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Go West (and South), Young Job-Seeker

By Clare Trapasso

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Fund industry jobs, once traditionally concentrated in the financial hubs of New York and Boston, have been migrating to outposts in the southern and western United States.

Firms such as Fidelity and Charles Schwab are boosting head counts in areas including North Carolina, Florida, Texas and Colorado, where the salary and real estate costs tend to be lower. LPL Financial and Dimensional Fund Advisors, meanwhile, are constructing new offices in the Carolinas to accommodate their growth goals.

Some considerations for companies scouting geographies for establishing new offices include the availability of local talent and proximity to universities with which companies can partner to train future hires. Companies also examine the quality of nearby airports for business travel and the cultural and sporting amenities that make an area an attractive destination for prospective hires and transfers.

“This is the new world,” says George Wilbanks, managing partner at Wilbanks Partners, an industry recruiting firm in Stamford, Conn. “We’re going to see more of the decentralization of the workforce into these multiple business [hubs] across the country.”

Offices cropping up in new locales often house call centers and information technology departments and perform back-office functions, he says. Typically, senior management and high-level talent, such as investment staff, top salespeople and chief marketing professionals, work back at the company’s headquarters, he says.

But as firms continue to expand geographically, more senior employees will likely be stationed in these sites.

Rather than build massive complexes in one lower-cost jurisdiction, firms often open satellite offices scattered across different geographic regions to ensure they can secure enough qualified workers and avoid saturating labor markets, Wilbanks says. They also want to ensure that if disaster strikes at one office, the company can lean on other sites to maintain business as usual.

Fidelity recently announced plans to add about 300 call center employees to its Denver location and another 300 to its Jacksonville, Fla., office. The Boston-based mutual fund giant, which has more than 42,000 workers globally, is also adding about 600 mostly tech-focused positions in Durham, N.C.

Meanwhile, Charles Schwab plans to shift about half of the roughly 2,200 positions based in its San Francisco headquarters to its other locations, primarily Colorado and Texas, by the end of 2017.

Schwab’s Austin office is composed mainly of technology staff, while Denver is a client service and support site. Schwab’s Ohio site houses much of the company’s retirement plan services business, according to a spokeswoman. Schwab CEO Walt Bettinger founded The Hampton Company, a retirement plan unit in nearby Akron, Ohio, which Schwab acquired in 1995.

About 1,500 investment management industry jobs are expected to be added in Denver this year, according to Pam Reichert, who oversees the Colorado Investment Services Coalition. Companies that pay staffers the local average wages or above get tax breaks, and certain areas offer rebates on property taxes for office equipment.

The coalition was formed in February with the **Metro Denver Economic Development Corporation** in response to demand for local talent from member companies T. Rowe Price, Oppenheimer Funds, Janus, Fidelity, TIAA-Cref, Empower Retirement and Charles Schwab.

The group helped develop an eight-week summer course designed to give University of Colorado Denver students an overview of the industry through speakers and site visits. A more in-depth class on personal investing is slated to debut next fall, says Dawn Gregg, associate dean of the university's business school.

Baltimore-based T. Rowe also works with the Colorado Springs branch of the university system for a talent pipeline, writes Beth Norton, T. Rowe's head of talent acquisition, in an e-mail response to questions.

"The close proximity to the site and the interest of students and graduates to remain in Colorado Springs after graduation also works to our benefit," she writes.

T. Rowe has almost 800 workers in client services, sales and marketing and technology in its Colorado Springs office and another 375 client services employees in Tampa, Fla. The shop's other U.S. workers are predominantly based out of its Baltimore headquarters and Owings Mills, Md., location.

Boston-based LPL Financial plans consolidate the 1,300 staff it has spread across its four Charlotte, N.C., offices into one site over the state line in nearby Fort Mill, S.C.

"This is a location for growth," says Sara Nomellini, senior VP of corporate real estate at LPL, in regard to the lower costs of real estate and personnel. In coming years, LPL expects to employ 2,000 people in the area. "We get the skill set we need and it offers great opportunities for our employees."

Already the independent broker-dealer has 1,500 employees in San Diego who, like the team in Charlotte, work in the company's call center, back office, risk and compliance, IT, sales, marketing and operations departments. The roughly 125 staffers in the Boston headquarters are primarily product research and legal personnel.

Austin, Texas-based Dimensional Fund Advisors is also planning an East Coast presence in Charlotte, which is expected to open in 2018 and will include between 400 and 500 staffers, says David Butler, head of global financial advisor services.

DFA chose the city because of its international airport, affordable housing, good schools, strong university system and amenities likely to attract potential hires, he says.

About 50 of DFA's existing staff of nearly 1,000 have volunteered to relocate to the site. No jobs are expected to be lost in the move, Butler says.

"We're going to need more space," Butler says. "We have a lot of clients that are on the East Coast and we wanted room to expand there."

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