

## the human nature of business



ROBERT COUSWELL

**E**ugene Rotberg, SBM '51, believes that if you want to understand today's financial markets, comprehending human nature is paramount. "Markets are how people respond, cover up, succumb to peer pressure, hide their mistakes, feed their desire to look good rather than be good and deal with their egos," explains Rotberg, recently named by *Institutional Investor* magazine as one of the 40 most influential individuals in finance of the past 40 years. "I learn more about human

nature from great fiction than I ever will from *The Wall Street Journal* or other financial publications."

Rotberg is passionate about literature and the liberal arts, and he developed his love for both at Temple. "Some of the greatest influences in my life were those Temple professors who taught me logic, argumentation, speech and semantics," Rotberg says. "They formed my ability to analyze problems, think deductively, gather inductive evidence and determine what is meaningless and what is meaningful."

After receiving his bachelor's degree, he earned his law degree from the University of Pennsylvania in Philadelphia. He then went to work for the United States Security and Exchange Commission in Washington, D.C., and conducted public hearings in 1960 on how the securities market worked. Rotberg also served as vice president and treasurer of the World Bank from 1968 to 1987. He was responsible for borrowing more than \$100 billion from governments and from capital markets throughout the world and for managing the World Bank's \$20 billion liquid cash reserves. Throughout his career, he has testified before the U.S. Senate and the U.S. House of Representatives regarding derivatives, risk taking and international development.

"In the 1960s, I saw the tentative beginnings of globalization," Rotberg recalls. "Countries began to be linked together in ways they had never been before. More than just goods and people moving across borders, capital, investment and speculation were moving, as well. The result is a world that is truly linked financially, so that what happens in one country affects many other countries."

According to Rotberg, this interconnectedness is why the current economic downturn spread around the world so rapidly. "Today's crisis is different than any other we have experienced," he says. "First, we never before had the kind of tremendous leverage by investment and commercial banks to conduct their activities, and second, there was an explosion of very complex financial instruments."

Rotberg's list of what makes this crisis unique continues: a disconnect among CEOs, regulators and the individuals working on the trading floor; the pressures put on lenders to make more home loans available; and a compensation system that excessively rewarded risk taking, but did not adequately punish failure. "No one event would have created the current problems," says Rotberg, "but put them all together and, the moment one fell, they all fell like dominoes. It was chaos theory in practice." —Greg Fomia, SCT '92

the Law Offices of Andrew F. Schneider in Newtown, Pa.

**Joseph F. Coradino, CLA '74**, received the Heart of Philadelphia Award from the American Heart Association at the organization's annual Heart Ball. He is president of Pennsylvania Real Estate Investment Trust (PREIT) Services LLC and PREIT-Rubin Inc., both of which are based in Philadelphia.

**Lois M. Myers, CLA '74**, is executive director of Morris Tomorrow, a strategic not-for-profit community organization in Cedar Knolls, N.J. She also is co-founder of the Kaleidoscope of Hope

Foundation ([www.kohnj.org](http://www.kohnj.org)), which raises funds and awareness for ovarian cancer research. Myers is an 11-year survivor of the disease.

**Val Rossman, TYL '74**, received an artist grant to spend the month of October as a resident at the Vermont Studio Center in Johnson, Vt. She will work on paintings to be shown at Philadelphia's Rosenfeld Gallery. Rossman teaches at Main Line Art Center in Haverford, Pa., and has a studio in Frankford, Pa. Her art is in numerous public and private collections in the United States and abroad.

**Steven E. Landau, MED '75**, published a study that shows a low reincarceration rate among inmates in his yoga and meditation class. The study can be viewed at [www.shivadancing.com](http://www.shivadancing.com). The story also was covered by television station NBC 17 in Raleigh, N.C.

**Harris M. Nagler, MED '75**, chair of the Sol and Margaret Berger Department of Urology at Beth Israel Medical Center in New York City, was appointed as the center's interim president. He specializes in male infertility, impotence and general urology. Nagler also serves as chief of graduate medical education and academic affairs at Beth Israel.