

Workforce 2002 Report

The Finance Sector Workforce 2002

As a finance sector employee, you work in one of the most dynamic sectors in the Australian economy. The finance sector has been at the forefront of change driven by technological advances, globalisation and regulatory reform. Employees have felt the full impact of these changes in both positive and negative ways.

In an environment such as this, it is easy to feel quite overwhelmed by the extent of change. It is vital that you have the best information available about the way that all these forces are re-shaping the sector so that you can make the best choices about your working life. The FSU aims to play a key role in keeping you informed about employment trends and careers in the finance sector.

How many people are employed in the finance sector?

Much of the media reporting of employment trends in the finance sector suggests that it is a sector in decline. It is certainly true that there have been many jobs lost in the industry over the last decade. The four major banks alone shed around 55,000 jobs between 1991 and 2001 according to FSU estimates.

However, as the table below shows, the finance industry today has almost the same number of employees as it had in the early '90's and has been growing steadily since 1996. It is the make-up of the industry that has changed dramatically, rather than the total size.

Employment has significantly declined in the *Finance* segment of the industry, while strong growth continues in the *Services to Finance and Insurance* segment. The *Insurance* sector was in decline for a number of years but is experiencing growth at the moment.

The Australian Bureau of Statistics breaks the Finance and Insurance industry into three segments, namely *Finance*, *Insurance* and *Services to Finance and Insurance*.

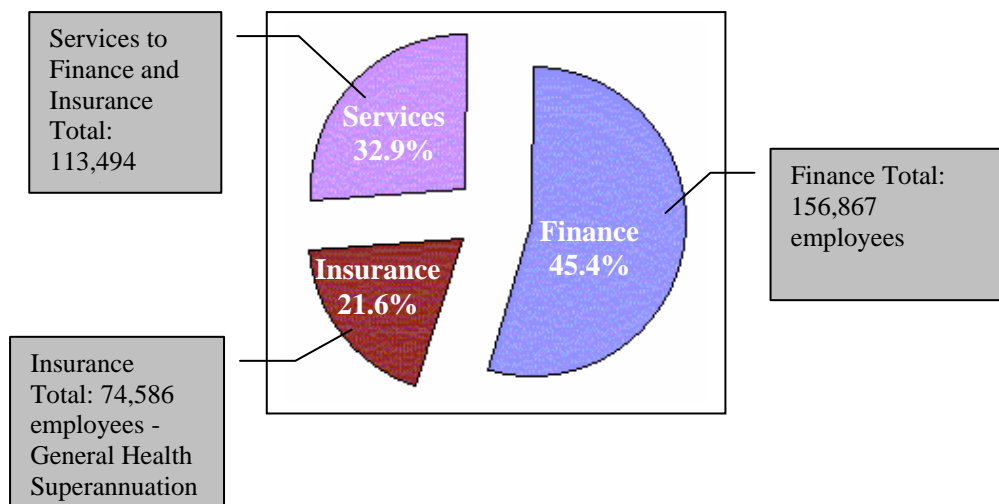
- *Finance* is mainly made up of banks, building societies, credit unions, money market dealers, deposit taking financiers and financial asset investors.
- *Insurance* includes life insurers, superannuation funds, health and general insurers.
- *Services to Finance and Insurance* includes activities such as credit card administration, money changing services, insurance broking, futures, mortgage and stock broking.

Total Number of Employed Persons - 1986 to 2002

	<i>Finance</i>	<i>Insurance</i>	<i>Services</i>	Finance & Insurance Total
1986	208,600	60,700	32,900	302,200
1991	224,400	77,200	51,300	352,800
1996	190,800	61,000	69,900	321,600
1998	194,100	50,400	78,600	323,100
2000	184 801	64 893	86 991	336 685
2002	156 867	74 586	113 494	344 946

Source: ABS, Labour Force Survey, (unpublished data) May, various years

The following graph shows how each industry sector is represented as part of the total sector.



Where is the Employment Growth in the Sector?

Growth by Industry Sector

It is well established now that there has been consistently strong growth over a long period of time in the part of the industry called *Services to Finance and Insurance*. The table below shows that in the six years between 1996 and 2002, this part of the sector grew 62.3 percent with 43,600 new employees. This is in stark contrast to *Finance* that declined by 17.7%, a reduction of some 33,900 employees. The sector as a whole grew around seven percent in this time.

Employment Growth – 1996 to 2002

	Finance	Insurance	Services	Finance and Insurance
Total Employed 1996	190,800	61,000	69,900	321 200
Total Employed 2002	156,900	74,600	113,500	344 900
Total growth 1996-02	-33,900	+13,600	+43,600	+23,700
% Growth 1996-02	-17.7%	+22.2%	+62.3%	+7.3%

Source: ABS, Labour Force Survey, (unpublished data) May 1996, 2002. Figures rounded to nearest 1,000

Growth by occupation

One of the biggest changes in the make up of the finance sector workforce is the greater number of people employed in professional occupations. Whereas previously employment in the sector had been concentrated in clerical and service occupations, growing proportions are now in associate professional, professional or managerial positions.

Between 1998 and 2002, the biggest change in occupation was the increase in the number of **Associate Professionals** up 40% to a total of **91,254**. This group of workers comprises 25.6% of the total workforce in **Finance and Insurance**. The number of **Professionals** grew by 35% up to a total of 55,310 and 16% of the workforce.

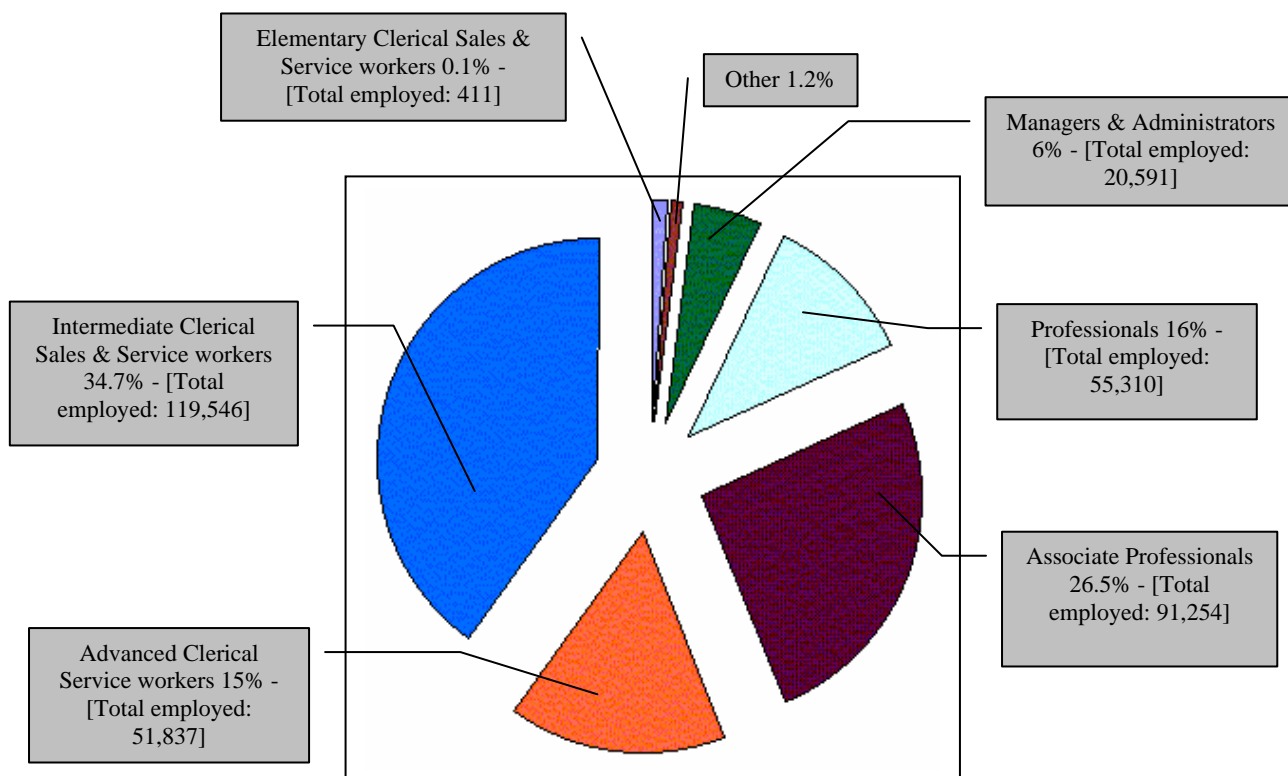
There was also very strong growth in the number of **Advanced Clerical and Service Workers** up 27% to **51,837** (15% of the workforce)

The number and proportion of **Intermediate Clerical, Sales and Service Workers** declined 20% to **119,546** (down from 46.2% of the workforce in 1998 to 34.7% in 2002).

Occupation	1998	2002	% Change 1998-2002
Managers and Administrators	16 877	20 591	+22.01%
Professionals	40 950	55 310	+35.07%
Associate Professionals	64 957	91 254	+40.08%
Advanced Clerical and Service Workers	40 703	51 837	+27.35%
Intermediate Clerical and Service Workers	149 862	119 546	-20.23%
Elementary Clerical, Sales and Service Workers	6 949	411*	-94.09%

* RSE of greater than 25% so care should be taken in using figure.

#Table does not include all occupational categories, such as tradespersons and labourers.



Occupation by Gender

There are quite significant differences between the types and levels of occupation for men and women. Generally women are concentrated in lower level occupational classifications than men. For example in Finance and Insurance, 57.7 percent of female employees are classified as Intermediate Clerical, Sales and Service workers compared with 18.8 percent of men. For women in all parts of the sector the three most common occupational classifications is the same: Intermediate Clerical, Sales and Service; Advanced Clerical and Service Workers; and Associate Professionals. For men, there is more variety throughout the sectors but generally the most common classifications are Associate Professionals, Advanced Clerical and Service workers, and Professionals.

The table below shows the top three most common occupational classifications for women and men in the different parts of the sector.

Women in the Finance Sector: Top Three Occupational Classifications

Finance and Insurance	<i>Number of Employees</i>	<i>%</i>	<i>Types of Job</i>
Intermediate Clerical, Sales and Service	108,740	57.7%	Bank workers, Insurance clerks, General clerks
Advanced Clerical and Service workers	32,275	17.1%	Secretaries, Credit & Loan officers, Insurance Agents
Associate Professionals	24,238	12.9%	Branch Accountants/Managers, Financial Dealers/Brokers, Officer Managers
<i>Finance</i>			
Intermediate Clerical, Sales and Service	55,164	63.4%	(As above)
Advanced Clerical and Service workers	11,043	11%	
Associate Professionals	8,780	10.1%	
<i>Insurance</i>			
Intermediate Clerical, Sales and Service	20,280	49.3%	(As above)
Advanced Clerical and Service workers	9,152	22.2%	
Associate Professionals	5,131	12.5%	
<i>Services to Finance and Insurance</i>			
Intermediate Clerical, Sales and Service	15,695	29.4%	(As above)
Advanced Clerical and Service workers	13,411	25.1%	
Associate Professionals	11,288	21.1%	

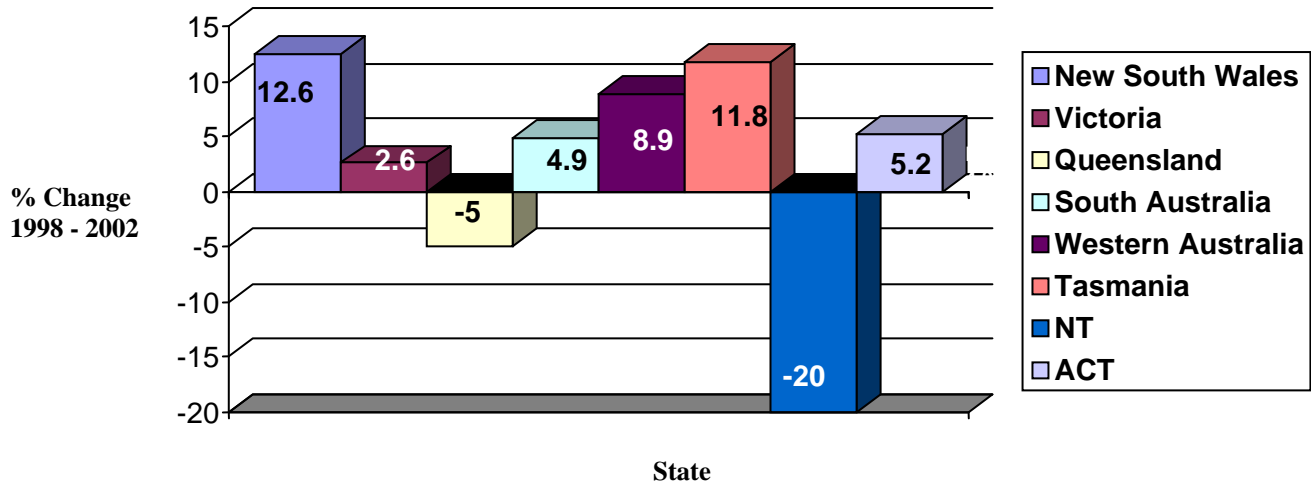
Source: ABS, Labour Force Survey, (unpublished data) May 2002

Men in the Finance Sector: Top Three occupational classifications

Finance and Insurance	%	Number of Employees	Type of Job
Associate Professionals	40.4%	66,055	Branch Accountants/Managers, Financial Dealers&Brokers, Financial Investment Advisers
Professionals	20.1%	32,929	Computing, Accountants, Business Analysts
Intermediate Clerical, Sales and Service workers	17.4%	28,408	. Bank workers, Insurance Clerks, General Clerks
<i>Finance</i>			
Associate Professionals	32.2%	22,486	(As above)
Intermediate Clerical, Sales and Service Workers	25.5%	17,845	
Advanced Clerical and Service Workers	12.5%	8,717	
<i>Insurance</i>			
Professionals	26%	8,892	(As above)
Associate Professionals	24.8%	8,301	
Intermediate Clerical, Sales and Service Workers	18.9%	6,305	
<i>Services to Finance and Insurance</i>			
Associate Professionals	58%	35,287	(As above)
Professionals	17.1%	10,267	
Intermediate Clerical and Service Workers	7.1%	4,258	

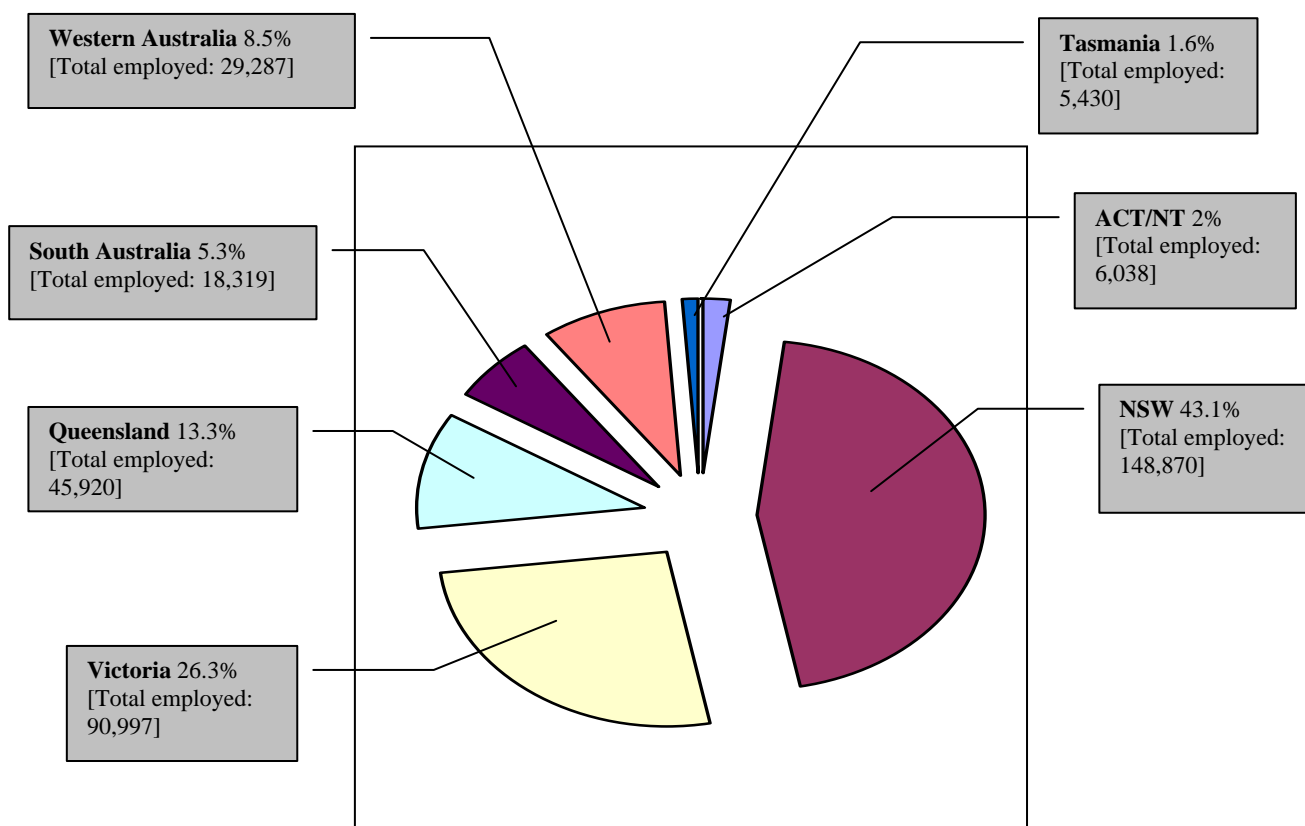
Source: ABS, Labour Force Survey, (unpublished data) May 2000

Growth by State 1998-2002



All states except Queensland and the Northern Territory have experienced growth in the Finance and Insurance Sector in the four years between 1998 and 2002. The workforce in NSW has grown by 12.6%, Tasmania by 11.8% and Victoria by 2.6%. Western Australia and South Australia have grown by 8.9% and 4.9% respectively.

The following graph shows the distribution of the Finance and Insurance workforce throughout Australia.



Growth by full time / part time status

Growth in Employment by Status and Gender: Finance and Insurance– 1998 to 2002

Growth 1998-2002	Full-time			Part-time			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1998	130,834	134,446	265,280	7,538	51,817	59,355	138,372	186,263	324,635
2002	150,024	128,679	278,703	13,410	52,834	66,244	163,434	181,513	344,946
Total growth	19,190	-5,767	13,423	5,872	1,017	6,889	25,062	-4,750	20,311
% Growth	14.7%	-4.3%	5.1%	77.9%	2%	11.6%	18.1%	-2.6%	6.3%

Source: ABS, Labour Force Survey, (unpublished data) May 1998, 2002

Between 1998 and 2002, full-time employment in the finance sector increased by 5.1%. Female full-time employment decreased by 4.3% while male full-time employment grew strongly by 14.7%. Overall male employment grew by 18.1% and female employment declined by 2.6%.

Male part time employment also grew very strongly, up 77.9% to a total of 13,410 employees. There are still a significantly smaller number of male part timers than female part time employees. There are 52,834 female part timers, growing by 2% in the years 1998-2002. Part time work is still predominantly female in the sector with 79.8% of part time employees being

female. Nearly thirty percent (29.1%) of females employed in Finance and Insurance are part time employees compared with only 8.2% of males who are part time.

What sort of qualifications do employees have?

The proportion of employees without any post school qualifications seems to be decreasing in the finance sector. The total number of employed persons without post school qualifications working in the finance sector was 52.4% in May 1999 whereas it was 55.5% in 1996. Tertiary qualifications are becoming increasingly important. The table shows that in most cases there is a positive relationship between higher levels of qualification and higher levels of position held.

In 1996, only 19.8% had a bachelor or higher qualification. By 1999, this proportion had grown to 23.9%.

Finance and Insurance: Occupations by Qualification

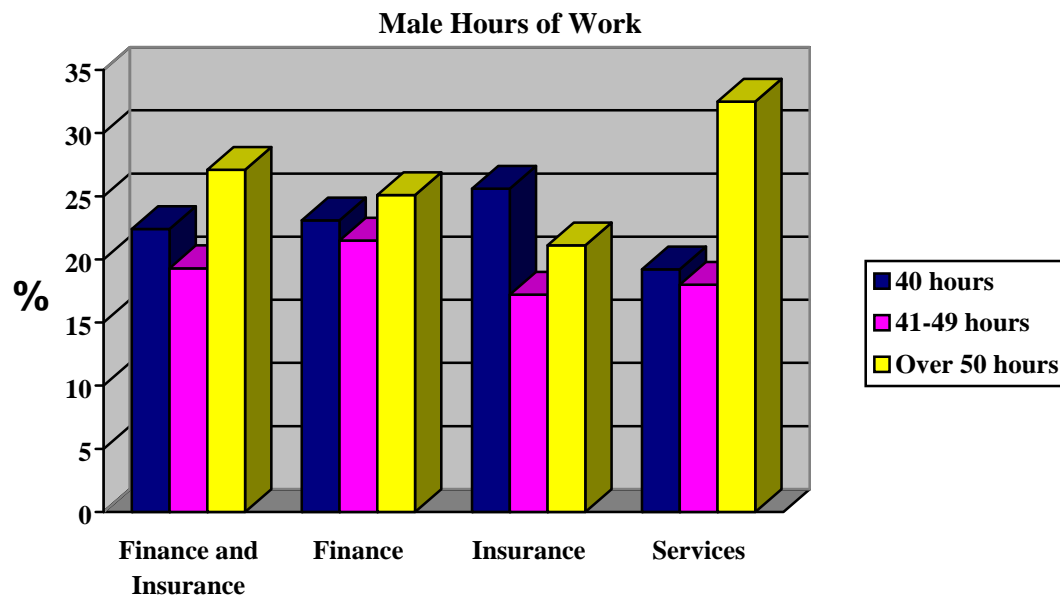
Occupation	% with Higher Degree	% with Bachelor Degree	% with Diploma	% with Skilled or Basic Vocational Qualifications	% with School level
Managers and Administrators	14	32	12	11	31
Professionals	11	47	10	6	26
Associate Professionals	10	25	13	8	45
Advanced Clerical, and Service	4	9	32	21	54
Intermediate Clerical, Sales and Service	3	7	11	15	66
Elementary Clerical Sales and Service	6*	7	9	10	78

*Indicates Relative Standard Error greater than 25%

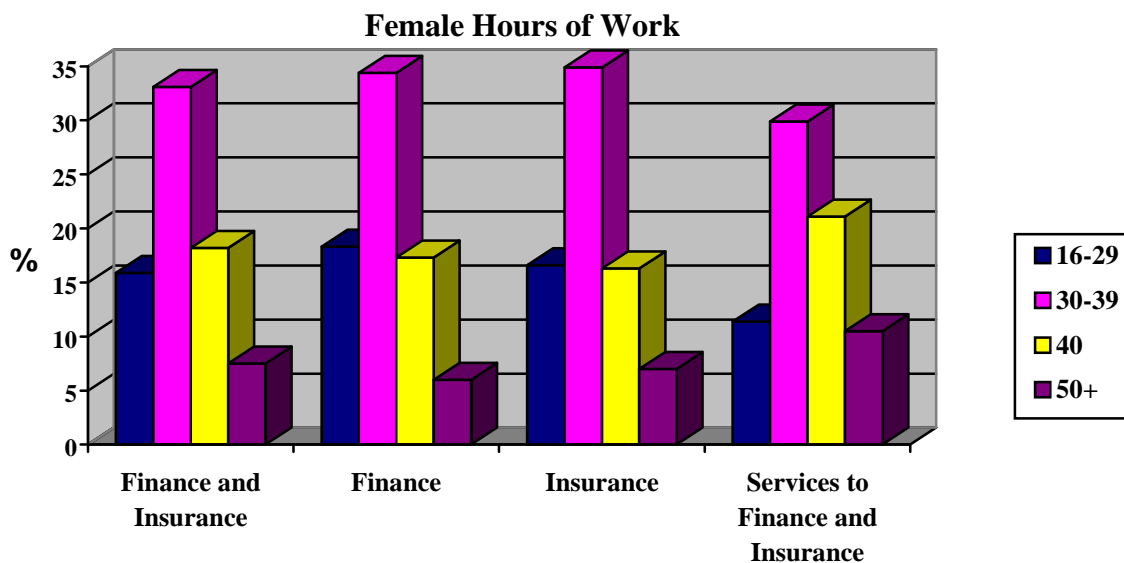
(Source: ABS Transition from Education to Work, May 1999)

What are the trends in working hours?

Excessive hours of work for men in the sector are, again, the dominant feature of the data on hours. The pattern of hours for men in the sector has not changed significantly since the early 1990s. The chart below shows the proportion of men working 40 hours or more per week for each industry sector.



For **Finance and Insurance**, 27.1% of males are working over 50 hours per week. This comprises 16.9% working 50-59 hours and 10.2% working 60 hours or more. Less than a quarter of men in the sector worked 40 hours per week. (22.4%)



Female working hours are more diverse. The fact that the majority of part time employees are women has a significant effect on the pattern of hours. In **Finance and Insurance** 33.1% of women work between 30 and 39 hours per week and 15.9% of women work between 16 and 29 hours per week.

Compared with the male pattern, relatively small proportions (7.5%) of women work over 50 hours per week.

In the *Services to Finance and Insurance* sector, **32.5%** of males are working **50 hours** a week or more.

The following tables show the working hours of employees in the various sectors of the finance sector for the year 2002.

Males Working Hours 2002 (%)

Industry	0	1-15 hrs	16-29 hrs	30-34 hrs	35-39 hrs	40 hrs	41-44 hrs	45-49 hrs	50-59 hrs	60+ hrs
Finance and Insurance	3.3	3.0	5.5	4.8	14.5	22.4	6.0	13.3	16.9	10.2
Finance	3.1	2.5	6.7	4.6	13.3	23.1	7.7	13.8	17.6	7.5
Insurance	2.7	3.7	6.7	3.7	18.5	26.5	5.1	12.1	12.6	8.5
Services to Finance and Insurance	3.9	3.3	3.6	5.6	13.9	19.2	4.6	13.4	18.3	14.2

Females Working Hours 2002 (%)

Industry	0	1-15 hrs	16-29 hrs	30-34 hrs	35-39 hrs	40 hrs	41-44 hrs	45-49 hrs	50-59 hrs	60+ hrs
Finance and Insurance	6.1	7.8	15.9	11.6	21.5	18.2	5.5	5.8	6.2	1.3
Finance	7.4	6.6	18.3	13.4	21.0	17.3	4.4	5.6	5.4	0.6
Insurance	8.2	6.1	16.6	11.2	23.7	16.3	5.0	5.9	6.3	0.7
Services to Finance and Insurance	2.3	11.2	11.4	9.1	20.8	21.1	7.6	6.0	7.6	2.9

What is turnover like in the sector?

A total of 60,400 finance employees changed jobs in the twelve months prior to February 2000.¹ Of these, 44,800 (74%), changed to another job in the finance industry. This is consistent with Labour Mobility figures released by the Bureau since 1996 and indicates that the changes affecting the finance industry are impacting on employment as significantly now as they were in the mid 1990's.

The average proportion of Australian employees, across all industries, who have been in their current job for more than twelve months, is 84%. However, only 77% of finance employees fall into this category. This is the lowest proportion recorded for the industry since 1996 and is significantly less than in 1998, when 82.7% had been in their current job for longer than a year.

¹ ABS, Labour Mobility Cat. No. 6209.0

What is the Age distribution in the sector?

There has been a large increase in the number of people employed who are aged 15-19 but decreases in number of employees aged 20-24, 25-29 and 35-39. Some of the largest increases are in the groups aged 40-44 (19.3%), 45-49 (19.7%), 50-54 (55.1%) and 55+ (69.4%). The proportion of the sector that is aged under-35 is now 45% compared with 51.8% in 1998. The over-45 age group was 21.2% of the sector in 1998 but has now increased to 28.6% of the sector. This may indicate that there has been some re-hiring of the older workers who lost their jobs in the retrenchments of the 1980s and 1990s.

Age Distribution in Finance and Insurance: 1998 to 2002

	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55+	Total
1998	4,655	4,2341	73,653	48,048	43,146	43,686	31,626	19,941	17,539	324,635
% Total	1.4	13.0	22.6	14.8	13.2	13.4	9.7	6.1	5.4	100
2002	7,470	41,333	51,441	54,996	39,106	52,112	37,857	30,923	29,710	344,946
% Total	2.2	12.0	14.9	15.9	11.3	15.1	11.0	9.0	8.6	100
% Change 1998-2002	60.5	-2.4	-30.2	14.5	-9.4	19.3	19.7	55.1	69.4	6.3

Source: ABS, Labour Force Survey, (unpublished data) May 1998, May 2002

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