The Demise of the Certified Public Accountant - Part I

The demise of the Certified Public Accountant? What? Hopefully the title caught your attention. Before you begin thinking that the NASBA President has gone completely off the ranch, let me assure you that I do not believe that the Certified Public Accountant credential is in harm’s way and I certainly don’t believe its demise is eminent. In fact, I believe that the U.S. Certified Public Accountant brand is among the world’s most recognized and trusted credentials. So why the *Memo* title?

In the past year, I have been hearing more and more rhetoric about how less students are planning to become Certified Public Accountants, how Certified Public Accounting firms are hiring fewer Certified Public Accountants, how the number of licensed Certified Public Accountants is shrinking, and how the need for Certified Public Accountants in the future will be diminished. Recently I have even heard predictions that future Certified Public Accountants will not be providing tax or advisory services and possibly not even financial audits but will be limited to some new higher level of services. Finally, some have concluded (and possibly hope) that because of the predicted decline of the Certified Public Accountant profession, the State Board of Accountancy regulatory system may no longer be needed.

More worrisome to me is that this negative conversation and these gloomy predictions are not coming from associations that typically advocate for non-Certified Public Accountants, but from those that have historically focused on the value, promotion and protection of the Certified Public Accountant credential, CPA.

I have been thinking about this for a while and finally decided to bring it into the bright light of day. As I travel around the country, I am hearing from an increasing number of Certified Public Accountants that they are confused, frustrated and angered by what appears to many to be an abandonment and dilution of the value of the Certified Public Accountant credential by those they feel should be supporting them. As I have written previously and stated publicly, I believe that a strong and vital Certified Public Accountant profession is a critical element of public protection. Ignoring or accepting the rhetoric of demise could shake public confidence and dissuade students from seeking to become Certified Public Accountants, which conflicts with the State Boards’ duty to protect the public. I feel it is important that our members and stakeholders know that I share their concerns.

As to the naysayers, NASBA’s Accountancy Licensee Database gives us the ability to monitor the number of Certified Public Accountants (over 650,000), which is historically high. Accounting programs in colleges and universities are full. Even with the normal disruption of candidate flow that accompanies changes to the licensing examination as occurred this year, we continue to see strong numbers of test takers. Firms are hiring accounting graduates in record numbers and are constantly pursuing more qualified candidates who have passed the licensing examination. We will have to compete with other professions for candidates in the smaller current generation; however, if we refrain from buying into potentially self-fulfilling and damaging prophecies, the future looks bright.

At last year’s Annual Meeting I stated that the accounting profession will change more in the next five years than it has in the last 40 years, and that technology will play an increasing role. I hope I made it clear that this is a positive transition. The need for a technology-savvy accounting profession will be critical in an increasingly complex world of electronic commerce, Bitcoin and Block Chain. We should be considering and discussing how
education, experience and the licensing examination need to keep pace with the changing accounting environment. It is critical that we are sending the right signals by communicating that there are great opportunities for current and future Certified Public Accountants, rather than forecasting the profession’s demise. I recently heard Dr. Miklos Vasarhelyi, Director of the Rutgers Accounting Research Center and an expert on data analytics, tell a story about how a student of his asked if because of technology and the use of data analytics, should he be worried about becoming a Certified Public Accountant. Dr. Vasarhelyi responded that “the opportunities have never been greater.” In fact, a whole new type of student may seek the profession because of the technological opportunities.

As my old Grampa Wilson used to say, I hope this Memo “knocks the bubble off center,” and that it provokes some thought and conversations. I have purposely used “Certified Public Accountant,” rather than “CPA” throughout the Memo. This is for clarity. It seems that some organizations are now purposely removing the term “Certified Public Accountant” from their titles, business cards, PowerPoint presentations and published materials, and replacing it with other words that use the same acronym. There is irony in seeing accountants in other countries move to use the acronym CPA because of the brand’s established value in the global financial marketplace at the same time we hear folks questioning its future relevance.

As most of you know, I am not a Certified Public Accountant, but an old cop. However, I could not be prouder of the Certified Public Accountant profession that does so much to ensure the financial integrity of the U.S. I hope you also know that I am not a “bomb thrower” and I am very cautious about implying criticism of others, particularly our friends. But, as I hear the crescendo of concerns being raised by State Board members, societies, firms and others, I feel compelled to opine....and as an old cop, I cannot help wondering what the motive is for those who seem to be forecasting the demise of this honored credential and who no longer proudly display “Certified Public Accountant.”

Semper ad meliora (Always toward better things).

Ken L. Bishop
President & CEO

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