



2024 LABOR MARKET OUTLOOK

Financial Services

The State of the Financial Sector

2023 was a challenging year across the financial services sector. \$870B in deposits have left banks since the Fed started raising interest rates,¹ and unrealized losses on banks' investment securities—which ballooned in mid-2022—remain high.² Bank stocks tumbled following the collapse of Silicon Valley Bank and recently reached an all-time low relative to the S&P 500 index.³ Commercial and industrial bank loan growth has been slow,⁴ delinquencies on credit card and auto loans are rising,⁵ and mortgage demand hit a 27-year low earlier this year.⁶ Insurers' repair and replacement costs have risen due to inflation in building costs—but premiums are rising more slowly due to regulator pushback on price increases.

Despite challenges across the banking, financial services, and insurance (BFSI) sector, employment levels have been remarkably stable over the past year. Because financial markets by their very nature rely on the rapid processing of information, the financial sector has always been at the forefront of innovation, investing heavily in the technology and talent of the future. Nowhere is this clearer than in the ZipRecruiter marketplace, where banks, funds, insurers, and fintech companies are competing aggressively for top talent in artificial intelligence, data science, user experience design, software engineering, and cybersecurity.

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Job titles on ZipRecruiter such as ‘Director of Underwriting Automation and Artificial Intelligence’ offer a glimpse into the extent of the investments financial services companies are making in cutting-edge technologies and specialized talent.

–Julia Pollak, ZipRecruiter Chief Economist

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Top 5 fastest-growing establishment types

Growth in employment since the pandemic



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, Jan 1, 2020 - Nov 30, 2023.

¹ "Assets and Liabilities of Commercial Banks in the United States," U.S. Board of Governors of the Federal Reserve System, Dec. 8, 2023. Author's calculations.

² "Q3 2023 Quarterly Banking Profile," FDIC.

³ "US bank stocks sink to all-time low against S&P 500," Financial Times, Nov. 11, 2023.

⁴ "H.8 Assets and Liabilities of Commercial Banks in the United States," U.S. Board of Governors of the Federal Reserve System, Dec. 8, 2023.

⁵ "Quarterly Report on Household Debt and Credit," Federal Reserve Bank of New York, Center for Microeconomic Data, Q3 2023.

⁶ U.S. MBA Mortgage Market Index, Jan. 1990 - Nov. 2023.

How Financial Institutions Are Building Their Future Workforces

While demand for financial products and services will surely grow as the economy expands, overall employment in the financial services sector may not. Physical bank branches are gradually being replaced by online services, individual discretion is gradually being replaced by algorithmic decision-making, and many jobs are at high risk of automation.

In a rapidly-evolving industry with constant technological advancements and regulatory changes, companies will frequently need to restructure and redeploy talent. Effective reskilling programs and thoughtful management will be crucial for efficient organizational transitions that do not harm employee morale or productivity. Such programs can be less costly than frequent layoffs and new external hiring, while giving employees what they want in terms of job security and opportunities to learn and grow on the job.

Industry Snapshot

Fastest-growing job titles

Based on change in job postings, 2022 to 2023

Demand for these roles rose between 2022 and 2023:



Budget Analyst



Tax Law Specialist



Life Insurance Sales Agent



Mortgage Protection Specialist



Privacy Analyst

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023; roles with over 100 postings.

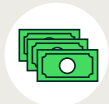
Top-performing job titles

Based on average # of clicks per posting

Job seekers on ZipRecruiter express the highest interest in these roles:



Remote Mortgage Underwriter



Commercial Collections Specialist



Sales Representative Health Insurance



Mortgage Loan Underwriter



Accountant Bookkeeper

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; roles with over 100 postings.

Top-performing markets

Based on average # of applies per posting

Job seekers in financial services on ZipRecruiter express greatest interest in these markets:



New York, NY



Los Angeles, CA



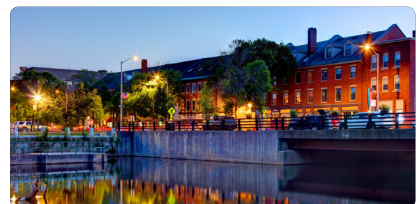
Lithonia, GA



Stafford, TX



San Diego, CA



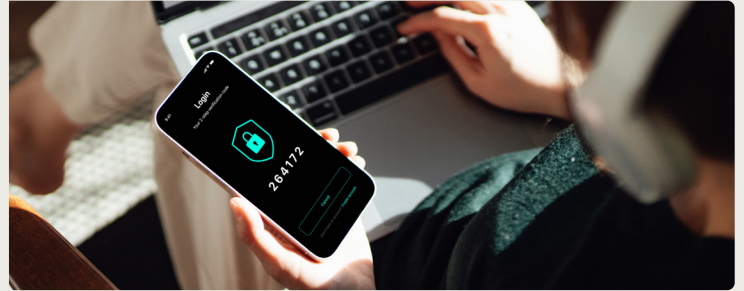
Dover, NH

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023-Oct. 24, 2023; markets and roles with over 100 postings.

Three Trends to Watch

1. A cybersecurity talent surge

The recent digital shift has heightened the need for cybersecurity experts. With a 300-fold increase in cyber attacks on BFSI companies,⁷ regulatory bodies are enforcing stringent security measures. This has created a constant demand for professionals skilled in cybersecurity and compliance.



2. A wealth management boom

The aging population and retiring baby boomers have led to a surge in demand for wealth management and retirement planning services. With 10,000 Americans reaching retirement each day,⁸ financial institutions are expanding their teams of asset managers and financial planners to cater to the growing need for retirement assistance.

3. A product innovation arms race

The digital era allows easy comparison of financial offerings online, intensifying competition. To become the go-to financial solution for customers, banks are focusing on innovation. Success in this competitive environment hinges on building robust product teams of top tech talent that can develop comprehensive suites of integrated and personalized financial services.



“Finance 2.0”: The Challenges of Keeping Up with Digitalization

As younger generations of consumers demand more compelling digital experiences—and as businesses seek to boost efficiency and improve internal communications—financial services companies are integrating their information systems, automating business processes, and undergoing full-scale cloud migrations. According to research by Randstad, the financial services sector outpaced all other sectors in 2023 when it came to investments in relevant technology.⁹

Designing an integrated digital banking experience is more complicated than it might seem, however. Even as financial services organizations devote hefty portions of their budgets toward digital transformation and artificial intelligence, many are struggling to keep up in a highly competitive environment. The result is a talent war for the most skilled, specialized, experienced professionals.

⁷ “2020 Census Will Help Policymakers Prepare for the Incoming Wave of Aging Boomers,” U.S. Census Bureau, Dec. 10, 2019.

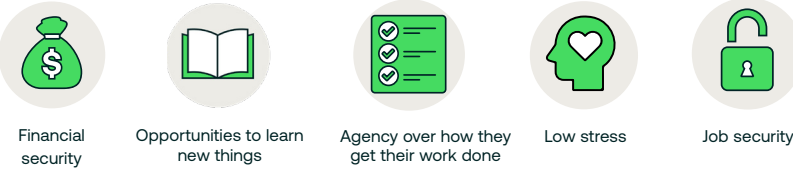
⁸ U.S. Census Bureau, “2020 Census Will Help Policymakers Prepare for the Incoming Wave of Aging Boomers,” Dec. 10, 2019.

⁹ “2023 Talent Trends Sector Report: Banking and Financial Services,” Randstad.

Attracting the Workforce of Tomorrow

What workers want

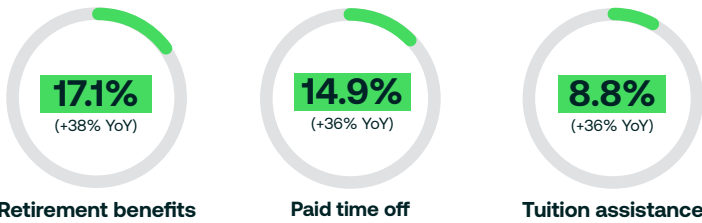
Job seekers like financial sector jobs for the security and opportunities they offer, but want more control over how they do their work.



Source: ZipRecruiter Q3 2023 Job Seeker Confidence Survey.

Trending benefits

Mentions of benefits in job postings on ZipRecruiter



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023.

54.6%

of financial service job postings on ZipRecruiter list soft skills.

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023.

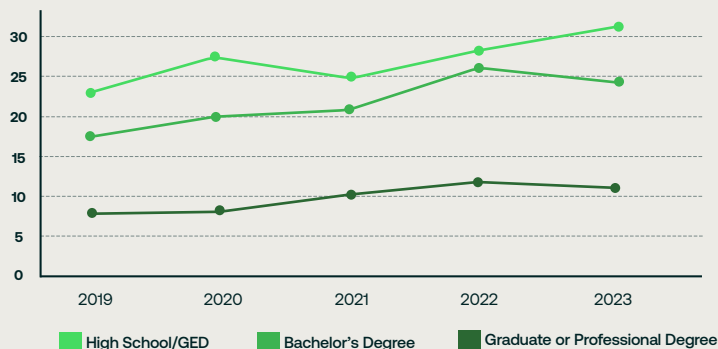
15.5%

of financial service job postings on ZipRecruiter are remote.

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023.

Evolving job requirements

Unlike companies in most other industries, employers in financial services have NOT relaxed education and training requirements in job postings. On the contrary, they are increasingly demanding advanced skills and degrees, while also increasingly emphasizing soft skills.



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2019 - Oct. 24, 2023.

ZipTips

To attract and retain top financial talent:

1. Invest in reskilling

Financial services companies often have dedicated teams with expertise in learning and development and talent management. These teams often provide leadership training and professional development. As technological disruption accelerates, these teams should be tasked with working closely across departments to identify in-demand skills and help the organization redeploy talent from surplus to shortage, and from redundant roles to emerging roles.

2. Highlight opportunities for career growth

Employees highly value continuous learning and career progression. Once you have a well-oiled system for reskilling workers and recruiting them internally, highlight opportunities for career advancement in your recruiting and onboarding process.

3. Offer flexible work arrangements

Offering flexibility around when and where work is performed is crucial for enhancing job satisfaction and recruiting and retaining top talent, especially workers with STEM skills who often have many remote and flexible alternatives in tech and business. While fintech companies and insurers have largely adopted remote work, many traditional banks have not. Offering greater flexibility can improve your competitiveness, expand workforce diversity, and avoid burnout-driven attrition among new parents and older workers.