

# CAREERS IN BANKING AND FINANCIAL MARKETS

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# Introduction



**H**ello and welcome to the eFinancialCareers guide to entry-level careers in financial services, updated for the 2025/2026 university recruitment season.

Financial services has always been a very competitive industry to get into, and in 2025 it is more competitive than ever. [Goldman Sachs' acceptance rate](#) for interns fell to 0.7% in 2025, down from 1.27% in 2022. The direction of travel is clear: more and more students want to work in financial services, but trainee positions are not keeping pace.

This guide is intended to help you get ahead of the pack. We provide comprehensive information on what you actually do in the well-known areas of investment banks, like [M&A](#) and [sales and trading](#). We also look at less well known but popular jobs like those in [compliance](#), [risk management](#), and [operations](#). And we provide detailed information on jobs beyond banks themselves, including those in

[private equity](#), [hedge funds](#), and [asset management](#).

The rewards from a career in financial services can still be great. [Long working hours](#) and their resulting [lifestyle](#) sacrifices, however, remain. But some business areas are less grueling than others; you can live well from financial services without necessarily working 100-hour weeks.

We hope you enjoy and make good use of this guide. We also hope you visit eFinancialCareers, not only for our job postings, but also for our extensive editorial content, much of it geared towards students and graduates. If you want to stay up to date, sign up for [our daily newsletter here](#).

**Sarah Butcher, Editor,**  
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# What is an investment bank? What does it do?

By: Zeno Toulon

If you ask 100 random people on the street what an investment bank is, you'll get 90 shrugs and 9 wrong answers. It's hard to pin down exactly what an investment bank is, and it's hard to pin down exactly what an investment bank does.

For many people, Goldman Sachs is the investment bank par excellence. But Goldman Sachs doesn't just investment bank – it also asset manages, wealth manages, and even had a brief foray into retail banking.

Asset and wealth management, as well as retail banking, are definitely not investment banking. But pretty much every major investment bank does do them. So what is an investment bank? Well, it's complicated.

## What does an investment bank do at its core?

Investment banking entails two fundamental things.

Firstly, banks help their clients (which might be companies or governments) to raise funds, historically by issuing securities (equities or bonds). Secondly, they help their clients buy or sell parts of their businesses, or maybe merge with other corporations. The former is known as capital markets or underwriting (both misnomers), while the latter is known as Mergers and Acquisitions, or M&A for short. Capital markets involve Equity Capital Markets (known as ECM) and Debt Capital Markets (DCM) and relate to issuing stock and bonds, respectively.

Similar to most DCM issuances is loan syndication. This is a lending style that involves multiple banks, usually for a higher-risk loan product that requires a higher risk profile (such as funding private equity activity). The syndication of the loan spreads risk across multiple lenders.

The core of all of these activities is valuation. An investment bank values bonds and stocks so they can be sold for fair values, and an investment bank values corporations to ensure that when a merger happens, a fair value is paid (or extracted).

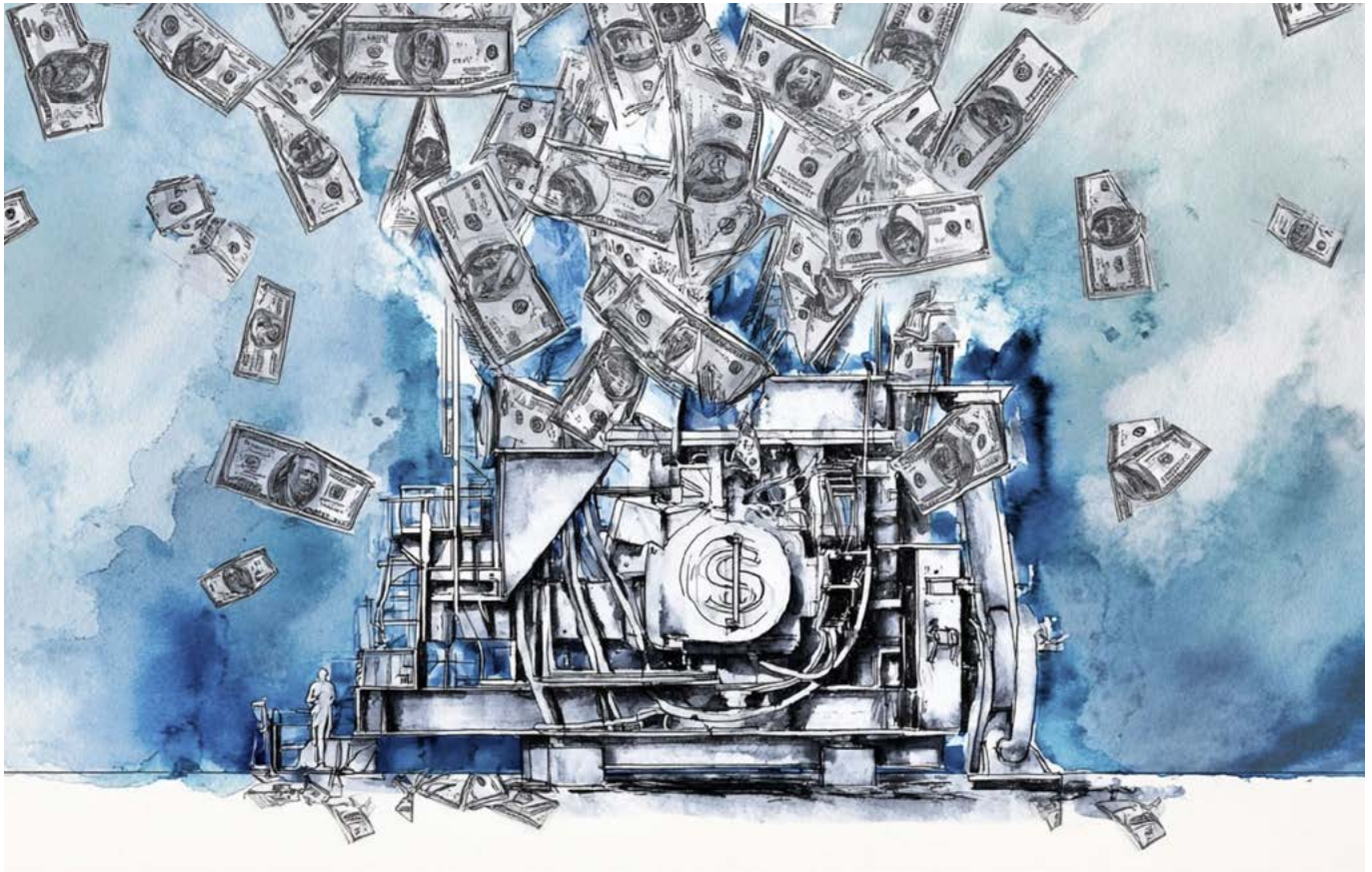
## What does sales and trading involve?

The other main activity that an investment bank does is sales & trading.

When a bank helps a client raise money by issuing bonds or shares, it guarantees the prices of these products by selling to the market. This requires salespeople and it requires traders. Salespeople and traders sell and trade the financial products the bank has helped create, and those which have been created previously. They also sell and trade derivative products based on the underlying securities, as well as syndicated loans.

A bank's markets (another name for sales & trading) team is supported by an array of other functions, including research, data, analytics, as well as trade execution and operations professionals.

In an M&A deal, the markets team might construct derivatives that help reduce the client's exposure to changing foreign exchange (FX) rates. In debt capital



markets deals, where new tradable debt is being issued, the markets team might help organize a group of investors (known as a syndicate) to underwrite the debt being issued in the event that it's not all sold.

### **How are investment banks changing?**

That was what investment banks used to do, but they're evolving.

On one hand, banks are ceding some of their trading operations to electronic trading firms like Jane Street which use computer algorithms to anticipate market needs and profit from changing securities prices. This is occurring as trading as a whole becomes increasingly electronic, instead of involving human beings.

On the other, public markets where equities (stock) and debt (bonds) are publicly traded are increasingly being replaced by private

markets, where the rules are relaxed and more tailored terms can be negotiated. Figures for growth here are staggering. Research firm BCG Expand noted that the market for private credit grew from \$600bn in 2014 to \$2tn in 2023. Banks are getting involved in private markets, both with their own private credit funds and by helping external private credit funds to raise money. Goldman Sachs, for example, began building up a "capital solutions group" in January of this year to specifically tap into "the emergence and growth of private credit," in the words of CEO David Solomon.

In sales and trading, electronification is another long-term trend. This refers to the purchase or sale of a security electronically, rather than via a human being. In 2024, the percentage of trades being placed electronically varied from 28% in convertible bonds to 70% in government bonds, according to Barclays. So-called "flow products," which are standardized and traded continuously and at high volumes,

are more susceptible to being traded electronically than structured products, which are more bespoke in terms of risk profile and volume – and are therefore less liquid.

Artificial intelligence is also making inroads. BCG Expand notes that different parts of the investment banking business model have different susceptibility to technology. While sales & trading teams have been hit hard by technological developments and electronic trading especially in simple (flow) equities, M&A and capital markets have been less impacted. This could change as AI takes over the jobs of some junior bankers.

### What is a boutique investment bank?

Boutique investment banks also exist. On paper, these banks offer M&A advice. Some of the bigger ones however, such as Evercore, also provide asset management and underwriting services.

Boutique banks like Centerview are some of the prestigious institutions in the financial services ecosystem. Many boutiques are as influential and revenue-generating as major (or bulge-bracket) investment banks within their niche, and are often noted for magnifying the culture of investment banking as a whole – they pay better, but they also work you a lot closer to the bone.

### What does a universal bank do?

The biggest banks of all banks are the universal banks. You've likely heard of, and probably even banked with, some of them – they include JPMorgan, Bank of America, and Citi in the United States, and Barclays, Deutsche Bank, and BNP Paribas in Europe.

Universal banks provide both retail banking and investment banking services. They can offer customer accounts, private banking (for high net-worth individuals), asset management services, commercial banking services for corporations, payments

services, and markets services such as hedging.

How all of that comes together is rather complicated.

### What does JPMorgan do?

Let's look at JPMorgan, a universal bank and the biggest bank in the world, by most metrics.

For JPMorgan, the ideal situation is one in which an investment bank can "feed" other parts of the bank, and not just the Commercial and Investment Bank (CIB) – the asset and wealth management operations also get a share of the pie, as well as its salespeople and traders and the hosts of service providers, such as its payments team, which works on moving all the relevant moneys from one account to another.

In JPMorgan's example, a client looking for private capital funding might come to JPMorgan's investment bank for an Equity Private Placement (EPP). An EPP is a sale of stock away from the public markets (stock exchanges), and involves the commercial banking part of JPMorgan's money lending facility, as well as JPMorgan's private bank (to source potentially eligible buyers).

Similarly, if a corporate client (a company) wants to expand, it might come to JPMorgan's investment bankers to discuss M&A. The client might then work with JPMorgan's corporate bankers, who might provide a loan to fund an acquisition. The commercial bank can also identify potential targets and buyers through its own network of clients.

If an Initial Public Offering (IPO) happens and a client company sells a portion of its stock (also known as its equity) in the public markets for the first time, the IPO deal will come through JPMorgan's equity capital markets (ECM) bankers. They will liaise with JPMorgan's markets (sales & trading) professionals to help sell

the equity, and with JPMorgan's private bankers to provide potential other sources of finance (via high net work individuals), and to manage the founder's wealth (when the IPO is driven by a wealthy company founder).

JPMorgan's commercial bank doesn't just connect clients with investment bankers domestically: it also does so internationally. For global corporations, this scale can make a significant difference.

JPMorgan also runs a private bank, this provides unique investment opportunities and services such as estate planning to Ultra-High Net Worth Individuals (UHNWI), typically defined as those with more than \$30m in assets.

In the above example with JPMorgan, the private bank also manages client shares in an EPP, as well as offering investment opportunities both to and for its clients during the IPO process. Additionally, once an IPO is complete, the private bank can continue its relationship with a company founder, and benefit from a "regular" private banking relationship with an UHNWI.

## What does Goldman Sachs do?

JPMorgan isn't the only big investment bank interested in selling a range of services.

Goldman Sachs restructured back in 2022 into three main business areas: global banking & markets (which covers investment banking and sales & trading services), asset & wealth management (which used to house the retail bank), and platform solutions (similar to JPMorgan's payments group). Since then, it's pulled back from retail banking (in 2024) and also formed a new "Capital Solutions Group" to finance private equity and credit deals.

A high proportion of Goldman Sachs' revenues come from sales and trading and standard investment banking activities. Whereas JPMorgan's consumer & investment bank derived 14% and 43% of its revenues from investment banking and sales and trading respectively in 2024, Goldman derived 14% and 50% from these areas respectively.

JPMorgan has a huge consumer bank, but since pulling back from consumer (retail) banking Goldman is growing elsewhere. The firm is now focused on this capital solutions group, but is also trying to grow in wealth management and private credit.



# What's the front office, middle office, and back office of a bank?

By: Sarah Butcher & Zeno Toulon

It can be hard to understand who does what exactly in an investment bank. There are a lot of niche roles, and not always a lot of camaraderie between those roles – especially when they're in different parts of the building; you know, front office, back office. Wait, no – that's not right. The front-office, middle-office, and back-office of banks are not actual places. They are functions, which describe particular sets of jobs done in banking. More confusingly, banks almost never use the terms themselves.

## What is the front office of an investment bank?

Front office jobs are generally the easiest ones to define: they are client-facing and revenue-generating. A senior banker in London says that, historically, "front office jobs in investment banks were those trading on behalf of the bank, or directly working with clients or creating products, research or analysis for them."

Another senior banker agrees. He says front office jobs were always any that involved "direct interaction with the client and customer – be that an individual or a corporate client."

What jobs does that cover specifically? In an investment bank, that means mergers and acquisitions (M&A), debt and equity capital markets (DCM and ECM, respectively), as well as sales & trading roles – even if you do spend that "client-facing" role as a junior carrying your boss' briefcase and building financial models by yourself at night.

Front office banking jobs are the most

prestigious and the highest paid. If you work in sales & trading in a bank, you might earn \$672k as a managing director. If you work in investment banking, you could earn up to \$821k.

## What is the back office of an investment bank?

The "back office" generally refers to what's going on behind the scenes at an investment bank. These are support roles. Nowadays, a lot of the work done is far from glitzy London or New York but in offshoring paradises such as India (home to 55,000 JPMorgan employees) and Poland (home to 7,000 Citi people).

What sort of jobs are those tens of thousands of back-office people doing? A variety. Settlements, for example – making sure that payments for trades are processed and trades go through accurately.

Back-office jobs aren't seen as sexy, really. They're not as desirable, but banks do their best to make them seem interesting. There might be something to their historic stigma, however. "I worked in trade support covering settlements for a French bank in London," says one operations analyst. "It was all very static, and process driven – I spent all day analyzing exception queues from various systems and analyzing trades to make sure they were settled properly. It was a repetitive job with very slow career progression." Yeesh.

## What is the middle office of an investment bank?

As the name suggests, the middle office

**/// The front-office, middle-office, and back-office of banks are not actual places."**



is somewhere between the front and back offices.

We're not just saying that to be annoying. The front office might be easy to identify, but the middle- and back-office distinction is less clear-cut. Strictly speaking, the middle office's role is to directly support the front office. That phrase is italicized for good reason – there's a lot riding on it. Which kinds of people in banks directly support the front office? Risk management professionals maybe? Or someone in compliance? Or even in technology...? Kind of. The problem with these definitions is that not all risk, compliance, or tech people support the front office directly – although some definitely do. That blurs the lines a lot.

"It's perfectly possible for a risk person to be either in the middle office or the back office," says one senior banker. "You might get a risk professional sitting on the trading floor, in which case he or she would be a middle office person. And then you might get a risk person miles away in the

corporate center, in which case they'd be in the back office."

### **What's the difference between front, middle, and back office?**

What we've outlined above is what the office split really used to be. Things have changed, and are continuing to change, and the reason for that is, as always, technology-related.

Banks are very, very keen to automate as much as they can. Technology can save money, for one, and make fewer mistakes. It also can lead to better productive results than brainpower. Goldman Sachs replaced 600 equities traders with electronic trading systems back in 2000, and it hasn't looked back since.

Engineers are taking over more and more of the front office's territory, too. In 2014, Goldman introduced Marquee, a "digital storefront" for Goldman clients to access the bank's pricing and risk information directly instead of via a salesperson. Goldman has since added AI capabilities to

Marquee’s abilities - including overlaying geopolitical events that automatically impact a change in the price of a security or derivative. Chris Churchman, Goldman’s head of Marquee, told Business Insider that he saw Marquee’s role in an investor’s day as “just like Amazon.com’s.” There’s not much need for humans to intervene in a purchase at Amazon.

What type of job you have might be easiest defined by your physical location. Back-office jobs are almost uniformly in low-cost centers such as India, Poland, or Birmingham. Front-office jobs are almost uniformly in prestigious and important locations such as Hong Kong, London, or New York. Middle-office functions are generally close to front-office ones.

**Is the front-, middle-, and back-office distinction still relevant?**

The front-, middle-, and back-office distinction is still very much relevant – but it is also becoming increasingly irrelevant. As technology develops, the more overlap there is between everyone at the bank.

“The front, middle and back office are a dated concept, and if you’re thinking in those terms you work for a bank with cultural issues,” says one senior banker. “Nowadays, you’re all in it together to drive performance.”

The driving force behind recent changes, and for the foreseeable future, is Artificial Intelligence (AI). The proliferation of generative AI has been substantial, with a report from Citi earlier this year claiming that there were at least 51 current ways that banks are currently using AI, including for live cashflow forecasts and to detect insider trading.

The productivity benefits of AI are fundamentally changing what banks do, and who does it. Goldman Sachs and Morgan Stanley were allegedly both contemplating cutting the size of their analyst classes by two-thirds this time last year as AI takes over analyst tasks.

“You have an infinitely smart companion who can automatically perform tasks like modelling and deck creation, so the skill set



that will be most prized is critical thinking, creativity, taking the data and advancing it to come up with new ideas,” one senior banker told Financial News. “It will be the revenge of the liberal arts graduates.”

### Working hours and pay in different parts of the bank

With functions so different (and office space so variable in cost), it's no surprise that the different functions in an investment bank are paid wildly differently – and work different hours.

Unsurprisingly, our 2025 Compensation & Lifestyle Report showed that it was front-

office staff, and especially investment bankers, who work the longest hours and are the best compensated.

Middle- and back-office people worked much more reasonable hours. For example, middle-office compliance & risk professionals worked for 47 hours a week, on average. Technologists worked 53 hours a week, on average.

The holy grail in our report was sales & trading, a front-office function that was paid as a front-office function – but had much more reasonable hours on average. There was variety within sales & trading by product group for both pay and lifestyle, however.

## Working Hours & Compensation in Financial Services by sector, 2024, US\$

Function	Compensation, 2024	Working Hours, 2024	Working Hours, 2023	Change	Compensation per hour, 2024
Compliance & Risk	\$222,828	47	46.7	+0.5%	\$91.36
Finance	\$188,032	46.6	46.8	-0.3%	\$77.58
Investment Banking	\$360,676	59.7	60.6	-1.4%	\$116.11
Operations	\$143,149	51.8	50	+3.7%	\$53.12
Quant	\$311,336	47.8	47.7	+0.3%	\$125.27
Sales & Trading	\$384,893	54.4	54.8	-0.7%	\$135.99
Technology	\$222,578	52.9	52.2	+1.4%	\$80.89
Research	\$274,122	45	45.5	-1.1%	\$117.15
Hedge Fund	\$631,553	51.2	49.3	+3.8%	\$237.17
Private Credit	\$202,479	53.7	54.6	-1.7%	\$72.47
Private Equity	\$218,250	49.6	51.3	-3.3%	\$84.54
Traditional Asset Manager	\$324,878	48.2	48.7	-1.0%	\$129.50
Commodities	\$220,007	58.2	52.8	+10.2%	\$72.74
Compliance	\$183,070	48.1	49.2	-2.3%	\$73.26
Credit	\$310,489	51.4	52.3	-1.7%	\$116.18
DCM	\$306,689	54.2	54.8	-1.1%	\$108.79
ECM	\$332,318	50.4	50.8	-0.8%	\$126.76
Equities	\$396,266	54.9	54.6	-0.1%	\$139.61
M&A	\$423,701	67.9	69.1	-1.8%	\$120.08
Macro	\$495,078	50.8	50.5	+0.7%	\$187.39
Risk	\$226,925	47.5	47.2	+0.6%	\$91.85
GLOBAL	\$268,832	49.2	48.9	+0.6%	\$105.10

# The best time to apply for an investment banking job

By: Zeno Toulon

There's very few rules to getting a job in an investment bank that apply everywhere in the world, but there is one pretty universal rule: you need to start hustling as soon as possible.

Trying to get a job just before or just after you graduate is setting yourself up for failure when it comes to banking. By this point, the banking job you want will have gone. It was given away months, if not a year, before, to an intern.

Getting a job in an investment bank is all about getting an internship. And preparing to apply for an internship begins the moment you step through the door in your first year at university.

## 1. When to apply for a spring internship in an investment bank

The first step to getting a university internship starts before you even arrive at university.

You want to go to a good (usually called a target) university. You can get away with attending a "semi-target" university, but to maximise your chances, you want to get to the topflight. In London, there are only seven target universities – all but one of them is in the UK.

When you arrive at university, you have a few things to do. The first is to make your CV. The second – especially if you're in Europe, although not exclusively – is to start looking for and applying for spring internships.

Spring internships (also known as spring weeks) are week-long internships for first-

year students. They're hosted by banks for students and are designed to give students an introduction to banking jobs. If your spring internship goes well, you may get preferential access to a summer internship in your second year.

Sophomore internships (as they're called in the US) are much rarer than in Europe, and are mainly focused on diverse candidates. With the general retreat of diversity initiatives, they might not exist much longer. Spring/Sophomore internships also do not appear to meaningfully exist in Asia.

The key period for applying for a spring internship as a first-year student is **September** and **October**, sometimes later, and never earlier. As with all applications, the earlier you apply, the better – the same day an opportunity opens up, even.

## 2. When to apply for a summer internship in an investment bank

If you're in the **USA**, you need to get started on getting your summer internship towards the end of your **first year at college/university**. If you're in **Europe** or **APAC**, your **second year** at university is when you apply for and complete your summer internship (also known as a "summer analyst program").

These are – by far – the most important internships you will do. They last between 9 to 12 weeks, and if you do well, you'll get an offer at the end of it to join the bank full-time – a process called converting – when you graduate. You can then put your feet up and work hard on getting a good degree.

**/// The first step to getting a university internship starts before you even arrive at university."**



### When do you apply for summer internships in banks?

In Europe and Asia, summer internship applications will generally open in **August** or **September** of the year before – that is to say, nearly a year before the actual internship begins the following June. In Europe and Asia, intern applications usually close in **November** or **December** at the latest.

In the US, applications for summer analyst programs can open even earlier. Think **December** or **January** – that is to say, 18 months before the actual internship starts. We put together a list of programs open back in **May 2025**, and deadlines were generally between **July** and **September**. Some were as early as **June** – around a year before the internships start. European banks like Barclays, Deutsche Bank, and SocGen open their US internships later, though.

It's important to move quickly, as interviews are known to start before the application

deadline has passed. The application process can last a while regardless of where you're doing the internship. In 2024, for example, JPMorgan was spied doing HireVue interviews in **January** for internships, and gave offers in **April**.

### 3. When to apply for a graduate scheme in an investment bank

Banks run analyst programs for graduate hires. But these programs are usually full of either their own previous year's interns or interns from other banks. If you've never had a banking internship and you only start applying for graduate jobs in banks, you will be at a disadvantage. "Why would I hire you if no one else in the industry would?" is a reasonable attitude.

If you want to apply for an analyst program in your third year at university, you'll usually need to do so around **September**, which is when applications usually open (other banks, such as Goldman, start earlier). The deadlines are usually in **November**, but you should have applied a lot sooner than this.

#### 4. When to apply to an off-cycle internship in an investment bank

If you're a bit desperate, there are also off-cycle internships.

These aren't as structured as summer internships. They can take place at any time throughout the year (away from the usual spring/summer "cycle") and can be of any duration – even up to a year.

Although they are sometimes criticized as a bit of a dumping ground, off-cycle internships can be valuable opportunities to gain experience. The workload will be high – summer interns usually have a reputation for being coddled in comparison – but the more work you do, the better.

At the end of it, you'll have much more direct work experience (possibly up to a year of it) in the trenches as an analyst. Banks value that highly. You also have more networking opportunities across the extended period of time there. Both of those contribute to putting you in an arguably better position than most summer interns.

Learning a foreign language can help. More often than not, you'll see off-cycle opportunities in Parisian, Milanese, or

Frankfurter offices than London or New York.

#### 5. Delaying your graduation to get an internship in an investment bank

Investment banking internships are absolutely mission-critical to getting you an investment banking job. You need one. Luckily, banks often qualify their students by (expected) graduation date – so it can be worth trying to delay your graduation as much as possible while applying maniacally.

Former Morgan Stanley and Goldman Sachs intern Brian Landeros says that you actively need to try to not graduate – not by failing your degree, obviously, but by delaying your graduation so that you have a chance to land that critical internship.

Alternatively, instead of delaying, a master's degree is a great lifeline if you've failed in finding a summer internship, a full-time analyst program, or an off-cycle internship. You're basically back in school – so all of the deadlines in section two apply again – **August** and **September** is when things open. It's worth doing your due diligence and doing a top-quality master's degree – some have a reputation for ripping off candidates.



# How to get a banking job: 14 routes in

By: Zeno Toulon



**/// The first step to getting a university internship starts before you even arrive at university."**

**G**etting a job in an investment bank is, no hyperbole, probably the hardest thing you'll ever do in your life.

If you're trying to get an internship, Goldman Sachs accepts just 0.8% of applicants. If you're trying to get a job there normally, it only accepts 0.3% of them. JPMorgan has similar figures. By comparison, the University of Oxford had an acceptance rate of 14% in 2024, and Harvard had an acceptance rate of 3.2%.

Getting an investment bank job is really, really competitive. The only thing more competitive is getting a job at Citadel, which has an acceptance rate of 0.4%, according to Business Insider.

If you want to get that job, you will need to

work very hard, exhaust every opportunity you have, and really – genuinely – be a little bit lucky. These are all the options you have.

## **1. Get into banking by doing a "degree apprenticeship"**

The earliest you can get a job in an investment bank is when you're applying for university.

Degree apprenticeships – during which you're employed by the bank while you're studying – only exist in the UK, and they're insanely competitive to get into: one program participant in 2023 told us that there were over 4,000 applicants to 28 degree-apprenticeship roles at his bank last year, an acceptance rate of less than 0.7%. That's lower than Goldman Sachs or

JPMorgan's "normal" internship acceptance rates.

As degree-apprenticeships are based in the UK, the banks that offer them are limited to those with large UK footprints. They include Barclays, HSBC, JPMorgan, Goldman Sachs, and Deutsche Bank.

It might be worth doing a degree internship though, even if you have to start preparing for a banking job at age 17. At the end of your four-year course, you have years of part-time experience, much better finances than your average university graduate, and a graduate offer to return to the firm as a full-time employee.

## 2. Get a banking internship as an undergraduate and convert it

This is the most typical way to get a job in an investment bank. Internships are supremely important (as you'll find out the further you scroll down), and the summer internship is the big daddy of internships in every form.

Getting a summer internship as an undergraduate and receiving an offer at the end of it to join your employer full-time after you graduate is the most tried and test way to get a front-office job in a bank. So, most of your energy should be devoted to applying for these – right?

In the USA, yes. But in the UK, the pressure cooker begins before that, with first-year spring internships. These are week-long taster sessions in your first year of university that, hopefully, can lead to receiving an offer to join a bank for a second-year summer internship. They're extremely important. Some banks offer similar 'sophomore internships' in the US.

## 3. Get a banking internship as a postgraduate and convert it

This is a complicated topic.

For one, doing a master's degree still only gets you a summer analyst internship. You

will be at the bottom of the bank's ladder. Therefore, what you're really doing is paying five figures to get an extra year or two of time as an undergraduate, essentially.

Additionally, not all master's in finance degrees were made equal. Former careers coach Mark Ross told us that a lot of degrees are "ripping off candidates" and "need to be shut down". Many graduates of these programs say that they feel like their employment prospects were misrepresented to them, and that they're unhappy with the impact their masters degree had on their careers.

If you don't want to do an expensive masters. Brian Landeros, a careers coach and former Morgan Stanley and Goldman Sachs intern says you can "buy time" by delaying your graduation.

That doesn't mean failing exams or modules or whatever else, but delaying the actual graduation date. The reason for that is simple: banks require you to have a graduation date no later or earlier than a certain time period to apply to an opportunity. If you can delay your graduation date, you can apply for next year's internships. That might be better (and cheaper) than doing a master's degree.

## 4. Get a banking internship as an MBA and convert it

This used to be the gold standard of getting an investment banking job. Although the route is not as popular as it used to be, there are still opportunities to get on a summer associate program during your MBA, and converting that into an internship (as if you were an undergraduate student).

Wait, summer *associate*? Yes, that's right. It's also the big benefit of doing an MBA over just about any other internship route: you get to jump up the ladder a bit and start climbing a few years above others.

Because you usually need a few years' work experience to do an MBA, don't consider it a way to get on the ladder earlier in life – the



biggest benefit is that you get to skip the abysmal work-life balance that analysts suffer.

Like master's degrees, not all MBAs are made equal. Banks are just as picky with who they hire from MBA programs as they are from undergrad ones, and there's very much a hierarchy of top business schools that they recruit from.

Another benefit to starting your banking career with an MBA is that associates are better paid than analysts. A top MBA such as Stanford's, Columbia's, or Chicago's can lead to an investment banking job that pays up to \$350k in starting salary (although the median is usually around \$175k). That's much higher than an analyst, who typically earns around \$111k in their first year.

### **5. Get a banking internship as a PhD and convert it**

More studying? Well, if you're this far down the list, you've already missed

undergraduate, postgraduate, and MBA opportunities. What's another few years of studying to you? Besides, PhD holders are well-loved by banks, who itch for them to join their quantitative research teams.

Morgan Stanley, for example, is currently looking for a PhD researcher to join its derivative strats (sales & trading) team as a quant. Chase is currently looking for an AI machine learning researcher to join its data analytics team. Those are pretty typical uses for a PhD.

Other banks have more interesting uses for PhDs. JPMorgan's quantum computing team, for example, is one of the best in the world (not just the industry), and is mostly a "very large team of PhDs," in the words of quantum chief Marco Pistoia.

Not all quant-y positions require PhDs, however. One quant researcher at Jane Street, the electronic trading firm par excellence (that pays \$1.4m on average), said last year that "the majority of

researchers at Jane Street don't have PhDs."

## 6. Get a banking internship after you graduate

Okay, you might be starting to get desperate now. You should be: if you've done an undergraduate degree, a master's degree, an MBA, and a PhD, congratulations: you're the best-qualified person who still can't get into the banking that is alive today.

However, two last options exist for you to get that all-important internship: graduate schemes and off-cycle internships. A graduate scheme without prior internship experience is pretty much impossible, but off-cycle internships are still an option: you could even do it in a bank's "satellite office" in Milan, Paris, or Frankfurt. We talk more about off-cycle internships here.

## 7. Get a job in banking by joining the army

Admittedly a bit of an insane step to take for the sake of any internship, and probably one your mother would disapprove of, but there are plenty of examples of banks having specific outreach schemes for military veterans that you can apply to. Most opportunities for veterans are in the US. JPMorgan, Morgan Stanley, and Goldman Sachs are all known to have special programs for military personnel transitioning into the private sector, as does Barclays (in the USA).

One of the most famous veterans in finance recently was Leo Lukenas. A former green beret and Bank of America associate, Lukenas died of an "acute coronary artery thrombus," during a period in which he was allegedly working 120-hour weeks. His twin brother, Les Lukenas, who was also a green beret, was hired by Goldman Sachs after his brother's passing.

## 8. Start the CFA program

A bit of a guerrilla option given the workload, but if you're already in an

established career, doing at least the CFA Level I will help show recruiters and banks that you're serious about finance, as well as teach you some of the basic concepts that should apply directly to your future work.

Doing a CFA is particularly useful for international students or professionals seeking to move into a finance career, due to its perceived value to Western institutions.

The downside (or upside, to an employer) of the CFA is that you do actually have to work for it – it is more than possible to fail any of the three stages. CFA Institute indicates that the pass rates for Levels I, II, and III are around 44%, 48%, and 49% respectively.

## 9. Get a job in banking by coming in through accounting

Getting into banking via accounting is a more popular option in Europe than in the USA, and also takes a very long time, courtesy of all those years of extra studying you also have to do for the ACA/ACCA/etc. Accountants also tend to be a bit of a desperate pick for banks. They're usually brought in when dealmaking is booming to work on what seems like an endless supply of business. Alas, dealmaking is not exactly booming at the moment – not the way it was in 2021, at least.

The most relevant example of an accountant who succeeded in banking is probably Julian Salisbury, former chief investment officer of Goldman Sachs Asset Management (and now partner and co-CIO of asset management firm Sixth Street), who joined the bank from KPMG.

## 10. Get a job in banking by becoming a lawyer

Law isn't as popular an entry point as it used to be, but it definitely has at least one significant previous example of success – former Goldman Sachs CEO Lloyd Blankfein, who left law to join a trading firm that was a subsidiary of Goldman's as a trader. The 80s were a crazy time compared to now, though.

## 11. Get a job in banking through consulting

Management consulting is probably the best-positioned way to transition from a different industry into banking. Bankers and consultants tend to be very similar characters in terms of education, work ethics, and so on. Your field of expertise as a consultant also matters – transitioning from regulatory implementation to compliance, for instance, is quite straightforward.

There's also a veritable hall of fame for people that reached the highest levels of banking despite their backgrounds in consulting. The former CEOs of Credit Suisse, UBS, Morgan Stanley, Standard Chartered, and Commerzbank were all ex-McKinsey partners at one point: the present CEO of Citi, Jane Fraser, was also a partner at the firm earlier in her career.

## 12. Get a job in equity research through something entirely unrelated

Equity research isn't strictly investment banking, but our 2025 Compensation & Lifestyle report showed that they're doing very well for themselves. Given their more relaxed work schedules, the average bank researcher earned more money per hour worked than the average investment banker.

Breaking into equity research is often done by someone already in the industry they wish to cover. For example, going from a medical career into covering healthcare equities is a tale as old as time, for instance.

## 13. Get a job in banking by sending an email

Cold emails are definitely not what they used to be. A running joke these days is that [baby] boomers like to recommend youngsters walk into a potential workplace, ask to speak to the owner, "make eye contact and give a firm handshake," and boom, you have a job. Well, that doesn't quite do it these days (not for investment banking, at least). And neither does cold emailing.

That being said, if you're this far down the list, what do you have to lose but your pride? And besides, a low chance is not no chance.

## 14. Get a job in banking because your uncle has one

If you can benefit from nepotism, you don't need our advice on how to dabble in it. And we don't encourage such a thing, obviously.

Nepotism has always been prevalent in finance, despite rather consistent efforts to eradicate it over the years. One person in investment management told us earlier this year that "every firm" which he had worked at was nepotistic to some degree, based on both the relatives of key executives and key clients.

Brian Landeros noted that, when he was doing his internships, he was surrounded by "rich Latin Americans, a member of the British nobility and the son of Kenyan royalty." That's not an atypical intern class, believe it or not. Landeros generally recommends avoiding discussing your socioeconomic background, unless you're from the same privilege as others.

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# Where to find the best lifestyle – and pay – in finance

By: Zeno Toulon

**W**orking in finance famously has two aspects: the spectacular pay packages, and the gruelling working hours. But not all financiers share the same fate.

Our 2025 salary and bonus report, based on our survey of over 2,500 respondents in the industry, shed some light on where the most extreme excesses of both pay and working hours. We surveyed financial services professionals worldwide, in all corners and seniorities of the industry. And it was our respondents in M&A who, by an unsurprisingly large margin, worked the longest hours in 2024.

The 68 hour-long work weeks in M&A were more or less on par with what was reported for 2023. They are considerably shorter than the 100-hour weeks

that were reported to have happened during the pandemic (and led to the infamous Goldman Sachs analysts' revolt) but are longer than those worked by colleagues in other investment banking functions such as capital markets.

Long hours also make M&A banking quite "inefficient" from a compensation per hour perspective. With their reported salaries and benefits, M&A bankers in our survey worked for an average of \$120 an hour in 2024 – a tidy sum, but less than the \$126 per hour earned by their peers in equity capital markets, and significantly less than the hourly sums earned by most of those working in markets roles.

Within markets (sales & trading), it was people working on macro (FX and rates) product desks that once again earned the

**Not all financiers share the same fate."**



most per hour. Macro traders earned an average of \$495k per person including both salaries and bonuses in 2024. They also worked the shortest hours of their peers – just 50.5 per week.

On the buy-side, the supremacy of people working with comparatively liquid products instead of long-term investments continued. Hedge fund professionals earned the most overall and on a per-hour basis in our survey, with 51-hour work weeks on average and average compensation of \$237 per hour. Hedge fund professionals told us they work fewer

hours than operations professionals, but for four times the pay.

Our report doesn't include carried interest, which is in any case harder to come by nowadays than before. When only salaries and bonuses are alone are considered, private equity and private credit professionals work long hours for comparatively low pay. On this basis, they were paid \$72 and \$85 per hour, well behind their front office banking peers and behind even compliance & risk professionals, who earned an average of \$91 per hour for 2024.

### Working Hours & Compensation in Financial Services by sector, 2024, US\$

Function	Compensation, 2024	Working Hours, 2024	Working Hours, 2023	Change	Compensation per hour, 2024
Compliance & Risk	\$222,828	46.9	46.7	+0.5%	\$91.36
Finance	\$188,032	46.6	46.8	-0.3%	\$77.58
Investment Banking	\$360,676	59.7	60.6	-1.4%	\$116.11
Operations	\$143,149	51.8	50	+3.7%	\$53.12
Quant	\$311,336	47.8	47.7	+0.3%	\$125.27
Sales & Trading	\$384,893	54.4	54.8	-0.7%	\$135.99
Technology	\$222,578	52.9	52.2	+1.4%	\$80.89
Research	\$274,122	45	45.5	-1.1%	\$117.15
Hedge Fund	\$631,553	51.2	49.3	+3.8%	\$237.17
Private Credit	\$202,479	53.7	54.6	-1.7%	\$72.47
Private Equity	\$218,250	49.6	51.3	-3.3%	\$84.54
Traditional Asset Manager	\$324,878	48.2	48.7	-1.0%	\$129.50
Commodities	\$220,007	58.2	52.8	+10.2%	\$72.74
Compliance	\$183,070	48.1	49.2	-2.3%	\$73.26
Credit	\$310,489	51.4	52.3	-1.7%	\$116.18
DCM	\$306,689	54.2	54.8	-1.1%	\$108.79
ECM	\$332,318	50.4	50.8	-0.8%	\$126.76
Equities	\$396,266	54.6	54.6	-0.1%	\$139.61
M&A	\$423,701	67.9	69.1	-1.8%	\$120.08
Macro	\$495,078	50.8	50.5	+0.7%	\$187.39
Risk	\$226,925	47.5	47.2	+0.6%	\$91.85
GLOBAL	\$268,832	49.2	48.9	+0.6%	\$105.10

# How to write a banking CV

By: Zeno Toulon



If you want a job in an investment bank, you might have your work cut out for you.

Getting a job in finance isn't an easy task at all – and a job at a top investment bank might be the hardest of all to get. Goldman Sachs' 2,600 internships in 2025 had 360,000 applicants. The bank, therefore, only accepted 0.7% of applicants. To make things worse, competition is only getting tighter: Goldman's acceptance rate was 0.8% in 2024, 1.27% in 2022, and 2% in 2013.

If you're an established professional applicant, don't think you'll have an easier time of it. Goldman's "normal" jobs had 300 applicants each the last time the bank revealed figures in 2023. That's an acceptance rate of 0.33%.

In that environment, your CV or Resume is absolutely crucial. It's the first thing most recruiters, internal or external, will see when you apply for a banking job. Here's everything you need to know about writing a top notch one.

## Format and Structure

"CV formatting is a highly strategic move," says Victoria McLean, CEO of London-based careers consultancy CityCV. "The design and structure of your CV can determine whether it's even seen by a human."

The vast majority of investment banks make use of software known as an "Applicant Tracking System", or ATS. "These systems scan for relevance using algorithms, assessing everything from job

titles and dates to keywords and layout," McLean explains. "If your CV isn't formatted with ATS in mind, it will lose."

Formatting isn't difficult. You'll need your name and contact details at the top. Then comes a professional summary. And then your education, experience, and skills. The order of these depends on your experience: students always have education listed first. Experienced professionals have experience listed first.

Fonts are important. If you want an ATS to read your CV, McLean says it must be written in Arial, Calibri, Tahoma or Verdana. Anything other than these is a risk, and serif fonts in particular, must be avoided. Keep font size consistent across the document (McLean suggests size 10 to 12). Use bold text "sparingly", and don't use text boxes, graphics, columns, or tables at all. Unless you're in Germany, you won't need a photo, and a potential employer will find your social media presence, anyway.

Your CV should generally be as short as you can make it. The template approved by Goldman Sachs recruiters at the bottom of the article is only one page long, for example.

## The executive summary

If you're a student, the executive summary is important. "The more junior you are, the more you need to explain to people exactly what you want to be and what you're looking for," says Roy Cohen, a Wall Street career coach and author of *The Wall Street Professional's Survival Guide*.

An executive summary is a short (100 word) introduction to you, your skills, and your motivations. It's not as tacky as a university personal statement, but it should be convincing to a recruiter that your life experience so far naturally leads you to want to work in the industry.

Executive summaries are less important for established professionals. "The experience

should speak for itself," Cohen says.

McLean also mentions that a professional summary should be "keyword-rich" – more on that later. "That section is critical," McLean says. "In a few short lines, it should articulate your specialism, sector expertise and what you bring to the table."

## Education and Qualifications

As they've always been, your education and qualifications are vital to your career in finance beginning at all.

"Qualifications are one of the first filters banks use to assess your fit," says McLean. "Undergraduate degrees are still the foundational entry point, and for many roles, particularly in the front office, academic pedigree makes a real difference." The better your university, the better your chance of getting into your internship of choice.

The most elite universities are considered "target" universities by banks. For London-based internships, there are only seven target universities – and all but one are in the UK. There are also "semi-target" universities, which are usually good enough to not have your application thrown out, but not good enough to be targeted by campus recruiters.

"There's an increasing appreciation for intellectually rigorous degrees from non-traditional universities," McLean says. "I've seen excellent candidates from this pool succeed, especially when they've combined strong academic performance with clear evidence of technical, analytical and commercial skill."

Although people see "financial services" and imagine that their degree in finance will help them cruise to a financial services role, things aren't quite that simple. There's remarkably little – if any – overlap between what you learn in a finance undergraduate course and the skills you'll use as an investment banker. The reason investment banks like finance students (and STEM

students) is because it shows an analytical mind, and that itself is exceptionally valuable to them.

Grade requirements vary by school and situation. In the US, you'll want to show off your GPA of around 3.5 if you're from a target school, and a higher GPA if you're from a non-target school or studying a humanities or humanities-adjacent subject. In the UK, you'll want a 2:1, and although banks don't stipulate A level grades, it will help if you have 216 UCAS points (A\*A\*A\*A).

Getting a postgraduate degree can also help – although most are to be avoided. McLean says that master's degrees "often work best when paired with practical exposure, such as internships, research projects, or work experience." The implication is that something like an MBA or PhD is more valuable than a plain old MSc, which is pretty consistent with what data from our CV database shows.

If you're applying for jobs in M&A, research, or asset management you might want to

consider the Chartered Financial Analyst (CFA) course. You'll have to have work experience to complete the last level of the course (there are three), but you can do Levels I and II as a student. Given that you'll be applying for a summer internship as a second-year student, you can realistically have a Level I pass on your CV – consider having it. We list relevant qualifications for other roles here.

"Having a designation like the CFA allows you to stand out," says Cohen. "If you've passed the first two levels and haven't even graduated from college. What message does that send?"

McLean agrees. "Completing even one level signals a high level of commitment and technical fluency... When the CFA fits the direction you're heading, it adds real weight to your CV."

It's worth noting, however, that the CFA has been sharply criticized in recent years. Partly due to a collapse in pass rates during the pandemic, major banks (such



as Berenberg in the UK) have removed possessing a CFA designation as a cornerstone of their training program.

## Skills and Achievements

All of the achievements you list – and you should be listing achievements – need to be qualified. Quantifying your achievements “shows employers the measurable impact you had on an organization and this adds credibility to your banking CV,” McLean says.

What that means in practice is saying “sales increased by 16% due to my newly implemented outreach method” rather than “successfully increased outreach efficiency”, or “customer referrals doubled” rather than “customer referrals increased”.

You want to learn (if you haven’t already) the ins and outs of the S.T.A.R. technique (we have a whole article about it here). S.T.A.R. stands for Situation, Task, Action, Result – the gist of the technique is that it’s an efficient story telling structure that showcases your actions, thought processes, and results.

Cohen also notes that it’s more important than ever for experienced applicants to show that they are not dinosaurs. “It’s really important to emphasize AI,” he says, and notes that, “kids graduating from college now are exposed more and more to technology. Having comfort and awareness with it is more important now than ever before.”

## Hobbies & Personality

It isn’t all about your qualifications and skills and formality, however.

“Banks hire people, not grade sheets,” says McLean. “They want individuals who’ve shown they can collaborate under pressure, take ownership and think beyond the confines of a lecture hall.”

Famously, senior bankers talk about the “airport test:” how much fun would a

candidate be if you were stuck in an airport with them for 100 hours. Being a fun person might not get you an investment banking job, but not being one can certainly lose you it.

“Extracurriculars also matter, often more than people expect,” McLean notes.

“Finance societies, competitive sports, volunteering, hackathons - these paint a fuller picture of who you are.”

Cohen agrees. “Wall Street companies like people who have athletic backgrounds. It suggests that you know how to compete, and that you know how to thrive in a competitive environment.” Individual competitors (tennis or skiing) impress a potential employer more than a group participant (rowing or football), Cohen says. He also suggests that if you’re a team player, you should be aiming to be captain. “There may be questions about if you can thrive independently.”

Don’t use AI to write your banking résumé  
Long story short: you won’t be able to get an AI tool to write your CV for you.

“AI has completely reshaped the way CVs are written, read and reviewed,” McLean says. A tool can certainly help you structure your CV better, or give feedback based on established norms (such as from this article), but it won’t be able to produce a good CV.

“Using AI to draft your CV from scratch, especially in banking, is a mistake,” McLean says. “I’ve spoken with hiring managers at major investment banks who are actively penalising AI-generated applications,” says McLean. Some banks are even using counter-AI tools that screen CVs for AI-written text. “If they spot it, they may dismiss the CV entirely, regardless of the candidate’s credentials.”

There are some uses to AI, although not from a writing point of view. It’s a decent researcher. It can identify keywords to include in a job description, or metrics you should include. “A well-written banking

CV isn't just a list of achievements, it's a piece of business communication," McLean emphasizes.

The banks' ATS systems will read through your CV and application, and judge it against the job posting you are applying to. Keywords can be identified by AI, but they're also pretty self-evident. Using them shows that you understand how the job works and what sort of jargon it uses.

### **A CV for students without experience in finance**

There are certain other rules that are worth following for non-traditional applicants, especially those with a bit of experience under their belt.

"If you are applying for your first graduate role," McLean says, "and you don't have any experience, the first thing to say is don't worry about it. What the banks are looking for is potential and passion." It's more important to demonstrate commitment to the industry than it is to tick every past experience box directly.

Besides, your unique experience might be more useful to a bank than you think. McLean gives the example of a client of hers who worked for a major supermarket

chain and (separately) as a kitchen appliance salesperson and then got an internship at a "top tier" US investment bank.

"What he did was put a lot of spin on those two roles. At the electrical retailer organization where he was working, he talked about the fact that he got involved in merchandising. He increased customer service ratings by a particular amount. He wrote about the kind of impact it had on sales," McLean explained.

"What you need to be thinking about really is what skills is that organization looking for. If I'm looking forward to working at Goldman Sachs, what do I know they're looking for, and what are their core values or their core principles?" That sort of information is readily available on their website, she notes. "How can I match my experience to show that I have the skills and the values that align with what they need? And secondarily, what might I have learned from my experience that might be relevant to that organization?"

Cohen also notes that the CFA can be valuable to an established professional's application, as it shows that some degree of work has already been put into a career change. Time can buy skin in the game.



# What is M&A and what do M&A analysts do?

By: David Rothnie & Zeno Toulon

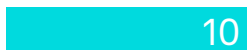
## Prestige



## Pay



## Grind



## Competitiveness



- M&A professionals work with clients on deals to buy and sell companies.
- M&A juniors work on Excel models to help value the companies involved in deals.
- M&A juniors put together pitchbooks in PowerPoint to help banks win a role advising on deals.
- M&A jobs are well paid. \$110k salaries in year one are considered typical.
- M&A jobs can involve grueling hours. Juniors complain about 100-hour weeks.
- Even just two years in M&A can leave you well positioned for the future. Opportunities are available in private equity, hedge funds and elsewhere.

Unlike management consultants, who help companies determine and implement the best strategy without necessarily changing the company's component parts, M&A bankers drive strategy through structural change. They encourage the companies they're working with (clients) to join together with other companies as equals (a merger), to buy and control a smaller company or part of a company (an acquisition), or to sell part of their own operations (a disposal).

Mergers, acquisitions, and disposals happen for different strategic reasons. For example, a client may decide to merge with a rival operating in the same business area in order to increase its market share. This is known as a horizontal merger.

Alternatively, a client may decide to acquire one of the companies that supplies the components necessary to fabricate its product. This is a vertical merger. There are also conglomerate mergers, when a company merges with or acquires a firm operating in a totally different market. And there are congeneric mergers, which take place when companies are in the same industry but offer different products. Conglomerate mergers have the advantage of allowing clients to enter completely different markets. Congeneric mergers bring advantages like established distribution channels, or whole new product lines.

Globally, the top three banks in M&A are Goldman Sachs, Morgan Stanley, and JPMorgan, measured in deal volume. These are the banks that work on the biggest and the most complex deals, often involving buyers and sellers in different countries.

**A** job working in Mergers and Acquisitions (M&A) is one of the most sought-after and high-profile roles in investment banking. Senior M&A bankers travel the world and advise on the world's biggest and most complex deals, reshaping entire industries.

M&A bankers are professional advisors. They operate at the highest levels, working with large global companies ("corporates", as they're known in banking), advising chief executives how best to position their organizations for the future.

But there are a number of other big U.S. and European banks that are also active in M&A, and many also lend the money to finance the deals.

While the biggest, multi-billion-dollar deals grab the headlines, the majority of deals are below \$500m in size, and there are a number of so-called mid-market M&A firms which earn good money advising on these deals. There is also a large number of so-called boutiques, which are often independent, privately-owned firms run by a small number of senior M&A bankers who've left big banks to set up on their own.

Boutiques are typically pure advisory houses – unlike banks, they don't provide the financing for deals themselves. Some of the largest boutiques are publicly listed. The best-known boutiques include Evercore, Rothschild, Moelis, Lazard, Centerview Partners, PJT Partners, and Perella Weinberg Partners.

The top M&A bankers are known as "rainmakers" for their ability to land big deals, but beneath the glamour the hours are long. Junior bankers have to spend years learning their trade before they can generate their own deals.

### What does an M&A analyst actually do?

M&A analysts are the lowest rung in the banking hierarchy.

Working as an analyst in an M&A division means being flexible because you can work on multiple projects at any point in time. You will be working on live deals and pitching new ones. When you're working on a live deal, you'll be involved in deal execution or helping a client buy or sell an asset - respectively called buy-side or sell-side mandates. When you're pitching, you'll be preparing documents for senior bankers to use as they persuade clients to do new deals.

Typically, an M&A analyst will be responsible for the financial analysis that

underpins an M&A deal. This includes building a financial model, running the valuation and financial impact analysis, and preparing materials to present this analysis to the client. Very rarely, an M&A analyst will also be asked to present this analysis to the client. Sometimes they will also be the point of contact for any questions or requests from the client relating to the analysis.

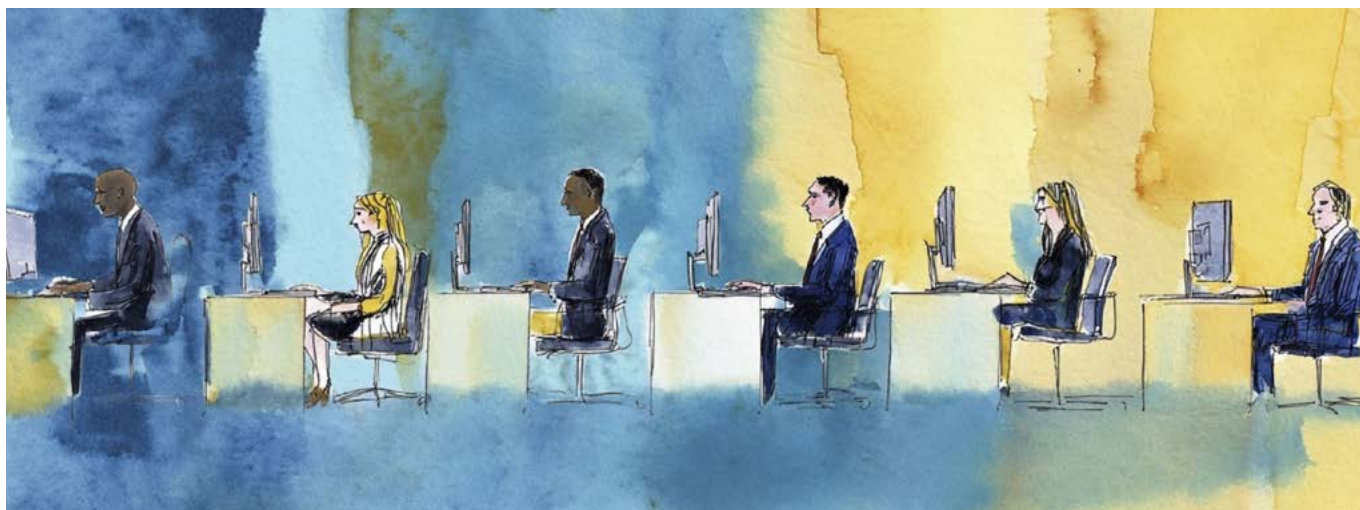
"Day-to-day life as an M&A analyst largely depends on the deals you are working on," says the head of UK M&A at one European bank. "Broadly speaking, mornings and early afternoons involve client interaction, status and/or diligence calls and discussions to agree on the workstreams the deal team should focus on as well as next steps. By the afternoon or evening, meetings are less frequent, and you can focus on progressing on the deliverables, which can range from excel models to the preparation of marketing materials [pitchbooks]."

### What are hours like in an M&A job?

In the past few years, the arduous nature of work in some M&A teams has become very apparent. When deals boomed after the COVID pandemic, some junior bankers at Goldman Sachs complained that they were working more than 100 hours a week and were on the verge of collapse. M&A analysts at other banks voiced similar complaints and the banking industry responded by increasing junior bankers' salaries and making sure juniors get some time off at weekends.

In 2025, however, long hours are still common. 75 hours a week is not unusual at big banks – especially American ones – and boutiques can regularly reach 85-hour work weeks on average.

When Leo Lukenas, a 35-year-old Bank of America associate died of a coronary artery thrombus last year, there were concerns that overwork and alleged 120-hour weeks may have contributed. Bank of America said Lukenas hadn't worked 120



hour weeks. But an external recruiter said Lukenas had been looking for a new job as his working hours were excessive.

The death of Jefferies associate Carter McIntosh was also suspected at the time of being due to “pulling crazy hours” – a later investigation showed it was a fatal combination of cocaine and fentanyl. The long work hours mean that drugs are rife in investment banking – Adderall is a popular choice.

Junior M&A bankers work so hard because M&A is a fast-paced job, and juniors will often work on multiple deals. Deal execution tends to be unpredictable by nature: it’s a live situation and a client-driven activity.

The work of pitching clients who might participate in M&A deals tends to be more predictable, but senior bankers will often ask juniors to make changes to the PowerPoint presentations advertising the deal late at night. But the hours aren’t always extreme. “Working full weekends and very late nights may occasionally happen around a particular deal, but these hours are not the norm,” says the M&A head.

There are upsides. One Morgan Stanley banker tells us that “M&A analysts have the opportunity to manage their own time, and as long as the work gets delivered to a high standard, you have the freedom to fit the job around your personal commitments.”

### What’s your career path in M&A?

One of the benefits of a career in M&A is that there’s regular and steady progression and a clear promotion path from analyst to associate, to Vice President (VP), to director, and to Managing Director (MD). The exact titles can vary between different banks. “Meritocracy is key to this path,” says Joe Hannon, head of UK mergers & acquisitions for UBS. The time it takes to reach the top rung varies, but as a (very rough) rule of thumb, it’s around 15 years... If you get there at all.

As your M&A career develops, your job becomes increasingly client-facing. The role evolves from being technical and analysis-driven to becoming strategic and advice-driven.

M&A jobs offer a wide variety of exit options. Many graduates stay at banks for their two-year M&A analyst training program and then leave (if not even sooner) for jobs in private equity, hedge funds, corporate development teams in large companies, or even consulting firms. After completing an analyst training program, it was historically the case that people left to study a top MBA. Today, it’s more common to leave for another job or to stay in banking and become an associate.

M&A analysts are in very high demand. They are frequently poached by rivals firms and rival industries, such as private equity: as such, banks are going to increased

lengths to prevent their juniors from leaving. JPMorgan, for example, recently told analysts that they are immediately obliged to disclose if they have accepted a job offer elsewhere. In return for honesty, the bank will fire anyone who accepts an offer elsewhere. Goldman Sachs, also recently, now requires analysts to swear an oath every three months that they haven't accepted a job elsewhere.

### Which skills do you need for a career in M&A?

If you want to work in M&A, you'll need to be able to work autonomously. "M&A analysts are expected to get up the curve in terms of financial analysis and technical skills in a short period of time, and the role also requires a degree of independent and proactive work (for example reading broker notes) to stay current on the market environment," a member of the global M&A team at Morgan Stanley says.

Alongside independence, proactivity, and having a desire to learn, M&A analysts need to be confident with numbers and have a quantitative mindset. They also need to have good people skills and to be able to communicate and interact with people confidently. Ultimately this is a client-facing job, and clients look to M&A bankers to provide their judgement and advice.

Along with good analytical skills, a strong work ethic and a good attitude are essential. "A good banker needs to be committed to the job and the deals they are working on," says Hannon, who also notes that a good attitude is vital. "It is essential to maintain a positive attitude as you are constantly interacting with others; a bad attitude could be detrimental to the whole team." Hannon also says a sense of humor is important, although that probably won't be enough on its own.

As an analyst starts to climb up the ladder, his or her career evolves in many directions. "This is a career that celebrates achievement by changing your role," Goldman Sachs' head of entertainment

banking, Aaron Siegel, told Business Insider in June.

"As an analyst, you spend two- or three-years mastering modeling," Siegel said. "As an associate, your task is to oversee the narrative of presentation materials. And once you master that, you are then moved into a new role whereas a VP managing projects and the day-to-day work with clients."

After that, your life and career slowly begin to merge into one. Managing and developing client relationships is the name of the game. Siegel, who is a managing director, noted that he goes for a run in Central Park in the morning – if he's up early enough – and uses the chance to call and catch up with ongoing projects in Europe and Asia.

### Education and qualifications for M&A

The fierce competition for M&A roles means that you need to maximise your chances of getting an internship. In all likelihood, that means forgoing your dream English Literature degree for something more analytical such as finance, or a STEM subject.

A look at recent recruits in Goldman Sachs' M&A team suggests the most popular degree subjects for junior M&A bankers are economics, finance and business management. At JPMorgan, they include much the same thing. Some of the off-piste degree subjects include philosophy and foreign languages.

How else can you embellish your CV? If you're in the UK, you might want to try the Certificate in Corporate Finance offered by the Chartered Institute for Securities and Investment (CISI). The Financial Modeling & Valuation Analyst (FMVA) qualification, offered by the Corporate Finance Institute, could also help you out.

You may also want to study for the exams run by CFA Institute. Historically, the three

CFA exams, which lead to a CFA Charter, were used by people working in research ops and the asset management industry. In the past few decades, the CFA has also become much more popular in areas like M&A, with junior bankers and students studying for the CFA Level I qualification to differentiate their CVs, successfully or not.

The other key qualification for achieving an M&A job has historically been a top MBA. MBA qualifications are usually open to people with a few years' experience at work. Historically, junior bankers would spend two years as an analyst before leaving to complete an MBA and then returning to work as an associate, but this process has changed: MBAs are no longer mandatory. Even so, MBAs can still be a way to enter an M&A job mid-career or to swap into a top tier bank.

### Salaries and bonuses in M&A

M&A jobs pay large salaries and bonuses. Following complaints about working conditions, banks are now offering first year analysts a base salary of around \$110k (£86k) before bonuses. Two or three years later, a first-year associate typically earns around \$175k to \$200k (£129k to £147k) in salary.

Another two or three years later, a vice president can expect a salary of \$200k to \$300k. And, if you make the highest rung of managing director (MD), salaries can be \$400k to \$500k. However, bonuses vary widely by performance.

When you work in M&A, however, your pay isn't just about your salary: your compensation also includes a sizable bonus. For M&A bankers, their bonus depends strongly on fees paid to the bank when the company it is advising completes an M&A transaction. Fees vary depending on the size and complexity of the deal, but a rule of thumb is that fees equate to between 0.5% and 1% of the value of the transaction.

When the proportion of the fee allocated to bonuses is shared among the team that worked on the deal, the MD who originated or won the deal earns the most. Bonuses at most banks are paid predominantly in shares, with a smaller cash element. Bonuses can be 80% of your salary as an analyst and many multiples of your salary as an MD.

Pay is typically highest in the most prestigious M&A boutiques like Evercore, PJT Partners, and Perella Weinberg Partners, followed by major US banks such as Goldman Sachs, JPMorgan, and Morgan Stanley. Pay is generally lowest at mid-market firms.

Our 2025 Salary and Bonus Report suggests that M&A bankers at all levels earn average salaries of \$195k and average bonuses of \$229k. The table below refers to all investment banking professionals (both M&A and capital markets professionals).

### Average compensation for investment banking\* professionals, 2024, US\$

Rank	Average Salary, 2024	Average Bonus, 2024	YoY Bonus Change	Average Compensation, 2024
Analyst	\$73.4k	\$38.1k	+111%	\$111.5k
Associate	\$123.6k	\$67.7k	+20.0%	\$191.3k
Vice President	\$167.5k	\$138.8k	+42.4%	\$306.2k
Director	\$266.6k	\$280.6k	+15.0%	\$547.2k
Managing Director	\$356.3k	\$464.2k	+1.0%	\$820.5k

\*includes M&A, Debt Capital Markets, and Equity Capital Markets professionals.

# What's it really like to work in M&A? A day in the life of a junior M&A banker

By: Sarah Butcher



**T**his is an account of an average day in the life of a junior investment banker, told to us by an associate at a bank in London. It's anonymous as she didn't have permission from the bank to talk to us.

**8am:** You don't get up that early in investment banking. Most people live near the office, so they don't have to spend a long time travelling to work. In London, no one lives in Richmond, for example. I live close to Liverpool Street, so I can usually get up around 8am.

**9.30am:** Everyone is in the office by this time. There can be an expectation that you'll be in the office by 9am, but a lot depends on when you got to sleep. If you've worked late, there's a bit of leeway.

I usually arrive and check the news. I'm on

a healthcare team, so I'll see if anything's occurred in relation to healthcare companies. If there's something interesting, I'll send it to the managing director (MD), although in most cases he will have read it already at 5am!

**10am:** The mornings can be slow and a bit boring in investment banking. It depends slightly on the kind of team you're in. If the team is good, there'll be work to do and it can be very dynamic. If it's not, you might be left to your own devices. Senior staff can themselves be a bit inefficient – they have their own emails to write and meetings to attend and in some teams, you'll find that they ignore you and that you're left to find your own work to do early in the day.

As a junior in a bank, you'll often work on multiple deals. Right now, for example, I'm

working on two live deals – one of which is an M&A deal and one of which is a financing. I also have three other deals that we're pitching for and which I'm staffed on.

It's up to me how I juggle all the work that results from this, but the live deals must take priority. After I've checked the news, I pick up the tasks associated with the live deal, help coordinate the due diligence and make sure I'm on top of everything. My tasks depend on the way the situation evolves. As an associate, I coordinate the work of the analysts on the team.

At the big banks, a lot of the work that needs to be done by junior bankers involves the creation of PowerPoint slides and financial modelling, both of which are very time-consuming. The job itself is really fairly simple. The problem is the time pressure and the culture. – You need to be self-starter: people often won't make an effort to help you learn, as there's almost a presumption that you'll quit after a few years. This becomes self-fulfilling. A lot of people don't progress much: they just do the PowerPointing and the Excel and then they leave the job for something else.

**11am:** I pick up some of the tasks from the live deal we're working on. Live deals are very process driven. A lot of it is about coordinating due diligence and making sure that all the relevant data is included in the materials we produce.

**11.30am:** I'm asked to jump onto a client call and listen in. As a junior banker you don't speak to the client – it's the VPs and above who usually do this, but it can help to be present so that you understand the client's requirements.

**12pm:** I'm working on a PowerPoint presentation and model for a deal we're pitching for. I'm building out the model, but not in too much detail, as this is just the origination phase. Once we get mandated

to execute a deal, we'll usually make the model far more complex, and this can be a lot of work. I often put in a bit of extra work during this initial phase, just to avoid being killed by a wave of work if the deal progresses.

**1pm:** I get lunch at my desk.

**1.30pm:** This is when things can start to get busy. After lunch, senior bankers will typically start turning comments around on the work we've done for them. Some will send comments almost for the sake of it and will ask you to do more work no matter how much you've already done on slides or models. For this reason, it can be a good idea not to put too much work in at the start. – The trick is to give the senior bankers something of quality with no obvious spelling mistakes, but to be prepared that they are always going to ask for things like additional comparables for a transaction.

**5pm:** Things get busier still. Senior bankers will often start sending work through now and will say that it needs to be done by "the end of play," which can mean 2am or later. They'll usually want a lot of last minute changes, some of which can be very time-consuming.

**7pm:** We get an allowance to order dinner into the office. If you like, you can go home at this time, but almost no one does. When you go home, people look unfavourably upon you. There's a lot of expectation that you'll put in facetime in the office.

**1am:** I leave the office and get a cab home, which the bank pays for. I work until midnight anything from two to seven days a week, depending upon the deals I'm staffed on. 10-20% of the time I work until

**4am:** There's no time for exercise, which is unfortunate and is something I'd like to change!

# What is sales & trading and what do salespeople & traders do?

By: Daniel Davies & Zeno Toulon

## Prestige



## Pay



## Grind



## Competitiveness



- Sales and trading is a very results-focused job where good or bad performance is immediately obvious.
- To succeed, you'll need energy, concentration, and coding and math skills.
- Sales and trading jobs working with products like fixed income, equities, or derivatives are very well paid, but job security is limited. A single bad year and you could be replaced.
- Entry to the best trading desks is super competitive. Investment banks tend to hire a lot of juniors and promote the ones who perform best.
- The best salespeople and traders go on to work for hedge funds or family offices. If you're not part of this top echelon, your next move can be less clear.

If you go into the sales & trading division of an investment bank, your main job will be "market making". This means enabling your bank's clients to buy and sell securities. The sales and trading division is also often referred to as global markets. This is the part of an investment bank that connects buyers with sellers, and that stands in the middle to take a piece of the action for itself.

What will you buy and sell in a sales and trading job? More or less any kind of

financial product (known as "securities"). Banks often have physical commodities operations where actual metals, hydrocarbons and shipping services are traded as if they were stocks and bonds. The three main categories of tradeable securities are equities (shares, which represent part ownership of companies), fixed income (any sort of tradeable debt, like bonds), and derivatives (securities where nobody literally owns anything but the two sides agree a contract to make payments to one another based on a predetermined formula).

Sales and trading jobs are iconic. They're where you'd (used to) see people shouting on trading floors during market meltdowns. A vice president (VP) at Deutsche Bank says that "when people think of investment banking, they tend to imagine the trading floor. Although sales, trading, and structuring is just one part of a bank's work, it is where a lot of its commercial activities take place."

Before the financial crisis of 2008, banks traded a lot on their own accounts and tried to earn profits for themselves in the process. These days, they mostly just trade on behalf of their clients. Clients tend to be big investors, such as pension funds, specialized investment companies, and organizations representing very wealthy individuals.

The clients may want to invest cash in securities, raise cash by selling securities, or alter the risk profile of their investment portfolio. In order to do this, they need to find someone to buy what they're selling or to sell what they want to buy. Investors don't usually have the scale or resources



to have their own seat on the stock exchange. Nor do they want to take the time and trouble to search the world for the best deal, so they use middlemen. The salespeople and traders in banks are these middlemen.

### **What's the difference between sales jobs, trading jobs, and sales trading jobs?**

When you watch the prices scrolling across the bottom of the screen on CNBC or Bloomberg News or see them reported in the newspaper the next day, it's not obvious how those prices are reached. Each one of them, however, is the result of a specific bargain agreed at a specific time and price between an investment bank and a client.

The job of making that bargain happen has two parts to it. First, there's the person who contacts the client, who tells them what deals are available and takes the order (the salesperson) and then there's the person who goes out into the market and executes the transaction at the best price possible (the trader).

Generally, sales jobs in investment banks are slightly more strategic than trading jobs. In sales, you have to understand the big picture and maintain relationships with your clients. The better you understand the big economic drivers and market trends, the more likely you are to be able to anticipate the investors' needs and to give them useful advice.

Colin Hector, a former equities salesperson for UBS, Deutsche Bank, and Credit Suisse, says that in sales & trading, "you need to be a trained psychologist... everyone needs constant advice and affirmation as well as investment knowledge."

Trading jobs are more focused and intense in comparison. To be a trader, you'll need to understand the structure of supply and demand at any given moment in time; some of the best traders actively avoid information about longer timeframes as a distraction from what they can see happening on the screen in front of them.

Some people fuse both roles and are sales traders. Sales traders work with clients who

want to make a lot of transactions quickly. They are generally salespeople who deal with very active clients, often making dozens of phone calls a day while also keeping a similar number of chat windows open. Sales traders usually operate in liquid markets, meaning those where there is a high constant level of order flow. Examples of this kind of market might be in US treasury bonds, blue-chip equities or options on the biggest stock market indices.

### **What's the difference between trading equities, fixed income products, and derivatives?**

The broad categories of equities, fixed income, and derivatives cover a wide and ever-growing variety of financial markets, each with its own specialist jobs. Derivatives sales and trading will often be divided up between the equities and fixed income divisions, with derivatives traders and salespeople working alongside colleagues who deal in the actual markets that the derivatives contracts are linked to (the "cash" markets).

It's easiest to illustrate with an example.

Some investors might just want to buy and sell shares. Simple shares are known as cash equities. But sometimes, a hedge fund might want to buy a contract that gives them positive exposure if the whole stock market goes up, but which also pays a premium for insurance against the market falling. Because it has payouts linked to another event, this is an equity derivative – specifically, an index option.

Products like that would usually be the responsibility of a specific equity derivatives desk with its own salespeople and traders (and sales traders). But in most banks, the derivatives desk is physically located next to the cash equities sales and traders because although it's a separate market, it's not a completely separate market – there's value in making it easy for people from the two trading desks to talk to each other and people sometimes switch jobs from one to the other.

On the fixed income side, the variety of products is much greater, but the same principles apply. Government bond trading is about anticipating movements in interest rates, so government bond traders tend to work together with economists and with people who trade interest rate derivatives (known as swaps). The interest rate derivatives salespeople and traders will often be expected to cover more than one currency, so they will be located near to the foreign exchange sales and traders. Commodities and commodity derivatives are more of their own little world, so they are often managed separately. Fixed income trading, currency trading, and commodities trading are often lumped together as a single category – FICC.

The selling and trading corporate debt – that issued by companies – is very different to government debt. Unlike equities and government bonds, corporate debt tends to be very "illiquid". This means that it doesn't trade frequently, and this also makes it harder to electronify the market. In particular, selling and trading high-yield corporate debt (the kind issued by companies with low credit ratings) is therefore a very human-run business in comparison to other products.

There's a similar distinction in the world of derivatives trading between flow products, where things are pretty standardized and orders can generally be matched quickly, and structured products where the bank designs a contract specifically for one client's needs. "Structuring teams provide products that are tailored to clients' specialized needs. They might help an institutional investor achieve a required risk profile, or a corporate looking to acquire new equipment through financing," the Deutsche Bank VP says.

### **What's electronic trading? And how is it changing sales and trading jobs?**

Trading is carried out electronically in a lot of financial products – particularly cash equities, short-dated government bonds, and flow derivatives of all kinds.



This means that rather than having a human being looking at a screen and matching orders, the investors are able to send a message from their computer system directly to the bank, which then uses its own system to query the stock exchange or other investors and buys or sells the product automatically within a few milliseconds. These electronic trading platforms are expensive to build but cheap to run, and banks are doing their best to encourage clients to use them. Deutsche Bank's "Autobahn" electronic trading platform can, for example, be accessed via the app store on both Android and iOS.

Electronic trading systems work on algorithms. The algorithms built into electronic trading systems are usually meant to break up a large order into a lot of smaller ones, and to then use advanced statistical analyses to determine the best way to place those orders in order to complete the overall transaction at the best possible price.

This doesn't mean that the role of human beings in trading is disappearing. Even in very high-volume flow products, clients often want to speak to someone who can give them market color and advice on how to manage their orders to get the best price.

However, the rise of electronic trading platforms does mean there are fewer opportunities for humans than there

used to be: most famously, Goldman Sachs' cash equities trading desk used to employ around 600 people in New York in 2000 but was down to less than five by 2017 after electronic systems took over. It also accounts for the fact that many traders these days have taken on sales responsibilities.

Nonetheless, electronification is not a one-way street – and its entrenchment is complicated. It relies on one factor above all – liquidity. But liquidity is influenced by a number of factors, the most important of which is volatility. When volatility is high, market participants are spooked and stop buying. This makes people stop selling. The cycle is vicious, and electronic systems begin to break down.

When markets get really volatile, as they did in the early stages of the Covid-19 pandemic in 2020, clients still seem to want to get on the phone and talk to a human being. During that period of market volatility, human traders seemed to do much better than automated systems in dealing with market conditions that had never been experienced before.

The rise of electronic trading platforms driven by algorithms has affected the kinds of jobs that are on offer in sales and trading. Traders in particular are now being encouraged by banks like JPMorgan to learn how to code in languages like Python in order to be able to specify

the details of complicated derivatives products and the steps needed in order to trade them. Algorithmic traders are technology specialists and quantitative finance professionals with trading knowledge who write algorithms that can get orders executed at the best prices, and who develop better statistical models to choose the most efficient way to place orders.

The traditional role held by banks as market makers has begun to shrink over time. This was partly to do with electronification (although not entirely – regulation is also a factor) and, in turn, the rise of electronic market makers. This includes firms like Jane Street, Citadel Securities, and Optiver. They provide many of the same services that banks do (or did), but better. They charge smaller spreads, they execute trades quicker, and they can provide more liquidity. They provide that liquidity because they execute can better on the liquidity they have, and thus use their capital more efficiently than banks can.

Electronic market makers are some of the best paying and desirable employers in the world. For example, Jane Street had average compensation of \$1.4m in 2024 globally. Citadel Securities paid \$966k on average in 2023 in the UK alone. Both paid their interns over \$20k per month for their summer 2025 internships. We have a full article about working for an electronic market maker here.

Electronic trading is more prevalent in some markets than others. Market intelligence provider BCG Expand notes that the cash equities market, as well as the G10 FX market (foreign exchange for the world's ten biggest currencies) are in a "mature" state of electronification, with credit trading close behind.

### **Which skills will you need for a career in sales and trading?**

If you're in sales and trading, you need to be a morning person. Markets open early every day, and you need to be in the office even

earlier. Rain or shine, summer or winter, the market does not respect hangovers or duvet days. At any given minute something could suddenly turn into a crisis.

Sales and trading jobs don't tend to require the punishingly long hours that are associated with investment banking, but they can still be very intense. "It's the kind of job that many people imagine they'd enjoy, but the reality might not suit everyone", warns the Deutsche Bank VP.

Sales in particular is a noisy, people-focused job which is more suitable for extroverts than introverts. Even when markets are dominated by computers, the people making the decisions are human beings – and successful salespeople need to be able to form relationships with them on a human level. That doesn't necessarily just mean dinner and drinks and meeting the clients' families, but it does mean that you need to be able to talk to people and listen to them to understand what they want.

As Hector puts it, "you need to have something to say, every single hour of the day... If there's nothing happening, you have to be able to use your imagination".

Sales and trading jobs require concentration and attention to detail - in all products and markets, it's vital to get things right. Some structured products and algorithmic roles also need advanced quantitative skills. There's not much room for "big picture" types in sales and trading: everything is either a profit or a loss, worked out to the last fraction of a cent.

### **What qualifications do you need for a career in sales & trading?**

Although you can hypothetically get in with any degree, it's likely best to show some analytic aptitude by studying finance or a STEM subject. Recent sales and trading junior recruits at JPMorgan, for example, graduated in economics and sciences, particularly mathematics. At Bank of

America they graduated in similar roles, with STEM subjects slightly more prevalent, we found.

If you're looking for something else to boost your profile, the Bloomberg Market Concepts (BMC) course could help. This is a self-paced e-learning course that lasts around 8 hours and teaches the very basics of high finance, as well as how to use the Bloomberg Terminal. Finance and economics students will likely be quite bored in the process, however, with the concepts already staples of their courses.

It's increasingly important that traders understand coding. There are number of options available for this, mostly online: coding is one of the few places where self-taught people are held in as high regard (if not higher) than academically qualified people. The most popular way to self-learn, and get a certificate in the process, is Codecademy, which offers courses on Python, Java, and C++, among others.

There's also the ICMA Fixed Income Certificate, issued in the UK, which is very expensive and lasts four weeks' worth of webinars. Alternatively, you could pay more and have classroom teaching (for one week) in Amsterdam. It's not mandatory anywhere, but it's well-known enough to potentially make a difference to your internship application.

Masters in finance qualifications can also be relevant to sales and trading. If you want to work in quantitative and electronic trading, however, you should also consider

a masters in financial engineering, which focuses on not just financial topics, but also how statistics and adjacent topics, such as machine engineering, integrate.

In the US it's mandatory for salespeople and traders to study for the Series 7 exam, as mandated by the Financial Industry Regulatory Authority (FINRA). The exam makes sure that salespeople understand what they're selling. You'll need to be sponsored by an approved firm to do the exams, so don't overthink this one – the bank you work for will guide you through the process when it comes up.

### Salaries and bonuses in sales and trading jobs

Sales and trading jobs are some of the best paid in financial services. If you're good and you generate a good level of profit (known as pnl) for the bank, you'll get paid a lot of money within a comparatively short period of time. According to our salary and bonus report earlier this year, average compensation more than triples, from \$105k a year to \$336k, from analyst to VP levels. That's just a five-year jump in one's career.

The chart below shows figures from the eFinancialCareers salary and bonus report for people working in sales and trading jobs. Promotions in sales and trading can happen more quickly than in other areas, but it's usually safe to assume that it takes around eight or so years to reach director level.

### Average compensation for sales & trading professionals, 2024, US\$

Rank	Average Salary, 2024	Average Bonus, 2024	YoY Bonus Change	Average Compensation, 2024
Analyst	\$74,521	\$29,677	46.20%	\$104,198
Associate	\$124,078	\$68,794	31.10%	\$192,873
Vice President	\$173,062	\$162,562	29.10%	\$335,624
Director	\$288,698	\$352,453	26.80%	\$641,151
Managing Director	\$366,375	\$305,625	72.80%	\$672,000

# How to get a capital markets job in an investment bank

By: Daniel Davies & Zeno Toulon

## Prestige



## Pay



## Grind



## Competitiveness



- Capital markets bankers have traditionally helped clients raise money through public markets.
- Capital markets bankers usually specialize in equity or debt. They're known as Equity Capital Markets (ECM) bankers and Debt Capital Markets (DCM) bankers, respectively.
- Capital markets jobs are well paid. The highest pay goes to people originating deals and bringing in new clients, rather than those just executing the transactions.
- Entry to the best capital markets teams is highly competitive; junior bankers get ahead by impressing bosses with skill and hard work.
- To succeed, you need to be good with people and have a really strong eye for detail.

**C**apital markets bankers help companies raise money on the public markets. When companies want to make investments and expand, they need money to do so – and while they could usually just take out a bank loan, that isn't always ideal. If you want to raise a lot of money, or have complex needs, then you might need to go to the global capital markets – and sell debt or equity to investors.

Investment bankers working in capital markets are responsible for providing advice to companies on this kind of public

capital raising and then finding investors to provide the money. To do this, they act as intermediaries between two teams.

On one hand, they talk to client facing advisory bankers to understand corporate clients' capital raising requirements. On the other, they talk to people in the bank's the sales and trading division to understand what investors are prepared to buy. Additionally, capital markets bankers are responsible for managing the capital raising process, including hiring lawyers, getting the documentation put together and ensuring that everything complies with all of the regulations that cover the act of issuing securities to the public.

## What's a debt capital markets banker? What's an equity capital markets banker?

Capital markets teams are split into Debt Capital Markets (DCM) and Equity Capital Markets (ECM), specializing in either bond (debt) or equity issuance, respectively. The two areas are quite different from each other, because companies tend to issue bonds much more regularly and as an everyday part of their financial management, while equity issuances are a much rarer and more strategic decision.

Firms expect their DCM advisors to be highly numerate, and to understand the technicalities of company financing. The high-volume nature of debt issuance means DCM bankers must be able to develop relationships with clients over time and provide them with relevant market information at regular intervals.

ECM bankers, on the other hand, have to go out and make each deal happen. The “classic product” of ECM is the Initial Public Offering (IPO). This occurs when a company first floats its stock on a publicly accessible stock exchange.

IPOs are the element of ECM that everyone’s familiar with. “People read about IPOs in the news, and events like the ringing of the bell at stock exchanges make it an exciting and dynamic field,” said Craig Coben, former global head of ECM for Bank of America to St. Gallen business review in May.

First, though, senior ECM bankers need to identify clients that might want to IPO and need their services. The co-head of EMEA capital markets at a European bank said this is done by monitoring market news. A good capital markets team will anticipate clients’ needs: if good news drives the share price higher, for example, there might be an opportunity to do a follow-on share offering.

As the opportunities are identified, the team moves into “pitch” mode, and senior ECM bankers will hop on a plane to try and sell the investment bank to a potential client. This is the “origination” stage of the deal. Although it’s the directors and managing directors who are expected to be the face of the bank, junior employees are engaged in preparing the marketing material required. If they’re successful, the team moves on to the “execution” stage.

“Origination could include preparing or conducting client pitches. Executing would include drafting or structuring work with clients, lawyers, accountants or distribution efforts involving syndicate, sales, and investors,” says one senior banker at a boutique investment bank.

Once an IPO is underway and the new shares are being issued, the bank’s own sales and trading team become involved. “We closely coordinate with the sales force and trading teams to facilitate raising capital from public investors. In many

ways, we are the glue that holds these transactions together,” Coben said.

ECM bankers also work with the syndicate desk. The “syndicate”, in this context, refers to a specialist team that sits (literally) between the ECM division and the sales and trading floor. If you work in syndicate, your job will be to liaise with the salespeople and traders, and to keep track of investor interest in the products being issued. During a deal, syndicate is responsible for preparing feedback from the market about how well received the offering is going to be.

ECM jobs are typically divided into three separate areas. Firstly, there will be the industry group or sector that you’re focused on, such as healthcare, industrials, or financial institutions. Then there’s the geographical area you’re covering, and the product type you specialize in.

ECM isn’t just IPOs, though. Coben said ECM teams also handle follow-on offerings, convertible and exchangeable bond offerings, as well as corporate equity derivatives. “Whenever a company, private equity firm, or government seeks to raise funds through the equity markets, that’s where we come into play,” he added.

Convertibles are particularly complicated instruments: these are bonds that can be paid in/as equity, once certain criteria are met. There are also teams that focus on more complex derivative products. In some banks, there are also teams of bankers who focus solely on private placements (targeted stock sales to specific customers, as opposed to the wider public).

By comparison, DCM jobs have a similar split into geographical and sectoral teams, but the financial institutions group (called FIG), which works with banks and other financial clients, is generally much bigger than the rest. This is because financial clients themselves account for nearly half of all bonds issued. There are a number of special types of bonds only issued by banks (such as AT1 bonds) and

insurance companies to meet regulatory requirements. DCM bankers working in this space need to have detailed knowledge of the ever-changing world of regulation.

If you work in DCM, you'll probably need to know a lot about private placements, as these are more common in the bond market than in the equity market. DCM bankers will also work closely with experts in interest rate and foreign exchange derivatives, so that clients can borrow efficiently even when the investors want a bond in a different currency.

### **What do junior capital markets bankers do?**

As a junior capital markets banker, you have a pretty similar job to other junior investment bankers – a lot of spreadsheet work, making financial models for client companies.

Virginia Draper, graduate recruitment manager at Deutsche Bank in London, said that "roles in corporate finance can broadly be divided into two categories: origination teams, who work with clients to understand their needs and identify new business

opportunities, and product teams, who develop and execute specialist solutions within capital markets or by providing advice they may require."

If you have a job in ECM, the modelling is a little less nitty-gritty and more devoted to the creation of pitchbooks. These pitchbooks are the PowerPoint documents that bankers pore over in order to sell (originate) clients on the merits of a new transaction, and to promote their own skills as the best bank to execute it. As we mentioned above, it is junior bankers who make these marketing materials for director and managing directors to use in their pitches.

For a DCM role, you'll need to understand how credit rating agencies model the impact of new bond issuance on a company's credit rating. You also need to be able to create detailed profiles of interest payments and debt maturities in order to track how a client's financial structure develops.

When they're not doing pitchbooks, junior bankers are heavily involved in the execution of deals, something which



can require a considerable amount of multitasking. During busy periods, particularly in DCM, you might have as many as half a dozen transactions, all at different stages, with a lot of hard deadlines for things to be completed by.

One of the key skills for a capital markets banker is to be able to keep track of things and prioritize. At VP and director levels, this makes up most of the job – marshalling a small army of analysts and associates to keep everything moving through the pipeline.

“[Clients] understand how investment banks operate, and they know how to push us,” said Coben. “Because of this, everything we presented had to be analytically rigorous, precise, and detailed. These companies scrutinize every presentation with intelligence and insight, so we had to make sure our materials were flawless.”

In the senior ranks, Managing Directors will tend to be either “originators” – the people who bring the deals in and maintain client relationships – or “structurers”, the technical experts who give advice on the right kind of transaction for every client.

As your career develops in capital markets, you might find that you are drawn to one side of this divide or the other, although there is some overlap as structurers are intimately involved in the pitching and origination process while originators have to understand the deal structures relevant to their clients at any given moment.

### **Are ECM and DCM bankers working in public markets still relevant in 2025?**

Private markets are a monster on the hill for capital (often also known as public) markets. There are two main avenues: private equity and private credit.

Private equity is the more well-established of the two. Private equity investments are undertaken by large firms like Apollo and Blackstone, which take ownership stakes in non-public companies in the hope of eventually selling them for a profit. Despite some tough times recently, the private equity industry remains huge: it managed \$8.5tn in assets in 2023, up from \$2.2tn in the year 2000, according to a Morgan Stanley report from October '24.

Private credit is also well-established, but its emergence onto the global stage is comparatively new. Private credit is the art of lending to private or non-investment grade corporations by a non-bank entity. The “non-bank” part is important - banks have strict rules that non-banks do not have to follow. Private credit is a rapidly growing field: it went from \$600bn in AuM in 2014 to \$2tn in 2024, according to market intelligence provider BCG Expand.

Private equity and private credit act as alternatives to ECM and DCM, respectively.

Goldman Sachs' CEO David Solomon said in January that going public through an IPO, or selling debt on public markets is a hassle compared with private options. “Today you can get capital privately, at scale... You can also get liquidity in the private markets.” Running a public company is also much, much more annoying than running a private one.

Coben, however, is still a believer in public markets, although he admits that the momentum is with private capital these days. “Over time, the pendulum will likely swing back in favour of public markets for various reasons,” he predicted in his piece for the St. Gallen Business Review, noting that private equity firms have a big backlog of companies to sell on the public markets. “Policymakers are now recognizing the importance of having more companies listed on stock exchanges. For years, they created incentives for companies to remain private - some of which may not have been in the public interest.”



### Skills you'll need for jobs in ECM or DCM

Capital markets bankers sit between advisory bankers in areas like M&A and people working in sales and trading. Therefore, if you work in capital markets, you'll need some of both skillsets.

Capital markets is a job in which long hours are constant; if you aren't rushed off your feet with deals to execute, you're expected to fill in the gaps by working on pitches. Even a relatively simple capital markets transaction will call for many different skillsets as it moves through the pipeline, from pitching to modelling to legal and compliance to project management. An ECM or DCM banker is expected to stay with the transaction and to liaise with the clients all through the process, and to retain grace under pressure.

Your personality and your soft skills are therefore vital. "Being likable, cooperative, and a good team player are crucial skills – far more important than many people outside the industry might realize. Nobody wants to work with someone who is difficult or unreliable. You want to work with people who are not only hardworking but also strong team players," Coben said.

But it's not just about the gift of the gab. Coben said it's not unusual for senior bankers to lose deals by talking for too long. "The ability to summarize and get to the point is essential. A significant part of investment banking is about convincing people to take a course of action – not ordering them but persuading them. This requires strong communication skills: knowing how to speak clearly, concisely, and convincingly," Coben added.

At the junior end, you'll need a different set of skills again. Capital markets bankers are also famous for their attention to detail. Since the actual service is something of a commodity, banks try to differentiate themselves by reassuring the client that they will be able to make the transaction go without a hitch, so any tiny mistake in a pitchbook or model will tend to undermine the overall branding. Even so, Coben says it will help to know how to pitch. "If I had one piece of advice for business students today, it would be to refine their oral presentation skills," he added.

### Qualifications you'll need for a capital markets job

Capital markets roles have a similar skillset to M&A advisory ones – there's a reason

that the phrase “investment banking” applies to them as a collective. That means, much like in M&A roles, getting a finance or STEM degree is probably the best bet, although neither are (strictly) necessary. Recent ECM hires that we observed at Citi, much like M&A bankers, came from finance, economics, and business degrees. DCM bankers at Deutsche Bank had similar profiles when we looked.

Away from your degree, you could, like M&A, study for the CFA Charter, or a good MBA a few years after you graduate. There’s also the Diploma in Capital Markets by CISI, which gives you an idea of how capital markets operate; the level of knowledge is probably not worth a week of work experience, but it could make the difference in an interview.

### Salaries & bonuses for capital markets jobs

Capital markets jobs pay really well. Banks take a percentage of each “deal” they complete in fees. The amount they take varies – in an IPO, the Financial Conduct Authority in the UK estimated that around

1.7 to 5% of a deal’s value would be taken as a fee, with variations based on size of the deal (bigger deals took less). PwC in the USA estimated that it was 4 to 7%, again depending on deal size. That can easily make up tens of millions of dollars. DCM deals charge much smaller percentages, but the deals are bigger, which balances the two out.

Our 2025 salary and bonus report found that DCM bankers averaged \$178k salaries in 2024, while ECM bankers averaged \$210k salaries. Bonuses also made up a significant portion of compensation, and DCM and ECM bankers averaged bonuses of \$129k and \$122k, respectively. Those were for a blockbuster 2024, however – market intelligence provider BCG Expand estimated that DCM and ECM revenue went up by 54% and 39%, respectively.

Our salary & bonus survey suggests that investment bankers, which capital markets professionals are considered to be, can earn over \$306k in total compensation around five years into their career at VP level.

### Average compensation for investment banking\* professionals, 2024, US\$

Rank	Average Salary, 2024	Average Bonus, 2024	YoY Bonus Change	Average Compensation, 2024
Analyst	\$73.4k	\$38.1k	+111%	\$111.5k
Associate	\$123.6k	\$67.7k	+20.0%	\$191.3k
Vice President	\$167.5k	\$138.8k	+42.4%	\$306.2k
Director	\$266.6k	\$280.6k	+15.0%	\$547.2k
Managing Director	\$356.3k	\$464.2k	+1.0%	\$820.5k

\*includes M&A, Debt Capital Markets, and Equity Capital Markets professionals.

# What are bank research jobs – and what do research analysts do?

By: Daniel Davies & Zeno Toulon

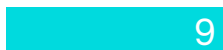
**Prestige**



**Pay**



**Grind**



**Competitiveness**



- If you work in research in an investment bank, you will make predictions about the prices of traded securities. Your predictions could be either about either equity (stocks) or debt (fixed income).
- You'll need to understand both corporations and economic issues in detail.
- People who succeed in research jobs tend to be good communicators and creative thinkers.
- Top performers in research often go into other roles in fund management or investment banking, although there are plenty of highly paid and senior jobs in research itself.
- As a researcher, you are effectively a resource for the rest of the bank to consult; there are always opportunities to impress senior bankers.

**A** research analyst's job is to understand the reason for the valuation of financial instruments. This is important to the people who buying the research. They in turn are buying and selling bonds and equities in the hope of making money from price changes and they want to know what these prices changes will be. Research analysts also support other divisions of their own bank: they help capital markets and M&A advisory bankers to understand their clients' business and

make better pitches.

In general, research analysts are attached to the sales and trading business line. Here, they issue opinions on likely price movements and issue buy and sell (or overweight/ underweight) recommendations to banks' investor clients. The researchers usually specialize in either equities or in debt and focus on a particular area of the market. Some banks have specialist cross asset research teams working across both, and sometimes there will be a separate economics research team serving both sides of sales and trading. There are also economic researchers focused on the economic implications for their specific markets. Researchers of this breed are often referred to as strategists.

Sadly, an investment bank's research team is never its most glamorous division. The people who work there don't directly generate revenue. It doesn't help that the name of the most junior career title in investment banking ("analyst") is another name given to researchers. In research, you get "analysts" who are actually Managing Directors.

## What is a fixed income research analyst?

Fixed income analysis is a job that deals with all areas of interest rate markets, and the issuers that connect a central bank to sovereign and corporate borrowers. Moyeen Islam of Barclays describes the fixed income strategist's role as "to translate the economists' view on the likely policy path of the central bank into a market view."

Fixed income analysts tend to have a much



greater number of companies to cover than equity research analysts. Unlike equity researchers they don't generally publish earnings forecasts and they make fewer trading recommendations. Consequently, their notes tend to be shorter, and they publish fewer updates. Fixed income researchers also need to be aware of the credit ratings of bonds under their coverage, and to anticipate ratings changes from agencies such as S&P, Moody's, and Fitch.

Fixed income (also known as bond research) teams tend to be split by sector and by geography, although fixed income research departments tend to have larger teams covering financials (banks and other finance firms) than any other sector, reflecting the fact that the financial sector itself is the largest issuer of bonds.

Darren Sharma, founder and CEO of research boutique Frontline Analysts, says that "you're basically running a small, very specialized news service with a particular beat to cover, and a readership of a few dozen – maybe a few hundred – extremely

well-informed people. Within that little area, you've got to be the Wall Street Journal, the Economist and the BBC World Service".

### **What is an equity research analyst?**

Equity research analysts are also divided into teams. These will generally be sector-based and follow the same sectoral classifications as the stock market indices – consumer goods, technology, financials, oil & gas and so on. Geographically, these teams will be divided according to the investor base, so there are usually EMEA, Americas, APAC, and emerging markets analyst teams in every sector, who communicate with one another to establish a (reasonably) consistent global view.

Equity analysts typically cover around ten stocks each. They are expected to write notes on every set of quarterly results for each of the companies they cover, along with regular thematic notes on the industry as a whole and updates when they change their view on a valuation or their recommendation. They also maintain spreadsheet models of each of their

companies and publish earnings forecasts.

The job of an equity analyst is a bit different in a hedge fund. Shawn Cain covers 50 different restaurant, retail, and leisure stocks at hedge fund Citadel. "When I was an analyst at an investment bank, I used to write long research reports," Cain told us. At Citadel, Cain said his job as an analyst is to present the portfolio manager with "actionable investment ideas," and to synthesize other research so that the PM can understand a path to meeting money. He also meets with the management of the companies he covers to better understand their strategies.

### What do deal research jobs involve?

As well as supporting the sales and trading business by making recommendations to clients and warning the trading desk of upcoming events, research analysts have to write "deal research". This happens when the bank is involved in an issue of new securities, arranging by the capital markets team (Equity Capital Markets or Debt Capital Markets). Deal research does not contain any investment recommendations: it's meant to give a summary to investors of the key facts relating to the issuer, a set of earnings forecasts and a range of valuations.

Deal research is also known as primary research – it supports primary deals. By comparison, everyday trading recommendations are known as secondary research because they refer to securities which have already been issued. Writing primary research is a relatively rare event for equity analysts, as it is associated with IPOs and rights issues. For bond analysts, however, it is the main part of the job, as fixed income securities tend to be traded less, but require constant new issuance as bonds mature.

### How are research jobs changing?

The research profession has changed a lot in the last few years, mostly as a consequence of new legislation. Traditionally, equity research was a service

that banks charged for when a "buy-side" firm (such as a pension fund or asset manager) used the bank's services to purchase or sell a security, such as a stock. However, they didn't charge for research separately. Instead, the cost of research was bundled with all the other costs involved in executing (placing) the trade.

That system changed dramatically in Europe in 2018, with the introduction of a huge new book of regulation known as MiFID II. Among other rules, MiFID II mandated that research and trade transaction costs be "unbundled" – sold separately. Suddenly, clients were being asked to pay for research on its own.

The European equity research industry crumbled as a consequence. Data from market intelligence firm Coalition Greenwich published by Bloomberg showed that the number of European equity analysts fell from 3.9k to 2.9k in the five years from 2018, a decline of over 25%.

The researchers that remained had additional pressures to deal with. A senior equity researcher told us in May that his team had spent much of the time since MiFID's passing "scrabbling" in a new world of "vicious" competition. MiFID meant senior analysts became more like salespeople in the new competitive world.

While senior European analysts spent their time selling the research, juniors increasingly did the work. This trend of juniorisation has been unpopular since it began; clients did not want to pay for research produced by fresh-faced analysts. Euromoney reported in December that 7,500 years of "net experience" left the industry in 2021, of which only 1,400 had since returned.

Both the UK and EU have since revoked their unbundling requirements. The UK's financial conduct authority did so in July 2024; the EU followed suit in December 2024. The damage is likely permanent, however. Mark Shaw of law firm Pinsent Masons said that after the revocation

of unbundling that “most brokerages and banks disbanded their research departments... It’s unlikely that we’ll see any immediate benefit.”

### Which skills are required for equity and fixed income research jobs?

Research analysts are the nerds of the sales and trading department. They need to be comfortable reading company accounts and economic data and absorbing much more detailed information than in some other investment banking specialties. Researchers are the experts that others consult.

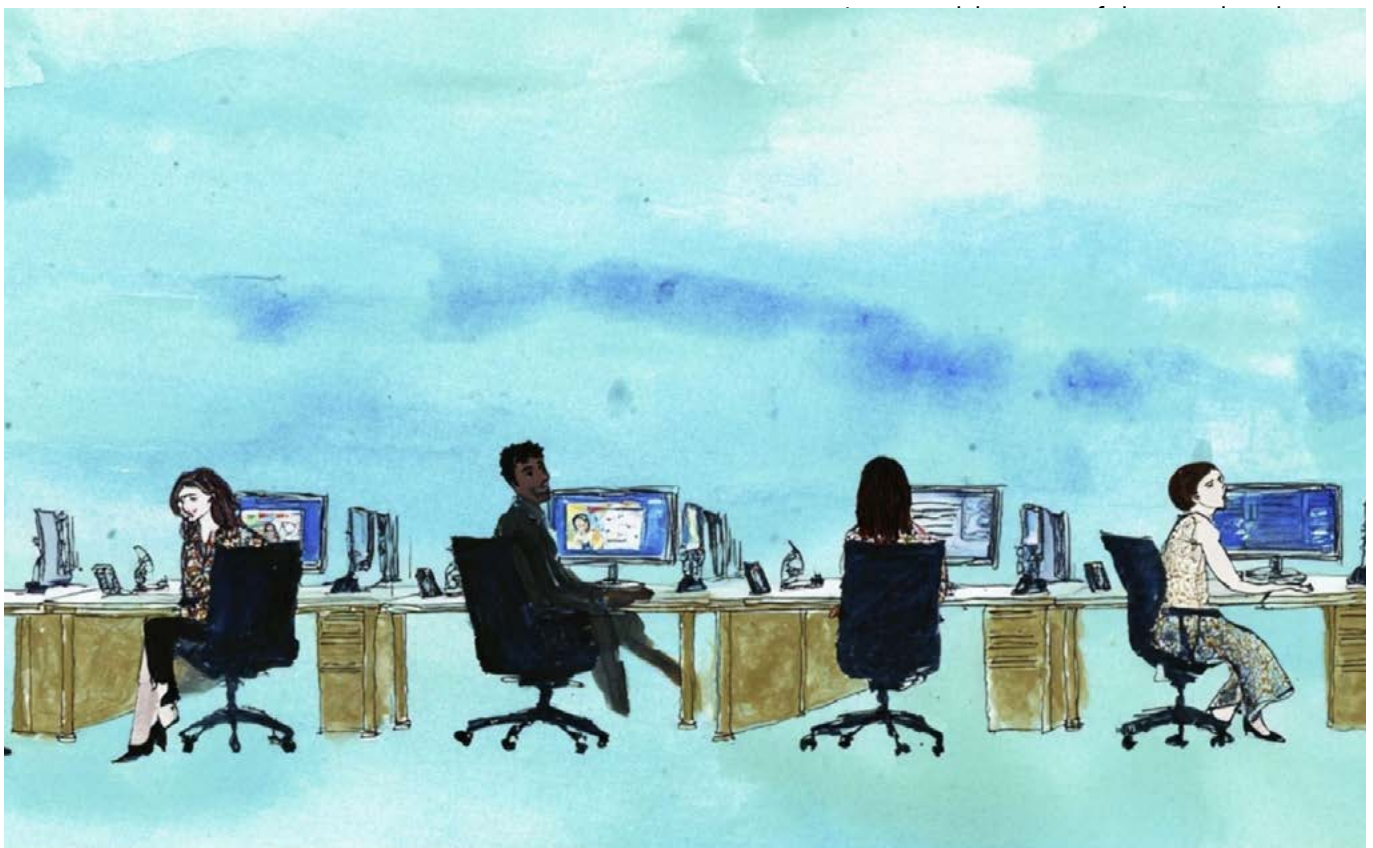
There’s also surprising scope for creativity. The best analysts can take a sideways view and see something that others have missed is what really makes an analyst stand out. Huw van Steenis, vice chairman and partner at management consultant Oliver Wyman, says that analysts need to “read voraciously, analyze the what-ifs and tails, and build a mosaic. There is no one way to develop your edge, but being curious, trying to be early on a big theme, and insisting on

catalysts, all help”.

Analysts aren’t confined to the back rooms of the research department. They are expected to make phone calls and presentations to investors and market their ideas and research, and to build relationships with companies in order to understand them and make forecasts. So, although the ability to build an accurate spreadsheet model is important, the ability to communicate and relate to other people is absolutely vital.

Even without MiFID, at the highest levels of the research department, superstar analysts and strategists might find themselves spending nearly all of their time out meeting clients and companies, with a team of juniors back in the office to do the background work and come up with the numbers and facts to support their views.

These attributes are general across the research department. However, there are also a few differences between the skills needed of equity and fixed income (debt researchers).



underlying securities work and the risk to the downside, debt analysis has a greater need for skills like precision and attention to detail. By comparison, equity analysts are expected to publish earnings forecasts and price targets, and an equity analyst can sometimes get away with a few minor errors if their big picture understanding of broad trends is really good.

In both equity and debt research, there is often room for analysts to move on to other areas of the banking industry; because you build up a visible track record of successful and unsuccessful recommendations, analysts are often recruited by hedge funds and firms on the buy side.

Alternatively, analysts who have strong relationships and understanding of the companies they cover will sometimes find themselves gravitating toward roles in corporate finance/ capital markets or M&A advisory. There is also a marked trend for equity analysts to end up in investor relations for the firms they've previously covered, too.

### Education and qualifications for research jobs

It helps to study the right subjects. SocGen's recent research recruits, for

example, have studied finance, economics and mathematics.

Because researchers often specialize in particular sectors, there can be more variety in the qualifications in research. Medical doctors will sometimes cover biotech firms, for example. After a few years in a particular related industry like healthcare is, an MBA can provide an opportunity to pivot into a research job at associate level.

The CFA Charter and the three related CFA exams were designed for researchers, so this is the critical qualification here. If you want to work in research, it probably helps to start studying the CFA Level I, even at university.

### Salaries and bonuses in research

Research jobs are well paid. Figures below from our 2025 salary and bonus report are in US dollars, and are an aggregate of all global respondents working in equity research – pay varies by jurisdiction, with the US paying its staff best, generally speaking, with European and Asian bank staff paid comparatively worst. Although bonuses are low for juniors in comparison to other investment bankers, they can increase rapidly once a researcher distinguishes themselves from their peers.

### Average compensation for research professionals, 2024, US\$

Rank	Average Salary, 2024	Average Bonus, 2024	YoY Bonus Change	Average Compensation, 2024
Analyst	\$34,000	\$11,333	39%	\$45,333
Associate	\$82,869	\$17,374	27.50%	\$100,243
Vice President	\$204,752	\$145,250	25.20%	\$350,002
Director	\$176,477	\$145,693	-10%	\$322,169
Managing Director	\$200,000	\$336,667	24%	\$536,667

# How to get a job in private equity

By: David Rothnie & Zeno Toulon

## Prestige



## Pay



## Grind



## Competitiveness



- Private equity funds invest in large companies that are held privately – that is, not listed on public markets.
- Senior private equity professionals are paid salaries, bonuses and carried interest – a proportion of the profits made when an investment is sold. Carried interest can reach nine-figure sums.
- Competition for private equity jobs is intense – they are some of the most desirable in finance.
- The majority of recruits to the private equity industry join after a period of time in an investment bank, rather than through a graduate program.

**P**private equity is a vast industry covering a range of investment firms: from global companies like Blackstone, KKR, and The Carlyle Group to hundreds of smaller players that specialize by geography or sector such as Vitruvian Partners, Sovereign Capital Partners, or Bridgepoint Group. The biggest firms also tend to operate beyond just private equity and also invest in asset classes like real estate and private credit.

In principle, what private equity firms (referred to as General Partners, or GPs) do is very straightforward. They collect money from investors (referred to as Limited Partners, or LPs), which include pension

funds and wealthy family offices, and use that money to buy private (not-publicly listed) companies. They “improve” those companies and then sell them on, often to the public market via an IPO. The profits from the sale are then shared between the firm and the investors, after the investor’s initial contribution is paid back.

In reality, things are more complicated. Private equity firms are often accused of “asset stripping.” They buy companies with loans in structures called leveraged buyouts. Those loans are often taken out against the collateral of the company they’re acquiring, and the acquired company then has to pay them back. Companies with collateral – like nursing homes (which own the buildings they operate in) and pubs and supermarkets (which also own their premises) are ideal targets.

A classic case study of this phenomenon is private equity firm Clayton Dubilier & Rice (CD&R)’s acquisition of British supermarket chain Morrisons in 2021 in a deal valuing Morrisons at £10bn. Due to the acquisition, Morrisons’ net debt obligations (debts) went from £3.2bn to almost £6bn.

Unfortunately, shortly after CD&R’s acquisition of Morrisons was completed, Russia invaded Ukraine, and interest rates rose. As a result, that debt became more expensive to service. Morrisons posted a £1.1bn pretax loss in the year ending 29 October 2023, according to its parent Market Topco. This included £735m of finance costs, such as interest payments. That was after the £201m profit it made in its last full year of public ownership.



### Hard times in private equity

It's not only the Morrisons' deal. A period of rising interest rates has made servicing debt challenging and leveraged buyouts increasingly unviable. Although things have recovered slightly in 2024, private equity is still far, far from its glamorous heights.

Bain & Company, the consulting firm, said in its global private equity report 2025 that total private equity deal value was down by nearly 40% in 2024 from the peak in 2021 – although at least up on the abysmally low 2023. Most of the deal value growth was in Europe.

The crisis in private equity is centered around a “persistent liquidity situation” for investors. What this means in non-consultant speak is a lack of exit opportunities: other investors (such as those that hold public equities) are not clamoring to buy the companies private equity firms own. “The outlook for 2025 is cloudy,” Bain admitted.

How can private equity firms sell these companies on? They rely on a number of exit channels. One of the most common

is “strategic deals” - those to corporate buyers, or companies. But these were flat last year. The world is stormy due to what Bain called “the dreaded U word (uncertainty),” which “continues to keep markets on edge.”

The “U word” will continue to loom large over the private equity industry. The president of the United States is a wild card, and a cycle of announcing and repealing tariffs muddies waters.

Because they can't sell their investments, private equity firms are increasingly adopting a different tactic and selling their investments at a discount to other funds, or even back to themselves in a new fund, in the so-called “secondary” market.

But secondaries are not and cannot be a permanent solution. While they “aren't a replacement for exits,” according to Bain, “they definitely helped to improve cash flow” for private equity firms. Secondaries do, however, allow private equity firms' cash flow to break even. They might even allow private equity professionals to pay themselves carried interest.

In a nutshell – the situation is not a good one.

### Why do people want to work in private equity?

Despite these travails, private equity jobs are still highly desirable. This is because, unlike investment bankers, people in private equity are the buyers (they are part of the “buy-side”). They are investing in companies rather than just advising on deals, and that is inherently more exciting. Job security in private equity is also typically much higher than in a bank, and as you become more senior you are paid carried interest. This is a proportion of profits that are made when a private equity firm sells a company on. Carried interest only applies above a specified “hurdle” level, but it can be very lucrative and tax effective.

Government research published last year showed that the top cohort of private equity professionals in the UK – of which there are about 150 people – earn an average of £15m for 2020 and 2021.

### How do you get a job in private equity?

Historically, most private equity firms recruit junior talent from investment banks. This is because banking juniors have completed a two-year analyst training program and have a good grounding in the fundamental aspects of financial modelling, pricing companies, and Mergers & Acquisitions (M&A).

Private equity firms often hire these juniors before they’ve even joined said training programs: analysts start their training programs fully intending to leave for a private equity role as soon as they’re done.

The poaching of junior M&A bankers is a serious problem for banks. In June of this year, JPMorgan threatened to immediately fire any of its junior bankers who accepted a job offer from a private equity firm during (or before) their training programs.

Goldman Sachs now requires all junior bankers to swear an oath that they hadn’t accepted a job offer elsewhere.

In recent years, however, many private equity firms have started to hire and train recent graduates of their own. For example, big funds like Blackstone now run their own training programs. But getting a place on these programs can be hard. Blackstone accepted only 0.25% for its graduate program in 2023, the last year for which figures are available – lower than either Goldman Sachs (0.7%) and JPMorgan (0.9%).

For this reason, a first job in an investment bank is still the best launchpad for a private equity career. “Graduates wanting a career in private equity must get into an investment bank and get into the right team,” says Gail McManus, founder of Private Equity Recruitment. The “right team” means M&A or leveraged finance.

Another way into private equity is by training in transactions services with a Big Four firm or by doing private equity commercial due diligence in a strategy consultancy.

Traditionally, doing an MBA was another route into private equity. Juniors would spend two years in banks as analysts, leave for MBA courses, and get jobs as private equity associates – a system known as the 2+2. This still happens: 8% of London Business School and 9% of Harvard MBAs went into private equity jobs last year. There are complaints that MBA courses are increasingly just a route into private equity.

### What are the jobs you do private equity?

Working in private equity is about analyzing good business investments and then beating the competition to acquiring that asset. This might be through direct negotiation with a company that a PE firm has identified as a good target to purchase, or through a formal auction process run by an investment bank that’s selling a business

to a group of competing buyers.

There are similarities to working in private equity and to working in M&A, and this is why junior M&A bankers often move into private equity. However, as we noted above, when you're working in the M&A division of a bank, you'll only be advising on the deal. As the advisor, you'll provide advice on deals and financing. As the private equity professional, you'll be the one instructing the bank and the person actually doing the deal.

Both jobs can involve an intense workload. But when a deal is live, it's the M&A bankers that pick up most of the slack. "If anyone will be working all weekend, it will be the M&A advisor, not the private equity person," says McManus. "You're calling the shots, and the advisers are doing the delivery."

Private equity's job titles are similar to those in banks. At the bottom of their hierarchy are the analysts and associates, and this is where you'll usually start, most often as an associate.

Analysts and associates own the models

– that means they'll be able to see the cashflows and analyze what needs to be done to make a business perform better. Owning the models provides essential grounding for taking more senior roles in private equity. You'll soon be able to identify what makes a good target firm for your private equity firm to invest in.

As you become more senior, you will have more responsibility for running deals and working with senior executives at the firms you've invested in. "If you work for a big global firm which works on the multibillion complex leveraged buyouts, you'll look after a tiny part of a big deal. But if you're working for a mid-market firm with a £1bn fund, then you'll be more involved," McManus says.

Private equity titles are different to investment banking. The bottom of the ladder are the associates, who typically have five years' industry experience, and you'll spend another couple of years as a senior associate before making it to director or principal. If you want to make it to managing director, it will take a minimum of 10 to 15 years. The highest rung of the private equity ladder is usually the "partner".



## Fund investment jobs and venture capital jobs

As well as working as a deal professional in a private equity firm, you can also work for an LP as a fund investor. Here, you'll work for a pension fund or the family office of a wealthy individual and decide where to invest.

These roles are a lot less competitive, and more suited to people with analytical minds who aren't necessarily extroverts, or highly competitive. LPs are increasingly investing alongside the funds they invest in on big deals. For example, in February 2021, Bill Gates' family investment vehicle, Cascade Investment, teamed up with private equity firms and pension funds to acquire Signature Aviation, a UK aviation services company.

You could also consider a career in Venture Capital (VC), a once growing and now struggling area of the market. Unlike big LBO houses which seek ownership of already mature large companies, VC funds take smaller stakes in companies and help them reach their "full" potential. VCs are big investors in technology, where start-ups are looking to disrupt established players across industry groups.

They also invest in companies pursuing zero carbon emissions as environment – so social and governance factors play a prominent role in investment decisions. To enter a venture capital fund, you'll still need a solid grounding at an investment bank, but more likely to have worked in a specialist sector team such as technology, media and telecommunications (TMT).

## Which skills will you need for a career in private equity?

Private equity firms recruit from investment banks, so candidates will already have a basic grounding in finance, reading balance sheets, and understanding how companies are valued. Strong analytical skills are essential. But private equity firms are also looking for ultimate all-rounders: people

with insightful thinking and the ability to build relationships.

"Private equity professionals need to be confident and persuasive, but also hard-edged when it comes to negotiating. They sell with their eyes and mouths and buy with their brains," says McManus. Private equity funds are looking for "Action Man or Action Woman," says McManus.

You need to make things happen, to be "ultra-competitive, not let things stand in your way." And you need relationship skills as well: "it's all about winning the deal," McManus explains. Alongside this, you'll need to be interested in how businesses work, rather than simply sitting behind a desk and looking at numbers, although there is an element of that as well.

When assessing candidates for a career in private equity, McManus asks the coffee shop question. "If you're thinking of buying a coffee shop, what's the first thing you'd do?" If your answer is you'd go and visit your local shop to see if the toilets are clean, how many people there are, how many staff are on a shift and whether they look happy, then a career in private equity is probably for you. If your instinct is to go and find an analyst report on the subject, then you're probably better off working at an investment bank

If you want to work in private equity, it's important to speak up and have an opinion on a particular deal. Being a private equity professional means being able to argue for or against a particular investment opportunity or sector, so a passion for understanding the inner workings of business is essential.

## Education and qualifications needed for private equity

What do private equity professionals study? Generally, the same things as investment bankers. Blackstone and Apollo, for example, hire a lot of finance and business studies graduates, as does European firm CVC. All firms hire humanities students too, however.

Historically, the golden ticket into a private equity role was an MBA. This path was called the 2+2; 2 years in investment banking (the length of most analyst programs) and a 2-year MBA. Although MBAs are still popular, they're less of a big deal than they were in the past, as private equity firms are increasingly training their own juniors internally.

Other qualifications for PE jobs might include a masters in finance (also a popular choice for prospective investment bankers), a Chartered Alternative Investment Analyst (CAIA), or if you're in the UK, Oxford University's private markets investments programme, which lasts six weeks. CFA Institute, best known for its eponymous qualification, has also recently launched a certificate in Private Markets and Alternative Investments.

### What's the pay like in private equity?

When it comes to salaries and bonuses, private equity firms usually pay slightly below or on a par with investment banks. Like banks, salaries and bonuses vary significantly depending on the firm in question. The real money is not in the annual compensation, but in carried interest, which usually goes to professionals from around principal-tier upwards (although some firms pay carried interest earlier).

Also known as "carry", carried interest is derived from the profits that are made on the LP's original investment and is typically 20% of the returns (once a predetermined hurdle rate has been met).

To illustrate this with an example: if an LP invests \$1bn with the aim of making \$1.1m, and the private equity firm makes \$1.2m – then 20% of the excess (\$100m -> \$20m) is distributed to the deal team. In this way, working in private equity can be very, very lucrative (especially as carried interest is typically taxed at lower rates than normal income is).

It's worth remembering that carry is only paid when deals are exited, so you'll typically need to wait around five years or so for a deal to complete – if a deal completes at all. As we mentioned above, private equity is going through a somewhat tough time at the moment.

The figures below are taken from our 2025 Salary and Bonus report. As private equity uses a different title ranking to investment banking, these numbers should be taken as being "equivalent", rather than representing professionals with titles such as "Vice President" or "Analyst".

It's also worth noting that our figures do not reflect carried interest, which varies significantly between firms based on their size, which is measured in assets under management.

### Average compensation for private equity professionals, 2024, US\$

Rank	Salary	Bonus	Change	Compensation	Work Hours	Compensation /hour
Analyst	\$67,055	\$23,858	111%	\$90,913	42.3	\$41.29
Associate	\$98,778	\$42,848	20.00%	\$141,626	57.9	\$47.05
Vice President	\$157,667	\$75,833	42.40%	\$233,500	50	\$89.81
Director	\$234,200	\$60,000	15.00%	\$294,200	51	\$110.94
Managing Director	\$264,400	\$328,600	1.00%	\$593,000	52	\$219.30

# A day in the life of a private equity associate at KKR

By: Zeno Toulon



**D**avid is a private equity associate in the Technology, Media, and Telecommunications (TMT) at KKR in New York. He joined the firm in 2022 from boutique investment bank PJT Partners, where he was an investment banking analyst. He graduated from The Wharton School in 2020.

**8am:** I wake up and head to the gym, for either weightlifting or cardio. I was on the swim team at Penn so I still try to get in the pool consistently. I'll listen to a podcast or an audiobook on the way, catching up on any urgent emails. Once I hit the gym it's strictly music for me – I use the opportunity to discover new songs and new artists.

**9.30am:** This is when I usually arrive at the office, although that can swing depending on what meetings I have planned in the morning. Once I get to the desk, I go through my unread emails and catch up on any industry newsletters in my inbox. I'll

then make a to-do list for the day and head to the cafeteria. We've got a great café here, so I grab a small bite and a coffee before heading back down to my desk.

**10am:** I usually try and focus on the main analytical work I have in the mornings. Recently, we have been working on a deal with the European private equity team; We have a lot of collaboration across regional teams and it's nice to learn from the different thesis building and diligence processes. It's also great to build new connections around the world.

**1pm:** I usually go and grab lunch around this time. I like to try and eat lunch with other people, whether it's team members, other private equity coworkers, or even people in other KKR teams such as infrastructure or real estate. We've got a great space and great food, so I like to grab a bit of everything.

**1.30pm:** After lunch, I may have a diligence session for a deal we're working on. As an associate, you get a lot of responsibility to guide the direction of those sessions, which is great. This time is spent asking management teams questions and playing back insights from the data; it is a full team effort and your deal team will also chime in with their thoughts too.

**2.30pm:** Depending on everyone's schedule, we try to debrief after the session to discuss our key takeaways and findings. The most junior member of the team always gives their thoughts first, which is a bit of a fun challenge and learning experience.

**3pm:** Coffee number two, and an opportunity to catch up with other members of the team, both junior and senior. My team's partners do a good job of keeping informal catch-up sessions going between the more structured feedback / review cycles. It's great to have that kind of relationship with senior leadership who I admire and consider mentors.

**3.30pm:** Most of my days include an expert call of some sort. These are usually done with customers or former employees of businesses we're interested in or are evaluating. I usually let our analysts guide the call, and I'll chime in here and there to coach them through it. We usually have a debrief right after that too to orient ourselves on focus areas for the next customer call.

**4.30pm:** It's summer now, and we have interns who have joined the team for a few weeks. We try to give them as many experiences resembling the analyst / associate experience via both live deal

experience as well as ad-hoc training sessions. The session I am leading today is doing one focused on LBO modelling, for example.

**5.30pm:** Calls for the day are usually over at this point, and I get back to some of the other analytical work I have. That could be building an operating model or other data analyses based on key files we received as part of diligence processes. As I've gotten more experience, I have more responsibility in the direction we take across commercial diligence. This means taking a larger role in deciding the core drivers to model the business, choosing the key analyses from certain data files that will help us answer our key diligence questions, and ultimately choosing how to frame and present the work to the rest of the team and our investment committee.

**8pm:** I'm usually leaving the office around this time. I'll usually pick up something quick from the Whole Foods across our office. If I have the time, I'll fit in my workout here if I missed it in the morning. Fortunately, the Equinox is also right across from our office.

**9pm:** I'm home and may log on to complete any deliverables left for the day. Depending on the cadence of deals or projects, that could either mean an hour or so of work, or it could mean a few hours of work.

**12pm:** My bedtime is pretty flexible, but I like to wrap things up by around midnight if I have the option to (but can vary based on what deals or projects you're working on). I like to read a little before bed if I can.

# What's it like to work for Blackstone? A day in the life of a real estate junior

By: eFinancialCareers



**B**eatriz Duarte is a Senior Associate in the Real Estate Acquisitions team at Blackstone in London. She joined the firm in October 2020 and prior to that, was an analyst in the Investment Banking Power & Utilities team at Morgan Stanley. She completed both her undergraduate and master's degrees at Nova School of Business and Economics, in Lisbon.

**7am:** I wake up early to seize the day and start my morning routine. I'll scan through my emails for any urgent messages from my deal teams or external parties. If I can, I'll go to an early morning class near the office before going into work, typically 2 or 3 times a week.

**9-9.30am:** When I'm not traveling for work, I get into the office and start by responding to urgent inbounds and reading the news. As I work in the investment team, it's important to keep track of what's happening in the market, and publications like the FT and React News are a good place to start.

A lot of my time is spent in acquisitions in the UK and Ireland, and my day usually revolves around projects in those two countries. These may be early-stage opportunities which means identifying and analyzing new investments, or at a later stage, when we focus more on the due diligence workstreams ahead of signing and closing a transaction. I will usually work on 3 to 4 projects at a time.

**9.30am:** I like to get organized and usually go through my to-do list for the day

and week. Blackstone is a fast-paced environment, and during the day I receive more assignments from senior team members, and so I go back to my list throughout the day to track my progress and see if I need to re-prioritize.

**10am:** I join a weekly catch-up with one of our portfolio companies, where we discuss progress on a live deal or go through the near-term pipeline.

**11am:** I work with various analysts in the team and aim to catch-up with them in the morning to go through the priorities for the day. Some days are very busy and planning in advance is key to getting everything done.

**11.30am:** I attend a meeting with an external advisor on a transaction I'm working on. Following the meeting, I circulate some key actions and highlights to my Principal and Managing Director where I address any immediate concerns or roadblocks.

As a Senior Associate, my role is increasingly relationship-focused, and half of my day will be spent in calls and meetings with external stakeholders, such as operating partners (who help us identify investments and support us throughout the process), or advisors such as banks, lawyers and technical consultants.

**12.30pm:** I like to go for a short walk with some colleagues, to get some fresh air and lunch at one of the delis or takeaway places near the office. Once I'm back, and if I have time, I'll eat my lunch in the common area

with some of the members of my team.

**1pm:** I do a site visit at a local asset that we are potentially looking to acquire. We'll use that time to evaluate the location and physical qualities of the property, understand its key strengths, and identify any potential challenges.

**3pm:** I'm back at my desk and catch up on some emails. I then have an internal meeting with my deal team to go through the materials we have been working on for an upcoming meeting or investment committee, we brainstorm new ideas and evaluate next steps. After the meeting, I catch-up with the analyst on the deal and we go through the meeting follow-ups and/or additional analysis needed to support our investment decision, and we assess how best to divide and conquer.

**4pm:** I grab a quick coffee with a colleague from another business area that I met at an internal networking event. Blackstone offers great networking and mentorship opportunities, including through our employee resource groups such as the Women's Initiative, which regularly organizes events and talks that I like to participate in.

**5pm:** I hop on a call with a few colleagues from our real estate asset management team to discuss one of our collective initiatives. The asset management

team manages our existing properties, and staying informed about the recent performance of our assets will help us in our future investment decisions – it's really important we keep each other up to date.

**6pm:** Usually by that time, my meetings are wrapping up for the day and I can spend time catching-up on work. That might include reviewing the latest version of the model or memo the analyst on the deal spent time updating earlier in the day, stress-testing various potential scenarios and outcomes, reviewing a diligence finding report or conducting market research work for a new opportunity.

**8pm:** A couple of times a week, I like to go home in time for dinner. After dinner, I log back on from my home office to do some final bits of work I couldn't get to during the day or prepare for the following day. We also get food delivered in the office, which is convenient when I'm working in the office late. Dinner time is usually a social moment for the team, as most of the junior team tends to stay and eat together.

**9.30pm:** If I'm working in the office, I'll usually finish up my work and get a taxi home. My workload may vary depending on deal flow, and things tend to get busier when we are presenting a potential acquisition to our investment committee or are close to signing or closing a transaction.



# How to get a job in asset management

By: David Rothnie & Sarah Butcher

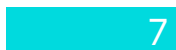
**Prestige**



**Pay**



**Grind**



**Competitiveness**



- Large asset management firms manage money for pension funds and other investors around the world.
- The role most people aspire to is that of “portfolio manager”, where you manage a pool of funds yourself on behalf of clients.
- You don’t necessarily need to be highly analytical or mathematical for these roles – unless you work for a “quant fund”.

Large asset management firms are the backbone of the financial services industry. Part of the “buy-side,” they manage huge sums of money on behalf of their clients, which include pension funds, sovereign wealth funds, and retail investors. Asset management firms aim to increase the value of clients’ investments over time, and they receive a fee for their services.

Unlike hedge funds which “hedge” investments and try to make money even when markets fall, asset management firms typically “go long”. This means that they invest in products in the hope that their prices will rise. For this reason, they are also known as “long-only investors.” They can also be called “institutional asset managers”, as they manage money for institutions.

The scale of the asset management industry is huge. Consulting firm BCG estimated that global assets under management (AuM) reached a record \$128tn in 2024, from which the industry

produced revenue for itself to the tune of \$435bn. BCG also estimated that the industry will reach \$184tn in AuM in 2029, which will lead to \$623bn of industry revenue.

If you work in asset management, you’ll be helping to manage these enormous pools of money and helping today’s working population save for the future. Increasingly, you’ll also be helping to invest to mitigate climate change and build a better world: environmental, social and governance (ESG) issues are increasingly important when funds decide where to invest.

The experience you have will depend on the kind of fund you work for. Broadly speaking, there are two kinds of asset management funds:

**Passive:** Also called “index trackers”, passive funds mirror the performance of large financial indices like the S&P 500 or the FTSE 100. The money going into an index tracker is put into stocks or bonds in the same proportion as in the relevant index. The advantage for investors is that the fees are low, the risks of human error are minimal, and turnover in the portfolio is also lower. As well as passive mutual funds run by huge institutional investors like State Street, exchange-traded funds (ETFs) are a good example of passive investment. They track an index, or a ‘basket’ of assets, but are also a tradable security, so their value goes up and down like a stock on a stock exchange.

**Active:** This is where human skill and experience comes into the fund management industry. A team of portfolio

managers, analysts and researchers use their expertise and a plethora of research, quantitative analysis, forecasts and judgement to decide on what assets to invest in with the aim of beating the market.

A fund is judged on how far above or below it is on a particular index – in equity markets this could be, say, the Dow Jones Industrial average, but funds also compete in bond markets and a host of other asset classes. It can be hard to beat the index, but this is the measure of a good portfolio manager.

Despite being a huge part of the asset management industry, passive funds generate an extremely small part of its revenue. According to BCG, in 2024, 23% of AUM was passively managed – but in turn, those funds generated just 5% of the industry's revenue. The firm anticipates that, by 2029, this will rise to 26% of AUM, while staying at 5%.

Active investment, meanwhile, is falling out of favour with investors. BCG estimated that 32% of assets were actively managed in 2024, a proportion that will fall to 29% in 2029. Pressure on actively managed

funds (which charge fees) also comes from alternative investment strategies such as hedge funds and private equity.

Part of the drop in popularity for active asset management is due to its poor performance. According to S&P Global, barely 10% of asset managers manage to beat the S&P 500's return across the last 15 years. It's hard to justify high fees when passive investments (such as those that track the S&P 500) can provide better results.

But active vs passive management is only one great divide in the fund management industry. Another is top-down versus bottom-up investment. Top-down investors are concerned with a big picture view of a particular sector, asset class or geography first, before delving into the finer financial details. Bottom-up investors are more interested in the financials of a particular company than broad macro themes. This assumes that gems can be found even in industries that are generally not doing well.

Many funds today use quantitative methods to analyze markets and determine where to invest their money and therefore rely less on humans to make decisions.



These are the so-called “quant funds”.

### Career paths in asset management

When people think of asset management, they tend to think of portfolio managers. Portfolio managers, or “fund managers”, are the top dogs of the asset management world. They run funds on behalf of their clients based on a range of investment experience and expertise. However, you won’t be a portfolio manager from the outset. This is the pinnacle of an investment career, and you’ll need to work your way up.

These are the jobs you can do in the asset management industry:

**Investment jobs:** This is where you find the portfolio managers who run the investment strategies. They tend to specialize in one asset class, whether that’s equities, fixed income, or property, and manage the day-to-day investment decisions across the funds they look after. In big fund management firms, there are dozens of money managers with various areas of expertise including multi-asset funds, which decide on which ‘blend’ of financial investments to include in a portfolio.

However, portfolio managers don’t work in isolation. Supporting them are teams

of research analysts, whose role is all about generating investment ideas for portfolio management teams to act upon. Research analysts spend their days poring through company reports and industry insights in order to gain in-depth knowledge about particular sectors or asset classes, which will give the portfolio management team an edge over the competition.

**Distribution:** While investment teams deal with the money management side of the business, distribution teams are all about bringing client money into the fund.

**Sales:** Also known as business development professionals, they deal with large institutional investors, find out what their investment needs are and try to recommend the products of their employer. Sales professionals also spend a lot of time developing and maintaining relationships with clients in an attempt to increase loyalty. One of the biggest challenges any fund manager faces is maintaining assets under management – particularly if performance dips.

**Traders:** in asset management firms execute the trades required to maintain the portfolio as required by the portfolio managers. Working as a trader in asset management is about market timing and breaking large trades into manageable



chunks. Algorithms are increasingly being used to do this instead of human beings.

**Product development/management** roles ensure that a fund manager is present in all the markets and asset classes it should be, has the right funds available to investors in the right markets and that there are no obvious gaps. Product developers also work with the risk and compliance teams to ensure any new products will keep regulators happy, that a fund's pricing structure is correct and that a firm isn't falling behind competitors in any areas.

**Marketing professionals** make sure that the right messages about the products reach potential and existing clients. Marketing professionals today spend less time wining and dining clients and more ensuring that the fund manager is well represented online and on social media.

**Business operations:** Fund managers employ risk and compliance professionals, investment operations professionals performing back-office functions, as well as technology, HR, and accounting positions.

If you're a graduate starting out in fund management and you're on the portfolio management track, you'll start out as an analyst. Analysts in fund management learn the trade. They study the financial results of companies, consume huge amounts of information and news on the companies and sectors they cover, and (when they're good enough) make investment recommendations.

Some people choose to remain as analysts throughout their careers. Others move across to become junior portfolio managers, and eventually work their way up to a portfolio management position.

### Which skills do you need for a career in asset management?

Alex Torrens, American head of equity portfolio management firm Walter Scott & Partners, says asset managers value cognitive diversity. "Our job is to seek to

invest in some of the best companies around the world, companies that will lead their markets over the next 10 or 20 years. In analyzing companies and making those decisions, it doesn't matter what subject you studied at university, but you do need to have a passion for finding and understanding those companies."

People skills are more important than a studied university subject, Torrens says. "With a team-based approach, it is critical that the team functions effectively, and that demands diversity. For that reason, we don't rule anyone in, or out, based on the subject studied or the university. Instead, we look for people who are inquisitive and curious in nature, and who have a strong interest in how businesses work."

Soft skills are important regardless of where you are in a firm. For example, if you work in a distribution role, you need to be able to build relationships with investors. Communication skills are needed for portfolio managers too, who need to be able to understand a client's needs, and to explain their investment decisions.

"Employers today are looking for a broader range of skills from their staff in order to deliver for their clients," says Margaret Franklin, CFA, president and CEO of CFA Institute. "While technical skills will always play a role in an employee's ability to perform a financial role, the growth of soft skills and T-shaped skills – such as the ability to make connections and foster lateral thinking – will be increasingly important."

Asset managers must also be aware of a whole range of factors that drive growth and performance, particularly big trends such as ESG factors. "Employees also must be educated and prepared to respond to client's investing objectives. This includes considerations like ESG analysis to underline the impact of their investments," Franklin adds.

### Which education and qualifications will you need for a career in asset

## management?

Asset management roles are pretty broad, and firms take a range of graduates. For front-office roles at major firms such as BlackRock and State Street, our analysis shows that most graduates studied finance and economics, although there was a wider variety of qualifications than in investment banking front-office roles. In support functions, there's a lot of overlap with investment banking roles, such as compliance analysts coming from legal backgrounds.

If the CFA exams and CFA Charter are critical anywhere, it's in asset management roles. The Financial Modeling & Valuation Analyst (FMVA) could also be highly valued in an asset management career, especially during the interview process. There's also the Institute of Asset Management's IAM Certificate, even though it isn't as popular as the FMVA.

"It's important for graduates to understand it's not all about numbers," Franklin said. "Many investors and employees today want a three-dimensional view of their investments, one of risk, return, and impact."

Something that has changed significantly over the last few years is the role of ESG in finance. Although banks don't appear as interested in the space as they used to be, it's still a comparatively big deal for asset managers, especially in Europe. That being said, in the world of Trumpian tariffs, European governments have pledged to spend more money on defense spending –

and European defense stock analysts are finding themselves in demand.

For these reason, it might be worth looking into CFA Institute's ESG Certification on the continent. CFA Institute also offers the Investment Management Certificate (IMC) in the UK, which is a CFA Level I-tier certificate for asset management.

Although asset management firms don't recruit on the scale of investment banks, there are still summer associate programs, which means that an MBA can also be valuable. It also means that an MBA can enter the sell-side and "lateral" into asset management with some investment banking or research experience.

## Salaries and bonuses in asset management

Asset management jobs can be very well paid. In the eFinancialCareers Salary and Bonus report this year, we found that asset managers who are VP-level or equivalent (five years into their careers) can earn over \$250k per year, with MD-level asset managers (portfolio managers, mostly) earning over \$1m in salaries and bonuses.

Our report also found that asset managers enjoy very decent working hours. They work fewer hours on average than either hedge fund or private equity professionals, and less than front-office banking professionals such as investment bankers or traders. The reasonable hours mean that they earn more money per hour than investment bankers or even people in private equity.

## Average compensation for asset management professionals, 2024, US\$

Rank	Salary	Bonus	Bonus Change	Compensation
Analyst	\$84,033	\$49,666	8.29%	\$133,699
Associate	\$70,486	\$17,599	15.62%	\$88,085
Vice President	\$186,211	\$69,486	7.89%	\$255,697
Director	\$198,898	\$111,546	-0.89%	\$310,444
Managing director	\$465,875	\$788,182	17.89%	\$1,254,057

# How to get a job in a hedge fund

By: David Rothnie & Zeno Toulon

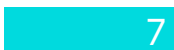
**Prestige**



**Pay**



**Grind**



**Competitiveness**



- Hedge fund jobs can be some of the most lucrative in finance.
- Hedge funds are asset management firms, but with the discretion to follow more creative and risky investment strategies.
- Hedge funds used to be scrappy outsiders, but have become far more institutional.
- The largest hedge funds run their own graduate recruitment schemes.

**H**edge funds invest money for their clients. These “clients” used to be wealthy individuals, but are now likely to include institutional investors such as pension funds, too. Unlike “long only” asset management funds, which make money by investing in products that are rising in price, the term “hedge fund” comes from the fact that hedge funds try to hedge their bets – they try to ensure that they can make good returns in any market. This means they seek to make money by investing in things that are falling in price as well as things that are rising.

How, though, do hedge funds make money in a falling market? By short selling. Also known as “going short”, this involves first borrowing shares (or some other security) and then selling them into the market before buying them back again at some point in the future. When a hedge fund goes short, it’s betting that the price of the shares will drop before it buys them back

again. The profit is the difference between the price it sells the shares at after it borrows them, and the (hopefully) lower price it pays when it buys them back before handing the shares back to organizations it borrowed them from.

By using short selling and other techniques to hedge their investments, hedge funds aim to generate massive returns for their investors. Long-only funds rarely achieve returns of more than 10% when investing in low-risk products such as European equities, but top performing hedge funds can achieve returns of 50%, and sometimes more, in the same period of time.

Given that hedge funds have traditionally charged investors a 2% management fee (2% of the funds they invest) and a 20% performance fee (20% of the profits they earn), this can make working for a successful hedge fund very lucrative indeed. Everything is geared towards chasing “alpha”: returns that are above and beyond the “beta” generated by a moving market. When you work for a hedge fund, you are laser-focused on investment performance.

To some extent, all hedge funds are on the lookout for the same thing: financial products that are incorrectly priced. “Hedge funds make money by capitalizing on market inefficiencies, which are always fleeting opportunities,” wrote Dominique Mielle, a former partner at hedge fund Canyon Capital in her memoir “Damsel in Distressed”.

Colin Lancaster, global head of macro & fixed income for Schonfeld (a hedge fund with \$14bn in AUM) best known for “Fed



Up!", a memoir of trading during the start of the covid pandemic, says the goal of every hedge fund is "finding an imbalance" – and then profiting from it.

### What are the different types of hedge fund?

While all hedge funds are chasing imbalances, the imbalances you find will depend on the kind of strategy the hedge fund you work for is pursuing. Some of the main strategies are:

**Long/short:** Long/short hedge fund managers go long some of the time. They also go short some of the time. They go long when they expect the price of a product to rise, and they go short when they expect the price of a product to fall.

**Macro:** Macro funds invest to benefit from global macroeconomic trends (they go both long and short). Lancaster says global macro hedge fund managers look for imbalances between countries in things like economic growth, interest rates and central

bank reactions. They profit from the moves in that country's interest rates, or from moves in its foreign exchange, equity, or credit markets – or rather, they profit from the market reactions that those moves provoke.

**Arbitrage:** Arbitrage-focused hedge funds seek to make the most of price differentials between related securities products. At their simplest, so-called "statistical arbitrage" funds put stocks into related pairs. If one pair does well and outperforms the other, it will be sold short (in the expectation that its price will then fall again). The underperforming stock will be bought (in the expectation that its price will rise to meet its pair). Arbitrage funds are often quantitative – they use complicated computer programs to determine what to buy and sell.

**Event driven:** Event driven hedge funds try to profit from one-off events. For example, when one company decides to buy another, it will usually pay more than the current price for the shares and event driven funds will seek to benefit from this.

Systematic/quantitative: Increasingly, hedge funds are “systematic” – they use high speed computer algorithms to unearth market inefficiencies and to place trades in the brief time period when there’s money to be made before the inefficiency is discovered by other funds in the market. Systematic hedge funds operate across different market strategies.

**Multi-strategy funds:** A lot of the biggest hedge funds (like Citadel, Balyasny, Millennium, Schonfeld, or Point72) are multi-strategy hedge funds: they pursue all the strategies above, and more.

Hedge funds also vary by the vast range of products they invest in. For example, there are credit hedge funds (which invest in credit), distressed hedge funds (which invest in credit which might never be repaid, also known as “distressed debt”), and emerging markets hedge funds (which invest in emerging markets).

### The rise of the multi-strategy hedge fund – and how hedge fund jobs are changing

To the uninitiated, hedge funds may still have a reputation for being at the edgier end of financial services, but that wild west reputation has certainly taken a more genteel turn over the years. Over the last two decades they’ve become increasingly like banks, and the biggest drivers of this, as well as being the biggest hedge funds full stop, are the global multi-strategy funds.

These top hedge funds have tens of billions under management, much of it from the pension funds and other institutional investors that like nice, safe, consistent returns rather than risky mavericks. Those mavericks, however, are the ones delivering results – by competing against each other, within the same hedge fund. Multi-strategy funds employ “pods”, a small team and pool of capital under the purview of a portfolio manager.

Some hedge funds are so committed to

their multi-pod strategy that portfolio managers don’t even know what their colleagues are doing. Their goal is, as a collective, to generate as much profit as possible, regardless of where specifically it comes from. The central structure of the fund deploys capital as it sees fit to meet its desired return and risk profile, as former hedge fund PM Marc Rubenstein explained.

As Mielle points out, the sheer size of hedge funds, combined with new technology (allowing financial statements to be accessible online), regulations (requiring the same disclosure to all investors), and competition, have eroded many of the market inefficiencies that hedge funds formerly thrived upon.

The whole point of a multi-strategy fund is to be market neutral. The fundamental idea that Ken Griffin had when setting up Citadel was that multiple pods, following multiple strategies, with money balanced across them in the right way, would balance out the volatility inherent both in the market and in the hedge fund concept as a whole.

For example, Citadel has posted a variety of results this year. Bloomberg reported that Citadel’s flagship Wellington fund (which is multi-strategy itself) posted returns of only 2.5% in the first six months of 2025, while its equities fund posted returns of only 3.1%. But its tactical trading fund posted returns of 6.1% in that same period, and its global fixed income fund posted returns of 5%.

“In the beginning, hedge funds had a rebellious aspect to them, an anti-establishment mentality, and a certain scrappiness. We wanted to do things differently, discover new investing ways. We wanted to be original, innovators, inventors, explorers. It was about thinking creatively, outside the box,” writes Mielle. “In the industrialization age, we started mutating into the big, stodgy guys ourselves.”

And the majority of multi-strategy funds are growing too, at a time when banks are shedding bankers and private equity funds

are just suffering in general. Millennium, the world's biggest hedge fund (as measured by employees) added 232 new investment staff in the last year ending Q1 2024, a 9% increase. Citadel, the next biggest, also increased investment staff numbers by 9%. Verition increased its total headcount by a whopping 77% – its investment staff numbers increased by 41% specifically.

The ever-increasing size of multi-strategy hedge funds can be seen in how big they've started debuting. Citadel, a pioneering multi-strategy fund, was founded with \$4.6m of capital by Ken Griffin in 1990. In 2024, a pioneering fund such as Bobby Jain's Jain Global opened with around \$5bn, or a thousand times as much capital.

Not all new hedge funds launching are multi-strategy funds. Last year, some of the biggest funds to launch were single strat – for example, \$2bn Crosby Resource Capital, a commodity fund started by Citadel's ex-head of of agriculture, Robert Crosby. There was also London-based Helix Partners, a distressed debt fund started by Jonathan Heller.

Although the lion's share of assets under management (AuM) in the industry goes to multi-strategy funds, single-strategy funds can still reach large sizes. Citadel, Millennium, and Point72 are all multi-strategy funds; they have \$67bn, \$77bn, and \$38bn under management, respectively. There are also some huge non-multistrategy funds, though. Rokos, Elliott, and Marshall Wace are macro, activist, and long-short hedge funds - and have \$22bn, \$73bn, and \$70bn under management, respectively.

### Career paths in hedge funds

If you want to work for a hedge fund, you probably envisage yourself as a trader or portfolio manager. However, hedge funds (like investment banks) have teams of support staff working in areas like compliance, technology, risk, and operations. Some of the key jobs in hedge funds include:

**Analysts and researchers:** Analysts spend their days poring over the financials of the companies and financial products that hedge funds invest in. Their analysis and research help determine the fund's investment strategy.

**Traders:** You might think being a trader in a hedge fund is the most exciting job there is. You would probably be wrong. Traders in hedge funds are often “execution” traders. Execution traders simply push the button – they execute trades. They don't get a chance to devise their own trading strategies, and they don't get a chance to take their own positions on the market. What they do get a chance to become experts in is “market timing”. Execution traders watch the market closely and know when's the best time to place their trades.

**Portfolio managers:** Portfolio managers are at the top of the hedge fund tree. They listen to what analysts say and decide how to allocate investors' money to achieve the highest returns. They are in charge of the whole investment portfolio (hence the name). Everyone wants to be a portfolio manager.

Recent filings from a court case involving BlueCrest, a large family office (owned by Mike Platt) that operates as a hedge fund, explained a bit more precisely how portfolio managers operate.

To start with, they carry out market research to form a long-term view of the market of their investments before the rest of the market. They then construct a portfolio and seek to minimize the amount of cash that backs up the market exposure they naturally assume by taking any market position. That exposure is partly backed by cash with the balance being leverage (debt) from a counterparty such as a bank or broker.

**Sales and marketing professionals:** Hedge fund sales and marketing professionals liaise with investors. They help sell the merits of the fund and persuade investors to hand over their money to be invested.



Investor relations professionals fall into this category.

**Quants:** Hedge funds also employ quantitative specialists. These quants develop complex mathematical equations which tell the fund when to trade in order to make the most money using its chosen strategy. Quants who build algorithms work with quant developers – technologists who translate the algorithm into computer software which can implement the algorithm’s strategy.

**Risk managers and compliance, legal, technology, and operations professionals:** As hedge funds have become bigger (and more boring), they have accumulated the sort of support structures only previously seen in investment banks. Hedge funds now have risk management, compliance, and operations professionals. These jobs will be similar to banks - except you’ll probably have to be more of a jack of all trades. It’s normal for compliance and legal roles to be blended in hedge funds, for example.

### How to get a first job at a hedge fund

Getting into a hedge fund is very, very difficult. “The bar is exceptionally high,” says Ilana Weinstein, the legendary hedge fund recruiter and founder of The IDW Group, a recruitment consultant. “There are so few people that can meet that challenge.”

What does it take to get a job with a multistrategy fund? At the very least, “good intellectual horsepower, work ethic, training, and a history of results,” says Weinstein. However, these are only a “necessary, and not a sufficient” condition of getting hired. “The other things we’re really looking for under the hood are insatiable curiosity, self-awareness, a growth mindset, coupled with an intense desire to improve and learn, and passion.”

Specifically, she says, analysts are about “idea generation, creativity, independent research, and asking the right questions.” Portfolio managers are about “risk

management, portfolio construction, hedging, sizing, [and] the ability to build and manage a team.”

If you want an investment role at a top hedge fund, Weinstein says it will help if you come with a record of your own performance. Even better would be a “spreadsheet showing what you have achieved and what you might have achieved if you had been allowed to do the things you wanted to have done.”

The good news for you is that as big hedge funds have become more institutional, they’ve started running their own campus recruitment programs and training graduates of their own. In the past, they tended only to recruit people who had first trained in an investment bank’s sales and trading team.

As with sales and trading jobs, it helps to start off as an intern. But be warned: winning a place on a hedge fund graduate program or internship is exceptionally tough. Hedge funds hire a lot less people than banks.

Funds hire a large variety of people for a large variety of roles, and that extends to hiring students, too. These tend especially to be the biggest hedge funds, with the most assets under management: Balyasny, Citadel, and Millennium for example have “traditional” summer internships. Rokos offers graduate programs. We have an extensive list of hedge fund internships available here.

The most interesting, however, is probably Point72 and its academy. It has a remarkably low acceptance rate – around 0.6% for its summer program, which is somehow even less than Goldman Sachs’ 0.7%, but it’s a well-known academy for a reason. It also pays its interns an annualized salary between \$100k and \$120k, which doesn’t hurt.

At the Point72 academy, you’ll learn to be an analyst – specifically, a long/short analyst. That means covering “statistics,

accounting, economics, finance, modelling, financial statement analysis, M&A, corporate finance, data science, sequel and coding, operational management and balance sheets,” per the Hedge Fund Journal. Eventually, once you graduate from the academy, you’ll get the opportunity to join one of Point72’s long/short teams. 97% of people accept that offer, per Business Insider.

If you want a first job at a hedge fund specifically, you’ll typically need to have an excellent academic record and, if you want to be an analyst or a portfolio manager, you’ll need to be no stranger to hard work.

“The game has gotten much harder,” Lancaster says. He categorizes the best people in hedge funds as “exceptional decision markets” who spend hours researching the markets. Mielle says analysts in hedge funds need conviction about their investment ideas, and to be willing to defend them when other analysts or portfolio managers question their validity.

While most hedge funds like people with mathematical and data skills, these aren’t enough on their own. “A widespread misconception about the hedge fund profession is that you must be either a math geek or a sleazy dealmaker to succeed,” says Mielle. In fact, she says being a successful portfolio manager or analyst is also about being able to communicate complex investment ideas, innovative thinking, generating new ideas and having flashes of intuition that can join up the dots.

This might be why Citadel says it looks for candidates with sound judgement, good communication skills and “a whatever it takes attitude,” or why Two Sigma says it wants people who are “creative” and have “intellectually curious minds.”

## Education & qualifications for hedge fund roles

Hedge fund recruiters follow a similar

pattern to what bank sales & trading teams look for, unsurprisingly.

Our analysis of some of the new analysts at Citadel and Millennium – two of the biggest hedge funds in the world – show that hard sciences (especially mathematics and physics) are very much preferred over anything else, although there were a handful of “traditional” financial services graduates scattered throughout.

An MBA might also help your chances, particularly if you want a non-investment role. In 2024, 6% of Harvard MBAs went into hedge funds or asset management. A masters in finance or a masters in financial engineering will also be helpful, with the latter particularly helpful for quant funds. At top quant hedge funds, which use systematic investment processes, quantitative PhDs are popular. As funds make energy investments based on weather predictions it may even help to have studied meteorology. Or poetry, in some niche cases.

Aside from a hard numbers degree (or several), it might be worth quantitative hedge fund aspirants to angle for the Certificate in Quantitative Finance (CQF), which aside from having some directly applicable knowledge, also gives you access to a well-known and well-connected alumni network.

It's also worth pointing out that, although hedge funds recruit frequently from investment bank sales & trading programs,

there's no need to sit FINRA's Series 7 exams.

## Salaries and bonuses in hedge funds

The amount that you earn in a hedge fund will depend upon things like the role you're doing, the size of the fund you're working for (measured in assets under management) and the fund's performance – or rather the performance of your unit within the fund.

Hedge funds pay out a much higher percentage of profit generated (known as pnl) as bonus to its staff than bank sales and trading teams do. That means that top portfolio managers can earn insane amounts of money – last year, one single team at Citadel, made up of just 20 people, split a colossal \$600m bonus pot between them. That's \$30m each, on average, if you thought that was a typo.

Being poached by a top multi-strategy fund can be very lucrative, too. Millennium has paid extremely appealing new portfolio managers up to \$100m; Balyasny has been known to pay \$50m.

Only the top portfolio managers earn this amount. Our 2025 Salary and Bonus survey showed that junior staff (usually analysts) earn around \$230k, with more senior staff earning around \$700k. The portfolio managers in our survey reported average compensation of over \$2m – the vast majority of which was in their bonus.

## Average compensation and working hours for hedge fund professionals, 2024, US\$

Rank	Salary	Bonus	Change	Compensation
Analyst	\$129,821	\$94,436	133.00%	\$224,257
Associate	\$144,389	\$89,597	10.90%	\$233,986
Vice President	\$181,508	\$529,484	54.50%	\$710,992
Director	\$217,636	\$342,036	11.60%	\$559,673
Managing Director	\$244,583	\$1,805,417	43.20%	\$2,050,000

# A day in the life of an associate in the Point72 Academy Investment Analyst Program

By: Sarah Butcher



**N**atalia Bondanza is an associate in the Point72 Academy Investment Analyst Program. She joined in February after four years in investment banking at Goldman Sachs, where she was a vice president. This is what a day in her life looks like.

**5.30am:** These days, I'm an early riser. I wake up around 5.30am, read my emails, check the headlines and then I work out. I like to start my day with some energy! I either go to Barry's Bootcamp for a bit of treadmill and some weights or I run on the West Side Highway. I live pretty close to the office in Hudson Yards, so I'll also walk to work.

**7.30am:** This is when my working day really starts. The Point72 Academy prepares us for a career on the buy-side, specifically as a long/short equity analyst. The first eight months are a combination of training, lectures, and ramping our skills on stock pitches, followed by two months of rotations with investment teams. It feels more like working as an analyst than being at school – we have lectures and guidance

from coaches, but ultimately it's up to us to learn how to come up with investment recommendations and how to articulate why we think stocks will move in one direction instead of another.

The first thing I do when I arrive at the office is to go through the headlines and digest all the news relevant to my coverage area. If it's earnings season, we'll also go through print and analyze the potential implications for the companies we cover.

**8am:** As the morning progresses, members of the Academy class usually discuss our observations at the beginning of the hour. There are only 10 of us in the class and we all know each other very well. It's a nice mix – some are early-career professionals like me, and some are more recent college graduates. We discuss anything related to our coverage areas – from data points to news. We've covered everything from consumer to industrials and technology, and we really dig in and research the companies. My favorite has been restaurants: I was astonished at the operational and financial differences between restaurant companies that seem very similar from a consumer standpoint. It's very fluid and more of a conversation than anything prescriptive.

**9am:** We start work on our weekly research assignments. We're being taught how to develop opinions on particular stocks and sectors and how to pitch our ideas. The framework we learn centers around a deep understanding of our whole coverage universe, which in addition to analyzing a specific company, means we look at its competitors, suppliers, customers and other parts of its supply chain. Our research

process entails reading news and reports, evaluating compliance approved alternative data sources, going through company financials and presentations, and tying everything together.

**10am:** I have a one-to-one meeting with a coach. Our coaches are former investment professionals who not only provide feedback and advice on company research but I believe also challenge us intellectually, stimulating deeper analysis and understanding of market dynamics.

**11am:** We have an investment professional debrief. This happens weekly and is where a Point72 discretionary investment team joins us to discuss their sectors and share career advice. It's super interesting: we get to learn from the investment teams and discuss our opinions further with our peers. In the mornings we don't have meetings, we might hear from a senior leader at the firm or an external speaker. We recently had someone discuss valuations and how to marry the short and long term – one of my favorite topics!

**12pm:** I'm back at my desk, building a financial model. We build our models from scratch so we can learn. It's up to us how complex we want to build them – it's about finding a balance between having something nuanced enough to express detail but also simple enough to be easily comprehensible. A model is usually an iterative process: as news is publicly reported that impacts a name, we update our models accordingly.

**1pm:** We have hot food at the office three days a week, but there are also plenty of lunch options in Hudson Yards, so I often take the chance to get out. Once a week, we also have a nice thing called "meet and eat" with analysts and portfolio managers in the office, which is a great way to get to know people and hear different perspectives.

**2pm:** I'm working on my model again and talking with my fellow Academy associates. The team is very collaborative, and we often compare and debate on stocks.

Things aren't black and white: it's not about who's right and who's wrong but about how different people are thinking about a company. It can be interesting – some people are super creative and there's often a lot of discussion around our calls.

**3pm:** I have an interview with one of the discretionary investment teams that I might do my rotations with. During the last two months of the Academy, we rotate on investment teams at Point72 with the opportunity to potentially receive an offer from a team upon the successful completion of the Academy program.

**4pm:** I'm back at my desk, conducting research and working on my models. The market closes at 4 and we spend this time digesting everything that's happened during the day and incorporating feedback from the coaches. These daily conversations and the ongoing analysis of a mosaic of datapoints, have helped me recognize how knowledge compounds in this job, constantly confirming or prompting us to rethink our views.

**7pm:** The Academy class often sits down for dinner together. There are usually people from other Point72 offices around, so it's a social occasion. We talk about stocks and markets, but also about New York life and restaurants! Sometimes the previous Academy classes come and check up on us, which is really nice. I think everyone wants to see you succeed.

**8.30pm:** I go back home and catch up with friends and family. Some nights where we don't eat as a group, I'll cook a late dinner. I'm Argentinian so I don't mind a late meal and love making a traditional dish – milanesas, which is breaded meat.

**9.30pm:** I may finish some work or prep for the next day but am usually in bed unwinding by 10:30pm. My schedule has shifted earlier compared to when I was in investment banking, but the early mornings have been easy to get used to. It's pretty beautiful – especially in the winter when I get to see the sunrise.

# A day in the life of an equities analyst at Citadel

By: Sarah Butcher



**S**hawn Cain is an analyst focused on the consumer sector with Citadel Global Equities. He joined the firm in 2022 and is based in Miami. Before Citadel, Shawn worked in finance in both Ohio and New York. This is what a typical day in his life is like.

**5.45am:** This is my standard wake-up time, although I'm occasionally up earlier because I have a toddler at home. I usually start the day by looking at my phone and checking the research and market news that's arrived overnight. If I see something impactful, I'll send it to my portfolio manager and associate before taking a shower and heading into work.

**6.30am:** Now that I live in Miami, I drive to the office and really enjoy starting my day this way. When I lived in New York, I took the subway, but now I have a 15-minute drive with the ocean on both sides of me as I head to downtown Miami. The view can't be beat.

**6.45am:** I arrive in the office and get to work. I usually start by reviewing the checklist I developed the night before. I like to plan out my day and know at the start what I want to accomplish. Sometimes there can be unexpected news and I need to recalibrate, but being able to refer to the list helps focus my efforts and keep me on track.

When that's done, I'll have a closer look at the notes and market news from overnight. I cover 40-50 different stocks within the restaurant, retail, and leisure space, including everything from powersport and RV companies to food franchises.

**8am:** This is when we have our morning meeting, where we discuss actionable trades, changes to our theses, and our calls on events scheduled for the day. As the senior analyst on the team, my role during the meeting is to present my portfolio manager with actionable investment ideas. I also synthesize our research and the research from the banks to concisely explain these ideas and the path to monetization. When I was an analyst at an investment bank, I used to write long research reports, but my role now is very different. On the buy-side we communicate our theses much more concisely and we're prepared to act on them quickly. Analysts at Citadel are given a lot of responsibility and input into investment decisions, which I really appreciate.

**8.45am:** After the morning meeting, I'll sit down with my associate to quickly discuss our priorities for the day. I'll then usually spend a few minutes walking around our floor and speaking to other analysts about what they're seeing. In addition to working

closely with other investment professionals, I frequently interface with the engineers. Their work and support enable me to digest information more quickly and be much more efficient with my time.

**9.00am:** Before the market opens, I have a call with a sell-side analyst [an analyst in a bank] who recently met with the management team at one of the companies I cover. I ask what the team highlighted and try to learn more about the various initiatives underway or issues facing the company.

**10.30am:** I drop into my portfolio manager's office to discuss what I'm seeing and hearing from my calls and research. After our quick debrief, I return to my desk for more reading and modeling. What I'm doing on a given day is very dependent on the reporting cycle and where we are in it: when the companies I cover are reporting results, we're very busy. After earnings season, we spend some time digesting the results and talking to management. And when that's done, we'll often go on the road to attend industry conferences.

Meeting management teams is one of my favorite parts of the job – people in the C-suite are generally very smart, driven, down-to earth-people and it can be really stimulating to meet with industry experts. All the more so because I cover restaurants and leisure – who doesn't love talking about Harley Davidsons and Taco Bell? Sometimes, management team meetings happen at company headquarters, where we get to see the latest products up close and experience them for ourselves. I once zipped across a lake at over 50mph with a boating company I cover.

**11.30am:** Right now, though, we're in the period just before results, so I'm focused on digging into the data and spending extra time on the earnings models. I discuss what I'm learning with my associate and talk through what we've seen in the market so far this morning and answer any questions he has. We sit right next to each other, so it's easy to stay in close touch throughout

the day. After that, I have another call with a sell-side analyst who recently produced some interesting research.

In addition to speaking with management teams and analysts, I talk to a lot of small business owners who run franchises like Wendy's or McDonalds, or who own Harley dealerships. If you talk to enough dealers and franchisees, you can get an even better feel for what's going on in the market. There are people who've been in the industry for decades and have seen it all.

**12.15pm:** Lunch is something I look forward to. Though Citadel provides some great options, about half the time I'll have order-in so I can try the menu innovations at the companies I cover. For example, Domino's recently came out with a New York-style pizza and I tried it on day one. I do that whenever I can because I know that if something tastes good enough, sales will usually follow. The best analysts live their coverage – there's only so much you can learn from analyzing the data, which is always backwards looking. You never know if a company might have the next Popeye's chicken sandwich!

**1pm:** In the early afternoon, I'll usually check in with my portfolio manager. We message each other throughout the day, but we typically have a quick, more structured meeting after lunch. We talk about investment ideas and what I expect from the coming earnings season.

**1.30pm:** I spend time reading and digging into the data on some of the companies I cover and working on earnings previews. 3pm. I have another meeting with my associate. He's embraced all the technology and analytics we have available to build out our food staples coverage and further enhance our existing infrastructure. I talk to him throughout the day, but we'll also usually connect mid-afternoon to discuss what he's been working on in more detail. He's an important part of our team and helping him learn the craft has been really rewarding. I know from my own experience as an associate that being deeply involved

in the work and asking lots of questions is the fastest way to learn, so there's frequent communication between us.

**3.30pm:** I have a channel check call with a powersports dealer and then spend more time working on my investment ideas and previews.

**6.15pm:** I usually leave the office. The traffic is a little heavier in the evenings, but I'm usually home by 6.45pm. While I love what I do, the best part of my day is when I walk through the front door and my 15-month-old runs over to me and gives me a big hug. I usually play with her and get her ready for bed around 7.30pm or so. Then I try to get

in a quick work-out and have dinner.

**8.15pm:** I'll often read or watch TV with my wife, while checking my inbox for incoming research reports. The reports generally hit between 6pm and 7am. I skim through them and bookmark anything that catches my eye. I also scan social media and industry blogs to see if anything interesting is being said there.

**9pm:** I put together my checklist for the next day and get ready for bed. I'm usually in bed by 9.45pm or 10pm, but with a 15-month-old daughter I never know whether I'll sleep through the night or be up at 2am with her!



# What do quants do – and how do you become one?

By: Alex McMurray

**Prestige**



**Pay**



**Grind**



**Competitiveness**



- Quant finance jobs combine mathematical and engineering skills
- Quants in finance look for mathematical relationships between underlying assets, or create derivatives based on those assets
- Quants in finance also (increasingly) work in areas like risk
- You make the most money in quant finance when you're closely associated with the profit and loss made by traders or portfolio managers.

**T**o the uninitiated, quants in finance fit the stereotype perpetuated in *The Big Short*; number-crunching mathematics wizards doing largely ambiguous work in service of a less quantitatively inclined trader. It's not 2008 any more, however, and the field has rapidly advanced.

Quantitative finance is a catch-all term that covers numerous different subfields, but the most prominent roles come under the banner of quant traders. There are multiple types of highly paid quant finance roles, the most common of which being quant developers and quant researchers. They're often a double act; researchers come up with mathematical trading models, and developers code the systems that implement those models. You won't just find these quants at banks and hedge

funds; in recent years, the presence of quantitative 'prop trading' firms has exploded, with the likes of Jane Street, Hudson River Trading and Susquehanna now becoming mainstream names

Different firms run different strategies and like different kinds of people. Banks, for example, want quants who can write easily explainable models due to regulatory constraints, (even more so than ever, thanks to machine learning). High frequency trading (HFT) firms meanwhile want an elite niche of quant developer who can fine tune trading systems by a matter of picoseconds.

In banking, there are also quant strats, an even more ambiguous niche; roles vary from bank to bank, but they're often commercially-savvy quantitative generalists assisting a trading desk. Quants exist beyond the trading floor as well, most prominently in risk management. Risk roles are far less flashy, but have other perks.

## What does a quant actually do?

As algorithmic trading booms, trading models have become increasingly hands-off. **Quant researchers**, therefore, will spend their day monitoring their models and keeping abreast of the news, making tweaks when necessary. Depending on where you are, you'll either be actively trading with these models, or simply discovering strategies with 'alpha' (better profits comparative to the market) and passing them on to your portfolio manager (PM) to use at his or her discretion.

As they do this, they'll work on larger-scale improvements to models in the background,

or develop new ones. Giuseppe Paleologo, head of quantitative research for Balyasny, said in a 2024 quant careers guide that the role is essentially an apprenticeship. He said the majority of successful quants join an established, successful team, learn from them, and make marginal improvements on their work.

Ruizhou Ding, a Citadel Securities quant, told us he'll work on model improvements throughout the day, then apply them 90 minutes before clocking off. He said he also works on overnight experiments to influence how he tweaks models the following day. Examples of these experiments include executing trades at different times of the day to see how it affects risk.

**Quant developers**, meanwhile, are polyglot programmers. They'll need data science fundamentals to understand model code produced by researchers, and low-level programming experience, most often in C++, to interact with exchanges and put those models into production.

If you work in HFT, you'll be implementing niche and difficult programming techniques to decrease the latency of your code. Examples of these techniques include lock-free programming or cache warming.

**Quantitative risk professionals** in banks tend to be even more maintenance focused, meanwhile, as models are mature and fewer risky trades are made compared to hedge funds or HFTs.

Paleologo worked in risk for Citadel, Millennium and Hudson River Trading. He said on Bloomberg's Odd Lots podcast that the quant risk role involves finding "hidden bets" where separate strategies overlap and affect each other.

Risk teams can also decide how a fund allocates capital. In a pod-based hedge fund, Paleologo said you're essentially managing a portfolio of pods as though they were equities. At some funds like Verition, risk quants have the ability to

influence hiring strategy of trading teams as well as capital allocation.

Quantitative Strategists are a little different; as their role differs from bank to bank, but they're generally the most business-centric form of quant, liaising with both tech and traders to implement quantitative tools. Usually, they tend to quickly deliver prototypes, free from the constraints of legacy infrastructure, with successful products then being built out by tech.

Then again, the role can be completely different to that. It would be prudent to try and talk to current or former strats at whichever bank you want to join. You can find a lot of them at hedge funds.

### What are hours like as a quant?

100-hour weeks aren't much of a thing in quant finance. In our 2024 salary and bonus report, quant trading staff reported working 47.8 hours per week, while risk staff worked 47.5. This makes them the divisions with the 5th and 4th best working hours in finance, respectively.

There are intrinsic risks to the role, however. Two weeks after the death of Bank of America analyst Leo Lukenas, an algorithmic trader at BofA, Adnan Deumic, died of suspected post-cardiac arrest. He worked ~60 hour weeks, according to the New York Post, in shifts of 10-12 hours. Those periods were very intense, and he was thought not to be able to take a break long enough to get a cup of coffee.

Quants in electronic trading handle similar intensity. At Jane Street, for example, traders max out their monitor space with tools that can be as small as six pixels tall.

For hedge funds, meanwhile, Paleologo said "you will spend more time working with your colleagues than with your partner, spouse or family." He suggests, however, that the real challenge of the role is the intensity rather than the hours, and notes that "the road to hell is paved with mediocre alpha researchers who did not achieve their goals

and burned out by their early 30s.” Quant risk, he alleges, can be more conducive to a “long and great career” if you’re one such researcher.

### What is your career path as a quant?

In a bank, your career path is the same as anyone else: analyst to MD... much to the chagrin of quants themselves. Your promotions there are less to do with your quality of work, and more to do with your time served. Performance does speed things up, but you won’t find a 24-year-old quant research whiz promoted to MD any time soon. This is also because senior people in banks are expected to manage teams; using tech as a similar barometer, the furthest you can make it as an individual contributor is usually VP.

Banking quants may therefore may want to seek exit opportunities to hedge funds and trading firms. There, careers are a bit less linear and more performance-based. The ultimate goal, if money is your aim, is presumably to become a portfolio manager, where much of our advice on sales and trading jobs applies. There are other management opportunities on the buy-side, however, and if you don’t want to be a PM, many hedge funds have director roles for quant research, risk and more.

If you don’t intend on working in a bank beforehand, however, then you’ll need to get an internship at a top firm. These are not easy to obtain by any stretch of the imagination. Citadel and Citadel Securities accept just 0.4% of their applicants. Balyasny’s acceptance rate is 0.5%. Even outside of the marquee programs, recruiters have told us that just one in 100 candidates will receive an offer.

Depending on your technical expertise, you might be able to come in after a stint in Big Tech. If you work in machine learning or on hardware, you’re in a comparatively niche candidate market.

Beware, however, the prevalence of non-

competes, which can derail your career if not handled correctly. Trading firms don’t want the alpha you generated to be implemented by another firm the moment you leave, so they will demand that you spend a period out of the market when moving from one firm to the next. These non-competes can reach as much as three years, if you’re senior.

This issue is getting worse rather than better, as funds have lobbied for non-competes of up to four years, and have even been spotted handing out non-competes to interns. This ‘gardening leave,’ as it’s called, is at least paid, and you can still work for firms deemed not-competitors, giving you licence to work at flashy employers outside of finance like OpenAI, depending on the terms of your non-compete.

### Which skills will you need for a career in quant finance?

Mathematics and computer science fundamentals are essential. You’ll need to know probability, statistics, stochastic calculus and more. Questions on machine learning are becoming increasingly common in job interviews, as are questions on linear regression.

You’ll also need elite problem-solving skills. Quant finance interviews often involve complicated or bizarre brainteasers to test your critical thinking. You can see some of those questions here.

As mentioned, quant developers will usually need experience in C++. You’d also be best served to sharpen your python skills, as the language can be used for both data science and machine learning. Some firms, like Jane Street, use lesser-known languages like OCAML, although knowing these is not a pre-requisite if you have experience in a similar, more popular language.

As for soft skills, Paleologo said in his career guide that quants should be creative, curious, humble and possess integrity.

Other skills are dependent on your area of expertise. If you're a hardware engineer, you'll need to be familiar with FPGAs, ASICs or GPUs and their accompanying programming languages like Verilog or CUDA.

Skills also depend on the asset class you're trading in. Algorithmic crypto traders, for example, are more likely to use Rust than someone trading equities.

### Which qualifications will you need for a career in quant finance?

The vast majority of professionals in quant finance are STEM graduates in one way or another. When we analyzed a section of Jane Street's 2025 intern class, we found that more than two thirds of interns studied computer science in some form, while just over a third studied mathematics. At Citadel Securities and Citadel, roughly 80% of interns studied at least one of the two subjects.

Then there's the question: to PhD or not to PhD. This depends more on the type of firm you want to join. Banks and hedge funds are both thought to appreciate PhD graduates who don't need to be brought up to speed as much, whereas newer trading firms prefer more impressionable undergraduates that they can mould in their image.

Recent years have also seen a rise in prominence for masters in quantitative finance (MFE) courses. These are specialist

degrees focused on applying math and computer science to finance, but are a double-edged sword. Top courses, like those on offer at Baruch or Princeton, see their graduates earn starting salaries of over \$200k. Less prestigious institutions, however, can be a waste of money; a survey of MFE graduates by Paleologo revealed that 30% of them did not have jobs. Proceed with caution.

### What are salaries and bonuses like in quant finance?

Revenue generating quants can earn exceptional amounts at any seniority. Using Jane Street as an example, partners in its UK entity earned £14m on average, while graduates are hired on packages of up to \$500k.

Not everywhere is Jane Street, of course. Paleologo said that top buy-side alpha researchers usually earn up to \$500k, while top quants in other fields usually earn up to \$400k. Bonuses are a major factor in quant compensation, especially for revenue generating researchers. Our analysis of the H1B Visa salary database earlier this year suggested that the average salary for quant researchers in the US is \$193k.

Our compensation report revealed that employees in the quant finance sector earned \$311k on average in 2024. Entry level quants earn a total compensation of \$140k on average, while directors earn an average of \$450k.

### Average compensation and working hours for quant professionals, 2024, US\$

Rank	Salary	Bonus	Change	Compensation
Analyst	\$100,250	\$40,650	68.0%	\$140,900
Associate	\$138,333	\$49,000	5.0%	\$187,333
Vice President	\$193,385	\$67,500	15.8%	\$260,855
Director	\$262,800	\$187,260	6.3%	\$450,060

# How to get a risk management job in banking and finance

Author: Ken Abbott

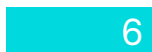
**Prestige**



**Pay**



**Grind**



**Competitiveness**



- Risk management jobs involve identifying, quantifying, and mitigating the risk inherent to a financial services firm's activity.
- There are many paths to specialize in risk management, including market, credit, operational, and liquidity risk.
- A bank's risk profile is heavily regulated, as high-profile bank failures such as Credit Suisse's have led to substantial legislation.
- Risk management roles can be lucrative, and can offer notably better work-life balance than other divisions in a bank.

If you work in risk in the financial services industry, your role will be to help prevent your employer from becoming unstuck by virtue of any of the things that could cause a shock to the institution. There are four broad kinds of risk you need to be aware of: market risk, credit risk, operational risk, and liquidity risk.

Market risk reflects the risk of loss from changes in market prices, yields, and volatilities and correlations. At its heart, market risk provides a gauge of sensitivity of P&L, and ultimately capital, to changes in market conditions. Its core responsibility is to identify, measure, monitor, and control exposure to these risks in accordance with a bank's size, risk capacity, and overall risk appetite, and to report on these exposures to senior management and the board. The fundamental role of

market risk management is to ensure that management is fully informed about the risk profile of the bank and to protect the bank against unacceptably large losses resulting from the concentration of risk.

Credit risk is the potential that a borrower or counterparty – a person or entity that owes money - will fail to meet their payment obligations. The goal of the credit risk management function is to keep a company's credit risk exposure within predefined credit limits. These are usually calculated at the issuer, currency, industry, country, and regional levels. About half of all bank assets in the US consist of loans, making them the largest single source of credit risk, but banks also incur credit risk in their investment portfolios. This is usually in the form of bonds and in their trading books, but also through counterparty and settlement risk (i.e., the risk that a trade doesn't settle properly). In addition, banks also take credit risk via guaranties and letters of credit.

Operational risk is defined by The Bank of International Settlements as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or the risk of loss from external events. Operational risk typically includes legal risk but excludes strategic and reputational risk. Some of these risks result in actual financial losses, while others lead to inefficiencies, lost opportunities, and other indirect costs. In essence, operational risk captures those direct and indirect risks not captured by market or credit risk. If you work in operational risk, your role will be focused on the maintenance of an effective control environment within a firm.



Liquidity risk is a different type of risk altogether and is one which has come under increasing regulatory scrutiny since the 2008 financial crisis. Liquidity risk gauges an organization's ability to meet its immediate cash obligations to its creditors. It sounds simple, but it's not. Ready cash in a financial institution comes from bank balances, the capacity to borrow, and the ability to sell (or "liquidate") assets without suffering severe losses. Meanwhile, obligations incurred include loan and bond interest and principal, contractual obligations to lend, and derivative securities commitments. Failure to meet any of these obligations can have severe repercussions, up to and including bankruptcy. The liquidity risk function in a bank measures and monitors sources of uses of cash, including both those of a fixed nature and those driven by markets and client behavior.

### **Career paths in risk management**

How your career evolves in risk will depend upon the area of risk you go into.

For example, career paths in market risk often start out in desk coverage or in the

reporting function. The reporting function conveys to management and the board the risks associated with trading activity, decomposing them into their core equity, commodity, interest rate, foreign exchange, and volatility components. They aggregate risks by type and compare them with the firm's risk limits, ensuring that risk-taking is within management's risk appetite.

They also calculate statistical measures of risk, including Value-at-Risk (VaR), and run stress tests to ensure capital adequacy. This reporting is done on both a regularly scheduled and ad-hoc basis. Market risk professionals with quantitative backgrounds also move into model risk and quantitative audit roles.

Once you've done your time in reporting, you might move into desk coverage. This is the process by which teams of risk management staff are assigned to cover specific trading desks. These teams are co-located with the trading desks and are actively involved in the new products process, model implementation, regulatory and management reporting, and limits monitoring. Staff in these areas are expected to monitor market conditions closely and be able to articulate clearly

what the risks are in any particular area. They are also expected to understand and leverage IT infrastructure to get information.

Credit risk analysts usually start out by doing financial statement analysis in the case of issuer credit risk. For counterparty credit risk, new analysts focus on how expected exposure is measured, aggregated, and reported.

Many credit risk professionals stay in the credit risk function for extended periods in their careers. They often manage groups of credit analysts and become specialists in particular industry areas like media, energy, or hospitality. This specialization requires them to become experts in their fields both with respect to the balance sheets of the companies involved and in the fundamentals of the business itself. From there, some move on to manage credit exposure in hedge funds, pension funds and mutual funds. Others can apply their knowledge of how cash moves through a business in the private equity business, where financial statement analysis is a core competency.

Operational risk as a career path has only really existed since the early 2000s. The people engaged in operational risk since it became a Basel focal point are thus career trailblazers, establishing new career paths. Currently, many op-risk professionals are expanding into cyber risk management and environmental/climate risk management. In these new areas of interest, the skills associated with event risk identification and event reporting are highly valued, as is the development of risk appetite frameworks.

Liquidity risk management as a discipline is also relatively new, although banks have been managing liquidity for years. New analysts here tend to focus on particular areas within liquidity risk like balance sheet management and analysis, repo/ reverse markets, or regulatory reporting. There is frequent movement in both directions between the bank treasury and liquidity risk management areas as the

skill sets required are fungible. Liquidity risk management skills are also readily applicable in both nonbank financial institutions and in corporations, where cash management is just as important.

### **Which skills will you need for a risk management career?**

If you want to work in risk, you'll need an inherent interest in the way markets and companies work, an appreciation of the importance of process, and a core level of analytical/quantitative competency.

While many are attracted to the financial rewards of a career in finance, the primary requirement is a curiosity – about companies, products, and markets. You really need to look at the markets and companies the way an entomologist studies an anthill or a beehive. People drawn only to the financial rewards often burn out – or, at a minimum, they are often less willing to devote the time and effort required for success. If you are not naturally drawn to markets, this may not be for you.

Process are at the heart of everything that takes place in risk management. In order for risk to maintain its key role – to keep senior management aware of the risk profile of the firm and to prevent unacceptable concentrations of risk – business activities need to be carried out in a regular, orderly fashion in a way to which everyone involved agrees. This is obviously easier in small organizations but is absolutely crucial in large ones.

Quantitative competence is also a must in all areas of risk management. While there are certainly many subjective elements to risk management, its essence lies in the analysis of numbers. Both market risk and liquidity risk are heavily dependent upon econometrics, statistics, and of course finance. There is a great deal of on-the-job training, but having a basic background in these areas is very helpful. Since rates of change are often of interest, calculus is also important.

Counterparty credit risk is dependent on market conditions and therefore it helps to understand markets. Issuer credit risk is more focused on financial statement analysis because these statements reflect a company's financial health. Therefore, here, an understanding of basic accounting is essential. An understanding of corporate finance and how firms manage their capital structure is also helpful.

### Education & qualifications for a risk management job

Even though risk is a support role in a financial services firm, it still requires a similar educational background to the front-office. When we analyzed Morgan Stanley and Deutsche Bank risk interns, the most popular degrees were in economics and finance, although law and accounting graduates were also represented in the junior cohorts.

There are additional qualifications that can supplement your risk career, too. Although some risk professionals carry a Chartered Financial Analyst (CFA) qualification, the more specifically relevant qualifications in the field are the Financial Risk Manager's (FRM) qualification and the Professional Risk Manager's (PRM) qualification.

Although both are based in the US, both are also recognized worldwide. The PRM especially is seen as a prerequisite to a career in the field. But it's worth nothing that both require two years of work experience, however, so it's probably the sort of thing you'd want to think about a few years into your career.

### Salaries & bonuses in risk management

Compensation in risk roles are not as good as they are in front-office roles such as investment banking and sales & trading, but they're still pretty healthy.

Our 2025 Salary and Bonus report showed that salaries for compliance & risk management professionals, which we aggregated, ranged between \$43k for juniors to \$600k for managing directors (MDs).

Although pay increases at a similar rate to front-office roles (albeit from a lower base), the main distinguishing factor for middle-office roles (like compliance and risk roles) was much lower bonuses. Only around 10% of total compensation for associates was in a bonus, 12% for VPs, and 28% for directors.

### Average compensation for compliance and risk professionals, 2024, US\$

Rank	Average Salary, 2024	Average Bonus, 2024	YoY Bonus Change	Average Compensation, 2024
Analyst	\$36,793	\$6,227	100%	\$43,021
Associate	\$69,933	\$7,800	24.00%	\$77,733
Vice President	\$152,094	\$20,955	12.90%	\$173,049
Director	\$186,430	\$72,032	49.60%	\$258,462
Managing Director	\$325,000	\$270,000	6.70%	\$595,000

# How to get a financial services technology job

Author: eFinancialCareers

## Prestige

5

## Pay

6

## Grind

4

## Competitiveness

7

- Bank technology jobs can be prestigious if you work in the right team. Roles aren't classed as revenue-generating, though, meaning you're susceptible to cost cuts.
- Technology jobs are increasingly being offshored to destinations with cheaper labor costs, with only the very best remaining in western HQs.
- Bank technology jobs pay decently, and have decent work-life balance, but hybrid roles and contract jobs are becoming more difficult to obtain.
- Programming languages like Java, Python and SQL are needed for the majority of jobs, but comparatively niche languages like C++ are where the real money is.

It's hard to say exactly what bank technologists do. The term "technologist" is rather generic, covering dozens if not hundreds of roles in finance – everything from writing code for trading systems, to infrastructure, to cybersecurity, to the cutting edge of research, including quantum computing and Artificial Intelligence (AI).

For the most part, what technologists do is support the rest of their company. Banks are huge employers of technology talent and they spend accordingly. JPMorgan, for example, said in its 2025 Investor Day

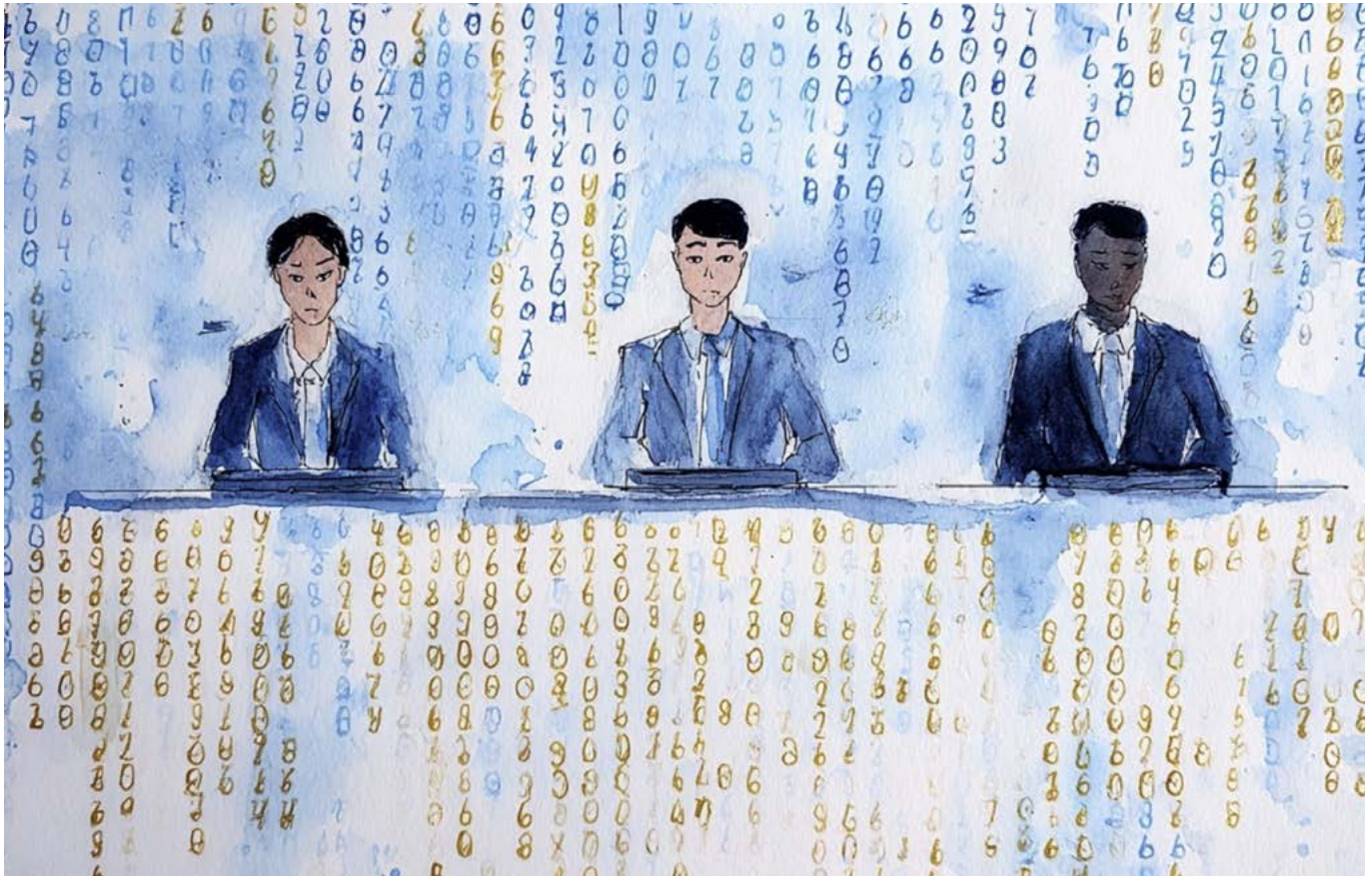
presentation that it expects to spend \$18bn on technology this year. It expects to spend \$3.7bn on technology specifically for its corporate and investment bank (CIB). \$5.3bn is spent on products and platforms, while a further \$2.7bn goes on modernizing technology, maintaining existing technology and technology to protect the firm and its customers. Banks have cumbersome "legacy" code systems to support their operations and are trying to automate where possible and migrate all they can to the cloud.

Banks have historically been quite bad at allowing technologists to remain at the coal face, coding, and have tried to promote them into management roles. However, this has changed (somewhat) with the introduction of "distinguished engineers" or "tech fellows", which are titles to recognise banks' best developers individual contributions. Many of these are also managers.

There are technology jobs all across the financial spectrum, but also plenty of places where they have a lesser impact. Private equity and private credit, for example, aren't really renowned for their tech talent.

You're more likely to see technologists take a starring role in a hedge fund or high-frequency trading (HFT) firm. Algorithmic trading firms like Hudson River Trading or Quadrature place their developers front and centre and pay them accordingly. Hedge funds also pay well, but are notoriously hard places to work as an engineer.

You may also want to look for engineering jobs at financial technology 'Fintech'



startups. Top engineers at firms like Stripe can earn a lot of money and have the added bonus of earning stock-compensation in a growing company.

### What sort of technology jobs are there in banks?

There are a number of roles available in a bank's technology team.

**Front office technology jobs:** A lot of people want to work in this space when they first start out. Front office technology is sexy. It's closest to the bank's sources of revenue – and in fact, the “front office” is usually defined by the roles in the bank that are in themselves revenue-generating. Think commodities, equity derivatives, rates, portfolio managers in asset management, or maybe even a banking team.

As a front office technologist, you'll be developing tools like trade and position blotters or creating pricing engines in partnership with quantitative research (see our section on quant careers) and market

data teams.

Sounds great, right? Well, the bad news is that front office technology teams often run very lean. They can have arduous support rotas and a lack of investment in adopting strategic frameworks and renewing tech stacks. The most important work is given to trusted individuals, and work tends to be very atomized. Front office technology can be both stressful and boring.

**Core technology jobs:** Core technology teams are where the long-term strategic work is done. This is about long-term planning rather than day-to-day functioning. A core team might embark on a technical strategy for a user interface and develop a framework that starts to be used by business-aligned teams. If you're someone who mostly wants to interact with other developers and be able to keep up with industry trends, then core teams are the way to go.

### Middle- and back-office technology

**jobs:** If you work in the middle or back office, you'll find a whole host of teams doing different types of work. There are compliance and regulatory technology teams who often have to work to externally mandated deadlines. You also have market risk, payments and settlements, valuation control, and capital management.

If you work on middle- or back-office technology requirements, your clients will be teams in operations, in financial control, in compliance, or in any other non-revenue generating team. Things tend to be a bit more relaxed than front office, and you'll be more likely to use industry standard tools and languages. Some of the roles in compliance (RegTech) can be interesting and involve the use of natural language processing (NLP) Artificial Intelligence (AI), or Quantum Computing.

**Infrastructure technology jobs:** Infrastructure technologists work on the technological framework that underpins the bank. This includes cybersecurity and cloud computing. If you work in infrastructure technology, your clients are other developers. There will typically be highly skilled specialists hired in this area – with 'fellows' or 'distinguished engineers' more common than elsewhere in banks' technology teams.

**Business analyst jobs:** Business analysts are the people who intermediate between the business and developers. This is a role that's going out of fashion – banks want 'T-Shaped' developers. What they mean by this is that they want to cut costs and have developers talk to the business directly – pretending that complexity and interaction over multiple silos doesn't exist. There are fewer people working in business analysis now than before: graduate tracks for business analysis no longer exist at some banks.

**Project management jobs:** Project managers can be some of the most infuriating people for the average developer to deal with – they put meetings into developers' calendars to talk about project

timelines, why things are late, and delivery milestones. Project managers are often used to arbitrate between different teams for complex projects. To a large degree they are little more than secretaries, but the senior ones are paid like technical architects. If you're a developer, this can be particularly infuriating.

**Data science jobs:** Data science jobs arguably need an entire section of their own in this guide because, as data proliferates, banks and funds are building armies of data specialists. Hedge funds especially are increasingly trying to get an edge by looking at "alt data" sources, like information on footfall in shopping malls, or sentiment on social media.

Broadly speaking, there are three types of data-related roles in finance: data analysts, data engineers, and data scientists. Data analysts interface with the business to find out what the data needs to do, and develop visualizations to show that information. Data engineers take raw data and prepare it for analysis – cleaning it, moving it, tagging it, and so on. And data scientists create the models that are able to extrapolate from the data in a way that is presentable to the business.

Data science specialists in finance may be a shrinking field, however. Instead, banks are looking for multi-disciplinary data scientists; engineers are thought to be more attractive to banks if they also have data science fundamentals, while investment banking analysts are starting to learn them too to stand out for graduate roles.

Data roles have nonetheless become more important in the age of AI and machine learning. Large Language Models (LLMs) rely on accessible data in the cloud, and banks have been constructing "data lakes" for this reason.

## How are bank technology jobs changing?

There are two major changes happening

to the engineering culture of banks: the integration of AI, and the return-to-office (RTO) push.

Banks are all looking to integrate cutting-edge generative/agent AI tools. Some are built by the bank like Morgan Stanley's DevGen.AI, a tool designed to update legacy code written in outdated languages into more modern ones. Others are licensed: Goldman Sachs is integrating Cognition's AI coding agent Devin, with chief information officer Marco Argenti likening it to a "new employee."

The good news is that AI is getting rid of all the laborious jobs that engineers don't like to do. DevGen.AI is thought to save 280,000 hours of work at Morgan Stanley, allowing engineers to focus on more exciting tasks.

The bad news is that AI may also be helping banks cut headcount. Citi, which eliminated 100,000 hours of work with its own AI code-review tool, said it had increased severance payment costs last quarter due to the "realignment of [its] technology workforce."

Engineers elsewhere are being pressured to leave rather than being cut. JPMorgan is one of multiple banks pushing staff to come back to the office five days per week; front-office people have been doing this for some time already, and headhunters have suggested that the main aim of such a policy is to encourage resignations in areas like tech in order to replace them with lower-cost staff in locations like Poland.

Banks also appear to be targeting work-from-home advocates during layoffs. Goldman Sachs assessed time spent in the office for its yearly reduction in force (RiF), at which time insiders noted that the majority of staff still working in a hybrid capacity were technologists.

There are exceptions. Banks like Citi and Standard Chartered allow technologists to work from home multiple days per week. At the former, even chief information officer

Jonathan Lofthouse works hybrid.

As banks try squeezing costs lower in technology, they're increasingly situating staff in low cost locations. Dallas and Texas more broadly are popular in the US. In Europe, Citi, JPMorgan and UBS each have more than 3,000 employees in Poland. India is also a beneficiary of outsourcing. In June, Standard Chartered cut 80 people in Singapore to offshore the roles to India. Banks are also 'nearshoring' technologists; Goldman Sachs is currently building a tech hub in Birmingham, the UK's second city.

## What is the engineering culture like in banking?

In sectors like Big Tech, you can easily carve out a career as a senior engineer without having to assume managerial responsibilities. The same is not true in banking; The further away you are from the code, the more money you make. You'll have a hard time progressing beyond VP level without becoming a manager; after all, managing director is in the name. In some cases, tech MDs in banking write barely any code at all, and find it difficult to move jobs because of it.

Technology is also distinctly middle-of-the-road in finance when it comes to working hours. In our 2025 salary and bonus report, tech staff told us they worked an average of 52.9 hours per week last year. They were in the minority of divisions that saw an increase in working hours, having reported working 52.2 hours in 2023.

Some developers have told us they work as little as 10-hour weeks, but that's unlikely. However, due to the highly regulated nature of banking, you'll often be bogged down by bureaucracy and need to wait for approval even when making tiny changes to code.

## What qualifications do I need for a bank technology job?

You might imagine, with the variety of jobs available in a bank's technology team, that the qualifications you need to get a job

there vary rather wildly. You'd be wrong. When we analysed Goldman's tech analysts (juniors), there was one degree that outnumber all others: computer science.

There were some exceptions, but mostly for software engineering graduates – computer science was the clear king of that particular hill. A lot of the junior class held master's degrees, too. Master's degrees in financial technology, such as those offered by Imperial College London and the University of Hong Kong, could be particularly valuable here.

Master's in Financial Engineering (MFEs), despite usually being associated with quantitative roles, are also a strong option, especially in data roles. Our ranking of financial engineering courses put Princeton University on top, followed closely by Baruch and Carnegie Mellon. École Polytechnique topped the European rankings.

In the age of AI, however, that might not be enough to make the big leagues. Some bank roles, such as the most cutting-edge machine learning roles, can require a PhD. A PhD can help for other roles too; banks like to brag to shareholders about the number of PhDs they have, whether or not they know what those PhDs are actually doing. These will mostly put you in the "labs" that banks have set up to develop their AI capabilities.

Beyond university, the best qualifier for a banking job is arguably your prominence in the open-source sector. By contributing to high-profile open-source projects, especially ones that banks are also involved in, you show ambition while allowing hiring managers to see how your code fits into a broader piece of infrastructure.

Additional qualifications for technology are harder to pin down, but depend on what you want to specialize in. You can receive accreditations in areas like AI or cloud infrastructure from software providers like cloud infrastructure firm Snowflake; they're certainly not compulsory, and you might

even earn them as part of an internship, but they can at least be good for showcasing areas of interest.

## Coding languages you'll need to know for a financial technology job

When we analysed the most popular coding languages in financial services – based on analysis of job listings and their requirements – the most popular languages were, by quite some margin, SQL, python, and Java.

**SQL:** Although SQL might not seem like the obvious choice for the financial services industry's favorite coding language, it makes perfect sense with a bit of thought. It can deal with huge amounts of data. It integrates beautifully with Excel. It allows for complex queries, data analysis, and reporting. It might not be as useful in some front office capacities (and therefore likely not as well paid) as Python and Java, but it's a silent workhorse.

**Python:** Man Group, the biggest hedge fund in the UK (and Europe), once said that its first language was English – and that its second language was Python. The language's influence in finance can't be understated, and with good reason: it's incredibly intuitive, easy to use, and has a huge ecosystem of libraries that can be tapped into. It's also the go-to language for machine learning, which has only increased its prominence.

**Java:** Java was once in the position Python is now in; banks went crazy for Java developers in the early 2000s, and large amounts of legacy infrastructure is built in the language. There are a few exciting Java roles out there, many of which are focused on low-latency systems.

Python and Java aren't the only languages, however. There's a host of them: Rust, R, C#, Q, Go, Ruby and so on. Generally, these are niche languages, with specific uses. Some big banks even have their own internal programming languages, most famously Goldman Sachs', called "Slang",

which is an internal proprietary coding language similar to Python, and underpins much of Goldman's front-office technology. It was built to work with SecDB, Goldman's risk and pricing engine, and it's very good and that – even if Goldman is moving away from it, and towards Python and Java.

We'd be remiss not to mention C++, the low-level programming language known for commanding some of the highest pay packages in financial technology. Top C++ engineers at hedge funds and trading firms can earn \$600k, but you'll need to be exceptional.

### Salaries & bonuses in bank technology jobs

Technology roles in banks don't pay as well as front-office roles such as those in M&A or sales & trading, but they pay very handsomely regardless, as figures below from our 2025 salary and bonus survey show.

As with many other support roles, such as those in risk or compliance, the majority of a technologist's compensation is in their salary. A technologist can expect a bonus of around 25 to 50% of their annual salary on average for the majority of their career, until they reach Managing Director (MD) level.

### Average compensation and working hours for technology professionals, 2024, US\$

Rank	Average Salary, 2024	Average Bonus, 2024	YoY Bonus Change	Average Compensation, 2024
Analyst	\$21,635	\$1,553	100%	\$23,188
Associate	\$57,500	\$3,500	-30.00%	\$61,000
Vice President	\$146,089	\$24,186	4.60%	\$170,275
Director	\$179,111	\$175,163	-2.50%	\$354,274
Managing Director	\$346,000	\$440,000	17.00%	\$786,000



# A day in the life of a data engineer at UBS

By: Zeno Toulon



**A**my Graf is a data engineer at UBS's London office. She joined the firm's internal finance team in 2006 and is currently part of the global development of a new platform for regulatory reporting, within the Group Operations and Technology Office.

**6am:** I wake up and grab a coffee. If I have time, I get a workout in; if not, I'll run to work to get some exercise in. It's harder these days, with young children – I enjoy using this time now to get them up and ready for school.

**8am:** Off to work. If I did get a workout in, I'll commute in and can check emails and Teams messages on the way, to get ahead of the imminent items that have come in from our APAC teams, as well as to set things up for my day. One of the benefits of being in a global team means our work can 'follow the sun' to keep things moving forwards. Otherwise, if I'm working from home, I usually drop the kids off at school.

**9.15am:** In the office. I usually grab some

breakfast and start preparing to lead the team's daily call at 9:45am.

**9.45am:** Team meeting. I work in team of experienced and multi-skilled individuals and close collaboration is key. The role I play is that of a scrum master. That means supporting the team when they are facing roadblocks. Is everyone in a position to be able to do the work that's assigned to them? I'm not the person managing their challenges for them, but the person that acts as a facilitator and brings the right people together to collaborate and tackle the challenges. It also means, there are always multiple strands of work going on at once and whilst it can be challenging at times to co-ordinate, it is necessary to ensure delivery of our upcoming releases.

**10am:** The meeting is over in 15 minutes flat. We like to keep it concise and take things off calls as soon as possible, and most of my next hour is spent following up with any items that arose during the call. There's usually a follow-up with software engineers and analysts in the team that

have objections. Our team is developing a new product designed to streamline reporting – teething issues are an inevitable part of the process.

**11am:** There's another call, this time with our external provider, who's working together with us on the project. One of the parts of my role I enjoy most, is collaborating with many different stakeholders, to bring us to the best possible outcome.

**1pm:** I spend the rest of this time following up from the morning's meetings, especially our analysts' comments, and then take my lunch break. Our team is a tight knit group, and we often spend the time together, going for walks or hitting up our favorite local Indian restaurant. If I'm in a bit of a rush for whatever reason, I head down to the 1st floor of the building: the UBS canteen.

**2pm:** Back to work. My afternoons are quite ad hoc. Unlike the morning, any meetings after lunch will be more impromptu and the pace moves quickly. When something arises, I'll schedule time to make sure it gets resolved in the right way. However we always make sure to schedule regular touch points with our end users, providing an update on our progress and giving them the opportunity to ask any questions and provide feedback. In addition, I spend time completing modules that are part of UBS's Certified Engineers program, which offers a pathway to build technical knowledge and expertise. It's a great way to keep skills

sharp and learn new ones. As modules are completed, we earn badges and other recognition across the firm.

**3.30pm:** I grab a coffee with a colleague I met in the Neurodiversity employee network. As a mum to children with autism, getting support from like-minded colleagues in the network has been fantastic. There's a network for everyone here. The events and speaker series' on offer are rewarding, insightful and inspiring.

**6.00pm:** Time to leave the office, usually. Sometimes earlier, sometimes later. If I need to pick up the kids, I'll clock off earlier to do that and catch up with any emails I may have missed from home. One of the perks of working in this role is having the flexibility to adjust my hours to balance both family and work life.

**6.30pm:** If I leave the office early, I'll spend some of the evening helping my son with his homework and putting the kids to bed – and I probably won't be long into bed myself after them. Eight hours of sleep is a non-negotiable part of keeping myself productive.

If I have a bit of time off (or before I had kids!), I make the most of it – now it would mostly be to take an opportunity to see friends, and I used to also take the chance to go to the theatre with my mum - we're both big fans of musicals, especially comedies.

# A day in the life of an applied AI engineer at hedge fund Balyasny

By: Zeno Toulon



**B**ased in Austin Texas, Michal Mucha is a lead engineer on Balyasny's Applied AI team. He's worked for the hedge fund since 2022 and has been part of the Applied AI team since its inauguration last November. This is what a typical day looks like for him.

**6.30am:** I have a young family. My kids often wake me up early and we'll spend some time having breakfast together before I leave for work.

**7.45am:** I usually drive to work. It takes around 15 minutes. Sometimes I'll come in a little later if I've had a late-night coding or I want to drop my kids off first. The office is very well positioned and easy to get to. We have a strong AI presence here in Texas – I'm working with Peter Anderson, our head of research in applied AI who joined from Google earlier this year.

**8.30am:** We usually have quite a few meetings in the morning. I'll meet both within our team and with the broader investment and business teams using our tools.

Our remit is fundamentally to create tools that can – ideally – be scaled for use by our investment teams across a number of different asset classes and that will help to improve the lives of our users. Our tools are already used by 80% of our organization and we're very proud of that. Almost all the work I do involves large language models (LLMs).

When we meet as the AI team, it will often be to discuss research papers or experiments we're designing and running. We try to keep up with research papers released by key players and often run a lot of different experiments concurrently.

**9am:** I have a meeting with some analysts who are interested in using one of our tools. It's a kind of bootcamp and an opportunity to get their feedback on their experience with it.

**10am:** I'm preparing for a firmwide demo of our latest release of our proprietary ChatGPT-like system, which leverages internal resources and proprietary datasets. I led the development of the initial version, getting it up and running in just 4 weeks. It's

an exciting but complex product, as we've had to navigate stringent compliance and security requirements while retaining its core capabilities.

**11am:** I join head of Applied AI for a meeting with some portfolio managers. BAM GPT is divided into different "assistants" for different asset classes – we have a flagship set of assistants for areas like equities, and we're always rolling out improvements to them and looking at expanding the range available to investment teams. Meetings with portfolio managers are an opportunity to establish where our gaps are. We try to go for a teach the teacher approach and we have power users in each team who work very closely with us.

**12pm:** I usually have lunch around midday. Mostly we eat in the office, but sometimes we'll go to a nearby restaurant. I'll often take the opportunity to go the gym at lunch too – I find that lifting some weights in the middle of the day gives me clarity in the afternoons.

**1pm:** After lunch, I usually spend a lot of time with our experiments. A lot of what we do is very innovative, and BAM GPT has become so good that it's become my preferred LLM even when I'm at home.

The experiments are typically structured around achieving a business objective. We'll usually start by framing what the benefit to the user will be and we'll then evaluate how we can achieve that.

Some of our recent experiments have been undertaken with Chris Pulman, our head of Macro research in London. He used to

spend two days preparing for Fed and central bank previews, but he brought his process to us, and together, we were able to get that down to 30 minutes by plugging part of his analysis into BAM GPT.

**3pm:** We have a release. We produce a velocity of work and have been able to move very fast. We also have a great testing environment. Often someone in the AI team will have a great idea from a conversation with a portfolio manager and we're able to turn it around very quickly. We might easily have several releases in a week. They're often about rolling out improvements to one of our existing assistants.

**4pm:** We have another meeting with some users. These meetings are often about asking the right questions and understanding how tasks can be broken down into smaller pieces. Getting this right is critical to automating workflows.

**5pm:** Once a month, we have a research club where we take turns presenting novel research papers to the AI group. We're always trying to anticipate what's coming next, and the research papers will often determine the direction of our experiments.

**6pm:** I arrive back home and there's a pause in my life for the family. The kids have got into riding bikes and we'll go out or watch movies and play Minecraft. When everyone's asleep, though, I'll often start coding again. I'm a bit of a night owl and I love coding at night – I like the peace of mind that comes from knowing no one will interrupt me, and some of my best work is done later in the day.

# How to get a compliance job in banking and finance

By: Ken Abbott

Prestige

4

Pay

5

Grind

6

Competitiveness

6

- Compliance professionals are the like the police of the banking industry. They exist to make sure that banks follow the regulatory rulebooks.
- Compliance jobs can be stressful, but the compliance profession has risen in importance and prestige since the financial crisis.
- Law can be a starting point for a job in compliance, but banks run training programs too.

In financial services, the compliance function serves two key purposes. Firstly, it ensures that the institution operates within all applicable laws, rules, regulations, and standards. Secondly, it creates and maintains a “compliance culture”.

The compliance team ensures that an institution operates within the rules and regulations applicable to its specific lines of business. You could say that compliance operates as an internal police force, monitoring behavior and tracking adherence to specific rules and regulations. Laws are typically created by government bodies and administered and enforced by government agencies. These agencies create rules that firms must obey. The interpretation of these rules requires both a thorough understanding of the law and an appreciation of the practicalities of the businesses affected. The compliance function provides this interpretation.

Compliance is also responsible for the establishment and maintenance of an appropriate compliance culture within a

firm. That involves not only line-by-line review of the rules and regulation, but also the education process – as well as the creation, along with senior management and the Board of Directors, of a compliance program for the entire company. This notion of a “compliance culture” goes well beyond employee training. It’s about influencing behavior and setting expectations so that adherence to rules and regulations becomes second nature.

The importance and influence of the compliance function within financial institutions has grown dramatically since the Great Financial Crisis of 2008. While compliance has always been important, the explosive growth of regulation as a result of the weaknesses exposed by the crisis has brought compliance needs into sharp focus. Jobs available in financial compliance There are a number of jobs available in compliance.

**Know Your Customer (KYC):** KYC due diligence is conducted for both new and existing clients and investors. It’s an ongoing process, as the origins of investors’ funds can change over short periods of time. There are two key objectives to each due diligence exercise: a) the identification and verification of investor’s identity and b) determining the ultimate purpose of the investment.

**Anti-money laundering (AML):** AML programs are a key to compliance. AML staff review the details about new and existing clients in terms of their locations, their relationships with others, and the laws applicable to them. The key elements of AML include training staff to spot money laundering issues, client due diligence, the



designation of an AML officer, independent testing, and governance documentation (policies and procedures).

**Compliance Risk Management:** Financial institutions of all kinds require governance processes to be carried out and monitored to reduce the risk that regulations are infringed. Compliance risk managers look at everything from the compliance reporting to roles and responsibilities within the compliance function, the disclosure of information about transactions, insider trading prevention, secrecy and privacy, recordkeeping of transactions and complaints, and potential conflicts of interest.

**Business Conduct:** These jobs are about embedding a firm's culture of compliance and code of ethics into specific business practices. Adherence to the specified requirements is constantly reviewed. Compliance monitoring, documentation, and reporting: Information flow is a key part of the compliance process. If you work in monitoring, documentation, and onboarding, your job will involve keeping an eye on how clients are being onboarded, on transaction flow and on policies and procedures to maintain an effective control environment. Technology has made these

roles much easier: compliance monitoring professionals now have easy access to data about trades, clients, conflicts, and market practice. Their role is to aggregate, report, and interpret this data. They also manage the information flow to the board of directors and senior managers, ensuring that they're fully aware of the compliance risk profile at the heart of the bank.

### Career paths in compliance

There's no specified background for a career in compliance, but it's also not uncommon for people with a background in law, business, accounting, or finance to move into compliance jobs. If you have a legal background, for example, you might find it possible to immediately apply your knowledge of relevant securities laws and regulations.

If you're not coming from a legal position and are looking for an entry-level compliance job, you might find that you start out in the "control room". The control room is responsible for the maintenance of the information "wall" between the public side of the institution dealing directly with investors and the private side which has access to non-public, confidential information.

Other entry-level compliance jobs include screening clients for criminal activity (KYC), ensuring that anti-fraud checks are carried out; performing due diligence on payments to make sure funds aren't being used to finance illicit activities (AML); or providing information to regulators and law enforcement agencies. Ultimately, these functions are all managed by senior compliance managers, but there are plenty of junior opportunities too. The nature of your job in compliance will depend partly on the kind of firm you work for. For example, in a small institution like a startup hedge fund, a compliance officer could wear several hats including customer and payment screening, managing people and writing policies. If you have a compliance job in a big bank, your work is likely to be much more specialized.

Ken Weiller, a veteran compliance and operations professional with experience in both banks and the hedge fund industry says compliance professionals in hedge funds have become more prominent in recent years. "The compliance staff interacts regularly with the rest of the firm on multiple levels; by setting policies and being the point person for their implementations," says Weiller. He says that compliance professionals in hedge funds have responsibilities spanning everything from approving and regulating employees' personal trades to participating in decisions about the allocation of expenses to investors.

At many firms, compliance personnel are involved in daily trading/research meetings as well as being members of firmwide committees dealing with areas such as valuations and conflicts of interest," Weiller adds.

### What skills do I need for a career in compliance?

If you want a job in compliance, it will help if you have the following skills.

**Legal and regulatory skills:** More than anything else, you'll need an understanding

of the legal and regulatory framework surrounding both the business you cover and the overall financial services industry. The regulatory environment is constantly changing. You'll also need to be acutely aware of the changes and the implications for the way business is done. Failure to do so may have severe financial and reputational costs.

**Communication skills:** Good compliance people have excellent communication skills. While this requirement is not unique to compliance, it is particularly important given that a major component of the job involves the explanation of often-complex rules and regulations. Compliance is often called to provide interpretations of complicated rules that must be understood by everyone from new hires to senior management.

**Problem solving and critical thinking skills:** You'll need to be a good problem-solver. The rules are not static. Compliance officers are charged both with addressing current issues and anticipating potential new ones. They must have a good sense for the direction of business practice and the evolution of the laws and regulations. **People skills:** Compliance issues affect everyone in an organization and staff must be able to establish good relationships from the top to the bottom. This requires an ability to "read" individuals and to develop relationships that span the organization. This can be tricky; compliance sometimes has to say "no."

**Business acumen:** Compliance people need to understand the functions they cover. They must be seen as promoting the interests of their internal clients and not labelled as the "business prevention department." Being called "commercial" is one of the highest compliments a compliance officer can receive.

**Technical knowledge:** Technology is changing rapidly in financial services. Compliance professionals need to understand technology infrastructure. The rise of crowdfunding, use of cryptocurrency,

growth of digital banking, and increased reliance on cloud storage mean that today's compliance professionals increasingly need technical expertise. Compliance is increasingly about the way that data is collected, aggregated, processed, and stored.

**Personal integrity:** Compliance officers are often called upon to make difficult decisions. They need a keen sense of right and wrong. Banks rely on compliance to define the often-vague restrictions written into laws. Compliance professionals need to be "above the fray", and capable of making the right call even when it may be unpopular.

### Education & qualifications for financial compliance jobs

Compliance holds a unique place in the banking recruitment ecosystem because it does not usually recruit finance graduates. When we took a glance at JPMorgan's junior compliance personnel, for instance, we saw that a significant number studied law in some capacity (although not all). That's a natural byproduct of a less numerically focused profession than other roles in an investment bank.

There are a number of additional qualifications that can be done in pursuit of your compliance career, too. In the UK, there's the CISI Diploma in Investment Compliance. There's also the International

Compliance Association's (ICA) Compliance certificate, which is also UK-focused, although not as widely recognized as CISI's. The American Bankers Association also offers qualifications in the U.S., as does the Independent Community Bankers Association (if you want to work for a community bank).

Specialization further into your career is also possible. In private banking, for example, there's the Certified Anti-Money Laundering Specialist (CAMS), issued by the US-based Association of Certified Anti-Money-Laundering Specialists.

### Salaries and bonuses in compliance

Compensation in risk roles are not as good as they are in front-office roles such as investment banking and sales & trading, but they're still healthy.

Our 2025 Salary and Bonus report showed that salaries for compliance & risk management professionals, which we aggregated, ranged between \$43k for juniors to \$600k for managing directors (MDs).

Although pay increases at a similar rate to front-office roles (albeit from a lower base), the main distinguishing factor for middle-office roles (like compliance and risk roles) was much lower bonuses. Only around 10% of total compensation for associates was in a bonus, 12% for VPs, and 28% for directors.

### Average compensation for compliance and risk professionals, 2024, US\$

Rank	Average Salary, 2024	Average Bonus, 2024	YoY Bonus Change	Average Compensation, 2024
Analyst	\$36,793	\$6,227	100%	\$43,021
Associate	\$69,933	\$7,800	24.00%	\$77,733
Vice President	\$152,094	\$20,955	12.90%	\$173,049
Director	\$186,430	\$72,032	49.60%	\$258,462
Managing Director	\$325,000	\$270,000	6.70%	\$595,000

# How to get an accounting job in banking and finance

By: Ken Abbott

**Prestige**

4

**Pay**

5

**Grind**

5

**Competitiveness**

5

- Accounting and finance jobs involve keeping the bank's own financial pipes flowing nicely and smoothly.
- Roles and responsibilities can be very different from one another in accounting and finance.
- Although banks have special rules they need to follow they are, at the end of the day, also very large companies – whether privately held or publicly listed.
- Although accounting and finance roles can be very lucrative – and offer great work-life balance – they're not considered among the best-compensated in the industry.

**T**he finance and accounting teams in banks fulfill four discrete purposes. They are:

**Commentators:** Commentators explain the numbers. They describe what took place during an accounting period and why.

**Business partners:** Business partners work closely with the business on value creation and the planning process. They also ensure the completeness and accuracy of transaction reporting and the accuracy of P&L (profit and loss reporting).

**Scorekeepers:** Scorekeepers maintain the firm's books and records for investors and regulators. In this way, they provide investors and other external people a method by which to assess the bank's

performance.

**Custodians:** Custodians are about governance. They ensure that policies, procedures and regulations are strictly adhered to with respect to financial reporting.

These are the broad functions. If you're joining as a trainee, you'll likely get an opportunity to rotate between different jobs in accounting and finance, but it's good to have an idea of what might suit you best from the outset.

Jobs available in accounting and finance  
There are a number of jobs available in accounting and finance.

**Financial control:** It's the financial controllers who are responsible for the accounting processes within a firm. They produce financial reports and maintain official books and records. They establish controls to reduce risk and enhance the accuracy of reported financials. They make sure the bank complies with accounting regulations, like GAAP. The duties of a controller involve ensuring the business operates efficiently and records its transactions accurately. Financial controller responsibilities often also include reporting and payments to taxing authorities.

**Financial reporting:** The financial reporting function is responsible for the disclosure of financial information to stakeholders (such as shareholders) about the financial performance and overall financial position of the firm. The reporting function provides regular information about the firm's position and performance to a broad array of users. It provides information to



management for the purpose of planning, benchmarking and decision making. It provides information to investors, and to creditors about the financial condition of the company. And it provides information to shareholders and the public.

**Product control:** Product Control is responsible for keeping track of daily profit and loss (P&L), along with its explanation and attribution for a particular area. They also monitor transactions to ensure they are within specified size and risk limits. They are also responsible for ensuring that traders in investment banks mark their trading books to fair value prices. If you have a job in product control, you can therefore expect to produce, analyze,

explain and validate daily P&L for trading books. You will also need to ensure the appropriate establishment, classification, and maintenance of books according to GAAP and regulatory requirements. **Business planning and analysis:** BP&A develops and implements business plans. These are strategic jobs within the accounting and finance division: you'll be defining business strategy to meet performance objectives. The people in BP&A identify and propose solutions for business needs, analyze complex risk and mitigation procedures, and keep an eye out for potential issues for which they develop solutions.

**Tax:** The people in the tax department are

responsible for ensuring that tax returns and financial records are prepared and reported in compliance with tax law. Their job is to minimize tax liabilities within the rules established by tax authorities. They consult with the business on structuring issues as well as maintain a tax-efficient booking model.

**Accounting policy:** The accounting policy team is responsible for maintaining the principles, rules and procedures that are chosen and followed by management in creating and reporting financial statements. They look at issues like the consolidation of accounts, impairment, revenue recognition, depreciation methods, goodwill, fair value principles, disclosure, and pricing.

**Investor relations:** Investor relations (IR) is for multi-talented people. They require knowledge of finance plus communication, marketing, and compliance. IR is all about enabling clear and effective communication between a company, its shareholders, and the investing community. IR coordinates meetings for shareholders and the press, releases financial information, and provides financial briefings.

**Office of the Chief Financial Officer (CFO):** The office of the CFO develops financial strategies at the enterprise level (i.e. the level of the whole bank) by combining financial and accounting information with analysis to manage the strategic direction of the firm. The CFO advises management on issues regarding performance, forecasting and budgeting, headcount and compensation levels, balance sheet management, and profitability.

**Treasury:** The primary purpose of the treasury team is to ensure the prudent management of cash in line with board approved directives and strategies, as well as managing the bank's regulatory capital position. The treasury function spans asset/liability management (ensuring that liabilities can be paid-off with assets) and capital management (overseeing the

issuance of debt and equity to maintain an appropriate capital position).

## Which skills do I need for a career in accounting and finance in a bank?

It goes without saying that finance professionals need strong accounting backgrounds. People in accounting and finance roles tend to be very analytical, process-oriented, and inclined to pay great attention to detail.

A company's books and records are the primary vehicle through which it presents itself to the public, and so accuracy is also paramount. Regulatory authorities are stringent about the accuracy of corporate disclosure, and there's very little room for mistakes.

If you work in accounting and finance, you'll also need to be intrigued by the management of process and inclined towards problem solving. There are often many ways of addressing complex pricing and accounting issues, from which product controllers must choose. This must be done carefully and with an eye towards accuracy and transparency. Most of all, however, you'll need to care a great deal about detail. Education & qualifications for accounting and finance jobs in a bank

Your university degree is important, but not critical, for an accounting role. Taking a look at Bank of America's accounting and finance interns, for example, we found that most graduates are in economics, finance, and mathematics.

Accountants take professional qualifications as they train. The relevant qualifications include the Associate Chartered Accountant (ACA) in the UK, as well as the Association of Chartered Certified Accountants (ACCA), Chartered Institute of Management Accountants (CIMA), or the Chartered Public Accountant (CPA) in the US. The exact qualification depends on the accounting role you do and its location.

### Salaries and bonuses in accounting and finance jobs

Compensation in accounting and finance is on par with other middle-office functions as risk and compliance, and tracks closely with lifestyle opportunities (work-life balance) in those professions.

Figures from our 2025 Salary & Bonus Report indicate that pay for accountants in banks ranges between \$60k for junior and \$355k for senior accountants at financial services firms. Bonuses ranged between 10% and 60% of salary, depending on seniority.

### Average compensation (salary & bonus) for select investment banking functions, 2024

Function	Salary	Bonus	Compensation	Bonus %
Investment Banking	\$188,142	\$172,535	\$360,676	91.70
Sales & Trading	\$194,488	\$190,405	\$384,893	97.90
Compliance	\$142,503	\$40,568	\$183,070	28.47
Risk	\$169,828	\$57,097	\$226,925	33.62
Technology	\$144,308	\$78,270	\$222,578	54.24
Operations	\$116,815	\$26,334	\$143,149	22.54



# A day in the life of a software engineer at Citadel Securities

By: Sarah Butcher



**K**elly He is a software engineer at Citadel Securities in New York. She graduated from MIT with a bachelor's degree in electrical engineering and computer science in 2022 and completed an internship at Facebook before interning at Citadel Securities and joining the firm full time two years ago. This is what a day in her life is like.

**8am:** Last year I had a big window in my bedroom and would wake up with the sunrise, but since moving to another apartment in Lower Manhattan, I'm able to avoid that these days. Now, I wake up at 8am and quickly get ready for work. To save some time, I take the subway to the office instead of taking a 30-minute walk.

**8.30am:** I'm usually in the office around 8.30am. I work within the business at Citadel Securities responsible for client execution services for equities and options. - What I do helps power the work of our traders and salespeople. I'm on the User Interface (UI) team and we own multiple

applications that have a variety of use cases and internal users from across the organization. UI is important – if you have a great system but can't easily interface with it, it won't be very helpful to the people it's intended to serve.

**9am:** I have a meeting with some of the colleagues who use one of our apps. My role includes talking to our internal users about their needs. I have meetings with various users throughout the day so that we can understand how to develop the apps that meet the needs of as many people as possible. This can be complicated – the users have different needs depending on their business line, role, or focus – but it's also really satisfying. I'm talking directly to the users and can quickly see the impact of my work.

**10am:** I'm back at my desk working on an issue with one of our apps. Some of my time is spent firefighting. Because my team interfaces most closely with the users, if an issue comes up, we're usually the first ones to hear about it and we move quickly to address the issue. During market hours, part of my role involves solving problems and providing support. This can mean there's a lot of context switching; it also means that I never get bored.

**10.30am:** I'm doing some quick work to improve the functionality of our data pipeline. Because most of my work involves apps, I typically code in React or Javascript for our web apps.

**11.45am:** We have our first release of the day. Some days we will have up to three releases. Because we're working on internal tools, we can release frequently and see

the impact of our work immediately. This keeps things interesting. Everything goes according to plan, thanks to our strong testing environment,

**12pm:** Lunch! The firm provides lunch every day and there are a lot of healthy options, which is great for avoiding food comas. Most of the time I eat at my desk, but sometimes I'll take time out for a coffee chat.

**13.00:** I'm shadowing some of the traders. I've never been a trader, so I watch them work to understand what they're doing and the kind of issues they're facing. If I were working on something I personally use, like Instagram, I'd have a lot of experience as a user and could intuit improvements myself. By shadowing the traders, I get to understand the reality of their processes and develop the UI based on their experiences rather than my own assumptions.

The traders make some suggestions for improvements, and I return to my desk and consider how I can best implement them.

**14.00:** I have a short stand-up meeting with my immediate team every weekday at around 2pm where we discuss what we're working on. Once a week, we also have a whole dev team meeting of 30-40 people to get a broader perspective. Our leadership likes us to be aware of everything that's happening so that we can build the best overall systems and be creative in our approach to UI.

**14.30:** I spend some more time addressing the feedback the users provided earlier in the day.

**15.30:** We have another bug to fix. This one is more complex; it's about an hour before I can get back the improvements I was working on.

**16.45:** We have another release.

**17.00:** When the market closes, I get a chance to focus on coding. Some days are busier than others, but often there is a chunk of time where I can sit down and learn new things or think through a new solution. That's something that's really encouraged here. Since engineering is seen as key to the firm's competitive advantage, what we do is about much more than pursuing great code; it's about thinking commercially and identifying and pursuing projects with real business value. That mandate extends to everyone, regardless of how long you've been at the firm. It creates some exciting opportunities for more junior team members like me.

**18.00:** I usually finish between 18.00 and 18.30 and walk home to decompress. Occasionally, I'll stay a bit later to get extra work done.

After work, I usually go to the gym or hang out with my friends. I also try to keep up with creative hobbies: I sew and do some woodworking. I recently checked into a makerspace where I'm trying to make a ladder. I watch a lot of DIY on YouTube and really enjoy crafts – it's a sharp contrast to my day job!

**1am:** I tend to stay up pretty late. I'm a night owl and will be ready to face the day after six or seven hours of sleep.

# How to get an operations job in banking and finance

By: Ken Abbott

Prestige

3

Pay

4

Grind

5

Competitiveness

4

- Operations deals with the core “plumbing” systems upon which the financial services business relies.
- Operations jobs are dedicated to ensuring the efficiency and the accuracy of each element of a transaction.

Operations jobs have traditionally been seen as less prestigious than the “front-office” client-facing jobs like M&A or sales and trading. However, this is an increasingly outdated way of thinking about how banks work.

Rodney Sunada-Wong, a former chief risk officer at Morgan Stanley’s broker dealer business, says banks are like a human organism. In Sunada-Wong’s schema, senior management, risk and finance are the brain. Salespeople, traders, and investment bankers are the muscles. Technology is the skeleton and bones. Treasury is the lungs. And the operations division is the heart and circulatory system.

“All the parts have to work together,” says Sunada-Wong. “The better and more efficient your operations, the more profitable, and efficient your bank will be.” Banks increasingly recognize this, and getting operations right is increasingly important for profitability.

The nature of your job in operations will depend upon the area of the banking business that you support. For example, if you work in securities operations and support the trading floor your role will

involve the settlement, clearance, and reconciliation (checking that buyers’ and sellers’ documentation matches up) processes associated with all the traded instruments (e.g., equities or bonds). But, if you work in loan operations, you’ll be involved with all the administrative processes associated with the lending business from the time loan proceeds are dispersed to the borrower until the loan is repaid.

Similarly, investment banking operations jobs help with the running of the M&A and capital markets functions. Retail banking operations jobs are concerned with transactions involving individuals and are usually carried out at bank branches. Operations jobs can also be known as “back-office jobs.” In other words, you won’t be dealing with clients directly.

## Jobs available in financial operations

If you want to work in operations, you have a number of options available to you.

## Operations jobs in securities businesses

If you work in an operations job in a securities business, you’ll be supporting the trading floor. You might be working on:

- Clearance:** Updating accounts of trading counterparties, matching buys and sells, and arranging for settlement (i.e., payment).
- Settlement:** Exchanging money and securities between the seller and the buyer on the trade settlement date.
- Trade confirmations:** Documenting the specific commercial terms of a transaction to which the parties agreed, including



pricing.

**Reconciliation:** Ensuring that the buys match the sells, resolving errors, or checking the validity of transactions. Operations jobs in banks are about monitoring existing processes and procedures. They're also about creating improvements and increasing efficiency. In the U.S., most are sponsored by their companies to sit for the Series 7 and Series 63 securities exams.

For a long time, securities operations jobs were the most numerous in investment banks. There were far more people processing transactions on the trading floor than actually working in sales and trading. These days, much of what happens in the operations division is now controlled by technology, but human beings are still needed to help with exceptions when processes don't run smoothly. Those humans might not be in London or

New York. Securities operations jobs are typically located away from large Western financial cities, where premises and people are usually less costly.

If you have a job in commodities operations, you'll carry out many of the same processes as in securities operations – but you'll also have to deal with the idiosyncrasies of the commodities markets. People with jobs in physical commodities operations need an understanding of what's involved in buying or selling an actual barrel of oil, for example.

### **Loan operations jobs**

Loan operations jobs ensure the accurate and timely operations of a bank's loan process. This includes booking loans on the loan system, maintaining loan documents, verifying and auditing key data elements (including financial, tax, and business information, assembling and maintaining

credit files on borrowers) managing loan collateral, exception resolution, and performing regulatory reporting. The loan operations function also performs loan research to resolve problems associated with borrowers or transactions, and processes loan payoffs.

Loan operations managers design and administer procedures and systems. They also ensure that each stage of the loan process is carried out in accordance with federal, state, and local laws and regulations, particularly in consumer loans where errors can be very costly.

### Investment banking operations jobs

Investment banking operations jobs are all about helping the front-office complete M&A and underwriting transactions. If you work in investment banking operations, you might be involved in the due diligence surrounding a deal or working on the graphics of a pitchbook.

In capital markets operations, your job will involve supporting the debt capital markets and equity capital markets units as they underwrite the launch of new securities. You'll assist in data analysis, data presentation, documentation and due diligence and will ensure that the transaction proceeds smoothly. In many ways, your job will be similar to that of securities operations professionals. – You'll work on client onboarding, trade capture, settlement and clearance, and general client support.

### Skills you'll need for operations jobs in banks

Operations people need strong product and industry knowledge to facilitate transactions and address any processing problems.

You'll also need to be a strong communicator. Operations professionals deal with everyone from traders to auditors to investment bankers and need to describe complex processes in simple terms. They

also deal extensively with other control functions, including compliance, credit, risk, and technology.

Technical skills are also a critical part of the operations skillset: operational processes are now controlled by complex technology systems and even if you're not coding these systems yourself, you'll need to understand them.

Operations careers can progress along several different paths. Many operations professionals find that they are called upon to broaden the scope of their activities as they progress. Others become specialists in a particular aspect of the operations process like settlement, clearance or project management. Some move into the front office in areas like sales and trading (although this can be a tough move to make, so don't count on it happening).

### Education & qualifications you'll need for operations jobs in banking

Operations professionals are very different to other people that work closer to the money in financial services, and they therefore have different educational requirements. That is to say, they have fewer specifics.

When we analyzed the junior ranks of Goldman Sachs' operations team, there was an extremely varied range of graduate backgrounds, with law, economics, history, business, and management science all represented.

In the past, financial services firms have recruited a wide variety of people for is operations positions - hedge fund DE Shaw, for instance, is known to have hired painters and poets. Fine arts masters aside, there's also the Investment Operations Certificate (IOC) from CISI, although like all CISI qualifications, it's primarily a UK-recognized qualification. It can also feed into CISI's global operations management qualification, a Level 6 diploma, which is hypothetically equivalent to a bachelors degree. CFA institute's IMC qualification

might also be useful here.

### Salaries & bonuses in financial services operations

Operations jobs aren't very well paid by their colleagues' standards. Although operations professionals do enjoy lower working hours than most of their peers, their low pay means that they also earn some of the lowest compensation per hour, our 2025 Salary and Bonus report found. Our report also found that operations professionals were paid bonuses approximately 5 to 30% of their salary,

depending on seniority. That's more or less on par with their colleagues in middle-office functions such as risk and compliance, but far below the potential bonuses reached by their investment banking or sales & trading peers.

On average, operations bonuses were 23% of salary, the lowest of the professional functions we surveyed. Compliance and risk bonuses were 28% and 34% of salary respectively, while investment banking and sales & trading bonuses were 92% and 98% of salary, respectively.

### Average compensation (salary & bonus) for select investment banking functions, 2024

Function	Salary	Bonus	Compensation	Bonus %
Investment Banking	\$188,142	\$172,535	\$360,676	91.70
Sales & Trading	\$194,488	\$190,405	\$384,893	97.90
Compliance	\$142,503	\$40,568	\$183,070	28.47
Risk	\$169,828	\$57,097	\$226,925	33.62
Technology	\$144,308	\$78,270	\$222,578	54.24
Operations	\$116,815	\$26,334	\$143,149	22.54



# How to get a custody job in banking and financial services

By: David Rothnie

Prestige

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Pay

3

Grind

5

Competitiveness

3

- Global custody jobs keep track of a client's money, assets, and make sure that all activity that happens is universally recognized.
- Technology is changing custody and making it more proactive – using technology, and especially data manipulation, is now considered a paramount skill in global custody jobs.
- As custodians are expanding their activities and offering services such as risk and compliance to clients, more client-facing roles are developing.

A global custodian is a financial institution responsible for the safekeeping and reporting of their clients' domestic and global financial assets. Historically, this meant the actual physical protection of stock and bond certificates, but today, the physical certificates have largely been replaced by electronic records. These electronic records need continuous management to ensure all dividend and interest payments are received. Both the client base and the range of assets that custodians deal with have also evolved in recent years.

Custodians' client base has broadened from being traditional fund managers and the trading arms of investment banks to encompass hedge funds, alternative asset management firms, and the family offices of high-net worth individuals.

The assets which custodians look after have also expanded from cash and shares to derivatives, real estate and digital assets such as crypto currencies. The services provided by big global custodians – State Street, Northern Trust, BNY Mellon, JPMorgan, Citi and others – have evolved with the changing needs of their clients. As the custodian industry moves to a more digital footing, the big custodians are trying to provide extra services to clients beyond the core business of simply settling trades.

What extra services are these? Custodians were traditionally seen as providers of "back-office" solutions and while that's still the case they have also moved towards the "middle-office," offering services that go beyond settlement of transactions and into areas like regulatory performance measurement or compliance and risk monitoring.

The result is that jobs in custody today vary between data-driven processing and administration roles and more client-facing jobs where you will deal with the needs of clients.

Brian Allis, a Senior Vice President at State Street, said that "at its heart, securities services is a client facing industry. Client-facing roles in custody go beyond traditional sales, relationship management and client service. Roles in product, operations, network management and technology are often client facing. The traditional role of custody provider has transformed over the last three decades from focusing on safekeeping to covering the entire investment life cycle."



## What jobs are there in financial custody?

When you work in custody you'll be fundamentally working in operations, the engine room for processing client activities. Operations is also known as the back office. Junior jobs in global custody have historically been very process-driven but that is changing, with the most repetitive tasks becoming automated.

"The main job of the custodian is to take away all of the administration and processing work that their fund management clients don't want to do," said James Manders, founder and managing director of CassonX, a leading recruitment firm for middle and back-office operations jobs.

Custody covers a broad range of activities, but jobs fall into three categories – trade life cycles, fund accounting and administration and distribution processing. Trade life cycle: These are the classic bread-and-butter roles in custody. They include jobs in trade settlement and confirmation, transaction reporting and asset servicing. Asset servicing covers corporate actions, which includes proxy processing, securities borrowing and lending and the transfer of shares related to corporate spin-offs or acquisitions.

**Fund accounting and administration:** The core of global custody jobs focuses on the accounting and administration of client funds in key global custody centers such as Ireland and Luxembourg. Here, the custodian will ensure all income is received into the fund and that the net asset value

(NAV) is correctly computed with the appropriate frequency, often daily. Global custodians may also be responsible for ensuring the smooth delivery of additional securities added to the fund and for reconciliations, making sure there are no discrepancies in trading.

**Distribution processing:** Distribution processing covers client servicing, performance production and client reporting. This area is the most client facing of all custody roles as it involves dealing with the day-to-day information needs of clients. With custodians now looking after the entire life cycle of an asset, Allis says client service roles have expanded to match this increased solution set. “Staff in these functions now have an unprecedented opportunity to be involved in every stage of the investment life cycle throughout their career, if they have a curious mindset and an appetite for a steep learning curve,” he explains. “Once they have built their knowledge, they become a critical interface between the client and the provider.”

**Prime services:** For most large custodians, prime services will make up a significant proportion of the business. Prime services involves providing advice and assistance to hedge fund clients. Within prime services there will be business analysts, assisting the client and introducing appropriate securities services, all with the ultimate aim of improving profitability for the hedge fund.

### How custody jobs are changing

Jobs in custody can also be split by functional area rather than high level job categories. These functional areas include client relationship management and sales (e.g. helping to prepare Requests For Proposal (RFP) for prospective clients), product development, delivery, and technology.

What’s increasingly common across each of these areas is data and technology. “Data collection, storage and analysis will become the basis for all future service

offerings and business models. Technology is changing to support this paradigm shift, as a result investment service providers are increasingly becoming their clients’ investment data custodian. This requires client service staff to become familiar with the processes to source, curate, and analysis data across the entire investment cycle, including custody, for the benefit of their clients seeking operational alpha,” Allis explains.

This is having a big impact on custody jobs, and the skillsets custodians require. “The digitization of custody is enabling a far more focused view on value add and differentiated services that are dependent on people to execute. Staff need to be engaged in the end-to-end business process and move away from the traditional functionalized view of custody,” Allis adds.

“Custody has continued to evolve into a technology-first business,” said Meliösa O’Caoimh, head of Northern Trust in Ireland. “As a result, our hiring practices and the talent we recruit has changed to keep pace with innovation. That innovation also requires us to consider graduates and talent from different backgrounds and offer career paths through the organization that may cross through a number of different related areas and even include an exchange program – for example to our India business, and vice versa.”

Innovation in areas like cryptocurrency and blockchain, along with the automation and digitization of custody processes, is changing the landscape, O’Caoimh says. “This creates different career paths and opportunities for people across our organization, whether they are looking to expand a range of skills or specialize in a particular area. I don’t think there’s ever been a more exciting time to be part of a custodian and fund administrator – the pace of change has been accelerated through the pandemic and we continue to see evolutions in AI and machine learning enabling us to expand roles in other advancing areas.”

AI has had a transformative impact on both the asset management and custody industry. BNY Mellon, the largest custodian bank in the world, cut the size of its intern class between 2024 and 2025. It's training the interns that remain on its homegrown AI, called Eliza, as well as offering courses in its "AI University". State Street cut 900 people in Q2 of 2025; it blamed the cuts on an "operating model transformation" in pursuit of "further operating efficiency" as well as "productivity gains".

Data has become the tool by which custodians can offer higher value services to their clients, and that is redefining many jobs in the sector. "Roles are becoming increasingly dependent on solution engineering and data analytics, being able to understand how to translate a clients operating model to a target state operating model and articulating the benefit of the transition is now at the heart of what we do," Allis concluded.

### What to expect in custody when you start as a graduate

If you start your career in custody as a graduate trainee, you may find yourself on a "rotational training program." These allow graduates to gain experience in a number of different areas over a four- or five-year period and then specialize later on. Additionally, candidates with technical skills and experience in global custody are highly sought after, as are those with subject material expertise (SME) in individual products such as derivatives.

Northern Trust recruits candidates from a wide variety of backgrounds, including business and accounting, but also areas such as engineering, hospitality or retail. "Successful candidates are usually positive, resilient, with attention to detail who are open to continuing their professional development with Northern Trust through the various in-house training and support networks provided," added O'Caomh.

### Career progression in the custody industry

Like banks, global custodians often use the title of analyst, associate, vice president and managing director to signify different levels in the hierarchy. You'll start out as an analyst looking at ways of creating solutions for products "from a technical perspective." As an associate, you'll have a broader remit and will look at the solution in terms of market practice and servicing the client with roles such as a client operations specialist.

As a vice president, you'll work across different products and will prioritize each one based on client requirements, and as a managing director you'll be responsible for making sure a solution gets implemented by working with all different parts of the business to coordinate the product's development and launch.

### Education and qualifications for custody jobs

Educational requirements for custody jobs are similar to operations roles in investment banking contexts, even though the day-to-day activity is very different. For that reason, no degree is really strictly needed, although it won't hurt to have a finance or business-related background. When we analyzed custody analysts at State Street, we found that finance and law were the most popular degree choices, although the pool of graduate hires by degree subjects was varied.

If you're in the UK, the Investment Operations Certificate (IOC) from CISI might be useful, as might the diploma in Investment Operations (DIO), from the same organization. Manders also recommends the Investment Management Certificate (IMC) an entry-level qualification that provides a strong foundation for a career in the investment industry.

## Pay in global custody jobs

Jobs in custody aren't as well paid as directly revenue-generating roles such as sales & trading or investment banking, which pay higher bonuses related to performance, but they offer greater job security and much more reasonable working hours.

"It's very structured, very corporate, and safe as houses," Manders said. "If you're looking for more variety and want to provide a bespoke service to clients, there are a growing number of small and medium-sized custodians outside of the global heavyweight."

Big banks have outsourced their custody businesses to cheaper regional hubs outside of big cities, and salaries can vary considerably depending on location. As a typical rule of thumb, a graduate in London can earn between \$30k and \$45k if they work in a trade life cycle or fund administration role, while in distribution that could rise to between \$40k and \$50k.

State Street employed 53,000 people globally across 2024. It paid those people an average of \$89k, more or less. But in State Street's London office, it employed 316 people who were paid an average of £223k (\$301k) per head in 2024.



# A day in the life of an associate in Deutsche Bank's product management team



**A**khila Chaganti is an Associate in the Product Management team for Securities Services in the Corporate Bank at Deutsche Bank Singapore. She graduated from the National University of Singapore with a major in Economics in 2020 and joined Deutsche Bank's Graduate Programme a few months later. This is what a typical day looks like for her.

**7am:** I wake up early but not too early and try to reflect and do a bit of journaling before I get out of bed. I usually leave for the office around 8.45am, so the mornings aren't too rushed.

**9.15am:** I arrive in the office and my working day begins. I'm a generalist in Product Management and I help build new products and enhance existing products for our large Securities Services client base. My role spans everything from product governance (making sure we are aware of the risks and have controls applied to our products) to meeting with the digital

and data partners. We're usually working on a few new products and technology integration projects simultaneously.

**9.30:** I have an ad-hoc catch-up with some of my team. I help look after product governance and approvals for Asia Pacific and the Middle East. Whilst assembling a new product approval request, I ensure that it covers the scope of what we're offering to clients and that it has the necessary approvals. For example, right now we're working on a platform enhancement. Part of my role is all about ensuring that the changes are captured properly and that governance procedures are applied.

**10.30am:** I also work on marketing communications for the team, so that our salespeople know how our products are evolving. I spend an hour working on a piece of communication about product updates with my colleagues in the regions – India, China and ASEAN for example.

**11.30am:** I'm onboarding a new application and ensuring that all the legal agreements have been signed. For this, I need inputs from our legal team, technology team and our governance team.

**12.30:** I usually take 45 minutes or so for lunch, although when there are team lunches we'll take an hour plus. Sometimes I'll bring food from home and I'll eat in the pantry in the office. This is a really nice room with a kitchen and a seating area. Other times, we'll go out. The office is well located for Lau Pa Sat, which is one of the oldest hawker centres and has some of the best food in Singapore.

**1.15pm:** I'm working on a presentation that I'm making to a client later in the day.

**2pm:** While my mornings are spent meeting colleagues in the APAC region, my afternoons are more often spent in conversations with our API leads and colleagues across other regions. It's always good to get an update about what they're working on.

**3pm:** I have a meeting with a client. With some clients I will have a weekly or biweekly catch-up so that we can look at how products are evolving, how testing is proceeding and whether there are any potential roadblocks.

**4pm:** I'm talking to our external vendors or internal developers for a few demos of the new platform. I want to understand whether we have the right product approvals, the status of production testing and when it can go live.

**5pm:** I have a meeting with colleagues in other regions such as Europe.

**6pm:** I spent some more time working on new product requests and preparing communications about products we plan to launch in the next week.

**7pm:** I'll also work on a client deck or have a meeting with clients or work on a few trackers and updates for the team.

**7.30pm:** I usually end my day between 7.30 and 8pm and am back home at around 8.30pm. I'll have some dinner and do some journaling or some dancing – I like to do a 15-20 minute high intensity dance workout from YouTube and if I don't do that I'll have a walk around the block. Then I'll come back and have a shower and read my book, although I also procrastinate a lot and end up looking at my phone and emails!

On Friday evenings, I'll sometimes go out with the team from work. We try our best to organize a fun event every quarter if not we usually go out to get an ice cream or some food together.

# How to get a job in fintech

By: Alex McMurray

## Prestige

6

## Pay

6

## Grind

5

## Competitiveness

6

- Fintechs might seem to exist at the intersection of finance and technology, but they're more like technology companies that operate in finance.
- Fintechs are startups first and foremost. Expect lean teams and long hours.
- Remote options are available, but hybrid work and other employee benefits are under threat.
- Working for a fintech can be very lucrative, especially if you're given stock and are subsequently given a chance to sell it for a far higher price.

**S**o you want a job in a fintech startup? Perhaps you're a computer science student looking at alternative career paths, perhaps a finance student in search of something more innovative than banking. No matter who you are, there are things you need to know before you apply.

An understanding of the broad fintech ecosystem, and indeed what 'fintech' actually is, is essential to understanding where your employer of choice operates within it. As the name implies, fintech is a combination of finance and technology. Put simply, fintechs sell proprietary technology solutions, either to companies (B2B fintechs) or to consumers (B2C fintechs), or some combination of both. Most major fintechs operate in the payments space, but there's also digital banks, and

infrastructure firms for sectors like trading and crypto.

Fintech is not exempt from the shiny new toy that is AI either; many are working on AI products to automate tasks across financial services. VCs have suggested that implementing AI into your product suite is now somewhat compulsory in fintech.

The industry can be quite complex. Some fintechs rely on other fintechs' technology to power their own. Some sell their solutions to multinationals like banks with demanding regulatory requirements. These banks sometimes have their own 'pseudo-fintechs' like JPMorgan's 'Chase' digibank. The sector is one big interconnected web, for better and for worse.

If your previous experience is more corporate, beware that fintech is a whole different world. Most firms are startups, which means lean teams full of generalists and a very different kind of culture. Startups live from one funding round to the next; if you don't join one in a healthy state, your fintech career could be DOA.

## What's the state of the fintech industry?

The fintech world is showing signs of revival since the dearth of funding in 2023 and 2024. Funding is easier to come by and lofty company valuations are back. The talk of IPOs has also become more prevalent (although the biggest linked names are still yet to do so). Some fintechs are using the extra cash to hire, some aren't.

The biggest development, however, is the

quiet death of many employee benefits that were once used to tempt people into joining fintech in the first place. Chief among these is the clawback on hybrid working. Fintechs like Starling Bank, Marshmallow and Grab have all been making staff spend more time in the office. There are exceptions; companies like Revolut are remote first, but remote jobs don't guarantee a good work-life balance.

Other benefits are also eroding. Payments fintech bolt, for example, used to offer a four-day work week, but quietly scrapped it. On top of this, at startups successfully raising funds like Marshmallow and Ramp, working overtime is allegedly the norm, with people at the latter allegedly working 70-hour weeks after working closer to 40 in previous years.

The great scare of working in fintech in recent years has been the looming threat of layoffs. These haven't gone away, but are much less common than in recent years. AI will play a major role in future hiring and firing decisions; Klarna, for example, reduced its headcount (through attrition) by using AI to do the work of 700 people, but has since about-turned and is hiring again. The industry can change at any moment so stay vigilant.

### Who are the big players?

The three top locations for fintech unicorns (startups valued above \$1bn), are New York, London and San Francisco. Each is home to a number of the most prominent fintechs operating today. Each have too many to count, but one of London's most prominent fintechs is Revolut. New York has Ramp and San Francisco has Chime.

Many of the biggest fintechs come from outside the major hubs. Stripe, arguably the face of fintech, has its headquarters in Ireland. NuBank, one of the largest digibanks, is based in Brazil. Grab is Asia's biggest fintech and is based in Singapore.

There are also a number of older, more established firms that aren't always

considered among the fintech ecosystem. They include the likes of Visa, Mastercard, PayPal and, for eCommerce, eBay.

Major financial institutions have pseudo-fintechs as they pursue a number of side projects and products with a technological edge. JPMorgan and Nomura, for example, have been working on crypto infrastructure under the respective banners of Kinexys and Laser Digital. Digibanks and payments platforms have been the main outlet, with mixed success; HSBC launched digibank Zing last year as a Revolut competitor, and announced it was shutting it down just one year later.

### What do fintech jobs involve?

Fintech jobs are fundamentally different to jobs in traditional finance, especially in a startup. While broader job titles are the same, more will usually be expected of you. The lower your headcount is, the broader your array of tasks will be.

Software engineers and product managers (PMs) in fintechs work on building and maintaining the infrastructure of the firm, as well as developing new products for it to begin selling. Sales, marketing and partnerships people look for institutions and clients to utilize their services, help broaden consumer awareness of the fintech and, of course, bring in the money.

If you actually found a fintech yourself, you'll obviously be in an executive role far earlier than you would in traditional finance. While the size of your team may not exceed that of one run by a banking MD (or even some VPs), your responsibilities will be much broader and could include liaising with venture capitalists, private equity firms and other possible investors in the company.

There are some duties required of all roles in a fintech. The most significant joint effort is making the company appear attractive to investors. "It's not just sales," says Adizah Tejani, a fintech portfolio manager of HSBC's venture capital arm, "it's everyone's

job to be an advocate for the company.” Fintech departments also intermingle far more frequently than in banks. Engineers and product managers, for example, may work together much more often and may be structurally intertwined.

The chain of seniority can also be far more ambiguous in a fintech. At Revolut, for example, young employees are handed senior leadership roles and allowed to bring their ideas to fruition far quicker than would be possible elsewhere.

### How to get a fintech job

To survive in fintech today, you’ll need to show you can do more with less. Fintech employees have frequently lamented that their firms have been making cuts, either to headcount or to their cost-base, while expecting a similar level of output.

The hiring process has become increasingly drawn out, as firms have developed a ‘perfection complex’ that stops them from hiring suitable candidates. In extreme cases, Nadia Edwards-Dashti of fintech recruitment firm Harrington Starr said that fintechs will interview candidates up to 17 times without pulling the trigger.

How do you overcome this struggle? By demonstrating a ‘fintech mindset.’ For Michael Abdul, a London-based fintech recruiter at recruitment firm Volition, this means evidence of “building viable products, prototypes and proof of concepts; you should be trying to innovate.” Louisa Süsserott, head of talent advisory at VC firm Cherry Ventures, says fintech employees must be “highly adaptive” with “great communication skills” and, interestingly, should be “very happy in ambiguous environments.”

Experience in a big name company also helps, but it can be role dependent. Abdul says that “Goldman Sachs are always building innovative stuff,” but they also are plagued with legacy tech; fintechs can usually tell which side you’re working on.

The supposed gold standard for high-performing fintech employees are those at Revolut. CEO Nik Storonsky said he is looking for “self-guided” people who don’t need to be asked how they’re doing because they find fulfilment in their work. Some fintechs are a bit nicer.

When it comes to education, university brand is key. “I put a lot of value on someone who’s gone to a Russell Group in computer science over someone else,” Abdul says. For US fintech jobs, think Ivy League or a major institute of technology.

As for your personal life, Abdul says, “Companies heavily love people that love tech, that do side projects and are passionate about it.” They also love “hackathons and competitions; if I’m sending a CV over, and they have an active GitHub, I will include it.” This won’t just help you for engineering jobs. Abdul says sales staff are in high demand right now, but firms are looking for candidates with technical knowledge who really understand the product they’re selling. Some fintechs also offer student schemes, like Revolut’s ‘Rev-Celerator’ internships and Supernova from OKX in Hong Kong and Singapore. The application process for the latter was “stupid hard” last year, according to applicants.

Fintechs with university recruitment teams include:

- Square
- Grab
- Wise

Fintechs with Graduate programs include:

- Revolut
- OKX
- Adyen

Fintechs in general are shifting toward more mature teams, so there’s not too many graduate opportunities, but a role that has seen increased demand is the ‘founder’s associate’. This is essentially an executive assistant on steroids; one founder’s associate told us the role would fluctuate between travelling to Nigeria to

meet with banking clients and babysitting the founder's children.

Beyond these, you might find entry-level roles hard to come by in fintech, as startups want plug-and-play employees. If you're autonomous and don't need much training, you could find a good job, otherwise it might be best to ply your trade in banking or tech for a few years before making a transition.

### What qualifications do you need for a job in fintech?

Fintech encompasses such a wide range of roles that your choice of course is largely dependent on the function you hope to work in. Software engineers should probably do computer science, finance staff should study finance or accounting. You get the gist.

But fintech, more than most sectors of finance, is often looking for generalists, people who can do a little bit of everything. It's hard to do that without wider business knowledge of the fintech ecosystem. Luckily, there are a variety of courses, that we've looked at here. Oxford and Harvard both do paid programs, while MIT and Copenhagen Business School offer free educational resources. These are often used by employees in TradFi looking to transition into fintech, but it wouldn't hurt to get a lay of the land even earlier in your career.

### How much do fintech jobs pay?

Depending on where you work, fintechs can

be a gold mine. The biggest fintechs vary massively in pay, and smaller ones have just as much variety. We previously looked at pay for engineers at 36 major fintechs; 12 paid over \$300k on average, while 7 paid \$110k or less.

Stripe has been well regarded as the top payer for fintech historically, but has been losing its edge. Reports from Levels.fyi suggest that its top engineers were paid \$940k on average in 2023, but that pay fell to less than \$728k in 2024. The top paying fintech on average that we saw in 2024 was Plaid, which paid \$400k on average.

The USP of fintech pay is stock payments, usually in the form of restricted stock units (RSUs). \$80k of Stripe's entry level engineer pay consists of RSUs, according to Levels, and it only gets larger as seniority grows. Owning stock seems a big positive, an opportunity to grow your income as the company grows, but as previously mentioned, IPOs are an increasingly rare occurrence.

Making millions from fintech stock usually requires joining a startup very early, however. Joining a fintech at its series A funding stage or seed funding stage maximizes your earnings potential, but these can be some of the most chaotic places to work in fintech, with no guarantees of success.

Fintech pay is sometimes great, sometimes bad, often decent. Do your due diligence on each firm you are interested in working at and ask yourself if the culture makes up for the pay, or vice versa. Good luck.

# Glossary: The 66 words you need to know for banking interviews

By: Zeno Toulon

If you want to work in financial services – especially in an investment bank – you need to know the lingo.

That means learning jargon, technical terms, and slang. You'll pick up a lot of it on the job, especially the more technical terms, but you'll do a lot better in an interview if you show some insight and initiative. Here are some things you'll definitely want to know.

**Advisory:** Part of the investment banking division. Similar to and includes M&A services, but with slightly more emphasis on providing advice, and less on providing finance. Often the main or only business line of specialized boutiques, where the term also includes restructuring services.

**Analyst:** The most junior rank in a bank. At this point, you're basically on a graduate program – expect to break out to associate by your second or third year. "Analyst" is also a general term for the providers of bank researchers and is used independent of rank or job title.

**Artificial Intelligence (AI):** A very broad term but generally refers to human-type intelligence that can be provided by a computer program or machine. AI as a discipline has been consistently researched since the 1950s, but emerged in the public conscious in late 2022, with the release of OpenAI's ChatGPT3.5 model.

**Associate:** The second most junior rank in a bank. Associates are either promoted from an analyst program or recruited directly

from a business school's MBA program. Expect to be promoted out of associate rank after about three years in the role.

**Back-office:** The staff who are responsible for settlement, administrative tasks, and maintaining IT systems. Some back-office jobs, particularly in IT development, can be very well paid, but in general they do not earn as much as the front office.

**Bank:** As a general definition, a corporation that takes customers' (individuals and other corporates) deposits and lends the money in its custody to other customers. In an investment banking context, it's any institution which provides investment banking services – which includes, for instance, boutique banks, that do not take customer deposits (and therefore are not really banks at all).

**Bloomberg:** A company that specializes in market intelligence. Its best-known product is the Bloomberg Terminal, a computer program that allows access to information (such as pricing) on pretty much any financial instrument you could possibly imagine. It is also known for its news service, Bloomberg News.

**Bond:** A loan made to a government or company that has been split up to be traded on the market. Bonds are made up of small payments throughout its life (known as coupons) plus the final, full payment on the value (principal). To give an example: the US government borrows \$100m for ten years. That loan is split into a million \$100 bonds. Those bonds all pay a

small coupon until the ten years are up, at which point the government pays back the \$100 on each bond. These are the bread and butter of a Debt Capital Markets (DCM) team.

**Boutique [bank]:** A small, independent investment bank that offers a range of services usually limited to M&A advisory or restructuring. Many of the larger boutiques also provide asset management services.

**Brokerage:** A company which matches buyers and sellers of securities, making money either out of charging a percentage commission, or out of the spread.

**Bulge Bracket:** A non-official term referring to the biggest investment banks in the world. These do not have to be deposit-taking, necessarily. There are eight banks universally recognized as being in the bulge bracket, of which five are in America and three are in Europe: JPMorgan, Bank of America, Citigroup, Goldman Sachs, Morgan Stanley, Barclays, Deutsche Bank, and UBS.

**Buy-side:** These are investment firms that acquire corporations or bonds as part of their regular business. Includes private equity firms, hedge funds, and asset managers, among others. Contrasted with the "sell-side", which is only involved in investment banking business.

**Capital Markets:** The part of the investment banking division which is responsible for helping corporate clients to raise money from the bond and equity (capital) markets. Capital markets bankers need to gather feedback from investors, decide on the price of securities and liaise with sales & trading to get the securities sold.

**Cash market:** As opposed to "derivatives market", the cash market is that in which "underlying" securities are bought and sold, rather than derivative claims on them. Not to be confused with the "money market".

**Compliance:** The middle-office team responsible for ensuring that other parts

of the bank comply with all relevant laws and regulations. Compliance officers are responsible for arranging training, monitoring activity, and providing advice to employees.

**Corporate finance:** The team within a company/business/corporation that deals with finance. This means day-to-day budgeting and accounting, as well as liaising with investment banks to both raise capital and assist/execute a merger or acquisition.

**Coverage:** A team in an investment bank specializing in a particular sector, such as technology or healthcare. These teams often work across both advisory and capital markets.

**Credit:** In FICC divisions, "credit" refers to fixed income products other than government bonds and money market instruments, where the credit risk of the issuer is a major driver of the value of the security.

**DCM:** Debt Capital Markets.

**Derivatives:** Contracts between two parties which agree to exchange an amount of money based on something else. Most often, the "something else" (known as "the underlying") is a securities price, so you have "equity derivatives" based on share prices and "rates derivatives" based on interest rates. This isn't necessarily the case, though; there are "weather derivatives" which pay out based on average temperature or rainfall, and "credit derivatives" which pay out when a company defaults.

**Director:** The rank between Vice President and Managing Director. Directors will generally have significant management responsibility or be expected to look after clients of their own.

**Distribution:** The final stage of a capital markets transaction, coming after underwriting. This is the stage in which the securities are sold to investors.

**ECM:** Equity Capital Markets.

**Equities:** Shares; securities which represent part-ownership in a company. In an investment bank, the word on its own refers to part of the sales & trading division, which will generally trade equity derivatives as well as cash equities, and may include the research and prime brokerage operations as well.

**Execution:** The activity of actually making a transaction happen once it has been agreed with the client. In sales & trading, this means finding a buyer to match the seller (or vice versa) at the best price possible. In the IBD, it means carrying out the legal and administrative work to make the deal happen, and potentially conducting meetings to ensure that it has support from investors.

**FICC:** Fixed Income, Currencies and Commodities. One of the two main parts of a sales & trading division, and responsible for trading all instruments which aren't equities or equity derivatives.

**FIG:** Financial Institutions Group, usually one of the largest teams within an investment banking division. FIG teams concentrate on providing capital markets and advisory services to other banks and insurance companies.

**Flow [Trading]:** Within sales and trading, this refers to trading that is done at high capacity and with high frequency, usually in an automated manner on an exchange. The price of transactions is publicly disclosed. Because humans aren't involved and flow trades involve machines, spreads are usually very tight. Most simple products, like equities, are traded in this way.

**Front-office:** Refers to banking staff who either make decisions on applying the firm's capital or have direct contact with clients. Front office jobs are usually (but not always) best paid, and often require regulatory authorization.

**Generative AI (GenAI):** A form of artificial intelligence that generates media (in a

general sense) such as text, image, video, or sound.

**Hedge Fund:** An investment fund marketed only to other institutional investors and very rich individuals. Hedge funds typically charge higher fees than retail mutual funds and have fewer restrictions on their investment strategies.

**Institutional investor:** A pension fund, mutual fund, hedge fund or sovereign wealth fund, investing in securities. These are the normal clients of a sales & trading desk.

**Investment Banking Division (IBD):** This is one of the two main divisions in an investment bank. As opposed to sales & trading, IBD is concerned with providing financial solutions to issuers of securities rather than to investors. It is often further divided into capital markets and M&A/advisory. Note that "investment banking" is also often used as a generic term that including sales & trading, so it's important to understand which context someone is using it in.

**IPO:** An Initial Public Offering. The sale for the first time of a company's shares to the general public on a stock exchange. IPOs are run by the Equity Capital Markets team in an investment bank, and they can be extremely profitable transactions.

**Large Language Model (LLM):** A language model is a program that mimics the human brain's creation of language. An LLM is simply a huge version of that, and is taught via machine learning by vast swathes of internet data. LLMs are the foundation of all modern AI systems, such as ChatGPT, Gemini, and Grok.

**Machine Learning (ML):** The method by which a computer program "learn". Machine learning is the method by which a program takes wide swathes of text and learns to analyze patterns; it uses that pattern recognition for unrelated tasks. Machine learning is the foundation of LLM "intelligence" – the more machine

learning that can be completed, the more “intelligent” a program is.

**M&A:** Mergers and Acquisitions. Bankers working in an investment banking division who provide advice to companies on taking over and buying other companies, either on an agreed or hostile basis. This includes strategic advice on the actual deal, advice on the valuation of targets, and the arranging of financing for the deal.

**Market Making:** A service provided by banks, among others, in which they act as intermediaries between buyers and sellers in a market. The act of connecting the two sides of a transaction is “market making”; the term “market maker” refers to the firms that do this as their primary business venture. These are usually electronic firms such as Jane Street.

**Managing Director:** Usually shortened to MD, this is almost always the most senior “regular” rank in an investment bank. MDs are generally expected to be able to originate deals and generate revenue for their bank.

**Middle-office:** Complicated. Generally, refers to better-paid and more senior support roles. Compliance and risk management staff would be considered middle office, as would senior prime brokerage staff who had contact with clients as well as managing admin tasks.

**Money market:** The market for short term fixed income securities, used by banks and industrial companies to smooth out differences in the timing of their incoming and outgoing payments. The best example of these are 3-month treasury bills, known as T-bills.

**Natural Language Processing (NLP):** The skill of a computer in being able to read or hear “natural” language as produced by a human being and being able to understand it. Chatbots speak and can be spoken to due to NLP – they can understand not just meaning but subtext, tone, and regionalisms.

**Origination:** In investment banking generally and particularly in capital markets, the process of persuading a client to carry out a transaction with your bank.

**Over the counter [Trading]:** Usually called OTC trading. Within sales and trading, this refers to trading that is done off of an exchange, and usually directly between buyers with a dealer often acting as an intermediary. OTC trades don’t have price transparency - the parties conducting the trades often have to settle a price between themselves. Because of this, they can be complicated, and dealers can make more money facilitating the sale because the spread between the price paid by the buyer and the seller is often comparatively high. Complex derivatives and high yield bonds are traded this way.

**Primary/Secondary:** The first time securities are sold to the public, this is the “primary” market. Trading in them afterwards is “secondary”. The distinction roughly matches that between capital markets and sales & trading internally within banks. If a company sells shares without raising new capital (for example, because the founder wants to reduce their stake) this is also considered a “secondary” issue.

**Prime brokerage:** Not to be confused with “brokerage”. Prime brokerage teams within banks provide services to hedge funds, such as looking after their settlement and back-office functions and providing financing to them.

**Private equity:** Investment funds which buy whole companies or large ownership stakes in specifically negotiated deals rather than shares quoted on a stock exchange. The term includes venture capital (VC), which is focused on new companies and startups, as well as financial sponsors and leveraged buyout (LBO) firms” which are focused on taking over existing companies to be sold later on for a profit.

**Private credit:** Non-bank financial institutions (NBFIs) which lend money to

private companies. Because NBFIs are not subject to the same stringent regulation and legislation as banks, they can afford to have a significantly different risk profile. Private credit has taken off significantly in recent years, with high interest rates deterring companies from the high borrowing rates offered by banks.

**Quant:** Short for “quantitative”, this refers to a specialist in applied mathematics working on securities practices. There are “front office quants”, who aim to design profitable trading systems, “middle office quants” who design systems for efficient execution of trades and “risk management quants” who measure probabilities of loss.

**Rates:** In FICC divisions, “rates” is the opposite of “credit” – it refers to bonds and derivatives where the value is driven by expectations about interest rates and credit risk can largely be ignored.

**Research:** The team within sales & trading responsible for valuing securities and issuing recommendations to investors as to whether to buy or sell them. As well as company experts, research divisions will usually employ economic forecasters and “strategists” who attempt to forecast the bond and equity markets as a whole.

**Risk Management:** The division responsible for measuring the bank’s exposure to risks based on the securities it holds and the loans it has extended, and setting limits on them.

**Sales & Trading:** One side of the most important divide in an investment bank. S&T divisions, sometimes called “Global Markets”, deal with brokerage activities. Research divisions are generally within sales & trading, as is prime brokerage. Sales & trading is generally further divided into Equities and FICC.

**Securities:** Tradeable claims on future payments. Includes shares (equities), bonds (fixed income) or derivatives of all flavours.

**Securitization:** The process of buying a

large number of smaller loans (mortgages or credit card debts, for example) and bundling them into a Special Purpose Vehicle (SPV) which then issues bonds to the public, effectively transforming the loans into securities.

**Sell-side:** People who work for investment banks, speaking to clients on the buy side.

**Settlement:** The activity of making sure that records are updated, and payments are sent to the right place after a securities transaction has been carried out.

**SPAC:** A Special Purpose Acquisition Company. These are listed companies that have no actual activity, whose duty it is to merge with a normal, existing, private business – thereby allowing the normal company to be listed on a stock exchange, without the faff of an IPO. This technique is often used by financial sponsors. SPAC teams cross the boundary between capital markets and M&A.

**SPV:** A Special Purpose Vehicle. A “brass plate” company formed by a bank in order to be the legal owner of some assets. An SPV generally has no staff or operations of its own. SPVs are a key building block in Structuring and in Securitization.

**Spread:** The difference between the price quoted by a brokerage to buy securities (the bid) and the price quoted to sell the same securities (the ask). Buying at the bid and selling at the ask is how brokerages make money. The word “spread” can also refer to the difference between two interest rates.

**Structuring:** Designing complex securities (usually involving derivatives) to achieve particular goals for either the investor or the issuer – these can include specific tax treatment, particular mixtures of risk and reward, or the bundling up of small loans into a larger security which can be publicly traded. This activity crosses the divide between investment banking and sales & trading and might be found on either side depending on how a bank is organized.

**Syndicate:** A specialist team within Capital Markets which handles communication and relationships with other banks in transactions which involve a large number of investment banks – usually to fund a large bond issuance or stock offering.

**Treasury:** The United States Treasury, which acts as the finance department of the United States Government. It is best known for issuing Treasuries, which are US government debt instruments. These includes T-bills (up to one year maturity), T-notes (up to ten years maturity), and T-bonds (up to thirty years maturity). US government debt is the single largest debt market in the world.

**Underwriting:** The practice of buying securities from the issuer, then distributing

them to the public. During an underwriting, the bank is at risk because it is holding the securities and so is exposed to movements in their value; it takes a fee to compensate for this. Underwriting is one of the activities managed by capital markets teams.

**VP:** Vice President – the rank above Associate and below Director. VPs usually have five to seven years' experience and are the most junior of the management titles.

**Yield Curve:** The market-priced relative yield of government bonds of various ages. US treasuries are typically used as the baseline bonds. The move in relative price of the yield curve reflects investor sentiment in the United State's economic future, especially in relation to anticipated changes in interest rates.



# Directory

## Banks

Asian Infrastructure Investment Bank	<a href="https://www.aiib.org/en/opportunities/career/job-vacancies/internship/index.html">https://www.aiib.org/en/opportunities/career/job-vacancies/internship/index.html</a>
Banco Santander	<a href="https://www.santander.com/en/careers">https://www.santander.com/en/careers</a>
Bank of America	<a href="https://campus.bankofamerica.com/opportunities.html">https://campus.bankofamerica.com/opportunities.html</a>
Barclays	<a href="https://search.jobs.barclays/graduates">https://search.jobs.barclays/graduates</a>
BNP Paribas	<a href="https://careers.bnpparibas.co.uk/early-careers/graduates/">https://careers.bnpparibas.co.uk/early-careers/graduates/</a>
Centerview Partners	<a href="https://www.centerviewpartners.com/careers.aspx">https://www.centerviewpartners.com/careers.aspx</a>
Citigroup	<a href="https://careers.citigroup.com/students-and-graduates/">https://careers.citigroup.com/students-and-graduates/</a>
Credit Agricole	<a href="https://www.credit-agricole.com/en/candidate">https://www.credit-agricole.com/en/candidate</a>
DBS	<a href="https://www.dbs.com/careers/internships/university">https://www.dbs.com/careers/internships/university</a>
Deutsche Bank	<a href="https://careers.db.com/students-graduates/#/graduate/">https://careers.db.com/students-graduates/#/graduate/</a>
Evercore	<a href="https://www.evercore.com/careers/students-graduates/">https://www.evercore.com/careers/students-graduates/</a>
Goldman Sachs	<a href="https://www.goldmansachs.com/careers/students/">https://www.goldmansachs.com/careers/students/</a>
Greenhill & Co	<a href="https://www.greenhill.com/en/careers/analysts">https://www.greenhill.com/en/careers/analysts</a>
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RW Baird	<a href="https://bairdcareers.com/campus/">https://bairdcareers.com/campus/</a>
Societe Generale	<a href="https://careers.societegenerale.com/en/students-graduates">https://careers.societegenerale.com/en/students-graduates</a>
Standard Chartered	<a href="https://www.sc.com/en/global-careers/early-careers/">https://www.sc.com/en/global-careers/early-careers/</a>
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## Hedge Funds

AQR	<a href="https://www.aqr.com/About-Us/For-Students">https://www.aqr.com/About-Us/For-Students</a>
BAM	<a href="https://www.bamfunds.com/careers/campus-recruiting">https://www.bamfunds.com/careers/campus-recruiting</a>
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## Private Equity

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Alpha Group	<a href="https://www.alphape.com/contact">https://www.alphape.com/contact</a>
Altor Equity Partners	<a href="https://altor.com/careers">https://altor.com/careers</a>
Apax Partners	<a href="https://www.apax.com/people/careers/">https://www.apax.com/people/careers/</a>
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Livingbridge	<a href="https://www.livingbridge.com/get-in-touch/">https://www.livingbridge.com/get-in-touch/</a>
Lone Star Funds	<a href="https://www.lonestarfunds.com/contact-us/">https://www.lonestarfunds.com/contact-us/</a>
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Montagu Private Equity	<a href="https://montagu.com/contact/">https://montagu.com/contact/</a>
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Affiliated Managers Group	<a href="https://www.amg.com/contact-us/">https://www.amg.com/contact-us/</a>
AllianceBernstein	<a href="https://www.alliancebernstein.com/corporate/en/careers/students.html">https://www.alliancebernstein.com/corporate/en/careers/students.html</a>
ARDIAN Germany GmbH	<a href="https://www.ardian.com/join-us">https://www.ardian.com/join-us</a>
Artemis	<a href="https://www.artemisfunds.com/en/about-artemis/careers">https://www.artemisfunds.com/en/about-artemis/careers</a>
Ashmore	<a href="https://www.ashmoregroup.com/en-gb/self-certify?dest=/en-gb/contact-us">https://www.ashmoregroup.com/en-gb/self-certify?dest=/en-gb/contact-us</a>
Avaloq	<a href="https://www.avalog.com/careers">https://www.avalog.com/careers</a>
Aviva Investors	<a href="https://careers.avivainvestors.com/starting-your-career/">https://careers.avivainvestors.com/starting-your-career/</a>
Baillie Gifford	<a href="https://earlycareers.bailliegifford.com/graduate-programmes/">https://earlycareers.bailliegifford.com/graduate-programmes/</a>
Barings	<a href="https://www.barings.com/en-gb/guest/about/careers">https://www.barings.com/en-gb/guest/about/careers</a>
Blue Tree Group (IB)	<a href="https://bluetreegroup.de/news/">https://bluetreegroup.de/news/</a>
BlueBay Asset Management	<a href="https://www.bluebay.com/en-gb/institutional/who-we-are/about-us/">https://www.bluebay.com/en-gb/institutional/who-we-are/about-us/</a>
Charles Schwab Corporation	<a href="https://jobs.schwabjobs.com/internship-academy">https://jobs.schwabjobs.com/internship-academy</a>
Colchester Global Investors	<a href="https://colchesterglobal.com/united-kingdom/contact-colchester-global/">https://colchesterglobal.com/united-kingdom/contact-colchester-global/</a>

Columbia Threadneedle Investments	<a href="https://www.columbiathreadneedle.com/en/about-us/?attested&amp;country=global&amp;language=en&amp;investorType=all">https://www.columbiathreadneedle.com/en/about-us/?attested&amp;country=global&amp;language=en&amp;investorType=all</a>
Dimensional Fund Advisors	<a href="https://careers.dimensionalfund.com/">https://careers.dimensionalfund.com/</a>
Dodge & Cox	<a href="https://www.dodgeandcox.com/financial-professional/gb/en/contact-us.html">https://www.dodgeandcox.com/financial-professional/gb/en/contact-us.html</a>
Edward Jones Investments	<a href="https://careers.edwardjones.com/career-areas/students-and-recent-grads/">https://careers.edwardjones.com/career-areas/students-and-recent-grads/</a>
Fidelity Investments	<a href="https://fidelityinternational.tal.net/vx/lang-en-GB/mobile-0/brand-5/candidate/jobboard/vacancy/1/adv/">https://fidelityinternational.tal.net/vx/lang-en-GB/mobile-0/brand-5/candidate/jobboard/vacancy/1/adv/</a>
Franklin Templeton Investments	<a href="https://www.franklintempletoncareers.com/">https://www.franklintempletoncareers.com/</a>
Genesis Investment Management	<a href="https://www.giml.co.uk/">https://www.giml.co.uk/</a>
Geode Capital Management	<a href="https://www.geodecapital.com/careers">https://www.geodecapital.com/careers</a>
Guggenheim Partners	<a href="https://www.guggenheimpartners.com/firm/careers">https://www.guggenheimpartners.com/firm/careers</a>
Insight Investment	<a href="https://www.insightinvestment.com/uk/careers/graduates/">https://www.insightinvestment.com/uk/careers/graduates/</a>
Intermediate Capital Group	<a href="https://www.icgam.com/people-and-careers/careers/early-careers/">https://www.icgam.com/people-and-careers/careers/early-careers/</a>
Invesco Ltd	<a href="https://careers.invesco.com/emea/">https://careers.invesco.com/emea/</a>
Investec	<a href="https://www.investec.com/en_gb/welcome-to-investec/Careers/graduates.html">https://www.investec.com/en_gb/welcome-to-investec/Careers/graduates.html</a>
J.O. Hambro Capital Management	<a href="https://www.johcm.com/uk/contact-us/sales">https://www.johcm.com/uk/contact-us/sales</a>
Janus Henderson	<a href="https://www.janushenderson.com/careers/">https://www.janushenderson.com/careers/</a>
Jupiter Asset Management	<a href="https://www.jupiteram.com/careers/opportunities/">https://www.jupiteram.com/careers/opportunities/</a>
KKR & Co. Inc.	<a href="https://www.kkr.com/careers/student-careers">https://www.kkr.com/careers/student-careers</a>
Lazard	<a href="https://www.lazard.com/careers/students/">https://www.lazard.com/careers/students/</a>
Legal & General	<a href="https://careers.legalandgeneral.com/future-talent-careers">https://careers.legalandgeneral.com/future-talent-careers</a>
Loomis, Sayles & Company	<a href="https://careersloomissayles.com/students/">https://careersloomissayles.com/students/</a>
Lord Abbett	<a href="https://www.lordabbett.com/en-us/financial-advisor/about-us/careers.html">https://www.lordabbett.com/en-us/financial-advisor/about-us/careers.html</a>
Majedie Asset Management	<a href="https://www.majedieinvestments.com/">https://www.majedieinvestments.com/</a>
MassMutual	<a href="https://careers.massmutual.com/students">https://careers.massmutual.com/students</a>
MetLife Investment Management	<a href="https://www.metlifecareers.com/en_US/ml/EarlyCareer">https://www.metlifecareers.com/en_US/ml/EarlyCareer</a>
MFS Investment Management	<a href="https://www.mfs.com/en-us/individual-investor/about-mfs/careers.html">https://www.mfs.com/en-us/individual-investor/about-mfs/careers.html</a>
Mondrian Investment Partners	<a href="https://www.mondrian.com/graduate-program/">https://www.mondrian.com/graduate-program/</a>
New York Life Investments	<a href="https://jobs.newyorklife.com/go/Investment-Jobs/4451800/">https://jobs.newyorklife.com/go/Investment-Jobs/4451800/</a>
Newton Investment Management	<a href="https://www.bny.com/corporate/global/en/careers/students.html">https://www.bny.com/corporate/global/en/careers/students.html</a>
Ninety One	<a href="https://ninetyone.com/en/united-kingdom/careers?ipnl=Graduates+and+interns&amp;subTab=Graduates+%26+interns">https://ninetyone.com/en/united-kingdom/careers?ipnl=Graduates+and+interns&amp;subTab=Graduates+%26+interns</a>
Nuveen	<a href="https://careers.tiaa.org/nuveen/global/en/home">https://careers.tiaa.org/nuveen/global/en/home</a>
Pantheon Ventures	<a href="https://www.pantheon.com/careers/">https://www.pantheon.com/careers/</a>
Record Currency Management	<a href="https://recordfg.com/careers/">https://recordfg.com/careers/</a>

<b>Rothesay Life plc</b>	<a href="https://www.rothesay.com/about-us/working-here/careers/graduate-and-intern-programmes/">https://www.rothesay.com/about-us/working-here/careers/graduate-and-intern-programmes/</a>
<b>Royal London Asset Management</b>	<a href="https://www.rlam.com/uk/contact-us/">https://www.rlam.com/uk/contact-us/</a>
<b>Russell Investments</b>	<a href="https://russellinvestments.com/uk/careers">https://russellinvestments.com/uk/careers</a>
<b>Savills Investment Management</b>	<a href="https://careers.savillsim.com/">https://careers.savillsim.com/</a>
<b>Schroders</b>	<a href="https://www.schroders.com/en/about-us/careers/graduates/">https://www.schroders.com/en/about-us/careers/graduates/</a>
<b>SEI Investments</b>	<a href="https://careers.seic.com/global/en/c/students-entry-level-jobs">https://careers.seic.com/global/en/c/students-entry-level-jobs</a>
<b>Standard Life Aberdeen</b>	<a href="https://www.standardlife.ie/about-us/careers">https://www.standardlife.ie/about-us/careers</a>
<b>Swiss Life Asset Managers</b>	<a href="https://uk.swisslife-am.com/en/home/careers/future-talent.html">https://uk.swisslife-am.com/en/home/careers/future-talent.html</a>
<b>T. Rowe Price</b>	<a href="https://www.troweprice.com/corporate/uk/en/careers.html">https://www.troweprice.com/corporate/uk/en/careers.html</a>
<b>TCW Group</b>	<a href="https://www.tcw.com/Our-Firm/Careers">https://www.tcw.com/Our-Firm/Careers</a>
<b>The Vanguard Group</b>	<a href="https://www.vanguardjobs.com/students-and-recent-graduates/">https://www.vanguardjobs.com/students-and-recent-graduates/</a>
<b>Veritas Asset Management</b>	<a href="https://www.vamllp.com/contact/">https://www.vamllp.com/contact/</a>
<b>Voya Investments Management</b>	<a href="https://www.voya.com/page/internships">https://www.voya.com/page/internships</a>
<b>Walter Scott</b>	<a href="https://www.walterscott.com/careers/">https://www.walterscott.com/careers/</a>
<b>Western Asset Management Company</b>	<a href="https://careers.westernasset.com/">https://careers.westernasset.com/</a>
<b>Winton Group</b>	<a href="https://www.winton.com/working-at-winton">https://www.winton.com/working-at-winton</a>

## Big Four

<b>Deloitte</b>	<a href="https://apply.deloitte.co.uk/UKEarlyCareers">https://apply.deloitte.co.uk/UKEarlyCareers</a>
<b>EY</b>	<a href="https://www.ey.com/en_uk/careers/students/programmes/graduates">https://www.ey.com/en_uk/careers/students/programmes/graduates</a>
<b>KPMG</b>	<a href="https://home.kpmg/xx/en/home/careers/graduates.html">https://home.kpmg/xx/en/home/careers/graduates.html</a>
<b>PWC</b>	<a href="https://www.pwc.co.uk/careers/student-careers.html">https://www.pwc.co.uk/careers/student-careers.html</a>