What's the Risk? The Black Swan vs. The Bell Curve

If you recall, I wrote a blog not too long ago on the Black Swan, with emphasis on its take of an Extremistan world, where living in a scalable world makes you subject to extreme events. With the recent movie *Wall Street: Money Never Sleeps*, I've been thinking a lot about this theory, and about what caused the stock market crash. Was it really because of the greedy types on Wall Street?

A big portion of the Black Swan is on how the Gaussian bell curve can measure risk in a world not subject to extreme fluctuations, but it doesn't come close to measuring the risk that is associated with things that can range more than 3 standard deviations from the mean.