
Theory and Applications: Humanomics as a Challenge and Extension to Existing Economics

MICHAEL D. THOMAS

Creighton University

Keywords: Humanomics, moral sentiments, behavioral economics, meaning-making, Adam Smith, Vernon L. Smith, interdisciplinary methodology, moral ecology

In 2019, Vernon L. Smith and Bart J. Wilson wrote *Humanomics: Moral Sentiments and the Wealth of Nations for the Twenty-First Century*. Their book confirms, through their partnership over the years in the experimental economics laboratory, that human conduct is more expansive than individual responses to changes in their payoffs. To move beyond the received view of the individual as a maximizing self-interest chooser who is isolated within a set of payouts was to challenge the emerging field of behavioral economics. Vernon Smith's Nobel prize in 2003 was shared with Daniel Kahneman, whose work in the lab with Amos Tversky revolutionized psychology by creating the field of behavioral psychology (Tversky and Kahneman 1974). Richard Thaler later incorporated this influence into economics, revealing systematic problems with how economics modeled choosers as rational actors. Thaler (1980) argued a rational choice theory was a poor predictor of what people did in the lab. In Thaler (1987), a recurring series on "anomalies" was introduced, where Thaler showed how individuals in the laboratory would act differently than the rational choice model would predict.

Smith and Wilson (2019) challenge this behavioral approach in their book to try to understand what rationality is hidden in the choices people make that appear irrational at first. Rather than focusing on the difference between prediction and observation as irrationality, they chose to look at this difference as a source of complexity that can expand our description of what the chooser is experiencing. When someone in a laboratory setting is willing to take lower payouts so that they can punish anonymous strangers, this is what Smith and Wilson (2019, p. 21 f5) call "sentiments," a term they associate with Adam Smith (1982/1759). Recalling Adam Smith's much thicker description of human choosing requires a challenge to the rational choice model as well as the presentation of deviations from expectation as irrational. In this stylized way, irrationality cannot be inferred as a market failure. Moral sentiments provide the researcher with a description of human beings who are working to make meaning outside of a narrow calculation of cost and benefit.

While behavioral incentives are important for understanding marginal choices, and incentives do show ample predictive power, they are not the sole determinant of individual choice. In pattern predictions of behavior, these other considerations, these moral sentiments, can be quite important for moving beyond static models of human choice. Behavioral economics provides static models of choice. The great contribution of humanomics is in providing a dynamic account of choice. A humanomics approach focuses attention on meaning that is not reducible to changes in incentives within an experiment. The implications of these two approaches differ substantially. Behavioral economists will see irrationality as a

reason to change the incentive structures of choice. This can mean taxing, nudging, or prohibiting in order to optimize outcomes. The static model risks missing the meaning-making of the choosers. Instead, the Humanomics approach looks to better understand what motivates the chooser so that a better, dynamic picture of choice is understood. In the longer term, understanding what motivates moral sentiments is a more important question for describing human conduct from a social science perspective.

PAPERS IN THIS ISSUE

The papers in this issue help a reader to apply the lessons of humanomics to a wide range of topics. There are theoretical and applied issues in understanding how the researcher can build a better representation of human choice in line with humanomics' investigation of dynamic choice. The core motivating question for discussion in this issue is whether humanomics is a complement to existing ways of thinking about economics or if it is a substitute. This latter conclusion requires a challenge to the underlying methodology of economics that requires researchers to abandon rational choice theory, at least as it is practiced within the mainstream of the economics discipline.

A distinction between complements and substitutes clarifies how an author applies humanomics to their research. If humanomics challenges the underlying anthropological assumptions of the mainstream of economics: atomistic individual vs. contextualized chooser, how amenable is economics to incorporating this complexity? What have existing fields like institutional economics, economics of religion, philosophy of economics, done to incorporate complexity in their existing literatures, and how can those applying humanomic models build on these theories? In what ways can humanomics be used to clarify existing debates in economics and provide complementary justifications for the intuitions expressed there? Those who see the inclusion of Adam Smith's sentiments as a departure from the way economics has been done recently, emphasize substitution. Those who recognize a need to return to what has been called the "mainline" of economics (Boettke 2019), reinforce the complementary emphasis on Adam Smith that Smith and Wilson are doing in their book to emphasize an essential continuity in economics back to its foundation.

The volume has been arranged to help the reader compare the authors' contributions and evaluate claims of complementarity and substitution. First this is done by drawing on theoretical complementarities. Second, the radical departure from how economics has been done is emphasized in the substitute theoretical approaches section. Third, complementary applications draw the reader's attention to humanomics as a new tool in the economist's toolkit. Fourth, Applied Case Studies, shows how humanomics gives a greater range to analysis. Lastly, Applied Moral Sentiments looks at various groups that can be explained through shared meaning making in the context of humanomics. Before the contributions from the other authors, though, we have a new contribution from Bart J. Wilson (2026), *Constrained Optimization or Observation? On What Economists Take as Primary*, which provides an intellectual overview of the themes in this issue.

THEORETICAL COMPLEMENTARITIES

The issue opens with a discussion of how the humanomics approach provides a theoretical complement to existing economics. Daniel J. D'Amico (2026) makes the case that self-interest and sympathy go together to describe human behavior. D'Amico reads humanomics as requiring a balance between self-interest (the behavioral approach) and sympathy (humanomics approach). D'Amico stresses that defending self-interest was difficult in the 18th century when moral sentiments were the dominant approach. This new and threatening concept introduced by people like Bernard Mandeville and later Adam Smith challenged the centrality of morality to public discourse. D'Amico stresses complementarity by arguing that a balance between these two approaches is important. Remembering the balance reminds the reader that the descriptive power of the behavioral approach does provide a check on normative political economy. It

is important to remember that behavioral economists who infer normative implications, specifically the irrationality of actors, and seek interventions that manipulate choice through incentives. Treating this normative position as science can obscure the normative element. A balance between self-interest and sympathy integrates Adam Smith's anthropology into a more complete understanding of human behavior.

Ryan Yonk and Peter C. Earle (2026) emphasize how the humanomics approach leaves a place for narrative, local knowledge, and individual purpose, elements shared with Austrian Economic thinkers. Both Austrians and humanomics focus on a non-reductivist description of choice. Rather than adding variables to explain away error, both of these approaches attempt to understand context. Yonk and Earle describe a phenomenological approach to modeling that avoids treating context as baggage (2026, p. 23). This move acts as a limit on abstraction, without completely abandoning the descriptive usefulness of pattern predictions. Yonk and Earle help to bridge humanomics with the Austrian approach and connect moral sentiments to an established tradition of analysis.

Joshua Ammons (2026) also establishes Smith and Wilson's approach by showing consistency in Vernon Smith's research over his career. Vernon Smith's approach has always taken interdisciplinary work to show how central moral ecology is to the function of markets. One way that this stands out in Smith's career is the use of the word, "conduct" as distinct from how "behavioral" is used in economics. Vernon Smith (2015) and Smith and Wilson (2017) build on Smith's *Theory of Moral Sentiments* to explain a contextualized chooser making choices that introduce meaning-making to their decision-making. Ammons helps the reader see that Vernon Smith's commitment to interdisciplinary work allowed him to dig deeper into understanding those choices that did not fit the experiment design's expectations. Rather than call these irrational, Smith had an established pattern of looking more deeply into the phenomena for other explanations.

THEORETICAL SUBSTITUTES

Adam Martin (2026) and Jordon Lofthouse (2026), in their contributions to this issue, treat Smith and Wilson as challenging economics both as a policy tool and as it is taught in universities. In this approach, humanomics gives enough reason to question the behavioral interpretation that the implications for designing policy responses are muted. By emphasizing humanomics as a substitute for static modeling, these authors emphasize the novelty of incorporating sentiments into current economic practice. Since this represents a radical departure from our assumptions of economic decision-making as self-interested and rational, a deeper consideration of anthropology in economics is needed.

Adam Martin considers when it is appropriate for economists to view humans as non-tuistic, acting only in light of their own incentives, and when tuism, or other regarding, is a better model for social coordination. For example, property rights are formed in a tuist, other-regarding way, but then operating within these property rights frees the individual to cooperate with anonymous people in an impersonal market setting. Martin recognizes the cognitive load that tuism imposes on routine action, but suggests that our judgment never completely disappears from consideration of the rules of the game. This helps to identify a realm of behavior (response to incentives) and conduct (employing moral sentiments).

Lofthouse, builds on Bryan Caplan's (2001) "rational irrationality" to show that far from a flaw in governance, irrationality is to be expected. Lofthouse extends Caplan's argument to explain that when people form norms of behavior through human sentiments, feedback is vital. Caplan's critique of expressive voting, where people hold expressive views when these are not costly to maintain, explains how insulated political opinion can become feedback. He offers a theory of moralized irrationality that is socially embedded and exacerbates bias. Institutions must be designed to minimize spillover effects and incentivize reflective and rational approaches when decisions are made aggregately. Lofthouse asks if expert policymakers are more or less susceptible to irrational beliefs. This question extends Caplan's analysis as a critique of voting as well as demonstrates how moral sentiments are not just irrational, but within context can be a perverse form of meaning-making.

APPLICATIONS: COMPLEMENT TO EXISTING QUESTIONS

Applications of humanomics can broaden the scope of economic analysis in fruitful ways. The logic of moral sentiments can take sticky questions where economics has failed to make inroads and reframe them in ways where economic intuition can interact with various other disciplines in a cohesive approach. By adding humanomics to the toolbox, researchers show the economist ways that Smith and Wilson's research can enhance an economist's understanding of meaningful work, advances in neuroeconomics, and the implications of experimental economics for interpreting envy.

Vlad Tarko's (2026) paper points to a simple but difficult problem. Supply and demand fail to exhaust a description of the way labor markets work. People choose their work for reasons other than wages. A naive model would suggest that people maximize wages subject to their constraints, but that does very little to describe the human beings Tarko meets in life. Meaning-making is not well-modeled as an exogenous variable affecting individual choice. Tarko builds out a shared moral ecology of work to explain how people choose careers with higher social meaning like teaching, art, activism, or caring for others. Tarko compares how a self-referential standard, authenticity, and an external standard, usefulness to others, explain both an individual's choices and their mistakes. This approach gives the reader a theory of meaning and happiness in work that adds to our understanding of choice.

Roy, Deldoost, and Yonk (2026) point out that a humanomics approach avoids a type of biological determinism common to interpretations of neuroscience. The addition of Smith and Wilson to existing literature emphasizes how trust, cooperation, and interdisciplinary work all extend insights from neuroeconomics to a broader picture of political economy. Wirt (2026) adds a deeper phenomenological discussion of envy to deepen Smith and Wilson's use of envy in a classical sense—experienced by someone who feels inferior to another—by distinguishing it from a potential confusion with pity. Wirt emphasizes how important moral ecology is for applying humanomics as a descriptive model of behavior.

APPLICATIONS TO CASES

Case studies demonstrate the unexpected challenges and opportunities of humanomics as a methodology. In this section, two examples: urban planning and entrepreneurial behavior in ska music, show how meaning-making challenges narrower assumptions of choice. The authors look at how that context shapes choice by taking moral sentiments to these specific contexts. Vincent Carret (2026) shows how humanomics overlaps with narratives about identity, place, and belonging to give a sense of moral ecology. Planning, especially the type that abstracts from these concerns, will risk interacting with communities in unpredictable and sometimes debilitating ways. Nicholas A. Snow (2026) explores how 2 Tone/Ska music resisted destructive moral and cultural innovation to create a message of inclusive identity across racial and class lines. In Snow's case, moral sentiments were part of meaning-making that sustained a community of musicians against opportunism from subgroups. A focus on narrow economic incentives would add little to our understanding, but humanomics can focus the researcher on choice and feedback in a more complex description of events.

HUMANOMICS AND APPLIED MORAL SENTIMENTS

Humanomics explains the importance of community and meaning-making to the individuals who make up the group. Meaning emerges when communities discover, perpetuate, and revise their shared metaphysical commitments. To take groups as combinations of individuals who work out reciprocal relationships with one another, substantiates where this meaning comes from, which then becomes shared. Anthony Gill's (2026) paper emphasizes the need for cooperation, trust, and legitimacy to arise organically in groups that are seeking meaning together. Gill points to areas of meaning-making that cannot

be enforced systematically and how religion is a useful framework for understanding injunctions against free-riding.

Paul Mueller's (2026) paper outlines how moral ecologies demand coherence. This is not just to avoid hypocrisy, but also to reinforce lived adherence to the embodied practice of trust, legitimacy, and reciprocity. Mueller compares technical economics to philosophical economics and explains how groups form meaning and supply coherence between these two, which would be lacking without the group. Economics, as a disciplinary group, must have a philosophical side to underwrite its technical applications for them to be more than detached observations. To apply economic principles demands a group that seeks professional coherence.

The last paper, by Stephen Miller (2026), asserts that humanomics allows practicing Catholics to make sense of Catholic Social Teaching. The Catholic Church's teaching on secular concerns expands the discussion of moral principles to political economy. This integration allows a more complete understanding of the human person. Miller argues that one should carefully consider the implications of solidarity and subsidiarity in an institutional context, and to integrate self-interest and moral sentiments to avoid caricatures of each. Miller sees humanomics as a way to understand better the integration of economics, human dignity, and the common good. In this example, humanomics explains why a church might promulgate commentary on social topics to evaluate the achievement of shared goals and reconcile secular outcomes with transcendent commitments.

This issue is full of thoughtful observations, careful discussions of Smith and Wilson's contributions to a foundation for Humanomics, and innovative use of the ideas to explore theory and application. The reader should be excited to review both Vernon Smith and Bart Wilson's other works in this area, as well as to look for our authors' continued contributions in this relatively new area of emphasis within economics. The response by Bart Wilson to this issue and a conference on the contributions is included as well. Thank you to Cosmos + Taxis for making this special issue possible, and thank you to Colin O'Reilly at the Menard Family Center for Economic Inquiry and Creighton University for hosting a symposium in the summer of 2025 to get comments on the papers and discuss many other issues besides.

REFERENCES

- Ammons, Joshua D. 2026. Abstracting Less, Understanding More: Two Smiths, One Interpretive Turn. *Cosmos + Taxis* 14:5+6:32-43.
- Boettke, Peter J. 2019. Economic Policy of a Free Society. *The Review of Austrian Economics* 32(2):107-117.
- Caplan, Bryan. 2001. Rational Ignorance versus Rational Irrationality. *Kyklos* 54(1):3-26.
- _____. 2007. *The Myth of the Rational Voter: Why Democracies Choose Bad Policies*. Princeton: Princeton University Press.
- Carret, Vincent. 2026. The Road to Humanomics. *Cosmos + Taxis* 14:5+6:98-107.
- D'Amico, Daniel J. 2026. Self-interest is more important than sympathy, a friendly reminder. *Cosmos + Taxis* 14:5+6:12-22.
- Gill, Anthony. 2026. Humanomics, Governance, and Religion: Exploring an Institutional Basis for the Moral Sentiments. *Cosmos + Taxis* 14:5+6:121-130.
- Lofthouse, Jordan K. 2026. Humanomics and Rational Irrationality: Why Moral Sentiments May Make Voting Biases Worse. *Cosmos + Taxis* 14:5+6:53-62.
- Martin, Adam. 2026. Talking Tuism and Ruminating on Rules. *Cosmos + Taxis* 14:5+6:44-52.
- Miller, Stephen C. 2026. Catholic Social Teaching and Comparative Economic Systems: On Free Enterprise and the Common Good. *Cosmos + Taxis* 14:5+6:141-149.
- Mueller, Paul D. 2026. Philosophical Versus Technical Economics. *Cosmos + Taxis* 14:5+6:131-140.
- Roy, Ravi, Mostafa Deldoost, and Ryan M. Yonk. 2026. The confluence of humanomics and neuroeconomics on economic cooperation. *Cosmos + Taxis* 14:5+6:75-85.
- Smith, Adam. 1776/1981. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Indianapolis: Liberty Fund.
- _____. 1759/1982. *The Theory of Moral Sentiments*. Indianapolis: Liberty Fund.
- Smith, V. L. 2015a. Conduct, rules and the origins of institutions. *Journal of Institutional Economics* 11(3):481-483.
- Smith, Vernon L. and Bart J. Wilson 2017. Sentiments, conduct, and trust in the laboratory. *Social Philosophy and Policy* 34(1):25-55.

- _____. 2019. *Humanomics: Moral Sentiments and the Wealth of Nations for the Twenty-First Century*. Cambridge: Cambridge University Press.
- Snow, Nicholas A. 2026. A Message to You, Homo-Economicus: 2 Tone and Humanomics. *Cosmos + Taxis* 14:5+6:108-120.
- Tarko, Vlad. 2026. The Future of Meaningful Work. *Cosmos + Taxis* 14:5+6:63-74.
- Thaler, Richard H. 1980. Toward a Positive Theory of Consumer Choice. *Journal of Economic Behavior and Organization* 1(1):39-60.
- _____. 1987. Anomalies: The January Effect. *Journal of Economic Perspectives* 1(1):197-201.
- Tversky, Amos, and Daniel Kahneman. 1974. Judgment under Uncertainty: Heuristics and Biases. *Science* 185 (4157):1124-1131.
- Wilson, Bart J. 2024. *Meaningful Economics: Making the Science of Prosperity More Human*. Oxford: Oxford University Press.
- _____. 2026. Constrained Optimization or Observation? On What Economists Take as Primary. *Cosmos + Taxis* 14:5+6:7-11.
- Wirt, Aaron. 2026. Humanomics, Envy, and Social Behavior. *Cosmos + Taxis* 14:5+6:86-97.
- Yonk, Ryan M., and Peter C. Earle. 2026. Austrian Roots? Humanomics as Principle of Action. *Cosmos + Taxis* 14:5+6:23-31.