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Big Banks To Limit Hours For Young Staffers --- JPMorgan confines weekly hours to 80; Bank of America revamps timekeeping

By Alexander Saeedy
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JPMorgan Chase and Bank of America plan to limit and more closely track young bankers' hours following a Wall Street Journal investigation that detailed a dangerous culture of overwork on Wall Street.

JPMorgan will now cap junior investment bankers' hours at 80 a week in most cases, people familiar with the matter said. Meanwhile, Bank of America is implementing a new timekeeping tool that requires junior bankers to go into more detail about how their time is spent, other people familiar with the matter said.

The changes come after the Journal investigation, based on conversations with more than three dozen current and former bankers, revealed that junior bankers at Bank of America were routinely instructed to lie about their hours to avoid exceeding hourly limits.

The question of how much to work junior employees, whose entry-level salaries can reach $200,000, has divided Wall Street for decades. Each year, thousands of young people start entry-level jobs in investment banking, attracted by the industry's reputation for turning hard workers into millionaires. But many of them said consistent bouts of working long hours are not only mentally grueling but also hazardous to their health.

The death of a 35-year-old Bank of America associate who had been working 100-hour weeks led to an outcry in the industry about employee protections being ignored. Leo Lukenas III had been working on a team completing a $2 billion deal. An autopsy found he died of a blood clot that formed in a coronary artery.

The weekly cap on hours at JPMorgan, a first for the bank, is the same as the New York state limit for hours of medical residents. The bank plans to make exceptions in certain cases, such as a live deal.

Young bankers at JPMorgan already have a protected window from 6 p.m. Friday to noon Saturday and a guarantee of one full weekend off every three months. The bank, like most of its peers, has long monitored bankers' hours through self-reported time sheets. Young bankers have been known to put in 120 hours a week or more in the thick of a time-sensitive project.

JPMorgan Chief Executive Jamie Dimon said in May the bank was asking "what can we learn from" Lukenas's death. Senior bankers have been communicating the new guideline to staff in recent weeks, some of the people familiar with the matter said.

Bank of America had already capped young bankers' hours, but the Journal found that the guidelines were routinely violated and in some cases bosses told direct reports to lie about how much they were working. Shortly after the Journal's investigation was published, the bank told employees to alert superiors or the human-resources department if they were being pressured to lie about their hours, the Journal reported at the time.

In recent days, Bank of America unveiled a new tool in the company's timekeeping software that requires U.S.-based junior investment bankers to log their hours daily rather than weekly, people familiar with the matter said. They also will be required to detail which deals they are working on when, and which senior bankers are overseeing the assignments, the people said. Junior staff also can gauge how much capacity they have for more work on a scale from 1 to 4.

The new reporting tool will go live next week, the people said. It was being developed before Lukenas's death.

"We successfully piloted this improved **technology** platform earlier this year to help our team more efficiently serve our investment banking clients," a spokesman for the bank said.

The death over a decade ago of a Bank of America intern in London who had logged long hours at the office prompted some soul-searching in the industry. But enforcement of protective guidelines put in place by many banks has been inconsistent over the years.

At Goldman Sachs, junior bankers famously protested their working conditions in 2021 when the bank's deal business was booming. A person close to the bank said Goldman doesn't plan to change its policies in the near term but will continue to keep an eye on juniors' hours.

Protections for Most Junior

Bankers at Big Wall Street Banks

Bank of America

-- Human resources is flagged when hours worked exceed 80 a week, and intervenes after prolonged periods above that limit to mandate time off.

-- Protected weekend day of no work, with no specific time frame.

JPMorgan Chase

-- 80-hour weekly cap on hours with exceptions for certain circumstances, such as a live deal.

-- "Pencils down" period between 6 p.m. Friday and noon Saturday, with exceptions.

-- In the U.S., one protected full weekend off every three months, plus protected holidays with guaranteed time off.

Goldman Sachs

-- No formal cap on hours worked.

-- "Protected Saturday" of no work between 9 p.m. Friday and 9 a.m. Sunday, with certain exceptions.

Morgan Stanley

-- No formal cap on hours worked.

-- No protected weekend time off.

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Tax-Credit Deal Boosts Carbon Capture

By Amrith Ramkumar and Ed Ballard
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A climate **technology** that has struggled to get off the ground is getting a boost from a landmark tax-credit deal with Bank of America that is one of the largest-ever investments in carbon capture.

The bank is providing $205 million in exchange for tax credits from an ethanol producer that captures the carbon produced at a plant in North Dakota. It is the first deal of its kind since the 2022 climate law increased the tax credits available for capturing carbon and storing it underground.

Carbon capture has a dismal record but is being pursued by governments and companies as a way to reduce emissions from industries that can't easily switch to renewable energy. The tax credits are attracting renewed interest in the **technology** from companies such as Exxon Mobil.

"You can only do so much renewables build-out," said Noah Zerance, a director on Bank of America's sustainable finance team. "There has to be an element of trying to address the emitters that are in the market today and helping them decarbonize."

Harvestone Low Carbon Partners, the company that raised the money, says it started capturing carbon from its plant near Underwood, N.D., last October, joining a handful of operational U.S. projects. The plant produces corn ethanol that is blended with gasoline to comply with regulations for reducing fuel emissions.

The company says the facility can capture all of its carbon emissions, totaling more than 200,000 metric tons annually. That is roughly equivalent to the annual emissions of about 42,000 gas-powered cars.

"To have a successful project speaks to the ability for us as an industry and as a nation to do these types of initiatives," said Jeff Zueger, Harvestone's chief executive and a longtime renewable-fuels executive.

Tax-credit funding lets project developers tap subsidies even if they generate little or no profit. While the government funding reduces risk, the deals represent a vote of confidence. Bank of America is betting the North Dakota plant will continue to operate for at least a decade and meet the criteria to qualify for subsidies.

The deal highlights how investors are betting that some parts of the Biden administration's climate spending will withstand potential policy shifts in Washington.

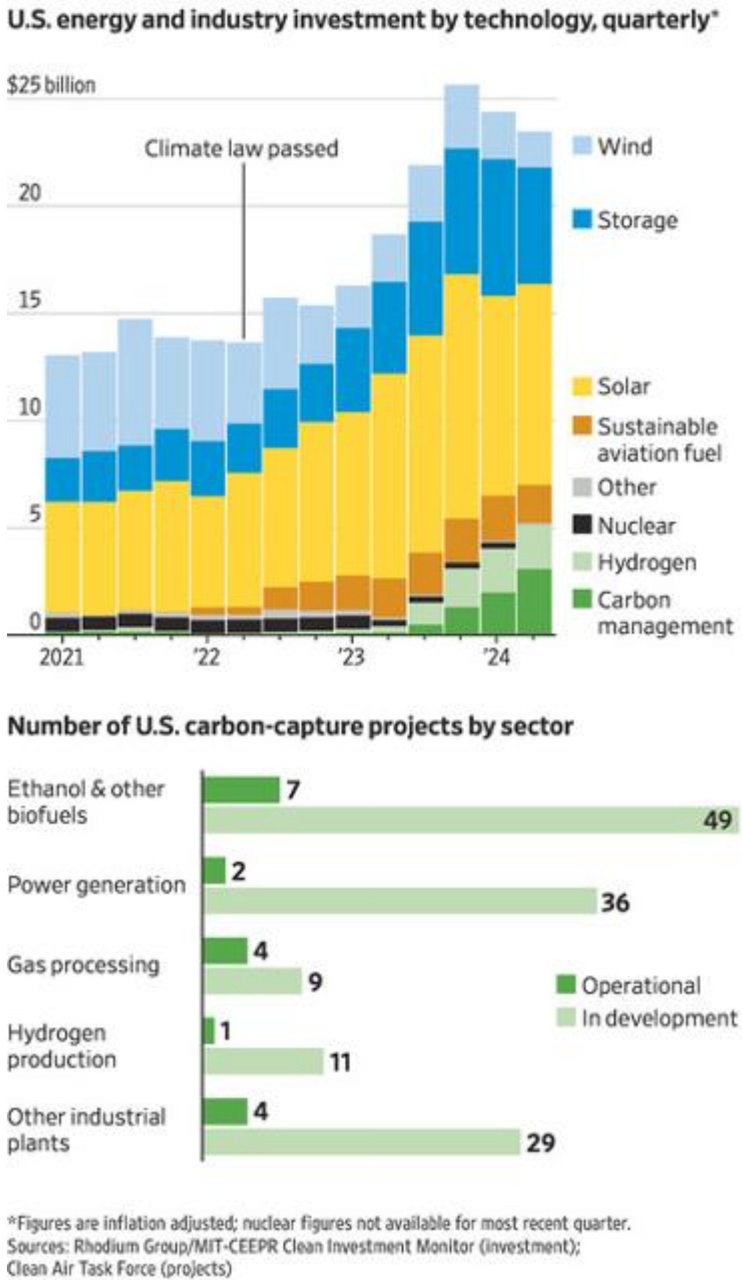
Business investment has mostly flowed to Republican states since the climate law passed. Carbon capture, which could benefit both oil companies and farmers, has widespread Republican support. Many of the tax credits are likely to survive in a second Donald Trump term, while grants and loans that are more subject to the whims of the executive branch could be at risk, analysts say.

The idea of capturing pollution from industrial sites has existed for decades, but projects often encounter cost overruns, technical issues and permitting snags. Captured carbon is often used to squeeze more oil from wells -- a blot on the **technology**'s green credentials.

Ethanol plants such as Harvestone's project are promising for carbon capture because the CO_2 they emit is relatively easy to trap and store.

A key challenge for most projects is sequestering carbon underground. The Environmental Protection Agency's permitting process takes years. Proposals for pipelines to transport carbon to storage sites face local pushback.

Because North Dakota is one of the few states with EPA permission to issue its own permits, Harvestone got approval in about nine months. There are attractive rock formations within a few miles of the plant for carbon storage, eliminating the need for a long pipeline.



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THE WALL STREET JOURNAL.

Bank of America Ignores Rules Barring Dangerous Workloads --- Death of former Green Beret puts scrutiny on all-nighters, 100-hour weeks that grind down young investment bankers

By Alexander Saeedy
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Yuliya Lavysh was thrilled to accept a job offer from Bank of America while a student at Smith College. She quit in 2022 after three years in the Chicago office, where senior bankers kept her and her teammates at their desks until 5 a.m. and instructed them to lie about their hours. Once, she said, she worked until 4 a.m. in the office and was on her way home in a taxi, only for her boss to request more changes for a proposal to a client and to leave a printed copy for senior staff to review later that morning. She asked the cabdriver to turn around.

Roy Wang worked as a junior investment banker for the bank in Tokyo. He said he meticulously logged his overtime hours. But when human resources told his bosses he was working too much, a manager told him to report only as many as were allowed by the bank's policies. He said he continued to work at least one all-nighter every week -- saying it wasn't unusual for junior bankers to catch a few hours of sleep in a bathroom stall or a conference room. He left after his doctor flagged his cholesterol and other indicators had spiked to unhealthy levels.

An analyst on the Latin American finance team in New York collapsed last year after working long hours, prompting his colleagues to call an ambulance to the office.

Another New York banker, currently a vice president, checked into a hospital this year after he felt rundown and sick from working around the clock -- yet he chose to continue fulfilling tasks and took client calls from his bed.

Then in May, a Bank of America associate died. He had been putting in over 100 hours a week to finish work on a $2 billion acquisition.

The Wall Street Journal spoke to more than three dozen people familiar with the working conditions at Bank of America, including former and current investment bankers ranging from junior to executive level in offices around the world.

Many described how superiors instruct junior bankers to ignore policies that limit working hours. The experiences clash with rules added a decade ago to protect bankers from being overworked, raising scrutiny of the bank's work culture. The restrictions were put in place after another death -- a Bank of America intern in London died of a seizure after working several all-nighters in a row.

The death in May sparked a new public outcry over banks' treatment of young employees and the potential consequences of too much work. The experiences at Bank of America are echoed in banks across Wall Street, where long hours and deference to bosses' commands, no matter how unreasonable, are the norm industrywide. In jobs where entry level salaries can reach $200,000, many bankers say they hesitate to raise concerns about their working conditions.

Former bankers said in viral social-media posts on Instagram and X that banks' treatment of employees needs to change. JPMorgan Chase CEO Jamie Dimon told analysts the bank was asking "what can we learn from" the recent death at Bank of America, adding JPMorgan was full of people "who give a damn about the human beings that work at this company."

A spokeswoman for Bank of America said that "our practices are clear and we expect all employees including managers to follow them. When we've learned of violations, disciplinary actions have been taken." She said investment banking jobs at the bank are "sought after [and] challenging jobs," and that the bank received roughly 500,000 applications for entry-level positions over the past four years, while turnover for associates is under 10%.

Since the recent death, some managers have told junior bankers the bank is enforcing rules about hours more strictly, people who work at the bank said. Senior bankers have also vowed to keep better tabs on bankers' work loads, the people said.

The question of how much to work junior employees has divided Wall Street for decades.

Each year, thousands of young people start entry-level jobs in investment banking, attracted by the industry's reputation for turning hard workers into millionaires. But many of them say consistent bouts of working more than 12-hour days at least six days a week is not only mentally grueling but hazardous to their health.

Banks have attempted to reduce the time bankers spend working. Advances in **technology** have eased tasks and some low-level work has been outsourced to countries with cheaper labor. But bankers can still put in as many as 120 hours a week in the thick of a project.

Some banks rolled out "protected weekends" to guarantee at least one day off a week, but many at Bank of America said those policies are frequently ignored by their managers.

One major impediment is senior bankers who see the early years as their profession's rite of passage. That prompts some of them to ignore safeguards meant to protect the people who work for them.

Lavysh said young employees didn't honestly report their work schedules because they wanted to prove to their superiors that they were willing to work hard, even if it meant working many more hours than company policies allowed. "You don't want to say 'I cannot take more work right now' because it makes you look weak," she said. She is now working at a startup.

Wang left in 2020 for a job at a sovereign-wealth fund, where his hours dropped to around 60 a week. He has since launched his own investment fund and said he has received a clean bill of health from his doctor.

Moritz Erhardt, the Bank of America intern in London, died in 2013 after logging long hours at the office. The bank appointed a group to review "all aspects of the tragedy" including whether employees were encouraged to work overly long hours or had been pushed into unhealthily competitive environments on the job, the Journal reported at the time.

An autopsy found Erhardt died of an epileptic seizure that was possibly brought on by fatigue.

In response, the bank in 2014 instituted policies to limit young bankers' hours. It required them to start logging their hours, and managers would receive a warning when they logged more than 80 in a week. If they worked more than 100, they would be flagged to the bank's human resources department, which would intervene to get them time off.

It also instituted a protected weekends policy, under which junior bankers were required to take off either a Saturday or Sunday every week, unless managers had received exemptions for must-do work from human resources. Other banks including Goldman Sachs and JPMorgan followed suit on protected weekends.

Bank of America later tweaked its weekend policy, shifting it to a "protected Saturday" policy -- making Sunday a regular workday.

Several current and former bankers at Bank of America said they were asked to violate those policies or directly witnessed them being contravened. They said many senior bankers across the institution tell junior bankers to avoid logging their actual hours, leaving them to work 15- or 16-hour days "off the books" for weeks.

One current associate said the bank's human-resources department intervened after he worked over 100 hours a week for a month. When his bosses were forced to give him a day off, he planned a long bike ride to clear his mind. He had just started biking when his manager called and said he needed him to work several hours that day without logging the hours.

Junior bankers working in Bank of America's leveraged-finance group, which specializes in financing corporate takeovers with high-interest debt, said their team has been overburdened after the bank laid off junior bankers during a slowdown last year. The pressure to perform has been acute at the bank, which has said it is fighting to expand its investment-banking business.

Bank of America declined to comment on the specific examples of working conditions.

The hard-nosed work culture at Bank of America and elsewhere on Wall Street again came under scrutiny after Leo Lukenas III, the Bank of America associate, died on May 2.

Lukenas, who was 35 years old, had been working over 100-hour weeks for about a month, according to people working on his team, as the group finalized the $2 billion acquisition of Heartland Finance by UMB

Bank, which was announced April 29. He attended a celebratory dinner for the deal two days later. He died before coming into work the following day.

An autopsy found he died when a blood clot formed in a coronary artery.

Junior bankers working with Lukenas said they told co-workers they were exhausted and had been underreporting their hours to avoid human resources getting involved. They also said it was a common practice on the team for bosses to assign work on Saturdays without requesting formal exceptions.

Bank of America declined to comment on Lukenas's work conditions. Lukenas's family members didn't respond to requests for comment or declined to comment.

Lukenas became a banker after serving in the U.S. Special Forces for over a decade. As a Green Beret, he did several tours in the Middle East.

Lukenas had a wife and two young children as well as a twin brother -- also a veteran -- who started in investment banking at Goldman Sachs weeks after his brother's death.

A few days after Lukenas died, managers at Bank of America held calls with junior bankers and some acknowledged that they might be asking too much of them. Midlevel staff responsible for setting junior bankers' schedules also told some of them in private conversations that the bank is focused on keeping closer tabs on hours.

Wall Street's approach to work-life balance appears at odds with some industries such as tech that have adapted to attract Millennial and Generation Z workers, who tend to prioritize life outside of work. While some junior bankers were able to win concessions during the pandemic, many banks have ordered employees back to the office five days a week and rolled back other allowances.

The strongest draw to working for a big investment bank is still the money and the prestige. Junior bankers are enticed to stick it out and eventually reach the rank of managing director, which can come with annual compensation of $1 million or more. Others aim to leave after a few years for even bigger paydays at private-equity firms or hedge funds. But banker salaries haven't grown much since the 2008 financial crisis.

Kevin Mahoney, a recruiter for investment banks, said the health scares won't make it easier to attract people to work in investment banking. He said recruiting has been challenging as compensation for many bankers has dropped because of a slowdown in corporate dealmaking, and that investment banks have been asking more from young staff to help them counteract the decline.

"Even if they don't have anything to do, they have to find something to do," he said. "Senior bankers are trying to do more with less and inevitably that trickles down."

One Bank of America associate said she worked from around 8 a.m. to 4 a.m. every day for about a week last year, adding new debt transaction ideas and acquisition target analyses to a client proposal at her boss's behest. The hours should have tripped the bank's controls, but her boss had asked her not to log all of them.

She worked overnight Wednesday and Thursday to meet the deadline. The boss responded by requesting more changes by the next morning.

The associate, who still works at the bank, said she got a reprieve when another senior employee overheard her crying in the bathroom and confronted her boss, saying she had been pushed too far. The client they pitched went on to make several acquisitions, but never hired Bank of America on any.

Imani Moise, Lauren Thomas and Karen Langley contributed to this article.

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Search Summary

Text	(technology OR "AI" OR fintech OR "digital banking" OR "cloud computing" OR blockchain OR cybersecurity OR "machine learning" OR "data analytics" OR "big data" OR "predictive analytics" OR "cloud migration" OR "edge computing" OR "5G banking" OR "API banking" OR "open banking" OR "data governance" OR "data monetization" OR "digital transformation" OR "quantum computing" OR "AI-driven banking" OR "AI in compliance" OR "AI-powered fraud detection" OR "AI in customer service" OR "AI in investment banking" OR "conversational AI" OR "generative AI" OR "robo-advisors" OR "natural language processing" OR "algorithmic trading" OR "automated risk

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