Economics Career Development Office: Careers in Finance

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What does the Econ Career Development Office do?

Career & Job Search Advice:

- What can you do with an econ major?
- How do I write a resume and cover letter?
- Help me get a job/internship!

Programming:

- Career exploration and resume boosting
- Hands-on learning experience to help you connect what you learn in the classroom

Career advising for any econ-interested undergrad!

Schedule in Starfish at go.wisc.edu/287ni5

(or search for **Economics Career** in Starfish)

Elizabeth Foste

Ilsa May

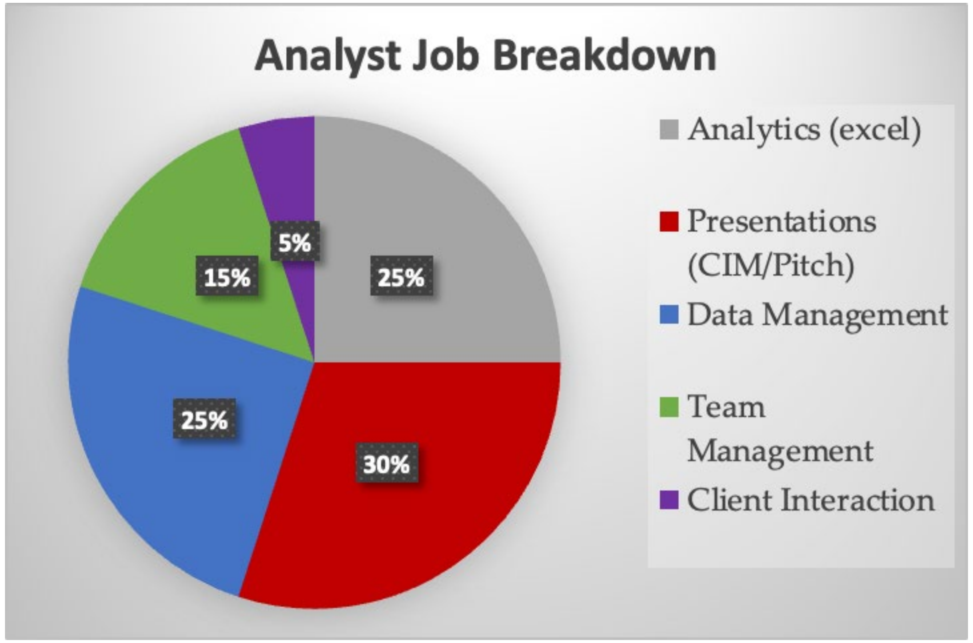
Agenda

1. Investment Banking
2. Sales & Trading
3. Asset Management
4. Wealth Management
5. Corporate Finance
6. Recruitment
7. Resources
8. Questions

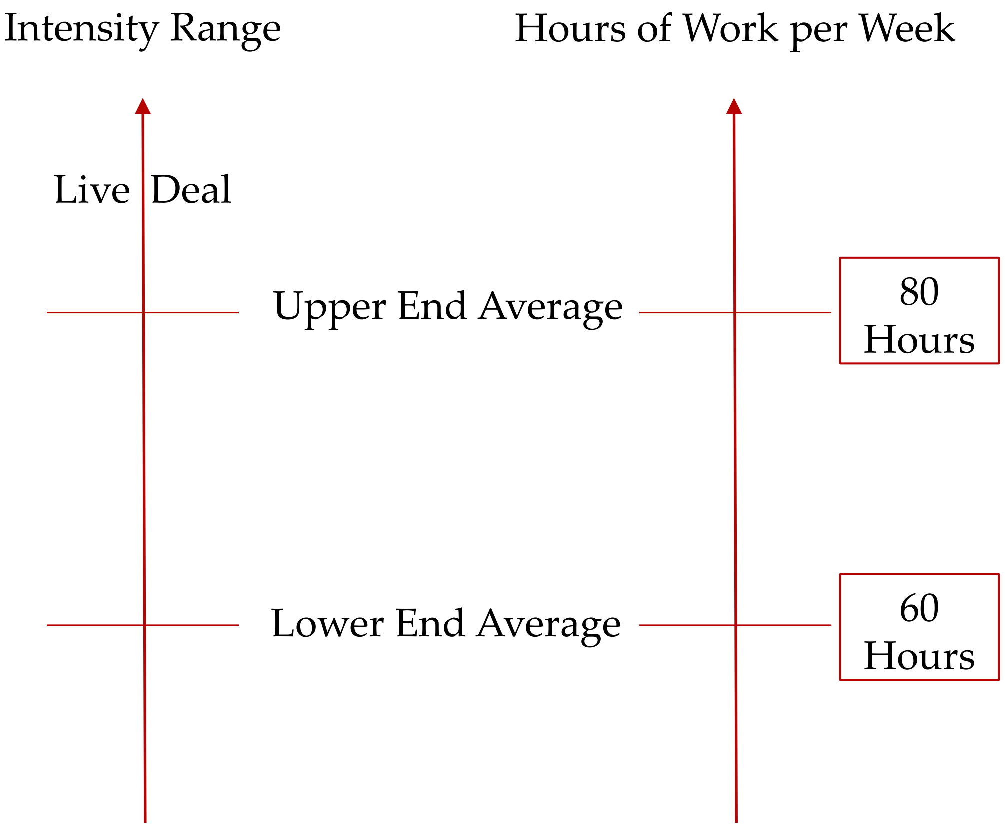
Investment Banking
Overview

The Job

- They service an array of clients, advising on mergers and acquisitions, capital raises, and strategic financial transactions. Make money off of fees
- Your job is to help the clients efficiently and effectively execute their vision



Commitment and Intensity



Investment Banking
The Job

Day To Day Job and Tasks

- Short Term Tasks
  - Data room management
  - Updating market/general slides
  - Preparing diligence
  - Speaking with lawyers and accountants
  - Working with management

- Long Term Tasks
  - Pitchbooks
  - Full financials for sale of company
  - CIM (confidential information memorandum)
  - Bid rounds and process

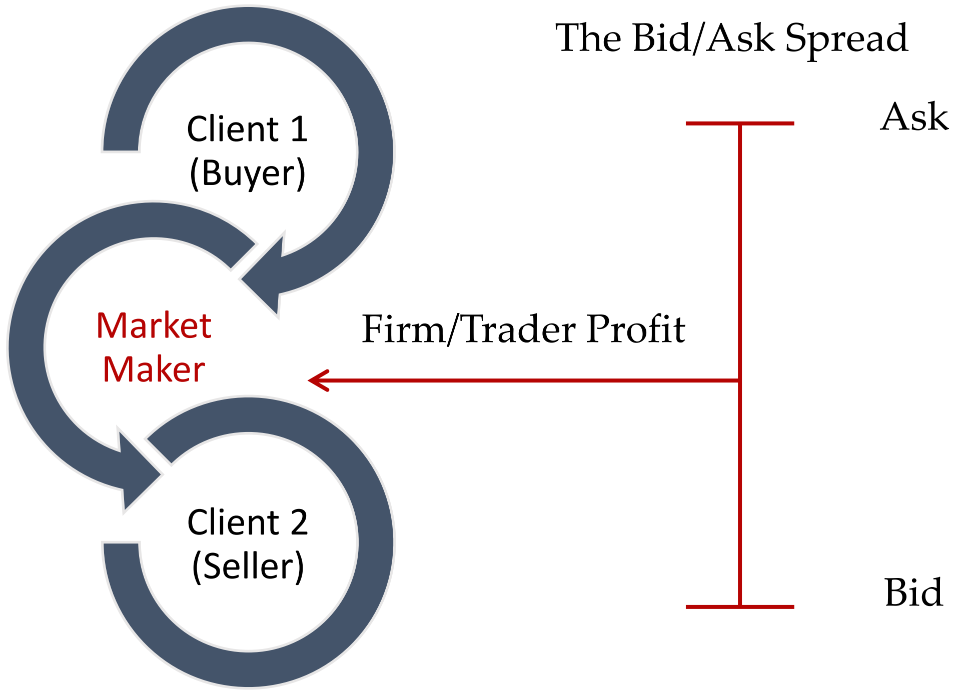
Key Skills for Success

Analytics	• Financial Modeling • Strategic thinking (why)
Attention to Detail	• KEY TO SUCCESS
People Management	• Manage expectations and people
Presentation Skills	• Efficient • Effective • Majority of job

Sales and Trading
Overview

The Job

- You are a MARKET MAKER
- What is a Market Maker?
  - A market maker is a firm or individual who actively quotes two-sided markets in a particular security
- Public side markets
- Debt vs. equity
- Debt is a larger market and often more technical
  - More common in todays professional world
- Short to extremely short project/task timelines
  - Anywhere from a couple seconds to a couple days



Sales and Trading

The Difference

Sales

- Large amounts of client interaction from an early stage
- **MUST KNOW YOUR PRODUCTS!!!**
  - It is not just the trader
  - Every good sales person is also a trader
- This job is pitching
- Working with trader to sell the client on a certain type of trade or product
  - How does this benefit the client?

Trading

- Very Analytical
- Focus on how to make the bank money through:
  - Market making
  - Taking a position
- Work with Sales people to give clients a good trade
  - Can you make it happen?
  - Strategic thinking is key
- Part of your job is supplying liquidity to the market

Hours of Work Per Week

Asset Management

Management of Money Through an Institution, an Investment Vehicle

Day in the Life

- Main Tasks
  - Being up to date with Current News
  - What is the world doing?
  - How does this affect you and the portfolio
- Alternate Tasks
  - Creating a trade pitch (for your PM) (stock picks)
  - Helping manage portfolio composition and risk
- Team Structure

Portfolio Manager

Trader | Analyst | Analyst

Skills and Projects

- Very analytical and is usually public side either Equity or Fixed income
- Range of project timelines (average medium time)
- Asset Managers are usually long only and don't use leverage
- Their job is to find solid long-term investments
- Skills Translation:

Analytics
- Company Fundamentals
- Market Position
- Understanding Projections

Fit
- how does this company fit in its industry or group
- how does this affect your portfolio

Wealth Management

Management of Individuals Wealth in Preparation to Achieve Long Term Goals

Day in the Life

- Main Tasks:
  - Following up on client calls with action items
  - Sitting in on calls with MD or managing partner
  - Doing additional research on funds
  - Using CRM (client relationship management)
  - Execution of client items
    - Placing trade, withdrawing money

- Alternate Tasks
  - Cold calling and or sourcing new clients
  - Answering clients' emails and lower-level questions
  - Creating models and analyzing big transactions
    - Minimal

Skills and Projects

- High Levels of Client interaction from an early stage
- Projects can be immediate, such as a portfolio rebalancing
- Projects can be longer term, such as an FGA (financial goal analysis)
  - This is something that helps a client plan for the future

Analytics

- Understanding portfolio composition
- Tax and estate planning implications

People Skills

- Can you interact with clients?
- Make a non work-related connection

Corporate Finance

Finance Department for a Corporation

Roles

- FP&A
  - Financial Planning and Analysis
  - This is strategic finance for a company
  - Will a project make money?
  - How to cut costs?
  - Where can we improve?
- Treasury
  - This is the financing division of the company
  - Raise debt/equity
  - Management of capital
- Audit
  - This is the accounting arm
  - Probably the most important
  - Create financial statements and other documents
  - Deal a lot with regulators

Skills and Projects

- Short term projects
  - Cash projection
  - project evaluation (Yes/No)
- Annual/quarterly
  - 10k/q document preparation
  - Earnings season
  - Revenue operations expectations

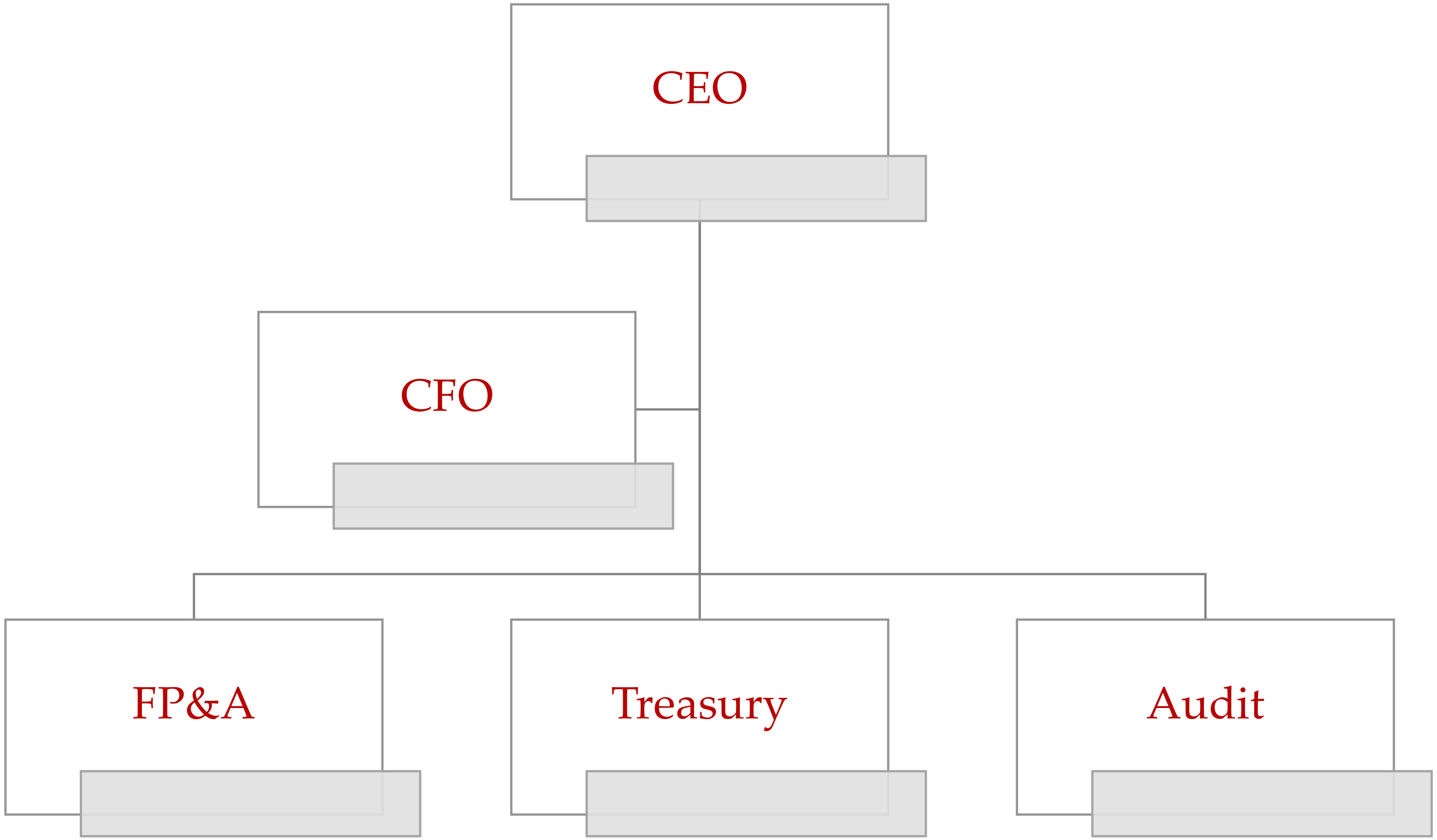
Analytics

- Modeling cash flows and project NPV
- Analyzing funding and other accounting implications for company performance

Strategic Thinking

- How does this fit into the company as a whole
- What are the implications
- how does it effect other divisions

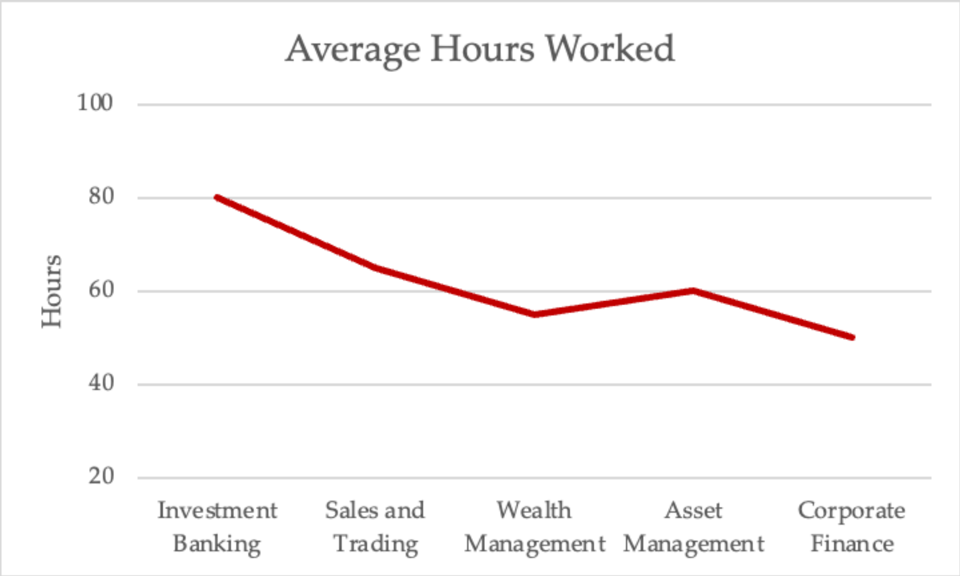
Corporate Finance
Structure

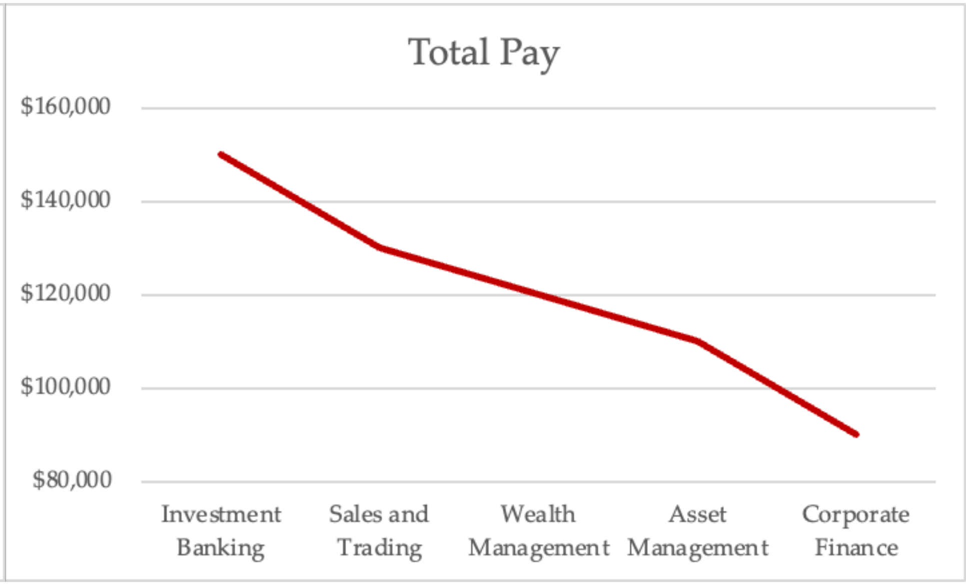


Comparison

Hours, Commitment, Pay

	Hours Worked Low	Average Hours Worked	Hours Worked High	Total Pay
Investment Banking	60	80	100	$150,000
Sales and Trading	55	65	75	$130,000
Wealth Management	40	55	65	$120,000
Asset Management	50	60	70	$110,000
Corporate Finance	40	50	60	$90,000

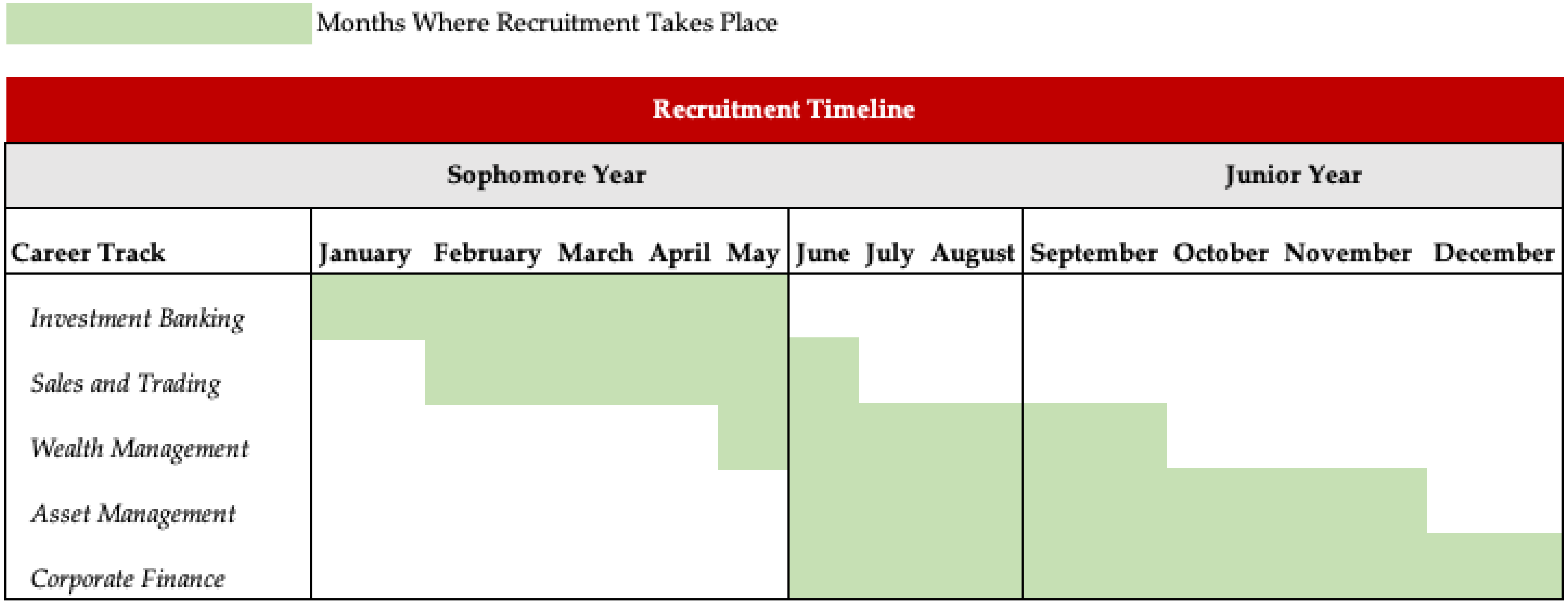




Recruitment

The Timeline

Key Takeaway: Recruitment timelines are intense and early so be aware of which path interests you



Resources

Clubs, News, Guides, and Other

Clubs:

1. Investment Banking Club (IBC)
2. Sales & Trading Asset Management Club (STAM)
3. Capital Management Club (CMC)
4. Economics Clubs (Including Federal Reserve Challenge)

News:

1. Morning Brew (FREE)
2. ExecSum (FREE)
3. WSJ ($4 Student Rate)

Guides:

1. M&I 400
2. My econ guide (includes networking)

Websites:

1. Glassdoor
2. Wallstreet Oasis
3. Investopedia

Other:

1. Handshake
2. Schedule Career Advising in Starfish at go.wisc.edu/287ni5 (or search for **Economics Career** in Starfish)

Questions?

Raise Your Hand and We Will Call on You

Scan to enroll in the Econ Career Development Learning Space on Canvas!!

This PowerPoint, a recorded version of this webinar and an investment banking recruitment guide will be available under "Modules"