

**National Pipeline
Advisory Group**

Draft Strategy Report Executive Summary



Welcome and gratitude

Thank you for your interest in developing accounting’s talent pipeline. While a career in accounting has much to offer, the profession is at a crossroads, and many agree it’s time for changes that will make the field more attractive.

I am encouraged by the thousands of people who have shared their insights on this challenge over the past year with the National Pipeline Advisory Group (NPAG). The independent advisory group was convened in July 2023 in response to an AICPA Council resolution with the intent to develop a national strategy to address accounting talent issues. Embedded in the Council resolution was a commitment to preserving mobility, which powers the ability CPAs have to practice with ease across state lines.

Expectations surrounding education and careers are changing. We must respond to and anticipate market needs, and design and implement solutions to ensure accounting’s future talent continues to grow and keep pace with demand.

The dearth of accounting professionals expands beyond labor issues. There is profession-wide concern that the shortage is playing a role in financial reporting delays and challenges across U.S. businesses,¹ an alarming fact that increases the urgency for action.

Now more than ever, we need a cohesive, unified, data-driven, and flexible approach to bring more people into accounting – and ensure that those who are already in the profession remain.

An inclusive approach

The fundamental approach of NPAG’s work was to seek extensive input to ensure an inclusive strategy that reflects diverse perspectives. The recommendations in this report are driven by a combination of insights from stakeholders across the profession; thousands of individuals who were consulted or participated in focus groups, forums, discussions; and surveys of students and stakeholders.

Jennifer Wilson, partner and co-founder of ConvergenceCoaching®, LLC, and her team facilitated NPAG’s planning process with a separate third-party research organization, Meridian Research & Insights, responsible for deploying and analyzing our national and student surveys. Full survey results will be included in detail in NPAG’s final report when it is released in July 2024. This draft reflects partial, interim findings from those surveys.

¹ <https://www.wsj.com/articles/the-accountant-shortage-is-showing-up-in-financial-statements-b14a6b94>

Highlights within this draft, include:

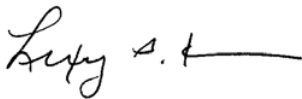
- *An analysis of the changing labor market and education landscape.*
- *A look at root causes of the pipeline shortage.* The initial step in identifying solutions was to understand the causes of the shortage based on data and how they intersect.
- *Recommended strategies and tactics for bolstering the accounting talent pipeline and evolving the CPA license.* NPAG is urging the profession to take a coordinated and intentional approach to its suggested solutions, including any that might disrupt the national system of substantial equivalency that underpins CPA mobility.
- *Highlights of other ongoing efforts.* NPAG and other stakeholders are focused on ideas and solutions for improving the accounting pipeline. In this report, we also highlight the extensive and valuable work of other organizations and initiatives that are in place or being developed to address the talent shortage. Our commitment in this report is to be both inclusive and comprehensive to help drive a unified stakeholder approach.

What are the next steps?

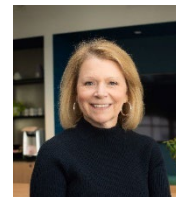
These draft recommendations are only the beginning. The draft report will be presented at the AICPA Spring Council meeting in May 2024, where Council members will have an opportunity to ask questions and provide input to be reflected in the final report. That final version will be published and shared with all stakeholders in July 2024.

NPAG is acutely aware of how critical implementation will be to transforming the accounting talent pipeline. No single entity in the profession can implement these strategies and recommendations alone. To be successful in attracting more people to accounting, the profession's key stakeholders must unify and work together in a more structured, collaborative, and transparent way to continuously innovate and improve our profession. Together, leaders of these initiatives will test, customize, and refine the strategies. As we implement year one of this strategy, stakeholders must also continue envisioning plans for year three, year five, and beyond to build on, accelerate, and amplify our ambitious goals.

Thank you for reading this important report. I am truly honored to be part of an effort to build the accounting profession's workforce. We look forward to discussing how these strategies can help the profession achieve its greatest level of success in the ever-changing market.



Lexy Kessler, CPA, CGMA
Mid-Atlantic Regional Leader, Apriso
Chair, National Pipeline Advisory Group



Executive summary

The talent shortages of the past several years, coupled with strong demand for professional accountants, have created challenges throughout the profession. Yet today we can see the potential for meaningful change.

Stakeholders from all areas of accounting – including CPA firms, finance departments, businesses, academia, government, nonprofits, the regulatory community, accounting associations, and state societies – have devoted substantial time and energy to understanding the talent hurdles and identifying positive solutions. The collective passion around solving the pipeline problem is encouraging.

While the challenges are daunting, the members of the National Pipeline Advisory Group (NPAG) feel a genuine sense of optimism.

We know that when the accounting profession pulls together to solve a tough challenge, some amazing things can happen. That’s what this draft national strategy, and the final version that will follow this July, are all about.

Themes in the talent data

- ✓ Tell a more compelling story
- ✓ Make the academic experience more engaging
- ✓ Address time and cost of education
- ✓ Grow support for CPA Exam candidates
- ✓ Expand access for underrepresented groups
- ✓ Enhance employee experience



NPAG’s initial recommendations are based on six major themes that emerged from the data. *These themes are not ranked. All are equally critical.*

To succeed we need to:

Tell a more compelling story. To move the needle, let’s all put some muscle behind a grassroots effort to convey the powerful potential of accounting careers. We can shift the narrative that has been branding our profession as one of overwork and lagging pay. NPAG is inviting everyone in the profession to take the [Pipeline Pledge](#) – making a commitment to give more of their time to encourage students and/or nurture new workers.

Make the academic experience more engaging. Educators are leading an important push to change how introductory courses are taught by helping make best-in-class resources and training available to educators. NPAG also recommends:

- Consideration of what is taught in Principles of Accounting courses and when. Reviewing the pacing and topical areas would help ensure that Principles of Accounting courses provide students who have yet to declare their major with a sense of the prestige, flexibility, and purpose a career in accounting can deliver, along with attractive lifetime earning potential.
- Ensuring that accounting programs are positioned to help guide and support students as they progress into more challenging coursework. There are majors that are known for high attrition rates. To build a stable talent base, accounting can’t be one of them.
- Ample mentors, champions, and visiting practitioners engage in the classroom.
- Harnessing technology to bring the accounting material to life in different ways.

Address the time and cost of education. This entails creating a nimble process to keep the CPA license and its requirements evolving, transparent, and accessible. NPAG’s recommendations recognize that some candidates have to begin working immediately after earning a bachelor’s degree and find lower-cost options for the final stretch of education needed for licensure. **With a focus on moving swiftly**, NPAG has outlined three concepts that build on each other and shift direction toward measuring competency versus just academic experience.

In addition, NPAG recommends that a timely practice analysis be conducted to assess market needs and drive alignment of education, experience, and the CPA Exam to the required competencies.

Concepts include:

- Experiential learning that earns college credit on the student's transcript, delivered by an accredited college or university. This is already happening now under several models and could be expanded nationally. This continues to preserve CPA practice mobility.
- A near-term model of experiential learning off the transcript, most likely delivered by the employer or another third party.
- Due to its overall complexity, the third concept is deemed longer term: Create a competency-based licensure model that is neither based on university credit hours nor experience time, although both are likely to contribute in some way. This model would help measure mastery and readiness instead of time in school or time on the job.

All three would require passage of the CPA Exam, just as the existing process does. **The second and third concepts would require an intentional and coordinated approach to manage potential disruption to CPA practice mobility.** Today's existing pathways would remain, and candidates and employers could choose which approach will work best for them.

Grow support for CPA Exam candidates. NPAG's scope is accounting talent broadly. But some of those who are attracted to accounting will go on to take the CPA Exam, and there's room to improve that experience. The recommendations here sit in these areas of focus:

- Addressing the cost of the Exam and rewarding individuals for passing each section of the Exam
- Adding flexibility to the timeframe in which the Exam can be taken
- Simplifying the application and eligibility process end-to-end
- Reworking the content and/or format of the Exam itself

Prioritize strategies to expand access for underrepresented groups at every stage. It's critical that the accounting profession reflect the makeup of the U.S. population. Getting there will take building interest in accounting careers among underrepresented populations through:

- Targeted messages
- Scalable college-bound experiential programs

- Closer relationships among the profession and community colleges, four-year colleges, and universities with high minority and underserved populations

Enhance the employee experience by evolving business models and cultures. Truly reversing the long-term accounting enrollment trends depends on the creation of a more attractive employee experience, including starting salaries that are competitive with other majors and professions vying for top talent. Simply put, employers need to make workloads more manageable, work more interesting, and advancement opportunities and rewards clearer. Accounting associations and state CPA societies can assist with resources and best practices for some employers, but at the end of the day, this shift lies with leaders of firms and finance departments.

Moving forward

This is not the first time accounting has seen a talent shortage, and NPAG is not the first group or even the only group at this moment recommending steps to make the profession more sustainable. Today we have an opportunity to better understand what's truly behind the current decline in interest and craft actionable, data-driven, and long-lasting solutions.

So what will make these efforts successful?

Data:

Our profession needs data that can help paint a detailed picture of what's working and what's not when it comes to accounting talent. Key stakeholders should commit to making changes needed to enable the sharing of existing data and identifying what new data should be collected and shared. That could include anything from parsing data on the majors students switch to if they leave accounting programs to analyzing CPA Exam performance and progression or exploring what careers accountants move to if they exit the profession.

Sustained collaboration:

To accomplish the scale of change ahead, continuous collaboration among stakeholders is critical. If the profession's key stakeholders take a fragmented approach to solving the issues, the collective results will be muted. Stakeholders may not always agree on the way forward, but the best results lie in amplifying each other's strategies and programs, eliminating duplication, and continuing the dialogue. **To that end, NPAG is calling for inclusive joint summits of key stakeholders beginning as soon as possible so the various owners of these initiatives can discuss next steps.**

Transparency and reporting:

Talent must remain a priority, even when market conditions change and the urgency to fill roles begins to abate. The talent pipeline should remain a standing agenda item when the profession's stakeholders gather. NPAG recommends the development of a scorecard to measure and report publicly on progress.

Individual actions:

Our intent with this draft strategy report is to harness the momentum from ongoing discussions, and ensure individuals feel empowered to effect change in their communities and organizations. For more details on the current landscape, the available data, and the recommendations, we encourage you to spend some time with the full draft report and the [NPAG website](#), and return later this summer when we incorporate feedback received and add resource listings, case studies, and full survey data in the final report.

Working together

This report is only the beginning of a longer journey, and every individual can contribute. We must now pull together, identify solution “ownership” assignments that leverage each stakeholder group’s unique talents, and develop, fund, and execute the solutions in this report. Ideally, this next group of accounting leaders will transparently report their progress to the profession semi-annually and will call on individual stakeholders to take new actions as progress is made.

Together, we can – and will – transform the accounting pipeline.

**National Pipeline
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www.accountingpipeline.org

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