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## Lehman's demise will flood an already crowded job market

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**NEW YORK:** The imminent disappearance of two major investment banks, Lehman Brothers and Merrill Lynch, is a double hit for an already wounded job market and is likely to depress salaries on Wall Street. Lehman filed for bankruptcy protection after frantic attempts to find a rescuer failed Sunday, while Merrill Lynch agreed to be taken over by Bank of America.

Headhunters and consultants said the U.S. financial services sector, already suffering from a glut of unemployed talent after shedding more than 100,000 jobs this year, must now brace for as many as 50,000 more.

Bank of America, the second-largest U.S. bank, agreed to buy Merrill in an all-stock deal worth \$50 billion, as Merrill, the world's largest brokerage house, sought refuge from fears that it could be the next victim. **The takeover would make Bank of America the top bank in the United States and was likely to put 40 percent, or about 24,000, of Merrill's 60,000 non broker employees out of work, said Gustavo Dolfino, head of a recruiting firm, WhiteRock, based in New York.**

That, combined with Lehman's approximately 26,000 workers, will send shock waves through the job market. The disappearance of the two firms will also squeeze New York City, which relies heavily on the financial services industry.

**"Some of these professionals are not going to get what they usually get because they're beggars, not choosers, and they're competing with others," Dolfino said, adding that there would be "a lot less money for the state and the federal government."**

**"We're going to ride it out, but what it truly means for the tax base is that the government will have no option than to raise taxes," he said.**

Although Wall Street is not New York's biggest employer, it is the city's economic anchor. Because of the high salaries, each worker in the financial sector is believed to create as many as four other New York jobs.

The year long credit crunch has led to deficits in both the city and state budgets.

The city comptroller, William Thompson, said last week that he was "very concerned" about the resolution of the Lehman saga and warned that it would affect New York's economy and tax revenue.

Lehman staff members in Europe, where the bank employs about 6,000 people, also feared for their jobs.

The recruiters said the job losses would drive more talent to big funds and others looking for investment opportunities and would drive some abroad, despite the global economic slowdown.

