

Experiential and Transformative Learning: New York Financial Institutions Visits

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In this paper, we describe two experiential courses, one from a college and the other from a university, where students visit New York City financial institutions and hear from financial market experts. The college course is included in an undergraduate program located in a rural area while the university course is included in an Executive MBA program located in a large metropolitan area. Through the New York City financial institution site visits, students are provided with the opportunity to learn by experiencing first-hand the financial environment in New York and to hear from professionals who work in the financial world. We contend that students' financial markets competence and confidence is enhanced through these experiences beyond what can be achieved through traditional classroom teaching methods only. We also assert that the New York financial institution site visits have the opportunity to provide students with transformative learning experiences. Specifically, our paper describes the site visits and the strategies for improving transformational learning. We discuss examples from our program that show how student views of financial institutions are transformed as a result of the experience. We offer suggestions for constructing an experiential financial markets course that we believe leads to greater transformative learning for students.

INTRODUCTION

This paper explores the experiential and transformational learning produced by two New York City Financial Institution based courses – one is an undergraduate Investment Management course and the other an executive MBA (EMBA) Financial Markets course. The undergraduate course is taught at an institution that is a traditional, primarily residential, undergraduate liberal arts college located in the Northeast while the EMBA course is taught at a large research institution located in a Washington DC suburban area. The “field trip” or “residency” component of these two courses utilizes both the experience and reflection necessary for experiential learning (Kolb, 1984) and transformative learning (Mezirow, 1991, 2000).

Classroom instruction on financial markets may be valuable, but it is limited in its ability to give students a first-hand experience to enable them to fully understand the concepts. The real challenge is taking students from Point A, which is what they currently know about financial market issues, to Point B, which is learning how financial markets actually work. Students must acquire new skills and information, but also radically transform their approach to thinking and learning to make the most of the New York experience. The ultimate goal is a “real” transformation of students' existing knowledge or a paradigm shift in their thinking from experiencing the New York financial institution site visits and speakers. We will describe the

components of these two courses and the transformative learning that we believe may result from these experiences.

CREATING AN EXPERIENTIAL AND TRANSFORMATIONAL LEARNING EXPERIENCE

Unfortunately, site visits are not common in economic education at the college level nor is there much scholarly literature regarding the topic (Smith, 2007). In fact, Smith (2007), referencing the publication of his article in a journal dedicated to economic education noted that "...in its 36 year history, this journal has never published an article on the subject..." (p. 308). Perhaps that is not surprising due to the connotation of field trips. Smith (2007) notes that "for most economic professors, fields trips are associated with a grade school excursion to the zoo or local science museum in a yellow school bus" (p. 308).

In addition, although there is a limited amount of research on the logistics of field trips in various business disciplines including accounting (Gribbin, 2005) and economics (Smith, 2007), a search of the scholarly literature found no research which specifically detailed the experiential and transformative learning which takes places from site visits to financial institutions such as the New York Stock Exchange. Therefore, the intent of this article is to both describe the two separate site visits to New York as well as to connect the visits to experiential and transformative learning theories.

Experiential learning can be defined as "...the incorporation of active, participatory learning in the course..." (Hawtrety, 2007. p. 144) or learning from experience (Nilson, 2005). Kolb (1984), providing a more comprehensive definition of experiential learning, states "learning is the process whereby knowledge is created through the transformation of experience" (p. 38). It is a type of learning which requires that "...the learner 'touches all the bases' – experiencing, reflecting, thinking, and acting- in a recursive process..." (Kolb & Kolb, 2005, p. 194). Experiential learning, according to Kolb (1984), was influenced by disciplines such as psychology and philosophy. In fact, he states that experiential learning was influenced by the seminal works of individuals such as John Dewy, Kurt Lewin, Jean Piaget, Carl Jung, Erik Erikson, Carl Rogers, and Abraham Maslow. Kolb (1984), however, is acknowledged as having brought together the "...theory and practice..." (Bennis, 1984, p. ix) of the concept. For example, Bennis (1984) credited Kolb's (1984) work as being instrumental for illustrating how learning can take place outside of the classroom environment.

According to the literature, experiential learning has been applied to the discipline of economics (Dolan, 2006; Hawtrety, 2007; Spencer & Van Eynde, 1986). Hawtrety (2007), in fact, argues for experiential learning for economic courses stating the importance of "...student expectations..." (p. 143). Hawtrety's (2007) research, which examined the perceptions of 500 Australian undergraduate students regarding experiential learning, found that "...sixty percent of students said experiential learning is *important* or *very important*, and only 13 percent said it was *unimportant* or *very unimportant*" (p. 151). Coincidentally, one of the questions included in Hawtrety's (2007) study specified a site visit to an exchange as an example.

A similar argument in favor of active learning was made by Knowles, Holton, and Swanson (2005) who noted that the needs of adult learners are different than the needs of children learners. Specifically, Knowles et al. (2005) notes that the traditional pedagogical model for children assigns a passive role to the children and an active role to the instructor. This pedagogical model, it is argued, is not appropriate for adult learners. Instead, Knowles et al. (2005) argues that adult learners want to be more in control of their learning. Undergraduate students and graduate students are adult learners. Therefore, the site visits to New York financial

institutions offers these students the opportunity to become actively engaged in their learning outside the classroom environment.

Transformative learning theory addresses the teaching challenge of completely revising students' previous knowledge. The theory describes the conditions and processes necessary for students to make a significant knowledge transformation and paradigm shift. This is also known as perspective transformation (Mezirow 1991, p. 167). According to Mezirow, "transformative learning . . . is how adults learn to think for themselves rather than upon the assimilated beliefs, values, feelings and judgments of others" (Mezirow, 2000, p. 18). Transformative learning theory holds that real learning goes beyond just acquiring content knowledge or learning facts, figures and data. It is a theory about how adults learn to think for themselves. It is founded on the belief that when students experience transformative learning that results in deep, structural shifts in their thoughts and feelings, this change informs their actions. Moreover, they are more likely to reframe their world-view by incorporating this new knowledge or information into their belief systems.

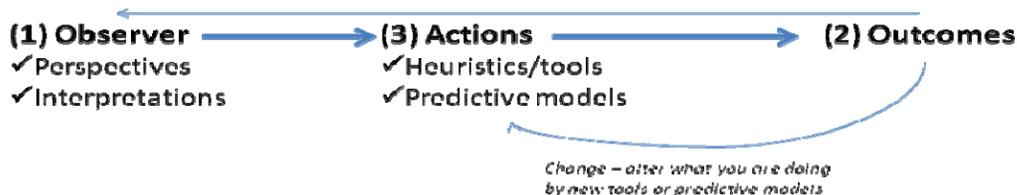
Figure 1 illustrates how transformative learning is a process that encourages students (1) to question their own points of view and interpretations. Transformational learning is a different way of learning because it focuses upon the issue of why we interpret experiences or perspectives the way that we do. It alters what we can be by shifting our perspectives and interpretations of ourselves and the world around us and create new unique realities created through our experiences (2). It alters what we are and do by allowing us to use new tools and predictive models. It enables us to be put into a novel situation and use the new knowledge gained to view the experience differently, which is the feedback loop that changes our actions and ways of interacting with the world and developing new perspectives and heuristics (3).

Figure 1

**Transformational Learning & the New York
Financial Markets Course**

Altering what you can be by shifting your perspectives and interpretations of you self and the world around you

Transformation – altering the way you are being – a new observer with new perspectives and new interpretations



Resources
The Last Word on Power, Tracey Goss
The Difference, Scott Page
Adapted by Dr. Roy Hinton for
executive programs at GMU, 2009.

New York Financial Markets Residency

*Altering what you can do by expanding
your heuristics and predictive models*

When considering the specific pedagogical activities we can employ in any course, according to transformational learning theory, there are several necessary conditions and processes that can create a paradigm shift of perspective with students (McGonigal, 2005):

- An **activating event** that exposes the limitations of a student's current knowledge;
- Opportunities for the student **to identify** and articulate the **underlying assumptions** of the current knowledge;
- **Critical self-reflection** as the student considers where these underlying assumptions came from and how they influenced understanding of a situation.
- **Critical discourse** with others as students gain new insights from having their beliefs challenged by other ways of viewing the situation.
- Opportunities to **test and apply new paradigms or perspectives**.

When students go through these conditions and processes, they are more likely to revise their underlying assumptions and adopt a new paradigm and use this new paradigm to actively create new knowledge. We believe developing financial markets competence requires this type of learning. Students often enter our "classrooms" entrenched in a specific perspective and in order to be successful in understanding financial institutions and markets, they must learn to recognize the limitations of their current perspective. This process cannot happen if we simply provide readings that share a third party perspective on the situation. Students actually have to experience the knowledge.

The application of experiential learning theory and transformative learning theory to these two courses in the form of site visits allows for the opportunity to actively engage students. Furthermore, the application of the theories allow for the opportunity to deepen the students' level of learning beyond what the classroom alone would perhaps permit. An examination of the site visit/speaker component of each of these courses is therefore warranted to better understand the experiential learning that these courses offer. In addition, a review of applicable course exercises is also necessary to fully understand the learning process that these site visits encompass.

UNDERGRADUATE INVESTMENT MANAGEMENT COURSE

The undergraduate Investment Management course is a 300-level elective typically offered each fall. It is a 3 credit hour course. There are many prerequisites for the course including Financial Accounting, Managerial Accounting, and Finance. Therefore, the students in the class have a strong financial base and are upper-class students. In addition to traditional course delivery methods, there is also a strong experiential learning component in the form of a field trip to various financial institutions in New York City. The field trip component of the course is optional for the student. However, a student that elects not to go on the field trip will have to complete and present another assignment. Typically, all students choose to attend the field trip unless there is a specific event that precludes the students from participating in the trip. Past field trips have included visits to the New York Stock Exchange, the New York Mercantile Exchange, the New York Board of Trade, the Federal Reserve Bank of New York, and the NASDAQ Market Site.

The students are well prepared prior to the visit. The instructor purposely utilizes various instructional methodologies including multi-media presentations and resources. One of the more innovative teaching methodologies is the use of a stock market simulation. This allows students the opportunity to trade stocks, bonds, mutual funds, and commodities in a simulated environment. The goal of this exercise is to actively engage the students in following the market

and analyzing securities prior to the visit of New York financial institutions. In addition, the field trip component of the course is specifically supported by numerous assignments throughout the semester. For example, the students must study the various institutions, prepare questions to be posed during the visit, ask planned as well as other relevant questions during the visit, submit a written reflection of the experience which accurately answers the questions posed during the visit, and participate in an interactive class discussion regarding the trip. Each year, these visits have proved to provide the students with a unique learning opportunity as their direct experience considerably supplements their classroom experience. This learning opportunity is further magnified and becomes interdisciplinary as many of these students have never been to New York City before even though it is only a five-hour drive from the college campus.

The learning experience from the field trip component of the course is evident throughout the trip and by the students' verbal and written reflections. There are two significant recurring themes to note; one at the New York Stock Exchange and the other at the NASDAQ MarketSite. Both of these visits present an element of surprise for the students even though the faculty member anticipates and addresses these issues prior to the trip.

These surprises are specifically related the students' perceptions of the New York Stock Exchange and the NASDAQ MarketSite. For example, many of the students have a certain perception of the trading floor at the New York Stock Exchange even though they have extensively studied trading floor operations and electronic trading. Nevertheless, many students express surprise at the "quietness" of the trading floor and how many computer terminals are visible.

Similarly, the students also have a certain perception of NASDAQ. Again, they specifically study the structure of NASDAQ and learn that it does not have a physical trading floor but instead is an electronic market. They also learn that the NASDAQ MarketSite actually houses a broadcast studio as opposed to traders. This is a fact that the NASDAQ (2010) Web site clearly articulates when discussing their opening and closing ceremonies as "choreographed by a professional event planner..." (nasdaq.com/marketsite/index.html). However, frequently the realization of the electronic trading environment at NASDAQ and the symbolism of the ceremony only become internalized by the students when they experience the ceremony coming to a quick close and witness the visitors being escorted from the studio.

The value of these learning experiences that take place in the form of active learning, as opposed to textbook learning; appear to be substantiated by the literature. For example, Hawtrey (2007), citing the works of others (Borg & Stranaham, 2002; McClean & Tatnall, 2000; Senge, 1990), noted that "students remember only a fraction of what they hear but a majority of what they actively do" (p. 145). Therefore, the students being actively engaged at the New York Stock Exchange and the NASDAQ MarketSite seems to offer a level of education that lecture alone cannot. However, this knowledge may not necessarily be empirically tested. For example, Smith (2007) considered the assessment of field trips and noted that improved test taking has not been substantiated in the literature. According to Hawtrey (2007), nevertheless, student learning can take place without the myopic priority of test taking. In addition, Smith (2007) states that students may not be able to articulate the learning experience. That is not to underestimate the significant learning that may have taken place. In fact, it could be argued that different types of learning take place. For example, research conducted in the area of field trips for children indicated the possibility of both cognitive and affective learning (Nabors, Edwards, & Murray, 2009).

Perhaps another question, in addition to the types of learning, would be whether the resultant learning is long-term. For example, Pace and Tesi (2004) interviewed eight adults to determine the value of field trips taken during their primary school years (from kindergarten to

senior year in high school). Pace and Tesi (2004) noted varying perceptions of the education and social value of the field trips. They also noted that the field trips that were more active, as opposed to passive, resulted in more learning. This also appears to be the case at the undergraduate level based on the recent remarks of an alumnus. Although perhaps more anecdotal than empirical, a business administration graduate, who took the Investment Management course four years ago, was asked if he would like to comment on his experience for this article. He responded that “it is one thing to read about the New York Stock Exchange, Mercantile Exchange or the Federal Reserve in a book, but to actually see them in person, to talk to people on the floor, added a whole new level and dimension to my understanding of the financial world. The experience will stick with me for my entire life and I am grateful that I was able to experience that once in a lifetime opportunity.” As a faculty member, considering the experiential value of site visits to New York financial institutions, such a reflection appears to validate the educational experience of such field trips.

THE EXECUTIVE MBA (EMBA) NEW YORK RESIDENCY COURSE

The EMBA New York Financial Markets course (called the New York residency) is a graduate level finance course offered each fall in the second year of the students’ program. It is a 3 credit hour course, with 1.5 of the credits delivered in the classroom before residency and the other 1.5 credits delivered on the residency in New York City. The New York residency is the second of three residencies required of EMBA students. It provides students with an integrated learning experience and an opportunity to gain a comprehensive understanding of financial markets in the heart of the financial district.

The four days of site visits are a combination of actual visits to financial institutions and seminars/talks by financial experts. Some financial institutions visits have included the NYSE, SEC, NYMEX, the New York Federal Reserve Bank, J.P. Morgan, Citigroup, Salomon, Smith and Barney, the Blackstone Investments Group, NASDAQ, and BATS Trading. Some speakers have included economists from the New York Federal Reserve Bank, a Partner at Grant Thornton, the Senior Vice President of Moody’s Investor Services, a Tax Partner at PricewaterhouseCoopers, a lawyer from the Securities and Exchange Commission, the Commissioner of the Bureau of Labor Statistics, hedge fund managers, the President of Lipper Advisory Services, the Director of Citigroup Equity Derivative Sales and Trading, a retired Managing Director and Chairman of the Citigroup-sponsored mutual funds, the Director of Educational Services at the NYSE, a former Equity Research Group Manager at Citigroup, on-line business editor at CNBC, and a former Vice President of the CBOE. **(Please see Appendix A for the final New York residency itinerary in 2009.)**

The theme of the New York residency is “Maintaining Investor Value and Trust.” The residency explores the relationships between financial markets, their impact upon corporate financial decision making, and ethical controversies surrounding financial markets. An essential goal of the EMBA New York residency is that students learn through experiencing the institutions and professionals that are integral to the financial sector of the economy.

The EMBA New York residency is organized into three main parts: 1) **Pre-residency class sessions** – 7 sessions; 2) **Residency experience** - travel to New York City for 4-5 days and; 3) **Post-residency experience** – one session where student teams present the major themes learned on the residency.

The New York residency course begins with seven, one hour and forty-five minute in-class sessions. Student goals and outcomes for the course are also identified. **(Please see Appendix B for a listing.)** Activities to achieve these goals in the in-class sessions are as follows:

- **Group Projects and Presentations.** Students are required to read the book, “Standard and Poor’s Guide to Money & Investing” by Morris and Morris (2007) and do some independent research on various topics such as 1) Money & Markets, 2) Stocks, 3) Bonds and Mutual Funds, 4) Options and Futures, and 5) Alternative Investments. Students develop a 3-5 page research paper that addresses the questions for their topic and then present their responses to these questions to the rest of the class.
- **Current Financial Climate: Issues & Challenges.** A course dialogue about the current financial issues is facilitated. Students contribute to a class discussion database by submitting a one-page overview of a situation or news story where current financial issues are illustrated and/or discussed. This submission is posted to the course website but students also give a brief overview of the article in class. They use financial analysis to extend the discussion in an article, make predictions about future market conditions, and explain what is going on behind decisions we see in the marketplace, or identify mistakes in analysis provided by others. This activity generates a lot of class discussion.
- **Case Assignments.** Financial markets case studies are analyzed and discussed in class before the residency. Most recently, these three cases include: 1) Understanding the Credit Crisis of 2007-2008 (HBS by Arthur I. Segel and Ben Creo, July 20, 2009), 2) Investment Banking in 2008 (Kellogg by David Stowell, 2008), and 3) The Subprime Meltdown (HBS by Julio Rotemberg, May 6, 2008). Students are also required to submit a written assignment related to what they have read in the case before the class discussion.

The key element of the pre-residency sessions is to clearly define the academic content of the course and the connection between the course learning objectives and the site visits and speakers during the residency. The purpose of the pre-residency assignments is to help students identify and understand the current pressing financial market issues and challenges and to expand their knowledge base prior to the New York residency so they will be better able to ask informed questions during the site visits.

While on the residency, study groups are responsible for researching the financial institutions we will be visiting prior to the visit and preparing relevant questions for the site visit presenters. Students are also given the opportunity to interact with the local financial community while on the residency. Students engage in ongoing reflection of their experience by keeping a structured journal of their residency experience. Faculty-led debriefs occur regularly during the residency to help students process and understand their experiences.

Upon returning from the residency, students deliver a group project of no more than five pages that answers the following questions: 1) What are the top five financial market issues that were addressed by the speakers? 2) What are the major points of the issue? 3) Why is the issue important?, and 4) How is the issue being resolved? They make predictions of what future financial markets will look like and provide solutions to current financial markets problems.

Table 1 below provides an overview of the components of the New York residency course and the types of activities that are included in each of the three components.

Table 1: New York Financial Markets Residency Activities

Pre-Residency Sessions	The Residency Experience Sessions	Post-Residency Sessions
Readings & Cases (conflicting viewpoints)	Financial Institution Site Visits & Guest speakers	Group Project: Top five financial market issues and resolutions
Writing Assignments	Q & A sessions	Post – residency virtual dialogue
Current Financial Markets events Readings & Discussion	Class debriefs	Final Financial Institution site visit summaries
Class Discussions	Meals together	Residency debriefs in small groups or with entire class
Course Expectation Setting	Some “free” time & bus time	Predictions & Solutions to financial markets challenges recognized on the residency

The New York residency is heavily laden with ethics and responses to ethical dilemmas. The first EMBA New York residency was conducted in 2003 when the major financial market issues were the corporate scandals such as Enron and WorldCom and the scandals in equity research. The next residency was in 2005 when the major financial market challenges were the creation of Sarbanes-Oxley Law and providing more transparency into the financial markets. Next, in 2007 the residency was held in January and again in October. Some of the major financial market issues that year included options backdating, the heating up of the crisis in the sub-prime mortgage market, and volatility in hedge funds. In October of 2008 and 2009 we were in the midst of the credit market crisis and an economic slowdown, respectively. Students were able to research these current issues before going on the residency and hear a variety of perspectives on these important financial and ethical issues from those people who had lived through it up close and personal. Through anecdotal conversations, many, if not most, students’ views on the financial crisis were deeply affected by the New York residency experience.

A common response by students to the New York EMBA residency experience is one of surprise and incredulity. For example, most students had never heard of BATS trading until we visited that trading center in 2008. A hedge fund manager spoke to the students in 2007, who were surprised at his predictions of an impending credit meltdown. Of course, that hedge fund manager predicted in 2007 just exactly what happened in the financial markets in 2008, but at the time, this was not the common viewpoint. This speaker created a shift in student thinking about the credit markets and after his presentation, the buzz was electric and continued for weeks after the residency.

Every year, students are amazed at the presentation by a long-term Wall Street veteran on the “History of Wall Street,” how it has grown, and how the changes have occurred so rapidly. When students hear from the Vice President of Moody’s about credit ratings issued in recent years and the practical responses to failings by credit ratings agencies in this regard, they mention in their final projects how much their perspectives have changed about the credit crisis and the rankings issue.

Students routinely indicate that the New York residency was one of the best experiences in their program. Another EMBA student from the class of 2009 said, “The New York residency was the best part of the EMBA program. We had an outstanding lineup of speakers from across the financial services spectrum. It was one of the best learning experiences of my life and continues to affect my thinking.” Another EMBA student gave a presentation to his company in 2008 about the current financial crisis based on what he learned on the residency that year. He told me that he would not have been able to give this presentation at his company before participating in the New York residency and that it truly changed his perspective and knowledge on the financial meltdown. What he also said to a group of executives is, "I have one word for the New York residency: Awesome! Over four days we met with real players in the financial markets that each had useful and unique perspectives on the state of the markets and the economy. The information was relevant, timely and insightful and has changed my thinking about our financial sector.” It was truly a transformative experience for this student.

These student comments appear to indicate that the New York residency is a very useful and effective academic activity. In addition, such comments prompt a reflection on particular strategies that could be employed before, during and after the residency to promote transformational learning.

TRANSFORMATIONAL LEARNING AND THE EMBA NEW YORK RESIDENCY

As stated earlier, according to Kelly McGonigal (2005) in her article, “Teaching for Transformation: From Learning Theory to Teaching Strategies”, transformative learning theory “describes the conditions and processes necessary for students to make the most significant kind of knowledge transformation or paradigm shift, but teaching strategies make an intentional use of the theory” (p. 9) How do we intentionally use transformative learning theory in the New York residency course? The left column of Table 2 lists the “condition/process” that can produce transformative learning and the right hand column lists the New York residency activity that may illustrate that particular condition/process. More detail examples of how our teaching strategies provide transformational learning experiences for students are then described.

Table 2: Transformational Learning Conditions and Processes	
Conditions/Processes	New York Residency Activity
1. Activating event that exposes limitations of student’s current knowledge/approach	Course objectives, current financial markets conditions discussions
2. Opportunities to identify underlying assumptions	Pre-residency assignments, case analyses, conflicting viewpoints discussions
3. Critical self-reflection	Emphasis on ethical framework (Maintaining Investor Value and Trust) during residency, debrief sessions
4. Critical discourse with others	Q&A with residency presenters; class discussions; conversations at meals and on bus; group discussions
5. Opportunities to test new paradigm or perspective	Post-residency “themes” Project

The Activating Event

Here we try to trigger students to examine their thinking and the possible limitations to being open to new ways of thinking. One way we do this is to set student expectations through the course objectives that are presented in the pre-residency sessions. We also discuss current financial market situations and ask if they could have been prevented.

Opportunities to Identify Underlying Assumptions

We provide conflicting viewpoints readings and alternative solutions and ask the student groups to define one and provide reasons for their defense. We provide students with conflicting viewpoints discussion questions such as the following:

- “How did Bear’s potential collapse differ from that of LTCM in the eyes of the Federal Reserve?”
- “Is market perception of liquidity more important for an investment bank than it is for a traditional manufacturing or distribution business?”
- “What are the pros and cons of regulations of the financial markets?”

We challenge students with what they believe in case study analyses. The goal is to intrigue students to increase their motivation to learn. We also ask students to evaluate a specific position, solution or reading and justify their critique.

Critical Self Reflection

We use critical questioning techniques by asking students to explain their reasoning and identify their assumptions by offering counterexamples or scenarios or differing perspectives. We ask students to make a prediction about the future of financial markets and ask them to explain their predictions in a written exercise. We ask students to respond to a specific class reading or case. We give them a set of questions to guide their reflection and ask questions such as, What surprised you and why? Does this conflict or compare favorably with your previous experience of understanding about the situation? Does this experience change your thinking about the situation? Some of these self reflection questions include:

- What role should the Fed play in maintaining order in world securities markets?
- What are the potential failures in unregulated markets for housing finance and the potential role of the government in overcoming these failures?
- Who was most to blame for the mess in the subprime market?
- Overall, would you say that the U.S. / global financial system has functioned well or poorly through the financial meltdown? Why?
- If you were advising lawmakers in Washington about potential policy responses to the subprime turmoil, what sort of advice would you offer? Please consider both short-term remedies and long-term reforms.

Encourage Critical Discourse with Others

The New York residency provides opportunities for students to have a lot of discourse and discussion especially in the Q&A sessions with presenters during the residency itself; pre-residency class discussions; conversations at meals and on the bus; and group discussions during the debrief sessions. In addition, we ask students in study groups to complete and present the final residency themes paper described above, which generates a lot of critical discourse among the study team members as well as the entire class. One especially interesting critical discourse question posed during the post-residency session is, “How will the world be different due to what has happened in the financial markets?”

Opportunities to Test a New Paradigm or Perspective

For learning to move from thought to action, we encourage students to apply their new knowledge gained from the New York financial markets experience. We ask students to develop a solution for a challenge they have discovered while on the residency in their final project. The student's goal is to identify a financial market issue that they believe will affect financial markets for many years to come.

According to McGonigal (2005), "For transformative learning to occur, the instructor must strike a careful balance between support and challenge." (p 11). Trust is developed between the students and the professor on the residency itself because of its automatic bonding environment whereby students are with each other "24-7" for 4 days. Students are empowered and supported to be creative and an automatic "environment of challenge" (McGonigal, 2005, p 12) is created, which is a central ingredient for transformative learning. This added bonding characteristic of the residency helps to promote the transformational aspect of the learning experiences.

CONCLUSIONS AND BENEFITS OF OUR NEW YORK FIELD TRIPS AND RESIDENCIES

We believe that New York financial markets site visits are experiential and produce transformational learning for students. If a business professor were to structure a transformative and experiential New York visit, from what we have learned, what design principles should be followed? Although there are differences between the undergraduate and graduate experiences, the following four design principles could be considered for a course including a site visit component to financial institutions:

1. Must be an immersive experience with a comparative focus.

A primary benefit of the New York site visit is its immersive exposure to current financial markets issues, which forces experiential and transformational learning to occur. Through the site visits, their own exploration, and facilitated class meetings with program faculty, students experience and then reflect upon their attitudes and value judgments related to a host of financial issues and institutions. This heightened understanding causes a frame-of-reference shift, creating a financial markets perspective that can be used to interact more effectively with others about financial markets. Students are challenged to use their new understanding to think of new ways to create more effectively functioning financial markets in the future. "The experience of being there physically and seeing firsthand adds texture to this knowledge and yields memories that increase mindfulness about the larger world." (Mirvis, 2008, p. 175)

2. Should challenge pre-conceived viewpoints.

The students overwhelmingly come away with powerful and relevant lessons after the financial institution visit because their pre-conceived viewpoints have been challenged. Professors should seek out speakers and locations that will challenge students in this way.

3. Should provide a multi-lens approach to financial markets including ethical and legal considerations.

Many of the students raise issues about what kind of reform is needed to ensure that financial markets operate effectively, efficiently and ethically. What the New York site visits do for students is to provide "consciousness-raising experiences" (Mirvis, 2008, p. 174) that open the hearts and minds of the students and "stimulate reflection on their lives, their work, and their companies" (Mirvis, 2008, p 174). According to Mirvis (2008), programs that contain consciousness-raising elements produce the following learning objectives: (a) cultivating self-awareness, (b) deepening understanding of others, (c) dealing with diverse peoples and interests,

and broadly, (d) relating to society and the natural world. He contends that consciousness-raising experiences can help to transform the way leaders engage one another and the world around them. Exposure to a broader array of stimuli and situations can stretch and deepen a leader's world view.

4. Should provide active learning opportunities for students.

It is important to consider providing students, including future business leaders, with courses that go beyond lecture and case study pedagogies to include more experiential learning exercises and project-based learning. The experiential learning experience creates a motivation to change and causes students to have an active lens on what they are learning. The experience should provide a culminating activity that helps to create this active lens that provides students with a clear incentive and motivation to learn.

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Appendix A

EMBA 703: Financial Institutions
“Maintaining Investor Value & Trust”
New York City
October 12 – 15, 2009

Day 1 – Monday, October 12, 2009

Overview of the week/Overview of Wall Street/Financial Market Issues/History of Wall Street

Day	Time		Event	Location
Monday, October 12	Start			
	End			
Students should be at CIT no later than 6:15 a.m. Breakfast Boxes provided	6:30 a.m.		Board bus to travel to New York	
	11:30 a.m.	12:30 p.m.	Arrive at hotel. Official check-in time 4pm. Bags will be stored.	Marriott Financial Center Hotel 85 West Street New York, NY 10006 (212) 385-4900
	12:30 p.m.	1:30 p.m.	Buffet Lunch Overview of week – Karen Hallows	Marriott Financial Center Hotel Empire Room, Third Floor
	1:30 p.m.	2:45 p.m.	Heath McLendon , retired Managing Director, Chairman of the Citigroup-sponsored mutual funds), Citigroup Smith Barney “History of Wall Street”	Marriott Financial Center Hotel Empire Room, Third Floor
	2:45 p.m.	3:00 p.m.	Break	Marriott Financial Center Hotel Empire Room, Third Floor
	3:00 p.m.	4:15 p.m.	Jerry Hanweck, Jr. "High-frequency and Algorithmic Trading" , Principal, Hanweck Associates LLC	Marriott Financial Center Hotel Empire Room, Third Floor

	4:15 p.m.	5:30 p.m.	Charlie Gasparino, Financial Markets and the News --his book, "The Sellout", on-air editor, MSNBC	Marriott Financial Center Hotel Empire Room, Third Floor
	5:30 p.m.	6:30 p.m.	Check in & free time	
	6:45 p.m.	7:00 p.m.	Meet in lobby at 6:30 p.m. and walk to restaurant	
	7:00p m	9:00p m	Dinner at the Palm Tribeca Steak House	206 West Street New York, NY 10038 (646)395-6395

Day 2 – Tuesday, October 13

Banking Sector/Equity Research/Risk Management/Stock Trading

Day	Time		Event	Location
Tuesday, October 13	Start	End		
	7:00 a.m.	8:00 a.m.	Breakfast (You will be given breakfast vouchers to be used at the hotel)	Roy's Restaurant Marriott Financial Center Hotel
	8:30 a.m.	10:00 a.m.	Risk Management panel discussion, PRMIA leaders, Mr. Jodi Lundell, Director of Training and Education, PRMIA, Philippa Gerling, Nawal Roy (risk management)	Marriott Financial Center Hotel Empire Room, Third Floor
	10:15 a.m.	11:30 a.m.	Glenn Eckert, , Senior VP, Moody's Investors, "Risk Assessment in the Fixed Income Markets"	
	11:30 a.m.	12:30 p.m.	Lunch	
	12:30 p.m.	1:45 p.m.	Mr. Timothy Tucker, Former Equity Research Group Manager Citigroup, "What have we learned from this crisis?" and "what might society be like if we did learn something from this crisis?"	Marriott Financial Center Hotel Empire Room, Third Floor
	1:45 p.m.	2:00 p.m.	Break	

	2:00 p.m.	3:00 p.m.	Mike Creasy, Partner, Grant Thornton, LLP, "The Adoption of IFRS in the United States"	Marriott Financial Center Hotel Empire Room, Third Floor
	3:00 p.m.	3:15 p.m.	Meet in Lobby of Hotel no later than 3:05 to walk to the New York Fed (we need to go through security and this takes a while)	
	3:30 p.m.	4:15 p.m.	Tour of FED and & visitor's gallery	Federal Reserve Bank of New York
	4:45 p.m.	6:00 p.m.	Dr. Asani Sarkar, Research Officer, N. Y. Federal Reserve, "Liquidity Risk, Credit Risk and the Federal Reserve's Response to the Crisis"	Federal Reserve Bank of New York
	6:00 p.m.	6:15 p.m.	Walk back to hotel	
	6:00 p.m.	7:30 p.m.	Social hour with SOM Dean, Jorge Haddock and SOM alumni in the New York area	Marriott Financial Center Hotel Ellis Room, Third Floor

Day 3 – Wednesday, October 14

Wall Street/Financial Market Regulation/Hedge Funds/Derivatives Markets

Day	Time		Event	Location
Wednesday, October 14	Start	End		
	7:00 a.m.	8:00 a.m.	Breakfast	Marriott Financial Center Hotel
	8:45 a.m.	9:00 a.m.	Walk to NYSE and Check in and Security at the NYSE	NYSE 11 Wall Street New York, NY 10005
	9:15 a.m.	9:55 a.m.	Steve Wheeler, Director Corp. Giving, Education, Archives at NYSE, "Overview of the NYSE Auction Market & Q&A"	NYSE
	9:55 a.m.	10:15 a.m.	VIP viewing gallery, NYSE	
	10:15 a.m.	10:30 a.m.	Walk back to the hotel	

	10:45 a.m.	12:00 p.m.	Christ Economos, Tax Partner, PricewaterhouseCoopers, LLP, “Maintaining Investor Value & Trust: A Tax Perspective”	
	12:00 pm.	1:00 p.m.	Lunch	Marriott Financial Center Hotel Empire Room, Third Floor
	1:00 p.m.	3:00 p.m.	Jason Gettinger, Counsel, Securities and Exchange Commission, "Review of the SEC Enforcement Program and Case Study"	Marriott Financial Center Hotel Empire Room, Third Floor
	3:00 p.m.	3:30 p.m.	Break	
	3:30 p.m.	5:00 p.m.	Jerry Hanweck, Professor, George Mason University, “Financial Crisis Reform – Same Old, Same Old?”	Marriott Financial Center Hotel Empire Room, Third Floor
	5:00 p.m.	5:30 p.m.	Happy Hour with “Bill”	Marriott Financial Center Hotel Ellis Room, Third Floor
	5:30 p.m.	7:00 p.m.	Happy Hour with Bill Looney, Vice President, Equity Derivatives, Sanford Bernstein “Equity Derivatives and a Day in the Life of a Sales Trader”	Marriott Financial Center Hotel Empire Room, Third Floor
	7:00 p.m.	7:30 p.m.	Happy Hour continues	Marriott Financial Center Hotel Ellis Room, Third Floor

Day 4 – Thursday, October 15

Stock Markets & Investing

Day	Time	Event	Location
Thursday, October 15	Start End		

	6:30 a.m.	7:30 a.m.	Breakfast	Roy's Restaurant Marriott Financial Center Hotel
	7:30 a.m.	8:15 a.m.	Meet in lobby at 7:30 a.m. to travel by subway to NASDAQ & go through security	
	8:30 a.m.	9:30 a.m.	Steve Chalmers, NASDAQ Market Intelligence Desk and Opening Bell Ceremony	NASDAQ Market Site 4 Times Square New York, NY 10036
	9:30 a.m.	9:45 a.m.	Walk to Mickey Levy's office	
	10:00 a.m.	11:15 a.m.	Mickey Levy, Chief Economist, Bank of America , "Recession and Financial Shock, Policy Responses and Prospects for Recovery" Bank of America	Bank of America 42 nd and 6 th Streets
	11:15 a.m.	12:15p .m.	Pat Duthie, Trader, Bank of America , tour of Bank of America trading floor	Bank of America 42 nd and 6 th Streets
	12:15 p.m.	1:00 p.m.	Travel back to Hotel	
	1:00 p.m.	2:00 p.m.	Lunch	Marriott Financial Center Hotel Empire Room, Third Floor
	2:00 p.m.	3:15 p.m.	Michael Lipper, President, Lipper Advisory Services , "Money Wise Investing"	Marriott Financial Center Hotel Empire Room, Third Floor
	3:15 p.m.	9:30 p.m.	Board bus for home at 3:15 – 3:30 p.m. and arrive home at 9:30 p.m.	

Appendix B – Student Goals and Outcomes of the EMBA New York Residency

The course goals of the New York financial markets residency are for students to:

- Gain an understanding of how financial markets function and the development of new financial instruments,
- Understand the current financial situation and how the recent financial crisis occurred and to study proposals for improvement,
- Understand how firms seek to employ financial instruments in the management of the firm,
- Evaluate how firms make management decisions regarding the use of financial markets and instruments, and
- Discuss with finance professionals their efforts to best service the financial needs of corporations.

After taking the financial markets course, students will be able to:

- describe the role of the Federal Reserve system in maintaining investor trust.
- describe how a stock's value changes, how to trade in stocks, how to read stock tables, and how trades are conducted on the three stock exchanges
- describe how to determine a bond's value, how bonds are rated, how to read bond quotes, how a mutual fund works, the types of mutual funds, and how to read a mutual fund quotation.
- describe derivative investments in general, how futures work and futures exchanges operate, how to read a futures table, trade a futures contract, how options work, trading in options, and how to read options quotation.
- relate the process of capital formation to the challenge of maintaining shareholder value and trust.
- explain why analysts may have incentives to make bad recommendations and further the confusion in the financial markets.
- understand and discuss the operations of the NYSE, SEC, NYMEX, NASDAQ, CBOE, the New York Federal Reserve Bank, Citigroup, Salomon, Smith and Barney, Moody's Investor Services, and Wall Street in general.
- Describe the current financial market crisis, how it occurred, and current solutions proposed.