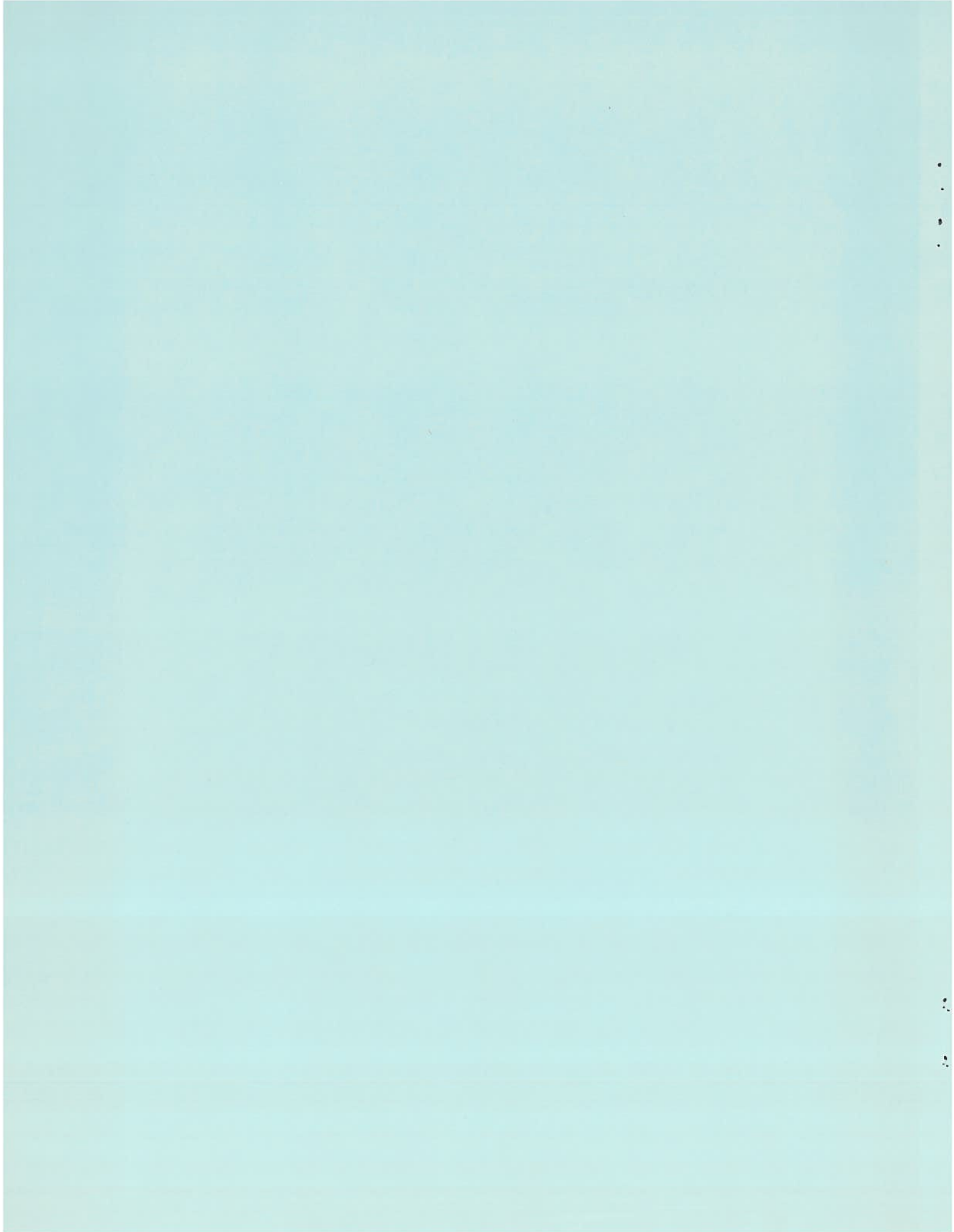


**The Supply of Accounting Graduates
and
The Demand for Public Accounting Recruits**

1979

**Prepared by
James H. MacNeill
and
Mary McInnes**

**American Institute of Certified Public Accountants
1211 Avenue of the Americas, New York, New York 10036**



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INTRODUCTION

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

In 1979, the Institute surveyed a stratified sample of 146 accounting firms as to their manpower needs for the period 1977-78 through 1982-83. A survey was also conducted of 590 colleges and universities to determine the expected number of accounting graduates for the same period.

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 or a concentration in accounting.

Summary of the Findings

- The number of accounting graduates with bachelor's and master's degrees is expected to increase over the years covered in the survey.
- The rate of growth for bachelor's degrees in accounting is expected to decline after 1978-79.
- Master's degrees are expected to increase at a higher rate in the earlier years, but the rate is expected to decline around 1980-81.
- The number of graduates with doctoral degrees in accounting is expected to increase by about 50% by 1982-83.
- The public accounting demand for holders of bachelor's and master's degrees is expected to increase over the five-year projected period.
- The supply of and the public accounting demand for female graduates with bachelor's and master's degrees will increase substantially over the years covered in the survey.
- The proportion of accounting graduates expected to be recruited by the public accounting sector of the profession will rise from 29% in 1977-78 to 32% in 1982-83.
- A substantially greater percentage of the accounting graduates with master's degrees than of those with bachelor's degrees in accounting will be hired by the public accounting firms.

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 202 were accredited schools and 330 non-accredited schools. Responses were received from 157 AACSB accredited schools and 205 AACSB non-accredited schools. Questionnaires were also sent to 58 schools which were not AACSB members, and 38 responses were received (Table 1).

TABLE 1
NUMBERS OF SCHOOLS IN THE SURVEY

	AACSB		Non-AACSB	Total
	Accredited*	Non-Accredited		
Number of questionnaires mailed in the 1979 survey	<u>202</u>	<u>330</u>	<u>58</u>	<u>590</u>
Schools responding in 1979	157	205	38	400**
Schools responding in any of the preceding 3 years but not in 1979	<u>41</u>	<u>93</u>	<u>—</u>	<u>134</u>
Number of schools represented in the data	198	298	38	534

* Accredited as to either bachelors or masters, or both.

** One school reported information on doctoral degrees only.

In the 1979 survey, participants were again asked to indicate the number of accounting graduates for the preceding academic year and to predict the supply for the next five years. Accordingly, this year's survey covered the academic years 1977-78 through 1982-83. Participants were also 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.

Methodology

Some schools responding to the 1979 survey failed to supply data for all years requested; the numbers of degrees for those missing years were estimated. For those schools that had responded to any of the preceding three years' surveys but not to the 1979 survey, the last figures submitted by these schools are included in the current compilations and estimates were made for the years not covered by the earlier surveys.

Estimates were calculated by giving equal weight to two factors: (1) extrapolation of the latest reported data applying a zero growth rate, and (2) extrapolation by calculating a composite weighted growth rate based on an aggregation of the actual reported year-to-year data. The figures shown in the tables are derived from using the midpoints between each of these two calculations. 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

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 9% in 1978-79 to 2% in 1982-83. Master's degrees are expected to increase at a higher rate in the earlier years, but to drop steadily beginning in 1980-81.

TABLE 2
SUPPLY OF ACCOUNTING GRADUATES
FROM ALL SCHOOLS
1977-78 to 1982-83

	Bachelor's		Master's		Total Supply	
	(516 schools)		(273 schools)		(533 schools)	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1977-78	46,000		5,670		51,670	
1978-79	50,070	+9%	6,300	+11%	56,370	+9%
1979-80	52,780	+5%	7,290	+16%	60,070	+7%
1980-81	54,900	+4%	8,260	+13%	63,160	+5%
1981-82	56,230	+2%	9,170	+11%	65,400	+4%
1982-83	57,140	+2%	9,910	+ 8%	67,050	+3%

Comparing the results of this year's survey with that of last year indicates that, in general, the numbers of bachelor's degrees expected to be awarded during the years common to both studies are approximately the same for both years' surveys. On the other hand, the numbers of master's degrees expected to be awarded were estimated at substantially lower numbers in the most recent survey as compared with those numbers reported last year.

The numbers of bachelor's and master's degrees estimated to have been awarded in 1977-78 as reported in the current survey are substantially lower than the numbers reported

in last year's survey. These re-estimates impacted the calculated rate of growth between 1977-78 and 1978-79. Except for this impact, the rates of growth compare as follows. For bachelor's degrees, they were approximately the same in both years' surveys. For master's degrees, however, the growth rates shown in the current year's survey were higher than those shown in last year's survey.

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.

Growth rates for bachelor's degrees awarded in accounting are expected to decline in both AACSB accredited and in non-AACSB accredited schools (Tables 3 and 4). Growth rates for master's degrees awarded are expected to peak for both groups of schools within a year of each other and to begin to decline thereafter. However, the yearly rates of increase in the non-AACSB accredited schools are expected to be higher than those in the AACSB accredited schools.

As the AACSB accredits bachelor's and master's programs separately, a school with an AACSB accredited bachelor's program and a non-accredited master's program is represented in both tables. In those cases, the numbers of bachelor's degrees are reported in Table 3 while the numbers of master's degrees for the same schools are reported in Table 4. As a result, the totals of the numbers of schools accounted for in the two tables exceed the number of schools included in the survey.

TABLE 3
SUPPLY OF ACCOUNTING GRADUATES
FROM AACSB ACCREDITED SCHOOLS
1977-78 to 1982-83

	<u>Bachelor's</u>		<u>Master's</u>		<u>Total Supply</u>	
	<u>(184 schools)</u>		<u>(124 schools)</u>		<u>(197 schools)</u>	
	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>
1977-78	26,400		3,250		29,650	
1978-79	28,160	+ 7%	3,490	+ 7%	31,650	+ 7%
1979-80	29,110	+ 3%	3,870	+11%	32,980	+ 4%
1980-81	29,760	+ 2%	4,370	+13%	34,130	+ 3%
1981-82	30,150	+ 1%	4,760	+ 9%	34,910	+ 2%
1982-83	30,520	+ 1%	5,100	+ 7%	35,620	+ 2%

TABLE 4
SUPPLY OF ACCOUNTING GRADUATES
FROM AACSB NON-ACCREDITED SCHOOLS
AND NON-AACSB SCHOOLS
1977-78 to 1982-83

	<u>Bachelor's</u>		<u>Master's</u>		<u>Total Supply</u>	
	<u>(332 schools)</u>		<u>(149 schools)</u>		<u>(380 schools)</u>	
	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>
1977-78	19,600		2,420		22,020	
1978-79	21,910	+12%	2,810	+16%	24,720	+12%
1979-80	23,670	+ 8%	3,420	+22%	27,090	+10%
1980-81	25,140	+ 6%	3,890	+14%	29,030	+ 7%
1981-82	26,080	+ 4%	4,410	+13%	30,490	+ 5%
1982-83	26,620	+ 2%	4,810	+ 9%	31,430	+ 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's degree graduates are expected to grow more slowly in the private than in the public institutions.

The expected rate of growth in both public and private schools after 1980 is indicated to be higher in this year's survey as compared to last year's survey.

TABLE 5
SUPPLY OF ACCOUNTING GRADUATES
WITH BACHELOR'S DEGREES
FROM ALL PUBLIC & PRIVATE SCHOOLS
1977-78 to 1982-83

	<u>Public</u>		<u>Private</u>	
	<u>(317 schools)</u>		<u>(199 schools)</u>	
	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>
1977-78	32,890		13,110	
1978-79	36,060	+10%	14,010	+ 7%
1979-80	37,780	+ 5%	15,000	+ 7%
1980-81	39,390	+ 4%	15,510	+ 3%
1981-82	40,240	+ 2%	15,990	+ 3%
1982-83	40,900	+ 2%	16,240	+ 2%

TABLE 6
SUPPLY OF ACCOUNTING GRADUATES
WITH MASTER'S DEGREES
FROM ALL PUBLIC & PRIVATE SCHOOLS
1977-78 to 1982-83

	<u>Public</u>		<u>Private</u>	
	(183 schools)		(90 schools)	
	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>
1977-78	2,850		2,820	
1978-79	3,210	+13%	3,090	+10%
1979-80	3,830	+19%	3,460	+12%
1980-81	4,490	+17%	3,770	+ 9%
1981-82	5,130	+14%	4,040	+ 7%
1982-83	5,650	+10%	4,260	+ 5%

The analysis of bachelor's degrees by geographical region (Table 7) shows very little difference in trends between the Eastern, North Central and Pacific regions. The Southern region, however, is predicting a greater rate of growth after 1980 than the other three regions. Master's degrees (Table 8) are also expected to grow more rapidly in the Southern region. 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
1977-78 to 1982-83

	<u>Eastern</u>		<u>North Central</u>		<u>Southern</u>		<u>Pacific</u>	
	(114 schools)		(149 schools)		(192 schools)		(61 schools)	
	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>	<u>Number of</u> <u>Degrees</u>	<u>Rate of</u> <u>Growth</u>
1977-78	12,200		13,290		13,810		6,700	
1978-79	13,190	+ 8%	14,480	+ 9%	15,300	+11%	7,100	+ 6%
1979-80	14,200	+ 8%	15,090	+ 4%	16,130	+ 5%	7,360	+ 4%
1980-81	14,660	+ 3%	15,590	+ 3%	16,980	+ 5%	7,670	+ 4%
1981-82	14,880	+ 2%	15,940	+ 2%	17,640	+ 4%	7,770	+ 1%
1982-83	14,930	0	16,010	0	18,260	+ 4%	7,940	+ 1%

TABLE 8
SUPPLY OF ACCOUNTING GRADUATES
WITH MASTER'S DEGREES
BY REGION
1977-78 to 1982-83

	<u>Eastern</u>		<u>North Central</u>		<u>Southern</u>		<u>Pacific</u>	
	(67 schools)		(74 schools)		(89 schools)		(43 schools)	
	<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>
1977-78	2,170		1,620		1,200		680	
1978-79	2,370	+ 9%	1,730	+ 7%	1,460	+22%	740	+ 9%
1979-80	2,670	+13%	1,980	+14%	1,760	+21%	880	+19%
1980-81	2,910	+ 9%	2,270	+15%	2,080	+18%	1,000	+14%
1981-82	3,130	+ 8%	2,500	+10%	2,400	+15%	1,140	+14%
1982-83	3,330	+ 6%	2,660	+ 6%	2,670	+11%	1,250	+10%

Doctoral Degrees

Because of the small numbers involved, doctoral degrees are reported in actual numbers without rounding and growth rates are not shown. No attempt was made to estimate the numbers of doctoral degrees expected to be awarded by schools not responding to that part of the 1979 questionnaire.

In total, 60 institutions reported on doctorate's, all but three of which have one or more programs accredited by AACSB. Overall, reporting schools are predicting a substantial increase in the number of doctoral degrees in accounting by 1982-83. 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
1977-78 to 1982-83

	<u>Public</u>	<u>Private</u>	<u>Total Supply</u>
	(45 schools)	(15 schools)	(60 schools)
1977-78	120	16	136
1978-79	137	20	157
1979-80	167	28	195
1980-81	174	22	196
1981-82	179	29	208
1982-83	180	32	212

On a regional basis (Table 10), the Southern region reported the greatest numbers of doctoral degrees with the North Central ranking second. In comparison with last year's survey (to which 54 schools responded), this year's survey indicates a greater number of degrees for the North Central and Eastern regions for 1979-80 and later years. The number of degrees reported by the Pacific region was about the same in both year's surveys. However, the figures reported this year by the Southern region show a substantial decrease, compared with last year's predictions.

TABLE 10
SUPPLY OF ACCOUNTING GRADUATES
WITH DOCTORAL DEGREES BY REGION
1977-78 to 1982-83

	<u>Eastern</u> (11 schools)	<u>North Central</u> (15 schools)	<u>Southern</u> (24 schools)	<u>Pacific</u> (10 schools)	<u>Total Supply</u> (60 schools)
1977-78	20	41	59	16	136
1978-79	19	58	61	19	157
1979-80	24	70	77	24	195
1980-81	24	80	76	16	196
1981-82	25	80	85	18	208
1982-83	27	88	74	23	212

Male/Female Data

Of the 400 schools that responded to the 1979 survey, 301 schools gave some detail concerning the numbers of male and female graduates. Not all respondents gave this information for all years requested on the questionnaire; a significant number supplied the male/female data for only the earlier years. As a result the numbers of degrees reported for each year in the survey are not comparative because each year's total degrees represents a different number of schools. Therefore the actual numbers of degrees are not reported here. Instead, only the male/female percentage distributions for each year are shown in Table 11.

In general, the trends shown in this year's survey are approximately the same as those of last year's survey, that is, a gradual increase in the proportion of female graduates. However, the percentages of doctoral degrees represented by females in the 1977-78 and 1978-79 years are dramatically lower in this year's survey as compared with last year's. The 1978 survey showed these as 18% and 24% respectively, while the 1979 survey percentages were reported as 11% and 19%, respectively.

TABLE 11

**RELATIONSHIP BETWEEN THE SUPPLY OF MALE AND
FEMALE GRADUATES BY DEGREE
1977-78 to 1982-83**

	<u>Bachelor's</u>		<u>Master's</u>		<u>Doctorate's</u>		<u>All Degrees</u>	
	<u>(297 schools)</u>		<u>(148 schools)</u>		<u>(47 schools)</u>		<u>(301 schools)</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
1977-78	69%	31%	75%	25%	89%	11%	70%	30%
1978-79	67%	33%	72%	28%	81%	19%	68%	32%
1979-80	66%	34%	69%	31%	75%	25%	66%	34%
1980-81	64%	36%	67%	33%	77%	23%	65%	35%
1981-82	63%	37%	66%	34%	75%	25%	63%	37%
1982-83	63%	37%	66%	34%	72%	28%	63%	37%

Ethnic Data

In consideration of the difficulty of making long-range projections, the schools were requested to give a breakdown by ethnic backgrounds for 1977-78 and 1978-79 only. Table 12 shows the data reported by 273 schools. 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. Compared to the data reported in the 1978 survey, the percentages of minority graduates are shown to be higher in the current year's survey.

TABLE 12

**SUPPLY OF ACCOUNTING GRADUATES
BY ETHNIC BACKGROUNDS
FOR 1977-78 AND 1978-79
(AS REPORTED BY 273 SCHOOLS)**

	<u>American Indians</u>	<u>Asians</u>	<u>Blacks</u>	<u>Hispanics</u>	<u>Total</u>	<u>Total Supply Reported</u>	<u>%</u>
1977-78	34	815	1,528	656	3,033	27,117	11.2%
1978-79	46	961	1,867	780	3,654	29,695	12.3%

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 1976-77. The actual numbers for 1977-78 and the projections through 1982-83 were derived from the current year's study. These data are shown in Figure 1. A comparison of the trends for AACSB accredited and non-AACSB 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 1982-83

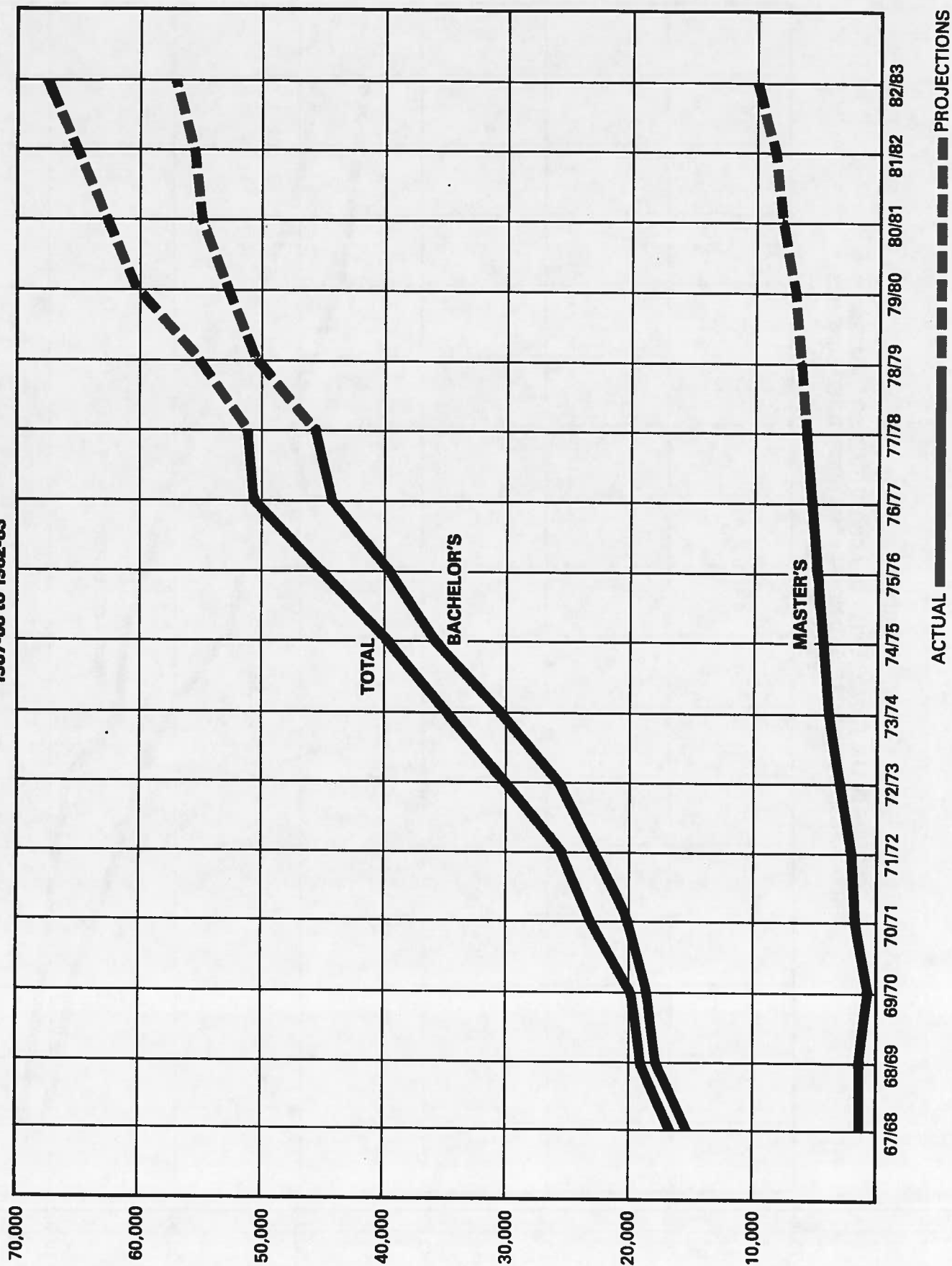


FIGURE 2
TRENDS IN THE TOTAL SUPPLY OF ACCOUNTING GRADUATES
FROM AACSB ACCREDITED AND NON-AACSB ACCREDITED SCHOOLS
1967-68 to 1982-83

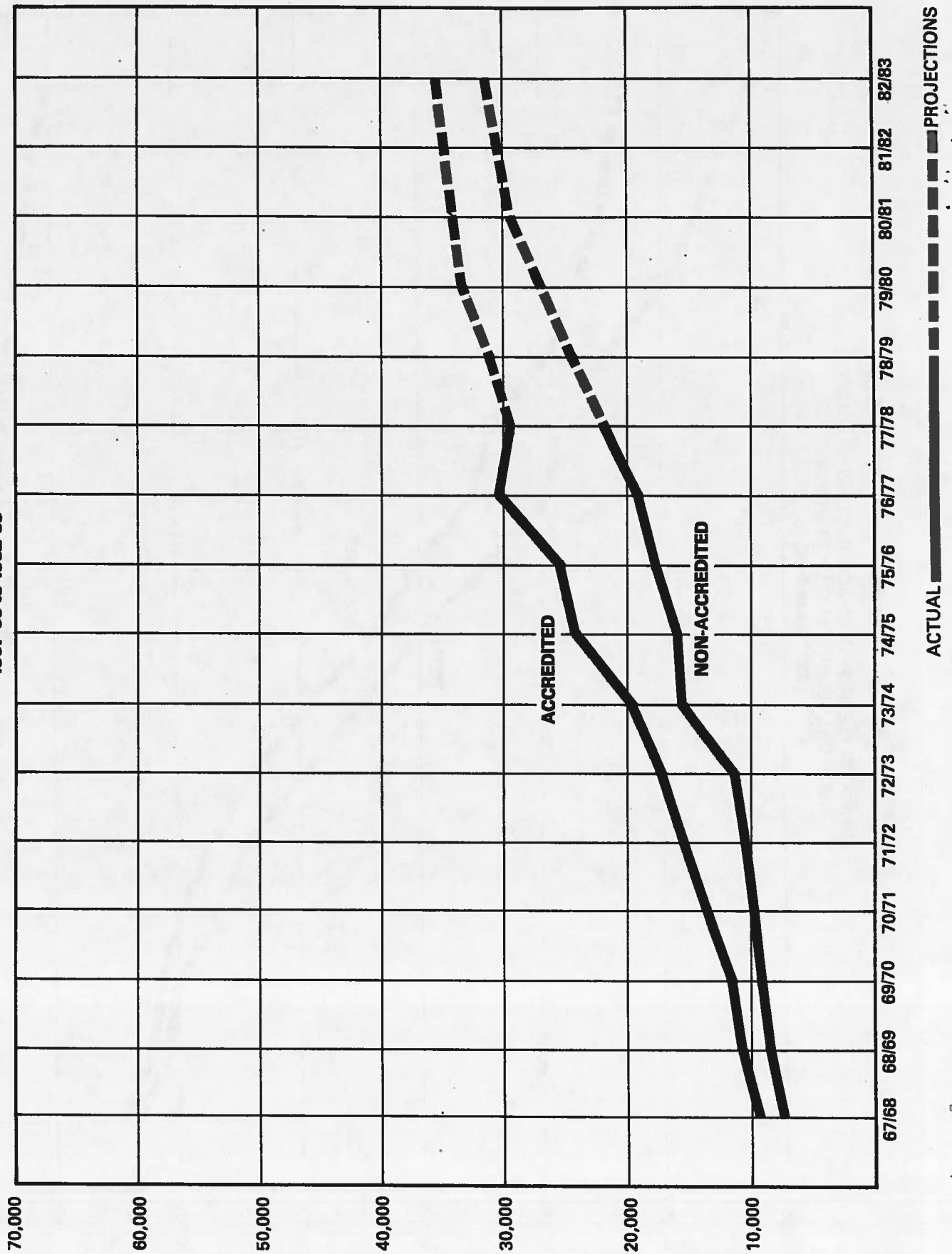


FIGURE 3
TRENDS IN THE TOTAL SUPPLY OF ACCOUNTING GRADUATES
FROM THE PUBLIC AND PRIVATE SCHOOLS
1967-68 to 1982-83

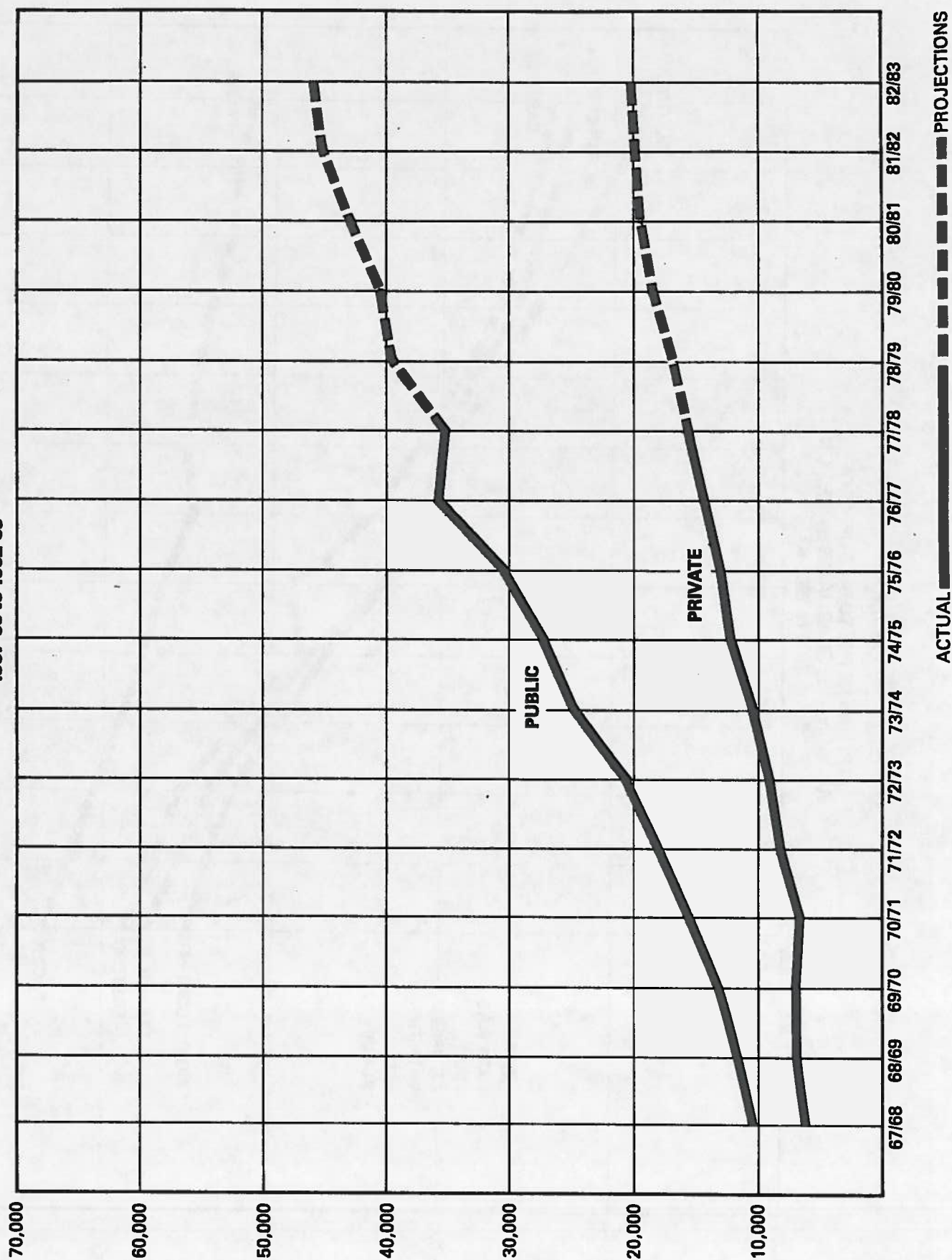
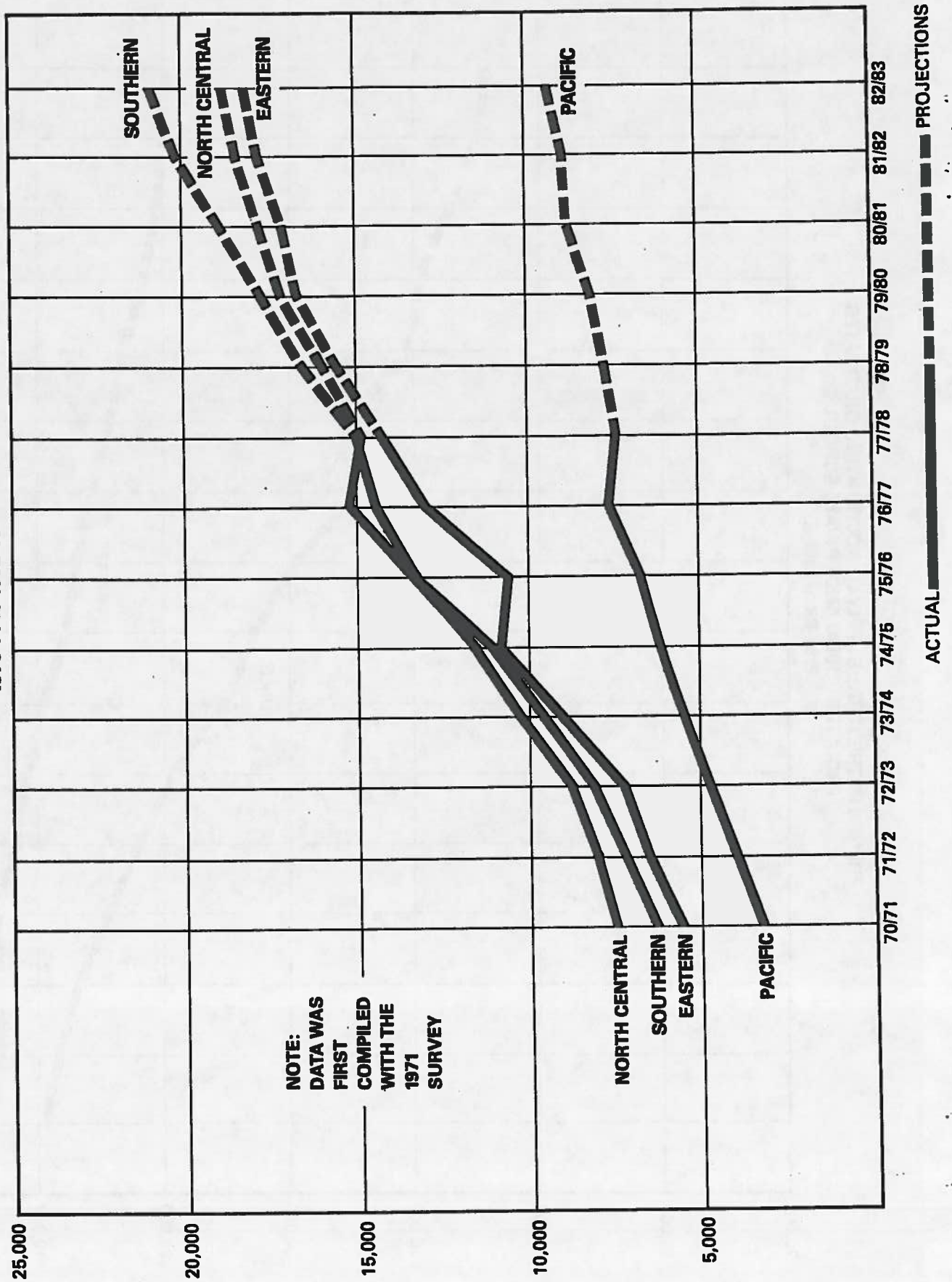


FIGURE 4
TRENDS IN THE TOTAL SUPPLY OF
ACCOUNTING GRADUATES BY REGION
1970-71 to 1982-83



THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

The Survey

To obtain data on the demand for public accounting recruits, 146 accounting firms of various sizes were surveyed, of which 111 (76%) 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 were used to extrapolate the demand of all public accounting firms with 10 or more AICPA members. A summary of the number of firms is presented in Table 13. A copy of the public accounting demand questionnaire appears as Appendix C.

TABLE 13
PUBLIC ACCOUNTING FIRMS PARTICIPATING
IN THE 1979 DEMAND STUDY

<u>Number of Individual AICPA Members</u>	<u>Total Number of Firms</u>	<u>Number of Firms Surveyed</u>	<u>Number of Firms Responding</u>
More than 200	17	17	16
50 – 200	18	18	15
30 – 49	38	38	33
10 – 29	<u>507</u>	<u>73</u>	<u>47</u>
Total	580	146	111

Results of the Survey

Bachelor's and Master's Degrees

The results of the 1979 public accounting demand study are presented in Table 14.

TABLE 14
DEMAND FOR PUBLIC ACCOUNTING RECRUITS
1977-78 to 1982-83

	<u>Bachelor's</u>		<u>Master's</u>		<u>Total Demand</u>	
	<u>Number of Recruits</u>	<u>Rate of Growth</u>	<u>Number of Recruits</u>	<u>Rate of Growth</u>	<u>Number of Recruits</u>	<u>Rate of Growth</u>
1977-78	11,660		3,310		14,970	
1978-79	12,150	+ 4%	3,860	+17%	16,010	+ 7%
1979-80	12,750	+ 5%	4,490	+16%	17,240	+ 8%
1980-81	14,130	+11%	4,910	+ 9%	19,040	+10%
1981-82	15,100	+ 7%	5,450	+11%	20,550	+ 8%
1982-83	15,830	+ 5%	5,910	+ 8%	21,740	+ 6%

Comparison of these results to those shown in the 1978 study indicates an increase in the estimate of public accounting demand for holders of bachelor's degrees in accounting for all years common to the surveys of both years. This year's estimates of demand for holders of master's degrees in accounting, however, are less than predicted last year for 1977-78 and 1978-79, but current estimates for 1979-80 and later years are higher than estimated last year. Also, the rate of growth in the demand for master's recruits by public accounting firms is shown to be higher in this year's survey as compared to the growth rates shown in last year's survey.

Table 15 shows the expected percentages of public accounting recruits holding master's degrees. This percentage is shown to be higher for the firms with over 200 Institute members than for the smaller firms. Compared to the results of the 1978 survey, the current survey indicates a greater demand for master's degree graduates by the firms with less than 50 Institute members, and a lesser demand for master's degree graduates by the firms with more than 200 Institute members.

TABLE 15
PERCENTAGE OF NEW EMPLOYEES
EXPECTED TO HOLD MASTER'S DEGREES
1977-78 to 1982-83

	<u>Over 200 Institute Members</u>	<u>50 to 200 Institute Members</u>	<u>Less than 50 Institute Members</u>	<u>All Firms</u>
1977-78	24.8%	8.3%	11.9%	22.1%
1978-79	26.5%	11.0%	14.9%	24.1%
1979-80	28.7%	12.2%	13.6%	26.0%
1980-81	28.7%	12.1%	12.3%	25.8%
1981-82	29.6%	12.1%	12.2%	26.5%
1982-83	30.3%	12.4%	12.9%	27.2%

Doctoral Degrees

For the second time in this series of supply and demand studies, firms were asked to give information as to recruits with doctoral degrees in accounting. Consistent with last year's survey results, the demand for doctorates in public accounting was shown to be almost non-existent, that is, only a total of 7 recruits for all years included in the study.

Male/Female Data

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

Of the 111 responding firms, 71 firms reported information on the breakdown by sex, by level of degree. The actual numbers of degrees reported in 1979, without extrapolation of the demand for male and female recruits of all public accounting firms are summarized in Table 16. It shows that the demand by reporting firms for female recruits is expected to increase substantially over the years included in the survey. The relationship between the demand for male and female recruits is shown in Table 17. It can be seen that, compared to the master's degree recruits, a greater percentage of bachelor's degree recruits are expected to be females.

TABLE 16
DEMAND FOR PUBLIC ACCOUNTING RECRUITS
WITH BACHELOR'S AND MASTER'S DEGREES
BY SEX
(AS REPORTED BY 71 FIRMS)
1977-78 to 1982-83

	<u>Male</u>		<u>Female</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>
1977-78	4,000	1,360	1,510	480	5,510	1,840
1978-79	4,320	1,620	1,820	580	6,140	2,200
1979-80	4,440	1,800	2,050	660	6,490	2,460
1980-81	4,660	1,930	2,240	740	6,900	2,670
1981-82	4,920	2,090	2,420	830	7,340	2,920
1982-83	5,180	2,220	2,630	920	7,810	3,140

TABLE 17
RELATIONSHIP BETWEEN THE PUBLIC ACCOUNTING DEMAND
FOR MALE & FEMALE RECRUITS
BY DEGREES
(AS REPORTED BY 71 FIRMS)
1977-78 to 1982-83

	<u>Bachelor's</u>		<u>Master's</u>		<u>All Degrees</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
1977-78	73%	27%	74%	26%	73%	27%
1978-79	70%	30%	74%	26%	71%	29%
1979-80	68%	32%	73%	27%	70%	30%
1980-81	68%	32%	72%	28%	69%	31%
1981-82	67%	33%	72%	28%	68%	32%
1982-83	66%	34%	71%	29%	68%	32%

Ethnic Data

Forty-nine firms reported a breakdown by ethnic backgrounds for 1977-78 and 46 firms for 1978-79 and the results are shown in Table 18. 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. The percentages of minority recruits reported in this year's survey are higher than those shown in the 1978 survey.

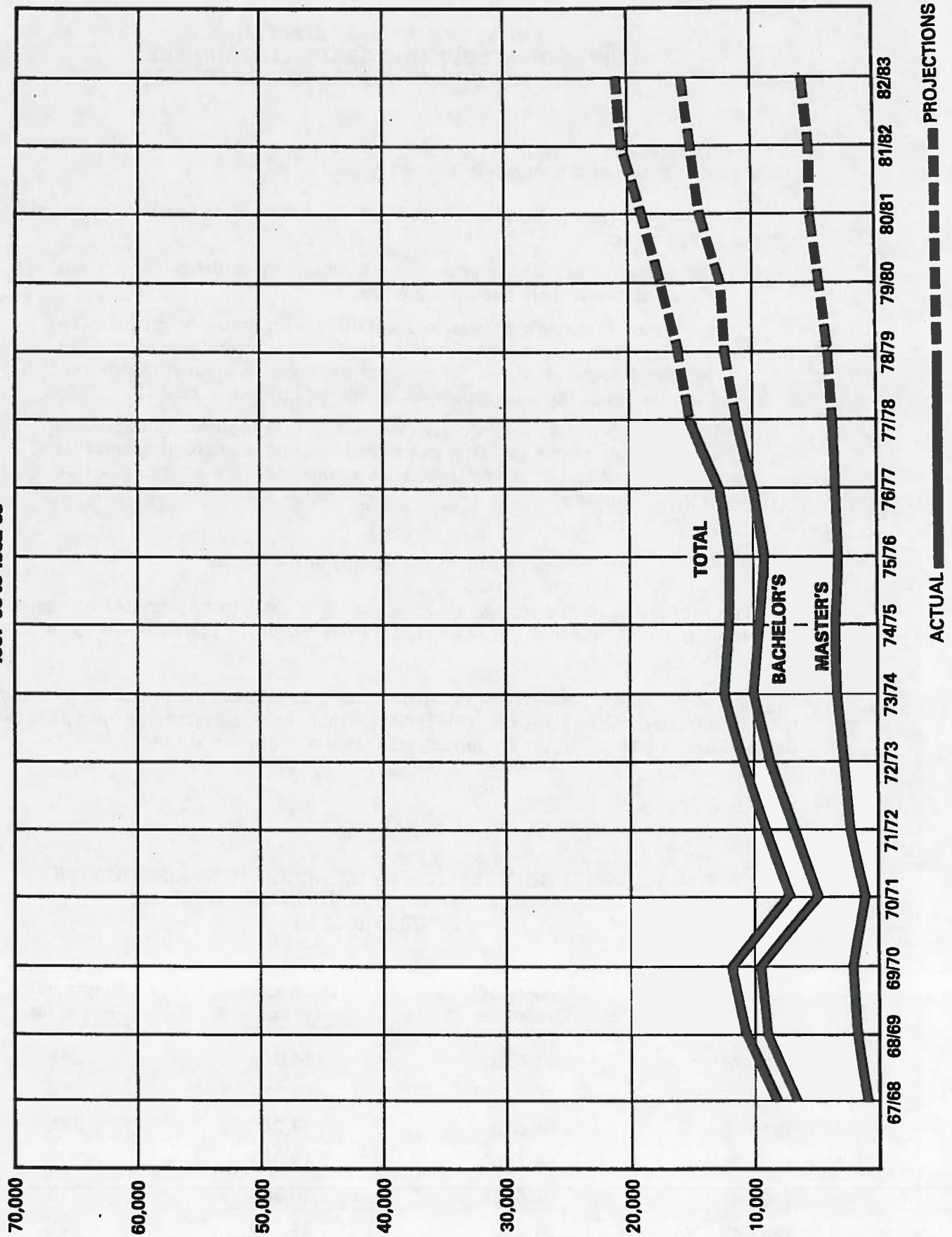
TABLE 18
DEMAND FOR PUBLIC ACCOUNTING RECRUITS
BY ETHNIC BACKGROUNDS
FOR 1977-78 AND 1978-79

	<u>American Indians</u>	<u>Asians</u>	<u>Blacks</u>	<u>Hispanics</u>	<u>Total</u>	<u>Total Demand Reported</u>	<u>%</u>
1977-78 (49 firms)	16	359	462	259	1,096	10,936	10.0%
1978-79 (46 firms)	19	346	500	293	1,158	12,455	9.3%

Long Term Trends

Figure 5 on the following page shows 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 1976-77 were derived from the earlier supply and demand studies. Actual numbers for 1977-78 and projections through 1982-83 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 1982-83



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 19 and 20.

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 in accounting who go on to graduate accounting 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. Also, some schools whose graduates enter public accounting have programs that are not identified as concentrations in accounting. This is especially true at the master's level.

Comparison of the Results of the Survey

The proportion of the supply of accounting graduates to be recruited by the public accounting sector is expected to rise from 29% to 32% over the years covered by the survey (Table 19).

The employment percentages reported in this year's survey are about 2% higher than the percentages reported last year. This indicates that the respondents are optimistic about the increased opportunities for accounting graduates in public accounting.

TABLE 19
RELATIONSHIP BETWEEN SUPPLY OF ACCOUNTING GRADUATES
AND DEMAND FOR PUBLIC ACCOUNTING RECRUITS
1977-78 to 1982-83

	<u>Supply of Graduates</u>	<u>Demand for Recruits</u>	<u>Employment Percentage</u>
1977-78	51,670	14,970	29%
1978-79	56,370	16,010	28%
1979-80	60,070	17,240	29%
1980-81	63,160	19,040	30%
1981-82	65,400	20,550	31%
1982-83	67,050	21,740	32%

Of particular significance is the sharp difference between the percentages of graduates with master's degrees expected to be recruited into public accounting and those with bachelor's degrees (Table 20). While only 25% to 28% 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 20
RELATIONSHIP BETWEEN SUPPLY OF & PUBLIC ACCOUNTING DEMAND FOR
HOLDERS OF BACHELOR'S DEGREES AND MASTER'S DEGREES
1977-78 to 1982-83

	Bachelor's			Master's		
	Supply	Demand	Employment Percentage	Supply	Demand	Employment Percentage
1977-78	46,000	11,660	25%	5,670	3,310	58%
1978-79	50,070	12,150	24%	6,300	3,860	61%
1979-80	52,780	12,750	24%	7,290	4,490	62%
1980-81	54,900	14,130	26%	8,260	4,910	59%
1981-82	56,230	15,100	27%	9,170	5,450	59%
1982-83	57,140	15,830	28%	9,910	5,910	60%

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 1976-77 were derived from the earlier studies. Actual numbers for 1977-78 and projections through 1982-83 were derived from this year's study.

The relationship between the total supply and public accounting 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 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 1982-83

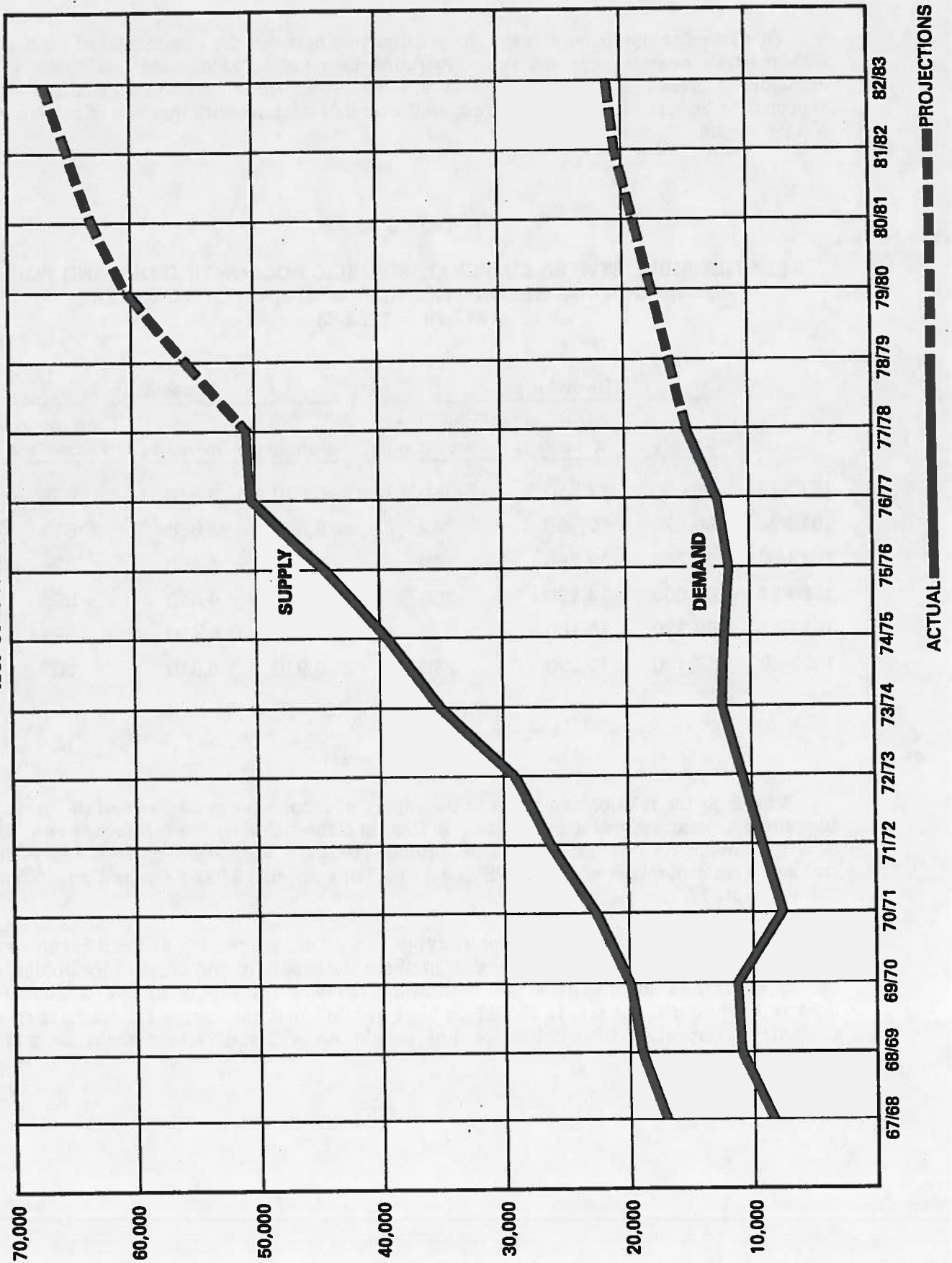


FIGURE 7
TRENDS IN THE RELATIONSHIP BETWEEN THE SUPPLY OF AND
THE PUBLIC ACCOUNTING DEMAND FOR HOLDERS OF BACHELOR'S DEGREES
1967-68 to 1982-83

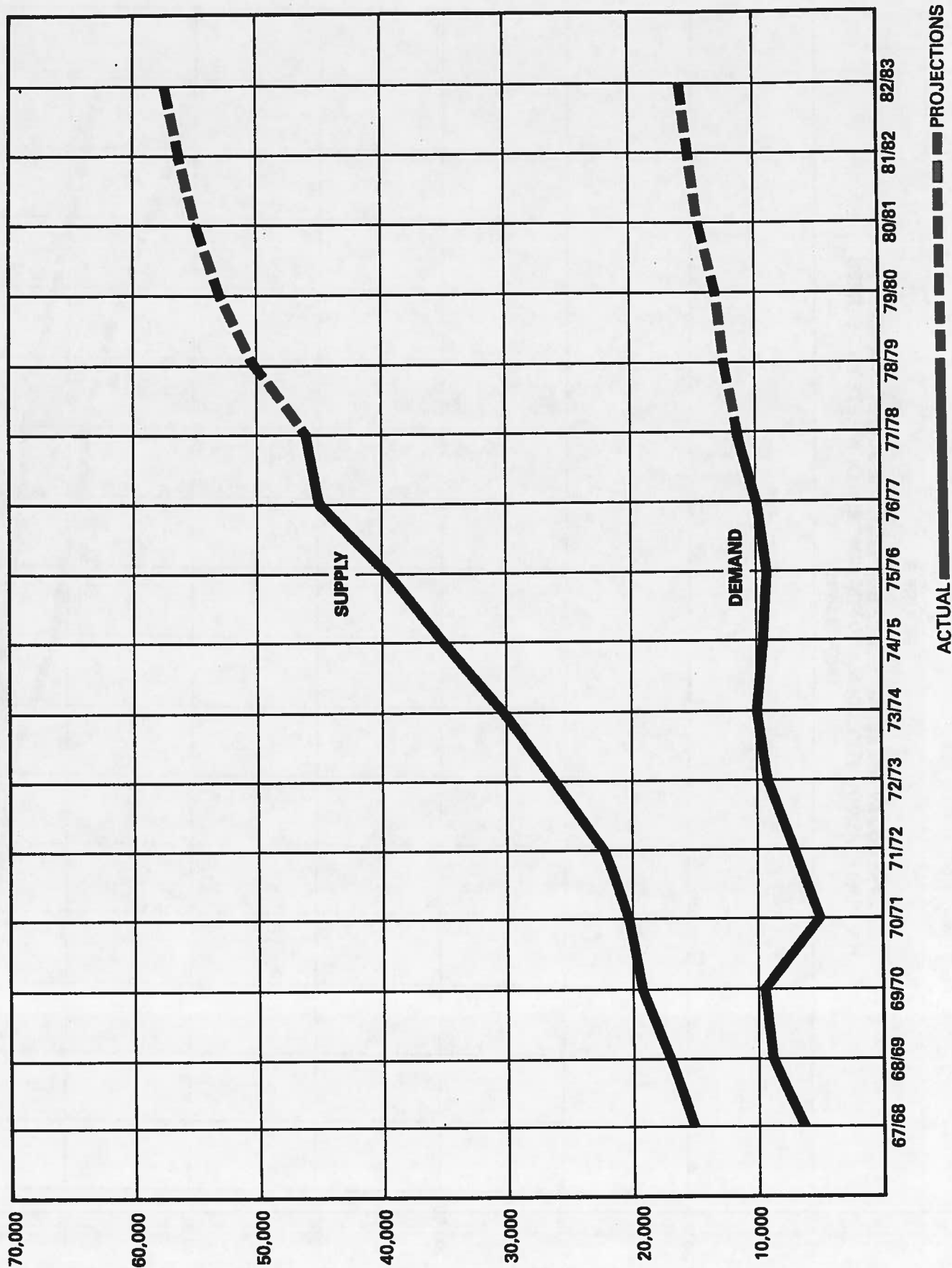
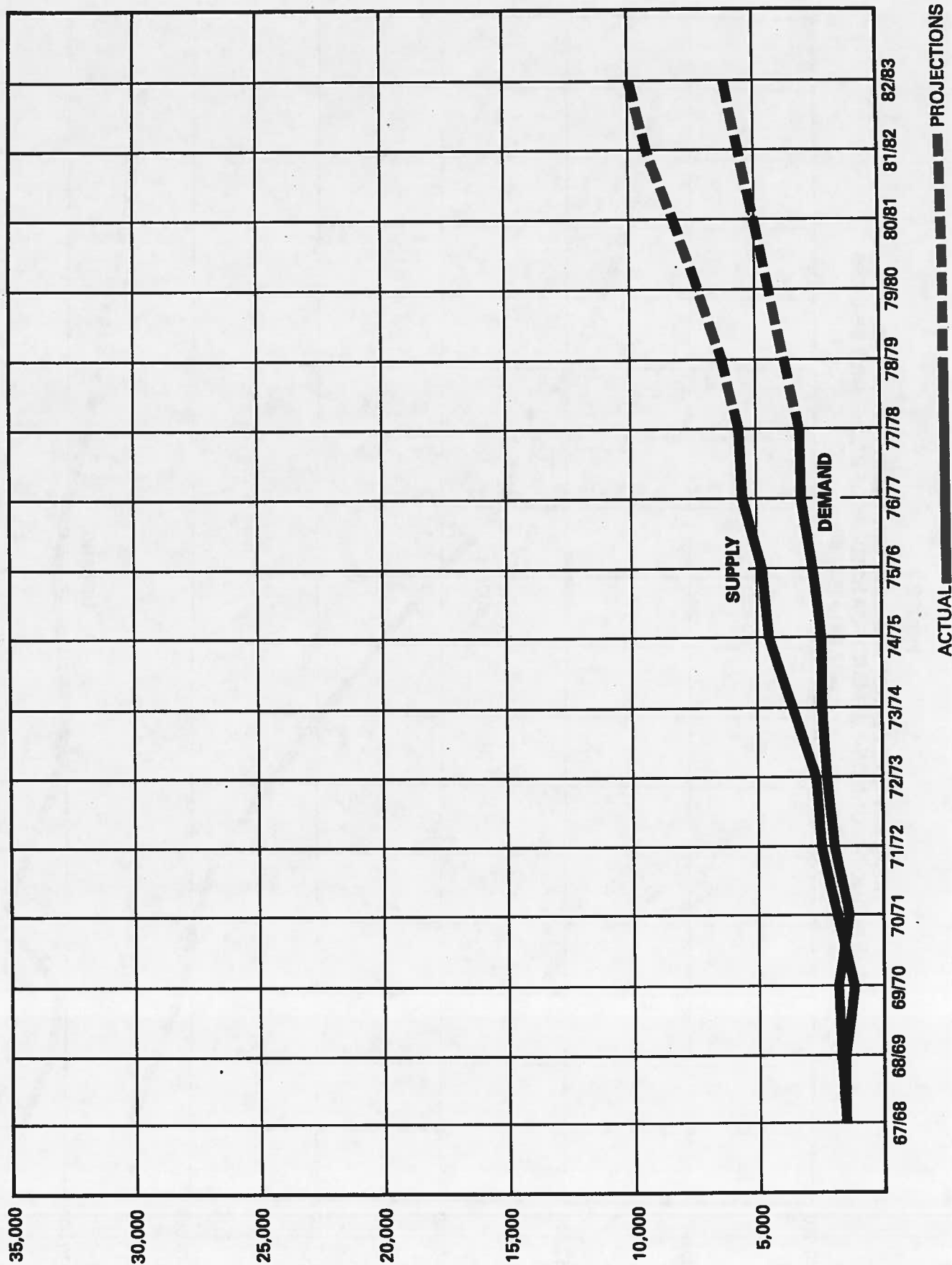


FIGURE 8
TRENDS IN THE RELATIONSHIP BETWEEN THE SUPPLY OF AND
THE PUBLIC ACCOUNTING DEMAND FOR HOLDERS OF MASTER'S DEGREES
1967-68 to 1982-83



APPENDICES

1979 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 1977-78 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 1977-78 and 1978-79 only and should be a breakdown of the total number of graduates for those years.

PLEASE NOTE: If you are not able to report the breakdowns by males and females, please report the numbers of degrees in the total columns.

	<u>Bachelors Degree</u>			<u>Masters Degree</u>			<u>Doctoral Degree</u>			<u>Grand Total</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total*</u>
1977-78	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1978-79	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1979-80	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1980-81	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1981-82	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1982-83	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

* Of the sums recorded in the "Grand Total" column, how many are:

	<u>American Indian</u>	<u>Asian</u>	<u>Black</u>	<u>Hispanic</u>
1977-78	_____	_____	_____	_____
1978-79	_____	_____	_____	_____

Please use the reverse side
of this form for comments.

Name of Institution _____

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City and State _____

Member of AACSB:

Accredited
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Masters only _____
Both _____

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1211 Avenue of the Americas
New York, New York 10036

Not accredited _____

Not a member of
AACSB _____

A self-addressed envelope is enclosed for your convenience.

**STATES COMPRISING THE REGIONS
BY WHICH THE SUPPLY IS ANALYZED IN
TABLES 7 AND 8**

<u>Eastern</u>	<u>North Central</u>	<u>Southern</u>	<u>Pacific</u>
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		

1979 AICPA STUDY OF DEMAND FOR PUBLIC ACCOUNTANTS

For those hirees 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 1977-78 and your projected requirements for the next five years. For those hirees 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. Even though some law degrees are considered to be doctoral level degrees, we want to exclude these from our compilations.

PLEASE NOTE: If you are not able to report the breakdowns by males and females, please report the numbers of degrees in the total columns.

	<u>Bachelors Degree</u>			<u>Masters Degree</u>			<u>Doctoral Degree</u>			<u>Grand Total</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total*</u>
1977-78												
1978-79												
1979-80												
1980-81												
1981-82												
1982-83												

* Of the sums recorded in the "Grand Total" column, how many are:

	<u>American Indian</u>	<u>Asian</u>	<u>Black</u>	<u>Hispanic</u>
1977-78				
1978-79				

Please use the reverse side
of this form for comments.

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