Students in the Sy Syms School of Business may soon be able to pursue a Humanities or Social Science minor under a proposal discussed at a recent student senate meeting. Several Sy Syms students have recently expressed their concern that they lack the opportunity to expand their educational horizons with more liberal-arts courses, thus creating the need for such a minor. Additionally, it is believed that many of today’s business leaders feel that well-educated, well-rounded students are a greater asset to their companies than students who have concentrated all their efforts in business courses alone. As a result, the students and faculty of SSSB and YC hope to establish a Humanities/Social Science minor which would be a valuable addition to the education and the future of the Sy Syms business student.

Both proposed minors would consist of 15 credits. However, one course already required for the Sy Syms student would count toward the minor, thus essentially requiring only 12 additional credits to receive the minor. Specifically, the Humanities minor would consist of 15 credits from the departments of Art, Music, History, English, Foreign and Classical Language, and Philosophy. The SSSB requirement of an art, music, or philosophy course would be counted toward this minor. The Social Science minor will consist of 15 credits from the departments of Political Science, Psychology, and Sociology. The SSSB requirement of Economics 1011 (Money & Banking) will count toward this minor. All told, a student would have to take four additional courses to get this minor recorded on his transcript. To encourage diversity and to ascertain that the student is getting a broad educational background, a maximum of two courses per department would be allowed.

Sy Syms students currently have the option to minor in any minor currently offered by Yeshiva College. It is almost unheard of for a Sy Syms student to do this considering that most Yeshiva College minors require 18 credits. This proposed minor would lighten the amount of courses required, as well as give the student a very broad minor which would be more appealing to the student.

There are several issues left undecided at the current time. Foremost is the question of who would administer the program. Who would a student consult if they had a question about the minor? At the last student senate meeting, it was left unclear as to whether the Deans of Sy Syms or the Yeshiva College Academic Advisement Center would handle this responsibility. There has also been concern that Jewish Studies and the sciences were left out of these minors. Perhaps, if this minor turns out to be a success, additional minors would be considered at some future date.

Yeshiva College to Offer Minor for Business Majors

by Gershon M. Distenfeld

Students in the Sy Syms School of Business may soon be able to pursue a Humanities or Social Science minor under a proposal discussed at a recent student senate meeting. Several Sy Syms students have recently expressed their concern that they lack the opportunity to expand their educational horizons with more liberal-arts courses, thus creating the need for such a minor. Additionally, it is believed that many of today’s business leaders feel that well-educated, well-rounded students are a greater asset to their companies than students who have concentrated all their efforts in business courses alone. As a result, the students and faculty of SSSB and YC hope to establish a Humanities/Social Science minor which would be a valuable addition to the education and the future of the Sy Syms business student.

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Annual Sy Syms Shabbaton with Rav Goldwicht a Huge Success

by Tova Zitter

This past February 1st marked the annual Sy Syms Shabbaton. This year's Shabbaton was a huge success, boasting a turnout of 200 students. As SSSB President Michelle Stein said, "The Sy Syms Shabbaton was better than expected. I hope it continues in the future... We were fortunate to have Rav Goldwicht and his family join us, which manifested the Sy Syms ideal of combining business with Torah."

The Shabbaton began with Kabbalat Shabbat and Maariv in Koch Auditorium. Following the procession to the cafeteria for Friday night dinner, Rav Goldwicht made kiddush for everyone. During the meal, a d'var Torah was given by Shani Feld.

After dinner, Rav Goldwicht spoke about shabbat and work. He quoted the passuk that says "La'asot et HaShabbat," to make the shabbat. Rav Goldwicht elaborated that a person works six days a week and then really comes to appreciate shabbat.

After his shiur, Rav Goldwicht opened the floor to general questions among which arose the topic of balancing work and learning. Everyone then proceeded back down to the cafeteria for a tisch, where there was singing and another opportunity to ask Rav Goldwicht questions. During the second Q&A session, a question was asked about when one should marry. Rav Goldwicht welcomed the opportunity to speak to both the men and women about the topic of dating. Rav Goldwicht mentioned that there is no specific age that is appropriate for one to get married, and that marriage depends on the readiness of the individual. However, he stressed the importance of getting married at a young enough age so that one is still flexible, and not set in his or her ways. He also added that when one is viewing a person as a prospective spouse, he or she should look at the ‘entire person,’ and not fixate on ‘specific faults.’

After davening shabbat morning, there was a small kiddush, and then Rav Goldwicht spoke about business and D'varimachua Dina.

During lunch, there were more zmirot, and Seth Grossman gave a d'var.

continued on page 5

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continued on page 5
From the Editor's Desk

As we prepare ourselves for midterms, I can't help but think about the fact that my time at Yeshiva is rapidly coming to a close. I want to share a few thoughts with you, as I reflect on what is soon to have been my college career.

Yeshiva University is an interesting place. I firmly believe that the school opened up opportunities for me, that may not have been available elsewhere. Yeshiva offers each student a chance to involve themselves, and even embrace leadership. There are countless clubs and activities on each campus. Everyone has the ability to take advantage of what is being offered. At this stage in our lives, taking an active role in leadership is still supposed to be fun. One can only imagine what it is like to be involved and sit on the board of various charities and communal organizations. However, it does require much thought to realize the significant roles that those groups play in our everyday lives.

Throughout my college days, I have been involved with various student activities and councils. This includes being a founding member of The Exchange, which has achieved a following by students and faculty alike, and recently was awarded a sizable sum of money by the President's Circle of Yeshiva University. These funds will be put towards the machinery that will ensure the continuity of The Exchange as its own entity. It is an amazing sensation to watch as something you helped create, fight for, and nurture begins to take on a life of its own. Maybe now I have realized some inkling of the type of nachas my Grandmother always says she gets from her grandchildren.

It is unfortunate that even here at Yeshiva University, not everybody is willing to be involved. Apathy still seems to flow from many of us towards student-run activities. Now is no time for solidarity! This is a time in our lives when we should be full of idealism, vigor, and energy. C'mon, doesn't anyone remember that, "The world is ours to conquer" "Carpe Diem," Seize the day! It is not just a saying that looks great labeled on coffee mugs and T-shirts. We are all in an unusual situation at Yeshiva University. There is so much that each of us can do. It is easy for people to complain and to sit idly by doing nothing to change the source of their complaints, yet it is harder to actually do something about it. But, that is what I implore everyone to do! Become active. Trade in the feelings of indifference for feelings of passion, care, and curiosity. We can't afford to muddle through our lives in attention. We are the future leaders, we must change our ways today so we can reap the rewards tomorrow. My desire is not to sound like a preacher on top of his soapbox in the middle of the town square, but it hurts to see some students' only lethargic reactions to their peers hard work. It is time for a reformation of how the student body thinks and acts.

One should be wary of putting oneself in a position where years from now, one will think back and bemoan how things could have been. There still is time for action; The time is now.

Bryan D. Ashenberg
Associate Editor

EDITORIAL

A n infamous tradition has developed within the Sy Syms School of Business. It has resulted from a program which was created with the sincerest of intentions but has led to a most inconvenient situation. We are referring to the unreasonable requirement that all Sy Syms students have their courses approved personally by a dean before they can register. During reading week, instead of studying, Sy Syms Students are forced to sit outside Dean Jaskoll's office. While Dean Jaskoll does his best to understand the situation, it is unrealistic for one man to handle such a huge burden.

Perhaps we can take a lesson from the story of Yisro. Yisro found people waiting all day to speak to Moshe, who in turn was exhausted from having to answer all these questions. It was only upon Yisro's arrival that Moshe realized the hardship of such a situation and a system of judges was set up. This plan enabled the simple questions to be answered immediately, with only the most difficult problems sent to Moshe. We at the Exchange are hoping that Dean Jaskoll realizes, as Moshe did long ago in the desert, the great wisdom of Yisro, in which a system similar to Y.C. would be established, with academic advisors available to assist the Dean.

SSSB President's Message

Dear Fellow Students,

This being the first post-vacation edition of The Exchange, I would like to take this opportunity to welcome everyone back to school. I hope your vacation proved to be beneficial reprieves from the daily grind of academia here at the Sy Syms School of Business. Our spring semester kick off event was the annual SSSBSA Shabbaton, held at the midtown campus. The Shabbaton was the most successful YU/Stern Shabbaton ever. Two hundred students attended the event and the enthusiasm was almost palpable. However, the Shabbaton would not have been such an astounding success without Rav Meir Goldwicht, the keynote speaker. I have had the honor of learning from Rav Goldwicht for three years and he has taught me much more than Gemara. It was an absolute privilege for me, on behalf of the student-body of the Sy Syms School of Business, to host him and his very special family for the Shabbaton.

I sincerely hope the momentum started by the Shabbaton can be built upon and more programs with Rebbeim like Rav Goldwicht can be arranged in the future. The following Friday, the SSSBSA Executive Board, are always searching for more events to run and students to assist in their organization. Please contact me or any other board member with suggestions.

Sincerely,

Benjet J. Schachter
President, SSSBSA

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Interview with Sy Syms
by Ari Gruen

Exchange: You’ve just opened a new store downtown. From the perspective of a store like Today’s Man which is now in bankruptcy, are you that confident in the state of the economy that you have no problem expanding?

Sy Syms: We’re very confident not just from the outside economy but from the financial strength of our company, from within - that creates confidence in Sy Syms midtown as it does for all of our vendors who can live with a Syms in midtown.

Our company we had to do something in Manhattan, for the outside economy but from the financial strength of our company, that in mind I would like America to some- thing of "Oh my heavens, they’re everythere," we feel it can help Long Island, Westchester, Paramus, some kind of presence and image. The reason our company did it had nothing to do with profit motivation or anything.

We’ve had people come from other communities who came into Manhattan. We’ve been in Manhattan a long time but all beat Manhattan so to speak, and for the image of our company we had to do something in Manhattan, and the timing was right because the lines of distribution have changed, so a lot of our vendors who can live with a Syms in midtown.

Exchange: Do you purchase from vendors outside the US, even from a country like China that’s successful in today’s business world, or may depend on the country of origin for your products?

Sy Syms: Yes, there’s some with what I read about possible human rights violations that are taking place, or may even the manu- facture and to me its only a rumor, that these products are being made in prison. I wouldn’t stop from buying a product that I think my customer would want, at this point. I know that doesn’t sound too idealistic but as a citi- zen, to me China is the future of the Earth - the big future, the number one economic power, certainly by the year 2075, and with that in mind I would like America to somehow be their friend. I hope they learn how to create better human rights in their country for their citizens. Anyway, we’ll wait and see if they don’t work it out internally too - I don’t think too much can be gained now by putting economic pressure on them. Are you aware that they buy 11 billion dollars a year from China and they buy 9 billion dollars from us. Even with that statistic I would like to remain China’s friend in the next hundred years.

Exchange: What do the next ten years hold for Sy Syms the store and Sy Syms the man?

Sy Syms: We have a few company plans - the first thing, reaching this stage in my life, is to say if G-d willing I’m here in ten years. The immediate future is a few more stores. Our formula is any market that we’re in - with two million or more in population where we only have one store we want to open a second - that’s in Detroit, Baltimore, Atlanta and Houston. In those four cities we hope to have a second store within the next year.

Exchange: Do you ever get to the point where enough is enough and say “I’ve built this business; it’s time to do something else?”

Sy Syms: I really don’t know. My six children all have an entity in the business. I wouldn’t turn down anybody who wants to buy it at this stage.

A Visit to the NYSE
by Lon Smolensky

"Mine! Yours! Buy! Sell!" All of these might be familiar terms and hand motions for one who took a finance class with Professor Brown. However, on Friday morning, February 7, a group of twenty Sy Syms students from both the uptown and midtown campuses saw these hand motions, first hand, at the New York Stock Exchange (NYSE).

Upon first entering the exchange building, and after a security check, the students walked through a small museum where they could view historic recordings of many benchmarks, the NYSE feels that it is the capacity to accept more investments than it has ever handled in the past, and can, at the same time, create an image of safety.

After the video, students were able to walk to the observation room where the exchange floor could be seen. No one was permitted on the actual exchange floor but there was ample room in the observation room to view the floor of the exchange in action. It was exactly as it appears on the news and in movies, with a flurry of people running in each direction, making numerous phone calls, and writing on little sheets of paper and then discarding them on the floor. "Just to stand and watch the expression on the face of a runner as he moves across the trading floor to different posts is incredible...it takes constant energy and enthusiasm," remarked one Sy Syms junior who attended the trip.

Possibly the best part of the trip was the portion after the visit to the exchange. Everyone was treated to a plethora of pizza at the nearby All American Health Bar. The pizza stop was courtesy of Sy Syms student body president Bennett Schachter. Leaving Wall Street stuffed with pizza was a great ending to a visit of New York City’s greatest financial sights.
1996 Year in Review
by David Lieberman

Early in 1996, investors worried that the economy would grow too fast, inflation would pick up and the federal reserve would raise interest rates in order to fend off inflation, thereby, sending financial markets tumbling. Or, just as bad, they worried that the economy would slow rapidly, corporate earnings would fall, and that the Dow Jones Industrial Average would drop to close 25% last year and has continued to rise and now stands in the area of 7000. This boom in the market actually dates back to the last quarter of 1990, when the Dow stood at 2400. Since then the market has returned over 160%.

The S&P 500, which is a more broad based market indicator, has experienced the oldest of the three bull markets in the area of 7000. This boom in the market was partly due to the advances of corporations like IBM, General Electric and United Technologies whose stock prices have rose 85%, 30% and 45%, respectively during the last year.

The gains in the market were partly due to the advances of large corporations like IBM, General Electric and United Technologies whose stock prices have rose 85%, 30% and 45%, respectively during the last year.

One of the interesting stocks in the market is Dell Computers whose stock price has risen from 32 to 113, a 250% increase. Also, omega, the makers of the powerful Zip Drive saw their stock soar from 8 all the way to 43 in May, a 525% increase, but the stock has fallen back to 17. The best performer on the NYSE this year was Centennial Technologies, the maker of PC Cards, which rose 400% last year. On the Nasdaq, the biggest winner was Viasoft, also a technology company called whose stock rose an amazing 1135% last year. The company's main product is its Existing Systems Workbench which helps corporations prepare their software systems against the dread year 2000 problem.

As far as the economy as a whole is concerned, the unemployment rate, one of the most widely looked at indicators of the state of the economy, now stands at 5.4%, down from 6.5% at the beginning of last year. In October of 1996 the rate was down to 5.2%. The recent rise in unemployment rates was actually looked upon favorably by Wall Street because it new theories that endeavor to explain how the natural rate of unemployment works.

Whether irrational or not, Americans continue to feel strongly about the economy. In a poll conducted by The Wall Street Journal and NBC News, three out of five Americans were satisfied with today's economy, the highest level in years, and a sharp contrast with a year ago when only two of five Americans felt that way. The public also seems optimistic about the short-term future. Almost three in five believe that the economy will remain favorable over the next year. These beliefs do have some statistical backing since The Index of Leading Economic Indicators, which measures a basket of eleven economic indicators ranging from unemployment benefit claims to building permits, rose 0.1% in October. This index forecasts economic trends six to nine months ahead. It was the ninth consecutive month in which the broad based index increased, suggesting that the 5 year old economic expansion will continue in 1997.

For 1997, economists have yet to see any signs that the economy is getting off hand. As the stock market continues to rise, with the Dow Jones Industrial Average closing above 7000 for the first time on February 13, up 7.5% so far this year, it is still difficult to find indicators that the economy is overheating.

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The Federal Reserve Governor Edward Kelly was quoted as saying at the beginning of this year “we’re in the sixth year of an economic expansion and it’s hard to see any imminent change to that, especially in light of the very buoyant stock market.” However, he continued, “I expect this to continue with the type of growth that we’re seeing now. So far this year it seems he has been correct.

The History of the Dow Jones
by Avi Karesh & Oren Shimoni

The significance of the Dow Jones Industrial Average in today’s business world is unparalleled. Daily we hear with record breaking reports as the average continues to climb. So what is the “Dow Jones” anyway? And how is it calculated? A BRIEF HISTORY

Contrary to popular belief, the Dow Jones Industrial Average is not named after one individual. Rather it’s named after Charles Jones, who was working with Charles Dow and Edward D. Jones, in the 1880’s were working for the Kiernan News Agency. In November 1882, the two left Kiernan to form a company whose objective was to provide slips, detailing the essential news of the day, to financial institutions. In 1883, Dow Jones & Company began printing a news sheet which became the precursor to the Wall Street Journal.

“The Journal” was first published on July 8, 1889, with Dow functioning as editor and Jones dealing with the desk work. As editor of the paper, Dow published his observations on finance and investment.

THE FIRST AVERAGE

From Dow’s writings in The Wall Street Journal, several analysts derived what became known as “The Dow Theory.” The theory was never promulgated by Dow himself, and has gone through many interpretations over the years. However, the basic points of the theory describe the three types of movements in the market. The primary trend takes place over many years and consists of bull and bear markets; secondary movements which take place from weeks to months; and day to day fluctuations in the market form the third type of movement which ultimately define the primary trend.

The second part of the Dow Theory states that the industrial average and the railroad average must corroborate each other’s direction for there to be a reliable market direction signal. When movement of several weeks or longer are graphed and regraphed to a range of approximately 5%, a “line” can be drawn and accumulation or distribution determined. When both averages break out above this line, an accumulation is said to have taken place and prices should head higher. When both averages break below the line, a distribution is said to have taken place and prices should head down. If only one of the averages crosses, the move is said to be inconclusive. The logic with which Dow and his theory capitalizes on the fact that both the industrials and transports markets are independent of each other. Still, for the industrials to get their product to market they must use the transports. When industrials do well, so do the transports. However, where one sector is much stronger than the other, a divergence is taking place which, if allowed to continue without the other sector catching up, will mark a major reversal in the market will take place.

Large active stocks generally reflect the market averages. However, individual issues may deviate from the broad averages because of circumstances peculiar to them. The Dow theory also specifies that closing prices should only be used. This is because closing prices reflect the price level at which informed investors actually take control of a security. The AVERAGE - WHAT IS IT?

The DJIA is an index of 30 “blue-chip” stocks. At 100 years of age, it is the oldest US market index. The index is called an ‘average,’ because it was originally computed by adding together stock prices and dividing by the number of stocks. The Market Index method’s creator was Charles Dow. In 1884, Dow attempted to express the market’s general levels and trends, by choosing stocks, which in his perception, reflected the general market.

Today, aside from the divisor, which
Dow Celebrates
113th Birthday
continued from page 4

The DJIA does not reliably reflect or predict economic trends despite the fact that there is much common ground between the two. However, there are other factors involved. For instance, the market frequently rises ahead of economic expansion and falls prior to economic slowdown or contraction. The trouble is that the relationship is not finely correlated. As previously mentioned, there are factors that propel markets and affect the economy. Moreover, many people make the mistake of calibrating their economic expectations to the movement of the DJIA. The result, as Nobel-laureate economist Paul A. Samuelson put it: "The market has predicted nine of the last five recessions."

CRITICISM OF THE DJIA

The DJIA does receive some criticism due to the fact that some higher priced stocks, such as Caterpillar, influence the average greater than lower priced stocks, such as Woolworth. Obviously these people feel that no one stock should influence such a crucial index as the DJIA. Others criticize the fact that there are only 30 stocks representing an average of such import.

Senate to Vote on Proposed Minor
continued from page one

After surveying various students and faculty, the practicability of such a minor seemed to be a concern. Rabbi Carmy wondered how many students would actually pursue such a program. With the already very demanding schedule of a Sy Syms student, Rabbi Carmy speculated that the number of students taking advantage of such a minor would probably be very low. One SSSB Senior commented: "Conceptually, it's a great idea. But practically speaking, it would be nearly impossible for most students. With the overwhelming majority of students spending only three years on campus, they can barely fit in the business requirements as is. Even if a student were to be so inclined, he would find that there just isn't the time. You could count the number of students who would take this minor on one hand." The proposed minor is scheduled to be voted upon at the next student senate meeting, at which time, if passed, it would go on to the curriculum committee for approval.
Abstract:

With the 20th hidden, downsizing, outsourcing, surfing and the virtual corpo­
ration. The obvious 21st century answer
is the Virtual Marketor. What will this mar­
er of the future look like? What will he/ she do? What effect will the changes of
the dynamic 90's have on this 21st cen­
tury hero? Stay tuned.

What a trip. Twenty-five years after Intel
Corporation created the microprocessor,
and 21 years after teenager Bill Gates
created the personal computer, the con­
sumers head with the consumer try­
ing to have a good day will continue.
However, while the technical part of tech­
ology is necessary, marketing has been the
key that helps drive momentum. It is no
longer unusual for a brand to become
hot based on a new technology. The trick
is to make the brand bigger than the cur­
rent product or the brand lives on when
technology moves on. For advertisers, the
200 year-old game of cat and mouse be­
tween trying to get their message into the
customer's head with the consumer try­
ing to have a good day will continue.
Technology will accelerate and deepen
the process. The bad news is that adver­
sizing will become easier to avoid as
shareware programs permit viewers to
edit out advertising banners out of web
sites. Given the fast pace of change, the
implications for the marketer loom large.

American Business In Transition

The changes taking place in Ameri­
can business and industry can be divided
into four elements: (1) globalization of
competition; (2) delayering of organiza­
tions; (3) growth of computerization and
computer networks; and (4) the emer­
gence of the information highway. As
a result, virtual marketors will need to make
strategic changes if they want their companies to remain competitive in
different. Buyers and sellers will go di­
rect. This will cause the number of
middlesmen to decline drastically.

A useful metaphor is to think of the Web as a cross between an electronic
trade show and a community fl ea mar­
ket. The Web offers the same conven­
tions and continuous improvement; and
3 different: reinventing companies and
regenerating strategies (Hamel &
Prahalad, 1994).

The World Wide Web...A New
Communications Medium

For the consumers, the World
Wide Web provides a quick and easy
way to find products and services... With
the number of online directories by sub­
ject and keyword, potential buyers can
find a marketer's information or Web
site. They can see, hear, and practically
feel what companies have to offer. Shops
are open 24 hours a day, 365 days a year;
and online ordering provides a mecha­
nism for easy impulse buying." Vincent
Gelormine, "Selling in Cyberspace," Suc­

Advertising on the Web needs to be
not only easily accessible but also in­
formative. Creating and publicizing a
Web site, or placing a Web ad, is akin to
sending a salesperson into millions of
businesses and homes. Therefore, it is es­
cential that companies send their best
marketers.

According to the 1996 Online Advertising
Report published by Jupiter Communi­
tics/Thomson, advertisers spent $11.8 million in 1996 on com­
cerical online services and $42.9 million
on advertising on the Web. Jupiter fore­
casts that this will increase to $5 bil­
on in 1997 and $5 billion by the year
2000 (Williamson, 1996). These projec­
tions are in line with Forrester Research,
A Cambridge, Massachusetts firm's study
that also suggests that traditional media­
models that Internet sites use to price ads
fustrates media buyers. The report indi­
cates that buyers will move away from
from purchasing space on individual sites and
towards buy on networks of sites. Net­
works will sell themselves based on con­
tent themes or levels of penetration, but
advertisers need to show them the capa­
bility of running central serv­
ers to measure and analyze consumer re­
sponse.

Advertisers have discovered that in some markets their target seg­
ments are already surfing the net and accessible
via their Web site. Toyota will invest over
$4 million in interactive media and mar­
keting. They found that 56% of Toyota
owners have access to a PC. Addi­
tionally, 80% of luxury car owners in gen­
eral use a PC (Bradley, 1995).

The constant change in technology and the
impact of the changing technology have created
a mismatch between what is taught in the
classroom and workplace requirements.

Marketing Education: A Time To Change

The constant change in technol­
gy and the impact of the changing tech­
tology have created a mismatch be­
tween what is taught in the classroom
and workplace requirements. This
mismatch has emerged from a curriculum
designed for another generation...an era
where employees performed repetitive tasks under the direction of autocratic man­
agement (Drucker, 1989). Members of the
marketing profession in this earlier environ­
ment needed only to concern themselves
with the tasks of their profession and
needed fairly constant throughout a marketer's care­
cer. Yet, technological advances, labor force shifts, and accelerated demands for
up-to-date information presented in usable
formats, have resulted in a need for virtual
marketors to be able to think and solve
problems and make decisions based on
the ability to think creatively and solve
problems has evolved as a tool mostly needed by
organizations at every level, and by or­
ganizations large or small (Carnevale,
to the next problem. **Ability To Cope With Technology:**

Virtual marketers need to overcome the technophobia that reduces their productivity. Individuals need to be flexible, knowledgeable, and find the time to understand how computer tools can assist them in achieving their marketing goals. Of the five skills outlined, use of new technology is the easiest to teach. Most firms can conduct in-house training or send their virtual marketers to refresher courses or computer workshops as the need arises.

**Relevant and Practical Learning**

Joyner (1996) outlined one example of how technology-based learning activities, integrated within an existing curriculum, can aid in providing a realistic, relevant and practical learning experience for future marketers. One marketing professor directs students where advanced technology simply isn't welcome, possibly for economic reasons, but also by preference. Swift, widespread diffusion of new technology rarely happens. It took many years for microwave ovens, VCRs and video cameras to become commonplace. Implicit here is the arrival of technological segmentation as a serious marketing device. Kotler (1991) argues that the relative cost-effectiveness of advertising and personal selling in performing marketing communication tasks depends on the stage of the buying process. Personal selling becomes more cost-effective the closer the buyer gets to the latter phases in the purchasing sequence. A central question, then, is where does a Web site fit in terms of communication effectiveness. Rather than profile this, we lead this to the reader to ponder. Virtual marketers will have to learn how to market their goods and services across this expanding spectrum, dealing with the technological challenges. The role of brand managers will change as more tasks become automated and more marketing information becomes available. Greater management expectations for return on marketing investment will place new pressure on marketers and add a level of accountability. A dichotomy will emerge as marketers will be posed with an interesting conundrum: more choices, more competitive pressures, greater and faster expectation of return on marketing investments, and a growing number of consumer segmentation possibilities, but not necessarily higher marketing budgets.**

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References


Sy Syms and Ray Goldwicht Team Up for Successful Shabbaton

continued from front page

"I was an amazing Shabbaton," SySSB President Bennett Schachter exclaimed, "I've been on Sy Syms Shabbotons in the past, and this one far exceeded expectations. It's great to see such a big turnout, and I attribute a lot of that to Ray Goldwicht. Hopefully, we can continue this student enthusiasm and carry it through to different student events."

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Fundraising at Yeshiva University
by Dov Emerson

The Yeshiva University Department for Development plays a pivotal role in sustaining the continued existence of the institution. It serves as the chief fund raising division of the university, securing the funds necessary for YU to strengthen its position as one of the premier universities in the country. The 72nd Annual Hanukkah Convocation and Dinner, held on December 8, 1996, is the most prominent fundraising event of the year. Five distinguished philanthropists and communal leaders, as well as New Jersey Governor Christine Todd Whitman, were given honorary doctoral degrees. The dinner was once again very successful, raising funds for the university in excess of $1.5 million.

This year’s dinner, a $500 per person affair held at the Waldorf-Astoria Hotel, was attended by over 700 people. According to Mr. Dov Emerson, Director of the Department for Development, "we would like people to be involved in the university. It serves as the chief fund raising division of the university, securing the funds necessary for YU to strengthen its position as one of the premier universities in the country. It serves as the chief fund raising division of the university, securing the funds necessary for YU to strengthen its position as one of the premier universities in the country."

Fundraising Methods

According to the booklet, under such an arrangement, "assets (e.g., real estate, securities, partnerships interests, etc.) are placed in a lead trust for a fixed number of years, with the income earned going to Yeshiva University. When the years have passed, the lead trust terminates and the assets go to the person or persons named in the agreement. In this manner, estate taxes can be reduced or even eliminated." Charitable gift annuities are another way of donating money to YU. Assets are transferred to YU which, in turn, agrees to make regular fixed payments to the donor or their beneficiaries. The benefits of an annuity such as this are stated in the booklet: "contractually guaranteed, specified, regular payments," and so forth.

The Department for Development at YU oversees all of the school’s fund raising. The two main locations are at the main campus and at Albert Einstein College of Medicine. There is also a staff representative working at Benning N. Cardozo School of Law. Forman stated that while the Department for Development does have these physical headquarters, "if everyone is doing their job right, the staff won’t be by their offices. The staff is often on the road, meeting with donors at their place of work or residence, and also on site of the various schools, working closely with the deans and faculty."

In determining the funds needed for each school within the university, the Department for Development has several approaches. The first step is to look at the previous year’s budget, which is a generally accurate forecast of the school’s needs for the following year. Another way of determining the needs of each school has been implemented in the last year, and it is called "prioritizing" by Mr. Forman. He described how the Department for Development recently requested each of the deans to work with their respective faculties to determine needs for the annual budget as well as for the future. They were asked to think about which strengths they want to enhance, (have the school be known for, have the school be known for, have the school be known for), and to request funds for those programs which they felt would attract students.

Mr. Forman explained that fundraising is a rapidly changing field, and what works now may not necessarily be effective in the future. Citing a statistic that in the next ten years, over four trillion dollars in assets will be transferred from one generation to another in the United States, he affirmed that the department’s plans for the future include increased emphasis on planned giving. He also stressed the importance of attracting the next generation of leadership as they "go up the corporate ladder and become successes before they reach the pinnacle. Therefore," he stated, "our definition of development is involving people in meaningful relationships with the university before we ask for their support. As a result, when they have enough assets to make a difference philanthropically, they’re already part of our family. Therefore, this investment of time and energy in development must have a long view, and that’s based on positive relationships with people."

However, the Vice President for Development stated unequivocally that "our best investment is our students." He remarked that alumni services "is an area where we have not paid as much attention to as we should have," and that even though the funds generated by them is less than other groups of donors, "we plan to continue to establish a long and productive relationship with our alumni."

The Field of Development

While Mr. Forman has background experience in both social work and business, he believes that the development field is open to anyone who enjoys other people, wants to make a difference in the world, and believe in the message of the institution they represent. I have added house-wives, doctors, and scientists. The common denominator is their desire to make a difference and their ability to work with others.
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ISRAEL REPORT
Capital Chasers
by Dov Robinson

Logic will tell you that if you are looking for investors, you might want to check out where the other tech-firms are getting theirs, especially if the investors are willing to pay top dollar. For years, many Israeli companies of all sizes have opted to go public on American soil rather than in their own market, the Tel-Aviv Stock Exchange (TASE). So far, twenty-two firms, most being small, tech-based outfits that service the Internet, held Initial Public Offerings on the technology-laden NASDAQ Exchange during 1995 and the first four months of 1996. Their total take came to over $770 million. The obvious question is: why can't these companies raise money on their own turf? The enormous American capital markets are sure to attract some foreign players, but the combination of the desire of high-technology firms for industry recognition, poor Israeli economic numbers, investment advantages, and sheer disgust with the entire TASE system are essential reasons why the TASE is quickly losing ground to the NASDAQ as the primary resource for capital growth.

In addition to recognition, there is a simpler reason for the Israeli rush to Wall Street. Many companies are finding it increasingly difficult to obtain sufficient capital for growth. Inflation has driven up local costs in shekels by about 8%, driving interest rates through the ceiling. With the banks asking for 20% last year, interest payments alone have scared prospective loan takers away, even though maturity dates have been shortened. Banks set tougher loan standards after many deals went bad. Additionally, because bank rates are so high, Israeli investors have put their savings in two five-year inflation-adjusted, tax and risk-free savings accounts which earn up to 4%-5%, thereby leaving very little money to invest in stocks.

The fact is that investors have been a little apprehensive about investing in TASE at all because of the crash of 1994. Many companies had invested heavy amounts of capital earnings in speculative markets when the market was actually healthy, but a few badly placed bets snowballed, trust was lost, and prices fell through the floor. Recent manipulations and the ongoing trials of senior officials from banks and bank-owned investment institutions have apparently convinced the public that its money is best kept out of the TASE. As shown in the chart below, investors are much better off putting their money in the higher yielding (average weighted return of 49%) Israeli stocks traded on the NASDAQ rather than those only traded on the TASE (return of 23%), even though the solely Israeli traded companies have a greater operational profit than do the American traded stocks. In addition, Israelis are not required to pay capital gains tax. Paradoxically, earnings per share (EPS) and price/earnings (P/E) ratios are relatively high for Israeli companies, but are only relevant if the company pays or deducts as dividends. Dividend distributions are rare as the Israeli Finance Ministry puts large taxes on companies paying dividends. Further, low volume of trading activity makes for meager capital gains. On most days, one of the bigger Israeli companies will generate more trading volume on the NASDAQ than the entire TASE.

With bank loans being too expensive for many firms, another option in obtaining capital would be to issue stock on the TASE. However, this is equally as many problems in the equity market as well. The TASE is steeped in impediments and complexities ranging from the three confusing floor trading systems to the dangerously high concentration of conglomerates. Traders must be adept at being able to quickly convert percentages (which the stocks are traded at) into prices, and visa versa. TASE is renowned for having one of the highest concentration of conglomerates of any stock exchange in the world. Of the 1000 plus securities listed, 100 account for 70% (25 million) of the total security daily average value (35 million). The big disadvantage is that these conglomerates often shift earnings from profitable companies to those that haven't done so well and could use a cash boost. The shareholder gets stuck in the middle with nothing to show for a good investment. Generally, many companies on the TASE own as much as 80-90% of their own company stock, which translates into low shareholder input and unhealthy stock prices. A few Israeli companies are so disgusted with TASE's systems and policies that they aren't even registered for trading there.

Many more small Israeli outfits are looking to Wall Street, having reached the point where an IPO is possible and needed. Because of the recent IPO boom on the NASDAQ, especially in high-tech stocks, the red carpet is being rolled out for the Israelis. Some of Israel's blue chip stocks, including Koor Industries, are steaming full speed ahead for New York. Big firms like Koor seek to broaden their horizons and shareholder base where everybody will see them.

Elron, one of the main holding companies in Israel's electronics industry, recently enjoyed a successful IPO on the NASDAQ. Chip Express, a manufacturer of dedicated semi-conductor chips with a useful rapid prototyping technology for chips, will probably follow suit. Many companies have looked to venture capital to solve their cash quest, but large amounts aren't to be found inside Israel's borders.

While it may sound like all Israeli companies are going to hop on the boat to America, many companies do have their share of problems. On Wall Street, pharmaceuticals, Israel's largest generic drug company, is presently in the middle of a diplomatic bull fight with the U.S. ambassador to Israel, Martin Indyk. Indyk is relentlessly pushing U.S. trade interests as a central part of his job, while Teva wants the Israeli government to change the patent law in order to help the company develop drugs even before the existing patent expires. "If Israel lets the interests of one company (Teva) bring about an amendment to the patent law for its benefit," Mr. Indyk warns, "the matter will hurt trade relations between the two countries."

It really comes down to a simple fact: many companies can't raise the money they need in their home Israeli market and must seek it elsewhere. The NASDAQ, which contains so many stocks similar to those found in Israel, is the perfect haven. While providing recognition and a distinct investment and system advantages, it still enables a foreign stock to be traded on its home stock exchange. While there are attractive companies on the TASE that do attract foreign investors, IPOs in Tel-Aviv have become a thing of the past.

If Israel wishes to keep its capital chasers at home, it has a long way to go.
Headhunters earn a living by making the right person with a job. Their success depends on being accurate, as well as on the attitude they project, and the control they exert over the hiring process. The other way is to use America's antiquated employment system. In this system one works with classified ads, resumes, cover letters, human resources expert's minds and the computer-generated rep­resentatives and little postcards that say "unfortunately, we do not have a position for you at this time." Hundreds of resumes are sent out, few are interviewed, are at­tended, and hours wasted waiting by the phone.

For decades, hiring in America has been controlled by the rules and methods of the employment system. Everyone enc­ounters it. The system permeates the want ads, "job hunting," resume writing guides, career advice columns, govern­ment issued employment brochures and career counseling seminars. The "sys­tem" is so ingrained in America's cons­ciousness that people automatically fol­low it when they need to find a job. It is the treadmill one gets on when one be­gins the process of mailing out resumes and going to interviews. It is the frustra­tion experienced worrying and waiting for a company to make an offer. The rules of the "system" are so pervasive that no one can help but be affected by them. The odd thing is, the people who manage and profit from this system earn a living whether the job seeker succeeds or not.

Headhunters understand that the "system" does not work, but they are not very vocal about it. Their business is to effectively perform those functions that the "system" handles so poorly. Headhunters have developed methods that work be­cause they must. Their sole source of in­come is derived from finding competitive job offers. Headhunters work outside the "system." They are the "hired guns" who live by their wit and skills. Head­hunters have no reason to make a lot of noise about what they do. Since their methods work, corporations retain them. In the minds of most corporations, there is no option but the "system." They are at their mercy. The more powerful methods of the headhunter have remained quietly buried beneath this burden of ineffective tradition that hinders America's battle with unem­ployment.

Headhunters are cornered at so­cial and professional gatherings just like doctors are. People are hungry for help and advice about how to keep their jobs. A country rumored to have 200,000 Russian immigrant nuclear physicists working as street-sweepers, Is­rael is rapidly being appreciated by the financial world as a gold mine of over­educated citizen who understand and appreciate modern technology. A recent study by the Israeli newspaper concluded that Israel has the highest-per-capita com­puter-to-citizen ratio in the world.
Looking For a Job? Try the web
by Chaim Haas

In the past, someone looking for a job would have to mull over page after page of newspapers or visit a handful of job opportunities in their prospective employment field. Fortunately, the World Wide Web has made this task as simple in fact and point. Recently, a large number of sites have sprouted up all over the web, offering large databases of job classifications that can be easily searched.

One of the largest of these sites, Careerpath.com, has a searchable database of over 5,000 job wanted ads, in service with over seven million customers, there was a fear that their market share would begin to shrink. Cheaper, more basic services are also emerging on the Internet every day, and many of the services provided by America Online were available on the Internet at a much cheaper price. It was time for America Online to do something to hold on to their current customers, continue to build their customer base, and prove that they were still the best online service available.

The company's first move was to distribute millions of disks with their software. By the time this stage was completed, America Online disks could be found almost anywhere. The second stage of the marketing plan involved the price of their services. America Online's billing system was based on hours used per month. Most other Internet access providers charged a flat fee for unlimited use or fifty hours a month. America Online decided that as of December 1st, there would be a flat fee pricing system of $20 a month for unlimited use or fifty hours a month. America Online disks could be found all over the web, offering large databases of job classifications that can be easily searched.

A final component planned was a upgrade of their system in order to handle the expected new demand. Since July, AOL has already increased their network capacity.

The marketing plan worked perfectly. America Online, already the market leader in customers, increased their customer base tremendously. They recently announced that they have surpassed eight million customers worldwide, with a 1.2 million customer increase in the last quarter of 1996 alone, a number higher than any predicted by AOL analysts.

Although in a way this is a mixed blessing. Not only did their usage increase from all the new customers, but they also reported increased turnover of customers because of the potential for an invasion of privacy.

Another excellent site on the web is Jobsite.com, which is partnered with over 500 college and university career centers in the country to provide information that students and recent graduates need most. The site boasts over 2,100 online part-time and full-time job openings each day. Jobtrak has added the benefit of providing listings for a broader spectrum of careers than are found in some of the other online career sites geared toward job seekers.

To also be found at Jobtrak is The Riley Guide, a very broad listing of employment opportunities and job sources on the Internet. This publication is currently in its third year of service and has links to other sites that offer tips and articles for using the Internet for job searches. Other links from this site provide job information on a per state basis, and can be very useful if one is looking for employment in a certain locale.

The National Association of Colleges and Employers jobWeb is an electronic gateway to career planning and employment information, job-search articles and tips, job listings, and company information for college students, recent graduates and alumni. There are also significant resources for college career services and employment professionals, including career and employment information, training, and services sponsored by the National Association of Colleges and Employers, formerly the College Placement Council. This is a great resource for researching potential employers.

This column also presents a small sampling of the job search sites that are available online, and many more sites can be found by just going out and surfing on your own.

Troubled Times For America Online
by Yitzhak Raab

This past December, the management at America Online foresaw potential problems developing within their company. Although America Online was by far the world's largest Internet service provider, with over 7 million customers, there was a fear that their market share would begin to shrink. Cheaper, more basic services are also emerging on the Internet every day, and many of the services provided by America Online were available on the Internet at a much cheaper price. It was time for America Online to do something to hold on to their current customers, continue to build their customer base, and prove that they were still the best online service available.

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Market Safety continued from back page

To get in and out of the market, the temptation is to buy when stocks have just gone up and sell when they have just gone down. This is "buy high and sell low". Anti-vice law made it possible to predict highs and lows, "buy regularly" is the best approach.

The second way to lose money is to choose bad stocks. All the figures from this article are based on buying the S&P 500, essentially the 500 largest corporations. Even in a good market there are plenty of stocks that go down and stay down. And individual stocks often go down and stay down (it is called "buckbush"). Anyone can avoid this second problem by buying an "index fund". This is a mutual fund that collects money from many investors and buys a basket of stocks. For example, if you put $5,000 in the Vanguard index fund you will have $10 invested in each of the 500 companies in the S&P 500 index (actually you will have more invested in the bigger companies, less in the smaller, but that is the general idea).

To return to our original question, "how safe is the stock market?" we can answer: "A long term investor who makes regular contributions to a diversified portfolio and is flexible about when the money is needed has always been safe in the past and is probably safe as it is possible to be in the future."
Personal Investment Strategy

How Safe is the Stock Market?

by Professor Brown

H ow safe is the stock market? This question occupies the minds of tens of millions of people who have just begun investing in it in the last few years. It also concerns people who have not yet invested, but are told their only hope for financial security lies in the stock market. Even veteran stock market investors get worried when the market hits all-time highs (they also worry at all-time lows and every point in between).

One answer is, "not safe at all." The stock market can fall 84% as it did over the three years from July, 1929 to June, 1932. It can fall 20% in one day as it did on October 19, 1987. Four times in the last 70 years, the stock market has fallen more than 20% in one year.

While it is true that the stock market can go down, suddenly and deeply down, it cannot stay down. This is why long-term stock market investors do not fear crashes. Say you buy stock when the Dow Jones Industrial Average is 6,500. The market repeats its depression-era performance and drops to 1,000. Over the next ten years it slowly works back up to 4,000.

If you sold out at the crash, you would have a return of negative 85%. If you held the stock for ten years, you would have a loss of 38%. Actually dividends would just about make this up so you would break even. But a 0% return is nothing to get excited about.

However, suppose you put $100 in the stock market every month for the full ten years. That is a total investment of $12,000; it would be worth over $26,000 at the end of the period. Your annual return would be about 14.3% per year. Thus a long-term investor who makes regular contributions need not fear crashes.

How does this work historically? Suppose you put $100 in the stock market every month and kept it up until your investment has doubled. On average it has taken ten years for this to happen, you invest a total of $12,000 and end up with $24,000. The average annual return for this strategy is 15%.

Technical Note I to Finance Majors Only, all others skip this paragraph.

You may be thinking of the Rule of 72 which says doubling your money in ten years represents approximately a 72/10 = 7.2% return. But in this scheme only 1/120 of your money is invested for the full ten years. Some is invested for nine years, some for eight years and so on. The last $100 is invested for only one month. Therefore your average $100 is invested for about five years so your return is approximately 72/5 = 14.4%.

In good years for this strategy: 1932, 1937, 1940, 1949 and 1978-82, you doubled your money in only five years getting annual returns of almost 30%. In bad years, 1929-31 and 1958-62, it took 20 years giving an annual returns as low as 6.5%. Even the 6.5% is pretty good compared to the 3.75% to 5.25% offered by corporate bonds during these years.

This strategy, putting a fixed amount in the stock market every month until your total investment has doubled, has always worked in the past. At worst it produces returns a few percent above bond yields, at best it produces spectacular returns. The average return of 15% is enough to fuel most sensible financial plans.

Technical Note II to Finance Majors Only, all others skip this paragraph.

You will recall that the average return of the stock market is only about 12% and that no mechanical timing strategy can improve that. So how do we get 15%? The answer is that when you get the high returns, like 30%, you get them only for a short period of time (five years). When you get the low returns you get them for 20 years. So while the average return is 15% each time you try this strategy, your total return from doing this strategy many times will be 12%.

There are two drawbacks to this strategy, one financial and one psychological. The financial one is that you must continue to invest constant amounts whether the market is up or down. Every day there are articles in the newspaper about why now is the time to get in or get out of the market. When the market is going up, some writers point to the recent gains as proof the market is good, other writers say remind us that "what goes up must come down." When the market is going down, some writers tout alternatives to the disappointing stock market, other writers emphasize how cheap stocks are. It is hard to maintain the steady discipline needed to tame the stock market's volatility.

The financial problem is that you must be prepared to leave your money in for twenty years and you cannot predict when it will be available. That means if you need money at a particular time, say when your daughter turns 18 and wants her college tuition money, the stock market can be dangerous. Even if you can be flexible about the time, the stock market is dangerous over short periods of time. For example if you are saving for a house down payment, and just want the money sometime in the next three years, you are flexible but you do not have enough time to make the stock market safe.

Therefore we need more complex investment strategies for these types of situations. But the bulk of most people's investment needs are for long-term, indefinite-horizon savings. That is why the bulk of most people's investments should be in the stock market.

Of course, all of this analysis depends on the premise that the stock market cannot stay down. What if the Dow Jones Industrial Average falls from 6,500 to 1,000 and stays there? Or even continues down forever? In that case stocks would not be an attractive investment however steadily you contribute money.

Why do I think the stock market cannot stay down? One important reason is that it never has. But other investments have stayed down. Gold went from $800 per ounce in 1979 to under $400; it has never gone back up and there is no reason to think it ever will. Marly other investments have gone down forever.

In the short run, bonds and other investments are much safer than stocks. Bondholders get paid before stockholders and the dollar can survive recessions. But in the long run, if stocks go, everything goes.

So how do people lose money in stocks? There are two easy ways. One is because if corporations are not making any profits they will soon start missing interest payments as well. The attempt to meet fixed charges, without being able to raise new debt or equity capital, will force corporations to lay off workers and stop buying commodities. So wages and commodity prices would fall as well.

Government bonds could continue to pay dollars as long as the printing presses are working, but the value of those dollars depends on tax revenues. Tax revenues, in turn, depend on corporate profits, corporate interest payments and wages. With all these falling the government would have to choose between undermining the dollar by running huge deficits or defaulting on the national debt.

Therefore a long-term failure of the stock market implies a deep depression and a currency or government debt crisis. In this scenario there are no good investments (except, possibly, canned food and guns). So you might as well take advantage of the great returns the stock market has offered in the past because if they ever stop for more than a few years, most of the economy will stop with them.

Of course, these are all long-term arguments. The stock market has often stayed down for one or two years without permanent damage to bonds or the economy. The stock market was down longer on two occasions, 1929 to 1933 and 1969 to 1974. The first time the result was the Great Depression, the second time caused the stagflation, high inflation and high unemployment, of the 1970's. So in one case we got the deep depression and a minor debt crisis, in the other we got a recession and a major currency crisis. If the stock market had stayed down longer, the results would have been even more grim.

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Continued on page 11