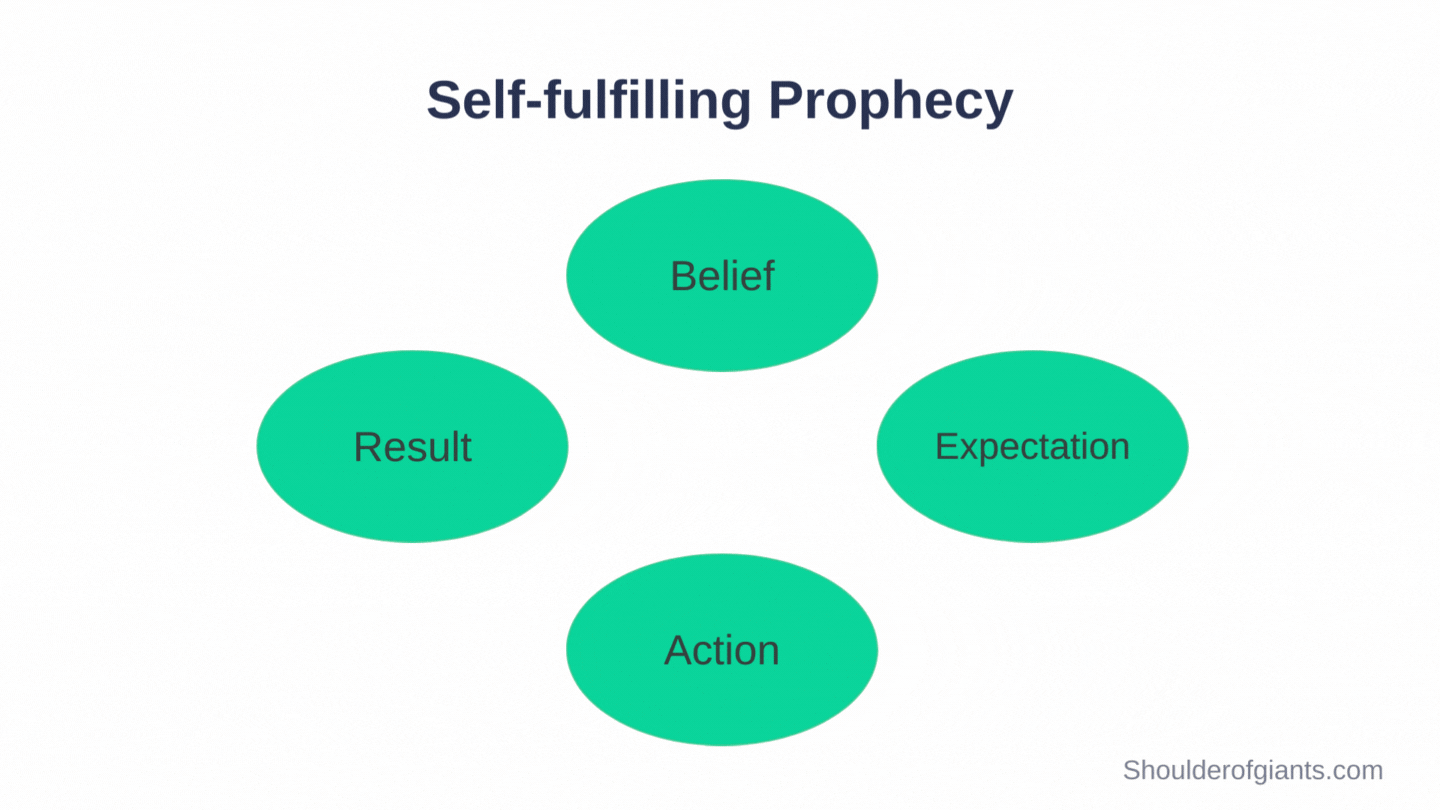
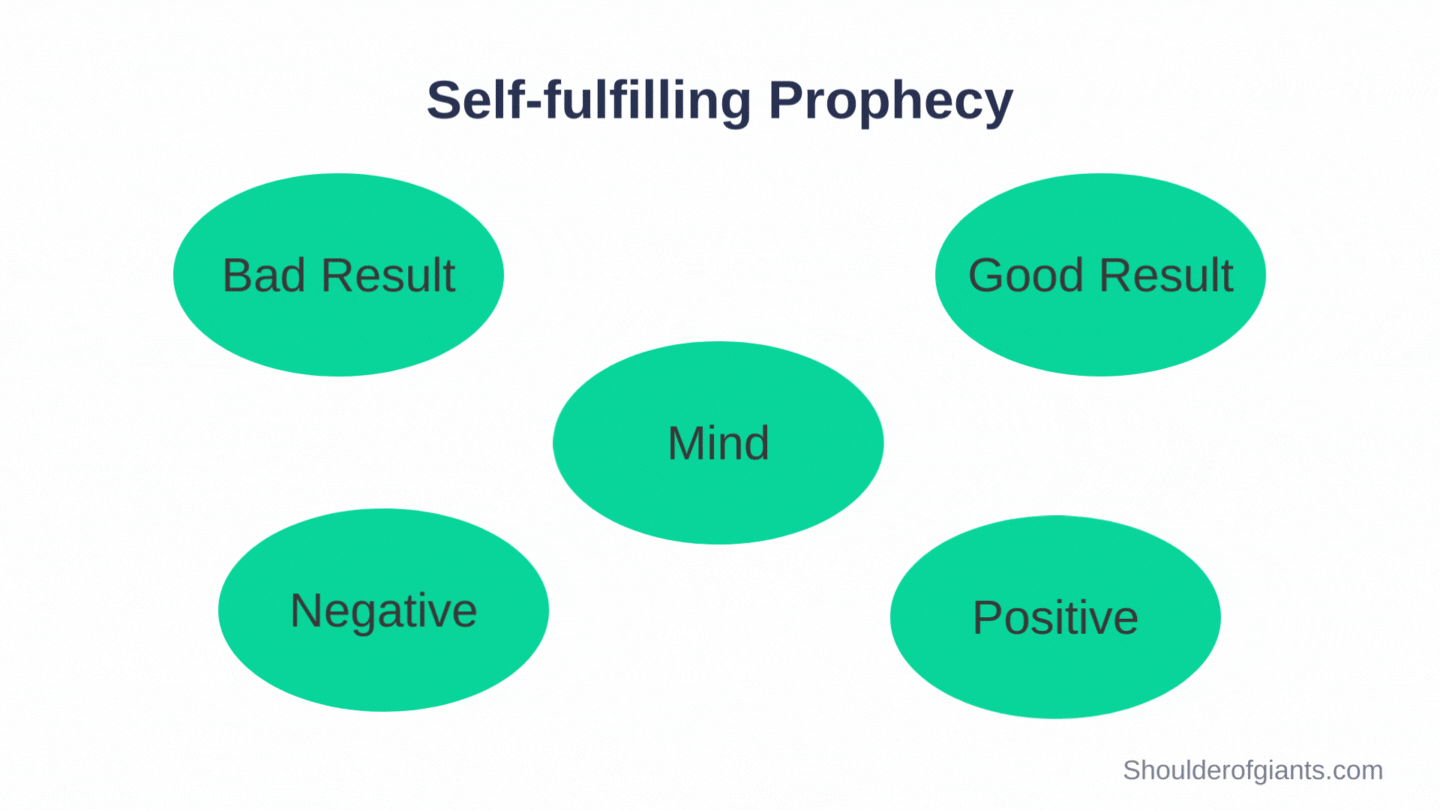
## Introduction



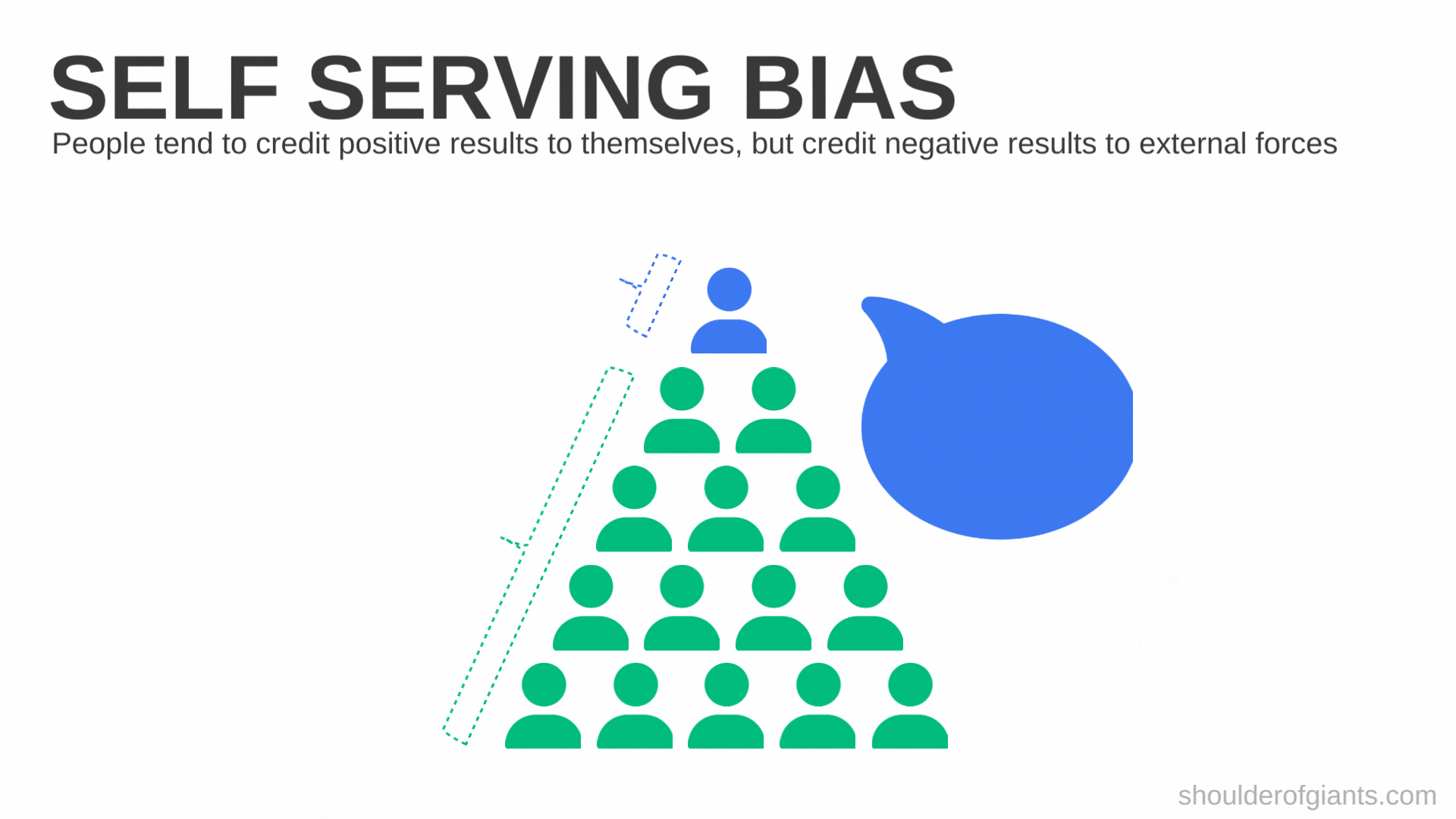
* **Concept Definition:** A Self-fulfilling prophecy (sometimes also Oedipus Effect) is an originally false expectation that leads to its own confirmation. It is related to [the Pygmalion Effect](https://web.archive.org/web/20221118115544/https:/www.youtube.com/watch?v=4aN5TbGW5JA) which states that higher expectations create higher performance in a certain area.
* **Concept Founder:**American sociologists [W. I. Thomas](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/W._I._Thomas) and [Dorothy Swaine Thomas](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Dorothy_Swaine_Thomas) were the first Western scholars to investigate this phenomenon in a so-called [Thomas Theorem](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Thomas_theorem) in 1928. Based on this work, the sociologist [Robert K. Merton](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Robert_K._Merton) popularized the term “Self-fulfilling Prophecy”.
* **Concept Benefit:**Understand that a positive belief can change the outcome of one‘s action. Position your belief correctly to pursue your goals.

## How to demonstrate it?



* Merton demonstrated this with a thought experiment called "The Last National Bank". In his book [*Social Theory and Social Structure*](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Social_Theory_and_Social_Structure).
* Rumors about the potential bankruptcy of a Millingville bank were spread around in town.
* The people get nervous and perform a so-called bank run to get their money as cash from their deposit to prevent potential risks.
* After all the deposits were drawn from the bank, its business became bad and the bank had not much money to operate on. Eventually, it went bankrupt for real.
* Their loss of faith led to the bank's eventual failure which was not an initially true assumption until the depositors made it so.
* The rumor of the bankruptcy led to its real insolvency.
* The prophecy can also be seen as a [vicious cycle](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Vicious_circle) or a [feedback loop](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Positive_feedback) that reinforces its own effect.

## Where can it be found?



* **Pygmalion Effect:** Children who have received a higher expectation in school from their teacher or parents perform better than children who have received a lower expectation. This psychological effect happens because people try to live up to their roles and try to become who they think they are.
* **Stock Market:** Similar to the bank-run example, the modern financial market is a faith-driven game. If more people start to believe the market will raise, the number of buyers will eventually outweigh the number of sellers. This leads to an increased stock price, which then fulfills their initial belief that the market will go up. The same applies to market crashes where people are afraid of risks and start to sell their stock in order to protect their assets. This eventually leads to a [massive panic](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Wall_Street_Crash_of_1929) and a real crash of the stock market.
* **Movie Plot:** In the movie [The Hunt](https://web.archive.org/web/20221118115544/https:/www.imdb.com/title/tt2106476/?ref_=tt_urv), the main character played by [Mads Mikkelson](https://web.archive.org/web/20221118115544/https:/www.imdb.com/name/nm0586568/) was falsely accused of child abuse and receives massive pressure from the entire community in town. In the end, he fought hard to prove his innocence and received real recognition from the community.
* **Clinical Treatment:** Patients who receive therapeutic treatments improve their health condition mainly because of their beliefs in the treatment and not because of the treatment itself. This is called the [Placebo Effect](https://web.archive.org/web/20221118115544/https:/www.health.harvard.edu/mental-health/the-power-of-the-placebo-effect).
* **Oedipus Mythology:** In Greek mythology, Oedipus was prophesied to kill his father and marry his mother, which led to their parents giving away Oedipus. But destiny can not be changed, and the prophecy came true regardless. If the oracle had not predicted the tragedy, the parents wouldn’t have given away Oedipus and the tragedy won’t even happen in the first place.

## Why does it exist?

* **Believe-Driven Results:** There are results that are institutional and can be altered based on people”s perception of it. Institutional facts are belief independent statements such as “the Earth is round“, and “fire is hot“. Believe-driven facts are conditional facts based on human belief. Some results come true simply because one or more people started to believe in them (e.g. Stock market). This suggests that people's beliefs influence their actions.
* **Cognitive Dissonance:** When given a student higher expectations than his real capability, the student will perceive a cognitive dissonance because the expected result is not aligned with his current result. In some cases, this drives the student to become better a what he currently does because the human mind is trying to align expectation and reality together. This is the conclusion of a [study](https://web.archive.org/web/20221118115544/https:/psycnet.apa.org/doiLanding?doi=10.1037%2F0022-0663.76.1.85) performed by psychologists [Robert Rosenthal](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Robert_Rosenthal_(psychologist)) and [Lenore Jacobson](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Lenore_Jacobson).

## How do I benefit from it?

* **Do:** Try to keep a positive mind in the first place so your decision and goals might be eventually achieved due to your own expectations. Evaluate the situation if it is a belief-driven or fact-driven environment. Influence other potential candidates and give them a higher expectation to challenge their performance.
* **Don‘t:** Don’t automatically share a negative belief, first evaluate it and see it if is true. Sometimes a negative mind can turn things worse. You are what you believe.

## What are related links?

* [Pygmalion Effect](https://web.archive.org/web/20221118115544/https:/www.youtube.com/watch?v=4aN5TbGW5JA)**:** Positive expectations leads to improve performance.
* [Golem Effect:](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Golem_effect) Negative expectations lead to decreased performance.
* [Placebo Effect:](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Placebo) The patient‘s health got improved mainly due to the belief in the treatment rather than by the effect of the treatment itself.
* [Hawthorne effect](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Hawthorne_effect): An phenomenon where individuals modify an aspect of their behavior in response to their awareness of being observed.
* [Nocebo effect](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Nocebo_effect): A negative expectation of the patient regarding a treatment cause the treatment to have a more negative effect than it otherwise would have
* [Fake it til you make it:](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Fake_it_till_you_make_it) This principle suggests that by imitating confidence, competence, and an optimistic mindset, a person can realize those qualities in their real life and achieve the results they seek.
* [Chicken Egg problem:](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Chicken_or_the_egg) A reinforcement loop similar to the Self-fulfilling Prophecy.
* [Normative Determinism:](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Nominative_determinism) People tend to gravitate towards [areas of work](https://web.archive.org/web/20221118115544/https:/en.wikipedia.org/wiki/Vocation) that fit their names. For example: Usain Bolt being a fast runner.