

# Why are the wages of a banker higher?

[Finance](#), [Banks](#)



Wage differential is the difference in wages of workers who possess different skills, knowledge and expertise in the same industry as compared to others workers with similar qualifications in other industries or geographical regions. Bankers' income is more than that of nurses due to compensating differentials also referred as equalizing difference. Equalizing difference is the additional income offered to the worker to entice or motivate them accepts a given job over another different job that a worker could perform. Therefore, workers (like nurses) will prefer taking up lower paying job with better working conditions (Bade & Parkin, 2009, p. 254). A banker works longer hours as compared to a nurse who usually works for a given standard number of hours each day or night of the week. The latter works for long even after the banking halls have closed in order to reconcile the days' work. For this reason, they are paid higher wages than nurses, who work on standardized periods.

Admittedly, bankers work during unsocial hours, which make it hard for them to have a healthy social life involving socializing time with friends and family. Since everyone depends on money for sustenance, a banker plays a vital role in ensuring that the livelihoods of people are sustained. Following this, they are supposed to receive a higher remuneration than nurses do. Money handling is a risky task because economic, social and political wellbeing of the nation depends on the availability of money. Bankers handle large volumes of money, which exposes them to the risk of fraud, miscalculations, omissions, lose, and embezzlement; high levels of accountability, integrity and accuracy is required during their banking duties. From such situations, the banker income must be more than that of the nurse to offset the risks

and working at unsocial hours as compared with a nurse. On the other hand, nurses pay is lower to that of bankers due to fewer mitigated risk, normal working hours are moderated into shifts ensuring that nurses have available recreational time.

Human capital also is a determinant factor that seeks to explain the difference in income between bankers and nurses. The return on investment for education and skills acquired for years of education should be reflected on the amount of income that the individual is entitled to in the given occupation. For this reason, the banker is paid higher because he is more productive compared to a nurse. A nurse can only provide services to a single patient, whereas a banker provides services to many customers transacting businesses within a short time. Customers' deposits and withdrawals are worth millions of dollars, and it only takes the banker a few minutes to collect such revenue. Apart from that, Livelihoods result from tapping wealth created by producers and manufacturers. However, neither bankers nor nurses are involved in wealth creation, but in the provision of services that tap into wealth creation. Provision of impersonal and personal services is paramount for both professions to earn respective incomes. Nurses provide personal services, whereas bankers provide impersonal services. The ability to provide these two forms of services is from years of education and training. Impersonal services offered by the banker can be replicated, and offered to many customers, but personal services cannot be duplicated.

Society, highly regards bankers more than nurses. The society fails to appreciate the vast talent, the long hours, the personalized services and the diverse knowledge that nurses possess. When nurses go on strike, there is a nationwide outcry, for the government, to address their grievances for them to go back to work. However, if a bank branch closes down, customers make complains and later they, search for another bank, to transact their business. This shows the nature of societal values when it comes to the preference between the two occupations. The market also values bankers more as they provide the necessary input to ensure that the livelihood of everyone is catered. Money is useful in buying necessities, and bankers are the intermediaries who ensure that these transactions run smoothly. The economy prosperity depends on bankers as money changes hands thus the market survival is highly influenced by banking business.

Bankers are capable of easily translating and applying their knowledge and expertise from the banking sector to other sectors in administrative, clerical, accounting, research and educative capacities. Nursing knowledge and skills is purposely for the provision of medical services and, therefore, cannot be used, in other sectors, to generate revenue. Training in banking provides diverse avenues of channeling the knowledge and experience to boost growth and development in other industries. Agreeably, the difference in skill levels between bankers and nurses creates the gap in their earnings.

Economic growth in any nation is a combination of many parameters, but it is through banks that governments issues funds for this development.

Nurses depend on the inflow of patients and the money collected from the patients pay to determine their income. In an event that, the same

parameter is used in paying bankers, then the latter receives a high remuneration than the former because such internal administrative policies.

Moreover, the difference in productivity and revenue collection determines the variations in wages between nurses and bankers. Bankers are capable of generating more revenue and based on that, they are entitled for a higher pay. Products like loans, mortgages, utilities payment services and acting as agents for their customers contribute many revenue streams. Their management considers rewarding their teams for the exemplary job they do in revenue collection. For this reason, bankers' wages becomes higher than that of nurses. On the other hand, nurses provide personal services to patients and the hospital admission collects the charges for their services. Nursing management, sometimes, does not recognize the nature of the work their members usually do and as a result, they result to paying them low wages. In addition, bankers offer safekeeping services for valuable items like jewels, stocks certificates all of which are kept at exorbitant charges. Therefore, bankers have more money available to allow a higher income than nurses do. The productivity of the banker is evidently much higher for the given period as compared to a nurse for the same considerable amount of time.

Labor immobility between bankers and nurses dictates the amount of wages that they accrue. Bankers are less mobile than nurses are because different banks, states and countries practice different tax systems, bank policies, monetary and fiscal policies (Kingma, 2006, p. 38). On the other hand, nurses are more mobile as the profession is same in different places.

Therefore, bankers are paid more due to their immobility as their application of banking knowledge and expertise is restricted over vast geographical locations. Mobility of labor is subject to international labor rates that regulate the amount a given profession is worth in any country. Labor is not perfectly mobile and is dictated by market forces. The demand for bankers due to their diverse nature of qualification contributes to the higher pay. In addition, the opportunity cost of hiring and retaining a banker is much higher than that of a nurse. Consequently, employers consider hiring and paying bankers a higher wage compared to nurses. (Mennemeyer & Gaumer, 2003, p. 38). Bankers have diverse expertise in insurance, stock exchange, marketing and sales all of which are fields that other markets consider as a valuable addition and will thus make the banker be paid more than a nurse.

Future prospects for a banker are more through acquiring knowledge in a given market niche of the bank. Bankers will train and encourage their staff to pursue courses in insurance, marketing, administrative, co-operatives, trusts and mutual funds. Therefore, the banker will continually advance career wise and have more qualifications that are readily utilized within the bank and in other sectors and thus the future prospects of the banker are higher than that of the nurse (Bank Group, 2011, p. 47). Possibility of promotion in the banking sector is also higher than in the nursing sector. Experience and qualifications is rewarded by promotion with many benefits and allowances and this will contribute to the overall income.

Job security arising from regularity of employment determines the income between nurses and bankers. Nurses are normally employed by

governments or agencies regulated by the ministry of health, whereas bankers practice their profession in the private sector. Government jobs offer security of tenure with benefits like pension upon retirement, lower interest rates for saving in the respective Sacco's (Hirsch & Schumacher, 2012, p. 1098). However, bankers' job is not secured due to the ever-changing private sector. The risk of job loss in banking profession due to unforeseen external factors like unfavorable government regulations and policies like higher rates of interest imposed on banks may lead to termination of employment. In order to offset these uncertainties, the banker's income is considerably higher than that of a nurse.

Occupational segregation affects the amount of money that different sexes earn; hence, the reason why men are paid higher than women. Until recently, the nursing profession was predominantly considered a female profession, whereas banking was considered the male sex profession. The reason for the wage variations is not discrimination against women, but discrimination against women's occupations. This is also reflected in the societal norms and culture, which define women roles and rewards in the community (Ault & Rutman, 2008, p. 732)

Employer's discrimination among nurses is higher as compared to the banking sector; thus, contributing to lower pay in nursing profession. Doctors are highly regarded due to the number of years of education and training whereas nurses are over-shadowed by the doctors' achievements and specialization. The hospital administration will pay very high salaries to doctors in their attempt to retain their services in that hospital and leave

little money to pay to the nurses. Bankers on the other hand have an already established payment bracket as initial pay from which it increases over time with experience and qualifications gained (Bureau of Labor Statistics, 2008, p. 1). The initial salary paid out to the banker is set much higher than that of the nurses due to differences in profession, qualification, ability to generate and collect revenue.

Trade union protection for nurses is less effective when it comes to negotiating for salaries and other working conditions. Benefits, allowances and salary for nurses are usually agreed, but the government does not uphold its end of the bargain. Following this, nurses usually take to the streets as others quit the profession because of low wages. Furthermore, nurses union usually solicits for support from other unions in various sectors to present their grievances to the government (Heyes, 2005, p. 576). This way, they lack the power to advocate for the rights of their members; hence, leave nurses with an option of earning low wages. Bankers, however, do not have unions to bargain their terms of employment; workers negotiate their own pay.

The nature of banking provides a platform to negotiate wages, which is agreeable to both the banks and its employees due to the highly sensitive nature of the services and products that the bank offers. The price of keeping highly confidential information that can easily entice anyone to commit corporate fraud if under paid are reduced by paying higher than the requirements of the industrial standard (Tung, 2011, p. 1219). The government normally compromises the nurses pay agreement by offering



officials of the union bribes, allowances and other perks to continually keep the wages of the nurses low. This has been the main rationale why nurses earn low wages as compared to bankers.

Concisely, it is evident that bankers are well paid than nurses due to the diversity of their qualifications in their respective fields of specialization. Compensation or the opportunity cost of retaining the banker, for the long tiresome hours, is higher than that of a nurse because of the nature of the products dealt with by these two occupations. Bankers hold sensitive, confidential and expensive information, based on this, their management considers paying them higher than nurses do in order to avoid fraudulent attempts. Societal structures are also to blame for the continued preference of bankers over nurses. The society defines one's profession in monetary terms. Bankers are considered as playing a vital role as compared to nurses; hence, receive a high wage.