CAREER CLUSTERS—FOCUSING EDUCATION ON THE FUTURE

Preparing for Career Success in Finance

CC9006

Career Clusters Prepare All Students for College and Careers

Career Clusters prepare learners of all ages for the information age as schools, colleges, and employers strive for higher achievement in science, math and communication. One key to improving learner achievement is providing learners with relevant contexts for studying and learning. Career Clusters offer these contexts by linking school-based learning with the knowledge and skills required for continued success.

The Concept of Career Clusters

Career Clusters identify the knowledge and skills learners need as they follow a pathway toward their career goals. The knowledge and skills identified form a strong basis for learner success whether the learners are in high school, college, technical training, or in the workplace.

How to Pursue Education and Training in Finance

There are thousands of challenging educational and training opportunities within the high-skilled world of Finance. Learners need a solid background in math, science and technical skills. Education and training can be obtained in high schools, technical colleges, two-year community colleges, four-year colleges, and career technical schools/institutes.

Along the way, career guidance professionals assist learners in assessing their educational goals, interests, abilities and skills to facilitate a good match to the cluster's many pathway options. Learners participate in relevant educational opportunities framed in the context of the cluster. They gain knowledge and skills through coordinated workplace learning experiences such as site visits, job shadowing and internships. If they choose, they may achieve valuable skill certifications that lead to employment. Colleges and universities offer advanced degrees and industry certifications that prepare learners for professional and technical careers.

Career Pathways at a Glance

The Finance Career Cluster is divided into four pathways. Pathways are grouped by the knowledge and skills required of occupations in these career fields. Each pathway provides instruction as a basis for success in an array of careers and educational pursuits.

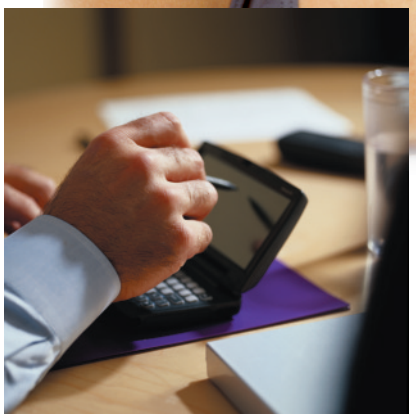
The Four Pathways

- Financial and Investment Planning
- Business Financial Management
- Banking and Related Services
- Insurance Services

What Is the Finance Career Cluster?

The Finance Cluster prepares learners for careers in financial and investment planning, banking, insurance and business financial management.

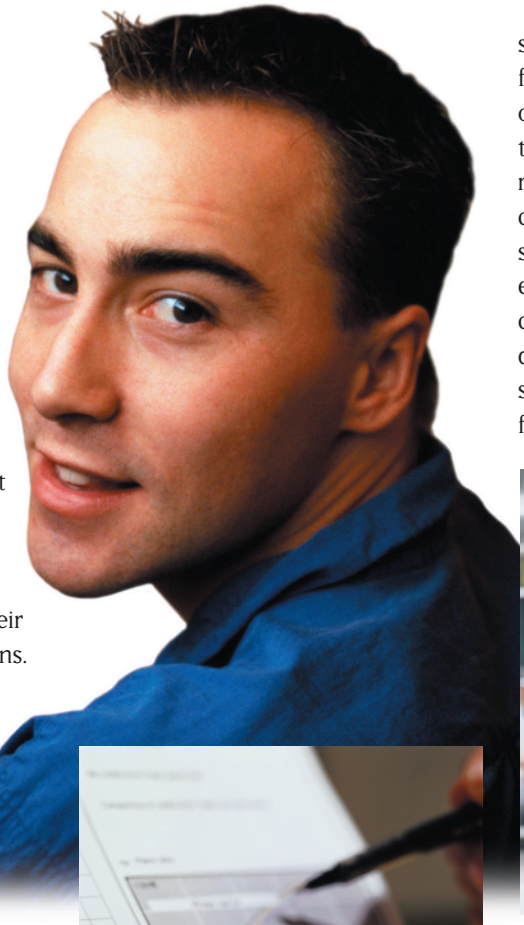
Career opportunities are available in every sector of the economy and require specific skills in organization, time management, customer service and communication.



Employment Outlook

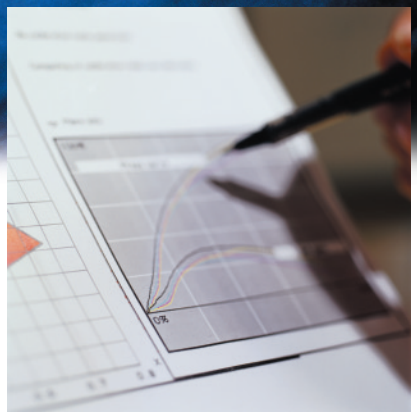
The finance industry is a critical sector of the United States economy with over six million people employed in finance-related occupations. Although some of the finance occupations project only moderate growth through the year 2008, the advances in technology and trends toward direct marketing provide exciting and challenging opportunities for careers across all areas of the cluster. In the next few years, many new jobs will be added and many openings will result from the need to replace experienced workers who leave jobs.

Financial and Investment Planning



Overview

Employees working in the Financial and Investment Planning pathway provide investment analysis and guidance to help businesses and individuals with their investment decisions.



Sample Occupations

- Personal Financial Advisor
- Tax Preparer
- Sales Agent for Securities and Commodities
- Investment Advisor
- Brokerage Clerk
- Development Officer

Credentials

Most jobs require at least a bachelor's degree from a four-year university or college in business administration, accounting, statistics, economics or finance. Professional organizations offer certification programs that are recognized marks of competency in the profession. Most require experience and passing a comprehensive exam that demonstrates competence in specific components of the field. Examples are Certified Financial Analyst and Certified Financial Planner. Securities and commodities sales agents must meet state licensing requirements, which usually include passing an examination. Good interpersonal and communication skills, along with a strong desire to succeed, are important qualifications for this profession.

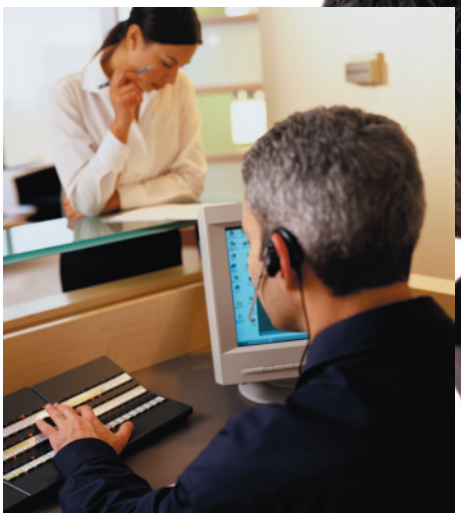
Employment Outlook

Employment in the securities and commodities industry is projected to increase 40 percent through the year 2008. Job growth will be fueled primarily by the increasing levels of investment in securities and commodities in the global marketplace along with the growing need for investment advice. Increased investment by businesses and individuals is expected to cause faster-than-average employment growth for financial analysts and personal financial advisors through 2010. In addition to the many new job openings stemming from this growth, a large number of openings will occur as people retire or leave the industry for other reasons. According to the latest statistics, securities, commodities and financial services sales agents make median annual salaries of $56,080. Financial analysts earn $52,420, and financial advisors earn $55,320 in median annual earnings.

Business Financial Management

Overview

Employees in the Business Financial Management pathway help design, install, maintain and use general accounting systems to prepare, analyze and verify financial reports and related economic information to help make important financial decisions for an organization.

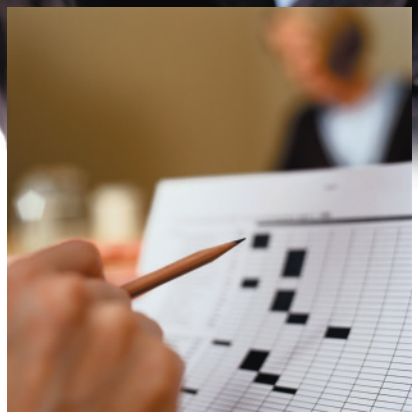


Sample Occupations

- Accountant
- Financial Analyst
- Treasurer
- Controller
- Chief Revenue Agent
- Auditor
- Economist
- Tax Examiner
- Collector
- Revenue Agent

Credentials

Most jobs require at least a bachelor's degree in accounting or a related field from a four-year university or college. Professional organizations offer certification programs that are recognized marks of competency in the profession. Most require experience and passing a comprehensive exam that demonstrates competence in specific components of the field. Examples are Certified Public Accountant and Certified Purchasing Professional. Job seekers who obtain professional recognition through certification or licensure, a master's degree, proficiency in accounting and auditing computer software, or specialized expertise will have an advantage in the job market.



Employment Outlook

Employment of accountants and auditors is expected to grow about as fast as the average for all occupations through the year 2010. Numerous job openings will occur from growth within the industry and the need to replace accountants and auditors who retire or transfer to other occupations. The most successful job applicants will have college degrees and some work experience. Competition will remain keen for jobs in major accounting and business firms. According to the latest statistics, accountants and auditors earn median annual salaries of $43,500 .

Banking and Related Services

Overview

Employees working in the Banking and Related Services pathway provide loans, credit and payment services to businesses and individuals.

Sample Occupations

- Credit Analyst
- Loan Officer
- Bill and Account Collector
- Teller
- Loan Processor
- Data Processor
- Internal Auditor
- Title Researcher and Examiner
- Repossession Agent
- Operations Manager
- Debt Counselor

Credentials

Bank tellers and other clerks usually need only a high school education. Most banks seek people who have good basic math and communications skills, enjoy public contact and feel comfortable handling large amounts of money. Sales representatives in financial services and workers in executive, administrative and managerial banking jobs usually have a college degree. The Institute of Financial Education and the American Institute of Banking offer courses that help prepare workers for positions with more responsibilities. Earnings in the banking industry vary significantly by occupation.

Employment Outlook

Employment in the banking industry is expected to increase three percent through the year 2008. Much of the increase is expected to occur in credit unions, small regional banks and saving institutions. Projected employment varies by occupation. The number of tellers will decline, while growth is expected for loan officers, customer service representatives, and sales representatives for securities and financial services. Advances in technology are expected to significantly affect future employment. Despite declining employment, job openings for tellers arising from replacement needs should be plentiful because turnover is high and the occupation is large. Earnings in the banking industry vary significantly by occupation. In general, greater responsibilities command a higher salary. Salary levels are also influenced by experience, length of service and, especially, the location and size of the bank.

Insurance Services

Overview

Employees in the Insurance Services pathway provide protection to individuals and businesses against financial losses resulting from a variety of situations.

Sample Occupations

- Claims Agent
- Examiner
- Investigator
- Claims Clerk
- Insurance Appraiser
- Underwriter
- Actuary
- Sales Agent
- Customer Service Agent
- Processing Clerk
- Direct Marketing Specialist

Credentials

The amount of education required to work in the insurance services industry depends on the duties and responsibilities of the positions. For sales jobs and other managerial and professional jobs, employers prefer to hire workers with a degree in business administration or a related field. For actuarial jobs, companies prefer candidates to have degrees in actuarial science, mathematics or statistics. Actuaries must pass a series of national examinations to become fully qualified.

Completing all exams generaly takes from 5 to 10 years. Some of the exams may be taken while in college, but most require extensive home study. All insurance agents and brokers must obtain a license from the state in which they do business. In most states, licenses are issued only to applicants who complete specified courses and pass written examinations covering insurance fundamentals and state insurance laws. Earning a master's degree helps employees advance to higher levels of management. Many insurance companies expect their employees to take continuing education courses to increase their professionalism and knowledge of the industry.

Employment Outlook

Employment in the insurance industry is projected to increase 10 percent through the year 2008. While demand for insurance is expected to rise, downsizing, computerization and a trend towards direct mail and telephone sales will limit job growth. Nevertheless, many openings will be available to replace those who leave and to accommodate the industry's push into the broader financial services field. According to the latest statistics, median annual earnings are $43,150 for insurance underwriters, $66,590 for actuaries, $38,750 for sales agents and $41,080 for claims adjusters, examiners and investigators.

Career Clusters link what students learn in school with the knowledge and skills they need for success in college and careers.

The 16 Career Clusters

Agriculture, Food & Natural Resources
Architecture & Construction
Arts, A/V Technology & Communications
Business, Management & Administration
Education & Training
Finance
Government & Public Administration
Health Science
Hospitality & Tourism
Human Services
Information Technology
Law, Public Safety & Security
Manufacturing
Marketing, Sales & Service
Science, Technology, Engineering & Mathematics
Transportation, Distribution & Logistics

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States' Career Clusters

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