Loewenstein and Prelec (2005) to which they refer repeatedly but which is not included in the volume. For researchers with an interest in methodology and who have been following this debate, the volume provides a summary and progression. But for readers who are new to this area, the book assumes too much. I would have preferred for this article to be reprinted in the volume (perhaps in an appendix), to make the volume self-contained.

Finally, I think that the volume (and the discussion more generally) would have benefitted from the inclusion of researchers from other disciplines. Physicists, astronomers and (even) psychologists have all struggled with the same questions this book explores: the validity of different sources of data to answer their research questions. Understanding how these other fields have resolved this debate would, I believe, help in our own evaluation and resolution. I believe that the exclusive focus on economists represents a missed opportunity.

At the end of the volume I was left with a few overall impressions. The topic of new methodologies is both critical and under-analyzed. The individual chapters are well-written and well-reasoned, and certainly add value to that discussion. However, the volume would have been improved by providing a more balanced discussion, providing at least a summary of the backstory to the debate, and including insights from other fields as to how they have handled the methodological challenges that we as a field are now facing.

That said, I greatly enjoyed the time I spent with the book. I finished reading it with not only this review, but with multiple pages of good ideas, quotes to insert into research papers, and a deeper understanding of why we do what we do. My concerns about the book are far outweighed by these productive outputs.

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The Origins of the Ownership Society: How the Defined Contribution Paradigm Changed America. Edward Zelinsky. Oxford University Press, 2007, ISBN 978-0-19-533935-2, 192 pages. doi:10.1017/S147474721000034X

Edward Zelinsky's, *The Ownership Society: How the Defined Contribution Paradigm Changed America*, provides a useful and readable summary of the legal developments on the path to the expansion of the defined contribution paradigm in private sector retirement benefits in the United States. The book also advances the interesting and more controversial thesis that the expansion of the defined contribution idea beyond retirement benefits may lead to the *de facto* replacement of the income tax with a consumption tax for all but the highest income taxpayers in the U.S.

As the readers of this journal surely appreciate, the defined contribution approach to retirement benefits involves fixed payments to a retirement investment fund, with employees choosing among investment options for the money paid into the fund on their behalf. This approach differs from the defined benefit approach to retirement benefits, in which the employee receives a promise from the employer to provide a fixed income in retirement, typically based on a formula that weights two factors: (1) years of service and (2) wages in the final years of service. Under the defined contribution approach, the employee bears greater investment risk. Under the defined benefit approach, the employee bears greater risk of the insolvency of the employer and, typically, must work longer for that employer to earn a comparable retirement benefit. A final difference lies in the allocation of longevity risk. Defined benefit plans almost always are annuitized – meaning they provide a defined income until death (and sometimes until the death of a surviving spouse) – while defined contribution plans allow employees to choose whether to annuitize or not, and most do not choose to annuitize.

Zelinsky explains the legal developments, most importantly the U.S. Employee Retirement Income Security Act (ERISA), and incentives that have led to the widespread adoption of the defined contribution approach, especially but not only in the private sector, and especially but not only with regard to retirement benefits. The defined contribution approach protects employee retirement benefits from the risk of employer insolvency, facilitates a dynamic labor market, communicates to rank and file employees the fact that deferred compensation makes them long term investors, and provides employers greater certainty in calculating and projecting employee compensation costs. At the same time, however, the defined contribution approach exposes employees more directly to the changing fortunes of the capital markets, a fact that the recent contraction of those markets has made painfully aware for anyone who is approaching a retirement that is to be funded by a defined contribution retirement account.

From the defined contribution approach to retirement benefits, Zelinsky abstracts a larger defined contribution *paradigm* that channels government subsidies through individual accounts controlled by individual taxpayers. This paradigm encompasses not only defined contribution retirement benefits but also tax advantaged higher education savings accounts, health savings accounts, and, though he does not focus on this, tax advantaged variable annuities sold by insurance companies. Seen in this way, the defined contribution paradigm is paving the way for a shift from income-based taxation to consumption-based taxation. Zelinsky's plausible claim is that most of the saving done by the middle income U.S. taxpayers occurs in tax advantaged individual accounts and, thus, the federal income tax in the U.S. already in fact operates much like a consumption tax.

Where this reviewer takes issue with *The Ownership Society* is not with Zelinsky's interesting consumption tax observation, but rather in the sweeping claims about the triumph of the defined contribution paradigm in U.S. society more generally. Taking a broader approach that includes public and private insurance programs, as well as the retirement and other savings programs on which Zelinsky focuses, we can see that the defined benefit approach still thrives. Medicare and Social Security's disability and life insurance programs remain huge defined benefit programs that not even the Cato Institute proposes shifting to the defined contribution paradigm. The Cato Institute does have a defined contribution proposal for Social Security's Old Age benefits, but the recent collapse of the stock market has almost certainly deferred that discussion for at least a generation. The disability and property and casualty insurance industry operates exclusively in the traditional defined benefit insurance model of fixed premiums paid in advance in return for indemnification in the event of loss. The health insurance industry continues to operate almost exclusively in the defined benefit model, notwithstanding the development of tax-advantaged health savings accounts. So, too, the life insurance industry. Term life insurance operates entirely within the defined benefit framework, and most savings-linked life insurance products, including the variable annuities that compete with mutual funds, retain at least some traditional insurance features. Indeed, it is these insurance features, such as minimum death benefits and guaranteed return of premium, which accounts for their survival in the investment marketplace notwithstanding their higher costs and lower expected returns. Thus, while it is undoubtedly true that ERISA led to a major shift toward the defined contribution paradigm, that paradigm has not triumphed to the full extent that *The Ownership Society* claims.

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The Gender Impact of Social Security Reform. Estelle James, Alejandra Cox Edwards and Rebeca Wong. The University of Chicago Press, 2008, ISBN 978-0-226-39200-4, 216 pages. doi:10.1017/S1474747210000351

According to the authors of this book the main goals of social security systems are poverty prevention and the provision of adequate replacement rates. They argue that government intervention is required for redistribution and to promote saving for retirement, given the strong