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Professor Mary Shannon  
English 205  
27 March 2013

## Stockbroker

### Introduction

When people think of stockbrokers, the images of men and women on the floor of the exchange frantically running to and shouting "buy, buy" or "sell, sell" comes to mind. Being a stockbroker is about investing money and buying stocks all over the world for the clients you have. In addition, the stockbroker takes percentage of the profits he/she makes. This percentage is what makes this job interesting. Since stockbroker takes a percentage of profits he/she is going to invest like it is his/her own money. Stockbrokers are classified under Securities, Commodities, and Financial Services Sales Agents by the Bureau of Labor Statistics of the United States Department of Labor (2013). They usually work for trading firms and develop financial plans as well as implement them for organizations, businesses or individuals. For example, there are many job titles that refer to the job of a stockbroker such as: Investment Consultant, Investment Executive, Investment Specialist, Stock Broker, Broker, Registered Representative, Investment Advisor, Fixed Income Manager, Financial Representative, or Financial Consultant.

### Stockbroker job description

Stockbrokers are securities, commodities and financial services sales agents, so they facilitate the connection between buyers and sellers in financial markets. They conduct trades, advise companies in search of investors and sell securities to individuals and entities. What stockbrokers do? *Source?*

Typically, stockbrokers do the following:

- Buy and sell securities such as bonds and stocks
  - Buy and sell commodities such as gold, oil, corn
  - Contact regular and prospective clients and maintain constant communications
  - Offer advice on particular securities and the prospect of buying or selling them
  - Monitor the financial markets
  - Monitor the performance of individual securities
  - Make an analysis of company finances
  - Recommend public offerings, acquisitions, and mergers
  - Evaluate cost and revenue agreements
- Source?*

People in the securities, commodities and financial services industry deals with a wide range of clients and products. A stockbroker spends most part of the day interacting with other people, either in person, through the phone or the computer. This work is usually stressful due to the huge amounts of money to be dealt with in a limited amount of time. Nowadays, securities and commodities can be traded electronically. The National Association of Securities Dealers Automated Quotation system (NASDAQ) is a market using vast computer networks instead of human traders. The New York Stock Exchange and other exchanges worldwide rely on floor brokers to handle and complete transactions on securities and commodities. *Source?*

**Demand**

Stockbrokers are in high demand because the financial market is a very active market. Everybody that has excess money wants to get into the financial market. There were about 312,200 jobs held by securities, commodities, and financial services sales agents in 2010.

Securities and commodity contracts intermediation and brokerage	40%
Depository credit intermediation	23
Other financial investment activities	10

According to the Occupational Outlook Handbook, in 2010, the industries that employed the most securities, commodities and financial services sales agents are the following. The Occupational Outlook Handbook also lists the metropolitan areas in the United States with the highest employment level of securities, commodities and financial services sales agents in 2010:

New York-White Plains-Wayne, NY-NJ Metropolitan Division	40,790
Chicago-Naperville-Joliet, IL Metropolitan Division	16,830
Houston-Sugar Land-Baytown, TX	7,970
Los Angeles-Long Beach-Glendale, CA Metropolitan Division	7,920
Dallas-Plano-Irving, TX Metropolitan Division	7,430

The high pay associated with a stockbroker's job results in many applicants for available positions. The competition for this job is high. Employment in the sector is expected to grow from 14 to 15 percent from 2010 to 2020. The number of people employed in the sector is expected to grow from 312,200 in 2010 to 359,700 in 2020.

Source?

Securities, Commodities, and Financial Services Sales Agents					
Percent change in employment, projected 2010-2020					
Securities, Commodities, and Financial Services Sales Agents					15%
Total, All Occupations				14%	
Sales and Related Occupations			13%		
<i>Note: All Occupations includes all occupations in the U.S. Economy.</i>					
<i>Source: U.S. Bureau of Labor Statistics, Employment Projections program</i>					

**Education**

Stockbrokers generally must have a bachelor's degree for entry-level jobs. There are no set qualifications for field of study but the studies should usually include business, accounting, finance or economics, especially if the company is large. Some companies hire interns during summer if it is their last year in college. Those who show good performance are taken in or offered jobs when they graduate. An excellent grade-point average (GPA) in school is important for entry-level jobs as stockbroker. Stockbrokers eventually take a Master of Business Administration (MBA) course to get a high-level position. An MBA prepares students for real-world practices in business, so jobseekers with MBAs are usually preferred. They get better compensation, higher-level jobs and sometimes signing bonuses.

Source?

**Requirements & Experience**

When planning to be a stockbroker, senior students can try to get an internship in brokerage firms and investment houses. Stockbrokers work full time, and many of them work long hours under very stressful conditions. They also work evenings and weekends to catch up with busy clients who work full hours during the day. The work is fast, the managers usually very demanding because the promotions and money from commissions are usually tied to the sales performance. Individuals with a deep understanding of the financial markets and economics and who can stay calm under pressure, with the confidence to decide on big matters using the money of someone else can be good stockbrokers.

### Examination and Certification

A stockbroker's prospects get better with a graduate degree and a certification such as the Chartered Financial Analyst (CFA) certification for global finance. This certification requires applicants to possess a bachelor's degree and 4 years work experience in a related job and passing 3 examinations. Brokers and investment bankers must register with the Financial Industry Regulatory Authority (FINRA) as representatives of their firms in the U.S. Applicants for the license undergo a series of examinations. In the United Kingdom, a fully-qualified stockbroker has to register with the Financial Services Authority (FSA) and have to pass an FSA approved exam. Moreover, there are many other licenses for stockbrokers, giving a holder the right to sell various investment products and services. The licenses of some sales representatives vary by firm and specialization. Sales agents selling insurance and securities also need to be licensed. Companies usually offer training so that their employees will pass the examinations they need to get a license.

### Skills

To be successful, stockbrokers need to possess many types of skills. They have to think quickly on their feet and be full of useful and professional ideas.

- a) Decision making skills. The environment at the stock exchange can be volatile and confusing. Stockbrokers should be able to make instant risky decisions using large sums of money that they do not own.
- b) Customer-service skills. The stockbroker must persuade people to buy and sell, so they should be able to make their clients trust them and comfortable in their presence. If they have the trust of the clients, then clients will trust their recommendations.
- c) Attention to details. Stockbrokers must be always watchful because initial public offerings (IPO) can be quick deals, and small changes in agreements, mergers and acquisitions can have big effect on financial situations.
- d) Initiative. Stockbrokers must be able to acquire and maintain their own clients by calling people and resorting to other marketing and promotion tactics.
- e) Math skills. Stockbrokers have to be strong in math, so they can instantly judge if potential deals will be profitable. They must be able to analyze financial projections and mathematical formulas.
- f) Self-motivation. Stockbrokers must be motivated to make deals, and close deals.
- g) Communication and language skills. The stockbroker must be a strong communicator and must possess language skills to get his message across.
- h) Computer skills. Stockbrokers must possess computer skills as prices of commodities and securities are now online, and trading and dealing usually involve using the computer.

### Salary

Stockbrokers work independently to take a percentage of what they make as profits. Salaries differ depending on how large the firm is in the market. The median annual wage of stockbrokers and those involved in securities and commodities in 2010 was \$70,190. The lowest 10% earned less than \$31,300 and the top 10% earned more than 165,000 (Bureau of Labor Statistics, 2013).

<b>Securities, Commodities, and Financial Services Sales Agents</b>					
Median annual wages, May 2010					
Securities, Commodities & Financial Services Sales Agents					\$70,190
Total, All Occupations			\$33,840		
Sales and Related Occupations		\$24,370			
<i>Note: All Occupations includes all occupations in the U.S. Economy.</i>					
<i>Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics</i>					

According to Totaljobs.com (n.d.), stockbrokers in the U.K. have starting salaries between £25k and £35k a year. Seniors and high earning individuals can earn up to £150k per year plus bonuses and commissions. Many stockbrokers earn commissions based on the money they bring into the company. Many companies pay their stockbrokers commissions and a minimum salary.

### Drawbacks

The job of a stockbroker can be very demanding and may involve extensive travel if they work with investors based in other countries. In the United States, majority of stockbrokerage and investment houses are located in New York City, so job applicants may need to relocate. However, electronic trading is now replacing many of the auction-style trading on exchange floors, so traders are now conducting business behind a desk. Therefore, some of the brokers are now working in an environment that looks more like a call center. The broker should always be watchful, because one mistake may have very serious effects. The fluctuations of the market need quick reaction, so brokers should always watch, work full-time and be on call during emergencies.

SOURCE?

### Conclusion

In conclusion, the job of a stockbroker can be a very exciting and rewarding job. The demand is high and the benefits are great. Stockbrokers get to know people with lots of money to spend, so they get to eat at expensive places to meet with clients. They also get invited to exclusive places once they get on well with some clients. Attending parties, playing golf, other sports and some recreational activities come with the job for those in senior positions in pursuit of clients and in the spirit of networking.

## Works Cited

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Interview?

not quite

### Appendix

The person I interviewed was Abdulrahman Aldayel, who works as a stockbroker/analyst on Falcom Financial Services in Saudi Arabia. He is a bright guy from Riyadh, Saudi Arabia, who went to Jacksonville University in Florida. Abdulrahman went to work as an intern during his last year in school. He has been an outstanding trainee, so the company retained him after he graduated. For four years, he was working as an assistant analyst to Kingdom Holding Company, until he got promoted to Research Analyst. As Research Analyst, he handles several important portfolio which he watches over. He provides valuable advice to his roster of clients, when to buy and when to sell. So he always has to study the market to maximize the earnings of his portfolio. Abdulrahman enjoys his job because of the challenge, and because he earns well.

*Mr. Abdulrahman Aldayel  
Stockbroker/Analyst  
Falcom Financial Services*

English 205 Research Report Grading Rubric

Writer: Abdullah Almousa

Grade: (F) Jr man

*Fix the missing citations or I will adjust the grade*

**Effectiveness of the topic.** The topic is clear, focused, and specific. It is sustained consistently throughout the essay.

Superior			Strong			Average			Weak		
A	A-	B+	<b>B</b>	B-	C+	C	C-	D+	D	D-	

**Response to the assignment.** Report addresses the topic set forth in the assignment and addresses all aspects of the writing task. Has at least one interview as a source and three secondary sources.

Superior			Strong			Average			Weak		
A	A-	B+	B	B-	C+	C	C-	D+	D	D-	

*No evidence of 1 interview*

**Support.** Report is fully and convincingly developed, supported with good reasons, explanations, and examples.

Superior			Strong			Average			Weak		
A	A-	B+	B	B-	C+	C	C-	D+	D	D-	

*NOT enough citations*

**Organization.** The report is well structured and its form contributes to its purpose. Paragraphs are well organized and carefully linked to the thesis. The graphic is supportive not decorative.

Superior			Strong			Average			Weak		
A	A-	B+	<b>B</b>	B-	C+	C	C-	D+	D	D-	

**Style.** The sentence-structure, word-choice, fluency, and tone of the paper enhance its effectiveness and reinforce its purpose.

Superior			Strong			Average			Weak		
A	A-	B+	B	B-	C+	C	C-	D+	D	D-	

*No way to determine*

**Grammar and mechanics.** The essay is correct in terms of its syntax, grammar, spelling, punctuation, and correct use of MLA style, including correct citations and a Works Cited page.

Superior			Strong			Average			Weak		
A	A-	B+	B	B-	C+	C	C-	D+	D	D-	

*No way to determine*

Comments:

*You have some very good research and ideas - but almost no citations. Every time you use the words or ideas of someone else you MUST give them credit - it is plagiarism otherwise*