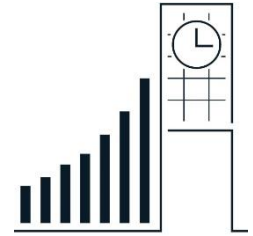


# CAREERS IN FINANCE

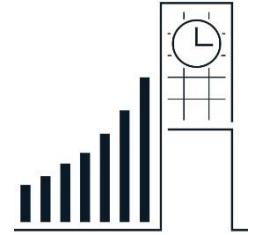
SPRING 2024

# AGENDA



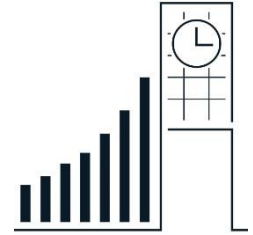
- ▶ Trade-Offs
- ▶ Back Office
- ▶ Middle Office
- ▶ Front Office
  - Buy Side
  - Sell Side
    - Investment Banking
    - Sales and Trading
    - Equity Research
- ▶ Resources

# TRADE OFFS



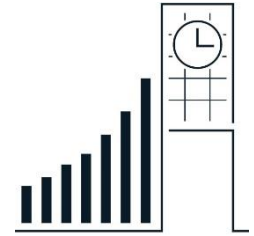
- ▶ Finance is not the “best” job where you can make millions of dollars a year doing nothing
- ▶ In all careers, there is a balance between:
  - Compensation
  - Hours worked
  - Prestige and exit opportunities
  - Client interaction

# BACK OFFICE



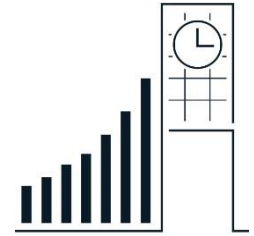
- ▶ All-In Starting Compensation: Lower
  - ~\$65,000
- ▶ Work Hours: Lower
  - Typical day: 9:00 AM to 6:00 PM
- ▶ Prestige: Lower
  - Not as prestigious as other positions in an investment bank
- ▶ Divisions:
  - Information Technology
  - Operations
  - Compliance
  - Accounting

# MIDDLE OFFICE



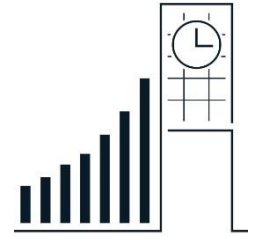
- ▶ All-In Starting Compensation: Medium
  - ~\$75,000
- ▶ Work Hours: Medium
  - Typical day: 8:00 AM to 8:00 PM
- ▶ Prestige: Medium
  - Skillset developed is very relevant for other careers in finance
- ▶ Divisions:
  - Risk
  - Treasury
  - Controllers
  - Credit

# FRONT OFFICE



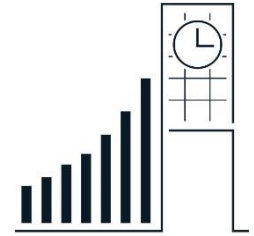
- ▶ All-In Starting Compensation: High
  - ~\$130,000 - \$200,000
- ▶ Work Hours: High
  - Varies across different career paths (IB vs. S&T vs. ER)
- ▶ Prestige: High
  - Direct recruiting to prestigious investment funds and excellent business school placement
- ▶ Paths: IBD, S&T, ER/CR, PE, HF

# BUY SIDE



- ▶ Types of Companies
  - Private Equity
  - Hedge Funds
  - Venture Capital
  - Mutual Funds
  - Fund of Funds
  - In-house funds
  - Family Offices
- ▶ Pay is directly scaled to your investment decisions
  - Especially true at higher levels
- ▶ You must be a good investor to be successful in a buy side opportunity

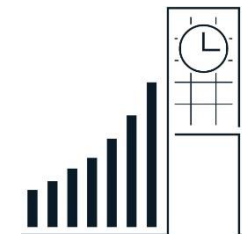
# SELL SIDE



- ▶ Comprises most opportunities for college graduates
- ▶ Investment Banks
  - Investment Banking
  - Sales & Trading
  - Equity Research
- ▶ Credit Rating Agencies

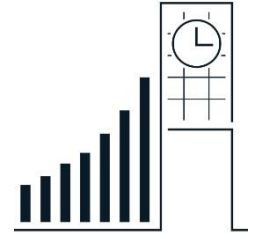


# INVESTMENT BANKING



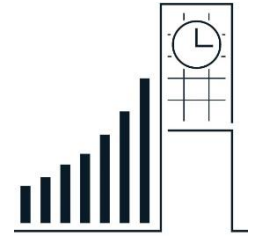
- ▶ Bringing together people who have money and people who need money
- ▶ Advising companies on the best method of raising capital to support its ongoing projects
- ▶ Advising companies to merge or acquire other companies based on predicted synergies
- ▶ A good analyst is:
  - Confident
  - Analytical
  - Detail-oriented

# INVESTMENT BANKING



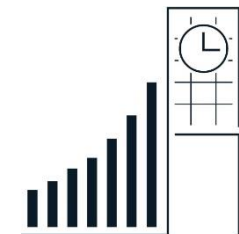
- ▶ Broken down by product and sector
- ▶ Products:
  - Mergers and Acquisitions
  - Equity Capital Markets
  - Debt Capital Markets
  - Leveraged Finance
  - Restructuring
- ▶ Sectors:
  - Healthcare
  - Industrials
  - Telecom
  - Etc.

# SALES AND TRADING



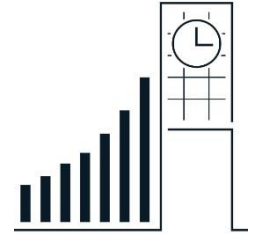
- ▶ Help investors make investments in the public markets
- ▶ High volume trading specialized in an industry or certain products
- ▶ Salespeople sell products to third party investors to allocate risk and to generate a profit on the securities
- ▶ Familiarity with various investments and very comfortable with numbers is a plus
- ▶ Who excels?
  - Quantitative
  - Quick on their feet

# EQUITY RESEARCH



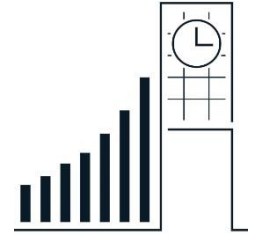
- ▶ Generating research reports on publicly traded companies that are sold to buy-side investment houses
- ▶ Following every move of an industry and company, from earnings to interim announcements
- ▶ Meeting with CEOs and CFOs of companies to gain extra insight into company matters
- ▶ Who excels?
  - Strong communication skills (both written and verbal)
  - Attention to detail
  - Strong interest in markets

# ASSET MANAGEMENT



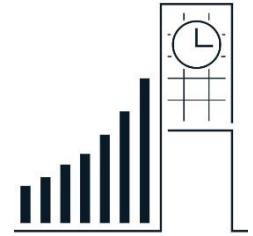
- ▶ Maintaining and trading investments typically within one specific vertical or industry for both individual and institutional clients
- ▶ Asset managers create portfolios and investment products such as ETFs, mutual funds, private equity funds, real estate products, etc
- ▶ Product experts on a specific investment vertical and understand the balance between risk and upside
- ▶ Who excels?
  - Attention to detail
  - Strong interest in markets

# WEALTH MANAGEMENT

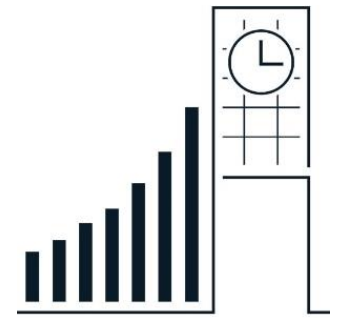


- ▶ Helping individuals manage their investments or financial planning
- ▶ Wealth managers often apply products created by asset managers to create a holistic, multi-asset portfolio and have expertise across all asset classes
- ▶ Many private wealth advisors will cover a “book” of high net worth clients
- ▶ Who excels?
  - A “people person”
  - Strong communication skills
  - Strong interest in markets

# TRANSACTION SERVICES



- ▶ Great path for people interested in M&A but not IB
- ▶ Financial due diligence reports necessary for M&A transactions
  - Service requests from both the client and the investment banks
  - Both junior and senior positions are skill-based
- ▶ Mostly found at the Big Four accounting firms
- ▶ 60-70 hours per week, occasional weekend work
- ▶ ~\$85,000 all-in starting compensation

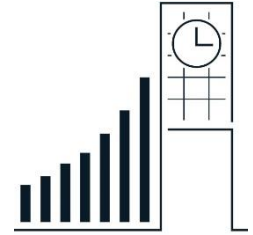


# RESOURCES GUIDE

SPRING 2024

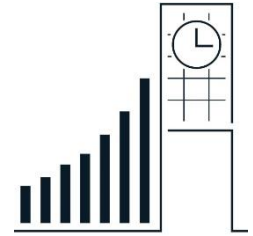


# NEWS SOURCES



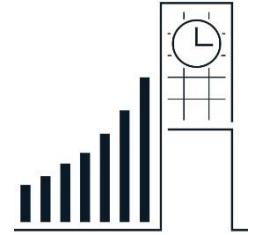
- ▶ Traditional, comprehensive news sources
  - Wall Street Journal, New York Times
- ▶ Markets-oriented, real-time news
  - Bloomberg, CNBC
- ▶ Recommended email newsletters
  - Seeking Alpha Wall Street Breakfast
  - Axios Pro Rata
  - WSJ The 10-Point
  - New York Times Dealbook
  - Bullpen News

# CAREER INSIGHTS

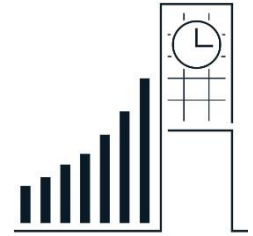


- ▶ Mergers & Inquisitions
  - Great career information in article form
- ▶ Wall Street Oasis
  - Some good information, be careful
  - Interview guides are a great resource
- ▶ Google search
- ▶ E-Board members

# NETWORKING



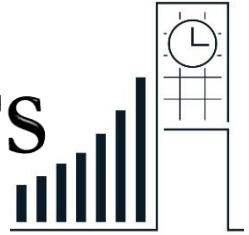
- ▶ SOM / Finance Society Events
  - Executive in Residence, Alumni and Mentoring Event
  - Speaker series
- ▶ Wall Street Oasis / Mergers & Acquisitions
  - Guides on how to network
- ▶ LinkedIn / Google
  - Great for finding alumni to connect with



# BASIC FINANCE CONCEPTS

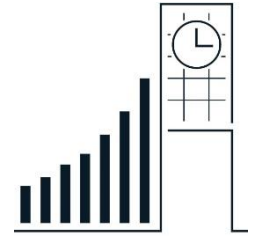
- ▶ Wall Street Prep / Breaking into Wall Street
  - Financial modeling and training videos
- ▶ Investopedia
  - Financial dictionary, some videos and articles
- ▶ Khan Academy
  - Introductory videos to various financial concepts
- ▶ Damodaran
  - In-depth pieces on valuation of equities and derivatives

# ADVANCED FINANCE CONCEPTS



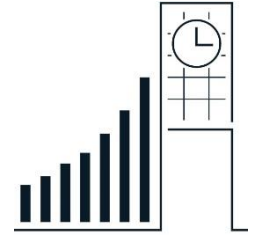
- ▶ Macabacus
  - Advanced financial modeling examples
- ▶ Academic white papers
  - Volatility
  - International banking
  - Interest rates
  - Valuation
- ▶ Published case studies

# FINANCIAL INFORMATION



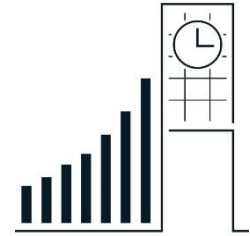
- ▶ SEC Edgar, BamSEC
  - Quarterly, annual, and current filings
- ▶ Binghamton library resources
  - S&P NetAdvantage, Thomson ONE, Morningstar
- ▶ Bloomberg Terminal
  - Financial statements, analyst estimates
- ▶ Yahoo Finance, CNBC

# ACTIONABLE STEPS

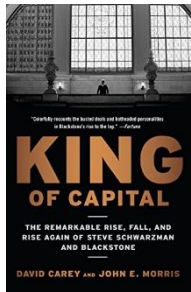


- ▶ Look around M&I and WSO
- ▶ Keep up with the news
- ▶ Do the FS case competitions
- ▶ Actively look up financial concepts
- ▶ Network

# RECOMMENDED READING



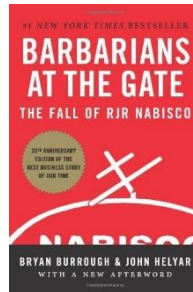
## ▶ Financial Markets History



### King of Capital

David Carey and John E. Morris

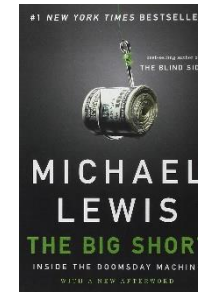
The formation of the Blackstone Group



### Barbarians at the Gate

Bryan Burrough and John Helyar

Leveraged buyout of RJR Nabisco in the 1980s

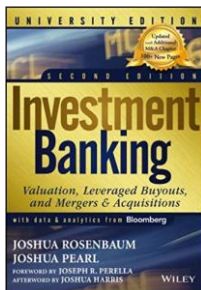


### The Big Short

Michael Lewis

The housing bubble and financial crisis of 2007-08

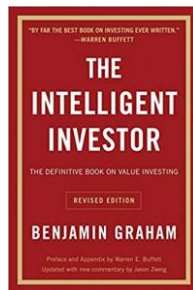
## ▶ Academic and Informational



### Investment Banking

Joshua Rosenbaum and Joshua Pearl

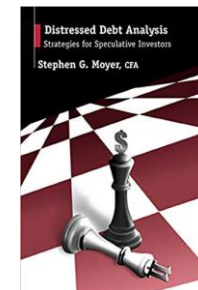
General overview on valuation and M&A



### The Intelligent Investor

Benjamin Graham

Practical advice on investing in securities



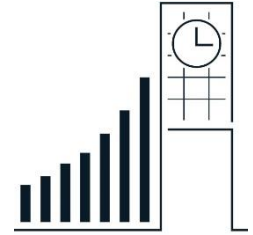
### Distressed Debt Analysis

Stephen G. Moyer

In-depth analysis of distressed securities



# QUESTIONS?



- ▶ Check out our website: [bingfinance.org](http://bingfinance.org)
- ▶ Email us at:
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  - [rcharan1@binghamton.edu](mailto:rcharan1@binghamton.edu)