

SUNY FREDONIA

Department of Business Administration

NEWSLETTER

Notes from the Chair

As the time for final exams is fast approaching, I would like to remind the Accounting and Business Administration students of the newly instituted graduation requirement that all their major courses be passed with minimum grades of C-. Although meeting this standard has never been an insurmountable impediment for our students, we had to formally promulgate it as a new policy for the purpose of our eventual accreditation by AACSB.



This academic year we set a record in the number of internship positions that our students undertook - 15 in ACCT 480 and 76 in BUAD 480. Of course, a major contributor to internship opportunities has been the SUNY Fredonia Technology Incubator located in downtown Dunkirk. Due to the professional nature of a degree in business, I encourage that you consider adding a course of internship to your curriculum during the Junior/Senior year.

Please join me in congratulating your fellow students listed below for being recognized by the faculty through several scholarships and awards. At our annual Awards Dinner on April 8 the following students were recognized for their outstanding academic and extra-curricular achievements: Brian Ziolo (Alumni Junior Achievement Scholarship), Chris de Bruyn (Alumni Senior Achievement Scholarship), Chelsea Maderer (Donald C. Brandt Memorial Scholarship), Betsy Thayer and Rushton Siggins (Poummit Achievement Award), Mallory Swanson and Christopher Dean (NYS Society of CPA's Senior Award), Betsy Thayer and Elise Wilkin (NYS Society of CPA's John T. Kennedy Memorial Award), Christopher Dean (Stephen and Carol Ward Scholarship), David Suatoni and Stephany Zambito (Dr. Franklin Krohn Scholarship), and Ted Brew and Kevin Marciniak (Students in Free Enterprise Scholarship).

-Dr. Moj Seyedian

Business Person of the Year

One of the goals of The Business Club is to help connect the campus and the greater community. Our most recent event, the Business Person of the Year Award Dinner, was an exceptional opportunity towards that goal.

The night drew in about ninety people, consisting of students, faculty, and community members. The crowd enjoyed the keynote speech given by AQUEST Consulting President, Mr. David Fountaine. He spoke about the importance of adapting to changes in today's society. It was a thought provoking speech and certainly set the stage for conferring the 34th Business Person of the Year Award to Mr. Gregory Wollaston, class of '96.

Gregory Wollaston is the co-owner, with David Culver of the Buster Brown Bean Company, which is providing refreshments at many locations on the SUNY Fredonia Campus. Gregory and David have been quite helpful in providing the campus with socially conscious products as well as job and internship opportunities for students. The Business Person of the Year Award is in recognition of the honest, charitable, and impressive way that Buster Brown Bean Company has conducted business.

-Rachel Mimken



From left: Phil Frattali, David Fountaine, Rachel Mimken, Gregory Wollaston, Paul Steinmetz, Matt Reiners.

Helping the Community

The IRS Volunteer Income Tax Assistant (VITA) program provides free income tax preparation services for low income individuals. This is the 30th year that SUNY Fredonia's accounting students have been providing these services. Most of the student volunteers have taken tax courses offered on campus and all were required to pass a "preparer certification" exam. Once certified by the IRS, they may volunteer their services to the community from January until April 15th.

The VITA program takes a lot of planning and preparation, carried out by a few student coordinators. This year's coordinators are Cody Ann Gustafson, Ashley Post, Samantha Ver Hague, Jessica Wagner, and Joseph Yang. They started in early fall with material requisitions, equipment orders, and site preparation and planning. They attended site administrator workshops and were trained in the latest tax software and e-filing procedures.

The VITA coordinators recruited and coordinated the training of student volunteers and helped them through the certification process. With the help of the SUNY Fredonia Technology Incubator, the volunteer site has been up and running since January 29th. The coordinators and volunteers have spent countless hours making sure the site ran smoothly and that taxpayers were served efficiently and professionally.

The volunteer preparers were on duty from 10am to 4pm each Saturday for eleven weekends. They have prepared 238 individual returns as of the due date of April 15th. Through the tireless efforts of our VITA Supervisor, Professor Linda Hall, the program coordinators, and the student volunteers, VITA has provided peace of mind for the needy members of our local community.

-Cody Ann Gustafson



VITA volunteers at work from left to right: Elise Wilkin and Megan Hawkins

SIFE is Back on the Championship Stage

After a two-year lull, the SUNY Fredonia Students in Free Enterprise (SIFE) team is back on the championship stage. On April 3, the SUNY Fredonia SIFE team won a 2nd runner-up trophy at the SIFE's regional competitions in New York City. Hopefully, this will be the beginning of another long winning streak. Since 1996, the Fredonia SIFE team has won regional championship trophies for 13 consecutive years.

Congratulations are in order to SIFE students Tyler Abbott (Marketing Senior), Emily Bird (Communication Senior), Ted Brew (Marketing Senior), Amanda Cohen (Marketing Senior), Chris Hellberg (Marketing Senior), Steve Lucey (Marketing Senior), Reneelyn Maier (Marketing Senior), Kevin Marciniak (Music Business Senior), Sarah Morein (Marketing Senior), Stephany Zambito (Marketing Junior), and the SIFE advisors, Dr. Sue McNamara and Dr. Donald Barnes for a job well done. According to Dr. McNamara, who accompanied the students to New York City, "this was a tremendous opportunity for the team to reach out to the community and make a difference in the lives of high school students and jail inmates. They shaped that experience and learning into a professional presentation about successful career development strategies."

Students in Free Enterprise is a brainchild of Sam Walton, the founder of Wal-Mart Corporation. Since the 1980s SIFE teams have been organized at universities across the U.S. with the goal of fostering the spirit of the American free enterprise. The student teams are expected to employ creative and engaging methods for teaching the general population about the benefits of a free market system. Each spring hundreds of SIFE teams showcase their projects at regional competitions. The regional winners will then have a chance to compete for the national championship.

-Dr. Susan McNamara



SIFE Team members from left to right: Stephanie Zambito, Kevin Marciniak, Sarah Morein, Chris Hellberg, Amanda Cohen, Ted Brew, Reneelyn Maier, Steve Lucey, Emily Bird, and Tyler Abbott

Financial News from Dr. Julie Fitzpatrick

JD: What is your academic background?

JF: I attended St. Bonaventure University and earned a Bachelor of Business Administration in Finance in 1997. After graduation, I enrolled in the PhD program in Finance at SUNY Buffalo, where I received my MBA and PhD degrees in 2004.

JD: What have you been working on here at Fredonia?

JF: My primary research interests are financial distress, asset pricing anomalies, and corporate social responsibility. We've seen a dramatic shift toward "corporate social responsibility" (CSR) over the past decade. Proponents of CSR argue that companies have responsibilities not just to their shareholders, but also to other stakeholders like their employees, the community, and the environment. I'm currently working on a paper that examines the effect of climate-related shareholder activism on shareholder wealth. A record number of climate-related shareholder initiatives have been filed in the past two years. These initiatives, if passed, often require firms to measure and manage greenhouse gas emissions or articulate climate change strategies. I'm interested in determining whether this type of activism is beneficial or harmful for shareholders of targeted firms.

JD: Do you have any advice for undergraduates in regards to making the most of their academic career?

JF: I think that it's important for our students to take advantage of the great opportunities that are available here. Our student clubs are an excellent way for students to network with other students and professionals, and they also provide the opportunity to develop leadership skills. I also highly recommend completing an internship. There are a number of exciting opportunities available with start-up firms at the Technology Incubator.

JD: What were the main causes for the financial crisis of 2008?

JF: This is a difficult question to answer because many factors played a role, and there is some disagreement as to the significance of each factor.

The financial crisis began with the real estate bubble. A huge amount of capital flowed into the U.S. mortgage market. Federal policy that sought to expand home ownership rates ultimately encouraged banks to make an increasing number of risky "subprime" loans. Through the process of "securitization," mortgages are bundled together and sold to investors. Huge quantities of these "mortgage-backed securities" were sold to investors, and most viewed these securities as relatively safe because they bundled many individual mortgages together. But, when the housing bubble burst, subprime borrowers began defaulting on their mortgages.

Because these loans had been securitized, these losses spread throughout the financial system. Many financial companies held huge blocks of housing-related investments, and when housing prices collapsed the losses on these investments led to the failure or near-failure of many financial firms.

JD: What did the government do to stop it?

JF: The government responded by providing liquidity to the financial system. It bailed out many financial institutions that were deemed "too big to fail," such as Bear Stearns, AIG, Fannie Mae and Freddie Mac. It also passed a massive stimulus package in an attempt to jumpstart the economy.

JD: Did the government regulation work?

It's too soon to gauge the long-term effects of the financial reform bill. But as far as the government's short-term response to the crisis, the bailouts were extremely costly. Aside from the massive amount of public money spent, the bailouts intensified the "too big to fail" problem. By sending the message that the government won't allow large banks to fail, there's actually more incentive for risk-taking in the future if banks believe that they would be bailed out again.

JD: Do you think this will happen again in the future?

JF: I don't think that we know the answer to that question. I don't believe that more regulation will prevent future crises. The real problem is "too big to fail," and the financial reform bill doesn't adequately address that issue. And, the crisis stemmed from the real estate bubble. Legislation won't prevent future bubbles.

-Jaclyn Dent



Jaclyn Dent (left) interviewing Dr. Julie Fitzpatrick

The Department of Business Administration Newsletter is a student-run online publication of the Department of Business Administration Student Advisory Council, established in Spring 2007. For story ideas and comments contact:

Jennifer Zelasko, Editor
zela2041@fredonia.edu