



Robert C. Merton

Professor / MIT

Robert C. Merton is the School of Management Distinguished Professor of Finance at the MIT Sloan School of Management. He is resident scientist at Dimensional Fund Advisors, where he developed a next-generation integrated pension-management solution system that addresses deficiencies associated with traditional defined-benefit and defined-contribution plans. Merton is University Professor Emeritus at Harvard University. He was the George Fisher Baker Professor of Business Administration (1988–98) and John and Natty McArthur University Professor (1998–2010) at the Harvard Business School. He previously served on the finance faculty of the Sloan School from 1970 until 1988. Merton received the Alfred Nobel Memorial Prize in Economic Sciences in 1997 for expanding the Black-Scholes-Merton formula. 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.

Merton's research focuses on finance theory including lifecycle finance, optimal intertemporal portfolio selection, 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. Merton's current academic interests include financial innovation and dynamics of institutional change, controlling the propagation of macro financial risk, and improving methods of measuring and managing sovereign risk. 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*.

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 in 1993, 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, Merton received the Nicholas Molodovsky Award from the CFA Institute.

Honors and awards

In 1993, Merton became a member of the U.S. United States National Academy of Sciences.

In 1997, Merton was awarded the Nobel Memorial Prize in Economic Sciences with Myron Scholes for their work on stock options.

In 1999, Merton was awarded a lifetime achievement award in mathematical finance.

In 2005 the Baker Library at Harvard University opened The Merton Exhibit in his honor.

In 2010, Merton received the Kolmogorov medal.