

First, congratulations to all the graduates, and to your parents and families who are celebrating with you today and who will cheer you on to your next steps, which are coming fast.

In Hebrew and Yiddish the phrase for “congratulations” is *Mazel tov*, which literally means good luck. Congratulations for the good luck you have already had, which brings you to today’s commencement. And good luck for what commences now, what Stanford has helped prepare you for, which is the rest of your life.

You studied economics, and a lot of what you studied is about commodity markets, which work by finding prices at which supply equals demand. In a commodity market, you can have what you want, as long as you can afford it. Most of you will spend at least some of your time making enough money so that you can afford to buy the things you need and want. Commodity markets are often anonymous: when you buy 100 shares of Google, you don’t care who you are buying them from, and the seller doesn’t care who you are.

But many of the most important markets you will engage with aren’t commodity markets, and don’t work that way. In the most important markets, you can’t just choose what you want—even if you can afford it: *you also have to be chosen*. So let me take a few minutes of your time today to suggest that you think about that, and what it will mean to you that so many of the choices you have ahead of you are not simple choices about what to buy and what to sell.

Stanford didn't decide who should be part of your entering class by raising tuition until just enough of you remained, i.e. until the demand for spots in the class just equaled the supply. Stanford is expensive, but not so expensive that there weren't *lots* of applicants for the places that you have filled so well. You couldn't just choose Stanford, you had to be admitted. And Stanford couldn't just choose *you*; Stanford had to woo you so that you would come here instead of going to one of the other colleges and universities that admitted you.

The job market is like that too. You can buy Google stock if you can afford it, but you can't just tell Google that you're showing up for work: you have to be hired. And Google can't just hire you, even if you've applied to them for a job: they have to compete with Facebook and other companies, and with all the other opportunities that Stanford grads face. So the labor market is a bit like college admissions, and both of them are a little like the marriage market: you can't just choose your spouse, you also have to be chosen, and so there's courtship involved, and you care deeply who you're matched with.

You have already experienced a lot of matching. You played the college admissions game and won. You survived the Stanford housing process and got matched with housing and roommates, some of whom became friends. By now you've thought about jobs, or grad school, or forming a startup with your friends. Some of you already are married or know to whom you will be married, although I imagine that for most of you marriage is still something to think about in the future. (I recommend it, incidentally; marriage is a great institution.)

How should you prepare for a world full of matching, a world in which you will court and be courted? Every now and then you meet someone

who thinks of all that matching as just what you have to do to get on with the real business of life, which is enjoying all the wonderful commodity markets, and the exciting stuff they give us to play with. Many of you will make some of that stuff, and the world will be a better place because of it. Most of us enjoy a level of material comfort and prosperity today that was unimaginable even when I was your age.

But matching is more than what you have to do to get on with your life. The journey you are launched on will be defined by your travelling companions. You can't just choose, but you do get choices. Make them carefully, because the people in your life are going to be a lot more important than the stuff.

So, make friends and keep them. (Remember that you make friends by being a friend.) Continue to find teachers and mentors, and look for opportunities to teach and advise others. (For those of you who are going on to be teachers and scholars, remember that the bonds between students and teachers can be close, and lifelong, and that having accomplished students will be among your own most treasured accomplishments.)

Experiment.

Find things that you like to do, and people with whom you like doing them. Keep being a friend to the friends you already have, but find new ones. Keep in touch with the teachers with whom you became friends (we're always glad to hear from you), and find new teachers, who may not think of themselves as teachers. Be a teacher yourself, and work to help the people who come to depend on your advice. Being helpful to others is a good way to make and keep friends. (Some of you will

devote your lives to helping distant others: make sure to be a help to those close to you too.)

Let me tell you a little about my own journey here today. Like you, I'm a graduate of Stanford, I got my Ph.D. here in 1974, and I returned just this past September. I first came here in 1971. It felt hard to leave my home in New York City: all my friends were there: who knew if I could make such good friends in faraway California, among palm trees? But, although I hesitated, I also realized that if I let myself be trapped by my past at such a young age, I might be choosing a more circumscribed life than I wanted. So I came. I'm still in touch with friends I made in NY, some of them friends from Columbia where I was an undergraduate, people I met in my dorm, and doing sports. And I made many more good friends, here at Stanford, and later when I taught in Illinois where I met my wife, and later in Pittsburgh, where our children were born, and after that in Boston.

Among my good friends are some of my teachers and students. One of the attractions of returning to Stanford is that some of my colleagues and friends here were students of mine when we were at Harvard. And my Ph.D. advisor, Bob Wilson, is still here. It's fun to be the colleague of my teachers and students, and I continue to learn from all of them.

So...go out there and be world beaters. Launch yourself on exciting journeys. Take your friends with you, and make friends along the way. Make yourself the kind of person who others will want to choose as a friend, as a colleague, and as a partner. And choose your own friends and colleagues and partners well, and nurture them. Don't be limited by your past.

Speaking of journeys, don't forget to call home now and then. I actually used to write letters to my parents, back in the day, and later I would call them by phone. But technologies change, and now we email a lot with our older son and g-chat with our younger son. Whatever technology you use, your parents will appreciate it.

In closing, go out there and do good, and live well. Mazel tov, and good luck.