

UC San Diego Professor Emeritus and Nobel Laureate Clive W. J. Granger Honored for Work in Economics

Endowed faculty chair a permanent legacy for world-renowned scholar

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Nobel Prize-winning economist Clive W.J. Granger

During his lifetime, UC San Diego Professor Emeritus Clive W. J. Granger received many honors and accolades in recognition of his work as one of the globe's leading economists; he was a Nobel laureate who was inducted into the Order of Knight Bachelor by Her Majesty Queen Elizabeth II of England and voted into a list of 100 Welsh Heroes. He held several honorary doctoral degrees and was named a corresponding fellow of the British Academy and a distinguished fellow of the American Economics Association. Now, another honor can be added to the list: the establishment of the *Sir Clive W. J. Granger Endowed Chair in Econometrics* at the University of California, San Diego.

"Clive was an inspiration to the department of economics," said Jeff Elman, dean of the Division of Social Sciences. "He was widely admired by his colleagues and greatly appreciated by his students. It seems only appropriate an endowed chair is established in his name."

One of two named endowed chairs in economics, the Granger Chair will help recruit or retain key faculty to the department of economics in the Division of Social Sciences. At the request of Granger, the chair will be a term chair, rotating to a new faculty member every five years. The department is world-renowned as a powerhouse in econometric theory, a sub-discipline of economics which uses quantitative techniques for economic forecasting. The ability to recruit stellar faculty will help maintain the department's high standing and keep the university competitive with peer institutions.

Born in Wales, United Kingdom, Granger earned his Ph.D. at the University of Nottingham. He came to UC San Diego in 1974 where he built up the econometrics group that for many years has been ranked as among the top in the nation. Although retired from teaching in 2003, Granger remained active in the department of economics until his death in May of 2009.

While at UC San Diego, Granger recruited many promising faculty members to the economics department, including a bright young econometrician named Robert Engle. During the 1980s, he and Engle made fundamental discoveries in the analysis of time series data-collections of data over time such as daily stock price fluctuation and national income each year. This work revolutionized the way economists analyze financial and macroeconomic data. In 2003, Granger and Engle were awarded the Nobel Memorial Prize in Economic Sciences in recognition of their work.

Granger's contributions to the theory and practice of time series analysis spanned nearly four decades. His research on forecasting, causality and co-integration introduced tools used by every empirical economist. These tools are also employed in the fields of biology, engineering and statistics. One of his fundamental contributions was to show economists and others that mere correlations between two variables that changed over time, such

as national income and money supply, need not indicate a causal relation. He introduced methods that led to far more sophisticated and trustworthy analysis of variables such as these that change over time.

The endowed chair was made possible thanks to the support of many donors, including UC San Diego alumni John '88 and Kim '87 Iorillo, Jennifer and Ken Kroner, Ph.D. '88, and the W.P. Carey Foundation of New York.

At the University of California, endowed chairs are teaching/research positions occupied by distinguished scholars. The university provides the teaching/research position and may pay the salary of the person appointed to the endowed chairs. The permanent endowed fund created by philanthropic gifts provides perpetual annual income in support of the teaching and research activities of the person holding the chair.

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