Shiller Talks Narratives

Friday, November 17, 2017

Speaking to an audience of more than 80 people on Thursday afternoon, Nobel laureate and Professor of Economics Robert Shiller delivered a talk sponsored by Yale’s Center for Science and Social Science Information (CSSSI). Much of his talk focused on his theory of speculative bubbles as illustrated in his best-selling book, *Irrational Exuberance*. The occasion also served as the opening reception for the CSSSI’s new media wall exhibit, *Economics Department at Yale: Understanding and Changing the World*.

Shiller’s talk addressed how speculation, manipulation, and deception shape the economy and economic behavior. During his hour presentation, he provided examples of speculative price movements in the United States and discussed the effects that manipulation and deception have on confidence in the economy.

Shiller also discussed narratives and their epidemic spread in relation to recent real estate prices. “Human beings are human-oriented,” said Shiller. “I’m painting a picture of human narratives,” he continued, arguing why narratives are important in social sciences, including economics. He went on to say that speculative bubbles are driven by an unusual array of precipitation factors, many human interest stories.

Throughout his presentation, Shiller gave several examples of his work, the importance of power of suggestion, the history of the Laffer Curve, and showed trends in human behavior via big data. Using Google Trends searches, he demonstrated how over time certain phrases wax and wane. One such example was the term “market correction” which he showed spiked in the mid-2000s before the recession hit. He even gave credit to President Trump (for better or worse) for using narratives in his speeches to convey a certain message.

The event was organized by Gwyneth Crowley, Social Science Research Support Librarian for Economics, Psychology, and Statistics and Data Science; Melanie Maksin, Director of Research Support and Outreach Programs; and Lori Bronars, Science Research Support Library for the Life Sciences.

“We at the CSSSI were delighted to host Professor Shiller and give many the opportunity to hear his many ideas especially on using narratives as an approach to understanding economic trends and events. Professor Shiller’s open and gracious manner thoroughly engaged the audience,” said Crowley. “It was a well-attended and exuberantly
received lecture.”

After Shiller’s talk, the CSSSI staff unveiled the media wall exhibit highlighting the Department of Economics and its partnering centers. The 89-slide exhibit shows a brief, historical overview of the department, the Economic Growth Center and the Cowles Foundation. It also showcases current and former faculty members, as well as graduate and undergraduate prizes.

Crowley and Bronars curated the exhibit, with Mark Saba from ITS User Experience and Digital Strategy providing the design. The exhibit will run through March 2018.

Shiller is Sterling Professor of Economics in the Department of Economics and Professor of Finance in the Yale School of Management, and is widely recognized for his work in financial and behavioral economic policy and practice. He was recently awarded the 2017 Truman Medal for Economic Policy, and is a 2017 recipient of the Gold Honor Medal from the National Institute of Social Sciences. He received the Nobel Prize in Economics in 2013.