

Salaries in the US banking business

Nicole Höher

You are interested in working in the bank business?

Let's look at some data from employees that work at banks to check:

- How many years of education do you need for certain jobs?
- How does the salary differ by the different job types?
 - And how is it influenced by education?
- Is there a difference in salary based on gender and minority

Additionally:

Can we model and calculate your possible future salary?

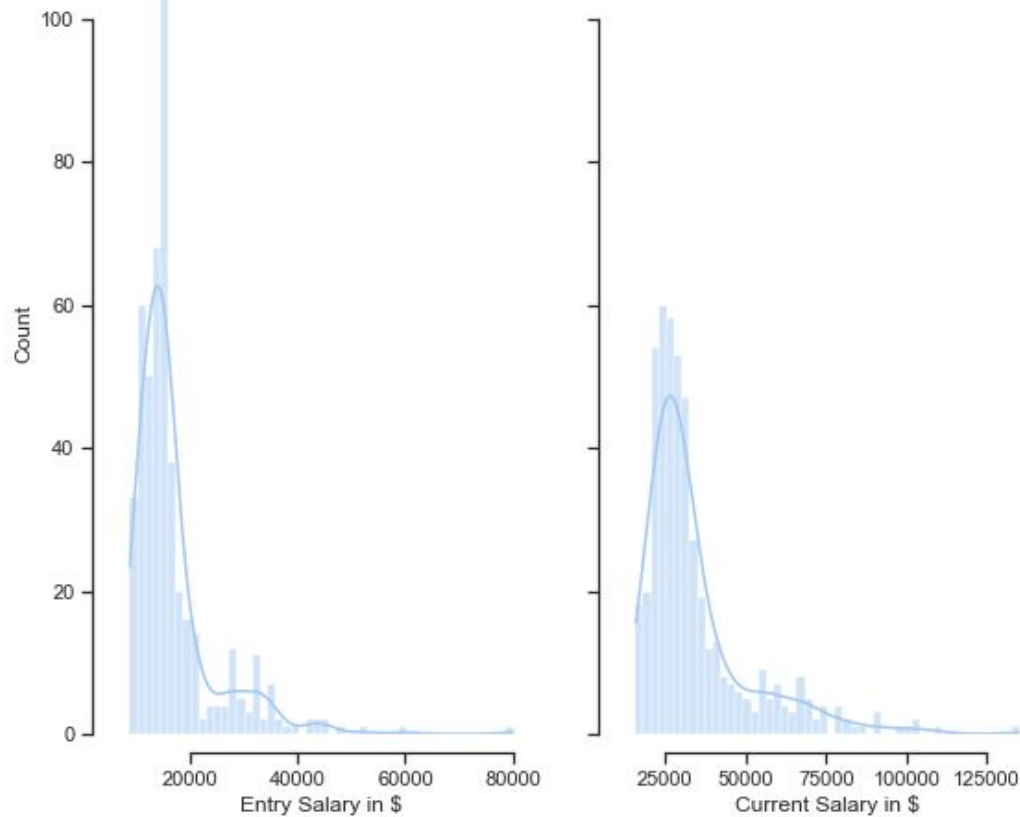
First things first - what info do we have?



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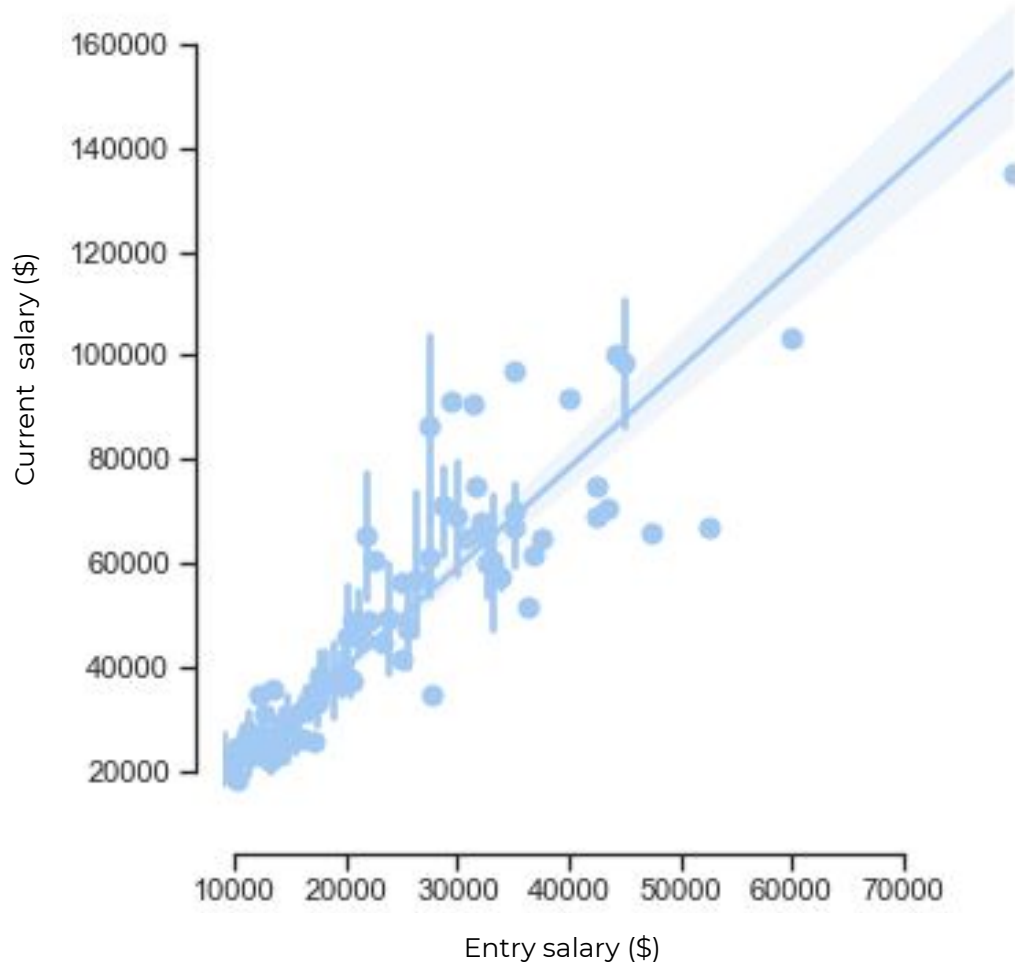
Salaries

Entry salary and
current salary (\$)



Salaries

Correlation
between
entry salary and
current salary (\$)



Education

Years of finished education	Degree	No. of employees
8	Junior High School Diploma	53
12	High School Diploma	190
14 - 16	Undergraduate (i.e. Bachelor's)	181
17 - 21	Graduate (i.e. Master's or doctoral degree)	50

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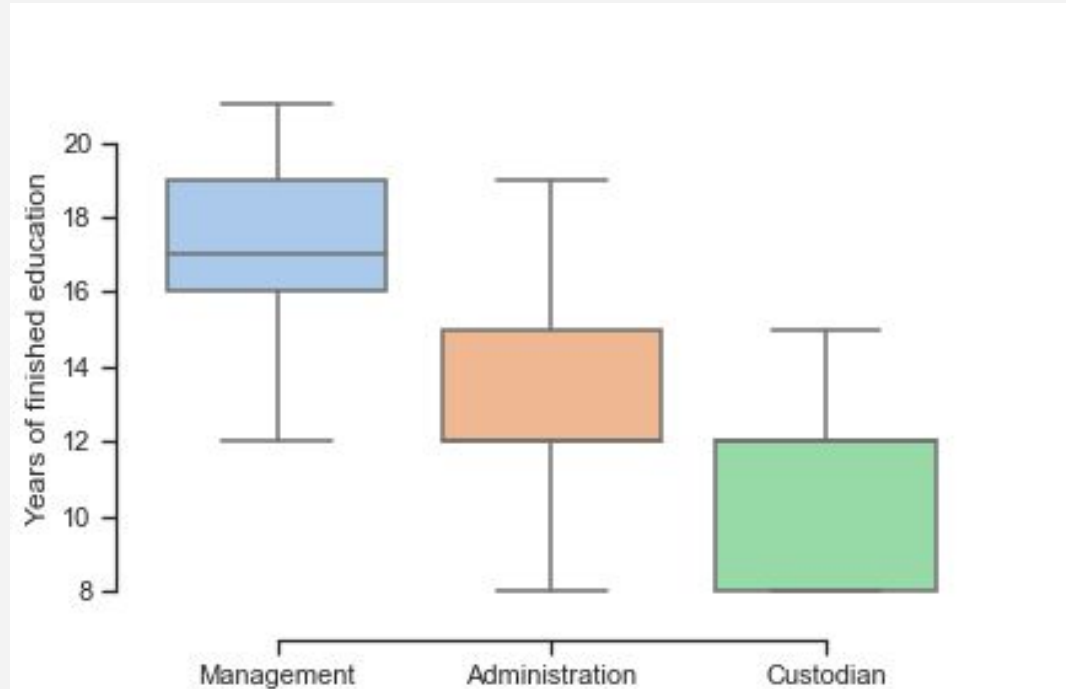
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Gender and minorities

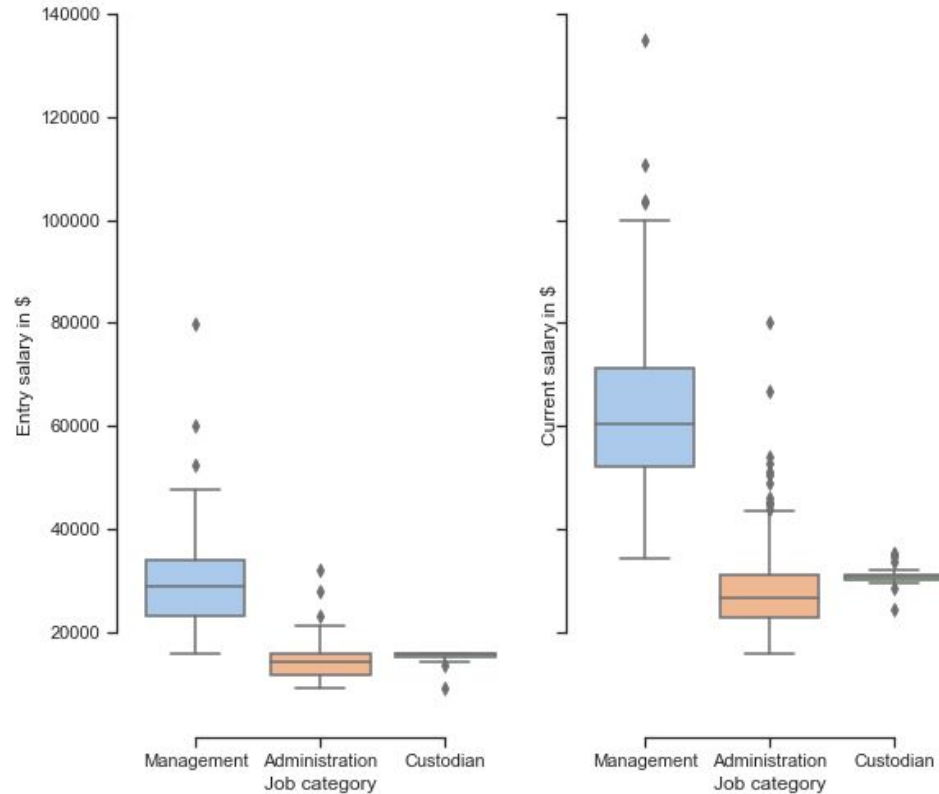
Gender	No. of employees
Male	258
Female	216

Minority	No. of employees
Non-minority	370
Minority	104

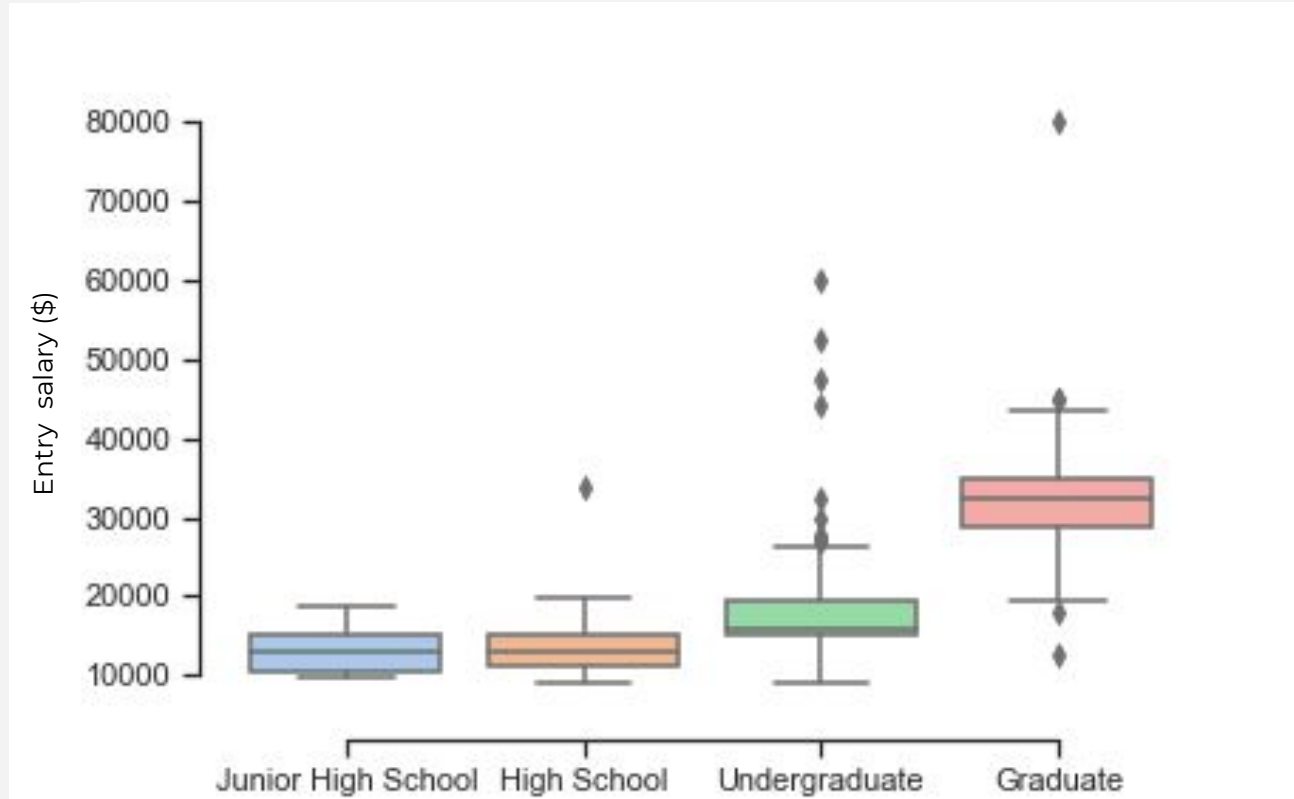
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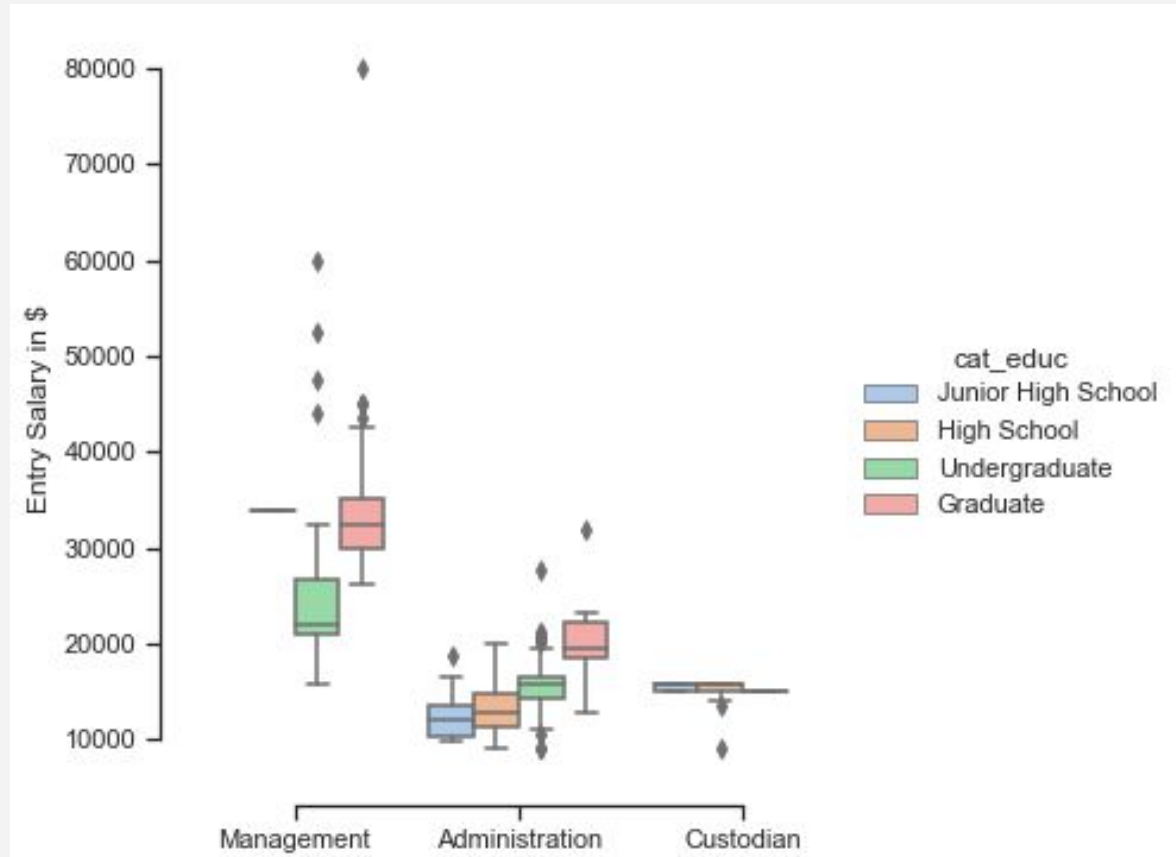


How does the salary differ by the different job types?



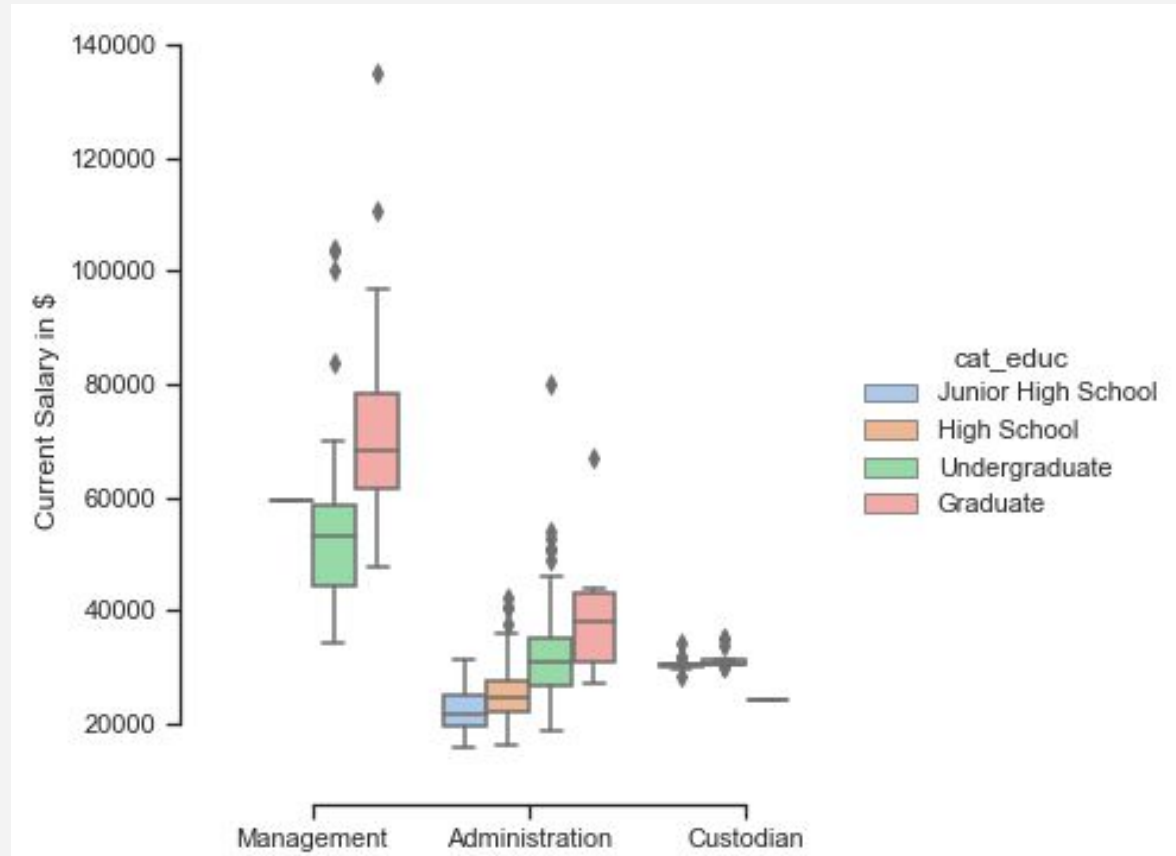
... and how is influenced by education?

Entry salary (\$)



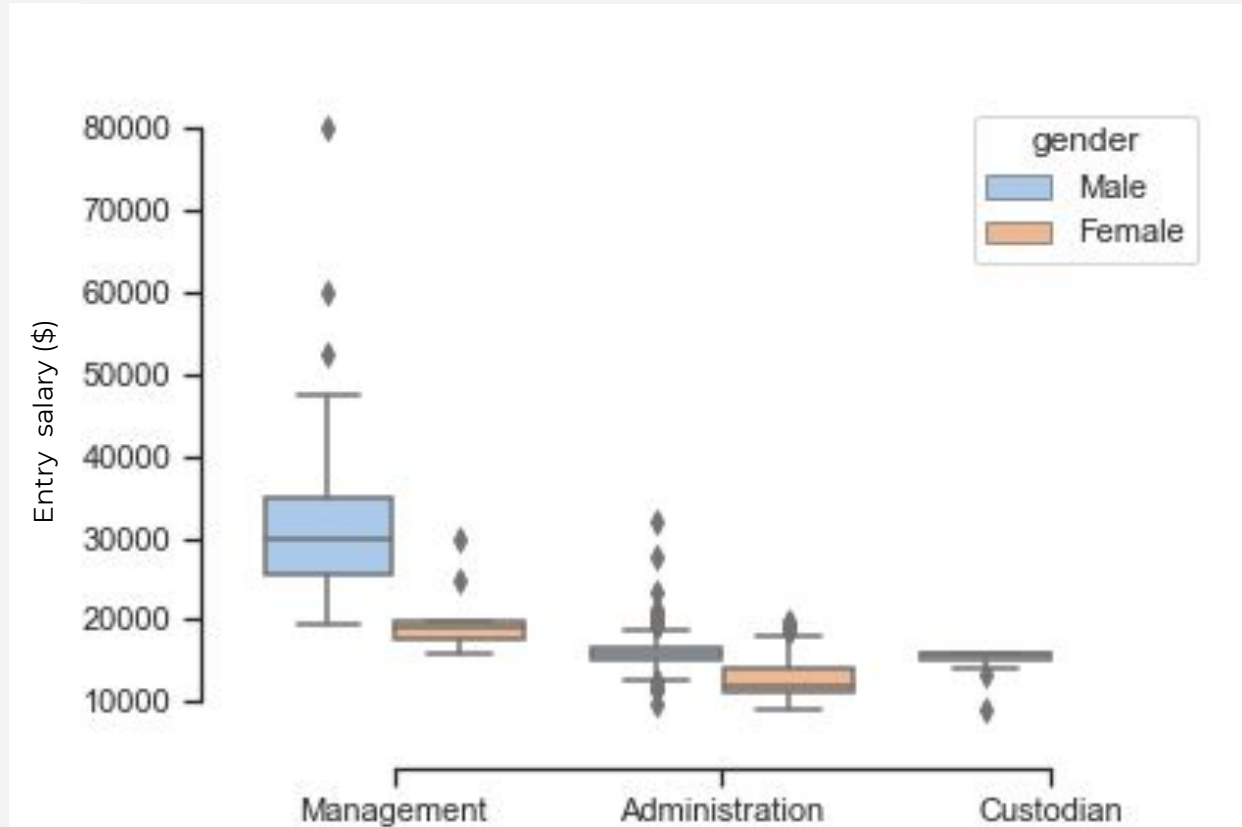
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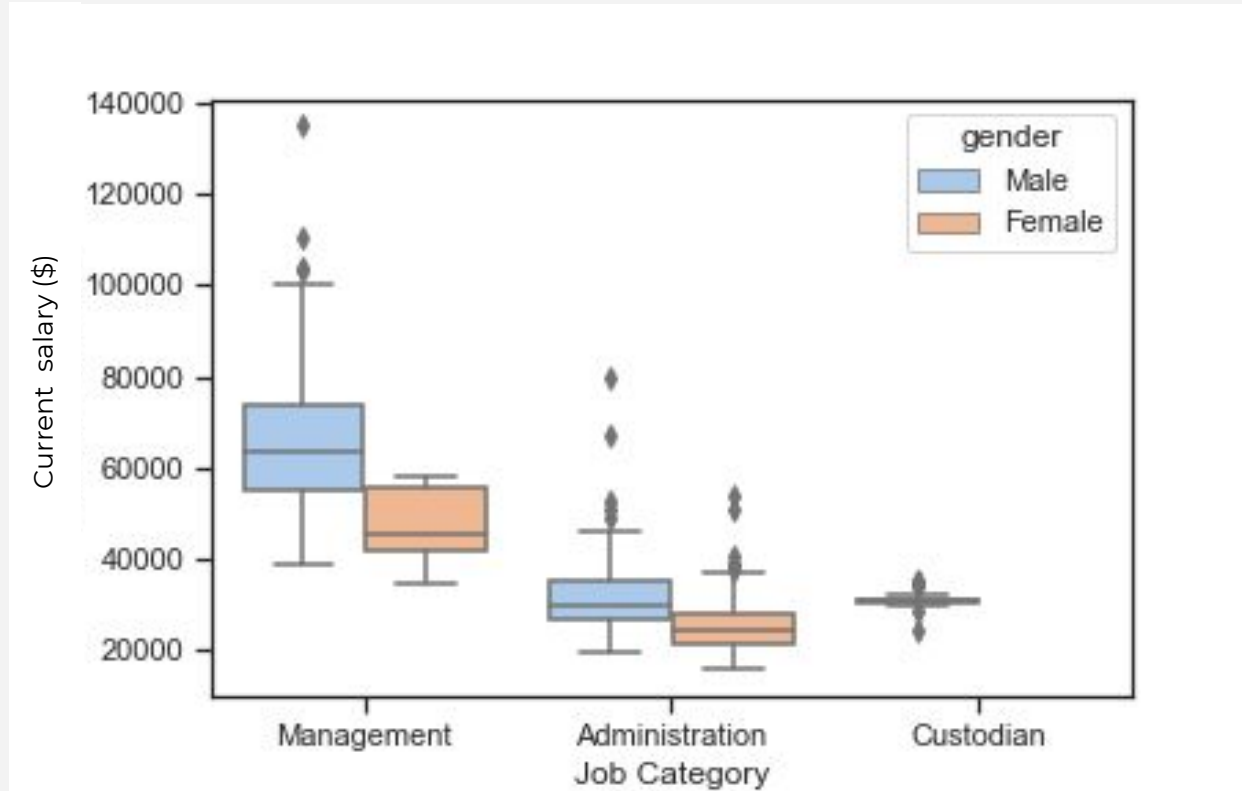
Is there a difference in salary based on gender?

Entry salary (\$)

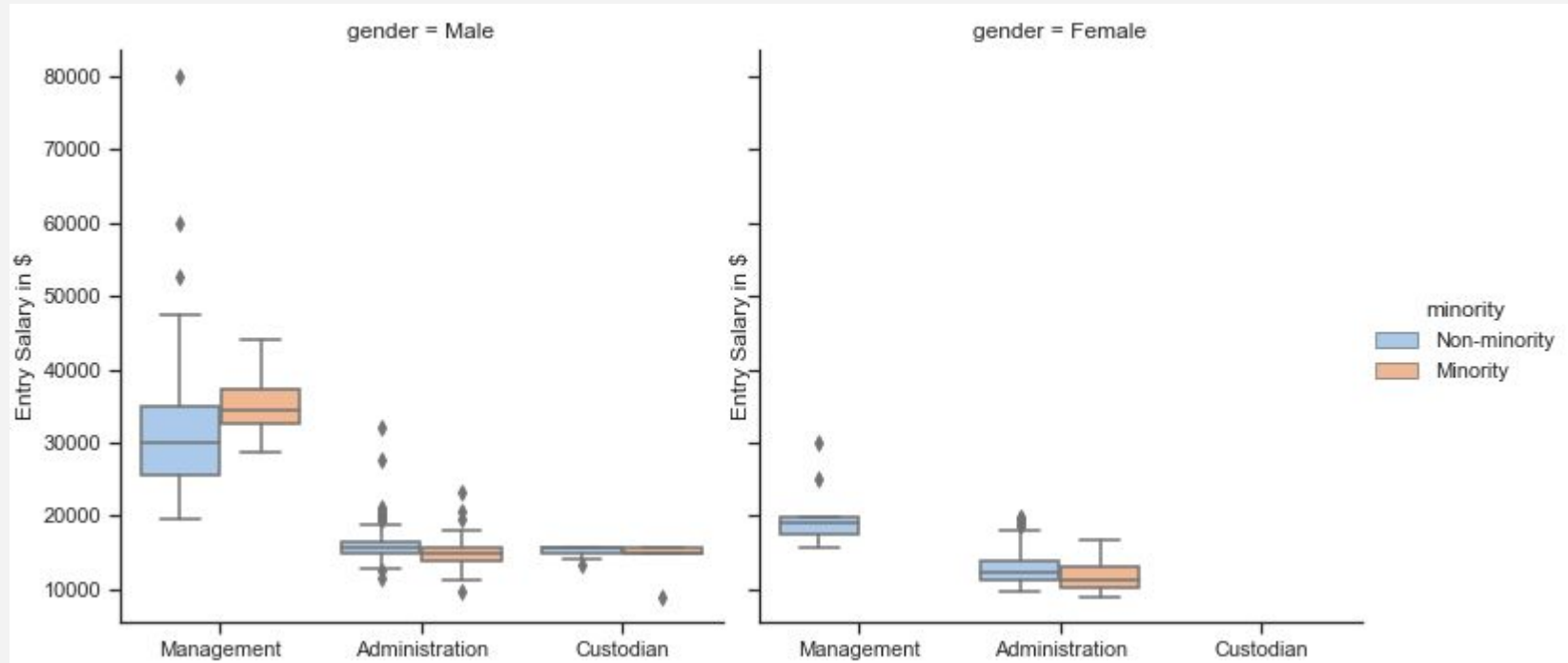


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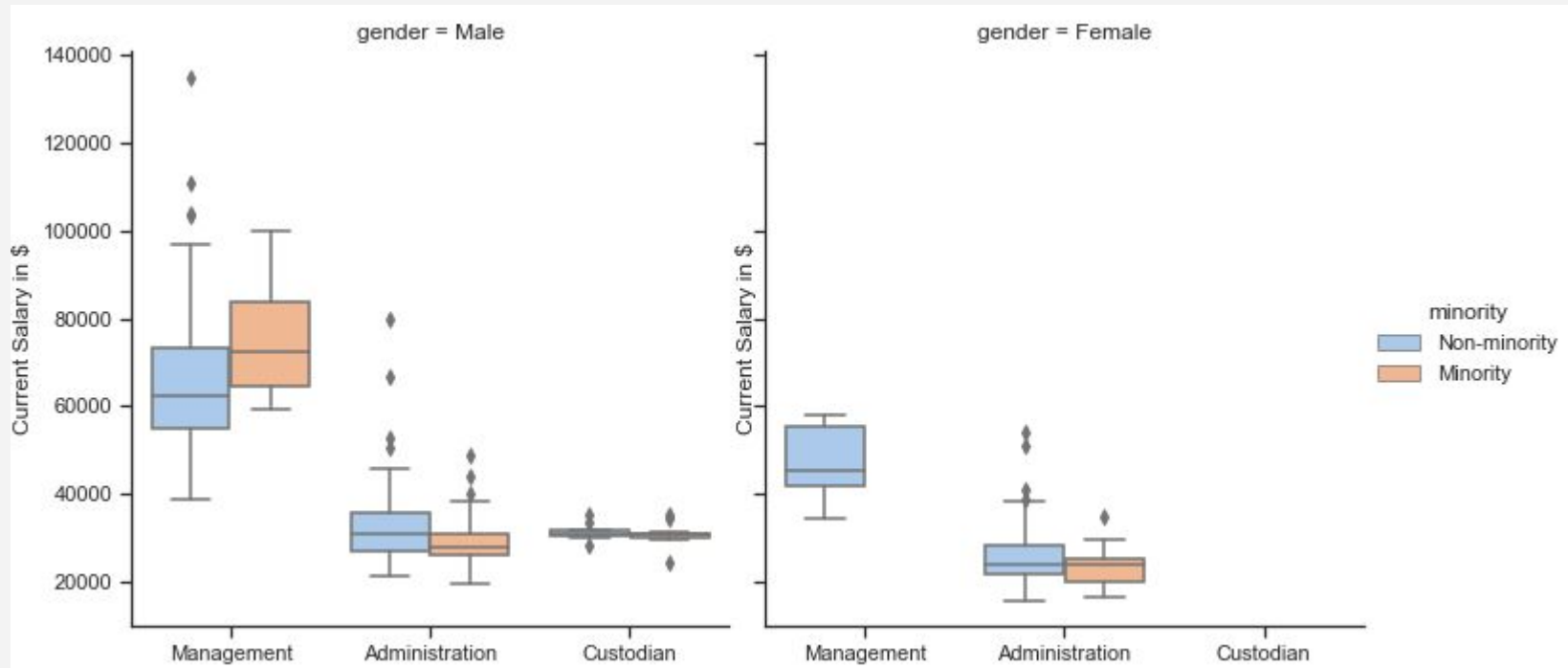
Current salary (\$)



.. how about factoring in minorities?



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What are the key findings? I

Education

- **Management:** at least hold a High School Diploma but a **graduate degree** will certainly increase your salary
- **Administration:** at least have graduated Junior High School but you may be more successful when you have a **High School diploma or undergraduate degree**
- **Custodial job:** you should have a **Junior High School Diploma**

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Job Categories

- **Management:** you may have earn the **highest entry and current salary** in this position
- **Administration:** salaries in this category are **substantially lower than in Management**, but do increase during employment
- **Custodial Jobs:** salaries are **similar to administration** salaries but do not increase as much

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Education and Job Categories

- Entry **salary increases with level of education**
- The **difference** for job starters with a graduate degree **is considerable** (particularly Management).
- **Undergraduates rarely catch up** with their colleagues that earned a graduate degree.

What are the key findings? II

Gender and Minorities

- **Gender does have an effect** on the entry salary. Male colleagues earn more compared to their female counterparts.
- Being a **minority seems not to affect** entry salaries in **administration**,
 - but it **may result in a higher entry salary for management**.

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General tip (for women)

When applying for jobs and finally negotiating about a salary keep in mind what your **male counterparts** may be asking for and maybe earning. If you are interested in working in management, you may be asking for too little (compared to your male colleagues).

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NOTE

We do not know how long each individual has been working at the bank. This may also influence the current salary. Same goes for the entry salary. We don't know how job experience may influence the entry salary.

The model

Input

- your entry salary
- your years of education (finished)
- your gender
- your job category
- if you belong to a minority

The model underpredicts by about 1312 Dollar. So, you may actually earn a bit more than what the model predicts.

We don't know **WHEN** you will earn this calculated future salary but is well possible that you can reach the calculated amount.

More about the model later!

Your questions (and suggestions!)



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