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Quantitative Vacancies in the Financial Services Industry

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We are delighted to be partnering yet again with Vacancysoft to provide insight into recruitment activity in financial services.

Vacancies for Quant staff was once a niche so small that few recruiters thought it worth spending much time on, if any at all. However, with the massive amounts of data which the modern world generates becoming ever larger every day, so demand for talented staff who can turn that data into ever more useful information has grown. In this report we look at demand for Quant staff over the last 24 months to see where the growth is, which companies are leading the way and what skill sets they are looking for.

Should you like to know more about current activity in the employee landscape, please contact Oliver James Associates.



Nick Godson
Group Director

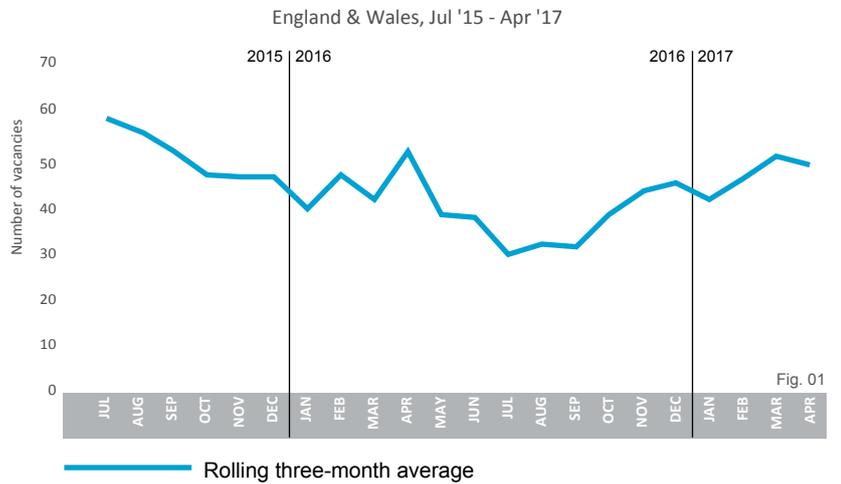
Overview

The number of vacancies for quantitative roles which were announced by the Financial Services Industry in the 12-month period that ended 30 April 2017 was 17% lower than the number announced in the previous 12-month period. However, that headline figure may be slightly misleading, as there were distinct signs over the last 12 months that the demand from FinServ firms for quant staff was showing better prospects than it had shown in 2015/6. If current trends continue, the demand for these specialists may well soon exceed the levels seen in the summer of 2015.

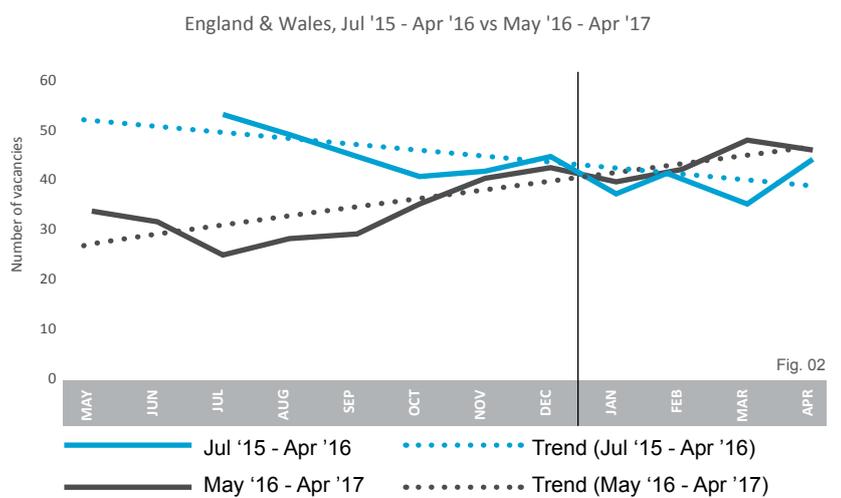
Figure 2 opposite uses rolling three-month averages in order to reduce the effects of seasonality and outliers in the data. The graph clearly shows that while the first half of the period from May 2016 to April 2017 had fewer newly announced FinServ quant posts, the period from January to April 2017 has been noticeably better than the same months in 2016. While the number of vacancies in the six months from May to October 2016 was 35% lower than the number in the same period in 2015, November 2016 to April 2017 had 4% more than those months in 2015/6.

Looking at the data for the different three-month periods certainly provides reasons for optimism. While three of the four three-month periods in 2015/6 (i.e. May to July, August to October and November to January) saw falls in the number of FinServ quant openings, the three-month periods in 2016/7 showed constant growth. In May to July of 2016 there were 52% fewer vacancies than there had been in the same months of 2015. That difference fell to 15% for the months from August to October and was reversed in the remainder of the 12-month period: November 2016 to January 2017 saw 3% more vacancies than that period in 2015/6, while February to April 2017 had 5% more than those months in 2016.

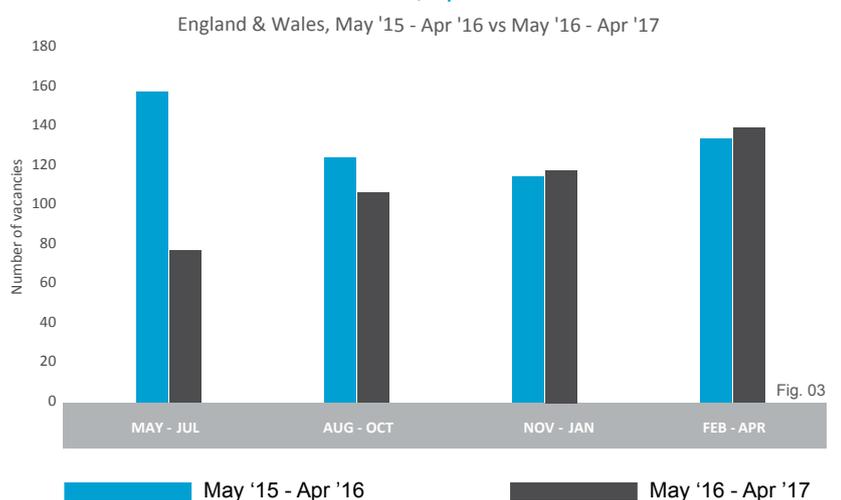
FinServ Quant Vacancies, Rolling Three-Month Average



FinServ Quant Vacancies, Rolling Three-Month Average



Finserv Quant Vacancies, by Three-Month Period



Sector and Region

FinServ Quant Vacancies, by Sector

England & Wales

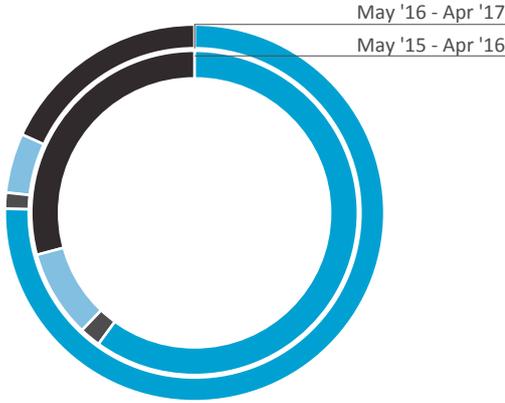


Fig. 04



All FinServ Vacancies, by Sector

England & Wales

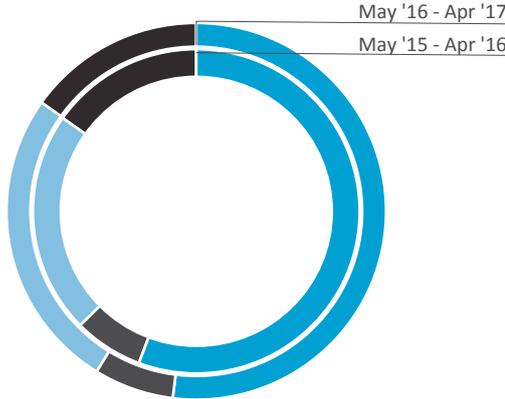


Fig. 05



FinServ Quant Vacancies, by Region

The UK, Apr '15 - Mar '16 vs Apr '16 - Mar '17

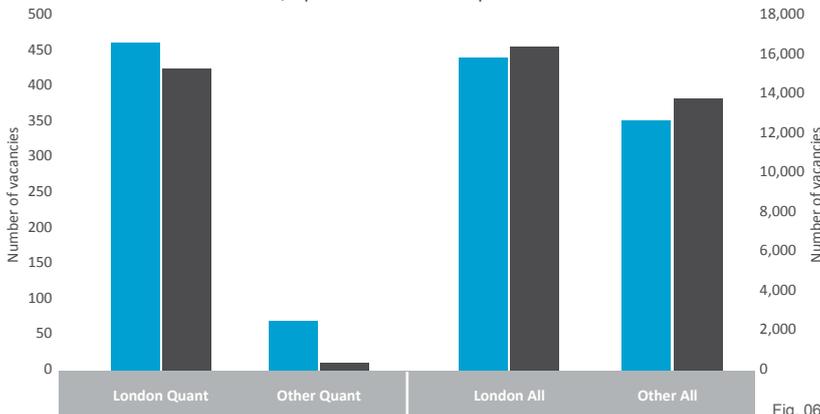


Fig. 06



Breaking down the data by sectors produces some interesting results, especially when compared to data for all vacancies for the Financial Services Industry. The Insurance sector was the source of 24% of all new openings announced by FinServ companies in the 24-month period under review. However, that sector only accounted for 8% of all quant vacancies in that period. Furthermore, while the Insurance sector as a whole announced 9% more vacancies for all roles in the 12-month period ended 30 April 2017 than it had in the previous 12 months, the number of new quant openings there was down by more than 40%.

The Commercial Banking sector also saw contrasting changes in quant vacancies and all FinServ vacancies. In the 12 months ended 30 April 2017 that sector announced 12% fewer new openings for all roles than it had in the previous 12-month period; however, there was a 3% increase in the number of quant vacancies in Commercial Banking 12-month period on 12-month period. It is noteworthy that in the 24-month period under review Commercial Banking accounted for a larger percentage of quant vacancies than for overall openings in the industry, with 67% of newly announced quant posts as compared to 54% of all vacancies. There was also a significant disparity with regard to the Investment Finance sector, which was the source of 15% of all new openings in FinServ but 24% of new quant openings. By contrast, the Insurance sector accounted for only 8% of FinServ quant vacancies despite being the source of 24% of all new positions in the industry as a whole.

In terms of regions, London is absolutely dominant in terms of demand for quant staff. While the capital was the location for 55% of all FinServ vacancies from May 2015 to April 2017, during that period it accounted for 92% of all new openings in FinServ for quant staff.

Specialism and Sub-Specialism

In terms of the specialisms represented in the data set, there are, to all intents and purposes, only two: IT Analyst and IT Development & Engineering. Between them, they were responsible for 97% of all quant vacancies in the 24-month period under review. And that dominance increased in the 12 months ended 30 April 2017, when they were the source of 99% of new openings for quant staff, as opposed to 95% in the previous 12-month period.

Digging deeper into the data in order to look at sub-specialisms reveals that one sub-specialism, unsurprisingly, accounts for the lion's share of all vacancies: Quantitative Analysis. That was one of only three sub-specialisms which saw an increase in vacancies 12-month period on 12-month period, up by 1%. However, that growth, combined with the falls in demand for the vast majority of other sub-specialisms, saw the share of Quantitative Analysis in all quant vacancies rise by 14 percentage points, up from 65% in the 12 months ended 30 April 2016 to 79% in the subsequent 12-month period.

The most significant growth was in the level of demand for Quantitative Developers. The number of newly announced openings for those professionals rose by more than 900% 12-month period on 12-month period. While that was admitted from a very low base, the share of this sub-specialism in all quant vacancies rose to 7% in the 12-month period ended 30 April 2017 from less than 1%. It is noteworthy that this increase was very much across the board. No company announced fewer new openings for Quantitative Developers than it had in the previous 12 months. The number of firms which were looking for employees from that sub-specialism rose from 2 to 16, and both of the firms which had advertised openings for Quantitative Developers in the 12 months ended 30 April 2016 were looking for more of those staff in the next 12-month period.

FinServ Quant Vacancies, by Specialism

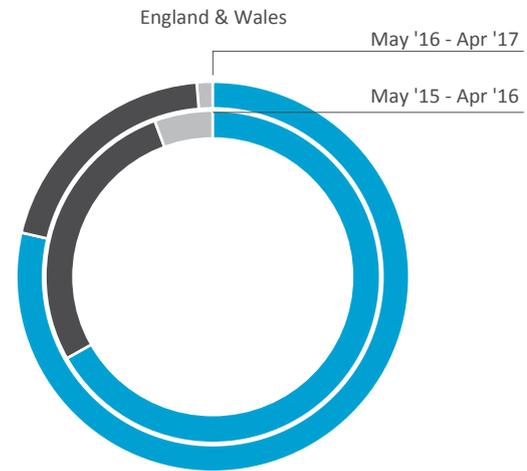


Fig. 07



FinServ Quant Vacancies, by Sub-Specialism

England & Wales, May '15 - Apr '16 vs May '16 - Apr '17

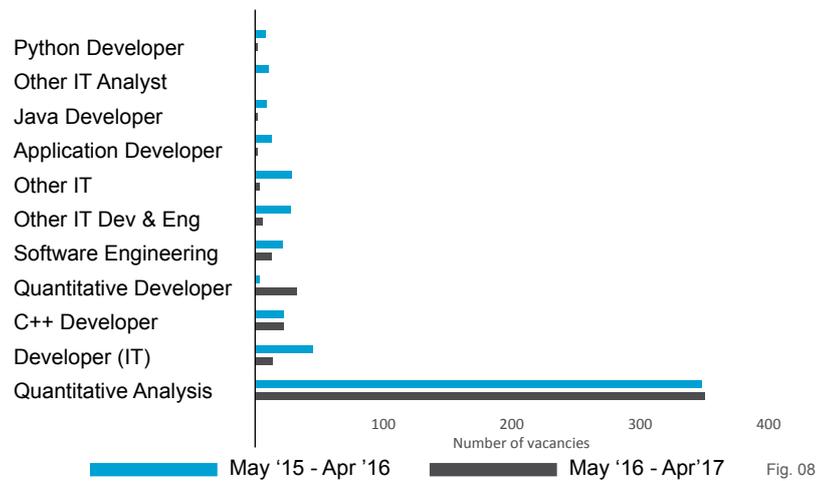


Fig. 08

FinServ Quant Vacancies, Sub-Specialisms excl. Quantitative Developers

England & Wales, Jul '15 - Apr '17

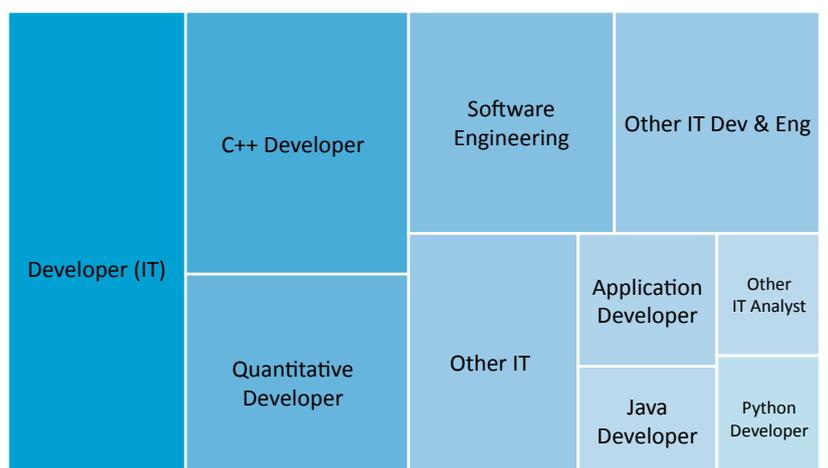


Fig. 09

Companies

Top Ten Companies in the Data Set

May '15 - Apr '16 vs May '16 - Apr '17

Region	Percentage Change	plus/minus
JP Morgan Chase	30	24
Bank of America	-21	-13
Citigroup	45	15
Morgan Stanley	5	2
Goldman Sachs	-68	-41
Barclays Bank	0	0
Man Group	-44	-8
BNP Paribas	0	0
Nomura Holdings	-31	-4
HSBC	-17	-2

Fig. 10

FinServ Quant Vacancies, by Company Ranking

England & Wales, May '15 - Apr '17

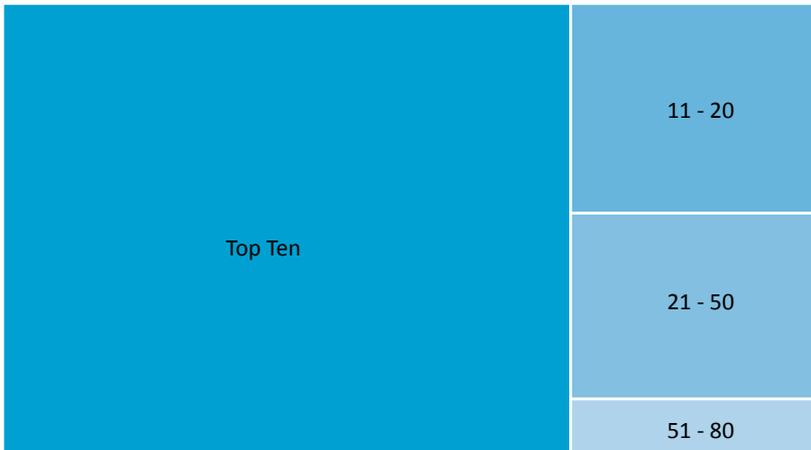


Fig. 10

FinServ Quant Vacancies, by Company Headcount

England & Wales, May '15 - Apr '16 vs May '16 - Apr '17

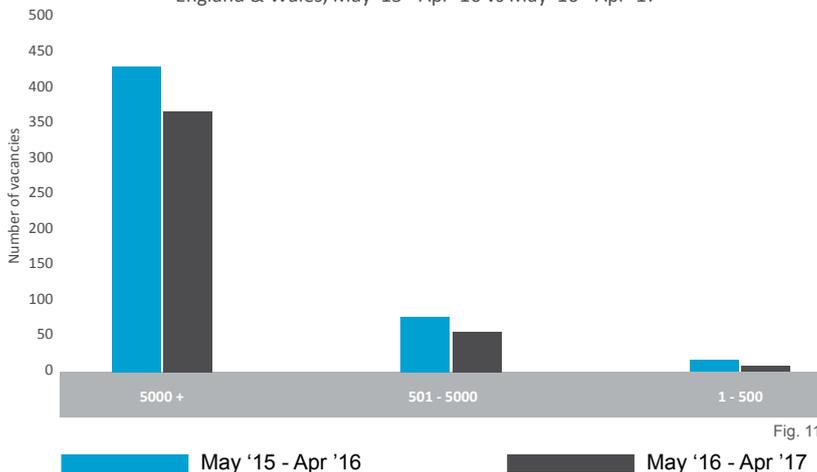


Fig. 11

Ranking the companies in the data set by number of quant vacancies announced in the 24-month period under review gives some surprising results, especially when comparing that ranking to one based on all FinServ vacancies. Perhaps the most striking feature of the list of top firms in terms of quant openings is that the top five are all the London operations of firms which have their headquarters in the USA. This is a distinct contrast to the top five for overall FinServ vacancies: four of those firms are British (HSBC, Nationwide, Barclays and Lloyds) and only one American (JPMorgan Chase). It is also noticeable that the top firms account for a much larger share of quant staff than they do for all roles. In the 24 months under review, the top five firms in terms of openings for all staff accounted for 30.6% of all vacancies; the top five in terms of quant openings announced 55% of quant vacancies. Broadening that to the top 10 firms on each list, the top 10 for quant openings accounted for 70% of those vacancies, while the 10 largest sources of all vacancies announced 42.5% of all new openings.

The top spot on both the quant and overall vacancies lists is taken by JPMorgan Chase. It is notable that while that firm accounted for 7.8% of all FinServ vacancies in the 24-month period ended 30 April 2017, it announced 19% of the FinServ quant vacancies in that period. There is also a noticeable disparity between the rates of growth in all new openings announced by that firm (up just 0.6%) and quant vacancies there (up by 30%). The sharpest fall in demand for quant staff was by Goldman Sachs, which had 68% fewer quant vacancies in the 12 months ended 30 April 2017 than in the previous 12-month period. That drop is even sharper than the 46% fall in all vacancies announced by that firm.

About Vacancysoft

Vacancysoft is a subscription-based data publisher for the Recruitment Industry. Established in 2006, we now have thousands of subscribers worldwide, clients range from FTSE listed businesses to industry specialists, whereby we optimise business development and client care.

Our Vacancy Tracker provides real-time updates of the latest vacancies being published on company websites, with every user having the ability to create their own personalised feed. Sign up for a free trial at vacancysoft.com/FreeTrial

Our Market Reports are written in partnership with leading organisations in the recruitment industry providing unique analysis and insight on the latest trends and are frequently quoted in leading business media. Please email our support team at support@vacancysoft.com if you have any specific questions regarding this report.

Our Recruitment Industry Insights Newsletter contains all the reports, along with other analysis we produce and are published to all relevant people in the recruitment industry. Register for our newsletter at vacancysoft.com/Newsletter

Our Business Intelligence Unit then works with clients to provide bespoke solutions enabling greater insight on market trends enhancing strategy and planning. Contact us to find out more at support@vacancysoft.com

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About Oliver James

Established in 2002, Oliver James Associates is a global specialist recruitment partner to the Financial Services, Professional Services, Commerce & Industry sectors. Our shared values define our working practices and help guide our decisions, actions and behaviours; innovation, passion, adaptability, partnership, respect and excellence. At the core of our six values is the collective aspiration to be the most valued and essential recruitment partner, globally.

We recruit up to C-suite level across key markets in the UK, Ireland, continental Europe, US and Asia Pacific, offering retained, contingency, contract and interim search services. Excellence in delivery is embedded in our culture. We identify and place the best talent for our partners across 14 vertical markets, developing local and international relationships built on trust and uncompromising ethics and integrity.

Our global teams of specialist consultants are experts in their vertical markets with an unrivalled network of mid to senior level professionals worldwide. Our consultants anticipate market demand and successfully deliver on identifying, attracting and placing rare talent within their areas of expertise, creating long-term value for our partners.

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Contacts details

Get in touch with our Client Relationship Team



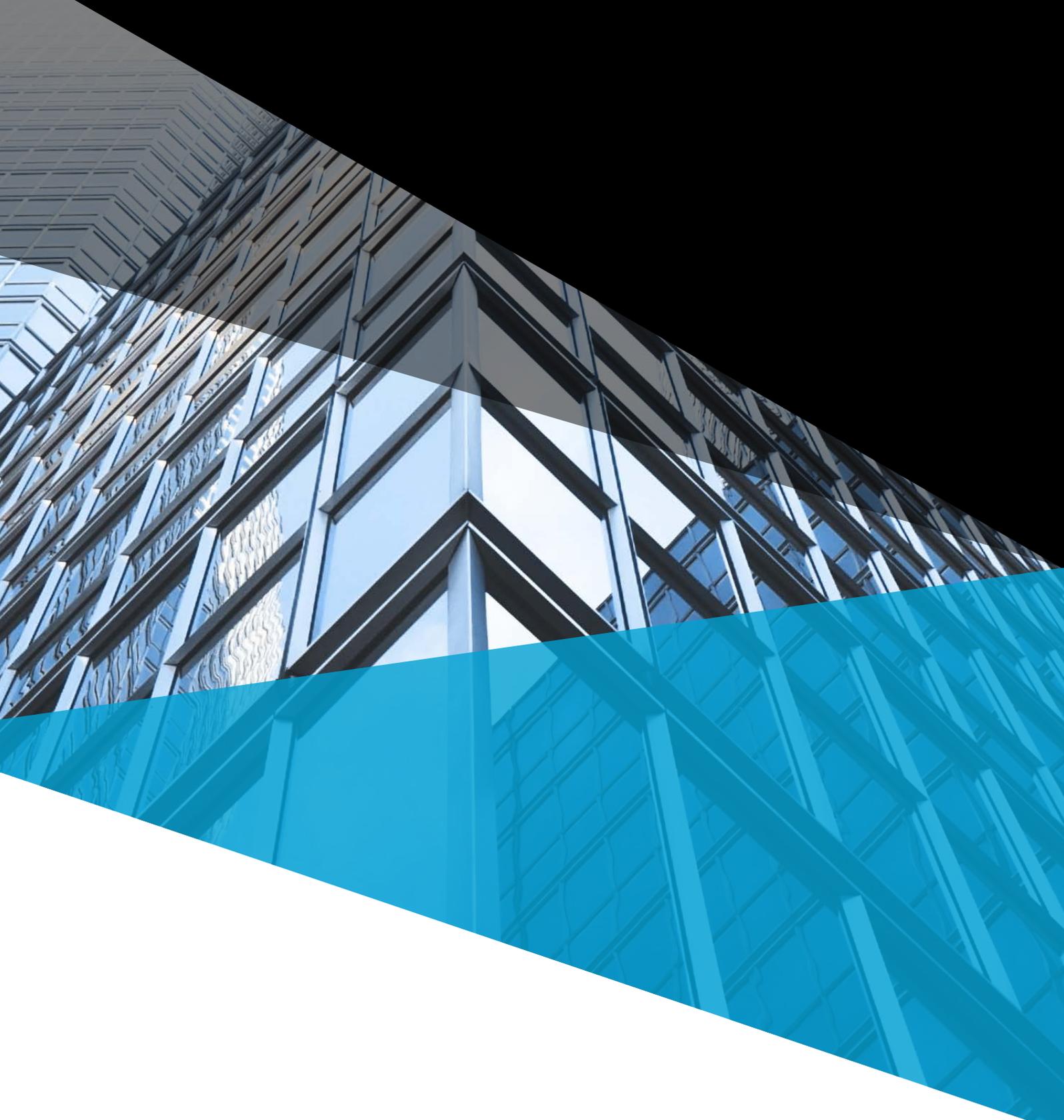
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