

Winter 2013

Finance Newsletter, n01, Winter 2013

University of Northern Iowa. Department of Finance.

Let us know how access to this document benefits you

Copyright ©2013 University of Northern Iowa

Follow this and additional works at: <https://scholarworks.uni.edu/finnews>



Part of the [Finance and Financial Management Commons](#)

Recommended Citation

University of Northern Iowa. Department of Finance., "Finance Newsletter, n01, Winter 2013" (2013).

Department of Finance Newsletter. 5.

<https://scholarworks.uni.edu/finnews/5>

This Newsletter is brought to you for free and open access by the Newsletters at UNI ScholarWorks. It has been accepted for inclusion in Department of Finance Newsletter by an authorized administrator of UNI ScholarWorks. For more information, please contact scholarworks@uni.edu.

Offensive Materials Statement: Materials located in UNI ScholarWorks come from a broad range of sources and time periods. Some of these materials may contain offensive stereotypes, ideas, visuals, or language.



FINANCE UNIBusiness®

winter 2013 | issue 01

Welcome to the First Edition

John Steen | Cedar Valley Iowa Market President | Wells Fargo Bank

As the chair of the Department of Finance Advisory Council, it's my privilege to contribute to this inaugural edition of the University of Northern Iowa Finance Newsletter. This is a great opportunity to let you know that this council exists and just what it is we do.

Our bylaws state, "The purpose of the Advisory Council shall be to advise, strengthen, promote and support the students, faculty, curriculum, programs, funding and relations of the Department of Finance at the College of Business Administration, University of Northern Iowa." The bylaws further state that "Voting members shall be business leaders, finance specialists and academics that possess, or are willing to obtain, an understanding of the needs of the business community and the requirement for developing and maintaining a preeminent academic program in finance. Members shall possess the ability to articulate and promote the needs of the business community with the academic

mandate of the department. Members shall demonstrate dedication to the department, College of Business Administration, and UNI and to the excellence in business education."

We currently have a diverse group that formally meets twice per year — in March and September — to determine priorities and set action plans around our purpose. We do a lot of work between those months to carry out those action plans. One of our current priorities is to increase the engagement of students, faculty and alumni with the Department of Finance by finding ways for us to connect and contribute. My thanks to Rebecca Albers of Wells Fargo Advisors in West Des Moines

who chairs this newsletter committee, and her team: Tatum Buse, of Rockwell Collins in Cedar Rapids; Andy Reutter, of Stone Point Capital in Greenwich, Conn.; Ryan Risetter, of Farmers State Bank in Waterloo; and Trent Tillman, of TrueNorth Companies in Cedar Rapids. I look forward to the growth and development of this newsletter.

Working together we can help keep our Department of Finance strong and relevant through some challenging economic times. We are open to suggestion to make this endeavor meaningful, so please do not hesitate to contact me at john.e.steen@wellsfargo.com.

CFA Review Program Plans for the Future

Mir Zaman | Professor of Finance



CFA Review Program History

The Chartered Financial Analyst (CFA) designation, administered by the CFA Institute, is the most respected credential for finance professionals who want to establish their competence in and dedication to the field of investments.

Students accepted to the program commit to regular four-hour review classes each Saturday morning during the spring semester. They meet more

frequently for a two-week period between the semester's end and the Level I exam, which takes place the first Saturday in June.

Since the inception of the program the pass rate for University of Northern Iowa students has been between 50 and 80 percent, whereas the global pass rate during the same period varied between 35 and 40 percent. This program gives our students an edge on the test, which, when passed, gives them an edge in their careers.

Financing the CFA Review Program

The CFA Review Program requires a substantial investment of money and time by the University and the students. Since the CFA preparation sessions carry no academic credit, the instruction doesn't generate tuition income and the students must complete the sessions on top of the courses required for their degree.

The total cost for each student is approximately \$2,200, which includes registration and enrollment for the Level I exam; materials and instruction at a three-day seminar in Chicago; and various transportation and lodging costs. We've been able to help these students financially using funds from the College of Business Administration and Department of Finance, and CFA Institute Student Scholarships. As more students enter preparation for the Level II exams, we would like to extend support to them as well. However, we expect some funding



challenges in the coming years. Looking ahead, we invite organizations and individuals to support our CFA Review Program, either through contributions to program or by sponsoring an individual student each year. Supporters of this proven, successful program will make a lasting, positive impact on students' futures.

Contact

If you have any questions:
Mir Zaman
mir.zaman@uni.edu
319-273-2579

To make a donation:
Michelle Rourke
michelle.rourke@uni.edu
319-273-4444.

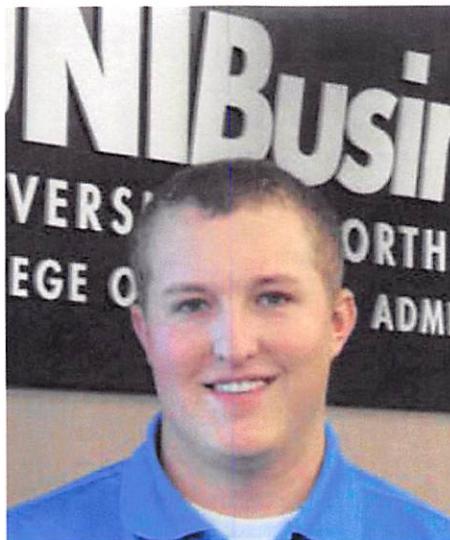


Financial Management Association

Caleb Rosonke | Junior Finance major

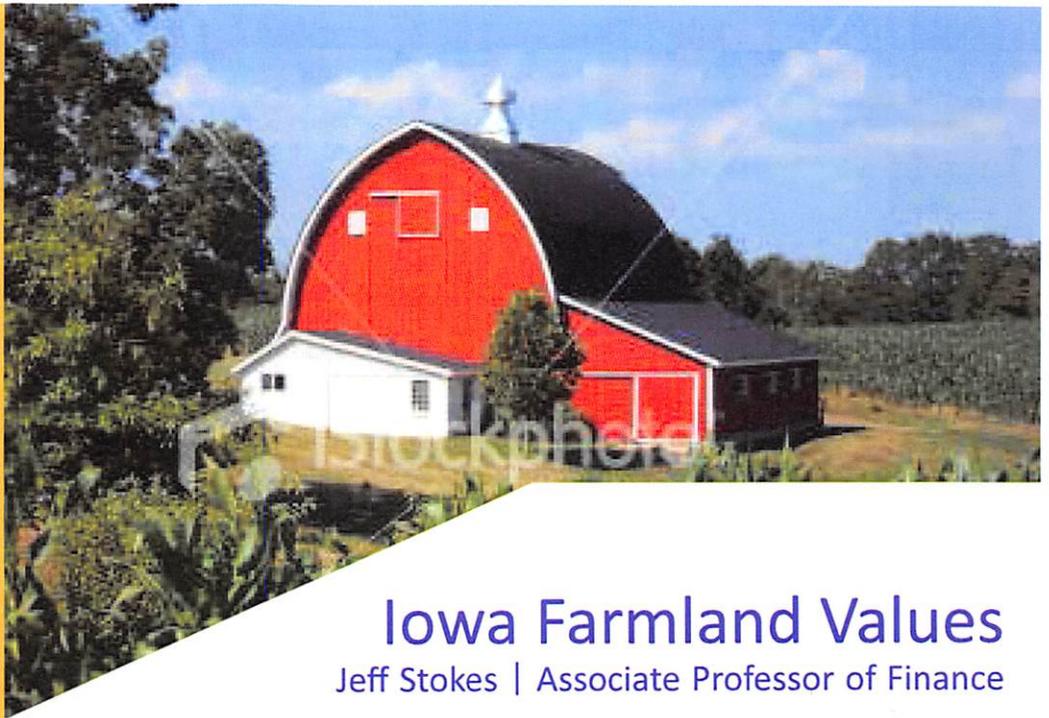
Choosing a college is one of the most important decisions in your life. I chose UNI because it has a big school feel with small and personal classes. I knew that I wanted to be a finance major and knowing that UNI has a renowned business program solidified my decision to be a Panther.

Once I got here I decided that I wanted to get involved and meet new people to expand my horizons. I joined the Financial Management Association and began going to the meetings every other week. The purpose of the group is to make contacts and to gain experience about what opportunities there are in the real world. We invite different businesses from the cedar valley and around the state to come in and talk about what they do and what they offer for college students. I decided to take on a leadership role and became the vice president. As the vice president my responsibilities are to line up the different employers and to find employers that are interested in coming in and talking to the group. I also



hold the responsibility of handling the money that comes in and goes out.

Being in this group has bettered me in many ways. I have made many different contacts and friends in the group. It has helped me understand why we learn the things we do in class. I have had the ultimate benefit of getting a job with a former speaker. I am thankful that this group got started and has continued throughout the years to give people like me a chance to meet professionals to be.



Iowa Farmland Values

Jeff Stokes | Associate Professor of Finance

Arguably, interest in farmland by investors or producers has never been greater. Recently, a record price for an acre of farmland occurred in northwest Iowa, at over \$21,000 per acre. Since the year 2000, high-grade farmland in Iowa has increased approximately 12.5 percent per year.

Whenever prices increase to such an extent, concerns over the possibility of a speculative bubble exist. With this in mind, we decided to examine Iowa farmland prices to learn about the extent to which current prices may contain a speculative component.

Data from land sales occurring over the last couple years were used to develop a model of prices that incorporates corn prices as the independent variable. The results are preliminary but illustrate a pattern of the size of the speculative

component in farmland prices. Based on the last two years of data, the model shows the fundamental value of farmland to have a lower bound of approximately \$3,600, up to a per-bushel corn price of about \$7.50.

Potentially the most interesting result is the size of the indicated speculative premium and different prices for corn. Our results indicate the speculative premium increases, and increases at a faster rate, as corn prices go up. For example, when corn is priced about \$3 to \$4 there is a negligible speculative premium. When corn is at \$7, the portion of farmland values made up by a speculative premium is 20 percent. About 33 percent of farmland values are composed of speculation when corn prices are closer to \$8 per bushel.

Based on this data, higher corn prices lead to increases in the fundamental value of land AND the proportion of the value that is speculative.

New Curriculum Coming

Art Cox | Department of Finance Interim Head

With significant help from the Finance Advisory Council, we have identified a need for financial planning and wealth management courses in the curriculum. As a result, the department is developing a new track and has begun to recruit applicants to teach in this area.

Once implemented, students in this track will develop skills to advise and work with individuals and families in a wide range of personal finance. The specific areas would include financial planning involving securities, insurance and real estate, as well as retirement planning, tax

planning, and estate planning. This track will complement the more institutional focus of the existing Investments track. Potential employers could include commercial banks, credit unions, insurance and pension companies, and investment and mutual fund companies.

Alumni Success

Scott D. Eltjes | CFA, FLMI
CEO & President of BTC Capital Management

"I feel very fortunate to have received a great education while at UNI. The strong educational foundation I received at UNI has helped me enormously in my career. I will always have fond memories of UNI and will always be grateful for the education I received. Because of this, I have remained actively involved at UNI by serving previously on the Les Hale Endowment Fund Board, and for many years on the UNI Finance Department Advisory Council."



Scott Eltjes currently serves as CEO and president for BTC Capital Management, a Registered Investment Advisor. In addition, he serves as senior vice president for the Wealth Management and Marketing Division and serves on the Bankers Trust Executive Committee.

Eltjes has over 20 years of investment management experience. He joined BTC Capital Management from WB Capital Management, Inc., where he served as chief executive officer. Prior to that, Eltjes was an owner

and partner at VMF Capital. He also previously served as regional managing principal of Wells Fargo Institutional Investment Group.

Eltjes is a 1988 graduate of the University of Northern Iowa and in 1993 earned his M.B.A. at Drake University. He holds the designations of Fellow, Life Management Institute (FLMI) and Chartered Financial Analyst (CFA). He is also a member of the Association for Investment Management and Research.

Eltjes serves on the Finance Department Advisory Board for the University of Northern Iowa, College of Business Administration and coaches youth sports in the Norwalk School District.

Eltjes, his wife, Jodi, and their two children, Nick and Hana, reside in Norwalk.



Living Learning Communities

UNI*Business* News

Alumni who share their school pride and encourage high school students to consider attending their alma mater do the University a huge favor! As a graduate of the Department of Finance, you can share your personal experiences and talk about the great education you received. But not everything stays the same from year to year, so we wanted to share a new feature of on-campus living that future business students get to enjoy. Help us spread the word!

Beginning in fall 2013, freshmen majoring in business, along with those majoring in elementary education and

music, will have the opportunity to join a Living Learning Community in UNI residence halls. First-year students in these communities will share at least one class in their major and live with students who have similar academic goals.

The Business Learning Community will be located in Rider Hall. Students living in this learning community can expect to find a focus on skill development in the areas of management, business administration and entrepreneurship in an environment that focuses on exploring various majors, careers, and opportunities in the business world.

"The hope is that students would be able to use one another as resources, and having that resource just down the hall or a room over would make it easier for students to engage and interact with one another," says Brock Severson, residence life coordinator at UNI. "Also, our hope is to have faculty involvement within the house, and it would be so much easier on faculty members to reach multiple students in their home environment if they lived in a shared space such as a residence hall house/floor."

The communities will fill on a first-come, first-served basis. Incoming students can select a Living Learning Community on the online residence hall contract.



A Semester of Recruiting

Art Cox | Department of Finance Interim Head

The fall semester is almost complete. One more week of classes as I write this. One thing that has made it busy for all of us here on campus has been our search for a new faculty member in the area of financial planning and wealth management.

Deb Giarusso and I traveled to Atlanta for the Financial Management Association annual conference in October. This is the academic meeting where the vast majority of schools

have their initial conversations with prospective faculty members. We spoke with people for two and one-half days. From our rankings the search committee selected candidates to bring to Cedar Falls for campus visits and an intensive interview process. We are at the offer stage now and hope to have the process wrapped up in the next couple weeks.



AQB Approval For Real Estate Program

Art Cox | Department of Finance Interim Head



The AQB establishes the qualification criteria for state licensing, certification and re-certification of real property appraisers.

The UNI Real Estate Program is only the third program in the United States to receive this level of approval from the Appraiser Qualification Board of The Appraisal Foundation.

After several months of diligent work on both sides, the Appraiser Qualification Board (AQB) approved the UNI Real Estate Program for 267 hours of credit toward the education criteria to become a Certified General Appraiser. This means graduates with a Real Estate major need only take the USPAP course and 18 hours of a Market Analysis and Highest and Best Use course to satisfy the total of 300 hours required by the AQB. Real Estate graduates will still need to pass the certified general exam and complete 3,000

hours of work experience to become fully credentialed. In addition, the approval is retroactive to the 2004-2005 academic year and so applies to any real estate graduate going back to the December 2004 graduating class. We are only the third program in the United States to receive this level of approval from the Appraiser Qualification Board of The Appraisal Foundation. This will put our graduates far ahead of their peers in terms of starting their careers in real estate appraisal.

UPCOMING EVENTS

MARCH 7-8

**Corporate Introductions
Kansas City, MO**

APRIL 10

**Real Estate Advisory Council
Meeting
UNI campus**

APRIL 18

**NAIOP University Challenge
Final Presentations
Minneapolis, MN**

APRIL 18

**UNIBusiness Alumni Event
Summit Brewery
St. Paul, MN**



Department of Finance Advisory Council

Back row, L to R: Art Cox, Lori Cole, Brian Boyle, Ben Miller, John Steen, Mir Zaman, Matt Hanson, Mary Pech, Rebecca Albers.

Front row, L to R: Scott Hassenstab, Dan McMullin, Russ Nieland, Ryan Risetter

Not pictured: Tatum Buse, Scott Eltjes, Andrew Reutter, Carl Schweser, Trent Tillman and Matt Verbeck.