

Kasie Whitener (00:04):

Welcome back to the Moore School Podcast, Moore Impact. I'm Kasie Whitener, your host for the podcast. And with me today, Dr. Eric Powers from the finance department, finance department chair, lead for the Finance Scholars. And we're just gonna learn all about finance scholars and the finance department today. Okay. Let's take it away. Welcome to the show. Thank you. Alright, so tell us a, let's start with the department. What kinds of things do you guys offer? If you were talking to a prospective student, why should they come and study finance at the Darla Moore School?

Eric Powers (00:31):

So finance major is the largest major of the business school. Um, we take in about 1500 students per cohort in the business school, and about a third of those become finance majors. Um, in the finance major, you probably three major tracks that you can go to. One is into investment banking, which, um, might be big firms in New York City. Um, another is commercial banking, which might be any of the banks that you go to in Columbia or Atlanta or Greenville or where or wherever. Um, third would be corporate finance. You go, might go work for a company like Boeing or Coca-Cola. Um, and then fourth, uh, some consulting. So, uh, consulting firms like Bain, McKinsey, things like that. So those are the primary tracks that our students are taking.

Kasie Whitener (01:18):

What predisposes somebody to choosing finance? So you said when you went through your undergraduate and you thought, I'm pretty good at this, I kind of like this. What, who makes that choice? When do they make that choice? What kinds of things should they be thinking about?

Eric Powers (01:31):

Uh, it depends on a lot of students. So for me, I was a, I was a math undergrad, um, spent time in the military, got out, took an, uh, went back and got an MBA. And when I was doing the MBA, I was sitting, I remember the time I was sitting in, uh, Roni McKay's corporate finance class. And it was just the, the concept of all of these individual self-motivated people doing certain things and all of that information coalescing together and having an impact on a market or an economy. I just found that really interesting. Um, I think for a lot of our students, the, you know, the attraction of finance is, it's always very fast moving. Um, it's done, A lot of finance is done on very large scale, so, you know, a couple clicks of your computer and you're moving several hundred million dollars. And kind of the, the, the tension and the excitement of that I think is attractive to a lot of students.

Kasie Whitener (02:22):

I think it's funny that you say that, like it's, uh, very fast moving and very exciting. 'cause I think sometimes people think of the finance department as like housing, accounting and housing, other kinds of numbers stuff.

Eric Powers (02:33):

We, we say nothing bad about accountants, but we are not, we are not accountants. So accountants are putting together the information, um, and we are largely interpreting and using the information. Let's

Kasie Whitener (02:43):

Talk more about that,

Eric Powers ([02:44](#)):

Very different fields.

Kasie Whitener ([02:45](#)):

Let's do that. Let's talk more about that. Again, if we're thinking of prospective students that are thinking like maybe finance, but I'm not really sure what's, what are the specific roles here? What's the exciting part of this? What's the, the task you're gonna be on

Eric Powers ([02:58](#)):

For a student or when you're, when you're out in the workforce?

Kasie Whitener ([03:00](#)):

When you're out in the workforce?

Eric Powers ([03:02](#)):

Oh, so I'll just, I'll think about some of the students that I've been dealing with. So again, I'm, I'm heavily involved in the Finance Scholars program. I'm not the head of the Finance Scholars program. That's Greg, Greg Nehouse, but I'm heavily involved there. So, um, students that I taught, not this past spring, but the spring before that are now in their junior year internships at, oh, there are a couple at JP Morgan, there are a couple at, um, Jefferies, which is a mid-tier investment bank. There are a couple at Piper Sandler, which is another mid-tier investment bank. So they would start out as an analyst. Um, those banks are doing things like advising on mergers and acquisitions for companies. So it might be buy-side where they're representing a larger company that's looking to buy things. It might be sell-side where they're representing a company, a smaller company that's looking to sell itself.

Eric Powers ([03:51](#)):

Um, so that process on either side, there's a whole lot of valuation involved. What's this thing worth? So this might be a pub, this might be a privately traded company. So there's no, um, there's no stock price to look at. So you're looking at the financial statements, you're making forecasts using the financial statements going out five years or seven years or, or perhaps further. Um, you're trying to figure out what they're gonna generate in terms of cash flows that they'll pay to investors. You're trying to come up with a present value of those cash flows. And then you're also like a real estate agent. So looking at other companies that have recently been sold, um, what have their valuations been and what have all those little pieces of information told you as a story about what the particular company you're involved with is worth. So that might be a, that might be a three or four month process involved in getting that particular company either bought or sold. Um, and that's the, that's the job of the analyst. You get further up in the food chain and now you're out also prospecting for clients. So let's go find that company that is at that inflection point that wants to be sold or wants to buy something. And let's figure out ways that we can make these combinations of businesses and oh, by the way, collect some fees.

Kasie Whitener ([05:05](#)):

Well, I'm really interested in you talking about this concept of valuing the companies, understanding the valuation of the company, and then really thinking about the company itself as sellable. Because on the

entrepreneurship side, we're talking about our students that are coming in with existing businesses, right? So they come in and they've got their little startup as a landscaper, whatever, and they don't realize that the company itself is valuable. And over the four years, while they're working through the entrepreneurship center, we're trying to create for them those assets that they need to be able to demonstrate that the company is sellable. So even at that very small scale, there's an opportunity there, I think, to help our students understand how the finances tell the story related to the company's overall value.

Eric Powers ([05:45](#)):

Yeah. So that, that small business is going to have, it's gonna generate customer relationships. Um, it's gonna generate, uh, intellectual capital if it's anything in the tech space. And all of that stuff is valuable because, um, if that's gonna, is that, if that's gonna ensure cash flows in the future that has, that has value to it, that's a company then that we're interested in paying for beyond just the value of their equipment.

Kasie Whitener ([06:10](#)):

The finance students, when they come in, what kinds of classes are they taking? Can you walk us through the progression?

Eric Powers ([06:15](#)):

Yeah, so all students, um, Moore school's unique in that we call it a four year business program. So you're, you're familiar with that. Um, I think it was six years ago, um, we started out where freshmen come in and start taking business classes. So they'll take, um, their two accounting courses. They'll take micro and macroeconomics, they'll take a statistics class, they'll take an Excel class, and then, um, by fall of their sophomore year, they're typically, those are, those are usually prerequisites for a lot of the other, um, kind of gateways into the majors. And by fall of their sophomore year, if they played their cards right, they are typically ready to take the core class in whatever is the major, uh, that they're interested in. So if they're a marketing student, um, they would typically be looking at taking the core class in marketing in fall of their sophomore year finance student, um, their core class in finance, fall of their sophomore year. Once you've taken that, then that really opens up the gateway to everything else that's available in finance. So there's a, I think we've got, at last count, I think we've got, so there are three required classes in finance, um, investments, intermediate corporate finance, and financial statement analysis. So there's that, there's that use of information again. And then after that, I think we've got, uh, 12 additional electives that you can take. And where you take those depends on what interests you.

Kasie Whitener ([07:43](#)):

I'm interested in how our students are gonna progress through this process and what they choose to take based on which direction they wanna go in. So you said investment banking, commercial banking, corporate finance, and possibly consulting,

Eric Powers ([07:56](#)):

Also investment management. I forgot that one. So, um, uh, you know, if you are higher net worth individuals have more complex portfolios and you might be somebody that helps them manage those portfolios, what to invest in. Gotcha. Um, so if you are, oh, it, it, it's just a large number of electives that, that target those particular pathways. So if you're interested in commercial banking, there is a

commercial banking elective. That's something you would want to take. If you are interested in investment banking, um, there's a case study class that is focused on, uh, valuation, which is the skillset you need for, um, for, um, investment banking. Uh, if you're interested in consulting, there's like a wide range of courses that you might take. So it's, it's almost impossible to say exactly what is the set you ought to be looking at. But that's the kind of thing where if you are a younger student and you would, you know, talk to one of the finance professors and they can, you can say, Hey, these are the things that interest me, and then we can kind of point to here's, here's the things that are coming up that might be of interest to you.

Kasie Whitener ([09:04](#)):

And always in classes there's like the one or two units or chapters that you read that like, you're, the light bulb goes off and you're like, man, this is the thing that's really interesting. I really care about this. How can I learn more about it? Right. In like a dig deeper kind of way. And on, so in the finance unit, you guys have this Finance Scholars program, and I know I misspoke and said you were the lead of it, but talk a little bit about how does the Finance Scholars work and how do students who come to the Moore School to study finance find their way into Finance Scholars?

Eric Powers ([09:33](#)):

So Finance Scholars is, is the flagship program, undergraduate program of the finance department. We started that, um, 10 years ago, 11 years ago, um, and realized that we had a lot of great raw material in students and that we should start up an honors program. And, um, the guy, so the guy who helped me sketch out the program back then, Colin Jones, um, he's moved on. Um, Colin had some experience in investment banking, and he had the great insight of, well, instead of trying to do all things for all people, what we should try and focus on is to prep students in the Finance Scholars program to go into investment banking. So those are the, those are the people that investment banks help companies raise capital, investment banks, help companies buy other things, investment banks, help companies sell, um, divisions of, of themselves. So Colin's rationale was, you know, if you can make it in investment banking and you can make it as an, as an analyst at an investment bank, um, that skillset you can parachute out to basically anything after that.

Eric Powers ([10:40](#)):

So that was a great insight and we structured the program to largely target, um, those employers. So we, uh, Scholars program is small. Um, last class was 32 students, so we had approximately a hundred applications and we, you know, winnowed it down to 32. Um, the, so I teach the, I teach the first pair of classes that they take in the Finance scholars program, and it's in the spring of their sophomore year. And it's, it's nominally finance 365, which is one of the required classes for finance, but it's really 365 combined with two other classes. So it's an, it's a huge amount of information Wow. Um, that gets funneled into these students in a, in a, uh, 15 week semester. So the focus of that class is, it's a case study based class. All the students work in teams, teams of two for each case, and most of the cases focus on some aspect of valuation.

Eric Powers ([11:39](#)):

So how do we, how do we do pro forma financial statements? How do we, how do we extrapolate forward into the future to think about what the company might be like and what they might produce in, in cash flows? How do we come up with a discount rate for those cash flows to figure out what they're worth today? Um, how do we identify appropriate comparison firms and look at very their valuations?

How do we, how do we put all this together into a valuation process or deck? So the, so that skillset is, it's pretty, it's pretty well defined across what investment banks are looking for and what they're interviewing for and for our students, the way, the way that, the way that industry works these days is you need a, you really need that junior year internship to get your foot into the door of wherever you want to go.

Eric Powers ([12:31](#)):

And when companies start interviewing for those internships, it used to be in fall of junior year, now it is for, for male students is typically late spring of sophomore year through summer, um, after sophomore year, um, for women and for minority students, it's typically February of sophomore year when that process kicks off. So they, the investment banks keep moving earlier and earlier in the calendar. And, um, our experience has been that, you know, we've gradually, um, me in particular, we've adjusted, um, you know, what we're covering in the curriculum to try and target that interviewing process. And our students seem well prepared, um, for that internship interview process and their success in, you know, getting prestige internships that are gonna happen 16 months later, um, after their junior year has been, has been really, really good. And they end up in, you know, the, they end up at precisely the places where they intern.

Kasie Whitener ([13:34](#)):

I love that you're, um, identifying early on, right? So we've got the, the classroom experience, their fellow classmates, they're learning from the professors that they're taking and they're learning from, they have these case studies and the teamwork that they're doing together. But then on top of that, having an eye for, Hey, eventually you're going to be in this interview process, let's help you get ready for that and really be looking forward to building your career. So everything sort of becomes focused on that career trajectory once they leave the Moore School. That's a really forward thinking approach.

Eric Powers ([14:03](#)):

Oh, yeah. Yeah. And so one of the thing, you know, one of the neat things we do in that, um, first spring semester with the new cohort is we also have, um, for the Finance Scholars program, we have these one credit hour practicum classes. So my practicum class occurs in the second half of the semester. And what we do is we get, um, somebody from our alumni crew to give us a company that they have recently, um, done the, done the valuation process for. So typically it's, it might be like a family run company that is now second generation that might be 30 years old, and the people are looking to monetize that and, and, and exit. Okay. So, um, our investment banking alums, uh, the last two years has been people, people at Piper Sandler in, um, Charlotte give us this company and give us their financials and tell us a story about that company and our students go through, um, developing a pitch deck, which is a value, a full scale valuation of that company, um, motivating why it's an attractive candidate, um, for purchase or, or for sale. And then, um, that practicum culminates with a presentation in front of a group of investment bankers. So we that, um, uh, we did that, uh, third week in April this year. Uh, we had a group of, I think it was five that came down from Charlotte of our alums. And, um, it's a great process and it's a great, it's exactly what a student does, um, uh, as an analyst once they get out into the work, into the workforce.

Kasie Whitener ([15:39](#)):

What's the class size on one of these practicums? I mean, is the finance department, are you all working in small class sizes where people really get to know each other pretty well?

Eric Powers ([15:46](#)):

So again, this is, this is specifically for the Finance scholars program. Okay. So that's a class size of 32. So one of, one of my challenges as department chair is how can we, how can we do something that, I mean, there are a ton of great students that are, if we have a cohort of 500, you know, there's another hundred that are actually really capable, um, what can we do more, um, to accelerate those students forward in, um, internships and, and getting positions. So that's, that's something that we're struggling with. I think, um, all the departments at the business school are dealing with, um, nobody has surplus capacity in terms of teaching classes right now. Right. So we're struggling to figure out how to, how and in what form to do that for the next, uh, group of students down the food chain.

Kasie Whitener ([16:32](#)):

Well, and we mentioned this is a very forward looking process to be already talking about internships, already preparing them for these interviews in their sophomore year as they're getting ready to go out into the workforce two years later. Right. And Gen Z seems to want that this upcoming generation is sort of on fast forward. They've got so much knowledge accessible to them just through the internet and through all kinds of, you know, various sources that they're ready to start doing something with that knowledge. So in the classrooms, when you're thinking about the curriculum in the finance department, are you guys talking about experiential learning? Are you talking about ways to help get them, you know, even more hands-on?

Eric Powers ([17:09](#)):

Oh, yeah. We're definitely trying to figure out ways to do experiential learning at scale. So that's the, that's the challenge. Um, also, so different point here, one of the, you talk about Gen Z. Um, one of the things that I tell all the incoming students, so we'll do, uh, the Honors College, for example, we'll have admitted students days Mm-Hmm. <affirmative> where we're trying to do the last, you know, the last couple of steps of, um, getting students to come to the University of South Carolina. So one of the things I always tell students that I talk to at those days is, uh, wherever you go, whether it's South Carolina, whether it might be Georgia, it might be UVA, it might be some other institution, um, don't just rely on career services to come up with the internship and the job opportunities for, for yourself. So, uh, what I think every student's gotta do is start a networking process early.

Eric Powers ([18:02](#)):

And the networking process initially when you're a freshman, um, is getting to know all of the seniors, because the seniors are gonna be the junior people right, at the places that you wanna work at. So start networking with that crew. Um, they know the game, they, they, they don't think it's gonna be odd that a freshman is talking to them. And then once you've knocked out the seniors, maybe a few of the juniors, and in that process, ask these kids who are, who are people who are alums out in the industry that I should talk to, and start developing a network of people that know you and understand you. And then when it comes time to apply for something, whether it's an internship or a full-time job, there's somebody inside the corporation that can say, Hey, I talked to that person. Let's pull that resume off of that huge pile that HR has. Right? And let's actually give a look to that person. And if you are diligent in that process, you expand your job opportunities immensely,

Kasie Whitener ([19:00](#)):

Are there ways for the seniors to turn back and sort of give that hand up, right? Or is it on the freshmen to reach out, um, from, from the, you know, from the bottom floor up to the top floor?

Eric Powers ([19:13](#)):

So our experience has been, um, on two dimensions that happens in, in both ways. So one is the, the club. So we have, uh, finance department has, um, a very active club called, called CFIA, Carolina Finance and Investment Association, and then a second very active club called Carolina Fund. So those are CFIA is focused on bringing in employers to talk to students. Um, CFIA is also focused on giving information about, you know, what, what are schedules like in terms of recruiting, what do you need to know, um, to impress an a recruiter? What does a, uh, you know, an informational interview where you're talking to somebody for the first time, what does that look like? And then guiding them through the process, what have they experienced? Um, Carolina Fund is, um, largely focused on valuation, and a lot of the skillset that the seniors have is being passed down to the younger students early. So there are, there are a lot of formal ways that that process occurs. Um, there are also the, um, so the, the undergraduate honor fraternities that are kind of competitive recruiting, they're almost entirely focused on networking. That's their, that's their reason for existing. So it's all about, um, getting the younger people connected to who they need to get connected to. So there's a lot of different, um, kind of grassroots efforts like that at the business school.

Kasie Whitener ([20:40](#)):

We're finding on the entrepreneurship side that we build these speaker series events and we build these club activities and, um, and we encourage students to come and participate and be part of it. And sometimes, some semesters are, are different than others. Some semesters very high levels of participation. Students really curious, really want to be there, really wanna be part of it. Other semesters it's a matter of, am I gonna get credit for this? Where can I use this in my classes? How does this, you know, get me a little closer to my goals? And so sort of creating the sales pitch on the entrepreneurship side of like, here's all the wonderful things you'll learn. Uh, or if they come to one, they see how cool it is, they want to keep coming to additional ones. Right. Do you guys, are you experiencing in the finance department similar sort of ebbs and flows as far as student willingness to participate? Or do students seem to be in general pretty enthusiastic? Um,

Eric Powers ([21:28](#)):

I think ebbs and flows not so much, but there is, um, you know, we're not reaching all students. Certainly there's a, there's a large enough left hand tail of students that seem to be surprised when it comes to junior year. And they, and they haven't done anything. And they, and, and they learn that, well, I should have been doing these things. And it's a mystery to me how we get the information out to those students earlier. Yeah. Um, I don't, I don't know, what are the, uh, I don't know what are the better ways to do that.

Kasie Whitener ([21:58](#)):

It's weird. It's like they don't, some of them don't seem to wake up until they get to that place where they start looking at jobs. Uh, which is why I said for the program itself to be talking about jobs in sophomore year is so forward thinking. And on the entrepreneurship side, you know, if they're not engaged in community entrepreneurship, they're not out there at, you know, 1 million cups and tech beans and all the other things that the city has to offer, then all of a sudden they're, you know, a senior second semester senior and they're like, I just don't know anything about this ecosystem. I'm like, how is that possible? Yeah. How did you get through four years of undergrad and not know anything about the ecosystem in Columbia? But sometimes it's just they're so focused on their own clubs, their own

activities, sororities, fraternities, whatever it is they're doing insular in campus that they don't necessarily see sort of that, that bigger, broader picture.

Eric Powers ([22:43](#)):

Yeah. Yeah. One, one kind of universal place that we can touch students is in the big, um, intro classes, right? So we'll also have, uh, uh, there'll be a day where a couple of representatives from the CFIA club come in and talk to all of the, um, sections of the intro class. So that's, that's at least we get five minutes in front of them, right. That way. Um, we will have, we'll talk about the finance scholars program, um, on a five minute blurb. There are a couple other things that we'll do five minute blurbs in those big intro classes. But you're right, there's, I mean, there's a, there's a huge, there's a huge amount of noise that, that students are consuming in terms of all their social, social media and other stuff. And the

Kasie Whitener ([23:27](#)):

World is so big.

Eric Powers ([23:28](#)):

Yeah. And getting, getting in on that, getting in on that limited bandwidth is a challenge. Right.

Kasie Whitener ([23:33](#)):

Uh, and sometimes it ha it ends up having to be the students that are just internally motivated to be this thing. And sometimes they'll drag their people along with them. So we've had a few entrepreneurs that like, this is what I want to, to do. And then they get their, their friends excited about it too. And you end up with a pretty good cohort. Uh, so let's pivot just a little bit and talk more about the finance department faculty. So what kinds of faculty do you have in your department and what kinds of research are they doing?

Eric Powers ([24:00](#)):

Uh, so where do we have, where do we have particular skill sets? Um, we have, um, a good, good group of people that are focused on some aspect of financial institutions. So commercial banking, investment banking, asset management. Um, I think one of the most prominent people in that, um, area in our department is Allen Berger. So he is, uh, I think amongst financial economists, he's like in the top 10 in terms of citations of his research. Um, the guy lives and breathes research <laugh>. Um, but we also have, um, uh, DH Zang is somebody who does a lot of research on financial institutions, um, and then some of the younger people as well. Um, we have, uh, a couple of, uh, individuals or research faculty that are working on, um, what we call household finance. So how to, how to individuals and smaller businesses make decisions.

Eric Powers ([25:01](#)):

So, um, you know, there's one, uh, uh, one of our, one of our junior faculty has, um, has research on twins and how does, how does different, how does, you know, nature versus nurture, how does, how does different experiences affect, uh, financial choices of twins that otherwise are very similar to each other? Um, and then, let's see, where, where else would we identify, uh, particular skill sets in faculty. Uh, we have, um, a skillset in risk management. So we have a, we have a separate major in risk management and insurance, and we have a, a lot of research going on there. Um, and then corporate finance. So I'm, I'm actually a corporate finance person, so that's where, that's where the bulk of my research is.

Kasie Whitener ([25:47](#)):

What kinds of things have you been looking into in corporate finance?

Eric Powers ([25:51](#)):

Um, so one of the recent papers that I've been working on, and if we have internet at the office I'll work on later, later today, um, looks at the impact of some financial regulations that came out of the financial crisis and kind of the, the unexpected side effects of that financial regulations. It was something that, it's called the, uh, the Dodd-Frank Act. So Senator, Senator Chris dod and, um, Congressman Barney Frank. So they were the, they were the signatures on the, on the bill and one aspect of the Dodd-Frank Act. So it did things like create a consumer protection bureau, um, made it so that you could read the fine print on your credit card bill, um, and see what you were actually being charged. Um, a whole host of, of changes that were there. But one thing was something that limited the amount of trading that, um, commercial banks could do on their own account.

Eric Powers ([26:45](#)):

So it's called proprietary trading. And the side effect of that was it also affected the ability of these banks to do something called market making. So when a company, let's say a larger company, let's say a, um, so Sonoco is the packaging company in Florence. Mm-Hmm. <affirmative>, um, every, every package of Christmas that you've struggled to open probably came from Sonoco <laugh>. Um, so they might issue, um, a 10 year bond because they need that money to finance, um, you know, upgrading their factory or something like that. Um, when that bond is issued, it's typically sold to institu institutional investors and whomever is the investment bank that helped underwrite that particular issue, typically plays an important role in making a market in the secondary market. So after the bond is issued, these institutions will often like to trade amongst themselves, but they'll almost always use an investment bank as the intermediary.

Eric Powers ([27:49](#)):

It's like a real estate agent. And the problem of this particular rule was the, the line between what is market making and what is proprietary trading is rather blurry. So a lot of banks pulled back on their market making efforts for, um, newly issued corporate bonds. So we're looking at the impact of, um, you know, that that side effect of that legislation and how did it affect bond pricing? And it actually affects it pretty significantly. So companies pay, um, a couple million more in interest every year because of the fact that that secondary market is less liquid. So, yeah, I, let's see, when did I start, when did we start that paper? I think it was three and a half years ago. So, um, you know, we've been trying to get it through the publishing process. We are gonna revise it and resubmit it to a particular journal. And, um, trying to figure out how to respond to the referee's comments in the next couple of days

Kasie Whitener ([28:49](#)):

When we think about the scholarship that you all are doing in the finance department, this sort of investigation, right. That's, I could hear it in your voice when you're talking about it, how curious you are about it, how passionate you are about it, where does it become for the students or even for anybody else that's looking at it, whether they're policy makers, where does this knowledge become actionable knowledge where, "hey, now that we saw this, we're gonna have to do something about it."

Eric Powers ([29:12](#)):

So it will show up in curriculum at some point. But again, this, this is just a very small piece of information, right? Uh, you, you can't, you can't structure a course around the impact of the Volcker rule. But, um, so collectively as scholars, we're, we're keeping the, the, the, the corpus of information current. So that will all show up in textbooks. And I think the bigger benefit, um, from the research faculty perspective is it's like an athlete, right? So we, we recently wrapped up, um, the NBA finals in Celtics versus Dallas Mavericks and the Celtics

Kasie Whitener ([29:48](#)):

Won.

Eric Powers ([29:48](#)):

Yeah. And behind the scenes, you know, those guys did a lot of practice over the last year or so to get to that particular point, right? So, like, in many ways, research is just keeping your skillset current. It's the practice that you've gotta read a bunch of stuff to be able to understand where does your paper fit in the literature. You've gotta read a bunch of stuff to understand how do I actually, how do I actually test this hypothesis? And that is a, it's like going to the weight room every day, right? That's building up a skillset that makes you more, hopefully makes you more effective in the classroom instead of your knowledge becoming stale. Um, your knowledge is gonna be current.

Kasie Whitener ([30:29](#)):

I love it. Um, I, when I think about, so <laugh> on the, again, on the entrepreneurship side, um, the work that we're reading is, it all feels like it's still in progress, right? We're still, we're watching these companies unfold, we're watching them grow, we're watching them build. And you wanna keep kind of revisiting, you know, what did we hear about that company five years ago? Right? Where are they now? What are they working on now? Does this seem, does it feel fresh for you too? As you're doing your finance research where you're reading these other papers, you're like, oh, that's new. I haven't seen anything about that before.

Eric Powers ([30:58](#)):

Oh, that's, that's a big problem. <laugh>. So I remember, so when I, um, I did my PhD, I finished my PhD 26 years ago. Mm-Hmm. <affirmative> 1998. And, um, so back in the <laugh> back in that era. So, you know, when I, when I wanted to read something, I went to the library, I looked it up in the library catalog, I went and got, if it was in a journal, I got the hard copy, the bound hard copy of that, of, you know, if it was Journal of Finance, there were, there were five publications that year, or five, you know, five editions in the Journal of Finance that year. And they got bound together in a hard right bound journal. And I would go and find that particular article and I'd go make a copy of it Yep. On the copy machine.

Kasie Whitener ([31:39](#)):

That's how I did my master's degree Yeah. With literary journals.

Eric Powers ([31:41](#)):

Yeah. So, you know, the, the amount of stuff that you could find was kinda limited. So it's like, you know, there's a lot of stuff out there, but you, you just couldn't find it. So you had a, you had a, you had a plausible excuse of why you didn't include something in your research, but now it is just all as long as I have internet in my office, <laugh>, I can go, I, I can go find everything, you know, not just published

papers, but working papers and it's a, it's a, it's a benefit and it's a curse, right? Right. 'cause the, the, the literature is moving forwards at, you know, at a, at a, at a rapid rate. And, um, you don't have any excuses now. You, you, you've gotta be, you gotta be current on, um, you know, what is going on in your particular field or else your papers gonna get left behind.

Kasie Whitener ([32:26](#)):

Well, yeah. 'cause you mentioned it takes a few years for it to be accepted by the journal reviewed and revised, and then resubmitted and receipt and rereviewed. And if what you're writing now is current, right. But a year from now, now, or two years from now, it might not be. And the only reason you know that is because one of the reviewers goes, Hey, I just wrote on this topic and it's not, that's not true anymore. And you're like, wait, what? Yeah. Um, so how has that made it created a challenge? And I say that, you know, kind of broadly speaking for academia in general, how has it created a challenge that all of these things are moving so rapidly, but the existing sort of structures for how we research and review and publish has maybe not the apparatus, maybe hasn't kept up with the rapid pace of information that's available to everybody?

Eric Powers ([33:13](#)):

I think the apparatus has largely kept pace. You know, when we, uh, when we publish a paper, so that goes through a peer review process, right? So you'll submit it to a journal. It doesn't matter whether we're talking about a business field or a medical field or a hard sciences field. And then, um, the editor of that journal, we'll send that paper out to people that they know that have, that have participated in that particular aspect of that field's literature. And those people will critically read your paper and make comments on it. So, um, yeah, it's more challenging for me to stay current with the literature, but those people have to stay current with the literature as well. So the whole ecosystem is running at this more and more rapid pace. And, uh, artificial intelligence is, is a new thing on the, um, um, you know, on the playing field for us. So, uh, you know, you can, you can ask an artificial intelligence engine to summarize, you know, this area in academic research for me, and it can provide for you, um, a a pretty comprehensive list of what's going on. So it's not, it, it, finding it, it's not that difficult. It's just making sure that you process it. That that is, you know, that, that, that's a limitation of what's, of your, of your brain's processing power

Kasie Whitener ([34:32](#)):

And the hours in the day Yeah. <laugh> Yeah. That are being allocated to that particular task. Yeah. Absolutely. All right. What's the future for the finance department? What kinds of cool things do you guys have coming up in 2024 - 25?

Eric Powers ([34:44](#)):

Oh, um, so, so in the near term, so we have a couple of, uh, experimental courses that are gonna be happening, um, taught by, uh, taught by adjuncts. So people that are not part of the department, but who we know and who have an interest. So, um, one that's gonna be offered for the first time in the fall is on private capital markets. So, um, you know, a private capital market, uh, you know, uh, private equity companies, for example, will, uh, buy up or invest in the equity of, um, individual businesses. How does that process work? Um, so the guy teaching that Pete Stack has a lot of experience in investment banking and private equity, and I think that's gonna be an exciting class. Um, we've got a class coming online for the first time that is the foundations of institutional investing that's being taught by, um, Jeff Berg, and, uh, Ellen Brevard from the Retirement System.

Eric Powers (35:41):

So South Carolina Retirement System manages, oh, is it \$25 billion worth of assets. And, um, you know, they talk to a lot of the big investment managers. So Jeff is gonna be talking about that process, and he's told me, um, whenever one of the big investment managers comes to Columbia to pitch, uh, to the retirement system, he's gonna make it a requirement that they come in and talk to his class. Oh, that's great. Yeah. So I think that'll be cool. Uh, uh, we got a real estate law class, it's gonna happen for the first time. Um, and then last thing that's gonna happen for, for the first time is a, uh, one credit hour course called, uh, personal investing for the graduating senior. So I've got a pair of, um, um, investment advisors from the Columbia area that are gonna offer those classes in the fall. And, uh, I, I think it's really neat because the idea for that, for that class came from the honors thesis of Elizabeth Babb who graduated, uh, not last year, but the year before last.

Eric Powers (36:47):

Um, so she, you know, she was finance scholars, so she's, she's as educated as our students get, but still, in talking to her peers and reflecting on her information, she, she, her, her observation was, we still don't know a whole lot about what we need to do, um, financially, personally when we get out into the workforce. So part of that, part of that thesis was let's generate a syllabus for a class. And that's become the, um, kind of the, the groundwork for finance 401 when we go forward further. Um, two things that we're, that we're working on is, um, one is a course on AI and how it applies to finance. So, um, you know, you can have, like, in terms of investment banking, um, you can have artificial intelligence take a financial statement and do a pretty good pro forma for you already. So how do we, how do we harness that, um, in aspects of finance?

Eric Powers (37:48):

So we're, that's probably, that's probably two years out before we're ready to start offering that. And then something else that's exciting in the short term is, uh, quantum computing. So have you heard about, um, have you heard about what's happened in quantum computing recently? Not recently, no. All right. So, um, state Senator Dick Harpo, who unfortunately lost his primary <laugh>, um, was he's a big idea person. And at some point he, at some point he was trying to think about, you know, what else can we bring to Columbia that's gonna produce a kind of an explosion of knowledge and activity and make us more like a Raleigh Durham, right? Uh, or Cha Chapel Hill area. And, uh, I can't remember how he, how he got introduced to it, but one thing that's on the horizon is something called quantum computing. So when you're typing on your laptop right here Mm-Hmm, <affirmative> right there.

Eric Powers (38:45):

That's a, that's a, that's a great example of, um, what we call kind of traditional linear computing. So there's a, there's an operating system there that runs in a very straightforward fashion and does one thing at a time, but does one thing at a time very quickly. Right? It's got a lot of do loops and stuff like that in the operating system. And quantum computing is a way to like, in parallel, consider a lot of different options simultaneously and solve, uh, for things. So it's a, we're we're like, just on the, just on the point where quantum computers are, are, are physically available. Mm-Hmm. <affirmative>. And, um, so we're, we're, we're now in the process of trying to design a class that uses quantum computing in conjunction with the math department who has quantum computing people, the physics department who has quantum quantum computing people, and, uh, the engineering college who has quantum computing people.

Eric Powers ([39:46](#)):

And the kind of the, you know, the what got this process started was, so Senator Harpole in got \$15 million worth of funding from the state budget, um, two years ago and funded something called SC Quantum. So SC Quantum is housed in five Points. There's a, um, for those of you that are familiar, you know, loose Loosies is a, one of the, uh, one of the storefronts on Saluda, uh, down in Five Points and back behind there is a large space that used to be the taxi barn for Columbia. So that's where SE Quantum, it's also where the, um,

Kasie Whitener ([40:26](#)):

The Boyd

Eric Powers ([40:26](#)):

Foundation. Yeah, it's where the Boyd Foundation is. Mm-Hmm. <affirmative>. So that's where those two things live. And so the, the objective of that, of that funding is to start building up a skillset in quantum computing in South Carolina and in the region. And, um, the guy who runs SC Quantum, Joe Keenan is the husband of, um, Kerry Queenan, who is, uh, a management science professor. So we got news through the management science department that SC Quantum has funding, and they're looking for projects. So they're looking for things that they can plug in and start generating that knowledge. And the light bulb went off for a couple of us in the finance department. So we have a group of, there are a group of finance scholars, most of whom just graduated this year, um, who formed a hedge fund in their sophomore year. And they were doing Jordan's group.

Kasie Whitener ([41:28](#)):

Yeah, Jordan's Group, group, he was in my strategic management class. Yeah.

Eric Powers ([41:35](#)):

So, so they were doing, they were doing some high tech computing stuff, and we said, Hey, why don't we introduce them to the SE quantum crowd? So they have, um, they have been working with, so they, they've got a, they've been developing a set of algorithms. You know, a big thing in finance is how fast can you do something? Can you do something? Can you do something a fraction of a second quicker than the other guy and execute that investment, um, idea. And Quantum computing, if it's done correctly, can help you do that. So they've been working with Qua, with SE Quantum and, um, have been, you know, producing algorithms for their hedge fund. And it's, it's been a really, it, it, it's, it's one of the first successful projects that SC Quantum started, and it's kind of shown to us in the finance department of, Hey, there's a, it's gonna be a few years out in the future, but there's a, there's a, a sea change coming in terms of how we're gonna approach things quantitatively in finance. And we're trying to get, we're trying to, we're trying to get on that wave right now.

Kasie Whitener ([42:37](#)):

This has been amazing. Thank you so much. I learned so much. Fowler more f Yes. Jordan, f Jordan, Fowler, Fowler, <laugh>, <laugh>. I knew the name would come to us eventually. Yes. Um, Jordan and his team, he, I was a really impressive young man, a really impressive team with their hedge fund. So, um, thank you so much, Dr. Powers, Eric Powers from the finance department for being here and being part of more impact.

Eric Powers ([42:59](#)):

All right. Casey, great talking to you. And, and Casey's rocking her Star Wars t-shirt this morning. I'm

Kasie Whitener ([43:03](#)):

Absolutely wearing the Star Wars here. It's Summer Casey. I told you that Summer, Casey, this has been more impact. When you learn more, you know more, when you know more, you do more. Thanks for listening.