

Accounting Talent Strategy Report

Analyzing the root causes of the accounting talent shortage, potential solutions, and next steps forward.



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◀ **LEXY KESSLER, CPA, CGMA**
Chair, National Pipeline
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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 aimed at developing 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, as well as 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.

¹ Mark Maurer, "[The Accountant Shortage Is Showing Up in Financial Statements](#)," *The Wall Street Journal*, July 11, 2023.

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 participated in focus groups, forums, and discussions; and surveys of students and other stakeholders.

Jennifer Wilson, partner and cofounder of ConvergenceCoaching®, LLC, and her team facilitated NPAG's planning process, and a separate third-party research organization, Meridian Research & Insights, was responsible for deploying and analyzing our national and student surveys.

Highlights within this report include:

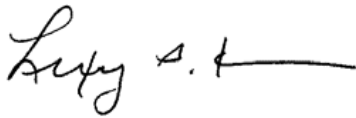
- **An analysis of the changing labor market and education landscape.**
- **A look at root causes of the pipeline shortage.** The initial step in identifying solutions was to understand the causes of the shortage and how they intersect.
- **Recommended strategies and tactics for bolstering the accounting 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 recommendations are only the beginning. 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 stakeholders 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, Aprio
Chair, National Pipeline Advisory Group

**We need a cohesive,
unified, data-driven,
and flexible approach
to bring more people
into accounting.**



Executive summary

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

Stakeholders from all areas of accounting — including CPA firms, finance departments, businesses, academia, government bodies, not-for-profits, 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 report is all about.

NPAG's recommendations are based on six major themes that emerged from various data sources. These themes are not ranked, and all are equally critical. To succeed, the profession collectively needs to:

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



Make the academic experience more engaging

Academia is leading an important push to change how introductory courses are taught by making best-in-class resources and training available to all educators. NPAG also recommends:

- Consider what is taught in Principles of Accounting courses and when. Reviewing the pacing and topical areas would help ensure that introductory courses provide undeclared students with a sense of the prestige, flexibility, and purpose that a career in accounting can deliver, along with the attractive lifetime earning potential.

- Ensure 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.
- Secure classroom engagement from ample mentors, champions, and visiting practitioners.
- Harness 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 recognizes that some candidates must begin working immediately after earning a bachelor's degree and need a cost-effective way to earn the final 30 credit hours 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 better alignment of national licensing requirements. Concepts include:

Experiential learning that earns college credit on the student's transcript, delivered by an accredited college or university. This option is **available now** under several models and could be expanded nationally. This continues to preserve CPA practice mobility.

Experiential learning that earns college credit off the student's transcript, most likely delivered by the employer or another third party. Through this **near-term** option, the learning would be earned through work experience according to a yet-to-be-developed common rubric, with clearly defined learning objectives and measurable outcomes, following standards and guidelines that outline the competencies necessary for CPA licensure.

Due to its overall complexity, the third concept is deemed **longer term: Create a competency-based licensure model that is not based solely on university credit hours or time on the job**, although both are likely to contribute in some way. This model, which is used by other licensed professions, would help measure a candidate's competency in specific knowledge and skills. This competency-based model would measure outputs (skills mastery, abilities, knowledge, and experience) versus time (education hours). This model reimagines the education and experience together and moves the discussion away from hours completely. It would be the single umbrella that any and all pathways would fall under and could provide unity among states regardless of pathways in statute.

All three concepts 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 would work best for them.

Grow support for CPA Exam candidates

NPAG's scope is accounting talent broadly. But some accounting professionals will go on to take the CPA Exam, and there's room to improve the testing experience. The recommendations 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 minority-serving institutions and universities

Enhance the employee experience by evolving business models and cultures

Reversing the long-term accounting enrollment trends depends on the creation of a more attractive employee experience, including an immediate shift in starting salaries to be competitive with other majors and professions vying for top talent. Simply put, employers need to make the return on investment of an accounting education more compelling. This must happen, along with more manageable workloads, more interesting work, and clearer advancement opportunities and rewards. 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.

Tell a more compelling story

Outdated messaging that highlights more negatives than positives and misperceptions about an accounting career persist, which ultimately hurts the profession's pipeline. To move the needle, let's all put some muscle behind a grassroots effort to tell a better story, amplify existing resources, and spotlight diverse voices. While working together to address the business and cultural hurdles identified by NPAG, we can begin to shift the profession's image. NPAG is inviting everyone in the profession to take the [Pipeline Pledge](#) — a commitment to participate in activities that can influence and grow the talent pool.

What we collectively tell students and other prospective accountants must be truthful and balanced, giving them a sense of both the benefits of a career in accounting and the common challenges. Painting a clear picture increases the importance of fixing some of the issues that detract from accounting careers. To tell a more compelling story, there must be a better story to tell.

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 recommending steps to make the profession more sustainable. (See “NPAG’s quick guide to recommendations” in the appendix for a full list of solutions.) 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, as well as identifying what new data should be collected and shared. That could include parsing data on the majors students switch to if they leave accounting programs, 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. NPAG is calling for inclusive joint roundtables of key stakeholders, the first of which is being planned for fall 2024. **Implementing NPAG’s proposed solutions will require cooperation from all key accounting bodies, including the AICPA, AAA, NASBA, state licensing boards, and state CPA societies, among others.**

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 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 read the full report and visit the [NPAG website](#).

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.

Identifying the key factors behind the CPA pipeline shortage

The accounting profession is facing a shrinking workforce due to a confluence of causes, including demographics, the cost of higher education, starting pay that lags behind competing sectors, and concerns about long hours and workplace culture. Examining labor reports and research findings to identify the root causes of this talent shortage provides the foundation needed to evaluate NPAG's recommendations for growing the pipeline while paving a path forward to ensure a vibrant profession.

A changing U.S. labor market

To understand the accounting profession's talent challenges, it helps to start with global and U.S. demographic and labor trends. The accounting profession is one among many sectors facing hiring constraints because of these trends. From nurses and doctors to airline pilots, skilled tradespeople, and restaurant workers, concerns about meeting current and future staffing needs abound.

What's driving these shortages? Census data shows the U.S. working-age population grew only 3% from 2010 to 2020, slowed by a general drop in fertility rates and the growing pool of retirees.² The Pew Research Center reported that nearly 28.6 million baby boomers left the workforce in late 2020,³ a 12.6% jump from 2019.

While hiring rates continue to rise across all industries, the financial and business sectors are especially struggling to fill jobs, according to the U.S. Chamber of Commerce.⁴ There simply aren't enough skilled people to meet the demand for accounting services. The U.S. Bureau of Labor Statistics reports that job openings for accountants and auditors will grow by 4% between 2022 and 2032, due in part to workers retiring or changing roles.⁵

Unfortunately, this supply and demand mismatch won't pass quickly. According to the U.S. Chamber of Commerce, there are 8.5 million job openings in the United States, but only 6.5 million unemployed workers.⁶ Through 2032, the U.S. labor force is expected to grow by just 0.4% annually, compared to 0.6% from 2012 through 2022.⁷ The accounting profession's strategies for building a vibrant future workforce must anticipate this changing landscape.

² Luke Rogers and Kristie Wilder, "[Shift in Working-Age Population Relative to Older and Younger Americans](#)," U.S. Census Bureau, June 25, 2020.

³ Richard Fry, "[The pace of Boomer retirements has accelerated in the past year](#)," Pew Research Center, November 9, 2020.

⁴ Stephanie Ferguson and Makinzi Hoover, "[Understanding America's Labor Shortage: The Most Impacted Industries](#)," U.S. Chamber of Commerce, May 13, 2024.

⁵ U.S. Bureau of Labor Statistics, "[Occupational Outlook Handbook: Accountants and Auditors](#)," accessed June 10, 2024.

⁶ Stephanie Ferguson, "[Understanding America's Labor Shortage](#)," U.S. Chamber of Commerce, June 24, 2024.

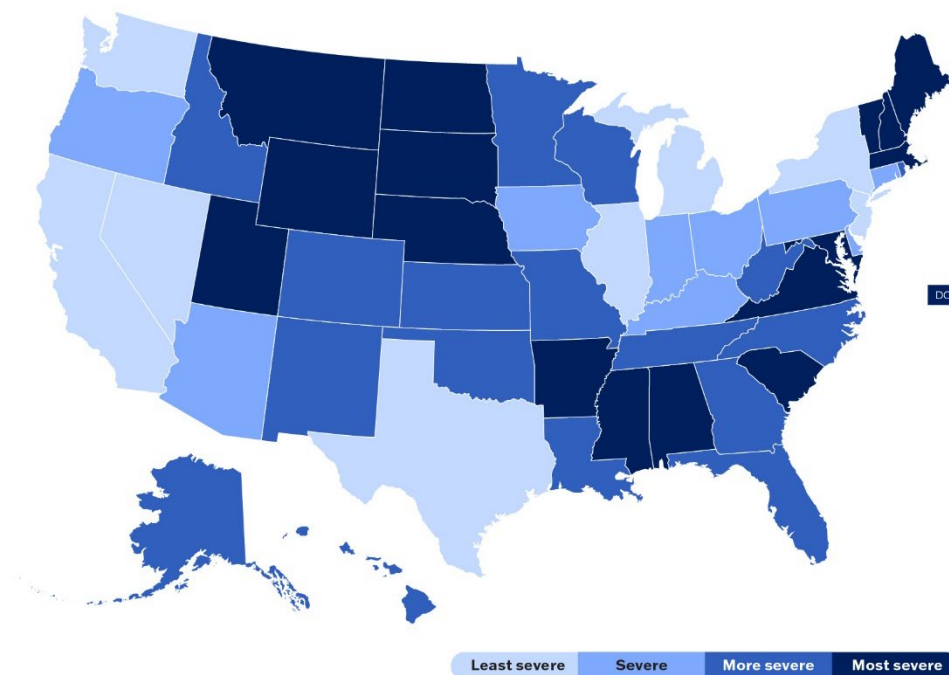
⁷ U.S. Bureau of Labor Statistics, "[Labor force and macroeconomic projections overview and highlights, 2022–32](#)," September 2023.

Paradoxically, these shortages exist amid reports of layoffs at some accounting firms, including at the partner level, and delayed start dates for new hires.⁸ Such layoffs, however, may be attributed to a lower demand for specific consulting services. Meanwhile, the accountant shortage is being acutely felt throughout the market. Several businesses have reported that the shortage is so severe they have had to delay the release of annual reports and other key filings.⁹

Regional differences

The overall talent shortage among all sectors is not being felt equally across the country. The U.S. Chamber of Commerce's Worker Shortage Index ratio, which reflects the number of available workers for each job opening, shows that the need for workers of *all types*, not solely accountants, is the least severe in states such as New York, New Jersey, Texas, California, Nevada, Washington, Michigan, and Illinois. It's worth noting that even these states still face shortages.

U.S. Chamber of Commerce Worker Shortage Index Ratio



⁸ Mark Maurer and Alexander Saeedy, "[Accounting Firms Overhired. Now Some Are Starting to Lay Off Partners,](#)" *The Wall Street Journal*, December 15, 2023.

⁹ Shubhangi Goel, "[The accountant shortage is so bad that it's delaying key reports at companies like Tupperware,](#)" *Business Insider*, April 1, 2024.

The nature of the labor shortage is more severe throughout much of the Midwest, South, and New England. The data shows a wide variance between states, with the highest worker index in California, with 92 workers per 100 open jobs, compared to the lowest worker index found in New Hampshire, with 28 workers per 100 open jobs.¹⁰

While regional and state-based pictures are important considerations, the availability of trained workers can vary greatly even within a state's borders, a factor that causes the pipeline issue to be felt much more deeply in some areas. With these stark differences between states, professional mobility becomes even more crucial as organizations may seek accounting services from providers in regions with more capacity, and accounting employers may seek to hire remote talent from more populous states.

"The vast majority [of states] have seen their labor forces shrink because of early retirements, increased savings, and less immigration, among other factors," according to a U.S. Chamber of Commerce analysis.¹¹ Remote work may offer some employers access to a larger labor pool. The Chamber estimates that approximately 20% of business and professional services positions are fully remote, and close to 40% are hybrid, offering an opportunity to ease hiring strain.¹²

Students are exploring options other than a bachelor's degree

The pressing need to fill the pipeline has come at a time of shifting demand and expectations around higher education, and consequently, there is a greater need to reevaluate the academic experience to attract and retain more students.

Students are exploring options, and one of those options is foregoing college. Total undergraduate enrollment fell by 15% between 2010 and 2021, according to the National Center for Education Statistics.¹³ The downward trend began before the pandemic. Job opportunities not requiring a degree and the rising cost of higher education are thought to be contributing factors.¹⁴

In 2019, 41% of 18- to 29-year-olds said a college education is "very important," a steep drop from 74% in 2013.¹⁵ Among parents, who are key influencers of their children's choice of education and career, nearly half envisioned something other than a four-year degree for their children. Two-year colleges, non-college training programs, and other pathways were seen as ideal for their children by 46% of parents, even when they were told to consider a scenario in which there were "no obstacles or limitations."¹⁶

¹⁰ Lindsay Cates and Stephanie Ferguson, "[Understanding America's Labor Shortage: The Most Impacted States](#)," U.S. Chamber of Commerce, July 2, 2024.

¹¹ Ibid.

¹² Stephanie Ferguson and Makinizi Hoover, "[Understanding America's Labor Shortage: The Most Impacted Industries](#)," U.S. Chamber of Commerce, June 24, 2024.

¹³ National Center for Education Statistics, [Undergraduate Enrollment](#), updated May 2023.

¹⁴ Collin Binkley, "[Jaded with education, more Americans are skipping college](#)," *The Associated Press*, March 9, 2023.

¹⁵ Stephanie Marken, "[Half in U.S. Now Consider College Education Very Important](#)," Gallup, December 30, 2019.

¹⁶ Zach Hrynowski, "[Nearly Half of U.S. Parents Want More Noncollege Paths](#)," Gallup, April 7, 2021.

The term “paper ceiling” has begun to gain traction in questioning whether a college degree is necessary for certain positions and whether requiring a degree creates unnecessary barriers for candidates who are otherwise right for a job.

Parental preferences

When asked about their ideal scenarios with no barriers or limitations, **46% of parents favored something other than a four-year college** for their children after high school.



College enrollment figures for spring 2024 showed some positives, with overall undergraduate enrollment up 2.5% over the previous year. That made for the second straight semester of year-over-year increase following years of declining enrollment during and following COVID.

“While these enrollment gains are optimistic signs for a potential recovery from pandemic losses, they remain well below pre-pandemic levels, with nearly 800,000 fewer students (–4.2%) overall and over 900,000 (–6.0%) fewer undergraduates, compared to spring 2020,” the National Student Clearinghouse Research Center reported.¹⁷

Accounting undergraduate enrollment followed a similar trend, with spring enrollment in 4-year institutions increasing 6% year over year to reach 170,000, the National Student Clearinghouse Research Center data shows. Mirroring overall undergraduate enrollment, accounting enrollments have not returned to pre-pandemic levels. Some 201,000 accounting students were enrolled in 4-year institutions in the spring semester of 2019.

¹⁷ National Student Clearinghouse Research Center, “[Postsecondary Enrollment Continues to Grow](#),” May 22, 2024.

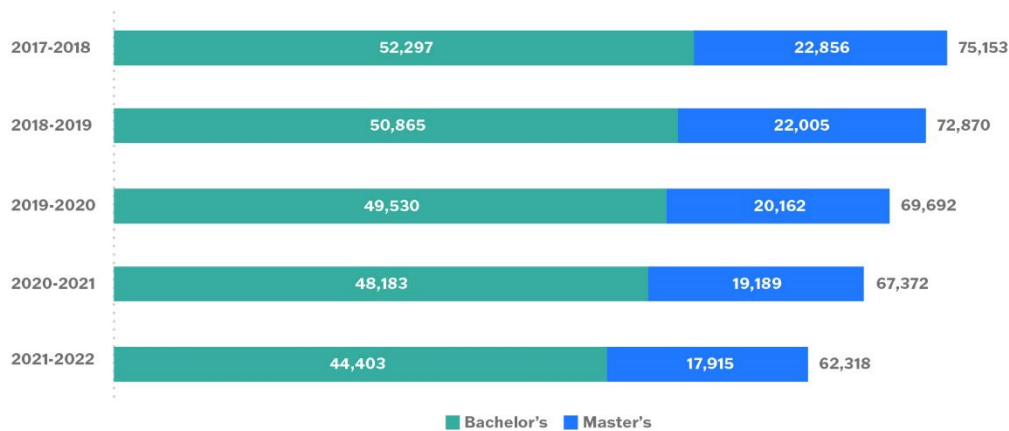
Where the pipeline is leaking

No single organization is collecting data on a student's entire journey from entering college to graduation to beginning an accounting career and possibly taking the CPA Exam. But several trends provide context for the profession's loss of talent. Among all undergraduate business students, only one in nine chooses an accounting major.¹⁸

Of students who declare an accounting major, not all will graduate with a bachelor's degree in accounting, fewer will go on to earn a graduate-level degree, even fewer sit for the CPA Exam, and even fewer will pass all four sections and become licensed. In terms of a pipeline "funnel," we can begin to see areas in need of remediation. Areas to examine include the following:

Trends in accounting degree completions: Of those students who are pursuing higher education, there are fewer completing bachelor's in accounting programs in favor of other majors. Accounting degree completions fell 17% from 75,153 in 2017–2018 to 62,318 in 2021–2022, according to IPEDS, the Integrated Postsecondary Education Data System.

Accounting degree completions 2017-2022

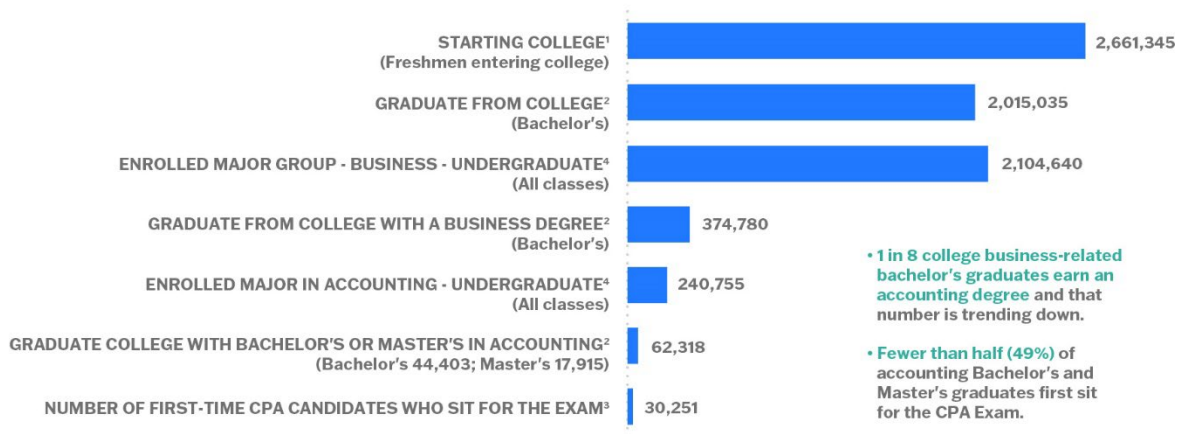


Source: [NCES/IPEDS 2021–22 Degrees/Certificates by Field of Study](#)

CPA Exam interest: The percentage of accounting graduates sitting for the CPA Exam for the first time peaked at 70% in 2010. In 2018, the percentage of exam takers fell below 50% for the first time.

¹⁸ Wiley, "State of the Education Market 2023: Trends and Insights in Key Undergraduate Disciplines," February 2023.

Examining the pipeline 2021-2022



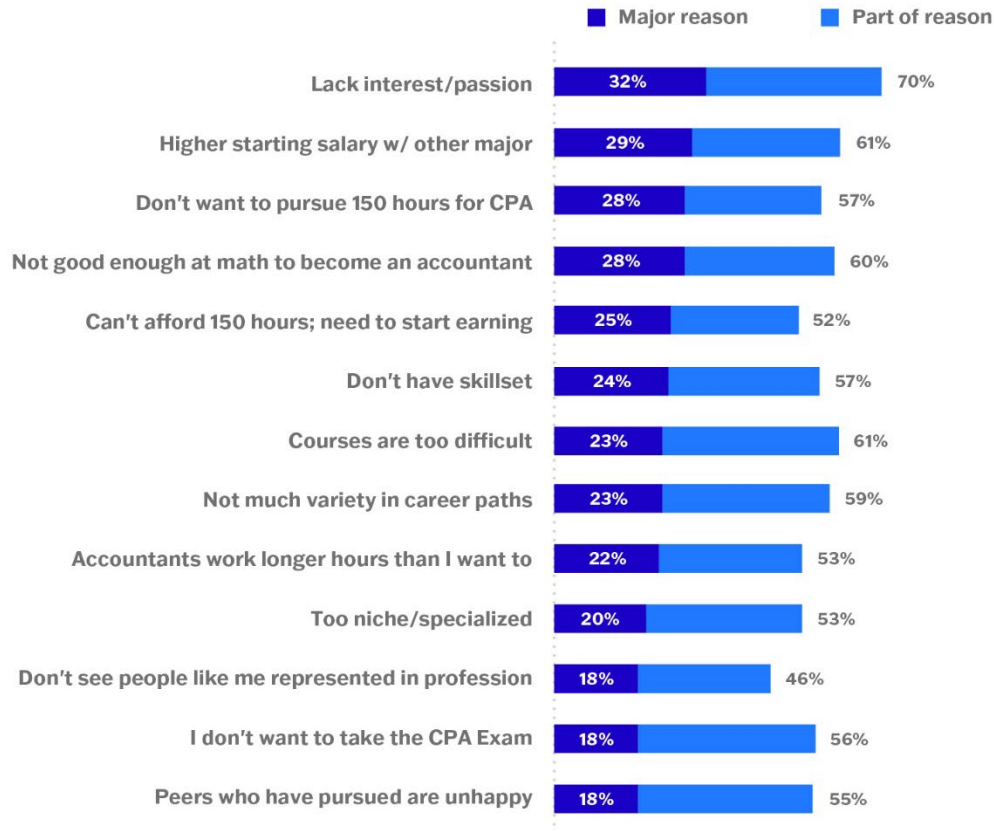
Sources: [NCES/IPEDS 2022 Table 305.10 Total Fall Enrollment of First-Time Degree Certificate Seeking Students](#);¹ [NCES/IPEDS 2021–22 Degrees/Certificates by Field of Study](#);² [AICPA 2023 Trends Report](#);³ [2023 Fall National Clearing House Current Term Enrollment Estimates Report](#).⁴

When examining the data, we can begin to pose the most relevant questions. Why are we not attracting people to a career in accounting, and where are we losing them along the way? And more to the point, what can we do about it?

The accounting major faces competition and challenges. A report from the Center for Audit Quality and Edge Research¹⁹ asked respondents to rank their major reasons and partial reasons for not choosing accounting as a major. Among business students who did not consider accounting, a lack of interest in or passion for accounting along with the belief they lacked the necessary math skills were the top reasons cited for not choosing accounting as a major. For those students that considered accounting but chose not to pursue the major, the additional 30 credit hours required post bachelor's degree to qualify for CPA licensure along with lagging salaries topped their list of reasons why.

¹⁹ Center for Audit Quality, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

Reasons for not choosing accounting as a major among non-accounting majors



Source: [Center for Audit Quality](#), July 2023.

A global issue

Worker shortages appear to be prevalent in the accounting profession globally as well. A 2024 poll by AICPA & CIMA, the Global Accounting Alliance (GAA), and the Confederation of Asian and Pacific Accountants (CAPA) showed that 28 out of 33 accountancy bodies around the world believe that there is a shortage of professional accountants in their jurisdiction(s).²⁰ Shortage concerns for pre-entry and entry-level roles presented the most significant challenges, while fewer concerns were noted at more experienced levels. Across the world, compensation and attractiveness of the profession were the most frequently selected causes for the shortage of professional accountants.

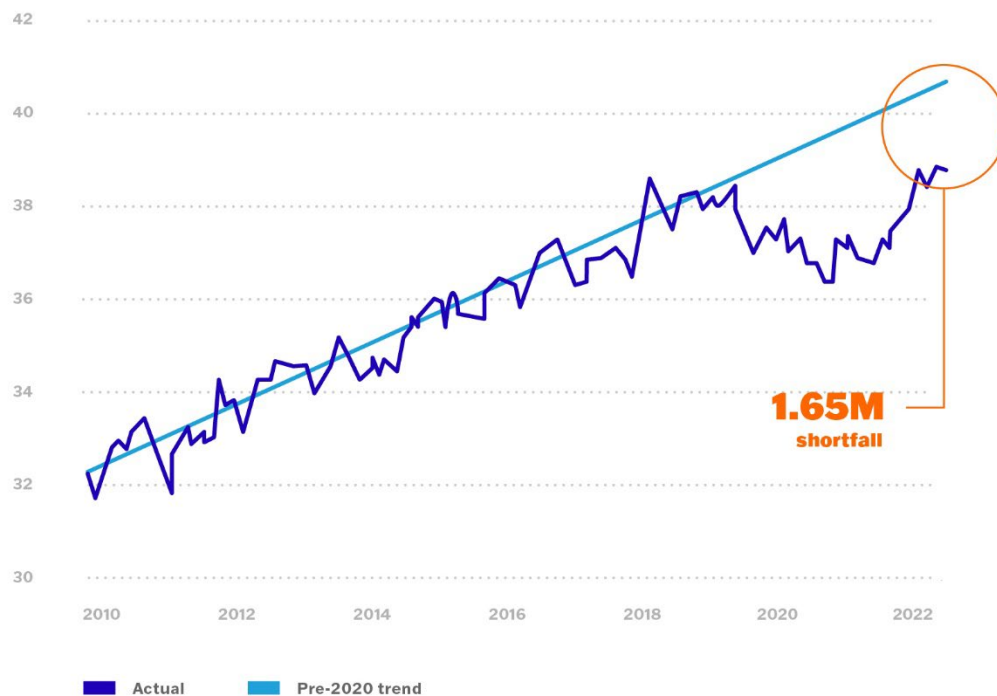
²⁰ AICPA & CIMA, "[Attraction and retention in the global accounting profession](#)," February 2024.

Immigration's role in the talent supply

Immigration plays a role in talent supply for U.S. employers. Although overall immigration numbers began to decline prior to the COVID-19 pandemic, the pandemic's wake created a 1.65 million shortfall in foreign working-age individuals compared to the previous growth trend, according to economists.²¹

Working age immigration levels contribute to workplace shortages

Working age immigrants in millions, 2010–2022



Source: Source: [U.S. Chamber of Commerce](#), August 2023.

During the 2021–2022 school year, more than 50,000 nonresident graduates earned either a bachelor's or master's degree in business, which accounting falls under. This represents a 10.5% decline from the previous academic year, according to IPEDS data.²²

²¹ Giovanni Peri and Reem Zaiour, "[Changes in international immigration and internal native mobility after COVID-19 in the USA](#)," *Journal of Population Economics*, July 27, 2023.

²² U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS), [Degrees/certificates by race/ethnicity, gender, and field of study, 2020-21](#), accessed June 20, 2024.

A global perspective has also led some firms to turn to offshoring for accounting talent, primarily to countries like India, the Philippines, South Africa, and Mexico. A potential solution could be looking to international accounting talent to fulfill some unmet capacity, either through offshoring or immigration.

The impact of technology: Artificial intelligence

Technology innovation and adoption are moving at light speed. As we consider the impact of technology on the pipeline, it's important to consider shifts in workplace expectations. Gen Z was born into an age of always-on, handheld technology. They expect their employers to be technology-forward, which creates opportunities for employers to differentiate themselves. If the salary and job description were the same, 70% of Gen Z employees would leave their job for more efficient tools and technology, according to an Adobe survey.²³

The rise of AI offers both opportunities and challenges. Several accounting educators suggest that technology can be labor saving (when it replaces job functions) or labor augmenting (when it improves a person's productivity, freeing up labor to add more value).²⁴ NPAG believes that technology in general, and AI in particular, is likely to reduce the number of repeatable processes in accounting, freeing up talent to focus on other, higher-value activities. Further, clients and companies need more advisory and planning services from their accountants than they are currently able to receive, due to capacity issues. Labor-augmenting technologies that increase efficiency and free up capacity allow those in the accounting profession to turn their attention to more difference-making work.

Understanding Gen Z

When building a pipeline strategic plan, a heavy emphasis must be placed on the motivators and concerns of next-generation talent and on anticipating trends affecting future generations. So, it is important to understand areas where the priorities of "next-gen" talent may differ from those of current leadership.

Pew Research defines Gen Z as being born between 1997 and 2012, so the oldest members are turning 27 this year. Gen Z, or post-Millennials, will be the most ethnically diverse and well-educated generation to date, according to Pew Research. This cohort is "enrolling in college at a significantly higher rate than Millennials were at a comparable age."²⁵ Gen Z is also entering the workforce later, which will almost certainly have an impact on overall labor trends and the accounting pipeline.

According to an EY study exploring Gen Z perceptions, business and STEM students are pursuing accounting because it provides:

- Career stability and a comfortable lifestyle (46%)

²³ Adobe, [The Future of Time](#), August 2021.

²⁴ Henry L. Friedman, Andrew Sutherland, and Felix Vetter, "[Technological Investment and Accounting: A Demand-Side Perspective on Accounting Enrollment Declines](#)," April 30, 2024.

²⁵ Richard Fry and Kim Parker, "[Early Benchmarks Show 'Post-Millennials' on Track to Be Most Diverse, Best-Educated Generation Yet](#)," Pew Research Center, November 15, 2018.

- The ability to find solutions within numbers and data (25%)
- An opportunity to contribute to society (23%)
- The chance to impact sustainability (21%)²⁶

Gen Z views on diversity and family makeup are similar to those of Millennials but differ from Gen X and Boomers, something that employers must understand. For instance, Pew indicates that:²⁷

- Nearly half (48%) of Gen Zers say gay and lesbian couples being allowed to marry is a good thing for our society.
- Roughly two-thirds would say that Black or African American individuals are treated less fairly than whites in this country.
- 59% of Gen Zers indicate that forms or online profiles should include additional gender options other than “man” and “woman.”

Pew suggests that Gen Z resides overwhelmingly in urban areas and in Western states. In fact, only “13% of post-Millennials are in rural areas, compared with 18% of Millennials in 2002.”

Despite the demographic and cultural shifts, minority groups are still underrepresented in accounting. During the 2021–2022 school year, 8% of accounting graduates were Black or African American, and just over 14% were Hispanic or Latino/Latina, according to IPEDS. Those percentages decline as seniority levels rise within the profession, with even fewer minorities and women represented in leadership roles.²⁸ This report aims to identify strategies to attract and retain candidates of all backgrounds, with specific ideas for engaging underrepresented minorities outlined in the section “Prioritize strategies to expand access for underrepresented groups.”

A path forward

Understanding some of the macro trends influencing the profession and our pipeline issues was a first step taken by NPAG. The deep dive into research, poll data, forums and discussion groups, and the NPAG national and student surveys has helped lay the groundwork for a path forward. By identifying the root causes, we can develop corresponding solutions to draw more people to accounting and transform the pipeline.

²⁵ Dante D'Egidio, Ginnie Carlier, Becky Burke, “[How Gen Z insights are shaping the accounting profession of the future](#),” EY, November 2, 2023.

²⁷ Kim Parker, Nikki Graf, and Ruth Igielnik, “[Generation Z Looks a Lot Like Millennials on Key Social and Political Issues](#),” Pew Research Center, January 17, 2019.

²⁸ Institute of Management Accountants and California Society of Certified Public Accountants, “[Diversifying US Accounting Talent A Critical Imperative to Achieve Transformational Outcomes](#),” October 12, 2021.

Solutions to the pipeline crisis: Transforming support, engagement, and business models

NPAG has worked to identify what it believes to be the highest-impact ideas for growing the accounting pipeline. These solutions are organized by each thematic area in the sections that follow.

The recommendations in this report are guided by the core principles that any solutions must balance rigor with flexibility and will require collaboration across the profession.

NPAG's solutions aim to preserve or elevate the profession's value. The solutions are intended to attract more people to a career in accounting and provide candidates of all backgrounds with greater clarity, accessibility, and options on the way to licensure.

No single solution will solve the problem in isolation, and stakeholders must work together to accomplish meaningful change. We must amplify and leverage each other's programs to reach new recruits and retain early-career employees. The effort to grow the pipeline must involve academia, business and industry, CPA firms and decision-makers, state societies and CPA associations, regulators and state boards of accountancy, and other advocates.

This work is ongoing and, in many respects, just beginning. These solutions and recommendations are meant to serve as the start of a broader conversation, providing a deeper understanding of the hurdles we face and meaningful, actionable ideas to address them. We owe it to the public, the profession, and future generations of accountants to move these solutions forward and show real progress, with meaningful results in growing the accounting pipeline.



Make the academic experience more engaging

Educators work on the front lines of generational change, finding themselves regularly adapting to shifts in student learning styles and expectations.

Feedback from students tells us that accounting coursework needs to continue the evolution that is already underway on many campuses. NPAG's recommendation is not to make courses easier but instead to make them more engaging and relatable to business students. The goal is for accounting curricula to reflect the dynamic nature of the profession and showcase how an accounting degree can lead to a fulfilling career that meets needs for stability, prestige, work-life balance, career path flexibility, and social relevance. Support at critical junctures in the educational path could have a positive impact on a student's interest in continuing on to a degree and, ultimately, a career in accounting.

In the 2021–22 academic year, only one in eight graduating business students received a bachelor's degree in accounting, down from one in seven in the 2015–2016 academic year.²⁹



Only **1 in 8 business majors** graduates with a bachelor's degree in accounting.

The Center for Audit Quality (CAQ) and Edge Research interviewed business majors who considered accounting but did not pursue an accounting major, and only one in three said the content was interesting or engaging.³⁰

Before students enroll in their first accounting course, they may not realize the variety of careers available to accounting graduates. They may be unaware of opportunities to work in organizations with a duty to protect the public and a need to solve complex and challenging business issues. They may not realize accounting careers can encompass their own areas of passion. They may be missing the link between an accounting degree and entrepreneurship.

²⁹ “[Digest of Education Statistics](#),” National Center for Education Statistics, accessed July 15, 2024.

³⁰ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

Accounting is truly the “language of business,” but not just because it relays financial information. Accounting represents a deeper level of communication that reveals how an entity interacts with and contributes to society. In that reality, the academic experience should go beyond credits and debits, and breathe new, ever greater relevance into the field of study.

Evolving the Principles of Accounting curriculum and its delivery

Most business bachelor’s programs require students to take introductory “Principles of Accounting” courses, which means that both accounting majors and nonaccounting business majors are introduced to accounting as part of their core classes. These principles courses, which generally introduce students to both financial and managerial accounting, are foundational to the entire program and often serve as a student’s first look at the profession. NPAG’s survey of college students showed that 41% decided their major during the first two years of four-year college. This is when most students are taking principles of accounting courses. As such, these courses — above all others — have the potential to shape a student’s perception and ignite interest in an accounting career. And many programs are working hard to do this.

Participants in a multi-stakeholder pipeline symposium convened in September 2023 by the American Accounting Association (AAA) and NABA Inc. agreed that evolving principles courses is a top priority and named it one of four areas of focus.³¹ The resulting principles courses working group outlined objectives designed to enhance the delivery of the courses by equipping educators at two- and four-year institutions with best practices, training, and partnerships (see sidebar for detailed objectives).

NPAG applauds and supports those objectives. Enhanced training for educators who perform the critical work of introducing accounting to a wide audience at a critical stage in their educational journey will likely help make the courses more successful at cultivating interest in accounting careers. NPAG’s College to Graduation working group recommendations align with the AAA and NABA symposium working group’s focus, including:

- Placing highly engaging instructors as leaders of the principles courses
- Incorporating gamification and other technology into the experience to stoke engagement and demonstrate the vital role technology plays in the accounting profession
- Exposing students to more real-life accounting practitioners in a range of career vocations during the principles courses
- Incorporating support from outside mentors and volunteers from the profession who are willing to engage with students and bring topics to life

³¹ “[Future Accounting Stakeholder Symposium: Partnering for Impact](#),” AAA and NABA Inc., accessed July 15, 2024.

NPAG discussed recommending rewards or recognition for faculty based on student advancement through accounting programs but ultimately decided to place less emphasis on such incentives. NPAG noted that many programs do this in some form, that flexibility from campus to campus is critical, and a funding source would be needed for incentivizing success. Notably, the Pathways Commission on Accounting Higher Education, an initiative created by AAA and AICPA, in its 2012 report called for increasing rewards, recognition, and support for high-quality teaching and better connecting the “faculty annual review, promotion and tenure processes to the quality of teaching” (see sidebar at the end of this section).³²

NPAG additionally recommends a review, potentially with textbook providers and technology solution providers playing a role, of the principles course materials, including structure and common topical areas. These efforts must recognize that all schools have different approaches, needs, formats, and circumstances.

Although the course itself must remain true to its name and present students with an introduction to basic accounting principles, this is also a valuable opportunity to go beyond that and address the incorrect perceptions students without prior exposure to the field may have.



“[Intro to accounting] wasn’t taught to make it more engaging or make you more interested...it’s almost like they were trying to...see who they could eliminate.”

Students may initially perceive accounting as unimaginative or mundane and the accountant’s work as filled with routine tasks. When the Pennsylvania Institute of CPAs asked students why they did not select accounting as a major, 18.3% of business administration majors responded that “other majors are more appealing,” and 6.1% said that “accounting is unappealing or boring.”³³ As one graduate respondent quoted in the 2023 Center for Audit Quality and Edge Research report on diversity and the accounting pipeline put it: “it wasn’t taught to make it more engaging or make you more interested...it’s

³² Bruce K. Behn, William F. Ezzell, Leslie A. Murphy, Judy D. Rayburn, Melvin T. Stith, and Jerry R. Strawser, “[The Pathways Commission on Accounting Higher Education: Charting a National Strategy for the Next Generation of Accountants](#),” *Issues in Accounting Education*, August 2012.

³³ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity – Evidence-Backed Action the Profession Can Take Today](#), December 2023.

almost like they were trying to...see who they could eliminate...the classrooms were so big, and it was just going slide by slide almost and it was not engaging.”³⁴

Accountants and CPAs are strategic thinkers who make vital contributions to their organizations and society in a direct and meaningful way. Principles courses must align with the reality of what an accounting career is, and what it is not.

Shifts to the coursework could involve additions/changes such as:

- Delaying the teaching of debits and credits until the later stages of the course. Again, the intent is not to make coursework easier, but rather to ensure it is relatable and compelling, particularly in the early stages.
- Demonstrating how accountants and CPAs can contribute meaningfully to their organizations and the public.
- Sharing the entrepreneurial impact of accounting as the “language of business,” the varied career opportunities (both early career and later career opportunities such as controller, CFO, and managing partner, and with employers of varying sizes), and the possibilities that come with an accounting degree.
- Using technology-driven simulations to demonstrate how accounting relates to entrepreneurship. A 2022 survey by Intelligent³⁵ found that 17% of college students already run their own business, and 16% plan to start their own business after graduation. CAQ-sponsored research confirms that accounting as a pathway to entrepreneurship is a key draw for engaging students’ interest in accounting.
- In addition to reviewing *how accounting courses are taught*, discussion should happen at the campus level about *what courses are called*. Course titles may at first seem trivial, and traditional course names have longstanding precedence. But there may be opportunities to generate new or added interest in accounting courses through more descriptive and compelling course names. In considering changes to course names, care must be taken to not impede transcript reviews for things such as transfers or CPA Exam eligibility.

In making these recommendations, NPAG notes that principles courses range greatly from auditorium settings to smaller classrooms and from in-person to hybrid or online only. That variety adds to the challenge of adapting the principles courses and requires a flexible, scalable redesign of materials and best practices that can be adapted to the setting.

³⁴ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline](#).

³⁵ “[17% of 2022 College Grads Run Their Own Businesses: Another 43% Plan to Follow Suit](#),” Intelligent, May 31, 2022.

Principles courses working group purpose statement

The September 2023 American Accounting Association (AAA) and NABA Inc. pipeline symposium, aptly called the [Future Accountant Stakeholder Symposium](#), established a working group to address the pipeline shortage by revitalizing the accounting principles courses (generally a two-course series). “Our goal is to cultivate a robust and sustainable pipeline of highly skilled accounting professionals by curating instructional resources, empowering faculty, and developing strategic partnerships.”

The working group’s foundational documents outline these goals:

- Accumulate best practices and identify gaps in resources for engaging principles of accounting materials.
- Disseminate accounting principles course best practices and resources to educators at two-year and four-year institutions through boot camps, webinars, conferences, and repositories.
- Foster strategic partnerships with accounting firms, companies, professional organizations, and other stakeholders to bring real-world examples to the students and faculty.

Evolving the principles courses to build excitement could, at least indirectly, improve the pipeline of accounting students by encouraging more students to go on to advanced courses and consider accounting as a major. An engaging introduction in college would open business students’ eyes to the more interesting, meaningful, and socially relevant work that accountants do.

Guiding and supporting students through accounting programs

Prestigious and challenging majors are sometimes known for their attritions rates, or the number of students who abandon the path, as much as they are for their success rates. When the market and public interest mandates an increase in accountants, accounting cannot afford to be one of these “weed out” majors.

We must instead guide students through by offering them enhanced support while still maintaining the integrity and rigor of accounting programs. Many accounting programs are doing innovative work in this area and are sharing best practices with their peers. Those trends can only improve the pipeline.

By helping interested students who have progressed to intermediate accounting but may face challenges and are at risk of withdrawing, we can make significant inroads into increasing the number of successful graduates.

Several distinct interventions may be considered, including:

- Diagnostics and assessments that lead to early identification of at-risk students
- Custom teachers' assistant (TA) support
- Pairing at-risk students with more senior students or mentors from the profession. (See sidebar for one program's approach.)



◀ The Lynn Pippenger School of Accountancy at University of South Florida developed diagnostic testing to boost success in the first intermediate accounting course. Photo courtesy of USF.

Mentors, champions, and real-life practitioners in the classroom

Classroom accounting instruction and textbooks help form the foundation of a solid education, but what often sparks passion is when students can make a meaningful connection with people who can give them an insider's look into what the profession is really like, especially in the Principles of Accounting courses and other introductory-level courses that undeclared students may take as they consider career options.

Although many colleges and universities have mentoring programs and speakers from the profession, a comprehensive national mentoring effort would expand this possibility and serve as an efficient funnel to match professionals who are interested in volunteering with specific colleges and universities.

Other strategies in this area may include:

- Involving and gaining the support of alumni
- Encouraging colleges and universities to assign an "accounting champion" at the faculty level and/or a "CPA ambassador" on campus

Using data to identify and help high-risk students

Targeted, custom support is already seeing success at University of South Florida Muma College of Business, where NPAG member Mark H. Taylor is director of the USF Lynn Pippenger School of Accountancy. Taylor serves as the 2023–2024 president of the AAA.

After a multi-year decline in undergraduate enrollments and an intermediate course seeing students earn grades of D, F, or completely withdraw (also known as the “DFW rate”) at a rate higher than 30%, Taylor encouraged the faculty to change the culture related to the course.

The faculty developed and administered very early in the semester a diagnostic test to identify high-risk students. Faculty were assigned a “student support” TA whose time was specifically dedicated to helping these at-risk students succeed. The TAs and faculty members also monitored identified students’ engagement with online support materials and encouraged them to attend numerous weekly tutoring and review sessions. Faculty and TAs also encouraged these students with supportive feedback.

With this culture of support and the specific strategies, USF saw success, with the DFW rate in that class decreasing from over 30% to 11% in one year, and some sections of the course achieving a zero DFW rate, all while maintaining rigor. The change was revolutionary and at the same time straight-forward, focusing on professor mindset, classroom culture, providing enhanced support to at-risk students already in the pipeline and changing student perceptions about their own capabilities. More best practices can be found on the [AAA website](#). Also find highlights in the AICPA report [Strategies for Boosting Accounting Enrollment](#).

Making an impact

NPAG has created the “[Accounting Educator Checklist](#),” which highlights several key areas for faculty consideration as they assess potential changes to enhance the talent pipeline.

By creating a more engaging college introductory experience to accounting principles, providing enhanced support to accounting faculty, shifting the on-campus culture from “weeding out” to “pulling students through,” and significantly expanding external support provided to faculty and students by “real-life” accounting practitioners, we can grow the top of our talent funnel and increase the share of business students who choose and achieve an accounting major.

Similarities between current efforts and the Pathways Commission report

The Pathways Commission examined accounting education in the United States in response to a recommendation from the U.S. Department of the Treasury's Advisory Committee on the Auditing Profession. The AAA and AICPA created the Pathways Commission "to study the future structure of higher education for the accounting profession and develop recommendations for educational pathways to engage and retain the strongest possible community of students, academics, practitioners, and other knowledgeable leaders in the practice and study of accounting. This charge is, by design, expansive in its scope and open to much interpretation," states the Commission's report, ["The Pathways Commission on Higher Education: Charting a National Strategy for the Next Generation of Accountants."](#)

In 2012, the Pathways Commission called for a host of critical changes, additional data, and the study of accounting education in high school, as well as undergraduate, master's, and doctoral degrees. The Pathways Commission also pointed to reasons why making progress on those recommended changes would be difficult without a sustained commitment from the broad profession.

NPAG's recommendations related to education and attraction to accounting careers echo many of the 2012 Pathways Commission recommendations, because those recommendations still apply to today's pipeline challenge — a relevance that stakeholders should reflect on while discussing how to move from incremental to exponential change.

In outlining its recommendations (see list below), the Pathways Commission noted that some challenges, impediments, and recommendations had been discussed in prior studies. (Read about those efforts in the [Issues in Accounting Education](#) article, "The Activities of the Pathways Commission and the Historical Context for Changes in Accounting Education," by William H. Black.) Recognizing that the challenges raised previously persisted, the Pathways Commission widened its focus to include potential barriers to change and the need for a continuous approach to progress.

The Commission's report called for important steps that remain challenging today, such as "putting in place the structures and relationships needed to overcome the limitations of periodic efforts to sustain the vitality of accounting education and practice."

"Studies in the past have surfaced effective ideas and innovations, and incremental changes have been made over time as interested parties have led individual efforts to enhance accounting education. With our history foremost in mind, the Pathways Commission recommendations place significant emphasis on the need for a sustained focus on the many areas that impact accounting education and creating approaches that foster that continuous process."

NPAG acknowledges its role as one of many prior (and current) efforts to strengthen the future of accounting by examining traditional and non-traditional education paths. NPAG is grateful for the efforts of all groups focused on meaningful progress. It is imperative to

leverage this past work and to acknowledge that the challenges identified by the Pathways Commission in the past remain today. NPAG asked similar questions about what would spark change and determined that exponential change will require collaboration, data-driven solutions, transparency, and individual actions.

As a profession, we must ask ourselves, what must change this time to ensure that we move forward together with decisive actions to truly achieve the education changes and breakthrough results needed?

Pathways Commission objectives

- Integrate professionally oriented faculty more fully into significant aspects of accounting education, programs, and research.
- Focus more academic research on relevant practice issues.
- Enhance the value of practitioner-educator exchanges.
- Integrate accounting research into accounting courses and programs.
- Allow flexible content and structure for doctoral programs.
- Develop multiple pathways to terminal degrees in accounting.
- Increase reward, recognition, and support for high-quality teaching.
- Better connect faculty annual review, promotion, and tenure processes to the quality of teaching.
- Improve how universities value the importance of teaching.
- Engage the accounting community to define the body of knowledge that is the foundation for accounting's curricula of the future.
- Implement curricular models for the future.
- Develop guiding principles and support for a range of faculty development opportunities through varied career paths and cycles.
- Enhance perceptions of the study of accounting and career opportunities in accounting.
- Transform the first course in accounting.
- Increase student access to master's programs.
- Develop financial aid literacy programs.
- Encourage a separate and more focused study of the impediments to better diversify within the profession.
- Establish a national committee on information needs.
- Project future supply, demand, and competencies for accounting graduates.
- Project future supply and demand for all accounting faculty in higher education.
- Enhance the benefits of high school accounting education.
- Initiate a process that can sustain future accounting educational change efforts.

Addressing the time and cost of education

When the AICPA Council formed NPAG, the resolution asked for “a continuous, research-driven national pipeline strategy” where the discussion “should encompass key components of licensure, including substantial equivalency.” To meet these objectives, NPAG has:

- Reviewed all available research on the pros and cons of the additional 30 hours of education required for licensure
- Engaged stakeholders in small group discussions, as well as focus groups, forums, and the national survey
- Explored substantial equivalency rules with the assistance of legal support
- Researched trends in the evolution of higher education
- Studied licensure models for professions outside of accounting

To ensure a well-rounded and unbiased picture, NPAG listened and learned before crafting any recommendations. Throughout the process, NPAG members and the many stakeholders who shared their perspectives with NPAG were encouraged to openly discuss and explore all ideas and options. In this section of the report, we’ll share our learning journey and our recommendations for addressing pipeline impacts related to the additional time and cost of education.

To begin, NPAG studied existing research related to hurdles affecting those considering a career in accounting or pursuing the CPA license. **The data illustrated how the time and cost of the additional 30 credit hours of education are contributing to the pipeline challenge and that the requirement appears to impact underrepresented minorities disproportionately.**

- **57% of business majors who did not choose to pursue accounting said they don't want to pursue 150 hours for CPA licensure,** according to data from the Center for Audit Quality (CAQ) and Edge Research.³⁶
- **52.9% of accounting majors who were not planning to become CPAs cited the additional education needed to satisfy the 150-hour credit requirement as not worth the time investment.** Additionally, 45.6% cited the additional education needed to satisfy the 150-hour credit requirement as not worth the financial investment, according to a study by the Pennsylvania Institute of CPAs.³⁷

³⁶ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

³⁷ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity — Evidence-Backed Action the Profession Can Take Today](#), December 2023.

- According to a survey by the Virginia Society of CPAs, respondents cited the time and cost to earn the additional 30 hours of education as the “strongest potential barriers to the profession.”³⁸
- **CPA candidate entries declined overall after the 150-credit hour rule went into effect, but the decline is uneven**, according to an analysis by economists. “There is a 26% decline for minority CPAs versus a significantly smaller 14% decline for nonminority CPAs ... a 13% greater drop in minority than nonminority entry following enactment.”³⁹

Quick preview: NPAG licensure recommendations

Considering shifting market dynamics, NPAG is moving swiftly to frame a buildable set of concepts that adds to the existing licensure options to evolve and future-proof the CPA license:

- Two experiential learning solutions for the educational requirements needed post-bachelor’s degree — one on and one off the college transcript
- A competency-based model

The objectives of these solutions are to continue to transform the licensure system while protecting the public interest and CPA brand; provide equitable access to all potential candidates; ensure a built-in methodology for transparent and ongoing evaluation of licensure; and align licensure with how business is done now while being nimble and adaptable.

NPAG envisions that evolving the license would include a common competency framework as the foundation of the three solution concepts, and that the successful completion of the CPA Exam would be a requirement under any scenario. Before detailing the three approaches further, it is important to explore some background on mobility and substantial equivalency, as well as better understand the changing landscape of education and licensing.

Because this is an area of ongoing work being handled with a sense of urgency, there are likely to be ongoing developments that can’t be captured in this report. NPAG recommends that you visit its [news page](#) for the updates in the second half of 2024.

Mobility and substantial equivalency

In the United States today, CPA practice mobility enables a licensed CPA in good standing in one jurisdiction to provide public accounting services in other jurisdictions, including “virtually” or remotely, without notifying the other state or being required to obtain a practice permit or pay fees. Before the adoption of mobility in the late 1990s, CPAs were

³⁸ Jill Edmonds, “[Is 150 too many?](#),” Virginia Society of CPAs, May 10, 2023.

³⁹ Andrew Sutherland, Matthias Uckert, Felix Vetter, “[Occupational Licensing and Minority Participation in Professional Labor Markets](#),” *Journal of Accounting Research*, January 27, 2024.

required to obtain a license or temporary permit to practice in another jurisdiction, including remotely, which increased the complexity and cost of interstate practice for CPAs. As more employers hire people, serve clients, and engage service providers in hybrid and remote environments, practice mobility has become critically important. In NPAG's national survey (not including students), a majority of respondents (62%) indicated that mobility is very important to them.

Definitions

Below are a few definitions that may help as you explore the ideas in this chapter:

Mobility. A CPA licensed and in good standing in one jurisdiction may provide services in other jurisdictions, including remotely, without notice, permit, or fees. Before the adoption of mobility in the late 1990s, CPAs were required to obtain a license or temporary permit to practice in another jurisdiction, including remotely. This inhibited interstate and international practice for CPAs. Hawaii and the Northern Mariana Islands are exceptions to mobility.

Reciprocity/reciprocal licensing. This describes the licensing process that requires a CPA to apply for a license, pay a fee, and provide notice to a jurisdiction other than their home jurisdiction to practice public accounting. Reciprocal licensing may include evaluation of the “3 Es” (education, experience, and examination) by the National Qualification Appraisal Service (NQAS) (state dependent). This is *not the same as mobility* as a CPA does not get to “skip” the licensing and board notification steps that come with mobility.

Substantial equivalency. Substantial equivalency is the determination by a state that some or all CPAs from another state meet the threshold to practice public accounting. While there are some variations and exceptions, licensing requirements are remarkably consistent from state to state, and that has powered the unique mobility system the profession enjoys today. The most consistent and critical elements are the 3 Es, which underpin substantial equivalency and mobility.

The Uniform Accountancy Act (UAA), drafted jointly by the AICPA and NASBA, provides model language of laws and rules to states to enable mobility across jurisdictions via a concept called substantial equivalency, which has three drivers: education, examination, and experience.

The level of adoption around the three key drivers of substantial equivalency varies by jurisdiction. These nuanced differences can lead to confusion. Education course requirements can vary from state to state but generally require a bachelor's degree with specific minimums in accounting and business coursework and 150 credit hours total. Experience duration requirements can vary from state to state as well, but a majority of states require at least one year of experience. Passage of the CPA Exam is required in all jurisdictions.

Even with these variations, there is a common agreement among states, and today the profession enjoys a functional system of practice mobility. Because this system was put in place decades ago, many CPAs practicing today may not have experienced the challenges of life before CPA mobility.

As of this writing, several states are considering or are enacting law or rule changes that may affect substantial equivalency. Although the AICPA Council resolution convening NPAG aimed at preserving mobility while also addressing the pipeline challenge, NPAG members agreed they needed to explore all options to ease the time and cost of education — even those that might affect substantial equivalency and mobility. As a result, the group committed to and has practiced an “everything’s on the table” approach to its learning and solutioning.

After reading all available research, gathering focus group and forum data, and meeting with various stakeholders, NPAG then surveyed, with the assistance of with the international law firm Gibson, Dunn & Crutcher, LLP, the current U.S. accounting practice mobility model and project potential impacts if substantial equivalency were lost due to individual states enacting new rules or laws without a carefully coordinated national effort. The survey indicated, as illustrated by the map below, that final authority to make determinations about substantial equivalency varies from residing with the state board to being deferred to the National Qualification Appraisal Service (NQAS) that gives determination authority, in effect, to NASBA.

Even with NPAG’s understanding of the rule and the map depicted in the map below, it must be recognized that each state may interpret specific situations differently.

Bottom line: It’s complicated! And this research illustrates that addressing the time and cost challenge cannot be managed by any one or even two entities or governing bodies.

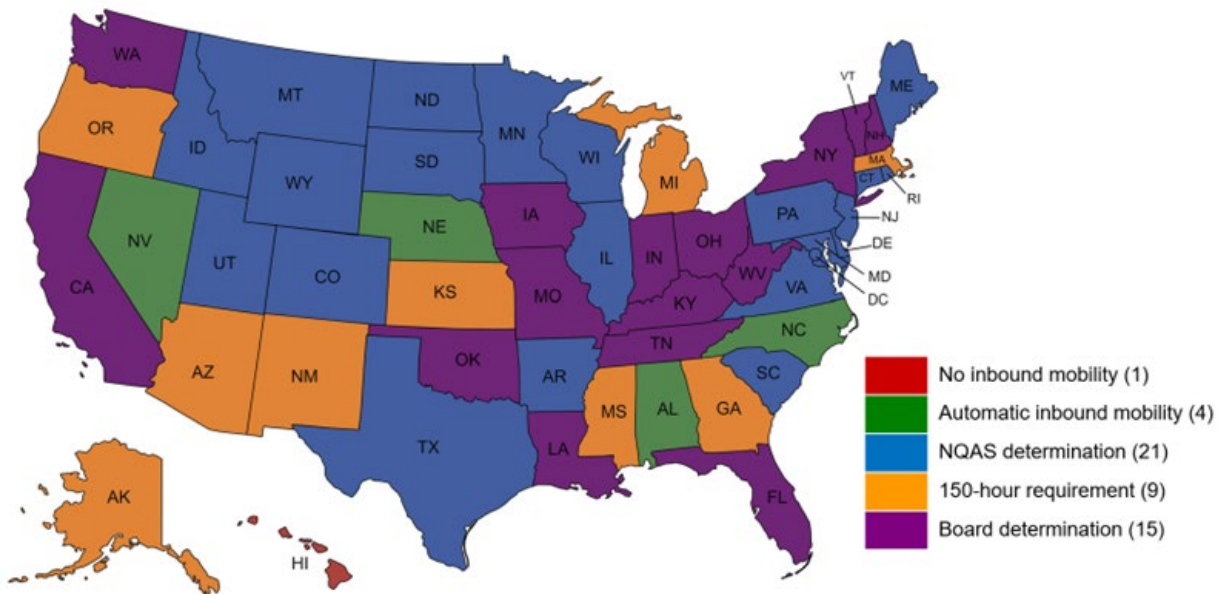
Seeing that more dedicated time was necessary for a better understanding of all options, NPAG formed the NPAG Substantial Equivalency Working Group led by Shelly Weir, President & CEO, Florida Institute of CPAs (FICPA).

The working group defined their objective as developing:

A bold and broadly accepted proposed solution to modernizing licensure while protecting substantial equivalency and mobility, addressing cost barriers, and upholding the rigor of the license. Ultimately, the proposed solution should appeal to a broader group of people and be created with input from key stakeholders. Additionally, the working group supports elevating the Uniform Accountancy Act by raising awareness and transparency of the UAA processes and model law development.

The working group continued its listening and learning, inviting leaders from state societies with varying perspectives to meet with NPAG, share their members' perspectives regarding the additional time and cost of education, and summarize what their state societies are doing to address the pipeline shortage.

State-level substantial equivalency determinations



This map is based on the text of each state's substantial equivalency provisions and public indications of state board practice with respect to mobility, not initial licensure rules. This map should not be used as a definitive interpretation of state law, which is dependent on each board of accountancy within that representative jurisdiction, and no discussion of state law in this document should be treated as legal advice. Map created using MapChart

NPAG's strategy development also considered changes affecting licensing outside the accounting profession that are in various stages of being considered, piloted, and/or enacted.

Most professional licenses have an education component, and education is seeing its share of change. In higher education, increased discussion of, and in some cases legislation on, 90-credit hour bachelor's degrees (not specific to accounting) caused NPAG to carefully consider the risks of embedding, or "hard coding," the number of hours of education into its recommendations (i.e., 150 or 120 hours), where specifying hours may require more change down the road.

NPAG suggests that requiring a specific number of hours of education measures an input, versus an output that would better point to skill, ability, or quality, like competencies, deliverables, or results. As such, NPAG recommends referring to the current minimum level of required education as a bachelor's degree, versus a specific number of hours, to allow flexibility as higher education experiments with changes in the hours themselves.

There is also an ongoing anti-licensing or license reform movement in the United States that seeks to modify or change license laws based on concerns that licensing may make it harder for people to find jobs, cause a scarcity of talent, and seem arbitrary or overly complex. While most of those opposed to licensing are concerned about its impact to jobs in the trades (i.e., those not generally requiring college education), some reformists don't distinguish between these trade licenses and professional licenses like those for engineers or CPAs.

NPAG understood that other professions were also grappling with pipeline and workforce issues and met with the head of the regulatory body for architects to better understand how another profession is tackling these issues. In addition to studying the architecture licensing model, the group studied the legal profession. A summary of the findings are presented below.

Architecture

The working group invited Michael Armstrong, CEO of the [National Council of Architectural Registration Boards](#) (NCARB), to meet with NPAG to share architecture's licensure modernization process. The architecture licensure structure is similar in some respects to CPA licensure, with a commitment to protecting the concept of rigor, maintaining the value of the license, and protecting the public. Within architecture, each jurisdiction has chosen to adopt a national exam and some version of experience and education requirements. NCARB chose to adopt alternative approaches to licensure based on varying styles of learning and recognition that a degree from an accredited college or university shouldn't be the only way to licensure, allowing experience as an alternative option.

Armstrong shared that NCARB and architecture's state boards continuously look at modernizing their license by recurring evaluation. Its [Analysis of Practice](#) is a snapshot of the profession asking what should be included for licensure and assessing expectations of what to know or learn. NCARB performs an ongoing gap assessment to examine practice area gaps and create uniformity and consensus across the states. Between the practice analysis and gap assessment, NCARB has been able to create meaningful evolution and modernization for the architectural license.

NPAG also learned that taking a data-driven approach helps identify challenges and measure solutions. For example, NCARB found that diverse, underrepresented populations, especially those for whom English as a second language, struggled disproportionately with various aspects of their exam. NCARB undertook change initiatives to address this and to remove other areas of bias.

The legal profession

As of the drafting of this report, California, Vermont, Virginia, and Washington offer an alternative license concept called the Law Office Study Program (LOSP). When a student opts for the LOSP, they can complete their legal education by attending traditional law school, or they can participate in a program of legal studies within a law office or a judge's chambers.

Under California's model, a student in the LOSP must prove competency by being examined in writing at least once a month by their supervising attorney or judge. Every six months, the LOSP applicant submits a fee, a report on the studies they completed during those six months, and copies of their graded examinations and study materials.⁴⁰

There are a handful of other states offering experiential legal learning and/or apprenticeship learning as substitutes for one or two years of law school education. In addition, several states, including Oregon⁴¹ and Washington,⁴² have enacted rules or laws to allow law students who earn a traditional law school degree to forgo taking the bar exam.

Clearly, the legal profession is experimenting with various models to provide flexible pathways based on attaining competency for potential attorneys.

Florida partnership offers tuition-free fifth year

The Florida Institute of Public Accountants (FICPA), Nova Southeastern University (NSU), and three South Florida accounting firms — Berkowitz Pollack Brant, Kaufman Rossin, and PAAST — have formed a new [Bridge to CPA program](#). Through the partnership, firm employees who have already completed 120 hours of undergraduate education can earn their remaining 30 credit hours via online classes through NSU's Master of Accountancy program. Students would also have the opportunity to earn an advanced degree.

Participants in the program will assume no tuition costs through the combined support of NSU, employer firms, and tuition awards, and various scholarships.

The pilot program participants have already been selected by their firms; 66% of the inaugural class is female, 66% are from minority backgrounds, and 33% are first-generation college students. Class curricula has been approved by the Florida Board of Accountancy, and the program is set to begin in fall 2024, with plans for expansion in 2025.

⁴⁰ "[Study in a Law Office or Judge's Chamber](#)," The State Bar of California, accessed July 8, 2024.

⁴¹ "[Supervised Practice Portfolio Examination \(SPPE\)](#)," Oregon State Bar, accessed July 8, 2024.

⁴² "[Bar-Exam Changes and Alternatives to the Bar Exam](#)," Washington State Bar Exam, updated June 11, 2024.

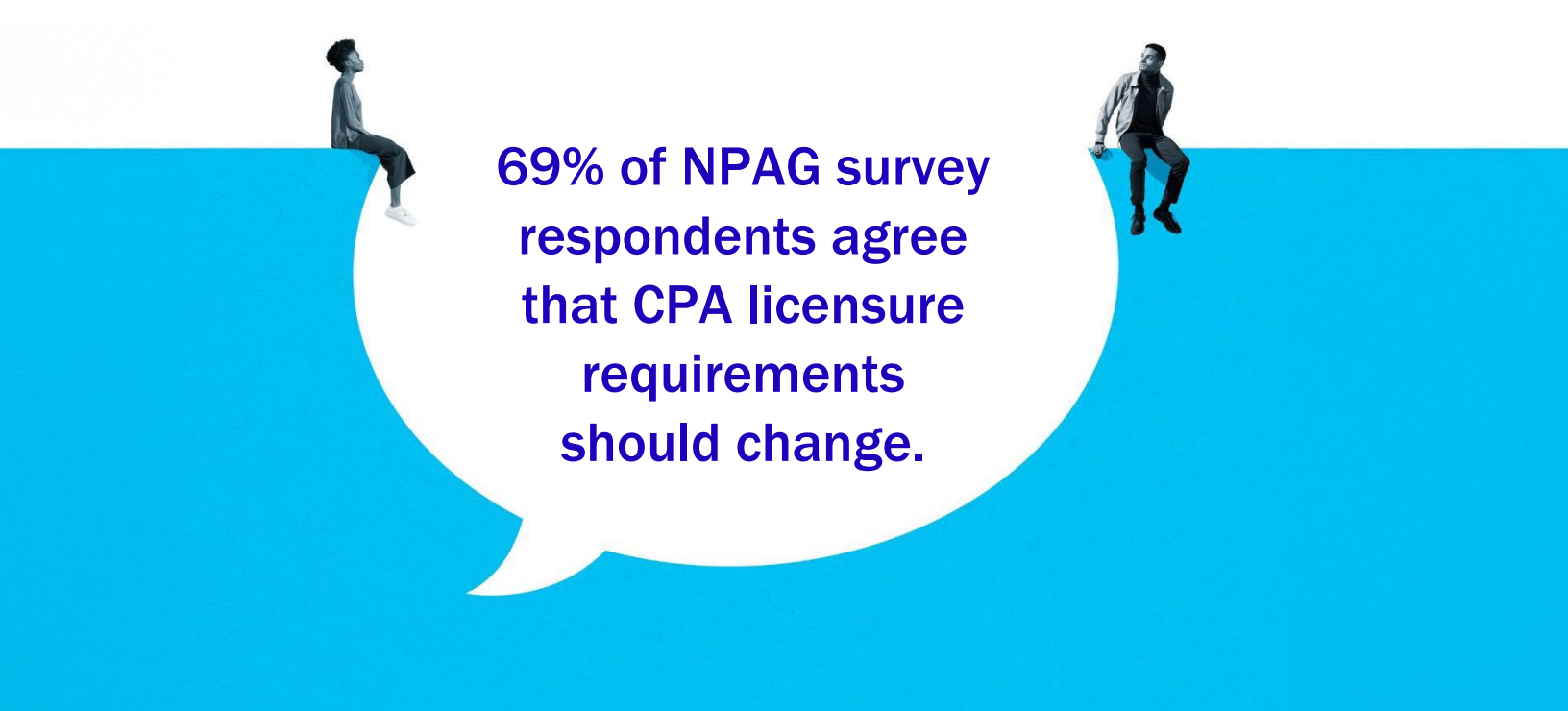
Mixed feedback from stakeholders

Throughout this process, the stakeholder community has provided mixed feedback to NPAG, seeming to both favor and oppose change. The national survey results are no different. Consider this:

- **69% of respondents said they strongly or somewhat agree that changes should occur to licensure** based on this statement: “Changes should be made to the required components for CPA licensure (i.e., education, examination, experience).”
- **62% of respondents indicated that mobility is very important to them**, and another 25% said it is somewhat important to them.
- Yet, **58% of respondents do not think that mobility currently exists**, answering “false” to this prompt: “A CPA license in one state/jurisdiction allows you to practice in person and remotely across all states/jurisdictions.”
- Only **30% would strongly agree or somewhat agree to support solutions that would impact mobility for a 5- to 10-year period of time** based on this statement: “I would support changing CPA licensure requirements even if it leads to a period of 5 to 10 years when CPAs cannot freely practice across state/jurisdiction lines (virtually or in-person).”
- **60% were concerned about changes to licensure affecting the profession’s reputation**, saying they strongly or somewhat agree with this statement: “I’m concerned that changes to CPA licensure requirements could have unintended negative effects on the reputation of the profession.”

NPAG licensure recommendations

Operating with the everything-is-on-the-table mentality, NPAG also evaluated, with Gibson, Dunn & Crutcher’s assistance, six different licensure frameworks — ranging from safe to very bold — and analyzed how each would affect mobility, and what would be possible to do today based on current law.



69% of NPAG survey respondents agree that CPA licensure requirements should change.

From that work, NPAG aims to advance a range of solutions, including amplifying “safer” current innovations that reduce the cost and/or time of education and maintain mobility (sometimes called the **now** concepts). The bolder ideas lean toward talent best practices and future proof the licensure process from further changes that may occur in higher education and the marketplace (sometimes called the **near and next** concepts).

Reduced-cost education and experiential learning on transcript

These ideas ease the cost and/or time of education **now**, without material impacts to substantial equivalency or mobility. They do not address the longer-ranging modernization issues, but they may provide more immediate relief for students.

One idea is to point students to lower-cost, on-the-transcript learning options available today like AICPA and NASBA’s [Experience Learn and Earn](#) (ELE) program or the FICPA/Nova Southeastern University partnership (see sidebar for details). These programs are intended to make the last year of education much less costly for students. There may be future opportunities with other universities, too.

Another concept involves employers working in partnership with institutes of higher education to offer on-the-transcript experiential learning programs to their employees who have earned their bachelor’s degree and need to complete the last 30 hours of education. This would enable CPA candidates to complete this experiential learning while actively employed by a firm or finance department. The cost would likely be paid by their employer, reducing both the cost and time of education for students.

Examples of this type of experiential learning program include [PwC’s program](#) with Saint Peter’s University, [Withum’s program](#) with Seton Hall University, and [WilkinGuttenplan’s collaboration](#) with Rider University’s apprenticeship program. These programs use learning rubrics, include faculty involvement and oversight, and result in college credits that show up on a transcript, meeting the current 150-hour requirement.

With some of these options that entail both lower-cost education and transcript-eligible experiential learning delivered by the employer in partnership with a college or university, candidates would still complete at least an additional year of work experience (depending on their state’s experience requirement and unless they have already completed this requirement). They would also need to sit for and pass the CPA Exam to become licensed.

Experiential learning off the transcript

This **near-term** concept in the buildable solution set involves the use of experiential learning programs delivered or facilitated by employers to their employees who seek to become licensed. These credits would not appear on a college or university transcript, so this concept could affect or disrupt substantial equivalency and mobility, even with a closely coordinated effort to orchestrate changes made in CPA licensing rules and laws, because those changes will take time to go into effect. NPAG acknowledges that in the current polarized political climate, it may be difficult to regain the level of mobility currently enjoyed once it’s lost.

The learning for the near-term concept would be earned through work experience that charts a yet-to-be-developed common rubric, with clearly defined learning objectives with measurable outcomes, following standards and guidelines that outline the competencies necessary for CPA licensure. Because it is possible that a state board would be relying on an entity other than a college or university to administer this, this option would come to life when:

- The common learning rubrics and standards or guidelines outlining the “completion” or last-year competencies that need to be achieved are developed, written into the UAA, and agreed to by stakeholders and state boards. Conceptually, these completion competencies would evolve as market needs evolve. In today’s market, examples of these finishing skills could include leadership, communication, critical thinking, data review and analysis, project management, and more.
- A simple but effective form of program administration is agreed upon to ensure state regulators are comfortable that employers are using the appropriate framework and are applying it correctly. It may make sense to partner with a third party with demonstrated experience assessing education for other occupations or professions to design and/or administrate this process (e.g., the American Council on Education or a similar entity).

For employers concerned about their ability to offer this experiential learning to their candidates, scalable “experiential learning in a box” options for smaller employers would also need to be considered. This may be an opportunity for universities, current commercial curriculum developers, or other learning providers to offer support to employers in this effort.

While some are concerned that this option could negatively affect higher education or the quality of candidates entering the workplace, there are a few things to consider. First, to ensure the experiential learning is equivalent to university-level education, partnering with organizations such as the American Council on Education or other entities would ensure these programs uphold quality and diminish the risk of decreased standards. Second, universities and colleges may find opportunities to partner with employers to develop “commercial” solutions for the delivery of the experiential learning, moving their revenue stream from student tuition to employer learning program fees. Third, this approach would allow employers to better contextualize the skills and competencies their staff develop during this last year of education, ensuring that their people have the skills that will make them most successful.

Beyond the time and cost benefits for students, this approach might bring more talent into the workplace faster, and there is the potential that graduates with nonaccounting bachelor’s degrees, especially those who have been out of school for some time, might see a way to becoming a CPA without risking income or needing to return to college full time (unless they need specific coursework to meet the accounting and business concentration requirements).

As experiential learning programs are developed, state case law must be considered regarding such program development. There is existing case law in some states that would prohibit proposed requirements for experiential learning programs from being accomplished outside of a degree-granting institution, whether on or off a transcript. Candidates pursuing experiential learning off transcript would complete an additional year of work experience (depending on their state's experience requirement and unless they have already completed this requirement) as well as passing the CPA Exam to become licensed.

Competency-based licensure

This **longer-term** and very bold concept entails building out the complete CPA competency model outlining all the skills, abilities, and experience needed by employers and necessary to protect the public interest, providing maximum flexibility and adaptability of the licensure model. In devising this concept, the working group considered that the purpose of licensure is to ensure licensees are competent to practice the profession for which they hold a license. Demonstrating and measuring competency is the most important outcome with respect to protecting both the public interest and CPA brand.

This competency-based model would measure outputs (skills mastery, abilities, knowledge, and experience) versus time (education hours). This model reimagines the education and experience together and moves the discussion away from 90, 120, or 150 hours completely. It would be the single umbrella that any and all pathways would fall under. Candidates could get licensed via any combination of education and experience because the measurement would be mastery of competencies (outputs) rather than how the competencies are achieved (inputs). Regardless of the combination, successfully passing the CPA Exam would be a required milestone.

Under this model, competencies could be gained through traditional, institutional learning, experiential learning delivered by employers, or through self-study learning options. Because of this level of learning flexibility, to maintain the rigor and quality of the license, it is critical to study the best methods for measuring or testing each candidate in each competency area.

There are many questions to answer under this model, including who would develop the shared competency framework, educational offerings, and testing at various stages to prove mastery. It is a bold new world in education, employment, and licensing that calls for our profession to think outside the box and consider something this flexible and future-proof. With this option, candidates would demonstrate mastery through some interim assessments. They would then need to sit for and pass the CPA Exam to become licensed.

NPAG envisions that many people employed within the accounting and finance professions, who may not have a four-year degree or have completed the additional 30 hours of education but possess a deep expertise through their work experience, may find a way to CPA licensure under this flexible, and for some, more affordable, competency concept.

In addition, once the competencies are fully developed, they may be leveraged in many ways, including providing a framework to enrich the academic curriculum for accounting, to illuminate the way forward for those who want a career in accounting but not necessarily licensure, and a way to integrate with other certificate and licensure frameworks in accounting using a common core competency model as the basis.

With this model, the work done to build an accounting practice analysis will serve as a blueprint to develop the rest of the competencies needed, as well as the delivery and administration mechanism. In this competency-based model, the CPA license would be awarded based on mastery that can be measured, with less emphasis on how a candidate got there and more on their ability to demonstrate that they are there.

NPAG believes this model may create equitable outcomes by accommodating candidates with different life experiences and learning styles. To come to life, this flexible concept will require a collaborative, profession-wide effort to develop, test, and refine the approach with minimum standards, a practice analysis to include the necessary technical and enabling skills needed for career success in the profession, and a commitment to maintain — and even elevate — the rigor and quality the CPA designation is known for today.

NPAG's licensure recommendations

EQUIVALENT TO 150 HOURS

| | | | |
|------------------------|--|-------------------|----------|
| Bachelor's degree | Master's degree | 1 year experience | CPA Exam |
| Bachelor's degree | Up to 30 credits (ELE program is one option) | 1 year experience | CPA Exam |
| Bachelor's degree | Experiential learning <u>on</u> college transcript | 1 year experience | CPA Exam |
| Bachelor's degree | Experiential learning <u>off</u> college transcript | 1 year experience | CPA Exam |
| Competency-based model | | | CPA Exam |

IMPACTS
MOBILITY

The journey from here

The best way forward on all pipeline matters is through collaboration. Because 69% of NPAG national survey respondents agreed that changes should be made to the required components for CPA licensure, the time to advance the conversation is now.

Employers can take steps to reduce the time and cost of education for their team members now by exploring lower-cost college and university programs and learning more about experiential on-the-transcript programs being offered.

NPAG also hopes to collaborate with key stakeholders including NASBA, the American Accounting Association, state societies, state boards, employers, and others to share and combine ideas for modernizing the license. This collaboration will identify the best concepts to be furthered while ensuring a highly coordinated, profession-wide effort, reducing the cost and time of education while preserving the respect and quality of the license.

Non-CPA pathways

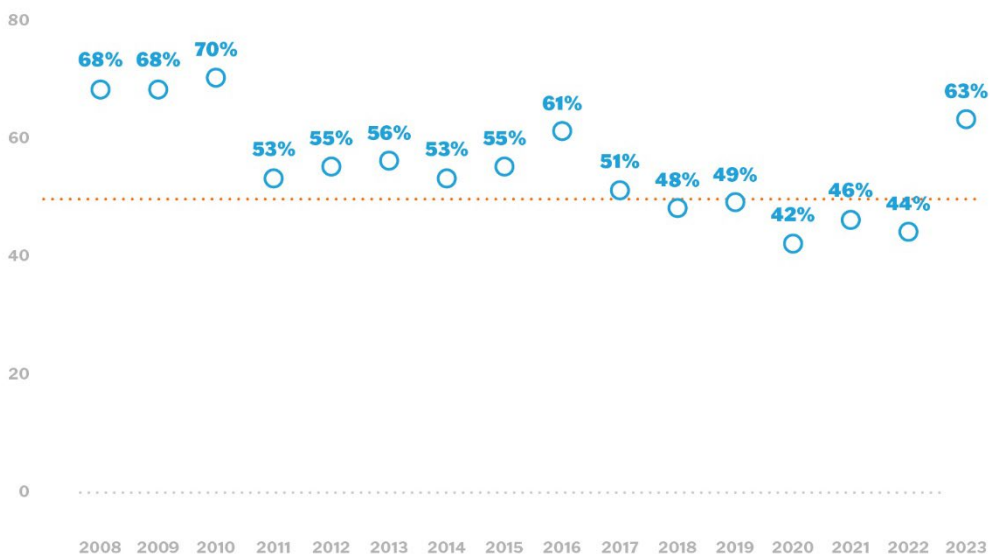
Because NPAG is committed to developing strategies to grow the accounting pipeline, it is important to note that there are many career paths available for those interested in a career in accounting that do not involve the pursuit of the CPA license. These include:

- Participating in an administrative or operational role
- Graduating with an associate degree in accounting and pursuing roles where that introductory accounting knowledge will be beneficial
- Exploring apprenticeship programs such as the AICPA & CIMA Registered Apprenticeship for Finance Business Partners
- Pursuing a wide variety of certifications available to non-CPAs, including the Chartered Global Management Accountant (CGMA) designation, Certified Management Accountant (CMA), Enrolled Agent, Certified Internal Auditor (CIA), Certified Financial Planner (CFP), the Certified Information Systems Auditor (CISA), and *many others*.

Increased support for CPA Exam candidates

A CPA license communicates professional value and a commitment to protecting the public. It shows that the holder has met specific education requirements, earned professional experience, passed a rigorous licensing exam, and adheres to a code of ethics. It signifies that an accountant has completed regular continuing education requirements and that their license is overseen by a state licensing board. In almost every survey NPAG reviewed, the CPA license was highly valued and respected, even among those who chose not to pursue it.

First-time CPA Exam candidates



In 2018, the percentage of accounting graduates (bachelor's and master's) who took their first section of the CPA Exam dropped below 50%.

The number of candidates taking the CPA Exam has continued to decline. In 2022, there were 67,336 exam candidates, a 22% drop from 2018.⁴³ This trend is tied to several demographic and market factors, although the time and cost associated with the exam are often cited. According to a national survey by the Illinois CPA Society, “workload time

⁴³ AICPA, [2023 Trends: A report on accounting education, the CPA exam, and public accounting firms' hiring of recent graduates](#), October 2023.

commitments to study for the exam” and “personal time commitments to study for the exam” were the top hurdles for accounting students and young professionals to becoming a CPA, cited by 25% and 18% of respondents, respectively. “Navigating the exam application process” and “overall cost of the exam application, review course, and exam fees” were also rated as top barriers to becoming a CPA.⁴⁴

NPAG’s mission is to increase the number of people who choose a career in accounting. Doing so will also increase the number of people who may go on to become licensed.

Any set of pipeline solutions must then consider a key component of the licensing process, the Uniform CPA Examination (CPA Exam).

It’s important to stress that just as NPAG’s education-related recommendations are not designed to make earning an accounting degree less rigorous, the exam recommendations are not about making the exam easier to pass.

Providing better support to exam candidates generally breaks down into four areas of focus:

- Addressing the cost of the exam
- Adding flexibility to the time frame 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 in ways that improve interest and access while supporting quality

Over time, changes in these four areas could increase the volume of CPA Exam candidates in the pipeline.

Taking the exam as students complete their coursework

To reduce the overall time it takes to complete the CPA Exam, NPAG recommends shifting at least some exam testing opportunities to directly after students complete relevant coursework at the college or university level. This shift to earlier testing may mean allowing candidates to test regardless of how many credit hours they have earned.

With this approach, candidates would have the opportunity to test after specific coursework when knowledge is fresh and would create a cohort of peers progressing through the exam journey. Early testing may also help students complete all or parts of the exam before life and work compete for their time. According to NPAG’s student survey, 69% of students thought this idea would be very effective at encouraging students and graduates to sit for the CPA Exam.

Objectives of this solution would include getting a higher percentage of students and accounting degree holders to sit for the exam. The approach could also help students

⁴⁴ Illinois CPA Society, [Re-Decoding the Decline: An Updated CPA Pipeline Report](#), 2024.

manage their fears about the exam by testing on recent material, helping them gain confidence in passing while still in school, and feel less daunted by the prospect of taking on CPA Exam study and testing after graduation. However, implementing this concept is complex and could create risks in several areas.

Although students would have the support of their peers, instructors, and potentially mentors, they might not have a future employer ready to help defray exam-related costs. And students completing a course may not be equipped to pass an exam section as the exam's competency assessment is set at the one- to two-years-of-experience mark. Also, the knowledge and skills assessed on the exam are often interrelated (e.g., a candidate needs to understand financial statements to audit them).

Some students may not feel prepared or even want to take the CPA Exam while in school. But providing students with the *option* to test earlier can go a long way toward shaving unnecessary time off the licensure path. **Given the strong market interest in the concept, the idea warrants consideration and study by relevant stakeholders, including NASBA and state boards of accountancy, in collaboration with the academic community and the AICPA.**

Assessing the impact of CPA Evolution

As NPAG was discussing exam-related strategies, a new version of the exam years in the making launched in January 2024. The new approach, driven by an initiative known as [CPA Evolution](#), was implemented to address the growing need for skills related to technology, data analytics, cybersecurity, and system and organization controls (SOC) engagements, and to provide additional candidate choice and flexibility.

Stakeholder groups — including students and candidates, the academic community, the AICPA, and NASBA — are still adjusting to the new exam, and it's too early to gauge the impact it will have on the pipeline.

Monitor and share employer best practices

Today, many students first sit for the CPA Exam after graduation, while employed. The additional workload can impact their ability to study, so it's important that employers take an active role in supporting their CPA Exam candidates.

NPAG student survey respondents embraced examples of employer support for exam candidates. Respondents rated the following solutions as being very effective in encouraging students and graduates to sit for the CPA Exam:

- 84% favor financial incentives like a bonus or raise after passing each section of the exam.
- 84% favor paid time off to study.

- 71% feel that reduced employee workloads for those studying for the CPA Exam would make an impact.
- 69% liked the notion of employers paying exam fees upfront versus through reimbursement or not at all. The National Commission on Diversity and Inclusion recommended this to NPAG as one strategy for increasing representation.

NPAG recommends continually evaluating, adjusting, and promoting employer best practices in CPA Exam support. Solutions include having an exam coach to demystify the process, having shepherds assist with CPA Exam project planning, advocating for adjusted workloads around exam peak times, and having mentors to help employees visualize the potential return on investment of becoming a licensed CPA.

While not tested in NPAG's survey, another idea involves a block scheduling protocol that would allow employers, schools, or review course providers to schedule exams for all their candidates at the same time. This would provide a more streamlined and convenient experience for both the candidates and the employers or schools, allowing better management of the exam journey and creating a more cohesive cohort of candidates.

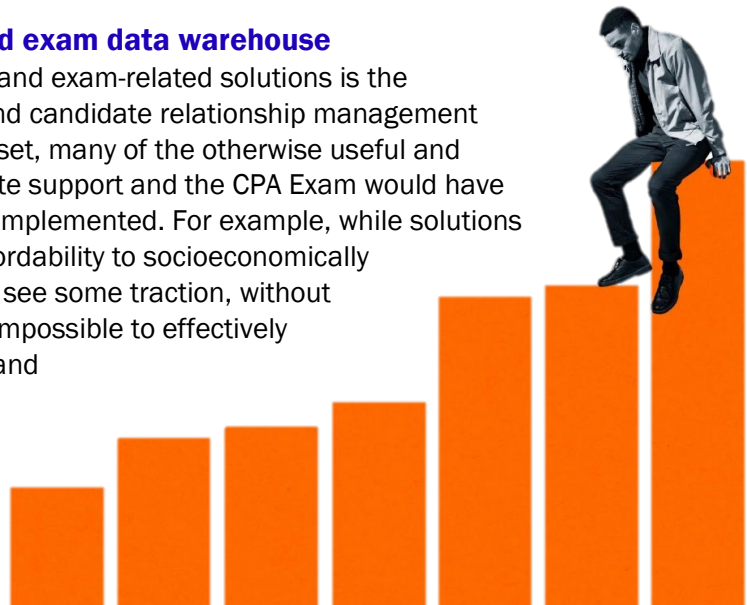
Aggregating and promoting these best practices would allow employers to tap into a set of strategies that work, encourage development for their people, and lead to enhanced retention. Providing a high level of support for CPA Exam candidates will also differentiate employers as supportive, aiding in recruiting and retention.

Count CPA Exam preparation courses toward college credit

Among NPAG student survey respondents, 62% strongly favor allowing CPA Exam prep courses to count toward college credit so candidates can obtain some of their 30 credit hours needed toward licensure in this way. Enabling this would first require answering questions about what type of preparation courses would qualify — review courses or instruction in new areas for the student — and what type of entities could offer them. It would require universities and colleges, with leadership from the American Accounting Association (AAA) and exam review course providers, to coordinate with state boards of accountancy and NASBA to align on what courses should be eligible toward licensure. Taking steps toward this strategy could increase flexibility and address concerns around the time and cost of education.

Developing a secure, cloud-based exam data warehouse

Foundational to nearly all candidate and exam-related solutions is the development of a data warehouse and candidate relationship management system. Without such a unified data set, many of the otherwise useful and productive solutions around candidate support and the CPA Exam would have only limited success or could not be implemented. For example, while solutions that involve ensuring access and affordability to socioeconomically challenged candidates may certainly see some traction, without complete data, it may be difficult or impossible to effectively identify and reach these individuals and share available resources.



The issue is not whether the data exists — much of it does — the issue is that there is no centralized repository of data, and there are differences in what data is collected from state to state. Much of the relevant data surrounding the CPA Exam is held by individual state boards of accountancy. And although that data serves its purpose well on the state level, it could serve an even greater purpose. By expanding and centralizing data collection efforts, the profession can more accurately track trends, predict challenges, and analyze the impact of various programs.

Solutions around a unified data warehouse would have to contain assurances to the owners of the individual state data sets, and potentially down to the individual candidate level, regarding proper and responsible use, data privacy, and cybersecurity.

Benefits to pipeline initiatives would include:

- The ability to develop a centralized exam portal where candidates can request eligibility to test, schedule appointments, view scores and status, manage their profile, and approve access to their profile information by the various stakeholders
- Allowing stakeholders to offer students and candidates additional support, such as financial assistance and scholarships, internship and employment offers, and membership and professional engagement support
- Allowing stakeholders involved in the administration of the CPA Exam to provide more data-informed communications, such as reminders and guides, regarding the candidate's scheduling behavior, impending expiration dates, and future sections to be passed
- Helping the profession understand trends among candidates and how to better support candidates across different socioeconomic, cultural, geographic, or educational backgrounds

Explore faster exam score release time frames

Waiting for the results of a high-stakes exam can feel like an eternity. Typically, a final score is sent to CPA Exam candidates approximately 20 days after testing. This recommendation would involve the AICPA sending an advisory score (which is estimated to be 99% accurate) to NASBA within a few days of the candidate's test date. NASBA would then pass the advisory score on to candidates. This would allow candidates to know sooner (with a high but not 100% degree of certainty) where to focus their studies, that is, whether they should study more in the same section after receiving a failing advisory score or move on to the next section after receiving a passing advisory score.

NASBA and state boards of accountancy would need to provide both the advisory and final scores instead of just one score, which would trigger some additional systems developments.

Simplify state board testing requirements

The CPA Exam is universal across all jurisdictions. Yet, state board requirements to start testing vary significantly across the country. Some states require a work portfolio, have an age requirement, or an experience requirement with either rules or state law mandating

either one or two years. The AICPA, NASBA, and state stakeholders have a priority list of requirements they are collectively working to address, as described in the [Pipeline Acceleration Plan](#).

NPAG believes this work should continue, prioritizing simplification and commonality among all the processes, procedures, and administrative requirements across jurisdictions wherever possible. Creating commonality would, however, require coordination and agreement among states and NASBA, and in cases where requirements are written into law, the cooperation of state legislators.

Simplify the eligibility process

According to a 2023 national survey by the Illinois CPA Society, 9% of respondents identified “Navigating the exam application process” as a top barrier, placing process concerns as the fourth-ranked challenge (where it tied with fear of failing the exam).⁴⁵ Before candidates can start testing, they need to request “exam eligibility” from their licensing board — a process managed by state licensing boards. Currently, candidates have a defined period during which their CPA Exam eligibility is valid. In some states, that period is six months, while in at least one state, the window is three months. Most students do not take all four sections of the exam within that window, which requires students to reapply for eligibility to take any remaining sections.

The concept of eligibility is important, as it facilitates the security of the exam and ensures that each candidate has met their jurisdiction’s requirements and standards. As a result, eligibility protects the exam process. But the practice of having candidates requalify as frequently as they do should be rethought. For example, a single national eligibility period lasting 30 months could allow candidates to complete the process without an additional layer of complexity. Alternatively, once a candidate is determined to be eligible, that determination could become permanent.

Develop and promote additional CPA Exam practice tests

Practice tests, which differ from exam preparation courses, can be a useful, potentially free tool to determine readiness to sit for an exam section. The AICPA currently offers a [sample test](#) that allows students and candidates to experience the format and functionality of the exam testing software. Developing additional basic practice tests that are not necessarily a predictor of future performance but provide exposure to practice questions could help students and candidates prepare. This solution could also help address the cost of exam prep materials.

⁴⁵ Illinois CPA Society, [Re-Decoding the Decline](#).

Several other exam-related solutions were tested in NPAG’s national and student surveys. **This chart highlights differences between how students and national survey respondents rate specific concepts.**

| Students | Concepts rated as “very effective” | National stakeholders |
|----------|--|-----------------------|
| 54% | Give a bonus to managers and/or work schedulers when their direct reports pass the CPA Exam. | 25% |
| 51% | Provide opportunities to participate in a cohort of exam candidates with synchronized testing schedules and study sessions. | 33% |
| 62% | Assign a mentor or “coach” to CPA Exam candidates to advocate for and support them throughout the exam and licensure process. | 36% |
| 30% | Change the structure of the CPA Exam from four separate exam sections by subject area to a set of exams that progress in difficulty (basic, intermediate, and advanced) and are aligned to learning. | 14% |
| 25% | Start new hires at reduced pay earlier than their needed start date to encourage them to use a slower work “ramp-up” period to study for and sit for the CPA Exam. | 18% |

Prioritize strategies to expand access for underrepresented groups

Today, the accounting profession's demographic makeup does not mirror the U.S. population, with Black or African American, Hispanic and Latino/Latina, and American Indian or Alaska Native populations being underrepresented when compared to their proportion of the U.S. population. **A picture tells a thousand words. And this one speaks volumes.**

Accounting degree completions by racial/ethnic minorities compared to U.S. population

| | Accounting degrees (BA/MA) 2012–2013 ⁴⁶ | U.S. population 2010 ⁴⁷ | Accounting degrees (BA/MA) 2021–2022 ¹⁹ | U.S. population 2020 ²⁰ |
|---|--|------------------------------------|--|------------------------------------|
| Black or African American | 8.1% | 12.6% | 7.1% | 12.4% |
| Hispanic or Latino/Latina | 9.2% | 16.3% | 14.3% | 18.7% |
| American Indian or Alaska Native | 0.4% | 0.9% | 0.4% | 1.1% |
| Asian or Pacific Islander/Native Hawaiian | 8.5% | 5% | 9% | 6.2% |
| Two or more | 1.1% | 2.9% | 2.7% | 10.2% |

Note: AICPA Trends combines Asian and Pacific Islander populations.
Sources: AICPA 2023 [Trends Report](#) and [U.S. Census Bureau](#).

⁴⁶ AICPA, [2023 Trends: A report on accounting education, the CPA exam, and public accounting firms' hiring of recent graduates](#), October 2023.

⁴⁷ Nicholas Jones, Rachel Marks, Roberto Ramirez, and Merarys Ríos-Vargas, "[2020 Census Illuminates Racial and Ethnic Composition of the Country](#)," U.S. Census Bureau, August 12, 2021.

Diversity is an essential goal for any healthy pipeline — not just for appropriate representation, but also for the strength that comes from having employees and professionals who can view problems and opportunities from different perspectives. Accounting has long opened doors for first-generation graduates and professionals, many of whom are now today's leaders.⁴⁸ This is a proud legacy and one the profession should embrace as it evolves to meet the challenges of tomorrow.

To build a successful path forward, historically underrepresented minorities and groups must feel they belong in the profession. As the U.S. population becomes more diverse, the accounting profession must also reflect the population it serves.

The need to increase the number of underrepresented minorities and groups in the accounting profession is an NPAG imperative. The underlying causes for underrepresentation are multifaceted and range from access issues and a shortage of role models to economic factors such as the cost of higher education and the CPA Exam. A Center for Audit Quality (CAQ) and Edge Research report noted, "Underrepresented students do not see themselves reflected in the accounting profession," leading them to look at other careers.⁴⁹

The 2024 NPAG student survey shows that 32% of the respondents chose their current major during high school or earlier, highlighting the need to reach students sooner.

Raising awareness among potential accounting students as early as possible involves expanding programs that already exist, and these efforts are seeing results. Examples of programs the profession can amplify, include, but are not limited to:

- The highly successful NABA [Accounting Career Awareness Program](#) (ACAP, also referred to in some cases as the Accelerated Career Awareness Program), which enables high school students to explore the profession through a week-long college residency program, as well as similar business career awareness programs held at universities and colleges around the country, primarily with accounting firm support
- The Center for Audit Quality's [Accounting+ program](#), which works to bring greater awareness to and increase interest in accounting among high school and early college students

Individual firms, employers, and accounting associations have invested time and money into outreach to middle and high school programs. The value of those programs should not be understated — encouraging young people from underserved communities to pursue a career in accounting needs to start long before college.

⁴⁸ Nanette Byrnes, "[Accounting can be door to U.S. professional class](#)," Reuters, October 16, 2011.

⁴⁹ Center for Audit Quality, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), January 2022.

A business case for diversity

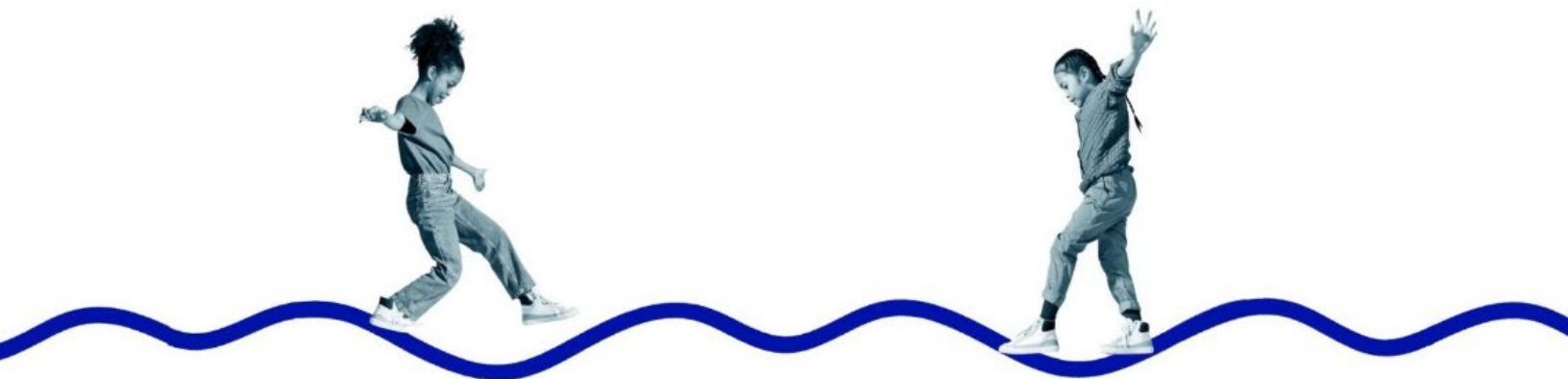
A strong business case exists for diversity in the profession. As mentioned, shifting U.S. demographics mean that ethnic and racial minorities now make up a larger share of the workforce. **Without embracing diversity and equity, the pipeline challenge cannot be solved.** But beyond that, companies that embrace diversity tend to outperform those that do not.

[McKinsey](#) reports a strong business case for both gender and ethnic diversity: “Each of our reports — 2015, 2018, 2020, and now 2023 — has found a steady upward trend, tracking ever greater representation of women on executive teams. At each time point we have assessed the data, the likelihood of financial outperformance gap has grown...A strong business case for ethnic diversity is also consistent over time, with a 39 percent increased likelihood of outperformance for those in the top quartile of ethnic representation versus the bottom quartile.”

Expanded programs for underrepresented minorities

Without a catalyst for change, current underrepresentation in accounting, particularly among Black and African American and Hispanic and Latino/Latina communities, will likely continue. Employers are encouraged to take an inventory of their diversity, equity, inclusion, and belonging efforts, particularly those focused on early-stage recruiting, to ensure their resources are deployed equitably. More on this can be found in the “Enhancing the employee experience” section of this report.

A key determinant of someone joining the accounting profession or becoming a CPA is personally knowing someone in the profession. Having mentors who resemble you is particularly powerful for students. Firms, finance departments, and accounting organizations should encourage their employees or members to increase their visits to middle schools, high schools, community colleges, and universities — especially minority-serving institutions (MSIs) and schools with higher underrepresented populations — to share their career stories and describe the variety of pathways that accounting provides.



In addition, all members of the profession must familiarize themselves with and then amplify the accounting immersion experiences. Existing programs, such as ACAP and various business career awareness programs (see sidebars), are scalable and are showing results in terms of participants progressing on to business and accounting programs.

Engagement with MSIs and campuses with a high population of underrepresented students

The accounting profession should build closer bonds with MSIs and schools with higher underrepresented populations, with an emphasis on awareness building, mentoring, and recruiting on campuses. MSIs include 102 historically Black colleges and universities (HBCUs), 274 Hispanic-serving institutions (HSIs), 35 tribal colleges and universities (TCUs), as well as Asian American- and Pacific Islander-serving institutions (AAPISIs).⁵⁰

NABA Inc.'s Accounting Career Awareness Program (ACAP)

Since its inception in 1980, [ACAP®](#) has been a turning point in the academic lives of thousands of high school students, motivating them to pursue higher education and reach their maximum potential. ACAP introduces high school students from underrepresented communities to accounting, finance, and business-related fields.

ACAP offers a week-long summer campus residency program and year-round programming, providing students with a comprehensive understanding of career opportunities in accounting, finance, economics, technology, and management. The program also fosters the development of interpersonal skills and financial fluency.

Promote smooth transitions between community colleges and four-year institutions

Community colleges offer an opportunity to address challenges socioeconomically disadvantaged students face around the cost of education. But the community college to four-year program pathway works best when students and counselors have a clear sense of needed, transferable credits so that no time or money is wasted.

Some states are paving the way for community college students to maximize their transferable credits through legislation. Maryland's 2021 Transfer with Success Act "created a new requirement for public institutions to jointly review courses and credits that are denied when a student transfers from between two public institutions in the state. In addition, the legislation created a new annual reporting requirement: public institutions are

⁵⁰ U.S. Department of the Interior, "[Minority Serving Institutions Program](#)," accessed June 18, 2024.

now obligated to submit to the [Maryland Higher Education] Commission a report listing the denials and the reasons for the denials.”⁵¹

According to NPAG’s pipeline survey, 47% of students felt that creating and/or amplifying programming and resources to help transition community college students successfully into four-year accounting degree programs would be a very effective pipeline solution. States and the academic community should partner to build stronger bridges between community colleges and universities.

Best practices for successful articulation agreements, which are agreements between institutions that outline transfer plans among programs, and other transfer policies should be studied and shared. Employers and community college administration can also work together to ensure that community college students have access to and are prepared for productive internships.

Business Career Awareness Program (BCAP)

Inspired by the ACAP model, BCAP is a successful high school outreach program for rising juniors and seniors. Hosted by campuses such as the [University of Arizona](#) and [Texas Tech University](#), students spend one week living in the dorms and getting exposure to accounting and business careers. The program gives students an opportunity to get a much deeper understanding of the school while raising awareness about the accounting profession and the opportunities surrounding it.

In addition to introducing students to the profession, the program also aims to increase diversity and representation. The selective program works with the college admissions office to identify students with a high chance of success.

Financial assistance for socioeconomically disadvantaged groups

The increased time and cost of accounting’s 150-hour education requirement has disproportionately affected minority candidates. Economists found that after the additional 30 hours of education was added to the CPA licensure process, there was a “26% decline for minority CPAs versus a significantly smaller 14% decline for nonminority CPAs.”⁵²

According to 2023 research from the Pennsylvania Institute of CPAs (PICPA), 43% of nonwhite students cited the cost to prepare for and take the CPA Exam as not worth the financial investment and a reason they are not planning to become CPAs.⁵³

⁵¹ Maryland Higher Education Commission, [Transfer Guidance for Public Institutions in Maryland](#), October 2022.

⁵² Andrew Sutherland, Matthias Uckert, Felix Vetter, “[Occupational Licensing and Minority Participation in Professional Labor Markets](#),” *Journal of Accounting Research*, January 27, 2024.

⁵³ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity – Evidence-Backed Action the Profession Can Take Today](#), December 2023.



▲
The Eller College of Management at the University of Arizona hosted high school students during the 2024 Business Career Awareness Program. Photo courtesy of the University of Arizona.

While solutions related to this issue are examined more fully in the “Addressing the time and cost of education” section, the cost of higher education and exam preparation pose significant hurdles to licensure. They also speak to the need to devise solutions that expand access for underrepresented and socioeconomically disadvantaged communities.

The increased education requirement for licensure is especially onerous for Black and Hispanic students who opted out of accounting in favor of another major due to the additional costs involved in completing the additional credit hours.⁵⁴ Data from the CAQ and Edge Research found that while 81% of all accounting undergraduates planned to pursue CPA licensure, a significantly lower percentage of Black (68%) and Hispanic (72%) accounting majors felt the same. “The time required to study for the CPA Exam is a top obstacle across all demographics, but the costs associated with completing the 150-credit hour requirement is the most significant hurdle identified by Black and Hispanic accounting majors.”

The high cost of education puts students at risk, especially students who are the first in their family to attend college. According to a report by Sallie Mae, 24% of current undergraduates have seriously considered leaving college or are at risk of dismissal.⁵⁵ In addition, the report notes that first-generation college students are twice as likely as all other groups to consider leaving school. At-risk students are more likely to be Hispanic or Black, and 57% percent of at-risk students grew up in low-income or low- to middle-income homes.

When PICPA asked where accounting majors could use the most help, more than 60% said financial support and scholarships.⁵⁶ Although further work must be done in this area, existing programs are helping address costs, including scholarship programs from various state societies, the AICPA, accounting organizations, firms and employers, and NASBA, to name a few.

⁵⁴ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

⁵⁵ Sallie Mae and Ipsos, [How America Completes College: Understanding what helps students graduate](#), 2024.

⁵⁶ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity](#).

In addition to the cost of higher education and the CPA Exam, exam prep and review courses are often cost-prohibitive to some candidates. More can be done to expand access to prep materials, lower candidate costs, and be more inclusive of underrepresented communities.

Review exam and course materials for bias

The CPA Exam is a leading gauge of readiness to work in the accounting profession and protect the public, and it is carefully constructed according to testing development industry standards. To ensure that the exam is fit for purpose for all candidates, its content should continue to be routinely reviewed for bias that could unintentionally weed out qualified candidates. Similar reviews could also be applied at the academic level to course materials and textbooks.

Diversity, equity, inclusion, and belonging are so much more

There are many additional dimensions to diversity, equity, inclusion, and belonging, including gender, sexual orientation, neurodiversity, age or generation, and more. This strategic plan only scratches the surface on the opportunities and challenges of inclusivity in the profession and the impact that embracing DEIB will have on the talent pipeline. NPAG encourages all members of the profession to work together to create and implement a more expansive strategic plan for this critically important area.

What does success look like?

As NPAG reviewed recommendations in this area, discussion turned to appropriate success measures. **NPAG envisions a profession where every single cohort of underrepresented minorities earning an accounting degree is in line with, or even greater than, their respective percentage of the U.S. population.**

Reaching that goal would mean a significant increase in Black and African American, Hispanic and Latino/Latina, and American Indian or Alaska Native accounting major graduates. That shift would require considerable progress on both high school and college initiatives. **NPAG is calling for regular reporting on progress toward this goal in the pipeline scorecard and an evaluation at the five-year mark in 2029 of progress toward the goal** (see the “Next steps” section).

Retention of accountants — including accountants of color — in the first five years of employment is explored in the next section of this report. But it warrants repeating here that the employment experience of minority hires must match their expectations, and be inclusive and nurturing, if the profession hopes to move the needle on representation and grow the overall talent pipeline.

Enhance the employee experience by evolving business models and cultures

With the present demographic realities, and even greater labor shortages projected in the future, today's students, graduates, and experienced talent have an almost unlimited number of career and employer choices. Accounting talent can be more selective in their career and employment choices. Employers must consider a host of cultural and business model changes to appeal to today's and tomorrow's talent motivators.

Motivators

In the 2024 BestColleges⁵⁷ survey on top work motivations and expectations among current undergraduate and graduate students:

- 76% agreed work-life balance is a top priority
- 67% wanted personal fulfillment and satisfaction from work
- 60% said that salary/pay was their top priority when considering a job

For more on what motivates the next generation, see the “Identifying the key factors behind the CPA pipeline shortage” section.

Successful recruiting and retention will depend on employers implementing changes that balance better starting salaries with more reasonable workloads. According to research by the Institute of Management Accountants (IMA) and Robert Half, key talent retention strategies include:

- Competitive compensation and benefits
- Supportive and inclusive workplace culture
- Respect and recognition
- Career growth and development
- Flexibility and work-life balance⁵⁸

Image issues

To appeal to students, graduates, and experienced talent, employers must also overcome a host of brand challenges related to work in the accounting profession. In the July 2023 Center for Audit Quality (CAQ) and Edge Research *Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities* report, business students were asked why they did not choose accounting as their major.

⁵⁷ Jane Nam, “[Work-Life Balance Tops List of College Student Priorities in Job Search: Survey](#),” BestColleges, Accessed July 26, 2024

⁵⁸ Institute of Management Accountants and Robert Half, [Talent Retention in the U.S. Accounting and Finance Profession](#), October 16, 2023.

Answers included that:

- 70% cited a lack of interest or passion for the subject.
- 61% indicated they could command a higher starting salary with another major.
- 57% said they don't want to pursue the 150 education hours required to be a CPA.⁵⁹

Solutions to address the additional cost and time of education are outlined elsewhere in this report for consideration.

In the Pennsylvania Institute of CPAs report *The CPA Pipeline: Crisis and Opportunity — Evidence-Backed Action the Profession Can Take Today*, when researchers asked business administration majors why they did not select accounting as their major:

- 21% said they were advised against majoring in accounting by friends, family, or classmates.
- 18% shared that other majors are more appealing.
- 15% said the day-to-day work is too difficult.
- 14% indicated starting salaries are much lower compared to other careers.⁶⁰

Employers can directly affect the level of interest, passion, or appeal that team members both perceive and share about their work. The “Tell a more compelling story” section of this paper contains ideas and points to resources for all to highlight the technology-forward, difference-making work we do as a profession. **NPAG asks employers to take ownership of the fact that we must transform the reality of the work experience to have a truly better story to tell.** Let's start with compensation.

Increase starting salaries

The issue of starting salaries in accounting is a significant barrier that is often discussed but not yet fully addressed. The research paper “Technological Investment and Accounting: A Demand-Side Perspective on Accounting Enrollment Declines”⁶¹ outlines the impact of pipeline demand on the supply of talent. The authors make the point that the higher the potential economic return to students, the more likely they are to invest in (or major) in that career field. Consider the following National Association of Colleges and Employers (NACE) mean starting salary comparatives over time for a sampling of college majors:⁶²

⁵⁹ Center for Audit Quality (CAQ) and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

⁶⁰ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity Evidence-Backed Action the Profession Can Take Today](#), December 2023.

⁶¹ Henry L. Friedman, Andrew Sutherland, Felix Vetter, “[Technological Investment and Accounting: A Demand-Side Perspective on Accounting Enrollment Declines](#),” April 30, 2024.

⁶² National Association of Colleges and Employers (NACE), [First Destinations Dashboard](#), accessed July 1, 2024.

Mean starting salaries for bachelor's degree holders

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------|----------|----------|----------|----------|----------|
| Computer & information sciences | \$72,677 | \$71,411 | \$76,986 | \$80,477 | \$81,202 | \$86,964 |
| Engineering | \$65,539 | \$66,638 | \$70,219 | \$72,115 | \$71,516 | \$76,249 |
| Mathematics & statistics | \$60,631 | \$61,709 | \$66,942 | \$67,822 | \$68,929 | \$76,186 |
| Statistics | \$62,375 | \$67,161 | \$70,705 | \$75,916 | \$75,457 | \$75,916 |
| Management information systems & services | \$60,575 | \$60,156 | \$61,122 | \$62,429 | \$64,734 | \$71,208 |
| Finance & financial management services | \$56,355 | \$55,138 | \$58,125 | \$59,627 | \$62,163 | \$66,650 |
| Accounting and related services (accounting major) | \$52,343 | \$51,783 | \$53,652 | \$54,809 | \$56,103 | \$60,698 |

If 2022 starting salaries were the primary determinant for business students choosing a major, accounting would be their last choice among this slate of options.

With the proliferation of salary information and ChatGPT at their fingertips, students and parents are savvy enough to understand and consider this as a factor. In a recent *Journal of Accountancy* interview with academic leaders, Professor Nancy Bagranoff of the University of Richmond said, “One change we have noticed is increased salary transparency. Students make use of online tools to compare salaries and are more aggressive in negotiating terms.”⁶³ As these tools and pay transparency become more common, new recruits and experienced accountants are expecting higher salaries, and employers must respond.

⁶³ Andrew Kenney, “[What top accounting academics suggest to attract talent](#),” *Journal of Accountancy*, January 25, 2024.



Raising starting salaries was the most agreed-upon solution for growing the pipeline in both NPAG studies:

84%
of stakeholders
agree

85%
of students
agree

And there's another consideration related to salary, too. In the NPAG feedback forums and focus groups, many employers spoke about making recent starting salary adjustments, and some feel like this area is no longer an issue. Those increases are positive news. And yet, more attention is needed on salaries.

Before dismissing a salary review as a potential action to take, let's look at salary growth in accounting against other professions, using the NACE data just cited, and salary growth against inflation-based increases in the Consumer Price Index (CPI). Unfortunately, we don't measure up there either. From 2017 to 2022, salaries in

- mathematics and statistics increased 26%.
- statistics increased 22%.
- computer and information sciences increased 20%.
- finance and management information systems each increased 18%.
- engineering increased 16%.
- **accounting increased 16%.**

During this same period, the CPI rose a total of 20%.⁶⁴ Professionals in accounting, engineering, finance, and management information systems all lost earning power during that period, and accountants lost the most. If your organization hasn't been increasing salaries to be competitive with other professions and keeping pace with the CPI, then compensation could become an inhibitor to both attracting and retaining talent for both your organization and for the overall accounting profession.

NPAG recommends employers study their starting salaries and make a concerted effort to raise them to at or above market rates compared to other competing business professions.

⁶⁴ [U.S. Bureau of Labor Statistics CPI Inflation Calculator](#), accessed July 24, 2024.

This may create a ripple of increases within the existing talent base, which employers could potentially mitigate with variable versus fixed increases using bonuses or other incentives. It is possible that the employer would not have to increase pay across all levels, as salary bands may be tighter in early-career positions, and mid-career team member pay may have already been propelled upward by significant margins. This would leave room to move entry-level salaries up without putting pressure to move mid-career bands. The AICPA Private Companies Practice Section (PCPS), the Rosenberg Survey, Inside Public Accounting, Robert Half, NACE, and others, including general career sources such as Payscale, offer data and resources to assist CPA firms and employers to study compensation. Employers may consider engaging an HR consultant specializing in compensation to undertake a study and recommend any adjustments needed.

Although Gen Z may be focused more on the short term, and students are likely to be reluctant to wait for their earnings to become more competitive, over the long term, a career in accounting can be very lucrative. The benefit of generous mid-career and leadership-level earnings is not often touted in accounting, and that's a shame. In fact, according to Inside Public Accounting's *2023 Practice Management Report*, the average income per equity partner in non-Big Four firms was just over \$650,000.⁶⁵ **Employers should consider increased pay transparency at higher levels in their firms and organizations so that talent can understand what's possible as they progress.**

Increasing accounting pay to boost recruitment

EY announced in June 2024 plans to invest \$1 billion in talent and technology, with a significant increase in early career compensation and other benefits. "Bigger paychecks from firms like EY that dominate the market will set the pace for higher wages across the industry, pressuring mid-tier and even smaller regional firms to step up and boost their entry-level pay," according to an analysis by [Bloomberg Tax](#).

Hopefully, this signals a move toward more employers increasing the competitiveness and ROI of a career in accounting.

Transform the employment experience

Being an "employer of choice" has become more crucial than ever due to the talent gap and the changing nature of work.

Recent years have brought new challenges and intensified existing ones, revealing the shortcomings of how we operate. While some of those gaps may have existed for years, they were brought into focus amidst a confluence of challenges, including the "great resignation," a wholesale switch to remote/hybrid work models, and a pandemic-fueled recession. This pressure has caused us to become more acutely aware that we are not

⁶⁵ Inside Public Accounting, [2023 Practice Management Report](#), 2023.

operating our firms, businesses, or organizations in a way that is attractive to next-generation talent, conducive to retention, or sustainable for the future.

To address the pipeline crisis, employers need to undergo a comprehensive transformation to both attract new team members and retain their existing ones. The current pipeline crisis is a wake-up call to realize that leaders must embrace change to thrive.

*Harvard Business Review*⁶⁶ recommends these six strategic areas to employers working to enhance employee retention:

- Incentivizing loyalty — paying at or above market and providing various financial incentives
- Providing growth opportunities — including skills development
- Elevating organizational purpose
- Prioritizing your culture and relationships
- Investing in well-being for your people and their families
- Embracing flexibility

Business transformation in the form of cultural shifts, new ownership approaches, and transformed operating models is imperative.

Reduce overload

There has always been a perception that, especially during peak periods, accountants work long hours — and, in many cases, that’s true. Although accounting is certainly not the only profession with seasonal peak periods and occasional long hours, students often cite difficult work and long hours as reasons for not pursuing accounting as a major.⁶⁷ Similarly, those who are already in the profession but are considering leaving their roles cite burnout and long hours as a top reason for doing so.

In the ACCA “Global Talent Trends 2023” survey,⁶⁸ well-being and mental health were the second most significant work concern for the future. The survey showed that among 8,000 accountants in 148 countries:

- 61% reported their mental health suffers because of work pressures.
- 71% want more mental health support from their employers.
- 49% don’t believe their employer considers mental health a priority.

⁶⁶ Frank Breitling, Julia Dhar, Ruth Ebeling, and Deborah Lovich, “[6 Strategies to Boost Retention Through the Great Resignation](#),” *Harvard Business Review*, November 15, 2021.

⁶⁷ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity — Evidence-Backed Action the Profession Can Take Today](#), December 2023.

⁶⁸ ACCA, “[Global Talent Trends 2023](#).”

Respondents to the NPAG surveys — students and professionals alike — see greater flexibility in work hours and location and more manageable workloads as among the most highly effective strategies in encouraging young people to choose a career in accounting.

Achieving work-life balance in Pittsburgh

Maher Duessel, a firm of 110 people in Pittsburgh and other Pennsylvania cities specializes in the government and not-for-profit sectors. The firm has created an environment that offers employees work-life balance, a reasonable schedule, and minimal overtime. Chairman Betsy Krisher, a member of NPAG, says the firm is committed to flexible scheduling and balance for their people, where overtime demands are kept to a minimum and staff enjoy a hybrid work environment.

Through the hiring process, a new CPA is informed about any overtime targets, which are usually kept to 200 hours per year or less, with most people working substantially less than that. The company keeps overtime in check by monitoring workloads and hours throughout the year. When an employee is working too many hours, the strategy is to work with the employee to balance their workload.

The strategy is successful. Overtime is kept to a minimum, employees enjoy a better work-life balance, and annual turnover is between 10% and 12%, which is below average for accounting firms. More than half of the firm's employees have been employed there five years or more.

The workload balance is achieved by ensuring that client selection, retention, and fees allow for firm profitability, and by a commitment from firm leaders to prioritize rewarding employees financially and investing in technology.

Preventing “burnout” and providing employees with a better work-life balance can be accomplished in several ways:

1. **Increasing the flexibility provided.** Offering a more flexible and remote/hybrid work culture where team members have more control over where and when they complete their work provides people with a sense of trust and empowerment in their career. In a 2019 FlexJobs⁶⁹ survey, 80% of 7,500 respondents said they would be more loyal to their employers if they had flexible work options. In the NPAG student survey results, 77% of students surveyed felt that providing “greater flexibility in work hours and location for accounting and finance employees” would draw people into a career in accounting. In the 2023 IMA and Robert Half report *Talent Retention in the U.S. Accounting and Finance Profession*, 33% of those who

⁶⁹ Roy Maurer, “[Flexible Work Critical to Retention, Survey Finds](#),” Society for Human Resource Management, September 2019.

planned to leave their employer or the profession reported a lack of flexibility in determining where to work.⁷⁰

2. **Reducing client/customer loads and trimming client bases** to address areas where demand outstrips capacity. In the NPAG stakeholder and student surveys results, when asked about strategies that they believe would encourage people to choose a career in accounting, 72% of students surveyed and 70% of all other stakeholders said, “More manageable workloads for accounting and finance employees.”
3. **Investing in nontraditional talent strategies** to increase overall capacity. This includes offshoring, outsourcing, or adding nonaccounting operational team members to support service delivery.
4. **Improving scheduling and capacity functions** to better project and rebalance work overloads and attempt to ease some of the work compression experienced in peak work periods. As one draft report commenter wrote, “New candidates are not going to stand for 60 to 80-hour weeks. Firms have to retool tax season for a more consistent and manageable work frame to attract and retain candidates.”
5. **Investing in increased technology** to automate tasks, streamline processes, and free up capacity. In a Deloitte *CFO Signals* survey,⁷¹ 81% of CFOs surveyed planned to use automation/digital technologies to create capacity for people to focus their talents on higher-value activities.
6. **Increasing fees/prices to keep pace** with inflation and offset increased labor and technology costs.

Enhance career progression

In the 2023 study *Righting Retention: A Look into the Accounting Profession’s Greatest Management Challenge*, the Illinois CPA Society asked employers about their talent management offerings and asked employees about programs they value. They found a significant disconnect:

- Over 67% of employees view “career advancement paths and opportunities” as one of the most attractive benefits in an employer. However, 48% of employers don’t communicate defined advancement paths for employees (or don’t know if they do).
- 30% of employees ranked “mentors/mentorship program” as a top need. But nearly 43% of employers don’t offer a mentorship program, formal or informal, to foster employee retention (or don’t know if they do).

Where possible, employers should highlight the career pathways and options available for their people — both in the overall organization and specific to each individual. Investing in skills development and career advising will support people in advancing their careers within the organization.

⁷⁰ IMA and Robert Half, [Talent Retention in the U.S. Accounting and Finance Profession](#).

⁷¹ Deloitte, [CFO Signals 4Q 2023](#).

Define and live your culture

According to Gallup,⁷² team members who strongly agree with the statement “I feel connected to my organization’s culture” are:

- 3.7 times as likely to be engaged at work
- 5.2 times as likely to recommend their organization as a great place to work
- 68% less likely to feel burned out
- 55% less likely to seek another job

These employee retention and engagement outcomes highlight the benefits of clearly documenting organizational culture, identifying both tangible and aspirational elements. Once identified, ensure the organization is living those cultural values and commitments and that these are woven into all aspects of organizational strategies, processes, and procedures.



◀ Maher Duessel — a firm committed to work-life balance — welcomes new auditors to the firm in 2023. Photo courtesy of Maher Duessel.

One challenge affecting culture today is the uncertainty created by all the operating model changes happening within the profession. Increased activity with mergers, acquisitions, ownership changes like employee stock ownership plans, phantom stock option programs, restructuring, and the introduction of private equity ownership are all causing team members to wonder. They want to know where their organization is headed and what their leadership is planning to ensure a bright future. Employers can alleviate their team

⁷² Gallup, “[What Is Organizational Culture? And Why Does It Matter?](#),” accessed July 10, 2024.

members' uncertainty by being as transparent as possible about organizational plans related to ownership structure, especially for organizations and firms committed to remaining independent.

Building a DEIB culture

Another critical cultural consideration is your organizational commitment to diversity, equity, inclusion, and belonging (DEIB). NPAG believes that growing the overall accounting pipeline will happen when the profession increases the number of underrepresented minorities and groups who choose a career in accounting. Ultimately, NPAG would like to see the representation of minorities in the profession at least mirror their representation in the overall U.S. population. This goal is addressed in the previous section of this report.

To attract more underrepresented minorities and groups to our profession, we must take steps to better understand and improve the employment experience of those already working in accounting. That includes preparing managers to be inclusive leaders equipped to do things such as deliver performance feedback to employees from underrepresented groups.

Consider these findings from the 2021 CalCPA and IMA *Diversifying U.S. Accounting Talent: A Critical Imperative to Achieve Transformational Outcomes*, a study of more than 3,000 current and former accounting professionals and interviews with accounting, academic, human resources, and DEI professionals:⁷³

- 73% of underrepresented racial and ethnic groups feel they do not receive fair treatment in the workplace.
- 60% of persons who identify as LGBTQIA believe leaders demonstrate unfair prejudice against them.
- 43% to 55% of female, nonwhite, Hispanic, Latino/Latina, and LGBTQIA respondents have left a company due to a perceived lack of equitable treatment, and at least 30% of the respondents from each of these groups have left companies because of a lack of inclusion.
- Only 33% of females view the profession as equitable, and only 37% of females view the profession as inclusive.

Together, we must evolve to be more diverse, equitable, and inclusive employers. Some of the actions employers can take to get there include joining nearly 2,500 other business leaders in taking the [CEO Action for Diversity & Inclusion](#) pledge and learning from that collaboration's database of nearly 2,000 actionable insights shared by employers who are making real progress in this area. Some of the action insights shared by the organizations taking the pledge include:

- Identifying and deploying strategies to advance leadership at the board and senior leadership levels

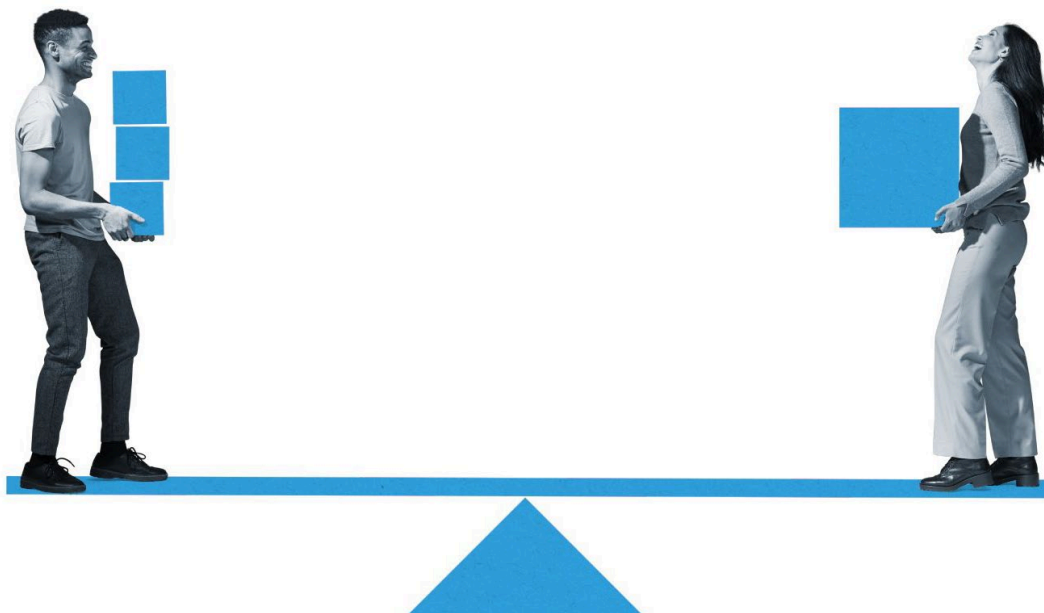
⁷³ Institute of Management Accountants and California Society of Certified Public Accountants, [Diversifying US Accounting Talent A Critical Imperative to Achieve Transformational Outcomes](#), October 12, 2021.

- Creating a racial equity plan
- Inclusion and equity learning and unconscious bias education for leaders
- Inclusion training to support LGBTQIA equality
- Compensation studies and programs to ensure pay equity for minorities and women
- Measuring and reporting on team demographics and progress against goals

The ideas contained in this report only *begin* to scratch the surface of enhancing the overall experience of underrepresented minorities and groups when considering a career in accounting and when working within our profession. Our collective opportunity to embrace underrepresented minorities and groups is significant enough to warrant its own stand-alone strategic plan.

As we conclude this section, it is fair to say that employers are critical to solving the pipeline challenge. Employers alone can maximize the value proposition of employment in accounting. But it won't be possible without investing dedicated leadership time to create and implement a talent strategy — working on the organization while also working in it. By increasing starting salaries, ensuring talent is paid at or above market, reducing overload, providing flexibility, communicating career pathway options, defining and operationalizing a clear cultural commitment to the future, and embracing diversity, equity, inclusion, and belonging, employers can provide each of us with a more compelling story to tell to students, parents, academics, CPA candidates, and recruits. NPAG has developed the [Accounting Employer Checklist](#), which outlines 10 key areas of change to share with organizational leadership for consideration.

While employers face the most change to truly engage the next generation and expand the talent pipeline, those same employers have the most to gain by transforming.



Tell a more compelling story about accounting careers

While an accounting career can lead to prestigious and financially rewarding work, misperceptions about the profession persist. It's time we join together and collectively do more to turn the tide. Pipeline research reveals the importance of early, targeted outreach to students with information that resonates with the next generation.

Accounting can open doors to limitless career paths — unlocking rewarding and in-demand jobs across every industry. Accountants have the flexibility to start their own businesses, help companies measure their environmental impact, or predict financial trends. Yet 70% of business students who chose another major cited a lack of interest or passion in accounting, according to a 2023 survey by the Center for Audit Quality (CAQ) and Edge Research. According to the report, “the research revealed what could be described as common knowledge: accounting has an image problem.”⁷⁴ When the Pennsylvania Institute of CPAs asked what information would make business students more interested in accounting, 66% said information on career growth potential, and 62% said information on compensation.⁷⁵

Stakeholders from all areas of the profession overwhelmingly agreed during NPAG's forums, focus groups, polls, and surveys on the need to communicate a more compelling and detailed story about accounting careers. They were clear — the messaging can't ignore the challenges of the career or paint a misleading picture of the day to day. But often *the challenges of the field are the only aspects getting any airtime*, and most accountants would like to see that change. That creates an opportunity for us all to make an impact.

We need to create a groundswell of conversation. Breaking through to students, parents, teachers, and potential career changers requires the concerted and persistent effort of everyone who is part of the story. **NPAG's proposed solutions will depend on everyone helping close perception gaps, reach new audiences, and spark excitement in the next generation.**

Members of the profession agree that we need to collectively tell a nuanced, dynamic, and relatable story about accounting careers. In doing so, we need to relay the meaningful work that professionals do day in and day out, the stability the profession affords its practitioners, and the opportunities for success that lie ahead.

A sustainable path to storytelling involves equipping professionals, educators, parents, and others across the board with the materials and facts they need. An extensive presence is

⁷⁴ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

⁷⁵ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity — Evidence-Backed Action the Profession Can Take Today](#), December 2023.

needed on college and university campuses, and it is also essential to have a presence in community colleges, high schools, and middle schools.

Student outreach programs

Awareness-building activities such as these aren't new. What's changed is the sense of urgency behind this call to action. Without a concerted effort in which each of us does something new to shift perceptions, we risk further erosion of the talent pipeline.

The [CAQ's Accounting+](#) initiative is an important effort supported broadly by the profession, with a focus on attracting diverse candidates to accounting and a track record of increasing interest among students. We also recognize that the current generation of students and future students are most influenced by social media, key influencers, and authentic information-sharing by those already in the profession, especially peers who are in the early stages of their careers. Amplifying our collective efforts via these channels will be critical.

Many employers, schools, and professional organizations already have successful volunteer programs in place. For example, the Accounting Opportunities Experience (AOE), a collaboration between state CPA societies and the AICPA, aims to raise awareness among high school students. In 2023, more than 900 accounting professionals presented at 690 schools across the country. Armed with presentations, hands-on activities, and training tools, these volunteers were able to tell their unique stories to nearly 24,000 students.⁷⁶



“Being able to share my passion for accounting and mentor future professionals is truly rewarding. Collaborating with these students not only allows us to promote the accounting profession but also fosters a sense of community and inspires the next generation of CPAs.” — Rachel Glasser, CPA, chair of the Texas Society of CPAs Branding and Community Outreach Committee

The Pipeline Pledge

Grassroot efforts to inspire students, support candidates, and engage employees can have a meaningful and measurable impact. NPAG is calling on everyone in the profession to take the Pipeline Pledge on accountingpipeline.org. The pledge is an individual commitment to take ideas from the National Pipeline Strategic Plan and further them in your organization and community to influence and grow the talent pool.

⁷⁶ AICPA, “[CPAs Inspire the Next Generation in High School Classrooms](#),” January 2024.

This is rewarding work and many in the accounting profession already participate in outreach activities such as Junior Achievement or Future Business Leaders of America (FBLA). Growing the volume of voices in middle schools, high schools, community colleges, and university campuses can have an immense impact on those considering career options.

But the Pipeline Pledge goes beyond student outreach. Ideas can include offering case studies to professors, amplifying stories of accounting careers in social media, undertaking a salary study for entry-level accounting talent at your firm or finance department, investing in unconscious bias learning for your team, finding out more about low-cost education offerings for the final 30 hours for your candidates, exploring [teaching resources](#), and so many more possibilities.

In the short term, success of the Pipeline Pledge will be measured by tracking the number of participants and, where possible, activities and students reached. A national campaign promoting the pledge in 2025 could help volunteers coalesce around specific goals, timed events, and data-driven messages, while building awareness among a wider audience.

Ready to help? Take the Pipeline Pledge.

Join a profession-wide effort to transform and grow the accounting talent pool. By [signing the Pipeline Pledge](#), you're making a commitment to participate in at least two activities that will positively impact the pipeline. Visit www.accountingpipeline.org/pledge today.



The Pipeline Pledge is intentionally broad and would encompass all stakeholders and include multiple tactics and resources. This broad approach would address several issues and misperceptions, including but not limited to:

- A career in accounting is often associated with either tax or audit. Efforts to address the image of accounting should highlight the range of options in accounting careers.
- What is the accountant's value to society? CPAs, of course, perform essential services for the entities they represent, but there is a deeper story — CPAs are

important to society as a whole and serve a role in protecting the public, for example, by protecting shareholders from fraud.

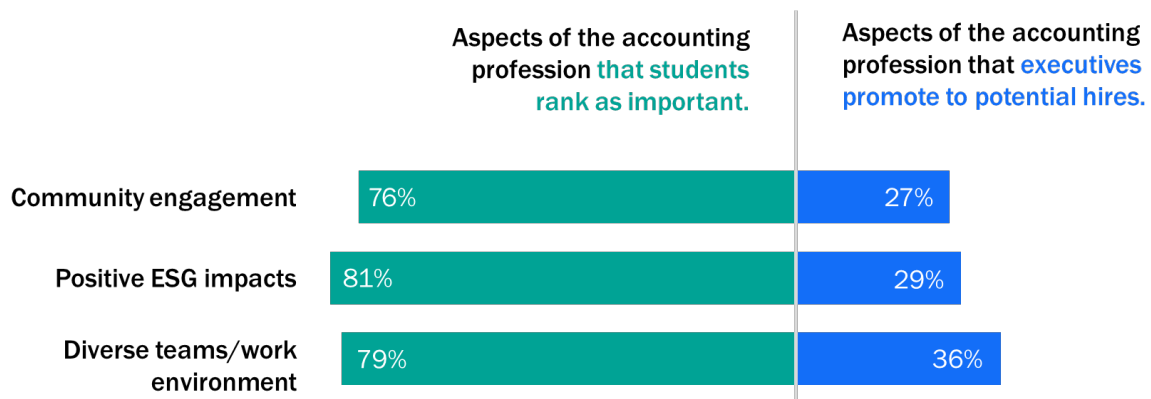
- The perception of accountants is often simplified to certain tasks, such as creating financial statements. The reality is that accountants and CPAs may be involved in exciting and fulfilling tasks, such as identifying financial crimes, supporting a company's profitability through revenue-generating opportunities, protecting taxpayers' interests, creating and executing financial plans, supporting complex business transactions, addressing sustainability measures within an entity, or even advancing the mission of not-for-profit or charitable organizations.

NPAG's hope is that this pledge will encourage more accountants to connect with their communities, reshaping perceptions about the profession one student, parent, or new accountant at a time.

Understanding disconnects

Some of the disconnects between accounting career perception and reality may stem from **outdated messages that no longer resonate with future talent**. For example, a 2023 survey by EY found that Gen Z prioritizes working for a company with positive environmental, social, and governmental (ESG) impacts, diverse teams, and community engagement opportunities. However, senior executives promote these aspects of their workplaces at much lower rates.⁷⁷

Perception gap between Gen Z and accounting executives



Source: [2023 Insights from the EY Accounting Professional of the Future survey](#)

⁷⁷ Dante D'Egidio, Ginnie Carlier, Becky Burke, "[How Gen Z insights are shaping the accounting profession of the future](#)," EY, November 2, 2023.

The timing of student outreach is as important as the message. NPAG's student survey found that 43% of students first heard about the CPA profession during their time in a four-year college or university, and only 13% of students first heard about the CPA profession before high school. Research consistently shows that middle school is the best time to start exposing students to potential careers. This is when children develop critical thinking and teamwork skills and are more receptive to exploring new interests.

Delivering the message in inclusive ways is also key. This presents another challenge. In a profession in which Black or African American and Hispanic or Latino/Latina representation among accounting graduates greatly lags their representation in the U.S. population, and the mismatch grows as accountants progress in senior roles, putting accountants of color in mentoring and awareness-building roles increases in difficulty. This highlights the need for those who represent majority groups to be active allies and advocate for underrepresented minorities and groups. It is also critical that efforts such as CAQ's Accounting+ program continue raising awareness of accounting among underrepresented communities. CAQ's research into root causes of pipeline challenges and diversity is critical to identifying needed change and effective messages.

And importantly, to tell a more compelling story, we need to build a better experience, from the classroom to the CPA Exam process to early workplace integration.

Recommendations in other areas of this report, and the work that others are doing to evolve the accounting profession, will help strengthen the value proposition accounting can offer students.

Enhance K-12 programs and funding, including gamification

When children play, they learn. Play-based learning allows students to find joy in exploring new topics, make sense of the world around them, and build essential lifelong skills.⁷⁸ That's why K-12 programs are increasingly leveraging hands-on activities to raise awareness about careers. NPAG supports gamification such as the popular Lemonade Stand (see sidebar), AICPA's Bank on It, or other games and simulations that may include competitions, awards, scholarships, and other prizes and recognition for participants and educators. A successful gamification strategy will include expanding the presence of these existing initiatives, while using them as an example and foundation of more to come.

Enhancing high school programming and the branding of accounting were two key areas identified at the 2023 American Accounting Association (AAA) and NABA Future Accountant Stakeholder Symposium.⁷⁹ Initial conversations with educators and firm leaders highlighted the success of immersive experiences, such as field trips and summer programs. After the symposium, stakeholders from across the profession formed working groups that aim to challenge outdated narratives, showcase accountants in unconventional roles, and foster partnerships that bring real-world examples into the classroom. These working groups are led by a group of sponsoring organizations that volunteered to progress this effort after the symposium.

⁷⁸ The Lego Foundation, "[Learning through play: what the science says](#)," accessed June 26, 2024.

⁷⁹ AAA and NABA, "[Future Accountant Stakeholder Symposium](#)," accessed June 26, 2024.



◀ Middle school students learn about entrepreneurship and accounting through a lemonade stand exercise, guided by Schoolcraft College and the Michigan Association of CPAs in 2024. Photo courtesy of Schoolcraft College.

The multistakeholder high school working group is conducting interviews with teachers to pinpoint their needs and help identify “impactful yet straightforward changes.” The findings may inform courses developed for high school teachers.

Successful programs, like CAQ’s Accounting+, are meeting students where they are: on social media and in classrooms. The national Accounting+ campaign and platform launched in 2022 to address diversity in the talent pipeline and raise awareness of an accounting career. In 2023, Accounting+ partnered with Everfi to launch a comprehensive, interactive digital learning experience for students nationwide. The learning resources aim to dispel myths about what a career in accounting is and is not, while revealing the many benefits that pursuing an accounting career can lead to.

This program has reached more than 110,000 high school students so far. Measurable outcomes include a 30% increase in students’ assessment scores from the beginning of the course to the end, indicating increased knowledge of the opportunities associated with accounting. By partnering with accounting organizations, media companies, and influencers, Accounting+ has increased awareness of accounting while providing students with invaluable resources and support.

Maintaining and growing effective awareness efforts requires extensive resources. **To continue enhancing these programs, professional organizations and employers must commit to securing funding for K-12 outreach.** For example, a broad collection of stakeholders is advocating for bipartisan bills that would allow existing K-12 STEM grant funding to be used for accounting education, with a focus on improving access for

underrepresented students.⁸⁰ Investing in STEM can help strengthen the talent pipeline by exposing more students to a career in accounting and finance, earlier. The same groups are exploring the feasibility of creating an online platform to consolidate and promote many of the aforementioned resources.

By working together, the profession can leverage these complementary solutions to reinforce inspiring messages across the student life cycle, spotlight diverse voices, and tell a more compelling story.

Gamifying accounting concepts and connecting to entrepreneurship

In “The Accounting Game: Basic Accounting Fresh from the Lemonade Stand,” authors Darrell Mullis and Judith Orloff have come up with a way to make the world of accounting a little more relatable.

Using a simple lemonade stand as the opening premise, the book, which can be used for hands-on classroom projects, teaches the basics of finance as students run their own lemonade stand, including raising capital and buying supplies. Over the course of the lemonade stand project, students reach their goal of creating a successful business, and along the way, learn how to track inventory, understand how to create income statements, and get a better understanding of cash flow and liquidity, while using that accounting knowledge in a real-life business with goals and rewards.

The Lemonade Stand project is highly aspirational — designed to give younger middle and high school students a solid impression of how accounting fits into the realm of business and entrepreneurship.

Schoolcraft College professor and NPAG member Michelle Randall, CPA, and the Michigan Association of CPAs have guided students, including middle school students, through lemonade stand exercises. Along the way, students discover the crucial role accountants play in business, while making positive connections with the profession.

Other potential strategies include the following:

Navigator app

Where do students find the information they need? Details about internships and scholarships, what career paths exist, and what the next step may be in obtaining licensure are all pieces of information that students need, and to find them today requires looking at multiple sources.

NPAG recommends development of a centralized “Navigator app,” to provide information from a single location in a “front door” format allowing easier access for students. The app could also provide a hub from which to communicate information to students and tell our

⁸⁰ AICPA, “[Accounting is STEM](#),” accessed June 26, 2024.

story — providing them with the information they need along the education, licensure, and exam application journey. If tied to state board of accountancy data, the app could track a candidate's progress, the remaining time they have to complete the CPA Exam before their credits expire, and advise them on the proper forms, application deadlines, requests for testing accommodations, and more. See the chapter titled “Increased support for CPA Exam candidates” for more on recommendations about simplifying exam application processes.

The app could also provide students with an online community of resources and support based on their individual situation. As part of this centralized approach to information, students looking for mentors — either from a pool of practicing accountants or other students currently navigating the same journey — could also benefit from a centralized location where they could make these connections and obtain customized support from their peers and from professionals.

In the NPAG student survey, the concept of a CPA Exam navigator app was one of the highest-ranking exam-related solution with 70% of student respondents seeing it as very effective. In an interesting show of generational differences, only 37% of national survey respondents saw this technology solution as being a very effective way to encourage students and graduates to sit for the CPA Exam.

CPA skills assessment

Skills assessments exist across many professions and across academia. They can form a starting point to give a student an idea of whether they have the skill set, or the potential, to succeed in a profession. In addition to assessing a student's fit and interest in certain accounting roles, a skills assessment could create a deeper understanding of the profession and may build interest in accounting careers.



Reigniting the spark

Working together, let's reignite the spark of excitement about careers in accounting and ensure a vibrant pipeline for years to come.

We must:

- Tell our story earlier, including reaching middle school and high school students.
- Engage with and amplify the programs already in place, such as CAQ's [Accounting+](#) and [Everfi](#) efforts, state society programs, [Junior Achievement](#), and [Future Business Leaders of America](#) (FBLA).
- Gamify student exposure to accounting in a way that illustrates the entrepreneurial nature of an accounting career and the many career pathways available.
- Reach out to underrepresented minority groups to build relationships and tell our story.
- Implement the many other recommended solutions within this report to ensure that we collectively have a better story to tell.
- Finally, take the Pipeline Pledge to make an individual or organizational commitment to drive change in your corner of the accounting profession now.

The power of parents

"Recognizing the significance of parental influence in students' career choices, the University of Scranton conducts on-campus and virtual sessions for parents. These sessions address parents' concerns regarding job stability and earning potential in the accounting field. **Additionally, they dispel misconceptions about accounting careers, such as the notion that analytics will replace accountants.**"

Source: AICPA report [Strategies for Boosting Accounting Enrollment](#)

National and student surveys: Guiding the strategy

Our pipeline strategy hinges on listening and learning from those who have a stake in the future of accounting, including working professionals and students. The national and student surveys are playing a leading role in shaping the National Pipeline Strategic Plan priorities.

The insights we have gained from these two surveys have been invaluable in giving us a deeper understanding of the expectations of students and younger accountants just entering the workforce, along with viewpoints from academics and professionals from every state and all business segments.

The response has been overwhelming, exceeding our expectations, with nearly 5,900 responses to the national survey and 2,000 to the student survey. Feedback, personal insights, anecdotes, and 1,600 poll responses gathered through dozens of forums and focus groups have likewise been essential to the development of our plan.

An independent research group, Meridian Research & Insights, designed and wrote the surveys with NPAG's objectives in mind and input throughout the process. The surveys were conducted from February 29 through May 3, 2024.

The survey tested perceived effectiveness of solutions in areas including:

- Awareness building and attraction to accounting
- Brand, image, and overall solutions
- Employer talent strategies
- The CPA Exam
- CPA licensure requirements

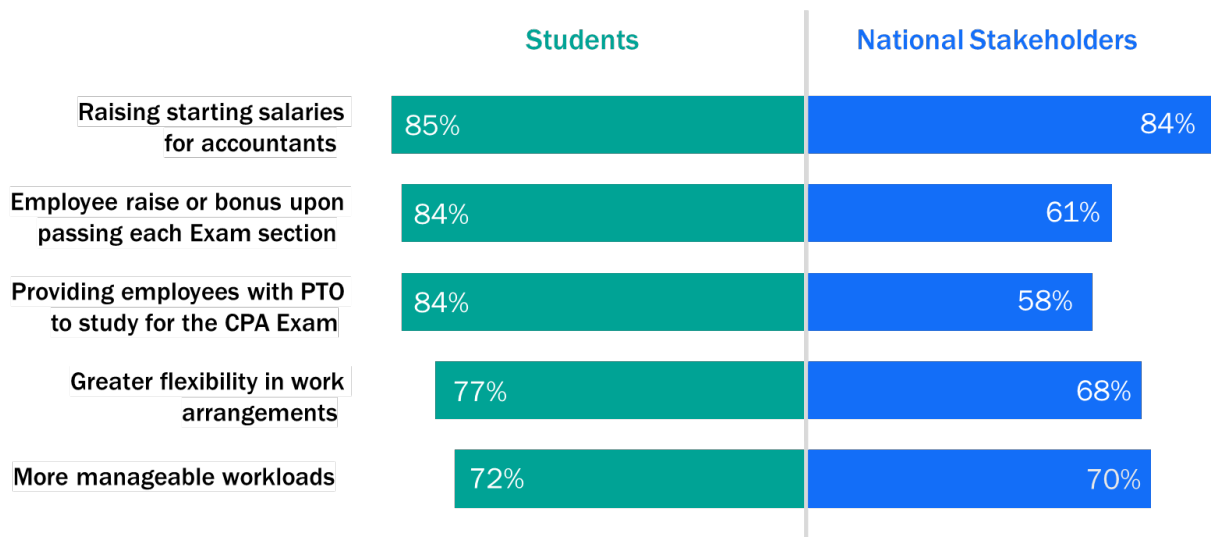
Addressing the lack of competitive starting salaries ranked as the most supported solution among students (85%) and stakeholders (84%) alike. Other top recommendations for both students and stakeholders include more manageable workloads and greater flexibility (see chart below).

Making high school students more aware of the opportunities that await them, and raising the appeal of the profession among those students, was one of the most positively rated attraction-related solutions. Several CPA Exam-related solutions also received positive responses. Among those solutions were allowing candidates to take sections of the exam after finishing relevant coursework and encouraging employers to provide paid time off to study for the exam. Educators and direct hiring managers were less enthusiastic than younger stakeholders and students were about these solutions.

NPAG discussed dozens of solutions, and the survey data has helped us prioritize those solutions. The thousands of people who completed the surveys will ultimately help NPAG, all stakeholders, and the profession develop and further refine the game plan around talent.

This side-by-side snapshot shows some differences between how students and working professionals perceive different solutions. In particular, this chart highlights solutions that 70% or more of students rated as “very effective.”

Student and professional perceptions on most effective strategies



Moving forward: Now is the time to act

In developing this strategy report, NPAG's goal has been to gain a comprehensive, data-driven understanding of the root causes of the talent shortage and propose effective and actionable solutions to grow the accounting pipeline. As much passion and commitment as NPAG members have around the solutions contained in this report, NPAG itself is not an implementing body. The intention now is for key stakeholders to take up the solutions in this plan that they can most affect and then test, build upon, and implement them.

Our hope is that the strategies and the results they produce will be transparently reported back to the profession, so we can learn and grow together. Ideally, this will be done in a closely coordinated manner, with the profession's many associations working together, in high-functioning collaboration — and not competition — to leverage each other's experience and resources to the benefit of the profession as a whole.

One thing is clear to NPAG's members: Today's — and especially tomorrow's labor market requires innovation, and what we've done in the past is unlikely to move the needle in the future.

The facts are before us. We are faced with a fundamental conflict: there are fewer students pursuing accounting as a major. At the same time, the demand for skilled accountants and CPAs is strong and projected to grow, even with technological and other efficiency innovations.

Embracing change and problem-solving are cornerstones of the accounting profession's long-term success.

Working together and moving swiftly, the profession can tackle its talent shortage. Stakeholders must choose coordination over duplication and find areas in which they can cooperate and not compete. Individuals must realize the personal impact they can make by taking the [Pipeline Pledge](#) and pursuing some of the specific activities the pledge and the NPAG strategy report call for in the next year. Each of us can truly make a difference if we take responsibility and initiate action ourselves.

How will we know if we are making progress? NPAG has identified a handful of high-level indicators that it suggests should be monitored regularly and reported in an annual public scorecard. Those potential measures include:

- Number of students selecting accounting as a major
- Number and percent change of students graduating with an accounting degree
- Number of newly licensed CPAs
- Retention rate of accounting professionals within firms and finance departments
- Percentage of accounting majors who sit for the CPA Exam

- Share of business bachelor's degrees going to accounting majors
- Proportion of CPAs from underrepresented groups, as compared to the overall U.S. population

To build momentum, the profession's leaders must come together to identify the first-year strategies on which to focus and agree on what success will look like for each strategy. Then, they should agree on which initiatives they own and which they will play a supporting or amplifying role in. Cross-profession working groups could be formed in areas that lack them to bring the collective resources and wisdom of the many accounting stakeholder groups together to implement solutions. Plans, progress, and results should be reported semiannually at key accounting profession meetings and conferences to ensure transparency, buy-in, and support.

The accounting profession offers so much — it is technology-forward, people-centric, stewardship-minded, profitable, and difference making to name just a few of its attributes. Today is the day that we must coalesce around lasting solutions and bring more people into this amazing profession.

Tell us what you think.

Share your thoughts, ideas, and questions with the National Pipeline Advisory Group through [this form](#).



Appendix

AICPA Resolution

The May 2023 AICPA governing Council resolution that sparked the creation of the National Pipeline Advisory Group read as follows:

WHEREAS, Council recognizes that the CPA profession, through its rigorous licensing requirements and unwavering commitment to quality and to protecting the public interest, is vital to the financial welfare of capital markets, communities, and businesses; and

WHEREAS, Council acknowledges that changing demographics, advancing technologies, firm structure changes and market conditions will continue to impact the profession, and therefore recognizes the need for continuing a thoughtful strategic process to engage and drive robust, forward-looking discussions with members, state society leaders and firm leaders focused on the complex pipeline challenges and proposed solutions, as well as the pathways and requirements of CPA licensure; and

WHEREAS, Council is committed to preserving mobility for licensees, a critical element of the system of state licensure allowing CPAs to practice across licensing jurisdictions; and

WHEREAS, Council acknowledges the need to provide flexibility to attract candidates from all backgrounds into accounting, including CPA licensure; and

WHEREAS, Council believes the profession is most effective when it works together to resolve challenges that the profession faces; now

BE IT RESOLVED, That Council believes the building of a strong pipeline into the CPA profession requires a range of solutions and, therefore supports the strategic direction and evolving initiatives contained in the Pipeline Acceleration Plan.

BE IT FURTHER RESOLVED, That Council believes the AICPA has the role and responsibility to continue to convene ongoing collaborative discussions among stakeholders, including state CPA societies, employers, regulators, educators and others; and

BE IT FURTHER RESOLVED, That Council believes the discussion should encompass key components of licensure, including substantial equivalency; and

BE IT FURTHER RESOLVED, That Council believes this collaborative process, convened by and through the AICPA, should result in a continuous research-driven national pipeline strategy that, among other things, addresses the image of the profession in the eyes of students as well as educational and experience requirements, and outlines short and long-term initiatives and actions that result in measurable outcomes to address the profession's ongoing and evolving human capital needs and priorities. Beginning with the October 2023 AICPA Council meeting, the national strategy and related initiatives will be reported on regularly.

How NPAG approached its work

The National Pipeline Advisory Group's (NPAG) mission is to increase the number of people who choose a career in accounting, thereby increasing the number who go on to become licensed.

NPAG comprises a diverse group of stakeholders that include academics, practitioners from firms of a variety of sizes and disciplines, finance and accounting professionals, regulators, and state society executives representing all corners of the profession. The group is facilitated by ConvergenceCoaching®, LLC.

During the planning process, the group has undertaken the following:

- **Established core values** that served as guiding principles for the group, including transparency, authenticity and openness to all options.
- **Defined the scope** as inclusive of the entire accounting profession, not solely CPAs.
- **Established that the group is independent** of the AICPA, with the AICPA having a seat on NPAG and supplying staff and funding to support the group.
- Identified seven life stages within the accounting pipeline:
 - Middle school through high school
 - College to graduation
 - Preparing for and passing the CPA Exam
 - Getting licensed as a CPA
 - Employment of one to five years
 - Employment of six plus years
 - Late-stage career to retirement
- **Narrowed the focus of the National Pipeline Strategic Plan to the first five life stages**, from middle school through the first five years of employment. Some might feel that “pipeline” ends when early candidates enter the workplace, but NPAG determined that the degree of engagement and satisfaction early-stage career accountants experience directly affects the story told in the marketplace about careers in accounting. The first years of employment can influence pipeline outcomes positively or negatively. NPAG also determined that the challenges and opportunities of mid- and late-stage career accountants were too deep to properly consider during its limited period of study.
- **The group identified a high-level planning process** to include:
 - An assessment of macro market drivers and profession-related barriers and opportunities related to the pipeline
 - Studying primary research and talking to profession stakeholder groups to identify the root cause issues driving “leakage” in the pipeline of candidates
 - Developing solutions for the most significant pipeline challenges
 - Testing those solutions with independent research and socializing the ideas with various stakeholders to get their feedback

- Refining the solutions to be included in the draft strategic plan report
 - Drafting the strategic plan
 - Presenting the draft plan at AICPA Council for feedback in May 2024
 - Incorporating Council and other feedback and finalizing the plan in July 2024.
- **As part of its current state assessment, NPAG created a list of roughly 100 stakeholder groups and associations influencing the pipeline.** Committed to be inclusive and to listen to and learn from as many stakeholder groups as possible, NPAG representatives first launched a discussion with state CPA society executives in July 2023.
- **NPAG also met with:**
 - Association leaders from state societies with various perspectives on pipeline solutions
 - Leaders from the American Accounting Association (AAA), the Center for Audit Quality (CAQ), and NABA
 - The National Commission on Diversity and Inclusion (NCDI)
 - The Major Firms Group and the G400 (roughly the 500 largest U.S. CPA firms)
 - Several AICPA senior committees representing all areas of practice
 - The leaders of various state boards of accountancy and the National Association of State Boards of Accountancy (NASBA)
 - Leadership of the National Council of Architectural Registration Boards (NCARB) to learn about architecture's licensure modernization process
- **Explored all available pipeline research, focusing on independent, primary research sources,** ultimately reviewing at least 25 studies and data sources, including studies from the Center for Audit Quality (CAQ), the Institute of Management Accountants (IMA) and California Society of CPAs (CalCPA), the AICPA, the Illinois Society of CPAs, the Pennsylvania Institute of CPAs, Wiley, MIT Sloan School of Management and more. ConvergenceCoaching summarized the research, and NPAG identified data-driven common themes that resonated from multiple research sources.
- **NPAG collaborated with state CPA societies, many of which conducted forums and focus groups on the talent pipeline.** An online poll was created in late summer 2023 to assist the state societies in testing some of NPAG's early ideas and to identify barriers to entry in the accounting profession. **The effort generated nearly 1,600 poll responses,** which helped clarify root-cause issues driving decline in the pipeline.
- **NPAG formed working groups to study and prioritize the root cause issues driving leakage** at various pipeline life stages and generate potential solutions on barriers where they might have the most impact. The working groups were:
 - Pre-college (middle school to high school) — Chaired by [Michelle Randall](#)
 - College to Graduation — Chaired by [Jeannine Birmingham](#)

- CPA Licensure, called the Substantial Equivalency Working Group — Chaired by [Shelly Weir](#)
 - National Survey Working Group to oversee the Feedback and Focus Group data gathering and spearhead the national survey effort — Chaired by [Jodi Ann Ray](#)
 - NCDI, which served as an NPAG working group to identify causes of underrepresentation in the profession and suggest potential solutions — Co-led by [Kimberly Ellison-Taylor](#) and [Ken Bouyer](#).
- **NPAG then developed a super set of more than 50 solution ideas**, some that are expected solutions and others that are bold concepts. Creating the solutions led NPAG to organize the solutions into six thematic areas that form the foundational structure of this report:
 - Telling a more compelling story about careers in accounting
 - Creating a more engaging college experience for accounting majors and potential accounting majors
 - Reducing the time and cost of education
 - Growing support for CPA Exam candidates
 - Identifying ways to attract and retain more underrepresented minorities and groups to careers in accounting
 - Transforming the cultures and business models of employers to enhance the experience of the first five years of employment
- **NPAG refined solution ideas** and chose solutions where the most feedback was needed for inclusion in the national or student surveys.
- **NPAG partnered with Meridian Research & Insights to develop two survey instruments**, the first to assess solutions with the entire profession excluding students, the second survey to test solutions among business and accounting majors in community colleges, colleges, and universities. It should be noted that the NPAG national and student surveys were unique in that they evaluated solutions rather than focusing on barriers or challenges.
- While fielding the survey, members of **NPAG socialized ideas and gathered feedback from the AICPA Regional Council** and other stakeholder groups in March and April 2024.
- NPAG used the feedback from the AICPA Regional Council and interim results from the national survey and the student survey to further refine ideas for inclusion in this report. In June and July, NPAG studied the full results from the 7,900 respondents who participated in the national and student surveys.
- After publishing a draft strategic plan report on May 14, members of NPAG spoke about the findings and recommendations with more than 14,000 people in meetings and conference sessions. Individuals and groups submitted comments and questions on the draft report through those events or a form on the NPAG website through July 1. Given the importance of inclusivity, feedback and data, responses received from all avenues were carefully reviewed, and where possible, incorporated by NPAG as it produced this final report.

The quest to reduce the time and cost of education

The NPAG Substantial Equivalency Working Group had a goal to develop a bold and broadly accepted proposed solution to evolve licensure while protecting substantial equivalency and mobility, addressing education cost and time barriers, and upholding the high standards of the license, which is a component of protecting the public interest. The group tasked itself with finding a proposed solution and establishing a more transparent process by which input can be provided to the Uniform Accountancy Act (UAA) Joint Committee, which oversees the accounting profession's model law and rules.

Against the backdrop of an increasingly polarizing and visible national debate on education requirements for licensure, the working group sought to understand options for decreasing the cost and time of the additional 30 hours of education required for CPA licensure. While the AICPA Council resolution (see appendix) called for a strategic plan of pipeline growth strategies that still preserve mobility, the working group explored all possible options, including those that would not preserve mobility as it is today.

The Substantial Equivalency Working Group process included:

- Acknowledging individual and stakeholder biases that each member held
- Diving deep into learning about CPA licensure, including substantial equivalency among states, reciprocity, and mobility. The law firm Gibson, Dunn & Crutcher assisted the Working Group in developing its understanding of state laws and rules surrounding CPA licensure, and the three Es (education, exam, and experience) for licensure.
- Learning about the national climate related to licensure of all trades and professions, as well as studying trends related to education and licensure transformation and modernization.
- Monitoring the changing environment to assess potential impacts to substantial equivalency and mobility.
- Brainstorming all possible options under which mobility would be preserved and under which mobility would be affected.
- Creating an approach to modernizing the license that would include some mobility-affecting options and some that have low to no risk to mobility.
- Socializing the approach with the Professional Licensure Task Force (PLTF) of NASBA, the AICPA Regional Council, and testing some of the concepts in the national survey.
- Working with the PLTF of NASBA to form a new joint group to study PLTF ideas and the Substantial Equivalency Working Group concepts in the hopes of identifying the best and most unified way to address the time and cost of education and modernize the license for the future.

While addressing the framework of licensure will not be a silver bullet or panacea for solving pipeline challenges, it is a critical area and NPAG has devoted significant time to its analysis and looking for ways forward for the profession. We have devoted a section of this report to the issue of future-proofing licensure and addressing the time and cost of the

education required for licensure. Work on evolving licensure will continue among key stakeholders following NPAG's final report in July.

The NPAG process was thoughtful, deliberative, data driven, and inclusive. Throughout the nearly year-long process, the group coalesced, listened carefully to each other, other stakeholders, and the feedback they gathered. Members learned and nearly every participant would say that their eyes were opened to new realities and possibilities. From this work, NPAG members are hopeful. NPAG is grateful to all who generously contributed to this intensive and instructive process.

NPAG process by the numbers:

- 22-member group hailing from 15 states
 - 5 state society chief executives
 - 5 public accounting firm members from firms of varying sizes, disciplines, and geographies
 - 3 academics, including community college, university, and adjunct educator representatives
 - 2 business and industry members
 - 2 regulatory community representatives
 - 2 governmental relations representatives
 - 1 firm diversity, equity, and inclusion leader
 - 1 consultant
 - 1 UAA committee member
 - 1 AICPA representative

Note: The number exceeds 22 due to dual roles of certain members.
- 2 AICPA Council updates and feedback gathering sessions
- 3 CPA Society of Executives Association (CPA SEA) events
- 5 working groups
- 10+ focus groups including firms / firm associations, senior AICPA committees, state board of accountancy leaders, and others
- 25+ research reports studied
- 58 initial solution ideas (strategies and tactics) created
- 100+ stakeholder groups identified
- 1,600 focus group and forum feedback inputs
- 5,900 national survey respondents
- 2,000 student survey respondents
- 60 online draft report comments with about 10 direct email and letter comments

NPAG survey demographics

National stakeholder survey

The online national stakeholder survey was open from February 29-May 3, 2024. Note: 301 respondents took an early, in-person version of this survey, which did not include a handful of demographic questions.

| Age | Count | % of total sample |
|-------|-------|-------------------|
| 18-34 | 1,014 | 17.2% |
| 35-54 | 2,547 | 43.3% |
| 55+ | 2,324 | 39.5% |
| Total | 5,885 | 100.0% |

| Ethnicity | Count | % of total sample |
|--|-------|-------------------|
| White/Caucasian | 4,845 | 82.3% |
| Black/African American | 171 | 2.9% |
| Hispanic/Latino/Latina | 223 | 3.8% |
| Asian/Pacific Islander | 241 | 4.1% |
| Other (American Indian, Other, 2+ ethnicities) | 110 | 1.9% |
| Prefer not to answer | 295 | 5.0% |
| Total | 5,885 | 100.0% |

| Employment status | Count | % of total sample |
|---|-------|-------------------|
| Work full-time for an employer | 3,979 | 67.6% |
| Work part-time for an employer | 251 | 4.3% |
| Self-employed | 947 | 16.1% |
| Retired | 347 | 5.9% |
| Unemployed or not employed | 60 | 1.0% |
| No data (respondents from in-person meetings) | 301 | 5.1% |
| Total | 5,885 | 100.0% |

| Employer | Count | % of total sample |
|---|-------|-------------------|
| Public accounting firm | 2,941 | 50.0% |
| For-profit company (business & industry) | 990 | 16.8% |
| Educational institution | 498 | 8.5% |
| Government agency | 217 | 3.7% |
| Not-for-profit organization | 325 | 5.5% |
| Other | 206 | 3.5% |
| Not employed | 407 | 6.9% |
| No data (respondents from in-person meetings) | 301 | 5.1% |
| Total | 5,885 | 100.0% |

| Size of organization (number of employees) | Count | % of total sample |
|---|-------|-------------------|
| 1 (just you) | 268 | 4.6% |
| 2 to 9 | 645 | 11.0% |
| 10 to 19 | 382 | 6.5% |
| 20 to 99 | 993 | 16.9% |
| 100 to 999 | 1,550 | 26.3% |
| 1,000 to 4,999 | 644 | 10.9% |
| 5,000 to 9,999 | 233 | 4.0% |
| 10,000 to 24,999 | 162 | 2.8% |
| 25,000 to 99,999 | 128 | 2.2% |
| 100,000 or more | 129 | 2.2% |
| Don't know | 43 | 0.7% |
| Not employed | 407 | 6.9% |
| No data (respondents from in-person meetings) | 301 | 5.1% |
| Total | 5,885 | 100.0% |

Respondents employed by public accounting firms:

| Size of public accounting firm | Count | % of respondents in public accounting |
|--------------------------------|-------|---------------------------------------|
| 1 (just you) | 159 | 5.4% |
| 2 to 9 | 479 | 16.3% |
| 10 to 19 | 285 | 9.7% |
| 20 to 99 | 627 | 21.3% |
| 100 to 999 | 873 | 29.7% |
| 1,000 to 4,999 | 263 | 8.9% |
| 5,000 to 9,999 | 95 | 3.2% |
| 10,000 to 24,999 | 45 | 1.5% |
| 25,000 to 99,999 | 34 | 1.2% |
| 100,000 or more | 74 | 2.5% |
| Don't know | 7 | 0.2% |
| Total | 2,941 | 100.0% |

Respondents employed by academic institutions:

| Type of educational institution | Count | % of respondents at educational institutions |
|--|-------|--|
| Pre-college | 10 | 2.0% |
| 2-year college, community college, or junior college | 32 | 6.4% |
| 4-year college or university | 444 | 89.2% |
| Other | 12 | 2.4% |
| Total | 498 | 100.0% |

| Are you currently or have you ever been an actively licensed CPA? | Count | % of total sample |
|---|-------|-------------------|
| I currently have an active CPA license | 4,338 | 73.7% |
| I used to have an active CPA license but no longer do | 303 | 5.1% |
| I have never had an active CPA license | 943 | 16.0% |
| No data (respondents from in-person meetings) | 301 | 5.1% |
| Total | 5,885 | 100.0% |

| Hiring decision-making | Count | % of total sample |
|--|-------|-------------------|
| I have decision-making responsibility with regard to hiring accounting professionals | 2,146 | 36.5% |
| I provide input, but do not make final hiring decisions | 1,604 | 27.3% |
| I am not involved in hiring accounting professionals at my organization | 1,130 | 19.2% |
| Not applicable | 297 | 5.0% |
| Not employed | 407 | 6.9% |
| No data (respondents from in-person meetings) | 301 | 5.1% |
| Total | 5,885 | 100.0% |

| Regulator status | Count | % of total sample |
|--|-------|-------------------|
| Work or volunteer for an agency/organization that regulates or sets standards for the accounting profession | 553 | 9.4% |
| Do not work or volunteer for an agency/organization that regulates or sets standards for the accounting profession | 5,031 | 85.5% |
| No data (respondents from in-person meetings) | 301 | 5.1% |
| Total | 5,885 | 100.0% |

| Does your organization have any CPAs who work or serve clients across state lines, or who work in multiple states (virtually or in-person)? | Count | % of total sample |
|---|-------|-------------------|
| Yes | 3,287 | 55.9% |
| No | 1,676 | 28.5% |
| Don't know | 214 | 3.6% |
| Not employed | 407 | 6.9% |
| No data (respondents from in-person meetings) | 301 | 5.1% |
| Total | 5,885 | 100.0% |

National student survey

The online student survey was open from February 29-May 3, 2024. The survey was open to all current business and accounting majors.

| Age | Count | % of total sample |
|---------------|-------|-------------------|
| 20 or younger | 677 | 32.7% |
| 21 to 24 | 1,002 | 48.4% |
| 25 or older | 393 | 19.0% |
| Total | 2,072 | 100.0% |

| Gender | Count | % of total sample |
|---------------------------|-------|-------------------|
| Female | 1,044 | 50.4% |
| Male | 988 | 47.7% |
| Non-binary/non-conforming | 20 | 1.0% |
| Other | 1 | 0.0% |
| Prefer not to say | 19 | 0.9% |
| Total | 2,072 | 100.0% |

| Ethnicity | Count | % of total sample |
|--|-------|-------------------|
| White/Caucasian | 1,297 | 62.6% |
| Black/African American | 130 | 6.3% |
| Hispanic/Latino/Latina | 269 | 13.0% |
| Asian/Pacific Islander | 229 | 11.1% |
| Other (American Indian, Other, 2+ ethnicities) | 108 | 5.2% |
| Prefer not to answer | 39 | 1.9% |
| Total | 2,072 | 100.0% |

| School type | Count | % of total sample |
|--|-------|-------------------|
| 2-year college, community college, or junior college | 103 | 5.0% |
| 4-year college or university | 1,969 | 95.0% |
| Total | 2,072 | 100.0% |

| Enrollment status | Count | % of total sample |
|------------------------|-------|-------------------|
| Full-time | 1,888 | 91.1% |
| Part-time or half-time | 184 | 8.9% |
| Total | 2,072 | 100.0% |

| Degree program | Count | % of total sample |
|---|-------|-------------------|
| Associate's degree | 108 | 5.2% |
| Bachelor's degree | 1,245 | 60.1% |
| Combined bachelor's/master's degrees | 356 | 17.2% |
| Master's degree only | 341 | 16.5% |
| Other post-graduate degree (Ph.D., MD, JD, LL.M., etc.) | 9 | 0.4% |
| Not currently working toward a degree | 13 | 0.6% |
| Total | 2,072 | 100.0% |

| Major (select up to 2) | Count | % of total sample |
|---|-------|-------------------|
| Accounting* | 1,924 | 92.9% |
| Business* | 340 | 16.4% |
| Data Science | 16 | 0.8% |
| Economics | 31 | 1.5% |
| Finance | 234 | 11.3% |
| Financial Mathematics | 1 | 0.0% |
| Information Systems or Management Information Systems | 82 | 4.0% |
| Marketing | 24 | 1.2% |
| Other | 73 | 3.5% |
| Total | 2,072 | 100.0% |

*Respondents must have selected accounting or business to qualify for the study.

| Accounting double majors | Count | % of accounting majors |
|--|-------|------------------------|
| N/A (Accounting single major) | 1,325 | 68.9% |
| Business | 192 | 10.0% |
| Data Science | 16 | 0.8% |
| Economics | 28 | 1.5% |
| Finance | 216 | 11.2% |
| Financial Mathematics | 1 | 0.1% |
| Information Systems or Management Information Systems | 74 | 3.8% |
| Marketing | 9 | 0.5% |
| Other | 63 | 3.3% |
| Total | 1,924 | 100.0% |

| Class year | Count | % of total sample |
|--|-------|-------------------|
| Freshman (2- or 4-year school) | 73 | 3.5% |
| Sophomore (2- or 4-year school) | 318 | 15.3% |
| Junior (4-year school) | 520 | 25.1% |
| Senior (4-year school) | 698 | 33.7% |
| Fifth year or above (4-year school) | 100 | 4.8% |
| N/A* (graduate students or non- matriculating students at 2- or 4-year school) | 363 | 17.5% |
| Total | 2,072 | 100.0% |

*Question was not asked of respondents in graduate degree-only programs or non-matriculating students.

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