City workers fear job cuts as trades dry up

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ANKERS returning to town after a good summer and a bank holiday can be forgiven for having less than a spring in their step.

Some of them surely know their jobs are at risk.

First some statistics: Refinitiv says that fees to banks from floats, takeovers and other market activity are down to $3.2 billion so far this year, compared to $5.6 billion at the same point in 2021.

During peak Covid, investment banks had (too) much to do. Nearly all clients needed their advice, their money-raising skill, and their connections.

The bankers did well.

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Now many clients are sitting on their hands while they see how bad the energy crisis and likely recession turn out to be.

Which means at the moment there is less trade for the lads in shirt sleeves and cufflinks (they are still mostly men).

The chattier bankers, and those who have seen it all before, think there is good reason to worry.

One, going through the post Covid what-am-I-doing-with-my-life panic is blunt. “One way or another, I won’t be here at Christmas”, he says.

That’s just one guy. What else do we know? Well we know that Goldman Sachs has already said it will cut 5% of staff this year, a resumption of a strategy it had before the pandemic.

Since it employs about 45,000 people, that’s more than 2000 for the chop. Where Goldman goes, others follow.

Credit Suisse, which as usual has self-inflicted problems of its own, hasn’t officially made decisions on job cuts, but is open about needing big cost savings, and staff are the biggest expense.

Outside the City, no one cries for financial job losses. Bonfire of The Bankers type headlines are not written in sympathy.

It seems likely we will see a few of them before the year is out.