



American Expression E1499 Freakonomics

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"Freakonomics" is a bestselling book written by economist Steven D. Levitt and journalist Stephen J. Dubner. Published in 2005, the book delves into the world of economics but in a highly unconventional and engaging manner. It explores economic principles by applying them to unusual and unexpected real-world scenarios, challenging traditional thinking and revealing hidden patterns in human behavior.

At its core, "Freakonomics" is about using economic analysis to understand the world from a fresh and often surprising perspective. The authors argue that economics is not just about money, but rather, it's a tool to examine the incentives and motivations that drive people's choices in various aspects of life.

The book is divided into a series of chapters, each of which explores a different topic. One of the most famous chapters examines the relationship between the legalization of abortion in the United States in the 1970s and the subsequent drop in crime rates in the 1990s. Levitt and Dubner propose a controversial hypothesis: that the legalization of abortion led to a reduction in the number of unwanted children, who would have been at higher risk of growing up in adverse circumstances and potentially becoming criminals.

Another intriguing chapter looks at the economics of drug dealing. It challenges the notion that drug dealers make vast sums of money, arguing that the majority of low-level drug dealers earn very little and are often motivated by factors other than financial gain, such as status and belonging to a community.

"Freakonomics" also explores topics like the influence of a child's name on their future success, the economics of parenting, and the disparities in standardized test scores among different racial and socioeconomic groups. Throughout these discussions, the authors employ economic principles like incentives, opportunity costs, and rational decision-making to shed light on these seemingly unrelated issues.

The book's title itself, a portmanteau of "freak" and "economics," encapsulates its unconventional approach to the subject matter. It encourages readers to think critically and consider the hidden economic forces at play in everyday life.

One of the key takeaways from "Freakonomics" is the idea that incentives and motivations are powerful drivers of human behavior. By understanding these underlying factors, we can gain insights into why people make the choices they do, whether it's in the realms of education, crime, or even sumo wrestling.

In summary, "Freakonomics" is a thought-provoking exploration of economics applied to a wide range of unconventional and often surprising topics. It challenges conventional wisdom and encourages readers to think differently about the world around them. By examining the hidden economic forces at play in everyday life, the book offers a unique perspective on human behavior and decision-making.

#### Questions for Discussion

1. How does the chapter on the relationship between legalized abortion and crime rates challenge traditional thinking about the causes of crime? What are the key arguments made by the authors, and do you find them convincing?
  2. In the chapter on drug dealing, Levitt and Dubner argue that many low-level drug dealers earn very little. What economic factors drive people to become involved in drug dealing despite the low financial rewards, and how does this challenge common stereotypes about the drug trade?
  3. The book discusses the impact of a child's name on their future success. What does the research suggest about the significance of names in shaping an individual's life outcomes, and what are the implications of these findings for parents and society?
  4. How do the authors use economic principles like incentives and rational decision-making to analyze the disparities in standardized test scores among different racial and socioeconomic groups? What insights can we gain from this analysis, and what policy implications might it have?
  5. "Freakonomics" encourages readers to think critically about the hidden economic forces at play in various aspects of life. Can you provide an example from your own experience or observations where understanding economic incentives and motivations helped explain a particular phenomenon or behavior?
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