

Faculti Summary

<https://faculti.net/efficiency-neglect/>

This video discusses the phenomenon of economic pessimism despite decades of economic growth and rising living standards, particularly in the context of surveys showing that most people believe the economy is getting worse. It highlights findings from various polls, including Gallup and Q Research, where respondents express concerns about future economic prospects for their children.

The authors note a disconnect between consumer sentiment and actual economic indicators, suggesting that people's feelings about the economy may stem from a mix of values, politics, and misinformation rather than objective economic conditions. They introduce a method of assessing the real costs of living by examining how long individuals have to work to afford specific products over time, revealing that many are perceived as having become more expensive even when they have actually become cheaper.

This video identifies a miscalibration regarding perceptions of cost and inflation, which may be influenced by various factors, including beliefs about resource depletion. They reference the Simon-Ehrlich wager to illustrate differing views on resource scarcity and human ingenuity, emphasizing that a growing population can lead to innovation and improved efficiencies rather than scarcity.

The discussion concludes by suggesting that beliefs about depletion lead to pessimistic attitudes that can support bad policies, and that this reasoning may need more attention to effectively understand public sentiment and policy support. The authors call for more diverse samples and research to explore these dynamics in various economic contexts.