

FINANCIAL SERVICES INDUSTRY WILL AWARD LARGER YEAR-END BONUSES FOR FIRST TIME SINCE 2021: JOHNSON ASSOCIATES ANALYSIS

Investment banking underwriters to see largest increase on strong revenue growth

NEW YORK, NY, UNITED STATES, November 12, 2024 /EINPresswire.com/ -- Year-end incentive payments on Wall Street are set to jump throughout most of the financial services industry amid



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Alan Johnson, managing director, Johnson Associates

strong revenue growth, stock market appreciation and overall improved business performance. That’s according to a closely watched industry analysis released today by Johnson Associates, Inc., a New York-based compensation consulting firm. The larger projected increases will mark the first time since 2021 that year-end bonuses were larger for the industry as a whole.

“Wall Street professionals will have something to cheer

about when their year-end bonuses arrive,” said Alan Johnson, managing director of Johnson Associates and one of the nation’s foremost authorities on financial services compensation. “Virtually every sector in the industry is performing strongly this year, with the exception of retail and commercial banking. Firms are in a strong financial position to do what they haven’t been able to do since 2021 – reward their professionals with larger bonuses.”

[According to the analysis](#), investment banking debt underwriters can expect to see their year-end incentives (cash bonuses and equity awards) surge 25% to 35%, followed by a 15% to 25% increase for investment banking equity underwriters. Year-end payments to equity sales and trading professionals are projected to rise 15% to 20% while payments among asset management and wealth management professionals are projected to increase by as much as 12%. Incentives for most other professionals including fixed income traders and corporate staffers are projected to rise 5% to 10%. Only retail and commercial bankers are expected to receive smaller to flat year-end payments.

Business Area Percent Change from 2023

Investment Banking

(Debt Underwriting) Up 25% to 35%

Investment Banking

(Equity Underwriting) Up 15% to 25%
Equities Sales & Trading Up 15% to 20%
Firm Management Up 10% to 15%
Hedge Funds Up 5% to 15%
Asset Management Up 7% to 12%
Wealth Management Up 7% to 12%
Fixed Income Sales & Trading Up 5% to 10%
Corporate Staff Up 5% to 10%
Advisory Up 5% to 10%
Private Credit Up 10% +
Private Equity Up 5%
Insurance Up 5% to 10%
Real Estate Flat
Retail & Commercial Banking Minus 5% to Flat

Johnson Associates regularly monitors compensation trends among a wide range of commercial and investment banks, alternative and traditional asset management firms, and other financial services companies. Its quarterly compensation analysis is based on the firm's ongoing monitoring of the financial services industry, numerous proprietary data points, and public data from 13 of the nation's largest investment and commercial banks and 17 of the largest asset management firms.

Outlook for 2025

Johnson commented: "Firms are optimistic about prospects for 2025. Banks are looking to extend and improve on the healthy pipeline specifically for M&A. Assuming markets remain elevated, asset management will benefit as product evolution continues. Even with positive business indicators, headcount and efficiencies continue to be a priority, especially with interest rates in flux. While voluntary attrition has moderated, the ongoing significant growth in alternative investments has a direct and indirect industry-wide impact on compensation levels and opportunities. CHROs are seen as critical leaders, tasked with forming positive workplace cultures while aligning incentives and organization strategies, including growth objectives. As we head into 2025, we are engaging with clients to ensure incentive programs are appropriately engineered to reward key and top talent."

About Johnson Associates

Johnson Associates is a boutique compensation consulting firm specializing in the design of annual and long-term incentive plans and establishing appropriate market pay levels. The firm is well-known for providing candid advice and for its expertise and in-depth knowledge of the financial services industry, including major investment and commercial banks, asset management firms, hedge funds and other alternative investments, insurance companies, and brokerages. For more information, visit www.jaiconsulting.com

Ed Emerman
Eagle Public Relations
+1 609-240-2766
eemerma@eaglepr.com

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