APPLIED FINANCIAL HISTORY:
EXPANDING THE VISION OF MODERN FINANCE

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Biography

Mark J. Higgins is an independent financial historian, author, and investment advisor whose work examines long-cycle patterns, institutional incentives, and recurring missteps in monetary policy and capital allocation. His research focuses on integrating applied financial history into contemporary decision-making frameworks used by policymakers, fiduciaries, and investors. He is the author of *Investing in U.S. Financial History: Understanding the Past to Forecast* the Future. He serves as a guest curator and member of the editorial board of the Museum of American Finance and is a frequent contributor to the Museum's Financial History magazine.

DISCLOSURES

This research received no external funding. This paper represents the author's independent research and views and does not reflect the opinions or positions of any employer or affiliated organization. The author is employed as a registered investment advisor; however, this paper was prepared in a personal capacity and is not intended as investment advice, a recommendation, or a solicitation to buy or sell any security or investment strategy. No client data was used in the preparation of this research.

USE OF GENERATIVE AI TOOLS

The author used ChatGPT 2.0 in two primary capacities. First, the author used it to identify potential weaknesses in arguments and improve the clarity of language in the paper. Second, the author used it with formatting, citations, and general compliance with FAJ submission requirements. The author did not use ChatGPT 2.0 to generate original research findings or conclusions. All the foundational ideas, historical parallels, and synthesis of insights reflect the author's independent work and thought.

Abstract

This paper argues that modern finance contains structural limitations that materially impair decision-making, particularly under conditions that most influence long-term outcomes. These limitations are not incidental—they are systematic. Specifically, the paper identifies two especially costly blind spots. First, financial models are predominantly calibrated to explain behavior in stable, observable environments, which renders them least reliable in the rare but consequential events that disproportionately shape economic and market outcomes. Second, regulatory and governance frameworks often fail to recognize how evolving incentives transform institutional behavior over time, allowing risk to accumulate through gradual but predictable forms of drift that remain largely undetected until their consequences are realized.

Financial history functions as an indispensable, yet routinely neglected, corrective mechanism. By focusing on recurring structural patterns rather than statistical frequency, it provides insight precisely when conventional models prove least reliable and reveals how incentive systems evolve in ways that alter the function of financial institutions. Without this perspective, decision-making frameworks remain systematically vulnerable to misinterpreting the environments that most influence long-term outcomes.

The paper demonstrates this by presenting three documented cases in which historically grounded analysis identified material risks prior to their recognition by consensus models. These cases provide evidence that model-based frameworks systematically fail to identify critical risks in the environments that matter most—and that financial history provides a necessary framework for addressing this limitation.

INTRODUCTION

The COVID-19 pandemic and its aftermath exposed multiple analytical failures spanning government policy, investment strategy, and academic research. Economists misread post-pandemic inflation, and policymakers enacted extraordinary fiscal and monetary accommodation with limited consideration of long-term consequences. Investors allocated massive sums to alternative asset classes despite clear precedent that capital inflows compress future returns. Adverse outcomes—many of which have only recently emerged—were widely viewed as unforeseeable. But they were not. Each had clear historical parallels that were largely ignored.

Those parallels were not overlooked by accident. They were a function of two especially costly blind spots among others embedded in modern finance. Financial history provides a corrective analytical framework for both, but remains underutilized despite its ability to improve decisions. Absent this perspective, decision-making frameworks remain systematically vulnerable to misinterpreting the environments that most influence long-term outcomes. This paper demonstrates how financial history compensates for two especially costly blind spots.

Blind Spot 1: Structural Failure of Equilibrium-Based Models in Extreme Conditions

Modern finance relies heavily on quantitative models for economic forecasting. The construction of these models requires frequent, statistically consistent observations, which inherently biases them toward environments where such data exists. As a result, the models and resulting insights most likely to gain acceptance are those that perform well in stable conditions. But the most impactful financial events are not defined by conditions in equilibrium. They are defined by the moments when equilibrium breaks.

The fundamental constraint for decision-making is that the most consequential events in financial history—economic regime shifts, financial panics, and episodes of speculative excess—occur too infrequently to be calibrated reliably within these frameworks. Yet these events are not random; they arise from underlying mechanisms that are both recurring and detectable. While these mechanisms may not meet conventional thresholds of statistical significance, they offer insight that is often more consequential given the magnitude of the outcomes they influence. Modern finance often privileges insights that meet conventional statistical thresholds of confidence, while discounting insights that may be only directionally correct. In practice, this creates a paradox in which information that is more than sufficient to improve decisions is ignored because it fails to meet standards designed for precision rather than usefulness.

This blind spot is not merely technical—it is behavioral. Decision-makers systematically overweight model-consistent signals and underweight historically grounded judgment when the two conflict. As a result, risk is prone to misinterpretation, leading to delayed recognition of changing conditions and slower adaptation when it matters most.

Financial history provides a corrective lens by treating extreme events not as outliers, but as defining features of financial systems. It identifies recurring structural patterns that may not meet traditional confidence thresholds, but consistently provide actionable insight in real-world decision-making. It prioritizes directional accuracy over statistical elegance, particularly in environments where the cost of being approximately right is far lower than the cost of being precisely wrong. Absent this perspective, decision-making frameworks remain systematically vulnerable in the environments that matter most.

Blind Spot 2: Failure to Recognize Incentive-Driven Institutional Drift

Financial institutions—and the products and services they distribute—evolve continuously in response to changing market conditions and incentives. As commercial pressures shift, behaviors adjust. Over time, this process produces outcomes that are not random, but structurally predictable and historically recurring.

One recurring pattern is the transformation of gatekeepers into promoters. Institutions originally positioned to evaluate risk and protect investors gradually become economically aligned with the same revenue drivers they were once tasked to scrutinize. As incentives align with asset growth, product distribution, or fee generation, the boundary between oversight and promotion erodes.

This evolution typically unfolds slowly and incrementally, often over decades, making detection difficult in real time. Accountability mechanisms rarely adapt at the same pace, while clients, regulators, and the media continue to assume that institutional roles and motives remain stable. As a result, changes in behavior are interpreted as isolated developments rather than expressions of a broader structural shift.

The result is a form of risk accumulation driven less by discrete misconduct than by continuous adaptation. Each step seems locally rational, but in aggregate the system drifts toward configurations capable of producing outcomes it was originally designed to prevent. Because this process unfolds slowly, it is not easily observable through contemporaneous data. It requires a historical perspective to recognize the pattern—and to identify when current arrangements are approaching familiar endpoints observed in prior cycles.

Applied Financial History as a Corrective Mechanism

The consequences of neglecting the lessons of financial history became especially costly from 2020 through 2026. First, economists misattributed post-COVID inflation to supply shocks and concluded inflation was likely to be "transitory," despite a similar historical precedent from 1919–1920 showing that price pressures driven by monetary and fiscal expansion did not dissipate until the Federal Reserve enacted an aggressive monetary response. The Fed then compounded this error by easing policy prematurely, despite clear historical evidence from the Great Inflation (1965–1982) that early easing would likely allow inflationary pressures to reaccelerate. Second, institutional allocators directed record sums into oversaturated private equity and private credit funds, even though well-established evidence indicates that excessive capital inflows compress future returns. Finally, trustees largely failed to recognize the transformation of the investment consulting industry. The performance reporters of the 1970s had evolved into promoters of costly complexity in the twenty-first century.

None of these misjudgments were inevitable. They were the predictable consequences of analytical frameworks structurally ill-equipped to interpret rare but consequential events.

This paper demonstrates the practical necessity of financial history by documenting cases in which historically grounded analysis identified material risks in advance of their realization. These cases are not presented as illustrations, but as real-time tests of the framework under conditions where conventional model-based approaches either underestimated risks or failed to identify them altogether. It examines three cases in which a historically grounded perspective produced more

reliable directional guidance than prevailing models and provides timestamped, falsifiable evidence that these risks were documented publicly before outcomes were known. This evidence is summarized in **Figure 11**, which presents documented instances of risk identification prior to outcome realization.

The first case study examines the Federal Reserve's misreading of inflation risks. The second analyzes the accumulation of speculative excesses across alternative asset classes, particularly private equity and private credit. The third evaluates the incentive-driven distortions within the investment consulting ecosystem.

These cases demonstrate that financial history is not supplementary, but necessary for interpreting the environments that most influence long-term outcomes. The objective is not statistical precision, but directional accuracy in the environments where statistical models are least reliable. When applied in this capacity, it restores a missing dimension to modern finance—enabling institutions to recognize recurring structural patterns, challenge the credibility of prevailing assumptions, and navigate rare but consequential disruptions that conventional approaches systematically misinterpret.

Case Selection

The three case studies were selected for their breadth, evidentiary support, and consequence. First, they span multiple domains—including government policy, economic forecasting, and investment management—demonstrating that the neglect of financial history is not an isolated oversight but a systemic vulnerability across the financial ecosystem.

Second, each case is supported by contemporaneous documentation showing that relevant historical precedents were not only available, but publicly articulated in real time as the basis for forward-looking judgments that later proved directionally correct. These insights were not reconstructed with hindsight; they existed in the public domain as explicit warnings at the moment key decisions were made.

Third, the cases were selected for materiality. The resulting decisions shaped monetary policy, capital allocation, fiduciary behavior, and market stability. Taken together, they demonstrate how the absence of financial history impaired judgment and contributed to avoidable errors in environments where the cost of misinterpretation was highest.

Case Study #1: The Federal Reserve's Post-Pandemic Errors

As of April 21, 2026, Americans had endured a persistently elevated level of inflation for approximately five years. Most policymakers and market participants attribute the onset and persistence of this episode almost entirely to a macroeconomic shock. Few acknowledge the extent to which it was amplified and prolonged by two identifiable and historically predictable monetary policy misjudgments.

Inflationary pressures first appeared soon after the most acute phase of the COVID-19 pandemic subsided in the spring of 2021. It then accelerated as highly accommodative fiscal and monetary conditions remained in place. Over the subsequent five years, consumer prices rose by more than twenty percent in aggregate (U.S. Bureau of Labor Statistics 2026).

The Federal Reserve belatedly began tightening monetary policy in early 2022, eventually reducing inflation to approximately three percent by the summer of 2024. However, rather than decisively ending the inflationary cycle, the Federal Open Market Committee (FOMC) prematurely began easing monetary policy in September 2024. This reversal occurred despite strong evidence of latent inflationary pressures, which mirrored a pattern observed in a comparable scenario during the late 1960s and early 1970s.

The seemingly unprecedented dynamics of post-COVID inflation caught the FOMC off guard, but the pattern was familiar to those who had studied prior inflationary episodes. Crucially, these dynamics were identified and publicly documented in real time, prior to policy recognition and subsequent market outcomes. Contemporaneous analyses published between 2021 and 2025 explicitly anticipated both the delayed policy response to rising inflation and the subsequent premature pivot toward easing. **Figure 1** provides a sample of warnings in timestamped articles and newsletters. The assessments relied heavily on historical precedent and contrasted sharply with consensus at the time.

Figure 1: Selected Ex Ante Monetary Policy Forecasts and Warnings

Publication Date	Title	Type	Core Message
August 18, 2021	**Investors Can Temper Their Inflation Fears:** *Post-COVID Inflation Is Unlikely to Resemble the Great Inflation of 1968 to 1982*	Article (SSRN)	Article forecasts that post-COVID inflation is likely to resemble the inflation following the end of World War I and the Great Influenza, which lasted for approximately two years and required aggressive monetary tightening to end.
June 23, 2022	**The Fed Isn't Bluffing: The Real Threat of an Upside-Down Depression**	CFA Enterprising Investor	Warns that the Fed tightening would likely be more aggressive than most economists assumed and that a recession was likely before price stability returned (assuming the Fed remained steadfast).
May 10, 2023	**The Dangerous Midpoint of the Inflationary Pendulum:** *The Fed is Winning Its Battle with Inflation, but the Fight Must Continue*	Substack Blog	Warns that the Fed's progress in reducing Post-COVID inflation was positive but incomplete without continued restrictive policy.
October 31, 2023	**The Siren Song of a Soft Landing is Getting Louder:** *History Demonstrates That Tight Monetary Policy Cannot End Prematurely*	Substack Blog	Based on a speech by Austan Goolsbee, the blog warns that the Fed appeared to be yielding to pressure to soften monetary policy prematurely, potentially repeating the errors of William McChesney Martin, Jr. and Arthur Burns in the late 1960s and 1970s.
August 27, 2024	**The Fed Leadership Believes this Time is Different:** *Will monetary easing ensure a soft landing or merely reignite inflation?*	Substack Blog	In response to Jerome Powell's August 23, 2024 speech at Jackson Hole signaling an impending pivot toward more accommodative monetary policy, the blog post argues it would constitute a policy mistake.
October 10, 2024	**The Fed's Pivot Violated the Rule that Matters Most:** *The Embers of Inflation Are Not Yet Extinguished*	Substack Blog	In response to the FOMC's decision to reduce the fed funds rate by 50 basis points on September 18, 2024, the post argues that the Fed disregarded the lessons of the Great Inflation and risked allowing inflation to reignite in a manner similar to the Great Inflation.
December 20, 2024	**Inflation Persisted Because the Fed Relented:** *The FOMC Played with Fire and Now They Are Getting Burned*	Substack Blog	In response to an uptick in inflation and inflation expectations, the blog emphasizes that the Fed made a costly but foreseeable mistake by easing prematurely.
October 14, 2025	**The Forsaken Playbooks of the Federal Reserve:** *Ignoring History Raised the Odds of a Great Inflation-Like Event*	Substack Blog	More than 12 months following the Federal Reserve's pivot, trailing inflation and inflation expectations remained well above the Fed's two percent target, consistent with expectations of a premature pivot. The article explains the unforced error, and the potential costs to the American people.

The alignment between historical precedent, contemporaneous warnings, and subsequent policy outcomes is not coincidental. It reflects a recurring policy failure mechanism in which historically informed signals are systematically discounted in favor of model-based interpretations calibrated to recent data.

The Fed's first policy error was its reluctance to act swiftly and forcefully when price pressures first surfaced in the spring of 2021. The second error was its decision to ease policy before inflation was fully extinguished in September 2024 and again in September 2025. These errors prolonged the inflationary episode and eroded the institution's most valuable asset: credibility. This, in turn, increased its vulnerability to political pressure and reduced its capacity to respond effectively to subsequent shocks. That loss rendered the FOMC more vulnerable to subsequent political pressure to prioritize short-term economic comfort over long-term stability.

Throughout this period, financial history offered compelling guidance. First, it demonstrated that post-pandemic inflation was likely to be temporary, but not transitory. The key difference being that temporary inflation subsides only if central banks intervene forcefully and early. Transitory inflation, by contrast, may resolve naturally without monetary restraint. In effect, the the Fed misclassified the inflationary surge as self-correcting rather than policy-dependent, leading to delayed intervention and deeper entrenchment. The first and most relevant historical parallel emerged immediately after World War I and the Great Influenza ended nearly simultaneously.

Precedent #1: Non-Transitory, Post-Pandemic Inflation

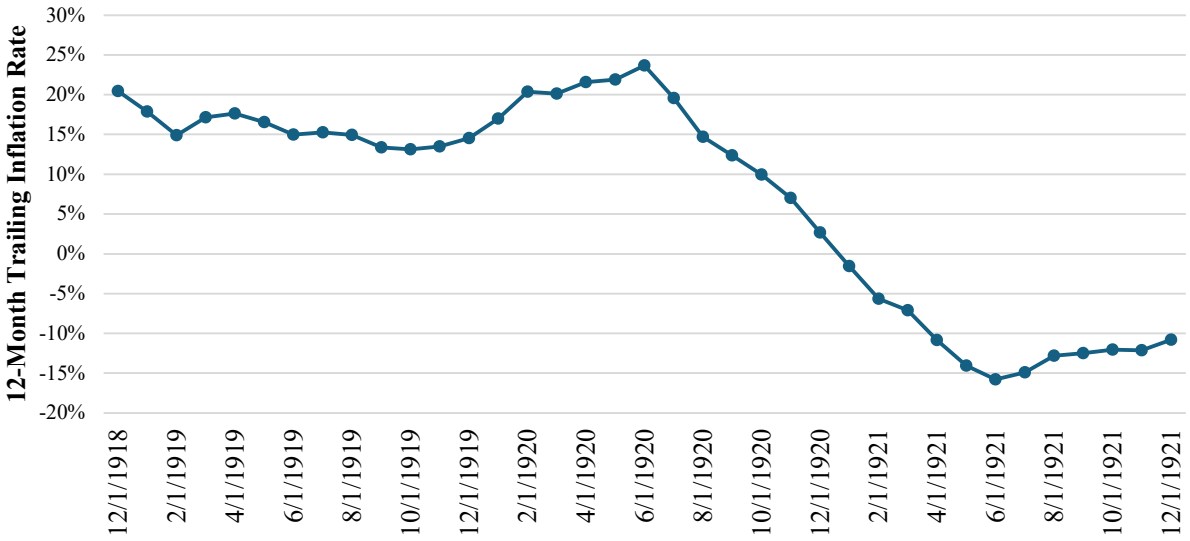
On November 11, 1918, World War I ended with Germany's surrender to the Allied Powers. Only a few months later, the deadly second wave of the Great Influenza pandemic subsided. Despite feeling relieved after emerging from both a devastating war and a global health crisis, Americans feared a depression was imminent. They believed the abrupt end of wartime spending and impending collapse of European demand for U.S. exports would trigger a severe economic contraction. Early in 1919, signs of economic weakness seemed to validate those fears. But the downturn was short-lived. A surge in consumer spending soon followed, fueling an unexpected economic boom and reigniting inflationary pressures (Rockoff 2004, Newman 2015).

This outcome seemed odd, but it was structurally predictable. After years of wartime rationing and pandemic shutdowns, pent-up demand was suddenly released. As a result of massive trade surpluses during the war, households also accumulated significant savings. Easy credit further fueled spending, as the Federal Reserve maintained an overly accommodative monetary policy. There were several explanations for this, the most significant of which appears to be pressure from the U.S. Treasury, which was concerned about servicing a floating rate portion of the war debt issued over the prior two years. In addition, both the Treasury and Federal Reserve Board were concerned about the impact of higher rediscount rates on the health of the financial system, as many banks had loaded their balance sheets with Liberty and Victory Bonds to fulfill their patriotic duty (Friedman and Schwartz 1963, 223–24). Therefore, despite growing concerns about inflation and speculation, the Federal Reserve reluctantly delayed raising rediscount rates. At the same time, supply disruptions emerged as the economy transitioned from war production to civilian consumption. Together, these forces drove a sharp rise in prices in 1919. As with post-COVID inflation, price pressures showed no sign of dissipating without decisive monetary action (Higgins 2021b).

Monetary Response in 1920

The Federal Reserve Banks responded to post-WWI/Great Influenza inflation belatedly but forcefully. Alarmed when inflation peaked around 20% in 1919, the Federal Reserve Bank of New York sharply raised the rediscount rate from 4.75% to 6.00% in January 1920, and again to 7.00% in June. Wholesale prices soon declined sharply, and the economy entered a severe but short recession in 1920–1921. When growth resumed, price stability was restored (Board of Governors of the Federal Reserve System 1943, Crabbe 1989, Friedman and Schwartz 1963).

Figure 2: Trailing 12-Month Inflation (December 1918 – December 1921)



Sources: Federal Reserve Bank of Minneapolis; U.S. Bureau of Labor Statistics.

Monetary Response in 2021

In April 2021, as the most acute phase of the COVID-19 pandemic subsided, inflationary pressures ignited. The drivers resembled those of 1919–1920: a sudden release of pent-up demand, amplified by massive fiscal stimulus and sustained monetary policy accommodation. Global supply chain disruptions magnified price pressures during the transition back to normal economic activity. However, the evidence suggests supply chain factors operated as a secondary force rather than functioning as the primary driver.

Despite the clear historical precedent from a century earlier, Federal Reserve Chair Jerome Powell attributed inflation largely to acute supply chain bottlenecks and classified it as a "transitory" phenomenon that would subside without major central bank action. The historical record suggested otherwise. A key lesson from the 1919-1920 inflation was that when price pressure is fueled by excess demand and easy money, it does not resolve without firm policy intervention. Nevertheless, Powell maintained the transitory framework through most of 2021. By the time the Fed pivoted toward tightening in March 2022, inflation had become more intense and entrenched. Moreover, the Fed's delayed response weakened institutional credibility, bending internal and political pressure toward caution in future tightening decisions (Federal Reserve Board 2021).

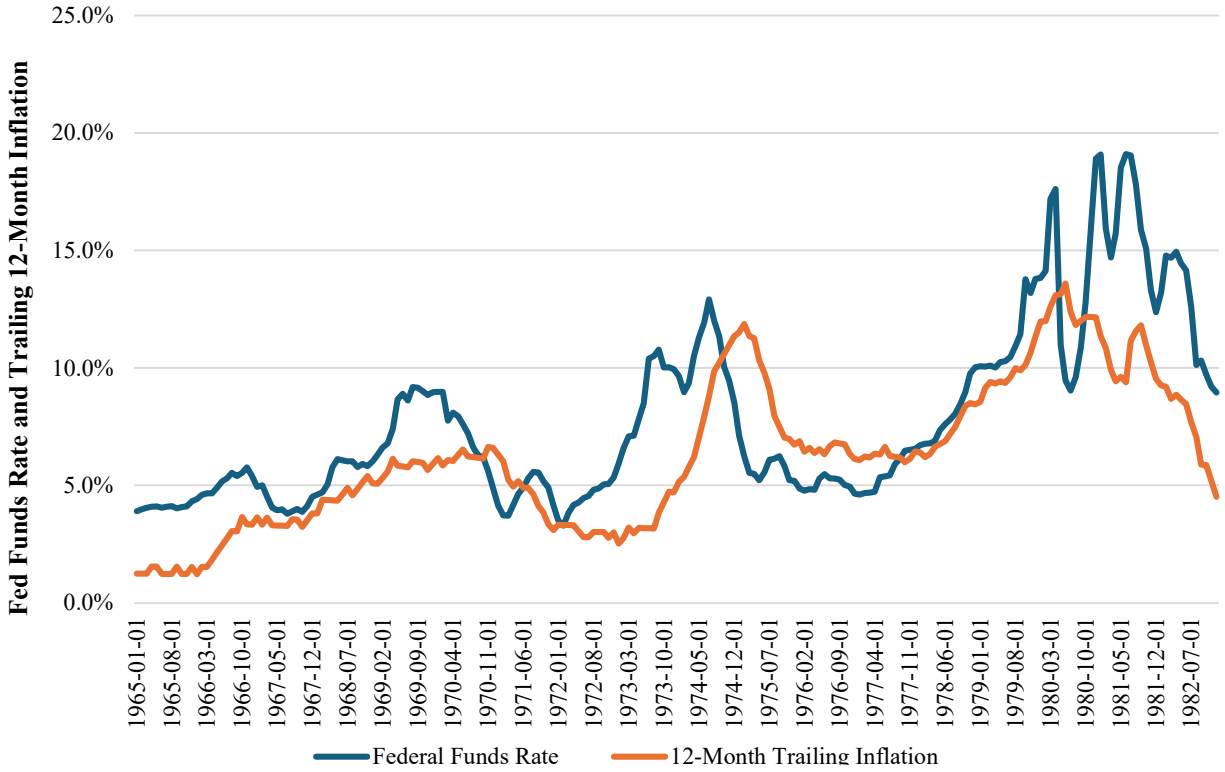
Precedent #2: The Imperative to Extinguish Inflationary Embers Decisively

If the post-WWI episode demonstrated the cost of delay, the Great Inflation ironically revealed the cost of premature relief. Between 1965 and 1982, the United States experienced a prolonged inflationary spiral unmatched in duration. The Fed's core policy mistake was its repeated decision to ease monetary policy before inflation was fully suppressed. Each retreat allowed price pressures to return to even higher levels. This, in turn, reinforced incrementally higher inflation expectations and eroded the Fed's credibility (Meltzer 2005, 150-152).

The erosion of credibility carried lasting institutional consequences. As inflation increasingly appeared to be an intractable problem, political leaders applied greater pressure on the Fed to prioritize employment over price stability. Pressure applied by Presidents Lyndon B. Johnson and Richard Nixon were especially pronounced. The result was a persistent cycle of incomplete tightening followed by early retreat (Samuelson 2008).

By the mid-1970s, inflation expectations were elevated and deeply entrenched. Households anticipated chronic price increases, stagnant real wages, and diminished purchasing power. The traditional trade-off between inflation and unemployment broke down, producing a highly undesirable combination of economic stagnation, high unemployment, and rising prices. Inflation was ultimately defeated only after Chairman Paul Volcker imposed sustained monetary tightening from October 1979 through 1982. The recession that followed was deep, but price stability was finally restored.

Figure 3: Federal Funds Rate and Inflation (1965-1982)



Sources: Federal Reserve Bank of St. Louis; Bureau of Labor Statistics.

That episode underscored a hard-earned lesson: restoring price stability required not intermittent restraint but credible and sustained monetary tightening. The costs were substantial. The United States experienced a deep recession from July 1981 to November 1982, with unemployment peaking at 10.8 percent (Samuelson 2008). Yet the outcome reshaped expectations and laid the foundation for a prolonged period of macroeconomic stability and growth.

The broader implication is a durable feature of central banking. Prolonged inflation erodes central bank credibility incrementally, and attempts to extinguish it through delay, reversal, or partial measures tend to magnify both economic and political costs. Once credibility is compromised, restoring it typically requires decisive action that entails short-term economic pain and often a shift in leadership. Hesitation only postpones the required economic consequences while increasing eventual severity, thereby weakening the central bank's ability to resist future political interference (Samuelson 2008).

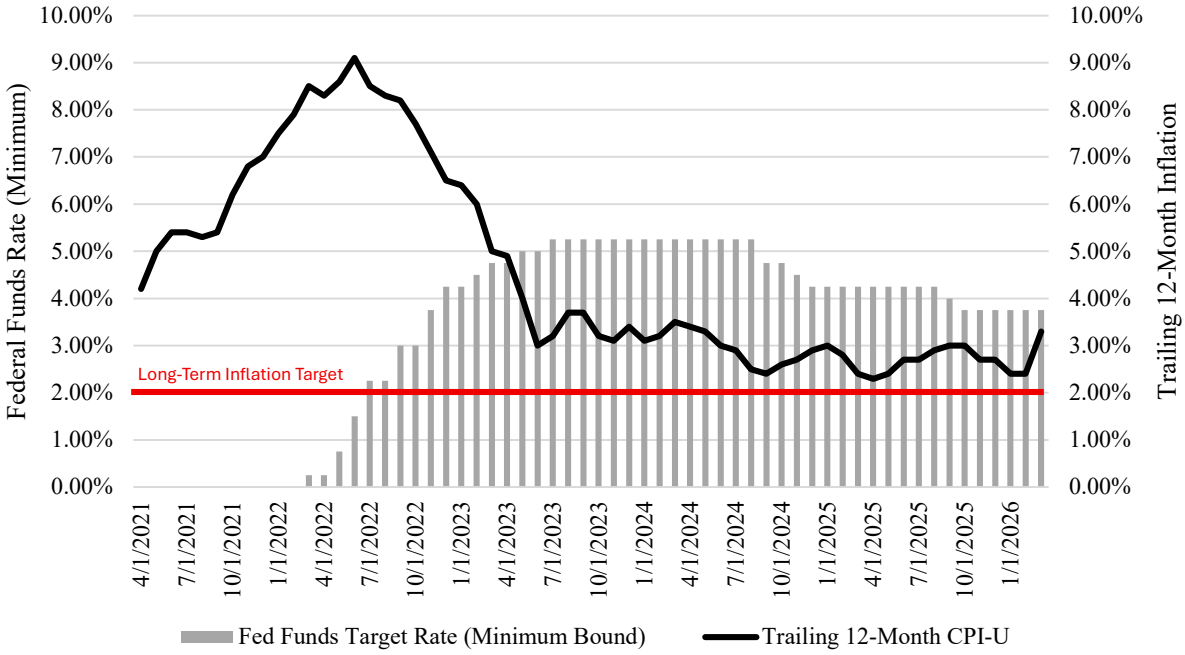
Abandonment of Post-COVID Monetary Tightening

Despite the clarity of the lessons from the Great Inflation, the Federal Reserve repeated the same error. On August 23, 2024, Chair Powell signaled the FOMC's intention to pivot toward monetary accommodation. Less than a month later, the federal funds rate was reduced by 50 basis points, followed by additional cuts in November and December 2024 and further easing in late 2025 (**Figure 4**). Policymakers justified this shift by pointing to signs of softening inflation and labor-market conditions. Yet despite explicitly acknowledging the historical risks of premature easing, their actions closely mirrored the very pattern they had identified.

As the experience of the Great Inflation suggested, inflationary pressures soon strengthened and persisted through 2025 and early 2026. Simultaneously, political pressure to maintain accommodative policy intensified, eerily echoing the dynamics of the Great Inflation era.

The Fed's pivot in September 2024 is difficult to reconcile with well-documented historical precedent. The lesson from history was simple, well-documented, and easily accessible. Easing monetary policy before inflation is fully extinguished substantially increases the risk of inviting its return. Unlike the inflation of 1919-1920, however, modern central bankers are keenly aware of the lessons from the Great Inflation. Nevertheless, the FOMC adopted a decision-making framework that dismissed these lessons in favor of models based on short-term economic and price data. In fact, the Fed repeatedly described its approach as "data dependent." The problem was not the data itself, but the framework used to interpret it, which systematically underweighted the most relevant historical episode.

Figure 4. Federal Funds Rate Target (Minimum) and Trailing 12-Month CPI-U



Sources: Board of Governors of the Federal Reserve System. "The Fed Explained: Accessible Version." Accessed April 13, 2026; U.S. Bureau of Labor Statistics. "Consumer Price Index Historical Tables for U.S. City Average." Accessed April 13, 2026.

Note: Data was unavailable for October 2025. The same value for September 2025 was used as an approximation.

In 2026, the Federal Reserve must now confront weakened credibility accompanied by heightened political exposure and an unexpected spike in energy prices due to an armed conflict in the Middle East. It remains possible that inflation may yet subside, but history suggests such outcomes are neither durable nor costless. Even if inflation retreats, much of the institutional damage has already been done: household purchasing power has been impaired, Fed credibility has eroded, political constraints have intensified, and inflation expectations show signs of destabilization. Moreover, each premature easing increases the probability of cyclical relapse, raising the risk that future stabilization efforts will require even more severe intervention.

These monetary policy errors illustrate the central premise of this paper: when financial history is systematically discounted, errors are not unpredictable—they are embedded in the decision-making process itself. **Figure 1** demonstrates that these lessons were known and publicly documented. But the Fed was not the only institution that misread the moment. As inflation persisted and policy drifted, a parallel vulnerability emerged in capital markets. Largely unnoticed by investors, a boom in private markets moved into a classic late-cycle phase that financial history has documented repeatedly. What many perceived as a durable opportunity would have appeared, through a historical lens, as a familiar pattern approaching its breaking point. Case Study #2 examines how that misperception developed.

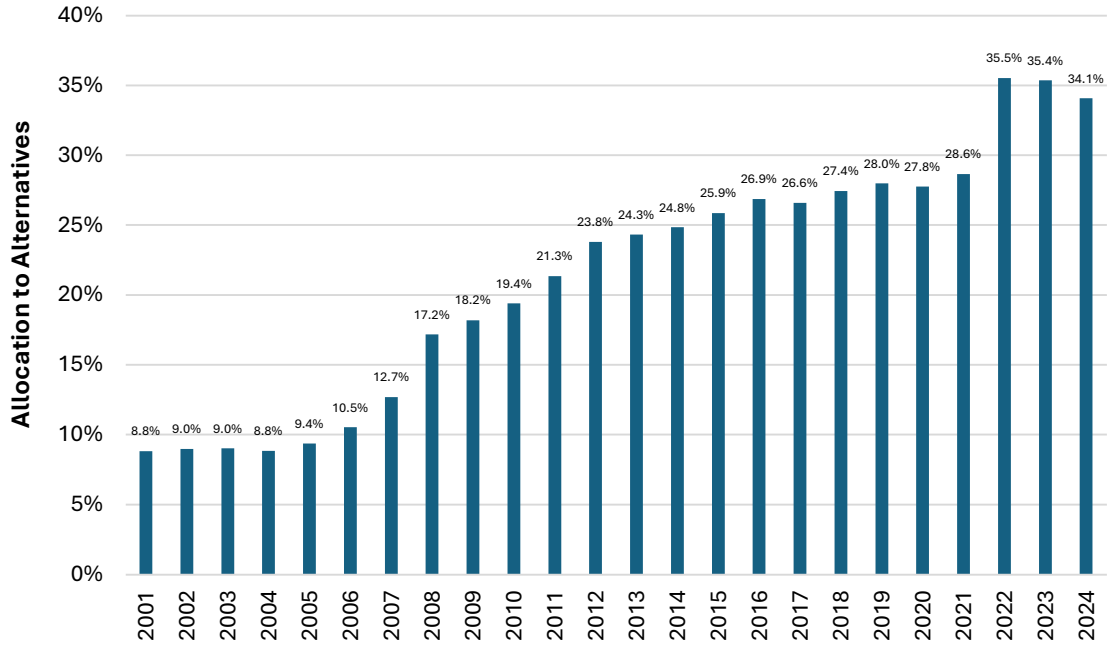
CASE STUDY #2: EARLY WARNING OF SPECULATIVE EXCESS IN ALTERNATIVE ASSET CLASSES

Beneath many of history's most damaging speculative episodes lay narratives that seemed perfectly reasonable until they collapsed. In the 1810s, American farmers believed wheat and cotton prices would remain permanently elevated. In the late 1920s, Wall Street speculators assumed short-term debt was a safe method for financing stock purchases because sustained market declines were viewed as improbable. In the late 1990s, investors believed any company with ".com" in its name represented a viable path to wealth. In the early 2000s, many Americans assumed real estate prices could not fall on a national level. Each episode rested on the same structural error: the extrapolation of recent conditions into a permanent future (Higgins 2024a).

The 2020s marked the latest iteration of this pattern, this time centered on alternative asset classes. As in prior cycles, early participants were drawn to a genuine innovation that initially served a legitimate purpose. Exceptional early returns attracted a growing wave of imitators, increasingly motivated by a fear of missing out. The result was a multi-decade expansion of capital into venture capital, buyout, private real estate, and private credit funds as these strategies achieved broad institutional adoption.

A key accelerant was the widely publicized success of the Yale Endowment between 1985 and 2000. Yale's track record evolved into a structural template for large institutional investors, including public pensions, foundations, and insurance companies. Yet allocators largely assumed that the model pioneered by Yale CIO David Swensen was broadly replicable and scalable. In practice, its success was contingent on conditions that could not be widely reproduced, including early access to less crowded opportunities and exceptional manager selection. Few recognized that Yale's outcomes were inseparable from the narrow conditions under which they emerged and the distinctive qualities of the people who produced them. The success was real, but the belief that it could be mass-produced was an error (Higgins 2024b).

Figure 5. Growth of Alternative Class Allocations in U.S. Public Pensions, 2001–2024



Source: Public Plans Database (PPD). Asset allocation data from "National Data – Asset Allocation for State and Local Pensions, 2001–2024." Author's calculations.

Note: "Alternative assets" defined as private equity, real estate, hedge funds, commodities, and miscellaneous alternatives as reported in the Public Plans Database. Categories combined by author.

The surge of inflows eventually saturated the market, pushing alternative asset classes into the late and most fragile phase of their cycle. As capital outpaced the supply of attractive opportunities, forward return potential diminished, institutional allocations plateaued, and exit pressures intensified, particularly in private markets. In response, fund managers increasingly sought new investors to absorb excess capital and provide liquidity for maturing assets. By the mid-2020s, expansion into retail channels represented one of the few remaining avenues for continued growth. This dynamic suggests that structural constraints, rather than genuine innovation, lie at the core of the aggressive push to "democratize" private markets—often in especially risky semi-liquid fund structures.

Despite capital saturation, the prevailing narrative continued to portray alternative assets as structurally additive to long-term returns. Even if that characterization was once valid, it now relies disproportionately on performance data drawn from the early phase of a single capital cycle. Financial history shows that late-cycle dynamics are fundamentally different. When capital is scarce and opportunities are abundant, returns tend to be elevated; when capital is abundant and opportunities are scarce, returns compress. The current environment reflects the latter condition. As a result, even if prior decades delivered strong results—and there is meaningful evidence to question that premise as well—the scale and persistence of inflows make it increasingly unlikely that future returns will resemble those of the past.

Financial history is uniquely suited to reveal the full arc of such capital cycles, yet that perspective is rarely incorporated into contemporary allocation decisions. Late-cycle conditions

often appear novel to participants embedded within them, even as the underlying dynamics closely resemble earlier episodes of capital saturation and return compression. This reflects a broader limitation of frameworks that prioritize recent data over structural context. The experience of America's first venture investors in the nineteenth century illustrates this pattern clearly, demonstrating that cycle position—rather than product innovation or narrative appeal—has historically been the dominant driver of outcomes.

A Forgotten Lesson from America's First Venture Investors

Whaling investments in the 1800s were characterized by long investment horizons and profound uncertainty. A typical voyage lasted several years, and a significant number of ships were lost at sea. Once a vessel departed, investors had limited visibility into its progress and no practical way to exit their investment until it returned to port. Outcomes varied widely. Some voyages generated extraordinary profits, while many failed outright. Although much of the risk was unknowable in advance, it was not entirely random. Certain risks could be assessed through experience, judgment, knowledge of routes, and careful selection of crews. This is why skill meaningfully influenced outcomes. The result was a highly skewed distribution of returns that closely resembles modern venture capital, where a small number of exceptional successes offset a broad base of disappointments (Nicholas 2019, Higgins 2023).

Whaling investors confronted this uncertainty using structures that closely parallel modern venture capital firms. Expeditions were organized as partnerships. Whaling agents managed operations, selected voyages, and oversaw execution in a role functionally similar to a general partner. Wealthy individuals supplied capital in a role analogous to limited partners. Investor funds were pooled and distributed across multiple voyages to diversify risk, much as contemporary venture funds allocate capital across portfolio companies (Nicholas 2019).

Cyclical Return Compression

Skilled whaling investors earned exceptional profits in the early 1800s. During the twenty years ending in 1836, the average voyage generated a profit of 21.3 percent. These returns steadily attracted new competitors. From 1816 to 1836, an average of seventy-seven ships departed New Bedford, MA each year. Over the subsequent twenty years, that number rose to 242. The finite supply of whales, combined with intensified competition, led to declining yields. For the twenty years ending in 1856, average voyage profitability fell to 13.4 percent (Davis 1997, Higgins 2024b).

By the time oil was discovered in Titusville, Pennsylvania in 1869, the whaling industry was already far along the process of structural decline. Falling returns and resource depletion had eroded its economic foundation. The discovery of oil did not cause this deterioration; it merely sealed the obsolescence of an industry whose profitability had already been undermined by capital saturation and ecological constraint.

This progression revealed a recurring pattern in capital markets. New asset classes tend to emerge when capital is scarce and opportunity abundant. Early participants benefit disproportionately. But then their success attracts imitation, capital floods in, and the imbalance reverses. Overwhelming supply of capital and limited demand from attractive opportunities causes returns to compress.

Whaling followed this cycle between 1816 and 1856. More than a century later, venture capital and buyout funds repeated the pattern. Exceptional returns in the 1980s and 1990s gave way to far more muted outcomes in the twenty-first century. Yale's early exposure to these asset classes played a central role in its exceptional run through 2000. That success became widely observed and broadly imitated. Institutional allocators adopted similar structures at scale. The result was a massive inflow of capital between 2000 and 2025, which was predictably accompanied by returns that diverged from those experienced by investors during the early phase of the cycle.

The Dangerous End of the Alternative Asset Class Cycle

As of April 2026, the dominant debate among academics, investment professionals, and policymakers remains focused on measuring the potential benefits of alternative asset classes rather than evaluating their position within the capital cycle. Academics focus on quantifying concepts such as the illiquidity premium, money- versus time-weighted returns, and whether volatility reduction is genuine or illusory. Some investment professionals emphasize the role of manager skill, though far fewer demonstrate persistent evidence of its existence. In practice, the discussion remains anchored to performance metrics derived largely from the earlier phase of a single cycle. Hardly any attention is devoted to the more relevant structural question of how expected returns evolve when an asset class becomes saturated with capital relative to available opportunities.

Investors in alternative asset classes often interpret current conditions as evidence of a new paradigm, but they are more plausibly experiencing the late-stage dynamics of a long-running capital cycle. Alternative asset classes are no longer in the discovery phase; they are in an advanced stage of maturation, where capital is abundant and opportunities are increasingly constrained. In such conditions, return compression becomes a structurally likely outcome, rather than the result of isolated misjudgment.

The lesson from New Bedford's whaling industry is more instructive than any contemporary performance dataset on alternative asset class returns. That industry did not suffer from a lack of intelligence, data, or technical sophistication; it suffered from capital overallocation. Investment continued to flow into whaling voyages well after the opportunity set had become exhausted. This explains why returns deteriorated without clear advance warning in trailing performance metrics. Under such conditions, outcomes were driven less by individual skill than by the level of capital competing for a finite opportunity set. Historical evidence suggests that when an asset class reaches this stage, forward returns tend to decline—even as backward-looking performance appear acceptable.

CASE STUDY #3: HOW INVESTMENT CONSULTANTS TRANSFORMED FROM GATEKEEPERS TO COMPLEXITY PROMOTERS

While the first two case studies examined the downstream consequences of ignoring financial history, the third turns to the upstream architecture where capital-allocation decisions are formed. It focuses on investment consulting—a profession that influences the allocation of tens of trillions of dollars by shaping how institutions frame risk, return, and opportunity before capital is deployed. This case demonstrates that understanding the slow evolution of professional incentives is essential to explaining how market distortions originate and persist.

Investment consulting firms play a central role in guiding institutional investment. They are usually regarded as independent stewards who strengthen fiduciary oversight. Yet unlike monetary policy or discretionary asset management, the consulting profession operates in a domain where its economic influence is vast but its performance impact is not systematically measured or independently verified. This absence of measurement is not incidental—it is structural. When evaluators of performance gradually assume the role of portfolio architects, the ability to distinguish advice from outcomes becomes increasingly opaque. In such environments, structural incentives and recurring historical patterns become the most reliable evidence of emerging risk.

Despite the absence of formal performance measurement, the available evidence suggests that the consulting profession's evolution from evaluator to allocator has contributed to, rather than constrained, capital distortions. As consultants moved beyond performance assessment into portfolio design and manager selection, their influence over capital flows expanded without a corresponding mechanism for accountability. What began as independent guidance gradually became a structural force that reinforces peer-driven decision-making, promotes capital concentration in favored strategies, and increases implementation complexity. In this setting, market outcomes reflect the cumulative effect of incentive structures operating without meaningful accountability.

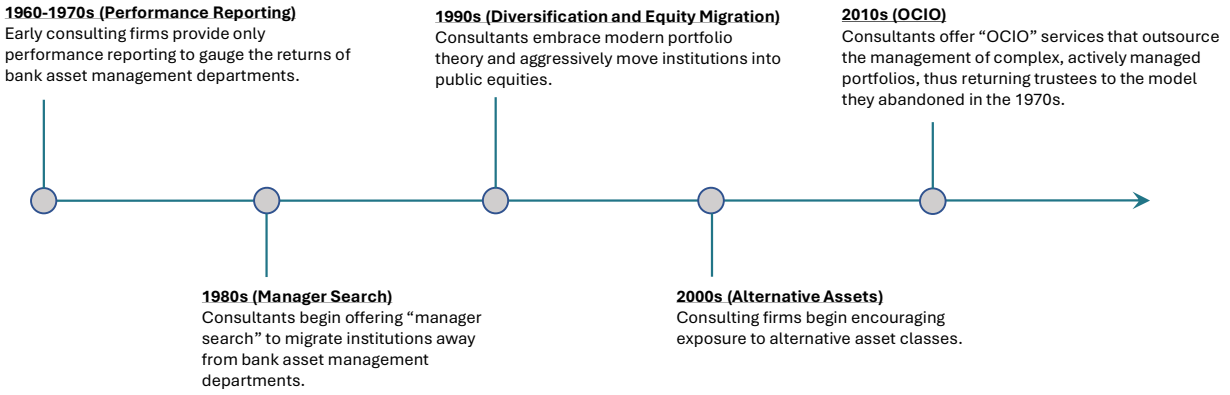
The Evolution of Investment Consulting

After the Second World War, the United States entered a period of extraordinary economic expansion and wealth creation. Pension funds, endowments, and foundations rapidly amassed large portfolios, but the trustees overseeing them were rarely trained in portfolio construction or financial theory. They also operated under tight time constraints, brought variable levels of expertise, and juggled competing professional responsibilities. Governance was almost always a secondary priority relative to demanding careers and personal obligations. These conditions created a structural reliance on external expertise, leading to the emergence of the investment consulting profession.

The first investment consulting firms emerged in the 1960s. At the time, institutional portfolios were primarily managed by bank asset management departments, which self-reported the performance of portfolios under their management. This arrangement created a clear conflict, highlighting the need for an independent evaluator. Investment consulting firms filled that void (Higgins 2024a).

Most consulting firms initially operated under a narrow mandate, providing trustees with independent performance reporting. For more than a decade, they served effectively in this limited capacity. Over time, however, growth and competitive pressures expanded the scope of services offered. Firms began adding asset allocation guidance, active manager selection in public markets, and exposure to alternative asset classes. By the turn of the twenty-first century, investment consulting firms had moved far beyond performance measurement and were deeply involved in portfolio construction and implementation decisions. In effect, institutions originally designed to evaluate asset managers had gradually assumed many of the same functional roles (Higgins 2024a).

Figure 6. History of Investment Consulting and OCIO Business Models (1965-1982)



As consulting firms moved from performance reporting to portfolio design, their incentives changed. Complexity increased the perceived value of their services, creating a structural incentive to introduce progressively more complex portfolio constructions over time. At the same time, the incentives of institutional plan staff—commonly referred to as allocators—evolved in the same direction. Their professional standing and job security became increasingly tied to the perceived sophistication of the portfolios they oversaw. A simpler structure would diminish the perceived need for specialized oversight and reduce the justification for their roles.

This convergence of incentives created an environment in which consultants and allocators mutually reinforce preferences for increasing complexity. Staff gain career protection by endorsing complexity, and consultants gain business stability by supporting it. In effect, the primary constraint on consultant influence—independent evaluation by the client—is weakened. What now appears to be prudent governance from the perspective of many trustees often functions as a self-reinforcing system in which complexity is equated with rigor, rewarding conformity and discouraging dissent.

Compounding the problem, regulatory and performance reporting frameworks have not evolved at the same pace as the consulting model. Regulators continue to view consultants primarily as non-discretionary advisors, a classification that originated when their role was largely limited to performance reporting. This legacy classification leaves consultants outside the scope of the most stringent disclosure, oversight, marketing, and conflict-of-interest requirements applied to discretionary asset managers. As a result, the regulatory framework remains aligned with an earlier version of the profession rather than its current function.

Complicating matters further, independent performance reporting has become increasingly consolidated within the same firms responsible for portfolio design. The function that gave rise to the consulting profession is now often performed by the same entities that construct portfolios. Without independent measurement, there is no clear or consistent mechanism to determine whether consultant- and allocator-designed portfolios have added or destroyed value over time.

The Costs of an Invisible Evolution

The consequences of the consulting industry's evolution are difficult to quantify because consultants are not directly evaluated against portfolio-level outcomes in a systematic or independent manner. That insulation, however, makes the limited areas where measurement is still possible especially revealing. In those instances, the evidence is consistent in that consultants appear to be introducing additional complexity without demonstrable evidence of commensurate value creation, in both public and private markets.

Active Manager Performance in Public Markets

A central premise of consulting-driven manager selection is that skilled active management justifies higher fees and greater complexity. Yet the performance data available to allocators consistently challenge this premise. According to SPIVA's 2024 Institutional Scorecard, roughly 80% of institutional equity mandates and more than half of fixed-income mandates underperformed comparable passive benchmarks over the prior decade (S&P Dow Jones Indices 2025).

No single dataset can isolate the consultant's role in these outcomes directly. However, consultant recommendations play a central role in manager selection across institutional portfolios, making it reasonable to evaluate outcomes at the system level. Given that a core function of the consulting model is to identify outperforming managers, this record is difficult to reconcile with success. At a minimum, the evidence suggests that the selection process has not reliably delivered results consistent with its stated objective. When the most measurable component of value creation appears this weak, it raises serious questions about the parts of the process that remain largely unmeasured.

Figure 7. Percentage of Institutional Equity Accounts Underperforming Comparable Benchmark over 10-year Period Ending December 31, 2024

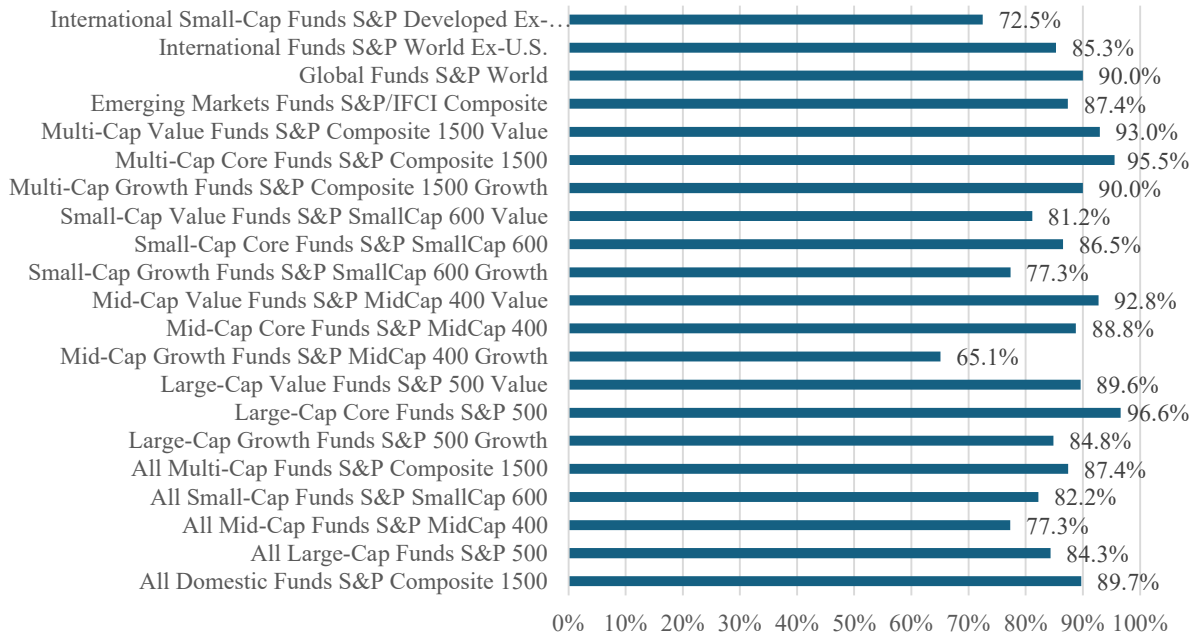
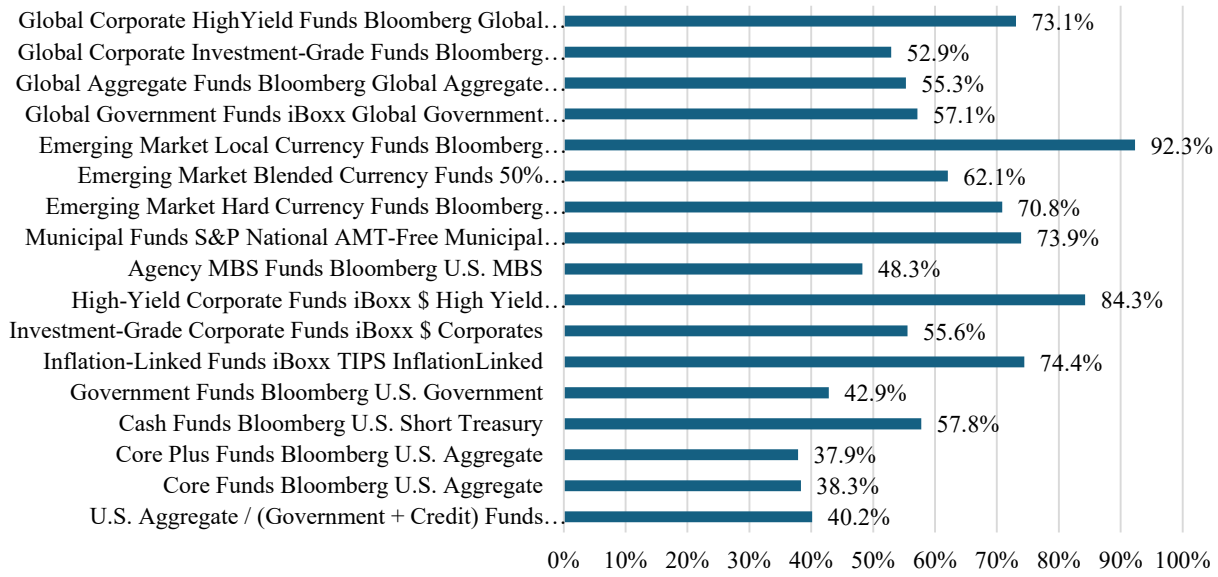


Figure 8. Percentage of Institutional Fixed Income Accounts Underperforming Comparable Benchmark over 10-year Period Ending December 31, 2024



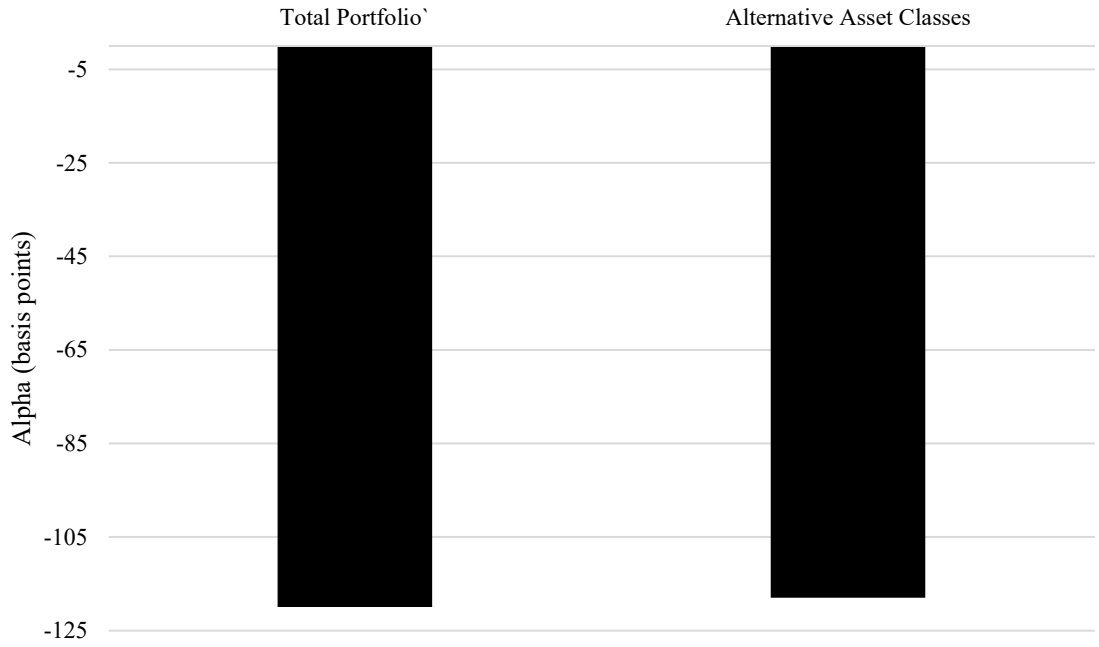
Source: S&P Dow Jones Indices. SPIVA® Institutional Scorecard Year-End 2024. New York: S&P Dow Jones Indices, 2025.

Alternative Asset Class Performance

The most consequential implication of consulting-driven complexity is not observed in public-market manager selection, but rather in the scale, persistence, and composition of institutional allocations to alternative asset classes. Beginning in the early 2000s, consultants increasingly championed a structural shift into private real estate, venture capital, buyout funds, and, more recently, private credit. For public pension plans, allocations to alternatives climbed from 8.8% in 2001 to 34.1% in 2024 (Public Plans Database 2024). This expansion reflects a sustained reallocation of capital toward strategies assumed to offer structural return advantages. The premise was that illiquidity premia, combined with skillful manager selection, would translate into superior long-term returns.

The performance evidence available to date provides weak support for that premise. For example, a 2024 *Journal of Investing* study found that institutional portfolios generated –1.2% annual alpha relative to a comparable passive benchmark over the past decade, with nearly all of the underperformance attributable to alternative asset allocations (Ennis 2024). While no single study is definitive, this result is directionally consistent with the hypothesis that increased complexity has not translated into improved outcomes. Notably, the underperformance is concentrated in the very segment of the portfolio most influenced by consultant-driven allocation decisions.

Figure 9. Total Alpha for Alternative Investments in Public Pension Plans



Source: Richard M. Ennis, "Have Alternative Investments Helped or Hurt?" The Journal of Investing 33, no. 2 (February 2024): 8–16. https://doi.org/10.3905/joi.2024.1.301.

Again, this does not definitively prove that consulting-driven alternative allocations have detracted value in aggregate, but it provides limited evidence that they have added it.

Benchmark Integrity and the Illusion of Outperformance

Perhaps a more troubling signal is that even the limited performance data that is observable may be structurally distorted. Recent research indicates that investment consultants often influence the selection of private-market benchmarks in ways that increase the likelihood of apparent outperformance, particularly when key client relationships are at stake. In such cases, benchmarks have been systematically constructed or adjusted such that risk levels are lowered, peer groups narrowed, or custom indices built using outdated valuations rather than contemporaneous market conditions (Augustin, Binfare, Fermand 2025).

This pattern has an important implication. When realized performance fails to justify complexity and benchmarks are adjusted to preserve the appearance of success, incentives naturally evolve. The objective function shifts from generating excess returns to sustaining defensible narratives of outperformance. In such environments, scrutiny shifts from how results are measured to how future returns are justified. The next signal therefore emerges not from realized performance, but from the assumptions used to rationalize continued allocations.

Signs of Motivated Reasoning in Asset Allocation

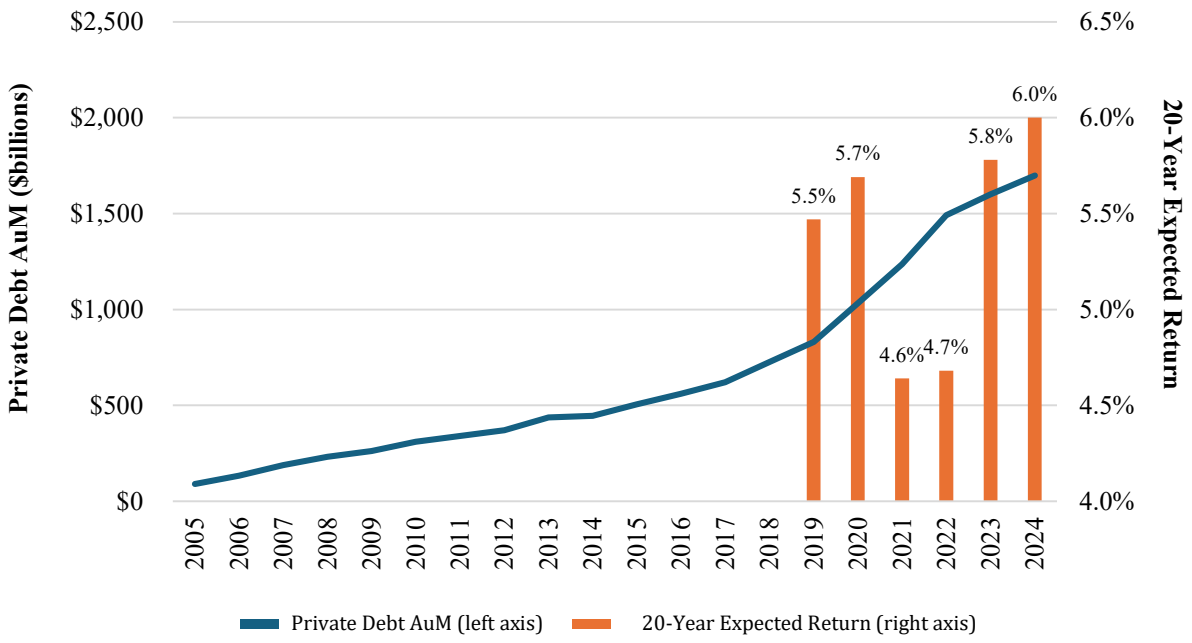
A third signal suggests that narratives may be displacing economic fundamentals in the formation of investment consultants' asset class return assumptions. A recent study by Stanford

Graduate School of Business, entitled "The Rise of Alternatives," argues that beliefs about future risk-adjusted returns played a central role in the increased alternative asset class allocations at U.S. public pension plans (Begenau, Liang, and Siriwardane 2025).

These findings are further supported by an analysis of return assumptions in the private credit asset class, which, as of the writing of this paper, was experiencing meaningful stress. Despite a massive increase in capital flowing into private credit over the prior fifteen years, investment consultants have raised expected returns. Specifically, U.S. private credit assets under management more than doubled between 2019 and 2024, yet consultants' 20-year expected real return assumptions, on average, rose from 4.6% to 6.0% (Horizon Actuarial Services 2019–2025).

Basic supply-and-demand principles, supported by more than a century of capital-cycle history, suggest that expected returns should decline as capital floods a finite opportunity set. Instead, expectations moved in the opposite direction. This divergence is not easily explained by underlying economics. Taken together with evidence that private-market benchmarks were simultaneously weakened, the pattern becomes difficult to ignore: realized performance shows no reliable value added, measurement standards appear increasingly permissive, and return assumptions grow more optimistic as underlying conditions deteriorate.

Figure 10. Private debt AuM vs. 20-year expected real returns from investment consultants (2019–24).



Source: Horizon Actuarial Services; Preqin; FT; WSJ; CION Investments. Figure presented by the author at CFA Live 2025 (CFA Institute).

In combination, the existing evidence suggests that the modern investment consulting ecosystem has evolved into a self-reinforcing system that is likely adding complexity without reliably adding value. Moreover, it obscures that reality through flexible measurement frameworks and increasingly optimistic assumptions. History offers a clear explanation for why such a system

emerges. Institutions rarely dismantle practices voluntarily when they enhance perceived expertise, strengthen internal status, and delay accountability. Without independent evaluation or regulatory adaptation, the incentives of consultants and allocators compound over time, gradually shifting the profession from performance verification to performance narration. The result is not a single catastrophic failure, but a slow erosion of fiduciary discipline—one that becomes visible only in hindsight, when capital has already been misallocated and returns have already disappointed.

CONCLUSION

The sequence of economic and market disruptions following the COVID-19 pandemic revealed two structural vulnerabilities embedded in modern finance. First, dominant analytical frameworks remain optimized to explain normal conditions, even though extreme events have a disproportionately large impact on long-term economic and financial outcomes. Second, regulatory, governance, and oversight systems often fail to track how incentives evolve over long periods of time, allowing institutions and professions to drift away from their original purpose without corresponding adaptation or accountability. Together, these blind spots impair decision-making precisely when historical awareness is most valuable.

The three case studies examined in this paper illustrate how these vulnerabilities manifest in practice. In monetary policy, reliance on short-horizon data and equilibrium-based models contributed to the misclassification of post-pandemic inflation risks and to premature policy reversal. Both errors mirrored well-documented historical precedents. In capital markets, decades of capital accumulation in alternative asset classes followed a familiar late-cycle pattern in which excess supply compressed returns—directly conflicting with prevailing narratives of structural innovation. In investment consulting, gradual incentive shifts transformed a profession originally designed for performance evaluation into a promoter of portfolio complexity, while legacy oversight frameworks failed to adapt. In each of these cases, the relevant historical signals were observable in real time, yet insufficiently incorporated into decision-making.

These findings support the thesis that analytical frameworks that systematically exclude historical pattern recognition are not merely incomplete—they are structurally biased toward misinterpreting the environments that matter most. The issue is not that these models occasionally fail, but that they are least effective precisely when their guidance is most needed.

The use of financial history offers a complementary analytical framework that addresses these shortcomings. By granting serious consideration to qualitative lessons from financial history, it provides a framework for identifying risks that are systematically underrepresented in conventional models. This perspective prioritizes structural pattern recognition and directional insight in environments where statistical precision is inherently limited. The objective is not to replace quantitative methods, but rather to augment them when they are least reliable.

Integrating financial history into policy analysis, investment governance, and professional training does not eliminate uncertainty. But it does improve the odds of recognizing recurring dynamics, evaluating institutional credibility, and avoiding unnecessary repetition of errors. Without this integration, decision-making frameworks remain systematically exposed to the same predictable failures observed across past cycles. In this context, financial history is not supplementary—it is necessary for interpreting the rare but consequential events that shape long-term outcomes.

FIGURE 11: REAL-TIME IDENTIFICATION OF RISKS USING HISTORICAL ANALOGUES

This table documents cases in which historically grounded analysis identified material risks in real time, prior to their recognition by consensus models. Each entry represents a forward-looking application of the framework, rather than a retrospective reconstruction. The results demonstrate that financial history can provide actionable insight precisely in the environments where conventional approaches fail.

Case Study #1: Monetary Policy			
Publication Date	**Title**	**Type**	**Core Forward-Looking Insight**
August 18, 2021	**Investors Can Temper Their Inflation Fears:** *Post-COVID Inflation Is Unlikely to Resemble the Great Inflation of 1968 to 1982*	Article (SSRN)	Forecasts that post-COVID inflation would likely resemble the post-World War I inflation surge, requiring sustained monetary tightening rather than a transitory adjustment
June 23, 2022	**The Fed Isn't Bluffing: The Real Threat of an Upside-Down Depression**	CFA *Enterprising Investor*	Warns that Fed tightening would likely exceed consensus expectations and that a recession would be required to restore price stability, assuming policy remained restrictive.
May 10, 2023	**The Dangerous Midpoint of the Inflationary Pendulum:** *The Fed is Winning Its Battle with Inflation, but the Fight Must Continue*	Substack Blog	Argues that progress on inflation was incomplete and required continued restrictive policy to avoid reaccelerating.
October 31, 2023	**The Siren Song of a Soft Landing is Getting Louder:** *History Demonstrates That Tight Monetary Policy Cannot End Prematurely*	Substack Blog	Drawing on Austan Goolsbee's remarks, warns that pressure to ease policy risked repeating the policy errors of the 1960s and 1970s.
August 27, 2024	**The Fed Leadership Believes this Time is Different:** *Will monetary easing ensure a soft landing or merely reignite inflation?*	Substack Blog	Argues that expectations of a soft landing reflected overconfidence and that a policy pivot would risk reigniting inflation.
October 10, 2024	**The Fed's Pivot Violated the Rule that Matters Most:** *The Embers of Inflation Are Not Yet Extinguished*	Substack Blog	Argues that the Fed's rate cuts disregarded historical lessons and increased the risk of inflation reaccelerating.
December 20, 2024	**Inflation Persisted Because the Fed Relented:** *The FOMC Played with Fire and Now They Are Getting Burned*	Substack Blog	Attributes renewed inflation pressures to premature easing, characterizing the outcome as a predictable policy error.
October 14, 2025	**The Forsaken Playbooks of the Federal Reserve:** *Ignoring History Raised the Odds of a Great Inflation-Like Event*	Substack Blog	Documents that inflation remained above target following the pivot, consistent with historical patterns of premature easing.

Case Study #2: Alternative Asset Classes			
Publication Date	**Title**	**Type**	**Core Forward-Looking Insight**
Fall 2023	**A Whale of a Tale: The History of Venture Investing in the United States**	*Financial History* article	Uses the 19th-century whaling industry to illustrate how capital inflows drive late-cycle deterioration in returns.
October 24, 2024	**Alternative Asset Classes are Flooded: Private Credit is the Latest Tsunami**	Substack Blog	Argues that alternative asset classes, particularly private credit, were entering a flood phase characterized by excess capital and declining return potential.
October 24, 2024	**Wall Street's Latest Flood: Private Credit**	CFA *Enterprising Investor*	Identifies private credit as part of a recurring alternative asset cycle in which capital oversupply precedes deteriorating outcomes.
Spring 2025	**A 45-Year Flood: The History of Alternative Asset Classes**	*Financial History* article	Documents the multi-decade expansion of alternative assets and identifies conditions consistent with late-cycle saturation.
May 4, 2025	**Private Credit and Alternative Asset Class Cycles**	Speech at *CFA Live 2025*	Argues that private credit exhibits characteristics of a mature, late-stage cycle with elevated downside risk.
July 3, 2025	**Buyers Beware: 7 Red Flags That Signal a Private Market Reckoning**	CFA *Enterprising Investor*	Identifies observable indicators of over-investment and deteriorating underwriting conditions in private markets.
February 18, 2025	**Born to Run: Evergreen Private Markets Funds**	Substack Blog	Argues that semi-liquid private market structures are inherently vulnerable to run dynamics due to liquidity mismatches.
March 18, 2026	**The Music Has Stopped in Private Markets**	CFA *Enterprising Investor*	Argues that accumulated capital pressures had reached a tipping point, increasing the likelihood of coordinated redemptions across private markets.

Case Study #3: Investment Consulting			
Publication Date	**Title**	**Type**	**Core Forward-Looking Insight**
Winter 2024	**The Unexpected Legacy of a Prudent Man**	*Financial History* article	Explains how diversification pressure and institutional norms contributed to increased complexity without clear evidence of improved outcomes.
January 25, 2024	**The Unspoken Conflict of Interest at the Heart of Investment Consulting**	CFA *Enterprising Investor*	Identifies structural conflicts of interest that incentivize greater use of active management and alternative assets despite weak aggregate results.
May 4, 2025	**Private Credit and Alternative Asset Class Cycles**	Speech at *CFA Live 2025*	Links pro-cyclical capital market assumptions to overallocation in private credit.
January 7, 2026	**Incentives are Dangerously Aligned in Private Markets**	CFA *Enterprising Investor*	Introduces the "speculative supply chain" framework, identifying consultants and allocators as upstream drivers of capital misallocation.

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