Part IV

Advancing Narrative Economics

Chapter 19

Future Narratives, Future Research

Disease epidemiology has shown us that there will likely be repeats of variants of older epidemics in the future as reservoirs of old epidemics mutate or react to a changed environment to start a new wave of contagion. There will be new forms of influenza and new influenza epidemics. So, too, many of the narratives described in this book will become epidemic again, weaken after years have passed, and then rise more. The timing is unpredictable; unlike the hypothesized business "cycles," narratives don't recur at regular time intervals.

The studies in this book reveal powerful economic narratives of the past that are mostly inactive and sometimes largely forgotten today. However, they are not completely forgotten, and someone seeking a powerful story may rediscover them. The constellations may change, providing new context for, and thereby increasing the contagion rate of, an old narrative and developing the idea into a major epidemic, sometimes after a long time lag.

In this book, I have made unusually heavy use of paragraph-length quotes. I did so to give readers a historical sense of a past narrative that made an impact and might make an impact again if it is repeated in the same words. As with jokes or songs, to be effective a narrative has to be worded and delivered just right.

When it comes to predicting economic events, one becomes painfully aware that there is no exact science to understanding the impact of narratives on the economy. But there can be exact research methods that contribute to such an understanding. There is no exact science

about how to evaluate novels or symphonies either, but there are exact methods that may provide information that contributes inspiration to those who involve themselves with such things. We have to avoid the "seductive allure" of superficial arguments about the economy using scientific analogies to lend a sense of precision to a theory that in fact may be of little substance.[1] We need to keep the true scientific method in mind even when trying to use an essentially humanistic approach.

Let us proceed with some suggestions from the analysis in this book about future economic narratives, and how we can in the future direct research that allows a better, if inevitably imperfect, understanding of them.

Altered Forms and Circumstances

The perception from time to time of "economic strength" is driven by narratives, notably an other-people's-confidence narrative (discussed in chapter 10) that is for those times outcompeting other, less optimistic narratives. All narratives have their own internal dynamics, and this "strength" may well be ephemeral. With the Great Recession of 2007–9, we saw a rapid drop in confidence and return of a 1929 stock market crash narrative (chapter 16). The same could happen swiftly again as a result of a small mutation in the narratives or change in circumstances.

The keep-up-with-the-Joneses narrative (discussed in chapter 11) seems especially strong at this writing in the United States. President Donald J. Trump models ostentatious living. In addition, there appears to be less generosity toward hungry families. There had been a distinct downtrend in US charitable giving for basic needs even before Trump's presidency. Research at the Indiana University Lilly Family School of Philanthropy reveals a 29% decline in real, inflation-corrected, basic-needs charity from 2001 to 2014.[2] These declines in the modesty and compassion narratives extend to a lower willingness to help the world's emerging countries.

The intelligent machines narratives (chapters 13 and 14) are still much talked about, though they do not seem to have much economic impact

at the moment. Machines do not seem to be very scary at the time of this writing, but should there be some adverse news about income inequality or unemployment, the contagion of scary forms of this narrative could reappear. A sudden increase in concerns about robots has happened before. A search on ProQuest News & Newspapers for articles containing both *robot* and *jobs* reveals that the number of articles almost tripled between the last six months of 2007 and the first six months of 2009. According to the National Bureau of Economic Research, December 2007 was the peak month before the Great Recession, and the recession ended in June 2009.

New Technology Will Change Contagion Rates and Recovery Rates

Notable changes in information technology, with changes in contagion rates and recovery rates, have occurred over the course of history. The early invention of printed books in China, the invention of Gutenberg's printing press in the fifteenth century, the invention of newspapers in Europe in the seventeenth century, the invention of the telegraph and telephone in the nineteenth century, the invention of radio and television in the twentieth, and the rise of the Internet and social media have all fundamentally altered the nature of contagion, but to date there has been no systematic quantitative study of these inventions' impact on contagion.

Social media and search engines have the potential to alter the fundamentals of contagion. In the past, ideas spread in a random, non-systematic way. Social media platforms make it possible for like-minded people with extremist views to find each other and further reinforce their unusual beliefs. Contagion is not slowed down by fact-checkers. In contrast, the Internet and social media allow ideas to be spread with central control that is nonetheless poorly visible. Designers of social media and search engines have the ability to alter the nature of contagion, and society is increasingly demanding that they do so to prevent devious use of the Internet and the spread of fake news.

But changing communications technology isn't the only factor that can influence contagion rates. It isn't always even the biggest factor.

Cultural factors are also at work. History has shown changes in face-to-face spoken word use that likely affect the nature of contagion. For example, in the 1800s, literature would be read aloud in the *salon* and in the *family circle*, fashions that were especially prominent in the middle of the nineteenth century. Both the salon and the family circle reading began to fade at the turn of the century, as the *Washington Post* noted in 1899:

> Reading aloud to the children and in the family circle—how fast it is becoming one of the lost arts. What multitudes of children of former days were entertained, and instructed, by this practice, and how few there are who are so entertained and instructed nowadays. Children now, after being taught to read, join that great army which takes in the printed word, swiftly and silently. Most parents, doubtless, are too busy to spare time to educate their sons and daughters by reading to them, and as the children grow older they find their hours too crowded to devote any of them simply to listening. "What is the use" they would say, if asked. "Tastes differ, and we can read what we want in a fraction of the time that would be consumed if we had to sit still and hear it.[3]

However, as the salon and family circle faded, magazine clubs and book clubs took off into the twentieth century.

Another cultural factor altering the spread of narratives has been an international movement toward providing mentors for young people, with roots back to the Big Brothers (now Big Brothers and Big Sisters) movement starting in 1904, and later diversifying into an epidemic of sorts since around 1980. Having regular communications with successful or socially committed people helps a young person gain a sense of identity in the mentor's life stories, or in stories that the mentor tells of others in the same circle.[4] Mentoring groups are especially effective for women and minorities who may have felt little ownership of such stories.[5]

Two new phrases, *influencer marketing* (since 2015) and *social media marketing* (since 2009), have been gaining popularity. Marketing firms, notably shareablee.com and hawkemedia.com, offer influencer

marketing, systematically finding influential people who allow marketing to them or with them via social media. Such sites should increase contagion rates for promoted stories and ideas.

Even as information technology is affecting the transmission of economic narratives that affect the human mind, it could conceivably go further and replace some of the ultimate decision-making process that individuals use. For example, we already have robo-advisers that offer advice on how much to consume and save and how much to put into the stock market versus other investments. The first robo-adviser was launched in 1996 with William Sharpe's Financial Engines. Since then, automated advisers such as Schwab Intelligent Portfolios, Betterment, and Wealthfront have proliferated. There are other efforts to automate economic decisions too, such as target date funds, first attracting interest around 2007, that automatically rebalance a long-term investor's portfolio based on a target retirement date. There are many other applications of algorithmic trading. Nonetheless, today, people write the programs and make the ultimate foundational decisions. Someday people may defer massively to machines for life decisions, in which case economic processes may be fundamentally altered. But that day appears likely still to be far-off.

Modeling technology's effects on communications will be easier to trace when there is better science behind the spread of economic narratives. Already, our models show that it is not easy to predict these narratives and their effects. For example, the epidemic's ultimate size may not change when an increase in the contagion parameter is matched by a corresponding change in the recovery parameter. Rather, the epidemic will just happen faster. We must integrate formal models of contagion into economic models to begin to understand the impact of such technology.

The Future of Research in Narrative Economics

It is very important, if we are ever to have a substantial understanding of the kinds of big economic events that have surprised us so often in the past, that we have some scientific methods of studying the narrative

element of these, even if the science is not complete and still involves some human judgment. Otherwise the field will be left to prognosticators or prophets who give the whole enterprise a bad name.

Economic research has not emphasized the stories that people tell to one another and to themselves about their economic lives. The research misses any discernible meaning that appears in the form of narratives. By missing the popular narratives, it also misses possibly valid explanations of major economic changes.

If one searches newspapers of the twentieth century for contemporary explanations of recessions as they begin, one finds that most talk concerns leading indicators rather than ultimate causes. For example, economists tend to bring up central bank policy, or confidence indexes, or the level of unsold inventories. But if asked what caused the changes in these leading indicators, they are typically silent. It is usually changing narratives that account for these changes, but there is no professional consensus regarding the most impactful narratives through time. Economists are reluctant to bring up popular narratives that they have heard that seem important and relevant to forecasts, since their only source about the narratives is hearsay, friends' or neighbors' talk. They usually have no way of knowing whether similar narratives were extant in past economic events. So, in their analyses, they do not mention changing narratives at all, as if they did not exist.

We can already today learn something about popular economic narratives by counting words and phrases in the digitized texts that are available, but there has not been enough organized research to measure the strength of the competing narratives that combine and recombine over time to cause major economic events. Artificial intelligence can help with this—especially with unstructured data. The perennial narratives described in part III of this book are works in progress, not final and exhaustive quantifications of all truly important narratives.

Research on narrative economics has already begun and surely will continue, but will such research be done on a sufficient scale in the future? How effectively will substantial research on narrative economics use the large and growing amounts of digitized data? Will narrative

economics help us create better, more accurate economic models to forecast economic crises before they begin or get out of hand? To move forward, we need to recognize the importance of collecting better data and integrating lessons from data into existing economic models. We need to research issues that today are considered peripheral to economics, and we need to collaborate with non-economists, who have different perspectives. For example, we can incorporate mathematical insights from other fields, such as mathematical epidemiology, to create a link between mathematical economics and the humanities. We must expand the volume of available data and study many economic narratives together. We must account for changing narrative epidemics in our forecasting models.

A Place for Narrative Economics in Economic Theory

As we saw in chapter 3, narrative economics has been long neglected. That is likely partly because the relationship between narratives and economic outcomes is complex and varies over time. In addition, narratives' impact on the economy is regularly mentioned in journalistic circles, but often without the demands of academic rigor. The public opinion of journalistic accounts of narratives may have been diminished by aggressive economic forecasts that proved wrong.

In addition, economists long assumed that people are consistent optimizers of a sensible utility function using all available information, with rational expectations. As we've noted, this theory omits some clearly important phenomena. Fortunately, the behavioral economics revolution of the last few decades has brought economic research closer to that of other social sciences. No longer do economists routinely assume that people always behave rationally.

One widespread and important innovation is the creation of economic think tanks interested in creating policies based on the insights of behavioral economics. These think tanks have been called "nudge units," following the Behavioral Insights Team in the UK government in 2010. Working with the ideas popularized by Richard Thaler and Cass

Sunstein in their 2008 book *Nudge: Improving Decisions about Health, Wealth, and Happiness*, these units try to redesign government institutions toward "nudging" people away from their irrational behavior without coercing them. According to the Organization for Economic Cooperation and Development, there are now close to two hundred such units around the world.[6]

I advocate formalizing some of the intuitive judgment that national leaders already use to acknowledge and harness changing economic narratives. Leaders must lean against false or misleading narratives and establish a moral authority against them. Their first step is to understand the dynamics of the narratives. Their second step is to design policy actions that take account of narrative epidemics. Policymakers should try to create and disseminate counternarratives that establish more rational and more public-spirited economic behavior. Even if the counternarratives are slower to take effect than a more contagious destructive narrative, they can eventually be corrective.

For example, as noted in chapter 10, US President Franklin Delano Roosevelt in his March 4, 1933 inaugural address[7] at the bottom of the Great Depression asked people to set aside their fears and spend money. In his first fireside chat, March 12, 1933,[8] he appealed to morality, asking people not to withdraw more money than they needed when the banks reopened. He was spinning a narrative of what could happen if unreasoning people with little social consciousness destroyed the economy. We can speculate that President Roosevelt's request worked because it was based on a moral standard; his chats roughly coincided with upturns in the US economy. However, we do not have a way of quantifying exactly how salient the narratives of the time really were. We would know more, perhaps, if economists had collected better data and conducted more analysis on what people were saying in 1933. If they had, we might now have a better understanding about how to frame such moral-appeal narratives in the future.

A problem in using narratives to forecast economic variables is that human judgment and discourse about narratives tend to be politicized and emotion-ridden. It has been difficult for scholars to research popular narratives, focusing on the core elements that make them contagious,

without being accused of taking sides in political, or sometimes religious, controversies. Because many professional economists try to remain nonpartisan, they tend to rely on quantitative, rather than qualitative, observations. However, with modern information technology, economists can now collect data on economic narratives themselves, on their essential elements of meaning, without being overly focused just on words, and they can model the transmission of narratives. If we maintain quantitative rigor, we can make narrative epidemics a part of economic science.

Some may doubt that it is possible to have nonpartisan discussion of economic narratives. However, if we are careful and polite, it should be possible to speak in a nonpartisan way about epidemics of economic narratives. Most people have some instinct about how to speak in a nonpartisan way, and they do so when the occasion demands it. We do not have to go so far in our efforts to be nonpartisan that we exclude study of some ideas and emotions that drive economic changes.

Economic research is already on its way to finding better quantitative methods to understand narratives' impact on the economy. Textual search is a small but expanding area. A search of the NBER working paper database finds fewer than one hundred papers with the phrase *textual analysis*. Economists have used textual analysis to document changes in party affiliation (Kuziemko and Washington, 2015), political polarization (Gentzkow et al., 2016), and news and speculative price movements (Roll, 1988; Boudoukh et al., 2013). Much more could be done. For example, economists could carry the historical analysis further into databases of personal diaries, sermons, personal letters, psychiatrists' patient notes, and social media.

Collecting Better Information about Changing Narratives Should Start Now

Economists must make more serious efforts to collect time-series data on narratives, going beyond the passive collection of others' words, toward experiments that reveal meaning and purpose. Such great

quantities of digitized data are now available that it boggles the imagination. Even so, this vast dataset is minuscule compared to the even vaster universe of human communications that go on every day, most of which are not adequately sampled, described, or understood.

It is important that such data collection be maintained on a consistent basis through decades, so that we can make intertemporal comparisons of major influencing public narratives in the future. There has been relatively little incentive to undertake such a project, because there is little immediate payoff to doing so. Instead, most narrative data collection focuses on immediate interests, such as marketing specific products or predicting upcoming elections.

It is also important to apply creative energies toward such consistent long-term data collection. Understanding people, their behavior, and their thinking may even require the help of psychoanalysts and philosophers.

It will be difficult to combine these two needs, consistency through time and creativity. But we must do so if we are to make real progress in narrative economics.

The first step requires improving existing search engines so that they can better measure the time-varying incidence of narratives. The search engines do not tell us exactly how they determine the estimated total number of hits. Rather, they are designed primarily to help users find articles or information they are looking for. Thus some anomalies pop up when researchers attempt to count the number of references. For example, Google's search engine instructions say that a search for a phrase should enclose the phrase in quotation marks so that the search is confined to exactly those words in exactly that order. But sometimes including the phrase in quotation marks results in more hits than the phrase without quotation marks. A Google spokesman says that the greater number of hits for the phrase in quotation marks may happen because quotation marks cause Google to "dig deeper" into the database.[9] We need to see evidence that such deeper digging is not compromising the accuracy of counts. Google Ngrams is designed to count phrases, and to compare the counts through time, but Ngrams and other search engines could do

much more to ensure that users can accurately compare counts through time.

In addition, we should be collecting time-series data about economic narratives at least once a year, ideally more often than that, and on an uninterrupted basis for decades into the future, and in multiple countries and languages. Such data-collection efforts might include the following:

1. **Regular focused interviews of respondents inviting them to talk expansively and tell stories in response to stimulus questions related to their economic decisions.** The instructions would ask respondents to tell a story that is interesting or suggestive of causes in the current environment. This is the *listening as a research method* advocated by Charlene Callahan and Catherine S. Elliott[10] and the *qualitative research* advocated by Michael Piore.[11] Some researchers have conducted such research, notably Alan Blinder and his coauthors,[12] who interviewed top executives about how they reach decisions about price setting, and Truman Bewley,[13] who asked managers about their wage setting. Still more researchers have studied narratives to try to infer motivations of those who decide on fiscal and monetary policy.[14]

   Focused interviews are interviews of individuals that ask them to focus on their understandings and stories related to current behavior. Focused interviews began to be used as research tools in the 1920s and were given a firm foundation by Robert K. Merton and Patricia L. Kendall in 1946.[15]

   Unfortunately, these researchers usually conducted these interviews as one-time-only events, and they did not try to collect long time-series information that would reveal how answers and stories changed through history. If such data had been collected, the entire stories would have been digitized as sections of long time series and preserved for future textual analysis. The data could then have been added to major economic data collections. These include databases such as the

Panel Study of Income Dynamics at the University of Michigan Institute for Social Research, the Federal Reserve Board's Consumer Expenditure Survey, and the Swedish Household Market and Nonmarket Activities database (HUS) at Gothenburg University. Maintaining a consistent research environment through time would allow intertemporal comparisons, though the list of stimuli would have to be augmented as time goes on and as relevant new words and concepts appear. There would likely be some overlap with other surveys, such as those conducted internationally under the International Social Survey Program.[16] New efforts could go well beyond the work to date of the University of Chicago General Social Survey[17] or the University of Michigan Institute for Social Research,[18] which have been useful for many purposes in the past.

2. **Regular focus groups with members of different socioeconomic groups to elicit actual conversations about economic narratives.** A focus group is a focused interview done on a group of people. The group interview is especially important for narrative economics since it creates an environment that simulates the very interpersonal contagion that underlies the epidemiology of narratives. The focus group is an important and common research method, typically used by marketers to learn how people in various demographic groups talk among themselves about products or political candidates.

   In a focus group, the researcher puts together people who likely represent actual groups in human society; participants are typically similar in age, live in the same geographical region, and share other factors that influence social group cohesion. By putting similar people together, the researcher attempts to eliminate barriers of "political correctness" that might inhibit normal conversation in unnatural groups. The focus group leader then facilitates talk about stimulus words related to the subject of the research and records the conversation. Running focus groups requires human judgment on the part of the

interviewer. It is an art as well as a science, the art of getting people to think and talk about why they do certain things or hold particular beliefs.

Focus groups are thus experimental situations that could become real observations of the contagion of ideas. Though common, focus groups researchers do not usually seek to provide voluminous data over decades in an attempt to learn about the causes of economic changes. In the case of economic narratives, focus-group participants might be asked to respond to words or phrases such as *stock market, bank, unemployed, the real reason to save,* or *government actions that might impact your future economic welfare or that of your children*. Recorded videos of the focus groups might be digitized, and, in the future, possibly even scanned and analyzed by facial recognition and emotionally categorized algorithms.

Focus groups are now recognized as valid tools for research into popular understandings and motivations. Focus groups have their critics,[19] for they are often poorly managed, but when done well they are extremely useful. Economists, however, have been extremely loath to use them. Economics and finance are the worst fields for references to focus groups. In the decade 2010–2019, only 0.04% of scholarly economics articles and 0.02% of scholarly finance articles mention the term *focus group* despite the fact that focus group methods, developed largely by practitioners of marketing science, are much improved in terms of sampling, directing, and experimenting.[20]

One of the propositions in chapter 8 of this book holds that the economic impact of narratives may change through time, depending on details of the narrative and of the zeitgeist. We saw examples of apparent inconsistencies: The outbreak of World War I caused the US stock market to collapse, while the outbreak of World War II caused the market to soar. The bombing attacks linked with the "big Red scare" in the United States in 1920 were associated with a decline in economic activity, while

the 9/11 attacks in 2001 were associated with ample spending and the end of a recession. A timely and appropriately led set of focus groups that homed in on assumptions, emotions, and loyalties might have given us a better understanding of why people behaved as they did.

3. **A historical database of focus groups conducted for other purposes in years past.** The Public Opinion Research Archive provided by the Roper Center for Public Policy Research,[21] now at Cornell University, has since 1947 amassed a database of opinion survey responses, including the Gallup Data Collection. This archive, however, tabulates answers to individual questions about opinions, questions changing in wording through time and as part of changing questionnaires that provide changing context in terms of other questions asked in the same survey. It does not listen to respondents in their own words and their own thought innovations. The archive is useful, but it is hard to appreciate what elements are contagious or to judge changes in thinking from it. There should be a massive database that asks those conducting focus groups around the world to share the results of past focus group results that may be relevant to understanding changing narratives. It would ask them to share the results of past focus group results that may be relevant to economic narratives. The database administrators would ask permission to publish raw data while remaining suitably respectful of past privacy promises made to participants. The administrators would then find some way (a challenge!) to organize these past focus groups into the closest approximations of computer-searchable time series, which would permit researchers to use the data to plot epidemic curves for specific narratives, as I have done in this book for newspapers and books.
4. **Databases of sermons**. Thousands of religious organizations, churches, synagogues, mosques, and the like, must have records of old sermons (derashas, khutbahs, etc.), but databases seem designed for sermon preparation rather than historical research. Sermons are important because they touch on moral values as

they seek the deeper meanings in life. Changes in these moral values and value judgments about what is right and wrong are undoubtedly relevant to changing economic decisions.

5. **Historical databases of personal letters and diaries, digitized and searchable.** There are the beginnings of such databases already, but we could make a more determined effort to encourage families to donate diaries of deceased family members to such databases. Existing databases do not seem to be based on random samples of the world population with associated personal information. They tend to be assemblages selected for research with a specific purpose, such as research on a single war or social issue in a single country. These are still useful, but better sampling would make for better knowledge on how to generalize results to a broader population.

None of the above-listed data collections is likely to reach the desired scope in the academic research mill any time soon. The payoff to such research is far in the future, and the judgment of such resources is too hard to formalize. Academic research conducted by individuals, who are under pressure to "publish or perish," is unlikely to start data-collection efforts that will help us understand the relatively rare, but serious, depressions and financial crises that occur from decade to decade, but perhaps no more than twice in a lifetime.

Many survey organizations have been collecting some of the data outlined in the wish list above. They should be funded to do so systematically and consistently through time. I have collected such data on a small scale, with questionnaire surveys of both individual and institutional investors about the stock market, since 1989. There are parallel surveys in Japan and China. Also, Karl Case, and now Anne Kinsella Thompson, and I have been doing surveys of US homebuyers and their perceptions of the market for single-family homes since 1993. The early surveys received support from the US National Science Foundation, with later surveys supported by the Whitebox Foundation and the Yale School of Management. The questionnaires for these surveys include open-ended questions with space that invites respondents to write a

sentence or two. The questions are designed to stimulate respondents to think about what is motivating them, so that their responses can be analyzed in perpetuity. Since I started these survey projects, I have seen other survey organizations pursue sometimes similar objectives, and then stop. New survey tools like SurveyMonkey and Qualtrics are encouraging a proliferation of surveys but not a consistent strategy that is pursued over long periods of time.

As of this writing, there does not appear to be much support for the routine collection of historical data in a form that will allow, decades hence, a truly comprehensive study of the dynamics of economic narratives.

Tracking and Quantifying Narratives

Research today needs improvement in terms of tracking and quantifying narratives. Researchers have trouble dealing with a set of often-conflicting narratives with gradations and overlaps. Even the simplest epidemic model shows that no narrative reaches everyone. In addition, the spread of a particular narrative may be largely random. The meanings of words depend on context and change through time. A story's real meaning, which accounts for its virality, may also change through time and is hard to track in the long run.

There is also the perpetual challenge of distinguishing between causation and correlation. How do we distinguish between narratives that are associated with economic behavior just because they are reporting on the behavior, and narratives that create changes in economic behavior?[22]

Economic researchers have to grapple with the same issues that have troubled literary theorists who try to list the basic stories in all of literature, who attempt to distill what defines these stories and makes them contagious (see chapter 2). At any time in history there are many contagious stories, and it is hard to sort through them. Literary scholars run the risk of focusing on details of the stories that are common just because the events are familiar in everyday life. They also face the difficulty of accounting for changes through time in the list of stories.

Fortunately, research in semantic information and semiotics is advancing. For example, machine translation allows a computer to select the meaning of a word by looking at context, at adjacent words. The user asks, "What is the longest river in South Africa?" and Siri provides a direct verbal answer ("The longest river in South Africa is the Orange River"). Such search is now becoming well established around the world.

However, semantic search may take a long time to reach the human mind's abilities to understand narratives. In the meantime, researchers can still quantify the study of narratives by using multiple research assistants who receive explicit instructions to read narratives and to classify and quantify them according to their essential emotional driving force. Advances in psychology, neuroscience, and artificial intelligence will also improve our sense of structure in narrative economics. Companies like alexability.com (Alexandria), alpha-sense.com, prattle.co, and quid.com are beginning to offer intelligent searches of public documents and the media that could help organize information about shared narratives.

As research methods advance, and as more social media data accumulate, textual analysis will become a stronger force in economics. It may allow us to move beyond 1930s-style models of income-consumption feedback and Keynesian multipliers that are still influential today and get closer to all the kinds of feedback that drive economic events. It will also help us better understand the deliberate manipulations and deceptions we have experienced, and it will help us formulate economic policies that take narratives into account.

We should be looking forward to better understanding the patterns of human thinking about the forces that cause economies to boom at times and to stagnate at others, to go through creative times and backward times, to go through phases of compassion and phases of conspicuous consumption and self-promotion, to experience periods of rapid progress and periods of regression. I hope this book confirms the possibility of real progress in getting closer to the human reality behind major economic events without sacrificing our commitment to sound scholarship and systematic analysis.