



eFinancialcareers

A review of eFinancialCareers' 2021 Compensation Survey



Introduction

Welcome to the 2021 eFinancialCareers compensation survey. Based on over 4,500 responses to our salary and bonus survey between July and September, this year's survey offers an insight into where pay has been strongest as we approach the new bonus round. In a year when the emphasis has been very strongly on working hours, it also suggests which roles pay well on an hourly basis and which don't.

When total compensation is considered on a per-hour basis, sales and trading jobs pays better than any other role in banking, and the buy-side pays much better than the sell-side. Quants have a higher average hourly compensation people in the investment banking division, but they work nearly 30% fewer hours. Only people in compliance and technology work less than a 50-hour average week.

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The best paying jobs in investment banks globally, and why you want to work in tech

Comparisons between different parts of the investment banking industry are often skewed by the existence of a small number of extremely well-paid individuals whose compensation is enough to affect the entire category average.

This is particularly observable in the sales and trading, where the link between revenues and individual compensation is typically strongest, and where the mean average of total compensation is significantly higher than the median.

In other roles, however, the compensation range is less broad. In technology, for example, both mean and median pay are relatively equal, and the median respondent in technology earned roughly the same as his or her counterpart in the investment banking division. On this basis, technology jobs in banks look like a solid route to strong pay.

Sectors ranked by average pay	Mean Total Compensation (\$US)	Median Total Compensation (\$US)
1. Sales and Trading	406,847	280,400
2. IBD	273,028	194,779
3. Risk	197,352	189,300
4. Technology	196,796	195,000
5. Research	195,219	165,200
6. Finance	180,282	126,143
7. Compliance	169,950	126,143
8. Operations	130,347	111,650
9. Corporate Banking	120,926	111,650

The highest paying hourly pay in investment banks globally

After this year's [complaints from analysts at Goldman Sachs](#), it's become common knowledge that high pay for junior bankers is largely a compensation for long working hours. However, our survey found that the average isn't as excessive as the 120 hour weeks Goldman juniors were complaining about. – The average working week for people in the investment banking division at all levels is 'just' 73 hours.

However, this still means that on an hourly basis the investment banking division is a comparatively unlucrative place to work. Average pay per hour for people in IBD is only slightly better than for banking technology staff, and is somewhat worse than for quants.

If you want to earn the highest pay per hour in an investment bank, then sales and trading is the place to be. Although salespeople and traders typically have early morning meetings before markets open and may have market wrap-up meetings, their roles are anchored in market hours. Their pay per hour is therefore higher, although the stress and mental effort required in those shorter hours also has to be taken into account.

Further down the table, although research is generally a significantly better-paid job than finance or compliance, it's worth considering that this is largely because research analysts work as much as two hours a day longer than their colleagues in those roles.

Sectors ranked by average pay per hour incl. bonus	Average hours worked per week	Average Pay per hour (no bonus) US\$	Average Pay per hour (incl. bonus) US\$
Sales and Trading	55	78	148
Quant	50	65	92
IBD	73	43	87
Technology	48	65	82
Risk	51	58	75
Compliance	48	59	72
Finance	50	47	67
Research	58	46	66
Operations	53	40	50
Corporate Banking	53	31	43

Pay in the investment banking division in the UK, the US, Asia and Continental Europe

If you work in an investment banking division (M&A, equity capital markets or debt capital markets), you probably want to be in the USA. The U.S. is the biggest market with the biggest fees; in 2021 fees earned from U.S. M&A deals alone are set to reach \$2 trillion according to Refinitiv – up nearly 140% on last year.

In America, bonuses for investment bankers are particularly significant at the higher ranks. Driven

by very large average bonus payments, total compensation for managing directors in America was more than three times as much as the next best market, the UK, and twice as much at the director level. Below director level, APAC was the lowest-paying region. Continental Europe, on the other hand, seems much more egalitarian, with only a 25% difference in compensation between managing director and vice-president.

UK

Job title	Average Base Salary US\$	Average Bonus (\$US)	Average Total Compensation (\$US)
Managing Director	365,900	322,315	688,215
Director	254,242	233,083	487,325
VP	199,453	161,507	360,960
Associate	158,074	75,356	233,430
Analyst	82,634	34,877	117,511

US

Job Title	Average Base Salary US\$	Average Bonus (\$US)	Average Total Compensation (\$US)
Managing Director	396,429	1,792,143	2,188,571
Director	281,667	513,333	795,000
VP	233,571	196,357	429,929
Associate	169,714	106,643	276,357
Analyst	100,000	41,000	141,000

APAC

Job Title	Average Base Salary US\$	Average Bonus (\$US)	Average Total Compensation (\$US)
Director	191,764	123,457	315,221
VP	162,404	67,095	229,499
Associate	160,000	44,833	204,833
Analyst	70,580	4,125	74,705

Continental Europe

Job Title	Average Base Salary (€)	Average Bonus (€)	Average Total Compensation (€)
Managing Director	186,723	108,787	295,510
Director	171,248	109,091	280,339
VP	143,341	95,899	239,239
Associate	115,817	82,609	198,427
Analyst	74,337	36,522	110,859

Sales and trading pay in the UK, the US, Asia and Continental Europe

Sales and trading (S&T) jobs are some of the best paid globally. At the very top of the pay scale, managing directors on the trading floor can earn an average of seven figures in combined salary and bonus, while directors easily earn in excess of \$500k.

However, the trading floor is also a place of extremes. – Managing director (MD) pay is easily skewed by a few high earners with big bonuses, while underperformers are more likely to be paid no bonus at all. The range is large and the average is less consequential. We are not providing average managing director compensation for this reason.

Sales and trading may also be the one areas of banks where staff in London earn more than in New York City. This might be due to sample bias, but it's also possible that there just aren't

as many whales left in New York. - London sales and trading tends to be driven more by Rates, FX and credit than equities or investment grade bonds. This means that electronic trading hasn't eroded London margins as much as in New York, and personal franchises can be stronger in some areas.

In general, the high pay in S&T needs to be considered in the context of shrinking job opportunities as automated platforms take over. The more commoditized and lower-paid roles are first to be replaced.

In Continental Europe and APAC, sales and trading pay is much lower than in New York and London. However, managing directors in both locations are paid significantly more than director level, again reflecting the importance to the averages of a few huge earners.

UK

Job Title	Average Base Salary US\$	Average Bonus (\$US)	Average Total Compensation (\$US)
Director	307,192	326,503	633,695
VP	193,838	146,782	340,620
Associate	153,342	62,585	215,927
Analyst	79,226	28,555	107,781

US

Job Title	Average Base Salary US\$	Average Bonus (\$US)	Average Total Compensation (\$US)
Director	256,481	291,963	548,444
VP	199,458	159,271	358,729
Associate	142,222	111,889	254,111
Analyst	88,000	19,000	107,000

APAC

Job Title	Average Base Salary US\$	Average Bonus (\$US)	Average Total Compensation (\$US)
Managing Director	444,750	370,500	815,250
Director	266,159	315,469	581,628
VP	194,797	142,064	336,861
Associate	283,492	51,773	335,265
Analyst	80,429	21,525	101,954

Continental Europe

Job Title	Average Base Salary US\$	Average Bonus (\$US)	Average Total Compensation (\$US)
Managing Director	302,582	609,895	912,477
Director	209,471	220,624	430,095
VP	119,572	63,679	183,251
Associate	91,338	27,334	118,671
Analyst	59,729	8,118	67,848

Technology pay in finance (global)

As we saw above, pay for people in technology roles in finance is comparatively impressive at the median, but doesn't have the outliers which drive front-office averages.

Our data suggests that pay for managing directors in technology functions is roughly

equivalent to pay for directors in sales and trading. Bonuses are to blame: bonuses are big in technology, but not compared to front office roles. At low ranks in technology bonuses were typically 20-30% of base salaries. Even at MD level, technology bonuses are typically percentages rather than multiples of base.

Job title	Average of Base Salary US\$	Average of Bonus (\$US)	Average of Total Compensation (\$US)
Managing Director	275,000	220,833	495,833
Director	207,870	66,173	274,043
VP	169,979	24,769	194,748
Associate	109,164	25,128	134,293
Analyst	74,988	19,140	94,128
Grand Total	155,888	40,908	196,796

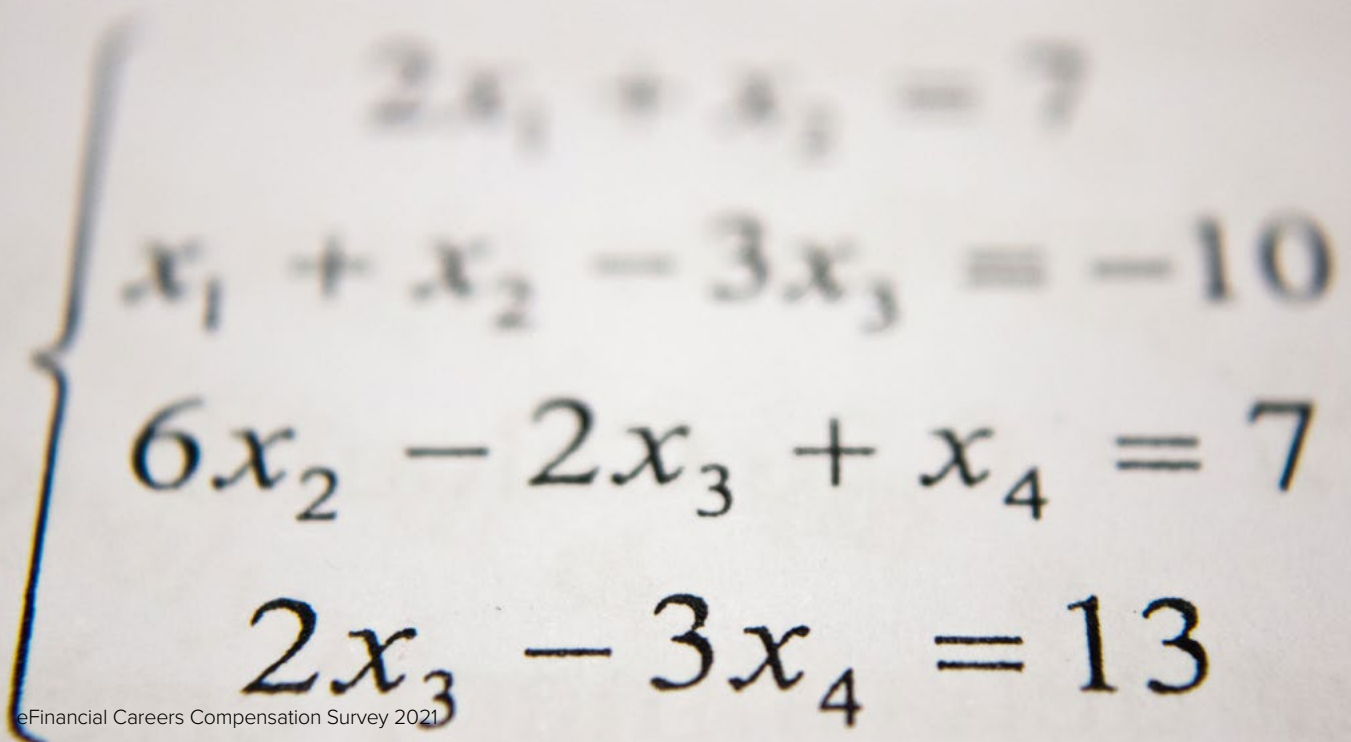
Quant pay in finance (global)

While technologists in finance aren't badly paid, once you get beyond analyst level, quants are paid more.

Quants working in banks tend to have a different skill set from general finance technologists, often

with advanced degrees in mathematical statistics. The real source of higher earnings for quants is more likely to be the fact that they have more opportunity to demonstrate revenue generation and so earn far higher bonuses, particularly if they're located on trading desks.

Job title	Average of Base Salary US\$	Average of Bonus (\$US)	Average of Total Compensation (\$US)
Director	256,059	141,830	397,888
VP	165,276	70,439	235,715
Associate	120,677	31,878	152,555
Analyst	71,887	8,255	80,142
Grand Total	164,326	66,880	231,206



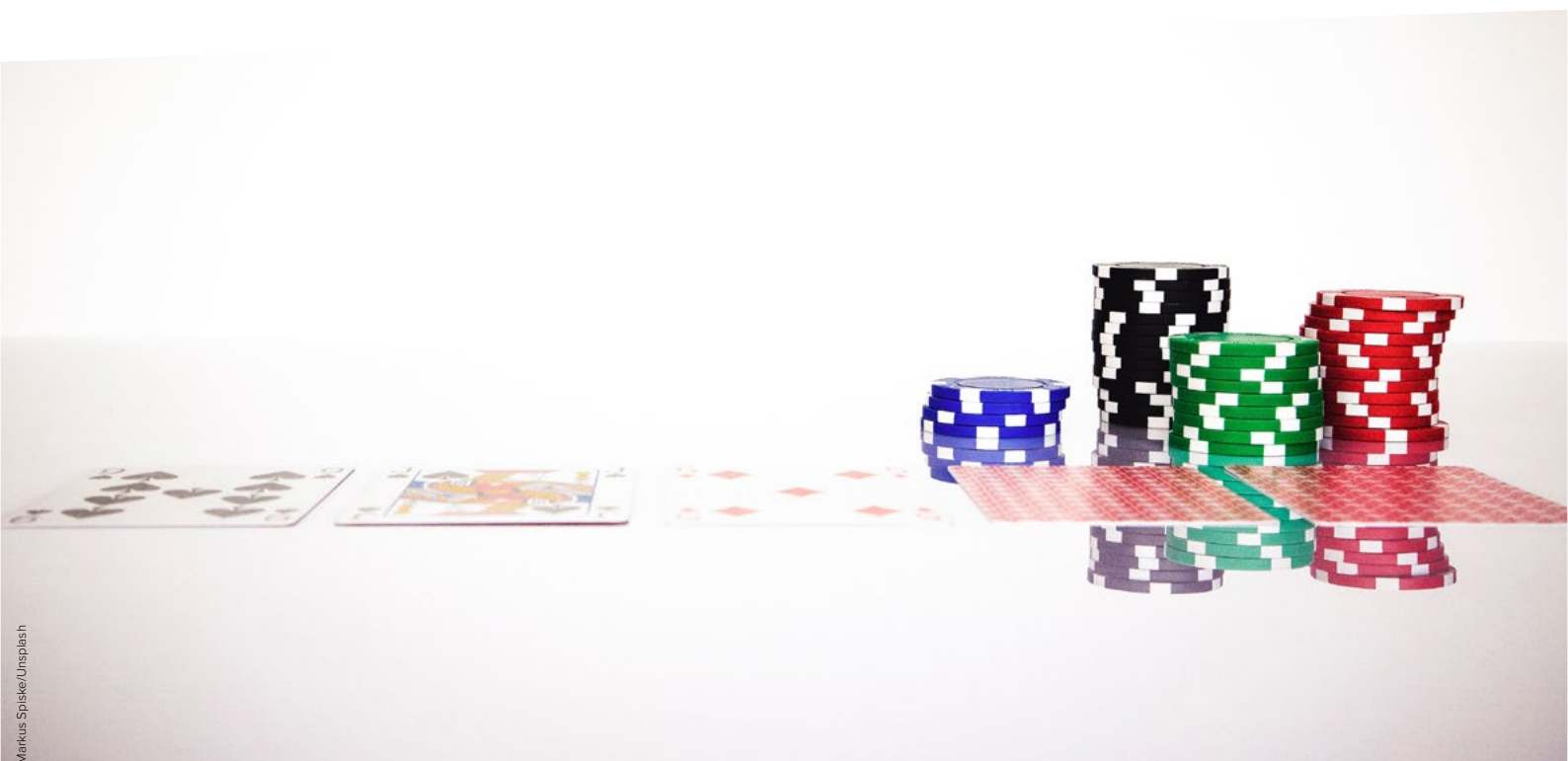
Risk pay in finance (global)

Pay for risk specialists really brings the front office/back office distinction into focus. Many risk managers have similar qualifications and skills to those of quants and there's some overlap in roles (with many market risk specialists also being quants) but the total compensation of people classifying themselves as working in risk is almost a

full rank lower than those self-classifying as quants.

Our data suggests that risk MDs earn the same as quant directors and that directors in risk earn only slightly more than quant VPs. In risk, the balance of total compensation is skewed toward base salary rather than bonus.

Job Title	Average Base Salary US\$	Average Total Compensation (\$US)	Average Total Compensation (\$US)
Managing Director	249,400	108,800	358,200
Director	222,898	65,716	288,613
VP	154,910	38,304	193,214
Associate	86,955	24,778	111,733
Analyst	58,665	4,645	63,310
Grand Total	154,154	43,198	197,352



Compliance pay in finance (global)

Although technology is often seen as a Cinderella job, the real forgotten workers of investment banking are arguably the compliance staff. Despite having a crucial role in keeping the bank out of regulatory trouble (and averting massive conduct fines), pay for people working in compliance is lower than for any other specialty in the survey.

Pay progression in compliance is also not great. Directors in compliance earn only slightly more than vice-presidents in compliance. More noticeably, compliance directors earn less than many associates in front office jobs. On the plus side, compliance is one of the roles with the fewest hours worked per week, so there may be a better work-life balance.

Job title	Average of Base Salary US\$	Average of Bonus (\$US)	Average of Total Compensation (\$US)
Director	158,962	23,516	182,477
VP	151,278	29,056	177,113
Associate	75,191	8,626	83,816
Analyst	56,200	5,961	62,161
Grand Total	110,408	16,781	126,392



Accounting pay in finance (global)

The good news is that accounting functions of investment banks have a steeper progression than most other back-office roles. At the lower levels up to Vice-President, general accounting jobs are, as one might expect, not as well paid as the specialists in compliance or risk. However, at

director and managing director level, accounting jobs often involve more input into business strategy, and are paid accordingly. These higher-level positions are often filled by transfers from front office.

	Average of Base Salary US\$	Average of Bonus (\$US)	Average of Total Compensation (\$US)
Managing Director	380,853	583,333	964,187
Director	178,362	75,231	253,593
VP	121,209	22,729	143,938
Associate	77,225	17,849	95,074
Analyst	52,919	1,569	54,488
Grand Total	118,757	55,939	174,696



Pay on the buy-side vs. pay on the sell-side

Direct comparison between buy-side and sell-side compensation is tricky, because the roles are different. One thing which it is possible to say, however, is that hourly pay is much better on the buy side, largely because there is no equivalent to the very long hours worked by junior bankers on comparatively low pay.

Comparing roles which might be seen as in competition for the same talent, we can see that global compensation in private equity is reasonably comparable compensation for bankers in IBD. Although managing directors in investment banking divisions can do much better in the USA, elsewhere pay between the two areas is fairly similar. Taking “principal” in private equity as a rank covering the VP and director equivalents in

a bank, compensation is close to the UK average and higher than APAC or Europe.

Hedge funds, as one might expect, pay the best. On average, a portfolio manager in a hedge fund will earn more than a private equity MD, and is compensated similarly to managing directors in sales & trading on the sell side. Hedge fund technologists earn somewhere between the compensation of general investment banking techies and quants.

Pay in the traditional asset management sector is considerably lower than in hedge funds. This is almost entirely the result of far more modest bonuses.

Mean pay per hour, buy-side vs sell-side:

	Average of Base Salary US\$
Buy-side	95.73
Sell-side	59.93
Grand Total	73.16

Average pay in private equity (global):

Job title	Average of Base Salary US\$	Average of Bonus (\$US)	Average of Total Compensation (\$US)
Managing Director or higher	223,072	364,744	587,816
Principal	184,001	128,833	312,834
Associate	109,398	58,005	167,404
Analyst	64,319	20,939	85,257
Grand Total	130,713	99,496	230,209

Average pay in hedge funds:

Job title	Average of Base Salary US\$	Average of Bonus (\$US)	Average of Total Compensation (\$US)
Portfolio Manager	237,931	529,640	767,572
Technologist	191,934	126,495	318,428
Trader	150,341	225,094	375,435
Analyst/Researcher	141,338	142,467	283,806
Support Staff	121,200	87,660	208,860
Grand Total	163,415	196,791	360,207

Average pay in asset management:

Job title	Average of Base Salary US\$	Average of Bonus (\$US)	Average of Total Compensation (\$US)
Portfolio Manager	157,015	80,821	237,836
Trader	141,701	114,063	255,764
Technologist	131,080	35,327	166,408
Support Staff	120,355	64,171	184,526
Analyst/Researcher	111,818	55,378	167,196
Grand Total	130,783	68,051	198,834

What makes employees feel better about their jobs?

The survey asked respondents to highlight any factors that are key to improving their jobs. Predictably, given the current war for talent in finance, more than half the respondents provided an answer focused on better compensation. The second most popular benefit in the survey, which let people provide more than one example, was “more flexible/remote working”. As banks attempt to bring employees back into the office, it is worth bearing in mind that around a quarter of them regard flexible working as important and may be prepared to consider moving jobs to preserve it. But flexible working need not mean absence from the office. As one respondent noted, just one or two days working from home can be enough.

The key gender difference in responses was in the importance of “better career progression/promotion” and “more recognition/respect”. These factors were rated higher by female employees than reduced hours or improved benefits, and career progression was ranked equally with remote working. It appears that to meet gender diversity goals and retain female staff, banks may need to provide – in the words of one respondent – a “clearer career path” rather than just focus on targeted benefits and accommodation of parenting needs.

% of respondents that highlighted these benefits as key to improving their jobs

Improvements to my job		% of respondents*	Improvements to my job		% of male respondents	% of female respondents
1	Better compensation	58%	Better compensation	58%	56%	
2	More flexible/remote working	22%	More flexible/remote working	26%	27%	
3	Better progression/promotion	20%	Better progression/promotion	18%	27%	
4	Better company/team culture	19%	Better company/team culture	19%	22%	
5	More responsibilities/more interesting work	18%	More responsibilities/more interesting work	17%	19%	
6	More training and development	10%	More training and development	10%	11%	
7=	Improved benefits	9%	Reduced hours	9%	9%	
7=	Reduced hours	9%	Improved benefits	9%	9%	
7=	More recognition/respect	9%	More recognition/respect	8%	16%	

* Respondents were able to provide more than one answer.

As employees get older and more senior, pay becomes relatively less important in the responses and “team culture” more so. Once financial goals are closer to being met, it appears that higher-order needs start to come into focus. It is noticeable, however, that “interesting work” is just as important as team culture and more highly valued than “training and development opportunities”. In particular, mid-ranking employees in their early thirties appear to respond to the possibility of being involved in new business lines or given more direct responsibility.

Improvements to my job	% of respondents							
	20-25	26-30	31-35	36-40	41-45	46-50	51-55	56+
Better compensation	59%	62%	63%	58%	59%	47%	51%	36%
More flexible/remote working	26%	24%	27%	29%	25%	26%	19%	25%
Better progression/promotion	15%	19%	20%	23%	25%	19%	13%	7%
Better company/team culture	14%	19%	22%	17%	19%	17%	18%	28%
More responsibilities/more interesting work	12%	17%	21%	17%	18%	18%	10%	26%
More training and development	14%	9%	12%	11%	7%	8%	10%	15%
Improved benefits	10%	10%	5%	6%	10%	12%	18%	10%
Reduced hours	13%	11%	10%	7%	4%	7%	7%	8%
More recognition/respect	8%	6%	9%	11%	10%	13%	13%	15%

Employees' perceptions of fair pay

Overall, men were slightly more likely than women to say both that they were fairly paid (25% vs 21%) and that they were not (46% vs 43%). The difference in responses was that female employees were more likely to answer “maybe”. It is noticeable, however, that there was a considerable gender gap in the actual earnings which were perceived to be fair and unfair. Men who thought their current compensation was fair earned an average of \$271,738 while women were, on average, satisfied at \$200,822. The average level of respondents answering that they thought their pay was unfair was \$138,654 for women and \$181,719 for men. This may reflect different average levels of seniority among respondents, but the pattern of pay satisfaction by title suggests that there is also a gender factor at work.

On the sell-side, the net balance of respondents who thought their pay was unfair has an inverted U-shape profile with seniority. In the analyst years, employees tended to be evenly balanced, with only 6% more thinking their pay was unfair compared to fair. Dissatisfaction then rises with successive promotions, peaking at VP level and then falling once more, until reaching the MD ranks, where average pay satisfaction is about the same as for analysts.

% of respondents who felt they were/were not fairly paid, by gender (and average compensation for each group)

	Male	Female
Fairly paid - Yes	25%	21%
Average total compensation US\$	\$271,738	\$200,822
Fairly paid - No	46%	43%
Average total compensation US\$	\$181,719	\$138,654

% of sell-side respondents who felt they were/were not fairly paid, by rank (and average comp for each group)

	Analyst	Associate	VP	Director (or equivalent)	Managing Director
Fairly paid - Yes	47%	36%	28%	32%	44%
Average total compensation US\$	\$122,316	\$165,295	\$290,121	\$528,500	\$1,195,340
Fairly paid - No	53%	64%	72%	68%	56%
Average total compensation US\$	\$89,186	\$147,532	\$218,705	\$323,817	\$373,263

Do employees want reduced hours?

One result of the survey which might be considered surprising is that a substantial proportion of banking employees don't think that they work too many hours. The average hours worked by respondents who answered "no" to the question "Would reducing your hours make you feel better about your job?" was very close to the average hours worked overall. This seems to have been true at almost every rank. Analysts who answered "no" worked an average of 57 hours a week, compared to 58 hours for analysts overall, while directors who didn't think a reduction in hours would make them feel better were in line with the average at 54 hours a week.

This implies that the well-publicised working conditions and burnout risks which have driven public protests, particularly at junior levels over the last year, appear to be driven by smaller numbers of employees who are working extremely long hours. The average associate who said that reducing hours would improve their job was putting in 70-hour weeks; dissatisfied managing directors reported 75 hours. As these are averages, it is possible that some of the worst cases are even higher. It appears that it might be possible to address staff discontent about working hours by targeted action aimed at those teams with a structural long-hours culture, rather than by taking measures across an entire firm.

It is also noticeable across the ranks that the crossover point between a broadly acceptable number of hours and one which employees want to reduce happens somewhere between 55 and 60 hours a week. Analysts working 57 hours and associates working 55 hours a week did not think that reducing these hours would make their jobs better. One explanation for this might be that the employees who did not object to their hours could be long days, but only during the normal working week, versus dissatisfied employees whose weekends are systematically being encroached upon. Protected weekend policies might be the best-targeted way of dealing with employees' concerns about excessive working hours.

% of respondents who wanted/did not want reduced hours, by rank (and average weekly working hours for each group)

	Analyst	Associate	VP	Director (or equivalent)	Managing Director
Want reduced hours – yes	65	70	58	52	75
Want reduced hours – no	57	55	53	54	58
Overall average hours	58	57	53	54	59