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books of all time'
Fortune**



Fooled by Randomness

**The Hidden Role
of Chance in Life
and in the
Markets**

Author of *The Black Swan*

Nassim Nicholas Taleb

Named by *Fortune*

ONE OF THE SMARTEST BOOKS OF ALL TIME

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BY

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*The Hidden Role of Chance
in Life and in the Markets*

NASSIM NICHOLAS TALEB

SECOND EDITION, UPDATED BY THE AUTHOR

FOOLED BY RANDOMNESS



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in Life and in the Markets

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FOOLED BY RANDOMNESS

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CONTENTS

[Title Page](#)

[Dedication](#)

[Preface](#)

[Acknowledgments for the Updated Second Edition](#)

[Chapter Summaries](#)

[Prologue](#)

PART I: SOLON'S WARNING

•

[Skewness, Asymmetry, Induction](#)

One IF YOU'RE SO RICH, WHY AREN'T YOU SO

SMART?

NERO TULIP

[Hit by Lightning](#)

[Temporary Sanity](#)

[Modus Operandi](#)

[No Work Ethics](#)

[There Are Always Secrets](#)

JOHN THE HIGH-YIELD TRADER

[An Overpaid Hick](#)

THE RED-HOT SUMMER

[Serotonin and Randomness](#)

YOUR DENTIST IS RICH, VERY RICH

Two A BIZARRE ACCOUNTING METHOD

ALTERNATIVE HISTORY

[Russian Roulette](#)

[Possible Worlds](#)

[An Even More Vicious Roulette](#)

SMOOTH PEER RELATIONS

Salvation via Aeroflot
Solon Visits Regine's Nightclub
GEORGE WILL IS NO SOLON: ON COUNTERINTUITIVE TRUTHS

Humiliated in Debates
A Different Kind of Earthquake
Proverbs Galore
Risk Managers
Epiphenomena

Three A MATHEMATICAL MEDITATION ON HISTORY

Europlayboy Mathematics
The Tools
Monte Carlo Mathematics
FUN IN MY ATTIC
Making History
Zorglubs Crowding the Attic
Denigration of History
The Stove Is Hot
Skills in Predicting Past History
My Solon
DISTILLED THINKING ON YOUR PALMPILOT
Breaking News
Shiller Redux
Gerontocracy
PHILOSTRATUS IN MONTE CARLO : ON THE DIFFERENCE BETWEEN NOISE AND INFORMATION

Four RANDOMNESS, NONSENSE, AND THE SCIENTIFIC INTELLECTUAL RANDOMNESS AND THE VERB

Reverse Turing Test
The Father of All Pseudothinkers
MONTE CARLO POETRY

Five SURVIVAL OF THE LEAST FIT-CAN EVOLUTION BE FOOLED BY RANDOMNESS?

CARLOS THE EMERGING-MARKETS WIZARD

The Good Years

Averaging Down

Lines in the Sand

JOHN THE HIGH-YIELD TRADER

The Quant Who Knew Computers and Equations

The Traits They Shared

A REVIEW OF MARKET FOOLS OF RANDOMNESS

CONSTANTS

NAIVE EVOLUTIONARY THEORIES

Can Evolution Be Fooled by Randomness?

Six SKEWNESS AND ASYMMETRY

THE MEDIAN IS NOT THE MESSAGE

BULL AND BEAR ZOOLOGY

An Arrogant Twenty-nine-year-old Son

Rare Events

Symmetry and Science

ALMOST EVERYBODY IS ABOVE AVERAGE

THE RARE-EVENT FALLACY

The Mother of All Deceptions

Why Don't Statisticians Detect Rare Events?

A Mischievous Child Replaces the Black Balls

Seven THE PROBLEM OF INDUCTION

FROM BACON TO HUME

Cygnus Atratus

Niederhoffer

SIR KARL'S PROMOTING AGENT

Location, Location

Popper's Answer

Open Society

Nobody Is Perfect

Induction and Memory

Pascal's Wager

THANK YOU, SOLON

PART II: MONKEYS ON TYPEWRITERS

•

Survivorship and Other Biases

IT DEPENDS ON THE NUMBER OF MONKEYS
VICIOUS REAL LIFE
THIS SECTION

Eight TOO MANY MILLIONAIRES NEXT DOOR
HOW TO STOP THE STING OF FAILURE

Somewhat Happy

Too Much Work

You're a Failure

DOUBLE SURVIVORSHIP BIASES

More Experts

Visibility Winners

It's a Bull Market

A GURU'S OPINION

Nine IT IS EASIER TO BUY AND SELL THAN FRY

AN EGG

FOOLED BY NUMBERS

Placebo Investors

Nobody Has to Be Competent

Regression to the Mean

Ergodicity

LIFE IS COINCIDENTAL

The Mysterious Letter

An Interrupted Tennis Game

Reverse Survivors

The Birthday Paradox

It's a Small World!

Data Mining, Statistics, and Charlatanism

The Best Book I Have Ever Read!

The Backtester

A More Unsettling Extension

The Earnings Season: Fooled by the Results

COMPARATIVE LUCK

Cancer Cures

Professor Pearson Goes to Monte Carlo (Literally): Randomness Does Not Look Random!

The Dog That Did Not Bark: On Biases in Scientific Knowledge

I HAVE NO CONCLUSION

Ten LOSER TAKES ALL—ON THE

NONLINEARITIES OF LIFE

THE SANDPILE EFFECT

Enter Randomness

Learning to Type

MATHEMATICS INSIDE AND OUTSIDE THE REAL WORLD

The Science of Networks

Our Brain

Buridan's Donkey or the Good Side of Randomness

WHEN IT RAINS, IT POURS

Eleven RANDOMNESS AND OUR MIND: WE

ARE PROBABILITY BLIND

PARIS OR THE BAHAMAS?

SOME ARCHITECTURAL CONSIDERATIONS

BEWARE THE PHILOSOPHER BUREAUCRAT

Satisficing

FLAWED, NOT JUST IMPERFECT

Kahneman and Tversky

WHERE IS NAPOLEON WHEN WE NEED HIM?

"I'm As Good As My Last Trade" and Other Heuristics

Degree in a Fortune Cookie

Two Systems of Reasoning

WHY WE DON'T MARRY THE FIRST DATE

Our Natural Habitat

Fast and Frugal

Neurobiologists Too

Kafka in a Courtroom

An Absurd World

Examples of Biases in Understanding Probability
We Are Option Blind
PROBABILITIES AND THE MEDIA (MORE JOURNALISTS)
CNBC at Lunchtime
You Should Be Dead by Now
The Bloomberg Explanations
Filtering Methods
We Do Not Understand Confidence Levels
An Admission

PART III: WAX IN MY EARS

•
Living with Randomitis

I AM NOT SO INTELLIGENT
WITTGENSTEIN'S RULER
THE ODYSSEAN MUTE COMMAND

Twelve **GAMBLERS' TICKS AND PIGEONS IN**
A BOX
TAXI-CAB ENGLISH AND CAUSALITY
THE SKINNER PIGEON EXPERIMENT
PHILOSTRATUS REDUX

Thirteen **CARNEADES COMES TO ROME: ON**
PROBABILITY AND SKEPTICISM
CARNEADES COMES TO ROME
Probability, the Child of Skepticism
MONSIEUR DE NORPOIS' OPINIONS
Path Dependence of Beliefs
COMPUTING INSTEAD OF THINKING
FROM FUNERAL TO FUNERAL

Fourteen **BACCHUS ABANDONS ANTONY**
NOTES ON JACKIE O. 'S FUNERAL
RANDOMNESS AND PERSONAL ELEGANCE

Epilogue SOLON TOLD YOU SO

Beware the London Traffic Jams

Postscript THREE AFTERTHOUGHTS IN THE
SHOWER

FIRST THOUGHT: THE INVERSE SKILLS PROBLEM

SECOND THOUGHT: ON SOME ADDITIONAL BENEFITS OF
RANDOMNESS

Uncertainty and Happiness

The Scrambling of Messages

THIRD THOUGHT: STANDING ON ONE LEG

Acknowledgments for the First Edition

A Trip to the Library: Notes and Reading Recommendations

Notes

References

About the Author

Also by Nassim Nicholas Taleb

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***To my mother,
Minerva Ghosn Taleb***

PREFACE

TAKING KNOWLEDGE LESS SERIOUSLY

This book is the synthesis of, on one hand, the no-nonsense practitioner of uncertainty whospen this professional life trying to resist being fooled by randomness and trick the emotions associated with probabilistic outcomes and, on the other, the aesthetically obsessed, literature-loving human being willing to be fooled by any form of nonsense that is polished, refined, original, and tasteful. I am not capable of avoiding being the fool of randomness; what I can do is confine it to where it brings some aesthetic gratification.

This comes straight from the gut; it is a personal essay primarily discussing its author's thoughts, struggles, and observations connected to the practice of risk taking, not exactly a treatise, and certainly, god forbid, not a piece of scientific reporting. It was written for fun and it aims to be read (principally) for, and with, pleasure. Much has been written about our biases (acquired or genetic) in dealing with randomness over the past decade. The rules while writing the first edition of this book had been to avoid discussing (a) anything that I did not either personally witness on the topic or develop independently, and (b) anything that I have not distilled well enough to be able to write on the subject with only the slightest effort. Everything that remotely felt like work was out. I had to purge from the text passages that seemed to come from a visit to the library, including the scientific name dropping. I tried to use no quote that did not naturally spring from my memory and did not come from a writer whom I had intimately frequented over the years (I detest the practice of random use of borrowed wisdom—much on that later). *Aut tace aut loquere meliora silencio* (only when the words outperform silence).

These rules remain intact. But sometimes life requires compromises: Under pressure from friends and readers I have added to the present edition a series of nonintrusive endnotes referring to the related literature. I have also added new

material to most chapters, most notably in [Chapter 11](#), which altogether has resulted in an expansion of the book by more than a third.

Adding to the Winner

I hope to make this book organic—by, to use traders’ lingo, “adding to the winner”—and let it reflect my personal evolution instead of holding on to these new ideas and putting them into a new book altogether. Strangely, I gave considerably more thought to some sections of this book *after* the publication than I had before, particularly in two separate areas: (a) the mechanisms by which our brain sees the world as less, far less, random than it actually is, and (b) the “fat tails,” that wild brand of uncertainty that causes large deviations (rare events explain more and more of the world we live in, but at the same time remain as counterintuitive to us as they were to our ancestors). The second version of this book reflects this author’s drift into becoming a little less of a student of uncertainty (we can learn so little about randomness) and more of a researcher into how people are fooled by it.

Another phenomenon: the transformation of the author by his own book. As I increasingly started living this book *after* the initial composition, I found luck in the most unexpected of places. It is as if there were two planets: the one in which we actually live and the one, considerably more deterministic, on which people are convinced we live. It is as simple as that: Past events will *always* look less random than they were (it is called the *hindsight bias*). I would listen to someone’s discussion of his own past realizing that much of what he was saying was just backfit explanations concocted *ex post* by his deluded mind. This became at times unbearable: I could feel myself looking at people in the social sciences (particularly conventional economics) and the investment world as if they were deranged subjects. Living in the real world may be painful particularly if one finds statements more informative about the people making them than the intended message: I picked up *Newsweek* this morning at the dentist’s office and read a journalist’s discussion of a prominent business figure, particularly his ability in “timing moves” and realized how I was making a list of the biases in the journalist’s mind rather than getting the intended information in the article itself, which I could not possibly take seriously. (Why don’t most journalists end up figuring out that they know much less than they think they know? Scientists investigated half a century ago the phenomena of “experts” not learning about

their past failings. You can mispredict everything for all your life yet think that you will get it right next time.)

Insecurity and Probability

I believe that the principal asset I need to protect and cultivate is my deep-seated intellectual insecurity. My motto is “*my principal activity is to tease those who take themselves and the quality of their knowledge too seriously.*” Cultivating such insecurity in place of intellectual confidence may be a strange aim—and one that is not easy to implement. To do so we need to purge our minds of the recent tradition of intellectual certainties. A reader turned pen pal made me rediscover the sixteenth-century French essayist and professional introspector Montaigne. I got sucked into the implications of the difference between Montaigne and Descartes—and how we strayed by following the latter’s quest for certitudes. We surely closed our minds by following Descartes’ model of formal thinking rather than Montaigne’s brand of vague and informal (but critical) judgment. Half a millennium later the severely introspecting and insecure Montaigne stands tall as a role model for the modern thinker. In addition, the man had exceptional courage: It certainly takes bravery to remain skeptical; it takes inordinate courage to introspect, to confront oneself, to accept one’s limitations—scientists are seeing more and more evidence that we are specifically designed by mother nature to fool ourselves.

There are many intellectual approaches to probability and risk—“probability” means slightly different things to people in different disciplines. In this book it is tenaciously qualitative and literary as opposed to quantitative and “scientific” (which explains the warnings against economists and finance professors as they tend to firmly believe that they know something, and something useful at that). It is presented as flowing from Hume’s Problem of Induction (or Aristotle’s inference to the general) as opposed to the paradigm of the gambling literature. In this book probability is principally a branch of applied skepticism, not an engineering discipline (in spite of all the self-important mathematical treatment of the subject matter, problems related to the calculus of probability rarely merit to transcend the footnote).

How? Probability is not a mere computation of odds on the dice or more complicated variants; it is the acceptance of the lack of certainty in our

knowledge and *the development of methods for dealing with our ignorance*. Outside of textbooks and casinos, probability almost *never* presents itself as a mathematical problem or a brain teaser. Mother nature does not tell you how many holes there are on the roulette table, nor does she deliver problems in a textbook way (in the real world one has to guess the problem more than the solution). In this book, considering that alternative outcomes could have taken place, that the world could have been different, is the core of probabilistic thinking. As a matter of fact, I spent all my career attacking the *quantitative* use of probability. While Chapters [13](#) and [14](#) (dealing with skepticism and stoicism) are to me the central ideas of the book, most people focused on the examples of miscomputation of probability in [Chapter 11](#) (clearly and by far the least original chapter of the book, one in which I compressed all the literature on probability biases). In addition, while we may have some understanding of the probabilities in the hard sciences, particularly in physics, we don't have much of a clue in the social "sciences" like economics, in spite of the fanfares of experts.

Vindicating (Some) Readers

I have tried to make the minimum out of my occupation of mathematical trader. The fact that I operate in the markets serves only as an inspiration—it does not make this book (as many thought it was) a guide to market randomness any more than the *Iliad* should be interpreted as a military instruction manual. Only three out of fourteen chapters have a financial setting. Markets are a mere special case of randomness traps—but they are by far the most interesting as luck plays a very large role in them (this book would have been considerably shorter if I were a taxidermist or a translator of chocolate labels). Furthermore, the kind of luck in finance is of the kind that nobody understands but most operators *think* they understand, which provides us a magnification of the biases. I have tried to use my market analogies in an illustrative way as I would in a dinner conversation with, say, a cardiologist with intellectual curiosity (I used as a model my second-generation friend Jacques Merab).

I received large quantities of electronic mail on the first version of the book, which can be an essayist's dream as such dialectic provides ideal conditions for the rewriting of the second version. I expressed my gratitude by answering (once) each one of them. Some of the answers have been inserted back into the text in the different chapters. Being often seen as an iconoclast I was looking

forward to getting the angry letters of the type “who are you to judge Warren Buffett” or “you are envious of his success”; instead it was disappointing to see most of the trashing going anonymously to [amazon.com](https://www.amazon.com) (there is no such thing as bad publicity: Some people manage to promote your work by insulting it).

The consolation for the lack of attacks was in the form of letters from people who felt vindicated by the book. The most rewarding letters were the ones from people who did not fare well in life, through no fault of their own, who used the book as an argument with their spouse to explain that they were less lucky (not less skilled) than their brother-in-law. The most touching letter came from a man in Virginia who within a period of a few months lost his job, his wife, his fortune, was put under investigation by the redoubtable Securities and Exchange Commission, and progressively felt good for acting stoically. A correspondence with a reader who was hit with a black swan, the unexpected large-impact random event (the loss of a baby) caused me to spend some time dipping into the literature on adaptation after a severe random event (not coincidentally also dominated by Daniel Kahneman, the pioneer of the ideas on irrational behavior under uncertainty). I have to confess that I never felt really particularly directly of service to anyone being a trader (except myself); it felt elevating and *useful* being an essayist.

All or None

A few confusions with the message in this book. Just as our brain does not easily make out probabilistic shades (it goes for the oversimplifying “all-or-none”), it was hard to explain that the idea here was that “it is more random than we think” rather than “it is all random.” I had to face the “Taleb, as a skeptic, thinks everything is random and successful people are just lucky.” The Fooled by Randomness symptom even affected a well-publicized Cambridge Union Debate as my argument “*Most City Hotshots are Lucky Fools*” became “*All City Hotshots are Lucky Fools*” (clearly I lost the debate to the formidable Desmond Fitzgerald in one of the most entertaining discussions in my life—I was even tempted to switch sides!). The same delusion of mistaking irreverence for arrogance (as I noticed with my message) makes people confuse skepticism for nihilism.

Let me make it clear here: Of course chance favors the prepared! Hard work,

showing up on time, wearing a clean (preferably white) shirt, using deodorant, and some such conventional things contribute to success—they are certainly necessary but may be insufficient as they do not *cause* success. The same applies to the conventional values of persistence, doggedness and perseverance: *necessary, very necessary*. One needs to go out and buy a lottery ticket in order to win. Does it mean that the work involved in the trip to the store *caused* the winning? Of course skills count, but they do count less in highly random environments than they do in dentistry.

No, I am not saying that what your grandmother told you about the value of work ethics is wrong! Furthermore, as most successes are caused by very few “windows of opportunity,” failing to grab one can be deadly for one’s career. Take your luck!

Notice how our brain sometimes gets the arrow of causality backward. Assume that good qualities *cause* success; based on that assumption, even though it seems intuitively correct to think so, the fact that every intelligent, hardworking, persevering person becomes successful does not imply that every successful person is necessarily an intelligent, hardworking, persevering person (it is remarkable how such a primitive logical fallacy—*affirming the consequent*—can be made by otherwise very intelligent people, a point I discuss in this edition as the “two systems of reasoning” problem).

There is a twist in research on success that has found its way into the bookstores under the banner of advice on: “these are the millionaires’ traits that you need to have if you want to be just like those successful people.” One of the authors of the misguided *The Millionaire Next Door* (that I discuss in [Chapter 8](#)) wrote another even more foolish book called *The Millionaire Mind*. He observes that in the representative cohort of more than a thousand millionaires whom he studied most did not exhibit high intelligence in their childhood and infers that it is not your endowment that makes you rich—but rather hard work. From this, one can naively infer that chance plays no part in success. My intuition is that if millionaires are close in attributes to the average population, then I would make the more disturbing interpretation that it is because luck played a part. Luck is democratic and hits everyone regardless of original skills. The author notices variations from the general population in a few traits like tenacity and hard work: another confusion of the *necessary* and the causal. That all millionaires were persistent, hardworking people does not make persistent hard workers

become millionaires: Plenty of unsuccessful entrepreneurs were persistent, hardworking people. In a textbook case of naive empiricism, the author also looked for traits these millionaires had in common and figured out that they shared a taste for risk taking. Clearly risk taking is necessary for large success—but it is also necessary for failure. Had the author done the same study on bankrupt citizens he would certainly have found a predilection for risk taking.

I was asked to “back up the claims” in the book with the “supply of data,” graphs, charts, diagrams, plots, tables, numbers, recommendations, time series, etc., by some readers (and by *me-too* publishers before I was lucky to find Texere). This text is a series of logical thought experiments, not an economics term paper; logic does not require empirical verification (again there is what I call a “round-trip fallacy”: It is a mistake to use, as journalists and some economists do, statistics without logic, but the reverse does not hold: It is not a mistake to use logic without statistics). If I write that I doubt that my neighbor’s success is devoid of some measure, small or large, of luck, owing to the randomness in his profession, I do not need to “test” it—the Russian roulette thought experiment suffices. All I need is to show that there exists an alternative explanation to the theory that he is a genius. My approach is to manufacture a cohort of intellectually challenged persons and show how a small minority can evolve into successful businessmen—but these are the ones who will be visible. I am not saying that Warren Buffett is not skilled; only that a large population of random investors will *almost necessarily* produce someone with his track records *just by luck*.

Missing a Hoax

I was also surprised at the fact that in spite of the book’s aggressive warning against media journalism I was invited to television and radio shows in both North America and Europe (including a hilarious *dialogue de sourds* on a Las Vegas radio station where the interviewer and I were running two parallel conversations). Nobody protected me from myself and I accepted the interviews. Strangely, one needs to use the press to communicate the message that the press is toxic. I felt like a fraud coming up with vapid sound bites, but had fun at it.

It may be that I was invited because the mainstream media interviewers did not read my book or understand the insults (they don’t “have the time” to read

books) and the nonprofit ones read it too well and felt vindicated by it. I have a few anecdotes: A famous television show was told that “this guy Taleb believes that stock analysts are just random forecasters” so they seemed eager to have me present my ideas on the program. However, their condition was that I make three stock recommendations to prove my “expertise.” I didn’t attend and missed the opportunity for a great hoax by discussing three stocks selected randomly and fitting a well-sounding explanation to my selection.

On another television show I mentioned that “people think that there is a story when there is none” as I was discussing the random character of the stock market and the backfit logic one always sees in events after the fact. The anchor immediately interjected: “There was a story about Cisco this morning. Can you comment on that?” The best: When invited to an hour-long discussion on a financial radio show (they had not read [Chapter 11](#)), I was told a few minutes before to refrain from discussing the ideas in this book because I was invited to talk about trading and not about randomness (another hoax opportunity certainly, but I was too unprepared for it and walked out before the show started).

Most journalists do not take things too seriously: After all, this business of journalism is about pure entertainment, not a search for truth, particularly when it comes to radio and television. The trick is to stay away from those who do not seem to know that they are just entertainers (like George Will, who will appear in [Chapter 2](#)) and actually believe that they are *thinkers*.

Another problem was in the interpretation of the message in the media: This guy Nassim thinks that markets are random, *hence they are going lower*, which made me the unwilling bearer of catastrophic messages. Black swans, those rare and unexpected deviations, can be both good and bad events.

However, media journalism is less standardized than it appears; it attracts a significant segment of thoughtful people who manage to extricate themselves from the commercial sound bite-driven system and truly care about the message rather than just catching the public’s attention. One naive observation from my conversations with Kojo Anandi (NPR), Robin Lustig (BBC), Robert Scully (PBS), and Brian Lehrer (WNYC) is that the nonprofit journalist is altogether another intellectual breed. Casually, the quality of the discussion correlates inversely with the luxury of the studios: WNYC, where I felt that Brian Lehrer was making the greatest effort at getting into the arguments, operates out of the

shabbiest offices I have seen this side of Kazakhstan.

One final comment on the style. I elected to keep the style of this book as idiosyncratic as it was in the first edition. *Homo sum*, good and bad. I am fallible and see no reason to hide my minor flaws if they are part of my personality no more than I feel the need to wear a wig when I have my picture taken or borrow someone else's nose when I show my face. Almost all the book editors who read the draft recommended changes at the sentence level (to make my style "better") and in the structure of the text (in the organization of chapters); I ignored almost all of them and found out that none of the readers thought them necessary—as a matter of fact, I find that injecting the personality of the author (imperfections included) enlivens the text. Does the book industry suffer from the classical "expert problem" with the buildup of rules of thumb that do not have empirical validity? More than half a million readers later I am discovering that books are not written for book editors.

ACKNOWLEDGMENTS FOR THE UPDATED SECOND EDITION

Out of the Library

The book helped me break out of my intellectual isolation (not being a full-time academic offers plenty of benefits, such as independence and the avoidance of the dull parts of the process, but it comes at the cost of seclusion). I made many interesting dinner companions and pen pals among lucid thinkers through the first edition, and, thanks to them, I was able to make a second pass on some of the topics. In addition, I have gotten closer to my dream life thanks to the stimulation of discussion with people who share my interests; I feel that I need to pay the book back for that. There seems to be some evidence that conversations and correspondence with intelligent people is a better engine for personal edification than plain library-rattling (human warmth: Something in our nature may help us grow ideas while dealing and socializing with other people). Somehow there was the *pre-and post-Fooled* life. While the acknowledgments for the first edition hold more than ever, I would like to add here my newly incurred debt.

Shrinking the World

I first met Robert Shiller in person as we were seated next to each other at a breakfast panel discussion. I found myself inadvertently eating all the fruits on his plate and drinking his coffee and water, leaving him with the muffins and other unfashionable food (and nothing to drink). He did not complain (he may have not noticed). I did not know Shiller when I featured him in the first edition and was surprised by his accessibility, his humility, and his charm (by some heuristic one does not expect people who have vision to be also personable). He later drove me to a bookstore in New Haven, showed me *Flatland*, a scientific parable dealing with physics that he read when he was in high school, and told me to keep this book as it was in the first edition: short, personal, as close to a novel as possible, something I kept in mind throughout the exercise of this

reworking (he tried to convince me to not do this second edition, I begged him to do a second one of his own *Irrational Exuberance*, be it only for my own consumption; I think that I won both points). Books have bubble dynamics of the type discussed in [Chapter 10](#), a matter that makes an extra edition of an existing book far more likely to break through the critical point than a new one (network externalities make religions and fads fare incrementally better in their second editions than brand-new ones). The physicist and crash theorist Didier Sornette provided me with convincing arguments for the effectiveness of a second version; we are surprised that book publishers who thrive on informational cascades are not conscious of the point.

During much of the rewriting of this book I was under the energizing influence of two intense dinner conversations in Italy with Daniel Kahneman, which had the effect of “pushing” me to the next critical point of intellectual drive, after I saw that his work went so much deeper than mere rational choice under uncertainty. I am certain that his influence on economics (including the Nobel medal) focused people away from the breadth and depth and the general applicability of his discoveries. Economics is boring stuff, but *His work matters* I kept telling myself, not just because he is an empiricist, not just because of the contrast of the relevance of his work (and personality) with those of the other recent Nobel economists, but because of its far-reaching implications on far worthier questions: (a) He and Amos Tversky helped stand on its head the notion of man that we owe to the dogmatic rationalism of the Hellenistic age and which held for twenty-three centuries, with all the damaging consequences that we know of now; (b) Kahneman’s important work is on utility theory (in its different stages) with consequences on such significant things as happiness. Now understanding happiness is a *real* pursuit.

I had lengthy discussions with Terry Burnham, the biologist and evolutionary economist and co-author of *Mean Genes*, that unpretentious introduction to evolutionary psychology, who coincidentally turned out to be best friends with Jamil Baz, the childhood friend who was my sounding board with my early introspections on randomness two decades ago. Peter McBurney got me involved with the Artificial Intelligence community, which seems to fuse together the fields of philosophy, cognitive neuroscience, mathematics, economics, and logic. He and I started a voluminous correspondence on the various theories of rationality. Michael Schrage, one of my reviewers, is the

epitome of the modern (hence scientific) intellectual—he has a knack of reading everything that seems to matter. He offers the conversation of a true intellectual, shielded from the straitjacket of academic pressures. Ramaswami Ambarish and Lester Siegel showed me (with their suspiciously unnoticed work) that if we are fooled by randomness with respect to plain performance, then performance differential is even harder to pin down. The writer Malcolm Gladwell sent me into some interesting parts of the literature on intuition and self-knowledge. Art De Vany, the insightful and brilliantly colorful economist who specializes in nonlinearities and rare events, started his introductory letter to me with the shibboleth “I despise textbooks.” It is encouraging to see someone with such depth in his thinking who can also have fun in life. The economist William Easterly showed me that randomness contributed to illusionary causes in economic development. He liked the link between being a skeptical empiricist and disliking monopolies on knowledge by institutions like governments and universities. I am grateful to Hollywood agent Jeff Berg, an enthusiastic reader, for his insights on the wild type of uncertainty that prevails in the media business. I have to thank the book for allowing me to have insightful dinner discussions with Jack Schwager, who seems to have thought of some of the problems longer than anybody alive.

Thank You, Google

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I insist once again that without David Wilson and Myles Thompson this book would have never been initially published. But without Will Murphy, Daniel Menaker, and Ed Klagsbrun, who revived this book, it would have been dead. I thank Janet Wygal for her thoroughness (and patience) and Fleetwood Robbins for his assistance. Given their zeal, I doubt that many mistakes are left; however, those that remain are mine.

CHAPTER SUMMARIES

ONE: IF YOU'RE SO RICH, WHY AREN'T YOU SO SMART?

An illustration of the effect of randomness on social pecking order and jealousy, through two characters of opposite attitudes. On the concealed rare event. How things in modern life may change rather rapidly, except, perhaps, in dentistry.

TWO: A BIZARRE ACCOUNTING METHOD

On alternative histories, a probabilistic view of the world, intellectual fraud, and the randomness wisdom of a Frenchman with steady bathing habits. How journalists are bred to not understand random series of events. Beware borrowed wisdom: How almost all great ideas concerning random outcomes are against conventional sapience. On the difference between correctness and intelligibility.

THREE: A MATHEMATICAL MEDITATION ON HISTORY

On Monte Carlo simulation as a metaphor for understanding a sequence of random historical events. On randomness and artificial history. Age is beauty, almost always, and the new and the young are generally toxic. Send your history professor to an introductory class on sampling theory.

FOUR: RANDOMNESS, NONSENSE, AND THE SCIENTIFIC INTELLECTUAL

On extending the Monte Carlo generator to produce artificial thinking and compare it with rigorous nonrandom constructs. The science wars enter the business world. Why the aesthete in me loves to be fooled by randomness.

FIVE: SURVIVAL OF THE LEAST FIT—CAN EVOLUTION BE FOOLED BY RANDOMNESS?

A case study on two rare events. On rare events and evolution. How “Darwinism” and evolution are concepts that are misunderstood in the nonbiological world. Life is not continuous. How evolution will be fooled by randomness. A prolegomenon for the problem of induction.

SIX: SKEWNESS AND ASYMMETRY

We introduce the concept of skewness: Why the terms “bull” and “bear” have limited meaning outside of zoology. A vicious child wrecks the structure of randomness. An introduction to the problem of epistemic opacity. The penultimate step before the problem of induction.

SEVEN: THE PROBLEM OF INDUCTION

On the chromodynamics of swans. Taking Solon’s warning into some philosophical territory. How Victor Niederhoffer taught me empiricism; I added deduction. Why it is not scientific to take science seriously. Soros promotes Popper. That bookstore on Eighteenth Street and Fifth Avenue. Pascal’s wager.

EIGHT: TOO MANY MILLIONAIRES NEXT DOOR

Three illustrations of the survivorship bias. Why very few people should live on Park Avenue. The millionaire next door has very flimsy clothes. An overcrowding of experts.

NINE: IT IS EASIER TO BUY AND SELL THAN FRY AN EGG

Some technical extensions of the survivorship bias. On the distribution of

“coincidences” in life. It is preferable to be lucky than competent (but you can be caught). The birthday paradox. More charlatans (and more journalists). How the researcher with work ethics can find just about anything in data. On dogs not barking.

TEN: LOSER TAKES ALL—ON THE NONLINEARITIES OF LIFE

The nonlinear viciousness of life. Moving to Bel Air and acquiring the vices of the rich and famous. Why Microsoft’s Bill Gates may not be the best in his business (but please do not inform him of such a fact). Depriving donkeys of food.

ELEVEN: RANDOMNESS AND OUR MIND: WE ARE PROBABILITY BLIND

On the difficulty of thinking of your vacation as a linear combination of Paris and the Bahamas. Nero Tulip may never ski in the Alps again. Do not ask bureaucrats too many questions. A Brain Made in Brooklyn. We need Napoleon. Scientists bowing to the King of Sweden. A little more on journalistic pollution. Why you may be dead by now.

TWELVE: GAMBLERS’ TICKS AND PIGEONS IN A BOX

On gamblers’ ticks crowding up my life. Why bad taxi-cab English can help you make money. How I am the fool of all fools, except that I am aware of it. Dealing with my genetic unfitness. No boxes of chocolate under my trading desk.

THIRTEEN: CARNEADES COMES TO ROME: ON PROBABILITY AND SKEPTICISM

Cato the censor sends Carneades packing. Monsieur de Norpois does not remember his old opinions. Beware the scientist. Marrying ideas. The same Robert Merton putting the author on the map. Science evolves from funeral to funeral.

FOURTEEN: BACCHUS ABANDONS ANTONY

Montherlant's death. Stoicism is not the stiff upper lip, but the illusion of victory of man against randomness. It is so easy to be heroic. Randomness and personal elegance.

PROLOGUE

MOSQUES IN THE CLOUDS

This book is about luck disguised and perceived as nonluck (that is, skills) and, more generally, randomness disguised and perceived as non-randomness (that is, determinism). It manifests itself in the shape of the *lucky fool*, defined as a person who benefited from a disproportionate share of luck but attributes his success to some other, generally very precise, reason. Such confusion crops up in the most unexpected areas, even science, though not in such an accentuated and obvious manner as it does in the world of business. It is endemic in politics, as it can be encountered in the shape of a country's president discoursing on the jobs that "he" created, "his" recovery, and "his predecessor's" inflation.

We are still very close to our ancestors who roamed the savannah. The formation of our beliefs is fraught with superstitions—even today (I might say, especially today). Just as one day some primitive tribesman scratched his nose, saw rain falling, and developed an elaborate method of scratching his nose to bring on the much-needed rain, we link economic prosperity to some rate cut by the Federal Reserve Board, or the success of a company with the appointment of the new president "at the helm." Bookstores are full of biographies of successful men and women presenting their specific explanation on how they made it big in life (we have an expression, "the right time and the right place," to weaken whatever conclusion can be inferred from them). This confusion strikes people of different persuasions; the literature professor invests a deep meaning into a mere coincidental occurrence of word patterns, while the economist proudly detects "regularities" and "anomalies" in data that are plain random.

At the cost of appearing biased, I have to say that the literary mind can be intentionally prone to the confusion between *noise* and *meaning*, that is, between a randomly constructed arrangement and a precisely intended message. However, this causes little harm; few claim that art is a tool of investigation of the Truth—rather than an attempt to escape it or make it more palatable. Symbolism is the child of our inability and unwillingness to accept randomness; we give meaning to all manner of shapes; we detect human figures in inkblots. *I saw mosques in the clouds* announced Arthur Rimbaud, the nineteenth-century