

How to Make a Scene

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Abstract

Each Thursday the *New York Times* publishes a column called “Economic Scene” on page C2 of the Business Section. The author of the column rotates among 4 individuals: Alan Krueger, Virginia Postrel, Jeff Madrick, and me. This essay is about how I came to be a columnist, and how I go about writing the columns. [This talk was presented at the 2004 American Economic Association meeting in San Diego in a session on “Economic Education and Journalism.”]

There are several ways to become a columnist. My way, which is one of the standard routes, was to write a book.

In the Fall of 1996, Carl Shapiro and I started talking about writing a trade book on “the economics of high tech.” As I recall we committed to the project sometime in December 1996 and started writing in earnest over the following Summer. We circulated the manuscript in the Fall of 1997 and revised during the Winter of 1997-98.

We submitted the final manuscript in the Spring of 1998 and it was published in November of that year (even though it has a 1999 copyright). This shows you how long it takes to go from conception to birth for a book.

We had rather different motivations for writing the book. I had written a couple of textbooks and was interested in trying my hand at something

new. I had come to Berkeley in 1995 to be the founding dean of the new School of Information Management and Systems and had become excited about what economics had to say about networks, information goods, and other burgeoning phenomena.

Previously, while at the University of Michigan I had worked with Jeff MacKie-Mason in the early 1990s on the “economics of the Internet” and found this to be an exciting project. I was interested in writing a book addressed to engineers about the economics of technology.

Carl had worked with Mike Katz and Joe Farrell on network effects, lock-in, and standards, and had applied this research to antitrust cases on which he had consulted. He wanted to write something for the business audience on the strategic implications of this work.

We had both had a similar reaction to the “new economy” books that had just started to trickle onto the market: most of them were terrible, and we could do a lot better job.

As it turned out, the book ended up being addressed mostly to the business audience—that’s a much bigger and well-defined market than engineers—but both groups have found it useful. In fact, *Information Rules*¹ really is about the intersection of economics, technology and business. This was a very good place to be in the late 1990s.

1 Writing a book

Writing with Carl was a great pleasure. We would each take responsibility for a chapter, then take turns lobbing it back and forth. In general, with each volley the chapter got better and by the Fall of 1997 we had something we could send out to readers.

The interest level was very high as everyone was trying to figure out what was going on in the New Economy. There was a lot of loose talk around about how “the Internet changes everything”, the “business cycle is dead,”

and other bits of nonsense.

Our message was the antithesis to all that posturing: “Technology changes, economic laws do not.”

I have to admit that we thought about putting a different spin on things. Two of the major themes of our book—lock-in and network effects—had been developed in the last 10-20 years. That could still count as “new economics.” But we decided that even if the analysis was relatively “new” the phenomena were quite “old,” so emphasizing the durable principles seemed like a better strategy to us.

We were also pretty convinced that the hype surrounding the Internet would eventually dissipate, and we wanted to be left standing when it all blew over.

Having a one-sentence summary of the book turned out to be a great idea. People always ask “what is your book about?” and giving them a succinct—and provocative—answer was more useful than I every could have imagined.

When the book was finally published in November 1998, I was convinced that we had missed the peak of Internet mania. Things couldn’t get any more crazy than they were then, I thought.

Luckily for us, I was dead wrong. From today’s perspective 1998 was the beginning, not the end, of Internet mania.

2 Working with publishers

We shopped our book around to various publishers and finally settled on Harvard Business School Press. They were the most enthused about the book, and it seemed like a good venue to us. We signed a deal and started writing in earnest.

Our editor, Kirsten Sandberg, was helpful, but perhaps more helpful in retrospect than she seemed at the time. Authors should remember that

editors are, by nature, those people who make you do things you don't want to do—otherwise, you wouldn't need an editor.

She made us do two things that really turned out to be useful. First, she had us write call-outs—those little sentences or phrases that were printed in every few pages to tell the reader, or browser in the bookstore, what's going on. This turned out to be a very useful diagnostic tool—if we couldn't pull out some pithy statement from the contents of a page, we started to worry, and rightfully so. The exercise of composing the callouts was very helpful in keeping the text moving along.

She also pointed out a very important difference between academic and business writing: “You academics want to tell people what is. But our readers want to know what to do!”

Keep that in mind. Executives have to make decisions—that's the nature of their job. Your job is to give them the facts to help them make better decisions. But it helps a lot to spell out the implications of those facts and the implied actions. The more concrete you can make your store, the more useful it will be to those who have to make the decisions.

This is the single biggest distinction between economic and business writing. Business books are full of imperatives: do this or do that. Economists tend, by nature, to be much more circumspect about the actions they recommend. My advice: be bold. If your theory implies something about choices people should make, tell them.

3 My life as a pundit

The book was perfectly timed and was a great success. It sold well over 100,000 copies, was a *Business Week* best seller, and has been translated into 11 languages.

We lined up wonderful jacket endorsements from people like Andy Grove (Intel), Scott Cook (Intuit), and Eric Schmidt (then Sun, now Google) who

had read the manuscript. Each of these people really read it, by the way, and some of them sent us extensive comments. I think that these endorsements helped a lot in getting noticed. We got reviews pretty much everywhere, and word of mouth was very strong.

If you are thinking about writing a trade book, it's important to recognize that basically, there's no money in it. Oh sure, you may get a few hundred thousand dollars in royalties, if you are very lucky, but the real payoff (financial and otherwise) comes from being a pundit.

Once you're a pundit, you can write articles, columns, and give speeches. You can make a good living consulting, if you want. Basically, being a pundit is the major payoff to writing a trade book.

So how do you become a pundit? The most important thing is how you deal with the press.

Reporters started calling me every time they had to write a story on the New Economy, and I eventually learned the tricks of the trade.

Back in the old days, the reporters would call you on the phone and expected you to respond immediately. Of course, it is hard to say anything intelligent on the spur of the moment.

It's a lot easier these days since they normally send you email beforehand with some idea of what they want to ask you. The idea is to come up with a short, pithy quote—the shorter and the pithier the better.

Once you've got a few clever quotes, you call back the reporter, give them your analysis and your one liners, and hope that you won't sound like a total buffoon when they publish your remarks.

The temptation with this sort of thing is that every now and then you'll come up with a great one-liner, but it isn't quite accurate. Reports are always looking for news, and saying something outrageous will get you quoted. My advice is: don't give into the Dark Side. Keep it honest, even if it is dull. You'll be better off in the long run.

After enough quotes the positive feedback loop got started: quotes led to

interviews, interviews led to articles and then articles led to speeches.

Giving speeches is a great racket. You get paid a lot, you get first class treatment, and you get to say the same thing over and over again. And for the most part, what you say is just the same stuff you've written down anyway. It's a lot like teaching economics—except for the part about first-class treatment and getting paid a lot.

During the late 1990s, it got even easier. You didn't even have to remember your lines—Powerpoint would do it all for you. I remember talking to a six-person consulting firm once that told me “... and we have a full-time person to do Powerpoint for you.” I wonder if they had a full-time speech-writer too? That would have made life really easy.

My view is “Power corrupts, and Powerpoint corrupts absolutely.”

I generally avoided Powerpoint unless I really needed it. The way I see it, Powerpoint is fine for *presentation*. But if you are just going to give a *talk* then you should do it without mechanical aids. I found that people paid a lot more attention to what I was saying when I just spoke.

After I had done a dozen or so after-dinner speeches, I started getting calls from speakers' bureaus. These folks would line up talks, handle travel arrangements, and get you paid. In fact, a particular service they offered was to hand you a check right after you spoke. I found all this appealing, but I wondered if it was really worth the 20 percent cut they demanded.

One bureau bragged that Paul Krugman was one of their clients, so I called him up to ask him what they did for him. Paul said that the main service they provided was chutzpa: they were willing to ask for an amount of money that he would be embarrassed to ask for.

It struck me as phenomenal that Paul Krugman, of all people, would have to pay for chutzpa! I figured that I could swallow my embarrassment and double my asking price all by myself.

I also got some good advice from my brother, who had a heating and cooling business in Ohio. As he said: “Always bid on a job. If you have a

lot of work already, bid high; if you haven't got much work, bid low. But always bid."

It's good advice—don't say "no," just come back with your reservation price.

It really works. The more I asked for, the more they paid. Of course, every now and then, someone would balk, but that's the nature of pricing. If no one ever says "no" you are not charging enough.

But I finally got tired of the lecture circuit. One day I fell asleep and dreamed that I was giving a keynote on network effects. I woke up, and by gosh I was!

OK, it never got that bad, but it did get to be pretty repetitive. But my timing worked out pretty well—by the time I really got sick of it, the New Economy market had pretty much dried up anyway.

4 My first column

After dinner speeches lead naturally to a column. I got a call from the *Industry Standard* which was then an up and coming weekly tech magazine asking me if I would write a monthly column of 850 words.

The first one (January 21, 2000) came easy—it was a little piece on the economics of the online sales tax, a topic on which I had done some research. The second one (February 28, 2000) was about some other work I had been doing on innovation.

Then came the third, and the forth ...

Russell Baker's collection of columns, *There's a Country in my Cellar*, has a great introduction where he describes his experience in writing a column.

Notified that I was now free to write three columns a week about almost any subject on earth, I was exultant. After fifteen years of living under reporter's constraints, I was at last free to disgorge the entire content of my brain.

Somewhere between the third and fourth weeks, having written fewer than a dozen columns, I made a terrifying discovery: I had now disgorged the entire content of my brain, yet another column was due at once. (p 11)

Well, I never quite made it to Baker's stage of outright panic, but I was beginning to get intimations that it would strike someday. But luckily the *New York Times* intervened.

I got a call from a reporter there that I had often talked with about various stories and he told me that Brad DeLong had decided to step down as one of the *Economic Scene* columnists, and they were looking for someone to replace him. Would I be interested? Did I have some examples of my work?

The *Industry Standard* columns had been pretty heavily edited. I'm not sure whether this was standard practice, or whether they found my writing particularly dull, but they certainly managed to pep up what I had written. Nevertheless, this was all I had to show, so I said "Sure, take a look at my *Industry Standard* columns," I said.

A week later I got a call back—the editor liked "my voice" so I had the job. I thought about telling him it wasn't really my voice but I wasn't sure what he would do—so I just kept quiet and accepted the job anyway.

5 The New York Times

Writing for the *New York Times*. Wow! I had been an avid reader for years. No day was complete without the morning coffee and the *New York Times*. Being a columnist at the *Times* was something journalists aspired to for years and I had just stumbled into it. There's no substitute for being in the right place at the right time.

I wrote my first column on computers and security (June 1, 2000.) I quickly learned three things. First, one thousand words was significantly

longer than 850 words. The *Industry Standard* columns were like a sprint—you had time for a lead in, an idea, development and a punchy conclusion. That was it. The *New York Times* column, on the other hand, was like a mile—you had time for a couple of ideas, some back and forth, and then a punchy conclusion.

The *Times* editors were very good—they edited with a very light hand, but kept me honest. I got chastised a few times for jargon, but learned pretty quickly to do what they said. The *Times* has its own style, which isn’t all that difficult once you get the hang of it.

One peculiarity of writing for the *Times* (and for other newspapers) is their distinctive interpretation of what a paragraph is. I used to write two or three paragraphs to the page, but the *Times* seems to like two or three sentences to the paragraph. I think that this is an artifact of typography—shorter paragraphs are easier to lay out in narrow columns.

But whether that’s true or not, the fact is that short paragraphs do tend to make your writing livelier. You can’t drone on, the way textbooks do. (Mea culpa.) You’ve got to make your point and get on to the next one.

6 How to write a column

The great thing about writing the *Economic Scene* column is that you can avoid Baker’s panic—if you can’t think of something to write about yourself, you can just write about someone else’s ideas.

This is a fantastic help, since there is no end of interesting economic material being written. Since essentially no one reads those papers—except for other economists—there is a vast reservoir of untapped material.

What I try to do is to take some current event—Social Security, or drug prices, or technology—and find some relevant work in economics. Sometimes it is recent work, sometimes several years old. And then I try to explain how this economic thinking casts light on the issues being debated.

It doesn't always work like this. Sometimes I come across an interesting working paper or recent publication and I use that as the basis for the column.

Sometimes someone (usually a non-economist) will ask me about something and this will inspire me to write a column explaining the economists viewpoint.

And sometimes I even have an idea of my own.

I'm not supposed to write about my own research, but sometimes I manage to slip a little in anyway. I definitely can't write about my own consulting—the *Times* has very, very strict conflict of interest rules. Once I wanted to write about a court case where I had quite strong opinions, but that was forbidden since I had written an *amicus curiae* for the side I favored.

Actually writing the column doesn't really take that long. Once I settle on an idea, I mull it over for a few days, come up with a lead and a few turns of phrase, and then sit down and write it. I try to start about a week before, so I have a chance to tweak the column, and to get some feedback from the authors of the work on which it is based.

Usually it takes me a couple of hours to get a first draft done and then I send it off to the authors and let it sit for a while. When I come back to it, I usually see a few things I missed and I can polish things up.

I know that this procedure makes me look like a wimp compared to real journalists, who dash off their stories only moments before deadline, but I can't help it. I've got plenty of advanced warning about that deadline, so I try to use this time wisely.

Ever now and then some newsworthy event has come up a day or two before the column is due, and I have done a rush job. But this is a rarity. Usually, I have time to go through two or three drafts.

When the column is done, to my satisfaction, I give it to my 16-year old son for editing. He does a good job, picking up points that are confusing and often suggests some useful improvement in the writing. And maybe he even learns a little economics in the process.

After it passes through my son’s editorial eye, I ship it off by email to the *Times*, usually on Monday. My editor there gets it back to me on Tuesday. As I mentioned earlier, they have a pretty light hand, so most of the issues have to do with *Times* style, or requests for clarification.

Normally by Tuesday evening or Wednesday morning the column is done.

Often I get a call on Wednesday evening from the final copyeditor with questions about small changes in wording to satisfy *Times* style. These are generally very easy to deal with.

And then comes Thursday, that glorious day when my column is unveiled to the world.

I must say, I read it with a certain amount of apprehension. Maybe I’ll like it, maybe I won’t. Or at least, sometimes I’ll see something I wish I had done differently. Oh well, chalk it up to experience and try again.

Normally I get a half-a-dozen emails from readers about a column. For the most part these are very civil—sometimes it is a comment, sometimes a question, sometimes a criticism.

7 Economic journalism

For the most part, I would say, people are very positive about having an authoritative economic analysis. Lay readers are starved for a substantial economic analysis, and I think that I, and the other *Economic Scene* columnists, do a significant service in providing a more in-depth account of economic writing than one can normally find.

The Economist does a good job at writing for a lay audience, as does *Business Week*. Some of the reporters and columnists for the *Wall Street Journal* do a good job as well.

But most of these sources write about macroeconomics. If you think about economists who write for the popular press, they tend to write about macroeconomics too.

There are some good microeconomic articles and columns in all of these sources, but I think it's fair to say that this is a minority.

I believe that the market is there—the *Times* columns and, for that matter, *Information Rules* shows that lay readers want to hear the economist's take on things.

The problem is the profession. In Pogo's immortal words, "We have met the enemy and he is us."

By and large, economists don't write all that well. Your typical economics PhD student doesn't write very well to begin with and their writing tends to deteriorate dramatically during their stay in graduate school. By the time they come out, they can barely write at all. Well, maybe they can get published in an academic journal, but they should have higher aspirations.

Elmer Leonard (who writes fabulous books about criminal lowlife) was once asked the secret of his success as an author. He replied, "I leave out the parts that people skip."

Unfortunately, academics find this advice almost impossible to follow.

The second problem is that the incentives to write for a popular audience are almost non-existent. It won't help you get tenure. It won't get you professional prestige.

But my advice is: do it anyway. It will be good for you in many ways. You'll get some recognition outside of academia. You can make some money at it if you want to. And it will help you understand what topics people are really interested in. There's a good chance you will do better economic research if you write for a non-economic audience every now and then. At the very least, you will develop some better taste in choice of problems, and will learn how to communicate more effectively.