Why Women Aren’t Rising to the Top
by Elana Weiss

The modern day woman is no longer content with her once relegated role as the stereotypical housewife. Rather, she wishes to emerge as a powerful force in the outside world, equal to her male counterpart. It is therefore not surprising that as women today benefit from greater educational opportunities, they comprise 54% of all those who hold college degrees and currently make up almost half the U.S. work force. However, despite their increasing numbers in the workplace, it has been discovered that most women leave their business positions before advancing to senior positions in the firms in which they are employed.

According to Catalyst, a nonprofit research organization, women make up less than 5% of senior managers at Fortune 500 companies. Deloitte and Touche, the Big Six accounting firm, took particular interest in this problem and strove to increase the number of women in their organization.

The firm began hiring more women and placing them in the path toward partnership, a process that takes a decade or more. By the mid-80’s, 50% of its new employees were women. The Big Six firm expected to see a large percentage increase of women in its senior ranks, but instead by 1991 witnessed a serious decline.

Deloitte and Touche not only suffered a great financial loss during that year, but was also in danger of losing its competitive advantage as its high-talent female accountants were slowly leaving the firm. “We’re pretty good at numbers, being an accounting organization, and the numbers here were inescapable,” says J. Michael Cook, chairman and CEO. According to Cook, “Our biggest investment as a firm is our people. You can’t employ half your population and have them leave prematurely and not have a very bad business result.” Thus, Deloitte and Touche took many measures to evaluate its firm and the reasons that were causing the women to depart.

The accounting business in general has been male dominated throughout the years. So when the issue of female turnover was first discussed, many of the men at Deloitte and Touche believed that women must simply be leaving in order to begin families. The CEO himself even admits to this first assumption. Determined to verify this overriding belief, the firm formed a task force for the Retention and Advancement of Women.

After much research, the task force discovered that the higher women rose in the company, the more likely they were to drop out. Very few women were staying the 10 to 12 years necessary to become a partner. In addition, some of the highest turnover rates were at the senior manager level - the final step before becoming a partner.

The task force also established focus groups with more than 400 potential women who had left the firm. More than 70% of these women were working full time elsewhere and almost 20% had part time or reduced work arrangements at other companies. Only a few of those surveyed were actually caring for their children full time, contrary to the firm’s original assumption regarding the high female turnover, and many of these women planned to rejoin the workforce before long.

By the end of 1992, the task force had gathered enough information to identify the three major reasons that continued on page 3
From the Editor's Desk

The United States Postal Service is the ninth largest business in the nation, and was listed by Fortune magazine as the world's thirty-third largest corporation in the world. It employs more workers on American soil than General Motors, Ford and Chrysler combined.

Jerry Seinfeld once asked Newman why so many postal workers are psychos. Newman, in his inimitable style, replied, "Because it [the mail] keeps on coming and coming, it never stops, and when you think it's over, there's more." I have my own theory as to why there are so many deranged postal workers. In ancient times the bearer of bad news was executed. Although, no longer subject to death for bad news, letter carriers perhaps still feel responsible for the effect that they have on people lives. This enormous responsibility leads to a mental breakdown. I'm being facetious, of course, but postal workers, as their fleet-footed ancestors, can hold the keys to the future of so many people.

This is especially true for college seniors. After applying to graduate schools or sending out resumes, all one can do is wait. One's entire life seemingly hangs in the balance. Will the coveted acceptance letter arrive, or heaven forbid, the earth-shattering rejection letter? The time spent waiting for responses is the most nerve racking time that students spend in college.

I wish I had that one piece of advice or information that could dispel all one's fears and worries, but I don't. Yes, corporate America is doing more hiring then firing, even in the throes of downsizing. And, our increased academic standard does make admissions to graduate school somewhat easier. But these are only statistics, and do little to alleviate the pressures felt by graduating seniors.

Although I don't have a panacea for these anxieties, I can offer one thought that may be of some use. This is not an original thought but it is something I believe. When looking at post-graduation possibilities, you should focus on two questions. One, what do you really enjoy doing. Two, what skills and talents do you have. One without the other is useless. If you enjoy something but you have no aptitude for it, you are bound to fail. Likewise, if you are skilled at some profession, but detest the work you are doing, it will only become a matter of time before you veer from that career choice. You need to find some mix of what you are good at and what you like. This requires a tremendous amount of intellectual honesty.

After finding a proper mix of desire and talent you will be better equipped to deal with the waiting time. Often, all it takes to achieve a certain goal is perseverance. The talent that you possess is often equal to that of the others seeking the same goal. But, it is your desire that can often give you an extra measure of resolve that will allow you to successfully compete for your position or acceptance. Now is practically the final time, at least for seniors, to find your own unique blend of desire and talent. Take advantage of it.

Good Luck,

Sincerely,

Eli Rabinowich

Dear Friends,

Can you believe it, the holidays just ended and finals are just around the corner. I hope that this semester is going well for all, before we know it, it will be over.

Although the semester will soon be coming to a close, there are still many activities and events taking place. Participate in the events, get involved, they all promise to be great fun.

Visit the career placement office, they are working hard and could be of great assistance. Take advantage of all that Sy Syms, Stern College and Yeshiva College have to offer. Don't let it pass you by.

The Chanukah concert will be taking place on Dec. 5th. Avraham Fried and Mendy Wald are sure to be a great success.

Don't miss out. Keep posted for more information.

For those of you who are having trouble in Sy Syms classes, now is the time to get a Sy Syms tutor. Please do not wait until the last minute. At that point, the demand is so much greater then the number of tutors, that it is practically impossible to help you.

I would like to wish everyone a very Happy Chanukah!

Sincerely,

Michelle Stein
President, SSSB

SSSB & SSSBSA Presidents' Messages

SY SYMS SCHOOL OF BUSINESS

Published throughout the year by the Yeshiva College Student Council and the Sy Syms School of Business Student Association. The views expressed in these columns are of the writers alone and do not reflect the opinions of The Exchange, the student body, faculty, or the administration of Yeshiva University.

Copyright 1996
The Exchange
500 West 185th Street
New York, NY 10033

The Exchange is brought to you with the cooperation of the American Marketing Association Chapter at Yeshiva University.

The Exchange is looking for additional writers and a distribution manager. If you are interested please call: Bryan Ashenberg (212) 781-2391 or Amy Shaffran (212) 481-0628
The Value of an MBA
by Yitzhak Rabab

By the time college is over, most students are itching to get out into the real world and find a job. However, getting a job can be tough. Work experience, extra-curricular activities, and good grades can all help to make your application more attractive. It's always better to have more to offer a company when applying for a job. Having an MBA is a tremendous advantage, and can increase the chances of getting hired. An MBA (Masters of Business Administration) is a graduate degree in management. It can be specific to any field of business such as accounting, finance, marketing, MIS, and many others.

Graduates of MBA programs are considered to be on a higher level than those with solely an undergraduate degree, and, therefore, attract the better job offers. One of the most important parts of an MBA is not necessarily what you learn, but the way you learn it. As opposed to an undergraduate program wherein most classes are simply lectures, the MBA programs include coursework, projects, and group studies. Casework enables a student to learn from what has really happened. Many times in college, students learn theory. They do not analyze a company to see what really happened. MBA programs apply these theoretical concepts in real life giving students a more realistic perspective.

Group studies and group projects force students to work with other students toward a common goal, thus fostering communication skills, leadership skills and management skills. As one student at Mercy College put it, "It's important for students to learn that they are one person in a group of many, because in the business world you are never in a group of one."

The advantages of pursuing an MBA extend beyond merely academics. In most cases the salaries of MBA graduates are higher than employees with only a BA. Jackie Willbur from the Georgetown MBA program ranked twenty fifth in the U.S. News and World report believes that the value of an MBA is much less, regardless of the school you go to, without the work experience. He also said that having work experience can let a person see where their interests truly lie.

Getting a job before going for an MBA degree has its benefits, but it also has its downside. Work provides a respite from studying and test-taking, tasks few are willing to take up again. It is also important to consider what kind of MBA you want. There are many people getting MBA degrees now, and there is great competition accordingly, for jobs among MBA graduates. It may not be enough anymore to get an MBA in a general field such as management. It is also important to decide what there is a need for in the job market and what field you are interested in, and then pick a program that focuses on what you want. The top programs are always good, but it is important to keep an open mind.

If work experience is not required, it is still a good idea to have some form of work experience before going into an MBA program. The major advantage of work experience is that bringing examples from the real world helps you to get more out of the program. Mickey Riley, a representative of the London School of Economics says "the value of an MBA is much less, regardless of the school you go to, without the work experience." He also said that having work experience can let a person see where their interests truly lie.

Getting a job before going for an MBA degree has its benefits, but it also has its downside. Work provides a respite from studying and test-taking, tasks few are willing to take up again. It is also important to consider what kind of MBA you want. There are many people getting MBA degrees now, and there is great competition accordingly, for jobs among MBA graduates. It may not be enough anymore to get an MBA in a general field such as management. It is also important to decide what there is a need for in the job market and what field you are interested in, and then pick a program that focuses on what you want. The top programs are always good, but it is important to keep an open mind.

Getting an MBA outside the country, for example, can provide a much better global outlook, which is very important in the growing world economy. US MBA programs have an average of about ten to fifteen percent of international students, which is low compared to programs outside the US which average over fifty percent international students.

Some logistical decisions also have to be made. There are one and two year programs; full time and part time programs. In general, shorter programs and part time programs are more helpful if you intend on staying with your current employer. However, already employed, programs do have more to offer, though, such as an internship over the summer, and more detailed courses.

Some logistical decisions also have to be made. There are one and two year programs; full time and part time programs. In general, shorter programs and part time programs are more helpful if you intend on staying with your current employer. However, already employed, programs do have more to offer, though, such as an internship over the summer, and more detailed courses.

President Bill Clinton

Corporations have so much capital in the market these days lends itself to a potentially very large economic recession. If large cuts are made, a shrinking of the economy and the market can be expected, but the downturn in the market may be greater than normal because of what many consider to be the overconfidence of investors in recent years. If that confidence is rattled by a sudden downturn in the economy, investors might panic and remove large amounts of their capital from the markets. Clearly the task of balancing the federal budget is not a simple one. It has become increasing popular in Washington amongst Republicans and Democrats alike. Many have gone as far as to suggest an amendment to the constitution requiring that the government show a balanced budget by a certain future date. The fact that the economy is prospering at this time may indicate that now may not be such a bad time to cut spending, however, the reality may just be the opposite.

Whatever path the president chooses to take in his attempt to balance the budget, one thing that is
Tales of an Ex-Investment Banker
Reuben Levine
by Michael Insel

I joined BT I had an attitude that in retrospect turns my stomach. To put things in perspective, allow me to provide some background. I started Y.U. at the age of 21. By the time I got there I had spent a year working full-time in product development for an insurance company, and one year in the Israeli Defense Forces. I was a freshman at Y.U. as a freshman, and before I could not break in to the upper-tier of the business world. Furthermore, being on full scholarships/loans and having to hold down two part-time jobs just to make ends meet, made the three years at Y.U. an incredible haul, a constant struggle. What made things worse was that as I entered Y.U., most guys my age were graduating. I was taking English Comp. with 16 year-old early admittance "toddlers," and I looked at the entire student body with a warped perspective, thinking — while you all were at Atara's Cafe sucking down onion soup, I was in Lebanon sleeping in snow. I am embarrassed to admit this was my thinking. Adding it all up — I had attitude, I thought the hard work was done, I did my time. It was time for the "gray train."

When I arrived at BT's Global Markets Division, with attitude in hand, I received a dose of reality. I was unwavering in my desire to end up in a specific department requiring advanced analytical skill. No matter what alternatives they offered me, I would not budge. I had some had I was offered a position, just to make ends meet, meet the year that his career began to take off on a whole new direction. The development of this department at Bank Leumi made him realize that his skills were best served in the area of consulting.

He moved over to a small boutique financial services consulting firm, combining the strong analytical capabilities developed at BT with the sales savvy developed while at Bank Leumi to augment the firm's core consulting services. He finally settled in at the Chase Manhattan Bank in a management consulting role. For over two years he has run projects covering the gamut from process reengineering, to strategic planning, to his most recent challenge — the post-merger integration of Chase's and the implications are massive. And one year in the Israel Defense Forces. Furthermore, when members of Chase's Management Committee provide us with strategic direction, my team and I will work together to create a plan and specific deliverable dates, and we get it done, no questions asked.

Q: What have you done to change the reputation you had at B.T.? A: Although it's a very simple tactic, if done skillfully it can serve well throughout a career. Whether you're just starting off in a company or if you've been there for years, you want to be someone that shows respect for superiors, subordinates, and contemporaries, while on one hand, not having attitude, and on the other, not kissing up. Asking questions is really the key, but only the right type of questions. Stay away from questions which suggest strong disagreement or that another person's idea is a poor one. When starting out, "the "I don't understand, and want to ask, question is the one you should ask, and don't hesitate to do it frequently. As you grow up through the ranks and you deepen your experience, your questions will become more potent, thought provoking, and will challenge the team to arrive at the right answer. When I speak with senior management it is not unlikely for me to ask dozens of questions which will enable me to focus on the issues and provide a successful outcome. You want to show whoever you're working for, that you're main interest is learning more so that you can be a smarter, more efficient worker, and that your effort is focused on the teams success. If you pick up enough along the way, your reputation will develop, as someone who really knows what their talking about. What follows, is you develop a reputation as a "doer" not just a talker. When the opportunity arises in meetings or in conference calls to share your opinion, people give you the floor. At the end of the day, in addition to a pretty decent salary, you get intrinsic reward to boot.

Q: You mentioned earlier that "you had all the right answers at the interviews, you had innovative ways for getting decision makers to meet with you for job prospects, etc."

A: Yes, after that experience I began to focus on what I was really good at. I knew I enjoyed dealing with people, fostering team work, and getting things done in a project deadline oriented environment — which typically exists in a more staff management environment. Currently I head a department designated to identify management solutions and build decision support models for senior folks at Chase. The people in my group are primarily analysts and technics — many of them not fluent in the corporate nomenclature. In short, I am a Chase problem solver; that is how I make my living. I consider myself a conduit between the top brass and the technology people. When members of Chase's Committee provide us with strategic direction, my team and I will work together to create a plan and specific deliverable dates, and we get it done, no questions asked.

Q: What have you done to change the
The Yeshiva University Purchasing Department held its Ninth Annual Vendor Show at the Albert Einstein College of Medicine on November 12. Approximately 50 vendors, from Kodak and Gateway Computers to Fisher Scientific and Panasonnic, displayed their new products to a crowd of current and possible customers from various departments in the university, as well as off-campus.

Jack Zenchek, University Director of Purchasing, has been involved with the vendor show since it began nine years ago. The purpose of the show, he said, is “to bring new products and ideas from our major vendors to the end-user.” He said it began as a science laboratory show for the researchers at the AECOM to “have the opportunity to see and use the actual products.” As the show grew, it came to include vendors from outside of the scientific community, such as stationary and copy machine suppliers.

Now, while research vendors still dominate the show with a 70 percent share, the other 30 percent is made up of vendors of computers, office equipment, and others who deal not only with AECOM, but with the various schools and departments throughout the university. Zenchek remarked that not all of the vendors are representing scientific products, “the show has remained at AECOM because they have the largest purchasing budget of the scientific faculty.”

The university has many vendors competing for contracts, and inclusion in the Vendor Show is dependent on select criteria. The purchasing department publishes a report which details the business each vendor does with YU, and only those who have either a large contract or a unique product that the university uses are considered. Vendors also must be prepared to show new products at the show. While many of the vendors have been at the show for a number of years, Zenchek said that they maintain a 20 percent turnover each year of new vendors. He said that “for instance, Dynex and Gateway won the bids for computers this year. Someone else could win it next year and they would be at the show.”

Zenchek also described the process of how purchases are made at the university, and what role the purchasing department plays in it: “We have a unique open door policy. We allow any vendor to go to any end-user. It's a unique system in that way. The people in each department know what they need, and they are authorized to agree to a sale. At this point our job at the purchasing department is make sure they get the best possible price on the purchase.” This is done by dealing with the vendors after they have made the sale to the specific department of the university.

The vendors displayed products with a wide range of applications. Kodak had a booth which displayed various office products, while Fisher Scientific, a chemical and scientific products company, “has the show remained at AECOM because they have the largest purchasing budget of the scientific faculty.”

The “Business” of Science

Many of the representatives of scientific products expressed concern over the dwindling amount of grants available from the government to fund research laboratories. Richard M. Fisher, a representative for Life Sciences International Inc., remarked that “in the last ten years, our sales have remained the same or lowered in some areas even with the decrease in government money.” However, Fred Sweetapple of Fisher Scientific, a chemical and scientific supplies vendor, views the current economic situation very differently. Citing his company’s rise in sales each year, he said: “I think the worst attitude to look at it is (the lack of funds) as a negative. There may be less money but its still out there. You just have to find new ways of tapping the market.”

Some of the vendors have not experienced any problems in the current situation. Even in the age of cost-cutting, companies with necessary products are flourishing. “Gases are a necessity,” said Sandy Dempsey-Haley, sales representative for Tech Air, a distributor of technical and scientific books. “The main reason they are doing well is that they have found a niche in the market.”

In the scientific product companies, it was generally recommended to purchase a scientific degree. However, there were differing opinions as to the amount of business training that was necessary for a seller. Michael C. Bell of Beckman Instruments Inc., was a life science major, and recommends a science degree from a scientific institution. The most important thing is to be able to deal with the customers’ needs properly. In this field, that requires extra knowledge in the sciences.”

Bianca of Kodak noted that in her department, half of the sales force have received extensive business training, while the other half have degrees in the sciences. She remarked that this breakdown works well: “Our sales division is split halfway, and each side helps the other.” She added that there is a tendency for business majors to start out in the marketing department, and eventually move to sales, and an opposing trend with those with scientific training. However, she recommended majoring in both areas to be better prepared as a representative for the company.

Others took more unique paths to their current positions. Martin Eber, a sales representative for imaging equipment dealer Astra Scientific Inc., began his career in education, teaching at a prison for five years before spending the last twenty in the scientific fields. He attributed his success to his “ability to understand people.”

Some of the representatives took advantage of their company’s in-house training to gain technical and scientific knowledge. Sean Berger of Gateway 2000, graduated as a business major with a minor in communications, before participating in a month long technical training program which the company held.

Kevin Bell, a purchasing agent for Yeshiva University Purchasing Department, deals with vendors on a daily basis. Bell, who has a bachelor’s degree in business, recommends a business administration background, but stressed that for most positions with scientific companies, one “needs to know the specifications of the product and be able to talk intelligently with someone in the medical and scientific fields. For this, a degree in the sciences is very important.”

Most of the representatives were satisfied with the ninth annual vendor show, and hope to attend next year.

Rueben Levine, Chase Manhattan Bank
Israel Report
There Must Be A Catch: Two Former Israeli Soldiers Attempt to Provide Free Long-Distance Phone Service Using the Internet
by Michael Spivak

VocalTec is an Israeli Internet communications company which exploded onto the map in 1995 by introducing Internet Phone, the Internet's first full-duplex telephony product. Internet Phone is VocalTec's main claim to fame. It allows users to talk for free (or at the cost of their Internet connections) to other Internet Phone users around the world. All that is required to use Internet Phone is a computer, modem, microphone, speakers, and an Internet connection. A beta version of the software is available for free download from VocalTec's World Wide Web site at http://www.vocaltec.com.

According to International Data Corp. (IDC), VocalTec has emerged as the clear leader in the Internet telephony market, capturing 94 percent of the $3.5 million market, with 500,000 active users in 1995. IDC expects VocalTec to continue to hold the largest share of the Internet telephony market while it grows to an expected $560 million and 16 million active users by 1999.

VocalTec has recently attempted to adapt its Internet Phone product for business use. With the newest versions of Internet Phone, users can call other Internet Phone users at random or in personal chat rooms, share and edit a document while discussing the revisions, conduct a private text chat, exchange files, or send a voice mail to users at random or in personal chat rooms, or place calls to or receive calls from pagers, or place calls to or receive calls from AT&T phone call with a supposedly full-duplex electronic superhighway imitation. These long waits have caused many disappointed Internet Phone users to refer to the program as a CB system with bells and whistles. This widespread user dissatisfaction with Internet Phone has contributed to VocalTec's recent slide in stock price. As can be seen from the adjacent chart, after reaching a high of $21 per share in February 1996, the stock has dropped nearly 73%, closing at $5 at the end of November. While this volatility is characteristic of many high-tech Internet stocks in the past year, one cannot help but wonder if VocalTec may have significantly overhyped and overextended itself with its Internet Phone venture.

VocalTec was founded by two former Israeli army engineers, Alon Cohen and Lior Haramaty. The pair met in 1988 and worked on one of the first text-to-speech systems that produced human-sounding speech. This system was developed specifically for the visually impaired under contract from Israel's Ministry of Defense. Cohen and Lior founded VocalTec in 1989. In the same year, VocalTec also developed the SpeechBoard 1001, one of the first digital soundboards for PCs. After bringing in entrepreneurs Elon Ganor and Hemmy Peres (son of former Prime Minister Shimon Peres), the company added new products in 1993 including CAT (Compact Audio Technology), a peripheral device that provides audio recording and playback capabilities. After VocalTec released Internet Phone in 1995, Motorola led a stampede of high-tech manufacturers in signing license agreements with VocalTec to bundle Internet Phone with their products.

VocalTec currently has 47 employees. Haramaty and Cohen each own 7.7% of the company, which went public in 1996; an investment fund controlled by CEO Ganor and COO Ami Tal owns 15.6%. Earlier this year, VocalTec teamed up with the voice processing firm Dialogic to develop Internet Phone Telephony Gateway. This system, which is aimed at businesses that ring up large telephone bills calling offices outside the US, will enable people without access to a PC to make voice calls over the Internet via a telephone.

The Israeli newspaper Haaretz reported on November 5 that VocalTec was participating in talks with Samsung, the South Korean electronics company, on cooperating in technology. The newspaper said that a delegation of Samsung executives, led by Min Hyung Chung, a senior manager, and Jong Goo Lee, the head of Samsung's technology group, visited Israel at the end of October. The Israel Export Institute stated that Samsung is considering setting up a research and development center in Israel.

VocalTec has been a key pioneer in the new and emerging market of Internet telephony. Its introduction of Internet Phone in 1995 was certainly the catalyst for the rush of other high-tech companies into this promising sector. While Wall Street initially rewarded VocalTec for its innovative concept, the Stock has since tumbled the stock price. In order to regain investor confidence, VocalTec will have to eliminate the current bottlenecks on its servers and other problems with the software. This will eventually restore VocalTec's once darling stature in the eyes of Wall Street.
Zilbert Given Chair in MIS
by Eta Katsman

On Thursday, October 31, 1996 a dinner took place honoring David H. Zysman, at which Dr. Allen B. Zilbert, an assistant professor at the Sy Syms School of Business was named to the newly established David H. Zysman Chair in Management Information Systems. The dinner took place at 6:30 p.m. in room 715 of Stern College, commonly known as Dr. Lamm’s conference room. Amongst the approximately forty people in attendance were Mr. Sy Syms, Dean Nierenberg, Associate Dean Ina Jaskoll, President Dr. Lamm, Vice President of Academic Affairs William Schwartz, and several other board members. In addition, there were five student representatives, Gila Blazer, Shani Feld, Tal Sharon, Brian Ness, and Bennett Schachter.

The new chair was established in Zysman’s name in recognition of his work for Yeshiva University, and, particularly, his role in helping to establish SSSB. SSSB was established in 1967, during Zysman’s tenure as YU’s Vice President for Development. Zysman headed YU’s fundraising activities from 1983 to 1994 during which he secured sizable endowments for the University and its affiliate schools.

Dr. Zilbert, assistant professor of management information systems at a SSSB, has been a member of the school faculty since 1994. He said he was given the honor of being the first David H. Zysman Professor because of his research, his many years of teaching, and his illustrious experience in the MIS field. Over the past fifteen years, Dr. Zilbert has taught at Long Island, Pace, and Hofstra Universities, and served as director of ancillary systems for Advanced Medical Systems. In addition, he has published numerous papers on various topics within the MIS field, including the development of an electronic grade book for professors, and the implementation of local area networks for small businesses.

Dr. Zilbert has also gained the admiration of his students. Shani Feld, Treasurer SSSB ’97 said, “I can’t think of anyone who is more deserving of this honor.”

SSSB Clubs

Information System Society

The Information Systems Society has finally been approved. A special thanks goes to Bennett Schachter. Many of you may be wondering what exactly the ISS plans to do for the coming year. Well, we have been working very hard these past few months to plan exciting events and outings that will open your eyes to the fascinating world of Information Technology.

We plan on bringing to Sy Syms various speakers from across the spectrum. Companies such as Price Waterhouse, NAP Inc., Oracle, Deloitte & Touche, and of course, IDT. We feel this will give all MIS majors, as well as other Sy Syms students, insight on what positions are available in the Information Systems environment. As well, it will establish long-term relationships with diversified corporations.

In addition to numerous speakers, the ISS plans on designing and maintaining our very own website. This website will be customized to our needs, and will post our latest events, as well as other information that may be vital to the clubs. Anyone interested in participating in the development of the homepage should contact us soon.

The Information Systems Society has also been working diligently on planning various events. Our first event will be on December 12, where the ISS will attend an Internet show in the Jacob Javits Center. We will keep you posted. Also, we are planning to have a speaker, but a date has not been set yet.

We are eagerly awaiting ISS’s success and are looking forward to this year’s events. If you have any questions or comments, or just want to get involved, feel free to email us at shrosen@yu.yu.edu or ajloomo@yu.yu.edu.

Shira Rosen
Aaron Solomon
Presidents
Information System Society

Joint Business Society

Five weeks have passed since Morg Mart’s opening night in two years, and we continue to exceed all expectations. At the request of many students, we have begun expanding our product line to include all additional terms and more frozen foods. Some of our finest moments so far include vending hot dog, peanuts, and sodas while the Yankees won the pennant, watching Doubles chicken wings fly out the door each time they are sold, and selling our first item - a packet of Hers kettle potato chips to Mr. Jeffrey Sokol. Morg Mart, open Sunday through Wednesday nights from 10:15 p.m. to 11:15 a.m. in the Morgenstern basement, is a venture under the supervision of the Joint Business Society. I’d like to take this opportunity to thank all my fellow board members for ensuring Morg Mart’s continued success. Dov Robinson, the store’s manager, is always meeting those 6:30 a.m. hot dog deliveries (we just bought 800 dogs) and is responsible for the creative posters you see in the store. I wish I didn’t have to wake him each time for those 6:30 deliveries. Simcha Gisinger, our vice president, for always packing up the loose ends, though he truly believes that there are easier ways (stocks) to make a buck, and Ari Gellman, our treasurer, who is solely responsible for ensuring that Morg Mart became a reality by pestering me constantly over the summer. He also happens to be the only one who has any idea how much money we make or lose on a given week. I’d also like to thank all the members of the administration, specifically the Deans of Students, facilities management, and housekeeping for all their help. Morg Mart is testimony to the fact that if you have a good idea and are well organized, the administration is more than willing to help you succeed. Thanks also to Jason Bubkin and Bennett Schachter for their assistance, and to Dave Nakash and Yoel Mayerfield (AMA) for the signs in Morgenstern’s lobby which alerts all to the deliciously awaiting them downstairs. Ultimately, the success of any business lies in the hands of its employees. Yoel Feller, Eitan Wally, Eytan Telletzbaum, and Neal Landerer are the people you see each time you enter the store. Without their dedication and hard work, Morg Mart could not continue. Acharon, Acharon, Chaviv- I’d like to thank all Y.U. students for their continued support. We realize that we are in a bad location and that we don’t take the card, but we have tried to stock a wide assortment of goods which can’t be found anywhere else around Y.U. Thanks again, and enjoy the food.

Doron Katz
President
Joint Business Society

American Marketing Association

This month’s AMA outside lecture was truly a great success. The workshop on qualitative research offered the prospective qualitative researcher an overview of the specialty. The emphasis of the seminar was to instruct people how to properly utilize the technique to obtain research goals. The workshop, along with helping weaknesses of qualitative research, emphasis of the seminar was to design.

Next month’s AMA sponsored seminar on Networking will be held on December 21st at 6:30 p.m. in room 715 of Stern College.

The Fashion Group International located on 5th Avenue. A Career Management Consultant will describe the focus, preparation, and strategic planning which are so important for effective networking.

More updated information will be sent to all members regarding this seminar and our first in-house guest expert speaker. For more information or non-members interested in joining the AMA, please contact David Nakash (740-2825) or Sara Edelblum.

David Nakash
Sara Edelblum
President
President
American Marketing Association

Investment Club

This year was September 5th 1996 at which time the NAV was at $11.42. This translates into a 16.9% gain in the portfolio in just under 3 months. The performance of the club has beaten all major indices, such as the S&P 500 (+15.47%), Nasdaq Composite (+11.93%), and the Dow Jones Industrial Average (+16.61%). The portfolio currently consists of Analog Devices (ADI), America Online (AOL), Iomega (IOM), and SubMicron (SUBM).
Interview with Professor Snow
by Ohad Yishai

Far too often, unfortunately, as we live in the confines of Yeshiva University and enter the business world, we sacrifice our accustomed way of life in the hopes of climbing the corporate ladder. How can we prepare ourselves for the inevitable consequences of pursuing a career? What role does our sacred tradition play when we conduct business? And what role do we play when we conduct business? What role does our own perspective play in these issues, it is Dr. Snow's accounting perspective, and how do we incorporate his words of wisdom to the rest of society?

Dr. Snow graduated from Yeshiva University in 1973 with an economics degree. He received his masters and Ph.D. from New York University in graduate school of business in accounting and management. As an employee for Coopers & Lybrand, and a small CPA firm, Dr. Snow gained different perspectives about the business world. His experience in the accounting environment landed him a prominent position as a partner in one of world wide trading at Morgan Stanley, an investment bank. Tenured at Baruch college, Dr. Snow brings teaching techniques to his accounting classes where he teaches accounting at both the midtown and uptown campuses. During his lectures, students anticipate Dr. Snow's incorporation of ethical observations from his consulting work. In a formal interview, Dr. Snow expresses his words of wisdom to the rest of the University.

Dr. Snow points out that “Students need to have their perspectives clear, and understand that the main purpose (in life) is not to pursue more money.” The career, and the wealth that comes with it, are a need of sustenance to enable one to direct his attention towards one’s purpose in life - Torah and mitzvos.” Dr. Snow notices how, unfortunately, colleagues of his lose focus on life, and get caught in the trap of pursuing wealth at the expenses of the real purpose of life. They cut down on learning here and there at the chance of making more money.” Dr. Snow stresses the importance of setting aside time for learning since you will be unable to learn even when you will have free time. “One must remember that all our opportunities come from G-d, but because G-d is not looking for the yarmulke miracles at you, you have to put your hatidus... This puts tremendous demands on the Orthodox Jew as he walks through life.”

Dr. Snow suggests that students focus their body of knowledge so as to enable them to keep up with the professor's demands. “One's knowledge does not end at School... to quote Plato 'He who avoids education and knowledge walks alone for the rest of his life.' This is especially true in a profession.” Dr. Snow recalls that when he graduated from college, the business world was much simpler. Today, the results he uses are heavier, and the transactions have gotten more complex. “The student has many more pressures, and the world continues to change which pressure the businessman to constantly learn.”

Often, students with a large knowledge base find it difficult to express themselves. Poor communication skills are a common problem in today's young work force, perhaps because there are fewer letters and speech than the past. Students must be able to express their knowledge clearly in order to succeed. Apart from proper communication skills, good inter-personal skills are equally critical. Students should possess an "ability to socialize, not to turn people off, but to be viewed as part of the team. If you become ostracized or isolated from the rest of your peers you will not go far.” For a number of years, Dr. Snow recognized that Orthodox Jews have a hard time with this. "It's easy to be Jewish and not Orthodox. You can take off the yarmulke and socialize with various individuals in their bars and leave early on Fridays. If you walk around with a yarmulke you are viewed differently. Although diversity training is in vogue in the business place, a two day exercise cannot change a person's lifelong biases. How many Orthodox Jews who did not sacrifice their standard... people who wore their yarmulke and ate at restaurants knowing there are no bugs have risen to the level of partner? Maybe one or two, if one or two. As a result, you start to take off the yarmulke and bring your own food and again you are viewed differently. There are partners in big six firms; were they able to act in the same way they do in synagouge? The biases and the difficulty for moving up the ranks are still there. The Jews are still parceled for their smart and ability to perform their task, but is that for the lower or middle echelon of companies, and it gets difficult because of the social interface to make it into senior management.”

Because of the restrictions the corporate world places upon Orthodox Jews, Dr. Snow suggests that students choose the alternative that most Orthodox Jews resort to - opening their own practice. This is currently working on adding more entrepreneurial studies courses to equip students with the necessary skills to start their own businesses. Dr. Snow's final words of advice: "one should always ask himself, 'Am I gaining knowledge or a skill that someone else willing to pay for?' If the answer is yes you've got yourself a living.”

Visit Sy Syms School of Business on the Web: http://www.yu.edu/sssb/
R ecent rumors circulating in the Syms School of Business have concerned the presence of one of the treasured teachers of both the school's Accounting and Finance departments. Professor Leibowitz is thought by many to be leaving his office in order to work on his dissertation entitled, "An Investigation of Relations between Return on Common Equity and the Market Value of the Firm." It was explained, with five children running around the house, very little work can be accomplished here. Therefore, he will likely spend many nights in his office, often as late as ten or eleven o'clock. Another question that has surfaced has been whether or not he will stay. Why was he not initially registered for only the two courses for which he will continue to teach? "This was an unforeseeable event," commented Professor Leibowitz.

After seven years of working to get his PhD at Columbia University, Professor Leibowitz, though setting his own pace, had scheduled to complete his dissertation during the winter break and present his work to the committee. But then problems set in. Professions became overcrowded, political and economic, and people. Technology changed professions. The 60's was considered obsolete. And all that money the accounting majors were worth, or the $10,000 with interest and laugh all the way to the bank (except that we know that the Depression survivors thought) or a necessary evil (as the Post-War generation thought) or problems. This assumption, however, is quite untrue. Professor Leibowitz has said that he will be spending more time than ever teaching his office in order to work on his dissertation entitled, "An Investigation of Relations between Return on Common Equity and the Market Value of the Firm." It was explained, with five children running around the house, very little work can be accomplished here. Therefore, he will likely spend many nights in his office, often as late as ten or eleven o'clock.

Another question that has surfaced has been whether or not he will stay. Why was he not initially registered for only the two courses for which he will continue to teach? "This was an unforeseeable event," commented Professor Leibowitz.

This meant we needed secure investments to store our surplus for the lean times. There was only one good investment. Real Estate. Gold, Collectibles; anything that appreciated with inflation was great.

Borrowing was not a demon (as the Depression survivors thought) or a necessary evil (as the Post-War generation thought) but our best bet. The dollars we paid back were worthless compared to the dollars you got. Borrow $10,000; buy Real Estate; two years later the Real Estate is worth $50,000 and we pay back $10,000 with interest. We are the way to the bank (except that we would never go near a bank, except to borrow more money, we would laugh all day if any problems. The transition went smoothly by using our qualified and experienced faculty.

Among the thirteen faculty members, including Dean Neirenberg, eight have terminal degrees of either a PhD, EdD or JD. Of the remaining five, three are currently pursuing degrees, including Professor Leibowitz; while the remaining two hold MBAs. Professor Leibowitz delivered Professor Leibowitz's belief and asserted that a "PhD with a balance of experience is very important. This is not to take away from the people that do possess them, but the fact remains that seldom do people in the field of Research now that we have a teacher that has gone through this research methodology.

Dean Neirenberg agreed, stating that they had been a teacher with a four of ten, a very valuable, not only for enhancing the school's prestige, but more importantly, because it allows the students to receive the advice on from a genuine person who has gone through some rigorous research. Having a PhD in Accounting is all the more impressive, stated the Dean, since a majority of the good accountants have less of an incentive to acquire one because they go straight to the business world.

"Students shouldn't feel that I'm not pleased with their specific class," but by teaching the Accounting Principle I courses, one in midtown from nine to ten-fifteen and the other here from one­ thirty to two-forty five, the remainder of the semester everything will be back to normal, with Professor Leibowitz teaching his full load of courses.

One SSSB student commented that although I am worried that I may not be able to adjust to a different teacher's style and technique, I am still quite impressed with Professor Leibowitz's devotion in completing his full load of courses, 'investing in debt issues; investing in equity issues.' By next semester, we will be back to normal, with Professor Leibowitz teaching his full load of courses.

"I am very grateful that I have the chance to thank Dean Neirenberg publicly for everything he has done," stated Leibowitz appreciatively. He also thanked, "Professor Pava and Professor Brown for stepping in on such short notice. They were given notice two weeks ago and agreed on the spot. Fortunately, we have a good staff to step in and great cooperation amongst the faculty."

Having a highly qualified staff definitely helped the University adjust to Professor Leibowitz's reduced class load. According to Dean Neirenberg, "We wanted to make sure the students get qualified people and didn't want any problems. The transition went smoothly by using our qualified and experienced faculty.

The students have not been disappointed yet, but they will be. Mutual funds and tax-deferred accounts form an important core of a financial plan but they are not magic. Your financial choices will have more to do with your living standard than any generation in history. That is more opportunity to become wealthy and more opportunity to work hard all the lives and end up poor. You will have more to do with your living standard than your income. Living a comfortable life, supporting a family, being financially secure these things cannot be accomplished by deciding from day to day what seems best at the time. You need a plan based on solid financial principles.

A finance course used to be an afterthought in college today have more financial opportunity than any generation in history. That is more opportunity to become wealthy and more opportunity to work hard all the lives and end up poor. You will have more to do with your living standard than your income. Living a comfortable life, supporting a family, being financially secure these things cannot be accomplished by deciding from day to day what seems best at the time. You need a plan based on solid financial principles.

A finance course used to be an afterthought in college today have more financial opportunity than any generation in history. That is more opportunity to become wealthy and more opportunity to work hard all the lives and end up poor. You will have more to do with your living standard than your income. Living a comfortable life, supporting a family, being financially secure these things cannot be accomplished by deciding from day to day what seems best at the time. You need a plan based on solid financial principles.

A finance course used to be an afterthought in college today have more financial opportunity than any generation in history. That is more opportunity to become wealthy and more opportunity to work hard all the lives and end up poor. You will have more to do with your living standard than your income. Living a comfortable life, supporting a family, being financially secure these things cannot be accomplished by deciding from day to day what seems best at the time. You need a plan based on solid financial principles.

A finance course used to be an afterthought in college today have more financial opportunity than any generation in history. That is more opportunity to become wealthy and more opportunity to work hard all the lives and end up poor. You will have more to do with your living standard than your income. Living a comfortable life, supporting a family, being financially secure these things cannot be accomplished by deciding from day to day what seems best at the time. You need a plan based on solid financial principles.
The actuarial profession may be the best-kept secret in business today. Originating at the end of the Nineteenth Century, it is a small, elite profession with a strict code of ethics. To put that in perspective, there are currently 1.2 million accountants, 670,000 lawyers and 500,000 doctors in the United States.

What are actuaries? They are specialists who use mathematical methods to analyze large amounts of data, interpret their meaning, and project future trends on the basis of past experience. There are two professional organizations in the North America - Society of Actuaries (12,000 members) and Casualty Actuarial Society (3,000 members) - each giving its own designation. Within the framework of Casualty Actuarial Society (CAS), it is known for generally maintaining a good reputation by tenure or experience. At the same time, actuaries are required to take examinations twice a year - in November and May - demonstrating their skills in topics ranging from calculus and linear algebra to design of retirement programs, health benefits and advanced portfolio management. Some exams are worth as little as 10 credits; however, passing a test covering actuarial mathematics puts an actuary 40 credits closer to becoming an FSA - Fellow of Society of Actuaries (SoA) is FSA - Fellow of Society of Actuaries.

In most companies, advancement of an actuary is dependent upon the pace of his or her development, and is not regulated by tenure or experience. The state of the art in the profession is to make a fellow of the Society (FCAS) or the Society (FCAS) in actuarial mathematics and science. The FCAS must accumulate 300 credits worth of exams in SoA; for the most part, the first three years earn one credit each. Fellowship is the next step in professional development and certification provided by the Society of Actuaries, including individual life, annuity and pension; investment and actuarial mathematics.

Most actuaries are working in the insurance industry, where companies depend on actuarial projections to estimate their probable future costs and establish a basis for their rates. Actuaries are problem solvers and decision makers who are also involved in annuity and investment operations. They work closely with experts in marketing, sales, investment, and law.

Some typical actuarial responsibilities include financial reporting; pricing; product development; expense analysis; experience monitoring; rating; quotations; business planning and investment analysis; analysis and projection of financial results; assessment of the effects of changes in government legislation on their own companies and on policyholders; and long term strategic planning and demographic forecasting. Listed among the employers of actuaries are all Big Six Accounting Firms. Qualified candidates should have or be pursuing degrees in: Actuarial Science; Mathematics; Science; Engineering; Quantitative Economics; Finance or Accounting. A strong GPA is preferred. Actuaries with Bachelor Degrees are the highest paid professionals as compared to their counterparts in other careers. Average starting salaries range between $35,000 and $45,000.

Ross Kongoun, the President of the Actuarial Society at YC points out that current Yeshiva College students and those already in the job market are known for generally maintaining a good rate of passing the exams. He is encouraging all students to contact him with any questions about the club.

---

The Exchange welcomes submissions for publication.
Search Engines & Web Directories
Make Research Easier!

by Chaim Haas

This article gives a brief overview of only a few of the search engines and web directories on the Internet that help make surfing the World Wide Web an easier task. These tools will list related sites based on keywords that you, the user, enter. I have listed the most useful and popular of these tools, but by no means endorse them.

Every researcher looks for a method to make their search for information easier. On the World Wide Web, there are two classes of tools: search engines or web directories.

SEARCH ENGINES
Search engines are one of the primary ways that Internet users find web sites. Often called the "crawlers," search engines constantly "crawl" through web sites on the Internet, then store the text of web pages they find in a searchable catalog of web pages. This allows web users to enter a few keywords, "push "submit" and see what web sites are relevant to their queries.

Each service is comprised of 3 components: a "robot" of some sort (also known as spiders, crawlers, web bots, and worms) which automatically collects links, titles, and text from millions of Internet sites; a database where the resource information is stored; and a search engine which allows the user to interrogate the database for sites of interest. Some of these engines, web sites by title, some by uniform resource identifiers (URIs), some by words in each document in a web site, and some by combinations of these. Some services also provide a limited browsable subject catalog, but the primary goal of each tool in this section is to provide a large, searchable database of Internet resources. Because the Internet is always growing and because these search engines utilize different methods for searching, different engines will often give you different results.

Major search engines include Alta Vista, Excite, Infoseek, Open Text, Lycos, and Webcrawler. A brief overview of each of these follows:

Alta Vista: Opened in Dec. 1995, Alta Vista is run by Digital and has gained wide-spread name recognition. It also partnered with Yahoo in June 1996, by "spying" the "preferred" search engine as explained below in the Yahoo section. Alta Vista allows searching of both the web and major-league search engines, such as Lycos and Excite. Its system of reviews, called FAQS, Infoseek also runs a directory separate from its search engine.

Lycos: Around since late 1994, Lycos is probably the oldest of the major-league search engines. Lycos is well-known, well-used and has key links. Lycos also runs the A2Z directory and the Point rating service. Many of us who have used the Internet for a while have a fond spot for Lycos from its Carnegie Mellon days. Lycos is often found on top of search engine database lists. Since the explosion of the web, better search engines have appeared, but Lycos is still good and fast, if not as well known as some of its competitors. It offers both keyword and subject searching (the subject searches are called directory services), as well as a Point rating system which rates web pages. Its strong points are its speed, ease of use, and the large size of its database. Lycos often produces usable results by sheer brute force. Its weakest point is that it does not support Boolean searching or any of the more sophisticated searches that can be made with AltaVista, Webcrawler or Excite.

Webcrawler: Around since early 1995, America Online's Webcrawler is the search engine that AOL points its 5 million users toward. Webcrawler got its own associated directory, GNN Select, in mid-April 1996. Here, sites are picked by editors from those submitted to the GNN NCSA What's New page. It uses a keyword or concept search system. Concept searches, according to the Excite authors, find documents containing the text on the area of interest. It does not just document explicitly containing the search terms you enter. From the initial screen you choose which way you want to search. Web crawler is the preferred search engine database, but by no means endorsements them.

Excite NetSearch: Launched in Dec. 1995, Alta Vista is run by Digital and has gained wide-spread name recognition. It also partnered with Yahoo in June 1996, by "spying" the "preferred" search engine as explained below in the Yahoo section. Alta Vista allows searching of both the web and major-league search engines, such as Lycos and Excite. Its system of reviews, called FAQS, Infoseek also runs a directory separate from its search engine.

Lycos: Around since late 1994, Lycos is probably the oldest of the major-league search engines. Lycos is well-known, well-used and has key links. Lycos also runs the A2Z directory and the Point rating service. Many of us who have used the Internet for a while have a fond spot for Lycos from its Carnegie Mellon days. Lycos is often found on top of search engine database lists. Since the explosion of the web, better search engines have appeared, but Lycos is still good and fast, if not as well known as some of its competitors. It offers both keyword and subject searching (the subject searches are called directory services), as well as a Point rating system which rates web pages. Its strong points are its speed, ease of use, and the large size of its database. Lycos often produces usable results by sheer brute force. Its weakest point is that it does not support Boolean searching or any of the more sophisticated searches that can be made with AltaVista, Webcrawler or Excite.

Webcrawler: Around since early 1995, America Online's Webcrawler is the search engine that AOL points its 5 million users toward. Webcrawler got its own associated directory, GNN Select, in mid-April 1996. Here, sites are picked by editors from those submitted to the GNN NCSA What's New page. It uses a keyword or concept search system. Concept searches, according to the Excite authors, find documents containing the text on the area of interest. It does not just document explicitly containing the search terms you enter. From the initial screen you choose which way you want to search. Web crawler is the preferred search engine database, but by no means endorsements them.

Excite NetSearch: Launched in Dec. 1995, Alta Vista is run by Digital and has gained wide-spread name recognition. It also partnered with Yahoo in June 1996, by "spying" the "preferred" search engine as explained below in the Yahoo section. Alta Vista allows searching of both the web and major-league search engines, such as Lycos and Excite. Its system of reviews, called FAQS, Infoseek also runs a directory separate from its search engine.

Lycos: Around since late 1994, Lycos is probably the oldest of the major-league search engines. Lycos is well-known, well-used and has key links. Lycos also runs the A2Z directory and the Point rating service. Many of us who have used the Internet for a while have a fond spot for Lycos from its Carnegie Mellon days. Lycos is often found on top of search engine database lists. Since the explosion of the web, better search engines have appeared, but Lycos is still good and fast, if not as well known as some of its competitors. It offers both keyword and subject searching (the subject searches are called directory services), as well as a Point rating system which rates web pages. Its strong points are its speed, ease of use, and the large size of its database. Lycos often produces usable results by sheer brute force. Its weakest point is that it does not support Boolean searching or any of the more sophisticated searches that can be made with AltaVista, Webcrawler or Excite.

Webcrawler: Around since early 1995, America Online's Webcrawler is the search engine that AOL points its 5 million users toward. Webcrawler got its own associated directory, GNN Select, in mid-April 1996. Here, sites are picked by editors from those submitted to the GNN NCSA What's New page. It uses a keyword or concept search system. Concept searches, according to the Excite authors, find documents containing the text on the area of interest. It does not just document explicitly containing the search terms you enter. From the initial screen you choose which way you want to search. Web crawler is the preferred search engine database, but by no means endorsements them.
Personal Investment Strategy

Changing Financial Times

by Professor Brown

Among the most dramatic trends of the last twenty years has been the increasing complexity of financial life. A generation ago, most people lived their lives with only a few financial choices. You could put your money in this bank or that bank (but they paid the same interest rate, by law, and were both guaranteed by the Federal Government). Mutual funds, stocks and other investments were for rich people or gamblers.

A home mortgage was the only major financial transaction. Even here there was only one type (30-year, fixed-rate) and only a few lenders in any given area. The rates were all pretty close and did not change much from year to year. Most people got their mortgage from the same bank that held their savings account (banks were suspicious of people who shopped around).

Retirement was taken care of by company pension plans, social security or insurance company annuities. This was not your choice, your job and the government determined your retirement income. Saving for children's college was not a major concern because college expenses were far lower than they are today. Anyhow most people went to generously-subsidized public colleges that charged "dollar bills." These dollar bills were used by giving someone a check and getting a dollar bill in return.

Things are different today. Now you have a choice of paying cash, leasing or borrowing from the manufacturer or a bank. People used to stand in line at a big building with lots of marble to "cash" their "paycheck" for "dollar bills." These dollar bills were used to buy everything else. Now your compensation is electronically-wired to your account, most purchases are made with credit cards. If you do need cash you go to an ATM.

In this era, the main determinant of living standard was income. If you made a good income, you lived well. If you made less money, you lived less well. Of course some people wasted their money, and a few managed to live well from investment income, but most people lived up to their salary.

The future looks very different today. Now people in their early 20's have to make crucial retirement choices among mutual funds in employer-sponsored 401(k) plans. Two generations back, we had the Great Depression. This was so traumatic that it forged the financial attitudes of almost everyone older than 60 today. These people passed those attitudes along to their children and, in some cases, their children's children.

Historians date the Great Depression as 1931-37 but financially it took up the entire period from WWI (1918) to WWII (1941). In the 23 years commodity prices trended downward and investments were unstable and often catastrophic. The economy was unable to build a sustainable prosperity.

Many people remember the Great Depression as a bad time to be poor. This is not true, a depression is the best time to be poor. Commodity prices are low so even the poor can afford food and clothing. The United States had a much larger hunger problem in the early 1960's, when times were good for most people but food was very expensive. The problem with a depression is that there are too many poor people, not that the poor are abnormally miserable.

However a depression is a bad time to be rich. There is nothing good to do with your money. Stocks crash. Bonds default. Interest rates are very low, often near zero. Commodity prices fall. Real Estate goes down. There are no good investment opportunities so your money shrinks instead of grows.

So who does well in a depression? People with steady jobs who do not owe money. Suddenly they can live as well as rich people. Prices are low, they can buy what they want. At the height of the Depression, one-third of the country was out of work. But that means two-thirds of the country was working, anyone with a job in the Depression was doing pretty well.

What lessons did smart people take away from the Great Depression? Never borrow money, because the dollars you pay back will be worth more than the dollars you get. Anyone who borrowed in the Depression was likely to go bankrupt. Never invest in stocks, bonds or anything else that is not guaranteed by the government. Work at a steady job, preferably for the government.

What happened to these smart people? One thing they did was to support legislation in which the Federal Government assumed all the economic risk in society. Instead of investing for their own future, they wanted the Federal Government to collect social security taxes and protect them against disability, early death and retirement. Instead of selecting their own investments, they wanted the Federal Government to guarantee the safety of banks.

Unfortunately, you cannot eliminate risk by giving it to the Federal Government. In the 1970's people realized that there was no money to pay for the promises the Federal Government had made, and no sentiment for raising taxes to get that money. So we had the Savings & Loan debacles (first in 1978-81, then in 1985-87 and maybe another one in the future) and a bankrupt Social Security and Medicare system.

Personally, these people put their faith in steady jobs and regular saving into a federally-insured bank. They worked hard all their lives, many did very well. But the people ten years younger, the people born during the Depression, were not as lucky. The world had changed. The steady jobs were no longer reliable, many people were laid off in their 50's and 60's. Those government jobs-for-life disappeared in many rounds of budget-cutting. Pension plans went bankrupt or were canceled, Social Security and Medicare were scaled back. All that money in low fixed-rate bank accounts was swallowed up by inflation from 1973-82. As the money disappeared some of their biggest expenditure items, medical expenses and college costs, were spiraling out of control.

The post-war generation learned different lessons. This was a generally prosperous era in which the biggest rewards went to professionals and small business owners. If you could make the sacrifices when you were young, by age 35 or 40 you would be wealthy for life. In Law, Accounting or Banking, you had made partner; in Medicine your practice was established; in Business your company was profitable.

Financially, everything was invested in your career. You used money for tuition and to survive the lean years, even borrowing if necessary. You needed money to buy a partnership or to set up a practice or a business.

continued on page 9