Overview

What is Finance?
- Finance is a broad term that describes two related activities: the study of how money is managed and the process of acquiring needed funds.
- Finance majors learn about managing an organization's financial resources and capital structure, the functioning of capital markets, and financial instruments and banking.

What do Financial Analysts do?
- Analyze market trends to increase profit
- Monitor financial details to comply with legal requirements
- Prepare financial statements
- Research and recommend investments
- Review company reports and suggest new financial efficiencies
- Study and forecast economic trends

Skills Used by Financial Analysts:
- Technical Skills: Analytical software, Data base software, Financial Analysis Software
- Knowledge: Mathematics, Economics and Accounting
- Abilities: Analytical thinking, Goal and Achievement Oriented, Attention to detail, Strong Interpersonal Skills, Negotiation Skills

Common Career Paths

Commercial and Retail Banking
- Retail banking refers to the division of a bank that deals directly with retail customers. Also known as consumer banking or personal banking, retail banking is the visible face of banking to the general public while a commercial bank is a financial institution that provides various financial services to businesses and corporations.
- Professionals with roles in both types of banks work to build relationships with individuals (retail) and businesses (commercial). They must also be able to analyze credit to administer accounts, loans, mortgages, money management, treasury services, currency exchanges, and other financial services.

Corporate Finance
- Corporate finance deals with the sources of funding and the capital structure of corporations. Managers use tools and analysis to allocate a company's financial resources and increase the value of the organization to its shareholders.
- Professionals in corporate finance are required to perform forecasts, projections, and profit/loss models for long range corporate financial planning, potential acquisitions and asset sales. They may also analyze competitor performance in a market and assess internal product/service line performance. Short-term issues include the management of current assets and current liabilities and inventory control. Long-term issues include new capital purchases and investments.

Investment Banking
- The investment banker acts in a capital markets advisory capacity to corporations and governments, rather than dealing directly with individual investors. Investment bankers help their clients raise money in the capital markets, provide various financial advisory services, and assist with mergers and acquisition activity. Investment bankers must be able to advise client companies on capital generating strategies including: business acquisitions, divestitures, mergers and public offerings. They typically cover an industry or product group for execution on buy and sell side deals involving the creation of valuation models and qualitative analysis.
Investment Management
- Investment management is a generic term that most commonly refers to the buying and selling of investments within a portfolio. The term most often refers to portfolio management and the trading of securities to achieve a specific investment goal. Within investment management, there are three traditional career paths:
  - Private Wealth Mgmt.: Provide wealth management and personal planning for high-net-worth clientele
  - Asset Mgmt.: Analyze and manage portfolios, corporate investments, mutual funds and hedge funds
  - Personal Finance: Manage investments, insurance and future planning for individuals/families

Equity Research
- People in research-related roles must be able to analyze securities in a sector and publish recommendations for investment activities and strategies. They rely on a fundamental understanding of business valuation and economic principles to create reports and make recommendations; they are the behind-the-scenes experts. Professionals in these roles must collect and analyze data, but always within the context of a prior deductive understanding of how markets should function.

Sales and Trading
- Sales and trading is one of the key functions of an investment bank. The term refers to the various activities relating to the buying and selling of securities or other financial instruments. Typically an investment bank will perform these tasks on behalf of itself and its clients. People in these roles execute and manage exchanges in the securities, bonds, fixed income, municipals, commodities, derivatives and FX markets. They also must serve as the liaison between buyers and sellers in the markets.

Examples of Full-Time Job Titles
- Financial Analyst
- Investment Banking Analyst
- Financial Planner
- Trader
- Credit Analyst
- Risk Management Analyst/Underwriter

2018-2019 BBA Finance Average Salary
- Full-Time Annual: $64,535
- Internship Monthly: $3,610

Interested in Finance?

Related Student Organizations
- Investment Banking Club
- Capital Management Club
- Finance & Investment Society
- Wealth Management Club
- Society of Personal Investment
- Fantasy Sports and Finance Club

Other Majors to Explore
- Economics
- Risk Management & Insurance
- Accounting
- Personal Finance
- Statistics

References
- Wisconsin School of Business Finance, Investment, and Banking Department
- Finance Career Overview – All Business Schools
- U.S. Bureau of Labor Statistics
- O*NET OnLine