



*Irrational Exuberance* 2000

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Robert J. Shiller

Robert Shiller's *Irrational Exuberance* predicted that the stock market bubble of the 1990s would burst. Yale economist Shiller argued that the stock market was overpriced, and his prediction came true just as *Irrational Exuberance* was published in March 2000. The book became an instant *New York Times* best-

seller and has since been translated into more than a dozen languages. Shiller, now one of the most widely consulted authorities on the behavior of capital markets, advises leaders, writes, and lectures around the globe.

*Irrational Exuberance* not only predicted the stunning loss of value in the financial markets in 2000; it also provided an accurate analysis of the psychology of overzealous investing, including the aggressive salesmanship of financial professionals and the spin created by a news media that fed what turned out to be the greatest run-up of share prices in memory. The book immediately became a standard work of modern economic criticism.

*Irrational Exuberance* also paved the way for Shiller's 2003 Princeton book, *The New Financial Order*. In this farsighted follow-up, Shiller presented his ideas for designing financial markets and new forms of insurance to protect people's livelihoods and home values against the depredations of economic misfortune, and to propel forward the economies of developing nations.