



PERSPECTIVE

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Talk is Cheap on The Apology Tour

By Allen R. Sanderson

We have been treated recently to a rash of public apologies by politicians, celebrities, athletes, and even parents or siblings of shooters in assault-weapons incidents. From Eliot Spitzer to the crack-smoking mayor of Toronto, IRS agents and virtually all Affordable Care Act bureaucrats, celebrities – Kanye West, Paula Deen – and sports heroes – Tiger Woods and Ryan Braun, these high-profile folks have stood before cameras to express remorse for what they said or did.

In many instances, of course, one has to wonder what it is the person is regretting – doing it (or saying it) or getting caught. Illinois governors and congressmen, and City of Chicago and Cook County officials immediately leap to mind.

On a smaller stage, airline captains or gate personnel apologize routinely to their passengers for flight delays. A building owner or agency will apologize to occupants for any inconvenience caused by a water-main malfunction or additional time necessary for repairs. Individually we sort of apologize all the time – “excuse me” – for bumping into someone, to exit an elevator, or pass through a row at a ballgame – or perhaps a reverse apology – a finger or expletive – given to someone who cut us off in traffic. (Privately one can confess to a priest, though in these cases it’s not clear who should go first.)

On a much larger stage, a president will occasionally apologize for past mistakes of his own country, and there are periodic attempts to extract a formal apology for slavery in the U.S. and Caribbean.

Frequently these sinners use the passive voice – “mistakes were made” – to avoid any direct admission of guilt. The word “mistake” may also not connote intent, a cute rhetorical dodge to escape personal responsibility.

An apology is defined as a regretful acknowledgement of an offense for something said or done, or a failure of some personal or public trust. And implicitly there is an implied admission of guilt or wrongdoing.

But to an economist, talk is cheap – the person may be truly feel remorse, but unless he or she has to atone by way of monetary compensation, as one would do for running a red light,

failing to file taxes by April 15 (or at all) or, for a business firm, colluding to fix prices or rig a market – an apology is more of a calculated theatrical moment than anything else. One’s behavior and decisions are in part shaped by the price one pays; that is, what does it cost you for the mistake for which you are now apologizing?

In our courts, a lengthy prison sentence would be meted out for a sexual assault or murder; on Wall Street the incarceration would be complemented by financial restitution. But what does it cost United Airlines, other than the loss of some good will, for factors within its control and purview that make me five hours late? How about including a \$50 voucher for a subsequent flight? What price does the landlord bear for the inconvenience of having no (hot) water for a day? How about a coupon for dinner at a local eatery?

But for the run-of-the-mill “oops” indiscretions by bungling bureaucrats or sleazy politicians, as opposed to major criminal offenses, these miscreants pay a very low price for their behavior, and their remorse rings hollow.

Thus I propose that any “I apologize” statement would have to be accompanied by a \$100,000 donation to a charity. For “I sincerely apologize”, \$125,000. “I offer my heartfelt apology” would cost \$150,000. One could “deeply regret” an action, noun, verb, or adjective for \$200,000. A surtax of \$50,000 would be added for appearing on camera with a spouse. And, of course, the seemingly ubiquitous whopper: “I have done nothing wrong” would run \$500,000. Penalties double for repeat offenders.

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