

Budget Analyst

Snapshot

Career Cluster(s): Business, Management & Administration

Interests: Economics, accounting, strategic planning, finance

Earnings (Median as of 2019): \$76,540

Employment & Outlook: Average Growth Expected

OVERVIEW

Sphere of Work

A budget analyst is a professional who helps in the development and implementation of a business or government budget. Budget analysts review revenues and expenses, study the cost-effectiveness of an organization's activities, research alternative courses of action, and make recommendations for a balanced annual budget. Budget analysts play an important role in an organization's financial planning for the fiscal year. For government agencies and non-profit organizations, a budget analyst can help the group efficiently and effectively distribute funds for programs and departments. For businesses, a budget analyst can help maximize profits and reduce expenditures.

Work Environment

The work of a budget analyst is performed primarily in an office setting. In a government agency, the analyst may work as part of a team, each member of which focuses on selected budget areas. A budget analyst frequently meets with his or her superiors, department heads, managers, and other members of the organization



Photo courtesy of Dave Douglas

with insight on how the organization's money is being spent. Budget analysts normally work a regular forty-hour work-week, although during periods in which the budget is being finalized, their hours may be extended temporarily. At these peak times, the work environment may be somewhat stressful when budget deadlines loom.

Occupation Interest

Budget analysts use their extensive research and analysis experience to help an organization map out its future, finding and making recommendations concerning the best financial course of action for the short- and long-term. Budget analysts are able to perceive and grasp the complete and often complex inner workings of a government agency, non-profit organization, or business in such a way that few other employees can.

A Day in the Life-Duties and Responsibilities

A budget analyst is responsible for monitoring the past, present, and short- and long-term fiscal health of an organization or government agency. He or she will research the organization's past financial activities and health, reviewing financial reports and other related documents from previous years. Additionally, the budget analyst analyzes monthly budgets for each department (or applicable business activity) to ensure that the current year's budget requirements are being followed and that no extraordinary costs or revenue drops are occurring. The budget analyst researches current trends in the marketplace, the economy, and between vendors to

see if there are any trends that may positively or negatively impact the organization for which he or she works. This research includes reviewing documents and meeting with key officials and personnel for more information.

Using this past and present information, the budget analyst will put together the framework for the organization's annual spending plan for the coming fiscal year. This budget will feature revenues and

Profile

Interests: Data

Working Conditions: Work Inside

Physical Strength: Light Work

Education Needs: Bachelor's Degree

Licensure/Certification: Recommended

Physical Abilities Not Required: Climbing, Kneeling

Opportunities for Experience: Military Service, Part Time Work

Holland Interest Score: CER

Duties and Responsibilities

- Providing technical assistance in preparing annual budgets
- Reviewing financial requests by departments within the organization
- Examining past budgets
- Reporting on budgetary discrepancies
- Estimating future financial needs
- Conducting in-house seminars on new budgetary guidelines

profits generated from each activity in the previous year, the costs involved for those activities, the amounts the business will invest in employee pay and benefits, and any other information of importance to the organization's financial health. In addition to the annual budget, these analysts may be called upon to create smaller budgets for individual activities and projects and/or short-term programs. In each of these activities, the analyst will be focused on ensuring that investments are cost-effective—in other words, that the program will generate as much revenue as possible while costs and expenses are held to a minimum.

The budget analyst may also be called upon by executives, legislators, and other officials to present their findings and opinions about how best to proceed with financial plans. This component of a budget analyst's job may include testifying at legislative and agency hearings, speaking at board of directors meetings, or meeting directly with executives and high-level officials.

Transferable Skills and Abilities

Communication Skills

- Speaking effectively (SCANS Basic Skill)
- Writing concisely (SCANS Basic Skill)

Interpersonal/Social Skills

- Being able to work independently

Organization & Management Skills

- Paying attention to and handling details
- Performing routine work

Research & Planning Skills

- Using logical reasoning

Technical Skills

- Using technology to process information (SCANS Workplace Competency Information)
- Working with data or numbers
- Working with machines, tools or other objects

WORK ENVIRONMENT

Immediate Physical Environment

Budget analysts generally work in office environments, either in their own individual offices or sharing open office space with other personnel. These settings will be busy, especially during periods closest to budget deadlines. Many meetings between these analysts and key personnel will take place in conference rooms and similar settings within the main office.

Human Environment

Although budget analysts often work independently on their individual areas of focus, they typically work in a team dynamic, particularly when putting together large government or corporate budgets. They frequently interact with one another as well as with superiors and department heads during the course of developing an annual or quarterly budget.

Fast Fact

Government budget analysts differ from corporate analysts because they aren't looking for profits. Instead, they use their algebra, trigonometry, geometry, calculus and statistics skills to figure out how to distribute money so governmental departments—such as those that fill potholes or fix water main breaks—can function. Source: weusemath.org

Technological Environment

Budget analysts typically need to have knowledge of computers and be proficient in the use of business and accounting software. Such software includes spreadsheet and database programs and word processing systems.

EDUCATION, TRAINING, AND ADVANCEMENT

High School/Secondary

High school students interested in becoming budget analysts should take courses in business and accounting, mathematics, and computer science. They may also benefit from developing better writing and communications skills.

Suggested High School Subjects

- Accounting
- Business
- Business Data Processing
- Business Law
- Business Math
- Computer Science
- English

Related Career Pathways/Majors

Business, Management & Administration Cluster

- Business Analysis Pathway
- Business Financial Management & Accounting Pathway

Postsecondary

Budget analysts generally choose to complete bachelor's degrees in business, finance, accounting, and management. Because this field is highly competitive, in-

dividuals who obtain a master's degree tend to have an edge over other candidates.

Related College Majors

- Accounting
- Business
- Business Administration & Management, General
- Finance, General

Adult Job Seekers

Individuals with an interest in becoming budget analysts will often find positions posted on government jobs websites. They may also consult with state and municipal government websites. Trade associations such as the National Association of State Budget Officers and the American Association for Budget and Program Analysis can also offer opportunities for candidates.

Professional Certification and Licensure

Federal, state, and local government budget analysts are sometimes asked to obtain training and certification through Advancing Government Accountability's Certified Government Financial Manager program. Advancing Government Accountability's program requires that the candidate have two years of financial management experience, a bachelor's degree, and twenty-four credit hours in financial management. They must also pass a series of exams. To remain certified, budget analysts are required to take 80 hours of continuing education every 2 years.

Additional Requirements

Government budget analysts are often called upon to testify on their research findings at legislative and agency hearings. They must therefore have the ability not only to understand the often complex nature of budgets, but be able to effec-

Famous First

The first budget analyst may have been the Italian mathematician Luca Pacioli who lived from 1447 to 1517. He developed the double-entry method of accounting which allowed businesses to become more efficient in their analysis and more profitable.



Image courtesy of Museo di Capodimonte

tively communicate with those individuals who are not as well-versed on the subject. Additionally, budget analysts are expected to be critical thinkers; they should be able to carefully analyze a budget area for strengths and weaknesses, explore alternatives, and offer new ideas and approaches to budgets.

EARNINGS AND ADVANCEMENT

Earnings of both private and public sector budget analysts vary considerably based on education, experience and the organization for which they work. Beginning budget analysts work under close supervision, but rapid advancement is possible for those with exceptionally good analytical ability and work ethic. As budget analysts rise in position, their jobs become increasingly supervisory.

Median annual earnings of budget analysts were \$76,540 in 2019. The lowest ten percent earned less than \$50,230, and the highest ten percent earned more than \$116,510.

Budget analysts may receive paid vacations, holidays, and sick days; life and health insurance; and retirement benefits. These are usually paid by the employer.

EMPLOYMENT AND OUTLOOK

Nationally, there were 56,900 budget analysts employed in 2019. Employment is expected to grow about as fast as the average for all occupations through the year 2028, which means employment is projected to increase 4 percent to 59,400 percent. Though computers can perform most of the work of analyzing and projecting budgets, strong job growth for budget analysts will occur due to the increased demand for efficient use of public funds at the federal, state, and local levels. Because of the growing complexity and specialization in the business world, more attention is being given to financial planning and control.

Related Occupations

- Accountant
- Actuary
- Auditor
- Cost Estimator
- Economist
- Energy Auditor

- Financial Analyst
- Financial Examiner
- Financial Manager
- Insurance Underwriter
- Management Analyst
- Personal Financial Advisor
- Tax Examiner

Related Military Occupations

- Finance & Accounting Manager
- Management Analyst

MORE INFORMATION

Advancing Government Accountability

2208 Mount Vernon Avenue
Alexandria, VA 22301
703.684.6931
www.agacgfm.org

American Association for Budget and Program Analysis

P.O. Box 1157
Falls Church, VA 22041
703-941-4300
aabpa@aabpa.org
www.aabpa.org

Government Finance Officers Association

203 N. LaSalle Street, Suite 2700
Chicago, IL 60601-1210
312.977.9700
www.gfoa.org

National Association of State Budget Officers

444 N. Capitol Street NW, Suite 642
Washington, DC 20001
202.624.5382
www.nasbo.org

Conversation With...

STEPHANIE GULLICKSON

Fiscal Management Analyst/Budget Analyst
North Dakota Office of Management and Budget, Bismarck, ND
Accounting field, 24 years

What was your individual career path in terms of education/training, entry-level job, or other significant opportunity?

I started working at the North Dakota Department of Public Instruction, which is the state K-12 education department, through a two-year high school paid internship program in 1990. After I graduated school, I applied for a full-time position there, and was hired as a secretary in 1992, a job I held for four years.

At the time, I thought I wanted to be a lawyer. I even earned my two-year paralegal degree from Interstate Business College in 1995. But I decided to change direction when, while working as a secretary, I had an opportunity to work and train with the staff accountant. I enjoyed the work she performed each day and realized that was what I really should be doing.

I was promoted to entry-level Account Technician in 1996 and worked under the staff accountant for many years until she retired. As opportunities to advance opened, I jumped at them to expand my experience. I was able to move from the entry-level account technician to the Director of Fiscal Management during my tenure at the Department of Public Instruction.

While working fulltime, I received my bachelor's degree in Business Management and Accounting from University of Mary in Bismarck, ND in 2001, and went on to receive a Master of Public Administration Degree from University of North Dakota in Grand Forks in 2011.

In January 2016, after 25 years at the Department of Public Instruction, I was offered a Budget Analyst job with the North Dakota Office of Management and Budget, where I work now.

What are the most important skills and/or qualities for someone in your profession?

The most well known skills are attention to detail, organizational skills, teamwork, critical thinking, time management and self-motivation. Honesty and integrity are important qualities because you handle the financial resources of state agencies or private sector businesses. You also need problem-solving skills and to think creatively. That might seem unusual for an accountant, but in my experience sometimes those very creative ideas truly make a difference! It's also important to pursue opportunities to increase soft skills such as interpersonal and

communication skills. At some point all those numbers we crunch as an accountant will need to be communicated and explained to people. These soft skills are especially important if you aspire to lead a team or be a manager.

What do you wish you had known going into this profession?

I wish I had known to take I.T.-related courses along with my accounting classes. Information technology skills are important because everything we do has a technology component, from the software that public accountants use to projects we help develop. A wider knowledge base makes you a more valuable, well-rounded employee, too.

Are there many job opportunities in your profession? In what specific areas?

Yes, almost 25 percent of government sector existing workforce is eligible to retire in the next five years. This large exit of public employees will open positions all over government in the accounting field. There are so many areas where accounting professionals are needed, from auditors, grant and contract managers, accounting budget specialists, accounting managers, business managers, financial institutions examiner, budget analysts all the way to the chief financial officer of the largest state agencies. Almost every state agency has a need for a professional accounting employee so even starting at an entry level position will give you valuable work experience.

How do you see your profession changing in the next five years, how will technology impact that change, and what skills will be required?

While the fundamentals of accounting probably won't change, the processes and methods we use do evolve. There are very few paper and pencil processes left and as things become even more paperless, it is important for us to adapt to these new methods. Specifically in public accounting, decisions on what to fund in a budget are based on data. An accountant who can understand the data and also calculate return on investment will have an advantage over someone who does not understand this process, so statistics courses will be important to you as a student! I also think in the next 5 years, public employees in general need to be adaptable to a variety of working situations, flexible working schedules and teleworking. Paperless offices, video teleconferencing and a variety of remote work tools have all become the norm.

What do you enjoy most about your job? What do you enjoy least about your job?

As a budget analyst, I enjoy being part of the team that builds the state budget. It's rewarding to start at the detailed level of each state agency and roll that up into a comprehensive statewide budget that is presented as the Governor's Executive Budget. We follow the executive budget throughout the legislative process and provide information as the statewide budget becomes final. It's satisfying to recognize that some of my budget recommendations survive the process and are part of the final product that will have an impact on the citizens in the state where I live.

The least favorite part of my job would probably be the same for most accountants, which is during an economic downturn when we need to make budget cuts. In any accounting position, it's very difficult to know that decisions you make can affect programs that may be discontinued or reduced, and which impact people's daily lives. But even during those times, accounting professionals add value by helping their agency staff look at the current processes and programs to find ways to become more efficient or discontinue things that do not make a

difference in people's daily lives. In public accounting, each dollar that is saved or reduced is a taxpayer dollar.

Can you suggest a valuable “try this” for students considering a career in your profession?

Take advantage of any school-sponsored job shadowing opportunities, career fairs, or internships. This will give you a valuable look and conversation with accounting professionals already working in your chosen career path. An internship was how I found my full time employment for the state of ND. Seek out a mentor who is already working in the field, be brave and ask these mentors for advice and help. They would love to share their knowledge with you! Keep in contact with your mentor so when a job opportunity opens up they will think of you and help guide you along the process of applying for and landing that job!