Industry Guide: Finance
Finance Industry Introduction
Alongside the well-known financial services industry, you may not know that all business enterprises, no matter the industry or sector, perform a common function called ‘finance’ to some degree. Some career options for MIT students in finance or the finance industry could include: working in financial markets, financial services, investment management, commercial banking, investment banking, insurance, actuarial, or real estate. What is common to all the possible roles and firms within finance and the finance industry is using logic and analysis to analyze and evaluate financial data about organizations, evaluate performance, and predict future performance.

Positions in Finance
Front Office or Back Office?
Analyst and associate positions are the most readily available to recent graduates, and these positions are usually in corporate finance, mergers and acquisitions, public finance, sales and trading, research, and finance support functions. The actual title of an analyst may reflect the work focus area (i.e. ‘Capital Markets Analyst’ or ‘Foreign Exchange Analyst’). Investment banks generally categorize staff as ‘front office’ (client-facing roles that generate revenue such as sales and trading) or ‘back office’ (operations support such as I.T., compliance and risk).

Courses and Programs Typical for Finance
Not everyone employed in the Finance industry graduated with one of these majors, but many of the MIT graduates working in the industry come from these courses and programs.

Typical Position Titles:
- Finance, Sales or Research Analyst or Associate
- Broker
- Financial Advisor
- Asset Manager
- Underwriter
- Actuary or Auditor

Major Employers
Primarily Banks and Investment Management
Around 13% of MIT undergraduates, along with about 12% of graduate students, go to work in finance or the finance industry. Investment banks hire in the largest numbers, but investment management firms (including hedge funds, mutual funds, and private equity firms) also recruit at MIT. Literally thousands of MIT alumni work in finance, with the largest numbers of alumni in investment banking, advising and management, and venture capital. Notable MIT alumni in finance include: John Thain ’77, CEO, CIT Group; Former CEO, New York Stock Exchange, John Reed ’61, Chairman of the Corporation, MIT; Former Chairman, New York Stock Exchange, and Lawrence Summers ’75, former US Treasury Secretary.

These Companies Recruited Interns at MIT
A fairly small number of MIT students completed internships in Finance – about 4%. This information comes from the Summer Experience Survey and MIT GECD’s CareerBridge website and is not an exhaustive list. Use this list as a place to start your search for an internship. Keep in mind that financial markets are volatile, which can affect hiring and staffing.

Morgan Stanley
Goldman Sachs
JPMorgan
Fidelity
Citigroup

Morgan Stanley
Credit Suisse
Goldman Sachs
B of A Merrill Lynch
Deutsche Bank
Research is Great Experience

Valuable Experience can be Gained at MIT
UROPs and graduate research done at MIT can be very helpful to enhance your candidacy for a position in Finance. Many of the companies in this industry partner with labs at MIT on projects and research. Here are a few examples of labs with research sponsored by companies in the Finance industry. The value in doing research isn’t strictly in the experience either. Many of the people you’ll meet here at MIT are well connected to important players in the major employers.

The Job Search and Interview Process

The finance recruiting process – a well-oiled machine
Finance recruiting tends to be very structured and cyclical, with most investment banks present on campus for fall on-campus recruiting. Recruiting occurs in fall for both full-time analyst positions (i.e. graduating seniors and Master’s students) as well as for summer internships, although some internship interviews will also be conducted in winter/early spring. The interview cycle in finance usually consist of a traditional 30-minute first round with HR staff or recent MIT alumni, followed by longer on-site interviews lasting a half day or full day with multiple employees at varying degrees of seniority. Internships in this industry are important. Many investment banks make up to 50% of their analyst offers from the previous summer’s class of interns, and juniors are heavily favored for internship positions.

Salary Information
This salary information comes from the 2013 Graduating Student Survey.
Average SB Financial Services Salary $73,000  Average SM Salary $139,750
Average SB Investment Banking Salary $83,700  Average SM Salary $109,300

Additional Resources

Industry Journals or Trade Publications
Vault.com, efinancialcareers.com, Bull and Bear Essentials
Wetfeet.com (including ‘Beat the Street: Investment Banking Interview Guide’

Knowledge is power
Company websites for banks and financial firms will have a wealth of information about campus recruiting, university hiring, and the firm or industry, so don’t forget to use them. You might also make a connection with MIT alumni currently working in finance to get advice about the recruiting process, or what a normal day at work looks like. Many banks offer freshmen opportunities to visit firms during spring break at ‘Insider’ programs.

GECD Services

Drop-in Hours: Monday-Friday 11am-3pm
GECD Staff are available year round for appointments. To make an appointment, login to CareerBridge and select “Make Appointment” from the left side of the welcome page. You can also book by coming in to our office at E39-305 or by calling 617-715-5329

Check out our Calendar for Events and information on Employer Presentations!
http://gecd.mit.edu/calendar