Robert C. Merton

Nobel Laureate 1997

Robert C. Merton is currently the John and Natty McArthur University Professor at the Harvard Business School where he has taught since 1988. He previously served on the Finance Faculty of Massachusetts Institute of Technology's Sloan School of Management from 1970.

Dr. Merton received the Alfred Nobel Memorial Prize in Economic Sciences in 1997 for a new method to determine the value of derivatives. He is past President of the American Finance Association, a member of the National Academy of Sciences and a Fellow of the American Academy of Arts and Sciences.

Dr. Merton's research focuses on developing finance theory in the fields of capital markets and financial institutions. He has written extensively on intertemporal portfolio choice, capital asset pricing, pricing of options, risky corporate debt, loan guarantees, and other complex derivative securities. He has also written on the operation and regulation of financial institutions, including issues of capital budgeting, production, hedging and risk management. He is the author of *Continuous-Time Finance,* and a co-author of *Cases in Financial Engineering: Applied Studies of Financial Innovation; The Global Financial System: A Functional Perspective; Finance;* and *Financial Economics.* He teaches Functional and Strategic Finance at HBS.

Dr. Merton has also been recognized for translating finance science into practice. He received the inaugural Financial Engineer of the Year Award from the International Association of Financial Engineers, which also elected him a Senior Fellow. *Derivatives Strategy* magazine named him to its *Derivatives Hall of Fame* as did *Risk* magazine to its *Risk Hall of Fame.* He also received *Risk's* Lifetime Achievement Award for contributions to the field of risk management. A Distinguished Fellow of the Institute for Quantitative Research in Finance ('Q Group') and a Fellow of the Financial Management Association, Dr. Merton received the Nicholas Molodovsky Award from the CFA Institute. He co-founded Long-Term Capital Management. Dr. Merton is the developer of SmartNest, an integrated pension management solution system that addresses deficiencies associated with traditional defined-benefit and defined-contribution plans.

Dr. Merton received a B.S. in Engineering Mathematics from Columbia University, a M.S. in Applied Mathematics from California Institute of Technology and a Ph.D. in Economics from Massachusetts Institute of Technology.

Further information can be found at **www.people.hbs.edu/rmerton/**

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