



Martin Feldstein

James M. Poterba¹

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Abstract

Martin Feldstein was a remarkable economic scholar, an extraordinary teacher, a fabulous economic and academic administrator, and a dedicated public servant who had a tremendous impact. He played an enormous role in advancing empirical research in economics and was a mentor to generations of undergraduates and graduate students. Beyond his research and teaching, Feldstein was a transformative figure within economics, through his three decade leadership of the National Bureau of Economic Research. He is going to be very deeply missed.

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Martin Feldstein, who passed away last June, was a great friend and fan of NABE. He was a remarkable economic scholar, an extraordinary teacher, and a fabulous economic and academic administrator who led the NBER for nearly 30 years. And he was a dedicated public servant who had tremendous impact in public policy circles. I want to take a few minutes to remember each of these aspects of Marty's contributions.

First, let me start with Marty the researcher, the Harvard professor, and the scholar who helped create the modern field of empirical public economics. Marty played an enormous role in moving forward empirical research in economics more generally.

Marty was a very early user of big data, which in his day meant household and corporate surveys, such as the Current Population Survey, COMPUSTAT, and the CRSP data on stock markets. Marty's Oxford dissertation was a study of productivity in the National Health Service. It exploited data from a one-day survey of everything that happened at the NHS to examine the relative productivity of various procedures—a remarkable use of an extraordinary dataset. Marty and a few contemporaries helped to launch empirical economics on the path that led to the present day, with

many kinds of new data available to economic researchers. Researchers today use administrative data from the private and the public sectors to study many important questions.

As a researcher, Marty teed up questions like the impact of taxation of capital on long-term economic growth, the design of social insurance programs, particularly Social Security, the determinants and the impact of international capital flows, and the macroeconomic impact of fiscal policy and monetary policy. He also played a key role in founding the field of modern empirical health economics.

If Marty had limited his activities to economic research, we would remember him today as an incredibly important contributor to the last half century in our field. But he did much more. Marty was an outstanding teacher and a mentor to generations of undergraduates and graduate students. I had the good fortune to write my undergraduate thesis with Marty. I will never forget the day when I turned in a draft, which I was very proud of. He closed the door to his office and said, "Jim, one of us is very confused. I don't think it's me."

Marty inspired generations of undergraduates to pursue careers in economics, and he helped scores of graduate students to learn the craft of research. For more than 20 years, Marty taught the introductory economics course at Harvard, Ec 10, offering more than 15,000 students their first glimpse of the field. He was passionate about that course. Students raved about the experience of Marty in the classroom, bringing the excitement of the global and the national economy to bear on the topics that they were studying. The Ph.D. students he supervised had widely varying interests and went

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✉ James M. Poterba
poterba@mit.edu

¹ MIT and NBER, Cambridge, USA



on to pursue a range of career paths, from Larry Summers to Larry Lindsey, from Glenn Hubbard to Jeff Sachs. One common feature that all of Marty's students display is his commitment to understanding the economy and to using data and economic analysis to improve economic outcomes.

Beyond his research and teaching, Marty was a transformative figure within economics, through what he did at the National Bureau of Economic Research. When Marty was tapped to lead the NBER in 1997, it was a well-respected venerable organization with a relatively small footprint within the economics profession. It had a staff of about 30 researchers, most of whom also held academic appointments. Of course, there had been great accomplishments: Arthur Burns and Wesley Clair Mitchell on business cycles, Gary Becker on human capital, Milton Friedman and Anna Schwartz on monetary history, and Simon Kuznets on national income accounting, to name a few. But it was not suffused through the entirety of the economics profession. Marty realized that the NBER could be something very different and that it could have a much greater impact. He transformed the organization into a network; today, it includes more than 1,500 affiliated researchers.

Marty realized that the NBER could do a great deal to disseminate economic research. The NBER working papers series had been launched a few years before he became president; there had been 142 working papers by the time he started. When Marty stepped down as NBER president in 2008, the organization had distributed more than 14,000 papers. The *New This Week* email that the NBER distributes on Monday mornings, and that I hope many of you receive, is one of the most widely followed sources of new research within the entire economic profession.

Marty also realized that the NBER could play a convening function, bringing researchers together to share their latest findings and solve problems together. Because Marty had been a pioneer in working with large micro datasets, he realized that there were high returns to sharing lessons learned in empirical research. He observed that even at leading economics departments, there might be only one person carrying out research with a particular dataset. Many datasets are complicated to work with, and even when the economics profession collectively has a great deal of expertise on working with them, the individuals with that expertise could be scattered across many different institutions. Marty set out to

improve the exchange of information by convening meetings of different groups of researchers—labor economists, corporate finance economists, public finance economists—who could share their expertise and thereby speed the advance of empirical research. The program meetings and other conferences that he convened under the NBER umbrella did exactly that. *The Economist* magazine's obituary for Marty said that, although he contributed in many, many ways, perhaps his most enduring legacy was the way in which he had networked and brought together the economics profession.

Finally, Marty was a dedicated public servant who cared deeply about public policy. He served as the Chairman of the Council of Economic Advisors under President Reagan. When his daughter Janet was discussing with him the question of whether he should go to Washington, she apparently said, "Well Dad, you're too old to go into the military, so I guess this is a good way for you to serve the country." Marty was patriotic and deeply committed to trying to impact the course of public policy. He served again on the President's Economic Recovery Advisory Board under President Obama. For many years Marty was a constant presence on op-ed pages, in the halls of power in Washington, at conferences like this, where he received the Adam Smith Award in 1993.

Marty was constantly engaged in trying to make the world a better place and using economics to accomplish that end. His activities in public policy, his activities as a scholar, and his activities in trying to draw people into the research field were very much motivated by that underlying belief. He had immense energy, incredibly good taste in the questions that he worked on, and a real capacity to explain economics in terms that non-experts could understand and that made sense for them. Through the combination of activities that he carried out, he was incredibly influential as a member of our profession and, more broadly, as a member of the global economic policy community. He is going to be very deeply missed.

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