

MORGAN STANLEY CUTS 1,200 JOBS



Summary: A poor third quarter earnings report has left Morgan Stanley scrambling to reduce expenses by cutting jobs to make weak performing departments align with market demands.

Better not count on getting a job at [Morgan Stanley](#). The American multinational financial services corporation has over 60,000 employees worldwide, but a cut of 1,200 is still a big hit. Of those jobs, 470 or 25 percent were from the fixed income and commodities businesses.

Trading revenues and fees have been shrinking since last summer, resulting in the [need for Morgan Stanley to downsize](#). Another division to take a big hit was the human resources and IT positions, which lost 730 jobs. A memo to employees from executives stated the resulting size will be “critically and credibly sized for the current market.”

The third quarter for Morgan Stanley was especially hard with the company reporting a 42 percent drop in fixed-income trading revenue. Their advisory revenue improved last quarter, mostly because of all the merger and acquisition activity in the market. CEO of Morgan Stanley International, Colm Kelleher, told analysts, “The outlook is not great.” The [capital markets worldwide are low](#) so the fixed-income performance of Morgan Stanley is not likely to improve much in the coming months.

The fourth quarter will see a \$150 million charge of one-time expenses to cover things like benefits and severance payments. Any cost savings by the company are expected to exceed that charge.

Source: <http://money.cnn.com/2015/12/08/investing/morgan-stanley-cuts-1200-jobs/>

Photo: businessinsider.com