



PRESS RELEASE

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EDWARD C. PRESCOTT RECEIVES 2015 ADAM SMITH AWARD

WASHINGTON, DC— **Edward C. Prescott**, a Nobel laureate in economics and a Regents' Professor and the W.P. Carey Chair in Economics at Arizona State University, received the Adam Smith Award from the National Association for Business Economics (NABE) on October 11, 2015. The award, which is NABE's highest honor, was presented to Dr. Prescott during a luncheon at NABE's 57th Annual Meeting in Washington.

"This year's Adam Smith Award is being given to Professor Edward C. Prescott, and the timing could not be better," said **NABE President John Silvia**, chief economist at Wells Fargo Securities. "Professor Prescott won the 2004 Nobel Memorial Prize in Economics for his contributions to dynamic macroeconomics: the time consistency of economic policy and the driving forces behind business cycles. Today, we discuss policy and planning. Professor Prescott focused on the inconsistency of optimal planning. As we who work in the financial markets realize, we factor into our decision-making the assumed response by policymakers to a given economic climate--and in both June and September those expectations have missed the mark, leading to significant market volatility. Professor Prescott's work also examined the role changes and improvements in technology that account for shifts in aggregate supply that influence the standard of living and short-term fluctuations in business cycles. This is another issue we deal with today in accounting for the potential growth rate of the U.S. economy and measures of productivity. Finally, Professor Prescott is associated with his work on the Hodrick-Prescott filter, which smooths fluctuations in a time series, and is so essential to much of what I utilize in my own research." After receiving the award, Dr. Prescott delivered the 2015 Adam Smith Award Address, "Northern America's Production of Technology Capital is Transforming the World Economy," which will be published in a forthcoming edition of *Business Economics*, NABE's quarterly professional journal.

Dr. Prescott has been on the faculty at Arizona State University since 2003. He has held previous academic appointments at the University of Minnesota; University of Chicago; Northwestern University; Carnegie-Mellon University; and the University of Pennsylvania. He shared the 2004 Nobel Prize in

Continued on next page

Economics with Finn Kydland for, according to the Nobel citation, "their contributions to dynamic macroeconomics: the time consistency of economic policy and the driving forces behind business cycles."

Dr. Prescott's current research projects involve such topics as technology capital and the U.S. current account; financial intermediation and financial crises; technology capital openness, and development; the needed quantity of government debt; lifetime aggregate labor supply with endogenous workweek length; and an equity premium without risk. He holds degrees from Swarthmore College (BA, 1962), Case-Western Reserve University (MS, 1963), and Carnegie-Mellon University (PhD, 1967).

The Adam Smith Award, named for the eighteenth-century Scottish philosopher and economist whose ideas about economics led to the growth of modern capitalism, has been awarded annually by NABE since 1982. Past recipients of the award include: **Alice Rivlin** of the Brookings Institution (2000); **Henry Kaufman** of Henry Kaufman & Company (2001); **Edward J. Kane** of Boston College, **George C. Kaufman** of Loyola University of Chicago, and **George J. Benston** of Emory University, who shared the 2002 award; **Allan Meltzer**, Carnegie-Mellon University (2003); Nobel laureate **Lawrence Klein**, University of Pennsylvania (2004); **Dale Jorgenson**, Harvard University (2005); **William Poole**, Federal Reserve Bank of St. Louis (2006); **John B. Taylor**, Stanford University (2007); **Michael Mussa**, Peterson Institute for International Economics (2008); **Lawrence Summers**, Harvard University (2009); **Janet Yellen**, the Federal Reserve Board (2010); **Kenneth Rogoff**, Harvard University (2011); **George Soros**, The Institute for New Economic Thinking and Soros Fund Management LLC (2012); **Roger Ferguson**, TIAA-CREF (2013); and **Ben Bernanke** (2014).

ABOUT NABE: NABE is the premier professional association for business economists and those who use economics in the workplace. Since 1959, NABE has attracted the most prominent figures in economics, business, and academia to its membership with highly-regarded conferences, educational and career development offerings, industry surveys, and its unrivaled networking opportunities. The NABE membership is organized into subject-oriented roundtables, including: Corporate Planning, Energy, Financial, Health Economics, International, Manufacturing/Industry, Real Estate/Construction, Regional/Utility, Small Business and Entrepreneurship, Technology, Transfer Pricing, and Transportation. Past presidents of NABE include former Chairman of the Board of Governors for the Federal Reserve System, Alan Greenspan, several former Federal Reserve governors, and other senior business leaders. For more information, please visit www.nabe.com.

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