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Investing in the Future: an interview with Yuet Wei Wan

Abstract

Recent graduate Yuet Wei Wan completed her Illinois Wesleyan career in 1993 with a 4.0 GPA and bachelor's degree in Mathematics and Economics. She then went on to embark on an exciting new career in investment banking.

though having vastly different postgraduate experiences, offer similar advice to the Economics students of today. They remind us that it is not the theories we learn or the graphs we draw that are most important. Rather, the general skills we develop during the four years of our college life help most.

Oral and written communication skills have been regarded as the most important by many alumni; among them are **John Ashenfelter, Jim Fleming, Brenda Weil** and **David Mosey**. In Mosey's words, "learning to think and write clearly are skills required in all jobs." Blue book exams and oral presentations have helped us a great deal.

Computer literacy will also make us more marketable. In today's society, computer systems are ubiquitous. In order to perform jobs more effectively and efficiently, we should learn to speak the language of the century -- computer language. **Daniel Peter** states, "take additional computer classes to automate more of the decision-making process."

Diversity is also a key issue brought up by many alumni. As **Richard Whitlock** said, "get a diverse background; you never know what you will be faced with." In today's workforce, employers value generalists as much as they value experts. A diverse education can also give us more options for future career paths or career changes. It is generally accepted that people who are interested in graduate school should acquire more math skills.

While internships and work experience are useful, **Dan Scholz** also suggests co-operative work programs as a worthwhile experience. Whether you are going directly to the workforce or continuing your education with a graduate program, "do only what you love to do," said **Lawrence Herbolsheimer**, and "sell the skills you learned as an economics major at least as much as the actual material you learned," said **Scott Patton**. Economics majors of Wesleyan are not just a group of

people who draw graphs and shift curves; we are concrete human beings with various skills.

Investing in the Future: an interview with Yuet Wei Wan

Angela Smith and Elsie Shen

Recent graduate **Yuet Wei Wan** completed her Illinois Wesleyan career in 1993 with a 4.0 GPA and bachelor's degree in Mathematics and Economics. She then went on to embark on an exciting new career in investment banking.

Since that time, **Yuet Wei** has been working as an investment banking analyst for **CS First Boston**--a company with over 5,000 employees and over 20 offices worldwide. Under the joint ownership of **Credit Suisse** and **Met Life**, **CS First Boston** is one of the top five firms in its industry and handles corporate debt, equity, mergers, and acquisitions for its many corporate clients.

Although **Yuet Wei's** current position is with the company's headquarters in New York, her job has taken her to more places around the world than most of us could imagine. In the six month period since last October, **Yuet Wei** has spent time working on projects in London, Argentina, Indonesia, and Ghana.

As a junior analyst on the company's "Global Power Project Finance Group," **Yuet Wei** works with senior analysts on the "financing of large infrastructure projects on a non-recourse basis." The group also helps its clients to maintain their credit ratings while dealing in the bonds and capital markets, and handles project mergers and acquisitions.

The projects that **Yuet Wei** has worked on are no small potatoes either. On the contrary, they are often large-scale projects involving billions of dollars in financing and that are certain to impact both local and international

markets. One such project was the \$2.8 billion merger and acquisition that took Yuet Wei to London and resulted in a U.S. utility purchasing the British company Seaboard. Other projects include the privatization of a hydro-electric facility in Argentina and the building of a power plant in Jakarta, Indonesia.

Of the varied projects that her group has worked on to date, the most challenging and exciting project for Yuet Wei was the financing for the laying of a 23,000 kilometer undersea fiber-optic telecommunications cable. The 25-country project spanned from the United Kingdom through the Middle East past India to Japan. According to Yuet Wei, part of the challenge regarding this project was that it "had never been done before [and] no precedent had ever been set" in this area. Yuet Wei worked on a team with senior analysts raising debt, equity, and preferred equity totaling \$1.5 billion for the project, which was named "one of the ten most creative deals of 1995" by *Infrastructure Finance*.

When asked which skills developed at Wesleyan she finds most valuable in her current position, Yuet Wei pointed to her communication skills (both written and verbal) and analytical skills. A solid grasp of economics is also essential to her work. "When working in developing countries," she explained, "you have to understand how a country's current account affects its debt rating when trying to lend money for a project in that country." It must also be determined "if the country's economic growth can sustain that kind of debt," she adds. Her economics background has also helped her to "understand conceptually how things work and to be able to integrate that understanding with the numbers."

So how does one go about becoming an analyst for a multinational investment bank such as CS First Boston? Yuet Wei advises students to start the job-search process early. Recruitment for these types of positions begins

in October/November of a student's senior year. "By January, offers have already been made, and by May candidates are going for second and third interviews." Also, since IWU is not on the targeted recruitment lists of the major investment banks (eg. First Boston and Merrill Lynch), it is necessary to be "aggressive and hard-working" in your search. She notes that getting hired at a regional office like Chicago tends to be easier for new graduates than competing for the more coveted spots in New York. (Yuet Wei worked at the Chicago office for about a year before transferring to New York.) She also adds that students should feel comfortable using her as a resource for information or advice.

Yuet Wei stresses the importance of interning. "With zero work experience," she cautions, "you won't even make it past the first screen." For Yuet Wei, her internship with GK Capital was the key. "Employers want to know that you can adapt to working a sixteen hour day," for example. And no, she is not exaggerating. Typically, Yuet Wei's work schedule extends from 9 a.m. to midnight and consists of a seven-day work week!

If you're wondering what it is like being a woman working in a field mostly dominated by men, Yuet Wei says that you just "have to learn how to behave." About the Chicago office, she notes that the environment was more conservative. For example, "you [women] didn't show up in pants when meeting with a client you had not met before." But at the New York office things are "a little more liberal . . . there are more women in senior offices" she observes; "I can pretty much wear what I want."

On her plans for the future, Yuet Wei confides that although she is still considering returning to school for her MBA, she is not certain how beneficial it would be to her. She admits that it "can be advantageous as a networking tool and for gaining flexibility to do other things." However, for her the

opportunity costs are high. If she remains at her present position, she should be able to become an associate and relocate to the Hong Kong office some time this year.

Yuet Wei admits that working in Asia is a goal for her, not only because her roots are there--she is from Malaysia--but also because "it [Asia] is very exciting," and it has "potential for a lot of growth."

Yuet Wei is yet another example of the success one can achieve when hard work is combined with a degree from Illinois Wesleyan.

Interview with Dr. Pamela Lowry

Julieanna Lambert

Illinois Wesleyan University Professor of Economics Dr. Pamela Lowry has been working on a topic she started researching in graduate school. Part of her research will culminate when her paper "External Economies and Trade: An Empirical Analysis" appears in the journal *Economic Development and Cultural Change*. Dr. Lowry's study, based on findings from her dissertation, involves using large amounts of data to test more exactly how increasing social capability expands a country's ability to trade.

Social capability relates to the cost savings firms gain because of the level of sophistication of certain aspects of their society. It includes elements like the communication infrastructure, transportation infrastructure, the average level of education in a society, the sophistication and extent of the financial system, and eventually the presence of research institutions. Logically, Lowry said, these things are important to trade, but economists have had a difficult time quantifying how important.

"The innovation was not determining whether social capability should matter,"

Lowry said, but rather having an exact means of measuring how much each industry needs social capability to produce its goods. Other studies have tried to include social capability in their trade models, but were more "ad-hoc," using proxies for various aspects of social capability rather than describing the whole concept.

To put such a nebulous concept in exact numbers, Lowry looked at research on urban businesses. Cities are a more expensive location for firms, but they offer greater access to the externalities important to social capability. The kind of firms that locate in major cities, therefore, must get an advantage out of social capabilities, Lowry said.

To find which industries depend most on social capability, Lowry collected data on where firms in the United States locate by county. Bringing such a large number of firms to such a fine classification, Lowry ended up working with an enormous amount of information. With the resulting "big tape of data," however, she was able to calculate for each industry what percentage of the labor force was located in urban areas, arriving at one number for each industry. By finding how often firms chose to locate in cities -- centers of social capability -- she was able to arrive at a single number indicating how much each industry relied on that social capability.

Lowry then used that indicator in a trade model to determine whether a lack of social capability hinders some countries from exporting certain goods. She tested what types of goods Less Developed Countries (LDCs) and Newly Industrializing Countries (NICs) export to the United States. What she found, Lowry said, was that LDCs cannot export goods that rely on social capability in their production, but that NICs can do somewhat better at exporting these types of goods. As countries develop, therefore, they increase their social capability.

"As countries go out and invest in infrastructure," Lowry stated, "it frees them up