

College students now investing online

Homecoming '99? Make that no homecoming at many schools

by **Niala Boodhoo**
Knight-Ridder Newspapers
October 12, 1999

Praveen Yalamanchi has taken a stomach-turning ride on the stock market. After making \$20,000 in two years of steady investing, he lost \$4,000 in his first 48 hours of day trading.

Paul Hamilton has seen his money grow steadily, if slowly, over the past three years in mutual funds.

Both South Floridians, researchers say, are representative of the exploding population playing the market on college campuses nationwide.

"The biggest increase we've seen over the past few years, besides women's investment clubs, is among younger people," said Jonathan Strong, who manages membership for the National Association of Investors, a nonprofit educational group for investors across the country.

Strong said that in the past five years, the median age of his membership has dropped 10 years, reflecting the many 20- and 30-year-olds now in the market, and he expects that trend to continue.

The seemingly endless bull market, the explosion of financial information and ease of making trades over the Internet, have created a boom in investing among twenty-somethings. At the extreme: some students around the nation are even day-trading their tuition money.

But for the most part, the younger people who invest are as serious as their older counterparts, said Mike Kraft, director of consumer research for Gomez Advisors, a Boston firm that studies online finance.

Hamilton, a finance major at Florida International University, is a self-described low-risk taker who has put thousands into long-term mutual funds.

"I'm 24 and this is a long-term deal," said Hamilton, who is vice president of FIU's chapter of Alpha Kappa Psi, a business fraternity.

He started investing his freshman year of college when his grandmother gave him and his brother some railroad stocks. CSX Corp and Norfolk Southern Corp. He put money from that initial investment into various Prudential mutual funds.

"Hopefully by the time I'm gray-haired and retired this will let me do some of the things I want to do later in life," Hamilton said.

When Yalamanchi blew the \$4,000 -- for him, two summers' worth of wages -- the 26-year-old recent University of Florida graduate said he went into the market thinking he would make fast money.

He had already seen an initial

mistake he's made in investing, which is unusual, says University of Miami Professor Adam Schwartz.

"It's like Las Vegas," said Schwartz, who has taught investing and finance at the University of Miami for four years. "Nobody says, 'I had a crappy time, I lost \$9,000.' It's the same thing with day trading. Nobody says, 'I lost \$12,000 on *Amazon.com* and I really don't know what I'm doing.'"

Schwartz says he sees students lured by the idea of fast money by delving into complex market practices like selling short or writing calls without security. Students who think they can make fast money in the market should look to professional fund managers as a litmus test, Schwartz said. Even the most well-informed, highly paid managers struggle to keep up with the Standard & Poor's and Wilshire 5000 indices, traditional benchmarks of strong companies.

Gomez Advisors has four categories of investor profiles: the hyperactive trader, market junkies who use low-cost methods and trade frequently; the serious investor, who is active, equity-oriented and values research; the life goal planner, who trades mutual funds for long-term growth and is more concerned with financial planning; and the one-stop shopper, who values a combination of stock trading, funds and other financial services rolled into one.

In a survey conducted in June, "The State of Online Investing," Gomez Advisors and Harris Interactive found just 17 percent of online investors under age 25 fell into the life-goal planner profile, as opposed to 40 percent of investors over the age of 25. In a twist, though, data also showed that 69 percent of online investors surveyed under the age of 25 were serious investors, as opposed to 46 percent of individuals over age 25. Individuals are placed into a category based on a combination of their stated intentions and investing behavior.

"So investors under 25 aren't just playing the market, they're trying to make money," said Gomez's research director Kraft, who led the study. "They're smart, and using online information to make wise investing decisions."

The Gomez study also found that 22 percent of online investors surveyed under age 25 said they invested "primarily for the fun/challenge," of it, compared to 13 percent of people over age 25.

University of Miami student Carl Hernalin said he was drawn to invest by what he calls "the game."

"I'm competitive, and I thought this was really interesting, to be able to make so much money in a short period of time," said the 24-year-old computer science and finance major. So he got some start-up money from his father.

In the first six months, he lost 20 percent of his investment, chalking it up to inexperience and a bad broker.

"I didn't have enough information," said Hernalin, who now keeps his money in big multinational companies, like Swedish telecommunications giant Ericsson and Finnish-based Nokia. In a year and a half since he's started investing, Hernalin now researches companies thoroughly before investing. And while he still said he plays the market for the challenge, the more cautious -- and wise -- Hernalin has converted his losses into a \$70,000 portfolio.

"Multinational companies are the most secure," said Hernalin, who is Swedish. "With small companies, you can make big bucks but lose them, too."

Fellow University of Miami student Augustin Palma, an active trader who splits start-up costs and profits 50/50 with his father, has ridden the extreme highs and lows of active trading. He trades the techs -- among them E-trade, and Compaq as a turnaround play -- and in his first three weeks last fall made \$5,000, but by the end of the year, he was down.

Palma feeds financial statistics about a company into a program he designed on his computer that tracks highs, lows, volume and other information about the company's stock. While he said he originally thought he had a "system" that worked, now he realizes he has a model that needs continuous tweaking.

And there's no one system, said Palma. "Everybody comes out and says THIS is going to happen. But ... the market moves on its own."

After his wildly successful start, then a slow downturn, Palma said he's made up the lost money.

"I'm finally even now," said the 19-year-old, who will be interning at Morgan Stanley Dean Witter & Co. next year. "But I'm smarter, and that's what counts."



PHOTO BY NURI VALLBONA - KRT

Like many college students today, Augustin Palma, right, and Carl Hermeling are avid investors. They get information on stocks from a Bloomberg News Service machine located on the University of Miami campus.

\$5,000 investment soar to \$25,000 in two years, through investments in biotechnology and computer software companies. Last summer, he decided to try day-trading, where traders buy and sell stocks daily or even hourly, seeking to capitalize on small price movements.

"I thought, why bother to be an engineer when I could just make a lot more money day-trading?," said Yalamanchi, who earned a degree in engineering at the University of Florida after he finished his first degree at the University of Miami in finance.

"The smartest thing I did about investing in day trading was getting out early," said Yalamanchi, who quit after his two-day crash, when he held stocks like Lightpath Technologies. Yalamanchi has since moved the rest of his money to an Internet company he plans to hold long-term.

Yalamanchi is open about the

U. Of Colorado President resigns in wake of newspaper investigation

by **Terje Langeland**
Colorado Daily - University of Colorado at Boulder
October 14, 1999

BOULDER, Colo. — John Buechner, president of the University of Colorado at Boulder, resigned Wednesday following months of controversy surrounding his hiring of a personal friend to work as his executive consultant.

Buechner announced his departure a day before the university's board of regents was expected to quiz him about the controversy, which resulted from a *Colorado Daily* investigation begun in May. Buechner, appointed to the presidency in 1995, did not mention the newspaper or its investigation in his letter of resignation, but he did refer to a perceived lack of support from some members of the board.

"I have not reached this decision in a hasty manner," Buechner wrote. "... some members of the Board of Regents have discussed directly with the print media their concerns about my performance as president. It would be most difficult to continue to lead this \$1.4 billion dollar

university without the complete 100 percent commitment and confidence from each board member in my role as president."

Buechner wrote that he would leave office "no later than June 1, 2000," although it was unclear if he intended

"I have not reached this decision in a hasty manner."

John Buechner, president of the University of Colorado at Boulder

to continue working until that date. Regents said they were surprised by the president's decision.

"I would have appreciated John contacting me personally with his concerns," Regent Jim Martin said. "Maybe the word 'betrayal' is a little harsh, but I feel betrayed."

At the heart of the controversy was Buechner's decision to hire his friend, Fran Raudenbush, a former lobbyist,

to oversee the university's "Total Learning Environment," an initiative touted as a "blueprint" for CU's future. Raudenbush, who had no formal background in higher education administration before landing the job, was placed on the payroll of the CU Foundation, a private organization that raises money for the university. She was initially paid \$115,000 annually to work 30 hours per week. Her workload eventually grew to 40 hours per week, for which she was being paid \$141,000 a year — more than most of CU's deans.

In May, the university refused to let the *Daily* view Raudenbush's contract, claiming the document was not open to the public because it fell under the auspices of the Foundation, which is a private organization. The *Daily* filed suit against the Foundation, which agreed to settle the case in June by turning over more than 7,000 pages of documents pertaining to Raudenbush's hiring and work for the university. The paperwork showed Raudenbush was extensively involved in the university's day-to-day administration and was given the title "executive consultant to the

president."

For months, Buechner refused to answer the *Daily's* questions regarding his professional and personal relationship with Buechner. On Sept. 28, the newspaper posed its questions in the form of a front-page editorial. When Raudenbush's contract with CU expired three days later, it was not renewed.

The mounting controversy prompted some regents — including Martin — to push Buechner to publicly address issues raised by the newspaper.

"I plan to bring up not only what is in the best interest of the university and the board, but what is the proper role that a regent should play in its support of university administration," Martin wrote in a letter to Buechner dated Oct. 11. "I have not nor do I ever plan to be a 'cheerleader' for this university. We are all elected to be fiduciaries for the citizens of the state of Colorado. I personally feel we have not been doing our job."

Buechner, who has refused to speak with the *Daily* since May, did not return phone calls Wednesday or Thursday.

by **Tania Mejer**
Campus Correspondent - Emerson College
October 15, 1999

BOSTON (TMS) — That old familiar nip is in the air, bringing with it those stereotypical notions of bonfires and homecoming celebrations that students across the country supposedly look forward to each fall.

You know the ones. Images of cheery students dressed in pristine clothes bearing their school's name and logo, eager to show their school spirit. Images of big football games and well-to-do alumni strutting around campus, remembering the days when they, too, were young and beautiful.

In real life, a lot of colleges don't even have a homecoming, let alone a football team. The concept of getting all wound up about a particular weekend — especially one that revolves around a sporting event — is lost on many students, who say they don't need a traditional homecoming to create campus unity.

Take those at Emerson College in Boston for example. Acting, art, audio and video, film, and journalism majors run around the city — often in teams — focused only on their latest film project or news story. Many sport piercings, tattoos and various colors of hair. Students crack the old stand-by joke, "We have sports here?" when they, by chance, open the campus paper to the sports section rather than the arts and entertainment pages.

Warm and fuzzy interaction with alumni is kept to a minimum at Emerson — especially given the school's alumni office holds most of its programs in June after most enrolled students have left for the summer. Emerson holds a Family Weekend, when students' parents and relatives can hang out with them — but homecoming it is not.

"Dances are not even a part of the student culture here," said James Jacquart, Emerson's director of student activities, quickly adding that that's not an administrative decision; turns out that not even the college's 80-plus student organizations hold dances of their own.

Columbia College in Chicago, another institution focused on communications and the arts, also doesn't get into the homecoming swing of things. The annual "Welcome Back Dance" administrators plan each year draws ire from students, who complain that the event is a waste of money while their tuition continues to climb.

"So, when the students start

demonstrating on the 5th floor of the main building and signing petitions, I guess that's when homecoming at Columbia really begins," said student Billy O'Keefe.

Georgetown University also lacks homecoming festivities. Like Emerson and Columbia, its athletics aren't big attention-getters. Students and alumni used to get together for school-sponsored barbecues and tailgating parties, but administrators, concerned about alcohol consumption among minors, have discouraged and tried to prevent those gatherings in recent years.

At Brown University, students began homecoming celebrations only this past year. Junior Michael DiPasquale was one student who wholeheartedly approved of the decision.

"I definitely prefer having a homecoming," DiPasquale said. "I came from a high school where school spirit really existed, and that led to a great homecoming. I think there's just as much spirit here at Brown, and therefore homecoming is a necessary forum to put that spirit on display."

But at the all-women Agnes Scott College (ASC) in Georgia, students say they're just as happy with their very intentional non-homecoming celebration, which they call Black Cat.

"At a traditional homecoming, if you lose the games, the homecoming usually turns sour," Agnes Scott senior Cara Carroll explained. "At ASC, Black Cat is about celebrating our community."

During the week of Black Cat, students don their particular class' color and mascot and decorate the school to match. The freshmen choose their mascot during this time and leave hints around campus, revealing the mascot at the week's culmination.

Classes grease doorknob handles and steal cafeteria tables as jokes, and on the serious side, there are dress-up days and community activities. Juniors take the spotlight during Black Cat, producing a full-length musical satire of ASC and the various classes. And the class that scores the most points for decorations, pranks, spirit, and songs gets to hold on to the prized Black Kitty — a black cat doll — for the year.

"While we do have the usual games and competitions, it is all in a competitive, yet fun, supportive spirit," sophomore Amanda Linberg said. "Rather than bringing us together to cheer on a team of people we are unfamiliar with in a game we may not win, we cheer for ourselves and our sisters, knowing that we will all win because we have each other."

College students' challenging questions posed to screen blood donors

by **Christine Tatum**
TMS Campus
October 14, 1999

LAWRENCE, Kan. (TMS) — Students at the University of Kansas are trying to decide whether some questions asked to screen blood donors are biased against homosexuals.

The university's student body president, Korb Maxwell, assigned a committee to explore the issue and make recommendations before the university's next blood drive, slated for the spring.

"We felt like we needed to do something," committee chairman Jason Thompson, a UK student, told the *Daily Kansan*. "This is very much an issue of students' rights."

During the screening process, health care workers ask about donors' medical histories and any personal behavior that may put them at higher risk for HIV, the virus that causes AIDS. Potential donors reporting they have engaged in high-risk behavior often are turned away. Students are troubled by how some of the questions are worded — particularly those inquiring whether potential male donors have had sex

with other men. "Ideologically they're [the blood collection agencies] targeting dangerous behavior, but it's no longer just a gay disease," said Matthew Skinta, president of Queers and Allies, a group supporting homosexuality on the UK campus. "Now, it would be more appropriate to ask behavior-oriented questions in the general populace."

Those questions, Skinta said, should include references to condom usage and anal sex.

While the students' concerns are understandable, screening procedures for potential blood donors is strict for good reason, Dr. William Doxan, a campus physician, told the *Kansan*.

"I can see their point, but blood donation is not a matter of equal opportunity," he said. "We're talking about a public health issue. It may appear individuals' interests are shortchanged, but they [collection agencies] have an obligation to provide a blood stockpile that is as free of disease as they can possibly make it."

"You could say they're discriminating against IV drug users, too," he added.