Chances are, you encounter so many warning labels on a daily basis that you no longer bother reading them. And even if you do, it’s nearly impossible to determine if a product represents a true hazard or if you’re just encountering a bunch of weasel words designed solely to avoid lawsuits.

Not surprisingly, this is a problem.

A paper published in the Harvard Business Review last week concluded that the U.S. warning-label system “fails miserably at distinguishing between large and small risks.”

To illustrate that point, researchers from Harvard and Vanderbilt universities said consumers should think about the difference between wolves (potentially very dangerous) and puppies (not so much).
“The problem with our present warning system is that it shouts ‘Danger!’ for both wolves and puppies,” they wrote. “Such a system is of little value; people quickly learn to ignore warnings since they encounter vastly more puppies than wolves. The result is that when a wolf is truly present, people pay little heed.”

There are few wolves in the consumer world as ferocious as cigarettes, which is why their packaging explicitly warns that “smoking causes lung cancer.”

But that message might be diluted in many consumers’ eyes by, say, language required by California’s Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986. It requires state businesses to post signs warning of the presence of chemicals known to cause cancer or birth defects.

However, because the law covers more than 800 chemicals, such signs can be ubiquitous in a consumer’s daily travels. This, the researchers said, is a classic example of a warning-label puppy — yes, you could get bit, but it’s highly unclear if there’s actually any danger.

As a result, it becomes all too easy to discount the cancer risk of cigarettes if you’re told you’re facing other cancer risks just by entering a store or office building.

“We need a system that allows people to distinguish between a modest risk and a truly substantial risk,” said W. Kip Viscusi, a professor of law, economics and management at Vanderbilt who co-wrote the Harvard Business Review paper.

“People’s eyes glaze over when they look at a warning,” he told me. “They simply don’t read it at all.”

A big problem, Viscusi said, is that U.S. companies err on the side of caution by “overwarning” of every possible risk or side effect as a legal precaution. By including all potential dangers, regardless of how remote or silly, corporate lawyers figure that aggrieved customers will have no room for litigation.

Perhaps that’s why drug marketer Prestige Brands includes on its warnings for the over-the-counter insomnia remedy Nytol that the product “may cause drowsiness.” It’s a sleeping pill!

Nytol users also are warned that they shouldn’t drive “or perform other possibly unsafe tasks.”

Warning labels have been around in the United States since the Federal Caustic Poison Act was adopted in 1927. They became more commonplace when safety labels were required for food and drugs in 1938. Cigarette warnings entered the picture in the mid-1960s.

Expansion of government requirements in the 1980s made a warning labels a routine part of many consumer products, the researchers found. “Now, in the early 21st century,” they wrote, “despite the large differences among products bearing warnings, our system is often one-style-fits-all.”

Clearly the idea behind warning labels is an important one. Consumers need to be informed of possible risks before buying or using a product.
The question, then, is how do we make these labels more effective?

In their paper, the researchers said a first step would be to stop branding products as dangerous if they represent only a marginal risk.

“This practice leads highly cautious consumers to lump low-risk products in with mass-marketed products that actually merit such a warning and encourages many others to simply ignore warnings,” they said.

“In addition, warnings should be worded so that consumers can at least roughly estimate the actual risk ... given how each product is typically used.”

A thought: If we can color-code homeland security threats, perhaps we could do the same with product-safety labels.

Viscusi said warning labels also need to become simpler and more straightforward, which means ending the practice of jam-packing them with every last possible hazard.

For instance, Pfizer’s Chantix pills are intended to help people quit smoking — a good thing. The warnings, however, state there’s a possibility of “suicidal thoughts or actions, anxiety, panic, aggression, anger, mania, abnormal sensations, hallucinations, paranoia or confusion.”

That’s aside from a risk of constipation, vomiting, seizures, memory loss, sleepwalking, rashes and “swelling of the face, mouth and throat that can cause trouble breathing.”

To Viscusi, such extensive admonitions may do more harm than good.

“The objective of warnings is to inform people, not scare them,” he said. “Listing everything linked to a drug doesn’t necessarily foster better decisions.”

To mollify lawyers, Viscusi said, the Food and Drug Administration might consider offering companies under its jurisdiction “safe harbor” after signing off on a warning label. In other words, the business would be shielded from disclosure-related lawsuits because federal authorities would have deemed its labeling adequate.

The FDA currently reviews warning labels but doesn’t extend safe-harbor protection. Theresa Eisenman, an agency spokeswoman, declined to comment on Viscusi’s suggestion.

She said the FDA reviews academic studies “as part of the body of evidence to further our understanding about a particular issue and assist in our mission to protect public health.”

The researchers concluded that “our cluttered system of warnings must reserve real warnings for the biggest risks.”
“Empowering individuals to make appropriate risk decisions is a worthwhile goal,” they said. “The present system fails to provide people with the requisite information to do it.”

David Lazarus' column runs Tuesdays and Fridays. He also can be seen daily on KTLA-TV Channel 5 and followed on Twitter @Davidlaz. Send your tips or feedback to david.lazarus@latimes.com.

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