Financial Careers Guide

By Brian Perry

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Financial Careers: Introduction

This tutorial will provide you with the information you need to decide if a career in finance is right for you, and might even help you narrow down your options within the finance field. The tutorial will begin by providing background information on the financial industry, including an overview of various qualifications and credentials that are commonly found in the industry and the main types of institutions that employee finance workers. After this introductory material, the tutorial will move on to discuss specific roles, such as investment banker, trader, or portfolio manager. In each of these sections, you will find information on where jobs are, as well as on the career path and qualifications often necessary to find a job. Each section will also provide a brief sketch of what the different jobs entail.

While you won't find everything you need to make a career choice in this tutorial, you should find enough information to provide you with a good starting point towards narrowing your focus on what type of finance job might be right for you. Armed with that knowledge, you'll then be able to dig deeper to find more information on the jobs that

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are particularly intriguing to you. Are you ready to move towards the career of your dreams? Good, let’s get started then. (For a related reading, see Business Grads, Land Your Dream Job.)

Financial Careers: Qualifications and Credentials

This first chapter of the tutorial will examine some of the background information jobseekers in the financial industry might find useful. In particular you will find an overview of requirements for many finance roles and a discussion of professional qualifications and licenses commonly found among finance professionals. This chapter will also take a brief look at what cities finance jobs are usually found in as well as resources to help you go about finding a job. The information found in this introductory chapter will provide a foundation for the more job-specific details discussed in subsequent chapters.

Requirements and Qualifications

Because jobs in the finance industry can be extremely lucrative, basic qualifications to break into the industry are high. While there are always exceptions to every rule, for the most part, an undergraduate college degree is an absolute minimum when seeking a job in the finance industry. In addition, many finance industry participants have graduate degrees; MBAs are most commonly found, but other types of master’s degrees and PhD's are also prevalent. As with most industries, finance also has its own unique set of professional qualifications and licenses. These include professional designations such as the Chartered Financial Analyst (CFA), Certified Financial Planner (CFP) or Certified Public Accountant (CPA) designations as well as securities industry professional licenses such as the Series 7 & Series 63 licenses issued by the Financial Industry Regulatory Authority (FINRA.) Both designations and licenses require completing a course of study and passing an exam intended to develop an individual’s knowledge base. The main difference between designations and licenses is that designations (like the CFA) are “resume boosters” that confer prestige on the holder while licenses (like the Series 7) are legal requirements to transact certain types of business.

Where to Find Finance Jobs

There are finance industry jobs in almost every city in the United States and around the world, but the largest concentration of jobs tend to be found in cities commonly
considered to be international financial centers, including New York, London, Hong Kong, Shanghai, Dubai and Zürich. Native English speakers should bear in mind that for many jobs overseas foreign language skills might be a requirement (and would certainly be useful.) Over the past several years, finance job growth has been particularly strong in developing market countries, a trend that many believe will continue into the future. While the greatest number of jobs are found in the largest cities, job seekers that live elsewhere and are unwilling to move should not despair. Many large banks have branches in mid-sized cities, and money management firms and hedge funds can be found in a variety of locations. Corporate finance jobs are also available outside of the international financial centers. (For more information on great cities for finance jobs check out Top 10 Cities For A Career In Finance.)

Resources for Finding Finance Jobs
While competition for many finance jobs can be fierce, there are some tools and resources to help you with your search. Many industry professionals enter the field right out of college or graduate school and are recruited when financial firms visit their schools. Therefore, if you are still in school, your university career office should be a great place to begin your job search. If you are already out of school, or just want to supplement the resources available through your school, many job postings can be found on specialized sites such as efinancial.com, the CFA website, or a Bloomberg terminal. Social media sites such as LinkedIn are also growing in popularity as a recruitment tool. Many financial companies prefer working with a recruiter when attempting to fill an opening. Therefore, finding recruiters in your local city and contacting them with your resume might prove to be a successful strategy. Finally, the key to a successful financial job search (as with any job search) is persistence. Competition is fierce, but if you want a finance job badly enough, and work at it hard enough and consistently enough, your efforts should ultimately pay off with the job you are looking for.

Summary
This chapter has provided an overview of the qualifications commonly required for a job in the finance field. It has also examined some of the common locations for finance jobs, as well as some of the resources available to job-seekers. This information will prove valuable once you have narrowed your job search towards a particular field of finance, which the remainder of this tutorial will help you do.
Financial Careers: Finance Employers

While there are many different types of entities that higher finance employees, this tutorial will primarily focus upon some of the most common types of institutions where finance jobs can be found. In this chapter, we will look at a broad outline of common finance firms; later, we will examine some of these in more detail as we discuss specific roles in the finance industry.

Investment Banks
Investment banks usually specialize in giving strategic advice to corporations, providing financing to companies, governments, and other large institutions, and in buying and selling stocks, bonds, and other securities. Common jobs found at investment banks include investment bankers, security salespeople, and traders.

Commercial Banks
Commercial banks usually specialize in taking deposits from individuals and making loans to corporations, individuals, and governments. Many large commercial banks also engage in traditional investment banking endeavors such as capital raising and trading. Common roles at a commercial bank include loan officer or bank teller, as well as investment bankers, security salespeople, and traders. Note: the lines between investment banks and commercial banks have blurred over the years and there are very few “pure” investment banks or commercial banks. In practice, most firms considered “investment banks” are either commercial banks from a regulatory standpoint or operate as a division of a large commercial bank.

Money Management Firms
Money management firms usually specialize in managing investments for individuals or institutions. Very large firms might manage a wide variety of asset classes while smaller boutique firms might focus on a particular market niche, such as small-cap stocks or high-yield bonds. Common roles at a money management firm include portfolio manager or security analyst.

Hedge Funds
Hedge funds are similar to money management firms in that they also manage money for institutions and wealthy individuals. However, they are often known for taking more risk than some “traditional” money management firms and are generally more focused upon providing very high returns. Hedge funds sometimes have a broader mandate
than traditional money management firms and have fewer restrictions on how they can invest. Common roles at hedge funds include portfolio manager or security analyst.

**Private Equity Firms**

Private equity firms usually manage money for institutions and wealthy individuals. While hedge funds and money management firms usually buy and sell public securities, private equity firms usually purchase entire corporations. When a private equity firm purchases a public company, it “takes it private”, which gives the industry its name. Private equity firms usually attempt to profit either by improving the operations of the companies they purchase or by using financial engineering to increase the return on owners’ equity. Eventually the private equity firm seeks to either resell the companies they own or take them public again in order to make a profit for themselves and their investors. Most employees at private equity firms are investment bankers, and their functions can include analyzing potential purchases, negotiating deals, raising financing, or attempting to improve portfolio companies’ operations and profitability. (To learn more, see [What Is Private Equity?](http://www.investopedia.com/university/financial-careers/default.asp))

**Real Estate Firms**

Real estate firms attempt to either develop new real estate projects or purchase existing projects in an effort to better manage them and increase the returns. Common finance jobs at a real estate firm include financing specialist, analyst, or deal manager. Note: many leading private equity firms also invest in real estate.

**“Real Money”**

Real money institutional investors invest money for an entity such as a pension fund, sovereign wealth fund, or insurance company in an effort to generate returns over time that will allow the organization to meet its financial goals. Common roles at “real money” firms include investment analyst, portfolio manager or trader.

**Summary**

This chapter has provided a general overview of the types of firms that often employ finance professionals. In subsequent chapters this tutorial will examine common finance jobs and what they entail. By combining the type of job you want with the type of organization you want to work for, you will be well on your way to the finance career you are looking for.
Financial Careers: Investment Banking Jobs

This chapter will examine investment banking jobs. These jobs generally involve working with corporations, governments, and other large institutions and either helping them to raise capital or providing them with strategic advice. While many investment bankers may begin their career as generalists, they often go on to develop expertise in a particular industry or sector, after which their career might become more specialized.

Where the Jobs Are
Investment banking jobs are available with several different types of organizations. Many jobs are to be found at the large global investment banks such as Goldman Sachs and Morgan Stanley or in the investment banking department of large commercial banks such as Citigroup or Deutsche Bank. Other jobs are available at smaller, regional or boutique investment banks such as Lazard, Jefferies, or Greenhill. Another, increasingly popular place to find an investment banking job is at alternative asset management companies such as private equity firms or venture capital firms. Finally, investment banking functions can be found at some large companies that might have an in-house staff evaluating strategic opportunities and corporate mergers, General Electric is a good example of such a company. (Learn more in Getting An Investment Banking Job In A Recession.)

How to Get an Investment Banking Job
Investment banking has a reputation for being a blueblood profession, and historically many people have entered the industry following a prestigious academic background at an Ivy League or comparable university. The most common career path is for an individual to leave University and serve a two or three-year stint at one of the large global banks. Following this, many individuals will return to graduate school to get a MBA degree before returning to either their previous employer or a new firm at a higher level. While professional certifications such as the Series 7 or CFA designation are not unheard of, they're not as common in investment banking as they are in some other finance fields. Nevertheless, competition for jobs is fierce and many employers essentially have their pick of qualified candidates. Therefore, if you are interested in a career as an investment banker, the best way to prepare is to do exceptionally well in school so as to make yourself appear an attractive candidate.

Types of Investment Banking Jobs

This tutorial can be found at: http://www.investopedia.com/university/financial-careers/default.asp
**Mergers and Acquisitions (M&A)**

Mergers and acquisitions bankers specialize in providing strategic advice to corporations seeking to merge with a competitor or buy a smaller company. These bankers need to have solid financial modeling skills in order to make sure that deals make strategic and financial sense. Bankers also require client facing skills, particularly at senior levels, where they will be interacting with many high-profile executives and need to be able to convince these executives that their ideas are sound. Many M&A bankers work extremely long hours, but they can be very well compensated for this. Senior-level bankers (managing director level and higher) can easily pull in seven-figure compensation during a good year. Some mergers and acquisitions bankers eventually attain near legendary status for their ability to initiate and complete large deals.

**Underwriting**

One of the primary traditional functions of investment banks has been to assist corporations and governments in raising capital. This function falls upon the underwriting department. Bankers in the underwriting department usually specialize either in debt or equity and may also specialize by industry. These bankers need to be able to liaison with their clients in order to determine their capital needs while also working closely with traders and security salespeople in order to determine what sort of demand there might be in the marketplace and what kind of pricing any securities would receive. While traditionally this field has been dominated by investment banks, over the past decade large universal banks have used their balance sheets to gain market share relative to their smaller rivals, particularly in debt underwriting. As with most investment bankers, underwriters can wind up working long hours, particularly when working on a deal. (To learn more, see *The Rise Of The Modern Investment Bank*.)

**2010 league table rankings:** The following table shows the largest investment banks in the U.S. by market share, broken out into M&A, equity underwriting, bond underwriting, and loans.

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<th>Fees</th>
<th>Change in Fees</th>
<th>% of Fees collected by product in 2010</th>
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<tr>
<td>Top 10 Banks</td>
<td>($m) vs. Prev Period*</td>
<td>M&amp;A</td>
</tr>
</tbody>
</table>

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### Fees Change in Fees % of Fees collected by product in 2010

<table>
<thead>
<tr>
<th>Top 10 Banks</th>
<th>($m) vs. Prev Period*</th>
<th>M&amp;A</th>
<th>Equity</th>
<th>Bonds</th>
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(Source from FT: Thompson Reuters League Tables)
• **Private Equity**
  Private equity jobs are among the most prestigious positions in all of finance today. Some of these positions can be found within an investment bank but most are found at specialist firms. Some of the largest and most well-known private equity firms include Blackstone, KKR and TPG, but there are also a host of smaller firms. As with most investment banking jobs, the hours and work load at a private equity firm can be brutal, but the compensation can be massive. Because private equity firms traditionally keep a portion of any profits they generate on deals, successful firms can bestow great wealth upon senior employees. As such, competition for jobs at the premier private equity firms is intense, and most successful applicants either have prior experience at a large investment bank or superior academic credentials (or both.) (For more, check out Learn The Lingo Of Private Equity Investing.)

• **Venture Capital**
  While private equity firms invest in established companies, venture capital firms specialize in providing capital to new or startup companies. Generally these companies are still relatively small and have not yet accessed the stock market. Many of these companies will fail, but because venture capitalists get in at such an early stage of development, the ability to produce outsized gains on the few winners theoretically outweighs a large number of losers. Many venture capital firms focus upon rapidly changing industries such as technology, biotech, or green technology. For these reasons, individuals that not only enjoy crunching numbers and deal making but also have an aptitude for new technologies will generally do best in a venture capital firm. Venture capital also has the ability to provide the thrill of seeking “the next new thing” which may appeal to some individuals. As with similar jobs, the workload can be heavy but successful venture capitalists can do extremely well for themselves, particularly during times when technology is thriving. (Check out The Top 9 Venture Capital Interview Questions.)

**Summary**
This chapter has examined some of the popular occupations within the investment banking field. Many of these jobs require individuals to work extremely long hours but the compensation can be tremendous. Because of the potentially large paydays, competition for these jobs is fierce and it can be difficult for many individuals to break
Financial Careers: Trading Jobs

This chapter will examine trading jobs. Trading jobs generally involve buying and selling stocks, bonds, currencies, commodities, or some other financial instrument either to facilitate customer needs or to take a proprietary position in order to benefit from expected market movements. The work can be stressful, challenging, and exciting all at the same time and the rewards can be great for successful individuals. If this sounds like an appealing combination to you, read on to learn a little bit more about the trading profession.

Where the Jobs Are
Trading jobs are found at a variety of institutions including commercial and investment banks, asset management firms, and hedge funds. Government regulations evolving from the aftermath of the financial crisis have change the landscape for trading jobs somewhat, but in general traders at commercial and investment banks focus upon providing liquidity for their clients and earning a profit via a bid/ask spread. Traders at asset management firms seek out the best price when buying or selling securities for their client’s portfolios. Finally, traders at hedge funds are interested in taking proprietary positions in order to benefit from expected market movements.

Note: Due to ongoing government regulatory changes, the field of trading is in some flux. If you are considering a career as a trader, you should pay careful attention to news headlines depicting the continuing evolution of government financial regulation.

How to Get a Trading Job
Applicants from a wide variety of backgrounds wind up in trading jobs. Although the most common path is to come out of a good university and take a job at a bank or hedge fund to learn the ropes, the career path is somewhat less defined than in investment banking. Some traders (a declining percentage) lack a college degree, while
many have advanced degrees such as an MBA. Because of the increasing prevalence of higher mathematics in the financial markets, PhD's from a variety of statistical, scientific, or mathematical disciplines are also becoming more common on trading desks. Many traders take the Series 7 & 63 exams early in their careers. Typically, an individual will start off in a junior position as an assistant trader before working their way up as they earn their employers confidence. As time goes by, the trader will be allocated more and more capital depending upon their performance. Many of the most successful traders eventually attempt to start their own hedge fund.

Types of Trading Jobs

- **Sell-Side trading jobs**
  Many trading jobs can be found at banks and investment banks (in practice, there is little difference anymore between banks and investment banks.) Early in their career, the new employee is usually placed in one product area, and specializes in that area for much of their career. Broad product areas can include equities, commodities, or fixed income. At smaller banks, an individual may all of the government bonds, or perhaps even all of fixed income. However at larger banks, individuals usually specialize more. For instance, an individual might trade only ten year Treasury bonds or only technology stocks. In years past, many banks ran large proprietary divisions that used the bank's capital to buy and sell securities with an aim towards profiting from market movements. This practice has been called into question due to the financial crisis and ongoing regulatory changes make it likely that this activity will be greatly diminished in the future. Therefore, the main trading activity at sell side firms in the future will likely be buying and selling for the benefit of clients. This diminished capacity to take risk may benefit the financial system as a whole, but it likely means that individual traders at banks will be paid less in the future. Nevertheless, traders will still find that they can make plenty of money working at a bank. (For more, see Traders: Profit From Other Investors’ Fear.)

- **Buy-Side Trading Jobs**
  There are also trading jobs available at buy side firms such as asset management companies. At some asset management firms, portfolio managers will buy and sell securities themselves. However at others, the portfolio managers might decide what to buy or sell but then give instructions to their
traders who actually do the buying and selling. Because they are generally following the instructions of a portfolio manager, dedicated traders at buy side firms often have less discretion in their activities than traders at other types of institutions. However, this does not mean that they have no discretion. For instance, a portfolio manager might dictate that they want to buy a particular security, but it is up to the trader at when and at what price and when to execute a trade. Or, a portfolio manager might indicate that they want to buy a particular type of security but leave the exact security and timing of the trade to the trader. Nevertheless, the function of a trader at a buy side firm is often to get the best price for the portfolio manager within limited parameters, making these jobs somewhat less challenging than many other trading jobs. As might be expected, this also means that trading jobs at asset management firm tend to be somewhat lower paying then jobs at banks or hedge funds. (To learn more, check out Buy Side Vs. Sell Side Analysts.)

- **Hedge Fund Jobs**
  Trading positions at hedge funds are among the most sought-after jobs in the financial world. Depending on the firm and the level of the trader, these jobs can involve taking orders from a portfolio manager or using discretion on what to buy and sell on a proprietary basis. Top traders with the discretion to manage their own portfolio can make outrageous sums of money, with figures in the tens or hundreds of millions of dollars not unheard of. The best hedge fund traders often eventually set out on their own by starting their own hedge fund. Unlike traders at a sell side firm, hedge fund traders are not attempting to satisfy client orders but instead seek to benefit from future market movements. Because they are taking more risk, the potential rewards are greater, but so too is the stress. Individuals considering a job trading at a hedge fund must be comfortable risking large amounts of money on a daily basis and be comfortable with the possibility that if their performance lags for a period of time they may very well be fired. Nevertheless, the truly massive rewards that accrue to the top hedge fund traders guarantee that competition for these jobs will remain fierce. (For more, see Can You Invest Like A Hedge Fund?)

**Summary**
This chapter has examined trading jobs. The career path to these jobs is less defined than for investment banking jobs, but most individuals should have an aptitude for math,
an ability to react quickly to changing conditions, the fortitude to withstand market volatility, and the ability to make quick decisions based upon incomplete information. Most successful traders are truly passionate about what they do and often spend their off hours studying the markets. If the previous profile sounds appealing, then a career in trading may be right for you.

Financial Careers: Financial Advisory Jobs

By Brian Perry

In this chapter, we will take a look at financial advisor jobs. These jobs are perhaps the most familiar to the general public and are primarily focused upon providing financial services to the retail investor. The term “financial advisor” encompasses a variety of jobs whose practitioners have often been referred to as stockbrokers, although the industry has tried to move away from that term.

Where the Jobs Are
Unlike many other financial jobs, financial advisor roles are commonly available outside of major financial centers. Therefore, working as a financial advisor may appeal to those individuals not interested (or unable) to live and work in New York, London, or other large cities. Because they interact with the public, financial advisors are usually located fairly close to their clients. This means that most large financial advisory firms have offices in both large cities and smaller metropolitan areas. Some firms even allow employees to work remotely, which creates the possibility of living and working in areas not traditionally associated with the financial industry. Common employers in the financial advisory business include large brokerage firms discount brokerage firms and independent registered investment advisors and private banking firms. Both large and small firms offer advantages and disadvantages; which one is best is largely a matter of individual preference.

How to Get a Financial Advisor Job
As with most jobs in finance, financial advisors generally have at least a college degree. Although some advisors also have a graduate degree, these are not as much of a requirement to be a financial advisor as they are for some other finance roles. However, most financial advisors are required to have securities industry licenses such as the
Series 7 & 63. Earning these licenses involves studying for and passing several exams and then conducting continuing education and complying with ethical standards. Also common among some financial advisors is the Certified Financial Planner (CFP) designation. This designation is particularly common among independent advisors who offer not only stock and bond sales, but also complete financial planning and sometimes tax advice. Because they often look at a client's entire financial picture, Certified Public Accountant (CPA) designations are also relatively common among some advisors, although they are certainly not a prerequisite for entry to the field.

**Types of Financial Advisor Jobs**

- **Stockbroker/Financial Consultant Jobs**
  These jobs are generally found at the large “wire house” firms such as Morgan Stanley or Merrill Lynch. Jobs can also be found at firms such as Charles Schwab, Edward Jones, and Raymond James. At the larger firms, individuals generally enter on the ground floor and complete a training course where they learn the basics of the financial industry, gain an understanding of how the business and the firm works, and study for and attain their Series 7 & 63 licenses. Individuals may then begin working for an established broker before eventually finding their own clients and building a book of business. The work is difficult initially with a lot of cold calling on prospects; therefore, successful stockbrokers must be able to handle rejection well. The rate of attrition among new stockbrokers is fairly high due to the demanding nature of the work and the difficulty of getting started. However, once established financial consultants can earn a very comfortable lifestyle while managing their client portfolios and achieving satisfaction from helping their clients meet their financial goals.

- **Certified Financial Planner Jobs**
  While most stockbrokers work at relatively large firms, many certified financial planners work at small firms, either for themselves, with a partner, or as an employee. For that reason, these jobs tend to appeal to individuals with an entrepreneurial spirit or that enjoy working in a relatively small office. While many certified financial planners have a Series 7 & 63 license, many also study for and complete the CFP program and CPAs are also common. Once established, the role of a certified financial planner is similar to that of a financial consultant at a
large firm; individuals help guide their clients’ finances in order to meet the clients’ financial goals. One difference is that some certified financial planners take a broader view of their clients’ finances in order to encompass tax planning, estate planning and similar issues in addition to investments. (To learn more, check out Studying For The CFP Exam.)

- **Private Banker Jobs**
  Private bankers deal with extremely wealthy individuals. At many private banks, the minimum account size might be several million dollars, and it can sometimes be much higher. Private bankers can work at a firm that specializes in high net worth individuals, while many “regular” brokerage firms and banks also have special divisions that focus solely on their wealthiest clients. Like financial consultants and financial planners, private bankers work with their clients to plan investments and work towards financial goals. However, because most clients have already attained great wealth, these jobs sometimes focus more upon preservation of wealth then on creating wealth. Tax planning and complicated financial strategies also play more of a role with high net worth clients than with ordinary clients. In some cases, private bankers may also find themselves providing unusual services such as helping a client manage their art collection or finding somebody to pay the bills and provide maintenance on the clients’ many houses. Private bankers are particularly in demand in Asia and other emerging markets where the ranks of the very rich are swelling rapidly. Because more and more people in these countries are attaining the kind of wealth which requires a private banker, the potential growth of this field is excellent.

**Summary**
This chapter has examined financial advisor jobs. Because competition for some of these roles is less intense than for some other finance roles and because individuals have the flexibility to work from a variety of locations, a career as a financial advisor might be appealing to some job seekers. Before considering such a career, it is important to make sure that you have the intestinal fortitude and people skills necessary to survive the initial stages of developing a client base. If you do, a financial advisory career can provide financial rewards as well as the satisfaction that comes from seeing clients meet their financial goals. (For more, see Why Financial Advisors Disagree.)
Financial Careers: Analytical Jobs

In this chapter we will look at finance jobs for individuals that like to look at “the big picture” by analyzing the economy or the broad financial markets. There is a great deal of disparity among these roles, but for the most part they will appeal to people that enjoy analyzing data, following trends, and forming opinions as to the future of the financial markets. Many of these roles might also involve a good deal of writing and perhaps public speaking in order to disseminate one’s opinion.

Where the Jobs Are
These roles, which include positions as an economist, strategist, and “quant,” can be found in a variety of institutions including investment banks, money managers, the public sector, and academia. Because they are available at a wide variety of institutions, these jobs can also be found in a variety of locations including large cities as well as college towns.

How to Get an Analytical Job
Most of the roles discussed in this chapter require a fair amount of schooling prior to entry. A college degree is an absolute necessity, while most participants also have either an MBA or PhD. In order to advance to the higher levels of this field, successfully writing and publishing in one’s area of expertise is also generally required. One benefit of analytical jobs is that there is some flexibility in moving among different types of employers. For instance, once established, an economist might be able to move from her role at a university to a role at an investment bank, and then on to a job with the government. This flexibility to work in a variety of environments and to perform high-level analytical work can be appealing to those willing to put in the necessary time and effort to earn advanced academic qualifications. (Learn more in The Best Designation For Your Financial Education: CFA, MBA or Both?)

Types of Analytical Jobs

- Economist Jobs
  Roles as an economist can be found at a variety of institutions including investment banks, asset managers and hedge funds, governments, central banks, and academic institutions. Economists generally analyze data and trends
in the economy in order to explain why current circumstances are what they are or to forecast what the future may hold. Many economists disseminate their views through a combination of writing, teaching, lecturing, or public speaking. At some organizations, an economist functions as one of the “faces” of the firm. At these organizations, individuals comfortable in dealing with the public will do best. Fortunately for individuals who prefer to work outside of the public spotlight, there are also plenty of roles as an economist that involve crunching numbers and forecasting trends without public interaction. Most economists have a PhD, or at a minimum a Masters level degree; certifications such as the CFA, CPA, or Series 7 license are generally not required. An economist at a large bank or money management firm can make a lot of money, but economists working in academia or government are often underpaid, at least relative to their level of schooling and the salaries of some other financial professionals. Nevertheless, individuals with an analytic bent that enjoy writing and speaking may find the work enjoyable, and should be able to earn a comfortable living regardless of where they choose to work. (For a complete guide to economics, see our Economics Basics Tutorial.)

- **Strategist Jobs**

Roles as a strategist are similar to the role of an economist: both involve analyzing data and forecasting trends, with a healthy dose of public interaction often part of the job. However, while an economist may focus more on the economy, strategists generally focus not only on the economy but also on the broader financial markets. Strategy jobs are most commonly found at banks and money management firms; academic and government positions are more rare. Career paths vary, but many strategists start out as a research analyst with a product focus i.e. investment grade corporate bonds. The individual may then progress to a fixed income strategy role in which they analyze the overall fixed income markets. Successful individuals may eventually progress to the point where they are appointed Chief Investment Strategist. At many firms, the Chief Investment Strategist is the primary public persona of the firm. For this reason a successful strategist must be comfortable speaking in front of audiences and perhaps appearing on TV in addition to frequently writing market commentaries. Graduate degrees are common among strategists, and some practitioners may have a CFA designation as well. The pay for a top level strategist can be very high, particularly at large firms. A successful strategist also may have the option...
of moving to a portfolio management role at a hedge fund or money management firm if they so choose.

- **Quant Jobs**
  Many analytic roles involve developing views and then disseminating them to the public or clients. However quants usually work behind the scenes, developing mathematical models to predict the markets. These positions are typically found at money management firms, hedge funds, or banks. The typical quant generally possesses a mathematical or statistical background, and may have a PhD or advanced degree in mathematics or a scientific field. Individuals that enjoy working with numbers and building computer models may find a career as a quant rewarding. Depending on what role they are in, a quant can earn tremendous sums of money. If an individual is able to successfully build models that outperform the market, the potential rewards are almost limitless. (To learn more, see *Quants: The Rocket Scientists Of Wall Street.*)

**Summary**
While almost every job in finance requires a fair amount of analysis, this chapter has focused on several careers in which analytics are the primary focus. The roles described in this chapter will appeal to individuals that enjoy looking for patterns in data or market trends and then forecasting what direction markets will head in the future. Many of these positions also involve a fair amount of client and public facing activities, making communication skills important for many (but not all) of the positions in this chapter.

**Financial Careers: Financial Media Jobs**

Torn between a career in finance and a career in Hollywood? If so, the jobs in this chapter might appeal to you. Financial media jobs incorporate knowledge of finance and economics with the ability to write or speak intelligently about the markets. Individuals interested in these jobs should possess superior communication skills as well as market savvy. A preference for either writing or speaking will largely dictate what area of the financial media an individual chooses to focus on.
Where the Jobs Are
Many of the jobs in this chapter are found in the largest cities where media tends to cluster. However, most relatively large towns and cities have a local newspaper or television station that may present some opportunity. Furthermore, writers may find that they have the opportunity to work on a freelance basis; this allows an individual to literally live and work anywhere. The jobs in this chapter are found at different types of institutions that most of the other jobs in this tutorial. Instead of banks or money management firms, typical employers for financial media jobs include news services such as Reuters or Bloomberg, television stations such as CNBC, and newspaper or magazine groups such as the Financial Times or Forbes.

How to Get a Financial Media Job
The career path to a financial media job is also a little bit different than for many of the other jobs in this tutorial. Although some individuals can (and have) progressed from a role at an investment bank or hedge fund, that is somewhat more the exception than the rule. Instead, many financial media members enter the field as journalists. This means that their college background may include studying journalism as well as economics or finance. Many leading figures in the industry begin their career working for a smaller newspaper or television station and then steadily progressing up the ranks until they attain a coveted spot at a large media network or well-known newspaper. For some jobs, such as an anchor position on a financial news show, considerations not commonly found in financial jobs may come into play. These include appearance, comfort in front of the camera, ability to interview guests, and on-screen personality. Individuals interested in a job in media should realize that as with most finance jobs, competition is tough. Nevertheless, individuals that aspire to a financial media job might find that hard work and diligence eventually lead to a role in covering the events of the day.

Types of Financial Media Jobs

- **Investment Writing**
  Jobs as an investment writer can be found in a variety of places. Some large banks and money management firms employ full-time writers to help produce marketing pieces or market reports. There are also jobs at newspapers, magazines, and websites that focus on the financial markets or the economy. For all of these positions, knowledge of the financial markets is important. However, even more important is an ability to write well. This skill may be learned through
formal training or may develop more informally through practice. It should be noted that the media business is currently changing rapidly, and journalism positions may not be easy to find. Furthermore, experts continue to debate the future of print media versus online content. Regardless of the outcome, it does seem likely that there will always be a need for individuals able to comment on and reflect upon what is happening in the financial markets.

- **On-Air Commentator**
  These roles are likely to appeal to individuals that would enjoy talking about the financial markets on TV or the radio. These roles could either involve interviewing market experts or providing one's own opinion on the state of the markets. A presentable appearance is important for appearing on television, and it is a requirement to be well spoken either on television or on the radio. Many jobs may begin as a guest role making appearances on a show. Doing well in these appearances may lead to a recurring role and eventually one's own show. The top on-air commentators are paid tremendous salaries in return for attracting large audiences on a daily or weekly basis.

**Summary**
The media business is changing rapidly, and the future is uncertain. However, there will always be a demand for individuals able to report on the events of the day in the financial markets. For individuals with an interest in finance, superior communication skills, and desire to report on and shape the news, a job in financial media may be perfect. (For more, check out [Financial Media 411 For Investors](http://www.investopedia.com/university/financial-careers/default.asp).)

**Financial Careers: Financial Analyst Jobs**

By **Brian Perry**

In this chapter, we will explore financial analyst jobs. These jobs are among the most common in the financial industry and can encompass a variety of different job descriptions and take place at a number of different institutions.
Note: the term “analyst” is widely used in the financial world and there is no one strict definition of what constitutes an “analyst” role. In this chapter, I will simply attempt to define several of the areas of the finance industry in which someone may find themselves working as an “analyst.” The different sections of this chapter are not mutually exclusive nor are they exhaustive, but they are meant to provide a general feeling for what an analyst position might look like.

Where the Jobs Are
Jobs as an analyst are extremely common at banks, money management firms, brokerage firms, and other firms involved in the investment business. At these types of firms, analysts are responsible for researching investments and providing opinions on which are appropriate. Financial analyst positions are also available in a wide variety of corporations and other institutions where the role might involve analyzing the financial position of the company and assisting in creating an appropriate budget and capital structure. Because they can be found in many different types of companies, analyst jobs are available in most large cities. However the greatest number of positions are found in the typical international financial center cities such as New York, London, or Hong Kong.

How to Get an Analyst Job
As with almost all finance jobs, becoming an analyst usually requires a college degree. At an investment bank, an analyst role is often the first job someone holds out of college; later on, a research analyst position can be an advanced role at banks and money management firms. At the higher levels, many analysts have a graduate degree or Chartered Financial Analyst (CFA) designation. Some successful individuals spend their entire career as an analyst; the very best might eventually earn the honor of being named to the Institutional Investor All-America Research Team. However, many analysts eventually finish honing their skills for investment analysis and then move on to a portfolio management role at a money management firm or hedge fund. (For more, see Sizing Up A Job As A Ratings Analyst.)

Types of Analyst Jobs

- **Entry-Level Analyst Jobs**
  Perhaps the most common entry point into the investment banking world is as an entry level analyst. Typically someone enters this role after graduating from a prestigious college (with excellent grades usually a necessity.) The analyst than
spends two or three years building financial spreadsheet models for more senior investment bankers or securities analysts. The work is hard and the hours are famous for being extremely long; all-nighters are not unheard of and working on weekends is common. At the end of the two or three year period, the analyst usually leaves the firm to return to graduate school. After completing a graduate degree, the individual may return to the same firm they previously worked in or begin work at a new firm; either way they will return at a higher level. While the work is very hard, and an entry-level analyst is unlikely to receive the kind of paydays that a senior investment banker or trader would receive, the pay is still exceptional, especially by the standards of most jobs available to recent college graduates.

- **Investment Analyst Jobs**
  For the purposes of this chapter, an investment analyst job differs from an entry level analyst job in that the former is intended to be a temporary stop in the course of a career whereas the jobs discussed in this section are permanent roles. An investment analyst, as the name implies, analyzes investments. Most analysts will have a specialty such as consumer **cyclical stocks**, Brazilian stocks, or high-grade corporate bonds. Because of their specialization, analysts will eventually become an expert in their particular area. Investment analysts work at almost every firm involved in investing, from banks to brokerages to money management firms to hedge funds. If an analyst works for a bank or brokerage (the sell side) their job will entail putting out buy and sell recommendations for clients. If an analyst works for a money management firm or hedge fund (the buy side) their job will entail recommending securities for sale or purchase by their portfolio managers. An investment analyst might choose to stay in that role throughout their career; however some may also choose to eventually move on to roles as a portfolio manager. As with most jobs in the investment industry, an investment analyst can be paid extremely well depending upon the types of securities they are analyzing, the type of firm they work at, and of course their skill at their job.

- **Financial Analyst Jobs**
  While the other types of analyst positions in this chapter revolve around working in the investment field, the financial analyst roles described in this section refer to
positions at more traditional corporations. Almost every type of corporation, from IBM, to Procter & Gamble, to Ford has financial analysts on staff in order to help analyze cash flows and expenditures and develop a reasonable budget. A financial analyst might also assist in determining the optimal capital structure for the corporation and perhaps participate in capital raising in the equity or debt markets. Over time, a successful financial analyst might have the possibility of moving through the ranks to eventually become the corporation’s treasurer or chief financial officer. In addition to roles at corporations, these sorts of jobs are also usually available at many government agencies and other institutions. While these roles can pay very well, particularly at the higher levels, most corporate finance jobs are unlikely to provide the same level of pay as a job with an investment firm. However, corporate jobs may also be more stable, provide a better work/life balance, and carry less pressure. (Learn more in 10 Ways To Avoid Burnout In Corporate Finance.)

Summary
This chapter has looked at financial analyst positions. While the term “analyst” is very broad, in general people in these roles spend a lot of time producing financial models in Excel or other spreadsheet packages. Therefore, familiarity and comfort with computers and financial modeling is important. Many analysts also have an understanding of accounting. (Pressed for time? Check out Financial Efficiency: The Analyst’s Guide To Time Management.)

Financial Careers: Portfolio Management Jobs
This chapter will look at portfolio management jobs. These are some of the prestigious roles in the finance industry and involve directly managing institutional and retail client portfolios. In addition to following the markets and investing, some portfolio managers might also be responsible for meeting with clients to ascertain their investment goals and constraints and to update them on portfolio performance.

Where the Jobs Are
Jobs as a portfolio manager are usually found at money management firms and hedge funds (including the money management arm of large banks) as well as at “real money” institutions such as sovereign wealth funds, pension funds, and insurance companies.
Although many large hedge funds and money management firms are clustered in well-known financial capitals such as New York or London, jobs as a portfolio manager are also available in a variety of other locations. For instance, Kansas City, Denver, Greenwich, Los Angeles, and Baltimore are all home to large money management firms and/or hedge funds.

**How to Get a Portfolio Manager Job**

Most portfolio managers do not start out in that role but rather work their way towards it. Typically, a four-year college degree is a requirement, and graduate degrees are very common. Among portfolio managers, more than perhaps any other finance niche, the Chartered Financial Analyst (CFA) designation is very common. There are a variety of ways to move towards a portfolio manager job, but one of the more frequent is to work as an investment analyst for a number of years learning how to analyze securities. Success as an analyst may then lead to a role as a portfolio manager (if the practitioner is interested in such a move.) Portfolio management positions are generally “destination” jobs and they don’t necessarily lead anywhere else. Rather than switching roles, portfolio managers might progress by managing more and more money, or perhaps even by eventually starting their own firm or fund.

**Portfolio Manager Jobs**

Portfolio managers oversee client portfolios and usually have ultimate responsibility for all aspects of portfolio construction and the client relationship. At some firms, a manager might be responsible for “separate accounts” in which each client has their own account style and holdings. At other firms, the portfolio manager might be responsible for “pooled accounts,” such as a mutual fund or hedge fund were the assets of many clients are aggregated and managed as a whole. Another distinction might be the amount of client contact the portfolio manager has. At some firms, the portfolio manager might have a fair amount of client contact, particularly with larger clients. At other firms, the portfolio manager might have very limited contact with clients, instead focusing nearly all of their time on the portfolio. When seeking a role as a portfolio manager, it is important to determine how much client contact might be appealing to you. Then, during the interview process you can determine whether or not your desired level of client contact matches with that which will be required for the role.

Many portfolio managers specialize in a single asset class such as fixed income or equities. Even within these asset classes, some managers are more focused; picture for instance the technology stock mutual fund manager or high-yield bond manager.
Individuals that manage these focused funds might come from a research analyst background where they previously focused on analyzing the same types of securities they are now managing. Broader mandates, such as a multi-asset class strategy or a global macro hedge fund, might also be managed by someone with a research analyst background, but in these cases a background as a global investment strategist might also be useful in developing the ability to view various asset classes and determine relative valuations.

As with most finance jobs, many portfolio managers work long hours, and the pressure to perform can be great. In some ways, a portfolio management role can be among the most stressful in finance because each and every day the manager’s performance is being compared to their market benchmark or their peers. If the manager underperforms for too long, they are likely to find themselves out of a job. The pay for portfolio managers can make the stress and long hours worth it though, because top-level portfolio managers can earn large salaries and bonuses, as well as prestige and the gratitude of their clients.

**Summary**
Successful portfolio managers enjoy the satisfaction of helping their clients attain their financial goals, as well as large monetary rewards. Particularly on the buy side, gaining a role as a portfolio manager can be the pinnacle of a career. Of course, once having attained that pinnacle, the real challenge starts because the manager must then focus all of their efforts on outperforming the market each and every day. Because of the pressure that brings, the best portfolio managers are those that love the financial markets and would be willing to manage portfolios for free if necessary. (Learn more in [Preparing For A Career As A Portfolio Manager](http://www.investopedia.com/university/financial-careers/default.asp).)

**Financial Careers: Conclusion**
This tutorial has examined some of the more common jobs in the field of finance. Most of the jobs discussed offer a challenging work environment, interaction with intelligent and motivated individuals, and above-average income potential. However, competition for most of these jobs is also very high (as might be expected given the potential rewards from a finance career.) Embarking on a career in finance also usually involves a fair amount of education, so it pays to do extensive research prior to beginning a
career search in the field of finance. Remember, while many people are drawn to the field because of its’ high income potential, those that are ultimately the most successful usually augment their ambition with a love of the financial markets and a desire to face and overcome intellectual challenges on a daily basis.

If any of the roles in this tutorial sound appealing, you should set out to do as much additional research as possible. You might also benefit from talking to people who already work in the finance field in order to gain a better understanding of what types of roles might be appropriate for you. Finally, take the time to carefully consider whether your abilities, interests, and career goals match with those of the jobs in this tutorial. If they do, you might be about to embark on the finance career of your dreams. (For more careers in the finance world, check out Less Coveted Finance Careers Offer Enviable Rewards.)