



**THE BLOG** 03/12/2012 02:19 pm ET | Updated May 12, 2012

## Is Luck Dead?



By Marty Kaplan

The trouble with kids these days is that they think luck counts more than they should. That's the diagnosis of America's young people offered by a *New York Times* opinion piece this past weekend. Generation Y has moved back home and given up on gung-ho because in these recessionary times, they're putting too little weight on the importance of effort and too much weight on the riskiness of risk.

This indictment of "The Go-Nowhere Generation," as the piece is titled, is different from the argument that they're afflicted by fantasies of "meaningful work"; the authors aren't saying that today's kids would rather mooch off their parents than take a job flipping burgers until the economy improves. Instead, Todd G. Buchholz and Victoria Buchholz are claiming that economic growth is stalling because our entrepreneurial spirit has been displaced by kids' misbegotten fear of "the illogic and coincidence of life." It's not about luck, honey, the authors are telling American youth, it's about your timidity.

An alternative view of the role of luck in the economy, and in every other realm of life, can be found in the work of Princeton psychologist Daniel Kahneman, winner of the 2002 Nobel Prize in economics. Of the themes in his remarkable new book, *Thinking, Fast and Slow*, the one most startling to me is the power he attributes to luck. This isn't a philosophical or theoretical point that he's making; it's an empirical observation, based on data.

Stock traders, financial analysts, economic forecasters and CEOs may believe that their results are based on research, experience and skill. On the contrary, says Kahneman, the overwhelming evidence - and he provides plenty of it - is that monkeys throwing darts would be just as good (that is, as bad) at doing their jobs. Small businesses fail: that's the rule. To believe you're going to be the exception requires not just confidence, it takes a resolute denial of reality. (Intuition, by the way, is also wildly overrated.) Every startup inevitably, and usually fatally, overestimates the brilliance of its own vision and underestimates the genius of its competitors. Entrepreneurs maintain that success derives from sweat and indefatigability, but in fact it nearly always hinges on random, unpredictable events.

Look at the case histories of the wizards of the digital age, says Kahneman, and virtually all of them are testimony to luck. Pundits and political scientists who get it right are shockingly rare, and when they do, the reason is luck. The track record of clinicians and therapists depends more on fortune than is humanly bearable to acknowledge. How an athlete performs on a given day always involves a roll of the dice. All of history is driven by chance. Choose any historic figure you like; the sperm and egg that produced them were brought together by blind odds, not by destiny, design or divinity.

This weekend also brought word of the death at age 87 of William Hamilton, the professor of church history whose work, much to his surprise, became the basis for *Time* magazine's most famous cover, in 1966. "Is God Dead?" it asked, in incendiary red letters against a background as black as crêpe. The cover story traced the fall of God as the all-powerful planner of our personal destiny. What happens to us isn't written by a heavenly hand; it's in our own secular hands. Our behavior may be inspired by religious prophets, but the good and bad that befalls our lives can be as much driven by good and bad luck as by good and bad conduct.

I wasn't shocked by the *Time* cover when it came out. At that point, I was still marinating in the orthodoxy of my childhood. It was *Chance and Necessity*, the book by Nobel Prize-winning molecular biologist Jacques Monod published a few years later, that opened my eyes to the disturbing notion that chance, not a Book of Life written in the clouds, was the name of life's game.

Back then, when I first entered college, an annual national survey of incoming freshmen revealed that our number one reason for attending college was "to develop a meaningful philosophy of life." That's long since dropped to the bottom of the list; today the number one reason is "to be able to get a better job." I'd like to believe that those goals aren't mutually exclusive. And when so many families have taken on so much debt to finance a degree, it doesn't seem unreasonable to want your education to equip you to pay back those loans.

The kids slouching toward nowhere in their childhood bedrooms are not, as the Buchholzes would have it, illogically risk-averse. Actually, they're perfectly clear-eyed about the mythology of entrepreneurship. If everyone were as alert to the power of luck as Daniel Kahneman would have us be, a lot fewer of us would get out of our pajamas. Just as it's more rational to fear a car accident than a plane crash, it's also more rational to predict bankruptcy than to imagine becoming the next Mark Zuckerberg.

A bad economy is a lousy time to leverage a college education to get a better job. But Kahneman demonstrates that any economic climate poses dispiritingly long odds against striking entrepreneurial gold. It's facile to blame kids for being gimlet-eyed, and it's pure punditry to claim that their caution is clamping a ceiling on economic growth. Instead of ragging the "go-nowhere generation" for hanging out at home, we should be congratulating them for taking a pass on the Horatio Alger platitudes. It's not called "dumb luck" for nothing.

*This is my column from The Jewish Journal of Greater Los Angeles. You can read more of my columns here, and e-mail me there if you'd like.*