

The 10 most powerful women in finance for 2014

January 11th, 2014 Adam Button

It was a big week for women in finance as Janet Yellen was voted to be the next head of the Federal Reserve. It is an elite group that she joins. So here are my choices for the top ten women in finance:

In her two years as boss of the IMF **Christine Lagarde** continues to impress. As the first female head of this august institution, she took on a difficult job after the rapid and distasteful downfall of the previous boss, Dominique Strauss Kahn. She's been criticized over the IMF's involvement in the Eurozone bailout and yet has risen above the animosity. Articulate, smart and always well-dressed, she is every inch the power player on the global stage.



A lawyer by training, she went on to do well in the traditionally masculine world of French politics. She was the first female finance minister of the G8 and has held various other posts in French government.

In her early years, she represented France in synchronized swimming – the demanding training preparing her well for her future career. Like all who make it to the top, she has a strong work ethic. And she clearly still keeps in great shape – another effect of her early sporting career. Controlled, measured, focused – this is a woman highly unlikely to suffer the ignominy of her predecessor.

But she is not just the most powerful women in finance; she is arguably one of the most powerful women in the world on any measure. Forbes may rate Melinda Gates and Michelle

Obama higher but these only occupy positions of power thanks to who they married. Christine Lagarde made it to top on her own abilities.

Next on the list is **Dr Janet Yellen** who will be the first woman in to head the Fed in its hundred year history. And it's not just America – central banking is still an old boy's club everywhere. The new Governor of the Bank of England, Mark Carney may have assuaged feminists with his choice of Jane Austen for the ten pound note, but his Monetary Policy Committee is female free. Out of the six members of the Executive Board at the European Central Bank, none have double X chromosomes either. And not one woman heads up a central bank in any of the 28 EU member states. The Bank of Japan has Sayuri Shirai as one of the nine members of its Policy Board. But surprisingly, it is in Russia that a female head of a central bank is to be found. Elvira Nabiullina took office in June of this year after her appointment by President Putin – not a man known for his feminist views. When asked about being one of the few female central bankers in the world Dr Yellen said “I really think this is something we're going to see increase over time, and it's time for that to happen.”



With a PhD in economics from Yale University and a previous career as Professor of economics at University of California at Berkeley, she has academic credentials aplenty. No one can doubt her immense intelligence. She is also married to the economist George Akerlof who has won a Nobel Prize. She is the female half of a serious intellectual power couple.

The Brazilian born **Leda Braga**, President of Bluecrest Capital Management frequently tops the list of the most influential women in the hedge fund industry. But like the rest of the hedgie community, she is notoriously secretive. She is reluctant to be interviewed and especially to be involved in any women-in-finance debate. Nonetheless, thanks to massive losses at her fund, her photo was splashed over the British tabloid The Sun this summer. A reported loss of £1.8bn in just six weeks of trading ensures such coverage.



According to the Forbes 2012 list of the highest earning hedge funds, she comes in thirty fifth in the world with earnings of \$50mn. In fact she is the only woman in the top 40.

Again she is another super achiever academically with a PhD in engineering from Imperial College in London with a further three years as professor / researcher. And it is her mathematical ability that has ensured her success. In an interview for Risk.net she explains “I always liked the mathematics and maths methods. Engineering is the edge of applied science. Engineers like to solve problems more than anything and then apply these scientific tools to solve problems.”

After beginning her career in derivatives at JPMorgan, she has become one of the world’s experts in modeling complex derivatives and also “black box” trading. However such trading systems can break down in financial turbulence as the massive losses at the fund – 16.9% in just six weeks to end June – highlights.

Brazilian born, English educated and now based in Switzerland, this is an International woman. Smart and working huge hours, she chose to “look into” systematic or computer driven trading in her spare time: “that research was at nights and on weekends”.

Reportedly it was her husband who first entered the financial industry as an options trader and persuaded her to get into the same business. If he hadn’t have done that there, no women would have been on that Forbes list at all.

From the secretive and sexy world of hedge funds to the more staid and much more open fund management industry. This is a profession that has far more women at the top and it was difficult to choose which one to feature. Ann Marie Petach is CFO of BlackRock which manages almost \$4trillion globally. Elizabeth Corley is CEO Allianz Global Investors and writes thrillers in her spare time – four published so far. Mary Callahan Erdoes is CEO JPMorgan Asset Management with a Harvard MBA and three children. And of course the apparent Fidelity heir is Abigail Johnson, expected to take over from her Father in the family business.

But for a woman who is a super achiever both in her career and family, **Helena Morrissey**, CEO Newton Asset management, fits the bill. Extraordinary career success combined with an

astonishing nine children. Unlike Leda Braga, she is also fighting for the females of the future – she is the founder of the 30Percent club trying to get more women on Boards.



She's the opposite of secretive and is an active tweeter – mostly about promoting women in business, some comments against intervention in Syria and also a retweet of the Dalai Lama which may have something to do with being married to a Buddhist!

But what is particularly impressive about Helena Morrisey is that unlike many on this list, it appears she does not come from wealth and privilege. She was educated at a comprehensive school in Chichester from which she got a place at Cambridge University to study philosophy – an achievement in itself as Cambridge still favours those from private schools. However like the others, she is intelligent and clearly super motivated.

The next woman on the list shapes the opinions of virtually all those in the financial industry. The Financial Times is read by over 600,000 professionals and **Gillan Tett** is its assistant editor. She has had a great financial crisis, being one of the first to spot the dangers of excess credit and complex credit instruments. In some ways she succeeds as a woman twice both in the male dominated world of newspapers and the macho world of finance.

Highly intelligent, she has a PhD in Social Anthropology from Cambridge University, having spent a year in Tajikistan. Her ability to speak Russian gave her her first career break as a trainee at the FT and from there her rise has been meteoric.

Apparently she can milk a goat – a useful skill she jokes if she ever faces redundancy.

From written media to Broadcast: the Money Honey was CNBC's flagship female up to November 24 of last year. The very beautiful **Mario Bartiromo** has been a top financial broadcaster for over two decades. She was the first to report live from the male dominated wild and noisy trading floor of the New York Stock Exchange and her enthusiastic, breathless delivery sealed her route to stardom. Books, newspaper columns, extensive television and radio work, numerous awards, and over 90,000 followers on Twitter. And it's not just male financiers who find her attractive; the punk singer Joey Ramone wrote a song about her his crush on her just before he died in 2001.



Mario Bartiromo was born in Brooklyn to Italian American parents and went to New York University to study Journalism and Economics. Although starting off at CNN, it was not long before she moved to CNBC where she has spent most of her career. She is quoted as saying “When I finally stumbled on broadcast journalism in business news, I realized I had found my true love.”

She finally left CNBC at the end of 2013 and has moved onto Fox Business Network, reportedly for \$5-6mn a year. Whilst shopping around to other American networks for a new, more lucrative deal, the New York Post teased her with the headline “Show me the Money, Honey”. Fox clearly offered more cash. But it seems it was the promise of a her own Sunday morning show on Fox News that made the difference.

Moving to probably one of the most publicly hated areas of finance – investment banking. It should be no surprise that few XX chromosomes make it to the top in these ruthless and often immoral firms. But a few have done so. The Frenchwoman, **Isabelle Ealet** is at the top table at the most powerful investment bank in the world. She is co-head of Goldman Sachs Securities Division and ex global head of commodities. She is boss of the division that has made a lot of money over the last few years and thus she wields much power within the firm.



She started off her career at Goldman as a commodities trader in 1991 and made partner just nine years later in 2000 – a remarkable rise. After studying at the elite French school, Institute d’Études Politiques de Paris, she began her working life as an oil trader at Total. Dubbed the Queen of Commodities – she dominated the markets.

Like others of her profession, she rarely gives interviews. But a quote does appear in a French magazine from some years ago. She said “What I appreciate most is the culture of results. At Goldman Sachs, you are judged on your performance, not on your relationships or diplomas. It is fairer.” Basically she made so much money for Goldman, she had to be promoted.

Another secretive world is that of private equity and venture capital. No surprise after being described as “locusts” in 2005 by a prominent German politician. Other unflattering adjectives abound – Barbarians and Raiders to name but two. These are not attributes typically associated with women. According to a recent report, the private equity industry employs even less women than the rest of Wall Street. Like central banking this is still a boy’s club – there are only a few female top names.

Suzanne O Donohoe joined the biggest name of all in this industry – KKR – in 2009 and was the first female managing director at the firm. Her background has been purely top drawer; undergrad at Georgetown University; MBA at Wharton; 17 years at Goldman Sachs. She is rarely interviewed and adopts a low profile.

But **Adena T. Friedman**, CFO at Carlyle group and the first woman on the executive board, is more female friendly. She worked part time at Nasdaq while her two sons were young but notes that “men struggle with it (balancing career and family) as much as women do”. “It’s a hard thing to balance, needing to be at home, and needing to be at work, and making sure you’re performing in both arenas,” Ms. Friedman said. “To be honest, the guilt is extreme.”

This industry boomed in the days of cheap and plentiful credit, benefitting far more than the companies they leveraged up. But times have been difficult since. Even so as the industry has expanded and become more institutionalized, the need to attract more female talent has emerged. Most of the big names have put special programs in place to attract more female trainees. Writing a similar piece in ten years should see more top women to choose from.

Carmen Reinhart is one half of the Reinhart and Rogoff team and now as famous for her spreadsheet mistake as for her ground breaking economics. Specializing in financial crises, recent events have played to her strengths. Her best-selling award winning book (with Kenneth Rogoff) “This time is Different – Eight Centuries of Financial Folly” has become a must read since its publication and has been translated into 20 languages. She even has her own Bloomberg page.



Eleanor Roosevelt’s famous quote “A woman is like a tea bag; you never know how strong it is until it’s in hot water” aptly describes Cr Reinhart’s in 2013. Global approbation has been heaped on her for the spreadsheet mistake. But she has come out fighting.

Her CV is blue chip all the way including University Professorships, the IMF, World Bank, and even a stint at investment bank Bear Stearns as Chief Economist. She has frequently testified before congress.

Born in Havana Cuba, she has come a long way from her beginnings. Married with one son, she is the world's most famous female economist (even if many do not realize she is a woman).

Dr Reinhart may have won many awards for economics but she has not won the most prestigious – the Nobel Prize. The \$1mn accolade given in memory of Alfred Nobel has only been awarded to a female economist once – to the almost unknown **Elinor Ostrom** in 2009. Sadly she died of pancreatic cancer within three years of her achievement.

She won the prize jointly with Oliver E Williamson for their analysis of how individuals and communities manage common resources; her specialism was the sustainability of resources. She moved to Indiana University – not the most prestigious in America – early in her career and stayed there for her entire working life. Her husband was also an academic, specializing in political theory. They collaborated extensively and set up a research and teaching center marrying their chosen fields of expertise.



Described by a friend in an obituary written for the Guardian as an “intensely private and modest person who has taken aback and sometimes embarrassed by the attention she received towards the end of her career”. Dr Ostrom may be last on this list but clearly not the least.

Women have come a long way in the financial profession but any cursory glance at Extel rankings of analysts or Executive Boards of banks shows this is still a male world. In time that may change. But the ladies above do have some common characteristics. Great intellect, tenacity and a capacity for hard work are their secrets of success. But that goes for men as well as women.