As we are turning towards financial markets, listen to this episode of Intelligence Squared U.S. Debates and write a brief reflection.

More than 10 years ago, Lehman Brothers collapsed, and the world witnessed one of the worst financial crises in global history. In the United States, the stock market plummeted, unemployment soared, and the economy was thrown into a recession. And many other countries faced a similar fate.

Some argue that the international framework for handling and responding to a future crisis is lacking. Beyond that, they argue, there is reduced market-making activity, less scope for reduced interest rates, and increased government spending and borrowing. But others are more optimistic, arguing that the past decade was one of recovery and reform, with governments passing regulations to deal with failing institutions and creating oversight infrastructure that shored up the banks. And, they say, there are fewer sketchy loans on the books.

With whom do you agree? Who had the more convincing arguments for you? Do you think the global financial system today is more resilient? Or are we ill-prepared for next time?

I don’t believe that the global financial system is more resilient today. I think that we have rested on our laurels much like each time before. The point that the banking system, however, is safer is a point that I agree with. The government has created policies that make it so. The biggest example to support this is that the United States is not the other factor involved. The market and the financial system always go in waves. Anything could trigger it, like a war, and we don’t know when that will happen. The tools used to fix the issue also changes. Therefore, even if we think we learned something, it may not apply each time around. Furthermore, this shows that we cannot truly prevent a crisis from happening again. I believe we are ill-prepared for next time because we haven’t understood what triggered the crisis in previous years. We wait for the market to fix itself. Even if we bail out banks and institutions, it actually shows that the parts of the system are interdependent on each other.

We have heard and discussed FinTech on several occasions over the last week weeks. Listen to this Wharton FinTech podcast episode. in which the hosts, Keane Ehsani and Peter Jankovsky, are joined by Brandon Krieg, the CEO and Co-Founder of StashInvest, one of the fastest growing consumer investing apps in the U.S.

Brandon dives into StashInvest’s offering as an enabler for consumer investing, his experience of founding Stash, and how he sees disruptive innovation affecting financial services.

Take some notes while listening and upload them in the comment section below. Come prepared with some thoughts reflecting upon the interview as we will be discussing it in class next week.

- StashInvest
    - Mobile investment platform
    - 2 million people
    - Simplifies investing and saving through education and intuitive user experience
- The masses
    - Don’t invest but want to
    - Don’t understand it, never learned in school (confusing)
    - Do it later (when I am rich)
- Similar to Weight Watchers
    - Small goals
- Considerations:
    - Compliance
    - Within regulations/rules
    - Security
- Co-founders
    - Counter-balance (expertise in different topic areas)
    - Communication
    - Liking each other
    - Honesty
    - Respect
    - Transparency
- Service (blueprint)
    - Future of financial services — customer deserves personalization
        - Advice, guidance, education, simplicity
        - Easy to start, break down barriers
    - FinTech is additive to banking
        - Might need to challenge the current system
        - Cycles, movement of money doesn’t stop
- Things to determine: (private/public markets)
    - Absorption — overvalue
    - Understand complex business models
    - Growth/earning potential