



Economic Facts and Fallacies

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Economic Facts and Fallacies exposes some of the most popular fallacies about economic issues-and does so in a lively manner and without requiring any prior knowledge of economics by the reader. These include many beliefs widely disseminated in the media and by politicians, such as mistaken ideas about urban problems, income differences, male-female economic differences, as well as economics fallacies about academia, about race, and about Third World countries. One of the themes of *Economic Facts and Fallacies* is that fallacies are not simply crazy ideas but in fact have a certain plausibility that gives them their staying power-and makes careful examination of their flaws both necessary and important, as well as sometimes humorous. Written in the easy-to-follow style of the author's *Basic Economics*, this latest book is able to go into greater depth, with real world examples, on specific issues.

Economic Facts and Fallacies Details

Date : Published January 1st 2008 by Basic Books (first published December 30th 2007)

ISBN : 9780465003495

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Format : Hardcover 262 pages

Genre : Economics, Nonfiction, Politics, Business

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From Reader Review Economic Facts and Fallacies for online ebook

Chuck Engelhardt says

Sowell is not Levitt & Dubner, their book is a fun read; however, Sowell does have the same ability to take "conventional wisdom" and peel away the superficial layers to get to what's really happening underneath. He focuses on the results, not simply the intent. Andy Stanley wrote, "It is our direction, not our intention, that determines our destination" (Principle of the Path - Highly recommended) and in Economic Facts and Fallacies, Sowell shows how our intent, coupled with misunderstanding of our direction, leads to unintended consequences. In addition, he demonstrates how many systems actually provide a disincentive for course correction. I learned a lot from this book. Those who expect a "balanced" look at capitalist & socialist policies will be sorely disappointed. This book isn't about "balance," it's about what works and what doesn't. Understand the structure of the book is to identify common fallacies and then show the why and how they lead to the unintended consequences. If a policy works, whether capitalist or socialist, then it would not fall into the fallacy category and he doesn't address it. Sowell is a free market economist and that is clearly the tenor of the book.

Jen says

This gentleman has some points of view that are rather polarizing, but I have to say, he is very thoughtful and cites everything, which I appreciate. I disagree with his views on reverse mortgages, but other than that, I want to have this man's babies, all of them. Unfortunately, mingling my inferior intellectual DNA with his would be more of a tragedy than a positive thing, so no babies of his for me. Maybe I could be a surrogate for his clones?

Seriously, he looks at things that seem completely reasonable in a completely different way and can make one realize that we never really were in Kansas, we just thought we were. Very smart guy and I definitely want to read more of his work. Five stars, highly recommended!

Brian says

I only read about a quarter of the book and then just skimmed the rest.

The book is mostly a litany of facts and anecdotes that attempt to call into question or refute some popular or commonly-held beliefs or would-be facts about economics. I think the author's thesis is that you need to look very critically at the world lest you fall into fallacious reasoning/conclusions, but this thesis is obvious and the examples are complicated, wandering, mostly uninteresting and often unconvincing. There are a few pearls that actually did make me think some new thoughts about a particular situation/example, but in the end I am left with not feeling I've gained anything from the time I spent with this book in my lap.

One particular part I really hated was how he often goes on and on about how government interference has negative economic impacts. For example, discussion of how 'open space' laws impact housing prices. But he does not even mention the possibility that government is just another 'economic system' where the dollars are votes, and where (hopefully) whatever restrictions the government imposes are actually there because "that's what people want". Perhaps/probably people are mis-/under-informed and might make different voting choices with better information about all the implications. But the way I read the book, the author completely

excludes huge real parts of the world (e.g. the notion that there is any reason/good coming from government) from his model, and thus gives the implication that e.g. 'government restrictions drive housing prices up and therefore all government meddling is bad'. The book "Natural Capitalism" seems like a partial antidote to this type of misguided/exclusionary reasoning.

Toby says

Good basic stuff here. Great chapters on the differences between men and women in the economy, race and economy, and the third world and economy.

He's adequately hard on "third parties" intervening into situations where two parties will do. But I wonder if he falls prey to one of his own fallacies (the chess board fallacy) assuming a kind of interchangeability between various parties (at least on that point). He's just not addressing the hardest questions in other words.

I was also fairly impressed with how stats can be so manipulated. His point about analyzing who falls into what categories and when was very well taken. For example, he points out that in statistics that claim the median real income is stagnating or falling, there are a number of problems. Business ventures losing money or having an off year, retirees on fixed incomes, recent college grads as well as students can all get pooled into the same bracket and voila! incomes stagnate.

He also noted that three-quarters of Americans whose incomes were in the bottom 20 percent in 1975 were also in the top 40% at some point during the next 16 years (p. 135).

Again, while he is laying basic foundational principles and generalizations, this book does not even begin to address basic Scriptural principles of mercy, debt forgiveness, or generosity, or in other words, the duty of third parties.

Cami says

I'm just finishing this book now so I won't spoil the ending for you, just kidding. It really is a great book applying basic economic theories to real life situations.

He spends quite a bit of time debunking economic myths and explaining the real reasons why for example, real estate near San Francisco and college tuition are so ridiculously expensive. Basically, it comes down to too much government economic control.

I really do love Sowell's logical practical approach. It's great in contrast to raving, emotional talk show hosts. It reminds me of why I am a conservative-because conservative principles work!

Given the fact that Sowell is a conservative and so am I, I would really like to read a liberal equivalent to this book. If anyone has one to suggest I would appreciate it. His arguments seem so straight-forward and indisputable to me, but that's because I already agree with them. I would like a book to argue the other side as articulately and with as much scholarly effort.

David says

This fascinating book peels away the truths from the untruths about economics in our societies. While the style of writing is rather dry, the content is quite engaging. Many commonly held beliefs are simply wrong, as can be shown easily with a few facts and some straight-forward thinking.

Law school and college accreditation boards are not designed to hold schools to some acceptable standard for their students. They are designed to maintain the elite status of the so-called "top" schools, and to keep the upwardly-mobile schools from getting uppity and fashionable. They do this by making requirements that have little to do with the quality of education, but have much to do with the physical trappings of luxury.

A related fallacy is that it is necessary to graduate from an ivy league college to get a top job. This idea is countered by the observation that most top corporate leaders do not come from elite colleges.

Sowell shows how politicians lie with statistics. It is so easy. An incumbent politician who is running again for office can use one set of statistics about, say, household income to show how awful his predecessors were, and individual income to show how great he was while in office.

Sowell shows how foreign immigrants often raise the standard of living of poor societies. It is very perverse when dictators expel them, often causing the standard of living to decline.

Much of the book is about the unintended consequences of government interventions, laws and regulations. Many laws have exactly the opposite consequences from those intended. For example, rent control often has the effect of making housing completely unobtainable because it stymies building more housing units. City planners often make monumental mistakes as they plan street routes, mass transit, and zoning. They often have exactly the opposite effect, and cause massive traffic backups and effectively steal homes for uses that are not in the public's best interest.

I highly recommend this book for anyone who is interested in public policy.

David Schultz says

My friend said this book changed his life when he read it in college and that Thomas Sowell is a hero.

I enjoyed the thoughtful and logical discussion of some popular issues.

Lynn says

This is a well written and incisive analysis of economics based on false assumptions about race, education and other major areas of society by a scholar and social commentator. Sowell turns economic issues on their heads by introducing an unorthodox way of viewing inter alia poverty and race and education. Claiming that the reasons for disparities in these areas are not salvageable by government intervention, (witness LB's "war on poverty" that only served to make the poor believe that everything would be resolved if the government would only give more money to alleviate their straits, thus creating a permanent underclass), Sowell maintains that societal problems can not be solved by looking at them in the same old wrong way. A very interesting and insightful study by a master economist, who also happens to be a black conservative.

Ezzy says

Most of this book is just bullshit. Mainly, it's pandering to a political ideology while pointing out weaknesses (some fatal, in his defense) of statistics that are bantered around. However, he moves from "here's a weakness in this study" to "my ideology, which disagrees with this study, is now proven right". However, all this book actually does is show that nobody has real data to support their ideologies- Sowell least of all. To pretend that disproving one hypothesis proves another is the height of misuse of the scientific method.

First of all, in a economics text that's being marketed as at least somewhat impartial, I don't expect to hear lengthy diatribes about constitutionality of particular actions. Right away, that should tip everyone off that this is actually political commentary, not economics.

Second of all, right off the bat he implies that it's absurd to worry about preserving any open or green spaces in urban planning, because 95% of this country is still undeveloped. Well, that's great if you live in Alaska. If you take out Alaska and other land that is uninhabitable (like much of the desert and mountains) that number looks very, very different. Who the hell cares how much green space there is in Maine if you live in the park-free suburbs of some city with no urban planning, and have no place to take your children to play? Clearly, this is a person who thinks only about numbers and not about how people actually live. That's a method that can sometimes lead to interesting and insightful results, but to pretend that it reflects anything like the real-world is naive. It's the kind of thing I would expect from undergraduates in Freshman Econ 101.

The next fallacy presented as truth in this book is that if you have no regulation on building, everything will be cheaper. As "evidence", he compares the Bay Area of California and Houston, Texas. Houston has no regulation and just builds more roads as people move further and further from the city, and housing is cheaper there. Its conclusion is that regulation makes things more expensive.

There is no doubt that regulation makes life in California expensive. What Sowell fails to take into any kind of account is that regulation isn't the only factor. Sometimes, that regulation can make the standard of living so much higher that competition to live there increases- Econ 101 tells us that that should drive up the price. People are willing to pay more to live in the Bay Area because life there is so rad. Pave the whole thing, make it all suburbs (like Houston) and how much would people be willing to pay? But since the bottom-line price is the ONLY important factor in Sowell-land, I guess that would be a win.

Allow me to let you into a little secret: people who have a lot of money to spend on housing tends to be the well-educated professionals. A disproportionate number of them are liberal. Housing is cheap in most of the south because compared to the coasts, it's largely unfriendly to liberals, ethnic minorities, gays, and science. Perhaps a better question is "with the total lack of many regulations in the south, which should make it very attractive to people, why is housing there still so cheap?"

Also fails to take into any kind of account the physical differences in landscape- Houston is flat and has no restrictions on space, unlike much of the mountainous west coast. Reality is a bitch when it interferes with labeling pretend fallacies.

His chapter on income inequality is also bullshit. A big study just came out showing that women right out of college, with no children, are still getting paid less than their male counterparts (equal in major, age, CV, etc). So the "investing in children, paid less in the workplace" thing doesn't hold much water, either. Also, saying that women get to spend their husband's money, so it doesn't matter if they earn less, is beyond insulting.

Another fallacy presented as fact is that the suburbs are equally environmentally friendly as living in the city. Since everyone creates garbage, more people living in the suburbs means more garbage in the suburbs and less in the city. That's true for some factors, but doesn't take into account things like flooding- also an economic disaster as well as often environmental- is hugely due to all of the paving we've done, which doesn't allow water to be absorbed in a natural way. Just one example of millions Sowell chooses not to

address in this cherry-picking book.

By the time I was 1/10 of the way through this travesty of a book, I could tell the theme is "ruin it for everyone, and we can all have a shitty quality of life that comes cheap". Maybe he's taking the Walmart model to it's logical conclusion, I don't know. But it's certainly not a place I want to live.

Nicholas says

Pure Sowell. Same as usual. Stop interfering. Let people do what they want cause they know better than you do. Oh and things aren't as bad as everyone says.

I really liked his point about traditional wives investing into the economic future of their husbands. I never thought about it that way. Probably because I never thought about it.

Covers; Urban, Gender, Academic, Income, Racial, and the Third World.

Quotes:

"No matter how much is done to promote health, more could be done. No matter how safe things have been made, they could be made safer. And no matter how much open space there is, there could be still more."

"In effect, the traditional wife has been investing in her husband's career, and a divorce means that the value of that investment - made for years or even decades - can be lost to her."

"One incidental consequence of this is that many of the leading independent research institutions ("think tanks") are predominantly conservative, since they can recruit leading scholars with conservative views without as much competition from the academic world as liberal think tanks have when trying to recruit leading scholars with liberal views."

"The alarming statistics on their incomes so often cited in the media and by politicians count only 22 percent of the actual economic resources at [the poor's] disposal."

"As of 2001 a household income of \$84,000 was enough to put those who earned it in the top 20% of Americans."

"Pay is not a retrospective reward for merit but a prospective incentive for contributing to production."

"Input is not the measure of value. Results are."

"The median age of black Americans is five years younger than the median age (35) of the American population as a whole."

"Native-born citizens are obviously more familiar with the opportunities available in the society and better able to take advantage of those opportunities."

"North Africa's Barbary Coast pirates alone captured and enslaved at least a million Europeans from 1500-1800, carrying more Europeans into bondage in North Africa than there were Africans brought in bondage to the United States and the American colonies from which it was formed."

musicians, and other celebrities. Racially he breaks most fallacies down to differences in education and age while arguing against "employment discrimination and ghetto environments. For third world facts and fallacies Sowell rejects the way most countries distribute foreign aide and the myth of colonial exploitation. I enjoyed this paragraph:

"Exploitation is a virtually perfect political explanation of income differences. It validates whatever envy or resentment may be felt by people with lower incomes toward people with higher incomes. It removes whatever stigma may be felt from implications of lower ability or lower performance on the part of those with lower incomes. It locates the need for change in other people, rather than imposing the burdens of change on those who wish to rise. More, it replaces any such task with a morally uplifting sense of entitlement. Whatever the empirical and logical problems with the theory of exploitation, political movements are seldom based on empirical evidence and logic."

In general, this book makes a strong case against the notion that "third-party observers know better what is good for people than those people know themselves". When dealing with this kind of thought (read liberalism), he suggests doing 3 things:

1. Make that implicit assumption explicit
2. Demand proof of that superior knowledge
3. Point out how many disasters in countries around the world have followed in the wake of programs and policies based on that assumption.

Highly recommend this quick read for those looking to dispel many of the flaws being circulated in our American society today.

George says

WELL DONE, ONCE AGAIN.

“One of the themes of ‘Economic Facts and Fallacies’ is that fallacies are not simply crazy ideas but in fact have a certain plausibility that gives them their staying power-and makes careful examination of their flaws both necessary and important, as well as sometimes humorous.”—from the www.goodreads.com synopsis.

Thomas Sowell is the epitome of an oxymoron. Not only is he a high school dropout with a PhD; he is also one of those rarest of strange persons, a rational economist. His no-nonsense commitment to objective reality has made him a champion of libertarians everywhere and a five-star hero in my book. It's nice to have someone this brilliant on the side of reason, for a change.

While I'll admit to falling short of understanding all of the concepts presented in his book, his premises remain rock solid. Perhaps I should have read, or listened to, his 'Basic Economics: A Citizen's Guide to the Economy,' first. I'll add it to my 'to-read' shelf, though. Better late than never.

A word here about the audiobook edition, read by Jeff Riggenbach, another light of the libertarian movement. With Jeff's mellifluous tones, combined with the depth of the subject matter, perhaps this audiobook should come with a caution label: **WARNING: LISTENING MAY CAUSE DROWSINESS. DO NOT LISTEN WHILE OPERATING MACHINERY.**

Recommendation: But do, indeed, read or listen to this book for insights into classical liberalism.

Overdrive MP3 Audiobook, (listened to on both iPad and iPod) on loan from <http://overdrive.colapublib.org>

Robert says

This was a very interesting book that challenged many preconceived notions and sacred cows that continually arise in social and economic debates. The volume of evidence cited for the author's arguments made this book both exhausting to read and difficult to dismiss.

While reading this book, I felt like I was back in my economics classes where the professors constantly asked the students to look deeper and not simply react to a statistic, but to really understand what factors shaped the data. Regardless of anyone's agreement or disagreement with Sowell's conclusions, his methods are precisely what is needed to truly understand the world. So often genuine critical thinking is replaced with acceptance of popular biases that have become essentially political and social dogma.

Overall, this is a book that questions the veracity of modern beliefs and sheds some light on the origins of oft-quoted statistics. If this book demonstrated nothing else, it was that a statistic by itself is meaningless if one does not adequately understand the broader context of an issue or the relevant factors that influence the numbers.

Kym Robinson says

Thomas Sowell is perhaps at the forefront of conventional economics. He leads the vanguard with distinct focus and clarity. Often his books can read some what dry as he makes his point with a thoroughness which is seldom countered directly by those who could be called Statist economists.

I like Sowell and have enjoyed all of his books that I have read, this one being perhaps the 'blandest'. Now I say this not to critique the man but perhaps more so as praise as to how he often delivers such comprehensive material with readily digestible language. This book manages to do just that but at times feels lacking as a course of comparison to his other works.

That being said this is an excellent read for any one interested in economics and general political philosophy. For those who are already in the Free market camp, this book is of little benefit as it merely confirms what you may already know or feel. It is however a good source for discussions or debates when ever you do need to defend your volunteerist position.

It is perhaps a better read for those who have no understanding of economics or any real 'ideology'. But perhaps it is a contrarian perspective much needed for those who hold firm their convictions of acceptable economic principles whether they be loyal to a Marx or Keynes.

All in all this is a good book and I most certainly recommend it.

73 %

Kenny says

STUBBORN THINGS

Thomas Sowell's remarkable book *Economic Facts and Fallacies* is even more remarkable for its brevity. In just over two hundred pages, he tackles and deconstructs fallacies infecting our cities, our relationships, the academy, business, race relations, and the Third World.

John Adams said famously, "Facts are stubborn things." The Austin Lounge Lizards sang, "Life is hard, but life is hardest when you're dumb." Both are true and one of the most difficult things in life is keeping an open mind for facts that contradict received knowledge—our vision of the world which we hold close because it's simply easier to believe what we already know is true than to investigate contradictory claims. After all, we're not stupid; we know certain things are true, right?

Well . . . that depends. Here are a few fallacies and the facts that contradict them. How you receive these facts is something to ponder:

Urban Facts and Fallacies

Fallacy: Affordable housing requires government intervention.

Fact: It is precisely government intervention in housing which has made housing unaffordable. A hundred years ago people spent a smaller percentage of their income on housing than today. With increasing restrictions on building, due to zoning and environmental regulations, housing prices skyrocketed. "Open space" and "smart growth" policies restrict building and send prices upward. Houston has no zoning laws or like restrictions; a typical middle-class home on a quarter-acre lot that costs \$152,000 in Houston costs more than \$1 million in San Francisco. As recently as 2001, home prices in Tampa, FL were not much different than Houston, but after restrictive building laws began to take effect, housing prices doubled. And these rates hold true even when adjusted for inflation.

Male-Female Facts and Fallacies

Fallacy: The fact that women earn less money than men is proof of discrimination. Where such disparities have lessened, it is because of government intervention.

Fact: While many white collar jobs may be performed equally well by women as men, most jobs are still dependent upon physical strength (construction) and the willingness of the person to engage in dangerous behavior (phone linemen). While men are 54% of the labor force, they are 92% of job-related deaths. In addition, women are often out of the job market for years at a time, bearing and raising children. When they return, their skills are rusty and outmoded. In the sciences, these same years are the peak years of achievement, and thus fewer women are notable scientists because most opt for motherhood instead. The proportion of women engaged in the professions was higher a hundred years ago than it was fifty years ago—long before anti-discrimination laws or the rise of the feminist movement. The reason is that the median age for marriage for women was higher a hundred years ago, thus more women were in the workforce during the formative years prior to their forties. Indeed, most women who staffed women's colleges during this earlier era were not married at all; they opted out of family life. Finally, the likelihood of future interruptions because of a woman's prospective role as a mother can make placing her in a senior position more of a risk to the employer than placing a man of similar ability in that same position. Only the never-married women and men are in comparable circumstances, and here women have had comparable or higher incomes than men, years before there were laws or government policies against sex discrimination.

Academic Facts and Fallacies

Fallacy: Attendance at a big-name college or university is essential for reaching the top.

Fact: The four institutions with the highest percentage of their undergrads going on to receive Ph.D.s are all small colleges with less than 2000 undergrads each. And of the chief executive officers of the 50 largest American corporations, only four had Ivy League degrees and just over half graduated from state colleges, city colleges, or community colleges. The fact that graduates of Harvard receive prestigious jobs and salaries may be traced more to their wealthy family connections than the education they receive, as well as their income from the earnings of inherited assets.

Income Facts and Fallacies

Fallacy: American household income has stagnated, rising just 6% between 1969 and 1996.

Fact: Household size has diminished; average real income per person in the U.S. rose by 51% over that very same period. Studies of what people actually consume—their standard of living—show substantial increases over the years. Alarming statistics about the plight of the poor never take into account the government and charitable resources available to them; indeed, the poor's actual income from work accounts for only 22% of the actual economic resources at their disposal. As for stagnation, by 2001 most people defined as poor had possessions once considered part of a middle class lifestyle. Three-quarters had air-conditioning, which only a third of all Americans had in 1971. 97% had color television, which less than half of all Americans had in 1971. 73% owned a microwave, which less than 1% of Americans owned in 1971, and 98% of the "poor" had either a VCR or a DVD player, which no one had in 1971. In addition, 72% of the "poor" had a car or truck. Yet the rhetoric of the "haves" and the "have nots" continues, even in a society where it might be more accurate to refer to the "haves" and the "have lots." In fine, the problem is not a stagnation of the national economy, but particular economic and social problems of particular groups of people.

Racial Facts and Fallacies

Fallacy: Governmentally-enforced civil rights laws have reduced racism in America.

Fact: The percentage of black families with incomes below the poverty line fell most sharply between 1940 and 1960, going from 87% to 47% over that span, before the Civil Rights Act of 1964 or the Voting Rights Act of 1965 and well before the 1970s, when "affirmative action" evolved into numerical quotas. While the downward trend in poverty continued, the pace of that decline did not accelerate after these legal landmarks, but in fact slackened. There was a similar historical trend as regards the rise of blacks into professional, managerial, and other high-level occupations. In short, affirmative action has produced little or no effect on the relative sizes of black and white incomes. The median black household income was 60.9% of the median white household income in 1970—and never rose above that, or as high as that, throughout the decade of the 1970s. As of 1980, median black household income was 57.6 of median white household income.

Fallacy: The current fatherless families so prevalent among contemporary blacks are a "legacy of slavery," where families were not recognized.

Fact: Most black children were raised in two-parent homes, even under slavery, and for generations thereafter. Freed blacks married, and marriage rates among blacks were slightly higher than among whites in the early twentieth century. Blacks also had slightly higher rates of labor force participation than whites in every census from 1890 to 1950. While 31% of black children were born to unmarried women in the early 1930s, that proportion rose to 77% by the early 1990s. If unwed childbirth was a "legacy of slavery," why was it so much less common among blacks who were two generations closer to the era of slavery? Oh, and by the way, from 1994 on into the twenty-first century, the poverty rate among black husband-wife families was below 10%. Turns out that "the man" most important to blacks is the man his wife calls her husband.

think about the larger issues covered, helpful if you live in the US. The main view I take is that the author has used his logic and evidence to make the 'generally held beliefs' be given a verdict of 'not proven' which probably does not sell as well as the word 'fallacy'.

The complexities and multiple variables perhaps mean that any conclusions may be difficult to reach rather than just pushing a 'conservative - monetary' view of the world.

However we would like to use best/objective intentions, too often we are clouded by personal agenda's. The fallacy thus is thinking ourselves to be perfect in our own logic.

thewestchestarian says

This book lacks the increasingly popular long subtitle that most non-fiction books now sport; I would like to suggest "In Defense of the Wealthy". Over this dense "an economist looks at..." collection of analyses of popular politic topics was a challenge to push through but worth the excursion so some degree. The advertising copy for this book includes the phrase: "Writing in a lively manner..." – I believe this would be the first fallacy.

An early section of the book deals with property rights and I was left with the distinct impression that Sowell may have recently been turned down for a variance by his local zoning board. Sowell feels that environmental concerns have unnecessarily eroded property rights in the U.S. and suggests that some 90% of U.S. land lies nearly criminally underdeveloped. I assume his 90% figure includes the deserts of the Southwest and the Arctic tundra of Alaska (I hear there is a lot of scrub-grass left in Montana as well). If he were to consider only those parts of the country where large numbers of people actually live, he might see the need for more centralized efforts at controlling suburban sprawl and for conservation of underdeveloped areas for future generations. To his credit he does rail against the increasing loose interpretation of eminent domain which has recently been interpreted to allow the dislocation of communities in favor of shopping malls. It is an easy target but one that needs to be assailed.

Another early section actually fulfills the promised of the book's title by reviewing the economics involved in higher education. Sowell demonstrates that colleges claim to be bastions of innovation while forcing students to spend four years attaining a degree no matter what the field and by largely using instructional methods (lecturer in front of a chalkboard) which haven't changed in better than 125 years. He shows how the institutional accreditation system is designed to, and is extremely effective at, keeping tuitions high and competition low. He also covers other rigging of the system such as college presidents and other officials billing the university for personal costs, professors requiring book they authored to be purchased and admissions offers receiving kickbacks from student loans organizations. A particularly illuminating passage demonstrates how professors are incented not to be very good teachers. This disincentive grows with the prestige of the school such that instruction at Ivy-League schools may actually be on par with the local community college

Having defended the rights of property holders but then assailing Ivy-leaguers, Sowell returns to defend the rich by exposing the fallacy (as he sees it) of an increasing division of wealth in the U.S. Sowell notes that today's poorer classes enjoy amenities that the poor of 1971 (not sure why this year was particularly salient) could only envy from afar. He doesn't compare how the wealthy of the two eras compare. Certainly the rich of 1971 would look at accouterments such fractional jet ownership, a doubling of house square footages and exclusive gated communities and feel some pangs of jealousy. Sowell complete ignore the point in a section where he defends outsized executive compensation by comparing it to outsized entertainer or sports star compensation. A TV star or baseball player is judged by objective measures while executive employment contracts often go to great lengths to avoid such objectivity. Actors and basketball players also don't normally have much say in who owns the studio or team and thus sets their pay while executives often are able to staff Boards with favorable directors. Sowell also feels that the increasing CEO/average work pay gap

is a fallacy by saying Boards have a right to pay what they feel is just compensation for contributions at all levels. But why has the multiple between the CEO and average worker expanded so much? Are CEOs really so much more important in 2008 versus 1960 relative to the front-line employee? Sowell never does discuss how this could be the case.

Also on the topic of pay, Sowell jumps into the gender-wage gap debate showing that it can be demonstrated that women are paid a percentage of what men earn but that this gap rapidly evaporates as confounding factors are controlled for. He concludes pay discrimination is the fault of both nature, which put the responsibility for childbearing on women, and society, which expects that women will continue to shoulder the lion's share of that responsibility after birth. However, women should not complain too loudly as Sowell cites results that suggest that somewhere above 80% of dollars spent in the typical household are the result of decisions made by wives. On a personal note, my favorite statistic in the book was that households with female children spend 70% more on appearance (clothing, cosmetics, etc.) as compared to households with boys.

Having done some chapters on gender, Sowell feel compelled to cover race. I struggled to understand what his historical review of slavery has to do with economics. He also reviews the genesis of race riots in large cities. His contention that cities with officials less tolerant of demonstrations also have fewer riots is a little Orwellian.

Overall, if the book didn't have the discussion on colleges, I would have seen it as largely a defense of the privileged through economic theory. However, there were enough insightful spots to make it worthwhile.
