

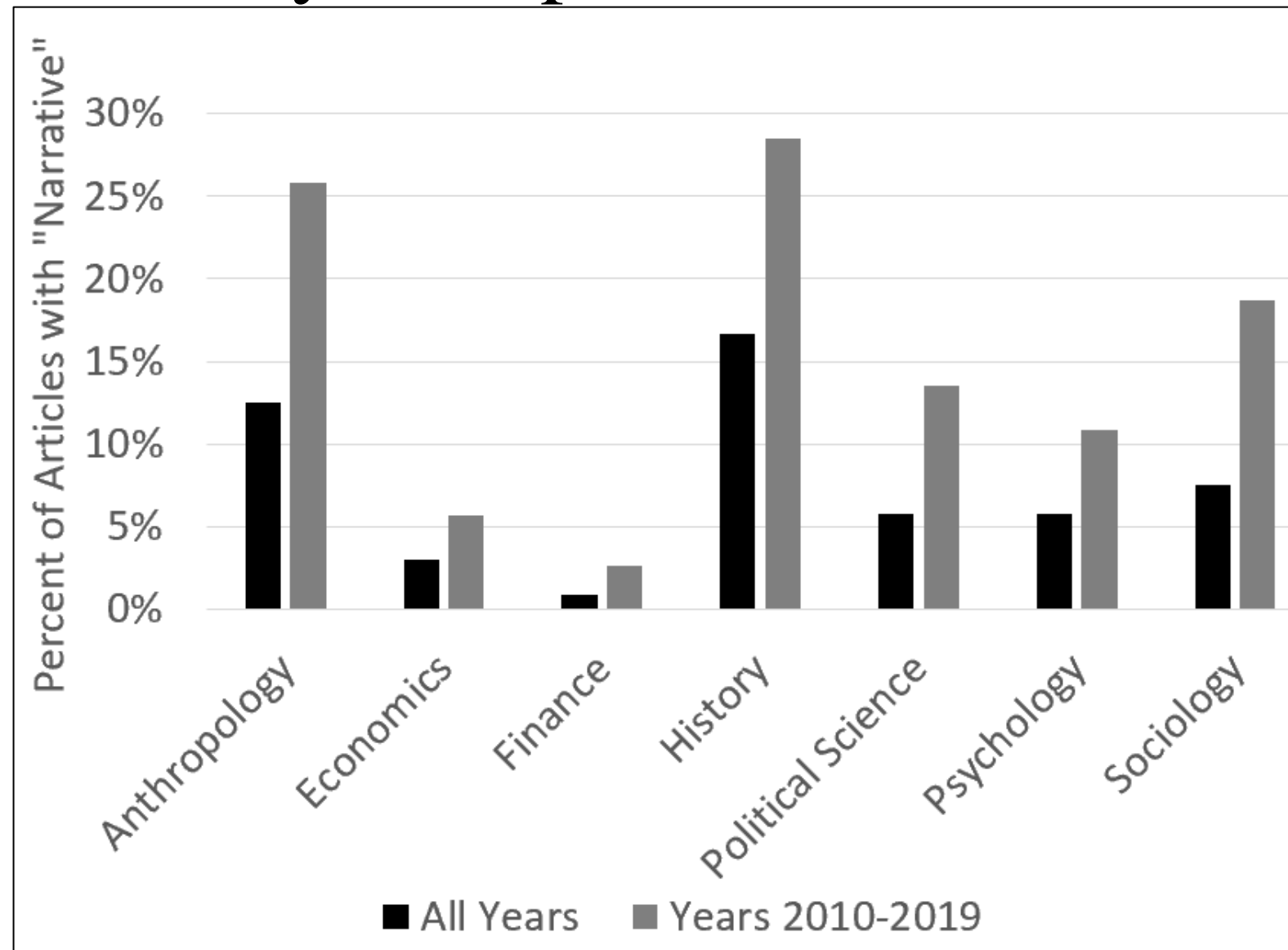
The Impact of Narrative Economics

Prof. Robert J. Shiller, Yale University

Zoom presentation via UBS and Center for Financial Policy at the
University of Maryland's

Robert H. Smith School of Business, June 16, 2020

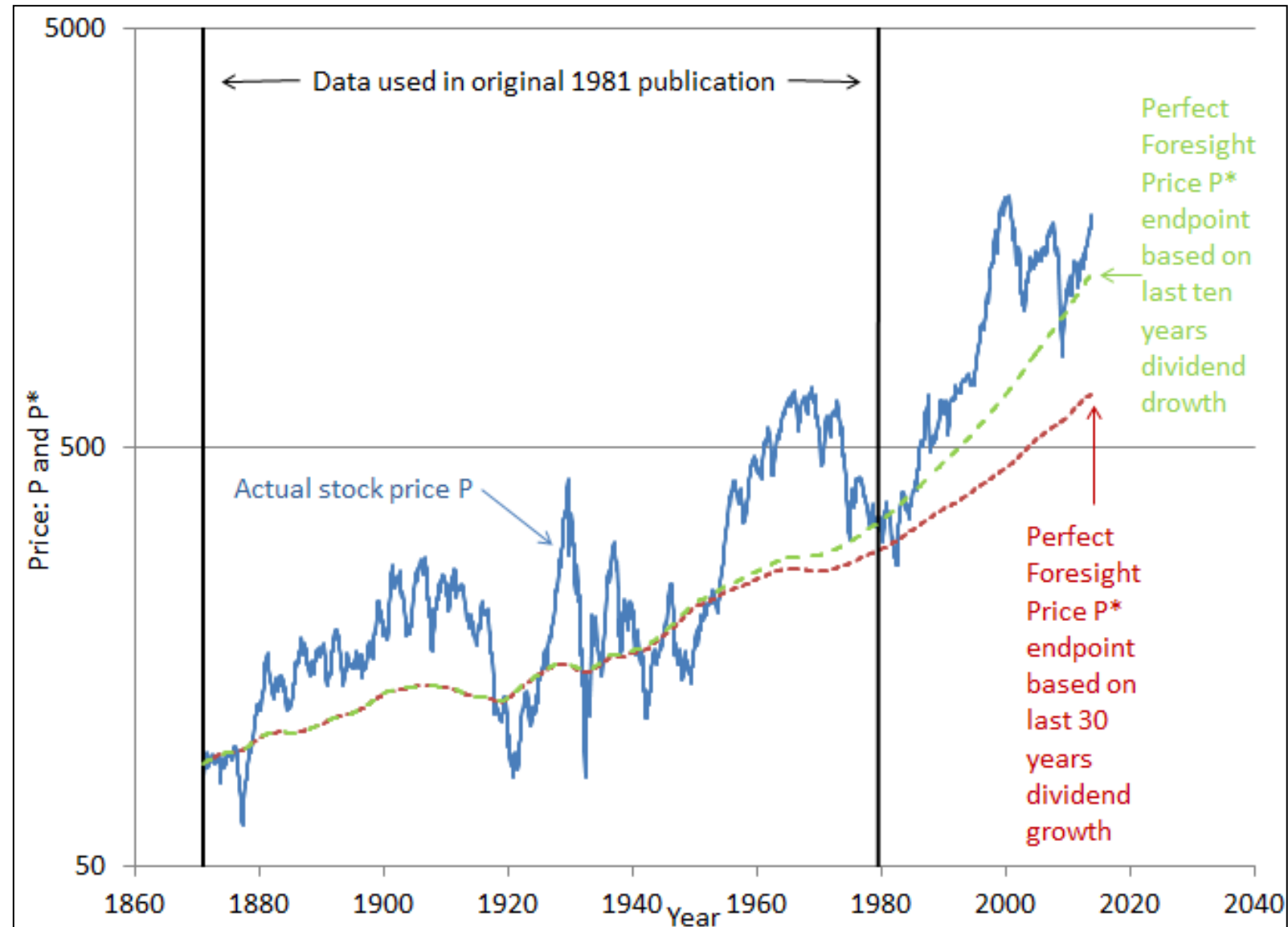
Figure 1 from Shiller *Narrative Economics* 2019:
JSTOR Counts of Word “Narrative” as Percent of
All Articles, by Discipline



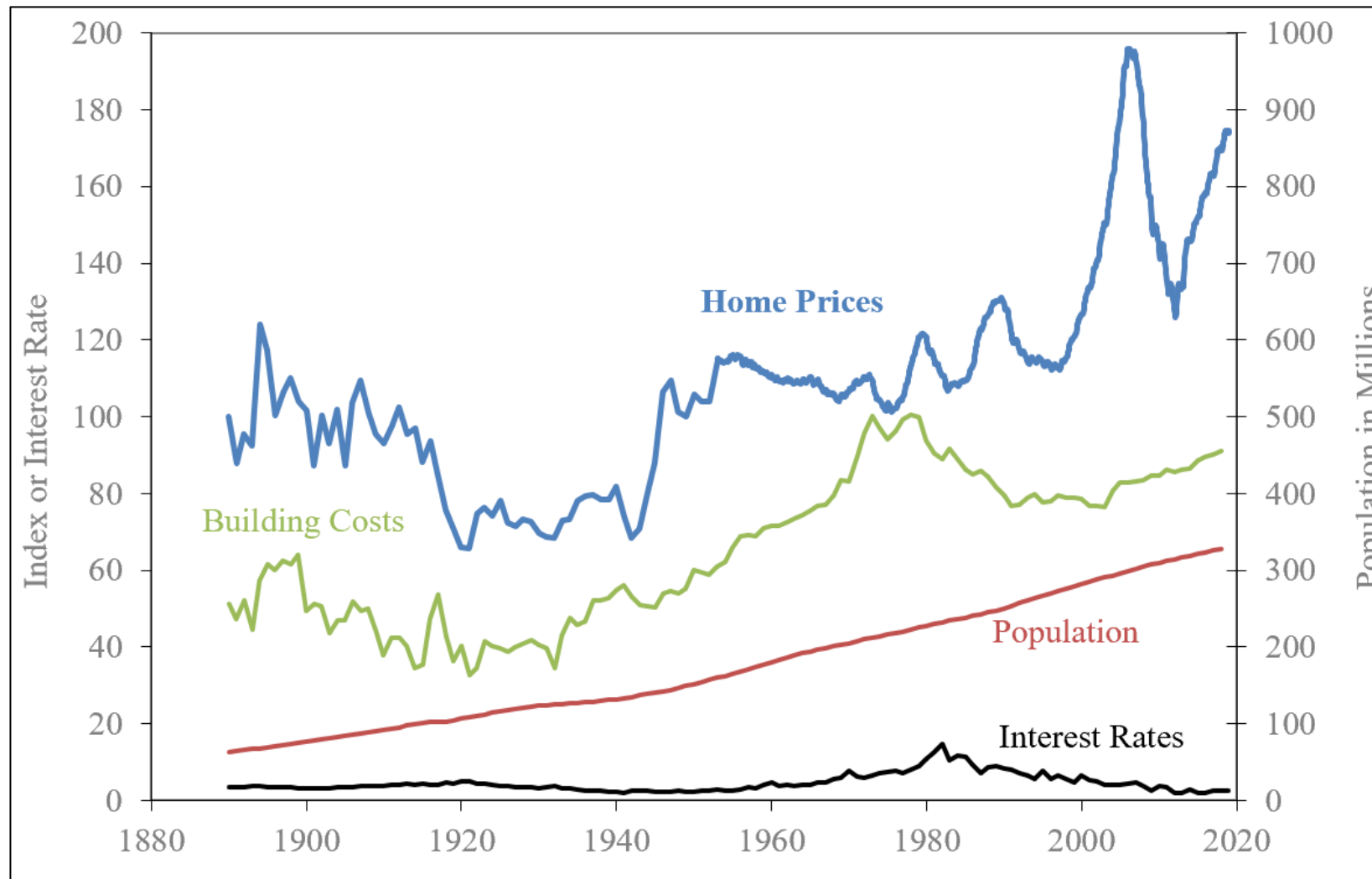
First Edition (Updated): Real Stock Prices 1871-2013

Actual (Blue) and Ex-Post Rational (Red)

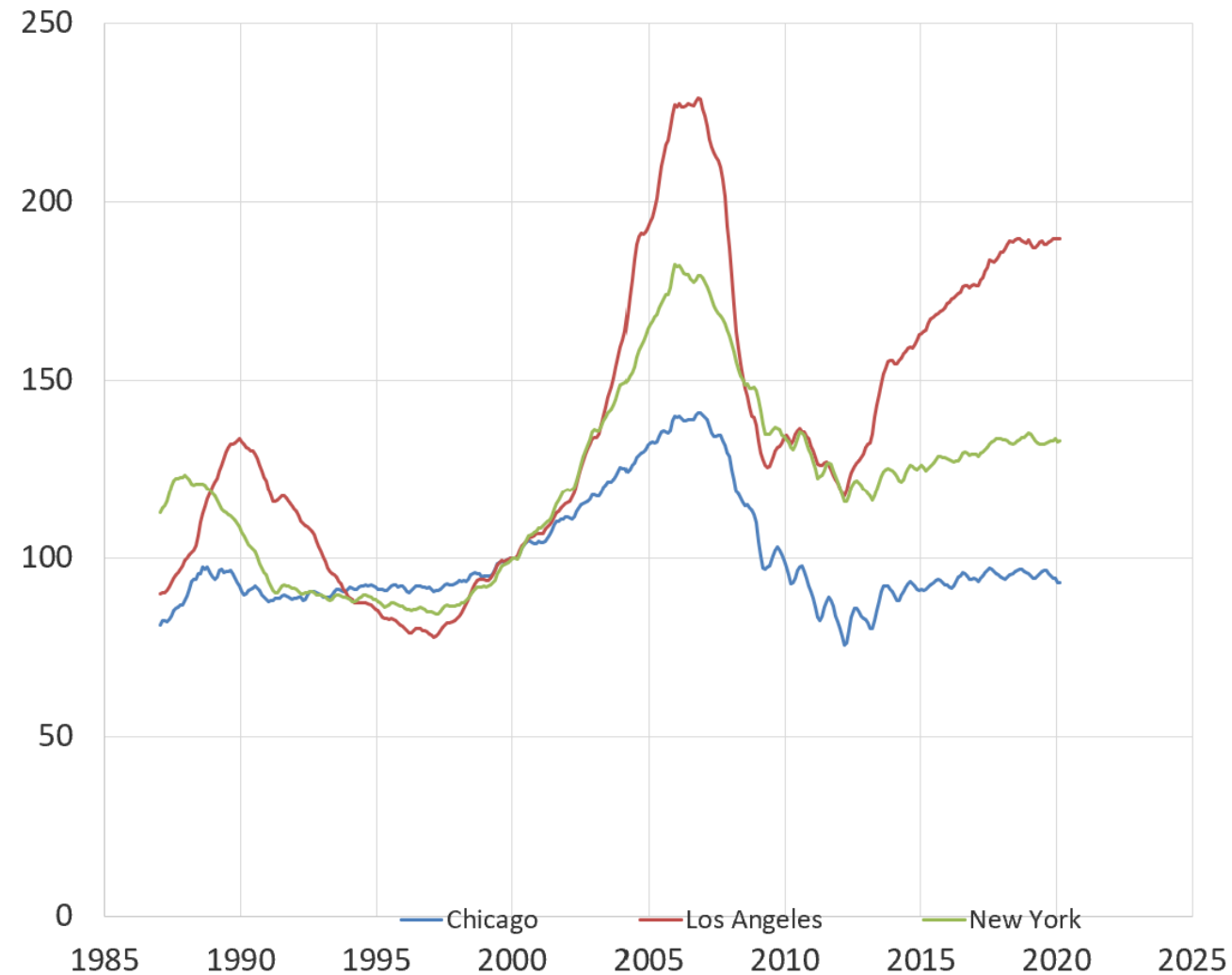
Based on Shiller (Am. Econ Rev. 1981)



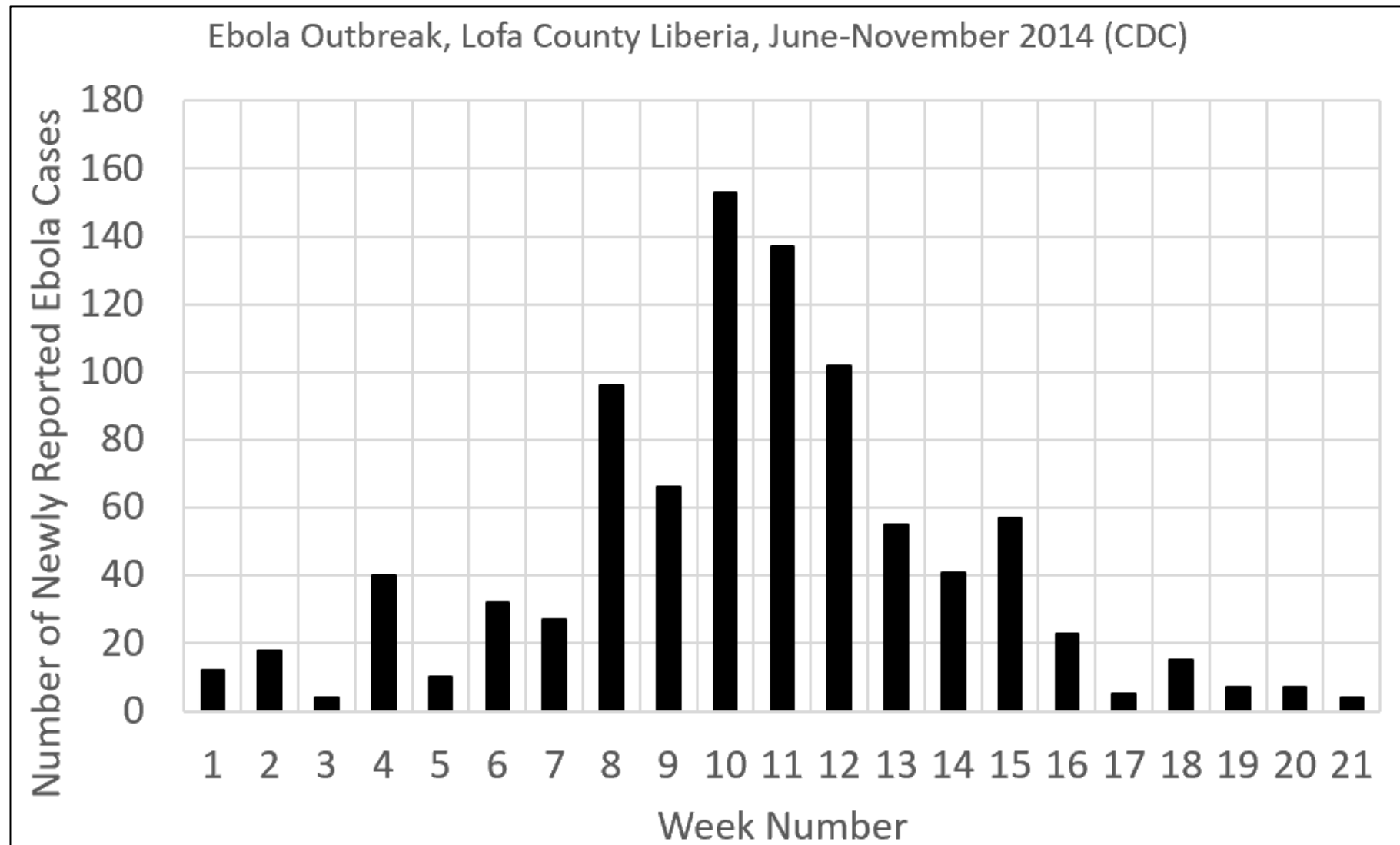
From Shiller *Irrational Exuberance* 3rd Edition (2012) Updated
Real Home Prices and Fundamentals 1890-2019
(Since 1975 Home Prices are Real S&P/CoreLogic/Case-Shiller National
Home Price Indices)



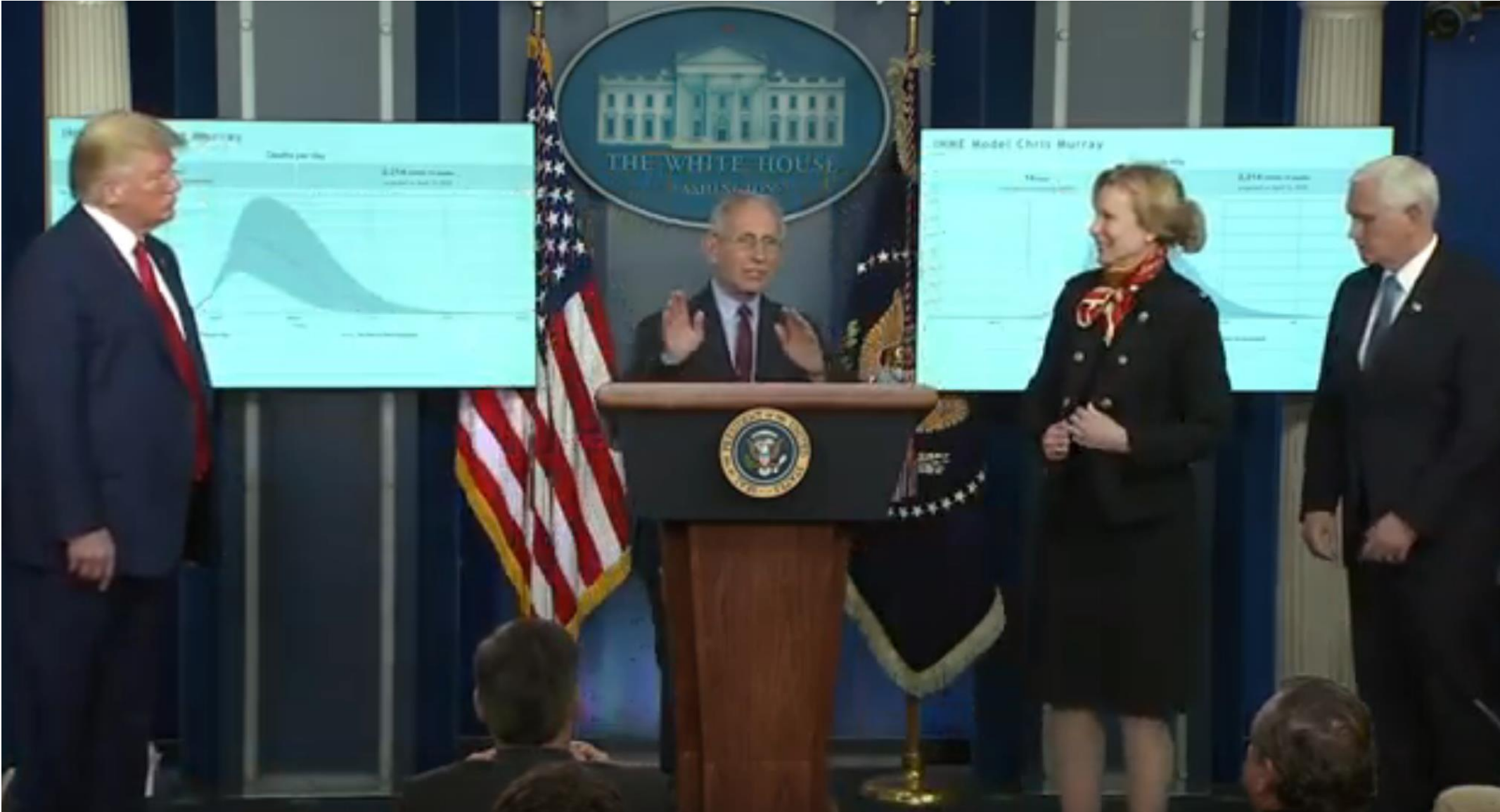
Real S&P/CoreLogic/Case-Shiller Home Price Indices Chicago, Los Angeles, New York, Jan 1987-March 2020



II. Learning from Medical Epidemiology: Example of Epidemic Curve



Coronavirus Task Force Press Conference March 31, 2020 Anthony Fauci, Deborah Birx



Epidemic Curve for COVID-19 as of May 28, 2020, IMHE University of Washington

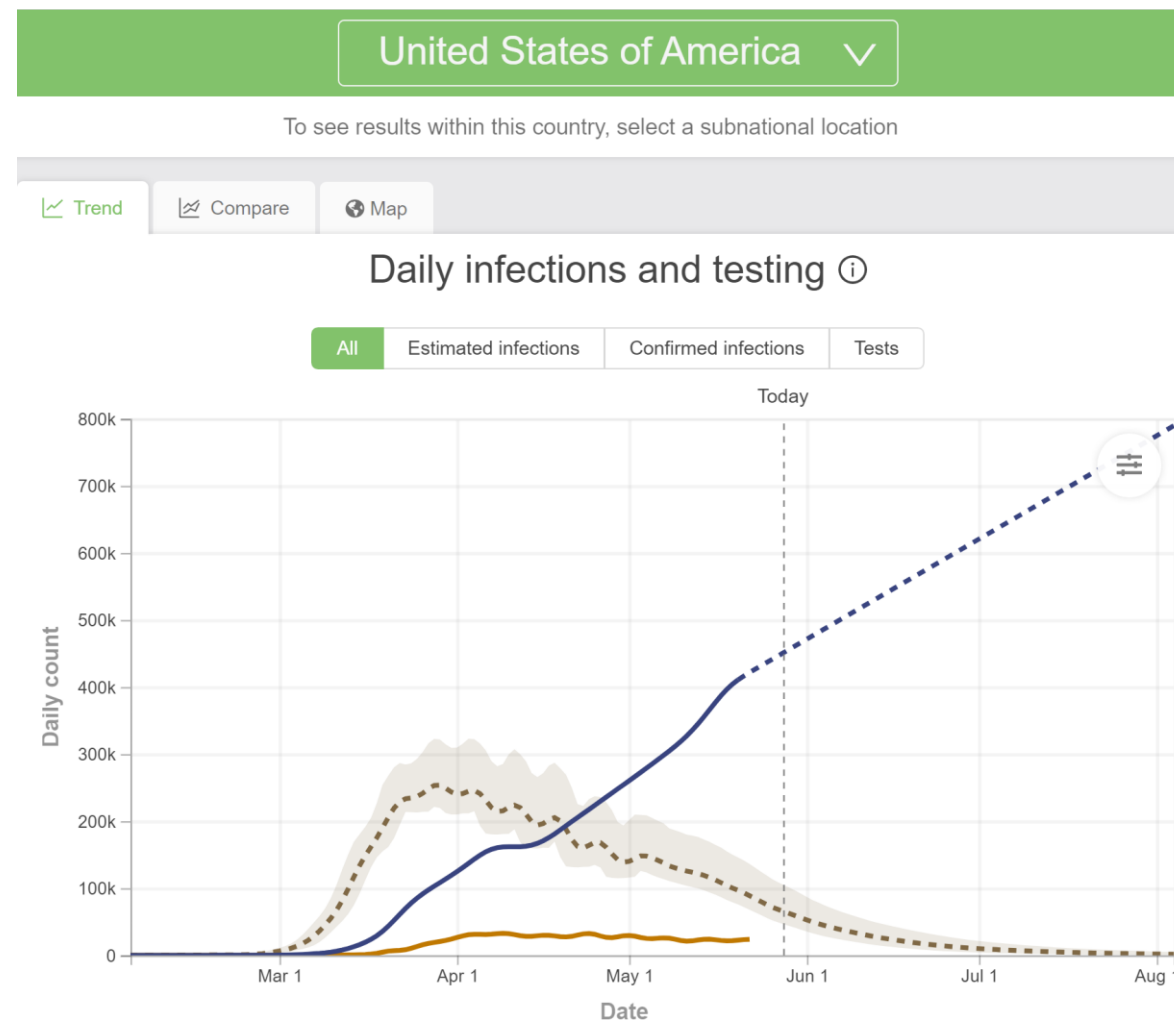
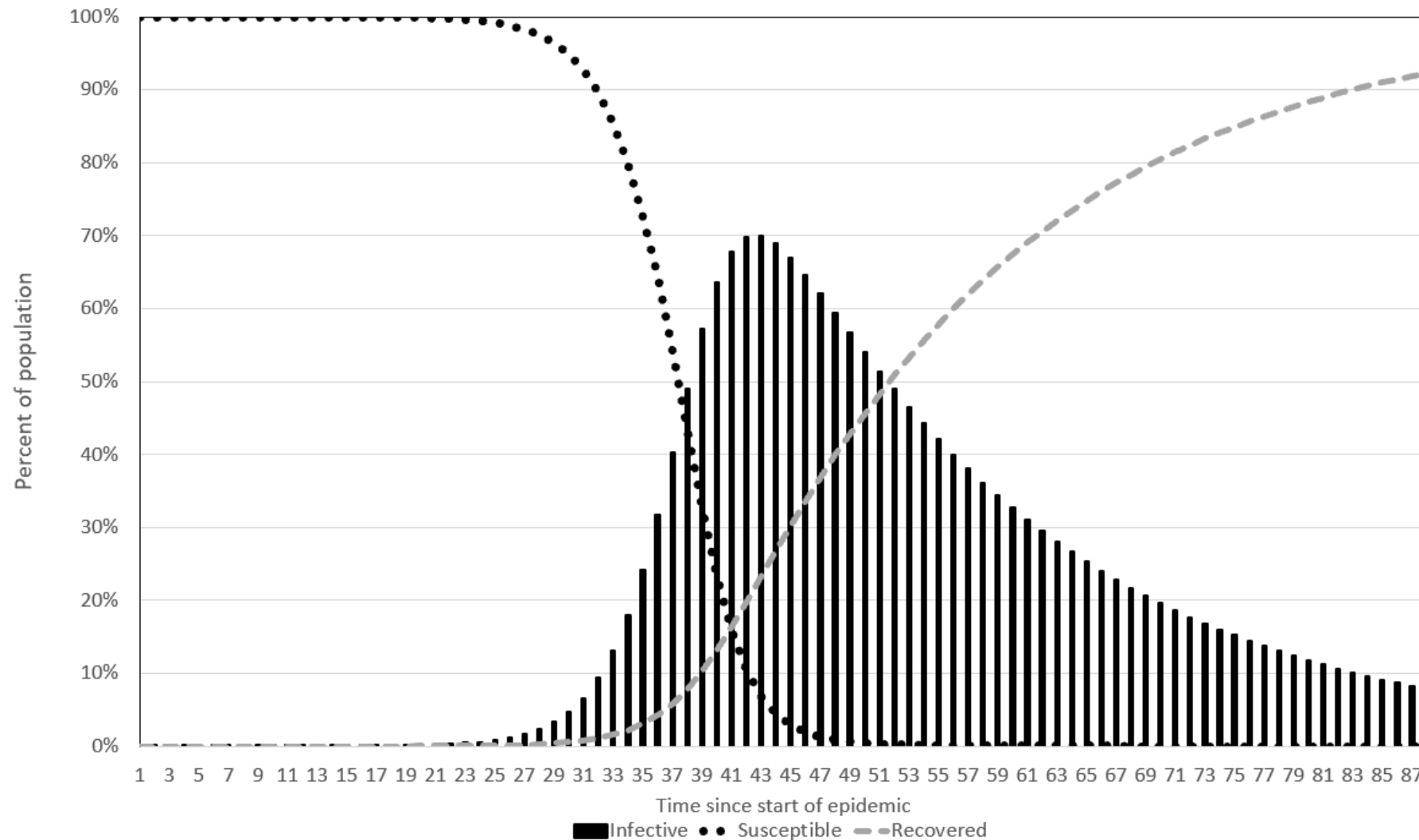


Figure 2: Time Paths of S, I, and R in
Kermack-McKendrick Model
 $I(0)=.0001\%$, $c=0.5$, $r=0.05$



IHME Flattening the Curve

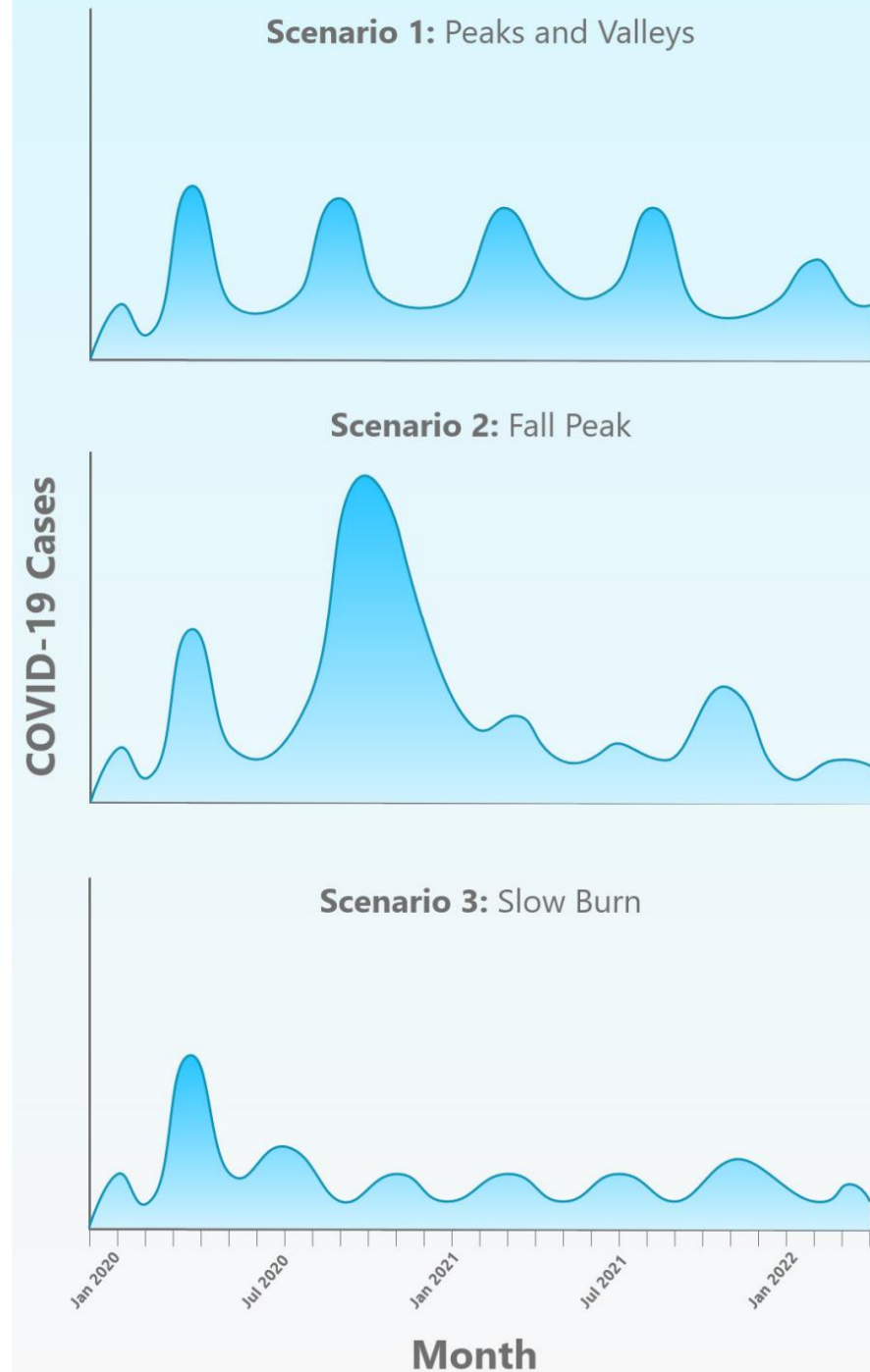


Epidemics in Waves

Three Possible Scenarios for COVID-19 2020-2022 from the Center for Infectious Diseases Research and Policy (University of Minnesota) April 30, 2020

https://www.cidrap.umn.edu/sites/default/files/public/downloads/cidrap-covid19-viewpoint-part1_0.pdf

Possible Pandemic Wave Scenarios for COVID-19

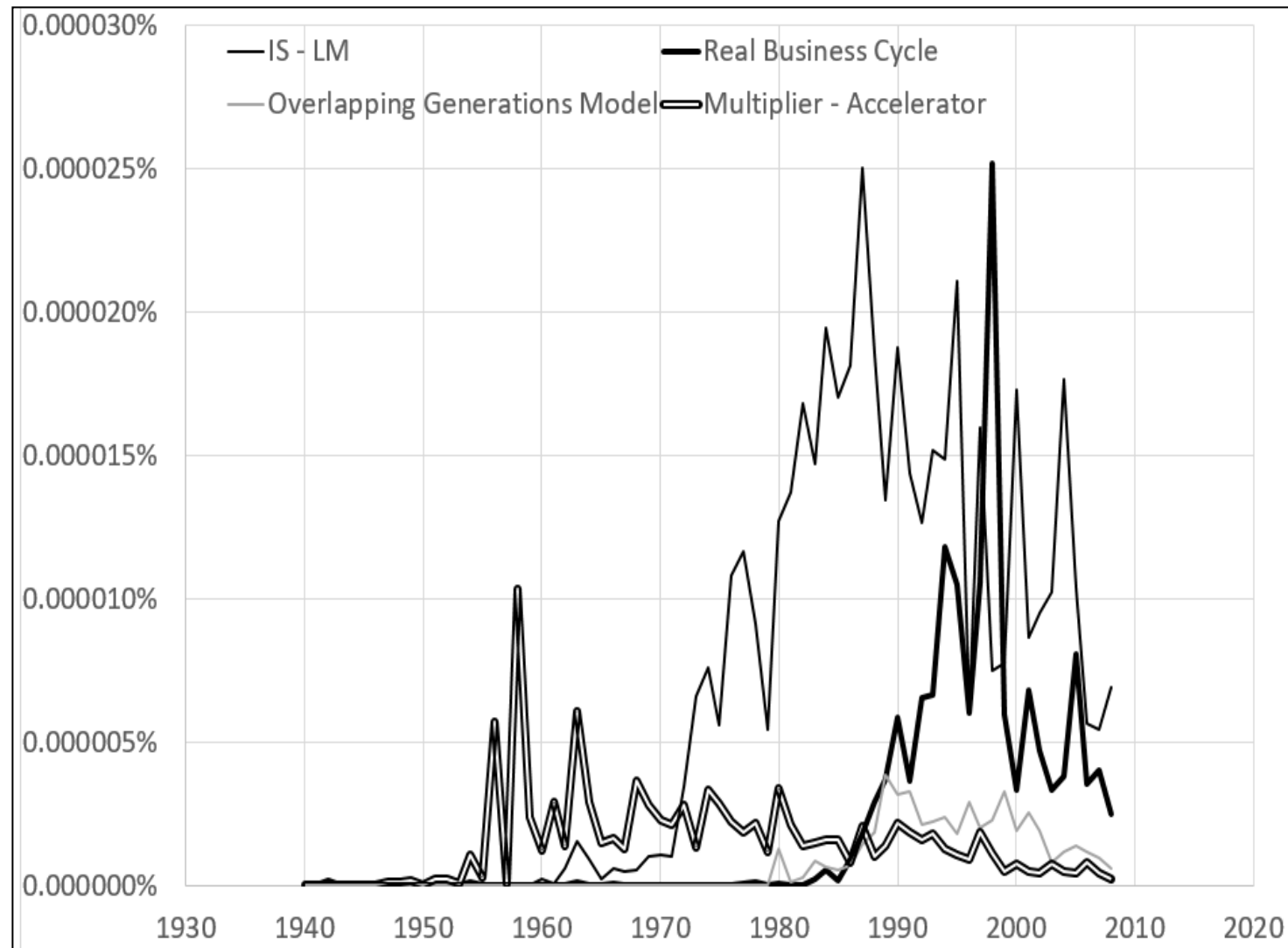


Mutations (in Virus, Narratives) Can Cause Waves of Epidemic

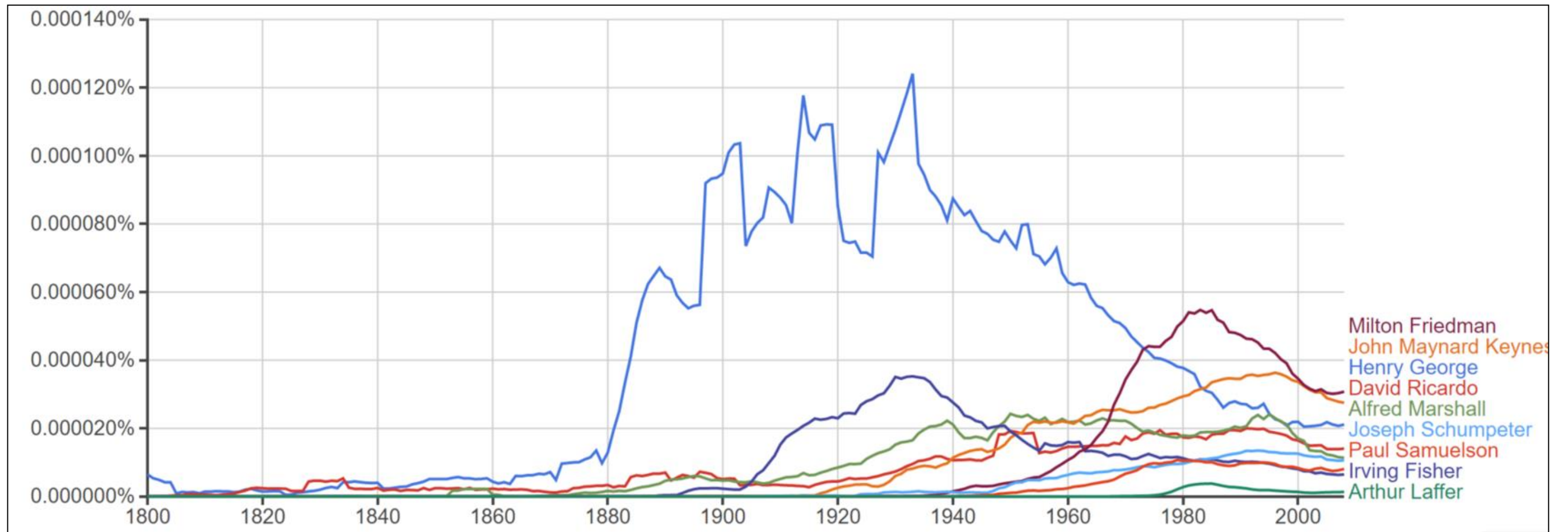
- Contagion rate may be increased by change in effectiveness of story telling due to details
- Pandemic of public concern about police brutality



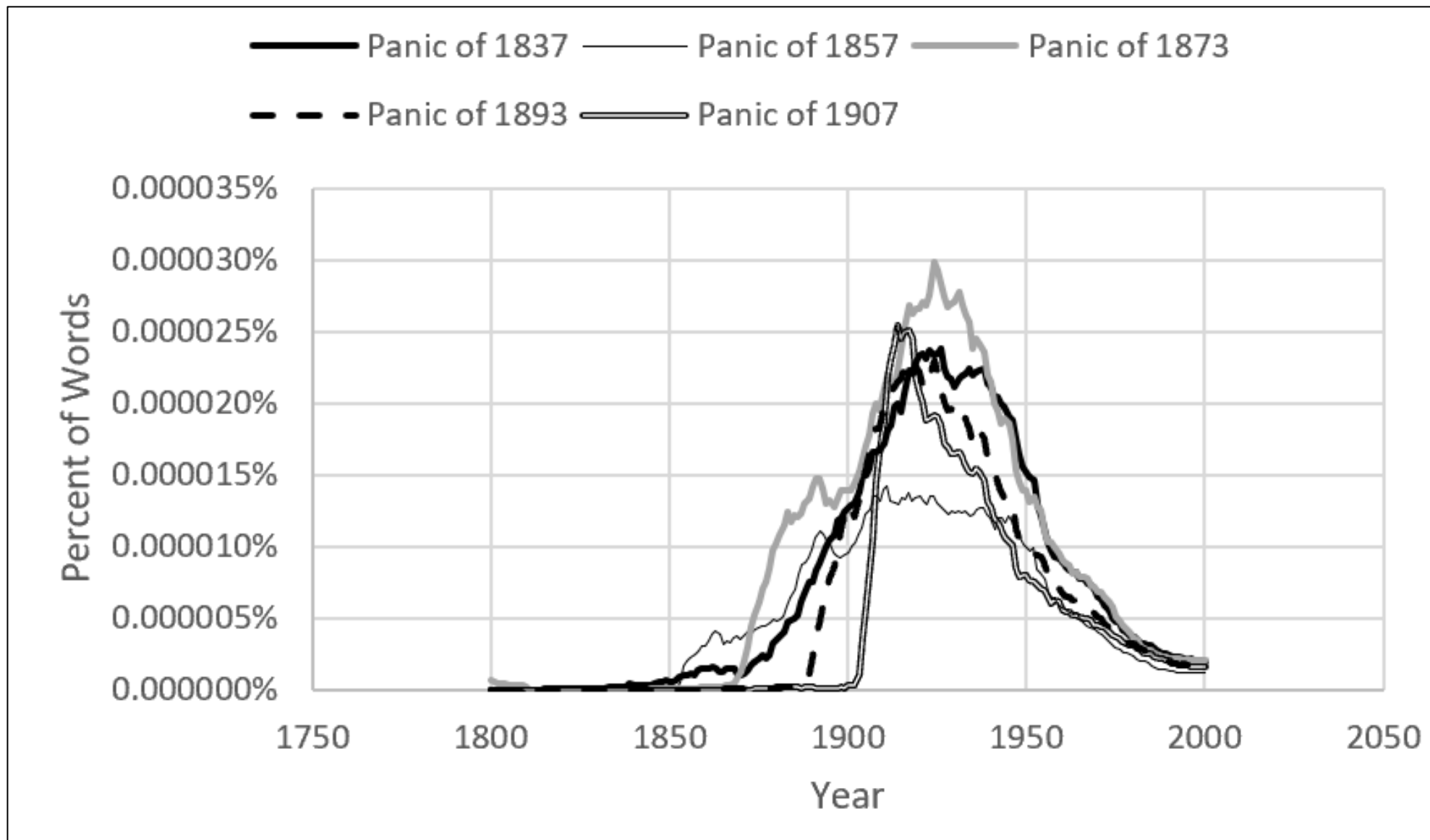
Google Ngrams (Books) Counts for Some Major Macroeconomic Models 1940-2008



Google Ngrams Search for Famous Economists 1800-2008



1. Panic vs. Confidence Narratives



“Great Depression” Counts as Percent of Database each Year 1900-2019

