Prof. Edward C. Prescott

**Born:** 1940, New York, USA  
**Resides:** Arizona, USA  
**Occupation:** Economist

Bar-Ilan University bestows an Honorary Doctorate on Prof. Edward C. Prescott, for his seminal works in macro-economics and economic fluctuations and its effect on economic policy which have changed the way we manage our financial institutions and make policy decisions in an ever-more complex world, and for which he was awarded the 2004 Nobel Prize in Economics.

Growing up in Glen Falls, NY, with its high-tech industries, Prof. Edward C. Prescott studied in an exceptional high school science program and dreamed of becoming a rocket scientist. In college, he initially majored in physics before completing a BA in mathematics at Swarthmore College, an MA in operations research at Case Western Reserve University, and a PhD in economics at Carnegie Mellon University.

Evolving into one of the world’s foremost macroeconomists, he has served on the academic faculty of the Universities of Pennsylvania, Minnesota, Chicago, and Carnegie Mellon, and has been a visiting professor at leading institutions in the US and Europe. Since 2003, he is on the faculty of Arizona State University. He is also an economic advisor at the Federal Reserve Bank of Minneapolis.

In 2004, Prescott, and his student Finn E. Kydland, were awarded the Nobel Prize in Economics “for their contributions to dynamic macroeconomics: the time consistency of economic policy and the driving forces behind business cycles.” Their novel work opened up far-reaching fields of research. It changed the outlook on economic policy and the practice of institution design, especially in central banking, where they established the need for central banks to have strict monetary targets rather than discretionary monetary policy. They also showed that productivity changes typically caused by changes and improvements in technology account for “not only long-term increases in living standards but also for many of the short-term fluctuations in business cycles.” This theory has proven useful in understanding depressions, growth “miracles”, and other economic phenomena.

Prof. Prescott has also contributed to the advancement of the language of economics (e.g., the theory of value, which permits the inclusion of private information, search, and organizational arrangements in aggregate models).

Playing chess, bridge, golf, tennis and other sports, he admits to loving challenges. Family is an important part of his life, and he, notes, “I get great joy in following my former students’ careers. I am amazed at their accomplishments. Many of them are now leaders in the field.”

Proud to receive a BIU Honorary Doctorate, he believes that Bar-Ilan, as a leading research university, “is playing an important role in shaping the minds of Israel’s future economists.”