



**ECONOMIC &
WORKFORCE
DEVELOPMENT**
through the
CALIFORNIA
COMMUNITY
COLLEGES

**BUSINESS AND WORKFORCE
PERFORMANCE IMPROVEMENT INITIATIVE**



**Strategic Possibility Report
Orange/ Los Angeles/ Inland Empire**

**Finance, Insurance, & Real Estate
Cluster (FIRE)**

Focus on Finance

At-a-Glance



Centers of Excellence

Orange County, Los Angeles, and Inland Empire

July, 2007



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Strategic Possibility Summary for Orange / Los Angeles/ Inland Empire Community Colleges

FIRE: Focus on Finance

July, 2007

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GODBE Research

THE BUSINESS AND WORKFORCE PERFORMANCE IMPROVEMENT INITIATIVE IS A GRANT-FUNDED PROJECT THROUGH THE ECONOMIC & WORKFORCE DEVELOPMENT NETWORK OF THE CALIFORNIA COMMUNITY COLLEGES. OUR MISSION IS TO STRENGTHEN CALIFORNIA'S WORKFORCE AND ADVANCE ECONOMIC GROWTH THROUGH EDUCATION, TRAINING AND JOB DEVELOPMENT.

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There are approximately 300,000 people employed in the finance industry in Los Angeles, Orange County, and the Inland Empire. Source: Economic Modeling Systems, Inc.

A survey conducted of employers in the tri-region area indicated that over 50% of employers have difficulty finding non-entry level employees and over 40% stated difficulty finding entry-level workers. – Source: Godbe Research

Executive Summary

Community Colleges are in a position to identify and develop programs in high-growth, well-paying industries to assist students to gain marketable skills and be able to compete in our constantly evolving economy. Economic restructuring and globalization have dramatically changed how companies operate. Demand for highly-educated, highly skilled workers in the state is projected to grow over the next twenty years to meet the needs of a high-tech, high-end service economy.¹

The Los Angeles Economic Development Corporation (LAEDC) and Labor Market Information data indicate that Finance and Insurance Industries in Southern California maintain a solid base of jobs and project steady growth. The Real Estate industry has also been growing at a rapid rate. The Centers of Excellence of Los Angeles, Orange County, and the Inland Empire recently partnered to explore opportunities for community colleges in the identified cluster area of Finance, Insurance, and Real Estate.

Multiple occupations within NAICS codes 52 and 53 were investigated to identify those with the strongest potential for growth and best areas for community college programs. Eleven occupations were chosen². This report looks at three occupations identified within the Finance Industry, NAICS 522 and 523:

- **Financial Services Sales Agent** - SOC Code 41-3031,
- **Personal Financial Advisors** – SOC Code 13-2052 , and
- **Financial Analysts**- SOC Code 13-2051.

Multiple factors create an opportunity for the community colleges to respond.

The Finance Industry is a large employer. As of 2005, there are currently 35,000 people employed in the finance industry in the Inland Empire, over 100,000 in Orange County, and over 165,000 in Los Angeles County for a total of 300,000 people employed in this industry in the tri-region area³.

¹ Ellen Hanak and Mark Baldassare, *California 2025: Taking on the Future*, Public Policy Institute of California, July 2005.

² Reports summarizing opportunities in Insurance and Real Estate are also available.

³ Economic Modeling Specialists, Inc. 7/07

There is unmet demand for qualified employees. While labor market data is not spectacular, several surveys conducted in this industry indicate that employers face difficulty finding qualified applicants for the finance occupations. While turnover in the Finance, Insurance, and Real Estate Cluster is somewhat below average, the average age of employees is increasing; this is creating concern among employers that baby boomer retirements over the next three to seven years will create large numbers of openings.

The Finance industry pays well and offers advancement opportunities. The finance industry provides higher than average wages with clear career pathways for advancement; additionally, many jobs prefer a Bachelor's Degree, but don't always require it. In fact, median wage levels were higher than the median for all industries (\$57,969 vs. \$32,864)⁴. This is important to Southern California as concerns regarding the dwindling middle class continue and the divide between rich and poor widens. The colleges must assist students to enter careers with good wages and upward mobility.

Finance is part of a larger cluster identified as Finance, Insurance and Real Estate (FIRE). The cluster as a whole is a large contributor to jobs in the tri-region area and there is an opportunity to create cross-disciplinary programs offering students multiple pathways. Deregulation of the financial services industry allows them to offer an array of insurance services available within their banking institutions or what they are beginning to call "stores". As these services continue to integrate, it will behoove students to acquire skills in the FIRE cluster in order to be flexible and adaptable to evolving workforce needs.

All of these factors combine to make Finance an excellent option for colleges seeking to attract new students and support economic development in their communities.

⁴ Employment Development Department, Labor Market Information Division, July 2007

What is a Strategic Possibility?

The California Community Colleges System has charged the Economic & Workforce Development (EWD) Network to strategically identify growing industries and occupations that have partnering potential for the college's programs. The EWD network aims to best serve our local communities by identifying industry sectors with empirically validated projected growth. Additional criteria to establish the value of a Strategic Possibility includes: relevance (to the community colleges), economic impact, the adaptability of colleges to respond, and the ability to build partnerships with workforce and industry leaders to create career paths and upward mobility.

A Strategic Possibility report identifies industries and occupations that meet some, but not all, of the aforementioned criteria. While a response may be appropriate for a specific college, a strategic response from multiple districts is not warranted.

A Strategic Possibility that meets all of the stated criteria, thus warranting an organized response from regional community colleges, is then defined as a Strategic Opportunity. A full environmental scan may then be conducted to evaluate and suggest possible actions to ensure market responsiveness. While this report does not present findings which suggest a need for a full environmental scan, we provide these findings for the reader's information and use.

How Do Industry Clusters Impact Community Colleges?

The California Regional Economies Project identifies an industry cluster as:

“A concentration of companies and industries in a geographic region, which are interconnected by the markets they serve and the products they produce, as well as the network of suppliers and key economic foundation such as research universities, capital, physical infrastructure, and labor market.”

Clusters are important for community colleges because as globalization continues, employees need to be flexible with a strong base of technical and soft skills. Employees within clusters may work across industries during their careers. Programs that provide entry into one industry will also provide students with opportunities to be employed across the cluster.

FIRE Industry Cluster Overview

The finance, insurance, and real estate cluster includes agencies and services such as commercial banking, credit unions, credit card issuing, consumer lending, securities, commodity contracts, portfolio management, direct life, health, and medical insurance, pension, health and welfare funds, and real estate renting, leasing and sales, property management, and real estate appraisal.

According to the 2002 U.S. Census Bureau's Economic Census, the finance and insurance industries generated nearly \$4 trillion in revenue, while the real estate industry generated approximately \$244 billion nationwide. According to the latest information available through the California Department of Finance⁵, banks generated \$13.5 billion in net income, investment institutions and other financial institutions generated \$4.1 billion, and real estate generated \$5.2 billion in net income statewide.

Table 1. FIRE Cluster Projected Growth Through 2015

	% of Workforce	2005	2015	New Jobs	% Change
Los Angeles County	55%	216,971	247,490	30,518	14.1%
Orange County	34%	133,594	162,180	28,586	21.4%
Inland Empire	11%	41,612	47,504	5,891	14.2%
<i>Total</i>	100%	392,178	457,174	64,995	16.6%

The Finance, Insurance, and Real Estate Cluster in the tri-region area currently employs 392,178 people and is projected to grow by 17% over the next ten years. With strong short-term hiring expectations (greater than four percent) and increased employment of approximately 65,000 employees by 2015, the FIRE cluster provides solid growth for the tri-region area. As a mature cluster with current employment close to 400,000 and solid growth expectations for employment, the FIRE cluster is a low risk, relatively high reward cluster for the development and expansion of training and education programs by community colleges in Los Angeles, Orange County, and the Inland Empire.

While the study looked at eleven promising occupations, this report focuses on the three within the Finance Industry. As can be seen in Table 2, projections for finance related occupations within the FIRE cluster show positive growth both in the short-term and ten years out.⁶ Survey respondents indicated an immediate need for additional employees over the next year and expect that demand will continue to grow or stabilize over the next ten years. And as was mentioned previously, students who prepare for employment within the Finance Industry will have access to the entire range of positions available within this cluster.

Table 2. Expected Growth within Organizations Interviewed

SOC Code	Job Title	Current Employees	Projected Employees	Number Change	1 Year Growth	10 Year Growth
41-3031	Financial Service Sales Agents	156	205	49	31.4%	8.3%
13-2052	Personal Financial Advisors	47	69	22	46.8%	25.8%
13-2051	Financial Analysts	113	130	17	15.0%	33.1%

⁵ California Department of Finance, 2003 California Statistical Abstract

⁶ These projections are calculated from 130 in-depth interviews focusing on current and emerging workforce demands in the tri-regional area.

Regional Employer Priorities

Los Angeles County

With over five percent growth in employment projected over the next 12 months and over 200,000 current employees, the FIRE cluster in Los Angeles County reveals the strongest demand for new qualified applicants. Employers in Los Angeles County indicated the greatest difficulty recruiting non entry-level employees with adequate skills and experience, but also had close to 50 percent of employers state at least some difficulty recruiting individuals with cross-disciplinary skills. These include the written, verbal, and technical skills that are required of positions in the FIRE industry including Financial Analysts and Financial Services Sales Agents. It can also refer to the ability to work in multiple departments such as insurance, risk management, and budgeting. The term “cross disciplinary skills” is increasingly found in multiple job advertisements and descriptions. Given the difficulty recruiting non entry-level employees, it is not surprising that employers in *Los Angeles County were most interested in working with the community colleges on a customized training program for current finance, insurance, and real estate employees.*

Orange County

With over 20 percent growth in employment projected over the next 10 years and over 130,000 current employees, the FIRE cluster in Orange County also showed strong demand for new qualified applicants, particularly for entry-level employees. Orange County employers reported difficulty recruiting individuals with cross-disciplinary skills at least 17 percent more often than employers in Los Angeles County and the Inland Empire. *At least 80 percent of Orange County employers indicated at least some interest in partnering with their local community colleges.*

Inland Empire

With over four percent growth in employment projected over the next 12 months, the FIRE cluster in the Inland Empire revealed relatively strong short-term demand for new qualified applicants and overall growth expectations of 14 percent in employment by 2015. Employers in the Inland Empire indicated the greatest difficulty recruiting non-entry-level employees with adequate skills and experience. They also reported that close to 50 percent of employers experienced some difficulty recruiting individuals with cross-disciplinary skills required by the industry. *Inland Empire employers in the FIRE cluster were most interested in partnering with the community colleges on a cross-disciplinary two-year associate’s degree program.*

Occupations in Demand

Survey respondents identified three occupations within the Finance Industry that are likely to be undersupplied in the future:

- Financial Services Sales Agents
- Personal Financial Advisors
- Financial Analysts

Financial Service Sales Agent

Financial services sales agents sell financial services, such as loan, tax, and securities counseling to customers of financial institutions and business establishments.

Current Employment and Projected Growth

There were 11,663 financial services sales agents employed in the tri-region area in the FIRE sector in 2005. Twelve thousand six hundred and thirty-six (12,636) are projected to be employed within the tri-region area by 2015, an average annual growth rate of 0.83 percent. By comparison, the annual average growth rate in California between 2005 and 2015 is expected to be higher at 1.35 percent.

Table 3. Financial Service Sales Agents – Employment Forecasts

	2005	2015	New Jobs	% Growth
Los Angeles County	7,744	8,274	530	6.8%
Orange County	3,281	3,731	450	13.7%
Riverside County	514	506	-8	-1.5%
San Bernardino County	123	125	2	1.3%
Total All Regions	11,663	12,636	974	8.3%

Source: Economy.com • 2006 Wages

The median annual wage for financial services sales agents, in the tri-region area in 2004 was \$80,508. The 25th percentile wage in the tri-region area was \$63,407, while the 75th percentile wage was \$100,201.

Personal Financial Advisors

Personal financial advisors advise clients on financial plans utilizing knowledge of tax and investment strategies, securities, insurance, pension plans, and real estate. Personal financial advisors duties also include assessing clients' assets, liabilities, cash flow, insurance coverage, tax status, and financial objectives to establish investment strategies.

Current Employment and Projected Growth

There were 5,294 personal financial advisors employed in the tri-region area in 2005. Six thousand six hundred fifty-nine (6,659) are projected to be employed within the tri-region area by 2015, an average annual growth rate of 2.58 percent. By comparison, the annual average growth rate in California is expected to be slightly lower at 1.35 percent.

Table 4. Personal Financial Advisors – Employment Forecasts

	2005	2015	New Jobs	% Growth
Los Angeles County	4,307	5,472	1,165	27.1%
Orange County	987	1,187	199	20.2%
Riverside County*				
San Bernardino County*				
Total All Regions	5,294	6,659	1,365	25.8%

Source: Economy.com • 2006 (* Data not available for Riverside and San Bernardino Counties)

Wages

The median annual wage for personal financial advisors in the tri-region area in 2004 was \$69,033. The 25th percentile wage in the tri-region area was \$58,768, while the 75th percentile wage is \$104,202.

Financial Analysts

Financial analysts conduct quantitative analyses of information affecting investment programs of public or private institutions

Current Employment and Projected Growth

There were 2,456 financial analysts employed in the Los Angeles and Orange Counties in 2005. Three thousand two hundred and sixty-nine (3,269) are projected to be employed within the region area by 2015, an average annual growth rate of 3.31 percent. By comparison, the annual average growth rate in California between 2005 and 2015 is expected to be lower at 1.35 percent.

Table 5. Financial Analysts – Employment Forecasts

	2005	2015	New Jobs	% Growth
Los Angeles County	1,485	1,936	451	30.4%
Orange County	971	1,333	362	37.3%
Riverside County*				
San Bernardino County*				
Total All Regions	2,456	3,269	813	33.1%

Source: Economy.com • 2006

Wages

The median annual wage for financial analysts in the tri-region area in 2004 was \$62,786. The 25th percentile wage in the tri-region area was \$56,307, while the 75th percentile wage is \$81,617.

For additional information on the above occupations see the full occupational profiles in Appendix C.

Occupational Summary

Financial Services Sales Agents, Personal Financial Advisors, and Financial Analysts offer strong career opportunities for students wishing to enter the industry. More detailed information on each of the occupations can be found in the appendices, along with possible positions held prior to the aforementioned occupations and possible advancement opportunities. The table below includes additional occupations in the finance industry including entry-level positions which are easily transferable within the greater FIRE Cluster.

Finance Industry Occupations

- 43-4051 Customer service representatives
- 41-3031 Securities, commodities, and financial services sales agents
- 13-2072 Loan officers
- 43-3071 Tellers
- 41-3021 Insurance sales agents
- 13-2052 Personal financial advisors
- 13-1031 Claims adjusters, examiners, and investigators
- 43-1011 First-line supervisors/managers of office and administrative support workers
- 11-3031 Financial managers
- 43-9041 Insurance claims and policy processing clerks

Source: Economic Modeling Specialists, Inc. • 7/07

Possible Career Pathways can be seen in this career ladder.

	Previous Occupations	Following Occupations
Financial Services Sales Agents	Banking, Sales, Financial Services	Loan Officer, Management, Broker, Banker
Personal Financial Advisors	Banking, Sales, Loan Officer Analyst	Loan Officer, Management, Sales,
Financial Analysts	Sales, Accountant, Analyst,	Loan Officer, Management Senior Analyst

Management and many professional positions within the finance industry require a minimum of a bachelor's degree, and there is growing demand for further

education. However, some management positions continue to be filled in the banking sectors by promoting experienced and technically skilled professionals⁷.

Community Colleges Programs in Finance

As of July, 2007, there are sixteen colleges in the Los Angeles County, Orange County, and Inland Empire areas that have approved finance programs under top code 0504.00 listed in the California Community Colleges Chancellor's Office Program Inventory. Most of these programs were created in the 1970's with six created since 1999. These six colleges are Chaffey College, LA Harbor College, LA Pierce College, LA Southwest College, and two programs at LA Trade Technical College. Appendix "D" has additional information on these programs.

Conclusions and Recommendations

The Finance, Insurance, and Real Estate (FIRE) cluster offers an opportunity for colleges to develop cross-disciplinary programs for students to gain marketable skills to obtain well-paying jobs with upward mobility. Clusters and cross-disciplinary skills are important because as economic restructuring and globalization continue, workers need to be flexible and adaptable with a solid base of technical and soft skills.

Within the FIRE cluster, the finance industry is a large employer (close to 300,000 employees) and projects stable growth in the tri-county region. The industry is also concerned with the high rate of retirements predicted over the next three to seven years. Three occupations have been identified as having strong potential for students wishing to pursue careers in the insurance industry: Financial Services Sales Agent (41-3031), Personal Financial Consultants (13-2052), and Financial Analysts (13-2051).

As concerns regarding the "hollowing out" of the middle class continue, this industry provides higher than average wages with clear career pathways for advancement and many jobs prefer, but do not require a Bachelor's Degree. This is also true to the related industries of Insurance and Real Estate.

Additionally, employers have indicated that they have difficulty finding qualified applicants for entry-level *and* more advanced positions. The colleges have an opportunity to create programs to arm students with the necessary skills to enter into the industry. They can also provide existing workers with little or no previous knowledge of the industry an affordable alternative to high cost classes provided by private companies and educational institutions.

⁷ "Identifying and Addressing Workforce Challenges in American's Financial Services Industry", DTI Associates, submitted to Department of Labor, Employment and Training Administration. March 2007.

The majority of employers who were surveyed also reported difficulty recruiting individuals with cross-disciplinary skills required by the industry and expressed an interest in a program that would provide a cross-disciplinary certificate or an associate's degree preparing students for a bachelor's degree related to the FIRE cluster. Cross-disciplinary skills include the written, verbal, and technical skills that are required of positions in the FIRE industry. It also refers to the ability to work in multiple departments such as finance, risk management, and budgeting. The term "cross disciplinary skills" is increasingly found in multiple job advertisements for the FIRE industry.

Overall, survey findings indicate a demand for education and training that is more tailored to the FIRE cluster and the different disciplines needed by finance, insurance, and real estate employers.

Workforce-specific training could be combined in a certificate program provided by the community college system that is focused on a specific industry (finance, insurance, or real estate) and/or a specific occupation type (analysts, managers, or sales agents). This program would provide specific training for the FIRE cluster while also providing students the choice of a fast-track into the FIRE cluster or a more traditional approach with career specific training building towards a bachelor's degree. It should be noted that for 10 of the 11 occupations evaluated for this cluster, only financial analysts had an average "typical" education requirement closer to a bachelor's degree than a certificate, associate's degree, or lower.

All of these factors combine to create an opportunity for the community colleges to respond. It is an excellent option for colleges seeking to attract new students, integrate a cross-disciplinary approach to courses, and introduce students to a vital industry cluster while supporting economic development in their communities.

References

- California Community Colleges Chancellor's Office, Inventory of Approved Programs.
- California Department of Finance, 2003 California Statistical Abstract.
- CA Employment Development Department, Occupational Profiles, SOC 41-3031, SOC 13-2052, SOC 13-2051.
- California State EDD LMID (www.calmis.ca.gov).
- Economic Modeling Specialists, Inc. Finance Occupations July, 2007.
- Godbe Research, Finance, Insurance, and Real Estate (FIRE) Employer Survey 2006.
- Los Angeles Economic Development Corporation, (LAEDC) 2006-2007 Economic Forecast and Industry Outlook.
- Public Policy Institute of California, California 2025: Taking on the Future, July 2005.
- U.S. Department of Labor, Employment Training Administration, High Growth Industry Profile for Financial Services, June 2005.
- U.S. Department of Labor, Identifying and Addressing Workforce challenges in America's Financial Services Industry, March 2007.

Appendix A: How to Utilize this Report

About Us - Description of BWPI

The Business and Workforce Performance Improvement (BWPI) initiative is focused on building the capacity of the colleges in the area of economic and workforce development to enhance their ability to deliver education and training services to businesses and workers in high growth industries, new technologies, and other clusters of opportunities.

The Centers of Excellence (COE) within BWPI provide information regarding workforce trends, increasing awareness and visibility about the colleges economic and workforce development programs and services, and building partnerships with business and industry.

The difference this will make to the colleges is that it will position them as THE workforce partners of choice to business and industry and ensure that college programs are current and responsive. This will contribute to the overall economic vitality of the communities in which they serve.

How to Use This Strategic Possibility Report

The Centers of Excellence within the Business and Workforce Performance Improvement Initiative of the California Community College Economic and Workforce Development Program have undertaken Industry Scanning to provide targeted and valuable information to community colleges on high growth industries and occupations.

This report, while not a full industry scan, is intended to assist the decision-making process of California community college administrators and planners in addressing local and regional workforce needs and emerging job opportunities in the workplace as they relate to college programs. The information contained in this report can be used to guide program offerings, strengthen grant applications, and support other economic and workforce development efforts.

This report is designed to provide current industry data that will:

- Define potential strategic opportunities relative to an industry's emerging trends and workforce needs;
- Influence and inform local college program planning and resource development; and
- Promote a future-oriented and market responsive way of thinking among stakeholders.

This Industry Scan included a review of the California Regional Economies Project reports and Employment Development Department (EDD) Labor Market

Information (LMID) projections that cover the communities in this region, as well as many other sources as listed.

Important Disclaimer:

All representations included in this Environmental Scan product/study have been produced from a secondary review of publicly and/or privately available data and/or research reports. Efforts have been made to qualify and validate the accuracy of the data and the reported findings. The purpose of the Environmental Scan is to assist the California Community Colleges to respond to emerging market needs for workforce performance improvement. However, neither the Business and Workforce Performance Improvement Centers of Excellence, COE host college or California Community Colleges Chancellor's Office are responsible for applications or decisions made by recipient community colleges or their representatives based upon this study including components or recommendations.

Appendix B: Associations

Adapted from the Career Voyages website: <http://www.careervoyages.com/>

American Finance Association

Haas School of Business
University of California
Berkeley, CA 94729-1900
Phone: 800-835-6770
Fax: 781-388-8232
www.afajof.org

American Financial Services Association

919 Eighteenth Street, NW, Suite 300
Washington, DC 20006-5517
Phone: 202-296-5544
Fax: 202-223-0321
www.afsaonline.org/sitepages/1.cfm

Association for Financial Professionals (APA)

Association for Financial Professionals
4520 East West Highway, Suite 750
Bethesda, MD 20814
Phone: 301-907-2862
Fax: 301-907-2864
www.afponline.org

Certified Financial Planner Board of Standards, Inc.,

1670 Broadway, Suite 600,
Denver, CO 80202-4809.
www.cfp.net/become

Commercial Finance Association

Commercial Finance Association
225 West 34th St. Suite 1815
New York, NY 10122
Phone: 212-594-3490
Fax: 212-564-6053
www.cfa.com

The Financial Planning Association

4100 E. Mississippi Avenue, Suite 400
Denver, CO 80246-3053.
Phone: 800-322-4237
Fax: 303-759-0749
www.fpanet.org

Appendix C: Occupational Profiles

Financial Services Sales Agents

Occupation Description

Financial services sales agents sell financial services, such as loan, tax, and securities counseling to customers of financial institutions and business establishments.

Secondary Titles

Other job titles include financial consultant, financial specialist, investment officer, relationship manager, select banker, client manager, financial services representative, relationship banker, and sales representative.

Job level

Mid-level

Assessment of Need

- Higher than average job growth expected in Orange County 2005-2015
- Lower than average job growth expected in the Inland Empire

Current Employment and Projected Growth

There were 11,663 financial services sales agents employed in the tri-region area in the FIRE sector in 2005. Twelve thousand six hundred and thirty-six (12,636) are projected to be employed within the tri-region area by 2015, an average annual growth rate of 0.83 percent. By comparison, the annual average growth rate in California between 2005 and 2015 is expected to be higher at 1.35 percent.

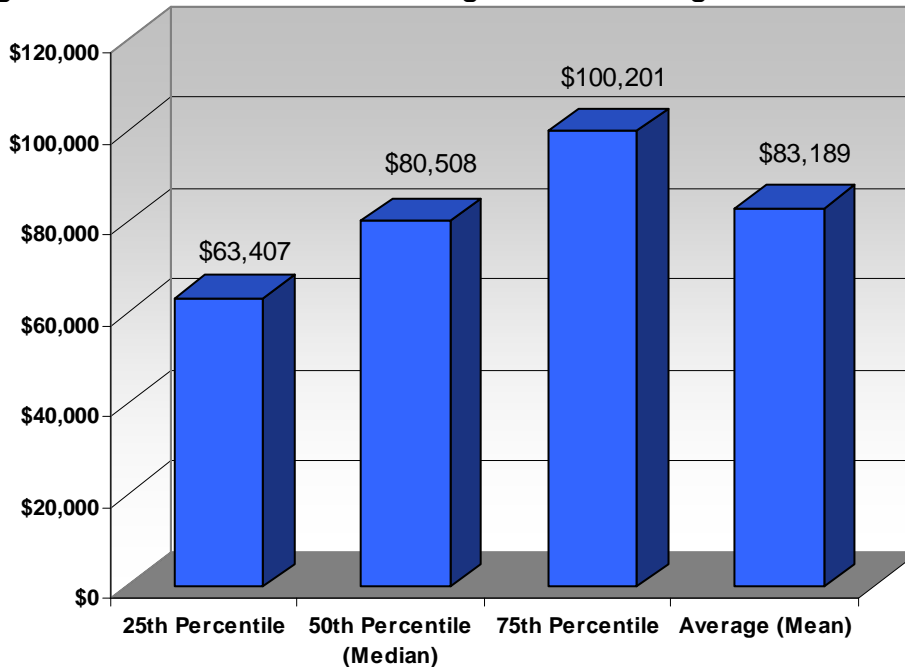
Table 1 Financial Services Sales Agents – Employment Forecasts

	2005	2015	New Jobs	% Growth
Los Angeles	7,744	8,274	530	6.8%
Orange County	3,281	3,731	450	13.7%
Riverside County	514	506	-8	-1.5%
San Bernardino County	123	125	2	1.3%
Total All Regions	11,663	12,636	974	8.3%

Wages

The median annual wage for financial services sales agents, in the tri-region area in 2004 was \$80,508.⁸ The 25th percentile wage⁹ in the tri-region area was \$63,407, while the 75th percentile wage was \$100,201.

Figure 1 Financial Services Sales Agents – 2004 Wage Levels in the Tri-Region Area



Career Ladders (Survey Results)

During the survey, employers were asked which occupations successful candidates may have held before they were hired as well as after working successfully in their current position.

- Previous Occupations: Sales, Banking, Financial Services
- Following Occupations: Loan Officer, Management, Broker, Banker

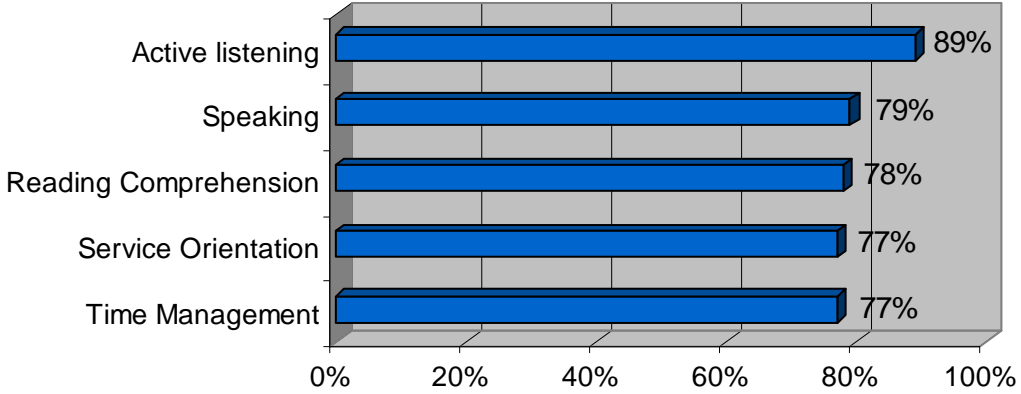
⁸ The median is the middle number in a series of data. If there is an even number of data points, the average of the two middle values is taken as the median.

⁹ A percentile orders data in a way that easily demonstrates what percentage of the data falls above or below a certain point. For example, if the 75th percentile wage were \$100,000, then 75 percent of employees in the occupation would make less than \$100,000 and twenty-five percent would make more than \$100,000.

Skill Assessment

For financial service sales agents, active listening was ranked as the most important skill.

Figure 2 Financial Services Agents – Skill Importance (General Across Industries)



For financial services sales agents, the three most important skills are:

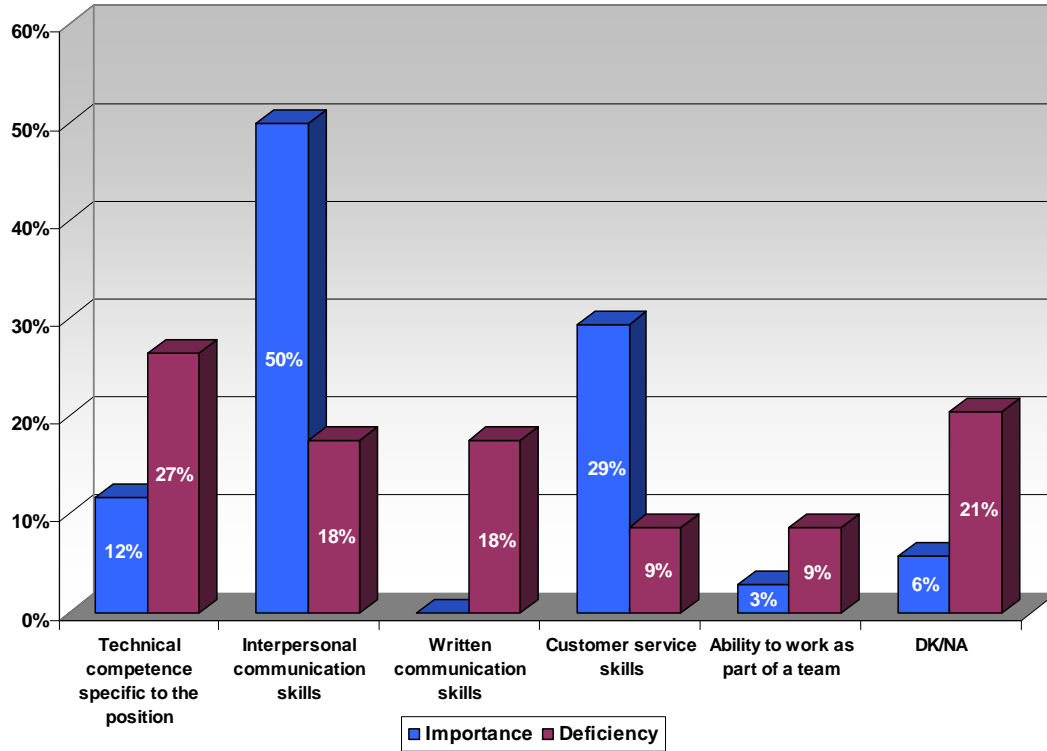
Active Listening — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

Speaking — Talking to others to convey information effectively.

Reading Comprehension — Understanding written sentences and paragraphs in work related documents.

The figure below shows the importance and deficiency levels reported by employers in the survey research component of the study, specific to the FIRE industry.

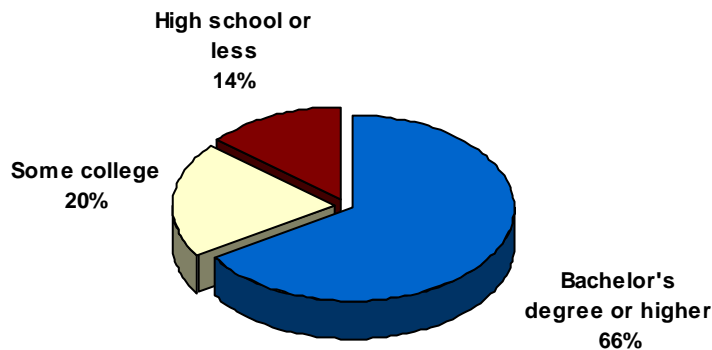
Figure 3 Skill Importance and Deficiency – Financial Services Agents (Survey Results)



Education and Training

Education requirements for financial services sales agents is generally a four-year degree, however not all companies have this requirement. Many employers will accept a vocational degree or two-year degree with sufficient relevant work experience. Financial services sales agents are generally required to complete further training as a part of their job.

Figure 4 Distribution of Educational Attainment – Financial Services Sales Agents



Personal Financial Advisors

Occupation Description

Personal financial advisors advise clients on financial plans utilizing knowledge of tax and investment strategies, securities, insurance, pension plans, and real estate. Personal financial advisors duties also include assessing clients' assets, liabilities, cash flow, insurance coverage, tax status, and financial objectives to establish investment strategies.

Secondary Titles

There are no secondary titles for personal financial advisors.

Job Type

Professional

Assessment of Need

- Higher than average projected job growth in the area, 2005-2015
- Lower than average annual wage when compared to the state
- Many tri-region organizations reported difficulties finding suitable candidates for these positions

Current Employment and Projected Growth

There were 5,294 personal financial advisors employed in the tri-region area in 2005. Six thousand six hundred fifty-nine (6,659) are projected to be employed within the tri-region area by 2015, an average annual growth rate of 2.58 percent. By comparison, the annual average growth rate in California is expected to be slightly lower at 1.35 percent.

Table 2 Personal Financial Advisors – Employment Forecasts

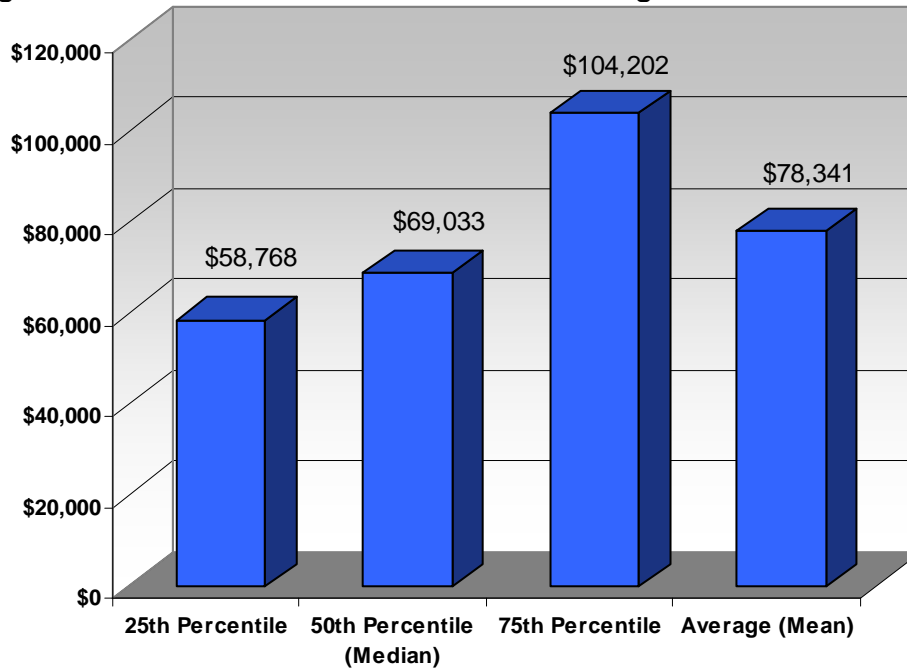
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San Bernardino County*				
Total All Regions	5,294	6,659	1,365	25.8%

*Data not available for Riverside and San Bernardino Counties

Wages

The median annual wage for personal financial advisors in the tri-region area in 2004 was \$69,033.¹⁰ The 25th percentile wage¹¹ in the tri-region area was \$58,768, while the 75th percentile wage is \$104,202.

Figure 5 Personal Financial Advisors – 2004 Wage Levels in the Tri-Region Area



Career Ladders (Survey Results)

During the survey, employers were asked which occupations successful candidates may have held before they were hired as well as after working successfully in their current position.

- Previous Occupations: Banking, Sales, Loan Officer, Analyst
- Following Occupations: Management, Sales, Loan Officer

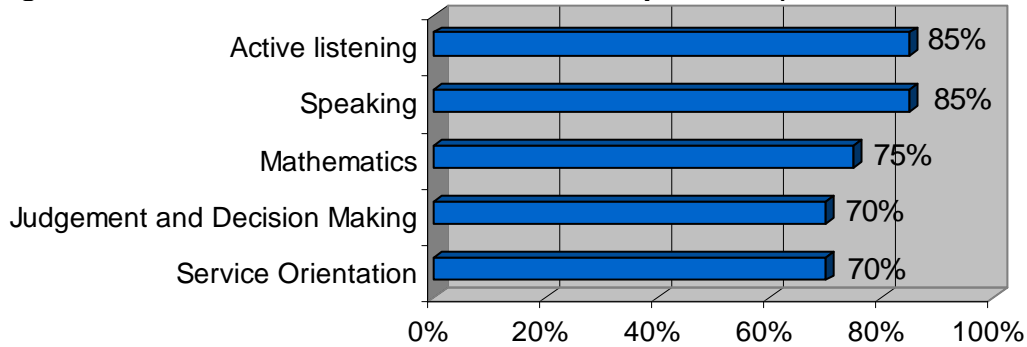
¹⁰ The median is the middle number in a series of data. If there is an even number of data points, the average of the two middle values is taken as the median.

¹¹ A percentile orders data in a way that easily demonstrates what percentage of the data falls above or below a certain point. For example, if the 75th percentile wage were \$100,000, then 75 percent of employees in the occupation would make less than \$100,000 and twenty-five percent would make more than \$100,000.

Skill Assessment

For personal financial advisors, active listening was ranked as the most important skill (see Figure 10).

Figure 6 Personal Financial Advisors – Skill Importance (General Across Industries)



For management analysts, the three most important skills are:

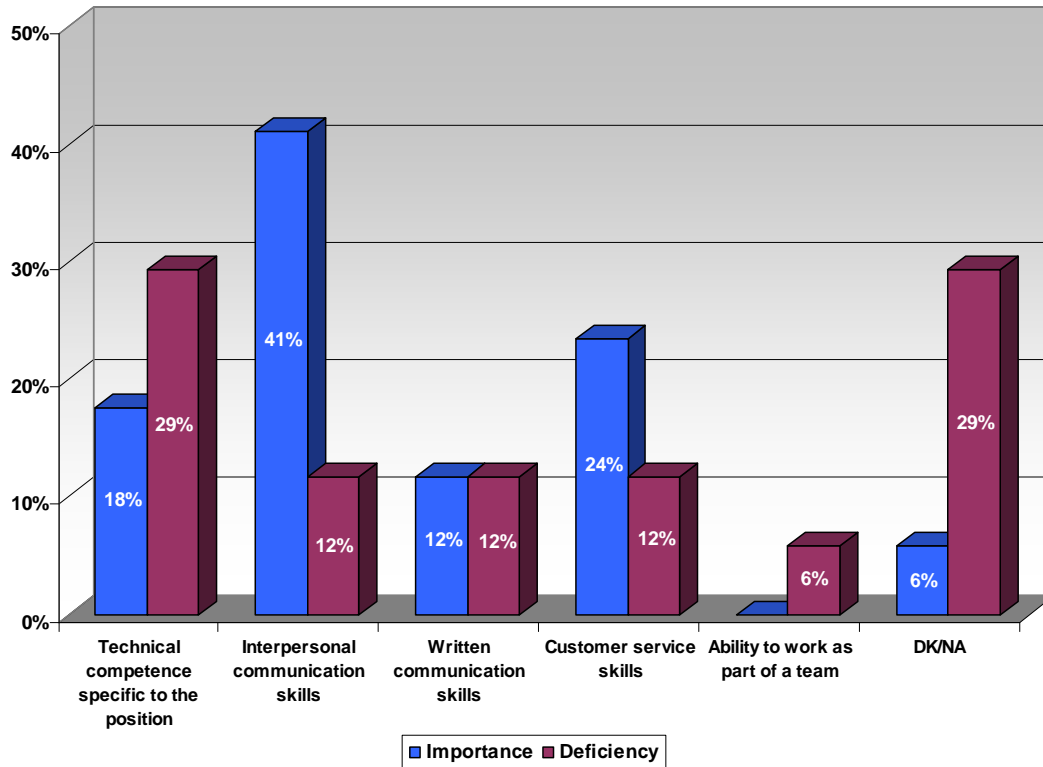
Active Listening — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

Speaking — Talking to others to convey information effectively.

Mathematics — Using mathematics to solve problems.

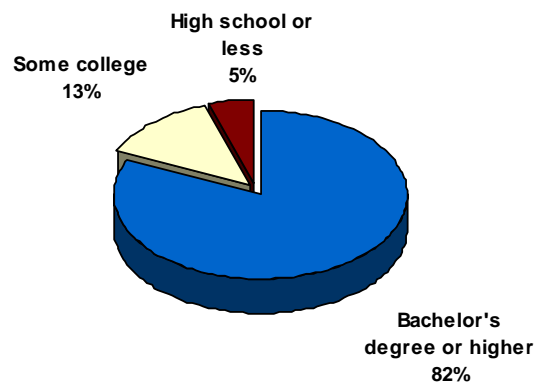
The figure below shows the importance and deficiency levels reported by employers in the survey research component of the study, specific to the FIRE industry.

Figure 7 Skill Importance and Deficiency – Personal Financial Advisors (Survey Results)



Education and Training

Most employers prefer a four year degree for these occupations. However, most occupations in this zone require training in vocational schools, related on-the-job experience, or an associate's degree. Previous work-related skill, knowledge, or experience is required for these occupations. Employees in these occupations usually need one or two years of training involving both on-the-job experience and informal training with experienced workers.

Figure 8 Distribution of Educational Attainment – Personal Financial Advisors

Financial Analysts

Occupation Description

Financial analysts conduct quantitative analyses of information affecting investment programs of public or private institutions.

Secondary Titles

Secondary titles for financial analysts are financial analyst, securities analyst, investment analyst, equity research analyst, credit products officer, operational risk analyst, planning analyst, research analyst, and real estate analyst.

Job Type

Professional

Assessment of Need

- Higher than average projected job growth in the tri-region area, 2005-2015
- Lower than average wage when compared to the state average
- Some tri-region organizations reported difficulties finding suitable candidates for these positions

Current Employment and Projected Growth

There were 2,456 financial analysts employed in the Los Angeles and Orange Counties in 2005. Three thousand two hundred and sixty-nine (3,269) are projected to be employed within the region area by 2015, an average annual

growth rate of 3.31 percent. By comparison, the annual average growth rate in California between 2005 and 2015 is expected to be lower at 1.35 percent.

Table 3 Financial Analysts – Employment Forecasts

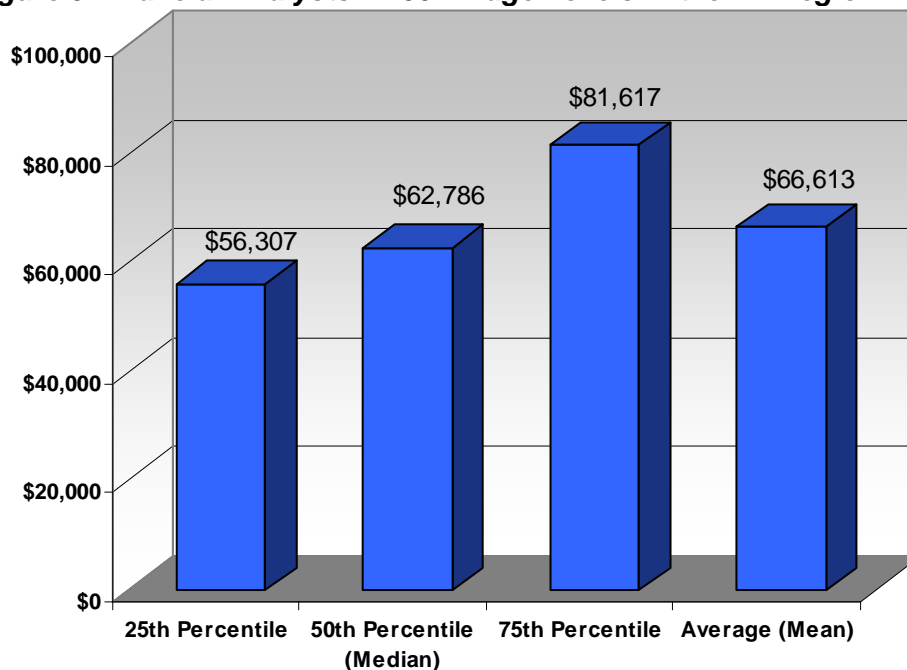
	2005	2015	New Jobs	% Growth
Los Angeles	1,485	1,936	451	30.4%
Orange County	971	1,333	362	37.3%
Riverside County*				
San Bernardino County*				
Total All Regions	2,456	3,269	813	33.1%

*Data not available for Riverside or San Bernardino Counties

Wages

The median annual wage for financial analysts in the tri-region area in 2004 was \$62,786.¹² The 25th percentile wage¹³ in the tri-region area was \$56,307, while the 75th percentile wage is \$81,617.

Figure 9 Financial Analysts – 2004 Wage Levels in the Tri-Region Area



¹² The median is the middle number in a series of data. If there is an even number of data points, the average of the two middle values is taken as the median.

¹³ A percentile orders data in a way that easily demonstrates what percentage of the data falls above or below a certain point. For example, if the 75th percentile wage were \$100,000, then 75 percent of employees in the occupation would make less than \$100,000 and twenty-five percent would make more than \$100,000.

Career Ladders (Survey Results)

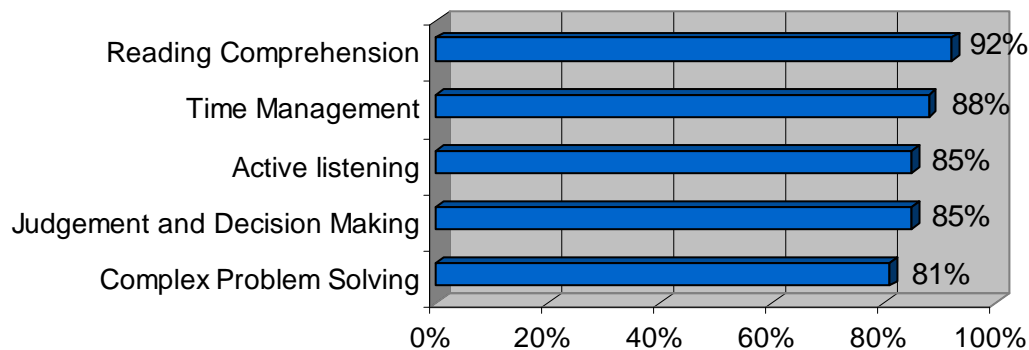
During the survey, employers were asked which occupations successful candidates may have held before they were hired as well as after working successfully in their current position.

- Previous Occupations: Accountant, Analyst, Sales
- Following Occupations: Senior Analyst, Loan Officer, Management, MBA

Skill Assessment

For financial analysts, writing was ranked as the most important skill (see Figure 10).

Figure 10 Financial Analysts – Skill Importance (General Across Industries)



For financial analysts, the most important three skills are:

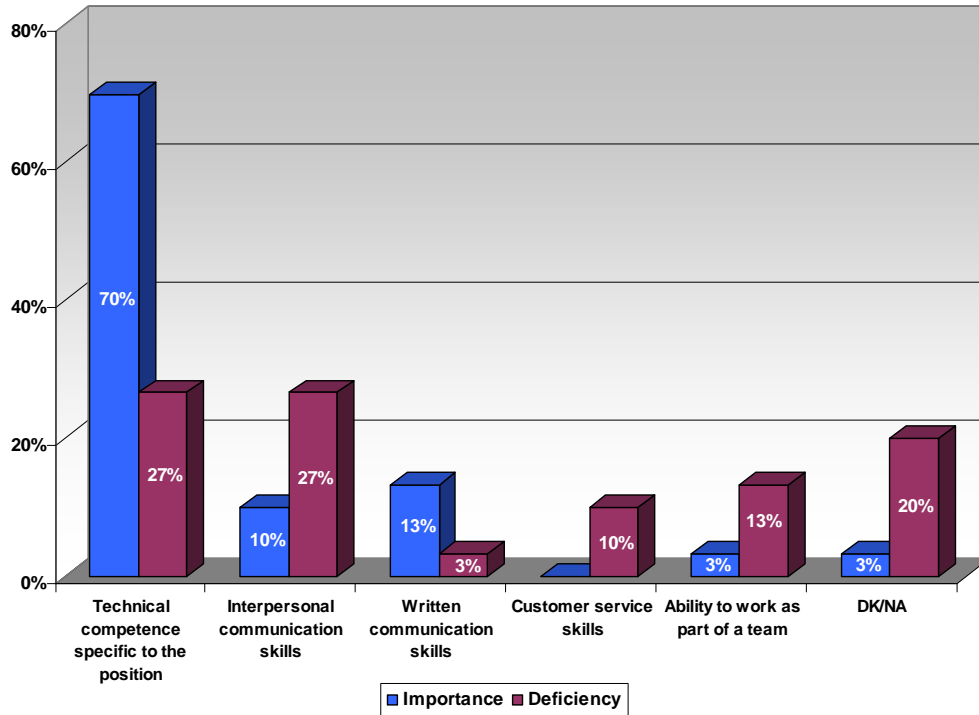
Reading Comprehension — Understanding written sentences and paragraphs in work related documents.

Time Management — Managing one's own time and the time of others.

Active Listening — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

The figure below shows the importance and deficiency levels reported by employers in the survey research component of the study, specific to the FIRE industry.

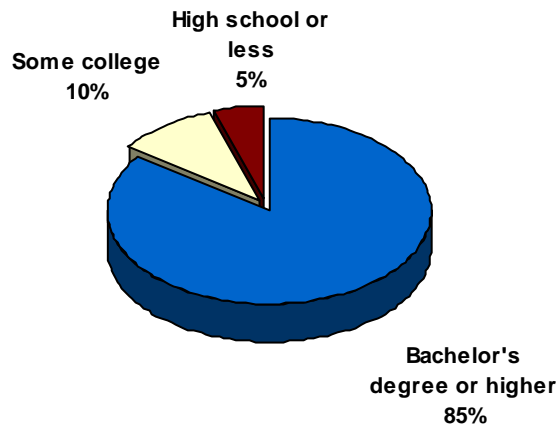
Figure 11 Skill Importance and Deficiency – Financial Analysts (Survey Results)



Education and Training

Most employers require a four-year degree and a minimum of two to four years of work-related skill, knowledge, or experience for these occupations. Generally, employees in these occupations usually need several years of work-related experience, on-the-job training, and/or vocational training.

Figure 12 Distribution of Educational Attainment – Financial Analysts



Appendix D: Community College Finance Programs

Top Code 0504.00

California Community Colleges Chancellor's Office Program Inventory, programs located in the Los Angeles County, Orange County and Inland Empire.

College Name Local Title	Cert Units	Degree Units	Degree Type	Year Approved
Chaffey College Financial Planning	17.00			2005
Compton Community College Banking and Finance	19.00			1966
Glendale College Business Administration: Financial Planning & Investment	28.00	28.00	S	1970
Los Angeles City College Finance and Banking	36.00	59.00	A	1970
Los Angeles Harbor College Skills Certificate in Finance	17.00			2004
Los Angeles Mission College Finance		48.00	A	1978
Los Angeles Pierce College Finance	17.00			1999
Los Angeles Southwest College Business Administration: Banking and Finance	31.00	31.00	A	1973
Los Angeles Southwest College Business Administration: Finance	16.00			1999
Los Angeles Trade-Technical	14.00			2005

Banking Teller

Los Angeles Trade-Technical Mortgage Finance	24.00	36.00	A	2001
Los Angeles Valley College Credit Administration	31.00			1970
Los Angeles Valley College Business: Banking and Finance		37.00	A	1970
Los Angeles Valley College Finance	26.00			1970
Los Angeles Valley College Bank Management	32.00			1970
Los Angeles Valley College Banking	26.00			1970
Pasadena City College Business Admin: Financial Investment	26.00	25.00	S	1975