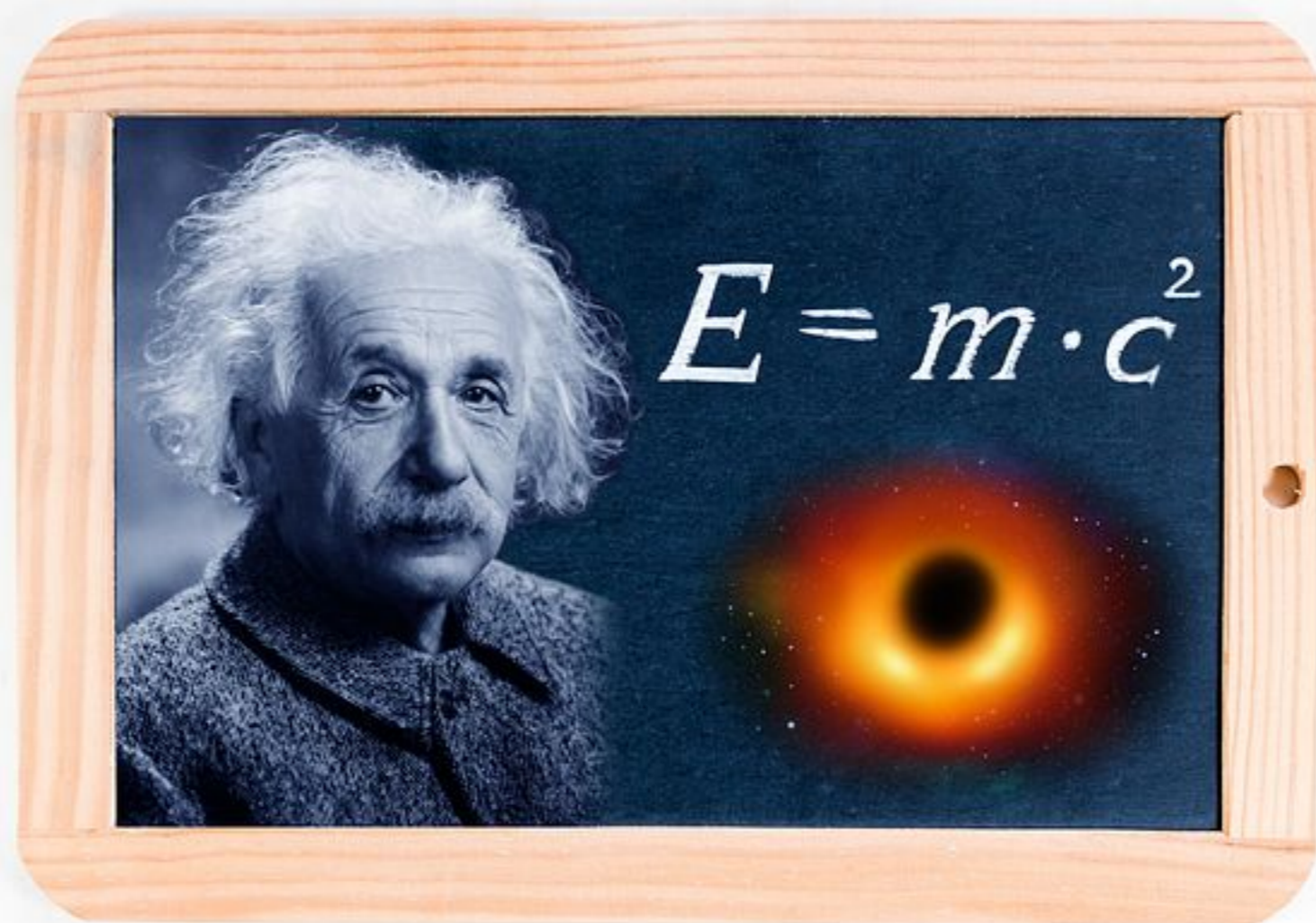


Economic Einsteins

When I was growing up, I heard many times that Einstein was the greatest genius because he developed the revolutionary theory of relativity all by himself, working alone in a vacuum. Then I got to college and learned relativity from the textbooks. The theory includes Lorentz transformations, Minkowski space, Riemannian geometry, the Ricci tensor, and so on. All these mathematical items were named after the other people who contributed to relativity theory.



So it became obvious that Einstein did not create the entire theory alone. He never claimed any such thing. He did brilliant work, absolutely, but so did a lot of other people.

Lorentz Fitzgerald

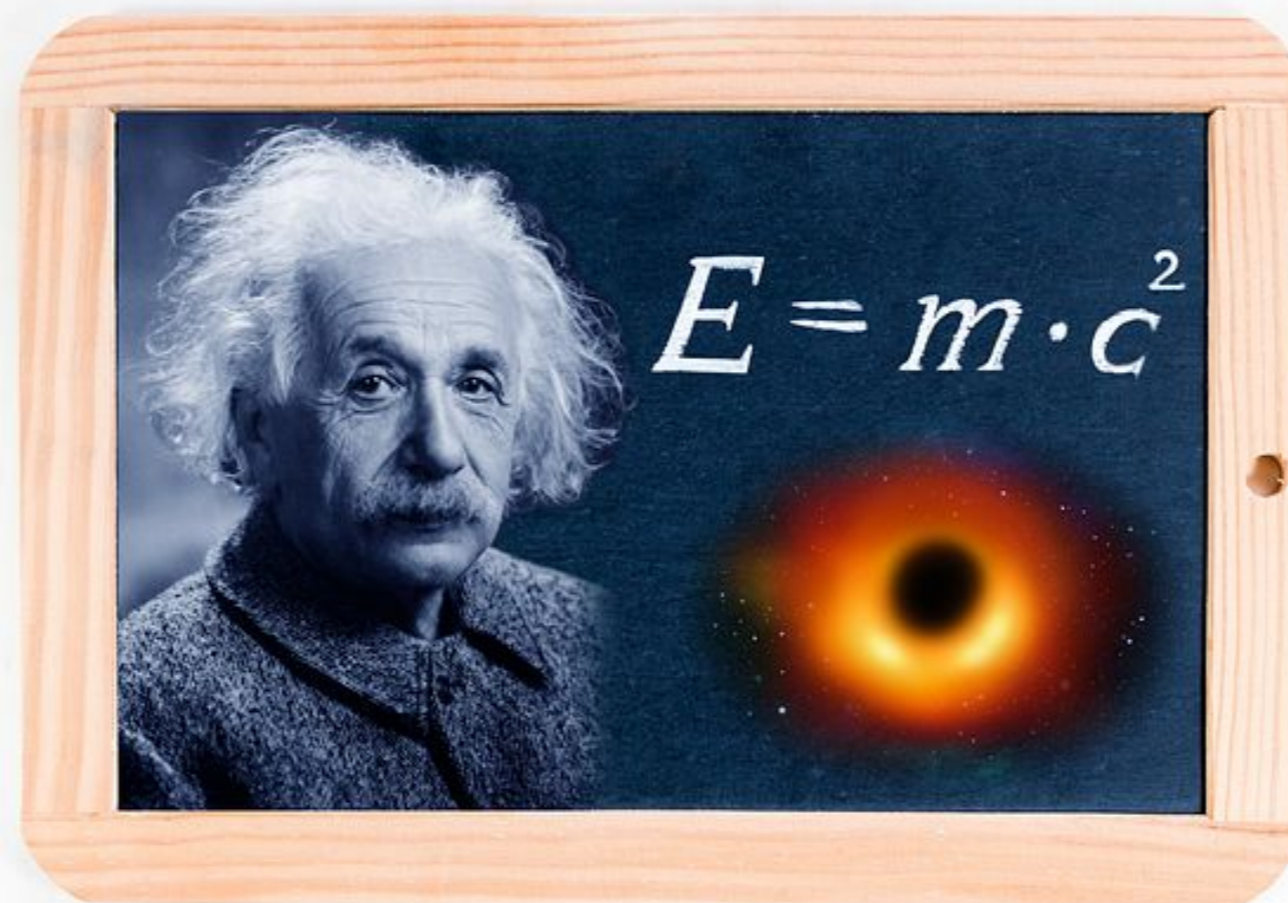
Minkowski Ricci

Michaelson-Morley

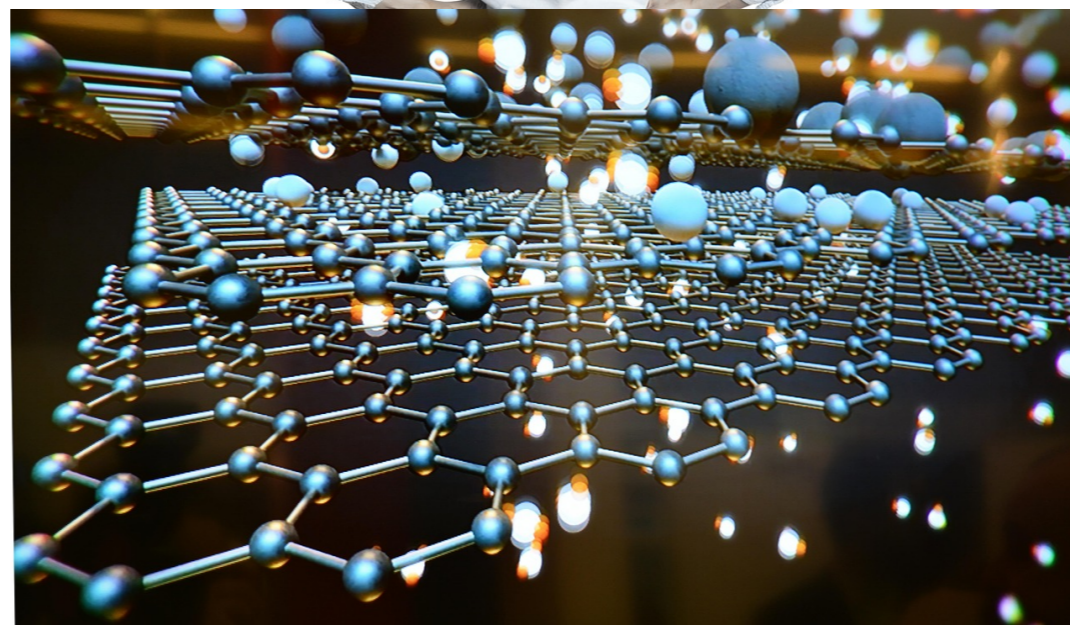
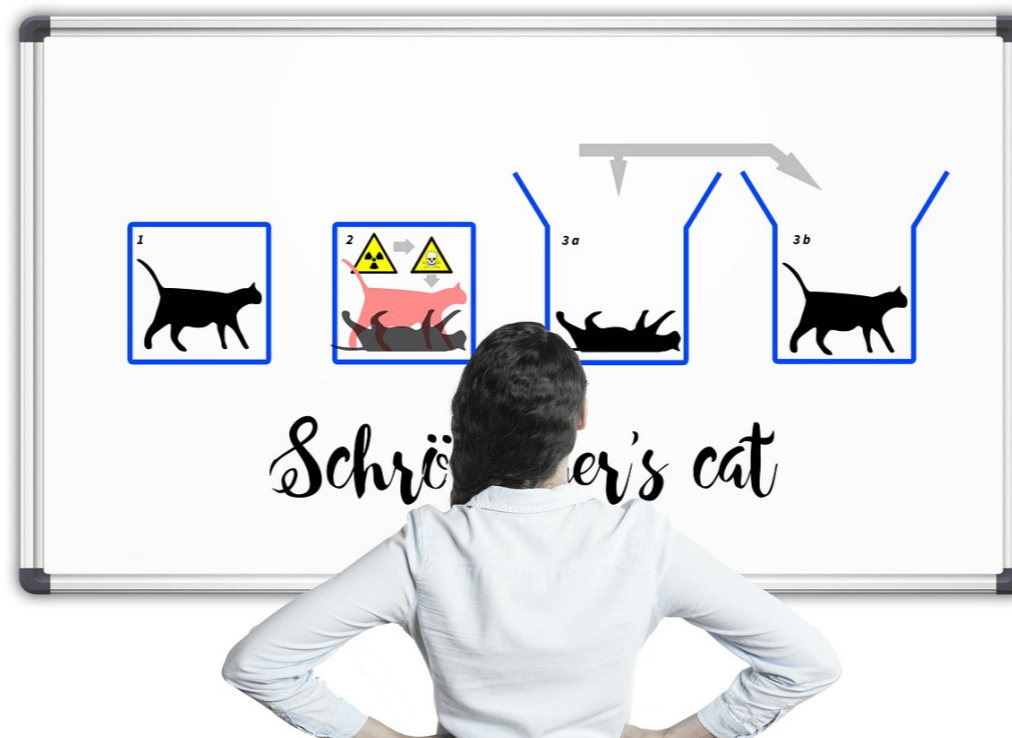
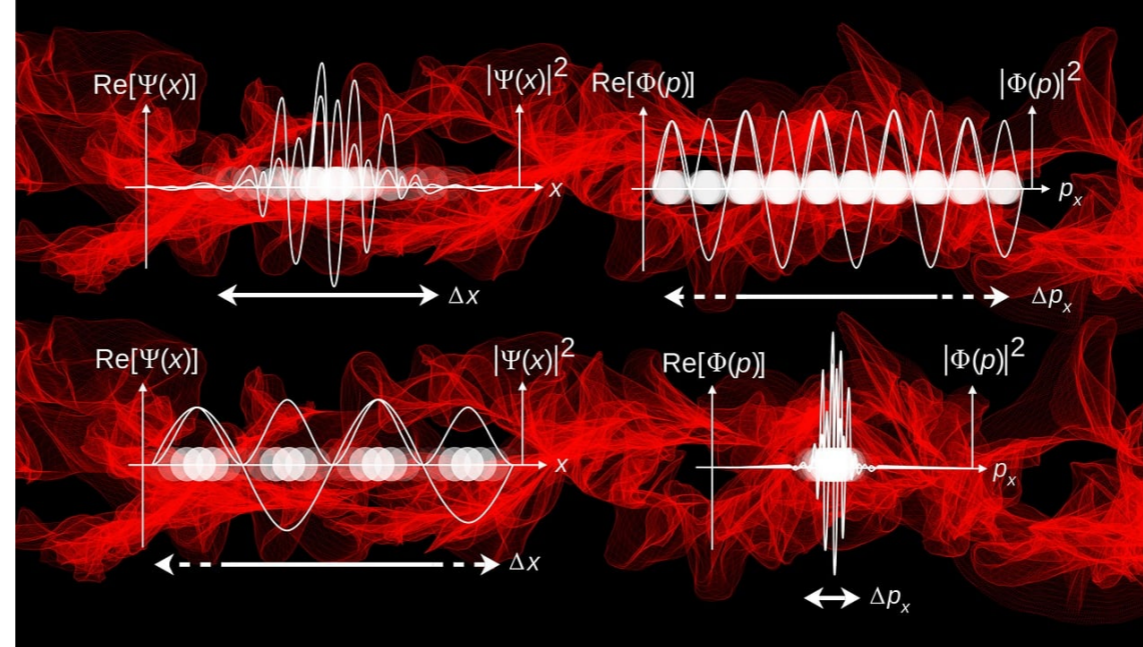
Riemann Hamilton-Jacobi

Schwarzschild

Weyl Christoffel



And the theory of relativity was not even the best of Einstein's work! He won the Nobel Prize for his work on Quantum Mechanics, which was even more revolutionary.



In every field, the most successful people are considered to be so different that they must be something very special. This is sometimes called the genius myth, or Hero worship.

Genius Myth

Hero Worship



In the ancient world, government leaders were considered superhuman, and sometimes even worshipped as gods. Today, we treat business leaders almost like gods. I picked Steve Jobs to dress up like Pharaoh because he's already dead, so he won't be offended.





Unfortunately, our business leaders don't have superhuman powers. Major corporate failures are common every year. Most of the time they get swept under the rug with mergers and acquisitions, but it's still pretty easy to find long lists of failures. Here's a starter list.

Enron
Sears
Lehman Brothers
Bear Stearns
Long-Term Capital Management
General Motors
Pan Am
Blockbuster
Kodak
BlackBerry
Toys "R" Us
Theranos
FTX
Bed Bath & Beyond
WeWork
Big Lots
Bowflex
Express
Joann
LL Flooring
Party City
Red Lobster
Spirit Airlines
Stoli
TGI Fridays
True Value
Tupperware

Running a major corporation is a lot like playing poker. You need a combination of skill and luck to win consistently.



So we have a lot of economic Einsteins, but they are not superhuman geniuses. They are ordinary geniuses like the real Einstein.

