

# The Sunk Cost Fallacy Is Ruining Your Decisions. Here's How

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If you've ever let unworn clothes clutter your closet just because they were expensive, or followed through on plans you were dreading because you already bought tickets, you're familiar with the sunk cost fallacy.

"The sunk cost effect is the general tendency for people to continue an endeavor, or continue consuming or pursuing an option, if they've invested time or money or some resource in it," says Christopher Olivola, an assistant professor of marketing at Carnegie Mellon's Tepper School of Business and the author of a new [paper](#) on the topic published in the journal *Psychological Science*. "That effect becomes a fallacy if it's pushing you to do things that are making you unhappy or worse off."

This idea often applies to money, but invested time, energy or pain can also influence behavior.

"Romantic relationships are a classic one," Olivola says. "The longer you've been together, [the harder it is to break up](#)."