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TCU Neeley School adds leadership professor



Mary Uhl-Bien has joined the **TCU Neeley School of Business** in a new position as the BNSF Railway Endowed Professor of Leadership.

An authority on complexity leadership, relational leadership and followership, Uhl-Bien previously served as the Howard Hawks Chair in Business Ethics and Leadership at the University of Nebraska. She also has been a visiting scholar in Australia, Sweden, Portugal and Spain. She earned Ph.D., MBA and BBA degrees from the University of Cincinnati.

She is senior editor of the Leadership Horizons series for Information Age Publishing. She currently serves on the editorial boards of The Leadership Quarterly and International Journal of Complexity in Leadership & Management, and previously served on the editorial boards of Academy of Management Journal and Academy of Management Review.

Uhl-Bien is a co-founder of the Network of Leadership Scholars in the Academy of Management, and is division chair-elect for the OB Division in the Academy of Management. She also serves on the board of the Plexus Institute, and is an associate partner of the International Centre for Complex Project Management.

She teaches for the Brookings Institute, the Gallup Organization and universities in the U.S. and Europe. She served as the executive consultant for State Farm Insurance Co. from 1998-2004. She participated in a Fulbright-Hays grant to Mexico in 2003, trained Russian business professionals for the American Russian Center at the University of Alaska Anchorage from 1993-1996, and worked on a USAID grant at the Magadan Pedagogical Institute in Russia from 1995-1996.



December 24, 2014

5 Budgeting Blunders That Hurt Your Finances - *By Geoff Williams*

Everyone knows that a budget is the linchpin holding together your financial empire, or if you prefer, financial shack. If you don't have a budget, whether or not you know it yet, you have money problems. But to avoid money woes, it isn't enough to create a budget. You have to design one that works properly. That's why you'd do well to steer clear of these five mistakes consumers often make when budgeting.

Creating the budget – then not tracking the budget

It's easy to say you're going to spend a certain amount on your mortgage, your cable bill and other fixed expenses. But as everyone knows, variable expenses like groceries and gas can really throw things off.

"I find many people don't track where they spend cash," says Jerry Love, who has a certified public accounting firm in Abilene, Texas. Tracking your cash isn't always easy to do, a sympathetic Love admits. "With so many supercenters like Walmart, I see some people get a distorted view of what they are spending on groceries because when they go to the supercenter, they're purchasing a variety of items beyond groceries," he says.

There are plenty of apps and software programs that will help you track your spending. They include LevelMoney.com, YouNeedaBudget.com, Spendeapp.com and Goodbudget.com.

Only budgeting monthly

While most of your bills and expenses occur on a monthly schedule, there are some that might not fall neatly into that cycle. Leonard Wright, a San Diego-based member of the National CPA Financial Literacy Commission, points out that most people have quarterly, semiannual or annual expenses.

“That property tax bill, car insurance, homeowners insurance, school shopping for the kids, the once every one or two year trips,” Wright says. To account for all of that, “create a reserve line every month in your budget to set aside that expense on a monthly basis,” he says.

Not setting a realistic budget

If you’re cash poor, it can seem irresponsible to budget for entertainment. So you don’t. You plan for your mortgage or rent, your food, your utilities, gas and other essentials, and that’s it. You will not budge from your budget. Except, of course, you will budge.

Eliminating such expenses is a common mistake, according to Mauricio Rodriguez, professor and chair of finance at the Neeley School of Business at Texas Christian University in Fort Worth, Texas. “Making the budget so tight that it will be difficult to stick by it ... It’s important to set realistic goals,” he says.

So even if you don’t plan on eating out or catching a movie, budget for the possibility. The worst that happens is you have money left over at the end of the month. If you don’t budget for some extras, you’ll probably end up doing something extra anyway, and that’s where the trouble comes in, Rodriguez says.

Trouble also occurs when you’re not honest with yourself about how much you make – or don’t make. “This should go without saying, but I have seen some people who develop their budget based on their gross and not their net,” Love says. “Working from gross is OK if you accurately reflect your tax liability,” he adds. “I generally encourage people to budget based on their take-home pay.”

Not planning for emergencies

Even if you account for everything going on in your life, you need to plan for what hasn’t happened. Someday, you will need a plumber. Or your home will be infested with termites. Or your car will need new brakes. Emergencies crop up, especially when you’re living an active life.

“Forgetting to budget for nonrecurring, involuntary expenses such as car repairs and medical costs [is a serious error],” Rodriguez says. “Such expenses will occur and can cause trouble if not accounted for.”

If you’re already living paycheck to paycheck, it may be impossible to put money aside every month for the possible flat tire or sudden operation. In fact, that may be what you use your credit card for. But if you have the money to put cash aside for life’s bumps and bruises, that’s an instant upgrade to your budget.

Not considering the true cost of a financial decision

Maybe you bought a house and knew you could handle the mortgage payments, but you didn’t think about maintenance costs or the furniture you needed to purchase. Of course, a house is an obvious example, but anything can harm your budget if you don’t consider the true cost, Wright says. “People sometimes buy the car of their dreams only to find out every repair costs two to three times as much,” Wright says, adding: “I’ve been guilty of this.”

For instance, Wright says he got a great deal on a used Lexus but didn’t think about the catalytic converter, a device California residents are required to purchase that helps cut down on pollution. It can be an expensive piece of equipment, depending on your car’s make and what your mechanic charges to install it. For the used Lexus, the catalytic converter set him back \$3,200 – \$2,000 more than what he paid on his previous vehicle. “I was floored,” Wright says.

There are plenty of one-off purchases, like books and furniture, where you’ll pay money once and never again, but a lot of items require maintenance or ongoing costs. Think printer ink, pet food, a smartphone.

The bottom line: If you live your life without consulting your budget, you really don’t have a budget. You only have money problems, whether you know it yet or not.

December 28, 2014

TCU business course helps impoverished Ethiopians – by Diane Smith

They foraged in dumps at home in Ethiopia, or sold vegetables or washed clothes to survive. But in Fort Worth, 15 Ethiopian mothers are earning a living by creating jewelry, headbands and soap through a TCU program.

At the same time, the business students are learning how to turn a profit and support a social cause.

The program started at the beginning of the fall semester. By mid-December, the women had earned about eight months' worth of income.

“It’s definitely rewarding to know that our business idea will impact these women’s lives and their immediate community,” said Alessandra Papini, a senior majoring in entrepreneurial management and business information systems at TCU.

Papini was among about 16 students in the university’s first values-based entrepreneurship class. They studied ways to generate money in the marketplace for nonprofit groups or companies that want to give something back to society.

“Consumers are becoming more and more interested in the story behind their products,” said David Gras, assistant professor of strategy and entrepreneurship at TCU’s Neeley School of Business.

Gras, who taught the class, said values-based entrepreneurship is a growing movement. Nonprofits use it to generate money, large companies view it as a way to give back, and consumers can rest assured that workers are paid fairly.

“Our business has a huge potential for success in the market because it’s very unique and aligns with the current health-conscious trend for social consumer goods,” Papini said. **“Consumers are looking for products that are not only good for them but that bring good to other people.”**

The class partnered with the Fort Worth-based nonprofit Adera Foundation. The faith-based organization was created in 2009 to help women who had been foraging at a 10-story dump in Addis Ababa, Ethiopia’s capital.

“We help empower the moms,” said Julie Miller, executive director of Adera.

Miller told the students that many mothers rummage at the dump, sell vegetables or wash clothes, and she also talked about how Ethiopians make paper beads.

After some brainstorming, the students came up with a variety of products that rely on the women’s skills and Ethiopian resources, including making paper bead jewelry in TCU’s iconic purple shade. One of the product lines is called Rise2Lift and includes necklaces and bracelets, Gras said. Most of the jewelry is made of recycled or repurposed materials, including paper and ammunition, he said.

Another product is called Amoqa, or “warmth” in the Ethiopian language used here. The Amoqa line is made up of headbands that are knitted or crocheted and decorated with an Ethiopian coin.

Beads4Needs is a line of charms that can be purchased and put on a bracelet to support specific causes or projects.



TCU students designed a product and marketing plan that allowed Ethiopian women to make jewelry. The jewelry showcased TCU’s iconic purple and was sold at the campus bookstore. | David Gras / TCU Neeley School of Business

In a fourth project, Over the Hump, soap is made from camels' milk and marketed to hotels and businesses.

The students pitched the project to the TCU Barnes & Noble store, which agreed to carry the products. By mid-December, the products were sold out, and plans were underway to bring in more stock.

"That is a wonderful problem to have," Miller said.

The students continue to market the products with the hope they will take off even after the students move on to other classes.

"We have literally changed those women's lives," said Jacquie Hunt, a 21-year-old senior who is studying entrepreneurial management.



TCU students marketed products made by Ethiopian women as part of a class at the Neeley School of Business. Jewelry and headbands were sold at the TCU Barnes & Noble Bookstore this fall. COURTESY / TCU NEELEY SCHOOL OF BUSINESS