

Contractors see continued demand in financial services despite subprime jitters

Ranking for Contractor Demand in July

- o Nursing/Medical/Care
- o Engineering and Construction
- o IT and Computing
- o Blue Collar
- o Hotel and Catering
- o Accounting and Financial
- o Secretarial and Clerical
- o Executive and Professional

(Ranked by strength of demand in London in July 2007 - Source: [Halifax Report](#))

Although the subprime credit crisis has rocked the world's financial services industry, it is still standing, and demand for contractors continues apace.

What happened?

You can't exactly call it a tempest in a teapot, but the brou-ha-ha over the subprime debacle has greatly exceeded the scope of the problem. This is essentially a technical banking security failure, in which the ratings agencies, who are supposed to be the watchdogs in such matters, failed to judge the reliability of mortgage loan packages. The result is that some major funds bought the questionable paper, and are now having to cover losses.

Demand is Still Up

If proof were needed to show that all this has been dealt with by the financial system, continuing demand for workers in financial services in the City would be a good indicator.

Already in June, average weekly billings received by agencies from temporary/contract staff employment increased at the fastest pace for nine years, with almost half of panellists signalling a rise, according to the [Halifax Financial Services London Job Market Report](#). But the trend has continued through July, and right into August, according to Tim Crawford, group economist at Halifax Financial Services,

Crawford comments: "The London labour market has strengthened over the past few months and there was a clear increase in job placements during July. Salary levels also rose over the month as firms paid more to attract qualified staff in the Capital. By industry, healthcare workers are enjoying the strongest demand at the moment."

Pent-Up Demand

Average weekly billings for temporary/contract staff rose for a fiftieth consecutive month in July, according to the report. And there continues to be growth of demand for short-term staff. The latest increase was the strongest since September 2000, the report points out.

There has been a summer slowdown, but it is being compensated for by pent-up demand. All observers are expecting a renewed surge in demand for contractors in financial services in September. July's deterioration of permanent staff availability was stronger than the UK average, with more than 45% of survey respondents indicating a fall in availability, the Halifax report says. And the number of candidates available for temporary/contract employment declined for the seventeenth month running in July, and the latest fall was the largest for six-and-a-half years. And no one expects the subprime jitters to shake that trend very much.

Europe is Good Too

Across Europe, the situation is very much the same. The [Monster Employment Index Europe](#) grew three points in July, registering a sixth consecutive month of growth. Western Europe saw a positive overall growth trend as a result of strong demand in France and Germany. There was also a rise in online job opportunities in the Netherlands, while there were falls in Sweden and the UK. The Index has increased by 23 points, or 18% year-on-year.

“ Average weekly billings by agencies for contract work rose at the fastest pace for 9 years in June ”

Halifax Financial Services
London Job Market Report

“ The number of candidates available for contracting jobs declined for the 17th month running in July ”

Halifax Financial Services

The Halifax "Labour Market Barometer," a key indicator of tendency, continued to rise in July. So there is very little evidence of a subprime related slowdown, and contractors should keep hard at it despite the fuss in the mainstream press.

London Job Market Report

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