



Financial & Advisory Services WORKFORCE ACTION PLAN

A shared roadmap to develop the workforce

The Service sector is fundamental to New Zealand and New Zealanders. The future of the Service sector is exciting and has people at its centre.

Ringa Hora has worked with people from across industry to develop a shared roadmap to transform the Service sector workforce from its current state to the future that we aspire to.

The Workforce Development Plan looks across the Service sector and sets out the major factors shaping the Sector and an overarching vision for the future.

Against that context, this Action Plan focuses on the characteristics and dynamics of the Financial & Advisory industry and its workforce. It describes what the future could look like for this workforce, the current challenges faced by the industry, and sets out the actions we can take to tackle this wero | challenge.



Future Vision for the Financial & Advisory Industry

Ringa Hora's Service Sector Workforce Development Plan is based on four aho | strands. Each of these aho will strengthen the workforce, but when woven together, as a taura whiri | rope, we can achieve real transformation of the workforce:

- ▣ Māori succeeding as Māori
- ▣ Attracting and retaining the future workforce
- ▣ Developing broad skills for the future
- ▣ Creating mana-uplifting jobs and opportunities.

The industry is resilient and adaptable; the workforce is prepared for upcoming changes in the industry including legislative and regulatory changes, and the opportunities to shift from routine and manual tasks towards high-value-add activities that emerging technologies will enable.

For the Financial & Advisory Services industry, this is a future in which Māori can see themselves reflected in the way industry operates and in the workforce.

A resilient industry also needs a workforce who are enabled to choose and move into opportunities with support from their employers and an accessible vocational educational system.



About the Industry

Financial & Advisory services are a core component of everyday activity in New Zealand contributing \$19.76b to the economy.

Financial & Advisory services include insuring your car, seeking advice on investing your Kiwisaver, and even using your bank card at the dairy when buying milk.

These activities are all things that businesses, individuals and communities rely on to function in their day to day lives.

The industry is highly regulated, which has resulted in a large growth in employees seeking and achieving qualifications over the last 18 months. Given that protecting people's money and financial wellbeing is a very personal and high trust service, the industry wants to continue to raise the professionalism and credibility of people working in the industry. It is therefore important that qualifications are relevant and reflect current standards to meet these regulations.

Top of mind

To help us get to the future state, we need to understand and tackle the challenges that the Financial & Advisory industry faces, while also seizing the opportunities that already exist or are on the horizon. We've heard that the following factors are having a significant impact on the Financial & Advisory industry, including its approach to, and expectations of, workforce development.

These factors include addressing skills and labour shortages, promoting career pathways, developing fit-for-purpose qualifications and training, promoting industry visibility, and attracting more Māori into the workforce.



Addressing skills and labour shortages

In recent years, there has been a gradual increase in demand for Financial & Advisory Services, however with an aging workforce and therefore increasing numbers retiring, there are gaps in the industry's ability to respond to the demand. The number of workers aged over 55 has increased from 9,800 in 2015 to 13,400 in 2021. Over the same time period, the workforce aged under 25 has decreased from 7,200 to 6,000.

Upcoming changes in legislation, particularly in the area of financial advice services, are prompting some self-employed individuals to consider changing industries. Therefore, creating a pipeline of new entrants is critical to meeting this expected turnover. Currently many entrants into the industry come from the banking sector. The industry has also identified interest in changing immigration settings to allow more migrants into the sector.

Promoting career pathways within the workforce

The current workforce has built a skillset and trust based on experience, which takes time. People in the workforce can work their way up, however, the pathway in and through the Financial & Advisory industry is not easy to define or understand. Many roles in the sector are commission-based and it takes many years of experience to earn a high income. Clearer entry pathways are needed to ease mobility and improve access into high earning roles within the Financial & Advisory industry.

Developing fit for purpose training and qualifications

New regulations have raised concerns about the alignment between regulatory requirements, industry expectations, and vocational education settings. Although we have heard from industry that regulation and process are needed, we have also heard perceptions that the current changes do not address barriers into the industry, and don't focus on skills-based training which the industry desires. The reforms have resulted in a huge demand for training and qualifications; enrolments in the New Zealand Certificate in Financial Services increased from under 800 in 2018 to 3,593 in 2022. Many of the enrolments have been working in the industry for some time and are seeking retrospective recognition of their skills, knowledge, and attributes. This is a different approach and set of expectations from what would be the case if the increased demand was driven by an influx of new entrants to the sector.

Promoting the visibility and appeal of the industry to diverse candidates

Industry is seeking a more diverse workforce to seeking a more diverse workforce and meet the needs of customers who reflect the various cultures within New Zealand. Industry would like to grow wealth, but currently there is a small percentage of the population which has access and knowledge of Financial & Advisory Services.

Attracting more Māori

Industry would like to attract more Māori within the industry, and service regional community needs. Those kaimahi Māori in the industry believe that this change in the workforce will be critical if they wish to grow intergenerational wealth, and sustainable futures.

About the Workforce

The Financial & Advisory industry is a high trust environment, with a number of self-employment options however, many kaimahi also work in full-time employment for banks, insurance companies, and consultancies. This core workforce accounts for approximately 72,200 people.

In this industry many workers will gain valuable transferable skills including finance management, customer service, sales experience and communication skills. These skills support the workforce throughout their careers to develop and progress within their chosen pathways.

Embracing and celebrating diversity makes businesses more attractive to potential kaimahi and customers, as well as creating economic and social benefits for employers, the workforce, and the wider community.

Using workforce participation data as a starting point shows that there is work to be done in the Financial & Advisory industry to realise the aspirations and potential of Māori, Pacific peoples, and tāngata whaikaha | disabled people:

8% of the workforce identify as **MĀORI**

The Financial & Advisory industry is emerging as an attractive and necessary career choice for Māori. This is not only due to its role in helping to protect and grow the significant iwi asset base, but also plays out at whānau level; for example, how insurance provides peace of mind in good times and protection in times of adversity. Māori within the banking space have established a collective, the Tāwhia Māori Banking Network, to address key issues for Māori within the banking sector and to focus on greater impacts for whānau in the financial space. One of their key focus areas is Māori employment and career development in the banking sector.

6% of the workforce identify as **PACIFIC PEOPLES**

There is a relatively low proportion of Pacific peoples in the Financial and Advisory workforce. This could be due to a limited understanding of possible career progression for Pacific peoples in the industry. In addition, Pacific peoples want to work in industries where they feel represented and where there is culturally receptive support. Another key factor is the accessibility of training and support required to help Pacific workers progress through the industry. Tailored training can be a key method to address this.

1.9% of the workforce identify as **TĀNGATA WHAIKAHA**

Tāngata whaikaha includes physical, mental, intellectual, or sensory impairments which can impact a person's life to varying degrees and in different ways. We acknowledge that data on tāngata whaikaha is limited and it is important that we create more growth opportunities within the sector for our tāngata whaikaha workforce.

Financial & Advisory Services

References:

1. Workforce demographic, businesses, and economy data is from Infometrics and relates to 2022 unless noted
2. Education and training data is from TEC administrative data and relates to 2022.

WORKFORCE



1. Number of workers

The total workforce in Financial and Advisory Services is about 3% of the NZ total workforce.

Workforce change

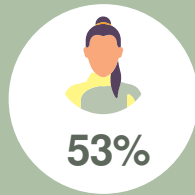
The workforce in Financial and Advisory Services has increased by 2.6% compared to 2021, and is also 11.3% higher than 2019.

2. Proportion of rangatahi (aged 15 -24)

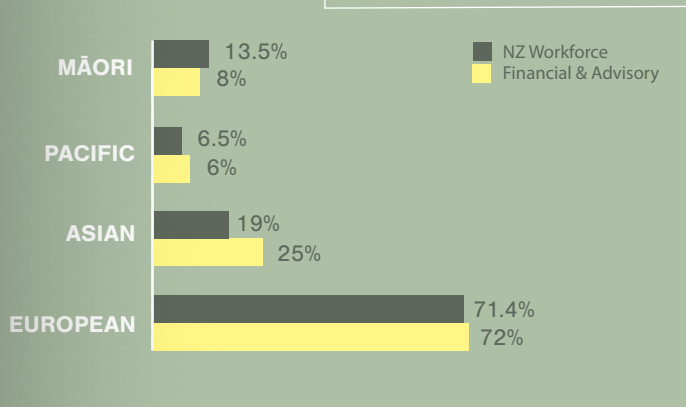
7.6%

The percentage of rangatahi in Financial & Advisory Services is lower than the 15% in the NZ workforce.

3. Participation of wāhine



4. Ethnicity



5. Tāngata whaikaha

1.9%

This is compared to 3.1% of tāngata whaikaha in the wider New Zealand workforce.

6. Average annual income

\$103,700

The average annual income in Financial and Advisory Services is much higher than New Zealand's \$65,800 in 2022.

7. Average annual income growth (2011-2022)



8. Workforce by Region



54%
Auckland



18%
Wellington



9%
Canterbury



BUSINESSES



1. Number of businesses

2. Business growth

The number of businesses in Financial and Advisory Services has grown by 11% since 2019, from 39,700 to 44,000.

ECONOMY

\$19.8 Billion

In 2022, Financial and Advisory Services contributed \$19.8 billion to NZ's Gross Domestic Product (GDP).

EDUCATION AND TRAINING



1. Number of Learners

New Zealand Certificate in Financial Services (Level 4) with strands in Banking, Family/Personal Budgeting, and Insurance

22

New Zealand Certificate in Financial Services (Level 5) with strands in Investment; Life, Disability, and Health Insurance; General Insurance; Residential Property Lending; Personal Lending; Banking; and Trustee Services

3,571

2. Proportion of workers with no post-school qualifications

32%



Putting this into action for Financial & Advisory

Transformational change in the Service sector workforce will take time, but to achieve that change we need to start taking action now. The following plan includes the key areas of focus, medium term actions and short-term initiatives. These initiatives and actions can be thought of as individual threads that weave together to achieve workforce transformation.

	Māori succeeding as Māori	Attracting and retaining the future workforce	Developing broad skills for the future	Creating mana-uplifting jobs and opportunities
Actions: Where we would like to be	<ul style="list-style-type: none"> Māori business and workforces have opportunities to connect. The Service sector and vocational education system understands and acts on Māori views of success. The vocational education system is shaped by a Mātauranga Māori lens. 	<ul style="list-style-type: none"> Improve the availability and use of high-quality information about Service sector businesses and workforce Improve participation of Māori, Pacific peoples, tāngata whaikaha, and other population groups. Industry is visible and promoted to a wide range of potential ākonga and kaimahi. Roles and responsibilities of system level players are understood and have arrangements in place to work well together. 	<ul style="list-style-type: none"> Vocational education and training is flexible and adaptable to current and emerging industry requirements. Workforces and businesses are well prepared to adapt and innovate. Investment decisions are transparent and based on high quality advice. 	<ul style="list-style-type: none"> Workplaces are accessible and attractive to the current and future workforce. The workforce is recognised, valued, and safe. The workforce and businesses move through the cycle of employment (recruitment, on-boarding, retention, and progression) in ways that suit them. The range of roles is articulated and available. Learning and skills development supports upwards and lateral progression.
Initiatives: What we can do to get there Service Sector Initiatives	<ul style="list-style-type: none"> R I Establish and grow the Māori Service Sector Forum. R Ohu Ahumahi collaboration (Rōpū Kaitakawaenga) to build relationships with iwi and hapū to better understand Māori aspirations. R I Te Kāhui Mātauranga Māori to provide Mātauranga Māori lens to Ringa Hora product design and quality assurance approaches. 	<ul style="list-style-type: none"> R Undertake the Future Workforce project that aims to understand work, skills and training in New Zealand in 2040. I Amplify work that aims to grow participation of particular groups such as Pasifika Navigators of Tomorrow or Jobs for Mums. R Promote the use of Te Mata Raraunga, a collection of vocational education and workforce data. 	<ul style="list-style-type: none"> R Create a package of short, sharp, stackable credentials through that meet industry need through Waihangatia te Āmua Ao Shaping the Future of Service Skills project. R I Amplify work that supports people to learn about broad skills for the Service sector, such as MBIE's Digital Boost initiative. 	<ul style="list-style-type: none"> R Develop an 'employer hub' that shares resources, information, and case studies of Service sector excellence – Targeted at SMEs. I Amplify approaches that improve diversity, equity and inclusion, such as Diversity Works NZ, Disabled Persons Assembly Information Exchange resources for employers, and Rainbow Tick.
Financial Advisory Service specific initiatives Who is leading the initiative	<ul style="list-style-type: none"> R Explore benefits of Māori participation within the industry. I Increase mentoring opportunities for Māori. R Work with regional providers to get feedback on the delivery of finance related qualifications to Māori within the regions. R Investigate delivery of Finance training and qualifications that cater to Māori learners: <ul style="list-style-type: none"> Te Ao Māori perspective, Values-based, Supporting whānau wellbeing. R I Identify Māori industry bodies and providers and build meaningful relationships. 	<ul style="list-style-type: none"> R Facilitate movement across the industry by improving transparency of pathways by mapping job roles to education, regulatory, licensing, or other relevant requirements. R Investigate entry points and pathways that are skills focused and qualification focused. R I Gather industry feedback on scholarship models, and cost of training barriers for employers and workforce in training. 	<ul style="list-style-type: none"> R I Gather and respond to industry wide feedback on level 5 qualification gaps and adjustments to align with fit for purpose. R I Gather industry wide feedback on essential skills and training for entry into the industry including: <ul style="list-style-type: none"> Financial literacy, Service skills, Cultural competency skills. R Identify barriers to compliance qualifications to investigate increasing accessibility for all. 	<ul style="list-style-type: none"> R Promote diversity of financial qualification training providers including regional locations: <ul style="list-style-type: none"> Provide access to high quality information to providers to support their applications. R Identify providers that deliver to diverse communities and broker relationships between providers who can deliver to diverse learners and industry to support demands. I Increase diverse mentoring opportunities.

R = Ringa Hora
I = Industry



RINGA HORA

Services

Workforce Development Council

How to get involved

- ❑ Partner with us on workforce initiatives
- ❑ Tell us what is working and what isn't
- ❑ Report to us on workforce actions progress
- ❑ Engage with us
- ❑ Use the products or initiatives listed in the sector workforce plan

Visit our website or contact us to find out more, receive updates and invitations to industry events.

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