Heads or Tails?

The Role of Chance in Opportunities and Outcomes

In 1939, baseball great Lou Gehrig stunned the stadium crowd by removing himself from the lineup because the quality of his play was being affected as a result of his having contracted ALS, an incurable neuromuscular disorder that would end his life in less than two years. But instead of dwelling on a “bad break” that curtailed his 17-year Yankee career, he reflected on his life and added: “I consider myself the luckiest man on the face of the earth.”

Gehrig was not the first person to acknowledge luck for some fraction of his personal accomplishments. In athletic competitions, popular culture, politics and business, ability, hard work and personal sacrifice are certainly paramount. But luck – good or bad – is often a key element in the determination of one's success (or failure). World-renowned economist Milton Friedman and his wife Rose even entitled their memoirs Two Lucky People.

Picking winning Powerball numbers is 100 percent luck; skill or effort are non-factors. In the last dozen years, 24 baseball teams have played in the World Series. Only seven had the best regular-season record in their respective league that year, including the 2016 Cubs (and in that span eight different teams have won the Series).

In my own life, a tragedy (my mother’s death when I was 10) and my father’s later marriage to someone with a professional career very likely led to my going to college. There, a chance encounter with a particular professor, steered me to graduate school. Another serendipitous intersection brought me from Princeton to the University of Chicago 30 years ago, where twists, turns, and a healthy dose of good fortune here and, well, the rest is history – or at least economics.

We wish family members, friends, colleagues and occasionally even rivals “good luck.” We note “the luck of the Irish” (though in origin it is less than obvious if that refers to good or bad luck). We smile at upbeat messages in Chinese fortune cookies. We thank our lucky stars and commiserate with people down on their luck. We even have Lucky Charms cereal and, ironically, Lucky Strike cigarettes.

The Greek Goddess Tyche – perhaps the original “lady luck” – and our own view of chance provide us with a whole range of feeling and thinking, the latter of which is a function of context. In the wake of any of Gehrig’s interviews, it is likely that the batter up to bat in the subsequent at bat would lack confidence and perhaps even mental focus_SEE orangethrow_...