

Region expected to rebound from cuts

By Mark Ginocchio
Staff Writer

With some Wall Street investment banking firms expected to lay off employees by the thousands in the coming weeks, a number of industry observers have some words of wisdom for the soon-to-be unemployed: Wait it out.

"If you think about Wall Street, it's very cyclical," said Sandy Gross, whose Pinetum Partners in Greenwich is an executive recruitment firm specializing in high-end financial services. "If people can be patient, a lot of these positions can be open again."

The near collapse of investment bank Bear Stearns — certain to cost most of its 14,000 employees their jobs — coupled with expected layoffs at other huge firms like Citigroup Inc.,

has some fearing the worst for the region's economy.

But as layoffs mount, many recruitment and financial services employment experts in lower Fairfield County, said the pain should only be temporary.

"They will find places," said David Lewis, chief executive officer and founder of OperationsInc, a human resources consulting firm in Stamford.

Lewis said his offices have received many phone calls from employees in the financial services sector passing along their resume or seeking advice.

If they lose their jobs or want to get out of their current ones, there are other high-paying jobs to fall back on, he said.

"Hedge funds have a real shot at snatching people up," Lewis said. "If I'm a hedge fund locally, it's going to be Christmas in March."

While some hedge funds have fallen victim to having too much

invested in subprime mortgage-backed securities, like Sailfish Capital Partners in Stamford, which announced this year it was shutting down, hedge fund indices have shown many funds have rebounded and are posting positive returns.

A recent survey by Right Management, an employment consulting firm with offices in Norwalk, found people laid off in the financial services sector rebounded fairly quickly.

The survey of 288 people in Connecticut, New Hampshire, Rhode Island, Massachusetts, New York and New Jersey, found 78 percent of people displaced from financial services jobs last year, found new positions in 2007 at the same or higher salaries. About 91 percent did not

have to move.

"There's always a lot of activity in financial services, and people get surplusd," said Bill Brimmer, market vice president of Right Management, adding that financial services employees are "very resilient and very entrepreneurial."

Officials from many financial businesses in lower Fairfield County have said they hope to recruit new talent from some of the layoffs.

Phil Duff, founder of Duff Capital Advisors, an investment management firm in Greenwich, said he hopes to have nearly 100 employees at his headquarters in another year or two using financial professionals with experience on Wall Street.

At Interactive Brokers Group,

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a publicly traded electronic market-making and brokerage services firm in Greenwich, chief executive officer Thomas Peterffy has said his company may take advantage of layoffs to find computer engineering talent.

Still, there are economic concerns when the financial services sector struggles. In New York, for every billion dollars in Wall Street profits, New York City gets about \$70 million in direct taxes, according to published reports.

In Connecticut, financial experts said they believe about 20 percent of all state taxes originate from salary bonuses of financial services employees.

The finance, insurance and real estate industry, in which the average annual wage is \$181,603, accounted for nearly 41,700 jobs in the Stamford-Bridgeport labor market in 2004, according to the Economic Development Data & Information for Connecticut and Western Massachusetts.