1. True or false: one of the most lucrative investments of many Americans over the past century has been their own home. ──────

2. What's the difference between uncertainty and risk?

3. Suppose there are five different borrowers, each of whom has an estimated 10% chance of defaulting on their loan. The probability of *all five* borrowers defaulting, therefore, is an astonishingly low $.10^5 = .00001$.

   Or is it? What underlying assumption have we made in this analysis, which if it turns out *not* to hold, would dramatically increase the chances of *everybody* defaulting?

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4. What two emotional factors does Larry Summers think need to be balanced in order for the economy to stay stable? Which one, in his view, did people have way too much of, and which one did people have way too little of, in the lead-up to the financial crisis?

   too much ──────────────── and not enough ────────────────