



Wall Street's old hands not rattled by crisis

By DAVID B. CARUSO – October 19, 2008

NEW YORK (AP) — Images of Wall Street's stunning stumble were everywhere this week, from photographs of weary traders to video of Lehman Brothers employees carrying boxes to the curb.

But if fear was in the air, you couldn't quite see it on the sidewalks of the financial district, or even the floor of the New York Stock Exchange.

Even before the market began a two-day rally Thursday, the atmosphere seemed to be one of uncertainty, not despair.

"I don't feel terrified. I don't feel panicked," said Doreen Mogavero, a floor trader for nearly three decades.

Without a doubt, she said, New York's investment community was experiencing "a rather difficult crisis of confidence," but one where people haven't given up hope that opportunities to make money are still out there, somewhere.

"You don't have quite the craziness that we used to have, say in the crash of '29 or the crash of '87, where there was frantic running around, screaming and yelling," she said Thursday on the exchange floor, surrounded by fellow traders who looked intent but calm.

Wall Street, after all, has seen bad times before.

Just seven Septembers ago, New York's financial center lay in literal ruins, with thousands dead from a terrorist attack, thousands more thrown out of work, and many hundreds of small Manhattan businesses destroyed.

How does this crisis compare? It doesn't, said Liz Berger, director of the Alliance for Downtown New York.

"We've been on the brink of catastrophe before, and not just financial market catastrophe," she said from her office, just a few blocks from new skyscrapers rising at ground zero. "Of course we're anxious. How can we not be? I think people are just shocked by the swiftness of the paradigm change. But if you look at the reality of the situation, this community has gone through so much, and it has always survived."

Still, there were signs of nervousness.

Robert Olman, management partner at Alpha Search Advisory, a firm that does job placement for the financial services industry, said he has been receiving a flood of unsolicited resumes from workers who have either been laid off or are worried enough about the future that they've already started looking for a new job.

Most of these job hunters remain confident that they will land on their feet, Olman said. Already, some smaller financial services firms have begun using the crisis to pluck talent from bigger, troubled rivals.

But there is also an increasing realization among jobseekers that their next gigs might not pay as well, be quite as prestigious or come quite as easily.

"We're starting to see some people who lost their job a year ago and are 'celebrating' their first anniversary on the beach, so to speak," Olman said. "And these aren't the uber wealthy that people read about or see on TV. They are feeling it."

New York City's unemployment rate climbed to 5.9 percent in August, up from 5.4 percent in July, according to statistics released Thursday by the state Labor Department.

Much of that change was due to layoffs in the financial services industry, said Labor Department analyst James Brown. Those numbers don't reflect thousands of additional layoffs in the sector that have been announced but have yet to show up in official statistics.

Wall Street workers in danger of losing their jobs weren't the only ones on edge.

Scott Kahan, an investment adviser with Financial Asset Management Corp., said his phone has been ringing all week with calls from uneasy clients who "need a little hand holding."

"It's been stressful," he acknowledged. "Every time you get off the phone, there are two more people you need to talk to."

On the whole, he said, his customers have been worried but not panicky, especially veteran investors who have been through tumult before.

"You never get used to it," Kahan said. "But they know that their first knee-jerk reaction to sell everything is not correct."

That said, he added, "it's a very uncomfortable feeling."

"They turn on the TV, and every single station, all you're hearing about is how bad things are on Wall Street. So it's hard to keep out of your mind."

Even with all the bad news, there were still optimists to be found among the thicket of entrepreneurs and thousands of tourists near the stock exchange this week.

Alfred Lavery, who sells bull statuettes in front of the landmark skyscraper at 40 Wall Street, said he was confident things would turn around soon enough.

"When the market is down two days out of three, people aren't out spending. They're paranoid," he said. "But they'll be back. Wall Street is all about optimism."

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