

*Effectively planning and managing your career is more critical than ever these days. Many finance workers face a crucial decision between pursuing a CPA or MBA, and the right choice depends on you as an individual, and the career goals you hope to achieve.*

## **MBA or CPA:**

### **Which is best for finance professionals?**

It's one of the most common questions asked, both by students and professionals in the finance field: "What is more valuable for my career: having a CPA or an MBA?" The decision to pursue a CPA, an MBA, or both, can be difficult and confusing. If you seek advice from others in the field, you will get a different answer depending on who you ask. Some will say you can't have a successful career in finance without a CPA. Others will tell you to go for the MBA, and your earnings potential increases.

But the reality is, the right answer depends on the individual. While one degree might be right for some, it might not be the best decision for others. Your decision should be based on your individual circumstances: what career path you would like to pursue and your personal goals.

To assist you in evaluating the pros and cons of each designation, ask yourself these questions, based on your own distinct situation:

#### **What type of position do you want?**

If you would like to go into consulting or management for a financial services firm, an MBA might serve you best. Other career paths for which an MBA is useful include securities analysts, investment bankers and venture capitalists.

However, if you want to go into auditing or review financial statements, you're going to need a CPA. Other CPA career paths include: controller, CFO, financial analyst, taxes, or even opening your own accounting firm. Additionally, if your plans include employment at one of the big four accounting firms, a CPA is a must-have.

Careers such as corporate accounting, management accounting, government auditing and internal auditing demand a CPA. Completing an accounting degree is a valuable asset for both public and private sectors of the economy

On the other side of the coin, some positions in today's world demand skills above and beyond finance qualifications. With business accelerating in the global marketplace, finance professionals may need skills outside of accounting, such as economics and marketing. Skills such as those are not part of a CPA designation, but are included in an MBA program.

#### **What topics interest you most?**

If you are among those who are unsure of which career path suits them best, think about the topics you enjoy and skills in which you excel. This might assist in your career choice. An MBA is graduate-level university study that provides training in the theory and practice of business



management. An MBA demonstrates a general competency in all the major functional management roles found in the modern corporation. Therefore, although MBA candidates do learn finance, they study many other areas as well, such as: economics, marketing, organizational behavior and quantitative analysis.

Even if you work towards an MBA with accounting as the major area of concentration, you must be willing to broaden your horizons beyond finance. Some business schools even promote their MBA programs to accountants who wish to widen their understanding of business and specific industries.

Now, if you are the type who enjoys nothing more than finance and want to specialize in that area, the CPA would be a better choice. Subjects include: financial accounting, accounting information systems, auditing, income tax, estate planning and personal financial planning.

The good news is: most states require 150 college credit hours to sit for the CPA exam, so you are well on your way to earning an MBA as you prepare for the CPA exam. Should you choose to pursue the MBA, studying for the CPA exam could only be an asset.

### **Where are you in your career?**

Another factor that plays into the equation: How far along are you in your career? For first-time undergraduate college students, it might be a good idea to get some "real-world" work experience under your belt. The top-ranked MBA programs will not even admit you if you don't have at least several years of experience. Therefore, the MBA tends to be better for individuals with at least a few years of relevant work experience.

If you do decide to pursue an MBA after you have entered the workforce, you will need to think about "how" you will get your MBA, as much as "when." For example, will you keep working while earning your MBA in a part-time program, or do you have the financial resources to resign from your current position and return to college full-time? Another factor: Who pays for your MBA? If you are lucky enough to secure the right position, at the right company, your employer may help finance your education.

### **Are your goals financially motivated or focused on career advancement?**

Many people say MBA graduates can usually command higher salaries. However, without the CPA designation, even the best accountants will quickly hit that "glass ceiling" in many financial firms. At almost any public accounting firm, the one fundamental job qualification remains the same: CPA certification. If you want a challenging and rewarding career in accounting, make sure getting an MBA does not interfere with passing the CPA exam.

One more career consideration: If you are a non-CPA manager in a corporate accounting department, you may not have the opportunity for advancement. If you do advance, and you have CPAs working under you, there could be issues.

As you can see, there is no clear cut answer as to whether you should pursue a CPA or an MBA. However, think about the questions posed, and you will make the choice that makes the most sense for you, as an individual, and for the career goals you hope to achieve.