if we find some sugar and fat we would eat it and we would consume a lot fat and it would store it for a bad day. In a Dunkin Donut world that's not as good of a strategy, right?

>>Yeah, it probably worked once upon a time. When we were out in the fields burning up calories by the thousands and burning them almost as fast as we consumed them or maybe faster, well we don't live in that world anymore, do we?

>>That's right so it's not so much the burning of calories. It's the consumption of calories. The idea is that we have for example this delayed mechanism. Between the time that you've finished eating and the time you feel satiated, about 20 minutes passed. Now the question is how much calories can you consume in these 20 minutes? And if you take two or three donuts in those 20 minutes, that's a lot, a lot of calories.

>>Which of course tells you logically, don't have dessert but if we logically say don't have dessert, all the bakers and all the ice cream plants in the world are gonna go out of business so obviously they don't want to do that. They want to encourage us to have that dessert even if we sure don't need it.

>>That's right so think about kind of the fight. So we have these tremendous instincts for sugar and fat and that's what we love. There's no way out of it. And the commercial world around us kind of figured it out. So in an attempt to maximize their profits, they're trying to sell us sugar and fat, and not to mention the other things that are happening in the U.S. economy like the way we subsidize corn syrup and corn in general so what happens is there's commercial pressures of maximizing profits that basically build on the weakest element in ourselves. This is why we over buy and over consume and I think it's really important to try and recognize our weaknesses so we can design around them. So let me give you an example, we've been doing some research about eating in fast food restaurants and for a few weeks we went to one of these Chinese fast food places and we labeled things we bought, how much calories different portions have. And you would think that if people were just missing information about it, they would change how they eat. No effect whatsoever. It's not about information. And then we tried different experiments. To one group we said hey, would you like today to have half a portion of your main dish and they said of course not. And then we said to another group would you like half a portion of rice. Now it turns out that rice in this particular fast food place had about 700 calories. So if we gave people half a portion of rice we cut 350 calories a meal, which is really nice, nice enough. And slightly more than half the people were willing to cut half a portion of rice. And then they ate less. Because the people who had the full portion of rice, we checked how much they ate, they ate the whole thing. Right, if you get a full plate of something you finish. So the

lesson for me here is that the reason we're making mistakes in decisions is often now about lack of information. It's not as if you can show me calorie labeling and all of a sudden I'll behave differently. But if you provide people with methods to limit their ability to consume down the line and to make mistakes, they will take it. But there's another kind of twist to this, so imagine one day I ask you what would you like? Would you like half a portion of rice and you say yes. And then the next day I don't ask you about it. I just wait for you to say hey by the way, yesterday I got half a portion of rice. Can I get half a portion of rice today? People don't ask it on themselves. So even if you got trained to do it and you knew it was an option, people don't ask it. So it turns out, Dick [inaudible] calls this nudges. It turns out we have to create these things in the environment that kind of push people slightly to behave better and those are the kinds of things that we need to engineer and create in our environment.

>>I wonder if this is why when they used to sell small orders of fries, McDonalds didn't sell very many but when they put it on the dollar menu and made it a cost saver, you can have an order of fries for a dollar, call it the dollar size, people order it now because they think they're saving money. They don't realize they're getting a lot smaller order of fries than the regular but they don't mind.

>>So the dollar, there's lots of effects going on here. The dollar menu basically symbolizes a good deal and it also kind of takes something out of consideration. Like you can ask yourself, why do all songs, all CD's cost the same amount of money? Some are good, some are terrible. Why do all books basically cost the same amount of money, either paperback or hardback? Some are good, some are terrible. It turns out that when things cost the same, cost doesn't become an issue in our thinking. Imagine for example you went to buy music, a song on iTunes and instead of everything being .99, they varied from .90 to \$1.10. All of a sudden you would start contemplating, is this song I like slightly better worth another .2? Is this, and what would happen is that you would buy less from the whole category. So having a dollar menu, like in a dollar store and also in this menu, basically make the decision much easier. All of a sudden price is not a part of the decision and people just say what do I want from there? So it does simplify things and the market share of those items usually goes up.

>>And McDonalds has done extremely well with its dollar menu as a result of their even selling more volume of total food than they would have if they'd just had small size added to the regular menu, I suppose.

>>Yeah and you know this is kind of the basic conundrum, if you think about it. Is McDonalds trying to optimize their bottom line? They should sell us as much as they can and as big size as possible and it turns out that we as consumers get used to eating those portions and this amount. And we often don't think to ourselves how hungry exactly am I? And what do I really need right now? And we see these recommendations of what's a meal? What's a dollar value menu? And we just take that. There is a beautiful study that I should tell you about. This is by Brian Wansink. It's [inaudible] Cornell. And he did this experiment in what he called the Endless Soup Bowl. And he has a little restaurant that he runs at Cornell and he got this soup bowl to be connected to the table. And there was a hose from a pot of soup connected to the soup bowl and the people didn't know about it and they ate soup. What happened? As they were eating soup he pumped back a little soup inside of it. So you were eating but it was replenishing in

half the speed in which you were eating the soup. And people end up eating much more soup. Why? Because the truth is we don't have good sense in our stomach to tell us when we have enough food. We often eat with our eyes. We look at the portion, we look at it relative to the soup bowl and we eat whatever we're given and we just finish the plate. And this is actually what giving bigger portions do. We get more food. We eat the whole thing. It's really quite amazing but that's just what we do.

>>It almost sounds like it could have been something out of Candid Camera. It sounds like an Alan Funt stunt, you know?

>>Yeah, I think much of our research is really like that, if you think about all the stuff we do. It's really about trying to capture kind of these moments when people are facing crucial decisions and how they often turn in wrong directions. So whatever we do, right, we see how much people get attracted to free or what happens with sexual arousal, a lot of those things are really about kind of human weaknesses kind of funny moments.

>>263 WXXI, 263-9994 is our number. We are talking with Dan Ariely who is the author of books including Predictably Irrational and the Upside of Irrationality. Here with us right after his Gannett series lecture at RIT last night, on 1370 Connection, I'm Bob Smith. Join us on the line at 263 WXXI, like Bernard in Fairport, he's up right now. Hi Bernard, you're on the air.

>>Thanks Bob. Your book is a great book. I really enjoyed reading it. As a matter of fact, I now am skeptical of all economists and waiters. [laughter]

>>That's great, thank you

>>A great book for everybody to read. My question is though, and you said something a little earlier about is it a matter of information and I would expand and say maybe it's more a matter of knowledge but that's a nuance that we can have over a beer. The question that I have though, given the fact that corporations are so good at collecting and mining this data, does the consumer really have a chance to survive, if you will, in this environment? And how much of a fact, and I realize this is a tough question, how much is your irrationality, how much of that do you think contributed to our current economic conditions in terms of people buying things they don't need? But I guess my bigger question, does the consumer have a chance going against people that can mine, pay attention to this data and I'll take your answer offline and I highly recommend this book to everybody. Thanks Bob

>>Hey, thanks for checking in, Bernard

>>So thank you a lot, thanks a lot. So I think you ask two questions, you ask, you know are we really helpless in the hands of corporations and the second question is what do we do about the financial crisis, how much of this is about irrationality? Let me start with the second part of it. I think this financial crisis is basically a function of conflict of interest and we've done lots of research on cheating and basically think about the following question, imagine that I paid you \$5 million dollars a year if you could only view mortgage backed securities as a good product. Don't you think you would be able to do it? Of course you would. You know you might not be able to kind of change your opinion from things that are terrible to things are wonderful but you would be able to shade your opinion to think they are better than they are. And if they were hard

to evaluate, they were complex and many equations and parameters and so on, couldn't you change some of those parameters a little bit just in your self interest? Of course you would. And if you saw everybody around you behaving the same way and you believe that there's some rationality in the market and other people know something. So what happened is we created this tremendous situation in which we put mostly good people, some bad but mostly good people in a situation in which they could get paid a lot, a lot of money to see reality in a distorted way and now we're surprised they could do that. And I personally think that until we solve the conflict of interest problem in Wall Street but also in medicine, of course, which has similar related problems, we're not going to get out of this situation.

>>I wonder if anybody, having heard that and maybe stopped for a second to think about it, will ever be able to look at CNBC the same way again?

>>Yeah, no you know it's amazing. Actually we've just done a study in which, so you get all these people tell you about what happened today in the stock market. And they always tell you backward what happened. And they tell you these stories that explain what happened but they can't predict anything. So we actually did a study in which we showed they can tell you something in the opposite and people buy it in the same way because we're so good in listening to stories and these people can just justify almost anything regardless. But let me go to the other question, the question was about how helpless are we? And the reality is that the environment of the store has a lot to do with this. We go to a supermarket and they pump the smell of fresh baked goods into the supermarket, we are going to get hungry. And at that moment we're going to buy more food and we're going to buy more fatty food and will have all kind of influences. Now once we understand it we can do a few things, for example, we can make a list or we can order things on the internet or we can try to understand how they can control the environment. But if we go into the environment of the supermarket and the supermarket has control over us beyond what we understand, we are going to make decisions on their territory and their ways. So we do have to take some control into it and think in advance and not fall to these temptations.

>>Which of course explains why you will go the biggest supermarket chain in this area and when you go in you'll look immediately to your right and low and behold there are the prepared foods area, high margin, the deli and the pastry shop, before you even get to the bread and you really gotta walk a long way to get to the milk.

>>That's right so pastry is fantastic, right, it really kind of gets all our primary urges and then plus of course you have the smell. And this of course is not just about grocery store but the principle. One of the basic principles we've learned is that we think that we make decisions, we think we're in control but the reality is that much of our decision is part of the environment. The environment in which we make decisions dictate to a large degree what we end up doing. And this realization is incredibly important because once you understand it you can say do I really want to play to their hands?

>>We'll talk about that, there are a lot of implications of that which we will get to as this hour goes on but first let's take Joseph's call, hi Joseph, you're on the air.

>>Hello, thank you. The key question that the gentlemen, intriguing question, is in theory, in his studies, is there a factor of individual free will or are we

totally subjected, in various degrees, to the environment? Does the human being bring will and creativity to the world or are we just a subjective force, reacting to the external?

>>So I think the answer is we are mixed. We have some of both. We create fantastic stuff, right, you just need to look around you and look at all the things we've created and it's really amazing what we've done but we're not as amazing as we think we are. That I think is that

>>Well the question is free will, do we have free will or are we totally subjective to environment?

>>So I think we have some free will. Let me give you an example, there was a beautiful analysis of what happens in terms of organ donations. They look at different countries in Europe and said which countries donate how much in terms of organ donation? What is the percentage of people who donate organs? And there basically two types of countries, there are countries that give about 90%, 95% of the people give organ to donation and countries in which they give about 20%. And the question is, of course, what makes this different between giving 95% and giving 20%? Is it the people? Is it culture? Is it religion? It turns out it's none of those. It is how the form at the DMV is structured or wherever they register. And the secret is the following, in the countries where people don't give a lot, the form reads like something check the box below if you want to participate in the organ donation program. And what do people do? They don't check the box and they don't join. That's the countries that give about 20%. The countries give about 95%, the form reads something different. It says check the box below if you don't want to participate in the organ donation program. And what do people do? Again they do nothing. They don't check but now they join. Now 20% of the people made a decision by themselves so to speak but the majority, the vast majority were influenced by the environment in which they made a decision. They were influenced by the person who designed the form and you choose to make the form one way, people choose one thing, you choose it another way, people make another decision. So you know, I do think that one of the points from behavior economics is that we have less free will then we think we do and we are more creatures of the environment around us then we understand we are. But it doesn't mean that we have no free will whatsoever.

>>It does mean though, and I do thank you very much for calling, good question, it does mean that we're kind of walking paradoxes, aren't we?

>>Yeah, yeah and it has two parts to it. One is we make lots of foolish mistakes and the thing is our understanding of ourselves is really very limited. We have this view of ourselves as magnificent, great creatures who make the right decisions. And you're in the driver's seat and controlling yourselves and the reality, mostly we make decisions and after the fact we can tell ourselves stories about the why we made these decisions but the stories we tell ourselves are often not the reasons we actually made those decisions.

>>There's a political implication to that which we are going to talk about right after the break. Gotta take a short pause, we'll be back with more of our conversation with Dan Ariely in just a moment, as 1370 Connection continues on WXXI AM and FM HD2. [music]

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>>1370 connection continues on WXXI AM 1370. I'm Bob Smith. We are talking with Dan Ariely, the bestselling author of books including Predictably Irrational and the Upside of Irrationality. He's the latest in the Gannett series of lecturers at RIT, joining me now after having addressed a packed house at RIT's Webb Auditorium last night talking about the irrational side of us. You're invited to talk with us at 263 WXXI or write to us asktalk@wxxi.org is our in studio email address. I mentioned there's a political dimension to this and there is an article that you did, along with Michael Norton [phonetic] of Harvard Business School, a few years ago that appeared in perspectives and Psychological Science and

>>Actually it's a little sad because we did this a few years ago and it hasn't appeared yet. It will appear next month. This is just the speed of academia.

>>[laughter] So it takes a while but anyway, this article is already making the rounds on the web and it's fascinating because it goes beneath the common responses that people give about their outlooks to the pollsters, say they're liberal, they're conservative, they're moderate, etcetera. And once they said they were conservative, which had a little bit of plurality in the surveys that were done, then you asked what they actually believed, talking specifics about the economic and social policies they wanted

>>Yep

>>They came out anything but conservative.

>>That's right. So there was lots of debate a few years ago about what's the right amount of taxation? What will actually mobilize the economy? Is it about the top people that kind of drag everybody behind them or is it about more equality? And we decided to take a step back and to not ask what's efficient from what the economists think but we decided to ask what do people want because this also is a question of social justice. And we went back to John Rawls, a political philosopher, and we asked the question of, John Rawls had this beautiful definition of what's a just society. He said a just society is a society that if you knew everything about it, you would be willing to join it in a random place. Think about wealth, you would be willing to have any wealth and he called it the veil of ignorance because you don't know where you'll be at. It's a beautiful definition. So we asked about 5,000 American's under the Rawls constraint, what would you prefer? What do you think is the right constraint? What is the right distribution of wealth? And by the way, I should give credit to a local. When I started to think about it I called David K. Johnson who is a fantastic writer on taxation and we had some long discussions about this and he helped us think about it. And then we asked these 5,000 Americans what do you think is the wealth distribution in the U.S. and what would you want it to be under the Rawls constraint? And then we compared rich people to poor people, to men, to women, Republicans and Democrats. And what we find is that people dramatically underestimate the wealth inequality in the U.S. You know the wealth inequality in the U.S. is very high. We're kind of between Western Europe and South America in terms of our inequality.

>>And heading towards South America, we're at the most unequal we've been in over 85 years right now.

>>That's right. So people dramatically underestimate. People don't understand that the top 20% owns 85% of the wealth and the bottom 40% own basically zero. We ask them, so they don't understand this so we asked them what do you want it to be? People want it to be even more equal. And for me the only, the real positive thing about it is that the difference in Republicans and Democrats was actually quite small. So for example we showed people a distribution of wealth in Sweden, a distribution of wealth in the U.S. We didn't tell them this was Sweden, this was the U.S. but we showed them two distributions and we asked where would you live under the constraint that you would be allocated to a random place? Ninety two percent of American's prefer Sweden. How much of them, if you just look at Democrats it's 93%. If you only look at Republicans it's 90 and a half percent. So the reality is that the Democrats and Republicans, when you dig deep down, when there are no labels, we don't talk death tax and we don't think about big government and small government and labels that kind of obfuscate the discussion and we just talk about what do we believe as human beings, a just society that you would want to be part of it? We're actually quite similar. So you can look at that as optimistic or pessimistic. The optimism is that we're really quite similar. The gaps I think are made to look bigger than they really are. The sad thing is how successful politicians are in creating a fictitious gaps and obfuscating the real problems by just making us kind of follow a words and titles and slogans rather than think deeply about the problem.

>>So if you cut through the rhetoric and the can't, we really want a more social democratic society.

>>That's right

>>In other words, basically in our heart of hearts, when we get to the border, we're ready in our hearts and our minds to cross the priest bridge into Canada, [laughter] bottom line

>>Yeah, the bottom line is if we didn't call it the U.S. and we didn't call it Canada and we didn't have all these names and you said which society would you really want to belong to? Where would you really feel more comfortable and feel that this is something you want to be part of, we would do that. Now there is an element that we're just starting to look at now which is you know in the U.S. there's this big belief in social mobility. People believe that you can get born in one social status and you can dramatically change your social status all the time. The reality is it's really hard to do in the U.S. and there's really low social mobility. But social mobility is one of those things that is creating people's willingness to have a bigger income disparity because all of a sudden they say if you're stuck in a low income and you don't have much money, it's kind of your fault because you had the potential and principal to change your fate. So this illusion of social mobility or the illusion of the extent of social mobility in the states is also helping the phenomena. It makes people willing to have even more disparity than they would otherwise.

>>All of which, of course, would be more true if everybody had access to a good education and a change to get hired at a nice job after completing that education, which of course is great if you're living in 1966 but not now.

>>That's right so education is kind of the biggest barrier for social equality, for social mobility from that perspective. And somebody who grow in a poor city and goes to a poor school, even a poor elementary school, basically have almost no odds of making it out of that situation in this economy.

>>And this has changed for the worse but do a lot of people still think that socially we're living in 1966 which was a more mobile time?

>>I don't know if people make directly this comparison but I think people dramatically underestimate social mobility. People think that they can do it. You know it turns out for example that when you ask what kind of punishment people deserve for different behaviors, the moment something is dependent on you, people think you deserve the biggest crumb. And if something depends on something else, people give you latitude. So there's this tremendous belief that the moment somebody's in control, it's their fault and their responsibility. So if we keep this idea of social mobility, you can't blame me, right? If you are stuck in your particular situation then it's your fault. You can't ask for more. And American's in general believe in a very high social mobility. They opera is not over until the fat lady sing kind of.

>>But are we kidding ourselves?

>>Oh yeah, of course

>>Are we still living as if we're in a time long ago when perhaps America was a more open society, right after World War II?

>>So we are not as open but remember that we have all these stories about kids who all the sudden became millionaires with all kind of start ups. So there is this tremendous mobility between the rich and the very rich, right, it happens. So if you go to MIT or Harvard and you start something like Facebook, right, there's a good chance you will move dramatically in life and I think those stories help people think that there is more mobility than there really is because the real mobility we care about is not between they have a lot and have really, really a lot. It's between the people who don't have as much and have a little bit more. And that mobility doesn't seem to be going anywhere positive.

>>263 WXXI, 263-9994, Jane's on the line. Hi Jane, you're on the air

>>Oh hi, Bob, I love this topic. There's one thing that I've noticed that's dropped out of what we say from the 80's. You used to hear all the time the work ethic, the work ethic. If you just had the work ethic, and that would, you know, your fantasies would be fulfilled and there was a lot of belief in that. And now I have even heard people, not recently but I have heard people say well you're not entitled to a job. It's as though the work ethic is not respected anymore. But you know you were saying about the Republicans and the Democrats being more similar but I wonder if the party leadership is different in the different parties? They have different, Republicans have different pressures, at least some different pressures inside the Democrats. Because we do, you know the masses, we do pressure the Democrats to behave, in my opinion, a little bit better, be a little bit more egalitarian. And certainly the green party is different but are you saying that the party centers themselves are more similar or are you talking about the people, the masses, all of us out here who are being manipulated?

>>In other words those of us who simply sign up for a political party when we send in our voter registration cards.

>>Right, is there really a difference because you know I do believe, until someone convinces me otherwise, I've heard and I believe that the Republicans will never stand up to big business. Now it may be also true that the Democrats have become more like that but I've just always felt that there was definitely a difference. That the Republicans were more focused on an aristocracy, an economic aristocracy but anyway, I'll hang up

>>Okay or else there are those of us who believe if you want to really understand public policy, follow the money but that's another story entirely.

>>Yeah so you know our study was about people, not politicians. So I can tell you from the data is that this is about individuals who are voters and not about politicians. But my little experience with Washington tells me that even politicians are not as different as they think they are. A couple of weeks ago I had a public debate with the guy who runs the Ayn Rand Institute, you know so this is a highly conservative, it's very hard to imagine a more conservative institute. And you know he was talking about how money, money, money, how money is the only thing that drives people and only thing was [inaudible]. And of course the irony was he's leading a non for profit organization himself seems to not doing something for ideology and not so much for money. It was very hard to convince him of anything. I clearly have not been able to move his opinions an inch. But if you said outside of this ideology and kind of the individual, big government payment motivation, I think we do have, even me and him, which we're very different, I think we're more similar than we would have agreed. And if we had a way to talk without politics and labels we would have agreed about where we actually want to live and how we want the society to look like, not perfectly but agree more than we would think we would.

>>263 WXXI, 263-9994. I'm Bob Smith. That's how you join 1370 Connection here on WXXI and 1370. We're talking this hour with Dan Ariely who is the author of bestsellers including Predictably Irrational and the Upside of Irrationality and we're talking with you as well. Sue is on the line right now. Hi, Sue, you're on the air.

>>Hi, regarding the people, as you say you're addressing the upper mobility, I would say there are the lost and the losers, those who had the opportunity to do very well and even to give back and I would consider those the losers and then the lost who really never had the opportunity. But as far as the appetite is concerned, and this is absolutely the most fascinating subject. You are a wonderful guest and a great show, Bob. My dad weighed 160 pounds all his life. He ate very slowly and once he finished a normal size meal with meat, vegetables, potatoes, spaghetti, meatballs, you know whatever, you couldn't get him to eat another bite. And I wish I had that. I didn't inherit that.

>>Even if it was a creme broulee, you couldn't get him to eat another bite?

>>Pardon? No I'm told

>>Well I think we know you're weakness, Dan

>>Yeah, yeah, yeah

>>It's apple pie and butter pecan ice cream for me so there you go

>>No he would have had his dessert, I mean that would be it but you could not get him to eat another bite. He just said he was Italian. He said basta, you know I'm full enough, stop you know and that was it.

>>Yes so that's very admirable and very hard to do. And a bit part of it is

>>It wasn't difficult for him

>>Yeah so let me tell you about this really interesting study that has to do with habits. So imagine if you take people and they come to the theatre and you give them popcorn. And you give them either good popcorn that was just made or you give them a popcorn that was made 10 days ago. It's kind of stale and unpleasant. What happens? People who regularly eat popcorn in theatre who have this habit, eat the whole popcorn. It's good. It's bad. It doesn't matter

>>Yes

>>They eat the whole thing. People who don't eat popcorn regularly and it's not a habit for them, eat the popcorn when it's good and don't eat anything when it's bad. And that's about the role of habit. Brian's book, as I mentioned earlier, is called Mindless Eating, with the idea that people just don't think very deeply about eating. And it's not about decision, every time you say oh this bite, how much will it add to my hip line or something like that. It's about what is the habits that we're developing and we're following? And I think you're father basically develop a good habit early on and then were able to sustain it for very long time. But it's a question of being able to develop these habits and that's the difficult thing. But once we do it, then they can sustain us.

>>I think being aware of his satiation. He just always amazed me and I wish I could do it. [laughter] Thank you

>>Hey thanks very much. Lord, I wish I could

>>One more thing about eating, think about something like stopping smoking for example. When you stop smoking it's like the rule, you just don't eat. And that's not easy by itself but it's relatively easy. The problem with food is you can't say I'm not eating. You can't create a rule like this that says no. And every time we create rules that says pass and don't pass, those things are easiest for us to maintain. Think about alcoholic anonymous. You don't drink any drink. Because what would happen if the rule was you can only drink half a glass? You would get a big glass. You would say this is not exactly half. I drink it water. Every time we don't have a rule that is very clear we can basically fool ourselves.

>>This gallon pitcher of water, you would fill it up half way and say hey that's a glass. [laughter]

>>So one device for dieting is to create rules that we know when we're passing and not passing. So if you say I'm only going to eat dessert, let's say twice a week. On Monday you say oh today is the day I'm eating it. And then on Wednesday you say hey you know what? I'll borrow this from next week. You can fool yourself. But if you make a rule that says I only eat dessert on the weekend,

all of a sudden you have much less latitude to pass it. So one approach is to create these very simple rules as we promise to ourselves that we'll never break and they actually make life simpler. We don't have to consider all the options. It's a habit. And then it can be self sustaining.

>>263 WXXI, we have Kelli on the line. Hi Kelli, you're on the air.

>>Hi Bob, I wanted to go back to a few minutes ago when you were talking about the notion of meritocracy and upward mobility and I just, you had mentioned you know it's not anything like what we used to have back in the 60's or back after World War II and I just wanted to you know point out that what we had back there wasn't magic, wasn't a magical time. There were actual government handouts. There was the GI Bill. There were very specific government programs that helped with the upward mobility of the middle class at that time. There was also very specific red lining that was done that specifically kept minorities, particularly African American's and Latino's at the time, from taking advantage of some of the government services that were happening so what we see as this nostalgic back in the day when it was so much easier to become upwardly mobile, really wasn't that at all. It was government programs that supported people to do that with very specific rules and policies and procedures in place that actually kept others from not achieving. And so we have inner cities and less mobility in some of our communities for very specific reasons that are historical, purposeful things that were done, not just because we're in a different time now than we were back in the magical you know 40's and 50's so it's really important for people to understand, you know, the way in which economics and government programs and things like that work.

>>And now does it seem like even more people are left out?

>>Well of course because it's created a legacy at this point of people not having the mobility. You know the folks who moved into [inaudible] in Long Island did so at a time when the government supported their service and now they own homes that are worth, you know, a million dollars. There were very specific programs that kept black and Latinos from owning homes in those towns so now they own you know homes that are worth \$20 thousand. We have to uncover the fact that no we really don't live in meritocratic times where people just pull themselves up by their own boot straps

>>We never did

>>We never did, exactly, that's the exact point. Thanks Bob.

>>Okay fair enough, one thing that's interesting though out of all of this even looking

>>What do you mean one thing? You should say many things are interesting.

>>Right [laughter] but I want to point out right now when you add all this together, including our nostalgic vision of the past, our look at the present and future, which looks pretty stark, and to many people bleak, are we nevertheless going to wind up electing people, regardless of people, electing people, and they exist in both parties, who might do things we don't want and then wonder afterwards why we're dissatisfied at the people we elected when they went ahead and did what we didn't want and they never said they wouldn't.

>>So you know I don't think there's a way for us to be happy with politicians. I mean that's just not going to happen. Washington is an interesting place that creates social pressures that are really quite tremendous so you should go back to the last congressional elections, the first law that was passed after the last Congress was elected, was about how they're going to spend some of their discretionary money, I forgot the name of the, PAC money I think it was called. There was some regulation that basically said they can have all this discretionary money and they can spend it to help people who don't have that much money for election. Anyway they put tremendous regulation on this money. And three weeks later the story broke that they were using it just the way they did before. Prostitution, not prostitution, strip clubs, parties, cocktails, all kinds of things like that and the question is, how could it be that the people who just passed this law, few weeks later forget about it? And the secret and the very simple secret is social norms. People in Washington meet only people in Washington, whether they're Republicans or Democrats, it doesn't matter so much. And very quickly they get used to what is the evolving social norm. I'll give you one example from the experiment we did on cheating. So we got, we give people these tests in which they have a sheet of paper and we give them questions to solve and they get paid by how many questions they solve. But we give them a chance to shred their piece of paper so they don't think we know how many questions they solve and to tell us how many they solve so you have a chance to cheat. It turns out people solved four of those problems but they declare they solve six. Now in one of the experiments we got somebody to stand up and cheat in an egregious way. What happens afterwards? People start following him. There's a new evolving social norm of what's okay to cheat. People just start to cheat more. And that's basically what happened in Washington. What is okay, how is it okay to deal with the lobbyist? How is it okay to deal with lots of public funds? What is okay and not okay? Can you go to a basketball game if a lobbyist is there? What about dinner? What about if they buy you a car? What is okay, not okay? In those social norm shift over time and they shift quit quickly as you see people around you behaving in the same way. So that I think is what happened in Washington. If you think about our people in Washington really rooted in what's real life in the rest of America, the answer is basically no. They know each other, they're influenced by each other, they create these social norms that are self sustaining in their community and I think it has lots of devastating consequences. I will say one last thing which is we talked about conflict of interest, conflict of interest is an incredibly deep thing. If I do a favor to you, I give you a pen, I give you a compliment, by the way Bob, did I tell you how beautiful your tie is? [laughter] The moment I say that you have some kind of social obligation toward me, even if you don't think about it. We're inherently social animals and when somebody does something nice to us, we feel like doing something nice back to them. And because of this, lobbyists have huge control over the environment in Washington. So you take the lobbyists, the social favor, reciprocity and the evolving social norm and we're creating a society that is a ruling society that is decashed [phonetic] and very different from the rest of us and therefore I don't think we can ever really be happy with it.

>>263 WXXI, 263-9994, got Pat on the line. Hi Pat, you're on the air.

>>Yes, hi Bob, how are you?

>>Doing well

>>Listen, I was one of the fortunate people in the audience last night. It was a great presentation and actually a lot of people didn't leave so the professor went on for an hour and a half I believe. [laughter] But anyway I have a totally irrational position. My thought politically is that we should really hope that the Republicans, and as the professor said last night, the rabid Republicans, win this election because two years of them I think will convince people that we really need to change the way we hold our political parties responsible in this country. So I wondered is that something that is so irrational that it might be a rational thing to think? I'll take your comments off the air.

>>So I think that's it. Thank you for coming last night. It was a really fun audience and it was nice that people didn't want it to end so quickly. I think that the problem that I have with this idea is that people are rarely convinced by the facts, right and we see it over and over. For example I have this project in which we try to check what the effect of really big bonuses. What happens when you pay people really big bonuses like five months of your salary on the line? And we showed that as the bonus increase, performance actually goes down because people get stressed about it, they can't think about it. They think only about the bonus. They don't think about work and performance goes down. I've been going from bank to bank to bank for the last few years trying to convince them that the big bonuses that they're paying are really not that helpful and they're not actually creating the right incentives. You know what? It's impossible to convince these guys because they're just not influenced by the facts.

>>Of course not. You're talking to people who would like to have license to give themselves big bonuses. They're not gonna take that away from themselves.

>>That's right. And I think the same thing about the Republicans and Democrats. I think we are so interlocked. I used to have an assistant when I was at MIT, who was really badly paid and was a very strong Republican and when the Bush tax cuts came to being debated, this was a tax cut that was going to be really terrible for her. And nevertheless she was not able to see that. She was not able. I mean I showed her the numbers. We talked about it. She was just not able to see. She was so ingrained in her opinion that she was just not able to do anything. So I like the idea let's show people what's the alternative reality but sadly, because it's going to be sequential, I mean if we could have two Americans running in parallel, one in the Republican administration, one in the Democrat and see what happens five years down the road. Maybe we could have done that but being happened sequentially with not a good count of factual of how things could have been, I think it's not going to convince many people.

>>It will be interesting to see, I guess we're going to have a large experiment in how we do behave and how we do make decisions, coming up just a few weeks from now. We don't know what the results are gonna be yet. We'll let you know in time. Our thanks to Dan Ariely who is the author of bestselling books [background music] including Predictably Irrational and the Upside of Irrationality, for sharing this hour with us, here on 1370 Connection, WXXI AM and FM HD2 Rochester. I'm Bob Smith. Stay with us. There is more to come on 1370 Connection after the news. We'll see you then.

[Music]

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