Trade Publication

In the Age of AI, A Quant's Edge is Human

September 10, 2026

This piece was originally published in Leadership + AI, a newsletter from Northwestern University's Kellogg School of Management, on September 10, 2026.

In finance, quantitative investors have historically led the charge in using new technologies. As the name suggests, we use quantitative data, models, and technology to invest more systematically than what's possible through human effort alone. Technological advancements are part and parcel of what we do.

So it often surprises people when we tell them that at AQR, amid the AI revolution, we are doubling down on our *people* as our competitive edge.

The investment industry has long competed on analytical capability and technical skills. But AI is making many of those capabilities easier to automate. Today's tools show immense potential in processing information, testing hypotheses, and optimizing portfolios. Those capabilities will only improve over time.

The question being asked not only in finance but also across industries and business schools is what remains a durable differentiator once AI has surpassed many of humanity's analytical and technical capabilities?

Our answer is not what most people would expect to hear from a quantitative investor and business-school dean: creativity and emotional intelligence. Not because these qualities are wholly immune to AI, but because in the age of AI, they are domains where people can develop a durable advantage.

Developing both EQ and IQ

Many assume "soft skills" like creativity and emotional intelligence matter less in business than analytical acumen. But even in most technical fields, like quant investing, there's always been a deep need for these traits.

Quantitative investing depends on original thinkers who can reframe an intractable problem or design a novel test. Additionally, our leaders need to truly connect with clients, understand their problems, and help translate what we do from inscrutable complexity into clear, practical solutions. We have seen too many brilliant analysts fail as leaders—not because their thinking was wrong, but because they could not get their people fully on board.

The good news is these characteristics aren't innate "intangibles," as they are often perceived. They are skills that can be developed and built upon at universities and companies.

At Kellogg, developing empathetic leaders has been central to the school's mission for decades, long before it became a business buzzword.

In 2020, Kellogg created the MBAi program, a joint degree between Kellogg and Northwestern's McCormick School of Engineering, because we saw the need to bridge technical skills with leadership. Today, this challenge has only intensified, and across Kellogg's curriculum students are learning to pair analytical rigor with judgment, creativity, and emotional intelligence.

The goal is for students to tap both EQ and IQ, with the ability to read a balance sheet as well as the room.

Investment firms are also grappling with the same concerns. At AQR, this need drove the creation in 2015 of Quanta Academy, a professional- and personal-growth curriculum built on the conviction that a more-complete human being is a better investor and a better colleague. We are now expanding Quanta to meet the AI moment directly, building the creative and interpersonal capacities that AI cannot replicate alongside the quantitative tools that define our work.

A warning and an opportunity

Kellogg Professor William Brady, the 2025 recipient of the **Kabiller Science of Empathy Prize**, researches how artificial intelligence and algorithms shape human psychology and how technology can either erode or actively promote our capacity for genuine connection. Professor Brady finds that AI's impact on empathy is not fixed. It depends on the choices people make about AI tool design, as well as the incentives and culture we choose to build around them.

For many organizations, this observation presents both a warning and an opportunity. On one hand, the same pressures that make organizations more efficient can erode the conditions that make creativity and empathy possible. The challenge is for firms to build a balanced culture that treats human development as seriously as technological deployment.

Leaders who understand what motivates their people and what holds them back unlock something no performance system can manufacture. People do not give their best thinking to institutions that treat them as replaceable cogs. They give it to leaders who treat them well, understand the work, and provide them with the resources to do it better. In an era when retaining exceptional people is itself a competitive differentiator, the capacity to lead with empathy is paramount.

That insight gets to the heart of the AI debate. The quality of AI-enabled work will still depend on the quality of the people using the tools and fostering the culture that surrounds it. AI is only as inspired as the humans who direct it, so the firms that lead the next era will be equally, if not more, focused on developing the human factor as they are on keeping pace with ever-advancing technology.

The tools will get better than ever. And so will we … if we do the work.

Mr. Kabiller is a co-founder of AQR Capital Management, a Kellogg alum, and a Northwestern University Trustee.

Ms. Cornelli is Dean of the Kellogg School of Management at Northwestern University.

This document is not intended to, and does not relate specifically to any investment strategy or product that AQR offers. It is being provided merely to provide a framework to assist in the implementation of an investor's own analysis and an investor's own view on the topic discussed herein.

This document has been provided to you solely for information purposes and does not constitute an offer or solicitation of an offer or any advice or recommendation to purchase any securities or other financial instruments and may not be construed as such. The factual information set forth herein has been obtained or derived from sources believed by the author and AQR Capital Management, LLC ("AQR") to be reliable but it is not necessarily all-inclusive and is not guaranteed as to its accuracy and is not to be regarded as a representation or warranty, express or implied, as to the information's accuracy or completeness, nor should the attached information serve as the basis of any investment decision. This document is not to be reproduced or redistributed to any other person. The information set forth herein has been provided to you as secondary information and should not be the primary source for any investment or allocation decision. Past performance is not a guarantee of future performance. Diversification does not eliminate the risk of experiencing investment losses.

This material is not research and should not be treated as research. This paper does not represent valuation judgments with respect to any financial instrument, issuer, security or sector that may be described or referenced herein and does not represent a formal or official view of AQR. The views expressed reflect the current views as of the date hereof and neither the author nor AQR undertakes to advise you of any changes in the views expressed herein.

The information contained herein is only as current as of the date indicated, and may be superseded by subsequent market events or for other reasons. Charts and graphs provided herein are for illustrative purposes only. The information in this presentation has been developed internally and/or obtained from sources believed to be reliable; however, neither AQR nor the author guarantees the accuracy, adequacy or completeness of such information. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision. There can be no assurance that an investment strategy will be successful. Historic market trends are not reliable indicators of actual future market behavior or future performance of any particular investment which may differ materially, and should not be relied upon as such. Diversification does not eliminate the risk of experiencing investment losses.

The information in this paper may contain projections or other forward-looking statements regarding future events, targets, forecasts or expectations regarding the strategies described herein, and is only current as of the date indicated. There is no assurance that such events or targets will be achieved, and may be significantly different from that shown here. The information in this document, including statements concerning financial market trends, is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons.