

# The Finance MBA: Life Beyond Wall Street

By Michael Myser

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For years, finance — and more specifically, investment banking — has been the single most popular career track for MBAs. In fact, top schools like [University of Pennsylvania](#) and [New York University](#) typically send at least 45 percent of graduates to financial services and investment banking firms each year, with Wall Street absorbing the vast majority of those MBAs. That was then. This year, the sector is wheezing from the collapse of at least five major financial institutions and the loss of more than 200,000 jobs — 60,000 in New York alone.

Business-school professors and their career advisers say their finance programs aren't likely to change much in response to the Wall Street collapse; what will change the most are graduates' expectations. Investment banks that handle M&As, for instance, will still need qualified new hires. But be warned, says Ed Fredericks, a professor and career adviser at Pepperdine University's Graziadio School of Business and Management: "The jobs aren't going to be as lucrative, exciting, or crazy as they were before."

## Top feeder schools:

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**The Wharton School at the University of Pennsylvania:** The nation's oldest business school also launched the first finance program in 1881. Since then, Wharton's finance curriculum has been consistently top-ranked.

**The University of Chicago Booth School of Business:** Booth's finance program boasts an especially strong focus on understanding the behavior of securities, information that the school disseminates through its [Center for Research in Security Prices](#) — the leading provider of historical stock market data.

**New York University Stern School of Business:** Stern's Manhattan address and strong connections with the finance community are its biggest recruiting assets — [the school helped more than 80 percent of the 2008 graduating class find jobs](#) through its own recruiting events and job postings.

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## Most lucrative jobs

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The most popular positions for MBAs in the finance industry, according to [Payscale, Inc.](#) (Salaries represent 2008's national median pay.)

**Portfolio Manager:** \$121,000

**Financial Research Analyst:** \$98,000

**Financial/Securities/Investments Analyst:** \$90,300

**Personal Financial Adviser:** \$75,200

**Credit Risk Management Analyst:** \$68,100

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## Major MBA recruiters:

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**Regional banks:** Although year-over-year revenue dropped, North Carolina-based **BB&T** turned a profit and even beat analyst expectations for the fourth quarter of 2008. **M&T**, a Buffalo, New York, lender backed by Warren Buffet, also remained profitable. Both Fortune 500 firms have multibillion-dollar market caps.

**Boutique banks:** A handful of firms continue to dominate the field of small, niche-market investment firms. **Evercore Partners** was the only boutique involved with the \$60 billion deal between pharma companies Pfizer and Wyeth in January 2009, boosting the bank into the top seven of Thomson Reuters' rankings for global M&A advisers this year. **Perella Weinberg** is a fast-growing newcomer, founded by a departing Morgan Stanley exec in 2006 and now the high-profile recipient of the FDIC's contract to advise the feds on stabilizing the banking system. Additional key players include **Lazard** and **Greenhill**.

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## The job outlook for new MBAs

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Despite dire warnings from some recruiters that hiring in finance has all but stopped, career advisers and professors at some of the top B-schools insist that MBAs can still find great opportunities — but Wall Street firms may not be the entry point. “There will be many more opportunities in smaller organizations than in larger ones,” says Andy Chan, assistant dean and director of the MBA career management center at Stanford's Graduate School of Business. “Larger organizations are more conservative about their hiring. And there are exponentially more small organizations in the world.”

To take advantage of opportunities still open in finance, new hires now will need prior, in-depth knowledge of a specific market. “The jobs will be much more niche oriented and MBA grads will be asked to fill a specific need,” says Pepperdine's Fredericks. Aspiring traders, for example, must find out early in their schooling what they want to trade — bonds, equities, commodities — and in what particular industry.

While deal making has slowed, it's not going away, Fredericks adds. Smaller boutique investment banks and regional banks are buying the cheap assets large firms must unload, or stepping in

to handle the mergers big banks can't pick up. Lesser-known firms like Phoenix-based Fogel International continue to close transactions, and even some Wall Street-based boutiques are rising to new prominence, like **Evercore Partners**, which advised Wyeth in its recently announced \$68 billion deal with Pfizer — boosting the bank into the top seven of Thomson Reuters' rankings for global M&A advisers this year.

Cornell University's Johnson Graduate School of Management also advises students to look for jobs in regional or boutique banks, as well as venture capital firms and even some positions in corporate finance involving mergers and acquisitions. "I don't think [these alternatives] change their career trajectory completely, as long as they're getting deal experience," says Karin Ash, director of Cornell's career management center. Cornell placed 21 percent of its graduates in investment banking in 2008, which is typical for the school.

Plus, larger Fortune 500 companies, especially in the **healthcare** and **energy** industries, still need candidates with finance skills that are particularly relevant to the current economy. "Those with cost avoidance, cost control, and risk management experience could get in at a reasonable salary," says Mickey Matthews, managing director for recruiting firm Stanton Chase International. Continental Airlines, too, is recruiting for both finance and marketing MBAs with a focus in revenue management. "Given today's tight budgets and the need for maximum return on every dollar spent, [we] rely even more heavily on those skills," says Mary Clark, a Continental spokeswoman.

Additional reporting by John Maas.

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