LABORATORY FOR FINANCIAL ENGINEERING

The MIT Laboratory for Financial Engineering (LFE) (http://lfe.mit.edu) is a research center created as a partnership between academia and industry, designed to support and promote research in financial engineering and computational finance. The principal focus of LFE is the quantitative analysis of financial markets using mathematical, statistical, and computational models. The goal of LFE is not only to spur advances in financial engineering, but also to reach out to students, industry professionals, regulators, and policymakers to support their applications of financial technology in practical settings.

LFE’s research projects are grouped into five program areas:

- Foundations of financial behavior and adaptive markets
- Risk management and systemic risk
- Healthcare finance
- Big data and financial technology
- Hedge funds and asset-market dynamics

Students are encouraged to participate in current research projects, which include measuring illiquidity risk in hedge-fund returns; modeling and analyzing the growth of systemic risk in the financial industry, in particular the hedge-fund industry; developing evolutionary and neurobiological models of individual risk preferences and financial-market dynamics; developing new approaches to financing biomedical innovation; and examining the public policy implications of this research. LFE is a research lab for MIT faculty and students and does not offer any degree programs.

Professor Andrew W. Lo is the director of the laboratory. For further information, visit the website (http://lfe.mit.edu) or contact Jayna Cummings, Room E62-611, 617-258-5727.