Alexandra Balod: “How a Social Sciences Background Can Boost Your Career in Finance

On February 24, 2016, Alexandra Balod gave a professionalization workshop entitled “How a Social Sciences Background Can Boost Your Career in Finance.” Balod is an Associate in the Corporate ratings group at Standard & Poor’s. Prior to this, she worked for six years in the Sovereign and International Public finance group at S&P, covering sovereign and regional governments in Russia and Central and Eastern Europe. Balod herself moved into finance from the humanities.

Balod began by citing research showing that 55% of professional leaders hold a social sciences or humanities degree. She also cited a study indicating that, while science majors initially earn more than humanities graduates, humanities majors actually end up earning more than science graduates after 10-15 years. She explained these phenomena by stating that while technical skills are valuable at the beginning of one's professional career, the broad education provided by a social sciences or humanities background becomes an essential asset later on. According to Balod, such degrees are valuable insofar as they “teach behaviors rather than technical skills,” providing experience in “seeing the big picture” and in dealing with inconsistent or evolving processes.

Based on her experience in the financial sector, Balod described her perfect job candidate as one with fluent knowledge of several languages: “If you speak three languages and know nothing about business, you’ll probably be better off than a business specialist who isn’t a good communicator.” Additionally, she argued that firsthand knowledge of different parts of the world is a huge professional asset, “just as important as knowing foreign languages.” Balod also emphasized the importance of communication and analytical thinking and writing, skills that are developed by a social sciences or humanities education.

In addition, Balod gave several pieces of advice for job-seekers: first, she exhorted students and recent graduates to interact with professors and alumni organizations, as employers tend to hire people from similar backgrounds or through personal connections. In addition to networking, she pointed out the increasing importance of internships—even unpaid internships can boost one’s skillset, and they also afford an opportunity to explore new career options. Finally, she argued that “even if your application is rejected, you’ll still gain valuable skills,” the application process itself being an integral part of professional life.

She also gave an overview of her work as a credit analyst, which entails “in essence, assessing credit risk,” or the possibility that a given entity (a state, a corporation, etc.) will default on a loan. As such, the job involves assessing financial health: “generally, you look at the reasonableness of the strategy, whether the management follows it or deviates from it, and how aggressive it is financially” (e.g. whether they are prone to over-borrowing). Her work involves distilling many disparate factors into key points and general trends, which is where a humanities background is extremely helpful. While it does require basic financial analysis, Balod argued that it's relatively easy to learn such technical skills on the job: “if you know some basic math, you can catch up in a couple of months.” She described her work as “more art than science,” reiterating her claim that a social sciences or humanities background provides the broad vision needed for a career in finance.