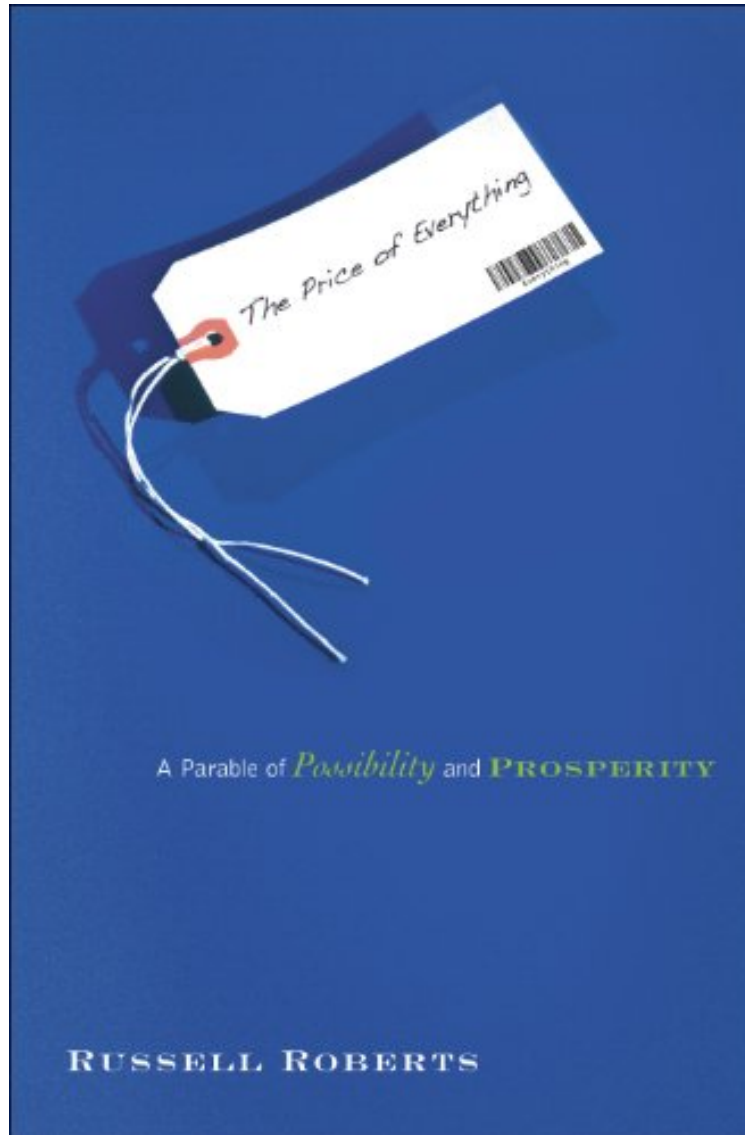


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The Price of Everything: A Parable of Possibility and Prosperity

Russell Roberts

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Russell Roberts : The Price of Everything: A Parable of Possibility and Prosperity before purchasing it in order to gauge whether or not it would be worth my time, and all praised The Price of Everything: A Parable of Possibility and Prosperity:

3 of 3 people found the following review helpful. Outstanding non-technical discussion of equilibrium and the invisible hand
By Stephen Weinberg
This is a great book on the power of markets, but keep in mind that it leaves out half the story. The book does a great job discussing how order and efficiency can emerge from chaotic individual decisions, and how de-centralized decision making can be expected to vastly outperform centralized planning.

However, it leaves out the various economic rationales for government intervention in markets. I like to assign this book for the last day of my MPA microeconomics class, as a good review of the "why markets are great under perfect competition" half. I also assign the book, though, because it is incredibly conservative, paying almost no attention to the main rationales for government regulation. I know that I'm a liberal economist who sees market failure as incredibly important, so I assign this book to help balance the course, and to show why economists' preferred solution to market failures is to fix the market, not to replace it.

2 of 2 people found the following review helpful. A Wonderful Piece of Didactic Fiction By Greg Linster You've likely heard of the pop economics genre, but did you know that there is econ-fiction too? Perhaps econ-fiction is a merely a branch of pop economics, but either way, it makes for a great way to teach basic economics to inquiring young (and old) minds alike. And as far as I'm concerned, Russ Roberts (a professor at George Mason University) writes some of the most powerful didactic fiction about economics around. His book, *The Price of Everything*, is a parable that engages readers and nudges them to think deeply about the economic concepts that we encounter in our everyday lives. The two main characters in the story are Ramon Fernandez, a budding tennis prodigy who is studying at Stanford, and an economics professor named Ruth Lieber. At one point in the story, Professor Lieber poses the following question: "Don't you think it's strange that in America, the country where the greatest economic revolution in history has taken place, the average citizen has no idea why we're richer?" I would add that it's not only strange, it's very strange. Attempting to answer this question in intelligible and non-dull terms was (I suspect) Roberts' impetus for writing this book.

At the beginning of the story, we learn that an earthquake has just rocked the Bay Area. In the wake of the disaster, Ramon and his girlfriend are on a quest to purchase some flashlights. Ever the champion for social justice, Ramon becomes outraged to find out that Big Box (a fictional mega-store) is selling flashlights at double the price of a Home Depot, which is fresh out of flashlights. While waiting in line to purchase the pricey flashlights at Big Box, Ramon becomes distraught when he sees a poor woman waiting in line who realizes that she can't afford baby food and diapers because of the store's post-disaster price hike. She only has \$20, but needs \$35 worth of food and diapers. Ramon asks: "How could she have known that Big Box would gouge her with doubled prices?" We then learn that Ramon collects money from other store patrons and is soon using a megaphone in front of the store to rile people up about this perceived injustice. Not long after this debacle at Big Box, we learn there is a planned protest against Big Box on the Stanford campus. This is where Ramon meets Ruth Lieber, a university provost and economics professor. They chat about the protest and slowly end up developing a relationship that unfolds throughout the rest of the book. The economic lessons contained within the book largely play out through their many conversations. In one such lesson, Ruth explains to Ramon how free-market price signals allow an economy to operate more efficiently than centrally planned ones. She goes on to elucidate (in a Hayekian vein) about the knowledge problem in economics, which Friedrich Hayek himself put this way: "The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design." At one point in the parable, Professor Lieber is in the middle of a discussion with Ramon and we get the sense that she's feeling a bit rattled by a questioning Ramon. She collects herself and then shares some profound wisdom about economics by saying the following: "Oscar Wilde said that a cynic is someone who understands the price of everything and the value of nothing. Clever people like to say the same thing about economists, as if we were soulless calculators in green eyeshades, obsessed with prices and money. We're mercenaries, it is said, weighing costs and benefits down to the last penny. But economics is not about prices and money. Economics is about how to get the most out of life." If there is only one thing to learn from this book (or about economics in general), I believe it is this last point. The beauty of Roberts' writing (and his podcasting) is that his ideas get in your bones. Accordingly, I highly recommend this book to anyone interested in learning about the dismal science, I mean economics.

0 of 0 people found the following review helpful. Great lessons about economics and the story are pretty interesting. By fhgfgjj I had to read it for my AP Economics class summer homework. Great lessons about economics and the story are pretty interesting, too. It's easy to read.

Stanford University student and Cuban American tennis prodigy Ramon Fernandez is outraged when a nearby mega-store hikes its prices the night of an earthquake. He crosses paths with provost and economics professor Ruth Lieber when he plans a campus protest against the price-gouging retailer--which is also a major donor to the university. Ruth begins a dialogue with Ramon about prices, prosperity, and innovation and their role in our daily lives. Is Ruth trying to limit the damage from Ramon's protest? Or does she have something altogether different in mind? As Ramon is thrust into the national spotlight by events beyond the Stanford campus, he learns there's more to price hikes than meets the eye, and he is forced to reconsider everything he thought he knew. What is the source of America's high standard of living? What drives entrepreneurs and innovation? What upholds the hidden order that allows us to choose our careers and pursue our passions with so little conflict? How does economic order emerge without anyone being in charge? Ruth gives Ramon and the reader a new appreciation for how our economy works and the wondrous role that the price of everything plays in everyday life. *The Price of Everything* is a captivating story about economic growth and the unseen forces that create and sustain economic harmony all around us.

[T]he novel is eminently readable. And if you did not know anything about how the American system works you would come away from reading it better informed. From the Back Cover "A remarkable use of parables and dialogues to convey economic intuitions. This should be mandatory reading for anyone who wants to understand this branch of applied philosophy we call economics."--Nassim Nicholas Taleb, author of *The Black Swan: The Impact of the Highly Improbable* "This is a great story about human, social, and economic betterment brought about by the forces of spontaneous coordination. It's also about justice and there's a warm ending. Read and enjoy."--Vernon Smith, Nobel Prize-winning economist "The Price of Everything illuminates the astonishing economic world we live in. This book could change your life--reading it will give you a sense of wonder about the everyday marvels that are all around us."--Paul Romer, Stanford University "The Price of Everything is sensationally good fiction and sensationally good economics."--Deirdre N. McCloskey, author of *The Bourgeois Virtues* About the Author Russell Roberts is professor of economics at George Mason University, the J. Fish and Lillian F. Smith Distinguished Scholar at George Mason's Mercatus Center, and a research fellow at Stanford University's Hoover Institution. He is the author of "The Choice: A Fable of Free Trade and Protectionism" and "The Invisible Heart: An Economic Romance".