

## More Psychology - Why U.S. Drivers Won't Conserve

Posted by baloghblog on May 18, 2006 - 6:59pm in The Oil Drum: Local

Topic: Demand/Consumption

Tags: conservation, fuel prices, psychology [list all tags]

Cross-posted from GG:

Via Detroit Free Press: <u>Fuel prices won't drive US to conserve</u>

I'd take this article with a grain of salt, coming out of the Motor City, but it did have some interesting analyses.

Many factors play into America's reluctance to conserve, but psychologists say two facts of human behavior dominate: We get used to high prices that are reached incrementally. And we're more afraid of losing something than we are motivated by the advantages of giving it up.

Combined with surveys showing that our interest in fuel efficiency rises and falls with gasoline prices instead of being an ever-increasing concern, it's reasonable to say that the United States won't slow its fuel use, at least not for a long time.

There is a tremendous headwind to Americans adjusting their driving habits, much of it built up over the past few decades of suburban to exurban transformation. I do agree with this article that, more importantly, people are just afraid of a lifestyle not built around the automobile. They are afraid of a loss of "freedom" to be a destination in a moments notice, afraid of "losing time" to a bus commute that may take an extra 30 min a day. They are afraid of not being to keep up with the Joneses if Charlie can't go to soccer practice anymore, or if G-d forbid, they have to be seen standing on the corner waiting for the bus.

More insight:

"And conservation of any kind is tough for people to take. It requires losing something, cutting out part of their lifestyles," he said.

That's called <u>loss aversion</u>, and it's hard to overestimate its influence, said David Dunning, psychology professor at Cornell University and executive officer of the Society for Personality and Social Psychology.

"In making judgments, losses loom much greater than gains," he said.

We are hardwired to focus on avoiding losses more than working towards long term gains. That is why I believe that many suburbanites in the under 40 generation go into tremendous amounts of debt as they enter adulthood. Brought up in a time of peace and relative prosperity we fear losing The Oil Drum: Local | More Psychology - Why U.S. Drivers Wbttpt/Classetthreoildrum.com/story/2006/5/18/185914/480 the creature comforts that we grew up with, a nice home, two cars, TV, big yard, etc. We can't wait to save up for it like our parents, we need it now. We can't take a step backwards and "lose" that way of life while we are building our own wealth.

It's the same with our cars. We'll continue to sacrifice our time, effort, and hard earned money on our cars, even though the cost of operating it will sky-rocket. Take a minute to consider how many hours of the week that you work, just to pay for your car (or however many cars you own). Then think about how many more hours you'll need to work as gas hits \$3.50, \$4.00, \$4.50.

To "break our addiction to oil", we need more than a change in our nation's habits, we need a change in our thought processes, and need to figure out what we are really working "for" as we leave the house each day.

Jim Hossack puts it succinctly:

"That's America's problem," he said.

"Our national policy is one of 'Abundant, cheap energy for all -- but please don't use it.' Why would we conserve?"

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