

## The Subprime Solution How Today's Global Financial Crisis Happened And What To Do About It

The Subprime Solution How Today's Global Financial Crisis Happened, and what to Do about it Princeton University Press

"In Career and Family, Claudia Goldin builds on decades of complex research to examine the gender pay gap and the unequal distribution of labor between couples in the home. Goldin argues that although recent public and private discourse has brought these concerns to light, the actions taken—such as a single company slapped on the wrist or a few progressive leaders going on paternity leave—are the economic equivalent of tossing a band-aid to someone with cancer. These solutions, Goldin writes, treat the symptoms and not the disease of gender inequality in the workplace and economy. Goldin points to data that reveals how the pay gap widens further down the line in women's careers, about 10 to 15 years out, as opposed to those beginning careers after college. She examines five distinct groups of women over the course of the twentieth century: cohorts of women who differ in terms of career, job, marriage, and children, in approximated years of graduation—1900s, 1920s, 1950s, 1970s, and 1990s—based on various demographic, labor force, and occupational outcomes. The book argues that our entire economy is trapped in an old way of doing business; work structures have not adapted as more women enter the workforce. Gender equality in pay and equity in home and childcare labor are flip sides of the same issue, and Goldin frames both in the context of a serious empirical exploration that has not yet been put in a long-run historical context. Career and Family offers a deep look into census data, rich information about individual college graduates over their lifetimes, and various records and new sources of material to offer a new model to restructure the home and school systems that contribute to the gender pay gap and the quest for both family and career"—Capital Ideas traces the origins of modern Wall Street, from the pioneering work of early scholars and the development of new theories in risk, valuation, and investment returns, to the actual implementation of these theories in the real world of investment management. Bernstein brings to life a variety of brilliant academics who have contributed to modern investment theory over the years: Louis Bachelier, Harry Markowitz, William Sharpe, Fischer Black, Myron Scholes, Robert Merton, Franco Modigliani, and Merton Miller. Filled with in-depth insights and timeless advice, Capital Ideas reveals how the unique contributions of these talented individuals profoundly changed the practice of investment management as we know it today.

The 10th anniversary edition, with new chapters on the crash, Chimerica, and cryptocurrency "[An] excellent, just in time guide to the history of finance and financial crisis." —The Washington Post "Fascinating." —Fareed Zakaria, Newsweek In this updated edition, Niall Ferguson brings his classic financial history of the world up to the present day, tackling the populist backlash that followed the 2008 crisis, the descent of "Chimerica" into a trade war, and the advent of cryptocurrencies, such as Bitcoin, with his signature clarity and expert lens. The Ascent of Money reveals finance as the backbone of history, casting a new light on familiar events: the Renaissance enabled by Italian foreign exchange dealers, the French Revolution traced back to a stock market bubble, the 2008 crisis traced from America's bankruptcy capital, Memphis, to China's boomtown, Chongqing. We may resent the plutocrats of Wall Street but, as Ferguson argues, the evolution of finance has rivaled the importance of any technological innovation in the rise of civilization. Indeed, to study the ascent and descent of money is to study the rise and fall of Western power itself.

No institution, government, or country is "too big to fail." A behind-the-scenes account of what led to the 2008 crisis—and may soon lead to a bigger one. Written by two bank executives with firsthand experience of several financial crises, Nothing is Too Big to Fail holds a stiff warning about the future of finance and social justice—revealing how the US government's fiscal and monetary policies are creating asset and debt bubbles that could burst at any time. The COVID-19 pandemic is just one of many risks that could derail our highly leveraged and fragile economic system. The authors also tell how government actions and an unregulated shadow banking system are leading to inequitable distribution of wealth, destroying the middle class, reducing trust in government, and accelerating racial injustice. No institution, government, or country is "too big to fail." This book offers lessons learned from past crises and recommended actions for business and government leaders to take today to return our economic system and our democracy to a safer trajectory.

The subprime crisis shook the American economy to its core. How did it happen? Where was the government? Did anyone see the crisis coming? Will the new financial reforms avoid a repeat performance? In this lively new book, Kathleen C. Engel and Patricia A. McCoy answer these questions as they tell the story behind the subprime crisis. The authors, experts in the law and the economics of financial regulation and consumer lending, offer a sharply reasoned, but accessible account of the actions that produced the greatest economic collapse since the Great Depression. The Subprime Virus reveals how consumer abuses in a once obscure corner of the home mortgage market led to the near meltdown of the world's financial system. The authors also delve into the roles of federal banking and securities regulators, who knew of lenders' hazardous mortgages and of Wall Street's addiction to high stakes financing, but did nothing until the crisis erupted. This is the first book to offer a comprehensive description of the government's failure to act and to analyze the financial reform legislation of 2010. Blending expert analysis, vivid examples, and clear prose, Engel and McCoy offer an informed portrait of the political and financial failures that led to the crisis. Equally important, they show how we can draw lessons from the crisis to inform the building of a new, more stable, prosperous, and just financial order.

DANNY SCHECHTER, "The News Dissector" has spent decades as a truth teller in the media, with leading media companies and as an independent filmmaker with the award-winning independent company Globalvision. A graduate of Cornell and the London School of Economics, Schechter was a Nieman Fellow at Harvard and a multiple Emmy Award winner at ABC News, where he was among the first to cover the S&L crisis. In 2007, his film IN DEBT WE TRUST was the first to expose Wall Street's connection to subprime loans, predicting the economic crisis that this book investigates. Schechter is a blogger, editor of Mediachannel.org, and author of nine books. He has reported from 53 countries, and lives in Gotham. He owns no derivatives or tranches.

"A lot has happened in the financial markets since 1992, when Peter Bernstein wrote his seminal Capital Ideas. Happily, Peter has taken up his facile pen again to describe these changes, a virtual revolution in the practice of investing that relies heavily on complex mathematics, derivatives, hedging, and hyperactive trading. This fine and eminently readable book is unlikely to be surpassed as the definitive chronicle of a truly historic era." —John C. Bogle, founder of The Vanguard Group and author, The Little Book of Common Sense Investing "Just as Dante could not have understood or survived the perils of the Inferno without Virgil to guide him, investors today need Peter Bernstein to help find their way across dark and shifting ground. No one alive understands Wall Street's intellectual history better, and that makes Bernstein our best and wisest guide to the future. He is the only person who could have written this book; thank goodness he did." —Jason Zweig, Investing Columnist, Money magazine "Another must-read from Peter Bernstein! This well-written and thought-provoking book provides valuable insights on how key finance theories have evolved from their ivory tower formulation to profitable application by portfolio managers. This book will certainly be read with keen interest by, and undoubtedly influence, a wide range of participants in international finance." —Dr. Mohamed A. El-Erian, President and CEO of Harvard Management Company, Deputy Treasurer of Harvard University, and member of the faculty of the Harvard Business School "Reading Capital Ideas Evolving is an experience not to be missed. Peter Bernstein's knowledge of the principal characters—the giants in the development of investment theory and practice—brings this subject to life." —Linda B. Strumpf, Vice President and Chief Investment Officer, The Ford Foundation "With great clarity, Peter Bernstein introduces us to the insights of investment giants, and explains how they transformed financial theory into portfolio practice. This is not just a tale of money and models; it is a fascinating and contemporary story about people and the power of their ideas." —Elroy Dimson, BGI Professor of Investment Management, London Business

School "Capital Ideas Evolving provides us with a unique appreciation for the pervasive impact that the theory of modern finance has had on the development of our capital markets. Peter Bernstein once again has produced a masterpiece that is must reading for practitioners, educators and students of finance." —André F. Perold, Professor of Finance, Harvard Business School

A best-selling economist reveals the origins of the subprime mortgage crisis and puts forward bold measures to resolve it by restructuring the institutional foundations of the financial system in a thoughtful study by the author of *Irrational Exuberance*. First serial, *The Atlantic*.

**NEW YORK TIMES BESTSELLER • LONGLISTED FOR THE NATIONAL BOOK AWARD •** One of today's most insightful and influential thinkers offers a powerful exploration of inequality and the lesson that generations of Americans have failed to learn: Racism has a cost for everyone—not just for people of color. **LONGLISTED FOR THE ANDREW CARNEGIE MEDAL •** "This is the book I've been waiting for."—Ibram X. Kendi, #1 New York Times bestselling author of *How to Be an Antiracist* Heather McGhee's specialty is the American economy—and the mystery of why it so often fails the American public. From the financial crisis of 2008 to rising student debt to collapsing public infrastructure, she found a root problem: racism in our politics and policymaking. But not just in the most obvious indignities for people of color. Racism has costs for white people, too. It is the common denominator of our most vexing public problems, the core dysfunction of our democracy and constitutive of the spiritual and moral crises that grip us all. But how did this happen? And is there a way out? McGhee embarks on a deeply personal journey across the country from Maine to Mississippi to California, tallying what we lose when we buy into the zero-sum paradigm—the idea that progress for some of us must come at the expense of others. Along the way, she meets white people who confide in her about losing their homes, their dreams, and their shot at better jobs to the toxic mix of American racism and greed. This is the story of how public goods in this country—from parks and pools to functioning schools—have become private luxuries; of how unions collapsed, wages stagnated, and inequality increased; and of how this country, unique among the world's advanced economies, has thwarted universal healthcare. But in unlikely places of worship and work, McGhee finds proof of what she calls the Solidarity Dividend: the benefits we gain when people come together across race to accomplish what we simply can't do on our own. *The Sum of Us* is not only a brilliant analysis of how we arrived here but also a heartfelt message, delivered with startling empathy, from a black woman to a multiracial America. It leaves us with a new vision for a future in which we finally realize that life can be more than a zero-sum game.

Nobel Prize-winning economist explains why we need to reclaim finance for the common good The reputation of the financial industry could hardly be worse than it is today in the painful aftermath of the 2008 financial crisis. New York Times best-selling economist Robert Shiller is no apologist for the sins of finance—he is probably the only person to have predicted both the stock market bubble of 2000 and the real estate bubble that led up to the subprime mortgage meltdown. But in this important and timely book, Shiller argues that, rather than condemning finance, we need to reclaim it for the common good. He makes a powerful case for recognizing that finance, far from being a parasite on society, is one of the most powerful tools we have for solving our common problems and increasing the general well-being. We need more financial innovation—not less—and finance should play a larger role in helping society achieve its goals. Challenging the public and its leaders to rethink finance and its role in society, Shiller argues that finance should be defined not merely as the manipulation of money or the management of risk but as the stewardship of society's assets. He explains how people in financial careers—from CEO, investment manager, and banker to insurer, lawyer, and regulator—can and do manage, protect, and increase these assets. He describes how finance has historically contributed to the good of society through inventions such as insurance, mortgages, savings accounts, and pensions, and argues that we need to envision new ways to rechannel financial creativity to benefit society as a whole. Ultimately, Shiller shows how society can once again harness the power of finance for the greater good.

Selected as one of the best investment books of all time by the *Financial Times*, *Manias, Panics and Crashes* puts the turbulence of the financial world in perspective. Here is a vivid and entertaining account of how reckless decisions and a poor handling of money have led to financial explosions over the centuries. Covering topics such as the history and anatomy of crises, speculative manias, and the lender of last resort, this book has been hailed as "a true classic . . . both timely and timeless." In this new, updated sixth edition, Kindleberger and Aliber expand upon the ideas presented in the previous edition to bring the history of the financial crisis up-to-date. It now includes two new chapters that provide an in-depth analysis of the causes, consequences and policy responses to the first global crisis of the 21st century, the Financial Crisis of 2007-2008. In addition, these new chapters also cover significant crises of the last fifteen years. The authors offer valuable lessons that will allow the reader to successfully navigate the financial crises of today and ones that lie ahead.

The global financial crisis has made it painfully clear that powerful psychological forces are imperiling the wealth of nations today. From blind faith in ever-rising housing prices to plummeting confidence in capital markets, "animal spirits" are driving financial events worldwide. In this book, acclaimed economists George Akerlof and Robert Shiller challenge the economic wisdom that got us into this mess, and put forward a bold new vision that will transform economics and restore prosperity. Akerlof and Shiller reassert the necessity of an active government role in economic policymaking by recovering the idea of animal spirits, a term John Maynard Keynes used to describe the gloom and despondence that led to the Great Depression and the changing psychology that accompanied recovery. Like Keynes, Akerlof and Shiller know that managing these animal spirits requires the steady hand of government—simply allowing markets to work won't do it. In rebuilding the case for a more robust, behaviorally informed Keynesianism, they detail the most pervasive effects of animal spirits in contemporary economic life—such as confidence, fear, bad faith, corruption, a concern for fairness, and the stories we tell ourselves about our economic fortunes—and show how Reaganomics, Thatcherism, and the rational expectations revolution failed to account for them. *Animal Spirits* offers a road map for reversing the financial misfortunes

besetting us today. Read it and learn how leaders can channel animal spirits--the powerful forces of human psychology that are afoot in the world economy today. In a new preface, they describe why our economic troubles may linger for some time--unless we are prepared to take further, decisive action.

Two top economists outline distinctive approaches to post-crisis financial reform. Over the last few years, the financial sector has experienced its worst crisis since the 1930s. The collapse of major firms, the decline in asset values, the interruption of credit flows, the loss of confidence in firms and credit market instruments, the intervention by governments and central banks: all were extraordinary in scale and scope. In this book, leading economists Randall Kroszner and Robert Shiller discuss what the United States should do to prevent another such financial meltdown. Their discussion goes beyond the nuts and bolts of legislative and regulatory fixes to consider fundamental changes in our financial arrangements. Kroszner and Shiller offer two distinctive approaches to financial reform, with Kroszner providing a systematic analysis of regulatory gaps and Shiller addressing the broader concerns of democratizing and humanizing finance. After brief discussions by four commentators (Benjamin M. Friedman, George G. Kaufman, Robert C. Pozen, and Hal S. Scott), Kroszner and Shiller each offer a response to the other's proposals, creating a fruitful dialogue between two major figures in the field.

Recent events in the global financial markets and macro economies have served as a strong reminder for a need of a coherent theory of capitalist crisis and analysis. This book helps to fill the gap with well-grounded alternative articulations of the forces which move today's economic dynamics, how they interact and how ideas of foundational figures in economic theory can be used to make sense of the current predicament. The book presents a comprehensive collection of reflections on the origins, dynamics and implications of the interlinked crises of the U.S. and global economies. The book is a thoughtful collaboration between Japanese heterodox economists of the Japan Society of Political Economy (JSPE) and non-Japanese scholars. It provides a unique immersion in different, sophisticated approaches to political economy and to the crisis. The book illustrates with the understanding of Marx's crisis theory and how it can serve as a powerful framework for analyzing the contemporary sub-prime world crisis. The book explains the subprime loan crisis as a crisis in a specific phase of the capitalist world system and concludes that it is a structural one which destroys the existing capital accumulation regime. It pays attention to structural changes and to how these changes beget profound and controversial consequences. The result is a must-read - one which truly contributes to the resurgence of radical analyses of the political economy, free from the market optimism of the main-stream economics.

"A riveting account that reaches beyond the market landscape to say something universal about risk and triumph, about hubris and failure."—The New York Times NAMED ONE OF THE BEST BOOKS OF THE YEAR BY BUSINESSWEEK In this business classic—now with a new Afterword in which the author draws parallels to the recent financial crisis—Roger Lowenstein captures the gripping roller-coaster ride of Long-Term Capital Management. Drawing on confidential internal memos and interviews with dozens of key players, Lowenstein explains not just how the fund made and lost its money but also how the personalities of Long-Term's partners, the arrogance of their mathematical certainties, and the culture of Wall Street itself contributed to both their rise and their fall. When it was founded in 1993, Long-Term was hailed as the most impressive hedge fund in history. But after four years in which the firm dazzled Wall Street as a \$100 billion moneymaking juggernaut, it suddenly suffered catastrophic losses that jeopardized not only the biggest banks on Wall Street but the stability of the financial system itself. The dramatic story of Long-Term's fall is now a chilling harbinger of the crisis that would strike all of Wall Street, from Lehman Brothers to AIG, a decade later. In his new Afterword, Lowenstein shows that LTCM's implosion should be seen not as a one-off drama but as a template for market meltdowns in an age of instability—and as a wake-up call that Wall Street and government alike tragically ignored. Praise for *When Genius Failed* "[Roger] Lowenstein has written a squalid and fascinating tale of world-class greed and, above all, hubris."—BusinessWeek "Compelling . . . The fund was long cloaked in secrecy, making the story of its rise . . . and its ultimate destruction that much more fascinating."—The Washington Post "Story-telling journalism at its best."—The Economist

A New York Times Bestseller The leading thinker and most visible public advocate of modern monetary theory -- the freshest and most important idea about economics in decades -- delivers a radically different, bold, new understanding for how to build a just and prosperous society. Stephanie Kelton's brilliant exploration of modern monetary theory (MMT) dramatically changes our understanding of how we can best deal with crucial issues ranging from poverty and inequality to creating jobs, expanding health care coverage, climate change, and building resilient infrastructure. Any ambitious proposal, however, inevitably runs into the buzz saw of how to find the money to pay for it, rooted in myths about deficits that are hobbling us as a country. Kelton busts through the myths that prevent us from taking action: that the federal government should budget like a household, that deficits will harm the next generation, crowd out private investment, and undermine long-term growth, and that entitlements are propelling us toward a grave fiscal crisis. MMT, as Kelton shows, shifts the terrain from narrow budgetary questions to one of broader economic and social benefits. With its important new ways of understanding money, taxes, and the critical role of deficit spending, MMT redefines how to responsibly use our resources so that we can maximize our potential as a society. MMT gives us the power to imagine a new politics and a new economy and move from a narrative of scarcity to one of opportunity.

Walter Bagehot's *Lombard Street*, published in 1873 in the wake of a devastating London bank collapse, explained in clear and straightforward terms why central banks must serve as the lender of last resort to ensure liquidity in a faltering credit system. Bagehot's book set down the principles that helped define the role of modern central banks, particularly in times of crisis--but the recent global financial meltdown has posed unforeseen challenges. The New *Lombard Street* lays out the innovative principles needed to address the instability of today's markets and to rebuild our financial system. Revealing how we arrived at the current crisis, Perry Mehrling traces the evolution of ideas and institutions in the

American banking system since the establishment of the Federal Reserve in 1913. He explains how the Fed took classic central banking wisdom from Britain and Europe and adapted it to America's unique and considerably more volatile financial conditions. Mehrling demonstrates how the Fed increasingly found itself serving as the dealer of last resort to ensure the liquidity of securities markets--most dramatically amid the recent financial crisis. Now, as fallout from the crisis forces the Fed to adapt in unprecedented ways, new principles are needed to guide it. In *The New Lombard Street*, Mehrling persuasively argues for a return to the classic central bankers' "money view," which looks to the money market to assess risk and restore faith in our financial system.

The Financial Crisis Inquiry Report, published by the U.S. Government and the Financial Crisis Inquiry Commission in early 2011, is the official government report on the United States financial collapse and the review of major financial institutions that bankrupted and failed, or would have without help from the government. The commission and the report were implemented after Congress passed an act in 2009 to review and prevent fraudulent activity. The report details, among other things, the periods before, during, and after the crisis, what led up to it, and analyses of subprime mortgage lending, credit expansion and banking policies, the collapse of companies like Fannie Mae and Freddie Mac, and the federal bailouts of Lehman and AIG. It also discusses the aftermath of the fallout and our current state. This report should be of interest to anyone concerned about the financial situation in the U.S. and around the world. THE FINANCIAL CRISIS INQUIRY COMMISSION is an independent, bi-partisan, government-appointed panel of 10 people that was created to "examine the causes, domestic and global, of the current financial and economic crisis in the United States." It was established as part of the Fraud Enforcement and Recovery Act of 2009. The commission consisted of private citizens with expertise in economics and finance, banking, housing, market regulation, and consumer protection. They examined and reported on "the collapse of major financial institutions that failed or would have failed if not for exceptional assistance from the government." News Dissector DANNY SCHECHTER is a journalist, blogger and filmmaker. He has been reporting on economic crises since the 1980's when he was with ABC News. His film *In Debt We Trust* warned of the economic meltdown in 2006. He has since written three books on the subject including *Plunder: Investigating Our Economic Calamity* (Cosimo Books, 2008), and *The Crime Of Our Time: Why Wall Street Is Not Too Big to Jail* (Disinfo Books, 2011), a companion to his latest film *Plunder The Crime Of Our Time*. He can be reached online at [www.newsdissector.com](http://www.newsdissector.com).

How did we get to where we are? John Cassidy shows that the roots of our most recent financial failure lie not with individuals, but with an idea - the idea that markets are inherently rational. He gives us the big picture behind the financial headlines, tracing the rise and fall of free market ideology from Adam Smith to Milton Friedman and Alan Greenspan. Full of wit, sense and, above all, a deeper understanding, *How Markets Fail* argues for the end of 'utopian' economics, and the beginning of a pragmatic, reality-based way of thinking. A very good history of economic thought Economist *How Markets Fail* offers a brilliant intellectual framework . . . fine work New York Times An essential, grittily intellectual, yet compelling guide to the financial debacle of 2009 Geordie Greig, Evening Standard A powerful argument . . . Cassidy makes a compelling case that a return to hands-off economics would be a disaster BusinessWeek This book is a well constructed, thoughtful and cogent account of how capitalism evolved to its current form Telegraph Books of the Year recommendation John Cassidy ... describe[s] that mix of insight and madness that brought the world's system to its knees FT, Book of the Year recommendation Anyone who enjoys a good read can safely embark on this tour with Cassidy as their guide . . . Like his colleague Malcolm Gladwell [at the New Yorker], Cassidy is able to lead us with beguiling lucidity through unfamiliar territory New Statesman John Cassidy has covered economics and finance at The New Yorker magazine since 1995, writing on topics ranging from Alan Greenspan to the Iraqi oil industry and English journalism. He is also now a Contributing Editor at Portfolio where he writes the monthly Economics column. Two of his articles have been nominated for National Magazine Awards: an essay on Karl Marx, which appeared in October, 1997, and an account of the death of the British weapons scientist David Kelly, which was published in December, 2003. He has previously written for Sunday Times in as well as the New York Post, where he edited the Business section and then served as the deputy editor. In 2002, Cassidy published his first book, *Dot.Con*. He lives in New York.

Assesses the U.S. financial crisis and its lessons, exploring its contributing factors while revealing its more devastating but lesser-known consequences and outlining potentially divisive solutions that may be necessary for recovery.

Sharply and clearly argued, Wolf's prescription for fixing global finance illustrates why he has been described as "the world's preeminent financial journalist."

Examines financial crises of the past and discusses similarities between these events and the current crisis, presenting and comparing historical patterns in bank failures, inflation, debt, currency, housing, employment, and government spending.

A blistering narrative account of the negligence and greed that pushed all of Wall Street into chaos and the country into a financial crisis. At the beginning of March 2008, the monetary fabric of Bear Stearns, one of the world's oldest and largest investment banks, began unraveling. After ten days, the bank no longer existed, its assets sold under duress to rival JPMorgan Chase. The effects would be felt nationwide, as the country suddenly found itself in the grip of the worst financial mess since the Great Depression. William Cohan exposes the corporate arrogance, power struggles, and deadly combination of greed and inattention, which led to the collapse of not only Bear Stearns but the very foundations of Wall Street.

LONGLISTED FOR THE 2019 NATIONAL BOOK AWARD FINALIST, 2020 PULITZER PRIZE IN HISTORY By the late 1960s and early 1970s, reeling from a wave of urban uprisings, politicians finally worked to end the practice of redlining. Reasoning that the turbulence could be calmed by turning Black city-dwellers into homeowners, they passed the Housing and Urban Development Act of 1968, and set about establishing policies to induce mortgage lenders and the real estate industry to treat Black homebuyers equally. The disaster that ensued

revealed that racist exclusion had not been eradicated, but rather transmuted into a new phenomenon of predatory inclusion. *Race for Profit* uncovers how exploitative real estate practices continued well after housing discrimination was banned. The same racist structures and individuals remained intact after redlining's end, and close relationships between regulators and the industry created incentives to ignore improprieties. Meanwhile, new policies meant to encourage low-income homeownership created new methods to exploit Black homeowners. The federal government guaranteed urban mortgages in an attempt to overcome resistance to lending to Black buyers – as if unprofitability, rather than racism, was the cause of housing segregation. Bankers, investors, and real estate agents took advantage of the perverse incentives, targeting the Black women most likely to fail to keep up their home payments and slip into foreclosure, multiplying their profits. As a result, by the end of the 1970s, the nation's first programs to encourage Black homeownership ended with tens of thousands of foreclosures in Black communities across the country. The push to uplift Black homeownership had descended into a goldmine for realtors and mortgage lenders, and a ready-made cudgel for the champions of deregulation to wield against government intervention of any kind. Narrating the story of a sea-change in housing policy and its dire impact on African Americans, *Race for Profit* reveals how the urban core was transformed into a new frontier of cynical extraction.

Mortgage credit derivatives are a risky business, especially of late. Written by an expert author team of UBS practitioners-Laurie Goodman, Shumin Li, Douglas Lucas, and Thomas Zimmerman-along with Frank Fabozzi of Yale University, *Subprime Mortgage Credit Derivatives* covers state-of-the-art instruments and strategies for managing a portfolio of mortgage credits in today's volatile climate. Divided into four parts, this book addresses a variety of important topics, including mortgage credit (non-agency, first and second lien), mortgage securitizations (alternate structures and subprime triggers), credit default swaps on mortgage securities (ABX, cash synthetic relationships, CDO credit default swaps), and much more. In addition, the authors outline the origins of the subprime crisis, showing how during the 2004-2006 period, as housing became less affordable, origination standards were stretched-and when home price appreciation then turned to home price depreciation, defaults and delinquencies rose across the board. The recent growth in subprime lending, along with a number of other industry factors, has made the demand for timely knowledge and solutions greater than ever before, and this guide contains the information financial professionals need to succeed in this challenging field.

In this thought-provoking book, Jonathan McMillan dissects banking to reveal its inner workings. He cuts through the complexity of modern finance and explains how banking almost crashed our financial system. Banking is broken, and McMillan reveals why we can no longer fix it. The digital revolution turns out to be the game changer that calls for the end of banking. But McMillan refrains from merely pointing out flaws. Building on economic research and a rigorous analytical approach, he goes on to provide an innovative blueprint for a modern financial system. *The End of Banking* transforms our understanding of the financial system. It identifies the root cause of today's problems with banking and presents a solution that stands out against existing reform proposals.

From FSGO x Logic: a revealing examination of digital advertising and the internet's precarious foundation In *Subprime Attention Crisis*, Tim Hwang investigates the way big tech financializes attention. In the process, he shows us how digital advertising—the beating heart of the internet—is at risk of collapsing, and that its potential demise bears an uncanny resemblance to the housing crisis of 2008. From the unreliability of advertising numbers and the unregulated automation of advertising bidding wars, to the simple fact that online ads mostly fail to work, Hwang demonstrates that while consumers' attention has never been more prized, the true value of that attention itself—much like subprime mortgages—is wildly misrepresented. And if online advertising goes belly-up, the internet—and its free services—will suddenly be accessible only to those who can afford it. Deeply researched, convincing, and alarming, *Subprime Attention Crisis* will change the way you look at the internet, and its precarious future. FSG Originals x Logic dissects the way technology functions in everyday lives. The titans of Silicon Valley, for all their utopian imaginings, never really had our best interests at heart: recent threats to democracy, truth, privacy, and safety, as a result of tech's reckless pursuit of progress, have shown as much. We present an alternate story, one that delights in capturing technology in all its contradictions and innovation, across borders and socioeconomic divisions, from history through the future, beyond platitudes and PR hype, and past doom and gloom. Our collaboration features four brief but provocative forays into the tech industry's many worlds, and aspires to incite fresh conversations about technology focused on nuanced and accessible explorations of the emerging tools that reorganize and redefine life today.

*Macro Markets* puts forward a unique and authoritative set of detailed proposals for establishing new markets for the management of the biggest economic risks facing society. Our existing financial markets are seen as being inadequate in dealing with such risks and Professor Shiller suggests major new markets as solutions to the problem. Shiller argues that although some risks, such as natural disaster or temporary unemployment, are shared by society, most risks are borne by the individual and standards of living determined by luck. He investigates whether a new technology of markets could make risk-sharing possible, and shows how new contracts could be designed to hedge all manner of risks to the individual's living standards. He proposes new international markets for perpetual claims on national incomes, and on components and aggregates of national incomes, concluding that these markets may well dwarf our stock markets in their activity and significance. He also argues for new liquid international markets for residential and commercial property. Establishing such unprecedented new markets presents some important technical problems which Shiller attempts to solve with proposals for implementing futures markets on perpetual claims on incomes, and for the construction of index numbers for cash settlement of risk management contracts. These new markets could fundamentally alter and diminish international economic fluctuations, and reduce the inequality of incomes around the world.

"Hell is empty, and all the devils are here." -Shakespeare, *The Tempest* As soon as the financial crisis erupted, the finger-pointing began. Should the blame fall on Wall Street, Main Street, or Pennsylvania Avenue? On greedy traders, misguided regulators, sleazy subprime companies, cowardly legislators, or clueless home buyers? According to Bethany McLean and Joe Nocera, two of America's most acclaimed business journalists, the real answer is all of the above-and more. Many devils helped bring hell to the economy. And the full story, in all of its complexity and detail, is like the legend of the blind men and the elephant. Almost everyone has missed the big picture. Almost no one has put all the pieces together. *All the Devils Are Here* goes back several decades to weave the hidden history of the financial crisis in a way no previous book has done. It explores the motivations of everyone from famous CEOs, cabinet secretaries, and politicians to anonymous lenders, borrowers, analysts, and Wall Street traders. It delves into the powerful American mythology of homeownership. And it proves that the crisis ultimately wasn't about finance at all; it was about human nature. Among the devils you'll meet in vivid detail: • Angelo Mozilo, the CEO of Countrywide, who dreamed of spreading homeownership to the masses, only to succumb to the peer pressure-and the outsized profits-of the sleaziest subprime lending. • Roland Arnall, a respected philanthropist and diplomat, who made his fortune building Ameriquest, a subprime lending empire that relied on blatantly deceptive lending practices. • Hank Greenberg, who built AIG into a Rube Goldberg contraption with an undeserved triple-A rating, and who ran it so tightly that he was the only one who knew where all the bodies were buried. • Stan O'Neal of Merrill Lynch, aloof and suspicious, who suffered from "Goldman envy" and drove a proud old firm into the ground by promoting cronies and pushing out his smartest lieutenants. • Lloyd Blankfein, who helped turn Goldman Sachs from a culture that famously put clients first to one that made clients secondary to its own bottom line. • Franklin Raines of Fannie Mae, who (like his predecessors) bullied regulators into submission and let his firm drift away from its original, noble mission. • Brian Clarkson of Moody's, who aggressively pushed to increase his rating agency's market share and stock price, at the cost of its integrity. • Alan Greenspan, the legendary maestro of the Federal Reserve, who ignored the evidence of a growing housing bubble and turned a blind eye to the lending practices that ultimately

brought down Wall Street—and inflicted enormous pain on the country. Just as McLean's *The Smartest Guys in the Room* was hailed as the best Enron book on a crowded shelf, so will *All the Devils Are Here* be remembered for finally making sense of the meltdown and its consequences.

From Nobel Prize-winning economist and New York Times bestselling author Robert Shiller, a groundbreaking account of how stories help drive economic events—and why financial panics can spread like epidemic viruses. Stories people tell—about financial confidence or panic, housing booms, or Bitcoin—can go viral and powerfully affect economies, but such narratives have traditionally been ignored in economics and finance because they seem anecdotal and unscientific. In this groundbreaking book, Robert Shiller explains why we ignore these stories at our peril—and how we can begin to take them seriously. Using a rich array of examples and data, Shiller argues that studying popular stories that influence individual and collective economic behavior—what he calls "narrative economics"—may vastly improve our ability to predict, prepare for, and lessen the damage of financial crises and other major economic events. The result is nothing less than a new way to think about the economy, economic change, and economics. In a new preface, Shiller reflects on some of the challenges facing narrative economics, discusses the connection between disease epidemics and economic epidemics, and suggests why epidemiology may hold lessons for fighting economic contagions.

"Mr. Minsky long argued markets were crisis prone. His 'moment' has arrived." -The Wall Street Journal In his seminal work, Minsky presents his groundbreaking financial theory of investment, one that is startlingly relevant today. He explains why the American economy has experienced periods of debilitating inflation, rising unemployment, and marked slowdowns—and why the economy is now undergoing a credit crisis that he foresaw. *Stabilizing an Unstable Economy* covers: The natural inclination of complex, capitalist economies toward instability Booms and busts as unavoidable results of high-risk lending practices "Speculative finance" and its effect on investment and asset prices Government's role in bolstering consumption during times of high unemployment The need to increase Federal Reserve oversight of banks Henry Kaufman, president, Henry Kaufman & Company, Inc., places Minsky's prescient ideas in the context of today's financial markets and institutions in a fascinating new preface. Two of Minsky's colleagues, Dimitri B. Papadimitriou, Ph.D. and president, The Levy Economics Institute of Bard College, and L. Randall Wray, Ph.D. and a senior scholar at the Institute, also weigh in on Minsky's present relevance in today's economic scene in a new introduction. A surge of interest in and respect for Hyman Minsky's ideas pervades Wall Street, as top economic thinkers and financial writers have started using the phrase "Minsky moment" to describe America's turbulent economy. There has never been a more appropriate time to read this classic of economic theory.

The must-read summary of Robert J. Shiller's book: "The Subprime Solution: How Today's Global Financial Crisis Happened, and What to Do About It". This complete summary of "The Subprime Solution" by Robert J. Shiller, Nobel Laureate and economist, outlines his explanation of how the subprime mortgage crisis arose and his solutions to resolve it. He believes that a restructuring of the institutional foundations of the financial system is necessary for recovery and greater prosperity. Added-value of this summary: • Save time • Understand the subprime mortgage crisis and possible ways of resolving it • Expand your knowledge of economics and finance To learn more, read "The Subprime Solution" and discover some potential, radical solutions that would create the conditions for greater prosperity across the global economy.

"A book on why most things are more expensive or lower quality, and why we're all still working long hours for the same or lower wages. Does it ever seem like most things you buy are more expensive or not as good as they once were, or both? Does it ever seem odd that, despite having access to much better communication and cheaper transportation, we're all working just as many hours and for the same wages as workers decades ago? Well, we now know you're not wrong to wonder about these things. In recent years, economists have been documenting how most of the gains from technology and globalization have been going to an increasingly concentrated number of huge businesses, at the expense of consumers and workers. Prices are higher and wages are lower. The reason is market power. One of the first to authoritatively document the rise of market power was Jan Eeckhout. In this book, he will explain for a general audience how large firms have faced increasingly little competition, allowing them to charge higher prices than they otherwise could. And how we, as consumers, pay more for many goods and services—"everything from a bottle of beer to a flight to Houston to our grandmother's prosthetic hip." As a result, business profits have soared since 1980, and just a few "mega firms" dominate the marketplace. Eeckhout shows how the rise in market power has had radically negative effects on work and the lives of workers—trends that, if not reversed, may cause historical corrections in the form of wars and market collapse. Drawing on a wealth of research and the stories of working people, *The Profit Paradox* will explain in clear language the rise of market power, how it could change the world further if left unaddressed, and how we can tackle the problem"--

"For many, Thomas Carlyle's put-down of economics as "the dismal science" rings true - especially in the aftermath of the crash of 2008. But Diane Coyle argues that economics today is more soulful than dismal, a more practical and human science than ever before. *The Soulful Science* describes the remarkable creative renaissance in economics, how economic thinking is being applied to the paradoxes of everyday life." "This revised edition incorporates the latest developments in the field, including the rise of behavioral finance, the failure of carbon trading, and the growing trend of government bailouts. She also discusses such major debates as the relationship between economic statistics and presidential elections, the boundary between private choice and public action, and who is to blame for today's banking crisis"--Jacket.

"Essential reading." —New York Review of Books In the spirit of *Evicted*, *Bait and Switch*, and *The Big Short*, a shocking, heart-wrenching investigation into America's housing crisis and the modern-day robber barons who are making a fortune off the backs of the disenfranchised working and middle class—among them, Donald Trump and his inner circle. Two years before the housing market collapsed in 2008, Donald Trump looked forward to a crash: "I sort of hope that happens because then people like me would go in and buy," he said. But our future president wasn't alone. While millions of Americans suffered financial loss, tycoons pounced to heartlessly seize thousands of homes—their profiteering made even easier because, as prize-winning investigative reporter Aaron Glantz reveals in *Homewreckers*, they often used taxpayer money—and the Obama administration's promise to cover their losses. In *Homewreckers*, Glantz recounts the transformation of straightforward lending into a morass of slivered and combined mortgage "products" that could be

bought and sold, accompanied by a shift in priorities and a loosening of regulations and laws that made it good business to lend money to those who wouldn't be able to repay. Among the men who laughed their way to the bank: Trump cabinet members Steve Mnuchin and Wilbur Ross, Trump pal and confidant Tom Barrack, and billionaire Republican cash cow Steve Schwarzman. Homewreckers also brilliantly weaves together the stories of those most ravaged by the housing crisis. The result is an eye-opening expose of the greed that decimated millions and enriched a gluttonous few. In his best-selling *Irrational Exuberance*, Robert Shiller cautioned that society's obsession with the stock market was fueling the volatility that has since made a roller coaster of the financial system. Less noted was Shiller's admonition that our infatuation with the stock market distracts us from more durable economic prospects. These lie in the hidden potential of real assets, such as income from our livelihoods and homes. But these "ordinary riches," so fundamental to our well-being, are increasingly exposed to the pervasive risks of a rapidly changing global economy. This compelling and important new book presents a fresh vision for hedging risk and securing our economic future. Shiller describes six fundamental ideas for using modern information technology and advanced financial theory to temper basic risks that have been ignored by risk management institutions--risks to the value of our jobs and our homes, to the vitality of our communities, and to the very stability of national economies. Informed by a comprehensive risk information database, this new financial order would include global markets for trading risks and exploiting myriad new financial opportunities, from inequality insurance to intergenerational social security. Just as developments in insuring risks to life, health, and catastrophe have given us a quality of life unimaginable a century ago, so Shiller's plan for securing crucial assets promises to substantially enrich our condition. Once again providing an enormous service, Shiller gives us a powerful means to convert our ordinary riches into a level of economic security, equity, and growth never before seen. And once again, what Robert Shiller says should be read and heeded by anyone with a stake in the economy.

This first edition of this book was a broad study, drawing on a wide range of published research and historical evidence, of the enormous stock market boom that started around 1982 and picked up incredible speed after 1995. Although it took as its specific starting point this ongoing boom, it placed it in the context of stock market booms generally, and it also made concrete suggestions regarding policy changes that should be initiated in response to this and other such booms. The book argued that the boom represents a speculative bubble, not grounded in sensible economic fundamentals. Part one of the book considered structural factors behind the boom. A list of twelve precipitating factors that appear to be its ultimate causes was given. Amplification mechanisms, naturally-occurring Ponzi processes, that enlarge the effects of these precipitating factors, were described. Part Two discussed cultural factors, the effects of the news media, and of "new era" economic thinking. Part Three discussed psychological factors, psychological anchors for the market and herd behavior. Part Four discussed attempts to rationalize exuberance: efficient markets theory and theories that investors are learning. Part Five presented policy options and actions that should be taken. The second edition, 2005, added an analysis of the real estate bubble as similar to the stock market bubble that preceded it, and warned that "Significant further rises in these markets could lead, eventually, to even more significant declines. The bad outcome could be that eventual declines would result in a substantial increase in the rate of personal bankruptcies, which could lead to a secondary string of bankruptcies of financial institutions as well. Another long-run consequence could be a decline in consumer and business confidence, and another, possibly worldwide, recession." Thus, the second edition of this book was among the first to warn of the global financial crisis that began with the subprime mortgage debacle in 2007. What do Eastern Europe's booming sex trade, America's subprime mortgage lending scandal, China's fake goods industry, and celebrity philanthropy in Africa have in common? With biopirates trolling the blood industry, fish-farming bandits ravaging the high seas, pornography developing virtually in Second Life, and games like World of Warcraft spawning online sweatshops, how are rogue industries transmuting into global empires? And will the entire system be transformed by the advent of sharia economics? With the precision of an economist and the narrative deftness of a storyteller, syndicated journalist Loretta Napoleoni examines how the world is being reshaped by dark economic forces, creating victims out of millions of ordinary people whose lives have become trapped inside a fantasy world of consumerism. Napoleoni reveals the architecture of our world, and in doing so provides fresh insight into many of the most insoluble problems of our era.

The world's best financial minds help us understand today's financial crisis. With so much information saturating the market for the everyday investor, trying to understand why the economic crisis happened and what needs to be done to fix it can be daunting. There is a real need, and demand, from both investors and the financial community to obtain answers as to what really happened and why. *Lessons from the Financial Crisis* brings together the leading minds in the worlds of finance and academia to dissect the crisis. Divided into three comprehensive sections--The Subprime Crisis; The Global Financial Crisis; and Law, Regulation, the Financial Crisis, and The Future--this book puts the events that have transpired in perspective, and offers valuable insights into what we must do to avoid future missteps. Each section is comprised of chapters written by experienced contributors, each with his or her own point of view, research, and conclusions. Examines the market collapse in detail and explores safeguards to stop future crises. Encompasses the most up-to-date analysis from today's leading financial minds. We currently face a serious economic crisis, but in understanding it, we can overcome the challenges it presents. This well-rounded resource offers the best chance to get through the current situation and learn from our mistakes.

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