

wanted the absolute best. We did not settle for number three or four on the college rankings. They prey on our desire to find the 'Harvard' of everything: activities, summer jobs, relationships and now careers."

Elite Students and Life after Graduation

Implicit in this transformation from undergraduate to investment banker is Wall Street's notion that if students do not choose Wall Street post-graduation, they are somehow "less smart," as smartness is defined by continued aggressive striving to perpetuate elite status. The cultivation of a particular kind of banker and the privileging of an elite norm, insidiously racialized, are nowhere better illustrated than with this event in Kate Miller's work life. In 1997, Miller, former analyst at Morgan Stanley, was one of its first recruits from a historically black college. In the following narrative describing her experience with a senior manager, Miller further demonstrates that what constitutes "smartness" is explicitly dependent on school pedigree as well as race.

Well, there were a couple of officers that were known for being really good guys and being fair to people of color. And it was very interesting because I was in Word Processing [an actual floor of the bank where all the documents investment banks use to pitch deals are professionally printed]. I was trying to work on a document with some of the assistants there, and a principal [equivalent to senior vice president] came into Word Processing and was talking about his experiences recruiting that year. And he turned to me, well, he was saying to another analyst, "Well, you know, I just really have problems with the idea of us recruiting at historically black colleges. I mean, I know people say that the students that attend those schools are smart enough to attend Harvard and Stanford and get into these great institutions, but actually choose to attend the black college. Well, I have a problem with that. If they're that smart, and they're turning down one of the top institutions in the country, then I think that shows poor judgment, and we should really rethink whether or not these are the type of people that we want working at our company." He said this so that I overheard, and I guess he had assumed that I had gone to an Ivy League school because he then sort of turned to me and said, "Well, what do you think, Kate?" And I said, "Well, I went to a black college; I went to Spelman." And he just sort of looked at me and realized he made an incredible mistake and just said, "Well, I guess I lost my case. I guess you proved your point against me." So I just sort of shrugged my shoulders. Well, what do you say? You've been there for five months. You never really worked with the guy. It's

not like you two have a rapport. But it was awkward, especially to think that this was one of the cool guys who really thought that it was important to increase diversity within the company.

By virtue of "choosing" Spelman College, Miller demonstrated a lack of judgment; she was not only quantitatively "less smart" because she chose not to attend Harvard or Stanford, but she was also more provincial, less global. The complete equating of smartness with these institutions, the identification of historically white colleges as global, universal institutions, as well as the wholesale erasure of the white upper-class male privilege embedded in these universities are part and parcel of how excellence is understood. Central to Wall Street's construction of its own superiority is the corollary assumption that other corporations and industries are "less than"—less smart, less efficient, less competitive, less global, less hardworking—and thus less likely to survive the demands of global capitalism unless they restructure their cultural values and practices according to the standards of Wall Street. In a meritocratic feedback loop, their growing influence itself becomes further evidence that they are, in fact, "the smartest."

It is important to pause here to acknowledge that many of these students are of course quite aware of how the culture of smartness, as coproduced by elite universities, students, and Wall Street, capitalizes on, monopolizes, and narrows students' interests. Katherine Reilly, an undergraduate *Daily Princetonian* columnist, asked her fellow students to find "the courage to buck a system that has served us so well": "We should not let our type-A drive for success, money, or power or our fear of ending up outside the realm of 'acceptable' Princeton accomplishment dictate what we do with our lives" (Reilly 2003). Similarly, Dafna Hochman indicted Harvard for portraying the Wall Street recruiting process as every student's career process: this conflation "reflects Harvard's subtle and not so subtle attempts to challenge our values, delude our personal goals and to generally morph our diverse interests and talents into its ideal type of a respectable alum" (Hochman 1999). Fellow undergraduate *Harvard Crimson* writer Matthew Siegel wondered, "Could it be at all possible that the culture of success at Harvard drives people to skip right over the most important part of cognition—getting to know themselves and what they want and need—and instead, sends them straight into the outstretched arms of J. P. Morgan's H.R. department?" (Siegel 2003). Interestingly enough, his answer to why investment banking has so seduced Harvard undergraduates does not centrally implicate investment banking as the culprit: "It's not

about investment banking. It is about the possibility that with all our running around trying to impress everyone all the time, it becomes hard to know what we really want" (Siegel 2003). Many students recognize the monopolistic hold that banking and consulting have on their future aspirations and that the very act of participating in recruiting precludes the questioning of "our place and privilege in the world" because the desire to hold on to privilege is naturalized vis à vis recruiting (Suleiman 1998). It is one thing if one's goal in life is to make "multi-million-dollar corporations even richer" or if one "cannot be happy unless you work for Goldman," but the crux of the problem is that students hardly question or ponder what they might truly be passionate about, much less the contradictions of their own privilege (Graham-Felsen 2003). Instead, these students more than likely continue with "the absurd impression that there is only one thing to do next year," that is, resort to the already-laid-out "typical Princeton job," the next step toward continued upward mobility, the sure-fire sign that one truly is the best and the brightest (Suleiman 1998).

Certainly, the pinnacle of meritocracy is necessarily precarious: it is shot through with class, race, and gender hierarchies; with the constant and anxious performance of smartness; and with a prestigious branding so dependent on the singularity of the apex that it cannot help but degrade. The fact that American culture, as Katherine Newman presciently pointed out long ago, has virtually no cultural repertoire that helps make sense of downward mobility for the middle class is perhaps doubly true for the elite, for whom expanding or diverging from the narrow path of status maintenance is understood and experienced as slippage or corrosion (Newman 1999). Where to find Harvard after Harvard? The push to replicate is excruciatingly intense. As Devon Peterson (2002) observed: "Perhaps most difficult to overcome is the naturally difficult task of giving up social status and an elite way of life."

"Wall Street University": Kinship Networks and Elite Extension

Wall Street and elite universities work together to foster and exploit this need to "find the next Harvard," in the process creating a symbiotic relationship that furthers each institution's dreams, goals, and practices. Wall Street has enjoyed long-standing historical ties with status-heavy Ivy League universities, ties that have produced generations of financiers and advisors to American industry. Since the 1980s, at precisely the time that Wall Street worked to solidify its expert influence over most U.S. corpora-

tions, these historical ties have been transformed into massive feeder relationships. Investment banks have naturalized themselves as the primary destinations for elite graduates as part of a program to consolidate and justify Wall Street's domination of corporate America, regardless of the "quality" of advice. In addition, over the past twenty-five years, student anxieties over preserving their elite status have increased, making Wall Street, at least until mid-2008, a much more attractive possibility than before. These developments, I argue, have converged to create a culture of "survival of the smartest."

Wall Street did not begin to recruit in droves at elite East Coast schools until the early 1980s. Throughout the mid-twentieth century, elite university graduates interested in business careers looked to management training programs with industrial, aerospace, or chemical corporations, rather than Wall Street firms (*Harvard Crimson* 1963; Wilentz 1975). For decades, general, "open" recruiting was not a standard practice for most businesses: Ivy League graduates relied on family wealth and networks, entered graduate school, or were approached via the "old boys' network" for financial or industrial fast-track grooming; and most Ivy League faculty, determined to perpetuate the ivory tower model, were "outraged by recruiting" (Beniger 1967). At Harvard in the 1950s, Wall Street financiers recruited a relatively small number of men directly from the well-established residential houses at Harvard College by holding small panels and conferences in intimate settings such as the Lowell House common room and the Eliot House dining hall (*Harvard Crimson* 1953, 1957). These efforts were small-scale as interest in the securities markets had plummeted after the Great Depression, and Wall Street was not necessarily the first choice for dynamic, ambitious college graduates. Furthermore, Wall Street and many other businesses searched for managers from business schools, not undergraduate programs (Masters 1986). In general, because of economic stability in the postwar era for the upper-middle and upper classes, the postgraduation job search lacked the anxiety so often associated with it later. Most elite graduates had "job futures so well established that they never have to go seek" recruiting (Wilentz 1975). Remarkling on a "trend" toward "working right after college," *Harvard Crimson* writer Jeffrey Senger (1984) reported that it was not until 1984 that a majority of Harvard, Yale, and Princeton graduates sought jobs after graduation; in 1974, only one-third, and in 1959, only one-tenth. For example, with surprisingly little angst, the *Harvard Crimson*, in an article headlined "The Jobless Class of '72," said that "by choice or by

chance, over half of the Class of 1972 found themselves with nowhere to go and nothing to do after graduation." The culprit was not so much economic hard times as the fact that "students who were planning on business careers were unwilling to make long-term commitments" and that those going to graduate schools "also wanted to take a breather from the academic regimen" (Bennett 1972). It is also important to remember that campus culture in the Vietnam Era was much more hostile to big business in general than in subsequent years, as evidenced (for example) by student protests against napalm manufacturer Dow Chemical Corporation's attempt to recruit at Harvard in 1967 (Beniger 1967).

As Wall Street investment banks profited exorbitantly from their increasing influence over corporate America in the 1980s, they began to recruit at elite universities on a grand scale, creating the two-year analyst programs for the express purpose of targeting undergraduates directly out of college. This new cadre of workers, no longer handpicked through small-scale networks of family, friends, and close business associates, was legitimated by placing even greater cachet on the universities where they were recruited. In place of the elite, individualized family of men came the elite "Princeton" or "Harvard" family, which relied on a new variant of kinship based on alumni rather than "old boys" networks. Recall my own initiation into "the Princeton family" in my very first recruitment presentation in 1995 when a Goldman Sachs managing director and Princeton alumnus addressed the audience as "the Princeton family" to establish both connection with "us" and to delineate an elite selectivity—just as not everyone can be a student at Princeton, investment banking is not a profession in which all can participate. "Princeton alumnae make the best analysts." That women and minorities were not explicitly excluded in this process was a crucial part of this new ideology of meritocracy.

What made this central glue of elite-institution-alumni stick to Wall Street despite the possible dilution of elitism caused by this extension of exclusivity to all alumni, ostensibly, was the formation of a generic culture of "the best" which pervaded and extended from, say, Wharton to Wall Street. By attracting masses of elite university alumni to Wall Street, investment banks and universities coproduce an extension and transferal of elitism via what I call a human kinship bridge. For example, in 2004, when Goldman Sachs CEO Hank Paulson gave a keynote speech to Wharton MBA students, the first point he made "after stating Goldman Sachs's \$23 billion in revenue in 2004" was "the importance his firm places on 'hiring and retaining the best people' in order to maintain a 'culture of excellence.'" Paulson then emphasized the strong, intimate relationship

his firm has with Wharton, "saying that more people were hired from the University to work at Goldman Sachs in 2004 than from any other school in the country" (Siegal 2005).

When a Harvard or Princeton education is seen as the normative "baseline" pedigree it becomes ordinary as well as collective, encompassing, even universal. Wall Street smartness is, in a sense, "generic," and it is precisely this notion of elitism so pervasive as to be commonplace, smartness so sweeping as to become generic, that reinforces Wall Street's claims of extraordinariness. Specifically, the assumption is that everyone on Wall Street is smart and comes from Princeton or Harvard; as such, this smartness generically applies to *all members of this class* or kind in a way that is naturalized and comprehensively descriptive of this entire group of workers. The notion of Wall Street smartness is so ingrained that it does not have to be emphasized as "special" or qualified; as such, smartness is not a "brand name" or external label, but a blanket, sweeping generalization about all investment bankers. Wall Street's generic smartness is so comprehensive as to connote a global application to all members. Of course, while Princeton and Harvard are pinnacle "brand names," their generic status on Wall Street further attests to how special the accumulation of merit is at investment banks.

The kinship of generically smart investment bankers guarantees the extension and reinforcement of all the social particularities of those universities' positions in American culture, while simultaneously rendering invisible its normative, unmarked privilege. Marked investment bankers, who usually strive to be generically kin (and generically smart), feel the brunt of these contradictions daily. Kate Miller observed that she "never felt like more of a black woman with all of the negative stereotypes attached than I did when I was working at Morgan Stanley." She chose not to pursue a career in investment banking (or was discouraged from doing so), so her narratives illustrate a certain level of what might be called alienation from Wall Street culture and values. She described her initial experiences this way:

I felt like the first thing people saw when they looked at me was not a bright person who had been admitted to the analyst class but a black woman. And most of the people that I worked with really had very little exposure to other races. I'm sure some of the men had very little exposure to women on a professional basis. Even though the industry has made a lot of strides to be more inclusive of women, I still think that white male officers prefer to work with white male analysts.

This pattern of exclusion, where white male vice presidents pick white male analysts to be on their team, where Yale graduates seek to work with other Yale graduates, greatly influenced Miller's opportunity to work on "higher profile" deals and to make connections with potential mentors. Many first-year analysts get to know senior-level bankers through various formal and informal alma mater networking events. Miller poignantly observed, "If you're an analyst from Dartmouth and there are fifteen managing directors who also went to Dartmouth, then you get to know those fifteen managing directors. Well, Spelman College grad, guess what? There are no MDs, VPs, even associates that graduated from Spelman." Given that smartness and membership in a financial kin network that drives business and social opportunities are intimately dependent on both elite institutions and one's closeness to the unmarked, generic norm, Miller's various identities as a black woman from Spelman renders her less smart, less kin, and by extension, less of an investment banker.

Creating Pinnacle Status and Generic Smartness

Solidifying Wall Street as "the" extension of hyperelite universities requires the convergence of student aspirations, cultural pressures of elite upward mobility, Wall Street reframing of alumni kinship, and its marketing and monopoly of the recruitment process. In this section, I demonstrate one concrete way in which these entanglements of elitism are "operationalized" by even further narrowing the space at the top such that the most coveted investment banks and the "most" prestigious universities are not only associated singularly with each other but also distinguished from (and desired more than) the "regularly" prestigious ones. I argue that by painstakingly differentiating and creating hierarchies between and within elite universities through the recruitment process, investment bankers further intertwine their identities with the most elite universities, create demand for their jobs and institutions, and solidify their association with smartness.

As I have described, the two universities from which the prestigious Wall Street investment banks most actively recruit all students without restriction to major or department are Harvard and Princeton. It turns out that recruitment at other elite universities is not approached in a similar manner. For example, although investment banks also widely recruit at Yale, often included with Harvard and Princeton as one of the "top three" schools for banking or consulting, Yale, however, lags behind the other two in its reputation on Wall Street. According to one Yale alumnus

who works on Wall Street, "because investment bankers perceive hostility" from many students at Yale, "they concentrate their recruitment energies at Princeton and Harvard. . . . They're looking to hire a larger portion of students from Harvard and Princeton, despite the fact that the number of applicants from each school is relatively similar" (Tanenbaum 2005). Yale is perceived by many of my investment banker informants to be more "liberal and 'artsy,'" less free-market oriented in a sense, and perhaps even tainted by New Haven, a largely working-class, majority African American city. Instead of recruiting universally at Yale, as happens at Harvard and Princeton, banks might require Yale students to demonstrate their quantitative ability, by, say, majoring in economics or undergoing a financial internship (Engler 2006).³

A similar phenomenon occurs at the University of Pennsylvania. There, again, investment banks do not recruit as actively from the general undergraduate population as a whole, although undergraduates and graduates from Penn's renowned Wharton School of Business are among the most highly sought-after recruits. "Some college seniors said it was difficult to find investment banking and consulting opportunities without a Wharton pedigree. It's harder to [secure financial jobs] if you are in the College" (Miley 2000). "Wharton may be the reason big-name investment banks are attracted to . . . Penn." In 2005, over half of Wharton graduates went into investment banking (Steinbery 2006). Similar to Yale, non-Wharton undergraduates at Penn report that they need to demonstrate technical or financial expertise in order to attract Wall Street investment banks.

By contrast, investment banking recruiters at Princeton and Harvard explicitly express how they *do not care* if undergraduates are trained in finance because a skilled background or already-acquired technical expertise is *not* really what they are looking for. As Gia Moron, a media and recruiting spokesperson at Goldman Sachs, told *The Harvard Crimson*, "We have found that financial know-how is easy to teach—in fact, training is an important part of a new hire's orientation—but the skills that the most successful candidates possess are beyond teaching: Energy, a history of excellence and achievement, leadership and interpersonal skills are some of the stand-outs" (Ho 2003). According to a Princeton undergraduate, Kate Daviau ('06), "They understand that interns come in knowing basically nothing—but if you're smart and personable, it's worth it to them to hire you." The *Daily Princetonian* writer Catherine Rampell observed that from all her interactions with potential Wall Street employees during her years at Princeton, most do not even know what "financial services" is. "Most are going into finance because they haven't figured out

what else they could do," yet "finance employers are seeking them out, telling them they're qualified for finance" no matter what their training, major, or department—as long as they are from Princeton. "They bombard us with food, mail, Princeton alumni connection, and they keep telling us we're qualified, we're perfectly qualified even though we've never 'held a real job'" (Rampell 2006).

This open-ended, "generic" recruitment at Princeton and Harvard not only naturalizes the students there as "the best," the elite among the elite, but also sheds light on what actually constitutes smartness for Wall Street. Being the best and the brightest, especially for college graduates, does not mean possessing actual technical skills, a background in finance, or even a specific aptitude for banking. Instead, Princeton and Harvard recruits bring to the table just the right mix of general qualities and associations: they are not too technical or geeky (MIT), not too liberal (Yale), not too far away (Stanford), and their universities carry more historical prestige than the remaining Ivies (Brown, Columbia, Cornell, Dartmouth, University of Pennsylvania). Possessed of a combination of traditional cachet, class standing, and pedigree, they can show *prima facie* evidence of their "excellence" by virtue of their schools' (presumably) exclusive selection processes; and they demonstrate a constant striving for further "excellence" by virtue of their participation in the intense process of recruiting and their evident desire for a high-status, upper-crust lifestyle.

Finally, Wall Street maintains pinnacle status and differentiates between elite schools by utilizing quota systems and other divisive mechanisms that reproduce Wall Street/university hierarchies. I share the experiences of a recent MIT Business School (Sloan) alumnus who is an associate at Merrill Lynch. He recounted in anonymity his experiences with Wall Street's interview process during his very first year at business school. To receive a job offer from an investment bank after graduation, an MBA student must enter recruitment during the first month of his or her first year in business school as part of the summer associate program, or else risk being excluded entirely, as full-time job offers after graduation are usually made only to those who have "survived" their summer internship, what is known as the fourteen-week interview process. During the fall, all MBA students must be "invited to interview" at a particular investment bank for a set number of job openings allocated to each university. This means that these interviews are "closed," and students have already completed the necessary "resume stuffing," interview training, general Wall Street education, and socializing to obtain an initial interview slot. My informant recounted in detail:

This is how Merrill Lynch recruited at Sloan. They let thirty people come to the first-round interview at Career Services at Sloan or at a hotel nearby. You are interviewed by two people, one associate (usually Sloanie), and one higher up. The night before, you are invited to drinks with everyone in an informal setting at a bar at the Charles Hotel [at Harvard Square]. You divide into the particular group [based on industry, such as telecom or energy] that you are interviewing for; that group has a set number they are going to fill. You meet the interviewers. There is a quota system. They want to get a decent number of people from Wharton, Harvard. The next day is the all-day interview for all of Merrill's offices and positions at once—New York, Hong Kong, London. . . . Then there's a dinner afterwards, but not everyone is invited. They will call you to let you know if you're coming to dinner. If you get the dinner phone call—dinner was at Maison Robert—that means you made it to the second round. The second round is the next day with a different group of people. That's it, and they tell you within a day or two. If you get accepted and you accept them, you get an "exploding offer," which means there's a time limit, by [the] end of January, for you to accept. Then, you have a summer-long job interview. There are lots of Sloan alumni at Merrill. For Morgan Stanley, the first round was at Sloan with thirty people; ten people got invited to the second round and then Morgan said, we only have a slot for one person from Sloan, and only one will get it. No dinner. Met with executive director and he interviewed each one at an office in the Boston, Dean Witter office. They are more selective and may have more slots for other schools. And, with Goldman, I didn't get invited to a first-round interview. With Citigroup, I got invited and didn't go to the second round, and I canceled on Bank of America.

What struck me were the quotas. Though I had known that Morgan Stanley and Goldman Sachs were considered to be the most prestigious investment banks, I did not realize that they had quota systems for particular universities. This means that the interviews are "closed" and based on a quota system for each school to make sure there's a balance (or imbalance) of Harvard, Wharton, Sloan, Columbia people. For example, whereas Morgan Stanley only allowed one slot for Sloan, which is itself a "top" business program, they allotted more slots for Wharton and Harvard Business School graduates. In parallel, although Citigroup and Bank of America were eager to hire Sloan students, many of my informants had no interest in them, as "hybrid" commercial and investment banks are considered less prestigious. Of course, with the purchase of Merrill Lynch by Bank of America (which demonstrates the continued desire and lingering ambition of commercial banks to strengthen their investment banking

identities and capabilities) and the apparent transformation of all investment banks into these hybrid institutions, it remains to be seen how the hierarchies of prestige are restructured.

Investment banks seek their analysts and associates from an "exclusive diversity" of universities. As I have argued, while they seek front-office employees from Harvard, Princeton, Yale, Wharton, Stanford, MIT, Duke, Columbia, and so forth, they allot more employee slots to certain schools within this "club." Although investment banks encourage applications from most of these schools, only at Princeton, Harvard, and Wharton do they maintain the most active recruitment presence. And then there are schools that are deemed worthy, but do not quite make the cut. For example, many informants have commented matter-of-factly that investment banks recruit at New York University not so much because of its prestige, but because of its physical proximity to Wall Street. Sarah McLanahan reported that at NYU's Stern School of Business, 250 seniors attended a presentation by Goldman Sachs for eighty-eight interview slots, from which the bank intended to hire only eight to ten Stern graduates. The jobs were in credit risk analysis and global securities lending, which are mainly considered middle- or back-office jobs, rather than the more prestigious and better-compensated front-office positions in investment banking, sales and trading, and investment management that graduates from Harvard and Princeton are destined for (McLanahan 2003).

Princeton and Harvard stand apart from other elite universities for the sheer ubiquity, verging on ordinariness, of the Wall Street presence in undergraduate life. As one Princeton senior, Cleburne Wolford, class of 2005, reflected on the uniqueness (or strangeness) of his experience: "The network here is already in place to help you. A lot of my friends who went to state schools back home unfortunately have no real 'in' to the profession. State schools are not the only ones left out. While most alums interviewed said that they work with a diverse group of people from different schools and backgrounds, the banks only actively recruit at a handful of campuses—namely Harvard, Yale, Princeton, and Wharton" (Hall 2005).

It is precisely these differentiations between "always already smart" and "smart with qualifications," between unquestioned, generic, naturalized smartness and smartness that must be proved, that enact and solidify the hierarchies upon which elitism is necessarily based. With schools jockeying for the position of most elite, investment banks, engaged in a similar struggle for status, feed and exploit students' desires for a singular exclusivity. In this dance, elitism and "smartness" are coproduced and naturalized.

Justifying Dominance in Global Financial Markets: The Culture of Smartness Writ Large

The making and legitimization of Wall Street global experts begins with the brightest people in the world. Investment banks' foundational smartness is the innate precondition and platform upon which investment bankers produce "the best" global workforce (and obscure the potentially adverse effects of their financial advice), which in turn justifies global market dominance. Wall Street's identity and its very approach to business strategy is absolutely dependent upon its kinship with elite universities, which underwrites its financial market know-how, status, and influence. Its global authority depends on attracting "top talent." At investment banks, smartness as pinnacle status, "the global," and market dominance are intimately linked in the discourse and practice of the everyday. When it comes to recruitment, "no one else in the world can do what you guys [Wall Street banks] do" and few have more at stake, as investment banks recruit much more than a few young employees; they are recruiting their status as experts in the global financial markets (Rubalcava 2001).

Investment banks' sheer reliance on the "aura" of Princeton itself—the name, the prestige, the evocation of ability and intelligence, the global cultural capital—is brought into starkest relief during socioeconomic recession. When faced with economic hard times, Wall Street downsizes immediately, relentlessly, and constantly. However, Wall Street's dependence on elite universities means that even during downturns, when they unabashedly downsize to preserve the bonus pool for their executives, they do *not* stop actively recruiting at the usual campuses. When I asked Ahmed Jamal, a vice president of telecommunications and technology at J. P. Morgan who was educated in Canada, what struck him the most about Wall Street and its cultural practices, his response struck a familiar chord:

First of all, what you notice on Wall Street for me initially was the quality of the people. . . . Of course there are exceptions, but the quality of the people when you compare to other industries—they definitely do recruit the best. There is so much emphasis on getting in the best. *Even in times of change and reengineering, you know, the effort of recruiting never stops.* They are very active in terms of sending people to top schools and recruiting the best.

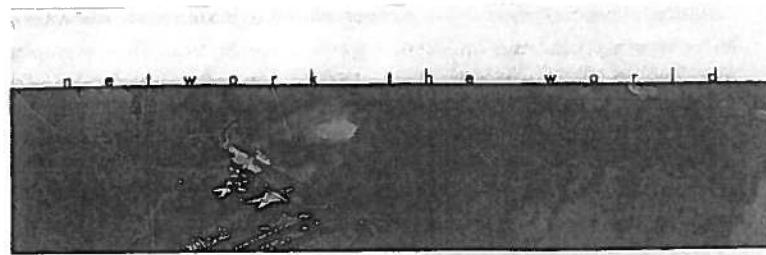
Just as downsizing occurs even during bull markets, so recruitment continues on elite campuses during recessions and market crashes.⁴ Jimenez Lee, an MBA student at MIT's Sloan School of Business, said that from the

point of view of students at elite schools and the university recruitment or career placement office, one of the cardinal mistakes of investment banks regarding their reputation is to mismanage the recruitment process with these institutions—hiring too few, loosening ties, or renegeing on initial offers. During the market crash of 2001 and the aftermath, Alex Rubalcava, in a prescient article for the *Harvard Crimson*, taunted investment banks for even thinking of “cutting back” on Harvard recruitment in 2001. He observed, for example, that “the core competency of . . . an investment bank . . . the real value these companies bring to the world and to their shareholders is their unmatched skill at recruiting fresh-faced young students from the Ivy League.” He continued, “Remember that companies that do nothing of value must obscure that fact by hiring the best people to appear dynamic and innovative while doing such meaningless work.” So he urged them to “bring lots of toys,” take him out to the Capital Grille, and show up in nothing “less than a \$2,000 Zegna suit”; he expected “only the best from a potential employer.” It was precisely “those lavish dinners with the managing directors, those Morgan Stanley-emblazoned squeeze balls and those endless series of first round, second round, supplemental, on-site, off-site, group, case, informational and informal interviews” that convinced “the best minds of my generation to follow your madness, becoming well-fed and Hermes-clad, dragging themselves through midtown streets at dawn, looking for the car service home after a rough night with a pitchbook” (Rubalcava 2001). In a piece entitled “Senior Class Consciousness,” *Harvard Crimson* writer Alan Wirzbicki, like Rubalcava, warned his classmates that “most firms want you far more than you want them.” It’s the “dirty secret of recruiting.” As a “native” participant observer so to speak, Wirzbicki hit the nail on the head: “Consulting firms and investment banks are in heavy competition with one another and depend on attracting name-brand college graduates to bolster their reputations” (Wirzbicki 2000).⁵

Smartness is strategically utilized to bolster Wall Street legitimacy as well as the everyday practices and influence of investment bankers as an elite cohort of global agents. Investment banks certainly have much at stake capitalizing on Harvard and Princeton’s “halo effect,” for part of what enables the acceptance and spread of Wall Street’s particular, financial approach to corporate America is its association with, and strategic use of, this elitism. My informants emphasized that when investment banks attempt to win financial business or pitch deals to clients, having Ivy Leaguers doing the talking is very helpful, regardless of their inex-

perience.⁶ Corporations are often more willing to do business when they know that a “Princeton or Harvard guy” is on the deal.⁷ For example, during the initial meeting between a Wall Street investment bank and a potential client, the managing director (MD) on the deal usually begins the meeting by introducing “the deal team” (the vice presidents, associates, and analysts on the pitch) with the explicit purpose of awing the client with their smartness, and thus, expertise. The presentation (contained in the “pitch book”) not only includes the proposal for the deal, the market overview and competitor profiles, and the financial rationale for, and impact of, the deal, but also the relevant biographies and posed pictures of the team members, which painstakingly details their prestigious pedigrees and affiliations as well as profiles their deal experience and industry knowledge in the corporate client’s area of business. In recounting this performance, my informants describe how the MD begins the meeting by “introducing the rocket scientists” to stake Wall Street’s claim that the client will have “the smartest guys in the world advising you”: “At Morgan, we only have the best”; “At Goldman, we have the deepest pool of talent assembled here”; “This guy went to all the best institutions in the world.” Positioning themselves as smarter, savvier, and more cutting-edge than corporate America by capitalizing on the aura of elite institutions, investment banks construct a mutually reinforcing connection between the market and the Ivy League: because we have “the best of the brightest” working for us, then what we say about the market must be believed and the deals we envision should be executed. By the same token, their naturalized smartness elides the ways in which their financial practices and advice often lead to shareholder value implosions, corporate decline, and financial crises. Smartness can also act as a cover for expedient (and detrimental) short-term decision-making.

Smartness leads to market dominance, not only because of explicit assumptions about talent and credibility, but also through the premise that smartness is spatial, that it should rightly spread, colonize, and necessarily manifest as the natural determinant and arbiter of global market leadership. For example, in 2000, during both Merrill Lynch and Morgan Stanley recruitment presentations at Princeton University, the recruiters touted the interconnection of elite institution, singular smartness, and global access, just as the Goldman Sachs representatives had during my first recruitment event (see figure 1). The main speaker, David Pyle, a managing director of Fixed Income (and Princeton class of ’71), expounded on Morgan Stanley’s desire “to be at the top of everything”:



Anything Is Possible

This is where the generation of new ideas lives.

Because we've built a global network of people who see possibilities where others see confusion and risk — and who know how to turn those possibilities into realities. And by working at internet speed — propelling dozens of companies and millions of investors into the new economy

We are propelling careers all over the world

Morgan Stanley Dean Witter welcomes back the Class of 2001 and cordially invites you to attend our Firmwide Presentation on Tuesday, September 19th, from 7:00 to 9:00 p.m. in the Prince William Ballroom at the Nassau Inn

Please submit resumes by October 9.

MORGAN STANLEY DEAN WITTER

© 2000 Morgan Stanley Dean Witter. All rights reserved.

Morgan Stanley Dean Witter is a member firm of the Morgan Stanley Group, Inc., a registered broker-dealer in securities.

Our goal is to be the preeminent global firm, to be what we already are, the top. We want people coming into work every morning knowing that we're at the top and always striving to be at the top. We are global; if you're not global, you can't win. . . . People are our single most important asset. . . . Our people are the smartest in the world. . . . There is no one in the world that we can't reach and that's powerful. We're in the middle of everything. We have huge reserves of capital and human assets, and we want to recruit the type of person that always wants more, who is not happy being second. . . . Our theme is "network the world."

Similarly, Merrill Lynch's lead recruiter, a white male managing director, declared that two of the key reasons to work at Merrill are its "global footprint: it's so global, you can go where they want," and its "culture," which is centrally characterized by immersion with and amongst "the smartest people on Wall Street." This session ended with another white male director asking rhetorically, "What does 'global' mean for Merrill Lynch? Is it simply that you have an office in Frankfurt and Tokyo? No, it doesn't mean just 'global'; it means that you are *dominant*." He continued, "Merrill is equal to or better than everyone else in all product areas; we have the A-team mentality."

In these views of the world, smartness and elite pinnacle status create Wall Street's cultural superiority and its position as a "model" for meritocratic excellence, which in turn serve as a catalyst and justification for spreading its culture and dominance. These speakers, via the mantra of how "the smartest people in the world work on Wall Street," endlessly emphasized collective meritocracy as the organizational rationale for investment banking elitism. Simultaneously, recall the senior banker at Morgan Stanley who doubted Kate Miller's "smartness" by virtue of her "choice" to attend Spelman rather than the "best" universities in the world. The implicit assumption is that graduates of particular Ivy League universities are not only bearers of pedigree but also of a global, cosmopolitan outlook and market savvy that are key prerequisites of financial market influence. Through this inundation and identification with institutions and individuals whose brand of smartness is universal, Wall Street investment banks construct "the best culture," which leads to global leadership in the market and the naturalized right, not only to expand, but also to largely influence the direction of corporate America and financial markets. From this foundation of smartness and elitism, they proclaim their place in the global social order, both how their firms are working to reshape the global business landscape and the global op-

Figure 1. This Morgan Stanley Dean Witter ad and recruitment invitation in the *Daily Princetonian* on 14 September 2000 is among the many that bombard Princeton undergraduates throughout the school year. Its use of "the global" invokes the bank's "real-time" market prowess, speed, connection, insight, and know-how.

portunities their firm makes available to its employees. A global kinship of powerful actors based on smartness is the building block of global financial networks, which, when closely tied with resource-filled institutions, spur financial deals and financial capitalist accumulation. The culture of smartness begets global spread, justifies global financial influence, naturalizes imperialist practices, and produces financial dominance.

2

Wall Street's Orientation:

Exploitation, Empowerment,

and the Politics of Hard Work

In the late 1990s, after graduating from Harvard Law School and working for two years at a prestigious New York-based law firm, Joseph Tsai decided to enter into investment banking at Donaldson, Lufkin and Jenrette (DLJ). Having admired investment bankers throughout his time at the law firm, after being told that on Wall Street “you tell the corporate lawyers what to do and make much more money,” he felt that he had finally arrived. Entering DLJ along with a cohort of recent MBAs, Joseph Tsai went shopping to spruce up his wardrobe from the somber corporate law attire to what he had imagined that a mid-level associate investment banker (one rank above analyst, and one below vice president) would wear. Inspired by Gordon Gekko, Tsai showed up the first day in suspenders. As he recounted to me,

I think I wore suspenders my first couple of weeks and people would give me a look and then I would think, “Okay, so what's going on?” And then I noticed that junior people don't wear suspenders. It's like managing directors who wear suspenders and things like that. The way it was explained to me was that you shouldn't wear suspenders because it looks like you spent too much time on your appearance, and you are supposed to just work hard. You shouldn't be wasting time putting on suspenders in the morning. Otherwise, you are supposed to look professional at all times and especially if you are meeting with clients. . . . You are supposed to look good but not overly so.

Like Tsai, Anthony Johnson, an analyst promoted to associate in mergers and acquisitions at J. P. Morgan, described how many young analysts arrive on Wall Street “too big for their britches . . . you would think they were managing directors,” yet by the first week, they realize that “there is absolutely no reason analysts should be wearing Rolexes.” As former Mor-