ducted a poll that asked people in 14 countries what would make them happy. The number one answer everywhere: more.

When asked how much money it would take to make them completely happy, Americans typically name an income about 20 percent higher than their current one, reports Easterlin. It's true that people with higher incomes report higher levels of happiness, on average. The problem is that increasing their wealth doesn't make them any happier. That's because we tend to compare our material situation with our peers, the proverbial Joneses. A study that began tracking a group of Americans who were in their twenties in 1972 found that their incomes had more than doubled by 2000. But the measure of happiness they reported changed not at all.

All of this confounds the predictions of Easterlin's fellow economists. Yet psychologists don't have a better grip on the sources of happiness. In psychology, the vogue is for a "set-point" theory, which holds that each individual has a fixed level of happiness, determined by genetics and personality. Events such as marriage or divorce make only a temporary difference on the individual's happiness meter. Before long, the old self, happy or sad, reappears.

Some studies lend support to this idea, according to Easterlin, but a lot of others (and common sense) contradict it. Marriage, for example, really does make most people happier over the long term.

Easterlin's advice: If you're offered that higher-paying job, ignore the economists and psychologists and strongly question your own "commonsense" impulse to go for the money.

Castoff Cornucopia

"Reverse Supply Chains for Commercial Returns" by Joseph D. Blackburn, V. Daniel R. Guide, Jr., Gilvan C. Souza, and Luk N. Van Wassenhove, in *California Management Review* (Winter 2004), F501 Haas School of Business #1900, Berkeley, Calif. 94720–1900.

You're back at the mall again. That racy purple peignoir you hurriedly bought for your wife's birthday got the classic icy smile. Or maybe a knob fell off that sleek new television. Whatever the reason, Americans are returning goods in ever-greater numbers. Product returns now amount to about $100 billion annually.

So what happens to all that stuff? Only 20 percent of returned merchandise is put back on the shelf as new. Fifty-five percent is refurbished, repaired, or "remanufactured" in some way and sold at a discount. Ten percent is salvaged for components. And 15 percent winds up at the local dump. In the end, the sellers recover only 45 percent of the value of the returned goods. That's a loss of $55 billion.

The authors, all business professors at different universities, report that retailers haven't paid much attention to what they call "the reverse supply chain." Mainly, sellers try to minimize costs. It would be smarter to focus on speeding up the process. A returned computer loses one percent of its value every week, and at one company the authors studied, the opened boxes sat around for more than three months. Other items age much more slowly because the technology and styles don't change quickly. A power drill, for example, depreciates by one percent per month.

The authors make a number of suggestions to help cope with the problem, but some seemingly obvious ones aren't mentioned, such as selling better products—or providing aesthetic counseling to taste-impaired men.

The ABCs of CEO Success

"What Makes an Effective Executive" by Peter F. Drucker, in *Harvard Business Review* (June 2004), 60 Harvard Way, Boston, Mass. 02163.

The legendary management guru Peter Drucker has known a remarkable number of chief executives in his 65 years as a consultant, and he concludes that no single personality type characterizes the most effective of them. The best CEOs have "ranged from extroverted to nearly reclusive, from easygoing to controlling, from generous to parsimonious." But what they all had in common was adherence to eight simple rules:

1) *Ask, "What needs to be done?"*—not "What do I want to do?" The effective executives concentrated on the most urgent task (or, at most, on the two most urgent tasks). When it was completed, they didn't move on to the next task on the list; they drew up a new list.

2) *Ask, "What is right for the enterprise?"*—not, "What is right for the owners (or the stock price, the employees, or the executives)?" A decision that is not right for the whole enterprise ultimately won't be right for any of its stakeholders.

3) *Develop action plans.* But the plans should be statements of intention, not straitjackets, and they should be revised often.

4) *Take responsibility for decisions.* Make sure that everyone knows who's affected, who needs to be informed, and who's accountable. "One of my clients, 30 years ago, lost its leadership position in the fast-growing Japanese market because the company . . . never made clear who was to inform the purchasing agents" that its new partner defined specifications in meters and kilograms, not feet and pounds. Effective executives also review their decisions periodically, including those about hiring and promoting. When the latter decisions prove wrong, the executives should acknowledge that *they*, not the employees, are at fault—and then they should remove the employees from the positions.

5) *Take responsibility for communicating.* Share action plans with all colleagues, and ask for comments.

6) *Focus on opportunities rather than problems.* Problem solving, however necessary, merely prevents damage. Change brings opportunities, and exploiting opportunities produces results.

7) *Run productive meetings*, and recognize that follow-up activity is no less important than the meetings. Alfred Sloan (1875-1966), the longtime head of General Motors and "the most effective business executive I have ever known," understood this well. It was through his postmeeting memos, summarizing the discussion and conclusions and spelling out any work assignments, that he made himself so outstandingly effective.

8) *Think and say "we," rather than "I."* The rule is not as simple as it sounds, and it needs to be strictly observed.

And one more rule (a bonus): *Listen first, speak last.*

Society

A Mixed Verdict on Brown

A Survey of Recent Articles

When the Supreme Court issued its landmark school desegregation ruling in *Brown v. Board of Education* 50 years ago this past May, liberals enthusiastically hailed the decision and conservatives deplored what they regarded as the Court's reckless judicial activism. A half-century later, there's been a remarkable reversal: Many liberals now disparage *Brown*'s significance, and many conservatives applaud the Court's action.

In unanimously finding state-sponsored school segregation unconstitutional, the justices in 1954 had to substitute their own moral convictions for the guidance they would normally have found in the text of the Constitution and subsequent Court interpretations of it. Their ruling had the unfortunate effect of encouraging the "abandonment of constitutional reasoning," writes conservative commentator George Will in *The Washington Post* (May 16, 2004). But it also had the salutary effect of accelerating "the process of bringing this creedal nation into closer conformity to its creed."

Gerald Rosenberg, of the University of Chicago Law School, writing in the American Political Science Association's *PS* (April 2004), insists that *Brown* actually accomplished "not very much." The "all deliberate speed" with