

Contents

Preface to the Paperback Edition	vii
Preface	xxi
Acknowledgments	xxvii
INTRODUCTION	I
Part One: Animal Spirits	
ONE Confidence and Its Multipliers	11
TWO Fairness	19
THREE Corruption and Bad Faith	26
FOUR Money Illusion	41
FIVE Stories	51
Part Two: Eight Questions and Their Answers	
SIX Why Do Economies Fall into Depression?	59
SEVEN Why Do Central Bankers Have Power over the Economy (Insofar as They Do)?	74
POSTSCRIPT TO CHAPTER SEVEN The Current Financial Crisis: What Is to Be Done?	86
EIGHT Why Are There People Who Cannot Find a Job?	97
NINE Why Is There a Trade-off between Inflation and Unemployment in the Long Run?	107
TEN Why Is Saving for the Future So Arbitrary?	116
ELEVEN Why Are Financial Prices and Corporate Investments So Volatile?	131
TWELVE Why Do Real Estate Markets Go through Cycles?	149
THIRTEEN Why Is There Special Poverty among Minorities?	157
FOURTEEN Conclusion	167
Notes	177
References	199
Index	219