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OP-ED CONTRIBUTOR

Nation of Second Guesses

By **BARRY SCHWARTZ**

PHILADELPHIA — In his State of the Union address on Tuesday, President Bush elaborated on a theme that is near to his heart: the virtues of personal choice.

"Younger workers should have the opportunity to build a nest egg by saving part of their Social Security taxes in a personal retirement account," the president said. "We should make the Social Security system a source of ownership for the American people." Mr. Bush also made clear that "any attempt to limit the choices of our seniors, or to take away their prescription drug coverage under Medicare, will meet my veto."

The value of choice has been a consistent theme for the president and his administration. Problems in education, health care and a host of other issues, Mr. Bush has repeatedly argued, can be addressed in large measure by expanding the options available to people.

The president's underlying logic is straightforward. If you believe that individuals are the best judges of their own welfare, giving them choices does more to enhance collective welfare than any universally imposed government program could. It is assumed that whatever else may be accomplished by the privatization of Social Security, the privatization of health insurance for the elderly and school choice for America's children, these policies have the benefit of allowing individuals to pursue their welfare as they see fit. After all, adding options can't make anyone worse off — and it will probably make some people better off.

Though this logic may seem compelling, there is growing evidence that the emotional logic (the psycho-logic) is deeply flawed. Indeed, for many people, increased choice can lead to a decrease in satisfaction. Too many options can result in paralysis, not liberation. Here is some of the evidence:

- Sheena Iyengar and Mark Lepper, psychologists at Columbia and Stanford respectively, have shown that as the number of flavors of jam or varieties of chocolate available to shoppers is increased, the likelihood that they will leave the store without buying either jam or chocolate goes up. According to their 2000 study, Ms. Iyengar and Mr. Lepper found that shoppers are 10 times more likely to buy jam when six varieties are on display as when 24 are on the shelf.
- In a study that Ms. Iyengar, Rachel Elwork of Columbia and I are working on, we found that as the number of job possibilities available to college graduates goes up, applicants' satisfaction with the job search process goes down. This is particularly true for job seekers whose aim is to get the "best possible" job — while people in this group receive more and better job offers than those who are aiming for "good enough" jobs, they also tend to be less satisfied with their career decisions than their less demanding counterparts. They are also more anxious, pessimistic, disappointed, frustrated and

depressed.

- In another study under way, Ms. Iyengar found that as the number of mutual funds in a 401(k) plan offered to employees goes up, the likelihood that they will choose a fund — any fund — goes down. For every 10 funds added to the array of options, the rate of participation drops 2 percent. And for those who do invest, added fund options increase the chances that employees will invest in ultraconservative money-market funds.
- Carl Schneider, a law professor at the University of Michigan who specializes in medical ethics, has reported that patient satisfaction goes down when the choice of pharmaceutical and medical treatment goes up.

One illustration of the mismatch between how choice appears in theory and how it feels in daily life comes from a 1992 study by Lesley F. Degner and Jeffrey A. Sloan in *The Journal of Clinical Epidemiology*. People were asked if they would want to be in charge of their treatment plan if they had cancer. For those who had never had cancer, 65 percent answered "yes." For those who had already had cancer, only 12 percent said that they would want to oversee their own treatment.

In cases like these, increased choice often enables people to improve their lives by some objective measure — quality of jam, rate of return on investment, suitability of a job to one's ultimate career objectives, and so on. But it also makes people feel worse.

So the question we should be thinking about is this: do we care about objective results or subjective results when we're out to improve the general well-being? I think that once people's standard of living is above subsistence levels, it is usually the subjective quality of the experience that really matters. And increased choice does not seem to improve the subjective quality of experience. Perhaps the surfeit of choice in the United States, unprecedented in human existence, is related to something the *Journal of the American Medical Association* reported in 2003: that there has been a threefold increase in clinical depression among Americans over the last 25 years.

My colleagues and I have identified many different reasons increased choice can have these paradoxical effects. For starters, increased choice creates an enormous burden on people to seek the information needed to make a good decision. Who has the time to find the best digital camera, the best cellphone plan, the best 401(k), the best health insurance or the best school for his children?

What's more, plentiful choice increases the chances that people will regret the decisions they make, because of all the bypassed alternatives, many of which might have been better. Choice also increases the sense people have of missed opportunities with respect to all the options they have forgone.

Similarly, an abundance of options raises people's expectations about how good the option they have chosen will be. In this regard, the objective quality of the choice gets lost as it is compared with high expectations generated by the host of rejected alternatives.

Finally, increased choice forces people to take personal responsibility for all choices that turn out to be less than perfect. With so many options available, there is no excuse for anything less than perfection, and when less than perfection is what you end up getting, the fault must be yours.

While a life without any freedom of choice would not be worth living, it appears not to be true that more choice inevitably leads to more freedom and greater happiness. Indeed, there may be a point when choice tyrannizes people more than it liberates them. The implication of this news, both for individuals

and for government officials, is that sound social policy simply cannot consist of throwing an ever-greater menu of options at the American people.

Barry Schwartz, professor of psychology at Swarthmore College, is author of "The Paradox of Choice: Why More Is Less."

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