

## Is the recruitment boom over?

Pre-employment screening firm Powerchex announces employment figures for May.

**London, 11 June 2010.** There has been a 12% slump in recruitment activity within the Financial Services Sector, a recent survey has found. The research was commissioned by city pre-employment screening firm, Powerchex, and raises questions about the strength of the UK economy.

Powerchex, which specialises in the Financial Services Sector, found that the total number of job offers declined 12% last month (see figure 1), after 7 consecutive months of rises. The decrease was recorded across the whole of financial services, with Investment Banks, Hedge Funds, Investment Managers and Stockbrokerage firms all reducing their May intake of new starters by 14% to 25%, compared to the previous month.

The biggest losers, however, were IT contractors working in financial services, where job offers dropped by 50%. Insurance firms were the only sector to increase their recruitment intake, by a paltry 2%. Alexandra Kelly, a director at Powerchex, thinks that these figures could herald a period of conservatism within the Financial Services Sector:

*“After several months of improvement, the figures show that recruitment activity stalled in May. With the UK economy going through a period of almost unprecedented volatility; turbulent financial markets, the weakening Euro and political change are all making the financial services understandably nervous about recruitment at pre-recession levels. However, if you look at the recruitment levels of 12 months ago, you can see that we have made considerable progress.”*

Kelly is right; total job offers for May 2010 are 71% up on May last year (see figure 2). The biggest increase can be seen in stockbrokerage firms, which made 250% more job offers than 12 months ago. Hedge Funds, Investment Banks and Insurance firms have all more than doubled their recruitment activity, with Investment Management firms up 20%. In fact the only losers are IT contractors to the financial services, where there are 58% fewer opportunities than in May 2009.

*“IT contractors are suffering because of a lack of new projects,”* continues Kelly. *“Many organisations are still delaying investment in support-functions, such as IT, as they try to conserve liquidity. Even while prospects in other industry sectors have improved, IT contractors to the financial services have seen a reduction in employment opportunities over the past year.”*

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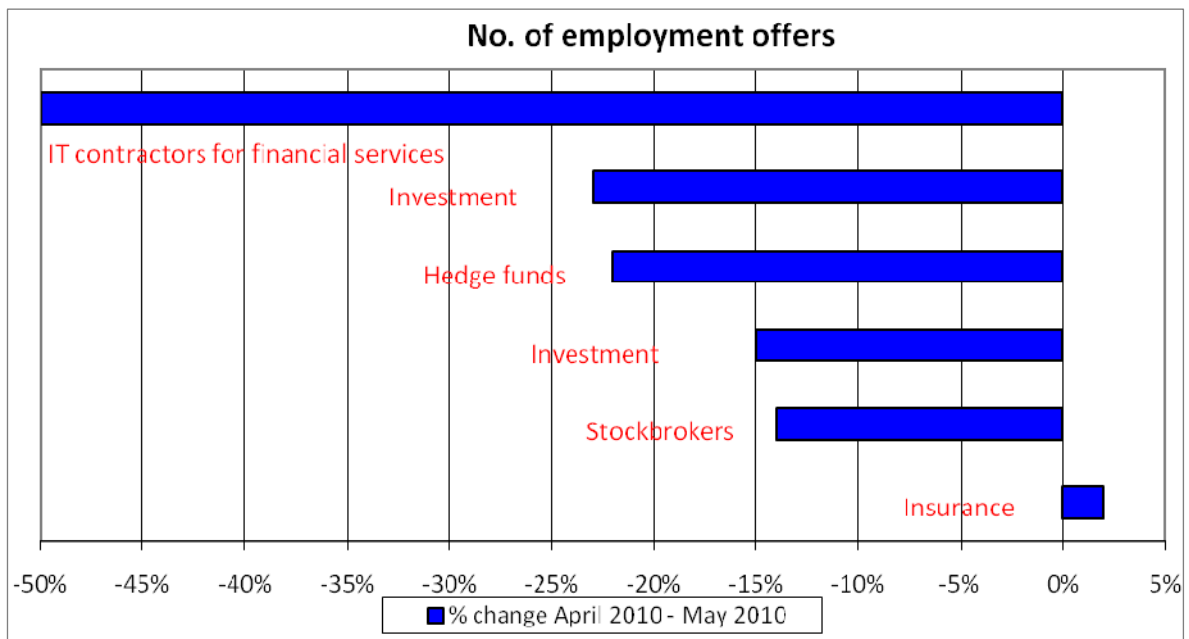


Figure 1



Figure 2

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](http://www.powerchex.co.uk)