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WOMEN PIVOTING TO DIGITAL TASKFORCE

Untapped Digital Talent: the £3bn opportunity

HIGH-LEVEL SUMMARY

The City of London Corporation's Women Pivoting to Digital Taskforce

FEBRUARY 2026

The UK is home to some of the most successful and innovative financial and professional services and technology (FPS and tech) businesses in the world.[1] Yet the digital talent that underpins their competitiveness is becoming increasingly difficult to find. This is already limiting growth potential and poses a risk to the sectors' future position: £3.3 billion in sector profits could be lost to the digital talent gap between 2024 and 2035 if the problem is not addressed.[2]

The current digital talent pipeline isn't keeping pace with rising demand. In 2024, **41% of organisations reported an inability to grow and respond to new opportunities due to talent shortages**.[3] Traditional pipelines can no longer be relied upon: entry-level and junior tech roles have declined even as demand for AI and technology specialists increases. This means fewer people are developing the foundational skills and experience needed to progress into more advanced digital roles. Demographic pressures add a further constraint. By 2035, **approximately 260,000 highly skilled workers are expected to leave** the financial services sector through retirement and attrition, even as demand for their capabilities continues.[4]

This underlines the opportunity to embrace non-traditional forms of recruitment and access a previously overlooked pool of high-potential talent. Mid-career women in non-technical roles, women returning from career breaks, and women who have completed short, targeted digital training or career-change programmes represent **a substantial and largely underutilised source of digital capability**. Evidence also shows that teams that bring in people with varied professional experiences are better at identifying unmet consumer needs, designing products that resonate with wider user groups, and spotting opportunities in emerging markets.

The latest research from the City of London Corporation's Women Pivoting to Digital Taskforce reveals that a significant share of this potential talent is already available, and in many cases already working within organisations. Organisations contributing to this research noted that when individuals transition into digital roles from other parts of the business, they often **strengthen decision-making** by bringing fresh insight into customer behaviour, market gaps and real-world use cases. Despite common assumptions, many mid-career women are actively interested in moving into digital roles. Demand for reskilling programmes, pivot-to-tech events and women-only inspiration sessions consistently exceed capacity, and employers report oversubscription for internal pathways aimed at women.

With carefully designed pathways and support for both employer and employee, these individuals can transition successfully into digital roles, perform strongly, and provide a host of benefits to businesses. This also creates a clearer route for women into roles with growth prospects, offering better long-term security and progression as automation reshapes the workforce.

Between 2024 and 2035, it is estimated that approximately £10.8 billion in GVA could be lost to the digital talent gap, as well as an associated £3.3 billion in profits.

Digital talent in a tight labour market

Technological adoption now underpins productivity, competitiveness, and growth across FPS and tech sectors. Organisations that lead in digital and AI deployment consistently outperform their peers, achieving between two and six times higher total shareholder returns than those that lag behind.[5] Digital adoption supports everything from customer experience and operational resilience to regulatory compliance and product innovation.

Yet employers are operating in an increasingly challenging labour market. In 2024, 28% of vacancies across financial and professional services and technology were classified as 'hard to fill', with **close to 12,100 unfilled digital roles across both sectors**.[6] Each of these carries a material cost. On average, a vacant digital position is associated with an **annual productivity loss of £78,600 and a profit loss of £24,500, rising to more than £140,000 in productivity losses** per vacancy in financial services alone.[7] Across FPS and tech, unfilled digital roles cost businesses almost **£1 billion in lost productivity in a single year**.[8]

This talent pool is also being 'deskilled' (more of their skills need to be updated) at alarming rates. Over 40 years ago, the 'half-life' of the average skill (the time it takes for a skill to lose half of its market value) was approximately ten years. In 2021, it was estimated to be **less than five years and as low as two-and-a-half years in some tech roles**.[9]

As a result, competition for experienced digital hires has intensified. Between April 2023 and April 2024, weekly full-time earnings in tech and finance rose by 9.5%, more than three percentage points above the national average.[10] While this reflects the value placed on digital skills, it also highlights the limits of relying on external hiring alone to meet demand.

Why traditional hiring is not closing the gap

FPS and tech sectors have traditionally relied on – and continue to find value in – standard recruitment approaches. Most firms have well-established processes and expectations in place around hiring graduates. Experienced consultants have wide networks and intimate knowledge of what the firms need, making them trusted partners in sourcing talent.

Yet standard approaches can also systematically exclude capable women, particularly as the dependence on automated screening tools, with baked-in algorithmic bias, increases. **In 2024, only 21% of the tech workforce were women**, in contrast with approximately 51% of women in the UK workforce.[11] This reduces to 17% for key digital roles in the financial sector like IT director.[12]

Rigid requirements for recent experience, narrow definitions of 'relevant' backgrounds and an over-reliance on formal qualifications all favour linear career paths. Additionally, a general distrust of CV gaps can negatively impact (disproportionately female) professionals taking a break for caring responsibilities. 46% of returners see recruiter bias against a CV gap as their top barrier to returning.[13]

The filters traditionally used to screen for talent say little about an individual's ability to learn, adapt or perform in a digital role. As a result, large numbers of potential career-changers – with increasingly valuable critical thinking and communication skills developed over years in the workplace – are overlooked.

> **The career break was actually the secret sauce. It made them bring something different and special and complimentary.**
>
> *- Julianne Miles, Co-Founder and Executive Chair of Career Returners*

Most digital roles require continuous upskilling regardless of prior experience, making the distinction employers often draw between “upskilling” existing staff and “reskilling” people from non-technical backgrounds less meaningful than it appears. In practice, everyone must learn. **The question is who employers are prepared to invest in**.

In FPS, clerical and administrative roles – disproportionately held by women – are among those most exposed to automation and AI. One estimate suggests that **approximately 425,000 women in administrative and secretarial positions could lose their jobs by 2035**.[14]

This scale of potential displacement carries significant financial implications for employers. Redundancy and external rehiring entail substantial costs including severance payments, recruitment fees, alongside the loss of institutional knowledge and customer insight. Research indicates that reskilling an existing employee rather than firing and rehiring **can save organisations an average of £49,025 per employee**. Consequently, firms in the FPS and tech sectors could collectively **avoid approximately £757 million in severance payments by reskilling female workers** displaced by automation rather than making them redundant.[15] [16]

But reskilling programmes must be carefully designed to target the right talent pool. Insights from **Microsoft’s** skills training programme reveal that while open digital skills sessions only attracted 2-3% women, sessions specifically marketed to women filled immediately. 15,000 women have now completed the "technical inspiration" training.[17]

Employers acknowledged that misconceptions about women’s interest and readiness for digital roles can unintentionally narrow the talent pool. Many women show strong motivation to retrain when accessible routes are available, and several firms reported that women who joined these programmes progressed quickly once in role.

Early signs of success

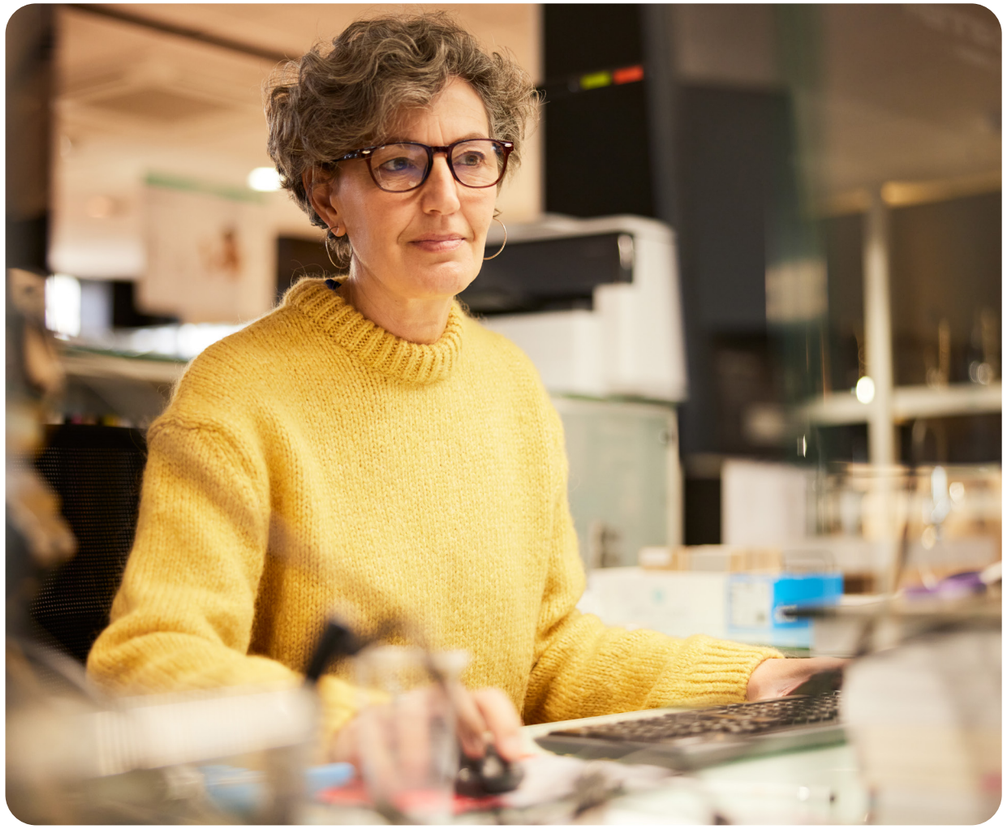
A growing number of employers across financial and professional services and technology are already demonstrating that **alternative approaches work**.

Organisations that assess for potential rather than prior technical experience, invest in targeted training and de-risk hiring through structured pathways are starting to fill digital roles faster and with stronger long-term outcomes.[18] One organisation reported that, since introducing reskilling programmes, **the time to fill roles has fallen by 85%**,[19] with more than two-thirds of positions now filled internally. Such a reduction has a direct impact on productivity, as roles are filled faster and recruitment resources can be allocated more efficiently.

For example, **Lloyds Banking Group’s** recently launched Reskill Academy supports colleagues to broaden skills and strengthen their readiness for future opportunities, helping them build capability and progress confidently as they pursue new pathways and navigate the next steps in their careers. Employers using structured ‘return to work’ and deploy-to-perm models[20] like **Career Returners** regularly convert 80% to 90% of participants into permanent roles.[21]

What distinguishes these approaches is a **different definition of risk**, focusing on transferable skills and existing organisational knowledge, rather than external talent with more recent or direct experience. Paying a premium for scarce external talent only to experience high turnover carries its own costs. By selecting for aptitude, motivation and learning agility, and teaching technical skills in role to those who need them, employers are building capability that is more loyal, more stable and better aligned to organisational needs.

99% The percentage of participants who secured permanent digital roles having completed secondments as part of a re-skilling pilot.[22]



There are additional benefits beyond vacancy filling. Employees reskilled from customer-facing or operational roles bring deep understanding of users, systems and processes. Including more women in digital teams also **strengthens product design and user experience**. Several employers noted that women brought different perspectives on customer behaviour, risk, accessibility and communication, which helped create services that worked better for a broader range of users. Once trained in areas such as data analysis, quality engineering or software development, they are often particularly effective at designing digital products. They also bring **valuable institutional knowledge** and familiarity with internal culture and processes, which makes it easier for them to apply any new learning and remain competitive. Research consistently links broader perspectives and a wider skills base within teams to **better decision-making and innovation**.

> **Reskillers have a greater motivation to succeed. If you've been given a chance, you want to prove you're worthy of it.**
>
> *- Jane Pitt, TechHer Founder, Microsoft*

Over time, these approaches also strengthen retention. Jane Pitt, the Founder of TechHer at Microsoft, argues that investment in development is one of the strongest predictors of whether employees choose to stay with an organisation.[23] Reskilling pathways create a stable internal pool from which future technical and leadership talent can be developed, reducing reliance on volatile external labour markets and improving organisational resilience.

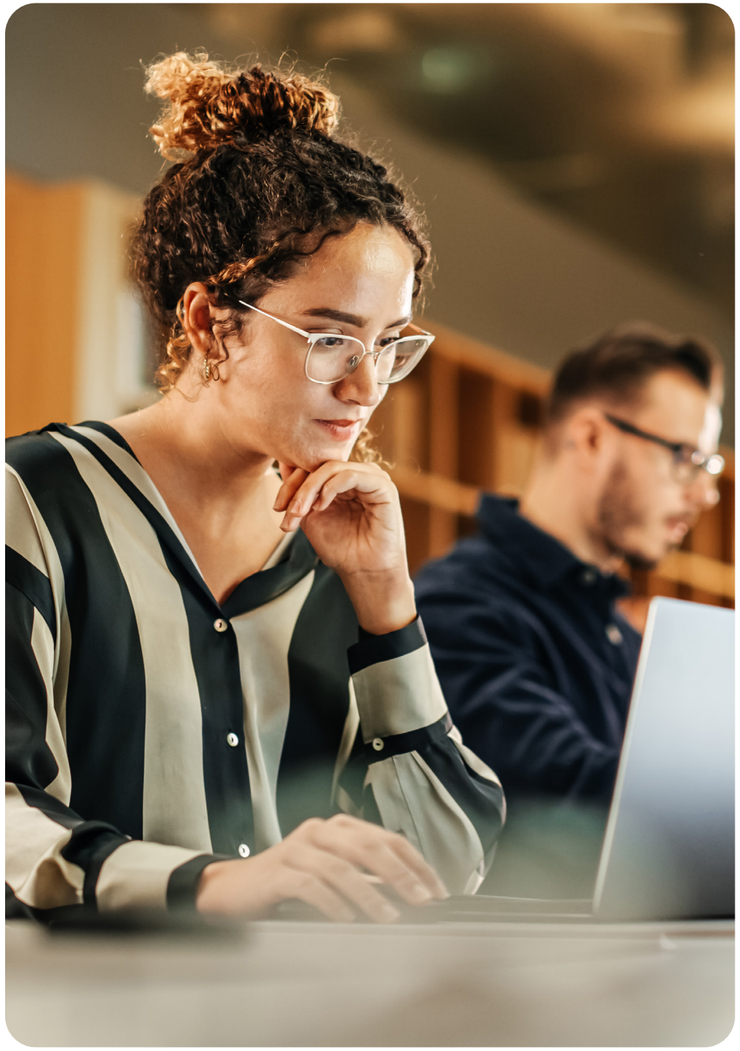
Making it work: Structured pathways to success

Aviva's Three-Tier Pathway:
Aviva has a 'Foundry' model that supports employees in progressing from curiosity to role readiness through three levels of development. These include one-hour immersion sessions to spark interest, followed by either eight-week part-time bootcamps to build skills, or 14-week 'Mastery Academies' with protected learning time for full role-ready reskilling.

CAPSLOCK and FDM's 'Deploy-to-Perm' Models:
These pathways de-risk the transition for employers by providing intensive training (such as CAPSLOCK's 16-week cyber program) and then placing the individual in the organisation on a contract or day-rate basis before they are eventually hired permanently. CAPSLOCK report >70% placement within 6 months with an average £15,000 salary uplift. Around 35% of candidates are women (double the sector average).

Lloyds Banking Group:
Lloyds Banking Group has reskilled small cohorts from branches and telephony centres into data and technology focused roles. Augmented by 'incubation labs' that replicate the Lloyds work environment, colleagues are supported to bridge the gap between training and live production. More recently, Lloyds launched a Reskilling Academy to provide self-directed learning pathways for any colleague wishing to invest their time, ensuring colleagues can acquire new skills to future proof their careers either within or outside the Group.

Career Returners Return-to-Work Specialists:
Career Returners partners with employers to fill their talent gaps while enabling professionals who have taken a long career break to get back to fulfilling work. Partner employers are often motivated by an interest in improving their retention rates and bringing in fresh perspectives. For example, JPMorgan has seen 80% of programme completers placed into roles since 2013, with a retention rate of 70% after placement.



Implications for growth and competitiveness

For the UK economy, the implications are significant. **Unfilled digital roles cost the FPS and tech sectors £949 million in lost productivity in 2024**.[24] Mid-career reskilling remains a relative gap in the national skills system, despite growing evidence about the impacts of automation. Without effective transition pathways, large numbers of capable people risk being sidelined, while employers continue to struggle to fill growth-critical roles. In addition, vacancies for entry-level positions are at their lowest level since 2020.[25] The system is therefore under pressure at both ends of the pipeline, with early-career entry routes contracting just as mid-career displacement risks rise. This means that if experienced workers are displaced, the **traditional pipeline can't be relied on to replace them**.

The financial and professional services and tech sectors are core drivers of the UK's growth and innovation and therefore have a particular opportunity to lead. Firms that establish credible reskilling pathways now are well positioned to demonstrate leadership on issues that are already attracting regulatory, investor and industry attention. Strengthening pathways for mid-career women also supports firms in making progress on commitments around gender balance in technical and leadership roles, where progress through traditional recruitment has often been slow.

Guidance for employers

Analysis of successful reskilling programmes across FPS and tech sectors suggests that organisations looking to address digital talent gaps through non-traditional recruitment should:

1. **Audit roles at risk of automation** to understand where displacement is likely and where reskilling could offer a practical alternative to redundancy. This helps firms plan ahead and identify potential pathways into digital careers.
2. **Start with a small pilot**, focused on a limited number of digital roles where demand is high and skills are most transferable. This helps demonstrate value and reduces risk.
3. **Secure early sponsorship** from senior leaders, hiring managers and HR teams so that training time, role availability, and internal processes are aligned.
4. **Use selection processes that assess aptitude and motivation**, rather than relying on recent technical experience or degree requirements.
5. **Work with training providers, local councils, and Job Centres** to hire talent who have undergone a bootcamp or short courses.
6. **Design training to be flexible and accessible**, often using virtual and part-time formats that fit around existing roles and responsibilities.
7. **Combine technical training with support for transferable skills**, including confidence, communication and problem solving, which employers found critical to long-term performance.
8. **Provide coaching and structured support** from application through placement and into the first months in role, helping to address the experience gap and build confidence on both sides.
9. **Track conversion and retention outcomes** and share early success stories internally to build support among managers and staff.

If firms do nothing, they remain exposed to rising recruitment costs, persistent vacancies and slower progress on digital transformation. By acting now to broaden routes into digital roles and invest in reskilling, they can strengthen their competitiveness while supporting wider objectives around productivity, innovation and inclusive growth.

Endnotes

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The Women Pivoting to Digital Taskforce is a flagship initiative of the City of London Corporation designed to address digital talent shortages across the financial, professional services, and tech sectors. This document forms part of the programme's wider set of evidence-based outputs and acts as the high-level summary of the full report produced by the Centre for Economics and Business Research (CEBR). It condenses key arguments, findings, and calls to action to support businesses in reshaping their digital workforce strategies.

For wider programme context, please see the WPD webpage: https://www.cityoflondon.gov.uk/supporting-businesses/financial-professional-services/women-pivoting-to-digital.