



Photo courtesy of Houghton College  
Houghton College's Business Investment Center features a 24-foot-long stock ticker and a 46-inch flat-panel television. The center was funded with \$100,000 of individual donations.

## Houghton College creates investment headquarters

Students at Southern Tier college control some of endowment

By NATE DOUGHERTY

Undergraduate business students at Houghton College manage the investment of \$250,000 of the school's endowment and now have a \$100,000 headquarters to research and track their investments.

The school, located some 90 minutes southwest of Rochester in Allegany County, opened the Business Investment Center this month, featuring a 24-foot-long stock ticker and a 46-inch flat-panel television showing market commentators along with a specialized screen showing their investments. Its glass walls open to a hallway where students and visitors can watch and listen to what is going on inside, and entrance is protected by a door lock that reads a fingerprint. The center was funded with \$100,000 of donations from individuals.

Richard Halberg, professor of business and economics, said the school realized about three years ago that students would need a top-notch center for tracking their investment. Before, they had been "bouncing from classroom to classroom" and did not have the proper research tools, he said.

"We saw that one of the up-and-coming things on college campuses was what is referred to as trading rooms, and we talked about how having something like that would make a convenient place for the investment group to meet," Halberg said.

Since opening at the beginning of October, the center has given students and faculty a chance to better understand the factors driving the volatile market, said Kenneth Bates, professor and chairman of the department of business and economics. It has forced students into a deeper research of the companies they invest in and kept the pressure on to continue the steady growth of the portion of the endowment controlled by the investment club, which has outperformed the Standard & Poor's 500-stock index over the last seven years.

The center also allows the college to

increase its stature in the Rochester market, officials said. Senior business and accounting majors have been doing a semester-long case study on Paychex Inc. They attended the company annual stockholders meeting in Rochester in early October and played host to John Morphy, Paychex chief financial officer, for a talk at the end of the semester. It also gives the school a resource uncommon among undergraduate colleges.

"There are very few undergraduate programs with such a facility," Bates said. "Usually managing funds and trading rooms are common at the graduate level, but you don't find them very often at the undergraduate level."

The amount of the endowment the investment group has control over has risen steadily since the college's board first voted in 2001 to allocate \$25,000. Having control over a sizable portion of the money helps students learn to invest realistically, Bates said.

The students control roughly 0.8 percent of the college's total endowment, which is more than \$40 million.

"It brings to life the profound nature of the fact that they're entrusted with some significant dollars used to generate scholarships for their peers and for some of them," Bates said. "I think the stewardship nature of it is profound for them in realizing that they need to make wise decisions. It forces them to address their responsibility more significantly than they ever would otherwise."

Halberg said the volatile market of recent weeks has brought some paper losses to the investment group, the same consequences suffered by others with diversified portfolios, but counts it as a learning experience. He is impressed by the students' mature approach, and the investment center often is filled with students researching and analyzing data, he said.

"Anytime during the day students come in and in a few moments know how the market is doing and how their portfolio is performing today," Halberg said. "It's really the most high-tech room on campus in terms of up-to-date teaching and learning technology."

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