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ECONOMIC FORECAST

BANKING/FINANCE

S. Florida expansions seen as bellwether

by Peter Zalewski

Florida International University's Vincent Daniels has spent the last six months searching for local financial experts who are willing to teach banking certification classes.

Experience is preferred. Daniels is working to expand the university's offerings in response to growing interest in banking courses from job seekers who hope to finally land that elusive job, and from financial institutions that are again spending money on staff development.

The students hope to fill new jobs or earn promotions at local financial institutions that are increasingly opening new branches and launching new services.

"One of the first things that gets cut is training," said Daniels, the director of business development for FIU's Office of Professional Education. "We see that coming back as the economy is improving."

Job growth in South Florida's domestic banking industry has experienced minimal increases since the Sept. 11 terrorist attacks. International bankers were not as lucky. Many foreign banks consolidated or even eliminated their Miami operations as part of worldwide restructurings.

The recent improving economic

picture and an anticipated increase in interest rates is fueling optimism that bank earnings will rise as spreads improve. And this is prompting local banks to reinstate outside training programs that were reduced or even eliminated during the last three years.

FIU's credit analysis, investment analysis and sales and marketing courses are each attracting between 20 and 30 students. Responding to demand, Vincent plans to offer a certified financial planner program beginning next month. Six months later, in the fall semester, Vincent

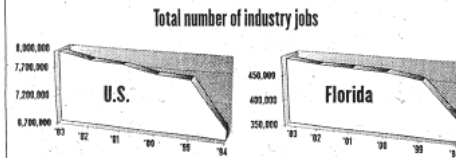


FIU's Vincent Daniels is expanding the university's financial services programs because 'one of the first things that gets cut is training. We see that coming back as the economy is improving.'

hopes to launch a certified financial analyst program.

Financial job market

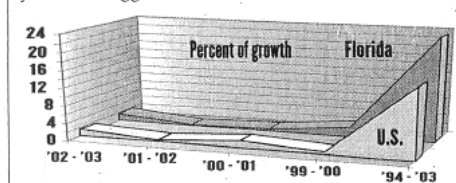
The number of banking and financial services jobs appears to be rebounding.



*Through November (December total was not available at press time)

Signs of turnaround

Job growth is once again picking up after years of sluggishness.



Source: U.S. Department of Labor, Bureau of Labor Statistics

"It is not a huge number by any stretch, but the banking industry has been depressed here," Daniels said.

Miami executive recruiter Dennis Nason is also seeing increased hiring interest from banks and other financial services companies. He first noticed the beginning of a hiring rebound in December and says it has carried over into 2004.

"We see people interested in rebuilding staff that had been very thin," said Nason, a headhunter who specializes in financial services companies.

Florida added about 8,200 financial services jobs from January through November 2003, representing a 1.7 per-

cent increase in jobs over the previous year, according to the U.S. Labor Department. The growth followed two consecutive flat years of little growth — 0.3 percent in 2002 and 0.6 percent in 2001.

Much of the recent job growth has been related to the booming demand for residential mortgages because of record low interest rates.

More than 92,000 jobs were added in Florida's financial services sector from 1994 to 2003, representing a 24 percent increase to about 482,700 positions.

Nationwide, jobs in the financial services industry increased by 16 percent during the same period, to nearly 8 million, according to the Labor Department.

Florida's fast-growing population and diversified economy has made it one of the three most desirable banking markets in the country, along with California and Texas, industry experts said.

Arlene Dohm, an economist with the U.S. Office of Occupational Statistics, said that banks are representing a 1.7 per-

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rethinking the way they look at branches, and that could prompt more hiring.

"They were doing everything they could to discourage people from coming into a branch. Over the last couple of years, banks have finally realized that getting people into branches is the way to sell them products," Dohm said.

She said the banking industry is expected to add jobs in the upcoming decade, but she declined to reveal her department's predictions because its report will not be published until February.

Branch expansion is sure to be a trend in Florida this year. Bank of America guaranteed it by announcing on Jan. 5 that it was adding 57 branches throughout the state, including 23 in South Florida, within the next two years.

Colonial Bank, BB&T and SouthTrust also have announced plans to build their Florida branch networks during the next few years by opening new locations and acquiring existing banks, especially in South Florida.

Branch expansion is also on the minds of locally based institutions. The Miramar-based Eastern Financial Florida Credit Union plans to add three branches a year for the next five years. And 1st United Bank of Boca Raton plans to add two locations by June.

What is uncertain is how bank mergers will affect the jobs picture locally.

No fewer than four deals valued at \$595 million were announced last year in Florida, including BB&T's \$436 million deal for St. Petersburg-based Republic Bank, which has 10 of its 71 branches in South Florida.

"I think that merger and acquisitions activity is going to pick up," said 1st United president Rudy Schupp. "It is going to be a busy year, more so than in 2003."

Schupp said he expects most of this year's merger and acquisition activity to involve independent Florida banks looking to shore up their positions as the national and regional banks expand their statewide footprint.

"I think you will see some of the bigger independent banks buy or be bought," he said. ♦