

# My CRUNCH

In our last issue we asked LSE alumni to let us know how the financial crisis and subsequent recession had hit their lives and work. Many of you responded and here we present a selection of stories from the frontline.

## The view from London's streets

**Mike McCall** (Diploma in Social Science and Administration 1981). Now executive director of operations at St Mungo's, London's largest charity for homeless people

Working at St Mungo's brings me into contact with people who have slept rough in London for days, weeks, sometimes for years.

The charity's aim is to help the most vulnerable, persuade them to move from the streets into emergency shelters, and from there support them in their recovery. We have watched the credit crunch turn into a recession with a wary eye. Over 2008-09 more than 3,400 people were seen rough sleeping by London's outreach teams – a 15 per cent increase on the previous year – a mix of new sleepers, long-termers and returners. That more than half are new to rough sleeping in London highlights the need for preventative work.

For now our concern is that the recession is wiping out what job opportunities existed for those already sleeping rough. Without the capacity to improve their skills, education and work experiences, there is a real danger that rough sleepers become the permafrost of the homeless, those least able to improve their situation, overlaid by a new fall of snow.



## The view from an African lawyer

**Dorothy Tokunbo Ayeni** (nee Ajanaku) (LLM 1982). Now senior partner, Tokunbo Ayeni & Co (Legal Practitioners), Lagos

I run a small law firm in Nigeria and times are tough. The carpeting freeze on loans, overdrafts, money market outputs and government direct interventions have all hit us.

The crash and the attendant bewildering low prices in the oil sector and the stock exchange/securities markets have hit our clients – in turn reducing our work.

In order to survive, our law firm is taking lower fees (which will not cover overheads) and trying to branch into new areas. We fear that larger and more prosperous law firms can hold an almost monopolistic position in certain areas, and feel it is particularly important for smaller firms to network and fight their corner in these hard times.



## The view from Germany's real estate

**Dr Daniel Piazolo** (BSc Economics 1994). Now managing director, IPD Investment Property Databank, Germany

I work in real estate in Germany and have watched an intriguing situation unfold. While the financial crisis has widened to an economic crisis within Germany, with an anticipated fall of four per cent in Germany's 2009 GDP, the impact on different sectors has varied.

Over the last decade, Germany's property market has been lampooned by cross border investors for failing to provide the capital appreciation that so many of its European neighbours offered in spades. In the last two years, that weakness has turned to a strength. As prices fell elsewhere, Germany held steady – and Germany has now leapfrogged the UK to become the largest capital-weighted real estate investment market in Europe. But the news is not all good – those foreign investors who came to Germany in 2005, buying at a high price in anticipation of a UK-style property boom, have been burnt.



## The view from an American charity

**Renee Lahey Zimmerman** (MSc European Studies 1989). Now executive director, Family Connections, California

As the executive director of a small non-profit social service organisation in East Palo Alto, California, staying afloat financially has gone from tough to tougher in these severe economic times. With more non-profits per square foot than all of its neighboring communities, East Palo Alto struggles to support a multitude of agencies.

With shrinking portfolios, many local family foundations and even the larger Community Foundations have responded to the financial downturn by giving out fewer dollars. Government contracts have also been hit. With California now handing out IOU's to pay its bills, we wait with baited breath as local and county governments wrestle over how and when to make the dreaded cuts.

So which source of funding, while still tough to come by, remains steady? Although we did not increase the amount raised over 2008, the donations received from individual donors, our steadfast core of supporters, remained the same. A heartening testimony to my belief that while times are indeed tough, we will weather this storm and come out fine on the other side.



## The view from a Kenyan in America

**Eddie Mandhry** (MSc International Relations 2005). Now associate director of programs, Global Kids Inc, New York

As a Kenyan citizen, I am proud of my new president. The one who happens to be the leader of a country other than my own. On 5 November 2008, along with millions around the world, I sat with my eyes glued to the TV witnessing the election of Barack Obama, America's first African-American president. The moment seemed uniquely special because 7,360 miles away, Kenyans were in the throes of euphoria. Ironically, our president Mwai Kibaki (BSc Econ 1959) triumphantly declared 5 November a national holiday in honour of Obama's victory.

Soon enough the stinging reality of the financial crisis crept back in. As chance has it, I also happen to be a non-immigrant temporary worker living in New York City, thanks to the oft-maligned H-1B specialty occupation visa program. As I write, the US unemployment rate stands at around 9.7 per cent. As job losses mount, protectionist talk in the form of 'Hire/Buy American' provisions serves to elevate the anxieties of hard working non-immigrants equally concerned about the state of the American economy. On 17 February 2009, president Obama signed into law the American Recovery and Reinvestment Act. This stimulus bill contained the Employ American Workers Act (EAWA). The act prevents companies receiving funds through the Troubled Asset Relief Program from displacing US workers when hiring H-1B specialty occupation workers. In times of crisis policies change fast. I am presently unaffected by the provision, but other temporary workers may not be so fortunate.

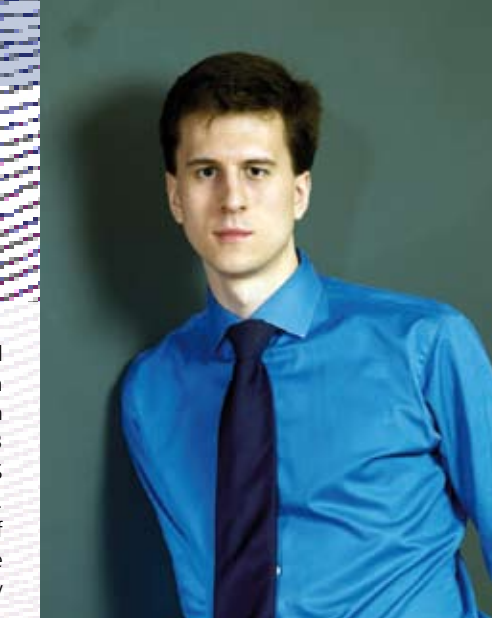


## The view from an entrepreneur

**Jay Bregman** (MSc Media and Communications 2004), pictured above. Now co-founder of eCourier.co.uk

My business, eCourier, is a perfect barometer of the recession.

I set the company up in 2003 after having taken a Management and Entrepreneurship course before starting my degree and then having several hair-pulling experiences at the hands of London same day courier firms. The idea was to take a traditional, unsexy, fragmented industry and change the fundamentals using technology. We built a platform that drives service and efficiency by giving eCouriers handheld computers with GPS which our clients can track online



and via a real-time optimisation algorithm we call 'Larry' which allocates incoming orders to eCouriers. We have a fleet of purple and pink vans and bikes with the strapline 'happiness delivered'.

The downturn has ravaged our industry, with a 30 per cent decline in volume, but we've still managed to win 53 on the Sunday Times Microsoft Tech Track 100 list of the fastest growing Technology companies in the UK. And now for some good news: we have seen record uplifts in September with significant uptrading across all sectors. Too soon to tell, but we think we're seeing the purple shoots of recovery.

## The view from a recent graduate

**Jan Sramek** (BSc Mathematics and Economics 2009), pictured top right. Now emerging markets trader at Goldman Sachs

As exams loomed last summer we heard it over and over again – fresh graduates are facing the toughest job market in years, finding it hard to get any job, let alone the career they had planned.

I have found reality quite different. In the good years, employers hire hundreds of graduates, and wait for natural selection to do its job. The situation could not be more different now. Having laid off thousands of employees, there is suddenly so much work to do that most companies need every pair of hands they can find.

This means two things. Firstly, firms really care when hiring and seek people who can add value from day one. Secondly, once on the job, the sky is the limit when it comes to getting early responsibility, doing well, and being rewarded for it.

Some students have spent the last year complaining. Others spotted the opportunities, and leveraged them to get off to an amazing start to their career. Many things are changed in a recession – the fact that good performance yields results is not.

*Racing Towards Excellence*, a book I co-authored during my final year at university, offers no-nonsense advice on achieving career and academic success. Howard Davies, director of the School and a board member of Morgan Stanley, wrote the foreword.





### The view from a journalist

**Danny Schechter (MSc Political Sociology 1969). Now editor of Mediachannel**

The credit crisis and following financial meltdown was a story journalists missed – with the result that we were all ill-prepared for the crisis.

But some of us did try. In 2006 I released a film called *In Debt We Trust: America before the bubble bursts*, exposing Wall Street's role in subprime lending and arguing that a collapse was coming. The film was well received by those who saw it – most of the TV channels rejected it considering me an 'alarmist' and a 'doom and gloomer.'

I followed up with the book *Plunder: investigating our economic calamity* (Cosimo Books, 2008) which came out a week before the mighty Lehman Brothers declared bankruptcy. I also analysed the media failure alongside the financial failure. My article on how the press globally, including the UK, missed the story was the lead in the *British Journalism Review* earlier this year.

I've not given up on the subject. I have focused on the criminal aspects of this catastrophe in a new film and book called *The Crime of Our Time*, planned for an autumn release. I favour a 'jail out', not just a bailout.



### The view from the Beltway, Washington DC

**Jon Englund (MSc International Relations 1981). Now managing principal of Coalition Incubator LLC**

I was listening to the radio as I was navigating a much dreaded eight lane thoroughfare called the Beltway,

which rings Washington, DC. The station was doing a story on how a 'silver lining' related to the recession was that major cities were experiencing less traffic due to the contraction of economic activity. Less business means fewer cars on the road.

Why was I stuck in a traffic jam, then, I wondered? And then the punch line to the story... Washington, DC was an exception due to the continued expansion of the federal government.

When my public policy consultancy lost a major contract recently due to tightening contributions to non profits, I was grateful for my wife's relatively stable position working for the House of Representatives, where the budgets for committees and individual congressional offices have not been hit. Maybe it's not so bad dealing with a little Beltway traffic. ■

**Thank you to all those who sent in contributions for this article.**



## A London memento with a touch of class

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Charles Booth's maps are now available for sale as reproductions featuring streets colour-coded according to Victorian social status, from 'upper-middle and upper classes – wealthy' to 'lowest class – vicious and semi-criminal'!

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- 1 East: Isle of Dogs,** Millwall, Limehouse, Bromley, Stepney [485 x 623 mm]
- 2 North East: South Hackney,** Clapton, Stoke Newington, Dalston [421 x 400 mm]
- 3 North: Stoke Newington,** Highbury, Islington, Finsbury Park, Tufnell Park, Barnsbury [502 x 460 mm]

- 4 North West: Somers Town,** Camden Town, Kentish Town, Belsize Park, Primrose Hill, Hampstead, St John's Wood, West Hampstead, Kilburn, Maida Vale [531 x 485 mm]
- 5 East Central: Stepney,** Whitechapel, Spitalfields, Bethnal Green, Shoreditch, Haggerston [368 x 485 mm]
- 6 West Central: Hoxton,** Clerkenwell, Bloomsbury, Fitzrovia, Holborn, Covent Garden, Soho [525 x 425 mm]

- 7 Inner West: Westminster, Marylebone,** Mayfair, Paddington, Bayswater, Kensington, Chelsea [554 x 485 mm]
- 8 Outer West: Kilburn,** Kensal Green, Notting Hill, West Kensington, Fulham, Hammersmith, Shepherd's Bush [609 x 430 mm]
- 9 Inner South: Rotherhithe,** Camberwell, Southwark, Walworth, Kennington, Lambeth, Vauxhall [670 x 382 mm]

- 10 South West: Wandsworth,** Battersea, Clapham, Putney, Fulham [700 x 388 mm]
- 11 Outside South: Peckham,** Camberwell, Dulwich, Brixton, South Lambeth [574 x 417 mm]
- 12 South East: Blackheath,** Greenwich, Lewisham, Hatcham Park [485 x 535 mm]