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Mentoring the Next Generation

By Stephen Scarpati

Whether in public practice, industry, or academics, CPAs frequently are in positions to offer advice and counsel to young people who are pursuing careers in the field.

One of the challenges facing CPA mentors is the fact that licensure requirements for the new generation of candidates differ greatly from those of most current CPAs. With more changes on the horizon, particularly for candidates in New York (see "'Excelsior': The Pursuit of Quality in the CPA Profession," by Kevin J. McCoy and Thomas E. Riley, *The CPA Journal*, March 2009), CPA mentors could benefit from up-to-date information.

The 2009 Accounting Educators Conference provided such help. Presenters from the New York State Board for Public Accountancy and the NYSSCPA, along with college accounting professors and recruiters from accounting firms, offered a snapshot of the current environment.

Regulations

Dan Dustin, executive secretary for the New York State Board for Public Accountancy, provided the following important information.

CPA exam. Nationally, there has been a steady increase in the number of candidates for the CPA exam. Speculation for the reason centers on the current economic downturn, along with a perception that the accounting profession offers stability. In addition, passing rates on the exam have increased since 2004 with the advent of computer-based testing (CBT).

Accountancy reform law. Effective July 26, 2009, the scope of practice will be expanded from attestation to include tax, management, and financial advisory services provided by CPAs working in industry, government, and academia. Continuing education will be required for nearly all CPAs. The 24-hour concentration for continuing education will be expanded to any professional area, not just accounting, auditing, and tax.

Education requirements. Effective August 1, 2009, the education requirement

for licensure will increase from 120 hours to 150 hours. The content of the extra 30 credits is not defined anywhere. The 150 credits must include 33 credits of accounting and 36 credits of general business. There are ethics and accounting research components. The six-credit finance requirement is gone. No "liberal arts" requirement is specified.

Pending New York proposals. Changes to the licensure requirements have been proposed and could be approved by the time the 150-hour requirement takes effect. One proposal would require 150 hours of education for licensure but permit sitting for the CPA exam with 120 hours and at least one course in each of four mandatory professional accountancy content areas (financial accounting, cost or managerial accounting, audit, and tax). Another proposal would broaden the experience requirement to match the expanded scope of practice adopted by the accountancy reform law.

Careers and Recruiting

Ebony Thomas, campus recruiting leader for Ernst & Young's financial services office, and Lisa Brandt, director of human resources for UHY Advisors NY, Inc., covered a number of issues.

■ Salaries for incoming accountants are holding steady.

■ Signing bonuses may be reduced or eliminated for 2010.

■ Graduating accounting majors can expect a more competitive hiring environment in the future.

■ At the public accounting firms, "involuntary turnover is nonexistent"—a reflection of the current economic environment.

■ Each prospective hire must present a plan for meeting the 150-hour requirement.

Thomas used the term "client ready" to describe what her firm looks for in the profile of prospective hires. This refers to the ability of new employees to have the presence, verbal skills, and writing ability to effectively interact with clients.

Advice for Mentors

The following advice is offered to CPAs counseling young people pursuing careers in the profession:

■ Because students must obtain the additional 30 hours of education beyond an undergraduate degree, mentors should encourage students to take the extra six credits needed to attain the MBA degree. The combination of CPA and MBA are powerful career credentials.

■ Urge students to develop a personal plan to obtain the 150 credit hours needed. Ideally, their plan should be developed while they are still in college so that more options are available. For example, a student may opt to take courses in the summer following graduation.

By far the most common question asked by future accountants is, "Should I take the CPA exam first or get my MBA first?" The answer depends on three factors:

■ Financial consideration. The ability to pay for graduate school is a critical factor. Student loans may be needed. Some students, however, already burdened with student loans from undergraduate study, are reluctant to take on additional debt. Other students may have no choice but to work and earn income toward paying for their MBA. Still others may have parental or other resources available to them.

■ Job requirements. Many young accountants will be working during the day and going to school at night. It is not uncommon that periodic and seasonal job demands will interfere with graduate studies.

■ Personal preference. If an individual has a strong personal preference one way or the other, she should probably follow her instinct. Some people just want to take the CPA exam first and get it over with, while others want to obtain their MBA first.

It is common for future young accountants to seek advice from experienced CPAs on these issues. By offering their time, patience, and understanding, CPAs provide a valuable service to those they mentor while receiving personal enrichment as well. □

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