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job postings due to fears over the economy.

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By Irina Anghel, Bloomberg News (TNS)

Job vacancies at U.K. consultancies plummeted by more than 80% last year amid weak economic growth, a lack of deals in the City of London and the prospect of a general election.

McKinsey and Co., Bain & Co., Boston Consulting Group and Accenture posted just 248 consulting jobs in 2023, down from 1,389 the prior year and 1,764 in 2021, according to data from labor market analytics firm Vacancysoft.

“That is the biggest year-on-year drop we have recorded anywhere across any

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The professional services sector, considered a bellwether for the U.K. economy, is cutting costs after a post-COVID boom turned into a dearth of deals as mergers and acquisitions dried up.

At the same time as clients slashed budgets and postponed investments, companies saw more consultants clinging to their jobs than expected. That led some of the U.K.'s largest employers to axe hundreds of workers, freeze pay and cut bonuses in 2023.

McKinsey, EY and PwC declined to comment. Accenture, Bain, BCG and Deloitte did not respond to requests for comment. Lisa Fernihough, head of advisory at KPMG UK, said her firm was prioritizing key projects during the downturn.

The situation is likely to remain bleak this year. Almost half of consulting leaders are worried about the U.K. economy and reduced client spending, according to [a survey](#) published last month from the U.K. Management Consultancies Association.

“Given the huge fluctuations in client demand since the pandemic, some readjustments to workforces and the balances of skills within firms is expected,” said Tamzen Isacson, MCA chief executive.

The U.K.'s upcoming election is also likely to pressure the market. Businesses typically pause investment decisions that bring advisory work, while the government also holds off spending on consultants in election years, according to Source Global CEO Fiona Czerniawska.

“Economic growth for the whole country is predicted to be slow so, while we continue to recruit to meet the demand of our clients and audited entities, we are doing so in fewer numbers,” said Paul Eagland, UK managing partner at audit and advisory firm BDO LLP.

Behind closed doors, consulting firms are mapping out possible growth areas and

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Many consultants may see real pay stagnate this year. It's becoming more common for firms to get away with raising wages by just less than 5%, as firms try to minimize the hit to profits. U.K. inflation was 4% in December.

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