

Catholic business schools say financial crisis a learning opportunity

WASHINGTON - The current economic crisis has been a hot topic in leading business schools at Catholic universities across the United States.

Heads of master's programs in business at a number of Catholic universities said in interviews with Catholic News Service they see the market meltdown as a valuable occasion to teach their students the consequences of imprudent business decisions.

Christopher Puto, dean of the University of St. Thomas' Opus College of Business in Minneapolis, remarked: "There are powerful lessons here on the issues of greed, selfishness and the need for sound moral judgment that offer great insight for young people at the start of their careers.

"We may be able to use this to guide the development of a new class of business leaders who genuinely understand that profit and the common good are not mutually exclusive ends," he said.

Mr. Puto was among several deans and professors CNS interviewed from the University of Notre Dame in Indiana; Boston College; Georgetown University in Washington; Villanova University in Pennsylvania; Marquette University in Milwaukee; the University of San Diego; and the University of St. Thomas.

All said their schools' business programs integrate the importance of business ethics and social justice into the curriculum.

In addition to core classes in philosophy and theology, embedded in many of the business courses are elements of corporate responsibility and Catholic social teaching, the affirmation of human dignity, the common good, solidarity with the poor and subsidiarity, which is the principle that things should be done at the simplest, most decentralized and most local level possible.

Since the slide on Wall Street began in late September, professors said classroom debates on the crisis have been commonplace. Many said they use the beginning of class to reflect on what has been happening, and what this means to students who want to break into the financial industry.

Professor Ed Soule at Georgetown's McDonough School of Business said professors are just trying to make sense out of the economic situation by putting it into context, since most students do not have a basis for comparison.

"We like to talk about what is going on, and how it fits into the history of commercial activities," he said.

"One thing that can happen with students is that they can start to see business as mechanical. ... The human dimension is not always as emphasized as it should be," he said.

He also said that a factor in the upset on Wall Street is a lack of trust between trading partners.

"Once there is a breach of trust, it is difficult to get (it) back," he said. "Those that spent their entire careers showing that they are trustworthy proved it saved them in the end. Times like this show how important character can be."

The economic situation "seems to be a constant source of conversation, in all departments," said Sarah Peck, chair of Marquette's business school and associate professor of finance.

This coming spring semester Peck is scheduled to teach an investment ethics class, which she said will be the first of its kind nationwide.

Currently, in conversations about Wall Street, "there is no doubt that we tie (the financial crisis) to economic principles," she said. "But rather than saying, 'Wow, these people were bad,' we are approaching it (by) trying to understand how this really happened: the way incentives were set up, the pressures, etc."

"It can be hard to detect the beginning of deviating ethical practices, and it can culminate in a culture that can be disastrous," she added. "Because of the nature of

the profession, it is not always black and white. In the business environment there is always a conflict of interest because both parties are trying to make money.”