

FINANCE AND INSURANCE

Workforce Demographics



Maryland Department of Labor, Licensing and Regulation
Division of Workforce Development
Office of Workforce Information and Performance
1100 N. Eutaw Street, Room 316
Baltimore, MD 21201

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INTRODUCTION

This publication examines some of the demographic trends and employment dynamics within Maryland's private sector Finance and Insurance Cluster. The Finance and Insurance Cluster consists of all of the industry groups that comprise the North American Industry Classification System (NAICS) sector of Finance and Insurance.

The labor market is a complex, dynamic system, very active in both good and bad economic times. Firms continually add and eliminate jobs; workers frequently change employers or move in and out of the job market. Workforce experiences can vary greatly between men and women and among workers of different age groups, even under the same economic conditions. Using data from the Local Employment Dynamics (LED) Program, a partnership between the U.S. Census Bureau and participating states, this report provides insight into some of the job market complexities in Maryland's Finance and Insurance Cluster.

For more information on the Local Employment Dynamics Program, go to <http://lehd.dsd.census.gov/led>.

SOURCE OF DATA

Local Employment Dynamics Program, U.S. Census Bureau and Maryland Department of Labor, Licensing and Regulation. Data are annual averages for Workforce Investment Act (WIA) Program Year 2003 (July 2003 through June 2004).

SCOPE OF COVERAGE

Private sector wage and salary employees covered by the Unemployment Insurance Law of Maryland. Because of conceptual and reference period differences, data from the LED program will differ from that reported by the Quarterly Census of Employment and Wages (QCEW), also known as the ES 202 report.

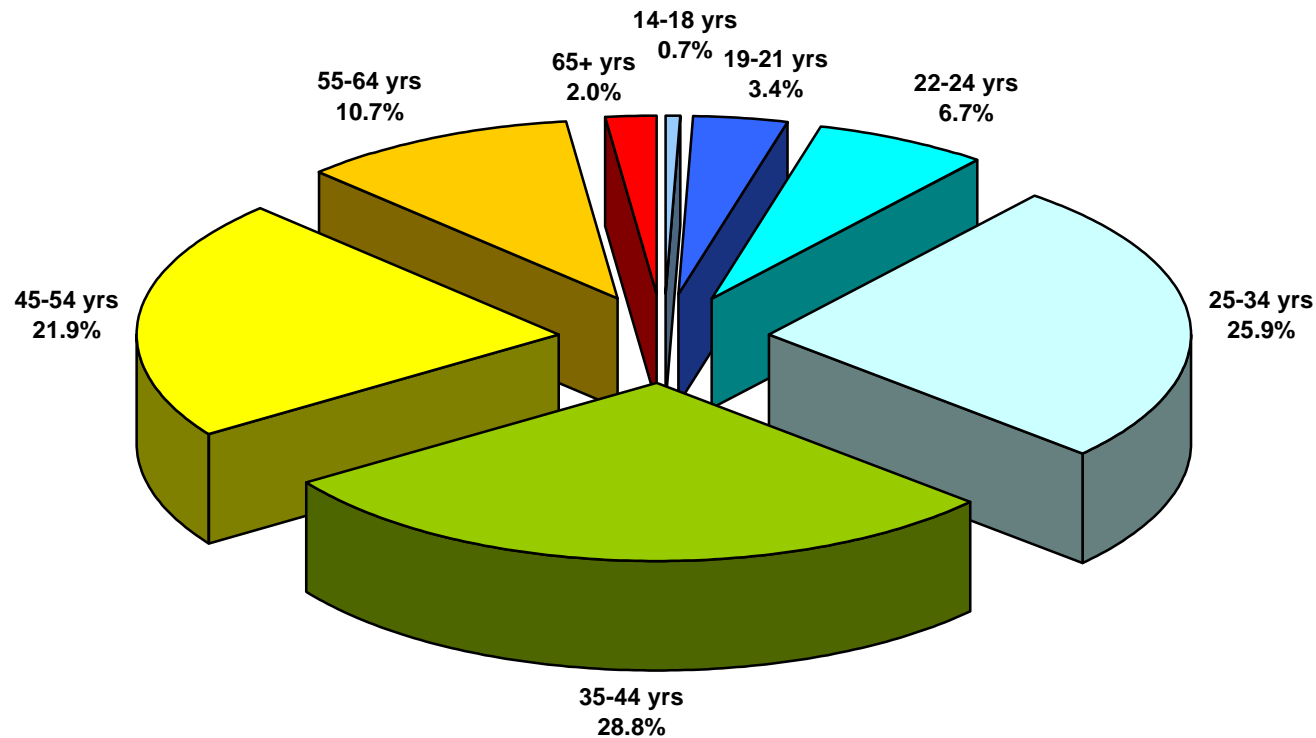
EXPLANATION OF TERMS

Average Monthly Earnings, New Hires – mean monthly earnings of new workers in their first full quarter of employment with a firm.

Employment – all workers employed by a firm at the beginning of the quarter.

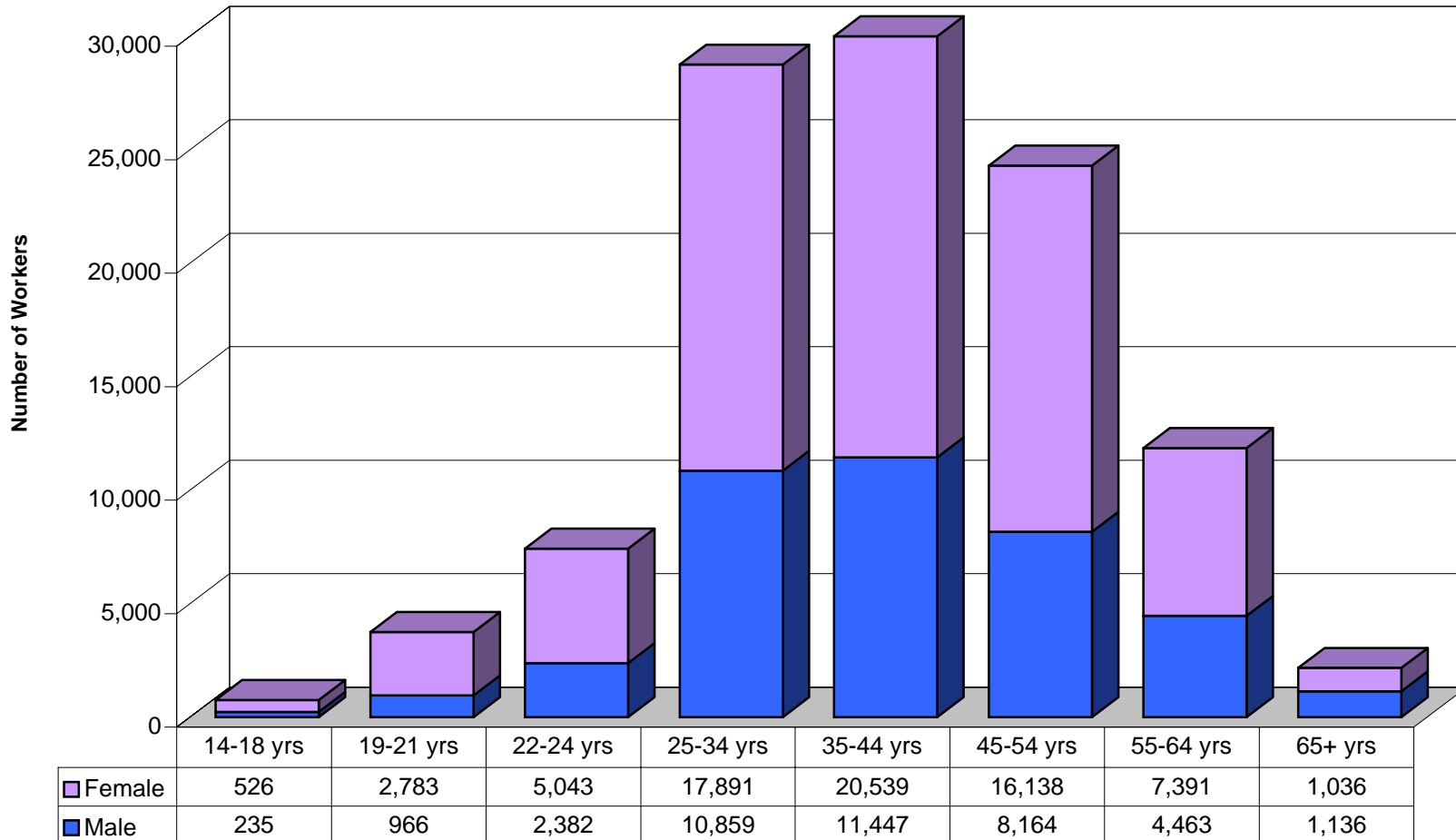
Turnover Rate – the percentage of workers moving into and out of employment with a firm during the reference period.

**Maryland
Finance & Insurance
Employment Percent Distribution by Age
PY 2003 Average**



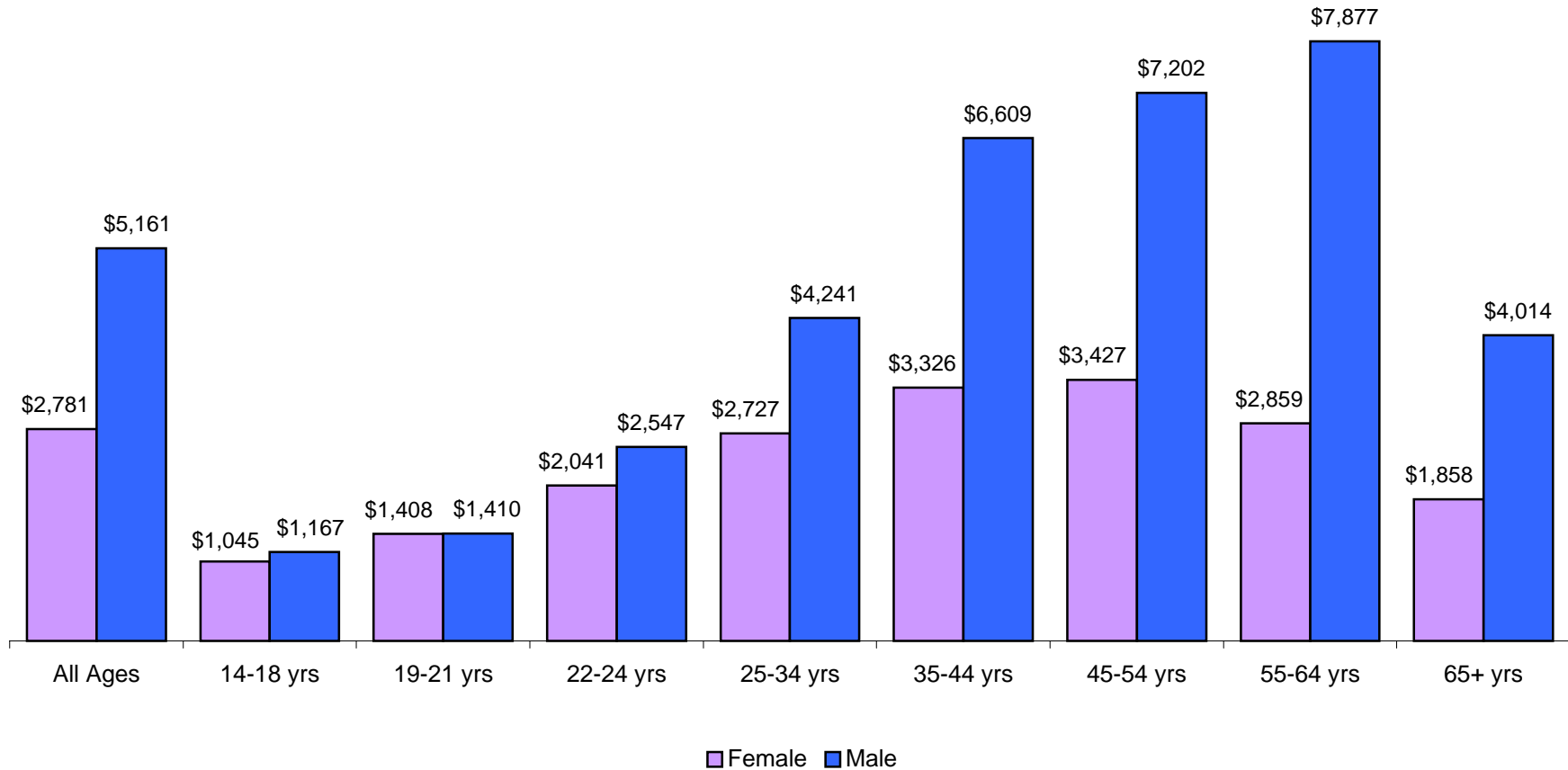
The Finance and Insurance Cluster favors workers with experience and/or education. Consequently, there were relatively few youth workers (14-21 years) in the sector—4.3% of employees in PY 2003—compared with a 10.3% share for that age cohort among all private sector workers. Additionally, young workers often seek part time positions, and Finance and Insurance does not offer many—a notable exception being tellers. Employees in the prime working years of 25-54 accounted for 76.6% of the Finance and Insurance workforce, but comprised just 68.8% of the total private sector.

**Maryland
Finance & Insurance
Employment by Age & Sex
PY 2003 Average**



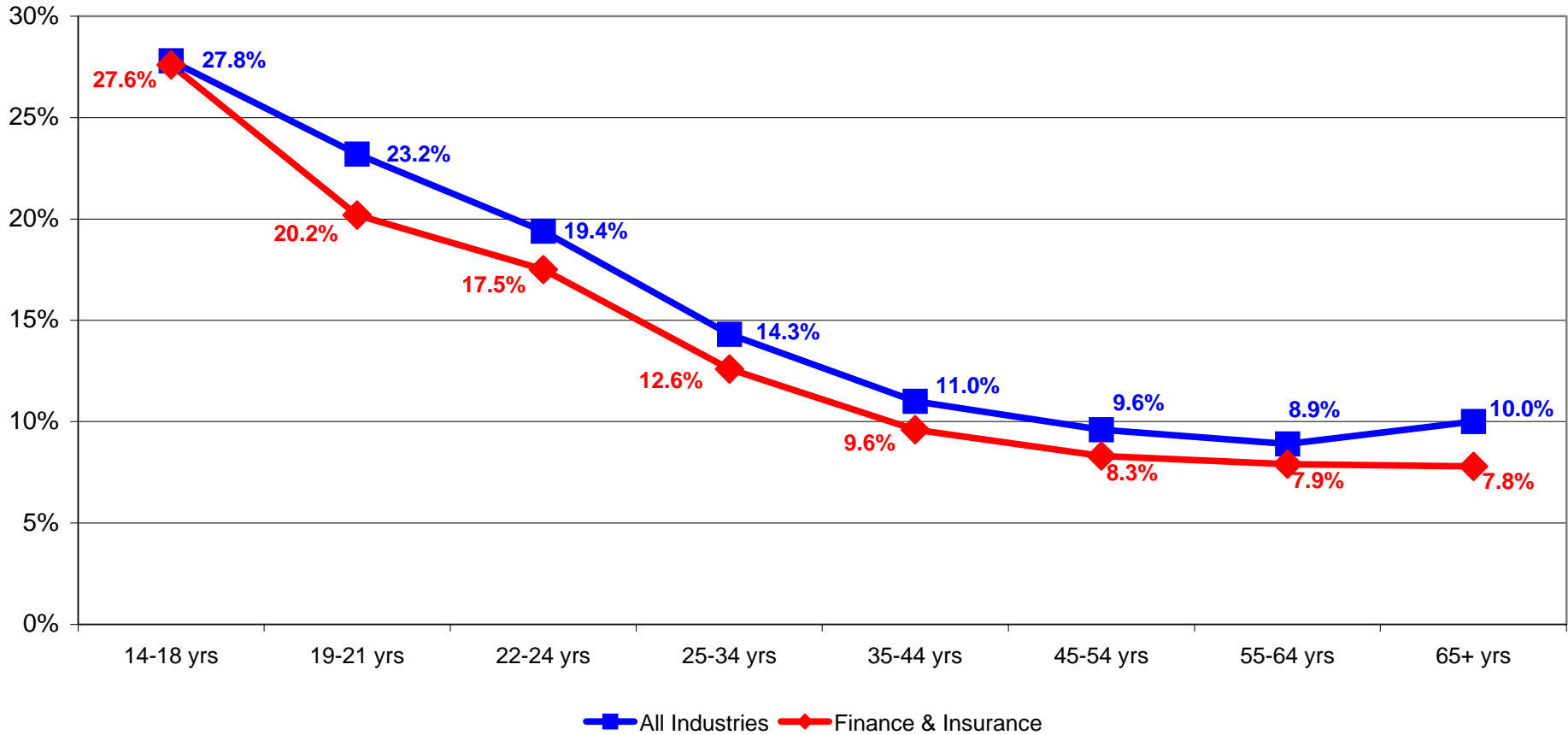
Women account for most of the workforce in the Finance and Insurance Cluster—64.3% in PY 2003. Among the three youngest age groups, female workers outnumbered males by more than 2 to 1. For the private sector overall, women comprised 48.5% of workers, but made up a slight majority in the youngest age groups.

**Maryland
Average Monthly Earnings
New Hires in Finance & Insurance by Age & Sex
PY 2003**



New hires in the Finance and Insurance Cluster fare very well compared with their counterparts in the private sector as a whole. On average, Finance and Insurance new hires in PY 2003 earned \$1,288 (or 54.8%) more per month than new workers in the private sector overall. But the payoff for accepting a job in Finance and Insurance was much greater for men than women—male new hires earned \$2,355 (83.9%) more per month than the male private sector average, while female new hires made \$918 (49.3%) more than the private sector female average. Analysis of Finance and Insurance new hire earnings reveals a sizable disparity between male and female workers' pay as well as differences in age earnings patterns. On average, male new hires earned \$2,380 (85.6%) more than female new hires, a disparity much greater than in private industry overall. By age group, there was virtually no difference in pay between newly hired male and female youth in Finance and Insurance, but thereafter a pay gap emerged, increasing rapidly with age, with male new hires 45 and older making more than double the earnings of female new hires. New hire pay peaked for men at ages 55-64 and for women at 45-54 years. Among workers 65 years and older, new hire earnings dropped off significantly, most likely due to a larger share of those positions being part time.

**Maryland
Turnover Rates by Age
Finance & Insurance and All Private Industries
PY 2003 Average**



Employment turnover in the Finance and Insurance Cluster followed a similar age group pattern to that of the total private sector in PY 2003—very high worker churning among the youngest employees with a steady decline in turnover rates as workers age. However, for each age group except the youngest, the Finance and Insurance workforce posted lower turnover rates than did private industry overall. Higher than average worker earnings and relatively few seasonal positions in Finance and Insurance are likely contributors to the reduced turnover. On average, turnover was 10.7% for all workers in Finance and Insurance compared with 12.8% for total private sector employees.