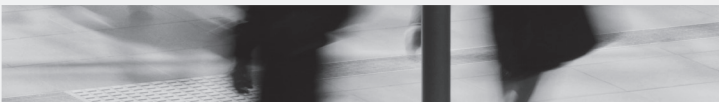




FINANCIAL
SECTOR
EMPLOYEES



The outlook for 2014



The outlook for 2014

During November, we conducted our annual survey of 5,000 financial professionals on their views and opinions on a variety of compensation, recruitment and career topics.

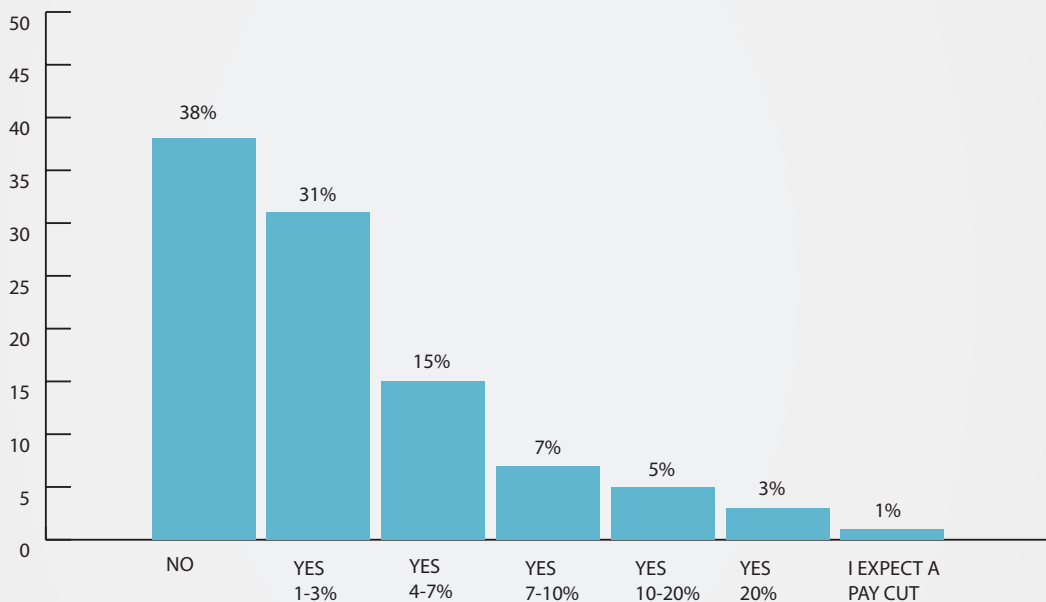
Summary feedback

The broad market sentiment is that 2013 has been a better year than 2012. There is much evidence of a shift in feeling from nervousness about the future to a more optimistic outlook, though it is still very much cautious optimism. In some respects this shift in thinking is positive news for employers but our survey confirms that as employees start to perceive an improvement in the market, they tend to expect commensurate improvements in pay and conditions, and if that does not seem likely in their own firm, they start to consider moving to a new one.

In this report we will show some of the key data from the survey to try and illustrate this point.

Compensation expectations

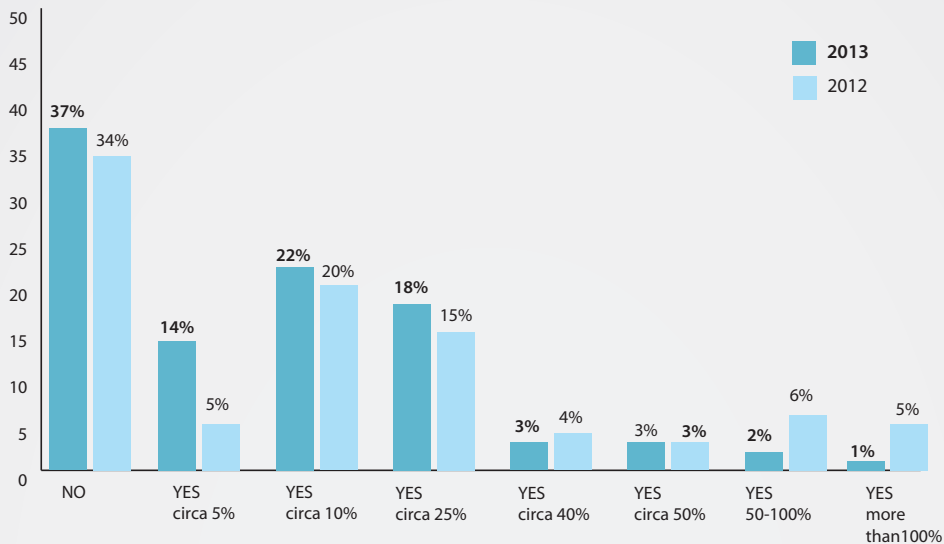
Broadly there is still an expectation of little movement in base pay going into 2014, with a large percentage (38%) of respondents expecting no pay rise, though this is decreased from 43% last year. 31% expect a rise of 1-3% of base salary.



On bonuses

Respondents' expectations of receiving a bonus are similar to last year, with 37% expecting none (34% last year). The majority (54%) expect a payment of 5-25%, and of that group the largest individual section of 22%, expect c.10% payment.

Do you expect a bonus this year?

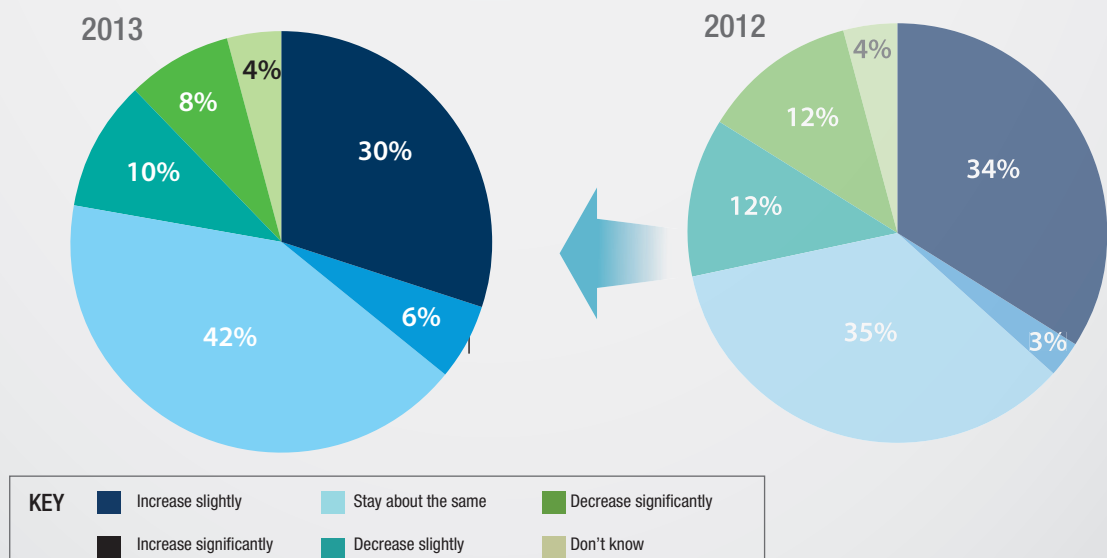


Growth prospects in the sector

We asked whether employees expect the headcount in their area to change in the next 12 months. Since many of the respondents are decision makers in their firms, the answer gives some insight into growth prospects for the sector as a whole. For some firms it will provide some perspective on employees' perception of opportunity, for example if a firm has plans to grow but their staff perceive no likely growth, this potentially impacts retention.

Last year we saw a greater anticipation of growth than in the prior year, and the proportion of respondents this year who anticipate growth is broadly the same (36%). What has changed is that fewer anticipate downsizing (18% of respondents, vs. 24% last year) and the shift in opinion of those individuals is in favour of the expectation of static headcount. So, fewer pessimists but no more optimists.

Do you expect the headcount in your area/team to change in the next 12 months?



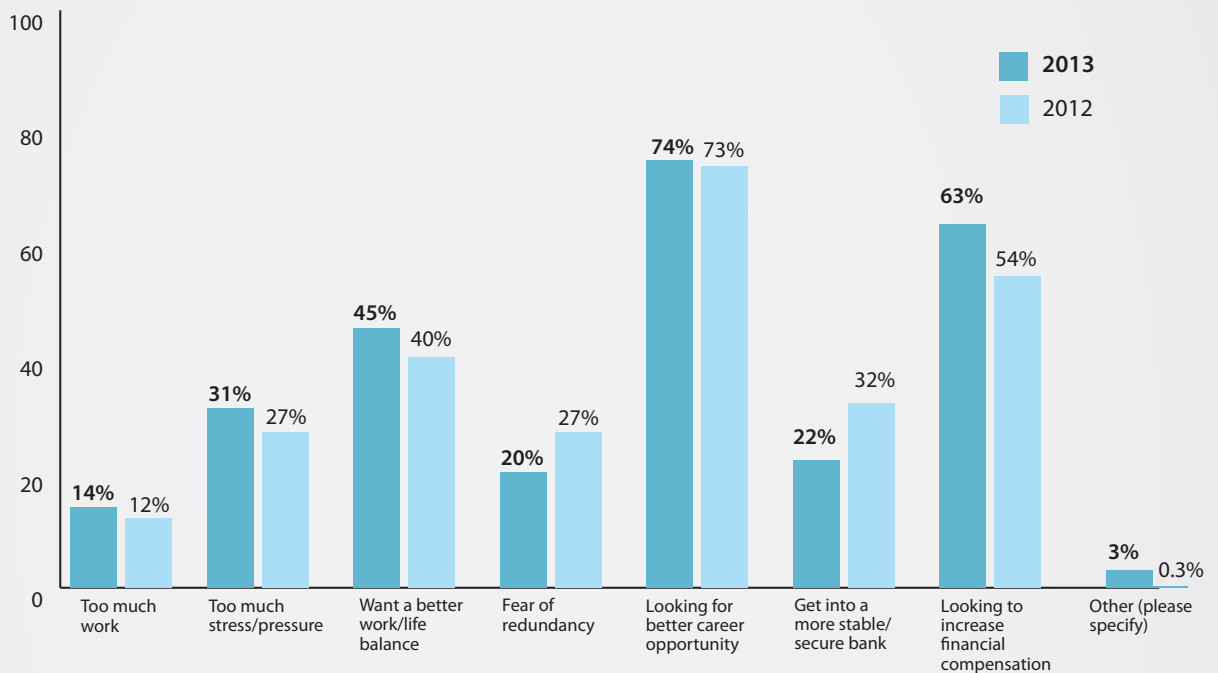
Time for a job change

The comparison of this year's response to last year's demonstrates the mindset shift that comes when an expectation of improvements in the sector is not necessarily reflected in expectation of improvements in one's own employer.

Reflecting earlier responses, fear of redundancy, and the desire to find more stable employers, has waned considerably since last year, showing the clear perception of greater stability in the market.

But the concurrent assumption is that whilst stability is returning, conditions will now remain broadly the same.

In unstable times, employees are more likely to tolerate depressed compensation and higher levels of workload and stress, but if they perceive stability is returning they are less likely to tolerate that, and we see this clearly reflected in the survey results which show marked increases in the likelihood of those factors promoting someone to look for a new job.



Home or away

Contrary to expectations that threats to compensation levels in the UK might encourage a flight to other jurisdictions, our survey shows that the percentage of those respondents who would consider international moves for better pay, has remained the same as it has for the past 3 years (67% this year vs. 70% last), so whilst this seems high, it is not moving.

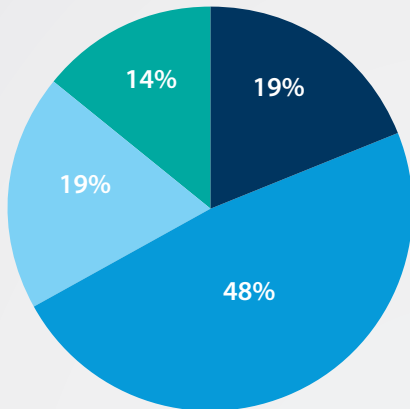
Escaping the ratrace

Each year we ask the financial industry's workers if they think about careers in other sectors. In tune with the responses to other questions this year, there is a shift in opinion with more saying no, and fewer saying yes, or being definitive about such a move.

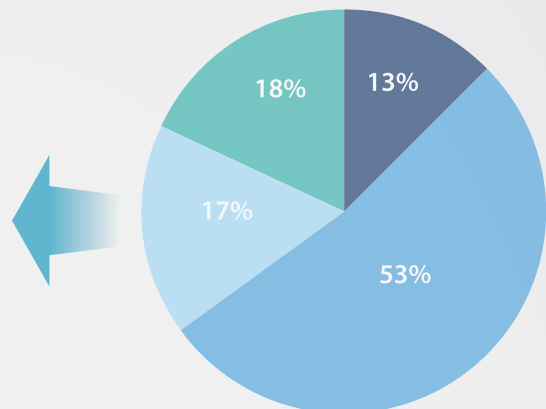
As we stated last year, even though a large number are saying that it crosses their mind, the strong indication is that the large majority never expect to act on it, and in that sense there is a fundamental commitment to the sector.

Do you think about alternative careers you would pursue outside the banking sector?

2013



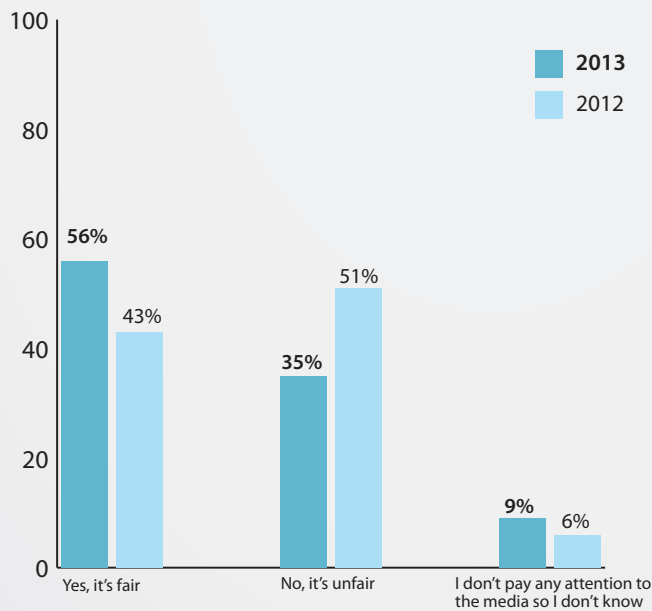
2012



KEY	
■ No	■ Regularly, but it's unlikely I'll ever follow it
■ Occasionally	■ Yes, and I'm already planning for my exit

Fleet Street

The balance of those bank workers who feel that the media are taking an unfair position on the sector, has shifted. More (56%) this year see it as fair and this reflects of course dampening down of anti-banking hype at the present time.



For more information about the recruitment solutions that Michael Page Banking & Financial Services deliver, please contact:

David Leithead

t: 020 7645 1420

e: davidleithead@michaelpage.com

w: www.michaelpage.co.uk/bankingandfinancialservices