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Each year fewer accountants enter the profession while more CPAs near retirement.

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By Blake Oliver, CPA, and Chris Vanover, CPA.

CPAs have always been passionate about numbers, using various metrics such as revenue, profit, headcount and realization to measure success. However, this focus on numerical indicators is contributing to the decline of the CPA profession itself.

A talent shortage is affecting accounting firms across the demographic spectrum. Each year fewer accountants enter the profession while more CPAs near retirement.

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Educational Hours Obsession

The discussion around the 150-hour education requirement for CPA licensure highlights how we are overemphasizing hours. Many young accountants will tell you that the additional educational hours are a waste of time and money. But the individuals responsible for enacting this requirement often do not need to adhere to it themselves or cover the significant costs associated with additional education.

Many courses taken to fulfill the requirement do not directly pertain to accounting or auditing. Students unwilling to pay the high cost to obtain a master's in accounting sign up for courses in areas such as sports or personal development to achieve the extra 30 semester hours required to become a CPA. This may explain why there is little evidence to suggest that completing 150 hours of education translates to improved professional quality.

The emphasis on the 150-hour education requirement typically precedes students' transition into public accounting. Once they enter the workforce, their CPA firms introduce another metric: billable hours.

Billable Hour Oppression

Sadly, most firms still manage staff with time sheets. Employees below partner level often work long hours, focusing on the quantity of time spent on projects rather than the quality of their work. In the pursuit of billable hour targets, the incentive to provide value and efficiency may be lost.

This approach leads to overworked staff, increased overtime and discouragement when employees exceed budgeted hours. Worse, staff learn to value their inputs rather than their outputs and to lie about how much time a project really took to avoid being penalized for going over budget. They may even deliberately do shoddy

work because identifying issues only leads to more hours they cannot bill for and

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Considering the prevalence of underreporting hours, these numbers may be underestimates. Regardless, many potential future partners are being deterred from pursuing this career path due to the sacrifices required.

Rethinking Metrics for the CPA Profession

To address these challenges and revitalize the profession, it is crucial to reassess the metrics used to evaluate success. Aspiring auditors and experienced professionals alike are recognizing the shortcomings of the educational and billable hour metrics. By emphasizing experience and continuing professional education instead of additional college credits and incentivizing problem-solving over billable hours, the profession can begin to recover and attract new talent. By refocusing on meaningful indicators, the profession can ensure its longevity and continued relevance.

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