Greetings from the Finance Department!

I hope every one of you has a safe and blessed holiday season.

I am so delighted to present our Annual Department Newsletter again. We published our last one in October 2008. In this newsletter, you will find many interesting news items on student success, new members, and other events and activities in which our students and faculty have been engaged during the past two years.

Since 2008, the Department has witnessed several personnel changes. In 2011, Dr. Lucy Chernykh resigned; Dr. Bob Edmister retired; and Ms. Marsha Olivarez, Department Secretary, moved to the Pop Culture Department. Their vacancies have been (partially) filled by Mr. Ed White, Executive-in-Residence (2012), Dr. Liuling Liu, Assistant Professor (2013), and Ms. Jeanne Berry, Department Secretary (2012). In addition, Dr. Dan Klein stepped down as Chairperson at the end of summer 2010 after serving the chairmanship for the previous seven years.

As shown in the graphs below, the Finance Specialization continues to be a strong program within the CBA. There are 154 students as of this semester, representing slightly more than 10% of the total undergraduate enrollment in the CBA and the 4th largest specialization in the college. We graduated 41 students this past academic year out of 251 UG business graduates.

Thanks to your continuing support, we awarded the record amount of $20,750 in scholarships and award prizes to 26 Finance students this year. Your continued and additional support will make the difference and be very much appreciated.

Regarding Finance programs, we continue to offer the Financial Planning Concentration and are excited to offer a new Minor in Finance program starting Fall 2014. We have also been exploring a new (actually revived!) insurance program to meet a strong manpower need in the insurance industry in coming years.

We would love to know what you are doing in your career. Simply email or fax the questionnaire at the end of the newsletter. We look forward to hearing from you soon.

With warmest holiday wishes,
Sung Bae, Chair
Scholarships and Awards

Thanks to the generosity of alumni, companies, faculty, friends and professional organizations, the Department was able to grant more than $20,000 in scholarships and award prizes for the 2013-14 academic year. The awards were presented to 25 Finance Specialization students at the Honors and Awards Ceremony on September 20, 2013.

Scholarship Name  Recipient
Avery Dennison  Trevor Bischoff
Bruce and Janet Misamore  Clay Barron, Russell Lewis
Darwin B. Close  Andrea Crincoli
Geoffrey and Linda Radbill  James Knippen
Emery S. Gielow  Jacob Kinsey, Evan Vocke
Donald L. Speck  Peter Bahner
Department of Finance Leadership  Dana Kaufman, Francisco Kollmann
Finance Faculty  Daniel Robb
J. Warren Hall  Hannah Meyers
Kenneth H. Harger  Eric Barga, Alex Batt, Jingyi Lao
Key Bank  Kaylee Bundschuh
Louis and Adelyne Klein  Michael Behr, Wade Heffner
Donald L. Speck  Cassandra Davis
William H. and Muriel A. Fichthorn  Valerie Vondrak
Mary Jane Little Dorais  Curtis Germann
The John and Inge Bowyer  Kyle Bundschuh, Brandon Masin,
The Louis and Adelyne Klein  Thanh Nguyen, Chris Workman

Pictured at the 2013 Honors and Awards Ceremony held in Olscamp Hall are Dr. Bae (far left), Dr. Klein (7th from left), Mr. and Mrs. Donald Speck, and Finance Scholarship winners.

THANK YOU FOR YOUR SUPPORT!

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2012-13 DONORS TO THE DEPARTMENT OF FINANCE

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Louis and Adelyne Klein
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THANK YOU FOR YOUR SUPPORT!
TRAVIS A. HARBAUER, ’13, was named the 2012-13 Finance Graduating Senior of the Year in recognition of his outstanding achievements in the classroom and for his active involvement with the BGSU community. Travis also won the Karl Vogt Award, the most prestigious College of Business Award.

Travis Harbauer receives the Finance Graduating Senior of the Year Award from Dr. Bae.

Travis was 16 when he began his collegiate career at BGSU in the selective Post-Secondary Enrollment Options Program. He earned seven scholarships for academic excellence, including the BGSU Centennial Scholarship.

He served as senator with the Undergraduate Student Government and took on a leadership role in the Financial Management Society. He held several internships during his college career, including branch intern with Scottrade in 2010, assisting a team of brokers who oversee 5,000 client accounts, opening new accounts, and learning risk analysis.

Travis was an equity research summer intern with Broadview Advisors/Track Research (NYC, 2011), assisting the CIO at Waverly Advisors with publishing a trading book. He was also selected to participate in the prestigious Bloomberg Analytics Summer Boot Camp program.

Travis was then selected as an equity research summer associate with Citigroup (NYC, 2012), working with the aerospace and defense equity research team. Travis graduated in 2013 with a double specialization in finance and accounting (GPA 4.0) and has accepted a full-time position with Citi Research.

ANDREW WALLACE received the 2013 Financial Executive International (FEI) Student Award, sponsored by the Toledo Chapter of FEI. Andrew was one of three students recognized for their academic excellence by the Toledo Chapter of Financial Executive International (FEI). Students from universities across northwest Ohio were nominated from both finance and accounting fields. FEI’s annual top student award honors an outstanding senior Finance or Accounting student who “demonstrates a high level of academic achievement and intellectual honesty, and who possesses high promise for a successful career in business.”

Andrew Wallace receives his check for the FEI award from Finance faculty, Dr. Klein, Dr. Bae, and Mr. White.

Andrew is a senior specializing in Finance and Economics with a 3.81 GPA, and is part of the BGSU Investment Team which is responsible for managing a $250,000 alumni portfolio through conducting research and analyzing international Exchange-Traded Funds for potential investment. Not only does he excel academically, he plays on the BGSU varsity hockey team as a forward. His hometown is Bedford, Nova Scotia.

JAMES (JIMMY) WILLIAMS was one of ten award winners of the international Private Banking Essay Competition (part of Project Firefly, sponsored by Credit Suisse Bank) this March. He received an Honorable Mention with a cash prize of 250 CHF.

Jimmy’s essay “Renatus,” (Latin for “born again”) examines the philanthropically differences between two wealthy men—one whose wealth was inherited from his parents and the other whose wealth was earned by working his way to the top. A Finance Specialization student with a 4.0 GPA, Jimmy graduated this May and currently works as an internal auditor at Sherwin Williams.

Two Finance students, SUSAN LANG and LAUREN LITTLE, led by Professor Matt Garrow, won 3rd Place in the International Financial Plan Competition organized by the International Association of Registered Financial Consultants (IARFC) in April 2013. The award came with a plaque, which was forwarded directly to BGSU President Mazey.

We are so proud of our students who have won several awards in Finance!
Finance Alumni Launches Full-Figured Lingerie Brand

Vontoba “Von” Terry ’03 of Frisco, Texas, a BGSU alumnus of the Sidney A. Ribeau President’s Leadership Academy (PLA), and his wife, Psychelia (Western Michigan ’03), have co-founded Urban Intimates, a trendy lingerie line for curvy and plus-size women. Their designs in cup-sizes 32DD to 44H recently landed in select Macy’s stores and J.C. Penney’s online store.

Vontoba earned a bachelor’s degree in Finance at BGSU to prepare for a career in financial planning. He said he enjoyed his involvement in an early cohort of the PLA, a four-year leadership development program and full-tuition scholarship that includes unique courses, experiential learning opportunities, and one-on-one mentorship.

“Vontoba always had a plan for himself, and a backup plan, and a backup to the backup plan. He’s such a put-together young man,” said Ana Brown, former Assistant Director of the PLA.

Vontoba remembers being academically challenged by Dr. Dan Klein, Associate Professor of Finance, and the entrepreneurship courses that are “still useful for me now as an entrepreneur,” he said.

“Dr. Klein inspired me to look at different career options in finance and to get a master’s degree.”

Likewise, Klein recalled Vontoba as an enthusiastic student. “Vontoba was bright young man, so I’m not surprised by what he’s been able to accomplish,” Klein said.

Vontoba works full-time as a corporate banking officer for Comerica Bank in the Greater Dallas area. His wife leads Urban Intimates as CEO. The couple has 2-year-old and 9-month-old sons.

Together they determine business strategy. “We make almost all decisions together, but I leave the day-to-day operations up to her,” Vontoba said.

Both wanted to start a business, and considered various entrepreneurial ideas; the direction became clear when his wife recognized that the selection of ready-to-wear lingerie diminished as her bra size increased after the birth of their first child.

“It was that moment when the light bulb went off, that we should be loving on the curvy girls. That’s what took the business to the next level,” Vontoba said. “Urban Intimates works because our customers know that a woman like them is designing for them and really cares about fitting their curves and helping them become more confident. We promote a message of being confident and edgy.”

Vontoba and Psychelia met as undergraduates when both were selected for an exclusive symposium for minority students in business disciplines. As graduate students at the University of Nevada Las Vegas, they entered the MillerCoors Urban Entrepreneurs Series competition which required a well-researched business plan, and their venture took shape. Though their skincare idea did not win, their market research became the foundation of Urban Intimates.

The couple continued to nurture Urban Intimates while Vontoba built a successful career in banking. They traveled to China to make international connections and build the supply chain, interviewing manufacturing partners and placing orders for samples and inventory. They created an online store for Urban Intimates.

“I definitely recommend reading about the business culture in China,” Vontoba said, but cautioned against absorbing all of the information available. “It was different than we expected. The Chinese business people in the fashion and beauty industry were very laid back and dressed casually. I wore a suit, and no one else wore suits.”

A public relations representative from the MillerCoors Brewing Company was impressed with their plan and urged the Terrys to apply for The Workshop at Macy’s, a new program to cultivate minority- and women-owned startups to become vendors for the national retailer. Urban Intimates was one of 22 companies selected out of 11,000 that applied for the inaugural weeklong workshop held by Macy’s in 2011.

Three years later, the brand continues to evolve: Vontoba and Psychelia have since earned national retailer placement for a new skincare line at T.J. Maxx, Ross stores, Ulta, Target.com, the Army and Air Force Exchange, and a major grocery chain with locations in Texas and Mexico, and are developing a cosmetic line.

Send us your success stories! We would love to publish them in future editions of the newsletter.
The Student Managed Investment Fund (the Fund) has been in existence since Spring, 2006 when the Investment Committee of the BGSU Foundation set aside $250,000 of the money in the Endowment to be invested based on research work performed by Finance Specialization students. The value of the investments in the Fund have fluctuated in tandem with the overall market, dropping precipitously during the Financial Crisis of 2008-2009, and rising significantly since then. At its low, the value of the Fund fell to $168,000. Currently (as of November 1, 2013), the Fund has a value of $315,140. No new money was added beyond the initial $250,000.

The Fund has target weights of 75% domestic and 25% international. The domestic portion of the Fund is targeted to the stocks that make up the S&P 500 (companies that are domiciled in the U.S.). Students working in the Fund are responsible for one of the sectors of the S&P 500, and for identifying the common stock of an appropriate company to analyze for potential inclusion in the Fund. Likewise, each student is responsible for analyzing a region of the world (non-U.S.) and for making a recommendation as to whether or not the Fund should have an investment in their region, through an ETF focused on that region. Students make presentations to go along with their written reports on the regions and on the companies. Along with their advisor, Dr. Dan Klein, they decide which investments should be made. No ETF or company stock can be more than 5% of the value of the Fund at initiation of the investment, to go along with the weight constraints mentioned above.

Students in the Fund gain valuable buy-side analyst experience while learning different equity valuation techniques that can serve them well in their careers and/or in their own investing activities.

http://www.business.bgsu.edu/fin
A New Minor in Finance Program to be Launched in Fall 2014!

Some knowledge of finance is necessary to understand and carry out work in almost all business firms and organizations. Value creation is the bottom line to which firms direct their efforts and resources.

The Department of Finance will offer the new Minor in Finance program starting Fall 2014. The program is designed for both business and non-business students who desire to acquire some understanding of finance without having to take all of the core business school requisites. The program will be available to all students except BSBA students pursuing a Finance Specialization.

The program will familiarize students with financial management as well as the financial systems of institutions and markets in which firms must operate. Understanding investment techniques may also help students manage their personal finances. Students in the program will have the flexibility of exploring several different areas of finance.

FMS Club Report

Since taking over as the faculty advisor for FMS during the 2011-2012 academic year, I have thoroughly enjoyed my increased interaction with our students.

The focus of FMS remains the same, which is to provide network and educational opportunities to the members of the group. We are also working to create a more social aspect for the organization, allowing members of the group the opportunity to get to know their classmates a little better outside of the classroom.

For the last academic year, we ended up with 47 different members that paid for at least one semester. We had 11 meetings, and had speakers from a number of different companies, including Sherwin Williams, Owens-Illinois, American Share Insurance, Westfield Insurance, Cantor Fitzgerald, National Interstate Insurance and Health Care REIT. As a special event, FMS co-sponsored an event featuring Jeff Korzenik, the Chief Investment Strategist for Fifth Third. The event key note address by Mr. Korzenik, held in one of our large classrooms (BA 114 which seats 80), was attended by a standing room only crowd.

At another meeting, we utilized the new Finance Trading Lab, and had a presentation on how to use the Bloomberg terminals and signed students up with accounts. We also had a “Meet the Professors’ night, in which the Finance faculty had a round table discussion on several topics relating to academics at BG. And finally, 10 students, and myself, took a trip to Chicago. There, we visited the CBOE, the CME and the Federal Reserve.

This academic year has gotten off to a great start as well. We currently have more than 30 paid members. We have had six meetings, and have had several speakers, including representatives from the NYSE Euronext, Northwest Mutual Insurance, Consolidated Electrical Wholesalers (CED) and Zheng Zeng, Professor of Economics here at BG. We held one meeting in the Finance Trading Lab, and signed students up with accounts.

Another one of our meetings was held at Buffalo Wild Wings, and was an open discussion on the markets, and also served as a social mixer. We have a number of meetings scheduled for the Spring, and are hopeful to have a number of different companies make presentations, including Dana, Owens-Illinois and The Principal Financial Group. This year, for our club trip, we are planning to attend the RISE Conference at the University of Dayton, which is scheduled for March 27-29, 2014.

The officers for FMS this year are: Alex Batt, President; Landon Drewes, Treasurer; Tracy Luu, Secretary; and Paul Havel, Dean’s Council Representative.

FMS Club Advisor Michael D. Slates, right, with FMS Members in Chicago. In the center is Rick Santelli, CNBC commentator.
Continuing Faculty

Sung C. Bae, Ph.D. (University of Florida, 1987); Ashel G. Bryan/Huntington Bank Professor; Corporate Finance, Personal Financial Planning. bae@bgsu.edu

Matthew Garrow, CFP, ChFC, CLU, RHU, CASL (B.S. BGSU, 1984); Adjunct Professor; Personal Financial Planning. mgarrow@bgsu.edu

Daniel P. Klein, Ph.D. (University of Kansas, 1989); Associate Professor; Corporate Finance, Investments. dklein@bgsu.edu

Mingsheng Li, Ph.D. (University of Memphis, 2002); Associate Professor; Financial Modeling, International Finance mli@bgsu.edu

John F. Reing, MBA (George Mason University, 1974); FT Instructor; Entrepreneurial Finance, Insurance & Retirement Planning jreing@bgsu.edu

Michael D. Slates, J.D. (Northern Illinois University, 1988); FT Instructor; Business Finance, Business Law. mslates@bgsu.edu

ARRIVALS/DEPARTURES

During the past two years, the Department has added three new faces: an assistant professor, an executive-in-residence, and a department secretary (profiles below). Additionally, Dr. Susan Sybert Carr Barry left the department after three years of service as an adjunct professor.

DR. LIULING LIU joined BGSU as Assistant Professor in August 2013. Dr. Liu received a Ph.D. in Finance from Rensselaer Polytechnic Institute and a M.S. in Actuarial Science from the University of Kent in the U.K. She served as a visiting scholar at the Stern School of Business of New York University from 2011-12. Before joining BGSU, she taught graduate and undergraduate finance courses at Fordham University. Dr. Liu’s research interests are in the areas of financial institutions, corporate finance, and emerging markets. She has presented her research at several international and national conferences. Her recent paper entitled “Financial Contracts: Banks versus Banks” (with Bill Francis and Iftekhar Hasan) was presented at several central banks, including the Central Bank of Finland, the Central Bank of Serbia, and the Central Bank of Turkey. Dr. Liu is married and lives in Perrysburg, OH with one daughter. Her email is liulinl@bgsu.edu.

MR. EDWARD C. WHITE joined the department as Executive-in-Residence in Fall 2012. Ed received his MBA from the University of Hawaii. He was SVP and CFO for Owens-Illinois, retiring after 38 years of service. He teaches financial management at both the undergraduate and graduate levels. Email: ecwhite@bgsu.edu

MS. JEANNE BERRY joined the Department in November 2013 as Secretary. A BGSU alumni with a BFA in Graphic Design (1995), she provides secretarial support and applies her artistic touch to the department’s marketing materials. She enjoys writing, reading, philosophy, painting, fiber arts, horseback riding. She has five cats and a horse.

Welcome Our Visiting Scholar

Dr. Jang Woo Lee has been a Finance visiting scholar since January 2012. He is Professor of Finance and former Vice Dean at Pusan National University (the second-largest national university in Korea, with 30,000 students and 1,300 full-time faculty members).

He is co-editor and referee for four academic journals. He has published or co-authored 12 papers and seven books on finance since 2011, including three papers and four books during 2013. Dr. Lee’s research interests include interpreting business from human perspectives. He is currently undertaking research on “Corporate Investment, Governance, and Market Performance” with Dr. Bae.

Dr. Lee stays with his wife, two daughters and a son in Bowling Green and will finish his visit in mid-January 2014.
Facuity Awards and Publications

During 2012-13, two Finance faculty were honored with awards and grants for their research achievements. Dr. Bae received the Best Paper Award from Asia-Pacific Journal of Financial Studies (AJFS) in December 2012, and his paper was selected as one of seven best papers to be published in AJFS. He also received Best in Track Paper Award in International Finance at the Annual Academy of Finance Conference in March 2012. Drs. Bae and Li also received CBA Summer Research Grants in 2012 and 2013.

During 2012-13, Finance faculty have co-authored new articles in mainstream finance journals:


**Li, Mingsheng,** “Performance of the Contrarian Strategy after Extreme Market Movement.” Forthcoming in *Journal of Investment*. (Co-authored with Gretフィルベック and Xin Zhao).


Faculty Activities

**Dr. Bae** was interviewed by Northwest Ohio Journal on WBGU-TV on “The Fiscal Cliff.” The program aired on December 27, 2012. He was also interviewed by Financial News (in Korea) about “The Financial Crisis in Europe: Current Issues”, which was published in their May 31, 2012 issue. He presented six research papers in 2013 and three in 2012 at international and national conferences, of which five articles appeared in the Conference Proceedings. During 2012, he served as President of the Korea-America Finance Association and on the Executive Board of the Society of Financial Services Professionals (SFSP) Toledo Chapter. He currently serves on the editorial board of six academic journals.

**Mr. Garrow** served on the committee to combine two Ohio-based social service organizations, Lutheran Home of Mercy (Williston) and Filling Memorial Home of Mercy (Napoleon) creating a Governing Body named Lutheran Ministries of Mercy (LMM) for which he currently serves as Vice Chair.

**Dr. Klein** continues to serve as Coordinator of Department Internship Program and as student advisor/instructor for the Student Managed Investment Fund (SMIF). Since 2010, he has served as President of the Financial Analysts Society of Toledo (now known as the Wealth Management Society of Northwest Ohio). He lives in Perrysburg with his wife, Dr. Linda Bowyer, who retired from the College of Business at the University of Toledo in 2011. They enjoy visiting with their son, John and daughter, Sara, and playing with their dogs Woody (a terrier mix) and Cooper, a Chi Weenie—yes, that’s correct, a Chi Weenie—a mix between a Chihuahua and a Dachshund.

**Dr. Li** has been a Visiting Research Fellow at Jiangxi University of Finance & Economics in China since 2009. He is on Faculty Improvement Leave during Fall 2013, teaching at Sun Yat-Sen University, which is ranked among the top 10 universities in China. He presented a research paper at Southwestern Finance Association meetings in 2012 and his co-author presented his working paper at Financial Management Association Conference in 2013. In addition, he serves as an editorial board member of two journals: *Accounting and Finance Research*, and *International Journal of Bonds and Currency Derivatives*.

**Dr. Liu** serves as Coordinator of the Department Finance Workshop Series and had her four articles presented at the *Indonesian Deposit Insurance Corporation; the Bank Stability and Risk Conference; the Conference on Banking, Finance, Money & Institutions: The Post Crisis Era*; and the *BGSU Finance Workshop Series*.

**Mr. REING** introduced the Virtual Stock Exchange Game to his Finance 2000 class (70 students). Each student received $200,000 in virtual cash and could invest, real time, in stocks, bonds, ETFs, and mutual funds. A summary paper describing the student’s strategy was required. All of the students enjoyed the game. They learned concepts reviewed in class by doing their own investing. This exercise eliminated the student’s fear of investing. A couple of the students opened up an investment account and started trading with their own money. Some said the game was so addicting, they’d be up at 3:00 AM to monitor their portfolio. The top student made over $60,000 during the three-month period.

**Mr. Slates** is the faculty advisor for FMS, which provides network and educational opportunities to the student members of the group as well as a social aspect, allowing members of the group the opportunity to get to know their classmates a little better outside of the class room. In addition to holding meetings and sponsoring guest speakers, Mr. Slates took ten students to Chicago, IL to visit the CBOE, the CME and the Federal Reserve.

**Mr. White** worked with Professor of Art, John Balistreri, to commercialize three patents which make it possible to create ceramic objects on a 3D printer.
Event Photos—Student

Finance Graduating Senior Receptions

2009

2010

2011

2012

The 2013 Finance Graduating Senior Class, with faculty and staff.

Finance Open House, Fall 2013

Left: Over 50 students attended the Open House to learn about the Finance offerings and meet the faculty. Top right: Bae speaks to students. Lower Right: White, Reing and Klein with a student.
We were honored to have Jim Byrne, Managing Director, NYSE Euronext, speak to over 100 students about the Stock Exchange at the Fall 2013 Finance Speaker Series. Top (L to R): Mr. White, Mr. Garrow, Mr. Byrne, Drs. Klein and Bae. Bottom: Mr. Byrne’s presentation captivates students.

Top: Guest Speaker Jeff Korzenik, Chief Investment Strategist with Fifth Third Bank (center), with BGSU President Mary Ellen Mazey and Finance professors at the Fall 2012 Finance Speaker Series. Bottom: A reception followed in the Dallas-Hamilton Center.

2013 Finance Workshop Series

Dr. Sebastian Roelands, assistant professor in the Department of Economics, spoke on bank regulation in October.

Dr. Liuling Liu presents her paper on bank CDs and deposit insurance in November.

Dr. Jang Woo Lee, visiting scholar, gives his presentation on the effect of corporate governance and culture on market performance in December.
Why Don’t All Affluent People Become Wealthy?

Perception, hesitation and poor decisions are factors.

**Why do some people let their potential for lifetime wealth slip away?** Some people are better off economically at 30 or 40 than they are at 50 or 60. In some cases, fate deals them a bad hand. In other cases, bad decisions and inaction are to blame.

They buy depreciating assets, instead of allowing assets to appreciate. In 2012, a Federal Reserve Survey of Consumer Finances noted that only 52% of American households earn more money than they spend. They rack up debt and live on margin. What are they spending so much on? It isn’t just consumer staples—it’s not unusual for a family to “keep up with the Joneses” and buy the latest non-essential items.¹

Contrary to the bumper sticker, he who dies with the most toys does not necessarily win, and he may leave a pile of debt and little savings behind. Today’s hottest cars, clothes, flat-screens, phones and tablets may be tomorrow’s discards.

They never contribute to an IRA or qualified retirement plan. For all the flak directed recently at workplace retirement plans and IRAs, they still provide a tremendous opportunity to save and invest. They are tax-advantaged, which contributes to greater compounding of the assets within them. With a Roth IRA, qualified withdrawals are tax-free for the original owner.²

They never build up an emergency fund. Financial challenges will arise, and a rainy-day fund can help you meet them. Even the wealthy need cash reserves. Striving to save for that rainy day also helps to promote good lifelong saving habits.

They never seek to own. Who gets rich by renting? Ownership of real property or a business comes with its headaches, but it may also leave a middle-class or working class individual much wealthier over time.

They invest without a strategy. Chasing the return at any cost, impulsive stock picking and market timing—these are behaviors that may lead to frustration instead of financial freedom. Clichés become clichés because they are true, and the financial cliché of “get rich slowly” has proved true for many. Instant wealth seldom comes from picking a hot stock or fund; indeed, that wealth may be fleeting. These truths don’t stop people from “putting it all on black”—hazardously assigning an excessive portion of their assets to one investment or market sector.

They accept a “forever middle-class” mindset. Some people define themselves as middle-class and accept that definition all their lives. The danger is that this can amount to a kind of psychological barrier, a sense that “this is it” and that “getting rich” is for others.

With all the dire articles out there about the diminishing middle class in America, the fact is that upward mobility is much more common here than in many other nations. Yet in this land of opportunity, people have some intriguing perceptions about the middle class.

Last year, the Pew Research Center conducted a poll of 2,508 American adults which had some interesting results. Only 48% of those earning at least $100,000 identified as upper-class or upper middle-class. Amazingly, 6% of those earning at least $100,000 identified as lower-class or at least lower middle-class. Additionally, 18% of those with incomes from $50,000-99,000 identified themselves as lower class or lower middle-class, though 65% (correctly) believed they were middle-class.³

The poll also asked how much money a family of four would need to live a middle-class lifestyle. Answers to that question varied by income bracket: while the median response across the poll was $70,000, respondents with family incomes of at least $100,000 gave a median response of $100,000, while families earning less than $30,000 said $40,000 would do.³

Behavior and belief may count as much as effort. It takes some initiative to create lifetime wealth from present-day affluence, but a person’s outlook on money (and view of the purpose of money) can influence that effort—for better or worse.

Submitted by Matt Garrow, Adjunct Finance Professor, BGSU. Matt can be reached in the Department of Finance, BA 204 or via email mgarrow@bgsu.edu.

**Citations:**

1) business.time.com/2012/10/23/is-the-u-s-waging-a-war-on-savers/ [10/23/12]
2) schwab.com/public/schwab/resource_center/expert_insight/retirement_strategies/planning/saving_for_retirement_ira_vs_401k.html [10/10/12]
LET US HEAR FROM YOU...
We enjoy hearing from our alumni. Please let us know what you have been doing, and help us keep our mailing list up to date. If desired, you may enclose a donation to the Department with your submission.

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Email Address ______________________________________________________________________________
Employer __________________________________________________________________________________
Your Job Title __________________________
Employer Location: City/Province __________ State ______ Country ______

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