



WDC Insights

*providing insights on key issues for
the Western Region of Ireland*

Financial & ICT Services in the Western Region

Regional Sectoral Profile

June 2019

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1.0 Introduction

The [Western Development Commission](#) (WDC) is a state agency charged with promoting the economic and social development of the Western Region of Ireland.¹ To effectively deliver this remit the WDC carries out detailed analysis of a range of socio-economic issues of relevance to the region to inform policy debate and formulation.

This report forms part of a series of ‘Regional Sectoral Profiles’ analysing the most recent employment and enterprise data for the Western Region on specific economic sectors and identifying key policy issues.²

The two-page **WDC Insights: Financial & ICT Services in the Western Region** summarises the main points from this report. It is available [here](#).

1.1 Financial & ICT Services

This report examines the Financial & ICT Services sector. It combines two economic sectors – ‘Financial & Insurance Activities’ and ‘Information & Communication’. These are both relatively small employment sectors in the Western Region and have many similarities. Both are considered knowledge intensive services sectors and are relatively high value, high skill³ and highly paid. They both tend to be quite concentrated in larger urban centres. There is also increasing convergence between these two sectors through the growth of FinTech.⁴

‘Financial & Insurance Activities’ includes financial services (e.g. banks, building societies, mortgage brokers), insurance, pension funding and fund management activities.⁵ ‘Information & Communication’ includes publishing, film, video and TV programmes, sound recording and music publishing, TV and radio programming and broadcasting, telecommunications and computer programming (software), consultancy and IT services/support. Many of its activities would form part of the broader creative industries sector. It does not include the manufacture of computer hardware⁶ or call-centres / office processing.⁷

Financial & ICT Services are among the most highly paid economic sectors. At €36.58 and €34.19 per hour, ‘Financial & Insurance’ and ‘Information & Communication’ have the highest and third highest average hourly earnings of all economic sectors.⁸ ‘Information & Communication’ also experienced the highest growth in average weekly earnings over the past five years.⁹ There has been widespread discussion of a shortage of ICT skills in Ireland which is likely to have driven up wage rates to attract the necessary talent.

¹ Counties Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare.

² Previous Regional Sectoral Profiles are available here <https://www.wdc.ie/publications/reports-and-papers/>

³ 86% of people employed in ICT occupations and 78% of people employed in Business & Financial occupations have a third level qualification, compared with a national average of 48% across all occupations. Solas/National Skills Bulletin (2018), National Skills Bulletin 2018

⁴ FinTech is the use of new technology to deliver financial services.

⁵ Often ‘Real estate activities’ are combined with ‘Financial & Insurance’ but they are not included here. ‘Real estate activities’ will be examined in a future Regional Sectoral Profile on Professional Services.

⁶ See WDC (2019), [Industry in the Western Region: Regional Sectoral Profile](#)

⁷ See WDC (2019), [Administrative, Entertainment & Other Services in the Western Region: Regional Sectoral Profile](#)

⁸ CSO, Earnings, Hours and Employment Costs Survey Q1 2019, Table EHQ03

⁹ Average weekly earnings in Information & Communication increased 21.1% Q1 2014 to Q1 2019.

The financial services sector experienced substantial job losses due to the financial crisis and a reduction in the number and staffing levels at bank branches. However this sector was also characterised by strong growth in internationally trading financial activity, which is primarily located around the International Financial Services Centre (IFSC) in Dublin.

Following a description of the data that will be used, Section 2 outlines the current employment situation and employment trends in the Financial & ICT Services sector, followed in Section 3 by a focus on agency assisted jobs in internationally trading Financial & ICT Services firms. Section 4 outlines data on enterprise numbers in the sector, with key policy issues outlined in Section 5.

1.2 Data used

A number of data sources are used to examine the Financial & ICT Services sector in the region.

Census of Population: The Census provides comprehensive data on employment by sector at both county and town level. No other data source provides this level of geographic breakdown. However there are a number of issues to bear in mind:

1. Most recent Census data is 2016.
2. Census data refers to where a person lives which may not be the same as where they work.¹⁰ Data presented here on the number of people working in a sector in a specific county/town refers to the number of residents of that county/town working in the sector, even if they work elsewhere.
3. Census data does not give an indication of whether employment is full or part-time. Each person who works in the sector, regardless of how many hours per week they work, is counted the same.

Business Demography: Business Demography data gives the number of enterprises in each sector in each county. An enterprise is assigned to the county where it is registered with the Revenue Commissioners. Therefore a business with multiple locations e.g. a bank, is only counted once where it is headquartered (often Dublin), individual branches are not counted. As this data measures enterprises registered in a county, they may have stronger ties to the area.

Department of Business, Enterprise & Innovation (DBEI), Annual Employment Survey: Each year DBEI conducts a survey of all firms in Ireland who have ever received support from IDA Ireland, Enterprise Ireland or Udarás na Gaeltachta. These are referred to as agency assisted companies and are limited to companies involved in manufacturing or internationally traded services who are exporting or have the potential to export. The main benefits of using employment data from the Annual Employment Survey is that it differentiates between foreign and Irish ownership and also between permanent full-time jobs and other jobs (temporary, contract or part-time). The latest data is from 2017 and a special data run was obtained from DBEI for the Western Region.

¹⁰ See WDC (2018), [Travel to Work and Labour Catchments in the Western Region: A Profile of Seven Town Labour Catchments 2018](#), for an analysis of travel to work patterns in the region.

2.0 Employment in Financial & ICT Services

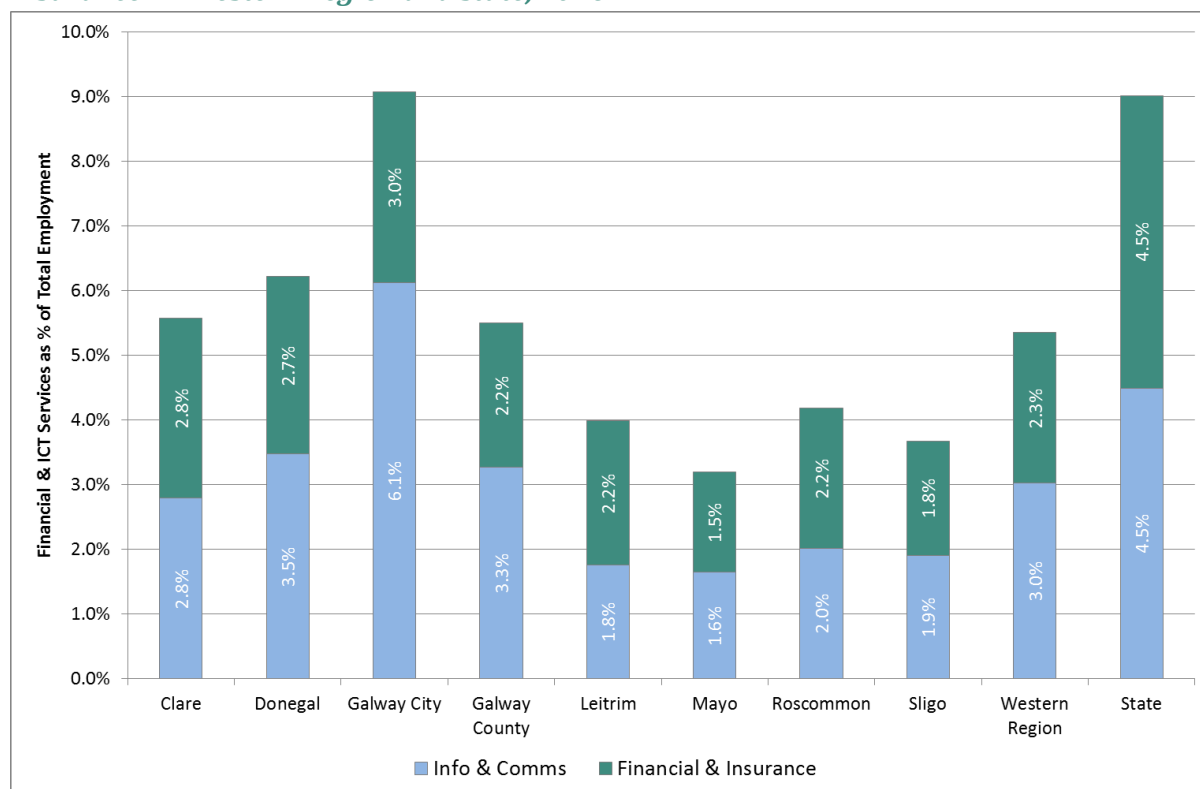
In this section we examine employment over time and by gender, as well as self-employment, in Financial & ICT Services in the Western Region, western counties and towns. Employment in specific sub-sectors and activities is also set out.

2.1 Employment in the Western Region and its counties

According to Census 2016, 17,884 people were working in Financial & ICT Services in the Western Region. Of everyone working in this sector in Ireland, only 9.9% of them live in the Western Region. In comparison, the Western Region is home to 16.6% of total employment which means the region accounts for a very considerably smaller share of jobs in this sector than of jobs generally.

Financial & ICT Services clearly play a far smaller role in the region's labour market than nationally (Fig. 1). In 2016 Financial & ICT Services accounted for a total of 5.4% of total employment in the Western Region compared with 9% nationally. The balance between 'Financial & Insurance' and 'Information & Communication' also varies. Nationally, each accounts for the same share of total jobs (4.5% each) however 'Information & Communication' is notably more important in the region than 'Financial & Insurance' (3% v 2.3%). This reflects the concentration of financial services activity in Dublin and particularly around the IFSC.

Fig. 1: Percentage of total employment in 'Information & Communication' and 'Financial & Insurance' in Western Region and state, 2016



Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

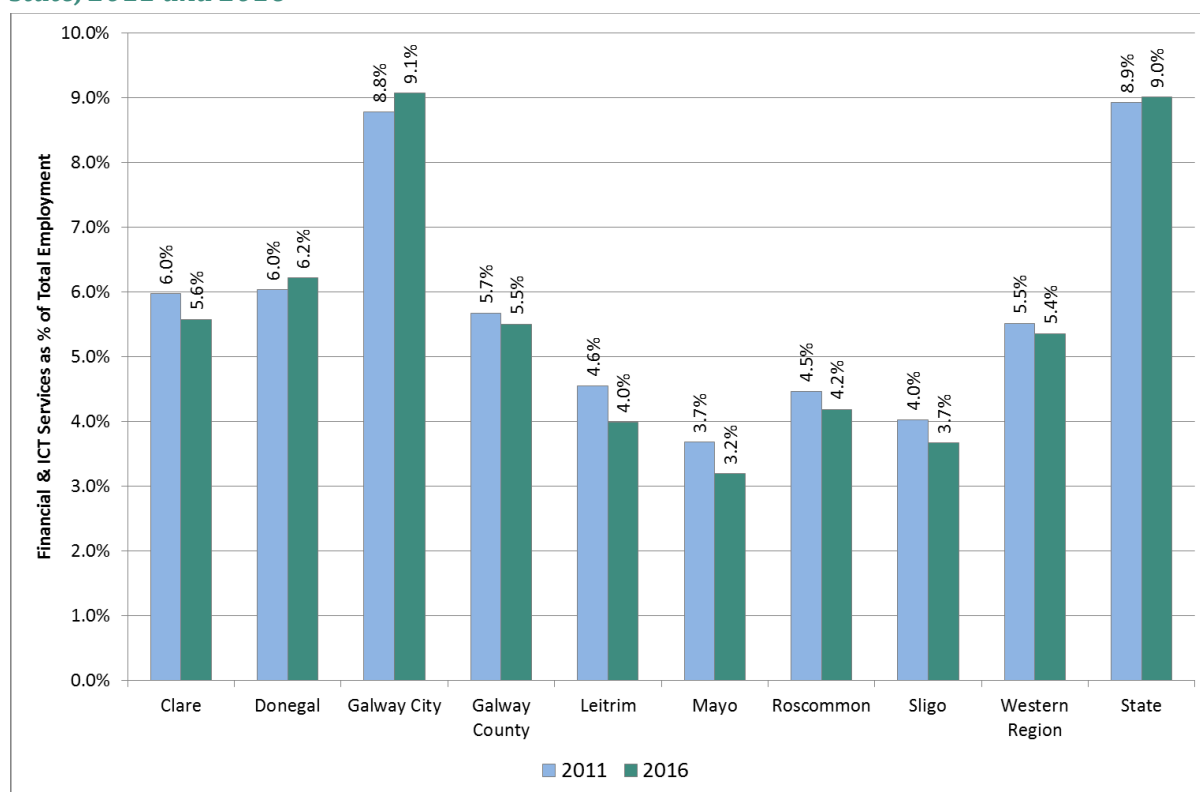
There is very significant variation across counties. Of all Galway City residents who were working, 9.1% of them were employed in Financial & ICT Services, just ahead of the state average. It has the

sixth highest share working in Financial & ICT Services in the state.¹¹ The balance in Galway City differs from the state however, with 'Information & Communication' accounting for a considerably higher share of total employment (6.1% v 4.5%).

No other area in the region comes close to the national average. Donegal is where Financial & ICT Services is next most important (6.2%) followed by Clare (5.6%) and Galway County (5.5%). Strong international services activity in Letterkenny, as well as around Ennis/Shannon and commuting into Galway City, influence this pattern. With less than 3% of residents working in the sector, Mayo and Sligo have the lowest shares in the region with Mayo the second lowest in the state.¹² Sligo, Leitrim and Roscommon are also in the bottom 10 nationally.

Fig. 2 shows that the share of total employment accounted for by Financial & ICT Services decreased marginally in the Western Region between 2011 and 2016, with a marginal increase nationally. Within the region, Financial & ICT Services as a share of total employment only increased in Galway City and Donegal, the areas where it is most important, and its share declined in every other western county.

Fig. 2: Percentage of total employment in Financial & ICT Services in Western Region and state, 2011 and 2016



Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

A sector's share of total employment is determined both by the number of people actually working in that sector and total employment levels in the economy. If the number working in the sector did not change but total employment grew or fell dramatically e.g. during the construction boom and

¹¹ After the four Dublin Local Authority areas, Kildare and Wicklow.

¹² Monaghan (2.8%) is lowest.

bust, then its share of total employment would still change. The next section looks at changes in the actual number working in Financial & ICT Services.

2.1.1 Change in employment in the Western Region and its counties

The number of people working in Financial & ICT Services in the Western Region grew by 4.6% between 2011 and 2016 (Table 1), considerably less than half the 12.1% growth experienced nationally. Growth in this sector was also substantially lower than overall jobs growth (7.5%) in the region whereas nationally it exceeded average growth (11%). Clearly this sector in the region had a significantly weaker performance compared with elsewhere. In Section 2.2 individual activities within the sector are examined which provides greater insight to the reasons for this.

Table 1: Number employed in Financial & ICT Services in Western Region and state, and percentage change 2011-2016

County	Financial & ICT Services			Total Employment
	2011	2016	% Change 2011-2016	% Change 2011-2016
Clare	2,727	2,761	1.2%	8.6%
Donegal	3,216	3,630	12.9%	9.5%
Galway City	2,772	3,173	14.5%	10.8%
Galway County	3,922	4,134	5.4%	8.5%
Leitrim	545	508	-6.8%	6.3%
Mayo	1,806	1,642	-9.1%	4.8%
Roscommon	1,087	1,081	-0.6%	5.9%
Sligo	1,022	955	-6.6%	2.2%
Western Region	17,097	17,884	4.6%	7.5%
State	161,368	180,948	12.1%	11.0%

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

While the region as a whole significantly lagged the national trend, this was not the case everywhere. Galway City and Donegal (where the sector is most important as an employer) experienced jobs growth higher than the national average and this sector's growth exceeded their overall jobs growth. Clearly this sector in the region is geographically concentrated in these two areas. Galway County was the only other area with notable growth, likely influenced by commuting into Galway City.

Mayo, where the sector is least important as an employer, had the largest job losses with a fall of 9.1% in the number working in Financial & ICT Services. Leitrim and Sligo also saw large declines in this period and in all cases performed worse than jobs overall. It is important to note that this data is from 2016 and there have been some significant job announcements in this sector since that time, particularly in Sligo.

The next section examines employment in Financial & ICT Services sub-sectors which illustrates which activities drove these changes in different counties.

2.2 Employment in Financial & ICT Services activities

As noted above this sector is composed of two broad sub-sectors – 'Financial & Insurance' and 'Information & Communication'. These two sub-sectors are composed of ten individual activities.¹³

¹³ Appendix 1 provides detailed data for all activities for all western counties.

For ease of interpretation these ten activities have been grouped into five categories, two which fall under 'Financial & Insurance' and three under 'Information & Communication'.

Fig. 3 shows how total employment in Financial & ICT Services is distributed across these five activities. At 36.8%, 'Computer Programming & Consultancy'¹⁴ is the largest Financial & ICT Services activity in the region employing 6,586 people. It accounts for a higher share in the region compared with nationally (32.8%). The other two 'Information & Communication' activities – 'Audio-visual, Publishing & Broadcasting'¹⁵ and 'Telecoms'¹⁶ – also account for a greater share of total employment in the region.

In contrast a notably lower share is accounted for by 'Financial Services'¹⁷ at 25.1% of all Financial & ICT Services jobs in the region compared with 31.3% nationally.

The pattern is also evident from the region's share of total national employment. The region is home to 11-12% of all jobs in the three 'Information & Communication' activities, but only 7.9% of all 'Financial Services' and 9.7% of all 'Insurance, Pension & Fund Management' jobs in Ireland.

Fig. 3: Percentage of total Financial & ICT Services employment in each activity in Western Region and state, 2016



Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

The structure of the sector differs considerably across western counties and this helps to explain their differing recent performance. At 50.6%, Galway City has the highest share engaged in

¹⁴ Software and app development, IT services, data analysis consultancy etc.

¹⁵ Publishing, newspapers, film, photography, music recording, TV production, TV and radio broadcasting etc.

¹⁶ Wired, wireless and satellite telecommunications (phone, broadband).

¹⁷ Banks, building societies, credit companies, venture capital, mortgage advisors etc.

‘Computer Programming & Consultancy’ in the region,¹⁸ clearly illustrating the strength of the city’s software sector. Donegal (41.7%) and Galway County (37.7%) are also well above the national average. The most rural counties of Leitrim and Roscommon have very small shares (around 20% of all Financial & ICT Services employment) working in this area.

‘Financial Services’ however play a considerably greater role in the more rural counties e.g. 41.1% in Leitrim, 34.9% in Roscommon. This is influenced by the presence of branches of commercial banks and building societies. ‘Insurance, Pension & Fund Management’ accounts for a higher than average share in both Clare and Donegal. This is likely due to the presence of some international companies around Letterkenny and Ennis/Shannon.

‘Telecoms’ accounts for a considerable share of total Financial & ICT Services employment in Roscommon (17.3%) with relatively high shares also in Sligo and Leitrim. This could partly be due to more limited activity in other activities increasing ‘Telecoms’ relative importance, as well as the presence of alternative local broadband providers e.g. satellite, in more rural areas which are less likely to be served by the large commercial providers.

Mayo and Sligo meanwhile have the highest shares working in ‘Audio-visual, Publishing & Broadcasting’. This could be influenced by a number of local radio stations and newspapers and activity in the film and TV sector, as well as lower activity in other aspects of the sector (e.g. computer programming).

2.2.1 Change in employment in Financial & ICT Services activities

The recent performance of the activities varied very significantly (Table 2) with a 49.3% increase (2,176 people) in employment in ‘Computer Programming & Consultancy’ contrasting with a -22.8% decrease (1,330 people) in ‘Financial Services’. Employment in ‘Telecoms’ and ‘Audio-visual, Publishing & Broadcasting’ in the region also declined over the period, while ‘Insurance, Pension & Fund Management’ showed growth.

Regardless of whether an activity grew or declined, its performance in the region was weaker than nationally, particularly for those activities which declined. The region was closer to the national average for the two growing activities.

¹⁸ It is second highest in the state after Cork City.

Table 1: Percentage change in employment in Financial & ICT Services activities in Western Region and state, 2011-2016

	% Change 2011-2016					
	AV, Publishing, Broadcasting	Telecoms	Computer Programming & Consultancy	Financial Services	Insurance, Pension & Fund Mgt	Total
Clare	-18.3%	-0.3%	32.7%	-25.3%	21.6%	1.2%
Donegal	-13.1%	-10.2%	73.0%	-27.1%	13.9%	12.9%
Galway City	2.0%	-14.9%	59.5%	-28.7%	8.8%	14.5%
Galway County	5.5%	-9.3%	34.9%	-15.5%	3.9%	5.4%
Leitrim	18.4%	-17.3%	14.4%	-15.0%	-10.6%	-6.8%
Mayo	7.1%	-29.2%	33.9%	-24.0%	-13.4%	-9.1%
Roscommon	-17.2%	1.1%	79.5%	-19.6%	-0.5%	-0.6%
Sligo	-3.3%	-30.5%	55.5%	-25.7%	5.0%	-6.6%
Western Region	-3.2%	-12.6%	49.3%	-22.8%	8.1%	4.6%
State	0.5%	1.3%	55.8%	-9.1%	12.2%	12.1%

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

When considering changes for activities in counties, given the relatively small numbers involved in some cases, large percentage changes may represent relatively small numbers.

‘Computer Programming & Consultancy’ showed strong jobs growth across every western county, growing by 60+% in Roscommon, Donegal and Galway City. Its growth was one of the main drivers of the positive growth performance for Financial & ICT Services overall in Galway and Donegal.

Another ‘Information & Communication’ activity – ‘Audio-visual, Publishing & Broadcasting’ – also showed growth in some counties, notably Leitrim, Mayo and Galway which may indicate a strengthening of the Audio-Visual sector in these areas. The third ICT activity of ‘Telecoms’ declined everywhere, except Roscommon which had marginal growth (which equated to two additional people working in the sector). Mayo and Sligo saw particularly large percentage declines in ‘Telecoms’.

‘Financial Services’ saw significant job losses across all western counties, declining by over a quarter in Galway City, Donegal, Sligo and Clare. One of the main reasons for this was the closure of many bank and building society branches, growing online banking and increased automation reducing staffing levels. The ‘Financial Services’ sector in the Western Region is more characterised by consumer banking, with less activity in internationally trading financial services which was the main area witnessing growth over this period (see Section 3). This is particularly true of the more rural counties and the poor performance of ‘Financial Services’ helps explain the overall decline in Financial & ICT Services employment in Mayo, Sligo, Leitrim and Roscommon (see Table 1).

The other, though smaller, financial activity of ‘Insurance, Pension & Fund Management’ performed relatively well, growing in many counties. Clare and Donegal, where this activity is most important,

saw the highest growth, likely due to growing international activity.

2.3 Employment in western towns

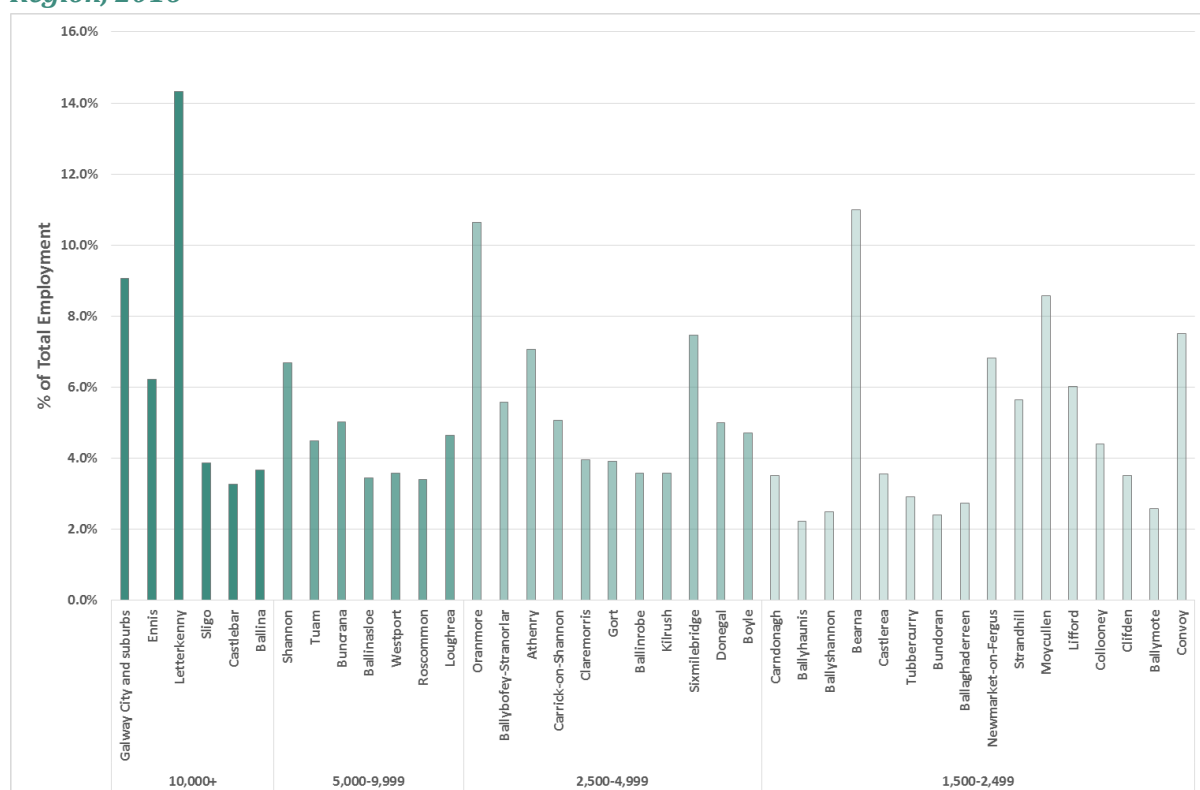
In 2016 there were 40 urban centres with a population over 1,500 in the Western Region. When considering towns, commuting can be particularly important and it must be remembered that this data refers to residents of the towns, although some may work elsewhere.

The relative importance of Financial & ICT Services varies across towns (Fig. 4).¹⁹ Letterkenny has by far the highest share of residents working in the sector. At 14.3% of total employment (1,111 people), it is the eleventh highest of Ireland’s 200 towns and cities (1,500+ population), with most of the towns with a higher share surrounding Dublin city.

Within the region, Bearna (11%, 98 people) and Oranmore (10.6%, 275 people) have the next highest shares working in Financial & ICT Services, likely due to commuting to Galway City. All other towns with a high share are either in or around Galway city, Letterkenny or Ennis/Shannon.

Four towns in the region are among the bottom ten in terms of the share working in this sector. Ballyhaunis (2.2%, 19 people), Bundoran (2.4%, 18 people), Ballyshannon (2.5%, 20 people) and Ballymote (2.6%, 14 people) are all rural towns at some distance from larger urban centres. It is clear there is limited activity in this sector in such towns or commuting to work in other centres. Remote work offers the possibility for more people working in this sector to live in such locations.

Fig. 4: Percentage of total employment in Financial & ICT Services in towns in the Western Region, 2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB030

¹⁹ See Appendix 2 for more detailed data on Financial & ICT Services employment in towns.

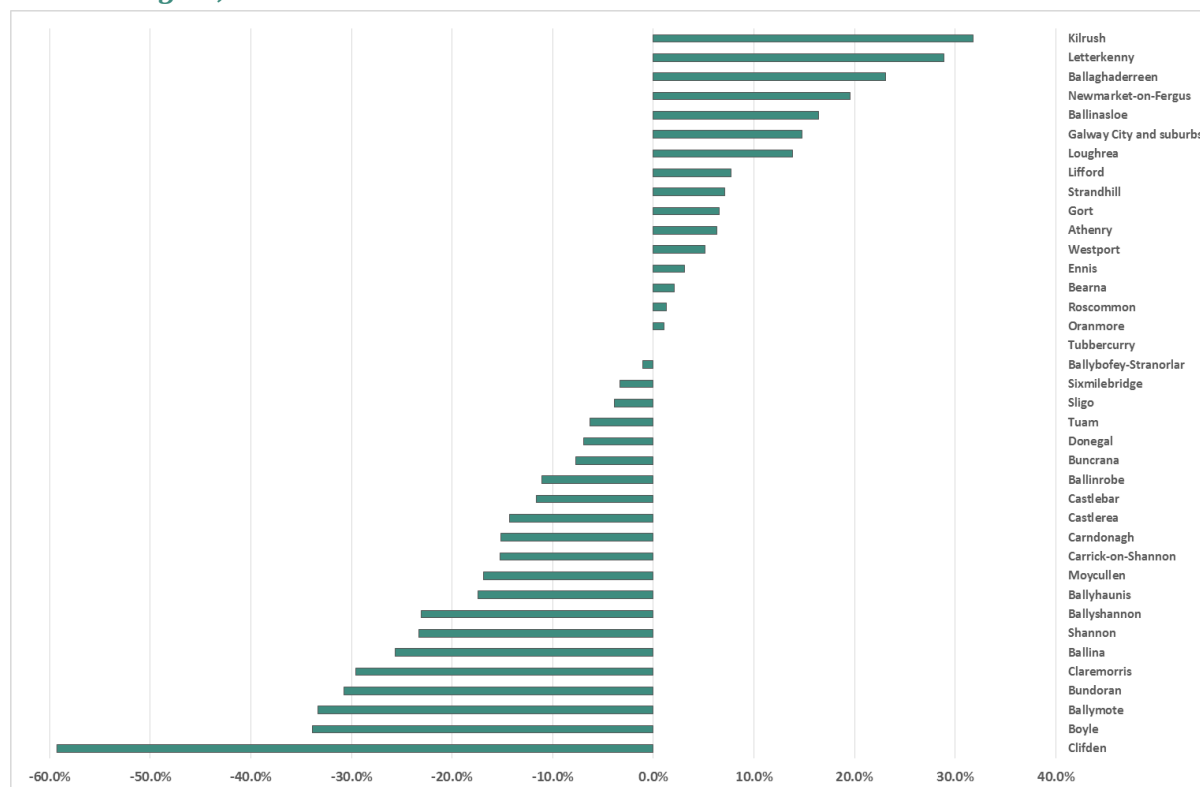
2.3.1 Change in employment in western towns

There are 38 towns in the Western Region which had a population above 1,500 in both 2011 and 2016.²⁰ Of these, 21 towns experienced a decrease in the number of people working in Financial & ICT Services between 2011 and 2016, 16 saw an increase, with one unchanged (Fig. 5).

Kilrush (+31.8%, +7 people), Letterkenny (+28.9%, +249 people), Ballaghaderreen (+23.1%, +3 people) and Newmarket-on-Fergus (+19.6%, +9 people) had the largest percentage growth. Clearly, given the relatively small size of this sector, some of this growth represented small numbers. In absolute terms, Galway City (14.8%, +414 people) and Letterkenny had the largest increases.

Clifden (-59.3%, -35 people), Boyle (-33.9%, -20 people), Ballymote (-33.3%, -7 people) and Bundoran (-30.8%, -8 people) had the greatest percentage declines. As Clifden had the region's largest population decline in the period, this is likely a factor there. In general there seems to have been decline in some of the more remote, smaller towns, while larger towns and their commuter towns e.g. Newmarket-on-Fergus, Loughrea, seem to have grown employment in this sector.

Fig. 5: Percentage change in employment in Financial & ICT Services in towns in the Western Region, 2011-2016



Source: CSO, *Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB030*; CSO, *Census 2011: Profile 3 – At Work, Table CD320*.

Note: In the case of Ballina, a significant town boundary change reduced its population and the actual change in employment in this sector is likely less than it appears in Fig. 5.

²⁰ Two towns with a population above 1,500 in 2011 (Portumna and Bunbeg-Derrybeg) dropped below in 2016. Two towns (Collooney and Convoey) rose above the 1,500 threshold in 2016. There were also town boundary changes between 2011 and 2016 for 15 of the 40 towns in the Western Region which has an impact when considering change over time. For most towns the impact was relatively minor, however there was a quite substantial change for Ballina.

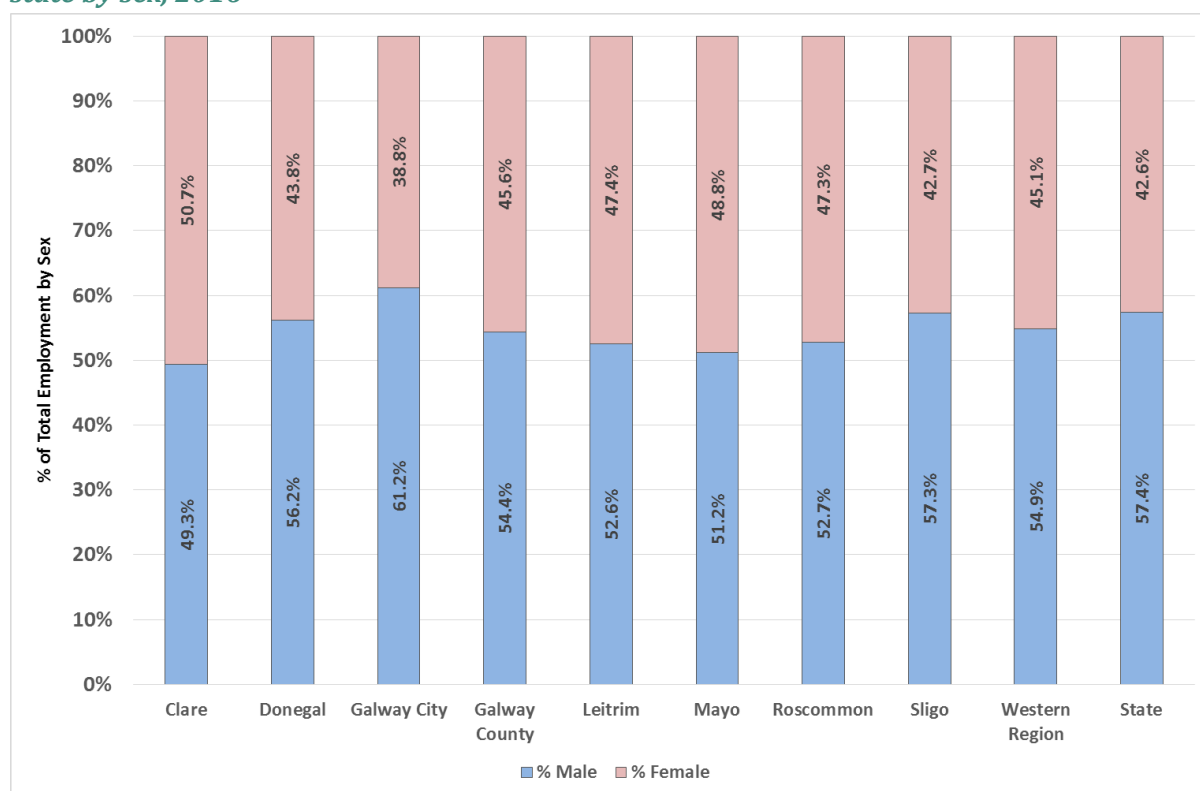
2.4 Employment by gender

Employment in Financial & ICT Services is relatively balanced between men and women in the Western Region with men in the majority (54.9%) (Fig. 6). The region has a higher female share (45.1%) than nationally (42.6%) indicating a more gender-balanced workforce in this sector in the region.

However there are substantial differences between the two broad sub-sectors. 'Information & Communication' is highly male dominated with 67.9% of people working in this sector in the region being men (almost the same male share as nationally). The issue of low female involvement in the tech sector is one that has received much public attention and appears to be persisting.

In contrast, 62% of people working in 'Financial & Insurance' in the region are women and the region has a much higher female share in this sub-sector than nationally (52.6%). This probably reflects the fact that consumer focused financial services (e.g. bank branches), which may tend to employ more women, account for a greater share of this activity in the region, whereas internationally trading financial services, which may tend to employ more men, are concentrated in other areas (mainly Dublin).

Fig. 6: Percentage of total employment in Financial & ICT Services in Western Region and state by sex, 2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB027

At a county level, Galway City, where 'Information & Communication' is most important (see Fig. 3) has the highest male share in the region (61.2%) and is well above the national average. Sligo and Donegal have the next highest male shares, again where ICT Services are particularly important.

Clare is the only western county where women account for a majority (50.7%) of Financial & ICT

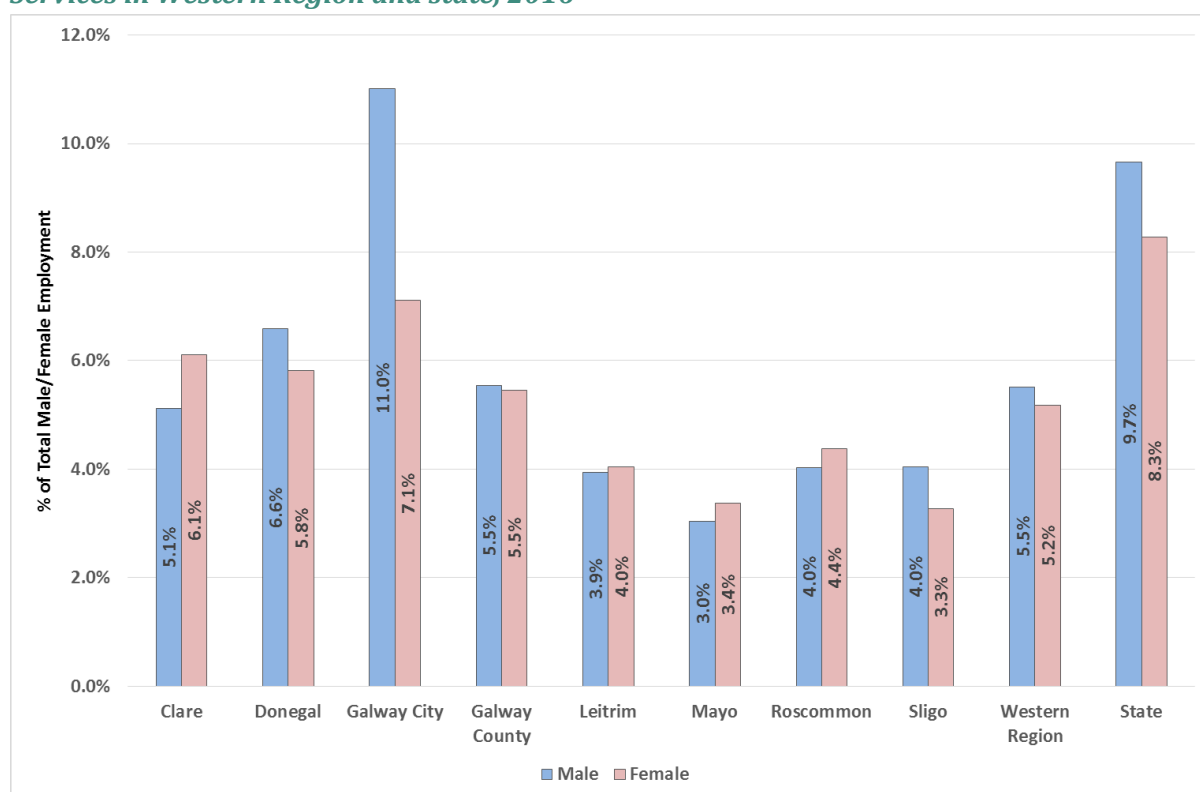
Services employment, with Mayo, Leitrim and Roscommon also having high female shares. These are the counties where ‘Financial & Insurance’ activities play a greater role (see Fig. 3).

In terms of the sector’s relative importance to total male and female employment (Fig. 7), 5.5% of all working men and 5.2% of all working women in the Western Region work in Financial & ICT Services. As would be expected, the sector plays a significantly less important role in both male and female employment in the region than nationally. Nationally there is a substantially greater difference in the sector’s relative importance for men’s and women’s jobs than in the region.

This sector is particularly important for men living in Galway City with 11% working in Financial & ICT Services, considerably above the national average (9.7%). Although substantially lower, Galway City is also where this sector is most important for women’s employment with 7.1% of women who live in the City working in this sector although, unlike for men, this is below the national average (8.3%).

The sector accounts for a higher share of men’s jobs than women’s jobs in Donegal, Sligo and Galway County, again where ‘Information & Communication’ are important. In all other western counties, its share of women’s jobs is higher than men’s, influenced by financial services, particularly in Clare.

Fig. 7: Percentage of total male and total female employment that is in Financial & ICT Services in Western Region and state, 2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB027

2.4.1 Change in employment by gender

The period 2011 to 2016 saw very different patterns for men and women. Strong jobs growth for men (12.7% in the region) contrasted with decline for women (3.8% in the region) (Fig. 8). The reason is the gender balance of the sub-sectors with the more male dominated ‘Information & Communication’ sub-sector growing, while ‘Financial & Insurance’, which has greater female

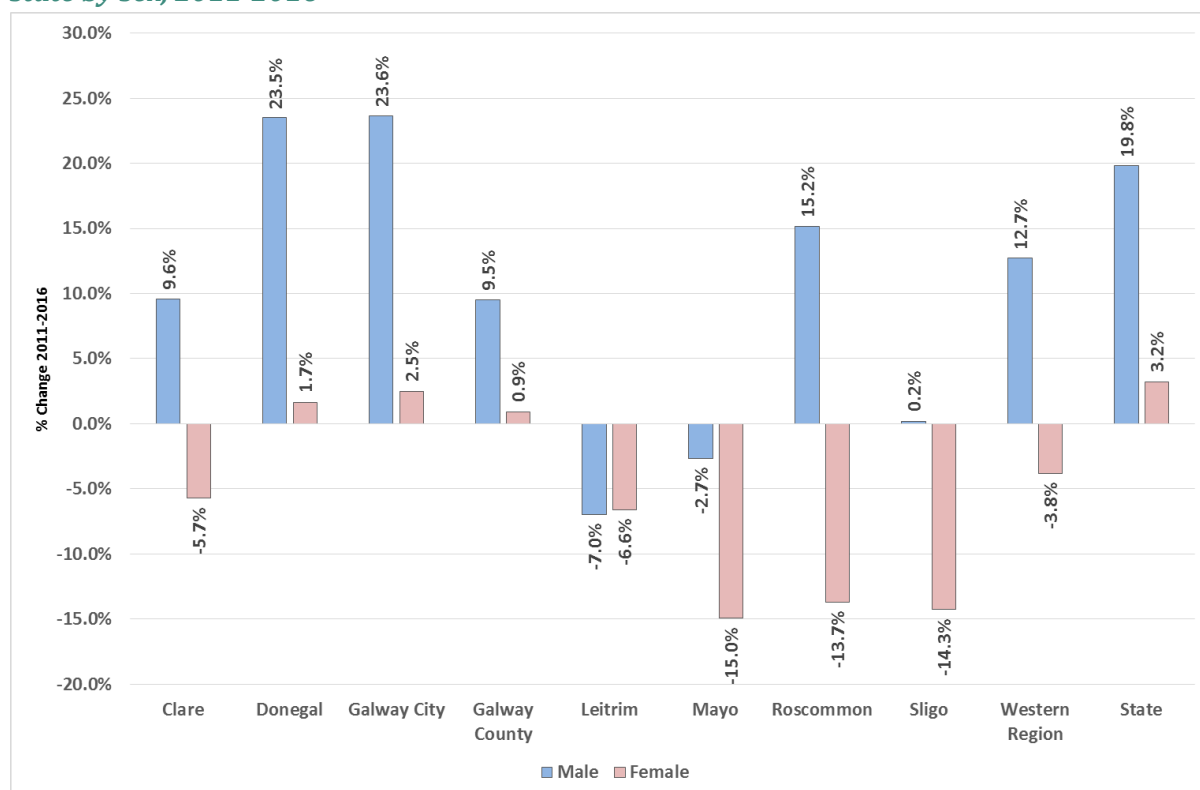
involvement, declined (see Table 2).

For both men and women however, the performance in the region was worse than nationally. In contrast to the decline in the region, women’s employment in the sector grew in the state (3.2%), albeit far below the growth of male employment nationally (19.8%).

The strong overall male employment performance in the region was clearly driven by an increase of almost a quarter in Galway City and Donegal. As both areas had a decline in male employment in ‘Financial & Insurance’ (as did all western counties) this growth was driven by ‘Information & Communication’. These two areas, plus Galway County, were the only ones where there was also growth in female employment, albeit at a much lower level.

Every other western county saw female employment decline, most dramatically in Mayo, Sligo and Roscommon. This was entirely due to declines in ‘Financial & Insurance’ as all counties saw growth in female employment in ‘Information & Communication’. It is likely that closures of banks, building societies and insurance offices, particularly in small and medium-sized towns, had a major impact on this decline in female employment in the sector.

Fig. 8: Percentage change in employment in Financial & ICT Services in Western Region and state by sex, 2011-2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB027

The considerably weaker performance of female employment than male employment in all counties (except Leitrim where male employment declined slightly more than female) meant that the male share of total Financial & ICT Services employment increased, and the female share declined, in every western county²¹ between 2011 and 2016. In the Western Region as a whole, the male share

²¹ Leitrim is an exception where the male share declined by 0.1 percentage points.

increased from only 50.9% in 2011 up to 54.9% in 2016 (see Fig. 6) showing a growing gender imbalance in the Financial & ICT Services sector. The male share increased particularly strongly in Galway City and Donegal.

2.5 Self-employment in Financial & ICT Services

Of the 17,884 people working in Financial & ICT Services in the Western Region in 2016, 10.3% (1,846 people) were self-employed (employer or own account worker). This is considerably below the average rate of self-employment in the region (18.3%) and is among the lowest rates of self-employment across sectors. Only the predominantly public sector activities²² and Industry have lower levels of self-employment.

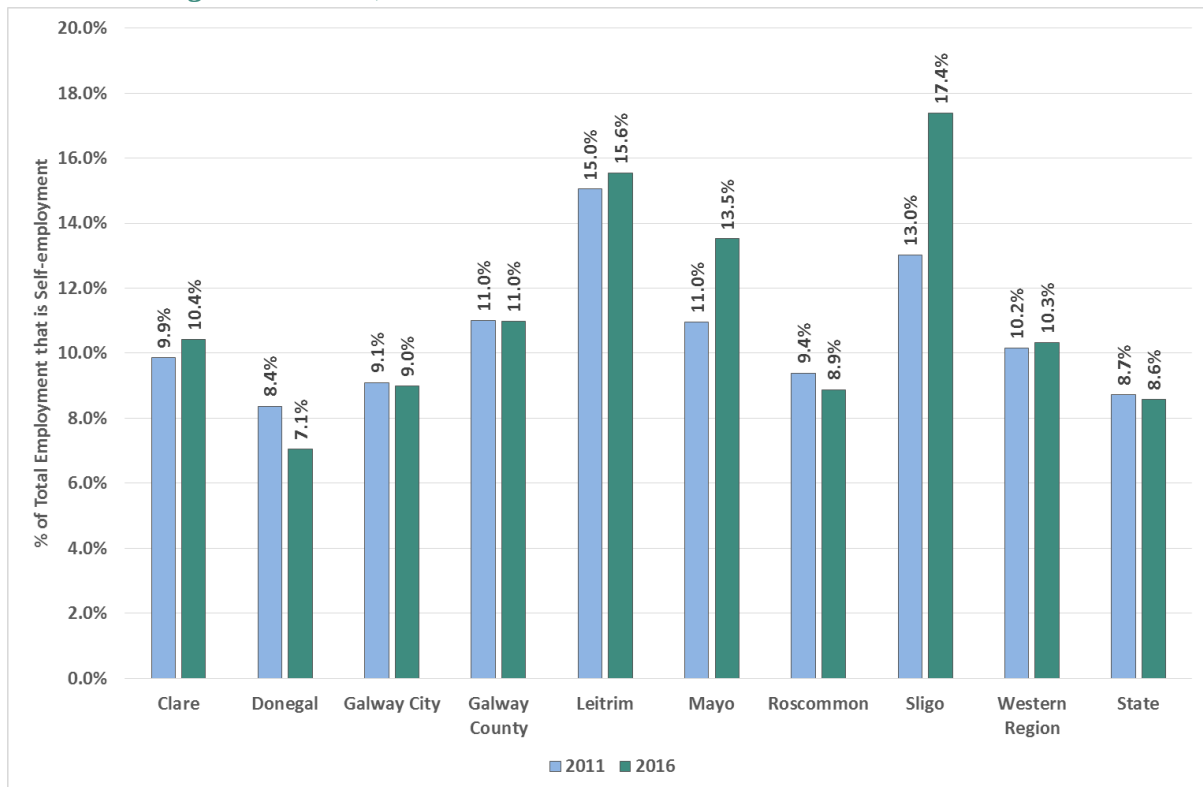
There is some variation across the two broad sub-sectors, with higher self-employment in 'Information & Communication' (12.9%) and lower in 'Financial & Insurance' (7%). ICT Services is likely to include more micro-enterprises, self-employed and sole traders providing IT consultancy, audio-visual services or software/app development. In contrast, much employment in 'Financial & Insurance' is within large banks, credit card companies or insurance companies, with self-employment far less common.

Though self-employment is limited in this sector, the Western Region has a considerably higher incidence than the national average (10.3% v 8.6%) (Fig. 9). This is also true for both sub-sectors. This may indicate that more people have chosen self-employment as a route to work in this sector in the region, perhaps due to more limited job options. It probably also reflects the concentration of many large international financial services companies, with substantial employee numbers, in Dublin increasing the national share of employees and reducing the share of self-employed.

The share of self-employment remained essentially unchanged between 2011 and 2016, in both the region and nationally.

²² Public Administration & Defence, Health & Care and Education.

Fig. 9: Percentage of total employment in Financial & ICT Services that is self-employment in Western Region and state, 2011 and 2016



Source: CSO, *Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB033. Special run from CSO.*

At 17.4%, self-employment in this sector is most common in Sligo, followed by Leitrim (15.6%). Both of these counties, plus Mayo, have levels of self-employment substantially higher than the regional or national averages. They have higher self-employment in both sub-sectors but the difference is particularly strong for ‘Information & Communication’. Over 20% of people working in such services in Leitrim and Sligo are self-employed. This implies the structure of the sector in these counties differs from that elsewhere with many sole traders or freelancers engaged in AV production, IT services or software development, with fewer large employers in the sector.

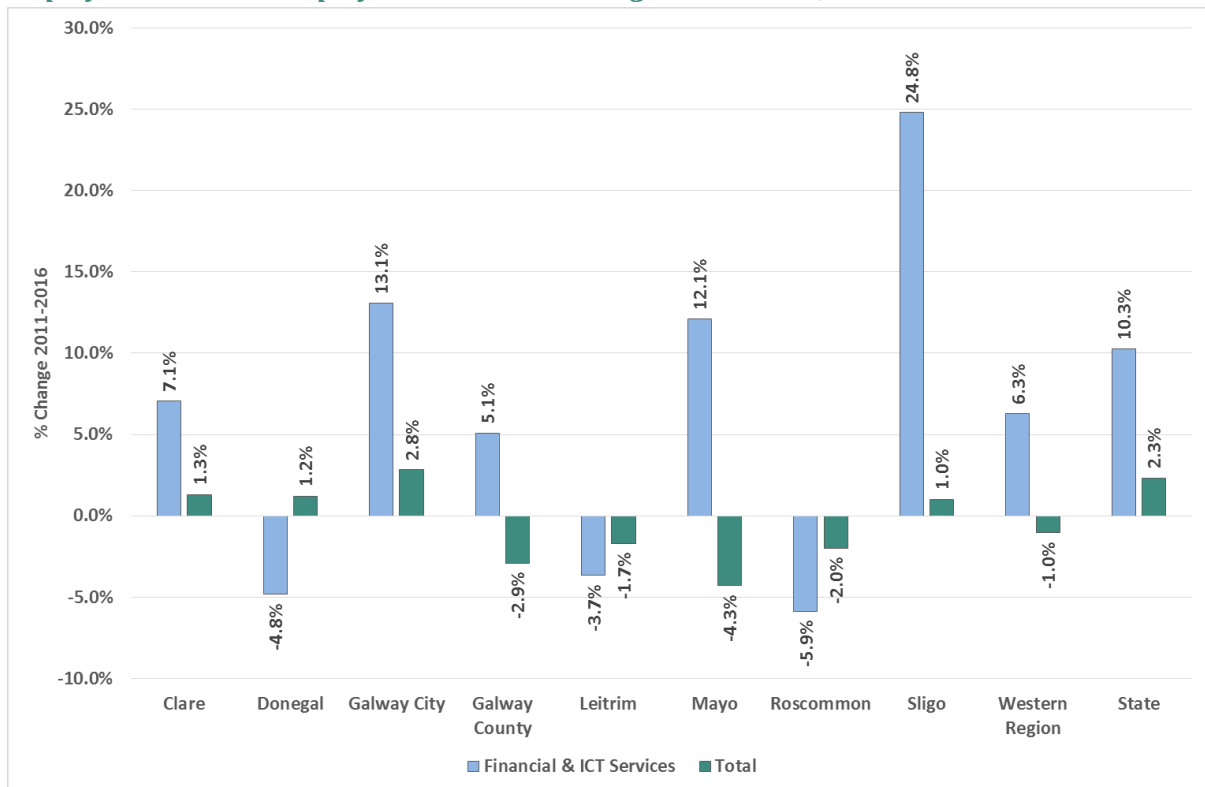
Donegal and Galway City, where the sector is most important as an employer, have among the lowest rates of self-employment (as a share of total employment). In fact Donegal is the only western county below the national average. This is due to the presence of a number of larger employers, including internationally trading firms, which increases the share of employees in the sector.

Most western counties saw little change in the share of total employment that was self-employment between 2011 and 2016. The most striking increases in the incidence of self-employment were in Sligo and, to a lesser extent, Mayo. As these counties saw quite large job losses in the sector over this period (see Table 1), it is likely these losses were more concentrated among employees increasing the relative importance of the self-employed. It is also possible some people became self-employed after losing their job or a self-employed ‘contractor’ for a company. Donegal experienced a notable decline in its self-employed share, indicating that its strong employment growth (see Table 1) was mainly concentrated among employees.

2.4.1 Change in self-employment

In the Western Region, the number of self-employed people working in Financial & ICT Services grew 6.3% between 2011 and 2016 (Fig. 10). This compares with a 1% decline in total self-employment over the same period, indicating that this sector differed from the general trend of declining self-employment in the region. The growth in the region was below that occurring nationally (10.3%) however.

Fig. 10: Percentage change in self-employment in Financial & ICT Services and self-employment in total employment in Western Region and state, 2011-2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB033. Special run from CSO.

The very high share of self-employment in Sligo in 2016 was clearly influenced by the almost 25% increase in the number of self-employed working in Financial & ICT Services in the county in this period. This growth was almost entirely driven by ‘Information & Communication’ which may indicate the development of a cluster of self-employed entrepreneurs operating in this sector around Sligo.

Mayo and Galway City also saw strong growth in the number of self-employed in Financial & ICT Services. In the case of Mayo, this was again driven by ‘Information & Communication’, whereas Galway City saw strong growth in both sub-sectors. It had the strongest growth in self-employment in ‘Financial & Insurance’ in the region, with most counties showing a decline.

In most western counties, self-employment in Financial & ICT Services performed better than overall self-employment. Roscommon, Donegal and Leitrim were the exceptions with a decline in self-employment in this sector and a poorer performance than total self-employment.

3.0 Agency Assisted Jobs in Financial & ICT Services

Each year DBEI conducts a survey of all firms in Ireland who have ever received assistance from IDA, EI or Udarás na Gaeltachta. These are referred to as agency assisted companies and are limited to Industry or internationally traded services. Unlike Census data, which is based on where a person lives, Annual Employment Survey (AES) data is based on where the company is located, so is the location of the job, even if the person travels from another county.

In this section we examine agency assisted jobs in five activities²³ which fall within the Financial & ICT Services sector for the Western Region, including the type of job and ownership of the company (foreign or Irish).

3.1 Trends in assisted jobs in Financial & ICT Services in the Western Region

In 2017, there were 12,844 agency assisted jobs in Financial & ICT Services based in the Western Region. It is important to note that these are only jobs in companies which have received state assistance and therefore are trading (or have the potential to trade) internationally. This is the main reason why assisted job numbers are lower than total employment in the sector (17,884 in 2016).

In 2017 the Western Region was home to 9.2% of total assisted jobs in Financial & ICT Services in the state. This is compared with the region's 15.5% share of total assisted jobs. This is consistent with the region's low share of total national employment in the sector (see Section 2.1). The fact that the region is home to a lower share of total national assisted jobs in this sector (9.2%) than its share of total national employment (9.9%) in this sector reflects a lower level of internationally trading activity.

Five individual activities make up the Financial & ICT Services sector and these have had differing experiences over the past decade (Fig. 11). 'Computer Programming' (software development) has shown very substantial growth over the period and now employs almost twice as many people as the next largest activity 'Computer Consultancy' which was the largest in 2008 but experienced large job losses up to 2014, with some recovery since.

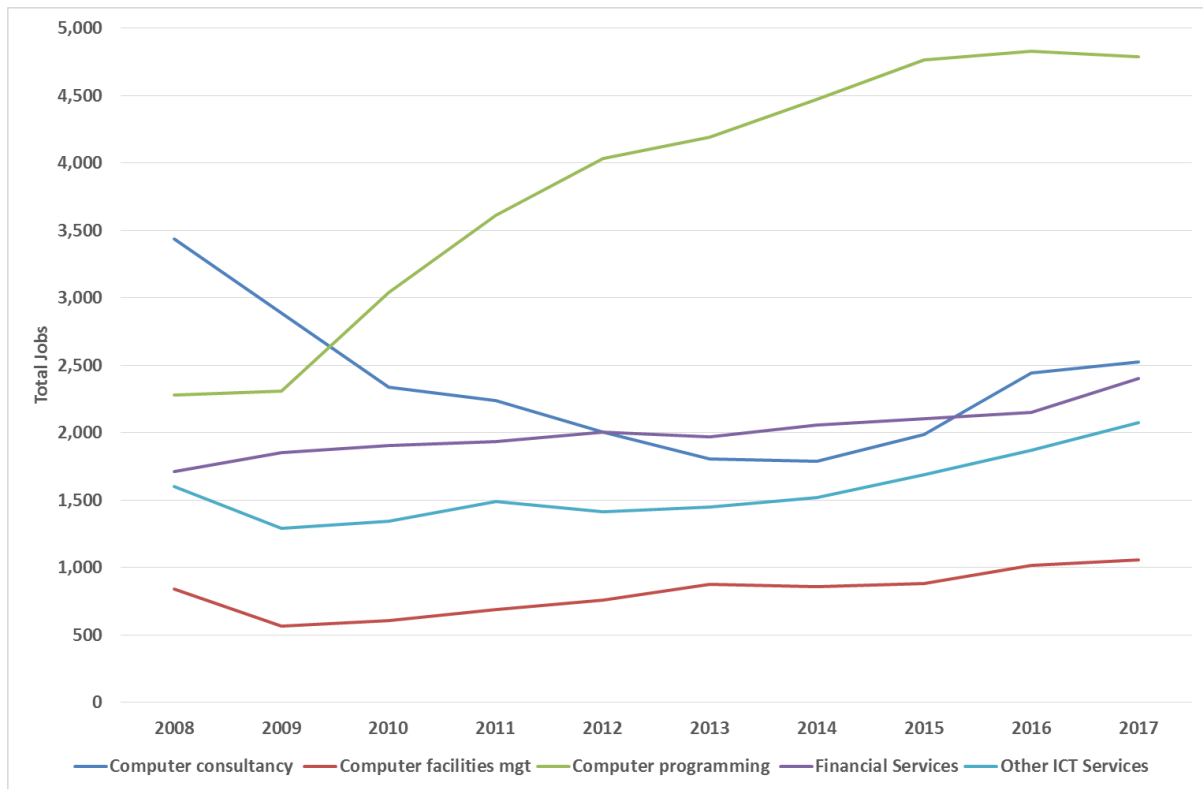
'Financial Services'²⁴ has shown steady growth through the period, accelerating somewhat in 2017. This growth contrasts with the decline in total employment in financial services in the Western Region 2011 to 2016 (see Table 2) which implies that internationally trading financial services performed better than those serving the domestic market.

'Other ICT Services' and 'Computer Facilities Management' (e.g. data centres) have also both grown steadily, with 'Other ICT Services' growing particularly strongly since 2014.

²³ Computer consultancy activities; Computer facilities management activities; Computer programming activities; Financial Services; Other Information and Communication & Other Information technology and computer service activities.

²⁴ Note that 'Financial Services' as used here is broader than 'Financial Services' as used in Section 2. Here it also includes 'Insurance, Pension & Fund Management' activities.

Fig. 11: Total assisted jobs in Financial & ICT Services activities in Western Region, 2008-2017



Source: Department of Business, Enterprise & Innovation (2018), Annual Employment Survey 2017, special run

3.1.1 Financial & ICT Services as a share of total assisted jobs

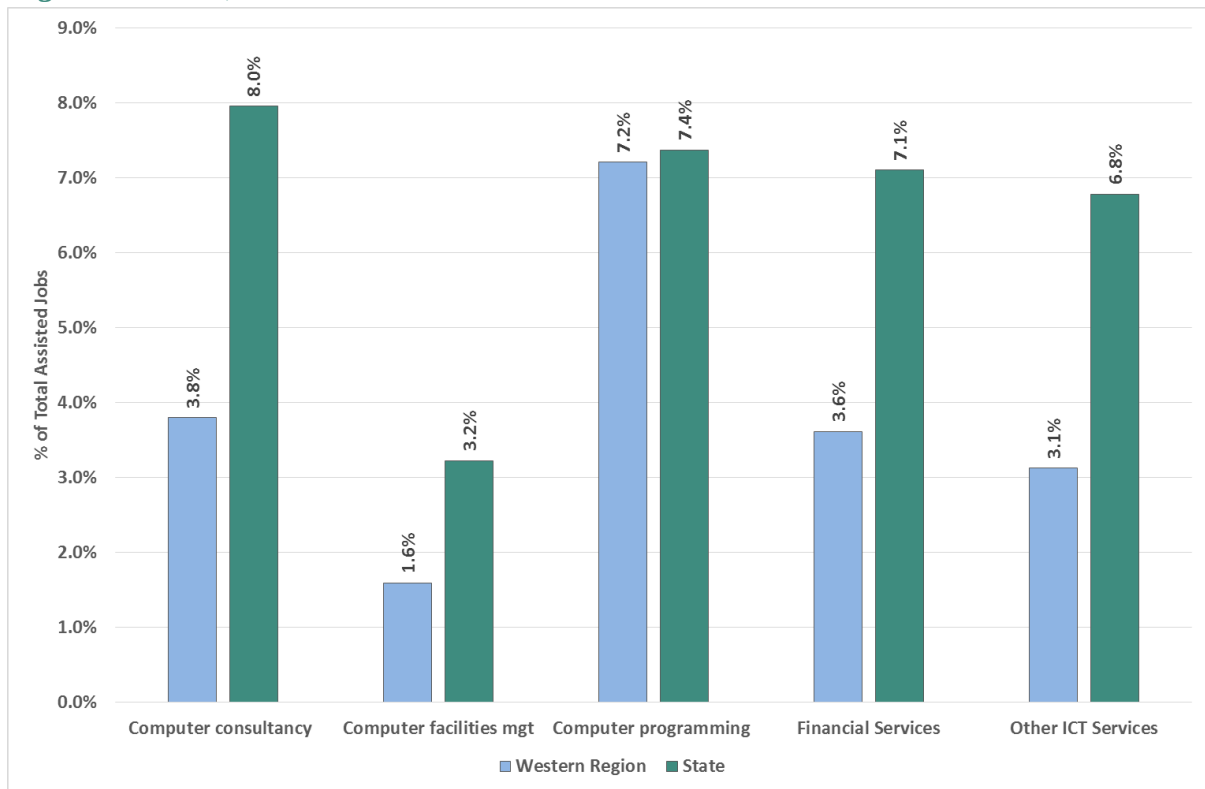
Jobs in Financial & ICT Services account for almost 1 in 5 (19.3%) of all assisted jobs in the Western Region. In contrast, almost 1 in 3 (32.4%) of all assisted jobs in the state are engaged in Financial & ICT Services. As discussed in the Regional Sectoral Profile on Industry²⁵, manufacturing continues to play a significantly greater role in agency assisted jobs activity in the Western Region, with far lower activity in international services. In the region, Financial & ICT Services' share of total assisted jobs increased from 17.6% in 2008 to the current 19.3%, while nationally its share rose from 26.7% in 2008 to 32.4%.

The relative importance of different activities varies (Fig. 12). The share of total assisted jobs accounted for by 'Computer Programming' is essentially the same in both the region and state, indicating that this sector is well developed in the region, clearly influenced by its recent strong growth (see Fig. 11).

For all other Financial & ICT Services activities, their share of total assisted jobs in the region is considerably lower than nationally. This is particularly the case for 'Computer Consultancy' which accounts for 8% of all assisted jobs in the state, making it the largest among these five activities, but less than half this share in the region. Indeed, for all other activities, their share of jobs in the region is roughly half that nationally.

²⁵ WDC (2019), [Industry in the Western Region: Regional Sectoral Profile](#)

Fig. 12: Percentage of total assisted jobs in each Financial & ICT Services activity in Western Region and state, 2017



Source: Department of Business, Enterprise & Innovation (2018), Annual Employment Survey 2017, special run

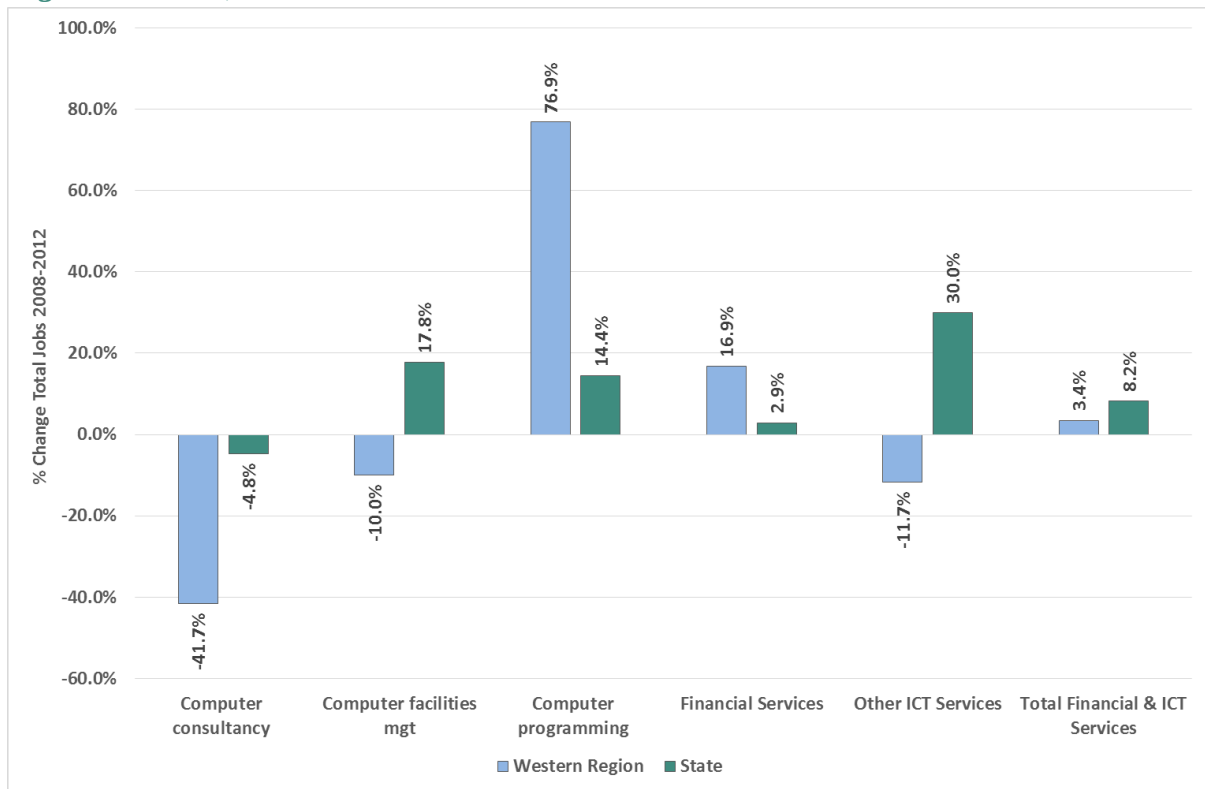
3.1.2 Change in assisted jobs in Financial & ICT Services

The change in the number of assisted jobs in Financial & ICT Services was very different in the two periods 2008-2012 (recession) and 2012-2017 (recovery).

During 2008-2012 the Western Region saw a small increase (3.4%) in total assisted jobs in Financial & ICT Services (Fig. 13), below the 8.2% growth nationally. There was considerable variation across the activities however, with the 76.9% growth in ‘Computer Programming’ in the region very striking, contrasted with 14.4% growth nationally. Though it should be recalled that growth in the region in this activity was from a low base. The region also had a stronger performance than nationally in international ‘Financial Services’.

For all other activities the performance in the region was poorer than nationally including a very substantial fall of 41.7% in ‘Computer Consultancy’. For ‘Computer Facilities Management’ and ‘Other ICT Services’, net job losses in the region contrasted with growth nationally.

Fig. 13: Percentage change in total assisted jobs in Financial & ICT Services in Western Region and state, 2008-2012

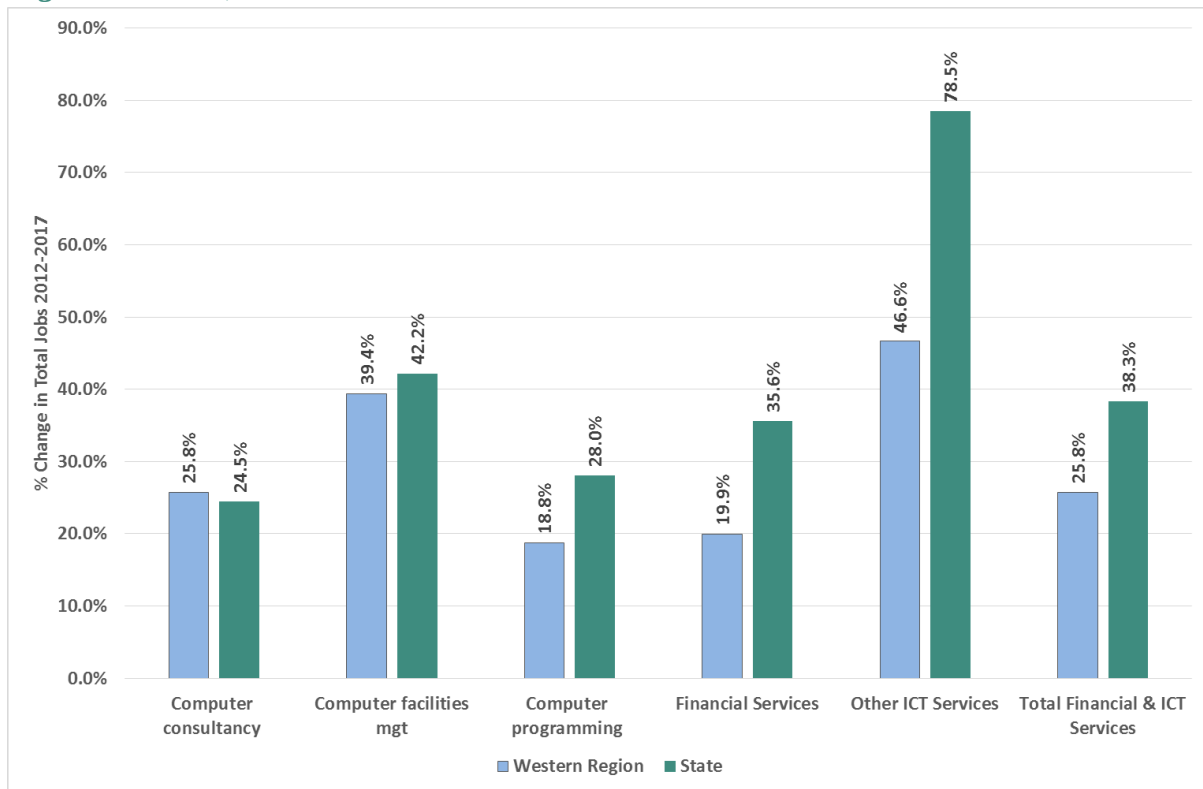


Source: Department of Business, Enterprise & Innovation (2018), Annual Employment Survey 2017, special run

During 2012-2017, there was growth across the board (Fig. 14). Total assisted jobs in Financial & ICT Services grew by a quarter in the region, but again this was below the national growth in this period (38.3%). It was ‘Other ICT Services’ which showed the strongest growth in this period, both nationally and, at a lower level, in the region. This was followed by ‘Computer Facilities Management’. As noted above, both these activities had job losses in the region during the previous period.

In contrast, the growth in ‘Computer Programming’ slowed in the region. While still growing, the pace of expansion slowed and the region had lower growth than nationally. This was the case for all activities, except ‘Computer Consultancy’ which showed some recovery after large losses in the region previously.

Fig. 14: Percentage change in total assisted jobs in Financial & ICT Services in Western Region and state, 2012-2017



Source: Department of Business, Enterprise & Innovation (2018), Annual Employment Survey 2017, special run

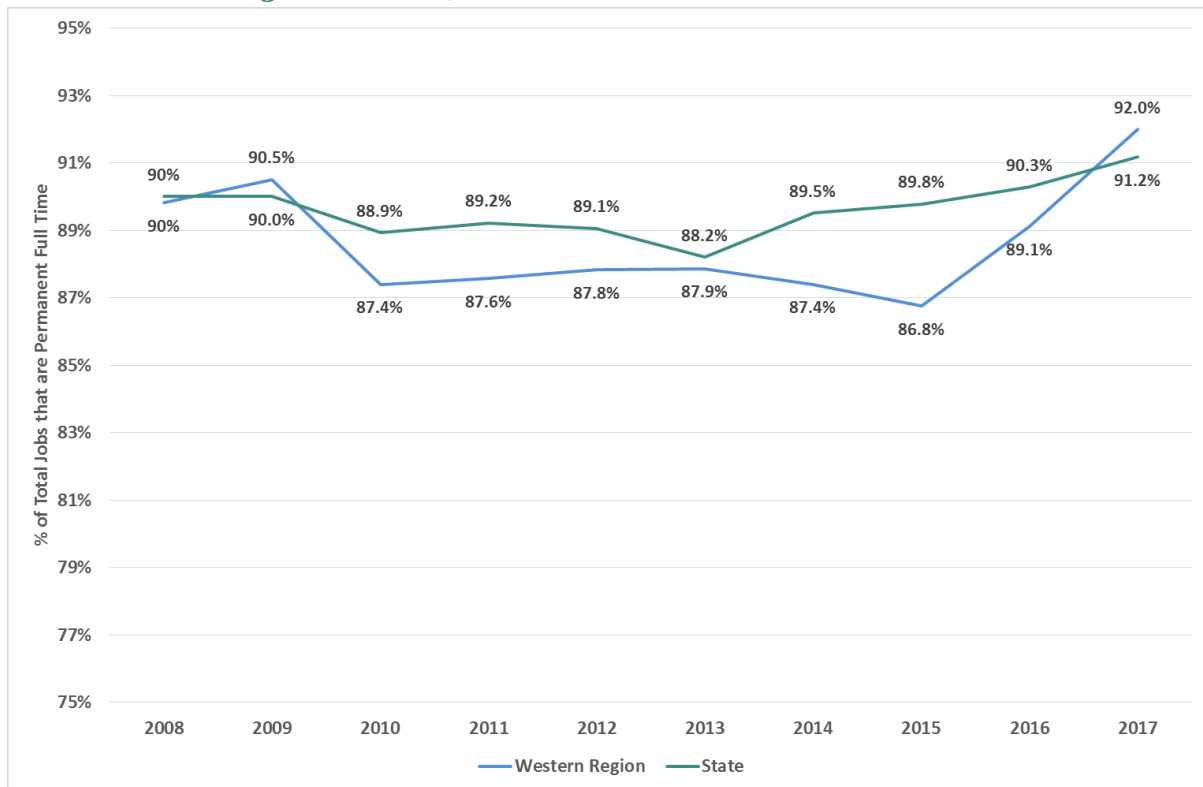
3.2 Assisted jobs in Financial & ICT Services by type of job

Data on total assisted jobs is divided into Permanent Full Time Jobs (PFT) and Other Jobs (temporary, part-time or contract). In 2017 92% of all assisted Financial & ICT Services jobs in the Western Region were PFT (Fig. 15). The share of PFT jobs in the region was slightly above that in the state (91.2%) in 2017, however the region had a lower share of PFT jobs, and therefore a higher share of Other Jobs, for most of the preceding decade.

In the early part of the decade PFT jobs became less common with a growing share of other types of employment, influenced by the economic downturn. By 2015 it reached a low point with 86.8% of jobs in this sector in the region being PFT. Since then the share of PFT jobs has increased notably. The increase began earlier in the state (from 2013) indicating that the economic recovery has led to increasing prevalence of permanent employment contracts in this sector.

There has been considerable concern and debate about a shortage in ICT skills and it may be that in order to attract the necessary skilled talent, more permanent employment contracts need to be offered. This is supported by the fact that the share of PFT jobs in Financial & ICT Services is notably higher than generally across all assisted jobs. In the region, the average share of PFT jobs is 87.8% (nationally 88.7%) lower than the incidence of PFT jobs in Financial & ICT Services. While there has been some increase in the share of PFT jobs generally, it has not been as strong as the increase in Financial & ICT Services.

Fig. 15: Percentage of total assisted jobs in Financial & ICT Services that are Permanent Full Time in Western Region and state, 2008-2017



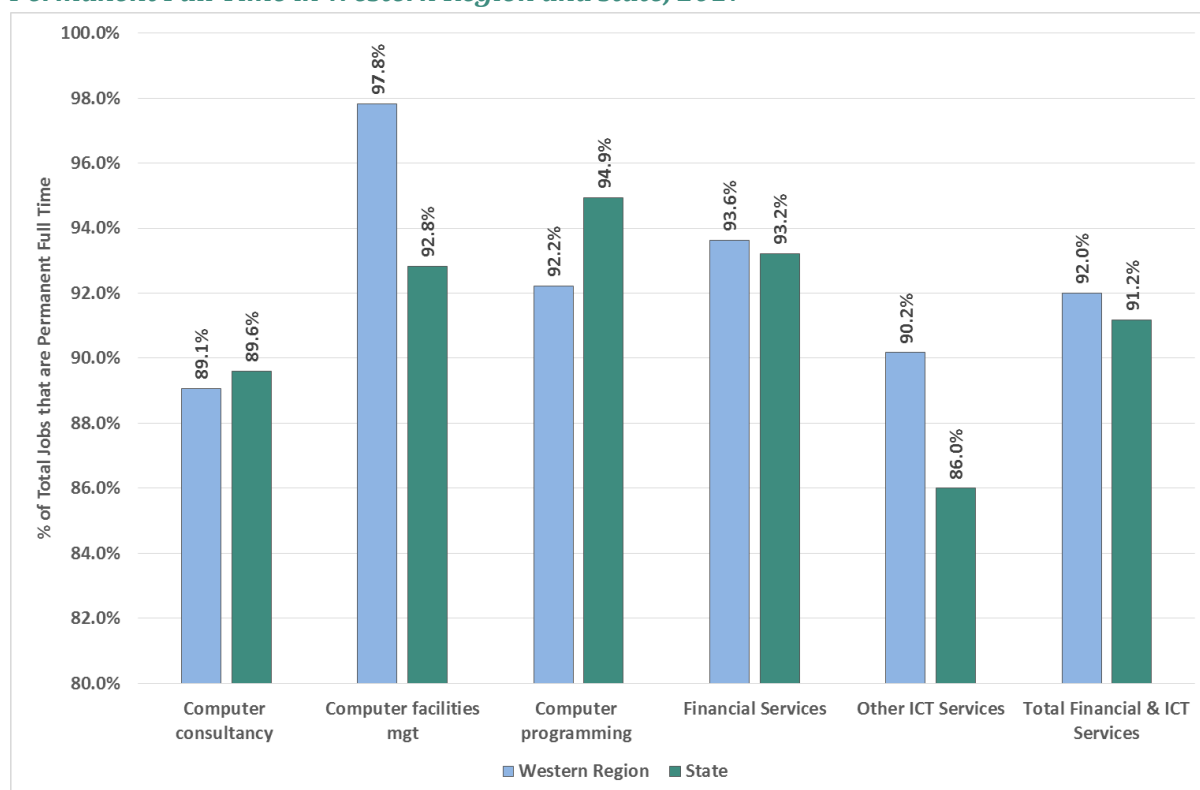
Source: Department of Business, Enterprise & Innovation (2018), Annual Employment Survey 2017, special run

Note: For ease of interpretation the vertical axis starts at 75%.

The structure of job types varies across activities. At 97.8% 'Computer Facilities Management' has the highest share of PFT jobs in the region (Fig. 16) and is higher than nationally (92.8%), though it must be remembered this is quite a small activity in the region (see Fig. 11). The share of PFT jobs in the region is also higher for 'Other ICT Services'.

However, for the largest activity of 'Computer Programming', there is a lower extent of PFT jobs (92.2% v 94.9%) and therefore a greater incidence of temporary, contract or part-time employment. Though it is notable that the increase in the share of PFT jobs in this particular activity has been quite strong, increasing from just 84.9% in 2010 to the current 92.2%. It may be expected that this share will continue to increase to attract talent.

Fig. 16: Percentage of total assisted jobs in Financial & ICT Services activities that are Permanent Full Time in Western Region and state, 2017



Source: Department of Business, Enterprise & Innovation (2018), Annual Employment Survey 2017, special run

Note: For ease of interpretation the vertical axis starts at 80%.

3.3 Assisted jobs in Financial & ICT Services by ownership

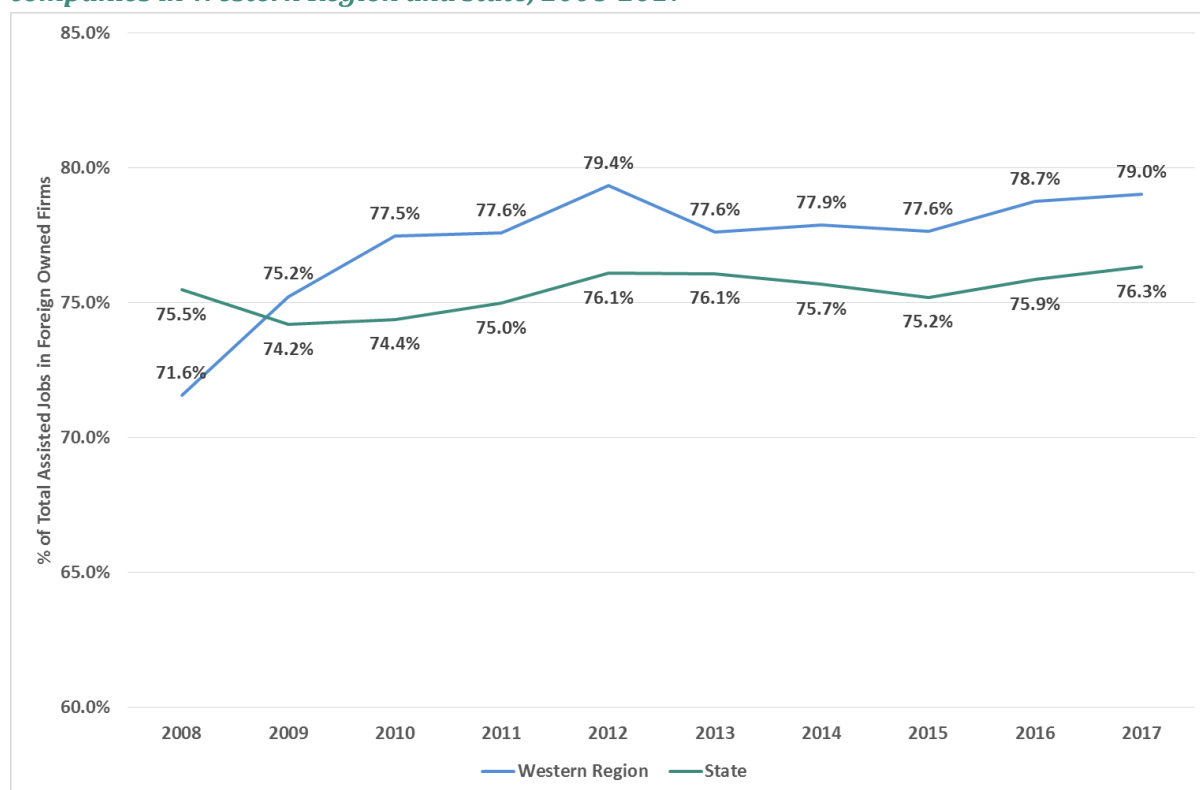
Of total assisted jobs in Financial & ICT Services in the Western Region in 2017, 79% were in foreign owned companies (Fig. 17). This is among the highest levels of foreign ownership across all assisted manufacturing and international services sectors and is even higher in the region than the state (76.3%). There are clearly high levels of foreign owned involvement in this sector in the region with more limited Irish owned activity.

The share of foreign ownership increased substantially in the region during the recessionary years from 71.6% in 2008 to 79.4% by 2012. There was some decline in the share after this, probably due to some jobs recovery in the Irish owned sector (see next section), but the foreign owned share has risen again since 2015. The national picture followed a similar trend.

It should be noted that when an Irish owned company is sold to a foreign company (or vice versa), jobs in that company are reassigned from being Irish owned to foreign owned and historic data is backdated. Ownership data provided in the 2017 AES report for each year 2008-2017, reflects the ownership of those jobs at the time of the 2017 survey.²⁶

²⁶ See Appendix C of [Annual Employment Survey 2017](#)

Fig. 17: Percentage of total assisted jobs in Financial & ICT Services in foreign owned companies in Western Region and state, 2008-2017



Source: Department of Business, Enterprise & Innovation (2018), Annual Employment Survey 2017, special run

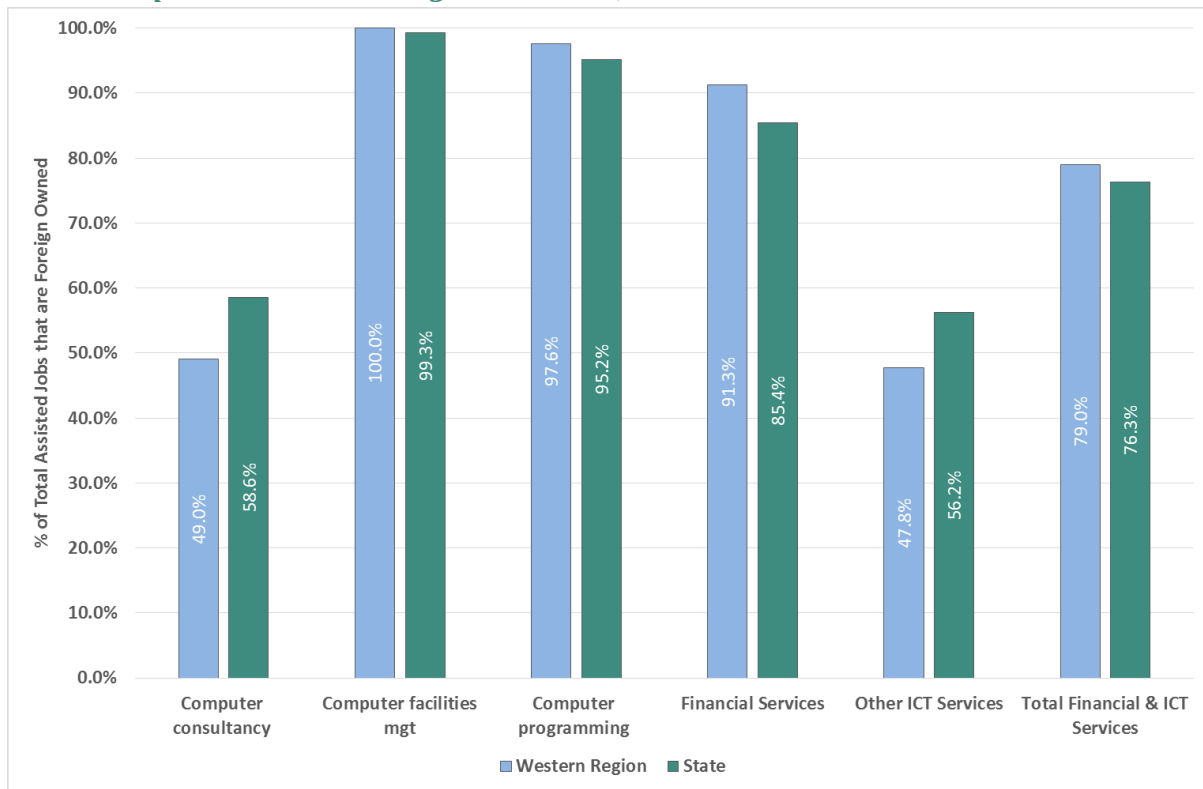
Note: For ease of interpretation the vertical axis starts at 60%.

The balance between Irish and foreign ownership varies across the different sub-sectors (Fig. 18). All assisted jobs in 'Computer Facilities Management' in the region are in foreign owned firms. The largest employment activity of 'Computer Programming' is hugely foreign dominated with 97.6% of all assisted jobs in this activity in foreign firms. In both cases the foreign owned share in the region is somewhat higher than nationally.

International 'Financial Services' is another area of high foreign involvement, with 91.3% of all jobs in the region in foreign owned firms. There is a greater difference with the state average here, nationally only 85.4% of assisted jobs are foreign owned.

The second largest of the sub-sectors, 'Computer Consultancy', has considerably greater Irish owned involvement with only 49% of jobs in foreign owned firms. In this activity the region has a lower foreign owned share and therefore greater Irish owned involvement. As noted above (see Fig. 11) this activity saw large job losses in the early part of the recession, only recovering somewhat in more recent years. The greater level of Irish ownership in this activity contributed to greater losses of Irish owned Financial & ICT Services jobs during the recession than foreign owned, given that the foreign dominated 'Computer Programming' activity grew during this period.

Fig. 18: Percentage of total assisted jobs in Financial & ICT Services activities in foreign owned companies in Western Region and state, 2017



Source: Department of Business, Enterprise & Innovation (2018), Annual Employment Survey 2017, special run

3.3.1 Change in assisted jobs by ownership

In the Western Region, there was a 15% increase in the number of assisted jobs in foreign owned Financial & ICT Services firms during the recessionary years (2008-2012) (Fig. 19). There was 76% growth in foreign owned jobs in ‘Computer Programming’ during this period which was the main driver of the overall increase in foreign owned jobs. In contrast, this period saw job numbers in foreign owned ‘Computer Consultancy’ firms halved and also some losses in ‘Computer Facilities Management’.

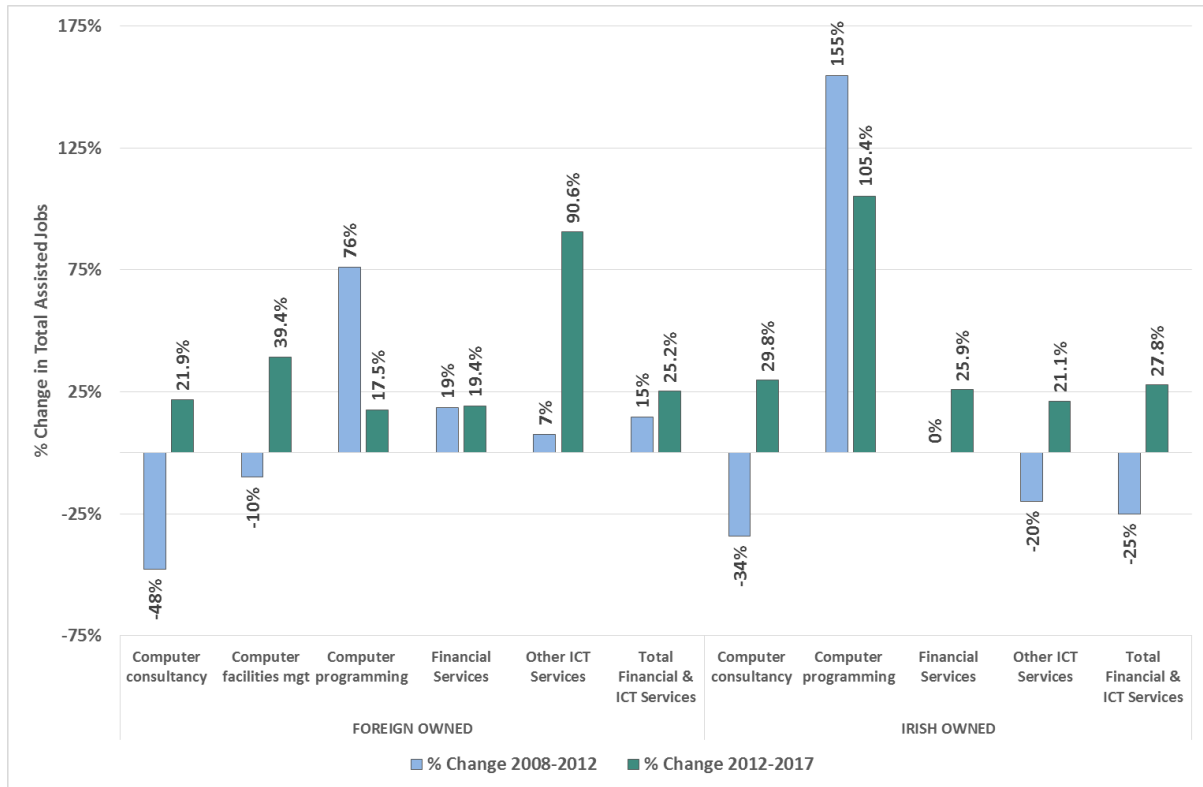
In the later period (2012-2017), there was growth in foreign owned jobs across all activities, but particularly strongly (90.6%) in ‘Other ICT Services’ and ‘Computer Facilities Management’ (39.4%). As can be seen from Fig. 18 above, ‘Other ICT Services’ has relatively low foreign owned involvement compared with others. In total, the number of foreign owned assisted jobs in Financial & ICT Services in the region increased by 25.2% between 2012 and 2017.

The picture was quite different in the Irish owned sector which saw large job losses (-25%) during 2008-2012 in total Financial & ICT Services. There were declines in ‘Computer Consultancy’ and ‘Other ICT Services’, the two activities with the highest levels of Irish ownership.

Similar to foreign owned jobs, it was ‘Computer Programming’ which saw the highest growth in Irish owned jobs in this period. However caution is required due to the small numbers involved, in 2008 there were 22 assisted jobs in Irish owned ‘Computer Programming’ in the Western Region so its 155% growth brought it to 56 jobs by 2012.

In the more recent 2012-2017 period, Irish owned 'Computer Programming' jobs increased by 105.4% with all other activities growing 20-30%.

Fig. 19: Percentage change in total assisted jobs in Financial & ICT Services activities by ownership in Western Region, 2008-2012 and 2012-2017



Source: Department of Business, Enterprise & Innovation (2018), Annual Employment Survey 2017, special run

4.0 Financial & ICT Services Enterprises

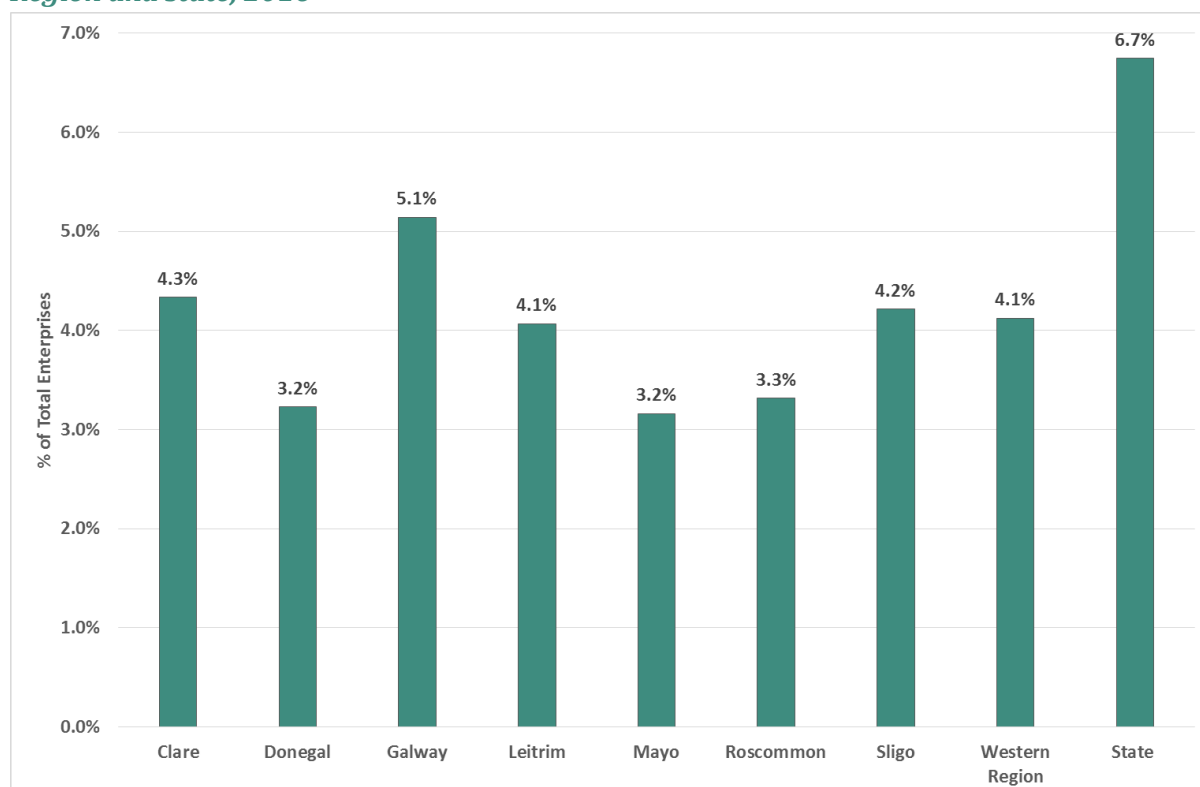
In this section we examine enterprise numbers in Financial & ICT Services in the Western Region and counties. This data is from the CSO Business Demography and includes all Financial & ICT Services enterprises such as TV and film production companies, broadband providers, financial advisors, insurance brokers, software developers, IT support services etc. which have a registration address (with the Revenue Commissioners) located in the Western Region. It does not include branches of companies which are registered elsewhere e.g. Dublin, such as banks or insurance companies.

4.1 Financial & ICT Services enterprises

In 2016²⁷ there were 2,243 Financial & ICT Services enterprises registered in the Western Region. The region was home to 10.6% of all such enterprises in the state, which was considerably below the region's share of total enterprises nationally (17.4%). This is consistent with the region's lower share of national employment in this sector.

In the Western Region 4.1% of total enterprises²⁸ in 2016 were engaged in Financial & ICT Services (Fig. 20). This was substantially lower than the sector's 6.7% share nationally. The sector's share of total enterprises in the region (4.1%) is lower than its share of all employment in the region (5.4%, see Fig. 1). This is partly due to the relatively large number working in businesses which are registered outside the region e.g. banks.

Fig. 20: Financial & ICT Services enterprises as a percentage of total enterprises in Western Region and state, 2016



Source: CSO, Business Demography 2016, Table BRA18.

²⁷ Most recent data available.

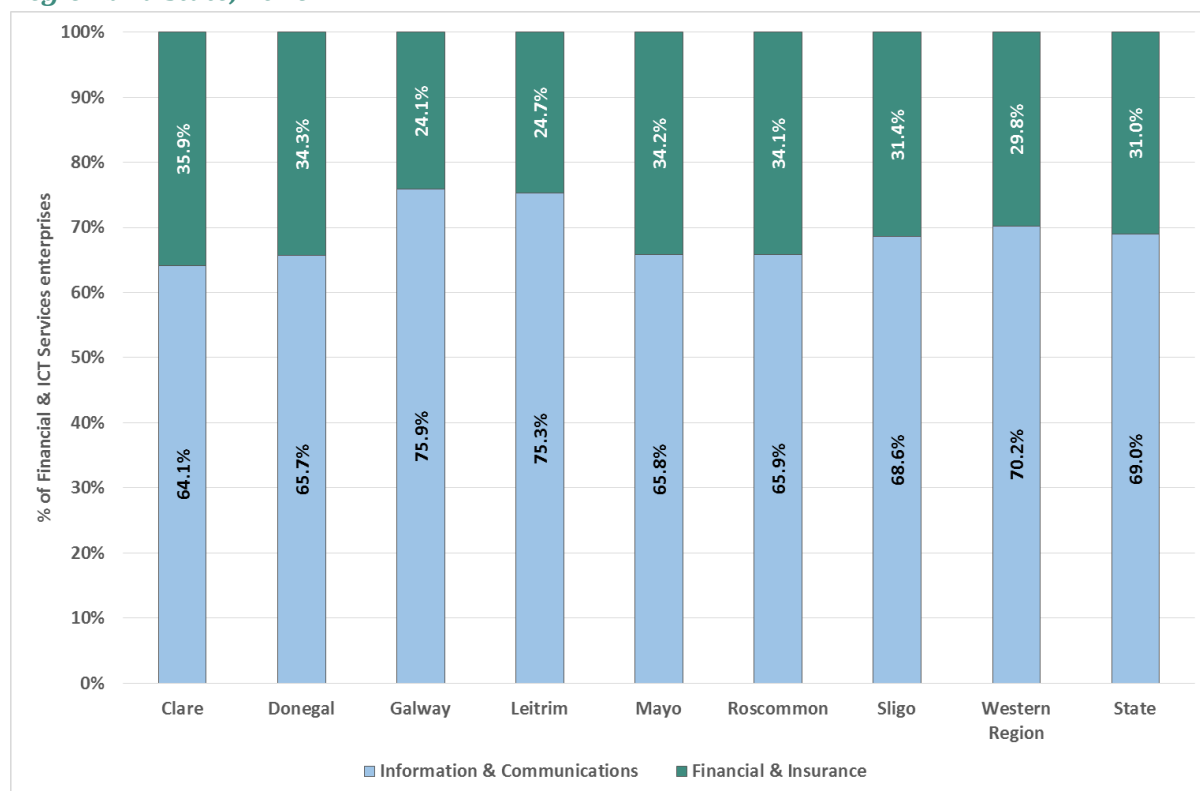
²⁸ Total enterprises includes all 'business economy' enterprises plus Health & Social Work, Education, Arts, Entertainment & Recreation and Other Services.

At 5.1%, Galway²⁹ has the highest share of its total enterprises in this sector. This is consistent with the earlier findings on the importance of this sector to employment in Galway City in particular. Clare and Sligo is where the sector is next most important to the enterprise profile, influenced by large towns and also the Shannon Free Zone. The fact that Donegal has a low share (3.2%) of its total enterprises in this sector, despite the sector's high share of employment (6.2%, see Fig. 1), points to the presence of large employers e.g. Pramerica.

4.1.1 Enterprises in Financial & ICT Services sub-sectors

The largest sub-sector in terms of enterprises is 'Information & Communication' accounting for 70.2% of all Financial & ICT Services enterprises in the region (Fig. 21). This is quite similar to the share nationally (69%). As noted previously, 'Information & Communication' is also the larger in terms of employment (56.3% of all Financial & ICT Services employment) however its share of total enterprises is even greater. This is because it includes a larger number of smaller firms (e.g. IT services, video production) and self-employment is more common (see Section 2.5) compared with 'Financial & Insurance' which includes some large scale employers which account for a lot of employment but only one enterprise, which may not even be registered in the region.

Fig. 21: Percentage of total Financial & ICT Services enterprises by sub-sector in Western Region and state, 2016



Source: CSO, *Business Demography 2016*, Table BRA18.

Consistent with other findings, Galway is where 'Information & Communication' is most important, accounting for three-quarters of all Financial & ICT Services enterprises. It is somewhat surprising however that Leitrim is next highest (75.3%), given the fact that in employment terms Leitrim has the lowest share working in 'Information & Communication' (see Fig. 3). This implies that this

²⁹ Business Demography data does not distinguish between Galway City and Galway County.

activity in Leitrim is characterised by many small enterprises, whereas 'Financial & Insurance' employment is concentrated in a few but larger businesses which may not be registered in the county.

Clare has the highest share of 'Financial & Insurance' enterprises in the region and also had one of the highest shares of employment in these activities (see Fig. 3) which shows there is notable activity in the sub-sector in the county in both enterprise and employment terms.

4.2.1 Change in Financial & ICT Services enterprises

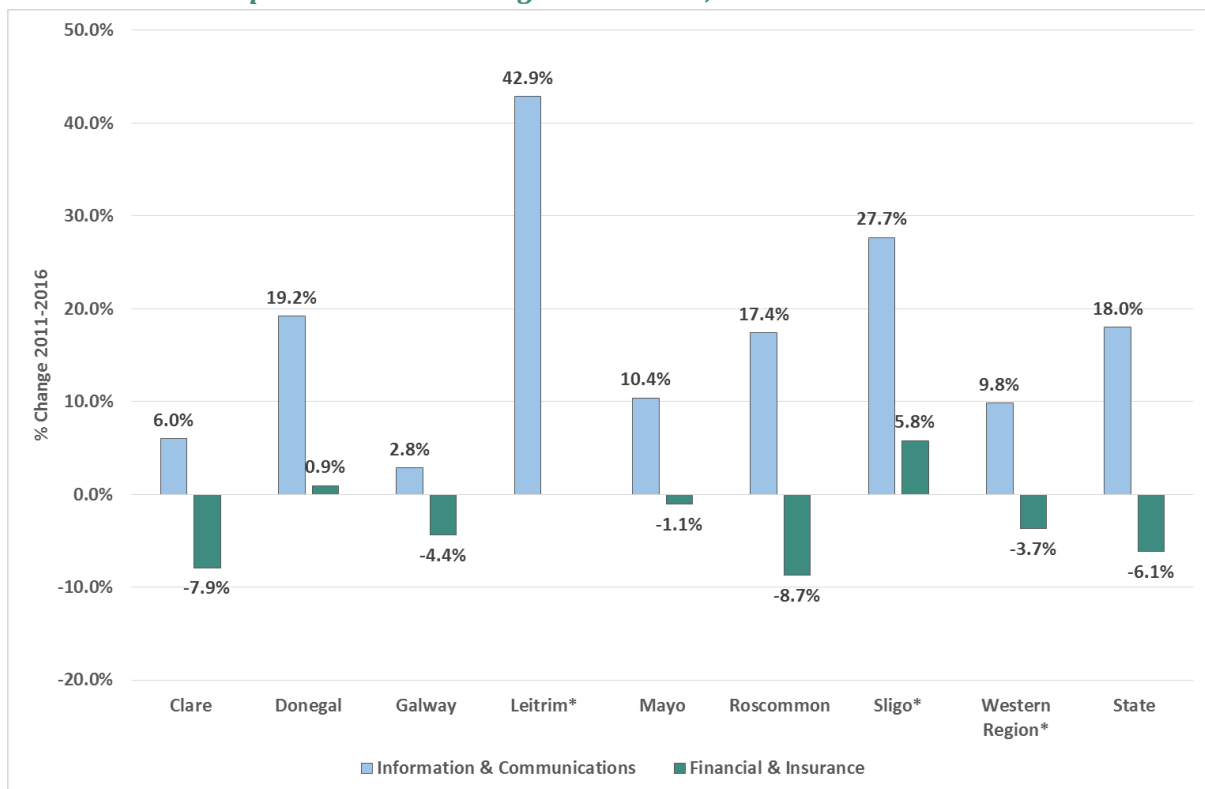
When considering changes between 2011 and 2016 it is useful to consider the two sub-sectors as they had very different experiences (Fig. 22). The number of 'Information & Communication' enterprises in the region grew strongly (9.8%) though still notably lower than nationally (18%). Enterprise data on more detailed activities is not available, however 'Computer Programming & Consultancy', which is the largest employer within this sub-sector and was the strongest growing (see Table 2), was likely to have contributed to this enterprise growth.

The other two activities within this sub-sector – 'AV, Publishing & Broadcasting' and 'Telecoms' – had declining employment in the region, compared with growth nationally. This may have contributed to the region's lower enterprise growth.

'Financial & Insurance' enterprises declined by 3.7% in the region³⁰ in this period. The region performed better than nationally (-6.1%) however, perhaps because many enterprises in this sector are registered in Dublin so it would have experienced a lot of the enterprise losses over this period.

³⁰ Note that Leitrim is excluded from the calculation for the Western Region. See note with Fig. 22.

Fig. 22: Percentage change in the number of 'Information & Communication' and 'Financial & Insurance' enterprises in Western Region and state, 2011-2016



Source: CSO, Business Demography 2016, Table BRA18.

Note: Data for Sligo for 'Financial & Insurance' in 2011 is suppressed by the CSO for confidentiality reasons. As data for Sligo is available for all other years, the figure for 2012 is used instead of 2011. Therefore the change shown in Fig. 22 for Sligo for 'Financial & Insurance' is 2012-2016. Data for Leitrim for 'Financial & Insurance' is suppressed for every year 2008-2014 and is only available for 2015-2016, so no change is calculated. The Western Region figure for 2011 and 2016 excludes Leitrim. The 2011 figure for the Western Region used to calculate the change, uses 2012 data for Sligo.

Leitrim, Sligo and Donegal had the strongest growth in 'Information & Communication' enterprises, with all counties showing some increase. Galway had the lowest growth. Sligo was the only western county to experience any notable growth in 'Financial & Insurance'. Most counties, and particularly Roscommon (-8.7%) and Clare (-7.9%), saw quite large declines in enterprise numbers in this sub-sector.

5.0 Key Policy Issues for the Western Region's Financial & ICT Services Sector

Some of the key issues facing the Western Region's Financial & ICT Services sector are:

Low level of activity in Financial & ICT Services in Western Region and gap widening

Financial & ICT Services account for a substantially smaller share of total employment, total assisted jobs and total enterprises in the Western Region compared with the national average. As a result, the region accounts for a low share of total activity in Financial & ICT Services in Ireland, 9.9% of employment, 9.2% of assisted jobs and 10.6% of enterprises in the state.

The gap widened during 2011 and 2016, as the rate of employment growth, assisted jobs growth and enterprise growth in the region all significantly lagged national growth. The Financial & ICT Services sector grew strongly in the state during this time, and while it also expanded in the region this was at a far lower level, increasing the difference in the sector's economic impact in the region compared with nationally.

Given that this is a high value, high skill and highly paid sector, increasing the level of activity in Financial & ICT Services in the Western Region could make an important contribution to regional economic development and income levels; though as this is not a highly labour intensive sector it plays a modest role in direct job creation. It also brings wider economic benefits through indirect impacts e.g. spending by staff on local services, contribution to improved productivity across other sectors.

Lower level of international activity but it performed better than domestically trading sector

One of the main reasons for the lower level of development of this sector in the region is less engagement in international trading, which has shown the strongest growth in recent years. This is particularly true of financial services with the financial services sector in the region characterised more by consumer services e.g. bank branches, with considerably less activity in international financial services, which are concentrated around the IFSC.

Recent years however have seen increasing jobs growth in internationally trading companies within the sector. During 2012-2017 the number of assisted jobs (in internationally trading companies) in Financial & ICT Services grew by 25.8% in the region, many times greater than the growth in total employment in the sector (4.6% during 2011-2016). While this is partly due to the differing years, it was mainly driven by a far stronger jobs performance in the internationally trading than domestically trading elements of this sector.

Sustaining and accelerating this growth in internationally trading Financial & ICT Services firms is the main route to increasing its regional economic impact. Access to talent, high quality telecommunications infrastructure, research capacity and a supportive business ecosystem, as well as an attractive quality of life, are critical to this growth.

Higher level of foreign ownership, need to stimulate Irish owned sector for more sustainable balance

Financial & ICT Services in the region is characterised by a higher than average level of foreign ownership among internationally trading companies. This is particularly true of the largest activity of

computer programming, as well as financial services. In 2017 97.6% of assisted jobs in 'Computer Programming' were in foreign owned companies. While there has been strong recent jobs growth in Irish owned companies in this activity, it is from a very low base. Stimulating start-ups and the scaling of Irish owned technology companies, to a stage where they have the capacity to trade internationally, is important to creating a more sustainable balance in the structure of this sector in the region. This is particularly important in light of planned changes to international corporation tax rules, developments in the US and Brexit. Current initiatives such as NUIG's TechInnovate³¹ are trying to address this by facilitating technology start-ups in the region.

Growing gender imbalance

The majority of those working in Financial & ICT Services in the Western Region are men (54.9%) and the male share increased notably since 2011 when employment in the sector was evenly divided between men and women. The reason for the growing imbalance is the strong jobs growth experienced by the male dominated ICT Services sub-sector (67.9% male) compared with large job losses in the more female dominated Financial Services sub-sector (62% female). Financial Services in the region employs a considerably higher female share than nationally (52.6%) due to the greater role of consumer type services (e.g. bank branches), which employ more women, compared with international financial activities which have a greater male share.

Addressing this growing gender imbalance is important to the sector's future development in the region. Ongoing initiatives to encourage greater participation by women in computer science, technology and finance courses, addressing the perceived male culture within the sector, raising awareness of female role models and entrepreneurship programmes targeting female entrepreneurship can all help to redress this imbalance.

Key urban locations play a critical role as centres for Financial & ICT Services activity

Financial & ICT Services tend to be concentrated in larger urban locations. Within the region, Galway City and Letterkenny are the two key locations particularly in ICT Services, with Shannon/Ennis also having notable activity especially in Financial Services. While the data here from 2016 indicate quite low activity in Sligo town, there have been a number of recent large investments in this sector made in Sligo.³² It is important that the locational advantages of the region's larger urban centres are maintained and enhanced.

The availability of suitable office space, physical and digital infrastructure, links with education and training providers, access to talent and quality of life, as well as addressing issues such as traffic congestion (especially around Galway City) and rising costs, will be important to ensuring these key urban locations can enhance their regional and national role as centres for Financial & ICT Services activity.

Opportunities for growth beyond large urban locations, including remote work

The current low level of activity in this sector in the Western Region in general, and most notably in the more rural counties, means there is considerable potential for expansion, at a suitable scale, in

³¹ <http://techinnovate.org/>

³² Major US telecoms group announces 200 jobs for Sligo and Waterford, 29 May 2019 <https://www.siliconrepublic.com/jobs/allstate-sales-group-jobs-waterford-sligo>; Eir jobs announcement for Sligo, Cork and Limerick, 19 Oct 2018 <https://www.rte.ie/news/regional/2018/10/18/1004963-eir/>

these areas. There are already examples of successful activity in smaller centres, such as Cora Systems and Intuity Technologies in Carrick-on-Shannon, CBE in Claremorris, myITDepartment in Roscommon or Lionbridge in Ballina.

Developments in technology, the world of work and the need to develop more sustainable approaches means that remote work holds considerable potential for smaller urban centres and rural areas to host increasing activity in this high skill, high value and highly paid sector. Given the nature of work in this sector, often taking place online, it is particularly suited to remote work. Remote work, from home, a co-working hub or other location facilitates people to work, either full-time or for a number of days per week, closer to their home including in more rural areas. It has many benefits including reduced commuting, emissions and time spent travelling, increased spending in the local economy and improved work-life balance. It has also been found that remote working reduces costs for employers.

Initiatives such as Grow Remote³³ are currently highlighting the potential for increased remote working and also highlighting key policy changes needed to facilitate its expansion and wider acceptance among employers. Access to high speed broadband is one of the most critical factors in facilitating the expansion of this sector in more rural areas.

Limited self-employment activity in the sector, but higher in the Western Region

This sector is characterised by a low level of self-employment compared with other sectors and this is particularly the case for financial services. Though low, the incidence of self-employment in the region is notably higher than nationally at 10.3% of total employment compared with 8.6%.

Within the region, Sligo, Leitrim and Mayo have particularly high levels of self-employment, substantially higher than the regional or national averages. The difference is particularly large for ICT Services with 1 in 5 people working in this sub-sector in Leitrim and Sligo being self-employed. This implies that the structure of the sector in these counties differs from that elsewhere with many sole traders or freelancers engaged in AV production, IT services or software development and fewer large employers. Sligo had a 25% increase in the number of self-employed in this sector during 2011-2016 which may indicate the development of a cluster of self-employed ICT entrepreneurs.

An opportunity exists around Sligo, Leitrim and Mayo to target these ICT entrepreneurs, many of whom may be based in quite rural areas and smaller towns, by providing networking opportunities, business support, co-working space and opportunities to collaborate.

Access to talent is critical

Developing the Financial & ICT Services sector in the Western Region will only be possible if the region can produce and/or attract the necessary skills and talent. Skill shortages in the ICT sector have been highlighted as a constraint for many years. It is estimated that the Irish education and training system is producing a sufficient supply of IT graduates, however the rapidly evolving nature of the sector, as well as international competition for these skills, results in shortages. Particular shortages have been identified for IT project managers, software developers/engineers, web developers, IT architects, test/systems/network/security engineers and technicians with language skills.

³³ <https://growremote.ie/>

In the case of financial services, future demand for skills will be affected by the impact of Brexit. At present, shortages have been identified for business intelligence/business analysts, financial analysts and data analysts.³⁴

A co-ordinated approach between education and training providers in the region, in collaboration with employers, is needed to ensure an adequate supply of the necessary skills. Given the rapidly evolving nature of technology and processes in this sector, a strong focus on upskilling and lifelong learning is particularly critical in this area. The Regional Skills Fora provide the framework for this co-ordination. A recent skills audit undertaken by the North West Regional Skills Forum on the skills needs of the ICT and FinTech sector³⁵ and the work of county level ICT/FinTech working groups³⁶ promoting career opportunities are examples of how the region is addressing this issue.

Attracting talent to relocate to the region is the complementary approach to meeting the sector's skill needs. Promoting the quality of life, lower cost of living and shorter commuting times in the region, as well as the job and entrepreneurship opportunities available, are important to attracting people to relocate. In a recent survey of 271 professionals who had relocated to the North West (Donegal, Sligo, Leitrim) 91% of respondents said they would recommend it, 77% said they had seen an increase in their disposable income and 81% now travel to work in 30 minutes or less.³⁷ Promoting the advantages of locating in the region, both to companies in Financial & ICT Services and individuals, is important to supporting its future growth.

Demand for talent increasing the incidence of permanent full time jobs

For most of the past decade Permanent Full Time (PFT) jobs, as a share of total assisted jobs, in the Financial & ICT Services sector in the Western Region was lower than the share nationally with a greater incidence of other forms of employment (part-time, contract, temporary). The share of jobs that were PFT declined steadily in the region until 2015, in response to the recession. Since then however PFT jobs have become more common and in 2017 the share in the region (92% of all assisted jobs) was slightly higher than nationally (91.2%).

PFT jobs are more common in Financial & ICT Services than generally across all assisted sectors. This could be because employers need to offer more permanent forms of employment contract in an effort to attract the skilled talent they need. The increase in the incidence of PFT jobs in his sector since 2015 has been stronger than the increase that occurred generally across assisted sectors which seems to support this. This points to improving employment conditions in the sector as does the fact that 'Information & Communication' had the highest growth in average weekly earnings nationally over the past five years.³⁸

³⁴ Solas/National Skills Bulletin (2018), National Skills Bulletin 2018

³⁵ North West Regional Skills Forum (2018) [The skills needs of the ICT and FinTech Sectors in the North West 2018](#): Skill Audit undertaken by the North West Regional Skills Forum in Collaboration with FIT

³⁶ [ICT/FinTech experts are inspiring students in Donegal](#)

³⁷ Collins McNicholas (2019), [North West Relocation Survey](#)

³⁸ Average weekly earnings in Information & Communication increased 21.1% Q1 2014 to Q1 2019. CSO, Earnings, Hours and Employment Costs Survey Q1 2019, Table EHQ03

6.0 Conclusion

The high skill, high value Financial & ICT Services sector plays a smaller role in the Western Region's economy, in terms of its employment profile and enterprise base. The gap has widened in recent years with the region not benefitting to the same extent as elsewhere from strong growth in this sector and particularly in the internationally trading sector. The region however has experienced stronger growth in internationally trading Financial & ICT Services activities than domestically trading and there is considerable potential and capacity for further development.

The region's larger urban centres are the key locations for this activity and ensuring that the locational advantages offered by Galway City, Letterkenny, Ennis/Shannon and Sligo are maintained and enhanced should be a regional priority. Opportunities also exist to increase the geographical spread of activity with high speed broadband, good transport connections, co-working hubs, remote working and new technology all facilitating the location of enterprises and individuals in smaller centres and rural areas.

While there is generally low self-employment in the sector, counties of the North West have a higher share than elsewhere and particularly in ICT services. Facilitating networking and collaboration opportunities among entrepreneurs could help identify new growth opportunities in the sector.

Access to talent is a key constraint, with many skill shortages identified. A co-ordinated approach to the provision of education and training, especially lifelong learning, as well as initiatives to attract talent to relocate to the region will be critical to meeting the sector's skill needs. Given the growing gender imbalance in the sector, targeted efforts to increase female participation are particularly important.

Globally this is a fast growing and evolving sector. Considerable future growth opportunities exist, including convergence through FinTech. Though there is currently a relatively low level of activity in Financial & ICT Services in the region, the Western Region has the capacity to position itself to take advantage of new opportunities.

Download **Financial & ICT Services in the Western Region: Regional Sectoral Profile** and **WDC Insights: Financial & ICT Services in the Western Region** [here](#)

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Appendix 1: Population aged 15 years and over by employed in Financial & ICT Services by detailed industrial group NACE Rev 2 in western counties 2011 and 2016

Detailed industrial group	2011 (No.)	2016 (No.)	% Change	2011 (No.)	2016 (No.)	% Change
	Clare			Donegal		
Information and Communication activities	1,212	1,380	13.9%	1,458	2,027	39.0%
Publishing of books, periodicals & other publishing activities	158	108	-31.6%	153	126	-17.6%
Picture, video & television programmes, sound recording & music publishing activities	40	50	25.0%	85	91	7.1%
Programming & broadcasting activities	48	43	-10.4%	90	68	-24.4%
Telecommunications	311	310	-0.3%	256	230	-10.2%
Computer programming, consultancy & information service activities	655	869	32.7%	874	1,512	73.0%
Financial and Insurance Activities	1,515	1,381	-8.8%	1,758	1,603	-8.8%
Financial service activities (except insurance & pension funding)	885	531	-40.0%	836	557	-33.4%
Insurance, reinsurance & pension funding (except compulsory social security)	358	369	3.1%	581	693	19.3%
Activities auxiliary to financial services, except insurance & pension funding	98	203	107.1%	138	153	10.9%
Activities auxiliary to insurance & pension funding	141	134	-5.0%	189	179	-5.3%
Fund management activities	33	144	336.4%	14	21	50.0%
Total Financial & ICT Services	2,727	2,761	1.2%	3,216	3,630	12.9%
	Galway City			Galway County		
Information and Communication activities	1,573	2,139	36.0%	2,064	2,450	18.7%
Publishing of books, periodicals & other publishing activities	109	97	-11.0%	126	117	-7.1%
Picture, video & television programmes, sound recording & music publishing activities	121	138	14.0%	134	151	12.7%
Programming & broadcasting activities	76	77	1.3%	194	211	8.8%
Telecommunications	261	222	-14.9%	454	412	-9.3%
Computer programming, consultancy & information service activities	1,006	1,605	59.5%	1,156	1,559	34.9%
Financial and Insurance Activities	1,199	1,034	-13.8%	1,858	1,684	-9.4%
Financial service activities (except insurance & pension funding)	606	401	-33.8%	1,125	874	-22.3%
Insurance, reinsurance & pension funding (except compulsory social security)	348	396	13.8%	396	422	6.6%
Activities auxiliary to financial services, except insurance & pension funding	116	114	-1.7%	147	201	36.7%
Activities auxiliary to insurance & pension funding	93	80	-14.0%	151	123	-18.5%
Fund management activities	36	43	19.4%	39	64	64.1%
Total Financial & ICT Services	2,772	3,173	14.5%	3,922	4,134	5.4%

	2011 (No.)	2016 (No.)	% Change	2011 (No.)	2016 (No.)	% Change
	Leitrim			Mayo		
Information and Communication activities	214	223	4.2%	796	845	6.2%
Publishing of books, periodicals & other publishing activities	22	25	13.6%	118	106	-10.2%
Picture, video & television programmes, sound recording & music publishing activities	16	19	18.8%	41	39	-4.9%
Programming & broadcasting activities	11	14	27.3%	37	65	75.7%
Telecommunications	75	62	-17.3%	267	189	-29.2%
Computer programming, consultancy & information service activities	90	103	14.4%	333	446	33.9%
Financial and Insurance Activities	331	285	-13.9%	1,010	797	-21.1%
Financial service activities (except insurance & pension funding)	224	182	-18.8%	674	477	-29.2%
Insurance, reinsurance & pension funding (except compulsory social security)	66	49	-25.8%	163	147	-9.8%
Activities auxiliary to financial services, except insurance & pension funding	22	27	22.7%	60	81	35.0%
Activities auxiliary to insurance & pension funding	16	20	25.0%	107	82	-23.4%
Fund management activities	3	7	133.3%	6	10	66.7%
Total Financial & ICT Services	545	508	-6.8%	1,806	1,642	-9.1%
	Roscommon			Sligo		
Information and Communication activities	433	520	20.1%	461	495	7.4%
Publishing of books, periodicals & other publishing activities	57	42	-26.3%	58	45	-22.4%
Picture, video & television programmes, sound recording & music publishing activities	18	20	11.1%	26	37	42.3%
Programming & broadcasting activities	41	34	-17.1%	39	37	-5.1%
Telecommunications	185	187	1.1%	174	121	-30.5%
Computer programming, consultancy & information service activities	132	237	79.5%	164	255	55.5%
Financial and Insurance Activities	654	561	-14.2%	561	460	-18.0%
Financial service activities (except insurance & pension funding)	431	332	-23.0%	387	261	-32.6%
Insurance, reinsurance & pension funding (except compulsory social security)	100	112	12.0%	61	81	32.8%
Activities auxiliary to financial services, except insurance & pension funding	38	45	18.4%	34	52	52.9%
Activities auxiliary to insurance & pension funding	74	62	-16.2%	78	54	-30.8%
Fund management activities	11	10	-9.1%	1	12	1100.0%
Total Financial & ICT Services	1,087	1,081	-0.6%	1,022	955	-6.6%

	2011 (No.)	2016 (No.)	% Change	2011 (No.)	2016 (No.)	% Change
	Western Region			State		
Information and Communication activities	8,211	10,079	22.7%	68,531	90,070	31.4%
Publishing of books, periodicals & other publishing activities	801	666	-16.9%	6,538	5,518	-15.6%
Picture, video & television programmes, sound recording & music publishing activities	481	545	13.3%	3,988	5,119	28.4%
Programming & broadcasting activities	536	549	2.4%	4,458	4,428	-0.7%
Telecommunications	1,983	1,733	-12.6%	15,433	15,629	1.3%
Computer programming, consultancy & information service activities	4,410	6,586	49.3%	38,114	59,376	55.8%
Financial and Insurance Activities	8,886	7,805	-12.2%	92,837	90,878	-2.1%
Financial service activities (except insurance & pension funding)	5,168	3,615	-30.1%	54,027	46,674	-13.6%
Insurance, reinsurance & pension funding (except compulsory social security)	2,073	2,269	9.5%	19,812	20,821	5.1%
Activities auxiliary to financial services, except insurance & pension funding	653	876	34.2%	8,278	9,945	20.1%
Activities auxiliary to insurance & pension funding	849	734	-13.5%	5,852	5,446	-6.9%
Fund management activities	143	311	117.5%	4,868	7,992	64.2%
Total Financial & ICT Services	17,097	17,884	4.6%	161,368	180,948	12.1%

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

Appendix 2: Population aged 15 years and over employed in Financial & ICT Services in western towns 2011 and 2016

Towns	2011		2016		% Change 2011-2016
	No. Employed	% of Total Employment	No. Employed	% of Total Employment	
Galway City and suburbs	2,806	8.7%	3,220	9.1%	14.8%
Ennis	638	6.5%	658	6.2%	3.1%
Letterkenny	862	12.0%	1,111	14.3%	28.9%
Sligo	287	4.1%	276	3.9%	-3.8%
Castlebar	180	3.8%	159	3.3%	-11.7%
Ballina	179	4.6%	133	3.7%	-25.7%
Shannon	365	9.3%	280	6.7%	-23.3%
Tuam	159	5.3%	149	4.5%	-6.3%
Buncrana	130	6.3%	120	5.0%	-7.7%
Ballinasloe	67	3.0%	78	3.4%	16.4%
Westport	97	3.9%	102	3.6%	5.2%
Roscommon	76	3.6%	77	3.4%	1.3%
Loughrea	94	4.8%	107	4.6%	13.8%
Oranmore	272	10.8%	275	10.6%	1.1%
Ballybofey-Stranorlar	93	6.1%	92	5.6%	-1.1%
Athenry	127	7.5%	135	7.1%	6.3%
Carrick-on-Shannon	105	6.3%	89	5.1%	-15.2%
Claremorris	88	6.3%	62	4.0%	-29.5%
Gort	46	4.4%	49	3.9%	6.5%
Ballinrobe	45	4.1%	40	3.6%	-11.1%
Kilrush	22	2.7%	29	3.6%	31.8%
Sixmilebridge	90	8.7%	87	7.5%	-3.3%
Donegal	58	5.8%	54	5.0%	-6.9%
Boyle	59	7.0%	39	4.7%	-33.9%
Carndonagh	33	5.2%	28	3.5%	-15.2%
Ballyhaunis	23	2.8%	19	2.2%	-17.4%
Ballyshannon	26	3.3%	20	2.5%	-23.1%
Bearna	96	11.8%	98	11.0%	2.1%
Castlerea	28	4.3%	24	3.6%	-14.3%
Tubbercurry	20	3.0%	20	2.9%	0.0%
Bundoran	26	3.7%	18	2.4%	-30.8%
Ballaghaderreen	13	2.5%	16	2.7%	23.1%
Newmarket-on-Fergus	46	6.3%	55	6.8%	19.6%
Strandhill	42	5.7%	45	5.6%	7.1%
Moycullen	77	10.9%	64	8.6%	-16.9%
Lifford	26	6.0%	28	6.0%	7.7%
Collooney	N/A	N/A	29	4.4%	N/A
Clifden	59	6.6%	24	3.5%	-59.3%
Ballymote	21	3.8%	14	2.6%	-33.3%
Convoy	N/A	N/A	36	7.5%	N/A

Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB030