

B-schools bet on fintech as students want classes

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Leading US business schools are trying to teach students how to become masters of financial technology, a subsector of Wall Street that has grown in size and prominence, but because the area is still ill-defined and relatively new it is hard to develop courses.

Stanford University and Georgetown University business schools are planning to offer fintech courses for MBA students for the first time this fall. New York University is planning a new course for undergraduates after launching a fintech specialisation in its business school last year.

They join the University of Pennsylvania's Wharton School, Columbia University's business school and Massachusetts Institute of Technology's (MIT) Sloan School of Management, which all launched similar programmes in recent years. The new courses are driven by student demand, officials from the universities said.

A number of prominent startups have exploded onto the fintech scene in recent years, fostering interest in mobile payment apps like Venmo, digital loan platforms like SoFi and robotic wealth managers like Betterment.

"Ten years ago everyone wanted to go into investment banking or the trading side," said Reena Aggarwal, director of Georgetown Center for Financial Markets and Policy. "Now the students are much more interested in innovation."

NYU's undergraduate course, for instance, attracted enrollments from twice as many students as expected. But the burgeoning industry is so diverse that academics said it is difficult to construct a syllabus for financial technology 101. There are no textbooks and few

professors have fintech expertise.

"For fintech, some people mean bitcoin and cryptocurrencies; some people mean the technology JPMorgan uses for trading," said Angela Lee, Columbia Business School's chief innovation officer. "Everyone thinks it's sexy, and a lot of people use it colloquially without knowing what it is."

Instead of developing traditional syllabuses, universities have been teaching students how markets are disrupted by new technology, helping them develop business ideas or offering classes on narrower topics.

For instance, MIT taught a course on blockchain, the technology that first emerged as a system underpinning the virtual currency bitcoin. Stanford's course will focus on financial inclusion, or designing affordable products and services for disadvantaged customers, said Kenneth Singleton, a management professor who will teach the class. Universities have also invited financial technology executives to lecture.

"There is no readymade teaching material you can put together," Antoinette Schoar, a professor of finance at MIT Sloan, said. "You have to try your own curriculum or develop real life cases."

Those involved with the programmes said learning about fintech can help students' careers, whether they join traditional Wall Street firms or launch their own companies.

One Wharton student, David Gogel, enrolled after developing an interest in fintech while working at American International Group. He is now co-president of the FinTech Club, one of the largest professional organisations at the school, with 260 members. "Part of the reason I chose Wharton was because of its investment in fintech," he said. REUTERS



SET FOR CLASS: A student walks past Hoover Tower in Stanford University, which is developing a fintech course on financial inclusion