ECONOMIC SCIENCES PRIZE 2020

Research that improves auctions in practice

Nobel Prize Lessons
Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel

The Economic Sciences Prize was established by Sveriges Riksbank, Sweden’s central bank.
Who is rewarded with the Economic Sciences Prize?

The prize is awarded to a person or persons who have produced works of outstanding importance in the field of economic sciences.
The prize is awarded for research that has contributed new ways to use auctions that benefit sellers, buyers and taxpayers around the world.
2020 Economic Sciences Laureates

“for improvements to auction theory and inventions of new auction formats”

Paul R. Milgrom
Born: 1948, USA

Robert B. Wilson
Born: 1937, USA
Different types of auctions

Which is best for the seller – to maximise the selling price or to get some more long-term benefit?
Private values

When the different bidders have values that are entirely independent of each other, we call these “private values”.
Common values

Common values are when the value of what is being sold is equal to all the bidders.
Both private and common values

In most auctions, the bidders have both private and common values.
Better auctions in practice

The laureates have not only devoted themselves to auction theory; they have also invented new auction formats.
FOR THE GREATEST BENEFIT TO HUMANKIND

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