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How top banks like Morgan Stanley and Goldman Sachs train young advisors to work with ultra-rich clients from voicemail training to exams with 40% failure rates

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Abstract

None available.

Full Text

- Private banks cater to the wealthiest clientele, who typically have at least \$10 million in assets.
 - The advisor training can take years and spans from case studies to voicemail training.
 - Insider spoke to 4 top banks about how they prepare bankers to work with their most prized clients.
- * See more stories on Insider's business page.

America's wealthy continue to get richer, and the world's top banks are fighting for their business. Even banks with household names are competing for talent to service this niche clientele, which often have at least \$10 million in assets.

But getting hired is just the first step. Wall Street banks put analysts through their paces before letting them work with the most coveted clients. It can take hundreds of hours of lessons, sometimes spread out over years or condensed into a matter of weeks, as well as exams, case studies, and — more exams.

Here's our running list of training programs for aspiring private bankers at top US banks.

JPMorgan

David Frame, CEO of the private bank, is doubling down on a recruiting push. JPMorgan aims to hire as many as 1,500 new private bank advisors over the next five years, which would double its current headcount.

About half these advisors will come from JPMorgan's analyst ranks, who are mostly newly minted college graduates. These young analysts have to complete 250 hours of training over three years with a mix of live lessons and self-study on topics from alternative investments to lending.

There aren't any written exams, but analysts are tested on their mastery in role-play sessions with fictional clients, which Frame compares to language labs.

"We view a lot of these topics as like learning a foreign language. You have to be conversant," Frame said.

Morgan Stanley

Every advisor in the wealth management division has to pass an exam with a live case study in order to work with high-net-worth families.

Only some 60% pass on their first try and about 75% eventually pass after retaking it, sometimes multiple times.

"We don't have a requisite number that we're looking to put through the program," Alex Chester, who runs the bank's family wealth director program, told Insider. "We want to make sure that the advisors that we're promoting are equipped to work with the very best clients of the firm."

In the case study, senior Morgan Stanley employees pretend to be a high-net-worth client and their accountant or attorney. Advisors get one hour to talk to the fictional client, and another three hours to prepare detailed recommendations.

See an example of Morgan Stanley's tough case studies here.

Goldman Sachs

After three years of working for Goldman Sachs, about 25 to 40 analysts from the bank's private wealth division are handpicked for its advisory program.

The focus of the two-year course is to train young graduates to communicate with clients in a relatable way and ditch "business-school speak," Goldman partner David Fox told Insider. Trainees go through near-daily sessions of "verbal dexterity" exercises where they have to answer questions from fictional clients.

The course culminates with three case studies that involve portfolio strategy and estate planning, as well as a written and oral exam.

Read all the details about the case studies that cap off Goldman's training program

Bank of America

Analysts at Bank of America complete four department rotations within the private bank, shadowing senior bankers, trust officers, and portfolio managers.

This "apprenticeship model" helps young graduates find their specialty before becoming associates, according to Jessica Walsh, who leads employee training for early talent at the private bank. At the end of the two-year program, analysts pick choose one of the bank's 25 specialty groups, such as wealth planning, custom lending, structured credit, philanthropy, or the chief investment office.

Case studies are fundamental to the program, including a capstone case study with 15 possible outcomes, but analysts get to interact with clients while they are trainees.

Learn more about how young grads train to work with the ultra-rich.

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