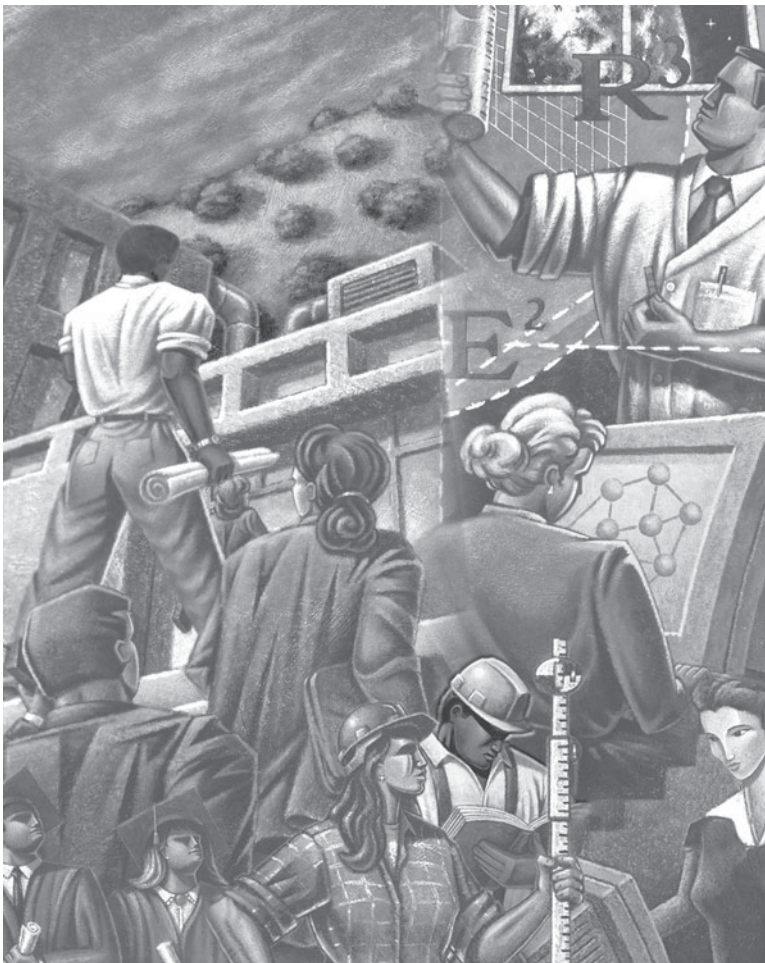


# Sales Occupations



Reprinted from the  
Occupational Outlook Handbook, 2004-05 Edition

U.S. Department of Labor  
Bureau of Labor Statistics



## Occupations Included in this Reprint

Cashiers  
Counter and rental clerks  
Demonstrators, product promoters, and models  
Insurance sales agents  
Real estate brokers and sales agents  
Retail salespersons  
Sales engineers  
Sales representatives, wholesale  
and manufacturing  
Sales worker supervisors  
Securities, commodities, and  
financial services sales agents  
Travel agents

# Cashiers

(0\*NET 41-2011.00, 41-2012.00)

## Significant Points

- Cashiers are trained on the job; this occupation provides opportunities for many young people with no previous work experience.
- Nearly one-half of all cashiers work part time.
- Good employment opportunities are expected because of the large number of workers who leave this occupation each year.
- Many cashiers start at the Federal minimum wage.

## Nature of the Work

Supermarkets, department stores, gasoline service stations, movie theaters, restaurants, and many other businesses employ cashiers to register the sale of their merchandise. Most cashiers total bills, receive money, make change, fill out charge forms, and give receipts.

Although specific job duties vary by employer, cashiers usually are assigned to a register at the beginning of their shifts and are given drawers containing a specific amount of money with which to start—their “banks.” They must count their banks to ensure that they contain the correct amount of money and adequate supplies of change. At the end of their shifts, they once again count the drawers’ contents and compare the totals with sales data. An occasional shortage of small amounts may be overlooked but, in many establishments, repeated shortages are grounds for dismissal.

In addition to counting the contents of their drawers at the end of their shifts, cashiers usually separate and total charge forms, return slips, coupons, and any other noncash items. Cashiers also handle returns and exchanges. They must ensure that returned merchandise is in good condition, and determine where and when it was purchased and what type of payment was used.

After entering charges for all items and subtracting the value of any coupons or special discounts, cashiers total the customer’s bill and take payment. Acceptable forms of payment include cash, personal checks, credit cards, and debit cards. Cashiers must know the store’s policies and procedures for each type of payment the store accepts. For checks and charges, they may request additional identification from the customer or call in for an authorization. They must verify the age of customers purchasing alcohol or tobacco. When the sale is complete, cashiers issue a receipt to the customer and return the appropriate change. They may also wrap or bag the purchase.

Cashiers traditionally have totaled customers’ purchases using cash registers—manually entering the price of each product bought. However, most establishments now use more sophisticated equipment, such as scanners and computers. In a store with scanners, a cashier passes a product’s Universal Product Code over the scanning device, which transmits the code number to a computer. The computer identifies the item and its price. In other establishments, cashiers manually enter codes into computers, and descriptions of the items and their prices appear on the screen.

Depending on the type of establishment, cashiers may have other duties as well. In many supermarkets, for example, cashiers weigh produce and bulk food, as well as return unwanted items to the shelves. In convenience stores, cashiers may be required to know how to use a variety of machines other than cash registers, and how

to furnish money orders and sell lottery tickets. Operating ticket-dispensing machines and answering customers’ questions are common duties for cashiers who work at movie theaters and ticket agencies. In casinos, *gaming change persons* and *booth cashiers* exchange coins and tokens and may issue payoffs. They may also operate a booth in the slot-machine area and furnish change persons with a money bank at the start of the shift, or count and audit money in drawers

## Working Conditions

Nearly one-half of all cashiers work part time. Hours of work often vary depending on the needs of the employer. Generally, cashiers are expected to work weekends, evenings, and holidays to accommodate customers’ needs. However, many employers offer flexible schedules. For example, full-time workers who work on weekends may receive time off during the week. Because the holiday season is the busiest time for most retailers, many employers restrict the use of vacation time from Thanksgiving through the beginning of January.

Most cashiers work indoors, usually standing in booths or behind counters. In addition, they often are unable to leave their workstations without supervisory approval because they are responsible for large sums of money. The work of cashiers can be very repetitious, but improvements in workstation design are being made to combat problems caused by repetitive motion. In addition, the work can sometimes be dangerous; cashiers’ risk from workplace homicides is much higher than that of the total workforce.

## Employment

Cashiers held about 3.5 million jobs in 2002. Although cashiers are employed in almost every industry, 26 percent of all jobs were in food and beverage stores. Gasoline stations, department stores, other retail establishments, and restaurants also employed large numbers of these workers. Outside of retail establishments, many cashiers worked in amusement, gambling, and recreation industries, local government, and personal and laundry services. Because cashiers are needed in businesses and organizations of all types and sizes, job opportunities are found throughout the country.

## Training, Other Qualifications, and Advancement

Cashier jobs tend to be entry-level positions requiring little or no previous work experience. Although there are no specific educa-



*Cashiers are expected to have good employment opportunities because of the large number of workers who leave this occupation each year.*

tional requirements, employers filling full-time jobs often prefer applicants with high school diplomas.

Nearly all cashiers are trained on the job. In small businesses, an experienced worker often trains beginners. The trainee spends the first day observing the operation and becoming familiar with the store's equipment, policies, and procedures. After this, trainees are assigned to a register—frequently under the supervision of an experienced worker. In larger businesses, trainees spend several days in classes before being placed at cash registers. Topics typically covered in class include a description of the industry and the company, store policies and procedures, equipment operation, and security.

Training for experienced workers is not common, except when new equipment is introduced or when procedures change. In these cases, the employer or a representative of the equipment manufacturer trains workers on the job.

Persons who want to become cashiers should be able to do repetitious work accurately. They also need basic mathematics skills and good manual dexterity. Because cashiers deal constantly with the public, they should be neat in appearance and able to deal tactfully and pleasantly with customers. In addition, some businesses prefer to hire persons who can operate specialized equipment or who have business experience, such as typing, selling, or handling money.

Advancement opportunities for cashiers vary. For those working part time, promotion may be to a full-time position. Others advance to head cashier or cash-office clerk. In addition, this job offers a good opportunity to learn about an employer's business and can serve as a steppingstone to a more responsible position.

### Job Outlook

Opportunities for full-time and part-time cashier jobs should continue to be good, because of employment growth and the need to replace the large number of workers who transfer to other occupations or leave the labor force. There is substantial movement into and out of the occupation because education and training requirements are minimal, and the predominance of part-time jobs is attractive to people seeking a short-term source of income rather than a full-time career. Historically, workers under the age of 25 have filled many of the openings in this occupation—in 2002, one-half of all cashiers were 24 years of age or younger. Some establishments have begun hiring elderly and disabled persons to fill some of their job openings.

Cashier employment is expected to grow about as fast as the average for all occupations through the year 2012 because of expanding demand for goods and services by a growing population. The rising popularity of electronic commerce, which does not require a cashier to complete a transaction or accept payment, may reduce the employment growth of cashiers. However, electronic commerce will have a limited impact on this large occupation, as many consumers lack Internet access or still prefer the traditional method of purchasing goods at stores. The growing use of self-service check-out systems in retail trade, especially at grocery stores, may also have an adverse effect on employment of cashiers. This trend, however, will largely depend on the public's acceptance of the new self-service technology.

Job opportunities may vary from year to year, because the strength of the economy affects demand for cashiers. Companies tend to hire more persons for such jobs when the economy is strong. Seasonal demand for cashiers also causes fluctuations in employment.

### Earnings

Many cashiers start at the Federal minimum wage, which was \$5.15 an hour in 2003. Some State laws set the minimum wage higher,

and establishments must pay at least that amount. Wages tend to be higher in areas in which there is intense competition for workers.

Median hourly earnings of cashiers, except gaming in 2002 were \$7.41. The middle 50 percent earned between \$6.51 and \$8.73 an hour. The lowest 10 percent earned less than \$5.86, and the highest 10 percent earned more than \$10.97 an hour. Median hourly earnings in the industries employing the largest numbers of cashiers in 2002 were as follows:

Grocery stores .....	\$7.57
Department stores .....	7.55
Other general merchandise store .....	7.27
Gasoline stations .....	7.18
Health and personal care stores .....	7.08

Benefits for full-time cashiers tend to be better than those for cashiers working part time. In addition to typical benefits, those working in retail establishments often receive discounts on purchases, and cashiers in restaurants may receive free or low-cost meals. Some employers also offer employee stock-option plans and education-reimbursement plans.

### Related Occupations

Cashiers accept payment for the purchase of goods and services. Other workers with similar duties include tellers, counter and rental clerks, food and beverage serving and related workers, gaming cage workers, Postal Service workers, and retail salespersons, all of whom are discussed elsewhere in the *Handbook*.

### Sources of Additional Information

General information on retailing is available from:

► National Retail Federation, 325 7th St. NW., Suite 1100, Washington, DC 20004.

For information about employment opportunities as a cashier, contact:

► National Association of Convenience Stores, 1605 King St., Alexandria, VA 22314-2792.

► United Food and Commercial Workers International Union, Education Office, 1775 K St. NW., Washington, DC 20006-1502.

## Counter and Rental Clerks

(0\*NET 41-2021.00)

### Significant Points

- Jobs are primarily entry-level and require little or no experience and minimal formal education.
- Faster-than-average employment growth is expected as businesses strive to improve customer service.
- Part-time employment opportunities should be plentiful.

### Nature of the Work

Whether renting videotapes, air compressors, or moving vans, or dropping off clothes to be drycleaned or appliances to be serviced, we rely on counter and rental clerks to handle these transactions efficiently. Although the specific duties of these workers vary by establishment, counter and rental clerks answer questions involving product availability, cost, and rental provisions. Counter and rental clerks also take orders, calculate fees, receive payments, and accept returned merchandise. (Cashiers and retail salespersons, two occupations with similar duties, are discussed elsewhere in the *Handbook*.)

Regardless of where they work, counter and rental clerks must be knowledgeable about the company's services, policies, and procedures. Depending on the type of establishment, counter and rental clerks use their special knowledge to give advice on a wide variety of products and services, ranging from hydraulic tools to shoe repair. For example, in the car rental industry, these workers inform customers about the features of different types of automobiles, as well as daily and weekly rental costs. They also ensure that customers meet age and other requirements for renting cars, and they indicate when and in what condition the cars must be returned. Those in the equipment rental industry have similar duties, but must also know how to operate and care for the machinery rented. In drycleaning establishments, counter clerks inform customers when items will be ready and what the effects, if any, of the chemicals used on garments are. In video rental stores, counter clerks advise customers about the use of video and game players and the length of a rental, scan returned movies and games, restock shelves, handle money, and log daily reports.

When taking orders, counter and rental clerks use various types of equipment. In some establishments, they write out tickets and order forms, although most use computers or bar-code scanners. Most of these computer systems are user friendly, require very little data entry, and are customized for the firm. Scanners read the product code and display a description of the item on a computer screen. However, clerks must ensure that the data on the screen pertain to the product.

### Working Conditions

Firms employing counter and rental clerks usually operate nights and weekends for the convenience of their customers. However, many employers offer flexible schedules. Some counter and rental clerks work 40-hour weeks, but about half are on part-time schedules—usually during rush periods, such as weekends, evenings, and holidays.

Working conditions usually are pleasant; most stores and service establishments are clean, well lighted, and temperature controlled. However, clerks are on their feet much of the time and may be confined behind a small counter area or be exposed to harmful

chemicals. The job requires constant interaction with the public and can be stressful, especially during busy periods.

### Employment

Counter and rental clerks held 436,000 jobs in 2002. About 21 percent of clerks worked in consumer goods rental, which includes video rental stores. Other large employers included drycleaning and laundry services; automotive equipment rental and leasing services; automobile dealers; amusement, gambling, and recreation industries; and grocery stores.

Counter and rental clerks are employed throughout the country, but are concentrated in metropolitan areas, where personal services and renting and leasing services are in greater demand.

### Training, Other Qualifications, and Advancement

Counter and rental clerk jobs are primarily at the entry level and require little or no experience and minimal formal education. However, many employers prefer workers with at least a high school diploma.

In most companies, counter and rental clerks are trained on the job, sometimes through the use of videotapes, brochures, and pamphlets. Clerks usually learn how to operate a firm's equipment and become familiar with the firm's policies and procedures under the observation of a more experienced worker. However, some employers have formal classroom training programs lasting from a few



Counter and rental clerks must be knowledgeable about the products and services that their firm provides.

hours to a few weeks. Topics covered in this training include the nature of the industry, the company and its policies and procedures, operation of equipment, sales techniques, and customer service. Counter and rental clerks also must become familiar with the different products and services rented or provided by their company in order to give customers the best possible service.

Counter and rental clerks should enjoy working with people and should have the ability to deal tactfully with difficult customers. They also should be able to handle several tasks at once, while continuing to provide friendly service. In addition, good oral and written communication skills are essential.

Advancement opportunities depend on the size and type of company. Many establishments that employ counter or rental clerks tend to be small businesses, making advancement difficult. But in larger establishments with a corporate structure, jobs such as counter and rental clerks offer good opportunities for workers to learn about their company's products and business practices. These jobs can lead to more responsible positions. It is common in many establishments to promote counter and rental clerks to event planner, assistant manager, or salesperson. Workers may choose to pursue related positions, such as mechanic, or even establish their own business.

In certain industries, such as equipment repair, counter and rental jobs may be an additional or alternative source of income for workers who are unemployed or semiretired. For example, retired mechanics could prove invaluable at tool rental centers because of their knowledge of, and familiarity with, tools.

**Job Outlook**

Employment of counter and rental clerks is expected to increase about faster than the average for all occupations through the year 2012, as all types of businesses strive to improve customer service by hiring more clerks. In addition, some industries employing counter and rental clerks—for example, rental and leasing services and amusement and recreation industries—are expected to grow rapidly. Nevertheless, most job openings will arise from the need to replace experienced workers who transfer to other occupations or leave the labor force. Part-time employment opportunities are expected to be plentiful.

**Earnings**

Counter and rental clerks typically start at the minimum wage, which, in establishments covered by Federal law, was \$5.15 an hour in 2003. In some States, the law sets the minimum wage higher, and establishments must pay at least that amount. Wages also tend to be higher in areas where there is intense competition for workers. In addition to wages, some counter and rental clerks receive commissions, based on the number of contracts they complete or services they sell.

Median hourly earnings of counter and rental clerks in 2002 were \$8.31. The middle 50 percent earned between \$6.89 and \$10.91 an hour. The lowest 10 percent earned less than \$6.03 an hour, and the highest 10 percent earned more than \$15.10 an hour. Median hourly earnings in the industries employing the largest number of counter and rental clerks in 2002 were as follows:

Automobile dealers .....	\$16.09
Automotive equipment rental and leasing .....	9.69
Lessors of real estate .....	9.19
Drycleaning and laundry services .....	7.34
Amusement and recreation services .....	7.30

Full-time workers typically receive health and life insurance, paid vacation, and sick leave. Benefits for counter and rental clerks

who work part time or for independent stores tend to be significantly less than for those who work full time. Many companies offer discounts to both full-time and part-time employees on the services they provide.

**Related Occupations**

Counter and rental clerks take orders and receive payment for services rendered. Other workers with similar duties include tellers, cashiers, food- and beverage-serving and related workers, gaming cage workers, Postal Service workers, and retail salespersons.

**Sources of Additional Information**

For general information on employment in the equipment rental industry, contact

► American Rental Association, 1900 19th St., Moline, IL 61265. Internet: <http://www.ararental.org>

For more information about the work of counter clerks in drycleaning and laundry establishments, contact:

► International Fabricare Institute, 12251 Tech Rd., Silver Spring, MD 20904. Internet: <http://www.iff.org>

# Demonstrators, Product Promoters, and Models

(0\*NET 41-9011.00, 41-9012.00)

## Significant Points

- Job openings should be plentiful for demonstrators and product promoters, but keen competition is expected for modeling jobs.
- Most jobs are part time or have variable work schedules, and many jobs require frequent travel.
- Formal training and education requirements are limited.

## Nature of the Work

Demonstrators, product promoters, and models create public interest in buying products such as clothing, cosmetics, food items, and housewares. The information they provide helps consumers make educated choices among the wide variety of products and services available.

Demonstrators and product promoters create public interest in buying a product by demonstrating it to prospective customers and answering their questions. They may sell the demonstrated merchandise, or gather names of prospects to contact at a later date or to pass on to a sales staff. *Demonstrators* promote sales of a product to consumers, while *product promoters* try to induce retail stores to sell particular products and market them effectively. Product demonstration is an effective technique used by both to introduce new products or promote sales of old products because it allows face-to-face interaction with potential customers.

Demonstrators and product promoters build current and future sales of both sophisticated and simple products, ranging from computer software to mops. They attract an audience by offering samples, administering contests, distributing prizes, and using direct-mail advertising. They must greet and catch the attention of possible customers and quickly identify those who are interested and qualified. They inform and educate customers about the features of products and demonstrate their use with apparent ease to inspire confidence in the product and its manufacturer. They also distribute information, such as brochures and applications. Some demonstrations are intended to generate immediate sales through impulse buying, while others are considered an investment to generate future sales and increase brand awareness.

Demonstrations and product promotions are conducted in retail and grocery stores, shopping malls, trade shows, and outdoor fairs. Locations are selected based on both the nature of the product and the type of audience. Demonstrations at large events may require teams of demonstrators to efficiently handle large crowds. Some demonstrators promote products on videotape or on television programs, such as “infomercials” or home shopping programs.

Demonstrators and product promoters may prepare the content of a presentation and alter it to target a specific audience or to keep it current. They may participate in the design of an exhibit or customize exhibits for particular audiences. Results obtained by demonstrators and product promoters are analyzed, and presentations are adjusted to make them more effective. Demonstrators and product promoters also may be involved in transporting, assembling, and disassembling materials used in demonstrations.

A demonstrator’s presentation may include visuals, models, case studies, testimonials, test results, and surveys. The equipment used for a demonstration varies with the product being demonstrated. A

food product demonstration might require the use of cooking utensils, while a software demonstration could require the use of a multimedia computer. Demonstrators must be familiar with the product to be able to relate detailed information to customers and to answer any questions that arise before, during, or after a demonstration. Therefore, they may research the product to be presented, the products of competitors, and the interests and concerns of the target audience before conducting a demonstration. Demonstrations of complex products can require practice.

*Models* pose for photos or as subjects for paintings or sculptures. They display clothing, such as dresses, underclothing, swimwear, and suits, for a variety of audiences and in various types of media. They model accessories, such as handbags, shoes, and jewelry, and promote beauty products, including fragrances and cosmetics. The most successful models, called supermodels, hold celebrity status and often use their image to sell products such as books, calendars, and fitness videos. In addition to modeling, they may appear in movies and television shows.

Models’ clients use printed publications, live modeling, and television to advertise and promote products and services. There are different categories of modeling jobs within these media, and the nature of a model’s work may vary with each. Most modeling jobs are for printed publications, and models usually do a combination of editorial, commercial, and catalog work. Editorial print modeling uses still photographs of models for fashion magazine covers and to accompany feature articles, but does not include modeling for advertisements. Commercial print modeling includes work for advertisements in magazines and newspapers, and for outdoor advertisements such as billboards. Catalog models appear in department store and mail order catalogs.

During a photo shoot, a model poses to demonstrate the features of clothing and products. Models make small changes in posture and facial expression to capture the look desired by the client. As they shoot film, photographers instruct models to pose in certain positions and to interact with their physical surroundings. Models work closely with photographers, hair and clothing stylists, makeup artists, and clients to produce the desired look and to finish the photo shoot on schedule. Stylists and makeup artists prepare the model for the photo shoot, provide touchups, and change the look of models throughout the day. If stylists are not provided, models must apply their own makeup and bring their own clothing. Because the client spends time and money planning for and preparing an adver-



*Demonstrators, product promoters, and models create public interest in buying products and services.*

tising campaign, the client usually is present to ensure that the work is satisfactory. The client also may offer suggestions.

Editorial printwork generally pays less than other types of modeling, but provides exposure for a model and can lead to commercial modeling opportunities. Often, beginning fashion models work in foreign countries where fashion magazines are more plentiful.

Live modeling is done in a variety of locations. Live models stand, turn, and walk to demonstrate clothing to a variety of audiences. At fashion shows and in showrooms, garment buyers are the primary audience. Runway models display clothes that either are intended for direct sale to consumers or are the artistic expressions of the designer. High fashion, or haute couture, runway models confidently walk a narrow runway before an audience of photographers, journalists, designers, and garment buyers. Live modeling also is done in apparel marts, department stores, and fitting rooms of clothing designers. In retail establishments, models display clothing directly for shoppers and may be required to describe the features and price of the clothing. Other models pose for sketching artists, painters, and sculptors.

Models may compete with actors and actresses for work in television and may even receive speaking parts. Television work includes commercials, cable television programs, and even game shows. However, competition for television work is intense because of the potential for high earnings and extensive exposure.

Because advertisers need to target very specific segments of the population, models may specialize in a certain area. Petite and plus-size fashions are modeled by women whose dress size is smaller or larger than that worn by the typical model. Models who are disabled may be used to model fashions or products for disabled consumers. "Parts" models have a body part, such as a hand or foot, that is particularly well-suited to model products such as fingernail polish or shoes.

Almost all models work through agents. Agents provide a link between models and clients. Clients pay models, while the agency receives a portion of the model's earnings for its services. Agents scout for new faces, advise and train new models, and promote them to clients. A typical modeling job lasts only 1 day, so modeling agencies differ from other employment agencies in that they maintain an ongoing relationship with the model. Agents find and nurture relationships with clients, arrange auditions called "go-sees," and book shoots if a model is hired. They also provide book-keeping and billing services to models and may offer them financial planning services. Relatively short careers and high incomes make financial planning an important issue for successful models.

With the help of agents, models spend a considerable amount of time promoting and developing themselves. Models assemble and maintain portfolios, print composite cards, and travel to go-sees. A portfolio is a collection of a model's previous work that is carried to all go-sees and bookings. A composite card, or comp card, contains the best photographs from a model's portfolio, along with his or her measurements.

Models must gather information before a job. From an agent, they learn the pay, date, time, and length of the shoot. Also, models need to ask if hair, makeup, and clothing stylists will be provided. It is helpful to know what product is being promoted and what image they should project. Some models research the client and the product being modeled to prepare for a shoot. Models use a document called a voucher to record the rate of pay and the actual duration of the job. The voucher is used for billing purposes after both the client and model sign it. Once a job is completed, models must check in with their agency and plan for the next appointment.

## **Working Conditions**

More than half of all demonstrators, product promoters, and models work part time and almost one-third have variable work schedules. Many positions last 6 months or less.

Demonstrators and product promoters may work long hours while standing or walking, with little opportunity to rest. Some of them travel frequently, and night and weekend work often is required. The atmosphere of a crowded trade show or State fair is often hectic, and demonstrators and product promoters may feel pressure to influence the greatest number of consumers possible in a very limited amount of time. However, many enjoy the opportunity to interact with a variety of people.

The work of models is both glamorous and difficult, and they may work under a variety of conditions. The coming season's fashions may be modeled in a comfortable, climate-controlled studio or in a cold, damp outdoor location. Schedules can be demanding, and models must keep in constant touch with an agent so that they do not miss an opportunity for work. Being away from friends and family, and needing to focus on the photographer's instructions despite constant interruption for touchups, clothing, and set changes can be stressful. Yet, successful models interact with a variety of people and enjoy frequent travel. They may meet potential clients at several go-sees in one day and often travel to work in distant cities, foreign countries, and exotic locations.

## **Employment**

Demonstrators, product promoters, and models held about 179,000 jobs in 2002. Models alone held only about 4,600 jobs in 2002. About 18 percent of all salaried jobs for demonstrators, product promoters, and models were in retail trade, especially general merchandise stores, and 11 percent were in administrative and support services—which includes employment services. Other jobs were found in advertising and related services.

Demonstrator and product promoter jobs may be found in communities throughout the Nation, but modeling jobs are concentrated in New York, Miami, and Los Angeles.

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

Formal training and education requirements are limited for demonstrators, product promoters, and models. Training usually is moderate term, lasting a month or more. Postsecondary education, while helpful, usually is not required. Only about one-quarter have a bachelor's degree or higher.

Demonstrators and product promoters usually receive on-the-job training. Training is primarily product oriented because a demonstrator must be familiar with the product to demonstrate it properly. The length of training varies with the complexity of the product. Experience with the product or familiarity with similar products may be required for demonstration of complex products, such as computers. During the training process, demonstrators may be introduced to the manufacturer's corporate philosophy and preferred methods for dealing with customers.

Employers look for demonstrators and product promoters with good communication skills and a pleasant appearance and personality. Demonstrators and product promoters must be comfortable with public speaking. They should be able to entertain an audience and use humor, spontaneity, and personal interest in the product as promotional tools. Foreign language skills are helpful.

While no formal training is required to begin a modeling career, models should be photogenic and have a basic knowledge of hair styling, makeup, and clothing. Some local governments require models under the age of 18 to hold a work permit. An attractive physical appearance is necessary to become a successful model. A

model should have flawless skin, healthy hair, and attractive facial features. Models must be within certain ranges for height, weight, and dress or coat size in order to meet the practical needs of fashion designers, photographers, and advertisers. Requirements may change slightly from time to time as our society's perceptions about physical beauty change; however, most fashion designers feel that their clothing looks its best on tall, thin models. Although physical requirements may be relaxed for some types of modeling jobs, opportunities are limited for those who do not meet these basic requirements.

Because a model's career depends on preservation of his or her physical characteristics, models must control their diet, exercise regularly, and get enough sleep in order to stay healthy. Haircuts, pedicures, and manicures are necessary work-related expenses for models.

In addition to being attractive, models must be photogenic. The ability to relate to the camera in order to capture the desired look on film is essential, and agents test prospective models using snapshots or professional photographs. For photographic and runway work, models must be able to move gracefully and confidently. Training in acting, voice, and dance is useful and allows a model to be considered for television work. Foreign language skills are useful because successful models travel frequently to foreign countries.

Because models must interact with a large number of people, personality plays an important role in success. Models must be professional, polite, and prompt; every contact could lead to future employment. Organizational skills are necessary to manage personal lives, financial matters, and busy work and travel schedules. Because competition for jobs is stiff and clients' needs are very specific, patience and persistence are essential.

Modeling schools provide training in posing, walking, makeup application, and other basic tasks, but attending such schools does not necessarily lead to job opportunities. In fact, many agents prefer beginning models with little or no previous experience and discourage models from attending modeling schools and purchasing professional photographs. A model's selection of an agency is an important factor for advancement in the occupation. The better the reputation and skill of the agency, the more assignments a model is likely to get. Because clients prefer to work with agents, it is very difficult for a model to pursue a freelance career.

Agents continually scout for new faces, and many of the top models are discovered in this way. Most agencies review snapshots or have "open calls", during which models are seen in person; this service usually is provided free of charge. Some agencies sponsor modeling contests and searches. Very few people who send in snapshots or attend open calls are offered contracts.

Agencies advise models on how to dress, wear makeup, and conduct themselves properly during go-sees and bookings. Because models' advancement depends on their previous work, development of a good portfolio is key to getting assignments. Models accumulate and display current tear sheets—examples of a model's editorial print work—and photographs in the portfolio. The higher the quality and currency of the photos in the portfolio, the more likely it is that the model will find work.

Demonstrators and product promoters who perform well and show leadership ability may advance to other marketing and sales occupations or open their own businesses. Because modeling careers are relatively short, most models eventually transfer to other occupations.

## Job Outlook

Employment of demonstrators, product promoters, and models is expected to grow fast as the average for all occupations through 2012. Job growth should be driven by increases in the number and size of trade shows and greater use of these workers in department stores and various retail shops for in-store promotions. Additional job openings will arise from the need to replace demonstrators, product promoters, and models that transfer to other occupations, retire, or stop working for other reasons.

Job openings should be plentiful for demonstrators and product promoters. Employers may have difficulty finding qualified demonstrators who are willing to fill part-time, short-term positions. Product demonstration is considered a very effective marketing tool. New jobs should arise as firms devote a greater percentage of marketing budgets to product demonstration.

On the other hand, modeling is considered a glamorous occupation, with limited formal entry requirements. Consequently, those who wish to pursue a modeling career can expect keen competition for jobs. The modeling profession typically attracts many more jobseekers than there are job openings available. Only models who closely meet the unique requirements of the occupation will achieve regular employment. The increasing diversification of the general population should boost demand for models more representative of diverse racial and ethnic groups. Work for male models also should increase as society becomes more receptive to the marketing of men's fashions. Because fashions change frequently, demand for a model's look may fluctuate. Most models experience periods of unemployment.

Employment of demonstrators, product promoters, and models is affected by downturns in the business cycle. Many firms tend to reduce advertising budgets during recessions.

## Earnings

Demonstrators and product promoters had median hourly earnings of \$9.80 in 2002. The middle 50 percent earned between \$7.99 and \$13.83. The lowest 10 percent earned less than \$7.04, and the highest 10 percent earned more than \$20.59. Median hourly earnings in the industries that employed the largest numbers of demonstrators and product promoters in 2002 were as follows:

Employment services .....	\$10.41
Other support services .....	8.60
Advertising and related services .....	8.27

Employers of demonstrators, product promoters, and models generally pay for job-related travel expenses.

Median hourly earnings of models were \$10.29 in 2002. The middle 50 percent earned between \$8.01 and \$13.65. The lowest 10 percent earned less than \$6.70, and the highest 10 percent earned more than \$17.62. Earnings vary for different types of modeling, and depend on the experience and reputation of the model. Female models typically earn more than male models for similar work. Hourly earnings can be relatively high, particularly for supermodels and others in high demand, but models may not have work every day, and jobs may last only a few hours. Models occasionally receive clothing or clothing discounts instead of, or in addition to, regular earnings. Almost all models work with agents, and pay 15 to 20 percent of their earnings in return for an agent's services. Models who do not find immediate work may receive payments, called advances, from agents to cover promotional and living expenses. Models must provide their own health and retirement benefits.



**Related Occupations**

Demonstrators, product promoters, and models create public interest in buying clothing, products, and services. Others who create interest in a product or service include actors, producers, and directors; insurance sales agents; real estate brokers; retail salespersons; sales representatives, wholesale and manufacturing; and reservation and transportation ticket agents and travel clerks.

**Sources of Additional Information**

For information about modeling schools and agencies in your area, contact a local consumer affairs organization such as the Better Business Bureau.

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# Insurance Sales Agents

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(0\*NET 41-3021.00)

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## Significant Points

- Despite slower-than-average growth, job opportunities should be good for college graduates and persons with proven sales ability or success in other occupations.
- Successful agents often have high earnings, but many who assume agent jobs fail to earn enough from commissions to meet their income goals and eventually transfer to other careers.
- In addition to offering insurance policies, agents are beginning to sell more financial products, such as mutual funds, retirement funds, and securities.

## Nature of the Work

Most people have their first contact with an insurance company through an insurance sales agent. These workers help individuals, families, and businesses select insurance policies that provide the best protection for their lives, health, and property. Insurance sales agents who work exclusively for one insurance company are referred to as captive agents. Independent insurance agents, or brokers, represent several companies and place insurance policies for their clients with the company that offers the best rate and coverage. In either case, agents prepare reports, maintain records, seek out new clients, and, in the event of a loss, help policyholders settle their insurance claims. Increasingly, some are also offering their clients financial analysis or advice on ways the clients can minimize risk.

Insurance sales agents, commonly referred to as “producers” in the insurance industry, sell one or more types of insurance, such as property and casualty, life, health, disability, and long-term care. Property and casualty insurance agents sell policies that protect individuals and businesses from financial loss resulting from automobile accidents, fire, theft, storms, and other events that can damage property. For businesses, property and casualty insurance can also cover injured workers’ compensation, product liability claims, or medical malpractice claims.

Life insurance agents specialize in selling policies that pay beneficiaries when a policyholder dies. Depending on the policyholder’s circumstances, a cash-value policy can be designed to provide retirement income, funds for the education of children, or other benefits. Life insurance agents also sell annuities that promise a retirement income. Health insurance agents sell health insurance policies that cover the costs of medical care and loss of income due to illness or injury. They also may sell dental insurance and short- and long-term-disability insurance policies.

An increasing number of insurance sales agents are offering comprehensive financial planning services to their clients, such as retirement planning, estate planning, or assistance in setting up pension plans for businesses. As a result, many insurance agents are involved in “cross-selling” or “total account development.” Besides offering insurance, these agents may become licensed to sell mutual funds, variable annuities, and other securities. This practice is most common with life insurance agents who already sell annuities; however, property and casualty agents also sell financial products. (See the statement on securities, commodities, and financial services sales representatives elsewhere in the *Handbook*.)

Technology has greatly affected the insurance agency, making it much more efficient and giving the agent the ability to take on more

clients. Agents’ computers are now linked directly to the insurance carriers via the Internet, making the tasks of obtaining price quotes and processing applications and service requests faster and easier. Computers also allow agents to be better informed about new products that the insurance carriers may be offering.

The growth of the Internet in the insurance industry is gradually altering the relationship between agent and client. In the past, agents devoted much of their time to marketing and selling products to new clients, a practice that is now changing. Increasingly, clients are obtaining insurance quotes from a company’s Web site and then contacting the company directly to purchase policies. This interaction gives the client a more active role in selecting a policy at the best price, while reducing the amount of time agents spend actively seeking new clients. Because insurance sales agents also obtain many new accounts through referrals, it is important that they maintain regular contact with their clients to ensure that the clients’ financial needs are being met. Developing a satisfied clientele that will recommend an agent’s services to other potential customers is a key to success in this field.

Increasing competition in the insurance industry has spurred carriers and agents to find new ways to keep their clients satisfied. One solution is to increase the use of call centers, which usually are accessible to clients 24 hours a day, 7 days a week. Insurance carriers and sales agents also are hiring customer service representatives to handle routine tasks such as answering questions, making changes in policies, processing claims, and selling more products to clients. The opportunity to cross-sell new products to clients will help agents’ businesses grow. The use of call centers also allows agents to concentrate their efforts on seeking out new clients and maintaining relationships with old ones. (See separate *Handbook* statements on customer service representatives and on claims adjusters, appraisers, examiners, and investigators.)

## Working Conditions

Most insurance sales agents are based in small offices, from which they contact clients and provide information on the policies they sell. However, much of their time may be spent outside their offices, traveling locally to meet with clients, close sales, or investigate claims. Agents usually determine their own hours of work and often schedule evening and weekend appointments for the conve-



*Insurance sales agents maintain regular contact with their clients in order to ensure that their financial needs are being met.*

nience of clients. Although most agents work a 40-hour week, some work 60 hours a week or longer. Commercial sales agents, in particular, may meet with clients during business hours and then spend evenings doing paperwork and preparing presentations to prospective clients.

### **Employment**

Insurance sales agents held about 381,000 jobs in 2002. Most insurance sales agents employed in wage and salary positions work for insurance agencies and brokerages. A decreasing number work directly for insurance carriers. Although most insurance agents specialize in life and health or property and casualty insurance, a growing number of “multiline” agents sell all lines of insurance. A small number of agents work for banks and securities brokerages as a result of the increasing integration of the financial services industries. Approximately 1 out of 4 insurance sales agents is self-employed.

Insurance sales agents are employed throughout the country, but most work in or near large urban centers. Some are employed in the headquarters of insurance companies, but the majority work out of local offices or independent agencies.

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

For insurance sales agent jobs, most companies and independent agencies prefer to hire college graduates—especially those who have majored in business or economics. High school graduates are occasionally hired if they have proven sales ability or have been successful in other types of work. In fact, many entrants to insurance sales agent jobs transfer from other occupations. In selling commercial insurance, technical experience in a particular field can help sell policies to those in the same profession. As a result, new agents tend to be older than entrants in many other occupations.

College training may help agents grasp the technical aspects of insurance policies and the fundamentals and procedures of selling insurance. Many colleges and universities offer courses in insurance, and a few schools offer a bachelor’s degree in the field. College courses in finance, mathematics, accounting, economics, business law, marketing, and business administration enable insurance sales agents to understand how social and economic conditions relate to the insurance industry. Courses in psychology, sociology, and public speaking can prove useful in improving sales techniques. In addition, because computers provide instantaneous information on a wide variety of financial products and greatly improve agents’ efficiency, familiarity with computers and popular software packages has become very important.

Insurance sales agents must obtain a license in the States where they plan to do their selling. Separate licenses are required for agents to sell life and health insurance and property and casualty insurance. In most States, licenses are issued only to applicants who complete specified prelicensing courses and who pass State examinations covering insurance fundamentals and State insurance laws. As a result of the Gramm-Leach-Bliley Act of 1999, the industry is increasingly moving toward uniform State licensing standards and reciprocal licensing, allowing agents who earn a license in one State to become licensed in other States upon passing the appropriate courses and examination.

A number of organizations offer professional designation programs that certify one’s expertise in specialties such as life, health, and property and casualty insurance, as well as financial consulting. Although voluntary, such programs assure clients and employers that an agent has a thorough understanding of the relevant specialty. Agents are usually required to complete a specified number of hours of continuing education to retain their designation.

Employers also are placing greater emphasis on continuing professional education as the diversity of financial products sold by insurance agents increases. It is important for insurance agents to keep up to date on issues concerning clients. Changes in tax laws, government benefits programs, and other State and Federal regulations can affect the insurance needs of clients and the way in which agents conduct business. Agents can enhance their selling skills and broaden their knowledge of insurance and other financial services by taking courses at colleges and universities and by attending institutes, conferences, and seminars sponsored by insurance organizations. Most State licensing authorities also have mandatory continuing education requirements focusing on insurance laws, consumer protection, and the technical details of various insurance policies.

As the demand for financial products and financial planning increases, many insurance agents are choosing to gain the proper licensing and certification to sell securities and other financial products. Doing so, however, requires substantial study and passing an additional examination—either the Series 6 or Series 7 licensing exam, both of which are administered by the National Association of Securities Dealers (NASD). The Series 6 exam is for individuals who wish to sell only mutual funds and variable annuities, whereas the Series 7 exam is the main NASD series license that qualifies agents as general securities sales representatives. In addition, to further demonstrate competency in the area of financial planning, many agents find it worthwhile to earn the designation “Certified Financial Planner” or “Chartered Financial Consultant.”

Insurance sales agents should be flexible, enthusiastic, confident, disciplined, hard working, and willing to solve problems. They should communicate effectively and inspire customer confidence. Because they usually work without supervision, sales agents must be able to plan their time well and have the initiative to locate new clients.

An insurance sales agent who shows ability and leadership may become a sales manager in a local office. A few advance to agency superintendent or executive positions. However, many who have built up a good clientele prefer to remain in sales work. Some—particularly in the property and casualty field—establish their own independent agencies or brokerage firms.

### **Job Outlook**

Although slower-than-average employment growth is expected among insurance agents through 2012, opportunities for agents will be favorable for persons with the right qualifications and skills. Among such persons are flexible and ambitious people who enjoy competitive sales work, have excellent interpersonal skills, and possess expertise in a wide range of insurance and financial services. Multilingual agents also should be in high demand because they can serve a wider range of customers. Insurance language tends to be quite technical, so it is important for insurance sales agents to have a firm understanding of relevant technical and legal terms. Because many beginners find it difficult to establish a sufficiently large clientele in this commission-based occupation, many eventually leave for other jobs. Most job openings are likely to result from the need to replace agents who leave the occupation or retire. A large number of agents are expected to retire in coming years.

Future demand for insurance sales agents depends largely on the volume of sales of insurance and other financial products. Sales of health and long-term-care insurance are expected to rise sharply as the population ages. In addition, a growing population will increase demand for insurance for automobiles, homes, and high-priced valu-

ables and equipment. As new businesses emerge and existing firms expand their insurance coverage, sales of commercial insurance also should increase, including coverage such as product liability, workers' compensation, employee benefits, and pollution liability insurance.

Employment of agents will not keep up with the rising level of insurance sales, however. Many insurance carriers are trying to contain costs. As a result, many are shedding their captive agents—those agents working directly for insurance carriers—and are relying more on independent agents or direct marketing through the mail, by phone, or on the Internet.

Agents who incorporate new technology into their existing businesses will remain competitive. Agents who use the Internet to market their products will reach a broader client base and expand their businesses, but because most clients value their relationship with their agent, the Internet should not threaten jobs, given that many individuals still prefer discussing their policies directly with their agents, rather than through a computer. Also, the automation of policy and claims processing is allowing insurance agents to take on more clients.

Agents may face increased competition from traditional securities brokers and bankers as they begin to sell insurance policies. Because of increasing consolidation among insurance companies, banks, and brokerage firms, and due to increasing demands from clients for more comprehensive financial planning, insurance sales agents will need to expand the products and services they offer.

Agents who offer better customer service also will remain competitive. Call centers are another important way carriers and agents are offering better service to customers, because such centers provide greater access to their policies and more prompt services.

Insurance and investments are becoming more complex, and many people and businesses lack the time and expertise to buy insurance without the advice of an agent. Moreover, most individuals and businesses consider insurance a necessity, regardless of economic conditions. Therefore, agents are not likely to face unemployment because of a recession.

### Earnings

The median annual earnings of wage and salary insurance sales agents were \$40,750 in 2002. The middle 50 percent earned between \$ 28,860 and \$ 64,450. The lowest 10 percent had earnings of \$21,730 or less, while the highest 10 percent earned more than \$101,460. Median annual earnings in 2002 in the two industries employing the largest number of insurance sales agents were \$40,480 for insurance agencies, brokerages, and other insurance related activities and \$42,130 for insurance carriers.

Many independent agents are paid by commission only, whereas sales workers who are employees of an agency or an insurance carrier may be paid in one of three ways: salary only, salary plus commission, or salary plus bonus. In general, commissions are the most common form of compensation, especially for experienced agents. The amount of the commission depends on the type and amount of insurance sold and on whether the transaction is a new policy or a renewal. Bonuses usually are awarded when agents meet their sales goals or when an agency meets its profit goals. Some agents involved with financial planning receive a fee for their services, rather than a commission.

Company-paid benefits to insurance sales agents usually include continuing education, training to qualify for licensing, group insurance plans, office space, and clerical support services. Some companies also may pay for automobile and transportation expenses, attendance at conventions and meetings, promotion and marketing expenses, and retirement plans. Independent agents working for insurance agencies receive fewer benefits, but their commissions may be higher to help them pay for marketing and other expenses.

### Related Occupations

Other workers who provide or sell financial products or services include real estate sales agents and brokers; securities, commodities, and financial services sales agents; financial analysts and personal financial advisors; and financial managers. Other occupations in the insurance industry include insurance underwriters; claims adjusters, examiners, and investigators; and insurance appraisers.

### Sources of Additional Information

Occupational information about insurance sales agents is available from the home office of many life and casualty insurance companies. Information on State licensing requirements may be obtained from the department of insurance at any State capital.

For information about insurance sales careers and training, contact either of the following sources:

► Independent Insurance Agents of America, 127 S. Peyton St., Alexandria, VA 22314. Internet: <http://www.iaaa.org>

► Insurance Vocational Education Student Training (InVEST), 127 S. Peyton St., Alexandria, VA 22314. Internet: <http://www.investprogram.org>

For information about health insurance sales careers, contact

► National Association of Health Underwriters, 2000 N. 14th St., Suite 450, Arlington, VA 22201. Internet: <http://www.nahu.org>

For general information on the property and casualty field, contact

► Insurance Information Institute, 110 William St., New York, NY 10038. Internet: <http://www.iii.org>

For information about professional designation programs, contact either of the following organizations:

► The American Institute for Chartered Property and Casualty Underwriters/Insurance Institute of America, 720 Providence Rd., P.O. Box 3016, Malvern, PA 19355-0716. Internet: <http://www.aicpcu.org>

► The American College, 270 Bryn Mawr Ave., Bryn Mawr, PA 19010-2195. Internet: <http://www.amercoll.edu>

# Real Estate Brokers and Sales Agents

(0\*NET 41-9021.00, 41-9022.00)

## Significant Points

- Real estate brokers and sales agents often work evenings and weekends and usually are on call to suit the needs of clients.
- A license is required in every State and the District of Columbia.
- Although gaining a job as a real estate agent or broker may be relatively easy, beginning agents and brokers may face competition from well-established, more experienced agents and brokers in obtaining listings and in closing a sufficient number of sales.

## Nature of the Work

One of the most complex and important financial events in peoples' lives is the purchase or sale of a home or investment property. Because of this complexity and importance, people usually seek the help of real estate brokers and sales agents when buying or selling real estate.

Real estate brokers and sales agents have a thorough knowledge of the real estate market in their community. They know which neighborhoods will best fit clients' needs and budgets. They are familiar with local zoning and tax laws and know where to obtain financing. Agents and brokers also act as intermediaries in price negotiations between buyers and sellers.

Real estate agents usually are independent sales workers who provide their services to a licensed real estate broker on a contract basis. In return, the broker pays the agent a portion of the commission earned from the agent's sale of the property. Brokers are independent businesspeople who sell real estate owned by others; they also may rent or manage properties for a fee. When selling real estate, brokers arrange for title searches and for meetings between buyers and sellers wherein details of the transactions are agreed upon and the new owners take possession of the property. A broker may help to arrange favorable financing from a lender for the prospective buyer; often, this makes the difference between success and failure in closing a sale. In some cases, brokers and agents assume primary responsibility for closing sales; in others, lawyers or lenders do so. Brokers supervise agents who may have many of the same job duties. Brokers also manage their own offices, advertise properties, and handle other business matters. Some combine other types of work, such as selling insurance or practicing law, with their real estate business.

Besides making sales, agents and brokers must have properties to sell. Consequently, they spend a significant amount of time obtaining listings—agreements by owners to place properties for sale with the firm. When listing a property for sale, agents and brokers compare the listed property with similar properties that recently sold, in order to determine a competitive market price for the property. Once the property is sold, the agent who sold it and the agent who obtained the listing both receive a portion of the commission. Thus, agents who sell a property that they themselves have listed can increase their commission.

Most real estate brokers and sales agents sell residential property. A small number, usually employed in large or specialized firms, sell commercial, industrial, agricultural, or other types of real estate.

Every specialty requires knowledge of that particular type of property and clientele. Selling or leasing business property requires an understanding of leasing practices, business trends, and the location of the property. Agents who sell or lease industrial properties must know about the region's transportation, utilities, and labor supply. Whatever the type of property, the agent or broker must know how to meet the client's particular requirements.

Before showing residential properties to potential buyers, agents meet with them to get a feeling for the type of home the buyers would like. In this prequalifying phase, the agent determines how much the buyers can afford to spend. In addition, the agent and the buyer usually sign a loyalty contract which states the agent will be the only one to show houses to the buyers. An agent or broker uses a computer to generate lists of properties for sale, their location and description, and available sources of financing. In some cases, agents and brokers use computers to give buyers a virtual tour of properties in which they are interested. With a computer, buyers can view interior and exterior images or floor plans without leaving the real estate office.

Agents may meet several times with prospective buyers to discuss and visit available properties. Agents identify and emphasize the most pertinent selling points. To a young family looking for a house, they may emphasize the convenient floor plan, the area's low crime rate, and the proximity to schools and shopping centers. To a potential investor, they may point out the tax advantages of owning a rental property and the ease of finding a renter. If bargaining over price becomes necessary, agents must follow their client's instructions carefully and may have to present counteroffers in order to get the best possible price.

Once both parties have signed the contract, the real estate broker or agent must make sure that all special terms of the contract are met before the closing date. For example, the agent must make sure that the mandated and agreed-upon inspections, including that of the home and termite and radon inspections, take place. Also, if the seller agrees to any repairs, the broker or agent must see that they are made. Increasingly, brokers and agents are handling environmental problems as well, by making sure that the properties they sell meet environmental regulations. For example, they may be responsible for dealing with lead paint on the walls. While loan officers, attorneys, or other persons handle many details, the agent must ensure that they are completed.



*When a buyer is ready to purchase a property, the real estate agent or broker drafts a contract that details the terms of the buyer's offer.*

## Working Conditions

Advances in telecommunications and the ability to retrieve data about properties over the Internet allow many real estate brokers and sales agents to work out of their homes instead of real estate offices. Even with this convenience, much of the time of these workers is spent away from their desks—showing properties to customers, analyzing properties for sale, meeting with prospective clients, or researching the state of the market.

Agents and brokers often work more than a standard 40-hour week. They usually work evenings and weekends and are always on call to suit the needs of clients. Business usually is slower during the winter season. Although the hours are long and frequently irregular, most agents and brokers have the freedom to determine their own schedule. Consequently, they can arrange their work so that they can have time off when they want it.

## Employment

In 2002, real estate brokers held about 99,000 jobs; real estate sales agents held 308,000. Many worked part time, combining their real estate activities with other careers. Almost 6 out of 10 real estate agents and brokers were self-employed. Real estate is sold in all areas, but employment is concentrated in large urban areas and in smaller, but rapidly growing communities.

Most real estate firms are relatively small; indeed, some are one-person businesses. By contrast, some large real estate firms have several hundred agents operating out of numerous branch offices. Many brokers have franchise agreements with national or regional real estate organizations. Under this type of arrangement, the broker pays a fee in exchange for the privilege of using the more widely known name of the parent organization. Although franchised brokers often receive help in training sales staff and running their offices, they bear the ultimate responsibility for the success or failure of their firms.

Real estate brokers and sales agents are older, on average, than most other workers. Historically, many homemakers and retired persons were attracted to real estate sales by the flexible and part-time work schedules characteristic of the field. These individuals could enter, leave, and later reenter the occupation, depending on the strength of the real estate market, their family responsibilities, or other personal circumstances. Recently, however, the attractiveness of part-time real estate work has declined, as increasingly complex legal and technological requirements are raising startup costs associated with becoming an agent.

## Training, Other Qualifications, and Advancement

In every State and the District of Columbia, real estate brokers and sales agents must be licensed. Prospective agents must be high school graduates, at least 18 years old, and pass a written test. The examination—more comprehensive for brokers than for agents—includes questions on basic real estate transactions and laws affecting the sale of property. Most States require candidates for the general sales license to complete between 30 and 90 hours of classroom instruction. Those seeking a broker's license need between 60 and 90 hours of formal training and a specific amount of experience selling real estate, usually 1 to 3 years. Some States waive the experience requirements for the broker's license for applicants who have a bachelor's degree in real estate.

State licenses typically must be renewed every 1 or 2 years, usually without having to take an examination. However, many States require continuing education for license renewals. Prospective agents and brokers should contact the real estate licensing commission of the State in which they wish to work in order to verify exact licensing requirements.

As real estate transactions have become more legally complex, many firms have turned to college graduates to fill positions. A large number of agents and brokers have some college training. College courses in real estate, finance, business administration, statistics, economics, law, and English are helpful. For those who intend to start their own company, business courses such as marketing and accounting are as important as those in real estate or finance.

Personality traits are equally as important as academic background. Brokers look for applicants who possess a pleasant personality, are honest, and present a neat appearance. Maturity, tact, trustworthiness, and enthusiasm for the job are required in order to motivate prospective customers in this highly competitive field. Agents should be well organized, be detail oriented, and have a good memory for names, faces, and business particulars.

Those interested in jobs as real estate agents often begin in their own communities. Their knowledge of local neighborhoods is a clear advantage. Under the direction of an experienced agent, beginners learn the practical aspects of the job, including the use of computers to locate or list available properties and identify sources of financing.

Many firms offer formal training programs for both beginners and experienced agents. Larger firms usually offer more extensive programs than smaller firms. More than a thousand universities, colleges, and junior colleges offer courses in real estate. At some, a student can earn an associate's or bachelor's degree with a major in real estate; several offer advanced degrees. Many local real estate associations that are members of the National Association of Realtors sponsor courses covering the fundamentals and legal aspects of the field. Advanced courses in mortgage financing, property development and management, and other subjects also are available through various affiliates of the National Association of Realtors.

Advancement opportunities for agents may take the form of higher rates of commission. As agents gain knowledge and expertise, they become more efficient in closing a greater number of transactions and increase their earnings. In many large firms, experienced agents can advance to sales manager or general manager. Persons who have received their broker's license may open their own offices. Others with experience and training in estimating property value may become real estate appraisers, and people familiar with operating and maintaining rental properties may become property managers. (See the statement on property, real estate, and community association managers elsewhere in the *Handbook*.) Experienced agents and brokers with a thorough knowledge of business conditions and property values in their localities may enter mortgage financing or real estate investment counseling.

## Job Outlook

Employment of real estate brokers and sales agents is expected to grow more slowly than the average for all occupations through the year 2012. Increasing use of information technology will continue to raise the productivity of agents and brokers, limiting the potential for job growth to a certain extent. Prospective customers often can conduct their own searches for properties that meet their criteria by accessing real estate information on the Internet. Real estate companies often use computer-generated images to show houses to customers without leaving the office. In addition, cellular phones can send and receive large amounts of data, allowing agents and brokers to become more efficient and to serve a greater number of customers. However, most people still want and need the services of real estate agents and brokers to handle the actual sale. The use of technology may eliminate some marginal agents, such as those practicing real estate part-time or temporarily be-

tween jobs. Such workers generally are not able to compete with full-time agents who have invested in the technology. Changing legal requirements, such as disclosure laws, may also dissuade some who are not serious about practicing full time from continuing to work part time.

Real estate agents and brokers will continue to experience some employment growth due to the increasing housing needs of a growing population, as well as the perception that real estate is a good investment. Low interest rates should continue to stimulate sales of real estate, resulting in the need for more agents and brokers. In addition, a large number of job openings will arise each year from the need to replace workers who transfer to other occupations or leave the labor force. This occupation is relatively easy to enter and is attractive, due to the flexible working conditions, the high interest in, and knowledge of, local real estate markets that entrants often have, and the potential for high earnings. Therefore, although gaining a job as a real estate agent or broker may be relatively easy, beginning agents and brokers may face competition from well-established, more experienced agents and brokers in obtaining listings and in closing a sufficient number of sales. Well-trained, ambitious people who enjoy selling, especially those with extensive social and business connections in their communities, should have the best chance for success.

Employment of real estate brokers and sales agents often is sensitive to swings in the economy, especially interest rates. During periods of declining economic activity and increasing interest rates, the volume of sales and the resulting demand for sales workers falls. As a result, the earnings of agents and brokers decline, and many work fewer hours or leave the occupation altogether.

### **Earnings**

The median annual earnings of salaried real estate agents, including commissions, were \$30,930 in 2002. The middle 50 percent earned between \$21,010 and \$52,860 a year. The lowest 10 percent earned less than \$15,480, and the highest 10 percent earned more than \$83,780.

Median annual earnings of salaried real estate brokers, including commission, were \$50,330 in 2002. The middle 50 percent earned between \$29,240 and \$90,170 a year. The lowest 10 percent earned less than \$17,920, and the highest 10 percent earned more than \$145,600 a year.

Commissions on sales are the main source of earnings of real estate agents and brokers. The rate of commission varies according to whatever the agent and broker agree on, the type of property, and its value. The percentage paid on the sale of farm and commercial properties or unimproved land usually is higher than the percentage paid for selling a home.

Commissions may be divided among several agents and brokers. The broker or agent who obtained the listing usually shares their commission when the property is sold with the broker or agent who made the sale, and also with the firm that employs them. Although an agent's share varies greatly from one firm to another, often it is about half of the total amount received by the firm. Agents who both list and sell a property maximize their commission.

Income usually increases as an agent gains experience, but individual ability, economic conditions, and the type and location of the property also affect earnings. Sales workers who are active in community organizations and in local real estate associations can broaden their contacts and increase their earnings. A beginner's earnings often are irregular, because a few weeks or even months may go by without a sale. Although some brokers allow an agent to draw against future earnings from a special account, the practice is not usual with new employees. The beginner, therefore, should

have enough money to live for about 6 months or until commissions increase.

### **Related Occupations**

Selling expensive items such as homes requires maturity, tact, and a sense of responsibility. Other sales workers who find these character traits important in their work include insurance sales agents; retail salespersons; sales representatives, wholesale and manufacturing; and securities, commodities, and financial services sales agents. The work of property, real estate, and community association managers, although not involving sales, requires a knowledge of real estate.

### **Sources of Additional Information**

Information on license requirements for real estate brokers and sales agents is available from most local real estate organizations or from the State real estate commission or board.

More information about opportunities in real estate is available on the Internet site of the following organization:

► National Association of Realtors. Internet: <http://www.realtor.org>

# Retail Salespersons

(0\*NET 41-2031.00)

## Significant Points

- Good employment opportunities are expected because of the need to replace the large number of workers who leave the occupation each year.
- Many salespersons work evenings, weekends, and long hours from Thanksgiving through the beginning of January, during sales, and in other peak retail periods.
- Opportunities for part-time and temporary work are plentiful, attracting people looking to supplement their income; however, most of those selling high-priced items work full time and have substantial experience.
- There are no formal education requirements, although a high school diploma is preferred; employers look for people who enjoy working with others and who have tact, patience, an interest in sales work, a neat appearance, and the ability to communicate clearly.

## Nature of the Work

Whether selling shoes, computer equipment, or automobiles, retail salespersons assist customers in finding what they are looking for and try to interest them in buying the merchandise. They describe a product's features, demonstrate its use, or show various models and colors. For some sales jobs, particularly those involving expensive and complex items, retail salespersons need special knowledge or skills. For example, salespersons who sell automobiles must be able to explain the features of various models, information about warranties, the meaning of manufacturers' specifications, and the types of options and financing available.

Consumers spend millions of dollars every day on merchandise and often form their impression of a store by evaluating its sales force. Therefore, retailers stress the importance of providing courteous and efficient service in order to remain competitive. When, for example, a customer wants an item that is not on the sales floor, the salesperson may check the stock room, place a special order, or call another store to locate the item.

In addition to selling, most retail salespersons—especially those who work in department and apparel stores—make out sales checks; receive cash, checks, and charge payments; bag or package purchases; and give out change and receipts. Depending on the hours they work, retail salespersons may have to open or close cash registers. This work may include counting the money in the register; separating charge slips, coupons, and exchange vouchers; and making deposits at the cash office. Salespersons often are held responsible for the contents of their registers, and repeated shortages are cause for dismissal in many organizations. (Cashiers, who have similar job duties, are discussed elsewhere in the *Handbook*.)

Salespersons also may handle returns and exchanges of merchandise, wrap gifts, and keep their work areas neat. In addition, they may help stock shelves or racks, arrange for mailing or delivery of purchases, mark price tags, take inventory, and prepare displays.

Frequently, salespersons must be aware of special sales and promotions. They also must recognize security risks and thefts and know how to handle or prevent such situations.

## Working Conditions

Most salespersons in retail trade work in clean, comfortable, well-lit stores. However, they often stand for long periods and may need supervisory approval to leave the sales floor.

The Monday-through-Friday, 9-to-5 workweek is the exception rather than the rule in retail trade. Most salespersons work evenings and weekends, particularly during sales and other peak retail periods. Because the holiday season is the busiest time for most retailers, many employers restrict the use of vacation time to some period other than Thanksgiving through the beginning of January.

The job can be rewarding for those who enjoy working with people. Patience and courtesy are required, especially when the work is repetitious and the customers are demanding.

## Employment

Retail salespersons held about 4.1 million wage and salary jobs in 2002. They worked in stores ranging from small specialty shops employing a few workers to giant department stores with hundreds of salespersons. In addition, some were self-employed representatives of direct-sales companies and mail-order houses. The largest employers of retail salespersons are department stores, clothing and accessories stores, building material and garden equipment and supplies dealers, and motor vehicle dealers.

This occupation offers many opportunities for part-time work and is especially appealing to students, retirees, and others seeking to supplement their income. However, most of those selling "big-ticket" items, such as cars, jewelry, furniture, and electronic equipment, work full time and have substantial experience.

Because retail stores are found in every city and town, employment is distributed geographically in much the same way as the population.



*Jobs as retail salespersons can be rewarding to those who enjoy working with people.*



## Training, Other Qualifications, and Advancement

There usually are no formal education requirements for this type of work, although a high school diploma or equivalent is preferred. Employers look for people who enjoy working with others and who have the tact and patience to deal with difficult customers. Among other desirable characteristics are an interest in sales work, a neat appearance, and the ability to communicate clearly and effectively. The ability to speak more than one language may be helpful for employment in communities where people from various cultures tend to live and shop. Before hiring a salesperson, some employers may conduct a background check, especially for a job selling high-priced items.

In most small stores, an experienced employee or the proprietor instructs newly hired sales personnel in making out sales checks and operating cash registers. In large stores, training programs are more formal and are usually conducted over several days. Topics generally discussed are customer service, security, the store's policies and procedures, and how to work a cash register. Depending on the type of product they are selling, employees may be given additional specialized training by manufacturers' representatives. For example, those working in cosmetics receive instruction on the types of products the store has available and for whom the cosmetics would be most beneficial. Likewise, salespersons employed by motor vehicle dealers may be required to participate in training programs designed to provide information on the technical details of standard and optional equipment available on new models. Because providing the best service to customers is a high priority for many employers, employees often are given periodic training to update and refine their skills.

As salespersons gain experience and seniority, they usually move to positions of greater responsibility and may be given their choice of departments in which to work. This often means moving to areas with potentially higher earnings and commissions. The highest earnings potential usually is found in selling big-ticket items, although such a position often requires the most knowledge of the product and the greatest talent for persuasion.

Opportunities for advancement vary in small stores. In some establishments, advancement is limited because one person—often the owner—does most of the managerial work. In others, some salespersons are promoted to assistant managers.

Traditionally, capable salespersons without college degrees could advance to management positions. Today, however, large retail businesses usually prefer to hire college graduates as management trainees, making a college education increasingly important. Despite this trend, motivated and capable employees without college degrees still may advance to administrative or supervisory positions in large establishments.

Retail selling experience may be an asset when one is applying for sales positions with larger retailers or in other industries, such as financial services, wholesale trade, or manufacturing.

## Job Outlook

As in the past, employment opportunities for retail salespersons are expected to be good because of the need to replace the large number of workers who transfer to other occupations or leave the labor force each year. In addition, many new jobs will be created for retail salespersons. Employment is expected to grow about as fast as the average for all occupations through the year 2012, reflecting rising retail sales stemming from a growing population. Opportunities for part-time work should be abundant, and demand will be strong for temporary workers during peak selling periods, such as the end-of-year holiday season. The availability of part-

time and temporary work attracts many people seeking to supplement their income.

During economic downturns, sales volumes and the resulting demand for sales workers usually decline. Purchases of costly items, such as cars, appliances, and furniture, tend to be postponed during difficult economic times. In areas of high unemployment, sales of many types of goods decline. However, because turnover among retail salespersons is high, employers often can adjust employment levels simply by not replacing all those who leave.

Despite the growing popularity of electronic commerce, Internet sales have not decreased the need for retail salespersons. Retail stores commonly use an online presence just to complement their in-store sales—there are very few Internet-only apparel and specialty stores. Retail salespersons will remain important in assuring customers that they will receive specialized service and in improving customer satisfaction, something Internet services cannot do. Therefore, the impact of electronic commerce on employment of retail salespersons will be minimal.

## Earnings

The starting wage for many retail sales positions is the Federal minimum wage, which was \$5.15 an hour in 2002. In areas where employers have difficulty attracting and retaining workers, wages tend to be higher than the legislated minimum.

Median hourly earnings of retail salespersons, including commission, were \$8.51 in 2002. The middle 50 percent earned between \$7.08 and \$11.30 an hour. The lowest 10 percent earned less than \$6.18, and the highest 10 percent earned more than \$16.96 an hour. Median hourly earnings in the industries employing the largest numbers of retail salespersons in 2002 were as follows:

Automobile dealers .....	\$18.25
Building material and supplies dealers .....	10.41
Department stores .....	8.12
Other general merchandise stores .....	7.84
Clothing stores .....	7.77

Compensation systems vary by type of establishment and merchandise sold. Salespersons receive hourly wages, commissions, or a combination of wages and commissions. Under a commission system, salespersons receive a percentage of the sales that they make. This system offers sales workers the opportunity to increase their earnings considerably, but they may find that their earnings strongly depend on their ability to sell their product and on the ups and downs of the economy. Employers may use incentive programs such as awards, banquets, bonuses, and profit-sharing plans to promote teamwork among the sales staff.

Benefits may be limited in smaller stores, but benefits in large establishments usually are comparable to those offered by other employers. In addition, nearly all salespersons are able to buy their store's merchandise at a discount, with the savings depending upon the type of merchandise.

## Related Occupations

Salespersons use sales techniques, coupled with their knowledge of merchandise, to assist customers and encourage purchases. Workers in a number of other occupations who use these same skills include sales representatives, wholesale and manufacturing; securities, commodities, and financial services sales agents; counter and rental clerks; real estate brokers and sales agents; purchasing managers, buyers, and purchasing agents; insurance sales agents; sales engineers; and cashiers.

### **Sources of Additional Information**

Information on careers in retail sales may be obtained from the personnel offices of local stores or from State merchants' associations.

General information about retailing is available from:

► National Retail Federation, 325 7th St. NW., Suite 1100, Washington, DC 20004.

Information about retail sales employment opportunities is available from:

► Retail, Wholesale, and Department Store Union, 30 East 29th St., 4th Floor, New York, NY 10016. Internet: <http://www.rwdsu.org>

Information about training for a career in automobile sales is available from:

► National Automobile Dealers Association, Public Relations Department, 8400 Westpark Dr., McLean, VA 22102-3591. Internet: <http://www.nada.org>

# Sales Engineers

(0\*NET 41-9031.00)

## Significant Points

- A bachelor's degree in engineering is required; many sales engineers have previous work experience in an engineering specialty.
- Projected employment growth stems from the increasing number and technical nature of products to be sold.
- More job opportunities are expected in independent agencies.
- Earnings are based on a combination of salary and commission.

## Nature of the Work

Many products and services, especially those purchased by large companies and institutions, are highly complex. Sales engineers, using their engineering skills, help customers determine which products or services provided by the sales engineer's employer best suit their needs. Sales engineers—who also may be called manufacturers' agents, sales representatives, or technical sales support workers—often work with both the customer and the production, engineering, or research and development departments of their company, or of independent firms, to determine how products and services could be designed or modified to best suit the customer's needs. They also may advise the customer on how to best utilize the products or services being provided.

Selling, of course, is an important part of the job. Sales engineers use their technical skills to demonstrate to potential customers how and why the products or services they are selling would suit the customer better than competitors' products. Often, there may not be a directly competitive product. In these cases, the job of the sales engineer is to demonstrate to the customer the usefulness of the product or service—for example, how much money new production machinery would save.

Most sales engineers have a bachelor's degree in engineering and some have previous work experience in an engineering specialty. Engineers apply the theories and principles of science and mathematics to technical problems. Their work is the link between scientific discoveries and commercial applications. Many sales engineers specialize in an area related to an engineering specialty. For example, sales engineers selling chemical products may have chemical engineering backgrounds, while those selling electrical products may have degrees in electrical engineering. (Information on engineers and 14 engineering specialties appears elsewhere in the *Handbook*.)

Many of the job duties of sales engineers are similar to those of other salespersons. They must interest the client in purchasing their products, many of which are durable manufactured products such as turbines. Sales engineers are often teamed with other salespersons who concentrate on the marketing and sales, enabling the sales engineer to concentrate on the technical aspects of the job. By working as a sales team, each member is able to utilize his or her strengths and knowledge. (Information on other sales occupations, including sales representatives, wholesale and manufacturing, appears elsewhere in the *Handbook*.)

Sales engineers tend to employ selling techniques that are different from those used by most other sales workers. They may use a "consultative" style; that is, they focus on the client's problem

and show how it could be solved or mitigated with their product or service. This selling style differs from the "benefits and features" method, whereby the product is described and the customer is left to decide how the product would be useful.

In addition to maintaining current clients and attracting new ones, sales engineers help clients solve any problems that arise when the product is installed, and may continue to serve as a liaison between the client and their company. In addition, using their familiarity with client needs, sales engineers may help identify and develop new products.

Sales engineers may work directly for manufacturers or service providers, or in small independent firms. In an independent firm, they may sell complimentary products from several different suppliers and be paid on a commission basis.

## Working Conditions

Many sales engineers work more than 40 hours per week to meet sales goals and their clients' needs. Selling can be stressful because sales engineers' income and job security often directly depend on their success in sales and customer service.

Some sales engineers have large territories and travel extensively. Because sales regions may cover several States, sales engineers may be away from home for several days or even weeks at a time. Others work near their "home base" and travel mostly by automobile. International travel, to secure contracts with foreign customers, is becoming more important.



*Sales engineers may use a consultative selling style, focusing on the client's problem and showing how it could be solved or mitigated with their product or service.*

Although the hours may be long and are often irregular, many sales engineers have the freedom to determine their own schedule. Consequently, they often can arrange their appointments so that they can have time off when they want it. However, most independent sales workers do not earn any income while on vacation.

### **Employment**

Sales engineers held about 82,000 jobs in 2002. About 32 percent were employed in the manufacturing industries and another 28 percent were employed in wholesale trade. Unlike workers in many other sales occupations, very few sales engineers are self-employed.

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

A bachelor's degree in engineering is usually required to become a sales engineer. However, some workers with previous experience in sales combined with technical experience or training sometimes hold the title of sales engineer. Also, workers who have a degree in a science, such as chemistry, or even a degree in business with little or no previous sales experience, may be termed sales engineers.

Admissions requirements for undergraduate engineering schools include a solid background in mathematics (algebra, geometry, trigonometry, and calculus), physical sciences (biology, chemistry, and physics), and courses in English, social studies, humanities, and computer science. University programs vary in content. For example, some programs emphasize industrial practices, preparing students for a job in industry, whereas others are more theoretical and prepare students for graduate school. Therefore, students should investigate curriculums and check accreditations carefully before making a selection. Once a university has been selected, a student must choose an area of engineering in which to specialize. Some programs offer a general engineering curriculum; students then specialize in graduate school or on the job. Most engineering degrees are granted in electrical, mechanical, or civil engineering. However, engineers trained in one branch may work in related branches.

Many sales engineers first worked as engineers. For some, the engineering experience was necessary to obtain the technical background needed to effectively sell their employers' products or services. Others moved into the occupation because it offered better earnings and advancement potential or because they were looking for a new challenge.

New graduates with engineering degrees may need sales experience and training to obtain employment directly as a sales engineer. This may involve teaming with a sales mentor who is familiar with the business practices, customers, and company procedures and culture. After the training period has been completed, the sales engineer may continue to partner with someone who lacks technical skills, yet excels in the art of sales.

Promotion may include a higher commission rate, larger sales territory, or elevation to the position of supervisor or marketing manager. In other cases, sales engineers may leave their companies and form an independent firm that may offer higher commissions and more freedom. Independent firms tend to be small, although relatively few sales engineers are self-employed.

It is important for sales engineers to continue their education throughout their careers because much of their value to their employers depends on their knowledge of the latest technology. Sales engineers in high-technology areas, such as information technology or advanced electronics, may find that technical knowledge can become obsolete rapidly.

### **Job Outlook**

Employment of sales engineers is expected to grow about as fast as the average for all occupations through the year 2012. Projected

employment growth stems from the increasing variety and number of goods to be sold. Competitive pressures and advancing technology will force companies to improve and update product designs more frequently and to optimize their manufacturing and sales processes. In addition to new positions created as companies expand their sales force, some openings will arise each year from the need to replace sales workers who transfer to other occupations or leave the labor force.

Manufacturers are expected to continue contracting out more of their sales functions to independent sales agencies in an attempt to control their costs. This should mean more job opportunities for sales engineers in independent agencies and for self-employed independent sales engineers.

Employment opportunities and earnings may fluctuate from year to year because sales are affected by changing economic conditions, legislative issues, and consumer preferences. Prospects will be best for those with the appropriate knowledge or technical expertise, as well as the personal traits necessary for successful sales work.

### **Earnings**

Compensation varies significantly by the type of firm and product sold. Most employers use a combination of salary and commission or salary plus bonus. Commissions usually are based on the amount of sales, whereas bonuses may depend on individual performance, on the performance of all sales workers in the group or district, or on the company's performance. Earnings from commissions and bonuses may vary greatly from year to year, depending on sales ability, the demand for the company's products or services, and the overall economy.

Median annual earnings of sales engineers, including commissions, were \$63,660 in 2002. The middle 50 percent earned between \$48,650 and \$84,880 a year. The lowest 10 percent earned less than \$37,430, and the highest 10 percent earned more than \$108,080 a year. Median annual earnings of sales engineers in the computer systems design and related services industry in 2002 were \$77,100; earnings for sales engineers in the professional and commercial equipment and supplies merchant wholesalers industry were \$53,170.

In addition to their earnings, sales engineers who work for manufacturers are usually reimbursed for expenses such as transportation, meals, hotels, and customer entertainment. In addition to typical benefits, sales engineers often get personal use of a company car and frequent-flyer mileage. Some companies offer incentives such as free vacation trips or gifts for outstanding performance. Sales engineers who work in independent firms may have higher but less stable earnings and, often, relatively few benefits.

### **Related Occupations**

Sales engineers must have sales ability and knowledge of the products they sell, as well as technical and analytical skills. Other occupations that require similar skills include advertising, marketing, promotions, public relations, and sales managers; engineers; insurance sales agents; purchasing managers, buyers, and purchasing agents; real estate brokers and sales agents; sales representatives, wholesale and manufacturing; and securities, commodities, and financial services sales agents.

### **Sources of Additional Information**

Information on careers for manufacturers' representatives and agents is available from:

- ▶ Manufacturers' Agents National Association, P.O. Box 3467, Laguna Hills, CA 92654-3467. Internet: <http://www.manaonline.org>
- ▶ Manufacturers' Representatives Educational Research Foundation, P.O. Box 247, Geneva, IL 60134. Internet: <http://www.mrerf.org>

# Sales Representatives, Wholesale and Manufacturing

(0\*NET 41-4011.01, 41-4011.02, 41-4011.03, 41-4011.04, 41-4011.05, 41-4011.06, 41-4012.00)

## Significant Points

- Earnings of sales representatives usually are based on a combination of salary and commission.
- Many individuals with previous sales experience enter the occupation without a college degree; however, a bachelor's degree increasingly is required.
- Prospects will be best for those with the appropriate knowledge or technical expertise, and the personal traits necessary for successful selling.

## Nature of the Work

Sales representatives are an important part of manufacturers' and wholesalers' success. Regardless of the type of product they sell, their primary duties are to interest wholesale and retail buyers and purchasing agents in their merchandise, and to address any of the client's questions or concerns. Sales representatives represent one or several manufacturers or wholesale distributors by selling one product or a complimentary line of products. Sales representatives also advise clients on methods to reduce costs, use their products, and increase sales. They market their company's products to manufacturers, wholesale and retail establishments, construction contractors, government agencies, and other institutions. (Retail salespersons, who sell directly to consumers, and sales engineers, who specialize in sales of technical products and services, are discussed elsewhere in the *Handbook*.)

Depending on where they work, sales representatives have different job titles. Those employed directly by a manufacturer or wholesaler often are called *sales representatives*. *Manufacturers' agents* or *manufacturers' representatives* are self-employed sales workers or independent firms who contract their services to all types of manufacturing companies. However, many of these titles are used interchangeably.

Sales representatives spend much of their time traveling to and visiting with prospective buyers and current clients. During a sales call, they discuss the client's needs and suggest how their merchandise or services can meet those needs. They may show samples or catalogs that describe items their company stocks and inform customers about prices, availability, and ways in which their products can save money and improve productivity. Because a vast number of manufacturers and wholesalers sell similar products, sales representatives must emphasize any unique qualities of their products and services. Manufacturers' agents or manufacturers' representatives might sell several complimentary products made by different manufacturers and, thus, take a broad approach to their customers' business. Sales representatives may help install new equipment and train employees. They also take orders and resolve any problems with or complaints about the merchandise.

Obtaining new accounts is an important part of the job. Sales representatives follow leads from other clients, track advertisements in trade journals, participate in trade shows and conferences, and may visit potential clients unannounced. In addition, they may spend time meeting with and entertaining prospective clients during evenings and weekends.

In a process that can take several months, sales representatives present their product and negotiate the sale. Aided by a laptop com-

puter connected to the Internet, they often can answer technical and nontechnical questions immediately.

Frequently, sales representatives who lack technical expertise work as a team with a technical expert. In this arrangement, the technical expert—sometimes a sales engineer—will attend the sales presentation to explain the product and answer questions or concerns. The sales representative makes the preliminary contact with customers, introduces the company's product, and closes the sale. The representative is then able to spend more time maintaining and soliciting accounts and less time acquiring technical knowledge. After the sale, representatives may make followup visits to ensure that the equipment is functioning properly and may even help train customers' employees to operate and maintain new equipment. Those selling consumer goods often suggest how and where merchandise should be displayed. Working with retailers, they may help arrange promotional programs, store displays, and advertising.

Sales representatives have several duties beyond selling products. They also analyze sales statistics; prepare reports; and handle administrative duties, such as filing their expense account reports, scheduling appointments, and making travel plans. They study literature about new and existing products and monitor the sales, prices, and products of their competitors.

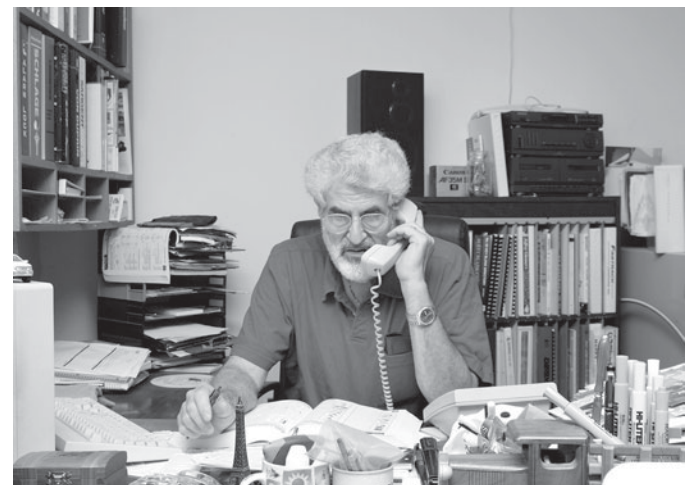
Manufacturers' agents who operate a sales agency must also manage their business. This requires organizational and general business skills, as well as knowledge of accounting, marketing, and administration.

## Working Conditions

Some sales representatives have large territories and travel considerably. A sales region may cover several States, so they may be away from home for several days or weeks at a time. Others work near their "home base" and travel mostly by automobile. Due to the nature of the work and the amount of travel, sales representatives may work more than 40 hours per week.

Although the hours are long and often irregular, most sales representatives have the freedom to determine their own schedule. Sales representatives often are on their feet for long periods and may carry heavy sample products, which necessitates some physical stamina.

Dealing with different types of people can be stimulating but demanding. Sales representatives often face competition from rep-



*Obtaining new accounts is an important part of a sales representative's job.*

representatives of other companies. Companies usually set goals or quotas that representatives are expected to meet. Because their earnings depend on commissions, manufacturers' agents are also under the added pressure to maintain and expand their clientele.

### **Employment**

Manufacturers' and wholesale sales representatives held about 1.9 million jobs in 2002. About half of all salaried representatives worked in wholesale trade. Others were employed in manufacturing and mining. Due to the diversity of products and services sold, employment opportunities are available in every part of the country in a wide range of industries.

In addition to those working directly for a firm, many sales representatives are self-employed manufacturers' agents. They often form small sales firms and work for a straight commission based on the value of their own sales. However, manufacturers' agents usually gain experience and recognition with a manufacturer or wholesaler before becoming self-employed.

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

The background needed for sales jobs varies by product line and market. Many employers hire individuals with previous sales experience who do not have a college degree, but often prefer those with some college education. Increasingly employers prefer or require a bachelor's degree as the job requirements have become more technical and analytical. Nevertheless, for some consumer products, factors such as sales ability, personality, and familiarity with brands are more important than educational background. On the other hand, firms selling complex, technical products may require a technical degree in addition to some sales experience. Many sales representatives attend seminars in sales techniques or take courses in marketing, economics, communication, or even a foreign language to provide the extra edge needed to make sales. In general, companies are looking for the best and brightest individuals who have the personality and desire to sell. Sales representatives need to be familiar with computer technology as computers are increasingly used in the workplace to place and track orders and to monitor inventory levels.

Many companies have formal training programs for beginning sales representatives lasting up to 2 years. However, most businesses are accelerating these programs to reduce costs and expedite the returns from training. In some programs, trainees rotate among jobs in plants and offices to learn all phases of production, installation, and distribution of the product. In others, trainees take formal classroom instruction at the plant, followed by on-the-job training under the supervision of a field sales manager.

New workers may get training by accompanying experienced workers on their sales calls. As they gain familiarity with the firm's products and clients, these workers are given increasing responsibility until they are eventually assigned their own territory. As businesses experience greater competition, increased pressure is placed upon sales representatives to produce sales.

Sales representatives stay abreast of new products and the changing needs of their customers in a variety of ways. They attend trade shows at which new products and technologies are showcased. They also attend conferences and conventions to meet other sales representatives and clients and discuss new product developments. In addition, the entire sales force may participate in company-sponsored meetings to review sales performance, product development, sales goals, and profitability.

Those who want to become sales representatives should be goal-oriented and persuasive, and work well both independently and as part of a team. A pleasant personality and appearance, the ability to

communicate well with people, and problem-solving skills are highly valued. Furthermore, completing a sale can take several months and thus requires patience and perseverance.

Frequently, promotion takes the form of an assignment to a larger account or territory where commissions are likely to be greater. Experienced sales representatives may move into jobs as sales trainers, who instruct new employees on selling techniques and company policies and procedures. Those who have good sales records and leadership ability may advance to higher-level positions such as sales supervisor, district manager, or vice president of sales. In addition to advancement opportunities within a firm, some manufacturers' agents go into business for themselves. Others find opportunities in purchasing, advertising, or marketing research.

### **Job Outlook**

Employment of sales representatives, wholesale and manufacturing, is expected to grow about as fast as the average for all occupations through the year 2012 due to continued growth in the variety and number of goods to be sold. Also, many job openings will result from the need to replace workers who transfer to other occupations or leave the labor force.

Prospective customers will still require sales workers to demonstrate or illustrate the particulars of a good or service. However, computer technology makes sales representatives more effective and productive, for example, by allowing them to provide accurate and current information to customers during sales presentations.

Job prospects for wholesale sales representatives will be better than those for manufacturing sales representatives because manufacturers are expected to continue contracting out sales duties to independent agents rather than using in-house or direct selling personnel. Agents are paid only if they sell, which reduces the overhead cost to their clients. Also, by using an agent who usually contracts his or her services to more than one company, companies can share costs with the other companies involved with that agent. As their customers and manufacturers continue to merge with other companies, independent agents and other wholesale trade firms will, in response, also merge with each other to better serve their clients. Although the demand for independent sales agents will increase over the 2002-12 projection period, the supply is expected to remain stable or decline because of the difficulties associated with self-employment. This factor could lead to many opportunities for sales representatives to start their own independent sales agencies.

Those interested in this occupation should keep in mind that direct selling opportunities in manufacturing are likely to be best for products for which there is strong demand. Furthermore, jobs will be most plentiful in small wholesale and manufacturing firms because a growing number of these companies will rely on agents to market their products as a way to control their costs and expand their customer base.

Employment opportunities and earnings may fluctuate from year to year because sales are affected by changing economic conditions, legislative issues, and consumer preferences. Job prospects will be best for persons with the appropriate knowledge or technical expertise as well as the personal traits necessary for successful selling.

### **Earnings**

Compensation methods vary significantly by the type of firm and product sold. Most employers use a combination of salary and commission or salary plus bonus. Commissions usually are based on the amount of sales, whereas bonuses may depend on individual

performance, on the performance of all sales workers in the group or district, or on the company's performance.

Median annual earnings of sales representatives, wholesale and manufacturing, technical and scientific products, were \$55,740, including commission, in 2002. The middle 50 percent earned between \$39,480 and \$79,380 a year. The lowest 10 percent earned less than \$28,770, and the highest 10 percent earned more than \$108,010 a year. Median annual earnings in the industries employing the largest numbers of sales representatives, technical and scientific products, in 2002 were as follows:

Wholesale electronic markets and agents and brokers .....	\$64,070
Professional and commercial equipment and supplies merchant wholesalers .....	60,890
Drugs and druggists' sundries merchant wholesalers .....	57,890
Machinery, equipment, and supplies merchant wholesalers .....	53,140
Electrical and electronic goods merchant wholesalers .....	50,550

Median annual earnings of sales representatives, wholesale and manufacturing, except technical and scientific products, were \$42,730, including commission, in 2002. The middle 50 percent earned between \$30,660 and \$60,970 a year. The lowest 10 percent earned less than \$22,610, and the highest 10 percent earned more than \$88,990 a year. Median annual earnings in the industries employing the largest numbers of sales representatives, except technical and scientific products, in 2002 were as follows:

Wholesale electronic markets and agents and brokers .....	\$48,320
Machinery, equipment, and supplies merchant wholesalers .....	44,030
Professional and commercial equipment and supplies merchant wholesalers .....	43,880
Grocery and related product wholesalers .....	41,840
Miscellaneous nondurable goods merchant wholesalers .....	37,940

In addition to their earnings, sales representatives usually are reimbursed for expenses such as transportation costs, meals, hotels, and entertaining customers. They often receive benefits such as health and life insurance, pension plan, vacation and sick leave, personal use of a company car, and frequent flyer mileage. Some companies offer incentives such as free vacation trips or gifts for outstanding sales workers.

Unlike those working directly for a manufacturer or wholesaler, manufacturers' agents are paid strictly on commission and usually are not reimbursed for expenses. Depending on the type of product or products they are selling, their experience in the field, and the number of clients, their earnings can be significantly higher or lower than those working in direct sales.

### **Related Occupations**

Sales representatives, wholesale and manufacturing, must have sales ability and knowledge of the products they sell. Other occupations that require similar skills include advertising, marketing, promotions, and public relations, and sales managers; insurance sales agents; purchasing managers, buyers, and purchasing agents; real estate brokers and sales agents; retail salespersons; sales engineers; and securities, commodities, and financial services sales agents.

### **Sources of Additional Information**

Information on careers for manufacturers' representatives and agents is available from:

- ▶ Manufacturers' Agents National Association, P.O. Box 3467, Laguna Hills, CA 92654-3467. Internet: <http://www.manaonline.org>
- ▶ Manufacturers' Representatives Educational Research Foundation, P.O. Box 247, Geneva, IL 60134. Internet: <http://www.mrref.org>

# Sales Worker Supervisors

(0\*NET 41-1011.00, 41-1012.00)

## Significant Points

- Applicants with retail experience should have the best job opportunities in this occupation.
- Overall employment is projected to grow more slowly than average; the number of self-employed sales worker supervisors is expected to decline.
- Long, irregular hours, including evenings and weekends, are common.
- In many retail establishments, managers are promoted from within the company; a postsecondary degree may speed a sales worker supervisor's advancement into management.

## Nature of the Work

Sales worker supervisors oversee the work of sales and related workers, such as retail salespersons, cashiers, customer service representatives, stock clerks and order fillers, sales engineers, and wholesale and manufacturing sales representatives. Sales worker supervisors are responsible for interviewing, hiring, and training employees, as well as for preparing work schedules and assigning workers to specific duties. Many of these workers hold job titles such as *sales manager* or *department manager*. Under the occupational classification system used in the *Handbook*, however, workers with the title *manager* who mainly supervise nonsupervisory workers are called *supervisors* rather than *managers*, even though many of these workers often perform numerous managerial functions. (Sales worker supervisors oversee retail salespersons, cashiers, customer service representatives, stock clerks and order fillers, sales engineers, and wholesale and manufacturing sales representatives, all of whom are discussed elsewhere in the *Handbook*.)

In retail establishments, sales worker supervisors ensure that customers receive satisfactory service and quality goods. They also answer customers' inquiries, deal with complaints, and sometimes handle purchasing, budgeting, and accounting. Their responsibilities vary with the size and type of establishment. As the size of retail stores and the types of goods and services increase, these workers tend to specialize in one department or one aspect of merchandising. (Managers in eating and drinking places are discussed in the *Handbook* statement on food service managers.)

Sales worker supervisors in large retail establishments, often referred to as department managers, provide day-to-day oversight of individual departments, such as shoes, cosmetics, or housewares in large department stores; produce and meat in grocery stores; and sales in automotive dealerships. These workers establish and implement policies, goals, objectives, and procedures for their specific departments; coordinate activities with other department heads; and strive for smooth operations within their departments. They supervise employees who price and ticket goods and place them on display; clean and organize shelves, displays, and inventories in stockrooms; and inspect merchandise to ensure that nothing is outdated. Sales worker supervisors also review inventory and sales records, develop merchandising techniques, and coordinate sales promotions. In addition, they may greet and assist customers and promote sales and good public relations.

Sales worker supervisors in nonretail establishments supervise and coordinate the activities of sales workers who sell industrial products, automobiles, or services such as advertising or Internet services. They may prepare budgets, make personnel decisions, devise sales-incentive programs, assign sales territories, or approve sales contracts.

In small or independent companies and retail stores, sales worker supervisors not only directly supervise sales associates, but also are responsible for the operation of the entire company or store. Some are self-employed business or store owners.

## Working Conditions

Most sales worker supervisors have offices. In retail trade, their offices are within the stores, usually close to the areas they oversee. Although they spend some time in the office completing merchandise orders or arranging work schedules, a large portion of their workday is spent on the sales floor, supervising employees or selling.

Work hours of supervisors vary greatly among establishments, because work schedules usually depend on customers' needs. Supervisors generally work at least 40 hours a week. Long, irregular hours are common, particularly during sales, holidays, busy shopping hours, and times when inventory is taken. Supervisors are expected to work evenings and weekends, but usually are compensated with a day off during the week. Hours can change weekly, and managers sometimes must report to work on short notice, especially when employees are absent. Independent owners can often set their own schedules, but hours must be convenient to customers.

## Employment

Sales worker supervisors held about 2.4 million jobs in 2002. Approximately 36 percent were self-employed, most of whom were store owners. Additionally, 43 percent of wage and salary sales worker supervisors are employed in the retail sector. Some of the largest employers are grocery stores, department stores, motor vehicle dealerships, and clothing and accessory stores. The remainder works in nonretail establishments.

## Training, Other Qualifications, and Advancement

Sales worker supervisors usually acquire knowledge of management principles and practices—an essential requirement for a supervisory or managerial position in retail trade—through work experi-



*Sales worker supervisors answer customers' inquiries, deal with complaints, and may handle purchasing, budgeting, and accounting.*



ence. Many supervisors begin their careers on the sales floor as salespersons, cashiers, or customer service representatives. In these positions, they learn merchandising, customer service, and the basic policies and procedures of the company.

The educational backgrounds of sales worker supervisors vary widely. Regardless of the education they receive, recommended courses include accounting, marketing, management, and sales, as well as psychology, sociology, and communication. Supervisors also must be computer literate, because almost all cash registers, inventory control systems, and sales quotes and contracts are computerized.

Supervisors who have postsecondary education often hold associate's or bachelor's degrees in liberal arts, social sciences, business, or management. To gain experience, many college students participate in internship programs that usually are developed jointly by individual schools and firms.

The type and amount of training available to supervisors varies from company to company. Many national retail chains and companies have formal training programs for management trainees that include both classroom and on-site training. Training time may be as brief as 1 week, but may also last up to 1 year or more, because many organizations require that trainees gain experience during all sales seasons.

Ordinarily, classroom training includes topics such as interviewing and customer service skills, employee and inventory management, and scheduling. Management trainees may work in one specific department while training on the job, or they may rotate through several departments to gain a well-rounded knowledge of the company's operation. Training programs for retail franchises are generally extensive, covering all functions of the company's operation, including budgeting, marketing, management, finance, purchasing, product preparation, human resource management, and compensation. College graduates usually can enter management training programs directly.

Sales worker supervisors must get along with all types of people. They need initiative, self-discipline, good judgment, and decisiveness. Patience and a mild temperament are necessary when dealing with demanding customers. Sales worker supervisors also must be able to motivate, organize, and direct the work of subordinates and communicate clearly and persuasively with customers and other supervisors.

Individuals who display leadership and team-building skills, self-confidence, motivation, and decisiveness become candidates for promotion to assistant manager or manager. A postsecondary degree may speed a sales worker supervisor's advancement into management, because it is viewed by employers as a sign of motivation and maturity—qualities deemed important for promotion to more responsible positions. In many retail establishments, managers are promoted from within the company. In small retail establishments, where the number of positions is limited, advancement to a higher management position may come slowly. Large establishments often have extensive career ladder programs and may offer supervisors the opportunity to transfer to another store in the chain or to the central office if an opening occurs. Although promotions may occur more quickly in large establishments, some managers may need to relocate every several years in order to advance. Supervisors also can become advertising, marketing, promotions, public relations, and sales managers (workers who coordinate marketing plans, monitor sales, and propose advertisements and promotions) or purchasing managers, buyers, or purchasing agents (workers who purchase goods and supplies for their organization or for resale). (These occupations are covered elsewhere in the *Handbook*.)

Some supervisors who have worked in their industry for a long time open their own stores or sales firms. However, retail trade and sales occupations are highly competitive, and although many independent owners succeed, some fail to cover expenses and eventually go out of business. To prosper, owners usually need good business sense and strong customer service and public relations skills.

### **Job Outlook**

Candidates who have retail experience—as a retail salesperson, cashier, or customer service representative, for example—will have the best opportunities for jobs as sales worker supervisors. As in other fields, competition is expected for supervisory jobs, particularly those with the most attractive earnings and working conditions.

Employment of sales worker supervisors is expected to grow more slowly than the average for all occupations through the year 2012. Growth in the occupation will be restrained somewhat as retail companies hire more sales staff and increase the responsibilities of sales worker supervisors. Many job openings will occur as experienced supervisors move into higher levels of management, transfer to other occupations, or leave the labor force. However, as with other supervisory and managerial occupations, job turnover is relatively low.

The Internet and electronic commerce are creating new opportunities to reach and communicate with potential customers. Some firms are hiring Internet sales managers, who are in charge of maintaining an Internet site and answering inquiries relating to the product, to prices, and to the terms of delivery—a trend that will increase demand for these supervisors. Overall, Internet sales and electronic commerce may reduce the number of additional sales workers needed, thus reducing the number of additional supervisors required. However, the impact of electronic commerce on employment of sales worker supervisors should be minimal.

Projected employment growth of sales worker supervisors will mirror, in part, the patterns of employment growth in the industries in which they work. For example, faster-than-average employment growth is expected in many of the rapidly growing services industries. The number of self-employed sales worker supervisors is expected to decline as independent retailers face increasing competition from national chains.

Unlike middle- and upper-level managers, store-level retail supervisors generally will not be affected by the restructuring and consolidation taking place at the corporate and headquarters levels of many retail chains.

### **Earnings**

Salaries of sales worker supervisors vary substantially, depending upon the level of responsibility the individual has; the person's length of service; and the type, size, and location of the firm.

In 2002, median annual earnings of salaried sales worker supervisors of retail sales workers, including commissions, were \$29,700. The middle 50 percent earned between \$22,790 and \$40,100 a year. The lowest 10 percent earned less than \$18,380, and the highest 10 percent earned more than \$55,810 a year. Median annual earnings in the industries employing the largest numbers of salaried supervisors of retail sales workers in 2002 were as follows:

Building material and supplies dealers .....	\$32,780
Grocery stores .....	29,940
Clothing stores .....	28,060
Department stores .....	27,390
Gasoline stations .....	25,000

In 2002, median annual earnings of salaried sales worker supervisors of nonretail sales workers, including commission, were

\$53,020. The middle 50 percent earned between \$37,680 and \$77,690 a year. The lowest 10 percent earned less than \$26,780, and the highest 10 percent earned more than \$114,210 a year. Median annual earnings in the industries employing the largest numbers of salaried supervisors of nonretail sales workers in 2002 were as follows:

Wholesale electronic markets and agents and brokers .....	\$74,000
Professional and commercial equipment and supplies merchant wholesalers .....	72,970
Insurance carriers .....	63,220
Machinery, equipment, and supplies merchant wholesalers .....	60,450
Federal Government .....	50,570

Compensation systems vary by type of establishment and merchandise sold. Many supervisors receive a commission or a combination of salary and commission. Under a commission system, supervisors receive a percentage of department or store sales. Thus, supervisors have the opportunity to increase their earnings considerably, but they may find that their earnings depend on their ability to sell their product and the condition of the economy. Those who sell large amounts of merchandise or exceed sales goals often receive bonuses or other awards.

### **Related Occupations**

Sales worker supervisors serve customers, supervise workers, and direct and coordinate the operations of an establishment. Others with similar responsibilities include financial managers, food service managers, lodging managers, and medical and health services managers.

### **Sources of Additional Information**

Information on employment opportunities for sales worker supervisors may be obtained from the employment offices of various retail establishments or State employment service offices.

General information on management careers in retail establishments is available from:

- ▶ National Retail Federation, 325 7th St. NW., Suite 1100, Washington, DC 20004.

Information on management careers in grocery stores and on schools offering related programs is available from:

- ▶ International Food Service Distributors Association, 201 Park Washington Ct., Falls Church, VA 22046-4521.

Information about management careers and training programs in the motor vehicle dealers industry is available from:

- ▶ National Automobile Dealers Association, Public Relations Dept., 8400 Westpark Dr., McLean, VA 22102-3591. Internet: <http://www.nada.org>

Information about management careers in convenience stores is available from:

- ▶ National Association of Convenience Stores, 1600 Duke St., Alexandria, VA 22314-3436.

# Securities, Commodities, and Financial Services Sales Agents

(0\*NET 41-3031.01, 41-3031.02)

## Significant Points

- Employment is expected to grow as fast as the average, and competition for entry-level jobs is expected to be keen because sales agents who succeed often have high earnings.
- A college degree, sales ability, good interpersonal and communication skills, and a strong desire to succeed are important qualifications for this profession.
- Beginning securities and commodities sales agents must pass a licensing exam to sell securities and commodities.

## Nature of the Work

Most investors, whether they are individuals with a few hundred dollars to invest or large institutions with millions, use *securities, commodities, and financial services sales agents* when buying or selling stocks, bonds, shares in mutual funds, insurance annuities, or other financial products. In addition, many clients seek out these agents for advice on investments, estate planning, and other financial matters.

*Securities and commodities sales agents*, also called brokers, stockbrokers, registered representatives, account executives, or financial consultants, perform a variety of tasks, depending on their specific job duties. When an investor wishes to buy or sell a security, for example, sales agents may relay the order through their firm's computers to the floor of a securities exchange, such as the New York Stock Exchange. There, securities and commodities sales agents known as *floor brokers* negotiate the price with other floor brokers, make the sale, and forward the purchase price to the sales agents. If a security is not traded on an exchange, as in the case of bonds and over-the-counter stocks, the broker sends the order to the firm's trading department. Here, using their own funds or those of the firm, other securities sales agents, known as *dealers*, buy and sell securities directly from other dealers, with the intention of reselling the security to customers at a profit. After the transaction has been completed, the broker notifies the customer of the final price.

Securities and commodities sales agents also provide many related services for their customers. They may explain stock market terms and trading practices, offer financial counseling or advice on the purchase or sale of particular securities, and design an individual client's financial portfolio, which could include securities, life insurance, corporate and municipal bonds, mutual funds, certificates of deposit, annuities, and other investments.

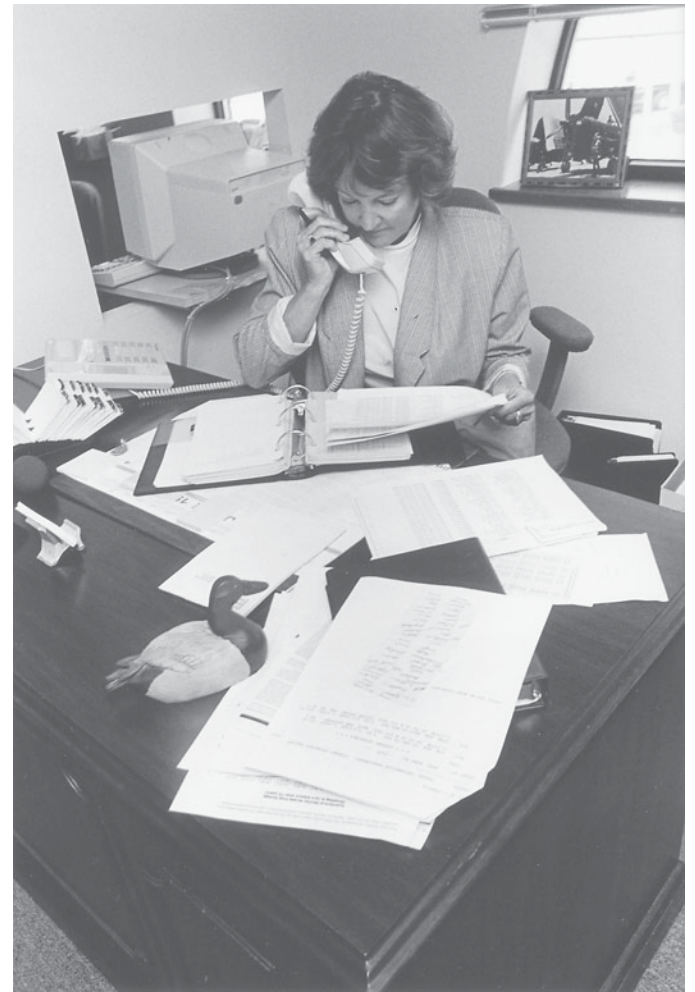
Not all customers have the same investment goals. Some individuals prefer long-term investments, for capital growth or to provide income over a number of years; others might want to invest in speculative securities, which they hope will quickly rise in price. On the basis of each customer's objectives, securities and commodities sales agents furnish information about the advantages and disadvantages of an investment. They also supply the latest price quotes on any securities, as well as information on the activities and financial positions of the corporations issuing the securities.

Most securities and commodities sales agents serve individual investors; others specialize in institutional investors, such as banks

and pension funds. In institutional investing, sales agents usually concentrate on a specific financial product, such as stocks, bonds, options, annuities, or commodity futures. At other times, they may also handle the sale of new issues, such as corporate securities issued to finance the expansion of a plant.

The most important part of a sales representative's job is finding clients and building a customer base. Thus, beginning securities and commodities sales agents spend much of their time searching for customers—relying heavily on telephone solicitation. They also may meet clients through business and social contacts. Many sales agents find it useful to contact potential clients by teaching adult education investment courses or by giving lectures at libraries or social clubs. Brokerage firms may give sales agents lists of people with whom the firm has done business in the past. Some agents inherit the clients of agents who have retired. After an agent is established, referrals from satisfied clients are an important source of new business.

*Financial services sales agents* sell a wide variety of banking and related services. They contact potential customers to explain their services and to ascertain customers' banking and other financial needs. In doing so, they discuss services such as loans, deposit accounts, lines of credit, sales or inventory financing, certificates of deposit, cash management, mutual funds, or investment services. They also may solicit businesses to participate in consumer credit card programs. Financial services sales agents who serve all the



*Securities sales agents recommend investment products on the basis of their clients' goals.*

financial needs of a single affluent individual or a business often are called private bankers or relationship managers.

With deregulation of the financial services industry, the distinctions among sales agents are becoming less clear as securities firms, banks, and insurance companies venture further and further into each other's products and services. The agents' jobs also are becoming more important as competition between the firms intensifies.

### **Working Conditions**

Most securities and commodities sales agents work in offices under fairly stressful conditions. They have access to "quote boards" or computer terminals that continually provide information on the prices of securities. When sales activity increases, due perhaps to unanticipated changes in the economy, the pace can become very hectic.

Established securities and commodities sales agents usually work a standard 40-hour week. Beginners who are seeking customers usually work longer hours. New brokers spend a great deal of time learning the firm's products and services and studying for exams in order to qualify to sell other products, such as insurance and commodities. Most securities and commodities sales agents accommodate customers by meeting with them in the evenings or on weekends.

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 advice and information on different securities. Often, such call centers operate 24 hours a day, requiring agents to work in shifts.

Financial services sales agents normally work 40 hours a week in a comfortable, less stressful office environment. They may spend considerable time outside the office, meeting with current and prospective clients, attending civic functions, and participating in trade association meetings. Some financial services sales agents work exclusively inside banks, providing service to walk-in customers.

### **Employment**

Securities, commodities, and financial services sales agents held about 300,000 jobs in 2002. More than half of jobs were found in securities, commodity contracts, and other financial investments and related activities. One in 5 worked in depository and nondepository credit intermediation, including commercial banks, savings institutions, and credit unions. Although securities and commodities sales agents are employed by firms in all parts of the country, many work for a small number of large securities and investment banking firms headquartered in New York City. About 1 securities, commodities, and financial services sales agent in 8 was self-employed.

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

Because securities and commodities sales agents must be knowledgeable about economic conditions and trends, a college education is important, especially in larger securities firms. In fact, the overwhelming majority of workers in this occupation are college graduates. Although employers seldom require specialized academic training, courses in business administration, economics, and finance are helpful.

Many employers consider personal qualities and skills more important than academic training. Employers seek applicants who have considerable sales ability, good interpersonal and communication skills, and a strong desire to succeed. Some employers also make sure that applicants have a good credit history and a clean

record. Self-confidence and an ability to handle frequent rejections are important ingredients for success.

Because maturity and the ability to work independently are important, many employers prefer to hire those who have achieved success in other jobs. Some firms prefer candidates with sales experience, particularly those who have worked on commission in areas such as real estate or insurance. Therefore, most entrants to this occupation transfer from other jobs. Some begin working as securities and commodities sales agents following retirement from other fields.

Securities and commodities sales agents must meet State licensing requirements, which usually include passing an examination and, in some cases, furnishing a personal bond. In addition, sales agents must register as representatives of their firm with the National Association of Securities Dealers, Inc. (NASD). Before beginners can qualify as registered representatives, they must pass the General Securities Registered Representative Examination (Series 7 exam), administered by the NASD, and be an employee of a registered firm for at least 4 months.

Most States require a second examination: the Uniform Securities Agents State Law Examination. This test measures the prospective representative's knowledge of the securities business in general, of customer protection requirements, and of recordkeeping procedures. Many take correspondence courses in preparation for the securities examinations. Within 2 years, brokers are encouraged to take additional licensing exams in order to sell mutual funds, insurance, and commodities.

Most employers provide on-the-job training to help securities and commodities sales agents meet the registration requirements for certification. In most firms, the training period takes about 4 months.

Trainees in large firms may receive classroom instruction in securities analysis, effective speaking, and the finer points of selling, may take courses offered by business schools and associations, and may undergo a period of on-the-job training lasting up to 2 years. Many firms like to rotate their trainees among various departments, to give them a broad perspective of the securities business. In small firms, sales agents often receive training in outside institutions and on the job.

Securities and commodities sales agents must understand the basic characteristics of the wide variety of financial products offered by brokerage firms. Brokers periodically take training through their firms or outside institutions in order to keep abreast of new financial products and improve their sales techniques. Computer training also is important, because the securities sales business is highly automated. Since 1995, it has become mandatory for all registered securities and commodities sales agents to attend periodic continuing education classes to maintain their licenses. Courses consist of computer-based training in regulatory matters and company training on new products and services.

The principal form of advancement for securities and commodities sales agents is an increase in the number and size of the accounts they handle. Although beginners usually service the accounts of individual investors, they may eventually handle very large institutional accounts, such as those of banks and pension funds. After taking a series of tests, some brokers become portfolio managers and have greater authority to make investment decisions regarding an account. Some experienced sales agents become branch office managers and supervise other sales agents while continuing to provide services for their own customers. A few agents advance to top management positions or become partners in their firms.

Banks and other credit institutions prefer to hire college graduates for financial services sales jobs. A business administration

degree with a specialization in finance or a liberal arts degree that includes courses in accounting, economics, and marketing serves as excellent preparation for this job. Often, financial services sales agents learn their jobs through on-the-job training under the supervision of bank officers. However, those who wish to sell mutual funds and insurance products may need to undergo formal training and pass some of the same exams required of securities sales agents.

### Job Outlook

Employment of securities, commodities, and financial services sales agents is expected to grow about as fast as the average for all occupations through 2012. As people's incomes continue to climb, they will increasingly seek the advice and services of securities, commodities, and financial services sales agents to realize their financial goals. Growth in the volume of trade in stocks over the Internet will reduce the need for brokers for many transactions. Nevertheless, the overall increase in investment is expected to spur employment growth among these workers, with a majority of transactions still requiring the advice and services of securities, commodities, and financial services sales agents.

Baby boomers in their peak savings years will fuel much of this increase in investment. Saving for retirement has been made much easier by the government, which continues to offer a number of tax-favorable pension plans, such as the 401(k) and the Roth IRA. The participation of more women in the workforce also means higher household incomes and more women qualifying for pensions. Many of these pensions are self-directed, meaning that the recipient has the responsibility for investing the money. With such large amounts of money to invest, sales agents, in their role as financial advisors, will be in great demand.

Other factors that will affect the demand for brokers are the increasing number and complexity of investment products, as well as the effects of globalization. As the public and businesses become more sophisticated about investing, they are venturing into the options and futures markets. Brokers are needed to buy or sell these products, which are not traded online. Also, markets for investment are expanding with the increase in global trading of stocks and bonds. Furthermore, the New York Stock Exchange has extended its trading hours to accommodate trading in foreign stocks and compete with foreign exchanges.

Employment of brokers is adversely affected by downturns in the stock market or the economy. Turnover is high for beginning brokers, who often are unable to establish a sizable clientele even in good times. Once established, securities and commodities sales agents have a very strong attachment to their occupation because of their high earnings and the considerable investment in training. Competition usually is intense, especially in larger companies with more applicants than jobs. Opportunities for beginning brokers should be better in smaller firms.

The number of financial services sales agents in banks will increase faster than average as banks expand their product offerings in order to compete directly with other investment firms.

### Earnings

Median annual earnings of securities, commodities, and financial services sales agents were \$60,990 in 2002. The middle half earned between \$36,180 and \$117,050.

Median annual earnings in the industries employing the largest numbers of securities and financial services sales agents in 2002 were as follows:

Securities and commodity contracts intermediation and brokerage .....	\$78,140
Other financial investment activities .....	75,110
Management of companies and enterprises .....	54,730
Nondepository credit intermediation .....	43,220
Depository credit intermediation .....	39,870

Stockbrokers, who provide personalized service and more guidance with respect to a client's investments, usually are paid a commission based on the amount of stocks, bonds, mutual funds, insurance, and other products they sell. Earnings from commissions are likely to be high when there is much buying and selling, low when there is a slump in market activity. Most firms provide sales agents with a steady income by paying a "draw against commission"—a minimum salary based on commissions they can be expected to earn. Securities and commodities sales agents who can provide their clients with the most thorough financial services should enjoy the greatest income stability. Trainee brokers usually are paid a salary until they develop a client base. The salary gradually decreases in favor of commissions as the broker gains clients. A small, but increasing, number of full-service brokers are paid a percentage of the assets they oversee. This fee often covers a certain number of trades done for free.

Brokers who work for discount brokerage firms that promote the use of telephone and online trading services usually are paid a salary, sometimes boosted by bonuses that reflect the profitability of the office. Financial services sales agents usually are paid a salary also; however, bonuses or commissions from sales are starting to account for a larger share of their income.

### Related Occupations

Other jobs requiring knowledge of finance and an ability to sell include insurance sales agents, real estate brokers and sales agents, and financial analysts and personal financial advisors.

### Sources of Additional Information

For general information on the securities industry, contact:

► Securities Industry Association, 120 Broadway, New York, NY 10271.

For information about job opportunities for financial services sales agents in various States, contact State bankers' associations or write directly to a particular bank.

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# Travel Agents

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## Significant Points

- Travel benefits, such as reduced rates for transportation and lodging, attract many people to this occupation.
- Training at a postsecondary vocational school, college, or university is increasingly important.
- Industry consolidation and increasing use of the Internet to book travel will result in a decline in the employment of travel agents.
- Keen competition for jobs is expected.

## Nature of the Work

Constantly changing airfares and schedules, thousands of available vacation packages, and a vast amount of travel information on the Internet can make travel planning frustrating and time-consuming. To sort out the many travel options, tourists and business people often turn to travel agents, who assess their needs and help them make the best possible travel arrangements. Also, many major cruise lines, resorts, and specialty travel groups use travel agents to promote travel packages to millions of people every year.

In general, travel agents give advice on destinations and make arrangements for transportation, hotel accommodations, car rentals, tours, and recreation. They also may advise on weather conditions, restaurants, tourist attractions, and recreation. For international travel, agents also provide information on customs regulations, required papers (passports, visas, and certificates of vaccination), and currency exchange rates.

Travel agents consult a variety of published and computer-based sources for information on departure and arrival times, fares, and hotel ratings and accommodations. They may visit hotels, resorts, and restaurants to evaluate comfort, cleanliness, and quality of food and service so that they can base recommendations on their own travel experiences or those of colleagues or clients.

Travel agents also promote their services, using telemarketing, direct mail, and the Internet. They make presentations to social and special-interest groups, arrange advertising displays, and suggest company-sponsored trips to business managers. Depending on the size of the travel agency, an agent may specialize by type of travel, such as leisure or business, or destination, such as Europe or Africa.

## Working Conditions

Travel agents spend most of their time behind a desk conferring with clients, completing paperwork, contacting airlines and hotels for travel arrangements, and promoting group tours. During vacation seasons and holiday periods, they may be under a great deal of pressure. Many agents, especially those who are self-employed, frequently work long hours. With advanced computer systems and telecommunication networks, some travel agents are able to work at home.

## Employment

Travel agents held about 118,000 jobs in 2002 and are found in every part of the country. More than 8 out of 10 agents worked for travel agencies. Nearly 1 in 10 was self-employed.

## Training, Other Qualifications, and Advancement

The minimum requirement for those interested in becoming a travel agent is a high school diploma or equivalent. Technology and computerization are having a profound effect on the work of travel agents, however, and formal or specialized training is increasingly important. Many vocational schools offer full-time travel agent programs that last several months, as well as evening and weekend programs. Travel agent courses also are offered in public adult education programs and in community and 4-year colleges. A few colleges offer bachelor's or master's degrees in travel and tourism. Although few college courses relate directly to the travel industry, a college education sometimes is desired by employers to establish a background in fields such as computer science, geography, communication, foreign languages, and world history. Courses in accounting and business management also are important, especially for those who expect to manage or start their own travel agencies.

The American Society of Travel Agents (ASTA) offers a correspondence course that provides a basic understanding of the travel industry. Travel agencies also provide on-the-job training for their employees, a significant part of which consists of computer instruction. All employers require computer skills of workers whose jobs involve the operation of airline and centralized reservation systems.

Experienced travel agents can take advanced self-study or group-study courses from the Travel Institute that lead to the Certified Travel Counselor (CTC) designation. The Travel Institute also offers marketing and sales skills development programs and destination specialist programs, which provide a detailed knowledge of regions such as North America, Western Europe, the Caribbean, and the Pacific Rim.

Personal travel experience or experience as an airline reservation agent is an asset because knowledge about a city or foreign country often helps to influence a client's travel plans. Patience and the ability to gain the confidence of clients also are useful qualities. Travel agents must be well-organized, accurate, and meticulous to compile information from various sources and plan and organize their clients' travel itineraries. As the Internet has become an important tool for making travel arrangements, more travel agencies are using Web sites to provide their services to clients. This trend has increased the importance of computer skills in this occupation. Other desirable qualifications include good writing, interpersonal, and sales skills.

Some employees start as reservation clerks or receptionists in travel agencies. With experience and some formal training, they



*Travel agents often recommend places to stay, eat, and visit to travelers.*

can take on greater responsibilities and eventually assume travel agent duties. In agencies with many offices, travel agents may advance to office manager or to other managerial positions.

Those who start their own agencies generally have had experience in an established agency. Before they can receive commissions, these agents usually must gain formal approval from suppliers or corporations, such as airlines, ship lines, or rail lines. The Airlines Reporting Corporation and the International Airlines Travel Agency Network, for example, are the approving bodies for airlines. To gain approval, an agency must be financially sound and employ at least one experienced manager or travel agent.

There are no Federal licensing requirements for travel agents. However, nine States—California, Florida, Hawaii, Illinois, Iowa, Ohio, Oregon, Rhode Island, and Washington—require some form of registration or certification of retail sellers of travel services. More information may be obtained by contacting the Office of the Attorney General or Department of Commerce in each State.

### **Job Outlook**

Employment of travel agents is expected to decline through 2012. Most openings will occur as experienced agents transfer to other occupations or leave the labor force. Because of the projected decline and the fact that a number of people are attracted by the travel benefits associated with this occupation, keen competition for jobs is expected.

An increasing reliance on the Internet to book travel, as well as industry consolidation, will continue to reduce the need for travel agents. The Internet increasingly allows people to access travel information from their personal computers, enabling them to research and plan their own trips, make their own reservations and travel arrangements, and purchase their own tickets. Also, airlines no longer pay commissions to travel agencies, which has reduced revenues and caused some agencies to go out of business. However, many consumers still prefer to use a professional travel agent to ensure reliability, to save time, and, in some cases, to save money.

Moderating the employment decline, however, are projections for increased spending on tourism and travel over the next decade. With rising household incomes, smaller families, and an increasing number of older people who are more likely to travel, more people are expected to travel on vacation—and to do so more frequently—than in the past. Business travel also should bounce back from recession and terrorism related lows as business activity expands. Further, as U.S. businesses open more foreign operations, and businesses, in general, increasingly sell their goods and services worldwide, more business travel is anticipated.

There are other factors spurring demand for travel agents that will moderate any decline. Most notable is the increasing affordability of air travel. Greater competition between airlines, especially from low-cost carriers, has resulted in bringing airfares within the budgets of more people. In addition, American travel agents now organize more tours for the growing number of foreign visitors. Also, travel agents often are able to offer various travel packages at a substantial discount.

The travel business is sensitive to economic downturns and international political crises, when travel plans are likely to be deferred. Therefore, the number of job opportunities for travel agents fluctuates. The best opportunities will be for those travel agents that can utilize the Internet for their own operations to reduce costs and better compete with travel suppliers.

### **Earnings**

Experience, sales ability, and the size and location of the agency determine the salary of a travel agent. Median annual earnings of

travel agents were \$26,630 in 2002. The middle 50 percent earned between \$20,800 and \$33,580. The lowest 10 percent earned less than \$16,530, while the top 10 percent earned more than \$41,660.

Salaried agents usually enjoy standard employer-paid benefits that self-employed agents must provide for themselves. Among agencies, those focusing on corporate sales pay higher salaries and provide more extensive benefits, on average, than do those that focus on leisure sales. When they travel for personal reasons, agents usually get reduced rates for transportation and accommodations. In addition, agents sometimes take “familiarization” trips, at no cost to themselves, to learn about various vacation sites. These benefits attract many people to this occupation.

Earnings of travel agents who own their agencies depend mainly on commissions from travel-related bookings and service fees they charge clients. Often it takes time to acquire a sufficient number of clients to have adequate earnings, so it is not unusual for new self-employed agents to have low earnings. Established agents may have lower earnings during economic downturns.

### **Related Occupations**

Travel agents organize and schedule business, educational, or recreational travel or activities. Other workers with similar responsibilities include tour and travel guides, and reservation and transportation ticket agents and travel clerks.

### **Sources of Additional Information**

For further information on training opportunities, contact:

► American Society of Travel Agents, Education Department, 1101 King St., Alexandria, VA 22314.

For information on training and certification qualifications, contact:

► The Travel Institute, 148 Linden St., Suite 305, Wellesley, MA 02482.