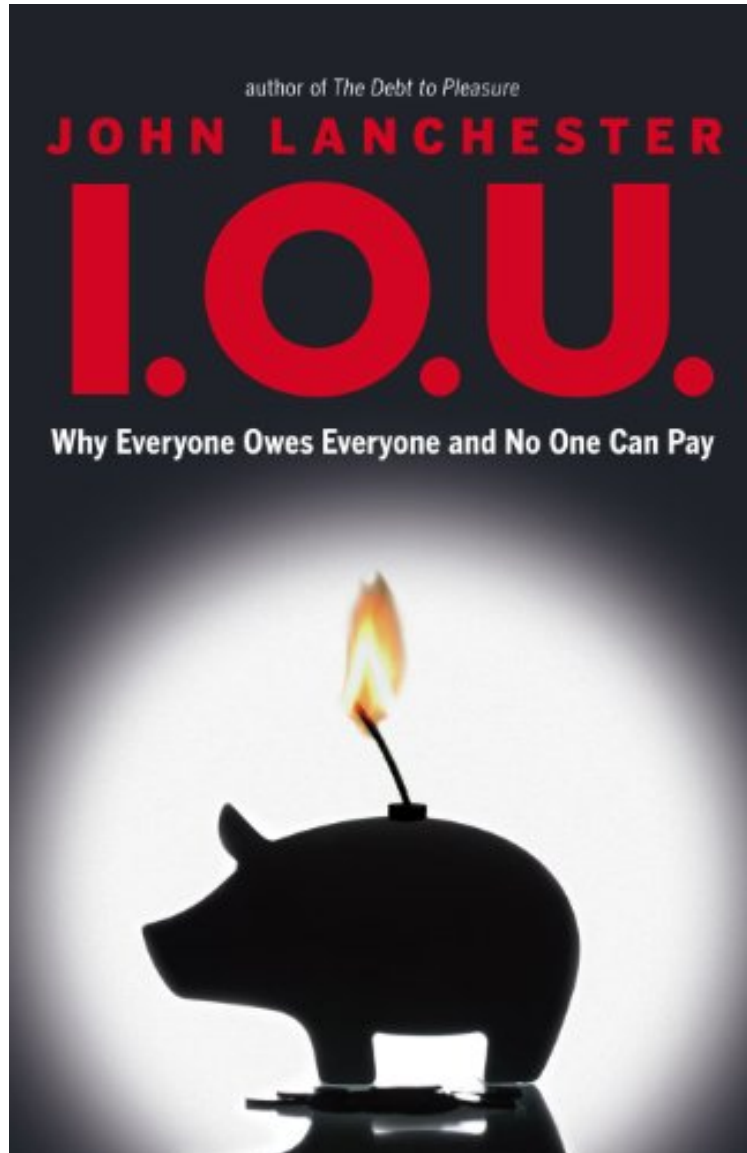


(Read free ebook) I.O.U.: Why Everyone Owes Everyone and No One Can Pay

I.O.U.: Why Everyone Owes Everyone and No One Can Pay

John Lanchester

*audiobook / *ebooks / Download PDF / ePub / DOC*



DOWNLOAD



READ ONLINE

#664905 in eBooks 2009-12-26 2010-01-05File Name: B00321OR9Y | File size: 22.Mb

John Lanchester : I.O.U.: Why Everyone Owes Everyone and No One Can Pay before purchasing it in order to gage whether or not it would be worth my time, and all praised I.O.U.: Why Everyone Owes Everyone and No One Can Pay:

20 of 21 people found the following review helpful. A New Clarity on the Great RecessionBy William FritzI've been trying to fully understand what happened to our economy in 2007-2008 and into the present. I'm not an economist but an interested amateur (and a history teacher who wants to be accurate). I've read several books on the subject as well as the writings of several online economists. What always bogs me down is what I'll call "street speak"--the use of

insider terms that are completely over my head. While this book still occasionally leaves me in the dust, the author has done the best job I've seen in aiding this "non-Streeter's" understanding of the events that caused the "Great Recession." Mr. Lanchester uses ordinary examples to explain what happened, which helped me a great deal. I'm often told that nobody fully understands what happened or how these extraordinarily complex investment "opportunities" came to exist or what they contain(ed). I believe that, but I'm trying to get to the bottom of the whole pile of delusion: big money investors attempting to "hedge" risk out of existence and creating vehicles that served no useful purpose except to make them rich. And they're still rich. If you are interested in some basic information on the genesis of this crisis, then turn to John Lanchester and his book "Whoops!" first. It's also mighty interesting that the book, a 2010 UK copyright, is currently unavailable ANYWHERE in the US--at least it was when I ordered my copy. And by the way: the book is well written and often (and unexpectedly) humorous. 0 of 0 people found the following review helpful.

Good place to start understanding derivatives
By LDI read *Extreme Money* by Das first and really liked his thorough coverage of all the schemes going on simultaneously. It was hard to fully comprehend some of his explanations. Then I read this book and the fog lifted. I.O.U. has easier to understand examples of how derivatives are set up and what their flaws are. Rather than "insurance" they end up being guarantees of destruction. I recommend that you read both books but start with this one. P.144 "To most of us, risk is for the most part a bad thing; at best, it's something we seek out under specific circumstances to generate a feeling that things are just dangerous enough to be exciting. In the world of money, risk is different: it's desirable. That's because in investments, risks are correlated with rewards." P.162 "The mathematical models simply didn't work in a crisis. They worked when they worked, which was most of the time; but the whole point of them was to assess risk, and some risks by definition happen at the edges of known likelihoods." Having set up the system of CDOs, SPVs, and CDSs everyone in the chain just churned the money. The formulas blew up because the assumptions failed to anticipate the overweighted numbers of unqualified buyers added to speculative house flippers. The historical data used even failed to foresee that when there were no more first time buyers, no one else could sell their house to buy the next one. As Lanchester and Das explain this was just one spoke in the wheel of self destruction. Everybody was betting on everything imaginable and buying insurance on other people's bets. Would you buy insurance on everyone's house and car who lived in your block hoping to collect on an accident? And what happens when the insurance company doesn't have enough to cover all the claims? The ultimate problem was that everyone lent to everyone else so one default became total default to all. Every corporation, business, and government is built on debt and now no one can pay the loan back and the interest alone is sinking most of them. This was an enjoyable read. I found I had to take "time-outs" reading Das' book as it was complicated. 1 of 1 people found the following review helpful.

Straightforward autopsy of a global financial crisis and a faulty system
By Martijn Boersma Lanchester breaks the subject matter down in a witty manner, which makes this book fun to read and easy to understand. While he is not ashamed to name the culprits, he avoids the all too easy blaming rhetoric and thus maintains the authority that he derives from his straightforward explanations. This makes his call for a system overhaul and cultural change more believable, although he himself unfortunately seems to be sceptical about this prospect.

For most people, the reasons for the sudden collapse of our economy still remain obscure. I.O.U. is the story of how we came to experience such a complete financial disaster, starting with the magical proliferation of credit that led to an explosion of lending on the global and local landscapes of banking and finance. Viewing the crisis through the lens of politics, culture, and contemporary history; from the invention and widespread misuse of financial instruments to the culpability of subprime mortgages; Lanchester deftly draws conclusions on the limitations of financial and governmental regulation, capitalism's deepest flaw, and most important, on the plain and simple facts of human nature where cash is concerned. With newly updated, superbly written reportage, Lanchester delivers a shrewd perspective and a digestible, comprehensive analysis that connects the dots for expert and casual reader alike. Part economic primer, part fiscal and historical analysis, I.O.U. is an eye-opener of a book.