

## **Pursuing a Career in Finance: A Survey of Upper Division Finance Students at Three Universities**

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### **Abstract**

This paper explores the attitudes and impressions of upper division finance students in three major regions of the United States (the midwest, the west, and the south) with respect to their discipline, the reasons for selecting it, and their future in it. The research also explores whether students will increase their education through degrees and certifications after they graduate and how they became interested in the finance area.

### **I. Objective**

The objective of this paper is to ascertain the reasons why Finance majors are pursuing a degree in Finance. Does a degree in Finance mean that students want a career in Finance?

This study also investigates whether the decision to pursue a degree in Finance has been influenced by parents, family members, noted personalities, current news and events, or other sources. Conversely, has the recent financial crisis and recession made them question their decision, or have family and friends suggested that the respondent question his or her decision to be a Finance major or pursue a career in Finance?

On another level, students are asked whether other factors are important in their decision such as the potential for an excellent salary or simply being interested in Finance. Also, what area(s) of Finance is the respondent most interested in?

Students are asked whether their earning expectations in Finance are comparable or higher to other academic disciplines, as accounting, marketing, information systems, engineering, or science.

Of particular interest to this study is the student's interest in the accounting discipline, including the number of accounting credit hours that they have taken or will be taking. Previous experience has shown that majors in Finance that have a large concentration in accounting are in greater demand than students with little interest in accounting.

In order to further explore the future aspirations of those being surveyed, respondents will be asked if they will likely pursue a CFA<sup>®</sup>, CFP<sup>®</sup>, CTP<sup>®</sup>, or other certifying credential. Furthermore, do many students envision a master's degree, a law degree, or PhD in their future? Respondents will be asked if they are contemplating a second major to complement their finance major.

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One of the major aspects of this study is to explore the attitudes and impressions of students in three major regions of the United States: the midwest, the west, and the south. This is done by querying students at three large universities in these geographical regions: Illinois State University, California State University, Sacramento, and Mississippi State University. If the results of this study appear interesting, or if there are significant differences by region, the authors will expand this investigation to the eastern region of the United States.

Furthermore, data are analyzed by gender, GPA, and whether the student was born in the United States.

## **II. Methodology**

Data will be analyzed by Analysis of Variance (ANOVA) and T tests and other statistical procedures that appear appropriate. The survey instrument is in the Appendix. The number of students responding to the survey was 78 at Illinois State University (ISU), 86 at California State University, Sacramento (CSUS), and 41 at Mississippi State University (MSU). All students were upper division students--students that have already completed the first course in Finance. Most of the students are Finance majors; many have double majors.

## **III. Descriptive Information**

Total Students Participating: 205

### **ISU:**

Finance Majors: 73  
Accounting as a Second Major: 11  
Students without a Second Major: 43  
Total Students Participating: 78

### **CSUS:**

Finance Majors: 70  
Accounting as a Second Major: 12  
Students without a Second Major: 37  
Total Students Participating: 86

### **MSU:**

Finance Majors: 38  
Accounting as a Second Major: 2  
Students without a Second Major: 28  
Total Students Participating: 41

The GPAs of the respondents from the three universities are given below:

	<u>GPA MEANS</u>
ISU	3.3105
CSUS	3.1442
MSU	3.1362
All Students	3.2088

The GPA of students with a double major in Finance and Accounting was 3.290. The GPA of the 22 students who were not Finance majors was 3.1545.

#### IV. Results

The main reason for the survey was stated in this question: “If you are thinking of pursuing a career in Finance, what are the reasons for your career choice?” Please rate each statement on a 1 to 5 scale, 1 being the lowest, 5 being the highest.

These results were analyzed using a one way ANOVA. The data was analyzed as a whole, then that data was analyzed by university. The results are shown in Tables I and II below.

**Table I**  
**Reasons for Career Choice**

Statements		N	Mean
1	Excellent Salary and Profit Potential	199	4.181
2	Working in the Finance Area will be Interesting	199	3.809
3	I Know Someone Who Can Get Me a Job in Finance	197	2.660
4	The Current State of the Economy and Financial World is Very Important	198	3.424
5	I Enjoy Dealing and Communicating with People From Different Cultures with Respect to Finance Concepts	199	3.387
		F = 61.55, p = .000	

**Table II**  
**Results of Each University**

Statements	N	ISU Mean	N	CSUS Mean	N	MSU Mean
1	75	4.1333	83	4.217	41	4.1951
2	75	3.8933	83	3.819	41	3.6341
3	75	2.4800	83	2.542	39	3.2564
4	75	3.5000	83	3.349	41	3.4390
5	75	3.5067	83	3.253	41	3.4390
		F = 31.39 p = .000			F = 29.56 p = .000	F = 5.74 p = .000

“Excellent salary and profit potential” was ranked the highest for all respondents as well as the respondents for each of the three universities. For statement 3, “I know someone who can get me a job in finance,” was ranked the lowest for all three universities. For ISU and CSUS the means are well below 3.00. The reason for the MSU ranking—although still the lowest for MSU—was significantly higher than those for ISU and CSUS. The authors suggest that the reason is because Mississippi is a small state—with a population of approximately 2.5 million people. People know more people on a small town basis (as school or church) and retain those relationships, often for a lifetime. Their interactions may be with fewer people than those respondents from Illinois or California.

It should be noted that the rankings for the three universities are very similar regardless of the location of the university.

The five statements were also tested with respect to whether the students were male or female. No significant difference was found at the .10 level of significance. Also, the five statements were tested using an ANOVA with respect to whether the students were born in the U.S. or outside the U.S. No relation was found at the .10 level of significance.

Students were also presented with the statement “Over my entire working lifetime I expect that my degree in Finance will allow me to earn more/less than majors from the following programs.” The 5-point scale was labeled, A Lot Less (1), Less (2), About the Same (3), More (4), A Lot More (5). An ANOVA was used followed by a T-test. The majors, their means, and the results of a T-test are listed in Table III.

**Table III**  
**Speculative Earnings with Respect to Different Majors**

Major	Mean	95% Confidence Interval	T	p
Accounting	3.3015	3.1799, 3.4231	4.89	.000
Economics	3.6212	3.5172, 3.7253	11.77	.000
Marketing	3.6912	3.5728, 3.8110	11.46	.000
Management	3.5505	3.4278, 3.6732	8.85	.000
Information Systems	3.2929	3.1631, 3.4227	4.45	.000
Other Business	3.5990	3.4866, 3.7113	10.51	.000
Engineering	2.4673	2.3342, 2.6005	-7.89	.000
Science	2.8040	2.6582, 2.9498	-2.65	.009

Finance majors believe that they will earn more than the first 6 majors listed. Also, finance majors believe that their degree in finance will result in them earning less than engineering and science majors. This would correspond to the belief that students believe that finance majors have excellent (or very good) salary and profit potential.

Students were also asked: “If I was to enter a career in the finance field, I would be interested in the following.” Respondents were asked to choose on a five-point scale from Strongly Disagree (1) to Strongly Agree (5). An ANOVA was used according to the university.

**Table IV**  
**Interest in Areas by Universities**

	N	Financial Management	N	Banking	N	Other Financial Institutions
ISU	77	3.8052	76	3.579	75	3.4533
CSUS	84	3.8452	85	3.635	84	3.4524
MSU	40	3.6000	40	4.000	40	3.4750
		F = .87 p = .419		F = .80 p = .451		F = .01 p = .992

	N	Investment or Portfolio Management	N	Insurance	N	Real Estate
ISU	76	3.513	76	2.961	76	3.382
CSUS	85	3.765	84	2.835	84	3.143
MSU	39	3.359	40	3.050	40	3.175
		F = 1.70 p = .186		F = .47 p = .628		F = .80 p = .451

	N	Other	N	None
ISU	55	2.927	50	1.740
CSUS	70	2.986	58	1.776
MSU	37	2.568	32	1.594
		F = 1.42 p = .244		F = .29 p = .746

None of the above are significant at the 10 percent level of significance.

The averages for all three universities are now listed in descending order.

**Table V**  
**Areas in Descending Order**

Financial Management	3.7811
Banking	3.6866
Investments or Portfolio Management	3.590
Other Financial Institutions	3.4573
Real Estate	3.240
Other	2.870
None	1.7214

On a scale of Strongly Disagree (1) to Strongly Agree (5), students were asked to evaluate the following: “My decision to pursue finance as a major was impacted by:”

**Table VI**  
**Finance Major Decision Impacted by the Following**

	N	All Data ( $\bar{X}$ = Mean)
Parents	198	2.404
Siblings	197	1.579
Other Family Members	198	2.056
Friends	198	2.313
Noted Personality (e.g., Warren Buffet, Donald Trump, etc.)	197	2.406
Newspaper/Magazine Articles	198	2.359
Other	118	3.076

The data was then analyzed for the three universities.

**Table VII**  
**The Data Analyzed by the Three Universities**

	<u>ISU</u>			<u>CSUS</u>			<u>MSU</u>		
	$\bar{X}$	T	p	$\bar{X}$	T	p	$\bar{X}$	T	p
Parents	2.434	-3.58	.001	2.415	-3.98	.000	2.325	-3.31	.002
Siblings	1.547	-12.89	.000	1.561	-14.20	.000	1.675	-7.20	.000
Other Family	2.143	-5.81	.000	1.840	-9.39	.000	2.325	-2.77	.009
Friends	2.342	-4.41	.000	2.146	-6.98	.000	2.600	-1.84	.073
Noted Personality	2.237	-5.10	.000	2.556	-2.88	.005	2.425	-2.76	.009
Articles	2.421	-3.89	.000	2.329	-4.40	.000	2.300	-3.45	.001
Other	3.683	-2.56	.011	2.736	-1.04	.304	2.792	-.57	.575

Only one of the means was over 3.00. When analyzing the results of the three universities, only one of the means was over 3.00. This was for “Other” on the surveys of the students at ISU. Since the phrase was “Other (Please Identify) \_\_\_\_\_” several students expressed a reason. These responses are stated below:

Myself  
Originally actuarial science  
Co-workers  
Classes  
Interest  
Like the idea of numbers/business so my high school counselor mentioned finance  
My own interest in finance/numbers  
Myself—advisor at community college helped direct me  
The economy (wanted to know what was happening)

Personal research  
Dr. B's introduction to Financial Management  
Interesting jobs  
Experience and preference  
God's direction  
Research on careers  
Financial/monetary opportunities  
Need for more hours to get CPA  
My self-confidence  
My high school teacher  
Teachers  
Advisor, professors  
My own personal ambition  
Love math  
Personal and counselor

It has been this author's past experience that finance students would find it easier to obtain job interviews in Finance the greater the number of Accounting courses on the candidate's transcript. Looking at this from a slightly different perspective, students were asked these three questions:

"I would like to pursue a career in the Finance area." (Please Circle One). Strongly Disagree was assigned a (1) and Strongly Agree was assigned a (5).

"Generally speaking, do you like Accounting?" (1) Yes, (2) No.

"How many hours of accounting (excluding CIS courses) will you have by the time that you graduate?"

- |     |                |     |                    |
|-----|----------------|-----|--------------------|
| (1) | 6 to 8 Hours   | (5) | 18 to 20 Hours     |
| (2) | 9 to 11 Hours  | (6) | 21 to 24 Hours     |
| (3) | 12 to 14 Hours | (7) | More than 24 Hours |
| (4) | 15 to 17 Hours |     |                    |

The authors are testing the hypotheses that those students more interested in pursuing a career in Finance would be more interested in Accounting and would take more accounting courses.

Two ANOVA tests were undertaken. The first used "I would like to pursue a career in the Finance area," as the response variable. The factors were "Yes" and "No" with respect to "Do you like Accounting."

**Table VIII**  
**Do You Like Accounting?**

	N	$\bar{X}$	
Yes	82	3.927	F = .61
No	116	4.052	p = .436

The results of the first ANOVA suggest that there is no difference between those that like and dislike Accounting. This is shown in Table VIII.

The second ANOVA examined the interest students have with respect to a career in the Finance area and the number of hours taken or will take in Accounting (excluding CIS). This is shown in Table IX.

**Table IX**  
**Pursuing a Career in Finance vs. Accounting Hours**

Accounting Hours	N	Pursuing a Career in Finance (1...5) ( $\bar{X}$ )	
6 – 8	65	3.923	F = 1.16
9 – 11	44	4.182	p = .327
12 – 14	28	4.179	
15 – 17	9	3.778	
18 – 20	4	4.000	
21 – 24	8	4.625	
>24	38	3.630	

Again, the data suggests that there is no relationship between having an interest in a career in Finance and having an interest in Accounting.

#### V. Additional Findings

Students were asked what additional certifications they would attempt. The following is a summation of what was reported. As can be seen, the CFA has become very popular in recent years; however, several students are going to study for the CPA (out of 25 accounting majors at all schools). The data is show in Table X.

<b>Table X</b> <b>Additional Certifications</b>	
CFA	58
CFP	10
CTP	1
CPA	15
CPCU	3
CMA	1
Actuarial	1

Students were asked: “Are you likely to pursue a graduate degree?” This is shown below.

	<b>Count</b>	<b>Percent</b>
Yes	146	71.22
No	59	28.78

N = 205

Also, “In what areas will you likely pursue a graduate degree?”

	<b>Count</b>	<b>Percent</b>
MBA	115	77.70
MS in Finance	18	12.16
Ph.D. in Finance	0	0
Law	8	5.73
Other	7	4.73

N = 148

77.7% of the 148 responding selected the MBA degree.

Students were asked whether the recent financial crisis/recession has made you question your decision to pursue a finance/business major. Two answers were available, Yes and No.

	<b>Count</b>	<b>Percent</b>
Yes	71	35.15
No	131	64.85

A little over one-third of the 202 students responding answered yes.

Students were also asked “Has the recent financial crisis/recession caused your family or friends to question your decision to pursue a finance/business major?”

The results are shown in Table XIV.

	<b>Count</b>	<b>Percent</b>
Yes	51	25.25
No	151	74.75

## **VI. Conclusions**

The most important conclusions from this study are that there appears to be little difference among the finance students at the three universities with respect to the reasons for a career choice in finance (at least the choices mentioned in the survey). Also, the students at the three universities have very similar views with respect to who or what had a strong influence (or lack of influence) on their career choice. The most interest are those from ISU with respect to "Other." These are listed below Table VII. Finally, the students have a strong interest to learn more, further their education and to stand out by pursuing additional credentials, especially the CFA designation. This is shown in Tables X, XI, and XII.

**APPENDIX**

**PURSUING A CAREER IN FINANCE  
A SURVEY**

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1. Which university are you attending?
  - 1) Illinois State University
  - 2) California State University–Sacramento
  - 3) Mississippi State University
  
2. What is your gender?
  - 1) Male
  - 2) Female
  
3. What is your approximate GPA? \_\_\_\_\_
  
4. Were you born in the United States?
  - 1) Yes
  - 2) No
  
5. What is your major?
  - 1) Finance
  - 2) Accounting
  - 3) Economics
  - 4) Real Estate
  - 5) Insurance
  - 6) Other \_\_\_\_\_ (Please State)
  
6. What course are you taking this survey in?
  - 1) The second course in Financial Management
  - 2) Investments
  - 3) Portfolio Management
  - 4) Banking
  - 5) Financial Institutions and/or Markets
  - 6) Senior Seminar
  - 7) International Finance
  
7. Are you currently pursuing or contemplating taking a second major?
  - 1) Yes
  - 2) No
  
8. What is (or will be) your second major? (*Please Circle One*)
  - 1) Accounting
  - 2) Marketing
  - 3) Management

- 4) Economics
- 5) Information Systems or Computer Science
- 6) International Business/Foreign Language
- 7) Other\_\_\_\_\_
- 8) No second major for me.

9. I would like to pursue a career in the Finance area. *(Please Circle One)*

<b><u>Strongly</u></b>					<b><u>Strongly</u></b>
<b><u>Disagree</u></b>	1	2	3	4	<b><u>Agree</u></b>
					5

10. Please evaluate the following statement: If I were to enter a career in the finance field, I would be interested in the following:

	<b><u>Strongly</u></b>				<b><u>Strongly</u></b>
	<b><u>Disagree</u></b>				<b><u>Agree</u></b>
Financial Management	1	2	3	4	5
Banking	1	2	3	4	5
Other Financial Institutions	1	2	3	4	5
Investments or Portfolio Management	1	2	3	4	5
Insurance	1	2	3	4	5
Real Estate	1	2	3	4	5
Other	1	2	3	4	5
None	1	2	3	4	5

11. Generally speaking, do you like *Accounting*?

- 1) Yes
- 2) No

12. How many hours of accounting (excluding computer/management information system courses) will you have by the time that you graduate?

- 1) 6 to 8 Hours
- 2) 9 to 11 Hours
- 3) 12 to 14 Hours
- 4) 15 to 17 Hours

- 5) 18 to 20 Hours
- 6) 21 to 24 Hours
- 7) More than 24 hours

13. Which of the following credentials are you likely to pursue or are currently pursuing?

- 1) CFA®
- 2) CFP®
- 3) CTP®
- 4) Other \_\_\_\_\_
- 5) None

14. Please evaluate the following: My decision to pursue finance as a major was impacted by:

	<i><u>Strongly Disagree</u></i>				<i><u>Strongly Agree</u></i>
	1	2	3	4	5
Parents	1	2	3	4	5
Siblings	1	2	3	4	5
Other Family Members	1	2	3	4	5
Friend	1	2	3	4	5
Noted Personality (e.g., Warren Buffett, Donald Trump, etc.)	1	2	3	4	5
Newspapers/Magazine Articles	1	2	3	4	5
Other (Please Identify)	1	2	3	4	5
↓ → _____					

15. Are you likely to pursue a graduate degree?

- 1) Yes
- 2) No

16. If you answered “yes” for question 15, in what area will you likely pursue a graduate degree?

- 1) MBA
- 2) MS in Finance



2) No

20. Has the recent financial crisis/recession caused your family or friends to question your decision to pursue a finance/business major?
- 1) Yes
  - 2) No