

Sales and Related Positions

Securities, Commodities, and Financial Services Sales Agents

Securities, Commodities, and Financial Services Sales Agents arrange trades and investment in securities such as stocks, bonds, or mutual funds. These transactions can range in value between a few hundred dollars to millions of dollars.

The most common type of securities sales agent is called a *broker* or *stock broker*. Stock brokers advise everyday people, or retail investors, on appropriate investments based on their needs and financial ability. Once the client and broker agree on the best investment, the broker electronically sends the order to the floor of the securities exchange to complete the transaction. After the transaction is finalized, the broker charges a commission for the service.

Other specializations within this field are investment bankers and traders. *Investment bankers* are sales agents who connect businesses that need money to finance their operations or expansion plans with investors who are interested in providing that funding in exchange for debt (in the form of bonds) or equity (in the form of stock). Traders sell stocks and bonds to investors. A small but powerful group of sales agents work directly on the floor of a stock or commodities exchange. When a firm or investor wishes to buy or sell a security or commodity, sales agents relay the order through their firm's computers to the floor of the exchange. There, *floor brokers* negotiate the price with other floor brokers, make the sale, and forward the purchase price to the sales agents.

Most securities and commodities sales agents work in offices under somewhat stressful conditions. The pace of work is fast, and managers tend to be demanding of their employees since both commissions and advancement are tied to sales. Stock brokers and investment advisors usually work more than 40 hours a week, including evenings and weekends, as many of their clients work during the day.

A growing number of securities sales agents, employed mostly by discount or online brokerage firms, work in call-center environments. In these centers, hundreds of agents spend much of the day on the telephone taking orders from clients or offering assistance and information on their accounts. Often, such call centers operate 24 hours a day, requiring agents to work in shifts. However, exchange traders and workers typically work shorter hours than many other agents since most of their work is done while the market is open.

Education/Training

How to Obtain:

A bachelor's degree in accounting, business, economics, or finance is required for entry into this position. Many large firms hire college students as interns prior to their last year of college and will often hire those interns who are most successful.

A master's in business administration (MBA), although not required, is a major asset for both job seekers and for those seeking professional advancement.

Securities and commodities sales agents regularly attend conferences and seminars to obtain continuing education.

Securities and commodities sales agents are required to register with the Financial Industry Regulatory Authority (FINRA) as a registered representative of their firm. In order to qualify as a registered representative, an employee must:

- Be employed with a registered firm for a minimum of 4 months
- Receive a passing score (70 percent or above) on the General Securities Registered Representatives Examination (also known as the Series 7 Exam)

Most states, including New York, require a second exam, known as the Uniform Securities Agents State Law Examination (or the Series 63 or 66 Exam). Some employers might require this second exam even in a state that does not require it. This test measures knowledge of the securities business, consumer protection, and recordkeeping/administrative procedures.

In New York State, registration is administered through the New York State Attorney General.

Additional licenses are available, and sometimes required, when agents sell securities or insurance products.

Brokers can become chartered financial analysts (CFA), a designation that is often recommended by employers or required for advancement. In order to become a charter financial analyst, an applicant needs:

- A bachelor's degree to register for the program
- Two years of relevant work experience to register for the program
- Pass three examinations in sequence – Level I available in June and December, Level II and Level III available in June only
- As of January 2011, have a valid international travel passport

The chartered financial analyst examinations test a broad curriculum, including alternative investments, corporate finance, derivatives, economics, equity finance, ethical standards, financial reporting, fixed income, portfolio and wealth management,

and quantitative methods. The chartered financial analysts examinations require at least 300 of study and preparation time each.

More Information on Licensing and Registration:

- FINRA examinations, including the Series 7, 63, and 65 examinations:
<http://www.finra.org/Industry/Compliance/Registration/QualificationsExams/RegisteredReps/Qualifications/p011096>
- North American Securities Administration Association:
http://www.nasaa.org/industry_regulatory_resources/exams/474.cfm
- Chartered financial analyst information:
http://www.cfainstitute.org/cfaprogram/gettingstarted/membership/Pages/cfa_membership_types.aspx
- New York State Attorney General, Investor Protection Bureau, Registration:
http://www.ag.ny.gov/bureaus/investor_protection/investors/investor/registration_sheet.html

Average Costs:

Tuition and fees for a master's in business administration (MBA) from an accredited university costs an average of \$16,000* per year. Completion time is generally two years.

The cost of the Series 7 examination is \$265 plus the cost of exam study aids.

The Series 63 exam costs \$93, while the Series 66 exam costs \$128, plus the cost of exam study aids.

Chartered Financial Analyst certification costs include \$400 or \$480 for a one-time program registration fee. In addition, each exam costs either \$710 or \$955 for each of the three exams, depending on whether the applicant files for early or late registration. Total costs for registration and all three levels of exams range from \$2530 - \$3345, plus the cost of exam study aids.

Registration in New York State may be paid by a brokerage firm directly. If paid by the individual, the cost of registration ranges between \$30 - \$150, depending on the duration of registration.

* Note: This figure does not include federal, state, or university financial aid resources such as grants, fellowships, scholarships or work study. It also does not include vocational rehabilitation or other state resources available specifically to people with disabilities. Out-of-pocket expense may be significantly less.