Career Outlook

BLS

Financial specialists: Working with money

Sara Royster | June 2014

We need money in nearly all aspects of our lives: to buy things, to eliminate debt, and to invest in the future. But we also need financial know-how to manage our money successfully.

With a career as a financial specialist, you could help clients achieve their life goals. “To be able to tell people that they can do the things they want to do—buy a house or send their child to college or retire early—is very rewarding,” says financial planner Melissa Motz of Harleysville, Pennsylvania. “It’s nice to be a part of that.”

Financial specialists provide advice about money in lots of ways. For example, they may manage investments for clients, extend loans, or check financial statements for accuracy. Some, like Motz, interact directly with clients; others work to ensure that the institutions using money are run properly.

And from Wall Street to Main Street, more than 1 million job openings are expected for financial specialists who have the right skills and training, according to the U.S. Bureau of Labor Statistics (BLS). Some of these openings are expected to arise from the need to replace workers who are leaving their occupation permanently.

This article gives an overview of financial specialists. The first section describes recent changes to their work, highlights the occupations, and presents employment and wage data. The second section describes the pros and cons of the work. And the third section covers the skills and other requirements needed to enter these occupations. Sources for more information are listed at the end of the article.

Working with money

Financial specialists offer analysis and advice about a variety of money-related issues. BLS data and information provide insight into what workers do in these occupations.

But learning about the work of financial specialists begins with understanding the way their work has changed.

The changing financial world

In recent years, financial specialist work has evolved. For example, some of the industries that employ these workers have changed rapidly because of increased oversight and consolidation of firms. Advances in technology also have helped to shape the work.

Greater oversight. Numerous corporate scandals, financial crises, and the 2007–09 recession have resulted in greater oversight of financial specialist occupations. Stricter, more complex rules are in place that affect how workers handle other people’s money.

New laws and regulations also have created new opportunities. For example, more financial specialists are needed now to ensure that their organizations comply with the current standards.

Consolidation of firms. Because of an increased number of mergers, financial services businesses are now mostly large, multinational companies. A variety of financial specialists is needed to ensure that these companies operate legally and are fiscally sound.

Technology. Technology also has affected financial specialists' work. For example, financial analysts use computer programs that track stock prices in real time and execute trades automatically. And online banking and financial-planning software allow people to take a more active role in decisions involving their money, so financial specialists may be less involved in helping customers with everyday transactions.

Financial specialist occupations

Financial specialists' daily tasks vary by occupation, but their goals can be similar. For example, helping individuals or businesses make sound financial decisions is often a central part of their work. Most of these workers need detailed knowledge of the rules and regulations that apply to their jobs, such as accounting principles, tax codes, and financial regulations.

Accountants and auditors. Accountants keep track of the money that an individual or a business earns and spends. Using computer software, accountants analyze spending habits and may offer advice on how to budget money more efficiently. They also prepare and submit financial paperwork to government regulators.

Auditors are employed by businesses to evaluate the accuracy of an accountant's work. They also review financial decisions for accuracy and legality and report their findings to investors and legal authorities.

Appraisers and assessors of real estate. The duties of these workers involve determining the financial worth of land, structures, and neighborhoods.

Real estate appraisers inspect properties and verify descriptions of real estate in the public record. There are two types of appraisers: commercial and residential. Commercial appraisers value properties used for business purposes, such as office buildings and retail space, while residential appraisers do so for housing properties.

Assessors usually work for local governments and value neighborhoods for tax purposes. They use computer programs to apply mathematical formulas that appraise large numbers of properties at once.

Budget analysts. Businesses, schools, governments, and other organizations employ budget analysts for financial advice. Using computer software, budget analysts review cost and revenue data and recommend spending levels. They also ensure that an organization's budgets are accurate and complete and meet all legal requirements.

Throughout the fiscal year, budget analysts oversee spending and make recommendations to approve or disapprove spending requests. In their oversight role, analysts ensure that organizations adhere to their financial plan.

Credit analysts. Banks and other lending institutions employ credit analysts to determine the risk involved in making loans to individuals and businesses. Using computer software, credit analysts evaluate an applicant's creditworthiness and recommend whether lenders should offer the applicant a loan.

Credit analysts also prepare detailed reports of individuals' or businesses' credit histories for credit bureaus and loan officers.

Credit counselors. Credit counselors advise individuals and businesses about getting loans, setting financial goals, and managing debt. On the basis of their client's financial goals, credit counselors recommend different types of loans and payment plans to help with debt repayment.

And to ensure that clients get the best loan possible, some credit counselors negotiate the loan's terms and payment plans with lenders.

Financial analysts. Financial analysts consider an individual's or business' financial goals and provide investment advice consistent with those goals. They typically specialize by industry, region, or product. For example, a financial analyst specializing in investment by region may study economic trends in Asia, such as those in China or India.

Using computer software, financial analysts study economic trends, historical data, and financial statements. They write reports for senior managers and clients to support investment recommendations.

Financial examiners. Financial examiners review balance sheets, revenue and spending data, and loan documents and prepare reports about a bank's or an organization's financial condition.

Financial examiners also review government policies and may issue guidelines to help institutions comply with new regulations.

Insurance underwriters. Insurance underwriters evaluate applications for life insurance, health insurance, and property and casualty insurance. To decide whether to provide coverage, they analyze an applicant's risk and recommend how much insurance to provide and how much to charge for it.

Loan officers. Loan officers decide whether to approve or deny loans. They review the loan applications of individuals and businesses and gather relevant financial documents to make recommendations.

Loan officers often are responsible for guiding borrowers through the lending process. Some loan officers specialize in loan collection, which deals with borrowers who do not make their payments on time.

Personal financial advisors. These workers prepare financial plans for individuals and businesses to help these clients reach financial goals. They assess the client's financial status and present different options for investing money, buying insurance, and funding retirement products.

Advisors meet with clients periodically to make sure that their earnings, savings, and investments are on track.

Tax examiners and collectors, and revenue agents. Tax examiners and revenue agents are employed by federal, state, and local governments for help with collecting taxes. They review tax returns, conduct audits, and identify taxes owed.

Collectors track down taxpayers who owe money on their tax accounts. They also may help taxpayers set up a plan to settle their debt over time.

Tax preparers. Tax preparers help individual and small-business clients complete and file their tax returns. Many tax preparers meet with clients regularly to assist with tax planning.

All other financial specialists. BLS groups together a number of other types of financial specialists.

For example, financial quantitative analysts develop products for individuals and financial institutions to use when making decisions about lending, borrowing, saving, investing, and managing risk. Risk management specialists help businesses identify ways to minimize operational and related risks. And fraud examiners, investigators, and analysts gather evidence, produce reports, and testify in court about suspected cases of improper financial activity.

Employment, wages, and outlook

There are millions of financial specialists in the United States, and they work in nearly every industry. These financial specialists had median annual wages that were higher than $35,080, the median annual wage for all wage and salary occupations in 2013. The projected job outlook varies by occupation.

Data for the 13 financial specialist occupations that BLS studies are shown in the table below. The table includes 2012 employment, projected employment change for the 2012–22 decade, and 2013 wages.

Financial specialist employment, 2012; projected job growth, 2012-22; and wages, 2013

Occupation	Employment, 2012	Employment change (percent), projected 2012-22	Median annual wage, 2013
Accountants and auditors	1,275,400	13.1	65,080
Loan officers	296,900	7.7	61,420
Financial analysts	253,000	15.5	78,380
Personal financial advisors	223,400	27.0	75,320
Other financial specialists	155,800	6.1	62,510
Insurance underwriters	106,300	-6.1	63,780
Tax preparers	87,600	9.9	35,310
Appraisers and assessors of real estate	83,700	5.6	51,030
Tax examiners and collectors and revenue agents	69,500	-3.9	50,610
Credit analysts	61,800	10.4	64,030
Budget analysts	61,700	6.1	70,110

See footnotes at end of table.

Financial specialist employment, 2012; projected job growth, 2012-22; and wages, 2013

Occupation	Employment, 2012	Employment change (percent), projected 2012-22	Median annual wage, 2013
Credit counselors	30,900	20.7	40,280
Financial examiners	29,200	6.3	76,890

Note: The median annual wage for all occupations in 2013 was $35,080; overall employment is projected to grow about 11 percent between 2012 and 2022.
Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics program (wages) and Employment Projections program (employment, projected growth)

Employment. In 2012, about 2.7 million financial specialists were employed nationwide. The occupation with the most employment, accountants and auditors, had nearly 1.3 million jobs spread out across almost every industry. The occupation with the least employment, financial examiners, had about 29,200 jobs in fewer industries.

Financial specialists work for many kinds of institutions, including banks, insurance and mortgage companies, and credit card firms. In addition, some financial specialists are self-employed. For example, BLS data show that real estate appraisers and assessors, tax preparers, and personal financial advisors have relatively high rates of self-employment.

Some financial specialists have limited options for employment. Insurance underwriters, for example, work mostly for insurance carriers and for agencies and brokerages.

Wages. In 2013, median wages in financial specialist occupations ranged from $35,310 per year for tax preparers to $78,380 per year for financial analysts. The median wage is the point at which half of all workers in the occupation made more than that amount and half made less.

BLS data show that wages varied in industries that employed financial specialists. For example, in 2013, median annual wages for financial specialists in the management, scientific, and technical consulting services industry ($70,290) were higher than those in the depository credit intermediation industry ($61,020). Both of these industries employ large numbers of financial specialists.

Data from the National Association of Colleges and Employers (NACE) show that finance and insurance, one of the five industries hiring the most college graduates in 2014, had the highest average starting salary of these five industries: $55,003. According to NACE data, this amount also is higher than the overall average starting salary of $45,473 for all industries.

Outlook. About half of the occupations listed in the table are projected to have employment growth that is at least 11 percent, the average for all occupations between 2012 and 2022. And three occupations—credit counselors, financial analysts, and personal financial advisors—are projected to have employment growth that is at least faster than average over the decade.

The rapid growth expected in those three occupations may be tied to factors such as a rising number of older people, increasingly complex financial portfolios, and declining use of employer pensions. In addition, these workers' expertise is difficult to replace with automation. The services of personal financial advisors, for example, are expected to be sought after by baby boomers nearing retirement and by governments and corporations facing budget shortfalls.

In contrast, either sluggish growth or a decline in employment for some financial specialists is projected when technology improves productivity. The need for insurance underwriters, for example, is expected to fall because of automated underwriting software that helps workers process insurance applications quickly.

Booms and busts of financial work

Like any job, financial specialist work has both positive and negative elements. But some of the challenges presented by the work can be exciting and demanding.

In some high-paying occupations, for example, there is intense competition for available jobs. Occasionally, these jobs are stressful because of tight deadlines, the high-pressured work environment, and circumstances that are out of the workers' control, such as investment volatility.

Financial specialists typically have a 9-to-5 schedule, although some work longer hours and on weekends to meet their clients' needs. Some occupations have limited periods of intense work, such as most tax preparers' busy season from January through the April 15 filing deadline.

But there are lots of things financial specialists say they enjoy about their jobs. For example, many of these workers like that there is often a correct way of doing things, whether balancing an accounting ledger or advising clients about how to comply with financial regulations.

Other workers find satisfaction in solving problems and offering personalized advice. "I like being able to help people make their money work for their goals," says financial planner Paul White of Gainesville, Virginia.

In addition, say financial specialists, their work often attracts a certain type of person. “So much of what we do requires trust,” says Joanne Fiore, of the American Institute of Certified Public Accountants (AICPA) in New York, New York. “Whether you’re interacting with clients, meeting with department heads, or leading a team of your colleagues, you need to be trustworthy.”

These like-minded workers often are willing to help each other. “This is a very supportive industry,” says accountant and AICPA chairman William Balhoff.

However, a major drawback for many financial specialists is working in an industry that is highly regulated by the government. It can be exhausting to stay abreast of the many changing rules about what workers can and cannot do when dealing with clients’ finances. “You have to keep up with regulatory changes every year,” says White, “and that takes time and effort.”

Financial matters are highly personal, and working with other people’s money is frequently a sensitive subject. “You need to make people feel like they can be open,” says Motz. “This means asking a lot of questions and really listening to their answers.”

Workers also sometimes deal with people who are difficult or have unrealistic expectations. And advising clients who are angry or who have experienced financial hardship is often distressing. “It can be difficult dealing with clients’ fears,” says White, “especially when it’s because of something out of your control, like a decline in the stock market.”

Bearing bad news is no fun, either, but it’s part of the job. “A lot of uncertainty and turmoil exists in this type of work,” says Motz. “You have to be prepared to disappoint people occasionally.”

But listening to clients and becoming invested in their goals shows that you care. “Clients can tell if you have a passion for the work,” says Motz, “and they’re more likely to trust you if you do.”

Invest yourself in career preparation

To be successful, financial specialists usually need certain skills, in combination with education, training, and licensure or certification.

Skills

Financial specialists must be able to identify problems and suggest possible solutions. “With good analytical skills, you can take information in, process it, and turn it into something useful,” says Balhoff. “This ability will help you make yourself valuable.”

Math skills are critical. Interpreting facts and figures—to analyze the terms of a loan, to calculate the value of financial products, and to evaluate the accuracy of balance sheets—is an integral part of financial specialists’ daily work.

Working with large amounts of data requires financial specialists to be precise, to pay attention to detail, and to be accurate.

The ability to communicate is essential for financial specialists, whose work requires guiding clients through decision making, asking questions, and listening to the answers. Workers also need to present their findings and recommendations to clients, coworkers, and senior staff. “Being able to talk about your work is almost as important as the work itself,” says Balhoff.

Similarly, financial specialists need strong interpersonal skills. Handling clients’ money and making suggestions about their finances can be delicate, so workers must earn clients’ trust. “It helps to be good with people and to be able to understand and motivate them,” says White.

Self-employed financial specialists need an additional ability: the initiative to seek out new clients and promote themselves. Networking, such as by joining a professional organization and connecting through social media, is one way to meet others and to develop contacts.

Making industry contacts is helpful in other ways, too. “If you have that network of people to reach out to,” says Balhoff, “it keeps you from being limited by your own knowledge.”

Education and other credentials

Because of the complexity of their work, financial specialists usually need at least a bachelor’s degree to get an entry-level job. Additional requirements, such as on-the-job training and licensure or certification, are required for some occupations.

BLS has determined the education and training requirements that are typically needed for workers to enter an occupation and to attain competency in it. Specific requirements, however, vary from one position to another.

Education. You can begin preparing for a financial specialist career as early as high school. Accounting, economics, and other business-related classes are important—but so is aptitude for one subject in particular, says White: “You have to be good at math.”

Afterschool pursuits may be helpful. “Extracurricular activities are good ways to develop oral and written communication skills,” says Fiore. “Join a club and take a leadership role.”

Tax preparer is the only financial specialist occupation that BLS designates as typically requiring a high school diploma, not a bachelor’s degree, for entry. However, says Motz, people seeking tax preparer positions may get a degree to make themselves more attractive to potential employers. “The 4-year degrees are becoming so popular,” she says, “that even though it’s possible to work without one, it’s getting much harder.”

Employers may prefer to hire college graduates who have studied a particular subject. Bachelor’s degrees in finance, business administration, and accounting are common among financial specialists. A small but growing number of colleges and universities offer specialized degrees in disciplines such as financial planning.

Courses that help students develop business acumen and people skills are useful in preparing for financial specialist work. “Public speaking classes will help you in meetings and presentations,” Motz says. “And they will also give you confidence when talking to clients.”

Some workers get a master’s degree, often when they want to specialize in a particular area.

Internships held during college provide students with an opportunity to gain valuable experience. “Working as an intern can really help you get a taste for the work and decide if it’s right for you,” says Fiore. Seeking informational interviews and talking with workers in the industry are other great ways to learn about the occupations and to start networking.

Training. Many financial specialists need on-the-job training to become competent at the tasks required in their occupation. This training may include learning from workers who have a lot of experience or completing employer-sponsored, formal programs.

For example, occupations such as loan officers, tax preparers, and insurance underwriters typically require moderate-term on-the-job training, which can range from 1 to 12 months in length.

Appraisers and assessors of real estate is the only occupation that typically requires long-term on-the-job training, which takes more than 12 months.

Accountants and auditors, financial analysts, and personal financial advisors are among the occupations that do not require any type of occupation-specific on-the-job training for workers to attain competency.

Licensure or certification. Licensure or certification is recommended or required for workers in some financial specialist occupations. For example, accountants must be licensed to file reports with the Securities and Exchange Commission.

To become licensed, workers usually must complete a specific course of study and then pass an exam. Requirements vary by state; specific information is available from state licensing boards.

To maintain their license, workers typically need to pay a fee and to take continuing education classes annually. These courses help workers to keep abreast of changes in policies and regulations that affect their industry.

Earning optional certifications, such as the Chartered Financial Analyst designation for financial analysts, can lead to better employment prospects—and, often, to higher pay.

Regardless of what education or other credentials are required, however, financial specialists should be willing to learn throughout their careers. “Technology and other aspects of our jobs keep changing, and we need to keep up,” says Balhoff. “As businesspeople, we must tell ourselves ‘We’ve got to keep getting better.’”

Sources for more information

The occupations discussed in this article aren’t the only ones related to financial work. For example, securities, commodities, and financial services sales agents buy and sell stocks, bonds, and other investment products. Brokerage clerks help with administrative tasks related to the purchase and sale of these investments. And financial managers ensure that organizations meet their financial goals.

To learn about the job duties, education, licensure or certification, projected outlook, and more associated with these occupations—and hundreds of others—see the *Occupational Outlook Handbook*.

As mentioned previously, many financial specialists are self-employed. To learn more about working for yourself, see Self-employment: What to know to be your own boss.

The following professional organizations provide more detailed information, including education and licensure or certification requirements, for the financial specialists described in this article:

Accountants and auditors

American Institute of CPAs

(202) 737-6600

service@aicpa.org

National Society of Accountants

Toll free: 1 (800) 966-6679

members@nsacct.org

Institute of Internal Auditors

(407) 937-1111

customerrelations@theiia.org

Appraisers and assessors of real estate

American Society of Appraisers

Toll free: 1 (800) 272-8258

asainfo@appraisers.org

Appraisal Institute

Toll free: 1 (888) 756-4624

aiservice@appraisalinstitute.org

For information about becoming an appraiser, visit

The Appraisal Foundation

(202) 347-7722

info@appraisalfoundation.org

Financial analysts

For information about becoming a Chartered Financial Analyst, visit

CFA Institute

Toll free: 1 (800) 247-8132

info@cfainstitute.org

Insurance underwriters

The American College of Financial Services

Toll free: 1 (888) 263-7265

Loan officers

Mortgage Bankers Association

Toll free: 1 (800) 793-6222

Personal financial advisors

For information about financial planner study programs, visit:

The National Association of Personal Financial Advisors

Toll free: 1 (888) 333-6659

info@napfa.org

For information about becoming a Certified Financial Planner (CFP), visit

The CFP Board

Toll free: 1 (800) 487-1497

mail@cfpboard.org

Financial Planning Association

Toll free: 1 (800) 322-4237

member.services@OneFPA.org

For information about becoming a financial advisor, visit

National Association of Insurance and Financial Advisors

(703) 770-8100

membersupport@naifa.org

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