NEWS RELEASE

Experienced older workers in high demand

as EU banks seek staff competent in regulation

Younger hiring levels fall, women make up banking workforce majority

BRUSSELS, 28 June 2018 – Financial crisis, the growth of digitisation, market changes, and a continuously increasing and complex EU regulatory regime have created new trends in banking sector employment. An overall shrinking financial services workforce, opportunities for older employees for a late career in the banking sector, a simultaneous significant decrease in hiring younger employees, and a majority of women employees in the EU banking industry, are the main conclusions of a new study from European banking industry social partners.

The results of a new European Commission-funded report presented today for the first time at the European Sectoral Social Dialogue Committee in Banking, analyses data that show an upward shift in the average age and education level among bank employees since the 2007-2008 financial crisis. Hiring for people aged 55-plus swelled by 35%. Meantime, workers hired under the age of 24 decreased by 38%, while hiring for those aged 25-39 dropped 19%. The trend slowed in the 40 to 50 age category, down just 5%.

Dr. Jens Thau, Chairman of the EBF-BCESA said: "The nature of the post-crisis job supply focus on high-skill labour is due to higher regulatory pressure. The trend is also caused by new technologies and regulation-driven business models and by stricter requirements on HR hiring procedures that make it more difficult to recruit early career workers. Competition from new players such as FinTechs compounds the pressure on hiring job seekers belonging to the younger age groups.

The committee, comprised of European social partners EBF-BCESA, ESBG and EACB as employers' associations along with trade unions body UNI Europa Finance, also invited stakeholders to join the meeting to learn from the EU-funded study project on the impact of banking regulation on employment.

Shrinking workforce, branch network consolidation

The study calculated a drop of 444,200 employees in the EU28 banking sector in 2016 than in 2007. During that time period, the number of employees per branch increased due to branch bank consolidation caused, in part, by EU financial policy decisions and market trends such as digitisation. To cope with the digital 'New Normal', financial institutions are adjusting their business models to reach closer proximity to customers while reworking their branch network.

William Portelli, President of the Malta Union of Bank Employees (MUBE) and coordinator for the UNI Europa Finance banking social dialogue committee, said: "The implementation of overwhelming regulatory measures to mitigate the unwarranted circumstances created by the crisis demanded instant changes to job profiles due to risk and compliance requirements. Pillar 2 of the project could look at continuous personal and professional development as key to employment and growth in the finance sector, since it enhances the possibility of redeployment in wider areas of the industry, especially to those who cannot keep up with the new required skills."

Overall job figures show employment level contraction in the fields of administration, head-office and retail and business banking. This is offset by expansion in banks' compliance, IT and asset management ranks. The social partners said: "The amount of job losses does not reflect social partner efforts to mitigate the effect of cuts and the anticipation of change."

Regulation affects bank employment practices

The study delves into the direct impact regulatory/supervisory policy has on banks' hiring decisions. Qualitative information contained in the study, obtained from banking throughout the European Union, point to government austerity measures and constrained fiscal policy impacting employment policies. New and updated EU banking rules enacted since the financial crisis are also hitting both employers and employees alike. The social partners attribute the quick pace of rules being issued contributing to making compliance more difficult.

Women remain in EU banking staff majority

Women continue to make up the majority of the EU banking industry, made up of 54% women, and as much as 70% in some Central and Eastern EU countries. Part-time contracts attract women, leading to a higher percentage of them taking banking jobs. Qualitative data show that can be attributed in part to the flexibility offered by the sector in part-time contracts. Though there is always room for improvement, the glass ceiling shows cracks, with a gradual rise in higher-level posts for women.

The social partners concluded: “The telling hard numbers and qualitative insight shows a need to continue to better understand the relationship between financial sector regulation and employment. We should try to collect additional data in the second phase of the project in order to arrive to a more accurate basis for more specific conclusions.”

>> See report, available in six languages, on WSBI-ESBG website

Notes to editors:

Survey methodology, firm

International consultancy company Kantar was enlisted to carry out the data collection exercise, which aimed to gather statistical material on the banking industry such as data on the employment situation in the banking sector by country for the EU28. Data from 2016 was compared with 2013 and 2007, where available.

About ESBG

ESBG represents the locally focused European banking sector, helping savings and retail banks in 20 European countries strengthen their unique approach that focuses on providing service to local communities and boosting SMEs. An advocate for a proportionate approach to banking rules, ESBG unites at EU level some 1,000 banks, which together employ 780,000 people driven to innovate at 56,000 outlets. ESBG members have total assets of €6.2 trillion, provide €500 billion in SME loans, and serve 150 million Europeans seeking retail banking services. ESBG members are committed to further unleash the promise of sustainable, responsible 21st century banking.

About EBF-BCESA

The European Banking Federation is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 3,500 banks – large and small, wholesale and retail, local and international – employing about two million people. The EBF Banking Committee for European Social Affairs (EBF-BCESA) is EBF’s competent committee for all social affairs issues falling under the scope of the European Sectoral Social Dialogue in Banking.

About EACB

The European Association of Co-operative Banks (EACB) is the voice of the co-operative banks in Europe. It represents, promotes and defends the common interests of its 28 member institutions and of co-operative banks in general. Co-operative banks form decentralised networks which are subject to banking as well as co-operative legislation. Democracy, transparency and proximity are the three key characteristics of the co-operative banks' business model. With 3,135 locally operating banks and 58,000 outlets co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 209 million customers, mainly consumers, retailers and communities. The co-operative banks in Europe represent 80.5 million members and 732,000 employees and have a total average market share of about 20%.

About UNI Europa Finance

UNI Europa Finance is the European-level trade union body for the finance sector. It represents 100 unions with 1.5 million workers in the banking and insurance industries. UNI Europa Finance is part of UNI Europa, representing 7 million workers in the services and communication sectors. UNI Europa is member of the ETUC and registered in the European Commission's Transparency Register. It is part of UNI Global Union and recognised by the European Union as a social partner.

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