



Career Concerns of Banking Analysts

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We study how career concerns influence banking analysts' forecasts and find that banking analysts issue early in the year relatively more optimistic and later in the year more pessimistic forecasts for banks that could be their future employers. This pattern is not observed when the same analysts forecast earnings of financial institutions with no equity research departments. We use the Global Settlement as an exogenous shock on career concerns and show that this forecast pattern is more pronounced after the Settlement. Moreover, we find evidence that both analysts and bank executives benefit from this behavior.