Class of 2013,

Welcome to MIT Sloan and congratulations on completing the business school application process! The good news is that you most likely have a few months off and a great two years ahead of you. The bad news is that if you’re considering an internship in finance, then you have to start thinking about another recruiting process.

Recruiting for finance is similar to the business school application process, the steps are pretty well defined, but it requires work, planning, and can be a very subjective/competitive process. As co-Presidents of the Finance Club, our main goal is to help guide you through the process. You won’t be going it alone by any means, but there are some things you can do this summer to help get a leg up.

We’ve listed some general things to think about when considering an internship in finance, as well as some specific things you can do to prepare over the summer. The purpose of this preparation should not be to learn everything there is to know about finance or to have your career mapped out by July. Instead, the purpose is to gain some knowledge while you have free time over the summer, so you can make an informed decision about your career in September/October.

IN GENERAL:

Finance is a very broad field, and there are many different opportunities for MIT Sloan students in the fall. It's best to have a basic understanding of each different area (more on that below). Some of the most common fields in ‘Finance’ include:

a. Investment Banking
   i. IBD
   ii. Sales & trading
b. Asset Management
   i. Mutual funds
   ii. Hedge funds
   iii. Private equity / Venture capital
c. Institutional investing
   i. Pension funds & Endowments
   ii. Sovereign wealth
   iii. Family offices
In general, finance recruiting starts very early – the first recruiters will begin showing up on October 3rd and classes start on September 7th. Those first few weeks will go fast and you will need to juggle the numerous information sessions about summer opportunities and your Core workload. Therefore, it’s helpful to have done some research beforehand, particularly if you are a career switcher and not quite sure where you want to land. This short timetable is most applicable to Investment Banking, Investment Management, and Private Wealth Management.

Compared to other top b-schools, finance recruiting occurs earlier in the school year at MIT Sloan. This will give you an advantage in that you will be the first students to speak with firms; however it also means you will have to get up to speed earlier.

Firms look for candidates that know what they want in an internship. Knowing which part of finance you want to recruit for can give you an advantage, but more importantly taking too long to commit to one position can be a severe disadvantage. Moreover compared to other industries’ recruiting processes finance’s process starts earlier. Firms start keeping score with your first interaction, not the first official interview.

WHAT DOES IT ALL MEAN?

The purpose of this handout is not to scare anyone. MIT Sloan has a great reputation for finance, and as a school we had a very successful 2010-2011 recruiting class. Our purpose is to let you know that if you are considering finance, it is extremely helpful to be informed coming into next fall. By no means does that mean you have to be 100% sure what you want to recruit for by the end of the summer. We will have plenty of information to help you make that decision once the school year begins. But you should begin the year with a basic knowledge about what each different job function within finance does, what the day to day job is like, what the pros and cons of the job are, and what a medium term and long term career path looks like. All the information you need to have a strong working knowledge is readily available and listed below:

HERE’S WHAT YOU NEED

ALL POSITIONS:

1. Reading the Wall Street Journal is one of the best ways to prepare during the summer. In the fall it is imperative to peruse the Wall Street Journal to stay abreast of what is happening on Wall Street. You’ll start to understand some of the jargon used in the finance world and get an understanding of the financial markets. You can get the online version (www.wsj.com) for $1.99 a week. The Financial Times is also helpful if you are looking for a more international publication.

2. The Economist is also a great publication for a global, macro picture of current happenings in the world of finance. It is published weekly and is also available online. If you’re deciding between the WSJ and The Economist, go with the WSJ.
3. For a less varnished view of the markets, financial blogs can be very helpful. You can obviously pick and choose what you read, but the following list is a good starting point:
   a. Dealbreaker (http://dealbreaker.com/) – Tongue in cheek coverage of the world of finance
   b. The Big Picture (http://www.ritholtz.com/blog/) – General macro coverage, good for general market knowledge, particularly good for people going into S&T or asset management
   c. Reuters (http://www.reuters.com/) – General market coverage
   d. Naked capitalism (http://www.nakedcapitalism.com/) – General macro coverage, good for general market knowledge
   e. Baseline Scenario (http://baselinescenario.com/) – Our own Prof. Simon Johnson’s blog, provides a left-wing counterpoint to much of the pro-capitalist sentiment you will start to absorb

4. For an interesting take on the financial crisis we recommend a screening of “Inside Job.” MIT Sloan’s Andrew Lo and Simon Johnson make an appearance and both have played a role post-crisis dealing with policy makers.

INVESTMENT BANKING - IBD:

1. The Vault Guides / Wet Feet Guides are very helpful in giving an overview of an industry. Once you’ve matriculated and have downloaded the MIT certificates (http://ist.mit.edu/services/certificates), you’ll have access to the Career Development Office (“CDO”) website. You can then look at the Incoming MBA Checklist page (https://sloanpoint.mit.edu/depts/cdo/incoming/Pages/IncomingMBAs.aspx) and from there click on the ‘Read About MBA Careers’ link. You’ll find a link to Vault. For Investment Banking, you might want to read both the Investment Banking and Sales & Trading guides even if you have a preference towards one aspect of investment banking.

The following books are not really necessary, but they’ll help familiarize you with the world you’re getting into. Moreover, most bankers will have read them at some point, so they can be a good jump-off point for discussion. If you have some free time and are looking for something to read, they’re not a bad place to start.

2. Too Big to Fail – An account of the Lehman failure, written in a novelized format. While it’s a bit of a stretch to think that A.R. Serkin knew what Jamie Dimon was thinking as he ate a piece of toast one day, execs at BarCap (i.e. Lehman) swear that the accuracy of the book is uncanny.

3. House of Cards – An account of Bear Stearns from beginning to fateful end in which JP Morgan purchased the bank with government assistance.

4. Monkey Business – Monkey Business is a pretty funny book that gives some unbridled insight into the lifestyle at investment banks. It’s a little dated but still generally applicable. - $12 @ www.amazon.com.
5. **Barbarians at the Gate** – Classic book about KKR’s purchase of RJR Nabisco, what was the largest LBO in history. Very easy read, most bankers will have read this at some point. $12 @ www.amazon.com.

6. **Den of Thieves** – An account of the end of days at Drexel Burnham Lambert, the bank that brought us junk/high yield bonds and the LBOs. Note that some the facts in this book are in dispute, as one of the primary sources allegedly made them up while trying to cut a deal with Feds. $12 @ www.amazon.com.

7. **Investment Banking: Valuation, Leverage Buyouts, and Mergers and Acquisitions** – this is a textbook and will be something that will be useful over the entire first semester, definitely not something you need to read during the summer. We will most likely have one of the authors speak next fall and he will be selling the book then as well - $50 @ www.amazon.com.

**INVESTMENT BANKING – S&T:**

1. **Liar’s Poker** – This book is a classic, and should be read by pretty much anyone with an interest in finance. $8 @ www.amazon.com.

2. **The Black Swan** – It’s hard not to hear people talking about Black Swans these days. The book is actually pretty simple, if you can get past Taleb’s tone. $10 @ www.amazon.com.

3. **When Genius Failed** – An account of the rise and fall of Long Term Capital Management, the hedge fund that almost brought down the global financial system. One of the main characters in this book, Eric Rosenfeld comes by and speaks to one of our classes on a regular basis. $11 @ www.amazon.com.