

Nobel laureate Lloyd S. Shapley dies at 92 in Arizona

March 14 2016, by Christopher Weber



In this Monday Dec. 10, 2012, file photo, the 2012 Nobel Prize Laureate for Economic Sciences Lloyd S. Shapley, center, from the U.S., bows after receiving his Nobel Prize from Sweden's King Carl XVI Gustaf, at right, during the Nobel Prize award ceremony at the Stockholm Concert Hall in Stockholm. Shapley, a former professor emeritus at University of California Los Angeles, and an expert on strategic decision-making called "game theory" who shared a Nobel Prize in economics, died Sunday, March 13, 2016, in Arizona, according to the RAND Corp., where he was a longtime researcher. He was 92. (AP Photo/Matt Dunham, File)

Lloyd S. Shapley, a researcher of strategic decision-making called "game theory" who shared the 2012 Nobel Prize in economics, has died at 92.

The RAND Corp., where Shapley worked as a research mathematician for decades, said he died Saturday in Tucson, Arizona. His health had declined after breaking a hip several weeks ago.

Shapley was 89 and professor emeritus at the University of California, Los Angeles, when he received the Nobel Memorial Prize in Economic Sciences for his work a half-century earlier that analyzed match-making in markets.

Shapley shared the prize with Alvin Roth, who teaches economics at Harvard and Stanford.

Shapley came up with formulas to match supply and demand in markets where prices don't do the job; Roth put Shapley's math to work in the real world.

Shapley and Roth studied the match-making that takes place when doctors are coupled with hospitals, students with schools, and human organs with transplant recipients.

Their work sparked a "flourishing field of research" and helped improve the performance of many markets, the Royal Swedish Academy of Sciences said.

"I consider myself a mathematician, and the award is for economics," Shapley told The Associated Press after learning of the honor. "I never, never in my life took a course in economics."

The son of renowned astronomer Harlow Shapley, who helped estimate the size of the Milky Way galaxy, Shapley noted: "Now, I'm ahead of my

father. He got other prizes. ... But he did not get a Nobel Prize."

Shapley's work remains the subject of discussion in academic circles, according to RAND. A conference was convened in 2013 in Istanbul to discuss the "Shapley Value," a concept he developed in 1953 that provides a method for uniquely valuing the contribution of each individual to a group where the value of the whole is greater than the sum of its parts.

Born in Cambridge, Massachusetts, Shapley was studying in his hometown at Harvard when he was drafted into the military in 1943. While serving in the Army Air Forces in China, Shapley received the Bronze Star for breaking a Soviet weather code.

After the war, Shapley returned to Harvard, graduating with a bachelor's degree in mathematics in 1948. He left to attend Princeton University, where he completed his doctorate in 1953. The following year, he embarked on what would be a 27-year career as a research mathematician at RAND.

He left in 1981 to join the faculty of UCLA as a professor of economics and mathematics.

In 1981, Shapley received the John von Neumann Theory Prize, awarded to those who make seminal contributions to theory in operations research and the management sciences.

Shapley is survived by two sons, Peter and Christopher, and their families.

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Citation: Nobel laureate Lloyd S. Shapley dies at 92 in Arizona (2016, March 14) retrieved 4

May 2024 from <https://phys.org/news/2016-03-nobel-laureate-economics-lloyd-shapley.html>

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