At the end of the 5th century BC, a prosperous imperial democracy embarked on a long and demanding war. The conflict severely strained Athens’ resources, compromised her commitment to democracy, and plunged the city into civil war. Within a few years, Athens was again a prosperous democracy. How did the polis manage to rebound so decisively? This article explores the dynamics of institutional change in ancient Athens by analyzing how beliefs affected institutional change, and how institutional change shaped long-term political and economic outcomes. I argue that, during the late 5th century crisis, the Athenians articulated the notion of patrios politeia (i.e., the constitution of the fathers), as a commitment to the laws of the polis. After the civil war, the commitment to law was weaved into the structure of a new, self-enforcing constitution. The constitution fostered political stability and economic recovery by enabling investments in institution building and infrastructure.