

A Study of Gen Z in Investment Banking: Interests, Aspirations, and Career Trends

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Abstract

Investment banking is shaping the career in a positive way and it is proving beneficial in financial aspect that it has drawn the attention of Gen Z very rapidly. This study shows the interest of Gen Z Investment Banking, possible career options for them and their interest in it, and also the changing trends that is shaping the industry. through feedback and opinions researchers found the key factors that is grabbing the interest of Gen Z in investment banking, factors such as work-life balance, digital transformation in financial services, and career preferences, and scope in Investment Banking. Study shows that how much efforts companies are making to attract and retain the skilled individuals and specially to Gen Z because of their interest in technology by offering them various facilities like flexible work environments, Technology oriented approach and many more incentives and perks. In today's time Gen Z is looking for Technology based job role, career stability, financial incentive, innovation, personal and professional growth and development opportunities, that has completely changed the people perspective of looking towards banking opportunities as a career option. This research provides the insights of Investment banking, Fintech, and Gen Z in investment banking, their interest, aspiration, and career trend.

Keywords: *Investment banking, Gen Z, Fintech, financial stability.*

Introduction

In the era of advancement, technology and digitalization, a new generation is stepping into the field of technology, Gen Z. Highly tech oriented, ambitious and highly skilled. They are redefining career path in every field in today's time including Investment Banking. Gen Z knows their priorities, and value their work. They are innovative, technology oriented and prefers financial growth, they also want to maintain work life balance, which led them to explore many career opportunities in field of Investment banking. They are exploring roles that provides them growth opportunities technology-based work financial success and that values and admire their efforts. In this research we will drive into the interests, aspirations, and career trends driving Gen Z's engagement with investment banking. Explore the possible career and growth opportunities for them in Investment Banking Industry itself.

Objectives

1. To analyse the growing hobbies of Jane Z in funding banking and to search for important thing factors affecting their profession options in the field.
2. To discover the possibilities of profession available for General Z in Funding Banking with traditional roles and growing technology-appointed positions.
3. To inspect the impact of digital changes on investment banking and the way it aligns with the technical options of General Z.
4. To check the work of work-existence, economic encouragement and expert development in attracting and maintaining General Z skills in funding banking.

5. To compare the techniques adopted through funding banks to interact, appeal and keep general Z experts through Binda painting environment, era-oriented procedures, and career development programs.
6. To identify changing enterprise development in funding banking, who are re-shaping career paths and possibilities for General Z.

Review of Literature

According to the status of market competition and the resource available in the investment banking, this paper develops the status investment banking in current time and its propositions. First, the paper argues that the benefit that Gen Z derives from an investment idea regarding finance. Second, the paper considers the implications of status-based stratification for the resources available from globe that provides wider scope for investment. Using the resource-status space imagery, this paper posits that what are the scope that Gen z has and kind of opportunities they are Getting from career point of view in investment banking within their current status level. The expanding idea of it will thus encroach on the similar status of Gen Z and their interest rather than other fintech or other career aspects regarding finance. **(Park & Podolny, 2000)**

As per the current situation of the global economy has urged the need to revolutionize the financial investment especially in Investment Banking with a deep interest of youth in financial needs for the financial decisions and financial stability, which is necessary for financial well-being of today's youth. The purpose of the study is to showcase the financial well-being of Indian Gen Z students in relation to financial literacy, financial investment options financial behaviour and financial technology and their career aspect in Investment Banking. **(Shankar et al., 2022)**

Nakamoto, S. (2008). Bitcoin: A peer-to-peer electronic cash system. <https://bitcoin.org/bitcoin.pdf> outlined the current Scenario in Investment Banking it has Included huge Carrer aspect for Gen z in it. Especially for their financial well-being their growth and financial Development. Fintech and Financial options have revolutionized the way of Investment decision in Investment banking for the youth and providing the opportunity to get in touch with banking Companies. **(Huibers, 2024)**

Methodology

The study employs a mixed-method approach, including both qualitative and quantitative research methods to analyse Gen Z in investment banking. The functioning includes primary data collection through interview of gen Z people and secondary data collections through industry reports.

Research Design

Research follows an empirical and descriptive design to achieve insight into factors affecting General Z's interest in investment banking. The study examines key aspects such as career aspirations, digital changes in financial services, work-life balance and financial incentives.

Data Collection Methods

Primary Data Collection

Oral interview : A structured interview was asked to General Z persons, including students and early-career professionals, including their career preferences to collect data on their career preferences, to collect perceptions of interest banking and work-life balance. Interviews: Intense interviews were conducted with HR professionals, investment banking experts, and general Z employees working in financial institutions, who achieve qualitative insights into rental trends, career expectations and company strategies.

Secondary Data Collection

Research studies related to academic letters, industry reports and investment banking, Fintech and General Z Career Preferences.

Analysis of recent articles, financial magazines and company reports to identify market trends and employment strategies within investment banking.

Sample Strategy

Random sampling techniques were used to select the sample and the respondents who are interested in making their career in investment banking. Students interested in finance careers and young professionals (aged 18-25).

Industry professional (HR manager, recruitment and investment banking employees) provide insight into talent acquisition and retention strategies.

Data Analysis Methods

Quantitative Analysis: Descriptive Statistical techniques such as frequency distribution, mean analysis. used to explain data.

Financial Gains after Joining an Investment Banking Company

Without a doubt, joining an investment banking company incurs a financial growth that offers a clear way to wealth creation. The starting average pay package for an entry level analyst level is at least \$100,000. The starting average pay package for an entry level analyst level is at least \$100,000. The average salary for professionals at vice president level and above with directorship titles is multi-million dollars per annum. Investment bankers are offered unprecedented cash bonuses that sometimes are termed as "free cash". In addition, investment bankers have the opportunity to own shares in the bank firms of other companies which increases their net worth. The moderately hostile working conditions and long hours are compensable by early financial freedom, as many investment bankers after making a considerable amount of money shift to working in private equity, venture capitalism, or corporate finance. Owing to their strong financial discipline and clever investing, most investment banking employees achieve valuable assets within ten years of their careers.

Easily Accessible Jobs in Investment Banking

Like other exciting areas of the finance sector, investment banking is very competitive due to its strict prerequisites, intense competition, and a deep-rooted work culture. This industry is highly rewarding and prestigious; however, its accessibility is determined by one's educational qualifications, skills, connections, and the state of the job market.

Barriers to Entry in Investment Banking

a. Educational Qualifications

Most investment firms look for candidates who have a degree in finance, economics, business, or mathematics.

An MBA from a leading business school (Harvard, Wharton, LSE etc.) opens a lot of doors for prospective candidates.

Some of the firms do recruit undergraduates for the analyst positions, however, career progression is most often rapid when one possesses an MBA.

b. Competition for Graduate Jobs

Bulge bracket banks (Goldman Sachs, Morgan Stanley) are known to have very selective hiring practices. Mid-tier and boutique banks present better chances of employment, though, strong performance still is expected.

Good opportunities for getting jobs come with having internships at good places.

c. Other Skill Areas

Good analytical skills, financial modelling, and valuation ability.

Knowledge of Excel, Python and other financial software including Bloomberg and Fact set.

Ability to work with constant pressure for longer hours.

d. Work-life balance challenges

Many professionals regard the field as a tough one to work in due to the long hours (80-100 hours/week) required.

Very high stress levels on the job can make it easy to burnout, thereby making it difficult to retain employment.

Factors improving job accessibility

a. Alternative pathways to investment banking

Non-traditional backgrounds: Some firms have begun to accept applicants from STEM and Tech fields.

Online certifications: The CFA, FRM, and financial modelling courses significantly increase the chances.

Fintech and AI roles have a greater acceptance level compared to traditional banking roles.

b. Technology's role in democratizing access

Gen Z can access IB through remote internships or online finance focused communities.

AI driven trading and fintech positions provide alternative career opportunities.

c. Diversity and inclusion initiatives

Numerous banks are doing away with degree requirements for hiring to promote diversity.

Goldman Sachs' has its Diversity Fellowship while JPMorgan provides Apprenticeship programs to assist underrepresented candidates.

Future trends in investment banking job accessibility

De-emphasis on the need for a traditional finance degree in preference for more focus on skill related to AI and fintech.

The flexibility offered by hybrid and remote roles is making IBs more appealing.

With the increase in prominence of boutique banks, there are more job openings outside the traditional firms.

Data of Leading Companies where Gen Z Aspires to Build Their Careers

Table:1. Showing Goldman Sachs (GS) financial report

Goldman Sachs is one of the largest investment banking companies across globe

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	44.56	9.46
2021	59.34	21.64
2022	47.37	11.99
2023	43.69	10.75

Source: Goldman Sachs Investor Relations

Table:2. Showing JPMorgan Chase & Co. (JPM) financial report

JPMorgan is other major investment bank and financial services company.

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	119.5	29.1
2021	127.9	48.3
2022	128.4	37.7
2023	140.0	37.0

Source: JPMorgan Investor Relations

Table:3. Showing Morgan Stanley (MS) financial report
Morgan Stanley mostly focuses on more wealth management and investment banking services.

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	48.2	11.0
2021	60.2	16.2
2022	60.1	11.0
2023	65.3	14.5

Source: Morgan Stanley Investor Relations

Table:4. Showing Bank of America Merrill Lynch (BAC) financial report
Merrill Lynch is a wealth management and investment banking firm of Bank of America.

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	91.24	17.9
2021	89.11	31.0
2022	92.13	27.0
2023	95.57	28.5

Source: Bank of America Investor Relations

Table:5. Showing Citigroup Inc. (C) financial report
Citigroup is a major player of investment banking across globe, wealth management, and for providing financial services.

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	74.3	11.0
2021	71.9	22.0
2022	77.2	14.7
2023	79.5	17.5

Source: Citigroup Investor Relations

Table:6. Showing Barclays PLC (BCS) financial report
Barclays is a financial services provider company, including investment banking and wealth management at global level.

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	26.6	3.5
2021	27.5	9.5
2022	28.8	6.5
2023	30.3	6.8

Source: Barclays Investor Relations

Table:7. Showing UBS Group AG (UBS) financial report
UBS is a global investment bank and also provides financial services company is located in Switzerland.

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	41.6	6.6

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2021	42.7	7.5
2022	45.3	8.1
2023	49.0	9.0

Source: UBS Investor Relations

Table:8.Showing Deutsche Bank AG (DB) financial report
Deutsche Bank is Germany based bank and leading Player over there.

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	25.4	0.8
2021	26.0	5.2
2022	26.5	5.7
2023	27.3	6.0

Source: Deutsche Bank Investor Relations

Table:9.Showing Credit Suisse Group AG (CS) financial report
Credit Suisse provides investment banking services, asset management facilities, and wealth management services at global level

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	23.6	2.7
2021	22.5	1.3
2022	19.9	-7.8
2023	18.0	-0.5

Source: Credit Suisse Investor Relations

Table:10.Showing Lazard Ltd (LAZ) financial report
Lazard is a financial advisory and asset management firm globally and offers investment banking services to its customers.

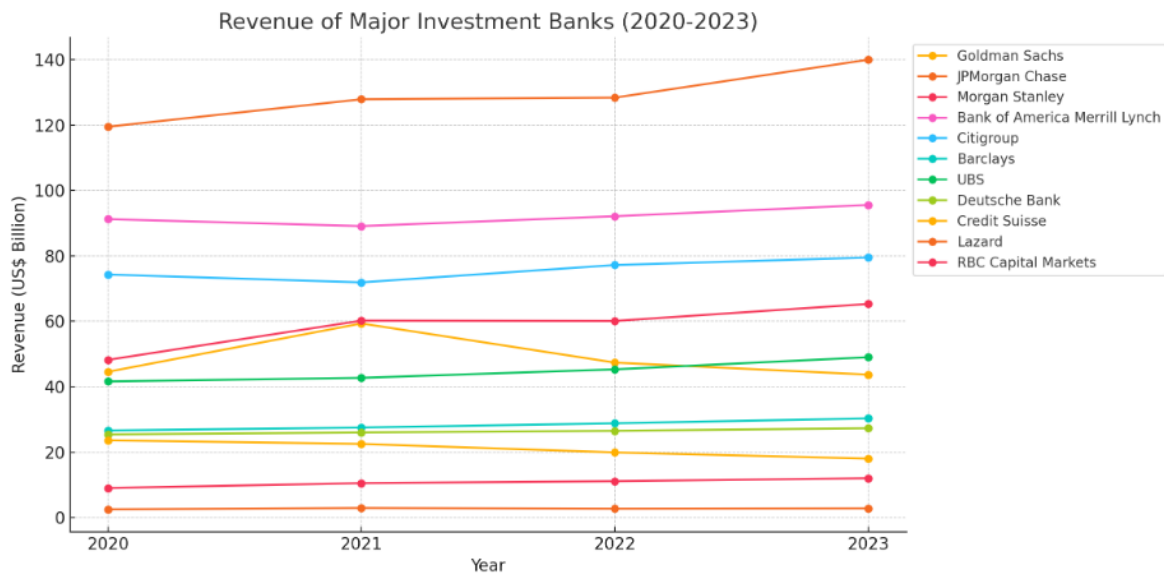
Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	2.5	0.4
2021	2.9	0.6
2022	2.7	0.5
2023	2.8	0.6

Source: Lazard Investor Relations

Table:11.Showing RBC Capital Markets (RBC) financial report
RBC Capital Markets is the major investment banking company in the Royal Bank of Canada.

Fiscal Year	Revenue (US\$ billion)	Net Income (US\$ billion)
2020	9.0	2.7
2021	10.5	3.1
2022	11.1	3.2
2023	12.0	3.4

Source: RBC Capital Markets



Gen Z's Interest in Wealth Creation through Investment Banking

Gen Z (born between 1997-2012) shows a deep interest in **wealth creation** through investment banking due to its significant-earning possibilities, financial stability, and exposure to financial markets across globe. Not following the previous generations completely, Gen Z is acting maturely they are more financially aware, and technologically driven, and associating their investment and career choices in finance.

1. Why is Gen Z showing their interest in Investment Banking for Wealth Creation?

a. High Salary and Bonus structure and good incentives

- Investment banking offers favourable and pleasant salaries, performance-based bonus, and long-term financial stability and Growth
- The salaries at entry-level or at joining (analyst roles) and potential for rapid growth make it a desirable career choice.

b. Early Exposure to Finance and Investment

- Social media, financial scholars, investment tools and software have increased financial literacy and awareness among Gen Z.
- Gen z is actively investing in stocks, crypto, and real seeking career opportunities in top Investment Banking company, making them more inclined to finance careers.

Future Challenges that will be Faced by Gen Z for converting into A Top 10 Investment Banking Companies

As younger generations attempt to supplant the world's most established investment banking firms, they must contend with an intricate web of challenges presented by competition and an ever-evolving industry. An example of such a challenge would include the proliferation of market rivals – Goldman Sachs or JP Morgan Chase, for example, have established decades-long client relationships as well as having extensive capital and regulatory knowledge. The need to raise capital for expansion and gain regulatory approval in various regions is another challenge. On top of this, there is currently a technological revolution taking place within investment banking. For these firms to remain relevant – and not fall victim to cyber security threats – they must utilize the latest in AI, blockchain, and algorithmic trading.

An additional hurdle involves acquiring new talent because new market entrants find it especially challenging to build a skilled workforce due to other established banks pulling the best available financial

experts. In addition, evolving client expectations suggest that old banking business models may not suffice. ESG investing, fintech development, and highly tailored financial services will be at the forefront of priorities for the Gen Z-led companies. Their ability to manage such risks profitably will also be challenged by greater economic uncertainty, fluctuations in the markets, and changes in regulations at a national and global level. Finally, the persistent work-life balance challenge alongside the high-stakes nature of investment banking may pose risks to long-term leadership retention. Gen Z's focus should be on creating a competitive edge through innovation, strategic collaboration, and unique offer in the investment banking domain.

Points Highlights

Severe Market Competition – Industry leaders Goldman Sachs and JPMorgan Chase have long-standing client relationships and capital greatly outweighing other firms in the sector.

Significant Capital Investments – Having to raise adequate resources for growth, as well as somehow acquiring permission from various regional governing bodies simultaneously is a major roadblock.

Disruptive Technology – Investment banking is rapidly evolving, with advancements in AI, blockchain and algorithmic trading. This demands that firms employ cutting edge technology at the same time as addressing cybersecurity.

Talent Management – The best people in finance are recruited by entrenched banks, creating a problem for new competitors hoping to build a capable workforce.

How Gen Z will change Investment Banking for the Future

Gen Z is active and willing to embrace change in the world of investment banking. They are adaptable, provide new ideas, and pay attention to details. With so many of them being Digital Natives, AI, Blockchain, and Fintech are being adopted at record speeds within the traditional banking infrastructure. Unlike other generations, Gen Z seeks a healthier work-life balance, ESG investing, and more focus on diversity, which is forcing investment banks to change the way they do business and what they invest in. Interest from the younger generation that centres around social to sustainable impact investing signals a transition from traditional profit-centred operations to socially responsible financial frameworks. Moreover, Gen Z is more entrepreneurial, gravitates towards decentralized finance, and is leading the charge within Fintech companies which means that traditional banks will have to adjust quickly to compete with the new players in the market. As this generation rises to leadership positions, there is a likelihood that investment banking will be technology-driven, inclusive, and responsive which will make sure that it remains relevant as the world becomes more and more digital.

Limitation of the Study

The sample size is a specific demographic, mainly limited to students and young professionals, who cannot fully represent the entire Gen Z workforce. The study depends on self-reported data, which may be subject to prejudice. Rapid changes in investment banking industry and fintech innovations may require ongoing research to catch the trends developed.

Conclusion

The growing interest of Gen Z in investment banking is changing the face of the industry with the infusion of new financial goals, technology, and value-based investments. Given their focus on earning potential, financial education, and online business, investment banking offers Gen Z the opportunity to build wealth over time. While alluring, the business continues to be quite competitive. Candidates are faced with entry conditions that are challenging, a harsh work environment, and the state of international finance, which is constantly shifting.

As Gen Z steps into the workforce and takes on roles in investment banking, traditional firms will be forced to modernize and adapt to the changes brought on by new age technology and impact investing through the incorporation of fintech solutions, decentralized finance systems, and ESG investments.

Simultaneously, the rest of the people who seek to start premier investment banking firms will have to deal with fierce competition in the market, sourcing capital, regulations, managing people, and ever-changing technology. Winning against these barriers will take changes in strategies, efforts to work together, and new approaches to provide services that set the competition apart from the overwhelming firms in the industry.

In the end, the entry of Gen Z in investment banking marks the advent of a younger, more digital, socially aware, and accessible banking world. With the use of their tech savviness.

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