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Isaac M. O'Bannon • Oct. 15, 2012

The 2012 Nobel Prize in Economics was awarded today to two Americans who have developed a theory on market design and matching. The theory purports to show how people and companies decide and connect with each other in various aspects of life and business.

Alvin E. Roth is a professor at Harvard University, but will soon be taking a new position at Stanford. Lloyd Shapley is a mathematician and economist who holds an emeritus professorship at UCLA.

The concept they developed generally refers to markets that do not have prices or those with strict pricing controls, such as school selection, spousal selection, choosing between prospective employers and making organ donations.

More at The New York Times.