

Viewer, Puzzler, Pleader, Seer

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Q: Why were economists created?

A: To make weather forecasters look good.

Q: Why was astrology invented?

A: So economics could claim to be a science.

---Jokes found on the Internet

Economists have an image problem that leaves them hungry at cocktail parties. Every party attracts at least one attendee who thinks "economist" is a synonym for "economic forecaster." This person will forcibly remove any available economist from the hors d'oeuvre table and deliver a lecture on how poorly economists predict the future. The lecture usually concludes with, "So why should I listen to anything you economists have to say?" By then, the cocktail franks and chicken wings are all gone.

If the economist is a forecaster who earns a living issuing predictions, then missed hors d'oeuvres are just a hazard of the trade. But, in fact, while economic forecasting is important and necessary, it is only one part of economics. And many economists do work that involves few, if any, predictions. These are the ones who get testy when their work is dismissed with, "Why should I listen to you? Economists are terrible at predicting the future."

Sometimes, the scene is replayed in a more public venue, as in a recent radio broadcast. In 1996, a commission of economists (headed by Michael Boskin) studied the Consumer Price Index (CPI) and concluded that the U.S. government has been improperly measuring the rate of inflation for years. Speaking on national radio, a well-known commentator dismissed the Boskin Commission's report because, he said, economists (and experts in general) are notoriously poor at predicting the future. As evidence, he listed a long series of failed predictions, some by economists and some not.

The problem is, the Boskin Commission was primarily concerned with whether the CPI properly measures what happened in the past--not with predicting the future. Suppose a friend says, "According to my thermometer, it was 14° yesterday." A valid comeback would be, "Your thermometer is always inaccurate, so I don't believe what it said yesterday." Responding with, "You incorrectly predicted last November that it would snow in December, so therefore I don't believe what your thermometer said yesterday," would be a bit of a stretch, yet this was the radio commentator's logic. (His list of failed predictions was informative and entertaining, however.)

Same Profession, Different Roles

Without a doubt, economists themselves must bear part of the blame for this confusion. Economists fill at least four distinct roles (We'll call them Viewer, Puzzler, Pleader, Seer in this article), and they are not always careful to make clear which role they are filling at a given moment.

These roles are:

- **The Viewer** uses economics to observe the world--to ask "What happened?" He or she might ask, "Did food prices rise in 1996?" Answering a question like that is not as easy as it looks. If the prices of beef and corn have gone up, but the prices of chicken and potatoes have gone down, then how do we average these divergent data? Are we talking about prices in U.S. dollars or in British pounds? Do we mean food in New York or food in Virginia? Do we adjust the food prices for inflation? Do we mean food prices in upscale shops or in discount supermarkets? The Viewer's job is to sort through these sorts of questions--not to forecast the future.
- **The Puzzler** seeks to explain the world by looking at the Viewer's observations and asking "Why did it happen?" The Puzzler might ask, "Why did food prices rise in 1996?" Was it because bad weather destroyed crops? Was it because people were eating more and bid up the prices? Was it because wages for farm labor rose? Was it because of inflation? The Puzzler's job is to take the economy apart and see what makes it run, and, once again, this job doesn't necessarily require predictions.
- **The Pleader** seeks to change the world (or lament its history) by asking, "What should happen?" He or she might argue that "Food prices rose too rapidly in 1996, and policymakers should have taken steps to hold them down." The Pleader is an advocate whose work overlays personal opinion on the observations handed down by the Viewer and the Puzzler who, unlike the Pleader, strive to be objective. The Pleader's plea still doesn't demand prediction.
- **The Seer** is the economic forecaster who asks "What will happen?" He or she might ask, "How rapidly will food prices rise in 1997?" The Seer probably fits most closely the public's image of an economist.

These differing roles are not unique to economics. Consider the field of medicine: A diagnostician (Viewer) might say "You have the chicken pox." A virologist (Puzzler) might say, "Chicken pox is caused by an airborne virus." A public health advocate (Pleader) might say, "The government ought to vaccinate all children against the chicken pox." And an epidemiologist (Seer) might predict, "There will be around 300 cases of chicken pox in our county this year."

Most people probably understand how these roles differ in medical science. A doctor's limited ability to forecast chicken pox epidemics would not cause many to doubt her ability to diagnose individual cases of chicken pox. Nor would many people assume that their trusted family doctor can accurately predict epidemics.

A Matter of Hats

The public seems less familiar with the distinctions between these roles in economics. All economists get blamed for the shortcomings of forecasters, and many laymen believe that any economist should be able to predict the future. Neither supposition is warranted. (In fairness to all, it must be noted that, at times, the boundaries between all four roles can blur in economics or in other fields.)

Perhaps the problem could be solved by a treaty involving hats. Economists would agree to wear a distinctive hat for each role. Viewers would wear pith helmets to indicate that they are explorers or butterfly-gatherers. Puzzlers would emphasize their investigative natures by wearing deerstalkers like the one that Sherlock Holmes wore. Pleaders would wear British barristers' wigs. (Okay, a wig is not a

hat, but an economist can assume it is.) And Seers would wear turbans to emphasize their efforts as fortune tellers. To maintain clarity, an economist might well change hats several times in the course of a conversation or interview.

In exchange, the public and press would agree to separate their criticisms. They would criticize Viewers only for the shortcomings of Viewers, Seers for the shortcomings of Seers only, and so on. Then, the public and press would absorb far more value from their conversations with economists, and economists would absorb far more cocktail franks and chicken wings.