

Read [this Yahoo News article](#) stating the shocking “fact” that \$60 trillion dollars of damage will be caused if the Arctic ice melts and releases methane then [read the “technical” documentation](#) published today in Nature that explains where this huge number came from.

For those who are real nerds, then go on and read the [real technical documentation](#) for this high profile Nature article. Please note that a “black box” economic model spits out an enormous damage cost estimate. The authors provide no intuition about how their model works or what are its key parameters. Microeconomists wouldn’t do this. We are always crystal clear about how our models operate and what assumptions we are making about behavior. I realize that big cost numbers are useful for winning the policy debate but Nature is a science magazine. Type the lead author’s [name into Google Scholar and](#) you will see that she doesn’t work on this issue. Strange?

UPDATE: To appreciate what are the key issues in creating “macro economic models of the consequences of climate change” read this [important survey paper](#) by Robert Pindyck of MIT.

