



in recent issues of this magazine (see gfoa.org/rethinking-materiality).

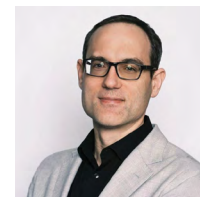
This suggests a need to rethink how attention is allocated. Time and attention are finite resources. When they are consumed by low-impact issues, there is less capacity to focus on the decisions that have the greatest influence on financial outcomes.

Applying the Law of Triviality raises several practical questions:

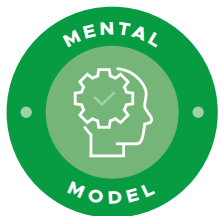
- Where is decision-making time currently being spent, and does that align with impact?
- Which issues are receiving attention because they are important, and which ones are emphasized because they are easy to discuss?
- How can agendas and processes be structured to ensure that high-impact, complex issues receive appropriate focus?

The Law of Triviality does not suggest that small issues should be ignored; rather, it reminds us that not all issues warrant the same level of attention. In environments characterized by limited time and increasing complexity, the ability to align attention with importance becomes a critical skill.

For finance professionals, the mental model offered by the Law of Triviality is simple: do not assume that what receives the most discussion is what matters most. Instead, deliberately direct attention toward the decisions that will have the greatest impact on financial condition and performance. The GFOA research report, “Breaking the Law of Triviality” (gfoa.org/materials/triviality), describes this law—and how to break it—in more detail. 📖



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The Law of Triviality

Focusing attention on the decisions that matter most for fiscal health

BY SHAYNE KAVANAGH

Mental models help us simplify complexity, direct our attention, and make better decisions when time and information are limited. One with particular use in group decision making is the Law of Triviality.

The Law of Triviality describes a common pattern: Groups tend to spend disproportionate time and attention on small, simple, and easily understood issues, while giving relatively little attention to large, complex, and high-impact decisions. The Law of Triviality means we tend to waste the precious resource of time, leaving less time to discuss what really matters. The result is lower-quality decision making.

Public finance provides many examples of how this pattern plays out. Budgeting often provides the most obvious examples, with a lot of time being spent discussing relatively small expenditures, while large capital projects receive comparatively less attention. Financial reporting provides less obvious, but still important, examples. Financial reporting can get bogged down in reporting precise dollar amounts, even where those amounts will do little or nothing to enhance the value of the financial report to end users. Getting bogged down like this results in report publication being pushed further out into the future, reducing the timeliness and, thereby, usefulness of the entire report. This is the premise of “Rethinking Materiality,” which has been featured