



Economist Available To Discuss Repercussions If Bailout Effort Fails

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DURHAM, N.H. - Michael Goldberg, associate professor of economics at the University of New Hampshire Whittemore School of Business and Economics, is available to speak with journalists about the economic repercussions if the current bailout effort fails.

Goldberg can be reached at 603-862-3385 and michael.goldberg@unh.edu.

Goldberg is the author of "Imperfect Knowledge Economics," which argues that the longstanding empirical failures of conventional economic models stem from their futile efforts to make exact predictions about the consequences of rational, self-interested behavior. Such predictions disregard the importance of individual creativity and unforeseeable sociopolitical change, thus usually failing to predict how markets behave.

"Economists mistakenly believe that they have found *the* way to specify how 'rational' individuals are supposed to behave. As a result, the failure of their models to explain fluctuations in asset markets leads them to conclude that participants in these markets are 'irrational' and that fundamentals, such as interest rates and income growth, do not matter. I argue that there is a much more plausible interpretation: conventional economic models are just the wrong theory of how rational individuals behave and how fundamentals matter," Goldberg said.

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