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Yale Economist Wins Highest U.S. Award for Young Researcher

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(PressMediaWire) New Haven, Conn. — Dean Karlan, assistant professor of economics at Yale, has been given a Presidential Early Career Award for Scientists and Engineers (PECASE), the highest honor for beginning researchers in the United States.

Karlan is only the fourth economist to win the distinguished award since it was established in 1996 to recognize talented young scientists and engineers who “show exceptional potential for leadership at the frontiers of knowledge.” Two other Yale researchers — Susan Kaech in immunology and Sven-Eric Jordt in pharmacology — were also among the 20 individuals who received a PECASE this year. Winners were selected from among those taking part in the National Science Foundation’s (NSF) Faculty Early Career Development Program (CAREER).

According to the award citation, Karlan was chosen “for his outstanding contributions to the fields of behavioral, experimental, developmental and financial economics; and for providing students with hands-on experience in field experiments and international collaborations.”

Karlan focuses much of his research on social policy, particularly the effectiveness of different approaches to combating poverty with microfinance in developing countries. He is the founder and president of Innovations for Poverty Action, an organization that uses the most sophisticated research techniques to evaluate policy solutions, and a research fellow at the Abdul Latif Jameel Poverty Action Lab at the Massachusetts Institute of Technology.

In 2006, he became co-director of the Financial Access Initiative (FAI). FAI is a consortium of Yale, New York University, Harvard University and Innovations for Poverty Action, and launched with funding from the Bill and Melinda Gates Foundation. FAI’s main purpose is to (1) generate knowledge on the nature of demand and markets for financial services for the poor in developing countries, and on the impact from efforts to expand access to finance, and (2) disseminate this knowledge to policymakers, practitioners, regulators, donors and investors around the world.

In a recent editorial in the Wall Street Journal, Karlan and co-author Jonathan Zinman, presented results from field tests they had conducted in South Africa, which showed that micro-financing loans, even at interest rates as high as 200%, can be an effective tool against poverty for the borrower. An article about the researchers’ work, published in the Economist, noted that their study showed that, instead of defaulting on their loans, borrowers not only paid them off but six to twelve months later “were more likely to be employed, less likely to go hungry, and their chances of being in poverty fell by 19%.”

Karlan received his bachelor’s degree from the University of Virginia, two master’s degrees (MBA and MPP) from the University of Chicago and doctorate from MIT.