Academic Perspective

Understanding Hyperopia: The Hidden Regret of Over-Saving

It took approximately three years of living in New York City before I did any of the typical touristy things like visiting the Empire State Building, taking a double-decker bus or imbibing at some of the more iconic bars. But when I finally did, you might be surprised to learn that the main motivator was my imminent move from New York to Los Angeles.

In fact, I pretty much accomplished all those touristy things in one very whirlwind and very fun day with my wife and friends of ours who insisted we wear our tourist hats for just one day. The tendency to wait until you're just about to leave a place before visiting classic landmarks isn't unique to me.

In one fascinating research study, for instance, Suzanne Shu and Ayelet Gneezy found that about 60% of visits to landmarks happen when an out-of-town guest is visiting. Many adults said that a large portion of their visits to landmarks occurred within the six months prior to moving away from a city.[1]

But this article isn't about visits to landmarks. Rather, I think these kinds of amusing and surprising findings represent a broader class of quirky behavior known as *hyperopia*. If you haven't heard of it, first think about its opposite: *myopia*. That's what occurs when we overly prioritize the present and devalue whatever outcomes may occur in the future.

Myopic decisions are what self-control researchers typically study and also what has been the focus of my work for at least 15 years. But if myopia represents the times when we pay attention too much to the present — when we spend when we should probably be saving, for instance — *hyperopia* represents this phenomenon turned on its head. It's the times when we think we are acting in favor of the future but ironically end up missing out on something in the present. It's when we lean into virtues instead of vices, only to later regret our inability to dive into life's pleasures.

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Hyperopia in the World of Saving and Spending

Hyperopia, though it can encompass the instances when we let time run out on a restaurant gift certificate or a visit to a classic landmark, can also represent the times more generally when we don't spend money on pleasurable experiences and continue to save for later instead.

In fact, anecdotally, I've recently noticed that after I give a talk on the need to consider the well-being of our future selves (and save for them), many financial advisors come up to me and say something along the lines of, "I totally agree — and that is a big problem for many of my younger clients, but with some of my clients I'm experiencing the opposite problem: I can't get them to *spend* their money and enjoy life."

In a very small and informal study, I found that fully half of financial professionals said they more frequently had a problem getting their clients to spend money than *not* to spend money.

Balancing Virtue and Pleasure: Avoiding Future Regrets

A sense of "overcontrol or excessive farsightedness," as researchers Anat Keinan and Ran Kivetz define hyperopia, gives rise to feelings of regret – something that we notice only later in time, sometimes months or years after we failed to "give in."[2] Typically, what happens is that we experience a strong sense of guilt when we are given the prospect to indulge; wanting to act virtuously, we listen to that guilt and decide to work rather than party. But over time, the feeling of guilt wanes, and a competing feeling of wistfulness over missed opportunities increases.

For instance, one week after a winter break, college students regretted not studying more than they regretted not traveling or not spending money over break. But after one year, that pattern totally flipped and only intensified with time: Alums, 40 years after graduation, had stronger regrets for not enjoying their time, not traveling and not spending money compared to regrets of not studying or not working hard enough.

Sometimes hyperopia occurs for the same reasons that we procrastinate. When it comes to procrastination, we overestimate the in-the-moment costs of some action and underestimate the future costs of the same action in the future. We somehow tell ourselves that logging on to the DMV website to renew our registration will be annoying and painful right now but less so if we wait until next week to do it.

Similarly, we may put off pleasurable experiences — like going to a concert or restaurant — until some future time because the time costs of driving there and making plans loom large right now but feel like something that will be easier to tackle down the line. And we often think — in magical ways — that we will have more time in the future than we actually will.

But hyperopia occurs for another, perhaps more pernicious, reason as well: If self-control and virtue have been repeated habits of ours, we may reflexively say no to indulging and yes to prudence. Such reflexive prudence could add up over time and lead to a future with regrets for not having spent time or money in pleasurable ways earlier in life. But, as I've often heard quoted before, "No one on their deathbed ever says, "I wish I'd spent more time in the office."

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Smart Spending: How to Prevent Hyperopic Regret

Luckily, there are a few evidence-backed ways to go about fighting hyperopia, and I'll highlight three:

1. **Anticipate regret.** When given the choice to spend our money or not — that is, to occasionally indulge — we can try to anticipate regret from *not* having done something. Indeed, in one series of studies by Keinan and Kivetz, people were more likely to opt for a luxury product or indulgence when they thought about the regrets other people have from not making purchases, or when they recalled a time in their own lives when they regretted not making such a purchase.[3]
2. **Set deadlines for fun.** It sounds like an oxymoron to set a deadline for a pleasurable experience like going to a special-occasion restaurant, but in reality, such deadlines dramatically increase the likelihood that we will "do the thing" rather than avoid it. In fact, when given gift certificates to a French pastry shop, people were more likely to use them when there was a short deadline of three weeks compared to a longer one of six weeks.
3. **Expect satisfaction.** When given the choice, we might get overly consumed with the negative feelings of doing something — some indulgence or luxury purchase now — and not focus on the long-term satisfaction that will arise from the same expenditure. But perhaps we can flip that process: One way to increase well-being now *and* later is to lean into present-day experiences and purchases that give rise to pleasure now and positive memories later.

Of course, I'd be remiss if I didn't mention balance in this discussion. On the surface, if we're constantly spending and not saving, then our investments will be depleted, and we'll be lacking (financially and otherwise) in the long run. But if we're constantly saving and not spending, then we may miss out on experiences that give life meaning and positive memories over time.

One way to help manage this need for balance is to ask with each big time or money decision, which direction — spending it now or saving it for later — aligns more with your big-picture values and preferences.

Endnotes

[1] Suzanne B. Shu and Ayelet Gneezy, "Procrastination of Enjoyable Experiences," *Journal of Marketing Research* 47, No. 5 (October 2010): 933-944.

[2] Ran Kivetz and Anat Keinan, "Repenting Hyperopia: An Analysis of Self-Control Regrets," *Journal of Consumer Research* 33, No. 2 (September 2006): 273-282.

[3] Anat Keinan and Ran Kivetz, "Remedying Hyperopia: The Effects of Self-Control Regret on Consumer Behavior," *Journal of Marketing Research* 45, No. 6 (December 2008): 676-689.