



2019 Trends

in the **supply** of accounting graduates and the **demand** for public accounting recruits

By the Association of International Certified Professional Accountants

ARC Research, an SVC Company

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A message from the AICPA's Academic-in-Residence



Yvonne Hinson, CPA, CGMA, Ph.D.

Academic in Residence, Academic & Student Engagement

Association of International Certified Professional Accountants

Thank you for your interest in the *2019 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits* report. This biennial report identifies key trends in U.S. accounting enrollments and graduations as well as hiring of new graduates in the public accounting sector. Published since 1971, *Trends* provides statistical projections and respondent expectations based upon university responses for the 2017-2018 academic year and firm responses for the 2018 calendar year.

The accounting profession is rapidly evolving. Technological innovations, especially in data science and analytics, are becoming a more common part of the profession and are changing the way we do business and whom we hire to do it. The findings in this report reflect those changes. The responses received from participating U.S. universities and public accounting firms provide us with insights into how these changes are impacting the profession from both a supply and a demand perspective. This data, against the backdrop of the current macroeconomic environment – which impacts college enrollment levels, choice of major, and hiring levels – provides us a snapshot of the profession in time and allows us to forecast future trends.

Projected bachelor's accounting enrollments are the second highest on record since the inception of our *Trends* report. While there was a 4% decline from the 2016 number, they remain higher than 2014 levels. Master's and Ph.D. enrollments continue to decline (6% and 23%, respectively), with many opting to enter or remain in the workforce in lieu of pursuing an advanced accounting degree or to pursue other avenues for advanced education. As mentioned in the last *Trends* report, the previous influx of graduate students we saw may have been influenced by the Great Recession of 2008. We could be seeing an impact from both economic conditions and an expansion of the alternatives available to potential graduate accounting students.

The more telling projections in this report about the profession come from the demand side in public accounting. New hires assigned to audit-related services increased 4 percentage points. Across the last two *Trends* reports, we have experienced an approximate 30% decline in hiring of new accounting graduates. The marketplace continues to demand different competencies and, while accounting graduates are still being hired, firms are seeking other skill sets to expand services. We are seeing that the gap in skills required in the profession, especially as it relates to technology needs, is being met with non-accounting graduates. There is also anecdotal evidence to suggest that some of this technology-specific hiring is occurring at the experienced hire level.

After a significant increase in the number of new CPA Exam candidates in 2016, largely attributed to the new version of the exam launching in 2017, the number of candidates in 2018 dipped to its lowest level in 10 years.

The increase in non-accounting graduate hiring and the decline in new exam registrants present areas of opportunity. The AICPA has been working with key stakeholders on a number of profession-wide initiatives that attract, inspire, and engage the next generation of CPAs.

These initiatives include the CPA Evolution project in partnership with the National Association of State Boards of Accountancy. The goal of this project is to ensure that CPAs continue to have the competencies needed to support an accounting profession that plays a critical role in protecting the public interest.

We believe that for CPAs to continue to serve the marketplace, they must incorporate new and different skill sets and that it is incumbent upon the profession to take steps to cultivate these rapidly changing skills in accounting graduates and newly licensed CPAs.

On a parallel effort, we have been working with universities to deepen the connection between practice and academia to better incorporate the skills of the future into current curricula and bring more CPAs into the classroom. The Accounting Accreditation Practitioner Engagement Program, which places CPA practitioners on Association to Advance Collegiate Schools of Business (AACSB) accounting accreditation committees and peer review teams, and the Accounting Doctoral Scholars Program, which provides funding for CPAs to obtain their doctorates and ultimately teach, are helping to bridge the gap between practice and academia.

To ensure a diverse and robust pipeline of talent enters the profession, we have expanded our awareness efforts at the high school level. The AICPA Accounting Program for Building the Profession trains high school educators to teach a higher order college-level accounting class and increases students' knowledge about the accounting profession. We are working in collaboration with the National Academy of Finance, Junior Achievement, and organizations such as the National Association of Black Accountants and the Association of Latino Professionals for America to increase the likelihood that students from a multitude of backgrounds consider accounting a viable option early in their career decision-making process. AICPA scholarships and programs such as the Accounting Scholars Leadership Workshop help ensure accounting students have a meaningful and successful educational journey.

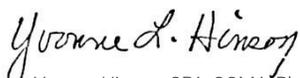
This report also finds that, while enrollment by gender is nearly even at both the bachelor's and master's levels, racial/ethnic diversity has increased with the highest percentage of non-white enrollees to date. There are many other stakeholder and AICPA initiatives, like the ones mentioned above, around diversity in our profession, and we are seeing positive movement here.

I encourage you to look at Appendix A in the back of this report for more information on how the AICPA, along with other stakeholders, is working to attract, inspire, and engage the next generation of CPAs.

While this *Trends* report focuses on public accounting hiring of new graduates (it does not include trends in hiring of experienced accountants or in sectors outside public accounting), those seeking accounting careers are hired into a multitude of positions out of college and have even more opportunities as they gain experience in the profession. According to the Bureau of Labor Statistics, employment in the broader accounting and auditing field is expected to grow faster than the average for all occupations through 2026 (*Accountants and Auditors, 2019*).

Once again, we are very appreciative of the universities and firms that took the time to participate in this long-standing research initiative as it provides essential insights to our many stakeholders and interested parties within the accounting profession.

Thank you,


Yvonne Hinson, CPA, CGMA, Ph.D.

Interpreting the data

The *2019 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits* report includes both statistical projections and descriptive statistics.

The *Trends* report is broken down into three major reporting sections: **trends in supply**, **trends in demand**, and **firm demographics**. There is also a section that reports **CPA Exam candidate** data, as well as an **appendix** that contains descriptions of AICPA programs that are dedicated to growing the pipeline, survey methodologies, and endnotes containing any changes or considerations for specific data.

The data presented for overall numbers of enrollments, graduates, and hires are based on statistical projections. These projections are calculated by creating a model that is meant to predict population values based on data collected in the current survey cycle. This data should be used to look at the overall trends in the reporting areas, rather than taken as a statement of exact values.

Demographics and population breakdowns for enrollments, graduates, new hires, and firm demographics are descriptive statistics. The data received from respondents were weighted (based on variables such as faculty size, number of employed CPAs, etc.) to represent the total population. Demographic data by firm size are unavailable for this period due to insufficient sample sizes in several firm size categories.

All trends data presented in the report includes only data that is comparable. In some instances, data from previous reports was recalculated for comparability purposes and is marked with endnotes. Other changes or considerations are also endnoted within the report and can be examined in the methods section of Appendix B.



Please contact us at trends@aicpa.org with any questions or feedback as we strive to make the information in these surveys relevant to your needs.

Key insights



Accounting Enrollments

Total projected accounting enrollments are down 4% from the highs of 2016, but are still among the highest on record. Master's enrollments are down 6% from 2016. Racial/ethnic diversity has increased in the 2017-18 academic year. Universities have reported increases in Hispanic or Latino enrollees of 3 and 8 percentage points at the bachelor's and master's levels, respectively. Seventy-two percent of bachelor's of accounting programs and 65% of master's of accounting programs expect to have the same or higher enrollment in 2019.



Accounting Graduates

Projected accounting graduates trended downward in the 2017-18 academic year, with decreases of 4% at both the bachelor's and master's levels and overall. In 2018, female accounting graduates outnumbered male graduates at the master's level. Racial/ethnic diversity has increased in accounting graduates, with a 7 percentage point increase in Hispanic or Latino accounting graduates.



Hiring

In 2018, new hires assigned to audit-related services increased by 4 percentage points, while new graduates assigned to taxation declined by 4 percentage points. Hiring of new accounting graduates slowed 11%. Across the last two *Trends* reports, we have experienced an approximate 30% decline in hiring of new accounting graduates. Non-accounting hires as a percentage of all new graduate hires are up 11 percentage points to 31%. See footnote for more information.



Hiring Expectations

Of firms that hired one or more accounting graduates in 2018, 58% expect to hire the same number or more in 2019. Ninety percent of all U.S. CPA firms expect to have the same number or more CPAs on staff in 2019.



CPA Examination

The number of CPA Exam takers increased in 2015 and 2016 in preparation of the new CPA Exam that launched in April 2017. CPA Examination candidates decreased 7% between 2017 and 2018. The number of CPA Exam candidates who passed their 4th section of the exam decreased 6% between 2017 and 2018.

Footnote: New categories were collected for "non-accounting hires" in 2018, which may account for some of the increase, but even without new categories there was still a significant increase.

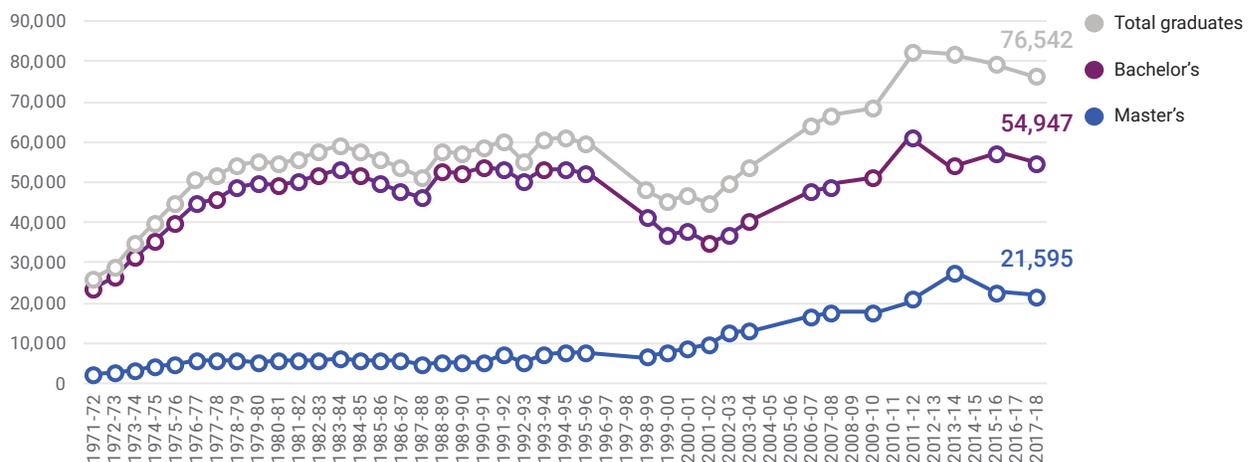
Summary

1.1 Accounting enrollment by program | 1993-2018

	Bachelor's	Master's in Accounting	Master's in Taxation	MBA Accounting	Ph.D.	Total
2017-18	207,806	27,482	2,645	3,208	732	241,873
2015-16	216,482	29,428	3,177	3,014	946	253,047
2014-15	207,071	39,641	2,068	3,107	1,195	253,082
2011-12	201,570	29,648	2,840	5,132	1,189	240,379
2009-10	187,534	29,464	2,822	5,100	1,188	226,108
2007-08	181,075	24,065	2,305	4,166	1,224	212,835
2006-07	173,299	21,253	3,239	4,482	1,095	203,368
2003-04	142,735	18,795	3,595	4,030	955	170,110
2002-03	141,175	17,540	3,550	5,270	1,085	168,620
2001-02	133,435	12,565	3,555	4,065	890	154,510
2000-01	134,775	10,375	2,395	4,000	800	152,345
1999-00	127,960	9,455	3,130	2,445	680	143,670
1998-99	134,050	8,620	2,600	3,770	770	149,810
1995-96	174,010	9,430	4,760	3,360	770	192,330
1994-95	192,870	10,010	6,510	3,510	870	213,770
1993-94	189,863	10,114	5,942	3,398	1,002	210,319

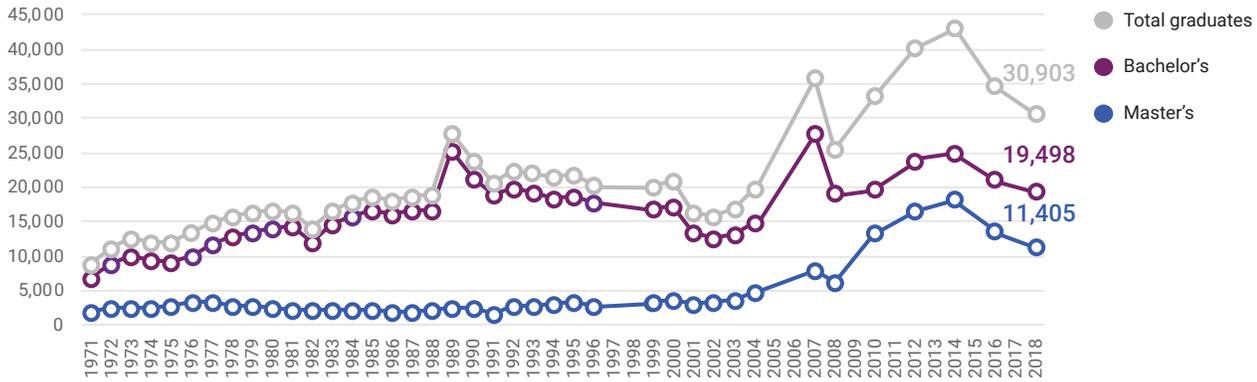
Total projected accounting enrollments are down 4% from the highs of 2016, but are still among the highest on record. (See notes a, b, and c on page 39)

1.2 Bachelor's and master's of accounting degrees awarded | 1971-2018



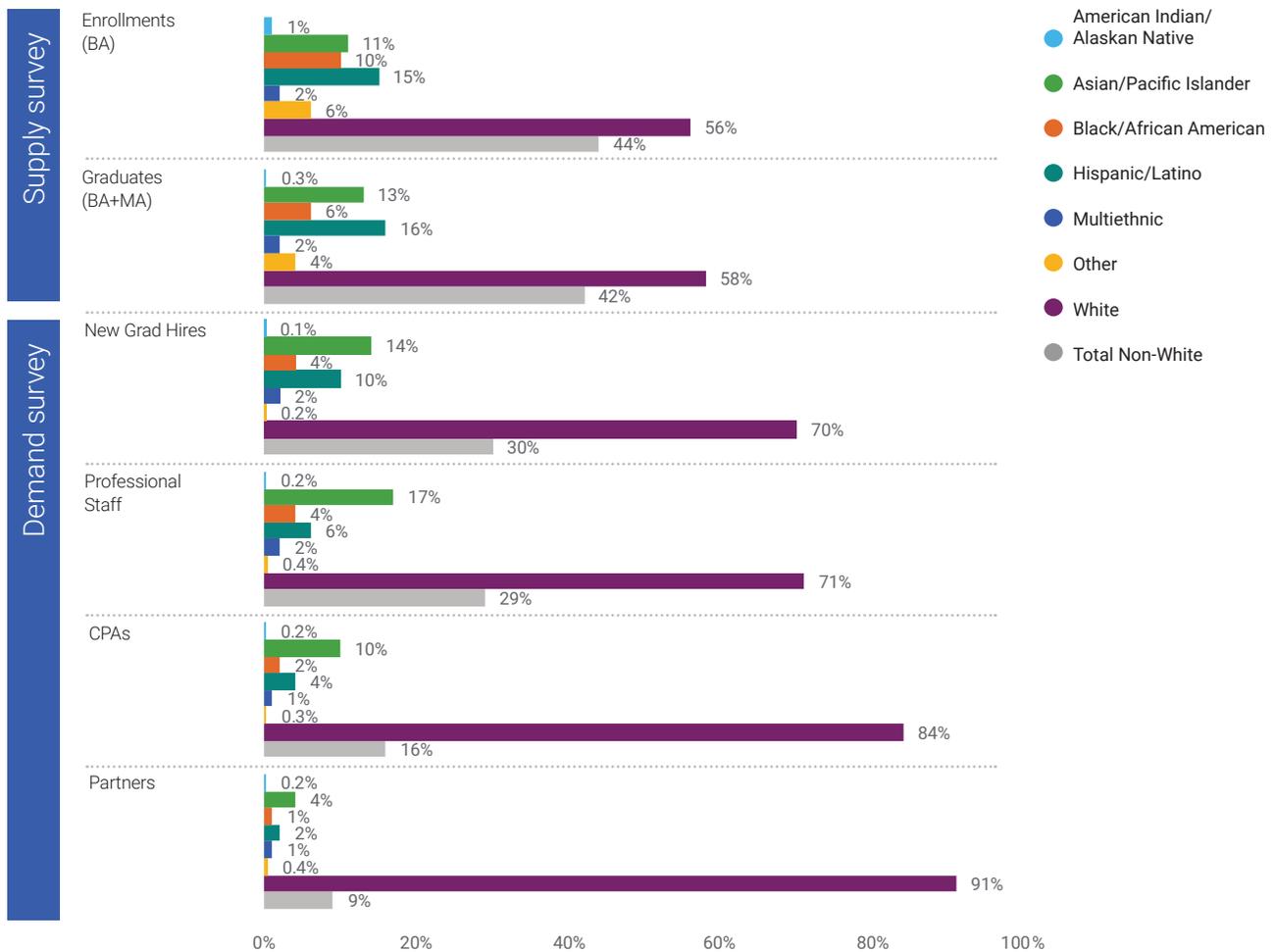
Projected accounting graduates trended downward in the 2017-18 academic year with decreases of 4% at both levels and overall. (See note a on page 39)

1.3 New graduates hired into accounting/finance functions of U.S. CPA firms | 1971-2018



In 2018, hiring of new accounting graduates slowed 11% - a smaller shift than the decline between 2014 and 2016. (See note d on page 39)

1.4 Growing diversity in the CPA profession | 2018

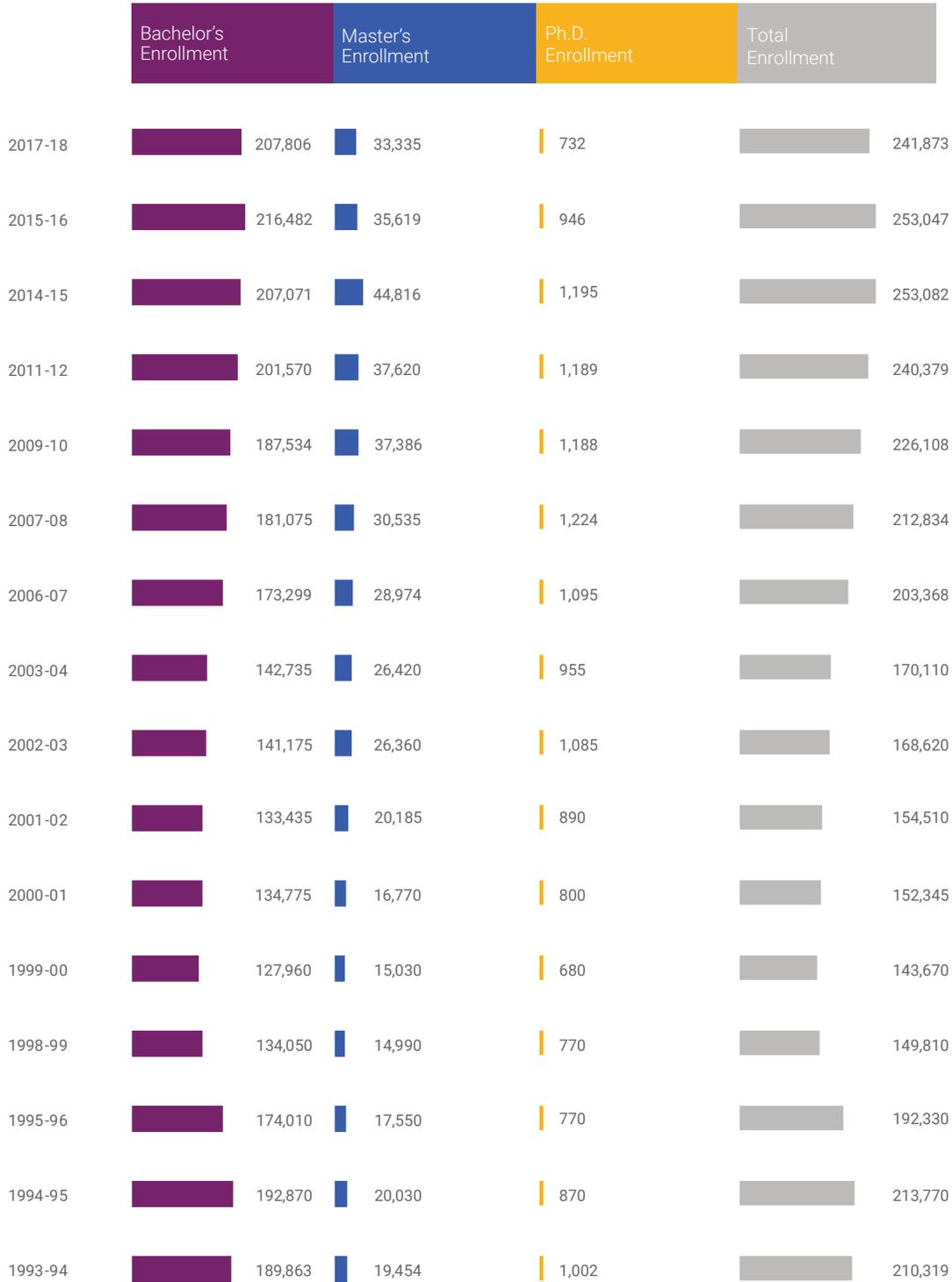


This graph shows the 2017-18 race/ethnicity data at each major point in the CPA education and career path – from bachelor’s enrollees, to bachelor’s and master’s graduates (the most likely to go into public accounting), all the way through partners. These numbers are derived from both the survey of universities’ enrollments and graduates and the survey of firms’ hiring.

Trends
in the **supply**
of accounting
graduates

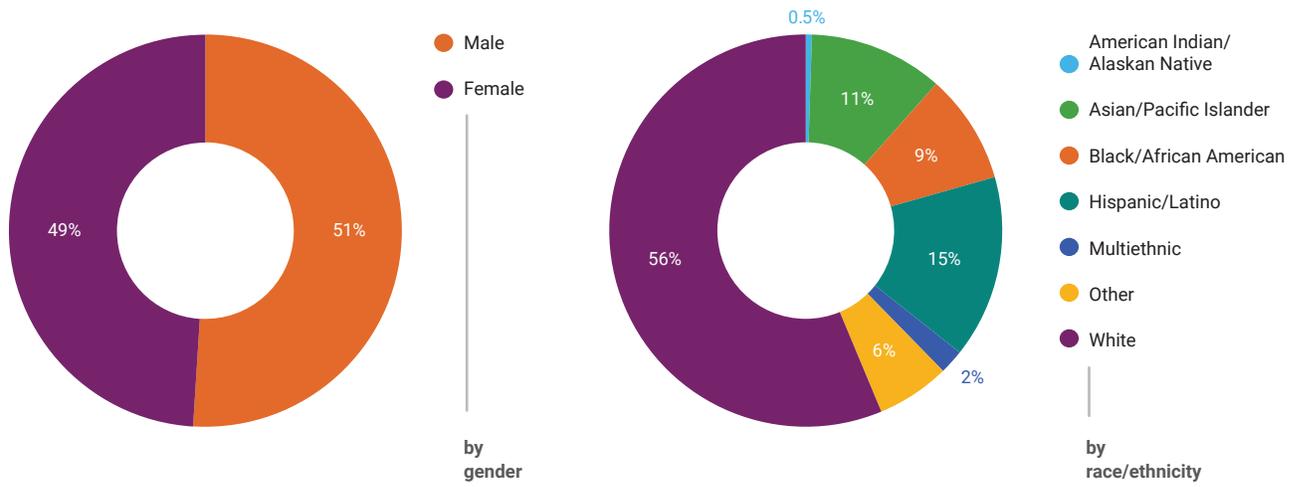


2.1 Trends in total enrollment in accounting programs | 1993-2018



(See notes a, b, and c on page 39)

2.2 Demographics of bachelor's and master's of accounting enrollees | 2017-18



10%

international students enrolled in U.S. accounting programs

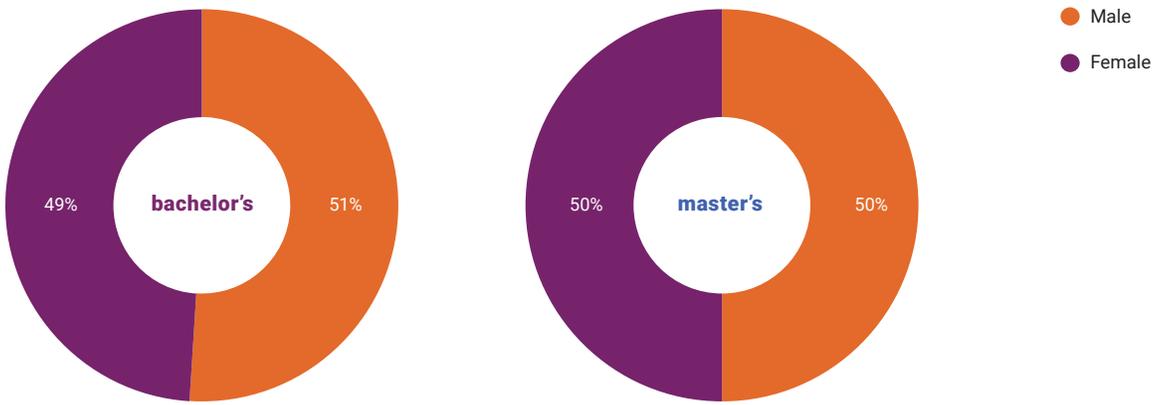


5%

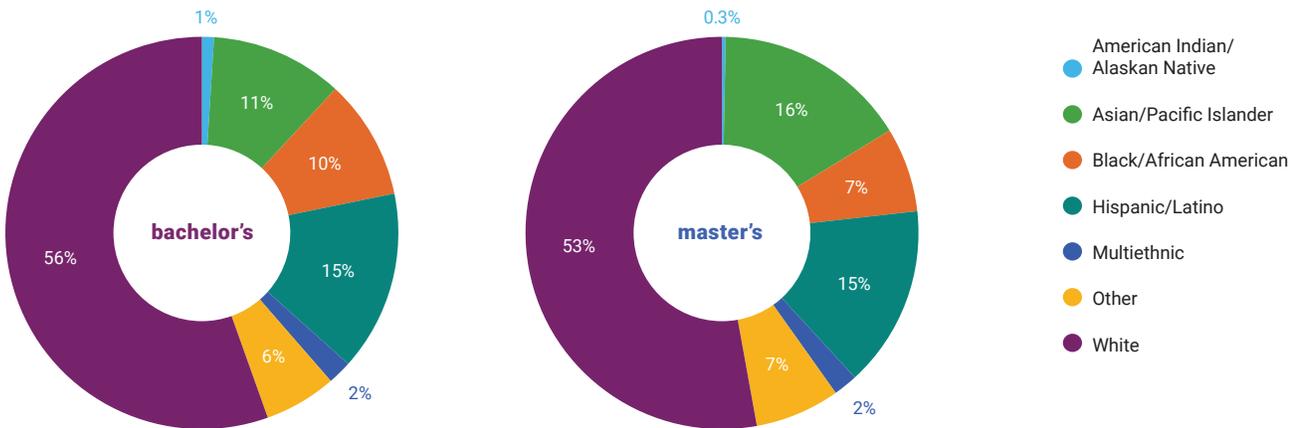
dual-degree seeking

(See note e on page 39)

2.3 Accounting enrollees by gender | 2017-18



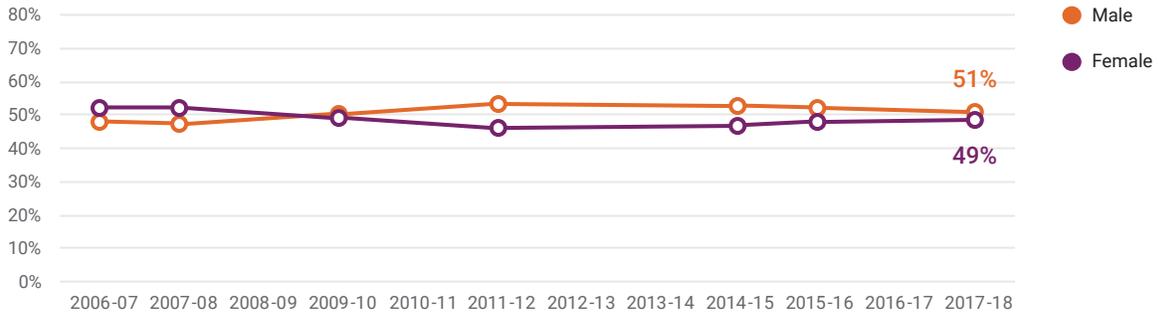
2.4 Accounting enrollees by race/ethnicity | 2017-18



2.5 Accounting enrollees – international students in U.S. accounting programs | 2017-18

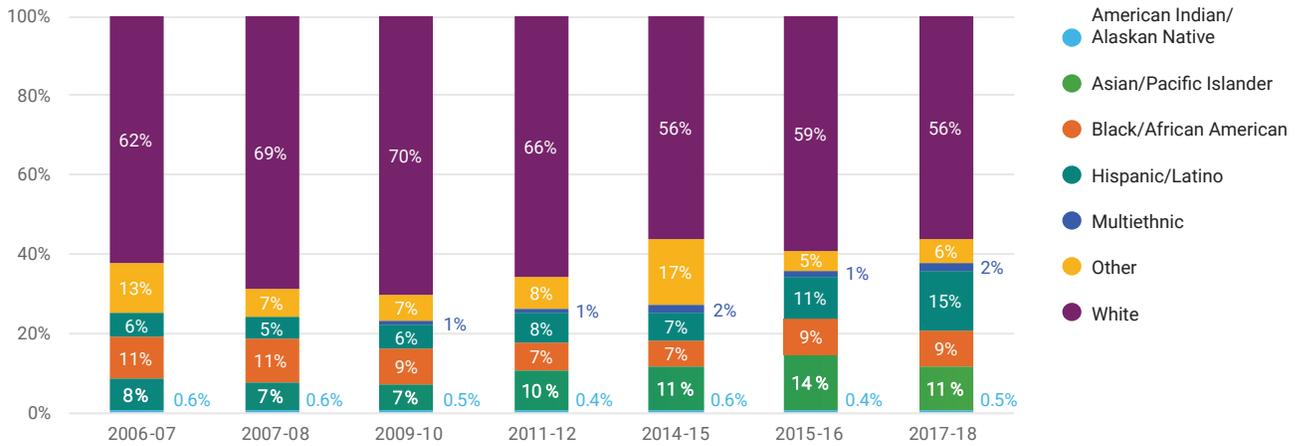


2.6 Trends in bachelor's and master's of accounting enrollees by gender | 2006-18



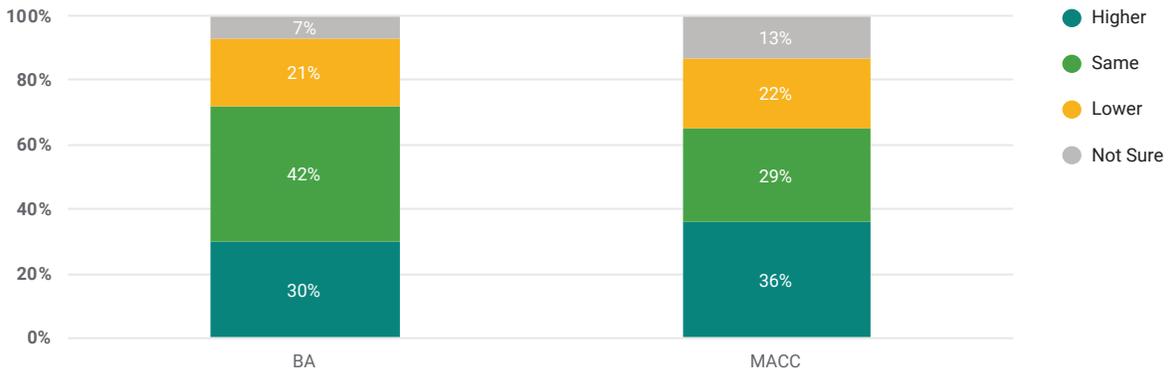
(See note c on page 39)

2.7 Trends in bachelor's and master's of accounting enrollees by race/ethnicity | 2006-18

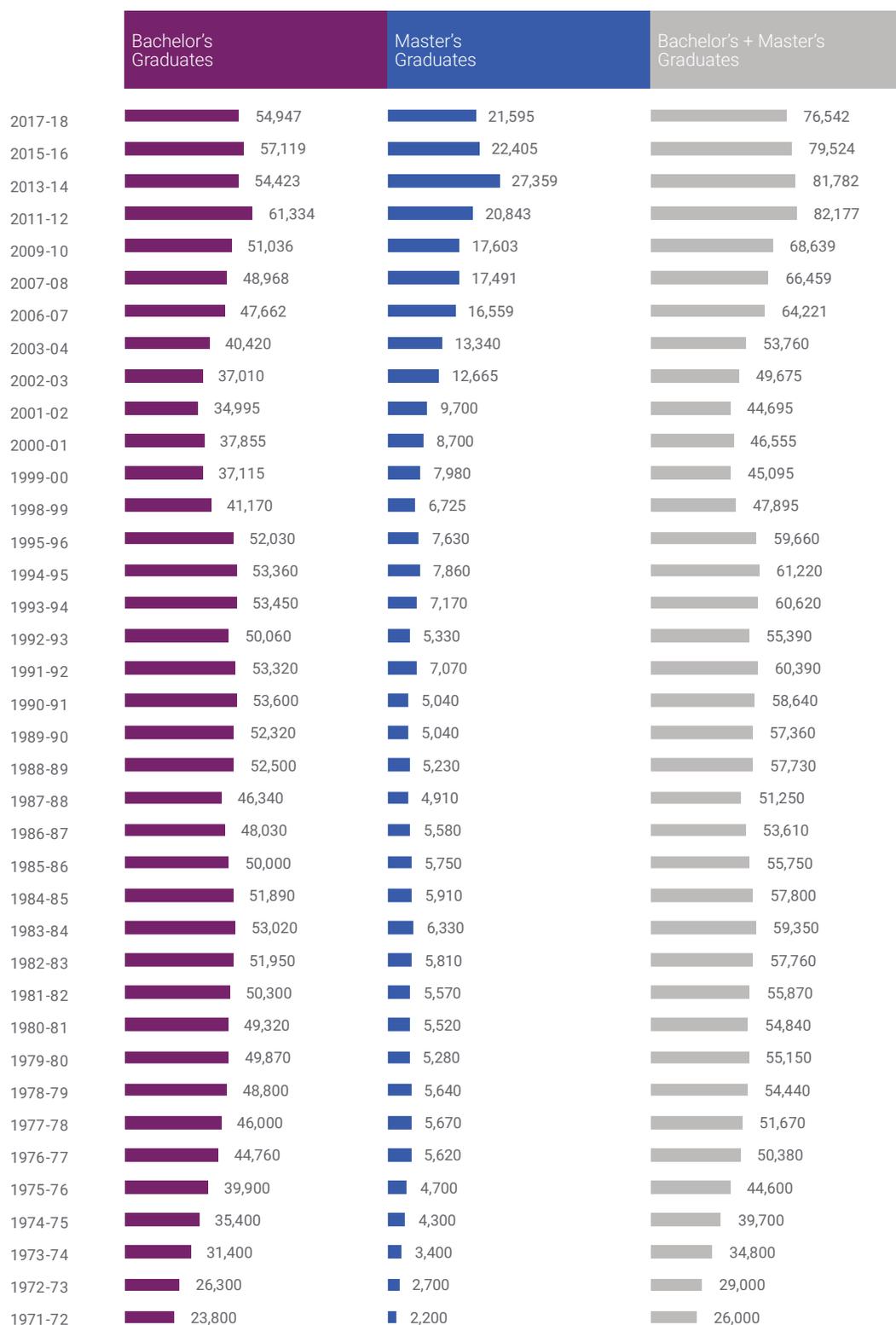


(See notes c and f on page 39) (Due to rounding, data may not equal 100%)

2.8 Accounting program enrollment expectations | 2018-19

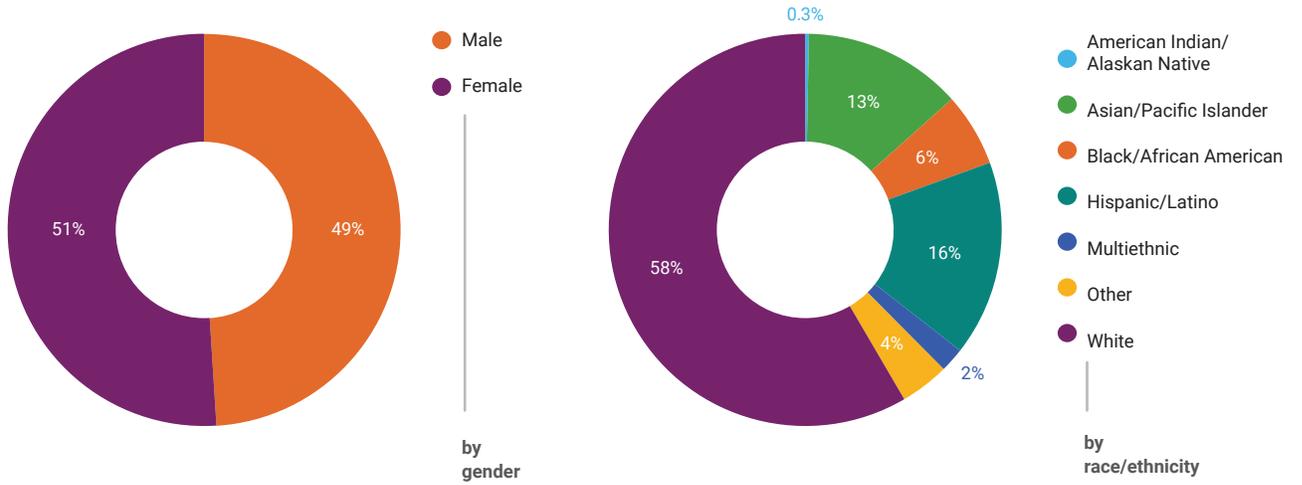


2.9 Bachelor's and master's degrees in accounting awarded by all universities | 1971-2018



(See note a on page 39)

2.10 Demographics of new bachelor's and master's of accounting graduates | 2017-18



12%

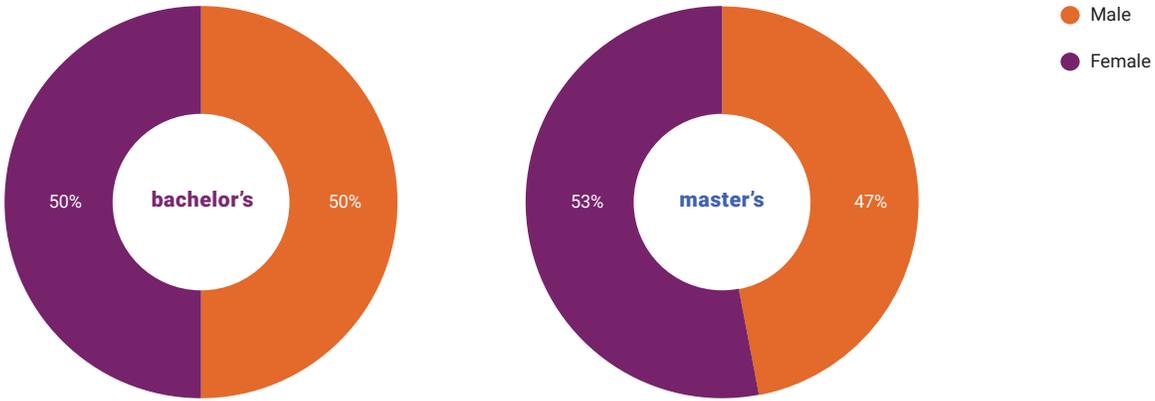
international students graduating from U.S. accounting programs



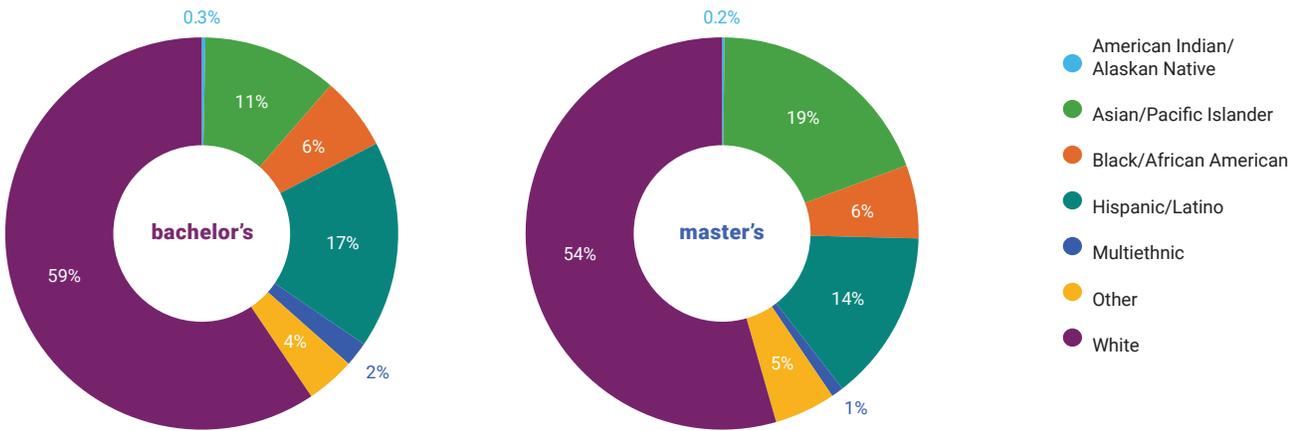
5%

dual-degree graduates

2.11 New accounting graduates by gender | 2017-18



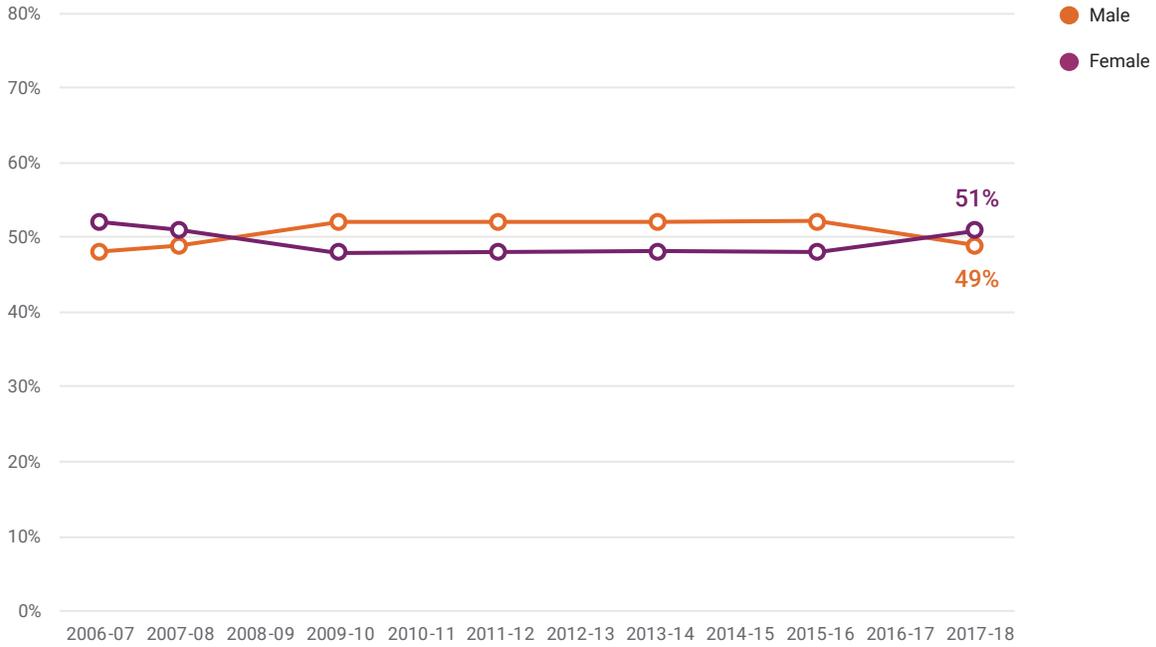
2.12 New accounting graduates by race/ethnicity | 2017-18



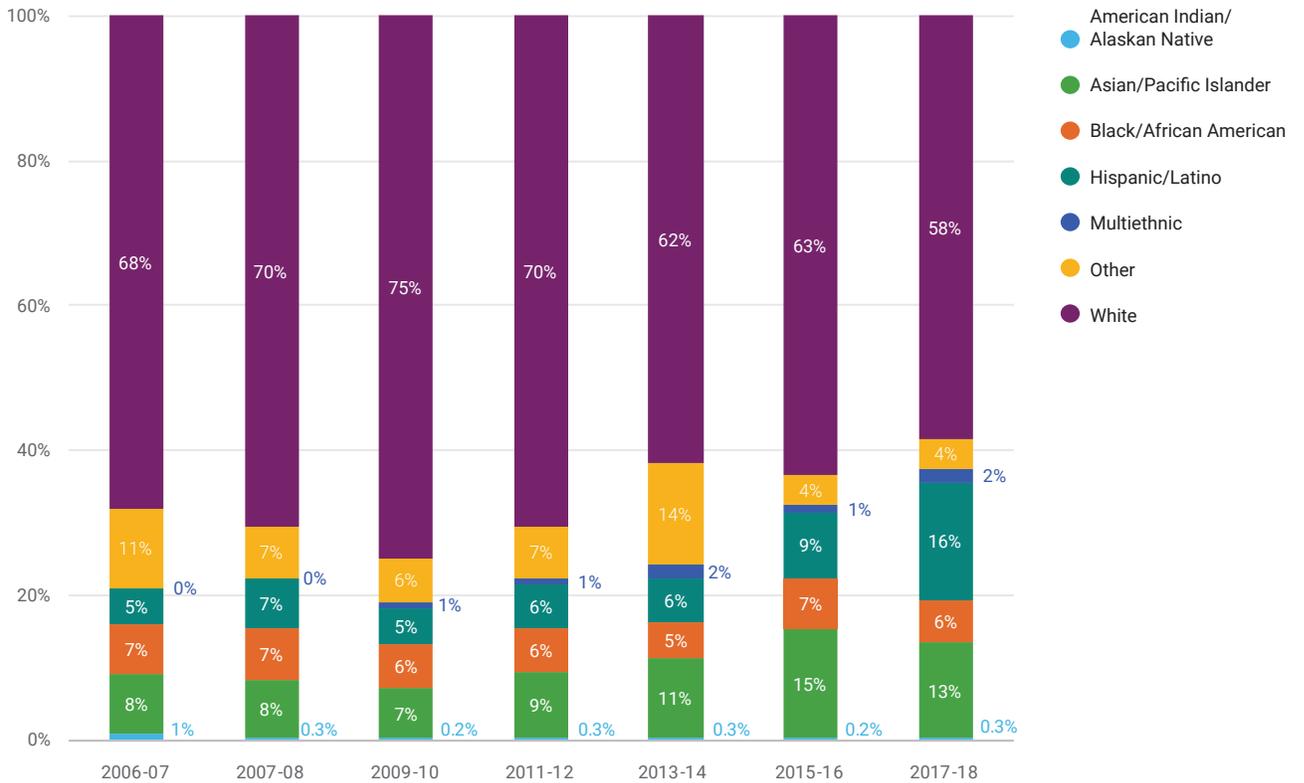
2.13 New accounting graduates – international students from U.S. accounting programs | 2017-18



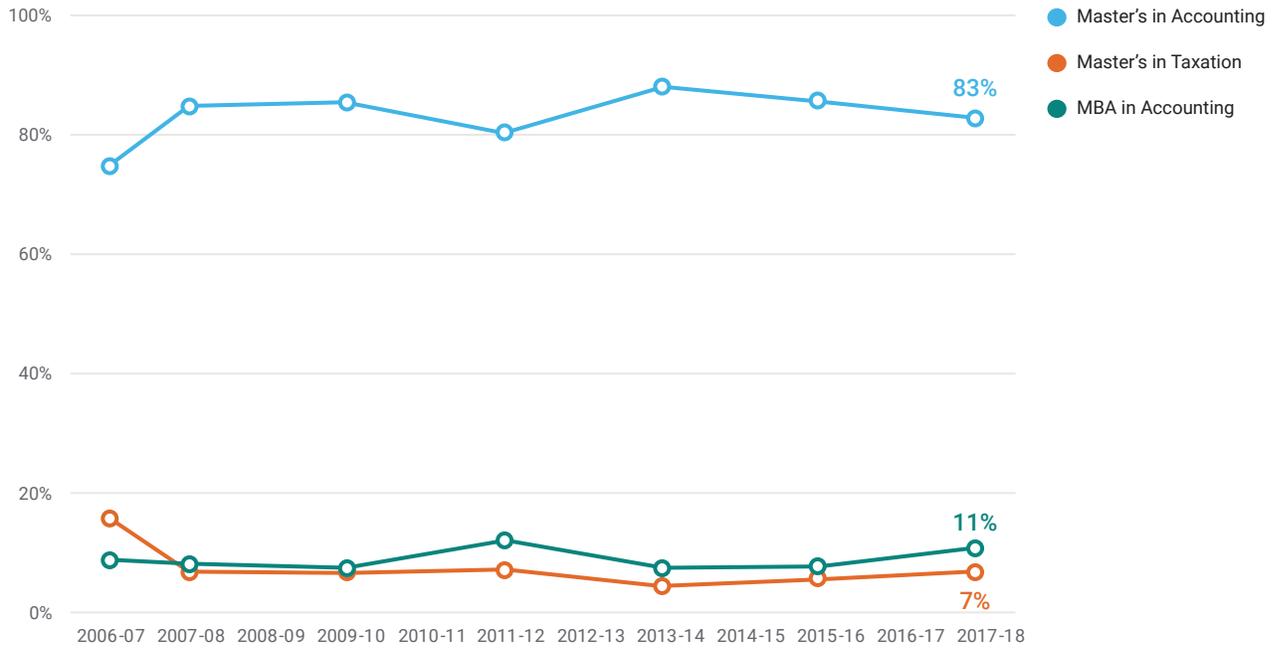
2.14 Trends in new bachelor's and master's of accounting graduates by gender | 2006-18



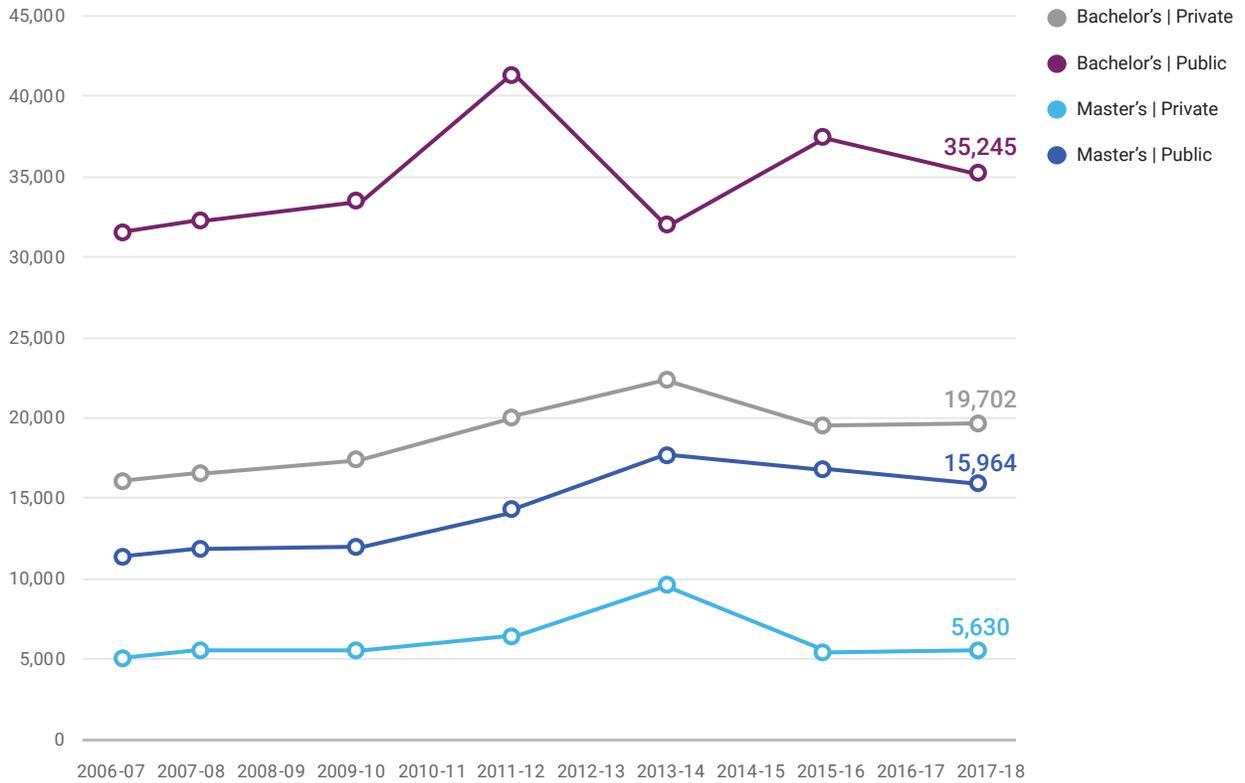
2.14 Trends in new bachelor's and master's of accounting graduates by race/ethnicity | 2006-18



2.16 Trends in new accounting master's graduates by program | 2006-18



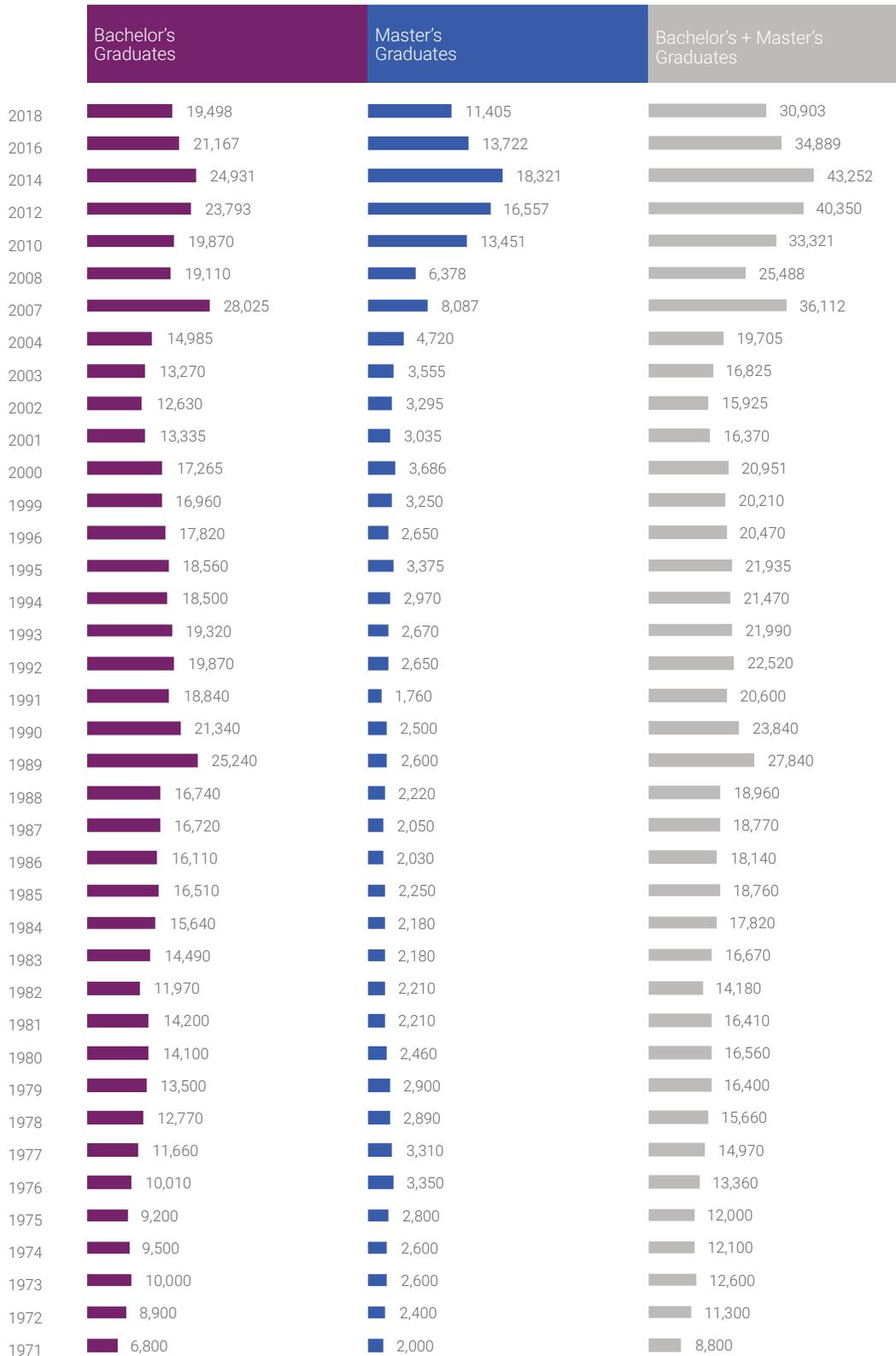
2.17 Trends in new bachelor's and master's of accounting graduates by sector | 2006-18



Trends
in the **demand**
for public
accounting
recruits

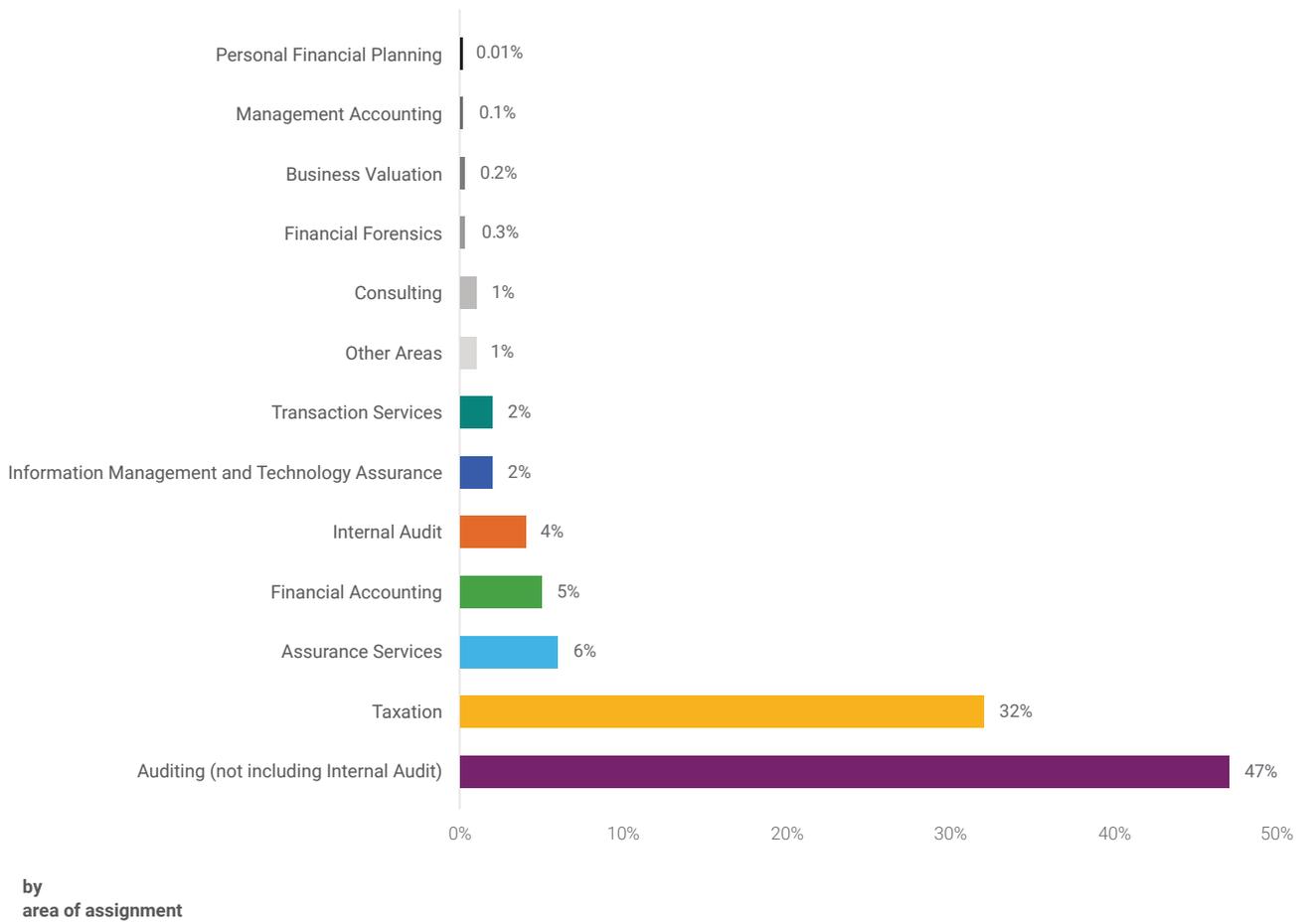
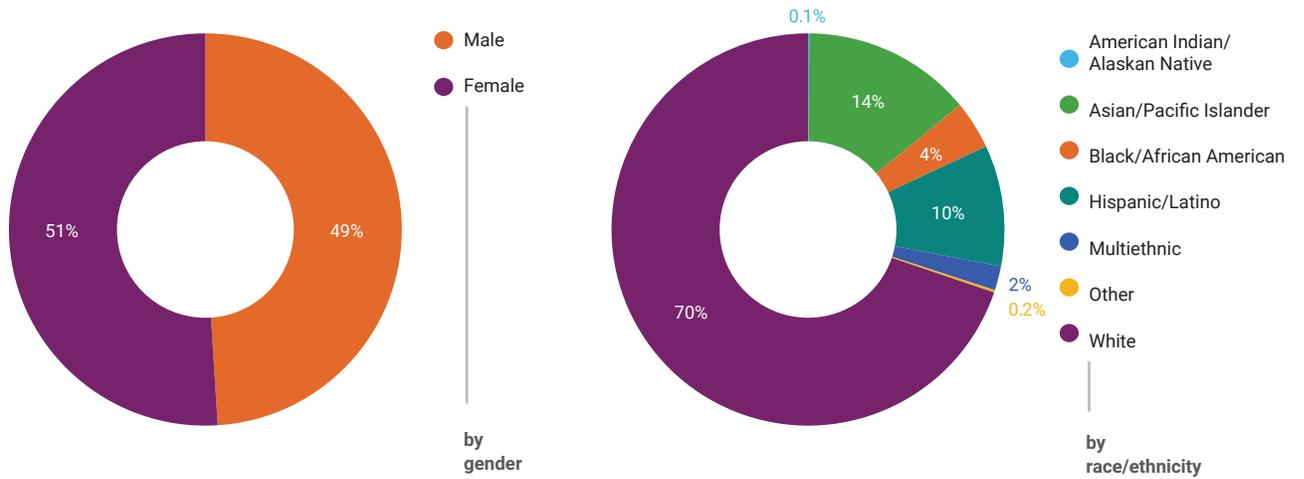


3.1 Trends in new accounting graduates hired into accounting/finance functions of U.S. CPA firms | 1971-2018

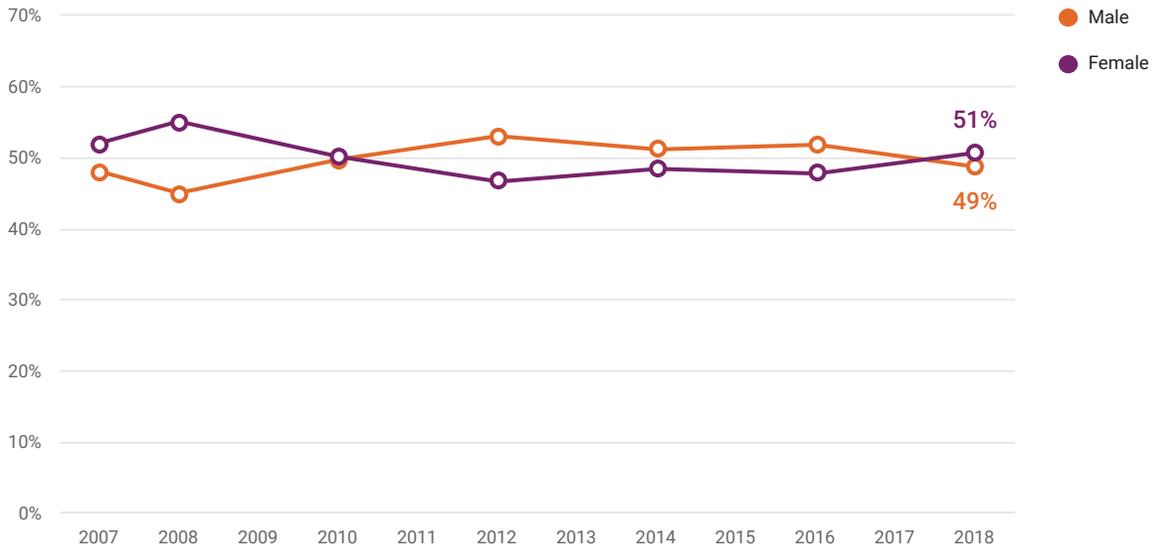


(See note d on page 39)

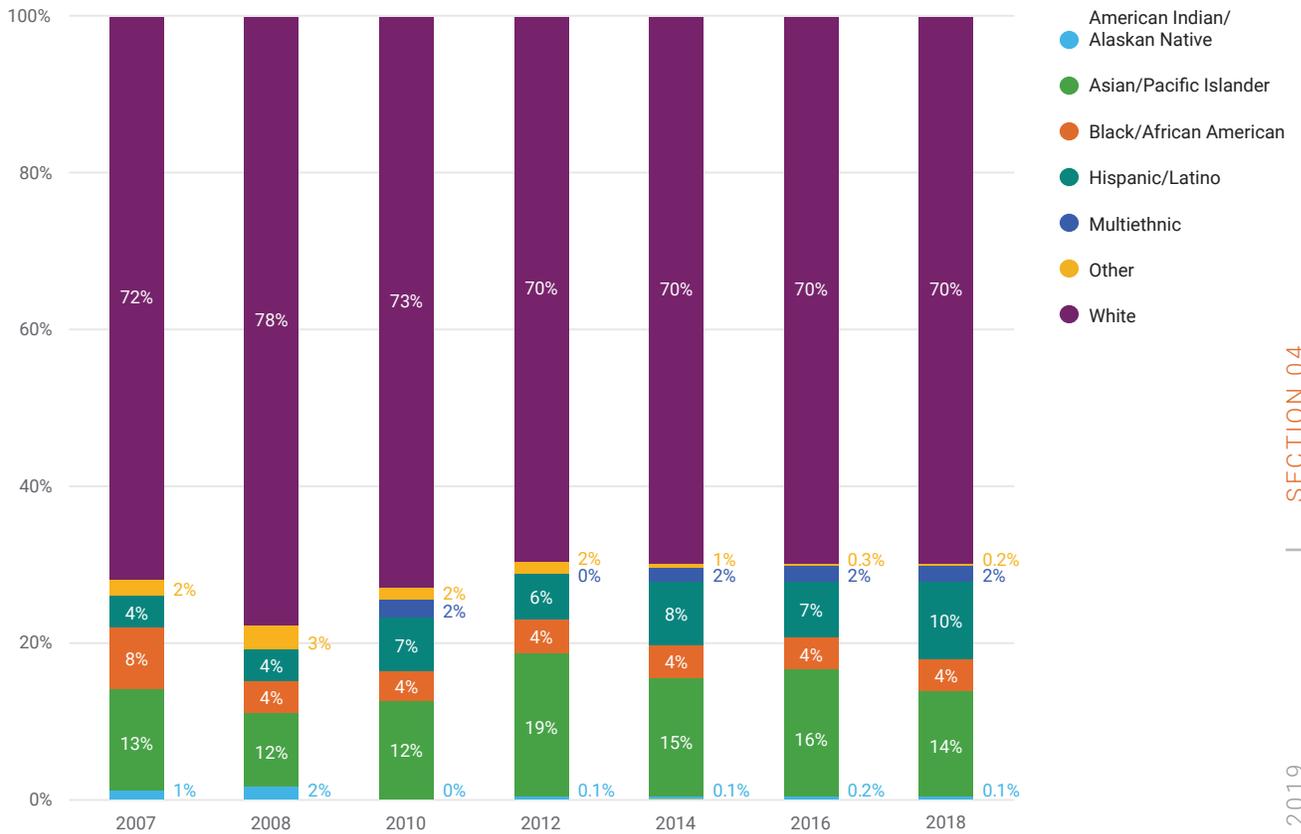
3.2 Demographics of new bachelor's and master's of accounting graduate hires hired into accounting/finance functions of U.S. CPA firms | 2018



3.3 Trends in new bachelor's and master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms by gender | 2007-18

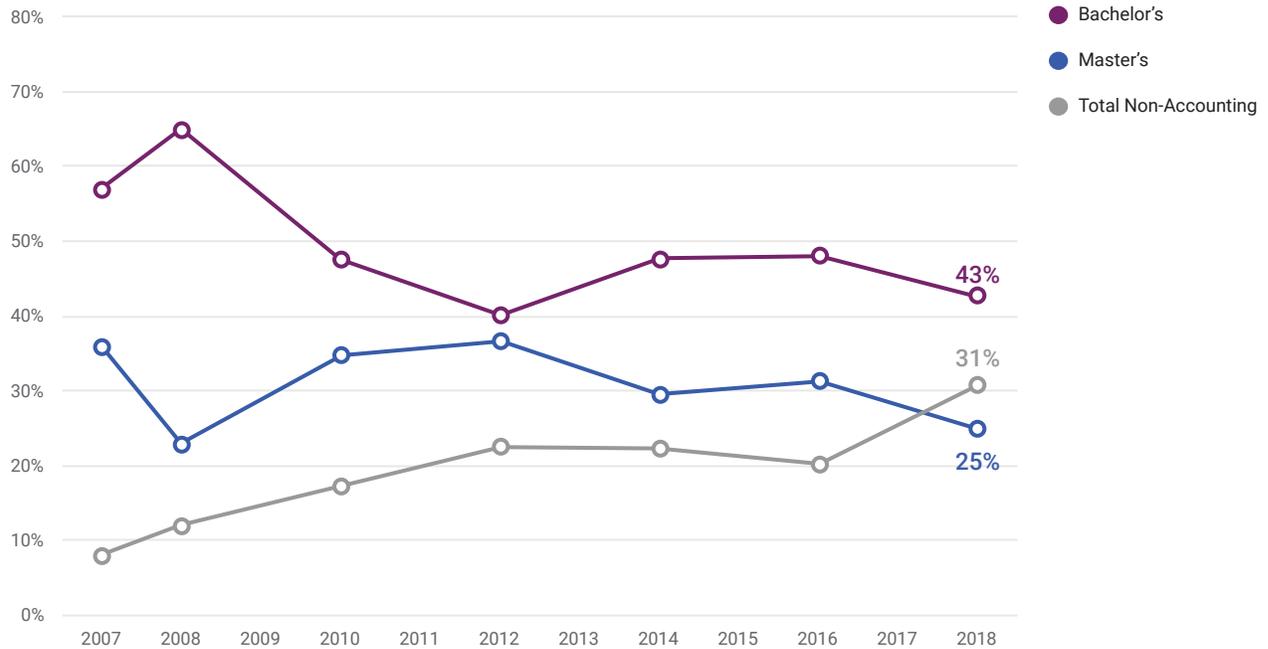


3.4 Trends in new bachelor's and master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms by race/ethnicity | 2007-18



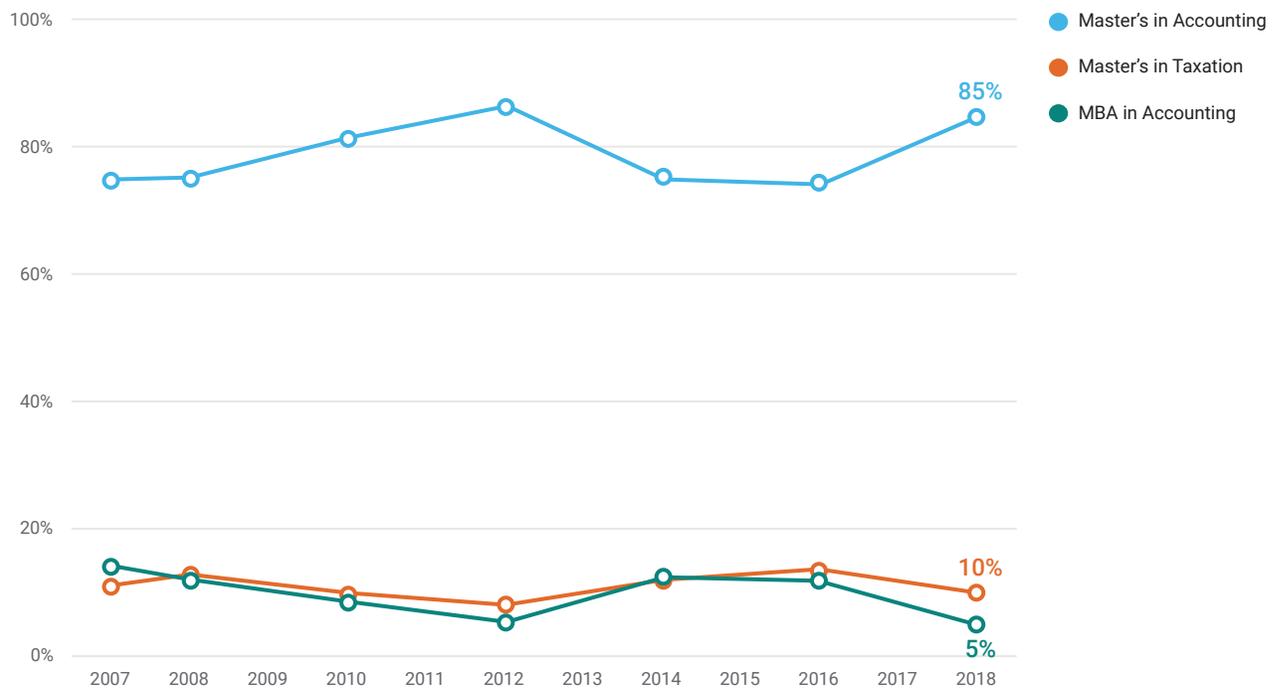
(See note h on page 39) (Due to rounding, data may not equal 100%)

3.5 Trends in new bachelor's and master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms as a percentage of total hires by degree | 2007-18

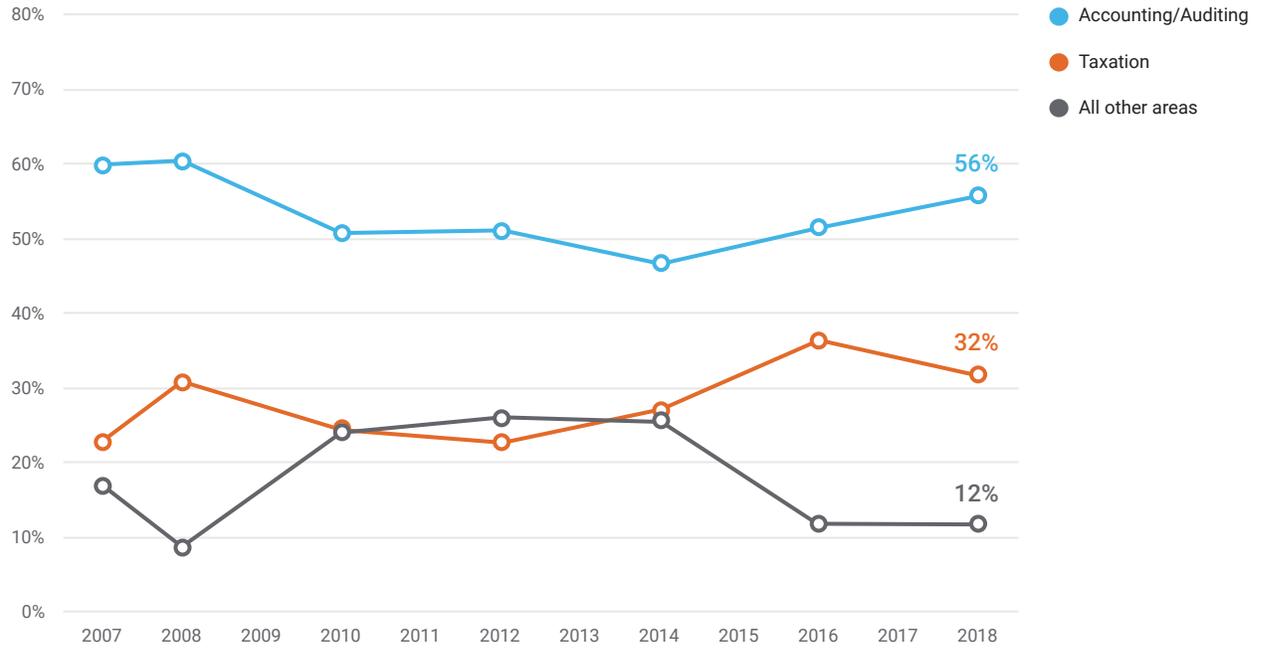


Some of the increase in non-accounting hires is likely due to new categories added to the 2018 survey. (See note i on page 39) (Due to rounding, data may not equal 100%)

3.6 Trends in new master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms by type of degree | 2007-18

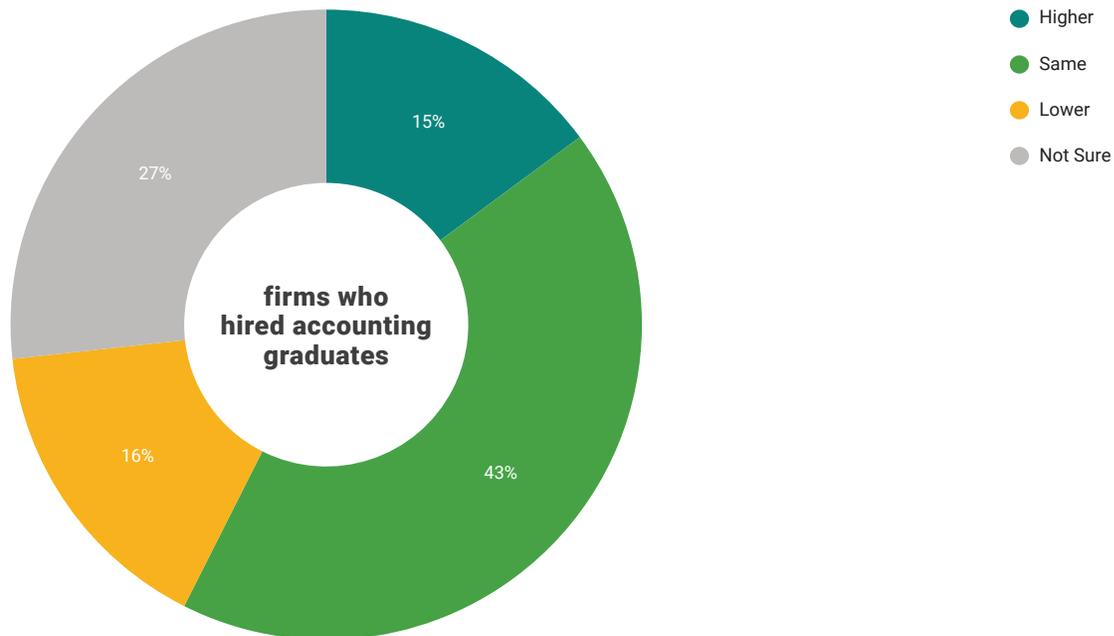


3.7 Trends in new bachelor's and master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms by area of assignment | 2007-18



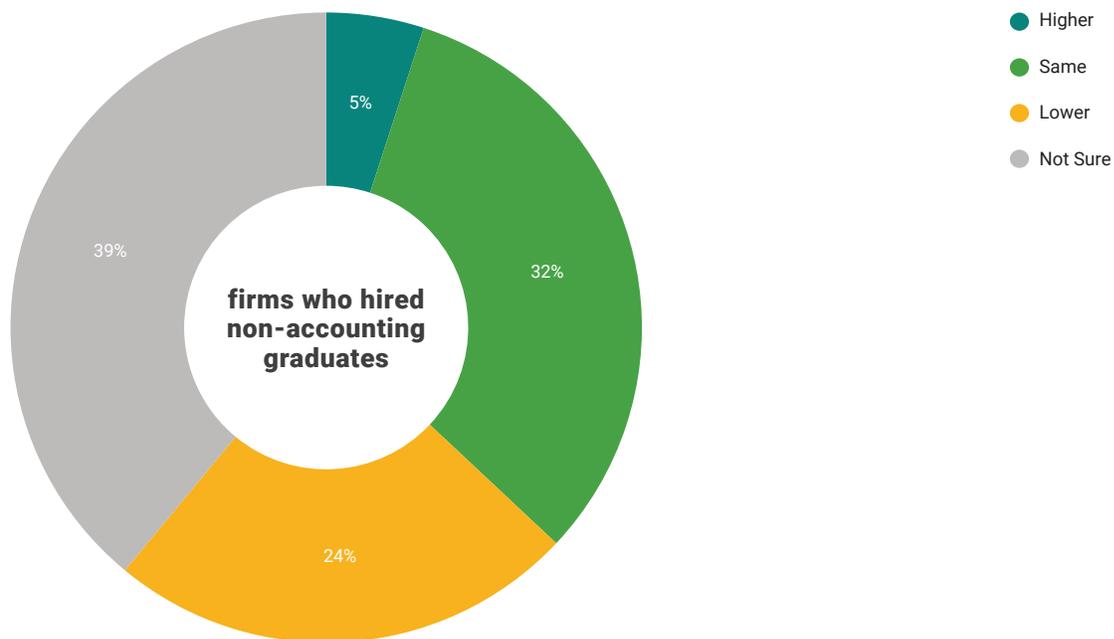
See chart 3.2 for more specific 2018 assignments. (See note g on page 39)

3.8 Expected hiring of new bachelor's and master's of accounting graduates into accounting/finance functions of U.S. CPA firms who hired new accounting graduates in 2018 | 2019



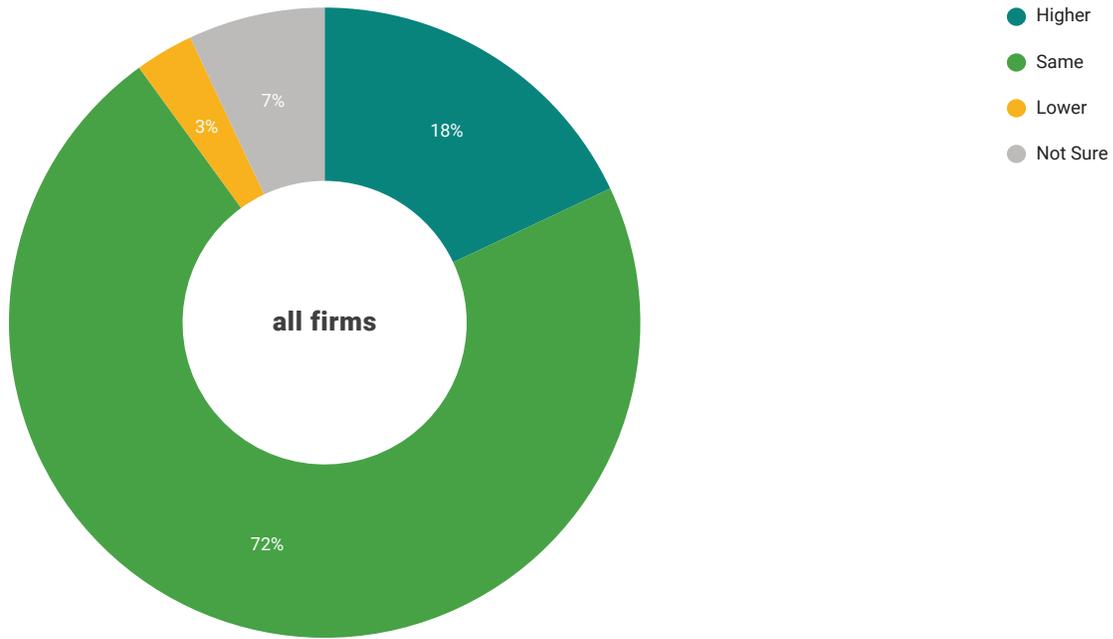
(See note j on page 39) (Due to rounding, data may not equal 100%)

3.9 Expected hiring of new non-accounting business graduates into accounting/finance functions of U.S. CPA firms who hired new non-accounting graduates in 2018 | 2019



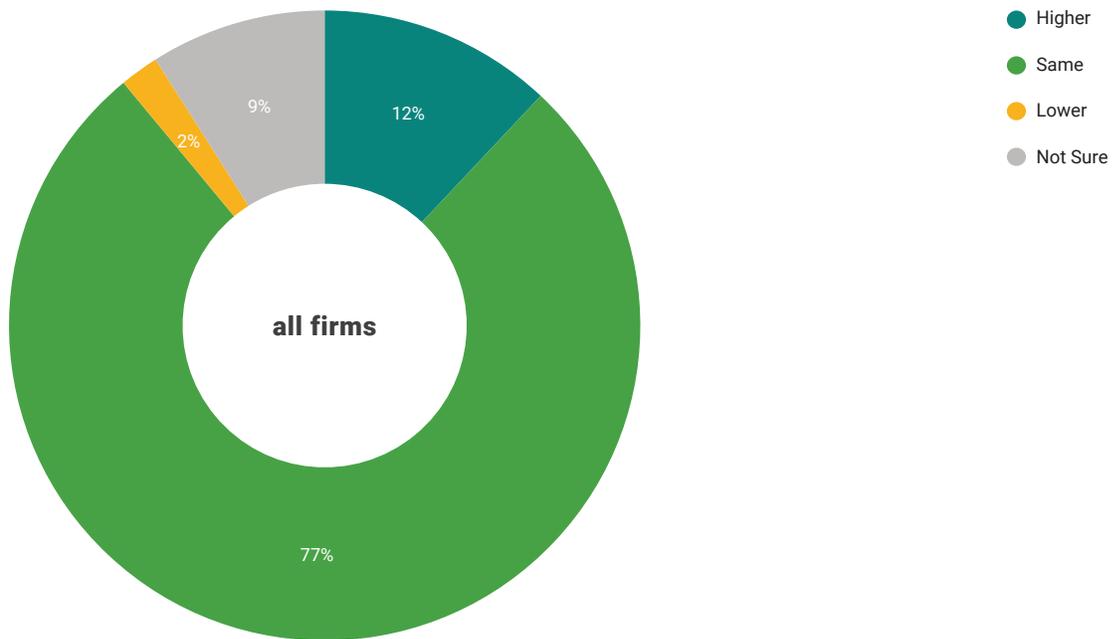
There were too few respondents to generalize this data to the entire population. (See notes j and k on page 39) (Due to rounding, data may not equal 100%)

**3.10 Expected number of CPAs on staff
in accounting/finance functions of U.S. CPA firms | 2019**



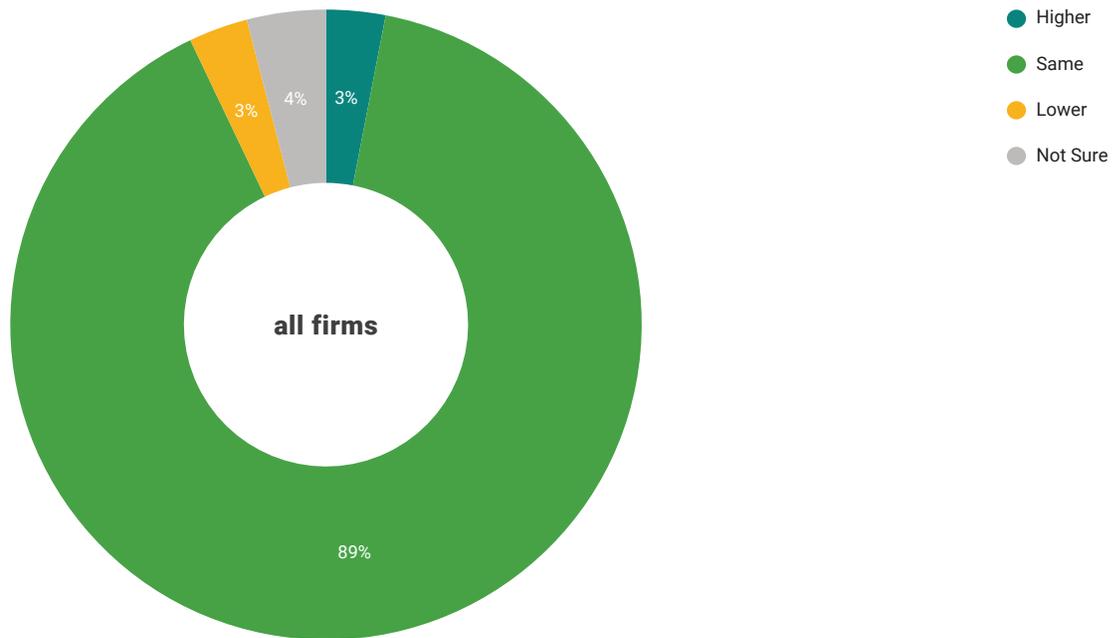
(Due to rounding, data may not equal 100%)

**3.11 Expected number of non-CPA professional staff
in accounting/finance functions of U.S. CPA firms | 2019**



(Due to rounding, data may not equal 100%)

3.12 Expected number of partners in accounting/finance functions of U.S. CPA firms | 2019

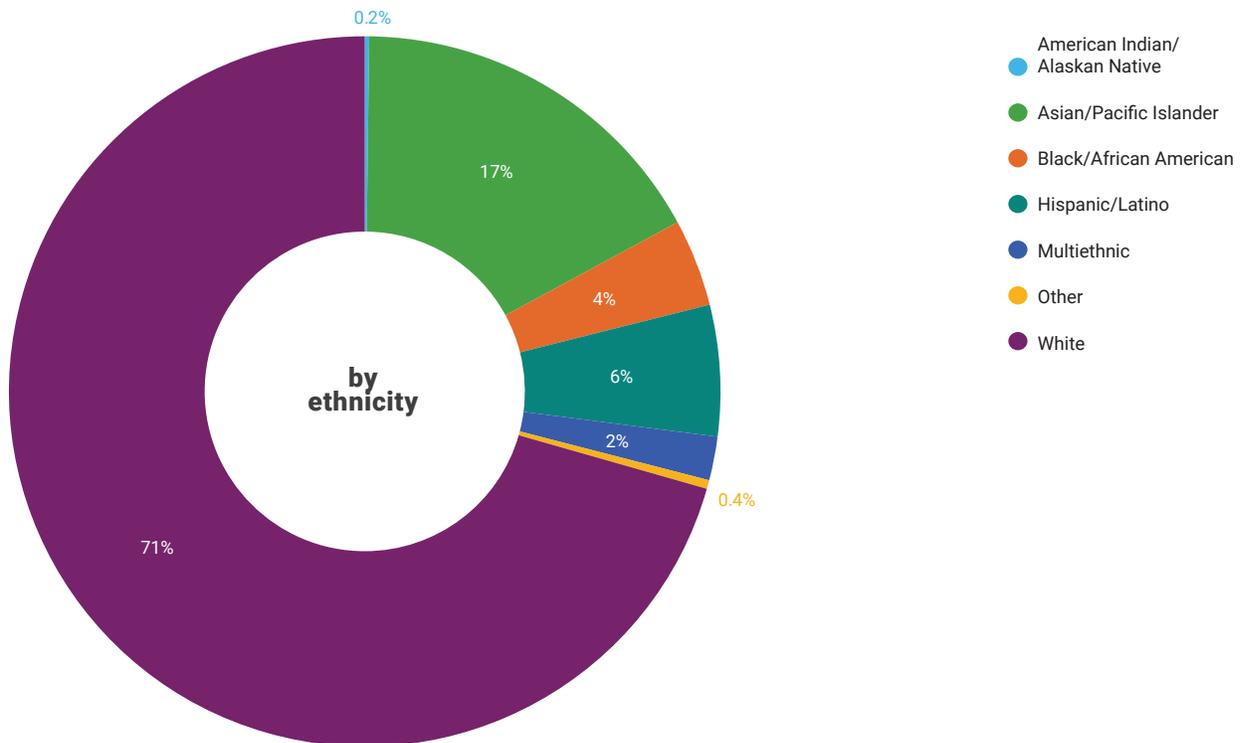
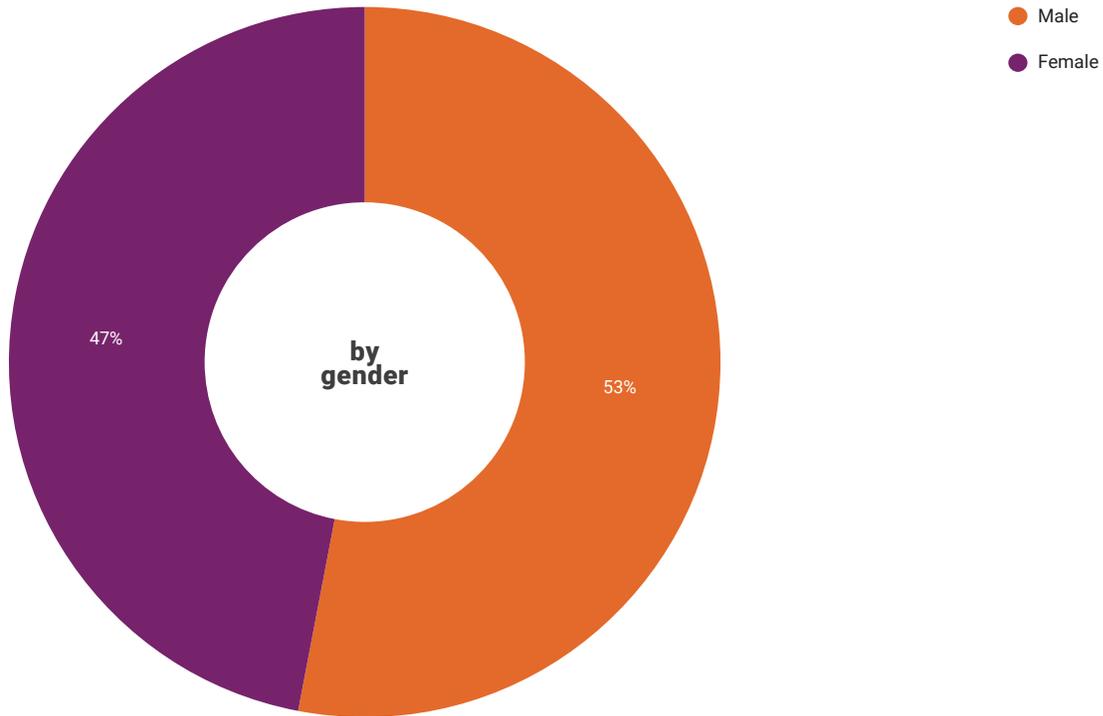


(Due to rounding, data may not equal 100%)

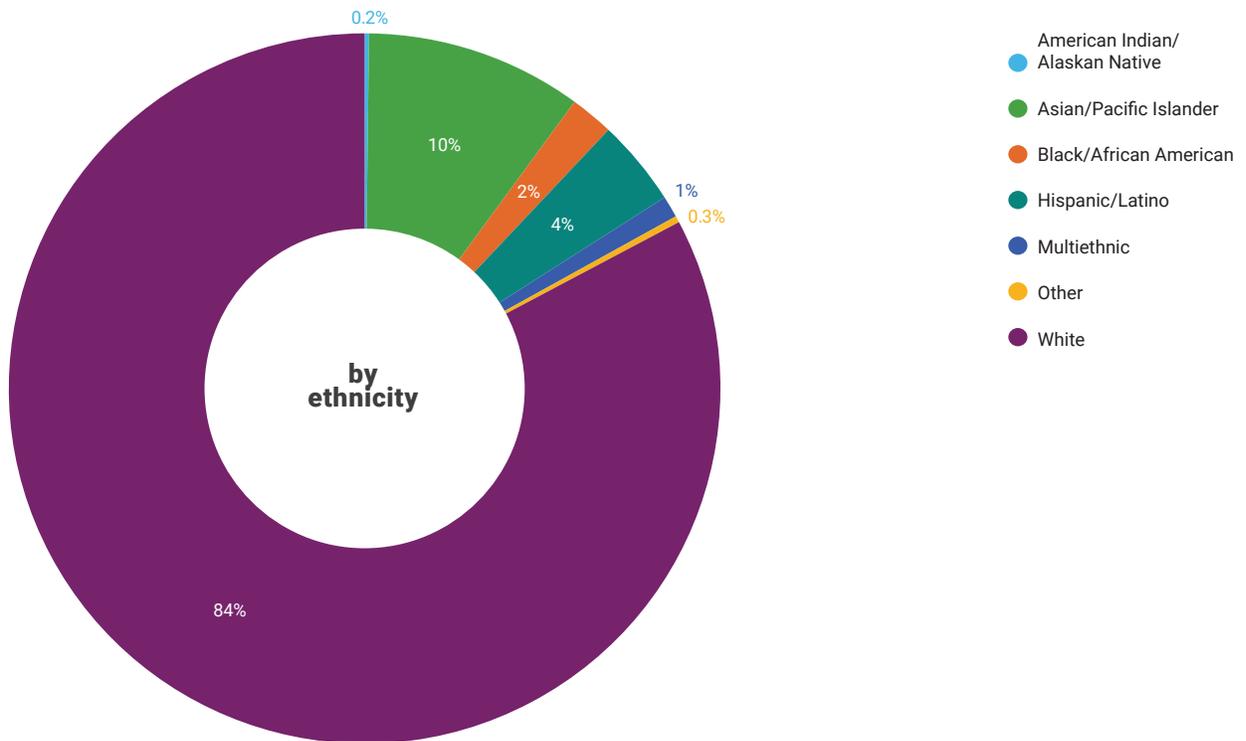
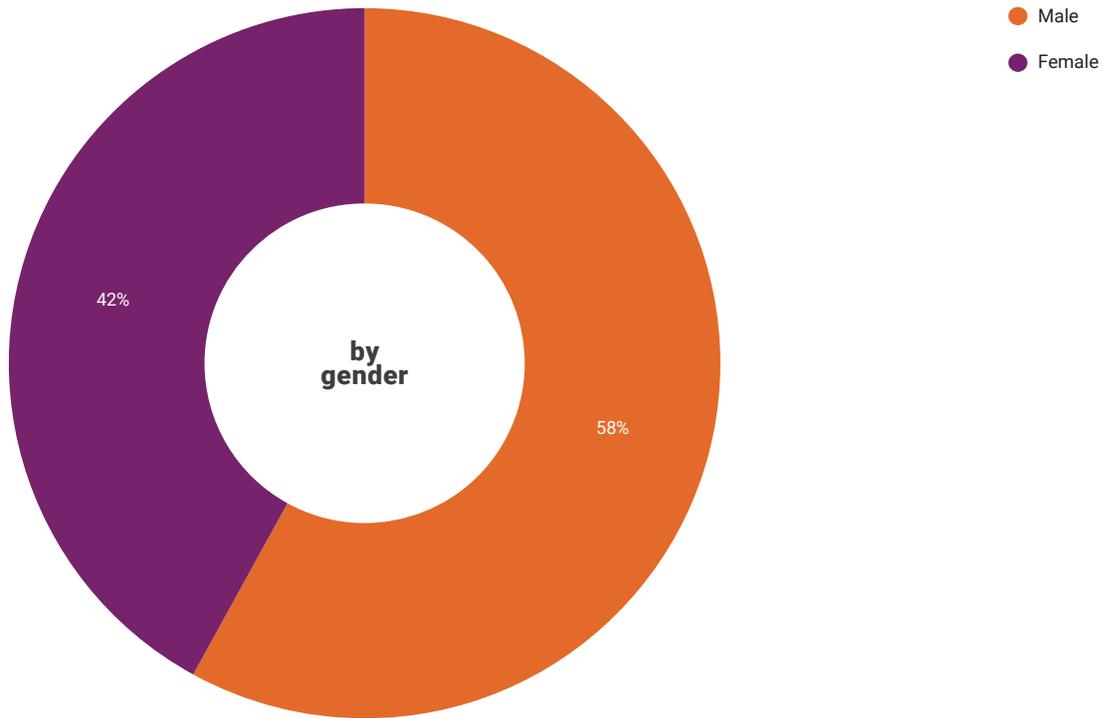
U.S. firm
demographics



4.1 Demographics of all professional staff in accounting/finance functions of U.S. CPA firms | 2018

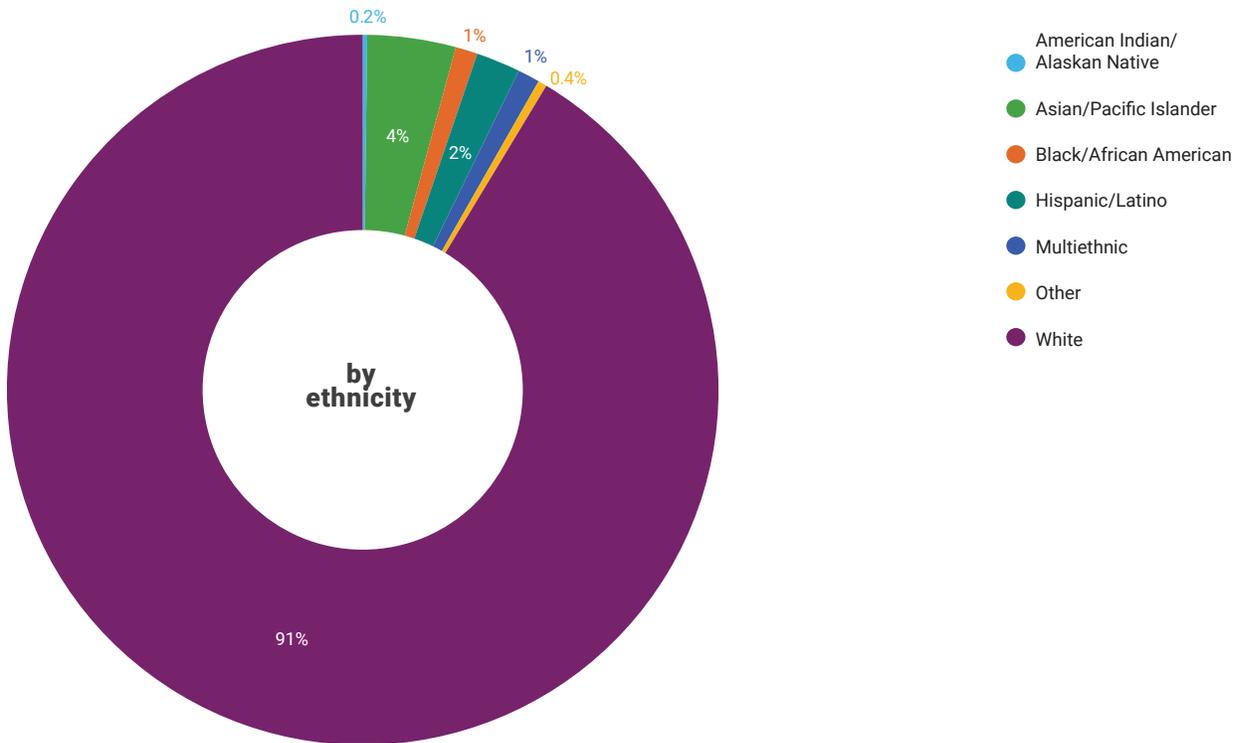
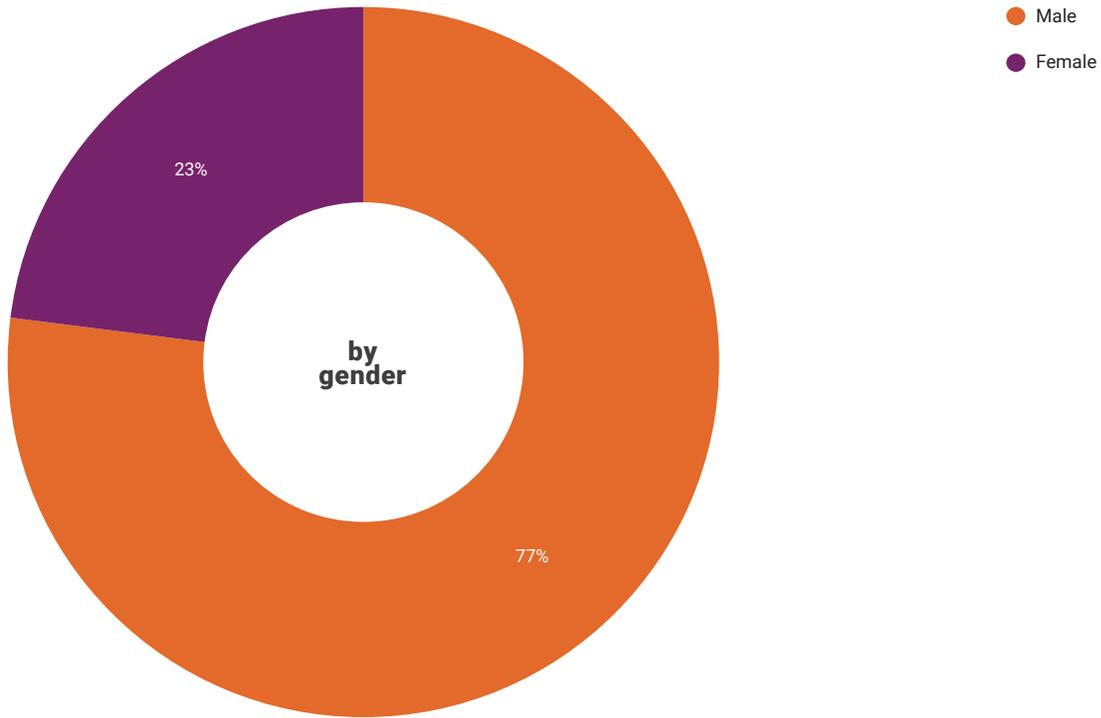


**4.2 Demographics of CPAs
in accounting/finance functions of U.S. CPA firms | 2018**



(See note I on page 39)

4.3 Demographics of partners in accounting/finance functions of U.S. CPA firms | 2018



Uniform CPA
Examination®



The Uniform CPA Examination® (exam) is the gateway to the profession. The exam provides reasonable assurance to boards of accountancy that individuals who pass possess the technical knowledge and skills necessary for initial licensure.

The 16-hour exam comprises four 4-hour sections, which a CPA candidate must pass within 18 months.

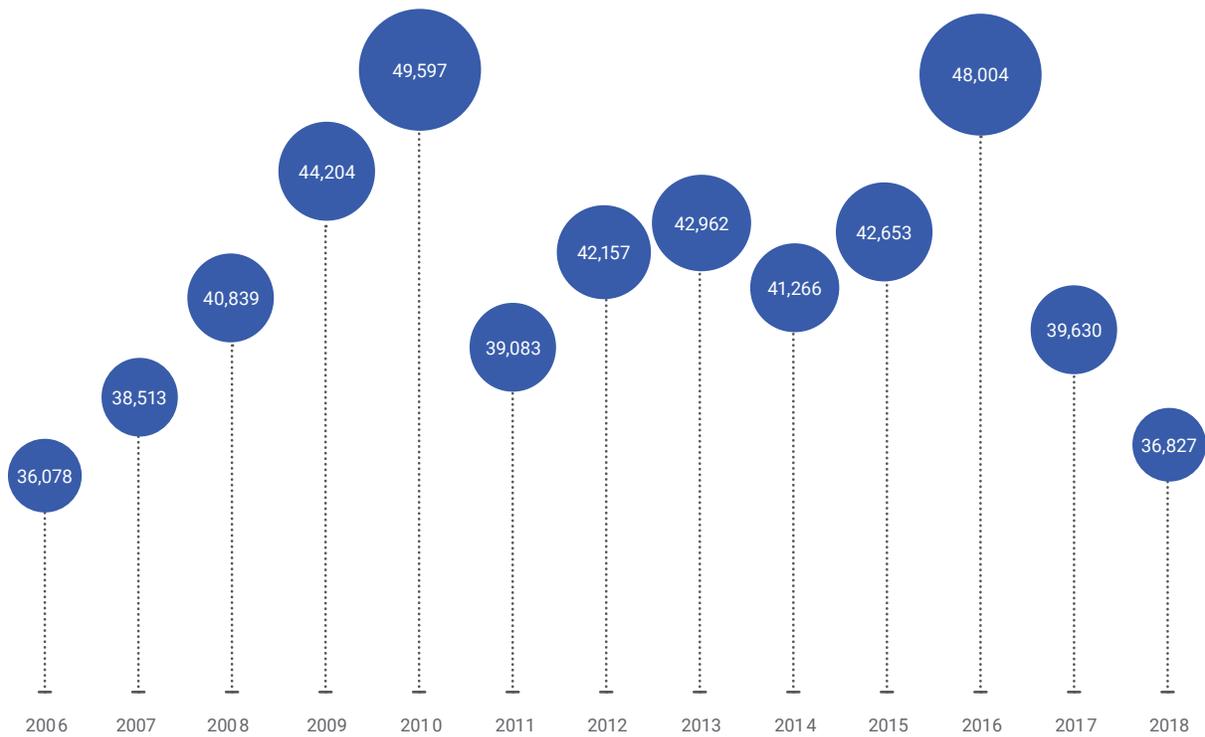
- Auditing and Attestation (AUD)
- Business Environment and Concepts (BEC)
- Financial Accounting and Reporting (FAR)
- Regulation (REG)

The AICPA's Examinations team, with oversight by its Board of Examiners (BOE), works with volunteers from the profession, academia, and boards of accountancy to ensure the exam remains fair, legally defensible, and aligned with the work of newly licensed CPAs. The team's continuous monitoring and updating of content based on changes to standards, regulations, and laws keep the exam current and relevant to the profession.

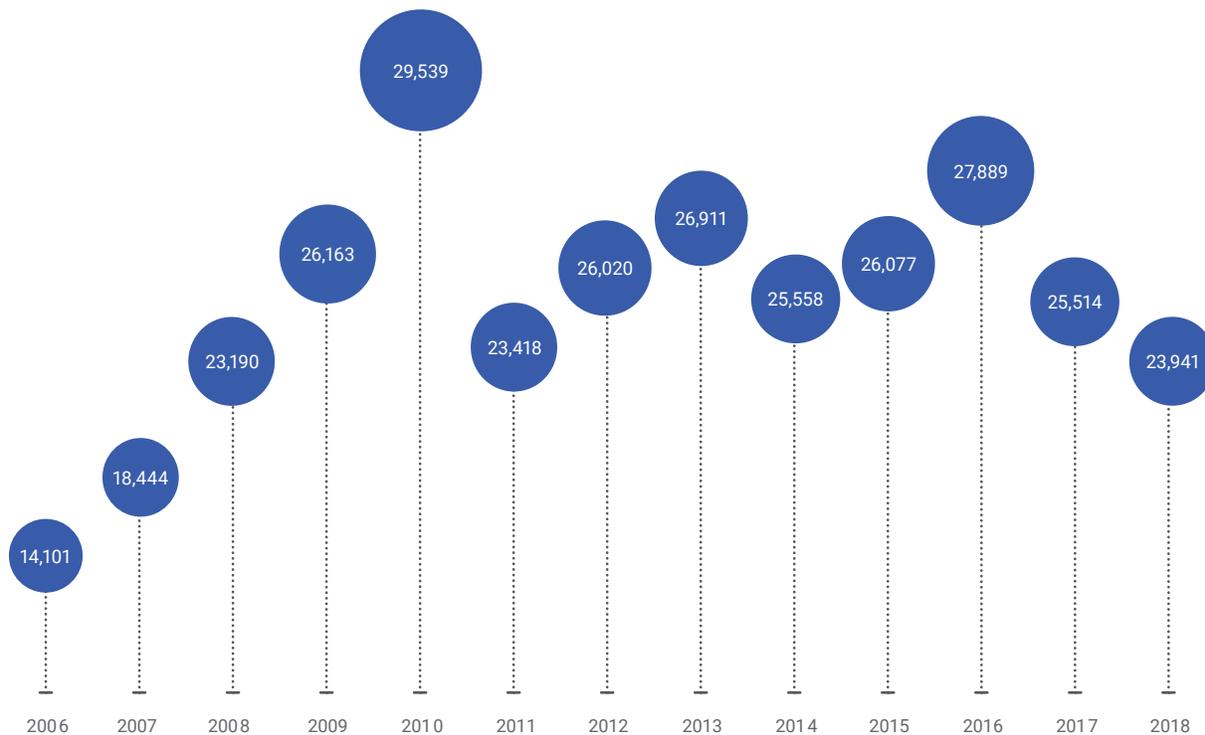
In 2019, the Examinations team began a Practice Analysis focusing on the impact technology has on the work of newly licensed CPAs which could result in additions or changes to the exam. The research also is analyzing content that may no longer be critical for newly licensed CPAs. This research project involves meetings with public accounting firms of varying sizes as well as focus group discussions with supervisors of newly licensed CPAs. The supervisors work in public accounting firms and business and industry, with some also serving on boards of accountancy.

Upon completion of the Practice Analysis, the Examinations team will publish a research paper. The document will include an Exposure Draft outlining recommendations for planned exam updates and content to be added, changed, or deleted. It will also include an Invitation to Comment portion that presents potential future exam changes based on feedback received during the Practice Analysis. These are changes that may require additional research and/or more extensive structural changes to the exam.

5.1 Trends in number of new CPA candidates by year | 2006-18



5.2 Trends in number of CPA candidates who passed their 4th section of the CPA Exam by year | 2006-18



(See note m on page 39)

Appendix A

AICPA PROGRAMS DEDICATED TO GROWING THE CPA PIPELINE

Accounting Accreditation Practitioner Engagement Program

The Accounting Accreditation Practitioner Engagement program, in partnership with the Association to Advance Collegiate Schools of Business (AACSB) business and accounting accrediting body, is focused on increasing CPA practitioner involvement throughout the university accounting program's accreditation/affirmation process. By doing so, this program provides value to universities, as practitioners can provide insights into the accounting profession and share the skills and knowledge students need when entering the profession. Since the first training in November 2018, the program has trained over 20 CPA practitioners to be a part of AACSB peer review teams and committees.

Academic Champions

The AICPA launched the Academic Champions program in 2016 to help encourage a pro-CPA culture on college campuses. The program provides support to academic faculty at select universities and community colleges to help them increase awareness of the CPA profession by using AICPA-provided resources and holding campus events each semester. This program currently has 42 Academic Champions who are fostering a stronger connection between their students and the accounting profession.

AICPA CPA Evolution Project

Launched in 2018 by the AICPA and the National Association of State Boards of Accountancy (NASBA), the CPA Evolution initiative is an effort to explore modifying the requirements for initial CPA licensure in response to the rapid pace of change in the environment in which CPAs operate. Technological innovations are changing both the services CPAs provide and how they provide them. The CPA profession must embrace these changes to maintain its strength and support evolving business needs while continuing to serve the public interest.

In 2019, the AICPA and NASBA put forth guiding principles and are seeking input from the profession, academia, and the regulatory community. During the AICPA Fall Council and the NASBA Annual Meeting in October 2019, both groups will present the collected feedback and will recommend next steps.

Accounting Doctoral Scholars Program (ADS)

In 2008, the AICPA launched the ADS program to address the shortage of qualified CPA-accredited faculty. The ADS program recruits CPAs to enroll in Ph.D. programs and ultimately join the faculty at universities and colleges throughout the United States. To date, the AICPA has recruited and funded 132 candidates with relevant practical experience into the program. Combined, these candidates have produced 138 publications focused on areas such as firm quality control initiatives, tax fraud, and financial reporting and have taught 828 courses ranging from introductory accounting to auditing for Ph.D.-level students, reaching over 31,000 students.

Academic Executive Committee (AEC)

The AICPA has engaged the accounting academic community for over 100 years. A leading example is the AICPA's AEC. The AEC includes accounting faculty, high school accounting teachers, accounting practitioners, and state CPA societies from across the United States and serves to assist the AICPA in achieving its academic initiatives, programs, and partnerships to grow and involve a community of diverse, well-prepared, highly qualified CPAs. Recent work of the committee includes:

The approved and implemented recommendation to include practitioners on peer review teams for AACSB accreditation visits;

The development of the Accounting Advisory Council Toolkit, which provides departments of accounting guidance on enhancing or starting an advisory board that includes members of the business community;

Updating the Core Competency Framework for pre-licensure education; and

Pioneering advisory support that led to the launch of the Extra Credit newsletter, which has helped to advance AICPA engagement with accounting faculty.

Accounting Program for Building the Profession (APBP)

The APBP program, which was created in 2006 by Dr. Dan Deines and purchased in 2017 by the AICPA, exists to help promote the accounting profession as a viable career option for high school students. To achieve this, the college-level program equips high school teachers with the tools needed to teach more advanced, engaging content in the classroom. Since its inception, this program has trained over 1,500 educators across 48 states and has exposed thousands of students to the many opportunities the accounting profession has to offer.

AICPA Fellowship for Minority Doctoral Students

The AICPA started the Fellowship for Minority Doctoral Students in 1969 to ensure that CPAs of diverse backgrounds are visible in college and university classrooms. The program has increased the number of minority CPAs who serve as role models and mentors to young people in the academic environment and university classrooms. For the 2018–19 academic year, the AICPA awarded scholarships to 25 full-time accounting doctoral-level students, totaling \$300,000.

AICPA Legacy Scholars Program

For over 50 years, the AICPA has helped grow the number of qualified high school and college students entering the accounting profession through scholarship funding. Scholarships are awarded to students who demonstrate the potential to become leaders in the CPA profession, who are taking nontraditional paths to becoming CPAs, or who help promote the growth of diverse, talented professionals in the accounting field. During the 2018–19 academic year, the AICPA awarded 148 scholarships, totaling over \$650,000 to AICPA student members who plan to receive a CPA designation.

AICPA Student Affiliate Membership

Launched in 2010, this membership is designed to help students interested in accounting from the earliest stages of their college careers through graduation. By joining the AICPA for free as a Student Affiliate, students get access to tools, resources, and exclusive discounts and scholarship opportunities. According to a 2019 AICPA survey, 75% of accounting students believe that the AICPA Student Affiliate membership is helpful for their professional goals.

Bank On It

This online accounting game is designed to challenge high school and college students on accounting fundamentals while providing real-world scenarios and reinforcing what they learn in the classroom. Since its launch in 2015, Bank On It has completed over 100,000 games and hosted over 350 tournaments on its site.

Diversity & Inclusion Initiatives

The accounting profession serves communities and clients across the globe with varying cultures and perspectives. As the profession continues to become more globalized, a greater need exists for diversity and inclusion. The AICPA has created programs and initiatives to help increase the quantity and quality of under-represented minorities in the profession. These include but are not limited to:

AICPA and NAF Recognition Program Partnership

The National Academy Foundation (NAF), Academy of Finance (AOF), and the AICPA have partnered to expand high school student exposure to the accounting profession by hosting an annual Bank On It tournament and other programs each year.

Accounting Scholars Leadership Workshop (ASLW)

ASLW is an annual, invitation-only student leadership conference hosted by the AICPA. The workshop helps students develop leadership skills and expand their knowledge of various pathways to success in the accounting profession.

Annual Accounting Profession Diversity Symposium

The Annual Accounting Profession Diversity Symposium provides a platform for firms, academics, and state societies to explore best practices and identify ways to overcome obstacles in filling the accounting pipeline with diverse professionals.

Real CPA Pipeline Campaign

To encourage students with diverse backgrounds to pursue an accounting career, the AICPA has created a national awareness campaign called Real CPAs. This campaign features real CPAs with diverse backgrounds. Each year features new real CPAs that debunk the stereotype of accounting professionals.

HBCU Toolkit

To increase the recruiting and retention of African Americans in the accounting profession, AICPA developed a toolkit for historically black colleges and universities. These toolkits are provided to campus career service centers to ensure that their students are well equipped professionally, being seen by recruiters, and receiving internship and job placement opportunities.

Start Here, Go Places (SHGP)

Created in 2002, SHGP provides accounting profession information to students and high school teachers that inspires students to join the accounting profession. The website provides over 90 unique classroom activities and over 35 professional development articles that teachers can download for free and use in their classroom. Additionally, SHGP also provides teachers with printed classroom resources.

State Societies Dual Recruitment

Starting in 2016, the AICPA has partnered with accounting state societies to jointly recruit student members. The partnership — which includes unified messaging and co-branded materials — helps students enhance their connection to the profession and demonstrates the value of lifelong professional membership. Additionally, this program provides an avenue for the AICPA and state societies to share ideas, create efficiencies, and overcome pipeline challenges together. Currently the AICPA is partnered with 14 state societies, and the effort has jointly recruited thousands of students since its launch.

This Way to CPA (TWTCPA)

TWTCPA was designed for college students interested in pursuing a CPA. Launched in 2010, this initiative helps provide the clarity and direction needed to obtain a CPA accreditation. Visitors learn about the education, work experience, and exam and licensure process. The TWTCPA website features countless resources and 34 CPA profiles and 19 Exam profiles spanning 14 industries, including public accounting, forensics, corporate, and more, to give students and graduates a better understanding of the profession and what it takes to become a CPA.

Uniform CPA Examination®

The AICPA's Examinations team, with oversight by its Board of Examiners, works with volunteers from the profession, academia, and boards of accountancy to ensure the CPA Exam remains fair, legally defensible, and aligned with the work of newly licensed CPAs. The team's continuous monitoring and updating of content based on changes to standards, regulations, and laws keep the Exam current and relevant to the profession. This involves updating the CPA Exam Blueprints one or two times each year to reflect the changes.

Following a comprehensive Practice Analysis with input from the profession, in April 2017 the Uniform Examination team began assessing critical thinking and other higher-order skills to a greater extent. The following year, the AICPA introduced new, intuitive CPA Exam software designed to enhance the user testing experience, which included access to Microsoft Excel®. In 2019, the AICPA began a new Practice Analysis specifically targeting the impact technology has on the work of newly licensed CPAs.

Appendix B

METHODS

Supply methodology

A census of colleges and universities granting accounting degrees was invited to participate (n=907)

The survey opened on October 18, 2018

The survey closed on January 25, 2019

Response rate was 12% (n=112)

Survey results presented in this report are weighted by faculty size and geographic region

Demand methodology

A census of public accounting firms was invited to participate (n=30,529)

The survey opened on October 18, 2018

The survey closed on January 25, 2019

Response rate was 2.3% (n=706)

Survey results presented in this report are weighted by firm size (number of CPAs)

ENDNOTES

- a. The statistical vendor changed from CXACT to ARC Research between the 2015 and 2017 reports. ARC did their due diligence in researching methods from previous years and creating a model that is as comparable as possible to previous years' data. The 2016 and 2018 models are based on a linear regression on weighted data, using faculty size as a predictor. For 2016 and 2018, weights were applied across the whole survey sample. For 2014, the previous vendor noted that separate weights were calculated for Bachelor's, Master's, and Ph.D. respondents.
- b. For 2016 and 2018, the weighted proportions of MA program types were applied to the projected MA total to derive breakdowns by program type. For 2014, it appears that the unweighted proportions of MA program types were used. For 2012 and years prior, it is unclear how proportions of MA program types were derived.
- c. Enrollment data collected for the 2015 *Trends* report represents the 2014-15 academic year instead of the 2013-14 academic year due to the wording of the supply survey questionnaire for this period.
- d. The statistical vendor changed from CXACT to ARC Research between the 2015 and 2017 reports. ARC did their due diligence in researching methods from previous years and creating a model that is as comparable as possible to previous years' data. The 2016 and 2018 models are based on a linear regression on weighted data, using number of CPAs to predict total new graduate hires with accounting degrees. For 2016 and 2018, the weighted proportions of BA vs. MA were applied to the projected total to derive breakdowns by degree level. For 2014, it appears that the unweighted proportions of BA/MA were used. For 2012 and years prior, it is unclear how proportions of BA/MA hires were derived.
- e. To avoid double counting of dual degree students, respondents were instructed to classify students as follows:
 01. Enrollments - Respondents were instructed to classify students in years 1 through 4 as Bachelor's and students in year 5 as Master's.
 02. Graduates - Respondents were instructed to exclude dual degree graduates from the Bachelor's totals, and include them in the Master's totals.
- f. Data collection for the multiethnic race/ethnicity category began in 2010.
- g. In 2014 and previous years, areas of assignment were limited to Accounting/Auditing, Taxation, MIS/Computers, and Other. In 2016, we broadened the areas for the snapshot data (3.2), but kept the condensed categories for the trends data (3.7) as follows: Additionally, this year we added an "Internal Audit" category for further segmentation.

AREAS OF ASSIGNMENT	CONDENSED CATEGORY
Financial Accounting	Acc./Aud.
Auditing, not Including Internal Audit	Acc./Aud.
Internal Audit	Acc./Aud.
Assurance Services	Other
Taxation	Taxation
Information Management and Technology Assurance	Other
Consulting	Other
Financial Forensics	Other
Business Valuation	Other
Personal Financial Planning	Other
Management Accounting	Other
Transaction Services	Other
Other Areas	Other

- h. For this chart, 2014 race/ethnicity figures have been recalculated to exclude "Unknown" for comparability with other years.
- i. In previous years, data on the hiring of non-accounting degree holders only included "non-accounting business majors" and "non-business majors." In 2018, we changed the categories to "non-accounting business majors – e.g., finance, marketing, etc.," "STEM majors, not including accounting or business," and "all other majors." Because of the addition of more specific categories, the total of non-accounting new hires is likely artificially inflated in 2018 and isn't directly comparable to previous years. These new categories are indicative of trends in the public accounting industry and are crucial in tracking industry trends accurately in the future.
- j. In iterations of the report prior to 2016, the data in this chart included all firms that responded to the survey, rather than only firms that hired in the survey year. Thus, some percentage of those in previous years that noted that they would hire "the same" next year as in the survey year did not hire in that year and did not plan to hire in the future year (these tend to be smaller firms). This representation of the data was improved upon and the charts in 2017 and 2019 only include prospective hiring of firms that hire.
- k. Due to small sample size, this data cannot be generalized to the entire firm universe. This data, instead, is simply a report of the firms that actually responded.
- l. Firm demographics are not broken down by firm size due to the insufficient samples in the 50-200 and 200+ CPA categories. The number of respondents in those categories is too small (i.e., there are fewer than 40 total respondents in each of those categories) to draw valid conclusions from despite relatively higher response rates in those categories.
- m. CPA Exam data often show increases in candidates prior to changes to the Exam followed by significant decreases in the first few years after the CPA Examination changes. With the changes in 2017, decreases were expected in 2018.

