
Budget Analysts

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Significant Points

- Good job opportunities are expected.
- A bachelor's degree generally is the minimum educational requirement, but many employers prefer or require a master's degree.
- About 44 percent of all budget analysts work in Federal, State, and local governments.

Nature of the Work

Efficiently distributing limited financial resources is an important challenge in all organizations. In most large and complex organizations, this task would be nearly impossible without budget analysts. These workers develop, analyze, and execute budgets, which are used to allocate current resources and estimate future financial needs.

Budget analysts work in private industry, nonprofit organizations, and the public sector. In private sector firms, a budget analyst's main responsibility is to examine the budget and seek new ways to improve efficiency and increase profits. In nonprofit and governmental organizations, which usually are not concerned with profits, analysts try to find the most efficient way to distribute funds and other resources among various departments and programs.

In recent years, as limited funding has led to downsizing and restructuring throughout private industry and government, budget analysts have seen their role broadened. In addition to managing an organization's budget, they are often involved in program performance evaluation, policy analysis, and the drafting of budget-related legislation. At times, they also conduct training sessions for company or government agency personnel regarding new budget procedures.

At the beginning of each budget cycle, managers and department heads submit proposed operational and financial plans to budget analysts for review. These plans outline the organization's programs, estimate the financial needs of these programs, and propose funding initiatives to meet those needs.

Analysts examine budget estimates and proposals for completeness; accuracy; and conformance with established procedures, regulations, and organizational objectives. Sometimes they employ cost-benefit analyses to review financial requests, assess program tradeoffs, and explore alternative funding methods. They also examine past budgets and research economic and financial developments that affect the organization's spending. This process enables analysts to evaluate proposals in terms of the organization's priorities and financial resources.

After the initial review process, budget analysts consolidate individual departmental budgets into operating and capital budget summaries. These summaries contain statements that argue for or against funding requests. Budget summaries are then submitted to senior management, or, as is often the case in State and local governments, to appointed or elected officials. Budget analysts then help the chief operating officer, agency head, or other top managers analyze the proposed plan and devise possible alternatives if the projected results are unsatisfactory.



Almost half of all budget analysts work in Federal, State, and local governments.

The final decision to approve the budget usually is made by the organization head in a private firm, or, in government, by elected officials such as State legislators.

Throughout the year, analysts periodically monitor the budget by reviewing reports and accounting records to determine if allocated funds have been spent as specified. If deviations appear between the approved budget and actual performance, budget analysts may write a report explaining the variations and recommending revised procedures. To avoid or alleviate deficits, budget analysts may recommend program cuts or a reallocation of excess funds. They also inform program managers and others within the organization of the status and availability of funds in different accounts. Before new programs begin or existing programs are changed, a budget analyst must assess the program's efficiency and effectiveness. Analysts also may be involved in long-range financial planning.

Financial software has greatly increased the amount of data and information that budget analysts can consider. The analysts also make extensive use of spreadsheet, database, and word-processing software.

Work environment. Budget analysts usually work in a comfortable office setting. They spend the majority of their time working independently, compiling and analyzing data and preparing budget proposals. Some budget analysts travel to obtain budget details first-hand or to personally verify funding allocation.

The schedules of budget analysts vary throughout the budget cycle, and many are required to work additional hours during the initial development, midyear reviews, and final reviews of budgets. In 2006, about 65 percent of budget analysts worked between 35 and 44 hours per week, while about 17 percent worked more than 44 hours per week, and about 10 percent worked fewer than 35 hours per week. The pressures of deadlines and tight work schedules can be stressful.

Training, Other Qualifications, and Advancement

A bachelor's degree usually is the minimum educational requirement for budget analyst jobs, but some organizations pre-

fer or require a master's degree. Entry-level budget analysts usually begin with limited responsibilities but can be promoted to intermediate-level positions within 1 to 2 years, and to senior positions with additional experience.

Education and training. Private firms and government agencies generally require budget analysts to have at least a bachelor's degree, but many prefer or require a master's degree. Within the Federal Government, a bachelor's degree in any field is sufficient for an entry-level budget analyst position, but master's degrees are preferred. State and local governments have varying requirements, but a bachelor's degree in one of many areas, including accounting, finance, business, public administration, economics, statistics, political science, or sociology, is a common requirement. Many States, especially larger, more urban States, require a master's degree. Many government employers prefer candidates with strong analytic and policy analysis backgrounds that may be obtained through such majors as political science, economics, public administration, or public finance.

Some firms prefer candidates with a degree in business because business courses emphasize both quantitative and analytical skills, which are equally important in budget analysis. Sometimes a degree in a field closely related to that of the employing industry or organization, such as engineering, may be preferred. Because developing a budget requires strong numerical and analytical skills, courses in statistics or accounting are helpful, regardless of the prospective budget analyst's major field of study. Occasionally, budget-related or finance-related work experience can be substituted for formal education.

Entry-level budget analysts in the Federal Government receive extensive on-the-job and classroom training. In most other organizations, however, budget analysts usually learn the job by working through one complete budget cycle. During the cycle, which typically lasts 1 year, analysts become familiar with the various steps involved in the budgeting process. Many budget analysts also take professional development classes throughout their careers.

Other qualifications. Budget analysts must abide by strict ethical standards. Integrity, objectivity, and confidentiality are all essential when dealing with financial information, and budget analysts must avoid any personal conflicts of interest. Most budget analysts also need mathematical skills and should be able to use software packages, including spreadsheet, database, data-mining, financial analysis, and graphics programs. Strong oral and written communication skills also are essential, because budget analysts must prepare, present, and defend budget proposals to decision makers. In addition, budget analysts must be able to work under strict time constraints.

Certification and advancement. Entry-level budget analysts usually begin with limited responsibilities, working under close supervision. Capable entry-level analysts can be promoted to

intermediate-level positions within 1 to 2 years, and to senior positions with additional experience. Because of the importance and high visibility of their jobs, senior budget analysts are prime candidates for promotion to management positions in various parts of their organizations, or with other organizations with which they have worked.

Some government budget analysts employed at the Federal, State, or local level may earn the Certified Government Financial Manager designation granted by the Association of Government Accountants. Other government financial officers also may earn this designation. To do so, candidates must have a minimum of a bachelor's degree, 24 credit hours of study in financial management, and 2 years of government work experience in financial management. They also must pass a series of three exams that cover topics on the government; governmental accounting, financial reporting, and budgeting; and financial management and control. To maintain the designation, individuals must complete 80 hours of continuing professional education every 2 years.

Employment

Budget analysts held 62,000 jobs throughout private industry and government in 2006. Federal, State, and local governments are major employers, accounting for 44 percent of budget analyst jobs. Many other budget analysts worked in manufacturing; financial services; management services; professional, scientific, and technical services; and schools.

Job Outlook

Budget analyst jobs are expected to increase about as fast as the average, and job prospects should generally be good, especially for applicants with a master's degree.

Employment change. Employment of budget analysts is expected to increase by 7 percent between 2006 and 2016, which is about as fast as the average for all occupations. Employment growth will be driven by the continuing demand for sound financial analysis in both the public and the private sectors.

As businesses and other organizations become more complex and specialized, budget planning and financial control will demand greater attention. In recent years, computer applications used in budget analysis have become increasingly sophisticated, allowing more data to be processed in a shorter time. As a result, budget analysts have seen their workload broadened, and they are expected to produce more than they have in the past.

Budget analysts will also continue to acquire new responsibilities in other areas, such as policy analysis and performance evaluation, which make them more important to their organizations.

Job prospects. Good job prospects are expected for budget analysts over the 2006-16 decade. Job openings should result from employment growth and from the need to replace workers

Projections data from the National Employment Matrix

Occupational Title	SOC Code	Employment, 2006	Projected employment, 2016	Change, 2006-16	
				Number	Percent
Budget analysts	13-2031	62,000	66,000	4,400	7

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*.

who retire or leave the occupation for other reasons. Candidates with a master's degree are expected to have the best opportunities. Familiarity with spreadsheet, database, data-mining, financial-analysis, and graphics software packages also should enhance a jobseeker's prospects.

Because of the importance of financial analysis, and because financial and budget reports must be completed during all phases of the business cycle, budget analysts usually are less vulnerable to layoffs than many other types of workers.

Earnings

Salaries of budget analysts vary widely by experience, education, and employer. Median annual earnings of wage-and-salary budget analysts in May 2006 were \$61,430. The middle 50 percent earned between \$49,070 and \$77,000. The lowest 10 percent earned less than \$40,070, and the highest 10 percent earned more than \$93,080. Median annual earnings in the industries employing the largest numbers of budget analysts were:

Management of companies and enterprises	\$65,280
Federal Government.....	65,240
State government.....	55,990
Local government	55,120
Colleges, universities, and professional schools	51,270

In the Federal Government, budget analysts usually start as trainees, earning \$28,862 or \$35,752 per year in 2007. Candidates with a master's degree began at \$43,731. Beginning salaries were slightly higher in areas where the prevailing local pay level was higher. The average annual salary in 2007 for budget analysts employed by the Federal Government was \$71,267.

According to a 2007 survey conducted by Robert Half International—a staffing services firm specializing in accounting and finance—starting salaries of financial, budget, treasury, and cost analysts in small companies ranged from \$32,750 to

\$39,250. In large companies, starting salaries ranged from \$36,500 to \$43,750.

Related Occupations

Budget analysts analyze and interpret financial data, make recommendations for the future, and assist in the implementation of new ideas and financial strategies. Other workers who have similar duties include accountants and auditors, cost estimators, economists, financial analysts and personal financial advisors, financial managers, loan officers, and management analysts.

Sources of Additional Information

Information about career opportunities as a budget analyst may be available from your State or local employment service.

Information on careers and certification in government financial management may be obtained from:

► Association of Government Accountants, 2208 Mount Vernon Ave., Alexandria, VA 22301.

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

Information on careers in budget analysis at the State government level may be obtained from:

► National Association of State Budget Officers, Hall of the States Building, Suite 642, 444 North Capitol St.NW., Washington, DC 20001. Internet: <http://www.nasbo.org>

Information on obtaining budget analyst positions with the Federal Government is available from the Office of Personnel Management through USAJOBS, the Federal Government's official employment information system. This resource for locating and applying for job opportunities can be accessed through the Internet at <http://www.usajobs.opm.gov> or through an interactive voice response telephone system at (703) 724-1850. This number is not toll free, and charges may result. For advice on how to find and apply for Federal jobs, see the *Occupational Outlook Quarterly* article "How to get a job in the Federal Government," online at:

<http://www.bls.gov/opub/ooq/2004/summer/art01.pdf>