

# Crunch: Why Do I Feel So Squeezed? (and Other Unsolved Economic Mysteries)

Jared Bernstein

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**Jared Bernstein : Crunch: Why Do I Feel So Squeezed? (and Other Unsolved Economic Mysteries)** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Crunch: Why Do I Feel So Squeezed? (and Other Unsolved Economic Mysteries):

0 of 1 people found the following review helpful. Five Stars By Kyle Sechristhrfd2 of 2 people found the following review helpful. Good introduction to way the economy works in favor of the few By Alan A. Elsner For people who know little about economics, this is a useful introduction written in clear, simple language. I give it five stars because

the author understands the crucial economic question of our time and answers it. The question is: Why after decades of continuous economic growth and productivity advances (before the current crash) did most of us feel so squeezed? Why are we working harder and harder to stay in the same place? And the answer: because the vast bulk of the wealth produced by the surge in productivity has gone to a privileged few at the top of the tree at the expense of the other 99 percent of society. When I studied economics, the market was treated as an all-powerful force that eventually meted out a rough justice. Bernstein understands that this is not the way the world works. "Power, whether it's based on political clout, wealth, class, race or gender, is also a key determinant of who gets what," he correctly states. "More so than in any recent period, those who hold a privileged position in the economic power hierarchy ... the CEOs and the holders of large capital assets, are able to steer the bulk of growth their way." I was discussing this with a friend who made the following observation: "To my disgust, the way the economy and our politics have performed in recent decades proves that Marx was right." We have to change that, democratically. It's killing our society. A key example was the George W. Bush tax cuts that steered the bulk of its gains to the wealthiest one percent. Now Obama is having tremendous difficulty repealing them. This book was written before the current crisis struck yet the author clearly saw it coming. He includes a useful chapter on financial bubbles including a trenchant critique of Alan Greenspan, and makes the point that when bubbles burst, the damage they do is enormous. That's not just the market functioning. Millions of real people get badly hurt and industries get destroyed. Other interesting chapters cover immigration, trade, protectionism, healthcare reform and the environment. On the latter, Bernstein makes the obvious but important point that leaving the market to manage our environmental challenges is a recipe for disaster. "Economics always seems to assume that more is better than less: more money, more consumption, more investment, more stuff, more, more, more!" Economists prefer more growth today above a less polluted tomorrow (and politicians obviously agree with them). Classical economics does not admit the possibility that the earth's resources are limited. In classical economics, as supply of something goes down, its price goes up until equilibrium is eventually restored. It sounds logical but it doesn't work. Experience teaches us that fisherman will take the last fish out of the ocean before agreeing to limits on their catch unless they are forced to by law. Once the last fish is gone, no doubt the price of fish will go sky high, but that won't make the fish come back. In short, this book is a useful corrective against those who still believe in unfettered free markets. It demonstrates that free markets work for the few against the many, lead to speculative bubbles and will kill the planet.

1 of 1 people found the following review helpful. Economic analysis for everyone  
By Hans G. Despain  
This is a fantastic book. It is written for a layperson audience - an aim towards which it is extremely successful. The aim of the book is for the author to provide answers, and accessible analysis, to common socioeconomic questions of typical American citizens. For example, how to fix the health-care system and social security; how to explain the salaries of CEOs; why inequality in America increased; why minimum wage does not necessarily hurt the macroeconomy; why so many Americans feel financially and economically "squeezed" in their daily lives. There are also several more esoteric topics, such as the Federal Reserve System, the living wage, budget deficits, etc. There are roughly 50 plus short articles, typically of two to six pages. The book is divided into five chapters. The book can easily be used as a type of reference for various economic issues and topics. Readers should be warned that Bernstein's economic analysis is not always conventional, nor necessarily widely shared by most economists, or found in typical economic textbooks. His approach is purposefully traditional with respect to the consideration of "opportunity costs" and trade-offs of various economic policies. He is also traditional in his emphasis toward the importance of economic statistics. He is less traditional in that he believes that economics is not purely scientific, but substantially normative and political. Politically Bernstein makes quite clear he supports a progressive agenda. This is most clear in chapter 5 where he articulates a political agenda toward American working families, income inequality, health-care, immigration, education, and globalization. The book emphasizes in the early pages that he has a "political economist" orientation toward social analysis. This means he believes power (especially political power, economic wealth, and socio-cultural prejudices) makes a difference in the competitive outcomes of economic activity. Surely this will turn off many potential readers. At the same time it is a great strength of Bernstein's book that he has provided very simply, clear, and short political economy analyses of everyday socioeconomic phenomena. Too often political economists spend far too much time trying to explain methodological and philosophical differences between their approach and neo-classical, i.e. mainstream, textbook analysis. Bernstein cuts to the chase. In this sense, Bernstein's book is a great contrastive complement to a mainstream principle economic textbook. Bernstein's book provides many alternative analyses, which should deepen our understanding of social phenomena; not because Bernstein always has it right, but because his book forces the reader to think more deeply about social problems in a contrastive way to mainstream economic models such as supply and demand. He is always attempting to explain real statistics and data that confront us. When mainstream theory proves inadequate Bernstein does not hesitate to consider political power, wealth, and cultural prejudices as part of the explanation. Bernstein's approach is highly inductive, very much in the tradition of the American institutionalist tradition of economists. Many readers will find this highly refreshing, especially if they received a dogmatically deductive approach in their economic classroom experience. Bernstein deals with the real world and real world problems. Bernstein is the codirector of research at the Economic Policy Institute and coauthor of the biannual publication of "The State of

Working America". "The State of Working America" is a wealth of socioeconomic data. Although this biannual book provides some of the best and most interesting statistics on American households and for national trends, it is not necessarily reader friendly. "Crunch" offers non-statistical access to the basic data "The State of Working America" complies. This is a most important contribution. In "Crunch" Bernstein's encyclopedic knowledge of socioeconomic statistics and trends has met and informed a great populist writer. This book deserves a wide audience and careful scrutiny of his claims and analysis.

According to author Bernstein, economic experts all too often manipulate and distort the science at the heart of important issues. In "Crunch," he offers entertaining, informative, and direct answers to a set of compelling economic questions posed by ordinary people.

From Publishers Weekly Starred . According to economist and author Bernstein (All Together Now: Common Sense for a Fair Economy), the endless parade of economic legislation and corporate criminality that keep the rich getting richer are all a direct product of economic knowledge being monopolized and manipulated by the rich, keeping the middle and lower classes woefully unprepared to understand, much less stand up to, the economic forces aligned against them. Fortunately, this accessible overview should clear things up for even the most befogged reader. Answering questions from an average American perspective—"the ones in the vise grip of the crunch"—Bernstein explains murky topics like health care reform, minimum wage laws, the Federal Reserve, immigration and budget deficits with a clear, friendly manner that sidesteps any scholarly (and/or sinister) obfuscation. His progressive "we're all in this together" philosophy, though seemingly familiar, is backed up with enough data and savvy to illuminate what's wrong in the dominant "self-reliance" narrative of American political discourse. This down-to-earth, populist guide to the pressing economic issues of our time is a clarifying, useful and empowering resource. Copyright copy; Reed Business Information, a division of Reed Elsevier Inc. All rights reserved. No mere populist rant, Crunch is organized as a broad primer on U.S. economics that uses inequality as a starting point for understanding this wider subject. Bernstein's concise explanations of issues like unemployment and health care expenses are meaty and engaging, offering laypeople tangible insight into how the economy functions and what it takes to ensure that those who make it work also share its rewards. -- Utne, Book , May-June 2008

From the Inside Flap

Is Social Security really going bust, and what does that mean to me? If I hire an immigrant, am I hurting a native-born worker? Why does the stock market go up when employment declines? Should I give that homeless guy a buck? What's a "living wage"? How much can presidents really affect economic outcomes? What does the Federal Reserve Bank really do? Why do I feel so squeezed? If you'd like some straight answers, premier economist Jared Bernstein is here to help. In Crunch he responds to dozens of questions he has fielded from working Americans, questions that directly relate to the bottom-line, dollars-and-cents concerns of real people. Chances are if there's a stumper you've always wanted to ask an economist, it's solved in this book. Bernstein is fed up with "Darth Vaders with PhDs" who use their supposed expertise to intimidate average citizens and turn economics into a tool for the rich and powerful. In the pages of Crunch, Bernstein lays bare the dark secret of economics: it's not an objective scientific discipline. It's a set of decisions about the best way to organize our society to produce and distribute resources and opportunities. And we all can, and must, participate in these decisions. "America is a democracy," he writes. "And in a democracy all of us, not just the elites and their scholarly shock troops, get to weigh in on biggies like this." Our economy will be only as fair as we can make it. In this lively and irreverent tour through everyday economic mysteries, Bernstein helps us decode economic "analysis," navigate through murky ethical quandaries, and make sound economic decisions that reflect our deepest aspirations for ourselves, our families, and our country.