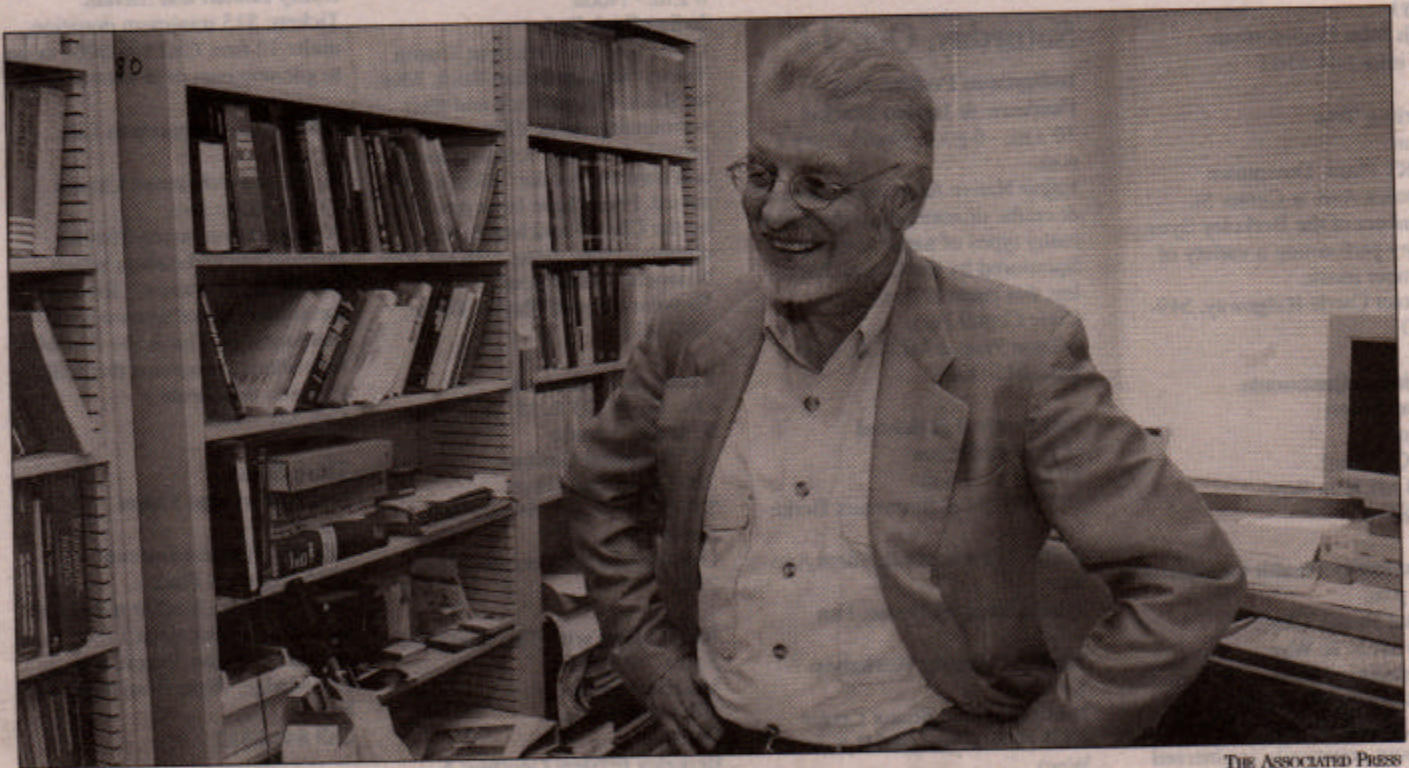




A man of 'Nobel'ity



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Daniel McFadden will share the prize with friend and colleague James Heckman of the University of Chicago.

UC Berkeley professor wins Nobel Prize

BY WILLIAM INMAN
DAILY PLANET STAFF

It's not everyday that someone in the community wins a Nobel Prize. But this is Berkeley, where 17 of the university's faculty members have been honored with the award since the first was presented in 1901.

Wednesday morning, the Royal Swedish Academy of Sciences awarded UC Berke-

ley economics professor Daniel L. McFadden with the 32nd Nobel Prize in economic sciences.

McFadden, the E. Morris Cox Professor of Economics since 1990, is the 17th faculty member at UC Berkeley to win the distinguished prize.

"I'm amazed and delighted to win this prize and have this recognition of the usefulness of my research," the 63-year-old professor said in a press statement.

McFadden shares the prize, and the \$915,000 bounty, with his friend and colleague Jim Heckman from the University of Chicago.

"I'm delighted to share the prize with Jim Heckman, an old friend with whom I have exchanged ideas over three decades," he said.

The Academy, which gives the awards in

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Professor cited for contributions to employment training programs

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honor of Swedish scientist Alfred Nobel, commended the pioneering work of McFadden, whose statistical methods relating to the economic theory of "discrete choice" form the foundation for a range of studies on public policy issues such as taxation, welfare reform and public transit.

Prior to McFadden's contributions, studies of choices — such as where to live or work, or what transportation to take — lacked a foundation in economic theory.

The statistical methods he developed have transformed empirical research and are easily applicable.

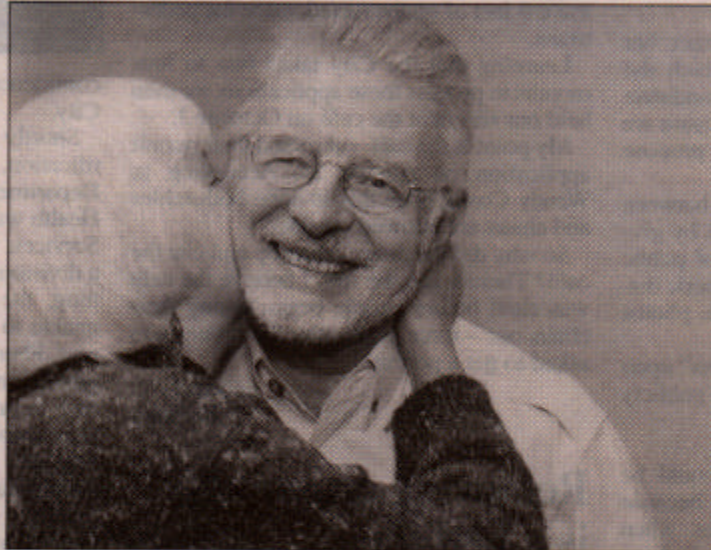
According to the Academy's citation, McFadden's methods are prevalent in modes of transportation, and are used to evaluate changes in communication systems.

McFadden's methods were instrumental in the development of the BART system, as well as investments in phone service and housing for the elderly.

"What I did in working with that theory was to develop models to figure out a way to study what one might call 'life's big choice,'" he said.

"Like the choice of occupation, when to get married and how many children to have."

McFadden was also recognized for his methods used to evaluate the total damage of the 1989 Exxon Valdez oil spill off the Alaskan coast and its effects on society.



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Nobel Prize winner Daniel L. McFadden, 63, gets a kiss from his wife, Beverlee McFadden, at their home in Berkeley.

"The economics society is just a few thousand," he said of winning the award. "I guess one always figures that you have one in a thousand chance."

The university and the chancellor were overjoyed for McFadden's recognition.

"The Nobel Prize is the ultimate recognition for Professor McFadden of a lifetime of work in econometrics," UC Berkeley Chancellor Robert M. Berdahl said in a statement.

"The nature of his work is squarely in the service of society, helping us to understand many of society's complex challenges."

McFadden lives with his wife

Beverlee Simboli in Berkeley. He said he plans to use his prize money to "keep operating my Napa Valley farm until it is gone." McFadden said that he considers farming his second vocation.

The McFaddens own a small farm and vineyard in the Napa Valley where they grow and sell grapes and make wine for their own use.

"We have five cows, three ducks and 11 chickens," he said. "I find that farm work gives me a chance to think about my research problems and energizes me for university life."

A native of Raleigh, N.C., McFadden attended the University of Minnesota where he received a degree in physics.

He continued his studies in physics as a graduate student, but was attracted to the study of human behavior.

So he enrolled in a program in behavioral sciences at the University of Minnesota designed to produce scholars in the social sciences.

Following the completion of his doctorate in 1962, he taught at the University of Pittsburgh, then joined the faculty at UC Berkeley the following year.

In 1977, he moved to the economics faculty at the Massachusetts Institute of Technology, but returned to Berkeley in 1991 to take advantage of what he calls "the intellectual resources in economics, mathematics and statistics."

According to a university press release, he is currently looking into the question of whether there is a causal link from wealth to health or whether the empirical correlation is due to underlying factors that influence both wealth and health, such as genetic "robustness," diet and addiction.

The evidence suggests, he says, that there are patterns of seeking treatments, treatment regimes, and adherence to the regimes that differ between the rich and the poor.

McFadden and Simboli have three children and three grandchildren.

The Associated Press contributed to this story.