

# Tampa Tribune

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### JPMorgan To Cut 1,900 At Tampa Call Center INDUSTRY CONSOLIDATION BLAMED

Author: DAVE SIMANOFF and RICHARD MULLINS; The Tampa Tribune

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By DAVE SIMANOFF and RICHARD MULLINS

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TAMPA — JPMorgan Chase & Co., the New York-based financial services giant, told 1,900 employees at its credit card operations center here Wednesday that it is shutting the operation down and they will lose their jobs by the end of the year. Industry experts said the deep job cuts are the result of consolidation and cost-cutting in the financial services industry.

JPMorgan bought rival financial services firm Bank One last year. The deal left the combined company with too many workers in overlapping divisions, and led to the decision to shut down the Tampa credit card operation, company spokesman David Chamberlin said.

No workers were laid off Wednesday, he said. The jobs will be phased out over the year, Chamberlin said.

Workers will receive severance pay, career counseling and outplacement services, and qualified employees will be considered for openings with other JPMorgan operations, he said.

"We're really trying to do everything that we can for the employees that were affected by this," he said.

Some employees said they were caught off-guard by the announcement. Others said they suspected the bad news. Employee Michelle Westenzweig said rumors of layoffs began circulating Tuesday night, with some employees joking about Wednesday being a BYOB — "bring your own box" — day at the office.

"I'm a single parent, so I'm pretty much screwed," she said Wednesday.

Jeanine Adams, who has been with the company five years, said JPMorgan relocated her from New York to Tampa a year ago. With her job disappearing, she said she'll "just vigorously look for another one."

Elected officials expressed dismay at the layoffs.

"You hate to see that," Hillsborough County Commissioner Jim Norman said. "It's always a great impact. We can't lose our focus of trying to get quality jobs here."

Industry Is Volatile

JPMorgan's announcement comes six months after another major financial services company, McLean, Va.-based Capital One Financial Corp., said it would lay off 1,100 workers at its call center in Tampa by spring.

Job cuts in Tampa area back-office call centers reflect a fast-changing industry globally, said Brad Cleveland, president of the Incoming Calls Management Institute, a trade organization of call centers, based in Annapolis, Md. "The financial services and travel sectors for call centers have been hit especially hard," Cleveland said.

Rapid consolidation among banks quickly leads managers to look for ways to cut costs by eliminating overlaps in back office operations, he said.

"We're probably not anywhere near the end point yet for financial services," he said.

Predicting the future of call centers in Tampa is no simple task, because there are so many cross-currents in the industry, said ! David Butler, director of a call center research laboratory at the University of Southern Mississippi.

Because Tampa has a significant cluster of call centers, the city is "ground zero" for many of these changes, Butler said.

"There are some companies sending jobs overseas, while others are bringing them back," Butler said. "Some companies are consolidating everything into maybe five centers, while some are breaking them up to be more local. We're in a real sorting-out period."

Skilled JPMorgan workers should be able to find employment with similar operations in the Tampa area, Butler said. "In my experience, it all depends on the level of work they did. If it was higher level, they may go to another office. If not, they may go work at Wal-Mart."

After the layoffs, JPMorgan Chase will remain one of the biggest employers in the Tampa Bay area, with 3,100 people working in its mortgage, automobile financing and treasury technology operations.

The company has cut jobs in Tampa before. JPMorgan's predecessor company, Chase Manhattan, moved its Chase Home Mortgage headquarters from Tampa to Columbus, Ohio, after a merger with Chemical Bank in 1994. The move resulted in 566 local job losses.

JPMorgan Chase has received \$4.4 million from Florida's Qualified Target Industry incentive program, which refunds taxes to employers who agree to create and maintain a certain number of jobs at a salary level that's higher than the local average. The tax refunds come to \$3,000 for each job created.

JPMorgan Chase won't receive any more refunds because of the layoffs, according to the state's Office of Tourism, Trade and Economic Development.

#### Sector Here To Stay

Rene'e Benton, president of the Tampa Bay Workforce Alliance, said financial services continues to be a strong, growing industry in which people can find jobs.

"This is a place where those jobs will be absorbed," she said.

The Capital One and JPMorgan layoffs won't derail the local effort to build a sophisticated cluster of financial services firms in the Tampa Bay area — an initiative that has the nickname "Wall Street South."

"Obviously, it's not optimal news by any means, but I'm not sure it's going to have much of an effect on our cluster development efforts," said Guy Hagen, president of Wesley Chapel-based Innovation Insight Inc., a consulting firm that tracks the growth of financial services firms in Florida.

Hagen said the financial services firms that recently have relocated to or expanded in Tampa, such as Depository Trust & Clearing Corp., are sophisticated operations with higher pay than the call center operations that opened in Tampa years ago.

"We're hanging on to the choice jobs," he said. "The jobs that are growing here are the more attractive ones."

Tribune reporters Ellen Gedalius, Guy Boulton and WFLA reporter Peter Bernard contributed to this report.

Reporter Dave Simanoff can be reached at [dsimanoff@tampatrib.com](mailto:dsimanoff@tampatrib.com). Reporter Richard Mullins can be reached at [rmullins@tampatrib.com](mailto:rmullins@tampatrib.com).

Caption:

WFLA-TV photo by JAMES HORAN

JPMorgan Chase & Co., which has a building on Independence Parkway, will still have 3,100 people working in its mortgage, automobile financing and treasury technology operations in Tampa. PHOTO

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