Becoming a Certified Public Accountant: It is the Only Way to Go

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Becoming a Certified Public Accountant: It is the Only Way to Go

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Submitted in Partial Completion of the Requirements for Commonwealth Honors in Accounting and Finance

Bridgewater State University

December 22, 2016

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Abstract

For accountants, becoming a Certified Public Accountant (CPA) seems to be the most recognized and widely coveted of all the different accounting career paths, yet very few prospective accountants understand why it garners so much respect. The purpose of this project aims to educate future accounting professionals about the requirements for earning one’s Certified Public Accountant license, the career options available to them, the value of the certification, and the cost benefit analysis of choosing that career path. The primary method of collecting data includes a literature review of testimonials from accounting professionals along with relevant career statistics to provide a background for the various career options available to accountants. This thesis expands existing accounting literature by providing prospective accountants with a guide to their career choices. This thesis exclusively compares Certified Public Accountants to non-licensed accountants, and primarily focuses on the public accounting field when referencing CPA careers as it attracts the many accounting graduates. It appears many students are conditioned to follow the CPA route with very little understanding of what it offers and what it can cost. Though having a CPA certification provides numerous benefits, there are many costs to this choice that few students understand or consider when starting their careers. This study will give students a further information on what it means to be a CPA in public accounting while highlighting other licensed accounting career options, with the ultimate goal to be to help students find the path that provides them the most lucrative and rewarding future.
Section 1 - Introduction

Accounting careers appear cut and dry, and for prospective accountants the obvious choice is to work in public accounting and earn a Certified Public Accounting (CPA) license. The financial industry, professors, and professionals seem to urge future accountants to earn their CPA licenses with the promise of a fulfilling career and a worthwhile payout. This idea is often unconsciously accepted as countless accounting graduates leave their universities to start work with public accounting firms in the hopes of one day earning their designation. Though having a CPA certification provides numerous benefits, there are many costs to this choice that few students understand or consider when starting their careers.

Becoming a CPA is highly touted by professionals as one of the most valuable titles for an accountant to hold, yet little explanation is given to that notion. A lack of understanding exists regarding the roles a CPA performs, the journey it takes to get there, the doors that are opened because of the certification, and the career options that exist outside of public accounting. These questions should be answered in the minds of prospective accountants before they commit to earning their licenses. This study aims to educate prospective accounting professionals about the requirements for earning one’s Certified Public Accountant license, the career options available to them, the value of the certification, and the cost benefit analysis of choosing that career path. This thesis exclusively compares Certified Public Accountants to non-licensed accountants, and primarily focuses on the public accounting field when referencing CPA careers. Eligibility requirements vary state by state, and for brevity’s sake this research will only focus on the Massachusetts requirements.
Section 2 – What is a Certified Public Accountant (CPA), and What Roles Do They Play?

All CPAs are accountants, yet not all accountants are CPAs. Though often mistaken for a position, the Certified Public Accountant title is a license given to accountants who achieve certain benchmarks within the profession; the most notable of which includes passing the Uniform CPA Exam (“Steps to Becoming a CPA,” n.d.). Additionally their license gives them the power to give qualified opinions, sign off on the accuracy of financial statements, and to represent tax clients before the IRS. With this license, the primary role of most Certified Public Accountants is to audit public companies’ financial statements to give investors a sense of security. Though the role of a CPA varies by industry, the license’s purpose is “to help ensure that professional standards for the [accounting] industry are enforced” (“Certified Public Accountant – CPA,” 2003). The CPA designation was partially born out of a necessity to ensure that publicly traded companies were complying with federal regulations and that their financial statements were being accurately reported to the public. The need for CPAs drastically increased after the passing of the Sarbanes-Oxley Act of 2002, as business were placed under further regulations and the accuracy of financial data was essential. Armed with the knowledge and ability to analyze an organization’s financial standing, CPAs are always needed to fill many roles in the business world.

Accounting positions cover many fields in business, and many of those strongly recommend or even require that employees hold or intend to hold their CPA license. There are five major sectors in the accounting profession: Public, Private, Governmental, Not-for-Profit, and Academia (“Why Major in Accounting?” n.d.). Anyone with an accounting degree can find jobs in these sectors, however the CPA certification often allows for rapid advancement and job security. A CPA’s responsibilities differ in each of these sectors regarding job functions, career
trajectory, and how organizations value the license. As an addendum, this research focuses on the positions available to CPAs and does not address the careers available to all accountants.

    Public accounting hires many qualified accounting graduates as it appears to offer the most opportunities exclusive to graduates. A public accountant serves many functions including auditing, consulting, tax compliance, and management services (“Why Major in Accounting?” n.d.). There is a prescribed career path in tax services and auditing at large firms where one will start as a staff accountant and eventually work up to partner (“Private vs. Public…,” 2016). Patterns emerge in public firms where long hours of hard work will be rewarded with rapid advancement. Unlike other sectors, a young public accountant has the quickest chance of rising through the ranks to a management position, however turnover is high as many people burn out due to the demanding hours and workload. To survive the challenges of public accounting, a CPA license is typically required. The certification is held in the highest esteem in this sector, and one qualification to earn the license requires an accountant to work in public accounting for at least one year. The accreditation is mandatory for accountants wanting to advance because only licensed CPAs can audit opinions and sign off on public statements (“Why Major in Accounting?” n.d.). Though the road through public accounting is difficult, many find the challenges exciting and the payout worthwhile which makes it the most attractive sector for prospective accountants.

    Whereas public accountants provide financial services to their clients, private accountants involve themselves in the financial dealings of their own company. The most attractive aspect to this industry is consistency (“Private vs. Public…,” 2016). Private accountants will often repeat the same functions within their organization with the ultimate goal of maximizing the effectiveness and efficiency of their business by analyzing financial data.
There is no set role in private accounting as every business has different finance-related needs. However other noteworthy career options include internal auditor, certified management accountant, controller, and CFO (“Why Major in Accounting?” n.d.). Private accounting does not require a degree, and many accounting-oriented people enter the profession in accounts payable, accounts receivable, payroll, or bookkeeping (“Accounting Careers,” n.d.). Advancement opportunities are less frequent for private accountants compared to public accountants as turnover is much lower. Although, if an accountant shows promise and commitment, he or she can eventually climb the ladder to become a CFO or controller. A CPA certification is not required even for the highest private level positions, however it is common practice for employers to look for CPAs to fill the more important financial positions in their company. Though the private sector doesn’t provide as wide ranging of an educational experience or as lofty a salary as public accounting jobs, it is a great way to get started as a prospective accountant.

The third option for accounting jobs fall under the governmental and not-for-profit sectors. An accountant working in either of these areas must work to stay within their budget, manage the appropriation of funds, and award contracts (“Why Major in Accounting?” n.d.). These two sectors are grouped together because accountants work with money appropriated to an entity. This is unlike public or private where accountants deal with money earned by their business or their clients’ businesses. As seen before in private accounting, a CPA license is not required yet it comes highly valued as a career booster. These two areas of accounting are less common than the former two, however they are still viable options. Each sector is tailored to the type of accounting someone might enjoy. Governmental boasts great benefits and hours, albeit
smaller pay while not-for-profit provides a great sense of well-being and accomplishment for helping a greater cause.

Academia is the final avenue for prospective accountants, although the field is typically dominated by professionals who have already worked in one of the other sectors. By holding an accounting position before returning to school and teaching, professors can further their students education by providing insight from their own professional careers. A CPA license is not mandatory, however as an accounting professor it is highly recommended. By holding the designation professors can better prepare students desiring to take the exam. Academia offers the fewest jobs to prospective accountants as the field often seeks those with prior professional experience. However, if an accountant has his heart set on teaching others the financial side of business, this careers is tailored to him.

These five sectors encompass the majority of available accounting jobs. While none of them necessitate holding a CPA license, it is highly suggested for all, especially public accountants. Each path offers its own benefits, allowing prospective accountants an assortment of options upon graduating. Public accounting boasts a varied career with a great payout. Private accounting allows for accountants to consistently improve their businesses. Governmental and not-for-profit accountants work with appropriated funds to decide how they can provide for the most people. Accountants in academia teach the next generation of accountants a foundational understanding of what they need to know to enter the financial world. As an accountant in any of these industries a CPA license can quickly open up doors to innumerable career opportunities.
Section 3 - How Does One Become a CPA?

Though the CPA designation offers more opportunities for accountants, the road to get in there can be daunting. To receive one’s license he or she must satisfy the education, exam, and experience requirements, also known as the three Es (“Steps to Becoming a CPA,” n.d.). Fulfilling the education requirement is the first step on one’s journey to earning their license. There are a variety of options to satisfy this criteria, however they all demand 150 credit hours at an accredited university with the necessary coursework (“Steps to Becoming a CPA,” n.d.). The most common approach is earning a bachelor’s degree in accounting for 120 credits and a master’s degree consisting of the remaining 30 credits (“Massachusetts,” n.d.). Other methods include an undergraduate degree that fulfills 150 credits while incorporating the necessary coursework, however, this is not nearly as common and universities offers a different path to becoming 150 compliant. The route to fulfilling the education requirement is unique to each individual’s situation and should be used as a foundation of knowledge to help achieve the next two steps.

The exam and the experience portion may be completed simultaneously or separately in either order, however they are only to be undertaken after finishing the education requirement. The exam requires an immense amount of preparation, and the average pass rate for 2015 ranged between 47% and 56% depending on the section (“CPA Examination Passing…,” 2016). The exam is a computer-based, uniform test that consists of four sections: Auditing and Attestation, Business Environment and Concepts, Financial Accounting and Reporting, and Regulation (“Steps to Becoming a CPA,” n.d.). Each part is taken individually and one must score a 75 out of 100 to pass that section. The test is rigorous and extremely challenging with roughly half the applicants failing on their first attempt. After passing the first of any four sections, the applicant
has 18 months to complete the remaining three or else a section will need to be retaken (“10 Little Known Facts…,” 2015). The testing process is lengthy and test prep courses are essential as the majority of exam participants use them for guided preparation specific to each section of the CPA exam. Only once the applicant passes the four sections in the allotted time can he or she claim to have passed the CPA exam.

Even after obtaining an education and passing the test, the experience portion still remains. This requirement varies depending on the type of CPA license one is looking for. For a non-reporting license, where the accountant can perform all services except issue reports on financial statements, he or she needs one year in public accounting or three years in a private accounting position that is substantially equivalent to public accounting (“CPA License in Massachusetts,” n.d.). The experience portion for a non-reporting license may be waived if the applicant already holds a graduate degree in accounting, business, or law. To hold a reporting license, the more practical and commonly held certification, one must complete one year in public accounting and 1000 hours of attest experience (“CPA License in Massachusetts,” n.d.). Attest experience consists of services such as audits, reviews, and compilations (“Attest Services,” n.d.). Public accounting and the CPA license work in tandem making it impossible for one to achieve their CPA certification without working in the public accounting sector. Even if prospective accountants are considering becoming CPAs for an entity outside of the public arena, they must be forewarned that they need to complete at least one year in public accounting to fulfill the experience requirement.

Once someone holds his or her license after completing the three Es, his or her work is not finished. To remain a CPA, license holders must complete continuing professional education (CPE) requirements. These CPE credits include keeping up to date with current accounting
news, business management techniques, and ethics training which can be conducted through classroom style, computer-based, or seminar style learning (“Steps to Becoming a CPA,” n.d.). Every two years a form must be submitted to the state board of accountancy to verify that 80 credits were earned during that time period (“Certification FAQs,” n.d.). Completing CPE credits is not as rigorous as earning the license, however it is just as vital in order to maintain the designation.

Section 4 – What is the Value of Holding the CPA license?

The value of a certified public accountant is universally recognized in the financial world. While a CPA license does not guarantee more intelligent, efficient, or harder working employees, candidates with the CPA certification garner higher wages, levels of respect, and prestige for their accomplishments. Professionals view license holders as elite because they must hold a degree, undergo technical training, pass a rigorous exam, and maintain a flawless ethical standard (“Five Popular Reasons…,” 2016). All of these factors work together making Certified Public Accountants the ideal candidates to take on high-importance positions in the business world such as Partner, CFO, and CEO.

Though the role of CPAs fluctuate depending on the industry and their position within their organization, they all follow the same creed. Just like the Hippocratic Oath, taken by doctors, CPAs must adhere to a high professional standard. The certification was founded to ensure accountancy gained respect as a profession and that accounting practices were ethical, unbiased, and done by competent professionals (“American Institute of Certified…,” n.d.). With these values in mind every license-holding accountant must keep his or her hands clean and be the most objective person when dealing with business affairs. Held in high esteem for their
morals, CPAs are expected and required to report their objective opinions on financial statements. Any misreporting leads to the revocation of one’s license and in more extreme cases criminal prosecution.

Companies seek out CPAs to fill high-level roles. To advance to any level of significance in a public accounting firm, employees are mandated to earn a CPA license as only CPAs are allowed to sign off on audited financial statements (“Why Take the CPA Exam?” n.d.). Partners in accounting firms need accountants underneath them who have the knowledge and ability to authorize these important documents, or else their businesses would come to a grinding halt. A CPA certification also commands respect in the other industries, aside from public accounting, though it is not required. Many publicly traded as well as private, governmental, or not-for-profit organizations seek CPAs for their vast stores of knowledge to help them run their business. According to Spencer Stuart, a search firm, the percentage of CFOs holding a CPA certification was nearly 45 percent in 2013 (Gershon, 2013). In terms of universal value, a CPA is the only licensed accounting professional in the US (“Why Take the CPA Exam?” n.d.). With this in mind, any prospective accountant can instantly increase their value in the professional world by holding themselves to the highest standards and earning their CPA license.

Section 5 - What are the Costs of Becoming a CPA?

As with anything that is worthwhile, high value equals high cost. The journey to becoming a CPA is filled with many out of pocket expenses, all of which are incurred with the hope that if one can earn their license they will be able to recoup their costs. In addition to monetary costs, the life of a CPA has a large opportunity cost in time lost. Businesses are willing to spend more money on accountants with the CPA standing not only because of their
knowledge, but also because they demand many hours and stressful deadlines. CPAs receive some of the best compensation in the profession, however it is up to the individual to determine if the benefits outweigh the costs.

Most of the expenses associated with becoming a CPA are incurred early on in an accountant’s career. The cost of a college education ranks highest in this category with “the average annual cost for a four-year, public institution [running] over $9,400 for in-state-tuition and almost $24,000 for out-of-state-tuition” (“Accounting Degrees and Certifications…,” n.d.). Over a four year period this runs to approximately $37,600 for a four year in-state degree and $96,000 for a four year out-of-state degree. Private schools run even higher with an average annual tuition cost of $32,405 for a non-profit private institution and $15,600 for a private for-profit school (“Accounting Degrees and Certifications…,” n.d.). Over four years the average degree costs between $62,400 and $129,620 for a private institution. To continue one’s education and earn an advanced degree it costs on average $8,225 annually (“Accounting Degrees and Certifications…,” n.d.). Though most accountants will incur the cost of a four year degree, CPAs in Massachusetts are required to earn either a masters or 150 credits to sit for the Uniform CPA Exam. With this additional time and money spent on school, the education cost looms large as student loans can take many years to pay back.

Towards the end of an accountant’s college education, he or she will typically start preparing to take parts of the CPA exam. Few are able to walk in on test day and pass the exam. Tens of hours of studying and prep work are essential for each part of the test, and herein lies another cost. Any brand-name review course such as, Becker, Kaplan, or Yaeger will cost $1,500 or more. Upon completion of the exam-prep course, more expenses arise from application and exam fees, costing roughly $1,000, with the additional cost of the CPA ethics
exam and licensing fee which totals $300 to $500 (“Accounting Degrees and Certifications…,” n.d.). These smaller costs add up, especially to an accountant fresh out of school. However if one is able to endure these upfront charges the payoff can be worthwhile as many CPA firms and some graduate programs will pay for part of the exam or reimburse the accountant upon completing the test.

The final monetary cost falls under completing CPE credits. Every CPA must take courses in continuing professional education in order to maintain their license, however these do not often come free. To fulfill one’s CPE requirements, he or she must take 80 credit hours of courses (“CPE Online Courses,” 2016). The total cost to complete ranges from approximately $500-$1000 over a two year period (“CPE Online Courses,” 2016). In the long-term this is a minimal expense, especially because anyone fulfilling CPE credits is already a CPA and more than likely has the money to cover the cost. Nonetheless every expense matters when making long-term financial decisions and the road to becoming a CPA is packed with financial burden.

Though accountants consider costs as primarily monetary, the process of earning and maintaining a CPA license has a large opportunity cost in time lost. The largest drawback of becoming a CPA stems from a very strenuous work-life balance, which is defined as a comfortable balance between an employee’s work and his or her private lifestyle. “Most psychologists would agree that the demands of an employee’s career should not overwhelm the individual’s ability to enjoy a satisfying personal life outside of the business environment” (“Work-Life Balance,” n.d.). Though CPAs are highly compensated for their excessive amount of work, it is extremely difficult to maintain a healthy life outside of work during the busy season, mid-February to mid-April and the beginning of August to mid-October. The busy season occurs when tax returns are due on March 15, April 15, September 15, or October 15.
depending on the filer. With this notion in mind, many new accountants face the enticing issue of whether money can buy happiness. In most cases people are willing to sacrifice their personal lives for the payout down the road. If people love their work, then the long hours may not even be a sacrifice.

However, money is a renewable resource while time is not and typically in larger accounting firms the dollar outweighs a healthy work-life balance (“Work/Life Balance,” n.d.). In large firms, accountants are indoctrinated with the notion that to make it to the top, one must put in long hours and do whatever it takes. Since there are so many accountants trying to distinguish themselves, dedication level is a leading factor in promotion decisions. However this often leads to accountants burning out in public accounting after a few years. Odile Breton, CPA, from the Next Step Accounting Seminar mentioned that she couldn’t handle the peaks and valleys of public accounting. She said that she would be physically exhausted after seventy-five plus hours of work a week with no time to relax (Barrett, Brenton, Fitzgerald, & Gorski, 2016). Sissi Fitzgerald, CPA, had a similar opinion from the Next Step Seminar wherein she said that she could not handle the constant up and down workload, especially during the busy season where the line between work and home life was blurred (Barrett, Brenton, Fitzgerald, & Gorski, 2016). The cost of putting in long hours does take a physical, emotional, and mental toll on everyone, and oftentimes the payout of working relaxed hours for the remainder of the year does not offset the cost.

The negative effects of working too much has been well documented and is universally recognized as a detriment to one’s health. The Huffington Post published a summary article on various effects that overworking has on the body which include depression, cardiovascular problems, stress, eye strain, and loss of brain functionality (Klein, 2012). The short term payout
of grinding through those extra hours to impress the boss or earn more money can have serious repercussions down the road. Peoples’ twenties are meant to be the best years of their lives, and by putting themselves behind a desk for most of that time only to see the negative consequences farther down the road is a difficult pill to swallow. Prospective accountants, especially those in public accounting, must carefully consider the cost-benefit analysis of earning more money and career success at a young age versus using those years to enjoy life while still in their prime.

Section 6 - What are the Benefits of Becoming a CPA?

For a career in accounting, there is no better option than becoming a CPA. The license comes with benefits that include, but are not limited to a great salary, a wide variety of career paths, rapid advancement, job security, and job satisfaction. Accountants will face many challenges along their way to earning their CPA license, and though the journey may be difficult the payoff at the end is enormous. There is no guarantee that accountants with a license attain better careers, salaries, or benefits compared to non-licensed accountants, as each person’s professional journey is unique, however, there are statistics demonstrating that CPAs do hit higher career benchmarks.

The CPA track is one of the quickest ways for accountants to make a great salary, especially in comparison to non-CPA holding accountants. According to the BISK CPA Review, college grads with accounting degrees average $50,500 per year while those with a CPA license had an average annual salary of $82,000 (Tahiri, 2016). Prospective employers are much more willing to offer extra money to job candidates with CPA licenses. Salary is often linked to the position one holds at a company, and most CPAs hold high ranking stations within their company. Employers are willing to pay more for CPAs to hold senior level management
positions because they show ambition and intelligence (Tahiri, 2016). A great salary comes with high expectations, and by completing the arduous CPA track and passing the exam, CPAs know that companies expect them to perform exceptionally well.

In addition to the 5-15% increase in CPAs salary over non-licensed accountants, CPAs prosper from the ability to enter any industry at a high-ranking position (“Five Popular Reasons…,” 2016). Licensed accountants are recruited from all over the world to assist private companies as CFOs, non-profit businesses as controllers, and public firms as partners. Within the private and public sectors CPAs can often move from one area to another until they find their calling. They can try auditing, consulting, IT, IFRS, or tax services just to name a few (“Five Popular Reasons…,” 2016). Private jobs include positions like accounting manager, internal auditor, controller, CFO, or CEO (“CPA Career Paths,” n.d.). The options are endless and this freedom is due to the hard work accountants undergo to earn their license. The ability to try such a wide range of careers is one of the many reasons that CPAs are willing to take on the extra stress. Accounting is known for its monotony, yet the CPA license opens up the door to a career of variety where every day presents new challenges.

Once an accountant finds his or her niche, the next step is to work his or her way to the top. Though industries vary as to how quickly one can rise up, it is more typical of CPAs to hold high level positions compared to non-licensed accountants (“Five Popular Reasons…,” 2016). In public accounting firms, senior auditors and partners are required to hold CPA certifications because they must sign off on legal documents verifying the accuracy of audits or tax forms. However in private, non-profit, or government industries CPAs still find their way into important company roles. The reason that CPAs hold such high esteem in the professional world is because they are forced to undergo rigorous studying of the profession and are expected to hold
an in-depth understanding of the financial world (Boress, 2012). Accounting is known as the language of business, and CPAs are masters. Non-licensed accountants have the opportunity to know as much as someone that is certified, however it is not as common. CPAs acquire their vast stores of knowledge by taking on positions that require quick thinking, rationality, and an ability to apply a creative solution to each individual situation.

By holding upper-echelon jobs certified public accountants have job security. With the introduction of the Sarbanes-Oxley Act in 2002, the need for highly qualified auditors spiked (“Five Popular Reasons…,” 2016). After SOX, the bar was raised for what a CPA needed to know, ultimately resulting in a new breed of accountant who was prepared to handle every situation with the best knowledge in the business. With greater expectations comes a greater salary and more benefits, and in this case job security (Tahiri, 2016). A prospective accountant can find a finance-related job, however one holding their CPA license can often guarantee themselves a position suited to his or her desires and have the satisfaction that he or she will keep that job should the economy turn south. In the aftermath of huge financial crises many people lost their jobs while accountants, especially certified public accountants, thrived. As long as businesses exist, CPAs will be in demand because money always needs to be managed and recorded.

The promise of a great salary and job security only compounded with the job satisfaction that many CPAs find. Though the long hours can turn many people away from the life of a CPA, the existence of hundreds of global CPA firms suggest that licensed accountants find satisfaction in their work. The variety of work entices many accountants to the job as they wish to experience as many different scenarios as possible. There is also extreme flexibility in working hours, especially for public accountants (Fontinelle, 2016). As long as the work is completed by
the deadline, firms are more willing than ever to accommodate the personal lives of their employees. The long, arduous hours that accountants experience during tax season are often offset by the lighter workload throughout the remainder of the year (Fontinelle, 2016). This can act to compensate accountants who are nervous about spending their young life slaving over their work for sixty hours a week. Every career provides different benefits, and certified public accountants are exceptionally fortunate. With the great salary, career options, rapid advancement, job security, and overall professional satisfaction any accountant looking to find a position should understand that the CPA track will provide an exceptional reward.

Section 7 - Cost-Benefit Analysis: Is it worth becoming a Certified Public Accountant?

Accounting deals with many scenarios that are black or white, right or wrong. However, selecting one’s career path in this field lingers somewhere in the grey territory. Every benefit has a corresponding cost and vice versa. The CPA designation is the most highly sought after title for an accountant, yet the journey it takes to earn the license is incredibly time consuming and stressful. Even the great salary comes at the expense of having to pay the money upfront in education and exam costs in the hopes of making enough on the job to pay back all the debt. However, to achieve any high-ranking professional career, be it a doctor, lawyer, or CPA, there will be large unavoidable costs. When it comes to choosing a fulfilling career path in the accounting field, the sacrifices it takes to earn the CPA certification will be worth the payout.

The most advantageous career choice is unequivocally the CPA route as it provides innumerable career benefits such as job security, flexibility, prestige, and advancement. Additionally a CPA will typically earn 5-15% more than a non-licensed accountant (“2015 Salary Guide…,” n.d.). Better careers are often measured by their level of compensation and
CPAs are rewarded very well for their long hours and years of preparation. The drawback to this lofty salary is the poor work-life balance that most licensed accountants endure. Accountants who refrain from earning their CPA licenses typically work less-stressful jobs and have a work-life balance tipped more towards the leisurely side of life. However, compensation in both money and benefits, such as more vacation days or a more flexible schedule, plays a significant role. A Huffington Post report indicated that households that bring in less than $50,000 a year were shown to say that they are not very happy as financial burdens are a major concern of theirs (Kavoussi, 2012). According to a 2015 BISK CPA review, graduates with a bachelors in accounting earned on average $50,500 per year while CPAs averaged $82,000 per year (Tahiri, 2016). If the report by the Huffington Post is any indication, college graduates with just an accounting degree are hovering around the line where there isn’t enough money to relieve financial burdens and provide a happy lifestyle. The average CPA holder far surpasses that line showing that more money can often improve quality of life. Though it is not a guarantee, the extra money earned by working long hours at a stressful job, could very well make life more enjoyable at home as that accountant is largely free of many financial restraints.

From a professional knowledge standpoint, becoming a CPA, especially in public accounting, provides one with an immense working knowledge of accounting and business principles. CPAs are trusted to audit complex financial statements and often give consultations to businesses seeking to improve effectiveness or efficiency. Whereas a non-licensed accountant will generally specialize in one aspect of a business and master it, CPAs are the jacks of all trades. With their massive exposure to many different business scenarios and problems, they are trained to solve any situation thrown their way. By enduring the CPA exam and working the public field licensed accountants become fluent in the language of business, and have all the
tools they require to handle financial scenarios. The experience gathered with a CPA certification far surpasses that of non-licensed accountants which provides an exciting career as CPAs are constantly challenged to apply their knowledge to unique situations.

Due to their extraordinary financial acumen, CPAs are highly sought after in every industry allowing for a much wider range of career options than non-certified accountants. The chances that an individual retains his or her first job out of college through retirement is rare. This can be caused by financial pressure, lack of interest, being laid off, or personal circumstances forcing that person to seek a new position. Employers in every industry across the globe are always looking to hire high-level financial personnel. If a CPA finds that his job isn’t satisfying or that he cannot continue for other reasons, he has the opportunity to easily switch career paths (Fontinelle, 2016). This type of flexibility between high-level positions is rare and is one of the enormous benefits of earning one’s CPA license. As a non-licensed accountant jobs are available everywhere, however one will most likely have to switch to a lower level position then enter at the top. This benefit is liberating for CPAs as they are never tied to one career, and makes all the hard work worthwhile. As shown with the high levels of compensation, extraordinary knowledge base, and career flexibility, the positive aspects associated with earning a CPA license far outweigh the negatives.

Section 8 - Conclusion

The most important career choice facing prospective accountants is whether or not to become a CPA. License holders are offered an enormous range of career benefits, yet there are costs that could deter them from choosing that path. Professionals consistently tout CPAs as the epitome of what an accountant should be for their ability to pass a complex exam, dedication to
hard work, and aptitude to solve every financial problem thrown their way. These qualities are earned the hard way as the monetary and social costs of achieving this career benchmark can be taxing. The price of extra schooling, test preparation, exam fees, and license maintenance can add up, with the greatest cost of all being the grueling hours one is required to work in public accounting. Life outside of work often disappears for those busy times, however this is compensated with a flexible schedule and more money. For all the hardships along the way to earning one’s CPA license, it is the optimal career choice to become a Certified Public Accountant.

Every prospective accountant looking to fast-track their career should consider the CPA license as the premier way to enjoy a valuable occupation. The wealth of knowledge gathered from one’s time in public accounting and in every business situation after achieving the license is extraordinary, and CPAs are desired everywhere for their ability to put that knowledge to good use. Once an accountant becomes certified, positions open up everywhere as employers seek to capture and retain the best talent. Certified accountants have had a costly road getting to where they are, and organizations will compensate them handsomely for their effort. Even the social sacrifices made while working long hours are converted into positive outcomes as those accountants are rewarded with either more money or time off, providing a better work-life balance.

After understanding what a role a CPA can fulfill, the journey it takes to get there, and the costs and benefits associated with earning the license, every prospective accountant should have a solid comprehension of his or her road ahead. Though the CPA route is not the only career option for accountants, it makes up a large percentage of its population. As graduating accountants face their future, it is vital that they recognize everything that this certification can
offer. As long as prospective accountants find the profession they’re looking for, whether licensed or not, they will find that the accounting field is both challenging and rewarding.
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