

Laid-off banker? Where to job hunt

Recruiters say you can land on your feet, especially if you're a star with a strong network.

By Anne Fisher, senior writer
OCTOBER 23, 2008: 2:59 PM ET

Now that Goldman Sachs says it will lay off 10% of its employees, there will be 3,260 more bankers pounding the pavement. Thursday's news comes after nine months during which the financial-services industry has already shed about 110,000 jobs.

"It's a huge game of musical chairs - with more and more players, and fewer and fewer chairs," observes John Challenger, CEO of Chicago-based outplacement and career counseling firm Challenger, Gray & Christmas (www.challengergray.com). And experts agree the industry will undergo huge changes in the months and years ahead, and nobody quite knows what form those changes will take.

But if you've lost, or are about to lose, a Wall Street job, resist the temptation to go sit on a beach somewhere for a while. "Don't sit on the sidelines and wait for things to get clearer," Challenger says. "Get a fast start on your job hunt and grab the best seat you can find. You can always move later."

Where to look

Where might those available seats be? "Wealth management and retirement services - business with long time horizons - are strong possibilities, as are private equity firms," says Burke St. John, head of the financial services practice at executive-search firm CT Partners (www.ctnet.com). "Five years ago, you'd have been hard-pressed to find a private equity firm with any interest in financial services businesses, but that's all changed now. They're getting into things like mortgage servicing, regional banks, and insurance, and they need people who understand those businesses. They'd also be receptive to any unique investment ideas you might have."

Don't overlook small firms. "Back in the '80s, Wall Street had a lot of smallish specialist firms like boutique broker-traders," notes Paul Heller, president of search firm Cromwell Partners (www.cromwell-partners.com). "I think we are headed back to that, and smaller firms now will be taking advantage of all the newly available talent out there to expand their businesses."

Uncle Sam may be hiring, too. "After the savings and loan debacle in the '80s, the U.S. government had to hire a lot of bankers to track and value the bad assets," explains Clark Beecher, a principal with headhunters Magellan International (www.milp.com). "Again, with the current bailout plan, the Treasury Department will have to go after bankers and hire them." Bankers who made that move "became some of the most successful hedge fund managers of the '90s and '00s," Beecher adds.

The consulting business is eager to take on investment bankers, Beecher says. "This crisis hit so fast that many companies really need to call in knowledgeable advisors - and, since they're trying to run as lean as possible, those companies would rather outsource financial expertise to consultants than take on permanent high-priced talent," he says.

Your best bet, though, might be to look beyond U.S. borders. "We're seeing tremendous demand for banking and finance expertise in Dubai, and also in every Asian country except Japan," says John Rogan, a managing director at recruiters Russell Reynolds Associates.

Brazil is a hot market for banking talent now, too, says Burke St. John at CT Partners. "For those who want to take the plunge and go abroad, it could be a great opportunity, and there's little or no career risk," he says. International experience is a plus on any resume these days.

To get a foot in the door, headhunters agree you'll have to network like crazy.

"You need a multi-pronged approach," says John Rogan. "Even if you have relationships with recruiters, don't just rely on them. Talk to everyone you know and meet as many people as you can. Stay current with what's happening and who's going where."

"It's vital to have references," says Burke St. John. "You have to know someone who knows someone."

And don't be shy: Get in touch directly with senior executives at firms where you might want to work and ask for a chance to discuss what you have to offer.

"Treat your search like a full-time job," advises Peter Felix, president of the Association of Executive Search Consultants (www.aesc.org). "Be prepared to put in as much time and effort as you did when you were working" - and in

investment banking, where round-the-clock workdays are the norm, that's saying something. Job hunting is tough in this environment, and networking is by nature a slow process, so don't get discouraged if your search takes at least three or four months despite your best efforts.

Brace for a pay cut

Be prepared for a pay cut, too - even if you manage to get a new job that's just like your last one. "There's always a market for top talent, so companies will always take care of their best people," says Rogan. "But I really think we'll see Wall Street pay decline sharply, maybe by as much as 20% across the board, with a sliding scale where the least effective performers will get no bonuses at all."

Wall Street's cherished annual bonus system may well go the way of, well, Bear Stearns and Lehman Brothers. "We're going to see a big shift toward bonuses that take long-term performance into account, not just immediate rewards for that one year's results," says Heller at Cromwell Partners.

Rogan adds: "On the Street these days, the saying is that 'flat is up.' "