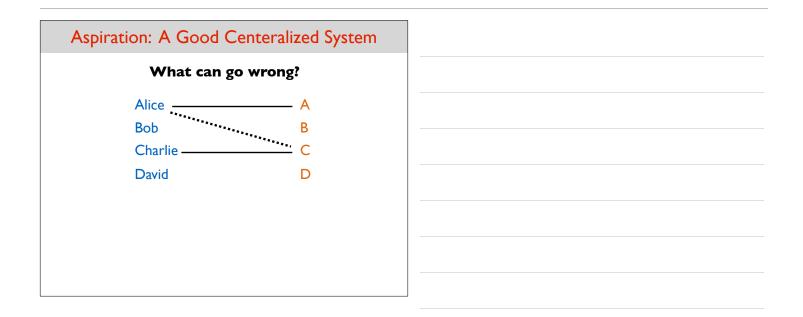


Stable matching problem

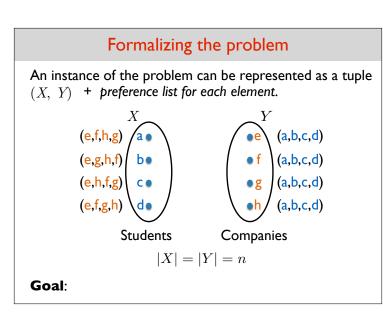
## 2-Sided Markets

A market with 2 distinct groups of participants each with their own preferences.

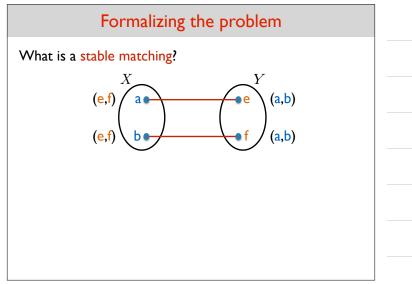
2-Sided Markets				
l. 2. 3.	B A	P	Company A	I. Alice 2. Bob 3. Charlie 4. David
3. 4.	C D		Company B	•
			Company C	•
Other examples: medical residents - hospitals students - colleges professors - colleges		l residents - hospitals ts - colleges	Company D	<ol> <li>Bob</li> <li>David</li> <li>Alice</li> <li>Charlie</li> </ol>

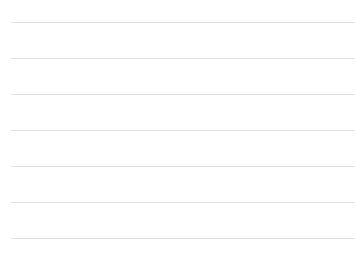


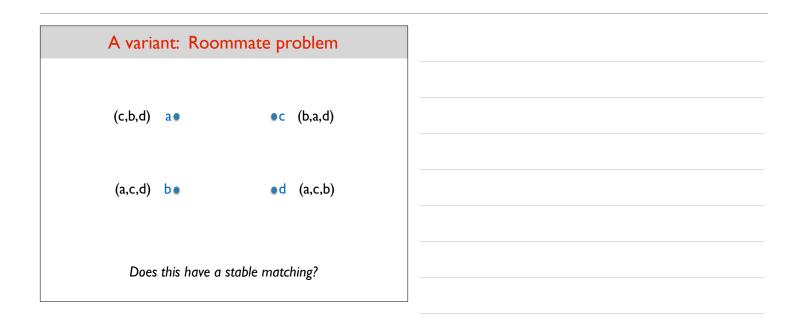
How do you solve a problem like this?
I. Formulate the problem
<ol> <li>Ask: Is there a trivial algorithm? Find and analyze.</li> </ol>
3. <b>Ask</b> : Is there a better algorithm? Find and analyze.
4. Maker further observations.

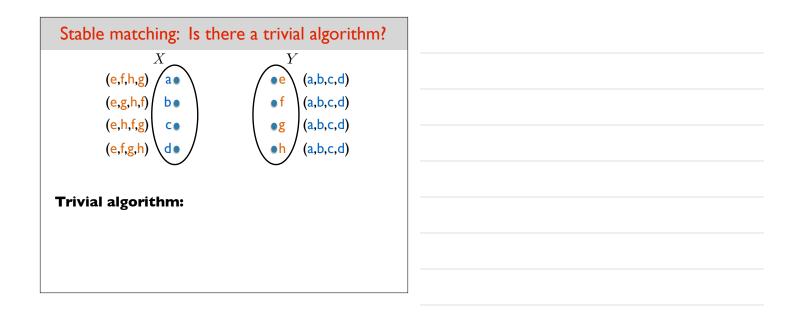












### The Gale-Shapley proposal algorithm

While there is a man **m** who is not matched:

- Let **w** be the highest ranked woman in **m**'s list to whom **m** has not proposed yet.
- If w is unmatched, or w prefers m over her current match:
  - Match **m** and **w**.
  - (The previous match of **w** is now unmatched.)

#### Cool, but does it work correctly?

- Does it always terminate?
- Does it always find a stable matching?
- (Does a stable matching always exist?)

### Gale-Shapley algorithm analysis

#### **Theorem:**

The Gale-Shapley proposal algorithm always terminates with a stable matching after at most  $n^2$  iterations.

- A *constructive* proof that a stable matching always exists.
- 3 things to show:

## Gale-Shapley algorithm analysis

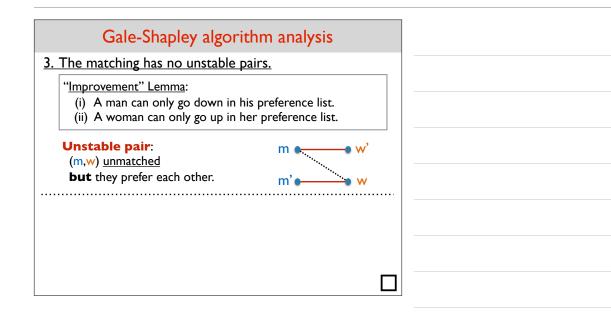
I. Number of iterations is at most  $n^2$ .

## Gale-Shapley algorithm analysis 2. The algorithm terminates with a perfect matching. If we don't have a perfect matching:

A man is not matched

 $\implies$  All women must be matched

⇒ All men must be matched. Contradiction



### **Further questions**

#### **Theorem:**

The Gale-Shapley proposal algorithm always terminates with a stable matching after at most  $\,n^2\,$  iterations.

Does the order of how we pick men matter? Would it lead to different matchings?

Is the algorithm "fair"? Does this algorithm favor men or women or neither?

### Further questions

 $\mathbf{m}$  and  $\mathbf{w}$  are *valid partners* if there is a stable matching in which they are matched.

best(m) = highest ranked valid partner of m

**Theorem:** 

	Proof of man optimality	
Proof:		

worst(w) = lowest ranked valid partner of w Theorem:
Theorem:

	Proof of woman pessimality	
Proof:		

# Real-world applications

Variants of the Gale-Shapley algorithm is used for:

- matching medical students and hospitals
- matching students to high schools (e.g. in New York)
- matching students to universities (e.g. in Hungary)
- matching users to servers
  - :