

## CHAPTER ONE

# Why Accounting Is a Great Profession



### Key Takeaway

Accounting is a terrific profession that can both create an excellent standard of living for you and your family and challenge you to grow, professionally and personally. It can develop and position you for many exciting career opportunities while simultaneously offering a sense of purpose and satisfaction.

Some high school or college students do extensive research before deciding to major in accounting. Others may be steered in that direction by family members or friends in the profession. A few, perhaps, just happen to make a lucky choice. But if you have chosen accounting as your major in college, regardless of how you got to that point, congratulations! You have, in my opinion, made an excellent decision!

There are many reasons accounting is a wonderful profession; here are some of the most compelling:

- ✓ The work is interesting, challenging and meaningful and provides a platform for you to make an impact.
- ✓ Launching your career in accounting can position you for a variety of excellent opportunities as your career progresses.
- ✓ Every organization needs someone with strong accounting skills and experience. The profession offers the potential to advise or be part of a senior leadership team in whatever environment or industry you choose to work.

- ✓ The financial rewards can be significant.
- ✓ The profession offers a great deal of flexibility.
- ✓ The sense of purpose and “psychic” rewards can be powerful as well.

Let’s take a closer look at each of these points.

### **Challenging Work**

Accountants are charged with mastering a body of business and professional knowledge that is significant in scope and often complex. The rules are constantly evolving to keep pace with rapidly changing business, technology, and regulatory landscapes. Even after you have a good grasp of the necessary concepts and requirements, professional judgment is required to appropriately apply that guidance to complex business transactions and situations. The accounting profession offers many opportunities for continuous growth, learning and personal development. Because you will be constantly learning new things, you’ll find the work interesting and rewarding. These factors will contribute to your value as a professional. Contrary to the perception some people have about accounting being boring or routine, my experience is that professional accountants are constantly challenged to stay current and deal with interesting transactions and events that keep them on the leading edge of a fast-moving business environment.

### **A Pathway to Other Opportunities**

A background in accounting is a valuable asset for any corporate leader, especially one charged with managing a business. A good friend of mine joined a major accounting firm upon graduating from college. He worked with the firm about four years on the audit staff, passed the Certified Public Accountant (CPA) exam, and then joined an insurance firm in an accounting role. That company wound up being part of CIGNA Corporation, a Fortune 100 Company,<sup>1</sup> and my friend, Ed Hanway, eventually became the chief executive officer (CEO) of CIGNA. I’m confident Ed’s background and experience as an accountant and CPA were extremely valuable to him when he took on that significant leadership role. I have seen quite a few other examples of individuals who started in accounting

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<sup>1</sup> CIGNA was ranked number 13 by total revenue on the 2021 Fortune 500 list of the largest U.S. corporations. *Fortune* (2 June) <https://fortune.com/company/cigna/fortune500/>

and became members of senior management teams or board members of public and private companies. The bottom line: You can have many different “careers” within your accounting career.

Because companies and organizations of all sizes, in all industries, regardless of where they are located geographically, require the skills and experiences of accountants to be successful, the potential opportunities for individuals in this field are wide ranging and diverse. Your accounting degree and skills can take you just about anywhere you choose to go!

### **Seat at the Table**

Every organization, from a Fortune 500 company with global operations to a small nonprofit, needs to understand its financial position and results of operations. Organizations need to budget and manage cash flows, raise funds to enable growth, and allocate capital effectively and efficiently to achieve their objectives. They need the help and active involvement of accountants to be successful. So, accountants are typically “in the room” when important business decisions are considered, and many times are the ones recommending a given course of action or serving as a key advisor to a senior leadership team. Examples include making major investments such as launching a new product line or building a plant, or perhaps advising senior management on how to raise debt or equity capital needed for a company to achieve its objectives. Good CEOs and business leaders understand the importance of the numbers and typically do not make major decisions without soliciting the advice and input of their accounting team. As famed investor Warren Buffett has said: “Accounting is the language of business.”<sup>2</sup>

### **Financial Rewards**

Salaries and benefits associated with entry-level positions, particularly at the largest accounting firms, are extremely competitive compared to those of college graduates in other disciplines. The potential for increased compensation as your career progresses is also outstanding when compared to other professions. Over my career, I was actively involved in setting compensation levels for professionals at my firm. While there were some

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<sup>2</sup> CNBC interview with Buffett, July 31, 2014.

ebbs and flows, often related to the state of the economy, top performers were routinely rewarded with double-digit raises and bonuses. The opportunities were even better for those who became CPAs. When people left positions in public accounting, it was often for significant increases in compensation. Chief financial officers (CFOs) of publicly traded companies are typically among the highest paid executives at their companies. In summary, accounting is one of the better-compensated professions.

I haven't included salary information here because it would quickly become out of date. A quick internet search is an effective way to understand compensation potential, since certain organizations publish annual salary guides with up-to-date market information.

### **Flexibility**

Most jobs in accounting certainly have "busy seasons" associated with deadlines for tax returns or financial reporting requirements. But firms typically try to strike a balance with their overall time-off policies. Potential employers often offer five to six weeks of paid time off (a combination of vacation, sick leave, personal days, etc.) to new hires. These same employers offer six to eight paid holidays annually and often shut down for a week or so around the holidays (with pay). Extended time off for new parents is an increasingly common benefit. As your career progresses, you tend to have more control over your own schedule. Also, as the profession embraces technology, more people are working remotely, including from their homes when circumstances permit. This trend has accelerated because of the COVID-19 pandemic. Many accountants choose to start their own firms, giving them total control over their schedules. In short, accounting is a career that can offer a great degree of flexibility!

### **Purpose-driven Rewards**

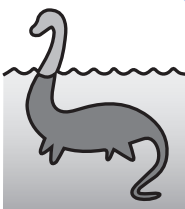
Most young people today are looking for more than a financially rewarding job. They also want a role that provides a sense of purpose and offers psychological rewards; a sense of personal satisfaction that what they are doing every day is important work that contributes to society. The accounting profession offers this sense of purpose in a meaningful way. Accountants play a particularly important role in the efficient functioning

of the capital markets by ensuring investors and creditors have timely and accurate financial information to make important decisions. This contributes to the efficient allocation of capital, which directly affects the health and vitality of our economy and the well-being of every U.S. citizen. It is also an important responsibility. When Enron (if you are not familiar with it, you will be learning in one of your early accounting classes about how its inaccurate financial reporting misled investors) and other major U.S. companies failed in the early 2000s after a series of accounting scandals, the stock market dropped precipitously and the overall economy was damaged, hurting many people and their families.<sup>3</sup>

### **But What's the Bottom Line?**

All the above potential opportunities may sound attractive, but it is most important that you ENJOY what you do. Work and a career are for a long time, in some cases 40 years or longer. No one wants to do something every day they don't enjoy, and, arguably, no one should have to work at a job that they are merely tolerating, even if the pay is good. Rather, they should strive to find a role they can be passionate about—a job that is interesting, exciting and offers continuous learning opportunities and challenges. Accounting isn't for everybody, but the opportunities are wide open for those who enjoy it and are willing to proactively take advantage of all the potential rewards it offers.

### **Myth—Accountants Are Introverts**



Some people believe accountants tend to be introverted—quiet and shy by nature. Popular culture often depicts them as such. I find this to be a sweeping generalization that is often inaccurate. During my career, I met and interacted with many accounting professionals who I would describe as dynamic, funny, innovative, friendly, outgoing, and charismatic. So, forget those stereotypes!

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<sup>3</sup> Altraide, D. (2019). "Enron, The Biggest Fraud in History." ColdFusion TV. (YouTube). [www.youtube.com/watch?v=e5qC1YGRMKI](http://www.youtube.com/watch?v=e5qC1YGRMKI)



## How I Chose Accounting

Why did I choose the accounting profession? I'd like to tell you it was the result of doing careful and thoughtful research about the best career path given my interests and aptitudes.

But that would not be true. The honest answer is that my understanding was that accounting was a good field if you wanted to be confident you could find and keep a job after graduating from college.

During my high school years, the U.S. economy was struggling, hampered by high rates of inflation and high unemployment. So, finding and keeping a job was especially important to me. This was the primary driver in my decision to give accounting a try. While my basic premise proved to be accurate, I was fortunate because it turned out I found the work interesting and challenging. I wound up being actively engaged in the profession for my entire career. Based on my experience, and for all the good reasons detailed above, I feel confident in encouraging young people to pursue careers in accounting.



## Food for Thought

*Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do.*

—Steve Jobs, founder of Apple