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Changing Careers: Six Options for Becoming a CPA

Given the growing demand for accountants, how difficult is it for a non-accounting graduate to make a career change to the accounting profession? By Dr. Thomas G. Black, CPA, CMA, Professor of Accounting at San Jose State University, and Elizabeth Grace

The job outlook for accountants is encouraging, even with the recent downturn in the U.S. economy. The 2008-2009 “Occupational Outlook Handbook,” published by the U.S. Bureau of Labor Statistics projects an 18 percent growth in accounting and auditing jobs during the next decade. Constantly changing financial reporting standards and tax legislation, stronger corporate governance regulations, and greater emphasis on detecting and preventing fraud and white-collar crime are spurring demand for accountants.

Given this growing demand for accountants and the bleaker prospects that remain in many other employment areas, how difficult is it for a non-accounting graduate to make a career change to the accounting profession? We surveyed 462 U.S. business schools accredited by the American Association of Collegiate Schools of Business (AACSB) and identified six options currently available to non-accounting and non-business graduates for obtaining the experience and education necessary to sit for the Uniform CPA Examination. We also report the common benefits and drawbacks of each option.

Career Change

While all candidates for a CPA license must complete the Uniform CPA Examination, each state board of accountancy establishes the specific educational and experience levels required for its jurisdiction.

A recent study of the educational requirements for becoming a CPA found that 81 percent of jurisdictions consider 24 se-



mester hours of accounting and 24 semester hours of business-related courses an acceptable minimum education level. Recognizing the complexity of business and the need for broadly educated professionals, 48 boards of accountancy also require that accountants earn a minimum of 150 credit hours of education to become certified.

Since the non-accounting/non-business student typically has earned at least 120 credit hours, the 150-hour requirement is rarely a problematic. However, the business-specific requirements for becoming an accountant can be.

With this in mind, Instead, we focus on six different options for meeting minimum levels of accounting and business educa-

tion: additional coursework without obtaining a degree; a certificate program; a second baccalaureate degree; a Masters of Business Administration (MBA) degree; a Masters of Accountancy (MACC) degree; and a joint MBA/-MACC degree. Each option, with its pros and cons, is summarized below.

Enroll In Accounting and Business Classes Additional Coursework

The least restrictive option a student has is to complete the necessary business credit hours at a four-year institution as an undeclared major. There is no formal degree program and individuals need only focus on completing the courses most beneficial in preparing for the CPA exam. Averaging 12 credit hours per semester, an individual could theoretically complete the minimum education requirements of most jurisdictions in two academic years.

The drawback to this option is that many non-degree program students are allowed to enroll in classes only if space is available, and could find it increasingly difficult to complete required coursework on a timely basis.

Obtain an Accounting Certificate

The second option a non-accounting/ or non-business graduate has is enrolling in an accounting certificate program, most of which are designed for individuals with a non-accounting degree from a regionally accredited four-year university. Most programs require a candidate to formally apply for admission. Program completion requirements range from 12 to 60 credit hours, with the larger programs requiring both ac-

counting and business courses.

On the plus side, an accounting certificate program eliminates the enrollment problems encountered by non-degree students. However, there are relatively few of these programs nationally. Our review of 462 accredited U.S. business schools found only 30 institutions with an accounting certificate program.

Students may also find it necessary to do some additional coursework, as only seven of these 30 certificate programs require 48 or more accounting/ or business credit hours.

Obtain a Second Baccalaureate

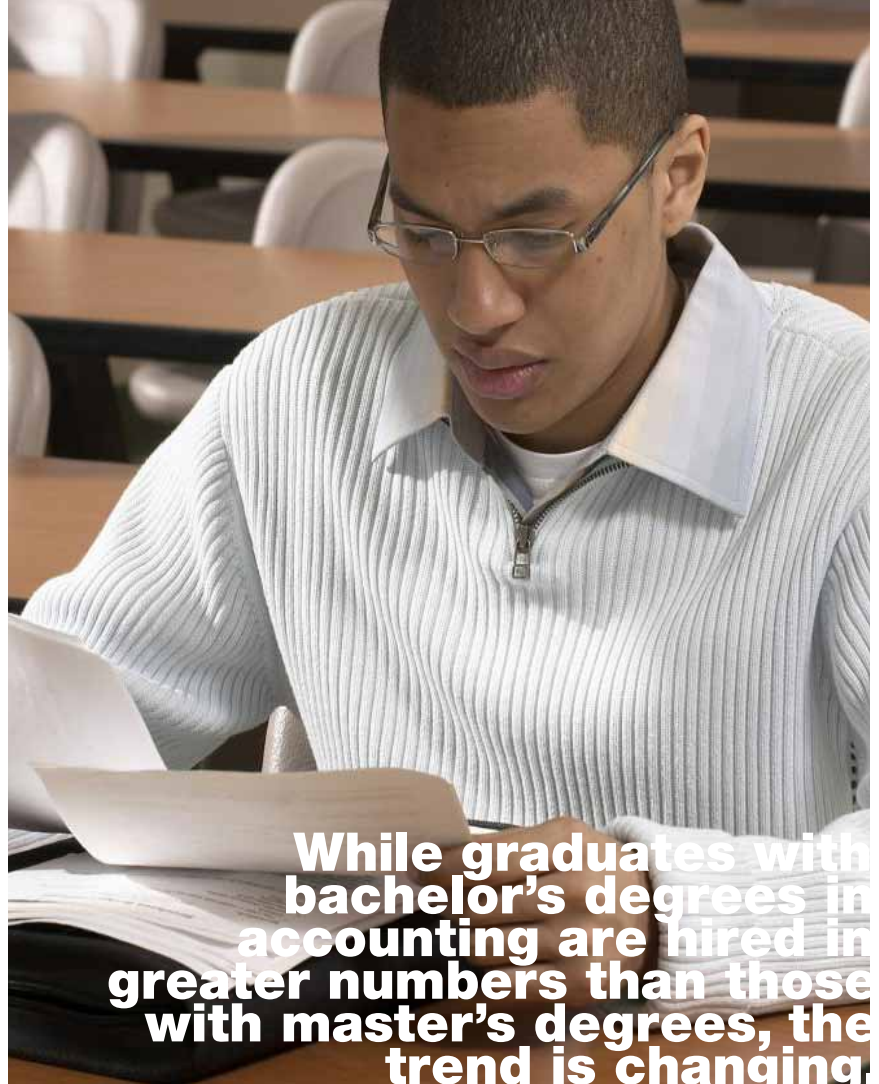
A second baccalaureate in accounting is an attractive option for many non-accounting/ and non-business students for several reasons. For one, enrollment as a matriculated student increases access to needed accounting and business courses. A second baccalaureate in accounting also satisfies the accounting and business-related educational requirements for most accountancy jurisdictions. Perhaps most importantly, an individual with a second baccalaureate degree in accounting likely has a broader educational experience to draw upon in an entry-level accounting position.

Clearly, the biggest disadvantage of this option is the time required to complete. At a minimum, a non-accounting or /non-business graduate will need at least two years of full-time study to complete a second baccalaureate in accounting.

Obtain an MBA

While graduates with bachelor's degrees in accounting are hired in greater numbers than those with master's degrees, the trend is changing. The American Institute of Certified Public Accountants (AICPA) has reported, that, with the exception of CPA firms with 10 or fewer professionals, firms are recruiting more new-hires hiring graduate degrees than ever holders as an increasing percentage of their total new hires before. A Masters of Business Administration (MBA) degree with an accounting concentration is therefore a viable graduate option for non-accounting/ or non-business degree holders preparing for accounting careers.

Most MBA programs take two years of full-time study, although holders of undergraduate business degrees may complete an



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MBA in less time slightly faster. Programs vary widely in courses of study offered, job placement success, global focus and admissions standards. For instance, elite programs may require applicants to have an overall undergraduate grade point average of at least 3.5 and a Graduate Management Admission Test (GMAT) score of 700 or higher.

A program's academic reputation is important to aspiring CPAs, but may not be as significant as breadth of program. To meet the jurisdictions' the educational requirements of the various different states an MBA program should let students select an adequate number of accounting electives or have an accounting specialization. Of the 462 AACSB accredited business schools surveyed, 126 MBA programs had accounting concentrations.

The number of accounting semester hours required in programs with accounting specializations ranges from six to 35 hours. The accounting concentration at 84 percent of MBA programs ranges from

nine to fifteen semester hours, not including introductory financial and managerial courses. Business students in most MBA programs complete introductory accounting courses as common knowledge requirements, while others are required to complete one or two accounting courses prior to admission.

Few MBA programs have concentrations with 18 or more semester hours of accounting. The concentration hours required by these programs, in addition to foundation accounting courses, would be sufficient to meet the minimum accounting education requirements established by many boards of accountancy. MBA students at the other 108 AACSB accredited business schools may need additional graduate and/or undergraduate accounting coursework to satisfy many jurisdictions' minimum accounting education guidelines, potentially extending the time to complete an MBA degree.

Obtain an MACC

An alternative to an MBA degree with an accounting concentration is a Masters of Accountancy degree. Of the 462 AACSB-accredited U.S. business schools reviewed, 229 offered an MACC degree. Most programs (75.1 percent) require graduates to complete a minimum of 30 semester hours, assuming prospective applicants have already satisfied appropriate accounting and business prerequisites. For the other MACC programs, minimum degree requirements range from 31 to 58 semester hours.

A review of admissions guidelines and curriculum requirements in 229 MACC programs found that the vast majority of MACC programs are intended primarily for graduates with an undergraduate degree in accounting, with admissions in 22 MACC programs specifically restricted to accounting graduates.

Other programs consider non-accounting/or non-business graduates for admission. However, all but five programs require either the completion of a number of prerequisite accounting and business coursework before applying, or the completion of additional foundation courses when once the student is admitted to the program. Additional foundation courses generally do not count toward satisfying MACC degree requirements.

Our review of MACC programs admitting non-accounting/ or non-business applicants found a wide array of prerequisite and foundation coursework requirements. Fully 80 percent of the programs require between 16 and 69 semester units of prerequisite and foundation coursework. Thus therefore, a prospective non-accounting/ or non-business applicant could be looking at two to five additional semesters of coursework to earn an MACC degree.

Interestingly, five MACC programs require no prerequisite or foundation coursework at all. The total degree requirements for these five programs range from 37 to a high of 57 semester hours, and all credit hours completed count toward the MACC degree.

One such program is the Master of Science in Accounting (MSA) program at San Jose State University¹. Established in 1991, this one-year program is designed specifically for non-accounting/ and non-business

graduates., andIt is an accelerated cohort program that typically begins at the end of May and finishes at the beginning of July the following year.

The cohort format allows a group of students to progress through the program, taking all courses together. From January to April most students are able to participate in a paid internship with one of the Big Four accounting firms or with a regional or local CPA firms.

The unique scheduling of the program, along with small cohort class sizes of 25 to 30 students, promotes an interactive learning environment, networking opportunities and career strengthening friendships. The four-month paid internship provides students valuable work experience.

Obtain A Joint MBA/-MACC

Enrolling in a joint MBA/-MACC program is yet another option for non-accounting/ or non-business graduates seeking to become accounting professionals. The advantage of this approach is that both degrees can be completed in fewer units than it would take to complete each degree separately.

With proper course selection, the dual degree option allows the non-accounting/ non-business graduates to satisfy most board of accountancy education requirements. However, there are two limitations associated with this option. First, only 11

joint MBA/-MACC programs were identified in our search of program web sites and university catalogs.

The other limitation involves MACC program requirements. If prospective candidates are required to complete 24 accounting prerequisite/ or foundation credit hours before enrolling, time to complete is extended and the efficiency of combining the degree programs is reduced.

A Challenge, But Not Insurmountable

At first glance, a non-accounting/ non-business graduate aspiring to be an accounting professional faces considerable challenges. The graduate will need to complete 24 semester hours of accounting education and 24 semester hours of business-related education, the equivalent of two additional years of academic study, to sit for the CPA exam. When educational requirements of other professions such as law, medicine and engineering are considered along with the financial and professional rewards of becoming a CPA, the educational commitment is less significant. Non-accounting/non-business graduates have six different options to facilitate their transition to the accounting profession. Regardless of the option chosen, we believe the non-accounting/non-business graduate will find the benefits of becoming a CPA far exceed any costs incurred.

