

Book Review:



Inflation: What it is, Why it's Bad and How to Fix It

Steve Forbes¹, Nathan Lewis² and Elizabeth Ames³

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Steve Forbes is well known by many. His recent books have been provocative and his insights relevant and germane. His latest book, co authored with Nathan Lewis and Elizabeth Ames provides insights into a word that strikes fear into the hearts of businessmen and those in industry- and that word is inflation.

It is staring us in the face, yet politicians seem to hide in their offices, refusing to believe it exists and hope that it will away and others simply scoff it off and with woe in their voices tell us that our future generations and grandchildren will pay for it.

Nonsense. We are feeling the pain of inflation now and Forbes and associates outline what it is, and how it impacts the price of eggs, gas and groceries. There are actually two types of inflation and Forbes and colleagues describe-monetary and non-monetary and they clarify why inflation is bad- for the economy- for planning, for people and the ramifications and repercussions all around the world.

Historians, economists, politicians and many others have seen what rampant inflation can do to countries. Examples are provided in ample fashion. The book clarifies what inflation is as opposed to what people think it is.

Printing more money is not the answer- if it has no value backing it.

Political gimmicks such as buttons with slogans on them with “Whip Inflation Now” is not the answer.

Delving into some sort of gold standard system may return us to a modicum of moderation and result in some stabilization in the future.

This of course will not be easy. Forbes and his co-authors outline some tentative steps toward a 21st century gold standard system.

There are of course myths about gold and Forbes and his co-authors dismantle these readily.

At the individual level, certainly the average citizen wants to buy a home a car, save some for retirement and a rainy day- but with the quagmire of inflation, there is concern.

Forbes and company agree that this is a serious concern and requires some short term and long term planning and of course understanding a whole bunch of abbreviations- CPI ,PCE, and S&P GSCI. These are all explained in the text.

Stocks, portfolios commodities are cursorily reviewed as they are an important part of the big equation. TIPS and Bonds are also reviewed with pros and cons. Gold, silver, and other precious metals—there are differences in stability.

Obviously, crypto-currencies and all these other fads and gimmicks are ludicrous, preposterous and asinine. And those who foster these sleight of

hand gimmicks are taken to task by Forbes and company.

Overall, this is a helpful, insightful book and will take the reader back to basic Economics and provide a salient refresher into what is a very concerning word- inflation.