***The Price of Everything: Solving the Mystery of Why We Pay What We Do* by Eduardo Porter**

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Porter serves as a member of the *New York Times* editorial board and writes on business and economic topics from a global perspective. His central claim is that “every choice we make is shaped by the prices of the options laid out before us—what we assess to be their relative costs—measured up against their benefits” (p. 3). However, by the end of chapter 1, the author has tipped his hand to the observant reader. The real thesis of this book is that we need someone to protect us from the schemes of big business and the recklessness of a free market that fleeces gullible consumers. Throughout the book, the reader is reminded that with each economic choice there follows consequences that affect individual and national economies. Yet, since “the United States remains the rich country with the most skewed income distribution” (p. 124), Porter applauds government programs and policies that level the playing field through a minimum wage, labor protections, tax rates, and strict regulations on profits.

Understanding the forces behind the price of anything, whether an “efficient markets” model or a government-regulated economy, will help readers “better assess our decisions” and gain “a powerful vantage point upon the unfolding of history” (pp. 3–4). How we value goods, services, ideas, and resources not only determines what we will pay for those benefits, but also realigns prices. The author concludes that “prices do a pretty decent job organizing the world, much of the time. Both shaping human behavior and shaped by it, prices distill people’s knowledge, beliefs, and preferences about the choices that lie before them” (p. 227). But too often prices “misfire” to the detriment of the individual and society. Wise consumers will encourage businesses that provide a better product at a lower cost. So, consider thoughtfully and intelligently before you invest. The dot.com and housing bubbles of the recent past

demonstrate the devastating effect of prices “going wrong.” The phenomenon is not new. The tulip mania speculation of 1637 or the outrageous promises of extravagant returns on new trading company investments that resulted in the Bubble Act of 1720 reveal the dangers of overpriced commodities. “Bubbles generate enormous economic volatility as they inflate and burst. The damage is always the most acute among the most vulnerable. . . . But speculation can also increase investment in risky ventures, which often yields benefits to society. The Internet is no bad thing to have” (p. 235).

Porter addresses the price of Things, Life, Happiness, Women, Work, Free, Culture, Faith, and the Future. He concludes with a chapter on “When Prices Fail.” Each page provides statistics related to the topic of the chapter. Most are interesting bits of seeming trivia, though Porter endeavors to build his argument on the back of these hundreds of examples. These reviewers were reminded of the old maxim, “You can prove anything with statistics,” and warn readers to examine the relevance and logic of the evidence that purports to support the claim. Without question, this book is broadly researched. What should be questioned by the prudent reader is whether or not the supposed evidence supports the author’s conclusions.

Porter saves his clearest pronouncements for the final chapter, “When Prices Fail.” He argues that markets cannot be trusted to set prices that are just and fair. Instead, the author appeals to “policy makers” and “a more aggressive social democracy, with a more active role for government in allocating resources and steering the economy” (p. 244). A free market approach necessarily assumes a rational and self-interested individual, whose actions are not to the detriment of others. If we are neither rational nor nondestructive, will government prove any more rational and nongreedy? This is Porter’s fatal flaw. He would rather entrust prices to governments than to individuals. The cost of this transaction is freedom—the economic freedom of the individual. Take, for example, his transparent statement, “For the good of the rest of the economy, bankers should earn less” (p. 129). Porter’s economic and political sentiments appear to line up closely with those of the current administration. He makes no apology for his left leanings, nor need he. As an apostle of liberalism, his is a popular approach to solving challenging problems. At the very least, Porter’s perspective provides insight into how many economic choices are made and at what cost.

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