FINANCIAL SERVICES

Identifying and Addressing Workforce Challenges in the Financial Services Industry

DEPARTMENT OF LABOR · UNITED STATES OF AMERICA

Identifying and Addressing Workforce Challenges in America's Financial Services Industry

High Growth Job Training Initiative

The U.S. Department of Labor
Employment and Training Administration

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March 2007

Preface

The following report, prepared by the U.S. Department of Labor (DOL), Employment and Training Administration (ETA), details the efforts around former President George W. Bush's High Growth Job Training Initiative (HGJTI) for the Financial Services Industry. It provides an overview of the industry, outlines the goals and activities of the High Growth Job Training Initiative, examines the workforce challenges facing the industry, and discusses possible solutions to address the industry's challenges.

ETA recognizes and commends the ongoing commitment of the financial services industry to workforce development, and will work collaboratively with the industry to support and replicate its successes. As this report details, the industry faces pressing workforce challenges ranging from the need to recruit a pipeline of new workers to delivering on demand training to incumbent workers. Comprehensive partnerships among education, employment, and economic development are needed to effectively address these challenges, and ETA seeks to partner with industry to model such collaborations.

This report describes the outcomes from a series of forums held with financial companies, workforce development professionals, and other stakeholders regarding the key workforce challenges facing the financial services workforce. It presents the industry and workforce challenges and offers ideas for specific solutions, as well as guidance for investments. In this way, the report provides a basis for developing strategic partnerships among the financial services industry, the public workforce investment system, and educators, leading to solutions to workforce challenges.

ETA thanks all who participated and contributed to this work. The thoughtful insights and genuine concerns expressed by companies, educators, and all stakeholders give their recommendations the credibility and potency that will be required to create and drive the changes needed. To those who generously gave their time, effort and other resources to this work, thank you for your thoughtful contributions. To those reading about this initiative for the first time, ETA looks forward to your contributions to address the challenges that stand before America's financial services industry.

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Executive Summary

Introduction

A top priority of the Employment and Training Administration (ETA) is to expand the local workforce system's capacity to be market-driven, responsive to local economic needs, and a contributor to the economic well-being of communities. Fields like health care, information technology, and financial services have jobs and solid career paths left open due to a lack of people qualified to fill them. Through targeted investment of workforce development resources and support for private and public sector partnerships, ETA ensures the development of workers' skills in growing occupations and industries.

Financial Services

The financial services industry is comprised of the banking, securities and commodities, insurance, and real estate sectors. For the purposes of this initiative, ETA has focused primarily on the first three sectors. This industry handles financial transactions such as creation, liquidation, or change in ownership of financial assets. The main activities in this industry include taking deposits and/or issuing securities, handling financial risk by underwriting and annuities, and supporting and facilitating programs like insurance and employee benefits. The industry was chosen as a high-growth industry because of its impact on the nation's economic viability and development. In 2004, financial services accounted for over twenty percent of the Gross Domestic Product.

The education of the workforce in this industry ranges from high school education to post graduate study. Many of the office and administration positions require a high school education with institutions offering further educational opportunities for in-house advancement. Management and many professional positions require a minimum of a bachelor's degree, and there is growing demand for further education. However, some management positions continue to be filled in the banking and insurance sectors by promoting experienced and technically skilled professionals.

The High Growth Job Training Initiative

The High Growth Job Training Initiative seeks to provide national leadership for a demand-driven workforce system. It is a strategic effort to prepare workers for new and increasing job opportunities in high growth/high demand and economically vital industries of the American economy. Through the High Growth Initiative, the Employment and Training Administration (ETA) works with industry leaders to identify their critical workforce challenges, and invests in demonstration projects that help individuals gain the skills they need for successful careers in these expanding or transforming industries. The foundation of this initiative is partnerships between the publicly funded workforce investment system, business and industry representatives, economic development entities, and education and training providers. The purpose of these partnerships is to develop innovative solutions or replicate effective models that address a targeted industry's workforce challenges.

The Workforce Challenges Facing the Financial Services Industry and Proposed Solutions

Through four Executive Forums, ETA met with executives from corporations and firms in the banking and insurance sectors, along with representatives of educational institutions, and state economic development entities. The information collected over the course of the High Growth Initiative in financial services provides insight into what industry executives identify as their key workforce development concerns. It is clear that there is demand for *new* workers, recruited from *new* sources, trained with *new* skill sets, along with training for incumbent workers to upgrade their skills.

The Solutions Forum

Following the Executive Forums, ETA convened a meeting of industry experts to review the challenges and suggest solutions. Their suggestions were collected in three categories:

- ***Recruitment and Retention*** – focusing on accessing untapped labor pools, worker retention, and career awareness and developing a worker pipeline.
- ***Competency Models and Career Ladders and Lattices*** **–** developing methods to articulate skill needs and defining career paths.
- ***Training Strategies*** **–** ensuring entry-level worker and incumbent worker training and education programs align with the needs of employers.

Next Steps

ETA supports comprehensive public-private partnerships to develop innovative approaches and replicate models that effectively serve the workforce needs of business while helping workers find good jobs with good pay and promising careers.

Based on the challenges identified by the financial industry sector and highlighted in this report, ETA has made a series of investments totaling nearly $6 million to address the workforce needs in the areas of skills and competency training, and developing a pipeline of prospective workers for the various sectors of the industry.

The next steps in this process include the implementation of these demonstration projects and sharing the successful models with the public workforce investment system so that their replication by other partnerships may ensure job growth for this key sector of the American economy.

Introduction

The American Workforce

America's labor market is facing a serious challenge arising from two primary sources: an insufficient supply of people with necessary skills and the "leveling off" of the number of American-born people available for jobs. For example, it is projected that the percentage of the workforce with college degrees will grow very slowly.[1] In addition, it is projected that in the next twenty years, there will be virtually no growth in the prime age workforce and a marked slowdown in skill growth.

In recent decades, the U.S. has experienced a marked increase in both the size and educational level of its labor force, and as a result, the country has experienced strong economic growth. The depth and breadth of the labor pool has been expanded by large numbers of Baby Boomers, women, and immigrants entering the workforce, as well as large increases in the number of college-educated workers. However, growth in numbers of new and educated American-born workers is ending. In the next 30 years, the number of native-born workers age 35-44 will decrease, while more than 60 million employees are likely to retire.[2] It seems probable that growth in the labor force will be sought from older workers, immigrants, and other underutilized labor pools.[3] The changing demographics of the workforce create new challenges and opportunities for employers.

The economy of the United States, similar to that of other developed nations, is fueled by innovation. In the face of a global economy, employers are using new productivity-enhancing technologies to remain competitive. Two thirds of America's economic growth in the 1990s resulted from the introduction of new technologies. This continual process of innovation and technological change has resulted in jobs that demand ever-higher skill levels. For example, sixty percent of the new jobs of the 21st century require some post-secondary education. However, currently only one third of America's workforce has this level of education.[4]

Building a Demand-Driven Public Workforce System

The mission of the Department of Labor's Employment and Training Administration is to contribute to the more efficient and effective functioning of the U.S. labor market by providing high quality job training, employment assistance, labor market information, and income maintenance. These services are provided primarily through state and local workforce investment systems. While the federal government invests $15 billion annually in workforce development programs, private sector employers and individuals invest far larger amounts. ETA is responsible for ensuring that the federal funding is utilized in the most effective manner possible.

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[1] DT Ellwood. 2001. "The spluttering Labor Force of the 21st Century. Can Social Policy Help?" National Bureau of Economic Research, June 2001.
[2] Facts on Immigration, National Immigration Law Center, March 2003, p. 1.
[3] The Aspen Institute Domestic Strategy Group. Grow Faster Together. Or Grow Slowly Apart. How will America Work in the 21st Century. p 11.
[4] United States, The White House, Better Training for Better Jobs (Washington, DC: 5 April 2004).

One of ETA's primary goals is to provide America's economic engine (business) with the highest quality workers possible, and to link the two together for their mutual benefit. This relationship allows workers to live more productive and prosperous lives and businesses to be more competitive in the global economy, ensuring no worker is left behind. Recognizing the inextricable ties between workforce development and economic development, ETA promotes partnerships among community colleges and other educational institutions, private industry, and workforce and economic development entities.

Capitalizing on the power of partnerships will allow ETA to create a demand-driven approach to workforce development, which focuses the workforce investment system on giving workers readily useable skills, knowledge and information that are most needed by employers, particularly in high-growth occupations with career potential, like financial services. In the past, the U.S. workforce investment system has often focused more on the supply of workers than on the demands of the labor market, with the result that workers sometimes received training for jobs that did not exist. Without aligning training programs with the demands of the labor market, the workforce system was not helping American businesses to remain competitive in the global economy. In addition, workers often did not receive the benefits of possessing those skills that were of value and high demand in the marketplace, including higher wages and improved job security.

In seeking to align the workforce investment system more closely with the demands of the labor market, ETA has focused on the following goals. First, to meet the demands of businesses by providing adults, youth, and untapped labor pools with the educational, occupational, and other skills training and services needed for high demand occupations. Second, to bring together resources devoted to employment, education, and economic development, and use them strategically to create opportunities for workers.

A demand-driven workforce investment system will help the U.S. economy meet the increasing challenges of globalization, changing demographics, and the rapid pace of technological innovation. These challenges make it critical that every available worker be prepared with skills to join the workforce and contribute to the continued competitiveness of American businesses.

Demonstrating Solutions: the High Growth Job Training Initiative

While demographic and other trends pose daunting hiring and training challenges for employers, ETA believes these challenges can be overcome through collaborations among key industry stakeholders. This initiative represents the first step in a series of actions that the Department of Labor's Employment and Training Administration (ETA) has taken to engage business, education and the workforce investment system to work together to develop solutions to the workforce challenges facing high growth industries. These industries were selected based on such factors as: employment growth; dramatic workforce transformation; impact on the nation's economic viability and development; and emerging industries. In addition to financial services, the fourteen industries include: advanced manufacturing, aerospace, automotive services, biotechnology, construction, energy, geospatial technology, health care, homeland security, hospitality, information technology, retail, and transportation.

ETA believes that successful strategies for workforce development depend on the leadership of industry for development and implementation. Only the leadership and commitment of industry can guarantee that workers are trained to the skills and competencies that are in demand in the labor market.

Under the High Growth Initiative, ETA has conducted a series of Executive Forums to solicit industry leaders to describe their workforce challenges, such as current and anticipated demand for workers, skill shortages, views on worker pipeline capacity, promising workforce practices, and knowledge of the existing public workforce system at the local, state, and federal levels. Through Workforce Solutions Forums, ETA has worked with a wide array of stakeholders to explore potential solutions to the industries' challenges, and ultimately to invest in innovative partnerships. In this way, the High Growth Initiative promotes an industry-led approach to identify the most critical workforce challenges and develop and implement solutions to those challenges.

The High Growth Initiative is also a strategic effort to improve the publicly funded workforce system's response to the needs of the labor market by aligning the workforce system to become demand-driven. The High Growth Initiative seeks to demonstrate how the public workforce system may serve as a catalyst for collaborations among employers, business associations, workers, educators, trainers, community and technical college systems, and economic development organizations. The purpose of these partnerships is to model how a demand-driven workforce system can more efficiently serve the workforce needs of business, while also effectively helping workers find good jobs at good wages.

By supporting the local workforce system's transformation to become demand-driven, ETA is actively promoting workforce quality, enhanced productivity, and economic competitiveness. The ability to respond to evolving labor market demands will require strong, collaborative relationships between the private and public sectors. With its partners, the High Growth Initiative seeks to leverage the publicly funded workforce system to prepare new and incumbent workers with the general and industry-specific knowledge and skills required by employers.

Section I: Overview of the Financial Services Industry

Financial Services as a High Growth Industry

The financial services industry was selected as a high-growth industry because of its sheer size. The industry consists of banking, commodities and securities trading, insurance, and real estate. Under the High Growth Initiative, ETA has focused on the first three sectors. In 2002, the industry's Gross Domestic Product generated over $2 trillion in current dollars, a 20.6% share of the total GDP. In 2004, financial activities employment averaged 8,052,000, an all-time high. The Bureau of Labor Statistics projects that financial activities employment will increase 10.5 percent between 2004 and 2014. Several occupations in the industry are projected to experience a higher rate of job growth. While there are many cross-industry similarities, each of the sectors has different training requirements, workplace trends, and future workforce issues.

Banking

The banking industry includes several different types of banks, with commercial banks dominating the industry. Commercial banks come in various sizes from global institutions, to regional and community banks, to banks providing services only online. In 2004, the banking industry employed about 1.8 million wage and salary workers. About 7 out of 10 jobs were in commercial banks; the remainder concentrated in savings institutions and credit unions.

The employment growth and the opportunities in this industry continue to change with the impacts of technology, deregulation, mergers, and population growth. Bank tellers account for 1 out of 4 jobs, while office and administrative support make up 2 out of 3 jobs. Bank tellers, office, and administrative support, which require only a high school diploma, will continue to be in demand because of the numerous positions and high turnover rate. Other professional occupations require a bachelor's degree and an advanced degree is often desirable. Yet the banking industries' overall employment is projected to decline 2 percent between 2004 and 2014 because of the increase in technology, mergers, and automated machines.

The future of the banking industry appears to remain profitable. Americans are changing the way they manage their money and their interaction with their local branch bank. The major trends facing the banking sector include the increasing number of customer services offered, a trend towards online banking, and a continuing pattern of mergers among financial institutions.

Securities and Commodities

The securities and commodities industry includes corporate and private firms, and organizations. The Internet has dramatically changed this industry by enabling investors to buy and sell securities and commodities directly online. However, the firms are finding new approaches and services to attract wealthy clients and the investment conscious public, including the aging baby-boom generation. The securities, commodities, and other investments industry employed 767,000 wage and salary workers in 2004. In May of that year, the average weekly earnings of

non-supervisory workers in the industry were $921 compared with $529 in all industries combined.

Half of the jobs in this industry are held by individuals with college degrees, with a postgraduate degree rapidly becoming essential. Competition in this industry remains fierce for the jobs of securities sales agents and management, business, and financial operations workers. At the same time, employment opportunities are expected to grow with the increase of investment in securities and commodities and the need for investment advice.

The industry has seen substantial change with the improvement of technology, deregulation of the banking industry, globalization of the marketplace, and shifting demographics. The future of the industry is directly related to the market and the strength of the economy. The industry will continue to prosper during strong economic times, but can change more than any other sector during its downtimes.

Insurance

The insurance sector consists mainly of *insurance carriers* and *insurance agencies and brokerages*. Growing areas of the insurance industry are medical services and health insurance, and the industry's expansion into the broader financial service field. While some of these establishments are affiliated with a particular insurer and sell only that carrier's policies, many are independent and are thus free to market the policies of a variety of insurance carriers.

The insurance industry employed about 2.3 million wage and salary workers in 2004. Insurance carriers accounted for 62 percent of jobs, while insurance agencies, brokerages, and providers of other insurance-related services accounted for 38 percent of jobs. In addition, about 151,000 workers in the industry were self-employed in 2004, mostly insurance sales agents. Office and administrative occupations usually require a high school diploma, whereas employers prefer college graduates for sales, managerial, and professional jobs. Opportunities for advancement are relatively good in the insurance industry. Office and administrative support workers can advance to higher paying claims-adjusting positions and entry-level underwriting jobs. Sales workers may advance by handling greater numbers of accounts and more complex commercial insurance policies.

While corporate downsizing, computerization, and changes in business practices will limit job growth in this large industry, numerous job openings are expected, enabling new workers to replace those who leave or retire. Wage and salary employment in the insurance industry is projected to increase 10 percent between 2004 and 2014.

Section II. The High Growth Job Training Initiative Process

Prior to launching the Financial Services Initiative, key workforce and business leaders were identified and invited to partner with ETA to address the workforce challenges faced by the industry. Concurrently, an environmental scan of the industry was conducted to create an economic and employment picture of the industry, identify policy and legislative issues, and key stakeholder associations.

The Initiative proceeded through three phases: Information Gathering, Research and Analysis, and Implementation.

Information Gathering and the Executive Forums

The commitment to engage industry leaders and document their workforce challenges is a fundamental underpinning of the High Growth Initiative. ETA believes that it is only by identifying the industry's specific needs that national, state, or local workforce professionals can broker effective solutions. For the High Growth Initiative, this objective was accomplished through Executive Forums that set up dialogue around two general themes:

- To identify the workforce challenges facing financial service employers.
- To find ways for the U.S. Department of Labor to help financial services employers meet current and future labor demands.

Over the course of several months, Assistant Secretary for Employment and Training Emily Stover DeRocco met with financial service industry leaders to gather pertinent information about critical workforce issues, and to hear their recommendations on how to address these issues. Through the forums, she had the opportunity to share the ETA's plans to meet skilled workforce needs, and to elaborate on current public workforce initiatives. Additionally, the forums provided the opportunity to secure a commitment from leading financial service employers to follow up with ETA staff.

Using information garnered at the forums, financial services employers, educators, and the public workforce system identified workforce gaps, proposed training initiatives and strategies to address the needs of business, and nurtured the public-private partnerships to support demand-driven responses to the needs of the labor market.

The first forum, held on April 7, 2005, was part of the Insurance Conference Group's biannual meeting in Naples, Florida. Individuals from the leading insurance companies participated in the session. This forum focused on the workforce challenges facing historically insurance-focused employers. Some of the institutions represented were Allstate, Geico, Principal Financial, Prudential, and State Farm.[5]

[5] See Section V: Appendix for a complete list of companies represented at the Executive Forums.

The second forum, held on April 19, 2005, in Charlotte, North Carolina, included individuals from banking, insurance, and financial corporations. Some of the institutions represented were Bank of America Corporation, AEGON USA, BB&T Corporation, Coastal Federal Credit Union, Guaranty Financial Services, and RBC Financial Insurance.

On May 10, 2005, the third forum was conducted as a set of corporate meetings with executives from Citigroup and MetLife respectively in Long Island City, New York. This group identified additional workforce challenges facing financial service employers.

The final forum was conducted in Des Moines, Iowa on May 20, 2005. The attendees represented national and regional insurance and banking companies. Participating employers included AEGON Insurance Group, First Data Corporation, Grinnell Mutual Reinsurance Company, GuideOne Insurance, and Wells Fargo among others.

Some of the workforce issues identified at the Executive Forums became key issues for the initiative with the financial services industry, including:

- Recruitment of new workers from previously untapped labor pools, especially youth, recent college graduates, individuals with disabilities, and mature workers;
- The impact of new technology on the workplace; and
- The need for effective incentives and valuable training opportunities to retain employees.

Section III. Identification and Analysis of the Workforce Challenges and Solutions in the Financial Services Industry

Through the Executive Forums and the Workforce Solutions Forum, ETA listened to the financial service industry stakeholders describe the key workforce challenges across industry sectors and the most promising solutions to address these challenges. The workforce challenges identified by senior executives, human resources professionals, and industry associations during the Executive Forums and during the Workforce Solutions Forum follow.

Each workforce challenge is identified and briefly described. There follows a brief summary of significant issues and observations are presented. Proposed solutions follow, grouped according to the overarching categories: 1) recruitment and retention solutions, 2) competency models and career ladder solutions, and 3) training solutions.

In gathering proposed solutions during the Financial Services Industry Solutions Forum, ETA established the following criteria to be considered a "model solution." Model solutions must be:

- Actionable
- Unique
- Replicable
- Measurable
- Innovative
- Sustainable

Challenge 1:
Recruitment and Retention

Issues and Observations

At each Executive Forum, industry leaders from various sectors of the financial services industry discussed the challenge of accessing and recruiting a pipeline of new workers, especially youth, recent college graduates, veterans, individuals with disabilities, and mature workers. The workforce environment has continued to change at a fast pace, and both the industry's image and employee skill sets need to change to match the new job requirements. The industry does not have a standard competency model, but industry leaders outlined their skill needs to include basic math and reading skills, core financial knowledge, soft skills, customer service and communication skills, and regulatory or compliance knowledge on the part of their potential employees. Furthermore, the insurance community continues to face the image challenge of being perceived as "unglamorous," "unexciting," and unstable because of commission-based salaries. Insurance industry leaders also discussed the particular challenge of recruiting employees to become actuaries because there is very little awareness of the profession despite its typically good compensation.

A related challenge is retaining workers. Industry stakeholders report that there is intense competition among companies within the industry and it is difficult to keep the most highly skilled employees. Benefits such as day care options and flexible work hours become key to employee retention. In addition, there is a high employee turnover rate in the industry and institutions have had little success in keeping older workers in the workforce longer.

Proposed Solutions
Recruitment and Retention

Sub-issue #1 Accessing untapped labor pools	Proposed solutions targeting untapped labor pools include creating a job readiness program that incorporates workplace and soft skills competency training, targeting academically & economically disadvantaged labor pools, and developing career academies in financial services for at-risk high school students.
1. Create a job readiness program	Develop an instructor-led job readiness program that focuses on workplace and soft skills competency training. Include such elements as: • Internal/external customer services • Working in teams • Workplace performance expectations • Dealing with conflict

	• Explicit links between curriculum and real work • Assessment of basic computer skills, math, reading; training as needed; ESL as needed
2. Target academically and economically disadvantaged labor pools	Competency training in core areas of keyboarding, math, reading, and soft skills as required by employers. In addition, work closely with employers to define course needs and curriculum.
3. Develop career academies in financial services for high school students.	Joint curriculum development between educational institutions and financial service employers. Include simulation of workplace environment. Engage school districts, employers, and chambers of commerce in addition to WIBs.
Sub-issue #2 Worker Retention	Proposed solutions centered on benefits and incentives that employers can offer to their employees to increase retention. A primary solution involved promoting internal and external employee development through continuous learning. Others focused on studying any impact of laws or benefits on worker retention.
1. Professional development opportunities and continuous learning	Provide internal and external professional development opportunities targeted at continuous learning. Begin with identification of topics and skills that would likely contribute to increased retention. In other words, what would employees be looking forward to, and what would help them anchor themselves within the industry?
2. Comprehensive study or review of laws, benefits, and incentives	Include data gathering from employees and employers on human resources issues. Review labor laws that may be too restrictive. Study the thinking and recommendations of organizations such as SHRM and AARP.
Sub-issue #3: Career Awareness and Developing a Worker Pipeline	Proposed solutions include the development of marketing materials and strategies that target particular groups, including high school students, out-of-school youth, and community college students.
1. Career awareness materials targeted at H.S. students, parents, counselors	Design attractive materials and events; engage participation of the business community and private sector; integrate resources or activities into the existing school curriculum; demonstrate links between education and real work competencies; include activities, special days, a variety of resources.
2. Recruit community college students	Identify and recruit community college students who are undecided about career goals. Connect them with financial services classroom instruction and internship opportunities with

	employers. Would require active commitment of local community colleges along with financial services employers who would create internships and ultimately be seeking employees through the program.
3. **Reach out-of-school youth with career exploration programs at community colleges**	Develop a program of career exploration and employability competency training. Would require engagement of referring agencies and could extend beyond financial services sector to involve a range of employers or the business community.

Challenge 2:
Competency Models and Career Ladders and Lattices

Issues and Observations

In addition to the absence of an industry-wide competency model to serve as the foundation of any industry training, the industry also lacks consistent training models. Desirable skills in the industry include core financial and math skills, soft skills such as multitasking, customer service, entrepreneurial skills, multilingual skills, and sales skills (for insurance agents, etc.), work ethic, flexibility for changing environment and products, leadership competencies, regulatory/compliance knowledge. Some insurance occupations require ongoing education and licensing (by state). In addition, young people largely do not appear aware of the career opportunities available in the financial services industry.

Proposed Solutions
Competency Models and Career Ladders and Lattices

Sub-issue #1 Articulating Skill Needs	Proposed solutions included a certification and training program with national standards, along with increasing the opportunities for people with disabilities to work in financial services by educating the sector on their capabilities.
1. **Develop certification program and training curriculum for financial services industry**	Such a certification program should include local combination of national standards and blended learning, in a self-paced program. Characteristics of the program should include • Pre- and post-assessment • Customizing at the local level, but connection to national framework • Flexible access (blended on-line and lab) to the training • Allowance for self-paced and part-time students • Access to actual work

	• Connection to all other pipeline initiatives • Connection to already existing local programs; offer "best in class" opportunity • General enough to appeal to cross-section of sectors, yet adaptable to customized programs and employer needs
2. **Increase opportunities for people with disabilities to work in financial services**	This approach focuses largely upon educating the financial sector on the capabilities of people with disabilities. It requires understanding the capabilities as well as the limitations of people with particular kinds of disabilities. Also, identification of the skill sets necessary to succeed in particular financial services positions along with the wide range of jobs that people with disabilities could fill. There could be need for educational materials and forums. It requires sensitivity, knowledge of ADA-related resources, and financial organizations willing to engage in outreach and to help overcome barriers.
Sub-issue #2 Defining Career Paths	Proposed solutions focused on defining career paths and developing materials and strategies to promote awareness of career opportunities.
1. **Define Career paths**	Develop these from industry-wide participation with task forces that are interactive, conduct job analysis, and identify specific core skills or specific sectors of the industry.
2. **Develop marketing materials and strategies**	Develop marketing materials and strategies that promote recruitment and career opportunities and the use of career profiles for successful employment. Materials should be attractive and campaign should include celebrity spokesperson(s), educators, guidance counselors. Separate materials should be developed for parents. Consider innovative outreach techniques for students, including interactive and online approaches. Utilize a variety of media: TV, print, web-based, radio, etc. Secure industry endorsement of career pathways and the value of clearly defined skill sets.

Challenge 3: Training Strategies	
Issues and Observations	
In general, the industry perceives a lack of training programs; the insurance industry noted that there is no type of specialized college degree for its field. E-learning can be an effective training strategy to up-skill incumbent workers and save time, but some executives indicated there is a stigma attached to e-learning that is driven by four-year universities. For entry-level workers, e-learning doesn't build the interpersonal communication skills that are so critical in working with customers. Small businesses may lack the time or resources to train workers. In the banking and insurance sectors, the pace at which product offerings change makes training challenging and requires that training be flexible and available on demand.	
Proposed Solutions **Training Strategies**	
Sub-issue #1 Incumbent Workers	
1. **Develop rewards based training plans**	Such plans could yield ROI for employers from increased productivity on the part of incumbent workers who completed the training. Would have to demonstrate to employers cost savings and increased revenue through employee retention and increased productivity. Should present clear incentives to employees. Rewards should be competency-based.
2. **Develop a clearinghouse of existing industry opportunities**	A clearinghouse should be accessible, well advertised, and endorsed throughout the industry. It should identify programs with competencies. Employers and the publicly funded systems should have incentives to utilize such a clearinghouse.
3. **Develop training to move entry and mid-level workers up a defined career ladder**	This type of training could be coordinated among numerous employers. It would be focused on relevant skills and real opportunities. It should be structured to link with real work exposure.
4. **Educate employers on financial aid programs for incumbent workers**	Resources should be accessible and statewide opportunities advertised. Information should be web-accessible. One-Stop and workforce system resources should feature consistent branding. An advantage of raising the profile of such programs is leveling the availability of training resources and opportunities.

Sub-issue #2 Entry Level Workers	
1. **Create introduction to finance curriculum at community college level.**	Should be oriented toward entry-level positions and include certifications building toward an associate degree. This approach assumes the industry has defined the requirements for particular entry-level positions. Existing curriculum could be leveraged or restructured. The curriculum should be reviewed by the industry at regular intervals and adjusted to remain current with industry needs.
2. **Develop and deliver pre-employment training programs to prepare workers to enter the industry.**	As with the previous, this assumes that industry has identified skills required for entry level positions. Financial services trade associations should present data and information to One-Stop providers, CBOs, and education providers to help them understand the needs of private financial services employers. Existing training and services should be publicized within the trade organizations. The industry should increase its utilization of the One-Stop system.

Section IV. Implementation of the Proposed Solutions and Next Steps

The information and knowledge gained from the High Growth Initiate process are invaluable as ETA builds the public workforce system's capacity to be responsive to industry's workforce needs. ETA supports comprehensive business, education, and workforce development partnerships to develop innovative approaches that demonstrate how a demand-driven workforce system can serve the workforce needs of business while also helping workers find good jobs with good wages and promising career ladders.

Grants awarded under the High Growth Initiative implement unique and innovative, industry-driven skills training, certification, and career ladder demonstration projects that support identified financial services workforce needs. The outcomes from demonstration grants will be translated into sustainable, replicable training and skill development models that will be shared with and implemented by the state and local public workforce system.

Based on the challenges identified by the financial services industry and highlighted in this report, ETA has made a series of investments totaling nearly $6 million to partnerships among businesses, community colleges, workforce investment boards, community-based organizations, and others to address the workforce needs of the financial services industry. These investments address the following challenges:

- Recruitment from untapped labor pools, including at-risk youth and individuals with disabilities;
- Retention strategies for incumbent workers;
- Career awareness and developing a new worker pipeline;
- Developing a continuum of training that aligns with industry-defined competencies.

The solutions are national, state, and local in scope and address industry challenges in unique and innovative ways. The following are brief summaries of solutions in which ETA is investing in order to address these industry challenges. These investments will build the capacity of the workforce investment system to better the demands of industry.

- **Bridges to Independence,** a $269,193 grant to create a financial services pathway for at-risk youth utilizing the successful YouthBuild model that integrates critical employment skills with a solid academic program for youth who have been unsuccessful in traditional academic settings.

- **Insurance and Financial Services Center of Excellence,** a $2,748,405 grant to develop a competency-based course continuum to train entry-level through advanced workers with blended, on-demand learning in high growth financial services occupations.

- **Financial Services Jobs for America's Graduates,** a $1,178,425 grant to test a national model to help out-of-school youth complete requirements for a high school diploma or GED certificate and connect them to entry-level jobs in financial services.

- **Transition to Adulthood Project,** a $793,000 grant to provide youth aging out of foster care with access to industry-driven skills training, mentoring, and supportive services to promote success in entering the financial services industry.

- **Workforce Strategies for the Financial Services Sector: A National Model for Individuals with Disabilities,** a $1,000,000 grant to build the capacity of the banking sector to attract, employ, and retain individuals with disabilities at three demonstration sites through pre-employment assessment, training, career mapping, and mentoring.

For more detailed information on these investments, including grantees, partners, and outcomes, please visit www.doleta.gov/BRG.

Next Steps

The financial services industry was selected as a high-growth industry because of its sheer size. In 2002, the industry's Gross Domestic Product generated over $2 trillion in current dollars, a 20.6% share of the total GDP. In 2004, financial activities employment averaged 8,052,000, an all-time high. The Bureau of Labor Statistics projects that financial activities employment will increase 10.5 percent between 2004 and 2014 and several occupations in the industry are projected to experience a high rate of job growth.

Through the High Growth Job Training Initiative in financial services, ETA has invested in an array of innovative workforce partnerships. These investments were made after ETA worked closely with industry leaders to determine the primary hiring and training challenges facing the industry. These investments are just one step in ETA's ongoing commitment to the financial services industry.

ETA is committed to identifying successful models and resources through the High Growth Job Training Initiative and sharing them with the public workforce system and industry stakeholders. Sharing these models and resources will enable stakeholders in states and localities around the country to develop successful partnerships that help the industry address its key workforce challenges while preparing workers for jobs in a high growth, economically vital industry.

Section V. Appendix

High Growth Job Training Initiative
Executive Forum Participants

April 7, 2005 (Insurance Conference Group)

- John Hancock/Manulife Financial
- Gen Re
- Chubb and Son
- AXA Financial, Inc.
- St. Paul Travelers Companies
- Allstate Insurance Company
- Principal Financial Group
- Nationwide
- Northwestern Mutual
- Thrivent
- State Farm Insurance Company
- Safeco Corporation
- JP Financial
- Liberty Mutual Insurance Group
- GEICO
- One Beacon Insurance

April 19, 2005

- AEGON USA, Inc.
- Bank of America
- BB&T Corporation
- Coastal Federal Credit Union
- Connecticut's Insurance and Financial Services Cluster
- Forsyth Technical Community College
- Guaranty Financial Services
- RBC Financial Insurance

May 10, 2005 (Corporate Meetings)
Executives from Citigroup and MetLife

May 20, 2005

- AEGON Insurance Group
- Connecticut's Insurance and Financial Services Cluster
- First Mortgage Company, LLC
- Principal Financial Group
- Prudential Retirement
- Deloitte LLP
- PayPal Inc.

- EMC Insurance Companies
- GE Capital
- Grinnell Mutual Reinsurance Company
- First Data Corporation
- First Horizon National Corporation
- GuideOne Insurance
- John Deere Credit Company
- North Central Banschares, Inc.
- Wellmark Blue Cross & Blue Shield of Iowa
- MidWestOne Financial Group, Inc.
- Strategic Partnerships, LLC
- Office of the Governor, Iowa
- Iowa Department of Economic Development
- Iowa Workforce Development
- Office of Senator Grassley