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Work From Home Working Well for Many

Despite a long-standing disdain in the investment world for working from home, the transition to dining-room tables during the coronavirus crisis has gone surprisingly well.

“The conclusion for many is that the main engine of their businesses has continued to work,” executive recruiter **Odyssey Search Partners** wrote in a recent update to clients after surveying hundreds of industry professionals. “Organizations have been able to manage their investments or handle their portfolio companies even in this remote setup.”

The new recognition of the feasibility of working remotely could have long-lasting implications as employers consider whether they need to maintain large, costly offices in New York and other cities.

“Although most firms have typically had strong anti-WFH cultures, attitudes towards WFH have markedly changed over recent months,” wrote Odyssey Search, a New York operation led by founder and managing partner **Adam Kahn**.

New York is expected to begin its first of four phases of re-opening on June 8, albeit only for non-essential construction and manufacturing. **Morgan Stanley** plans to return a small number of traders and other workers later this month.

Firms weighing the potential health and legal risks of returning employees to offices are concluding that there’s no need to rush back.

The return-to-work option isn’t particularly enticing to some firms, given the strings — and masks — that have to be attached. Employees who return would, in many cases, have to stagger their shifts, refrain from talking to colleagues in close proximity, wear protective coverings over their noses and mouths even while speaking directly or on the phone and refrain from using kitchens or conference rooms. And they might run the risk of being exposed to hundreds of other people while taking public transportation to the office.

Perhaps taking a cue from **Google**, which told workers they had the option of working remotely through yearend, many investment firms in New York have given employees the choice of staying home until at least September.

Abacus, a provider of information-technology services for hedge funds worldwide, determined in a survey of 130 clients on May 20 that 58% had no current plan to reopen their offices.

Still, recruiting executive **Alexis DuFresne** said, “At some point, people are going to want to go to an office.”

DuFresne, a managing director at New York executive-search firm **Whitney Partners**, estimates that workers lose about 10% of their functionality at home. She advises companies against decentralizing once the pandemic is over. “There is always some danger that you’ll lose that collaborative culture — the off-the-cuff conversations at the water cooler,” DuFresne said. “People like me are motivated by other people’s energies — that inspires me.”

Even so, she predicts that some employees who already spend much of their time traveling — marketers, for instance — will continue to work remotely even after the crisis ends.

Auditor **Anchin** noted that many investment employees who vacated their homes in New York and other high-traffic areas during what was initially thought to be a short-term relocation are wondering whether there could be tax benefits to staying put. Those permanently relocating need to form a new domicile and update their documents to ensure compliance.

“Until domicile is established somewhere else, the existing domicile designation remains in place,” the firm wrote in an update to clients last week. “There are steps that can and should be taken right away to start this change. Another concern is that if the plan is to stay in another taxing jurisdiction for an extended period of time, you could potentially be taxed there as a statutory resident, resulting in double taxation.”

The response to the pandemic has led to solutions that were previously near unthinkable.

For example, DuFresne has a marketing specialist in Florida she’s trying to match with New York-based firms, but the client wants to remain in Florida because of that state’s more advantageous tax structure. “Employers are seriously considering the tradeoff,” DuFresne said. “They never would otherwise think of allowing somebody to work in Florida.” ❖

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