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40

YEARS OF
EXCELLENCE
1972 – 2012

40 Years of Excellence

Although many more candidates are sitting for the CMA® exam today than in 1972, their reasons for doing so haven't changed much. They want to achieve excellence and demonstrate their mastery of management accounting.

The more things change, the more they stay the same. There have been many changes to the CMA program since 1972. We've gone from a broad five-part exam that covered economics, organizational behavior, information systems, and accounting to a focused two-part exam that tests planning, analysis, controls, and decision support. Forty years ago we administered the exam exclusively in the United States in a paper-based format, and now we test candidates throughout the world in a computer-based format. In the "Summary Profile of CMA Candidates" chart, you'll see some stark contrasts between then and now but also statistics that really haven't changed very much at all.

In 1972 and 1973, all exam candidates were in the U.S. Today, 69% of the candidates are outside the U.S. When we reflect on the global business environment and the economic changes that have

occurred over the last 40 years, this result is predictable. In 2011, GM sold more cars in China than in the U.S., and many other U.S.-based global companies sell more of their products and services outside the U.S. This makes sense since the non-U.S. marketplace has experienced tremendous growth.

This market fact is true for the CMA program as well. Because management accounting is a global profession, the demand for a highly respected credential like the CMA is strong. Unlike financial accounting, with all its different versions of Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS), the principles of management accounting aren't country specific. Corporate finance staffs throughout the world must build their competencies in planning, analysis, risk management, and decision support, so millions of accountants around the world are seeking to enhance their skills in order to advance their careers, their companies, and, ultimately, their economies. A mastery of the skills tested on the CMA exam is just as valuable for a company in Dubai, UAE, as it is for a company in Peoria, Ill.

Similar Demographics

The number of candidates taking exams in 2011 is, of course, much higher than it was in 1972 and 1973, but some of the demographic statistics are quite similar. Although the sample size in 1972 and 1973 is perhaps too small to draw conclusive statements, it's fun to look at what has changed and what has stayed the same. The average age hasn't changed considerably. It seems that many financial professionals realize seven to 10 years into their career that they need more skills and a credential to distinguish themselves in the market. (Of course, it would be better for everyone if they realized that sooner!)

In the early 1970s, a higher percentage of accounting professors took the exam—hence the higher proportion of advanced degrees. Many of the developers of the first CMA exams were academics, and many of them and their colleagues took the challenge to pass the exam. We still have a large percentage of candidates with advanced degrees such as the MBA, M.S., and MAcc, which attests to the strong pool of candidates taking the exams. Today there's a slightly higher percentage of college students



CERTIFICATION

taking the exam than in the early 1970s, but it's still a low number. The percentage of CPAs taking the exam is lower but, in absolute terms, much higher. The CMA is an excellent complement to the CPA working in business since the CMA content is designed specifically to give accounting and finance professionals the skills needed to drive business performance.

The current overall pass rate is slightly lower, confirming the rigor of the exam—a rigor that has been maintained for 40 years. One number that really jumps out is the number of candidates completing the CMA program, which is dramatically higher today than

in the early 1970s. In fact, last year we had a record number of new CMAs (more than 2,000), and this year we expect to break that record.

To Achieve Excellence

Why did an accounting professional in Ann Arbor, Mich., take the CMA exam in 1972, and why, 40 years later, did an accounting professional in Cairo, Egypt, take the CMA exam? Although separated by four decades and 6,000 miles, the reasons are surprisingly similar—and it isn't all about the money. Yes, our salary surveys show that CMAs on average earn higher salaries, but the motivation to achieve excellence is about

more than earning a higher salary. Those who successfully pursue the CMA have a thirst for knowledge and want to increase their level of competence; they want to demonstrate that they are a professional; and they want a well-paying, meaningful, and fulfilling job.

The next 40 years are poised to be even more successful than the last 40. The CMA is a global brand and a global passport to critically important jobs throughout the world. We are attracting record numbers of new CMA candidates and growing the active CMA membership dramatically. We anticipate the business community will demand an increased understanding of management accounting and require an objective assessment certifying competence. We are proud of our 40-year history and the work we do to advance careers and assist companies achieve financial excellence. It's a team effort that involves volunteers and staff from around the world—in Montvale, Dubai, Zurich, and Beijing, to name just a few. **SF**

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Summary Profile of CMA Candidates

| | 1972 | 1973 | 2011 |
|--|-------------|-------------|-------------|
| Number of candidates sitting for examination | 410 | 534 | 8,615 |
| Average age | 37 | 34 | 35 |
| Education: | | | |
| Undergraduate degrees | 52% | 52% | 62% |
| Advanced degrees | 48% | 48% | 38% |
| CPAs | NA | 8.3% | 3.9% |
| Academics | NA | 10.0% | 1.2% |
| Students | NA | 2.4% | 4.4% |
| Accountants, controllers, financial analysts, etc. | NA | 87.6% | 94.4% |
| Geographic breakdown: | | | |
| The Americas | 100% | 100% | 31% |
| Middle East and Africa | 0% | 0% | 35% |
| Europe | 0% | 0% | 5% |
| Asia Pacific | 0% | 0% | 29% |
| Success Rates | 1972 | 1973 | 2011 |
| Weighted average pass rate | 50% | 44% | 39% |
| Number of candidates completing examination | 61 | 101 | 2,352 |
| Number of certificates issued | 54 | 90 | 2,282 |