

Dick Netzer (1929–2008)

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Dick Netzer, a preeminent urban economist and municipal finance expert who also made vitally important contributions to the field of cultural economics, died on May 7, 2008, at the age of 79. While he had long been ill, he had been hoping to attend the ACEI conference just completed in Boston. Educated as a youth in the New York City school system, he did his undergraduate work at the University of Wisconsin, and his graduate work at Harvard University. He lived in Brooklyn and East Hampton, New York. He is survived by his wife Carol, a sister, two daughters, and six grandsons. He had told me that he was cutting back on his professional activities to spend more time with his family, yet he continued to be engaged and had contributed the chapter on “Cultural Policy: An American View” to the 2006 *Handbook of the Economics of Art and Culture* (North-Holland). He was Emeritus Professor of Economics and Public Administration in the Robert F. Wagner Graduate School of Public Service at New York University, having served as Dean of the School from 1969 to 1982, and was the founding director of the Taub Urban Research Center. He authored comprehensive studies of property taxes (with important implications for the non-profit arts sector in the U.S.), and was a pioneer in the study of toll roads, highway financing, and land taxation.

His death just five weeks prior to the ACEI conference is especially poignant given the special session honoring the late J. Mark Schuster [see the obituary in this journal, 32(2)], which was devoted to Schuster’s co-authored *Patrons Despite Themselves* (1983). As Schuster noted in his retrospective honoring the twentieth anniversary of the publication of Netzer’s influential study of direct financial aid to the arts in the United States, *The Subsidized Muse* (1978), the Twentieth Century Fund had supported both book projects, and the research on *Patrons’* indirect aid to the arts had been “completed in parallel” with Netzer’s study of direct support.

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Many of Dick's New York municipal finance colleagues have noted the sad irony that he also barely missed being present for the formal dissolution of the Municipal Assistance Corporation, the no-longer-needed entity he helped establish to cope with the New York City fiscal crisis of 1975. Netzer had been an adviser to two New York City mayors and two New York state governors, and as observed by the former state budget director Peter Goldmark, "Dick...was a continuing iconic figure...and the guy we all looked up to" (quoted in the *New York Times* obituary, 05/17/08).

Dick also became an iconic figure in cultural economics, being especially vital in the founding of the ACEI as a membership professional organization with a constitution and officers, making the transition in 1993 from its earlier less formal structure as the Association of Cultural Economics. As Mark Blaug noted in his "A Tribute to Dick Netzer and *The Subsidized Muse*," Dick being named a Distinguished Fellow of the ACEI was "in small part for his stalwart efforts in setting up the Association, but in large part in recognition of his long career in cultural economics." He served as the first president of the ACEI from 1992 to 1994 during this transition.

And while largely unknown to a talented group of younger arts scholars, for many of us in cultural economics, he was also a "guy we looked up to." Dick was an empiricist without allowing the technical tools of our trade to outrun the quality of our data [and he was not afraid to interview his subjects, see his "Dance in New York: Market and Subsidy Changes," *American Economic Review*, 76(2), 1986]. While he bemoaned the lack of enough observations in the Ford Foundation time series data to support more sophisticated econometric tests, he was a model of patience and diligence in examining the empirical evidence of the effects of subsidies on his 16 case studies (unique in being a combination of performing arts organizations, as well as "arts service organizations"). And he was never afraid to draw uncomfortable conclusions, finding that subsidies to the Metropolitan Opera "almost certainly" generate significant external benefits to future generations, but suggesting that similar public subsidy to the Philadelphia Orchestra (esteemed as it is) "probably does not."

The Subsidized Muse is correctly characterized as making a careful, although often skeptical, case for direct arts subsidy, and some of his key conclusions are hard nosed and critical of existing policy, e.g.: (1) minimize or eliminate subsidies for amateur activities, (2) subsidize major institutions more selectively, (3) increase support for individual artists and service organizations, and (4) allow some for-profit organizations to be eligible for state subsidy (*Subsidized Muse*, p. 182). He also belittled suggestions by arts advocates that state and federal governments should provide an average of 10% of the total costs of arts organizations throughout the U.S. as having "no basis in logic," and accused them of merely doubling the past historical levels to reach this "standard" (*Subsidized Muse*, p. 179).

He was not afraid to highlight methodological weakness, as when he noted that some conclusions drawn from his own larger data sets regarding orchestras were not consistent with his more detailed case studies, and that a primary focus on neoclassical market failure arguments do not adequately account for unique historical and institutional factors in explaining patterns, and even effects of public

subsidy; he favorably cited the Zimmer and Toepler (*Journal of Cultural Economics*, 23, 1999) argument in his own “concluding observations” to his *Handbook* (2006) chapter.

Selected other published work in cultural economics included a chapter on “Tax Policies and Cultural Heritage” (*Economic Perspectives on Cultural Heritage*, St. Martins Press, 1997); a chapter on “Nonprofit Organizations” (*A Handbook of Cultural Economics*, Edward Elgar, 2003); a chapter “Arts and Culture” (*Who Benefits from the Nonprofit Sector*, University of Chicago Press, 1992); a chapter “Cultural Policy in an Era of Budgetary Stringency and Fiscal Decentralization: The U.S. Experience” (*Cultural Economics*, Springer, 1992); and “Principles and Policies for Optimizing Use of Venice by Rationing Access” [*Ricerche Economiche*, 46(1–2), 1992].

I will personally miss the guidance and wisdom of Dick Netzer, who gave me an early boost by enthusiastically recommending to an editor that a paper of mine “merely needed the print button,” combined with a later admonition that one of my manuscripts lacked boldness and irreverence, to a final enthusiastic message regarding a more recent paper mixed with the gentle criticism that “if you had been clearer in your oral presentation at the conference, I would have known earlier how much I agreed with your argument.” I am sure I am not alone in having been the recipient of such candid encouragement, delivered with such commitment to the high standards that characterized his career.