



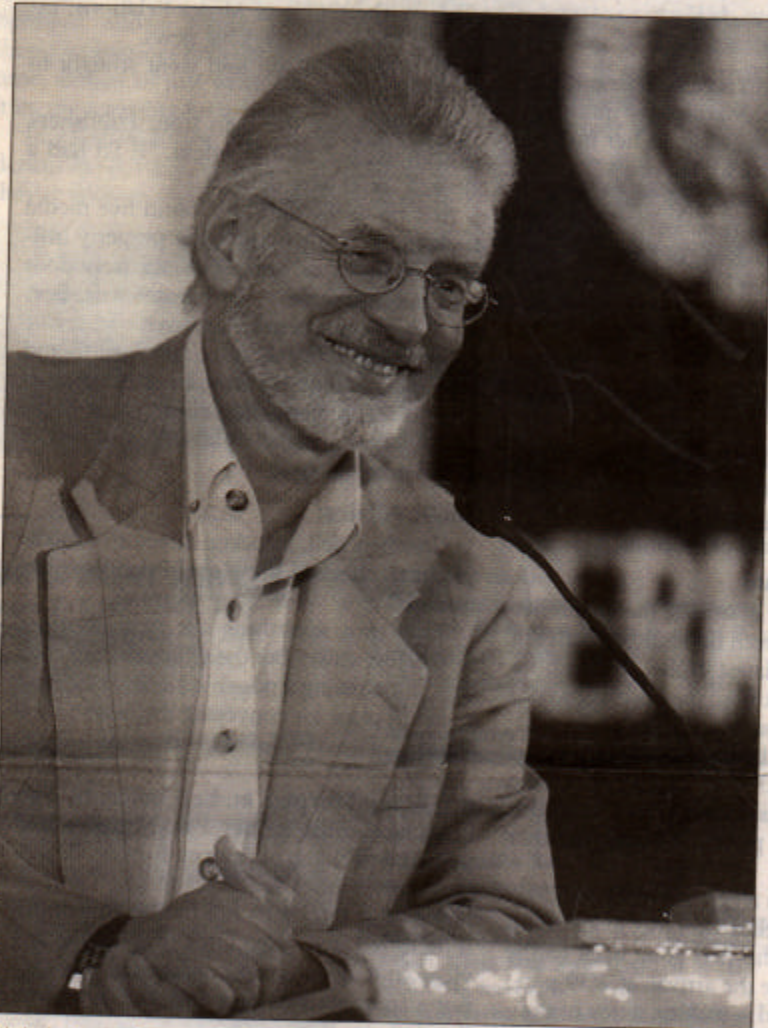
Berkeley

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A NEWSPAPER FOR FACULTY AND STAFF AT THE UNIVERSITY OF

McFadden receives this year's Nobel Prize



Peg Skorpinski photo

Daniel McFadden is the recipient of this year's Nobel Prize in economics, the 17th Berkeley professor to bring home one of the world's most prestigious honors.

McFadden, the E. Morris Cox Professor of Economics in the College of Letters and Science, shares the prize with the University of Chicago's James Heckman, whom McFadden described as "an old friend with whom I have exchanged ideas over three decades."

McFadden is "an economist's economist," said Maurice Obstfeld, economics department chairman. "His scientific achievements have changed the way we approach economic theory as well as the econometrics of individual decision-making."

Microeconometrics, McFadden's field, is a methodology for studying economic information about large groups of individuals, households or firms. The statistical tools McFadden has developed are used not only by economists but by social scientists and others as well.

"The methods he developed are now used routinely to study behavior as diverse as travel demand, migration, the demand for consumer durables, college-going behavior, occupational choice and housing location," said Charles Manski, professor of economics at Northwestern University.

"In my work, I've always been motivated to solve the problem of the day," said McFadden, who currently is investigating housing, health and finance issues facing the elderly.

UC President Richard Atkinson congratulated the latest Nobel laureate in the UC system by saying the award "is a great personal honor for Professor McFadden and a tribute to the world-class caliber of the University of California's faculty." Last week, two UC Santa Barbara professors also won Nobel prizes — one in physics, the other in chemistry.

McFadden also was praised for his work with students.

"Dan's influence on the profession has been felt not only through his own research contributions but also through the enormous effort he has made to nurture young researchers," said Manski from Northwestern University.

Despite a day of constant phone calls — from the Nobel committee, reporters and well-wishers — that began at 2:30 a.m., McFadden still taught an advanced econometrics class late Wednesday afternoon.

McFadden, 63, grew up in North Carolina on a farm where there was no electricity until he was six

Nobel winner Daniel McFadden

More Nobel coverage on page 2

- Colleagues honor McFadden
- Berkeley's other Nobel laureates
- Nobelist still teaches class on busy day
- Behind the scenes on Nobel day



The Medal for the Prize in Economic Sciences in Memory of Alfred Nobel

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McFADDEN

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years old. As a teenager, he thought he would become a psychologist. As an undergraduate at the University of Minnesota, he worked in a cosmic ray laboratory designing and building an X-ray telescope. But while continuing his studies in physics as a graduate student at the university, he was strongly attracted to the study of human behavior. He entered an ambitious program in behavioral sciences there that was

designed to produce scholars who spanned the social sciences.

He worked as a research assistant conducting experiments on behavior and on the effects of mood-shifting drugs on social interaction. He developed an interest in mathematical models of learning and choice and made economics the lead field in his Ph.D. program.

Following the completion of his Ph.D. in 1962, he went to the Uni-

versity of Pittsburgh as a Mellon postdoctoral fellow. The following year, McFadden joined Berkeley's economics department. In just three years, he went from assistant professor to associate professor with tenure, said Obstfeld at the news conference.

"As far as I can gather, Dan had only one research paper in print at the time," he said. "But anyone who had come into contact with him or his unpublished work had already recognized his brilliance." This included 1983 Nobel laureate Gerard Debreu, the department chairman at the time, who, said Obstfeld, wrote to the campus administration that McFadden would have a career of exceptionally scholarly achievement.

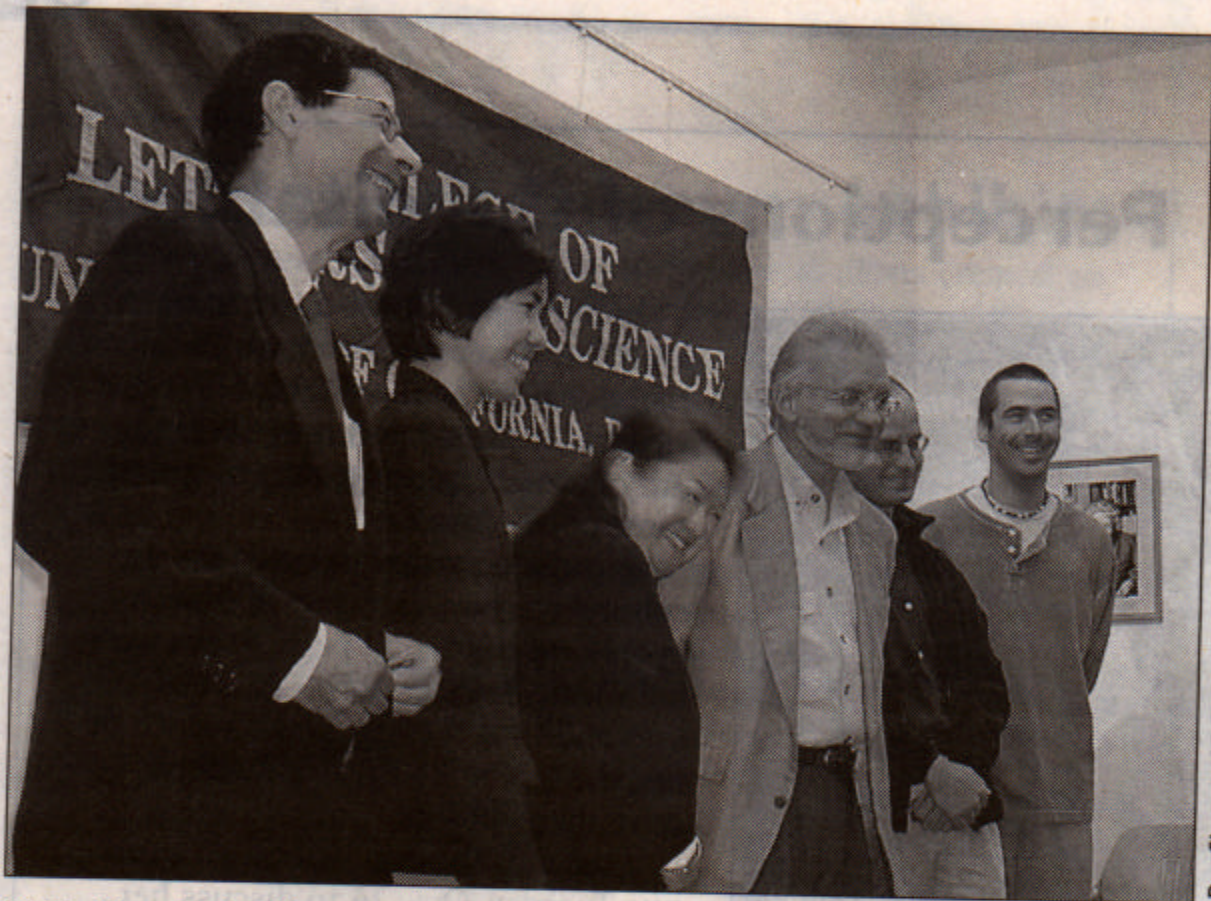
In 1979, McFadden moved to the economics faculty at MIT. In 1991, he chose to return to Berkeley to take advantage of what he called the campus's "intellectual resources in economics, mathematics and statistics." He established Berkeley's Econometrics Lab, which Obstfeld said has made the campus an international leader in microeconomic research.

McFadden has had several visiting teaching appointments — at the University of Chicago in 1966-



Peg Skorpinski photo

Chancellor Berdahl introduced McFadden at the Cal-UCLA game Saturday. The crowd gave the Nobel laureate a standing ovation.



Peg Skorpinski photo

McFadden thanked his co-workers and students for their help in his research through the years.

67, at Yale University in 1976-77 and at the California Institute of Technology in 1990.

Among his many awards and honors, McFadden received in 1975 the John Bates Clark Medal from the American Economics Association, was elected in 1977 to the American Academy of Arts & Sciences and to the National Academy of Science in 1981, was selected in 1985 to deliver the Jahnsson Foundation Lectures in Helsinki, Finland, won the Frisch Medal

from the Econometrics Society in 1986, and this year received the Nemmers Prize in Economics from Northwestern University.

McFadden said he and his wife, Beverlee Tito Simboli McFadden, have a small farm and vineyard in Napa Valley, where they grow and sell grapes.

"I find that farm work gives me a chance to think about my research problems," said McFadden, "and energizes me for university life."