



Remembering a Friend

Martin Feldstein, the best of the economics profession.

BY LAWRENCE H. SUMMERS

Martin S. Feldstein was a great economist who changed the world through research, teaching, public service, hundreds of op-eds over forty years, and leadership of the National Bureau of Economic Research. His was a respected moderate voice in an era when economic debates became increasingly shrill.

Marty, who died in June at the age of 79, didn't lack for recognition. He earned the American Economic Association's John Bates Clark medal and then its presidency, chairmanship of President Reagan's Council of Economic Advisers, numerous honorary degrees, and memberships in prestigious scholarly and policy groups.

It was all well-deserved and has been well-chronicled in his obituaries. For me, though, Marty's death isn't merely the loss of an economics superstar; it is the loss of a mentor and friend who, through his teaching, generosity of spirit, and example, made possible everything I have been able to achieve professionally. Countless others can say the same about him, in their own ways.

I met Marty in the summer of 1973 when he decided to take a chance on

hiring a disheveled college sophomore as his research assistant. Marty was infinitely patient with my many questions about his research and remarkably tolerant of my inability to keep straight his data on international social-security comparisons.

Working for him, I saw what I had not seen in the classroom: that rigorous and close statistical analysis of data can provide better answers to economic questions, and possibly better lives for millions of people. A doctor can treat a

Marty taught introductory economics to more than ten thousand undergraduates.

patient. An economist, through research or policy advice, can improve life for a population.

Marty was appointed president of the NBER in 1977—a position he held for more than thirty years. Looking at the NBER's vast research output, one can see many things that seem commonplace today but looking back were



Council of Economic Advisers Chair Martin Feldstein with President Ronald Reagan in the Oval Office after a meeting of the Economic Policy Advisory Board, July 11, 1984.

Marty's innovations. A network of hundreds of economists collaborating, debating, and sharing data made far more progress than even geniuses working alone. More important, Marty's research showed how data about individuals from the census, tax records, or hospitals—information then rarely used by economists—could provide sharp answers to questions about policy.

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Feldstein and Company



N. Gregory Mankiw

*Robert M. Beren
Professor of Economics
at Harvard University,
and former Chairman
of the President's
Council of Economic
Advisers*



Lawrence B. Lindsey

*Former Director
of the National
Economic Council,
and Former Governor
of the Federal Reserve*



Jeffrey D. Sachs

*University Professor and
Director of the Earth
Institute at Columbia
University*



Raj Chetty

*William A. Ackman
Professor of
Economics at
Harvard University*

In the 1970s, Marty was publishing more papers in top scholarly journals every year than most economists produce in a lifetime. I read them avidly and saw new frontiers open up for my generation of economists to study. Before Marty, public-finance economists had focused on who paid tax checks and who received government benefits, and on mathematically elegant abstract models of taxation. Marty persistently argued

than ten thousand undergraduates. They did not all share his political views and many did not share fully his enthusiasm for economics as an approach to thinking about public policy. But almost all admired his clarity of expression, commitment to his students, and ability to make economics relevant to the issues of the day.

Marty did not just educate by writing and teaching. His was a life of

that it was also crucial to consider the incentive effects of tax and benefit programs. In the process, he set the agenda for decades of research and contemporary debates on dynamic scoring and tax and social-insurance reform.

If public economics—the study of taxation and government spending—was Marty's central area of interest, he made major contributions in many other areas as well. He was a leader in demonstrating the many ways that excessive inflation could undermine economic performance. He wrote with Charles Horioka a seminal study pointing up the tendency despite apparently open capital markets for national saving and investment rates to be highly correlated. And he was perhaps the earliest, most vigorous, and prescient critic of the creation of the euro.

During his career, Marty taught introductory economics to more

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dialog—at countless professional meetings, international fora, Track 2 dialogues, post-seminar dinners, and meetings with colleagues from around the world, Marty pushed our understanding of the global economy forward. He was willing to think about any economic question and offer an interesting conjecture. He had an extraordinary capacity to bring analytical economics to business and political actors and at the same time to insist that economists could learn much from practitioners.

Marty was a magnet for talent. I had the privilege of serving on his staff when he chaired the CEA. Marty didn't care that I was a Democrat or that Paul Krugman was as well. That staff also included Greg Mankiw and Larry Lindsey, who went on to senior positions in Republican administrations. Marty cared about people's economic analysis, not their political affiliation. That is why he mentored stars like Jeffrey Sachs and Raj Chetty, who disagreed with him on many questions, and why I so enjoyed working with him as he made valuable contributions to President Obama's Economic Recovery Advisory Board.

For Marty, economics was a calling, never an intellectual game or a political tool. He represented the best in our profession and brought out the best in all those whose lives he touched. It has been the privilege of my professional life to follow in Marty Feldstein's wake. ♦