

Column: The Long-Term Effects of Short-Term Emotions

by Dan Ariely

The heat of the moment is a powerful, dangerous thing. We all know this. If we're happy, we may be overly generous. Maybe we leave a big tip, or buy a boat. If we're irritated, we may snap. Maybe we rifle off that nasty e-mail to the boss, or punch someone. And for that fleeting second, we feel great. But the regret—and the consequences of that decision—may last years, a whole career, or even a lifetime.

At least the regret will serve us well, right? Lesson learned—maybe.

Maybe not. My friend Eduardo Andrade and I wondered if emotions could influence how people make decisions even after the heat or anxiety or exhilaration wears off. We suspected they could. As research going back to Festinger's cognitive dissonance theory suggests, the problem with emotional decisions is that our actions loom larger than the conditions under which the decisions were made. When we confront a situation, our mind looks for a precedent among past actions without regard to whether a decision was made in emotional or unemotional circumstances. Which means we end up repeating our mistakes, even after we've cooled off.

I said that Eduardo and I wondered if past emotions influence future actions, but, really, we worried about it. If we were right, and recklessly poor emotional decisions guide later "rational" moments, well, then, we're not terribly sophisticated decision makers, are we?

To test the idea, we needed to observe some emotional decisions. So we annoyed some people, by showing them a five-minute clip from the movie *Life as a House*, in which an arrogant boss fires an architect who proceeds to smash the firm's models. We made other subjects happy, by showing them—what else?—a clip from the TV show *Friends*. (Eduardo's previous research had established the emotional effects of these clips).

Right after that, we had them play a classic economics game known as the ultimatum game, in which a "sender" (in this case, Eduardo and I) has \$20 and offers a "receiver" (the movie watcher) a portion of the money. Some offers are fair (an even split) and some are unfair (you get \$5, we get \$15). The receiver can either accept or reject the offer. If he rejects it, both sides get nothing.

Traditional economics predicts that people—as rational beings—will accept any offer of money rather than reject an offer and get zero. But behavioral economics shows that people often prefer to lose money in order to punish a person making an unfair offer.

Our findings (published in *Organizational Behavior and Human Decision Processes*) followed suit, and, interestingly, the effect was amplified among our irritated subjects. *Life as a House* watchers rejected far more offers than *Friends* watchers, even though the content of the movie had nothing to do with the offer. Just as a fight at home may sour your mood, increasing the chances that you'll send a snippy e-mail, being subjected to an annoying movie leads people to reject unfair offers more frequently even though the offer wasn't the cause of their mood.

Next came the important part. We waited. And when the emotions evoked by the movie were no longer a factor, we had the participants play the game again. Our fears were confirmed. Those who had been annoyed the first time they played the game rejected far more offers this time as well. They were tapping the memory of the decisions they had made earlier, when they were responding under the influence of feeling annoyed. In other words, the tendency to reject offers

remained heightened among our Life as a House group—compared with control groups—even when they were no longer irritated.

So now I'm thinking of the manager whose personal portfolio loses 10% of its value in a week (entirely plausible these days). He's frustrated, angry, nervous—and all the while, he's making decisions about the day-to-day operations of his group. If he's forced to attend to those issues right after he looks at his portfolio, he's liable to make poor decisions, colored by his inner turmoil. Worse, though, those poor decisions become part of the blueprint for his future decisions—part of what his brain considers “the way to act.”

That makes those strategies for making decisions in the heat of the moment even more important: Take a deep breath. Count backward from 10 (or 10,000). Wait until you've cooled off. Sleep on it.

If you don't, you may regret it. Many times over.