

The Best Job In The World

Want to find the best job in the world? Here's how to think about it.

You want a job with maximum return to your skills as possible. You therefore want maximum return on equity, per person, in your job or field.

You really couldn't give a toss what the return on assets is. Return on assets has efficient market limitations. Too high, and it is competed away. Too low and the industry goes the way of the dinosaurs or gets nationalized.

Let's assume for a moment, that most activities generate roughly the same ballpark return on assets.

What you want to do is to take on a job which maximizes the dollar return on assets per person.

In other words, you want to work for a bank. Why? Leverage. You want to work in a job that levers its equity to kingdom come, maximizing dollar return on assets, per person. Assuming that return on equity faces the same limitations and bounds as return on assets, you want as much equity per person and as much assets to equity as you can muster.

This is the dilemma. If you didn't think this way, you wouldn't work in a bank. You would be doing something productive instead.

So where is the incentive for restraint and prudence? Not found in a bank. Its not the actual operational business that counts. Banks that lend are equally driven as banks that trade their balance sheet, as banks that underwrite, arrange or distribute.

Management is in it for the leverage.

Doctors and dentists, engineers and scientists, they make good

money, they may have higher return on assets than bankers.

Doctors revenue, what? 10 million for a sole practitioner. 20 million. Transactional notional for an investment banker could be in the billions. You'd simply have to pull more teeth and lift more faces to make as much as a banker because the banker controls or works with so much more notional value of business.

Work for a big bank, not a small one. Work for a levered bank not a conservative one. Here is a concrete example why. If you are an ace trader making 20% a year on assets. If you are allocated 20m to trade, you're cruising but you're not bruising. If you were a mediocre trader generating 5% a year, the garden variety waste of space, but you are allocated 500m, you are really raking it in.

So, life is not fair. Go work for a bank. The curbs on bonuses may be temporary. Banks have already raised basic pay. Grab it while it lasts. When bonuses return there will be some bank in some country paying out. Join them. Tell them how much you got paid in your last job.