

also increase demand for personal financial advisors to provide advice on how to invest this money.

Deregulation of the financial services industry is also expected to spur demand for financial analysts and personal financial advisors. Since 1999, banks, insurance companies, and brokerage firms have been allowed to broaden their financial services. Many firms are adding investment advice to their list of services and are expected to increase their hiring of personal financial advisors. Many banks are now entering the securities brokerage and investment banking fields and will increasingly need the skills of financial analysts in these areas.

The globalization of the securities markets as well as the increased complexity of many financial products also will increase the need for analysts and advisors to help investors make financial choices. In addition, business mergers and acquisitions seem likely to continue, requiring the services of financial analysts. However, in the field of investment banking, the demand for financial analysts may fluctuate because investment banking is sensitive to changes in the stock market. And further consolidation in the financial services industry may eliminate some financial analyst positions, somewhat dampening overall employment growth. Competition is expected to be keen for these highly lucrative positions, with many more applicants than jobs.

### Earnings

Median annual earnings of financial analysts were \$52,420 in 2000. The middle half earned between \$40,210 and \$70,840. The lowest 10 percent earned less than \$31,880, and the top 10 percent earned more than \$101,760.

Median annual earnings in the industries employing the largest numbers of financial analysts in 2000 were:

Security and commodity services .....	\$65,920
Security brokers and dealers .....	54,650
Management and public relations .....	52,690
Computer and data processing services .....	51,680
Commercial banks .....	46,910

Median annual earnings of personal financial advisors were \$55,320 in 2000. The middle half earned between \$34,420 and \$96,360. The lowest 10 percent earned less than \$25,110, and the top 10 percent earned more than \$145,600.

Median annual earnings in the industries employing the largest number of personal financial advisors in 2000 were:

Security brokers and dealers .....	\$66,150
Security and commodity services .....	61,430
Commercial banks .....	49,880

Many financial analysts receive a bonus in addition to their salary, which can add substantially to their earnings. The bonus is usually based on how well their predictions compare to the actual performance of a benchmark investment. Personal financial advisors who work for financial services firms are generally paid a salary plus bonus. Advisors who work for financial planning firms or who are self-employed either charge hourly fees for their services or charge one set fee for a comprehensive plan based on its complexity. Advisors who manage a client's assets usually charge a percentage of the assets under management. A majority of advisors receive commissions for financial products they sell in addition to a fee.

### Related Occupations

Other jobs requiring expertise in finance and investments or sales of financial products include accountants, financial managers, insurance sales agents, real estate agents, and securities, commodities and financial services sales representatives.

### Sources of Additional Information

For information on a career in financial planning, contact:

► The Financial Planning Association, 1700 Broadway, Suite 708, Denver, CO 80290. Internet: <http://www.fpanet.org>

For information about the Certified Financial Planner certification, contact:

► The Certified Financial Planner Board of Standards, 1700 Broadway, Suite 2100, Denver, CO 80290-2101. Internet: <http://www.cfp-board.org>

For information about the Chartered Financial Consultant designation, contact:

► The American College, 270 South Bryn Mawr Ave., Bryn Mawr, PA 19010. Internet: <http://www.amercoll.edu>

For information on about the Chartered Financial Analyst designation, contact:

► Association of Investment Management and Research, P.O. Box 3668, 560 Ray C. Hunt Drive, Charlottesville, VA 22903. Internet:

<http://www.aimr.org>

## Financial Managers

(O\*NET 11-3031.01, 11-3031.02)

### Significant Points

- A bachelor's degree in finance, accounting, or a related field is the minimum academic preparation, but many employers increasingly seek graduates with a master's degree.
- The increasing need for financial expertise will spur employment growth.

### Nature of the Work

Almost every firm, government agency, and organization has one or more financial managers who oversee the preparation of financial reports, direct investment activities, and implement cash management strategies. As computers are increasingly used to record and organize data, many financial managers are spending more time developing strategies and implementing the long-term goals of their organization.

The duties of financial managers vary with their specific titles, which include controller, treasurer, credit manager, and cash manager. *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 and manage associated risks, supervise cash management activities, execute capital-raising strategies to support a firm's expansion, and deal with mergers and acquisitions.

*Cash managers* monitor and control the flow of cash receipts and disbursements to meet the business and investment needs of the firm. For example, cashflow projections are needed to determine whether loans must be obtained to meet cash requirements or whether surplus cash should be invested in interest-bearing instruments. *Risk* and *insurance managers* oversee programs to minimize risks and losses that may arise from financial transactions and business operations undertaken by the institution. They also manage the organization's insurance budget. *Credit managers* oversee the firm's issuance of credit. They establish credit-rating criteria, determine credit ceilings, and monitor the collections of past-due

accounts. Managers specializing in international finance develop financial and accounting systems for the banking transactions of multinational organizations.

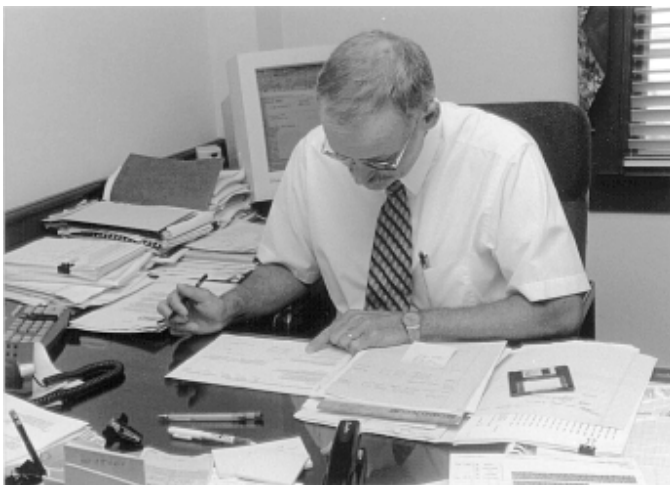
Financial institutions, such as commercial banks, savings and loan associations, credit unions, and mortgage and finance companies, employ additional financial managers who oversee various functions, such as lending, trusts, mortgages, and investments, or programs, including sales, operations, or electronic financial services. These managers may be required to solicit business, authorize loans, and direct the investment of funds, always adhering to Federal and State laws and regulations. (Chief information officers and other financial executives are included in the *Handbook* statement on top executives.)

Branch managers of financial institutions administer and manage all the functions of a branch office, which may include hiring personnel, approving loans and lines of credit, establishing a rapport with the community to attract business, and assisting customers with account problems. Financial managers who work for financial institutions must keep abreast of the rapidly growing array of financial services and products.

In addition to the general duties described above, all financial managers perform tasks unique to their organization or industry. For example, government financial managers must be experts on the government appropriations and budgeting processes, whereas healthcare financial managers must be knowledgeable about issues surrounding healthcare financing. Moreover, financial managers must be aware of special tax laws and regulations that affect their industry.

Areas in which financial managers play an increasingly important role involve mergers and consolidations, and global expansion and financing. These developments require extensive, specialized knowledge on the part of the financial manager to reduce risks and maximize profit. Financial managers increasingly are hired on a temporary basis to advise senior managers on these and other matters. In fact, some firms contract out all accounting and financial functions to companies that provide these services.

The role of the financial manager, particularly in business, is changing in response to technological advances that have reduced the amount of time it takes to produce financial reports significantly. Financial managers now perform more data analysis and use it to offer senior managers ideas on how to maximize profits. They often work on teams, acting as business advisors to top management.



*Financial managers oversee the preparation of financial reports, direct investment activities, and implement cash management strategies.*

Financial managers need to keep abreast of the latest computer technology in order to increase the efficiency of their firm's financial operations.

### **Working Conditions**

Financial managers work in comfortable offices, often close to top managers and to departments that develop the financial data these managers need. They typically have direct access to state-of-the-art computer systems and information services. Financial managers commonly work long hours, often up to 50 or 60 per week. They generally are required to attend meetings of financial and economic associations and may travel to visit subsidiary firms or to meet customers.

### **Employment**

Financial managers held about 658,000 jobs in 2000. Although these managers are found in virtually every industry, more than one-fourth were employed by services industries, including business, health, social, and management services. About 3 out of 10 were employed by financial and related institutions, such as banks, savings institutions, finance companies, credit unions, insurance companies, securities dealers, and real estate firms.

### **Training, Other Qualifications, and Advancement**

A bachelor's degree in finance, accounting, economics, or business administration is the minimum academic preparation for financial managers. However, many employers increasingly seek graduates with a master's degree, preferably in business administration, economics, finance, or risk management. These academic programs develop analytical skills and provide knowledge of the latest financial analysis methods and technology.

Experience may be more important than formal education for some financial manager positions—notably, branch managers in banks. Banks typically fill branch manager positions by promoting experienced loan officers and other professionals who excel at their jobs. Other financial managers may enter the profession through formal management trainee programs offered by the company.

Continuing education is vital for financial managers, reflecting the growing complexity of global trade, shifting Federal and State laws and regulations, and a proliferation of new and complex financial instruments. Firms often provide opportunities for workers to broaden their knowledge and skills by encouraging employees to take graduate courses at colleges and universities or attend conferences related to their specialty. Financial management, banking, and credit union associations, often in cooperation with colleges and universities, sponsor numerous national and local training programs. Persons enrolled prepare extensively at home, then attend sessions on subjects such as accounting management, budget management, corporate cash management, financial analysis, international banking, and information systems. Many firms pay all or part of the costs for those who successfully complete courses. Although experience, ability, and leadership are emphasized for promotion, advancement may be accelerated by this type of special study.

In some cases, financial managers also may broaden their skills and exhibit their competency in specialized fields by attaining professional certification. For example, the Association for Investment Management and Research confers the Chartered Financial Analyst designation on investment professionals who have a bachelor's degree, pass three test levels, and meet work experience requirements. The National Association of Credit Management administers a three-part certification program for business credit professionals. Through a combination of experience and examinations, these financial managers pass from the level of Credit Business Associate to Credit Business Fellow and, finally, to Certified

Credit Executive. The Association for Financial Professionals (AFP) confers the Certified Cash Manager credential to those with a minimum of 2 years of relevant experience who pass a computer-based exam, and the Certificate in International Cash Management to those who participate in a self-study and examination program. In partnership with the University of Michigan Business School, AFP also offers the Certificate in Finance and Treasury Management, which recognizes professionals who demonstrate competencies in financial and treasury management at the senior level. More recently, the Association of Government Accountants has begun to offer the Certified Government Financial Manager certification to those who have a bachelor's degree, at least 2 years of relevant experience, and who pass three examinations. Financial managers who specialize in accounting may earn the Certified Public Accountant (CPA) or Certified Management Accountant (CMA) designations. (See the *Handbook* statement on accountants and auditors.)

Candidates for financial management positions need a broad range of skills. Interpersonal skills are increasingly important because these jobs involve managing people and working as part of a team to solve problems. Financial managers must have excellent communication skills to explain complex financial data. Because financial managers work extensively with various departments in their firm, a broad overview of the business is essential.

Financial managers should be creative thinkers and problem-solvers, applying their analytical skills to business. They must be comfortable with the latest computer technology. As financial operations increasingly are affected by the global economy, managers must have knowledge of international finance. Proficiency in a foreign language also may be important.

Because financial management is critical for efficient business operations, well-trained, experienced financial managers who display a strong grasp of the operations of various departments within their organization are prime candidates for promotion to top management positions. Some financial managers transfer to closely related positions in other industries. Those with extensive experience and access to sufficient capital may start their own consulting firms.

### Job Outlook

Employment of financial managers is expected to grow about as fast as the average for all occupations through 2010. While mergers, acquisitions, and corporate downsizing will continue to adversely affect employment of financial managers, growth of the economy and the need for financial expertise will ensure job growth. Candidates with expertise in accounting and finance, particularly those with a master's degree, should enjoy the best job prospects. Strong computer skills and knowledge of international finance are increasingly important; so are excellent communication skills, because financial management jobs increasingly involve working on strategic planning teams.

The banking industry, which employs more than 1 out of 8 financial managers, is expected to continue to consolidate. Employment of bank branch managers, in particular, will grow very little or not at all as banks open fewer branches and promote electronic and Internet banking to cut costs. In contrast, the securities and commodities industry will hire more financial managers to handle increasingly complex financial transactions and manage investments. Financial managers are being hired throughout industry to manage assets and investments, handle mergers and acquisitions, raise capital, and assess global financial transactions. Risk managers, who assess risks for insurance and investment purposes, are in especially great demand.

Some companies may hire financial managers on a temporary basis, to see the organization through a short-term crisis or to offer

suggestions for boosting profits. Other companies may contract out all accounting and financial operations. Even in these cases, however, financial managers may be needed to oversee the contracts.

Computer technology has reduced the time and staff required to produce financial reports. As a result, forecasting earnings, profits, and costs, and generating ideas and creative ways to increase profitability will become the major role of corporate financial managers over the next decade. Financial managers who are familiar with computer software and applications that can assist them in this role will be needed.

### Earnings

Median annual earnings of financial managers were \$67,020 in 2000. The middle 50 percent earned between \$48,150 and \$91,580. The lowest 10 percent had earnings of less than \$36,050, while the top 10 percent earned over \$131,120. Median annual earnings in the industries employing the largest numbers of financial managers in 2000 are shown below:

Security brokers and dealers .....	\$112,140
Accounting, auditing, and bookkeeping .....	83,380
Computer and data processing services .....	79,850
Local government .....	59,000
Commercial banks .....	55,960

According to a 2001 survey by Robert Half International, a staffing services firm specializing in accounting and finance, directors of finance earned between \$70,750 and \$202,750, and corporate controllers earned between \$53,500 and \$150,250.

The results of the Association for Financial Professionals' 13th annual compensation survey are presented in table 1. The earnings listed in the table represent total compensation, including bonuses and deferred compensation, for 2001. Financial officers' average total compensation was \$122,170.

Large organizations often pay more than small ones, and salary levels also can depend on the type of industry and location. Many financial managers in private industry receive additional compensation in the form of bonuses, which also vary substantially by size of firm. Deferred compensation in the form of stock options also is becoming more common.

**Table 1. Average earnings for selected financial managers, 2001**

Vice president of finance .....	\$178,724
Treasurer .....	158,404
Assistant vice president-finance .....	128,272
Controller/comptroller .....	119,220
Director .....	110,704
Assistant treasurer .....	105,885
Assistant controller/comptroller .....	99,856
Manager .....	81,720
Cash manager .....	60,424

SOURCE: Association for Financial Professionals

### Related Occupations

Financial managers combine formal education with experience in one or more areas of finance, such as asset management, lending, credit operations, securities investment, or insurance risk and loss control. Workers in other occupations requiring similar training and skills include accountants and auditors; budget analysts; credit authorizers, checkers, and clerks; financial analysts and personal financial advisors; insurance underwriters; loan counselors and

officers; securities, commodities, and financial services sales agents; and real estate brokers and sales agents.

### Sources of Additional Information

For information about careers and certification in financial management, contact:

- American Bankers Association, 1120 Connecticut Ave. NW., Washington, DC 20036. Internet: <http://www.aba.com>
- Financial Management Association International, College of Business Administration, University of South Florida, Tampa, FL 33620-5500. Internet: <http://www.fma.org>

For information about financial careers in business credit management; the Credit Business Associate, Credit Business Fellow, and Certified Credit Executive programs, contact:

- National Association of Credit Management, Credit Research Foundation, 8840 Columbia 100 Pkwy., Columbia, MD 21045-2158. Internet: <http://www.nacm.org>

For information about careers in financial and treasury management and the Certified Cash Manager, Certified Financial and Treasury Management, and Certified International Cash Management programs, contact:

- Association for Financial Professionals, 7315 Wisconsin Ave., Suite 600 West, Bethesda, MD 20814. Internet: <http://www.afponline.org>

For information about the Chartered Financial Analyst program, contact:

- Association for Investment Management and Research, P.O. Box 3668, 560 Ray Hunt Dr., Charlottesville, VA 22903. Internet: <http://www.aimr.org>

For information about the Certified Government Financial Manager designation, contact:

- Association of Government Accountants, 2208 Mount Vernon Ave., Alexandria, VA 22301-1314. Internet: <http://www.agacgfm.org>

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## Food Service Managers

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(O\*NET 11-9051.00)

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### Significant Points

- Although many experienced food and beverage preparation and service workers are promoted to fill managerial jobs, applicants with a bachelor's or associate degree in restaurant and institutional food service management should have the best job opportunities.
- Most new jobs will arise in eating and drinking places as the number of establishments increases along with the population, personal incomes, and leisure time.
- As more restaurant managers are employed by larger companies to run establishments, job opportunities should be better for salaried managers than for self-employed managers.

### Nature of the Work

The daily responsibilities of many food service managers can often be as complicated as some of the meals prepared by a fine chef. In addition to the traditional duties of selecting and pricing menu items, using food and other supplies efficiently, and achieving quality in food preparation and service, managers now are responsible for a growing number of administrative and human resource tasks. For example, managers must carefully find and evaluate new ways of recruiting employees in a tight job market.

Once hired, managers also must find creative ways to retain experienced workers.

In most restaurants and institutional food service facilities, the manager is assisted in these duties by one or more assistant managers, depending on the size and operating hours of the establishment. In most large establishments, as well as in many smaller ones, the management team consists of a *general manager*, one or more *assistant managers*, and an *executive chef*. The executive chef is responsible for the operation of the kitchen, while the assistant managers oversee service in the dining room and other areas. In smaller restaurants, the executive chef also may be the general manager, and sometimes an owner. In fast-food restaurants and other food service facilities open for long hours—often 7 days a week—several assistant managers, each of whom supervises a shift of workers, aid the manager. (For additional information on these other workers, see the *Handbook* statements on top executives and chefs, cooks, and food preparation workers.)

One of the most important tasks of food service managers is selecting successful menu items. This task varies by establishment because, although many restaurants rarely change their menu, others make frequent alterations. Managers or executive chefs select menu items, taking into account the likely number of customers and the past popularity of dishes. Other issues taken into consideration when planning a menu include unserved food left over from prior meals that should not be wasted, the need for variety, and the seasonal availability of foods. Managers or executive chefs analyze the recipes of the dishes to determine food, labor, and overhead costs, and to assign prices to various dishes. Menus must be developed far enough in advance that supplies can be ordered and received in time.

On a daily basis, managers estimate food consumption, place orders with suppliers, and schedule the delivery of fresh food and beverages. They receive and check the content of deliveries, evaluating the quality of meats, poultry, fish, fruits, vegetables, and baked goods. To ensure good service, managers meet with sales representatives from restaurant suppliers to place orders replenishing stocks of tableware, linens, paper, cleaning supplies, cooking utensils, and furniture and fixtures. They also arrange for equipment maintenance and repairs, and coordinate a variety of services such as waste removal and pest control.

The quality of food dishes and services in restaurants depends largely on a manager's ability to interview, hire, and, when necessary, fire employees. This is especially true in tight labor markets, when many managers report difficulty in hiring experienced food and beverage preparation and service workers. Managers may attend career fairs or arrange for newspaper advertising to expand their pool of applicants. Once a new employee is hired, managers explain the establishment's policies and practices and oversee any necessary training. Managers also schedule the work hours of employees, making sure there are enough workers present to cover peak dining periods. If employees are unable to work, managers may have to fill in for them. Some managers regularly help with cooking, clearing of tables, or other tasks.

Another fundamental responsibility of food service managers is supervising the kitchen and dining room. For example, managers often oversee all food preparation and cooking, examining the quality and portion sizes to ensure that dishes are prepared and garnished correctly and in a timely manner. They also investigate and resolve customers' complaints about food quality or service. To maintain company and government sanitation standards, they direct the cleaning of the kitchen and dining areas and washing of tableware, kitchen utensils, and equipment. Managers also monitor the actions of their employees and patrons on a continual basis to ensure that health and safety standards and local liquor regulations are obeyed.