

# WALL ST. DEAD END

## AS FINANCE JOBS DRY UP, WHERE CAN WALL STREETERS TURN?

By VIRGINIA BACKAITIS



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It's two o'clock on a weekday afternoon, and Sal Bertuglia tries not to get his hopes up when the phone rings. The laid-off Wall Street manager, who's used to working in the land of highs and lows, strives for an even keel these days.

"I've been looking for job since June, sending out 10 to 15 resumes every day" he explains, "and lately it's been dead."

That's a far cry from what Bertuglia experienced earlier this year, when he parted ways with Morgan Stanley - and immediately found a higher-paying, higher-profile position with Merrill Lynch.

"It took me three days to get my dream job," he says. "I felt like all my hard work and long hours had finally paid off, like I had made it."

Bertuglia boasts a resume full of accomplishments, and he's been continuously promoted, ahead of schedule, for jobs well done. But that's doing him little good at a time when the companies most likely to value his skill set are in free-fall. The finance sector has lost more than 100,000 jobs thus far this year, and many, many more are expected.

Which means for tens of thousands of people working in one of the city's biggest industries, the once green ground is now barren. Jobs that were once plentiful are hard to come by, and that's not expected to change any time soon. "It's like this," explains one quantitative analyst, who asked not to be named because he still works at what he calls "the company that was once known as Lehman."

"There are a limited number of firms that a guy like me has ever expected to work for; changing jobs has always been a bit like playing musical chairs. You go where the pay and potential are good and where the seat is empty. Problem is that three of the five companies that held these seats are now gone. Guys like me need to throw away our playbooks and rethink our options."

Bingo, say industry observers. While it used to be the case that someone laid off from a big finance firm had high odds of making a soft landing at another one, the rules have changed, and not all the victims of the current trauma will find their next job in a predictable place. Those who want to stay afloat may need to consider other options, from going abroad to going solo to changing industries.

That doesn't mean finance jobs are going away, of course. But those who insist on staying the course might have to be patient.

"There's not a lot of hiring power at the moment," says Jim Varriale, who runs QUANTster, the quantitative finance job market daily.

Steven Levy, who heads the New York section of the Employers and Recruiters Exchange, reports that jobs are frozen at nearly all of the big banks and I-banks he's consulted with.

"I don't know whether it's their official position or not," he says, "but the staffing directors are all saying that jobs are on hold while senior executives meet to determine their next moves."

With companies reluctant to commit to new hires, Levy predicts that many essential manpower shortages will be filled by contractors, and even that won't happen until things settle down.

That comes as no surprise to Kevin Kelhoffer, who was an executive director at Morgan Stanley until earlier this year. He's sent out resumes and gone through several rounds of interviews only to be told just before offer time that jobs have been put "on hold."

It's a far cry from what he experienced in 2007 as he was leaving Citigroup. Back then, he had multiple offers before he even cleaned out his desk.

"I haven't been without a job for more than 20 years, since I graduated from college," he says.

And though he's doing a little consulting while he struggles to maintain his family's lifestyle, the father of two is frustrated.

"I'd really like to continue my career without making a career change," he says.

For exceptionally talented individuals, that's certainly possible, says Sandy Gross, whose firm, Pinetum Partners, conducts executive searches for leaders and strategists in the investment industry. She believes both large hedge funds and investment arms of insurance companies will have new opportunities.

"History shows us that crisis and chaos create opportunity," she explains, "and those who know how to make a profit from distressed loans are and will continue to be in demand."

Other opportunities may come from the smaller and midtier investment firms that are likely to emerge or expand as a result of the current crisis - although Gross warns that swelled-headed I-Bankers should come down to size before applying.

"Everyone thinks they're the American Idol of Wall Street," she says, noting that an excess of Master of the Universe attitude isn't necessarily a plus in a job seeker.

Robert Escobio, the CEO of Southern Trust Securities CEO, is one relatively little fish who's hired from the likes of Merrill, Morgan and Wachovia in recent months, and he's still looking for more. Though Escobio won't go so far as to say that Wall Street's loss is his gain, he's eager to sell job opportunities at his company.

"There's not the same pressure to produce here as there is at the big firms; you can have a personal life," he says. He notes that while the firm is in Coral Gables, Fla., a good number of Southern Trust's employees work via computer from other locales, making relocation unnecessary.

Another option for those downsized from faltering institutions is to think even smaller and hang up a shingle as an independent. Stuart Kruse of Kruse Asset Management, who went solo after developing his career at the likes of Bear Stearns and Lehman, says there's increased demand for independent wealth managers, given that the sense of security investors once enjoyed by dealing with the big banks is now gone.

"Investors are going to have to put their money someplace, and my advice is tainted neither by quotas nor by product placement," he says.

Other financial-job seekers might consider the options available to them out of town. Way out of town - like in Dubai, or China, or India.

"The rest of the world still looks to the US for financial knowledge and leadership around building independent economies," says Jonathan Phillips, founder of Magellan International, an executive search firm. "Knowledge and skills gained on Wall Street are certainly valued in countries that are developing their burgeoning midsections."

How do you get from working on Wall Street to working in Asia or the Middle East? By connecting with a recruiter like Magellan or going directly to management consulting firms such as McKinsey and Bain & Co., who advise both local companies and governments in those regions.

Phillips also sees opportunity for financiers at the Big Four accounting firms, working in transaction advisory services. And for those with heavy legal, compliance or accounting skills, jobs may be available at turnaround and restructuring firms such as Alex Partners and Alvarez & Marsal.

"Restructuring debt requires bankers, lawyers and accountants," he says.

SUBHED: New directions

Of course there's yet another path some will choose - one that leads off Wall Street entirely. That was the one followed by Jessi Walter, a former Bear Stearns VP who took the time between her employer's collapse and her eventual layoff to explore her options.

"I liked my job, I would have never left it if this hadn't happened," she says. But once it did, she took a good hard look at what she wanted to do next.

"Life is short," she says.

So while she updated her resume, spoke to headhunters and tweaked her social network, she found herself thinking about her hobby, making cupcakes with kids. And eventually she put her Wall Street experience to use to determine whether a business training school-age chefs was viable.

The resulting business, Cup Cake Kids, held its grand opening event in the West Village last Tuesday.

"I would have never in my wildest dreams have expected to be doing this right now," says the Harvard graduate. She doesn't sound the least bit upset.

Those looking to venture less far afield might heed the words of Max Kalehoff, a vice president at Clickable, an internet search marketing firm in the Flatiron District. Kalehoff sees a need for numbers people at firms like his.

"Math is the new core competency in advertising. There's an absolute demand for quant-jocks and gifted statisticians in our industry," says Kalehoff.

Meanwhile, venture capital firms up and down the East Coast have been inviting displaced Wall Streeters to check them out. In fact a Web site, [LeaveWallStreetJoinAStartup.com](http://LeaveWallStreetJoinAStartup.com), was designed specifically to lure them.

Rick Heitzman, a managing director of venture-funder FirstMark Capital, says the key constraint to the growth of many New York-based startups has been human capital, which could make them prime territory for Wall Street vets looking to leverage analytical, computational and technology-related skills. "We don't expect everyone coming off the street to know all about interactive media, Web metrics or consumer behavior," says Heitzman. "We're willing to invest in people who are willing to invest in themselves."

The pay at these firms - as with many of the jobs mentioned above - won't compete with Wall Street wages, but that doesn't mean there aren't non-cash returns. There's quality of life, for example, and the excitement of being part of something new.

And, like on Wall Street, you can get rich at a startup. Think Google and MySpace, for example. And, oh yes, there's that one much closer to home. It was started by a guy who was dismissed from Salomon Brothers at a time when stagflation was a buzzword.

Need a hint? The founder is now our mayor.