

Instructor: Matthew Levin History 28102

TAs: [FILL IN]

Office Hours: By appointment

Business History of the Late 20th Century to Today: The ‘Decade of Decadence’ through the ‘Great Recession’ and Beyond

This seminar will explore the history of American business during the final two decades of the 20th century to the present. Throughout this period, American business has seen a transformation in the way risk is evaluated, capital is raised, and organizations are led. Above all, the “rules of the game” during this era have altered regarding corporate control, business management and wealth creation. We will explore the transformations in business and commerce during the past four decades that have led to current trends and problems.

Students interested in the recent history of Wall Street, financial markets, and business culture will enjoy this seminar. This class will also appeal to people intrigued by late 20th and early 21st century American society – specifically how business and American industry have influenced America’s identity. Those who may want to explore a career involving business should find the seminar helpful in preparing for many types of professions across disciplines.

Students will be exposed to topics such as leveraged buyouts, junk bonds, venture capital investing, the “Internet Bubble”, entrepreneurial management, hedge funds and derivatives. In addition, we will explore public policy trends around issues including corporate takeovers, technology transfers, risk management, government bailouts and business investment. A common theme throughout the quarter will be how capitalism has evolved over the past few decades, and how this has changed the mindset of business professionals and the American workforce. It will be up to you to determine if this evolution has been beneficial or detrimental to American society.

This will *not* be a seminar grounded in heavy technical economic, financial analysis or market theory. You will not need an academic background in economics to understand the topics of the seminar. No pre-requisites are necessary to take this class.

Because students are not expected to have previous knowledge on these topics, the reading list is extensive. Students are expected to complete readings prior to class. Please refer to the reading list for primary texts that will be used to prepare for each class. The supplemental reading list includes books that will be helpful for class discussions and papers, but are not mandatory. Participants will read an average a book a week except when papers are due. It will be noted if students do not come prepared to class.

As part of the class, we will have a series of guest panels and lectures by business professionals from Chicago and from out of town.

Grading will be based 40% on class participation and 60% on written assignments. Written assignments will include two short essays – roughly 3-5 pages in nature (30% of total grade,

15% each) and one final paper – roughly 12 pages in nature (30% of total grade). Class participation will include ownership and mastery of discussion topics.

Required Readings

The following books are required for the class. Other articles will be distributed in class. Students should bring the assigned texts and copies of all articles to class for discussion.

Den of Thieves by James Brewer Stewart

Barbarians at the Gate: The Fall of RJR Nabisco by Bryan Burrough, John Helyar

Dot.com: The Greatest Story Ever Sold, by John Cassidy

The New New Thing: A Silicon Valley Story by Michael Lewis

When Genius Failed: The Rise and Fall of Long-Term Capital Management
by Roger Lowenstein

Maestro: Greenspan's Fed and the American Boom by Bob Woodward

Too Big To Fail by Andrew Ross Sorkin

Supplemental Reading List

The following books are not required, but will be helpful for papers.

The Money Culture by Michael Lewis

The New Financial Capitalists: Kohlberg Kravis Roberts and the Creation of Corporate Value
by George P. Baker, George David Smith

Infectious Greed: How Deceit and Risk Corrupted the Financial Markets by Frank Partnoy
Big Deal: 2000 and Beyond by Bruce Wasserstein

Liar's Poker: Rising Through the Wreckage on Wall Street by Michael Lewis

The Predators' Ball: The Inside Story of Drexel Burnham and the Rise of the Junk Bond Raiders
by Connie Bruck

The Crisis of Global Capitalism: Open Society Endangered, by George Soros, Geoff Shandler
(Editor)

Monkey Business: Swinging Through the Wall Street Jungle by John Rolfe, Peter Troob

Pipe Dreams: Greed, Ego, and the Death of Enron, by Robert Bryce, Molly Ivins

The New Gilded Age: The New Yorker Looks at the Culture of Affluence
by David Remnick

Masters of the Universe: Winning Strategies of America's Greatest Deal Makers,
by Daniel J. Kadlec

House of Cards by William D. Cohan

Film Viewings

Throughout the quarter, students will be required to view films outside of class time. Films will be on reserve at the library, and are also available through Netflix.

Wall Street (1987)

American Psycho (2000)

Startup.com (2001)

Enron: The Smartest Guys in the Room (2005)

The Flaw (2010)

Hank: Five Years From the Brink (2013)

Class Schedule

WEEK 1 (Thursday, March 30):

Assignments:

- Watch *Wall Street*
- Begin reading *Den of Thieves*
- Read select articles

Class Overview:

- Introduction and Expectations
- Brief Discussion: MBA 101 -- basic business economics, investment theory, money and banking and corporate finance
- Preview of invest banking

WEEK 2 (Thursday, April 6):

Assignments:

- Finish *Den of Thieves*
- Read select articles

Class Overview:

- The fall of the “Chinese Wall” – the insider trading scandals
- The rise and fall of Michael Milken
- The overthrow of the old financial order
- Preview of LBOs

WEEK 3 (Thursday, April 13)¹:

Assignments:

- Read *Barbarians At The Gate*
- Read select articles

Class Overview:

- RJR Nabisco: The Big Deal
- The role of the LBO in business history
- The fight for control of American corporations

¹ This class will be held virtually on Zoom

WEEK 4 (Thursday, April 20):

Assignments:

- **First Paper due**
- Watch *American Psycho*
- Read select articles
- Prepare questions for panel

Class Overview:

First Half:

- The 1987 stock market crash
- Public policy issues: Reagan's America and liberation of markets
- The material culture
- The S&L scandals and recession

Second Half:

- Guest Presentation

WEEK 5 (Thursday, April 27):

Assignments:

- Read *The New New Thing*
- Read select articles and excerpts from *Maestro*
- Watch *Startup.com*

Class Overview:

- The seeds of 1990s economic recovery
- The migration of debt financing to equity financing
- The internet revolution
- The new power structure in business and the flight of talent from corporations to startups and financial boutiques
- The IPO of Netscape
- The venture capitalist as business hero
- The 90s culture

WEEK 6 (Thursday, May 4):

Assignments:

- Read *When Genius Failed*
- Watch *The Smartest Guys In The Room*
- Read select articles

Class Overview:

- LTCM -- the birth of the hedge fund
- The evolution of “financial engineering”
- The “efficiency” of markets
- The new financial scandals – Enron

WEEK 7 (Thursday, May 11):

Assignments:

- Read selections from *Dot.com*
- Read select articles
- Prepare questions for panel

Class Overview:

First Half:

- The new order overthrows the old order: The AOL Time Warner deal
- The bust of the Internet bubble
- 911 and its economic aftermath

Second Half:

- Guest Presentation

WEEK 8 (Thursday, May 18):

Assignments:

- Read *Too Big To Fail*
- Read select article
- Watch *Hank: Five Years from the Brink*

Class Overview:

- The post-911 economic boom – the 1980s revisited?
- The economic policies of the Fed and the Bush Administration
- Wall Street “consumes” Main Street
- The Great Recession

WEEK 9 (Thursday, May 25):

Assignments:

- **Second Paper due**
- Read select articles
- Watch *The Flaw*

Class Overview:

First half:

- What economic recovery?
- An uncertain future
- Class Wrap Up

Second half:

- Guest Panel

Guest Speakers

Week 4 Panel Discussion

Stellar Tucker
Managing Director
Truist Securities

Week 7 Panel Discussion

Andrew Hayek
Co-Founder and CEO
Triple Aim Partners

Week 9 Panel Discussion

Paul Yuvovich
CEO
Lake Capital

Paper Questions

Paper #1 (3-5 Pages) due April 20 in class

If you were to tell the story of the 1980s, would Michael Milken be cast as a hero or villain? Why?

Or

All things considered, was the wave of leveraged buyouts in the 1980s good for business? Explain.

Paper #2 (3-5 Pages) due May 25 in class

Did Alan Greenspan have it right when he said the 90s saw a massive wave of “irrational exuberance”? Was the dot.com revolution just a modern day version of “tulip mania”? In your answer, offer a point of view on if you think business fundamentals related to understanding economic value of companies changed.

Or

Was the “new economy” actually new? Was it more similar to or different from that which preceded it or what has come since?

Final Paper (12 Pages) due June 8 electronically

Thinking historically, has greed been “good” for American society?

Or

“Economic history looks remarkably static. The dominant themes are market manipulation and greed. The only major advance has been the increased sophistication of the tools to create wealth.” Agree or disagree.

Or

“Over the past three decades, we have seen a migration of power from CEOs and bankers to entrepreneurs and venture capitalists/investors. Large companies are no longer the backbone of American business, innovation, or talent.” Agree or disagree.

About the Instructor

Matthew Levin is President and CEO of Benefitfocus (NASDAQ: BNFT), a leader in benefits administration and health technology solutions for employers and health plans. Prior to Benefitfocus, Matthew was Chief Strategy Officer at ADP, a global provider of human capital solutions. Earlier in his career, Matt served as Executive Vice President and Head of Global Strategy for Aon plc, a global leader in insurance and human capital services and Senior Vice President of Corporate Development and Strategy for Hewitt Associates, an industry pioneer in employee benefits consulting and outsourcing. Matthew began his career in the First Scholar Program at what is now JP Morgan Chase.

Matt holds an M.B.A from the University of Chicago and a bachelor's degree from Northwestern University. He serves as a visiting lecturer at both schools in the departments of History and Business Institutions. Matt is a member of the World Economic Forum and the Economic Club of Chicago. Matthew was named to *Crain's Chicago Business* 40 Under 40 Class of 2011 and was named a Young Global Leader by the World Economic Forum in 2012. Matthew lives in Chicago with his wife, Deneese, who is also an alum of Northwestern and their three children, Simon, Malini and Rania.

Contact Information

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