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Accounting Careers, Spring 1991

American Institute of Certified Public Accountants (AICPA)

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ACCOUNTING CAREERS

Spring 1991

The 150-Hour Requirement Is Gaining Acceptance

The process of becoming a certified public accountant will be changing dramatically in this decade. By the year 2000, new members of the American Institute of CPAs will have to have a minimum of 150 semester hours of college education, including a bachelor's degree. The 150 semester hour requirement is designed to give a potential CPA a strong educational base for a successful career, not simply an entry-level job.

To date, 15 states have passed laws or regulations calling for 150 hours of education to become a CPA. Alabama, Arkansas, Florida, Georgia, Hawaii, Kansas, Kentucky, Louisiana, Mississippi, Montana, Nebraska, Tennessee, Texas, Utah, and West Virginia. About a dozen other states are considering the requirement this year. To allow for a transition to the new rule, the 150-hour requirements usually take effect five to seven years after they are passed.

While the requirement will mean more schooling, the additional time should not be much more than an extra semester. Most undergraduate accounting degrees require 126 to 135 semester hours, and many grad-

uates earn more than the minimum number of semester hours required.

The most significant advantage of the requirement is that graduates with 150 semester hours should command higher starting salaries than their counterparts with less education. A total of 150 hours is just below the requirement for a master's degree in some schools, and a new hire with a master's degree can earn 10% to 20% more in the first year than a new hire with only a bachelor's degree.

Another big plus: Students with 150 semester hours should spend less time and money preparing for the Uniform CPA Examination. When the 150-hour education requirement became effective in Florida, the rate of students passing the exam more than doubled.

New hires with 150 semester hours of education will be more knowledgeable and have better-developed skills than their counterparts with less education. They should be able to advance more rapidly within their firms and be better prepared to solve problems on their own and to tackle large projects on the job. ■

Arthur Andersen Seeks Nontraditional Majors

Typically, a student seeking an interview with a major accounting firm must demonstrate solid academic credentials, good interpersonal skills, a record of achievement, and be pursuing an undergraduate degree in accounting, finance, or business administration. But the major firms, including Arthur Andersen & Co., also will readily consider candidates majoring in a variety of other subjects—from economics and computer sciences to philosophy and mathematics—as long as the students are top academic performers who have strong interpersonal skills and good potential.

To provide candidates with the necessary skills to function successfully in a CPA firm, Andersen sends each one through its rigorous training program. It also participates in programs with several selected universities so that candidates can undertake a comprehensive curriculum of accounting and business courses, often leading to a master's degree.

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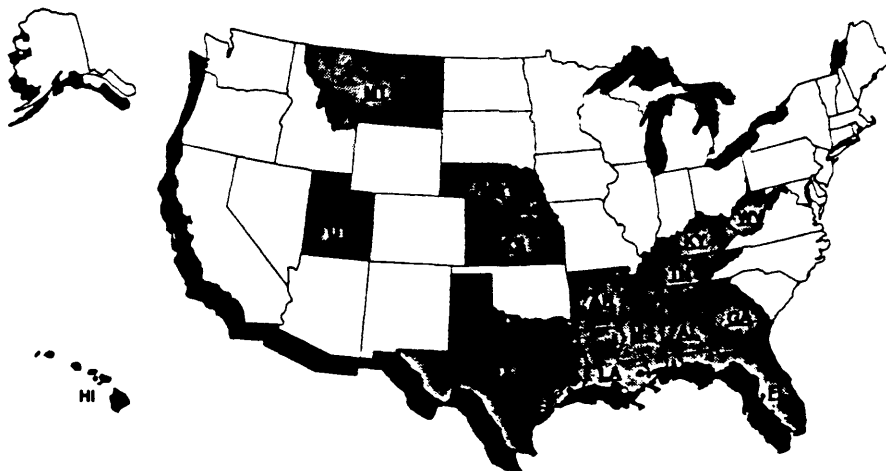
Community Service Pays Surprising Dividends

Certified Public Accountants who dedicate some time to public service organizations often get more than the obvious benefits. Not only do they get the satisfaction of helping individuals or organizations, but they also have the advantage of networking with other business professionals.

"Accountants are desperately needed in public service organizations, especially governmental and nonprofit groups," says David Linówes, professor emeritus at the University of Illinois, who has long served his community and the country as a volunteer CPA. "Accountants are an asset to these groups because they are part of the only

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States That Have Passed the 150-Semester-Hour Requirement



Arthur Andersen Seeks Nontraditional Majors *(continued from page 1)*

Although programs vary depending on which Andersen office is involved, the following scenario is typical. Let's say you have an outstanding academic record and expect to graduate in May with a degree in economics. Undecided about a specific career, you sign up for an on-campus interview with an Andersen representative. One interview leads to another, and soon you are offered the chance to participate in a program that will allow you to work while earning an MBA or a master's degree in accounting from a university nearby. You will earn a salary and be responsible for your tuition. The curriculum will be demanding, and you will be studying with a select group of people. Class size will be limited. Accepting the challenge, you begin shortly after graduation.

During the first summer, you attend classes at the university full time with a group of students following the same curriculum. Some are colleagues from Andersen, and some are from other accounting firms. Attending Andersen's Firmwide Audit Staff Training School in the fall, you get a sound working knowledge of the firm's basic approach to auditing. At this time, you begin work at the firm and also attend classes. In the winter, however, you do not attend classes but continue to work. Finally, during the second summer, you attend school full time and complete your degree in August before returning to work full time. You are now qualified to sit for the Uniform CPA Examination.

The selection criteria for the programs are stringent. Dan Williams, director of

recruiting in Andersen's Hartford office, which participates in a program at the University of Hartford, seeks undergraduates who have outstanding academic records, good quantitative skills, and are well motivated. "The program is very fast paced and competitive," comments Williams, and participants agree.

Lisa Porter, who earned a BA in French and Economics in 1989 from Amherst College, is an Andersen staff member in Chicago. Since completing a program at DePaul University, she has recommended it to a former Amherst classmate. She believes that her liberal arts degree is an asset in her business career. "I think it makes an individual more open-minded, more likely to ask questions, and that's important in our business," she says. ■

Community Service Pays Surprising Dividends *(continued from page 1)*

profession that takes an objective view of the services performed by the organization."

Linowes has chaired the President's Commission on Privatization, the President's Commission on the Nation's Energy Resources, and the U.S. Privacy Protection Commission. He has also served as a U.S. economic adviser to several countries. In 1982, Linowes received the U.S. Public Service Award.

Another benefit of public service work, says Samuel Parker, a sole practitioner in Atlanta, is the opportunity to attract new clients. "Through meetings and other group activities, accountants meet other local professionals such as doctors, attor-

neys and business people." Such contacts may become new clients or refer others.

"Always remember that any kind of public service pays for itself in the end," he says.

Carlos Wagner, a partner with Miller, Wagner and Co., CPAs, in Phoenix enjoys participating in various public service organizations because he can see the effect his volunteer efforts have on his community. "You are giving something back to the community," Wagner says.

Linowes, Parker and Wagner have received Public Service Awards for their work in their respective states. The awards are given annually by each state society of Certified Public Accountants.

For More Information

For information on how accounting students can volunteer, write to Accountants for the Public Interest (API), 1012 14th St., NW, Suite 906, Washington, D.C. 20005, or call 202/347-1668. API is a national organization that provides volunteer accounting services to nonprofits, small businesses, and individuals who cannot afford these services. It recently published *The National Directory of Volunteer Accounting Programs*, second edition, which lists more than 260 volunteer accounting programs across the country. Enclose \$6 for postage and handling. ■

This article was written by Dwayne Pielech, public relations manager for the Ohio Society of CPAs

FOCUS ON:

Brenda Smith, Managing Director

Brenda Smith is the managing director of Strait Kushinsky & Co., a medium-size CPA firm with offices in Denver and Colorado Springs. She is 39 years old, has been with the firm since 1973, when she was a college intern, and became a partner in 1984. Smith earned a bachelor of science degree in business with a concentration in accounting from the University of Colorado at Colorado Springs in 1976. She was interviewed by Joan Charles, an assistant coordinator in the AICPA's Public Relations Division.

CHARLES: *What attracted you to a career in accounting?*

SMITH: Actually, it was the opportunity to perform and achieve in many areas. For example, you need people skills in this profession as well as negotiating skills, selling skills, and technical abilities. I also liked the fact that it's a respected profession governed by a code of ethics. And I really enjoy working with other people and helping them achieve their goals, whether it be helping a client with a business problem or mentoring staff members to help them advance in their careers.

CHARLES: *Wouldn't you have had the opportunity to be a mentor in any career?*

SMITH: As a woman in what was at that time predominantly a man's field, I was able to offer a fresh perspective to working relationships. I was in a place where I could serve as an example to women entering professions and at the same time help men adjust to working with women on staff. I can remember one of my partners asking me years ago how I dealt with women crying. I explained that I deal with it the same way I deal with a man crying. I bring out a box of tissues and ask them if they want a few minutes alone or if they want to continue.

CHARLES: *What were your expectations of a career in accounting when you first started? Did you do mostly audit work and did you find it tedious?*

SMITH: Once I decided to go into accounting as my profession, I was very focused. I had no doubt I was going to be a partner in a CPA firm. The work in the beginning did bother me, but I would do things to make difficult tasks more bearable. In compliance testing, for example, I would time how long the first transaction took me, and then I would figure out a way to do it in less time and have a race with the clock.

CHARLES: *Did you want to specialize in any particular area?*

SMITH: I wanted to specialize in closely held businesses in order to work with the individuals who are the ultimate decision makers. A Fortune 500 company has to consider all the different levels of authority before changes can be made, whereas a closely

held business can quickly react to change and implement the appropriate actions.

CHARLES: *Can you describe your career path since college?*

SMITH: I worked for a CPA firm while I was in college, and that firm merged into my present firm. From the time I was in college I was very focused. I would set different goals and then work toward those goals. Once I got my degree, I focused on passing the CPA exam. When I decided to stay with my present firm, I set my sights on becoming a partner. I started as an entry-level staff member while I was still in school. I was promoted to a supervisor, then a manager, and finally, a partner.

CHARLES: *Why did you choose to stay with the same firm?*

SMITH: Close to graduation I had been recruited and virtually assured a position with a large, national firm. It was the position I thought I wanted. A lot of professors in college acted as if the national firms were the only places for opportunities. I told the managing partner here that I was interested in the position with the larger firm. He asked me to spend equal time discussing the opportunities at a local firm and I agreed. I came to realize that the larger firm was very structured and didn't provide the open environment that I was used to. I was accustomed to expressing my opinions on engagements as well as having input into how the firm was managed. As a matter of fact, the managing partner here used to say, "You never have to wonder what Brenda is thinking; she will always tell you." I realized that having input was important to me and that this would not be fostered in a structured environment. Obviously, I remained where I was and have no regrets. I really bet on our local firm and it has paid off for me tenfold.

CHARLES: *Could you talk about why you are working in public accounting rather than as an accountant in business, government or education?*

SMITH: I have a personality that really enjoys people. I like helping to find solutions to problems facing businesses and organizations in our ever-changing world. Public accounting requires that you stay current with a variety of changing pronouncements

and tax regulations. I also enjoy the diversity of public accounting in a regional firm. I have the opportunity to work with several companies and help each of them, as opposed to private industry where you concentrate on only one company.

CHARLES: *What are your responsibilities?*

SMITH: I feel one of my missions as managing director is helping people find success in their professional lives with us. I like to challenge people to identify and reach high goals. Our firm is very fortunate to have motivated, dynamic individuals, and we feel we provide an atmosphere where people can excel. I also need to maintain a high profile in the community by being involved with community and civic organizations. Overall, I try to focus on the type of practice we need to have in the 1990s so we can continue to be a progressive firm.

CHARLES: *Could you describe your typical work week?*

SMITH: I usually spend between 50 and 60 hours a week working. About 35 percent of the time I am meeting with clients and working on engagements. I spend a majority of that time reviewing final audits, consulting with clients, helping them develop business plans, reviewing organizational development issues, shareholder disputes, and any other area that needs special attention. I work with closely held companies in the manufacturing industry and banking, as well as with a number of non-profit organizations. Working for a local firm does not always mean you work with small businesses. We have clients with 1,500 employees and sales of \$170 million.



CHARLES: *What about the other 65 percent of the time?*

SMITH: Practice development takes up about 20 to 25 percent of my time. These are the activities that help bring business to our door. The rest of the time I am involved in managing staff and administrative duties.

CHARLES: *What does it take to become managing director?*

SMITH: Hard work and the respect and trust of others. This is particularly important with the business community as well as with the people in the firm. Public accounting is a real people profession and you have to be able to work well with people.

CHARLES: *Now that you have reached the top of your firm, what are your goals for the future?*

SMITH: To help develop the firm's practice as much as possible. At this time, most of my personal goals are fulfilled and I have reached what was to me an important career goal, becoming managing director of this firm. Now I am concentrating on firm

goals. We are a team, and by focusing on the goals of the firm, I am able to help the firm grow and prosper, and perhaps help others reach their personal goals.

CHARLES: *What effect has your career had on your personal life?*

SMITH: It's had a very significant effect. For years I was a workaholic and my highest priority was always the firm. Shortly before I became partner, I started getting more active in community and civic organizations. I helped charter a local chapter for Executive Women International and became its president. This gave me a lot of self-confidence and enabled me to attain numerous leadership positions within the community. Yet between work and community activities, there was little time for a personal relationship, and it wasn't a priority. About two years ago, I started dating the man who is now my husband and I have worked on balancing my personal and professional life. My husband is very supportive and understands my professional demands.

CHARLES: *What would you say is the biggest misperception about a career in accounting?*

SMITH: Probably it is the type of work we do. It is not just number crunching. For example, some clients come to us just expecting a tax return. But they get more. We try to evaluate potential problems and help them plan. Many people don't realize that being in public accounting provides a real insight into clients' businesses, and you can actually become an adviser. I think many people believe that you don't have to work with people that much, that accounting is basically a numbers business. But it isn't. To be effective, you have to communicate well and understand people.

CHARLES: *What does your firm look for when hiring new graduates?*

SMITH: A high grade-point average, a good personality, self-confidence, and extracurricular activities. We look at the whole person. Individuals need to have good people skills and common sense. We look for well-rounded people with dedication and the determination to excel. We know it's our staff that makes the firm.

CHARLES: *Many people complain that the accounting profession is a difficult one for a woman because of what's called the "glass ceiling." Is it more difficult for a woman to be successful in the accounting profession than it is for a man?*

SMITH: I don't think so. It's certainly not true in our firm. I understand some other firms and companies have had that problem. I think in public accounting it is more of a perception problem, and the reason I believe that is true is that when I was in college I was usually the only female in my accounting classes. Today, many of the schools of accounting are reporting that over half of their graduates are women. Since you can't graduate from college and immediately become management, I feel it will only be a matter of time until those percentages are reflected in management positions. It is starting to happen in our firm and it is happening all over the country. ■