

SPRING 2016

the Alumni Magazine of NYU Stern

# STERN *business*



## MEET ALISON MASS

Alumna takes the  
lead as Stern's new  
Board Chair

Alumnae make their mark ■ Morgan Stanley's James Gorman unplugged ■ Richard Sylla reflects ■ Why people do what they do ■ Dean Menon's Silver Anniversary



## f r o m   t h e   d e a n

Often in these pages we have emphasized NYU Stern's long history of paving the road to opportunity. In 1900, Stern led the way as one of the first business

schools to open its doors to women. As a proud bearer of this heritage, I joined 14 deans of top business schools last academic year to participate in a White House conference to discuss best practices for a workplace that meets the needs of women as well as working families. I am especially pleased, therefore, to share this issue of *STERNbusiness*, which features a small handful of our many outstanding women graduates. Starting on page 11, you'll read about six high-achieving alumnae working successfully across diverse sectors.

Also in this issue, on page 6, you'll meet Alison Mass (BS '80, MBA '81), a partner at Goldman Sachs and the first woman to head our Board of Overseers. (The undergraduate class of 2010 may recall Alison's inspiring commencement speech.) On page 8, you'll join Stern Undergraduate College Dean Geeta Menon, who celebrates her 25<sup>th</sup> year at Stern, as she reflects on her career as an award-winning marketing professor and dean, and discusses what's ahead for Stern's thriving Undergraduate College.

Of course our alumni shine in a variety of roles, and we're always happy to share their stories. For example, after years in the auto industry, Greg Casagrande (MS '87) followed his dream and launched a second career. His South Pacific Business Development Microfinance Network has helped more than 60,000 women in the Solomon Islands, Tonga, and Fiji find their economic footing (page 43).

On campus, our discussion forums frequently draw prominent business and policy leaders to Stern. This past fall, James Gorman, chairman and CEO of Morgan Stanley, shared personal and professional perspectives during a provocative conversation with his interviewer, Professor Charlie Murphy. Read about this event on page 18.

Our roundup of faculty research for this issue begins on page 24 and centers on human behavior as it plays out in a

business context. Professors Adam Alter, Tom Meyvis, and Elizabeth Morrison each contributed to papers that will augment marketers' and managers' toolboxes.

In big news for the University, NYU's 16<sup>th</sup> president, Andrew Hamilton, took office in January. Andy succeeds President John Sexton, who in his 13 years of service provided visionary leadership that guided NYU's remarkable ascent. John will continue to teach at the University. Andy is a distinguished chemist and a fellow of the Royal Society whose scholarly work links organic and biologic chemistry. He received his PhD from Cambridge University and most recently served as vice chancellor (the equivalent of president) of Oxford University. Prior to that, Andy held faculty positions at Princeton, the University of Pittsburgh, and at Yale, where he also served as provost from 2004 to 2008. It is a testament to the great university we have built through the efforts of students, faculty, administrators, and alumni like you, that an academic leader of his caliber and reputation is drawn to our community. I look forward to working with Andy to continue to build NYU's and Stern's reputations globally.

With so much going on here at Washington Square, it is sometimes hard to get away, but it is always rewarding to meet members of the Stern family around the world. Over the past months I've had the pleasure of visiting alumni in places such as California, London, Italy, and most recently Singapore, Taipei, and Hong Kong. If I haven't had a chance to connect with you personally this past year, I hope to do so soon!

Meanwhile, I want to express my appreciation for all you do for Stern. Whether participating in panels and conferences, judging competitions, mentoring students, hiring graduates, or donating funds to create scholarship opportunities for talented students, your ongoing role in the life of our School is critical and deeply valued.

With all good wishes,

Peter Henry  
Dean

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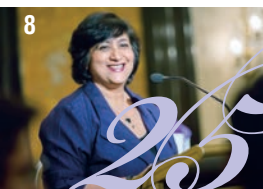
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# STERNbusiness

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# PUBLIC Offerings

## EXTRACURRICULAR EDUCATION

Ideas abound as students, faculty, alumni, and practitioners crowd fall forums and conferences



US Department of Housing and Urban Development Secretary Julián Castro delivered an economic and housing policy speech at Stern in mid-November, detailing the overall housing market recovery under the Obama Administration. Watch Secretary Castro's speech at [stern.nyu.edu/sternbiz/julian-castro](http://stern.nyu.edu/sternbiz/julian-castro).



Dan Schulman (MBA '86), CEO and president of PayPal, joined MBA students and alumni for an interview with Professor Al Lieberman as part of the 2015-2016 Langone Speaker Series event, presented by US Trust.

Iceland's first billionaire, Thor Björgólfsson (BS '91), self-styled adventure capitalist, was interviewed at an alumni event by Matthew Bishop, US business editor of *The Economist*, about his autobiography, *Billions to Bust and Back: How I Made, Lost and Rebuilt a Fortune*.



The Right Honorable Gordon Brown, former UK prime minister, presented a talk entitled "Making Strides: Seven Years After the Global Financial Crisis" to more than 100 students from NYU Stern, the School of Arts and Sciences, the School of Professional Studies, Wagner

School of Public Service, and Steinhardt School of Culture, Education, and Human Development.





Manish Chopra, partner at McKinsey & Company and author of *The Equanimous Mind*, led a discussion with a group of MBA students on the benefits of mindfulness in business, as part of Stern's Leadership Development Program this fall.



Loretta J. Mester, president and CEO of the Federal Reserve Bank of Cleveland, was hosted by the Stern Center for Global Economy and Business, led by Professor Kim Schoenholtz, for an address on sustained economic growth.



More than 100 faculty and alumni from Stern's Master of Science in Business Analytics program, as well as practitioners, gathered for the School's First Annual Business Analytics Symposium on "Transforming the Workplace."



Stern's Master of Science in Risk Management program hosted its second Risk Roundtable in November, focused on the subject of digital currency, also known as cryptocurrency. Professor David Yermack moderated a panel that included alumnus Rodrigo Figueroa (MS '13), managing director at Citigroup.



Clinical Associate Professor Luke Williams, executive director of the W.R. Berkley Innovation Lab, assembled a tech panel led by Jeff Teper (BS '86) to discuss the impact of New York's start-up community on the future of the City. Teper is corporate vice president, OneDrive and SharePoint, at Microsoft. Watch the panel discussion at [stern.nyu.edu/sternbiz/jeff-teper](http://stern.nyu.edu/sternbiz/jeff-teper).



Ekta Kapoor, joint managing director of Balaji Telefilms, discussed the past, present, and future of one of the largest entertainment production companies in South Asia and the Middle East.



The Stern Center for Global Economy and Business, led by Professor Kim Schoenholtz, hosted a panel discussion on “The Future of the European Monetary Union,” featuring Professors Alberto Bisin, Luís Cabral, Thomas Philippon, and Stijn Van Nieuwerburgh.



Daniel Schwartz, CEO of Restaurant Brands International, took part in a fireside chat as part of the School's Leadership Development Speaker Series.



NYU Shanghai's campus hosted its First Annual Volatility Institute Conference, focused on the theme of liberalizations in emerging markets. Nobel Laureate Robert Engle, the Michael Armellino Professor of Finance and director of the Volatility Institute at Stern, and his NYU Shanghai counterpart, Professor Wang Jianye, were among the speakers. Jeffrey Lehman, vice chancellor of NYU Shanghai, and Andrew Hamilton, then president-designate of NYU, delivered welcome remarks.



Henry Cisneros, chairman of CityView, former mayor of San Antonio, and former secretary of housing and urban development, delivered the luncheon keynote address at the Fourth Annual Fall Symposium hosted by Stern's Center for Real Estate Finance Research.



Martin Cohen (MBA '76) of Cohen & Steers and Barry Blattman (MBA '86) of Brookfield Asset Management Inc., NYU alumnus Thomas Garbutt (MS '93) of TIAA-CREF, and Nicolas Firzli of the World Pension Council shared insights on "Institutional

Investors in Real Estate and Infrastructure," during a panel discussion moderated by Stern Adjunct Professor James Stolpestad II. Professor Stijn Van Nieuwerburgh, director of Stern's Center for Real Estate Finance Research, welcomed attendees and moderated a panel discussion on "Real Estate and Infrastructure Assets."



The 12<sup>th</sup> Annual Social Entrepreneurship Conference, co-organized by Professor Jill Kickul, convened scholars, practitioners, and students from around the world to explore topics in social enterprise, innovations, sustainability, and impact. Marc Albanese (MBA '08) and Yaopeng Zhou (MBA '15), co-founders of Smart Vision Labs, gave free vision exams with their portable vision examination device.

# 8 QUESTIONS

**ALISON J. MASS (BS '80, MBA '81)**

**Partner, Managing Director, and  
Global Head - Financial Sponsors Group  
Goldman Sachs & Co.  
Chair, NYU Stern Board of Overseers**



*Alison Mass joined Goldman Sachs as partner in 2001 from Merrill Lynch and before that, Drexel Burnham Lambert, where she started her career in 1981. In February 2015, she was appointed global head of the Financial Sponsors Group in the Investment Banking Division (IBD) at Goldman Sachs, where she is a member of the Partnership Committee and the IBD Executive Committee. Previously, she served as the co-head of the Financial Sponsors Group in the Americas. Mass serves on the Board of Trustees for Uncommon Schools New York City. On September 1, 2015, she was appointed chair of the Stern Board of Overseers, the first woman to hold the position.*

**1. When you first started your career, did you have a specific goal in mind? Tell us about the professional journey that led to where you are today.**

I'd like to be able to say I had a grand master plan when I graduated from Stern, but I did not. I wanted to find a profession where I could use my business skills, work with great people, and be constantly intellectually challenged. I was also focused on paying off my student debt and being financially independent. I never thought 35 years later I would be a senior partner at Goldman Sachs. I have always managed my career year-by-year, and I ask myself these same questions: Am I happy? Working with people I like? Being treated fairly? Being compensated fairly? Intellectually stimulated? Learning? Is my personal life under control (i.e., how is my relationship with my husband and how are my children doing)? If I can answer all these questions with a yes, then I re-up for another year.

**2. What was the landscape like for women in investment banking when you started your career on Wall Street? How is it different now?**

The biggest challenge for women when I started is the same as today: the lifestyle. That is a deterrent for women and men who are thinking about coming into the business. Millennial women and men want to have a better work/life balance, and the industry is focused on making adjustments in this area.

The opportunities for women are stronger than when I started because investment banking is a more global and diverse business; we have more

client needs and new industries. There is also more focus on social impact investing. With all of this, there is a need for a more diverse talent pool, which includes women. Still, the industry can do a better job of recruiting and retaining talented women at the top. We need to give women more opportunities in senior leadership roles; the more senior women there are, the more junior women will want to stay and work for them. There is strength in numbers.

**3. You've talked about your "weighted average week" method of balancing work and life. Can you elaborate on that?**


My idea is built on the concept of the "weighted average cost of capital." As a Type A person, it's hard even to consider not being outstanding at everything I do every day. But that's just not possible. There are too many competing demands. I've learned to accept I cannot be an A+ at everything every day, but I've also learned I can be an A, on average, over the course of a week. If I'm traveling to Asia for a few days for business, on those days I've been an A+ banker, but probably not an A+ mom or wife. So when my children were younger, I might take off work the day before my trip, spend time with them, drop them off and pick them up at school. Then maybe the night after I got home, I would go out for a dinner date with my husband and spend one-on-one time reconnecting. You have to proactively manage your schedule and think ahead. You can't let anything go unattended for too long.

**4. You've mentioned spending 20 days minimum on the ski slopes and dining once a week with your family. Are you officially "off the grid" during these times?**

I am never off the grid. In a global, client-driven business, I need to be plugged in 24/7. Can I be plugged in from the ski slopes of Colorado or a soccer game on Randall's Island? Yes. I make sure that I spend time with my family, take vacations, and pursue the recreational activities and hobbies I love, but it is an expected and necessary part of the job to be plugged in all the time.

When my children were little I had a ritual of going to family dinner every Friday, and I would leave my Blackberry at home. For 90 minutes a week I was off the grid. But I would often come home to an email from an important client saying, "How can I reach you?" While that created anxiety for me, because it was Friday night between 6:30 and 8 p.m., I felt it was





**“People want to do business with people they like and people they trust.”**

okay to email them back at 8:05 and say, “I apologize, I was out for my Friday night dinner with my family – you can reach me at my home number.”

**5. In your role as global head of the Financial Sponsors Group at Goldman Sachs, you work with private equity firms. How has working with these businesses changed over time?**

The private equity industry has grown from a minor player in the 1980s to an integral asset class for both the economy and for long-term-oriented, institutional investors. The biggest change is increased complexity. Many firms have changed their corporate structure by publicly listing their general partners. Second, strategically, many have expanded beyond core private equity to pursue alternative asset classes such as credit investing, public equity investing, and real estate. Third, firms are more global, opening offices and managing portfolio companies in multiple geographies. Finally, in core private equity, many firms are willing to pursue investment strategies beyond traditional buyouts, such as PIPEs, minority investments, or sponsored spins. These changes make effectively covering these businesses more challenging in every regard.

**6. What is the best advice you ever received?**

First, invest in relationships. Building relationships translates to commercial success and can really make a difference. People want to do business with people they like and people they trust. You’ll be more successful on the job and have more fun at work if you are genuinely interested in people and what’s important to them. The second piece of advice that’s made a difference is to keep up with your interests outside of work, whatever they might be. I’ve been clear about my priorities and how to manage them, and that’s kept me from burning out.

**7. As the new chair of the Stern Board of Overseers, what do you hope to accomplish at the School? Why do you stay involved with Stern?**

My number one goal as chair of the Stern Board of Overseers is to support the Dean and his efforts to accomplish his goals for the School. I also want to bring energy to the Board of Overseers so that our board members and alumni collaborate to continue to enhance our contributions to the School – our knowledge, wisdom, and financial support.

**8. How are NYU Stern students uniquely prepared to work at the firm/in the industry?**

NYU Stern has one of the best business curriculums of any college in the world. The Stern student comes to work with really strong technical skills and an open mind to think laterally about business. Spending time studying in New York City, one of the world’s greatest business hubs, gives them a unique sophistication and preparedness for dealing with the complex issues of a global business.

**Bonus - How did both your undergraduate and graduate degrees prepare you for your career?**

I came out of Stern with excellent theoretical business knowledge skills. As part of a five-year BS/MBA program, I didn’t have any practical work experience. So while I had the book knowledge, I didn’t have the life experience to operate on par with peers who had worked before getting an MBA. Once I turned 30 and had accomplished a lot in my career, I was very happy I had gone straight through. Having my children when I was more senior gave me a bit more flexibility to manage my career and life. So as I always say, things work out for a reason. ■



# 25 Years Worth Celebrating

FROM ASSISTANT PROFESSOR TO ONE OF *THE ECONOMIC TIMES*'S MOST INFLUENTIAL INDIAN WOMEN, UNDERGRADUATE COLLEGE DEAN GEETA MENON REFLECTS ON HER CAREER AT NYU STERN AND LOOKS AT WHAT'S AHEAD FOR THE SCHOOL.

**It was your 25<sup>th</sup> anniversary at NYU Stern last year. What were some of the highlights as a professor, chair of the marketing department, and now as Dean?**

The most notable highlight is the amazing upward trajectory of NYU and Stern during the last 25 years. It is pretty incredible to see that we've morphed from a regional university into a truly global powerhouse. I remember traveling to different universities around the world as a young professor and having to describe New York University. Now, even as I travel to the farthest reaches of the globe, NYU is a well-known, global name of enormous repute. Another highlight for me is getting tenure. It was the pinnacle of my professional achievements to that date and was particularly important to me because I've been told that I was the first female from Asia to be tenured at NYU Stern. I also served as department chair in Marketing and was proud to have played a role in raising our profile to among the top five marketing departments in the US. Since I joined the School, I have taught in every program at Stern (MBA – full-time, Langone and Exec Ed, undergraduate and doctoral), and I always get warm and fuzzy when I think of my role as a doctoral advisor where I've had the thrill to watch many of my students go on to careers as assistant professors starting in institutions such as the University of Chicago, Cornell, Dartmouth, and Northwestern. Seeing my students succeed inside and outside of the classroom is incredibly rewarding. During my time as dean, applications to the NYU Stern Undergraduate College have increased by almost 60 percent from about 7,000 in 2011 to an all-time

high of 11,000 in 2014. These numbers are a nod to this great university, and I'm immensely proud to be here – we are really hot!

**What experiences prepared you to be able to execute your vision for the Undergraduate College as Dean?**

I've drawn from all my professional experiences in executing my role as Dean. Doing research has trained me to examine problems critically and analytically, and this has helped me develop measurable solutions that can really move the needle on our priorities – such as raising funds for scholarships and building up professional development opportunities for students. As a professor of marketing, I teach my students about the importance of branding and cultivating consumer loyalty, which are critical to community building internally and reputation building externally. As department chair, I learned the value of consensus building among many intelligent players and how to navigate this behemoth University. As the elected 2010 president of the premier consumer behavior organization, the Association for Consumer Research, I learned the value of taking an institution to the next level from being a North American institution to a globally welcoming home for international scholars. All of these roles in their unique ways led me to the Dean's Office in the Undergraduate College. More than anything, my 25 years at Stern have shaped my fierce dedication to this School and to this University.





Dean Geeta Menon celebrates the 115<sup>th</sup> anniversary of the Undergraduate College at the Fifth Annual Block Party; students show their NYU Stern pride at the NYU Stern Scholarship Reception; Dean Menon cheers on graduates of the class of 2014, including her son, at NYU's Commencement at Yankee Stadium.

## What's unique about undergraduate education at Stern?

Our locations, both within New York City and our campuses around the world, are definitely unique and that's something we really capitalize on. One of our points of pride is being a pioneer in business education — we were the fourth to open our doors in the US. A big success factor for us is that students graduate with a deep grounding in liberal arts. Further, by the time they graduate, all Stern undergraduates have had a global experience, and half spend an entire semester abroad. We hear repeatedly from students that they are transformed during their time abroad. It develops students' cross-cultural sensitivities and their ability to think flexibly and make decisions in new global contexts. We've built a reputation for doing global bigger, better, and more meaningfully than any other undergraduate business program, and that is here to stay. Also, research: one of the first things we instituted after I became Dean was the Stern Program for Undergraduate Research (SPUR), which has enabled our students to get first-hand experience with research projects and work one-on-one with Stern's world-class faculty, many of whom are very heavily published. Our goal is to give students a new intellectual opportunity to stretch their brains, which doing research affords.

## What other academic changes on your watch have proved popular?

For one, we started what we call Tracks, so we could cut across disciplines and offer students the opportunity to specialize in topics such as asset pricing, business analytics, corporate finance, digital marketing, or real estate. Each track is overseen by professors with expertise in these areas who use New York City to our advantage — we have access to people who can come into our classroom and teach the practical issues they encounter in the workplace. We also started a new dual degree: a BS in Business/BFA in Film and Television. The NYU Tisch School of the Arts is one of the premier institutions for film and TV, so it was natural to join forces.

## Stern is known for having a very special community feeling. How do you foster this culture?

I am extremely proud of our efforts to engage students into our community. Being in New York City is an obvious advantage in terms of opportunities, but it can also be a disadvantage in terms of being very distracting, which is different from what a typical college experience can be. Besides all the programming put forth by our newly constituted Office of Student Engagement,

our efforts in creating school pride through the #IAmStern and #WeAreStern campaigns have been relatively successful in bringing students together as a community. After all, the marketer in me has to play a role here in branding this great institution and creating community among our various constituencies! I personally Tweet and Instagram, and like the easy access students have to ask me questions or tell me about the exciting things they are doing. In addition, our Cohort Program is dedicated to creating lifelong connections among students from their first day here.

## There's a growing interest in businesses with social impact among young people. What opportunities does the Stern Undergraduate College offer students?

Our Social Impact Core, which started in 2006, before the financial crisis, is a signature of the undergraduate business curriculum and has been recognized by the Carnegie Foundation as a model for other business schools. Over the years we've added several great electives for students, such as the Experiential Learning Seminar: Social Impact Consulting, where students take on a nonprofit consulting project for a semester. In addition to classroom learning, there is a lot of learning through co-curricular initiatives, such as the Social Impact Business Challenge, where students develop business ideas drawn from concepts learned in class.

## A DEAN'S POINTS OF PRIDE

Applications to the NYU Stern Undergraduate College from 2011 to 2014 increased by almost **60%**, from about **7,000** to **11,000**, an all-time high.

The average SAT and the ACT scores for the fall 2015 incoming class were in the **98<sup>th</sup> percentile**.

**100 percent** of undergraduate students have an international experience by the time they graduate, and half spend an entire semester abroad.

More than **260 students** and **77 faculty members** have participated in **161 research projects** in the Stern Program for Undergraduate Research (SPUR) since it began in Spring 2012.

All students take at least **50 percent** of their classes in the liberal arts and sciences and **39 percent** of students minor in the liberal arts.

### What other areas in business do you see trending in popularity over the next few years?

Given the current 'start-up' generation, entrepreneurship is an important area and will continue to grow. Luxury marketing is another area that is building in popularity, which became a really popular area in Stern's MBA program when I was department chair, so we're going to try to do something along those lines at the undergraduate level. We have already created the student club Luxury and Retail Association (LARA), which hosts several important events and allows students to channel and build on these interests. And again, coming back to Stern and NYU and our location, it's interesting to see that the Business of Entertainment, Media, and Technology (BEMT) has become the number one cross-school minor at NYU.

### The School presents so many opportunities today for students.

#### What careers did you consider when you were growing up in India?

My family put a premium on education. I remember my parents saying that the best investment one can make is in education, and that really stuck with me. (I hope I have inculcated this in my son as well.) Several family members were educators in defense academies, management institutes, and law

colleges. Growing up in India as a female at that time, I dreamed of being financially independent and engaged in something that consumed my mind and my interest. I did well in school despite changing 10 schools before graduating from high school – I'm a Navy brat. I considered becoming an

engineer, given my love for math and physics, or a foreign services officer, given my love for travel and yearning for global experiences. At my first professional job at a marketing research firm, Indian Market Research Bureau (IMRB) in Mumbai, I found my passion for survey methodology and the psychology of questionnaire design. So, I decided to pursue

my PhD and ended up at the University of Illinois Urbana-Champaign, where I met my mentor, Seymour Sudman, a world-renowned survey methodologist and sampling guru. His passion for what he was doing was contagious. So it makes sense in retrospect that I am in academia: academia uses my analytical abilities, consumes my mind to a point where I literally sometimes dream of the problems I am trying to solve, and as a side benefit, I travel for conferences and talks at universities around the world. I wouldn't choose another career if I had a do-over! Right place, right time, together with keeping an open mind to welcome opportunities has been the key in my life. ■

"The most notable highlight is the amazing upward trajectory of NYU and Stern during the last 25 years. It is pretty incredible to see that we've morphed from a regional university into a truly global powerhouse."

## 25 YEARS OF SUCCESS





An aerial photograph of the New York City skyline, featuring numerous skyscrapers and buildings under a blue sky with scattered white clouds. The Empire State Building is prominent on the right side of the image.

# A VIEW FROM THE TOP

By **Marilyn Harris**

## Stern Alumnae Share their Success Stories Across Industries

NYU Stern has a long history of preparing women for business careers and leadership roles across a broad spectrum of industries. In 1900, New York University School of Commerce, Accounts, and Finance opened its doors for the first time and invited women and men to apply. In 1913, the School hired its first female professor, Jeannette Hammill, JD MA, who joined the economics department.

Stern continues to build on its strong foundation as a supportive environment for women by encouraging programs that focus on developing female leaders, enhancing recruiting efforts at student and faculty levels, and expanding mentoring and networking programs throughout the business community.

In recent years, Stern has been involved with a number of initiatives aimed at preparing women to be leaders in the 21<sup>st</sup> century. Dean Peter Henry was one of 14 deans of top business schools who participated in a White House conference to discuss potential opportunities for engaging more women in graduate business school, including expanding offerings for students right out of college.

On the world stage, Professors Susan Stehlik and Aline Wolff spearheaded a student-powered initiative called “Stern Women Speak.” Collaborating with the International Federation of Business and Professional Women (IFBPW), Stern MBA students convened at the UN to examine the Women’s Empowerment Principles of the United Nations Global Compact. The students then published white papers and presented recommendations. The School is also an active participant in the Forté Foundation, a nonprofit consortium dedicated to directing talented women toward leadership roles in business.

On campus, at both the graduate and undergraduate level, women are active members and leaders of clubs across the spectrum. In addition, the alumnae and student clubs Stern Women in Business (SWIB) and Undergraduate SWIB (USWIB) sponsor programs to encourage professional networking and social interaction with students, faculty, administration, and alumni, as well as practitioners.

Starting with the first class of women more than a century ago at the School of Commerce, Stern has launched nearly 31,000 alumnae into just about every sector of business and entrepreneurial venture. Over the next few pages we invite you to enjoy the stories of a select few who are making their mark.



## MADELYN ANTONCIC (PhD '83)

**Executive Director, Institutional Investment Solutions,  
Principal Global Investors, and former World Bank  
Vice President and  
Treasurer**



Dr. Antoncic, a member of PGI's Operating Committee, is responsible for Principal Global Investors' relationships with sovereign clients and serves as a key conduit for developing asset solutions for their investment challenges. Dr. Antoncic has gained a wealth of experience in banking and finance, having begun her career as an economist at the Federal Reserve Bank of New York followed by 12 years at Goldman Sachs, a two-year stint at Barclays Capital, and 10 years at Lehman Brothers. She decided to give back and rejoined the public sector, spending four years as Vice President and Treasurer of the World Bank, overseeing \$140 billion in assets under management and leading financial innovation for economic development, including developing catastrophic risk structures executed to help countries mitigate and transfer climate-change-related catastrophic risk. She is a member of the Board of Overseers of the Weill Cornell Medical College.

**Q: How do the public and private sectors compare?**

**A:** In both sectors you need collaborating and influencing skills. A bottoms-up style to build consensus works best in both. The largest difference is that in the public sector, there's sometimes a lack of continuity due to the natural changes in administrations. That leads to inefficiencies because priorities and directions change frequently when new leaders come in. This, of course, can slow down progress.

**Q: Back in 2009, you spoke at a Stern panel on restoring financial stability, stressing the need for consistent yet fluid regulation. What's your opinion on how the Dodd-Frank Act and other regulation have since addressed some of the outstanding regulatory issues?**

**A:** One big cause of the financial crisis was inconsistent regulation and enforcement.

**"I would also say not much has been done to address shortcomings in governance, which was a significant contributor to the crisis, nor has cross-border resolution been resolved despite all the talk to the contrary."**

— Madelyn Antoncic

Banks, investment banks, insurance companies, and hedge funds were taking the same risks managing similar businesses, yet they were all regulated differently because of how they were incorporated or chartered. This regulatory arbitrage still exists. Regulation needs to be based on the function being performed. Systemic risk will never be eliminated if a financial firm is being regulated based on the assumption that it's performing one kind of business while in fact it's morphed into another business. Some countries have a "Twin Peaks" approach to regulation that helps mitigate that arbitrage. I would also say not much has been done to address shortcomings in governance, which was a significant contributor to the crisis, nor has cross-border resolution been resolved despite all the talk to the contrary.

**Q: What are the greatest challenges facing the World Bank? What would you consider your accomplishments there?**

**A:** With 188 member countries, the biggest challenges are defining priorities and focusing on outcomes. In addition to the things you'd expect a treasurer to do, I oversaw several businesses that provided technical assistance and advisory services to countries. I also led financial innovation, such as developing investment products to meet specific client needs or developing catastrophic risk structures to help countries mitigate and transfer catastrophic risk. But what I'm most proud of is my collaborative, inclusive leadership style — I created an environment that made us a cohesive team, and I inspired and energized people. We delivered amazing cutting-edge innovative financial solutions to our client countries. Financial innovation has a huge and important role to play in economic development.

**Q: Have you seen a difference in the finance environment as more women have entered the industry?**

**A:** There has been progress, but it's been slow. One of the things that struck me most when I joined the World Bank was the number of professional women in the treasury department at all levels of seniority. In the private sector that's not the case. The percent of senior women in banking and finance in operating or risk-taking positions is still disappointing. And of course, the number of women CEOs or on corporate boards is even more disappointing.

**Q: What advice do you have for new Stern alumni as they begin their professional journeys?**

**A:** Work hard; understand the issues; be a team player and collegial. Build consensus. I've learned how important it is to take the time to listen and bring people along. Also don't be afraid to be a constructive disruptor: that is, be creative, be a change agent. Find an area you are passionate about and use your drive to be results-oriented, but most of all combine it all with a sense of humor while never compromising your principles.



**DONNA COSTA (TRIUM '13)****President, Mitsubishi Chemical Holdings America**

When she was appointed president of Mitsubishi Chemical Holdings America last April, Costa crashed through a couple of barriers as the first woman president in the \$32 billion Mitsubishi Chemical group and the first American to lead its US overseas headquarters. A lawyer by training, Costa created the general counsel's office at Mitsubishi in 1996 after an eight-year stint as an associate at Cleary Gottlieb Steen & Hamilton. As executive vice president, general counsel, and chief compliance officer, she managed legal and compliance functions for North and South America. As president, Costa also sits on the boards of several company affiliates on various continents.

***Q: What's it like to work for the US headquarters of a Japanese parent company?***

**A:** I assist management in Japan in understanding the priorities and needs of our US businesses and the skills and thinking required to compete globally. It's been a great experience, though certainly frustrating at times. Among other roles, I serve as an ambassador across borders of various kinds, helping acquired companies and newly hired management understand and navigate our corporate culture. Miscommunications and misunderstandings are frequent, but being completely immersed in and dependent on a different culture provides a perpetual education for those open to it. It's impossible to succeed in communication or business without understanding context and culture.

***Q: Is there anything different about leading an industrial manufacturer versus, say, a packaged goods or financial organization?***

**A:** I really enjoy working for an industrial manufacturer. We make stuff, and that makes sense to me. I enjoy the opportunity to work with research scientists, engineers, and machine operators, as well as executives and people in sales, marketing, finance, and corporate planning.

***Q: You've spoken many times on leadership and have developed a video on the subject for Stern. How has your style changed over the years?***

**A:** My leadership style is constantly evolving — I would certainly make a very different video today than I did three years ago. I've come to understand that the source of power is not authority or control, but influence, and the currency of power is the ability to effect change. This is particularly challenging in a Japanese company, where change does not come easily.

***Q: Behind every powerful woman is....***

**A:** A village. My village consists of family members, friends, and colleagues, men and women who support me, encourage me, and share their wisdom. I am also grateful to the many people who have taught me by example or influenced me without realizing it. I am particularly grateful to my husband and children, who are the source of my strength and who have taught me more about communication, integrity, and leadership than anyone else.

***Q: As the first woman president at Mitsubishi and the first American to lead the Americas overseas headquarters of a Japanese-owned company, do you feel any special responsibility?***

**A:** Absolutely. I feel a tremendous responsibility to represent all women in a way that encourages my company and other Japanese companies to promote more women. Any discomfort brought by the added scrutiny is outweighed by the privilege of speaking to young Japanese women in my company and hearing that they feel empowered by my promotion. I am engaged in efforts to support Japanese women who wish to break the 'rice paper ceiling.'

**“I've come to understand that the source of power is not authority or control, but influence, and the currency of power is the ability to effect change.”**

— Donna Costa

## ELANA DRELL SZYFER (MBA '98)

CEO at Laura Geller Beauty LLC

Operating Advisor in Beauty for Tengram Capital Partners



Szyfer, a 20-plus-year veteran of the beauty industry, was the choice of Tengram Capital Partners, a private equity firm, to head Laura Geller Beauty, a recent investment. A history major in college at Columbia, Szyfer's interest in business was sparked by a fundraising job and a marketing course at NYU Stern. She attended Stern's part-time MBA program while working at L'Oréal and Avon. Szyfer has filled top management roles at Kenneth Cole Productions, AHAVA Dead Sea Laboratories, Estée Lauder, and Lancôme. As part of her responsibilities for Tengram, Szyfer is a board member at This Works Skincare and Nest Fragrances.

**Q: What unique challenges came with your role at Laura Geller?**

**A:** The challenge is creating an institution from a brand that has been about an individual, in this case its founder. I was attracted to Laura Geller because it's a great brand with a great founder and story that needed to be codified and amplified. This is my passion — where my history and liberal arts background meets my business education.

**"I am proud that I've been able to hold on to people and relationships across many jobs, companies, and years."**

— Elana Drell Szyfer

**Q: What are the advantages and challenges of being a female executive in this industry, both personally and professionally?**

**A:** One advantage is that working in beauty and prestige and/or luxury is a personal interest, so that makes me better at what I do. The challenges for women in cosmetics are the same as in most industries — there are not a huge number of female role models in top-level jobs. I'm lucky that I had a mother who always worked full time, a father who didn't set different or lower standards for me as a woman, a husband who has supported all my career choices and works with me to balance our very full two-career, three-children life, AND children who aren't resentful (most of the time) with the time I spend away from them.

**Q: What professional accomplishment are you most proud of?**

**A:** I have a few: My dream job was to be the head of a global marketing team. I held that role for the Estée Lauder brand at the Estée Lauder companies. I also consider becoming a CEO before 45 — not once, but twice — a major accomplishment. I spent so much of my early career racing against time and wanting to move ahead quickly — now I just want to fight time. Third, I am proud that I've been able to hold on to people and relationships across many jobs, companies, and years and feel that this vast network is like a beautiful garden of knowledge, talent, and friendship.

**Q: How did your MBA prepare you for the management jobs you've held?**

**A:** Prior to Stern, I never had to work in a group and get things done together. That experience of working with unknown people and deciphering their strengths and mine, how to communicate, how to split up a workload and understand how to accomplish a goal working with multiple people, was the beginning of many life lessons that I've learned about managing people.

**Q: How have you maintained ties with NYU Stern?**

**A:** I've gone back to speak at different events, in class and as part of education and development efforts. I've also employed Stern interns whom I met through on-campus talks. I enjoy going back to events in my field and meeting students — they continue to impress and amaze me.

Women account for  
**NEARLY 40 PERCENT**  
of Stern Undergraduate College's freshman  
class **AND OVER ONE THIRD**  
of the first-year, full-time MBA class

In 2015,  
**400+ ATTENDEES**  
at the Stern Women in Business  
(SWIB) annual conference  
**160+ ATTENDEES** at the  
Undergraduate SWIB conference



## PATRICIA LAUCELLA (BS '87)

President, Business and Legal Affairs, Lionsgate Films



Laucella attended Stern as an undergraduate, planning for a career in accounting. She followed up her Stern BS with a law degree from Harvard, moved to Los Angeles to be a corporate lawyer, then found herself moving up the ladder in the entertainment industry. A studio executive for almost two decades — at Warner Bros., MGM, and then

Summit, which merged with Lionsgate — she brokered the lead actresses' deals on "The Hunger Games" and "Divergent." She says her Stern education "is still proving to be more beneficial than anything I could have envisioned at the time."

### ***Q: In what ways did your business education prepare you for law school?***

**A:** I don't know if a business school undergraduate degree provides the best training for law school. Business school and law school are not necessarily complementary. However, I do strongly believe that the combination of a business degree (undergrad and/or as a grad student) and law degree is a tremendous asset in business.

### ***Q: Who are your role models?***

**A:** My role model is a collage comprised of the best parts of everyone I have met in my life journey — personally and in business. It's the people I see in action that are the most influential to me. I work for an incredibly charitable team of executives. I am constantly in awe of what they do to help others philanthropically — using their power, influence, and resources to help those less fortunate. And my daughters are great role

models because they see things through fresh eyes and think outside the box. We should never lose sight of our own inner child.

### ***Q: You often deal with high-profile clientele. Does this change the way you approach your work?***

**A:** There is a higher degree of sensitivity to confidentiality when you deal with high-profile clientele. You need to maintain that confidentiality, and develop trust. A few of my friends are celebrities. They are people just like the rest of us. I try to be genuine; to look past the façade; and to work with integrity no matter the clientele.

### ***Q: Do you have advice for new Stern graduates who want to pursue a career in the entertainment business, particularly at large studios?***

**A:** My two biggest pieces of advice are to work hard and to develop relationships. I probably did too much of the former and not enough of the latter. I worked hard and expected everything to just fall into place. However, in Hollywood there is a network, and while I am not a proponent of getting something because of who I know, I don't want to be bumped aside because a less qualified person had the right connections and used them.

### ***Q: How do you strike a work/life balance?***

**A:** It is a constant struggle. My personal solution is to compartmentalize and get people I trust to take care of things at home when I am at work so I don't get distracted. I think I make work a priority, more than many of my male colleagues do, because I don't want to be perceived in my career as a "working mom." I do manage to go for a power walk every morning and either roll calls or meditate. That is my "me" time. Maybe one of the NYU grads can work on a cloning machine?

**"My two biggest pieces of advice are to work hard and to develop relationships."**

— Patricia Laucella

**NEARLY 70 STUDENTS**  
Convene for USWIB's weekly meetings

**5000+ MEMBERS**  
in the SWIB LinkedIn group

## Marie Svet (MBA '97)

Global Chief Revenue Officer, AccuWeather



Svet joined AccuWeather in 2010, bringing with her more than a decade's experience in agency and network media sales that combined her strategic analytical skills with revenue management roles. In her current position, she explores how to increase AccuWeather's presence in emerging areas around the world, including the US, in ways that will generate the highest return. Svet also leads the company's US advertising sales division, with a heavy emphasis on digital properties – a capability she helped the company develop – and the hot new field of programmatic buying. In her spare time, she is a marathoner and certified chi running coach.

**Q: What factors and characteristics originally drew you to a career in advertising and digital media?**

**A:** I am a creative person at heart. I love design and the art of advertising. I always had thought that was where my career would lead until I realized in college that my

mind was wired more for creative problem solving than creative design. The advertising industry values both creative sides and provided the opportunity to be around artistic minds while allowing me to apply my analytical, problem-solving skills.

**Q: Have you learned anything unique about the meteorology industry?**

**A:** Yes, weather impacts consumers' purchasing decisions in nearly all aspects of daily life – from how they dress to what they drive. I believed there was a correlation between weather and purchasing decisions that could be used to help clients achieve their marketing goals. AccuWeather recently launched an analytics product that facilitates identification of weather-driven trends. It is fascinating to see trends emerge.

**Q: What aspects of digital marketing have had the biggest impact on advertisers?**

**A:** The explosive growth of mobile. The shift of content consumption from desktops to smartphones has impacted the idea of story-telling on a small screen and forced marketers to present their messages concisely and quickly.

**Q: What experiences from your professional background stand out as being particularly formative?**

**A:** As a television media buyer at some of the world's top ad agencies, I was exposed to several very strong women, who were also probably the best negotiators I've ever met. I assumed the role of apprentice, absorbing everything I could, including how they dealt with their bosses and sales counterparts, all of whom (at that time) were men.

**Q: Describe your proudest accomplishments professionally.**

**A:** I have helped AccuWeather further expand into the digital space and take advantage of the new technologies and trends – specifically programmatic sales, which are a more efficient way to handle branded content. A major highlight was when Cynopsis presented me with its first Corporate Visionary Award this past April. It validated the bleeding-edge work and impact of our programmatic and digital revenue-management teams.

**Q: Do you have a Stern memory that stands out?**

**A:** The day I asked two classmates to form a semester-long study group with me. We became the only all-women group, which created a life-long bond. I learned so much from them as well as the rest of my classmates. The greatest value I derive from my time at Stern is in the friendships I forged.

**Q: How do you stay involved with Stern?**

**A:** I like to mentor current MBAs whenever I can, as well as advocate for the School, be it through casual discussions, SWIB conferences, or donations.

**“I like to mentor MBAs when I can, as well as advocate for the School, be it through casual discussions, SWIB conferences, or donations.”**

— Marie Svet



**ELIZABETH RUTLEDGE (MBA '94)****Executive Vice President, Global Charge Card Products & Benefits, American Express**

A long-time Amex executive who was prescient about the future of e-commerce and social and mobile marketing, Rutledge helped lead the company's efforts in social, local, and mobile marketing, through strategic social media partnerships and the American Express mobile offers application. She then went on to launch a new no-fee credit card, Amex EveryDay, to appeal to a new prospective audience by challenging some traditional brand perceptions, and also relaunched the American Express Gold Card, one of the most iconic in company history. Most recently, she took on an expanded role with a focus on Amex's global premium card members, overseeing global consumer charge cards, benefits, and services, including the Membership Rewards program and the company's growing Centurion Lounge network at major airports. Rutledge graduated from Princeton and taught high school biology before discovering her passion for marketing during a summer job.

***Q: What are some key insights you've learned from your positions at Amex?***

**A:** One of my biggest marketing insights is that everything flows from really knowing and understanding both the rational and emotional needs of customers. Similarly, knowing and understanding my teams' strengths and development opportunities, as well as what they're passionate about, helps me more effectively manage talent. I'm also a firm believer in speaking out about the business decisions I believe, or don't believe, in and encourage my team to feel comfortable expressing their opinions. Speaking up helps us focus and prioritize. One of the most important things I've learned is the art of letting go. To do that, I have to build teams of great talent, then nurture and motivate them. I know I can't know all the details, so empowering and trusting the people I work with is critical.

***Q: You serve as a mentor for the Amex Women's Interest Employee Network. What have you learned from the experience?***

**A:** It's great to give advice and help someone grow, but I also get to connect with what's going on in the company. I get a lot of questions about how to move up in the organization, but I'm surprised at how many haven't fully thought through what they are passionate about and what they want to learn in their career. If you focus on those aspects and foster connections with those that can help, great work will follow, and the recognition will, too.

***Q: You spearheaded the company's pivot towards social and mobile marketing. What other developments do you see in the future for e-commerce and financial services?***

**A:** As we communicate with more customers through mobile and digital channels, it's even more important to personalize those card member experiences. As a global company with an end-to-end business model, we're in a really unique place to do this. We intimately know our customers, both card members and merchants, and can help make meaningful connections between the two.

***Q: What are your fondest memories of your time at Stern?***

**A:** Moving from downtown into the beautiful new Stern building on the NYU campus. It was very exciting for me and my classmates, and we just loved the environment. The new building kept us connected to the rest of NYU and attracted a real powerhouse of talent. What's also great is that there are many alumni at Amex. I'm constantly meeting and working with fellow Sternies. It's a bonus that employees can connect and share common experiences from Stern.

***Q: How do you strike a balance as a wife, mother, and EVP at a top company?***

**A:** I hate the word balance. For me, it's all about taking it one day at a time. Some days I'm a better marketer or manager, other days I'm a better mom or wife. What's most important is having strong relationships with those around you, from family to business partners and employees. Those networks help me get through each day without losing out on the things that matter most. ■

**“One of the most important things I've learned is the art of letting go. To do that, I have to build teams of great talent, then nurture and motivate them.”**

— Elizabeth Rutledge

## The Realist

**James P. Gorman** *Chairman and CEO, Morgan Stanley*

James P. Gorman became CEO of Morgan Stanley in 2010 and chairman in 2012. He previously served as co-president of the firm, having joined in February 2006 as president and COO of the Global Wealth Management Group. Before joining Morgan Stanley, he held a succession of executive positions at Merrill Lynch, was a senior partner of McKinsey & Co. and began his career as an attorney in Melbourne, Australia.

Gorman serves as a director of the board of the Federal Reserve Bank of New York, co-chairman of the Partnership for New York City, and is a member of the Council on Foreign Relations, the Economic Club of New York, the Board of Overseers of the Columbia Business School, the Monetary Authority of Singapore International Advisory Panel, and the Board of the Institute of International Finance. He was born in Australia and earned a BA and law degree from the University of Melbourne and an MBA from Columbia University.

On October 8, 2015, Management Practice Professor Charles Murphy spoke with Gorman before a capacity crowd of students, faculty, administration, and alumni. Excerpts from the conversation are presented below.



**Charles Murphy:** *What advice do you give young people starting out?*

**James Gorman:** Find something you're interested in, give it your best, and see where life takes you — but be open-minded, and don't always look for the gold-plated, perfect position. Do something that's more what you're interested in rather than what everybody else thinks you should be interested in.

**CM:** *Kids today seem to be in an incredible rush. You must see that as CEO of an investment bank.*

**JG:** I think there's a lot of pressure on kids now to become what they're going to be. It's very hard to do that when you're 19 or 25, or even 29. I just try and encourage them to accept that life is a journey and if you rush the journey, you're not going to have as much fun, and you may end up in a destination that really wasn't intended.

**CM:** *How much risk do you take in the journey?*

**JG:** A basic principle I apply to business, and I think I've applied to my career, is to understand catastrophic risk, what could really derail you, and take that off the table. For me, the catastrophic risk was coming to the US, borrowing \$32,000 at 24 percent interest and risking not being able to pay it back. The worst case was that I return to being a lawyer in Australia. If you can solve for the catastrophic risk, then I think almost anything else is good to go.

**CM:** *How do you do what you do and stay happily married and have a life?*

**JG:** You think about your marriage, job, children, your broader family, your health, and your friends. The thing I gave up on was friends. Occasionally I call one of my friends and say, "Will you have me back when this is all over?" If you accept that you can't have it all, whoever you are and whatever age you're at, then it's okay. You make trade-offs.

**CM:** *How do you see regulation affecting your business?*

**JG:** I'm a realist. You deal with the world as it is, not the way you want it to be. The banking industry nearly cratered the global economy. We can talk about who and why and how much responsibility the actual banks and their management had, but they became the vehicle because of their leverage and the lack of liquidity when it mattered. You cannot expect to operate in the ecosystem that's the global economy and society and get away with that. The cost of people who lost their jobs and houses and suffered real financial and other stress is real, and there has to be a repercussion. Dodd-Frank reflects the political will, and the political will reflects the popular voice. As a realist I say our job is to generate a return for people who give us their money, our co-shareholders. If we don't do that, they take their money and go away. If you just say regulators are wrong, that doesn't help the shareholder. The most valuable skill in dealing with regulators is to try and see the world through their lens.

**CM:** *How do you personally stay current with technology so that you can make effective decisions?*

**JG:** You need to understand what your various teams are doing both in managing your infrastructure sensibly and how they're using technology to prosecute their business opportunities, and you need to be able to ask the right questions. The danger is thinking you've got the answers. The challenge as an executive is to not try and be the expert because you'll never catch up and you shouldn't, but to know enough to ask the right questions, and to know enough when somebody's screwing up or doing a good job.

**CM:** *A tremendous amount of infrastructure has to be built and rebuilt in the world. Who is going to pay for it all?*

**JG:** The answer is more public/private partnerships, more long-term infrastructure financing provided by sovereign wealth funds, pensions, and endowments that want that part of their portfolio built out. There are gobs of money out there. As the world





Professor Charles Murphy (left) interviewed James Gorman of Morgan Stanley on personal and business topics before an audience of students, faculty, administration, and alumni.

is moving more toward defined contribution plans and superannuation-type plans, through the retail institutionalization of that money, they will also participate in it.

**CM:** *To what extent are shadow banks your competitors?*

**JG:** I don't see shadow banking in any way damaging or hostile to what we do. It's a big world out there. You've got to be focused on what's good for you, not on what's making money for somebody else.

**CM:** *What are you and your board focusing on as you look out over the next five years?*

**JG:** We have an annual board off-site reviewing our strategy for the next three to five years. Then I use three sheets of paper to stay focused on it. On one sheet is the articulation of our strategy, which we set every May. Another sheet has the 10 things I personally think I need to get done. The third sheet has the numbers on our business from around the world that day, which I write down every day. That movement between one day, one year, and three to five years is how I think about managing the organization.

**CM:** *When you became CEO in 2010, you had cultural problems, in terms of what you had to fix, especially with respect to compensation. You told the sales force, "Back off, when we make money, you get paid." And they stayed.*

**JG:** It goes back to seeing the world as it is, not the way you want it to be. We had a lot of folks who understandably wanted the world to be what it was pre-crisis. Wasn't going to happen.

**CM:** *How important is your board, especially in this day and age of this activist trend?*

**JG:** We think of the board as a tapestry. It's very complex in any of these financial institutions; almost nobody could go into that board and know everything. You don't want only accountants, professors, former CEOs, or former bankers or traders. If you've got 10 percent of this person's leg and that person's left eye and another per-

son's right arm, you put them all together and you've got the perfect director. And then if they move together, that all works. Happily, our board has moved in sync.

#### AUDIENCE QUESTIONS

**Q:** *People are giving you informed advice on a day-to-day basis. How do you balance it all out and form your own judgment?*

**JG:** On difficult decisions I try to go to very different people in different parts of the organization and posit hypotheticals, not necessarily giving them all the facts. They don't know what you're trying to get at, but you're giving them elements to try and understand how they think about the problem. You have to put your filter on this person, who's coming with a political agenda, and inexperience. Distill all that information together, and once you've made a decision, move fast.

**Q:** *How did you realize who your mentors were going to be through your career?*

**JG:** I'm not looking for somebody to be my mentor. I think that's a very artificial thing to create, and it's going to happen by happenstance. A personal relationship, the nature of working to-

gether, going through some stressful times and building a trust-based relationship together — those are things you can't plan for. In the meantime, look at the people around you and try and figure out who could be role models.

**Q:** *These days the turnover rate is high, and a lot of talented people are going off to create their own businesses. How does Morgan Stanley make an effort to retain talent?*

**JG:** The challenge is how to make people understand that there are very exciting careers in finance and banking, and particularly at Morgan Stanley. That's through the work experience itself. At Morgan Stanley, I'm proud to say we attract really good people and they enjoy working with each other. Match that with substantive work, and you don't have problems with attrition. ■

Watch the event at [stern.nyu.edu/sternbiz/james-gorman](http://stern.nyu.edu/sternbiz/james-gorman).

**“The most valuable skill in dealing with regulators is to try and see the world through their lens.”**

## Bringing Business Savvy to the Wedding Industry

By **Carolyn Ritter**

Know how to cut through the clutter in a crowded industry? Jess Levin (MBA '12) did just that in the much-talked-about wedding space.

"I was drawn to the wedding industry because of its sheer size, with more than half a million local businesses, and the immense creativity it fosters," explains Levin. As founder and CEO of Carats & Cake, a marketplace for top-tier vendors in the industry, she built a resource that helps more than 15,000 businesses straddle the traditional nuances of the wedding world with modern tools and technology to run their businesses more efficiently.

"Growing up around a family-owned business and then beginning my career in the venture capital industry also contributed to my interest in working with entrepreneurs and small business owners," Levin explains. Originally from Southern California, Levin moved to the East Coast nearly 10 years ago and embraces her New Yorker status: "I thrive on the energy that the City exudes."

As CEO of an early-stage company, Levin is putting that energy to good use. "On any given day, I touch almost every aspect of the company from sales and business development to design and editorial."

Reflecting on the start-up phase for Carats & Cake, Levin underscores the importance of picking the right team: "In the beginning, every person moves the needle and impacts the team dynamic. Surrounding yourself with the right people, who not only believe in your vision but from whom you can learn, is crucial."

While launching the business in 2012, Levin secured start-up capital in what she calls the "old-fashioned" way. "We wrote a business plan and leveraged our network. In fact, a few of our investors are fellow Stern alumni." She also lever-



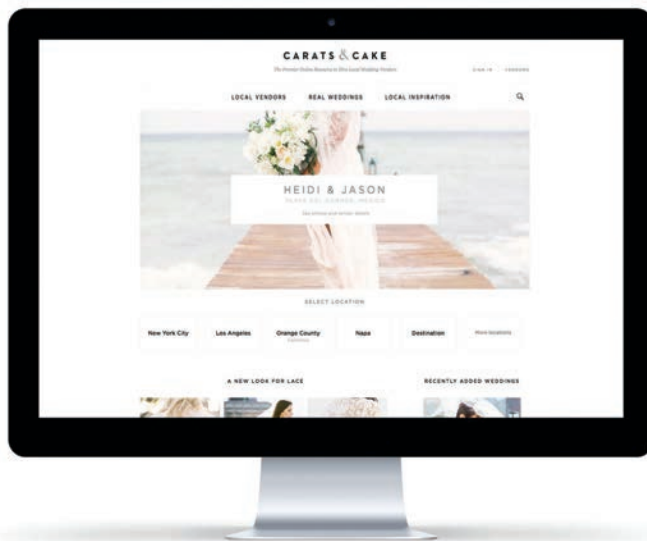
aged prior work experience at VC firm Burch Creative Capital. “Before Carats & Cake, I saw firsthand what it takes to build a successful company, so I knew what I was getting into,” she says.

Levin credits Stern’s MBA program with helping her build a strong foundation in finance: “Learning about business financials was one of the biggest assets that I brought to the table in launching Carats & Cake.” She also points to several leadership courses and the School’s location as being critical in her professional journey. “During my second year at Stern, I took

classes that helped me construct the right team and actively create the productive, collaborative, and trusting culture that we needed to succeed. Stern’s location also allowed me to develop and maintain connections in the local start-up space.”

Levin also turned to Stern faculty for guidance and support: “I leaned heavily on the professors whose opinions I valued – many of whom I’m still in touch with today.” She wasn’t shy about tapping into her peer network either. “Some of my classmates served as key advisors to the business and still remain among our biggest supporters.” Continuing to take advantage of the Stern network, Levin employs Stern undergraduate students in the Carats & Cake internship program.

To keep a new venture on track, Levin emphasizes the importance of staying focused. “There is a lot of opportunity in this industry, and we have to know how to differentiate between what’s a distraction and what



“There is a lot of opportunity in this industry, and we have to know how to differentiate between what’s a distraction and what will truly move the company forward.”

will truly move the company forward.” She also points to the dynamic nature of consumer demand. “It’s critical that players in the industry adapt quickly – from the independent florist to the large wedding media brands – to keep up with changing tastes and trends.”

According to Levin, remaining aligned with the original vision for the business is also key. “Being true to our initial mission for the business allows the team, our investors, and our business partners to feel good about what we have built and where we are going.”

Looking ahead, Levin says that payment processing is a huge opportunity for Carats & Cake.

“We recently introduced a tool that enables our business partners to seamlessly invoice and transact online – a first for a lot of the companies we work with. Providing businesses with elegant efficiencies like this helps to set us apart.”

To keep her team motivated, Levin is committed to celebrating all victories, big and small. “We have had some pretty amazing small wins, and the momentum moves us forward.” She also underscores the importance of taking care of herself. “If I’m not okay, then I’m no good to the business. Making time to recharge with a workout or a dinner date is essential.”

When asked for advice by other budding entrepreneurs, Levin stresses the importance of understanding your business model. “Knowing how you are going to make money, especially early on, is crucial. Your ideas will evolve, but your focus should always be on building a sustainable, profitable business.” ■



# From Stern Sweethearts to Startup Success

By **Niamh Roberts**

As the co-owners of four landmark New York City restaurants and an equal number of luxury nail salons, Matt (BS '00) and Nadine (BS '01) Abramcyk are no strangers to success. Yet one of the best lessons they learned as undergraduates at NYU Stern was to stay open to new experiences, people, and professional opportunities that may transform vision into reality.

Matt began his business career in finance but quickly realized that, although he was doing well, he lacked the passion and sense of ownership he had envisioned for himself as an undergraduate. "The idea of return on investment wasn't as compelling to me as creating a product that you could feel, look at, touch – something that was three-dimensional – and I wanted to go out and experience the City." With a solid understanding of investing and a family background in real estate, Matt was ready to take the leap into hospitality.

Born and raised in New York, Matt's familiarity with the city – the neighborhoods, the markets, the Woody Allen-esque characters that make its institutions memorable – has served him well with each of



his new ventures, which have included the legendary Beatrice Inn as well as current hotspots Navy, Smith & Mills, Tiny's and the Bar Upstairs, and Warren 77. "There's an intangible factor to New York that I can't quite put my finger on, and the people we hire are just that much better every year."

Matt credits New York nightlife with more than just his professional achievements. While visiting a SoHo lounge his freshman year, he met Nadine's sister, who intro-

duced the two when Nadine arrived at Stern the following fall. "I actually moved her bags into her dorm on her first day here," he recalls fondly.

Though they hail from different regions – she is originally from Houston – Nadine attributes their success as a couple to the commonalities in their experiences, perspectives, and drive. "At our core, we are very similar people and share a purposefulness in our approach to life," she says. "We really try to make the most out of each moment."

Like Matt, Nadine knew she had an entrepreneurial spirit when she started at Stern, but she wasn't quite sure how to transform her interests into a pro-

fession. Working with the career services team, she secured several formative internships – including one that led to a full-time position at *TIME* and later American Express – that helped her cultivate her business skills and put her classroom learning into practice.

“I can’t stress enough how important these experiences were in giving me the confidence and momentum to launch Mick Margo,” she says, reflecting on opening her first venture, a fashion boutique located in the West Village, as a recent graduate. “At Stern, I learned to lean on my community and educate myself. No question is too small to ask.”

Commitment to community has remained an important aspect of the couple’s business success. As owner of tenoverten, a network of nail salons soon to operate in five locations, Nadine works closely with two fellow Sternies on her management team, and both she and Matt have businesses located within walking distance from each other in TriBeCa, where they also live. “In a city that can feel very crowded and transient at times, it’s special to feel as though you are also part of a smaller community that supports itself, where people can shop, eat, and take care of services all within the neighborhood. That’s something we really love about New York,” Nadine says. “There’s so much at your fingertips here. There’s really nowhere else like it.” ■

Nadine (BS '01) and Matt (BS '00) Abramcyk draw inspiration from New York City neighborhoods to inform the design and ambience of Nadine's nail salon chain, tenoverten, and Matt's restaurants – Navy, Smith & Mills, Tiny's and the Bar Upstairs, and Warren 77.





# What Makes People Tick?

Marketers and managers will find valuable insights in this new research

By **Marilyn Harris**

The enigma at the heart of both marketing and management is human behavior. The challenge shared by practitioners of both disciplines is to decipher and to a certain extent control behavior – to determine the science and artfully employ it to achieve organizational goals. Each of the three faculty research papers that are described in the following pages contributes to the body of knowledge about how people behave in specific situations and how this behavior will play out as consumers or employees.

Marketing Professor Adam Alter analyzes the way people tend to take stock at the start of each new chronological decade and ties this to how they might make life-altering decisions at those inflection points – decisions that could result in making purchases that speak to renewing youth or planning for the next stage of life.

Management Professor Elizabeth Morrison investigates why employees often remain silent even when they see serious problems and suggests ways that organizations can improve communications up the management chain.

Finally, Marketing Professor Tom Meyvis looks at how people react to events that they perceive to be fictional or distant in time. Those who market books and movies, among others, will find his insights fresh and valuable.



# Existential Inflection Points:

People Often Make Life-Changing Decisions When Confronting the March of Time



The author Milan Kundera wrote that perhaps we become aware of our age only at exceptional moments, while the rest of the time we feel ageless. The ends of our chronological decades appear to be those exceptional moments, and how individuals react as they complete each 10-year period and approach another milestone birthday is the subject of new research by NYU Stern Marketing Professor Adam Alter.

In “People Search for Meaning When They Reach a New Decade in Chronological Age,” Alter and co-author Hal Hershfield, an assistant marketing professor at UCLA’s Anderson School of Management, conducted several surveys spanning a variety of activities to discover how adults respond when they enter the final year of a

chronological decade – that is, when they reach ages 29, 39, 49, etc. – and the end of one era in their lives and the beginning of another are imminent. “Although people may not routinely ponder whether their lives are meaningful,” explains Alter, “we expected they might be more likely to consider this question when they reach 9-ending ages. Once they do audit the meaningfulness of their lives, people tend to reach one of two conclusions: Either they conclude happily that their lives are indeed meaningful or they decide that their lives lack meaning in at least one important domain.”

The authors analyzed survey and website data to explore the extent of both constructive and destructive responses to this universal existential inflection

point. Many people react in an optimistic way. For instance, an examination of the ages of 500 first-time marathon runners found 25 percent more “9-enders” than runners whose ages ended in any other digit. And not only were the “9-enders” over-represented, they – men and women alike – were extra-determined to stave off any sign of decline: their times were more than 2 percent faster than either the two years previous or two years afterward.

Then there were the pessimists, those, like French author Albert Camus’s famous stranger, whose contemplation of the abyss and their inevitable mortality lead them to destructive behavior. In a study that categorized more than eight million male users registered on a dating website catering to people seeking extramarital af-



... People who are nearing the end of a decade may be more likely to make large purchases – for instance, buy life insurance, invest in retirement savings, or pursue cosmetic surgery. Being aware of the tendency can help consumers decide if they are making such decisions for the right reasons.

fairs, the authors found that men aged 29, 39, 49, and 59 were nearly 18 percent more likely than men at other ages to register on the site. Another study, derived from US government data, revealed that “9-enders” committed suicide at a rate greater than that of people at any other age.

Alter and Hershfield posit that the implications of their studies could be significant for consumers – and consequently

marketers – because people at these age junctures are more likely to make life-altering decisions. “As we age, it’s good to understand this propensity so we’re more likely to make constructive rather than destructive choices,” Alter says. “Our research suggests that people who are nearing the end of a decade may be more likely to make large purchases – for instance, buy life insurance, invest in re-

tirement savings, or pursue cosmetic surgery. Being aware of the tendency can help consumers decide if they are making such decisions for the right reasons.”

ADAM L. ALTER is an associate marketing professor at NYU Stern, with an affiliated appointment in NYU’s psychology department. HAL E. HERSHFELD is an assistant marketing professor at the Anderson School of Management at UCLA.

# Power and Voice in the Workplace

Why employees stay silent, even when trouble is looming



**M**any lives could have been saved if car company employees had spoken up when they suspected faulty ignition switches or air bags. Or consider the numerous cases of E. coli and salmonella poisoning that have sickened thousands over the past few decades. Someone at some level in the organization must have known that the lettuce fields

were dangerously close to livestock pastures or that the chicken was not being processed properly, but it is not clear whether these employees voiced their concerns. Similarly, there are numerous documented examples of healthcare workers not speaking up about medical errors or patient safety concerns.

Research conducted by NYU Stern

Management Professor Elizabeth Morri-son, along with Professor Kelly See of the University of Colorado in Denver and Caitlin Pan of Singapore’s SIM University, speaks directly to such failures to communicate up the management chain about serious problems. Of course, employees’ reluctance to voice observations or concerns (employee “silence”) covers not



just serious wrongs but all sorts of workplace issues – inefficient processes, poor performance within one's team, unfair treatment, etc. In "An Approach-Inhibition Model of Employee Silence: The Joint Effects of Personal Sense of Power and Target Openness," the authors demonstrate the important role played by feelings of power, and propose potential ways organizations can encourage employees to speak up to their superiors.

The focus of this research centered on employees' personal sense of power in relation to others, specifically work colleagues. The authors argued that a critical factor that causes employees to withhold input is the feeling that they are powerless at work. They also argued that this effect will be greatly reduced when employees see their supervisor as genuinely open to input.

In a laboratory study, the authors manipulated participants' psychological sense of power and their perception of their manager's openness, and then observed whether or not they remained silent about an obvious performance problem. The second study surveyed employees working at a large multi-office medical

practice. More than 200 mostly female nurses, technicians, and other staff were asked about their history of speaking up to the doctor with whom they worked most closely – specifically, how often they remain silent when they have concerns about patient safety, have information that

... Our findings suggest that an employee's personal sense that he or she is lacking in power in relation to others at work is a key factor contributing to the decision to remain silent.

might help prevent an incident, or notice potential patient-related problems. The employees also reported how powerful they felt in relation to their work colleagues, and how open they perceived their primary doctor to be. A similar survey was then conducted using a sample of more than 300 people (44 percent male) from diverse professions and industry settings.

According to the authors, "Across all

three studies, our findings suggest that an employee's personal sense that he or she is lacking in power in relation to others at work is a key factor contributing to the decision to remain silent." However, and most significant for "high reliability" settings such as operating rooms or airplane cockpits, where errors can have serious implications, this effect is diminished when employees perceive their superiors to be open to communication from subordinates.

The authors conclude by suggesting ways their research results can be put into practice to improve employee-manager communications. Coaching, empowerment, and participatory leadership can help employees feel more powerful. As well, managers need to convince their subordinates they are truly open to hearing concerns or bad news. Organizations should also ensure that there are systems in place to support upward communication, such as formal grievance procedures and anonymous suggestion boxes, and then follow up with regular workplace surveys on openness.

ELIZABETH W. MORRISON is the ITT Harold Geenen Professor of Creative Management at NYU Stern.

# Lost in the Moment

## When Consumers Connect Emotionally

**B**ook publishers and TV and film marketers, take note: consumers anticipate a more intense emotional experience if they are going to be reading or watching a true rather than a fictional story, even though fictional stories tend to be equally engrossing, according to new research by NYU Stern Marketing Professor Tom

Meyvis and Brandeis University Associate Marketing Professor Jane Ebert.

As the authors wrote in "Reading Fictional Stories and Winning Delayed Prizes: The Surprising Emotional Impact of Distant Events," consumers tend to underestimate the emotional impact of fictional stories, compared to stories that are

known to be true or somehow closer to the consumer. In fact, as the authors' studies show, the emotional impact of movies that are believed to be fictional is just as intense as that of movies that are believed to be based on fact.

There is an exception: if people have time during the movie or TV show to reflect





on the experience and the fact that it is fiction – for instance, during a commercial break – they can distance themselves from the experience, resulting in weaker emotional reactions to the fictional stories.

Aside from studying people's reactions while reading stories or watching movies, Meyvis and Ebert also studied people's reactions to winning prizes in a game. The authors point out that winning a prize that will be awarded in the future shares a key characteristic with reading fictional stories: in both instances, people are psychologically distanced from the actual experience (the events in the story or the receiving of the prize). Study participants anticipated that this psychological distance would make both experiences less intense, but in fact there was little diminishment in their reactions. "Readers may be too immersed in a tragic story to consider its fictional nature, just as prize winners may be too thrilled by the experience of winning to consider that

... Consumers tend to underestimate the emotional impact of fictional stories, compared to stories that are known to be true or somehow closer to the consumer.

they will only receive their prize later," the authors wrote.

When movie viewers were given breaks during the showing, however, their connection to the material was attenuated. "People watching a sad movie clip do feel less upset when they know the story is fictional," said Meyvis, "but only when the movie is repeatedly interrupted." The authors reasoned that the interruptions allowed people to incorporate the information that they were watching a work of fiction. However, if viewers are distracted during the breaks – for instance, by engaging commercials – they may again fail to reflect on the fictional

nature of the movie.

Movie marketers, among others, may find some guidance in the findings. Meyvis noted: "If you are selling a movie based on a true story, it makes sense to advertise this aspect, both to prospective moviegoers and to people who saw the

movie (as it will intensify both the anticipated and remembered emotional experience). However, if you are selling a movie that is completely fictional, you want to downplay that aspect both before and after the experience (as consumers will – incorrectly – expect it to be less intense). If you can somehow draw parallels to real, local, current events, it will make the movie more attractive."

TOM MEYVIS is a professor of marketing and Peter Drucker Faculty Fellow at NYU Stern. JANE EBERT is an associate professor of marketing at Brandeis University.

# PROSPECTUS

## New Faculty Join NYU Stern



Petra Moser

Stern welcomed 10 new faculty members for the 2015-2016 academic year. The department of economics welcomed **Petra Moser**, whose focus is creativity and innovation, as a tenured associate professor. With a PhD in economics from the University of California, Berkeley, she previously taught at Stanford and MIT. Also joining the economics department, from Stanford, is Assistant Professor **Michael Dickstein**, whose research focuses on industrial organization, health economics, and econometrics and who earned his PhD from Harvard. The finance department announced two new faculty members: Professor and Boxer Faculty Fellow **Andrew Patton**, a financial econometrics expert with a PhD from UC San Diego who previously taught at Duke, London School of Economics, and Oxford; and Assistant Professor **Sabrina Howell**, a



Andrew Patton

Harvard PhD whose research focuses on entrepreneurial finance, innovation, and energy, and who was a consultant on energy and energy security policy. The marketing department welcomed two new assistant professors, **Minah Jung** and **Xiao Liu**. Jung's research focuses on consumers' judgment and decision making, persuasion, and social preferences; she earned her doctorate at UC Berkeley. Liu, whose PhD is from Carnegie Mellon, specializes in quantitative marketing and empirical industrial organization. **Michael S. North** joined the management and organizations department as an assistant professor. He focuses on aging and intergenerational workforce issues in a social psychology context and received his PhD from Princeton. Additionally, three clinical faculty members were appointed: **Amal Shehata**, as assistant professor of accounting; **Tensie Whelan**, as professor of business and society and director of the Stern Center for Sustainable Business; and **Robert Wosnitzer**, as assistant professor of management communication.



Tensie Whelan

## research roundup

Professors **Viral Acharya** and **Stephen Ryan** examined how research on banks' financial reporting, informed by the financial economics literature on banking, can generate insights into how to enhance the stability of the financial system in their paper, "Banks' Financial Reporting and Financial System Stability."

In "Can Twitter Help Predict Firm-Level Earnings and Stock Returns?" Professor **Eli Bartov**, along with co-authors, investigated whether analyzing the aggregate opinion in indi-

vidual tweets about a company's prospects can predict its earnings and the stock price reaction to them.

Professors **Steven Blader** and **Claudine Gartenberg** and a co-author examined data-driven management tools designed to spark friendly competition among employees in "The Contin-



Steven Blader

Effect of Management Practices."

In a new study, "E-Word of Mouth: Early Predictor of Audience Engagement – How Pre-Release 'E-WOM' Drives Box-Office Outcomes of Movies," Professors **C. Samuel Craig** and **William Greene**, along with a co-author, demonstrated that online buzz prior to a film's release is a good indicator



Claudine Gartenberg

of its future box office success. The paper appeared in the *Journal of Advertising Research*.

Professor **Vasant Dhar** contrasted human and machine strengths and weaknesses in making investment decisions in "Should You Trust Your Money to a Robot?" The article was published in the journal *Big Data*. Professor **J.P. Eggers** and a co-author found that serial entrepreneurs whose previous ventures failed are likely to blame the external environment and to change industries for their subsequent ventures. "Dealing with

Failure: Serial Entrepreneurs and the Costs of Changing Industries Between Ventures”



J.P. Eggers

is forthcoming in the *Academy of Management Journal*.

In a new paper, “The Age of Reason: Financial Decisions over the Life-Cycle with Implications for Regulation,” Professor **Xavier Gabaix** and co-authors examined life-cycle patterns in financial mistakes, including suboptimal use of credit card balance transfer offers, mis-estimation of home value, and excessive interest rate and fee payments.

Professors **Anindya Ghose** and **Robert Seamans**, along with a co-author, documented that online access was increasing the incidence of racial hate crimes committed by lone-wolf perpetrators in the early 2000s, and they described several mechanisms that could be driving the results. Their study, “The Internet and Racial Hate Crime: Offline Spillovers from Online Access,” was accepted by *MIS Quarterly*.

In “Activist Hedge Funds and Firm Disclosure,” a study to be published in the *Review of Financial Economics*, Professor

**Michael Jung** and a co-author found that on average firms are less likely to issue public management forecasts, also known as management guidance, in the quarter subsequent to new investment by activist hedge funds.

In “Wage Inequality and Firm Growth,” Professor **Holger Mueller** and his co-authors ex-

amined how the wage differences between jobs of differing skill levels within a single firm varies between firms and over time.



Holger Mueller

Professor **Priya Raghubir** and a co-author proposed that the horizontal and vertical position of an item on a display is a source of information that individuals use to make judgments. The paper “Are Consumers Aware of Top-Bottom but Not of Left-Right Inferences?”



Priya Raghubir

Implications for Shelf Space Positions,” was accepted for publica-

tion at the *Journal of Experimental Psychology: Applied*.

In “Will a Fat Tax Work?”, forthcoming in *Marketing Science*, Professor **Vishal Singh** and co-authors investigated the potential of small price incentives for inducing substitution to lower-fat alternatives.

Rising house prices lead to a corresponding increase in local retail prices, according to Professor **Johannes Stroebel** and his co-author in “House Prices, Local Demand and Retail Prices.” The paper has implications for monetary, labor, and urban economics, and suggests a new source of markup variation in business cycle models.

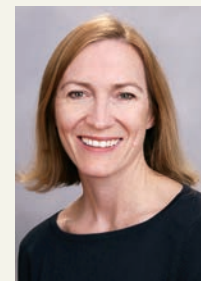
In *Genealogy of American Finance*, Professor Emeritus **Richard Sylla** and a co-author outlined the history of the 50 largest banks in the US and reviewed the evolution of the American banking system over more than two centuries of countrywide change, including war, economic crises, and financial opportunities.

In a paper published by The Cato Institute, Professor **Bruce Tuckman** argued that current

regulatory initiatives will discourage the use of derivatives but will not appreciably reduce systemic risk. “In Defense of Derivatives: From Beer to the Financial Crisis” critiques some of the initiatives in derivatives regulation set in motion by Dodd-Frank.

The *Journal of Economic Theory Regulations* will publish “Should We Regulate Financial Information?”, a paper by Professor

**Laura Veldkamp**



Laura Veldkamp

and a co-author, who argued that by making payoffs less uncertain, information

disclosure reduces risk but also reduces return.

Professor **Wenqiang Xiao** and a co-author analyzed drug distribution processes to find the

most effective way to ensure that malaria drugs reach the people that need them the most, in “Subsidizing the Distribution Channel: Donor Funding to Improve the Availability of Malaria Drugs,” forthcoming in *Management Science*.





## shorttakes



Adam Alter

& Quants, a website for prospective business school students.

Professor **Stephen Brown** has been appointed executive editor of the *Financial Analysts Journal*. Professor Brown was also invited by The Prince of Wales to participate in a meeting in London last May to explore steps being taken by leading business schools to integrate sustainability issues into research and teaching undertaken by the finance and accounting faculty.

Professor **Jeanne Calderon's** co-authored paper with **Gary Friedland**, a guest lecturer at Stern, on EB-5 financing was cited in a recent Government Accountability Office Report to Congress.

Two Stern professors, **Xi Chen** and **Arun Sundararajan**, have been



Dolly Chugh

Professors **Adam Alter** and **Deepak Hegde** were recently featured in a list of "The World's Best 40 Under 40 Business School Professors" on Poets

& Quants, a website for prospective business school students.



Stephen Brown

granted 2015 Google Faculty Research Awards.

Professors **Dolly Chugh** and **Jonathan Haidt** were recently named to *Ethisphere*

magazine's "100 Most Influential in Business Ethics" list.

Professor **Nicholas Economides**

and co-investigators **Sundee Rangan** and **Elza Erkip** of NYU Tandon School of Engineering were awarded a National Science Foundation grant of about \$750,000 to support their research on the creation of fifth-generation phone networks.

Nobel Laureate Professor **Robert Engle**

was presented the Oskar-Morgenstern Medal at the University of Vienna for his academic achievements and ongoing efforts in the field of time series/financial econometrics.

Professor **Jason Greenberg** was selected as a 2015 Kauffman Junior Faculty Fellow, receiving a \$35,000 fellowship grant award.



Pankaj Ghemawat

an awards gala in London.

Professor **Panos Ipeirotis** has been awarded the 2015 Lagrange-CRT Foundation Prize in recognition of his overall research work in the field of



Jonathan Haidt



Robert Engle

complexity and complex systems across all the scientific disciplines.

Professor **Srikanth Jagabathula** was recently recognized by the National Science Foundation with its Faculty Early Career Development award. He will receive \$500,000 over the next five years to further his research in developing data-driven modeling and learning techniques with the goal of improving the accuracy of operational decision-making.

Professor **Hila Lifshitz-Assaf** and a co-investigator were recently awarded a nearly \$1 million National Science Foundation grant to support their research on open innovation.

Professor **Thomas Philippon** has joined the monetary policy advisory panel of the Federal Reserve Bank of New York.



Michael Posner

Professor **Michael Posner** served as chair of the Global Agenda Council for Human Rights at the World Economic Forum's Summit on Global Agenda in Abu Dhabi.

Professor **Kim Schoenholtz** was named as a member of the Financial Research Advisory Committee of the US Treasury's Office of Financial Research.

Professor **Robert Seamans** has received a one-year appointment to the President's Council of Economic Advisors as a Senior Economist for Technology and Industrial Organization Policy.

The Volkswagen Foundation has awarded Professor **Marti Subrah-**



Hila Lifshitz-Assaf

**manyam** and his co-investigators approximately \$825,000 to support their research on quantitative easing and financial stability, or the lack thereof.

Professor **Arun Sundararajan** joined President Obama, Vice President



Marti Subrahmanyam

**Biden**, and about 200 business, government, and labor leaders at the inaugural White House Summit on Worker Voice in Washington, DC. He spoke on a panel about "Worker Voice in the On-Demand Economy."

Professor **Yaacov Trope** was awarded the Mentor Award for Lifetime Achievement from the Association for Psychological Science.

Norway's Ministry of Finance appointed Professor **Stijn Van Nieuwerburgh** as chair of an expert group tasked with investigating allowable investments for the country's \$900 billion Government Pension Fund Global.

Professor **Lawrence White** received the 2015 Distinguished Service Award from the Industrial Organization Society.

Professors **Luke Williams** and **Cynthia Franklin** were named as two of Hot Topic's Top 100 Professors of Entrepreneurship.

Professor **Russell Winer** was recently named an inaugural fellow of the



Russell Winer

American Marketing Association.

## Design Thinking: Teaching Leadership Through Innovation

*Stern freshmen in the Cohort Leadership Program practice design thinking to find healthy solutions for college students*

By **Erin Potter**

What do NYU Stern freshmen study during their first few months of college? Beyond the core liberal arts courses in writing, mathematics, and social sciences, they are immersed in a semester-long project that helps them tap their creativity to develop innovative solutions to real-world problems. Using design thinking, students draw on the rich diversity of their cohorts and collective imagination to turn human-centered observations into transformational solutions. Design thinking – a process borrowed from engineers – is a strategy of solving a problem by learning the issues underlying it, defining it, brainstorming solutions, and then creating prototypes and testing them.

“The world is changing fast and business and society leaders need to be innovative to keep their organizations relevant,” explained Assistant Dean of Students, Engagement, and Innovation Ashish Bhatia (BS ’02). “Given this dynamic environment, our Cohort Leadership Program teaches leadership through innovation by having students confront an important problem – eating healthy as a student. Using the design thinking process, students re-examine something they do multiple times each day, to come up with wildly imaginative solutions.”

Guided by experts in innovation, design, and strategy from partner firms VSA Partners and Fahrenheit 212, students were asked to come up with new and interesting ways to encourage college students, known for their affinity for low-cost convenience food, to eat healthier. After a crash course in design thinking, students dispersed across New York City to gain inspiration and insights from street vendors, local eateries, and fellow NYU students.

For two weeks, students then shared their observations in small



A group of undergraduates tackles an issue that hits close to home — how to eat a healthy diet as a student — drawing inspiration from images and each other during an in-class brainstorming session.

groups and practiced divergent thinking to build a rich sense of the problem they were trying to solve. The groups took the insights they generated from their New York City field work and jumped into ideation with brainstorming sessions structured around prompts like “how might we make food options available 24/7?” After group votes determined the most promising innovations, students collaborated on their final projects, which were revealed to peers and expert judges in the last class.

“Design thinking is a fun and effective way to create breakthrough solutions to all kinds of entrenched problems,” said VSA Partners Strategy Practice Lead Eric Martinez (BA ’01), who led two instructional sessions during the 11-week course. “We use it to help our clients reinvigorate their cultures, more meaningfully engage with their customers, and even redesign their business strategies. This way of thinking can be applied effectively in so many situations whether they be professional or personal, so it’s great to see college freshmen exercising these muscles because they’ll be able to bring this tool with them wherever they go.” ■

# An Analytics Slam Dunk

By **Amanda Testani**

How do you combine an interest in basketball with an education in business analytics? Lisa Prosser, Nil Simsek, and three classmates in NYU Stern's MS in Business Analytics (MSBA) program joined forces with the San Antonio Spurs to explore the current use and future implementation of data and analytics into the National Basketball Association.

While Lisa and Nil came to Stern with different backgrounds – Lisa in sales operations and Nil in engineering – both were drawn to Stern's MSBA program. "The fact that the MSBA program was offered in a business school, and had the Stern brand behind it, I felt that it would definitely have the business focus I was looking for," noted Nil.

Another similarity between the women was their interest in basketball. Lisa pitched the capstone idea to her group based on her experience at summer camp playing the sport under Chip Engelland, now the assistant coach for the San Antonio Spurs. Nil, who played basketball competitively in college, became immediately interested in the topic. Lisa reached out to Engelland for guidance, who then put her in touch with Spurs Head of Basketball Analytics, Gabe Farkas.

In partnering with the Spurs, the focus of Lisa and Nil's analysis centered on two areas of importance to the team: the desire for continued success and the fact that one of their star players was also one of the oldest players in the league. These factors helped them narrow the focus of their investigation to two key areas: evaluating which games would be optimal to rest older players and identifying which would likely allow star players to perform to their potential.

"Our project focused on applying analytics to streamline the decision-making process. In essence, we aimed at substituting the 'one part science and two parts intuition' formula coaches often employ with a fully analytical one," explained Nil. As Lisa noted, "Having a business analytics skillset made our analysis not only more thorough but also repeatable, which is critical when looking at problems in sports that provide you with new data on a daily basis."

The pair reached two conclusions concerning the state of analytics in the NBA: information must be communicated in a way that

a nontechnical audience will be able to absorb; and domain expertise is critical in the success of a team's analytics department. Lisa and Nil also created a web application that provided real-time summaries, trends, and analytics that could be used for scouting purposes, along with a calculator designed to provide decision-making support to the coaching staff. By addressing the two areas identified as most important by the Spurs, they noted positive feedback from the team.



Master of Science in Business Analytics graduates Lisa Prosser and Nil Simsek took their education onto the basketball court, applying data and analytics to the NBA's decision-making process for their capstone project.

The biggest takeaway from the project, noted Lisa and Nil, was learning how to effectively communicate solutions to a nontechnical audience. Reflecting on the topic, Nil said: "A business problem need not be complex or the analytics solution sophisticated for the project to be successful and have impact. In fact, a simpler and easily adoptable solution is much preferred."

Both women agreed that the MSBA program had a massive impact on their career paths. Nil currently works at Citi as a vice president in the area of credit card customer acquisitions and line management analytics, and Lisa is vice president of the data and analytics group at Athena Art Finance. Noted Nil, "The program was instrumental in the opportunities presented to me as well as the skills I am now able to bring to the table in my role." ■



# A New Model for National Parks – And an Unforgettable Experience

By **Anna Christensen**

“National parks are typically thought of as a public good managed by the government, but we’re imagining a new model for the 21st century that is financially self-sustaining and can be replicated in other developing countries with limited funding,” said Laura Fox, a full-time MBA alumna. She worked with four classmates during their final semester on a Stern Signature Project to develop a business plan for Wadi Wurayah National Park in the United Arab Emirate’s Fujairah region. Fox, Joseph Ciraulo, Kanika Jain, Jake Singer, and Liang Zhang, advised by NYU Abu Dhabi Professor Ramesh Jagannathan, partnered on the project with the World Wildlife Fund (WWF), McKinsey & Co., and the Fujairah Municipality. In February, they traveled to the UAE to view the park land and meet with many of the project stakeholders.

“Wadi Wurayah offers a really unique landscape,” Joe said. “In a country that is mostly desert, you have wetlands, beautiful red rock mountains, unusual plants, and UAE’s national animal, the tahr. Wadi Wurayah has been treasured by locals for a long time, but over time it became damaged from overuse. The land has been rehabilitated, and the Fujairah Municipality now wants to re-open it to the public as a national park.” The Fujairah government first approached the WWF, which enlisted McKinsey’s help, on a pro bono basis, to develop a business plan for the park. The Stern MBAs, mentored by McKinsey, worked on this business plan.

“Our key challenge was that the park has to be financially self-sustaining,” Liang explained. “Our team’s focus was on the initial phase of getting the park open, with the capital required to do so, and on the first two years of operation. We’ve built a financial model, conducted a stakeholder analysis, determined who the core visitors will be, and developed a fundraising plan.”

“We have a lot of stakeholders, so meeting everyone’s needs has been a balancing act,” Kanika noted. “Despite the challenges this posed, the different perspectives were very helpful.”

“The stakeholders have been extremely helpful in different ways,” Joe said. “Olivier Combreau at the WWF was a vital expert on conservation and national parks. Our advisor, Professor Ramesh Jagannathan, who is based at NYU Abu Dhabi,



Rockin’ in the UAE: (left to right) Laura Fox, Kanika Jain, Jake Singer, Liang Zhang, and Joseph Ciraulo teamed up with the World Wildlife Fund, McKinsey & Co., and the Fujairah municipality to write a business plan for the Wadi Wurayah National Park last spring.

showed us the value of NYU’s global network. He helped us understand the culture and politics of the region and provided numerous connections.”

“McKinsey was pivotal in helping us approach the analysis in the best way,” Liang said. “We had originally structured the project around milestones and deliverables, but our mentors encouraged us to frame the analysis around key questions, and to think deeply about what those questions should be. This advice fundamentally changed how we structured the project and gave me a greater understanding of the value consultants can bring.”

“This project has been a great opportunity to look at how the public and private sectors and social enterprise can all work together,” Laura said. “Part of the reason we’re calling this a model of the 21st century park is that more and more social assets are having to rely on private funding. The project showed me that you can reimagine things that you think are set in stone.”

“This process for thoughtfully preserving natural land in a developing country like the UAE can be a model for the region and world, especially in emerging economies where there is less government funding for a park system,” said Jake. “Our hope is that our ideas can be replicated on a global scale.” ■

## REUNION 2015



**The NYU Stern Reunion tradition**, now in its sixth year, united alumni from around the world on Stern's campus. The all-day program featured dynamic faculty and alumni presentations, faculty-led master classes, a career workshop, and an evening of dinner and dancing at the Waldorf Astoria.



■ VISIT [STERN.NYU.EDU/REUNION](http://STERN.NYU.EDU/REUNION) TO VIEW HIGHLIGHTS  
● AND PHOTOS FROM REUNION 2016!



# Connecting with Alumni Around the World

By Kimberly Couzens



Panel event in Los Angeles on trends in marketing with Suzanne Elliott (EMBA '10), Rebecca Kramer Rosengard (MBA '09), Javon Frazier (MBA '05), and Jasmine Victor (BS '02).



Conversation in San Francisco with Mike Gupta (BS '92) and Professor Al Lieberman about careers in technology.



New Jersey alumni attend a football game at West Point.

Stern's 110,000-plus alumni network expands far beyond New York City. With 76 regional groups in cities worldwide, it has never been easier for alumni to stay connected and tap into the Stern network. Stern's Office of Alumni Relations works with regional alumni volunteers worldwide to provide strategic guidance, as well as support in programming, logistics, event preparation, and communications. Regional Alumni Groups engage alumni wherever they are and operate as a micro Stern community.

"Our goal is to provide comprehensive support to our regional alumni groups in a way that works for them. By partnering with local group leaders, we can offer a variety of programming for Stern graduates to enjoy, whether it's lifelong learning, professional development, or social activities," said Sarah Marchitto, executive director of alumni relations. "The programs are largely driven by what the groups are looking for."

## Alumni Programs Around the World

While 70 percent of Stern alumni reside in the New York metropolitan area, more than 30,000 alumni live across the country and around the world.

Although the goals and mission are the same for each regional alumni group, the Alumni Relations team helps each group personalize and plan and set priorities that match the culture and desires of the region. Over the last year, Stern traveled with Dean Peter Henry and Undergraduate College Dean Geeta Menon, Stern faculty, and local professionals to Los Angeles, the Bay Area, San Diego, Chicago, Austin, Dallas, Houston, Boston, Minneapolis, Philadelphia, and closer to home in New Jersey and the Westchester-Fairfield areas.

Stern's global alumni communities are also flourishing and have held special events worldwide. Over the last year, Stern hosted events in Mumbai, Singapore, Hong Kong, Taipei, Paris, London, Spain, Mexico City, Shanghai, and Tel Aviv.

## Welcome Events for New Alumni

This summer, regional groups everywhere will offer programs to welcome new graduates into their alumni community. These events show new alumni that they have a network to tap into, whether it's for networking or social activities — which is especially helpful for those who relocate for a new job.

To connect with a regional alumni group near you, visit: [stern.nyu.edu/regionalgroups](https://stern.nyu.edu/regionalgroups).





Alumni gather in Rome for a special evening celebration.



NYU Stern hosted a series of alumni events with Deans Peter Henry and Geeta Menon in Mumbai, Hong Kong, Taipei, and Singapore.



## STAYING CONNECTED TO STERN

WHETHER YOU HAVE A FEW HOURS OR A FEW MINUTES, HERE ARE WAYS TO STRENGTHEN YOUR TIES TO THE **#STERNALUMNI** COMMUNITY



### UPDATE YOUR CONTACT INFORMATION

New job? New address?  
Let us know at  
[stern.nyu.edu/alumni](http://stern.nyu.edu/alumni).



### JOIN THE CONVERSATION

See what other  
**#SternAlumni** are up to!



### CONNECT WITH ALUMNI IN YOUR REGION



### ATTEND AN EVENT

Find something that  
fits your interests.

Learn More at [stern.nyu.edu/alumni](http://stern.nyu.edu/alumni)

## STERN IS EVERYWHERE

**76** REGIONAL ALUMNI GROUPS

**9,400+** ALUMNI ATTENDEES

**206** EVENTS WORLDWIDE\*

\*Events in 2015



## NYU Stern is your resource for lifelong learning

Stay relevant and on the cutting edge, build new knowledge quickly and choose options that meet your career needs.

### Executive Education Short Courses

Two-to-five day courses with top Stern faculty in:

- Leadership and strategy
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Learn more at [stern.nyu.edu/lifelonglearning](http://stern.nyu.edu/lifelonglearning)

## NYU Stern Haskins Giving Society Brings the School's Most Loyal Supporters Together

*A Stern tradition for over 30 years*



Named after the School's founding dean, Charles Waldo Haskins, the Haskins Giving Society unites Stern's most loyal annual supporters who demonstrate a deep commitment to the School.



Haskins provides unique opportunities for members to meet throughout the year to network and celebrate the School's accomplishments, culminating with a premier event, the Annual Haskins Award Dinner, which honors members of this esteemed society.

### **Haskins Giving Society members enjoy several benefits, including:**

- Complimentary admission to the annual Haskins Award Dinner, held each spring
- Complimentary admission to the annual Alumni Holiday Celebration, held each winter
- Insider tours of Stern
- Invitations to exclusive School events and premier networking opportunities
- Recognition in the annual NYU Stern Donor Report

Join the Haskins Giving Society  
online at [stern.nyu.edu/haskins](http://stern.nyu.edu/haskins).

Or call (212) 998-4161 or email [giving@stern.nyu.edu](mailto:giving@stern.nyu.edu),  
and learn about unique opportunities for new alumni.

## SAVE THE DATES



The 10<sup>th</sup> anniversary celebration of NYU Stern's Part-Time MBA Program in Westchester.



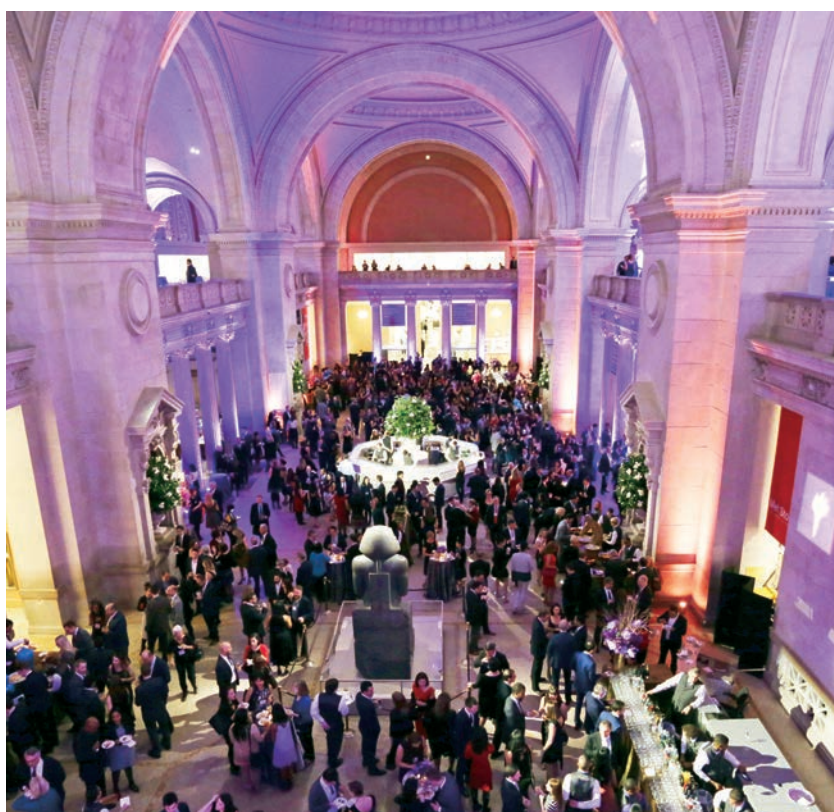
The NYU Stern Entertainment, Media, and Technology (EMT) annual summit, featuring alumni and practitioner panels.





## ALUMNI HOLIDAY CELEBRATION

The 15<sup>th</sup> annual Alumni Holiday Celebration drew a record-setting attendance of more than 1,000 alumni, faculty, and friends for a festive evening at The Metropolitan Museum of Art. Alumni from classes spanning 60-plus years joined Deans Peter Henry and Geeta Menon for the fête and enjoyed exclusive access to The Met's Greek and Roman galleries.





## 1940 - 1960

**Walter Chandoha (BS '49)**, of Annandale, NJ, published his latest book *Walter Chandoha: The Cat Photographer* in October 2015.

**Martin Granoff (BS '58)**, of Saddle River, NJ, was appointed a Co-Chair of Brown University's \$3 billion BrownTogether campaign.

**Albert del Rosario (BS '61)**, of Quezon City, Philippines, was named "Management Man of the Year" by the Management Association of the Philippines.

**Thomas Freston (MBA '69)**, of New York, NY, was named Adviser at The Raine Group.

## 1970s

**Cynthia Villar (MBA '72)**, of Mandaluyong City, Philippines, received the 2014 Pusong Overseas Filipino Workers Award from the Blas F. Ople Policy Center and Training Institute.

**Alex Aliksanyan (BA '73)**, of New York, NY, became COO and Chief Information Officer of RealBiz Media Group, Inc.

**Shishir Kumar Bajaj (MBA '74)**, of Mumbai, India, former Chairman and Managing Director of sugar producer Bajaj Hindusthan, ranked 85th on the *Forbes* 2015 "India's 100 Richest" list.

**John Carlisi (MBA '75)**, of New Hyde Park, NY, was reappointed to the Affordable Housing Advisory Council at the Federal Home Loan Bank of San Francisco.

**Yolene Legrand (MBA '75)**, of New York, NY, had a painting chosen to be part of the Brooklyn Museum's permanent collection.

**Steven Bensinger (BS '76)**, of New York, NY, joined TigerRisk Partners, an insurance broker.

**Stewart Karlinsky (MBA '76, PhD '81)**, of Menlo Park, CA, was awarded the Silicon Valley CPA Society Chapter Lifetime Achievement Award.

## From Banking to Fashion Design



Kirat Anand (BS '00)

Whether he's busy presenting his collections to buyers and editors in the showroom or focusing on business development with clients and staff, Kirat Anand, founder and designer at KAS New York, always sets aside a few hours each day to focus on his passion: design.

"It's my release from the world. I put on some music and escape into design mode," Anand says. Today, KAS New York styles retail globally at high-end stores and luxury resorts like Anthropologie and Saks, and have been worn by a number of celebrities, including Malia Obama. But Anand didn't always have his heart set on fashion.

Anand entered NYU Stern's Undergraduate College with high

hopes for a career in banking. As a Stern student, Anand had the exposure he needed to secure part-time jobs in the city at companies such as Forbes, Morgan Stanley, and Oliver Wyman. In the classroom, Anand embraced the curriculum. "Group case studies and presentations taught me to be a team player and to identify the strengths and limitations of those around me – skills that are invaluable to me today," he says.

After graduating from Stern in 2000, Anand began a career in investment banking at JPMorgan Chase. "At the time, being recruited and hired by a top bulge bracket firm was a dream come true. I learned so much,

but soon realized that closing deals for the bank and creating capital for clients just didn't excite me," Anand says.

Anand chose to pursue his

passion, one that had been sparked at an early age by his parents: his mother, a self-taught designer, and his father, who studied textile engineering in Germany.

Although he was raised in the US, his parents made sure to bring him to India multiple times a year, sometimes for months at a time. Drawing upon inspiration from his Indian heritage, with its "rich history, hand-crafted art, and colorful traditions," Anand founded his boho-chic fashion label, KAS New York, in 2006.

For Anand, success in the fashion industry boils down to innovation. "Things move fast, and you're only as good as your last season," he says. "Today's merchants are intelligent. You have to focus on what will separate you from other designers."

With a background in business, Anand certainly stands out from his contemporaries, but he wouldn't trade his Stern degree. "I present my design collection hundreds of times each season, and having the skills to deliver with clarity and confidence is a powerful tool – one I learned at Stern." With a Manhattan-based showroom and a younger family member at Stern, Anand finds plenty of reasons to come back to campus.

His advice for current Stern students interested in design? "It's fashion, so remember to look fabulous and have fun."

**Matthew Kissner (MBA '77)**, is the new Chairman of the Board at John Wiley & Sons.

## 1980s

**Alan Caine (BS '80)**, of San Francisco, CA, co-founded Custom College Visits, which helps families plan multi-day college tours and on-campus visits.

**Donald Foley (MBA '80)**, was appointed to the Board of Directors of the medical device company BioSig Technologies.

**Barbara Munder Riordan (MBA '80)**, of Johns Island, SC, was appointed to the Board of Sucampo Pharmaceuticals.

**Vincent F.M. Costello (BS '81)**, of Corinna, ME, was named Chief Revenue Officer at Numerex, a provider of machine-to-machine solutions.

**Elgar Peerschke (MBA '81)**, of New York, NY, was appointed President of Advisory Services at Quintiles.

**Richard C. Perry (MBA '81)**, of New York, NY, received *Institutional Investor's* lifetime achievement award.

**Harry Robinson (BS '75, MBA '81)**, of Marco Island, FL, joined the New York University Executive Advisory Board.

**Richard Ming-Hsing Tsai (MBA '81)**, of Taipei City, Taiwan, was named on *Forbes'* "Taiwan's 50 Richest" list in June 2015.

**Jeffrey Brodsky (MBA '82)**, of East Meadow, NY, has been promoted to Vice Chairman of Related Companies.

**Robert Glasser (MBA '82)**, of Sands Point, NY, was named Managing Director at FTI Consulting.

**David Margulies (BS '79, MBA '82)**, of Florham Park, NJ, was appointed Director of the New Jersey Small Business Development Center at Kean University.

**Geoff Colvin (MBA '83)**, of Fairfield, CT, published his book *Humans Are Underrated: Proving Your Value in the*

*Age of Brilliant Technology.*

**June Klein (MBA '83)**, of Westport, CT, helped launch Paythru, Inc.'s flagship project at St. Pancras Station in London.

**David Weild (MBA '83)**, of Bronxville, NY, Founder, Chairman, and CEO of investment banking firm Weild & Co. Holdings, released the study, "The US Needs Venture Exchanges."

**John Higman Caron (MBA '84)**, of Winter Park, FL, was appointed to the Board of Directors of IZEA, an online platform that matches content providers with advertisers.

**Pamela Craig (MBA '84)**, of Summit, NJ, was appointed to the Board of Directors of Merck.

**Shigeru Hayakawa (MBA '85)** was appointed Global Managing Officer and Chief Communications Officer at Toyota Motor Company.

**Maureen O'Connell (BS '85)**, of Greenwich, CT, was appointed to the Board of Sucampo Pharmaceuticals.

**Charles Richardson (MBA '85)**, of Atlanta, GA, was appointed Dean of the School of Business at Claflin University.

**Angela Sullivan (MBA '86)**, of Short Hills, NJ, assumed the position of Deputy Executive Director for SAGE Eldercare.

**Bob Gould (MBA '87)**, of South Hamilton, MA, joined Spinnaker Trust as Executive Vice President, Principal and Vice Chairman.

**Peter Gambee (MBA '88)**, of Wilton, CT, joined Summit Trail Advisors, a private investment office, as Partner.

**Luke O'Keefe (MBA '88)**, of White Plains, NY, joined First Reserve, an energy private equity firm, as Asset Manager.

**Maria Pierdicchi (MBA '88)**, of Milan, Italy, was elected to the Board of Directors of Luxottica, a luxury eyewear company.

**Y. David Scharf (BS '88)**, of New York, NY, was elected Vice President of the Board of Directors of the US Tennis Association Foundation.

**Lloyd Wirshba (MBA '88)**, of Haverford, PA, was appointed Chief Commercial Officer for North America at Convergys Corporation.

**Danielle Conway (BS '89)**, of Honolulu, HI, was named Dean of the University of Maine School of Law.

**Rex Green (MBA '89)**, of Winchester, MA, was appointed Managing Director and Global Co-Head of Automotive Aftermarket Investment Banking at Jefferies.

## 1990s

**Stewart Brown (MBA '90)**, of Alexandria, VA, was appointed to the Board of Directors of Wheeler Real Estate Investment Trust, Inc.

**Herbert Cunitz (MBA '90)**, of Incline Village, NV, is President of Hortonworks, which went public in December 2014.

**Kenneth Lustig (MBA '90)**, of Mercer Island, WA, joined Soul and Vibe's Strategic Advisory Board.

**Patrizia Micucci (MBA '90)**, of Milan, Italy, was appointed to the Société Générale Group Management Committee, as well as Group Head of Country for Italy.

**Emmanuelle Moors (MBA '90)**, of Paris, France, published the second edition of her book *Structured Commodity Finance: Techniques and Applications for Successful Financing Arrangements*.

**Kathleen Navarro (BS '90)**, of New York, NY, was appointed Chief Diversity Officer of New York Life Insurance.

**Lynn Antipas Tyson (MBA '90)**, of North Salem, NY, was appointed Vice President of Investor Relations at Atento.

## STERN's on the go... STERNbusiness, that is.



STERNbusiness is available in the iTunes Store for your iPhone, iPad, or iPod Touch, and in the Google Play store for your Android smartphone and tablet. And of course also at [stern.nyu.edu/sternbusiness](http://stern.nyu.edu/sternbusiness).

Get the STERNbusiness app on [iTunes](#) and [Google Play](#).



**Jeffrey Becker (MBA '91)**, of Avon, CT, was elected to the AmeriCares Board of Directors.

**Edward Kirill Eisler (BS '91)**, of London, UK, launched Eisler Capital, a hedge fund.

**John Erdos (MBA '91)**, of Little Rock, AR, was named CEO of I.O. Metro.

**Scott Kaplan (MBA '91)**, of Bridgewater, NJ, was named Head of the Pension Risk Transfer Business Team at Prudential Retirement.

**Alessandra Messineo Long (BS '91)**, of Riverside, CT, was named President of the Junior League of Greenwich Board.

**Joan Solotar (MBA '91)**, of New York, NY, was promoted to Head of Multi-Asset Investing and External Relations at Blackstone.

**José Tavares (MBA '91)**, of Irvington, NY, was named to the Board of Governors for the YMCA of Central and Northern Westchester in New York.

**Nikos Theodosopoulos (MBA '91)**, of Manhasset, NY, was appointed to the Board of Directors of Harmonic.

**Tyler Tokioka (MBA '91)**, of Honolulu, HI, was selected to participate in the 2015 Japanese American Leadership Delegation.

**Audrey Aguilar (MBA '92)**, of Old Greenwich, CT, launched Lily, a shoe and accessories boutique.

**Alexandra Gerula (MBA '92)**, of New York, NY, was promoted to Managing Director at Morgan Stanley.

**Mike Gupta (BS '92)**, of Los Altos, CA, joined the software startup Docker as CFO.

**Sarah McClintock (MBA '92)**, of Summit, NJ, was appointed to the Board of Trustees of the Morris County Historical Society.

**Gavin O'Connor (MBA '92)**, of Washington Township, NJ, was named Chair of the Board of Directors of Junior Achievement of New York.

**Nader Youssef (BS '92)**, of Jericho, NY, was appointed Chief Medical Officer of ElectroCore.

**Amrit Agrawal (BS '93)**, of Flushing, NY, joined Piper Jaffray Companies as Head of Debt Private Placements.

**Michelle Russell Johnson (MBA '93)**, of New York, NY, joined Genesis Capital Partners as a Partner and Global Head of Business Development and Investor Relations.

**J. Bradford Miller (MBA '93)**, of New York, NY, married Margaret Keane Williams on June 10, 2015, in New York.

**Matthew Strauss (BS '93)**, of Cherry Hill, NJ, Senior Vice President and General Manager, Video Services at Comcast Cable, was honored in *Variety's* first Digital Entertainment Impact Report.

**Nahla Azmy (MBA '94)**, of Princeton, NJ, joined Alcoa as Vice President, Investor Relations.

**Christoph Bene (MBA '94)**, of Westport, CT, joined Brock Capital Group as Managing Director.

**Eric Berger (MBA '94)**, of Manhattan Beach, CA, Executive Vice President at Sony Pictures TV and General Manager at Crackle, was honored in *Variety's* first Digital Entertainment Impact Report.

Photo: Daniel Figueroa



## SHOW YOUR STERN SPIRIT

**Harry the dog hard at  
work like a true Sternie!**

We want to see photos of your family - furry friends included - showing their Stern spirit.

Email photos to  
**[alumni@stern.nyu.edu](mailto:alumni@stern.nyu.edu)**  
or post on social media with  
**#SternAlumni.**



## Building Opportunity Through Microfinance



Greg Casagrande (MS '87)

Greg Casagrande is in the business of “empowering people to follow their own dream” as the founder and president of South Pacific Business Development (SPBD) Microfinance Network. Through his enterprise, he provides women microentrepreneurs in developing countries with small loans of up to \$500 and ongoing guidance and motivation to help them build small businesses. From catering to light manufacturing, SPBD has helped more than 60,000 women microentrepreneurs across 22 islands in the South Pacific build better lives.

As Casagrande says, “it’s all about providing meaningful economic opportunity.”

“When microentrepreneurs are able to get small loans to help increase their output and generate income, their small businesses transform the lives of their families and their communities,” he says.

Casagrande found his way into microfinance after taking to heart advice he had given his daughter, which was to have the guts to follow your dream. After starting his career in public accounting in NYC, he transitioned into the auto industry, working for Ford Motor Company in product development and manufacturing, a role that brought him to Japan to work with the Mazda team. After several years, Casagrande said he was ready for a change and a chance to explore his interest in Third World economic development. He moved his family to New Zealand for a three-month

break, which turned into 10 years in the southern hemisphere.

While in New Zealand, Casagrande attended a microcredit summit in the Ivory Coast where he met several inspiring practitioners. He then spent one month in Chittagong, Bangladesh, at a branch of the Grameen Bank to learn the nuts and bolts of how a microfinance organization operates. Afterward, Casagrande decided he would build a similar bank and chose Samoa, one of the world’s 49 least developed countries, as his first location. But once he arrived, he learned others had tried and failed at the same thing. Undeterred, Casagrande figured out the pit-

falls and realized his strong management and accounting skills meant he had the tools to make his vision a success. He also knew it was critical to obtain buy-in at the outset from the village’s chief and men so they would be supportive of the women in the program.

Today, the SPBD network is in three more countries: Tonga, Fiji, and the Solomon Islands. It has distributed approximately \$70 million in microloans, with \$18 million of that in the past year alone. The network has also been successful as a business, with 98.4 percent of payments made on time, and

only 0.6 percent written off.

A few years ago he moved back to New Jersey, and now runs SPBD remotely with the help of 130 local staff. He credits NYU Stern with giving him a rigorous education in accounting, a program he did at the time in conjunction with Coopers & Lybrand. He fondly remembers his time at Stern and building friendships he retains to this day. Casagrande stays connected to the School through the Haskins Giving Society and its annual dinner held each spring.

Casagrande’s career exemplifies Stern’s mission to develop ideas and leaders that transform 21st century problems into opportunities that create value for business and society. As Casagrande says, “Stern gave me the foundation to be confident in pursuing my dreams. So I wanted to give others the opportunity to pursue their own vision of success.”

“It’s all about providing meaningful economic opportunity.”

## Paying it Forward

It's been more than 20 years since Winnie Tam began building a foundation at NYU Stern for her career in finance. Looking back, Tam is grateful not only for her education, but for the scholarship support that helped propel her to where she is today.

As a managing director in Goldman Sachs's internal audit department, Tam oversees the firm's corporate functions, including risk management, compliance, and legal, and interacts with a wide range of professionals on a daily basis. "I hear the perspectives of a lot of people, from my own staff to senior executives and regulatory officials," Tam explains. The challenge of synthesizing these opinions in order to form her own, when combined with the ever-changing landscape of financial services, keeps her on her toes.

Tam credits her success to the time she spent working on group projects as an undergraduate student at Stern. "The projects taught us how to interact with one another. We spent countless hours working together on Stern's concourse level, in meeting rooms, at the library, and in each other's dorm rooms. As a bonus to completing the projects, I made many close friends and



Winnie Tam (BS '93)

**"I am a true believer in education."**

learned how to maximize the contribution of each of my team members."

Reflecting on her time at Stern,

Tam is thankful for the breadth of courses she took. "In addition to its business-centric courses, the School allowed me to take a variety of electives in the College of Arts and Science," she says. One such course, Astronomy, still sticks with her today. "It keeps things in perspective for me – reminds me how small we are compared to the rest of the universe."

As a prospective student, Tam was originally drawn to Stern's location, diverse student body, and reputable name. But financial aid and affordability played a key role in her future, and her family could not have covered the tuition alone. Thanks to the generosity of Stern alumni, Tam was awarded multiple scholarships upon being accepted to the program, making her dream school a reality.

With a BS from Stern, Tam began a career in accounting, and thanks to guidance from the many mentors she met along the way, she eventually landed a career in financial services.

But for Tam, it all comes back to her time at Stern and the alumni whose generosity still resonates today. "These scholarships made me who I am," Tam says. Which is why, with the help of some of her closest friends and fellow alumni, Tam is giving back to her alma mater through scholarship.

"I am a true believer in education, and I hope that our scholarship allows more young people to build a strong future for themselves and their families."

**John Galioto (MBA '94)**, of New York, NY, joined West Monroe Partners' technology practice.

**Nitin Karnani (BS '94)**, of New York, NY, was named Partner at Dune Real Estate Partners LP.

**James Kissane (MBA '94)** was named Managing Director and Co-Head of the Information and Technology Services Investment Banking group at Cowen Group, Inc.

**Andrej Suskavcevic (MBA '94)**, of Flemington, NJ, was named President and CEO of Financial Executives International.

**Emily D. Brower (MBA '95)**, of Wellesley, MA, was promoted to Vice President of Population Health at Atrius Health.

**Mark Todtfield (MBA '95)**, of Chappaqua, NY, was promoted to Managing Director at Morgan Stanley.

**L. Paul Waterman (MBA '95)**, of Madison, NJ, was named CEO-designate of the specialty chemicals company, Elementis.

**Patrick Collins (MBA '96)**, of Franklin Lanes, NJ, joined Houlihan Lokey's Financial Sponsors Group as a Managing Director.

**Patrick Fabbio (MBA '96)**, of Basking Ridge, NJ, was appointed CFO of ElectroCore.

**Tim Hodge (MBA '96)**, of Park City, UT, was named Executive Vice President, service at LPL Financial.

**Jonathan Lieber (MBA '96)**, of Waltham, MA, was appointed Chief Financial Officer of Histogenics Corporation.

**John Melvin (MBA '96)**, of Riverside, CT, joined Hartford Investment Management as Managing Director and Head of Portfolio Management.

**David Waldman (MBA '96)**, of Needham, MA, Deputy Chief Investment Officer of Loomis Sayles, has been elected to the company's Board of Directors.

**Sam Baker (MBA '97)**, of Rye, NY, launched Global Frontiers, Inc., which organizes macro research trips for institutional investors to global emerging and frontier markets.

**Adam Cotumaccio (MBA '97)**, of Port Washington, NY, was named President at Spence-Chapin, a non-profit adoption and family services organization.

**Michael Durbin (MBA '97)**, of Newton, MA, was appointed President of the Fidelity Wealth Technologies group at Fidelity Investments.

**Thomas Page (BS '97)**, of New York, NY, joined Cumulus Media as Senior Vice President of Brand Partnerships.

**Himanshu Patel (BS '97)**, of Crofton, MD, was appointed Chief Financial Officer of First Data Corporation.

**Jordan Schlachter (MBA '97)**, of New York, NY, was appointed as the National Basketball Players Association's first ever Chief Marketing Officer.

**Carolyn Waters (MBA '97)** was named Head Librarian of the New York Society Library.

**Zouera Youssoufou-Keita (MBA '97)** was appointed Managing Director/CEO of Dangote Foundation.

**Ken Eissing (MBA '98)**, of Austin, TX, is President, North America for Mood Media.

**Mary Anne Heino (MBA '98)**, of Pennington, NJ, was appointed President and CEO of Lantheus Holdings.

**Ian Post (MBA '98)**, of Larchmont, NY, launched Fifth Set Investment Advisors LLC, an investment management and financial planning firm.

**Marcelo Silva (MBA '98)**, of Rio de Janeiro, Brazil, entered his fourth year as CEO of Som Livre, the largest Brazilian record label, the music arm of Globo.

**Gretchen Tibbits (MBA '98)**, of Great Falls, VA, was appointed the first COO of LittleThings.

**Paul Gillen (MBA '99)**, of Rye, NY, was hired as Managing Director at Hodges Ward Elliott.

## 2000s

**Stephen Anderson (MBA '00)**, of Forest Hills, NY, was appointed Senior Vice President and Senior Restaurant and Consumer Analyst at Maxim Group LLC.

**Bin Li (MBA '00)**, of Hong Kong, and his team at Morgan Stanley topped *Institutional Investor's* list of "Asia's Best Research Teams."

**Laura Roche (MBA '00)**, of Brooklyn, NY, COO and CFO of Roystone Capital Management, was named on *Institutional Investor's* annual list of Hedge Funds Rising Stars.

**April Scee (MBA '00)**, of New York, NY, joined CRT Sterne Agee as Managing Director, Consumer Analyst in the Research Division covering the consumer packaged goods sector.

**George Song (BS '00)**, of Saddle River, NJ, joined Terrie O'Connor Realtors in the Upper Saddle River Group.

**Adam Bernstein (BS '01)**, of New York, NY, co-founder of Pagoda Asset Management, was named on *Institutional Investor's* annual list of Hedge Funds Rising Stars.

**Sunil Gaglani (MBA '01)**, of Short Hills, NJ, was appointed Chief Risk Officer, Hedge Funds Business at Investcorp.

**David Judice (MBA '01)**, of Mamaroneck, NY, was appointed Head of Intermediary Sales at Baron Capital Group.

**Anthea Martin (BS '01)**, of Denver, CO, was appointed Vice President of FHA Finance at Walker & Dunlop, Inc.

**John Mitchell (MBA '01)**, of Bedford, MA, was appointed President and Managing Principal at Applied Marketing Science.

**Kim Petry (MBA '01)**, of Garden City, NY, was named CFO at itBit.

**Sinaida Ugrinsky, (MBA '01)**, of Port Jefferson, NY, joined Booz Allen Hamilton's Commercial Group.

**Edwyn Chan (BS '02)**, of Hong Kong, founded Spottly, which has one of the first

apps available for the Apple Watch.

**Sameer Chugh (MBA '02)**, of London, England, was named Director of Healthcare at SunTrust Robinson Humphrey on the mergers and acquisitions team.

**Yacoub Habib (MBA '02)**, of New York, NY, was named Senior Vice President, Business Development and Corporate Planning at Trevena.

**Vinay Misquith (MBA '02)**, of Hartsdale, NY, was hired as a research analyst at CRT Capital in its Financial Services sector research.

**Frank Rinaldi (MBA '02)**, of West Simsbury, CT, was promoted to Account Director at Cronin and Company, LLC.

**Jeremy Wodakow (BS '02)**, of New York, NY, joined Axpo, an international

energy trading firm, to head its business activities.

**Jean Briand (MBA '03)** was named Senior Vice President for Agriculture Business Finance at CHS Inc.

**Allis Ghim (MBA '03)**, of Ridgefield, NJ, was appointed President and CEO of Bid-square, an online bidding platform.

**Donovan Gordon (MBA '03)**, of North Bellmore, NY, was appointed Director of Renewable Thermal at the New York State Energy Research and Development Authority.

**Michael Metzger (MBA '03)**, of Chappaqua, NY, was appointed President and COO of Syndax.

**Ana Maria Ulloa (BS '03)**, of Mamaroneck, NY, was appointed Assistant Dean of the Dietrich College of Humanities and



## CREATE A LASTING LEGACY AT NYU STERN

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## The Journey to Impact Investing



**Kathleen Berroth (MBA '08)**

Kathleen Berroth works in impact investing, combining the skills she acquired from NYU Stern and her experience in investment banking with a passion for making a difference. But when she graduated from college with a major in Japanese studies, she didn't know what lay ahead. Her journey from college would include two years teaching English in Hong Kong, an MBA at Stern, a career in investment banking at Barclays, plus a fellowship and entrepreneur mentorship program. It would all lead to her work in social enterprise.

"I really earned my stripes working for Barclays, and it gave me the opportunity to grow professionally," says Berroth. "But after nearly five years in banking and having paid off my student loans, I

wanted to try something new."

Berroth made the official pivot to impact investing when she decided to take a sabbatical from Barclays to pursue a one-year Acumen Global Fellowship that provided leadership training and work with a startup portfolio company. Not long after, she left banking for a contract position at the Bill and Melinda Gates Foundation. Separately, she also volunteered with the Unreasonable Institute, supporting East African entrepreneurs through a mentorship program. This included working

with a former refugee from South Sudan who was starting a medical center, an experience she called "amazing."

As she says, "Leaving traditional finance for the social impact space was a risky move but also a huge opportunity." At the Gates Foundation, she supported foundation program teams in structuring investments in early-stage, for-profit companies aligned with the organization's mission. Her focus was in the education technology space, dedicated to improving access to quality educational tools and resources.

"A big part of what I enjoy about impact investing is working with the entrepreneurs, and seeing how they overcome the many challenges they face," says Berroth.

She credits her time at Stern and in investment banking for giving her a strong foundation. "I decided to pursue an MBA because I wanted professional skills, and chose Stern because it was a good fit for my nontraditional background," she says.

Berroth continues to stay connected with the School whenever she can and has returned to participate in career panels. Her advice for anyone wanting to get into the social impact space: "Do something else first. Build a knowledge base, particularly in the private sector. There's so much to learn that can be applied."

Social Sciences and Director of the Academic Advisory Center at Carnegie Mellon University.

**Ian Sohn (MBA '03)**, of Chicago, IL, was named Senior Vice President of Client Engagement at Razorfish.

**Whitney Wagoner (MBA '03)**, of Eugene, OR, was named Director of the University of Oregon's Warsaw Sports Marketing Center in the Lundquist College of Business.

**Yang Xia (MBA '03)**, of Hong Kong, has been appointed Head of Greater China in its equities division at Bank of America Merrill Lynch.

**Aziz Ansari (BS '04)**, comedian and actor, co-authored the book *Modern Romance* and co-created and starred in "Master of None" on Netflix.

**Caspar Bentinck (MBA '04)**, of Bryn Mawr, PA, joined Sandler O'Neill as Managing Director.

**Allan Boomer (MBA '04)**, of New York, NY, was named to the Raritan Valley Community College Foundation Board of Directors.

**Irina Koffler (MBA '04)**, of New York, NY, was appointed Managing Director, Specialty Pharmaceutical Research at Mizuho Securities USA.

**Kathy Walter (MBA '04)**, of Edgewater, NJ, published her new eBook, *Education and Technology System Projects: A New Vision for Success*.

**Thomas Wills (MBA '04)**, of Morristown, NJ, joined World Business Lenders as Managing Director and CFO.

**Nicole Chong (BS '05)**, of Queens, NY, joined Broad and Cassel as an Associate in the Affordable Housing and Tax Credit Practice Group.

**Christopher Gruseke (MS '05)**, of New Canaan, CT, was appointed CEO and President of Bankwell Financial Group, Inc.

**Jason Hammerman (BS '05)**, of New York, NY, has been appointed Director at Connacher Oil and Gas Limited.

**Ari Osur (MBA '05)**, of Short Hills, NJ, was named Senior Vice President of Strategy at Invisible Media.

**Juan Guzman (MBA '07)**, of New York, NY, joined Financial Institutions Group as a Senior Vice President.

**Mark Kalus (MBA '07)**, of New York, NY, joined Tremor Video, Inc., to lead product development for its demand-side platform.

**Vivian Lee (MBA '07)**, of New York, NY, was elected to the Board of Directors of Zions Bancorporation.

**Jose Morales (MBA '07)**, of Hillsdale, NJ, was promoted to Managing Director at Morgan Stanley.

**Mark Simmelkjaer (MBA '07)**, of Haworth, NJ, joined MarketCounsel as Business Counsel.

**James Bell (MBA '08)**, of New York, NY, assumed the position of President and CEO of Viking Cold Solutions, Inc., a Houston-based energy efficiency company.

**Clifford Bleustein (MBA '08)**, of New York, NY, was named President and CEO of Computer Task Group.

**Hayal Koc (MBA '08)**, of San Francisco, CA, relocated to Istanbul, Turkey, and co-founded Expertera, where she now serves as Partner and Vice President of Sales and Business Development.

**David P. Snow (MBA '08)**, of Wilming-

ton, DE, joined Radius Health, Inc., as Chief Commercial Officer.

**Emily Kramer (MBA '09)**, of New York, NY, was appointed Vice President of Client Development and Partnership Strategy of ClickPay.

**Nithin Mathew (BA '09)**, of London, England, joined Goldman Sachs as an analyst in fixed income derivatives.

**Elizabeth Almonte (MBA '09)**, of White Plains, NY, joined Westchester Children's Association as Project Manager.

**Nadir Patel (MBA '09)** was appointed as High Commissioner for Canada to India.

**Benjamin Rockmuller (MBA '09)**, of New York, NY, will co-manage the new Oppenheimer Global Multi-Asset Growth Fund at OppenheimerFunds.

**Randall Shu (MBA '09)**, of West Orange, NJ, Director of Alternative Investments at MetLife, was named on *Institutional Investor's* annual list of Hedge Funds Rising Stars.

## 2010s

**Salomon Guindi (MBA '10)**, of Mexico City, Mexico, founded SGH Corporate

Finance, a boutique external CFO services firm in Mexico City.

**Jeff Schermerhorn (MBA '10)**, of Philadelphia, PA, was appointed Vice President of Lockton Companies' Cyber Technology Practice.

**Megan Sclafani (MBA '10)**, of New York, NY, joined Summit Trail Advisors, a private investment office, as Partner.

**Joseph Vaughan (Executive MBA '10)**, of Madison, NJ, became Head of Global Corporate Services for BNY Mellon.

**Annie Wang (BS '10)**, of Ambler, PA, was named Vice President of L/S Professional Development at Point72.

**Michael Albanese (MBA '11)**, of Boonton, NJ, was named Healthcare Relationship Manager for New Jersey by TD Bank.

**Joshua Jacoby (MBA '11)**, of Monsey, NY, was appointed Executive Director of Yeshiva University High Schools.

**Robert Kennelley (MBA '12)**, of New York, NY, Director of Alternative Investments at Rocatton Investment Advisors, was named on *Institutional Investor's* annual list of Hedge Funds Rising Stars.

**Daniel Parker (MBA '12)**, of New York, NY, is now Senior Vice President at Hodges

Ward Elliott.

**Michael Kraft (MBA '13)**, of New York, NY, married Stephanie Ann Alessi at the Delancey Street Foundation in San Francisco, CA.

**Robert Lee (BS '13)**, of Woodside, NY, launched Rescuing Leftover Cuisine, a company that helps distribute leftover food to the poor in New York City.

**Aditi Chatterjee (MBA '14)**, of Jersey City, NJ, was named Vice President at Goldman Sachs, within its Corporate Services and Real Estate division.

**Xi Chen (PhD '14)**, of Kitchener, Ontario, is a postdoctoral fellow at Wilfrid Laurier University.

**Iris Colon (MBA '14)**, of Stamford, CT, joined the Performance Improvement department at CenterLight Health System.

**Esther Judelson (MBA '14)**, of New York, NY, married Benjamin Berringer at City Hall in New York.

**Kelly West (MBA '14)**, of Hoboken, NJ, married Christopher Valentine in New Jersey.

## In Memorium

Melissa Campbell (BS '91)

Griffith Clarke (BS '71)

Alex Dadourian (BS '55)

David Eisenbud (MBA '97)

George Ewins (MBA '60)

Jay Furman (BS '65)

Edward Gilligan (BS '82)

Samuel Hunter (MBA '62)

Peter Jones (MBA '90)

William Klauber (MBA '59)

Walter Konrath (BS '47)

Richard Miller (BS '51, MBA '53)

James G. Murphy (MBA '54)

Karen Opalach Tsinikas (MBA '77)

Richard Rzasa (BS '82, MBA '85)

Fred Renwick (MBA '65, PhD '66)

Anthony Richards (MBA '50, BS '47)

Robert Sanders (BS '56)

John Stempel (MBA '67)

Walter J. Stern (MBA '50)

Eric Vandercar (MBA '87)

\*Fall 2015



# PAST PERFORMANCE

## NYU Stern, the Markets, and I, 1990-2015

By Professor Emeritus Richard Sylla

I taught my first classes at NYU Stern in September 1990, and I “retired” from teaching in September 2015. I say “retired” because for a professor, retirement means starting a permanent sabbatical. Research and writing continue, and maybe on occasion, I’ll even re-enter the classroom.

A lot of changes occurred at Stern during my quarter century of teaching here. In 1990 the graduate program was located downtown on Trinity Place. It was close to Wall Street, which was nice for me, an economist who specializes in economic and especially financial history. It was great to be near where so much financial history took place.

Trinity Place, however, lacked a full academic and campus atmosphere. We gained that in 1992 when we united the undergraduate and graduate programs by moving to our current digs on the main Washington Square campus.

Around that time we also introduced the MBA core-block program, a definite academic improvement.

I taught several courses at Stern, but my favorite was Development of Financial Institutions and Markets. It covered the historical development of modern financial systems, their importance in driving modern economic growth, and, of course, their warts, exemplified by financial crises – market bubbles and crashes, banking panics, and their economic fallout in the form of recessions and depressions.

The financial history course dovetailed nicely with my own research. Students in the course may remember how I rather shamelessly inflicted a number of my own writings on them. I hope they also remember the long-term perspectives on economic and financial development that I was trying to give them.

Let me focus on one of those perspec-



“On my first day at Stern in 1990, the S&P 500 index was at 323, and on my last day in 2015 it was at 1,972, a six-fold gain.”



During his 25-year tenure at Stern, Professor Richard Sylla met with industry luminaries including Paul Volcker, former chairman of the Federal Reserve; Nobel Laureate Paul Samuelson; Edward Altman, bankruptcy expert and fellow Stern professor; and Ryuzo Sato, director of Stern’s Center for Japan-US Business and Economic Studies (pictured here with a guest of Stern’s Japan-US Center).

tives, namely the behavior of the stock market. On my first day at Stern in 1990, the S&P 500 index was at 323, and on my last day in 2015 it was at 1,972, a six-fold gain. With dividends reinvested, as they should be if one wants to build wealth for, say, retirement, the S&P grew at a compound rate of about 9.5 percent per year. CPI inflation was about 2.5 percent per year, so the real return was about 7 percent per year – not very different from even longer-term rates of return extending back to the 19th century.

During that quarter century, we had wars, the Mexican, Asian, and Russian financial crises, the dot com bubble and crash, and the 2007-2009 crisis and Great Recession. It was clear that all those instances of turbulence led many investors to make serious mistakes of a buy-high, sell-low variety. The long, historical perspective suggests that they would have done better by follow-

ing this advice: “Don’t just do something. Stand there.”

But history also suggests one might improve on the “stand there” strategy. My research on early US stock markets led me to calculate 10-year moving-average real stock returns (i.e., the average return on stock prices over a 10-year period) for two centuries. There are a number of long-term cycles of roughly 20 to 30 years with returns peaking at 15 to 18 percent and troughing out at 0 to minus 3 percent.

During my Stern tenure, 10-year moving average real returns got up to 17 to 18 percent in the late 1990s. Based on two centuries of US market history, that was a good time to sell stocks and build liquidity. I used history to predict in a 2001 article that the decade 2000 to 2009 would be a bad one for investors. Sure enough, another trough came in 2009 when 10-year moving-average real returns fell below zero. Market history suggested that was a good time to buy.

Aware of my skill or luck, *The Wall Street Journal* asked me to predict what stocks would do from 2011 to 2020. Again based on history, I predicted that by 2020 the S&P would likely at least double. In fact, the index nearly doubled by 2015, which makes me a bit wary as this is written in late 2015. Still, the decade should turn out well.

My approach embodies the useful idea of rebalancing one’s portfolio, but with a long-term historical spin. Accompanied by discipline and patience, financial history can help to guide our investment decisions and avoid wealth-killing mistakes. ■

RICHARD SYLLA is Professor Emeritus of Economics at NYU Stern. From 1990 to 2015, he served as Henry Kaufman Professor of the History of Financial Institutions and Markets and Professor of Economics.





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