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# The Unexamined Society

By DAVID BROOKS

Over the past 50 years, we've seen a number of gigantic policies produce disappointing results — policies to reduce poverty, homelessness, dropout rates, single-parenting and drug addiction. Many of these policies failed because they were based on an overly simplistic view of human nature. They assumed that people responded in straightforward ways to incentives. Often, they assumed that money could cure behavior problems.

Fortunately, today we are in the middle of a golden age of behavioral research. Thousands of researchers are studying the way actual behavior differs from the way we assume people behave. They are coming up with more accurate theories of who we are, and scores of real-world applications. Here's one simple example:

When you renew your driver's license, you have a chance to enroll in an organ donation program. In countries like Germany and the U.S., you have to check a box if you want to opt in. Roughly 14 percent of people do. But behavioral scientists have discovered that how you set the defaults is really important. So in other countries, like Poland or France, you have to check a box if you want to opt out. In these countries, more than 90 percent of people participate.

This is a gigantic behavior difference cued by one tiny and costless change in procedure.

Yet in the middle of this golden age of behavioral research, there is a bill working through Congress that would eliminate the National Science Foundation's Directorate for Social, Behavioral and Economic Sciences. This is exactly how budgets should not be balanced — by cutting cheap things that produce enormous future benefits.

Let's say you want to reduce poverty. We have two traditional understandings of poverty. The first presumes people are rational. They are pursuing their goals effectively and don't need much help in changing their behavior. The second presumes that the poor are afflicted by cultural or psychological dysfunctions that sometimes lead them to behave in shortsighted ways. Neither of these theories has produced much in the way of effective policies.

Eldar Shafir of Princeton and Sendhil Mullainathan of Harvard have recently, with federal help, been exploring a third theory, that scarcity produces its own cognitive traits.

A quick question: What is the starting taxi fare in your city? If you are like most upper-middle-class people,

you don't know. If you are like many struggling people, you do know. Poorer people have to think hard about a million things that affluent people don't. They have to make complicated trade-offs when buying a carton of milk: If I buy milk, I can't afford orange juice. They have to decide which utility not to pay.

These questions impose enormous cognitive demands. The brain has limited capacities. If you increase demands on one sort of question, it performs less well on other sorts of questions.

Shafir and Mullainathan gave batteries of tests to Indian sugar farmers. After they sell their harvest, they live in relative prosperity. During this season, the farmers do well on the I.Q. and other tests. But before the harvest, they live amid scarcity and have to think hard about a thousand daily decisions. During these seasons, these same farmers do much worse on the tests. They appear to have lower I.Q.'s. They have more trouble controlling their attention. They are more shortsighted. Scarcity creates its own psychology.

Princeton students don't usually face extreme financial scarcity, but they do face time scarcity. In one game, they had to answer questions in a series of timed rounds, but they could borrow time from future rounds. When they were scrambling amid time scarcity, they were quick to borrow time, and they were nearly oblivious to the usurious interest rates the game organizers were charging. These brilliant Princeton kids were rushing to the equivalent of payday lenders, to their own long-term detriment.

Shafir and Mullainathan have a book coming out next year, exploring how scarcity — whether of time, money or calories (while dieting) — affects your psychology. They are also studying how poor people's self-perceptions shape behavior. Many people don't sign up for the welfare benefits because they are intimidated by the forms. Shafir and Mullainathan asked some people at a Trenton soup kitchen to relive a moment when they felt competent and others to recount a neutral experience. Nearly half of the self-affirming group picked up an available benefits package afterward. Only 16 percent of the neutral group did.

People are complicated. We each have multiple selves, which emerge or don't depending on context. If we're going to address problems, we need to understand the contexts and how these tendencies emerge or don't emerge. We need to design policies around that knowledge. Cutting off financing for this sort of research now is like cutting off navigation financing just as Christopher Columbus hit the shoreline of the New World.