



# Personal Financial Advisors in Illinois

*by Dennis Hoffman*

“Can’t find enough help when hiring for my office,” stated a personal financial advisor with 35 years of experience. According to numerous employment publications, the job outlook for personal financial advisors in Illinois is very favorable. Employment in this occupation is expected to grow faster than the average for all occupations and is projected to be one of Illinois’ 10 fastest growing occupations. Data from the Illinois

Department of Employment Security, Economic Information and Analysis Division, supports the predicted future demand for personal financial advisors statewide.

Personal financial advisors are knowledgeable in many types of financial investments, tax laws, and insurance in order to recommend financial options to individuals. They help clients with short- and long-term

planning concerning retirement, college education for children, estate planning, and general investment choices. Most personal financial advisors find their own customers by marketing their services, giving seminars or lectures, and through business and social contacts. Financial advisors meet with clients, set up a comprehensive plan, and establish the client's financial goals. Most personal financial advisors buy and sell financial products such as securities and life insurance. Fees and commissions from securities and insurance sales are a major source of income.

Personal financial advisors need a bachelor's degree in finance, business administration, accounting, statistics, or economics. A senior personal financial advisor commented, "A well-rounded business degree with a possible emphasis on finance is

desirable." A young financial advisor, who has worked for five years with a nationally known financial services company, also recommends a degree in business management or finance. In addition, personal financial advisors need strong sales skills, including the ability to make customers feel comfortable. Advisors generally work regular business hours, but must also be able to meet with clients on weekends and in the evenings. Although personal financial advisors are expected to be in demand, competition for clients and customers may be very intense for these high paying jobs.

Preparation and a positive attitude are necessary qualities for a successful career. Building a business and acquiring clients without becoming discouraged can be some of the most challenging duties for a new financial advisor. Due to the strong competition

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for clients, many independent advisors fail in the first year. A beginning personal financial advisor I spoke with believes that, "the most difficult part of starting in this profession is keeping a positive attitude while building a



business.” A senior personal financial advisor stated that the most difficult part of the job was “dealing with client issues” while the most rewarding was “helping people plan for retirement and meeting their goals.”

## Employment Opportunities

According to Employment Projections produced by the Illinois Department of Employment Security, Economic Information and Analysis Division, by 2022 Illinois will need over 2,600 additional personal financial advisors (*Table 1*). This is a 23.42 percent increase from 2012. Approximately 441 annual jobs will be available, with 261 due to the growth in the industry (59.2 percent) and 180 due to replacement (40.8 percent). An expansion in the demand for the number of personal financial advisors is

clearly indicated by the high percentage of jobs by growth.

The favorable job outlook is not confined to specific metro areas in Illinois as there is a demand for personal financial advisors in each of the ten Economic Development Regions (*Table 1*). Every Economic Development Region is expecting an employment gain of 11 percent or greater during the ten year time frame. As expected, over 86 percent of the employment change will be in the Northeast Economic Development Region, which is the Chicago area. The Northeast Economic Development Region is anticipating 379 job openings per year until 2022. The North Central Economic Development Region (Peoria-Bloomington area) is expecting approximately 15 annual average employment openings for personal

financial advisors. All the other economic development regions will experience, on average, between three and nine annual job openings.

The Help Wanted Online report each month lists the number of job opportunities in online ads, sorted by occupation. The data is compiled by the Conference Board which is a global, independent business membership and research association. For October 2015, there were 224 personal financial advisor jobs listed in Illinois. Since there are a number of job openings every month in Illinois for this occupation, personal financial advisors are believed to be in demand today and into the future.

Several personal financial advisors I spoke with stated that they think that the long-term employment outlook is

**Table 1: Employment Projections - Personal Financial Advisors**

	Base Year Employment 2012	Projected Year Employment 2022	Employment Change 2012-2022		Average Annual Job Openings due to		
			Number	Percent	Growth	Replacements	Total
<b>Illinois</b>	<b>11,138</b>	<b>13,746</b>	<b>2,608</b>	<b>23.42</b>	<b>261</b>	<b>180</b>	<b>461</b>
<b>Economic Development Regions</b>							
<b>EDR 1 Central</b>	282	314	32	34.2	4	5	9
<b>EDR 2 East Central</b>	123	143	20	16.3	2	2	4
<b>EDR 3 North Central</b>	288	387	99	34.4	10	5	15
<b>EDR 4 North East</b>	9,567	11,821	2,254	23.6	225	154	379
<b>EDR 5 Northern Stateline</b>	176	219	43	24.4	4	3	7
<b>EDR 6 Northwest</b>	196	222	26	13.3	3	3	6
<b>EDR 7 Southeastern</b>	110	123	13	11.8	1	2	3
<b>EDR 8 Southern</b>	124	138	14	11.3	1	2	3
<b>EDR 9 Southwestern</b>	232	268	36	15.5	4	4	8
<b>EDR 10 West Central</b>	94	105	11	11.7	1	2	3

Source: Illinois Department of Employment Security; Economic Information & Analysis Division

**Table 2: Wage Data - Personal Financial Advisors**

	Entry Wage		Median Wage		Experienced Wage	
	Hourly	Annual	Hourly	Annual	Hourly	Annual
<b>Illinois</b>	<b>\$20.67</b>	<b>\$43,000</b>	<b>\$36.07</b>	<b>\$75,020</b>	<b>\$60.80</b>	<b>\$126,465</b>
<b>Economic Development Regions</b>						
<b>EDR 1 Central</b>	\$14.68	\$30,533	\$30.36	\$63,143	\$44.88	\$93,361
<b>EDR 2 East Central</b>	\$18.73	\$38,961	\$30.60	\$63,657	\$42.13	\$87,641
<b>EDR 3 North Central</b>	\$17.96	\$37,351	\$30.34	\$63,103	\$44.55	\$92,657
<b>EDR 4 North East</b>	\$21.22	\$44,148	\$36.54	\$76,013	\$62.25	\$129,479
<b>EDR 5 Northern Stateline</b>	\$18.88	\$39,277	\$31.21	\$64,925	\$47.11	\$97,989
<b>EDR 6 Northwest</b>	\$20.68	\$43,008	\$29.20	\$60,735	\$46.94	\$97,628
<b>EDR 7 Southeastern</b>	N/A					
<b>EDR 8 Southern</b>	\$17.32	\$36,023	\$36.66	\$76,246	\$52.22	\$108,610
<b>EDR 9 Southwestern</b>	\$21.89	\$45,525	\$37.30	\$77,584	\$48.66	\$101,221
<b>EDR 10 West Central</b>	\$15.17	\$31,554	\$31.25	\$64,999	\$37.64	\$78,290

Source: Illinois Department of Employment Security; Economic Information & Analysis Division

good. Over the past several decades, large and small companies have been eliminating their company pension plans. Thus, the need for employees to develop their own retirement plans has ballooned. Savings plans for other large expenses, such as college, have also increased the need for financial preparation. Demographics also increase the need for additional personal financial advisors as more workers approach retirement age.

## Wages

According to the Illinois Department of Employment Security, Economic Information and Analysis Division’s Occupational Wage Survey, the entry level wage in 2014 in Illinois for a personal financial advisor was \$20.67 per hour (*Table 2*). The median wage was \$36.07 per hour in Illinois. The

experienced wage averaged \$60.80 per hour which indicated that many personal financial advisors are earning significantly over \$100,000 per year.

Wages for personal financial advisors in the Northeast Economic Development Region were slightly higher than the statewide averages at all experience levels. The Southwestern Economic Development Region had higher average entry and median wages than the statewide averages. The Southern Economic Region had a higher median hourly wage than the statewide average. The West Central Economic Development Region experienced the lowest entry and experienced wages. Overall, the earnings for personal financial advisors are substantially above average when compared to other occupations. No wage data was available for personal financial

advisors in the Southeastern Economic Development Region.

## Summary

All sources, including employment projections data, help wanted ads, and opinions of workers in the field, indicate a significant demand for personal financial advisors both currently and for the long-term outlook. A bachelor’s degree in business related subjects will be required along with excellent sales skills. Establishing a business and a sizable number of clients may be very difficult, take a long period of time, and be very competitive especially at the beginning of the career. However, a successful personal financial advisor has the potential to be well compensated for their efforts.