

Morgan McKinley London Employment Monitor: Strong month-on-month increase in professional opportunities indicates a robust job market in Q2 of 2015

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MORGAN MCKINLEY LONDON EMPLOYMENT MONITOR

April 2015

London Employment Monitor March 2015 highlights:

- * **Year-on-year figures show professionals seeking new roles decrease by 4%**
- * **Month-on-month figures show a substantial increase in professional opportunities (up 19%) with no significant change in professionals seeking to move (down 1%)**
- * **Strong optimism and increased revenue reported across the financial sector**

A Positive Trend Forming

The availability of financial services jobs has increased by 19% indicating a benign landscape for job seekers for the second quarter of 2015.

“With the double digit increase in job openings month-on-month, we expect this to be the start of a positive trend that will continue through to April and May,” says **Hakan Enver, Operations Director, Morgan McKinley Financial Services**. “This should make the second quarter of 2015 a particularly good environment for those seeking new opportunities, mostly as the rate of growth in job availability is currently outpacing those pursuing new employment.”

The amount of professionals seeking new roles remained relatively stable month-on-month, showing an insignificant decrease of 1%.

“The flat number in professionals seeking new jobs is seasonal and partly because of bonuses being paid out in March, so we expect that figure to increase in April as employees start looking for new positions” says Enver. “Despite contrary belief that the market is slowing down pre elections, general job availability is actually very good and people are much more confident in searching for new employment prospects.”

Compliance Skills Highly Sought after

The increase in regulatory scrutiny and demands on compliance are having an effect on the hiring in the Square Mile. “We continue to see strong demand for those with change management and corporate governance skills. Professionals with the

relevant experience and qualifications are in a position to demand a salary premium” continues Enver.

As the regulatory and legislative reform continues to gather pace it is likely that a demand for these types of roles will continue for the remainder of 2015 and possibly even further.

Fintech Hiring and UK Elections

The UK Fintech sector is growing and both banks and financial services companies are looking for talent. More than any other area of the finance sector, fintech requires global hiring. According to Enver, “Immigration is becoming a theme in the UK elections and any regulatory tightening on immigration could have a negative effect on the burgeoning UK fintech sector and is a cause for concern to companies in London. Whilst there is much dialogue about the lack of roles available for home grown talent, the volume of opportunities doesn’t necessarily indicate that this is the case. With these regulatory demands and ever evolving change programmes, there is a continual need to source talent from international markets, simply because demand outweighs supply.”

Financial Services Sector Upbeat

The positive trend in new job opportunities is supported by the [CBI/PwC Financial Services Survey](#) which reported a significant increase in optimism in the financial sector, with 59% of financial services firms saying they were more positive than three months ago. Support to the *intangible* optimism could be seen in the very *tangible* result of 60% of firms reporting an increase in profits.

“UK banks are reporting growing confidence, steep revenue growth and increasing profitability, despite an unexpected stagnation in business volumes. Banks are more positive about credit risk, as the value of non-performing loans are expected to remain low in the next quarter. Additionally, industry commentators do not expect interest rates to rise in the near future” said **Kevin Burrowes, UK financial services leader at PwC.**

Greece Continues to Worry European Markets

It isn’t all tailwinds in the financial markets. The never ending story of the economic crisis in Greece continues to cause ripples of worry across the European markets. Greece’s ability to pay its debts is now a source of constant speculation.

The focus has been on Greece’s primary budget surplus, which is the amount of money the government has on hand before payment of debts. To the credit of the Greek government, the primary surplus in 2014 was positive (€1.8billion). However, the beginning of 2015 has resulted in [Greece falling behind its targets](#) yet again and the estimated primary surplus of 2015 of €5.7billion is beginning to look overly optimistic. Added to this, scheduled repayments of approximately €25 billion in 2015, it is looking increasingly likely that Greece will not be able to raise the money necessary without further assistance.

Expect some volatility in European markets as Greece battles for financial survival and the current policy of the ECB/IMF/EU Troika of sustaining the status quo continues. Enver states “Naturally a default or some kind of Grexit will have an eventual impact on hiring, particularly within those institutions that still hold Greek exposures. Like we have seen time and time again, potential losses will result in eventual cost cutting exercises.”

Tentative Signs of Growth in the Eurozone, Stronger in the UK

It is not only financial services jobs that are enjoying a recovery. The service sector across Europe is showing signs of improvement with particularly strong sentiment in the UK.

The [Eurozone services sector](#) numbers for March were reported at 54 (above the neutral level of 50) showing a very slight increase on the previous month of approximately 0.5. While the numbers are only just in positive territory, they do offer a glimmer of hope of recovery to the stagnant Eurozone economy.

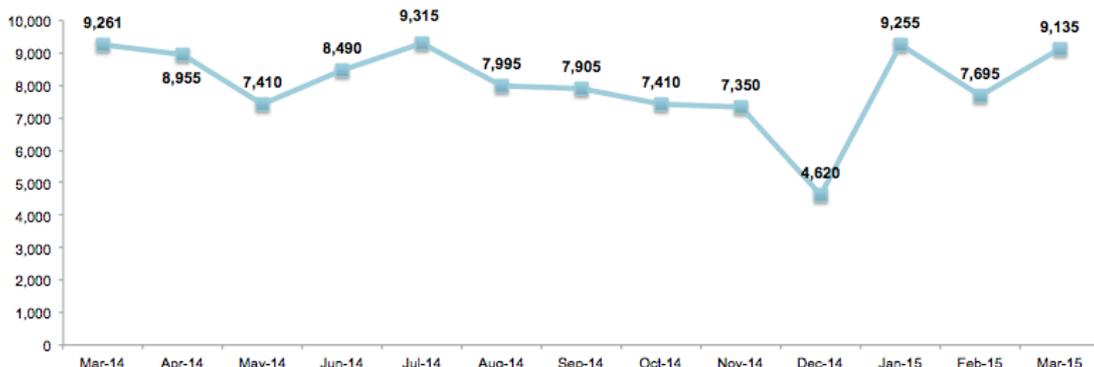
The [UK economy](#) continues to surprise on the upside and in growth terms is the leading economy in Europe. Service sector growth for the UK was robust at 58.9, which is the largest figure since September 2014, a full two points higher month-on-month and soundly beating the estimate of 57.1.

Average Salary Change Remains Favourable

“According to March’s data, those securing new positions were able to earn, on average 18% more on their base salary by moving from one organisation to another. The average has now hovered around this mark for a number of months, with a peak of 21% shown in January 2015. Conditions remain favourable for those looking to negotiate an improved compensation package, particularly those who engage with a recruiter to act on their behalf.”

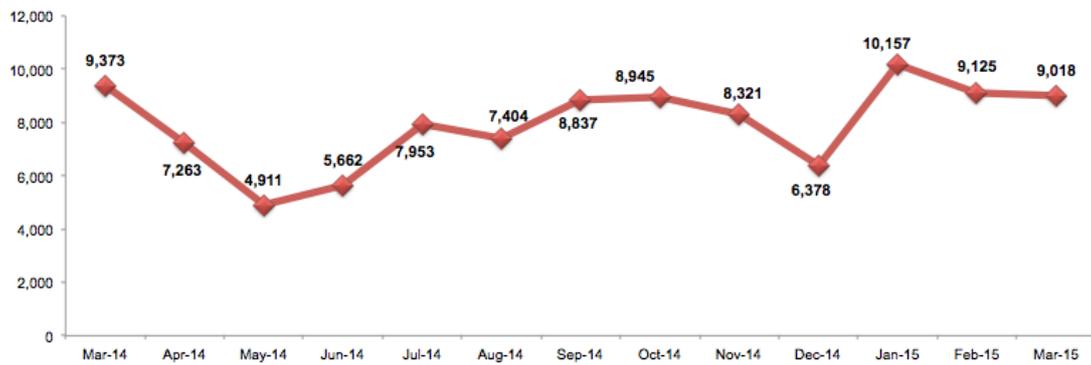
Financial services jobs new to the market March ‘15

Chart 1: Financial services jobs new to the market March 2015



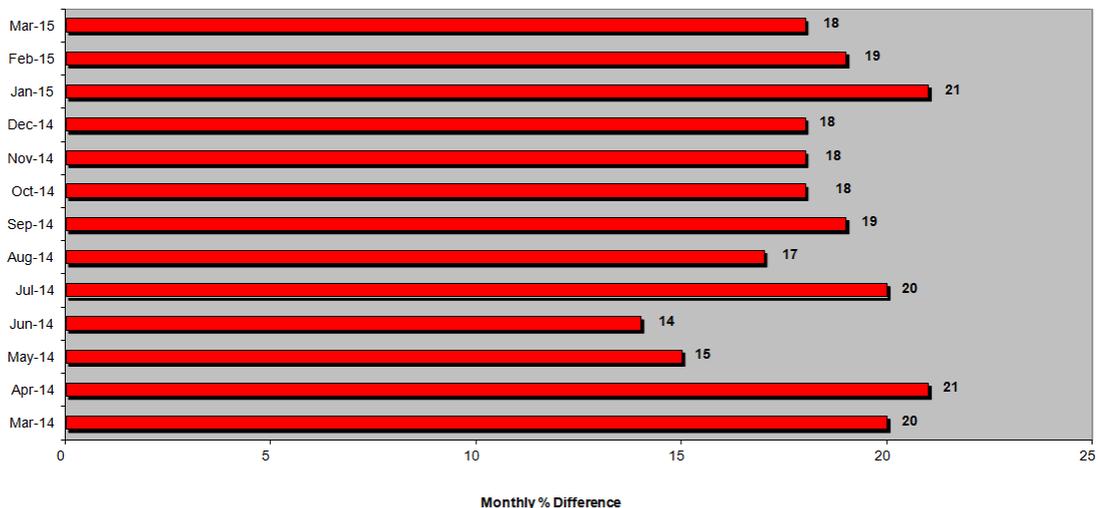
Professionals seeking new roles, both in and out of employment March '15

Chart 2: Professionals seeking new roles, both in and out of employment March 2015



Average change in salary each month, March 2015

Chart 3: Average change in salary each month March 2015



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Notes to editors:

Statistical methodology

Monthly new jobs and new candidates

From May 2013, the London Employment Monitor now uses Morgan McKinley's own weekly records of new permanent and temporary job vacancies and new candidates registering with the firm for employment. Statistics for the full market are derived using Morgan McKinley's market share.

Salaries

* Chart (3) illustrates the average percentage change between original salary and new salary offer for professionals securing new roles each month.

About Morgan McKinley

Morgan McKinley is a global professional services recruiter connecting specialist talent with leading employers across multiple industries and disciplines.

With offices across Ireland, the UK, EMEA, Asia and Australia, the company's professional recruitment expertise spans banking & financial services; commerce & industry and professional services. Morgan McKinley is a preferred supplier to many of the major employers in its specialist sectors and thousands of smaller local firms.

In 2013 Morgan McKinley was ranked 39th out of 100 in Recruiter magazine's Hot 100, which ranks recruitment companies in the UK.

In 2013, Morgan McKinley was recognised in the Irish Independent's listing of Best SME Workplaces in Ireland. We are also proud to be ranked in Deloitte's Top 20 Best Managed Companies in Ireland for 2013.

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