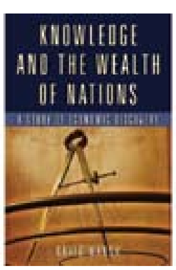
Isenberg
School News

Influential Authors Visit the Isenberg School

In September, Pulitzer Prize winning author/journalist **David Maraniss** lectured and fielded questions from 160 sport management and journalism students. In his remarks, Maranis focused on his current book, *Rome 1960: The Olympics that Changed the World* (Simon & Schuster), which brought enduring fame to such U.S. athletes as Rafer Johnson, Wilma Rudolph, and Cassius Clay. "Everything was contested through the lens of the Cold War, in which the U.S. positioned itself as a beacon of liberty," he observed. But the accomplishments of U.S. black athletes juxtaposed against unequal treatment of blacks and whites at home presented the U.S. with an "unanswerable question" that the U.S.S.R. was happy to exploit. "The Cold War and the Olympics forced the U.S. to confront that hypocrisy," he emphasized.

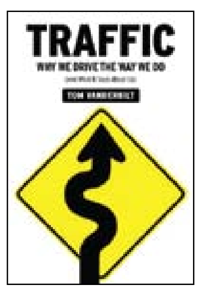
David Maraniss

Several weeks later, economics columnist and scholar **David Warsh**, in a lecture in the School's Finance Seminar series, explored "mysteries" associated with the current financial crisis. The author of *Knowledge and the Wealth of Nations* (W.W. Norton 2006) and of the independent web weekly, www.economicprincipals.com, Warsh covered economics for *The Boston Globe* for 20 years. In his remarks, Warsh questioned why U.S. Treasury Secretary Paulsen spent 15 months contemplating the investment community's bad investments before buying many of them up. He also asked why the fall of Lehman Brothers came close to capsizing the financial system. "If the subprime housing crisis hadn't happened, something else would have gone bust," he insisted. "The root of our problem has been a lack of transparency, a lack of accountability."



The Finance Seminar Series reconvened on Halloween for a visit by **Perry G. Mehrling**, an economics professor at Barnard College and author of the award-winning book, *Fischer Black and the Revolutionary Idea of Finance* (Wiley 2005). Living up to his self-description as a monetary economist, Mehrling displayed and dissected the Federal Reserve System's current and recent balance sheets. "We've been moving the private financial system onto the balance sheet of the Fed," he remarked. "Right now, the Fed, which has gradually widened its overall criteria for lending, is about $500 billion in the hole in borrowing from the U.S. Treasury and lending to the private sector. The Fed, in fact, is on its way toward becoming the world's central bank." And what, according to Mehrling, is the weak link in the financial system? It's casting AIG and the insurance monolines in the role as the bottom-line insurers of credit risk. "That should be the government's job. We need to get AIG out of that business," he told the seminar.

In November, **Tom Vanderbilt**, author of the best-selling book, *Traffic: Why We Drive the Way We Do* (Knopf 2008), spoke at the Isenberg School as a guest of the campus's student chapter of INFORMS (the Institute of Operations Research and the Management Sciences). In a program illustrated with photos and film clips of traffic configurations and driving behavior, Vanderbilt explored a variety of issues. Passing and merging behavior on highways, he noted, exemplify how individual and collective behavior can conflict. Traffic systems have nonlinear aspects. When the first and second autos in a line of cars brake suddenly, an increasing shockwave may cause collisions down the line. Perceptual distortions can also make trouble. When we drive in fog, which reduces contrast, we may be driving faster than we think. And signage can prove counterproductive. Drivers, emphasized Vanderbilt, adapt their behavior more to the road that they see than to signs. Fewer or no signs at all require drivers to be more attentive.



Professor Wong Advises Knight Commission on Intercollegiate Athletics

Sport Management professor **Glenn Wong** made a presentation to the Knight Commission on Intercollegiate Athletics on Oct. 28 at the National Press Club in Washington, D.C.

Wong's remarks to the independent advisory panel explored the implications of the commercial use of the names or likenesses of NCAA and other college athletes in fantasy or video games or other forms of new media. Wong was one of several panelists who discussed related issues at the invitation of the commission.

Glenn Wong

Wong, who is a lawyer, former dean and arbitrator for professional and amateur sports, offered four alternative business models to deal with the commercialization phenomenon. The first and second models proposed extreme responses: preserve amateurism by rolling back all current vestiges of commercialism or adopt a for-profit model that would allow collegiate athletes to receive salaries, sign endorsement contracts and hire agents.

Wong's third model would establish trust funds for athletes with potential professional sports careers. Students would have the option of participating in certain marketing and sponsorship activities as well as sanctioned events. Students would be able to draw on the trust after their amateur eligibility expired or while still student-athletes to cover training expenses, insurance and other activities. Wong's final proposed alternative was to channel student-earned revenues into an opportunity fund that would supplement a student-athlete's postgraduate expenses, including graduate school, professional sports preparation courses and internships.

In his final analysis, Wong explained that the current system may be the best option. Perhaps "the sky is not falling," he told the commission, but the uneven landscape of collegiate sports does little to simplify matters: "There isn't one organization that controls the collegiate sports industry, with rule-making and decision-making authority. Drawing a straight consistent line between amateurism and commercialism is very difficult with these vast differences in interests," he said.