Robert E. Whaley

Long Bio

Robert E. Whaley is a financial economist and the Valere Blair Potter Professor of Finance Emeritus, Professor Emeritus of Management, and Director Emeritus of the Financial Markets Research Center at Vanderbilt University's Owen Graduate School of Management. He developed the original CBOE Market Volatility Index (VIX), introduced in 1993, and is known as "The Father of the VIX."

Whaley earned a Bachelor of Commerce from the University of Alberta in 1975, an MBA from the University of Toronto in 1976, and a PhD from Toronto in 1978. He began teaching at Vanderbilt in 1978, joined the University of Alberta in 1984, and moved to Duke University's Fuqua School of Business in 1986, becoming the T. Austin Finch Foundation Professor of Business Administration in 1993. He returned to Vanderbilt in 2006 and became professor emeritus in 2025. He also held visiting appointments at the University of Chicago. His teaching included derivatives, investments, bond markets, and risk management.

His academic research publications span six decades, from work on government bond transaction costs in 1978 to research on spot bitcoin ETFs in 2025. With Giovanni Barone-Adesi, he developed the analytical approximation for American-style option values published in the Journal of Finance in 1987. His research also examines implied volatility, early-exercise decisions, trading costs, and price discovery across stock, futures, and option markets.

With Hans R. Stoll, Whaley investigated the "triple witching hour" and the effects of derivatives expirations and settlement rules on stock trading. With Messod D. Beneish, he studied how S&P 500 additions and deletions affect stock prices and trading, including how advance announcements create opportunities to trade ahead of index funds. His work with Nicolas Bollen on option buying pressure and with O'Neill on nondiscretionary trading in VIX futures examines how trading demand and liquidity affect prices.

Whaley's research on volatility connects option prices with practical tools for risk management. The original VIX used S&P 100 options to measure expected stock-market volatility over the next 30 days; its methodology was revised in 2003 to use S&P 500 options. His other index work includes the Nasdaq Market Volatility Index (VXN), developed in 2000, and the CBOE BuyWrite Monthly Index (BXM), developed in 2001. In 2010, he and Vanderbilt colleague Jacob Sagi co-developed the Nasdaq OMX Alpha Indexes, which measure securities' performance relative to a benchmark.

His research on exchange-traded products examines how product design, daily rebalancing, and implementation costs shape investor returns. With Colby Pessina, he studied the limitations of leveraged and inverse products for buy-and-hold investing and portfolio hedging. With Hornback, he examined the first year of spot bitcoin ETFs. His books include Futures and Options: Theory and Applications, coauthored with Stoll, and Derivatives: Markets, Valuation, and Risk Management.

Whaley served on the boards of the American Finance Association and Western Finance Association and held editorial appointments with leading finance journals. He has consulted for investment firms, securities and derivatives exchanges, government agencies, and law and accounting firms. At Duke and Vanderbilt, his service included faculty governance, finance program leadership, and doctoral education.

His honors include Graham and Dodd Scrolls in 1986 and 1987, the Richard and Hinda Rosenthal Foundation Award in 1989, the Earl M. Combs Jr. Award in 1993, the Joseph W. Sullivan Options Industry Achievement Award and William F. Sharpe Lifetime Achievement Award in 2015, Vanderbilt's SEC Faculty Achievement Award in 2019, and the 2024 IAQF/Northfield Financial Engineer of the Year Award. He was inducted as an IAQF Senior Fellow in 2026.

Selected video interviews: John Lothian News with Alex Teng; CNBC Mad Money with Jim Cramer.

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