

Time to Require a Master's Degree

Medicine, law, psychology, teaching, engineering, architecture—all are noble professions, to be sure, and all require a master's degree or higher for certification.

The accounting profession should require a master's degree in order to become a CPA as well.

We are all familiar with the 150-credit-hour, or five-year, education requirement to sit for the CPA exam. Yet this standard does not require attaining a master's degree—just an extra 30 hours of coursework on top of the four years, or 120 undergraduate hours, necessary for a bachelor's degree.

That extra 30 hours seems to be the most dubious part of this equation. My question is: If we're already requiring extra hours, why not simply make it a master's degree?

The time has come to take this step. Certainly, the profession of public accountancy is just as important and as noble as those that already require a postgraduate degree.

Is this credential just as vital as an engineer or a lawyer or a teacher? Absolutely.

Consider an interesting piece I recently read on accounting from Texas A&M University Professor Gary Giroux, who clearly has a passion for the profession. In discussing the historical context of the accounting profession, Giroux made the argument that some of the most seminal moments in world history might not have taken place without accountants and accounting procedures. The concept of double-entry bookkeeping, for instance, was central to the success of the trading skills of Italian merchants. Giroux asks, "Would the Renaissance have been possible without double entry?" He goes on to point out:

The Industrial Revolution depended on inventors and entrepreneurs. ... The survival of their firms ... required innovative accounting and, later, the development of a profession. Big business, particularly the railroads, required capital markets that depended on accurate and useful information. This was supplied by the expanding accounting pro-

fession. ("A Short History of Accounting and Business," September 1999, acct.tamu.edu/giroux/shorthistory.html)

Indeed, the empire that was constructed by Genghis Kahn relied upon a system of accounting that was the basis for peace among the four parts of an empire that stretched from the Pacific Ocean to the Mediterranean.

The CPA profession took off in New York State in large part due to the economic Panic of 1893, which saw several of the country's big railroads—notably, the Philadelphia and Reading Railroad, the Northern Pacific Railway, the Union Pacific Railroad, and the famed Atchison, Topeka & Santa Fe Railroad—go bankrupt. These events highlighted the need for greater transparency and better public service by the accounting profession. In 1896, New York passed the first law providing for the issuance of a certificate giving individuals the right to use the title "certified public accountant."

Stepping back and thinking about accounting from that perspective shines a whole new light on the profession, don't you think?

A Higher Standard

My own passion for history makes it easy to say that times have changed since 1896, and in 2009 it's time for the profession to again set a higher standard for itself. The accounting reform law that went into effect in New York State on July 26, 2009, defines the role of a registered CPA based on skills and competencies. If the extra 30 hours of education was designed to give students another year to increase their proficiencies and technical

competence, imagine what requiring a master's degree would do.

Now, certainly, I am sensitive to what has been one of the main sticking points to making a master's degree mandatory. Smaller schools that are unable to offer a master's degree contend that larger schools that can will drain their pool of students. It is my belief that great, smaller accounting programs in New York will continue to thrive. In many other professions, students often end up doing their undergraduate and graduate work at different universities. No, the argument of small schools versus large schools should not be an impediment to the ultimate goal.

Over a year ago, the Society's board of directors advocated for a master's degree in a white paper:

Promoting critical thinking through graduate-level work that culminates in a graduate degree should be a requirement for all CPA programs. Combined with the benefits of work experience, graduate-level CPA candidates will generally be better prepared than those who followed the apprenticeship model (working for 15 years) or those who simply obtained a baccalaureate. ("Examination of Pre-Certification Education: An NYSSCPA White Paper and Additional Commentary," *The CPA Journal*, August 2008)

We believed that then; we continue to advocate that position today. And we call on the legislature to make it a reality.

The accounting profession needs a master's degree requirement. □

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