

Financial Outlook Points to Major M&A Growth and a Need for Strategic Talent Acquisition

As 2025 concludes, finance industry watchers have noted a welcome acceleration in mergers and acquisitions activity, including within the sponsor-driven, sell-side transaction categories. Though typically M&A activity is clustered toward the first few quarters to ease financial administration, the beginning of interest rate easing in September and October as well as rising valuations and a general shift of attention toward new fund cycles has prompted a recent upswing. As EY Parthenon recently reported, dealmaking built to a crescendo in September with respect to both volume and value, pushing year-to-date deal value growth to 36%; this was largely driven by a sharp uptick in deals larger than \$1 billion.

The spike in large deals reflects the fact that activity has been led by large energy and tech players such as Whitecap, Hewlett Packard, and Softbank as well as large private equity firms with abundant dry powder. However, momentum is soon expected to cascade down to middle market firms. The improved liquidity widely anticipated in 2026 should boost buyout potential across the board and facilitate what Goldman Sachs CEO David Solomon referred to as “a tremendous backlog of significant consolidating situations.” Along with more accommodative capital market conditions, M&A prospects will be boosted by a desire to capture the upcoming AI-related innovation expected from recent major investments, all against the backdrop of favorable regulatory conditions.

Analysts forecast a surge in both deal volume and value, with Goldman Sachs projecting M&A activity could reach \$3.9 trillion in 2026. Sustainable growth requires top talent, and alongside heightened deal flow, firms across the investment spectrum should pursue and retain skilled professionals who can drive and maintain their competitive edge in the market. As **Frick Jones**, Senior Managing Partner for Investment Banking at Jackson Lucas, explains:

“The LP-driven sponsor sell-side space is setting the pace for a war for talent in the M&A sector heading into 2026. We anticipate seeing aggressive hiring at the autonomous execution (VP-Director) through origination levels across these sectors.”

SECTOR SPOTLIGHT: WHERE TALENT DEMAND IS RISING



TECHNOLOGY & AI

Enterprise innovation, cybersecurity, and semiconductors.



HEALTHCARE

Biotech, specialty pharma, digital health, and provider consolidation.



FINTECH & FINANCIAL SERVICES

Regional and digital bank consolidation, payment processors.



ENERGY

Solar, wind, energy storage, and carbon markets.



INDUSTRIALS

Aerospace, defense, construction, and advanced manufacturing.



CONSUMER

E-commerce, DTC brands, and restaurant/franchise roll-ups.

The Key to Capitalizing on the M&A Deal Wave

Firms that move quickly to secure top-tier professionals will be best positioned to capitalize on the deal wave and drive transformational growth. As M&A becomes increasingly talent-driven, investment strategies must account for human capital as a core component of value creation.

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