Abstract

This paper describes two fundamental modes of thinking. The experiential mode, is intuitive, automatic, natural, and based upon images to which positive and negative affective feelings have been attached through learning and experience. The other mode is analytic, deliberative, and reason based. I describe recent empirical research illuminating “the affect heuristic” wherein people rapidly consult their affective feelings, when making judgments and decisions. This heuristic enables us to be rational actors in many situations. It works beautifully when experience enables us to anticipate accurately how we will like or dislike the consequences of our decisions. However, it fails miserably when the consequences turn out to be much different than we anticipated. In the latter circumstances, the rational actor may well become the rational fool.

Keywords: The affect heuristic; Rational actors; Behavioral economics

1. Introduction

This paper introduces a theoretical framework that describes the importance of affect in guiding judgments and decisions. As used here, “affect” means the specific quality of “goodness” or “badness” (i) experienced as a feeling state (with or without consciousness) and (ii) demarcating a positive or negative quality of a stimulus. Affective responses occur rapidly and automatically—note how quickly you sense the feelings associated with the stimulus word.
“treasure” or the word “hate.” I shall argue that reliance on such feelings can be characterized as “the affect heuristic.” I will attempt to trace briefly the development of the affect heuristic across a variety of research paths followed by my colleagues and many others. I shall also discuss some of the important practical implications resulting from ways that this heuristic impacts our daily lives.

2. Background

Research in cognitive and social psychology and in cognitive neuroscience informs us that there are two basic modes of thinking: experiential and analytic. One of a growing number of "dual process" theorists, Seymour Epstein (1994), has observed:

There is no dearth of evidence in every day life that people apprehend reality in two fundamentally different ways, one variously labeled intuitive, automatic, natural, non-verbal, narrative, and experiential, and the other analytical, deliberative, verbal, and rational. (p. 710)

Table 1, adapted from Epstein, further compares these modes of thought. One of the main characteristics of the experiential system is its affective basis. Although analysis is certainly important in some decision-making circumstances, reliance on affect and emotion is a quicker, easier, and more efficient way to navigate in a complex, uncertain, and sometimes dangerous world. Many theorists have given affect a direct and primary role in motivating behavior. Epstein’s (1994) view on this is as follows:

The experiential system is assumed to be intimately associated with the experience of affect, . . . which refer[s] to subtle feelings of which people are often unaware. When a person responds to an emotionally significant event . . . the experiential system automatically searches its memory banks for related events, including their emotional accompaniments . . . If the activated feelings are pleasant, they motivate actions and thoughts anticipated to reproduce the feelings. If the feelings are unpleasant, they motivate actions and thoughts anticipated to avoid the feelings. (p. 716)

<table>
<thead>
<tr>
<th>Experiential system</th>
<th>Analytic system</th>
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<tr>
<td>1. Holistic</td>
<td>1. Analytic</td>
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<tr>
<td>2. Affective: pleasure–pain oriented</td>
<td>2. Logical: reason oriented (what is sensible)</td>
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<td>3. Associationistic connections</td>
<td>3. Logical connections</td>
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<tr>
<td>5. Encodes reality in concrete images, metaphors, and narratives</td>
<td>5. Encodes reality in abstract symbols, words, and numbers</td>
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<td>7. Self-evidently valid: “experiencing is believing”</td>
<td>7. Requires justification via logic and evidence</td>
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Whereas Epstein labeled the right side of Table 1 the “rational system,” I have renamed it the “analytic system,” in recognition that there are strong elements of rationality in both systems. It was the experiential system, after all, that enabled human beings to survive during their long period of evolution. Long before, there was probability theory, risk assessment, and decision analysis, there was intuition, instinct, and gut feeling to tell us whether an animal was safe to approach or the water was safe to drink. As life became more complex and humans gained more control over their environment, analytic tools were invented to “boost” the rationality of our experiential thinking. During the 20th century, analytic thinking was placed on a pedestal and portrayed as the epitome of rationality. Affect and emotions were seen as interfering with reason. Although the concept of utility originated from an affective base (Jeremy Bentham’s hedonic calculus of pleasure and pain—Bentham, 1789/1948), modern economics came to view utility as some dimensionless form of value that would be maximized by anyone obeying a few basic principles of rational choice such as transitivity (von Neumann and Morgenstern, 1947).

The field of Behavioral Decision Theory, originating in the mid-20th century, followed the lead of economics, focusing predominantly on highly analytic concepts and drawing heavily from probability theory and statistics (Edwards, 1954, 1961). Attempts to derive more psychological models of information processing still were analytical, rather than affective. When principles of utility maximization appeared to be descriptively inadequate, Simon (1956) oriented the field toward problem solving and information-processing models based upon bounded rationality. The work of Tversky and Kahneman (1974) and Kahneman et al. (1982) demonstrated how boundedly rational individuals employ heuristics such as availability, representativeness, and anchoring and adjustment to make judgments and how they use simplified strategies such as “elimination by aspects” to make choices (Tversky, 1972). Other investigators elaborated the analytic strategies underlying judgment and choice through models of constructed preferences (Payne et al., 1993; Slovic, 1995), dominance structuring (Montgomery, 1983), and comparative advantages (Shafir et al., 1989).

Despite this analytic emphasis, the importance of affect is being recognized increasingly by decision researchers. A strong early proponent of the importance of affect in decision making was Zajonc (1980), who argued that affective reactions to stimuli are often the very first reactions, occurring automatically and subsequently guiding information processing and judgment. If Zajonc is correct, then affective reactions may serve as orienting mechanisms, helping us navigate quickly and efficiently through a complex, uncertain, and sometimes dangerous world. Important work on affect and decision making has also been done by Isen (1993), Janis and Mann (1977), Johnson and Tversky (1983), Kahneman and Snell (1990), Kahneman et al. (1998), Loewenstein (1996), Loewenstein et al. (2001), Mellers (2000), Mellers et al. (1997), Rozin et al. (1993), and Wilson et al. (1993).

Students of motivation, learning, memory, and social cognition have long had an interest in affect. Besides the work of Epstein, the work of Mower (1960a, 1960b) on conditioned emotions, Fazio (1995) on the accessibility of affect associated with attitudes, and Schwarz on the role of affect as information Schwarz and Clore (1988) is particularly relevant to the thesis of this paper.

One of the most comprehensive and dramatic theoretical accounts of the role of affect and emotion in decision making was presented by the neurologist, Antonio Damasio (1994).
In seeking to determine “what in the brain allows humans to behave rationally,” Damasio argued that thought is made largely from images, broadly construed to include perceptual and symbolic representations. A lifetime of learning leads these images to become “marked” by positive and negative feelings linked directly or indirectly to somatic or bodily states. When a negative somatic marker is linked to an image of a future outcome, it sounds an alarm. When a positive marker is associated with the outcome image, it becomes a beacon of incentive. Damasio hypothesized that somatic markers increase the accuracy and efficiency of the decision process and their absence, observed in people with certain types of brain damage, degrades decision performance.

We now recognize that the experiential mode of thinking and the analytic mode of thinking are continually active, interacting in what we have characterized as “the dance of affect and reason” (Finucane et al., in press). While we may be able to “do the right thing” without analysis (e.g., dodge a falling object), it is unlikely that we can employ analytic thinking rationally without guidance from affect somewhere along the line. Affect is essential to rational action. As Damasio (1994) observes:

The strategies of human reason probably did not develop, in either evolution or any single individual, without the guiding force of the mechanisms of biological regulation, of which emotion and feeling are notable expressions. Moreover, even after reasoning strategies become established . . . their effective deployment probably depends, to a considerable extent, on a continued ability to experience feelings. (p. xii)

2.1. The affect heuristic

Affective features that become salient in a judgment- or decision-making process depend on characteristics of the individual and the task as well as the interaction between them. Individuals differ in the way they react affectively, and in their tendency to rely upon experiential thinking. Tasks differ regarding the evaluability (relative affective salience) of information. These differences result in the affective qualities of a stimulus image being “mapped” or interpreted in diverse ways. The salient qualities of real or imagined stimuli then evoke images (perceptual and symbolic interpretations) that may be made up of both affective and instrumental dimensions.

The mapping of affective information determines the contribution stimulus images make to an individual’s “affect pool.” All of the images in people’s minds are tagged or marked to varying degrees with affect. The affect pool contains all the positive and negative markers associated (consciously or unconsciously) with the images. The intensity of the markers varies with the images.

People consult or “sense” the affect pool in the process of making judgments. Just as imaginability, memorability, and similarity serve as cues for probability judgments (e.g., the availability and representativeness heuristics), affect may serve as a cue for many important judgments (including probability judgments). Using an overall, readily available affective impression can be easier and more efficient than weighing the pros and cons of various reasons or retrieving relevant examples from memory, especially when the required judgment or decision is complex or mental resources are limited. This characterization of a mental short-cut has led us to label the use of affect a “heuristic” (Finucane et al., 2000).
3. Empirical support for the affect heuristic

Support for the affect heuristic comes from a diverse set of recent empirical studies, only a few of which will be reviewed here.

3.1. Risk and benefit judgments

Whereas risk and benefit tend to be positively correlated in the world, they are negatively correlated in people’s minds (and judgments). A study by Alhakami and Slovic (1994) found that the inverse relationship between perceived risk and perceived benefit of an activity (e.g., using pesticides) was linked to the strength of positive or negative affect associated with that activity. This result implies that people base their judgments of an activity or a technology not only on what they think about it but also on what they feel about it. If they like an activity, they are moved toward judging the risks as low and the benefits as high; if they dislike it, they tend to judge the opposite—high risk and low benefit. Under this model, affect comes prior to, and directs, judgments of risk and benefit, much as Zajonc proposed. This process, which we have called “the affect heuristic” (see Fig. 1), suggests that, if a general affective view guides perceptions of risk and benefit, providing information about benefit should change perception of risk and vice versa (see Fig. 2). For example, information stating that benefit is high for a

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Fig. 1. A model of the affect heuristic explaining the risk/benefit confounding observed by Alhakami and Slovic (1994). Judgments of risk and benefit are assumed to be derived by reference to an overall affective evaluation of the stimulus item. Source: Finucane et al. (2000).

Fig. 2. Model showing how information about benefit (A) or information about risk (B) could increase the global affective evaluation of a technology such as nuclear power and lead to inferences about risk and benefit that are affectively congruent with the information input. Similarly, information could decrease the global affective evaluation as in (C) and (D), resulting in inferences that are opposite to those in (A) and (B). Source: Finucane et al. (2000).
technology such as nuclear power would lead to more positive overall affect which would, in turn, decrease perceived risk (Fig. 2A).

Finucane et al. (2000) conducted this experiment, providing four different kinds of information designed to manipulate affect by increasing or decreasing perceived benefit or by increasing or decreasing perceived risk for each of three technologies. The predictions were confirmed. Because by design there was no apparent logical relationship between the information provided and the nonmanipulated variable, these data support the theory that risk and benefit judgments are influenced, at least in part, by the overall affective evaluation (which was influenced by the information provided). Further support for the affect heuristic came from a second experiment by Finucane et al. finding that the inverse relationship between perceived risks and benefits increased greatly under time pressure, when opportunity for analytic deliberation was reduced. These two experiments are important because they demonstrate that affect influences judgment directly and is not simply a response to a prior analytic evaluation.

3.2. Evaluability

Exciting recent work on affect and information processing has been done by Hsee (1995, 1996a, 1996b, 1998) in studies of evaluability. In one study, Hsee asked subjects to assume they were music majors looking for a music dictionary. In a joint-evaluation condition, participants were shown two dictionaries, A and B (see Table 2), and asked how much they would be willing to pay for each. Willingness-to-pay was far higher for Dictionary B, presumably because of its greater number of entries. However, when one group of participants evaluated only A and another group evaluated only B, the mean willingness to pay was far higher for Dictionary A. Hsee explains this reversal by means of the evaluability principle. He argues that, without a direct comparison, the number of entries is hard to evaluate because the evaluator does not have a precise notion of how good or how bad 10,000 (or 20,000) entries are. However, the defects attribute is an affective variable that translates easily into a precise good/bad response, and thus it carries more weight in the independent evaluation. Most people find a defective dictionary unattractive and a like-new one attractive. Under joint evaluation, the buyer can see that B is far superior on the more important attribute, number of entries; thus number of entries becomes evaluable through the comparison process.

The evaluability principle thus asserts that the weight of a stimulus attribute in an evaluative judgment or choice is proportional to the ease or precision with which the value of that attribute (or a comparison on the attribute across alternatives) can be mapped into an affective impression. In other words, affect bestows meaning on information (recall the work of Osgood et al., 1957) and affective meaning influences our ability to use information in judgment and decision making. Evaluability can thus be seen as an extension of the general relationship

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<th>Table 2</th>
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<td>Year of publication</td>
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<td>Dictionary A</td>
<td>1993</td>
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<tr>
<td>Dictionary B</td>
<td>1993</td>
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between the precision of an impression and its weight in impression formation (Mellers et al., 1992).

Hsee’s work on evaluability is noteworthy because it shows that even very important attributes may not be used by a judge or decision maker unless they can be translated precisely into an affective frame of reference. Hsee finds effects of evaluability even with familiar attributes such as the amount of ice cream in a cup (Hsee, 1998). In Section 3.3, we will demonstrate similar effects with other “thoroughly familiar” concepts such as amounts of money or human lives.

3.3. Proportion dominance

There appears to be one generic information format that is highly evaluable, leading it to carry great weight in many judgment tasks. This is a representation characterizing an attribute as a proportion or percentage of something, or as a probability.

Proportion or probability dominance was evident in an early study by Slovic and Lichtenstein (1968) that had people rate the attractiveness of various two-outcome gambles. Ratings of a gamble’s attractiveness were determined much more strongly by the probabilities of winning and losing than by the monetary outcomes. This basic finding has been replicated many times (see, e.g., Goldstein and Einhorn, 1987 or Ordóñez and Benson, 1997).

Slovic (reported in Slovic et al., 2002) tested the limits of this probability dominance by asking one group of subjects to rate the attractiveness of a simple gamble (7/36, win $9) on a 0–20 scale and asking a second group to rate a similar gamble with a small loss (7/36, win $9; 29/36, lose 5¢) on the same scale. The data were anomalous from the perspective of economic theory, but expected from the perspective of the affect heuristic. The mean response to the first gamble was 9.4. When a loss of 5¢ was added, the mean attractiveness jumped to 14.9 and there was almost no overlap between the distribution of responses around this mean and the responses for the group judging the gamble that had no loss.

Slovic also performed a conjoint analysis where each subject rated 1 of 16 gambles formed by crossing four levels of probability (7/36, 14/36, 21/36, 28/36) with four levels of payoff ($3, 6, 9, 12 in one study and $30, 60, 90, 120 in another). He found that although subjects wanted to weight probability and payoff relatively equally in judging attractiveness (and thought they had done so), the actual weighting was 5–16 times greater for probability than for payoff.

We hypothesize that these curious findings can be explained by reference to Hsee’s evaluability concept and the notion of affective mapping. According to this view, a probability maps relatively precisely onto the attractiveness scale because it has an upper and lower bound and people know where a given value falls within that range. In contrast, the mapping of a dollar outcome (e.g., $9) onto the scale is diffuse, reflecting a failure to know whether $9 is good or bad, attractive or unattractive. Thus, the impression formed by the gamble offering $9 to win with no losing payoff is dominated by the rather unattractive impression produced by the 7/36 probability of winning. However, adding a very small loss to the payoff dimension puts the $9 payoff in perspective, and thus gives it meaning. The combination of a possible $9 gain and a 5¢ loss is a very attractive win/lose ratio, leading to a relatively precise mapping onto the upper part of the scale. Whereas the imprecise mapping of the $9 carries little weight in the averaging process, the more precise and now favorable impression of ($9: −5¢) carries more
weight, thus leading to an increase in the overall favorability of the gamble.

Hsee (1998) also observed a form of proportion dominance. He found that an overfilled ice cream container with 7 oz of ice cream was valued more highly (measured by willingness to pay) than an underfilled container with 8 oz of ice cream (see Fig. 3). This “less is better effect” reversed itself, when the options were juxtaposed and evaluated together. Thus, the proportion of the serving cup that was filled appeared to be more evaluable (in separate judgments) than the absolute amount of ice cream.

Proportion dominance surfaces in a powerful way in a very different context, the life-saving interventions studied by Baron (1997), Fetherstonhaugh et al. (1997), Friedrich et al. (1999), and Jenni and Loewenstein (1997). These studies found that, unless the number of lives saved is explicitly comparable from one intervention to another, evaluation is dominated by the proportion of lives saved (relative to the population at risk), rather than the actual number of lives saved.

The results of our lifesaving study (Fetherstonhaugh et al., 1997) are important because they imply that a specified number of human lives may not carry precise affective meaning, similar to the conclusion we drew about stated payoffs (e.g., $9) in the gambling studies. The gamble studies suggested an analogous experiment with lifesaving. In the context of a decision pertaining to airport safety, my colleagues and I asked people to evaluate the attractiveness of purchasing new equipment for use in the event of a crash landing of an airliner. In one condition, subjects were told that this equipment affords a chance of saving 150 lives that would be in jeopardy in such an event. A second group of subjects were told that this equipment affords a chance of saving 98% of the 150 lives that would be in jeopardy. We predicted that because

Fig. 3. Stimuli in ice cream study by Hsee (1998). Participants were given the sizes of the cups and the amounts of ice cream.

Fig. 4. Saving a percentage of 150 lives received higher support than saving 150 lives (Slovic et al., 2002).
saving 150 lives is diffusely good, hence only weakly evaluable, whereas saving 98% of something is clearly very good, support for purchasing this equipment would be much greater in the 98% condition. We predicted that other high percentages would also lead to greater support, even though the number of lives saved was fewer. The results, reported in Slovic et al. (2002), confirmed these predictions (See Fig. 4).

4. Failures of the experiential system

Throughout this paper, I have portrayed the affect heuristic as the centerpiece of the experiential mode of thinking, the dominant mode of risk assessment and survival during the evolution of the human species. But, like other heuristics that provide efficient and generally adaptive responses but occasionally get us into trouble, reliance on affect can also mislead us. Indeed, if it was always optimal to follow our affective and experiential instincts, there would have been no need for the rational/analytic system of thinking to have evolved and become so prominent in human affairs.

There are two important ways that experiential thinking misguides us. One results from the deliberate manipulation of our affective reactions by those who wish to control our behaviors (advertising and marketing exemplify this manipulation). The other results from the natural limitations of the experiential system and the existence of stimuli in our environment that are simply not amenable to valid affective representation. The latter problem is discussed below.

Judgments and decisions can be faulty not only because their affective components are manipulable, but also because they are subject to inherent biases of the experiential system. For example, the affective system seems designed to sensitize us to small changes in our environment (e.g., the difference between 0 and 1 deaths) at the cost of making us less able to appreciate and respond appropriately to larger changes further away from zero (e.g., the difference between 500 and 600 deaths). Fetherstonhaugh et al. (1997) referred to this insensitivity as “psychophysical numbing.” Albert Szent-Gyorgi put it another way: “I am deeply moved if I see one man suffering and would risk my life for him. Then I talk impersonally about the possible pulverization of our big cities, with a hundred million dead. I am unable to multiply one man’s suffering by a hundred million.”

Similar problems arise when the outcomes that we must evaluate are visceral in nature. Visceral factors include drive states such as hunger, thirst, sexual desire, emotions, pain, and drug craving. They have direct, hedonic impacts that have a powerful effect on behavior. Although they produce strong feelings in the present moment, these feelings are difficult if not impossible to recall or anticipate in a veridical manner, a factor that plays a key role in the phenomenon of addiction (Loewenstein, 1999):

Unlike currently experienced visceral factors, which have a disproportionate impact on behavior, delayed visceral factors tend to be ignored or severely underweighted in decision making. Today’s pain, hunger, anger, etc. are palpable, but the same sensations anticipated in the future receive little weight. (p. 240)
4.1. Choices over time

Just as visceral factors are hard to anticipate and evaluate beyond the present moment, so is time. The experiential mode of thinking is designed to facilitate action in the present. It did not evolve to enable us to cope with the distant future. We might expect, therefore, that it would be difficult to process in a consistent manner the affect associated with outcomes that occur repeatedly over time, change slowly over time, or are remote in time. Indeed a large and important body of research indicates that this is the case (Loewenstein and Elster, 1992). Kahneman and Tversky (2000), for example, find that retrospective evaluations of affective episodes are strongly influenced by the affect experienced at singular moments, notably the moment at which affect was most extreme and the final moment. Such evaluations show little or no sensitivity to duration of affect. Thus, adding an extra period of diminishing discomfort to an unpleasant episode improves its remembered utility by reducing the unpleasantness of its ending (Kahneman, 1994; Schreiber and Kahneman, 2000).

Numerous studies have documented hyperbolic discounting, whereby individuals prefer the larger and later of two prizes when both are distant in time, but prefer the smaller, earlier one when both are near. Ainslie and Haslam (1992) refer to such temporary preferences for poorer, earlier alternatives when they are immediately available as “a paradigm for self defeating behavior.” Such behavior seems to reflect a psychophysical function for time, akin to the functions that apply to our perceptions of brightness, loudness, money, and lives. That is, the 1-day difference between today and tomorrow looms much larger than the difference between 1 year from now and 1 year and a day from now (Gibbon, 1977).

4.2. The decision to smoke cigarettes

Cigarette smoking is a dangerous activity that takes place, one cigarette at a time, often over many years and hundreds of thousands of episodes. The questionable rationality of smoking decisions provides a dramatic example of the difficulty that experiential thinking faces in dealing with outcomes that change very slowly over time, are remote in time, and are visceral in nature.

For many years, beginning smokers were portrayed as “young economists,” rationally weighing the risks of smoking against the benefits when deciding whether to initiate that activity (e.g., Viscusi, 1992). However, recent research paints a different picture. This new account (Slovic, 2001) shows young smokers acting experientially in the sense of giving little or no conscious thought to risks or to the amount of smoking they will be doing. Instead, they are driven by the affective impulses of the moment, enjoying smoking as something new and exciting, a way to have fun with their friends. Even after becoming “regulars,” the great majority of smokers expect to stop soon, regardless of how long they have been smoking, how many cigarettes they currently smoke per day, or how many previous unsuccessful attempts they have experienced. Only a fraction actually quit, despite many attempts. The problem is nicotine addiction, a visceral condition that young smokers recognize by name as a consequence of smoking but do not understand experientially until they are caught in its grip.

The failure of the experiential system to protect many young people from the lure of smoking is nowhere more evident than in the responses to a survey question that asked smokers:
“If you had it to do all over again, would you start smoking?” More than 85% of adult smokers and about 80% of young smokers (ages 14–22) answered “no” (Slovic, 2001). Moreover, the more individuals perceive themselves to be addicted, the more often they have tried to quit, the longer they have been smoking, and the more cigarettes they are currently smoking per day, the more likely they are to answer “no” to this question.

The data indicate that most beginning smokers lack the experience to appreciate how their future selves will perceive the risks from smoking or how they will value the tradeoff between health and the need to smoke. This is a strong repudiation of the model of informed rational choice. It fits well with the findings indicating that smokers give little conscious thought to risk when they begin to smoke. They appear to be lured into the behavior by the prospects of fun and excitement. Most begin to think of risk only after starting to smoke and gaining what to them is new information about health risks.

These findings underscore the distinction that behavioral decision theorists now make between decision utility and experience utility (Kahneman, 1994; Kahneman and Snell, 1992; Loewenstein and Schkade, 1999). Utility predicted or expected at the time of decision often differs greatly from the quality and intensity of the hedonic experience that actually occurs.

5. Conclusion: are we rational actors or rational fools?

I hope that this rather selective and idiosyncratic tour through a multitude of experiments and conjectures has conveyed the sense of excitement many behavioral researchers now feel toward the role of affect in judgment and decision making. The affect heuristic appears at once both wondrous and frightening: wondrous in its speed, and subtlety, and sophistication, and its ability to “lubricate reason”; frightening in its dependency upon context and experience, allowing us to be led astray or manipulated—inadvertently or intentionally—silently and invisibly.

It is sobering to contemplate how elusive meaning is, due to its dependence upon affect. Thus, the forms of meaning that we take for granted and upon which we justify immense effort and expense toward gathering and disseminating “meaningful” information, may be illusory. Thus, for example, we cannot assume that an intelligent person can understand the meaning of and properly act upon even the most basic of numbers such as amounts of money or numbers of human lives, not to mention more esoteric measures or statistics, unless these numbers are infused with affect.

Contemplating the workings of the affect heuristic helps us appreciate Damasio’s (1994) contention that rationality is not only a product of the analytical mind, but of the experiential mind as well. Under the right conditions, the perception and integration of affective feelings, within the experiential system, appears close to the sophisticated maximization process postulated by economic theories since the days of Jeremy Bentham. These feelings form the neural and psychological substrate of utility. In this sense, the affect heuristic enables us to be rational actors in many important situations. But not in all situations. It works beautifully when our experience enables us to anticipate accurately how we will like the consequences of our decisions. It fails miserably when the consequences turn out to be much different in character
than we expected. In the latter circumstances, the rational actor becomes, to borrow the words of Amartya Sen (1977), the rational fool.

References


