



COMMONWEALTH SCHOOL

Newsletter 2006

Work Well Done

WILLIAM D. WHARTON

At first glance, a Commonwealth newsletter about business could strike many in our community as incongruous. After all, Mr. Merrill decried the “worship of success,” and we don’t allow students to use Commonwealth as a venue for personal profit-making activities (such as signing up friends for test prep programs in return for a commission). These signals suggest a suspicion of the values of the market as a basis for community, and they might appear to imply that, for a graduate of a school with a social mission, going into business is a sell-out. But Mr. Merrill’s target, I suspect, was the single-minded pursuit of lucre implied in the verb “worship”: the gain that comes with, at best, no view to a larger good. And selling out, as one of my favorite *Doonesbury* strips argued, is a concept of privilege, available only to those who don’t have to worry about the next paycheck.

We want our students to be successful—as thinkers, writers, and readers—and we celebrate the rewards of work well done. Though we have not said it often or loudly enough, we hold the same ambition for our many graduates who enter the business world, whether, like the writers in this issue, they are offering first-rate editing services, providing thoughtful consulting about information systems, or managing investments intelligently. After all, Commonwealth teachers and staff hope that their retirement funds are overseen by smart, honest people.

As the competition of the market must, and does, depend on such other values as trust and responsibility, Commonwealth itself is shaped

by a complex dance of competition and cooperation. We select the best teachers and students we can find, and students push themselves hard, partly so they can do as well as their classmates (though we try to temper their dangerous impulse for perfection). At the same time these young people must find a balance between their friendships and the support they offer their peers and the uncomfortable fact that they may well be competing with these same people for places at the most sought-after colleges and universities. As an institution, over the past decade we have greatly increased our sensitivity to the educational market (there is a lot of competition in Boston for promising students), thus making Commonwealth a better school. We are more aware of the range of our students’ needs and have people and practices in place that better serve them.

Evolutionary psychologists argue that we are hard-wired both to compete and to cooperate. Perhaps the best we can hope to accomplish is to live with the tension between the two. The COO of Timberland Corporation gave an assembly last fall about the challenges faced by socially responsible businesses. He spoke with refreshing candor about the moral and prac-



For this issue of the Newsletter devoted to business, we invited photography student Conor Detwiler '07 to contribute his views.

tical difficulties the company faces in making decisions about, say, closing a factory or siting its environmentally messy tanning operations.

An interesting, seemingly paradoxical point emerged from his talk. Timberland's concern for the larger good of the communities it serves is, in fact, good for business: it helps sell shoes. This concept (whether acted upon or merely espoused) is certainly no secret: Google the phrase "service is our number one priority" and 82,500 results appear, from Thrifty Car Rental of Central Ohio to Mother Nature's Healthy Living Help Desk. Can we argue that competition and cooperation are two sides of the coin of our mutual dependency? Through both, we can transcend our inclination to self-absorbed complacency and become more attentive and responsive to the needs around us. This is a line of thought fully consonant with what we want our students to learn.

As with previous *Newsletters* written by doctors, artists, teachers, writers, and community activists, we hope that you enjoy reading about work well done in various fields of business by this issue's authors. ☒

The Art of Investing

DAVID H. ALLEN '87

I graduated from Commonwealth in the bottom quartile of my class, and when I applied to UC Berkeley, after being recruited by its rowing coach, a Commonwealth advisor warned me that I would struggle with the academics there. Despite this "underdog" start, I followed a passion for investing that has led to a thrilling career on Wall Street.

When I was a boy, images of the Stock Exchange—men in the trading pits, screaming, buying, selling, hands gesturing wildly—fascinated me as a grand symphony would. I devoured stories about investors like Warren Buffet and Benjamin Graham. On the nightly news market movements were often top stories, and news stories in turn influenced the markets: hurricanes, elections, and wars. I admired the detective work of Sherlock Holmes and found that the markets presented equally complex mysteries. History, psychology, economics, and math all worked together to drive stock prices, and I loved the practical applications



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of these disciplines. The stock market is the most competitive and efficient pricing mechanism in the world, and I wanted to solve its riddles.

When I was seventeen, I opened a brokerage account with \$450 saved from summer jobs, and bought my first stock—Bank of America (BAC). At the time, BAC was embroiled in a controversy concerning risky Latin American loans. The stock had fallen from \$30 a share to below \$9. Nonetheless, I judged that BAC would survive. Its brand name gave comfort to immigrants, for whom the Bank of America connoted the government and a sense of safety. Its home market, California, was growing, and the company held non-core assets that it could monetize. I bought 50 shares of this "out of favor" stock. A new CEO came in, the bank sold assets and started focusing on domestic lending and banking, and within three years the stock almost tripled. My \$450 became \$1,200. From that time on, I was hooked on investing.

At Berkeley, believing strongly in the importance of a liberal arts education, I studied subjects from anthropology to Renaissance art history. Simultaneously, I pursued my passion for investing. Since I also believed that practice was the best way to become a better investor, I interned at a mutual fund called The Parnassus Fund. The job paid only \$5 a day (covering commuting costs and lunch), but it proved to be my ticket to my first finance job after graduation.

As the economy drifted into recession in 1991, I interviewed in one of the toughest job markets the U.S. had seen in years. The recruiter from Morgan Stanley told me that my liberal arts background didn't make me an ideal candidate; nevertheless, he was impressed with my hands-on work experience and personal investing know-how, which few other candidates had.