About the Sponsor

A Note From D2L

At D2L, we know learning. Our modern learning platform helps prepare and engage your financial services workforce with a personalized learner experience, peer-to-peer knowledge sharing, Social Assessment, video assignments, and more.

Brightspace, our platform, is a world leader in content creation and curation, enabling employers to act in real time to keep workers on track. With a fully open API, D2L can easily integrate into your existing technology ecosystem.

About D2L

D2L is a learning platform for organizations who value learner success as a driver of business success. We believe a great learning experience is critical to driving engagement and retention. D2L’s learning platform helps prepare and engage your workforce with a personalized learning experience, leadership development, peer-to-peer knowledge sharing, and more. With a fully open API, Brightspace can easily integrate within your existing technology ecosystem. For many companies, engaging their workforce has become just as necessary as engaging their customers. With the right tools, we can help you turn the challenge of retaining and developing the best talent into a competitive advantage. D2L is used by millions of learners in the enterprise sector, including Fortune 1000 companies. For more information, visit www.d2l.com/financialservices.
Executive Summary

In the decade that has passed since the 2007-2008 financial crisis, the American economy has largely recovered. The U.S. unemployment rate dropped to a 49-year low in September 2018, while the U.S. stock market reached a record closing high in April 2019.1

Many of the lasting impacts resulting from the crisis have come in the form of regulations. The Dodd-Frank Wall Street Reform and Protection Act of 2010, which imposed stricter regulations for many organizations in the finance industry, was passed in an effort to prevent another financial crisis. While the act imposed regulations primarily for large banks and other institutions with above a certain number of assets, some restrictions affected credit unions and smaller banks as well.2 The legislation caused many financial institutions to impose major changes to comply with new regulations, with estimates concluding that up to 82 million labor hours were required to comply with the new regulations imposed under the act.3

“There’s a tremendous amount of market disruption, regulatory rollbacks, and changes that are very hard to keep up with,” says Matthew Daniel, founder and principal consultant of The Learner Collective and former senior manager of learning innovation and technology at Capital One, which offers credit cards, consumer banking, and commercial banking (and is the 10th largest U.S. bank by assets). “It’s challenging to keep up with regulatory demands and make sure that you are acting in good faith with what your customers need and demand, as well as what regulatory changes are happening.”

In an effort to understand how talent development is managing these and other challenges in the finance industry, ATD’s 2019 State of Finance Training (hereafter, the Study) provides a detailed view of training in finance in the United States, reporting on metrics such as learning expenditure, the average number of hours employees use on learning annually, and the average cost per learning hour available. The Study compares these findings with data from ATD’s 2018 State of the Industry report to identify key differences between talent development activities in the finance industry and those in all other industries. Finance organizations had an average direct expenditure of $1,097 per employee in the previous year, slightly lower than what organizations in all industries spent.

The average direct learning expenditure per employee of finance organizations.

$1,097
To identify how responses differed among distinct types of financial organizations, the Study reports data for three separate groups: banks, credit unions, and all other financial institutions (such as organizations that specialize in savings and loans, mortgages, brokerage or trading, wealth management, or other services), in addition to reporting information for the overall consolidated financial group. Responses showed that credit unions, which had a much smaller average workforce size than banks and other financial organizations, differed from these groups in learning expenditure and expenditure distribution.

The Study examines how training is being delivered to learners and what content areas are most likely to be covered in training for customer-facing and non-customer-facing employees. Study respondents indicated that mandatory and compliance was the most popular topic for learning content, comprising 21 percent of learning for customer-facing employees and even more (29 percent) for non-customer-facing employees.

The Study shares how the financial crisis has affected talent development activities in light of the challenges finance organizations have faced due the crisis and regulations imposed by the Dodd-Frank Act. The Study also reports on the changes talent development has made as a result of Dodd-Frank. Nearly half of organizations have changed the volume, frequency, or content of their training in response to the act, and more than a quarter have worked with vendors to be in compliance. Furthermore, respondents were asked about the extent to which they believe their organization is prepared for another financial crisis.

The Study also includes insights from talent development leaders in the finance industry, who shared best practices, recommendations, and advice on overcoming challenges to delivering training.
The 2019 State of Finance Training identifies trends and best practices in finance training. The Study provides information on learning expenditure, learning hours used and available, and delivery methods. The Study also addresses how organizations are using training to respond to changes affecting the finance industry, including complying with new regulations and preparing for future financial crises.

About the Research

ATD Research surveyed 106 talent development professionals working at different organizations in the finance industry in the United States. Respondents submitted data from the last fiscal year on topics related to their organization’s learning expenditures, expenditure distributions, learning delivery methods, and training content areas.

Just over half of respondents (52 percent) were employed by banks, and a third were from credit unions (Figure 1). The remaining respondents were from organizations that provided other financial services, including savings and loans, mortgages, brokerage or trading, and wealth management (such as mutual funds, hedge funds, estate planning, and retirement planning).
Key Findings

- Organizations had an average direct expenditure of $1,097 per employee. The majority of learning expenditure (72 percent) was spent on internal services. Nearly a quarter (23 percent) was spent on learning suppliers, and 7 percent went to tuition reimbursement.

- The average number of learning hours used annually per employee was 31.5. Employees at credit unions averaged the highest number of annual learning hours (35.7), while banks and other financial institutions averaged 29.4 and 30.9 annual learning hours per employee, respectively.

- About two-thirds of respondents (67 percent) thought their organization was prepared for another financial crisis to a high or very high extent.
An Overview of Finance Training

This section covers learning expenditures, as well as how this expenditure is distributed among learning activities. It examines the average number of formal learning hours used annually per employee and the cost per learning hour used and available.

All learning hours in this report are formal learning hours, which refers to learning that occurs as a stand-alone activity and is not embedded in work activities.

Direct Expenditure per Employee

The average direct expenditure per employee was $1,097 across all organizations (Figure 2). Banks had an average direct expenditure per employee of $991, while credit unions saw a higher figure of $1,331. Other financial organizations had a direct expenditure per employee of $951. This higher figure for credit unions may be explained by the fact that credit unions averaged more learning hours per employee than banks or other financial organizations, which is discussed in the next section.

Credit unions were also much more likely to be smaller organizations, with an average of 490 employees. Banks and other financial organizations had much larger workforces: banks had an average workforce size of 15,368, and other financial organizations had an average workforce size of 3,417. ATD’s State of the Industry report has found that due to economies of scale, larger employers can provide the same offerings at a lower cost per person. Later, this section will describe how credit unions have tried to counteract this effect by making efforts to keep down the cost of each learning hour available.
Direct expenditure per employee was slightly lower for financial organizations than for organizations in other industries. ATD’s 2018 State of the Industry report found that organizations overall had an average direct expenditure per employee of $1,296.4

FIGURE 2:  
Direct Expenditure per Employee

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenditure per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Financial</td>
<td>$1,097</td>
</tr>
<tr>
<td>Banks</td>
<td>$991</td>
</tr>
<tr>
<td>Credit Unions</td>
<td>$1,331</td>
</tr>
<tr>
<td>Other Financial</td>
<td>$951</td>
</tr>
</tbody>
</table>

Learning Hours Used per Employee

The average number of learning hours used per employee was 31.5 for the consolidated finance group, which is lower than organizations in other industries (Figure 3). The 2018 State of the Industry reported that the average learning hours used per employee across all industries was 34.1. Thus, despite the many regulations in the finance industry, this has not resulted in employees spending more time in training than those in other industries on average.

Learning hours used is calculated by multiplying the number of hours available by the number of employees who took them. For example, if 100 employees took an eight-hour workshop on project management, the total hours used is 800, but the total hours available is eight. In most cases, the number of formal hours used by the workforce will be significantly larger than the number of hours available.
Credit unions averaged the highest number of learning hours used per employee (35.7) compared with banks and other financial organizations. Banks had an average of 29.4 hours and other financial organizations averaged 30.9. Credit unions may serve specific populations—for example, employees of a certain company. In addition, they are nonprofits created, owned, and operated by participants who may work in the same industry, company, or community. As such, the participants may demand that employees have specific knowledge that meets the unique needs and objectives of their group, which may require additional learning time.

FIGURE 3:
Learning Hours Used per Employee

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Financial</th>
<th>Banks</th>
<th>Credit Unions</th>
<th>Other Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Hours (Hours)</td>
<td>31.5</td>
<td>29.4</td>
<td>35.7</td>
<td>30.9</td>
</tr>
</tbody>
</table>
Conclusion and Recommendations

Due to the highly regulated nature of the finance industry, mandatory and compliance training is a major area of interest. The Study found that mandatory and compliance training comprised more than 20 percent of employees’ total learning portfolios, which is much higher than for other industries. Because of the important role compliance training plays, talent developers should ensure it is delivered as effectively as possible. Moreover, in light of the changes organizations undertook as a result of the 2007-2008 financial crisis and the Dodd Frank Act of 2010, it would be wise for leaders to consider how prepared their organization is for further change, whether due to another financial crisis or advances in technology.

Recommendations

Based on Study findings and interviews with talent development leaders in finance, ATD offers the following recommendations.

Train Customer Service Employees in Critical Thinking and Problem-Solving Skills

The Study found that developing relationships with customers was the top skill included in customer service and sales training for customer-facing employees. As Travis Thompson points out, however, there is no one-size-fits-all approach to developing customer relationships. This is why Thompson recommends that customer service training emphasize critical thinking skills.

“I’ve seen a lot of organizations focus on developing relationships with customers, but from a very prescriptive standpoint,” explains Thompson. “But customer service might mean one thing for part of your customer base, and it might mean something completely different for other customers. If a customer is stressed, spending three minutes developing a relationship with them is not going to be perceived as good customer service, while a more relaxed customer might appreciate that. So when we train in developing relationships with customers, we have to teach our people to think critically and alter their approach to meet customers where they’re at, rather than have a one-size-fits-all customer service approach.”
Problem solving is another area of importance in developing relationships with customers. “Your ability to listen and use problem solving to diagnose the issue your customer is having is key,” explains Matthew Daniel. “That’s why we’re teaching things like design thinking to tellers.”

Use Adaptive Learning for Compliance Training

Most participants were already using e-learning to deliver compliance training, but adding adaptive learning elements can ensure that learners receive only the content that is relevant to their roles. “An epidemic in banks is that we give people training that’s not relevant to them,” says Matthew Daniel. “It could be because it’s easier to assign it at scale to everybody, or because we don’t recognize that employees have existing learning experiences and we start from the very beginning of a topic that they know well.”

The benefit of adaptive learning lies in its ability to identify the knowledge learners already have and ensure they don’t receive superfluous training. This can be especially useful for compliance training, which comprises a larger share of training content than other areas. Additionally, because other research from ATD has shown that using adaptive learning in compliance training is linked to improved market performance, use of this technology has business benefits as well.

Be Ready for Market-Related Changes

Although about two-thirds of Study respondents believed their organization was prepared for another financial crisis to a high or very high extent, more than a quarter felt less prepared—and understandably so. After all, it is uncertain when or if another financial crisis will occur and what impacts it may have on organizations and their workforces. However, leaders should consider what actions talent development may need to take should a crisis occur. Study results showed that the top response from organizations after the 2007-2008 financial crisis was developing or delivering new training content about addressing changes related to the financial crisis.

Another method for responding to change is aligning training to business strategy. This is something Apple Federal Credit Union has been focusing on: “We make sure that talent development is constantly in alignment with and in support of the organization’s strategy at all times,” says Jen Madden. This includes communicating to employees how the learning they receive is aligned with that strategy. According to ATD’s Culture and Change report, ensuring that learning and development strategies, products, and delivery methods are aligned with organizational needs and objectives is a practice that market-leading companies adopt when a change occurs.
Be Ready for Technology-Related Changes

Changes that affect talent development needs and job roles are not tied to just markets and regulations—technology is a major driver as well. Automated teller machines (ATMs), mobile check cashing, and online banking have already created changes in job roles, job availability, and the skills that are needed. It is likely that as technologies such as automation and artificial intelligence become more common in the workplace, new skills may be in demand as jobs are changed or displaced. Given this, organizations should consider the skills their workforce will need in the coming years.

New technologies also create opportunities for new cyberattack methods. As cyberattacks become more frequent and more sophisticated, cybersecurity and cyber-awareness skills are likely to be in demand. In ATD’s report *The Future of Work*, Tara Deakin said that TD Bank Group is dedicating resources to cyber risk and cyber security. “For banks, the capability to recognize cyber threats and defend ourselves and our customers against them is critical,” she explained.16 Indeed, the World Economic Forum reports that organizations worldwide are already facing a cybersecurity skills gap.17 Considering that finance is one of the most targeted industries for cyberattacks, it is critical that organizations keep cybersecurity and cyber-awareness skills in mind as they consider the impact of technology on future skilling and staffing needs.
Acknowledgments

ATD gratefully acknowledges the contributions of time and professional insights from the following subject matter experts:

- **Matthew Daniel**, Founder and Principal Consultant, The Learner Collective, and former Senior Manager, Learning Innovation & Technology, Capital One
- **Jen Madden**, Associate Vice President of Talent Development, Apple Federal Credit Union
- **Paul Stephenson**, Senior Manager, Instructional Design, Transamerica
- **Travis Thompson**, Director, Global Servicing Learning Network, American Express
End Notes


12. Webel, “Dodd-Frank.”
13. Adair Turner, “After the Crisis, the Banks are Safer but Debt is a Danger,” Financial Times, September 11, 2018, www.ft.com/content/9f4b1d3c-b4de-11e8-a1d8-15c2dd1280ff.


About the Author and Contributors

The Association for Talent Development (ATD) is the world’s largest professional membership organization supporting those who develop the knowledge and skills of employees, improve performance, and achieve results for the organizations they serve. Originally established in 1943, the association was previously known as the American Society for Training & Development (ASTD).

ATD’s members come from more than 120 countries and work in public and private organizations in every industry sector. ATD supports talent development professionals who gather locally in volunteer-led U.S. chapters and international member networks, and with international strategic partners. For more information, visit www.td.org.

ATD’s researchers track trends, inform decisions, and connect research to practice and performance. By providing comprehensive data and insightful analyses, ATD’s research products, which include research reports, briefs, infographics, and webcasts, help business leaders and talent development professionals understand and more effectively respond to today’s fast-paced industry.

Shauna Robinson is the research analyst for ATD and served as the author of this report.

Hannah Sternberg is a production editor for ATD Press and served as an editor for this report.

Maria Ho is the manager of ATD research services and served as an editor for this report. She provides oversight and direction for all of ATD’s internal and external, industry specific, and market research services.

Melissa Jones is the manager of ATD Press and served as an editor for this report. She edits and manages the production process for ATD research reports and books.

Lisa Spinelli is the career development content manager and served as a project manager for this report.

John Anderson Jr. is the art director for ATD and served as the designer for this report.
Appendix: Survey Overview

Target Survey Population

The target survey population for this Study was finance professionals from organizations of various sizes. Overall, 106 unique participants completed the survey.

Survey Instrument

The survey was composed of 30 questions, including those geared toward demographics of respondents.

Procedure

ATD Research distributed a link to an online survey to the target population in March 2019. The survey closed in April 2019. Interviews with subject matter experts were conducted in June 2019.
More From ATD Research

2019 State of Healthcare Training

Based on a survey of organizations that provide healthcare services in the United States, this report gives a current picture of the industry’s training and TD efforts. The report provides data on direct learning expenditures, the average number of learning hours used per employee, and other key data points. In addition, the report covers two major challenges healthcare organizations are facing: the switch to value-based care and the nursing shortage. The report examines the strategies healthcare organizations are using to navigate these challenges. Interviews with talent development leaders in healthcare shed additional light on these topics. For more information, visit www.td.org/2019healthcarereport.

2019 Talent Development Salary and Benefits Report

In 2019 Talent Development Salary and Benefits Report, ATD Research provides valuable information about salary in the TD profession. Based on a survey of 1,911 TD professionals, the report identifies the median base salary of individuals working in talent development, as well as non-base pay such as bonuses and incentive pay. The report provides salary information by job level, industry, and primary area of responsibility. In addition, the report helps organizations evaluate their compensation and benefit offerings. The report includes information on what benefits talent development professionals are receiving, as well as which benefits see the greatest use. For more information, visit www.td.org/SalaryReport2019.

The Future of Work

The Future of Work: Technology, Predictions, and Preparing the Workforce examines how technology advances and transformations in the workplace are expected to change organizations in the next five years—and how talent development leaders can prepare their organizations for it. According to the report, just 24 percent of organizations have a workforce that is well prepared for the future of work. The report also features detailed interviews with TD executives, who share their experiences, insights, and recommendations. For more information, visit www.td.org/FutureofWork.

Developing New Managers

Developing New Managers: Key Elements for Success is a new examination of first-time manager development. The Study found that many organizations were achieving strong results in developing new leaders; further, most participating organizations offered structured development programs or individual training assets specifically for new managers. However, it also revealed issues and missed opportunities that could, if constructively addressed, enable talent development professionals to better prepare first-time managers for the challenges they face. The report looks at first-time people managers, sales managers, and technical managers. For more information, visit www.td.org/newmanagers.

Note: All ATD research reports can be purchased by visiting www.td.org/Store.
Sponsorship

Sponsoring ATD Research highlights your organization to our global customers and members. We’ll feature your brand and advertise your name across the spectrum of our research promotion efforts. Benefits include:

- placement of your logo on the report, the whitepaper associated with the report, presentation slides, and the ATD Research webpage
- information about your organization placed directly within the report, in A Note From Our Sponsor
- link to free sponsor offering on ATD Research webpage
- webcast citation and participation
- complimentary copies of the report
- TD magazine article will mention you as a sponsor.

Sponsorship of ATD research reports vastly increases your visibility, recognition, and reach within the workplace learning and performance industry.

Partnership

Partner with ATD Research to study the organizational performance topic of your interest.

The Partner Advantage:

- Your theories synchronize with our objective research practices.
- Your interests are represented throughout the research cycle.
- Your specific research objectives are clearly defined and met.
- Our analytic efforts support your business interests and concerns.
- Our results improve your productivity, efficiency, and/or bottom line.

Partnership entitles you to the same promotional benefits as sponsorship. Also, as a partner, you guide and we execute the research plan to do the following:

- Define the topic and objective.
- Identify data sources.
- Deliver collection instrument(s).
- Conduct interviews.
- Analyze data.
- Author report(s).
- Disseminate findings.
- Conduct webcasts.
About ATD Research

What We Do

- ATD Research tracks trends, informs decisions, and connects research to performance for talent development professionals.
- Our research reports offer an empirical foundation for today’s data-driven decision makers.
- ATD Research cares about your success, and our specialized research devoted to talent development proves it.

2019 ATD Research Topics

- State of the Industry, 2019
- Developing New Managers
- The Future of Work
- 2019 State of Sales Training
- 2019 State of Finance Training
- 2019 Healthcare Survey
- 2019 TD Salary Report
- Global Trends in Talent Development
- Measurement and Evaluation

Contact Information

Research reports published by ATD can be purchased by visiting our website at www.td.org/Store, or by calling 800.628.2783 or 703.683.8100.

If you’d like to sponsor or partner with ATD Research, contact ATD Research directly at research@td.org or call 800.628.2783 or 703.683.8100.