Penn State Smeal College of Business

Risk Management

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Career Overview

Organizations face a wide array of risks in today's rapidly changing and complex business environment. Operations can be disrupted by a variety of unanticipated factors, ranging from external forces like natural disasters and political risks to internal factors like faulty product design and flawed financial systems. CEOs make risky strategic decisions in an increasingly competitive marketplace where the cost of missteps is high. In recent years, firms have encountered new risks in the form of terrorism, global litigation, and the growing costs of human resources.

Employment Prospects

Corporations and non-profits have turned to enterprise risk management in an effort to protect themselves from the adverse consequences of all of these risks. Risk analysis touches a wide range of systems including management and control of risk and legal, political, economic, and property risk assessment. This rigorous program of study is designed to prepare students for careers in risk management, or risk analysis (including actuarial science, enterprise risk management, and real estate), and government agencies that demand quantitative and qualitative skills needed to meet modern risk assessment requirements.

Major Overview

Students in the Risk Management major are required to elect one of three options: Actuarial Science (ACTSC), Enterprise Risk Management (ERM), or Real Estate (R EST). The added flexibility of selecting courses both within the department and outside the college enables students to meet personal and professional goals.

- **Actuarial Science (ACTSC) Option**
  Stresses the application of mathematical and statistical concepts to the measurement of life and other risk contingencies, while at the same time giving students a broad understanding of the business environment.
- **Enterprise Risk Management (ERM) Option**
  Prepares students to identify, quantify, and qualify the regulatory, legal, financial, and contractual aspects of enterprise risk; the management of such risks; and the application of risk management techniques to control risk exposures in organizations.

- **Real Estate (R EST) Option**
  Designed for a wide range of professional opportunities in corporate real estate, counseling, commercial real estate brokerage, appraisal, investment, property and asset management, mortgage lending and banking, and development. The focus of the program is on real estate risk analysis and how to make wise real estate decisions in a world of risk and uncertainty.

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Minor Overview

The Department of Risk Management coordinates two undergraduate minors.

- **International Business (I B)**
  Provides students with knowledge, skills, and experiences that prepare them for a business career that might include international responsibilities. Mastery of fundamental business concepts, coursework in international business, foreign language skills, and an approved study abroad experience each contribute to build perspectives about the challenges and opportunities of commercial activity in a global business environment.
- **Legal Environment of Business (LEBUS)**
  Presents students with a structured study of the statutory and common law governing the business environment. Students in this program have the opportunity to learn advanced legal subject matter, including business organization structures, employment law, property law, commercial transactions, intellectual property, environmental law, and government regulation.

Risk Management Highlights

Consider some of the other factors that help to enhance the environment for Risk Management students at the Smeal College of Business.

Student Organizations

Risk Management majors have access to a variety of discipline-specific student organizations including the Actuarial Science Student Club, the Enterprise Risk Management Association, and the Real Estate Association.

Smeal Office of International Programs (SOIP)

Housed in the Department of Risk Management at Smeal, the Office of International Programs annually coordinates study abroad programs for about 400 students at the college. From semester-long programs to six-week summer excursions, there are over 90 programs available throughout the world. Faculty-directed programs are available during summer semesters in several countries.

Institute for Real Estate Studies (IRES)

Part of a network of research centers at Smeal, the Institute for Real Estate Studies fosters discussion and research between the academic and business worlds and provides a focal point for real estate education at Penn State.

Laboratory for Economics Management and Auctions (LEMA)

The LEMA lab is used by researchers to simulate business activities such as markets and negotiations. Providing hands-on demonstrations of market principles and decision-making behavior, LEMA tests areas such as auctions, bargaining and dispute resolution, electronic markets, mechanism design, and decision support systems.

Key Department Contacts

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