

# Careers in Accounting<sup>1</sup>

Employment of accountants and auditors is expected to **grow faster than average** for all occupations through the year 2014. An increase in the number of businesses, changing financial laws and regulations, and increased scrutiny of company finances will drive growth. In addition to openings resulting from growth, the need to replace accountants and auditors who retire or transfer to other occupations will produce numerous job openings in this large occupation.

Median annual wage and salary earnings of accountants and auditors were \$54,630 in May 2006. The middle half of the occupation earned between \$42,520 and \$71,960. The top 10 percent of accountants and auditors earned more than \$94,050, and the bottom 10 percent earned less than \$34,470. In May 2006, median annual earnings in the industries employing the largest numbers of accountants and auditors were as follows:

Accounting, tax preparation, bookkeeping and payroll services	\$57,020
Management of companies and enterprises	55,560
Local government	50,120
Depository credit intermediation	49,380
State government	47,200

Accountants and auditors help to ensure that the Nation's firms are run efficiently, its public records kept accurately, and its taxes paid properly and on time. They perform these vital functions by offering an increasingly wide array of business and accounting services, including public, management, and government accounting, as well as internal auditing, to their clients. Beyond carrying out the fundamental tasks of the occupation—preparing, analyzing, and verifying financial documents in order to provide information to clients—many accountants now are required to possess a wide range of knowledge and skills. Accountants and auditors are broadening the services they offer to include budget analysis, financial and investment planning, information technology consulting, and limited legal services.

Specific job duties vary widely among the four major fields of accounting: *public, management, and government accounting and internal auditing.*

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<sup>1</sup> Adapted from Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, 2008-09 Edition*, Accountants and Auditors, on the Internet at <http://www.bls.gov/oco/ocos001.htm> (visited August 21, 2008)

# Job Titles in Accounting<sup>2</sup>

**Public accountants** perform a broad range of accounting, auditing, tax, and consulting activities for their clients, which may be corporations, governments, nonprofit organizations, or individuals. Most public accountants hold the CPA certification. Only CPAs are allowed to issue independent audit reports for non-government entities. Independent audits inform users of financial statements as to the fairness of the financial statement presentation. Some public accountants concentrate on tax matters, such as advising companies about the tax advantages and disadvantages of certain business decisions and preparing individual income tax returns. Others offer advice in areas such as compensation or employee health care benefits, the design of accounting and data-processing systems, and the selection of controls to safeguard assets.

**Management accountants**—also called cost, managerial, industrial, corporate, or private accountants—record and analyze the financial information of the companies for which they work. Among their other responsibilities are budgeting, performance evaluation, cost management, and asset management. Usually, management accountants are part of executive teams involved in strategic planning or the development of new products. They analyze and interpret the financial information that corporate executives need in order to make sound business decisions. They also prepare financial reports for other groups, including stockholders, creditors, regulatory agencies, and tax authorities. Within accounting departments, management accountants may work in various areas, including financial analysis, planning and budgeting, and cost accounting. Many management accountants hold the Certified Management Accountant (CMA) designation.

**Government accountants and auditors** work in the public sector, maintaining and examining the records of government agencies and auditing government entities whose activities are subject to government regulations. Accountants employed by Federal, State, and local governments guarantee that revenues are received and expenditures are made in accordance with laws and regulations. Those employed by the Federal Government may work as Internal Revenue Service agents or in financial management, financial institution examination, or budget analysis and administration.

**Internal auditors** verify the accuracy of their organization's internal records and check for mismanagement, waste, or fraud. Internal auditing is an increasingly important area of accounting and auditing. Internal auditors examine and evaluate their firms' financial and information systems, management procedures, and internal controls to ensure that records are accurate and controls are adequate to protect against fraud and waste. They also review company operations, evaluating their efficiency, effectiveness, and compliance with corporate policies and procedures, laws, and government regulations.

**Controllers** direct the preparation of financial reports that summarize and forecast the organization's financial position, such as income statements, balance sheets, and analyses of future earnings or expenses. Controllers also are in charge of preparing special reports required by regulatory authorities. Often, controllers oversee the accounting, audit, and budget departments.

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