

Careers in Finance¹

Overall employment of financial analysts and personal financial advisors is expected to increase **faster than average** for all occupations through 2014, resulting from increased investment by businesses and individuals. Personal financial advisors will benefit even more than financial analysts as baby boomers save for retirement and as a generally better educated and wealthier population requires investment advice. In addition, people are living longer and must plan to finance more years of retirement. The globalization of the securities markets also will increase the need for analysts and advisors to help investors make financial choices. Financial analysts and personal financial advisors who have earned a professional designation are expected to have the best opportunities.

Median annual earnings, including bonuses, of financial analysts were \$81,700 and personal financial advisors were \$89,220 in May 2007. Median annual earnings in the industries employing the largest numbers of financial analysts and personal financial advisors in 2007 were as follows:

Other financial investment activities	\$106,060
Securities and commodity contracts intermediation and brokerage	97,020
Insurance carriers	70,795
Depository credit intermediation	72,405

A career in finance provides diverse opportunities including corporate financial management, investment management, financial institution management and personal financial planning. Within a corporation or financial institution, finance focuses on all aspects of cash management, such as acquisition of funds, investment of funds, and the disbursement of excess funds. External to the corporation, financial analysis is used by creditors in evaluating the credit-worthiness of borrowers (both corporate and consumer), by pension funds, mutual funds and insurance companies for the purpose of creating investment portfolios. Consultants use finance in advising firms on financial and operating strategies. Finally, a career in finance can involve assisting individuals with personal financial planning, portfolio creation, personal investment and debt management.

¹ Adapted from Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, 2008-09 Edition*, Financial Analysts and Personal Financial Advisors, on the Internet at <http://www.bls.gov/oco/ocos259.htm> (visited August 21, 2008)

Job Titles in Finance²

Financial analysts work for banks, insurance companies, securities firms, and other businesses, helping these companies or their clients make investment decisions. Financial analysts read company financial statements and analyze commodity prices, sales, costs, expenses, and tax rates in order to determine a company's value and to project its future earnings. Usually, financial analysts study an entire industry, assessing current trends in business practices, products, and industry competition. They must keep abreast of new regulations or policies that may affect the industry, as well as monitor the economy to determine its effect on earnings.

Personal financial advisors use their knowledge of investments, tax laws, and insurance to recommend financial options to individuals in accordance with the individual's short-term and long-term goals. Some of the issues that planners address are retirement and estate planning, funding for college, and general investment options. While most planners offer advice on a wide range of topics, some specialize in areas such as retirement and estate planning or risk management.

Controllers direct the preparation of financial reports that summarize and forecast the organization's financial position, such as income statements, balance sheets, and analyses of future earnings or expenses. Controllers also are in charge of preparing special reports required by regulatory authorities. Often, controllers oversee the accounting, audit, and budget departments.

Treasurers and finance officers direct the organization's financial goals, objectives, and budgets. They oversee the investment of funds, manage associated risks, supervise cash management activities, execute capital-raising strategies to support a firm's expansion, and deal with mergers and acquisitions.

Property and real estate managers maintain and increase the value of real estate investments by handling the logistics of running a property and oversee the performance of income-producing commercial or residential properties and ensure that real estate investments achieve their expected revenues.

Insurance underwriters decide if insurance is provided and under what terms. They are needed to identify and calculate the risk of loss from policyholders, establish who receives a policy, determine the appropriate premium, and write policies that cover this risk. An insurance company may lose business to competitors if the underwriter appraises risks too conservatively, or it may have to pay excessive claims if the underwriting actions are too liberal.

Loan officers guide clients through the process of applying for a loan. They gather personal information about clients and businesses to ensure an informed decision regarding their creditworthiness and the probability of repayment. Loan officers may also provide guidance to prospective borrowers who have problems qualifying for traditional loans. For example, loan officers might determine the most appropriate type of loan for a particular customer and explain specific requirements and restrictions associated with the loan.

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