



## HOW TO GET A JOB IN INVESTMENT BANKING: INTERESTED IN WORKING AS AN INVESTMENT BANKER AT GOLDMAN SACHS ANYONE?

### Overview of Working as an Investment Banker

It's a job that involves power, status, and enough money to keep the closet stocked with Zegna suits and Ferragamo ties. Even though it's notorious for endless hours in the office, I-banking is one of the most fast-paced and lucrative industries around.

**Investment banking** is, in fact, neither investing nor banking. Broadly, **investment bankers work** to raise capital and provide investment advice for the bank's clients.

The industry breaks down into three main categories:

- **Corporate finance (CorpFin to those in the know)**, the process of raising money for corporate clients, lies at the core of the traditional investment bank.
- **Sales and trading is the sector of investment banking usually portrayed by Hollywood.** Salespeople and traders buy and sell securities and commodities. It's a high-pressure, market-driven culture.
- **Research analysts generally focus on either fixed income or equity.** They work to predict the movement of specific stocks, and their advice is extremely powerful in the industry.

### Major Players in Investment Banking

The "bulge bracket" consists of the largest of the full-service investment banks. Top-tier names include Merrill Lynch, [Morgan Stanley](#), [Goldman Sachs](#), [Citigroup](#), Credit Suisse, Deutsche Bank, UBS, and [JPMorgan Chase](#).

#### Interested in Investment Banking Jobs?

The World's Largest Source of Investment Banking Jobs is on [FinancialServicesCrossing.com](#)

### What are the Salaries in Investment Banking?

Most investment bankers are not in the business for spiritual fulfillment, and they don't pretend to be. One of our insider contacts believes that outside of high-flying tech companies and VC firms, investment banks are the best place to make a lot of money in a short amount of time.

Packages for associates in the corporate finance area just out of B-school hover around \$150,000. Vice presidents generally pull in about half a million yearly. And if you make it to partner, you can expect to rake in several million each year at the top firms.

Sales and trading salaries start at about \$85,000 for recent MBAs. Signing bonuses are usually about \$20,000, and year-end bonuses can be almost as much as your base salary.

Research analysts often earn more than those in other positions at investment banks. Their bonuses depend on the accuracy of their forecasts. Top analysts often win television, radio, and/or Internet gigs where they can make even more.

#### Interested in Investment Banking Jobs?

The World's Largest Source of Investment Banking Jobs is on [FinancialServicesCrossing.com](#)

### What Are the Hours of Investment Bankers?

You make a ton of money in this business, but you'll be hard-pressed to find time to spend it. Most corporate finance MBAs we spoke with said they averaged 80 to 100 hours a week during their first years as investment bankers. Your first three years as an associate or a research analyst will be dedicated to your work. Most insiders agree that you should be willing to put everything else in your life on hold.

The hours in sales and trading are more reasonable, though. Based on our survey, the sales and trading workweek averages about 55 hours.

#### Interested in Investment Banking Jobs?

The World's Largest Source of Investment Banking Jobs is on [FinancialServicesCrossing.com](#)

### What is the Travel Like for Investment Bankers?

Most I-banking jobs are not travel-intensive. We spoke with one lucky associate who says he travels only for golf tournaments and conferences. Others are on the road one to three times a month, but are never staffed out of town like consultants. However, there are always exceptions: One high-yield salesperson claims to be on the road all the time.

### What is the Office Culture Like in Investment Banks?

The I-banking community is described by most insiders as close-knit, most likely because employees eat, breathe, and sometimes sleep in the office. One associate attributes the bonding to the office space. We have very small desk spaces and they are packed close together. I-bankers do leave the office from time to time, though. There are happy hours and client dinners (one insider characterizes his colleagues as excessive in food and drink), excursions to sporting events, sailing trips, and more. Tip: Investing in golf clubs and lessons is probably a good idea.

Many firms on the Street are loosening up and have recently changed their dress code to business casual. Investment banking is still a conservative industry, though, and you should definitely have a few suits in your closet.

#### See: [Organization Culture Matters Most](#)

### The Crowd

This industry is definitely not the most diverse. The atmosphere is testosterone-charged, says one associate. Another admits that it is mostly white male-dominated, but adds that it is getting better on this front. We spoke with a female analyst who agrees: Mostly male, mostly white although there is a growing number of Asians and mostly from top-tier academic programs. As a woman, she is definitely in the minority. Wall Street has tried to make a strong effort to improve the number of women at firms, but the numbers are still pretty low. This isn't surprising, since only about 30 percent of MBAs are female. As one associate points out, Most of my female classmates in B-school did not focus on investment banking.

### How Can You Get a Job in an Investment Bank?

On-campus recruiting is the most common route to landing a job in this industry. Almost everyone we spoke with got his or (her) first post-MBA jobs this way. However, if you have a nontraditional background, it can be tough to get an investment bank position. Your best bet is probably in the sales and trading field.

The hiring process is exhausting, sometimes including as many as six rounds of interviews. This business requires endurance, and so does its rigorous selection process. The interviews themselves can also be trying.

A Wharton MBA and former associate at one of the most prestigious Wall Street banks tells a tale of one interviewer who pressured him to reveal his grades even after he explained that it was against his schools honor code. Many who have been through the process recommend scheduling interviews at firms in which you are less interested first so you can get warmed up before you go for the gold.

Veterans recommend doing your research before every interview. One even advised second-years to treat the process as they would a class, and study hard. Read recent articles and understand current conditions. Make sure the interviewer understands that you know a lot about the company and are ready to make a commitment. You should also be prepared for straightforward questions like

- *Why do you want to be an investment banker?*
- *What interests you about finance? and*
- *Why do you want to work for this bank in particular?*

One interviewer sniffs, "These are easy questions, but I'm always amazed at the number of dopes out there who have no good answers."

- See: [21 Major Job Interview Mistakes to Avoid at All Costs](#)
- [The Five Musts of Interviewing](#)
- [How to Answer the Tell Me About Yourself Interview Question](#)
- [The Best Way to Prepare for a Job Search and Interviews](#)

Through it all, remember that these people are looking for someone with whom they will want to spend 100 hours a week. Let them know that you are aggressive and dedicated but still fun to be around.

Several respondents emphasized the importance of understanding accounting. If I had to suggest one course [for investment banking hopefuls], it would be

accounting, hands down. That advice is seconded by another respondent, who reported that during one interview, I had to verbally construct a cash-flow statement. Case studies are also popular with I-banking interviewers as a tool to evaluate candidates quantitative and analytical skills.

B-school offers many resources that can help you prepare for interviews in this industry. Most schools have workshops that discuss relevant industry topics, hot products, and the like. You are also well advised to attend interview workshops to hone your skills. For a first-year student deciding what path to take and looking for a summer position, second-years can offer a wealth of knowledge and advice.

Remember that thousands of MBAs are applying for only a few hundred jobs. You must follow up and be persistent. An associate director at one of the largest banks in the world says that aggressiveness distinguishes the men from the boys. People who follow up, make phone calls, and demonstrate that they really want a job at this firm do the best. If you just go through the motions, you're not going to get an offer.

#### Interested in Investment Banking Jobs?

The World's Largest Source of Investment Banking Jobs is On [FinancialServicesCrossing.com](https://www.financialservicescrossing.com)

#### How Can You Move Up and Get Promoted in an Investment Bank?

There is a lot of mobility in the business if you bring in money. The more you make, the faster you move. In fact, one of the hallmarks of this industry is that you can move up quickly. People have the opportunity to take on more responsibility early and grow with that responsibility.

You are typically an associate for four years and a vice president for four years before moving up to the rank of senior vice president or managing director. There are few changes in responsibility with title changes, until you're at the vice president/managing director level.

#### What Does it Take to Be a Great Investment Banker?

Investment bankers must possess superior quantitative and analytic skills. A well-rounded academic background in finance, economics, and accounting is of course a plus.

I-bankers work under extremely stressful conditions, and it's essential to think quickly and effectively under pressure. The ability to learn quickly, and to absorb and synthesize information on the spot, is crucial, as is a passion for the markets. This is a lucrative industry, but those who thrive in the high-stress environment are those who really love the work.

Most of the insiders we spoke with highlight ambition and an aggressive personality as keys to success in this business. One even went so far as to say that people who do well in this industry were playground bullies. You do have to get along well with clients and colleagues, though. Strong communication skills are a must.

•

See: [Try as Hard as You Can](#)

#### What is the Typical Day Like for an Investment Banker?

- **Investment banking associate:** Arrive at the office at 9 a.m. There is no typical day. I split my time between financial modeling, presentations, client presentations, and client meetings. Most work is very group-oriented. The day ends around 10 or 11 p.m.
- **Sales & trading associate:** Arrive at the office around 7 a.m. Read messages and trader comments until 8. Start calling clients for scheduled daily calls between 8 and 10. Early afternoon is usually devoted to conference calls. The rest of the day is market-dependent.

#### Investment Banking Buzzwords

- Teamwork
- Leverage
- Buy rating
- Undervalued
- IPO
- Secondary offering
- Long/short
- Volatility duration
- Purchase/pooling
- Yield curve

#### Pros & Cons of Being an Investment Banker

##### Pros of Being an Investment Banker

- Potential to make a lot of money
- Fast pace
- Smart people
- Opportunity to learn a lot quickly
- Client interaction
- Never feel like a cog
- Projects aren't overstaffed, so everyone has the opportunity to make an impact
- Always something different
- Exciting to get close to transactions and companies and to read in the paper about a deal you worked on

##### Cons of Being an Investment Banker

Pressure and tension

Tremendous stress

Long hours. Says one diplomatic insider, "It would be better if it were nine-to-five."

Bureaucracy of a big bank

Big egos

#### Misconceptions about Investment Banking Jobs

- **Myth:** Stress does not affect your life.
- **Reality:** Your job, with all of its stresses as well as rewards, will be your life during your first couple of years in this industry as a banker or trader. Salespeople have it a bit easier.
- **Myth:** This is a glamorous industry from day one.
- **Reality:** You will have to pay your dues in the beginning. You're not in the middle of the big mergers right away. Even as a veteran, you won't always be closing deals that are on the front page of the Journal. There is grunt work that goes into making things happen. It's all worth it, though, when you play an integral role in an exciting transaction.
- **Myth:** This is easy money.
- **Reality:** You will put your blood, sweat, and tears into your job in investment banking. Every penny is hard-earned.

#### Great Perks

- Tickets to sporting events
- Lots of free drinks and dinners
- Late-night car service

#### Interested in Investment Banking Jobs?

The World's Largest Source of Investment Banking Jobs is on [FinancialServicesCrossing.com](https://www.financialservicescrossing.com)