Angry and Depressed About the Recession? Good!

By John Cloud Wednesday, Jan. 21, 2009 (TIME)

There is no single response to losing your fortune and your job. Rage, depression, anxiety? They seem appropriate. Sadness is another obvious one, so it's not surprising that the recession is making some people glum — even to the point of suicide. Others are more panicky and fearful. And some of us are understandably angry. Many surely feel all these emotions at once. It's easy to combine them into a toxic stew of pain and uncertainty.

But it's possible to disentangle these feelings rather than be swept up in them. And it's also possible to use them to our financial benefit. Here's an easy psychological road map for getting out of this economic mess:

1. Be Sad

Sadness is terrible because, obviously, it hurts. But sadness also serves an evolutionary purpose. It helps us avoid bad choices in the future. As a team of researchers pointed out last year in Psychological Science, sadness can also stimulate something this economy desperately needs: consumer spending. The paper's authors call this the "misery-is-not-miserly effect": sad people are more likely to spend than those who aren't sad. In the experiments, people who watched a sad video (the last few minutes of the schlocky '70s tearjerker The Champ) were compared with those who watched a dry nature clip. Subjects who were induced to feel sad ended up spending far more money on bottles of water offered for purchase after the experiment than those who watched the nature video.

This doesn't mean the President should cry at a press conference. But his team should know that humans are inclined to make themselves feel better by spending money. One reason: consumer spending is a rare moral twofer. It's both selfish and kind — you experience joy from your new product, and you also help a businessperson stay employed.

2. Be Angry
Anger is usually seen as a negative emotion, but it has at least one effect that would be useful in undoing the recession. Right now, banks aren't lending enough, and too many consumers are hiding whatever liquidity they have under their mattresses. Both banks and consumers need to be a little more risky.

Feeling anger usually makes people more willing to take risks. Harvard's Jennifer Lerner has shown this in a series of papers. She and her colleagues gave random groups of people a classic risk test. The subjects were asked how they would respond to a disease outbreak expected to kill 600 people. The subjects were told that if the program were adopted, 200 people would be saved, meaning 400 would die. They were also told that if program B were adopted, there would be a one-third probability that all would live and a two-thirds probability that no one would.

Program B is obviously riskier: you might save everyone, but you would probably lose everyone. The subjects with a demonstrated propensity toward anger were much more likely to opt for program B. That may be a scary outcome when you're talking about public health, but our struggling economy needs risk takers, people willing to give up certainty for the possibility of grand success. Taking great risk to chase great reward is, arguably, the essence of capitalism; a couple of kids max out their credit cards and work late nights in a garage, and a few years later, they sell YouTube for $1.6 billion. Every few years, there are cautionary tales: the day trader who loses his house; the hedge fund that turns life savings into dust overnight. But we want risk takers to play in our economy, which is why policymakers should stoke our anger now and then. Be angry at Bernard Madoff; be angry at Richard Fuld Jr.; be angry at your 401(k) statements. Anger, as Lerner has written, is "associated with a desire to change a situation for the better."

3. At All Costs, Don't Be Scared

Fear is the enemy of action. Fear keeps us sequestered in our homes, watchful if a penny vanishes from our accounts. Lerner and her colleague Dacher Keltner of the University of California, Berkeley, showed the corrosive effects of fear in their 2001 paper "Fear, Anger and Risk," which was published in the Journal of Personality and Social Psychology. Those who scored high on measures of fear and anxiety were consistently less willing to take risks during games and more likely to predict negative outcomes in real-life situations. The fearful, in other words, are far more pessimistic. And it's a short line from pessimism to withdrawal.

We may not like feeling angry or sad, and it may be easier to relax in a warm bath of isolating fear. But anger and sadness prompt action, and that's something the country needs. This may even be useful advice for the President: Barack Obama won his victory partly because he has a steady demeanor. But he may need to encourage more raw emotion if he wants to jump-start this economy.