

THE NEXT CHAPTER

Short-Term Thinking and Long-Term Planning

A few years ago, I was in New York City walking through Greenwich Village. I couldn't help but notice the neighborhood looked qualitatively different than the photographs from the 1940s I had seen. Sure, there were still some record stores and a few jazz clubs, but there were also shoe outlets, bank branches and chain coffee shops. I wondered about the transition from historic Greenwich Village to contemporary Greenwich Village. How gradually was it redeveloped, and at what point did neighborhood residents take notice?

These thoughts have returned recently while reading *The Very Hungry Caterpillar* numerous times. (It's a great book, to be fair, but it's my son who's more interested in it). I've also been observing the changes as we've collectively moved from some very dark winter months into a more hopeful spring.

When the Present Becomes the Future

So, I've been thinking a lot about transitions—what it means to move from one period to the next, one chapter to another or one “era” to a new one. It's also a topic I've been studying in a research project with Sam Maglio, a marketing and psychology professor at the University of Toronto.

We started with this abstract question: When do people think the present (in general) ends and the future begins? Before you dismiss this as the late-night ramblings of someone who lives in a city with too many cannabis shops, consider that it might be a question with an important answer. There's been no shortage of research in psychology surrounding the ways in which people think about, forecast and consider the future. Some prominent thinkers, in fact, have suggested the ability to think about “tomorrow” is what separates humans from other species.

In thinking about the future, we must mentally travel from one period (the present) to another (the future), crossing a dividing line that separates one from the other. And yet, not much research has addressed where, in time, this dividing line exists and what it might mean for our behavior. So, Professor Maglio and I decided to ask thousands

ACADEMIC PERSPECTIVE



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of people when they think the present ends and the future starts. The project began more as a curious research question between two researchers who like to think about time. What we hadn't anticipated, however, was that people would be able to give us real answers to these questions, with consistent responses from one month to the next.

We asked about the present coming to an end in "objective" terms—a second from now, few minutes from now, in a week, months, years, etc. We also asked about it using a visual scale using a series of dots stretched across the screen. Folks picked the dot that captured when they felt the present ended and another dot for when the future started. Dots closer to the left signified sooner, while those closer to the right meant later.

To be clear, this is an abstract question. We're not talking about when you feel like some *event* ends, or how long a given experience feels. Rather, what we were aiming to ask is when—in *general*—people think the present ticks over and gives way to the future, recognizing it as a process that occurs again and again.

The Short Term Motivating the Long Term

The answers people gave us seemed to matter. Over and over, we found that when people believed the present ended *sooner*—and the future started sooner as well—they acted in ways that were more patient and more oriented toward the long term. People who felt the present ended sooner, for instance, were more likely to want to allocate money to a long-term savings account instead of spending it now.

These findings weren't confined to imaginary outcomes. We partnered with a campus "financial wellness" group and sent out advertisements for a financial fitness bootcamp. Some of the ads said the present ends soon, so now is the time to learn how to save for the future; some said the present would end later, so now is the time to learn to save for the future. More students decided to give up a precious Saturday to learn about financial fitness when we framed the present as ending sooner rather than later.

But why does a shorter present give rise to more long-term oriented behavior? The answer comes, in part, from the way we think about divisions between categories of objects. At a distance, boundaries between objects or people seem to blur. If you happened to find yourself in another country and someone asked where you were from, you might respond with the name of your home country or home state. From far away, cities and states may blend and become less relevant. But if asked the same question closer to home, you might say your hometown or even your street. With less distance, category boundaries matter more.

The same is true for time. If the present ends later, then the division between it and the future appears blurrier and less well defined. But if the present ends sooner, the division between it and the future appears sharper and more robust, at least according to the research participants in our studies.

Think about this for a minute. In many ways, our lives may be like Greenwich Village: We change gradually over time, and it's often hard to see when one period gives rise to the next. So, it may be better to imagine ourselves as caterpillars: Perceiving sharp divisions can be beneficial when it comes to planning, and this may be especially true when it comes to decisions with serious financial consequences. Buying a house, sending the kids off to college or retiring all represent major transitions from one state to another.

Aiming for Progress

I worry that when we let one phase simply bleed into the next—when the transition itself is blurry—we may end up on the other side of it less satisfied than we might have been. The ability to demonstrate progress toward any goal is one of the most beneficial things we can do for our own well-being. When we force ourselves to imagine a clear separation between today and tomorrow, it's easier to see a contrast between who we are now and who we want to be (or between who we were and who we are now).

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ENDNOTES

¹Hengchen Dai and Claire Li. “How experiencing and anticipating temporal landmarks influence motivation.” *Current Opinion in Psychology* 26 (April 2019): 44-48.

²Hengchen Dai, Katherine L. Milkman, and Jason Riis. “The Fresh Start Effect: Temporal Landmarks Motivate Aspirational Behavior.” *Management Science* 60, No. 10 (2014): 2563-2582.

³Hengchen Dai, Katherine L. Milkman, and Jason Riis. “Put Your Imperfections Behind You: Temporal Landmarks Spur Goal Initiation When They Signal New Beginnings.” *Psychological Science* 26, No. 12 (2015): 1927-1936.

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