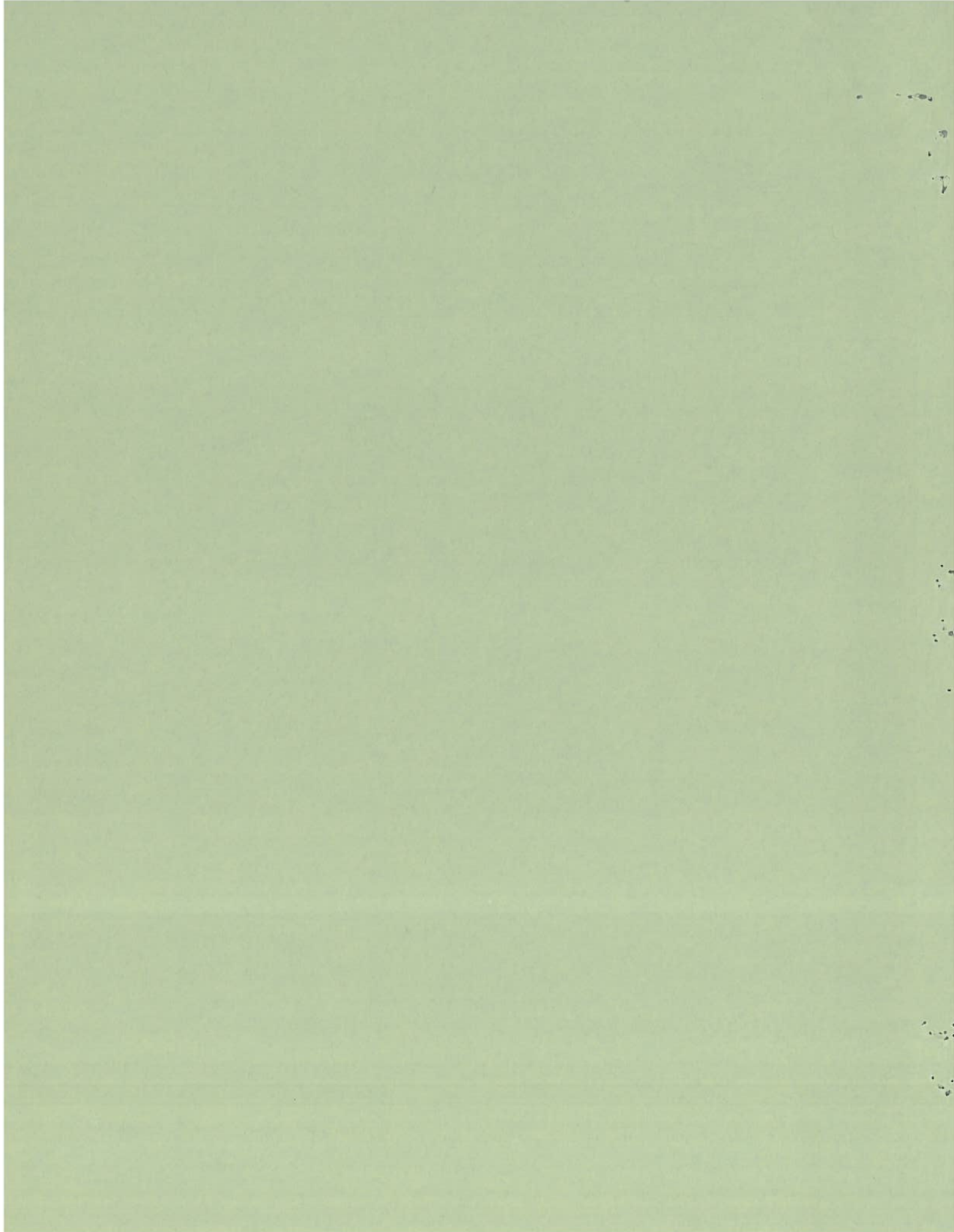


THE SUPPLY OF ACCOUNTING GRADUATES  
AND THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

SPRING 1973

Prepared by  
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American Institute of Certified Public Accountants



## INTRODUCTION

In response to the need for better information on the supply of and demand for public accounting recruits, the American Institute of CPAs publishes an annual study on this topic. This is the third of these annual studies and is intended to update the predictions of the 1972 study.

This study is based on a survey conducted in early 1973. The Institute's staff surveyed a stratified sample of 65 firms as to their projected manpower needs, and 417 colleges and universities as to their supply of accounting graduates during the same period. The response from both firms and schools was good. Over 83% of the 65 public accounting firms replied, and this included almost all of the larger firms. Replies were received from schools which historically have produced approximately 79% of accounting graduates.

It is difficult to equate supply and demand and precisely identify relative trends. This is because not all accounting graduates are employed by public accounting firms and firms hire graduates who do not major in accounting. Also, respondents often report that their predictions, especially those beyond two years, are very rough approximations.

The three sections of this report deal with the supply of accounting graduates, the demand for public accounting recruits, and the relationship between supply and demand. Each section includes commentary followed by related tables.

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## THE SUPPLY OF ACCOUNTING GRADUATES

### Participation in Supply Survey

The Institute's staff surveyed 417 colleges and universities as to the supply of accounting graduates in the United States for the academic year 1971-72 and their predictions for the next five years, 1972-73 through 1976-77.

Participating schools were divided into two groups:

- *AACSB* (American Assembly of Collegiate Schools of Business) *Member Schools* are members of the AACSB assembly and have been accredited by the AACSB.
- *AACSB Assembly Schools* are members of the AACSB assembly but have not been accredited by the AACSB.

A summary of the participation in the survey follows:

	AACSB Member Schools		AACSB Assembly Schools		Total	
	Number	%	Number	%	Number	%
Usable Responses	109	74	161	60	270	65
Nonresponses	39	26	108	40	147	35
Survey Requests	148	100	269	100	417	100

The prior two studies included schools which were not members of the AACSB assembly. Due to poor responses from these schools and the immaterial effect they had on the overall survey results in the past, they were not surveyed in the current study. The 1972 study's figures presented herein have been adjusted to reflect this change.

# THE HISTORY OF THE UNITED STATES

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The first volume of this series, published in 1789, was a landmark in the history of the United States. It was the first time that the history of the United States was presented in a single volume. The second volume, published in 1790, was also a landmark. It was the first time that the history of the United States was presented in a single volume.

The third volume, published in 1791, was also a landmark. It was the first time that the history of the United States was presented in a single volume.

The fourth volume, published in 1792, was also a landmark. It was the first time that the history of the United States was presented in a single volume.

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The seventh volume, published in 1795, was also a landmark. It was the first time that the history of the United States was presented in a single volume.

The eighth volume, published in 1796, was also a landmark. It was the first time that the history of the United States was presented in a single volume.

### Estimation of Total Supply

Supply for the nonresponding schools was estimated under the assumption that the nonresponding schools will have the same growth rate as the responding schools. For determining this growth rate, information was obtained on the number of accounting graduates for 1969-70 from either the 1971 survey responses or Earned Degrees Conferred: 1969-70.<sup>1</sup> Total supply was then estimated based on the following relationship:

$$\frac{1969-70 \text{ graduates per responding schools}}{1969-70 \text{ graduates per total schools surveyed}} = \frac{\text{Response per responding schools}}{\text{Total estimated supply}}$$

### Results of Supply Survey

Data on the number of accounting graduates for the period, 1967-68 through 1971-72 and for the projected period, 1972-73 through 1976-77, are shown in Tables I to XII at the end of this section.

*Member Schools.* Table IV compares the results of the 1973 and 1972 surveys for graduates from AACSB member schools. The difference between the two studies is too small to make inferences concerning a possible changed condition and could possibly be due to sampling error.

The 1972 survey showed a large increase over the 1971 survey because a large number of students were transferring to accounting due to the tight job market in many other fields. The results of the 1973 survey tend to support the assumption that this situation is expected to continue since the 1973 and 1972 surveys are so similar.

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<sup>1</sup>Mary Evans Hooper, Earned Degrees Conferred: 1969-70 Institutional Data, (Washington, D.C.: U.S. Government Printing Office, 1971, pp. 103-110.

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*Assembly Schools.* Table V compares the results of the 1973 and 1972 surveys for graduates from AACSB assembly schools. As is the case with the member schools, the results are very similar and any difference between the two surveys is probably due to sampling error.

*Holders of Bachelor's and Master's Degrees.* The following table indicates the trends in supply of holders of bachelor's and master's degrees by AACSB affiliation and in total. An index of 100 was based on the average experience for the period, 1967-68 through 1969-70.

For both categories of affiliation a higher growth rate is projected for master's degrees than bachelor's degrees. The growth rate for master's degrees in assembly schools is greatest; however, because of the relatively low base, the effect on total supply is small.

	<u>AACSB Member</u>		<u>AACSB Assembly</u>		<u>Total</u>	
	<u>Bachelor's</u>	<u>Master's</u>	<u>Bachelor's</u>	<u>Master's</u>	<u>Bachelor's</u>	<u>Master's</u>
1970-71	128	133	113	129	121	133
1971-72	148	150	128	172	138	154
1972-73	160	175	144	215	152	181
1973-74	169	208	154	258	162	216
1974-75	173	233	160	386	167	258
1975-76	180	258	176	472	178	293
1976-77	184	283	182	515	183	321

1. The first part of the report is a general introduction to the subject of the study. It discusses the importance of the study and the objectives of the research.

2. The second part of the report is a detailed description of the methodology used in the study. It includes information about the sample size, the data collection methods, and the statistical analysis techniques.

3. The third part of the report is a discussion of the results of the study. It presents the findings of the research and discusses their implications for the field of study.

4. The fourth part of the report is a conclusion and a list of references. The conclusion summarizes the main findings of the study, and the references list the sources of information used in the research.

101	102	103	104	105	106	107	108	109	110
111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130
131	132	133	134	135	136	137	138	139	140
141	142	143	144	145	146	147	148	149	150
151	152	153	154	155	156	157	158	159	160
161	162	163	164	165	166	167	168	169	170
171	172	173	174	175	176	177	178	179	180
181	182	183	184	185	186	187	188	189	190
191	192	193	194	195	196	197	198	199	200

*Public and Private Schools.* The growth rate from 1971-72 to 1976-77 for public and private schools is as follows:

	<u>Public</u>	<u>Private</u>
Bachelor's Degrees	32%	33%
Master's Degrees	100%	122%

In the prior studies, the growth rate for public schools was greater than for private schools. This predicted trend has reversed; however, the fact that public schools have a greater historical base (Table VI) explains why public schools will continue to account for the majority of accounting graduates for holders of both bachelor's and master's degrees (Table VI).

*Regional Data.* Information on graduates by AACSB regional classification is included in Tables IX to XI. Table XII lists the states that make up each region.

The growth rate for bachelor's degrees in the New England, North Central, South, and Pacific regions are all approximately 6%. For master's degrees, the rates are 15%, 15%, 20%, and 16%, respectively.

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**TABLE I**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**FROM ALL SCHOOLS**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Educational Level</i>		<i>Total Supply</i>
	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>	
1967-68	15,700	1,500	17,200
1968-69	17,200	1,500	18,700
1969-70	18,700	1,300	20,000
1970-71	20,800	1,900	22,700
1971-72	23,800	2,200	26,000
1972-73	26,200	2,600	28,800
1973-74	27,800	3,100	30,900
1974-75	28,700	3,700	32,400
1975-76	30,600	4,200	34,800
1976-77	31,500	4,600	36,100



**TABLE II**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**FROM AACSB MEMBER SCHOOLS**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Educational Level</i>		<i>Total Supply</i>
	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>	
1967-68	8,400	1,300	9,700
1968-69	9,200	1,200	10,400
1969-70	9,800	1,100	10,900
1970-71	11,700	1,600	13,300
1971-72	13,500	1,800	15,300
1972-73	14,600	2,100	16,700
1973-74	15,400	2,500	17,900
1974-75	15,800	2,800	18,600
1975-76	16,400	3,100	19,500
1976-77	16,800	3,400	20,200

# TABLE 1 SUMMARY OF THE INVESTIGATION OF THE CAUSE OF THE ACCIDENT

Time	Location	Weather	Visibility	Wind	Temperature	Humidity	Pressure	Clouds	Other
10:00	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:05	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:10	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:15	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:20	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:25	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:30	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:35	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:40	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:45	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:50	1000	1000	1000	1000	1000	1000	1000	1000	1000
10:55	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:00	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:05	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:10	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:15	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:20	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:25	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:30	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:35	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:40	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:45	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:50	1000	1000	1000	1000	1000	1000	1000	1000	1000
11:55	1000	1000	1000	1000	1000	1000	1000	1000	1000
12:00	1000	1000	1000	1000	1000	1000	1000	1000	1000

TABLE 1  
 SUMMARY OF THE  
 INVESTIGATION OF THE  
 CAUSE OF THE  
 ACCIDENT



**TABLE III**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**FROM AACSB ASSEMBLY SCHOOLS**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Educational Level</i>		<i>Total Supply</i>
	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>	
1967-68	7,300	200	7,500
1968-69	8,000	300	8,300
1969-70	8,900	200	9,100
1970-71	9,100	300	9,400
1971-72	10,300	400	10,700
1972-73	11,600	500	12,100
1973-74	12,400	600	13,000
1974-75	12,900	900	13,800
1975-76	14,200	1,100	15,300
1976-77	14,700	1,200	15,900

# COMPARISON OF THE EFFECTS OF VARIOUS TYPES OF STIMULI ON THE RESPONSE OF THE HUMAN NERVOUS SYSTEM

Stimulus	Response	Latency	Amplitude
1. Auditory	100	100	100
2. Visual	100	100	100
3. Tactile	100	100	100
4. Olfactory	100	100	100
5. Gustatory	100	100	100
6. Vestibular	100	100	100
7. Proprioceptive	100	100	100
8. Pain	100	100	100
9. Temperature	100	100	100
10. Humidity	100	100	100

**TABLE IV**  
**COMPARISON OF 1973 AND 1972 SUPPLY STUDIES**  
**FOR AACSB MEMBER SCHOOLS**  
**1971-72 to 1975-76**

<i>Year</i>	<i>Educational Level</i>				<i>Total Supply</i>	
	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>		<i>1973 Study</i>	<i>1972 Study</i>
	<i>1973 Study</i>	<i>1972 Study</i>	<i>1973 Study</i>	<i>1972 Study</i>		
1971-72	13,500	13,200	1,800	2,000	15,300	15,200
1972-73	14,600	14,300	2,100	2,300	16,700	16,600
1973-74	15,400	15,100	2,500	2,600	17,900	17,700
1974-75	15,800	15,700	2,800	3,000	18,600	18,700
1975-76	16,400	16,500	3,100	3,200	19,500	19,700

TABLE 1  
 COMPARISON OF THE EFFECTS OF VARIOUS FACTORS ON THE GROWTH OF THE  
 FISHES OF THE GENUS *Salmo* IN THE RIVER Dnieper  
 (1953-1954)

Date of capture	Length of fish (cm)				
	1953	1954	1955	1956	1957
19.08	12.00	12.00	12.00	12.00	12.00
19.08	12.00	12.00	12.00	12.00	12.00
19.08	12.00	12.00	12.00	12.00	12.00
19.08	12.00	12.00	12.00	12.00	12.00
19.08	12.00	12.00	12.00	12.00	12.00

**TABLE V**  
**COMPARISON OF 1973 AND 1972 SUPPLY STUDIES**  
**FOR AACSB ASSEMBLY SCHOOLS**  
**1971-72 to 1975-76**

<i>Year</i>	<i>Educational Level</i>				<i>Total Supply</i>	
	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>		<i>1973 Study</i>	<i>1972 Study</i>
	<i>1973 Study</i>	<i>1972 Study</i>	<i>1973 Study</i>	<i>1972 Study</i>		
1971-72	10,300	10,000	400	500	10,700	10,500
1972-73	11,600	11,100	500	700	12,100	11,800
1973-74	12,400	12,200	600	900	13,000	13,100
1974-75	12,900	13,400	900	1,100	13,800	14,500
1975-76	14,200	14,100	1,100	1,300	15,300	15,400

1945  
 UNITED STATES DEPARTMENT OF AGRICULTURE  
 BUREAU OF AGRICULTURAL ECONOMICS  
 WASHINGTON, D. C.

Table 12						
Production of principal crops, 1945						
Crop	Area, acres	Yield, bushels per acre	Total production, bushels	Value, \$	Value, \$ per acre	Value, \$ per bushel
Wheat	1,000,000	10.0	10,000,000	100,000,000	100.00	10.00
Barley	100,000	10.0	1,000,000	10,000,000	100.00	10.00
Oats	1,000,000	10.0	10,000,000	100,000,000	100.00	10.00
Rye	100,000	10.0	1,000,000	10,000,000	100.00	10.00
Triticale	100,000	10.0	1,000,000	10,000,000	100.00	10.00
Other grains	100,000	10.0	1,000,000	10,000,000	100.00	10.00

**TABLE VI**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**FROM ALL PUBLIC AND PRIVATE SCHOOLS**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>	
	<i>Public</i>	<i>Private</i>	<i>Public</i>	<i>Private</i>
1967-68	9,400	6,300	900	600
1968-69	10,700	6,500	800	700
1969-70	12,100	6,600	700	600
1970-71	14,500	6,300	1,200	700
1971-72	16,800	7,000	1,300	900
1972-73	18,500	7,700	1,500	1,100
1973-74	19,700	8,100	1,800	1,300
1974-75	20,200	8,500	2,100	1,600
1975-76	21,700	8,900	2,300	1,900
1976-77	22,200	9,300	2,600	2,000

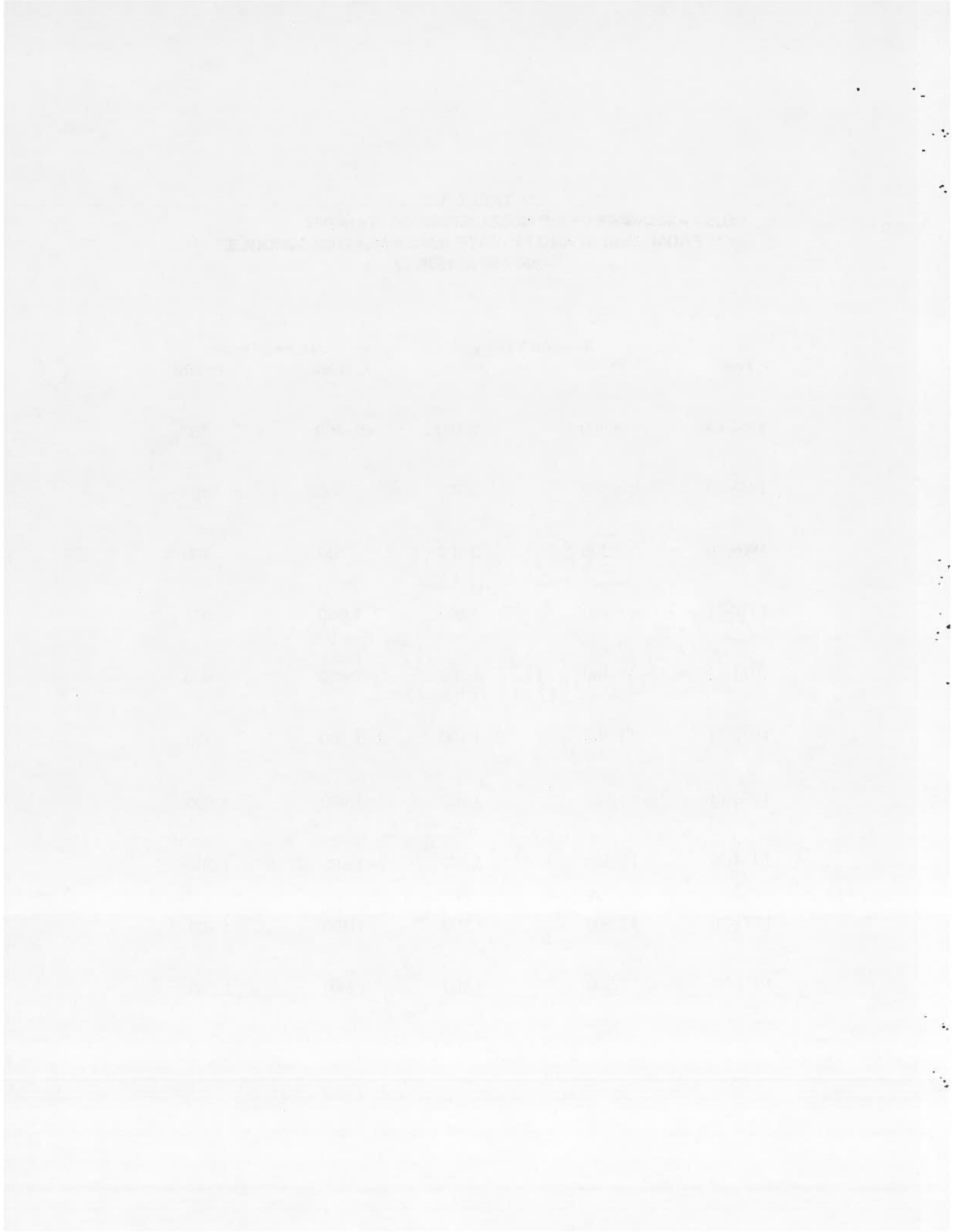
# TABLE 1 SUMMARY OF INVESTMENT ESTIMATES (IN MILLIONS OF DOLLARS) 1970-1975

Year	1970	1971	1972	1973	1974	1975
Total	1,000	1,000	1,000	1,000	1,000	1,000
Public	500	500	500	500	500	500
Private	500	500	500	500	500	500
Government	200	200	200	200	200	200
Non-Government	300	300	300	300	300	300
Foreign	100	100	100	100	100	100
Domestic	400	400	400	400	400	400
Export	50	50	50	50	50	50
Import	50	50	50	50	50	50
Net	0	0	0	0	0	0
Balance	0	0	0	0	0	0
Surplus	0	0	0	0	0	0
Deficit	0	0	0	0	0	0



**TABLE VII**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**FROM PUBLIC AND PRIVATE AACSB MEMBER SCHOOLS**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>	
	<i>Public</i>	<i>Private</i>	<i>Public</i>	<i>Private</i>
1967-68	5,900	2,500	800	500
1968-69	6,500	2,700	700	500
1969-70	7,200	2,600	600	500
1970-71	8,900	2,800	1,000	600
1971-72	10,400	3,100	1,000	800
1972-73	11,300	3,300	1,200	900
1973-74	11,900	3,500	1,400	1,100
1974-75	12,200	3,600	1,600	1,200
1975-76	12,600	3,800	1,700	1,400
1976-77	12,800	4,000	1,900	1,500



**TABLE VIII**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**FROM PUBLIC AND PRIVATE AACSB ASSEMBLY SCHOOLS**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>	
	<i>Public</i>	<i>Private</i>	<i>Public</i>	<i>Private</i>
1967-68	3,500	3,800	100	100
1968-69	4,200	3,800	100	200
1969-70	4,900	4,000	100	100
1970-71	5,600	3,500	200	100
1971-72	6,400	3,900	300	100
1972-73	7,200	4,400	300	200
1973-74	7,800	4,600	400	200
1974-75	8,000	4,900	500	400
1975-76	9,100	5,100	600	500
1976-77	9,400	5,300	700	500



**TABLE IX**  
**SUPPLY OF ACCOUNTING GRADUATES BY REGION**  
**FROM ALL SCHOOLS**  
**1970-71 to 1976-77**

<i>Bachelor's Degrees</i>				
<i>Year</i>	<i>New England</i>	<i>North Central</i>	<i>South</i>	<i>Pacific</i>
1970-71	5,100	6,700	5,800	3,200
1971-72	5,900	7,400	6,800	3,700
1972-73	6,600	8,200	7,400	4,000
1973-74	7,000	8,600	7,900	4,300
1974-75	7,100	8,900	8,200	4,500
1975-76	7,600	9,400	8,900	4,700
1976-77	7,800	9,800	9,000	4,900
<i>Master's Degrees</i>				
1970-71	500	800	500	100
1971-72	800	600	500	300
1972-73	900	800	500	400
1973-74	1,200	800	600	500
1974-75	1,400	1,000	800	500
1975-76	1,500	1,100	1,000	600
1976-77	1,600	1,200	1,200	600

# TABLE IV SUMMARY OF INVESTIGATION RESULTS 1961-1962

Year	Area	Population	Area	Population
1961	Area A	1000	Area B	2000
1962	Area A	1200	Area B	2200
1963	Area A	1400	Area B	2400
1964	Area A	1600	Area B	2600
1965	Area A	1800	Area B	2800
1966	Area A	2000	Area B	3000
1967	Area A	2200	Area B	3200
1968	Area A	2400	Area B	3400
1969	Area A	2600	Area B	3600
1970	Area A	2800	Area B	3800
1971	Area A	3000	Area B	4000
1972	Area A	3200	Area B	4200
1973	Area A	3400	Area B	4400
1974	Area A	3600	Area B	4600
1975	Area A	3800	Area B	4800
1976	Area A	4000	Area B	5000
1977	Area A	4200	Area B	5200
1978	Area A	4400	Area B	5400
1979	Area A	4600	Area B	5600
1980	Area A	4800	Area B	5800
1981	Area A	5000	Area B	6000
1982	Area A	5200	Area B	6200
1983	Area A	5400	Area B	6400
1984	Area A	5600	Area B	6600
1985	Area A	5800	Area B	6800
1986	Area A	6000	Area B	7000
1987	Area A	6200	Area B	7200
1988	Area A	6400	Area B	7400
1989	Area A	6600	Area B	7600
1990	Area A	6800	Area B	7800
1991	Area A	7000	Area B	8000
1992	Area A	7200	Area B	8200
1993	Area A	7400	Area B	8400
1994	Area A	7600	Area B	8600
1995	Area A	7800	Area B	8800
1996	Area A	8000	Area B	9000
1997	Area A	8200	Area B	9200
1998	Area A	8400	Area B	9400
1999	Area A	8600	Area B	9600
2000	Area A	8800	Area B	9800

**TABLE X**  
**SUPPLY OF ACCOUNTING GRADUATES BY REGION**  
**FROM AACSB MEMBER SCHOOLS**  
**1970-71 to 1976-77**

<i>Bachelor's Degrees</i>				
<i>Year</i>	<i>New England</i>	<i>North Central</i>	<i>South</i>	<i>Pacific</i>
1970-71	2,400	3,900	3,100	2,300
1971-72	2,800	4,400	3,800	2,500
1972-73	3,000	4,800	4,100	2,700
1973-74	3,100	5,000	4,400	2,900
1974-75	3,100	5,100	4,600	3,000
1975-76	3,200	5,300	4,800	3,100
1976-77	3,300	5,400	4,900	3,200
<i>Master's Degrees</i>				
1970-71	400	700	400	100
1971-72	700	500	400	200
1972-73	800	600	400	300
1973-74	1,000	600	500	400
1974-75	1,100	700	600	400
1975-76	1,200	700	700	500
1976-77	1,300	800	800	500





**TABLE XI**  
**SUPPLY OF ACCOUNTING GRADUATES BY REGION**  
**FROM AACSB ASSEMBLY SCHOOLS**  
**1970-71 to 1976-77**

<i>Bachelor's Degrees</i>				
<i>Year</i>	<i>New England</i>	<i>North Central</i>	<i>South</i>	<i>Pacific</i>
1970-71	2,700	2,800	2,700	900
1971-72	3,100	3,000	3,000	1,200
1972-73	3,600	3,400	3,300	1,300
1973-74	3,900	3,600	3,500	1,400
1974-75	4,000	3,800	3,600	1,500
1975-76	4,400	4,100	4,100	1,600
1976-77	4,500	4,400	4,100	1,700
<i>Master's Degrees</i>				
1970-71	100	100	100	—
1971-72	100	100	100	100
1972-73	100	200	100	100
1973-74	200	200	100	100
1974-75	300	300	200	100
1975-76	300	400	300	100
1976-77	300	400	400	100

# TABLE 1 SUMMARY OF RESULTS OF THE 1960-1961 CENSUS OF THE UNITED STATES

Total Population				
1960	1950	1940	1930	1920
151,326,000	122,766,000	102,939,000	87,630,000	72,649,000
100.0	100.0	100.0	100.0	100.0
149,132,000	120,299,000	101,089,000	86,149,000	71,649,000
98.5	97.9	97.6	97.1	97.2
146,932,000	117,829,000	99,589,000	84,659,000	70,649,000
96.9	95.8	95.9	95.4	95.8
144,732,000	115,359,000	97,089,000	82,169,000	68,649,000
95.3	93.7	93.9	92.9	93.2
142,532,000	112,889,000	94,589,000	79,679,000	66,649,000
93.7	91.7	91.7	90.7	90.2
140,332,000	110,419,000	92,089,000	77,189,000	64,649,000
92.1	89.7	89.5	87.7	87.4
138,132,000	107,949,000	89,589,000	74,699,000	62,649,000
90.5	87.7	86.9	84.9	84.2
135,932,000	105,479,000	87,089,000	72,209,000	60,649,000
88.9	85.5	84.4	81.9	81.2
133,732,000	103,009,000	84,589,000	69,719,000	58,649,000
87.3	83.3	81.9	78.9	78.2
131,532,000	100,539,000	82,089,000	67,229,000	56,649,000
85.7	81.7	79.5	76.9	76.2
129,332,000	98,069,000	79,589,000	64,739,000	54,649,000
84.1	79.7	76.9	73.9	73.2
127,132,000	95,599,000	77,089,000	62,249,000	52,649,000
82.5	77.5	74.5	70.9	70.2
124,932,000	93,129,000	74,589,000	59,759,000	50,649,000
80.9	75.3	71.9	67.9	67.2
122,732,000	90,659,000	72,089,000	57,269,000	48,649,000
79.3	73.3	69.5	64.9	64.2
120,532,000	88,189,000	69,589,000	54,779,000	46,649,000
77.7	71.3	66.9	61.9	61.2
118,332,000	85,719,000	67,089,000	52,289,000	44,649,000
76.1	69.7	64.5	58.9	58.2
116,132,000	83,249,000	64,589,000	49,799,000	42,649,000
74.5	67.5	61.9	55.9	55.2
113,932,000	80,779,000	62,089,000	47,309,000	40,649,000
72.9	65.3	59.5	52.9	52.2
111,732,000	78,309,000	59,589,000	44,819,000	38,649,000
71.3	63.3	56.9	49.9	49.2
109,532,000	75,839,000	57,089,000	42,329,000	36,649,000
69.7	61.3	54.5	46.9	45.2
107,332,000	73,369,000	54,589,000	39,839,000	34,649,000
68.1	59.3	51.9	43.9	42.2
105,132,000	70,899,000	52,089,000	37,349,000	32,649,000
66.5	57.3	49.5	40.9	39.2
102,932,000	68,429,000	49,589,000	34,859,000	30,649,000
64.9	55.3	46.9	37.9	36.2
100,732,000	65,959,000	47,089,000	32,369,000	28,649,000
63.3	53.3	44.5	35.9	33.2
98,532,000	63,489,000	44,589,000	29,879,000	26,649,000
61.7	51.3	41.9	32.9	30.2
96,332,000	61,019,000	42,089,000	27,389,000	24,649,000
60.1	49.3	39.5	29.9	27.2
94,132,000	58,549,000	39,589,000	24,899,000	22,649,000
58.5	47.3	36.9	26.9	24.2
91,932,000	56,079,000	37,089,000	22,409,000	20,649,000
56.9	45.3	34.5	24.9	22.2
89,732,000	53,609,000	34,589,000	19,919,000	18,649,000
55.3	43.3	31.9	21.9	20.2
87,532,000	51,139,000	32,089,000	17,429,000	16,649,000
53.7	41.3	29.5	19.9	18.2
85,332,000	48,669,000	29,589,000	14,939,000	14,649,000
52.1	39.3	26.9	16.9	16.2
83,132,000	46,199,000	27,089,000	12,449,000	12,649,000
50.5	37.3	24.5	14.9	14.2
80,932,000	43,729,000	24,589,000	9,959,000	10,649,000
48.9	35.3	21.9	11.9	12.2
78,732,000	41,259,000	22,089,000	7,469,000	8,649,000
47.3	33.3	19.5	9.9	10.2
76,532,000	38,789,000	19,589,000	4,979,000	6,649,000
45.7	31.3	16.9	6.9	8.2
74,332,000	36,319,000	17,089,000	2,489,000	4,649,000
44.1	29.3	14.5	3.9	6.2
72,132,000	33,849,000	14,589,000	0	2,649,000
42.5	27.3	11.9	0	3.2
69,932,000	31,379,000	12,089,000	0	0
40.9	25.3	9.5	0	0
67,732,000	28,909,000	9,589,000	0	0
39.3	23.3	7.5	0	0
65,532,000	26,439,000	7,089,000	0	0
37.7	21.3	5.5	0	0
63,332,000	23,969,000	4,589,000	0	0
36.1	19.3	3.5	0	0
61,132,000	21,499,000	2,089,000	0	0
34.5	17.3	1.5	0	0
58,932,000	19,029,000	0	0	0
32.9	15.3	0	0	0
56,732,000	16,559,000	0	0	0
31.3	13.3	0	0	0
54,532,000	14,089,000	0	0	0
29.7	11.3	0	0	0
52,332,000	11,619,000	0	0	0
28.1	9.3	0	0	0
50,132,000	9,149,000	0	0	0
26.5	7.3	0	0	0
47,932,000	6,679,000	0	0	0
24.9	5.3	0	0	0
45,732,000	4,209,000	0	0	0
23.3	3.3	0	0	0
43,532,000	1,739,000	0	0	0
21.7	1.3	0	0	0
41,332,000	0	0	0	0
20.1	0	0	0	0

**TABLE XII**  
**STATES PER REGION**

<i>New England</i>	<i>North Central</i>	<i>South</i>	<i>Pacific</i>
Connecticut	Colorado	Alabama	Alaska
Delaware	Illinois	Arkansas	Arizona
Maine	Indiana	Florida	California
Maryland	Iowa	Georgia	Hawaii
Massachusetts	Kansas	Kentucky	Idaho
New Hampshire	Michigan	Louisiana	Nevada
New Jersey	Minnesota	Mississippi	Oregon
New York	Missouri	New Mexico	Utah
Pennsylvania	Montana	North Carolina	Washington
Rhode Island	Nebraska	Oklahoma	
Vermont	North Dakota	South Carolina	
	Ohio	Tennessee	
	South Dakota	Texas	
	West Virginia	Virginia	
	Wisconsin		
	Wyoming		



## THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

### Participation in Demand Survey

The 1973 study of demand, like the prior two, consisted of only larger firm participation. This "larger firm" classification, defined as firms with 10 or more Institute members, included 316 firms. For the 1973 demand survey, only those firms which responded to the 1972 survey were contacted. This sample consisted of 65 firms and included 19 of the 20 firms with the most Institute members. The firms contacted were asked to report their actual demand for 1971-72, to update their projections for the four years 1972-73 through 1975-76, and to make a projection for 1976-77.

Of the 65 firms contacted, 54 replied, including 19 of the 20 firms with the most Institute members. The aggregate demand data reported in this study are based upon these 54 replies. Results for the 251 firms not sampled and the 11 firms that did not reply were estimated based upon demand indicated by the responding firms. For purposes of this estimate, firms were classified by size. Within each class-size, the results for the nonsampled and nonresponding firms were estimated to be the same as the responding firms.

As a result of the excellent responses from the largest firms, the amount of estimation involved was minor. Estimates applicable to nonrespondents and firms not included in the sample are only 12% of the demand totals.

A summary of the participation in the survey follows:

<u>Number of Institute Members</u>		<u>Firms</u>		<u>Survey Requests</u>		<u>Responses</u>	
		<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
More than	32	44	14	42	65	35	65
	22-32	19	6	7	11	4	7
	16-21	55	17	6	9	6	11
	10-15	<u>198</u>	<u>63</u>	<u>10</u>	<u>15</u>	<u>9</u>	<u>17</u>
		<u>316</u>	<u>100</u>	<u>65</u>	<u>100</u>	<u>54</u>	<u>100</u>



## Results of Demand Study

The aggregate results of the 1973 demand study and a comparison of the 1973 and 1972 studies are shown in Tables XIII and XIV at the end of this section.

*Results of 1971-72.* Total demand for both holders of bachelor's and master's degrees was approximately the same as predicted in the 1972 study. There was little offset between the different size firms, so that the results for 1971-72 for all size firms was approximately the same as the 1972 study prediction.

Both the 1971 and 1972 studies suggested that the larger the firm the greater the emphasis upon the master's degree. The actual demand for 1971-72 as reported in the 1973 study continues to support this suggestion in that 24% of the total recruits hired by firms with more than 32 Institute members held master's degrees while only 11% of the total recruits hired by firms with from 10 to 32 Institute members held master's degrees. The percentage of total recruits holding master's degrees hired by the smaller firms, however, has increased substantially from 1970-71, when only 5% of the total recruits hired by firms with from 10 to 27 Institute members held master's degrees. (The firm or firms with 27 members in 1972 had 32 members in 1973.)

*Predictions for 1972-73 through 1976-77.* Demand for holders of bachelor's degrees is almost unchanged from the 1972 study (Table XIV). The major change between the 1973 and 1972 studies is the decrease in the demand for holders of master's degrees. The 1972 study predicted that by 1975-76, 28% of recruits would hold the master's degree. This prediction has dropped to 23% in the 1973 study. The decrease is due to a change in the larger firms' demand. The 1972 study predicted for the larger firms a 6% increase in percent of total demand for holders of master's degrees from 1971-72 to 1975-76 with a decreasing percentage of total demand for the smaller firms. The 1973 study shows that both the larger and smaller firms are predicting an almost constant percentage of master's degrees as shown in the following table:

The following is a summary of the results of the investigation into the effect of the various factors on the rate of the reaction between the various substances.

The results of the investigation into the effect of the various factors on the rate of the reaction between the various substances are as follows:

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**PERCENTAGE OF NEW EMPLOYEES  
EXPECTED TO HOLD MASTER'S DEGREES**

Firm Size (Institute Members)

<u>Year</u>	<u>More than 32</u>	<u>10 to 32</u>
1972-73	24%	2%
1973-74	24	2
1974-75	24	3
1975-76	25	4
1976-77	25	4

*Nondegree Individuals.* Both the 1971 and 1972 studies suggested an inverse relationship between firm size and demand for individuals without bachelor's degrees and in the future an overall decline in demand for such individuals. The 1973 study supports the first conclusion. During 1971-72, firms with more than 32 Institute members filled only 0.4% of their total demand with non-degree individuals while firms with 10 to 32 Institute members met 2.3% of their total demand in this manner. The demand for such individuals has reached such small proportions that any conclusions reached concerning the second premise is meaningless.

# REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE

## FOR THE YEAR 1871

Item	1870-71	1871-72
1. Salaries and Wages	£1,200	£1,200
2. Stationery and Printing	£50	£50
3. Fuel and Light	£100	£100
4. Repairs and Maintenance	£200	£200
5. Miscellaneous	£100	£100
<b>Total</b>	<b>£1,650</b>	<b>£1,650</b>

The following statement shows the amount of the various items of the above account, as they have been paid during the year 1871-72, and the balance carried forward from the previous year. The total amount paid during the year 1871-72, is £1,650, which is the same as the total amount paid during the year 1870-71. The balance carried forward from the previous year is £1,650, which is the same as the total amount paid during the year 1870-71. The total amount paid during the year 1871-72, is £1,650, which is the same as the total amount paid during the year 1870-71.

By Order of the Commission of the General Land Office,  
 J. H. [Signature]  
 Secretary

**TABLE XIII**  
**DEMAND FOR PUBLIC ACCOUNTING RECRUITS**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Less than Bachelor's</i>	<i>Educational Level Bachelor's Degree</i>	<i>Master's Degree</i>	<i>Total Demand</i>
1967-68	200	6,600	1,500	8,300
1968-69	200	9,600	1,800	11,600
1969-70	300	9,900	1,900	12,100
1970-71	100	5,300	1,600	7,000
1971-72	100	6,800	2,000	8,900
1972-73	100	8,500	2,400	11,000
1973-74	100	9,500	2,600	12,200
1974-75	100	10,400	3,000	13,500
1975-76	100	11,400	3,400	14,900
1976-77	100	12,200	4,000	16,300

NOTE: As explained in the report, this demand is based upon a survey of firms with 10 or more Institute members.

TABLE XIII  
DEMAND FOR PUBLIC ACCOUNTING SERVICES  
1967-68 to 1975-76

Year	Estimated Demand for Public Accounting Services	Estimated Demand for Public Accounting Services	Actual Demand for Public Accounting Services
1967-68	100	100	100
1968-69	100	100	100
1969-70	100	100	100
1970-71	100	100	100
1971-72	100	100	100
1972-73	100	100	100
1973-74	100	100	100
1974-75	100	100	100
1975-76	100	100	100

NOTES: The estimated demand for public accounting services is based on the survey of firms with 10 or more full-time members.

**TABLE XIV**  
**COMPARISON OF 1973 AND 1972 DEMAND STUDIES**  
**1971-72 to 1975-76**

<i>Year</i>	<i>Less than Bachelor's</i>		<i>Educational Level Bachelor's Degree</i>		<i>Master's Degree</i>		<i>Total Demand</i>	
	<i>1973 Study</i>	<i>1972 Study</i>	<i>1973 Study</i>	<i>1972 Study</i>	<i>1973 Study</i>	<i>1972 Study</i>	<i>1973 Study</i>	<i>1972 Study</i>
1971-72	100	100	6,800	7,000	2,000	2,000	8,900	9,100
1972-73	100	100	8,500	8,500	2,400	2,600	11,000	11,200
1973-74	100	100	9,500	9,400	2,600	3,000	12,200	12,500
1974-75	100	100	10,400	10,400	3,000	3,700	13,500	14,200
1975-76	100	100	11,400	11,400	3,400	4,400	14,900	15,900

TABLE XIV  
DETERMINATION OF IONIC AND MOLECULAR WEIGHTS  
BY OSMOTIC PRESSURE

Sample	Molecular weight		Ionic weight		Osmotic pressure		Concentration, g./100 ml.
	$M_w$	$M_n$	$M_w$	$M_n$	$\pi$	$\Delta T$	
1	1000	1000	1000	1000	0.001	0.001	0.1
2	1000	1000	1000	1000	0.002	0.002	0.2
3	1000	1000	1000	1000	0.003	0.003	0.3
4	1000	1000	1000	1000	0.004	0.004	0.4
5	1000	1000	1000	1000	0.005	0.005	0.5
6	1000	1000	1000	1000	0.006	0.006	0.6
7	1000	1000	1000	1000	0.007	0.007	0.7
8	1000	1000	1000	1000	0.008	0.008	0.8
9	1000	1000	1000	1000	0.009	0.009	0.9
10	1000	1000	1000	1000	0.010	0.010	1.0

## **RELATIONSHIPS BETWEEN SUPPLY OF ACCOUNTING GRADUATES AND DEMAND FOR PUBLIC ACCOUNTING RECRUITS**

Tables XV to XVII at the end of this section attempt to show the relationships between supply and demand.

The supply of accounting graduates and the demand for public accounting recruits are separate but overlapping populations. Some of the factors that should be considered in discussing them are:

1. The supply of graduates includes many students who are not interested in public accounting.
2. Holders of bachelor's degrees who go on to graduate study are reported twice, in the year they receive the bachelor's degree and in the year they receive the master's degree.
3. Demand is often filled by students who did not major in accounting. (This is particularly true at the master's level, because this study may not have identified all MBAs concentrating in or interested in accounting.)

Observations relating to the relationship between supply and demand should be made with these qualifications in mind.

The ratio of demand to supply is expected to increase over the next five years, but at a slower rate than that predicted in the 1972 study. This is principally due to the decrease in the ratio of supply of and demand for holders of master's degrees between the 1973 and 1972 studies. Predicted supply of such graduates for 1975-76 dropped 9% from the 1972 study while demand dropped 23%.

THE PROPOSED OFFICE OF A PUBLIC ACCOUNTING BOARD  
AND THE NEED FOR PUBLIC ACCOUNTING REFORM

The first of the two main questions which arise in connection with the proposed office of a public accounting board is the question of its powers and functions.

The second question is the question of the composition of the board and the method of its election. The third question is the question of the method of its financing.

The fourth question is the question of the method of its control and supervision.

The fifth question is the question of the method of its enforcement of its powers and functions.

The sixth question is the question of the method of its enforcement of its powers and functions.

The seventh question is the question of the method of its enforcement of its powers and functions.

The eighth question is the question of the method of its enforcement of its powers and functions.



**TABLE XV**  
**RELATIONSHIP BETWEEN SUPPLY OF ACCOUNTING**  
**GRADUATES AND DEMAND FOR PUBLIC ACCOUNTING RECRUITS**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Supply of Graduates</i>	<i>Demand for Recruits</i>	<i>Ratio (%)</i>	<i>Ratio Per 1972 Study (%)</i>
1967-68	17,200	8,100	47	47
1968-69	18,700	11,400	61	61
1969-70	20,000	11,800	59	59
1970-71	22,700	6,900	30	30
1971-72	26,000	8,800	34	35
1972-73	28,800	10,900	38	40
1973-74	30,900	12,100	40	40
1974-75	32,400	13,400	41	42
1975-76	34,800	14,800	43	45
1976-77	36,100	16,200	45	—

TABLE XV  
RELATIONSHIP BETWEEN SUPPLY OF ACCOUNTING  
OPERATORS AND DEMAND FOR PUBLIC ACCOUNTING SERVICES  
PERIOD 1970-71

Year	Supply of Operators (1971)	Demand for Services (1971)	Ratio Supply/Demand
1970-71	17,350	17,350	1.00
1971-72	18,100	18,100	1.00
1972-73	18,850	18,850	1.00
1973-74	19,600	19,600	1.00
1974-75	20,350	20,350	1.00
1975-76	21,100	21,100	1.00
1976-77	21,850	21,850	1.00
1977-78	22,600	22,600	1.00
1978-79	23,350	23,350	1.00
1979-80	24,100	24,100	1.00
1980-81	24,850	24,850	1.00

Source: Bureau of Economic Analysis, U.S. Department of Commerce, Office of Business Economics, "The Accounting Industry," p. 10.

**TABLE XVI**  
**RELATIONSHIP BETWEEN SUPPLY OF AND DEMAND**  
**FOR HOLDERS OF BACHELOR'S DEGREES**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Supply of Graduates</i>	<i>Demand for Recruits</i>	<i>Ratio (%)</i>	<i>Ratio Per 1972 Study (%)</i>
1967-68	15,700	6,600	42	42
1968-69	17,200	9,600	56	56
1969-70	18,700	9,900	53	53
1970-71	20,800	5,300	25	25
1971-72	23,800	6,800	29	30
1972-73	26,200	8,500	32	33
1973-74	27,800	9,500	34	35
1974-75	28,700	10,400	36	36
1975-76	30,600	11,400	37	37
1976-77	31,500	12,200	39	—

TABLE 1  
RELATIONSHIP BETWEEN SUPPLY OF AND DEMAND  
FOR RESOURCES OF BACTERIOLOGICAL  
LABORATORY

Year	Supply of Resources	Demand for Resources	Ratio Supply/Demand	Ratio Demand/Supply
1950	12,000	12,000	1.00	1.00
1951	12,500	12,500	1.00	1.00
1952	13,000	13,000	1.00	1.00
1953	13,500	13,500	1.00	1.00
1954	14,000	14,000	1.00	1.00
1955	14,500	14,500	1.00	1.00
1956	15,000	15,000	1.00	1.00
1957	15,500	15,500	1.00	1.00
1958	16,000	16,000	1.00	1.00
1959	16,500	16,500	1.00	1.00
1960	17,000	17,000	1.00	1.00

Source: Bureau of Census, *Statistical Abstract of the United States*, 1961, Table 1001.

**TABLE XVII**  
**RELATIONSHIP BETWEEN SUPPLY OF AND DEMAND**  
**FOR HOLDERS OF MASTER'S DEGREES**  
**1967-68 to 1976-77**

<i>Year</i>	<i>Supply of Graduates</i>	<i>Demand for Recruits</i>	<i>Ratio (%)</i>	<i>Ratio Per 1972 Study (%)</i>
1967-68	1,500	1,500	100	100
1968-69	1,500	1,800	120	120
1969-70	1,300	1,900	146	146
1970-71	1,900	1,600	84	84
1971-72	2,200	2,000	91	80
1972-73	2,600	2,400	92	87
1973-74	3,100	2,600	84	86
1974-75	3,700	3,000	81	90
1975-76	4,200	3,400	81	98
1976-77	4,600	4,000	87	—

**NOTE:** As explained in the report, the supply determined in this study does not include all recipients of the master's degree who might seek employment in public accounting.

TABLE VIII  
RELATIONSHIP BETWEEN QUANTITY OF LAND OWNED  
AND NUMBER OF PERSONS DEPENDENT  
ON THE LAND IN 1977

Land owned (hectares)	Persons dependent	Land owned (hectares)	Persons dependent	Land owned (hectares)	Persons dependent
100	100	100	100	100	100
120	120	120	120	120	120
140	140	140	140	140	140
160	160	160	160	160	160
180	180	180	180	180	180
200	200	200	200	200	200
220	220	220	220	220	220
240	240	240	240	240	240
260	260	260	260	260	260
280	280	280	280	280	280
300	300	300	300	300	300
320	320	320	320	320	320
340	340	340	340	340	340
360	360	360	360	360	360
380	380	380	380	380	380
400	400	400	400	400	400
420	420	420	420	420	420
440	440	440	440	440	440
460	460	460	460	460	460
480	480	480	480	480	480
500	500	500	500	500	500

NOTE: The figures in the table are based on the data collected in 1977. The figures are rounded off to the nearest whole number. The figures are based on the data collected in 1977.

