2010 FINANCIAL SERVICES JOBS & OVERALL TRENDS FORECAST©

BY KATHY GRAHAM

"I look forward to Kathy's annual employment situation forecasts. She peels the opportunity onion to cook up an outstanding analysis, even if it causes tears some years. Near as I can tell, she's on a seven year streak of spot-on winning calls."

– Gerald W. Laurain, CFA, SVP, Chief Investment Officer, Wealth Management, First Tennessee Bank

SUMMARY:

Yes, we all agree: the ice encasing our economy is slowly melting. What's not generally as well acknowledged are the implications resulting from the changes in the underlying global economics. The risk/reward dynamics have altered, so career behavior—be it the career of the employed person climbing the corporate ladder, the entrepreneur building an empire of any size, the person changing careers, or the unemployed seeking another position in the same career—needs to alter to be successful in this new environment. The year 2010 is the "Year of Making These New Dynamics Work."

In the preceding decade for many of the developed open market economies—and especially in the U.S.—returns were large for those willing to take the risk. The cost of capital was low and it was readily available. If a company, entrepreneur, or individual wanted to start three new endeavors, the odds were in his favor that one of the three would pay off big, more than covering the losses on the other two. If all three failed, it was easy enough to begin again—e.g., those impacted by the dotcom bust were up and profitable in other ventures in a relatively short time.

Today's conditions are very different. Margins have shrunk so returns are smaller. The cost of capital is high and still unavailable for many. Debt is large for numerous corporations, governments, and individuals. These three factors will slow the 2010 economic recovery. Exacerbating the pace of recovery is the aging population (the largest U.S. population segments are the ages 45 through 54), which has different—and increasingly more cautious—consumption habits than younger generations.

Therefore, my 2010 overall forecast is that it will be a period of slow growth. If risks are greater and returns smaller, then to grow your career requires a more proactive, more risk averse approach. Pages 7 and 8 detail what jobs and sectors will be hot and which ones look like upcoming duds. These pages also provide advice as to how to grow your career in both hot and dud job environments.

My 2009 Financial Services Job Forecast was correct, which makes all seven of my annual predictions to date completely accurate. The year 2009 was called "The Year of Transformation," where professionals shook off the 2008 "cold by finding ways to warm up via transforming their skill sets into new activities," a process that I accurately forecasted would take all year.

We enter 2010 with the outcomes predicted in my 2009 forecast in place: "new systems, lower compensation, higher cost of capital, larger operating expenses, new regulatory requirements, and more stability and transparency." The following pages detail my process and provide the supporting evidence to my 2010 conclusions, which are summarized here and expanded upon on pages 9 and 10.

HISTORY & PROCESS:
Since 2002 I've been presenting an annual financial services job and overall trends forecast, which to date has been completely accurate each year. Now it's time to use the same process once again to create my 2010 Financial Services Job Forecast.

The forecast is produced by making a list of all the economic indicators in the current year that are relevant to predicting the next year's job status in the financial services field, i.e., the asset management, banking, corporate, hedge funds, investment banking, private equity, real estate, research, and turnaround/workout sectors.

The leading economic indicators used are: fiscal and industry statistics; senior financial management's outlook; status of retained search recruiters; and personal perceptions of people in the different sectors (what I call "word on the street").

Then this list of economic indicators is divided into two categories:

- ones that are likely to have a negative effect on financial services job creation;
- ones that are likely to have a positive effect on financial services job creation.

The last step is easy. Those job holders with more negative economic impacts than positive ones probably will have a no growth to slow growth in this year's job forecast. Those whose fields are affected by more positive than negative economic impacts will benefit, which will vary from some job growth to really hot demand for their skills.

Analyzing the current year's economic indicators to forecast financial services job demand works because both a person's career and job are second derivatives. You see, what first determines the value of a person's skill set is the supply and demand level for the expertise stage the person is at whose career or job is being considered … BUT this first factor's value is dependent upon the status of the underlying economy, which makes a person's career and job second derivatives.

People routinely forget that much more than their own performance and education determines their pay level, the availability of positions, and even the speed of their career progression. Remembering that jobs and careers are dependent upon what happens in the underlying economy makes career decisions—and annual financial services job forecasts—more effective.

Identifying the overall trends becomes apparent using this process because finance is the engine that drives the entire economy. When you see where the money is flowing, overall trends become quite obvious.

THE LEADING INDICATORS SAY:

What's negative:

- **STATISTICS:** **December 2009 Non-Manufacturing ISM Report on Business Employment** "activity in the non-manufacturing sector contracted in December for the 23rd time in the last 24 months."
- **STATISTICS:** **Conference Board's U.S. Employment Trends Index** is down 5.2% at the end of 2009 from a year ago (i.e., December 2008).
- **STATISTICS:** **Conference Board's U.S. Coincident Economic Index**'s only negative contributor was employees on nonagricultural payrolls, which continued to decline U.S. population.
- **STATISTICS:** **Conference Board's U.S. Lagging Economic Index**'s average duration of unemployment continued to increase through 2009, ending almost five weeks longer than the year's beginning length of unemployment.
- **STATISTICS:** **Euro-area Economic Indicators** still show a trend of unemployment rate climbing with its expected negative impact (from a job seekers' perspective) on unit labor costs and compensation continuing to decline. The U.K. Office for National Statistics shows government debt at the highest level since World War II.
- **STATISTICS:** **OECD Economic Outlook** sees substantial risk around its recovery projections. Main negative risk: "how rapidly will consumers choose to rebuild their balance sheets:" if households choose to rebuild their balance sheets more rapidly or are forced to so by financial constraints, then the

savings rates remaining stable at their recent higher level could differ from the high rates used to create OECD projections.

- **STATISTICS: IMF** sees strong Asian recovery but a "sluggish, credit constrained, and for quite some time, jobless, recovery elsewhere. Conditions are still very difficult for borrowers…emergency government measures have also lumbered them with soaring debt…recovery will be weak by historic standards."
- **STATISTICS: American Households** "middle income households made less in 2008, when adjusted for inflation, than they did in 1999—and the number is sure to have declined further during a difficult 2009. The Aughts were the first decade of falling median incomes since figures were first compiled in the 1960s…There has been zero net job creation since December 1999. No previous decade going back to the 1940s had job growth of less than 20%. Economic output rose at its slowest rate of any decade since the 1930s as well." – *Washington Post*, 1/2/10 article *A lost decade for U.S. economy, workers*.
- **STATISTICS: The Usual 21st Century Risks** such as terrorism, energy, pan-epidemics, healthcare costs, and operational risks (key person, fraud, settlement, judge track record, claim liability, disputed and contingent claims, holding period, liquidation, tax issues, compliance, IT, legal, infrastructure, etc…) are again economic growth derailment possibilities if they impact sizeable areas. Appearing on this list of risks for the first time is: "the risk of disorderly exchange rate adjustment"—OECD's identified international imbalances, most notably the U.S. deficit and the China surplus.
- **STATISTICS: U.S. Commerce Department's 2009 Consumer Spending Report** showed spending for the full year rose just 3.6%, which is the lowest increase in 47 years. For the fourth quarter, spending fell a record 8.9%, which makes it the worst quarter for spending since the Commerce Department began tracking that statistic in 1947.
- **STATISTICS: World Bank's annual *Global Economic Prospects*** warns that it will take "many years for economies and jobs to be rebuilt."
- **STATISTICS: U.N. Conference on Trade and Development Study** shows that foreign direct investment plunged 39% in 2009 over the previous year with global flows falling $7B; inflows to developing countries declined by 35% in 2009 after six years of uninterrupted growth and inflows to developed countries declined roughly 41%.
- **SENIOR MANAGEMENT: U.S. Credit Card** delinquencies reached record levels and defaults surged higher in December 2009—chargeoffs are expected to trend even higher first quarter 2010 per riskalert@riskcenter.com 1/7/10.
- **SENIOR MANAGEMENT: Conference Board's Measure of U.S. CEO Confidence** has increased for the fourth consecutive quarter to 64 from a figure of 24 a year ago. "However, short-term expectations do not suggest a significant strengthening in the pace of growth."
- **SENIOR MANAGEMENT: PNC Economic Outlook Among U.S. Small Business Owners**, who are the core of the U.S. economy and job creation, aren't planning on hiring (17%) even though there's been a 5% reduction in the number planning on decreasing employment (18% in 10/09 vs. 23% in 4/09, which is still higher than the number (10%) planning decreases in 10/08).
- **SENIOR MANAGEMENT: U.S. Congress's Joint Economic Committee** 12/10/09 by renowned economist J.E. Stiglitz says that unemployment is the worst since the Great Depression and that until GDP growth exceeds 3.2% (which is at or beyond GDP values OECD and others are predicting for 2010), unemployment will grow. Numerous other economists agree with this unemployment scenario.
- **SENIOR MANAGEMENT: Educational Endowments Returns - Commonfund News** reports that American colleges and universities lost almost 20% on their investments in 2009, which was the worst return since the Great Depression. Additionally, 60% also reported a 45.7% median decline in gifts received in 2009. Not surprisingly, the average total long-term debt increased about 55%, mainly driven upward by public universities and institutions with over $1B in assets under management (AUM).
- **SENIOR MANAGEMENT: *The Economist* 1/16/2010 *"The trap"* article** "Declines in manufacturing, construction, and financial employment in the current recession represent about half of the 8M jobs lost…most of the positions lost in those sectors are gone for good…Around four in every ten of the unemployed—some 6M Americans—have been out of work for 27 weeks or more. That is the highest rate since this particular record began, in 1948…Just as troubling is a drop of 1.5M in the civilian labour force (which excludes unemployed workers who have stopped looking for work). That is unprecedented in the postwar period….There are more than six unemployed Americans for every job opening…The plentiful supply of workers reduces the incentive for firms to hire quickly, and will allow companies to underpay well-qualified workers. Real earnings declined last year and are unlikely to experience rapid growth soon…Without job growth, household indebtedness will linger as a problem, depressing spending and hiring." Challenger, Gray, and Christmas agree: "Every month, four million employees are hired…but there are 15 million looking for those

positions." -1/12/10 article-*Half of Job Hunters Have No Idea When They'll Be Working Again.*

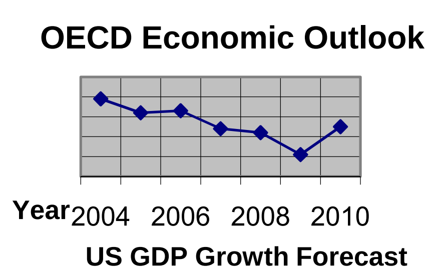
- **SENIOR MANAGEMENT: *The Disposable Worker- 1/7/10 BusinessWeek:*** "Some economists predict it will be years, not months, before employees regain any semblance of bargaining power. That's because this recession's unusual ferocity has accelerated trends—including offshoring, automation, …Right on up to the C-suite, more jobs will be freelance and temporary…Employers are trying to get rid of all fixed costs…[in the current downturn] the decline in payrolls was much steeper—1.8 percentage points more…worse yet, only about 10% of the layoffs are considered temporary...In the 2001 recession cycle, the economy lost 2% of its jobs and took four years to get them back. This time it has lost more than 5% of its jobs. Even after the recession is history, employers are likely to continue to offshore and automate jobs out of existence." Confirming support—"Two-thirds of CFOs polled do not intend to let people go…but 37.5% said they would not replace workers they fired last year." (FT.com 1/28/10 article *US finance chiefs more upbeat).* Many more sources from industrials to mid-size and large U.S. manufacturing surveys repeat the same message.
- **SENIOR MANAGEMENT: Global Corporate & Country Defaults:** Another 300 more U.S. companies with $100M+ in assets likely to default by the end of 2011, with 287 firms in that asset category having defaulted in 2008-2009 compared to only 116 companies in 4 years from 2004-2007, according to a 1/28/10 Bain report. In the U.K., R3, the insolvency body, has warned that company collapses will hit record levels in 2010 and stay high in 2011. Elsewhere sovereign debt is a concern to investors, especially Greece, Japan, Italy, Spain, Portugal—in over 54 governments, Bloomberg.com on 1/27/10 reported a higher increase of protection against sovereign default being purchased.
- **SENIOR MANAGEMENT: Corporate Debt** According to CFO.com 1/15/10 *Hold the Line (of Credit),* companies are shifting their sources of liquidity and reducing reliance on bank credit, deferring bank refinancing to consider bond financing, etc. Related issue: $563B in syndicated credit lines come due in 2010 and another $733B in 2011 for investment-grade firms.
- **SENIOR MANAGEMENT: Commercial Real Estate** default rates—already at record levels—are to continue to climb in 2010, according to both Foresight Analytics and Jefferies & Company.
- **STATUS OF RETAINED RECRUITERS:** The focus has shifted towards Asia and corporate boards.
- **WORD ON THE STREET: Banking**, which now includes the major investment banks, will be more highly regulated in response to reports that show the 2009 profits from the biggest banks were generated through riskier investing and speculative trading using government funds provided to them at 0% interest vs. lending or other GDP building activities.
- **WORD ON THE STREET: Entrepreneurs** are older and healthcare costs are rising: is this a growing government cost if these individuals can't afford healthcare and can't find a job that provides them insurance?
- **WORD ON THE STREET: Consumers**—even in some of the wealthiest communities—are choosing more often to pay cash, have coffee instead of a meal, or go to less expensive restaurants when they go out. Likewise with their store purchases of all types. One exception: if it's green, organic, or sustainable, the product is still selling. Value is the word of the day.
- **WORD ON THE STREET: Traditional Money Managers** are still feeling the pressure of lower margins even though the market has been doing better. Why? Because the products showing a positive return and interest from investors are flow business; i.e., traditional standardized products like fixed income, buying/selling securities, etc., that have lower margins than custom-made products or exotic financial instruments. Cost cutting, therefore, is still the emphasis.
- **WORD ON THE STREET: IT/Technology** will be depressed because budgets aren't there to support these departments—word that's supported by the findings of recent Gartner CIO survey and TABB Group's report on "U.S. Equity Technology 2010: The Sell Side Perspective." Additional confirmation: 1/19/10 Challenger, Gray, & Christmas article *US tech sector job cuts highest since 2005: report* – "The number of job cuts in the US technology sector rose for the second year in a row last year hitting the highest level since 2005 [and accounting]…for 13.2% of the 1.3 million job cuts announced across all industries last year…Even with economy showing some nascent signs of recovery…many companies are holding off on investments in new technology."
- **WORD ON THE STREET: Private Equity** inflows from investors in 2009 were low with many issues likely to continue to slow the stream such as: communication and transparency issues to resolve; investors' funds are lower; credit sources to structure deals are hard to find; etc. Confirming evidence: 1/7/10 PEHUB Wire - Preqin reports that 482 global funds raised $246B in 2009, down 61% from 2008 and the weakest yearly total since 2004.
- **WORD ON THE STREET: Small Businesses** going out of business or going bankrupt is up in almost all fields..and small businesses are one of the largest creators of jobs in the U.S. economy. Confirming evidence: "The number of small-business bankruptcies is up 50% for the first three quarters of the year [2009], says credit reporting firm

Equifax, with 9,361 closing their doors in September alone."—CFO magazine's 12/09 article *Small Consolation*.

- **WORD ON THE STREET: Financial Advisers** in the U.S. made 2009 the year of change for them as over 8,667 registered brokers from top firms changed jobs…so 2010 will be a year of low movement. The U.K., however, is slated to lose 1,000 financial adviser jobs as firms struggle to make their firms more profitable.

What's positive:

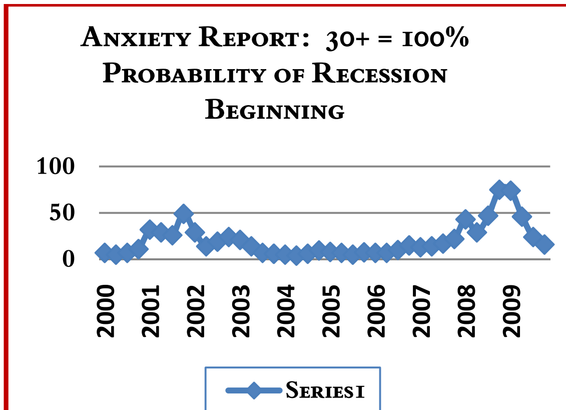
- **STATISTICS: The OECD Economic Outlook** and the IMF growth forecasts have halted their downward slopes both for the U.S. and globally. "The U.S. economy is recovering on the back of policy stimulus, improving financial conditions, non-OECD demand growth, normalization of stockbuilding and stabilization of the housing market. With rapid labour shedding in the downturn, employment should respond quickly to economic activity and unemployment may peak in the first half of 2010…The euro area economy will benefit from many of the same growth-drivers as the U.S. but work-sharing schemes which cushioned employment in the downturn may also weaken the employment intensity of growth going forward. With unemployment not set to peak before the end of 2010 or the beginning of 2011, household confidence is likely to be weak and sap the strength of the recovery." "The upturn in the major non-OECD countries, especially in Asia and particularly in China, is now a well established source of strength for the more feeble OECD recovery. The strength of the upturn reflects both the limited direct exposure to the financial origins of the crisis and the strong policy stimulus these countries were in a position to apply."…"in most OECD economies, growth is likely to fluctuate around a modest underlying rate for some time to come."



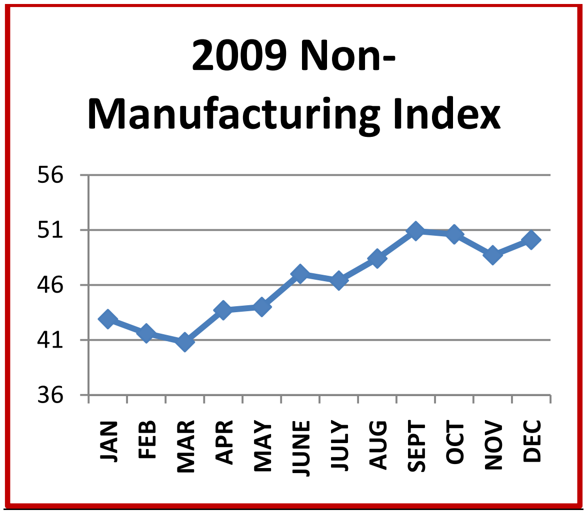
- **STATISTICS: The Chicago Fed National Activity Index CFNAI-MA3** (12/21/09). Even though the index's three-month moving average, CFNAI-MA3, is slightly below the -0.70 indicator point: -0.77, that value is increasing from previous values and is "in a range that has historically been consistent with the early stages of a recovery following a recession. Also, "the amount of economic slack reflected in the CFNAI-MA3 indicates low inflationary pressure from economic activity over the coming year."

Note: when the CFNAI-MA3 value moves below –0.70 following a period of economic expansion, that movement signals the increasing probability that a recession has commenced.

- **STATISTICS: The Anxious Index**, which is what Table Four's Estimated Probability of Decline in Real GDP in The Federal Reserve Bank of Philadelphia's quarterly Survey of Professional Forecasters has been dubbed because that number is known for rising as recessions begin, peaking during them, and then declining when recovery is imminent. The last two quarter numbers dipped below the 50/50 chance of a recession value with all of 2009 showing a continuous decline.



- **STATISTICS: __December 2009 Non-Manufacturing ISM Report on Business__** registered a reading slightly above 50%, which indicates that the non-manufacturing sector economy is generally expanding, three times in the last half of 2009.



- **STATISTICS: __Conference Board's Employment Trends Index__** "continued to rise in December [2009], its sixth consecutive increase." Challenger, Gray, & Christmas sees trend continuing as "planned job reductions fell in the fourth quarter [2009] to the lowest level in more than nine years" – 1/6/10 article – *Quarterly planned job cuts fall to 9-year low*.
- **STATISTICS: __Conference Board's Leading Economic Index__** "has increased by 10.8% during 2009 after falling more than 15.0% between June 2007 and December 2008…[although] the third consecutive slowdown in the rising trend…reinforces concerns about a fragile recovery."
- **STATISTICS: __Euro-area Economic Indicators__** show GDP growth, industrial production, consumer and business confidence, business climate index, etc. continuing to climb upwards with a few notables actually breaking into positive values. The U.K.'s Office for National Statistics' data suggests that the U.K. economy is stabilizing.
- **STATISTICS: __World Trade Organization__**'s estimates for world trade volumes continue the climb upwards that's noticeable in the stop of the steep decline evident in the last three quarters of 2008 and the first quarter of 2009 actual data. Trade levels hit the Commonwealth of Independent States/ Africa/Middle East hardest, followed by Europe and the U.S., with Asia being least hit and first to recover.
- **STATISTICS: __Standard & Poor's Distress Ratio__** continued to drop throughout 2009 with the January 2010 "distress ratio [at 10.4%] now solidly below its long-term average. Equally interesting is that the types of firms with the highest debt volume have changed from fourth quarter being finance, high technology, and media/entertainment to homebuilders and real estate companies, high technology, and insurance now having sizeable and highest distressed ratios (greater than 74% for real estate).
- **STATISTICS: __Ewing Marion Kauffman Foundation's *The Coming Entrepreneurship Boom* (7/09, Dane Stangler)__** – "In terms of job creation, innovation, and productivity, entrepreneurs drive growth…the highest rate of entrepreneurial activity belongs to the 55-64 age group…Given the shifting age distribution of the country, the continued decline of lifetime employment…and the effects of the 2008-2009 recession on established sectors of the economy [the very idea of "too-big-to-fail" institutions has been permanently damaged], we may be about to enter a highly entrepreneurial period." Confirming this trend, Challenger, Gray, & Christmas saw the percentage of unemployed people becoming entrepreneurs soared 69%, with the biggest gains in unemployed self-starters in the 55-and-older age bracket so they are experienced professionals.
- **SENIOR MANAGEMENT: __Economic Experts__** in general see the risk for a double dip receding and acknowledge the slow growth that's occurring.
- **SENIOR MANAGEMENT: __Corporate Debt__** improved with Moody's reporting that the default rate on junk bonds globally declined in 12/09 for the first time in 23 months and Kamakura Corporation reporting that their index of troubled public companies improved in 12/09 for the 8th time in the last nine months, which shows corporate credit quality is improving.
- **SENIOR MANAGEMENT: __Private U.S. companies__** are stabilizing, which is good because in the U.S. they employ more than 70% of U.S. workforce. In 11/09 Grant Thornton survey, 29% plan to increase their staff, 14% decrease, and 57% stay the same, which means that there's a 15% increase that needs to come from other sources.
- **WORD ON THE STREET: __Surviving__** so far the gravest financial crisis since the Great Depression is no mean feat. Quick action by governments paid off.
- **WORD ON THE STREET: __Banking__** systems globally are showing tentative signs of recovery. News confirmed by Grant Thornton survey showing that about 18% of U.S. banks of all sizes plan to increase their staff, 18% plan to decrease their staff, while 63% plan on remaining the same staff size.
- **WORD ON THE STREET: __Private equity__** is rumored to have over a half a trillion dollars of investors' monies that they haven't yet invested. They are also teaming up with over 40 U.S.

homebuilders "to acquire and complete unfinished subdivisions as banks cut construction lending." – Bloomberg.com. 1/21/10.

- **WORD ON THE STREET:** **Investors** who have the risk appetite and liquidity are acquiring assets at much lower prices than what those assets were valued several years ago, slowly contributing to unclogging the illiquidity in the system while hopefully benefiting themselves.
- **WORD ON THE STREET:** **Energy** companies have aging work forces that with globalization, industry innovations, and regulation impacts are stretched. This hearsay confirmed by 1/6/10 riskalert@riskcenter.com report saying 27% of oil and gas exploration and production companies' CFOs saying that they plan to hire, while 65% want to remain the same, that leaves only 8% planning on reducing staff, which means future employees have to come from outside of the industry.
- **WORD ON THE STREET:** **Small Businesses** are still finding that bank loans are hard to find. Talk confirmed by *The Economist*'s 1/9/10 article *The danger of the bounce*.
- **WORD ON THE STREET:** **Hedge funds** are stabilizing, with illiquid assets almost back to standard liquidity status, returns close to 20% on average, most (around 75%) of their 2008 losses recouped, and cash inflows starting to trickle in after suffering $53.4B (Morningstar 1/25/10) to $118B (*BusinessWee*k 1/15/10) outflows from investor redemptions the first 11 months of 2009.
- **WORD ON THE STREET:** **Bankruptcies, Turn Arounds, and Workouts** have been numerous, enough to keep practitioners busy but even the Turnaround Management Association members surveyed see an slowly improving economy.
- **WORD ON THE STREET:** **Green Real Estate** is the growth area in commercial real estate .
- **WORD ON THE STREET:** **Sovereign Wealth Funds** are back investing again, with $1.5 trillion on hand.

What do all these facts mean?

Non-Growth Financial Services Jobs/Careers

CORPORATE:

- ↓ Most positions, because costs for increases haven't been budgeted and there's a large supply of independent contractors willing to do whatever work needs to be done without the benefits expense. Also, CEOs and CFOs don't have high turnover levels—CEO turnover is at the lowest level in five years according to Challenger, Gray, & Christmas 1/14/10 article *Five Ways CEO Turnover Changed in 2009*. Those most likely to have positions appear to be privately held corporations.

REAL ESTATE:

- ↓ Most residential and commercial positions.

RESEARCH:

- ↓ Cut backs here, too.

IT TECHNOLOGY:

- ↓ The need is there but budgets aren't.

BANKING:

- ⇔ Minimal job growth here as cutting costs and minimizing write offs are the major focus.

CLIENT SERVICES:

- ⇔ Yes, there's a need but budgets are tight and client services is a non-revenue producing function.

HEDGE FUNDS:

- ⇔ As cash flows in continue to increase, selective hiring will occur, especially since the remaining firms are opportunistic and survived a major bloodletting, which means that they're really good at what they do.

INVESTMENT BANKING:

⇔ The regionals are moving up the food chain. However, for the large firms, regulations and scrutiny will slow growth of hires outside of Asia, with Asia being the exception for as long as Asia is hot.

PRIVATE EQUITY:

⇔ In specific job growth areas (see next section), hiring will occur. More outsourcing to cut costs.

ASSET MANAGEMENT:

⇔ In specific job growth areas (see next section), hiring will occur. More outsourcing to cut costs.

WHAT TO DO IF YOU'RE IN A POTENTIAL NON-GROWTH AREA

1. Dust off that resume and update it.
2. Make plans to upgrade any education and/or training that's suboptimal given your level.
3. Make a list of other positions/fields that your skill set and personality could easily transfer to. If uncertain what those might be, hire a career coach, visit your university's career development center, or identify other possible sources of help through your local business library.
4. Attend events held by associations in your potentially new field/position to develop relationships and confirm/disconfirm your interest in these other possibilities.
5. Become an active volunteer for associations and nonprofits that are of interest to you, are aligned to your career objectives, and have the individuals you need to develop relationships with as their members.
6. Consider purchasing my firm's latest product, ***Your Career Campaign™***, which is a five pronged approach towards propelling your career upward. The campaign plan consists of: (1) a **resume** that sells you; (2) a **strategy** that defines the sectors and positions that should be your marketing aim…and tells you some approaches to employ; (3) a **contact list** with names, phone numbers, and notes that will jumpstart your networking to increasing success; (4) an **organizational tool** so that you don't drop contacts; and (5) **scripting** your conversations with those you need to know so you gain the optimal return…plus regular conversations to keep you on track until you reach your goal. Using ***Your Career Campaign™*** methodology, you will be learning by doing ***The Six Steps to Career Success Strategy™.***

Note: *Your Career Campaign™* is NOT just for finance professionals—it's for accountants, CEOs, educators, engineers, entrepreneurs, healthcare professionals, high tech, lawyers, marketing, research, etc. For more information, call 630.778.3416.

Growth Job Areas:

IN GENERAL:

The usual downturn growth positions:

- **legal in the unemployment, turnaround, and bankruptcy sectors**
- **turnaround/workout/valuations**.

Also, as long as Asia growth continues, there will be significant hiring –however, ask yourself: is this a bubble or sustainable? Can I afford a bubble job if it is a bubble? Do I have the skills for this marketplace?

THE HOTTEST NEW JOB GROWTH AREAS:

↑ **Marketing positions for experienced professionals with a track record** showing that they can secure investors or actually sell products; i.e., "eyeballs" and "tweets" don't count—cash flow in does.

↑ **Outsourcing** back and middle office, accounting, even Chief Investment Officer, CFO, and CEO positions will be likely ways that firms of all types will try, given that they have a need to reduce costs and there's a large talented pool to choose from.

↑ **Consulting** in supply chain management, accounting, risk management, etc.—in all the areas firms need expertise but can't afford to add a person to their budget.

↑ **Risk averse traditional investment products:** Fixed income and distressed debt at traditional money management firms and hedge funds in trading and wealth management positions are back in favor—and will continue to be so for 2010—for obvious reasons. Also short-term securities/cash management, etc.—products that are known and viewed as less risky than hybrids.

↑ **Distressed debt areas** where private equity firms can use their coffers to grow assets that, because they are at the bottom of their market cycle, are relatively cheap to purchase and have room to grow their value. Hedge funds and money managers are here.

↑ **Regional banks** that weren't heavily involved in financial derivatives and real estate are expanding and hiring.

↑ **Entrepreneurship** as the unemployed and the talented independents offer lower cost alternatives to the major consulting and outsourcing firms.

↑ **Energy** because the corporations are facing an older workforce that needs to be eventually replaced, new focus and support from governments, and increased regulations will drive a modest increase in hiring. Add the ongoing volatility likely in this sector will keep it interesting to traders.

↑ **Regional investment banks** are moving up and into niches quietly while the major investment banks, who are now mostly banks for the moment, take the heat and scrutiny.

Best Overall Career Strategy:

1. Do whatever is needed that's legal and ethical to stay financially viable.
2. Take good care of yourself—don't let stress wear you down.
3. When margins are smaller, every cost you can cut without affecting the customer's perceived value in that product grows your career.
4. When sources of cash are harder to come by, every amount of money you can save or cause to occur grows your career.
5. Before you invest in your career (or anything else, for that matter), investigate "back door" strategies so that if the investment doesn't work out, you know what you're going to do next.
6. Before you commit to being an entrepreneur, ask yourself: Is this career a fit for my persona? How well do I handle uncertainty? How flexible am I? Do I have the resources to survive a period of no cash flow in? If the answers are negative to any of these questions, focus on full or part-time positions as an employee instead.
7. Keep track of your achievements in detail as they occur. Keep this data at your home as it's personal information. Your workplace is neither an appropriate nor safe place for personal data (what will you do if you don't have that information and your job is unexpectedly terminated?) These are the facts that will build your career. You will need them:

   ► as an employee, to demonstrate your worth at performance reviews and for promotions.

   ► as an entrepreneur, to create your website and marketing materials and to provide detail to potential customers.

   ► as a job seeker, to explain and sell your background to future employers.
8. Enjoy your work. If you don't, focus your efforts on switching over to something that you do enjoy. The most successful people in all sorts of fields have told me that they love what they're doing so much that they would do the work even if they weren't paid for their efforts. Such an attitude creates success as those individuals strive harder and longer because it's not "work" to them. Such an attitude rubs off on all other aspects of your life. In an economic environment where compensation may not have a substantial upside, changing fields doesn't have as big an opportunity cost, so if you're not working your passion, start switching now. If you are working your passion and the money just isn't enough, figure out ways to cut costs and increase revenues as quickly as possible—and in the meantime, don't fault yourself as it's the world that's changed, not your performance.

Your 2010 Goal: "Making the New Dynamics Work"

"First say to yourself what you would be; and then do what you have to do."
- Epictetus

2010 Financial Services Job Forecast:

The world has changed yet many do not realize the implications, which are:

- Margins have shrunk because fewer are buying so each product or service sold carries a larger percentage of associated fixed expenses, which reduces profits and margins.
- Fewer are buying because more assets/debts are sticky (i.e., illiquid). For example, if a person lost their job or had their income decline in 2006, they could sell their house, which would reduce their debt load. However, many people losing jobs now can't sell their house, which means that they have less money covering the same amount of debt and they can't afford more expenses to take a job in another geographical location. Private equity firms are a great example on the corporate side as many of their portfolio companies are bringing in lower profits to cover the large debt loads typical to those acquisitions. At the same time, private equity firms are finding it difficult to buy new companies with higher profit margins because the debt to secure the transactions is not readily available nor priced attractively…and they can't sell their other portfolio firms because of their lower profit conditions.
- Vicious circle worsens because if you can't cut your costs, you're stuck with your expenses so you buy less, which means less is sold so margins decrease…

2010 Financial Services Job Forecast
(continued)

- Aggravating the process is the age of the population. Households during the child rearing years spend more. The largest numbers of the developed world population are at the age when children leave the nest. These individuals are typically downsizing—not buying—so they're net sellers. The younger age group most likely to be spending more is a smaller size, which means sellers outnumber buyers—a sure way to drive prices down on the assets sold.
- Now, all of the preceding is great news if you're an asset buyer PROVIDED that the revenue flows you're counting on don't dry up or the asset price doesn't continue to decrease. If either of those scenarios occur, you're stuck holding a sticky asset.

STICKY ASSETS ARE NOT AS SWEET

AS STICKY BUNS

- Therefore, in 2010, in an environment with smaller returns and higher risks, how best to grow your career? Whether you're employed, a career changer, an entrepreneur, an investor, a new graduate, underemployed, or unemployed, the best way to grow your career in this type of environment is to be more proactive and more risk averse.

Be More Proactive:

► **Learn to sell yourself.** It's amazing how many people can sell their company's products but clam up when educating others about their own asset and their achievements. In an environment where you can't count on a strong economic wind to make you fly, you need to create your own breeze.

► **Develop genuine vertical and horizontal networks based upon real shared common interests and mutual rapport.** None of this speed dating with strangers—it's not enduring. People help others that they truly like. Find the people that you like who like you, and who are in your field at all levels, and you're on the way up with your career.

Be More Risk Averse:

► **Be more prepared for risk**. Have a "back door" strategy—know your exit plan and next step if things don't work out before you make any moves. Investigate different ways to reach your goal in case your first choice takes some unexpected turns.

► **Take fewer risks** than you've done in the past as the odds for success are less than before.

► **Watch your costs and revenues** like a hawk.

2010 can be a wonderfully productive year, given an understanding of how the underlying rules have changed.

Author's Bio

KATHLEEN A. GRAHAM
THE GLOBAL FINANCIAL CONNECTION™
Connecting professionals with what they need.

Kathleen "Kathy" Graham is a Principal with HQ Search, Inc., a retained executive search firm specializing solely in financial services positions globally that she co-founded in 1997. Graham incorporated 3 new companies in 2006:

- HQ Seminars, Inc. (custom designed financial niche and in-house seminars)
- HQ Scripts, Inc. (editing and creation of financial articles, books and newsletters)
- HQ Services (financial services compensation studies, brainstorming/focus groups, and market intelligence through reading mosaic patterns).

In addition to a track record of always being a star recruiter, she has a:

- MBA in Finance, Analytic Finance, and Econometrics & Statistics from the University of Chicago
- BA in Business Administration and Marketing from North Central College.

Graham is a well known career strategist, helping numerous professionals grow their careers to the next level. She is also an author of three books and a frequently requested speaker for numerous local and national groups that includes the Boston Security Analysts Society, CFA Society of Chicago, Financial Research Associates, Managed Funds Association, Northwestern University, and University of Chicago.