



SOCIONOMICS  
INSTITUTE

## FIVE TENETS OF SOCIONOMICS

- 1 Social mood motivates social actions, not the other way around.
- 2 Social mood is endogenously regulated, not prompted by outside forces.
- 3 Social mood is constantly fluctuating according to a hierarchical, robust fractal called the Wave Principle. Robust fractals are patterned but quantitatively variable.
- 4 Social mood is unconscious and unremembered.
- 5 Waves of social mood arise when humans interact socially. The process appears to be related to the herding impulse.

[www.socionomics.net](http://www.socionomics.net)

## APPLYING SOCIONOMICS

### **Socionomics Anticipates the Character of Social Events**

It is not a crystal ball for forecasting specific social or individual actions.

### **Some Actions Lag Social Mood More than Others**

Some social actions—such as buying and selling stocks—express social mood almost instantaneously. Others—such as economic and political actions—lag substantially due to the varying times it takes for people to implement decisions made under the influence of social mood. Leading actions forecast lagging actions.

### **There Is Always a Mix of Actions**

There is always a mix of positive and negative actions in society, but their quantity and intensity vary with social mood.

### **Extreme Expressions of Social Mood Tend to Occur Near the End of a Positive or Negative Trend**

The breadth and intensity of expressive social actions correspond to the degree of the largest wave that is ending.

### **Conventional Statements of Social Causality Are Backwards**

For example, leaders and pop stars do not influence social mood; waves of social mood influence which leaders and pop stars society chooses and how their performance is perceived.

### **Individuals Can Learn to Act Contrarily to Impulses Arising from Social Mood**

Large groups cannot act independently of social-mood impulses, but individuals can learn to act contrarily to impulses arising from social mood.

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#### **BOOKS**

Prechter, R.: *The Wave Principle of Human Social Behavior* (1999); *Pioneering Studies in Socionomics* (2003); *The Socionomic Theory of Finance* (2016).

Books are available at [Socionomics.net](http://Socionomics.net)

#### **PAPERS**

Prechter, R.; Parker, W. 2007. "The Financial/Economic Dichotomy in Social Behavioral Dynamics: The Socionomic Perspective." *Journal of Behavioral Finance*.

Prechter, R.; Goel, D.; Parker, W.; and Lampert, M. 2012. "Social Mood, Stock Market Performance and U.S. Presidential Elections." *Sage Open*.

Prechter, R. 2001. "Unconscious Herding Behavior as the Psychological Basis of Financial Market Trends and Patterns." *Journal of Psychology and Financial Markets*.

Prechter, R.; Parker, W. 2007. "Herding: An Interdisciplinary Integrative Review from a Socionomic Perspective." *International Conference on Cognitive Economics*.

Papers are available at [SSRN.com](http://SSRN.com)