

# GIFT BOOKS FOR ECON LOVERS



## UNDERSTANDING ECONOMISTS AND JOINING THEIR CONVERSATIONS

**T**ypical of “life” at the University of Chicago, at the end of academic quarters, students will approach me with: “I love economics, what else can I read?” Or, “What book would you recommend for my parents? With the holidays as well as cold, dark days approaching, here are some suggestions for airplane reading, curling up in front of a fire, or gift-giving.

Ignoring textbooks, which in the early years meant either Paul Samuelson’s or Campbell McConnell’s simply entitled tomes *Economics* and “7-Steps to Jump-Starting Your Career” business books, which are dreadful as a genre, the “popular economics” field is just about 50 years old. A chunk of the public cut its teeth on John Kenneth Galbraith’s *The Affluent Society* (1957). Then along came Milton Friedman’s *Capitalism and Freedom* (1962) and, with wife Rose, *Free to Choose* (1980). But that was about it for economics flair or fare in the 20th century.

While some economists have attempted to put their toes into mass-market waters, the 21st century floodgates seemed to open five years ago with the surprising bestseller *Freakonomics* by economist (and University of Chicago colleague) Steven Levitt and journalist Stephen Dubner. “Volume II,” or *SuperFreakonomics*, debuted in 2010. But what others are “out there” and a worthwhile expenditure of a few dollars and hours?

### The Economic Crisis

To learn more about the 2007-2010 economic crises, three recommendations: *In Fed We Trust* by David Wessel; *Crisis Economics* by Nouriel Roubini and Stephen Mihm; and *Fault Lines* by Raghuram Rajan. And Justin Fox’s *The Myth of the Rational Market* injects psy-

**By Allen R. Sanderson** chological factors (aka behavioral finance) into failures in our financial markets.

For somewhat playful romps through those same mine fields, you can complete your “Market Madness” tournament brackets in a game I developed last year: [http://www.vanderbilt.edu/AEA/Annual\\_Meeting/market\\_madness\\_2010.html](http://www.vanderbilt.edu/AEA/Annual_Meeting/market_madness_2010.html). Even more entertaining is the five-minute YouTube Hayek v. Keynes rap video: <http://www.youtube.com/watch?v=d0nERTFo-Sk>.

### Globalization

With regard to globalization, international trade and economic growth, here are the best of a good bunch (and also support for the old adage that if you laid all economists end to end they’d never reach a conclusion): Raghuram Rajan and Luigi Zingales, *Saving Capitalism from the Capitalists*; Gregory Clark, *A Farewell to Alms*; Jagdish Bhagwati, *In Defense of Globalization*; David Warsh, *Knowledge and the Wealth of Nations*; Jeffrey Sachs, *The End of*

*Poverty*; William Easterly, *The White Man’s Burden*; Joseph Stiglitz, *Making Globalization Work*; and Benjamin Friedman, *The Moral Consequences of Economic Growth*.

### Behavioral Economics

The intersection of economics and psychology—“behavioral economics”—is currently a hot field. Contributions worth reading: *Predictably Irrational* and *The Upside of Irrationality* by Dan Ariely and *Nudge* by Richard Thaler and Cass Sunstein. In that same vein, Michael Shermer’s *The Mind of the Market* offers a taste of neuroeconomics, the latest research frontier.

### Economists Just Want to Have Fun

In the wake of *Freakonomics*’ (financial) successes, wannabes cleaned out their file cabinets and produced some enjoyable and insightful (or inciteful) volumes: Robert Franks’ *The Economic Naturalist*; Steven Landburg’s *The Armchair Economist* and *More Sex is Safer Sex*; Diane Coyle’s *Sex, Drugs and Economics*; *The Undercover Economist* and *The Logic of Life* by Tim Harford; Tyler Cowen’s *Discover Your Inner Economist*; and *Parentonomics* by Joshua Gans.

Extending this playful side, economists have also ventured into the realm of fiction. No mistaking them for Agatha Christie; nevertheless, these aren’t bad: the ‘Marshall Jevons’ volumes, *Murder at the Margin*, *The Fatal Equilibrium* and *A Deadly Indifference*; three by Russell Roberts, *The Choice*, *The Invisible Heart*, and *The Price of Everything*; and two by Michael Walden and M.E. Whitman Walden, *Micro Mayhem* and *Micro Mischief*.

### Odds and Ends

A miscellaneous, catch-all section would have to include: *Naked Economics* by Charles Wheelan; John Siegfried’s *Better Living through Economics*; Michael Watts’ *The Literary Book of Economics*; Robert Nelson’s *Economics as Religion*; Burton Malkiel’s *A Random Walk Down Wall Street*; Avinash Dixit and Barry Nalebuff’s *Thinking Strategically*; *The Hesitant Hand* by Steven Medema; and Partha Dasgupta’s *Economics, A Very Short Introduction*.

Finally, in keeping with 21st Century modes of communication, there are a number of blogs to bookmark. The ones most perused regularly by professional economists: N. Gregory Mankiw, <http://gregmankiw.blogspot.com/>; J. Bradford DeLong, <http://delong.vox.com/>; Paul Krugman, <http://krugman.blogs.nytimes.com/>; *Freakonomics*, <http://freakonomics.blogs.nytimes.com/>; Gary Becker and Richard Posner, <http://www.becker-posner-blog.com/>; Tyler Cowen, <http://www.marginalrevolution.com/>; and, Mark Thoma, <http://economistsview.typepad.com/economistsview/>.

Of course, one should never forget where economics began: Adam Smith’s *The Wealth of Nations*. And remember: test on Thursday! □