



Despite Layoffs, Industry Head Count Swelled 3% Last Year

By Adrian D. Garcia April 1, 2020

Publicly traded fund shops staffed up last year, data shows.

In all, 81,478 individuals worked at the 17 publicly traded pure-play asset management firms tracked by *Ignites* at the end of their 2019 fiscal years. That's 3% higher than 2018, and 19% higher than 2015, public documents show.

Just six shops reduced their head counts last year: Waddell & Reed, AMG, **U.S. Global**, Federated Investors, Franklin Resources and Legg Mason. And just three had fewer employees at the end of 2019 than they did in 2015: Waddell & Reed, U.S. Global and Gamco.

It's too early to say how coronavirus will impact hiring at some of the largest asset management firms, recruiters say. BlackRock has already reportedly frozen global hiring. JPMorgan Chase has also reportedly halted hiring across the company, including in its asset management division. Other firms have kept their job pipelines open but have been slow to add staff given logistical constraints on in-person interviews and meetings, recruiters say.

"The demand has been strong for strategic leadership and those with a demonstrated ability to think differently about the challenges facing our industry today," says Kathy Freeman Godfrey, president of the executive recruiting firm Kathy Freeman Co.

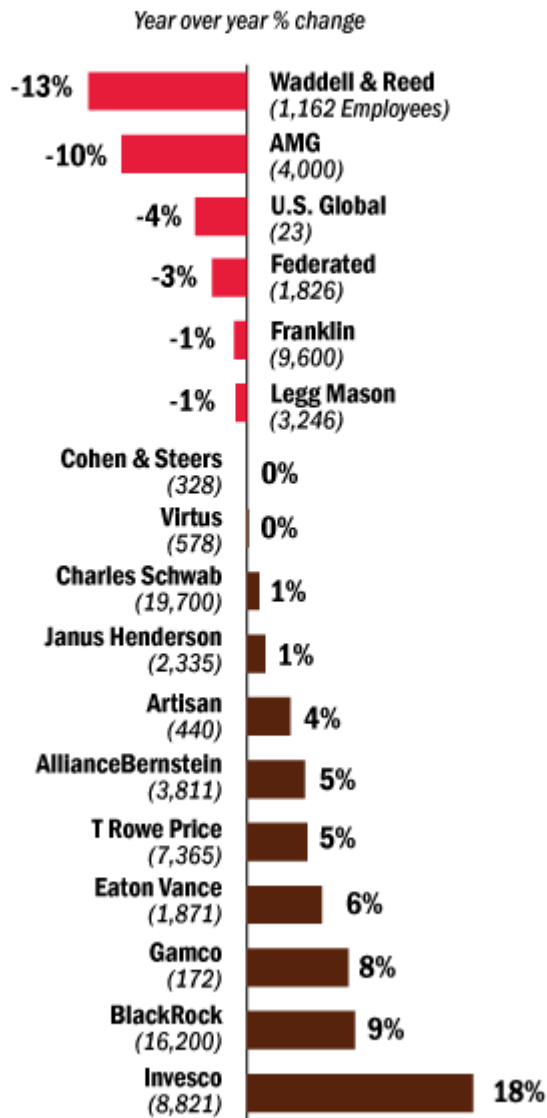
Another reason for uncertainty is industrywide consolidation.

So far this year, several firms have announced plans to join forces. Franklin, for example, plans to buy Legg Mason in a deal slated to close later this year. The acquisition will yield \$200 million a year in cost savings, mostly by combining operating functions and distribution, executives said when the deal was announced in February. Combined, those two firms had 12,846 employees at the end of their most recent fiscal years, filings show.

Although many fund shops have cut jobs in recent years, head count has ticked up as firms looked to add employees with new technology and product skills, recruiters say. "What you're seeing in a mature industry is trading out skill sets," Freeman Godfrey says. "Some of these roles are new roles and some of these roles are replacements, trying to upgrade talent."

Staffed Up

At the end of last year, a combined 81,478 employees worked at the 17 publicly traded pure-play asset management firms tracked by *Ignites*. Headcount increased 3% from 2018. Only six firms cut staff.



Source: Company filings.

Data is for each company's fiscal year.

Head count at Waddell & Reed, meanwhile, dropped 13% last year, the most of any firm tracked by *Ignites*. The Overland Park, Kan.-based firm ended 2019 with 1,162 workers, down from 1,332 the year prior.

Waddell & Reed laid off 150 employees last July after announcing plans to outsource the “transactional processing operations” of its internal transfer agency to SS&C.

But the firm has staffed up in other areas, says a company spokesman.

“From a hiring perspective, we have added positions across the enterprise over the past 12 months — including increased technology and investment analyst roles,” he writes in an e-mail to *Ignites*.

BlackRock, for instance, last January announced plans to cut about 500 positions. At the time, the firm said it would funnel the money saved into several growth areas, including technology and portfolio construction. The New York-based money manager had 16,200 employees at the end of 2019, a 9% boost from the year prior.

“They’re consistently announcing layoffs of portfolio managers and multiple rounds of layoffs. And yet for their net hiring, they’re consistently up each year and they constantly had a whole slew of jobs posted,” says George Wilbanks, managing partner of recruiting firm Wilbanks Partners.

BlackRock and others have undergone a “dramatic reskilling,” hiring quants, data scientists and others with new educational and employment backgrounds. Some firms have retooled their sales and marketing departments to utilize new technology, Wilbanks says.

T. Rowe Price, for example, plans to grow its equity data insights unit this year, executives said in February. That team will include investment professionals, as well as data scientists. The Baltimore-based shop had 7,365 employees at the end of 2019, a 5% increase from 2018, filings show.

Recruiters are waiting to see if more shops are able quickly rebound from the recent market volatility.

Companies are developing strategic plans to get through the uncertainty, says Jeanne Branthover, global head of the financial services and managing partner at DHR International. However, she does not expect a recession any time soon.

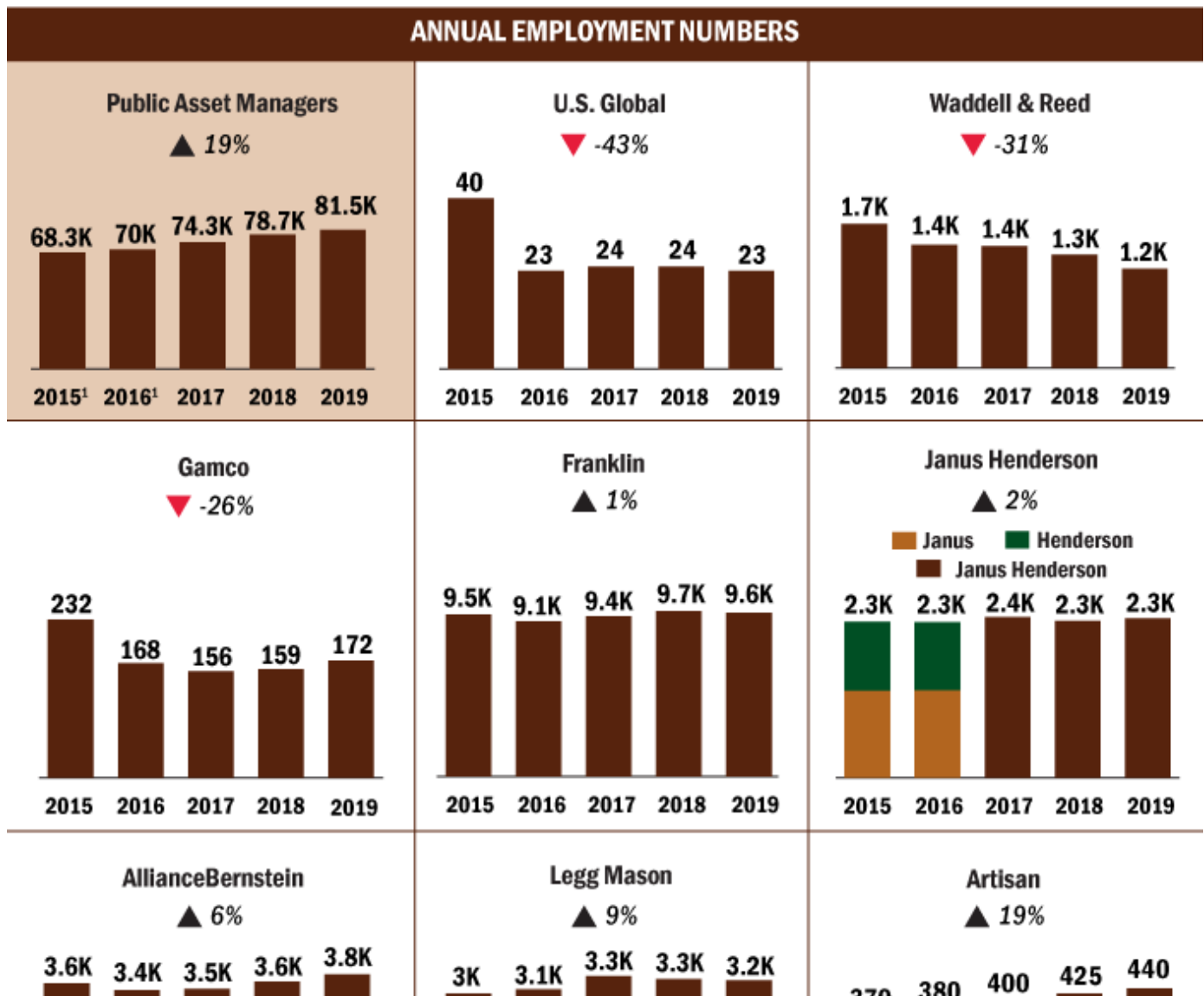
“This feels more like a temporary shock,” Branthover says. “Right now, there’s hiring going on, and I believe it will continue because this is a temporary situation in companies’ minds.”

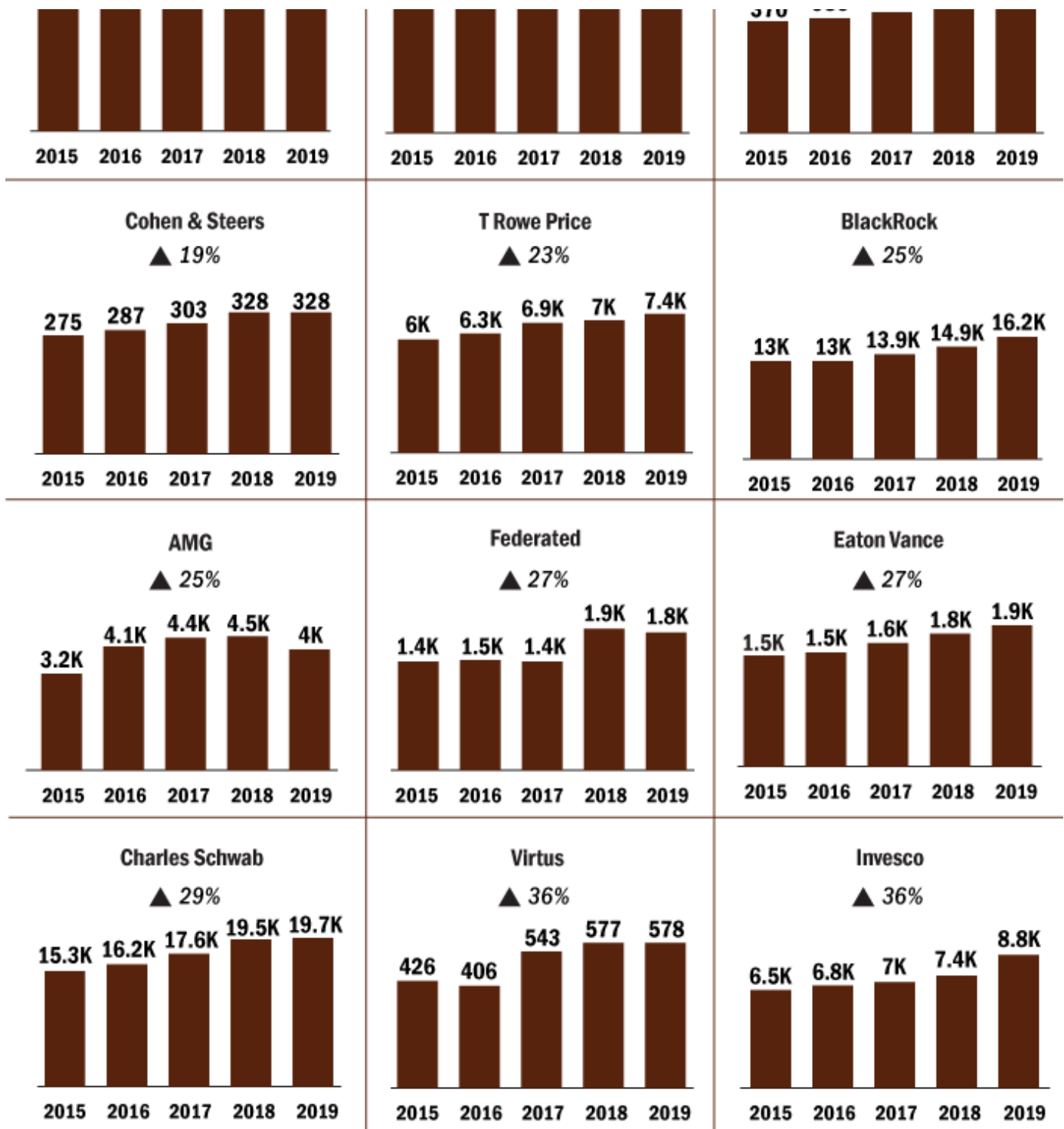
A Five-Year Trend

The 17 publicly traded-pure-play asset management firms tracked by *Ignites* have collectively added 13,169 employees between 2015 and 2019, filings show.

Invesco boosted staff the most over the past five years, increasing headcount by 36%, during the period to 8,821. A big chunk of that growth came from the firm’s 2019 acquisition of OppenheimerFunds.

U.S. Global, meanwhile, trimmed its staff the most during that period. The San Antonio, Texas-based shop went from 40 employees in 2015 to 23 last year. U.S. Global, Gamco and Waddell & Reed are the only firms to have reported a net decline in headcount during the five-year period examined.





Source: Company filings. Data is for each company's fiscal year.

¹ Janus Capital and Henderson Global merged in 2017 to become Janus Henderson. Data includes employment figures for Janus Capital and Henderson Global.

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