Judith Schulz

From Wall Street to Main Street

Tracing the Shadows of the Financial Crisis from 2007 to 2009 in US-American Fiction

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Contents

1 Introduction

> America feels broken. Over the last decade, a nation accustomed to greatness and progress has had to reconcile itself to an economy that seems to be lurching backward. From 1999 to 2010, median household income in real dollars fell by 7 percent. More Americans are downwardly mobile than at any time in recent memory. (Hayes 1)

The new millennium poses a series of substantial challenges to America as an economic world power. On September 11, 2001, the heart of the American economy and, concomitantly, the center of Western capitalism had been severely attacked. Moreover, America's aura of invincibility took a blow as the American self-image as a safe haven and a place of refuge was severely shattered. Almost exactly seven years later, on September 15, 2008, America had to face yet another major economic disruption: the collapse of the investment bank Lehman Brothers, which was arguably the most notorious 'event' related to the financial crisis of 2007-09. What began in the financial sector quickly reached the real economy. In a nutshell, the financial crisis led to an economic crisis which resulted in the so-called Great Recession. The financial crisis was officially declared over in early 2009.[1] While Wall Street has recovered, the American population is likely to be haunted by the long shadows of the financial crisis for the years to come.[2] For many Americans, the abstract economic concepts of 'crisis' and 'recession' materialized in very tangible effects. In the end, a large segment of the population was not only facing fiscal loss but also the loss of those elements that afford stability, such as one's house and one's job.

The process of trying to make sense of the financial crisis is still ongoing. What caused this financial thunderstorm? Has the economy truly recovered from this Great Recession, as recent rhetoric would like us to believe, or is an

1 The *Financial Crisis Inquiry Commission* report states that the financial crisis "first manifested itself in August 2007 and ended in early 2009" (417).

2 In this study, the term 'Wall Street' is meant in its generic form, i.e. the world of high finance and the financial institutions that are a part thereof. Consistently, the term 'Main Street' is applied in reference to American civil society.

J. Schulz, *From Wall Street to Main Street*,
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even bigger crisis yet to come?[3] In the face of this uncertainty, one thing is certain: the financial crisis created a great need for information. The Obama administration created the *Financial Crisis Inquiry Commission* (FCIC) in 2009 to provide answers to these and numerous related questions, and the sheer number of the report's almost 600 pages already attests to the complexity of the subject. This report is available on Amazon and can even be downloaded free of charge as a PDF document.[4] In other words, it seems that the information has indeed been made available to the public. Or has it? Although the information is there, and it is written in a comparatively accessible language, I would still argue that the need for a profound background knowledge and economic education to understand the context and – no less important – the endurance to attentively read the report in its entirety have kept the majority of the public from accessing the information given in the report. The financial industry is characterized by high 'barriers to entry,' especially due to its high complexity, mathematization, and technical jargon. Therefore, a mediator is necessary to get the information across to those who are affected by the financial crisis.

In a functioning democracy, it is inevitable that civil society is informed – and willing to inform itself. Despite the often-quoted impending change in power relations between the USA and Asia, the USA is arguably still the world's leading economic power. To understand the United States from within and from without one *has* to take the economic context into consideration. Given the significance of the economy, I see the need for literary scholars to gain a firm understanding of the broader dynamics and rules of the financial market so as to participate in the discussion about the financial crisis with confidence and expertise. This understanding should then find its way into the classroom, i.e. any student interested in American Studies should receive a sound education in economic concepts, relations, and consequences. In short, we need a mediator to translate the concepts of finance into a language that is accessible to those who are affected by it, and I believe that fiction can – and

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[3] One could argue with Joseph Schumpeter that processes of 'creative destruction' are essential elements of capitalism. Schumpeter, Joseph A. *Capitalism, Socialism, and Democracy*. 1942. 3rd ed. New York: Harper Perennial Modern Thought, 2008. Print.

[4] The FCIC report is openly accessible at http://fcic.law.stanford.edu/report. Web. 3 February 2016.

already does – function as such a mediator. This study is dedicated to analyzing this function.

The United States is currently undergoing a serious phase of crisis. The voices expressing the disappointment with the American Dream are growing louder; and the criticism is expressed throughout all segments of society. It comes then as no surprise that the members of the Occupy movement have largely expressed their disappointment with the broken promises of the American Dream. However, they are not alone. Economists like Joseph Stiglitz also share this concern.[5]

The financial crisis is only one element in a larger chain of events and has to be situated in the longer arc of history. I argue that the high level of social inequality is currently the most pressing issue in the United States, and this inequality has significantly increased as a consequence of the financial crisis. It is of utmost importance to note that its roots are to be found in the financial sector. In his landmark study *Capital in the Twenty-first Century* (2013), Thomas Piketty explores the roots of social inequality in present-day America by giving a comprehensive analysis of how wealth, income, and capital have developed and changed since the eighteenth century. Piketty emphasizes that it is a highly topical issue which calls for interdisciplinary work.

> The distribution of wealth is too important an issue to be left to economists, sociologists, historians, and philosophers. It is of interest to everyone, and that is a good thing. The concrete, physical reality of inequality is visible to the naked eye and naturally inspires sharp but contradictory political judgments. Peasant and noble, worker and factory owner, waiter and banker: each has his or her own unique vantage point and sees important aspects of how other people live and what relations of power and domination exist between social groups, and these observations shape each person's judgment of what is and is not just. […] Democracy will never be supplanted by a republic of experts – and that is a very good thing. (2)

[5] Stiglitz comments on the American Dream in an interview, which will be further discussed later this chapter. Jung, Alexander and Thomas Schulz. "Interview with Economist Joseph Stiglitz: 'The American Dream Has Become a Myth.'" 02 October 2012. Spiegel. Web. 03. February 2016.

The financial crisis has brought discussions about finance to the kitchen table and rightly so because it is extremely important that the discussion is not only led by economists and politicians. In fact, it should not even be left to academia. Everybody is affected by the financial sector in more or less obvious ways, and it is important that the civilian population understands what is going on. In a similar vein, Mark Hayward argues in his essay “The Economic Crisis and After: Recovery, Reconstruction and Cultural Studies” (2010) that “the ‘economy’ is better understood as a complex assemblage of institutions and practices that continually escapes claims that it is merely a space for the exchange and allocation of resources” (287). Hayward concludes that, consistently, “the recovery must also engage with a similarly complex collection of sites, practices and institutions” (287).

In the aftermath of the financial crisis, it is crystal clear that the forces of finance have gotten out of control and need to be regulated. Some regulatory measures have been introduced in response to the crisis, for example, the reform of international banking regulations (such as Basel III) and the Dodd-Frank Wall Street Reform and Consumer Protection Act. This Act was signed into law by President Barack Obama on July 21, 2010 with the objective to

> promote the financial stability of the United States by improving accountability and transparency in the financial system, to end ‘too big to fail,’ to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes. (1)

It comes as no surprise that these financial reforms were highly controversial, with some arguing that they are not enough and other claiming that they go too far. I am convinced that these reforms were only the first step in the right direction and that the debate has to continue. It is important that this debate is not dominated by one academic field (or one interest group) as its consequences will inevitably affect all segments of society. To enable a dialogue between these different groups, it is first of all necessary to enhance civil society’s knowledge about the financial system, i.e. to explain how the system works and in how far the economy has changed due to increasing financialization. It is, for example, vital to understand that financial instruments (for example derivatives) as such are not inherently 'bad;' they are only dangerous if they are applied incorrectly.

Moments of crises are always moments of opportunity. Thus, interdisciplinary scholarship should be seen as an advantage to shape not only the cultural landscape but also the socio-economic reality. Hayward correctly points to the relevance of cultural studies, which "has long been sensitive to the significance of moments of crisis (economic, moral, cultural) as moments when it is possible to trouble – and perhaps transform – existing systems and structures of inequality and oppression" (289).

Hence, the importance of cultural and literary scholars entering into this debate is clear. However, what contribution can fiction make? Money as a literary topic is anything but new. Whether the economic climate has been good or bad, there have always been novels about money (or the lack thereof) and how the desire for and pursuit of it impacts a character. Moreover, in times of crises people often seek to find answers (or escape reality) in a fictional universe. Perhaps more germane is how contemporary fictional literature is being shaped by the current economic climate. Moreover, we need to ask to what extent the financial crisis could be considered an *American* crisis and thereby, what role do concepts of the American Dream and home ownership, and specifically, American attitudes towards money and debt play. What is the added value if we take economic theories and context into account for the literary analysis of fictional texts and what other factors (for example corporate culture, risk behavior and masculinity) are important for an understanding? We need to look at how theories of neoliberalism and the discourse on capitalism as well as economic concepts, models and metaphors are represented in fiction and particularly at how these novels function and what they add. Can novels do something that theory cannot? And if so, how far are singular texts representative of a broader cultural trend and what insights can we gain from the particularity of a single novel? Are these novels saying something about the current state of capitalism? Can we speak about the 'end of capitalism' as, among many others, David Harvey does?[6] Finally, we need to assess whether literature is powerful enough to create a dialogue between civil society and the financial sector and if this dialogue can lead to change.

In recent years, there has been a growing interest in connecting economics and literary studies. The financial crisis has especially triggered a strong interest in economic topics and there is an increasing and considerable amount of publications and conferences that can attest to this. For instance, the 2014 Annual Meeting of the *American Comparative Literature Association* (ACLA) held at New York University (NYU) gathered 3,000 contributors from around the globe to discuss the topic of "Capitals" in literature.[7] A conference with a similar focus took place in Frankfurt, Germany, in March 2015 under the heading "Financial Times: Economic Temporalities in U.S. Culture."

Contrary to the common perception it is, however, "a mistake to say – as some critics in more 'serious' disciplines have accused – that cultural studies has failed to engage with the economy" (Hayward 5). In fact, scholars have been investigating the connections between the economic, political and cultural for some time. Hayward correctly points to the "pioneering work of Raymond Williams, Stuart Hall, James Carey and others, who challenged the inherited view of culture found in reductively 'economistic' versions of Marxist thought" (5). Another branch of research has dealt with "the economy as discourse, internal to the practices and processes of representation" (Hayward 5). Important contributions to this field have been made by David Ruccio, for example in his essay "Literary/Cultural 'Economies,' Economic Discourse, and the Question of Marxism" (1999). Moreover, the field of cultural studies has been based to a large degree on the influence of Michel Foucault and his extensive studies regarding cultural hegemony (cf. Hayward 288).

These are only the most important developments, yet the extensive line of research that has been undertaken demonstrates that there is a variety of ways to

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[6] David Harvey. *Seventeen Contradictions and the End of Capitalism*. London: Profile Books, 2014. Print.

[7] I have presented some aspects of this study in my talk "Exploring the Financial Crisis in Fiction," American Comparative Literature Association (ACLA). "Capitals" 20.-23. March 2014, New York University.

approach the field of money and finance from a literary and cultural studies perspective – one could employ Luhmann's systems theory, turn to Derrida's concepts of credit or refer to Bourdieu, who argues in the vein of Marx by noting that capital builds the basis of social life. A number of researchers have productively applied these theories to literary studies. For example, Nadja Gernaldzick, has contributed to the field by discussing how far Derrida's concepts of money and credit are insightful for postmodern American literary theory in *Kredit und Kultur* (Credit and Culture, 2000) and Eva Boesenberg offers a comprehensive study of *Money and Gender in the American Novel, 1850-2000* (2010). These are only two examples of how the topic of money can be approached from the perspective of literary studies. While all of these approaches are productive and useful, I am convinced that at this stage, it is necessary to include more 'hard' economic facts and, in particular, a solid understanding of macroeconomic factors, key concepts of monetary politics as well as the role of the *Federal Reserve Bank* (Fed) into the analysis of literature and culture. Therefore, the focus of this study is on explaining the economic context within which the novels unfold. To date, systematic approaches to the financial crisis from a literary perspective are rare and therefore, the focus of this study is to provide the economic background needed to understand the literary text and the context out of which they have arisen.

This study is indebted to the scholarship of diverse academic fields. Therefore, I hereby present a short overview of the most important works that inform this study. One of the most comprehensive analyses of the financial crisis is presented in the edited collection by Robert W. Kolb *Lessons from the Financial Crisis: Causes, Consequences, and Our Economic Future* (2010). The collection contains an impressive amount of information in 78 chapters, which (like the FCIC publication to which I referred at the opening of this chapter) hints at the complexity of the topic. The publication gives detailed and in-depth insights into the various aspects of the financial crisis, its causes and consequences, the role of the Fed and the international implications. It is, however, directly targeted at a readership with a solid background in economics and finance.

A more easily approachable text is Howard Davies' *The Financial Crisis: Who is to Blame* (2010) and *Freefall: America, Free Markets, and the Sinking of the World Economy* (2010) by Joseph E. Stiglitz's. In a similar vein, Benn Steil's *Lessons of the Financial Crisis* (2009) and Paul Krugman's *The Return of Depression Economics and the Crisis of 2008* (2009) are informative and targeted at a broader readership. These publications offer explanations, and the technical jargon is reduced to a comparatively low level. Also, the topic of the financial crisis has been subject to wide and extensive journalistic investigation; in fact, it is a topic of continuous interest in most major publications (for example Harvard Business Review, The Economist, Financial Times) and I include these findings where appropriate.

For the discussion of the implications of the increasing financialization of the economy (and hence the virtualization of money and markets), Mark C. Taylor's *Confidence Games: Money and Markets in a World without Redemption* (2004) provides thought-provoking insights. Taylor explains the analogies between money, art and religion and thereby helps to understand the economy from different perspectives. These findings are essential for my discussion of the most obvious analogy between literature and economics: postmodernism. Important publications that need to be mentioned in this context are *Postmodern Moments in Modern Economics* (2003) by David F. Ruccio, and Jack Amariglio as well as *Postmodernism, Economics and Knowledge* (2001) which brings together the essays of Arjo Klamer, Deirdre McCloskey, Julie Nelson et. al. on a diverse range of topics such as gender, postcolonial theory, rationality, and postmodernism. Jan D. Kucharzewski's *Propositions about Life: Reengaging Literature and Science* (2011) offers revealing perceptions on the hierarchical relation between science and art, which to a large degree holds true for the relation between economics and literary studies. Some recent publications focus on the fictional nature of the economy, such the edited collection by Dirk Hempel and Christine Künzel *Finanzen und Fiktionen* (Finance and Fictions, 2011) and Joseph Vogl's *Das Gespenst des Kapitals* (The Specter of Capital, 2010).

In a similar vein, Elena Esposito draws attention to the fact that changes in the financial sector lead to a general transformation of our experience of time, especially concerning risk, uncertainty and a highly accelerated timeframe in her influential study *The Future of Futures: The Time of Money in Financing and Society* (2011). Further approaches that deal with finance from a cultural perspective are Marieke de Goede's *Virtue, Fortune and Faith: A Genealogy of Finance* (2005) and Irene Finel-Honigman's *A Cultural History of Finance* (2010). Ulfried Reichardt explains in how far the cultural history of the United States is related to fictional representations of high finance in his essay "Wall Street and Representations of Masculinity in Contemporary American Film and Fiction" (forthcoming). A similar focus on representations of finance in fiction and film is given by Ralph Clare. His study *Fictions Inc.: The Corporation in Postmodern Fiction, Film and Popular Culture* (2014) presents a brilliant understanding of the impact of neoliberalism on fiction. His main focus is on the American (global) corporation, and he draws a line from the 1950s to the present. The way that this current economic situation (in particular the Great Recession and the financial crisis) has found its way into fiction is further discussed in the edited collection *The Great Recession in Fiction, Film, and Television* (2015) by Kirk Boyle and Daniel Mrozowski. In particular, the essay by Daniel Mattingly "'Crash Fiction:' American Literary Novels of the Global Financial Crisis" (2015) is instructive for my discussion of financial fiction.

One recurrent feature in recent financial fiction is nostalgia. Christian Kloeckner presents a detailed discussion of this literary phenomenon in his essay "Risk and Nostalgia: Fictions of the Financial Crisis" (2016). In each of the fields named above, solid scholarly work has been conducted, however, truly interdisciplinary approaches remain rare. This study is designed as a contribution to fill this gap in research.

The interdisciplinary scope of this study is mirrored in my methodological approach: in line with the argument of the *New Economic Criticism* that there is no hierarchy between economics and literature, I look at a number of different texts and sources and place these into a coherent framework. The *New Economic Criticism* is an interdisciplinary approach, which has been dealing with the mutual exchange processes between literature and economics since its foundation at a conference in 1994. This academic approach is located at the intersection of economics and literary studies. On the one hand, it illustrates that literary texts may be productively analyzed concerning their economic content, context and even form; on the other hand, it argues that the analysis of the underlying ideologies, as well as the use of narrative devices and tropes of economic theories, is useful. In other words, it regards economics as a discursive science, e.g. narrative techniques are often applied in economic texts, while literature is seen as a producer of alternative economic knowledge. The *New Economic Criticism* helps to enhance the dialogue between economic and literary and/or cultural sciences because it aims to create knowledge about "the existence and disclosure of parallels and analogies between linguistic and economic systems" (Woodmansee and Osteen 3). In this study, following the approach of the *New Economic Criticism* provides a more profound understanding of both the financial crisis and the cultural production that surfaced in the aftermath of the crisis. In concrete terms, I equally combine insights from the field of literary studies with research results from other fields such as economics (including the theoretical framework of neoliberalism), psychology and sociology. I do not presume the reader's familiarity with economic theory and the history of the financial system. Therefore, *Part One* of this study places a strong emphasis on economic theory and historical developments necessary to understand the current financial and economic system. The complexity of this study is part of the topic, for that reason, I carefully select which aspects are discussed in depth and, to keep the argumentation comprehensible, charts and calculations are avoided. This theoretical background provides the basis for the close reading in *Part Two*. This study can be situated in a liminal position as it aims at creating a dialogue and mediates between the different fields and approaches. Depicting the perspectives of both civil society and the financial sector is meant to create a mutual understanding and to enable a dialogue by giving the reader the tools and frameworks necessary to enter the debate.

In order to make relevant statements about the financial crisis, literary studies and economics need to meet on common ground. While fictional literature can complement – and enrich – the debate, it does not offer empirical validity or scientific evidence; neither is it intended to. An author may or may not have a solid background in finance or economics, but this is not the point. With regard to a multifaceted topic (such as the financial crisis), any work of fiction inevitably remains one piece of a puzzle which has to be set into context and connected with the expertise from other fields. This is the context into which this study is situated.

From the perspective of literary studies, taking up the challenge of fulfilling the function of a mediator comes with several difficulties. Most importantly, economists and literary scholars think differently. This is neither a question of intellectual capacity nor is it limited to a different use of terminology or language. It is simply a *different* way of thinking and a different concept of acquiring knowledge, or even a different concept of knowledge altogether. Economics and literary studies are traditionally considered to be two separate discourses, and the self-image of each of these disciplines goes in opposite directions. Certainly, both the concept of a positivist science based on facts (economics) and the idea of a 'higher' level of knowledge that is free from the constraints of the market (literary studies) are highly idealized notions. Economics is, in essence, a discursive science which frequently and extensively makes use of storytelling and literary scholars do not live in a bubble outside the neoliberal world either. For a thorough understanding of the contemporary cultural production in general and, more specifically, literature, it is necessary to look at the economic context out of which they arise. Taylor elaborates on this tension between literature and economics.

> The more I have learned, the clearer it is that contemporary culture can no more be understood apart from recent changes in money and markets than money and markets can be understood apart from the cultural history that has made them possible. (xvi)

In other words, although literature and economics inform one another, the interdisciplinary exchange between economics and literary studies still continues to be a challenging endeavor. To understand the heart of the problem, it is helpful to look at the example of business experts and economists. Even though these fields are closely related, there is an important difference in the way business experts and economists think. In his insightful study, *A Country is not a Company* (2011), Paul Krugman points out that someone who might have very successfully led a company is not necessarily a good advisor to the government. This argument is highly topical as "[i]n a society that respects business success, political leaders will inevitably – and rightly – seek the advice of business leaders on many issues, particularly those that involve money" (*Country* 48). In the words of Krugman,

> [w]hat people learn from running a business won't help them formulate economic policy. A country is not a big corporation. The habits of mind that make great business leaders are not, in general, those that make a great economic analyst. […] In fact, his or her advice is often disastrously misguided. (*Country* 1-2)

Economic concepts are often misunderstood. Krugman uses the example of 'import versus export,' a basic economic model which has been thoroughly analyzed and widely discussed, to illustrate his argument. The assumption that more exports will create more jobs frequently surfaces in public discussions. Krugman elaborates on this fundamental misconception,

> [w]hy don't economists subscribe to what sounds like common sense to business people? The idea that free trade means more global jobs seems obvious: More trade means more exports and therefore more export-related jobs. But there is a problem with that argument. Because one country's exports are another country's imports, every dollar of export sales is, as a matter of sheer mathematical necessity, matched by a dollar of spending shifted from one country's domestic goods to imports. (*Country* 6)

Free trade does not necessarily mean that spending will increase on a global level; and neither will global demand. What is commonly misunderstood in this context is the powerful role of the Fed. The number of existing jobs in a country is not a question of demand – this can be very easily influenced by the Fed, which

> can print as much money as it likes, and it has repeatedly demonstrated its ability to create an economic boom when it wants to. Why, then, doesn't the Fed try to keep the economy booming all the time? Because it believes, with good reason, that if it were to create too many jobs – the result would be unacceptable and accelerating inflation. (*Country* 7)

Hence, the limitation on the number of jobs is not the U.S. economy's ability or inability to create demand. Instead, the main restriction to employment in the United States is the "level of unemployment that the Fed thinks the economy needs in order to keep inflation under control" (*Country* 7). In short, increasing exports or reducing imports has no impact whatsoever on a country's labor market. The Fed has the ability to effectively control the labor market, and it does so in consideration of keeping the inflation rate at a tolerable level. By being able to set interest rates or simply 'print money,' the Fed has extremely powerful tools to control and directly influence the economic situation. However, these monetary policy measures are usually highly controversial and the subject of heated debate. Krugman addresses this conflict by asking why "the arguments that economists find compelling seem deeply implausible and even counterintuitive to businesspeople" (*Country* 19). Krugman further highlights that the

> general principles on which an economy must be run are different – not harder to understand, but different – from those that apply to a business. […] A business leader who wants to become an economic manager or expert must learn a new vocabulary and set of concepts, some of them unavoidable mathematical. (*Country* 30-31).

Although this study is *not* concerned with the differences between business administration and economics, I would like to still stress that these closely related fields are very different in their way of thinking. If a concept as basic as 'import versus export' is still widely misunderstood even by business experts, then how can we expect the broad population to comprehend the financial crisis? This is a phenomenon which by far exceeds basic economic models in terms of complexity. Moreover, the terms that dominate the debate seem almost impossible to understand: ‘collateralized debt obligations,’ ‘credit default swaps,’ ‘leveraging,’ ‘deleveraging,’ and the list goes on. Across the board, reflections on the financial crisis (be it in the form of textbooks, academic articles or public debates) are often both inaccessible and unappealing to anyone who does not have an education in economics.

To make matters worse, the financial sector can best be described with two terms: complexity and non-transparency. I argue that these are not, as often claimed, necessary and unavoidable byproducts of technical progress, innovations and globalization. While these forces certainly add to it, the system *wants* to be complex and non-transparent. The financial sector is characterized by its own language. This as such is not unique; any professional field employs a specific use of terms and technical jargon. However, what is unique is the fact that language fulfills a different function in the financial sector. This holds particularly true in the case of structured finance and the bond market and is thus at the heart of the financial crisis. As a former employee of the Wall Street investment bank Salomon Brothers, Michael Lewis provides an insider’s perspective in his novel *The Big Short: Inside the Doomsday Machine* (2010). Lewis draws attention to the fact that

> language served a different purpose inside the bond market than it did in the outside world. Bond market terminology was designed less to convey meaning than to bewilder outsiders. […] The subprime mortgage market had a special talent for obscuring what needed to be clarified. […] As a rule, any loan that had been turned into an acronym or abbreviation could more clearly be called a ‘subprime loan,’ but the bond market didn’t want to be clear. (126-127)

Here, language is not used to explain and clarify but, on the contrary, to disguise the true nature of concepts such as derivatives. The key players of the financial industry deliberately and actively create complexity with one short-sighted objective: to increase profits. To put it concisely, there is a conflict of interest because while there is an increased need for information and transparency on the side of civil society, the financial sector intentionally disguises this information.

Nonetheless, it is highly important for all members of civil society to have at least a basic understanding of the economy. The financial sector has a strong influence on civil society, and the two cannot be separated from one another. The neoliberal logic is not restricted to the economic realm as Randy Martin productively argues in his seminal study *The Financialization of Daily Life* (2002). Scholars such as Ralph Clare and Julia Leyda have included this concept in their analyses and are also considered in this study. Leyda argues that the *real estate bubble* was "produced out of the increasing financialization of daily life in neoliberal American society" (*Financialization* 8). The changes in the economy impact all avenues of life. Not only in obvious ways (such as one's income) but also in rather subtle ways – the logic of capitalism has entered the home. In fact, our homes are inextricably linked to finance. Real estate is at the heart of the financial crisis, and it is also the easiest way to understand how the financial system, cultural issues, and individual behavior are inextricably interlocked. Leyda uses the term "financialization of the home" to describe in how far "relationships and identities associated with private, domestic space are increasingly permeated by financial discourses, transactions, and ontologies" (*Financialization* 3).

While questions related to the financial crisis continue to dominate the public discussion, the 'story' of the financial crisis is simultaneously unfolding on the pages of fiction and on screen. This is certainly a novelty and a unique characteristic of the fast-paced information age. We are globally connected, things happen instantaneously, and this is by no means limited to high-speed trading in nanoseconds, but has entered our everyday lives. The developments which originate within the financial sector (such as instantaneity, interconnectivity, and the highly accelerated timeframe) have spread over to the private sphere. The language of finance has entered even the most private conversations; relationships are considered in terms of their value; the ever shorter timeframe creates the desire to make use of every second; and even primary school students experience competitiveness and the pressure to perform. However, what are the broader cultural implications of these developments?

In line with the interdisciplinary scope of this study, it is divided into the following two parts "Part One: Theorizing the Financial Crisis" (chapter two) and "Part Two: Fictionalizing the Financial Crisis" (chapter three). As the focus of this study is clearly on the analysis of the fictional texts, chapter two is intended to give the theoretical background that is necessary to fully grasp the fictional texts, which are analyzed in chapter three.

Chapter two commences with a discussion of "Capitalism & Control." It gives an overview of the financial crisis and the Great Recession and, more generally, discusses the neoliberal conflict between freedom and authority. If neoliberalism can be broadly defined as everything that is free (especially 'the markets'), then what are the consequences of the increasing need for government intervention (in particular due to 9/11 and the financial crisis)? Moreover, the emphasis on freedom that characterizes neoliberalism illustrates how closely culture and economics are related. The reasons for the financial crisis cannot be explained holistically on a mathematical level, nor is it possible to 'calculate' a solution. Hence, a merely economic approach is insufficient to analyze the crisis. The dominant neoclassical theory did not predict the crisis, yet it continues to inform the current debate. Moreover, the discussion on the financial crisis is full of contradictory views. One important example is the wide variety of different narratives to analyze what – and especially who – is to blame for the financial crisis. Chapter two, therefore, discusses the relevance of narratives in an economic context. After two years of investigating the causes of the crisis, the FCIC commission concluded that the 2008 recession "was the result of human action and inaction, not of Mother Nature or computer models gone haywire" (FCIC xvii) and thus avoidable. However, this document was primarily a political and economic report, and it neglected the cultural implications that were involved in bringing on the crisis.

To include the cultural dimension missing in the report, the focus of chapter two then shifts to "Culture & Consumption." The underlying hypothesis is that the financial crisis is not only an economic phenomenon but one that is "structural and multidimensional" (Castells *Network* 1). Manuel Castells explains that it is the "direct consequence of the specific dynamics of the global informational economy" (*Network* 5). Therefore, a comprehensive analysis of the financial crisis needs to consider the specifically American mindset. It was arguably a certain set of attitudes (especially towards risk and debt) that fostered the development of the crisis. Solid research has been conducted concerning the historical development of a particularly American attitude towards debt. The most relevant publications are Maurizio Lazzarato's *The Making of the Indebted Man* (2011), Louis R. Hyman's *Borrow: The American Way of Debt* (2012) as well as David Graeber's *Debt: The First 5,000 Years* (2011). The issue of debt is particularly important for an understanding of the financial crisis, and it has to be considered in a historical context, for example by looking at the influences of the Puritan aversion towards debt. How was it possible to change the connotation of debt from 'sinful behavior' to one that is widely culturally accepted and what was the role of the American Dream in this endeavor?

In the aftermath of the crisis, novelists have incorporated both the Great Recession and the financial crisis as narrative themes that critically reflect the cultural roots that allowed the crisis to materialize, which will be analyzed in chapter 2.3 "Crisis and Complexity." The novels under discussion in chapter 2.3 offer an alternative approach to understanding the nature of the financial crisis. In addition to offering a different perspective, what is the advantage of fiction? Most importantly, it "imposes narrative form on a reality that, equally intrinsically, lacks it" (Harrison 23), and we particularly need these narratives to understand the financial crisis. Converting the financial crisis into a work of fiction boils down to one major challenge: how can you translate a highly complex and 'dry' topic into a compelling, riveting narrative? As Oliver Stone, the director of the widely acclaimed movie *Wall Street* (1987) notes in an interview, "[i]t's very hard to do a financial movie, to make stocks and bonds sexy and interesting" (qtd. in Demis, n. pag.). More recently he added, "I don't know how you show a credit default swap on screen" (qtd. in Nocera, n. pag.). Nonetheless, Stone's *Wall Street* with the shimmering character Gordon Gekko is a brilliant example of a movie that touches upon a variety of subjects while