

Notes from Brandon

- Have a committee with at least one junior person
- Don't TA during your job market year (you can do it in Spring if necessary)
 - It's already so stressful! Why add more to your plate
- Finish your job market paper by late August at latest.
 - Have a draft of your job market by June/July and circulate it to your committee. That's your last chance for big changes.
 - The reason is that starting September, you will have the most random stuff you will be doing that will eat all of your time
 - Practice job talk in early september
 - Revisions of draft
 - Preparing your slides
 - Preparing your spiel (this takes forever)
 - It will take you 10 iterations until it flows
 - The spiel and slides are actually related! They should both flow similarly
 - Practice interviews with Northwestern
 - Other things Pavan asks you to do
 - Applying to jobs
 - Meeting with advisors
 - You DON'T want to be working on big paper changes at this time. You will be so exhausted and you won't be able to work on these other, SUPER, important things
- The job market is a lot more competitive than you would expect. You may think you should get a job in a certain range, but you should adjust that range downwards. Nothing is guaranteed
 - Even lower ranked jobs are difficult to get
- There is a lot of randomness in the job search
 - This is usually because of fit. Sometimes some places want an asset pricing person, so they won't consider a household finance person
- Have an honest conversation with your advisors before you send out any applications. Give them an out to tell you what schools they don't feel comfortable sending letters of recommendation to.
- Start listening to podcasts such as "Oddlots" or "The Journal" or "Money Stuff" (even better, read Money Stuff!).
 - Being able to talk intelligently about what is of interest to the business media will be helpful, for both academia and private sector
- If you have a significant other, have a conversation with them when deciding on where to apply. And figure out what your rank ordering (roughly) of types of places are. It is useful to know which places your significant other is willing to go to.
- Have a rank ordering of places that you would like to go to. This will help you with signaling. Then with your preferred places (especially if they are not top 20 places), you can have advisors signal interest.

- A lot of which interviews you receive is based on your advisors. Their letters, and also their connections. If they know someone at a place you are interested in, they can signal that and their connections may interview you, even if just a favor to your advisors.
- Apply to industry jobs, even if you want to do academia
 - You never know, you might not have a job
 - Even if you do get an academic job, having a private sector job in your back pocket will reduce the amount of stress you have (you will still have stress)
 - Your preferences may change during the job market.
- Know that you are in a weird, selected bubble that will push you super hard to do academia. That's fine, that's why we are at a top PhD. But just know that you shouldn't feel like non-academic jobs are bad. In fact, many jobs like Cornerstone are seen as better job than a rank 100 school by many faculty members (I will not say who)
- The job market sucks, it will make you go crazy, even if you are generally a chill person. Be prepared. It's an absolutely exhausting marathon
 - The worst time is around the holidays
- Try to do some physical activity, it's really hard, but just try. At least walk
- Be kind to your admin that are helping you do the behind the scenes work. They are incredibly important!
- Have someone you can message about, but be careful as well. We are jealous people so sometimes knowing that other people get things can be a double-edged sword. We should all be happy for each other, at the same time, we are humans who get jealous.
- Think hard about what you want in life. The job market will force you to make decisions about your values, often you won't be able to get everything you want (location, pay, work type, etc)
- Parts of the market are fun, enjoy those (when you apply and imagine how your life would look like in Spain)
- Try to have three working papers (with drafts available on your website)
 - Ideally, you have the following, which shows your ability to work on your own, with your peers, and with your seniors
 - Solo authored JMP
 - Coauthored paper with students
 - Coauthored paper with faculty
 - Some places will count the number of working papers, regardless of their quality (lower ranked places)
 - I have heard one advisor say "If it is not a pdf that people can click and download, you don't have that paper"
- Whenever you interview with places, if they ask you what places you are interviewing with, share the places that are of similar rank, not the ones that are way better or way worse
- Express interest, but don't imply that you WILL take an offer. Human psychology will make them less likely to choose you because they know they COULD have you.
- For econ consulting, the qualities they are looking for it:
 - someone who can communicate clearly
 - who has a good knowledge of finance (or relevant industry)

- who has good teamwork skills, and who has good technical skills
- Scheduling Flyouts is important
 - Roughly, flyouts (for academia) will occur from the 1st week of January up until mid February
 - For Industry you could have them in december
 - For the “second round” of clearing, they could be in late February or early March
 - Generally, higher ranked schools (say top 30) will do all flyouts, and then decide who to hire. For these schools, the order in which you present there is not so important
 - Maybe going later is better because humans have recency bias
 - For lower ranked schools, they may offer exploding offers early, so going sooner could be better
 - They will give offers until the spots are filled
 - Exploding offers were super common in the 2024-2025 market
 - Questions for Econ Consulting
 - Why econ consulting
 - Why this firm specifically
 - Tell me about your research (short version)
 - Tell me about how you have worked with others
 - Tell me about a time you disagreed with your peers/superiors
 - Questions from Citadel
 - Job market talk, with many questions about institutional details
 - Plot me a sample of the S&P 500 (in levels)
 - If you had perfect foresight and 1 dollar to start with, how much money could you make (with short selling constraints)
 - Answer - Only hold when it goes up and sell on down days
 - Answer - Assume some distribution (maybe normal or lognormal returns) and then plot it
 - Given this csv file of the income statement and the balance sheet of Nvidia, make me a guess of the value of Nvidia shares
 - Idea is to do a DCF and they want to see HOW you come to a conclusion and the assumptions you make
 - Assume you have a beta of Y on X and another beta or X on Y, what is the relationship between the two betas
 - Make an function that you input a number and it factorizes it in terms of the primes (I give you 14 and the function returns 2,7)
 - Supposed you have $Y = X + Z$, $X \sim N(0, \sigma^2)$, $Z \sim N(0, 1)$. Given X, what is the expectation of Y, what is the variance, what is the distribution (bayesian stats)
 - Set up the problem of a prime broker and solve for the optimal actions.
 - The prime broker lends money to a hedge fund to buy a stock such that they have 5x leverage, and the broker holds onto the stock as collateral. It earns a rate on that lending

- The prime broker lends out that stock to an institution that wants to short sell the stock, it earns a fee for this
- The short seller is required to put up 150% of the value of the stock it is short selling as margin
 - The prime broker will then reverse repo this and earn a spread, some of which is returned to the short seller (on net, they earn a spread)
- The prime broker has to pay a capital cost based on the difference between it's long position and short position (a quadratic penalty)
- Set up the model and solve for the optimal action.
- Imagine our fund managers were long Trump the day before the election, because they expected him to win. We want to hedge out the "trump factor". How would you do that?
- You are a professor and you are giving a multiple choice question. Instead of just one answer, the student can instead provide a probability distribution over the four choices (call this distribution q). They have a belief over the answers of the question, (call this belief p). When they answer, they receive $f(q(i))$, where i is the correct answer (i.e. if the answer was (a) and the $q(a)$ was 30%, then they would receive $f(30\%)$. Choose an f such that the optimal choice q is just their belief p .
 - Follow up question. What does the utility look like
- Finally, an excerpt from one of my favorite books, about "The nature of the University"
 - <https://solitaryecology.com/2015/03/31/true-nature-of-the-university/>
 - Incredibly insightful about academia vs the real world

Notes from Raul (still being developed):

- I don't care how good you are, how good your advisors think you are, or how much you want to stay in academia. You will apply to industry jobs. The reason is that you never know what kind of market you will be in, and if you have an offer from the private sector you will feel much better when presenting your paper. Feeling secure is key.
- During the JMP presentation, some schools have a weird aggressive vibe. They will test you. In my experience, the reaction they are really expecting is for you to push back. Please do it strongly, but with a smile. Stand your ground (but this is hard. The good news is that Kellogg seminars can be harsh as well, so that is good training ground);
- If you are applying to jobs outside of the US as well, be smart when scheduling flyouts. The ideal scenario implies you travel for each continent only once, and you should try doing the US/Canada flyouts first. The reason is that in case you get an exploding offer, you probably want to be in a position where you have already done the "best" flyouts. The worst case scenario is receiving an exploding from an ok place abroad while you still have that sweet flyout from your competitive although favorite US school coming.
- If you traveling abroad for flyouts, you will spend money in a currency that is not the US dollar. And you will need to get reimbursed maybe in that currency as well (think about an Uber ride, say, in Madrid). You will make everyone's life easier if you open an Wise

account (<https://wise.com/>). With that, you will get 1) a debit card that works abroad and that you can feed different currencies to; 2) real bank accounts denominated in foreign currency that will make the payment guy at some international university really happy to work with you – it will be easier and faster for them. Example: I had a EUR-denominated account through Wise. As a matter of fact, it was a real bank account in a real bank in Belgium. I was getting reimbursed in Euro just a few days after flyouts in Europe because, from the point of view of the universities I was visiting, they were paying just some EUR to some account already in the European Union. So it's a free and fast transfer for everyone. You can later spend these resources using the card, or just transfer them to your US account paying a small fee + commercial exchange rates.

- If you use iPhone, get an app called Tripsy. A monthly subscription is around 8 USD. This app organizes trips for you. You forward whatever email confirmation you have for hotels, flights, train tickets, etc and it will create your itinerary. When your flight changes gates or gets delayed, you get a notification. When you land, it will offer to book you an uber ride from the airport to the hotel, etc. It is just an incredibly nice thing to have. Get a monthly subscription and then you can cancel it when you have a job.