

KAREN HO

# Liquidated

AN ETHNOGRAPHY OF WALL STREET

Duke University Press

Durham and London 2009

tices in the United States and how specific investment banking subjectivities and actions work to produce American hegemony through their brand of finance. As such, Wall Street finance is distinct from global finance, and the interests of the United States, though powerful and globalizing, should not be conflated with those of the world. On the other hand, investment bankers and banks located in the United States often do *claim* the entire globe: they effect rippling, global changes and self-represent themselves as the ultimate global actors promoting global capitalism. As Douglas Holmes and George Marcus (2005, 237) write, the “contemporary system of technocratic expertise . . . conceives and produces the idea of the global as daily practice. Central banks operate not merely under the sway of fast-capitalism; they have played a direct role in creating and mediating it.”

Of course, although these actors do strongly shape social relations, part of the project of localizing Wall Street involves emphasizing the hype, miscalculations, and discrepancies of global strategies and practices, especially given the central role that boastings of global reach and power play in the self-representations of investment bankers.<sup>38</sup> We can acknowledge the global spread and influence of Wall Street’s investment banking practices and worldviews without assuming that the actors’ plans are flawlessly conceived and executed. As Michael Fischer points out, the global is “polycentric”: however homogenizing, it is multiply situated, dynamic, local, and productive of odd ethnographic juxtapositions (Fischer 2003). Experts and cultures of expertise can make blunders, spinmeisters can fall prey to spin, and masters of the universe can be undermined by hubris. My approach to Wall Street investment bankers writes against this tendency to attribute infallibility and necessity to their cultural practices by investigating the fragilities of market practices and the inconsistencies of expert opinions, especially instances when encompassing global logics of shareholder value break down. It is precisely this global confidence in their capabilities that allows them the freedom to act unimpeded.

## 1

## Biographies of Hegemony:

## The Culture of Smartness and

## the Recruitment and Construction of

## Investment Bankers

When I began to conduct fieldwork in 1998 and 1999, delving into the network of contacts, coworkers, and friends I developed at Stanford, Princeton, and Bankers Trust (BT), it struck me how often my informants ranked and distinguished themselves according to their “smartness.” The term seemed fundamental to the Wall Street lexicon. My informants proclaimed that the smartest people in the world came to work there; Wall Street, in their view, had created probably the most elite work-society ever to be assembled on the globe. Almost all the front-office workers that I encountered emphasized how smart their coworkers were, how “deep the talent” was at their particular bank, how if one just hired “the smartest people,” then everything else fell into place. Chris Logan and Nicolas Bern, recent Princeton graduates working at BT and Merrill Lynch respectively, explained that from their relatively fresh perspective, what was most culturally unique about Wall Street was the experience of being surrounded by, as Bern put it, the “smartest and most ambitious people.” Logan added that the three qualities of success on Wall Street are to be “smart, hardworking, and aggressive. Everything else is considered tangential.” According to Kate Miller, a Spelman College graduate and former analyst at Morgan Stanley, interviewees are typically told they will be working with “the brightest people in the world. These are the greatest minds of the century.”

Such sentiments were not confined to eager young analysts or investment banking representatives talking up their industry to overawed recruits. Julio Muñoz, who received his MBA from Harvard and was an associate in investment banking at Donaldson, Lufkin and Jenrette (DLJ), a prestigious boutique investment bank which has since been bought out by Credit Suisse First Boston (CSFB), claimed that the most distinguishing features of investment banks are their smartness and exclusivity:

## 40 chapter one

People are really smart. They really don't hire any—the hiring standards are pretty good. That's one thing they really focused on doing, and that differentiates investment banking from other working environments in that they really do target the experienced individuals with good academic background. . . . [This] really brings to the investment banks a very elite society—somebody in society that had the means to study in X universities. If you really narrowed down the universities where the investment banks recruit, your number probably will not exceed fifteen to twenty universities.

Similarly, John Carlton, a senior managing director at BT who had worked at multiple investment banks such as Kidder Peabody and CSFB, stated that the key characteristics of Wall Street investment bankers are their smartness, aggressiveness, and self-confidence: "There is always a premium on having smart people . . . so, it is highly competitive. What happens is that a lot of people say, 'Look, some of the best and brightest people are going to Wall Street. I'm pretty smart myself; I should go [there] as well. And, by the way, I get paid very well.'" Remarking on how hedge funds attract the most brilliant minds from investment banks, Robert Hopkins, a vice president of mergers and acquisitions at Lehman Brothers, exclaimed, "We are talking about the smartest people in the world. We are! They are the smartest people in the world. If you [the average investor or the average corporation] don't know anything, why wouldn't you invest with the smartest people in the world? They must know what they are doing."<sup>1</sup>

The "culture of smartness" is central to understanding Wall Street's financial agency, how investment bankers are personally and institutionally empowered to enact their worldviews, export their practices, and serve as models for far-reaching socioeconomic change. On Wall Street, "smartness" means much more than individual intelligence; it conveys a naturalized and generic sense of "impressiveness," of elite, pinnacle status and expertise, which is used to signify, even prove, investment bankers' worthiness as advisors to corporate America and leaders of the global financial markets. To be considered "smart" on Wall Street is to be implicated in a web of situated practices and ideologies, coproduced through the interactions of multiple institutions, processes, and American culture at large, which confer authority and legitimacy on high finance and contribute to the sector's vast influence. The culture of smartness is not simply a quality of Wall Street, but a currency, a driving force productive of both profit accumulation and global prowess.

The key criterion of smartness is an ability to "wow" the clients—

generally speaking, the top executives of Fortune 500 companies. In this sense, although technical skill and business savvy also help to constitute smartness on Wall Street, they are often considered secondary, learnable "on the job." "The best," "the greatest," and "the brightest" minds in the world are sorted and recognized through a credentialing process that is crucially bolstered by image and performance. In other words, smartness must be represented and reinforced by a specific appearance and bodily technique that dominantly signals that impressiveness; not surprisingly, such characteristics as being impeccably and smartly dressed, dashing appearance, mental and physical quickness, aggressiveness, and vigor reference the default upper-classness, maleness, whiteness, and heteronormativity of ideal investment bankers. Though here I focus mainly on the specific elitism that is the key valence of smartness, in the next chapter, I further analyze "the total package" through which smartness is recognized and delivered.

What allows investment bankers to claim smartness, what defines and legitimates them as smart in the first place, and what particular kind of smartness is being deployed? Where these questions become especially clear is during the process of investment banker identity and social formation: the recruiting, training, and orientation of freshly minted college graduates and MBAs, their initiation into the world of Wall Street. Here it is possible to discern, in starkest relief, Wall Street's cultural values in action, particularly the construction and maintenance of the hegemonic elitism that produces "expert" knowledge of financial markets. Through the continual praxis of recruitment and orientation, the Street enacts and regenerates the very foundations of its legitimacy.

Through the process of recruitment and orientation, investment banks define their notion of both what it takes and what it means to be a successful subject in an age of global capital. To play the role of "master of the universe" requires not only especially strong doses of self-confidence and institutional legitimation, but also a particular set of beliefs regarding Wall Street's role in the world and one's own role on Wall Street. Investment bankers, trained to view financial markets and corporate America through particular, highly ideological lenses, are also imbued with a sense of their own personal exemplariness as agents of *and models for* socioeconomic change—a sense that must be embodied, believed in, and continually "pumped up." In approaching the question of how investment bankers become empowered to advise and influence the direction of corporations in the United States and globally vis à vis their personal trajectories, qualities, connections, associations, and identities, I make the case

for the importance of the biographical and the institutional in enacting global capitalist change. The building blocks of dominant capitalist practices are also personal and cultural; people's experiences, their university and career tracking and choices, are constitutive of capitalist hegemony; and the financial is cultural through and through.

In particular, I focus on the construction of "the smart investment banker": a member of an extended "family" network of elite university alumni and a living symbol of know-how and global agency. Their impressiveness and financial influence are further cemented and proven by surviving brutally intense hard work and an insecure job environment, which in turn allows them to internalize the merit of their analyses and recommendations. Through the institutional culture of Wall Street broadly conceived—where job experiences and workplace incentives map onto elite biographies—investment bankers not only imbibe a particular ideology of shareholder value and spread it across corporate America, but they are also pushed to refashion and reconstruct the working lives of millions in the image of their own.

By investigating investment bankers, as individuals and as collective agents of change, I do not assume a priori that "the market" always already exercises power, but rather that the particular biographies, experiences, and practices of investment bankers, who are both empowered and constrained by their cultural and institutional locations, create social change and financial hegemony on a daily basis. Just as "it is through the 'small stories' that one can begin to unravel and challenge homogenizing discourses embedded within concepts such as globalization, 'the' market, and 'the' state," it is possible to decenter the market as an abstract agent and powerful force by demonstrating that it is only through the small and the everyday that we can understand the creation of hegemony in all its particularity and contextuality. Otherwise, we risk privileging, homogenizing, or taking for granted the metanarratives of the market, the big stories (Crossa 2005, 29; S. Smith 2005).

## Recruitment

I first entered the cultural world of investment banks through the herculean recruiting efforts that Wall Street undertakes at the most elite universities. Despite my own ambivalence and feelings of mystification about Wall Street as an anthropology graduate student, this direct link—the pipeline between Princeton University and investment banks—en-

abled my very access to each step of the recruiting process, not to mention the field site itself. Wall Street, in a sense, came to me. Although I hardly recognized it at the time, Wall Street's ubiquity on campus, as well as the intensity of undergraduate interest in investment banking, meant that merely being a student at Princeton allowed, in a sense, automatic participant observation of this world. After fieldwork, I returned to Princeton to write the dissertation, thinking I would be getting away from Wall Street, retreating to an ivory-tower refuge in order to do some serious thinking and writing. Instead, it was more like reentering the belly of the beast. I was a graduate advisor at an undergraduate resident hall. Two weeks into the job, taking a walk after dinner I crossed paths with an undergraduate crowd (two of whom lived in my residence hall) headed toward Nassau Hall. Before I knew it, they had steered me into a Merrill Lynch presentation! The masses of students converging on these recruitment presentations and information sessions are akin to the campus traffic generated by the gatherings and dispersals of concert crowds. Already a veteran of the actual recruitment process back in 1996, now, almost four years later, after campus recruiting had even further intensified as a result of the bull market, I found myself participating in countless dining hall discussions about investment banking, attending still more presentations, and reading endless investment banking advertisements, updates, news, and opinion pieces in the pages of the *Daily Princetonian*. In 2000, I also had access on a regular basis to many of Wall Street's cultural representations and practices at Harvard University because my younger sister was an undergraduate there at the time. She introduced me to friends going through the recruiting process and kept me continually updated on how many of her acquaintances had suddenly, in their senior year, found their true calling as Wall Street investment bankers or management consultants. As many of my previous investment banking informants were also Harvard graduates, I have been able to make detailed observations of Wall Street's interactions with two elite universities.

More so than even the other Ivy League schools, Harvard and Princeton are the "prime recruiting ground for all of the most prestigious Wall Street, management consulting and other types of firms that offer the most sought after jobs. . . . The Princeton badge is a powerful currency that buys access" (Karsenas 2006). As many of my informants have elaborated, "If you go to Harvard, Yale, or Princeton, there are really only two career fields presented: banking and consulting" (Duboff 2005). This shocking narrowness was verified throughout my time at Princeton and on Wall Street: I found not only that most bankers came from a few elite

institutions, but also that most undergraduate and even many graduate students assumed that the only "suitable" destinations for life after Princeton—the only sectors offering a truly "Princeton-like job"—were, first, investment banking, and second, management consulting.<sup>2</sup> With its extensive alumni network and juggernaut recruitment machine, Wall Street is the "de facto home away from Princeton for recent graduates, many of whom continue living together even as they take on new responsibilities and lifestyles" (Hall 2005).

As perhaps the most important feeder school to Wall Street, Princeton sends astounding numbers of recruits into financial services in general, and in particular investment banking. According to the Office of Career Services, 30 percent of the class of 2001, 37 percent of the class of 2003, and 40 percent of the class of 2005 and 2006 entered financial services after graduation (Chan 2001; Creed 2003; Easton 2006; Henn 2001). Whereas from 2000 to 2005, 470 Princeton students pursued law or medical degrees, "520 Princeton students—about 40 percent of Princeton students choosing full-time jobs directly after graduation—decided to work in the financial services sector," amounting to the largest percentage in a single industry (Hall 2005). At Harvard University, which rivals Princeton as the primary producer of Wall Street recruits, investment banking (as well as management consulting) also provides the majority of jobs for its students upon graduation (Lerer 1997). According to Harvard's Office of Career Services, in 2005, close to half of Harvard students go through "the recruiting process to vie for investment banking and consulting jobs" (Huber 2006).

As Devon Peterson, an undergraduate writing for the *Daily Princetonian*, observed in 2002, "It's been common knowledge that many of [Princeton's] undergraduates join the financial realm every year, creating a kind of lighthearted, self-deprecating joke about Philosophy majors becoming I-bankers and once hopeful novelists heading to Wall Street" (Peterson 2002). How do so many undergraduates who enter these institutions without any prior knowledge of investment banking, who once aspired to become, say writers or teachers, "realize" by the time they graduate that they have always wanted to go to Wall Street? How do these talented and well-connected students, with access to a wide range of possible futures, come to believe that investment banking is one of the *only* prestigious job options available post graduation? I argue that such changes in life courses and the attendant discursive transformations must be unpacked in order to understand the particular worldviews, cultural associations, and orientations the recruiting process demands and calls into being.

The forces that push these college students toward investment banking

are obviously multiple: the particular college environment, the strength of alumni and peer networks, the cultural linking of success and smartness with Wall Street, the hierarchical narrowing of career options and what constitutes prestige, to name a few. Perhaps the most self-evident reason for Wall Street's recruiting monopoly is simply that its presence dominates campus life: recruiters visit the university virtually every week, even on weekends; they show up in the greatest numbers at career forums, panel discussions, and social events; their advertisements for information sessions, "meet and greets," and free drinks and hors d'oeuvres dominate the campus newspapers daily; their company literature and application forms are easily accessible, either at campus locations or online.

The recruiting process saturates almost every aspect of campus life from the very first day of the academic year. Investment banks and consulting firms dominate the early fall career fairs, setting the terms for what constitutes a successful career (and what it looks like), and monopolize the attention of the student body by showing up with the most polish, fanfare, and numbers. They hand out the best goodie bags, the most titillating magnet sets, mugs, Frisbees, water bottles, caps, and t-shirts, and in a matter of days, thousands of students become walking advertisements as their logos disperse into campus life. At the 2006 Princeton Career Fair, 60 of the 104 firms represented were in financial services or consulting (Rampell 2006). At the 2003 Harvard Career Forum, more than half of the close to one hundred firms in attendance were in investment banking, general finance, and consulting (Urken and Habib 2003). Marketed as general career exploration meant to attract a diversity of students and pathways, these forums actually constitute "recruitment on a grand scale" for the investment banking and consulting industries (*Harvard Crimson* 1995). This early and intense branding of Wall Street careers as the symbol of arrival, the equating of investment banking with "career" in general, serves to narrow students' notions of success and gives the impression that for graduates, there's nothing else out there besides investment banking and consulting (N. Guyer 2003).

Taufiq Rahim, a *Daily Princetonian* columnist, wrote of what he called the "hunting season": "They're here. I can see them. I can smell them. They're in my inbox. They're in my mailbox. They're on my voicemail. They're outside my door. They're on campus, and they smell blood. . . . They're the investment banks, the consulting firms: McKinsey, Goldman Sachs, Bain and Company, Merrill Lynch" (Rahim 2003). Below I reproduce Goldman Sachs's "Recruitment Calendar" for Harvard undergraduates at the millennium (see table 1). The recruitment schedule is painstakingly detailed,

Table 1. Goldman Sachs Recruitment Schedule at Harvard University, 2000–2001.

DIVISION	DATE	EVENT
Firmwide	September 6, 2000	Thirteenth Annual Women's Leadership Conference Panel Discussion, 10:00–11:30 a.m.
Firmwide	September 14, 2000	HSA Business Leadership Dinner The Charles Hotel, 6:00–8:00 p.m.
Firmwide	September 27, 2000	Resume Writing Workshop Office of Career Services, 12:00–3:00 p.m.
Firmwide	September 27, 2000	Firmwide Information Session The Charles Hotel, 6:00–8:00 p.m.
Investment Management	October 2, 2000	Divisional Presentation The Charles Hotel, 6:30–8:00 p.m.
Investment Banking	October 3, 2000	Divisional Presentation The Charles Hotel, 6:30–8:00 p.m.
Equities	October 5, 2000	Divisional Presentation Faculty Club, 8:00–9:30 p.m.
Firmwide	October 11, 2000	HSA Career Week Panel Discussion on "My Career"
Firmwide	October 13, 2000	Career Forum Gordon Track and Tennis Center
Sales and Trading	October 16, 2000	Divisional Presentation The Charles Hotel, 6:30–8:00 p.m.
All Divisions	October 19, 2000	Resume Drop
Corporate Treasury	October 25, 2000	Resume Drop (open)
Corporate Treasury	October 27, 2000	2 Open Full-time Analyst Interview Schedules
Firmwide	October 30, 2000	Minority Event (tentative)
Fixed Income, Currency & Commodities	October 30, 2000	Resume Drop (open)
Fixed Income, Currency & Commodities	November 1, 2000	1.5 Closed Full-time Analyst Interview Schedules 1.5 Open Full-time Analyst Interview Schedules
Investment Banking	November 2, 2000	3 Closed Full-time Analyst Interview Schedules

*Continued*

DIVISION	DATE	EVENT
Equities	November 3, 2000	3 Closed Full-time Analyst Interview Schedules
Investment Research	November 9, 2000	2 Closed Full-time Analyst Interview Schedules (1 Schedule for London)
Investment Management	November 9, 2000	2 Closed Full-time Analyst Interview Schedules
Firmwide	December 4, 2000	Women's Event (tentative)
Firmwide	December 14, 2000	Resume Drop for Spring
The Hull Group	January 30, 2001	1 Closed Full-time Analyst Interview Schedule
Equities	February 2, 2001	3 Closed Full-time Analyst Interview Schedules
Fixed Income Research and Strategy	February 7, 2001	1 Closed Full-time Analyst Interview Schedule
Fixed Income, Currency & Commodities	February 7, 2001	1.5 Closed Full-time Analyst Interview Schedules 1.5 Open Summer Analyst Interview Schedules
Investment Banking	February 7, 2001	3 Closed Full-time Analyst Interview Schedules
Investment Management	February 8, 2001	1 Closed Full-time Analyst Interview Schedule 2 Closed Summer Analyst Interview Schedules
Equities	February 9, 2001	3 Closed Full-time Analyst Interview Schedules
Investment Research	February 13, 2001	1 Closed Full-time Analyst Interview Schedules
Investment Banking Training and Professional Development	February 21, 2001	1 Closed Full-time Analyst Interview Schedule 1 Closed Summer Analyst Interview Schedule
Firmwide	TBD	IPO Case Study in conjunction with the Office of Career Services

demonstrating the active pursuit of Harvard students: they will not fall through the cracks. As the director of Princeton's Career Services cautioned students about Wall Street recruiters: "They come after you. If you're hiding under the bed and you don't want to talk anymore, they'll come and get you" (Shapira 1998).

On the day of the recruitment presentation (and most investment banks usually have multiple campus events, as separate divisions will have their own presentations and interview timelines), a given bank's representatives descend in droves to central campus locations, usually the fanciest business hotel near campus. For Princeton, bankers will charter a bus, a few limos, and even some taxis to drive a group of thirty to fifty investment bankers, research analysts, and traders (usually alumni who will also serve as recruiters) from New York City to the Nassau Inn at Princeton. The same goes for Harvard. Elaborate recruitment presentations are held at the Charles Hotel in Cambridge or the Faculty Club; dozens of recent Harvard graduates and seasoned alumni currently working on Wall Street fill the rooms. Including recent hires from Harvard and Princeton allows potential recruits to witness former classmates as smart and successful, as having made the transition from undergraduate life onto the Wall Street fast track.

The very first Wall Street recruitment event I ever attended, in 1995 as a graduate student still contemplating research on Wall Street, was a session presented by Goldman Sachs, widely known among potential employees as the most prestigious and exclusive investment bank on Wall Street. Arriving a little late at Princeton township's hallowed Nassau Inn, I was greeted by a sea of charcoal gray, navy, and black business suits. There must have been over 150 well-coiffed and starched, professionally driven undergraduates crowding the hotel's ballroom to hear a panel of sixteen Goldman Sachs executives, mostly Princeton grads. Apprehension and eagerness pervaded the room: this was not a time for socializing but rather for competitive vying for "face time" and searing first impressions with the recruiters. Instead of saying hello to friends, juniors and seniors surveyed the room and sought to get on their marks. As the only graduate student in the room, (as far as I could tell), awkwardly attempting to both observe and participate in the recruiting process, not to mention the fact that I was dressed in an old pair of slightly wrinkled gray slacks and a denim vest (of all things), I felt completely out of place.

The lights soon darkened for an introductory slide and video presentation. It was a recorded narration with sweeping views of Manhattan and fast-moving visuals of the globe, suit-clad workers traveling or walking

briskly to corporate towers, and sharp-dressed bankers videoconferencing or huddled up in teams with their sleeves rolled up. The narrator explained that a Wall Street career was all about "dealing with change." "The world is going to continue to change faster and faster, so we need people like you." When the lights came on, we turned our attention to the panel. I counted eight white men, five white women, one Latino man, one South Asian woman, and one black man. A relatively older white man, a managing director (Princeton class of '82), began to speak in a tone of pride: "We are a Princeton family. I met my wife here. Princeton students make the best analysts, which is why we recruit heavily here." The other speakers who were recent graduates introduced themselves by naming the schools they had attended: Harvard, Williams, Harvard, Princeton, Wharton, Princeton, Princeton, Princeton. "I'm from the University of Chicago," said the South Asian woman wryly. "I'm not quite as bright as everyone else." The Princetonian managing director then got down to business. "The two-year program will go by in a flash. Your learning and growth curve will be exponential. You will get actual interaction with clients. You are part of the team at our firm; the last thing you should be doing is photocopying. We hire ten people to do that, and that's all they do. We need your intelligence." It quickly became apparent that this was the evening's guiding theme. "So why should you work here?" asked the recent white male alumnus from Harvard. "Because if you hang out with dumb people, you'll learn dumb things. In investment banking, the people are very smart; that's why they got the job. It's very fast, very challenging, and they'll teach as quickly as you can learn." Some speakers emphasized the access to power offered by a Goldman Sachs position. "Our analysts can go anywhere in the world," said one of the white male vice presidents who is an alumnus from Wharton. "We've got Hong Kong, we've got Sydney, we've got London." He returned, inevitably, to the presentation's central motif; with an admiring gaze at the audience, he exclaimed, "You are all so smart!" Finally, the Princetonian managing director got up and announced, "Let's break up, go to the Nassau Inn Tap Room; drinks are on us!" The swarm of undergraduates then beelined toward the panelists, eager for face time with actual Goldman Sachs executives while I was still lingering in my seat. Determined to join the fray, I surveyed the scene and realized that every investment banker was already surrounded by two to three semi-circle layers of undergraduates: as the first layer moved to impress and receive the business card of the banker holding court, the second layer would quickly move into "face-time" position. The only room in the crowd for me was actually behind the speaker's back where there was no waiting line! In that position, I mainly observed

## 50 chapter one

throughout the night, and the only person who turned around to talk to me was the young South Asian American analyst from the University of Chicago, and I held on dearly to her business card as a sign of my initiation into this grueling process.

During subsequent recruitment presentations, I experienced much of the same: well-suited alumnae declaring, "We only hire superstars," "We are only hiring from five different schools," "You are the cream of the crop." In these sessions, I was struck by how proclamations of elitism (through "world-class" universities, the discourses of smartness and globalization) seemed foundational to the very core of how investment bankers see themselves, the world, and their place in it. Representing a world of "collective smartness" and exclusivity seemed fundamentally connected not only to the criteria for becoming an investment banker but also to the very nature of what they do. What precisely were the links between elitism and the enactments of their financial expertise and global dreams, between Wall Street's claims to smartness and their promises of global prowess? Motivated in large part by these compelling presentations, I decided that to understand these grandiose, even mystifying, pronouncements, I had to get a job on Wall Street. I took a leave of absence from graduate school to participate "for real" in this process.

The "vigorous college recruiting season" is usually capped off with elaborate "sell days" to encourage seniors to accept the job. Such perks include "ski trips to Utah and dinners at Lahiere's" (Princeton's four-star restaurant) (Easton 2006; Shapira 1998). Every junior and senior that I interviewed spoke about the allure of recruiting, the constant wining and dining, the fancy spreads at upscale hotels and clubs. According to the *Daily Princetonian* staff writer Alice Easton:

After months of dressing up in suits and ties, making their way to New York or the Nassau Inn and trying to impress panels of interviewers with their technical and social skills, juniors applying for summer internships in finance and consulting can now reap the benefits of their work: elaborate "sell days" to convince them to accept the job. . . . "They paid for two nights at a fancy hotel in New York. . . . They rented out a museum and had a cocktail party, and then rented out the VIP room in a nightclub in Soho." . . . The company later sent him chocolates in the mail. . . . [They showed recruits] a whole lifestyle. (Easton 2006)

The obvious implication is that if Harvard and Princeton students join these firms, then in a few years, they too can have it all.

During one of my visits to Harvard University to see my sister in 2000, I sat down with Kendra Lin, a premed student who was not planning to go

into investment banking but wanted to understand "what the hype was all about" and possessed a genuine curiosity about why her classmates were so obsessed with Wall Street. In addition to attending the various career forums and participating formally in the recruiting process by signing up with the Office of Career Services (OCS), many Harvard students also participate in immersion programs to educate them about Wall Street and management consulting. Therefore, at the time, at the onset of recruiting season, Harvard Student Agencies, in collaboration with Harvard Business School and leading investment banks and management consulting firms, sponsored the Harvard Business Leadership Program (BLP), a week of recruitment, training, socializing, and general orientation to Wall Street financial institutions, management consulting, and general business practices. Being chosen to participate in BLP was itself a competitive process to search for "business leaders," and as the president of various student associations, Lin made the cut.

Describing her impressions of the BLP events, Lin said that the speakers who made the greatest impression were the representatives of Goldman Sachs. "They're this really elite investment bank that advises many leaders in corporate America on their mergers and acquisitions and securities offerings. They talked about how they managed the privatizations of the largest corporations in China and Spain, to name a few." While some of the non-investment-banking financial firms and smaller start-up corporations (who were in the minority) appeared "homely" to Lin, firms like J. P. Morgan and Goldman Sachs and management consulting groups like Boston Consulting Group "looked very accomplished" and "thought very highly of themselves." As a result, all the Harvard students flocked to talk to them. During the cocktail and dinner hour after the presentations, investment banks proclaimed that Harvard produced the most stellar recruits. Lin talked at length about her favorable impression of Goldman Sachs:

I really enjoyed Goldman—as a side note, all of these firms are really talented in recruiting students. They make Harvard students feel like they are the cream of the crop. We have the best minds. This image of the Harvard student runs thick through recruiters and through people at the business school. I have heard this many times over the course of the week: that Harvard students are the best business people because you can give them any problem and they will be the ones to come up with the solution most quickly. . . . I left his speech believing that Goldman is the Harvard of all investment banks, but they all sure know how to sell themselves well.



## 52 chapter one

Goldman Sachs, as Lin described, worked very hard to position itself as an extension of Harvard and, in doing so, confirmed Harvard as the progenitor of the best.

According to Lin, investment bankers emphasized how they "had the perfect life." One executive talked about how "he lives in the burbs, has a minivan, a dog, and two kids. Seriously! His wife graduated from Pritzker [the University of Chicago's business school] and is now a Harvard Medical School professor, and he is a rich VP." After hearing Lin's initial impressions on Wall Street recruiting presentations, I asked her what she thought about her week-long experience with BLP—the dinners, the socials, the business school case studies. What did she like and dislike?

KL: It's all a schmooze fest. You have to schmooze your recruiters. You have to master rounds of interviews followed by more schmoozing, and then once you get there, you have to "live the lifestyle" of a business person. Be social, drink, go to parties, and schmooze some more. Also . . . there is no commitment really to social change.

KH: Interesting observations. How did you realize just from this week, so early on, that people have to "live the lifestyle"? How were you clued into this point?

KL: I think it was the set up of the whole BLP that first clued me in to that: I mean, they cater *all* of our meals, our dinners are all at the Charles hotel, and they are quite extravagant for a bunch of college kids. Hey, I love duck and sushi! Before we go into the hotel for dinner, there is a social hour where they serve juice and soda, and that's where it hit me. Basically you see all these students huddled around the bankers and consultants and kissing their ass. Everyone's all dressed up—it's a different culture. Put that together with stereotypes of businessmen from movies, you see that it really is pretty much like that.

This conflation of elite universities with investment banking and "the perfect lifestyle" is crucial to the recruitment process, reproducing as it does the ambience of Wall Street cocktail parties, where investment bankers "schmooze clients" in lavish, impeccably catered settings. These norms are enacted for and demonstrated to students, and like Lin, they immediately pick up on the importance of performing "smartness," not to mention how Wall Street business success is premised on pedigree, competitive consumption, and heteronormativity.

Not surprisingly, Wall Street's intense focus and persistence at Princeton, Harvard, and a few other campuses have repercussions for student culture. Newspapers and dorms overflow with debates about the pros and

cons of investment banking work life, excited discussions of what investment bankers "actually do," and romanticized tales of high-roller life in Manhattan. Students begin to see "i-banking" as a "mysterious, glamorous and relatively undefined world" (Hall 2005). A glance at the campus publications at Princeton and Harvard demonstrates what amounts to a communal obsession, with constant news and opinion articles on "recruiting insanity," "avoiding the i-banking shadow," "schmoozing at Nassau Inn," "defending the indefensible career," "the dangerous allure of recruiting," "aspiring Gordon Gekkos," "new recruits," "future financiers flock to a Darwinian fete," "banking on pain," "i-banking ire," "how investment banking consumed my life," and "is there more to life than investment banking?" Heated campus panel discussions debate the relative merits of banking and consulting, as panelists (firm representatives, usually former students) face off with a cost-benefit analysis of the two career choices and use the platform to further recruit students to their side. It is hardly surprising, then, that the much-mythologized field of investment banking often presents itself as the solution to anxieties about postgraduation life.

Although most of my recruitment participation was with undergraduates (as I myself went through the college analyst recruitment program), the process for elite business schools for the recruitment of MBAs for associate positions (one level higher than analyst) has similar components. For the most part, many graduate students at prestigious business schools, such as Harvard Business School (HBS), Wharton, Sloan (MIT Business School), Columbia Business School, and so forth, have had financial experience. Most have worked as analysts at investment banks or in management consulting firms; those who do not have a financial background have plenty of opportunity to study finance as a "concentration" in business schools. All MBAs are literally bombarded by recruitment presentations and information sessions sponsored by their school's own student finance clubs and associations as well as Wall Street investment banks themselves.

Starting the first year, MBA students realize that to work on Wall Street after graduating from the two-year masters program, they must intern on Wall Street their first summer and receive a job offer thirteen weeks into the internship. As Bill Hayes, a recent MIT Sloan alumnus and an associate at Goldman Sachs, described the process in 2001:

Within a month of school starting, everyone starts coming. Hotel presentations; meet and greets. They invite you out for drinks in the effort to get the best and brightest to apply. The bulge bracket firms don't have to sell them-

selves (the smaller banks do) since all the students gravitate toward them. I guess only they can afford it. They'll have a reception, and you have to meet people and hope you make some sort of connection. For Merrill, I went to a presentation, sent in my resume, and they called. Goldman came in with a whole crew of Wharton alumni, and then went to HBS afterwards. At the same time this is all happening, we have smaller events where the school Finance Club has receptions with bankers from top firms, where half of the MBA class shows up, or these clubs have information "learning" sessions like "Investment Banking 101" and "Day on the Job," which is a smaller setting, and you hope to make a contact with a recent grad to give you an "in." You have to send follow-up e-mails and thank-yous to every contact. Our Finance Club also organized mock interviews, resume workshops, and "trips to Wall Street" where anyone can go and visit all the banks. I met with Morgan and Goldman and Lehman. You go to their offices and try to distinguish yourself. . . . They only hire from these elite schools because they are already prefiltered. It makes you feel good; you've already been nominated. Bankers will say, "You might ask why we ask about GPA and test scores. Because we've done the correlation between top GPA and test scores from top schools and performance in the organization, and we know you will succeed."

Wall Street saturation of business school life is certainly equal to that of the general university population. The difference is that elite MBA programs explicitly represent themselves as channels to and of Wall Street; they are not emphasizing a general liberal arts education. Students often enter these institutions precisely to get a job in finance, and just a few months into the scramble for a job at top Wall Street investment banks, the first-round interview slots are full.

For MBAs, the selling of "the perfect lifestyle" is, on the one hand, expected and taken for granted, and on the other, understood as ironic, as most MBAs, having worked on Wall Street as college graduates, have experienced their "lifestyle" as simultaneously grueling and exploitative. What is more seductive is the forecasting of elite social networking and Wall Street influence over corporate America. Such an anointing was unmistakable at the Harvard Business School Women's Panel, an event catered for young professional women to network and apply to business schools, sponsored by Harvard Business School and held at Citigroup's Headquarters in New York City in 1999. Although designed as an open career forum, the HBS alumnae panelists talked almost exclusively about finance and management consulting: "For HBS women, 30 percent go into consulting and about 40 percent go into finance and investment banking."

"Banking internships come pretty quickly into the process. You receive one-on-one counseling before your internship decision. Recruiters are there pretty early." What struck me the most was panelist Jordan Thompson's parallel between Harvard and Wall Street: "I've never been to so many black tie parties. I was invited to so many parties and you see that people bring their intensity, enthusiasm, and ambitions as much in their work as in their social lives. I organized pub nights and cross-section mixes. When you are social chair at HBS, you have a certain *carte blanche* to talk to and call up the CEOs of companies." What Thompson experienced as social chair of her class mirrored the Wall Street's relationship with corporate America. Wall Street, armed with HBS graduates, has "*carte blanche*" to advise CEOs on the latest deals and expectations.

### The Cross-Pollination of Elitism

They are declared to be "the best and the brightest." They quickly become used to the respect, status, and impressive nods from peers, parental figures, job prospectors, and society at large. Those most enamored of, or dependent on, their putative membership in "the cream of the crop" seek ways to maintain and continue the high status to which they have become accustomed, especially as graduation looms near. As Devon Peterson, an undergraduate writer for the *Daily Princetonian*, observed about the "the allures and drawbacks of elite jobs": "For four years we have enjoyed being the most elite college-aged kids in one of the most elite, unilaterally powerful nations ever to exist. . . . These banking firms provide us with a way to maintain our elite status in society by providing avenues to wealth and power that other professions do not" (Peterson 2002). Peterson's reference to himself as being at the pinnacle of power is a crucial window into the identity formation of bankers-to-be. Dafna Hochman, an undergraduate writer for the *Harvard Crimson*, similarly recognizes, not only the central importance of being the best, as defined by prestige, status, and smartness, to Harvard students, but also that what gives Wall Street crucial competitive advantage in recruiting is its acute understanding of this phenomena. Wall Streeters are able to sell themselves so effectively because they know what attracts these students: it is also precisely what investment banks themselves seek. Hochman (1999) observes, "The business world is obviously desperate to milk our minds, youth, creativity and work ethic. And they have correctly assessed what it takes to attract us: appear competitive, prestigious, and upwardly mobile. . . . They know that four years ago, we