Excerpts from Anthony Downs (1957), *An Economic Theory of Democracy* (New York: Harper & Row) – for educational use only; please do not disseminate further.

Chapter 11 The Process of Becoming Informed

Traditional economic theory assumes that unlimited amounts of free information are available to decision makers. In contrast, we seek to discover what political decision-making is like when uncertainty exists and information is obtainable only at a cost… (p. 207)

In this chapter we attempt to prove the following propositions:

1. In an uncertain world, rational decision-makers acquire only a limited amount of information before making choices.
2. All reporting is biased because the reporter must select only some of the extant facts to pass on to his audience.
3. A rational citizen keeps properly well-informed by systematically exposing himself to a particular set of information sources he has chosen for this purpose. (pp. 207-208)

… The main scarce resource consumed in the [rational decision-making] steps… is the time used for assimilating data and weighing alternatives, but many other resources may also be involved, particularly in gathering and transmission steps. We divide all these costs into two major classes:

1. *Transferable costs* can be shifted from the voter onto someone else. We separate transferable costs into three types:
    (a) *Procurement costs* are the costs of gathering, selecting, and transmitting data.
    (b) *Analysis costs* are the costs of making factual analysis of dadta.
    (c) *Evaluative costs* are the costs of relating data or factual analysis to specific goals; i.e. of evaluating them.
2. *Nontransferable costs* must be borne by the voter himself.