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If Bear staff is cut, tough U.S. job market awaits

By Kristina Cooke

NEW YORK (Reuters) - It will come as no surprise to some Bear Stearns employees if they lose their jobs as a result of the company being sold to stave off bankruptcy.

Financial markets had been rife with speculation for weeks that the fifth largest U.S. investment bank was in trouble because mortgage bond holdings went bad.

On Monday, CNBC television news, citing unnamed sources, reported that JPMorgan Chase, which agreed on Sunday to buy Bear for \$240 million, expected to cut about half of Bear's 14,000 employees.

Like other Americans, some of them would face a parched jobscape as the U.S. economy weakens and the cost of living rises. The U.S. unemployment rate in February was 4.8 percent and payrolls fell by 63,000, the second straight month of payrolls decline.

In the first two months of 2008, U.S. financial companies cut more than 20,000 jobs, according to employment consulting firm Challenger, Gray & Christmas Inc, as they racked up losses triggered by the collapse the subprime mortgage market.

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Gustavo Dolfino, president of recruiting firm WhiteRock in New York, said distressed and high-yield debt, commodities and foreign exchange sectors were doing extremely well and junior employees would likely be snapped up because of strong demand for number-crunchers.

And Asia is a good option for those prepared to move even farther afield, the recruiters said.

"There's a strong movement of brains to Asia because Asia is on fire," said WhiteRock's Dolfino.