

**Acceptance Speech for the 1997 Paul A. Samuelson Award for Outstanding Scholarly Writing on Lifelong Financial Security**  
**John Y. Campbell**  
**Chicago, IL**  
**January 4, 1998**

Andrew, Craig and I are deeply honored to receive this award - so deeply honored that we have each prepared a short half-hour acceptance speech.

More seriously, it is indeed a thrill to be recognized for outstanding scholarly writing, to receive an award bearing the name of Professor Paul Samuelson, and to receive an award from TIAA-CREF for work that contributes to "lifelong financial security."

Let me expand on this last theme. I and many others have been drawn to economics by a sense that this is a science that can help to improve the world. Traditionally, economists have tried to do this by influencing government policy - more recently, economists have sought to design better public institutions.

But there is a third way in which economists can contribute to public well-being, and that is by helping private individuals to make better decisions. This third way has become increasingly important during the last half of the 20<sup>th</sup> century, as private individuals have been asked to make more and more complicated decisions in areas ranging from medical care to retirement savings.

Keynes once said that he looked forward to a future time in which economists would be as humble and as useful, as dentists. I think this is a good analogy - and not just because these are the two most dismal professions. People go to the dentist to maintain the security of their teeth, and in a similar way they may look to economists to maintain their financial security. Dentists tell people to floss, while economists tell them to save and diversify risk.

Now obviously our book is not directly suitable for individual investors. Last night Professor Samuelson told me that he found it hard going, which gives me sense of our limited audience! But Andrew, Craig, and I wrote the book in the hope that we could show how financial economics has evolved from a theoretical, qualitative discipline that provides essential inputs into the decisions that every investor must make.

It's a particular pleasure that TIAA-CREF is the sponsor of this award. TIAA-CREF is not only the retirement system for educators - it's the educator among retirement systems. I have great respect for the efforts of TIAA-CREF to provide innovative retirement products, and to educate participants in their proper use.

I would like to finish on a personal note. Bob Shiller, the winner of last year's award was my thesis adviser at Yale and has been a tremendous intellectual influence during my whole adult life. When I spoke to Bob about the award, he said, 'It's nice to keep it in the family.' I'd like to acknowledge by debt to Bob and to many other senior members of my intellectual family in the economics profession.