

1980

# Supply of accounting graduates and the demand for public accounting recruits, 1980

James H. MacNeill

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

**1980**

**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 tenth of these annual studies.

In 1980, the Institute surveyed a stratified sample of 172 public accounting firms (an increase of 26 firms over the 1979 survey) as to their professional employment needs for the period 1978-79 through 1983-84. A survey was also conducted of 663 colleges and universities to determine the expected number of accounting graduates for the same period. This number includes 73 schools which were surveyed this year for the first time, including 33 traditionally black and minority schools.

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, in other activities, or those who remain in education. In addition, respondents use their own definition of what constitutes a major or a concentration in accounting.

Where estimates reported in the 1980 survey were significantly different than those that had been reported in the 1979 survey, comparisons of the two years' estimates are shown. However, any two years' reports are not totally comparable because the universes surveyed have increased over the years. For example, in the case of the firms, there has been a trend toward an increase in the numbers of firms with 10 or more Institute members. Also, additional schools have been added to the list of schools surveyed. Comparability may also be affected by the fact that the data for firms with between 10 and 29 Institute members are derived from extrapolations based on samples and different firms comprised the samples selected each year. Those firms with 30 or more Institute members are surveyed in total, but not all those firms respond each year.

## **Summary of the Findings**

- The numbers of accounting graduates with bachelor's and master's degrees are expected to increase over the years covered in the survey.
- The rates of growth of bachelor's and master's degrees awarded in accounting are expected to decline. The rate of growth of master's degrees is expected to be greater than that for bachelor's degrees.
- Master's degrees awarded in accounting are expected to grow at a higher rate in the public schools, than in the private schools.
- The public accounting demand for bachelor's and master's degrees graduates 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 is expected to increase over the years covered by the survey. By 1983-84, women are expected to represent 39% of the supply of accounting graduates, and 34% of the public accounting demand for recruits.
- The proportion of accounting graduates expected to be recruited by the public accounting sector of the profession is expected to rise from 29% in 1979-80 to 32% in 1983-84.
- A substantially greater percentage of the accounting graduates with master's degrees than of those with bachelor's degrees in accounting are expected to be hired by the public accounting firms.

For those years common to both surveys, a comparison of the estimates reported by the schools in the 1980 and 1979 surveys shows a substantial decrease in the estimated numbers of accounting graduates with master's degrees. The 1980 estimates of the public accounting demand for holders of master's degrees have been even more significantly reduced despite an increase in the number of firms surveyed. However, the overall percentage of accounting graduates, bachelor's and master's combined, expected to be hired by public accounting firms is about the same for both years' surveys.



# 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 211 were accredited and 349 were non-accredited schools. Responses were received from 144 AACSB accredited schools and 222 AACSB non-accredited schools. Questionnaires were also sent to 103 schools which were not AACSB members, and 50 responses were received (*Table 1*). The overall response rate of the schools is 63%.

The 1980 mailings to non-AACSB schools were substantially increased over the 1979 survey. This was done to make the survey more complete.

*Table 1*

### NUMBERS OF SCHOOLS IN THE SURVEY

	AACSB schools		Non-AACSB	Total
	Accredited*	Non-Accredited	schools	schools
Number of questionnaires mailed in the 1980 survey . . . . .	<u>211</u>	<u>349</u>	<u>103</u>	<u>663</u>
Schools responding in 1980 . . . . .	144	222	50	416**
Schools responding in any of the preceding 3 years but not in 1980 . . . . .	<u>61</u>	<u>79</u>	<u>17</u>	<u>157</u>
Number of schools represented in the data . . . . .	205	301	67	573

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

\*\*One school reported information on doctoral degrees only.

In the 1980 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 1978-79 through 1983-84. 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 1980 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 1980 survey, the latest 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 shown 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 1979-80 to 2% in 1983-84. Master's degrees are expected to increase at a higher rate than bachelor's degrees and to decline after 1981-82.

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

*Table 2*

### SUPPLY OF ACCOUNTING GRADUATES FROM ALL SCHOOLS 1978-79 to 1983-84

	Bachelor's (553 schools)		Master's (272 schools)		Total Supply (572 schools)	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1978-79 .....	48,800	—	5,640	—	54,440	—
1979-80 .....	52,070	+ 7%	6,290	+ 12%	58,360	+ 7%
1980-81 .....	54,670	+ 5%	7,060	+ 12%	61,730	+ 6%
1981-82 .....	57,030	+ 4%	8,010	+ 13%	65,040	+ 5%
1982-83 .....	58,360	+ 2%	8,780	+ 10%	67,140	+ 3%
1983-84 .....	59,670	+ 2%	9,470	+ 8%	69,140	+ 3%

*Table 3* shows the supply of accounting graduates from AACSB accredited schools, and *Table 4*, the supply from AACSB non-accredited and non-AACSB schools. Because 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.

Growth rates for non-accredited AACSB schools are shown to be higher than those for AACSB accredited schools, but are expected to decline over the years covered by the survey.

*Table 3*

**SUPPLY OF ACCOUNTING GRADUATES  
FROM AACSB ACCREDITED SCHOOLS  
1978-79 to 1983-84**

	Bachelor's (189 schools)		Master's (124 schools)		Total Supply (204 schools)	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1978-79 .....	27,680	—	3,290	—	30,970	—
1979-80 .....	28,940	+ 5%	3,530	+ 7%	32,470	+ 5%
1980-81 .....	29,800	+ 3%	3,950	+ 12%	33,750	+ 4%
1981-82 .....	30,840	+ 3%	4,430	+ 12%	35,270	+ 5%
1982-83 .....	31,080	+ 1%	4,800	+ 8%	35,880	+ 2%
1983-84 .....	31,560	+ 2%	5,100	+ 6%	36,660	+ 2%

Table 4

**SUPPLY OF ACCOUNTING GRADUATES  
FROM AACSB NON-ACCREDITED SCHOOLS  
AND NON-AACSB SCHOOLS  
1978-79 to 1983-84**

	Bachelor's (364 schools)		Master's (148 schools)		Total Supply (368 schools)	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1978-79 . . . . .	21,120	—	2,350	—	23,470	—
1979-80 . . . . .	23,130	+ 10%	2,760	+ 17%	25,890	+ 10%
1980-81 . . . . .	24,870	+ 8%	3,110	+ 13%	27,980	+ 8%
1981-82 . . . . .	26,190	+ 5%	3,580	+ 15%	29,770	+ 6%
1982-83 . . . . .	27,280	+ 4%	3,980	+ 11%	31,260	+ 5%
1983-84 . . . . .	28,110	+ 3%	4,370	+ 10%	32,480	+ 4%

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. However, numbers of master's degree graduates are expected to grow more rapidly in the public than in the private institutions.

Table 5

**SUPPLY OF ACCOUNTING GRADUATES  
WITH BACHELOR'S DEGREES  
FROM ALL PUBLIC & PRIVATE SCHOOLS  
1978-79 to 1983-84**

	Public (331 schools)		Private (222 schools)	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1978-79 . . . . .	34,960	—	13,840	—
1979-80 . . . . .	37,100	+ 6%	14,970	+ 8%
1980-81 . . . . .	39,070	+ 5%	15,600	+ 4%
1981-82 . . . . .	40,680	+ 4%	16,350	+ 5%
1982-83 . . . . .	41,550	+ 2%	16,810	+ 3%
1983-84 . . . . .	42,360	+ 2%	17,310	+ 3%

Table 6

**SUPPLY OF ACCOUNTING GRADUATES  
WITH MASTER'S DEGREES FROM ALL  
PUBLIC & PRIVATE INSTITUTIONS  
1978-79 to 1983-84**

	Public (184 schools)		Private (88 schools)	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1978-79 .....	2,920	—	2,720	—
1979-80 .....	3,350	+ 15%	2,940	+ 8%
1980-81 .....	3,880	+ 16%	3,180	+ 8%
1981-82 .....	4,490	+ 16%	3,520	+ 11%
1982-83 .....	5,130	+ 14%	3,650	+ 4%
1983-84 .....	5,650	+ 10%	3,820	+ 5%

The analysis of bachelor's degrees by geographical region (*Table 7*) shows no significant difference in trends between the Eastern, North Central, and Pacific regions, but a somewhat higher rate of growth is shown in the Southern region. Master's degrees (*Table 8*) are expected to grow more rapidly than bachelor's degrees, especially in the Southern and Pacific 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  
1978-79 to 1983-84**

	Eastern (130 schools)		North Central (153 schools)		Southern (206 schools)		Pacific (64 schools)	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1978-79 . . .	14,100	—	14,090	—	13,530	—	7,080	—
1979-80 . . .	15,000	+ 6%	14,930	+ 6%	14,710	+ 9%	7,430	+ 5%
1980-81 . . .	15,930	+ 6%	15,630	+ 5%	15,480	+ 5%	7,630	+ 3%
1981-82 . . .	16,700	+ 5%	16,140	+ 3%	16,350	+ 6%	7,840	+ 3%
1982-83 . . .	16,940	+ 1%	16,550	+ 3%	16,870	+ 3%	8,000	+ 2%
1983-84 . . .	17,200	+ 2%	16,850	+ 2%	17,480	+ 4%	8,140	+ 2%

Table 8

**SUPPLY OF ACCOUNTING GRADUATES  
WITH MASTER'S DEGREES  
BY REGION  
1978-79 to 1983-84**

	Eastern (68 schools)		North Central (75 schools)		Southern (88 schools)		Pacific (41 schools)	
	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth	Number of Degrees	Rate of Growth
1978-79 . . .	2,100	—	1,630	—	1,220	—	690	—
1979-80 . . .	2,220	+ 6%	1,800	+ 10%	1,490	+ 22%	780	+ 13%
1980-81 . . .	2,390	+ 8%	2,020	+ 12%	1,720	+ 15%	930	+ 19%
1981-82 . . .	2,610	+ 9%	2,270	+ 12%	2,060	+ 20%	1,070	+ 15%
1982-83 . . .	2,790	+ 7%	2,440	+ 7%	2,360	+ 15%	1,190	+ 11%
1983-84 . . .	2,980	+ 7%	2,610	+ 7%	2,660	+ 13%	1,220	+ 3%

### Comparison of the Results of the 1980 and 1979 Surveys

Because the annual surveys request information covering a period of six years, five of the years are common to each two consecutive surveys. In the following tables, estimates made in 1979 can be seen to be significantly different in some respects.

An additional 39 schools (573 as compared to 534 in the 1979 survey) are included in the 1980 survey results. Despite the increase in the number of schools reported upon, the estimates of the expected numbers of graduates with bachelor's degrees in accounting do not differ substantially from those reported in the 1979 survey. The 1980 estimates of graduates with master's degrees in accounting are substantially lower than those reported in 1979, for all years common to both surveys. A comparison of the 1980 and 1979 surveys is presented in *Table 9*.

*Table 9*

#### COMPARISON OF THE NUMBERS OF GRADUATES REPORTED IN THE 1979 AND 1980 SURVEYS

	Bachelor's			Master's		
	Reported in		% of Change	Reported in		% of Change
	1979	1980		1979	1980	
1978-79 . . . .	50,070	48,800	- 3%	6,300	5,640	- 10%
1979-80 . . . .	52,780	52,070	- 1%	7,290	6,290	- 14%
1980-81 . . . .	54,900	54,670	0	8,260	7,060	- 15%
1981-82 . . . .	56,230	57,030	+ 1%	9,170	8,010	- 13%
1982-83 . . . .	57,140	58,360	+ 2%	9,910	8,780	- 11%
1983-84 . . . .	—	59,670	—	—	9,470	—

As was shown in *Table 9*, the difference between the numbers of bachelor's degrees estimated in the 1979 and the 1980 surveys is not significant, but the magnitude of the changes in the estimates of master's degrees warrants closer analysis. *Table 10* indicates that in both AACSB accredited and non-AACSB accredited schools, the 1980 estimates of master's degrees for those years common to both surveys were reduced more for non-AACSB accredited schools than for AACSB accredited schools.



Table 10

**COMPARISON OF THE NUMBERS OF MASTER'S  
DEGREE GRADUATES REPORTED IN THE 1979  
AND 1980 SURVEYS FOR AACSB ACCREDITED  
AND NON - AACSB ACCREDITED SCHOOLS**

	AACSB Accredited			Non-AACSB Accredited		
	Reported in		% of Change	Reported in		% of Change
	1979	1980		1979	1980	
1978-79 . . . .	3,490	3,290	- 6%	2,810	2,350	- 16%
1979-80 . . . .	3,870	3,530	- 9%	3,420	2,760	- 19%
1980-81 . . . .	4,370	3,950	- 10%	3,890	3,110	- 20%
1981-82 . . . .	4,760	4,430	- 7%	4,410	3,580	- 19%
1982-83 . . . .	5,100	4,800	- 6%	4,810	3,980	- 17%
1983-84 . . . .	—	5,100	—	—	4,370	—

*Doctoral Degrees*

Because of the small numbers involved, doctoral degrees are reported in actual numbers without rounding and growth rates are not shown. Also, no attempt was made to estimate the numbers of doctoral degrees expected to be awarded by schools not responding to that part of the 1980 questionnaire.

In total, 58 institutions reported on doctorates, all but four of which have one or more programs accredited by AACSB. Overall, reporting schools are predicting an increase in the number of doctoral degrees in accounting by 1983-84. By far, the greater portion of doctoral degrees reported are expected to be granted by the public institutions (*Table 11*). On a regional basis (*Table 12*), the Southern and North Central regions reported the greatest numbers of doctoral degrees.

In comparison with the estimates reported in the 1979 survey, the estimated numbers of doctorates reported in 1980 have been substantially decreased in the public schools and in the Southern and North Central regions.<sup>1</sup> The numbers of doctoral degrees reported in each of the two years' surveys are not totally comparable, however, because of the reduction in the numbers of reporting schools in 1980, from 45 to 41 public schools, and from 24 to 21 schools in the Southern region and 15 to 14 schools in the North Central region. Further, the specific schools reporting in each year's survey were not the same in every category.

<sup>1</sup>See Tables 9 and 10 on pages 7 and 8 of the 1979 report.

*Table 11*

**SUPPLY OF ACCOUNTING GRADUATES  
WITH DOCTORAL DEGREES  
FROM PUBLIC & PRIVATE SCHOOLS  
1978-79 to 1983-84**

	<u>Public (41 schools)</u>	<u>Private (17 schools)</u>	<u>Total Supply (58 schools)</u>
1978-79 .....	109	19	128
1979-80 .....	121	20	141
1980-81 .....	151	28	179
1981-82 .....	147	31	178
1982-83 .....	157	30	187
1983-84 .....	156	36	192

*Table 12*

**SUPPLY OF ACCOUNTING GRADUATES  
WITH DOCTORAL DEGREES BY REGION  
1978-79 to 1983-84**

	<u>Eastern (13 schools)</u>	<u>North Central (14 schools)</u>	<u>Southern (21 schools)</u>	<u>Pacific (10 schools)</u>	<u>Total Supply (58 schools)</u>
1978-79 .....	24	38	51	15	128
1979-80 .....	21	43	58	19	141
1980-81 .....	22	69	64	24	179
1981-82 .....	28	64	62	24	178
1982-83 .....	31	67	68	21	187
1983-84 .....	32	73	65	22	192

### *Male/Female Data*

Of the 416 schools that responded to the 1980 survey, 361 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 13*.

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.<sup>2</sup>

*Table 13*

**RELATIONSHIP BETWEEN THE SUPPLY OF MALE AND  
FEMALE GRADUATES BY DEGREE  
1978-79 to 1983-84**

	Bachelor's (357 schools)		Master's (160 schools)		Doctorate's (51 schools)		All Degrees (361 schools)	
	Male	Female	Male	Female	Male	Female	Male	Female
1978-79 ...	66%	34%	73%	27%	82%	18%	67%	33%
1979-80 ...	64%	36%	70%	30%	79%	21%	65%	35%
1980-81 ...	62%	38%	69%	31%	74%	26%	63%	37%
1981-82 ...	61%	39%	68%	32%	71%	29%	62%	38%
1982-83 ...	60%	40%	67%	33%	70%	30%	61%	39%
1983-84 ...	60%	40%	65%	35%	68%	32%	61%	39%

### *Ethnic Data*

In consideration of the difficulty of making long-range projections as to minorities, the schools were requested to give a breakdown by ethnic backgrounds for 1978-79 and 1979-80 only. Not all schools responding to the survey supplied the ethnic data and no attempt was made to estimate for schools not reporting this information. Thirty-seven traditionally black and minority schools that are AACSB members had been included in the 1979 survey. In 1980, the universe surveyed was expanded to include an additional thirty-three schools that are not AACSB members.

The data are summarized in *Table 14*, combined for all schools reporting, and separately for the traditionally black and minority schools and for all other schools. The percentages shown relate to the total supply reported by only those schools supplying the ethnic data.

<sup>2</sup> See Table 11 on page 9 of the 1979 report.

Table 14

**PERCENTAGE OF THE SUPPLY OF ACCOUNTING GRADUATES  
BY ETHNIC BACKGROUNDS  
FOR 1978-79 and 1979-80**

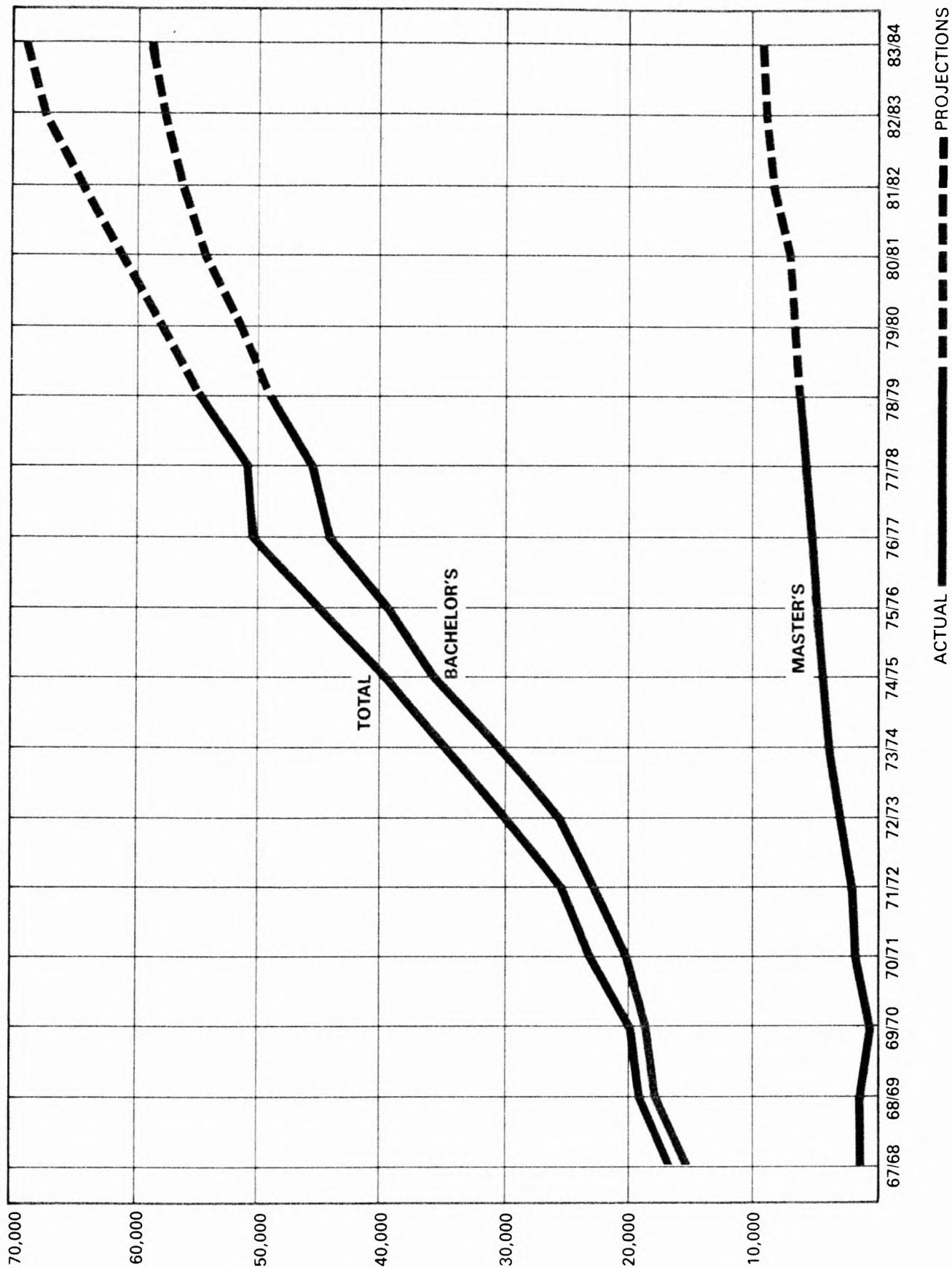
		<u>American Indians</u>	<u>Asians</u>	<u>Blacks</u>	<u>Hispanics</u>	<u>Total</u>
Traditionally Black and Minority Schools	1978-79 (53 schools)	0.1%	1.5%	82.7%	1.7%*	86.0%
	1979-80 (50 schools)	0.1%	1.6%	82.4%	3.2%*	87.3%
Traditionally Majority Schools	1978-79 (267 schools)	0.3%	2.5%	2.8%	2.2%	7.8%
	1979-80 (269 schools)	0.3%	2.5%	2.9%	2.0%	7.7%
All Schools Combined	1978-79 (320 schools)	0.2%	2.4%	7.0%	2.1%	11.7%
	1979-80 (319 schools)	0.3%	2.4%	6.7%	2.1%	11.5%

\* Only 6 of these schools reported Hispanic graduates. In two of these, where the majority of graduates are Hispanic, the numbers of Hispanic graduates increased by 82% between 1978-79 and 1979-80.

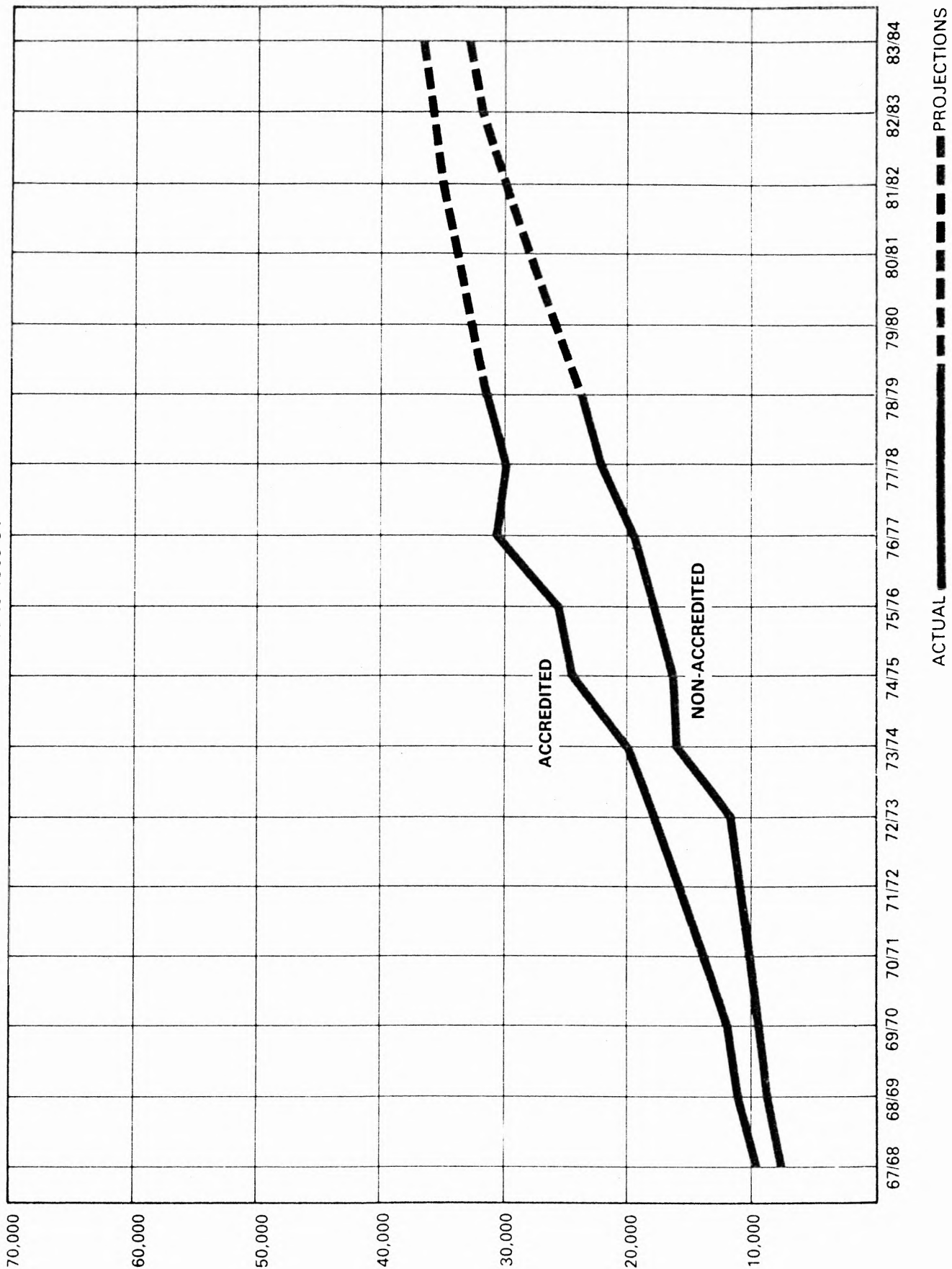
**Long Term Trends**

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 1977-78. The actual numbers for 1978-79 and the projections through 1983-84 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 4a (Eastern and North Central) and 4b (Pacific and Southern). While the charts give a general indication of the trends, comparisons between years are not totally valid because of changes in the numbers of schools reporting each year. This is especially true of the latest years wherein increasing numbers of non-AACSB member schools have been added to the survey in an attempt to make its coverage more complete. The sharp increase in the Eastern region is due in part, to the inclusion of several large non-AACSB schools in the 1980 survey.

**FIGURE 1**  
**TRENDS IN THE SUPPLY OF ACCOUNTING GRADUATES**  
**WITH BACHELOR'S AND MASTER'S DEGREES**  
**1967-68 to 1983-84**



**FIGURE 2**  
**TRENDS IN THE TOTAL SUPPLY OF ACCOUNTING GRADUATES**  
**FROM AACSB ACCREDITED AND NON-AACSB ACCREDITED SCHOOLS**  
**1967-68 to 1983-84**



**FIGURE 3**  
**TRENDS IN THE TOTAL SUPPLY OF ACCOUNTING GRADUATES**  
**FROM THE PUBLIC AND PRIVATE SCHOOLS**  
**1967-68 to 1983-84**

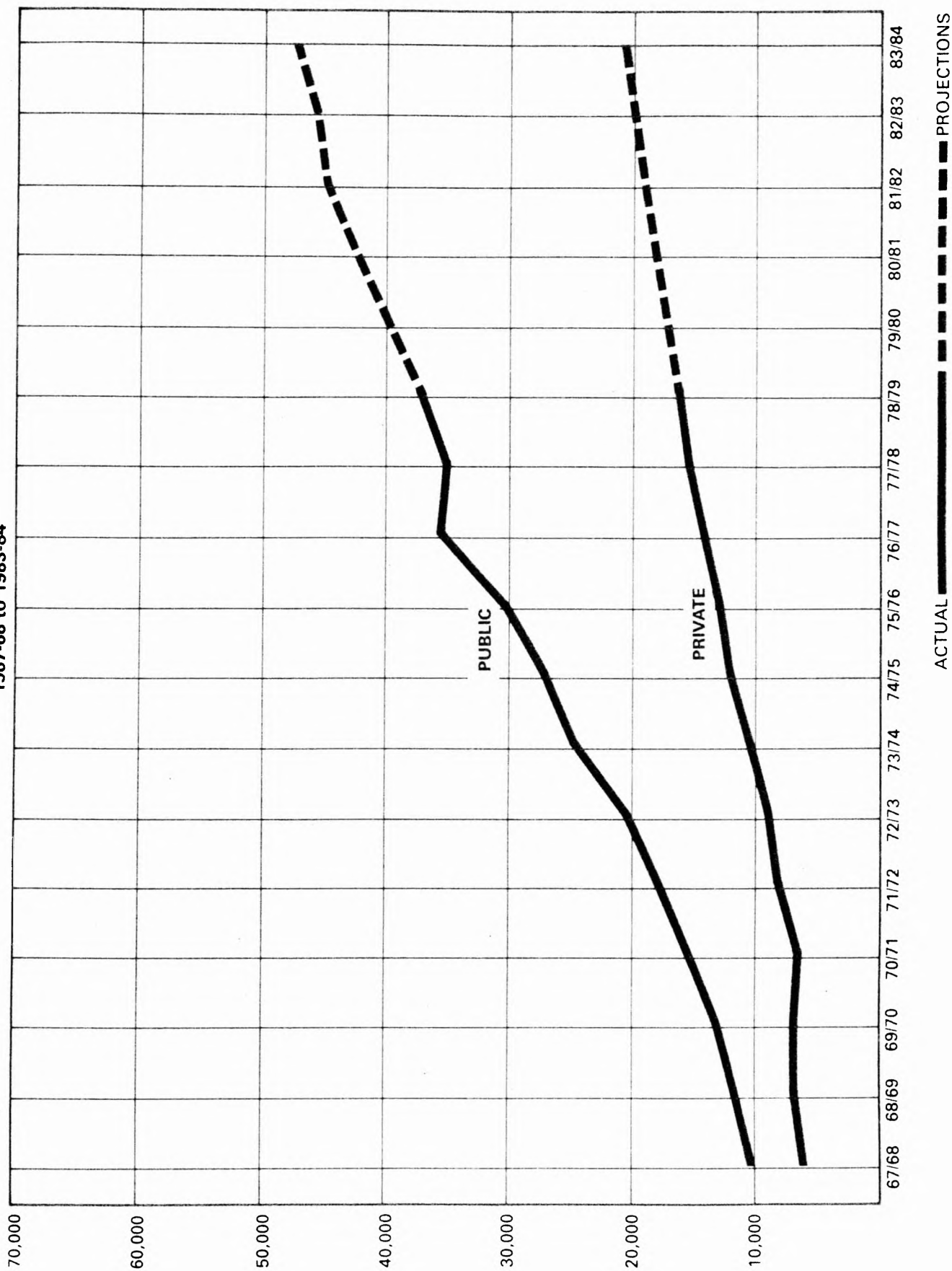




FIGURE 4A

TRENDS IN THE TOTAL SUPPLY OF  
ACCOUNTING GRADUATES BY REGION - EASTERN AND NORTH CENTRAL  
1970-71 to 1983-84

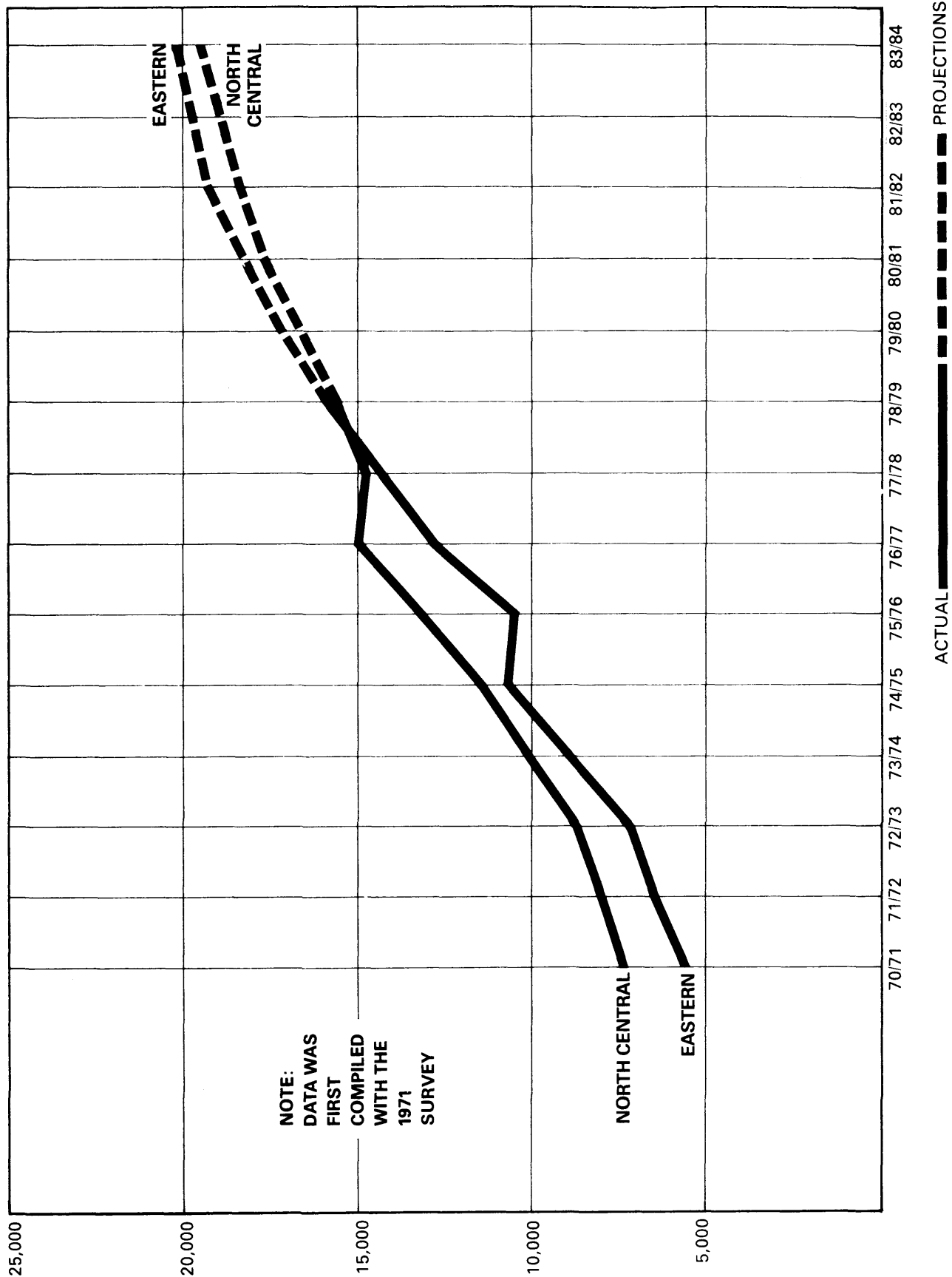
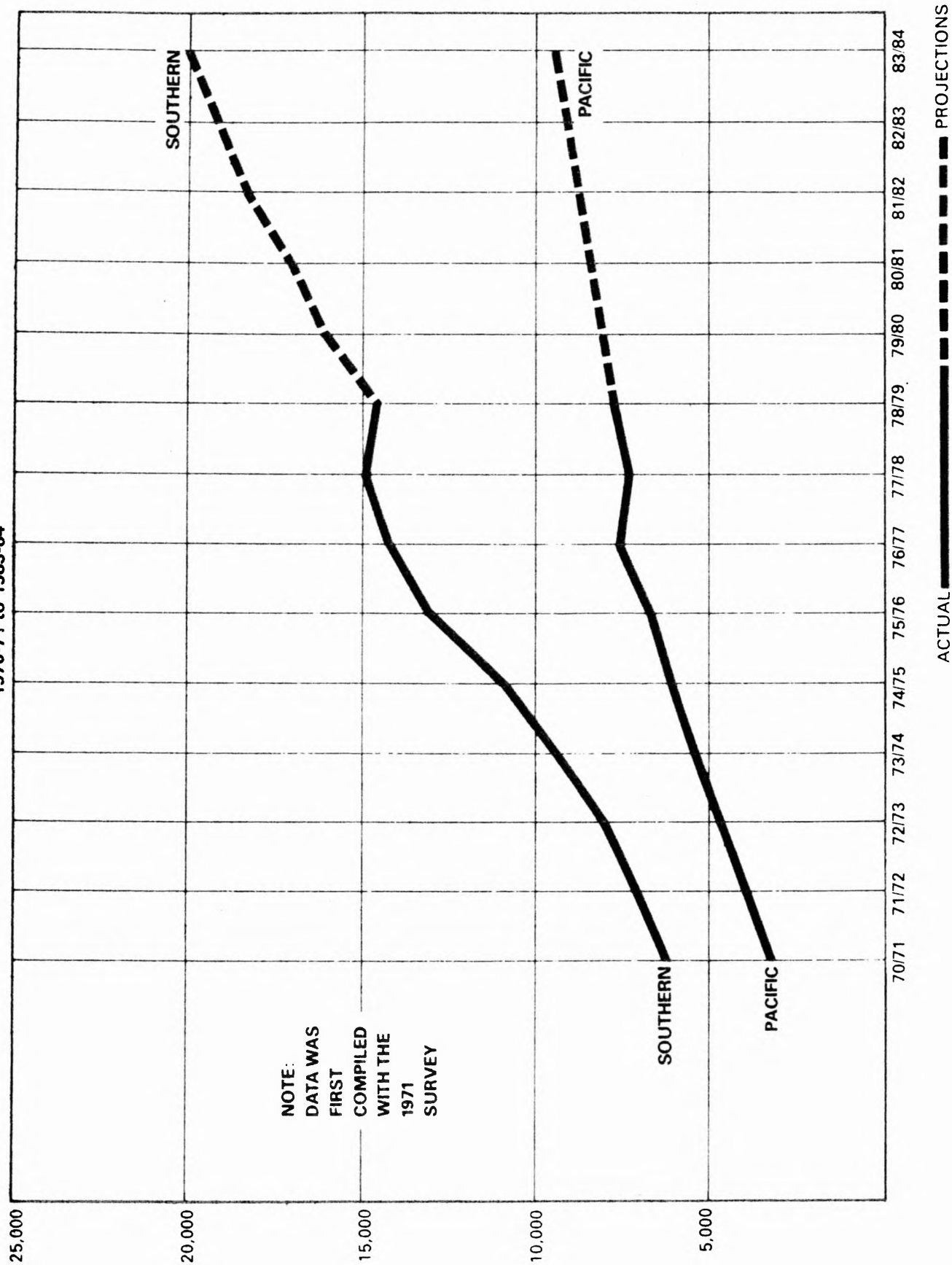


FIGURE 4B

TRENDS IN THE TOTAL SUPPLY OF  
ACCOUNTING GRADUATES BY REGION—SOUTHERN AND PACIFIC  
1970-71 to 1983-84



## THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

### The Survey

To obtain data on the demand for public accounting recruits, 172 accounting firms of various sizes were surveyed, of which 131 (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. The numbers of firms in each of the categories with 10 or more members increased between the 1980 and the 1979 surveys. Last year, there were 580 firms in these categories, while in 1980 there were 679. A summary of the number of firms is presented in *Table 15*. A copy of the public accounting demand questionnaire appears as Appendix C.

*Table 15*

#### PUBLIC ACCOUNTING FIRMS PARTICIPATING IN THE 1980 DEMAND STUDY

Number of Individual AICPA Members	Total Number of Firms	Number of Firms Surveyed	Number of Firms Responding
More than 200	16	16	16
50 - 200	19	19	17
30 - 49	49	49	37
10 - 29	595	88	61
Total .....	679	172	131

### Results of the Survey

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

The results of the 1980 public accounting demand survey are presented in Table 16. While the growth rate of bachelor's degrees is expected to remain steady over the period covered by the survey, the growth rate of master's degrees, while higher than that for bachelor's degrees, is expected to drop sharply.

Table 16

**DEMAND FOR PUBLIC ACCOUNTING RECRUITS  
1978-79 to 1983-84**

	Bachelor's		Master's		Total Demand	
	Number of Recruits	Rate of Growth	Number of Recruits	Rate of Growth	Number of Recruits	Rate of Growth
1978-79 . . . . .	12,770	—	2,890	—	15,660	—
1979-80 . . . . .	13,210	+ 3%	3,490	+ 21%	16,700	+ 7%
1980-81 . . . . .	13,980	+ 6%	4,010	+ 15%	17,990	+ 8%
1981-82 . . . . .	14,930	+ 7%	4,460	+ 11%	19,390	+ 8%
1982-83 . . . . .	15,900	+ 6%	4,860	+ 9%	20,760	+ 7%
1983-84 . . . . .	16,850	+ 6%	5,260	+ 8%	22,110	+ 7%

Table 17 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.

Table 17

**PERCENTAGE OF NEW EMPLOYEES  
EXPECTED TO HOLD MASTER'S DEGREES  
1978-79 to 1983-84**

	Over 200 Institute Members	50 to 200 Institute Members	10 to 50 Institute Members	All Firms
1978-79 . . . . .	22.9%	9.3%	3.9%	18.5%
1979-80 . . . . .	25.0%	8.7%	5.7%	20.9%
1980-81 . . . . .	26.4%	10.4%	7.4%	22.3%
1981-82 . . . . .	27.3%	10.9%	8.1%	23.0%
1982-83 . . . . .	28.1%	11.5%	7.7%	23.4%
1983-84 . . . . .	28.7%	12.5%	7.9%	23.8%

## Comparison of the Results of the 1980 and 1979 Surveys

Comparison of the 1980 estimates with those reported in the 1979 survey (*Table 18*), indicates an increase in the estimates of the public accounting demand for holders of bachelor's degrees in accounting in 1978-79 and 1979-80 and a slight decrease in the following two years. The estimates of the demand for holders of master's degrees, however, are substantially lower than predicted last year, for all years common to both surveys, despite an increase in the number of firms. The decline in the demand for holders of master's degrees is further demonstrated by the fact that the estimates of the percentages of new recruits expected to hold master's degrees (*Table 17*) are lower than those reported in last year's survey. This reduction in estimates applies to all three size categories of firms, with the greatest reduction in the 10 to 50 member category.<sup>3</sup>

*Table 18*

### COMPARISON OF NUMBERS OF RECRUITS REPORTED IN THE 1979 AND 1980 SURVEYS

	Bachelor's			Master's		
	Reported in		% of Change	Reported in		% of Change
	1979	1980		1979	1980	
1978-79 . . . .	12,150	12,770	+ 5%	3,860	2,890	- 25%
1979-80 . . . .	12,750	13,210	+ 4%	4,490	3,490	- 22%
1980-81 . . . .	14,130	13,980	- 1%	4,910	4,010	- 18%
1981-82 . . . .	15,100	14,930	- 1%	5,450	4,460	- 18%
1982-83 . . . .	15,830	15,900	- 0 -	5,910	4,860	- 18%
1983-84 . . . .	—	16,850	—	—	5,260	—

#### *Doctoral Degrees*

For the third 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 the last two years' survey results, the demand for doctorates in public accounting was shown to be almost non-existent, that is, only a total of 10 recruits for all years included in the study, 8 of which were reported by firms with over 200 Institute members.

<sup>3</sup> See Table 15 on page 16 of the 1979 report.

### *Male/Female Data*

Of the 131 responding firms, 120 firms reported the numbers of male and female recruits, by level of degree. However, only 83 of the 120 firms reported the male/female breakdown for all years in the survey. As a result, the numbers of degrees reported for each year in the survey are not comparative because each year's total represents a different number of firms. Therefore, the actual numbers of degrees are not reported here. Instead, only the male/female percentage distributions for each year are shown in *Table 19*.

*Table 19*

**RELATIONSHIP BETWEEN THE PUBLIC ACCOUNTING DEMAND  
FOR MALE & FEMALE RECRUITS  
BY DEGREES  
(As Reported By 120 Firms)  
1978-79 to 1983-84**

	Bachelor's		Master's		All Degrees	
	Male	Female	Male	Female	Male	Female
1978-79 .....	69%	31%	72%	28%	70%	30%
1979-80 .....	67%	33%	71%	29%	68%	32%
1980-81 .....	67%	33%	70%	30%	68%	32%
1981-82 .....	67%	33%	70%	30%	68%	32%
1982-83 .....	66%	34%	70%	30%	67%	33%
1983-84 .....	65%	35%	70%	30%	66%	34%

<sup>4</sup> See Table 17 on page 17 of the 1979 report.

### *Ethnic Data*

Ninety-five firms reported a breakdown by ethnic backgrounds for 1978-79 and eighty-nine firms for 1979-80 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*

**PERCENTAGE OF TOTAL DEMAND FOR PUBLIC ACCOUNTING RECRUITS  
BY ETHNIC BACKGROUNDS  
FOR 1978-79 AND 1979-80**

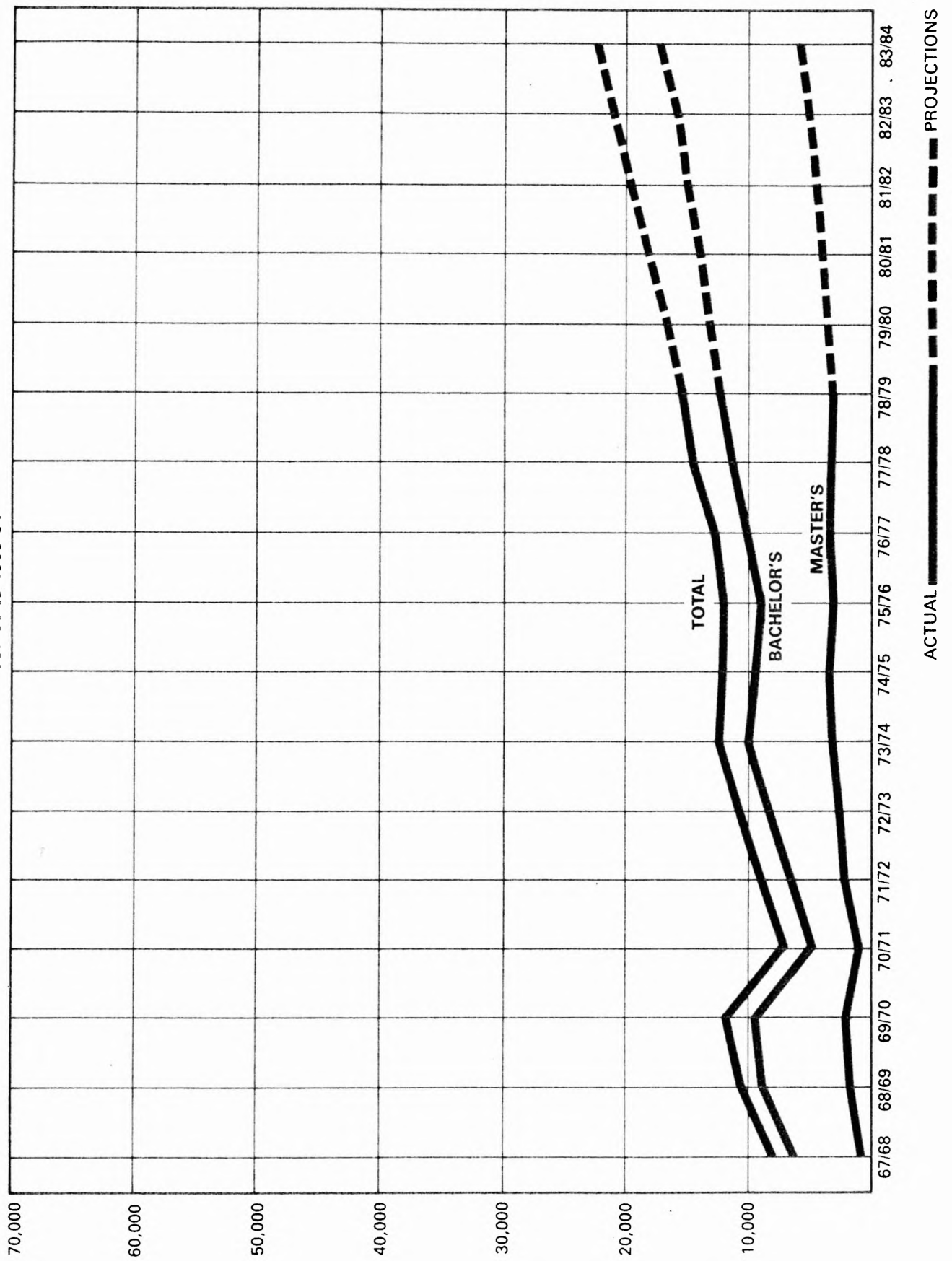
	<u>American Indians</u>	<u>Asians</u>	<u>Blacks</u>	<u>Hispanics</u>	<u>Total</u>
1978-79 ..... (95 firms)	0.1%	2.2%	3.7%	1.7%	7.7%
1979-80 ..... (89 firms)	0.2%	2.1%	3.6%	1.9%	7.8%

### **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 1977-78 were derived from the earlier supply and demand studies. Actual numbers for 1978-79 and projections through 1983-84 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 1983-84**



## 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 do not plan to pursue 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 21*).

*Table 21*

#### RELATIONSHIP BETWEEN DEMAND FOR PUBLIC ACCOUNTING RECRUITS AND SUPPLY OF ACCOUNTING GRADUATES - ALL DEGREES 1978-79 to 1983-84

	Supply of Graduates	Demand for Recruits	Employment Percentage
1978-79 . . . . .	54,440	15,660	29%
1979-80 . . . . .	58,360	16,700	29%
1980-81 . . . . .	61,730	17,990	29%
1981-82 . . . . .	65,040	19,390	30%
1982-83 . . . . .	67,140	20,760	31%
1983-84 . . . . .	69,140	22,110	32%

*Table 22* shows the public accounting employment percentage for holders of bachelor's and master's degrees. Twenty-five percent to twenty-eight percent of the supply of bachelor's degrees are expected to be recruited by these firms. Although over half of those with master's degrees will be sought by the public accounting firms, the percentage of demand for the available master's graduates is reported in the 1980 survey to be less than the percentage of demand reported in the 1979 survey.<sup>5</sup> Despite this decrease, the percentage of demand for master's candidates is still approximately twice that for bachelor's degree candidates.

*Table 22*

**RELATIONSHIP BETWEEN DEMAND FOR PUBLIC ACCOUNTING  
RECRUITS AND SUPPLY OF ACCOUNTING GRADUATES  
BACHELOR'S DEGREES AND MASTER'S DEGREES  
1978-79 to 1983-84**

	Bachelor's			Master's		
	Supply	Demand	Employment Percentage	Supply	Demand	Employment Percentage
1978-79 . . . . .	48,800	12,770	26%	5,640	2,890	51%
1979-80 . . . . .	52,070	13,210	25%	6,290	3,490	55%
1980-81 . . . . .	54,670	13,980	26%	7,060	4,010	57%
1981-82 . . . . .	57,030	14,930	26%	8,010	4,460	56%
1982-83 . . . . .	58,360	15,900	27%	8,780	4,860	55%
1983-84 . . . . .	59,670	16,850	28%	9,470	5,260	56%

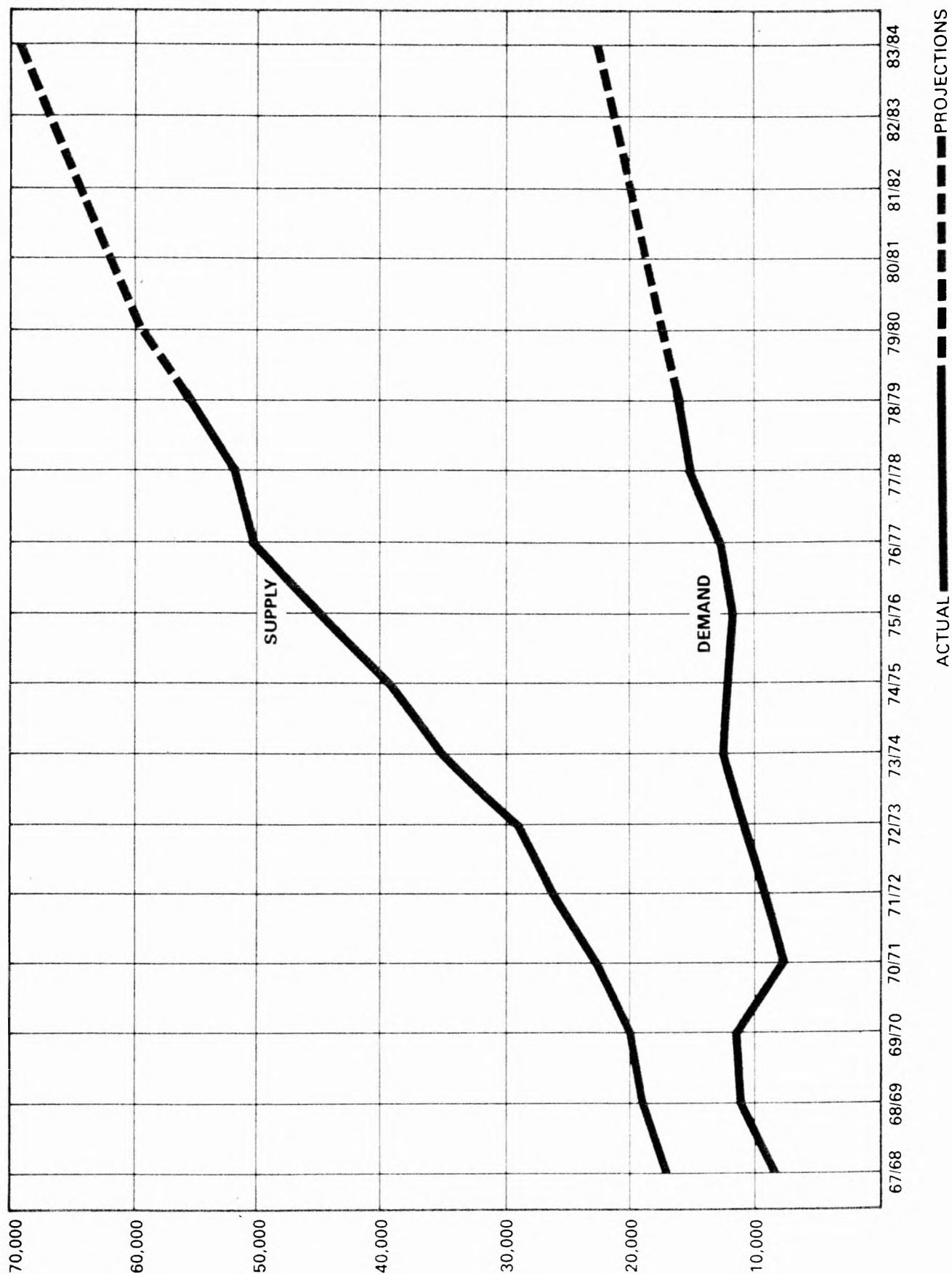
**Long Term Trends**

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 1977-78 were derived from the earlier studies. Actual numbers for the years 1978-79 and projections through 1983-84 were derived from this year's study.

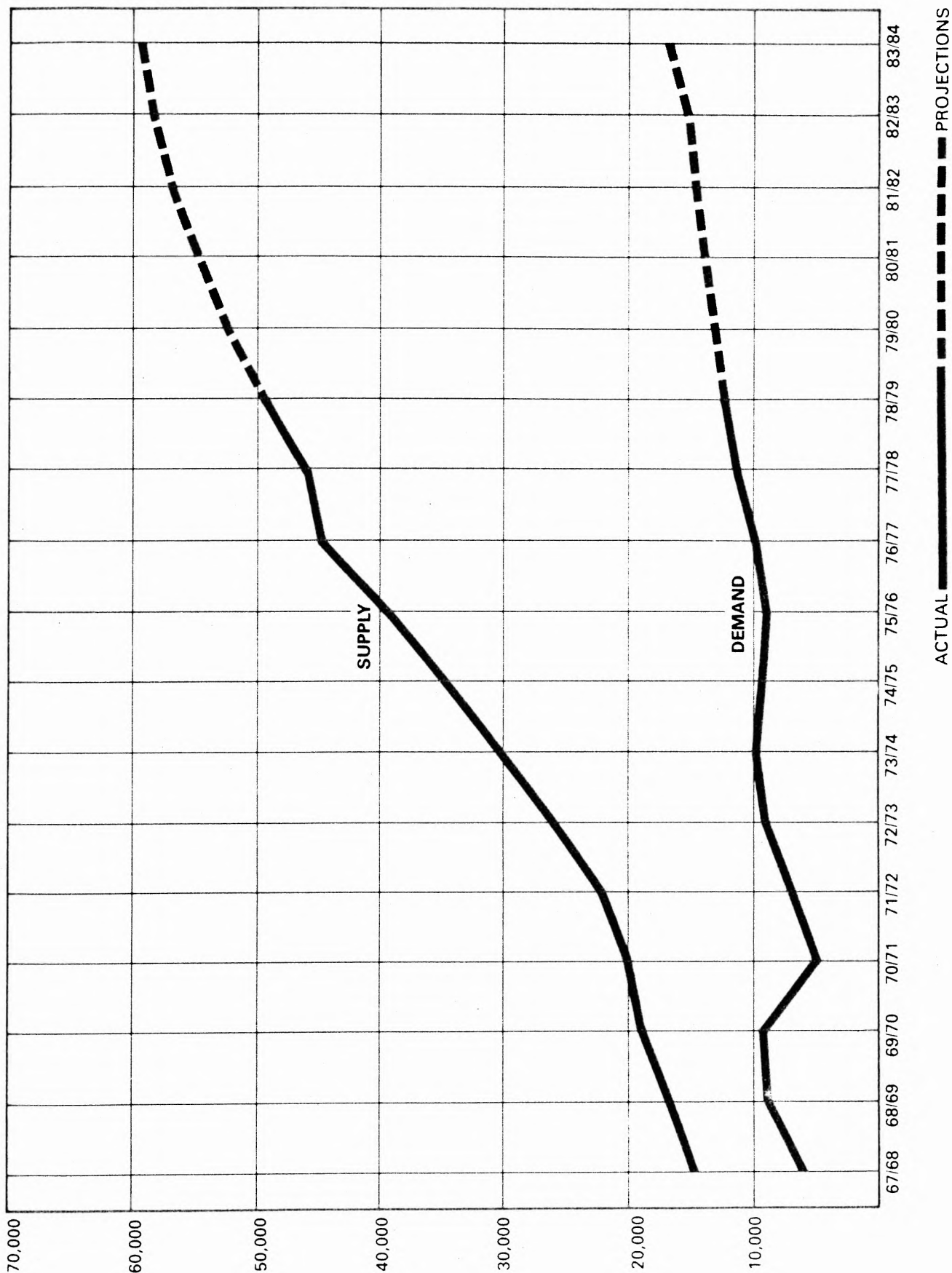
The relationship between the total supply and public accounting demand is shown in Figure 6. Figure 7 shows the relationship between the supply of and demand for holders of bachelor's degrees and Figure 8 the relationship between the supply of and demand for holders of master's degrees. It should be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

<sup>5</sup> See Table 20 on page 21 of the 1979 report.

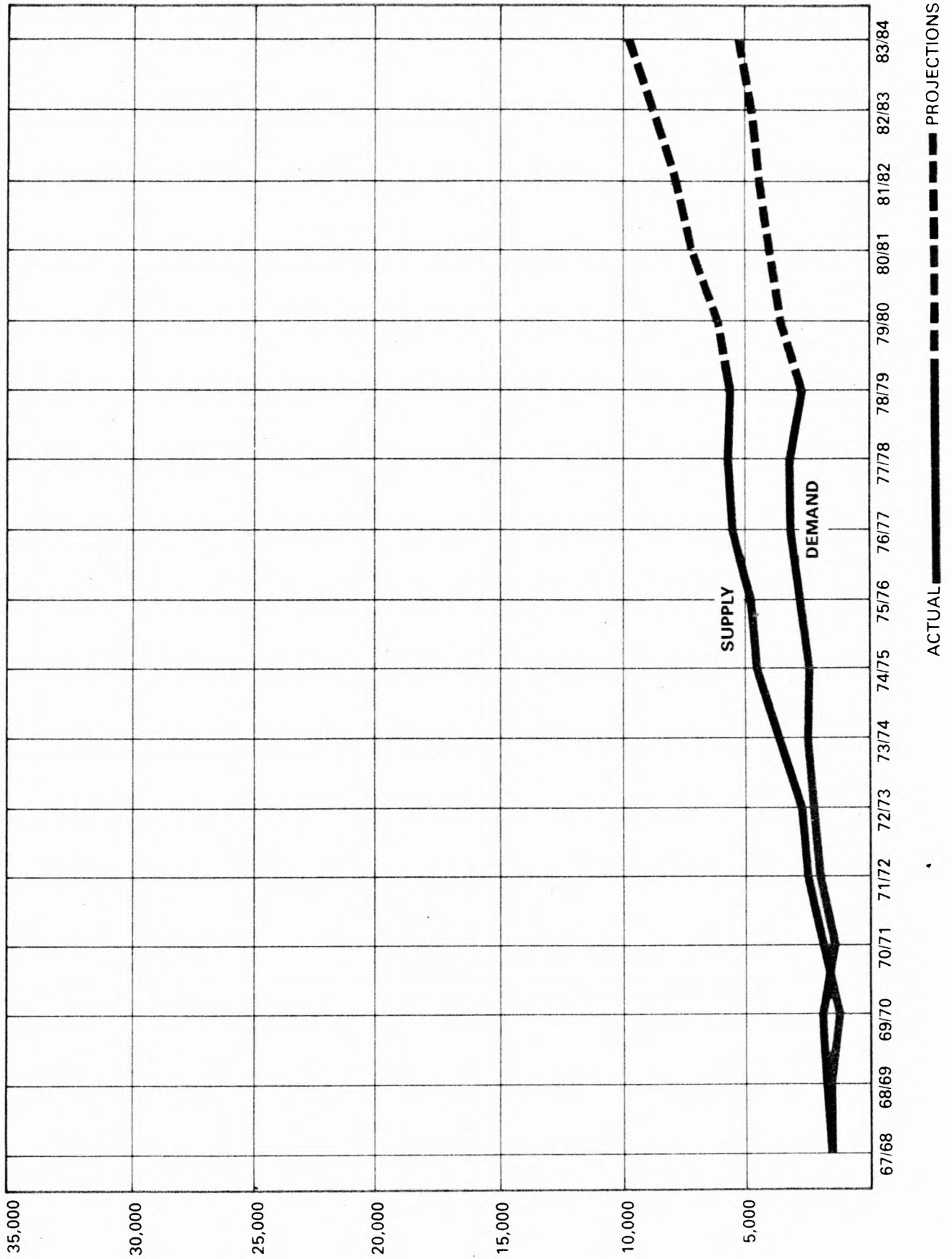
**FIGURE 6**  
**TRENDS IN THE RELATIONSHIP BETWEEN THE SUPPLY OF**  
**ACCOUNTING GRADUATES AND THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS**  
**1967-68 to 1983-84**



**FIGURE 7**  
**TRENDS IN THE RELATIONSHIP BETWEEN THE SUPPLY OF AND**  
**THE PUBLIC ACCOUNTING DEMAND FOR HOLDERS OF BACHELOR'S DEGREES**  
**1967-68 to 1983-84**



**FIGURE 8**  
**TRENDS IN THE RELATIONSHIP BETWEEN THE SUPPLY OF AND**  
**THE PUBLIC ACCOUNTING DEMAND FOR HOLDERS OF MASTER'S DEGREES**  
**1967-68 to 1983-84**



## **APPENDICES**



1980 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 1978-79 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 1978-79 and 1979-80 only and should be a breakdown of the total number of graduates for those years.

Please Note: Where none, please so indicate by entering zeros, or dashes, or by crossing out a whole section, where applicable.

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>
1978-79												
1979-80												
1980-81												
1981-82												
1982-83												
1983-84												

\*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>
1978-79				
1979-80				

Please use the reverse side  
of this form for comments.

Name of Institution \_\_\_\_\_

Public \_\_\_\_ Private \_\_\_\_

City and State \_\_\_\_\_

Member of AACSB:

Accredited

Bachelors only \_\_\_\_

Masters only \_\_\_\_

Both \_\_\_\_

Please return form to: American Institute of CPAs  
Relations with Educators Division  
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**

<b>EASTERN:</b>	Connecticut Massachusetts Pennsylvania	Delaware New Hampshire Rhode Island	Maine New Jersey Vermont	Maryland New York District of Columbia
<b>NORTH CENTRAL:</b>	Colorado Kansas Montana South Dakota	Illinois Michigan Nebraska West Virginia	Indiana Minnesota North Dakota Wisconsin	Iowa Missouri Ohio Wyoming
<b>SOUTHERN:</b>	Alabama Kentucky North Carolina Tennessee	Arkansas Louisiana Oklahoma Texas	Florida Mississippi South Carolina Virginia	Georgia New Mexico
<b>PACIFIC:</b>	Alaska Hawaii Oregon	Arizona Idaho Utah	California Nevada Washington	

1980 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 1978-79 and your projected requirements for the next five years. For those hirees with doctoral degrees in accounting, 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: Where none, please so indicate by entering zeros, or dashes, or by crossing out a whole section, where applicable.  
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> (Exclude Law Degrees)			<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>
1978-79	_____	_____	_____		_____	_____	_____		_____	_____	_____	_____	_____	_____
1979-80	_____	_____	_____		_____	_____	_____		_____	_____	_____	_____	_____	_____
1980-81	_____	_____	_____		_____	_____	_____		_____	_____	_____	_____	_____	_____
1981-82	_____	_____	_____		_____	_____	_____		_____	_____	_____	_____	_____	_____
1982-83	_____	_____	_____		_____	_____	_____		_____	_____	_____	_____	_____	_____
1983-84	_____	_____	_____		_____	_____	_____		_____	_____	_____	_____	_____	_____

\*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>
1978-79	_____	_____	_____	_____
1979-80	_____	_____	_____	_____

Please use the reverse side  
of this form for comments.

Please return form to: American Institute of CPAs  
Relations with Educators Division  
1211 Avenue of the Americas  
New York, New York 10036

A self-addressed envelope is enclosed for your convenience.