

Foresight: The CPA Podcast

Season 2 Episode 7: From CPA auditor to personal finance educator

Jean-Sébastien Marier: Welcome to the new French episode of Foresight, a CPA Canada podcast that explores the future of the accounting profession. I'm your host, Jean-Sébastien Marier. In this second season, I'm speaking with CPAs who are reimagining the accounting profession in their own way. My guest today is the author of several books, including *Do You Really Need It?* He is also a radio columnist and host of the show *L'indice McSween* on Télé-Québec. Pierre-Yves McSween, hello.

Pierre-Yves McSween: Hello.

Jean-Sébastien Marier: So, as I was saying in the introduction, you could be called a one-man band, a jack of all trades. If I asked you, how would you define yourself in one minute or so?

Pierre-Yves McSween: One minute? I would say a "slasher"—as in, the slash on a computer keyboard. That's what I do, I add slashes everywhere: I'm this, slash that. I'm someone who has had a lot of interests in a lot of areas and I've been able to combine them. This is how I define myself: I'm an accountant who also has communication and teaching skills, and that led me to become a media personality who popularizes financial concepts, but it wasn't planned. I studied journalism, but I never thought I would use it for real.

Jean-Sébastien Marier: What does a typical week in the life of Pierre-Yves McSween look like? Because we hear you on the radio, we see you on Télé-Québec. You're an accountant by training. What does your Monday to Friday look like?

Pierre-Yves McSween: When I'm writing a book, for example, I get up at 4:30 a.m. every morning to plan a radio column. I write it, I make breakfast for my kids, I do the radio column. By 7:30 a.m., the first column is done. Then I take care of my kids, I take them to school, I come back, and I work on the writing, coordination and revision of texts for *L'indice McSween*. During the week, in the mornings, we also plan the shoots, which always happen on Friday or Saturday. So, that's my life: I get up early, and then once I'm done, at 2 p.m., I start planning my other column, which is at 5:00 p.m. I have one in Quebec City at 4:30 p.m., then one at 5:05 p.m., a round table in Montréal, and we wrap it all up at 5:30 p.m. Once it's over at 5:30 p.m., it's dinner and kids. In the evening, often between 8:00 p.m. and 10:00 p.m., it's reading, watching documentaries. When



you want to write... I don't teach anymore, but before, I would also teach classes in there. But it got to be a bit crazy.

So, my typical day in the media involves getting up very early and going to bed very late. And then the middle of the day is for any other activities. So, if I want to fit in other projects like writing a book, I would do that between 9 a.m. and noon, but consistently. When I'm writing a book, I put in three, four days a week, I write three, four hours. And it goes pretty fast when you do that.

Jean-Sébastien Marier: You have a very traditional accounting background, and after that you got a diploma in journalism and an MBA—but what led you to go from a career of a few years in accounting to a career that is now mainly in media?

Pierre-Yves McSween: It's a bit convoluted. I was at HEC Montréal, I was working at Ernst & Young, which became EY, and I was interested in doing a diploma in journalism. Before that I'd been studying engineering at the Polytechnique and I didn't really want to do that anymore, so I thought, "I'll become a journalist." A friend said to me, "That's not a good idea." I said, "Why not?" "It's a hard life," he said. "Get yourself a really practical basic training to complement it." And that's the best advice I ever got because after that, I became a CPA and worked in that field. Journalism became more of a hobby. And I started writing in the media for fun sometimes, collaborating from time to time, then at one point I had a weekday gig with *Culture physique*, a late-night show on Radio-Canada. After that, I had a show with Joël Le Bigot once a week, on Saturday mornings. And then I got a spot on Paul Arcand. When I started doing Paul Arcand every day, I was forced to make choices because for several years, I did radio and taught part-time until I could make a living out of it, and then I changed course...

When you're on a diving board like that, you have two choices: stay on the diving board and do some diving, or change pools and try something else. The shift to media developed from my interest, from timing, from an approach that was a bit more light-hearted, you could say. You know, when you come in with strong technical skills in the field you're popularizing, it's much easier than for someone who is really good at making information accessible but who has to go and get the information from somebody else all the time. And that's where my CPA training really changed the game. You know, there are a lot of journalists who do interviews, and columnists who have to go and gather information. I read a financial statement and I understand it. I don't have to call an accountant to decipher it for me, and that's worth a lot. I have a 400-page annual report in front of me, and it takes me a few seconds to find the information. Someone else is going to take an hour to find it, then they're going to ask someone else to make sure: "Did I get that right?" So that's my big advantage.



Jean-Sébastien Marier: So now, we could say that you are more of an accountant who popularizes the subject in the media rather than a media professional who covers finance and accounting. Would that be a good way to describe it?

Pierre-Yves McSween: Absolutely because I wouldn't call myself a... You know, the people I work with have often done ATM, the journalism program in Jonquière, or they've done a bachelor's degree in journalism at UQAM and have worked as researchers before—they've done all kinds of things. In my case, I was an accounting professional, I worked in accounting firms, I worked in banks, I worked as a consultant, I taught. Then, at some point, I got into a field where, basically... You know, popularizing in the media and teaching are similar. The difference is that in the media the microphone is broadcasting to hundreds of thousands of people, versus speaking live in front of 75 people. Teaching at university and CEGEP was a real training ground for me. I learned to answer unprepared questions. I learned to speak in front of 100 to 300 people, I learned to teach small classes, I learned to have uninterested people in front of me—I learned everything, and that was very, very profitable for me. Because when you have an audience in front of you—an audience, meaning students—when they're directly in front of you, you see their immediate reaction, you see what interests them, and I was able to see that humour could be used to explain theoretical material and that more people remembered the information when they had fun learning it. And that's the approach I went with.

Jean-Sébastien Marier: This humorous approach can also be seen in your show on Télé-Québec, *L'indice McSween*. What led you to become interested in personal finance, in educating people about personal finance, and what could be called economic literacy?

Pierre-Yves McSween: You're right that it's not... You know, when you're a CPA in business and you're preparing financial statements and talking about accounting standards and derivative financial instruments, you're a long way from personal finance. On the other hand, my personal life led me to it—in other words, I'm a worker like everyone else who's had to deal with the mechanics of personal finance, and I could see clearly that the people around me had no understanding of how it works—people who are not accountants, let's say. But even accountants, sometimes, are like shoemakers with bad shoes—they aren't optimizing their personal finances. So, there was that. And then, more importantly, I've also worked in the banking industry, I've seen macro data, I've seen micro data. I had a window into people's financial lives—not at the branch level, I was at the head office of financial statements. I lived through the financial crisis as an accounting standards specialist at a Canadian bank. I saw interest rates go up and down, I saw swaps, I saw how banks are organized—in other words, I've seen the other side.

All of this allowed me to develop a lot of knowledge about how the system works, technically, and then to turn around and put it to good use. When you teach—you know, I taught at university



while I was working in the banking system—teachers like to make information accessible, we like to share. You know, accounting standards are for accountants and businesses, but personal finance affects 100% of humans on Earth. Even people who aren't financially minded experience economic consequences, they experience, let's say, the very powerful mechanisms of capital. So I realized that it's better to teach people to use the rules of the game than to fight them, because fighting the rules takes a long time, but learning to use them is fast. And that's how I dealt with my own personal finances, and I thought that bringing that information to the general public was also a good thing to do.

Jean-Sébastien Marier: Your approach to economic popularization, or at least your approach to educating people about personal finance, is different from what a lot of influencers do. I'm not saying you're an influencer, necessarily, but a lot of them say, for example, "Buy your first triplex and become a millionaire by age 40." "Here's how to invest in cryptocurrency to get rich." That's not the same message you have. For example, in your book *Liberté 45*, you don't talk about being super-rich, necessarily, but of having some financial stability. What is your key message to the public about personal financial health?

Pierre-Yves McSween: I hate selling dreams. I don't sell dreams, I sell tools. My message is: here are the rules of the game. If I could define it, it's: let's look at the rules of the game. This is what I've learned in my life, through my MBA courses, my personal life, teaching... I've learned that often, we jump into action too quickly, we say "You need to take action", but looking at the rules of the game allows you to take better action. And this applies as much to consumption, which is covered in the first book, as to value creation, and the period in life when you have to make money, which is covered in the second book. And the third book says: there are financial rules in the marital game as well. So, what are these three books for? To analyze the rules of the game of our society—tax-related, financial and economic rules. And so, that's what my life is all about, to say: let's look at the rules of the game and optimize our performance within those rules—relatively speaking, because we all have to get by.

A good example is that each budget that comes out changes the rules of the game. A new rule is introduced and you have to add it to your rule book. So there you are, well organized and on top of the current rules, and then—bam!—the government introduces new tax measures that change the rules of the game and how you optimize them. I'll give a good example: being a common-law spouse, a *conjoint de fait*, means something very different in Quebec than in the rest of Canada. The rules are not the same, but those are the current rules of the game. But the day we change those rules in Quebec, we change the financial and tax rules of the game as well. And that means we will have to review how we play the game.



Jean-Sébastien Marier: To sum it up, the message is not that we should all aim to be Olympic athletes of personal finance, but rather that we should aim to have good personal financial health in the long term?

Pierre-Yves McSween: To stick with the athlete analogy, I would simply say that the aim is not to win the gold medal, the aim is to be in good shape. What I wanted for myself was to quickly establish some financial freedom, to have freedom of choice, to not be at the mercy of the machine all my life, without any autonomy over my life. So I said: “How can I get there on my own terms, but with a moderate lifestyle and a high income and, of course, by optimizing the tax mechanisms?”—which are completely legal, even very reasonable, like an RRSP, which is quite boring, but is a starting point.

Jean-Sébastien Marier: Educating the public like you do—you’re not the only one to do it, there are other people who do it, and who have training in economics, and so on. What is the added value for you of being an accountant by training?

Pierre-Yves McSween: For one, accounting brings a certain credibility, that’s for sure. CPAs have had a variety of training and experience. A resume is good for that, too. But there are a lot of people with impressive resumes who have done personal finance books, and have sold 200, 500, 800 copies. There have been many over the years. People say to me: “But you were on the radio.” I say: “Well, there are other people who have done that too, who are very high profile.” The difference is that I said to myself: “I’m going to write a book that I would want to read.” So, unlike other people, I made it a bit more playful, a little more “chatting with the neighbour” or “advisor next door.” And that made a difference. Instead of saying, in a very serious way: here are the rules of the game, here are the calculations, I went toward behavioural finance, I went so far as to say: “We’re drawn to this, but here’s what’s going on. Here’s what we’re being asked to do.”

I really got into the vernacular, and I’m also a bit of a tease by nature, it’s not an act. I’ve been like that since I was a kid, so I like to laugh. And so, my book had to be a bit humorous, but every joke or funny passage is grounded in realism. I hate it when someone says: “If you want to get rich in life, easy, buy yourself a two-million-dollar plex, mortgage it, pay it off with the rents, then after that, remortgage it, then buy another cheap one.” That’s magical thinking. I’m not into that. I hate that, I hate it when people sell dreams at \$1,500 per training. And that’s why I wrote a book—a book costs \$26, \$27, \$25. And so, if you have something to say and something to share, you can do it in a book, whereas if you do it through web training or videoconferences, and you need to charge a lot of money to individuals, not to groups, it may be because, essentially, your business model is to sell training, not to share information. I have nothing against that. I’m an accountant. I understand that there are people whose business model is that, but I didn’t want to



become a financial guru. Sometimes people call you that anyway, but I just wanted to become an economic popularizer. That's what I wanted.

Jean-Sébastien Marier: You could say that rather than selling dreams, you sell realism, but in a playful way that perhaps makes us dream.

Pierre-Yves McSween: Some people do really well thanks to these rules, but I wanted a book that could be adapted to anyone, which is to say: here are the rules of the game, now adapt them to your wallet. If you earn a million a year playing fourth line for the Habs, it's not the same financial game as if you're just starting out as a CPA earning \$39,000 a year. But both are subject to the same system and the same rules of the game. That's why I wanted a universal book. Anyone who reads it can adapt it to their situation.

Jean-Sébastien Marier: How do you see the future of accounting? Perhaps more specifically, around personal finance. There is a lot of talk about the digital transformation which has been around for several decades now. In our first season of the podcast, we talked a lot about big data and how companies in particular have to deal with all that. But when we talk about accountants who, like you, perhaps interact more with the general public, what is the future of this profession?

Pierre-Yves McSween: Accounting, basic accounting, is accounting entries and financial statements. So, I think that sort of thing... I am already living it myself with software like QuickBooks and Xero, so that will continue, we'll have cloud accounting software that will be programmed in advance. Basically, at some point invoice matching will be automated, and we'll just have to verify mismatches. It's going to happen pretty much on its own, like the fantasy we had when I was 20, where you push a button and most of the accounting work is done. But I think where we're going to be intervening, as accountants, is we're going to be involved in the development of software with the clients, adapting it to their needs. Second, we're going to be more involved in analysis, in consulting... Auditing will remain, but it will increasingly be computerized—that's already happening. But I think our role will be much more about decision-making and advising. In terms of taxes, same thing, everything that is procedural, mechanical, everything that is bookkeeping, will pretty much disappear, will be made anecdotal, so for people who make a living doing paper taxes and data entry, it's going to be difficult.

It won't be like that anymore, it will be more like consulting and analysis. That will always be around. We need humans to create, let's say, the architecture, and then interpret the data. Personally, I think that we're going to have to take on strategic roles more quickly than before, which is also good. I think there are accountants who are going to get IT training in addition to finance. A CPA who understands finance well, like what I experienced working in banks, and who specializes in IT on top of that... Like me, I started in programming, if I'd put it all together, today,



I'd say being a CPA as well as a programmer, it's an incredible business opportunity to have both skills, like ERP skills, among others. It's really lucrative and can lead to an interesting career. In terms of personal finance and the public, CPAs will perhaps stop being seen as people who also do taxes. That's another thing. I often get people calling me for advice. I explain to them that tax consulting is done by people who take out insurance, who do it for a living. It's regulated. People need tax advice, but they're not willing to pay for it.

It's really something, I don't know if anybody's ever going to get into that, but... Yes, there is the IQPF, the financial planners, but people who understand accounting well, entrepreneurs, that's where we really have added value. People who have a small business, I find it incredible that their accountant... They have their psychologist, and their accountant is a close second. It's the accountant who understands what they're going through, who helps them, so support for SMEs is going to become more important. Sometimes, you might pay someone \$50,000 internally, but you have a consultant that you can call for \$3,000 or \$4,000 a year. Yes, it costs a lot of money per consult, but it costs less than an annual salary. It's a bit like borrowing a car when you need one.

Jean-Sébastien Marier: To come back again to this idea of added value in terms of consulting rather than data entry.

Pierre-Yves McSween: Let's say the whole mechanical aspect of bookkeeping, it's going to be less necessary for a human to do that. Beyond all that, it will be analysis and reconciliation. We'll be working more at the upper levels. So, there are entry-level positions that may disappear.

Jean-Sébastien Marier: Pierre-Yves McSween, thank you very much for taking the time to talk to us.

Pierre-Yves McSween: Bye-bye.

Jean-Sébastien Marier: Pierre-Yves McSween is an author and columnist; he is also the host of *L'indice McSween* on Télé-Québec. Foresight is a podcast produced by CPA Canada. For more information on the Foresight project, visit foresight.cpacanada.ca. This is Jean-Sébastien Marier. Thank you for listening and see you soon for our next episode.