

“Apparently, You Don’t”: Economist Jokes as an Educational Tool

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Abstract

This paper addresses the growing literature on the comparative statics of rhetorical equilibrium, using humor as the animating device that corrodes existing norms for understanding the commercial system. Three motivations for economics jokes are advanced: to be funny, to illustrate, and to mock. A simple model of humor is advanced, with three independent variables—whether the joke is funny, insightful, or accurately mocking—that are argued to generate different levels of amusement, the dependent variable. One conclusion is that jokes economists tell each other, jokes economists tell outsiders, and jokes outsiders tell themselves about economists have different mixes of the essential arguments of the amusement function.

JEL Codes: A11 and Z1

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I. Introduction

The person of the fool or jester has always been a means of speaking truth to power, or at a minimum providing a healthy outlet for frustrations by the ruled without calling down punishment from the ruler. Shakespeare often had noble characters speak uncomfortable truths as asides, but Feste in *Twelfth Night* and the fool in *King Lear* can speak truths openly, because they are jesters. As Feste puts it (Act I, Scene 5), “Better a witty fool than a foolish wit.” Kuran (1993) notes that public opinion, or majority will, can also be tyrannical, and jokes are likewise a means of tentatively subverting the orthodoxy of convention without fully committing to revolution.

Congleton (2022) notes that “new circumstances . . . induce ethical innovation. They do so by disrupting the reflective equilibria

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of thoughtful men and women” (p. 158). The point of the spear of such disruption is often humor because it is by definition not serious and thus can raise ideas that would attract social sanction if advanced with a straight face. Congleton discusses the problem of *rule inertia* and notes that moral dispositions and internalized systems of rules are stable—even rigid—and even fly in the face of contrary evidence. Humor is a kind of Trojan horse, allowed to pass through the defensive walls and cause the listener to entertain an alternative view.

This paper addresses the evolving literature (McCloskey 1986; 1988; Haeffele and Storr 2021; Ziliak and McCloskey 2008) on the equilibrium relationship between rhetoric and economic outcomes. McCloskey’s work in particular is important because it centers on rhetoric and what counts as truth, or persuasion. Milton Friedman (1962) famously said, “Only a crisis—actual or perceived—produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around.” Ideas that were once taboo, or risible, can at least be introduced—and possibly normalized, in something like the workings of the Overton window in determining what arguments are allowable in politics—by economists or commentators using humor. This process was clearly at work when social heretics such as Lenny Bruce and George Carlin joked about words and norms. At first, proposals to have floating exchange rates or to abolish military conscription were not taken seriously. But humor and protests, working together, changed what was allowed, ultimately contributing to changing policy itself.

The specific domain of rhetoric taken up here is the economist joke, which is sometimes used as a tool for explaining economic concepts but more often as a means for society to mock orthodoxies and policy mumbo jumbo. Mark Twain (1897) famously said, “Man is the only animal that blushes. Or needs to.”¹ Whether economists need to blush—given our profession’s misadventures in prediction, advice, and understanding—is hotly debated. The “yes!” position has created the little space of humor called economist jokes. For the sake of this paper, economist jokes are observations, stories, or sayings that mock, defend, or illuminate the workings of economics or economists.

¹ Twain (1889) also said, “It isn’t the sum you get, it’s how much you can buy with it, that’s the important thing; and it’s that that tells whether your wages are high in fact or only high in name.” A fair summary of money illusion. What’s funny is that this even has to be said. But it does.

A. Jokes

According to the *Oxford English Dictionary*, the first recorded use of the word *joque* in English is recent and derived colloquially from the Latin *jocus*, or jest. The intended meaning is “something said or done to excite laughter or amusement; a witticism, a jest; jesting, raillery; also, something that causes amusement, a ridiculous circumstance.”² This definition invokes the centrality of amusement but is equivocal about who is amused. Let us say that a joke must have amusement as its object, from the perspective of the teller.³ Accordingly, a joke may fail to amuse but nevertheless remain a joke—just a weak one! Stories, narratives, or other claims that involve economics but do not intend amusement are something else.

My central claim is that the set of phenomena called *joking* actually comprises three rather different activities and that it is helpful to keep them distinct. This tripartite distinction is an organizing principle in the discussion that follows. Consistent with the intention-based definition, a joke might have any (or all) of three objects:

1. To be *funny*: affording fun, mirth-producing, comical, facetious
2. To *illustrate*: to throw the light of intelligence upon; to make clear, elucidate, clear up, explain
3. To *mock*: a derisive or contemptuous action or utterance; the action of imitating a person or thing; something that deceptively resembles something else; an imitation, counterfeit, sham; a parody

Economist jokes are one instance of a particular species of jokes that one might term *genre jokes*; they are focused on a limited domain and draw their point in part from their fittingness to that domain, through one of the three avenues of approach just outlined.⁴ An

² In the *Oxford English Dictionary* (2023): “Joke, n. The first known written source was from 1670 J. Eachard, ‘Grounds Contempt of Clergy,’ p. 34: ‘To have the right knack of letting off a Joque, and of pleasing the Humsters.’” If it matters, a humster is “one who expresses approval by humming,” a function today that presumably has been taken over by retweeting.

³ “Joking activity should not, after all, be described as pointless or aimless, since it has the unmistakable aim of evoking pleasure in its hearers. I doubt we are in a position to undertake anything without having an intention in view. . . . [Joking is] an activity which aims at deriving pleasure from mental processes, whether intellectual or otherwise” (Freud 1990, p. 113).

⁴ It is useful to distinguish set-piece jokes and contrived stories from other kinds of humor, though spontaneous humor may often be funnier. As Morreall (2011)

example may assist here; it deals, as it happens, with economists, though whether it is really an economics joke will depend on whether the listener finds it fitting.

In the 1980s before the collapse of communism, there was a conference of economists held somewhere behind the iron curtain. After the final session of the first day's proceedings, participants left the hotel in search of drinks.

One particular group had four people who had met at a panel: a Hungarian, a Russian, an American, and an Australian. As they emerged, they were accosted by a local journalist, who said to them, "Excuse me, gentlemen, but what's your opinion of the current meat shortage?"

Each replied in turn.

"Meat? What's that?" asked the Hungarian.

"Opinion? What's that?" asked the Russian.

"Shortage? What's that?" asked the American.

Then up piped the Australian: "Excuse me? What's that?"

The success or failure of the punchline of this joke depends critically on whether hearers get that Australians are justifiably mocked as being deficient in their grasp of the norms of politeness. If so, the joke will seem fitting. If not, the punchline will simply be puzzling.⁵

In an analogous way, any economics joke will succeed or fail in significant part according to whether it identifies some feature—either of economists or the economic way of thinking—that can be recognized as fitting. And this fact has three implications:

1. The role of illumination (aspect 2 of the tripartite distinction) is likely to be disproportionately relevant in the economics-joke context.

claims: "Academic research on humor has suffered from [a] concentration on jokes and other prepared 'texts,' to the neglect of spontaneous, real-life humor. In the social sciences this preference is methodologically understandable, since jokes are repeatable, created for a wide audience, and so easy to use in experiments."

⁵ My friend Geoffrey Brennan thought that this joke clearly failed this fittingness test. But since he was Australian, I always thought that decisively proved that it is fitting, and therefore funny!

2. Economist jokes may have important things to say about their subject matter. One can learn something about economics by examining its jokes. That at least is the presumption underlying this paper. The aim is to interrogate an array of economist jokes, assess them in terms of their fittingness, and thereby hopefully induce some important lessons about economists and the way they think. This is the insight-revelation account of humor!⁶
3. Fittingness, no less perhaps than funniness, is in the eye of the beholder. And indeed, more can be said. Some jokes about economists will seem fitting to outsiders, even though they do not seem so to the economists themselves. Equally, some jokes may well seem totally fitting to economists themselves, even though outsiders cannot see the point. The nature of the audience matters; and in-jokes and out-jokes will be useful for revealing different kinds of facts about economists. In-jokes might suggest truths about economics that only the experts can recognize; but out-jokes can be instructive in suggesting how economists tend to come across to ordinary mortals. Even if economists themselves do not find a joke fitting, that joke may nevertheless tell us something important about outsiders' perceptions of economics or its practitioners!

It is useful to acknowledge at the outset that there are some difficulties in this theory:

- Most jokes of any kind contain elements of all three of the activities (1, 2, and 3 above), so the categorizing or coding of a particular joke is far more art than science. It is a common observation that small differences in inflection or the way a joke is told may have substantial effect on its success and indeed on its meaning. One imagines that ideally the theorist would construct a continuous three-dimensional space with our categories as axes and thereby create a Cartesian coordinate system for more accurate classification. But I do not attempt any such exercise here; just considering it at all does, however, strike me as amusing.
- The object of a joke may be one of those listed, but it may fail to achieve that object, particularly in the hearing or perception of a particular listener. "That's not funny!" is in some ways a subjective claim, and the context and knowledge of the listener

⁶ To be set alongside the *preference*-revelation account of choices.

may determine whether a joke contains a useful insight to be illustrated or whether the quality being mocked is actually a quality economists possess. So, let us postulate a sort of representative listener, one with enough knowledge of economics as a discipline to appreciate jokes about the subject. Whether the listener has a representative sense of humor is not really important. What matters is that the joker intends the joke, not that the jokee laughs.

- Further, the distinction between one joke and another is likewise subjective: a cladistics of jokes is beyond our scope. However, I focus on jokes that are reasonably familiar. Part of the purpose here is to illustrate the insight-revelation approach to humor, and it is easier to do this by directing attention to the old chestnuts of the profession.⁷

⁷ Whether a particular joke is an old chestnut is a matter of the experience, and subjective reaction, of the listener. But the origins of the phrase are interesting, though not entirely clear. According to the Phrase Finder (2023) website:

“The phrase ‘old chestnut’ has only an indirect association with chestnut trees or with their fruit. The derivation of the expression turns out to be a contender for old chestnut status itself. The story goes like this: in 1816, a melodrama called *Broken Sword*, by the playwright and theatrical manager William Dimond, was performed at the Royal Covent Garden Theatre, London. The play contained this exchange (‘chesnut’ is the archaic spelling of ‘chestnut’):

“Zavior: I entered the wood at Collares, when suddenly from the thick boughs of a cork tree . . .

“Pablo: (Jumping up.) A chesnut [sic], Captain, a chesnut . . . Captain, this is the twenty-seventh time I have heard you relate this story, and you invariably said, a chesnut, till now.

“[Later, supposedly] William Warren, who had often played the part of Pablo, was at a ‘stag’ dinner when one of the gentlemen present told a story of doubtful age and originality. ‘A chestnut,’ murmured Mr. Warren, quoting from the play. ‘I have heard you tell the tale these 27 times.’ The application of the line pleased the rest of the table, and when the party broke up each helped to spread the story and Mr. Warren’s commentary.”

It appears that this story was first published in 1896, though Mr. Warren had been dead for decades by that time. This raises the pleasingly meta question of whether the old-chestnut story itself achieved, through frequent retellings, the status of an . . . well, you know.

II. Definitions and Categories

A. Funny

Defining humor is not much easier than definitively recognizing something that is (or is not) humorous. One possibility is Isaac Asimov's pithy observation that humor lies in the sudden, possibly inappropriate, and (from the point of the view of the listener) unexpected alteration in point of view. That is, humor has two elements: first, a pleasing incongruity; second, an unanticipated quality, arising perhaps from a certain misdirection entailed in the way the joke is presented. The unanticipated element must, however, appear logical and even predictable *ex post* because the incongruous conclusion also arises from the framing of the joke. We arrive at an unexpected place but could have seen it coming if the audience had been aware of the trick.

If the unexpected alteration in point of view is too great, seems strained, or violates the internal logic of the joke itself, then we may say, "That's not funny." As we will see, this often means that the joke is not intended to be funny—though the teller finds it so: the object is not humor but rather mockery. The best jokes transcend categories, of course, because if the mockery is insightful and logical, that can also be funny.

B. Insightful

An illustration may contain no unexpected alteration in point of view at all but simply be intended to encapsulate or aphorize some feature of the economics profession. Whether this is funny to the listener may depend on whether that insight is recognizably true (though perhaps exaggerated, which may make it even more true, as it highlights a folkway or norm honored more in the breach than in everyday life). That is, things that are true of economists are never true of all, and might not be true of most, real economists. But the exaggeration of a quality that economists recognize can be the basis of amusement.

To illustrate, it is useful to relate one very short joke that only a trained economist is likely to understand. To the outsider, wants and scarcity are simply background conditions, but to the economist those two concepts and their interactions define the organon, or instrument for generating true insights. Here is the joke:

Two trained, experienced economists—Alf and Betty—are walking down the street when they see a Ferrari.

“I really want one of those,” says Alf.

“Apparently, you don’t,” replies Betty.

For the economist, saying “I want X” logically entails the claim “I am willing, even eager, to pay the costs of acquiring X.” *No one else thinks that way.* But that is economics: wants are manifested in effective demand, a desire backed up by willingness to pay. Alf does not actually want a Ferrari, because they (apparently) cost more than he thinks they are worth, according to his own subjective evaluation of the opportunity cost of the resources he would have to give up to buy the car.

In fact, and importantly, we know something else about Alf, just from the fact that he does not already own a Ferrari. That something is this: if someone were to give Alf a Ferrari, Alf would not keep it; he would sell it! We know this from the fact that the amount of money represented by the sale price is more valuable than the car. That is why he did not already buy one, and so it immediately follows that if one were given to him, he would sell it.⁸ Economists identify gains from voluntary exchange, but the gain has to account for the value of resources required to make the Ferrari dealer willing to sell the car to Alf in the first place. When Alf says, “I really want one of those” but has intentionally failed to buy one, even though Ferraris are freely available in the market, what he is really saying is that he admires the car, just not enough to pay enough to induce the current owner voluntarily to part with it.⁹ For the economist, the idea of *preference*—a desire for something—is different from a want—the desire for something made effective by a willingness and ability to pay for that thing. We can infer that Alf does not in fact want a Ferrari.

C. Mockery

Mockery of economists is common, approaching the level of mockery of attorneys or politicians. Further, given the number of actual economists, as opposed to people who offer opinions about economics, it may be that economist mocking is the single most

⁸ Of course, it would have to be legal to (re)sell the car, and the transaction costs of doing so would have to be negligible.

⁹ It is possible, of course, that institutions or market rigidities, such as badly organized or unreliable capital markets, are the obstacle to Alf’s purchase. He might be saying, “I would buy a Ferrari if interest rates on car loans were not so high,” and so on.

focused kind of punditic ridicule. It sometimes happens that economists mock themselves, or rather mock other economists who disagree with them, but I mostly mean the ridicule of economists by non-economists.

There are some instances of this genre that are simply self-deprecation (“An economist is someone who wanted to be an accountant but lacked the charisma!”), and some are instances of self-mockery mixed with illustrative insight (Leijonhufvud 1973). But what I have in mind is stories, narratives, or lines that are mostly derisive: “If all the economists in the world were laid down end to end, they still wouldn’t reach a conclusion.”

III. An Illustrative Model

It is useful to clarify terms using a simple model. The claim is that economist jokes seek to amuse and that this can be accomplished in a way that may involve trade-offs. A joke that is mostly funny may be as amusing as a joke that is mostly insightful, but the two jokes are quite different in ways that the model makes clear.

The amusement (or giggle) function G is indexed for a representative individual i . We expect that each person’s taste for, or willingness to giggle at, insight or mockery would differ. This might depend in part on whether the listener is an economist, but it will depend on many other idiosyncratic factors also. For now, though, I partition the audience into economists and non-economists.

All this means that the level of amusement for a person is determined by the giggle function, aggregating the levels of funniness, insight, and mockery embodied in that joke:

$$A_i = G_i(F, I, M)$$

Each person i has an idiosyncratic amusement threshold:

$$\bar{A}_i = \text{amusement threshold}$$

For a joke to be amusing—cause at least a chuckle or a smile—it must be true that

$$G_i(F, I, M) \geq \bar{A}_i.$$

The partial derivatives of the amusement transformation function have the following properties:¹⁰

¹⁰ It is also important to point out that the very idea of writing down partial derivatives in this way is amusing. This is partly because it is funny, partly because it is insightful to recognize that economists do this sort of thing, and partly out of self-mockery.

For economists (E):

$$\frac{\partial G_i}{\partial F} > 0 \quad \frac{\partial G_i}{\partial I} > 0 \quad \frac{\partial G_i}{\partial M} < 0, \quad \frac{\partial^2 G_i}{\partial M^2} < 0, \quad \frac{\partial^2 G_i}{\partial M \partial F} ? 0, \quad \frac{\partial^2 G_i}{\partial M \partial I} ? 0, \quad \forall i \in E$$

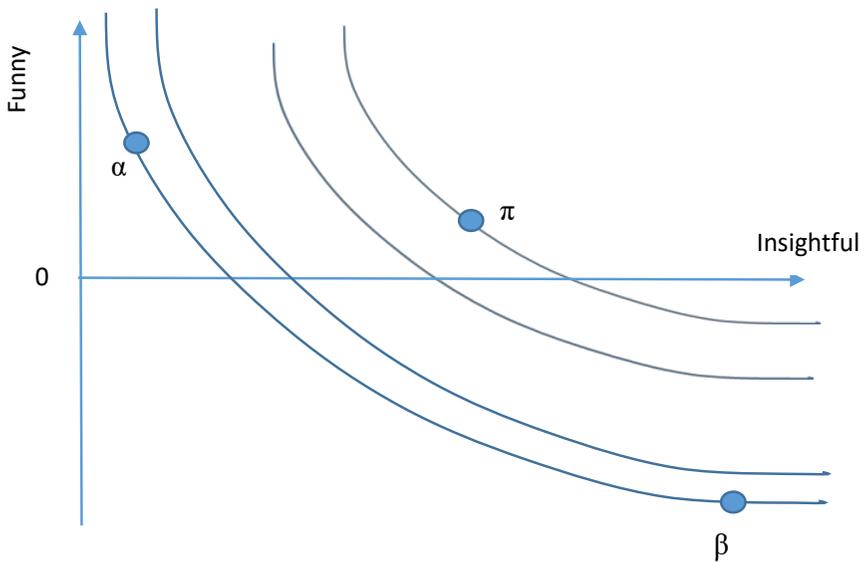
For non-economists:

$$\frac{\partial G_i}{\partial F} > 0 \quad \frac{\partial G_i}{\partial I} = 0 \quad \frac{\partial G_i}{\partial M} < 0, \quad \frac{\partial^2 G_i}{\partial M^2} > 0, \quad \frac{\partial^2 G_i}{\partial M \partial F} > 0, \quad \forall i \notin E$$

In words, then (*ceteris paribus*):

- The more funny a joke, the more amusing.
- The more illustrative a joke, the more amusing.
- Mockery, however, has a contingent effect, being amusing all by itself to non-economists but never to economists.
- Mockery is increasingly insulting as it becomes more severe, implying that doubling the level of mockery more than halves the amusement (to economists) or more than doubles the amusement (to non-economists).
- The net effect of a joke that is funny but mocking, or insightful but mocking, is ambiguous to economists.
- Non-economists can likely neither tell, nor effectively understand or be amused by, an insightful but nonmocking and nonfunny economist joke.
- Mockery that is not funny or insightful is, to an economist, simply insulting, even if the source claims—perhaps truthfully—“I was only joking!”

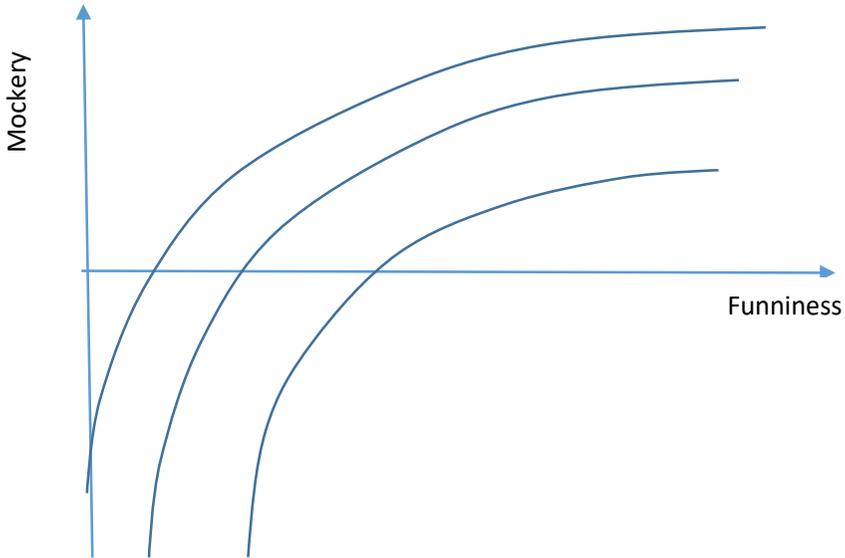
It is possible to present the basic claims of the model graphically. The two depictions are the iso-amusement relation between funniness and insight (figure 1) and the iso-amusement relation between funniness and mockery (figure 2).

Figure 1: The Iso-Amusement Curves

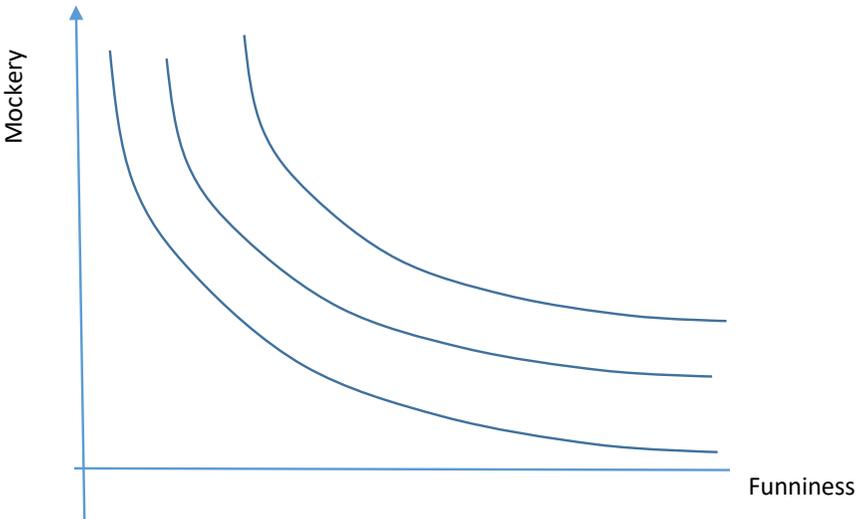
The interpretation of figure 1 is straightforward: Two very different jokes might be equally amusing. One joke, α , might be shallow and lacking almost all insight but slightly funny; another, β , might be dry and actually boring (note that it is negatively funny, actually sucking joy out of its surroundings) but may nonetheless contain a pleasing nugget of insight, making it as amusing as α . The third joke, π , combines both humor and insight and is a much better joke in terms of overall amusement.¹¹

¹¹ The use of π , of course, is a bow to the hoary trope of throwing π 's as a form of humor. Throwing α 's and β 's is rarely funny, by contrast, as most economists have discovered. A bonus is that I get to use the phrase "hoary trope" in a footnote. I believe that The Hoary Tropes would make an excellent band name.

**Figure 2A: Iso-Amusement –
The Funniness-Mockery Trade-off (for an economist)**



**Figure 2B: Iso-Amusement –
The Funniness-Mockery Trade-off (for non-economists)**



Note that for an economist, negative mockery (that is, flattery) can produce amusement, even if there is no hint of funniness to offset the joke. To maintain an equal level of amusement, a small increment to funniness is at first sufficient for a relatively large

decline in flattery. But as flattery is reduced and transitions into mockery, a larger and larger increment to funniness is required to maintain the same level of amusement. At some point, for many economists, the iso-amusement curve converges toward a horizontal asymptote, as economists do not really have a very good sense of humor.¹²

For many non-economists, it is possible to achieve considerable amusement simply through crass mockery of economics or economists. For these, mockery of economists and basic funniness are standard substitutes in the amusement production process.

IV. Examples

This section considers a small collection of jokes to see what they tell us about economics or economists. I approach this task by focusing on a set of jokes that seem informative in this way. But first, it will be useful to dispose of some classes of jokes that purport to be about economists but do not justify extended treatment. There are two classes. The first contains those jokes that are clearly designed to be insulting in one way or another—often by ascribing to economists a preoccupation with money or a special level of venality. In this class, one might include the following:

1. The definition of an economist: someone who deals with numbers but lacks the personality to be an accountant
2. A more elaborate example:

A young man was crossing a road one day when a frog called out to him and said, “If you kiss me, I’ll turn into a beautiful princess.” He bent over, picked up the frog and put it in his pocket. The frog spoke up again and said, “If you kiss me and turn me back into a beautiful princess, I will stay with you for one week.” The man took the frog out of his pocket, smiled at it, and returned it to his pocket. The frog then cried out, “If you kiss me and turn me back into a princess, I’ll stay with you and do *anything* you want.”

Again the young man took the frog out, smiled at it, and put it back into his pocket. Finally, the frog asked, “What is the matter? I’ve told you I’m a beautiful princess, that I’ll stay with you for a

¹² Have you ever noticed how many terms in topology sound like Shakespearean insults? You could imagine a character in one of the comedies saying, “Thou harlot, thou round-heel, thou horizontal asymptote!” Right?

week and do anything you want. Why won't you kiss me?" The boy said, "Look, I'm an economist. I have no idea what it would be like to even have a girlfriend. But a talking frog has got to be worth a fortune."

3. Or this:

A woman hears from her doctor that she has only six months to live. The doctor advises her to marry an economist. The woman asks, "Will that cure my illness?" Answer of the doctor: "No, but the six months will seem like a decade."

4. Or in another similar variant:

It is May Day in Moscow; and in front of the Kremlin the annual display of Soviet might is in progress. There are marching bands and goose-stepping troops and then gun carriages with large guns and then tanks and finally huge missiles dragged along by tractors brought in for the purpose. And then at the very end of the procession, there's a raggle-taggle group of funny-looking people—mostly men—shambling along in a formless mob and dressed in an ill-fitting motley.

Some of the dignitaries in the official party are puzzled. They turn to Stalin with questioning looks. "So, what are those guys doing there?" asks one of the bolder spirits.

"Oh, gosh!" replies Stalin. "Those are the economists. You'd be amazed how much damage they can do!"

The point about such jokes is that they could be told about any identifiable group that presented itself as a target for mockery. Such jokes do not really tell us anything informative about economists as such.

Similarly, there are jokes that focus on economists' reputation for equivocation. For example:

5. If all the economists in the world were laid end to end, they would never reach a conclusion.
6. President Truman once said that he wanted a one-handed economic adviser. Why? Because the economists giving him economic advice always said: "On the one hand . . . but on the other hand . . ."
7. In similar spirit:

The First Law of Economics: For every economist, there exists an equal and opposite economist. The Second Law of Economics: They're both wrong.

In fact, there is an aspect of these jokes that is worth noting—not so much the equivocation or the disagreement but the fact of endless discussion. Economics is, whatever else, a discursive discipline: economists love to talk economics.¹³ And though the discussion requires a certain amount of disagreement to be interesting, such disagreement depends on a very considerable level of prior agreement. Many disciplines in the social sciences are sites of contestation at a much deeper level—at a level in fact where much of what might pass for disagreement is not much more than talking at cross purposes. And talking at cross purposes soon turns out to be a fruitless exercise and does not last long. Within economics there is very considerable agreement—about method, about what constitutes relevant evidence, about what considerations count. There is a common language of argument—a common way of thinking. Good economics jokes reveal something about what that common way of thinking is.

And so we turn to jokes that demand more detailed commentary. The truth is that jokes are a serious business. They tell you something—often something significant—about the teller, or the subject matter, or both. Here I want to illustrate this important truth with a small sample of iconic economist jokes.

Iconic Economist Joke 1

An engineer, a physicist, and an economist are washed up from a shipwreck on a desert island. Among the debris from the wreck, there is a can of beans, which they recover from the shallows. The trio are starving. Alas, they have no can opener. However, they are not without suggestions. The engineer recommends that they climb to the cliff above the beach and cast the can down onto the rocks below: the force of the impact, the engineer is confident, will burst the can and they'll be able to scoop out the beans.

The physicist has an alternative suggestion: "Let's make a fire from the driftwood here. I have my lighter, and once we get a decent blaze we'll just put the can in the fire. The contents will

¹³ It is, in this respect, like philosophy.

expand from the heat, and eventually the can will burst, and we'll have access to its contents!"

"Well, wait a minute," says the economist. "What we need first is a simple model. So . . . assume a can opener . . ."

Discussion

This is perhaps the most familiar joke told about economists. Economists rarely find it amusing. It is a joke usually told by physicists and engineers. In other words, it is an outsiders' joke; and it tells us something about how economics is perceived by outsiders. Arguably it tells us more about them than about economics as such.

But the joke does get something right. Economists do have a predilection for making assumptions. We are prone to make pretty drastic simplifications. That much is true enough. But the point of such simplifications is to focus on those elements of the problem at hand that are central; and this means abstracting from anything that is not central. Economists do not typically make abstractions that assume the problem away—and the fact that this joke is built on that assumption reveals that the teller does not really appreciate what *is* central in standard economic abstraction. The joke really misses the point. It does not reveal anything of interest about the economist. Like Queen Victoria, we are not amused.

But it does remind us that as a profession we are not always good at explaining why we make the assumptions we make and in particular why those particular assumptions allow us to focus on what we see as the central considerations.

Iconic Economist Joke 2

There are some jokes about methodological issues that bear more tellingly on economics. This one is about a conversation in a hotel room between two behavioral economists having an affair:

"Darling," says one, "I observed that that was wonderful for you. How was it for me?"

Discussion

Economists have a strong behaviorist streak. That is, they are inclined to the view that the only authoritative source of information about mental states is observable action. They think that what people say about what they do is not to be trusted—so information gleaned from questionnaires or ordinary conversation is really not worth anything. For example, it is well known that people's reporting of

their consumption of alcohol leads to aggregate consumption levels well short of what we know of total consumption from production data. In certain settings at least, people are systematically self-deceptive (or perhaps just deceitful!). So there is some reason for some skepticism about what people say; inferences can only be drawn from revealed preferences, and the revelation is in what people are observed to do.

But equally, the position in its extreme form (nicely captured in the joke) is ridiculous: it involves throwing away information that, though not always reliable, surely contains much of what we know about the social world—knowledge that is unavailable in any other form. Besides, if economists really believed that what people say is worthless, they would themselves give up talking.

More generally, the claims that behavior is self-interpreting and that it reveals all we can know about others are highly contentious claims, to say the least. The joke actually makes a telling point!

Iconic Economist Joke 3

An economist sees an old friend across the crowded reception room at a professional meeting: “Joe! Joe!” he cries. “How lovely to see you! And how’s your wife?”

Joe thinks for a moment. “Compared to what?”

Discussion

This joke, like Wagner’s music, is better than it sounds.¹⁴ The truth is: economists do think comparatively because the economic world is about trade-offs. Consequently, “Compared to what?” is often a very good question. It is a question that emphasizes that choices are constrained; it signals that the mere fact that an action is imperfect does not mean that it is not the best choice to make. To put the point

¹⁴ The “better than it sounds” line is usually attributed to Twain, who himself (Twain 1902) attributed it to Bill Nye (not the “Science Guy”): “I do not know the first principles of music and I should say that there are no standards of music, none at all, except for those people who have climbed through years of exertion until they stand upon the cold Alpine heights, where the air is so rarefied that they can detect a false note, and they lose much by that. I do not detect the false note, and it took me some time to get myself educated up to the point where I could enjoy Wagner. I am satisfied if I get it in the proper doses but I do feel about it a good deal as Bill Nye said. He said he had heard that Wagner’s music was better than it sounds” (p. 436).

in its most general form, perfection in any one dimension is rarely optimal, and optimality means there is no hope for improvement.

Iconic Economist Joke 4: \$100 Bills on Sidewalks

An economist and a stockbroker are walking to lunch.

The stockbroker spots a \$100 bill on the street. Being fair-minded, he says, “Tell you what. Since we both saw it, I’ll split it with you.”

But the economist firmly demurs: “Nope, not necessary. This couldn’t have happened. In equilibrium, there can never be any \$100 bills in the street.”

The stockbroker shakes his head. “Suit yourself,” he says, and pockets the bill.

Then the economist brightens and excitedly points at the ground all around them. He shouts triumphantly, “See, see? I told you! No \$100 bills in sight!”

Discussion

This joke might well appeal to the Austrian economist (it is the author’s favorite joke, by the way). For it is a theme in the Austrian critique that their mainstream counterparts attend too readily to equilibria—and movement between equilibria (as is routine in comparative static analysis)—and not enough to the processes by which equilibration occurs.

Iconic Economist Joke 5: The Car Keys

A woman walks out of a bar and sees a guy on his hands and knees under a streetlight. She asks him what he is doing, and he answers that he lost his car keys.

She offers to help, and asks, “Where did you last see the keys?”

He answers, “Over there by the dumpster, in the dark.”

“But then why are you looking over here under the lamp?”

The guy answers, “Oh, the light’s better here!”

Discussion

This joke injects an important note of philosophy of science. One hears the joke from many sources, but one of the clearest and most persuasive uses of this one can be found in McCloskey (2014, p. 211).

Her claim is that “economics is on the wrong track,” and she uses the joke to lambaste what she calls the “cult of statistical significance” (see also Ziliak and McCloskey 2008 on this claim). Economists can only see under the streetlight of statistical significance; everything else, including substantive significance, or what outsiders would call importance, is in darkness. As McCloskey puts it, “‘My streetlight under sampling theory is very bright, so let’s search for the keys under the streetlight, even though I lost them in the dark.’ Get serious.”

Iconic Economist Joke 6: The Golf Match

This final example deals again with a trio of types—this time, a priest, a psychiatrist, and an economist.¹⁵

They are golfers; and they play regularly together on Mondays, trying out the multitude of courses that are available in their area. One particular Monday, they are out having their usual round when on the seventh tee they come upon a foursome playing the hole. Sadly, this foursome is just incredibly slow. They seem to take a long time to find their balls, partly because they often enough seem to be hitting them into the rough. The three men are patient for a few holes—hoping that the foursome might call them through. But after the turn, they get exasperated. And on the tenth tee, they blast their drives down the fairway in succession, right into the middle of the foursome, yelling out “Fore!” in each case (as golf protocol demands). The four in front on each occasion fall to the ground and put their hands over their heads—as wisdom dictates.

At this point the marshal comes up to the tee in his cart. “Excuse me, gentlemen,” he says, “but do you realize that that group playing ahead of you—they’re all blind?”

The priest is aghast. “Here I am,” he says, “supposed to be preaching peace on earth and goodwill toward humanity, and I’m blasting my ball into the midst of these poor blind folk. This is terrible!” The psychiatrist is no less remorseful. “You’re right: this is terrible! I am supposed to be listening to people on my couch, relieving them of all their anxieties, and here I am terrorizing these poor guys.” The economist weighs in. “You fellows are

¹⁵ This was the favorite joke of the late H. Geoffrey Brennan.

right!” he says. “This is terrible! Those chaps should be playing at night!”

Discussion

The best wine has been saved for last. This is a great joke! It gets something *exactly right*. But I know from (personal; do not ask) experience that it can be misinterpreted, so it is useful to clarify. Some listeners seem to think that the point of the joke is the unfeelingness of the economist: the joke is seen to reveal the typical economist’s lack of sympathy, just getting rid of anyone who stands in his way! But that is not at all the point. This joke is about efficiency, about potential gains from trade, about the terribleness of non-Pareto-optimal outcomes. And what it reveals is the economist’s alertness to possible mutual gains—the economist’s special kind of creative imagination in discerning how everyone might be made better off, by their own lights.

Perhaps the confusion would be avoided if the economist were made to say, “We should be paying those guys to play at night,” so that the gains from exchange would accrue to the blind golfers and any connotation of meanness be removed. But any emendation would get the economist slightly wrong. The thing the economist notices is that the status quo involves waste. That is, for him, the striking feature. How the gains from removing such waste might be distributed among the protagonists is a second-order concern to the potentially Pareto-improving move toward efficiency.

V. Conclusion

So what have these jokes told us about economics?

1. Economists like abstract models that derive surprising conclusions from minimal assumptions. It is a mistake to suppose that such abstractions involve assuming what is to be proven. Only non-economists would think that.
2. Economists have a fetish about behaviorally validated information, which in its most extreme forms is ridiculous.
3. Economists think comparatively. They believe that specification of the relevant alternative (the opportunity cost) is an important element in all proper normative assessment (the health of one’s spouse being perhaps a minor exception!).
4. Economists are for the most part equilibrium analysts. They begin with equilibrium; they allow for some change in relevant parameters that disturbs that equilibrium and then examine the

new equilibrium, comparing it to the old. They tend to be inadequately attentive to the processes by which equilibration occurs. Or so the Austrian critics believe.

5. Economists have a special nose for gains from exchange, and the best economists can find such gains in unlikely settings.

These are all, I hope, significant insights about our discipline.

Of course, there are many aspects of economic method—of the economic way of thinking—that are important but are not the subject of jokes—or at least not of jokes that have come to my attention. It would therefore be a bizarre principle of economic education that syllabus design be driven by the jokes that happen to be available. Nevertheless, jokes can be a means of discovering—and making more salient—points about economics: jokes that are fitting can be a useful supplement to other material. And in some cases, jokes may make the economist alert to questions about the mainstream method that deserve to be posed and that ordinary professional practice tends to occlude. Students and professors alike can learn from laughter!

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