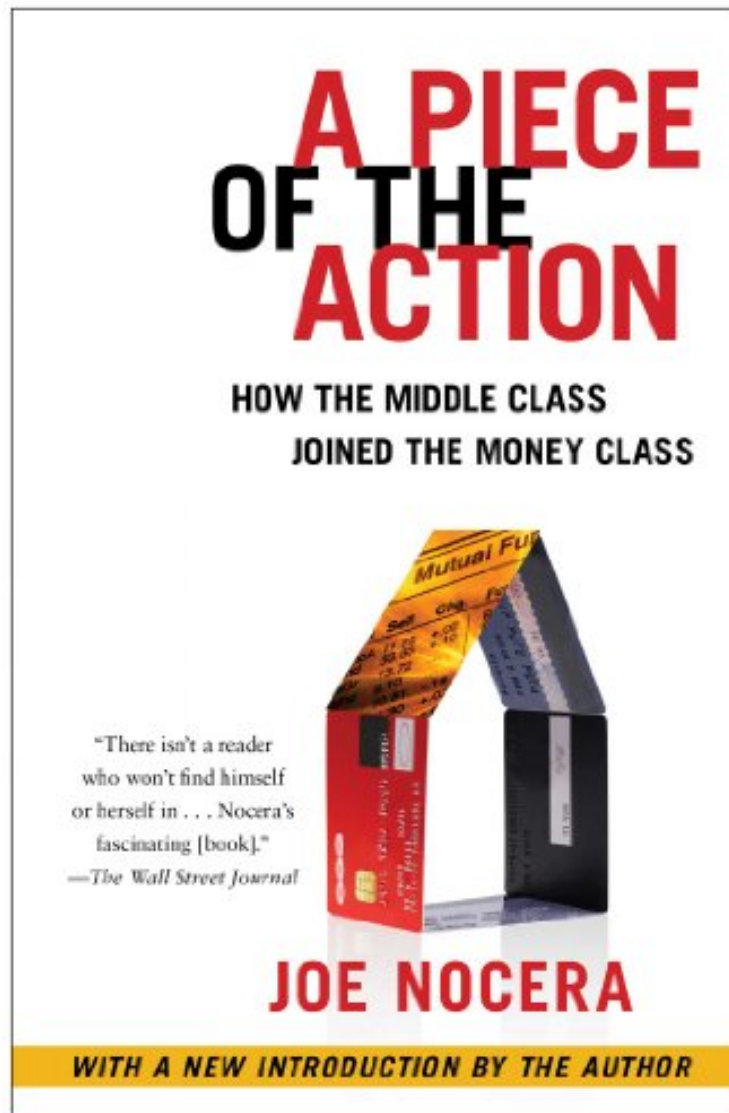


A Piece of the Action: How the Middle Class Joined the Money Class

Joe Nocera

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Joe Nocera : A Piece of the Action: How the Middle Class Joined the Money Class before purchasing it in order to gage whether or not it would be worth my time, and all praised A Piece of the Action: How the Middle Class Joined the Money Class:

0 of 0 people found the following review helpful. Probing the genesis of our worst financial debacleBy Dennis R. JaganAll too often, we're content to find fault in the present and the recent past. Joe Nocera wrote the opening chapters of the 2007 - ??? financial crisis in 1994 citing names, financial institutions, and that irreplaceable contribution to

doublespeak known to all as "innovation." You'll be taken back to the 1950's where it all began and you'll learn about the ambitions, the goals and the personalities of the first wave of financial engineers who set the dominoes in place prior to this book being written. You'll learn that this debacle was a bi-partisan effort from day one and follow the road to hell, often paved with good intentions, as well as the contrivances of the truly greedy. All that's required after reading this primer are a few well researched and well-written accounts that span the mid-1990's all the way to the present day. There are numerous, excellent books that qualify nicely. William Shakespeare's play, *The Tempest*, is relevant in its memorable words, "What is past is prologue." And history does influence and set the dominant framework for the present and the future. If you're a student of capitalism run amok who thinks with an open mind, your understanding will always be incomplete without "A Piece of the Action: How the Middle Class Joined the Money Class."

2 of 2 people found the following review helpful. Excellent history of how financial products came about. By L.A. Little. In the late 60's and mainly the 1970's, a huge sea change took place in American financial history - a change so dramatic that it is still being felt today. Joseph Nocera takes a look at those dramatic changes and the figures behind them in *A Piece of the Action*. The book presents the story of how Americans financial future shifted from mostly employers to the individual and how government action trailed and, in some cases, badly lagged the fast moving financial landscape of the 70's. The book reads well with each chapter coming across as a somewhat tale of the many tales that occurred in tandem during the financial revolution that swept the country from the late 60's through the early 80's. It starts with *The Drop*, the great credit card drop in a quite California town where credit cards became a household item overnight and the kinks were worked out of a product that has become ubiquitous. Incredible changes occurred among many far flung enterprises which all had finance as a common denominator. Stories like the emergence of Charles Schwab and Merrill Lynch and the rise of mutual funds. The sweeping away of Regulation Q and the inability for banks to pay going rates of interest by way of the competitive money market funds that came about and the push by individuals to get into them. The book offers an accurate representation of the events that took place that gave individuals much more control over their financial future. The book is upbeat and treats all these events as being good for the average American. I cannot disagree that having more choices is a bad thing, but if the choices presented to people is accompanied by some sort of education about what the choices really mean, then what value are they? That was a problem then and continues to be a problem now. The financial industry has grown tremendously as a result of all these changes outlined in the book. In so doing, they have created a huge array of financial products that supposedly allow the individual to live well in their retirement years, but will they? Half of most folks retirement funds were wiped out in 2008. Am I missing something? Nevertheless, the story that is told here is a good read from a historical as well as a storytelling perspective. It's a book that you will want to finish and that will likely leave you with a better perspective of how this all came about.

Reviewed by L.A. Little for *Technical Analysis Today* (tatoday) on 7/30/2009. 3 of 4 people found the following review helpful. From a participant. By B. Ray. It may be difficult for many of you younger people to grasp how primitive many of our business practices were back only 40 years ago. When I started working at Visa in 1973, those thin tissue copies of sales receipts were manually taken to the merchant's bank each evening and placed in a "drop-box". Then they were "processed" by the merchant's bank which really meant they were physically sorted into piles to be copied and sent by mail to each of the banks around the country that had issued the card to the customer. In addition, a calculator tape was added up to total the receipts to be sent to each issuing bank. Days or weeks later, a bank draft was sent by the issuer to pay for that shoe-box of receipts and then the customer was billed. It took on average over 40 days before the charge actually appeared on the customer's bill. International sales could take up to three months. This was replaced by an electronic system that could send millions of sales transactions overnight. Your first impression of this description might well be that this was only important to some banks so who cares. The reality is that it permitted banks to loosen their procedures for issuing credit cards so that most of the middle class was able for the first time to buy goods away from home easily and simply. In 1973, less than 2% of Americans had a card that permitted them to buy goods and services when not dealing with a local merchant. Ten years later over 50% had such cards. There were a number of revolutions that took place in our society from the mid-60s to the mid-70s and this tells the story wonderfully of a few financial revolutions that had tremendous benefits for the general public. You will be both entertained and informed by this book and what more can you ask of a book?

Winner of the Helen Bernstein Award for Excellence in Journalism. One of *Business Week's* "Ten Best Business Books of the Year"; When it was published in 1994, *A Piece of the Action* was wildly acclaimed by *Fortune*, *The Wall Street Journal*, authors Michael Lewis and Brian Burroughs; it won the Helen Bernstein Prize and was a national bestseller. Joseph Nocera describes the historical process by which millions of middle class Americans went from being savers—people who kept their money in the bank, and spent it frugally—to being unrepentant borrowers and investors. *A Piece of the Action* is an important piece of financial and social history, and with a new introduction, Nocera's 2013 critique of the uses of the revolution is a powerful warning and admonition to understand what is at stake before we act, to look before we jump.

From Publishers Weekly In an entertaining and edifying history of personal finance, GQ columnist Nocera charts the transformation of the habits of middle-class Americans. The raging inflation of the late 1970s and early '80s, he argues, led many people to abandon thrift and their aversion to risk, attitudes acquired during the Depression. Faced with double-digit inflation, wildly gyrating interest rates and a sinking standard of living, consumers displayed a great willingness to take on debt. The emergence of two-income couples, adjustable-rate mortgages, credit cards and the middle class's growing participation in stocks, mutual funds and money-market accounts define what the author terms the "money revolution" of the past two decades. Nocera, who believes credit overall has been a force for good in American life, fleshes out this colorful chronicle with profiles of finance wizards Charles Merrill of Merrill Lynch; Dee Hock, creator of Visa; and investment broker Charles Schwab. Author tour. Copyright 1994 Reed Business Information, Inc.

From Library Journal The business writer of "The Profit Motive" column for GQ magazine, Nocera presents a fascinating and comprehensive history of the evolution of the personal financial products accessible to most Americans today. His story begins with the birth of the credit card 35 years ago and documents the rise of NOW accounts, mutual funds, cut-rate commissions on stock purchases, IRAs, and ATMs. Drawing upon interviews and business news reports, Nocera also includes the stories of the entrepreneurs behind these products--Giannini, founder of Bank of America; Hock, creator of Visa; Kahr, creator of Cash Management Accounts; Merrill, founder of Merrill Lynch; discount broker Schwab; and fund manager Lynch. This book is also a social history of changing American attitudes about money, investing, and the use of credit. Highly recommended for business collections.

Jane M. Kathman, Coll. of St. Benedict, St. Joseph, Minn. Copyright 1994 Reed Business Information, Inc.

From Booklist Nocera is an award-winning journalist who writes a personal finance column for GQ magazine. He shows how, in barely more than one generation, the way we think about money and credit and investing and saving has changed forever. Two major events caused this shift. The first was the advent of the credit card and the second was the popularization of the mutual fund. In a series of profiles, beginning with the Bank of America's original distribution of 60,000 credit cards in Fresno, California, in 1958, Nocera chronicles how middle-income Americans changed their financial lives and habits. He demonstrates that a fear of inflation created a "buy-now" mentality and desire to move money out of savings accounts into alternatives. Colorfully portraying such people and institutions that helped bring about these changes as Charles Schwab (discount brokerage), Charles Edward Merrill (Merrill Lynch), Peter Lynch (Fidelity Funds), Money magazine, and individual retirement accounts, Nocera provides a wonderfully readable history--one that is more cultural than economic--of the recent past. David Rouse