

Working hours in Investment Banking

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One of the key question students and future bankers ask themselves is "how bad are the hours in investment banking"? It is quite often difficult to get a real answer to this question. If you ask banker friends, they tend to exaggerate their working hours (this is what we call the "superhero factor") to show how tough they are. And if you want to ask HR or recruiters at banking events, well...its probably not a good idea to ask if you want to get the job anyway. And the truth is that is really depends. Here is the unbiased answer from AskIvY

How many hours do analysts work per week, on average?

Its difficult to generalise as it depends on various situations (further explained below), but in Europe expect a minimum of 70 hours per week during slow times and up to 100 hours per week at busy times.

Investment bankers usually start quite late (because they finish late), at around 9.30am or even 10am. A quiet day means going back home at 9pm or 10pm, a more standard day would be finishing at anything between 10pm to midnight, and a busy day can stretch until the following morning. At peak times, it is not uncommon for analysts to finish past 4pm for several days or weeks in a row.

Weekend work is very frequent - this can be a few hours of catchup work on saturday or sunday, or at busy times working the all day on saturday and sunday.

But the most important point here is that working hours are totally unpredictable. You will have very quiet days or even weeks where you just spend your time browsing the internet and having coffees with friends. But you can also get suddenly dragged into multiple important transactions on a friday night and not see the light of the day for months. Also, most of the day is usually relatively quiet (between 10am to 6-7pm), but it often gets busy in the evening. Why? because senior bankers are in meetings all day and like to give tasks to junior just before they go home in the evening, all to be processed by the morning.

Which banks or teams are the worst?

Working hours will depend on three main factors: the bank, the team, and the situation

- The bank: people at bulge brackets, and in particular US investment banks, will on average work much more than bankers at European banks and boutiques. No surprise there, because big banks will have more deal flow, and that means more work. But it's also a culture thing - people in the US work much more than in Europe, so banks with a strong US culture will make you work much more.
- The team: teams within the same bank can have very different cultures. It is related to the working style of the team head (some bankers can be more easy going, especially UK and some European bankers) , and also of the deal flow of the specific team. If the team is very successful, that will mean very long hours but if you end up in a team that only closes one or two deals per year, you'll have a more relaxed lifestyle.
- The situation: working hours are usually better in economic downturns, when you are not working on deals, and also during the summer and around Christmas time. That is simply because clients are not active, which means less meetings.

Does it get better with time?

It does get a bit better with time. When you are a fresh graduate, you will spend a lot of time learning the ropes, so you will stay late. Also, you won't have anybody below you (except interns) to share the workload. Most importantly, fresh recruits are not familiar with the politics in the office (i.e. who are the "bad guys" who will make you work a lot, and how to "manage" your capacity), so you it is likely that you will learn the hard way. Unfortunately, it does get better but not that much - you will still work long hours throughout your analysts years. When you become an associate, the workload is slightly less, but you have a higher responsibility so what you loose in working hours you gain in stress!!

Why do bankers work that much? Can't the banks hire more people?

Two reasons: because the work is non-divisible and because work patterns are unpredictable.

- Non-divisible work means that adding more people to the work won't speed things up. The best example is building financial models. It is not possible to have many people working on an excel model at the same time. So when you are working on urgent deals, you need to work throughout the night to finish the model as fast as possible, and only when you are done can somebody review and check it. Simply put - most of the investment banking tasks just can't be split.

- Unpredictable workflow: client demands are extremely unpredictable and workflow comes in extreme "peaks". You could have nothing to do for a week, but suddenly a client may call to ask for urgent advice on a large M&A transaction. And with M&A work, everything is always urgent - deals must happen fast otherwise they may be leaked to the press or the parties may lose their time advantage. Because bankers are expensive, you simply cannot have an army of bankers on standby "in case" to meet peak time requests. Overall, it is cheaper to stretch resources (and pay them a lot of compensate for the "stretching") rather than hiring more bankers that would be idle most of the time.

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