

# As banking and tech employees seek new opportunities in fintech, uncertainty lurks

Article

**An exodus:** Big banks and Big Tech are losing their employees to more flexible fintech companies, [per](#) Yahoo Finance.

Bankers, engineers, data scientists, and other skilled employees are leaving Wall Street, Silicon Valley, and London for roles at fintechs that offer a better work-life balance, higher pay, and better career prospects.

Moves from big banks like **HSBC** and **Goldman Sachs** to fintech startups such as **Coinbase** and **Revolut** are up **75% since the pandemic started**:

- **37 staff from Goldman Sachs** and **28 staff from Morgan Stanley** left for opportunities at **Coinbase** between January 2020 and April 2022.
- **38 employees from HSBC, 32 employees from Lloyds, and 27 employees from Barclay's** went to neobanks **Revolut** and **Monzo** during the same time period.

Big Tech is also experiencing the same drain:

- **197 staff from Amazon, 97 from Alphabet, 73 from Microsoft, and 72 from Meta** landed jobs at **Coinbase**.

While the numbers are small relative to these firms' entire workforces, the lure for tech employees is shaking up banking industry payrolls.

**Not all roses:** But the changing economic environment is putting a damper on the fintech industry. Inflation remains uncomfortably high, fintech **funding** has dropped off, and the crypto market is undergoing a reckoning.

- Coinbase's stock is **down more than 60% from its IPO price in April 2021**. The firm **extended** its hiring freeze last week and rescinded offers that were already accepted.
- Buy now, pay later (BNPL) startup **Klarna** plans to **lay off 10% of its workforce**.
- Payments fintech **Bolt** is **letting go of about one-third of its workforce** after receiving \$355 million in funding in January.
- And crypto exchange **Gemini** will **cut 10% of its staff**.

**The big takeaway:** Employees moving to these fintechs are taking a chance on change over perhaps more stable opportunities at an incumbent bank or Big Tech firm.

Here's how that could play out:

- The rising number of layoffs and hiring freezes at fintech companies could signal a larger fallout, and employees who left their jobs for an opportunity at a fintech might find

themselves unemployed.

- Incumbent banks and Big Tech firms may realize sustainable cost savings as employees leave, and they may not be willing to rehire.
- Banks and tech firms could also find opportunities to scoop up suffering fintechs that would flourish with greater resources. A reorganization of that type would likely lead to more layoffs rather than hires.

**Keep reading:** We highlight some of the short-term challenges and long-term risks that fintech disruptors face—and how regulators could get involved—in our [“Era of Uncertainty”](#) report.

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### How UK and US Workers Define a Great Employee Experience, Jan 2021

% of respondents



Source: Topia, "Adapt or Lose the War for Talent" conducted by CITE Research, Feb 23, 2021

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