**New Jersey Institute of Technology's (NJIT) School of Management (SOM)**

**Leir Center for Financial Bubble Research:**

**4th Annual Two-day Bubble Conference, September 19-20, 2014:**

**"Bubbles and Globalization and the Emergence of Too-Big-to-Fail Financial Organizations"**

**Held at**: The Leir Retreat Center, 220 Branchville Road, Ridgefield, CT 06877

**Funded and Supported by**: The Leir and Ridgefield Foundations;

The Leir Retreat Center; and NJIT SOM

**2015 Co-Sponsorships / Memberships NOW Available**: $5,000, which includes: invitation to the conference, opportunity to present, sponsor research, access to NJIT Academic team, access to research in progress, co-op student programs, and recruiting and speaking opportunities throughout the year.

**Website**: [www.LeirBubbleCenter.org](http://www.LeirBubbleCenter.org)

**Founder and Director(s)** - NJIT SOM Professor (Dr) [William Rapp](http://management.njit.edu/people/rapp.php); Associate Director - Professor (Dr) [Michael Ehrlich](http://management.njit.edu/people/ehrlich.php)

**Book published** from 2012 Conference: "[Boil Bubble Toil and Trouble](http://www.amazon.com/Boil-Bubble-Toil-Trouble-William-ebook/dp/B00D057EEW/ref%3Dsr_1_6?ie=UTF8&qid=1411328213&sr=8-6&keywords=william+rap)" ($4.95 Kindle)

*From Amazon: "This book is the outgrowth of a project at the New Jersey Institute Of Technology’s School of Management funded by the Leir and Ridgefield Foundations that has evolved into the Leir Center For Financial Bubble Research dedicated to the study and understanding of Financial Bubbles. The Center’s website is* [*www.leirbubblecenter.org*](http://www.leirbubblecenter.org) *where working papers and other materials can be freely downloaded. The material and ideas for the chapters in this book were first presented at a Conference organized by the Leir Center at NJIT and supported by the Leir Retreat Center. However the ideas and concepts they contain have benefitted greatly from the comments and questions of the conference participants and their subsequent inputs and revisions.*

*The first question posed was whether the participants could agree on a definition of a financial Bubble or how it might be modified for different types of Bubbles. From this evolved the question how one would know when one was in a bubble as opposed to looking back after a bubble had burst and stating “Oh yes! That was definitely a bubble.” Robert Aliber who attended the Conference has defined a bubble as “a non-sustainable increase in the prices of certain currencies and classes of assets.” In this way the journey to a greater understanding of financial bubbles has begun."*

**Download notes** from 2013 conference [here](http://files.leirbubblecenter.org/downloads/Notes_2013_Conference.pdf)

[**About**](http://www.leirbubblecenter.org/p/henry-j-leir.html) **Henry J Leir**

**About the Center**: "The Leir Center For Financial Bubble Research within the New Jersey Institute Of Technology’s School Of Management was established through the generous support of the Ridgefield and Leir Foundations.

The Center seeks to understand through quantitative and qualitative research how a financial bubble can be identified including its stages of development and what policies can best manage its impacts.

The Center believes bubble related research past and present has been primarily focused on the most recent financial crisis, which often involves a financial bubble but frequently does not. Yet every crisis seems now to be called a bubble. Thus developing a much more precise understanding of what is a bubble and what is not represents an important area of research. Further the focus on the most recent crisis usually involves assessing its particular causes with the idea of developing legislation and regulations to prevent a future bubble [1907 – Federal Reserve; 1929 – SEC; 1987 – FIRREA; 1999 – Sarbanes/Oxley; 2008 – Dodd/Frank]. Yet bubbles seem to arise despite these efforts. In addition it is apparent there are different types of bubbles that the existing literature has identified but not analyzed in detail as to their similar or different characteristics or economic impacts.

Examples of different sources of bubbles are Regulatory Liberalization [Japanese 1980s, Mexican 1995 and recent US subprime]; New Disruptive Technologies [Railroads 19th Century or Internet 20th]; Financial Innovation [Leveraged Buyouts and Junk Bonds 1980s or SIVs and Credit Default Swaps 2008]; Real Estate Bubbles [Japan 1980s and US 2003-2008]; Stock Market Bubbles [1929, 1960s, 1980s, Internet, 2003-2007], Tax Law Changes [1960s Conglomerates and 2003-2007 Hedge Funds], and Accounting Changes [Conglomerates].

Behavioral characteristics during a bubble and its aftermath such as over-optimism or pessimism regarding policy, investments or contracts are also areas of inquiry.

Importantly the Center’s objective is to take an approach to bubble research that focuses on analyzing bubbles in ways meant to be useful to practitioners. The Center’s sponsored research is posted on this website for download as working papers become available."

**Recent NY Times Article on Bubbles**: "[Welcome to the Everything Boom, or Maybe the Everything Bubble](http://nyti.ms/1zkmoWD)," by Neil Irwin

**Other Selected Articles**:

3/20/12 - [**Leir Center for Financial Bubble Research Opens**](http://www.njit.edu/news/2012/2012-133.php)

9/4/14 - [**NJIT Management Professor to Participate in International Conference**](http://www.njit.edu/news/2014/2014-265.php)

Star Ledger: 4/22/12 - "[Studies of froth: NJIT center examines the good, the bad, the ugly side of economic bubbles](http://www.nj.com/business/index.ssf/2012/04/njit_opens_center_to_study_eco.htm)," by Ed Beeson