

Shiller, Robert J. Irrational exuberance. 3rd ed., rev. and expanded. Princeton, 2015. 358p bibl index afp ISBN 9780691166261, \$29.95.

Borrowing a phrase from then-chairman of the Federal Reserve Alan Greenspan back in the heyday and dot-com bubble bursting era of the 1990s, economist and 2013 co-Nobel laureate Shiller (Yale Univ.) introduced *Irrational Exuberance* in 2000. Regarded by many as the starting point for truly understanding financial markets and their many dimensions, the first edition focused on the stock market. In the second edition (2005), the author extended his insights and worries to the housing market and real estate speculation, and he beefed up his discussions on (allegedly) irrational behavior and bubbles. The revised current version, the third (2015), covers the 2007–2009 worldwide financial crisis and its aftermath, folds in discussions of bond markets, and introduces concerns over speculative bubbles. In order, the book presents a historical overview of the major markets; an examination of the structural, cultural, and psychological factors that contribute to bubbles in markets; and a defense of Shiller's theses against his critics as well as his advice for investors and policy makers. The volume closes with his 40-page Nobel lecture, along with rich endnotes, references, and an index. A superb, well-written, well-argued contribution for serious scholars and practitioners, whether they agree with Shiller or not. Summing Up: Highly recommended. Upper-division undergraduates and above; general readers.