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IWU Students Rank No. 2 in U.S. on CPA Test

BLOOMINGTON, Ill.--Illinois Wesleyan University ranks No. 2 nationally in the percentage of students who pass the certified public accounting exam, a two-day, 19-hour test, demonstrating students' expertise to enter the profession.

Forty-eight percent of IWU students passed the grueling test on their first try in May, 1999. The University of Wisconsin-Whitewater was ranked No. 1 with a 48.8-percent pass rate. Ten campuses are included in the national ranking. Schools involved in the ranking have to have at least 20 students sit for the exam.

The results of tests administered in 2000 will be available in the summer of 2001.

The Uniform CPA Exam is administered nationally by the National Association of State Boards of Accountancy. Students take the exam in all 50 states, Puerto Rico, and the District of Columbia. The four-part exam for public accountants is akin to the bar exam for lawyers.

Three Key Factors

Jerry Olson, associate professor of accounting and chair of IWU's business-administration department, credits three factors for the strong performance of IWU students on the CPA test.

"First, it's due to the students themselves," Olson said. "IWU attracts bright, hardworking men and women. First and foremost, they deserve the credit.

"Second, the high pass rate of IWU students on the public accounting exam is due to the nature of the university--the type of program we deliver. It's a small program, where students receive much individual attention from professors.

"And, third," Olson pointed out, "credit goes to our curriculum. What we do in the program is instill an attitude that we want students to succeed."

Olson takes a broad view of IWU's curriculum and its role in spurring student success. "It's a team effort," he said, pointing to contributions made by faculty beyond the accounting department. "It's the whole package," he added, referring to faculty in the business and economics departments, as well as faculty across the board.

Accounting and the Liberal Arts

Olson believes IWU students have an advantage studying public accounting in a liberal-arts environment.

"What we do here," he explained, "is develop skills and abilities that are important to the profession. We talk about the profession's need for effective communicators and for people who work well with others."

Olson pointed out: "When recruiters come to campus, they look for these skills--communications and analytical skills--in addition to technical skills."

IWU students also have the opportunity to develop leadership skills, according to Olson, by participating in the Accounting Society, Student Senate, athletics, and other activities. Students also have frequent opportunities to work one-on-one with professors--accounting professionals--rather than with graduate students, who often teach entry-level courses at larger schools.

Typically, IWU has 25-30 public-accounting majors. These students sit for the exam as seniors.

Students must score 75 percent on at least two of the test's four parts to pass as long as they also score at least 50 percent on the exam's other two portions. Traditionally, students take the exam in May and can retake it in November.

"You can practice public accounting without passing the test," Olson explained, "but to become a manager you have to pass the exam."

A Tough, Challenging Experience

The Uniform Certified Public Accounting Exam, according to Olson, is a tough and challenging experience. Over the years, he recalls students "crawling" into his office after the exam.

"After finishing the test," he said, "generally students are not confident they passed. If they think they nailed it, they probably didn't."

What attracts students to accounting?

"That's a tough one," Olson said. "We wrestle with that in the profession. Students don't necessarily have an appreciation of accounting as a profession in high school. They can't turn on TV and see CPAs at work in the same way that they can see lawyers on shows like LA Law."

Students usually declare accounting as their major after taking a course in the field, Olson explained, or they might be lured to the field because a family member is an accountant or because they took an accounting course in high school.

Students are drawn to accounting, according to Olson, because they like the logic and quantitative side of the profession. However, he points out that, "Most of accounting is communicating with other people, rather than number crunching."

Public accountants provide a service to other organizations. "We provide information for a decision-making process," Olson explained. "Accountants help determine the needs of stakeholders."

Starting Salaries

In recent years, the robust U.S. economy has fueled demand for accountants at a time when fewer students have filled the professional pipeline. Consequently, Olson points out that IWU graduates have snatched starting salaries as high as \$53,000 a year with Big Five public-accounting firms.

"No one makes less than \$40,000 unless they go with a small company and take a ground-floor position," Olson said, referring to job prospects for rookie public accountants.

The shortage of accountants also has been complicated by the new 150-hour rule adopted by the American Institute of Certified Public Accountants (AICPA). This rule boosted graduation requirements for public-accounting majors from 144 to 150 semester hours. Consequently, to graduate in four years, students typically must attend summer school, take overloads during regular semesters, and attend IWU's annual May Term program, where students study a single course in-depth, take a travel course, or perform an internship.

The 150-hour rule was implemented, according to Olson, because "we wanted accountants elevated in professional status like lawyers--we wanted more seasoned graduates with better communications and analytical skills."

While Illinois has adopted the 150-hour rule not all states have.

About IWU

IWU, founded in 1850, enrolls more than 2,000 students in a College of Liberal Arts, and individual schools of Music, Theatre Arts, Art, and Nursing. Since 1994, these facilities have been added to the IWU campus: a \$15 million athletics and recreation center, a \$25 million science center, a \$6.8 million residence hall, a \$5.1 million Center for Liberal Arts, and a \$1.65 million baseball stadium. A \$26 million library and a \$6 million student center are under construction.