Bill Sharpe was still a graduate student at UCLA when he began his work on what became known as the Capital Asset Pricing Model, work for which he later received a Nobel Prize in Economics. Bill has been associated with Stanford University since 1970 and is currently professor emeritus at the Graduate School of Business.

Throughout his career, Bill has understood the importance of drawing out the practical implications of academic research. His early work introduced the idea that investors could find success in holding the market portfolio, an insight that led to the development of index funds. In fact, Bill worked with Wells Fargo to create one of the world’s first index funds.

Over the years, Bill’s research has touched on many areas of finance. He has published important research on portfolio theory, capital markets, and asset allocation. He’s developed a binomial options pricing model, and authored numerous articles in academic and professional journals and seven books, including a highly regarded textbook in finance.

Bill’s work on retirement planning led him to co-found Financial Engines in 1996. It was one of the first independent online investment advice platforms, and today it provides retirement advice to employees of many of the nation’s largest companies.

Bill has said that he likes to pursue “useful theory,” and his activities bear that out. Well, we like useful theory too. In fact, it is the very essence of the Wharton-Jacobs Levy Prize, which recognizes not just outstanding theory, but theory that leads to important innovations in the practice of finance. Bill’s work on returns-based style analysis fits that description to a T.