## CONTENTS

F2.

	PREFACE (ASSEMBLE MORE MANUEL STORT	ΧI
	IS IT REAL, OR IS IT NOMINAL?	
	PART ONE	
	The Miracle of Economic Growth	
1.	RICH NATION, POOR NATION (importance of institutions in promoting economic growth)	3
2.	RETURN OF THE LUDDITES: TECHNOPHOBIA AND ECONOMIC GROWTH	8
	(negative impact of fear of technology on economic growth)	14.
3.	THE LION, THE DRAGON, AND THE TIGERS: ECONOMIC GROWTH IN ASIA (causes and consequences of rapid growth in China)	14
4.	OUTSOURCING AND ECONOMIC GROWTH (impact on wealth of competition and voluntary exchange)	19
5.	POVERTY, CAPITALISM, AND GROWTH (does a rising tide lift all boats?)	25
	PART TWO	171
	The Business Cycle, Unemployment, and Inflation	
6.	MEASURING GDP (what GDP does and doesn't tell us about the world)	33
7.	WHAT'S IN A WORD? PLENTY, WHEN IT'S THE "R" WORD (how a recession is defined and why we care)	39
8.	THE PANIC OF '08 (why financial markets melted down)	44
	MONSTARY POLICY AND INTEREST RATES	

9.	THE CASE OF THE DISAPPEARING WORKERS (misleading measures of unemployment)	51
10.	POVERTY, WEALTH, AND EQUALITY (are the rich becoming richer and the poor becoming poorer?)	56
11.	WILL IT BE INFLATION OR DEFLATION?  (why rising prices are more likely than falling prices)	62
12.	Is IT REAL, OR IS IT NOMINAL?  (why record-high prices aren't always what they seem)	67
	PART THREE	
	Fiscal Policy	
13.	THE GROWTH OF BIG GOVERNMENT (why government spending is growing so fast)	75
14.	DEBTS AND DEFICITS: WHAT'S A TRILLION MORE OR LESS? (why there is more than meets the eye when it comes to the public debt)	80
15. er	HIGHER TAXES ARE IN YOUR FUTURE (why you can expect to pay higher and higher taxes in the future)	85
16.	SOAK THE RICH (what happens when a minority foots the bill for the majority)	90
17.	THE MYTHS OF SOCIAL SECURITY  (it's not what government says it is, nor will it ever be)	96
18.	THE HAZARDS OF HIGH TAXES (why higher taxes can mean lower wealth)	102
	MEASURING CDP (what CDP does and do sauo4 Traq the world)	
	Monetary Policy and Financial Institutions	
19.	THE FED AND FINANCIAL PANICS (why the Fed was founded, and what it learned from its failures)	111
20.	MONETARY POLICY AND INTEREST RATES (long- and short-term effects of monetary policy on interest rates)	116

21.	CREDIT CHAOS (how Congress got us into the mortgage market mess)	121
22.	DEPOSIT INSURANCE AND FINANCIAL MARKETS (economic implications of subsidized deposit insurance)	127
23.	How (Not) to Beat the Market (why you can't beat the stock market, no matter how hard you try)	133
24.	CREDIT-CARD CRUNCH (how new Fed rules on credit cards may keep you from getting one)	138
	PART FIVE	
	Globalization and International Finance	
25.	THE OPPOSITION TO GLOBALIZATION (why people object to globalization)	147
26.	THE \$750,000 JOB (economic consequences of attempts to restrict free trade)	153
27.	THE TRADE DEFICIT (it sounds bad and it looks ugly, but it's not necessarily either)	158
28.	THE VALUE OF THE DOLLAR (why exchange rates move and the consequences for America)	165
	GLOSSARY	171
	SELECTED REFERENCES AND WEB LINKS	181
	INDEX	189