

Financial Program Marks 25th Anniversary

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At a time when the professionalism and ethics of the investment industry are under fire, an innovative educational partnership that teaches and stresses both qualities is looking toward its 25th anniversary.

Since 1985, an estimated 2,500 investment industry executives have gone through the Chartered Financial Analysts (CFA) Review Program offered by the CFA Society of Los Angeles in conjunction with the USC Marshall School of Business.

The program, a three-year course of study held on campus, utilizes curriculum and study materials developed by the national Chartered Financial Analysts Institute and helps enrollees prepare for a series of exams.

Passing these exams is a requirement for receiving a financial analyst charter.

The charter is regarded as the gold standard of professional credentials within the global investment community, said Bill Krantz, a chartered analyst who shares responsibility for directing the program with Lawrence Harris, director of the Center for Investment Studies at USC Marshall.

Economics, financial reporting and analysis, corporate finance, equity investments, fixed income, derivatives, ethical and professional standards, quantitative methods, portfolio management and wealth planning are among the subjects presented.

Krantz and Harris credit Guil Babcock, a former professor of finance at USC, and Bob Hardaway, former president of the Los Angeles Society of Financial Analysts, a predecessor organization, for creating the program.

Although other regions of the country had review programs, Southern California did not when Babcock brought the idea to Hardaway, who noted that the Southern California program was modeled on a program offered by the Boston Society of Financial Analysts and Northeastern University.

"We decided early on that for the program to be successful, it had to be a quality program with paid, not pro bono, instructors," he said. "Guil lined up USC professors for the accounting, economics and quantitative analysis sessions, and I got practitioners from the Los Angeles investment community for the equity analysis, fixed income analysis, portfolio management and ethics sessions. Our wonderful colleague, the late Stan Ryals, led the first ethics sessions and added a strong ethical dimension to the program that has endured to this day."

The program, which began as a once-a-week session on the USC campus, currently provides multiple classes, as well as online lessons used by a number of other Chartered Financial Analyst societies in the United States and abroad.

Approximately 200 candidates go through the program annually, with five or six classes a week taught by about 30 instructors. In 2008, an innovative free program debuted that streams classes over the Internet to members of the U.S. Armed Forces on active duty around the world. The program recently was extended for another year.

Much of the credit for using technology to leverage the reach of the program goes to USC Marshall program administrator Terri Lichvar, according to Babcock and Frank Dohn, a Newport Beach investment executive who administered the program in the 1990s.



Lawrence Harris, director of the Center for Investment Studies at USC Marshall

“USC happened to have a dedicated video line that enabled us to beam live classes to Orange County,” Dohn said. “We realized that USC had the ability to tape professors in class. So we developed a way for other CFA societies to buy videos of our classes, and that’s been very successful.”

Dohn said that the classes are intended to impart real knowledge that enrollees can use for a lifetime, not just on exam day.

“One of the things that has always distinguished this program is that our classes are taught by professors and by investment professionals who are there to help students learn conceptually,” Dohn said. “There are other courses that teach how to take the CFA exams, but although our students do quite well on the exams, our primary goal is for them to absorb knowledge that will serve them - and their clients - throughout their careers.”

Contact

newsinfo@usc.edu