

Job News & Views

2009's 10 Safest Wall Street Jobs

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Jon Jacobs

Usually, job security isn't a priority for most financial professionals. In times of expansion, when greed outpaces fear, the average banker or trader eyes growth above all else when making career decisions. Today it's different. Wherever you look, you'll find career experts and industry colleagues asserting individuals must be or should be "grateful to have a job at all."

With that in mind, eFinancialCareers News polled more than a dozen headhunters and career counselors about which jobs they view as safest on a one-year horizon. While the answers varied widely, we were able to identify a few recurring elements. The list below presents, in no particular order, nine jobs that were named by at least two sources - plus a final choice we found intriguing because it came as a surprise.

Workout/Turnaround/Restructuring

Business downturns mean great times for restructuring departments at banks and those advisory firms that help troubled companies reorganize in or out of bankruptcy court. "Given the state of the economy and difficult credit environment, many firms are being pushed near or into bankruptcy. They are reaching out to firms to assist them, and candidates with a strong background in restructuring, turnaround, workout credit and audit experience are in short supply," says recruiter Sanjeev Sharma, manager of banking and asset management at Michael Page International. Lenders to troubled firms also need professionals with workout experience, notes New York career coach Roy Cohen. He says turnaround management specialists such as Alvarez and Marsal, which played a prominent role in the Lehman liquidation, are "busier than ever." Other big players in this niche include Rothschild Inc., Conway DelGenio Gries & Co. (known as CDG), and Alix Partners.

Institutional Securities Trading and Sales

Not all trading is created equal. Today proprietary trading, Wall Street's meal ticket earlier this decade, is out of favor amid constrained liquidity and new inhibitions against banks wagering their own capital. Trading for customers' accounts, on the other hand, is very much in. "Banks, research houses and broker-dealers are all still aggressively running their securities business," notes Sharma. Although headcounts, compensation and client lists have shrunk, he says, "sales professionals with strong relationships are in demand to take a bigger piece of the smaller pie." Robert Olman, president of Alpha Search Advisory Partners, adds that non-bulge bracket broker-dealers such as Jefferies & Co. are hiring sales and trading personnel across equities, fixed income and derivatives.

Credit

Borrowers' failure to repay loans ignited first a mortgage crisis, then a wider credit crisis, and finally a recession. In response, lenders of all stripes - even hedge funds - are applying more stringent credit standards for mortgages, corporate or interbank loans, purchases of debt securities, and counterparty dealings. "Banks are spending much more time and energy on analyzing new loans and hence the role of the credit departments has increased, as has the required manpower," explains Adam Zoia, managing partner at Glocap, a worldwide executive search firm concentrating in financial services. "So established professionals in this area are likely to have a comparatively secure employment situation."

Managing Distressed Assets

Hedge funds continue to add professionals in this specialty, even after some would-be bottom-fishers bought too early and wound up losing their stake (TPG's investment in Washington Mutual is one prominent example). Hedge fund headhunter Sandy Gross of search firm Pinetum Partners reports "a flurry of hiring activity" in the distressed-investing space. Her clients are hiring portfolio managers and analysts in anticipation that distressed credit could enjoy nice returns as the economy slowly recovers. Gross says analytical and trading skills gained from M&A or structuring experience plus a stint on a trading desk "will yield an individual who not only understands how businesses operate but how to value and trade them as well."

Risk Management

Egregious failures to manage credit and market risks forced a radical reshaping of the entire worldwide financial industry. Tracking and controlling a bank or fund company's exposure to price gyrations, loan defaults, and other sources of financial risk has become a top priority for C-level executives, regulators and shareholders. That's boosting the clout and budgets of risk managers after a period when their advice was regularly overruled by top-line considerations. "We see continued interest in hiring new risk managers at firms, and the only real danger tends to be if a firm or division folds, as opposed to functions being reduced," says Gregg Berman, co-head of risk management at RiskMetrics Group.

Compliance

Like risk managers, these in-house enforcers of rules and regulations are gaining attention as professionals who could have saved Wall Street much money and misery had they been allowed to function properly. New laws already enacted - and more yet to come - reinforce the security of compliance jobs in finance. Late last year, the SEC's top inspector published an open letter warning CEOs of financial firms not to look to the compliance area for cost-cutting opportunities. "What (SEC Chairman) Christopher Cox could not do, and what Bernie Madoff is now bringing to the forefront, (means) compliance will be on the top of everyone's list who wants to stay in the investment business," observes Gross.

High-Frequency Trading Systems

Despite the news media's recurring attempts to bury them, quantitative trading strategies are alive and well. That's why Kyle Ramkissoon, principal at New York recruiting firm IJC Partners, says building models and code for rapid-fire trade execution is one of this year's safest career bets. "We've seen a huge increase in demand for quants or financial engineering folks" with experience building high frequency systems based on tick data and working with large data sets, he says. "They're the coders, but have strong math and statistics skills."

Retail Financial Advisors

"High-end advisors who control large pools of client assets are always in demand," says Mark Elzweig, president of an eponymous executive search firm. "They are revenue generators and mini profit centers. Firms will fight to hire them until their last dying breath." At the same time, individual investors are turning to personal asset managers and financial planners to help salvage and manage portfolios devastated by the bear market. Demand for personal financial advisors also continues to gain from the 2006 pension reform law that made it easier for employer-provided retirement savings plans to give investment advice.

Foreign Exchange Traders (and the Global Economists They Work With)

A variety of experts predict foreign exchange traders will continue to enjoy high demand. "The dislocation across capital markets and borders leads to volatility in FX and an opportunity to make money in foreign exchange markets," says Gross. Options Group, a global executive search and consulting firm, picks FX and global interest

rates, along with compliance (especially in the U.S.) and private banking (especially in Asia), as relatively safe areas in the coming year, says Michael Karp, its chief executive.

Our final choice is an unorthodox one:

Credit Rating Agency Analysts

We have to admit doing a double-take when one of our expert sources sent in this one. After all, just a few weeks ago eFinancialCareers News tagged the credit rating sector as one of 2008's biggest losers. But Ken Murray, president of search firm Mercury Partners, defended his pick: "These roles are stable through all market environments, and may even have more demand in an uncertain economy where bond ratings are more important... Other firms will continue to let employees go but the rating agencies are most likely done with layoffs" that occurred early last year.

Comments (5)

Oldest first

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I'm wondering on a number of your comments. While the restructuring firms are hiring, I've seen little indication that Credit or Distressed Assets are actually hiring as these firms are all in lockdown having experienced substantial losses the end of 2008 and are being redeemed.

Steven Jackson 14 Jan 2009

Newly raised distressed credit funds are hiring.

Bankah 22 Jan 2009

"Late last year, the SEC's top inspector published an open letter warning CEOs of financial firms not to look to the compliance area for cost-cutting opportunities. "

...even after numerous banks closed because of compliance breaches, when will CEO's get it?

Neelam Singh 22 Jan 2009

I've heard that while distressed credit funds are anticipated to hire, the plugs are being pulled on many of them. I heard that \$1BB was raised by an old colleague only to be told that it was no longer available in recent weeks. Some of this money is foreign.

Mark 28 Jan 2009

Mark, please see our follow-up column on the topic you cite (disappearance of some distressed-investing funds): Our Take: Are Distressed Jobs 'Safe'? - Jon Jacobs, eFinancialCareers News

Jon Jacobs 28 Jan 2009

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