



## The Simpsons and Economics

Guest: Joshua Hall

July 14, 2014

***Joshua Hall is a professor of economics at West Virginia University and the editor of [Homer Economicus: The Simpsons and Economics](#).***

**WOODS:** I love the anecdote at the very beginning of your book talking about how this project got started, and Professor McCloskey saying to you about your proposed article called “Homer Economicus,” “A title like that deserves a book.” I thought exactly the same thing when I heard it the first time, but by that time I knew it was going to be a book. As somebody who is the world’s worst book title generator, but yet can appreciate a good title when he sees one, I was thrilled when I heard that. Because *The Simpsons* and economics are basically the two loves of my life, in terms of popular culture and academics. So to see them brought together in a book was really exciting. What made you think to use *The Simpsons* as a way of illustrating economics in the first place?

**HALL:** Well, Tom, I am not a big TV watcher. My family and I maybe choose one show and just go through it, but one of the constants in our lives has been *The Simpsons*. In fact, you know, my son, my eldest son’s middle name is kind of taken from *The Simpsons*. His name is Hamilton J. Hall, and that is also Homer’s middle name. When we were sitting down thinking, Hamilton, that’s a mouthy first name. We need something short. And the episode where Homer never knows what his middle name is – e thinks it’s just J period – and he finds out his middle name is actually Jay, and so I have these examples at my fingertips. I like to give a serious example in class, and then, then a more frivolous example. And it seems to resonate with different students in a different way, and there’s just so much good material in there.

**WOODS:** There are a bunch of people who are featured in this book whom we’ve had as guests here, and I didn’t realize that of course the apex of their work is what appears in this book, and I should be talking to them about that the next time they come on here. Once you’re off the air with me, I’m going to actually go through and read all the chapter titles to everybody because that I think will whet their appetites to see just how much can be illustrated by way of *The Simpsons*, beginning with the general approach to economics, the economic way of thinking,

and then going all the way through a whole bunch of sub-fields of economics. Believe it or not, it's all there.

Before we got on the air, actually, I was saying to you that it was funny for me to read the chapter on health economics and to recall—because there are just so many wonderful *Simpsons* memories that I have; I could talk about it for hours—in particular the episode in which Homer is applying for health insurance, and he's filling out the form and the gentleman on the other side is saying, well, let's see here, under heart attacks you crossed out three and put zero. And then Homer says, oh, I thought it said brain hemorrhages. The show is full of remarks like that, and this is why people like us constantly watch it. It really is so good.

Now, let's talk about your choice to make this a collection of essays by independent people instead of Josh Hall taking his lifelong accumulation of *Simpsons* anecdotes and writing the book himself.

**HALL:** Yeah, to be honest, I am selfish here, so the book kind of got a little scathing review in *Business Week*. I am not exactly sure why. It just wasn't his cup of tea, but one of the things he said, he kind of jokingly said I was lazy in having to do a volume. I'd like to think I was selfish in that I really wanted to hear what other people had to say on this. I know why I find the anecdote you talked about amusing, but I want to know how a health economist might use that. So I said, okay, now is the time, the time is right, I have a tenure-track job. I have this nice summer fellowship. I can get started on this. I'm going to email just a bunch of people I know and say, hey, do you use *The Simpsons* in the classroom at all? Would you be willing to write a chapter? I would really like to see the way you approach it. And it was such a pleasure to read these coming in because I knew that example, but I wouldn't have used it in that way. My favorite example of that is the chapter on money, and Andy Young—he's now a colleague of mine of West Virginia University—uses one quote from Millhouse where Millhouse says, "I can't go to juvie. They use guys like me for currency in juvie."

**WOODS:** (laughs)

**HALL:** And from that quote he then says, "In what ways can we say Millhouse is like currency?" Well, first we have to ask: what properties does currency have? And from that quote he just spins, I think, a fantastic chapter, and so it's the only thing that's not pure micro in the text. I think that's something your listeners should know. It's really just kind of basic microeconomics. *The Simpsons* touches on more macro stuff, but it's all about human behavior, and that's something that *The Simpsons* is great at is poking fun at. That's a nice thing. Either they are—it's not like *The Simpsons* agrees with good economics in all cases, but even in making bad economics, that's a teachable moment.

**WOODS:** Well, there are some funny political asides that are made occasionally that cut both ways. They spare nobody. I recall Abraham Simpson, the grandfather, walking down the street talking about what a bunch of lazy bums the current generation is, and they expect things to be

handed to them. Then he turns to the Social Security Office, walks in, and says, “I’m old! Gimme, gimme, gimme!”

**HALL:** Yeah. (laughs)

**WOODS:** That money chapter is called “Twenty Dollars Can Buy Many Peanuts.” Homer is sitting on the couch, and a peanut falls under the couch, and he’s reaching under to find that one peanut. Instead, he finds a \$20 bill, and he says, aww, I wanted a peanut. And his brain says to him, “Twenty dollars can buy many peanuts.” And he barks at his brain: “Explain how!” And his brain says, “Money can be exchanged for goods and services.” And then he cheers. (laughs) Again, you could just go on forever talking about this show.

You have a chapter in here by a friend of this program, Mark Thornton, who is a scholar of Prohibition, and of course Homer was involved in bootlegging for a time. So can you hit on that a bit?

**HALL:** Yeah, this is another example of someone I reached out to, and I don’t know if I’m—Mark wasn’t a huge *Simpsons* fan, and as I understand, hadn’t actually seen that episode. So I said, well, how have you not seen it? Somebody’s got to have brought this to your attention. So I overnighted him the season DVD, and he said, yes, I will do this. There’s so much to talk about because they get all of the key facts that you would expect from Prohibition, right? People switch from beer to harder spirits. Homer starts brewing bathtub gin in his basement. The law enforcement is cracking down on all sorts of other behaviors, and even though nobody agrees with the law, this 200 plus-year-old law they have on the books, well, it’s the law. We have to follow it—at least publicly, right?

**WOODS:** Right, yeah.

**HALL:** Privately we’re going to go to the speakeasy and buy \$40 mint juleps.

**WOODS:** All right, I’m just looking down the list of these. I had a chance to glance at the book last night. By the way, before we continue, I want to tell people that this is not only an enjoyable read for yourself, but I think this is a great gift idea, more than pretty much any book we’ve discussed on this show. Because everybody knows somebody who loves *The Simpsons*. You may say to yourself, well, they like *The Simpsons*, but they are not so interested in economics. Exactly. This is how you speak to those people and bring them into our crazy cult of economics. This is how you draw them in, by making this connection.

**HALL:** Well, thank you for mentioning it. That’s kind of why I didn’t—this project has been a long time coming. It was very quick writing. From the time I asked people to do a chapter—three months—not quite your writing pace, Tom, but it was very quick before the chapters came in because people loved doing it. The process of getting a publisher and everything else, and I just kept at it because somebody sent me years ago *The Simpsons and Philosophy*, and I think if you’re going to be a serious economist you have to have some interest at least in the philosophy of science, and I just enjoyed learning about some philosophy through that book.

Somebody just gave it to me as a Christmas present because they knew I was a *Simpsons* fan. That would be the ultimate outcome for me is if that's the way this got to people.

**WOODS:** Yeah, exactly. I think there should be a really heavy Christmas push, and if you send me an email and remind me, I will remind my people: don't forget now, open some important doors for people while giving them a lot of pleasure and enjoyment by checking this out.

Now you mentioned looking for a publisher, and it looks here as if you've got Stanford as your publisher, and it's a book on *The Simpsons*. How did that work out?

**HALL:** I had initially gone—you're at a conference, and you're talking to publishers, and I had some conversations with one of the more, let's just say academic publishers, but not a university press, and we actually had a contract, and they were coming out with a lower-priced line, not the usual \$100 academic titles, and so because I wanted it to be something that would get into people's hands and would be reasonably priced, and contractually we just could not—we could not get a signoff from Twentieth Century Fox the way the book is currently written. More importantly, we were too small potatoes for them to even engage with us. That's why I shopped the manuscript around. It wasn't that they didn't want to work with us. The rights for it might be at most a couple of thousand dollars. It's not even worth their lawyer's time of picking up the phone. And as luck would have it, through a mutual friend, the manuscript got sent to Stanford University Press, and they were like, oh, I love it. The publisher's a big fan of *The Simpsons*, and their lawyers knew somebody at Twentieth Century Fox, and suddenly, all the problems disappeared. It was one of those things where you're like, I understand intellectually why we can't get a serious response to this, but it's still very frustrating.

It was basically a four-year process, and it couldn't have worked out better. Stanford University Press has been fantastic. I think the book is priced right. It looks great. The cover for your reader—it's a donut, and a penny coming from the donut, on a chalkboard, and it's I think while being serious enough that it has value to both the reader and the people who put the chapters in there, but yet with the distribution and marketing of a very good university press.

**WOODS:** One drawback, though, is that in terms of marketing, if you had a publisher like Doubleday or Random House or something, they would have, I think, better connections to the mainstream book-buying world than a university press does, and I think they would be able to put marketing money that might be able to reach those people better than university presses have typically been able to do. On the other hand, you have the prestige of a university press.

**HALL:** Yeah, I think I just don't think that part of the publishing world is interested. I made some attempts in that part of the world, and I know other people who do the kind of popular culture and philosophy, and they have made overtures in that area because the *Simpsons and Philosophy*, now, this was some time ago, and the book publishing industry has changed quite a bit, but it sold over 200,000 copies. So you would think that might be something they'd be interested in, and it didn't turn out to be the case. So I agree with you on that.

**WOODS:** Yeah, I think what's getting them is the word economics sounds like sales poison to them.

**HALL:** Yes, yeah, unless you're one of these people who has some sort of track record, *Freakonomics*, or Tim Hartford, or someone like that, yeah.

**WOODS:** And you know what? Maybe they're right about that. You and I do live in a bit of a bubble where everybody we talk to loves this stuff and can't get enough of it. Maybe they do know what they're doing, but I feel like this sort of title could have been a breakthrough. But look, you got Stanford University Press behind you. How can you complain?

**HALL:** Yeah, yeah, and I don't think you can, and again, they are—I think we're going to see a real shift. There's so much shake-out in the university presses. The ones that are doing—it's not quite the Doubledays and Knopfs of the world, but Princeton University Press, and I think Stanford University Press, at least in economics, really are so much more market-driven than they used to be, in a good way, in terms of marketing and promotion. You know, the first question they are asking you is, okay, what sort of media have you done? How many Twitter followers do you have? They know. And they've come back and forth. They don't just live in that university press world anymore.

**WOODS:** Three people, all of whom I know, collaborated on the chapter on entrepreneurship in *The Simpsons*, and that's a good example of how the book works. It's not saying that *The Simpsons* is an anarcho-capitalist world or anything like that, but it's saying that economic concepts are illustrated in *The Simpsons*, and the example, the key example in this chapter is when Ned Flanders opens the Leftorium, which is a store catering to left-handed people who are always left out, so to speak, and who, have trouble finding different implements that are suitable for left-handed people. He spots a niche that no one else has seen before, and he risks his own savings to go out there and cater to that niche and eventually, oddly enough, with Homer's help of all people, it works out. This is entrepreneurship 101.

**HALL:** And I think that you've hit on one of the reasons why any sort of narrative, and whether it's a narrative in a sitcom like *The Simpsons* or in a movie, works well in the hands of a good economics instructor who thinks about markets as a process, right? Where someone like Ned has this incentive because he feels frustrated and willing to put his own capital on the line. We can see that occurring right before our eyes. And you don't have that in a lot of standard, non-narrative, at least where the students can bring that narrative to them. I don't know. It seems to me as I get older, I am falling more and more into the curmudgeonly trap about kids don't know anything nowadays, but I do think if you look at the data about youth unemployment, I worked from age 10 onward. I had a small business, and then when I finally convinced someone to hire me at 13, I worked for other people. My students, in large part, don't have a lot of real work experience, and if they do, it's something that's extremely corporate, where there's no link between their individual effort in the near term and the reward they get. So when you talk

about the difficulty that small businesses have starting, it's so foreign to them because they have no experience. It's something they never even thought about.

I worked at McDonald's a little bit, and it's just so abstract versus—I worked in small business all my life, and you could see the difficulty the owner was going through in trying to make ends meet; should I introduced this new product, but the menu is getting too large and too unwieldy, but if I take that off, I lose these long-time customers who come in every Friday and get that. Students don't have that, so the narrative helps kind of fill that in if they know and understand those characters.

**WOODS:** Exactly, and of course, the other things that you have to deal with would be if I want to expand some part of my business, or if I want to expand just—I often give this as an example—the customer service division, well, your average kid who doesn't give this much thought thinks, yes, of course, you need more customer service. But not necessarily. Everything comes at a cost. I have to withdraw the resources I'm going to use in customer service from some other part of the business, and I have to weigh these things against each other. Meanwhile, there's always the prospect that government will come along, inspired by people who think that I am nothing but a cash cow to be milked, and I have to factor that into my plans for the future. It is indeed very, very difficult, and if you have no direct experience with it, it's much more likely that you're going to treat businesses this way—contemptuously and just as resources to be exploited.

**HALL:** Well, this is why I do think, both the regulatory state combined with minimum wage laws and everything else that conspire against youth, as well as, I think parents downplaying the role of work, and more about other sorts of kind of achievements are really going to have long-term consequences in people's attitudes. First of all, I think it's good for the soul of the individual to work, and a real sense of accomplishment can come from a job well done. But setting aside that, it really affects their views on business, and then their view about public policy towards those businesses. Oh, why can't they just absorb those costs? Phrases that anybody who's ever had a real involvement in business would know. No, those are big, weighty decisions.

**WOODS:** I feel like I want to actually go through the chapters with you still here if you don't mind.

**HALL:** Sure thing.

**WOODS:** I want people to hear this, and it's so wonderful because I know at least half these people, and so that makes me want to delve into it all the more. As soon as I got it, and the first person is Tony Carilli, I thought, wow, that's great. Okay, so we've got "Scarcity, Specialization, and Squishies: *The Simpsons* as *Homo Economicus*," "Where the Invisible Hand has Only Four Fingers: Supply, Demand, and the Market Process in Springfield," "A Pile of Krusty Burgers Embiggens the Fattest Man: Obesity, Incentives and Unintended Consequences in King-Size Homer." And then of course there's "Twenty Dollars Can Buy Many Peanuts—Money and *The Simpsons*," "Thank You, Come Again: The Pursuit of Profits in Springfield," "They Have the

Internet on Computers Now? Entrepreneurship in the Simpsons,” “I’ve Got a Monopoly to Maintain: Market Failure in The Simpsons,” “Will You Stop That Infernal Racket? Externalities in the Simpsons,” “Mayors, Monorails, and Morons: Government Failure in the Simpsons,” “Coming to Homeric: The Economics of Immigration,” “Donut and Dined: Labor Markets in Springfield,” “Paging Dr. Hibbert: What The Simpsons Can Teach Us About Health Economics,” “At First I Thought Prohibition Was a Good Thing: The Economics of Alcohol Control,” “Mr. Burns’ Casino: The Economics of Casino Gambling,” “*Homer Economicus* or *Homer Sapiens*: Behavioral Economics in The Simpsons,” and then :From Rabbit Ears to Flat Screen: It’s Getting Better All the Time.”

Now, I can’t imagine anybody not wanting to read this. I can’t live in that world, Josh, that there would be a world where somebody would not want to read this.

Before I let you go, I guess I just feel compelled to do this. Sometimes there are voices I can do, and the voices I can do are always the peripheral characters of whatever the show is. So I can actually do the comic book store guy, and I think I am going to do that for you and the audience, and you critique me, but I’m pretty sure I can do this.

I haven’t done it in a very long time, but it runs something like this.

“Yes, I would like to return your quote-unquote ultimate belt.”

**HALL:** (laughs)

**WOODS:** “Do you have a receipt, quote-unquote, sir?”

“No, I do not have a receipt. I won it as a door prize at the Star Trek Convention. However, I find their choice of prize highly illogical, as the average Trekker has no use for a medium-size belt.”

There you go, Josh.

**HALL:** That was great, Tom.

**WOODS:** (laughs) I appreciate that. All dignity has been reduced to zero here on the show. Well, I really appreciate your time. Best of luck with this. Do you have a web presence anywhere where people can follow you?

**HALL:** They can follow me on Twitter at Joshua\_C\_Hall. If they Google Joshua Hall, I think I am the first thing that comes up, and they can find more of my writings on economic freedom and other things they might be interested in as well.