

Economic Sociology with Anna Gifty Opoku-Agyeman and Steven Levitt

Ologies Podcast

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Oh heeey, it's a gift card you found in the back of your wallet and you have no idea how much is left on it, Alie Ward, back with the first half of an episode that was never meant to be. This topic: it rules all of our lives in every aspect, but it's not an ology. So I skirted the issue by finding arguably the two most exciting people in the field of economics who could chat all about numbers, and our brains, and quantifying our choices, and then I just bent it into an ology. I love this episode. I love it so much I'm making it *two* episodes!

But before we meet them, let's thank you: Patrons at [Patreon.com/Ologies](https://patreon.com/Ologies) make this show possible, and they also submit great questions, and you can join for \$1 a month. One dollar. My love is very cheap. But as long as we're talking cheddar, you can support *Ologies* for zero dollars, if you like. Just tell your friends about it, or post about it. You could subscribe right now, you could rate it, or if you have 30 seconds, writing a review helps so much. To prove it, I read every single review that y'all have ever left. I pick a still-steaming one and I read it to you, such as this one left this week by Taytat213, who wrote:

Listen to every episode and then cry and re-listen to them all again. It will change your life. It will make you love everything.

Taytat213 – I love you.

Okay, hot stuffs, you ready? Are you ready? No you're not. But you are. This one is Economic Sociology. Economic Sociology: social cause and effect of various economic phenomena. Economics is just a way to quantify the choices we make. It's so exciting, I promise! These two ologists are personal economic heroes to many.

You may know one as the co-author of the book *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*. This guy studied Economics at [pompous voice] Harvard University, got his PhD in economics from MIT. He is the host of the long-running Marketplace show *Freakonomics Radio* and now has a new interview show called *People I Mostly Admire*. He's currently a professor of Economics at the University of Chicago, he's the co-founder of RISC, the Centre for Radical Innovation for Social Change. He's been named one of *Time Magazine's* 100 People Who Shape the World. And now, you're going to listen to me talking to him while I'm in my pajamas.

But wait. There's more. The other ologist for this episode – because there's two – is a huge rising star in the field of economics. [swoon] AH! I'm so excited. She is an activist, an economist, she's an author of two upcoming books. She is also the CEO and co-founder of the Sadie Collective, which is a non-profit, the first of its kind. They increase representation of African American women in economics and related fields. She's a University of Maryland alum and a 2019-2020 Harvard University Visiting Research Scholar in Economics. She's been affiliated with the National Bureau of Economic Research. Last year, she became the youngest recipient of an award from the UN Convention, on the Elimination of all Forms of Discrimination Against Women. This is an honor previously bestowed upon our Vice President Kamala Harris, and also Nancy Pelosi. [whispering hoarsely] WHAT! She's talking to us!

You may have read about her in *Fortune*, or CNN, or *The Economist*. She's written pieces for the *New York Times*, and *Newsweek*. During Black Birders Week, I tuned into a Facebook panel she was

moderating and I was like, “WHO is *this*?” I was smitten. I have never seen someone so engaging, and charming, and dynamic. So good at moderating a panel, keeping the energy and tone flowing. She’s brilliant, and hilarious, and confident, and humble all at once. Mark my words, despite her being more lauded in her 20s than my whole life combined, this is just the start of a huge career for her. So, learn her name now because you’ll be hearing it a lot in the future.

You may think Economics is all about math and accounting and that economists are dry and robotic. Neither are true. These interviews changed the way I look at my life and it led to a really big decision in my life, so naturally I wanted to milk this and make it a two-parter. Tune in both weeks and change the way you look at money, and the forces that lead us to make decision and choices, the current and future effects of this pandemic, how to hack your retirement savings, what makes a really good partnership, when to dip out of a situation and when to stay, and so much more next week when we answer listener questions with two fascinating, groundbreaking economists who would probably not call themselves Economic Sociologists: *THE* Anna Gifty Opoku-Agyeman and Steven Levitt.

Steven Levitt: My name is Steve Levitt and I’m a he/him.

Alie Ward: Great! Would you say... Are you drawn to what you do for the economics or the sociology of it? I know that’s a huge question.

Steven: I am an economist, I think of myself as an economist, but I don’t really *like* economics [*record scratch*] per se. So let me go back to the beginning. I had never thought, “Oh, I should do economics.” I had no particular interest.

But when I was in college, my first year, I was the worst kind of college student in that I only cared about getting good grades. I didn’t care about learning anything. And I was strategic and I figured, “I’m just going to take whatever classes everybody else takes because those must be good classes because other people have invested in trying to figure out what the right classes are.” And it turned out – I went to Harvard – and at Harvard, everybody took this course called Ec 10. It was the beginning economics class. I just signed up for it.

Maybe three weeks into that class, I would say there was kind of a low ebb in the sense that I sat in the lecture and it was on something we call comparative advantage. And it’s a really simple concept. Honestly, it’s a concept I knew when I was five years old. I mean, it’s like everybody understands comparative advantage. I remember sitting in that lecture and doing some calculations to try to figure out how much my parents were paying for me to sit there and listen to this, like, kindergarten-level material. And I was completely disgusted with economics at that point.

I walked out of the class and my good friend, Matt Spangler [phonetic] – my best friend essentially – was in the same class with me. And as we were walking away, he said, “Oh my god, that was crazy.” And I said, “I know! So stupid! So obvious!” He’s like, “What are you talking about?? I didn’t understand a single word of it from beginning to end.” And I said, “What?” He said, “Yeah, that is the most confusing thing I’ve ever seen.” It was like a moment of revelation for me because I realized at that moment, “Wait, this isn’t easy for everyone. I just was born with a brain that worked like an economist.”

It suddenly started making sense to me that that was just the way I was wired. And so even though I’ve never been interested in money, inflation, or macroeconomics – any of

those things, I, for better or worse, just realized, “Wow, this is the only thing I’m good at. I better just ride this as far as I could go.”

Aside: So Steven Levitt knew in college he was good at this. At this stage of *my* life, I was wearing fishnet shirts and my favorite food was powdered mash potatoes. Choices. Let’s ask another Harvard University Economics Scholar when the econ bug bit, once we get over some dongle problems.

Anna Gifty: Sorry, Alie!

Alie: That’s okay! No, I mean, dongles? [*exasperated*] Pfft. I hate a dongle.

Anna: I hear you. I hear you. Can you hear me?

Alie: Yeah, I can hear you.

Anna: My name is Anna Gifty Opoku-Agyeman, but I go by Anna, and my pronouns are the she series: she, her, hers.

Alie: Cool. Have you always been economically minded?

Anna: It’s so funny that you say that. Yes and no. Growing up – I was very young when this happened –my dad and my brother would talk to me about politics. I’m originally from Ghana, and my dad would kind of just say off-the-cuff remarks like, “I think the future of education really will shape the political atmosphere in Ghana,” and, “This needs to happen to make sure there’s development in the country,” just like off-the-cuff remarks. When I got to be a little bit older, I would say sometime in middle school, I was able to respond. Because at that point I had taken a history class, I was a little bit more well-versed in what was happening in the world. And so I could kind of talk back and forth about, “Yeah, I agree with that.”

And where my brother comes in is, I started watching *The Daily Show* as like a middle schooler. It was *not* by choice at first, my brother was like, “I’m watching the TV, so I’m watching *The Daily Show*. If you want to watch the TV, you gotta watch it with me.” I was like, “Okay, fine.” But it was fascinating. At a certain point, I was like, “Wait a minute, I kind of understand what this, you know, very angry white man – John Stewart at the time – [*clip from Top Jon Stewart moments: George W. Bush: “I was not elected to serve one party.” Jon Stewart: “... you were not elected.”*] is talking about. Like, Yeah, that isn’t fair!”

I liked the fact that he brought on people that were kind of familiar in the pop culture space but weren’t celebrities per se. They were thinkers and people who were kind of in this space of politics and economics. But at the time, I didn’t know what economics was. And I was also watching TED talks. So I spent a lot of my time in high school, for example, watching a lot of TED talks. Found out *several* years later that I was watching a lot of economists and I had no idea. I was like, “What is that?” [*laughs*] I was like, maybe they’re a lawyer or something, I don’t know.” But I liked what they’re talking about; they were using numbers in a really interesting way I’d never thought of before. But there were, sort of like, early points where I was introduced to economics, unbeknownst to me, and eventually found my way back to it.

Alie: Was there economics at play when your brother – I’m guessing older brother [*Anna confirms, “Yeah.”*] – just said, “If you want to watch... You’re watching it as well if I’m watching it.”? Are economics a factor in that?

Anna: I think to some degree, right? Because there's a level of tradeoff there, right? Where it's like, I could have spent my time doing something else, but because I really wanted to watch TV, I made the decision that, "I want to watch TV... I might as well just sit here and enjoy whatever he's doing." And it just turns out that that ended up being a huge part of my journey and why I do what I do today.

Alie: Do you think that we make economical decisions more times than we realize? Are a lot of our decisions a matter of economics when it comes to it?

Anna: One-*THOUSAND* percent! One thousand percent. Every decision you make is, fundamentally, economical, right? The idea of tradeoffs is... When we talk about in economics or in an economics class, people are like, "Oh my god, this is such an abstract idea." But when you think about it, it's just saying, "Would I rather do this, or would I rather do that?" And every single day we make those types of decisions. Would I rather eat a donut now? Or would I rather go to the gym, right? I would say do both, [*laughing*] but obviously there's comparative advantage.

That's another economic concept where it's, sort of like, there are certain things that you are stronger in that you feel like you are more comfortable in than somebody else. Even if you're sitting on a team, you're kind of exuding that economic principle as well. I feel like economics is one of those things that many people don't know how ingrained it is in our day-to-day lives, mainly because the people who call themselves economists are very, you know... not all of them, but the people you see in the news and stuff seem like they know WAY more than everybody else and it's completely above people's pay grade.

But truth be told, it's: these are the decisions that I'm making, these are decisions I'm not making. If we're talking about companies, it's the same thing. If we're talking about countries, governments, it's the same thing. We're really just asking, "What kinds of decisions are you making and how is that going to affect outcomes that impact people ultimately?"

Aside: So, economics: not just about making a grocery budget. You may not even know you're an econ nerd at heart. What if you are?! Anna and Steven both occupy a niche in economics that really serves as a portal, ushering people into a world they didn't realize that they're bonkers stoked about.

Alie: Is everyone an economist? Are we all living by these principles of economics, but we maybe just don't have the attention for numbers to really kind of parse out what's happening?

Steven: An economist would say, "*We should* all be living by those rules, but many people aren't." Most of what's important about economics can be boiled down to a couple simple things. One of them is that the answer to virtually every question on the planet is that you set marginal costs equal to marginal benefit. And that's almost always the right answer to any problem that involves optimizing where there's tradeoffs, because economics is really only about things that have tradeoffs. So how much I should spend on somebody's birthday, whether I should buy a Toyota or a Ford... I mean, all of these things really come down to marginal cost and marginal benefit. Really most decisions we make.

Are people doing a good job of that? [hesitant pause] The evidence suggests maybe not that great, the way that everyday people do it. But there are a handful of simple lessons, if you *did* subscribe to economic ideas, that could make people's lives, I think, better; maybe a little bit better, maybe a lot better, if they were part of your daily routine.

Alie: And I'm gonna make you break it down for people who maybe are a little bit intimidated by economics. What even is a marginal cost and marginal benefit? How would you describe that?

Steven: That's a great point. So it's funny, because I pride myself on not talking about jargon, but that's obviously jargon. And it's so intuitive to me that I forget it's even jargon. So let's talk about what it means to be marginal. By marginal, what an economist means is that you start wherever you are and you go a little bit further. So if you already work 40 hours a week, a marginal hour of work would be the 41st hour worked. And then the next margin would be 42.

And so when you think about whether or not you want to work an hour of overtime, the right way to think about it is, "Well, I'm already working 40 hours and now my job gives me the opportunity to work 41." I should say, "What's the cost of that extra hour of work? What will I be missing out on that I would've liked to do in that hour?" Maybe it's sleep. Maybe it's hanging out with my friends, maybe it's playing video games, whatever. And then I would weigh that against the marginal benefit of what I get from one extra hour of work. And that's the salary, the wage that I get from that extra hour of work. Or maybe it's the wage plus the goodwill of my boss because now I'm working that extra hour, so by working that extra hour, I'll get some other favors in the future.

And so, that's the right way from an economist perspective to set up the problem of, "Should I work that hour of overtime?" Now, the kinds of mistakes people sometimes make is they say, "Well, let's see, if I work 41 hours versus zero hours..." Which makes no sense, because you've already worked the 40 hours, right? So it's not the right comparison.

A lot of times people fall prey to what we call the 'sunk cost fallacy'. So, let's say that I've decided that I want to paint the outside of my house. And I get all the paint, and the ladders, and stuff. And I start painting the first side of the house, and whoa! It is a lot worse than I thought it was. It's a lot hotter, the paint quality's a lot worse, I'm really terrible at it. The right answer is probably to say, "Oh my god, I completely misjudged. Even though I've already wasted a lot of money on paint and all this time, I'm going to go hire a professional painter to do it."

But a lot of people say, "Well, I can't stop *now*. I already did this one-fourth of it. I've got to keep on going." And it's really not relevant. What I've already done is really never relevant to my decision. The right perspective from an economist is: I look at exactly this moment. I identify what my choices are; I can either keep on painting the house or I can stop painting the house and I can hire a painter. And it doesn't matter that I've already done other things that are already in the past. That's done now. I can't undo that.

Aside: So *Ologies* life lesson: Don't live in the past. Exist in the present and make a choice for the future based on where you're at right now. Woo! Boy howdy. What a ding-dang breakthrough. Who knew economics was actually therapy, and that it's so emotional? But now, maybe some advice. Just saying, just sleep on before acting on, just a caveat, from me, your internet daddy.

Steven: I shouldn't get stuck on a path simply because I'm a long way on that path. Parents would be really upset if they knew I do this, but to the students who are in college, my students are in college who might be in their third year of college, but they're miserable and they hate it, or especially my PhD students who are in their fourth year and really foundering. I

say, “Look, you should decide today. Maybe you should just drop out. [Alie gasps] Who cares if you’ve spent three years? What you have to think about is this next year, is the cost of the next year worth the benefits – having a college degree?” And from all the whining and unhappiness and tears I’m seeing, I’m not sure that’s true.

And it’s really hard, in our society it’s very hard for people to quit. One thing that I’ve realized, even done research on it, is that people get stuck on a path and we really have demonized quitting. And so we don’t quit nearly enough. That we as individuals, and I think society as a whole, would be much better off if people quit more. And quitting is really more in line with an economic view of, “I always, at any point, look at marginal cost versus marginal benefit.”

I’ll give you another example. I had a friend – and this is kind of extreme – but he said he and his wife, every day, they wake up in the morning and they ask themselves, “Would I rather be married today or not? Would I rather be married or not?” [Alie gasps] And if the answer is not, then they’re going to get divorced. [Alie laughs incredulously] Obviously, you’ve got to be careful because you might not want to be married today, but want to be married tomorrow, but really try to view...

And I think that’s actually a great idea. I mean, a lot of people, I think, are married and they feel like, “Well, I have to be married. I got married, I can’t...” But especially if both spouses agree that taking seriously the idea that we’d both be better off unmarried than married, then you probably shouldn’t be married.

Alie: Okay. I have a question. I was just hiking with a friend of mine. We were talking about this as we were on this hike. My parents have been married for 50 years and I have another girlfriend whose parents have been married for over 50 years. And maybe this is not rooted in economics, but we seem to find that people whose parents are married for a long time have a harder time committing. Is there anything about the sunk cost fallacy? Is there anything about too much projection? Do you think that people are more afraid to commit because of economics?

Steven: So this sounds more like psychology, but I have to say the lines between economics and psychology get more and more blurred all the time. But you could imagine the idea where, in a world in which your experience is that once you get married, you are married forever. You just have that view. That’s your take on marriage. Then clearly you would be much more cautious than someone whose view is, “Look, marriage. That’s just this piece of paper. And I throw it out, you know, as soon as I meet someone better.” Yeah, I think that’s real. If you really take “til death do us part” seriously, then I would not go lightly into marriage, given that we know that half the marriages fail.

Aside: If you listened to the secret at the end of Rats, you know this was a timely interview and it actually occurred just a few weeks before my long-term boyfriend, one Jarrett Sleeper, shocked me by asking me to *murder* him. Also: I am bad at decisions. It once took me five years to purchase a couch. Commitment spooks my soul. And I am so afraid of getting butthurt in the end.

But the night he asked, my answer was “Heck yeah, hottie,” and it was partly because of this episode interview, y’all. So, more on that in a bit. But now, let’s get back to Anna. I want to know how one of the world’s best and brightest economic minds approaches the sociology versus the cold, hard mathematics of the field.

Alie: Would you say that when economics is taught or the thing that drew you to it, how much of it is the number crunching and the numerical results versus how much of economics when you're a scholar, like you are, is the sociology, and the decision-making, and the psychology of it?

Anna: Ah! You're asking such good questions, Alie. As I expected, *as I expected!* Okay.

Alie: I've been looking forward to this for a long time!

Anna: That is actually a really great question for a couple reasons. One, the economics profession right now is having a very public, sort of, reckoning, and it's having a reckoning on a couple different fronts. But one of the places where it's having this reckoning or having this Come to Jesus moment is around how economics is taught. It kind of comes back to what you just asked: is economics more numerical, or is it really talking about the effects on people?

And I would say, historically, as a student of economics and as somebody who knows economics professors, it has been taught really about the numbers, and the graphs, and "Do you understand why we are taking this derivative? Do you understand why we are using this math equation?" but it doesn't necessarily connect those numbers, and those equations, and those concepts to what is happening in the real world. And a lot of us are saying, "Well, that might be why y'all all look the same," because if you're not connecting it to my experience, I won't feel empowered enough to really say, "Wait a minute, this is a tool that I can use to really explore the world better."

And so, I will say, from my experience... I took an economics course, Intro to Macroeconomics, from a professor at my school. And what really did it for me... She was throwing up these equations. I was like, "I can do math, whatever." But the lecture that did it for me was when she introduced me to human capital, the idea of human capital is the accumulation of skills and knowledge amongst a population.

And I was like, "Wait a minute. This is stuff that I'm really interested in." And then she went so far to say, "You can measure this, *and* let me apply it to this situation in Sub-Saharan Africa. If we think about, you know, investing in the educational infrastructure of some of these countries, you might see an increase and human capital." And I was like, "Wait! This makes so much sense! Why didn't anybody ever tell me this?! Look at how math is being connected to this concept."

And I'll share one more example. One of my friends who first got me into economics, his name is Brandon Enriquez. He's now at MIT. When I first met him, I said, "Hey, man, the president of our university told me to reach out to you because you're doing math. He said you're doing this thing called economics. I don't know what that is. What are you doing?" And he said, "Well, I'm actually using math to understand educational outcomes amongst students in community college." And I said, "How are you doing that?" And he was like, "Well, it seems like if you take these numbers and then you apply the sociological context, you apply the decision-making context into these questions, you can come up with a really robust answer that might give us a better insight as to what the solution is."

And I was like, "Yoooo! This is exactly what I want to do with my life," and that was bringing in those "humanity" aspects into the numerical aspects. I always say that the marriage of math and social science is economics at its core. So yeah.

Aside: To repeat: the marriage of math and social science is economics at its core. What a quote! I'm gonna tattoo that on my face. Now, quantifying our decisions! How exciting is that? Onto the topic of quantities...

Alie: I feel like the way that we learn economics, if we are not econ majors, is something about supply, demand, and scarcity being the thread line of economics. And I think that that gives a lot of people financial anxiety because you just think we're based in an economy of everything's scarce. What does economics actually teach you about scarcity?

Anna: That's a great question. The big idea around scarcity is that we have a limited number of stuff. You can replace "stuff" with anything: computers, quite frankly, lives, resources, or whatever. And so we have to maximize that. And some people would say that's actually not a really great way to think about the world because obviously people who have had that sort of mentality have exploited it, and that's why we have capitalism. *[both laugh]* Right? So there's that.

And so some people are thinking, well, another way to think about economics is: there are groups of people who are trying to maximize their wellbeing. And that's this very abstract idea of stratification economics, heterodox economics. But scarcity ultimately boils down to that. You don't have a lot of something, so how do we make the best of it?

Aside: Mm! Quick jargon buster. So, stratification economics refers to how social classes are stratified along economic lines. One huge voice in this field is economist and Duke University professor Dr. William Darity, Jr., who has also studied everything from workplace discrimination, solutions to generational wealth gaps, and even colorism within racial distinctions. His focus is equity, and he seems rad as hell, so hello to him.

And heterodox economics is a broad term to mean anything that's outside the neoclassic ways of looking at supply and demand economies; fringe ideals about economics. But again, as Anna says: if we have a lot of something, how do we make the best use of it? What does Steven say about scarcity?

Steven: I think without scarcity, there is nothing interesting in economics because economics is all about the tradeoffs when you can't have everything you want. And absence scarcity, then there's no tradeoff, there's nothing hard, right? So if I can have as much money as I want and as much leisure time as I want, and all of the most beautiful surroundings, then there's nothing hard. Everything's easy. So, ultimately economics is about scarcity.

But honestly, it's almost impossible to think about a world in which scarcity isn't fundamental and binding. I mean, if nothing else, time. Even Bill Gates and Elon Musk face a real constraint in limits on time. And so they can buy anything they want, that used to be a tradeoff, but time... Time is the great equalizer. And so I think the tools of economics, even absent financial constraints – which of course, all of us are under – these time constraints are really interesting ones to use the tools of economics on.

Alie: I was actually wondering about that. I mean, we hear more and more that it's an attention economy. Do you find that over the span of your work you've seen, with economics, the product is more and more our attention and our time?

Steven: So there are two ways to answer that. Within academic economics? Absolutely not. I don't think academic economics is really so much focused in the here and now. And so it's not reacting with lightning speed to what's going on in our economy.

Aside: Maybe not academically because there's a bit of a lag there. Research, and paper writing, and publishing is a relatively involved process, so academics can't always reflect real-time.

Steven: What I do think is in life... I actually think about economics about life rather than about academics. I think absolutely what has happened... Take TV as the best example. I'm much older than you, but when I was young there were four channels plus PBS, and that's what you got. You didn't have to make a lot of choices and you often sub-optimized. The landscape of TV now is absurd. First of all, you don't have to watch it at the time that the TV executive prescribes, you can watch it whenever you want. The amount of content, and the quality of content, and the instantaneous access to it has completely changed.

And then you combine that with how amazing video games have become, and streaming music, and FaceTime, and Zoom... It's exactly your point, which is that the set of options available to us, and the set of good options available to us, has exploded. That has put a demand on our attention that, I think, didn't used to be present even 30 or 40 years ago. There was something called boredom and young people don't actually know what that is, where you actually wouldn't be doing anything. You would just be sitting there.

Aside: So just imagine sitting there scrolling for a few hours, but there's no phone. You're just looking at a wall because a new book is 15 miles away at a library and you have to ride a donkey in a bonnet to get to it. Back then, you were just, as my Grandpa Walter Willis Ward used to say [*in an old man voice with Midwest accent*] "Ohh ya know, just watching the wind blow."

Steven: I kinda think that's good though. Again, I'm probably showing my age, but I think the quiet and the boredom... I think in modern society now people try to create that. In the same way that farming and gardening used to be a really hard, awful job, well, now it's fun! Now people are trying really hard to find quiet, and to meditate, and do yoga; things that only become attractive because there are so many options to keep our brain rattled all the time.

Aside: As someone who has a brain that does feel rattled *all* the time – just cerebral maracas over here babies – how do we wrap our shaky noggins around time? I asked Anna, who, once again, has a CV packed with terms like CEO, author, Harvard Fellow, organizer, award winner, boss lady, etc.

Alie: How do you use your knowledge of economics on a day-to-day basis? Because you're number one, you've kicked so much ass.

Anna: Thank you. [*laughs*]

Alie: You must apply time management. Is it about time management? Is it about energy management? Is it about saying no to things? Cost-benefit? What I'm saying is: fix my life with economics and make me more like you. Thank you.

Anna: I love that. I talked about this idea very early on around comparative advantage. I'm going to be very vulnerable for a second. A couple of weeks ago I woke up on a Monday morning. I had work, and something just told me to check my calendar. So I checked my calendar and I noticed I had missed three meetings. [*Darth Vader, in anguish: "Nooooo!"*]

And it didn't even occur... It didn't even track. I was just like, "Oh, you know, I'm just going to Netflix, whatever." And that's when I was like, "I need somebody who's going to offload some of this off of me because there's absolutely no way that I can do it all myself." The

idea of comparative advantage is saying that there are some things you're really good at, and there are some things that somebody else is really good at, and you need to work together to ensure that you get the maximum potential out of the task that you're hoping to achieve.

In this case, the task that I was hoping to achieve was living my life [*laughter*] to the fullest, right? And so I was like, "Okay, I think I need to get an assistant. This seems really bougie though because I'm 24 years old. I'm not Yara Shahidi! I'm Anna, and I just graduated. Who gets an assistant right now?" But that was probably the best decision I've ever made. Shout out to my girl, Danielle, who I later hired and has been exceptional.

I've been thanking her every day. I'm like, "I don't know what I would have done without you, because the fact that you are taking this load off of me, because this is something that you're good at, and that I'm able to focus on what I'm good at, has allowed us to do a lot more in a shorter period of time," which is really exciting. And so I think that's one thing around it.

Aside: PS: How busy *is* Yara Shahidi? She's an actress and activist who was on *Black-ish*, is the star of *Grown-ish*, has her own production company. She founded an organization to encourage the youth vote and also is a student at Harvard. Her recommendation letter was written by Michelle Obama! She is currently 20 years old and probably has an assistant. Actually, I googled the words 'assistant to Yara Shahidi' and came up with a resume on LinkedIn for one young man listing that he assisted Yara in 2015 when she would have been... 15. So to be a boss lady, you might have to be a boss, ladies. Anna says one way she looks at economics is: it's all about tradeoffs. And tradeoffs ultimately boil down to decisions.

Anna: One thing that I think about often is, "Do I want to respond to this comment that's out-of-pocket on Twitter or do I not want to respond? What is the tradeoff? What do I gain? What do I lose?" And so for me, ultimately, it comes down to whether the person is in good faith, they'll have a dialogue with me, and that will come through as maybe a question or maybe the way they phrased their comment. But if they're like, "Yeah, well you're just trash..." Block, delete, I'm done. I'm not even going to waste any energy on that. Those are some practical ways I've used economics in my day-to-day and how you can kind of fix your life around that.

Alie: It should be noted too that this meeting that we're having right now, this recording, was completely scheduled by both of our assistants, and for the same reason! I was on a shoot and I missed a really important conference call. It was not the first one I had missed because I either didn't put it into my calendar or I put it in the wrong time because I was in a different time zone when I said yes to the meeting. And so yeah, it turns out I had to admit that this was not my strength, and that's fine.

Anna: I would say from a business perspective that if you're trying to carry out an idea, find somebody who complements you rather than replicates you.

Alie: That's so smart.

Aside: Do I always shake down smart people for relationship advice? Not always! Sometimes I badger them for productivity hacks. And sometimes their answers shock me.

Steven: Time is scarce, but it's funny, I don't work very hard on anything. There was a time when I worked really, really hard. As a young academic I loved what I was doing. I didn't have any hobbies and I would wake up in the morning and work for 4 or 5 hours and I'd

realize, “Oh my god, I’m starving. I haven’t had breakfast,” and then I’d eat, and then I’d work. Then somewhere along the way I got lazy. The good thing is that now I have a lot of people who work with me. I’m trying to save the world at my new center. I have this center called RISC at UChicago where we’re trying to find big ways to try to do good things in the world.

Honestly, the biggest time-sink I have is that I have six kids, believe it or not. And the Covid lockdown has been tough in that regard. I have two little ones, a 4-year-old and a 2-year-old, and then four teenagers. Honestly, time is a big constraint, but I mostly avoid things that are like real jobs. I’ve just decided that I won’t take on any obligation that really will consume my life. I dabble in a lot of different things.

Alie: Do you make a schedule for the coming day or do you just kind of freewheel it?

Steven: I freewheel it. I’m not like most people. I know a lot of people are on Zoom all day long doing meetings and I’m not really like that. I don’t give anybody my calendar. I don’t let people set up meetings. Most of the time I spend doing stuff I like and doing stuff I want to do.

Alie: Oh, this is so inspiring. If you are trying to prescribe how data science, mathematics, and economics should be taught to get more people who would ask good questions involved, how do you break that barrier between people thinking, “I don’t have a brain for economics,” versus “I do”? Like my mom; we call her Nancy Numbers. She was an accountant her whole life. She thinks in numbers and she’s amazing at it. How do we, sort of, break down that fear of economics, of getting the science or the data wrong?

Steven: I have many, many ideas in that regard. Let’s start with math rather than economics, because most people don’t really even get a chance to learn economics because they’ve already been put off of quantitative things with our math curriculum. I’ve been on this crusade of late to try to change our math curriculum. I’m not particularly successful, and it’s hard to change the math curriculum, but I think the facts are that the math we teach and the way we teach it is probably so archaic, and so out of touch, and has the effect of convincing many people....

We teach topics that are not useful because people will never use them again. It’s actually interesting. The math you learn up until about sixth or seventh grade is really important math. Being able to multiply, and divide, and do fractions; people use that their entire life. But what we teach after that?

[monotonous male voice with German accent: “Cubic polynomials. And we know that any polynomial is infinitely often continuously differentiable.”]

Mostly people don’t use it all. I’m guessing in your everyday life you don’t use calculus. You certainly don’t mess around with triangles in ways that require you to do a lot of geometry and trigonometry. I bet you haven’t taken a cosine or sine in your adult life. We spend years and years – the interesting years of people’s math development – teaching them things that they don’t need to know. My own view is: Why not teach people things that maybe they’d use? A lot of people use Excel. Wouldn’t it be nice to teach people how to use Excel when they’re in high school? It might be boring, but at least it would be functional.

Or think about data! We’re bombarded with data and, really, there’s been a data revolution. What about the basics of understanding data? If someone shows you some data, can you look at the data and see whether it’s got errors in it? And how would you

organize it into a little graph so you could understand? Or a little bar chart? How do you then visualize it? How do you tell stories with it? So much of what we do in life is storytelling. You're a storyteller, obviously, but we can also tell stories with data. What about teaching people to do that? That's really what I have in mind for the math curriculum. Maybe some financial literacy in there as well.

When it comes to economics, I also think economics should not be equated with math. I think the basic ideas of economics have nothing to do with math. There are these things like marginal cost and marginal benefit, or the idea of comparative advantage... It's the simplest idea in the world: if I'm good at one thing, and you're good at another thing, then there are gains from trade. If you're really good at making conversation at dinner parties, and I'm really good at cooking, then I should be in the kitchen cooking and you should be doing the dinner party, not vice versa. There's no math to that, it's really obvious!

Aside: Comparative advantage, people! Honestly, hearing this from two world-renowned economists changed the way I looked at my relationship. I adore Jarrett. I love him so much. We're very different, though. He, for example, knows how to chill out, while I have anxiety about taking a relaxing bath because I can't work in the bathtub. He goes to sleep when he's tired. If we're at a place that sells empanadas, he doesn't wring his hands agonizing over which flavor to pick. He gets one of each and he enjoys them all.

This realization of comparative advantage, of a duo being stronger than the sum of its parts, of understanding how team members can complement each other, made me appreciate my relationship and partner so much more.

Steven: There are maybe ten principles of economics that are along those lines, and I think it would be a good idea if we taught everybody those things. They're not hard, you could teach them in sixth grade, or eighth grade, or tenth grade. If it were up to me, if I were the education czar, I would switch education away from so much memorization and technicality to try and focus more on ideas and creation. Asking questions and trying to go out and find the answers yourself, as opposed to having some canon of brilliance that's handed down that we consume. I'm really in favor of producing ideas instead of just consuming them.

Aside: Anna and Steven; changing lives. But who changed theirs?

Alie: Do you have any role models? Any heroes in terms of economics, either contemporary or historical, or anyone who's doing economics differently? Anyone come to mind? Any books anyone should read?

Anna: Sure. There's somebody called Esther Duflo and she's married to someone called Abhijit Banerjee. They have written a book – they're actually Nobel prize winners – that talks about economics in a broad sense. They cover a number of different topics. But essentially they kind of talk through: "Why does economics matter? Why does it matter to the real world?" I highly, highly recommend it.

Aside: This book is called *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. And on the site for the book, the authors pose the questions: Why would a man in Morocco who doesn't have enough to eat buy a television? Why is it so hard for children in poor areas to learn even when they attend school? Does having a lot of children actually make you poorer? The book lays out that around the world, in 2005, 13% of the world's population lived off less than the equivalent of \$1 a day. A little

excerpt from *Poor Economics*, if I may, I'm just gonna read some because it's so brilliantly written:

What is striking is that even people who are that poor are just like the rest of us in almost every way. We have the same desires and weaknesses. The poor are no less rational than anyone else— quite the contrary. Precisely because they have so little, we often find them putting much careful thought into their choices: They have to be sophisticated economists just to survive. To progress, we have to abandon the habit of reducing the poor to cartoon characters and take the time to really understand their lives, in all their complexity and richness.

Again, that is from *Poor Economics* and I will link that book on my website AlieWard.com/Ologies/EconomicSociology. A link to that will be in the show notes. And Anna says another rock star of economics...

Anna: And I would say in terms of people who I am very much inspired by... So I recently wrote a *Teen Vogue* op-ed on Dr. Lisa D. Cook; Dr. Lisa D. Cook is my mentor. She's my sister-friend. She is a collaborator. She was actually my educator at one point. She was my research advisor at one point. Essentially, this woman is a boss! I don't know anybody in the economics profession who bosses up like Dr. Cook, in the sense that her research has been very, very influential. She recently wrote a *New York Times* op-ed around the fact that racism actually undermines our entire economy. If people just stopped being racist, we might see a lot more economic growth. We might see a lot more economic stability, more jobs, more opportunities, more improvements in how we treat certain people, as well as how those people flourish in the society.

She made a really great case on that, based on her research, that sort of linked African American innovation to violence against African Americans. She showed, basically, that during heightened times of violence against African Americans, African American innovation went down, and she looked at patents as a way to measure that. So again, super dope work.

In addition, she's somebody who has just been critical to the number of Black and Brown people who have entered the profession in the last five years. I am obviously a result of that. She's actually somebody who I approached at the very, very beginning of my career and said, "Hey, can you mentor me?" She said, "Say less, I got you." And she has gotten me to this point, so... I even have a check-in with her tomorrow. Honestly, she's just somebody who's amazing. She's currently on Biden's transition team, most likely going to be on his administration at some point. And so again, I'm just really happy to know her.

And then there's Sadie Alexander, who the Sadie Collective is named after. People don't realize that Sadie Alexander got her PhD when she was my age. She was actually 22 when she got her PhD. Yes. Insanity. She was really, really young! A modern-day Zendaya, if you will. You know what I'm saying? [*laughs*]

So the idea here was, she was somebody who, just like Dr. Cook, was really interested in civil rights and seeing African American people flourish in this country. Unfortunately, because of racism and sexism in the early 1900s, she was not able to do the work that she set out to do. So instead, she decided to pivot into a different career that would allow her to do that work. That ended up becoming law, and she ended up becoming the first Black woman lawyer to practice in the state of Pennsylvania. And later on was actually very integral to the US Army, the US military, desegregating, and getting Black people to

actually fight on the front lines and defend our country. And so that's essentially... Those two women, I think, have been really critical to my, kind of, career path in economics and related fields.

Aside: So, plenty here to stoke a newfound raging passion for economics, but what about money? What about cabbage? We're talkin' dough. Frogskins. Ducats. Paper. [*"That's plenty."*] We're gonna get into it. We're going to be getting to some of the best financial advice I have ever heard, right after a break to hear about Ward-approved sponsors of the show who make it possible for us to donate thousands of *Ologies* dollars a month to causes of the ologists' choosing, and assorted mutual aid causes, and individuals who might need a little help. It's one of the greatest joys of making this show. You're going to hear more about this week's donation later in the show. So, thank you to Patrons and sponsors who make it possible, including...

[*Ad Break*]

Aside: Okay, money. How much is enough and how do you not worry about the future as much?

Alie: What about a tool for financial literacy or the basics of economics? Is there a documentary, or a book, or a source that you think can really get people hooked, especially with financial literacy? Because I know that *avoidance* is probably one of the top tools that we use when it comes to financial literacy. [*laughing*]

Steven: I have really strong feelings about financial literacy. Now, I know that there is a many, many, many billion-dollar industry built around managing people's money, but I believe firmly that everything you need to know about financial literacy fits on a single three-by-five index card. [*"Very, very small"*] That idea really hit home to me when one of my colleagues, a guy named Harold Pollack, actually just wrote on an index card everything you need to know about financial literacy. [*Alie laughs*] And it was so popular, it went very viral on the internet, and he ended up writing a book about it.

Aside: It's called, *The Index Card*. That's the book. Simple title. Do you want me to find the original index card and then read it in abbreviated form? Okay, I will! Here we go, money in your ears:

1. Max your 401K, or equivalent employee contribution.
2. Buy inexpensive, well-diversified mutual funds, such as Vanguard Target 20XX funds.
3. Never buy or sell an individual security. The person on the other side of the table knows more than you about that stuff.
4. Save 20% of your money.
5. Pay your credit card balance in full every month.
6. Maximize tax-advantaged savings vehicles like Roth, SEP, and 529 accounts.
7. Pay attention to fees. Avoid actively managed funds.
8. Make financial advisor commit to a fiduciary standard.
9. Promote social insurance programs to help people when things go wrong.

If you're like, "I didn't understand some of those words." That's okay. That's why he wrote a book called *The Index Card* to explain it. If you're not an econ major, you just learned the

bare bones of what you need to know, or at least where to get that information. But wait, there is more. Professor Levitt shares a boggling, tuition-free lesson:

Steven: So, I teach a class at the University of Chicago with my colleague John List, which is economics without any math. It's called Economics for Everyone, and it has zero math in it. It's just the ideas. I think the single best lecture I have given to my students, ever in any of the classes I've ever taught, is the one on financial literacy, where I just walk them through, essentially, one index card worth of information. And I do this calculation, which is what really blew my mind completely. I wasn't even ready for the answer. So, here's the promo. I might begin the math a little bit wrong because I'm just doing it from the top of my head, but here's the scenario I set up:

So you have \$100,000, and you want to invest it, and you're faced with two choices. You can either put it into a mutual fund that mirrors the S&P 500, that just tries to get an average return of what the market will return. You just put it in that mutual fund and then you just buy and hold, and in 50 years when you retire, you'll have a certain amount of money.

The other opportunity is you can hire me, Professor Levitt, to be your money manager and you will pay me a standard money management fee. I can't remember if the number I used was 1% or 1.5%. That's kind of the standard if you have someone manage your money for you. And unbeknownst to you, what I do is I just take all your money and I put it into exactly that same mutual fund that you would have put it in on your own. I just take 1% a year as a fee for managing your money.

So then the question is, at the end of 50 years, how much money have you paid me? The simple way to think about it is well, it's \$100,000, so that first year you're going to pay me \$1,000 because you pay me 1%. One percent of *your* money. I get paid to manage your money, and out of your \$100,000, I get paid \$1,000. If you're kind of naïve, you say, "Well, it's \$1000 the first year, and multiplied by 50 you'll end up paying Professor Levitt \$50,000 over the course of those 50 years." But that ignores the power of compounding.

Markets go up. The value of your portfolio goes up over time. And it turns out if you just took that \$100,000, with the standard kinds of increases that we've seen in stock markets over the last 50 years, and if that happened over the next 50 years, at the end of the day, if you manage your own money, that \$100,000 would turn into \$7.3 million or some number that's really big. The power of compounding and investments is really, really important.

If, however, you let Professor Levitt manage your money and take 1%, it is incredible, but I will get paid about \$3.5 million. So essentially, about half the value of your portfolio would go to me over those 50 years because the money would never get to compound. Well, it would compound, but it would compound in *my* market and *my* account, not in *your* account. That's the problem. That little exercise... I thought I must have done it wrong because I couldn't believe it myself, but the math is right. I put that in front of the students. And it's really hard to get an "Aha!" moment with college students because mostly they're on their computers, but that is a moment where the whole room goes, "Whaaaaaat?" It shocks people.

So look, I think that the answer to financial literacy is super simple. You need to save some amount of money. You need to save. Like if you're young, you should save 5% of what you're earning. And you should just put it into stock markets, and you should not let

other people manage your money. Just buy and hold. There's like five things you should do, that if you do them you're more or less guaranteed to have relatively good outcomes. Like never have credit card debt. These are really simple things.

Aside: If you're doing the calculations and thinking of retiring at 65, that would mean you'd need to sock away 100G's at the age of 15, when you need a car and can barely grow a mustache. So I get this \$7 million advice is not actionable for everyone who wasn't born into royalty, or at least got one of those racecar beds we all wanted as kids. Some people are handed money just for being alive and being related to someone who had money from someone else. And some are not.

Especially if your family moved to this country in desperation, or had their land stolen, or was shipped here not of their own volition. And when you're barely scraping by, even 5% into savings is a lot. But those calculations are just an illustration that when it comes to socking cash away, it may feel like stealing from 'Present You', but anything you can save, just shift the perspective to giving 'Future You' a shitload more money at a time when Future You can maybe no longer earn it. Then, savings become more incentivized.

And of course, privilege comes not just in the form of a lump of cash from dead old people, but also just generational information passed down. So, "How can we make money less confusing and scary?", I asked Steve... for myself.

Steven: Yeah, the fact that we teach people that "cosecant is the inverse of the sign," or whatever the thing is, and we don't teach them these five basic things about how to live a financial life, I think is a travesty. But let me go even further, the real travesty, I think, is that we don't teach kids to manage their emotional life. Why not teach kids anger management, or how to get along with people, or how to think about their own bodies? It's weird.

Somehow I think that's too "New Wave," too "New Age-y," or whatever. But I honestly think if sensible people, assuming you and I are sensible, but if sensible people like you and I and others sat down and tried to think about it, if you hold kids hostage for six or eight hours a day for the first 18 years of their life, what would we want them to know at the end? I'm not sure "how to solve the quadratic equation" would be near the top of that list.

Aside: So, so, so important. If you have kids, teach the next generation how to 'money' because if there's one thing the community of the internet has taught us, it's that we're all kids in bigger pants, googling our way through the Willy Wonka Horror Tunnel of adult responsibility. And I don't have kids, but I do have one thing:

Alie: Oh my gosh. So if I have a financial manager, I should gently fire them, right?

Steven: Um, so... yes. You should. *[Alie giggles]* You should fire them. The only reason that you might not want to fire them is if they could get you an extra 2% or 3% return a year, then they would be invaluable. But the simple fact is that if they're willing to manage your money, they're probably not getting that extra couple percent, because if they could get that extra couple percent, they should be some of the richest people in the world. Because the people who've managed to get excess returns? Those people end up running \$20 billion hedge funds and living very fancy lives.

Aside: I have never summered on the Vineyard, so I don't know what a hedge fund is. I googled it, and apparently, it's pooled and sometimes borrowed money put into high-risk investments in the hopes of getting an absolute torrent of wealth in return. And it's how billionaires are made.

My family drove a Ford Pinto with one mismatched copper door, and when we sold it to a sheep farmer, we all cried because we loved it so much, even though it smelled like a seafood chowder we spilled in it years prior. My point is, millionaires: great. Billionaires: why are you?

I wish we looked at people who hoard money they don't need the same way we look at people who have doll collections. Dolls are like wealth. They're great. To a point. But when you have three of the four bedrooms in your home filled to the ceilings with dolls... Do you need all of that? Are you okay? Don't you think a lot of people out there could appreciate these dolls even more than you do, who could not possibly play with all of the dolls at once?

Okay, this is a podcast. This is not an op-ed. I really should leave those to the experts. Or the ologists:

Alie: I read your op-ed in the *New York Times* as well, about how much racism and misogyny affects people who go into economics. Is there any economics of that racism and sexism? As economists, should they be able to see what they're doing and how that's happening or no?

Anna: Yes. And there are economists who evaluate that. So, somebody who inspires both myself and Fanta, who is my co-founder, is Dr. Rhonda V. Sharp. She's actually one of the reasons why we ended up co-founding the Sadie Collective.

So, when we heard her presidential address at a large economics conference, she basically said that, upon her analysis, she shows that Black women are not entering economics at the undergraduate level. So, there are economists that are actually focused on sexism and racism within economics and related fields. It's actually the kind of work that I'm interested in doing as well, and then obviously broadening it beyond just economics. But there are folks who do study this. These are people who are doing exceptionally important work, and it kind of goes back to this idea of interrogating the space that you reside in.

If the space you reside in has a lot of power, it absolutely needs to be interrogated, especially if that power is concentrated amongst one group. So I think that these economists are doing such exceptional work around this. And obviously the Sadie Collective is also starting to contribute to this body of work as well, so I'm hoping that it gets amplified over time.

Alie: That's great. What about myths? Any myths about economics that you really want to bust?

Anna: Yes, this myth that all economists understand the stock market. Don't ask me [*Alie laughs*] about what stocks you should invest in, I don't know! [*Alie still laughing*] Listen, I actually wanted to buy Zoom stock at the very, very early part of the pandemic – I'm sorry that's a horrible thing to think about. But I'm thinking about stock, it was \$100 and now it's worth \$900, y'all. I did not know how to *purchase* the stock. Don't ask me about stocks, I don't know!

I think another myth is that economists have all the answers because they understand the numbers. No they don't! [*Anna and Alie laugh*] Who told you that? That's why we have people like sociologists, psychologists, different folks across the social science spectrum, that fill in the gaps –and economists have a lot of gaps, quite frankly – that economists have in their research and in the way that they think.

I think, as I mentioned before and as you talked about Alie, a lot of economists are white, a lot of economists come from privileged backgrounds, so they have a very limited understanding of the world and the lens in which they see the world is also limited. I'm hoping by the time I get through the profession we'll be in a place where that is the norm. I would say those are two big myths that I feel like people have.

Alie: Well, you know what, it makes me think about it, because I feel like if you come from an affluent, privileged background of maybe less personal scarcity, less anxiety about the future, maybe it becomes an interesting thing to look at. Like, if you know you're not allergic to bee stings, maybe you become a bee scientist?

Anna: Exactly.

Alie: For me, when I think about the future, the scariest thing about the future is money. Will I have a disease I don't have enough money to try to fix? Will I have a place to live? I understand that women more than men have those fears, people who don't have privileged backgrounds, people of color, people who have been historically oppressed, marginalized. Do you think that the anxiety, just the pure financial anxiety, that more marginalized populations hold, would prevent them from wanting to go near the field at all?

Anna: Oooh, yes. Yes. The anxiety is part of it and the other part of it is that you're anxious because you don't understand what they're talking about. And that's honestly because they're not doing a great job communicating it.

Aside: Anna echoed something that Steven touched on earlier.

Anna: I always say this, and I'm pretty sure I got it from somebody else: If you can't explain something without using jargon, you don't understand it. [*Alie laughs*] You know...

Alie: That's great.

Anna: I have mastered the art of writing about economics in Twitter threads and I think that's going to take me far as a researcher who communicates with the public. Because I think at the end of the day, what you're saying is exactly right. This idea of: what is happening next in the economy? What do all these words mean? How does that affect me and my family? I think that there needs to be more people like me, like folks who are in think tanks and spaces that regularly communicate with the public about the economy. Because there's so much anxiety, as you mentioned, that needs to be addressed.

Aside: Especially during an earth-wide pandemic. I am so, so lucky that I can still do my job while recording in my closet. Thank you all for that. But not everyone is so fortunate.

Anna: To address that anxiety a little bit, one thing that economists almost across the board are pushing for is more money in people's pockets. Clearly, the \$1,200 check that came to *some people* – quite frankly, right? – and the small business funding that landed in *some people's* hands, mainly *white people's* hands, is *not* enough. It's not even close to enough.

People can't survive without paying their bills and feeding themselves. A lot of economists are *begging* the government to please, give people more money because the joblessness is out of this world. If you thought, 2008... For some of you who might be a little younger, 2008 what happened was basically the financial market crashed. So, imagine the stock market looking entirely red, that was 2008. So, the idea here was that if the government didn't save the stock market, it might have affected basically everyone.

Spoiler, it did regardless. *[laughs]* People who are most marginalized, such as Black and Brown folks, were disproportionately impacted by 2008.

So right now, we're in a global pandemic and the joblessness that's happened because of the pandemic is, again, disproportionately affecting Black and Brown people. So, the urgency to get more money to people's hands is a matter of saving communities from economic ruin for generations. That's what economists are really focused on right now, especially those who are considered labor economists. Labor economists are people who study work, how people get jobs, why people get jobs, and sort of measure and analyze that data.

That's sort of what I would say to calm people's anxiety. People care, and hopefully with Biden's administration, that will be one of the first things they do. If you want to look at how other countries are addressing the situation, Canada is giving their citizens over \$2,000 per month, just free of charge.

Alie: Wow. Oh my god.

Anna: Because they understand! People are losing their jobs, there's also this added health cost. So the idea is, "Let's go ahead and actually make sure that people get through this." I do know that the next administration has people on its team that are solely dedicated to this. One thing that's really exciting to share is that the Council of Economic Advisers, which is basically the economists that advise President Biden, is led by the first Black person to ever hold that post, and actually the only Black person to ever be part of the council of economic advisors as a member, Cecilia Rouse.

Dr. Cecelia Rouse is a labor economist, she focuses on getting people jobs and focuses on that as it relates to inequality. That's some hope that I hope I can share with you all – that things will hopefully get better.

Alie: Well, I'm wondering in terms of forecasting, because you're kind of like a money meteorologist, do we know if the fallout from the pandemic will happen like, in two years, in six months, in five years, never, you know, January? Any idea when to predict when shit is gonna really hit the fan?

Anna: Oh, shit has already hit the fan.

Alie: Okay.

Anna: *[laughs]* Sorry. I'm so sorry.

Alie: There is shit and fan everywhere.

Anna: I believe 12 million people are unemployed right now. That's not the worst part. I'm somebody who's interested in labor economics, so there's something called the labor force.

The labor force basically means that there are people who are employed, who are working right now, and then there are people who have just looked for a job in the last three weeks. What's happening, is that people are losing their jobs and people aren't *looking* for jobs. That means they're just leaving the labor force. That is horrible for a lot of reasons. What is even more horrible is that Black women and Brown women *especially*, are falling into this. And that's not the worst part!

The worst part is; Black women in particular, if they are mothers, over 70% of them are the breadwinners of their households. So when I say economic ruin for generations, I

literally mean, kids right now could be affected. When we say shit has hit the fan, we have hundreds of economists that are pleading with the government, “Please, please, please, please, give people money because people are suffering. You have to do this or we don’t know where this country is going to land come next year.” Yeah.

Alie: As someone who is 24, and a scholar, and a CEO, do you feel like Generation Z is more informed than millennials and Gen X? I know that millennials were criticized a few years ago that they just can’t buy houses because of avocado toast. *[Anna laughs]*

Do you feel like Gen Z is like, “No, don’t even try that with us.”? Where do you think that’s come from? Because I do feel like we’re all pretty much relying on Gen Z to fuck shit up, you know?

Aside: I mean that in a good way, and thank you, and I’m sorry, and you’re amazing Gen Z. Please keep being you.

Anna: Yeah, someone said something like, “Gen Z is coming in with a bat and is saying ‘We’re just gonna destroy all of it.’” You know, it’s interesting you say that. I’m actually a millennial, which I learned this year.

Alie: What? Really?

Anna: 1996 is the last year for millennials and then 1997 is Gen Z, but I’m basically Gen Z. I spend a lot of my time with Gen Z folks.

What I will say is, Gen Z is striving to be informed. I think ultimately, Gen Z is going to be the generation that finally holds power accountable, like for real. That’s why I’m like, “I’m actually really Gen Z...” because I’m interested in holding power accountable. You see a lot of young people challenging power.

You know, the whole climate change movement was championed by Indigenous, Black, and Brown folks, initially, who were young! Who said, “Yeah we are going to speak out and talk about this.” It was then added with white folks, and folks who were white-passing, of course, that came in and said, “Yeah we’re going to amplify this.” Now, it’s a global movement where you now have someone like Greta in front of the UN saying, “How dare you? Y’all are trash!” You know what I’m saying? *[clip of Greta Thunberg’s UN speech: “How dare you! You have stolen my dreams and my childhood with your empty words. Yet I’m one of the lucky ones.”]* I don’t know if we would have seen something like that even just three years ago.

We are in a really unique time where the younger generation is waking up and has enough information to say, “Wait a minute, *this* is how y’all been living?” I actually tweeted something like this recently when George Floyd was killed basically, and economics Twitter was quiet, like really quiet. I said, “Wow, y’all are really trash, because y’all have a lot of power, especially in the policy world, and y’all don’t have *anything* to say about this? Y’all are trash. Miss me with that.”

Surprisingly, that actually woke some people up, they asked what they could do. But it’s like, that’s kind of what our generation is about at this point, or Generation Z more specifically. We’re saying hey, “We’re done. Y’all dealt with that, we don’t want to deal with that, we know there’s a better way to do this and we’re going to demand it. If we have to push for it we’re going to push for it.”

That’s kind of what the Sadie Collective is too. At some point we were like, “Y’all don’t have a congregation of Black woman economists and people who are in related fields?

Okay, we'll just create it ourselves!" A lot of people doubted us. They were like, "I don't think you guys can pull this off." And then we did! "Oh, wait a minute. I guess we should pay attention to you now." Well, yeah! We demanded attention. I think that's what Gen Z is doing and I'm happy that they're informed and making moves based on the information that they have.

Alie: For this episode, the donation is going to Sadie Collective, is that cool?

Anna: Oh my god! Yeees!

Alie: Okay, good. We donate to a cause of the ologist's choosing every episode, and I'm going to guess it's going to be the Sadie Collective.

Anna: Yes, that would be great! *[laughs]*

Alie: Can I ask you some questions from patrons?

Anna: Sure, oh my god!

Alie: Okay, we have economic questions. Are you ready?

Anna: I think so.

Aside: Are they both ready for next week's Part Two?

Alie: Can I ask you a few questions from patrons, from listeners?

Steven: Of course, would love that.

Alie: They're very excited that you're on.

Next week we will be donating to a cause of Steven's choosing as well as peppering them both with more questions.

Now that you're obsessed with these two, you can follow Anna Gifty Opoku-Agyeman on Twitter and Instagram at [@ItsAfronomics](#). There's a link in the show notes to her website and her nonprofit, The Sadie Collective, which we donated to this week.

Steven Levitt's website and social handles are also in the show notes and he hosts the podcast, *People I Mostly Admire*. So find that wherever you get podcasts.

Honestly, get pumped for Part Two, out next Tuesday, where we take your questions and my *word*, you had good ones. We get into it. So, we'll see you next week for that, and in the meantime there is Ologies merch available at [OlogiesMerch.com](#). Thanks to Boni Dutch and Shannon Feltus, they are of the comedy podcast *You Are That*. They manage all the merch.

Thank you to birthday babe, Erin Talbert, who admins the Ologies Podcast [Facebook group](#). She has been a superb friend since we were four, I can't imagine my life without her. Love you oodles, lady.

Thank you to Emily White and all the transcribers making transcripts for these episodes. They are available for \$0 on my website. Thank you to Caleb Patton for bleeping episodes and making them kid safe also for free on my website. There's a link to bleeped episodes and transcripts in the show notes.

Thank you to assistant editor and professional handsome, Jarrett Sleeper, who also does quarantine calisthenics every weekday on Twitch at 9am Pacific. Sometimes I walk by with bad hair. Of course, huge thanks to million-dollar editor, Steven Pay Morris, who also hosts the *Purrrcast* and *See*

Jurassic Right. Nick Thorburn did the music for *Serial*, and also, this podcast. He's in a band called Islands.

If you stick around until the end of the episode, you know I tell you a secret. This week it's that I'm trying the Pomodoro Method, which is working 25 minutes and then taking a 5-minute break. You're supposed to use a kitchen timer, but mine is very shrill. It scares me, and Jarrett, and our tiny werewolf when it goes off, but also, I want something physical to use instead of a phone timer. I have spent probably two full hours researching the best productivity timer, instead of just returning emails and working.

So, I have to admit to myself that, hmm, maybe it's not about the timer, maybe it's me, maybe I'm the problem, I'm working on it. Time is money, people. Okay, we'll see you next week! You excited? I'm excited. All right.

Berbye.

Transcribed by:

Your Pal Aska Djikia

Hannah Dent

Madison Campbell

Wendy Fick

Aveline in Poitiers, France

More links you may enjoy:

A donation was made to: <https://www.sadiecollective.org/>

Steven Levitt's "Freakonomics" book on [Bookshop.org](https://www.bookshop.org)

[Dr. Lisa D. Cook](#)

Esther Duflo & Abhijit Banerjee's "[Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty](#)"

A link to all of their books on [Bookshop.org](https://www.bookshop.org)

Harold Pollock's "[The Index Card](#)" book:

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