

The Questrom Business Review



JOHN LYONS

How To Not Speak Corporate

ELI CLOUTIER

Locked in the Octagon

PAMELA ALVARADO

Who's In Charge Here?

The Questrom Business Review

ISSUE NO. 1

MARCH 2024

THE COVER

Rejecting the Penny Wisdom

It is a quiet coup, a sort of unspoken rebellion, the act of withdrawing and wondering. In everyone there is a poet struggling to find the words.

Illustration by Amélie Brid



CONTENTS

Letter from the Editor

The Gilded Page

How Not to Speak Corporate *by Jack Lyons - 6*

The Questrom Forum

How this Questrom Student is Shaking Up the Scheduling Process — with AI *by Jonah Katz - 11*

Locked in the Octagon *by Eli Cloutier - 15*

Who's In Charge Here? *by Pamela Alvarado - 17*

Ozempic: A Sweet Deal or a Stomach Ache? *by Elizabeth Ricardo - 20*

The New Population Bomb *by Elise Choi - 23*

The Economics of Ugly Buildings *by Amélie Brid and Jack Lyons - 26*

Building Financial Literacy

Credit Cards *by Greg Durgin - 31*

FAQs

Special Thanks

RECOMMENDED BOOKS FROM THE EDITORS

The Fountainhead

Ayn Rand

Jane Eyre

Charlotte Brontë

The Nightingale

Kristin Hannah

Let the Right One In

John Ajvide Lindqvist

The Quantity Theory of Insanity

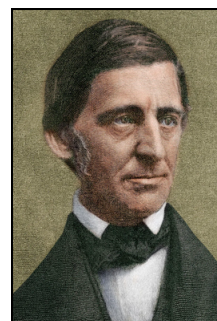
Will Self

Anna: The Biography

Amy Odell

Misery

Steven King



Ralph Waldo Emerson (1803 - 1882) was an author, lecturer, and abolitionist who famously led the American transcendentalist movement. He coined the term “penny wisdom” in his seminal 1841 essay “Self Reliance”.

Dear Reader,

A. Lawrence Lowell, the president of Harvard University from 1909 to 1933, described business as the “oldest of the arts.” Indeed, ancient Chinese civilizations were using cowry shells for currency as early as 3,000 years ago. Simple bartering dates back even further. But at that time, Lowell could also have called business the “newest of the sciences”. He stood before a certain juncture in business history where business had become both a practice *and* a discipline to be vigorously studied.

This came about because the Gilded Age and its barons had left in their wake baffling new economic realities that beckoned the attention of the academy. “Business schools”, not unlike our own, quickly answered the call. Corporations had become hopelessly enmeshed in Americans’ lives, and by the time the Great Depression rolled around, the unelucidated mysteries of business could no longer be ignored.

Later, in 1941, New York University’s James Burnham penned his seminal book, *The Managerial Revolution*. In it, he described a paradigmatic shift in American corporate structure: from lone industrialists commanding over masses to a nexus of managers. Such managers were readily supplied by the aforementioned “business schools” which had been mushrooming around the country for two decades. This delegation of labor only gained more traction throughout the 20th century, and now, according to a 2016 Harvard Business Review analysis, there is a manager for every 4.7 workers.

And here we are, happily awaiting (or doomed to) such a career and restlessly investigating this newest of the sciences. In a way, we’ve made a separate science out of just that. Commit to memory enough Quizlets and acronyms and you too can boast a managerial role. In that capacity, you can employ overused metaphors to excite your interns, expense a few meals, and (if you’re lucky, wear jeans on Friday.

Quickly, you'll notice that everyone is a director of something, though few have ever seen what it is they direct; plants and factories and warehouses are far removed from the lattice of cubicles. We will have to trust that the numbers on our spreadsheets mean something, somewhere.

But let's not pity ourselves. Managerialism, while perhaps uninspiring, has practically assured us of careers and comfort—both the envy of generations past. Those of Maslow's needs which are “basic” or “physiological”, in other words, are satisfied. We are not wrong, however, to question whether or not those more existential needs like “self-actualization” and “transcendence” are met in this system. In succumbing to the lure of security, in quietly acquiescing to the apathy of the corporation, we perhaps ensure that they are not.

It is the mission of this publication, as of our institution, to resist the few bad impulses of this system. Exploring the science of business can be a Faustian journey of sorts; in the pursuit of knowledge (and money) one's principles can be shelved and conscience sullied. But the Questrom Business Review will try to foster a sense of lucidity in its reader, an appreciation for business's governing dynamics, and a higher sort of understanding that might immunize against this corporate fever.

How can this be achieved? Foremost, we will ask questions. We will ask the most fundamental questions that can be asked. What is a good business? Should we disinvest our endowment from arms manufacturers even if they supply Ukrainian troops? Can business explain why buildings are so ugly? We will employ perspectives beyond Questrom's hallowed walls. Inquisitiveness will be our sole beatitude, and finding answers our *raison d'être*.

To reap the fruits of this endeavor, you need only read on. Read at the T-stop, read in line at Breadwinner's, read between classes and read in the stir fry line (and never surrender!) If you fancy yourself a wordsmith with something—anything—to say, we encourage you to join us on the tip of the spear.

We will welcome new contributors throughout this semester.

Do not, to quote Ralph Waldo Emerson, blindly subscribe to the “penny wisdom” of this science and the managerial world. Remember that we are not a “trade school” but a university, striving beyond the pecuniary and towards the good, the true, and the beautiful. The Questrom Business Review will make sure we do. Climb aboard!

The Gilded Page

How To Not Speak Corporate

by Jack Lyons

6



HOW NOT TO SPEAK CORPORATE

The Need for Balance in Speaking and Writing in Business

Opinion Piece by Jack Lyons



Did you see *Oppenheimer*? You better believe this big-time history fan did. But before going, I did my due diligence. If I was going to dump twenty dollars on a movie (really, Regal?), it had better have some serious endorsements. So, I sought the verdicts of our cultural luminaries — the film critics. Upon Googling “*Oppenheimer* reviews”, I stumbled upon one from the Associated Press. It began:

“Christopher Nolan’s ‘Oppenheimer’ is a kinetic thing of dark, imposing beauty that quakes with the disquieting tremors of a forever rupture in the course of human history.”

I still have no idea what that is

supposed to mean. It’s a sentence our brains vainly try to swallow like a linguistic horse pill. In fairness, the rest of the review was digestible, but that first sentence had filled me with a sort of indignation. I wondered if the author wrote it only to infantilize the reader, to fill them with a childish awe and impressionability. I wondered if it was written more to seduce than to explain. To affirm the author’s dominance and my meagerness. To mystify. It was perhaps the first time I’d been insulted—personally—by a film review.

Now, there is nothing wrong with cherishing aesthetic values. In fact, we should. We should use words because if we don’t, they will die. It’s better that the English language be expansive because there are more avenues for thought and articulation. But one should also try to avoid the gaudiness that so often characterizes other works. For instance, take this excerpt from former Seventh Circuit chief judge Frank Easterbrook’s decision in *Frantz v. U.S Powerlifting Federation*:

“The absence of ineluctable answers does not imply the privilege to indulge an unexamined gestalt.”

Or my personal favorite from the scholar Judith Butler for which she, funnily enough, won first prize in one journal’s annual “Bad Writing Contest”:

“The move from a structuralist account in which capital is understood to structure social relations in relatively homologous ways to a view of hegemony in which power relations are subject to repetition, convergence, and rearticulation brought the question of temporality into the thinking of structure, and marked a shift from a form of Althusserian theory that takes structural totalities as theoretical objects to one in which the insights into the contingent possibility of structure inaugurate a renewed conception of hegemony as bound up with the contingent sites and strategies and the rearticulation of power.”

Why do a powerful jurist and a renowned intellectual feel the need to engage in what one might call self-indulgent pedantry? I have no idea. Surely, we don’t need convincing of their erudition. And what is the line between upholding aesthetic values and this?

It is blurry, to be sure, but it is there. Luckily, locating it precisely is not necessary; one need only remember that writing is a balancing act wherein flare should be weighed against clarity. Keeping words alive need not mean forming a Butlerian penchant for penning near-incomprehensible prose, nor need directness mean blandness.

But so what? We are, for the most part, aspiring financiers, consultants, marketers and the like—not essayists. Why should we beware of the aforementioned rhetorical excesses?

Consider just how many shareholder addresses have discussed something like “synergizing with our stakeholders” or “broadening our bandwidth” or “enhancing our agility”. If we take a second listen, we quickly realize that these platitudes (however linguistically sexy) don’t really mean, well, anything. The investor in the audience defines them. The mood of senior management is hopelessly shrouded by them, and they are functionally useless. They are out of balance, tilted toward flare. We are left to trust in the authority of the words themselves and the (implied) brilliance of the speaker who, no doubt, has “thought leader” slapped

somewhere on their LinkedIn page. The overuse of flare as we see, can quickly become an expedient way of being taken seriously, whether by fellow academics or our own peers in business.

Consider also that WeWork, a real-estate company that never made a profit, became one of the most valuable U.S startups at its height because its founder, Adam Neumann, said cool things about it to venture capitalists. The company's stated mission was to "elevate the world's consciousness" (they leased shared office spaces). Vanity Fair notes that "[Neumann] pitched himself to investors as a gatekeeper to a rising generation." Neumann secured 12 billion in venture funding by talking. Evidently, unbalanced rhetoric not only stupefies our shareholders, but can stupefy *anyone*.

Remember that we are ultimately searching for meaning in our workplaces. But such a search would surely be frustrated if we are forced to wade through meaningless corporate cliches. Just as academic writing can be obscured by copious amounts of fluff, so too are corporations guilty of cloaking their own messages in

"nothingness". If the mission statement of Company X involves "saving the world" or "making life better", we can be assured of X's linguistic craftiness, but cannot be assured of much else. Such a statement conveys about as much meaning as the AP's film review or Easterbrook's decision. Further, such statements reveal that not only can organizations feign competence with abstract language, but can slyly flatter our own forward-looking sensibilities with therapeutic language too.

“

We should use words because if we don't, they will die.

- Jack Lyons

”

Plus, the (ironically named) Princeton professor Daniel Oppenheimer published a paper* in 2006 making the case that clear, concise diction can actually make authors appear *smarter*. All the more reason to avoid falling prey to what Orwell called the "slovenliness of the English language". That is, we must avoid leveraging the fact of a word's bigness or a sentence's stylishness to make some covert statement about ourselves. We must also avoid using

“empty” words to give our organization a savory flavor. Vapid effusions about “synergizing” or “humaning” or “curating” are less substantive than fashionable and describe nothing in particular. Vowing to “uplift” or “transform” society is gimmickry, not heroic. Our employees, customers, and colleagues deserve better!

For the Review’s part, we will try to maintain the balance. But what do you think? Is the end goal of language to shed its underused words, or should we strive toward some greater aesthetic ideal regardless of ease of communication? Are “corporate spiels” harmless, or depriving us of real meaning in our jobs? We’d love to hear from you.

**Consequences of Erudite Vernacular Utilized Irrespective of Necessity: Problems with Using Long Words Needlessly.*

ABOUT THE AUTHOR:



Jack Lyons is the Editor-in-Chief at the Questrom Business Review. He is a sophomore in the Questrom School of Business concentrating in finance. Outside of academics, he is

the president of the sophomore class, a senior analyst in the Boston University Finance Club, a member of the Boston University Financial Modeling Club, and an incoming Investment Banking Summer Analyst at JP Morgan. His favorite book is either *Atlas Shrugged* or *The Green Mile* and he is currently reading Harold Bloom’s *The Western Canon: The Books and School of the Ages*. When he isn’t with his books, you’ll find him cheering on the Philadelphia Phillies, shooting baskets, talking about European castles and little-known movies, and running around Boston with his girlfriend. He is originally from Philadelphia, PA.

The Questrom Forum

How This Questrom Student is
Shaking Up the Scheduling
Process

with Jonah Katz and Jack Lyons

11

Locked in the Octagon

by Eli Cloutier

15

Who's in Charge Here?

by Pamela Alvarado

17

Ozempic: A Sweet Deal or a
Stomach Ache?

by Elizabeth Ricardo

20

The New Population Bomb

by Elise Choi

23

The Economics of Ugly
Buildings

by Amelie Brid and Jack Lyons

26

HOW THIS QUESTROM STUDENT IS SHAKING UP THE SCHEDULING PROCESS — WITH AI

A Conversation with Jonah Katz (QST '26)

Interviewed by Jack Lyons

(Jack) I am speaking with Jonah Katz today, who has traveled all the way from Fenway, Massachusetts to attend BU and be with us today. Do I have that right?

(Jonah) [laughs] That is correct. It was a long trek, but I'm here.

(Jack) Well in any case, thanks for talking to the *Review*. So, I guess we'll jump right into it.

(Jonah) Sounds good.

(Jack) Tell us a bit about your background. Were you the kid designing video games in fifth grade? What got you into coding?

(Jonah) Well, I didn't really start coding programs until, maybe, the beginning of high school. My brother was into it when he was fourteen. He actually created a weather app that calculated whether or not schools would have snow days, and he had

me help him with the algorithms. I loved the math behind the algorithms. Then during COVID, I just became heavily invested in coding. I started by programming a Tic-Tac-Toe game, but I wanted to add an AI opponent later on, so I created that bot. Later, I posted the game to a website with my brother — and took it down when it got too pricy. Anyway, that was the first time I really dabbled in programming.

(Jack) Alright, so this is something of a runaway Covid hobby. So why is the *Review* talking to you today? Tell us what you're doing now. Your elevator pitch.

(Jonah) Well, I wanted to make something that had actual value, not just something "cool" per se. I'm in business school now, and the name of the game in business school is productivity, right? So I thought of pain-points and bottlenecks in the way we do things. What's a bigger headache than course scheduling and finding information? Then I'm like, alright, what if you had an AI

student assistance in your back pocket? Like a personal, portable counselor? One that could, say, give me the classes I need to take, what food is being served today, how much money I can expect to make after graduation, etc.

(Jack) And now, I understand you have something of a young product. So how does it work?

(Jonah) In terms of user interface, if you use ChatGPT, you'll get this easily. Very similar mechanics. You feed it a query and it outputs an answer with citations and sources. It employs a database of all publicly available BU webpages and the AI scrapes from it to generate a response for you. The interface is very intuitive, and that's the point.

(Jack) Who will be able to access this tool? Is it limited to Questrom students at this stage in development?

(Jonah) Right now it is available exclusively for BU students and faculty. All you need to get started is a Boston University email address. You can access the student assistant by going to app.busearch.com and inputting your email. In the next

week, we want to build a landing page at busearch.com, which will direct you to the bot itself.

(Jack) Maybe this is an obvious question, but how exactly are you changing or improving the student experience? What are the implications here?

(Jonah) It's all about time. Do you want to scroll through thousands of web pages, or do you want a one stop shop for all things BU? It is reducing the time students spend doing menial tasks. Students can spend more time on their passions, personal projects, coursework, and their lives. I want the BU Search App to be *the* place to find information. There's no friction, there's ease of use, and it's there whenever you like.

(Jack) Tell us, if you're willing to disclose, what some of your future plans are. Give us a timeline. When can we expect a version to be released for general use? Do you plan on expanding to other universities or monetizing in some way?

(Jonah) Like I mentioned, we are currently in the Beta version, which has been released already.

In October, we plan to release the full version with more features, better interface, etc. In the long term, we want to gauge whether or not BU students like it. After that, we can even think about bringing this to other universities. But we're starting small right here at home. I should mention that the program is completely free, by the way. No ads, no monetization on my part.

(Jack) We are an unusual business review because we like to frame developments like these within a bigger picture. You know, AI might be growing at a CAGR of however much percent, but we're wondering what it means for the human experience. Maybe it has a lot of practical uses in course scheduling, but do you have any concerns that, oh, maybe it is depriving the corporate world of real creativity? Are people expendable now?

(Jonah) I think instead of viewing it as people getting pushed out, it's just an addition to the market. I 100% used generative AI for this project. It multiplied my productivity. It didn't force me out, but it *did* make this possible given the time I have. I can produce faster, better, and more

often. If anything, I am more creative because barriers to bringing ideas to fruition have been removed. A stone isn't any good without a chisel, you know? ChatGPT and generative AI boosts, not limits, creativity. I'll put it this way: AI always needs an input. It's a tool for humans.

(Jack) Yea, I'm wondering if AI will be to the Internet what the Internet was to public libraries. And, well, I'm glad I don't have to hike over to Boston Public Library when I want to know a celebrity's birthday. The AI doomsayers sound a bit like carriage salespeople in the 1920s in the face of the automobile revolution. The ado is more reflexive, maybe, than anything.

“

It didn't force me out, but it *did* make this possible given the time I have.

- Jonah Katz

”

(Jonah) Well, change is always scary. There's sort of a curve. You get introduced to the new thing, then there's the fear, then there's the realization that oh, this isn't so bad. This is helpful, actually. It will change

how we work, but it won't destroy work itself.

(Jack) Well Jonah, sounds like you've got your work cut out for you. How can students get involved here? Are you looking for testers or developers?

(Jonah) All of the above. Marketers, testers, advertisers, developers, back-end, front-end, research, everything. I think this is valuable, and we want more people on the forefront. Contact me at jjkatz@bu.edu or busearchconnect@gmail.com. Shoot me a line on any of those. We want the code to eventually be open source, so many people will be able to innovate and contribute. We want everyone's input. Right now I have three guys on the project with me, but we'd love to add more to the team. If you want to be a developer, we really want people who want to learn. You don't need to be a data scientist. Just reach out.

(Jack) Alright, again, I am with the remarkable Jonah Katz writing for the Questrom Business Review. Thanks for joining us today, Jonah.

ABOUT THE AUTHOR:



Jonathan Jonah Katz is currently a sophomore at the Questrom School of Business, where he is concentrating in finance and business analytics while pursuing a minor in computer science. Outside the classroom, he is a data analyst and engineering intern at knode.ai and a member of the fintech club. He is an avid football and basketball fan and enjoys playing basketball and tennis recreationally. He was born in Boston, MA and is a proud Bostonian.

LOCKED IN THE OCTAGON

The Battle for Fair Pay in The UFC

Article by Eli Cloutier



The Ultimate Fighting Championship, without a doubt, is uber-successful. In 2022, the UFC's parent company Endeavor generated \$1.3 billion in revenue, a 20% increase from the previous year.

Led by President and CEO Dana White, the UFC is a monopsony. According to filings in the UFC antitrust lawsuit, the promotion has a 90% market share both domestically and internationally in the mixed martial arts market.

To their credit, the UFC has the deepest roster in terms of talent, including the best fighters in the world compared to every other MMA promotion. Employing the world's best has allowed the UFC to

sell out all 29 events with live audiences since returning from the pandemic.

Given the incredible success of the UFC, it'd be fair to assume that everyone involved in its success would be compensated accordingly, namely, the fighters. Unfortunately, that's not the case.

The pay structure in the UFC is vastly different from other professional sports. The minimum is \$12,000 per fight and with a win a fighter earns an additional \$12,000. \$24,000 is objectively low for a professional athlete, and remember, it's only \$24,000 if the fighter wins. To put it into perspective, the minimum salary in the National Football League is \$750,000.

The UFC does give out \$50,000 fight night bonuses for performance and fight of the night. So if a fighter on the minimum wins and earns a bonus, they'll have earned \$74,000 for one fight. That's obviously before taxes and gym expenses, but even with the low base salary, the pay scale is extremely skewed, as the average UFC fighter made \$150,000 in 2022.

The promotion's biggest stars earn millions of dollars per fight.

On top of the much larger show and win money, certain fighters earn pay-per-view points. The fighter gets additional pay based on the success of the event which they compete in. The number of fighters earning a substantial amount of money to fight is a minority of the roster.

In recent years, more and more fighters have voiced their displeasure with the pay structure, including the lack of benefits.

They don't have health insurance, retirement benefits, or workers' compensation. The UFC only covers medical expenses for injuries sustained during fights. If a fighter gets hurt training for a fight, it's on them to cover medical expenses. The UFC says that their fighters aren't employees, but rather independent contractors, which allows them not to offer these benefits.

Given the brutality of the sport, the long-term health of the fighters is a real concern. UFC fighters are at risk of suffering from chronic traumatic encephalopathy (CTE).

Unlike other major sports, UFC fighters aren't unionized and there's no traction in one being created.

With the top fighters earning millions, they aren't willing to hold out to unionize and complete a collective bargaining agreement. Unfortunately, without a union, any real change is unlikely.

ABOUT THE AUTHOR:



Eli Cloutier was born and raised in Albany, New York, and is studying journalism at Boston University. He is currently a student reporter and columnist

for the Daily Free Press, where he covers collegiate athletics and writes a column on professional boxing. Additionally, Eli is a sports correspondent for the Boston Globe. In his free time, Eli enjoys listening to music, binge-watching television shows, and spending time with friends and family.

WHO'S IN CHARGE HERE?

A Consideration of “Stakeholder” and “Shareholder” Theories

Article by Pamela Alvarado



To whom is the corporation beholden? It's a question that's been begged in corporate boardrooms, university lecture halls, and the courts. The age-old debate has been revived in recent years as businesses become increasingly enmeshed in public life. Before deciding whether society at large should embrace so-called “shareholder theory” or “stakeholder theory”, it is crucial for people to understand how both approach corporate governance. The needs of society demand that we as consumers understand these theories. As the next generation of managers, this understanding is all the more vital.

Shareholder theory, known also as Friedman doctrine after the late

libertarian economist and Nobel laureate, holds that the sole social responsibility of a business is to increase its profits. The theory views shareholders as the economic engine of a business and the only group to which the firm is beholden. In effect, this means businesses place an emphasis on profit maximization and, by extension, shareholder returns.

This notion of “shareholder primacy” actually has legal recognition. The theory is widely thought to have been legally codified in the 1919 case *Dodge vs. Ford*. By 1916, the Ford Motor Company had accumulated surplus earnings of nearly \$60 million. Ford sought to end a special dividend to his shareholders and reinvest the surplus in plants and new capacity, much to the dismay of his shareholders, who at this point were accustomed to hefty yearly payouts. Minority shareholders, among them brothers John and Horace Dodge, took Ford to court alleging that he violated his fiduciary duty. The Michigan Supreme Court ruled that Henry Ford must run Ford Motor Company in the shareholders' interests, and was therefore obligated

to resume paying out dividends and his plans for massive capital investments.

Proponents of shareholder theory claim that it can promote more effective management practices. By focusing on shareholder value, companies are often driven to innovate, cut costs, and increase efficiency. Another advantage is that it can provide clarity for shareholders when choosing a firm to invest in, and firms are compelled to lay out clear agendas and strategic priorities. By making profit the sole measure of a firm's social validity, it becomes very easy to, well, measure a firm's social validity. While financial statements may have assumptions and allowances, it is far easier to compare the bottom lines of firms than, say, their "added value to the world". Since the main objective is to increase profits under the shareholder approach, companies are incentivized to provide clear and detailed financial reports, making it much simpler for investors to evaluate the company's performance and make informed investment decisions.

On the other hand, stakeholder theory rejects the Friedman doctrine and holds that shareholders

are but one interest to which the firm is beholden.

Among others include the firm's customers, employees, the environment, and future generations. The stakeholder approach addresses moral concerns that can arise when profit maximization alone is the goal, even if that means subordinating shareholder interests. The main advantages of the stakeholder theory are, perhaps, obvious. Under this approach, the firm's existence is justified by society and, to maintain its legitimacy, the firm must honor the terms of a "social contract" of sorts. This may mean voluntarily getting rid of harmful additives to products, partnering with diverse suppliers, and taking steps to limit its carbon footprint. In short, ethical considerations are baked into the decision-making process where they may otherwise be neglected.

Though perhaps counterintuitive, there is also a business interest in this approach; in broadening management's social considerations, companies gain insights into emerging trends, market shifts, and societal expectation.

This enhances the firm's adaptability

and connection with the “outside world”, and the firm can enjoy reputational benefits and customer relations as a result of this approach.

In August 2019, the Business Roundtable, an association of CEOs from America’s largest corporations, released a new statement on the purpose of a corporation. The statement, whose signatories ranged from Apple to Walmart, rejected in no uncertain terms the tenets of the Friedman doctrine and laid out a broader set of corporate priorities. While skeptics found the statement to be more performative than genuine, the shift in rhetoric is noteworthy and signifies a departure from the old corporate rulebook. Shareholder and stakeholder theories have starkly different approaches to management, and the debate on the merit of each has no end in sight. As the managers of tomorrow (and customers of today), it is incumbent upon us to weigh the pros and cons of each approach against the ever-changing needs of society. As with all debates about best business practices, we can expect the prevailing theory to be revealed with time.

ABOUT THE AUTHOR:



Pamela "Pam" Alvarado is currently a sophomore at the Questrom School of Business. A proud first-generation Latina from Los Angeles,

CA, she plans to concentrate in Business Analytics and Information Systems. In addition to writing for the Review, she also contributes to the BUBuzz as a wellness writer. She enjoys crafting short stories in her spare time. Outside of academics, you'll find her running, spending time with her friends, listening to music and eagerly exploring Boston (despite the weather).

“OZEMPIC: A SWEET DEAL OR A STOMACH ACHE?”

The New Weight Loss Drug Taking America by Storm

Article by Elizabeth Ricardo



If you’ve watched any red carpet events lately, you’ll likely notice that many celebrities have significantly slimmed down their figures. While stars have been known to utilize personal trainers and trendy diets, the newest weight loss fad is not restricted to Hollywood elites. The shrinking waistlines of Hollywood—and everyday consumers—are due to a “miracle drug” called Ozempic.

Ozempic is a brand containing the active ingredient semaglutide, which was initially designed to treat people suffering from Type 2 diabetes. Semaglutide imitates a hormone found in your gut called glucagon-like peptide-1 (GLP-1) that reduces the

production of blood glucose after meals. GLP-1 impacts the area of your brain that is responsible for controlling your appetite, impulse control, and reward sensations. Through the suppression of appetite, the drug elicits the sensation of fullness, thus reducing the amount of food that one consumes. Weight loss results as a consequence of caloric reduction.

Ozempic, as well as its sister-drug Wegovy (both produced by the Danish pharmaceutical giant Novo Nordisk), and Mounjaro (produced by US-based Eli Lilly) are some of the most popular GLP-1 drugs in the market. Wegovy is the only GLP-1 drug that has been approved by the FDA as a weight-loss drug. Ozempic and Mounjaro are only approved to treat diabetes. The lack of FDA authorization has not stopped consumers (or doctors) from using and prescribing these GLP-1 drugs to shed pounds in a practice known as off-labeling.

The number of people with a prescription for semaglutide

medication is 40 times higher than it was five years ago, and off-labeling prescriptions of Ozempic have doubled over the past two years.

Sales of Wegovy surmounted to \$900 million in 2022, leaving analysts at Morgan Stanley to revise their forecasts of the global obesity treatment market from \$54 billion to \$77 billion in annual sales by 2030.

Traditionally, big pharma companies have not been valued near the trillion dollar mark due to the cyclical nature of most patented drugs. Once patents expire, generic competitors produce very similar, lower-costing drugs that often dilute the success of the original producer. However, Eli Lilly and Novo Nordisk have a combined valuation that exceeds one trillion dollars, suggesting that one of these drug-makers may become the first to break this historic trend.

“

**Americans became enamored
of the fad diet.**

- Elizabeth Ricardo

”

Interestingly, market valuations for producers of sleep-apnea machines and knee-replacement products have

declined by \$300 billion following the success of Ozempic. This trend has also led those in the bariatric surgery sector (which generates \$40 billion in annual sales) to warn their investors of a possible decline in the necessity of their products.

These reductions in market valuation are reminiscent of the impact that the low-carb Atkins Diet had on fast-food industries like McDonald's. In the early 2000's, Americans became enamored of the fad diet and began limiting their consumption of foods with high levels of carbohydrates. This ultimately led McDonald's shares to drop 30% during the winter of 2003, leaving trading below \$30.

Similarly, the popularity of Ozempic has led shares of medical-device companies such as Insulet (a producer of insulin pumps) and Dexcom (a glucose monitor manufacturer) to drop 49% and 23%, respectively. Walmart has observed the effects of this trend in real time, with Ozempic users purchasing fewer food items than those who are not using the GLP-1 for weight loss

Novo Nordisk underestimated the rate at which demand for its products would grow, and has faced shortages in its supplies after signing with only

one manufacturer to help produce its GLP-1s. Diabetics who rely on the drugs have been forced to stretch out their current supplies, reduce their dosages, or switch to alternative medications.

Those that partake in off-label use of GLP-1s will likely find that it is not covered by their insurance. Medicare, for example, covers the usage of GLP-1s for diabetes patients, but does not cover their usage to manage obesity. If ten percent of obese Medicare beneficiaries were to take Wegovy, it could cost Medicare up to \$27 billion a year, according to forecasts. Over the past decade, Novo Nordisk spent an average of \$3 million a year lobbying Congress to cover weight-loss treatments.

Though its unintended weight reduction properties increased the attractiveness of GLP-1s, supply-chain side difficulties have proven to be less appetizing and will hinder more widespread usage of the drugs in the future. The macroeconomic impact of GLP-1s is much more consequential than the declining number that appears on the user's scale.

ABOUT THE AUTHOR:



Elizabeth Ricardo is a contributor at the Questrom Business Review. She is a sophomore at the Questrom School of Business concentrating in finance. She is also a Junior Analyst in the Boston University Finance and Investment Club and a Deans' Host at the Questrom School of Business. When she's not in class, you can find her drawing portraits, listening to music, doing pilates, and visiting coffee shops with her friends. She is originally from Long Island, NY.

THE NEW POPULATION BOMB

Confronting Declining Birthrates in South Korea

Article by Elise Choi



On the bustling streets of Seoul, a sprawling Asian metropolis lined with gleaming skyscrapers and the host of a vibrant culture, an especially keen tourist might wonder: where are all the kids? Indeed, as the nation grapples with the new complexities of its rapid (and recent) economic development, South Korea has found itself entangled in a demographic conundrum where the prospect of a shrinking population looms ominously on the horizon

Since the mid-1980s, South Korea's fertility rate has fallen below the level needed to sustain a population, and despite decades passing, it has never recovered. This historical backdrop sets the stage for the current predicament the nation faces.

With each passing year, South Korea's fertility rate drops to new depths, exacerbating the severity of the nation's demographic challenges. According to the latest projections reported from Time, the average number of babies per woman for 2023 year stands at a mere 0.72 children per woman, a sharp decline from the already world-low figure of 0.78 in 2022. This downward trajectory shows no signs of abating, with forecasts projecting a further dip to 0.65 by 2025.

The South Korean government continues to attempt to confront this stark reality through initiatives including "baby bonus" payments, increased childcare benefits, housing plans, and even hosting matchmaking events to promote family-building. However, these programs have been unsuccessful as birth rates continue to decline.

At the root of South Korea's enduring struggle with low birthrates is a complex interplay of factors. The high cost of living, compounded by a poor housing system, creates daunting financial obstacles for prospective parents.

Additionally, low marriage rates and high divorce rates have destabilized the traditional family structure, further contributing to demographic challenges.

Long work weeks, a manifestation of South Korea's relentless work culture, leave little room for the nurturing of familial bonds. The result is a society where women especially are more inclined to pursue a career than to start a family. However, one of the most entrenched factors perpetuating this trend is the patriarchal expectations imposed upon women. As NPR reports, South Korean women feel that Korean society assigns women the primary responsibility for child-rearing and household chores. This gender imbalance makes the idea of raising children even less appealing to many of these women, who increasingly see little reason to subject themselves to burdensome domestic lives.

These problems are not unique to South Korea, as many Western and developed countries face the issue of declining birthrates. However, countries like the United States counteract its low birth rates through immigration, mostly through Latin America. According to the International Monetary Fund, “In the

“In the United States, the total fertility rate of natives was 1.76 children per woman in 2017, whereas that of immigrants was 2.18.” Since the presence of immigrants worked to bring other nations back to their replacement rate, shouldn't South Korea adopt these immigration policies? The answer is not as simple as it seems.

“

Women especially are more inclined to pursue a career than to start a family.

- Elise Choi

”

Korea's history is characterized by a strong emphasis on maintaining ethnic homogeneity, with immigration policies historically reflecting this stance. Unlike countries with long immigration histories, Korea's engagement with other nations and ethnic groups was limited until the 1990s due to geopolitical reasons. Consequently, the country's approach to migration-related issues such as public order, migration regulation, and illegal migration was not as deliberate or developed.

Despite providing visa privileges to ethnic Koreans in the region, integration has often been a struggle,

particularly for those deemed as "mixed-blood" residents who have faced social and institutional discrimination. As non-Korean immigration slowly increased, the tolerance for multiculturalism has failed to keep pace, with discrimination and nativist sentiments persisting.

While there has been greater openness towards non-Korean residents in recent years, South Korea faces a demographic challenge that demands a more pronounced shift in attitude towards immigration. South Korea's nativism and low fertility rates are unsustainable if the nation wishes to maintain a productive workforce and, equally important, a large enough tax base to fund entitlement programs.

The solution lies in welcoming more non-Korean workers and fostering more gender egalitarianism to make family arrangements more bearable for female Koreans. This would require significant changes in how non-Korean workers are perceived and treated and an overhaul of Korea's family dynamics. It won't be easy, but these changes are essential if Korea is to remain competitive in the global economy and continue to grow its own.

ABOUT THE AUTHOR:



Elise Choi is a contributor to the Questrom Business Review. She is a sophomore studying International Relations with a regional

concentration in Asia, a functional concentration in business, economics, and politics, and a minor in Business Administration. On campus, she is deputy director on the City Affairs Cabinet in Student Government, Outreach Director for BU's International Affairs Association, Asia section writer for the International Relations Review, and a member of Delta Phi Epsilon. She is an intern for the Department of Agriculture's Agricultural Research Services. She enjoys making coffee, shopping on Newbury Street, and listening to Fleetwood Mac in her free time.

THE ECONOMICS OF UGLY BUILDINGS

Hate City Hall? The Feeling Might Be Mutual

Article by Amelie Brid and Jack Lyons



If you get a chance, you should take the T to Park Street and check out the Massachusetts State House. The seat of the Commonwealth's government, it is guarded by a phalanx of Corinthian columns, topped with a gold rotunda, and constructed with carefully chiseled bricks and stone. It draws from neoclassical, federalist, and byzantine architectural styles, paying homage to America's ancestral aesthetics. It is food for thought, the eyes, and the soul.

But don't stray too far north, lest you'll wind up at the other center of government in Beantown: City Hall. It is sure to spoil your appetite if you're heading to Little Italy, no doubt to the chagrin of local

restaurateurs. A "tribute" to Le Corbusier's Pavillon de l'Esprit Nouveau, the building is the quintessential brutalist eyesore. The building is unsure of itself; its barrenness has a minimalistic intention while its many jutting slabs and supports serve as agents of complication. It combines a Soviet utilitarianism with a postmodern weirdness - both the sworn enemies of beauty. Surely, Boston's fair people regard it with deserved disdain?

Well, sort of.

To my astonishment, City Hall was ranked first on Boston Magazine's Top 100 Boston-area buildings and was given two stars by the Michelin Green Guide (apparently they do buildings too). Critics revere City Hall as if it were the Tower of Babel. Yet the masses, and even some City Hall officials, have their own thoughts. Boston mayor John F. Collins reportedly muttered something to the effect of "what the hell is that" when shown what was to be his new office. In one online poll by travel agency Virtualtourist, the building was voted the "World's Ugliest" by a wide margin.

Why does City Hall, and its similarly unsightly cousins in D.C., look the way they do? Part of it comes down to misanthropy, or a general dislike of people. As the dust of the Second World War settled, artists could hardly bring themselves to celebrate the human experience with nescient, sublime buildings. This attitude permeated other realms of art too. The British painter Francis Bacon, for instance, abandoned his carpentry shop and began painting ghastly Greek Furies in bulbous forms. This was Bacon's way of reckoning with man's newfound capacity for destruction; the atomic bombs had fallen just years before. In fairness, modernist architecture was not *merely* a punitive thing. The artistic community was also enamored of ideas of "raw form" and geometry and sought to explore *elements* rather than ornamentation. Ugly buildings, then, should not only be understood as indictments of their viewers, but also as forms of experimentation.

But their viewers pay for them. Their viewers toil away on computers inside of them. They were erected courtesy of the taxpayer to punish that very taxpayer. But even if architecture should be used to discipline and reproach, it is strange to think that it

ever would. After all, why would filling people with ennui and depriving them of visual edification compel them to be *better*?

There is actually a fair bit of data on Americans' architectural preferences. A survey conducted by Harris Poll on behalf of the National Civic Art Society, for instance, found that a whopping 72% of Americans prefer traditional styles to modern. These preferences united nearly every generation, race, and political persuasion.

“

**Taxpayers subsidize designs
that hate them.**

- Amelie Brid

”

So clearly, decisions involving civic architecture are far from democratic. It generally begins with an agency initiating a project and awarding a contract to an architecture firm, who then commissions engineers. This process is flawed because it eschews considerations of popular sentiment. It should really look more like a market, where aggregations of preferences determine victors as opposed to the tastes of shadowy

bureaucrats. The economics of ugly buildings are such that these buildings are insulated from competitive pressures (architectural firms more in line with mainstream American preferences).

To amend these illiberal economics, governments might display alternative building designs to the public (with costs included) and allow for a vote, similar to a ballot measure. They might organize public hearings and allow for public comment. They might even outsource all design-related matters to a board of area residents, who would naturally be more intune with local preferences. Regardless, the current model, wherein unwitting taxpayers subsidize designs that hate them, is plainly inadequate.

So how can architects afford to conjure up public buildings that are despised by the public? It comes down to bad economics. Contracts flow to the best bidder through a thoughtless auctioning away of our civic identity. Firms are incentivized to cater to the architectural palates of unelected officials and to reduce costs wherever possible. There is no good more public than the buildings we see on our daily commutes, so it only makes sense that we have a say in what they look like.

ABOUT THE AUTHOR:



Amelie Brid is a contributor to the Questrom Business Review. She is a sophomore studying History of Art and Architecture on a

Pre-Law track. She is a member of the Phi Alpha Delta pre-law fraternity and previously interned in the court of common pleas of Chester County, PA. She is an incoming judicial clerk for the District Attorney of Delaware County, PA. She hopes to be a criminal prosecutor after law school. Outside of class, she is an avid reader, and her favorite novel is *1984* by George Orwell. She also spends much of her free time oil painting and baking chocolate chip cookies. Amelie is originally from Seattle, WA (but hates coffee).



Boston City Hall

Constructed 1968 by Kollman
McKinnell & Knowles and
Campbell, Aldrich & Nulty

Mass. State House

Constructed 1798 by American
architect Charles Bulfinch



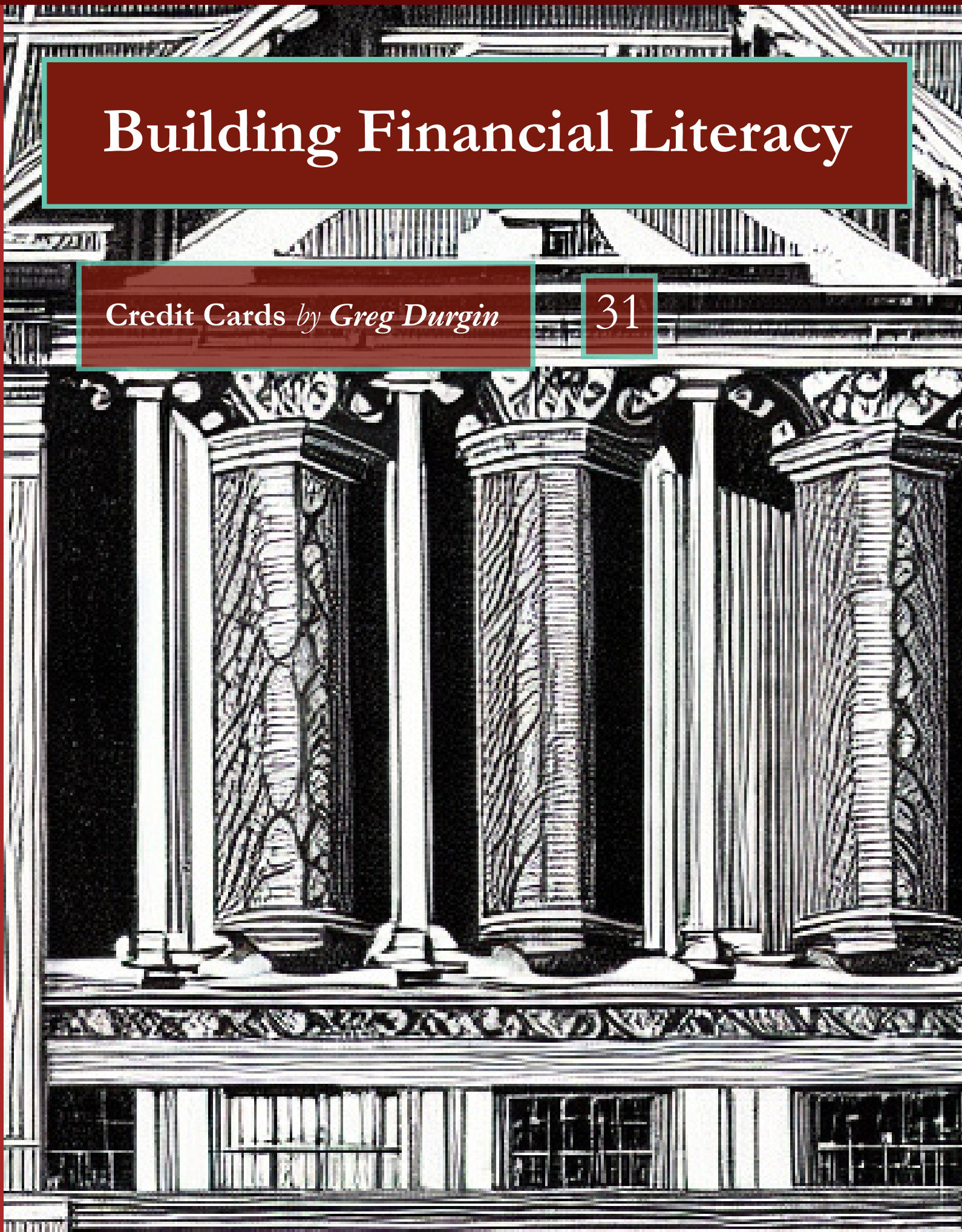
Three Studies for Figures at the Base of a Crucifixion

1944 tryptich by Francis Bacon
(oil and pastel on canvas)

Building Financial Literacy

Credit Cards *by Greg Durgin*

31



CREDIT CARDS: Credit Score

1

Why use Credit Cards?

Credit Cards, when used responsibly, allow you to benefit from **rewards** and **build a credit score**.



2

Understanding Credit Scores

Your **Credit Score** is a collection of many aspects of your **credit history**. The *best* way to build your credit is by paying off bills every month and **never using more than 30%** of your available **credit line** (aka the total amount you are authorized to use on your credit card).



Maintaining a **good credit score** allows you to save up to hundreds of thousands of dollars on future loans for your home or car!

CREDIT CARDS: Understanding Risks



3

The Risks of Credit Cards

Although credit cards can be used to save you money, they also have the potential to **LOSE** you lots of money if used incorrectly. Understanding this is the key to **staying ahead**.

4

What are the risks?

Credit cards typically have very **high interest rates** - usually around 16-40%. This is nearly **100x** what your bank may pay you in interest. This interest can get **very expensive without very quickly**.

5

How to Minimize These Risks

Using credit cards can be extremely beneficial. However, it is important to **treat them like a debit card**. By only buying what you were going to buy anyway and paying the balance off before the end of each month you can both **build your credit score** and **earn rewards** to be used later for whatever you'd like!



CREDIT CARDS: How To Apply

6

What Card to Start?

Many Credit card companies offer what are known as "Student cards" these cards typically:

- Require no credit score to apply
- Have decent rewards
- **NO annual payment**
- Are easy to apply for



DISCOVER

7

How to apply?

1. Google "Discover It Secured Card"
2. Go to website
3. Follow Instructions

Please note, while many companies will have similar options, Discover It Secure is one of the most popular for students to due to its ease of use and rewards.

8

Starting Your Journey!

Student cards are typically "secured". This means you put in an upfront payment which will act as your credit line, but after **6 months of responsible use** you get this money back as well as your new credit score!



FREQUENTLY ASKED QUESTIONS

How will the review be structured?

Each issue will have three parts. The first part, The Gilded Page, will feature pieces written by the most senior editors. They will try to capture the spirit of our mission, and we expect they will be among the most popular in the publication. Think of this section as a showcase of our “highlighted” piece(s). The Gilded Page is a play on The Gilded Age, the period of rapid economic growth and social change in the US from 1870-1900.

The second part, The Questrom Forum, will feature student submissions from regular contributors and guest contributors. It will have more of a general focus, and the topics may include (self) endorsements, opinion pieces, students describing product ideas, club advertisements, or argumentative pieces. Think of a “town square” of sorts.

The third part, Building Financial Literacy, will feature a new topic in every issue. You’ll find infographics, how-tos, and brief overviews of financial concepts that you’re sure to encounter post graduation. You won’t find this information anywhere else in Questrom!

Who is able to write for the review?

Any undergraduate currently enrolled at Boston University is eligible, though Questrom students are preferred. We believe that restricting the platform to Questrom students would be myopic; one does not need to study business to talk about it.

How can I get involved?

For the Spring 2024 semester, we will directly seek out and contact potential contributors. We will ALSO take applications from those interested in being regular writers next semester. Those applicants who are selected will hold the position of “contributor” through the remainder of the academic year.

Who do I contact if I want to apply for next semester?

Please email a resume and writing sample to lyonsj@bu.edu. No cover letter required. You should hear back shortly thereafter. Note that candidates will be selected on a rolling basis, meaning it will be to your advantage to apply earlier rather than later.

What can I write about?

We don't have many rules. We ask that your arguments be well reasoned, your sources be faithfully cited, and your writing be polished. Of course, we do also ask that your pieces relate in some way to business, but we use that word very loosely. Some potential topics might include a consideration of the ramifications of AI in marketing, the ethical dilemmas around self-driving cars, or a defense/rejection of "shareholder primacy". The possibilities are endless!

If I am a contributor (not a guest contributor), how often do I need to write?

Every regular contributor will be required to submit ONE piece per issue.

Do my pieces need "approval"?

Yes, for purposes of quality assurance and accuracy. Before any pieces are accepted, they will be subject to review and returned to the editor for revisions. Most revisions will be grammatical and/or stylistic in nature. This process will be fairly expeditious.

What is The Questrom Business Review looking for in applicants?

Naturally, we are looking for sterling writers with a knack for spinning words into ideas. We want those of you with rhetorical prowess and vast lexicons. We want writers who are unmistakably distinctive. Do you write with biting wit? Lofty idealism? Stern cynicism? All are welcome. We want a colorful assortment of voices.

We also want students with an interest in the field of business. By this, we do not just mean an interest in "insider scoops" or industry trends.

We are looking for writers who can contextualize these trends within the whole configuration of things, for those who can trace sequences of ideas through time and articulate their own.

Does The Questrom Business Review have a political skew?
No.

Where will The Questrom Business Review be available?
If you're reading this, you've already found one place! We can be accessed via the email from administration and hope to also be housed on Questrom's website.

EDITORIAL

Jack Lyons
Editor-in-Chief

Eli Cloutier
Contributing Editor

Pamela Alvarado
Contributing Editor

Amelie Brid
Contributing Editor

Elizabeth Ricardo
Contributing Editor

Jonah Katz
Guest Contributor

Elise Choi
Guest Contributor

SUPPORT

Carina Huang
Director of Design

Amelie Brid
Graphics and Illustration

Nivia Wilson
Creative Director

Amelie Miller
Digital Media Director

SPECIAL THANKS

Amelie Miller

Digital Media Director



Amelie Miller is a sophomore in Questrom concentrating in finance. She is also a junior analyst in the Boston University Finance & Investing Club and a Strategy Lab analyst for the Boston University Consulting Group. Outside of school, she enjoys playing guitar and piano, shopping on Newbury Street, and making Spotify playlists. She is originally from Chicago, Illinois.

Nivia Wilson

Creative Director



Nivia Wilson is a sophomore in Questrom with a dual concentration in Finance and Law. She is also the VP of Student Affairs for the Sophomore Slate, a Junior Analyst in BUFC, and a member of Delta Sigma Pi. Outside of class, you can find her walking the esplanade, watching true crime, and sharpening her chess skills. She is originally from Sharon, Massachusetts

Carina Huang

Director of Design



Carina is a sophomore in Questrom concentrating in marketing. She is the director of creative marketing in Questrom Student Government as well as a content creator for Boston University's Public Relations and Social Team. Outside of class, she is a member of the Boston University cheerleading team and an admissions ambassador. She is originally from San Francisco, California.