The Bidding War for VPs

By **Audrey Symes**, **Frick Jones**, and **Annabel Stevens**

Investment banking has always been known for high salaries at top levels; however, something has shifted at the seasoned deal execution level that has surprised even experienced recruiters. In the past year, EMM Research and its recruiting partner firms have watched contracts we thought were closed slip away, not because our clients came in low, but because their standard offer landed more than 10 percent under a candidate's stated floor. In some cases, six figure buy-backs or retention packages widened the gap even further.

A distinctive mix of historical and financial forces has created a market where qualified VP-level candidates routinely field two or three live offers at once, pushing compensation well past what banks have typically expected to pay. This phenomenon is driven by three factors: a specific analyst cohort, a set of pandemic-era conditions, and a high-performance talent bracket that is smaller and more differentiated than banks have historically assumed.

The Why

Rather than a broad-based pay increase, these super offers are most accurately framed as bifurcation. Top-performing VPs and Directors are commanding outstanding offers, whereas adequate players are not in demand. What separates the two, in our experience, comes down to a few signals, with respect to both capability and market signaling:

· Can this person actually staff a deal, from building out the workstream to running the analyst and associate bench and translating what an MD wants into an executable plan?

· Would both the client and the Managing Director feel confident putting this person in front of direct client inquiries?

· Is this candidate so highly valued in their current role that they are uninterested in any exploratory recruiter conversations?

Each of these characteristics reveals the kind of candidate a bank can plug into a live, complex deal with a relatively short amount of orientation. The immediate contribution potential of this type of candidate justifies their asking prices, especially in a high-stakes, fully valued deal environment where success requires not just execution power but thoughtfulness, confidence, and anticipation of any potential issues.

Driver 1: The Covid Factor

The class that came out of business school around 2020-2021 built its career in a mostly remote environment. Due to the frictionless virtual environment, meetings that used to be in-person and required weeks to arrange were suddenly available at the click of a link. To accommodate the shortened deal timelines, pitchbook production accelerated; this meant that drafts were no longer routed past a VP or Staffer's desk in person, and no waiting to get pulled aside after a bad model. While output increased, it also got sloppier, because the in-person mentorship that used to catch and correct these mistakes largely disappeared. It wasn't until roughly 2022, when in-office work once again became the norm, that managers started to notice which juniors weren't as sharp as they looked on paper, and started to flag those who were highly capable.

Driver 2: Scarcity

By reducing hands-on mentoring opportunities and creating a trial-by-fire effect, the pandemic generated an outsized premium for highly ranked junior talent. Post-pandemic, this premium increased alongside greater scarcity driven by a few factors. For one, many analysts and associates left investment banking out of burnout for consulting, tech, corporate development, or private credit before ever reaching VP. What's left is a small pool of bankers with five to seven years of experience who are both proven and sought after, and this small group is now expected to serve an industry working through a real M&A rebound. Banks that need someone who can run a live process today are competing for the cream of a very small crop.

Additionally, private equity began to pull heavily from the same talent pool. PE firms have spent the past two years poaching aggressively earlier in bankers' careers, recruiting analysts for associate roles a year or more before they'd even be eligible to leave. The pull of PE has also been enhanced by increased banking MD departures, which can destabilize the VP's source of support and sponsorship, making the banking industry even more precarious for talented juniors with other options.

Banks have pushed back with countermeasure. JPMorgan warned incoming analysts that accepting a future job offer within 18 months of starting could be grounds for termination, and Goldman Sachs has reportedly moved to check in with junior bankers every few months to confirm they haven't lined up a PE offer. On the compensation side, banks are increasingly locking in their best VPs with deferred comp. Industry data shows roughly a quarter of VP bonuses are awarded as restricted stock or deferred cash vesting over three to five years, specifically to keep top performers from walking. As a result, the best VPs are getting compensated with an eye toward long-term retention at an earlier career stage than might have previously been the norm.

Driver 3: High Earnings

The remarkably strong recent surge of M&A activity in years has required more support at the top of the market, which elevates VP-level bankers who can be trusted with a live deal immediately.

The banks' own numbers make the case plainly: this year's earnings season has been robust, and typically this is reflected in bonus payouts to those trusted to execute deals. Earnings results for Q2 2026 results back up just how much revenue is available:

Wells Fargo reported a 9% year-over-year revenue increase to $22.6 billion and net income up 17% to $6.4 billion.

Goldman Sachs posted record net revenue of $20.3 billion for the quarter, up 39% year-over-year, with its Global Banking & Markets segment alone jumping from about $10.1 billion to $15.5 billion.

Bank of America reported a 27% net income increase and a 15% revenue increase year-over-year, with investment banking fees up 50%.

Even so, the record quarters come with a caveat. In remarks with JPMorgan's own earnings release, CEO Jamie Dimon flagged geopolitical conflict, sticky inflation, growing fiscal deficits, and elevated asset prices as risks “shifting below the surface like tectonic plates” which is a reminder that this compensation surge is being funded by real, record profits, but on a market its own biggest bank CEO isn't calling stable.

What This Means for EMM

The days of benchmarking VP and Director offers against last cycle's numbers are over. The clients who win these searches are the ones willing to move fast, pay competitively for proven talent, and understand that the person they’re trying to hire has probably already turned down what would traditionally be considered a very competitive offer, as the best candidates will be deciding among multiple exceptional options.

As Frick Jones, Senior Managing Partner and Head of Investment Banking at EMM Research and Jackson Lucas, has observed:

“The battle for top-ranked Senior Associates and junior Directors is well underway. The difference in this cycle is that the percentage of sought-after execution candidates is significantly smaller. While we saw high compensation packages in the years following COVID, those increases were across the board. Today, only a select few are receiving guaranteed packages, sometimes up to 50% increase on current compensation, while others are not getting a second-round interview.” - Frick Jones