**Fall 2020 Zoom**

**Make-up Exercises**

**instructions**

If you miss a Zoom class, the make up assignment is to choose any one of these exercises and submit it via email to hamptonjohnj@gmail.com within two weeks after the date of the class. To receive full credit, please identify the risk management lesson and thoughtfully explain your agreement or disagreement with it.

#1. FedEx Delivers on Life-Altering Risk Management

#2. Malcolm Gladwell’s New Book Shows Why People Fail to Identify Risk

#3. This is What Happens when a Risk Manager goes on Vacation

#4. Will Facebook’s New Cryptocurrency ‘Libra’ Upend the International Payments System?

#5. Will Cyber Risk Be 9/11 All Over Again?

#6. Why Jeopardy Contestant James Holzhauer Is a Prime Example of Best Risk Management Practices

#7. 5 Ways Higher Education Can Redeem Itself After the Admissions Bribery Scandal

**Exercise #1:** What is the risk management lesson of this essay? Do you agree with it? Explain your reasoning.

**FedEx Delivers on Life-Altering Risk Management**

In 1966, Fred Smith wrote a college essay outlining overnight delivery service in a computer information age. The paper was given a C grade. His professor at Yale University advised him that he couldn’t hope to compete with the U.S. Post Office.

Smith brushed off that scholarly critique. After graduating with a degree in economics, he founded Federal Express. Now FedEx has worldwide operations with more than 425,000 employees, 625 aircraft and 80,000 ground vehicles serving more than 350 locations worldwide.

I’m reminded of Mr. Smith and competing with the post office by a recent online purchase.

Last week, Nordstrom sent my wife an email that said, “We’re happy to let you know that your item has shipped.”

This was good news. The shoes were needed for a party seven days later. No need for expensive overnight delivery.

The U.S. Post Office allows us to track the whereabouts of the parcel. After it left Salt Lake City, it went to Commerce City, CO; Kansas City, KS; Lenexa, KS; Parsippany, NJ; Warwick, RI; Shrewsbury, MA; Chelmsford, MA; and Hartford, CT.

We knew exactly where it was as we left for the party. It was located in Watertown, CT, 11.2 miles from our house.

Tracking the package was a lesson in geography. It’s also a lesson in risk management.

Ask someone, “What does the post office do?” The person is likely to say, “It delivers letters and packages.”

Ask the same question to Rob Carter, the chief information officer of FedEx, and you get a different answer.

“FedEx engineers time.”

The failure to distinguish between “engineering time” and “delivering packages” is risky indeed. Time does matter in the delivery business and failing to understand it can be painful.

As improbable as it may seem to some people, Cleveland holds one of the top three places in the world to go to for a heart transplant. Can you imagine what would happen if The Cleveland Clinic Heart and Vascular Institute used an unreliable delivery service to deliver hearts? Would they go through nine stops that include places like Lenexa, KS and Parsippany, NJ?

Assume a donor in Sacramento, Calif. dies at 4 p.m. on a Friday. It’s impossible to get a package from Sacramento to Cleveland in 15 hours.

Or is it?

FedEx and the medical professionals manage risk. The heart is removed immediately and packaged for shipping to arrive in Cleveland for insertion the next day.

FedEx manages every aspect of the delivery. The Cleveland Clinic springs into action, hospitalizing and prepping the patient and alerting the transplant team for next day surgery.

FedEx is at war. It offers solutions to allow customers to make things happen on timetables that otherwise would be impossible.

Like the post office, it gives customers the ability to see every inbound package even if they did not know it was coming. Different from its large competitor, it manages the risk of delay even when a premium price is not charged for something as trivial as a pair of shoes for a party.

Fred Smith showed that he could successfully compete with the post office. Partly thanks to FedEx, we have modern medical miracles taking place on a daily basis. In 2018, the U.S. had 3,400 heart transplants with an 87% one-year survival rate.

So now, a big question. The Yale professor was wrong. Did he ever change Fred Smith’s grade of C on the paper?

I’m hoping someone at FedEx reads this article and asks Fred. If you’re that person, please send me his answer. I just hope you don’t mail it.

**Exercise #2:** What is the risk management lesson of this essay? Do you agree with it? Explain your reasoning.

**Malcolm Gladwell’s New Book Shows Why People Fail to Identify Risk**

In 1938, British Prime Minister Neville Chamberlain returned from Germany after meeting with Adolf Hitler. He told his fellow Englishmen he signed an agreement that guaranteed “peace in our times.” One year later, Germany invaded Poland, starting World War II.

In 1960, Bernie Madoff started a Wall Street investment banking firm. The business grew as investors consistently received annual returns of 10% on their money. Until 2008, that is, when Madoff was arrested and charged with fraud in the largest Ponzi scheme in investment history. Some 5,000 clients suffered losses of $65 billion.

In 2009, Amanda Knox, a 22-year old writer and student, was convicted of a murder in Perugia, Italy. After she spent six years in prison, the Italian Supreme Court definitively acquitted her and ordered prosecutors to pay her $20,000 compensation for mishandling her case.

Diverse as the details may be, Malcolm Gladwell links them in a new book about the risk of *Talking to Strangers: What We Should Know about the People We Don’t Know*. He points out people’s inability to identify risk when they’re dealing with a confident liar (Hitler or Madoff) or a nervous truth teller (Knox).

Everybody knew Hitler was doing horrible things. Madoff had been investigated for years by the U.S. Securities and Exchange Commission and Financial Industry Regulatory Authority. Prosecutors had indisputable evidence that Knox was not a party to the murder.

What happened?

Gladwell makes a keen point: We lock down on first impressions if they’re followed by consistent similar behavior. We change beliefs only when we finally encounter massive contradictory evidence. This is the situation for much of our risk management.

Consider the three areas where I’m currently writing.

* **Enterprise Risk**. We ignore risk as long as it only involves strangers. Opioids, used regularly by 2.5 million Americans, kill 70,000 of them every year. Families build houses in areas that flood regularly or are prone to massive wildfires. Unstable people walk into stores and purchase assault rifles.
* **Higher Education Risk**. Professors, administrators, parents, students and politicians hold conflicting views about risk and markedly-different proposed solutions. Each group is firm in its beliefs and highly resistant to changing them.
* **Cyber Risk**. People are exposed in their daily lives and organizations are threatened financially tens of thousands of times each day. Facebook, Instagram, Twitter and hackers produce exposures where individuals are bullied, shamed or scammed, and hospitals, private businesses and government agencies are subject to ransom demands, data loss and unfair competition.

The individuals charged with risk management are strangers to each other.

* Doctors don’t talk enough to patients about addiction. Mortgage bankers don’t warn of unreimbursed losses when building homes in dangerous areas. Politicians and vendors ignore reasonable restrictions on the availability of firearms.
* Professors decline to make sensible changes in classroom practices. College administrators are slow to respond to weakening financial conditions. Politicians, parents and students advocate narrow agendas that mitigate some risks while accelerating the chance of loss from others
* Social media sites don’t do enough to warn individuals of Internet dangers. Managers don’t train their people to identify suspicious activity on their computer systems. Organizations are slow to redesign their processes and systems to thwart misbehavior by employees and outsiders.

Enterprise, higher education and cyber risk management efforts often take place at a distance. Shareholders want profits while employees want decent salaries. Professors want to advance ideas while parents and students want debt relief. Teenagers want to engage electronically with 600 of their closest friends while Amazon wants to sell them everything they need to live.

Strangers are engaging with other strangers without learning much about them.

This kind of reminds us of Gladwell’s overarching encouragement, “If I can convince you of one thing in this book, let it be this: Strangers are not easy.”

My own encouragement is stronger.

“Stranger danger is real. Be cordial with strangers but be alert for inconsistencies. No matter how friendly, do not accept a stranger’s offer to walk your child home from school.”

**Exercise #3:** What is the risk management lesson of this essay? Do you agree with it? Explain your reasoning.

**This Is What Happens When a Risk Manager Goes on Vacation**

While on assignment in Paris in 2018, I made an appointment at Lloyd’s of London and decided to take the Eurostar train through the “Chunnel” to London.

At the train station in Paris, I exchanged money. After boarding the train, I found that I gave $100 (U.S.) for the equivalent of $65 in pounds sterling.

The currency desk did not exchange dollars directly into sterling. It exchanged dollars for Euros and Euros for pounds sterling — an 18% commission on each conversion.

I would pay more attention when we planned a recent trip. I would ignore the advice everyone gave us. “You’re driving thousands of miles on a vacation celebrating many (too many?) years of marriage. Forget about risk management. Enjoy yourselves.”

Doreen and I started in Connecticut and drove across Canada. We covered 7,200 miles (11,500 kilometers) in 27 days.

Risk management started with crossing the border. Once upon a time, a driver’s license was the only identification a U.S. citizen needed. That’s still the case, according to our travel brochure.

The story is actually a little scarier. An American can leave easily enough. To get back into the U.S., you need an “enhanced” driver’s license or proof of birth. Do you even know whether your license is “enhanced?”

A related risk. If your car breaks down or a family emergency forces you to decide to fly home, forget about it. By air, you need a passport to re-enter the U.S.

I had my passport. Doreen had only a passport card. If an emergency arose that would force us to fly back, I would have to leave her in Canada. We did not know about that possibility in advance.

The next risk involved our original goal: We would drive to Alaska, a round-trip journey of some 9,000 miles. It requires crossing the Yukon, a territory of 35,000 residents encompassing 200,000 square miles.

Somewhere on the trans-Canadian highway between entering Manitoba and leaving Saskatchewan — two provinces with a total population of 2.5 million — we passed a sign that said something like “last gas for 150 kilometers.” That’s about 90 miles.

With our gauge reading one-quarter tank of gasoline, we made a U-turn, filled the tank, and took off for a two-hour drive, in which we saw no gas stations and few buildings, people or other vehicles on the road.

Change of plans. We’re not going to drive across the empty Yukon.

As we drove to our new destination of Vancouver, we found ourselves in a continuous process of risk management. Remembering my experience at the Paris train station, I would do some research.

Using a Visa or American Express credit card, we charged all purchases in Canadian dollars and compared the prices with the U.S. dollar conversion rates.

Expecting to expose wrongdoing, it was nonexistent on almost all transactions for hotels, food and gasoline. In a few cases, a fee was charged for a room or ferry, but otherwise no hidden charges as the Canadian dollar converted at 76 cents U.S.

A different risk was an unexpected surprise; most reservations were made by direct contact with each hotel — by Internet or by telephone call. Three reservations were made in Canadian dollars through a third party.

Subsequently, a check of credit card charges showed $343.69 by Orbitz and $378.52 by Marriott for the same room on the same night. The difference in amounts billed occurred because the hotel added parking.

The charges were shown as Orbitz and Marriott but no other identification on the Chase bank statement. The duplicate bill was further masked, because the hotel receipts were in Canadian dollars while the bank displayed the transactions only in U.S. dollars.

It took more than an hour to figure out what happened. Risk management paid off. After a telephone call, Marriott reversed its charge and all is well.

Things could be better. We can only wonder why the U.S. and Canada do not follow the model of the European Union and adopt a single “dollar” currency. A dollar bill could have George Washington on one side and Queen Elizabeth on the other.

The common currency would present one minor problem: The Canadians do not have a dollar bill. Instead, they use $1 and $2 coins, colloquially “loonies” and “toonies,” respectively. This would have to be resolved.

It may not be easy. Americans might resist describing money as “looney,” with a dictionary definition of being “insane or senselessly foolish.”

I’m not sure what they would make of a $2 coin called a toonie.

**Exercise #4:** What is the risk management lesson of this essay? Do you agree with it? Explain your reasoning.

**Will Facebook’s New Cryptocurrency ‘Libra’ Upend the International Payments System?**

As my grandmother used to say when she saw me quietly thinking about something, “A penny for your thoughts.”

When Sir Thomas More first used the phrase circa 1535 with the old English spelling, a “peny” had more value than it does today. Now or soon, a grandmother might say, “A bitcoin for your thoughts.” Or maybe a “Libra” if Facebook has its way.

Mark Zuckerberg’s recent announcement that Facebook is working with a consortium to create a single global currency, Libra by name, may be worth a dollar or two for us to share our thoughts about risk management. Where should we start?

Before we had Zuckerberg and Bezos, we had Gates. In 1994, he announced an effort by Microsoft to take over the banking system. The effort was propelled by his quote in July 1994: “Banks are dinosaurs … we can bypass them.” He even had a strategy, and he put Microsoft’s money where his mouth was.

Microsoft would acquire the Intuit corporation, a provider of personal financial software that ran largely using the MS Windows operating system. Intuit owned QuickBooks and TurboTax, highly-popular accounting and tax preparation software. Together, Microsoft and Intuit had 91% of the personal finance market.

Quicken also owned the National Payment Clearinghouse (NPC), whose facilities provided communication between users and their banks. It also allowed users to send payments to merchants.

In October 1994, Microsoft offered to buy Intuit. At the time, Intuit’s stock was valued at $800 million. Gates offered $1.5 billion, an 87 percent premium over market price.

Was this a wise risk management decision? Not based on Intuit’s income statement. The company had $500 million in annual revenues, relatively low profits, and slow growth. What was Gate’s thinking?

The answer is “synergy.” From the Oxford dictionary, “the interaction or cooperation of two or more organizations … to produce a combined effect greater than the sum of their separate effects.” Gates saw a game changer in a merger.

To understand the risk, just do the analysis. Gates started with the fact that 90 percent of the world’s personal computers ran MS Windows. The company could link Intuit’s accounting and software. Microsoft could own an electronic payments system that eliminated paper checks.

What would be the expenses? On an existing network, minimal costs arise from each additional transaction. For sake of argument, let’s say the additional cost reached a billion dollars a year.

With a few assumptions on pricing and volume, Table 1 shows a 33,000% annual return on the initial $1.5 billion investment.

Now for the risk. How likely is the venture to fail because of a flawed execution? Not very. When all the pieces are in place, great strategies produce great results. Consider Apple, Google, Amazon, and Netflix.

The real risk was the United States Department of Justice. They did not see the conservative 10 percent. They saw a takeover of the banking system by Microsoft. This was untenable. They blocked the merger. Gates did not take the news well.

This brings us to the penny for our thoughts on Facebook and risks of cryptocurrencies. Led by Bitcoin, they comprise a valuation of $600 billion on the day this is being written. The day before, the entire market reached $710 billion before taking a 14 percent day-to-day fall.

Facebook is entering this volatile market in a new way. It will tie the Libra to an underlying basket of hard currencies. This should give it stability. Maybe not, if the dollar or Euro or whatever experiences a meltdown.

The biggest risk may lie in the parties that are in and out in the venture.



The Libra Association has some 30 firms committed to participation in managing the currency, including Visa, MasterCard, and PayPal, and maybe Uber, Lyft, Spotify, and others who make extensive use of credit-card like transactions.

Not likely to join are JPMorgan Chase, Bank of America, Citigroup, and other banks with extensive payments systems of their own.

Somewhere in the corridors of the U.S. Treasury, Homeland Security, the FBI, and other agencies are watchdogs concerned about money laundering, financing of terrorism, and criminal activity who may enter the discussion on easier and harder-to-trace mechanisms for transferring cash.

What is the risk assessment for Mr. Zuckerberg and his partners?

A penny for your thoughts.

**Exercise 5:** What is the risk management lesson of this essay? Do you agree with it? Explain your reasoning.

**Will Cyber Risk Be 9/11 All Over Again?**

Hundreds of New York City firefighters were climbing the stairs in the World Trade Center when it collapsed, taking the lives of 2,700 people in September 2001. Many parts of the story are well known.

One part haunts us today with respect to cyber risk.

In an April *Risk & Insurance®* story, editor Dan Reynolds reminded us of [the difficulty of helping people understand cyber risk](https://riskandinsurance.com/mainstream-media-coverage-of-cyber-insurance/), particularly when mass media simplifies issues and social media spreads unfounded opinions and assumptions.

Reynolds points out that the motivation of underwriters is to pay legitimate claims. Many of the electronic communication platforms create the opposite impression.

Forgotten in the complaining by policyholders, which often occurs at dinner parties and while watching Little League games, is the need for insurers to deny claims for losses they did not accept in a policy.

Insurers assess risks and accept those that cause serious financial harm. Money to cover the losses of the unfortunate few comes from small insurance payments by unharmed many.

In this respect, risk managers live every day in a conundrum: The company wants to be insured in the event of a mishap. If one doesn’t occur, many people complain about the high cost of coverage. Numerous risk managers have been accosted with statements like, “We don’t have many losses. Why are our insurance premiums so high?” Or, “I’m paying you to manage risk. Why do I have to also pay a broker?”

These internal discussions combined with mass communications distortions have spawned into the world of cyber insurance. This has two components.

The first deals with foreseeable exposures. Cyber policies on computers, terminals and tangible system components can be written using standard assessments of risk. Coverage is available.

It’s a different story with electronic liability. Everybody’s connected. A minor error in a line of computer code can facilitate hacking that compromises millions of personal records, sets off catastrophic transfers of cyber currency, cause airplanes to fall out of the skies, and maybe even launches nuclear missiles.

This reality sets up the negotiation between risk manager and underwriter. The insured must retain sufficient exposure to encourage safe handling of electronic networks and equipment. The underwriter must, with the assistance of a highly-trained specialty broker, assess uncertainty — on top of identifiable risks. After detailed discussion, a policy can be issued that does not fully satisfy all parties.

Then a loss occurs as it did at the World Trade Center. Larry Silverstein, the WTC owner, did not foresee the exposure. He insured the twin towers for $3.6 billion — half of the replacement cost of both towers. Partly because of the underinsurance, it took 13 years to rebuild the complex.

An outgrowth of the tragedy was a recognition of how insurance is tied to a complex web of risk. The $7.2 billion property damage was dwarfed by another $25 billion in life insurance, health costs, airline shutdowns and business disruption claims, not to mention lawsuits seeking insurance payments for a wide variety of other losses.

The mass media did not help. Playing on the sensitivities of the general public, some platforms created fear and expensive problems as the country sought normalcy after 9/11.

The mass media was not joined by social media in 2001. Myspace had not yet begun its rise and fall; Mark Zuckerberg was in high school; and YouTube, Snapchat, GroupMe, Tumblr or the ever-popular Twitter were not yet launched.

The danger of unseen cyber uncertainty, along with highly-active media, keeps risk managers and underwriters awake at night.

What’s the biggest hidden danger? We don’t know yet. Nor did we know in 2001.

The loss of life during 9/11 was multiplied by an otherwise sound engineering decision. The building was designed to collapse down floor-by-floor to avoid falling to one side. Normally a good idea, the design did not allow warnings as different parts of the buildings failed. It probably increased the loss of life as everyone still in the building was doomed seconds after the weakest point failed.

In 2001, mass media was not so aggressive to discover factors that could inflame the public about construction design. Times have changed. Today, we await the massive hidden cyber event magnified by the mass and social medias.

Until we know more, risk managers, brokers and underwriters can only heed the recommendation of Dan Reynolds to strive for a “better understanding of how insurance can respond to cyber events.”

But that’s not all folks. Reynolds alerts us we must also be prepared to “manage a public relations challenge.”

**Exercise #6:** What is the risk management lesson of this essay? Do you agree with it? Explain your reasoning.

**Why Jeopardy Contestant James Holzhauer Is a Prime Example of Best Risk Management Practices**

Between 5 and 10% of Americans have a mild form of color blindness. Men are much more likely than women to be colorblind, because the gene is inherited on the X chromosome.

About 7% of Americans have aviophobia, an intense fear of flying. As many as 30% are either afraid to fly or anxious about boarding an airplane.

From a risk management perspective, fear of flying is nonsense. In the United States, 700 million people annually fly on 33,000 daily flights. We lose about 100 people a year in airplane crashes, virtually all on non-commercial aircraft.

This compares to 1,000 deaths annually in bicycle accidents, 1,500 in accidents involving guns, 3,000 in complications from medical procedures, 5,000 in accidental drownings and 70,000 from opioid overdoses.

When this information is given to a fearful flyer, it can’t be seen. This is evidence that we deal with a form of color blindness when people view the spectrum of risk.

Medical research tells us that being colorblind does not mean people can’t distinguish colors. Some just don’t see as many colors as the rest of us. They typically can’t tell the difference between the colors red and green or blue and yellow. In rare cases, they see in only black and white.

Risk management research, not to mention daily interactions with others, similarly informs us that many people can’t distinguish colors when making decisions about risk. In not-so-rare cases, they deal only in black and white.

In the medical realm, there was no treatment for color blindness until ophthalmologists understood the condition and developed colorblind glasses. They don’t cure the malady, but they help colorblind people better navigate their world.

Outside the medical world, risk managers seek new techniques to help people and organizations see through new lenses the realities of an increasingly complex world.

To support this effort, I nominate James Holzhauer for a risk management ophthalmology award for his work on Jeopardy. The show was first seen on television in 1964 and has run continuously since 1984. Contestants pursued a variety of risk management strategies. We applauded some and were perplexed by others.

Using a time-worn but still effective SWOT analysis, Holzhauer a unique vision:

* He had a superior grasp of knowledge compared to other likely contestants. He could press the button faster.
* He had no weaknesses in this environment. He’s a professional sports gambler who deals with risk every day. Other contestants may be smart, but they’re less likely to respond quickly in tense situations.
* He could maximize his strengths and the weaknesses of others with an aggressive, attacking style of play.
* He could minimize danger using a steady course where he did not get carried away by success or overestimating the weaknesses of others.
* His ability to see the colors in the full picture of risk produced a successful outcome that will benefit him for years after he leaves Jeopardy.

Holzhauer gives us a recent risk ophthalmology lesson. Bill Gates, Steve Jobs and Reed Hastings — Microsoft, Apple and Netflix respectively — previously saw vibrant colors of risk and opportunity. Even if we’re not the superior contestant in terms of basic ability, we can look for the true color as we deal with the risks we face.

A personal note to finish: My wife thinks I’m colorblind even though I passed an ophthalmology test showing I can distinguish a full spectrum of color. She asks, “If you’re not colorblind, how could you think that tie matches your pants?”

I decline to accept the risk of clothing that does not match. Whatever my personal infirmity with vision, my wife picks out my work outfits.

This is an encouragement for people and organizations to get help to see all the colors in their risk environment.

**Exercise #7:** What is the risk management lesson of this essay? Do you agree with it? Explain your reasoning.

**5 Ways Higher Education Can Redeem Itself After the Admissions Bribery Scandal**

In the 1987 movie Baby Boom, J.C. Wiatt (Diane Keaton), a high-flying New York executive, “inherits” two-year-old Elizabeth from a distant cousin who recently died. Months later, she’s in Central Park chatting with other mothers as their little ones have a playdate. One mother reports her daughter’s status.

“We heard from Dalton. Crosby didn’t get in. I’m so upset. Without the right preschool she can’t get the right kindergarten. Without the right kindergarten, I can forget any hope of an Ivy League college!”

One of the mothers sympathizes, “Honey, that is so devastating.”

The first mother continues, “I just don’t understand it. Her resume was perfect. Her references were impeccable. Dennis is gonna kill me.”

That’s when J.C. Wiatt joins in with, “Are the good schools hard to get into?”

Perhaps we should ask that question to former “Desperate Housewives” star Felicity Huffman and “Full House” actress Lori Loughlin. They, along with 48 other wealthy Americans were indicted in a college admissions cheating scheme. Raising her daughter’s SAT score 400 points cost Huffman $15,000. Loughlin sprung for $500,000 to get her daughter into USC.

The news that people of privilege engage in criminal behavior to get their kids into the right schools is not all that shocking. For years, we knew that admission to Harvard was the educational equivalent of the Willy Wonka golden ticket. The same was somewhat true for universities such as Yale, Stanford, Oxford, Cambridge and Tokyo.

Getting in was the hurdle. Once admitted, Ted Kennedy, George W. Bush, Donald Trump and many others graduated from Ivy League universities even if they might not have been academically qualified for original admission.

The situation of privilege, in a nutshell, is both a reality and a risk in higher education.

From a risk management perspective, we can hardly fault parents who begin to plan their child’s education prior to conception. In a society that admires privilege, it matters what schools you went to, even if you didn’t learn a great deal during four years on a campus.

At the same time, what the parents did was wrong. They’ll be punished, likely with jail time since their actions involved fraud, racketeering, conspiracy, money laundering and obstruction of justice.

A potential upside to the story comes from the possibility of a jolt to our understanding of the need for major reforms in our colleges and universities. Here are 5 things I think need to happen, and quickly:

1. **Academic programs and course offerings need to change to reflect new realities.**
2. **Professors and administrators need to make reforms to address precarious financial conditions.**
3. **Foundations and nonprofit organizations need to shift resources from the already-well-endowed institutions to struggling private and public colleges.**
4. **Politicians need to address the student debt crisis.**
5. **Institutions need to acknowledge scholarly research but not at the price of ignoring undergraduates.**

These changes may be painful without an attitude change. We can start with a current conversation.

“We heard from Georgetown. Crosby didn’t get in. I’m so upset. Without the right college, she can’t get the right job. Without the right job, I can forget any hope that she’ll move out of the house before she’s 30.”

A friend with her own boomerang kids sympathizes, “Honey, that is so devastating.”

It only takes a spark to light a fire that can change a landscape. If the troubles of Ms. Huffman, Ms. Loughlin and others encourage better behavior, they may inadvertently accelerate overdue reforms in higher education.