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**PROFESSOR:** When last we met, I think, you have to remind me of this, I put the bits on the handout that I didn't have from last time, but we talked about --if you look at the hand out-- we talked about what I'm calling the psychopathological theory of love, and the chemical theory of attraction. I seem to recall that we finished up last time talking about the shaky bridge. So, that allows me to start today talking about social exchange theory. I put the other stuff on there because I felt bad about not having it on there last time. But we'll start in the top middle of the page two. And, the question here continues to be, how do we explain why a particular relationship happens? The evolutionary theory is good for saying something about broad forces, but now we want to know something about why specific relationships happen and do not happen.

And, I can think of no better place to begin than with me as a high school freshman. The reason that I'm explaining this as me as a high school freshman, I made up this example a few years ago to illustrate the point that I wanted to make. I ran through this elaborate scenario about high school freshman stuff like that. And then I gave your predecessors a choice. Did he do A, or did he do B? Somebody raised their hand. He said B. I said no, that's the wrong answer. And, at that point, I realized I've been giving autobiography. So I thought I might as well just go with straight autobiography. All right, you've got to imagine this high school freshman, who you can imagine was kind of short, and nerdy, but good in English. I'm just noticing, as the gentleman in the white shirt over there moves things around, Google has these, how to use your brain things. What's the actual title on it?

**AUDIENCE:** How to care for your big, wonderful, high performing brain.

**PROFESSOR:** Yes. How to care for your big wonderful high performing brain. If you find one of those around campus, over half the people have them, I realize you all want to go work for Google, but an entertaining act might be to see how many of the little factoids and stuff you think are directly contradicted or directly contradict the contents of this course. There are a variety of oddities on that. But, it's not bad, and you should send your resume to Google and become rich and famous, rather than just being a nerdy high school freshman, who was good in English. So I was in Sophomore Honors English. Great. In Sophomore Honors English was, at least through

the fog of memory, a very beautiful, very brilliant cheerleader and woman person. And, if we return to the psychopathology theory of love, I was pretty infatuated with her. The pick A or B question is A, I let her know that this infatuated guy was sort of sitting next to her in class whenever possible. And, we had a perfectly nice high school relationship. Or, B, she managed to graduate from high school presumably completely unaware that I had been deeply infatuated with her. How many people vote for A. How many people vote for B? Why isn't John Kerry voting? You would think of all people, he ought to be voting, wouldn't you?

[APPLAUSE AND LAUGHTER]

**PROFESSOR:** He does have excellent hair. All right. Look John, stop grinning at me, we can't all marry billionaires.

[APPLAUSE AND LAUGHTER]

**PROFESSOR:** All right, so the intuition of the vast, cruel bulk of you is correct. I suspect, in her life, I kept sort of turning up like a bad penny. I was continuously around. But, there was no relationship there. Why not? What was my problem? We won't ask for vast details. All right, we'll ask for some details.

**AUDIENCE:** Fear?

**PROFESSOR:** Fear works. But the last example we had Romeo there. He was presumably scared out of his little wits more or less. Yeah.

**AUDIENCE:** [INAUDIBLE] look at her from afar.

**PROFESSOR:** I like that. That sounds good. Self- confidence. I think I won't pursue this further, because I may learn way more than I want to know about exactly why I should have been fearful. Low self- confidence and otherwise. But, the fact is I didn't do nothing.

The other fact that occurs to me, is that, it would be entirely possible by this point, that her son or daughter could be a student here. Yeah. I heard good deep intake of breath there. There's a scary thought. The intuition is clear. Let's flip the example around, and ask suppose that this gorgeous and brilliant high school sophomore was attracted to this nerdy, little high school freshman or something like that. Would she do anything about that, one way or the other? Let's do the A or B vote. How many vote that she would say, let's go out together, and that his hair would curl or something. How many vote, yes, she would do that. How many vote no? OK.

Well little more divided. There's more chance that maybe she would say something, but the majority goes with the no, or the, I'm not voting on this. I voted once today already. Maybe I voted twice. But, anyway. The why would be ok. But, why not? What's wrong here? Economics. Either we're sitting here reading the hand out, or he's on to something. Where's economics, Matt.

**AUDIENCE:** [INAUDIBLE] her kinds of values would go down.

**PROFESSOR:** Oh. We don't have to make this quite so specific, do we?

[LAUGHTER]

**PROFESSOR:** I should add, this would be deeply pathetic if since high school, I've been a broken and pathetic person who never formed a meaningful relationship with another person, and I was still waiting for her.

But, when I did finally get engaged to somebody, my dear sister's first reaction, was sort of like that. Which was, how did you ever get somebody so attractive to go with you? And, my mother's first reaction, -- we were going to be engaged for two years because we've been reading up this was a long time ago, before evolutionary psych was big, but we were ahead of the curve, and we knew that she had to be a couple of years younger than me, because she needed to be evolutionarily fit. Anyway, she was two years younger than me. I was already up here in grad school. She was still at Princeton as an undergrad, so we would get married two years later when she graduated. My mother's first declaration on this subject was that if anything happens to the relationship in the intervening two years, she was keeping Julie, my wife, and getting rid of me. So, you may be on to something there. Yes.

**AUDIENCE:** In high school, women generally didn't ask guys out --

**PROFESSOR:** OK

I could have flipped this around and change the genders here. But there's a possibility of a social norm that the women don't ask men. But, I will assert that there would have been a certain amount of discomfort if it'd been a gorgeous, brilliant male cheerleader, Hey, don't knock it, my sister-in-law married one of those. University of Michigan, you know, gorgeous male cheerleaders are right there. I don't know. How is the MIT male cheerleading squad a big thing? No. OK. Anyway, I think there would be a certain ambivalence about this relationship even if we switched the genders on it. Any other comments on this?

Well, let me assert that this sort of relationship feels uncomfortable because we have a very deeply seated desire for relationships to be reciprocal. If you want to account for my failure to ask this young woman out, in economic terms, you could imagine that what I did was, I looked in my romance wallet. And, I said, I don't you enough to afford this relationship. Not in strictly economic terms. But I don't have enough status for this. I'm a freshman. She's a sophomore. Made a big difference at that point. You know, she's this, I'm this. She's this, I'm this. This isn't going to work. But, it also doesn't work like this. If you've got too much in the bank, in a sense, there's a discomfort that has to do with unbalanced relationships. And there seems to be a very deeply seated notion that relationships need to be appropriately reciprocal. Now this isn't just about romance. If I open the door for you, you'd say, thank you. Now that's a very simple sort of thing but, it suggests that you feel a need to reciprocate for whatever act might come your way. In the sub culture in which I live, if I invite somebody over to my house for dinner, their reflective response is to say, what can I bring? Not because they have some notion that the larder is bare at home, and if they don't bring something, there's no dinner. But there's is a notion that needs to be reciprocal. Quite typically, my response would be, oh you don't need to be to bring anything. And, quite typically nevertheless, whoever's coming over would bring something anyway.

Now you get into interesting problems. The exact nature of what is and is not reciprocately appropriate, seems to have a strong cultural overlay. This was brought home to me by a tale my parents told me, which was, a few years ago, new neighbors moved in. And, so my parents, being nice people, brought them over a welcome to the neighborhood gift. I don't know what it was. But they brought over a little gift. That's nice. But the people who moved in were Japanese. The Japanese cultural expectation was, if you get a gift, you have to give a gift. So, they gave my parents a gift the next day. But, my parents' expectation wasn't that they'd get a gift, so if they got a gift, there's now a reciprocal demand here. So, they gave the neighbors another gift. At least by the time you get my mother's rendition of this, it sounded like the end of this was sort of medieval warfare. You know, lobbing gifts over the fence. Stop it already!

**AUDIENCE:** [LAUGHTER]

**PROFESSOR:** All of these examples point out that there's a deep- seated notion, that we don't like one- sided relationships. We like relationships that are reciprocal in some fashion. And the reciprocation needs to match the original act. If I invite you to dinner and you throw yourself on your face,

and swear eternal fealty to me, that's reciprocal, but that's odd. That's out of proportion, and wouldn't be right. The efforts to make these intuitions, into something more than intuition, into a systematic theory, one of the efforts is known as social exchange theory. It is an effort to talk about social relationships in terms that borrow from common sense economic terms. Where, one of the goals is to maximize your profits. There are benefits. There's the income side. There's the cost side, and your profits are going to be something like the subtraction of the costs from the benefits. Now, costs and benefits in social exchange are not going to be in strictly monetary terms by any stretch of the imagination. Benefits in social exchange can be tangible like dinner. They can be intangible like a compliment of some variety. Oh that's a lovely, yellow t- shirt with some cool description on it. Right. I just added to the plus side of his ledger. Of course, I've also added to the minus side, because I've directed attention to him, and now, he's embarrassed. Everybody's looking at him.

**AUDIENCE:** You're not getting anything back!

**PROFESSOR:** I'm not getting anything back. No reciprocal here, at all. I just got something back. Well, anyway. And, they can be internal. The benefits could be internal, like a feeling of self-worth. Some boost in morale, something like that. All these would be things on the plus side. And, quite different than just economic transaction. And, the same on the minus side. You could have a physical minus if someone smacks you, or something like that. An intangible minus; I won't pick somebody out, because that would be rude, but did you get enough sleep last night, or something like that? It sort of suggests that you don't look so good, and you think, I did get a lot of sleep last night. Maybe I just don't look so good. And, it could be internal. You know, a feeling of diminished self- worth, or something like that. And then you've got your profits that are the difference between those. There is a necessary, at least at this stage of any sort of model development, there is a necessary imprecision here. Dinner minus two insults equals what? It's clear that at least a decent dinner is on the plus sign. The insults on the minus side. But you can't do the calculation the way you would do a profit loss statement in economics. So suffice it to say that in its present state, the model is qualitative, more than quantitative. But, rather like evolutionary psych, the promise is, or the hope would be, that you could move in a more quantitative direction.

Do people actually do any sort of math of this sort? Well you can get some intuition about that perhaps by asking yourself about some sort of a scenario. Like, you go to the polls today, you're in line, and you see this guy who you think you saw voting earlier in the day, when you

voted the first time. So, what do you do? Now, you could challenge him or not challenge him or something like that. And ask yourself, what would determine that decision? You'd sort of run down a mental checklist. If I challenge him I might get it sort of a tangible benefit of preserving the democratic process in some fashion. I get an intangible set of compliments from people all around me about my bold stand for ballot integrity, and I'd get this great feeling of self-worth. On the other hand, I might be wrong. He might punch me. And, my neighbors in line, might simply deride me for being a stupid busybody, and it doesn't really matter what your answer is. The point is that this sort of cost-benefit analysis has the feeling of the thing that we do, not explicitly, not on a piece of paper with a check list, but the thing that we do quite automatically. The notion that you want to maximize your profits is only one of the core tenants of social exchange theory. You know that because the handout, I think, lists three of them. One of them is to maximize your profits. Oh, there it is. It says, "Three Tenants Of Social Change Theory. Maximize Your Profits."

The second one is the notion that the profits for both sides in an exchange should be roughly equal. That's the embodiment of this notion of reciprocity. We don't like relationships where you maximize your profits by exploiting the other party to the relationship. And the third one, that we haven't talked about yet, is that for a relationship to last, it's gotta be better than the perceived alternatives. The plus or minus of that checklist is not itself adequate. If you think about this in boring economic terms. You've got a pile of money in this account. It's making 1%, so you're making money. But, you see that there's this other opportunity over here, to make 5%. Well, what are you going to do with your money. You're going to move it over. Look at that. Not only did I get a sweatshirt out the deal, I got a nickel. And, a cute little pink thing. He left the coin he flipped. This is a great day. So, the same logic applies in social exchange theory to relationships. So you're in a relationship that's getting you a net profit, with this perfectly nice person. You see this other person, and you say, I could get 5% on my relationship over here. What do you do?

Now we'll come back later in the lecture to the possible problematical nature of that tenant of social exchange theory. But, the important point for now is, it's not just that you want to be running positive, not negative, you want to be running as positively as possible, and you're looking at your alternatives to see how you can do that. Now, this sounds, particularly by the time we start talking about moving your investment from one person to the next person, terribly crass. Is there any evidence that people use is this sort of quasi-economic calculation in romance? In making romantic attachments with other people?

There have been a number of experiments that have endeavored to look for evidence for social exchange theory principles in the settings of romantic type relationships. And I want tell you about a few of them. That's why I've got all these cute little boxes on the handout that allow you to plot out the results, the predictions and the results. So, let me tell you about one of the earlier great efforts. Down on the handout is the great computer match dance. Here's the way it works. In the early days of computers, signs go up on campus for a big dance but the thing is you're not supposed to invite anybody. You're not supposed to take your date to this dance. What you're going to do, is you're going to come fill out this big form, collecting buckets of information on you, your GPA, your height, your weight, family income, all sorts of stuff. And, the people on the other side of the table, when you're doing this, are looking at you, and rating your attractiveness, on a scale from like 1 to 10 or something like that. And, then all this goes into a good 1960's style computer, so it's big computer with lots of lights that flash on it, and out the other end is going to come out the person you are matched with to go to the dance. OK. Got the basic set up here? So we've got the male. He can be rated on some scale. You've got the female. She can be rated on a similar scale. And, the story here, is that we've matched you up with the perfect person for you in some fashion or other. Actually, I don't think they told you that this was the way it's going to be done. It is some complicated algorithm. The fact is the complicated algorithm was to flip coins. The pairings were completely random. So, the data on any dimension that you looked for, were designed that male and female ratings would be uncorrelated. OK. Now you have the dance. And, the question is, this being the 60's, the issue of males asking females rather than the other way around, is a much more straightforward societal norm. The question they asked was which males asked which females out again for another date? What's the social exchange prediction here? That's a hand?

**AUDIENCE:** [UNINTELLIGIBLE]

**PROFESSOR:** Yes. People should sort themselves in some fashion to produce essentially reciprocal balanced relationships. So, this quadrant is the me not asking her out in high school neighborhood, and this is the reverse. Her not asking me out hypothetical relationship. But these are the matched relationships that ought to work. In fact, this experiment is a bomb. It doesn't work out the way social exchange theory predicted. So, you look at the correlational data for all sorts of variables, and it turns out that the only variable that makes any difference is ratings of female attractiveness, and the data look like this. Basically females who were rated as more attractive got asked out. What's going on here? So the answer is there's a fatal methodological flaw here. There're two possibilities. One is that social exchange theory is

wrong. But if I thought that were the case, then why would I bother to lecture about it, at least in this sort of detail. The other possibility is the experiment had a methodological flaw. So what's the problem? Why didn't this work out? Oh, Out in the cheap seats, next John Kerry there.

**AUDIENCE:** People thought that they were well matched.

**PROFESSOR:** That's good. Usually I get half a dozen bizarre ideas and before somebody hits on the right idea. But good for you, you got the right idea first. The problem is with the cover story. It's not people specifically who are the problem. It's guys. The guys thought, so you gotta imagine a guy here. So if this is the scale of attractiveness, so here's ugly guy, ugly guy has thought all along that he was, I've got a warm heart, but I'm ugly, and then see, this high tech computer, spits out your perfect match, and she's gorgeous. It's the economics of romance equivalent to looking into the wallet and discovering you've got a whole bunch of 20's you didn't know were there. And so everybody decided that they were well matched, and this had its biggest effect on the guys who had previously thought that they didn't have that much in the bank, and they thought well, I guess I can afford this. They all asked out the-- what we don't know, by the way, which of these phone calls actually ended up in a date, and or relationship. The social change prediction would have to be that only these would have survived. But we can come back to that minute.

Anyway, the experiment's a bust, because the cover story gives people the wrong idea. This makes an interesting point about these valuations. They're based on your perception in relationship space, they're based on your perception of the other, and your perception of yourself. We have met males, for instance, who consider themselves to be God's gift to women, against the evidence. If you have a systematic misperception of your own value, you're going to end up in the non- social exchange part of this space. And, then, the question becomes whether or not it's a self- correcting system. If you think that you are a 10 on every scale, and you keep asking people who are by your assessment also 10's on every scale, and they keep saying no to you, does that eventually cause you to come up with a more realistic assessment of who you might actually be in this marketplace. Well. We haven't got any evidence if this works at all yet. Let's go find ourselves an experiment that doesn't have this fatal flaw in it. Did I give this a clever name of something sort? No. It just says, let's try again. So, here's this Kizler and Barzel experiment, that works as follows.

You go into a psych lab to do what you think is some sort of a cognitive experiment. The task don't matter. You're doing this task, broken into two halves. You're a guy. And, at the end of the first half, you're going to take a break, and you're giving some feedback about how you're doing. The feedback is either of the form, wow. You did really well on that. Most people don't get scores that are that good. You're really good at this sort of thing. So that's a good, self-esteem boosting kind a bit of feedback. Or, you're given feedback of the form, did you get enough sleep last night? Most people get a higher score. Well, never mind. It's OK. Let's take a break. And so you've gotten the bad information. Now, needless to say, this is a set up. What information you get is uncorrelated with your score. So, you may have done brilliantly. You may have done badly. You have no idea how people do on this task in general. And, and the experimenter has flipped a coin and arbitrarily assigned you to the high self-esteem or low self-esteem group. That's the manipulation of the male. This is the guy. Now, we're going to go have a snack. You and the experimenter go off to the cafeteria to have a snack. And, you get some food, sit down at the table, and a female friend of the experimenter comes and says, Hi, can I sit down with you? And, the experimenter says Hi, sure. A female person comes in two flavors. As you might guess from this two by two thing. There's only one female here, but the manipulation here is she's either looking good, or she's looking bad. I don't think, I've ever seen pictures of this, so I don't quite know how they did this, but the idea is that she's arranged herself to look attractive, or comparatively unattractive. Same person, so you know no personality variables changing, and a fairly tight script. And, at this point, the experimenter says, I need to go rinse a few things out. I'll be right back. You two talk. And, so this woman, also an experimenter is sitting there. And the data for this experiment are any indications of romantic interest on the part of the guy. Does he ask for her phone number would be a sort of a transparent kind of thing. But there's a long checklist of things that he might do or say that would indicate some sort of interest, And, you're just making little check marks presumably relatively subtly. The trivial social exchange prediction is he's feeling good, she's looking good. It must be love, kind of thing. And this the cell that gets the highest number of indications of interest. The question is where's the second highest set of marks in this experiment. And the answer is down here. She's looking bad, he's feeling bad. It must be a match. And, these two lag behind. I don't know which one is three and which one is four, actually. But the important point is that there are more indications of interest here, has would be predicted by a social exchange theory that's looking for matching. This is the case where you looked in your wallet and you discovered that you actually had a couple less twenties than you thought, but you still want to buy something. And, well I guess. Doesn't this sound terrible? It not only sounds

terrible, it sounds a little on the artificial side. Is there any evidence that this happens in a more realistic setting? And the effort to figure that out was done with the realistic setting of large introductory psychology classes. So, large intro psych class, I think maybe Minnesota, or Ohio State someplace where they had a huge intro class. And, what they did was, they a largely freshman class, they looked for who formed relationships. So, let's go just like the computer match dance thing, but we'll take the relationships first, and work backwards from that. So they got like 213 I think, couples, out of intro psych. And, they did the same business. Rated them on attractiveness. Rated them on everything under the sun. SAT scores. Religion and all sorts of stuff. And, scatter plot the data. What you find is that these freshman pairing were not highly correlated. They weren't random, like if you randomized in the computer match thing. There are factors that did correlate. But, they weren't particularly striking. But now, let's ask, so we've got some cloud of data points again, with perhaps some positive correlation to it. Let's come back two years later, and ask, who is still together? And, what you find, two years later, I don't remember how many were still together, but of the ones who are still together, now essentially all of the variables correlated. So, you could pick anything you liked, SAT scores, religion, looks, socio-economic status, and now it's not that it all lay on the line of unit slope, it's not that somehow you went through State University of Minnesota or something like that, and you found the one person who had exactly the same SAT scores as you. And, their parents made exactly the same amount of money. And you were exactly the same height. No. What you've got is it's still a big cloud of data points, but now, all the variables are positively correlated.

Well, what's the cliché here? I'll give you a hint. Thank you. Birds of a feather flock together would be the sort of punch line of this experiment. There may have been a degree of noise in the initial assortment, but the relationships that lasted were the relationships where the birds of a feather were flocking together. And that hand is going to say, but, Thank you. Next thing on the handouts says the other cliché is opposites attract. Now the thing about clichés is that clichés don't get to be clichés unless there is an element of truth in there somewhere. In the element of social exchange theory, truth in opposites attract is that opposites attract when they increase each other's profits. So, this sense in which opposites attract is she talks, he listens. From the outside, it may look like, my goodness, he talks all the time. She talks all the time. And, she never says a word. How can they how can they live together? Well, the answer is its great deal easier probably, to live together that way, then if they both talk all the time. Those two birds of a feather are going to drive each other sort of nuts. And, he's a great cook. She's a great eater. Or, at least an appreciative audience or something. That is the sense in which opposites attract. You can ask yourself about roommate issues, where there's a certain

amount of random assortment of people. I gather here, you pick your roommate on the basis of sketchy information when you arrive. Is that the current scheme? So, it's a sort of a courtship on the basis of limited information. Anyway, when you discover that even though you were correlated on a bunch of variables, it turns out that there are few variables that really matter. Like person A is a slob. Person B is a neatness freak. That ain't an opposites attract kind of situation. There's a couple of head shaking around here, saying I know that.

Or, in our lab, she wants it to be 80 degrees. I wanted to be about 50 degrees. That ain't opposites attract. But there we have it. This is also not reciprocal, asymmetrical, relationship, where I'm the boss, and I get to play with the thermostat first, unless Kristen gets in first, in which case, it's tropical season in the lab. Anyway, the problem is she got numbers on her side. The other people in the lab, seem to like it hot. I don't understand them. Anyway opposites attract, in these romantic relationships when they increase each other's profits. That's a useful, complication to keep in mind. It's not just a matter of we all rate each other on all these scales, and then pick the closest thing to exactly us. That's not what's going on. That's going to end up being one factor, but there's a more general factor of what you're looking for are relationships that are profitable and roughly equally profitable for both sides in the relationship. Let's see. I think I couched the next bits as the problem set. The social exchange problems set. Let's let's turn to that after taking a brief break here.

Let me say a quick word. I got a couple of questions about the syllabus. Let me say quick word about this. The chapters that are assigned at the moment for instance are the chapters on social psychology. Like any topic here, huge area. I'm taking a love and romance cut through it. So I think, for instance, you'll find stuff about social exchange theory in the book, but not particularly necessarily in this sort of straight love and romance track. I'm assigning chapters that's are, it'll be less obvious that the book and I are marching in lock step then it might have been for the memory chapter, or something. Somebody pointed out that the sleep and dreams lecture has associated with that a chapter that seems to be about mental illness. Well that's because sleep and dreams going to be connected with Freudian interpretation of dreams. It's all part of talking about Freud and psychoanalysis, so that's the most relevant chapter at the moment. It'll be less true for this half the course then for the first half of course, that there's an absolute clear match between the set of topics in lecture one day and the set of topics in the accompanying chapter. They will talk to each other, but they will not match up quite as tightly as they might have earlier in the course.

Let's do a few social exchange sort of problems. One of these is the problem of bad relationships. One of the mysteries on the face of it is why would somebody stay in a relationship that's running a deficit. Perhaps the clearest example of this is why would a woman stay in an abusive relationship? I pick a woman because while there are males who are abused in heterosexual relations, and other males who are abused in homosexual relations, the bulk of abused partners in relationships are women. But, why would anybody stay in an abusive relationship? Why would a woman stay in an abusive relationship? That's where this third tenant of social exchange theory comes in.

The social exchange answer to the question is you would stay in a bad relationship if you couldn't see a better alternative. And, so, if you imagine a hypothetical situation of somebody in an abusive relationship, maybe she's got a couple of kids, and while she was raising these kids, she's not working. So, what's she going to do? You know, if she leaves, what's she going to do with the kids? How's she going to feed herself. Et cetera. Part of the logic of things like shelters for abused women is a logic of giving an alternative that looks better than the state you're in now. There's nobody saying that living in a shelter for abused women is a relationship that's running a great big positive score. But if it's running less of a negative than the relationship that you in, you might get out of the abusive relationship. That's part of what drives this notion that it's important, not just what the sign of your profit- loss statement is, but what the alternatives that you perceive are now. And the you perceive part is important here too, because we all know people who are in relationships where you from the outside look at this relationship and you think you know that's not a good relationship. Why is he in that? Why is she in that? But, if they see it as the best current possibility, that in social exchange theory, will be relatively stable.

Now, these next two are sort of related to each other. Who has power in a relationship, and who works harder in a relationship. In a sense, they are sort of reciprocal of each other. Who works harder? The person with less power. Let's do this through a cartoon. It's another sort of cliched relationship out there. Young, beautiful woman. And old, less- than- beautiful guy. What's the other part of the description of the guy. Rich. Why? We need a hand here. Nobody's got a clue.

**AUDIENCE:** That gives him a way in which he doesn't have to work all the time --

**PROFESSOR:** Well this perception that she's bringing more to the relationship than he is, right? She, in a sense, has power. If she looks around and what are my alternatives? Here I am. Beautiful. I'm

hanging out here. Gee, I ought to be able, if I look at my alternatives, to move here. So I have a certain power to move if I'm this young beautiful female person, hypothetically. And, what he's got to do, the reason he's gotta work hard is to prevent that movement. Well, how do you prevent that movement? One way to do it is to increase -- well actually, I suppose not to prevent that movement -- it's to make that movement within the relationship that you're in now. If she's a 10, and he's a 1 or 2 or something, he's gotta make himself into a 10. How's he make himself into a ten? He can't make himself young, he can't make himself beautiful. What he's gotta do is in the cliché version, shower her with diamonds and furs, or something like that, increasing the benefits that she's getting in this relationship, so that other relationships don't look more attractive. So, the basic notion is that if you're bringing less apparent stuff to the relationship, your partner is sitting there saying, I could do better, at least hypothetically. And you're sitting there saying, if I don't want him or her to go elsewhere, I've gotta to be more loving, or I've gotta cook better, or I've gotta do something here. So I'm the one who's got to work hard. And, the other is the one with the power there. Now, are romantic relationships really just this crass economic kind of thing? Sounds pretty grim. Well, there are important differences between economic exchange and social exchange. One of them we've already pointed to, which is the fact that the economic costs and benefits are typically much more calculate-able than the social ones.

That's the dinner minus two insults problem. The other one that I point out here, is that the rules of negotiation, what's permissible as negotiation in economic exchange, is considered desperately gauche, not done in social relations. You just wouldn't have a conversation that says you can come up to my at room later if you take me to dinner. OK. What kind to dinner do you want? Well, you gotta take me to a four star restaurant. No way. We'll go to Burger King. No. How about three stars, three stars. All right, how about the two star Thai place down the street? Oh. OK. It's a deal but you can only come up for 20 minutes. That sort of haggling in strictly economic terms is not considered mainstream romance mostly. It's also not really mainstream US economics haggling these days, either. If you go to Target and want to argue about the price of a toaster oven or something, they're not actually going to be that interested. But, in those places in the economic sphere, where haggling is still permissible, a talented haggler, a talented negotiator will work hard to be your friend. Why?

Because the clearest example that I know of in American economic life is car dealerships. Go to a car dealership. You will do this one of these days. Go to a car dealership. The guy who comes out -- typically a guy-- who comes out to sell you a car is going to be your best buddy

almost instantaneously. Very nice, friendly guy. Why? Well, maybe he's a very nice, friendly guy. We shouldn't disparage that possibility. But, the other reason is, that if you behave to him as though you are in a social exchange, while he knows perfectly well, that what you are doing is an economic exchange, he's going to make money. Because you are disabled. You cannot argue with your friend about money in the way you can argue with somebody in a strictly economic market place. So he's going to be your friend. You're going to come to a nice friendly agreement, and then, it turns out that after you have made this deal, that's not enough. You shake hands on that, that's not quite enough because then he's gotta go talk to his manager about it. He's such a good friend of yours, that he may have gone a little too far, he worried. So, he's gotta go talk to the manager. And the manager is not your friend. So, he's gotta go and talk to the -- but he's your friend, so he'll go and fight it out with the manager -- you're never invited to this discussion, by the way. He goes back to talk to the bad manager. And I think what they actually do is, they chortle a little bit about their kids, and the Red Sox, and stuff like that. And then your friend comes back, with a sad face, and says, my mean, nasty, evil manager, not quite those terms, won't go for it. We can't just can't do this. You and I, we could do this, with just an extra say, \$500 of your money. And, because we're friends, you put up the \$500. I think, but, I don't know this, but I think, the car dealers are explicitly -- they know about social psychology. They are instructed that this is a useful way to negotiate. By being your friend, by moving the discussion from an economic exchange to a social exchange, because of the differences in those sorts of interactions, that can be exploited in a way that makes money for the car dealer.

The most beautiful example of this, in my own personal experience, was not at a car dealership, but was in the city of Marrakesh in Morocco where everything is negotiable. A cup of water; the price is negotiable. But anyway, a lot of haggling there. And, so I was there for a conference, and we were taken off as a group, for a tour of the old market, which is great. You should all go there sometime. We went to a rug merchant. This was early in my career. I didn't have no money. So, I'm not buying any rugs. Because to buy rugs, it's good to have money. So, I'm sitting there drinking buckets of mint tea, which is what you get in Morocco while other people are negotiating for rugs. It's kind of fun to watch. But at some point, some guy decides he's going to sell me a rug. And, he's going to show me the special rugs out back. So, we're going out back, we're up the back stairs, and he asked me, are you Jewish? My mother brought me up to be honest. Yes, I'm Jewish. The next thing you know, we're hugging and kissing, because he's Jewish too. Last week, I think he was a Methodist. But, in any case, so now we're friends, of course. Not friends, I mean, we're practically blood relations. He shows

me only rugs woven by Jewish virgins. How do you know this is the case? Well, they've got this six pointed star on them, as he points out. Well, it turns out that every rug in Morocco seems to have six pointed stars on it. But never mind. Plus, the guy has also taking his intro psych class, and he knows about forced choice psycho physics, rather than saying do you like this rug, what he's doing is holding up two rugs, and saying which one do you like better? So, you gotta give an answer, right? I like that one better. OK. Goes in the stack. By the time we're playing this game a little while, not only does he have the theory that I'm buying a rug, I'm buying a stack of rugs. But I still don't have any money. And, so I remember what it said in guide book. In the guide book, it said go to the state store, because at the state store, they only mark up, by fifty percent. And, so you the price you're looking for is to negotiate down by about fifty percent, and then everybody will be happy. So, I remember this, and we're in the state rug store, I know what I'm going to do. I'll offer this guy 10% of his asking price. He'll be so offended, that he throws me out. All right. So I offer him 10%. And, he accepts. Now, you want to violate both the borders of social and economic exchange, backing off your own offer, is really, really rude. And, at that point, he threw me out. Which is too bad. I probably should just maxed out the credit card. I think I probably had a pretty good deal at that point. But, in any case, it was another beautiful example of trying to use the rules of social exchange, not to mention half a dozen other bits of applied psychology, to close and economic deal. I think all my friends who came back saying I got him down to only 50% of the price probably made a bunch of people really, really happy.

The last thing I want to mention here, is one last problem in social exchange. That's the problem of vastly unequal and inevitably unequal relationships. There are relationships out there that are simply not going to be reciprocal. One of the clear examples, are parent- child relationships. Like even if you're thinking strict economic terms, how much money have your parents put into you? How much money have you put into your parents? And it doesn't get any better by the time you're my age. It's inevitably a relationship that is going to be unequal, and that produces, as you may have noticed at various stages in your life, a sense of discomfort about that inequality. How do you deal with it? There are lots of ways to deal with it. And social exchange theory is not capable of predicting which one to chose at this point. But you know, for example, a very typical early adolescence one is the assertion to one's parents, you've never did nothing for me. No rational 13 year old in the bits of some fight, you never did nothing for me. OK. Where did the food come from? Well, yeah, you did that, but. It's not a logical statement, but it's a statement that attempts to balance the accounts in some fashion.

It's a way of dealing with this feeling that the relationship is unequal. There are the parental -- how many how many of you have heard, at some point, the line from your parents that one day, you should have a child like you? Or words to that effect? That's another sense in which this can be balanced. The parental notion that the accounts will be balanced when your children do unto you as you have done. And, guess what? Your parents are right. And, can you remember thinking, at some point, that you're never-- should you ever have children, -- you're never going to say anything as stupid, to your own children. Oh one perfectly lovely concrete example, why do I have to do this? The parental answer to which is, because I said so. Have you heard the little voice in your head promising that you will never say anything that lame to your own kids. Guess what? It's very grim. And, you can just sit there listening to yourself as you say it, and say, oh god, I said I'd never do that. All right. Beyond that realm, what do you do about these unequal relationships? Last thought, there's an interesting thought that comes out of Roger Brown's book, *Social Psychology*, a beautifully written textbook on social psychology. He talks about the central exchanged in social exchange. The argument is that not all of the interactions needs to be between you and the person with whom you were having a relationship at this particular moment. There can be a bank. Here's the experimental evidence. A bit of experimental evidence; last little two by two on there. And, in my new free nickel will do just fine. It's becoming at slightly archaic example, because most people don't use phone booths anymore, but, you still know what a phone booth is, right? You go into a phone booth, the first thing you do, before dialing the number or anything is to check what? Not if you have a quarter. Is there a quarter in the change slot. Right? Everybody goes and check that little change slot. And, oh, I just changed her life. Check next time. Sometimes there's a quarter there. It's really good. Anyway, we can use this two by two here. What this experiment did was to spike phone booths. They put quarters in the phone booth. And, so you go into the phone booth, and some people got a coin. And some people didn't get a coin. This is not a big change in your life, but it is an unreciprecated good. You're getting this good, but you can't say, I gotta go do something to the guy who gave me a quarter. Can't work. So, here's what happens next. You come out of the phone booth, having made your phone call. And, as you're walking out a woman comes by and she trips. And her stuff goes all over the place. The question is do help her? And, the data are, from this particular experiment, so it's help and no help. Of the people who got a coin in this particular study, 14 helped. 1 didn't. Of the people who didn't get a coin, so this is the bulk of the population as a whole, 2 people helped. And 24 didn't. So, now that's very interesting. That suggests that just getting that coin produced what Brown would see as a an effort to reciprocate to the world more generally.

Now, that's a big effect. Does this mean that we could make the world a better place by mailing everybody a quarter? Doesn't sound right.

Now the experimental evidence that it's not right comes from another version of this experiment. You're at home. Somebody rings the doorbell and says, I'm new in town, I'm setting up a new company. We're going to sell paper. I wanted you to have this stationary. Nice stationary. Thanks. Bye. Shortly thereafter, you get a phone call. Somebody on the phone says, is so and so there? No, you got the wrong number. Oh no! I'm in a phone booth. I don't have any more money. Could you please call Fred and tell them I'll be home late or something. I don't remember what the exact story is, but it's a request to do a favor. If you just got the phone call, no paper involved, only 12% of people were willing to do this favor. If you got the paper, and you got a phone call five minutes later, 80% of people complied. But, if you've got the paper, and, were called 20 minutes later, it dropped back down to 12. So, it produced a little bump of good feeling. Now, what we don't know, because you can't really do the experiment, is whether this means that the central exchange idea is trivial, and is a very short lived teeny phenomenon, or if you live a life where much bigger good things happen to you, or for that matter, bad things. Do you end up with an account at the central exchange. If life is good in general, do you feel a central exchange obligation to be good to others? If life is bad, in general, do you feel a need to trip people and watch the folders fly?