

Why quant giant D. E. Shaw seeks out academics, doctors, and veterans to work at the \$60 billion hedge fund

Bradley Saacks

- Quant giant D. E. Shaw has hired people from non-traditional finance backgrounds for decades.
- The firm's head of recruiting told BI he looks for certain traits when hiring, including "learning agility."
- Former academics, doctors, and more who now work at D. E. Shaw spoke to BI about getting up to speed in finance.

It was 2011, and Tim Willenken had just spent the past 12 years — four as an undergrad and eight in a doctoral program — preparing to be a philosophy professor.

There was just one problem: He didn't want to be in academia anymore.

He "had no idea where to start" looking for a job, knowing just about the professions he had been exposed to in graduate school — doctors, lawyers, and professors, he told Business Insider.

To learn about what else was out there, he went through his Facebook friends list and called people working at companies in roles he hadn't heard of before. He eventually spoke to an old college friend he knew through debate club who had previously worked at D. E. Shaw.

"That was the first time I'd heard of the firm," said Willenken, a senior vice president in D. E. Shaw's corporate development unit. "I think I'd had one conversation about what a hedge fund was when I applied."

D. E. Shaw, started in 1988 by now-billionaire computer scientist David Shaw in New York, is remarkably secretive even for the guarded world of hedge funds, but what



D. E. SHAW

From left to right, D. E. Shaw's Tim Willenken, Jeremy Reff, and Ana Díaz Rivero.

little has leaked paints the manager as being on the cutting edge of quant finance.

While working at the \$60 billion fund is now the goal for many finance-focused students at top universities and a destination for quants, the manager has also maintained its long history of hiring non-traditional talent. Early hires included crime fiction writer Charles Ardai and Amazon founder Jeff Bezos, and the manager now boasts on its website that employees come "by way of academia, Silicon Valley, or an NGO."

Other hedge funds are also hoping to convince academics, technologists, and others to join their ranks instead of staying in their field or working in Big Tech as they grow

and compete to have best-in-class talent rosters. These offers are not just down to compensation, which is handsome at hedge funds.

The firm's head of recruiting, Jeremy Reff, a former English major at Harvard who has worked at the fund for nearly two decades, is in charge of continuing and improving on this tradition of non-traditional hires. While some who join D. E. Shaw may require additional training or a longer runway to get up to speed, he said, the return on these hires outstrips the costs.

"There are benefits to having a beginner's mindset," he said, and the firm's expansion into different investment strategy types, such as private investing and discretionary global macro, can be attributed to the curious nature of these hires.

The reality, though, is that a lot of roles don't have exact equivalents to other parts of the industry, so people from outside finance are not on that much different footing as those with more traditional finance backgrounds, he said.

"We are looking for traits and attributes more than one particular skill," he said.

Mentorship, prerequisites, and 'learning agility'

While the firm is happy to invest ample time in training talented recruits, certain roles still require certain skills. For example, knowing how to program is a must if you're applying to be a software engineer, Reff said.

The firm's learning and development team is structured to get people up to speed on financial markets and where the firm sits within them. The rotational associates program lets new hires work for different teams in different roles so new employees can get a sense of where they fit best.

The real learning happens on the job though.

"The only real way to learn is to get your hands dirty," Willenken said.

Reff's job is to find people who can keep up. The interview process is designed to test potential at the firm, including creativity and "learning agility."

"There are thousands of indicators for success that we use," he said. "No one is hired solely based on their résumé."

The firm used to consider standardized test scores as part of its hiring process but has phased them out over the last few years. "They aren't predictive of success," Reff said.

The résumés are generally reviewed blindly, meaning names are not attached to the qualifications and experience.

The process has changed significantly since Reff was hired in 2006, two years after graduating from undergrad; he recalled speaking to his interviewer for a while



D. E. SHAW

Lindsey Temes was in the Air Force before joining D. E. Shaw.

about the Spanish novel "Don Quixote."

Now, it's a more structured process, incorporating industry best practices with the firm's internal metrics and "secret sauce."

"We don't get it 100% correct, of course, and are always tinkering with it," he said.

Academics, doctors, and veterans

The end result is that driven people find their place in the firm, one way or another. Ana Díaz Rivero, a quantitative researcher, "never had an interest in finance," but wanted to leave academia after getting her doctorate in physics.

Her role allowed her to "continue pursuing academic research without being in academia," she said.

"A lot of the skills and tools we use are very similar. The principles behind how we do research are very similar," she said.

For those who have joined the firm after working in a non-finance field, incorporating past abilities and skills into their current roles was a big selling point.

For some, the biggest carryover from their former careers is habits they learned, like Lindsay Temes's military-trained punctuality and organizational skills. For others, like Dr. Omar Ali, a healthcare specialist on the fundamental equities team, there's more overlap.

Temes, a vice president in the COO Group, spent more than a decade in the Air Force before leaving in 2020 to attend graduate programs at Harvard and MIT.

As a Pat Tillman Foundation scholar, a program named for the late former football player-turned-soldier that covers veterans' education expenses, she was introduced to D. E. Shaw and found it was a place where she "would



D. E. SHAW

Dr. Omar Ali went from working for the NHS to D. E. Shaw.

be valued and heard.”

She overcame some initial hesitancy about financial services thanks to employees from non-traditional backgrounds who stressed that her role wasn’t going to be “static.”

A former doctor for the UK’s National Health Service, Ali said that “the day-to-day is certainly different than working in medicine,” but the jump to finance wasn’t as daunting as it can seem from the outside.

He said firms that focus on their employees’ talents and not on fitting people into specific boxes make the transition easy.

“My real value is not my ability to navigate a balance sheet, it’s my practical expertise in the field and my background,” he said.

Don’t want to ‘win’ on compensation

Hedge funds are known for paying their employees well, especially compared to fields like academia or government work.

Job postings show positions such as a software developer making \$200,000 a year, and a summer internship on the fundamental research team for college students is offering \$18,000 a month in salary, plus overtime, along with a \$10,000 signing bonus, a \$10,000 housing allowance, and thousands of dollars in stipends for “self-study” materials and technology equipment.

But Reff said, “I never want to win on solely compensation,” and those who have joined from outside finance say they were drawn to the firm for a number of reasons beyond pay.

Díaz Rivero and Ali knew of D. E. Shaw Research, a computational drug discovery company led by Shaw, which put the hedge fund on their radar. Willenken, the doctor of philosophy, appreciated that his role included the parts of academia he enjoyed most without the siloed approach academic research roles typically require.

Timelines are tighter and there’s more collaboration on the corporate development team, he said, and “the questions are a little more concrete than in philosophy.” But he is using the same muscles to search for answers to questions that don’t have easy answers.

“There’s not a lot of low-hanging fruit. If there was an obvious answer, someone would have thought of it by now,” he said.

Reff has a shorthand he uses with potential recruits to describe the firm: “These are a bunch of people who really want to get things right.”

“I think that’s very attractive to people in a lot of different fields,” he said.