

Career beginnings for business majors

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When Jon Barron graduated with a bachelor's degree in business, he had many career options. He just didn't know which one to pursue first.

Barron was not alone. By the time most business majors earn their undergraduate degree, they understand business operations, have quantitative and reasoning skills, and are prepared for many entry-level business positions. The problem for these graduates, however, is that they're not always advised where to apply what they've learned in the classroom to the workplace.

It is often challenging to identify and evaluate career options because business is a broad field. Ultimately, Barron chose a job as a consultant because it offered him an opportunity to gain experience in a variety of business functions.



Keep reading to learn more about consultancy work and two other common ways for recent undergraduates to gain experience in business: as a financial analyst and in a management-training program. This article describes some of the tasks that these workers perform, projects they complete, and skills they develop during their first years in a new career. It also provides data on the wages that a business major might earn when starting out. Another section lists additional business-related occupations. Resources for finding more information are at the end of the article.

Career options for business majors

Business is, by far, the most popular field of study among undergraduates. According to

the U.S. Department of Education's National Center for Education Statistics, more than 318,000 of the nearly 1.5 million bachelor's degrees awarded in 2005–06 were in business. This was nearly double the number of degrees awarded in any other field of study. (See table 1 on page 26.)

Career preparation may be the primary reason that business is a popular major for undergraduates. Business majors' coursework in business strategy, statistics, accounting, finance, and operations management gives them skills in quantitative analysis. Research, writing, and presentation assignments enhance their ability to gather, analyze, and present information. Many projects are done in groups, so students learn to work cooperatively.

This training is important to employers, a fact reflected in the competitive salary offers

Table 1
Top 10 bachelor's degrees conferred in 2005–06, by academic discipline

Academic discipline	Number of degrees conferred
Total	1,485,242
Business	318,042
Social sciences and history	161,485
Education	107,238
Health professions and related clinical sciences	91,973
Psychology	88,134
Visual and performing arts	83,297
Communication, journalism, and related programs	73,955
Biological and biomedical sciences	69,178
Engineering	67,045
English language and literature/letters	55,096

Source: U.S. Department of Education, National Center for Education Statistics.

that business majors receive when they enter the job market. National Center for Education Statistics data show that after a year in the workforce, business majors earned about 16 percent more than the average salary for all majors. Statistics from the National Association of Colleges and Employers provide a snapshot of how salary offers vary by specific business field of study. (See table 2.)

Earnings potential contributes to the decisionmaking process in choosing a career. But so can experience potential. Of three popular choices among entry-level business majors—business consultant, financial analyst, and management trainee—each provides an opportunity to gain relevant skills for a long-term career in business.

Business consultant

Business consultants, also called management analysts, help clients improve business performance, efficiency, structure, or profits. These workers identify the clients' business problems and analyze data and other information to recommend solutions. Business consultants in some firms also serve as mediators, resolving conflict between managers. Other core tasks may include developing records management programs and helping to imple-

ment new systems or organizational changes.

Throughout a project, consultants often collaborate and discuss ideas. At Jon Barron's firm, for example, most consultants work in teams of two to five people. A typical project might involve brainstorming, independent research, and team analysis. After Barron and other consultants develop a recommendation, they present a report explaining how the team broke down the problem and outlining the next steps. His team also must justify the amount of money that the client will be charged.

Barron enjoys putting his degree in finance to use in analyzing business problems from a financial perspective. During one consulting project, Barron's team had to determine how to improve inventory management for a retailer that was using 10 different paper suppliers. "Our team observed and analyzed the client's operations for 1 month and decided that the company needed only 1 paper supplier," he says. "We renegotiated a contract and analyzed the new relationship with the contractor."

Consultants gain experience working with a variety of industries and businesses. Some consulting firms specialize in an industry or business function, such as logistics, marketing, or human resource management. Other

firms provide general consulting services. For Barron, whose firm's clients include many types of businesses, it was the opportunity to develop expertise in a variety of areas that attracted him to the job. "I get to work with companies ranging from retailers to automobile suppliers to golf club manufacturers," he says.

Working as a consultant is appealing to business majors because the pace is often fast and the tasks frequently change. But entry-level consultants must be prepared to perform less interesting administrative duties, too, such as processing expense reports and preparing client bills.

Outlook and wages. Total employment of management analysts is projected to grow 22 percent between 2002 and 2016, according to the U.S. Bureau of Labor Statistics (BLS). This rate is much faster than the average for all occupations.

Strong competition for jobs is expected, because business majors are attracted to the work's potential for being challenging and financially lucrative. Qualified applicants have diverse educational backgrounds and, sometimes, work experience.

Management analysts earned a median annual wage of \$71,150 in May 2007, according to BLS, more than double the median wage of \$31,410 for all occupations. (A median wage is the wage at which half of all workers in an occupation made more than that amount and half made less.)

Variation in wages is due to differences in experience, employment across different industries and geographic areas, and other factors. The lowest earning 10 percent of management analysts—a group likely to include recent bachelor's degree recipients—had annual wages of \$40,860 or less. The highest earning 10 percent made \$131,870 or more per year.

Qualifications and advancement. To succeed in their work, business consultants need to be self-motivated and analytical. Strong skills in oral and written communication, proficiency in spreadsheet and presentation software, and creativity also are important. "On the job, I have to organize my thoughts to guide the client to my point, and not just state an opinion," says Barron. "I have to represent the firm and communicate with diverse audiences of different ages and levels of expertise."

In traditional management consulting firms, entry-level consultants often start out as research analysts and progressively get more responsibility. Consultants who aspire to higher level positions often work toward becoming a partner or director in the firm. The length of time for advancing depends on the firm as well as the worker.

Financial analyst

Financial analysts identify trends, develop forecasts, and assess the risks of various investment decisions. They use spreadsheet

Table 2
Average salary offers for selected bachelor's degree candidates by major and job function, January 2008

Job function	Major field of study					
	Business administration, management	Logistics, materials management	Marketing, marketing management	Finance	Accounting	All majors
Consulting	\$58,885	\$54,000	\$52,900	\$54,300	\$56,222	\$55,844
Financial and treasury analysis	50,167	54,000	49,300	52,796	52,682	52,212
Management trainee (entry-level management)	39,285	46,848	36,600	39,900	45,200	42,396

Source: National Association of Colleges and Employers, Winter 2008 Salary Survey.

and other computer software to organize and analyze economic and business information. On the basis of the results of this analysis, they write technical reports that might include investment recommendations.

There are many types of financial analysts, but they are grouped into two basic categories: buy-side and sell-side. Buy-side analysts work for institutional investors, such as mutual-funds investors, hedge-funds investors, and insurance companies; they devise investment strategies for a portfolio of stocks, bonds, and other financial products. Sell-side analysts help securities dealers, such as investment banks, to sell their products.

Some financial analysts, called ratings analysts, evaluate the creditworthiness of companies or governments. Other financial analysts perform budget, cost, and credit analysis as part of their responsibilities.

Financial analysts at large firms may specialize by industry, region, or type of product. Analysts must develop and maintain expertise in their specialization and be aware of regulatory, policy, or other changes that may affect the firm's investments.

Meredith Porter recently graduated with a degree in finance and has put her training to work as a buy-side financial analyst in the information technology field. Like the job tasks of many entry-level financial analysts, hers are largely routine. Typical duties include keeping track of financial statements and invoices, compiling and updating reports, organizing data, and reviewing records for accuracy. Any discrepancies she discovers may require additional research to solve the problem.

Some financial analysts work independently; others work mostly in teams. Even those who work independently, as Porter

Financial analysts study trends and recommend investment decisions.





Communication skills are important for a career in business.

usually does, require the knowledge of other experts in their firm—and this is especially so for newer analysts. “I regularly consult with the senior analysts and the contracts and operations team to ensure that what I am doing is correct,” Porter says.

Outlook and wages. Employment of financial analysts is expected to grow by 34 percent between 2006 and 2016, much faster than the average for all occupations. A primary impetus for this growth is the increasing complexity of investments. For example, as the number and types of mutual funds and the amount of assets invested in these funds increase, mutual-fund companies are expected to need more financial analysts to research and recommend investments.

The median annual wage for financial analysts in May 2007 was \$70,400. The lowest earning 10 percent of all financial analysts made less than \$42,280, and the highest earning 10 percent made more than \$137,210. These data include performance-based bonuses, which are often a significant

part of analysts’ wages. The wages for this occupation varied by industry and geographic location.

Qualifications and advancement.

Financial analysts must have strong math, research, data analysis, and problem-solving skills. Their reports include complex financial concepts, so analysts need to understand how money markets and the economy operate. They must be able to use computers; familiarity with spreadsheet and statistical software is especially important. And analysts must be able to work both independently and as part of a team.

Depending on the nature of their work, analysts may be required to get licenses or certification.

College graduates with a degree in any business field usually have the training that employers seek for entry-level financial analysts. Regardless of major, though, taking some courses may give new financial analysts an edge. For example, extensive knowledge of finance or accounting may not be required for

Management training programs allow participants to rotate job assignments and gain exposure to different parts of a business.



entry-level financial analyst jobs, but coursework in those subjects is recommended.

Advancement opportunities for financial analysts include leadership and management positions. An entry-level analyst might advance to a lead analyst, for example, and the training and leadership experience gained in that role could pave the way to becoming a manager.

Management trainee

Some students who have a bachelor's degree in business choose to get practical experience by working in management training or career development programs. These programs usually last 1 or 2 years and allow trainees to rotate job assignments. Each assignment is intended to instruct trainees about a different part of the business or industry operation. Ultimately, a trainee may be offered a management position in the company.

These programs are ideal for those who are interested in a particular industry but do not yet know which business function they prefer. At a retail store, for example, a trainee might work in all departments—including

customer service, sales, human resources, and the warehouse—before being evaluated for a manager's position in a specific department. In a larger corporate training program, a trainee's rotational assignments might include working on cost analysis, legal contracts, program management, and strategic planning.

Other programs train managers to work in a particular area of the company. Management trainees in these programs learn about a single operational function in greater depth than they would in a more general training program. For example, a program preparing workers for a career in logistics—the administration of moving and storing goods—might rotate trainees through the distribution center, purchasing center, and branch offices.

Chris Murray, a recent college graduate who majored in finance, worked as a management trainee. He started as a business analyst for a defense contractor and rotated through several positions in the company. "My job over the first 2 years changed every 4 months," he says. He performed a variety of tasks in different departments. While working with contracts, for example, Murray handled

the correspondence from U.S. and foreign customers and worked with his company's export department to ensure that proper procedures were followed in dealings with foreign customers.

Outlook and wages. The job functions performed by management trainees usually span several occupations. As a result, it is difficult to specify a median wage for all trainees. BLS does have wage estimates for several occupations into which trainees are commonly placed, including general and operations managers; transportation, storage, and distribution managers; compensation and benefits managers; and sales managers.

In May 2007, median annual wages for these occupations ranged from \$81,410 for compensation and benefits managers to

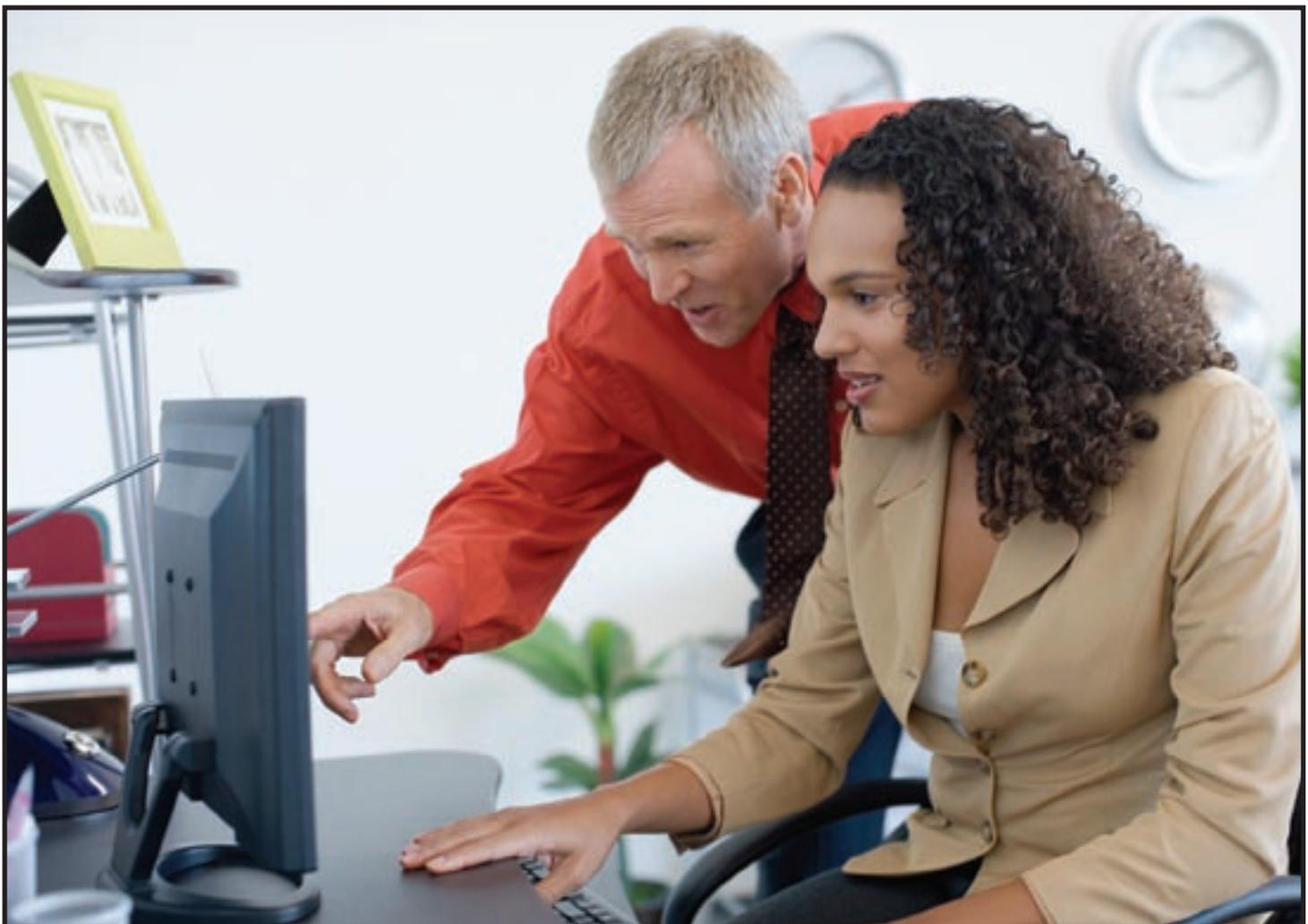
\$94,910 for sales managers. Wages varied by industry and geographic location.

Across these occupations, annual wages for the lowest earning 10 percent of workers varied little, ranging from \$43,990 to \$46,050. Annual wages for the highest earning 10 percent of workers in these occupations ranged from \$126,440 for transportation, storage, and distribution managers to more than \$146,500 for general and operations managers and for sales managers.

Management trainees, however, usually have wages that are near the lowest earning percentile. Managers with many years of experience are likely to have higher wages.

Qualifications and promotion. Management trainees should be energetic, be adaptable, and welcome the challenges of rotating

Employers value many of the skills business majors bring to the workplace.



into different jobs. In addition, trainees usually need patience, negotiation skills, and the ability to analyze data.

Coursework in business subjects helps to prepare students for being management trainees. Time management, spreadsheet software, financial analysis, critical thinking, and writing skills are especially valuable. Murray emphasizes the importance of interpersonal communication for trainees in a rotational program. “Knowing how to communicate with people is essential to being a team player and getting work done,” he says.

Good rotational programs help trainees narrow their career choices, and their experience may impress future employers. And although the programs introduce trainees to different management tasks, they also introduce trainees to employers. Often, trainees who perform well are asked to stay.

In addition, these programs help trainees determine the specific industry or business operation that best suits their skills. For example, Karen Olsted discovered through a training program that her outgoing personality is a perfect match for the retail distribution industry. Olsted put her operations management degree to work with a large distributor, focusing primarily on inventory management.

At one point during her training, Olsted followed the advice of one of her professors and moved her desk from an office into the company’s warehouse. This tactic allowed her to suggest improvements based on seeing for herself how things were running. “The warehouse workers loved it because I was accessible when they had a problem,” says Olsted. “Once I was there, I was really able to get things done.”

Other career options

Business study prepares jobseekers for a range of careers. Some business occupations require experience in addition to a bachelor’s degree; other positions require more education, such as a master’s of business administration.

Among the other career options in business-related occupations are the following.

Advertising and promotions managers.

These workers plan and direct advertising policies and programs. They produce materials to promote goods or services for a department, an organization, or an account. (For a detailed description of advertising account executive work in the toy industry, see “Toy jobs: Work in the business of play” elsewhere in this issue of the *Quarterly*.)

Budget analysts. Examining budget estimates for completeness, accuracy, and conformity to procedures and regulations, budget analysts review budgeting and accounting reports to maintain control on expenditures.

Compensation, benefits, and job analysis specialists. These specialists conduct programs in compensation, benefits, and job analysis. They may concentrate in specific areas, such as position classification or pension programs.

Financial examiners. Examiners enforce or ensure compliance with laws and regulations that govern financial and securities institutions and financial and real estate transactions. Their tasks may include reviewing and verifying the accuracy and authenticity of financial records.

Insurance sales agents. These workers sell life, property, casualty, health, automotive, or other types of insurance. They might work as independent brokers or be employed by an insurance company.

Market research analysts. By researching market conditions in local, regional, or national areas, these analysts determine potential sales of a product or service. They gather information about competitors, prices, sales, and methods of marketing and distribution. And they may use the results of the research, such as information about preferences and buying habits, to create marketing campaigns based on their findings.

Public relations managers. Public relations managers plan and direct programs that establish a favorable public image for an employer or client. Those engaged in fundraising plan and direct activities to solicit and maintain funds for specific projects or organizations.

Sales managers. Directing the distribution of a product or service to the customer, sales managers establish sales territories, quotas, and goals. They also set up training programs for sales representatives, analyze sales data to determine sales potential and inventory requirements, and monitor customer preferences.

Securities, commodities, and financial services sales agents. These agents buy and sell securities in investment and trading firms or sell financial services—such as loan, tax, and securities counseling—to businesses and individuals. They also might advise customers about financial concerns, such as stocks, bonds, and market conditions.

For more information

This article focused primarily on entry-level options for students with a bachelor's degree in business. Of course, there are numerous occupations that provide business experience.

For more career guidance information, visit your local library or career counselor. Look in the *Occupational Outlook Handbook* (online at www.bls.gov/ooH) for occupational descriptions, job outlooks, educational requirements, and more. For wage and employment statistics for more than 800 occupations by industry and geographic area, visit the Occupational Employment Statistics Web site at www.bls.gov/oes.

Some students with business degrees might be interested in entrepreneurship. The U.S. Small Business Administration has information to help people start and build a business. For more information, contact

U.S. Small Business Administration
409 3rd St. SW.

Washington, DC 20416

Toll free: 1 (800) U-ASK-SBA
(827-5722)

[www.sba.gov/smallbusinessplanner/
plan/index.html](http://www.sba.gov/smallbusinessplanner/plan/index.html)

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