Accounting:
A Career that Adds Up

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Introduction

Have you ever thought about a career as an accountant? You might have, but did not continue because you heard that accountants need to be good at math, that they are boring, or that it is a male dominated field. Do not be discouraged because these myths are not true.

First, the idea that accountants must be math experts is simply incorrect. Do you know who needs to be advanced at math? Mathematicians, engineers, and computer programmers are good examples. Think of an accountant as someone who does more than just crunch numbers all day long. In fact, one of their major responsibilities is to prepare and examine financial records (Accounting Careers and Duties). You would be surprised to learn that being good at addition, subtraction, and basic algebra are the basic prerequisite math skills for successful accounting. Don’t we all exercise these skills in our everyday lives?

Second, the belief that accounting is a male dominated field is another myth. In fact, 60% of all accountants and auditors in the US are female (Women in Accounting). This proves that women can also be successful in this field. Gender should never stop anyone from achieving their dream career!

Third, do you imagine accountants as boring? You may want to rethink that. Being interested in an accounting career is not an indicator of a boring personality. Check out the following people who studied accounting and at some point in their life were working as accountants

<table>
<thead>
<tr>
<th>Bob Newhart</th>
<th>Chuck Liddell</th>
<th>Eddie Izzard</th>
<th>John Grisham</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Stand-up Comedian</em></td>
<td><em>Mixed Martial Artist</em></td>
<td><em>Stand-up Comedian</em></td>
<td><em>Writer</em></td>
</tr>
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</table>

(10 Celebrities)

Kenny G
*Saxophonist*

Mick Jagger
*Singer*

Robert Plant
*Singer-songwriter*

Perhaps YOU?
*Future Accountant*
Have you heard the joke, “call Chuck Liddell boring, and he would probably kick your butt”?  

Fourth, there is the belief that accountants are anti-social loners. Many wrongly believe that accountants are introverts. Contrary to popular belief, the occupation requires being friendly with coworkers and having effective communication skills. To be successful, an accountant must be able to communicate effectively with teams, customers, and professionals at varying levels (The Accounting Job Skills). Also, did you know that teaching is a big component of accounting? Accountants often need to explain matters to customers, educate senior executives, and make key decisions regarding financial matters.  

The fifth misconception is that small businesses do not need accounting. This is like saying a small business owner does not need to budget, forecast financials, understand the trends in his or her business, or know the latest, greatest tax advantages. The way one should approach this myth is by realizing that every business needs an accountant watching their back. A business cannot and should not base the need for an accountant on the size of their business because at the end of the year, how does a business owner know whether he or she is going to report a gain or loss to the IRS? As you might know, the tax code is very complicated, and without an accountant, it is easy to miss deductions and pay too much.  

Hopefully, the above clarifications motivate you to stop making generalizations about any professional field. To stereotype every accountant is like generalizing all human beings, and it is important that we know that everyone is different and unique. Accountants are not all the same. In fact, there are many different types of accounting that will be covered as you keep reading. Do not be fooled by these myths and miss out on a great career in accounting.  

The Benefits of an Accounting Career  

Now that you have a more accurate idea of what a career in accounting is like, you may be wondering about the important question: “How much money can I make?” Depending on the specific area of accounting that you choose, the salary prospects are quite good. According to the Bureau of Labor Statistics, the median salary for 2015 was $67,190. Median salary means that half of accountants earned more, and half earned less than the median. The above chart provides more detailed information about salaries for the various areas of accounting (Summary 5):
Another factor that makes accounting an excellent career choice is the fact that the Bureau of Labor Statistics believes that an additional 142,000 new accounting jobs will be created by 2024, which means that finding a job in this field will be easier than in many other industries. The following chart compares job growth in the accounting and financial industries with the growth in all other industries. It’s clear to see that there are likely to be many more opportunities in accounting than other careers will have to offer (Summary 6).

Service Lines

If you choose an accounting career, there are three core service lines: audit/assurance, tax, and advisory. Many firms have variations and subcategories to these service lines, but these will be the three main categories.

- **Audit/Assurance**: Audit and Assurance professionals oversee a company’s financial and operational records to make sure everything is in code and conforms to regulations. The auditors produce a review, and this review gives outside investors insight into the company.

  Watch “What is Audit?” at https://www.youtube.com/watch?v=pkKO9ZNyOlC

- **Tax**: Tax services process everything that relates to taxes. This could deal with international business, mergers, acquisitions, or trading. Tax professionals are usually specialists in a certain field and its tax implications. For example, specializing in corporate tax for the entertainment industry is in demand here in Los Angeles.

  Watch “What is Tax?” at https://www.youtube.com/watch?v=T6IIEHRII00
• **Advisory/Consulting**: This service provides clients with current and specialized advice. Companies use these services when making big business decisions. Many people running businesses may understand their clients and their own businesses, but consultants help business professionals to see and understand the entire industry. Their advice would include looking at the other industries that can affect the company and its competitors, as well as governmental forces.

      *Watch “What is Advisory?” at [this link](https://www.youtube.com/watch?v=8YFzf8QMC1E)*

**Industry Segments**

If the information you have learned so far makes you interested in accounting, the first step in choosing your career in accounting is figuring out what kind of firm you want to work for. The three types are private, government, and public accounting firms.

• **Private**: Working for a private company means you are working in the accounting department of a non-accounting profit or nonprofit organization. This usually means all your work is dedicated to the betterment of your company, such as maintaining accurate financial records, correcting tax forms, and providing insight into its operations and money management. Some examples would be Disney, Hulu, Boeing, or any company large enough to support their own accounting department.

• **Government**: The government sector of accounting focuses on regulating other companies. For state regulation, the Franchise Tax Board (FTB) collects documents and ensures that companies are following state regulations. The federal version of that is the Internal Revenue Service (IRS). Many people think of collecting taxes when they hear about the FTB or IRS, but these organizations do much more than that. The first level are revenue officers and tax specialists who collect taxes and examine the tax codes (IRS). Contact representatives are another category who meet taxpayers and research the tax payer’s ability to pay (IRS). However, if cases are appealed by the taxpayers and cannot be settled by the first level, the cases move on to tax compliance officers and the appeals department (IRS). These departments look at both sides of a case and reevaluate the situation. There are also careers outside this process. There are tax examiners who help explain taxpayers’ questions that they have concerning their specific case. They act as the intermediary group between the government agents and civilians. The last category is the criminal investigation department. This sector specializes in fraud and works closely with law enforcement. The FTB and IRS are very large organizations that must review every company’s financial records to ensure they are accurate and follow legal regulations.

• **Public Accounting**: Public accounting is the biggest sector and is divided into three tiers: Big 4, Mid Size Tier, and Regional firms.
Big 4: These are the four biggest public accounting firms. All are international companies with thirty to forty billion dollars in revenue. Their clients are usually brand name multinational companies that need to handle millions of dollars worth of revenue (The Big 4 Accounting Firms). These firms require their employees to work long days during busy seasons and to have strong team working skills. These companies have a high turnover rate and strong upward mobility.

1. Pricewaterhouse Cooperation (PwC)
2. Ernst & Young (EY)
3. Klynveld Peat Marwick Goerdeler (KPMG)

Mid-Tier: These firms are significantly smaller than the Big 4 and accumulate less revenue. They also deal with multinational firms (The Big 4 Accounting Firms). These firms require the same skills as the Big 4, but are less competitive.

1. McGladery (RSM)
2. Grant Thornton
3. Mayer Hoddman McCan (CBIZ)
4. BDO
5. Crowe Horwath

Regional: Regional firms are the smallest firms and usually only assist with local and small companies. They do the same kind of work as the Big 4 and Mid-tier firms, but the clients have less revenue, and therefore their cases are simpler. Some examples near Los Angeles are RKE, Marcum LLP, and Kelly & Small LLPs.

Certified Public Accountants

If you choose to major in accounting, you may also want to make the choice to become a certified public accountant or CPA. Becoming a CPA is a rigorous process, so it is important to know just what you are getting yourself into before you decide to take on this process.

According to AccountingEdu.org, an accountant who becomes a certified public accountant has met a range of criteria, which will give them a “higher standing in the eyes of business contacts, professional peers, regulators, and clients.” Certified Public Accountants can work for “corporations, small businesses, non-profit organizations, government, and individuals” doing accounting, tax, auditing, and more (What Does a CPA Do). How is this any different from accountants who are not CPA’s? The American Institute of CPA’s states that the main difference between a CPA and a normal accountant are the challenging requirements that CPA’s must meet. The criteria needed to receive CPA licensure includes meeting minimum education requirements, passing the CPA exam, getting the necessary experience, and maintaining the CPA license. This sounds intimidating. However, when broken down step by step, you can get closer to your goal of becoming a CPA, and you will be able to take advantage of the benefits. You will be distinguished from other business professionals and have the benefits of “increased trust, opportunities, and financial reward”
(Become a CPA). In fact, the AICPA goes on to say that “CPA’s are the most trusted advisors in business” (Become a CPA). With a CPA license, you gain more respect and the knowledge and experience to take on higher level jobs, which means a higher pay.

When it comes to becoming a CPA in California, it is helpful to remember the “four E’s:” Education, Exam, Experience, and Ethics:

- **Education:** The first step to becoming a CPA is getting the proper education. In California, the needed education is a bachelor’s degree and 150 semester units (5 Steps to Becoming a CPA). This includes 24 hours of accounting courses, like accounting and taxation, 24 semester hours of business-related courses, 20 semester hours of accounting study, and 10 semester hours of ethics study. The 20 hours of accounting study include a mixture of other accounting and business courses. The 150 semester units would be similar to getting a four-year bachelor’s degree and then doing an additional 30 hours. You can choose to put these 30 hours towards a master’s degree, a double major, or take accounting courses you feel will help with the CPA exam.

- **The CPA Exam:** According to the American Institute of CPA’s, the purpose of the Uniform CPA Exam is to “provide reasonable assurance to Boards of Accountancy that those who pass the CPA Examination possess the level of technical knowledge and the skills necessary for initial licensure in protection of the public interest” (The Uniform CPA Examination). It ensures that only those who meet the qualifications are able to practice.

  The CPA Exam is split up into four sections. These sections are “Auditing and Attestation (AUD), Business Environment and Concepts (BEC), Financial Accounting and Reporting (FAR), and Regulation (REG)” (The Uniform CPA Examination). Each section allows 4 hours of testing time. AUD covers the “audit process” and “generally accepted auditing standards” (Licensure Center). BEC covers general business, business transactions, and their accounting implications (Licensure Center). FAR covers “generally accepted accounting principles for business, government, and nonprofit organizations” (Licensure Center). REG covers “federal tax procedures, ethics, professional and legal responsibilities, and business law” (Licensure Center). Once one of the sections is completed, you then have 18 months to complete the other three sections (The Uniform CPA Examination).

  It is necessary to apply for the CPA exam directly with the National Association of State Boards of Accountancy or NASBA (Licensure Center). One can also apply with their state or jurisdiction’s board of accountancy. This will determine if one is eligible to take the exam. After being deemed eligible, a Notice to Schedule is sent which provides a limited time to schedule the first section of the exam (Licensure Center).

  With an exam date scheduled, there will be a lot of preparation required. There are several things that can be done to prepare for the exam, and there are several resources online that
can prove to be very useful. In fact, the website thiswaytocpa.com provides reviews for different preparation courses that you can take if you visit this link: https://thiswaytocpa.com/exam-licensure/prep-course-reviews/

- **Experience:** Along with meeting the necessary education requirements and passing the CPA Exam, a specific amount of work experience is required. In California, you are to “complete 12 months of general accounting experience” (5 Steps to Becoming a CPA). General accounting experience can be gained through government or private and public industry. The experience must involve “consulting, tax, financial advisory, compilation, attest or accounting skills” (5 Steps to Becoming a CPA). Attest experience requires practice in planning an audit, applying auditing techniques, preparing working papers, preparing written comments on work performed, and reporting full disclosure financial statements (5 Steps to Becoming a CPA). For this work experience to be verified, it must be supervised and signed off by a licensed CPA.

- **Ethics Exam:** Those in California striving to get their CPA license must also pass a Professional Ethics exam. This exam consists of 50 multiple choice questions relating to the AICPA Code of Professional Conduct and California Accountancy Act and Accounting Rules and Regulations (Ethics Exam). There is no time limit for this exam. A passing score on the exam is a 90% or above, and each person is allowed three attempts to take it. The Professional Ethics exam is available to take all year-round. However, all CPA licensure requirements must be met within two years of passing the Ethics exam (Ethics Exam FAQs).

**Getting a CPA License and Maintaining It**

Once all requirements are met, it is finally time to get the California CPA License. With a bachelor’s degree and 150 semester units earned, official college transcripts should be mailed to the California Board of Accountancy in Sacramento (5 Steps to Becoming a CPA). The CPA who supervised the necessary work experience must mail all applicable Certificates of Experience to the California Board of Accountancy, as well. Finally, a 2” x 2” photo of yourself and all applicable fees must be sent in along with the Application for Certified Public Accountant License (5 Steps to Becoming a CPA).

To maintain the CPA license, it is very important for individuals to complete Continuing Professional Education, or CPE, hours. 80 CPE hours must be completed every two years, with at least 20 in the first year (5 Steps to Becoming a CPA).
Taking Advantage of Cal State LA’s Resources

If you have decided that you would like to pursue accounting, the College of Business and Economics undergraduate advisement provides Cal State LA students with the tools needed to be well informed about their chosen major. For example, as an accounting major, you need a minimum GPA and specific number of units to be eligible for the bachelor’s degree. Once you accomplish the general education requirement, the next step would be to start considering the courses needed for accounting, such as the upper level major courses. Afterwards, the next focus would be on networking. There are different methods a CSULA student can use to create networking connections, whether it is outside of campus or inside of campus. The inside campus opportunities could be through joining school clubs.

Academic Advisement

This hyperlink, http://www.calstatela.edu/business/advisement/academic-information, provides you with requirements that accounting students need, such as roadmaps towards graduation, the courses needed, and the grades needed to pass all accounting courses. For instance, “students need to pass all major courses with a C or better, and need to have a minimum GPA of 2.5”. However, it is recommended to have a minimum GPA of 3.0 or above to be able to have a career in a Big 4 or in a Mid-tier company. The Big 4 requires a 3.5 and above GPA, and the Mid-tier requires a 3.0 and above GPA.

General Education Requirements

Once you enter Cal State LA, the main courses that one must take are the general education classes. General education is important because it meant for students to gain more knowledge in other areas besides their major. Some courses needed to accomplish the general education section would be basic subjects, such as “American Institutions, Natural Sciences and Mathematics/ Quantitative Reasoning, Arts and Humanities, Social Sciences, and Lifelong Understanding and Self-Development courses” (CSULA). A more in-depth description of the different options of classes that can be taken to fulfill the general education requirement can be found here:

https://www.calstatela.edu/sites/default/files/groups/Semester%20Conversion/gen_educ/ge_course_review_table_final.pdf.

Major Course Requirements
There is a requirement of 72 units to be completed for an accounting major. In the lower division, you need 15 units and in the upper division you need 30 units which makes a total of 45 units needed for both the lower and upper sections. Some of the courses required in the lower and upper divisions are a combination of classes such as accounting, economics, marketing, management, finance, and certain business courses. The other 27 units are a requirement for the option in accounting and are based on accounting courses. There are 21 units that must be taken for accounting majors and the other 6 units are two accounting electives of your choice. To view more specific information about the units, visit the CSULA PDF website where one can view the 72 units required:

http://www.calstatela.edu/sites/default/files/groups/CBE%20Advisement%20Center/PDF/2016_sem_bsba_accounting.pdf#

Career Development Center

The Career Development Center is a great way to look for jobs related to accounting both on campus and off campus. This is also the place to go when you need assistance with your resume, cover letter, and other job-related forms.

Cal State LA Business Clubs

Joining different organizations in school is helpful when it comes to making connections with other students and business professionals. This is where your networking can really take off. Most of the clubs related to the College of Business and Economics accept students of different majors. For example, the Accounting Society and ALPFA mainly focus on accounting, but students with other majors can also be members. A few examples of business programs and clubs are mentioned below:

- **Financial Management Association (FMA):** They give Cal State LA students “opportunities to interact with professionals” through meetings they have in campus.
  
  Facebook page: https://www.facebook.com/csulafina/

- **Beta Alpha Psi (BAP):** They are an “International Honors Organization” which provide Cal State LA students with the skills needed for their future accounting career. Also, they provide students with volunteer experience and meetings with former graduates and professionals. As stated on Cal State LA’s Student Club Website, their mission is to “encourage and reward students and professionals who demonstrate excellence in the financial information fields” (CSULA Student Club).
http://www.csulabap.org/

- **Association of Latino Professionals for America (ALPFA):** This club provides students with the skills needed to succeed in their careers. Leadership is one of the major skills that ALPFA provides its members. This club has “a Latino Association that has over 23,000 members” who are part of it. This club is passionate about their members achieving in the world of business.
  
  Webpage: http://alpfacalstatela.weebly.com/

- **Hispanic Business Society (HBS):** HBS is open to all majors. They help develop networking skills for future accountants. They provide informative meetings with professionals, as well as volunteer experience and knowledge about the business sectors.
  
  http://hbcsula.wixsite.com/hbs-csula

- **Accounting Society:** This is a great club to join if you would like to gain more experience or knowledge about accounting. They host events for the members who are part of their club and help develop great networking skills. They offer skills in the “recruiting process” of an accountant and in gaining more experience in the accounting sector.
  
  http://www.ascsula.com/

- **Business Honors Association (BHA):** This club is part of the Honors College, where certain requirements must be met to join. One requirement needed to join the Honors College is a 3.3 GPA. The benefits of this program is that students have their own Honors College advisors. Also, they provide volunteer experience, informational meetings, and meetings to work on leadership skills. BHA offers a variety of internships that relate to accounting, which can be a great opportunity to gain some experience.

  ![HBS Logo](http://www.csulabap.org/)

**Success Stories from Famous Accountants**

After reading all the benefits of a career in accounting, you still might be undecided. You might be attracted to the pay, the growth in accounting jobs, or the challenge of the educational requirements. Of course, it can also be helpful to hear stories of success from those who took the accounting path. We can find success in past businessmen, like John D. Rockefeller, or successful women, like Mary L. Schapiro.

- **John D. Rockefeller:** One of the most famous people in American history is John D. Rockefeller, who was the first to become a billionaire (John D. Rockefeller). Rockefeller’s ambition to understand business caused him to enter a low entry-level job. He was sixteen years old when he started as an assistant bookkeeper for Hewitt and Tuttle (John D. Rockefeller). Rockefeller’s dedication to learn drove him to put in long hours to
understand the methods and systems used in the organization he worked for. The salary Rockefeller received was 50 cents a day, but the skills he acquired as a bookkeeper helped him in his career as a businessman (John D. Rockefeller). Rockefeller then focused on the oil refinery industry where he made his fortune.

• **Mary L. Schapiro:** One of the most successful stories of top accountants is that of Mary L. Schapiro. Mary L. Schapiro ranked in second place of the “Top 10 people in Accounting in 2012” (The Top 10 People). She is also reported to be the 29th Chairman of the U.S. Securities and Exchange Commission. Schapiro was appointed by President Barack Obama on January 20, 2009 (SEC Biography). She is the first woman to serve as the agency’s permanent Chairperson for the SEC. She has made it her goal to bring the truth to investors and American citizens through accurate financial reporting (SEC Biography). In the time since Schapiro has taken the SEC position, she has attempted to find causes for the financial crisis of 2008. She has also taken a variety of regulations against hedge funds and credit rating agencies as a way to reform them and make them more effective for investors. She is on a mission to protect them from another financial crisis. During her term, Schapiro has shown that she has the experience to create a stronger SEC. Schapiro has experience in handling tough situations. She was the Chief Executive Officer (CEO) of the Financial Industry Regulatory Authority (FINRA), one of the largest non-governmental regulators for all securities that conduct business with the U.S. Not only has Schapiro proved to be the right candidate, she is a very active business woman during her free time. She served as a member of several committees, such as the International Organization of Securities Commissions (IOSCO). Schapiro has impacted the world of accounting with her attitude about promoting ethical behavior.

• **Hans Hoogervorst:** Hans Hoogervorst is a Dutch politician and business figure who is chairman of the International Accounting Standards Board. Hoogervorst has been appointed to oversee and bring the U.S. G.A.A.P in accordance with international businesses. He was listed in the “Top 10 People in Accounting for the 2012” list put out by Accounting Today (The Top 10 People). Hoogervorst has been shown to have the experience for the international banking industry since his second term with the IFRS. He worked for the National Bank of Washington in D.C. His work as an international finance and accounting advisor has helped him bring innovation to the bank industry. Hoogervorst soon rose to become one of the top advisors for international accounting. He has influenced many in international accounting and has made changes in international accounting through his term (Hans Hoogervorst Reappointed). Hoogervorst mentions that “he never imagined that a career in accounting would allow him to change international business” (The Top 10 People).

Just like the individuals mentioned above, you also have the opportunity to be successful as an accountant.

**Conclusion**
Now that you have a more complete picture of what a career in accounting has to offer, take some time to consider what you want in your career and talk it over with people you trust. If you decide that an interesting career with great pay and good job security is right for you, choose accounting as your major and take advantage of all the valuable resources that Cal State LA will be able to provide you. With a little hard work and perseverance, a degree in accounting can add up to a rewarding and fulfilling career.
References


http://www.calstatela.edu/sites/default/files/groups/Semester%20Conversion/gen_educ/ge_course_review_table_final.pdf


