

PENN STATE Smeal

MAGAZINE

2020-2021 ANNUAL REPORT



Lifelong Learning

Professional Graduate Program portfolio continues to grow

A Driven Community

New research probes the equity and fairness of homeowner tax deductions

Preparedness

MBA students' go-to-market strategy for renewable energy

Global Impact

Teaching sustainability to make business better

Business Partners

Smeal's academic advisers helped students succeed during the pandemic



We Are here for Penn Staters, thanks to you!

For 150 years, the Penn State Alumni Association has kept Penn Staters connected to the University and to each other. In good times, we join to celebrate and share our pride. In these unprecedented times, we are bringing Penn Staters together in new ways, to assist each other and help the University stay strong.

IN THE LAST ACADEMIC YEAR ALONE, YOUR SUPPORT HAS ENABLED THE PENN STATE ALUMNI ASSOCIATION TO:

- ▶ Assist more than 7,500 Penn State alumni through career counseling sessions and networking events
- ▶ Support nearly 300 chapters and affiliate groups worldwide, ensuring that Penn Staters stay connected wherever they go
- ▶ Fund programs for more than 6,000 student members of the Blue & White Society at 24 different campus locations
- ▶ Conduct more than 70 virtual events since the start of the pandemic to help Penn State alumni, friends and students network and stay engaged with the University

Your membership in the Alumni Association helps make all of this possible. Thanks to you, the Association's commitment to Penn State and Penn Staters never falters. Together, we demonstrate that **"We Are" is more than a slogan, it's a way of life.**

Learn more about your membership and how you can stay connected at

alumni.psu.edu

Smeal

MAGAZINE
2020-2021 ANNUAL REPORT

Smeal Magazine is published four times a year for the alumni and friends of the Penn State Smeal College of Business by the Office of Marketing and Strategic Communications, in collaboration with the Office of Development and Alumni Relations.

DEAN
Charles H. Whiteman

ADDRESS
484 Business Building
University Park, PA 16802-3603

We welcome alumni news and letters. Please send them to magazine@smear.psu.edu.

ABOUT PENN STATE SMEAL
The Penn State Smeal College of Business is a vibrant intellectual community offering highly ranked undergraduate, graduate, doctoral, and executive education to more than 8,000 students from around the world. Smeal is a destination of choice for top global organizations seeking talent that will make a positive difference. Through our leading faculty and network of research centers and institutes, the college is a source of knowledge that influences the business practices of tomorrow.

Opinions expressed are not necessarily shared by the University, the publishers, or the editors. For readers with disabilities, this publication can be made available in alternative media on request. Penn State is committed to affirmative action, equal opportunity, and the diversity of its workforce.

U.Ed. BUS 22-22



12 Student Success First

How Smeal's academic advisers helped students navigate the obstacles in a year like no other.
By Karen Gresh



6 A Partner in Lifelong Learning Continued growth of the professional graduate portfolio makes it easier to go into business with Smeal. <i>By Andy Smith</i>	20 A Driven Community Researchers probe the issue of equity and fairness in state and local tax (SALT) deductions for homeowners. <i>By Matt Swayne</i>	26 Prepared to Make an Impact Smeal MBA students develop go-to-market strategy for global leader in renewable energy. <i>By Jeff Rice</i>	32 Making Business Better Advancing sustainability, social responsibility, and diversity. <i>By Andy Elder and Anne Louise Cropp</i>
--	--	--	---

DEPARTMENTS

3 Perspective 38 Philanthropy

Cover image: Stephen Moyer



Smeal

MAGAZINE
2020-2021 ANNUAL REPORT

SMEAL DIVERSITY STATEMENT

We will make a meaningful impact on a society in which too many derive benefit from systemic racism and other forms of prejudice and bias, both implicitly and explicitly.

Using our influence as a global leader in business education, we will strive to make life better for people who experience oppression by virtue of age, religion, disability, race, color, ethnicity, national origin, gender, gender identity, sexual orientation, veteran status, political affiliation, language, family structure, marital status, socio-economic status, geographical background, education, or professional experience.

We acknowledge the global business community as a powerful force for social justice, and we commit to provoking thought, conducting research, sparking dialogue, engaging with others, and preparing future leaders to advance this essential purpose.

Together, we will take action to nurture and promote a culture in which everyone feels safe, valued, respected, and empowered to bring themselves fully and authentically to our campuses and classrooms.

We will:

- Condemn acts of racism, prejudice, and bias
- Actively listen to the concerns of those who experience oppression
- Continuously evaluate our policies and practices regarding hiring, training, recruitment, and pedagogy
- Collectively study the history of racism, injustice, and bias, and pursue contemporary solutions through research and education
- Engage with community leaders to increase diversity and instill a universal sense of belonging on and off our campus.

Stephen Meyer

SIGNING THE CODE:

Every September, members of the Penn State Smeal community — students, faculty, staff and alumni – affirm their commitment to ethical behavior by signing the Smeal Honor Code. The annual ritual is a central element of the college's culture of honor and integrity.

Better Business Partners.



Dean Charles Whiteman

Steve Tressler

The last year brought challenges unlike any that I have seen in my 40-year career, but it also revealed opportunities for the Smeal community to shine.

As I reflect on all that transpired in 2020-21, I am reminded of just how fortunate I am to be surrounded by bright and ambitious students, outstanding educators, talented staff, and an alumni network that is second to none.

This year, we set out to clarify and communicate who we are as a business college and how we want the world to see us via our refreshed brand. Along the way, we came to appreciate something that we've long understood: We are much more than the faculty, students, alumni, and staff members of an internationally ranked college of business. We're *business partners*. Whether responding to adversity or seizing a unique opportunity, our individual passions align with a culture of collaboration where we support and inspire one another to greatness.

The expansion of our professional graduate programs is just one example of how we are fostering personal and professional growth throughout the lives of our students and alumni. When I came

to Smeal in 2012, there were five professional master's and graduate-level certificate programs. Today, we are approaching 30.

Keenly focused on their academic success despite the pandemic, our students are well prepared for the workplace, recruited by leading corporations, and poised to learn and adapt throughout their careers. Our faculty forged ahead as well, producing leading research that will shape the future of business around the world. And, together, we continue to deepen our culture of honor, integrity, diversity, and sustainability.

I am proud of our strong foundation. The evidence is found here, in the pages of our Annual Report for 2020-21.

I look forward to continuing this journey with you.

Charles H. Whiteman
Dean

Be a positive force for change: Putting people and planet at the core of business

BY JEAN OELWANG

Paul Polman, at the time CEO of Unilever, stood in front of a group of CEOs filled with emotion. He was sharing some of the work the company was doing to help lift people out of poverty.

This was the work that kept him going every day. That lit his heart and soul on fire. That made him proud to go home to his children each night. It was a part of his dream to embed a sustainable living plan at the core of Unilever. To move away from quarterly reporting to a long-term vision where metrics of success included financial results and, as importantly, positive impact metrics for people and the planet. His plan played a significant role in making the company a great success and gave every team member a sense of purpose in their work and in their lives, including Paul.

Every CEO in the room that day left feeling transformed. They came in skeptical but

walked out as ambassadors for putting people and the planet at the core of their businesses.

Over the years since that moment, “purpose” and sustainability have become imperatives for the success of business, and for the survival of humanity: moving from a “nice to have” to an expectation of customers, team members, investors, and the public.

Annually, Edelman has interviewed more than 33,000 people in 28 countries as part of their 20-year Trust Barometer Study. In 2021, over 86 percent of the respondents felt like CEOs must speak out and act on societal issues. In this same study, business was also seen as the most ethical and competent institution: an extraordinary invitation for business to truly become a force for good in the world.

The good news is that this is also positive for your bottom line. Just Capital, a leading organization that measures and seeks to improve corporate performance, has been talking to the American people for many years to determine what a “just company” means to them. The top characteristics link to fair pay and benefits, quickly followed by ethical leadership. Last year they tracked companies that were ranked as ethical and those that were not. Ethical companies were consistently the top financial performers.

To become a positive force for change, businesses leaders must start with listening — to your people, communities, suppliers, and trusted peers. Then, ask yourself five sets of questions:

FIRST, is your company 100 percent human in all you do? Are your people (including people in your supply chains) on a living wage? Do they have fair benefits that allow them to thrive?

SECOND, do your products and services benefit people and the planet and cause no harm? Do you have the right incentives and measurements in place to hold yourself accountable, such as net-zero carbon emissions by 2050? Are you investing in companies and products that will address the biggest challenge of our time — the planetary emergency?

THIRD, are you doing all you can to support local and global communities that are part of your wider family? What difference can you make in closing the gap of inequality and giving everyone a fair go?

FOURTH, how can you work with your competitors to positively transform the industries you operate in? How can you collaborate across sectors to tackle tough issues? Do you have enough diverse thinking in your company?

FINALLY, are you courageously standing up against unacceptable issues?

To solve our interconnected issues, we need radical collaboration on a scale we can’t even begin to imagine. I’ve spent the last 12 years interviewing all kinds of successful partnerships and collectives to see what made them work for a book called *Partnering* that will be published in March 2022.

One of the interviews was with Ben & Jerry — yes, the wonderful ice cream guys who

Annually, Edelman has interviewed more than 33,000 people in 28 countries as part of their 20-year Trust Barometer Study. In 2021, over 86 percent of the respondents felt like CEOs must speak out and act on societal issues.

learned to make ice cream by taking a Penn State course in the 1970s. They mentioned the word “love” not once, or twice — but dozens of times. It is a word that is rarely used in business. Yet, when Warren Buffett was asked by *Inc. Magazine* about success and the meaning of life, he posed a simple question: “Do the people you care about love you back?”

Perhaps we need a little bit more love in the 33 percent of our lives that we spend at work.

Jean Oelwang, '87 Mktg, is the president and founding CEO of Virgin Unite, the cofounder of Plus Wonder, and recipient of the 2021 Gerald I. Susman Sustainability Leadership Award. Learn more about how to embed impact in companies at bteam.org, Polman's book *Net Positive*, or contact Oelwang at jean.oelwang@virgin.com.

Jean Oelwang

A PARTNER IN LIFELONG LEARNING

Continued growth of the professional graduate portfolio makes it easier to go into business with Smeal.

BY ANDY SMITH



AMANDA CANCEL

“Standing still is the fastest way of moving backward in a rapidly changing world.”

It sounds like a quote from a hot-shot tech executive, but it’s actually from legendary actress Lauren Bacall, who rose to fame in the 1940s and continued to reinvent herself throughout her career. What Bacall understood decades ago is just as true today: treading water in today’s hyper-paced world can quickly take you down the path to irrelevance.

It’s an axiom the Penn State Smeal College of Business has taken to heart.

In just the past year — and during a worldwide public health

crisis — Smeal forged ahead with creating new graduate degrees, expanding its portfolio of certificates, and building ever greater flexibility into all of its programs in response to market demand.

It’s a far cry from a decade ago, when the college only had five program offerings at the professional graduate education level. Since then, the options available to students have exploded.

“We knew that as we were building out our portfolio for the

various types of students we serve, we would need to have multiple paths of enrollment to support many concentrations for them,” says Charles Whiteman, dean of Penn State Smeal. “Today, we offer a robust, integrated, and stackable collection of resident master’s programs, online master’s programs, and online graduate certificates.”

Smeal’s newest program is an online-only master’s degree in taxation that can help tax professionals gain the expert knowledge they need to advise

corporate and individual clients on their tax obligations. Launched in early 2021, the program consists of two credentials: a 30-credit master’s degree with courses that explore the foundations of taxation and tax structures in public and private entities, and a nine-credit graduate certificate that can serve as a springboard to the master’s degree.

Penn State business students appreciate Smeal’s rapid and decisive moves toward increased flexibility and choice.

One of those students is Amanda Cancel, who earned an undergraduate advertising degree from Penn State in 2020. Realizing she needed to be more conversant in manipulating and understanding data, Cancel stayed on another year and stacked a master’s degree in business analytics and a certificate in marketing analytics at Smeal.

“There is obviously a creative component to advertising, but in today’s world you can’t decide on an ad or campaign until you know what’s going on with the numbers,” says the Teaneck, NJ, native. “There is so much

data out there, and it’s hard to know what it means or if it’s important to a particular business story. The Smeal programs opened my eyes to what data can do and how businesses can use it.”

“The Smeal programs opened my eyes to what data can do and how businesses can use it.”

The extra year at Smeal paid off for Cancel. In June, she accepted a job as an insights associate for a market research firm in Boston — “doing exactly what I went to school for,” she says proudly.



NANCY CHAUVIN, MD

The desire to expand her knowledge base also drove Nancy Chauvin, MD, to seek out additional education at Smeal. A pediatric radiologist at Penn State Health, Chauvin spent years taking science courses in preparation for a career in medicine.

“I was intimidated by the MBA program at first because I have no business background whatsoever, and the vocabulary of the business world is vastly different than medicine,” she says. “But I’m done with my second semester, and I love it.”

Chauvin was attracted to Smeal’s Online MBA program because it fit into her busy personal and professional schedule.

“When I was looking into MBA programs, a lot of them were just getting online, but Smeal has had an established online program for years,” she says. “I have friends in other programs that are still trying to work out the kinks. At Smeal, there are no kinks.”

Chauvin was attracted to Smeal’s Online MBA program because it fit into her busy personal and professional schedule.

According to Chauvin, an MBA will give her options if she decides to take her career in another direction.

“I’m not the type of person who can be in the same job for 40 years and then retire,” she says. “Eventually, I’d like to move into hospital administration or departmental leadership. I want to be ready if something pops up that interests me. Having an MBA will make me a more effective leader.”

Robert J. Polett



KATE WARD-SPEAKES

Kate Ward-Speakes is another student familiar with career pivots. After working as an elementary school teacher following college, she explored medical school but ultimately found herself pulled into the business world.

“I began working for The Princeton Review, but ended up in retail management, eventually running my own Target store and later overseeing \$1 billion in annual sales for Walmart,” says Ward-Speakes, who lives in Minnesota. “I had no business degree and no business background, but I quickly rose through the ranks and was able to teach myself quite a lot.”

But as fast and as far as she advanced, she would often

detect a “moment of pause or skepticism” when employers saw no business degree on her resume.

“I decided to invest in me, so I took a year-long ‘sabbatical’ and pursued a master’s degree in Corporate Innovation and Entrepreneurship at Smeal,” she says. “It was time for me to add some formal business training to what I had been figuring out on my own. I also wanted to take on a more strategic role in my career, and this was the way to do it.”

Ward-Speakes raves about her Smeal experience, commenting that “it was an intense 15 months of looking at all of the pieces and parts that I had put together on my own over the years.”

“I learned so much about business and change leadership,

and structures, approaches and ideas about how to effectively change and lead organizations,” she says. “It tied together so many loose ends for me and answered questions I hadn’t thought to ask along the way.”

“It was time for me to add some formal business training to what I had been figuring out on my own. I also wanted to take on a more strategic role in my career, and this was the way to do it.”

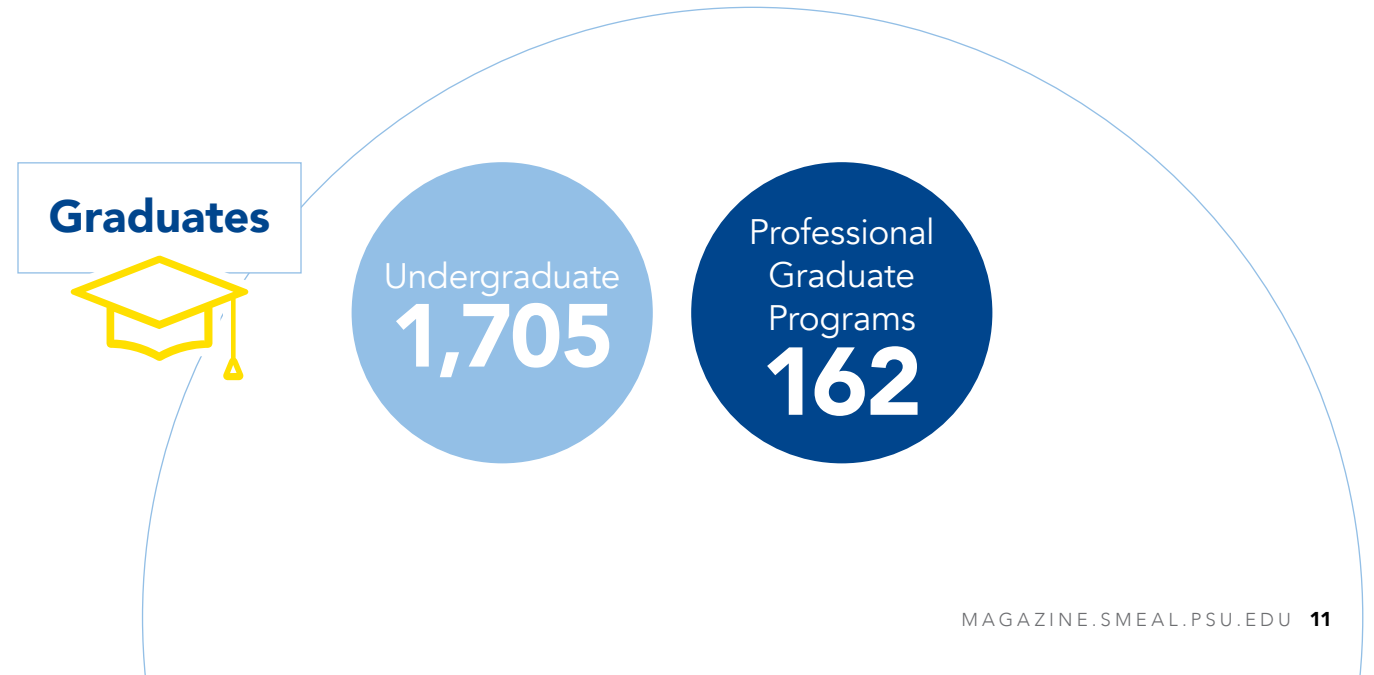
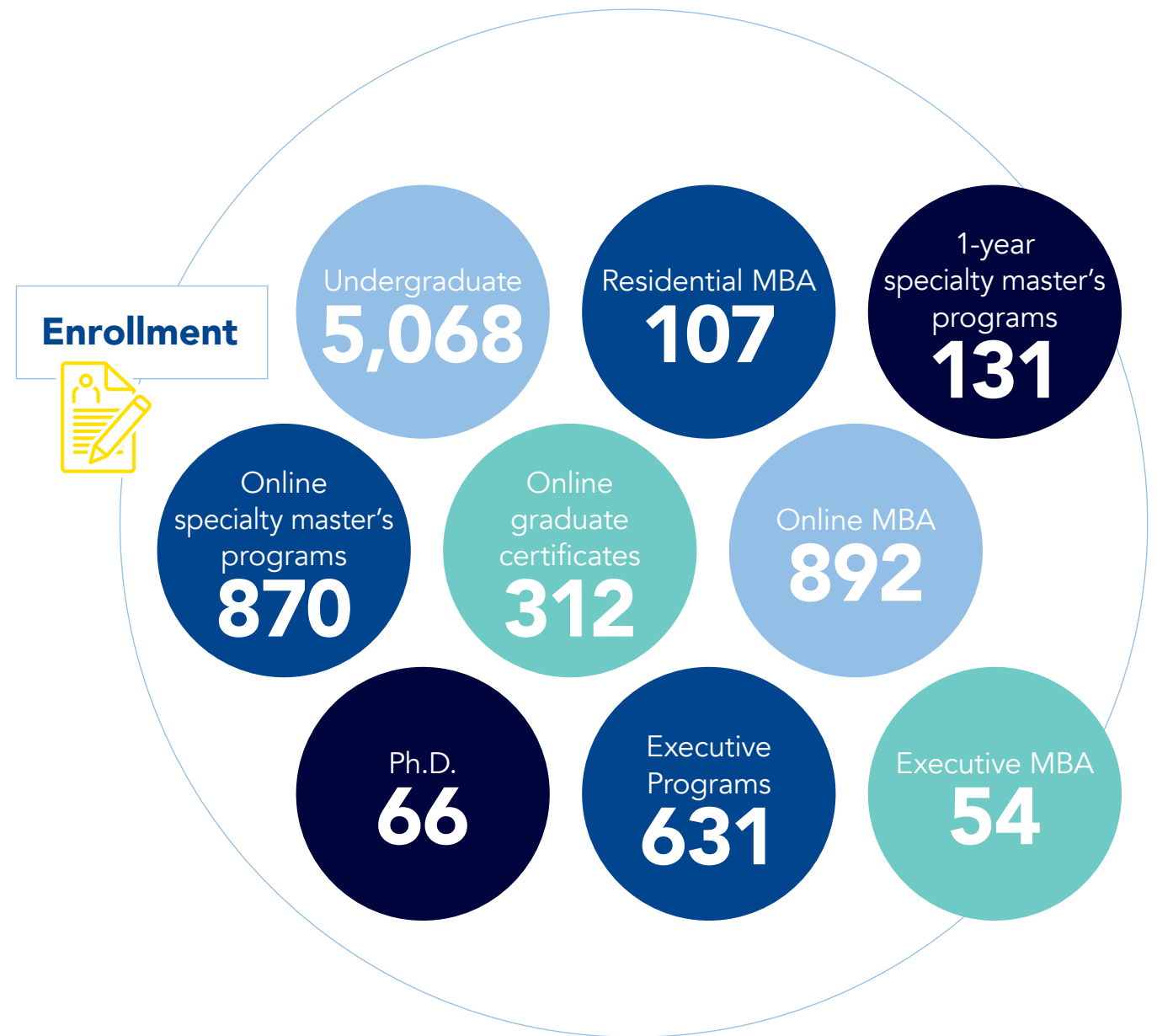
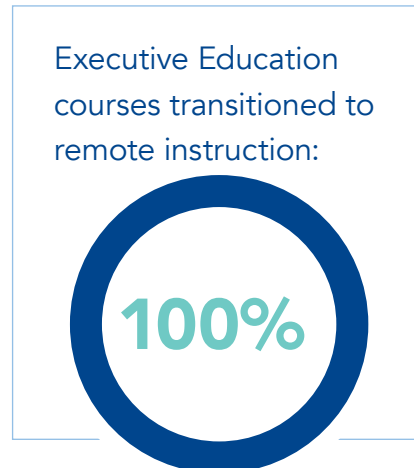
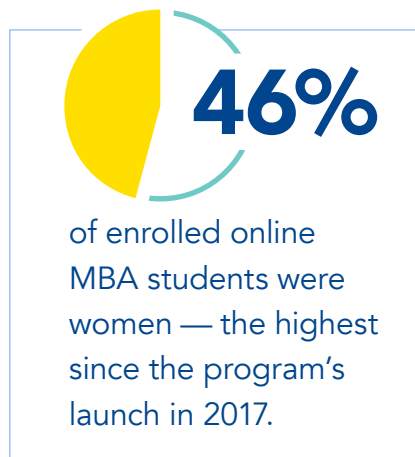
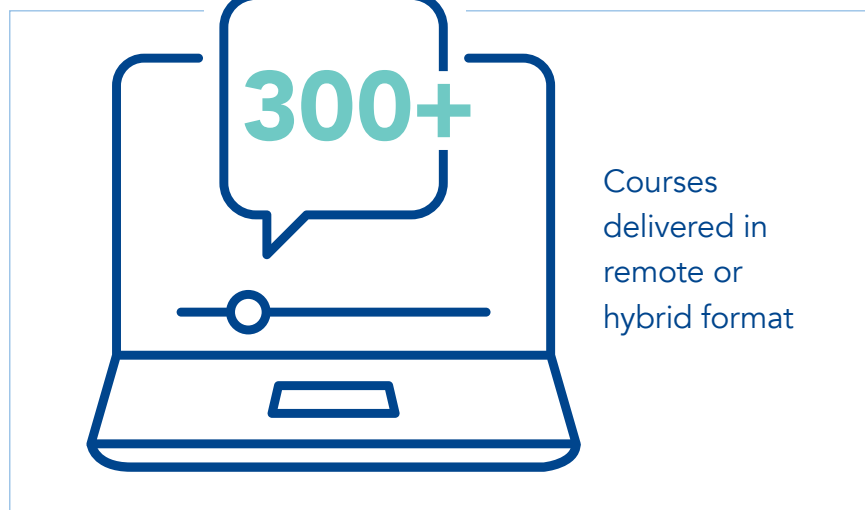
Ward-Speakes graduated in August 2021 and today is sifting through job offers ranging from Fortune 50 companies to smaller retailers. ♥

Josh Kahanek Photography

Lifelong Learning

In 2020-21, Smeal provided programs, support, and resources for every career stage and life circumstance — even during a global public health crisis.

Continued learning during the pandemic:



Student Success First

How Smeal's academic advisers helped students navigate the obstacles in a year like no other.

BY KAREN GRESH



Penn State Smeal undergraduates don't make their way to graduation alone — especially in a year filled with uncertainty brought on by a global public health crisis. At critical times this past year and beyond, students found their paths smoothed by the counsel of an academic adviser.

"This team of dedicated professionals supports Smeal undergraduates throughout their journey in our college," says Felisa Preciado Higgins, associate dean for undergraduate education. "Our advisers strive to engage, encourage, and empower students to articulate their educational goals, make good choices about their program of study, seek assistance when necessary, find appropriate campus resources, and participate in a wide range of curricular and cocurricular opportunities."

In the simplest of terms, advisers help students avoid pitfalls and clarify goals. Here are a few stories of how their counsel and support made a positive impact during an extraordinarily challenging year:



Felisa Preciado Higgins



Henry Pleszkoch & Karen Serago



Henry Pleszkoch is a sophomore at University Park now, but his path has been circuitous.

From a Towson, Md., Penn State family, Pleszkoch learned in the summer of 2020 that all his fall semester classes would be remote. "I realized that my first semester at Penn State would not be what I had always imagined," he says.

"When I first met my adviser, Karen Serago, on Zoom, I was unsure of my plan. In the following weeks, I flooded her inbox with questions about my academic options."

"Without her, this past year would not have been possible."

Eventually, Pleszkoch asked to defer admission to Spring 2021. Penn State Admissions approved his request and assigned him to University Park for that semester,

but he asked to be changed to the World Campus so he could complete his coursework online. He not only completed that semester through World Campus but the summer session as well, all the while making progress toward Smeal's entrance to major requirements.

"The execution of this plan required a lot of work on Karen's part," Pleszkoch says. "She helped me, through meetings and emails, determine which classes I should take to stay on track for Smeal. Without her, this past year would not have been possible."

Serago described Pleszkoch's journey this way: "Henry began his academic career with a deferral and a subsequent campus change that required collaboration from multiple Penn State offices. Everyone's ability to remain agile and work together exemplifies the spirit of 'We Are!'"



Alzberta Nei & Olivia Lewis



Even though she has logged seven internships with Deloitte and already has a job lined up after Commencement, there was a time when Smeal senior Alzberta Nei worried about graduating on time.

She was a student in the university's Division of Undergraduate Studies in 2019 when she first met adviser Olivia Lewis.

"A friend recommended her to me," she says. "She thought she would give me better insight into how to achieve my goals. She helped me and reassured me."

Although Nei had a general idea of those goals, she hadn't settled on a major. What's more, she would be starting on the path to Smeal a semester later than the traditional student.

"Olivia helped get me on track," she says. Together, the two chose the courses and resources that would position Nei to graduate next spring.

"Alzberta made working with her easy, because she asks good questions," Lewis says. "Once Alzberta settled on Smeal, she spent a lot of time trying to get the most out of her academics and cocurricular activities. She was not afraid to ask if something didn't seem right.

Alzberta didn't want simply to get a Smeal degree. Her goal has always been to explore areas of interest through her general education courses and electives."

Nei is an executive team member of the campus's National Association of Black Accountants, which has rebranded itself locally

"Alzberta didn't want simply to get a Smeal degree. Her goal has always been to explore areas of interest through her general education courses and electives."

as the Organization for Black Business Students. It welcomes students from Smeal and other schools of the University.



Madison Ledwith & Evan Smith



“Madison and I worked together to help her schedule courses not just for her major, but for her three Smeal minors.”

With a major in Marketing and three Smeal minors, Smeal senior Madison Ledwith would already have a full schedule. Add to that hours of intercollegiate swimming practice and competition, which bring with them strict NCAA rules that student-athletes must follow in order to stay eligible to compete.

“Juggling the requirements of a rigorous Smeal degree and an NCAA Division I athletic program is not for the faint of heart,” says Evan Smith, her academic adviser. “From her first day on campus, Madison and I worked together to help her schedule courses not just for her major, but for her three Smeal minors.”

When the pandemic began, Ledwith went home to Chesterbrook to finish her sophomore year remotely. The fall semester, however, found her back in State College, where she was able to train and eventually to compete with her team.

Ledwith said Smith collaborates with her athletic adviser, Sarah Pergine, to make sure she meets both Smeal and NCAA requirements. “I would also attribute my ability to take three minors to Evan,” she said. “He laid out every course that I needed each semester, including summer, so that my course load was manageable with training.”

This careful planning has paid off. According to Smith, Ledwith “is on track to complete all Smeal academic requirements while recording the fifth-fastest 100 fly in Penn State Women’s Swimming and Diving history.”

Jian Sun & Susie Solo



A Smeal student from Tianjin, China, Jian Sun began his academic journey at Penn State Schuylkill. In the second semester of his sophomore year, he took BA197, Smeal’s online seminar in business, which not only helped cement his academic goals but also introduced him to a program designed to support students’ transition from a Penn State Commonwealth Campus to University Park.

Sun became president of that program, known as Assistance in Transition to University Park (AT UP), and all of last year, from his home in China, he attended and facilitated all meetings and organization business—often in what was to him the middle of the night. AT UP faculty adviser Dawn McGuire said she was “so impressed with his commitment to the organization and the Smeal community,” even though at that point he had not yet even visited campus nor met her.

“It really takes time and effort on the part of my advisers to help me choose the best options and arrange my classes.”

Now a senior with three majors and three minors, Sun has been president or vice-president of four different clubs. “Since I have plenty of classes and extracurricular activities,” he said, “it really takes time and effort on the part of my advisers to help me choose the best options and arrange my classes.”

“He is always eager to volunteer, and I value his opinions and suggestions,” Sun’s academic adviser, Susie Solo, said. “Jian is very serious about his classes and organizations, yet he’s very happy and optimistic at each meeting. I wish I could clone him—he is that fine an example of a successful student.”

**Smeal
Student
Success
First**

Here are a few additional examples of Smeal's commitment to the academic and long-term success of its students.

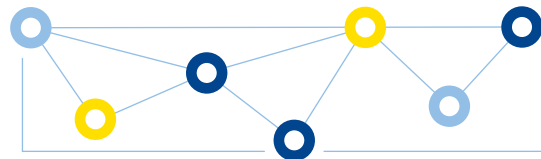
Students who participated in at least one of Smeal's

43 student organizations:

2,300+

Students who attended recognized Smeal conferences* that provide knowledge and networking opportunities:

400+



Students who connected with alumni through the Smeal Mentoring Program:

200+

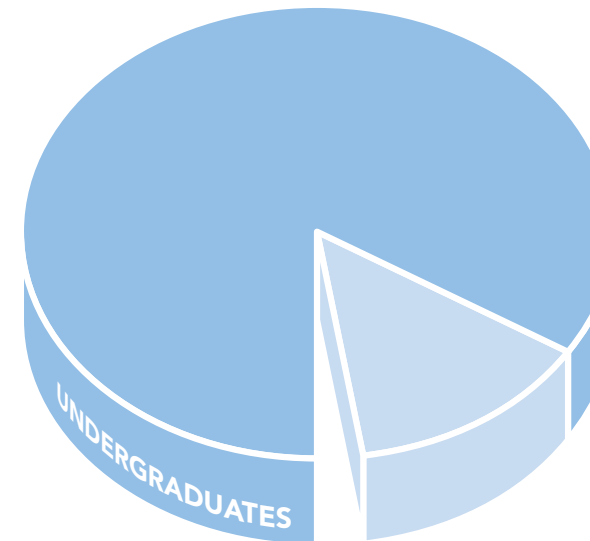
Number of cities around the world in which study abroad and international internships occurred:



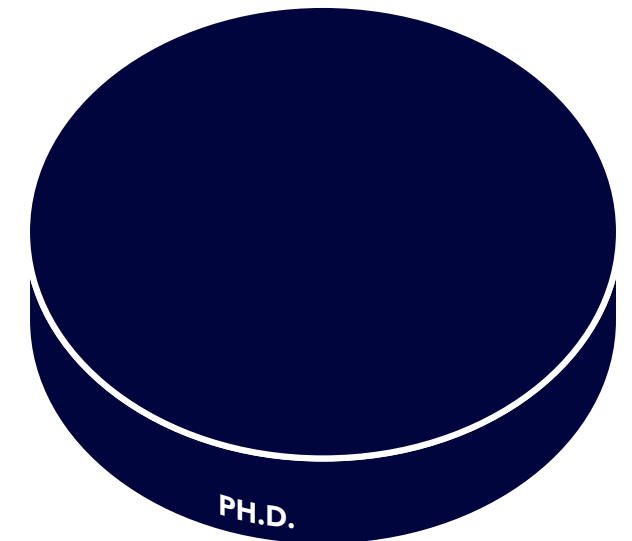
* BOSS (Business Opportunities Summer Session), START (Striving Toward Awareness and Respect for Tomorrow) and Powerful Women Paving the Way

Undergraduates who received a full-time offer **84%**

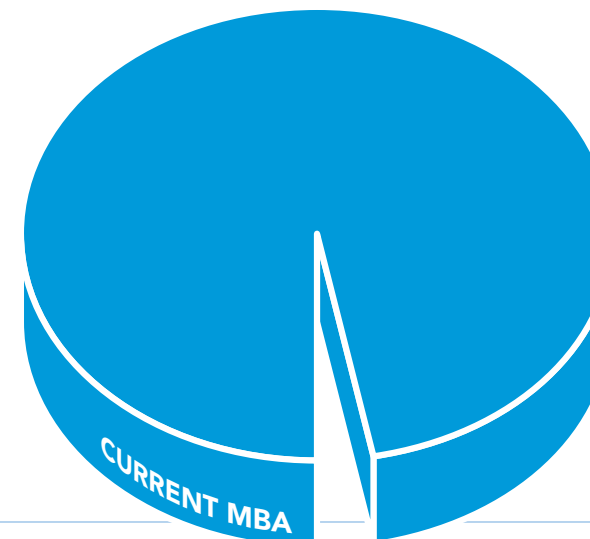
Undergraduates who pursued further education or a fellowship **13.5%**



Ph.D. students who accepted teaching and research positions **100%**



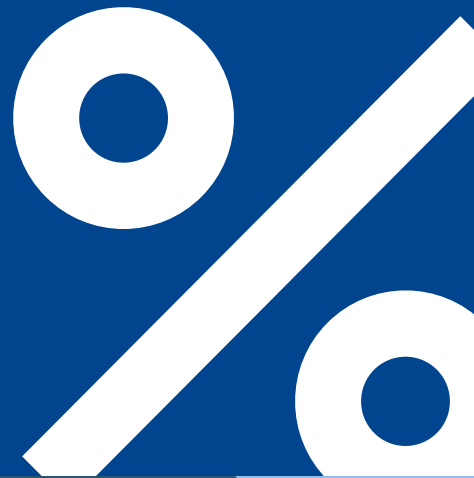
Current MBA students who received at least one internship offer **97%**



2021 MBA graduates who received at least one full-time offer **90%**



A Driven Community



Researchers probe the issue of equity and fairness in state and local tax (SALT) deductions for homeowners

BY MATT SWAYNE

A team of researchers says that arguments to restore full deductibility of state and local taxes, or SALT, for homeowners because of equity and fairness issues are off-base.

The research team, which included Brent Ambrose, Penn State Smeal College of Business professor of real estate and the Jason and Julie Borrelli Faculty Chair in Real Estate, analyzed how a \$10,000 federal limit on the deductibility of state and local taxes affects households. The limit was a key provision of the U.S. Tax Cuts and Jobs Act of 2017, according to the researchers, who published their findings in a paper.

Recently, members of Congress from places with high state and local taxes have renewed attacks on this provision and have introduced legislation to restore full SALT deductibility, arguing that the SALT limitation disproportionately impacts middle-income households in their districts.

According to the researchers' analysis, however, this is not the case. The analysis shows that differences across states in federal income taxes paid arise from variation in the ability to fully deduct state and local income, sales, and real property taxes (i.e., "SALT" taxes). The SALT deduction limitation increased taxes for many households — but only

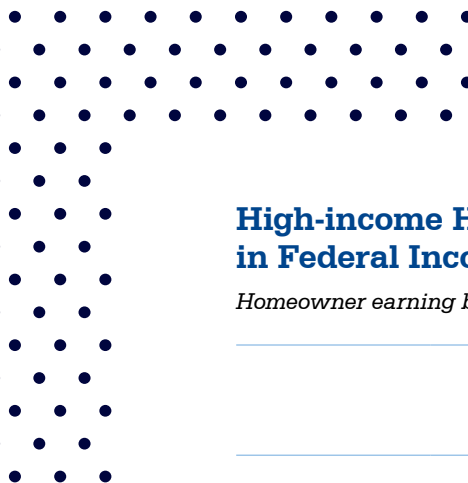


Brent Ambrose

Smeal

for those who itemize, a population that shrank from 33 percent of taxpayers in 2017 to 11 percent in 2018. As a result, the SALT deduction limitation is most likely to adversely affect upper-income households — or those who itemize deductions rather than take the standard deduction — in markets with higher house prices and/or high rates of state taxation.

The researchers report that removing the SALT limitation would result in substantially lower federal income taxes for high-income households.



High-income Household Savings in Federal Income Tax

Homeowner earning between \$400,000 and \$1,100,000

New Jersey	\$14,401	(or 15.7 percent of 2018 taxes paid)
Ohio	\$5,466	(or 5.2 percent of 2018 taxes paid)

Middle-income Household Savings in Federal Income Tax

Homeowner earning between \$100,000 and \$150,000

California	\$16	(or 0.1 percent of 2018 taxes paid)
New Jersey	\$407	(or 3.1 percent of 2018 taxes paid)
New York	\$149	(or 1.2 percent of 2018 taxes paid)

High House Price Markets Savings in Federal Income Tax

Middle-income Homeowner earning between \$100,000 and \$150,000

California	\$2,763	(or 22.5 percent of 2018 taxes paid)
New Jersey	\$1,930	(or 14.6 percent of 2018 taxes paid)
New York	\$1,792	(or 13.8 percent of 2018 taxes paid)

Midwestern States Markets Savings in Federal Income Tax

Homeowner earning between \$100,000 and \$150,000

Ohio	\$501	Between eight percent and 18 percent of the homeownership tax benefit enjoyed by similar income households in California
Iowa	\$262	
Missouri	\$256	
Indiana	\$233	

“For example, a representative high-income New Jersey household (earning between \$400,000 and \$1,100,000) would see federal income taxes cut by \$14,401 (or 15.7 percent of 2018 income taxes paid)

reports that in the high-cost coastal states of California, New Jersey and New York, the limitation on SALT deductions has only modest impact for the representative middle-income household earning between \$100,000 and \$150,000. Removing the SALT deduction limitation for these households would reduce federal income taxes by \$16 (or 0.1 percent of 2018 taxes paid) for California residents, \$149 (or 1.2 percent of 2018 taxes paid) for New York residents, and \$407 (or 3.1 percent of 2018 taxes paid) for “middle-income” New Jersey residents. Across all states, the median tax savings from restoring the full SALT deduction for these middle-income households is \$0. Thus, as has been reported in numerous media posts, restoring the full SALT deduction will primarily benefit only high-income households.

Unfortunately, focusing on only the SALT deduction limitation ignores the substantial benefits that homeowners receive relative to similarly situated renters. If one is to consider fairness and equity, then a full accounting of the income tax code provisions for homeowners is necessary.

In order to investigate that, the researcher calculated the largest tax benefits of owner-occupied housing: the nontaxation of the implicit rental income and the nontaxation of capital gain income earned on invested housing equity.

Here, the team uncovered a few important findings.

First, although the Tax Cuts and Jobs Act reduced the benefits of homeownership for many households that itemize by limiting the SALT deduction, these lost tax savings are very often small relative to the tax benefit associated with the nontaxation of the return on equity invested in the home. Most homeowners still receive a significant tax benefit from owning, rather than renting, their residence.

The researchers also said that households in high house price markets benefit more relative to similar income households in lower priced housing markets by the nontaxation of implicit rental income. For example, the typical middle-income homeowner earning between \$100,000 and \$150,000 in California saved \$2,763 in federal income tax (or 22.5 percent of 2018 taxes paid). In New Jersey these homeowners saved \$1,930 (or 14.6 percent of 2018 taxes paid) and New York owners saved \$1,792 (or 13.8 percent of 2018 taxes paid).

To show the disparity in the distribution of housing tax benefits, the researchers report that in the midwestern states of Ohio, Iowa, Missouri, and Indiana, the representative homeowner with income between \$100,000 and \$150,000 only received \$501, \$262, \$256, and \$233 in homeownership tax savings benefits, respectively, or between eight percent and

18 percent of the homeownership tax benefit enjoyed by similar income households in California.

The team concluded: “Thus, our analysis points out an often-overlooked disparity embedded in the tax code and suggests that calls to reinstate the full SALT deductibility on the grounds of equity and fairness are disingenuous. It is disingenuous for politicians from high-cost coastal states such as New York, New Jersey and California to claim that

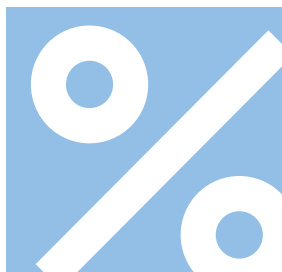
“Thus, our analysis points out an often-overlooked disparity embedded in the tax code and suggests that calls to reinstate the full SALT deductibility on the grounds of equity and fairness are disingenuous.”

the SALT limitation is unfair to “middle-income” residents of their states when the vast majority of the benefits from removing the SALT limitation would accrue to the highest income homeowners; thus, removing the SALT limitation would essentially be a large tax cut for high-income homeowners. Finally, our analysis points out that homeowners in New York, New Jersey and California already receive tax benefits well above the level received by the average U.S. homeowner.”

Across all states, the median tax savings from restoring the full SALT deduction for these middle-income households is \$0. Thus, as has been reported in numerous media posts, restoring the full SALT deduction will primarily benefit only high-income households.

following restoration of the full SALT deduction,” the researchers write. “Our analysis reveals that many states without generally high house prices or with low state taxes also contain concentrations of affected taxpayers. For example, even in a relatively low-cost midwestern state, such as Ohio, removing the SALT deduction limitation would reduce average federal income taxes by \$5,466 (or 5.2 percent of 2018 taxes paid) for households earning between \$400,000 and \$1,100,000.”

But, more importantly, the analysis also reveals that restoring the full SALT deduction will have a minimal impact on the income taxes of middle-income households. As an example, the team



Smeal's Driven Community

Alumni Network

Living alumni
88,000+

Alumni who volunteered in a college initiative for the benefit of Smeal students
400+

Alumni Career Services

157 clients from **21 states** and **2 countries**

Lifelong Learning live webinar attendees:
1,293

Podcast downloads and livestreams:
1,599

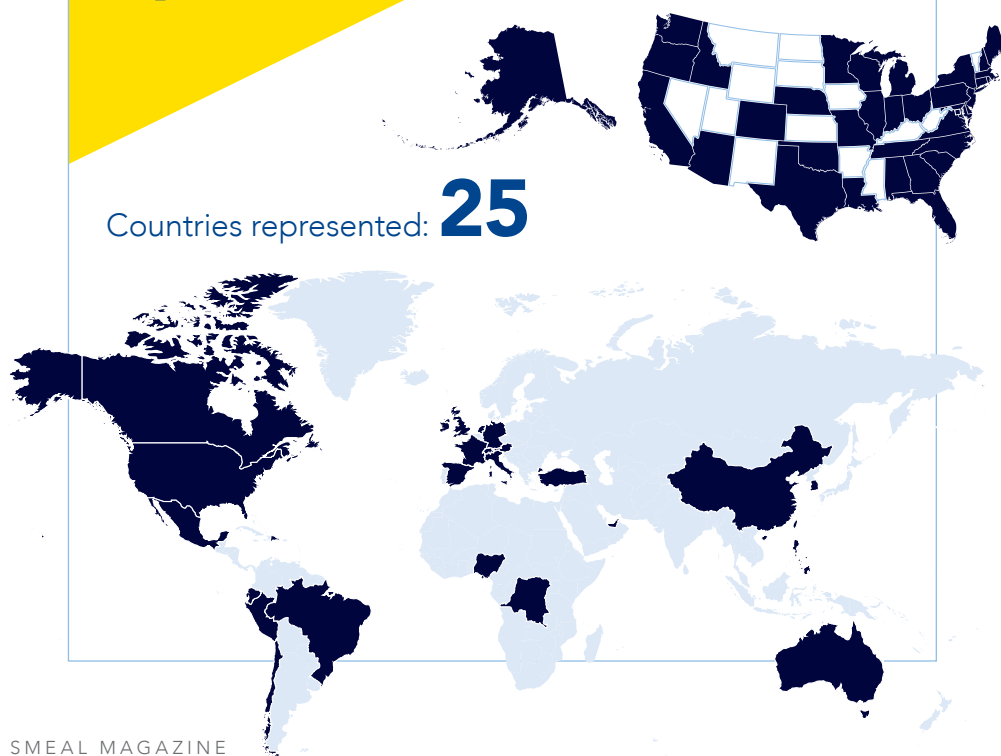
Monthly newsletter subscribers:
14,526

Alumni who registered for Smeal Alumni Relations and affinity group events:

2,500

States represented: **36**

Countries represented: **25**



Rankings

U.S. News and World Report

#24 undergraduate education

#33 residential MBA

#15 residential MBA at public institutions

Korea University Business School (KUBS) Worldwide Business Research Rankings

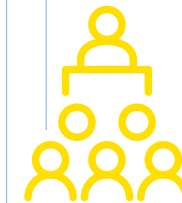
Consistently ranked among the **top 10** research institutions

Gartner Inc.

#1 in graduate supply chain education

#3 in undergraduate supply chain education

Faculty Research



Conference presentations
126+

Published articles

112+

Journal editorial positions

109+



7+

Published books or book chapters

Faculty Achievement Awards

Atherton Award for Excellence in Teaching (2021):
Dan Cahoy, professor, Dean's Faculty Fellow in Business Law

Fred Brand Jr. Excellence in Teaching Award (2020):
Kyle Kaplan, clinical assistant professor of business law

Fred Brand Jr. Excellence in Teaching Award (2021):
Jennifer Coupland, clinical professor of marketing

RISE Above Faculty Award (2020):
Charlene Zietsma, professor of management and Dean's Research Fellow

RISE Above Faculty Award (2021):
Lisa Bolton, Jonas H. Anchel Professor in Business Administration

Online Teaching Excellence Award (2021):
Scott Collins, associate clinical professor, discipline coordinator of accounting

Award for Teaching Innovation and Excellence in Response to the Pandemic (2021):
Neil Fogarty, instructor of entrepreneurship

Early Career Award for Teaching Excellence (2021):
Kyle Kaplan, clinical assistant professor of business law

Ossian R. MacKenzie Teaching Award:
Christine Mihelcic, Ph.D. candidate

Innovation in Teaching Award (2021):
Jeanette Miller, assistant clinical professor of entrepreneurship

Undergraduate Student Teaching Excellence Award (2021):
Zhe Wang, assistant professor of finance

The background is a vibrant green with a sunburst pattern. At the bottom, a large green globe is partially visible. Several solar panels are shown in various orientations, some appearing to grow from the globe. Scattered throughout are stylized green leaves and white-outlined clouds. A road sign with an arrow pointing up and icons for an electric vehicle and a hydrogen fuel pump is also present.

PREPARED TO MAKE AN IMPACT

Smeal MBA students develop go-to-market strategy for global leader in renewable energy

BY JEFF RICE

The coursework he did this past spring convinced Penn State Smeal MBA student Bitrus Baba that clean energy is the wave of the future — and that wave is quickly breaking into the present.

“You find that everyone’s moving toward renewable energy and phasing out fossil fuels,” Baba said. “It’s to assure that we’re not harming the planet, and that we’re maximizing the resources we have so that future generations will have enough.”

As part of Penn State Smeal’s Applied Professional Experience (APEX) course, Baba and five other MBA students researched and created a go-to-market strategy for Lightsource bp, a global leader in the development and management of solar energy products, on a specific type of clean energy — green hydrogen. Over the course of seven weeks, the students — Baba, Payal Behl, Parth Khanduri, Tiffany Patel, and Alexis Zawelensky — worked as a team to provide the company with a plan on how and where in the United States to best market green hydrogen. In the process, they gained valuable experience and received regular feedback from both Lightsource bp and their course instructor, assistant teaching professor David Lenze, the director of the APEX program.

“I found it interesting that we were creating a go-to-market strategy for Lightsource bp without actually being employees of Lightsource bp,” Zawelensky said. “It’s pretty remarkable that we were given free rein to make a strategic and intellectual recommendation and be able to run with the research. It was an awesome opportunity to have.”

“We want to give students this experience, the sense of the power they have to make change, to make this a better world.”

Emilie Wangerman, senior vice president for Lightsource bp, connected with Lenze and his students through Penn State’s Sustainable Communities Collaborative, an outreach of the Sustainability Institute, continuing a partnership that, thanks to a power purchase agreement in 2019, also sees 25 percent of the University powered by clean energy. Part of that partnership was finding future educational opportunities between Lightsource bp and Penn State, and the APEX program fit that bill.

“We want to give students this experience, the sense of the power they have to make change, to make this a better world,” said Ilona Ballreich, education program specialist for the Sustainability Institute. “But then our goal for our partners is for them to have the information to make better decisions.”

At the outset of the semester, the students reached out to Bruce Logan, the associate director of the Institutes of Energy and the Environment at Penn State and Evan Pugh University Professor and Kappe Professor of Environmental Engineering, to learn more about green hydrogen — hydrogen that is created using electrolysis driven by renewable electricity — and where it might fit into the American marketplace. He gave them a general overview of how it is produced and how it is and may be applied.

The MBA team then began to break down the research in terms of geography, categorizing the 50 states into “green,” “yellow,” or “red,” based on the likelihood they would be able to support the production of green hydrogen, and then weighing factors such as regulations, which states offered incentives for renewable energy, which had the potential for alternative storage, where the electricity costs would be highest, and other criteria.

“It’s a good project for the MBAs, because it’s very analytical,” Lenze said. “It’s about figuring what’s important and not important and using analytical tools to evaluate the situation and say, given all of this information, so what? What does it mean? What should we do? What are the implications?”

The students met with Wangerman and members of her team on Friday afternoons throughout the semester, presenting some of their findings and maintaining clear expectations for the project.

“She was great at holding people accountable and then also being kind enough to keep people engaged,” Patel said.

Wangerman treated the students as consultants who could provide fresh perspectives, but also as potential future hires.



Courtesy Lightsource bp

Penn State University and Lightsource bp have formed an innovative partnership designed to be a national model in sustainability. Lightsource bp installed 150,000 solar panels across three locations in Franklin County, which sees 25 percent of the University powered by clean energy.

“My team has a lot going on, and sometimes it’s hard to do this big strategic thinking. It was nice to have a team of MBA students come together, do a true business case, a go-to-market strategy, and say, ‘Here’s where we think you should be going,’” Wangerman said. “It’s not that we hadn’t thought about it, but it was nice to have an unbiased party give an analysis that was able to validate our positions or at least help us understand and evaluate our own strategy.”

The students overcame the challenges of a tight timeline, balancing the work with their responsibilities in other courses, and having one of the team members briefly sidelined after contracting the COVID-19 virus. There was also the usual give-and-take that comes from working as part of a team.

“I thought it was a growth opportunity for me because you’re working with all these different personalities,” Baba said. “You agree sometimes, you have arguments, but that’s pretty much how real life works.”

The course gave the students a chance to diversify their individual areas of interest. Patel, for example, had plenty of previous consulting experience in emerging markets, but not in energy. Baba had previous experience working with oil and gas production companies but not in renewable energy. By the end of the term, they were proud of the work they had done and had become believers in the kind of energy they had researched.

“If you’re really looking to create systemic, long-range change, then green hydrogen is the future,” Patel said. “If you can get that marketed appropriately, and get people to know it, then I feel like the money and the dollars will follow, and the innovation necessary to make it more affordable will take place.”

The MBA students, who have all since graduated, enter the workforce with additional confidence and practical experience.

“I was working with a client,” said Baba, who is now a full-time partner development manager at Microsoft. “I was working with a team. It wasn’t just some class exercise.”

The students will also be watching to see how the market for renewable energies continues to evolve and how the company they worked with fits in.

“I’m excited to follow Lightsource bp and see the decisions they make moving forward and if the recommendations we made are utilized,” Zawelensky said. ♥



Courtesy Lightsource bp

Sheep graze among the solar panels powering Penn State.



To learn more about Lightsource bp and their partnership with Penn State, visit magazine.smeal.psu.edu/solar.

Prepared to Make an Impact

Here is a glimpse at how Smeal prepared students to make an immediate impact in the real world this past year:

Career Fairs



6 events

289
companies

2,500+
students

Smeal's Business Career Center,

which helps students realize career success through various services, programs and partnerships with leading corporations.

Students who completed at least one internship:

85%

Experiential Learning Programs:

230+ students

APEX

The Applied Professional Experience Program allows Smeal students to take on real business projects for client firms:

60+
students

The Nittany Lion Fund

A more than **\$13 million** hedge fund run exclusively by undergraduate students and the first of its kind in the country:

118
students

Nittany Lion Consulting Group

A new organization that provides valuable real-world consulting experience for undergraduate students:

60+
students



Case competitions sponsored by Smeal:

1,750+
student participants

Making Business Better



“The current climate has shed a light on the importance of social responsibility, including sustainability, in business.”

— Erik Foley, director, Center for the Business of Sustainability

BY ANDY ELDER
AND ANNE LOUISE CROPP

An interdisciplinary approach to teaching sustainability

For three years, a team of Penn State Smeal faculty members worked to define what business students need to learn about sustainability. In the process, they hope to define a new standard for business education globally.

Last year, these efforts resulted in an online knowledge center that is accessible to Smeal students and faculty as well as other business schools. Titled *Major Sustainability*, the resource shows students how they can apply business sustainability to their major and their future.

“The current climate has shed a light on the importance of social responsibility, including sustainability, in business,” says Erik Foley, director of the Penn State Smeal Center for the Business of Sustainability. “The hope is that this groundbreaking work serves as inspiration for other business schools to integrate sustainability across all disciplines.”

Foley aims to encourage the Association for the Advancement of Collegiate Schools of Business (AACSB) to adopt this as a standard, like Generally Accepted Accounting Principles. GAAP are a collection of commonly followed rules and standards for financial reporting.

“Corporations would then think about sustainability as a part of their structure and operation, and guide how they manage financial, social, and environmental risks and opportunities to ensure resiliency over time,” he says. Research shows that sustainability has positive impact on the bottom line when it is incorporated into core business strategy.

Steve Tressler



Scott Dalton

Karen and Tony Quintos support diversity programs at Smeal.

Penn State Smeal alumna Karen Hughes Quintos and her husband, Tony, have long considered the role higher education can play in preparing students to create a more equitable and just future. Last fall, the couple made a \$1 million commitment to the college to advance that purpose.

Jamie Campbell, Smeal's assistant dean for diversity enhancement programs, says the Quintos' gift is helping his team fulfill the department's mission to create a diverse learning

community and to foster a welcoming climate for everyone — from students to employees.

"While the need for financial assistance remains our highest priority, Karen and Tony have positioned us to create opportunities to engage with our students and employees in new and exciting ways. With their support, we can not only alleviate some of the financial pressure our students feel, but we can also develop and enhance programs that support our culture of diversity and inclusivity," he says.

Quintos has also been working with Smeal's leadership to cultivate a more welcoming and inclusive culture. Leveraging her connections at Dell Inc., where she was chief customer officer until her retirement in 2020, Quintos identified an opportunity for Smeal to bring a version of Dell Technologies' diversity training to the college.

The current vice chair of the Smeal Board of Visitors, Quintos said she found the training to be pivotal during what she called "a challenging summer" in 2020.

"I saw how important it was to have an open dialogue around difficult topics, like race, and to create a safe haven for everyone," she says.

Dean Charles Whiteman says he hopes others will also step forward to champion Smeal's work around this core priority for the college.

"The Quintos' gift will help Smeal differentiate itself from other business schools, but our work is just beginning," he says.

"Karen and Tony have positioned us to create opportunities to engage with our students and employees in new and exciting ways. With their support, we can not only alleviate some of the financial pressure our students feel, but we can also develop and enhance programs that support our culture of diversity and inclusivity."

— Jamie Campbell, assistant dean for diversity enhancement programs

Inaugural Tarriff Center Advisory Board to help actively guide strategic planning

In just its second year, Smeal's Tarriff Center for Business Ethics and Social Responsibility continues to expand its impact.

To help shape initiatives and engagements, an inaugural advisory board has been seated. The initial members include:

Harry Barfoot III,

retired after 40 years of service in technology and K-12 education services

Dawn Budd-Abramovitz,

assistant treasurer of Education Testing Services

Jeff Douville,

director of global transportation at Stanley Black & Decker

Jason O'Neill,

chief operating officer of LiveHelpNow and HelpSquad

Frederik Wenzel,

president and CEO of Schuetz Container Systems Inc.

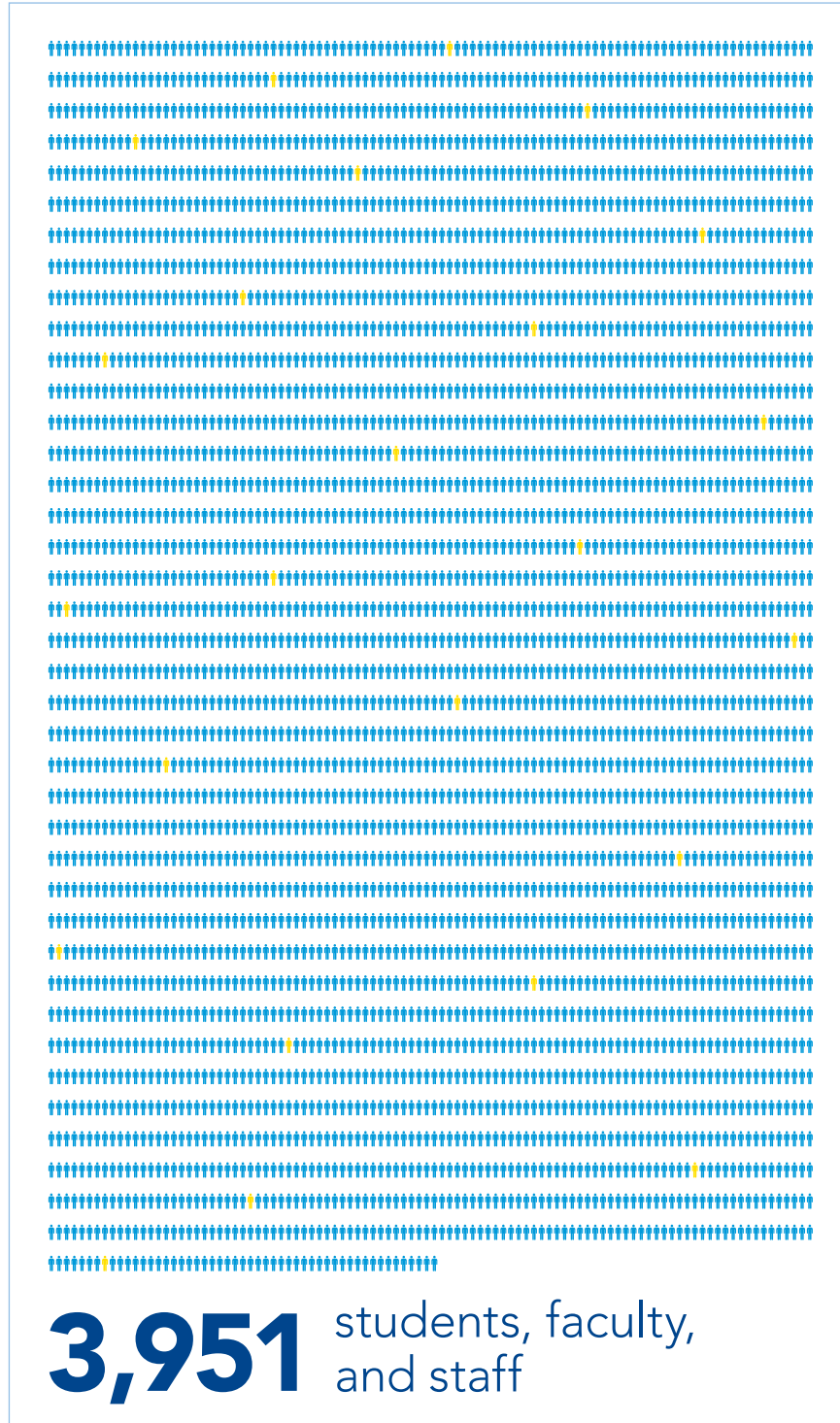
"Our five board members will actively guide strategic planning of the center and engage with students and other stakeholders as initiatives are created and revised," said Michelle Darnell, director of the Tarriff Center. "They will also work to build opportunities for collaboration with other advisory boards across Smeal, alumni, corporate partners, and other friends of Smeal."

The board members have already demonstrated their eagerness to engage the Smeal community in a variety of initiatives, including speaking with students and participating in webinars to engage a broader audience.

"Each member provides a specific skillset that will advance the important work of the Tarriff Center," Darnell said. Their collective years of professional experience and demonstrated leadership in matters of ethics and social responsibility will prove incredibly valuable as the center's sphere of influence grows. We're excited by the possibilities." ♥

How Smeal worked to make business better in 2020-21

Who signed the Smeal Honor Code:

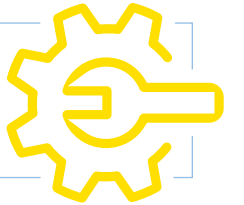


Efforts to create a more diverse, welcoming environment:

Development of the **Smeal Diversity Statement**



Creation of a **Diversity Talent and Acquisition Toolkit** for managers



Webinars and education programs

12

Participants in an Intercultural Development Inventory

28

Introduction of the **Smeal Minority-Owned Business Network**, which will afford more opportunities for alumni whose businesses are classified as Black-American, Hispanic-American, Native-American, Asian-Pacific-American and Asian-Indian-American owned to become more involved in the University's procurement program.

Efforts to accelerate the integration of sustainability into business:

Research grants awarded by the Smeal Center for the Business of Sustainability:

\$20,160

Enrollment in Smeal's Business Sustainability Strategy (BSS) graduate certificate:

164

Gifts and Sponsorships received by the Smeal Center for the Business of Sustainability:

\$161,885

Enrollment in sustainability-focused undergraduate courses

1,998

Enrollment in a three-day executive program on "Building a Sustainable Supply Chain":

161

Philanthropy

Future Fund



Areas that the Future Fund supports:

- Career fairs and networking opportunities
- Case competitions
- Student organizations
- Student emergency need

Giving Tuesday FY2021



Matching gifts

Meredith Monroe '10 FIN, '16 MBA matched the first **\$2,500** in donations.

Patrick Galindo '08 SC&IS made a **\$1,000** gift when the campaign reached 50 donors.

Donations to our campaign aided at least four Smeal students who encountered adverse financial issues during the pandemic.



Giving Tuesday 2022: November 30th
Raising money for: Smeal Student Emergency Fund

Smeal Campaign update FY2021



Overall Smeal Campaign update (July 1, 2016 - June 30, 2021)



University Campaign update (Campaign ends June 30, 2022)



Student Support

New scholarships/awards created during FY2021:



Program Support

Number of new program accounts:

7

Faculty Support

Number of new faculty endowments:

2

Smeal Leadership

Charles H. Whiteman, *Dean*

Steven Huddart
*Senior Associate
Dean for Research
and Faculty*

Felisa Higgins
*Associate Dean
for Undergraduate
Education*

Jamie Campbell
*Assistant Dean
for Diversity
Enhancement Programs*

Brian Cameron
*Associate Dean for
Professional Graduate
Programs and Executive
Education*

Jeff Sharp
*Associate Dean for
International Programs*

Rebecca Cianci
*Assistant Dean
for Administration*

Rick Ayers
*Chief Marketing Officer
and Assistant Dean
for Strategic
Communications*

Henock Louis
*Chair of Department
of Accounting*

Vilmos Misangyi
*Chair of Department
of Management and
Organization*

Kevin Linderman
*Chair of Department
of Supply Chain and
Information Systems*

William Kracaw
*Chair of Department
of Finance*

Meg Meloy
*Chair of Department
of Marketing*

Brent Ambrose
*Director of Ph.D. Program
and Director of
the Institute for Real
Estate Studies*

Keith Crocker
*Chair of Department
of Risk Management*

Wes Bumbarger
Financial Officer

Tamara Giluk
*Human Resources
Strategic Partner*

Michelle Houser
*Senior Director of
Development and
Alumni Relations*

Michelle Darnell
*Director of Tarriff Center
for Business Ethics and
Social Responsibility*

Terrance Guay
*Director of The Center for
Global Business Studies*

Stephen Tracey
*Executive Director
of the Center for Supply
Chain Research*

Erik Foley
*Director of the Center
for the Business of
Sustainability*

Ashley Rippey
*Executive Director of
Business Career Center*

Stefan Wuyts
*Director of the Institute
for the Study of
Business Markets*

Board of Visitors

Richard Bard, *chair*

Karen Quintos, *vice chair*

Farid Alias

John Arnold

Carl Berquist

James Brandau

Tom Buday

Peter Coccoziello

Troy Cromwell

Jeffrey Ellis

Jerome Griffith

Jon Grosso

Alan Guttman

Ed Hintz

Wanda Bryant Hope

Richard Janiak

KC McClure

Julie McHugh

Ron Morgan

Jean Oelwang

Stephen Reeves

David Rogers

Stuart Rothstein

Salomon Sredni

John Strackhouse

George Strickler

Scott Tarriff

Farnoosh Torabi

Lara Warner

Candace Woods

Let's go into business, together.

Take your next
career step at

smeal.psu.edu 



Wherever you are today, or imagine yourself tomorrow, the Penn State Smeal College of Business will help you prepare for that next great opportunity. And the one after that. While you're a student, you'll acquire the skills, opportunities and credentials needed to make business better in the real world. When you graduate, you'll join a network of 88,000+ Smeal alumni — and more than 740,000 Penn Staters — ready to open doors, offer advice and cheer you on.

Because that's what better business partners do.



PennState
Smeal College of Business

The Pennsylvania State University
Smeal College of Business
Office of Development and Alumni Relations
209 Business Building
University Park, PA 16802-3603

Nonprofit Org.
US Postage
PAID
State College, PA
Permit No. 1

Are you a member of a Penn State Smeal family? Send us your story!

If you're part of a multi-generational family of Penn State Smeal students and alumni, we'd love to hear from you. Send your story (no more than 250 words, please) to magazine@smeal.psu.edu. We will share some of them in an upcoming issue of *Smeal Magazine*.



Now on sale!

Visit the Penn State Berkey Creamery or order online at creamery.psu.edu.

Engage with Smeal

There are many ways for you to stay connected with Penn State Smeal and each other. To learn more, contact Michelle K. Houser, senior director of development and alumni relations, at:

(814) 865-7830
mhouser@psu.edu
smeal.psu.edu/alumni

Get Involved

Go to smeal.psu.edu/alumni/ways-to-get-involved to discover opportunities to stay connected to students, alumni, faculty and more.

Give Back

Visit raise.psu.edu/SmealPriorities to support Smeal as part of the University's fundraising campaign: *A Greater Penn State for 21st Century Excellence*.

Stay Informed

Find Smeal on Facebook, Instagram, Twitter, and LinkedIn.

Alumni Career Services

Find tools to advance your career, including career coaching, live webinars and podcast episodes, and more at smeal.psu.edu/alumni/alumni-career-services.