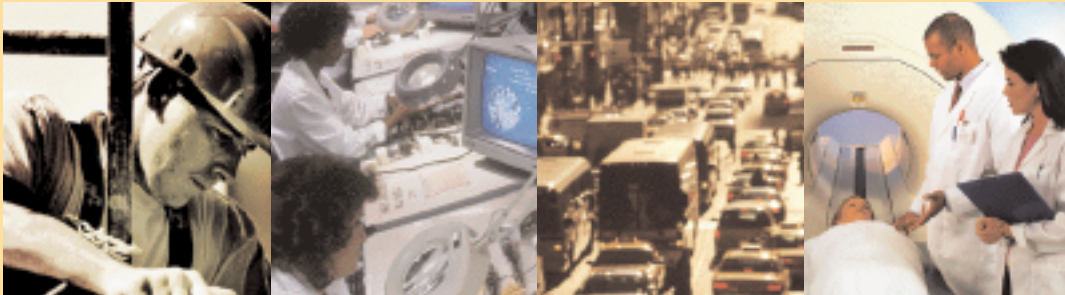


# Ready for the Job:

## Understanding Occupational and Skill Demand in New Jersey's Finance Industry

Banking, Insurance, and Securities and Commodities

A Report of the New Jersey State Employment and Training Commission



Prepared by the  
John J. Heldrich Center for Workforce Development at Rutgers University

With the Assistance of the Workforce Investment Boards of  
Bergen, Cumberland/Salem, Hudson, Mercer and Passiac Counties,  
and Cumberland County College, Mercer County Community College, and William Paterson University

James E. McGreevey, Governor

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## Preface and Acknowledgements

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## Project Summary

Economic prosperity for New Jersey, its citizens and its businesses depends on a well-trained workforce. This joint effort of the New Jersey State Employment and Training Commission, the New Jersey Department of Education, and the New Jersey Department of Labor was designed to collect up to date information from employers on the skill needs of eight key industries in the state. The eight industries that are the focus of this effort are: health care, finance/insurance, construction, utilities/infrastructure, manufacturing, tourism/hospitality, transportation/logistics, and information technology.

The entire effort, led by local Workforce Investment Boards of Bergen, Cumberland/Salem, Hudson, Mercer, and Passaic Counties and guided by Industry Advisory Groups, involved over thirty focus groups and eighty interviews with employers and educators. The Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey, with assistance from researchers from William Paterson University, Cumberland County College, and Mercer County Community College, conducted this research to identify the skills, knowledge, and educational requirements of seventy-four select occupations and eleven areas of work. The Heldrich Center and its research partners also identified the key trends in each industry that affect skill requirements and identified strategies for meeting the key workforce challenges of each industry.

The information collected through this effort will be disseminated through this series of reports and through an Internet website ([www.njnextstep.org](http://www.njnextstep.org)) that will include a searchable database of each profiled occupation. This information will assist a variety of users. Students and job seekers can use this information to make decisions about education and careers. Educational and training institutions can use this information to develop course and programs of study that will provide individuals with necessary skills. Policy makers at the state level can use this information to ensure that government resources are invested in programs and efforts that will benefit individuals and businesses.

# Understanding Occupational and Skill Demand in New Jersey's Finance Industry

## Executive Summary

The finance industry in New Jersey is an integral part of the state's economy, employing over 200,000 individuals. Many more New Jersey workers benefit from the state's proximity to New York City, which, despite the job losses brought about by the terrorist attacks of September 11, 2001 and the uncertain economy, remains the center of the finance industry.

The finance industry, which encompasses a wide variety of companies involved in the creation, liquidation, protection or change of ownership of financial assets, includes the banking, insurance and securities, and commodities sectors.<sup>1</sup> On both a national and a state level, all of these sectors are expected to grow in coming years, particularly the securities and commodities sector, where job growth in New Jersey could be as high as 29% between 2000-2010.<sup>2</sup>

Jobs in the industry are evolving rapidly in response to a series of trends, including deregulation that has removed the boundaries between sectors in the industry, increasingly complex laws, evolving technology, globalization and changes in customer demands. Today's finance workers must possess a broad base of knowledge regarding a vast array of new products and services, regulations governing the industry and the multifaceted needs of customers at home and abroad. Employers also look for workers with a high level of technical and interpersonal skill to perform complex operations using computers and recruit and retain new customers.

However, as skill requirements at all levels of the industry increase, employers contend that workers, especially those in entry-level jobs in urban settings, lack the basic academic, workplace readiness, and cross-industry demand skills to perform well. At the same time, incumbent workers are struggling to stay abreast of rapid changes in the industry and acquire the skills needed to remain competitive.

This report, based on focus groups and interviews that include over twenty-five separate employers and educators, summarizes the skill, knowledge, and educational requirements of key finance occupations and identifies strategies for meeting the important workforce challenges facing the industry.<sup>3</sup>



## Skill Requirements of Selected Job Groups

Eight occupations selected for this study by an Industry Advisory Group convened to guide the study largely fall into four “job groups” that share a common set of core competencies, basic educational requirements, and skill sets. While within each work area the level of skill mastery required varies, the occupations within the work area share a common continuum of competencies and tasks. In a dynamic and fluid economy, the definitions and requirements of occupations change often and can vary from one employer to another. This is especially true in the rapidly changing world of the finance industry. The grouping of occupations into job groups minimizes the effect of these differences.

### Computer Science Application

Occupations: Computer Systems Analysts	
Core Competencies	Sample Skills
Maintains and applies knowledge of current technology, demonstrating ability to troubleshoot malfunctions and resolve them quickly	Math and Technology
Initiate innovation in implementing projects or solving technical problems	Problem Solving and Critical Thinking
Ability to secure data competently and with the most advanced technology/methods available	Operations Analysis
Demonstrate a concrete understanding of the industry and how technology fits into operations	Reading Comprehension
	Programming

The Computer Science Application work area includes computer systems analysts. These workers must possess strong analytical skills because they maintain a firm’s entire data system and quickly find solutions to system malfunctions without service disruption. Also, as overall industry operations become more and more technologically driven, workers in this category become more critical to the everyday operations by maintaining all the data and ensuring that all network systems operate

effectively. Finally, workers in Computer Science Application must be able to translate the user’s non-technical descriptions of their needs into reliable designs that can be implemented as functioning systems. While some employers prefer workers in this area to have a college degree, this is not generally a requirement. However, many jobs do require workers to obtain a professional certificate.

### Management/Supervision

Occupations: Administrative/Customer Services Managers	
Core Competencies	Sample Skills
Use effective judgment and decision making to allocate resources and personnel to meet project budget and deadline.	Problem Solving and Critical Thinking
Communicate and coordinate the efforts of multiple project partners, vendors, and workers to share common organizational goals.	Entrepreneurship and Business Skills
Provides technical leadership across projects/disciplines.	Coordination
	Communication and Teamwork
	Monitoring
	Time Management
	Management of Personnel Resources

The Management/Supervision work area includes administrative/customer services managers. As a rule, while these workers may interact with customers or perform other duties, they are primarily responsible for managing and motivating staff. These workers need to have advanced communication and problem-solving skills and they must be able to understand and

effectively operate the computer systems that control operations. Strong writing and math skills are necessary to write reports and analyze performance data. While some positions require a college degree, some firms promote Management/Supervision workers from within the ranks of existing employees.

## Customer Service/Support

<b>Occupations: Bank Tellers and Insurance Policy Processing Clerks, known now as Junior Underwriters</b>	
<b>Core Competencies</b>	<b>Sample Skills</b>
<p>Demonstrate emotional maturity when interacting with employers, colleagues, and clients.</p> <p>Identify customer needs quickly and accurately and take appropriate actions to address those needs.</p> <p>Introduce and market products persuasively, relying on strong product and firm-specific knowledge.</p> <p>Make referrals appropriately and quickly, relying on strong knowledge of others' roles within the firm.</p> <p>Apply math and finance concepts routinely and accurately.</p> <p>Use technology effectively to complete tasks.</p> <p>Demonstrate a thorough and consistent awareness to "red flags" in order to prevent fraud.</p>	<p>Coordination</p> <p>Communication and Teamwork</p> <p>Problem Solving and Critical Thinking</p> <p>Service Orientation</p> <p>Social Perceptiveness</p>

The Customer Service/Support work area includes occupations such as bank tellers and insurance policy processing clerks (known now by most employers as junior underwriters). These workers interact with customers on the front-line of a financial business. They answer questions, market products and services, perform financial transactions and perform other tasks as needed. They are usually the first person that a customer encounters, either in-person, or on the phone or Internet. They may perform different technical tasks, depending on the

business they work within, but one of their primary duties is to assist customers. Increasingly, workers in these positions within the finance and insurance industry must market and sell company products and services and use computers to carry out tasks. Therefore, Customer Service/Support workers, who generally need at least a high school diploma or GED, must possess a high level of interpersonal skill and the ability to work effectively with computers in addition to demonstrating more traditional finance, math and organizational skills.

## Sales/Relationship Management

<b>Occupations: Financial Services Sales Agents, Business Sales Representatives, Insurance Sales Agents, and Personal Financial Advisors</b>	
<b>Core Competencies</b>	<b>Sample Skills</b>
<p>Provide superior customer service and use effective organization skills to provide the appropriate follow-through.</p> <p>Develop new customers through networking.</p> <p>Identify customer needs quickly and accurately and take actions to address those needs.</p> <p>Target the appropriate products/services to market to a potential customer.</p> <p>Apply advanced math, statistics, financial, and regulatory knowledge routinely and accurately.</p> <p>Use technology effectively to complete tasks.</p>	<p>Service Orientation</p> <p>Communication and Teamwork</p> <p>Systems Evaluation</p> <p>Problem Solving and Critical Thinking</p> <p>Reading Comprehension</p>

The Sales/Relationship Management work area includes workers who not only sell products and services, but also develop and maintain long-term relationships with customers. Unlike customer service staff, sales staffers in most financial institutions typically are not the first faces a customer meets in the organization. Rather, they provide customers with specialized services, including an in-depth analysis of their needs and

customized follow-up activities. These workers typically need at least a college degree, and often must possess special licenses and professional certificates. As the financial workplace becomes more complex, these workers need not only top-notch sales and marketing skills, but also must understand new technologies, laws, products, and services to perform well and remain competitive.



### III. Key Workforce Challenges

The finance industry in New Jersey is facing two primary workforce challenges:

#### Challenge 1: Preparing Skilled, Qualified Workers.

As the skill needs of employers increase in response to evolving trends, employers believe that the educational systems is not adequately preparing workers with the basic academic, workplace readiness and cross-industry demand skills necessary to succeed in the financial industry. This is especially true, employers contend, in many urban areas. As a result, it is difficult for many employers to find new workers, especially those applying for entry-level jobs, who do not require extensive on-the-job training and coaching to perform well.

#### Challenge 2: Upgrading the Skills of Current Workers

The nature of work in the finance industry is evolving rapidly and employers report that many current workers are having difficulty keeping pace with these changes. Workers must quickly incorporate a large amount of new product and regulatory knowledge and adapt quickly to changes in customer needs and upgrades in technology.

While the industry and other entities have taken some steps to address these challenges, the finance industry must work with the public and the private sector, as well as educational institutions, to improve the preparation of new workers and to help current workers adjust to the rapid pace of change.

### V. Recommendations

#### 1. Recommendations to Prepare Skilled, Qualified Workers

##### *Strengthen Secondary Education*

The New Jersey educational system must incorporate workplace readiness and cross-industry demand skills needed in the workplace into school curricula. Employers in this and other industries report that many entry-level workers lack workplace readiness skills and cross-industry demand skills, in addition to key academic skills, that are necessary to succeed in nearly all jobs in the twenty-first century world of work. High schools should work to incorporate these key skills into the curriculum.

To accomplish this, schools should consider adopting programs such as School Counts!, a new initiative designed to reward the development of workplace readiness and cross-industry demand skills in high school youth. Educational institutions and industry representatives should also work together to support the career academy model. Already in existence in some areas, career academies foster a “school-within-a-school” model to teach students how to apply skills in a workplace setting. Employers can partner with career academy schools to directly communicate with educators and potential workers about the skills needed in the industry and improve curricula.

##### *Strengthen Post-Secondary Education and Training*

Policy makers should encourage partnerships between industry and education through conferences and an information-sharing website. A statewide conference focusing on employer skill needs in the finance industry and the best practices developed to address them would provide tremendous benefit to a variety of stakeholders and encourage meaningful partnerships at the local level. An information-sharing website could be used to disseminate information gathered at such a conference and through local efforts. The website could also act as an information clearinghouse regarding evolving employer skill needs and promising responses being developed within the industry, as well as in the education and workforce development communities.

## 2. Recommendations for Upgrading the Skills of Current Workers

Employers and industry associations have developed robust in-house programs and partnerships with colleges and universities to enhance the skills of existing workers. Employers should continue these efforts with coordinated support from educators, workforce development professionals and policy makers.

## 3. Overall Recommendations

The Hudson County Workforce Investment Board should maintain the industry-based advisory group created for this project. This group already has been instrumental in improving communication among employers about available training resources for existing workers. In addition, the group has helped to raise awareness of local educators and employers regarding programs designed to provide new workers with the skills they need to succeed in industry jobs. The continued use of the advisory group can help schools to make meaningful connections with local employers, as well as coordinate existing efforts with other educators and workforce development professionals. Finally, the WIB itself can benefit from the continued use of the advisory group by using information gleaned from employers about skills to effectively pair qualified jobseekers with existing jobs and direct those without necessary skills to appropriate community resources.

### Reader's Note

#### Ready for the Job Identifies Four Skill Types

The *Ready for the Job* project identifies four types of skills that are required by or important to employers. Employers require basic skills and workplace readiness skills for nearly all jobs. Cross-industry demand skills, identified through the focus groups and interviews with employers, are important in a variety of occupations in many industries. Finally, employers require advanced technical and professional skills for many jobs. These skills are job-specific and are typically obtained through post-secondary education and training either provided by educational institutions or by employers.

Type of Skill	Definition	Level of Importance
Basic Skills	Ability to read, write, and perform basic mathematical calculations.	Criteria for most entry level or low-level or low-skilled types of jobs.
Workplace Readiness Skills	Minimum expectations for functioning in the workplace, that include meeting standards for attendance and promptness, reliability and integrity, as well as dress and decorum.	Criteria for all jobs in the workforce.
Cross-Industry Demand Skills	<p>Broader skills sets that are in the highest demand among employers in today's economy, and indicative of success in the workforce.</p> <p>These cross-industry demand skills include:</p> <ul style="list-style-type: none"> <li>- Math and technology skills</li> <li>- Problem solving and critical thinking skills</li> <li>- Communication and teamwork skills</li> <li>- Entrepreneurship and business skills</li> </ul>	Strength in these skill areas can lead to expanded employment opportunities and career success across industries.
Advanced Technical/Professional Skills	Skills acquired through education and training needed to perform specific tasks and succeed in specific jobs.	Criteria for performance in specific jobs. Education and training is provided by post-secondary education institutions and /or employers.

<sup>1</sup> In many taxonomies, including the Standard Industry Classification (SIC) system, the finance industry also includes the real estate sector. However, study partners agreed to leave this sector outside of the purview of this report due to its dissimilarity to the other sectors on many levels.

<sup>2</sup> New Jersey Department of Labor. "Estimated and Projected Employment by Industry, 2000-2010." November 2002. <<http://www.wnjp.in.state.nj.us/OneStopCareerCenter/LaborMarketInformation/lmi04/state/detailind.htm>> (21 August 2003).

<sup>3</sup> A full discussion of the methodology used for this study is included in Appendix A.

# Understanding Occupational and Skill Demand in New Jersey's Finance Industry

## I. Introduction

New Jersey's finance and insurance industry contributes significantly to the state's economy, and supports over 200,000 workers with jobs of varying skills levels. Many additional New Jersey workers benefit from the state's proximity to New York City, which, despite the job losses brought about by the terrorist attacks of September 11, 2001, and the uncertain economy, remains the center of the finance industry. This report, based on focus groups and interviews that include twenty separate employers and six educators, summarizes the skill, knowledge, and educational requirements of key occupations in the finance industry and identifies strategies for meeting the key workforce challenges of each industry.<sup>4</sup>

The Hudson County Workforce Investment Board (WIB) convened an Advisory Group of industry stakeholders to guide the effort.<sup>5</sup> This Advisory Group selected eight key occupations within the finance industry for in-depth skill demand analysis and provided input on conclusions and recommendations. The Heldrich Center and William Paterson University held four focus groups with industry and educational stakeholders regarding industry trends and the skill, knowledge, and educational requirements of selected occupations. The Heldrich Center and William Paterson University also conducted ten interviews with industry human resource and management personnel regarding education, training, and recruitment issues.<sup>6</sup>

## II. Profile of the Industry and Its Skill Needs

### a. Background of the Finance Industry and its Importance to New Jersey

The finance industry, which encompasses a wide variety of companies involved in the creation, liquidation, protection or change of ownership of financial assets, includes the banking, insurance, and securities and commodities sectors.<sup>7</sup> Overall, the industry is evolving rapidly in response to a series of trends, including deregulation in some areas, increased regulation in others, evolving technology, globalization, and changes in customer demands. These trends continue to drive the rise in demand for certain types of jobs, growing consolidation among the various industry sectors, and dramatic changes in the skills needed to succeed in what has become an ever-changing, and increasingly customer-focused, work environment.

The finance industry accounts for over 8% of the Gross Domestic Product (GDP) for both the nation and New Jersey.<sup>8</sup> Throughout the country, nearly six million people worked within banking, insurance and securities and commodities sectors in 2001, roughly 4% of total U.S. employment. In New Jersey, this industry employed over 200,000 people, representing 5.3% of all jobs statewide (see Figure 2.1).

Figure 2.1: At-a-Glance: The Finance Industry

#### Economic Impact: National and State

Industry as share of GDP (2001) <sup>9</sup>	8.6%
Industry as share of GSP (2001) <sup>10</sup>	8.6%

#### Employment and Compensation: National

	Banking <sup>11</sup>	Securities & Commodities	Insurance <sup>12</sup>
Number employed (2001) <sup>13</sup>	2.77 million	768,000	2.25 million
Average Weekly Earnings (2000) <sup>14</sup>	\$722	\$841	\$836 <sup>15</sup>
Projected Employment Growth 2000-2010 <sup>16</sup>	2.96%	20.30%	6.44%

#### Employment and Compensation: New Jersey

	Banking	Securities & Commodities	Insurance
Number employed (2003) <sup>17</sup>	74,060	52,420	78,730
Average Weekly Earnings (2003) <sup>18</sup>	\$743	\$1132	\$966
Projected Employment Growth 2000-2010 <sup>19</sup>	2.0%	29.2%	4.0%



## Banking<sup>20</sup>

Institutions in the banking sector, which include commercial banks, savings banks and savings and loan associations, credit unions and the Federal Reserve Banks, have traditionally provided a number of services to their consumers.<sup>21</sup> These services involve the safeguarding of money and valuables as well as the provision of loans and credit. Banks also offer payment services, such as checking accounts, money orders, and cashier's checks.

Three-fourths (75%) of the over two million employees in the banking sector nationwide are located in commercial banks, while others work in savings and loan associations and credit unions. Approximately two-thirds (66%) of those employed in the banking sector work in office and administrative support positions, which include customer-facing positions such as bank tellers, the most common job in the industry, as well as "back office jobs" that provide data entry, telephone-based customer support, and other supportive services. Not all of these jobs are low-skilled positions, however; occupations such as computer systems analysts provide higher-level technical and analytical support, helping companies to identify and implement technical improvements to improve productivity and profits. Other key areas of employment in the industry include managerial and sales positions, such as bank managers, personal financial advisors and a variety of specialized sales positions. These sales positions include business sales representatives, who are responsible for selling bank services to business customers, and credit specialists, who help customers with loans and debt consolidation.

Nationwide, the majority of those employed in the banking industry are in low-paid, non-unionized positions, such as bank tellers and other entry-level support positions. The average weekly wage for non-supervisory banking employees in 2000 (\$417) was lower than the average weekly wage of for all private sector workers (\$474).<sup>22</sup> Unionization in the banking sector is exceptionally rare, with only 1% of employees belonging to unions, compared to 15% of workers across private industries in general.<sup>23</sup>

However, there are plenty of opportunities for higher skilled workers to earn high salaries in the banking sector. For example, personal financial advisors earn an average of \$30.65 per hour,<sup>24</sup> or approximately \$1,226 per week,<sup>25</sup> and general bank managers earn an average of \$36.54 per hour, or nearly \$1,462 per week.

While most banking employees still work traditional "bankers' hours," many banks are now expanding their hours to maintain their competitiveness by adapting to changing customer needs. The average workweek for non-supervisory employees was still 35.6 hours in 2000. However, the extension of banking into grocery stores and shopping malls, for example, have required some employees, particularly bank tellers, to work nontraditional shifts.<sup>26</sup>

In New Jersey, which has 104 banks statewide,<sup>27</sup> depository and non-depository institutions employ approximately 74,000 workers.<sup>28</sup> The northern part of the state, particularly the Hudson County area, is a major financial hub. Thirteen of New Jersey's largest banks are headquartered in northern New Jersey, including three in Jersey City alone.<sup>29</sup> While many bank headquarters are located in urban areas, local bank offices offer employment for individuals in rural and suburban areas, as well.

## Insurance<sup>30</sup>

The insurance sector, which includes insurance carriers, brokers, agents and services, focuses on providing individuals, businesses and organizations with the opportunity to protect their interests against a number of adverse events such as: theft, fire, death or injury, or property damage, among others. To indicate their specialty, insurance companies are classified mainly under life insurance, accident and health, and property/casualty insurance.

Approximately 2.3 million individuals work in the U.S. insurance industry, with roughly two-thirds working for insurance carriers and one-third working in insurance sales agents and other insurance-related service firms. Nearly half of those employed in the insurance industry work in office and administrative support positions, while many others act as sales agents or managers.

Large firms dominate the insurance carriers sector, with the majority of individuals employed in firms with 250 or more employees. However, agents and brokers tend to work in firms with fifty workers or fewer. As in the banking industry, unionization is low: just 2% of the insurance workforce, compared with 15% across all industries.

In 2000, weekly earnings averaged \$675 among non-supervisory workers, well above the average in all private industry (\$474). The workweek for those in the insurance industry tends to be a five-day, forty-hour week, although some customer service employees work night and weekend hours to respond to customer needs.

In New Jersey, the insurance sector employs over 78,000 workers and employees (supervisory and non-supervisory), who earn an average of nearly \$1,000 per week, a figure that is significantly higher than the average for all insurance workers around the country (\$836).<sup>31</sup>

New Jersey houses hundreds of insurance firms. Recently, the state persuaded State Farm and American International Group (AIG) Insurance, both major players in the State's auto insurance business, to continue to offer insurance to New Jersey drivers.<sup>32</sup> Had this pullout occurred, many insurance brokers would have lost a large portion of their business, which would undoubtedly have led to layoffs around the state. However, now that state policy makers are working hard to keep auto insurers in New Jersey and many insurance companies have taken advantage of new opportunities to diversify the services they offer, outlook for jobs in this sector is good.

## Securities and Commodities

The securities and commodities sector is made up of a number of establishments that bring together buyers and sellers of securities and commodities, manage investments and offer financial advice.<sup>33</sup> The companies in this sector concentrate on trading and underwriting stocks, bonds, options and futures, as well as on mutual fund management.

In 2000, approximately 748,000 individuals were employed in the securities and commodities sector around the country and 125,000 were self-employed.<sup>34</sup> Hours in this industry tend to be long, with one-fourth (25%) of employees working fifty hours or more a week. Nearly all employment in this industry is full-time, with only 8% working part-time. The majority of workers are employed in the large brokerage firms, while the remainder is employed in mutual fund management companies and smaller brokerage firms, as well as at the securities and commodities exchanges.

Compensation in this industry is particularly high, with non-supervisory workers earning an average weekly wage in 2000 of \$841, nearly twice the average across all industries combined (\$474). At the same time, employment in this sector is more susceptible than others to economic booms and busts. In addition, the events of September 11th impacted severely employment in this sector in New York City and surrounding areas. However, nationally, employment in the industry is expected to rise by 20% from 2000 to 2010. The demographic cohort known as the Baby Boomers is contributing significantly to this increase, demanding more services as they approach retirement. This trend will likely help support continued employment growth in the sector despite recent and possible future economic downturns. In fact, New Jersey Department of Labor projects that jobs in the securities and commodities sector will grow by 29.2% through 2010. In New Jersey, more than 52,000 people work in the securities and commodities sector, and a significant number of New Jersey residents work in jobs in New York City and Philadelphia. On average, these employees earned approximately \$1132 per week in 2003, significantly lower than the national average across all occupations in the sector, which was \$1205 in 2001.<sup>35</sup>

## Issues and Trends Affecting All Sectors

More than many other industries, the finance industry is undergoing a period of rapid evolution. Several important trends are changing the way business is conducted throughout the industry and impacting employer skill needs in various ways. Some of these trends include the consolidation of financial services, increased regulation of the industry as a result of security concerns, the recent ethics-related scandals and increased globalization and the alarming rise in the movement of jobs to other countries that is occurring in the financial services area.

The Gramm-Leach-Bliley Act (GLBA), signed into law in 1999, repeals the 66-year old Glass-Steagall Act, which prohibited banks, securities firms and insurance companies from affiliating. Increasingly, companies are consolidating services previously only offered at one type of institution or another.

Following the terrorist attacks on September 11, 2001, and a series of recent scandals in the industry, government regulators and the public are demanding more security-related and ethical accountability from financial firms. For example, the Securities and Exchange Commission (SEC) issued a ruling following the attacks that required financial firms to decentralize their business operations to make them less vulnerable to future acts of terrorism. In addition, the recently enacted USA Patriot Act contains the most significant anti-money laundering provisions since the 1970 Bank Secrecy Act. Recent legislation has also imposed stricter regulations on cross-border transactions, which have increased in recent years due to the growing globalization of the finance industry. Finally, oversight of financial firms by the SEC also has increased dramatically.

Continued technological expansion has created the beginnings of a paradigm shift in the domestic labor situation, as financial firms turn increasingly to cheaper alternatives overseas for their back-office financial services and processing needs. While front-office, customer-oriented jobs are still in high demand, one-third (33%) of financial services firms worldwide already have relocated at least partly to growing hubs in developing countries, notably India.<sup>36</sup> By 2005, fully 75% of financial services firms will have contracted at least some of their work to such centers, where wages can be as little as one-tenth of American levels.<sup>37</sup> While original movement of jobs overseas was largely a relocation of information technology jobs, such as software development, the process has evolved quickly, to the point that, according to Deloitte Research, the finance industry will soon see a "significant majority of moves across all types of business process."<sup>38</sup> The potential for damage to the industry's labor pool is clear: various studies suggest a migration of between 500,000-850,000 American jobs overseas in the next few years.<sup>39</sup> In an effort to combat this shift, five states (including New Jersey) have introduced legislation that would require state contractors to use American workers.<sup>40</sup>

### *b. Skill Requirements of Selected Job Groups*

The advisory group for this effort selected eight occupations for in-depth skill demand analysis. The advisory group selected occupations that had the largest number of annual openings or that were expected to experience significant growth in openings during the next ten years. The advisory group members used estimates and projections produced by the New Jersey Department of Labor, as well as their own knowledge of the industry. In addition, the advisory group also considered occupations with a shortage of qualified workers. Finally, the advisory group ensured that the selected occupations represented a diversity of educational and training requirements.

According to occupational estimates and projections issued by the New Jersey Department of Labor, four of the eight occupations selected by the advisory group are expected to grow between 2000 and 2010. However, the group had specific reasons for choosing the remaining four occupations, which included tellers, insurance claims and policy processing clerks, business sales representatives and insurance sales agents.

## Tellers

Despite the rise in use of automatic teller machines (ATMs), on-line banking and other technology-based services, the advisory group stated that customers are increasingly demanding more face-to-face service from banks. As a result, the group chose to focus on tellers because, despite projections to the contrary, they feel strongly that this occupation is expected to grow as banks expand both the number of branches they have, as well as the hours many of these branches operate.

## Insurance Sales Agents

The advisory group chose to focus on insurance sales agents because they are convinced that there would be a large number of openings in this occupation due to turnover and retirement of older workers.

## Business Sales Agents

Business sales agents represent a new occupation that employers assert is growing and in demand, although no data currently exists regarding this job.

## Insurance Claims and Policy Processing Clerks/Underwriter Assistants

Finally, employers in the advisory group selected underwriter assistants—an evolving occupation that is currently occupied by what has been known as insurance claims and policy processing clerks. Employers acknowledge that the number of jobs for insurance claims and policy processing clerks, as currently described in O\*Net and other sources, is declining in its current form. However, significant numbers of openings are still expected to occur each year for this job and the group felt that it was important to include it in the study as it represents a larger category of “evolving occupations” that reflect the rapidly changing nature of the industry and its skill needs. Many employers report that they are re-training insurance claims and policy processing clerks to assume increased responsibility for customer service and underwriter duties, as technology is phasing out the data entry tasks that have dominated this occupation in the past. Thus, employers believe that the position should now be referred to not as insurance claims and policy processing clerks, but rather as “underwriter assistant” or, as some suggested, “junior underwriter” to better reflect the growing responsibility the job now entails.

In 2000, 88,500 individuals were employed in New Jersey throughout the seven selected occupations for which labor market information is available (see Figure 2.2). The number of individuals employed in these occupations is expected to grow by 11% from 2000 to 2010 and produce 3,180 openings each year. The mean annual wages of these occupations ranged from \$20,155 to \$79,655 in 2003.

**Figure 2.2: New Jersey Employment<sup>41</sup> and Earnings<sup>42</sup> in Selected Occupations\* Throughout All Industries**

Occupation	Mean Annual Wages 2003	Estimated Number Employed 2000	Projected Number Employed 2010	Percent Change 2000–2010	Annual Openings (due to both growth & replacement)
<b>COMPUTER SCIENCE APPLICATION</b>					
Computer Systems Analysts	\$75,235	20,400	28,500	39.3%	980
<b>CUSTOMER SERVICE/SUPPORT</b>					
Tellers	\$20,155	16,600	14,900	-10.1%	800
Insurance Claims and Policy Processing Clerks	\$34,565	9,300	7,300	-21.1%	160
<b>MANAGEMENT/SUPERVISION</b>					
Administrative Services Mgrs.	\$79,655	9,000	10,100	11.8%	250
<b>SALES/RELATIONSHIP MANAGEMENT</b>					
Securities, Commodities and Financial Services Sales Agents	\$70,185	16,700	19,900	19.2%	450
Personal Financial Advisors	\$74,420	6,600	8,700	31.5%	290
Business Service Sales Agents	N/A	N/A	N/A	N/A	N/A
Insurance Sales Agents	\$56,905	9,900	9,500	-3.5	250

\* Totals may not add due to rounding. Employment data are rounded to 100. Percent changes are based on unrounded data.

The eight selected occupations in the finance industry largely fall into three “job groups” that share a common set of core competencies, basic educational requirements and skill sets (see Figure 2.3). These include: Customer Service/Support positions, including bank tellers and underwriter assistants; Sales/Relationship Management, including financial planners,

Insurance sales agents and financial services and business sales positions; Computer Science Application, including computer systems analysts positions; and management/supervisory positions such as Administrative/Customer Services Managers. A description of these selected occupations, their skill requirements and key workforce issues can be found in Appendix D.

**Figure 2.3: Profile of Finance Industry Job Groups**

Job Groups	Description of Job Group	Occupations Included in Job Group	Education/Training Required or Preferred by Employers	Core Competencies <sup>43</sup>	Sample Occupational Skills
<b>Computer Science Application</b>	Working with computer networking and data software systems.	Computer Systems Analyst	HS Diploma/ GED Bachelor's degree preferred in most cases Often technical certification required	Maintains and applies knowledge of current technology, demonstrating ability to troubleshoot malfunctions and resolve them quickly Initiate innovation in implementing projects or solving technical problems Ability to secure data competently and with the most advanced technology/methods available Demonstrate a concrete understanding of the industry and how technology fits into the operations of the firm	Math and Technology Problem Solving and Critical Thinking Operations Analysis Reading Comprehension Programming
<b>Customer Service/Support</b>	Work that involves interacting with customers on the front-line. Workers may perform different technical tasks, depending on the business they work within, but generally includes fielding customer concerns and inquiries. Increasingly, workers in these positions must market and sell company products or services.	Bank Teller Insurance Policy Processing Clerks	HS diploma/G.E.D.	Demonstrate emotional maturity when interacting with employers, colleagues, and clients. Identify customer needs quickly and accurately and take appropriate actions to address those needs. Introduce and market products persuasively, relying on strong product and firm-specific knowledge. Make referrals appropriately and quickly, relying on strong knowledge of others' roles within the firm. Apply math and finance concepts routinely and accurately. Use technology effectively to complete tasks. Demonstrate a thorough and consistent awareness to “red flags” in order to prevent fraud.	Coordination Communication and Teamwork Problem Solving and Critical Thinking Service Orientation Social Perceptiveness

*continued on next page*



Figure 2.3: continued

Job Groups	Description of Job Group	Occupations Included in Job Group	Education/Training Required or Preferred by Employers	Core Competencies <sup>43</sup>	Sample Occupational Skills
<b>Managment/ Supervision</b>	Work that involves supervising, coordinating, and planning work of site and staff.	Administrative/ Customer Service Manager	H.S. diploma/G.E.D. Work experience.  Bachelor's degree preferred for managers, especially among those applicants who do not have past experience with the hiring company.	Use effective judgment and decision making to allocate resources and personnel to meet project budget and deadline.  Communicate and coordinate the efforts of multiple project partners, vendors, and workers to share common organizational goals.  Provides technical leadership across projects/disciplines.	Problem Solving and Critical Thinking  Entrepreneurship and Business Skills  Coordination  Communication and Teamwork  Monitoring  Time Management  Management of Personnel Resources
<b>Sales/ Relationship Management</b>	Work that involves developing/ managing customer relationships, marketing and selling, and analyzing finances and needs.	Financial Services Sales Agents Business Sales Reps Insurance Sales Agents Personal Financial Advisors	B.A., B.S.  Specialized certificates and/or licenses specific to job may be necessary.	Provide superior customer service and use effective organization skills to provide the appropriate follow through.  <ul style="list-style-type: none"> <li>• Develop new customers through networking.</li> <li>• Identify customer needs quickly and accurately and take actions to address those needs.</li> <li>• Target the appropriate products/services to market to a potential customer.</li> <li>• Apply advanced math, statistics, financial and regulatory knowledge routinely and accurately.</li> <li>• Use technology effectively to complete tasks</li> </ul>	Service Orientation  Communication and Teamwork  Systems Evaluation  Problem Solving and Critical Thinking  Reading Comprehension

While within each job group the level of skill mastery required varies, the occupations within the job group share a common continuum of competencies and tasks. In a dynamic and fluid economy, the definitions and requirements of occupations change often and can vary from one employer to another. The grouping of occupations into job groups minimizes the affect of these differences.

## Computer Science Application

### *Description and Skill Requirements*

The Computer Science Application job group includes occupations such as computer systems analysts. Employees in this job group are technologically adept and do not require a bachelor's degree, but one is often preferred. However, Computer Science Application workers generally are required to have extensive technical training to stay updated on the latest advances in technology.

Workers in this job group must possess strong analytical skills because they maintain a firm's entire data system and quickly find solutions to system malfunctions without service disruption. Also, as overall industry operations become more and more technologically driven, workers in this category become more critical to the everyday operations by maintaining all the



data and ensuring that all network systems operate effectively. Finally, workers in Computer Science Application must be able to translate the user's non-technical descriptions of their needs into reliable designs that could be implemented as functioning systems. For example, computer systems analysts attempt to solve operational and systems-based problems identified by management and others, but they specialize in the technical knowledge and skills necessary to implement changes in computer and other technical systems. Therefore, they must have some understanding of operation and management priorities to effectively implement changes in the technical systems.

### ***Emerging Skills***

The emerging skills in this job group include the ability to effectively understand and apply increasingly complex technological concepts and systems.

### ***Workforce Trends and Issues***

As businesses increasingly rely on technology to enhance and manage operations, they need individuals who can understand and manipulate the technical systems at their disposal to increase efficiency, identify fraud, and enhance security protection and other factors that help firms remain competitive. Following the terrorist attacks on September 11th and a series of ethics-based scandals impacting the finance industry, employers increasingly need analysts of various types to help them identify aspects of their operations that may make them vulnerable, either to terrorist attacks, fraud or regulatory or ethical violations. In addition, technical systems themselves, as well as the operations that the systems help to manage, continue to increase in complexity. Therefore, workers in Computer Science Application occupations must be highly skilled and knowledgeable in both of these areas to identify operational problems and apply technical, as well as operational, solutions.

## **Customer Service/Support Occupations**

### ***Description and Skill Requirements***

Customer Service and Support workers in the finance industry, such as bank tellers and underwriter assistants, interact with customers on the front-line of a financial business. They answer questions, market products and services, perform financial transactions and perform other tasks as needed. These workers are usually the first person that a customer encounters, either in-person, or on the phone or Internet, when a customer conducts business with a firm. They may perform different technical tasks, depending on the business they work within, but one of their primary duties is to assist customers. Increasingly, workers in these positions within the finance and insurance industry must market and sell company products and services.

As many of the jobs in this job group are entry-level positions, workers generally do not need more than a high school diploma or a GED. However, to be successful, they must be able to

demonstrate various competencies on the job. Employers consistently state the need for these workers to have a high level of "emotional maturity" to manage conflict. For example, bank tellers and other front-line customer service workers are often the first to field complaints from customers regarding a range of issues. Employers expect these employees to react calmly and effectively diffuse customer frustrations immediately, as well as refer them to an appropriate person for resolution of their complaint, if necessary. Customer Service/Support workers must also pay close attention to detail, successfully apply financial and math concepts on the job, as well as interact effectively with technology to accomplish many tasks. Like most workers in the industry, customer service employees must also effectively identify the signs of potential fraud to prevent company losses. In addition, these workers must possess entry-level sales and marketing skills to "cross-sell" a range of company products and services. Finally, to be effective in some neighborhoods with a high immigrant population, Customer Service/Support workers must also be able to speak a language other than English, such as Spanish.

### ***Emerging Skills***

In this age of 24-hour banking and financial services, a new level of customer service and support skills have emerged for occupations in this job group. Workers in this area need excellent interpersonal skills, as well as the technical skills to access computerized customer and client databases and files.

### ***Workforce Trends and Issues***

Some experts predicted that increased use of technology within the financial industry, including automated teller machines and Internet-based financial services, would decrease the demand for many types of jobs, including Customer Service/Support positions. However, employers report that demand for some of these workers, particularly "front office" customer-oriented jobs such as bank tellers, is increasing as customer demands grow and change. For example, many banks have expanded their branches to include sites located within supermarkets and other areas where customers routinely go. Many of these branches, as well as those in more traditional locations, offer extended business hours, including weekends and evenings. Therefore, the finance industry needs additional customer-facing workers to accommodate the growing number of bank branches, as well as the extended hours many banks and other types of institutions have put in place to accommodate customer needs.

Employers also report that, in this era of high technology, customers now seek out a higher-level of quality in the face-to-face interactions they do have with workers in the finance industry. To remain competitive, employers have reacted to this rise in customer expectations by demanding a higher level of interpersonal skill than may have been expected in the past from their front-line Customer Service/Support workers. For example, bank tellers and administrative/customer services managers must demonstrate additional capacities to engage and respond to customers in an enthusiastic, positive manner, as well as handle conflict effectively.

Consolidation of services among industry sectors, brought about by recent deregulation efforts, also impacts the skills needed by Customer Service/Support workers. To remain competitive while keeping up with the evolving nature of the business and the expanding product lines embraced by many companies following the passage of the Graham-Leach-Bliley Act of 1999, workers in Customer Service/Support jobs must also possess entry-level sales and marketing skills. Employers report that bank tellers, administrative/customer service managers and insurance underwriter assistants must identify customers' financial needs based on their past activity with the company, as well as introduce, or cross-sell, a myriad of company products, and make appropriate referrals to product specialists and others. To do this effectively, workers must be familiar not only with their company's product line, but also with the roles of other employees. They must make referrals, when appropriate, to more advanced sales or financial planning staff and interact more often with their co-workers to meet customer needs efficiently and effectively.

Jobs in the Customer Service/Support job group within the finance industry have evolved in complexity and responsibility as financial institutions have expanded their business missions. This evolution has made it more difficult for some employers to find the skills they need among job applicants. Employers report that many applicants lack basic academic and workforce readiness skills as well as the selling and advanced communication skills required by many of these jobs today. While the lack of basic academic skills is not as prevalent in more affluent suburban and rural settings, many employers in these areas still have difficulty recruiting enough qualified workers. Employers also struggle to raise the skill levels, especially in the area of advanced sales and communication skills, among existing company employees.

## Management/Supervision

### *Description and Skill Requirements*

The Management/Supervision area in the finance industry includes administrative/customer service managers. These workers oversee day-to-day operations, supervise a variety of employees and provide reports to upper-level management.

Workers in the Management/Supervision area in the finance industry must have strong communication skills to effectively motivate employees and interact with customers and co-workers. Administrative/customer service managers, in particular, must be able to model superior customer service and communication skills, such as conflict management, for employees. These workers need to have advanced problem-solving skills, as well, to effectively re-distribute work in the case of a disruption in staffing or other issue. They must be able to understand and effectively operate the computer systems that control call centers or manage customer files. Strong writing and math skills are necessary to write reports and analyze data. These workers must also have a strong base of knowledge regarding company products and the regulations that govern them. For the job of administrative/customer services manager, employers prefer that an individual have at least an AA and

preferably a BA degree. However, some employees with extensive experience can also be promoted through the ranks of a company to assume this position.

### *Emerging Skills*

As in other occupational groups, the skill requirements of the Management/Supervision job group are impacted by the increasingly complex environment being created in the finance industry and a growing use of technology. Managers must be able to read, interpret, implement, and effectively communicate with their employees about new, constantly evolving sets of products and services offered by firms. Managers are often the front-line for interpreting regulations governing the finance industry and ensuring that their area of the company is in compliance with the law.

The use of technology to manage call centers and customer information is increasing at a rapid rate. Therefore managers must be able to understand and effectively operate complex call and data management systems. They must be able to understand reports generated by these technology systems and effectively use the information to make decisions.

### *Workforce Trends and Issues*

Employers tell us that they prefer to draw workers in these positions from the ranks of existing employees. However, the growth in the industry and its increasing reliance on technology have caused some employers to look outside their companies to hire workers with more formal education, such as an associate's or bachelor's degree in a business or financial management field.

## Sales/Relationship Management

### *Description and Skill Requirements*

Sales people in the finance industry not only sell products and services, they also develop and maintain long-term relationships with customers. Unlike customer service staff, sales staffers in most financial institutions typically are not the first faces a customer meets in the organization. Rather, they provide customers with specialized services, including an in-depth analysis of their needs and customized follow-up activities.

Employers usually demand that workers in these positions, which include personal financial advisors, insurance sales agents, and financial services and business sales agents, have a college degree. Many positions also require specific certifications or licensing, depending upon the products and services that they offer. Employers prefer that new employees in this area have several years of experience in sales, customer service, or other areas that demonstrates an individual's capacity to use persuasion effectively and to work well with people.

The competencies that a Sales/Relationship Management worker in the finance industry must demonstrate to be successful include the provision of superior customer service and follow-up and the ability to successfully develop new customers

through networking. In some areas, especially urban neighborhoods with a large immigrant population, this may require the knowledge of more than one language. According to employers, these workers must also be able to elicit and analyze customer needs to sell them appropriate products/services. Workers in this job group often specialize in a particular set of services or customers. For example, financial services sales agents specialize in selling services such as mutual fund management to a firm's individual customers, while a business sales representative specializes in analyzing and meeting the financial needs of businesses. Personal financial advisors typically provide more customized analysis of individual customer needs based on their larger financial situation. Insurance sales agents are licensed to sell insurance, though some may also offer additional services.

As the finance industry becomes more technologically advanced, workers must apply math and financial knowledge along with new technology, including powerful statistical software, to analyze customers' needs effectively. For example, personal financial advisors must help customers estimate their retirement savings by calculating their rate of savings in various investment options, the estimated gains due to interest accrual and other factors. Much of this work is now done using software designed to help advisors give sound advice to their customers. Finally, in today's increasingly complex environment, Sales/Relationship Management workers must be able to balance ethical principles, customers' needs, company priorities, and legal regulations when making recommendations to customers about their financial options.

### ***Emerging Skills***

New software and computer technology is significantly influencing the sale and management of financial services and products. Workers in the Sales/Relationship Management must not only possess all of the traditional interpersonal and communication skills of a traditional sales person; they must also possess the technology skills to understand and sell an increasingly complex set of services and products to increasingly sophisticated and demanding financial consumers. In addition, a more highly regulated industry requires that all workers understand and effectively and consistently apply all regulations and requirements of the industry and the regulatory agencies that govern it.

### ***Workforce Trends and Issues***

The increased diversity in services and products offered by many financial institutions in the wake of deregulation means that businesses must maintain a highly skilled sales force to remain competitive. Employers in all sectors of the industry report that while the economic slowdown affecting the American economy is mitigating this effect, the demand for sales and relationship managers of all types is on the rise. Firms rely on these workers to develop and maintain the relationships with key individual and business customers that keep banks, securities and commodities firms and insurance companies profitable. In addition, these workers must be highly skilled at marketing and selling a range of products and services to customers.

The aging Baby Boom generation is preparing for, and currently entering, retirement. This demographic shift has precipitated an increase in demand for skilled personal financial advisors, in particular. The Bureau of Labor Statistics and other agencies reflect the growing demand for the number of these workers.<sup>44</sup>

However, New Jersey employers inform us that not only is the number of positions predicted to increase as Baby Boomers and wealthy investors demand more and increasingly diverse services, but the skill requirements are also advancing at a rapid rate. Customers are seeking more unbiased non-traditional investing advice, such as how to teach their children to manage wealth, prepare for specific life events and invest in charitable giving.<sup>45</sup> Investors needs also have been increasingly influenced by the "democratizing force of information technology," which has made the public "more aware of managing its own diverse and changing financial needs."<sup>46</sup> Therefore, personal financial advisors must assimilate increasingly complex knowledge about investment options and other financial matters.

In the past, companies have tended to hire a series of entry-level personal financial advisors. These workers generally have a college degree, but lack the more advanced credentials of senior advisors. Often companies relied on one or two senior staff with the Certified Financial Planner (CFP) or other industry-recognized certificate to provide guidance to the less-experienced workers who lacked these credentials. However, as both the product and regulatory landscapes continue to become more complex, experienced, credentialed personal financial advisors are now in higher demand than their less-skilled counterparts.

As in other industries, the growth of technology has had a tremendous impact on the banking, insurance and securities sectors. In fact, employees in the finance industry use technology more often than workers in any other area.<sup>47</sup> Powerful new software allows advisors to perform complex operations, and all levels of Sales/Relationship Management employees must be familiar with some aspects of technology to do their jobs.

The quick pace of change in the finance industry has made it difficult for existing workers, prized in the past for their high level of technical and financial management abilities, to meet the increased demand for the delivery of superior customer service. For Sales and Relationship Management positions, such as personal financial advisors, financial services sales people and business sales representatives, this has resulted in a preference among many employers to hire new employees from outside businesses and industries as opposed to promoting them from within the ranks of current employees, or even from other financial businesses. For example, many employers state that they prefer to hire workers who have experience as counselors, teachers or salespeople in other industries to work as financial and business services sales agents, personal financial planners and other Sales/Relationship Management positions. One reason for this trend is that some employers believe that people who perform these "people-friendly" jobs are often better equipped to perform the all-important social aspects of a

financial sales position than employees who may have spent the majority of their careers in the finance industry honing more technical skills. In addition, employers feel it is easier to train these workers to perform the technical aspects of the job than it is to train technically proficient financial industry employees to adopt effective “people skills.” The downside to this trend is that it may be difficult for existing workers in the finance industry to advance to positions in the Sales/Relationship Management area. However, workers in other fields may find it easier to make a career change into these positions in the finance industry.

One important exception to this trend occurs in the insurance sector, where sales agents must be licensed to sell insurance. In this sector it is more efficient to recruit sales agents from within the business, as these individuals already possess a license, or have amassed the experience and training necessary to obtain one quickly.

### III. Key Workforce Challenges

Throughout the finance and insurance industry, companies are in need of skilled workers who have the skills, knowledge, and abilities to adapt to rapidly changing industry needs. As the need for more highly skilled workers increases, the industry is facing two primary challenges: finding qualified new employees and helping existing workers keep pace with industry changes.

Many employers we spoke with expressed growing concern over skills gap issues with regard to both new and existing employees. However, concerns were more pronounced with regard to new employees, as the industry currently lacks the ability to invest significant resources into workers prior to hiring them. Skill gaps among existing employees present problems related to productivity and the growing costs of training, but the employers feel that the industry is more capable of addressing these issues internally.

#### **Challenge 1: Preparing Skilled, Qualified Workers.**

Employers in some areas report that workers entering the industry do not have the skills needed to do their jobs effectively.

Many of the employers we spoke with in the finance industry maintain that it is difficult to find applicants at many levels of employment who have adequate “basic skills” to perform well in available jobs or advance from within the company to more highly skilled positions. The term ‘basic skills,’ as applied by employers, encompasses a wide range of skills employers feel are necessary for workers to have in today’s complex workplace. The term also means different things for different types of workers. For example, employers report that many entry-level employees, especially in low-income, urban settings, lack basic academic skills, such as high school-level math, reading, writing and English skills. In addition, significant numbers of new employees at many levels and in many geographic areas, are said to lack basic workplace readiness skills and key cross-industry demand skills. These cross-industry demand skills

include problem-solving and critical thinking skills as well as high-level interpersonal and communication skills such as business-writing skills, the ability to work effectively in teams and the ability to manage conflict. Employers explain that these basic academic, workplace readiness and cross-industry demand skills are more important in the hiring of new workers than more advanced, technical skills, as there are a variety of industry-based training options to help workers gain job-specific skills.

However, various trends impacting the industry have also added to the number and depth of technical skills required to be successful in many jobs in the finance industry. The increase in technology has made it necessary for nearly all industry employees to effectively operate computers and software. In addition, employers look for employees who can speak at least two languages to work in bank branches and local offices in some neighborhoods. Finally, as many financial institutions expand their product offerings in response to the Graham-Leach-Bliley Act, entry-level employees, particularly those in the Customer Service/Support area, must have a more diverse knowledge base regarding financial concepts, products, services, and regulations. Increasingly, employers are also looking for new employees who possess some marketing and selling ability.

In general, employers feel that the K-12 educational system, and, to a lesser degree, the post-secondary education and training institutions, are not adequately preparing workers to enter the finance industry. As a result, it is difficult for many employers to find new workers, especially those applying for entry-level jobs, who do not require extensive on-the-job training and coaching to perform well.

#### **Challenge 2: Upgrading the Skills of Current Workers.**

Incumbent workers struggle to acquire new skills to keep pace with the rapidly changing nature of the industry.

Though many mid- to high-level incumbent workers in the finance industry are well educated and highly skilled, several trends impacting the industry are raising the level of skill needed by all finance workers, from CED’s to salespeople, at a rapid rate. These trends, including the integration of the banking, insurance and securities and commodities sectors, the introduction of complex new regulations, changing consumer demands, and rapidly evolving technology, have forced many companies to change the way they do business.

Since the passage of the Gramm-Leach-Bliley Act, many financial companies have expanded their product and service offerings, as well as their knowledge base, as they venture into consolidating the services previously offered exclusively by banks, insurance companies and securities and commodities firms. This dramatic change is changing the way employees throughout the industry work and adding to the breadth and depth of skills employees must have to be successful. For example, many insurance brokers must now be proficient at selling financial services to customers. To do this effectively, the insurance broker must now become familiar with their company’s new product offerings, including the business practices and regulations that go with them, as well as be able to gain a



broad understanding of customers' financial needs. Besides requiring employees to expand their knowledge base dramatically, GLBA has also created a need for employees to apply generally accepted accounting principles, master common financial software quickly, practice basic security procedures, and be able to communicate with others in the industry using a common financial language.<sup>48</sup>

New government regulations also are adding to the complexity of many jobs in the finance industry. For example, laws governing cross-border trades and money laundering have been implemented in response to trends such as globalization and increased fraud and ethics violations. Employees must be familiar with these regulations and be able to implement internal control programs to meet and exceed the requirements of these laws.<sup>49</sup> Following September 11th, employers are also looking for workers with the ability to develop and carry out emergency management plans that involve coordinating activities between internal company departments, other firms and government agencies. Finally, new regulations and increased oversight by agencies such as the Securities Exchange Commission regarding matters of ethics have made it vitally important for employees throughout the industry to understand their legal boundaries. In this increasingly complex and intimidating regulatory environment, employers prize workers who have the ability to balance ethical principles and applicable regulations with the provision of efficient and effective service and the maintenance of company profits.

Finally, employers report, and the literature supports, that today's finance workers need technology-related skills to keep up with current business practices and evolving consumer demands. They must be able to adapt to the powerful financial software and computer systems that automate much of the mathematical and administrative processes on the job. The popularity of on-line investing and real-time insurance quotes require industry employees to be familiar with new technology, understand its role in the business and how it can be used effectively to meet client needs. While demand for some of these e-services is slowing, employees must be able to adapt to the quickly emerging trends in this and other high-tech areas. The aging Baby Boom generation and wealthy investors are also demanding more diverse, customer-oriented services from the industry, forcing companies and their workers to adopt new services and develop innovative marketing strategies.

In practice, employers find that the gap with regard to technology skills occurs more often with older workers than with younger employees, presumably due to the younger generation's pervasive experience with computers and software. While many younger workers may not be skilled in the particular applications used in some industry jobs, employers report that they are often comfortable working within the technology environment than older workers.

Conversely, employers report that older workers are generally more familiar than their younger counterparts with the principles that underlie their business processes for their sector, such as a thorough knowledge of financial and accounting principles or a strong understanding of the insurance business. Employers speculate that this may be due to the increased

experience many older workers have working in their sector. Sometimes, however, this experience and deep-rooted knowledge can make it difficult for older workers to adapt to the evolving nature of the financial industry, while younger workers may be better able to adapt to the rapid changes brought about by GLBA and other factors.

## IV. Current Efforts to Meet the Challenges

Employers, industry associations, government and the educational community have developed a number of responses to address the skills gap issues that are impacting both new and existing workers in the finance industry.

### *Strategies to Prepare Skilled, Qualified Workers*

In northern New Jersey, few resources currently exist within or outside of the finance industry to raise the skill levels of entry-level workers (those requiring no more than a high school diploma) preceding the time of hire. Workers who are prepared to seek out a higher level of education to prepare for more highly skilled positions have more options available, though these options appear to lack important qualities.

### *Improving the Basic Academic Skills, Work Readiness and Cross-industry Demand Skills of Students Interested in the Industry*

While the number of programs that help new workers to improve their cross-industry demand skills, including basic academic, workplace readiness and communication skills, is increasing, the current system to prepare these workers remains inadequate to meet employer needs, especially for entry-level jobs requiring no more than a high school diploma or GED.

Those seeking to enter Customer Service/Support positions and other entry-level jobs with only a high school diploma or equivalent must depend on the quality of their secondary-level education to prepare them for the minimum requirements of the position. Unfortunately, few schools have adopted career-focused curriculum alternatives that provide training in key areas such as applied accounting, sales and marketing, workplace readiness and communication skills, such as business writing and working in teams. However, communities around the state are recognizing the need for these types of programs and have developed innovative responses. For example, several high school-based programs in northern New Jersey are designed to prepare workers to meet the demands of work in the finance industry. These programs include the Jersey City Business Alliance Program, the Union City Vocational Program, and a Career Academy program being developed in Jersey City.



The Jersey City Business Alliance Program is an alliance between the Jersey City School system and various financial companies. High school students participate in a series of one-day internships at participating companies to get a better understanding of the day-to-day responsibilities of several jobs. Half of the day is spent in course work, taught by company personnel, and the other half is spent with a mentor at the employer worksite. The program exposes the students to the environment, opportunities, and requirements of the industry. The Union City program also has company sponsorship. Students combine academic courses with courses relating to a specific industry. Finance currently is not a part of the program, but is under study. Companies provide some funds, help in curriculum development and in securing part time work for student within the industry.

The Jersey City secondary school system, in partnership with Pershing, a major securities firm, is currently implementing a Career Academy designed to address the skills needed in the finance industry. Career academies foster a "school-within-a-school" model to teach students how to apply skills in a workplace setting. They combine industry-themed coursework with internships and other opportunities for exposure to the workplace. Many career academies in various industries are either planned or already in operation around the state. Administrators of the Jersey City program hope that their partnership with Pershing will lead to enhanced curriculum development that will better prepare workers to either pursue higher education in the field or directly enter jobs in the community.

### ***Post-Secondary Education Programs***

New workers who plan to pursue education beyond high school and to enter more highly skilled positions in the industry have more training and education options available. Private training providers, community colleges and four-year colleges offer courses that new workers can use to obtain a majority of the skills they need to succeed in the industry. These courses generally provide an overview of business management and accounting principles, though some are now being developed to address employers' needs for skilled Customer Service/Support personnel (see Appendix E).

However, employers report that many of these post-secondary programs, particularly the more technically oriented higher education programs, do not impart the workplace readiness or the advanced communication and interpersonal skills demanded by many jobs in the finance industry today. In some cases, employers choose to hire new workers with communication skill deficiencies and provide them on-the-job training. However, many state that the deficiencies some applicants display even after finishing bachelor's level college education is so severe that it inhibits hiring these jobseekers.

In other states, such as Kentucky and Connecticut, employers have partnered with government and education to create skill standards that help schools to develop curriculums that better prepare students to enter jobs in the finance industry. Private training providers and some colleges we spoke with in New

Jersey report that they routinely involve employers on boards and similar advisory bodies to create curriculums and course offerings that address employer skill needs. For example, William Paterson University in Wayne, New Jersey, has developed an innovative hands-on program in partnership with several employers that simulates the workings of the New York Stock Exchange. Other colleges and training programs incorporate internships to provide students with exposure to the workplace and the practical skills needed to succeed on the job.

## **Strategies to Upgrade the Skills of Current Workers**

Employers and industry associations have developed a wide variety of training and education programs, as well as other forms of assistance to help existing workers gain the skills they need to stay competitive. Most employers offer tuition reimbursement programs and/or allow employees to take advantage of training offered by industry associations. According to experts at the American Bankers Association, employers are offering tailored in-house training programs to some of their employees as a means of giving them a more competitive edge. However, the uncertain American economy has forced many employers to cut back or put these in-house training programs on hold.

Some companies and industry associations, such as the American Bankers Association, offer short training to existing entry-level Customer Service/Support workers to improve their communications, sales and marketing skills. Some companies also have established mentoring programs, in which they pair entry-level employees with more experienced workers to give them on-the-job training. However, employers feel that these efforts cannot make up for serious deficiencies that some workers have in math, reading, writing, English and interpersonal skill areas.

The New Jersey Department of Labor offers customized training grants that employers can take advantage of to train their current workers. The program provides a matching grant to companies to partner with a local community college to develop a customized curriculum to train their existing workers. The state has awarded several grants to companies in the finance industry in recent years. However, the availability of these grants is limited and most of the employers with whom we spoke were not aware of the program.

Several industry resources exist to help employers improve the skills of more advanced employees and help them adapt to rapidly changing trends. Professional associations offer trainings and seminars for industry workers in many areas, including ethics, homeland security, dealing with new government regulations and coping with the new landscape of merged financial services. For example, LOMA (formerly the Life Office Management Association) offers an associate's degree in Insurance Accounting and Finance, and the American Institute for Chartered Property Casualty Underwriters offers several levels of training programs in the area of property and casualty insurance.

Training and advancement in the banking industry is facilitated by courses offered by the American Institute of Banking and the Institute of Financial Education. Securities and commodities and insurance firms also have professional organizations that have developed certification courses to prepare individuals for jobs in these industries. The New Jersey Department of Labor has approved a wide variety of programs to prepare students for careers in financial industries, from accounting, to life insurance licensing, to securities trading.<sup>51</sup>

Overall, there are plenty of opportunities for employees who have strong cross-industry demand skills to access higher-level technical training that will help them stay competitive. However, these opportunities are more limited for less-skilled workers. In addition, many employers have been forced to cut back on internal training budgets as a means of staying financially competitive during the economic downturn that has affected the country over the last several years.

## V. Recommendations

The finance industry is faced with a number of challenges in meeting their current and future skill needs. First, and most significantly, employers report that many workers entering the industry are not sufficiently prepared to perform well on the job. Second, the rapidly changing nature of the industry has made it difficult for existing employees to keep up with the skills needed to succeed. To effectively meet these challenges now and into the future, employers, educators, workforce development professionals and policy makers must build upon and better coordinate existing efforts. Due to the rapidly evolving nature of the finance industry and its skill needs, those responses that encourage face-to-face interaction between stakeholders will likely be most effective at addressing the current training and education gaps. Specific steps that may improve the availability and quality of training for job-seekers and workers include:

### 1. Recommendations to Prepare Skilled, Qualified Workers

#### *Strengthen Secondary Education*

**Incorporate Workplace Readiness and Cross-industry Demand Skills Needed in the Workplace into School Curriculums.** Employers in this and other industries complain that many entry-level workers lack workplace readiness skills and cross-industry demand skills that are necessary to succeed in nearly all jobs in the twenty-first century world of work. High schools should work to incorporate these key skills into the curriculum. Since cross-industry demand skills, such as interpersonal, communication, critical thinking and problem-solving skills, can be applied in any discipline, these skills can be incorporated into existing curricula.

Workplace readiness skills should also be integrated into the high school experience as well. While still in its infancy, the *SchoolCounts!* Program, in place in several counties in New Jersey and developed by the Business Coalition for Education

Excellence at the New Jersey Chamber of Commerce, may be a promising approach. This program rewards students by issuing an employer-recognized certificate to students for promising behavior such as consistently high attendance rates, above average academic performance, finishing high school on-time and taking initiative by enrolling in extra courses. Local employers enrolled in the program agree to accept the *SchoolCounts!* Certificate as evidence of workforce preparedness.

**Support the Career Academy Model.** Career academies foster a “school-within-a-school” model to teach students how to apply skills in a workplace setting. They combine industry-themed coursework with internships and other opportunities for exposure to the workplace. Many career academies in various industries are either planned or already in operation around the state. For example, the Jersey City secondary school system, in partnership with Pershing, a major securities firm, is currently implementing a career academy designed to address the skills needed in the finance industry. Employers can use partnerships with career academy schools to directly communicate with educators and students about the skills needed in the industry, as well as have the opportunity to influence school curriculums to enhance the delivery of training and education in many areas, from technical skills to cross-industry demand skills that may be enhanced when taught in a work-based setting.

#### *Strengthen and Expand Post Secondary Education and Training*

**Encourage Industry/Education Partnerships Through Conferences and an Information-sharing Website.** A statewide conference focusing on employer skill needs in the finance industry and the best practices developed to address them would provide tremendous benefit to a variety of stakeholders. Such an event would allow employers and educators to share information, form partnerships and replicate promising practices.

An information-sharing website could be used to disseminate information gathered at the Skills Summit and through local efforts. The website also could serve as an information clearinghouse regarding evolving employer skill needs and promising responses being developed within the industry, as well as in the education and workforce development communities.

### 2. Recommendations to Upgrade the Skills of Current Workers

**Continue and Support Existing Industry Efforts.** Employers and industry associations have developed robust in-house programs and partnerships with colleges and universities around the state to enhance the skills of existing workers. Employers should continue to make these training programs, tuition reimbursement packages and other training resources available to their workers to keep them competitive. Educators, workforce development professionals, and policy makers should work closely with employers to support and help coordinate these industry efforts.

### 3. Overall Recommendations

**Maintain the advisory group.** The Hudson County Workforce Investment Board should maintain the industry-based advisory group created for this project. This group already has been instrumental in improving communication among employers about available training resources for existing workers. In addition, the group has helped to raise awareness of local educators and employers regarding programs designed to provide new workers with the skills they need to succeed in industry

jobs. The continued use of the advisory group can help schools to make meaningful connections with local employers, as well as coordinate existing efforts with other educators and workforce development professionals. Finally, the WIB itself can benefit from the continued use of the advisory group by using information gleaned from employers about skills to effectively pair qualified jobseekers with existing jobs and direct those without necessary skills to appropriate community resources (see Figure 5.1).

**Figure 5.1: Recommendations by Stakeholder**

	State Government	Workforce Investment Boards	Secondary Education	Post Secondary Education	Employers/ Associations
<b>Recommendations to Prepare Skilled, Qualified Entry-Level Workers</b>					
<b>Strengthen Secondary Education</b>					
Incorporate Workplace Readiness and Cross-Industry Demand Skills Needed in the Workplace into School Curricula	x		x		
Support the Career Academy Model	x		x		x
<b>Strengthen and Expand Post Secondary Education and Training</b>					
Encourage Industry/Education Partnerships Through Conferences and an Information-Sharing Web Site	x				
Continue and Support Existing Industry Efforts	x	x	x	x	x
Maintain the Advisory Group			x	x	x

## VI. Conclusion

The finance industry currently is in a state of rapid evolution. Several important trends are changing the way business is conducted throughout the industry and impacting employer skill needs in various ways. Some of these trends include the consolidation of financial services, increased regulation of the industry as a result of security concerns, increased globalization, recent ethics-related scandals, changing customer demands, the rise in the use of technology on the job, and the alarming rise in the movement of jobs overseas that is occurring in the financial services area.

The industry faces two primary skill-related challenges as companies struggle to remain competitive. The first, and most problematic, involves the inadequacy of training and education available to workers prior to entering the industry, which has

led to employers in some areas having difficulty finding enough qualified workers. The second challenge is keeping the skills of current workers up-to-date. Both challenges are exacerbated by the constantly changing skill needs of the industry. Therefore, complex, time-consuming approaches to defining skills, such as the development of very detailed skill standards and profiles, are likely to be ineffective as many of the skills may be outdated by the time such efforts come to fruition. However, locally-based and state-based approaches that involve frequent face-to-face meeting and information sharing will help stakeholders to develop innovative responses to employer training needs quickly and effectively.

<sup>4</sup> A full discussion of the methodology used for this study is included in Appendix A.

<sup>5</sup> A full list of Advisory Group members is included in Appendix B.

<sup>6</sup> A full list of focus group and interview participants is included in Appendix C.

<sup>7</sup> In many taxonomies, including the Standard Industry Classification (SIC) system, the finance industry also includes the real estate sector. However, study partners agreed to leave this sector outside of the purview of this report due to its dissimilarity to the other sectors on many levels.

<sup>8</sup> Bureau of Economic Analysis, U.S. Department of Commerce. "Industry Accounts Data: Gross Domestic Product by Industry." 28 October 2002. <<http://www.bea.doc.gov/bea/dn2/gposhr.htm>> (21 August 2003) and, New Jersey Department of Labor. "Gross State Product for New Jersey by Industry, 1977-2001 (Millions of Current Dollars)." 7 July 2003. <<http://www.wnjp.in.net/OneStopCareerCenter/LaborMarketInformation/lmi09>> (21 August 2003).

<sup>9</sup> Bureau of Economic Analysis, U.S. Department of Commerce. "Industry Accounts Data: Gross Domestic Product by Industry." 28 October 2002. <<http://www.bea.doc.gov/bea/dn2/gposhr.htm>> (21 August 2003).

<sup>10</sup> New Jersey Department of Labor. "Gross State Product for New Jersey by Industry, 1977-2001 (Millions of Current Dollars)." 7 July 2003. <<http://www.wnjp.in.net/OneStopCareerCenter/LaborMarketInformation/lmi09>> (21 August 2003).

<sup>11</sup> For the remainder of this table, "Banking" refers to a composite of depository and non-depository institutions.

<sup>12</sup> For the remainder of this table, "Insurance" refers to a composite of insurance carriers and insurance agents.

<sup>13</sup> Bureau of Labor Statistics, U.S. Department of Labor. "2001 National Industry-Specific Occupational Employment and Wage Estimates." 5 December 2002. <<http://www.bls.gov/oes/2001/oesrsci.htm>> (21 August 2003).

<sup>14</sup> Bureau of Labor Statistics, U.S. Department of Labor. *Career Guide to Industries, 2002-2003 Edition*. <<http://www.bls.gov/oco/cg/cgin-dex.htm>> (21 August 2003). These figures are for both supervisory and non-supervisory occupations.

<sup>15</sup> This number reflects only non-supervisory workers in the insurance carrier segment. Insurance sales agents' salaries vary widely with experience.

<sup>16</sup> Bureau of Labor Statistics, U.S. Department of Labor. "2000-2010 National Employment Matrix, Detailed Industry by Occupation." 15 March 2002. <<http://www.bls.gov/emp/emiols.htm>> (21 August 2003).

<sup>17</sup> New Jersey Department of Labor. *Occupational Employment Statistics Wage Survey: 2003 Edition*. January 2003. <<http://www.wnjp.in.state.nj.us/OneStopCareerCenter/LaborMarketInformation/lmi23/index.html>> (21 August 2003).

<sup>18</sup> Ibid. Note: Earnings figures are our calculations, based on a 40-hour workweek. These statistics include both supervisory and non-supervisory occupations.

<sup>19</sup> New Jersey Department of Labor. "Estimated and Projected Employment by Industry, 2000-2010." November 2002. <<http://www.wnjp.in.state.nj.us/OneStopCareerCenter/LaborMarketInformation/lmi04/state/detailind.htm>> (21 August 2003).

<sup>20</sup> For the remainder of this report, "Banking" refers to a composite of depository and non-depository institutions.

<sup>21</sup> Bureau of Labor Statistics, U.S. Department of Labor. "Banking." *Career Guide to Industries, 2002-2003 Edition*. <<http://www.bls.gov/oco/cg/cgs027.htm>> (21 August 2003).

<sup>22</sup> Ibid. Note: BLS calculations for the Finance industry as a whole include figures for the Real Estate, which is not covered in this report.

<sup>23</sup> Ibid.

<sup>24</sup> Bureau of Labor Statistics, U.S. Department of Labor. December 23, 2002. "2001 National Industry-Specific Occupational Employment and Wage Estimates." 23 December 2002. <[http://www.bls.gov/oes/2001/oesi3\\_602.htm#b13-0000](http://www.bls.gov/oes/2001/oesi3_602.htm#b13-0000)> (21 August 2003).

<sup>25</sup> Calculation based on a forty-hour workweek.

<sup>26</sup> Bureau of Labor Statistics, U.S. Department of Labor. *Career Guide to Industries, 2002-2003 Edition*. <<http://www.bls.gov/oco/cg/cgin-dex.htm>> (21 August 2003).

<sup>27</sup> New Jersey Department of Banking and Insurance. "Number of New Jersey Chartered Banks." <<http://www.njdobi.org/bankstats.htm>> (21 August 2003).

<sup>28</sup> New Jersey Department of Labor. *Occupational Employment Statistics Wage Survey: 2003 Edition*. January 2003. <<http://www.wnjp.in.state.nj.us/OneStopCareerCenter/LaborMarketInformation/lmi23/index.html>> (21 August 2003).

<sup>29</sup> Ibid.

<sup>30</sup> For the remainder of this report, "Insurance" refers to a composite of insurance carriers and insurance agents.

<sup>31</sup> Bureau of Labor Statistics, U.S. Department of Labor. "2001 National Industry-Specific Occupational Employment and Wage Estimates." 5 December 2002. <<http://www.bls.gov/oes/2001/oesrsci.htm>> (21 August 2003).

<sup>32</sup> New Jersey Department of Banking and Insurance. July 2, 2003. "News Release: AIG Postpones Withdrawal Plan in Response to Auto Reforms." 2 July 2003. <<http://www.state.nj.us/dobi/PressReleases/pr070203.htm>> (21 August 2003).

<sup>33</sup> Bureau of Labor Statistics, U.S. Department of Labor. "Securities and Commodities." *Career Guide to Industries, 2002-2003 Edition*. <<http://www.bls.gov/oco/cg/cgs029.htm>> (21 August 2003).

<sup>34</sup> Ibid.

<sup>35</sup> Bureau of Labor Statistics, U.S. Department of Labor. "2001 National Industry-Specific Occupational Employment and Wage Estimates." 5 December 2002. <<http://www.bls.gov/oes/2001/oesrsci.htm>> (21 August 2003). Note: 2001 is the last year for which statistics are available.

<sup>36</sup> Gentle, Chris. *The Cusp of a Revolution: How Offshoring Will Transform the Financial Services Industry*. 2003. London: Deloitte Research, 3.

<sup>37</sup> Keaveny, Jake. "Wall Street to Ship Research Jobs to India." Reuters. 2 May 2003. <<http://in.news.yahoo.com/030502/137/23ywr.html>> (21 August 2003).



<sup>38</sup> Gentle. 2003. p. 2.

<sup>39</sup> A.T. Kearney. "U.S. Financial Services Firms to Move More Than 500,000 Jobs Overseas Over the Next Five Years, A.T. Kearney Study Finds." 1 May 2003.  
<<http://www.atkearney.com/main.taf?p=1,5,1,130>> (21 August 2003). Also see Gentle. 2003. p. 2.

<sup>40</sup> Schroeder, Michael. "States Fight Exodus of Jobs – Lawmakers, Unions Seek to Block Outsourcing Overseas." *Wall Street Journal*. A4. 3 June 2003.

<sup>41</sup> New Jersey Department of Labor. "Occupational Employment Projections, 2000-2010." November 2002.  
<<http://www.wnjp.in.net/OneStopCareerCenter/LaborMarketInformation/lmi04/state/index.html#occ>> (21 August 2003).

<sup>42</sup> New Jersey Department of Labor. "Occupational Employment Statistics Wage Survey, 2003 Edition." January 2003.  
<<http://www.wnjp.in.state.nj.us/OneStopCareerCenter/LaborMarketInformation/lmi23/index.html>> (21 August 2003).

<sup>43</sup> Core competencies are a cluster of skills, knowledge, and abilities a worker needs to master to perform this job.

<sup>44</sup> Bureau of Labor Statistics, U.S. Department of Labor. "Occupation Report: Projections 2000-2010." 31 January 2002.  
<<http://data.bls.gov>> (21 August 2003).  
New Jersey Department of Labor. "Occupational Employment Projections, 2000-2010." November 2002.  
<<http://www.wnjp.in.net/OneStopCareerCenter/LaborMarketInformation/lmi04/state/index.html#occ>> (21 August 2003).

<sup>45</sup> Dristell, Daniel. "How to Deliver Advisory Services Profitably." *MarketShare*. November 2002. p. 2. <[http://www.sia.com/publications/pdf/MrktShare\\_Nov02.pdf](http://www.sia.com/publications/pdf/MrktShare_Nov02.pdf)> (21 August 2003).

<sup>46</sup> Bothwell, Todd. "In the Right Place, at the Right Time: Opportunities for CFP Professionals in the Marketplace." Financial Planning Association. <[http://www.fpanet.org/member/practice\\_center/services/art\\_rightplace\\_time.cfm](http://www.fpanet.org/member/practice_center/services/art_rightplace_time.cfm)> (21 August 2003).

<sup>47</sup> Bureau of Labor Statistics, U.S. Department of Labor. "Computer Use Most Prevalent in Finance Industry." *MLR: The Editor's Desk*. 31 October 2002.  
<<http://www.bls.gov/opub/ted/2002/oct/wk4/art04.htm>> (21 August 2003).

<sup>48</sup> Kentucky Department of Education. "Kentucky Financial Services Skill Standards." July 2000. <[http://www.kde.state.ky.us/NR/rdon-lyres/euk6pk2gjwsy64qtj2io53wnoxkylqlagbop7l2y43m2vh27gg2qvlqt-pzawm2ethz5cv4cvj4vbh3fsaysgvhdwbch/ss\\_financial1.doc](http://www.kde.state.ky.us/NR/rdon-lyres/euk6pk2gjwsy64qtj2io53wnoxkylqlagbop7l2y43m2vh27gg2qvlqt-pzawm2ethz5cv4cvj4vbh3fsaysgvhdwbch/ss_financial1.doc)> (21 August 2003).

<sup>49</sup> Securities Industry Association. <<http://www.sia.com>> (21 August 2003).

<sup>50</sup> See the associations' websites: LOMA (<http://www.loma.org>) and AICPCU (<http://www.aicpcu.org/>).

<sup>51</sup> New Jersey State Employment and Training Commission. Online Consumer Report Card.  
<<http://www.njtrainingsources.org>> (21 August 2003)

## Appendix A: Methodology

The Workforce Investment Boards of Bergen, Cumberland/Salem, Hudson, Mercer and Passaic counties, in partnership with the New Jersey State Employment and Training Commission, selected the industries for study based on their prevalence in the state and regional economies, their current employment rate, and their potential for job creation.

The Heldrich Center, with input from each WIB, conducted a thorough literature search, or “knowledge inventory,” for each industry. The Heldrich Center compiled background research using the Internet and published research reports on the current and emerging national and state trends, and focused on emerging trends and growth projections in the selected industries. The knowledge inventory formed the basis of the industry reports.

The WIBs convened an advisory group for each industry to guide the project. The advisory group consisted of employers and other key industry stakeholders. The advisory group aided in the selection of occupations for study and provided input regarding report recommendations. The groups met twice throughout the project.

The Heldrich Center utilized New Jersey Department of Labor Labor Market Information (LMI) data to create a list of occupations for each industry. The primary criterion was gross openings and expected growth. The secondary criterion was occupations with a shortage of qualified workers and those that displayed a diversity of income and educational levels. The Heldrich Center created a ranking of occupations for review by the WIBs. The WIBs, based on input from each Sectoral Advisory Committee, selected a subset of occupations for study that represented the above criteria and/or their own experience within the industry.

The Workforce Investment Boards, with assistance from the Heldrich Center, Cumberland County College, Mercer County College and William Paterson University, convened four or more focus groups for each industry. These focus groups were facilitated by the Heldrich center, and included industry and educational representatives. In addition, the Heldrich Center and its research partners conducted ten or more phone interviews per industry with human resource or key operations managers regarding current and future skill issues and requirements.

## Appendix B: Advisory Group Members

Martin Brophy	Prudential Financial
Yesenia Casallas	Fleet Boston Financial
Carol D'Arcangelo	Independence Community Bank
Jody F. Huss	State Farm Insurance
Jim Ikuss	Chubb
Mirella Joseph	Pershing
Chris Lewis	CPCUIIA
Marilyn Roman	Jersey City Public Schools
Robert Rosa	Hudson County Community College
Lee Wanveer	Prudential Financial

## Appendix C: Focus Group and Interview Participants

Kimberly Barnett	Selective Insurance
Ray Bennett	Fleet Boston
Fred Bercari	Pershing
Robert Bobinski	Provident Bank
Dale Bower	William Paterson University
Peter Carlivati	American Bankers Association
Conswelo Carpenter	Fleet
Haiyang Chen	William Paterson University
Michell Clark	Selective Insurance
Christian Clements	Prudential
Marlow Cruz	Independence Community Bank
Dan DeFrancesco	Hudson County Community College
Patricia Enright	Chartered Property Casualty Underwriters, Insurance Institute of America (CPCUIIA)
Barbara German	Prudential
Edward Graves	The American College
John Hilliard	State Farm Insurance
Kathryn Ionnedes	CFP (Certified Financial Planner) Board
Jennifer Jones	New Jersey City University
Tom Lancaster	Passaic County Community College
Jason Magi	State Farm Insurance
S. Mazza-Matos	Commerce Bank
Kathy Milliagan	LOMA
Brian Nappi	Provident Bank
Tom North	American Express Financial Services
Karen O'Neil	Citibank
Paul Ortiz	State Farm Insurance
Richard Quagliariello	Union City K-12 Career Center
Mico Rivero	MetLife
Ann Roberts	Northeastern
Robert Rosa	Hudson County Community College
Dan Sierchio	Chubb Technology
Nancy Stasyshyn	Selective Insurance
Ken Wagner	Provident Bank

## Appendix D: Profile of Selected Occupations

### 1. TELLERS

Tellers are a bank's first line of customer interaction. They are often responsible for handling large amounts of currency, entering detailed transactions into a bank's computer system, and issuing receipts or cashier's checks. A bank's tellers are frequently called on to create summaries or balances of daily transactions.

Tellers must have a good grasp of mathematical concepts, as well as familiarity with computers and computer systems. They must be effective communicators, with a concentration on customer service and support and social adaptability. Tellers must also be active learners, changing their skill set as required to deal with the new and increasing products and services offered by their bank. Teller positions require a high school diploma or a GED.

Teller positions are increasingly requiring a focus on sales, as tellers are encouraged to "cross-sell," or identify existing customers who might be interested in other bank products. New tellers must continue to display the same skill sets as previously required, but now must also display an aptitude in sales.

### 2. ADMINISTRATIVE/CUSTOMER SERVICES MANAGERS

Administrative service managers, also frequently called "Processing Operations Specialists," are mainly concerned with so-called back office functions: servicing accounts and resolving problems. Their chief responsibility is to the customer, with an emphasis on service, and consequently they spend much of their time on the phone.

Administrative service managers must have a wide variety of skills, with a focus on mathematics, computers, and communications skills. The position is often promotional, with workers starting out at lower positions in the bank's call center, and so must often possess a certain level of experience. Administrative service managers are usually good problem solvers, with good critical thinking and decision-making skills. These jobs almost always require a high school diploma or GED.

This occupation has a higher-than-average focus on technology, which is adapting the skill sets required by employers. Administrative service managers are increasingly required to be familiar with a number of different computer systems and processes, maneuvering among a bank's many levels of services and products in order to best assist the customer.

### 3. INSURANCE CLAIMS and POLICY PROCESSING CLERKS/UNDERWRITER ASSISTANTS

Processing clerks and assistants often function as underwriters-in-training, assisting agents in the field with the processing of claims. They may occasionally be called upon for background research and compilation of data.

Employees in this occupation are often preferred to have a bachelor's degree. They must have an aptitude for math and computers, as well as an understanding of many of the principles of accounting. Their assistance to underwriters and agents in the field can often require critical thinking and decision-making skills, as well as a reliance on good communication. A high school diploma or GED is usually required for this occupation.

Employers were quick to note that this occupation's numbers are dwindling. With dramatically increased automation, the processing clerk is often unnecessary. Those new clerks and assistants who are being hired are occasionally called on to work from home or in other unsupervised settings, and so responsibility, reliability, and maturity are important traits in any new employee.

### 4. SECURITIES, COMMODITIES, AND FINANCIAL SERVICES SALES AGENTS

Financial services sales agents are responsible for determining the financial services needs of potential customers and advising those customers on their various options. The agents must actively develop new clients in order to stay competitive.

Successful sales agents are required to be effective communicators, with a good understanding of background math and economics. They are often energetic, and have very good presentation skills. They must be fast learners, able to recognize the value of new products and services and adapt their sales concepts to encompass those new services in order to best serve the client's needs. Sales agents usually have a bachelor's degree, but employees with associate's degrees have been successful in this occupation. Sales agents must continually re-qualify for a number of certifications and licenses in order to remain in their jobs.

As banks continue to diversify and increase the scope of the products and services they offer, sales agents must find a way to correspondingly increase their knowledge base. In order to remain successful, agents must attract and maintain customers for whom these new services might have value.



## 5. PERSONAL FINANCIAL ADVISORS

Personal financial advisors must advise clients on their optimum financial management strategies. They must be able to assess the financial position of a given customer and come up with appropriate money management plan using a variety of management scenarios. Financial advisors are often key players in retirement planning, setting up college funds, and many other situations where long-term investment management is called for. Though the products they offer are similar to those of general financial services sales agents, personal financial planners are able to offer much more in-depth analysis of a customer's finances, enabling them to tailor the products they sell more directly to the consumer. Like other sales-focused positions, financial advisors must always be focused on developing and maintaining long-term relationships with their clients.

In addition to the standard facility with math and accounting required by many jobs in this sector, personal financial advisors must possess an intimate familiarity with tax structure and regulations. Financial advisors must have superior communication skills, in order to receive an accurate picture of their clients' finances and to explain to their clients the steps they are taking. Specific product knowledge is more important in this occupation than in nearly any other within the industry, as advisors must choose from amongst a wide spectrum of varying products to identify those that might best serve the customer's needs. Good presentation skills are crucial. At least a bachelor's degree is usually required, as well as independent certifications, specifically the Certified Financial Planner (CFP), which focuses on all aspects of financial planning.

With the proliferation of information technology, the average financial consumer has become far more knowledgeable than in the past. This trend has forced financial advisors to familiarize themselves with an ever-expanding pool of services and products, making the job more complex than ever before. Experienced financial advisors who have completed the CFP certification are in extremely high demand.

## 6. BUSINESS SERVICE SALES AGENTS

Business services sales agents are responsible for a group of tasks similar to those of general financial services sales agents: determining the financial services needs of potential customers and advising those customers on their various options. The agents must also actively develop new clients, as is the case with general financial services agents. The main difference between the two is in the customer group: business services agents specialize in corporate customers, selling products geared toward the business market, as opposed to the consumer market.

Successful business services sales agents are required to be effective communicators, with a good understanding of background math and economics. They are often aggressive, and have good presentation skills. They must be fast learners, able to recognize the value of new products and services and adapt their sales concepts to encompass those new services in order to best serve the client's needs. Sales agents usually have a bachelor's degree, but employees with associate's degrees have been successful in this occupation. Sales agents must continually re-qualify for a number of certifications and licenses in order to remain in their jobs.

As with other sales jobs, increasingly savvy consumers are forcing sales agents into an expanding spiral of increasing product knowledge. With growing frequency, financial services firms are looking outside the industry for their new employees, hiring workers whose experience has focused more squarely on customer service (such as workers from the education industry) and gambling that teaching financial acuity is simpler than teaching customer service skills. Existing sales agents are forced to work ever harder to continue to advance; customer relationship management, always important, is now absolutely crucial.

## 7. INSURANCE SALES AGENTS

Insurance sales agents are responsible for selling insurance policies to clients. Types of insurance may include, but are not limited to: life insurance, property insurance, health insurance, and automobile insurance. The agent must often make sales pitches to large groups in order to attract new customers, and must be able to answer clients' questions and address clients' concerns.

Insurance sales agents must be familiar with a number of different policies, and be able to adapt their knowledge in order to identify their clients' needs. They must have solid background knowledge of math and accounting, as well as passable clerical skills. Sales and marketing skills are a must. Skills in critical thinking and judgment are crucial, as is a solid sense of negotiation. Insurance sales agents usually require a bachelor's degree, as well as an industry-wide license to practice.

Within the industry, employers noted that the occupation's numbers will likely continue to grow, but that it is not viewed as a position from which one can easily advance. Turnover among insurance sales agents is particularly high.

## 8. COMPUTER SYSTEMS ANALYSTS

Computer systems analysts supervise the flow of data processing programs. While they may sometimes supervise teams of programmers, their primary focus is usually analysis and recommendation, streamlining current systems and innovating new ones.

Computer systems analysts must possess an in-depth knowledge of computers and computing systems, as well as a solid grasp of basic mathematics. Additionally, it is crucial for computer systems analysts to have good training skills, in order to communicate effectively with often non-technical management. They must be good problem solvers, with solid critical thinking and troubleshooting skills. This job usually requires at least a bachelor's degree, and additional certifications are sometimes necessary.

Employers noted that an increasing number of these jobs are being outsourced, with many going overseas (particularly to India and Ireland). Outsourcing has yet to become a serious issue for front-office jobs, but for back-office jobs like this one, the competition has become fierce. While expansion in the number of total jobs is expected, a substantial portion of this expansion is expected to occur outside of the United States.



**Ready for the Job:**