



## AI Is Expanding Labor Demand in U.S. Financial Services

The headlines are wrong. U.S. financial services employment is not shrinking. It is expanding. Firms are hiring.

I've held the opposite view for three years. I expected AI to reduce total labor demand. The logic was clean, but the data invalidates it. Hiring data demonstrates job growth.

When the data changes, the position must change too.

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### The Pattern Behind the Headlines

Most headlines point in one direction. AI replaces workers, AI reduces headcount, and AI removes the need for labor. But the hiring data is showing a different pattern.

LinkedIn's Economic Graph data shows roughly 640,000 new AI-related jobs created in the United States between 2023 and 2025, with the global total surpassing 1.3 million by early 2026.

These roles did not exist a few years ago. Head of AI, AI engineer, model risk officer, and governance lead are now established functions. U.S. financial services firms are hiring into this shift.

U.S. Bureau of Labor Statistics and Federal Reserve data shows the unemployment rate for college graduates aged 20 to 24 falling from nearly 9 percent to almost 5 percent over the past 12 months, while new graduate hiring increased 5.6 percent over the same period. Software engineering demand is shifting toward AI and core system roles.

Industry survey data from American Banker indicates roughly 60 percent of financial services executives expect AI to maintain or increase headcount in 2026.

Capacity expands. Demand rises with it. Hiring follows.

Headlines alone are not analysis. The data is what's critically important.



## Wealth Management Compounds Under AI

That shift is most pronounced in wealth management thus far.

Kitces Research data from 2022 to 2024 shows the average advisory firm with one support hire increasing from 86 clients and \$517,500 in revenue to 111 clients and \$591,000 in revenue.

Client load increased, revenue increased, and baseline staffing did not change.

American Banker's 2026 AI Talent Shift survey shows wealth and investment banking units adding across three fronts. 35 percent report hiring software engineers, 35 percent report hiring client-facing roles, and 29 percent report hiring AI engineers.

Capacity expands. Revenue scales alongside it. Hiring follows.

Key Wealth, the wealth management arm of KeyBank, reported adding 53 net advisors in 2025, with headcount increasing 10 percent and assets under management rising 14 percent to \$70 billion.

Increased capacity drives revenue growth and that growth drives hiring.

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## Community Banks Are Staffing for Expansion

This expansion continues in community banks.

American Banker reports indicate 52 percent of U.S. community banks plan to increase headcount over the next 12 months, with 6 percent planning reductions.

CSI's 2026 banking survey ranks AI as the top strategic priority for community banks, ahead of cybersecurity and digital assets, with investment levels increasing at double-digit rates year over year.

Banks are hiring in revenue and capability roles while reducing only certain back-office functions. Hiring is concentrated in sales, software engineering, and AI engineering roles, while reductions occur where automation has become precise.

Institutions operating under fiduciary duty are being forced to expand capacity as it becomes more valuable and starts to deliver tangible results.



## Credit Unions Are Scaling Without Layoffs

Credit unions are following along with the pattern.

Industry survey data from NAFCU and CUNA indicates roughly 63 percent of U.S. credit unions plan to increase headcount in the next 12 months, with approximately 10 percent planning reductions.

The National Credit Union Administration has established AI oversight expectations and supervisory frameworks.

Regulation increases demand for expertise and that demand requires increased hiring.

WEOKIE Federal Credit Union reported deploying AI within its contact center, automating approximately 66 percent of incoming calls while maintaining a 17-person agent team, reducing turnover and saving over \$800,000 annually.

So, headcount remained stable even though throughput capacity increased.

As AI deployment magnifies operational complexity, institutions respond by stabilizing headcount but upgrading roles for more interesting and valuable corporate tasks.

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## Asset Managers Are Paying to Accelerate

Expansion at a higher cost in asset management.

Industry compensation data and recruiter reports show U.S. asset managers offering total compensation packages approaching \$1 million for senior AI roles, with base compensation near \$400,000.

That compensation reflects scarcity and demand.

Goldman Sachs signaled constrained headcount growth while building an AI-centric operating model, and that signal has been interpreted as workforce reduction.

The data contradicts that interpretation.



Goldman Sachs reported approximately 48,300 employees in September 2025, an increase of roughly 1,800 year/year. JPMorgan continues to invest in AI to absorb growth volume, not reduce staff, while Bank of America headcount remains stable.

The largest institutions are not showing mass labor elimination. They are showing selective hiring with increased demand for AI talent.

Labor that governs AI systems is scarce, and the leverage of that labor is high. Scarcity shows up as compensation. Compensation shows up as demand.

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### The Compounding Labor Cycle

Labor demand is not just headcount. It is demand for the people who can supervise, govern, build, sell, and scale AI-enabled institutions.

AI tools increase productive capacity. Higher capacity supports revenue growth. Revenue growth supports hiring. Hiring expands institutional capacity. These are not isolated outcomes. They compound.

More productive labor increases institutional value. Increased institutional value increases demand for productive labor.

As AI deployment expands, demand for the people who govern these systems expands with it. The roles being added are governance, engineering, client-facing, and supervisory roles.

Institutions that recognize this are hiring before the constraint becomes obvious. Institutions that do not, fall behind.

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### The Regulatory Tailwind

The cycle is being reinforced by regulation.

The National Credit Union Administration has established AI oversight frameworks. The Securities and Exchange Commission has identified AI washing as an examination priority. The Office of the Comptroller of the Currency is advancing third-party AI risk expectations.



Regulation requires supervised capacity.

Supervised capacity is not optional in regulated finance. Once AI influences judgment, institutions must assign ownership, monitor behavior, and preserve evidence. Supervision requires expertise. Expertise requires specialized labor. Specialized labor must be recruited, trained, and retained.

Regulation converts optional investment into required operating capability.

Institutions that establish governance early scale under control. Institutions that delay build that capacity under constraint.

AI in financial services will operate under supervision in 2026/2027.

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### The Position Change

The expectation was contraction. The observed pattern is expansion. The expectation was workforce reduction. The observed pattern is reconfiguration and growth.

This is not theoretical. It is already occurring across wealth management, community banks, credit unions, and asset managers. Institutions that read this correctly will hire earlier, scale faster, and capture share.

The data does not show U.S. financial services employment declining as AI adoption increases. It shows hiring, role change, and capacity expansion occurring at the same time. This is a test of stewardship. The cycle is already operating. The advantage is already visible.

The headlines are wrong. The data is clear. Institutions are scaling.

Those who move will scale. Those who wait will explain why they didn't.



## About the Author

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Joe McMann is Co-Founder and Chief Revenue Officer of Verapath, the governed AI operating system for regulated finance. Joe is a lifelong entrepreneur and former investment banker whose work is focused on making artificial intelligence safe, secure, and compliant for financial institutions. At Verapath, he leads growth and partnerships across community banks, wealth and asset management firms, and credit unions. His approach helps organizations harness agentic artificial intelligence through Verapath's software solution for AI-GRCC: Governance, Risk Management, Regulatory Compliance and Cybersecurity, helping to restore trust in data-driven decision making and innovation accountability at every strategic level.

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