



31st Annual Emerging Issues Forum FutureWork

Leadership Hackathon: Banking & Finance

Priorities for Action from Day Two (Feb. 9, 2016) of the FutureWork Forum

On February 9, 2016, Forum participants came together to explore challenges to job creation and workforce development in the “Banking and Finance” sector, and to identify key action priorities to position our state for future success in this area of the economy. A panel of employers and training providers kicked things off by offering thoughts on key challenges and priorities for action. Participants then broke into self-selected small groups to explore six strategies, five from the Institute for Emerging Issues’ Working Group on FutureWork and one offered by a sector panelist. Each group then reported out on the impact each strategy was likely to have, what resources and assets were needed and available, threats to implementation and existing models for success. Each participant then voted for three top priorities among the six strategies. This document summarizes key elements of the hackathon.

Sector Context

The banking and finance sector is important to North Carolina’s economy. The sector employs over 150,000 North Carolinians at wages well above average. Job growth was over 22% between 2001 and 2014 and an additional 25.7% increase is expected between 2012 and 2022. Despite such growth, it is a sector buffeted by significant forces. The introduction of new technologies and changing customer expectations for instant communication and decision making are generating substantial pressures on existing business models, creating new tech-enabled startups, and driving continual changes to the desired skills mixes of workers in this sector. In one sense, the disruptive impact of these technological changes is just the latest chapter in a long-standing pattern of turmoil brought about by new technology. However, panel participants agreed that the pace of technological change is accelerating and will continue to do so, creating even greater disruption for businesses and workers alike.

Even as technology forces change, the sector remains steadfastly a “people business,” particularly at the retail level, creating an unchanged need for soft skills that create a sense of “relationship” between customers and companies. Similarly, customer demographics are

playing an important role in hiring, with age, race/ethnicity, and, at least for some companies, veteran status impacting hiring decisions.

The educational pipeline for this sector, and for the economy more broadly, is structurally deficient. The existing “industrial economy” educational model is failing to adequately prepare enough students for the post-high school training needed, particularly among minority students seeking entrance to more selective educational institutions. Other challenges raised included: inadequate career guidance that can lead students into the wrong programs; a de-emphasis of soft skill development and differentiated learning in favor of preparation for standardized testing; an uneven quality to high school business classes; and instructors who regularly need to train on new technologies but do not do so. At the same, the state’s education funding model is broken, with resources not keeping pace to adequately fund instructors, technology, and student exposure to “real-world” projects and career experiences.

Priorities for Action

1. Rethink and Reinvest in Our Educational Delivery System

We need an educational system that from an early age identifies and develops the individual talents and interests of each student. As the student moves through the educational pipeline for the first time, or returns for additional training, these talents are connected to career options (including those in banking and finance), to opportunities to learn more about these options, and to courses of study that rigorously develop the necessary hard and soft skills. To do this well, we will need greater communication and coordination across our K-12 and higher education systems, as well as funding models providing adequate resources. Done right, these changes will collectively lead to higher educational attainment levels at the high school and post-secondary levels, increased affordability for students, and increased student and employer satisfaction with the result. Changes like these can be built using existing models of collaborative education/vocational educational development.

2. Self-Ownership of Career Development

Powerful disruptive forces like technological change create significant incentive for individuals to take responsibility for career development. We need a new mindset and culture that makes each person an active agent of change in their working life, whether in banking and finance or another sector. This approach must be supported at the individual level by each person’s key influencers, such as parents, teachers, mentors and employers, and by education and training systems that connect interests and abilities to career pathways. All of this must be done in ways that do not stigmatize or favor certain careers over others. Successfully done, individuals will feel empowered amidst disruption and

employers will enjoy the benefits of more flexible and engaged employees. Existing school- and community-based models of career exploration offer a rich platform on which to build this system.

3. Project-Based Learning - Internships

All students should have access to internships, one type of project-based learning. Through internships, students are exposed to potential career choices in a workplace environment, even as they develop important hard and soft skills. With experiences like this, students are able to get a much better sense of fit with particular careers and employers, while employers are able to develop a talent pipeline for future hires. As well, a better fit between new employees and employers creates improved bottom-line outcomes, i.e. increased worker and customer satisfaction, profit margins, etc. North Carolina already has a large variety of existing internship programs as models, though scale is a key challenge.