
Brokerage Clerks

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Significant Points

- More than 9 out of 10 brokerage clerks worked for securities and commodities firms, banks, and other establishments in the financial services industry.
- High school graduates qualify for many of these positions, but many workers now hold associate or bachelor's degrees.
- Good prospects are expected for qualified jobseekers as employment grows and as existing brokerage clerks advance to other occupations.

Nature of the Work

For a typical investor, buying and selling stock is a simple process. Often, it is as easy as calling a broker on the phone or entering the trade into a computer. Behind the scenes, however, buying and selling stock is more complicated, involving trade execution and a fair amount of paperwork. While brokers do some of this work themselves, much of it is delegated to brokerage clerks.

Brokerage clerks perform a number of different tasks with a wide range of responsibilities. Most involve computing and recording data pertaining to securities transactions. Brokerage clerks may also contact customers, take orders, and inform clients of changes to their accounts. Brokerage clerks work in the operations departments of securities firms, on trading floors, and in branch offices. Technology has had a major impact on these positions over the last several years. A significant and growing number of brokerage clerks use custom-designed software programs to process transactions more quickly. Only a few customized accounts are still handled manually.

A broker's assistant, also called a sales assistant, is the most common type of brokerage clerk. These clerks typically assist a small number of brokers, for whom they take client calls, write up order tickets, process the paperwork for opening and closing accounts, record a client's purchases and sales, and inform clients of changes to their accounts. All broker's assistants must be knowledgeable about investment products so that they can communicate clearly with clients. Those who are licensed by the Financial Industry Regulatory Authority (FINRA) can make recommendations to clients at the instruction of the broker. (Securities, commodities, and financial services sales agents are discussed elsewhere in the *Handbook*.)

Brokerage clerks in the operations areas of securities firms perform many duties to help the sale and purchase of stocks, bonds, commodities, and other kinds of investments. They also produce the necessary records of all transactions that occur in their area of the business. Purchase-and-sale clerks match orders to buy with orders to sell. They balance and verify trades of stock by comparing the records of the selling firm with those of the buying firm. Dividend clerks ensure timely payments of stock or cash dividends to clients of a particular brokerage firm. Transfer clerks execute customer requests for changes to security registration and examine stock certificates to make sure that they adhere to banking regulations. Receive-and-deliver clerks

handle the receipt and delivery of securities among firms and institutions. Margin clerks record and monitor activity in customers' accounts to ensure that clients make payments and stay within legal boundaries concerning their purchases of stock.

Work environment. Brokerage clerks work in offices and on trading floors, areas that are clean and well lit but which may be noisy at times. The workload is generally manageable but can become very heavy when the market fluctuates rapidly. Brokerage clerks generally work a standard 40-hour week, but they may work overtime during particularly busy periods.

Training, Other Qualifications, and Advancement

Most brokerage clerks learn their jobs through a few months of on-the-job training and experience. Once they have worked in the firm for a few years, many clerks advance to sales representative or broker positions.

Education and training. Some brokerage clerk positions require only a high school diploma, but graduates from 2- and 4-year college degree programs are increasingly preferred. Positions dealing with the public, such as broker's or sales assistant, and those dealing with more complicated financial records are especially likely to require a college degree.

Most new employees are trained on the job, working under the close supervision of more experienced employees. Some firms offer formal training that may include courses in telephone etiquette, computer use, and customer service skills. They may also offer training programs to help clerks study for the broker licensing exams.

Licensure. Licenses are not strictly required for most brokerage clerk positions, but a Series 7 brokerage license can make a clerk more valuable to the broker. This license gives the holder the ability to act as a registered representative of the firm. A registered representative has the right to answer more of a client's questions and to pass along securities recommendations from the broker. In order to receive this license, a clerk must pass the General Securities Registered Representative Examination (Series 7 exam), administered by FINRA, and be an employee of a registered firm for at least 4 months.

Other qualifications. Brokerage clerk jobs require good organizational and communication skills, as well as attention to detail. Computer skills are extremely important, as most of the work is done by computer. An aptitude for working with



Brokerage clerks assist with tasks such as executing trades and filing paperwork.

Projections data from the National Employment Matrix

Occupational Title	SOC Code	Employment, 2006	Projected employment, 2016	Change, 2006-16	
				Number	Percent
Brokerage clerks	43-4011	73,000	88,000	15,000	20

NOTE: Data in this table are rounded. See the discussion of the employment projections table in the *Handbook* introductory chapter on *Occupational Information Included in the Handbook*.

numbers is also very helpful, as is a basic knowledge of accounting.

Advancement. Clerks may be promoted to sales representative positions or other professional positions within the securities industry. Employment as a brokerage clerk may also be a stepping-stone into a position as a broker.

Employment

Brokerage clerks held about 73,000 jobs in 2006. More than 9 out of 10 worked for securities and commodities, banking, and other financial industries.

Job Outlook

The job outlook for prospective brokerage clerks is good. As the securities industry grows, the number of clerks will increase. Opportunities will be abundant relative to other securities industry occupations, due to advancement of other clerks and job growth.

Employment change. Employment of brokerage clerks is expected to grow by 20 percent during the 2006-16 decade, which is faster than the average for all occupations. With more people investing in securities, brokerage clerks will be required to process larger volumes of transactions. Moreover, regulatory changes have resulted in more legal documentation and record-keeping requirements. Demand will be tempered, however, by continually improving technologies that allow increased automation of many tasks. Further, clerks are often seen as reducing profits, since they do not bring in customers, making them particularly prone to layoffs. Because of intense competition, especially among discount brokerages, companies must continually focus on cutting costs, meaning that many responsibilities formerly handled by clerks are now handled by the brokers themselves.

Job prospects. Because brokerage clerks are often entry-level workers, many opportunities will result from the advancement of other clerks. Prospects will be good for qualified workers. New entrants who have strong sales skills and an aptitude for understanding numbers will have the best opportunities. While not required, a 4-year degree can also be very helpful.

Earnings

Median annual earnings of brokerage clerks were \$36,390 in May 2006. The middle 50 percent earned between \$29,480 and \$46,030. The lowest 10 percent earned less than \$24,590 and the highest 10 percent earned more than \$57,600.

Related Occupations

Brokerage clerks compute and record data. Other workers who perform calculations and record data include bill and account collectors; billing and posting clerks and machine operators; bookkeeping, accounting, and auditing clerks; and tellers.

Sources of Additional Information

For more information on employment in the securities industry, contact:

► Securities Industry and Financial Markets Association, 120 Broadway, 35th Floor, New York, NY 10271.

Internet: <http://www.sifma.org>

For information on licensing, contact:

► Financial Industry Regulatory Authority (FINRA), 1735 K St.NW. Washington, DC 20006.

Internet: <http://www.finra.org>