

BANKING FEATURE



The Increasingly Important Role of Independent Financial Advisors

[By Shaileja Mammen]

Realizing the necessity of saving and investing, businesses and individuals have stepped up their investments. As baby boomers save for retirement and the better educated and wealthier plan to invest their surpluses, they need financial advice. In addition, people are living longer, so the need to plan for retirement is becoming more important.

Each of us has financial goals. These goals might include buying a home, educating children, or saving for retirement. Financial advisors can help us plan for and achieve these goals. Unfortunate events such as illnesses, accidents, deaths, and natural calamities cannot be avoided. Though most of these events can be covered by insurance, they will still affect your financial resources. The financial advisor's job involves identifying the potential risks that an individual or business might face and suggesting appropriate risk-mitigation techniques to avert them.

According to the *Occupational Outlook Handbook* available on the Bureau of Labor Statistics' website, there will be an above-average rise in financial analyst and personal financial advisor jobs through 2014.

With the globalization of markets, including securities markets, commodities markets, and real estate markets, need for the services of financial analysts and independent financial advisors is increasing.

Markets have also become more complex, making the independent financial advisor's job more challenging.

Due to deregulation in the financial services industry, banks, insurance companies, mutual funds, and brokerage firms are offering a broader range of services. Many banks and brokerage firms are offering investment advisory services through private equity and wealth management divisions. In addition, many banks have entered into the securities brokerage business. These changes resulting from deregulation of the financial services industry have created large numbers of financial analyst jobs, financial advisor jobs, and investment advisor jobs. Regulations also require investment firms to separate investment functions from research activities.

It is also the financial analyst's job to help businesses identify avenues for investment and provide advice on how to invest. The job of a financial analyst in the investment banking field also involves helping

companies raise money and working on corporate mergers and acquisitions.

Some believe that as investment banking is sensitive to changes in the stock market, availability of financial analyst jobs will also fluctuate. But this is far from the truth. The correlation between different markets (bond, stock, commodities, and real estate) is questionable. This correlation determines the demand for financial analysts in the industry. Today, although the stock market is an important indicator of economic activities, other markets have also gained importance.

All financial goals are important, and we have to plan for each of them. Very often, we concentrate only on immediate concerns. Prioritization of financial goals is vital, but we tend to forget that fact because it is easier to postpone planning.

A well-charted plan can help you achieve a long-term goal without much effort-whether it is sending children to college, saving for

BANKING FEATURE

retirement, or building a home. A financial advisor will draw up a financial plan for you after considering your income and expenditures. This will help you determine the surplus funds available for investment

after considering inflow and outflow of cash. Valuation of your assets and liabilities will determine how far you have come toward meeting your financial goals.

On the Net

Financial Analysts and Personal Financial Advisors

www.bls.gov/oco/ocos259.htm

EmploymentCrossing is the largest collection of active jobs in the world.

We continuously monitor the hiring needs of more than 250,000 employers, including virtually every corporation and organization in the United States. We do not charge employers to post their jobs and we aggressively contact and investigate thousands of employers each day to learn of new positions. No one works harder than EmploymentCrossing.

Let EmploymentCrossing go to work for you.