

University of Nebraska at Omaha

School of Accounting

THE ACCOUNTING PROFESSION

The accounting profession has been around for hundreds of years and is incorrectly perceived as nerdy, shy, quiet people who sit and “crunch” numbers. While accounting, by nature, does require a basic understanding of math, there is so much more to an accounting career than just numbers. A career in accounting is challenging, but with challenge comes rewards and opportunities. This profession can provide an exciting path to meet and work with people from different backgrounds as well as opportunities to travel the world. Because accountants offer a specific skill-set they are typically highly compensated through competitive salaries and, in a growing number of instances, allowed flexible work schedules.

The demand for talented, knowledgeable accountants has historically been high and is projected to increase over the next few years. The Bureau of Labor Statistics estimates that the accounting job field will grow an additional 139,900 jobs through the year 2026¹. The U.S. News and World Report ranks “Accountant” #3 on the list of “Best Business Jobs” because of the substantial salary amounts and the job security the profession provides.² Every business needs at least one accountant if not several accountants to help track and manage costs, assist with reporting, calculate federal, state and local tax liabilities, along with many other tasks. Also many individuals rely on accountants to help with tax planning, personal finance and wealth building. Because of this there are several different types of accountants that expand beyond the standard bookkeeper or tax preparer that most people associate with the term “accountant”.

AREAS OF ACCOUNTING

The accounting profession can be broken between public accountants and private accountants. Regardless if someone goes into public or private accounting, each professional must have certain skills above and beyond the education requirements. Most accountants must be detailed oriented, have the ability to organize and manage time effectively. Those that work in accounting, contrary to the typical accountant stereotype, must also have outstanding people skills and be able to communicate effectively. Additionally, each business and public accounting firm use different software when performing different job duties; therefore, accountants must be knowledgeable and comfortable with computers and have the capability to learn new systems quickly. All accountants are expected to be proficient in Microsoft Office especially Microsoft Excel. Also, successful accountants are analytical. They can think beyond the numbers and assist with making businesses more efficient. Below highlights the differences, lists the potential career paths and salary information for public vs. private accountants.

Public Accounting:

- Definition: accountants that serve businesses, governments, non-profits, and individuals by providing various accounting services. Those services include tax return preparation, financial

¹ Bureau of Labor Statistics: <http://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm>

² U.S. News and World Report: <http://money.usnews.com/careers/best-jobs/rankings/best-business-jobs>

statement preparation, financial statement audit or review, and various consulting related to business transactions.

- Requirements: These accountants typically have a bachelor’s degree in accounting. Most individuals that work in public accounting must be a Certified Public Accountant (CPA) and be licensed with the state.
- Below are typical job titles with estimated salaries in the Omaha area³:

		Salary Range	
Title	Level	Low	High
Staff	Entry	\$ 40,000	\$ 75,000
Senior	1-3 Years	47,000	91,500
Supervisor	3-6 Years	60,500	113,000
Manager	6-10 Years	86,000	164,000
Director	10+ Years	111,500	212,000
Partner	10+ Years	Salary + Profit Sharing	

- Why choose public accounting? It’s called public accounting because these accountants work with the public and must be able to communicate effortlessly. Public accountants work continuously with colleagues to complete projects as well as with clients to meet their specific needs. Those that choose public accounting are typically outgoing personalities that are also highly driven, goal oriented, and have a passion for serving others. It should be noted that usually it is easier for an accounting career to move from public accounting to private accounting (it’s challenging to go from private accounting to public without having to start over again in lower entry level positions).
- Public accounting has various options in-and-of itself. While public accounting firms offer a variety of services, the main services provided fall under tax preparation and audits of financial statements. These are very different and require different skill sets.
 - o Tax preparers must be knowledgeable in local, state and federal tax laws. However, they do more than just tax return preparation. Tax professionals work with businesses as well as individuals assisting with tax planning, financial planning, estate planning, and tax research. Tax preparers have steady work all through-out the year but work through a “busy season” from January through April 15th. These individuals mostly work out of the firm’s office but must be willing to do some travel to visit clients.
 - o Auditors must be knowledgeable in Generally Accepted Accounting Principles (GAAP). These auditors provide an opinion on whether or not a business’s financial statements have been prepared according to GAAP. Auditors typically must gather information and complete their audits on location in the client’s office which could take days, weeks or months depending on the size of the client and the service being provided. Therefore, an auditor must be willing to travel and work in close proximity with others. Auditors

³ Public salary amounts are estimated using “Robert Half’s Salary Calculator” at: <https://www.roberthalf.com/salary-guide/accounting-and-finance>

also have steady work through-out the year but have periodic busy seasons depending on the type of clients they have.

Private/Corporate Accounting:

- Definition: accountants that work inside a business, governmental entity or a non-profit that use financial accounting and/or managerial accounting knowledge to build financial statements and other reports to assist in evaluating various business decisions.
- Requirements: These accountants typically have a bachelor's degree in accounting. Those that want to separate themselves from the rest will go on and receive a master's degree and/or a professional accounting license.
- Below are some (not all) typical job titles that fall in the area of private/corporate accounting:
 - o Bookkeeper
 - o Billing Clerk
 - o Payroll Clerk
 - o Inventory Analyst
 - o Purchasing Manager
 - o Collections Clerk
 - o General Accountant
 - o Cost Accountant
 - o Tax Accountant
 - o Internal Auditor
 - o IT Auditor
 - o Controller
 - o Treasurer
 - o Chief Financial Officer
- You can find salary data on any of the above for the Omaha area using Robert Half's Salary Calculator" at: <https://www.roberthalf.com/salary-guide/accounting-and-finance>
- Why choose private/corporate accounting? From the small sample of job titles above it can be noted that corporate accounting provides a vast amount of options for those that want to work inside a business or other organization. Many people are drawn to corporate accounting because they have more flexibility to design a career path that truly incorporates their interests whether it be cost management, tax compliance, account receivable management, etc. These accountants must still be able to work with others but in some positions, corporate accounting does provide a quieter, more secluded work space compared to public accounting. Additionally, many corporate accounting positions do not require a CPA license or a master's degree making it easier to enter an accounting career (However, the CPA license, other professional accounting licenses and/or a Master's degree will make it easier to move up in an accounting career.)

Please find additional information on the accounting profession, licensing requirements, and many other resources at:

<https://www.unomaha.edu/college-of-business-administration/accounting/student-involvement/index.php>