UC Berkeley Economist Wins Nobel Prize

With 3 Prizes, UC System Builds Nobel Tradition

By ANNE BENJAMINSON
DAILY CAL STAFF WRITER

Yesterday's Nobel Prize announcement brings the year's total for the UC system to three — tying the most awards the system has ever won in one year.

Two UC Santa Barbara professors picked up prizes Tuesday: Alan Heeger shared the prize in chemistry, while engineering professor Herbert Kroemer was one of the physics winners.

The university has won more than one prize in a single year eight times before: Professors from UC Irvine and UC San Diego combined for three awards in 1995.

So, with two prizes yet to be awarded, the university has won three of 11 total awards, and three of the eight go to Americans.

Economics prof's research helped design BART, prize comes with campus perks

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A UC Berkeley economics professor won the Nobel Prize yesterday, adding his name to the list of campus luminaries to earn one of the world's most prestigious honors.

Daniel McFadden, the E. Morris Cox Professor of Economics and director of the campus' Econometrics Laboratory, got the news at 2:30 a.m. yesterday that he had become the 17th UC Berkeley faculty member to win the prize.

"I was raised to be modest, so it's a bit shocking to be thrust into a position of prominence," he said at a press conference on campus.

While McFadden has already been invited to dinner at the White House, it pales beside the prize's greatest perk — a lifetime reserved parking space on the UC Berkeley campus.

Two UC Berkeley economists have won the prize, which is awarded by the Royal Swedish Academy of Sciences,
Prize
FROM FRONT PAGE

before Gerard Debreu who won in
1983, still works in the economics
department.

McFadden will share the prize
with James Hickman, a University of
Chicago professor. The two are pio-
neers in the field of microeconome-
trics, which is used to study the
behavior of individuals, households,
and firms.

For example, McFadden’s meth-
ods were used to predict BART rid-
ership when the transportation sys-
tem was in its infancy.

His current research focuses on a
possible correlation between health
and wealth and how underlying
health factors are spread throughout
society.

The professor hails from rural
North Carolina and a farm where
“there was a lot of book reading
going on.” He said that in his child-
hood, he had no idea of what the
world held in store for him.

“When I was growing up, I did
not have great ambitions,” he said.

At the University of Minnesota,
he designed and built an X-ray tele-
scope. It was not until he had to
decide on his doctorate specialty
that he settled on econometrics.

After McFadden finished gradu-
ate school, he spent one year at the
University of Pittsburgh before
coming to UC Berkeley. Three years
later, he was an associate professor
with tenure, a fast rise through the
academic ranks.

“As far as I can gather, Dan had
only one research paper published
at the time,” said Maurice Obstfeld,
the economics department chair.
“Anybody who had an interest in
him or his unpublished work
had already recognized his brilli-
tance.”

Although he has taken a few
breaks from teaching here, the 63-
year-old McFadden has already left
his mark on campus by establishing
the econometrics Laboratory, one of
the few of its kind.

Yesterday’s announcement con-
tinues the trend of Nobel Prizes
awarded to researchers who have
developed practical tools. McFad-
en’s work has not unearthed any
ancient secrets of the universe, but
rather has provided tools that help
economists better understand the
world.

He may have come a long way
from the North Carolina farm, but
McFadden still loves the country.

With his wife, Beverlee Tito Simboli,
he owns and operates a small farm
and vineyard in Napa Valley. From
the standpoint of a Nobel Prize-win-
ing economist, he pronounced the
farm “a money-losing business,” and
said he would dedicate his half of
the $913,000 prize to keeping it open.

By noon yesterday, the prize had
been added to his curriculum vitae.

Many (of the campus’s prizes) have been for
chemistry and physics
and so forth, so it
seems to me very
revealing of the
breadth of strengths
here.”

Robert Berdahl
UC Berkeley chancellor

Although UC Santa Barbara so far
leads the system in this year’s Nobel
prize tally, the Berkeley campus still has
the most overall, at 17, followed by
UC San Diego with 11. Systemwide,
UC professors have won 43 Nobel
Prizes since 1939.

McFadden joins the other six UC
Berkeley Nobel winners who still
teach on campus. John Hasenfratz,
the last faculty member to win, died just
a few months ago. The 1994 winner,
Hasenfratz was also an economics pro-
fessor who pioneered new horizons
in game theory.