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Anna Schwartz, Economist Who Collaborated With Friedman, Dies at 96

By ROBERT D. HERSHEY Jr.

Anna J. Schwartz, a research economist who wrote monumental works on American financial history in collaboration with the Nobel laureate [Milton Friedman](#) while remaining largely in his shadow, died on Thursday at her home in Manhattan. She was 96.

Her death was confirmed by her daughter Naomi Pasachoff.

Mrs. Schwartz, who earned her Ph.D. in economics at the age of 48 and dispensed policy appraisals well into her 90s, was often called the “high priestess of monetarism,” upholding a school of thought that maintains that the size and turnover of the money supply largely determines the pace of inflation and economic activity.

The Friedman-Schwartz collaboration “A Monetary History of the United States, 1867-1960,” a book of nearly 900 pages published in 1963, is considered a classic. Ben S. Bernanke, the Federal Reserve chairman, called it “the leading and most persuasive explanation of the worst economic disaster in American history.”

The authors concluded that policy failures by the Fed, which largely controls the money supply, were one of the root causes of the Depression.

Mr. Bernanke acknowledged as much when he spoke at a 90th birthday celebration for Mr. Friedman in 2002. “I would like to say to Milton and Anna: Regarding [the Great Depression](#), you’re right, we did it,” he said. “We’re very sorry, but thanks to you we won’t do it again.”

Mrs. Schwartz was widely known in the profession as the co-author of much of the work that led to Mr. Friedman’s Nobel in economic science in 1976. Her supporters thought the prize might have justly been awarded jointly.

“Anna did all of the work, and I got most of the recognition,” Mr. Friedman said on one occasion.

After Mr. Friedman’s death in 2006, Mrs. Schwartz “became the standard-bearer” of Friedman monetarism, said Michael D. Bordo, a professor of economics at Rutgers University and for decades a Schwartz collaborator himself.

Though “not a deep theorist,” he said, Mrs. Schwartz was “probably the best woman economist of the 20th century.”

During the financial collapse that began in 2008, she was one of the few surviving economists with a firsthand recollection of the Depression. After praising early moves by Mr. Bernanke, she wrote, at age 93, a bitingly critical Op-Ed article for The New York Times in July 2009 opposing the reappointment of the Fed chairman who had been so influenced by her work.

She contended that Mr. Bernanke had erred in producing “extreme ease” in monetary policy and in failing to warn investors that new financial instruments were difficult to price.

Mrs. Schwartz also held that the government had been a bigger contributor to the crisis than had been widely realized. By her measure, the government had oversold the benefits of homeownership, pushing Fannie Mae and Freddie Mac, the government-backed mortgage finance giants, to lend increasingly to lower-income borrowers and fostering exceptionally low mortgage rates.

A leading financial historian, Mrs. Schwartz was also an expert on the monetary and banking statistics of Britain and the United States. Besides her collaborations, she had a large body of work in her own name.

Her most visible public role was in 1981, when she agreed to be executive director of the 17-member United States Gold Commission, a Washington panel, which was charged with recommending the future role of gold in the nation’s monetary system.

With little interest in a return to any form of gold standard, she and most other members of the panel, consisting mostly of political appointees, limited their recommendations to urging the government to mint gold coins.

Mrs. Schwartz was born Anna Jacobson on Nov. 11, 1915, in the Bronx, the third of five children of Hillel Jacobson and the former Pauline Shainmark, Jewish immigrants from Eastern Europe. She was drawn to economics while still at Walton High School in the Bronx — “I found it more exciting than literature or foreign languages,” she said — and graduated from Barnard College at 18.

She worked for the Department of Agriculture in 1936, the year she married Isaac Schwartz, whom she had met at a Hebrew summer camp. The couple raised four children. Mr. Schwartz, who was the financial officer for a Manhattan import company and had earned a master’s degree in classics from Columbia, died in 1999.

Besides Ms. Pasachoff, Mrs. Schwartz is survived by another daughter, Paula Berggren; her sons, Jonathan and Joel; seven grandchildren; and six great-grandchildren.

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After five years at Columbia University’s Social Science Research Council, Mrs. Schwartz joined the National Bureau of Economic Research in New York in 1941 and continued to work there for more than 70 years. But she maintained her ties to Columbia, earning a Ph.D. there in her middle years.

It was at the National Bureau, a private, nonpartisan research organization that has been the nation’s semiofficial arbiter of business cycles, that Mrs. Schwartz met Mr. Friedman and his wife, Rose Director Friedman, who was also an economist. Rose Friedman had heard from mutual friends that the Schwartzes might have a baby carriage to lend.

Arthur F. Burns, the president of the National Bureau and a future chairman of the Federal Reserve, suggested that Mrs. Schwartz and Mr. Friedman work together.

The two of them — she in New York and he at the University of Chicago — formed a close relationship based on exchanges of drafts and ideas by mail. “I’ll write something and send it to him, and he’ll criticize it, and he’ll do the reverse,” she told a Times reporter in 1970 on the publication of their second major work, “Monetary Statistics of the United States: Estimates, Sources, Methods.” “The wonderful thing about this relationship is that neither of us takes offense if the other says it’s no good.”

Mrs. Schwartz did take offense, however, when the economist and New York Times columnist Paul Krugman attacked the Friedman legacy in an article in *The New York Review of Books* in 2007.

She responded angrily that Mr. Krugman had mischaracterized the work and made “inaccurate forays into economic history” by attributing the Depression to a liquidity trap, a situation in which monetary policy fails to stimulate the economy, by either lowering interest rates or expanding the money supply. “She went ballistic,” Mr. Bordo said.

Even after breaking a hip in 2009 and having a stroke, Mrs. Schwartz, by then using a wheelchair, collaborated with Mr. Bordo and Owen Humpage, an economist at the Cleveland Fed, on a project tracing the history of governmental intervention in currency markets. “Anna never stopped,” Mr. Bordo said.

She often spoke about her successful collaboration with Mr. Friedman on their “Monetary History of the United States,” expressing elation that they had taken on an economic establishment with little regard for theories based on the importance of money. Decades afterward, writing in *The Cato Journal*, a publication of the Cato Institute, the conservative public policy research organization, she quoted Wordsworth:

“Bliss was it in that dawn to be alive,/But to be young was very heaven!”