Exit polls indicate that certain voters in West Virginia were swayed by rumors that Barack Obama was a Muslim and his wife an atheist—despite repeated reports that these stories were false.

Mothers across the country are still forwarding their kids an alarming email about a gang initiation ritual that was exposed as a hoax a decade ago.

Why are rumors so easy to believe and so tough to squelch?

In The Watercooler Effect, psychologist Nicholas DiFonzo explores the anatomy of rumors, and probes just what happens at the world’s “watercoolers.” Whether political, cultural, or domestic, rumors are part of our social capital, and a fundamental, if underappreciated, part of human experience. When rumors rip through a campaign—like the religious rumors dogging Obama or those about McCain fathering a black child—it forces a change in the conversation as we try to reconcile what we think we know with what we’ve now been told.

According to DiFonzo, rumors exist because humans have an intrinsic need to make sense of the world. As social beings, when we’re stymied by ambiguity, vaguely threatened by something new, or alarmed by uncertainty, our response is to talk and try to tighten up the facts. Such tightening up often involves wild speculation—and so a rumor is born. This is our collective response to uncertainty.

Spreading rumors has a psychological basis as well. They allow us to bond as social beings (“Did you hear that manager X is getting fired?”) and give us a forum to vent our hostility (“I’m not surprised she got that job; from what I hear she’s sleeping with the boss!”).

Naturally, rumors proliferate wherever people interact: in the workplace, on the Web, within the tight networks of ethnic and religious communities, and, of course, at the dinner table among family and friends.

While rumors are about making sense of the unknown, gossip is slightly different. DiFonzo says, “Gossip is idle—and typically derogatory … it’s a juicy tidbit of information about someone. Gossip helps people bond with, amuse, know about, exclude, and aggress against one another … Rumor is a breadcrumb in an information famine; gossip is a tasty finger food during the cocktail hour.”

The Watercooler Effect ultimately shows that a common part of our everyday lives is, upon closer inspection, a complex and profound phenomenon with powerful real-world effects. It’s packed entertaining examples, yet it’s also a deeply revealing look at a fundamental human activity.