

# RISK MANAGEMENT, B.S.

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**Begin Campus:** Any Penn State Campus

**End Campus:** University Park

## Program Description

The Risk Management major prepares students for careers in a wide range of private industries and public service agencies involving such areas as operations, property development, financial strategy, and government. The major is integrative in nature by crossing traditional business boundaries while offering specific areas of study in enterprise risk management, and real estate. High profile risks are faced by leaders and managers up and down the corporate ladder and require specialized skills, knowledge, and preparation. The Risk Management major prepares students for this along with a chance to study risk from various perspectives by offering specialty courses along with a common pool of risk management courses. This structure assures that the students in the risk management major are equipped with the common tools of risk analysis while at the same time permitting the students to tailor the specifics of their training.

### Enterprise Management Option

The Enterprise Risk Management 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 financing techniques to control risk exposures in organizations. Emphasis is also placed on the understanding of the principles and risks underlying complex business contracts.

### Real Estate Option

This option is designed to prepare the student for a wide range of professional opportunities in corporate real estate management, real estate brokerage, appraisal, property management, mortgage lending and banking, development, and governmental service.

## What is Risk Management?

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 financial mismanagement, global litigation, and the growing costs of human resources.

The goal of Risk Management is to enhance firm value through the optimal treatment of risk. Corporate interest in enterprise risk management has grown steadily in recent years, fueled in part by regulatory mandates for improved risk management systems. In addition, organizations like Standard & Poor's, the Securities and Exchange Commission, and the New York Stock Exchange now require increased risk management disclosure and assessment in corporate financial statements.

Risk Management can often be categorized into four general areas of risk:

1. Hazard Risk: Lawsuits or damage from natural disasters.
2. Operational Risk: Risk resulting from failed systems, poor design, or worker error.
3. Financial Risk: Excessive operating costs and changes in commodity prices or currencies.
4. Strategic Risk: Corporate gains and losses from changes in consumer demand.

MORE INFORMATION ABOUT RISK MANAGEMENT (<https://undergrad.smeal.psu.edu/majors/risk-management/>)