

USC Marshall School of Business

GSBA-598: If Not Now, When? The Future of Capitalism

Fall 2020, Wednesdays: 6:00pm – 7:40pm, 1.5 units

Instructor: *Chris Parsons*
Office: *Meetings held via zoom*
Office Hours: *Thursdays 10:00am – 11:00 am and by appointment*
Phone: *(213) XXX-XXXX*
Email: *parsonsc@marshall.usc.edu*

COURSE DESCRIPTION

Recent years have witnessed dramatic changes in financial markets, punctuated by the recent COVID-19 crisis. Fueled by the economic engines of creative destruction, surefire business models merely months ago have been upended, replaced by emerging technologies and ideas that were previously inconceivable. Never before has an understanding of financial markets, and their connection to the broader economy, been more relevant.

In this class, we aim to connect “Main Street” and “Wall Street,” using the COVID-19 pandemic, and its aftermath, as the centerpiece for discussion. We will seek to understand not only the pandemic’s impact on the *real economy* – job losses, income declines, companies’ willingness to expand – but also on the *financial economy*, which deals with the stock market, interest rates, and real estate prices. Finally, the course will consider how the pandemic has altered the geopolitical landscape. Some of the questions we will explore are:

- Did the stock market predict the COVID-19 pandemic? What about the bond market?
- Does bad news for Main Street always mean bad news for Wall Street? If not, why the disconnect?
- Has COVID “killed the city?” Is urbanization in decline? Is globalization threatened?
- How have businesses adapted to a post-COVID world? Who are the winners? Losers?
- What can the pandemic teach us about how to use data to make better business decisions?
- How has COVID-19 changed the political landscape, and how does this affect financial markets?

This seminar-style class will feature faculty from the Marshall School of Business, as well as those from other disciplines, including health sciences and policy.

LEARNING OBJECTIVES

Upon successful completion of this course, students will be able to:

- 1) Define the role financial markets play in developed economies, and understand their distinction from the real economy
- 2) Explain how financial markets react to new information, in particular the COVID-19 pandemic
- 3) Describe how business and policy leaders reacted to the pandemic, and what tradeoffs they faced
- 4) Articulate how COVID-19 has changed the political landscape in the US, as well as altered geopolitics

COURSE MATERIALS

This syllabus and additional course information are available through Blackboard, which is the primary channel of communication for this course. Please take note of announcements and email messages you receive. You can also communicate directly with me and the TAs. To access Blackboard from your web browser, enter <https://blackboard.usc.edu>, and log in using your USC username and password (email blackbord@usc.edu if you experience problems).

GRADING

<u>ASSIGNMENTS</u>	<u>% of Grade</u>
DISCUSSION THREAD CONTRIBUTION	45%
TEAM PRESENTATION (SLIDES)	40%
PARTICIPATION	15%
TOTAL	100%

Final grades for this course will reflect the weighted sum of your assignment grades and will adhere to the grading policy approved by Marshall. University policy requires that to earn a mark of CR a student must have submitted work equivalent to B quality or better in a graduate course.

DISCUSSION THREAD CONTRIBUTION

Students should post one comment to the course discussion thread for each class session. Discussion comments must be posted by 11:59 p.m. on the Sunday following class. All comments should:

- be a maximum of 150 words
- be relevant to the discussion thread (if created in response to another comment)
- refer to the material covered in that week's lecture or readings.

PARTICIPATION

Class participation is an extremely important part of this course as the richness of the learning experience will be partially dependent upon the degree of preparation by all students prior to each class session. My expectation is that you are prepared for all classes and will actively participate in and meaningfully contribute to the small group discussions.

The typical format for the class will involve: 1) a presentation and/or interview involving the weekly speaker (about 30-35 minutes), 2) Zoom breakout sessions with classmates (about 30-35 minutes), 3) Q&A with the speaker (about 30-35 minutes).

The small Zoom breakout group discussions will revolve around (a) answering a set of questions the speaker and/or I pose to you and, subsequently (b) creating a set of questions to pose to the speaker. A teaching assistant will “drop in” on these discussions to answer questions. As a group, you will carefully craft 2 – 3 questions for our speakers for the Q&A segment of the class. Each group should select one person who will be responsible for submitting the groups’ 2 – 3 questions into the chat. If you do not attend class live, you will not receive credit for participation. However, please see “Attendance Policy” below for an alternative route to earning this credit.

TEAM PRESENTATION SLIDES

Markets are constantly evolving. As such, the completion of the course does not constitute a “final answer” on any of the discussed topics. The capstone will involve students applying the insights to the next generation of challenges. This will be done in small teams (4-5 students, likely with overlap from Zoom discussion groups), and submitted. The deliverable is a set of 5 presentation slides (NOT including a title slide with students’ names). Deadline is 11:59 p.m. on XXXXX.

FINAL PRESENTATION

Students, teaching assistants, and I will review the team presentation submissions and vote for the most important and novel topics. Teams whose presentations are selected will present their slides during the final exam time slot.

****NOTE: All deadlines are in Pacific time.****

ATTENDANCE POLICY

Sections of this course are offered in two formats: in person (delivered on campus) and fully online. For both formats, we strongly encourage live class attendance, either online for remote students, or in classrooms for in-person students. However, if you are unable to attend live, you have until 11:59pm on the Sunday following class to watch that week’s class session, complete the quiz, and submit your comment to the discussion thread. If you cannot attend class or (watch the recording) or submit the weekly assignment by deadline due to a religious holiday, family

emergency, or health problem, please email me (parsonsc@marshall.usc.edu) prior to the deadline.

THE IMPORTANCE OF COURSE EVALUATIONS

The student course evaluations are valuable. This course will be improved, based on feedback from students and instructor observations.

TECHNOLOGY REQUIREMENTS

Online lectures through Zoom will be provided in Blackboard. Therefore, you must have access to the Internet to view/hear lectures. No special software is required.

The lecture presentations, links to articles, assignments, quizzes, and rubrics are located on Blackboard. To participate in learning activities and complete assignments, you will need:

- Access to a working computer that has a current operating system with updates installed, plus speakers or headphones to hear lecture presentations;
- Reliable Internet access and a USC email account;
- A current Internet browser that is compatible with Blackboard (Google Chrome is the recommended browser for Blackboard);
- A working video camera with microphone for use on Zoom;
- Microsoft Word as your word processing program; and
- Reliable data storage for your work, such as a USB drive or Office365 OneDrive cloud storage.

If your computer does not have Microsoft Word, Office 365 package is available to you free of charge and allows you to install Word, Excel, PowerPoint, Outlook, OneNote, Publisher, and Access on up to 5 PCs or Macs and Office apps on other mobile devices including tablets. Office 365 also includes unlimited cloud storage on OneDrive. To download Office 365 log into your student (University) email through a web browser, choose Settings (top right corner), and select software. If you have further questions or need help with the software, please contact the USC ITS service portal.

HOW TO ACCESS READINGS VIA USC LIBRARIES

All of the readings can be accessed for free using the USC Libraries website (<https://libraries.usc.edu/>). Please see the Appendix for detailed instructions.

COURSE OUTLINE AND ASSIGNMENTS: SUBJECT TO CHANGE WITHOUT NOTICE

Theme	Topic and Date	Complete BEFORE Class	Complete AFTER Class
<p>Overview of Financial Markets;</p> <p>COVID and The Stock Market</p>	<p align="center">Week 1: 08/19/20</p> <p align="center"><i>Course Introduction and "The Stock Market's Reaction to the COVID-19 pandemic"</i></p> <p align="center">Professor Chris Parsons and Dean Geoffrey Garrett</p>	<ul style="list-style-type: none"> • Read: the syllabus • Read: Financial Literacy (Handout) • Read: The Stock Market and the Economy: Insights from the COVID-19 crisis; https://voxeu.org/article/stock-market-and-economy-insights-covid-19-crisis • Read: How Did COVID-19 Disrupt the Market for US Treasury Debt? https://www.brookings.edu/blog/up-front/2020/05/01/how-did-covid-19-disrupt-the-market-for-u-s-treasury-debt/ 	<p align="center">Submit contribution to discussion thread by: Sunday 08/23/20 11:59 p.m.</p>
<p>Forecasting Under An Extremely Uncertain Environment</p>	<p align="center">Week 2: 08/26/20</p> <p align="center"><i>Pricing the priceless: The economics of lockdowns</i></p> <p align="center">Professor Tom Chang (FBE)</p>	<ul style="list-style-type: none"> • Jacobson, M, and Chang, T (March 18, 2020). The economic rationale for strong action now against Covid-19; https://www.statnews.com/2020/03/18/economic-rationale-strong-action-now-against-coronavirus/ 	<p align="center">Submit contribution to discussion thread by: Sunday 08/30/20 11:59 p.m.</p>
	<p align="center">Week 3: 09/02/20</p> <p align="center"><i>Modeling the COVID Epidemic</i></p> <p align="center">Professor Chris Murray (University of Washington)</p>	<ul style="list-style-type: none"> • COVID Models FAQs http://www.healthdata.org/covid/faqs • Read: Inside COVID Death Forecasting, <i>LA Times</i> https://enewspaper.latimes.com/infinity/article_share.aspx?guid=4c3fc321-2e8f-4363-b190-aaab4836b49b 	<p align="center">Submit contribution to discussion thread by: Sunday 09/06/20 11:59 p.m.</p>

Theme	Topic and Date	Complete BEFORE Class	Complete AFTER Class
	<p>Week 4: 09/09/20</p> <p>President Carol Folt</p>	<ul style="list-style-type: none"> Read: Scoblic, P. (2020). Emerging from the Crisis: Learning From the Future. <i>Harvard Business Review</i>. Note: Teams will be assigned this week. 	<p>Submit contribution to discussion thread by: Sunday 09/13/20 11:59 p.m.</p>
	<p>Week 5: 09/16/20</p> <p><i>COVID-19, Job Loss, and Inequality</i></p> <p>Professor Emily Nix (FBE)</p>	<ul style="list-style-type: none"> The U.S. labor market during the beginning of the pandemic recession (Sections 1 and 4) https://www.brookings.edu/wp-content/uploads/2020/06/Cajner-et-al-Conference-Draft.pdf Read: The Impact of the Coronavirus pandemic on gender equality https://voxeu.org/article/impact-coronavirus-pandemic-gender-equality Watch: The Long Term and Unequal Impact of Job Loss, USC Tommy Talk: https://www.youtube.com/watch?v=2xFrXAL3Kf0 	<p>Submit contribution to discussion thread by: Sunday 09/20/20 11:59 p.m.</p>
	<p>Week 6: 09/21/20</p> <p>Oscar Munoz Executive Chairman, United Airlines</p> <p>NOTE: CLASS IS ON MONDAY</p>	<ul style="list-style-type: none"> Walker, S. (April 25, 2020). Getting the Restart Right: How to Lead When Nobody Has a Map. <i>The Wall Street Journal</i>. 	<p>Submit contribution to discussion thread by: Sunday 09/27/20 11:59 p.m.</p>
<p>Optimal Policy Under Extreme Uncertainty</p>	<p>Week 7: 09/30/20</p> <p><i>The Imperfect Pause Button: The Economic Costs of Fighting COVID-19</i></p> <p>Professor Larry Harris (FBE)</p>	<ul style="list-style-type: none"> Read: Evidence Grows of Lockdowns' Toll on Employment https://www.wsj.com/articles/evidence-grows-of-lockdowns-toll-on-employment-11591389475 	<p>Submit contribution to discussion thread by: Sunday 10/04/20 11:59 p.m.</p>

Theme	Topic and Date	Complete BEFORE Class	Complete AFTER Class
		<ul style="list-style-type: none"> Read: How much exactly have COVID-19 lockdowns affected the economy? https://review.chicagobooth.edu/economics/2020/article/how-much-exactly-have-covid-19-lockdowns-affected-economy 	
	<p>Week 8: 10/07/20</p> <p><i>Macroeconomic Consequences Of Stay-At-Home Policies During the COVID-19 Pandemic</i></p> <p>Professor Ayse Imrohoroglu</p>	<ul style="list-style-type: none"> Read: "Synthetic Recession," <i>LA Times</i>, https://drive.google.com/file/d/1yWH-76lCox1lKM84z6lQFZ_-Gldb3KXR/view 	<p>Submit contribution to discussion thread by: Sunday 10/11/20 11:59 p.m.</p>
	<p>Week 9: 10/14/20</p> <p><i>The Value and Perils of Reliance on Experts</i></p> <p>Professor John Matsusaka</p>	<ul style="list-style-type: none"> Which Experts Should You Listen to during the Pandemic? https://blogs.scientificamerican.com/observations/which-experts-should-you-listen-to-during-the-pandemic/ 	<p>Submit contribution to discussion thread by: Saturday 10/17/20 11:59 p.m.</p>
<p>The Future of Finance:</p> <p>Trends in Globalization ; Real Estate ;</p>	<p>Week 10: 10/21/20</p> <p><i>Data, Science, and Politics</i></p> <p>Professor Neeraj Sood (USC Price)</p>	<ul style="list-style-type: none"> Read: COVID-19 Antibody Seroprevalance in Santa Clara County, California https://www.medrxiv.org/content/10.1101/2020.04.14.20062463v2 	<p>Submit contribution to discussion thread by: Sunday 10/25/20 11:59 p.m.</p>

Theme	Topic and Date	Complete BEFORE Class	Complete AFTER Class
Managing in a post-COVID world ; COVID and Politics	<p>Week 11: 10/28/20</p> <p><i>Has COVID Killed the City?</i></p> <p>Dr. Taylor Marr (Redfin)</p>	<ul style="list-style-type: none"> Going Into the Coronavirus Crisis, the U.S. Housing Market Was Stronger than Ever https://www.redfin.com/blog/housing-market-news-february-2020/ Pandemics are Also an Urban Planning Problem https://www.bloomberg.com/news/articles/2020-03-06/how-the-coronavirus-could-change-city-planning 	<p>Submit contribution to discussion thread by: Sunday 11/1/20 11:59 p.m.</p>
	<p>Week 12: 11/02/20</p> <p>Stacy Philpot-Brown Former CEO, TaskRabbit NOTE: CLASS IS ON MONDAY</p>	<ul style="list-style-type: none"> Conger, K. & Griffith, E. (May 7, 2020). The Results Are In for the Sharing Economy. They Are Ugly. <i>The New York times</i>. Puko, T. (June 30, 2020). In Los Angeles, an Economy Built on Freelancers Crumbles. <i>The Wall Street Journal</i>. 	<p>Submit contribution to discussion thread by: Sunday 11/08/20 11:59 p.m.</p>
	<p>Week 13: 11/11/20</p> <p><i>A Smaller World? The Economic and Political Risks of De-globalization</i></p> <p>Dean Geoffrey Garrett</p>	<ul style="list-style-type: none"> Coronavirus Won't Kill Globalization. But It Will Look Different After the Pandemic https://time.com/5838751/globalization-coronavirus/ 	<p>Submit contribution to discussion thread by: Sunday 11/15/20 11:59 p.m.</p>
What's Next?	Final Presentations (select student teams)	Date/time TBD (pending university schedule release)	

Please note: The date/time of the Final Presentation Session is determined by the University. For the date and time of the final for this class, consult the USC *Schedule of Classes* at www.usc.edu/soc. Select the corresponding semester to view and click on the "Final Examinations Schedule" link on the left side of the screen.

ADDITIONAL INFORMATION

Add/Drop Process

The last day to add the class or withdraw without receiving a "W" (and receive a refund) is **September 4, 2020**. The last day to drop with a mark of a "W" (no refund) is **November 6, 2020**.

Technology Policy

Videotaping faculty lectures is not permitted due to copyright infringement regulations. Audiotaping *may* be permitted if approved by the professor. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class. Exceptions to this policy may be granted to individual students with appropriate documentation on a case-by-case basis.

Minimal Technical Skills Needed

Most asynchronous course work will be completed and submitted in Blackboard and synchronous sessions will be held on Zoom. Therefore, you must have consistent and reliable access to a computer and the internet. In addition, minimal technical skills are required and include the ability to:

- Organize and save electronic files;
- Use USC email and attached files;
- Check email and Blackboard daily;
- Download and upload documents;
- Locate information with a browser
- Use Blackboard; and
- Use Zoom with a working video camera.

Class Conduct/Netiquette

Professionalism will be expected at all times. Because the university classroom is a place designed for the free exchange of ideas, we must show respect for one another in all circumstances. We will show this respect by exhibiting patience and courtesy in our exchanges (during class and on the discussion board). Appropriate language and restraint from verbal attacks upon those whose perspectives differ from your own is a minimum requirement. Courtesy and kindness is the norm for those who participate in my class. Remember, video conference business meetings and written, electronic communication are and will be the norm, so practice your professionalism in these spaces. Some Netiquette Rules:

- Exhibit professionalism and respect in your: attire, virtual background, manner of disagreeing with classmates, and amount of attention paid to your classmates.
- Display both your first and last name during video conferencing and synchronous class meetings.
- Minimize distractions with muting and video off when moving around
- Do not use all CAPITAL LETTERS or multiple exclamation points. This is considered "shouting" and can be seen as aggressive!!!!
- Begin emails with a professional salutation (Examples: Dr. Name; Hello Professor Name; Good afternoon Dr. Name). Starting an email without a salutation or a simple "Hey" is not appropriate.
- When sending an email, please reference the course number (Ex. BUAD306) in the subject line and sign the mail with your name.
- Use proper grammar, spelling, punctuation, and capitalization. Text messaging language is not acceptable. You are practicing for your role as a business leader.
- Re-Read, think, and edit your message before you click "Send/Submit/Post." As a check, consider whether you would be comfortable with your email/post being widely distributed on the internet.

USC Statement on Academic Conduct and Support Systems

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Support Systems:

Counseling and Mental Health - (213) 740-9355– 24/7 on call

<https://studenthealth.usc.edu/counseling/>

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call

suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call

<https://studenthealth.usc.edu/sexual-assault/>

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED)- (213) 740-5086 | Title IX – (213) 821-8298

equity.usc.edu, titleix.usc.edu

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298

https://usc-advocate.symplicity.com/care_report/

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity | Title IX for appropriate investigation, supportive measures, and response.

The Office of Disability Services and Programs - (213) 740-0776

dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

USC Campus Support and Intervention - (213) 821-4710

<https://uscsa.usc.edu/>

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101

diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information.

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