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Remembering Two Economic Giants

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Remembering Two Economic Giants

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who is double majoring in economics and business administration (finance concentration). He is from Ile-Ife, Nigeria and has also lived in Ibadan, Nigeria and Lagos, Nigeria. Bukola Olaosebikan is a sophomore business administration (finance concentration) and computer science double major from Lagos,

Nigeria. She has also lived in Kwara, Nigeria.

Remembering Two Economic Giants

Quentin Brummet

The past year saw the passing of two of the most distinguished individuals within the field of economics. In April, John Kenneth Galbraith passed away at the age of 97, while in November, Milton Friedman passed away at the age of 94. Although the two economists held greatly divergent economic ideas, their contributions to economics immensely impacted our current understanding of the field.

Galbraith was born on October 15, 1908 in Ontario and raised in Canada. He attended Ontario Agricultural College (now the University of Guelph) for his undergraduate degree and received a masters and doctorate from the University of California at Berkeley. Economically speaking, Galbraith was a devoted Keynesian and liberal, and he became known as the “Last American Institutionalist.” For example, his book *The Affluent Society* suggested that the United States should make large investments in highways and education after World War II.

Galbraith was not just an “ivory tower” intellectual, however. In addition to working as an advisor under the Roosevelt Administration, he also served as “price czar” during World War II, and he later became ambassador to India under the Kennedy Administration. In 1972, he served as president of the American Economic Association, and in 2000, he was awarded his second U.S. Presidential Medal of Freedom.

Despite his numerous publications and accolades, Galbraith is considered by many to be

slightly outside of mainstream economic thought, as Keynesian ideas have not been in accordance with mainstream economics since the late sixties. However, his ability to combine public servitude with scholarly aptitude made him a giant within the economic field.

Milton Friedman was born on July 31, 1912 in Brooklyn, New York. His family then moved to New Jersey, where he grew up before attending Rutgers for his undergraduate work, double-majoring in mathematics and economics. He then went on to the University of Chicago for his masters before receiving a doctorate from Columbia University.

Friedman’s economic ideas were much different than Galbraith’s. His rise in the field of economics came at a time when Keynesian ideas were very much the mainstream. His classical ideas were in opposition to the contemporary economic models and notions, and in many ways, his concepts and theories changed the tide of economic thinking. Friedman’s idea of monetarism was revolutionary, leading to a much different perspective on the role of government in stabilizing the economy. He also strongly advocated a floating exchange rate, an idea which was criticized at the time but was eventually implemented. Furthermore, Friedman’s views on school choice and voucher systems were extremely rare when he first wrote about them, but nowadays—in large part due to his involvement—many voucher experiments have been performed all around the United States.

Friedman's numerous contributions to economics earned him many accolades. He was a professor at the University of Chicago from 1946-1982. After 1982, he worked as a Senior Research Fellow at the Hoover Institution at Stanford University, where he performed research on a variety of different topics. In 1996, Friedman and his wife started the Rose and Milton Friedman Foundation, aimed at

encouraging the implementation of universal school vouchers.

While these two men stood on two distinctly different sides of the economic spectrum, they were both respected and admired. Their aptitude and dedication to their field has created new economic ideas which will undoubtedly continue to shape the discipline of economics for years to come.

Work-Life Balance: Flexibility or Friction?

Ian Cohen

In labor economic theory, a person's allocation of time between work and leisure is an important area of study. Often times, these decisions are highly influenced by modern-day employment practices and working culture. If society does not protect the ability to take time off work and places extensive cost burdens upon its population, friction can develop in the work-leisure relationship. Dr. Peter Berg, Associate Professor of Economics at Michigan State University, studied the flexibility of this relationship in his research entitled, "Work-Life Balance Tensions in the United States and Australia." In these countries, work life is similar but the techniques used to gauge work-life tensions are vastly different. Berg, also a 1983 IWU alum, presented his work to Illinois Wesleyan students and faculty on March 7, 2007 as the annual Omicron Delta Epsilon speaker.

Berg began his discussion by describing the outside forces that have contributed to work-life balance tensions. He emphasizes the fact that employment experience is changing due to the rise of global competition and various other national demands at the workplace. With these developments, workers face increased competition from overseas workers and need higher skill requirements in a business environment that blurs the line between work and

home life. In this new global marketplace, the search for lower costs has led to decreased wages and higher income insecurity for the individual worker. This, along with ageing populations, has resulted in the individual having to work longer hours, thus forgoing personal leisure time, to meet the growing needs of work and life.

According to Berg, these broad external factors are only part of the reason for an increase in work-life balance tension. In the United States, citizens have no right to healthcare. Statistically, Berg notes that 15.7 percent of a population of 46 million have no healthcare. Most healthcare is covered by employers and expenditures on it have increased by 40 percent. Similarly, child-rearing costs are high with the increased expectations placed upon parents. Because society views it as a private matter, there is a lack of federal assistance for child-rearing and it is very expensive to obtain.

Moreover, Berg explained that there has been an increase in dual-earner couples in the United States. In fact, from 1997 to 2002, this trend elevated time at work by 10 hours per week and reduced personal time to an hour or less for men and women respectively. Additionally, increased technology is blurring the lines between work and home. Indeed, advanced technology allows individuals to work anywhere