

# Cato's Letter

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## The Psychology of Pessimism

STEVEN PINKER

Why are people so pessimistic about the present? My own interest in this topic began when I became aware of historical data on violence and compared them with the conventional wisdom of respondents in an internet survey. I found that people consistently estimate that the present is more lethal than the past. Modernity has brought us terrible violence, the thinking goes, while the native peoples of the past lived in a state of harmony, one we have departed from to our peril. But the actual data show that our ancestors were far more violent than we are and that violence has been in decline for long stretches of time. In some comparisons, the past was 40 times more violent than the present. Today, we are probably living in the most peaceful time in our species' existence.



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This insight led me to write *The Better Angels of Our Nature: Why Violence Has Declined*. But it was not the end of my encounters with pessimism. After writing a book on war, genocide, rape, torture, and sadism, I thought I would take on some truly controversial issues—namely, split infinitives, dangling participles, prepositions at the end of sentences, and other issues of style and usage in writing. There, too, I found widespread pessimism. When I told people that I was writing a book on why writing is so bad and how we might improve it, the universal reaction was that writing is get-

“Why are people always convinced that the world is going downhill? What is the psychology of pessimism?”

ting worse and that the language is degenerating.

There are a number of popular explanations for this alleged fact: “Google is making us stoopid” (as a famous *Atlantic* cover story put it). Twitter is forcing us to write and think in 140 characters. The digital age has produced “the dumbest generation.” When people offer these explanations to me, I ask them to stop and think. If this is really true, it

implies that it must have been better before the digital age. And of course those of you who are old enough remember the 1980s will recall that it was an age when teenagers spoke in articulate paragraphs, bureaucrats wrote in plain English, and every academic article was a masterpiece in the art of the essay. (Or was it the 1970s?)

Above and beyond the psychology of violence and the psychology of language, these findings point toward an interesting question for a psychologist such as myself. Why are people always convinced that the world is going downhill? What is the psychology of pessimism? I’m going to suggest that it’s a combination of several elements of human psychology interacting with the nature of news. Let’s start with the psychology.

There are a number of emotional biases toward pessimism that have been well documented by psychologists and have been summarized by the slogan “Bad is stronger than good.” This is the title of a review article by the psychologist Roy Baumeister in which he reviewed a wide variety of evidence that people are more sensitive to bad things than to good things. If you lose \$10, that makes you feel a lot worse than the amount by which you feel better if you gain \$10. That is, losses are felt more keenly than gains—as Jimmy Connors once put it, “I hate to lose more than I like to win.” Bad events leave longer traces in mood and memory than good ones. Criticism

hurts more than praise encourages. Bad information is processed more attentively than good information. This is the tip of an iceberg of laboratory phenomena showing the bad outweighs the good.

But *why* is bad stronger than good? I suspect that there is a profound reason, ultimately related to the second law of thermodynamics, namely that entropy, or disorder, never decreases. By definition, there are more ways in which the state of the world can be disordered than ordered—or, in the more vernacular version, “Shit happens.” Here’s a question once posed to me by my late colleague Amos Tversky, a cognitive psychologist at Stanford University. As you leave this conference, how many really good things could happen to you today? Let your imagination run wild. And now: How many really *bad* things could happen to you today? I think you’ll agree that the second list is longer than the first. As another thought experiment, think about how much better you could feel than you’re feeling right now. Now consider how much *worse* you could feel. You don’t even have to do the experiment. Not surprisingly, this has probably left a mark on the psychology of risk perception.

The bad-dominates-good phenomenon is multiplied by a second source of bias, sometimes called the illusion of the good old days. People always pine for a golden age. They’re nostalgic about an era in which life was simpler and more predictable.

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The psychologist Roger Eibach has argued that this is because people confuse changes in themselves with changes in the times. As we get older, certain things inevitably happen to us. We take on more responsibilities, so we have a greater cognitive burden. We become more vigilant about threats, especially as we become parents. We also become more sensitive to more kinds of errors and lapses. This is clear enough in language: as you become more literate, you become more sensitive to the fine points of punctuation and spelling and grammar that went unnoticed when you had a shorter history of attending to the printed word. At the same time, we see our own capacities decline. As we get older, we become stupider in terms of the sheer ability to process and retain information.

There’s a strong tendency to misattribute these changes in ourselves to changes in the world. A number of experimental manipulations bear this out. If you have people try to make some change in their lives—say, to eat less fat—often they become convinced that there are more and more advertisements for fatty foods.

This ties into a third emotional

bias, the psychology of moralization. People compete for moral authority—for who gets to be considered more noble—and critics are seen as more morally engaged than those who are apathetic. This is particularly true of contested ideas in a local community. People identify with moral tribes: what you think is worthy of moralization identifies which group you affiliate with. So the question at hand today—is the world getting bet-



ter or worse?—has become a referendum on *modernity*, on the erosion over the centuries of family, tribe, tradition, and religion as they give way to individualism, cosmopolitanism, reason, and science. Simply put: Your *factual* belief on whether the world is getting better or worse advertises your *moral* beliefs on what kinds of institutions and ideas make us better

or worse off.

Those are three emotional biases toward pessimism. We also have cognitive biases that incline us that way, foremost among them being the “availability heuristic.” This is a feature of the psychology of probability also documented by Tversky, in collaboration with the Nobel Prize-winning economist Daniel Kahneman. Forty years ago, Kahneman and Tversky argued that one of the ways the human brain estimates probability is by using a simple rule of thumb: the more easily you can recall an example of something, the more likely you estimate it to be. The result is that anything that makes an incident more memorable will also make it seem more probable. The quirks of the brain’s ability to retain information will bleed into our estimates of a risk’s likelihood. Events that are more recent, or easier to imagine, or easier to retrieve—anything that forms a picture in the mind’s eye—will be judged to come from more probable categories of events.

Kahneman and Tversky offer a simple example: Which are more common, words that begin with the letter *r* or words that have *r* in the third position. People say that there are more words that begin with *r*, even though it’s the other way around. The reason for this error is that we retrieve words by their onsets, not their third letter. You can ask this of almost any letter in the alphabet and you’ll get the same result, because we can’t call words to mind by any position than the first. We see the availability heuristic in

action all the time. People are more fearful of plane crashes, shark attacks, and terrorist bombings—especially if one just happened recently—than of accidental electrocutions, falls, and drownings. The latter are objectively much riskier, but they tend not to make headlines.

I believe that each of these psychological biases interacts with the nature of news to lead to an aura of pessimism. What is news? News is, by definition, things that happen. It's not things that don't happen. If a high school gets shot up, that's news. If there's another high school that doesn't, you don't see a reporter in front with a camera and a news truck saying, "There hasn't been a rampage shooting in this high school today"—or in the other thousands of high schools at which shootings have not taken place. The news is inherently biased toward violent events because of the simple fact that they are events.

This bias is then multiplied by the programming policy "If it bleeds, it leads." Consuming stories of violence is pleasurable. We pay a substantial amount of our disposable income to watch Shakespearean tragedies, Westerns, mafia flicks, James Bond thrillers, shoot-em-ups, spatter films, pulp fiction, and other narratives in which people get shot, cut, or blown up. It's not surprising that when it comes to attracting eyeballs to news sites, the same kind of mayhem that we pay money to see fictionalized we also pay money to see in reality. This

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is multiplied by the fact that the world now has 1.75 billion smartphones, which means the world now has 1.75 billion news reporters. Gory events that as recently as a decade ago would have been trees falling in the forest with no one to hear them can now be filmed in real time and instantly broadcast on the Internet. All of these features of the news media stoke the availability heuristic. They give us vivid, memorable, recent events, exactly the kind of material that tilts our probability estimates.

In sum, there are many reasons to think that people tend to be more pessimistic about the world than the evidence warrants. I have suggested that this can be attributed to three emotional biases that are baked into our psychology: bad dominates good, the illusion of the good old days, and moralistic competition. These feed into a single cognitive bias—the availability heuristic—which in turn interacts with the nature of news, thereby generating an inclination toward pessimism. ■

# George Selgin



GEORGE SELGIN is a senior fellow at the Cato Institute. He recently retired from the University of Georgia, where he is now professor emeritus of economics, to serve as director of Cato's new Center for Monetary and Financial Alternatives. His research covers a broad range of topics within the field of monetary economics, including monetary history, macroeconomic theory, and the history of monetary thought. Selgin is the author of several books, including *Good Money: Birmingham Button Makers, the Royal Mint, and the Beginnings of Modern Coinage* and *The Theory of Free Banking*, as well as numerous academic and popular articles.

## WHAT IS THE MISSION FOR THE CENTER FOR MONETARY AND FINANCIAL ALTERNATIVES?

For some years I've hoped to start a center devoted to monetary reform, so as to be able to contribute more to the cause than I could just by teaching classes and writing journal articles. At last Cato gave me the opening I needed. People wonder how I could quit a tenured faculty position, but in this case doing so was a no-brainer.

The new Center's mission is, in brief, to make way for substantive monetary and financial reform by giving both the general public and experts a better understanding of market-based monetary reform alternatives. Too often such alternatives are overlooked in favor of others that consist of mere tinkering with fundamentally flawed arrangements or, worse, of placing yet another layer of ill-designed regulations on top of previous, equally faulty layers. Like an old and leaky roof, our flawed system doesn't need patching; it needs to have its bad components stripped away and replaced with sound ones.

## WHAT EXACTLY IS FREE BANKING?

Well, it doesn't just mean that there aren't any fees! It refers to a banking system that's not subject to any special regulations—that is, regulations beyond those required for the enforcement of contracts. A free bank can even issue circulating currency, such as the notes banks issued in past times, or their modern digital

counterparts. Although it may be tempting to assume that free banking must lead to all sorts of problems, both theory and historical experience suggest otherwise. The more you learn about free banking, the more evident it becomes that the true cause of most monetary and banking disorders has more to do with faulty government regulation than with inadequate regulation.

## IS THERE A HISTORICAL EXAMPLE OF A FREE BANKING SYSTEM THAT WORKS?

There are some excellent examples of free banking systems that worked in the past, though no such systems survive today. The best past examples were the Scottish system that flourished roughly from Adam Smith's time until the mid-19th century and the Canadian system of 1867 (the year of Canada's Confederation) until 1914. Although neither system was pristine or pure, both were very free compared to most past and all present banking systems. In particular, they lacked central banks and deposit insurance, while allowing nationwide branch banking. Though scholars may bicker about details today, both were notoriously more stable than the neighboring English and U.S. arrangements. These examples give lie to the conventional wisdom that treats banking systems as being inherently crisis prone, suggesting instead that unregulated banking systems can be stronger and more resilient than more heavily regulated ones have been. ■

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# A Big Thank You to the Cato Legacy Society!

**F**or the past several years, gifts from Legacy Society members have been a significant source of support for the Cato Institute. By significant, I mean more than 10 percent of our total revenue last year. That is a big and important number—so thank you.

Gifts from Legacy Society members come in many forms, and all are welcome. Most frequently a gift of cash is made under a will. Sometimes Cato is designated the beneficiary of a retirement account. And occasionally, distributions from more complex vehicles, such as foundations or charitable remainder trusts, are involved.

Just as Legacy Society gifts come in a broad array, so too do the individuals who make up our Society. Over the past few years we have received gifts from a family medical doctor, a hedge fund manager, a professor, a successful businessman, a gun collector, an economist, a federal agent, a housewife, and many lawyers.

So I would ask you to think about this important “legacy” way of giving to Cato. It can be a wonderful way of making a gift that will endure long past your lifetime.

If you are interested in leaving a legacy of freedom, it is simple and straightforward to sign up for the Legacy Society—just send me an email indicating that Cato is part of your long-term plans and that you would like to be a Legacy Society member. You do not need to send me the details of your plans, nor do you



need to send me a copy of your will or other planning document. Of course, you are free to do so if you wish. We welcome, but do not require, any detailed information that you choose to disclose.

As a small thank you for their important commitment to Cato, each January Legacy Society members receive a Cato book, CD, or DVD. And, even if they are not making an annual contribution at the \$5,000 or above level, Society members are invited to attend our annual Benefactor Summit—held each February in some warm place! It is a wonderful opportunity to spend time with the Institute’s scholars and other Cato Sponsors.

Thank you again for your enduring support of Cato! ■

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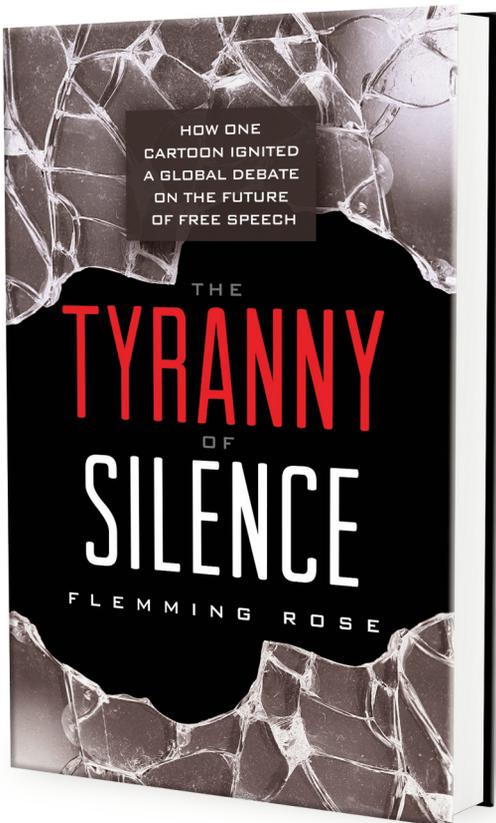
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—JONATHAN RAUCH

Author of *Kindly Inquisitors: The New Attacks on Free Thought*

With the tragedy at the *Charlie Hebdo* offices in Paris, issues of self-censorship in the face of intimidation and the nature of free speech have rapidly moved again to the forefront of public debate. No one knows this debate better than Flemming Rose, the editor at the Danish newspaper *Jyllands-Posten* who in 2005 published cartoons of the prophet Muhammad, inciting a worldwide firestorm. In his new book, *The Tyranny of Silence*, Rose not only recounts that story, but takes a hard look at attempts to limit free speech—offering an extraordinarily authentic perspective that can be fully applied to the free speech debates now raging over a motion picture, threats of violence, and what it means to live in a multireligious, culturally borderless world.

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