

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

**1978**

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## 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 eighth of these annual studies.

In 1978 the Institute surveyed a stratified sample of 116 accounting firms as to their manpower needs for the period 1976-77 through 1981-82. A survey was also conducted of 523 colleges and universities to determine the expected number of accounting graduates for the same period. The scope of this year's survey was expanded to include minority data as well as statistics on the numbers of accounting graduates with doctoral degrees.

This report is presented in three sections: (1) the supply of accounting graduates; (2) the demand for public accounting recruits, and (3) the relationship between supply and demand. When reading the report it is necessary to bear in mind that it is difficult to equate supply and demand and to precisely identify trends. This is because not all accounting graduates are employed by public accounting firms and, as yet, no satisfactory way has been devised for estimating the number of accounting graduates employed in private industry, the various levels of government, or those who remain in education or in other activities. In addition, respondents use their own definition of what constitutes a major concentration in accounting.

The results of this study indicate that the number of accounting graduates with bachelor's and master's degrees is expected to increase over the years covered in the survey. While the rate of growth for bachelor's degrees in accounting is expected to decline after 1977-78, master's degrees are expected to increase at a higher rate in the earlier years and begin to decline around 1980-81. The number of graduates with doctoral degrees in accounting is expected to double by 1981-82. As is the case with the supply of accounting graduates, the demand for holders of bachelor's and master's degrees is expected to increase over the five-year projected period. The demand for doctorates in public accounting was shown to be almost non-existent. It is predicted that the supply of and demand for female graduates with bachelor's degrees will increase substantially over the years covered in the survey. Overall examination of the relationship between supply and demand indicates that the proportion of accounting graduates expected to be recruited by the public accounting sector of the profession will rise from 27% in 1976-77 to 29% in 1981-82.

## THE SUPPLY OF ACCOUNTING GRADUATES

### The Survey

Questionnaires were sent to member schools of the American Assembly of Collegiate Schools of Business (AACSB), of which 204 were accredited schools and 319 non-accredited schools. Responses were received from 148 AACSB accredited schools and 180 AACSB non-accredited schools (Table 1).

TABLE 1  
NUMBERS OF SCHOOLS IN THE SURVEY

	AACSB		Total
	Accredited	Non-Accredited	
Numbers of questionnaires mailed in the 1978 survey	<u>204</u>	<u>319</u>	<u>523</u>
Schools responding in 1978	148	180	328
Schools responding in preceding two years but not in 1978	<u>42</u>	<u>107</u>	<u>149</u>
Number of schools represented in the data	190	287	477

In this eighth annual survey, participants were again asked to indicate the number of accounting graduates for the current year and to predict the supply for the next five years. Accordingly, this year's survey covered the academic years 1976-77 through 1981-82. For the first time in this series, participants were asked to supply data on numbers of male and female graduates, ethnic breakdowns and numbers of doctoral degrees in accounting. A copy of the supply questionnaire appears as Appendix A.

For those schools that had responded to either of the preceding two years' surveys but not to the current survey, the latest figures submitted by these schools are included in the current compilations and estimates were made for 1980-81 and/or 1981-82, the years not covered by the 1976 and 1977 surveys, respectively. These estimates were calculated by weighing two factors: the latest data reported by each of the schools not responding to the 1978 survey and the composite year-to-year growth indicated by aggregating the data reported by those schools responding to the 1978 survey. Estimates were made separately for public and private institutions in each of the four geographic regions.

## Results of The Survey

### *Bachelor's and Master's Degrees*

Comparing the results of this year's survey with that of last year indicates that this year the schools are predicting greater numbers of graduates with bachelor's degrees in accounting, the differences being especially marked for 1979-80 and 1980-81. The numbers of master's degrees predicted in the 1977 and 1978 surveys coincide except for an increased estimate of 500 degrees to be awarded in 1980-81.

A summary of the supply of accounting graduates, both bachelor's and master's, is included in Table 2. The rate of growth for bachelor's degrees in accounting projected over the years covered by the survey is expected to decline from 7% in 1977-78 to 3% in 1981-82. Compared to bachelor's degrees, master's degrees are expected to increase at a higher rate in the earlier years, but to drop sharply after 1980-81, that is, from 11% to 5%.

**TABLE 2**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**FROM ALL SCHOOLS**  
**1976-77 TO 1981-82**

	<u>Bachelor's</u>		<u>Master's</u>		<u>Total Supply</u>	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
<b>1976-77</b>	44,760		5,620		50,380	
<b>1977-78</b>	47,830	+7%	6,110	+ 9%	53,940	+7%
<b>1978-79</b>	50,750	+6%	7,020	+15%	57,770	+7%
<b>1979-80</b>	52,890	+4%	8,010	+14%	60,900	+5%
<b>1980-81</b>	54,530	+3%	8,860	+11%	63,390	+4%
<b>1981-82</b>	55,960	+3%	9,320	+ 5%	65,280	+3%

Based upon historical declines in the birth rate, demographers predict that those of college age will constitute a smaller percentage of the population in the 1980s. The expected trends shown by this survey reflect these demographic predictions, with master's degrees peaking a year or two subsequent to the peak in undergraduate degrees.

These overall trends tend to coincide roughly with projections of all college enrollments shown in The Conference Board's Guide to Consumer Markets.\*

\* A Guide to Consumer Markets 1977/78, The Conference Board Inc., New York, New York, pp. 70-73.

**Enrollment in Higher Education**  
(in thousands)

	Total	Undergraduate		Graduate	
		Number of Enrollments	Rate of Growth	Number of Enrollments	Rate of Growth
1978	10,726	9,318		1,408	
1980	11,142	9,674	+4%	1,468	+4%
1982	11,369	9,869	+2%	1,500	+2%
1984	11,179	9,700	-2%	1,479	-2%
1985	11,000	9,544	-2%	1,456	-2%

Source: The enrollment statistics are taken from A Guide to Consumer Markets 1977/78, The Conference Board Inc., New York, New York, pp. 70-73. The rate of growth percentages were added by the AICPA.

As shown in the Board's study, undergraduate enrollments are expected to rise from 9.32 million in 1978 to 9.87 million in 1982 and to decline thereafter. Similarly, graduate enrollments, which rose to 1.41 million in 1978, are expected to peak at 1.5 million in 1982 and then to decline. But according to our study, the numbers of both undergraduate and graduate accounting degrees are expected to increase at a higher rate than the corresponding projections shown in the Conference Board's report. The difference in growth rates is especially marked at the graduate level. This seems to indicate that accounting educators expect that a larger portion of the total students will major in accounting.

Growth rates for bachelor's degrees awarded in accounting are expected to decline in both AACSB accredited and in AACSB non-accredited schools (Tables 3 and 4). However, the yearly rate of increases in the AACSB non-accredited schools is expected to be higher than those in the accredited schools. Growth rates for master's degrees awarded are expected to peak at about the same time for both groups of schools and to begin to decline around 1980-81.

**TABLE 3**

**SUPPLY OF ACCOUNTING GRADUATES  
FROM AACSB ACCREDITED SCHOOLS  
1976-77 TO 1981-82**

	Bachelor's		Master's		Total Supply	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1976-77	27,040		4,110		31,150	
1977-78	28,280	+ 5%	4,420	+ 8%	32,700	+ 5%
1978-79	29,540	+ 4%	4,990	+13%	34,530	+ 6%
1979-80	30,130	+ 2%	5,620	+13%	35,750	+ 4%
1980-81	30,680	+ 2%	6,160	+10%	36,840	+ 3%
1981-82	31,270	+ 2%	6,570	+ 7%	37,840	+ 3%

**TABLE 4**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**FROM AACSB NON-ACCREDITED SCHOOLS**  
**1976-77 TO 1981-82**

	<u>Bachelor's</u>		<u>Master's</u>		<u>Total Supply</u>	
	<u>Number of Degrees</u>	<u>Rate of Growth</u>	<u>Number of Degrees</u>	<u>Rate of Growth</u>	<u>Number of Degrees</u>	<u>Rate of Growth</u>
<b>1976-77</b>	17,720		1,510		19,230	
<b>1977-78</b>	19,550	+10%	1,690	+12%	21,240	+10%
<b>1978-79</b>	21,210	+ 8%	2,030	+20%	23,240	+ 9%
<b>1979-80</b>	22,760	+ 7%	2,390	+18%	25,150	+ 8%
<b>1980-81</b>	23,850	+ 5%	2,700	+13%	26,550	+ 6%
<b>1981-82</b>	24,690	+ 4%	2,750	+ 2%	27,440	+ 3%

Comparison of the survey's results with respect to public vs. private institutions (Tables 5 and 6) reveals no significant differences between the expected trends in bachelor's degrees. Generally, however, numbers of master degree graduates are expected to grow more slowly in the private than in the public institutions.

**TABLE 5**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**WITH BACHELOR'S DEGREES**  
**FROM ALL PUBLIC & PRIVATE SCHOOLS**  
**1976-77 TO 1981-82**

	<u>Public</u>		<u>Private</u>	
	<u>Number of Degrees</u>	<u>Rate of Growth</u>	<u>Number of Degrees</u>	<u>Rate of Growth</u>
<b>1976-77</b>	33,210		11,550	
<b>1977-78</b>	35,350	+ 6%	12,480	+ 8%
<b>1978-79</b>	37,480	+ 6%	13,270	+ 6%
<b>1979-80</b>	39,100	+ 4%	13,790	+ 4%
<b>1980-81</b>	40,260	+ 3%	14,270	+ 3%
<b>1981-82</b>	41,200	+ 2%	14,760	+ 3%

**TABLE 6**

**SUPPLY OF ACCOUNTING GRADUATES  
WITH MASTER'S DEGREES  
FROM ALL PUBLIC & PRIVATE SCHOOLS  
1976-77 TO 1981-82**

	<u>Public</u>		<u>Private</u>	
	<u>Number of Degrees</u>	<u>Rate of Growth</u>	<u>Number of Degrees</u>	<u>Rate of Growth</u>
<b>1976-77</b>	3,130		2,490	
<b>1977-78</b>	3,450	+10%	2,660	+ 7%
<b>1978-79</b>	4,060	+18%	2,960	+11%
<b>1979-80</b>	4,790	+18%	3,220	+ 9%
<b>1980-81</b>	5,400	+13%	3,460	+ 7%
<b>1981-82</b>	5,950	+10%	3,370	- 3%

The analysis of bachelor's degrees by geographical region (Table 7) shows very little difference in trends as between regions. Master's degrees, however, (Table 8) are expected to grow more rapidly in the southern region than in any of the other three regions. A list of the states that make up each region appears as Appendix B.

**TABLE 7**

**SUPPLY OF ACCOUNTING GRADUATES  
WITH BACHELOR'S DEGREES  
BY REGION  
1976-77 TO 1981-82**

	<u>New England</u>		<u>North Central</u>		<u>South</u>		<u>Pacific</u>	
	<u>Number of Degrees</u>	<u>Rate of Growth</u>	<u>Number of Degrees</u>	<u>Rate of Growth</u>	<u>Number of Degrees</u>	<u>Rate of Growth</u>	<u>Number of Degrees</u>	<u>Rate of Growth</u>
<b>1976-77</b>	11,330		13,260		13,480		6,690	
<b>1977-78</b>	11,970	+6%	14,360	+8%	14,320	+6%	7,180	+7%
<b>1978-79</b>	12,700	+6%	15,280	+6%	15,300	+7%	7,470	+4%
<b>1979-80</b>	13,360	+5%	15,890	+4%	15,960	+4%	7,680	+3%
<b>1980-81</b>	13,710	+3%	16,430	+3%	16,560	+4%	7,830	+2%
<b>1981-82</b>	13,880	+1%	16,900	+3%	17,130	+3%	8,050	+3%



TABLE 8

**SUPPLY OF ACCOUNTING GRADUATES  
WITH MASTER'S DEGREES  
BY REGION  
1976-77 TO 1981-82**

	New England		North Central		South		Pacific	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1976-77	1,820		1,770		1,130		860	
1977-78	2,040	+12%	1,840	+ 4%	1,250	+11%	940	+ 9%
1978-79	2,310	+13%	2,090	+14%	1,530	+22%	1,040	+11%
1979-80	2,610	+13%	2,350	+12%	1,800	+18%	1,200	+15%
1980-81	2,830	+ 8%	2,570	+ 9%	2,120	+18%	1,280	+ 7%
1981-82	2,730	- 4%	2,720	+ 6%	2,430	+15%	1,390	+ 9%

*Doctoral Degrees*

Because of the small numbers involved, doctoral degrees are reported in actual numbers without rounding. No attempt was made to estimate the numbers of doctoral degrees expected to be awarded by schools not responding to that part of the 1978 questionnaire.

In total, 54 institutions reported on doctorate's, all but one of which were AACSB accredited schools. By far, the greater portion of doctoral degrees reported are expected to be granted by the public institutions (Table 9).

TABLE 9

**SUPPLY OF ACCOUNTING GRADUATES  
WITH DOCTORAL DEGREES  
FROM PUBLIC & PRIVATE SCHOOLS  
(AS REPORTED BY 54 SCHOOLS)  
1976-77 TO 1981-82**

	Public		Private		Total Supply	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1976-77	100		11		111	
1977-78	124	+24%	11	0%	135	+22%
1978-79	148	+19%	23	+109%	171	+27%
1979-80	174	+18%	22	- 5%	196	+15%
1980-81	170	- 3%	24	+ 9%	194	- 1%
1981-82	184	+ 8%	23	- 4%	207	+ 7%

On a regional basis (Table 10), the southern region reported the greatest numbers with the north central ranking as a lagging second. Overall, reporting schools are predicting a doubling in the numbers of doctoral degrees in accounting by 1981-82.

**TABLE 10**  
**SUPPLY OF ACCOUNTING GRADUATES**  
**WITH DOCTORAL DEGREES BY REGION**  
**(AS REPORTED BY 54 SCHOOLS)**  
**1976-77 TO 1981-82**

	<u>New England</u>	<u>North Central</u>	<u>South</u>	<u>Pacific</u>	<u>Total Supply</u>
<b>1976-77</b>	7	37	51	16	111
<b>1977-78</b>	14	36	65	20	135
<b>1978-79</b>	17	60	77	17	171
<b>1979-80</b>	21	60	93	22	196
<b>1980-81</b>	21	60	91	22	194
<b>1981-82</b>	23	56	102	26	207

*Minority Data*

Of the 328 schools responding to this year's survey, 310 supplied data on the numbers of male and female graduates by level of degree. The tables summarizing the information by sex were compiled from the actual numbers of degrees reported. No attempt was made to estimate for schools not responding to that part of the questionnaire.

Table 11 summarizes the supply of male and female graduates by level of degree reported by the 310 schools. The relationship between the supply of male and female graduates is shown in Table 12. It can be seen that the supply of female graduates is expected to increase substantially over the years covered in the survey.

**TABLE 11**

**SUPPLY OF ACCOUNTING GRADUATES  
WITH BACHELOR'S, MASTER'S AND DOCTORAL DEGREES  
BY SEX  
(AS REPORTED BY 310 SCHOOLS)  
1976-77 TO 1981-82**

	Male			Female			Total		
	B	M	D	B	M	D	B	M	D
1976-77	22,040	2,450	94	8,840	800	11	30,880	3,250	105
1977-78	23,090	2,600	104	10,080	910	23	33,170	3,510	127
1978-79	24,000	2,810	125	11,040	1,120	40	35,040	3,930	165
1979-80	24,810	3,220	139	12,030	1,410	49	36,840	4,630	188
1980-81	25,530	3,570	142	12,750	1,660	45	38,280	5,230	187
1981-82	25,850	3,890	151	13,080	1,890	49	38,930	5,780	200

**TABLE 12**

**RELATIONSHIP BETWEEN THE SUPPLY  
OF MALE AND FEMALE GRADUATES  
BY DEGREES  
1976-77 TO 1981-82**

	Bachelor's		Master's		Doctorate's		All Degrees	
	Male	Female	Male	Female	Male	Female	Male	Female
1976-77	71%	29%	75%	25%	90%	10%	72%	28%
1977-78	70%	30%	74%	26%	82%	18%	70%	30%
1978-79	68%	32%	72%	28%	76%	24%	69%	31%
1979-80	67%	33%	70%	30%	74%	26%	68%	32%
1980-81	67%	33%	68%	32%	76%	24%	67%	33%
1981-82	66%	34%	67%	33%	76%	24%	67%	33%

In consideration of the difficulty of predicting these details, the schools were requested to give a breakdown by ethnic backgrounds for 1976-77 and 1977-78 only. Two hundred fifty-one schools reported in this respect and the results are shown in Table 13. No attempt was made to estimate for schools not reporting this information. The percentages shown relate to the total supply reported by only those schools supplying the ethnic data.

TABLE 13

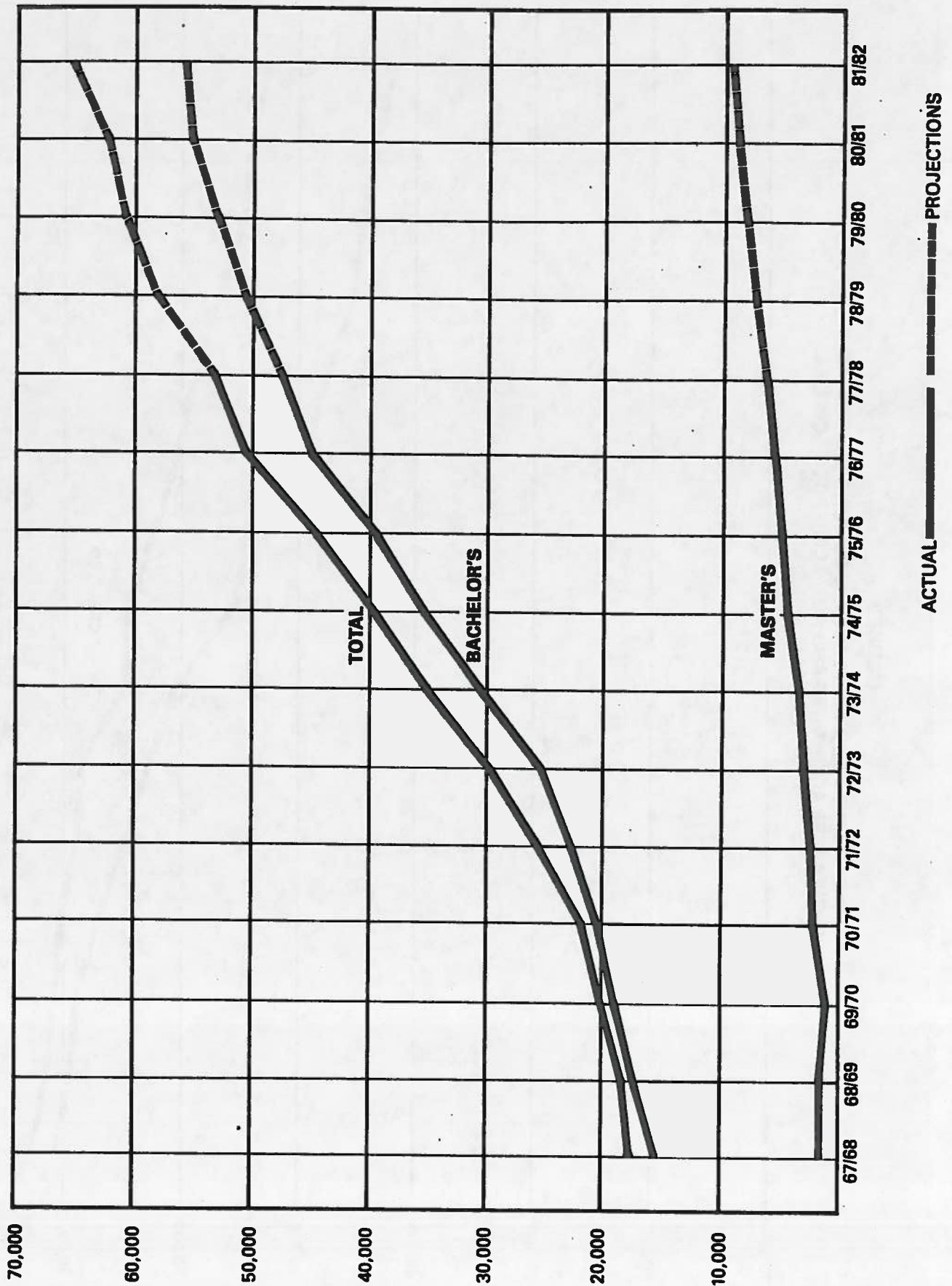
SUPPLY OF ACCOUNTING GRADUATES  
BY ETHNIC BACKGROUNDS  
FOR 1976-77 AND 1977-78  
(AS REPORTED BY 251 SCHOOLS)

	<u>American Indians</u>	<u>Asians</u>	<u>Blacks</u>	<u>Hispanics</u>	<u>Total</u>	<u>Total Demand Reported</u>	<u>%</u>
1976-77	48	601	1,402	577	2,628	25,011	10.5%
1977-78	51	623	1,216	662	2,552	24,638	10.4%

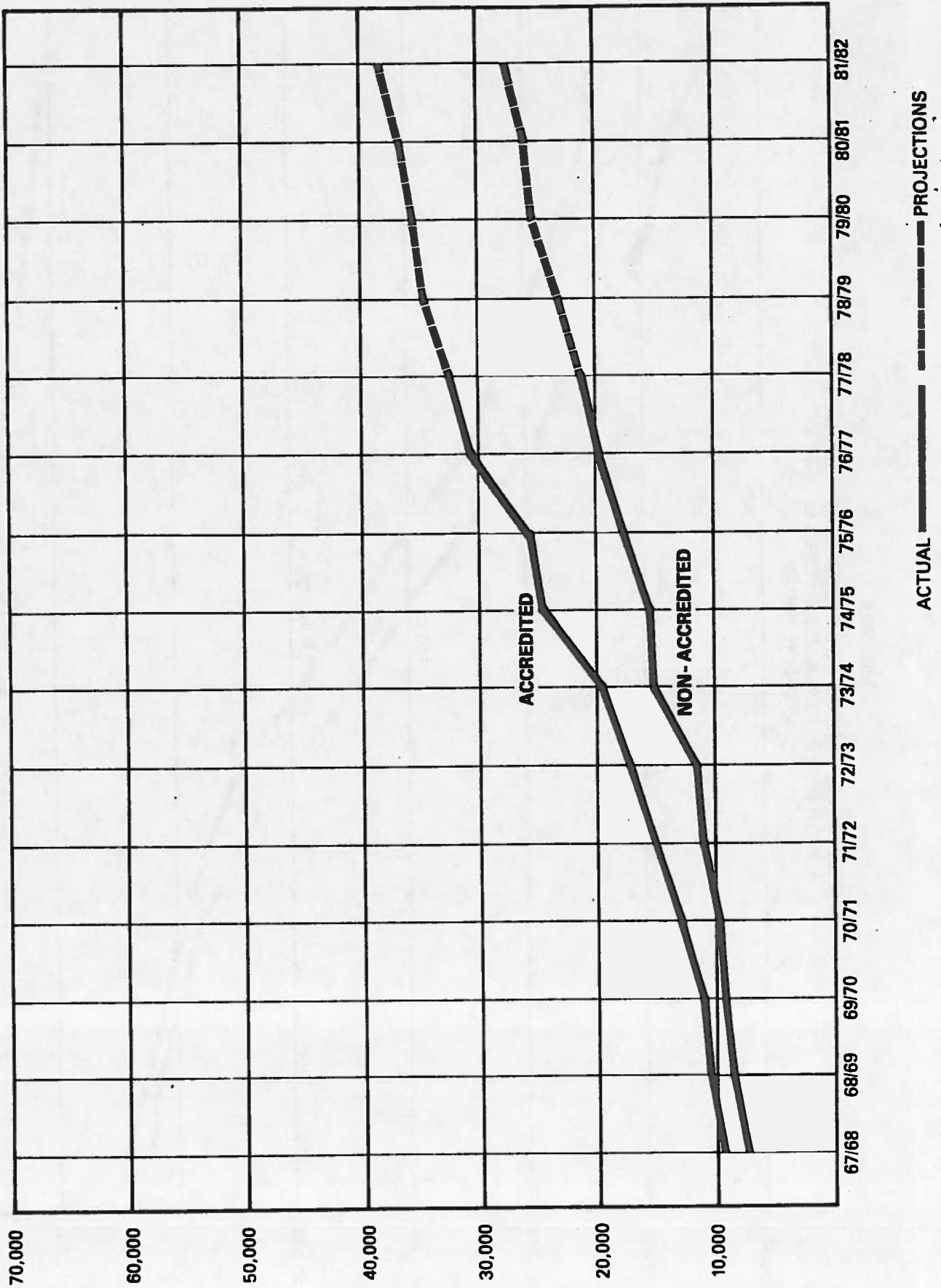
*Long Term Trends*

From the earlier studies in the annual supply and demand series the actual numbers of bachelor's and master's degrees granted in accounting were derived for the years 1967-68 through 1975-76. The actual numbers for 1976-77 and the projections through 1981-82 were derived from the current year's study. These data are shown in Figures 1 through 4 on the following pages. Total numbers of degrees are shown in Figure 1. A comparison of the trends for AACSB accredited and non-accredited schools is shown in Figure 2, for public and private schools in Figure 3 and for the four geographical regions in Figure 4.

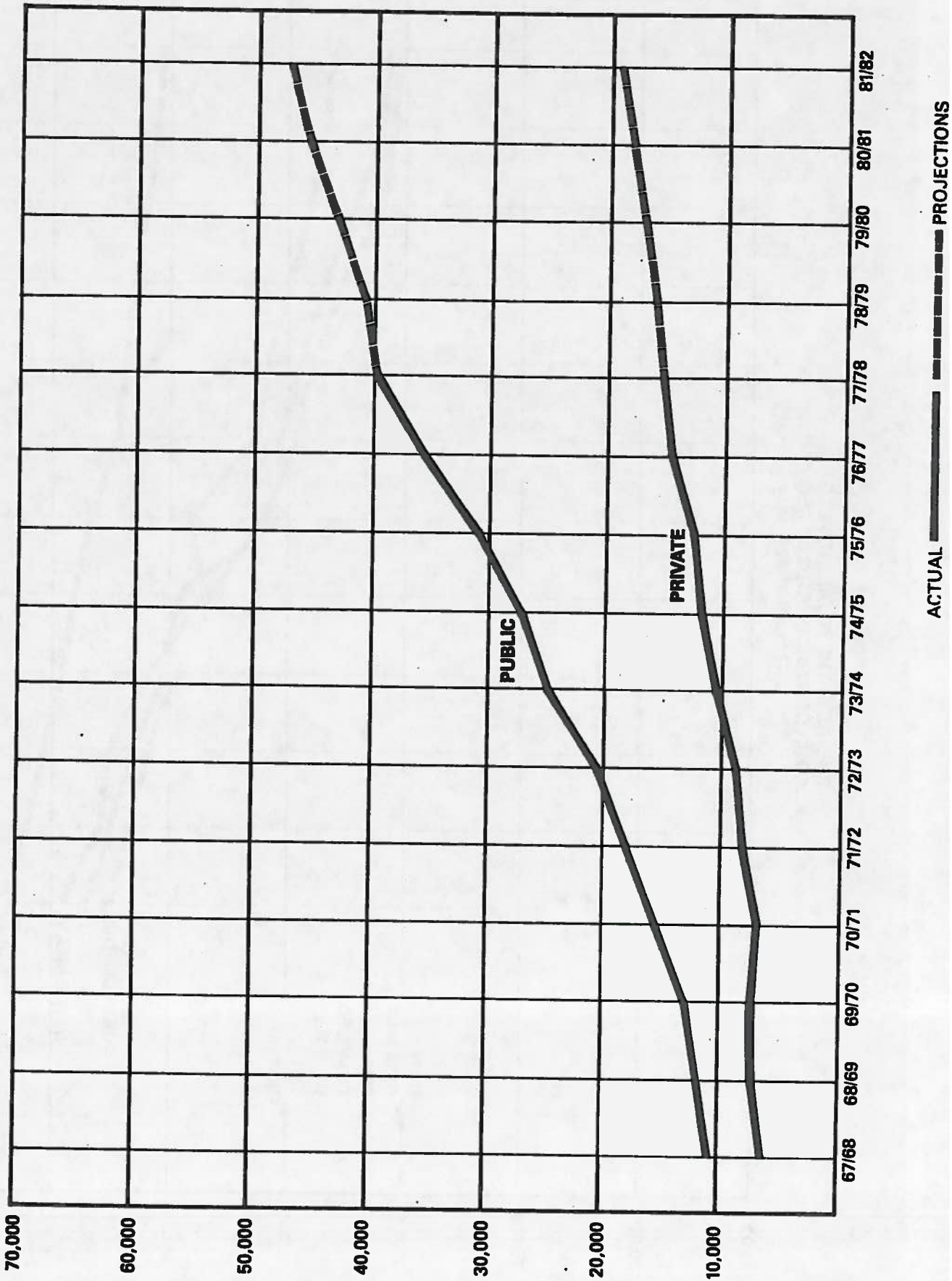
**FIGURE 1**  
**TRENDS IN THE SUPPLY OF ACCOUNTING GRADUATES**  
**WITH BACHELOR'S AND MASTER'S DEGREES**  
**1967-68 to 1981-82**



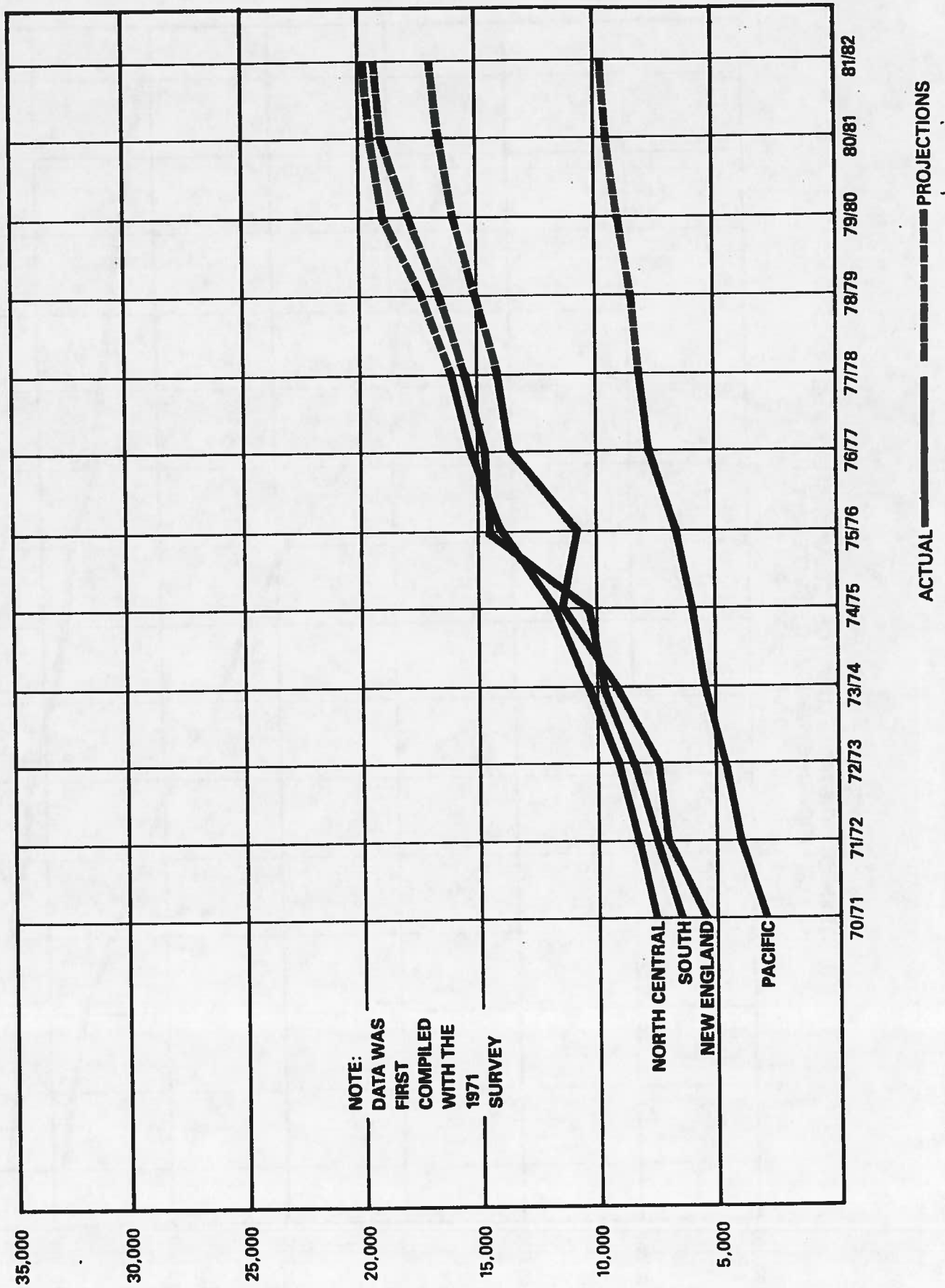
**FIGURE 2**  
**TRENDS IN THE TOTAL SUPPLY OF ACCOUNTING GRADUATES**  
**FROM AACSB ACCREDITED AND NON-ACCREDITED SCHOOLS**  
**1967-68 to 1981-82**



**FIGURE 3**  
**TRENDS IN THE TOTAL SUPPLY OF ACCOUNTING GRADUATES**  
**FROM THE PUBLIC AND PRIVATE SCHOOLS**  
**1967-68 to 1981-82**



**FIGURE 4**  
**TRENDS IN THE TOTAL SUPPLY OF**  
**ACCOUNTING GRADUATES BY REGION**  
**1970-71 to 1981-82**





## THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

### The Survey

To obtain data on the demand for public accounting recruits, 116 accounting firms of various sizes were surveyed, of which 79 (68%) responded. Of those firms with 30 or more individual AICPA members, all firms were surveyed. Firms with 10 to 29 individual AICPA members were surveyed on a sample basis. The data thus obtained was used to extrapolate the demand of all public accounting firms with 10 or more AICPA members. A summary of the numbers of firms is presented in Table 14. A copy of the demand questionnaire appears as Appendix C.

**TABLE 14**  
**PUBLIC ACCOUNTING FIRMS PARTICIPATING**  
**IN THE 1978 DEMAND STUDY**

Number of Individual AICPA Members	Total Number of Firms	Number of Firms Surveyed	Number of Firms Responding
More than 200	19	19	16
50 - 200	18	18	15
30 - 49	36	36	25
10 - 29	481	43	23
Total	554	116	79

### Results of The Survey

#### *Bachelor's and Master's Degrees*

The results of the 1978 demand study are presented in Table 15.

**TABLE 15**  
**DEMAND FOR PUBLIC ACCOUNTING RECRUITS**  
**1976-77 TO 1981-82**

	Bachelor's		Master's		Total Demand	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1976-77	10,010		3,350		13,360	
1977-78	10,910	+9%	3,690	+10%	14,600	+9%
1978-79	11,510	+5%	4,140	+12%	15,650	+7%
1979-80	12,320	+7%	4,470	+ 8%	16,790	+7%
1980-81	13,100	+6%	4,850	+ 9%	17,950	+7%
1981-82	13,820	+5%	5,210	+ 7%	19,030	+6%

Reference to the results of the 1977 study indicates that the demand for holders of bachelor's degrees in accounting for 1976-77 was 500 less than predicted last year and that current estimates of demand for 1978-79 and 1979-80 have been reduced by 400 and 300, respectively, below the estimates shown in the 1977 study.

Estimates of demand for holders of master's degrees in accounting revealed by the current study are very close to those shown by the 1977 study, except that the current estimate for 1979-80 exceeds last year's estimate by almost 400. Consistent with previous years' studies, the percentage of new employees expected to hold master's degrees was higher for the larger firms than for the smaller firms. This is shown in Table 16, which also shows that it is expected that there will be only a small increase in the percentage of holders of master's degrees.

**TABLE 16**  
**PERCENTAGE OF NEW EMPLOYEES**  
**EXPECTED TO HOLD MASTER'S DEGREES**  
**1976-77 TO 1981-82**

	<u>Over 200 Institute Members</u>	<u>50 to 200 Institute Members</u>	<u>Less than 50 Institute Members</u>	<u>All Firms</u>
<b>1976-77</b>	28.4%	10.0%	6.2%	25.1%
<b>1977-78</b>	28.3%	7.7%	4.3%	25.3%
<b>1978-79</b>	29.2%	11.1%	4.0%	26.5%
<b>1979-80</b>	29.6%	11.2%	4.1%	26.6%
<b>1980-81</b>	30.3%	12.0%	5.3%	27.0%
<b>1981-82</b>	30.7%	13.2%	6.5%	27.4%

Overall, the 1978 study revealed no dramatic change in estimates of demand from the estimates reported in the 1977 survey.

#### *Doctoral Degrees*

For the first time in this series of supply and demand studies, firms were asked to give information as to recruits with doctoral degrees in accounting. The demand for doctorates in public accounting was shown to be almost non-existent, that is, only a total of 5 for all years included in the study combined.

#### *Minority Data*

Also for the first time, firms were asked to give a breakdown of recruits as to male and female and as to ethnic background.

Of the 79 responding firms, 75 firms reported information on the breakdown by sex, all but two of which provided a breakdown of that information by level of degree. The tables summarizing the information by sex were compiled from the actual numbers of degrees reported without extrapolation of the demand of all public accounting firms.

Table 17 summarizes the estimated demand of 75 public accounting firms for male and female recruits. It shows that the demand by reporting firms for female recruits is expected to increase substantially over the years included in the survey. Seventy-three of the firms reported the demand by level of degree and that is summarized in Table 18. The relationship between the demand for male and female recruits is shown in Table 19. It can be seen that the demand for female recruits is expected to remain relatively higher for those holding bachelor's degrees than for those holding master's degrees.

**TABLE 17**  
**DEMAND FOR PUBLIC ACCOUNTING RECRUITS**  
**BY SEX**  
**(AS REPORTED BY 75 FIRMS)**  
**1976-77 TO 1981-82**

	<u>Male</u>	<u>Female</u>	<u>Total</u>
1976-77	7,140	2,260	9,400
1977-78	7,620	2,730	10,350
1978-79	7,030	2,750	9,780
1979-80	7,410	3,010	10,420
1980-81	7,770	3,320	11,190
1981-82	8,100	3,600	11,700

**TABLE 18**  
**DEMAND FOR PUBLIC ACCOUNTING RECRUITS**  
**WITH BACHELOR'S AND MASTER'S DEGREES**  
**BY SEX**  
**(AS REPORTED BY 73 FIRMS)**  
**1976-77 TO 1981-82**

	<u>Male</u>		<u>Female</u>		<u>Total</u>	
	Bachelor's	Master's	Bachelor's	Master's	Bachelor's	Master's
1976-77	3,930	1,590	1,390	390	5,320	1,980
1977-78	4,160	1,610	1,620	490	5,780	2,100
1978-79	4,320	1,800	1,820	580	6,140	2,380
1979-80	4,490	1,910	1,970	630	6,460	2,540
1980-81	4,630	2,040	2,140	700	6,770	2,740
1981-82	4,750	2,150	2,280	770	7,030	2,920

TABLE 19

RELATIONSHIP BETWEEN THE DEMAND  
FOR MALE & FEMALE RECRUITS  
BY DEGREES  
1976-77 TO 1981-82

	Bachelor's		Master's		All Degrees	
	Male	Female	Male	Female	Male	Female
1976-77	74%	26%	80%	20%	76%	24%
1977-78	72%	28%	76%	24%	74%	26%
1978-79	70%	30%	76%	24%	72%	28%
1979-80	70%	30%	75%	25%	71%	29%
1980-81	68%	32%	74%	26%	70%	30%
1981-82	68%	32%	74%	26%	69%	31%

Fifty firms reported a breakdown by ethnic backgrounds for 1976-77 and 1977-78 and the results are shown in Table 20. No attempt was made to extrapolate for all firms. The percentages shown relate to the total demand reported by only those firms supplying the ethnic data.

TABLE 20

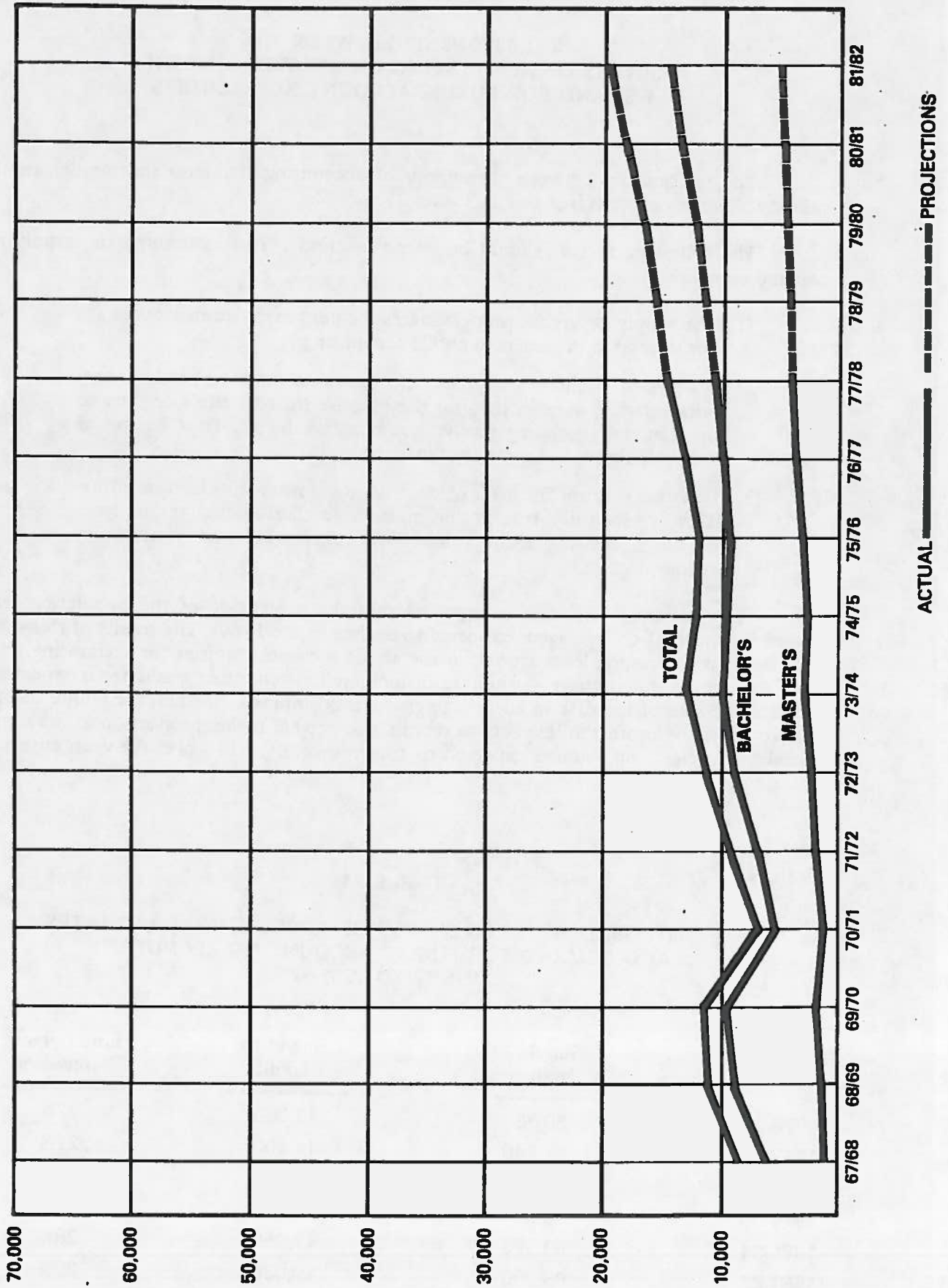
DEMAND FOR PUBLIC ACCOUNTING RECRUITS  
BY ETHNIC BACKGROUNDS  
FOR 1976-77 AND 1977-78  
(AS REPORTED BY 50 FIRMS)

	American	Asians	Blacks	Hispanics	Total	Total Demand	
	Indians					Reported	%
1976-77	4	196	334	158	692	8,989	7.7%
1977-78	16	217	405	158	796	10,082	7.9%

*Long Term Trends*

Figure 5 on the following page shows the trends in the demand for public accounting recruits with bachelor's and master's degrees. The actual numbers of recruits for the years 1967-68 through 1975-76 were derived from the earlier supply and demand studies. Actual numbers for 1976-77 and projections through 1981-82 were derived from this year's study.

**FIGURE 5**  
**TRENDS IN THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS**  
**WITH BACHELOR'S AND MASTER'S DEGREES**  
**1967-68 to 1981-82**



**RELATIONSHIP BETWEEN THE  
SUPPLY OF ACCOUNTING GRADUATES AND THE  
DEMAND FOR PUBLIC ACCOUNTING RECRUITS**

The relationship between the supply of accounting graduates and the demand for public accounting recruits is shown in Tables 21 and 22.

The following factors should be borne in mind before examining the supply and demand comparisons:

1. The supply of accounting graduates includes many students who are not interested in careers in public accounting.
2. Holders of bachelor's degrees who go on to graduate study are reported twice, once in the year they receive the bachelor's degree and once in the year they receive the master's degree. Thus, figures of the total supply are somewhat inflated.
3. Demand is often filled by students who did not major in accounting. This is especially true at the master's level, since the respondents do not necessarily identify all MBAs concentrating or interested in accounting.

As mentioned earlier, it is expected that the percentage of the population represented by those of college age is expected to decline in the 1980s. The results of this survey indicate that the respondents are optimistic about the opportunities for accounting graduates. As pointed out on page 4, the rate of increase in accounting graduates is expected to outpace the rate of increase in all college graduates combined. Further, the public accounting sector of the profession expects to recruit a somewhat higher proportion of the supply, namely, that the proportion is expected to rise from 27% to 29% over the years covered in the survey (Table 21).

**TABLE 21**

**RELATIONSHIP BETWEEN SUPPLY OF ACCOUNTING GRADUATES  
AND DEMAND FOR PUBLIC ACCOUNTING RECRUITS  
1976-77 TO 1981-82**

	<u>Supply of Graduates</u>	<u>Demand for Recruits</u>	<u>Employment Percentage</u>
<b>1976-77</b>	50,380	13,360	27%
<b>1977-78</b>	53,940	14,600	27%
<b>1978-79</b>	57,770	15,560	27%
<b>1979-80</b>	60,900	16,790	28%
<b>1980-81</b>	63,390	17,950	28%
<b>1981-82</b>	65,280	19,030	29%

Of more significance is the sharp difference between the percentage of graduates with master's degrees expected to be recruited into public accounting and those with bachelor's degrees (Table 22). While only 22% to 25% of the supply of baccalaureates are expected to be recruited by these firms, well over half of those with master's in accounting will be sought.

**TABLE 22**  
**RELATIONSHIP BETWEEN SUPPLY OF AND DEMAND FOR**  
**HOLDERS OF BACHELOR'S DEGREES AND MASTER'S DEGREES**  
**1976-77 TO 1981-82**

	<u>BACHELOR'S DEGREES</u>			<u>MASTER'S DEGREES</u>		
	<u>Supply</u>	<u>Demand</u>	<u>Employment Percentage</u>	<u>Supply</u>	<u>Demand</u>	<u>Employment Percentage</u>
1976-77	44,760	10,010	22%	5,620	3,350	60%
1977-78	47,830	10,910	23%	6,110	3,690	60%
1978-79	50,750	11,510	23%	7,020	4,140	59%
1979-80	52,890	12,320	23%	8,010	4,470	56%
1980-81	54,530	13,100	24%	8,860	4,850	55%
1981-82	55,960	13,820	25%	9,320	5,210	56%

The following table is derived from a soon-to-be published report\* based on a 1977-78 accounting education survey of AACSB schools. It shows that the proportion of master's degree graduates seeking employment in public accounting increased from 38% to 49% between 1972 and 1977.

**Postgraduate Plans of Selected Master's Degree Recipients in Accounting**  
**Graduating During Twelve Months Ended August 31**

Type of Employment (Sample Size)	1972 <sup>1</sup> (n=2,423)	1977 <sup>2</sup> (n=1,900)
A CPA or PA firm engaged in the practice of public accounting	38.0%	49.0%
Business/industry	47.1	36.0
Federal, State, or Local governments	4.0	6.8
Continued with their education in graduate school	6.8	4.0
Went into military service	0.9	0.4
Other	3.2	3.8
Total	100.0%	100.0%

<sup>1</sup>Doyle Z. Williams, *Accounting Education: A Statistical Survey, 1972-73* (New York: American Institute of Certified Public Accountants, 1974), p. 46.

<sup>2</sup>1977-78 Accounting Education Survey Questionnaire.

\*Doyle Z. Williams, *Accounting Education: A Statistical Survey, 1977-78* (New York: AICPA. Expected publication date 1978), Table 38.

If the proportion of master's degree graduates seeking employment in public accounting were to continue at about this 49% level, it would appear that the demand for graduates with master's degrees would exceed the supply.

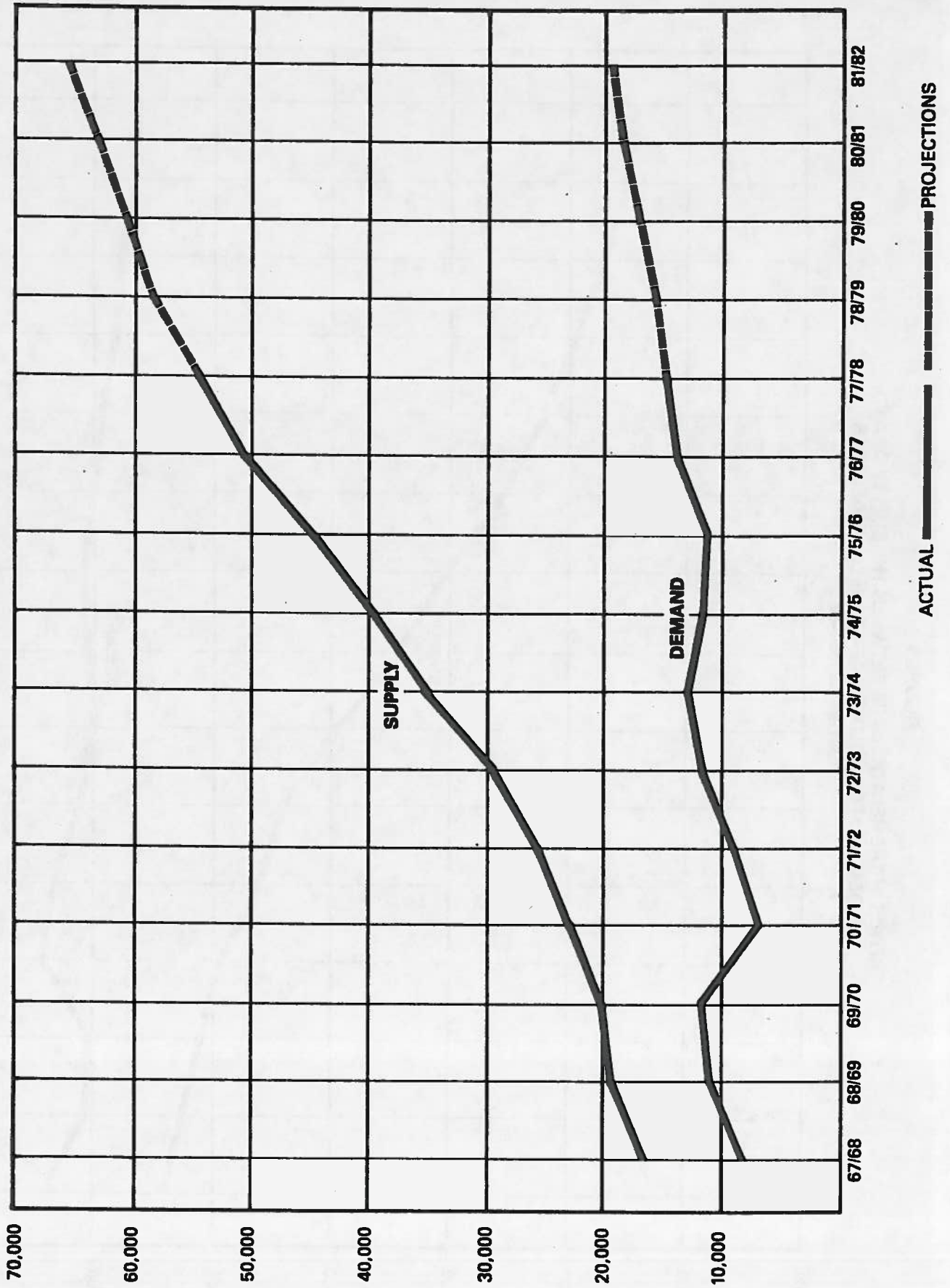
### *Long Term Trends*

Trends in the relationship between the supply of accounting graduates and the demand for public accounting recruits are shown in Figures 6 through 8 on the following pages. The actual numbers for the years 1967-68 through 1975-76 were derived from the earlier studies. Actual numbers for 1976-77 and projections through 1981-82 were derived from this year's study.

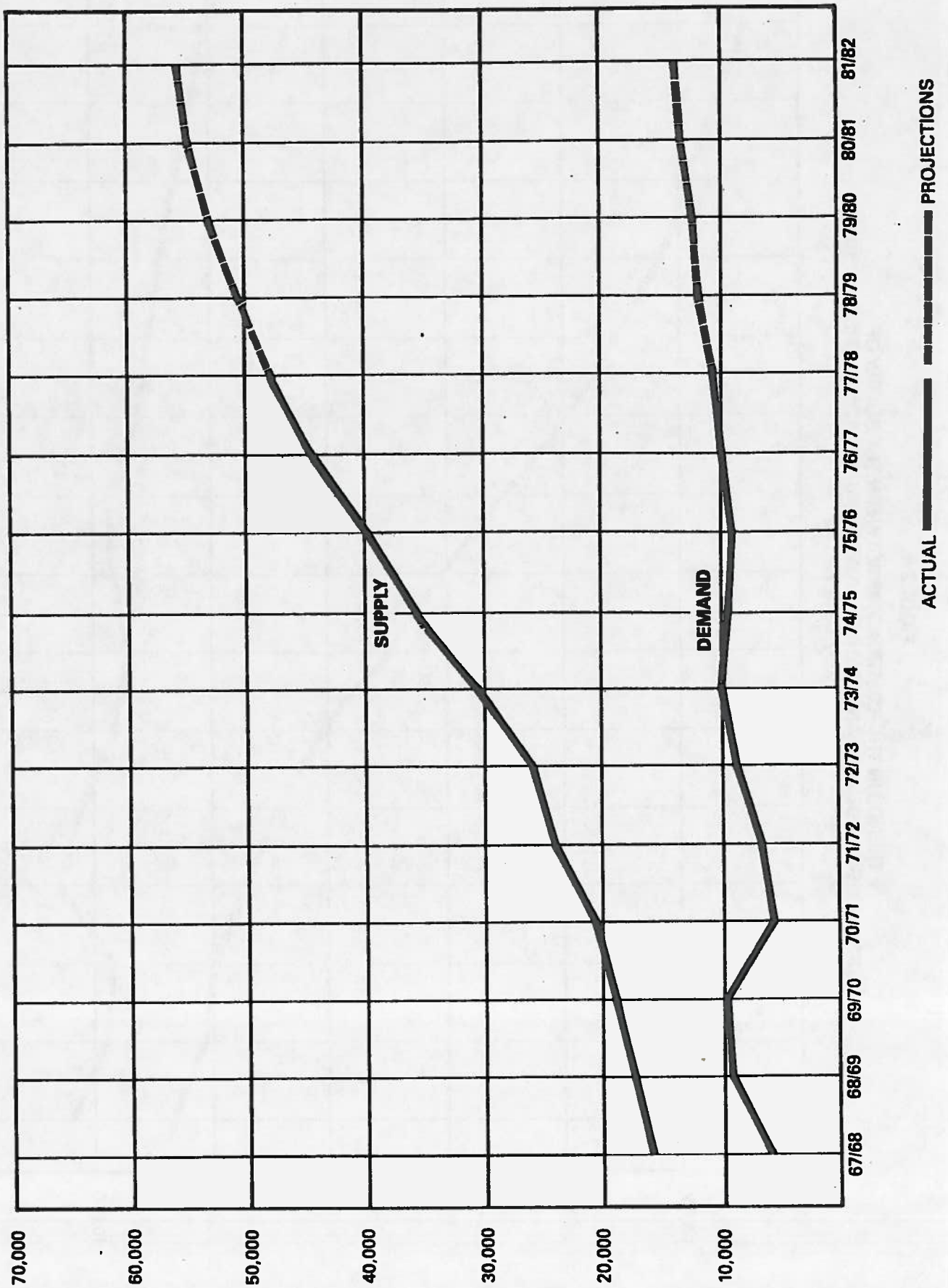
The relationship between the total supply and demand is shown in Figure 6. Figure 7 shows the relationship between the supply of and demand for holders of bachelor's degrees and Figure 8 the relationship between the supply of and demand for holders of master's degrees. It should be kept in mind that the supply figures refer to all graduates irrespective of whether or not they sought or will seek employment in public accounting.



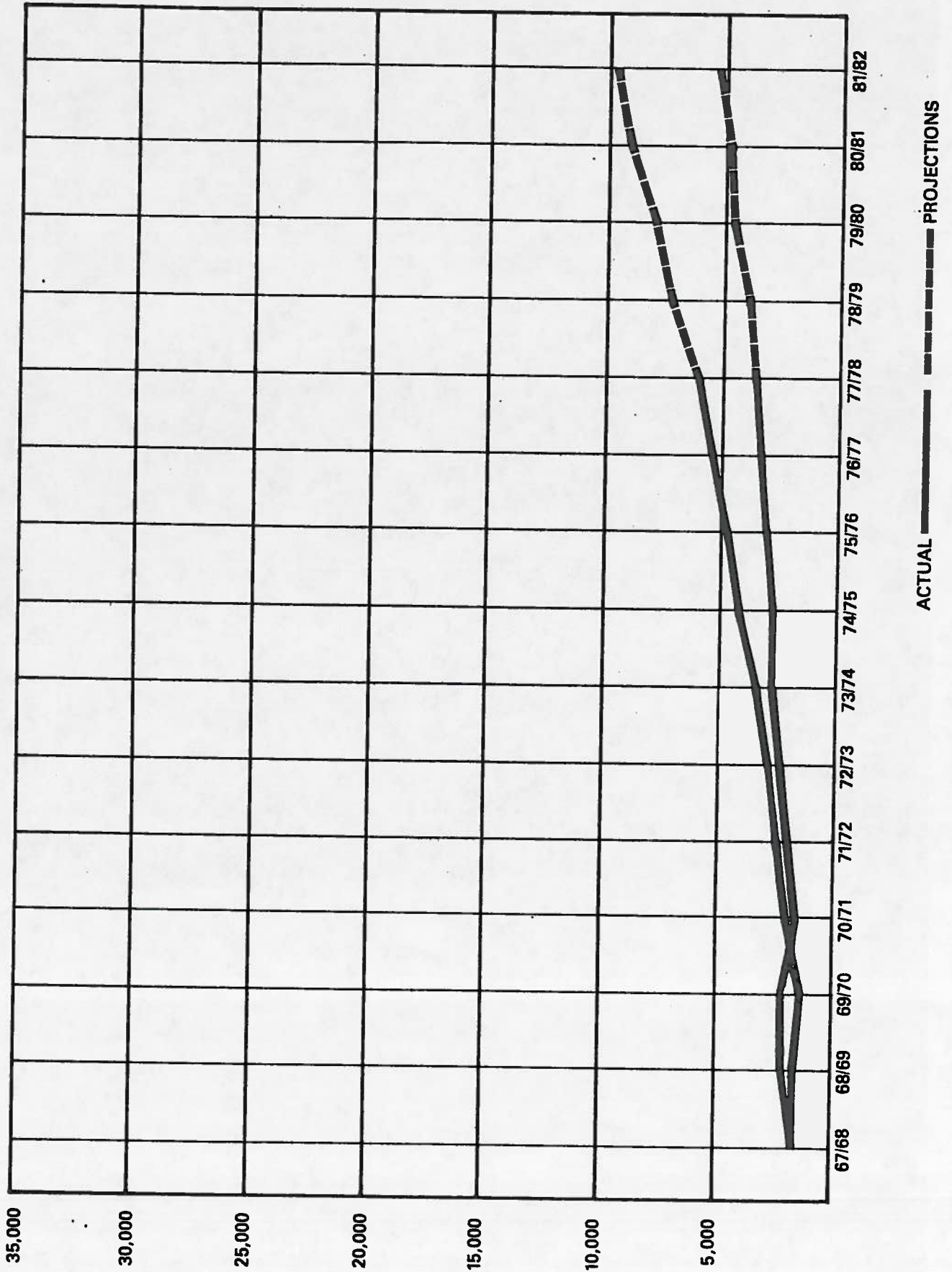
**FIGURE 6**  
**TRENDS IN THE RELATIONSHIP BETWEEN THE SUPPLY OF**  
**ACCOUNTING GRADUATES AND THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS**  
**1967-68 to 1981-82**



**FIGURE 7**  
**TRENDS IN THE RELATIONSHIP BETWEEN THE SUPPLY OF AND**  
**THE DEMAND FOR HOLDERS OF BACHELOR'S DEGREES**  
**1967-68 to 1981-82**



**FIGURE 8**  
**TRENDS IN THE RELATIONSHIP BETWEEN THE SUPPLY OF AND**  
**THE DEMAND FOR HOLDERS OF MASTER'S DEGREES**  
**1967-68 to 1981-82**



**APPENDICES**

**AICPA STUDY OF SUPPLY OF ACCOUNTING GRADUATES**

In the appropriate spaces below, please fill in the number of graduates who either majored, concentrated or otherwise specialized in accounting during 1976-77 and your projection of the number of such graduates for the next five years. All graduates should be listed whether or not they are expected to enter public accounting. The numbers for each ethnic group should be filled in for the academic years 1976-77 and 1977-78 only and should be a breakdown of the total number of graduates for those years.

	Bachelors Degree		Masters Degrees		Doctoral Degree		Total		Of the sum recorded in the "total" column, how many are:					
	Male	Female	Male	Female	Male	Female	Male	Female	American Indians	Asians	Blacks	Hispanics		
1976-77														
1977-78														
1978-79														
1979-80														
1980-81														
1981-82														

Please check:  AACSB Member School or  AACSB Assembly School

Please check:  Public Institution or  Private Institution

Name of Institution \_\_\_\_\_  
 City and State \_\_\_\_\_

Please use the reverse side of this form for comments.  
 Return the form in the enclosed self-addressed envelope.

**STATES PER REGION**

<b>New England</b>	<b>North Central</b>	<b>South</b>	<b>Pacific</b>
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		

AICPA STUDY OF DEMAND FOR PUBLIC ACCOUNTANTS

For those hires with Bachelors or Masters degrees, please fill in the number of inexperienced professional employees (or those who have had only nominal experience such as internships or part-time work) that your firm hired during 1976-77 and your projected requirements for the next five years. For those hires with doctoral degrees, please fill in the number irrespective of the hiree's previous work experience. Do not include hirees from other professions, such as law and engineering, who have not either majored, concentrated or otherwise specialized in accounting.

	Bachelors Degree		Masters Degree		Doctoral Degree		Total		Of the sum recorded in the "total" column, how many are:				
	Male	Female	Male	Female	Male	Female	Male	Female	American Indians	Asians	Blacks	Hispanics	
1976-77													
1977-78													
1978-79													
1979-80													
1980-81													
1981-82													

Please use the reverse side of this form for comments.  
Return the form in the enclosed self-addressed envelope.





