

When To Rob A Bank Summary

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1-Sentence-Summary: *When To Rob A Bank is a collection of the best of the Freakonomics authors' blog posts from over 10 years of blogging about economics in all areas of our life.*

Read in: 4 minutes

Favorite quote from the author:



Yes! The Dubner & Levitt duo is back. In 2015, the author duo who rose to world-fame over ten years ago with *Freakonomics* came out with their most recent book *When To Rob A Bank*, which is a collection of their very best blog posts, reader submissions and other fun bits they've amassed over the past decade from over 8,000 pieces in total.

It views the most diverse everyday situations through the lens of an economist, like most of their work, and shows you where and why common sense does not make sense.

Here are my 3 favorite, hidden truths from the book:

1. Neither our own price sensors, nor those of people setting them are well-calibrated.
2. Sometimes, it's better for the environment to take the car, instead of walking.
3. We lie even when it makes zero sense.

I hope you're comfortable getting uncomfortable, because it's about to get revealing! Masters of economics, show us what you got!

Lesson 1: Whether we judge or make prices, our common sense flies right out the window.

We all know the difference between 99 cents and a dollar is absolutely negligible, yet no one likes to buy \$1-cheeseburgers when the restaurant next door offers them as \$0.99ers. “Not even a dollar!!” we think and gone are our rational thinking capabilities.

In Germany, for years grocery store chains have been fighting a brand battle – the well-established names of frozen pizza, like Dr. Oetker, against the no-name, in-house brands of cheap discounters like Aldi or Lidl, for example. Even though we long know that these pizzas are the exact same (a friend of mine even worked at the factory and said they just change boxes), psychologically, we still fret about buying the cheap one over the brand we trust and know.

With generic drugs in the US, the problem is even bigger, where Walgreens and CVS might charge over \$100 for a generic variant of Prozac, which costs \$12 a bottle at Costco. Retirees just don’t compare prices. They *assume* they must be similar everywhere, so they just stop at their usual drug store.

This clearly looks like a business exploiting a knowledge gap, however, most of them have no clue about pricing either. For example, when Steven Levitt ate at a chicken restaurant, he realized the 3-wing meal cost \$4.50, when the 2-wing meal with the same sides and drink cost just \$3.03.

But hey, even governments screw up pricing: it costs by far more to make a penny than, well, a penny, but the US government keeps making them.

When it comes to pricing, most of us suck, so it’s well worth your time to learn something about it.

Lesson 2: If you drink a glass of milk after walking home, you could’ve taken the car and it’d have been better for the environment.

Here’s something environmentalists won’t want to hear: **Depending on how far you go and what you eat, it can sometimes be better to take the car instead of walking.**

For example, if you walk 1.5 miles and then have just one glass of milk to replenish your energy, you’d have had less of a negative impact on the environment if you’d just taken the car, but skipped the milk.

The reason is that producing a glass of milk takes a lot more energy and produces a lot more CO2 emissions than driving for such a short distance. This is because cows emit CO2, the milk production process does as well, and of course the milk has to get to your store and house too!

Of course this is a funny example, but it just goes to show that when trying to do something for the environment, we often look in the wrong places.

Note: In the same vein, if you refrained from eating meat just one day per week, you’d do more good than by growing your veggies in a home garden.

Lesson 3: As long as it helps preserve our own self-image, we lie even when telling the truth would be a lot better for us.

Let's be frank: You know sometimes it makes sense to lie. But there is a big difference between so-called white lies, which really don't do much harm, and just serve the purpose of saving time or sparing someone else a bit of trouble, and actual, evil-intended lies, such as those where you *know* you're making someone else worse off in the process...

...like the welfare office. When their current financial situation is recorded, in order to assess whether they qualify for welfare money, many people lie about the assets and money they have, to make it more likely to get that precious government money.

For example, in a study done in Mexico, 83% reported they didn't have a car, when in fact they did, and 74% did the same with their TV.

Interestingly however, 39% said they owned a toilet, 32% claimed to have tap water and 29% "owned" a gas stove – when they really had none of these things. Why would they say that when they know it'll make it less likely for them to get welfare money?!

People were so ashamed to not own these most basic of things that they rather risked not getting welfare money than admit how poor they actually were.

You'd think lies are calculated, but as it turns out, they don't always are!

When To Rob A Bank Review

You can do no wrong with a book that carries these two names. Period. I say go for *When To Rob A Bank*, these books really, *really* make you smarter. A lot!

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What else can you learn from the blinks?

- Why Dubner's daughters aren't allowed to date guys whose middle name is Wayne
- What's more dangerous: horseback riding or riding a motorcycle
- Who you should be more cautious of: your friends or strangers
- The reason you should call your book a memoir, even if you've made up half of it
- Why US law enforcement asks these "stupid" questions on their forms for people entering the country
- How a sex tax would make the world better
- Why we think about economics all wrong

Who would I recommend the When To Rob A Bank summary to?

The 18 year old college student, who's convinced their favorite brand pizza tastes better than the one from Walmart, the 39 year old environmentalist mother, who has her milk shipped to her door, and anyone who occasionally lies to look better in front of their friends.