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Fidelity's Massachusetts headcount falls once again

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Fidelity Investments' headcount in Massachusetts fell to 5,100 employees over the course of 2015, a small drop-off from the previous year but still a 60 percent decline from a decade ago.

The asset manager lost a net 200 employees in the Bay State over the course of 2015, a decline of almost 4 percent, according to data provided by the company. Its global headcount was a different story, increasing by 4,000 employees, or nearly 10 percent, to 45,000 workers.



A Fidelity Investments office in Boston's Financial District.

As Fidelity has shrunk in Massachusetts, it has grown in other states. The Boston-based company announced in October it would add 600 jobs in Durham, North Carolina, mostly in software development and engineering, by 2018, an investment that will bring its headcount in that state within 1,000 employees of its Massachusetts total.

It has similarly committed over the past year or so to bring hundreds of jobs to Colorado, Florida and New Mexico. The company is also growing internationally. For instance, it said last spring it was looking to add 200 employees to its new Dublin, Ireland, office.

Each of those markets offer lower costs than Greater Boston, according to John Boyd of New Jersey-based The Boyd Co., a corporate-relocation firm. Jacksonville, where Fidelity is growing in Florida, is one of the lowest-cost cities for financial services companies in the country, Boyd said, with Deutsche Bank and Australia's Macquarie Group expanding there in recent years. North Carolina offered an incentive package of up to \$15 million.

Two decades ago, Massachusetts enacted a tax incentive for the mutual-fund industry with Fidelity's support, but the company's Bay State headcount has since shrunk dramatically. In 2006, Fidelity had 12,700 employees in Massachusetts. That total was still north of 11,000 as recently as 2010, but fell steeply in the next few years, hitting 8,000 employees in 2011 and 6,200 employees two years later.

The reductions have started to slow down since then. Its in-state headcount dropped by 700 employees from 2013 to 2014, then by 200 in both 2014 and 2015. In a statement, Fidelity spokesman Stephen Austin characterized the company's Massachusetts employment numbers over the past two to three years as stable.

Austin also said that approximately 9,000 Fidelity employees live in Massachusetts. The asset manager has established campuses just across the state's northern and southern borders, in Merrimack, New Hampshire, and Smithfield, Rhode Island. The company's top brass, including CEO Abigail Johnson, have remained in Boston.

While Fidelity's actively managed funds have experienced sustained outflows over the past year, its passively managed funds have seen nearly as much inflows. The company has also continued to grow its other lines of business, including the formal launch of a private health insurance exchange earlier this year.

Fidelity manages \$1.24 trillion in assets through its family of funds, according to Morningstar data from April. It achieved record revenue of \$15.9 billion in 2015.

Greg Ryan covers the financial services industry and law firms.