



Fall 10-16-2007

Portfolio Class Worth a Million to Students

Rachel Hatch
Illinois Wesleyan University

Follow this and additional works at: <https://digitalcommons.iwu.edu/news>

Recommended Citation

Hatch, Rachel, "Portfolio Class Worth a Million to Students" (2007). *News and Events*. 3080.
<https://digitalcommons.iwu.edu/news/3080>

This Article is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/ or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact digitalcommons@iwu.edu.

©Copyright is owned by the author of this document.

Portfolio Class Worth a Million to Students

October 16, 2007

BLOOMINGTON, Ill. – Studying the market trends, researching companies on the S&P 500, considering long-range performance – these are all practices of any investment analyst. The only difference in this case is that the analysts are students.

The Illinois Wesleyan University class in Portfolio Management challenges students to research and evaluate an investment portfolio. Unlike other college portfolio classes, the stocks these IWU students manage are real.

“Students learning to understand investing through classes is growing throughout universities across the country, but many of them have undergraduate students use phantom funds,” said Elisabeta Pana, assistant professor of finance at IWU. “Our students have made educated suggestions to an actual Client Board. This is not a hypothetical situation.”

The portfolio fund at Illinois Wesleyan is in the form of an endowment, donated in 1992 by Savannah, Ga. businessman C. Leroy Benner, who learned of IWU from his friend, 1949 alumnus Jack Liston. The two decided to provide more than \$100,000 for a fund where students could learn the real impact of investing. Other donations followed, including a recent gift from the Benner estate. The class was first organized by Mona Gardner, Adlai H. Rust Professor of Insurance and Finance and former Director of Institutional Research and Planning for IWU, with support from the late IWU President Minor Myers Jr. and former IWU Board of Trustees Presidents Hugh Henning and Craig Hart. Students began analyzing the portfolio in 1993, and after years of student management, the fund now tops more than \$1 million.

“This is a great opportunity,” said senior business administration major Michael McQuillan. “I’m looking forward to going into job interviews and telling them I’ve already worked on a million-dollar account.”

The portfolio is divided among the students each fall, who research the stocks and make recommendations to the University’s Investment Client Board in December. “We look at key companies which represent the marketplace,” said Nathan Rittenberry, a senior business administration major from Gurnee, Ill., who has been assigned the stocks pertaining to healthcare. “My group will look at a company like Johnson & Johnson, as well as reviewing market trends and how our sector is faring overall.” Students calculate performance in relation to competitors, the sector and the S&P 500 to determine whether or not the current investments are meeting expectations. Based on their research, students recommend holding or selling stocks in the current portfolio, adjusting portfolio weights and suggesting any new stocks to include.

Beyond learning the basics of stock analysis, students earn something they can use past their days at Illinois Wesleyan, according to retired IWU President Robert S. Eckley. “The class offers something special to the University,” said Eckley, who taught the class in the 1990s, and continues to serve on the Investment Client Board. “The students present to the Board with the expectation that we are going to ask the questions we would of a professional,” he said. “Unless it’s way out of bounds, we follow the suggestions of the students.”

“Facing that Board can be a little intimidating,” said George Aliaga, a 2006 IWU grad who took the class, “but it gives great insight on how corporations can work, and how to be prepared for those intense meetings.” Now an underwriter for AIG in Chicago, Aliaga uses the information he learned about stocks for his own investments. “Along with preparing me for work, the class helped me prepare for life,” he said.

For 1997 alumnus Corey Schieler, the returns of the class were more direct. “I landed my job thanks to the class,” said Schieler, a senior investment analyst with State Farm Insurance Companies in Bloomington, who was recommended by his instructor, Eckley, for the position at State Farm. “Employers look for people who can cultivate critical thinking skills,” said Schieler, who returns to speak with students in the class and also serves as an advisor to the Client Board. “This class offers students the opportunity to use those skills with real consequences in a real-world environment.”

Along with earning lifelong skills, students in the class have the knowledge that they are working toward a more immediate goal. A percentage of the returns on the portfolio go toward the scholarship fund for Illinois Wesleyan students. “This is more than getting a valuable understanding of the market,” said Client Board member Gil Dorsey. “It’s about letting students see the real effects of their decisions.”

Even during the research phase, students are aware they must keep in mind the objectives of the Client Board. “The students spend countless hours digging into the portfolios of these companies,” said Pana. “It is important to have the Board to guide them. They are vital to us.” Guidelines include staying away from short-term trends and keeping a company’s ethics in mind. “The students learn it is more than understanding how well a company performs, but how they function overall,” said Pana. “It is a good life lesson.”



Portfolio class students prepare for a presentation.