

## JOB POOL ON WALL STREET SHRINKING



This past week, MF Global decided to fire its entire workforce, all 1,600 employees in the company, because of the fallout from the company's problems on Wall Street. Despite there only being about a month and a half of the year left, Wall Street firms are expected to cut more employees before the year is complete. "The timing really couldn't be worse, because firms generally don't hire much, even in great times, at the end of the year," said Alan Johnson, managing director at Johnson Associates. The 1,600 MF Global employees laid off are now wondering if they will ever find jobs on Wall Street again. The majority of the Wall Street jobs lost recently will more than likely never be filled again in the future. "Wall Street will continue to shrink," said Steven Eckhaus, chair of the executive employment practice at the law firm Katten Muchin Rosenman. "Three years from now, there will be half as many jobs as there are now." It is believed that close to 25 percent of the MF Global employees laid off last week will find employment by early 2012. The employees that will be hired include the top performers from MF Global. The rest of the top quartile of Wall Street's recently laid off employees will also find work by early 2012, but the remainder of the employees will find it tough to regain employment. "It's the people in the middle that are being hollowed out on Wall Street. Middle level executives have the most to be concerned about," said Eckhaus. Before 2012 is over, jobs in financial services firms will drop by roughly 10,000 from 166,600 that were active in New York as of August of 2011. One firm that will cut some of those employees should be Bank of America, which is planning to cut close to 30,000 employees in New York and in its headquarters in Charlotte, North Carolina. Barclays Bank removed 3,500 jobs before October concluded while Goldman Sachs and Citigroup decided not to comment on job cuts. JPMorgan Chase gained a net 13,000 jobs in 2011 but decided not to comment on further job plans. "We've seen fairly significant layoffs, and the numbers have been much larger than people anticipated," said Eckhaus. There is a major bright spot for any hiring done on Wall Street right now and it is the fact that individuals can help banks and hedge funds comply with all of the new regulations put forth by the government. "We're seeing lots of hiring for outsourced compliance activity," said Frank Carr, an independent Wall Street recruiter with MJE advisors. The Wall Street bonus pool will be dropped anywhere from 20 to 30 percent for 2011, according to stats released by Johnson Associates. Dropping the Wall Street bonus pool will also dampen news from the financial sector, especially as more and more jobs are being lost.

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