

## New CFA Institute Future of Work Research Finds Soft Skills Dominate Skills Demand

### The Future of Skills and Learning is Changing In Transforming Investment Industry

**[Melbourne, AUSTRALIA] 13 July 2022:** —CFA Institute, the global association of investment professionals, has released the fourth report in its Future of Work series, exploring the Context, Culture, and Content of Work in the investment industry. The report finds the skills that Australian investment professionals are most interested in obtaining are soft skills, followed by a knowledge of sustainability. Data skills too are becoming increasingly important.

[Future of Work in Investment Management: The Future of Skills and Learning](#) draws on CFA Institute survey data to identify the skills and learning required for building talent and careers in a rapidly transforming investment industry. The report highlights current gaps between the supply and demand for skills in the investment industry, examines learning trends, and proposes changes to investment teams to better leverage the diverse talent of investment professionals.

Advancing technologies, the explosion of data analysis and hybrid working continue to change the shape of careers in finance. The report found that 75 per cent of Australian CFA Institute members surveyed believe the biggest disruptive factor in the workplace will be new analytical methods, including artificial intelligence (AI) and machine learning. That is followed by changing regulatory requirements (64%) while another 61% believe that expanded data sets will be a source of disruption, the same percentage of candidates that said the same of sustainability.

The report also analysed 16 trending skill areas to determine which skills investment professionals are currently pursuing, or plan to pursue, and found that 84% of Australian respondents said they want to acquire soft skills, 78% are seeking skills in sustainability or Environmental, Social, and Governance (ESG) (78%) while another popular area was leadership skills in a hybrid workplace (78%).

**Lisa Carroll, CEO of CFA Societies Australia**, said that soft skills, unlike technical skills, transcend roles. In an industry known for technical and quantitative prowess, acquiring these skills is very important for professional development and career growth. “Some of the skills that have become more important in the new world of work include being effective at influencing, persuading, and negotiating with stakeholders. Also very important is direct communication and collaboration, especially when a significant amount of time is needed to solve a problem or to brainstorm ideas,” Carroll said.

“Technical skills are most important at the start of one’s career, with soft skills, leadership skills, and T-shaped skills (a combination of deep knowledge in a single domain and wider knowledge in other fields and the ability to connect them) growing in importance over time.”

Australian CFA charterholders are also pursuing or plan to pursue governance and stewardship skills (65%), as well as AI and machine learning (62%), portfolio risk optimisation (59%) and data visualisation skills such as expertise in Tableau (57%).

The educational background of those pursuing an investment career has become less focused on finance, with growth over time in the popularity of STEM studies—science, technology, engineering, and

mathematics. Across all global CFA Charterholders, over the last 30 years, the number of Level I CFA Program candidates with a finance degree or course of study has fallen to 38% from 43%.

“As the industry becomes more complex, investment firms are seeking more diverse educational backgrounds and a wider knowledge base from which investment expertise can be developed. You can see this in the survey results with the rising importance of data analysis skills in the age of ‘big data’, which will inevitably draw professionals with STEM backgrounds,” Carroll said.

Once working within the investment industry, continuous professional development is essential for professionals to stay fluent beyond their foundational studies. “For graduates and early career professionals aspiring to roles within the investment profession, the CFA Program offers a comprehensive curriculum for demonstrating professional competence, and a platform from which candidates can deepen their expertise and drive forward their careers,” Carroll said.

#### **Key findings from the global survey:**

- **Changing roles.** More than a third of CFA Institute members surveyed believe the role they perform will be substantially different in 5-10 years’ time, and the biggest disruptive factor will be new analytical methods, including AI and machine learning.
- **Few professionals receive on the job training.** Fewer than half of survey respondents receive support from employers to develop the new skills they need. Artificial Intelligence, machine learning, decentralised finance, and sustainability currently present some of the largest gaps between a professional’s interest in learning and supply of expertise.
- **The pathway of traditional investment careers.** For CFA Institute members, the most common job role transition is from analyst to portfolio manager to chief investment officer. Among portfolio managers surveyed, 46 percent were analysts previously and 25 percent went on to become CIOs. Among asset management CEOs surveyed, the most common preceding roles were chief investment officers (20 percent), portfolio managers (18 percent), and relationship managers (10 percent). Some private wealth managers and financial advisers have the most varied career pathways to their respective roles.
- **Soft skills needed vary among roles.** Among the CFA Institute members surveyed, 58% say their work involves a high degree of creativity. CEOs are most likely to say their role has a high degree of creativity (82%), followed by investment strategists (73%). Those least likely to require creativity (less than 40%) hold process-oriented roles, such as accountant/auditor, regulator, and performance analyst.
- **The skills in high demand.** New sources of data will affect the skills needed for investment decision-making. The skills mentioned most by investment professionals include a foundational understanding of AI and machine learning, as well as knowledge of sustainability issues. The most important soft-skill category is influencing, persuading, and negotiating. Other skills that have become more important in the new world of work include time management, direct communication, and being more resourceful. Managers and leaders will need to adapt their skillsets to succeed in a more flexible and dispersed work environment.

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### **Methodology**

[Future of Skills and Learning](#) offers new survey data collected through a “Skills and Careers Survey” of 2,137 CFA Institute members conducted in November 2021, with a margin of error of +/-2.1 percent. The complete four-part [Future of Work](#) series draws from quantitative responses from a combined group of more than 11,000 investment professionals globally across three surveys conducted between March and November 2021. The series also draws on survey input from leaders at 41 investment organizations representing more than 230,000 employees. In addition, more than 100 investment professionals and human resources professionals in the investment management industry provided qualitative input through virtual roundtables in the following markets: Australia, Canada, China, India, Japan, Malaysia, Singapore, South Africa, Switzerland, the United Arab Emirates, the United Kingdom, the United States, and Uruguay. The report also draws on research captured in previous CFA Institute Future of Finance publications, notably [Investment Professional of the Future](#) (2019).

### **Aligned reading**

[The Next 75 Years: Will Generalists or Specialists Prevail?](#)

by Larry Cao, CFA, Senior Director of Industry Research, CFA Institute

### **About CFA Societies Australia**

CFA Societies Australia is part of the worldwide network of CFA Institute member societies that lead the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of society. CFA Societies Australia represents the interests of over 3300 investment professionals through advocacy, education, events, and professional development. For more information visit [www.cfas.org.au](http://www.cfas.org.au), or follow us on Twitter at @CFASocietiesAus, Facebook at [facebook.com/CFASocietiesAus](https://facebook.com/CFASocietiesAus) or on LinkedIn.

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