Mike Kender

Helping Hokies head to Wall Street

Whether it’s the art of asset valuation, the challenges of trading high yield bonds and bank loans, or how to dress for a Wall Street interview — when Mike Kender speaks, students listen.

As a high yield bond analyst during his two decades on Wall Street, he was included in Institutional Investor’s annual rankings of the top debt research analysts every year between 1995 and 2004, consistently earning recognition in multiple categories. His Citigroup loan analysis team was ranked among the top three by Credit Investment News during all three years he led the team. And he encountered extraordinary people and times, including the 1987 stock market crash, 9/11, and numerous corporate mergers.

Raised near Pittsburgh, Kender earned a bachelor’s degree in chemical engineering at Virginia Tech. He worked for two years as an engineer at Allied Chemical, near Richmond, before leaving to get an MBA at the University of Virginia. He saw the degree as a fast track to management in the chemical industry, but graduate school got him interested in investment banking, and, with MBA in hand, Kender joined Thomson McKinnon in New York.

From investment banking to high-yield debt research

He spent five years in investment banking, mostly working on mergers and acquisitions. “I loved the work and learned a ton about finance.” The hours, however, were grueling, and the newly married Kender decided to shift gears and accept a job offer from a friend at Smith Barney who ran its high-yield debt research group.

“It turned out that the skills required for high-yield debt research were very similar to investment banking: the ability to analyze businesses and their financial statements, construct financial projection models, understand the processes and legal issues related to transactions, and compare businesses to each other to determine their value.”

Kender was an analyst at the research group for 13 years, managing it for four and a half years before moving to the loan trading desk in 2005, by which time Smith Barney had become Citigroup through a series of mergers.

Early retirement

He was fortunate, he says, to be able to retire in 2008 at age 47. “On Wall Street, the pressure is high and the work hours are long — 70-plus-hour weeks are typical. As a result, it is common for people to retire at younger ages than people in other professions.”

Kender wanted more time with his family, especially his daughter, then 7. “When I was working, I barely saw her at all during the week, due to my work schedule.” He and his wife love to travel, “to see and experience the world,” he says, but he could never escape New York for more than a week or so at a time. Having achieved his professional goals, he was also looking for something new to try.

While mulling his options, he returned to Blacksburg for a reunion and looked up some finance professors he had gotten to know over the years, including then department head Vijay Singal. “When I mentioned teaching as something I was considering, he suggested giving it a try at Tech and asked me to teach a section of Asset Valuation in the spring semester.”

Beginning teaching

Kender joined Pamplin’s finance department as a part-time adjunct professor in January 2009, becoming a full-time “associate professor of practice” a year later. Remaining a resident of northern New Jersey, he commutes to Blacksburg weekly for his classes that have included Asset Valuation, Fixed Income Securities, Advanced Credit Analysis, Mergers and Acquisitions, and Interest Rates.

New to teaching — he had given only guest lectures at Tech and UVa and in Citigroup training programs — Kender says his departmental colleagues “have been kind enough to give me a lot of help and advice.” He continues to find things he figures he can do better, but “overall, I am having fun.”

Learning new lessons

His teaching goal is to impart as much practical content as possible to help his students forge successful careers. “I’ve learned a lot of lessons — some the hard way! — and I want to pass on as many of them as I can.”

Mentoring student groups

Kender has also found time to help mentor the SEED and BASIS student investing groups that together manage more than $8 million of the
university’s endowment. He sits in on their investment presentations, posing questions to ensure that significant issues get addressed, and assists the students with technical issues. He also participates in their field trips to New York, where the students meet with alumni and hear presentations at the major firms. As a career coach, he often conducts mock job interviews to prepare students for the real thing.

Kender has lent a hand in organizing many “Hokies on Wall Street” gatherings during the past decade and been instrumental in reconnecting many alumni working in finance in New York with their alma mater.

“It is a lot of fun to watch students learn and master the material,” he says. “It is even more rewarding to see them get job offers, especially when I have been able to help them in some way — with a contact, a reference, or their resumé.”

His favorite day, he says, is graduation. “I enjoy meeting the parents, who are so proud of their kids. It makes me feel good when students want me to pose for a photo with them and their families.”

It also makes him feel good to know that he has helped raise Virginia Tech’s profile in New York with Wall Street firms. “I went to an alumni event recently and ran into seven or eight of my former students. It was great to see everyone and to see their enthusiasm for finance and for helping the next group of Tech students to get jobs!”

FRONT COVER STORY
BACK COVER STORY
THE PROFESSOR’S LIFE

- Students vs. clients: “Students are much more passive than corporate clients and don’t ask as many questions or interrupt as frequently. They are a much less experienced audience, so you have to be careful to explain things and not gloss over details.”
- Way back when: “It also took a while to get used to the fact that most students don’t remember many events prior to 2000, due to their age. When I want to use examples from earlier in my career (the 1980s or 1990s), I often have to give a quick history lesson first.”
- Checks and balances: “Preparing and grading tests and assignments is more time consuming than I expected. And dealing with student complaints about their grades is never fun! One thing I realized is that I have to do whatever homework I assign, as I have to put together the answer key. It’s a good check and balance to prevent me from giving too much homework!”

SERVICE AT VIRGINIA TECH

Mike Kender’s multiple service roles at Virginia Tech include chairing the Chemical Engineering Advisory Board and serving on the College of Engineering’s Advisory Board, Committee of 100, and capital campaign committee. He is also a member of the Ut Prosim Society, which comprises leading donors within Virginia Tech’s philanthropic community.