

FOR IMMEDIATE RELEASE
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Contact: (703) 993-4941

Dr. Vernon L. Smith Awarded Nobel Prize in Economics

Vernon Smith, credited as 'father of experimental economics'

Arlington, Va. – The [Royal Swedish Academy of Sciences](#) has awarded the Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel – the Nobel Prize in Economics – to George Mason University professor **Dr. Vernon L. Smith** for his contributions to the economic sciences. Dr. Smith, an active researcher, professor and faculty member, pioneered the field of experimental economics nearly 50 years ago.

Dr. Smith is the second George Mason University scholar to receive the Nobel Prize in Economics. In 1986 Professor James M. Buchanan, Jr. received the award for his pathbreaking work on public choice theory.

Dr. Smith pioneered the use of laboratory experiments in evaluating the performance and function of markets. Before 1956, when Dr. Smith completed his first experiment, economic theory assumed markets are efficient only with a large number of buyers and sellers. Experimental methods were the first to test such theories. These tests have demonstrated markets can be efficient even with very few participants and additionally revealed that market efficiency depends crucially on the institutions that govern markets – “rules of the game” that affect both individual behavior and overall market outcomes.

Results of experiments have given economists a deeper understanding of the actual workings of real-world markets and the institutions, and have helped guide public policy in the design and testing of a pollution permit trading system, and electric power and water markets.

Dr. Smith is the founder and research scholar at the [Interdisciplinary Center for Economic Science](#) (ICES), a distinguished fellow of the American Economic Association, and a fellow at the [American Academy of Arts and Sciences](#); he was elected a member of the [National Academy of Sciences](#) in 1995. He currently serves on the Board of Directors and a research fellow at the [Mercatus Center](#) and is an adjunct scholar at the [Cato Institute](#). In 2001, due to a generous gift from the Charles G. Koch Foundation, Dr. Smith and his ICES colleagues relocated to George Mason University.

He received a bachelor’s degree in Electrical Engineering from the California Institute of Technology and his Ph.D. in Economics from Harvard University. He has authored or co-authored more than 12 books and 250 articles on capital theory, finance, natural resource economics and experimental economics.

We colleagues and friends of Vernon join economists around the world in congratulating him and celebrating his much-deserved prize.

For more information about Dr. Vernon Smith, including background and media materials, see:

- <http://www.gmu.edu/>
- <http://www.ices-gmu.org/>
- <http://www.gmu.edu/departments/economics/>
- <http://www.mercatus.org/>

For more information or for media interview requests please call (703) 993-4941.

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