Investment Banker: Salary, Job Description, and Requirements

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When high-profile corporate transactions, such as mergers and acquisitions (M&A), make the news, investment bankers are usually involved. One example is Union Pacific's agreement to acquire Norfolk Southern in 2025 in a deal valuing the railroad at roughly $85 billion. Each company had an investment bank advising it.

Guiding these types of deals, which is a key part of what investment bankers do, helps explain why investment bankers earn high salaries in a competitive field that attracts ambitious finance graduates and other talented professionals.

For individuals looking to prepare for a career as an investment banker, a Master of Finance degree immerses students in real-world investing and strategic decision-making in as little as two semesters.

What Does an Investment Banker Do?

Investment banking is a finance career that involves helping companies and governments raise capital and connecting them with investors. Investment bankers manage complex financial transactions from start to finish. Their clients range from startups to large corporations, governments, and international organizations. The job can be fast-paced and stressful, often requiring travel to work with companies in other countries.

Much of an investment banker's work falls into two primary areas:

- **Underwriting:** Underwriting is the process by which banks help corporations issue new stocks or bonds and then sell those securities to investors.
- **Advisory:** Advisory work on initial public offerings (IPOs) and M&A involves valuing a company, preparing regulatory filings, setting share prices, and helping both sides structure terms.

Day-to-day work typically involves valuing companies, building financial models, preparing prospectuses and pitch materials, and advising clients on private equity transactions and debt or equity offerings. The role has a strong compliance element, as deals must comply with regulatory bodies such as the U.S. Securities and Exchange Commission (SEC).

What Does It Take to Become an Investment Banker?

The route to earning a competitive investment banker salary will vary for everyone. However, most paths share common steps, from obtaining a degree to earning a license, such as the Chartered Financial Analyst (CFA) credential.

Education

Entry-level investment bankers typically need at least a bachelor's degree, according to the U.S. Bureau of Labor Statistics (BLS), with common fields of study including finance, accounting, and economics. A master's degree in finance or a Master of Business Administration (MBA) is often expected for advancement into higher-level positions, which offer higher compensation and larger bonuses on top of

base pay.

Graduate study at a business school also builds the technical and interpersonal skills the job demands while helping students develop an industry network. A Master of Finance is a common option for students who want to specialize in investment banking.

Experience and Internships

Hands-on experience, whether through entry-level work or an internship at an investment bank, provides students with exposure to the field and an opportunity to build their resumes. Interns who perform well can receive offers to return, and full-time openings outside that pipeline can be limited. Earlier roles in financial analysis, trading, or business consulting can also strengthen a candidate’s profile.

Licensing

One of the most respected credentials in investment management is the CFA. To earn it, individuals must successfully pass three exams covering investment analysis, portfolio management, financial reporting, and ethics. The credential demonstrates strong technical skills and an ethical commitment. Investment bankers must register as representatives of their firm with the Financial Industry Regulatory Authority (FINRA). In addition, they must pass a series of qualification exams.

Key Skills

Success in investment banking depends on key skills. Some of the most important are the following:

- Financial analysis, including modeling, valuation, and Microsoft Excel
- Communication, both written and spoken, to build relationships and present to clients
- Multitasking and project management, as bankers handle multiple deals and deadlines
- Attention to detail, since small changes can have big impacts
- Ethics and compliance awareness, due to the regulatory scrutiny of every deal

Investment Banker Salary and Job Growth

Investment banking spans many titles and roles, each with its own salary range. The following roles earned competitive median annual salaries as of May 2024, according to the BLS:

- **Securities, commodities, and financial services sales agents:** $78,140
- **Financial and investment analysts:** $101,910
- **Financial risk specialists:** $106,000
- **Financial managers:** $161,700

Employment in business and financial occupations overall is projected to grow as fast as or faster than the 3 percent average growth for all occupations from 2024 to 2034, according to the BLS. Broken down into specific occupations, growth rates can vary:

- **Securities, commodities, and financial services sales agents:** 3 percent
- **Financial risk specialists:** 6 percent
- **Financial analysts:** 6 percent
- **Financial managers:** 15 percent

Take the Next Step Toward an Investment Banking Career

Steady M&A deal activity and constant demand for financing investments make investment banking a strong career option for finance graduates who thrive in fast-paced settings. There are also options for those drawn to related fields, such as sustainable finance, which is expanding alongside traditional banking.

Building an analytical foundation and a professional network is essential, and the field often rewards those who start with the right graduate program. The Master of Finance program at the A. B. Freeman School of Business at Tulane University offers an industry-driven curriculum in financial reporting, investments, and corporate finance, along with an optional career track in investment banking that lets students align their studies with their goals. In as little as 10 months, graduates can earn their master’s degree in finance and prepare to sit for the CFA exam.

Explore how Tulane’s Master of Finance program can help you move toward a career in investment banking.

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