

Increased Recruitment Activity within UK Financial Services does not spell the end of the Recession

Graduate programmes boost recruitment figures for September.

London, October 13th, 2009. New figures released by Powerchex, the leading pre-employment screening firm for financial services, shows a dramatic increase in September recruitment activity within the UK financial sector.

Investment management firms lead the charge, with a 51% month-on-month increase in employment offers from last month. Hedge funds, stockbrokers and insurance firms also dramatically increased their recruitment activity, no doubt boosted by graduate programmes starting during September.

Hedge Funds still appear to be on the lookout for talented people, recording a 30% increase on last month, and have increased their recruitment levels by over 200% since June. For stockbrokers and insurance firms however, graduate recruitment is simply a one-off adrenalin-shot in industry sectors where recruitment activity has been flagging for several months.

Alexandra Kelly, Managing Director of Powerchex, does not believe that September's surge in recruitment activity is indicative of economic recovery quite yet. "September is always a busy month for recruitment professionals because it marks the beginning of many of the large graduates programmes. In this sense, the recruitment figures for September are often a cyclical anomaly; we will have to examine the figures over the next few months to see if there is any continuation."

Certainly, Kelly's comments appear vindicated when considering the month-on-month recruitment figures for Investment Banking firms, which generally employ a lower proportion of graduates than other industry sectors. Kelly continues: "Hiring figures have dropped more than 25% in each of the last two months in an industry already at a fraction of its recruitment activity of last year. Unfortunately this seems to be a very salient statistic given the economic environment."

Comparison with the recruitment figures from Q3 2008 reveals a substantial drop in employment offers across Financial Services, with Stockbrokers, Investment Management firms and IT contractors hit the hardest by the economic downturn. Overall, recruitment activity in Q3 2009 is 36% lower than the corresponding period last year.

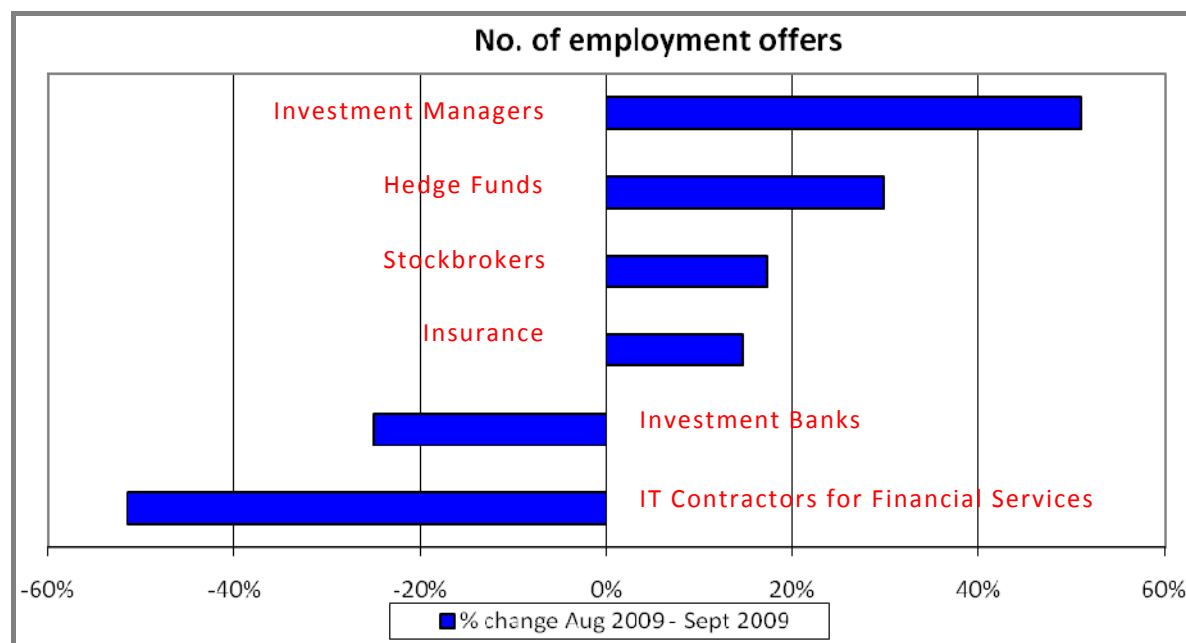
However, there is some good news in that things do seem to be improving, albeit slowly. After a dreadful Q2 whereby recruitment seemingly all but dried up, Q3 has seen a steady increase in recruitment activity across all industry sectors except Stockbrokers. In

particular, Hedge Funds and Investment Banks have dramatically increased their recruitment activity, with employment offers more than doubling in the last 3 months. Offers to IT Contractors within Financial Services have improved by 77% on Q2, with Investment Management and Insurance firms increasing slightly, by 5% and 3% respectively. Overall, employment offers in Financial Services rose by 28% in Q3, compared to the previous Quarter.

Unfortunately, we face a little wait before we can see whether this slow but steady increase in recruitment activity can be sustained into the last Quarter, and onwards into 2010.

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Table A. Month-on-month % change in employment offers within UK Financial Services



NOTES TO EDITORS:

About Powerchex

Powerchex is the UK's premier pre-employment screening firm for financial institutions. Based in the City of London, Powerchex checks the background, employment history, criminal records and professional qualifications of applicants on behalf of financial institutions. It sets the industry benchmark of 5 days for a background check.

www.powerchex.co.uk