GOLDMAN SACHS TO LAY OFF MORE

Goldman Sachs is expected by many to come in at a loss in the third quarter this year. This means that the investment-banking firm may have to make more cuts internally in order to show a profit, and convince its investors that the firm still has what it takes to give them higher returns than competitors under the poor market conditions of the current economy. The firm of Goldman Sachs, which was once considered to be an instruction so strong that it simply could not fail, has been downgraded by more than 20 analysts in the last month. These downgrades have been made based on the expectations that the firm will post a sizeable loss in their investing and lending segments this fiscal quarter. These losses will come during a declining equity market, which also adds to the downgrade in the rating. The poor economic conditions will also have an effect on the investment banking fees and the trading revenues that the company is expected to post this quarter. Keith Horowitz of Citigroup is the latest analyst to downgrade the estimate of earnings for the company on Tuesday of this week. According to the current projections Goldman Sachs is expected to post a loss of 65 cents per share. This is a significant change when you consider that the earlier estimates show that the company would only post a loss of 10 cents per share. Mr. Horowitz's estimate was actually one penny higher than the average expected posted loss of 9 cents per share. Even more bad news looms for the firm as the new projections are showing that the market volatility is expected to last for several fiscal quarters due both to overall global economic weakening and the fact that there is no quick resolution in site to the fiscal turmoil in Europe. All of this will undoubtedly put extra pressure on traditional investment firms to make internal cuts in order to reduce the expense associated with programs. We all know what one of the simplest ways for a company to cut internal expenses it. Just cut down the number of people you have at the firm. As we have seen in the past layoffs can allow a company to show a quick boost in profits when they need them the most. Of course in this economic climate there has been no shortage of job losses for the finical sector. According to statistics from a recent report that was released by the New York State Comptroller the securities industry in New York City has lost 4,100 jobs since April 2011, or a span of about seven months. They also estimate that this will not be the end of the job loss. They are already predicting that there will be a loss of roughly 10,000 more by the end of 2012. If that turns out to be true the overall job loses since January of 2008 for the securities industry will top 32,000 . With Goldman Sachs already staying they would layoff 1000 people before the new estimates, we can only guess what the final number of layoffs will be.