Helaba

Focus on: Financial Centre of Frankfurt
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Bank employment on the rise – but momentum slowing



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Employment in Germany's banking centre continues to rise thanks to broad-based recruitment strategies, but momentum is slowing due to demographic challenges. Partly due to special effects, employment is now at a higher level. By the end of 2026, employment in Frankfurt's banking sector is expected to grow by around 2% to approximately 75,500 employees. To achieve this, it will be necessary to expand the intellectual infrastructure in Frankfurt and recruit more skilled foreign workers. The promotion of the location's attractiveness is being tackled with the Financial Centre Initiative. There is also room for improvement in the database on the German financial centre. Financial employment in other locations such as London is also on an upward trend.

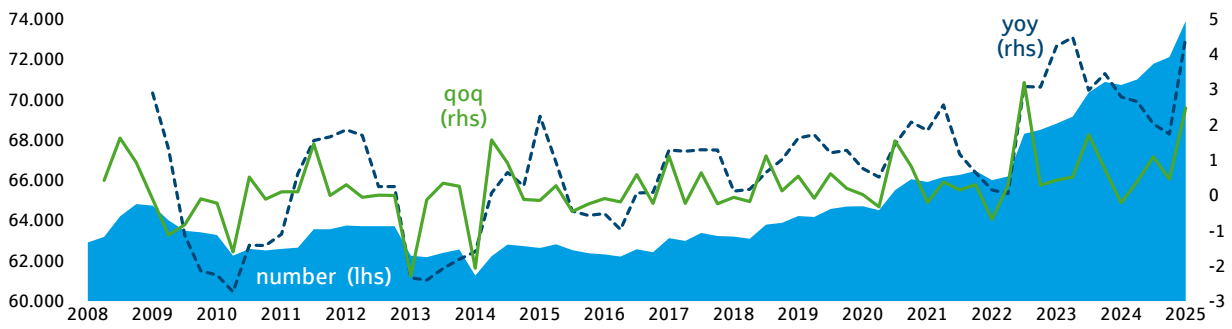
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1 Financial employment in Frankfurt and London with different cyclical patterns

Despite a shortage of skilled workers and overall economic weakness, employment in Frankfurt's banking towers continues to follow a **respectable upward trend**. At the end of 2024, the number of employees exceeded 72,000. Based on recently published data from the Federal Employment Agency, we have calculated that around **73,900 bankers** were employed **in Frankfurt** in the first quarter of 2025. Since then, the momentum slowed down, as the year-on-year rates of change show. However, due to a special effect, there was a jump in the time series at the turn of 2024/2025 (+2.5% compared to the previous quarter and +4.5% compared to the previous year).

Frankfurt banking employment continues to trend upwards

Bank employees subject to social insurance contributions in the city of Frankfurt %



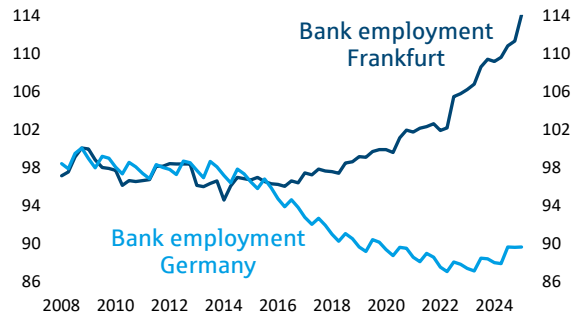
Sources: Federal Employment Agency, Helaba Research & Advisory

This means that **employment** here is **now at a higher level**, which also has an impact on our forecast (see Chapter 3). The reason for this special effect may be, for example, reclassifications (such as new additions to the aggregate) and incorrect or corrected reports. Apart from that, there were still many new hires, especially in areas such as regulation, digitisation, sustainable finance and money laundering. Another motivation for increasing staffing levels is the demographic challenge of a declining labour force.

With its unbroken upward trend in banking employment, **Frankfurt** has continued to **expand** in its role **as a central banking centre** in Germany and Europe, to which Brexit has also contributed significantly. In view of the years of the declining employment trend in the German banking industry, Frankfurt now accounts for almost 12% of the total (ten years ago: 9%). In spring 2025, there were just under 632,200 bankers subject to social insurance contributions in Germany (latest available figures), and it is only since mid-2024 that the number of employees has been rising slightly (most recently +0.1% compared to the previous quarter and +1.9% compared to the previous year). In line with the banking sector, total employment in Frankfurt has also risen noticeably in recent years, with the banking sector's share most recently standing at over 11%.

Increased concentration in Frankfurt

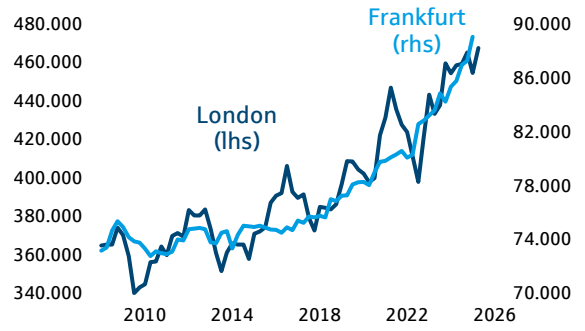
Index, end of 2008 = 100



Sources: Federal Employment Agency, Helaba Research & Advisory

Financial employment in London is more cyclical

Inner London* City of Frankfurt



* including the City of London

Sources: Federal Employment Agency, Macrobond, Helaba Research & Advisory

The **Frankfurt financial sector as a whole** (including insurance and investment companies, fund management etc., known as economic sector K) had over 89,000 employees in the first quarter of 2025. This employment aggregate has **developed similarly** to that of the banking sector, on which we have always based our forecasts. The definition of sector K does not include the employees of some finance-related institutions that play an important role in Frankfurt (e.g. ECB, ISSB, AMLA) and are a key competitive factor in the global financial centre context.[1]

When comparing Frankfurt with other European financial centres, it is also important to take into account the **differing geographical boundaries**: while the employment data for Frankfurt covers the city area, the data for London refers to a broader aggregate. With an area of around 250 km², the city of Frankfurt covers a smaller area than the London area (Inner London, covering around 330 km², includes the City of London and several immediately adjacent districts).[2]

Financial employment in London is much **more cyclical**, although it is also on a fundamental upward trend. Not only did the global financial crisis of 2008 lead to significant consolidation there, but this was also repeated several times in the following years. This alternated with phases of extensive new hiring. Most recently, a wave of redundancies was observed in 2021/2022. Since then, the number of finance jobs has risen again to around 467,500 in the second quarter of 2025. It is estimated that around 50% of these are in the City of London.

[1] For information on the importance of finance-related institutions in the German financial centre, see Helaba **Focus on Financial Centre of Frankfurt: "Sharpen Frankfurt's Location Profile for Banks & Institutions"** from 14 May 2025.

[2] Inner London is in turn surrounded by Outer London. Area data from Eurostat were last reported in 2015.

2 Employment comparison in continental Europe statistically complex

In order to **compare** employment trends in the German financial centre with other **continental European locations**, Eurostat's regional national accounts are a useful data source. After all, this uniform source allows for better comparability than national statistics with their specific characteristics. The focus here is on **financial employment** (sector K, see definition in Chapter 1).

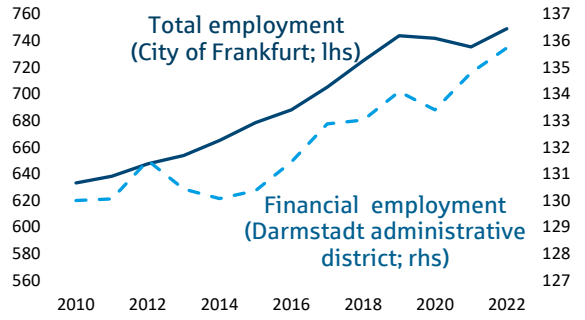
It would be interesting to analyse a **broader definition** of the financial centre, including other important players such as asset managers, investment companies, law firms and finance-related institutions. After all, the latter have become increasingly important in the wake of the international regulatory trend. However, such a broad employment aggregate is **not available** for the German financial centre, and especially not in a comparative analysis of European financial centres.

So how does Frankfurt's financial employment compare with the rest of continental Europe? The data available is limited in various respects, which means that its **significance** is also **limited**: Eurostat data on financial employment in European cities is only available up to 2023 at best – and not at all for the city of Frankfurt. Alternatively, the regional boundary of the Darmstadt administrative district can be used (Regierungsbezirk Darmstadt), which also exists for other financial centres in Europe. However, this time series for the Darmstadt administrative district is only available until 2022 (latest figure: 135,720 financial employees).[3]

The fact that no employment data for the city of Frankfurt has been submitted to Eurostat by the German side and that the data is only available for a limited period for the corresponding regional aggregate means there is **room for improvement**. After all, a good database is essential for the international transparency and marketing of the German financial centre. It would be desirable for the location to publish **more key figures** in a timely manner. Furthermore, there are discrepancies between the data from Eurostat and from national sources due to differing concepts and definitions. For example, the total employment figures for the city of Frankfurt are reported differently (for 2022, Eurostat reports more than 749,000 versus around 625,000 at the Federal Employment Agency).

Employment growth in Frankfurt

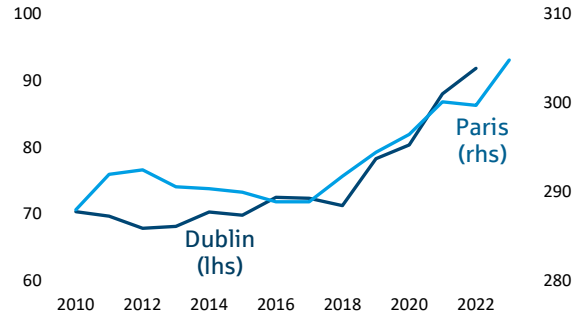
Thousand



Sources: Eurostat, Helaba Research & Advisory

Financial centre regions: employment comparison

Thousand



Sources: Eurostat, Helaba Research & Advisory

Taking these statistical peculiarities into account, employment in selected continental European financial centre regions is as follows: In 2022, Frankfurt was ahead of Dublin with almost 136,000 financial employees compared to just under 92,000, while Paris had over 300,000 employees in the financial sector in 2023. However, the **different geographical sizes of the areas** must also be taken into account. For example, the administrative district of Darmstadt, at just under 7,500 km², is smaller than Île-de-France, at over 12,000 km². Due to the significant differences in size in terms of both area and employment, it is preferable to look at trends. According to this, employment has

[3] The NUTS classification system of the EU allows each member state to be divided into different levels for statistical purposes. For the financial centre, this means NUTS 3 data for the city of Frankfurt and NUTS 2 data for the administrative district of Darmstadt.

increased in all three financial centre regions over the years, with Brexit-related business relocations playing a role. However, the upward trend had already begun before that in the German financial centre.

3 Banking employment in Frankfurt still rising moderately

There are several important **determinants** for employment development in Frankfurt's banking sector: in addition to **strategic new hires** (e.g. for sustainability or regulatory issues), **demographic change** is currently having a particularly significant impact, leading to a decline in the labour force. After all, the large baby boomer generation is being followed into working life by much smaller generations.

Credit institutions are countering this trend with **modified, innovative recruitment strategies** aimed specifically at young people, resulting in a gradual rejuvenation of the banking workforce. In addition to attracting young talent, long-standing and older employees with their wealth of experience should also be retained, and a diversified age structure should be maintained. Despite the shortage of skilled workers and economic weakness, broad-based recruitment strategies have so far succeeded in filling a number of positions, although this is becoming increasingly difficult. Demographically, this problem is set to increase in the future. It cannot be "digitised away", but it can be mitigated.

First and foremost, the **digital transformation** is increasing the demand for suitably qualified employees and changing tasks and requirements in the banking industry. In addition to corporate headquarters, this also affects branch operations, which are being restructured and streamlined. Ultimately, the implementation of artificial intelligence (AI) in standardised processes, for example, frees up more time for more complex activities. The at least partial integration of AI into work processes allows the focus to shift more towards coordinating or checking generated results and coming up with creative ideas, for example. In the medium term, this is expected to lead to efficiency gains and some relief on the labour market.

At the same time, increased personnel capacities are needed to cope with the increased **bureaucratic workload** in the institutions. The significantly increased documentation requirements for the institutions are associated with significantly higher costs.

In order to **increase** the **labour potential** in the banking sector, further expansion of the **intellectual infrastructure** is needed. Frankfurt should be strengthened as an international centre of education in finance, and an even broader range of qualifications should be created locally. To this end, cooperation between universities and research institutions with financial institutions and finance-related institutions would also be beneficial. In times of skilled labour shortages, the immigration of qualified workers is also important, which can be supported by improving conditions such as easier recognition of foreign qualifications.

With this in mind, it is important to further **promote the attractiveness** of Frankfurt, which also requires macroeconomic structural reforms and greater data transparency about the location (e.g. concerning comparative employment development or the number of players). There are a **number of levers** that can be used to strengthen Frankfurt's competitiveness in the global financial architecture.

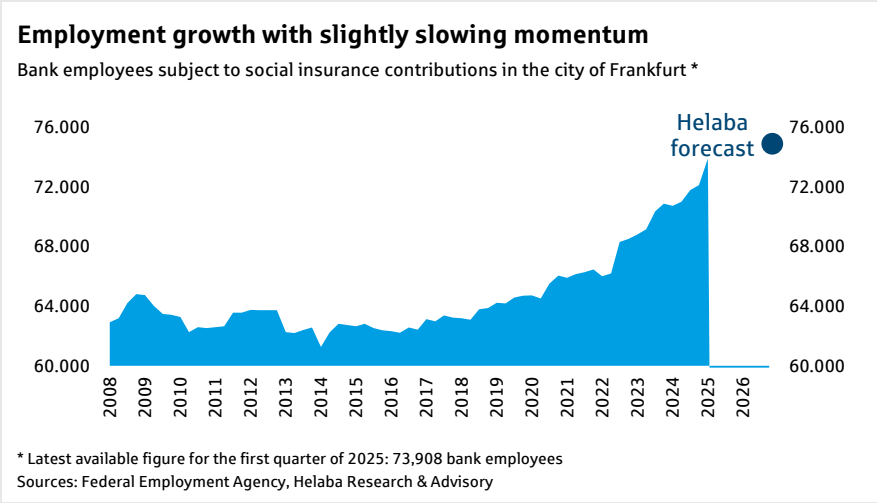
This is precisely where the **strategy of the Financial Centre Initiative**, which was launched in late summer, comes in. It aims to put the financial centre in an even better position for the future with a range of measures.[4] Numerous important financial centre players, including Helaba, are involved in the Financial Centre Initiative, which started at the end of 2024 under the leadership of the Minister President of Hesse and, through its concerted efforts, can achieve a great deal for the location. The financial centre strategy aims to consolidate and expand Frankfurt's important role in the European financial system.

What does this mean for the outlook for banking employment? In our forecast period until the end of 2026, a **moderate increase in employment** is foreseeable in the German banking centre – but **with diminishing momentum**

[4] **Strategy paper for Frankfurt as a financial centre adopted | hessen.de** from 25 September 2025

due to demographic developments. In addition, any restructuring in the German banking industry could have an impact.

Furthermore, from a regulatory perspective, a certain **job effect** on the EU banking market is foreseeable, from which Frankfurt in particular, as a central banking location, should benefit. Finally, third-country banks will have to strategically reposition their presence in the European Economic Area from the beginning of 2026 onwards. This is a result of the **EU Capital Requirements Directive** CRD VI, which is likely to lead to shifts in assets and jobs. This offers the German banking centre an opportunity to further expand its international importance.



Based on the now higher starting point, an increase of around 2% to approximately **75,500 bank employees in Frankfurt** is expected by **the end of 2026** (a net gain of around 1,600 new jobs). This overall positive outlook is contingent on continued commitment to the German financial centre, both through successful recruitment of its players and through concerted efforts to strengthen the location's attractiveness.

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