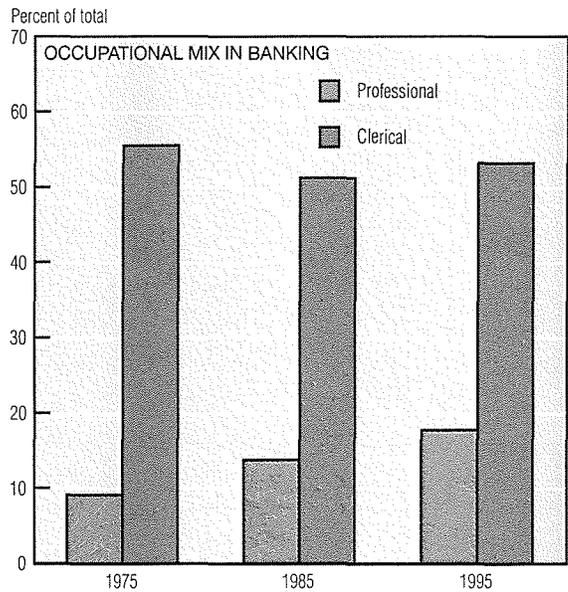
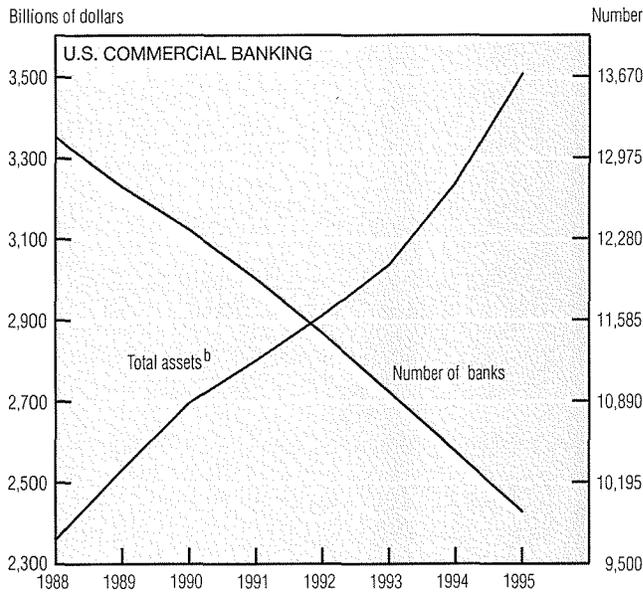
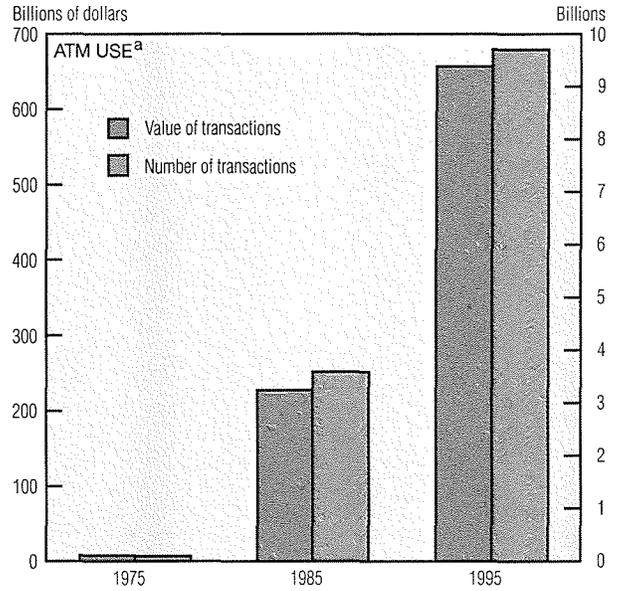
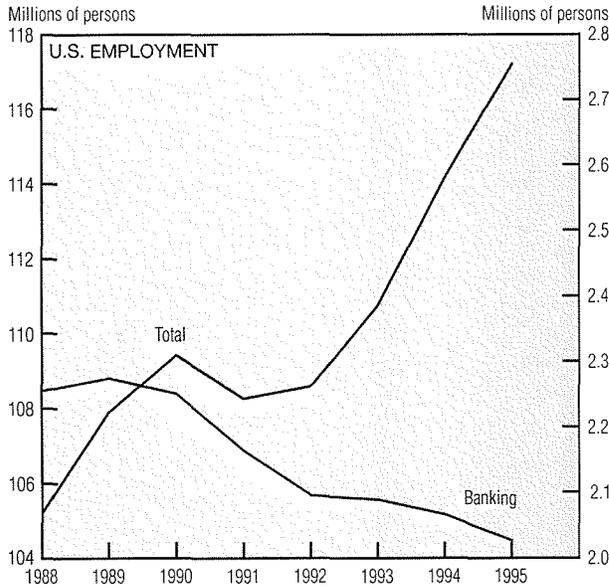


# Banking Industry Employment



a. Based on Federal Reserve System estimates.  
 b. Includes total loans and securities; seasonally adjusted data.  
 SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; and U.S. Equal Employment Opportunity Commission.

Until recently, the U.S. banking industry provided employment that was relatively free from the uncertainties that affected other industries, such as steel. However, banking employment is now falling; indeed, some analysts predict that the industry will lose 400,000 jobs in the next decade, despite increased supply and demand for many banking products.

Why would employment fall? The answer probably lies in two re-

cent changes in the banking sector. First, new technology allows machines to be used for tasks that were formerly performed by unskilled labor. The most dramatic example is the rapidly increasing use of ATMs, which has resulted in a sparsely staffed modern bank branch that looks very different from the bank of 20 years ago. Other new technologies, such as electronic scanners and improved bookkeeping programs, are replacing workers who once performed these duties by hand.

The effects of the second change are not limited to unskilled labor. Recent industrywide consolidation has meant shutting down departments and branches. When a merger transforms two separate departments into one, duplicate tasks are often eliminated. Some mergers also entail a purge of middle-management positions. The net effect of these two changes has been to raise the skill level of the banking industry's labor force.