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Wall Street jobs move overseas

Credit crunch, rising costs and change in client profile are factors



A trader on the floor of the New York Stock Exchange today might find himself working in Asia, the Middle East, Europe or Latin America soon. Financial companies are relocating more staff as US layoffs go up. -- AGENCE FRANCE-PRESSE

Moving boxes have become a common sight at Wall Street firms, where tens of thousands of bankers and traders have been laid off as the credit squeeze drags on. But a few of the people packing up and saying goodbye are holding passports rather than pink slips. And some are being told to move abroad — or else.

Big investment banks are moving some key employees to increasingly influential hubs of finance in Asia, the Middle East, Europe and Latin America, regions where the banks had already been building up business to tap rising growth potential.

This trend is happening alongside another: Because of price pressure, jobs lower down the corporate ladder in New York and London are moving overseas, especially to India.

'Banks like Morgan Stanley and Merrill Lynch are playing musical chairs,' said Mr Gustavo G. Dolfino, president of the WhiteRock Group, a finance hiring firm. 'Why are they doing this? They want to keep the talent.'

Relocating workers, while expensive, makes sense as record revenues are flowing in from places other than Wall Street.

For a number of bankers, though, the moves are less voluntary.

'Some are being told, 'I don't care if your wife has to stay here, this is what you have to do',' Mr Dolfino said.

Banks release only global redundancy figures, so it is difficult to quantify how many Wall Street positions have moved elsewhere.

Yet, as options narrow, even some laid-off workers who were not offered a transfer are beginning to take calls from financial companies with operations abroad, recruiters say.

'I've spoken to people who three or four years ago literally refused to relocate. Now they're open to moving,' said Ms Jeanne Branthover, head of the global financial services practice at Boyden Worldwide, a recruiting firm.

'They do not see growth or change in this market in the near future.'

Recent activity at Ms Branthover's company is telling. Boyden's revenue from placing people in finance jobs was about flat, globally, in the first quarter.

But its placement revenue in Russia was up 73 per cent, and in China and Dubai, it was up by more than 300 per cent. In New York, where the market is nearly frozen, revenue from finance job placements was down 24 per cent.

'In the past, everything was done out of New York, and that was the place to be,' said Mr Nicolas Aguzin, head of investment banking for JP Morgan in Latin America, which has added bankers in Brazil, Mexico and Colombia over the last year.

'But now, everyone has decided to go local and to go quite aggressively.'

The shift is also changing the concept of being an expatriate employee, from a temporary jaunt to one that might be more permanent, said Ms Edith Cooper, head of human management at Goldman Sachs.

The longer foreign markets outperform developed economies, managers say, the more permanent the shift in power may become.

Ms Sheila Patel, Goldman's head of equities for South-east Asia, moved to Singapore from New York in May, even though her division was not stagnating.

'Is there a set time that I expect to be in Asia?' she said. 'Not really. I could see spending my whole career here.'

Ms Patel's move around the world in a sense reverses a decision her father made in the 1960s to move from India to the United States, where he married an Irish-American.

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