
James Gwartney

A Legacy of Economic Freedom, Education, and Mentorship

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James Gwartney, who died in January, left an indelible mark on the world through his intellectual prowess, innovative contributions, relentless pursuit of knowledge, and advocacy of economic freedom. In this memorial, we celebrate his lasting impact on economics and education—and his mentorship.

After completing his undergraduate degree in economics at Ottawa University in Kansas in 1962, Jim pursued a doctoral degree in economics from the University of Washington. During his graduate studies, he encountered influential thinkers such as Douglass North, Yoram Barzel, and Walter Oi, who would shape the trajectory of his academic pursuits in conjunction with figures like Milton Friedman and Friedrich Hayek. It was during his doctoral studies that Jim developed a deep desire for becoming an empirical economist with an understanding of the principles of market economics, the importance of limited government, and the impact of economic policies on individual liberties and societal prosperity.

After leaving Washington, Jim took a tenure-track position at Florida State University. Over an impressive fifty-four years at FSU, his research encompassed a wide range of issues, including public finance, macroeconomics, the economics of discrimination, and the relationship between economic freedom and societal

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well-being. His first two publications as an assistant professor—a paper on discrimination and income differentials and one on changes in the nonwhite/white income ratio between 1939 and 1967—were in the prestigious *American Economic Review*. The entirety of his career reveals over one hundred publications and impressive citation productivity.¹

Arguably his most notable academic achievement was spearheading the construction of the Economic Freedom of the World (EFW) Index. With his most trusted graduate student at the time, Robert Lawson, Jim developed an index that aimed to quantify the degree of economic freedom in countries around the world. The EFW Index at the Fraser Institute became a valuable and influential tool for researchers, policymakers, and country leaders to understand the role of economic freedom in promoting positive socioeconomic outcomes. A summary index is constructed with forty-five data points (along with a Gender Legal Rights Adjustment to measure the extent to which women have the same level of economic freedom as men). The degree of economic freedom is measured in five broad areas: (1) the size of government, (2) the legal system and property rights, (3) the stability of money and prices, (4) the freedom to trade internationally, and (5) regulation. The empirical research using the EFW Index has consistently supported the expectation—based on less systematic evidence, the broader patterns of history, and the ideas of economists like Adam Smith, Friedman, and Hayek—that free markets bring prosperity and other desirable outcomes. It also seriously questions the soundness of the principles held by John Maynard Keynes, Karl Marx, and others who advocate expanding government using central planning to allocate resources.

To extend the reach of economics beyond the confines of academic scholarship in journals, Jim's contribution to the largest number of people was through economic education. In an initial collaboration with Richard Stroup, Jim authored two influential books. First published in 1976, *Economics: Private and Public Choice* is a traditional textbook for college students. It stands out for its emphasis on competitive markets, entrepreneurship, and the impact of the political process on economic outcomes. It is different from most other textbooks because it utilizes public choice analysis to help students understand how the political process influences the allocation of scarce resources. Consequently, it helps students understand the relevance of economic principles in real-world scenarios while making the subject matter engaging and relevant. It includes breaking down abstract economic theories and making them relatable while providing practical applications. Students are challenged to analyze the trade-offs of the varying degrees of market competitiveness with the role of government.

Common Sense Economics: What Everyone Should Know about Wealth and Prosperity, first published in 1993, is targeted to an audience who would likely read only

1. Google Scholar records over thirteen thousand citations to his published work.

one book on economics during their studies. It expands the teaching of economics to non-business and non-economics undergraduates, graduate students in other disciplines, high school instructors and their students, and people who want to learn economics but know little about the subject. The *Common Sense Economics* book narrows its focus to the key principles of economics and makes them relatable to readers with an emphasis on wealth creation, personal finance, and prosperity.

Both books are slated for new editions in 2024. *Economics: Private and Public Choice* will see its eighteenth edition, while *Common Sense Economics*—which Tawni joined as a coauthor in 2010 and Joe in 2016; with Jane Shaw Stroup joining in 2024 on the departure of Rick (1943–2021)—will see its fourth.

Jim taught over ten thousand students during his career at Florida State University. His approach and delivery in the classroom were consistent with his writing. His constant emphasis on the relevance of responsible individual choice and economic freedom has resonated with students, ensuring the enduring popularity and influence of his presentations and books. His courses, mentorship, books, and scholarly works empower listeners and readers with critical reasoning and commonsense principles to build a solid foundation in individual prosperity, wealth generation, and societal improvement. They will continue to play a pivotal role in disseminating economic knowledge to a wide range of audiences and promoting a deeper understanding of the principles that drive economic outcomes. Jim's talent for distilling complex economic concepts into accessible explanations translated seamlessly into classes and his textbook writing. Through his engaging writing style, contagious passion, and clear organization, he made economics understandable and enjoyable for students of all backgrounds.

Both books and Jim's teaching style have been widely adopted by educators globally, ensuring that his works reach a broad audience. *Common Sense Economics* has been translated into over fifteen languages. His books' continued adoption underscores their effectiveness in conveying economic principles and fostering a passion for economic thinking. Led by the Economics Fundamentals Initiative, the most impressive set of translations is directed at a group of post-Soviet Union countries.

Jim's impact on economic freedom and individual liberties extended beyond scholarship, teaching, and writing textbooks. He actively engaged with economic organizations, policymakers, think tanks, and organizations committed to promoting free-market principles. Jim served as a president of the Southern Economic Association (2007–08) and the Association of Private Enterprise Education in 1998. APEE has recognized Jim for his distinguished contributions with the 2022 Clark-Kent-Aronoff Service Award (with his wife, Amy), the 2004 Adam Smith Award, and the 1995 Distinguished Scholar Award.

In the policy world, government officials and leaders in international institutions sought Jim's guidance on economic policy matters. From 1999 to 2000, he served as the chief economist and oversaw the Joint Economic Committee of the

U.S. Congress. During this appointment, he and his team presented to Vladimir Putin the merits of lowering tax rates to spur economic growth using the case of the “Irish miracle” to illustrate. In 2000 Putin became Russia’s new president with hopes of growing Russia’s economy through increased market transactions.

We believe Jim’s greatest legacy will be the countless lives he touched. He was a beloved instructor in the classroom, distilling his passion to generations of economics students. He supervised numerous dissertations and launched the careers of many economists. He mentored young scholars, helping them navigate the rigors of academia. He was a reliable coauthor to peers, maintaining their momentum in advancing economic science. He was a resource for policymakers and political leaders, advancing the application of economic principles to build wealth and prosperity. Jim’s commitment to education and intellectual mentorship has ensured that his legacy will continue to shape the world for some time.

We are both eternally grateful for Jim’s mentorship and friendship. Our lives and career trajectories would be vastly different without Jim’s wise counsel and leadership. Many others feel the same.

Jim Gwartney’s legacy includes his work as a mentor, economist, academic, and advocate for economics education and freedom. Attached to his classes, articles, the EFW Index, and his books will be his intellectual brilliance, acute memory, contagious passion, and unwavering commitment to economic freedom. Those who view the entirety of his career will remember the dedication and perseverance. His contributions to the field of economics have certainly contributed to the world becoming a better place. His tight grip on classical liberal ideas, excellence in intellectual endeavors, effects in the classroom, and books leave a tremendous impact.

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