

Goodbye Dr. Friedman

by Scott Niederjohn

As I was grading papers in my office late in the afternoon on Thursday November 16th, I noticed a number of messages in my email from students with subjects such as “did you hear?,” “sorry to hear” and “my condolences”. Upon opening each of these notes I found a similar message about the passing of the 94-year-old Milton Friedman; a long-time economics professor at the University of Chicago and recipient of the 1976 Nobel Prize. Apparently my admiration for Professor Friedman was not lost on my students.

I never had the chance to meet Friedman in person; however, I was in attendance at a conference two years ago in which he addressed our group via video link from his office at the Hoover Institution at Stanford. Even then, at the age of 92, his keen intellect was unmistakable as he responded to questions on topics as varied as the minimum wage and macroeconomic policy.

Friedman was arguably the most influential economist of the 20th century. His vigorous defense of free markets and capitalism, at a time when such ideas were clearly in the minority, is well known. In fact, his best selling book (authored with his wife) *Free to Choose* was made into a PBS documentary. His role in the abolition of the military draft – he served on a commission under President Nixon that ended conscription – is certainly less famous. It is this ability to communicate to those outside the economics profession, on a myriad of important policy issues, which may be his most profound and lasting impact.

Friedman challenged the ideas set forth by John Maynard Keynes during the Great Depression. The notion, widely accepted at the time, that the state needed to control the economy and spend to alleviate unemployment found a strong critic in Friedman.

Friedman’s work on monetary policy illustrated an idea accepted by all economists today: the link between the growth of the money supply and inflation. His 1963 book *A Monetary History of the United States, 1867-1960* squarely placed the blame for the continuation of the Great Depression at the hands of the Federal Reserve and its tight monetary policy. This work on monetary policy, once coupled with the groundwork he laid on consumption theory, including the permanent income hypothesis, earned him a Nobel Prize.

Those of us that live in Milwaukee have seen the educational landscape forever changed by an idea Friedman pioneered in the 1950s. His forceful call for school choice, a cause he continued to support until his death, occurred years before this idea became a serious policy issue now affecting many Milwaukee K-12 students.

A myriad of quotes and anecdotes attributable to Friedman will be repeated by economists for years to come. My favorite, which I seem to use every

semester, will keep his name in my classroom forever. According to legend; one semester at the University of Chicago a student, after receiving a poor grade, said to his professor: "Dr. Friedman, I don't think I deserve this F you have given me." Professor Friedman deftly replied, "I don't think so either but it's the lowest grade we give."

Goodbye Dr. Friedman.