

The Supply of Accounting Graduates and The Demand for Public Accounting Recruits — 1990

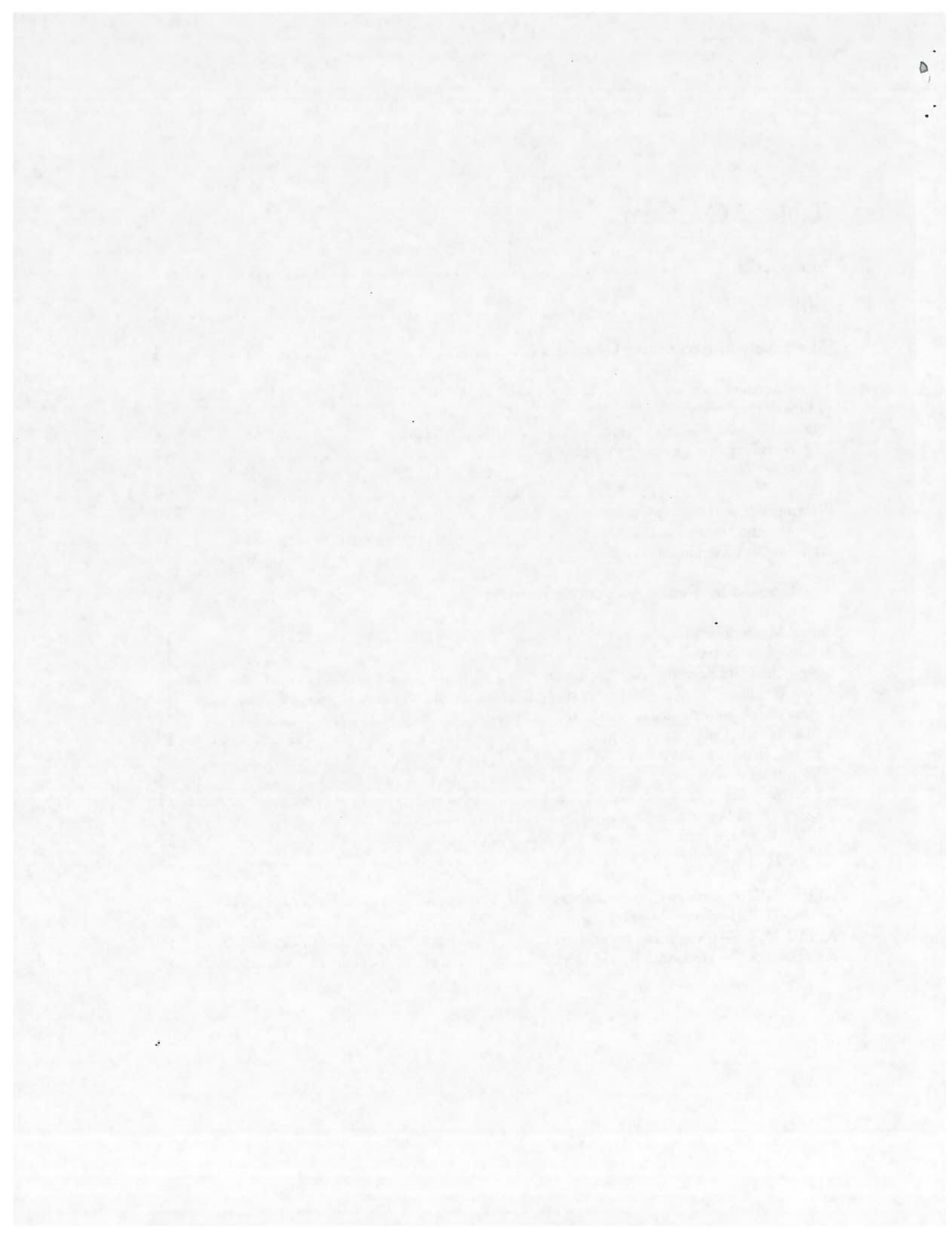
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Introduction

The Relations with Educators Division of the American Institute of Certified Public Accountants (AICPA) is pleased to present the twentieth edition of *The Supply of Accounting Graduates and the Demand for Public Accounting Recruits*. The report of the 1990 survey results has been expanded and enhanced, providing more information in a more readable format. We would like to thank the participants of the survey, both schools and firms, who provided a very enthusiastic response.

To report more comprehensive information on the supply of accounting graduates and the demand by public accounting firms for those graduates, the AICPA expanded the twentieth edition of its annual survey. The AICPA surveyed over 14,470 public accounting firms for this report, compared with the stratified sample of 366 firms surveyed for the 1989 edition. For the first time firms with two to nine AICPA members were included in the survey. There were 13,237 firms in that group, and they accounted for approximately 33% of the total demand by public accounting for recruits with bachelor's degrees and 22% of those with master's degrees for 1989.

The number of schools surveyed for this edition, 778, was approximately the same as the number surveyed for 1989. However, the 1990 results are more comprehensive because all the schools surveyed are represented in the results. A detailed discussion of the methodology employed in both the supply and demand surveys can be found in Appendix B.

Due to the significant changes made in the 1990 survey regarding the number of firms surveyed and the methodology employed, historical trend tables are not included in the body of the report. Although the historical trend tables provide a much needed perspective on the recent history of the profession, their data were produced from surveys that are not comparable to the expanded 1990 survey. Trend tables are presented in Appendix D as a reference to past surveys, not as a basis of comparison with the current survey. Future editions of this report using the expanded survey will include trend tables.

The report is presented in two sections: the supply of accounting graduates and the demand for those graduates by CPA firms. No attempt has been made to evaluate the demand for accounting graduates by other major employers in categories such as industry and government.

Included in the report for the first time is a 10-year historical table of the total number of candidates for the CPA exam and the number of candidates who passed all parts of the exam that they attempted (Table 19).

Summary

For the accounting class of 1988-89, the following information was determined from the survey results:

- Over 57,000 bachelor's and master's degrees in accounting were awarded. Universities expect that number to increase by about 3% for 1989-90.
- Graduate degrees made up about 10% of all accounting degrees awarded.
- Thirty-seven percent of the accounting graduates with bachelor's degrees and 53% of those with master's degrees were hired by public accounting firms, and 28% of the graduates with bachelor's degrees and 24% of those with master's degrees were hired by business and industry employers.
- Eighteen percent of the accounting graduates were minorities.

The following information concerning CPA firms was determined from the survey results:

- CPA firms expect a 1% growth in their demand for graduates with bachelor's degrees and a 10% growth in their demand for graduates with master's degrees during 1990.
- Of the new graduates hired by public accounting firms in 1989, 78% hold accounting bachelor's degrees, 8% hold accounting master's degrees, and 14% hold nonaccounting degrees.
- Of the graduates hired by public accounting firms in 1989, 71% were assigned to auditing, 11% were assigned to management advisory services, and 17% were assigned to taxation.
- Public accounting firms experienced a 19% turnover rate among professional staff in 1989. Firms with over 200 AICPA members experienced a 23% turnover rate during the year.

The Supply of Accounting Graduates

Survey Methodology

During the autumn of 1989, the AICPA undertook a survey of all U.S. colleges and universities that have accounting programs. A total of 778 schools identified as having accounting programs leading to a bachelor's degree, master's degree, or both, were sent survey questionnaires in late October 1989.

The questionnaires asked accounting program administrators to indicate the number of accounting graduates with bachelor's degrees, master's degrees, MBAs with a concentration in accounting, and master's degrees in taxation including MBAs with a concentration in taxation. Actual data for the 1988-89 academic year were requested as well as the administrator's projections for the 1989-90 academic year. Schools were asked to provide breakdowns of their total accounting graduates by gender, ethnic/racial background, and employment placement (that is, the number going into public accounting, business or industry, government, and other fields). Data on expected enrollment trends in accounting programs were also gathered, along with some background information on the schools. A copy of the survey questionnaire is contained in Appendix A.

The American Assembly of Collegiate Schools of Business (AACSB) is the foremost accrediting body for baccalaureate and master's degree programs in business administration and accounting in the United States. The membership of domestic educational institutions in the AACSB is divided into two groups: members with accredited business administration programs and members with nonaccredited business administration programs. Of those schools that have an accredited business administration program, 78 have a level of accounting accreditation. For this report, the AICPA has also surveyed schools that have accounting programs but that are not members of the AACSB.

A total of 472 of the 778 schools responded to the survey, yielding an overall response rate of about 61%. Responses were received from 71% of the AACSB-accredited member schools surveyed, and from 55% of the AACSB nonaccredited member schools. Of the schools surveyed that were not AACSB members, 56% responded (Table 1).

TABLE 1
Number of Schools in the 1990 Survey

	AACSB Schools		Non-AACSB Schools	Total Schools
	Accredited	Nonaccredited		
Number of questionnaires mailed	261	354	163	778
Schools responding	185	195	92	472
Response rate	71%	55%	56%	61%

Schools that responded to the survey mirror, as a group, the total population of schools being studied. Responding schools closely match all schools with respect to accounting faculty size and classification

as public or private institutions, and generally match all schools with respect to classification as AACSB or non-AACSB member schools.

The supply of accounting graduates was estimated for the 39% of the schools that did not respond to the survey. Accordingly, the results of this report cover the entire population of schools studied. This approach differs from previous years, when only schools responding to that year's survey or in the previous three-year period were reported in the survey results. Consequently, the results in this report are not comparable to those in previous years.

Results of the Survey

Bachelor's and Master's Degrees

Table 2 indicates the number of accounting graduates, both bachelor's degrees and master's degrees, for the 1988-89 academic year as well as the projected number for 1989-90. The number of accounting graduates with master's degrees is expected to increase at a substantial rate of about 9% for 1989-90.

	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1988-89	52,500	5,230	57,730
1989-90	53,800	5,700	59,500
Rate of Growth	2%	9%	3%

The AACSB has an established accrediting process for accounting programs. The three types of accounting programs accredited by the AACSB are bachelor's in accounting, MBAs with a concentration in accounting, and master's in accounting. The master's in accounting has the largest expected growth rate (6%) for 1989-90 (Table 3).

	<i>Bachelor's</i>	<i>MBAs in Accounting</i>	<i>Master's in Accounting</i>
1988-89	10,290	150	760
1989-90	10,560	155	810
Rate of Growth	3%	3%	6%

Table 4 indicates that 28,400 accounting graduates with bachelor's degrees are from schools that have an AACSB-accredited business administration program. This is 54% of the accounting graduates

with bachelor's degrees. Accounting graduates in 1988-89 with master's degrees from schools with an AACSB-accredited business program total 3,300 or 63% of that group. The expected rate of growth for accounting graduates with master's degrees is higher than that for graduates with bachelor's degrees.

TABLE 4

**Accounting Graduates
From AACSB Schools With Accredited
Business Administration Programs
1988-89 and 1989-90**

	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1988-89	28,400	3,300	31,700
1989-90	29,100	3,630	32,730
Rate of Growth	2%	10%	3%

Table 5 indicates those accounting graduates with bachelor's and master's degrees from programs not accredited by the AACSB. A 7% growth rate is expected in the number of graduates with master's degrees in 1989-90.

TABLE 5

**Accounting Graduates From
Programs Not Accredited
by the AACSB
1988-89 and 1989-90**

	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1988-89	24,100	1,930	26,030
1989-90	24,700	2,070	26,770
Rate of Growth	3%	7%	3%

Public and private schools expect the number of baccalaureate degrees to increase only slightly in 1989-90 (Table 6). However, the number of accounting graduates with master's degrees from public and private schools is expected to increase at a rate of 11% and 7%, respectively, for 1989-90 (Table 7).

TABLE 6

**Accounting Graduates
With Bachelor's Degrees
From Public and Private Schools
1988-89 and 1989-90**

	<i>Public</i>	<i>Private</i>
1988-89	35,250	17,250
1989-90	35,950	17,850
Rate of Growth	2%	3%

TABLE 7

**Accounting Graduates
With Master's Degrees
From Public and Private Schools
1988-89 and 1989-90**

	<i>Public</i>	<i>Private</i>
1988-89	3,055	2,175
1989-90	3,380	2,320
Rate of Growth	11%	7%

All regions expect a relatively modest growth in the number of graduates with bachelor's degrees in 1989-90 (Table 8 and Figure 1). The Southern and Pacific regions expect more dramatic growth in accounting graduates with master's degrees: 17% and 11%, respectively (Table 9 and Figure 2).

TABLE 8

**Accounting Graduates
With Bachelor's Degrees by Geographic Region
1988-89 and 1989-90**

	<i>Eastern</i>	<i>North Central</i>	<i>Southern</i>	<i>Pacific</i>
1988-89	14,000	14,700	16,100	7,700
1989-90	14,200	15,050	16,700	7,850
Rate of Growth	1%	2%	4%	2%

FIGURE 1

**Accounting Graduates
With Bachelor's Degrees by
Geographic Region**

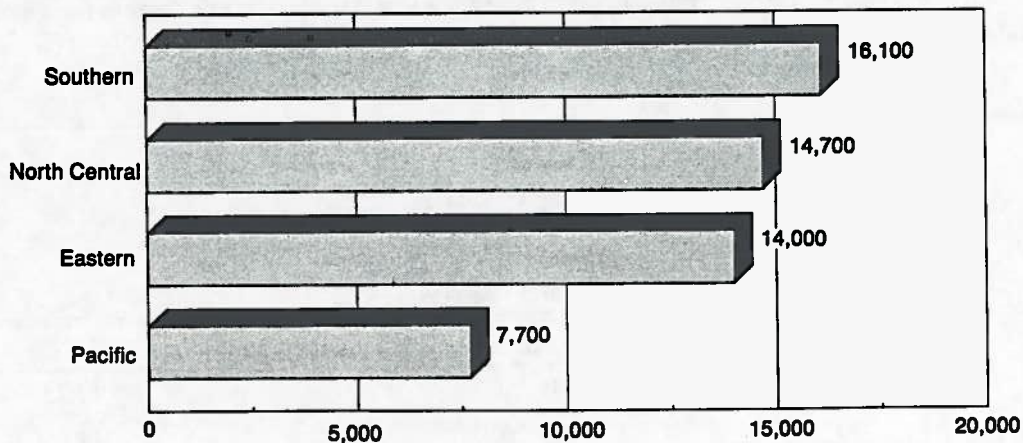


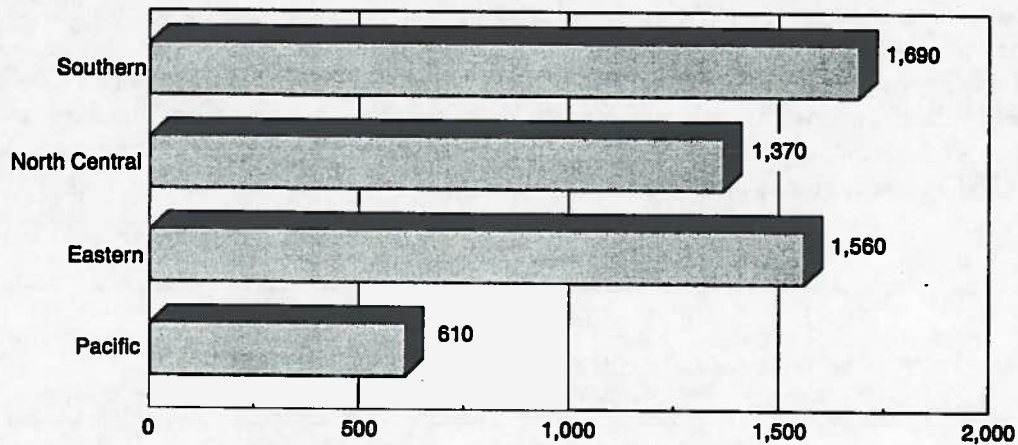
TABLE 9

**Accounting Graduates
With Master's Degrees by Geographic Region
1988-89 and 1989-90**

	<i>Eastern</i>	<i>North Central</i>	<i>Southern</i>	<i>Pacific</i>
1988-89	1,560	1,370	1,690	610
1989-90	1,620	1,435	1,970	675
Rate of Growth	4%	5%	17%	11%

FIGURE 2

**Accounting Graduates
With Master's Degrees by
Geographic Region**



Master's Degree—Types of Programs

The three types of master's degree programs shown in Table 10 are master's in accounting, MBA in accounting, and master's in taxation. Both the master's in accounting and the master's in taxation programs are expected to experience notable growth rates of 13% and 8% in 1989-90.

TABLE 10

**Accounting Graduates
With Master's Degrees by Type of Program
1988-89 and 1989-90**

	<i>Master's in Accounting</i>	<i>MBA's in Accounting</i>	<i>Master's in Taxation</i>
1988-89	2,760	1,260	1,210
1989-90	3,110	1,285	1,305
Rate of Growth	13%	2%	8%

Male/Female Data

Females comprise 49% of the 1988-89 graduates. It is anticipated, however, that their share will increase to 53% in 1989-90 (Table 11).

TABLE 11
Accounting Graduates by Gender
1988-89 and 1989-90

	<i>Male</i>	<i>Female</i>
1988-89	51%	49%
1989-90	47%	53%

Ethnic Data

Traditionally Black and minority schools reported a total ethnic composition of 90%, with 81% of the total represented by Blacks in 1988-89. No significant changes in those percentages are expected for 1989-90. Traditionally majority schools reported 16% of their accounting graduates in 1988-89 as ethnic, with Blacks and Asians each representing 5% of the total. No significant change is anticipated for this ethnic distribution in 1989-90. All schools indicated a total ethnic representation of 18% for 1988-89, with no change expected for 1989-90 (Table 12, Figure 3, and Figure 4).

TABLE 12
The Supply of Accounting Graduates by Ethnic Background
1988-89 and 1989-90

		<i>American Indians</i>	<i>Asians</i>	<i>Blacks</i>	<i>Hispanics</i>	<i>Other Minorities</i>	<i>Total Ethnic</i>	<i>White</i>
Traditionally Black and Minority Schools	1988-89	*	2%	81%	6%	1%	90%	10%
	1989-90	1%	1%	82%	6%	1%	91%	9%
Traditionally Majority Schools	1988-89	*	5%	5%	4%	2%	16%	84%
	1989-90	*	4%	6%	4%	2%	16%	84%
All Schools	1988-89	*	5%	7%	4%	2%	18%	82%
	1989-90	*	4%	8%	4%	2%	18%	82%

*Under 0.5%.

FIGURE 3
Accounting Graduates by Ethnic Background
All Schools

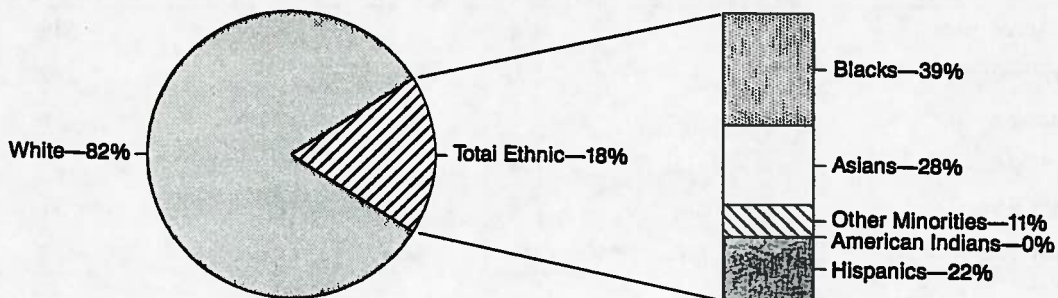
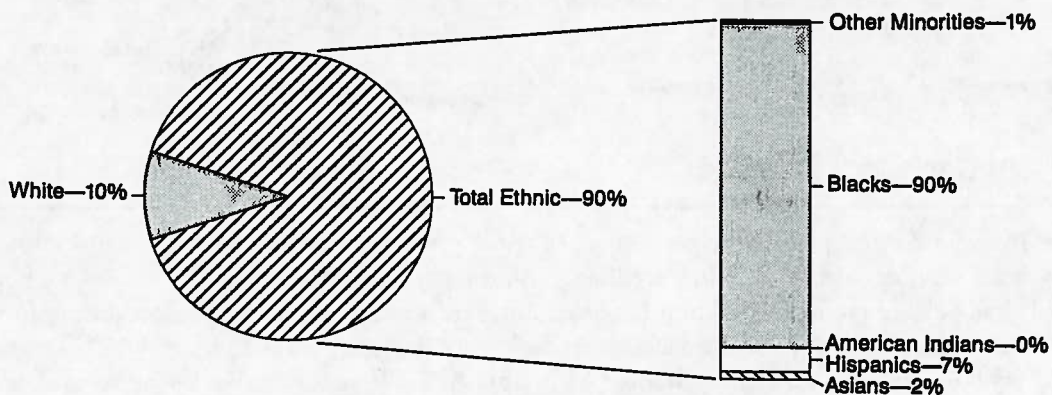


FIGURE 4
Accounting Graduates by Ethnic Background
Traditionally Black and Minority Schools



Placement of Accounting Graduates

Schools reported that 37% of the accounting graduates with bachelor's degrees and 53% of those with master's degrees were hired by public accounting firms in 1988-89. Employers in business and industry accounted for the hiring of 28% of those graduates holding bachelor's degrees and 24% of those holding master's degrees (Table 13 and Figure 5).

TABLE 13
Placement of 1988-89 Accounting Graduates

	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>
Public Accounting	37%	53%
Business/Industry	28%	24%
Government	6%	5%
Other Areas	2%	5%
Graduate School	6%	3%
Unknown	<u>21%</u>	<u>10%</u>
TOTAL	100%	100%

FIGURE 5
Placement of Accounting Graduates

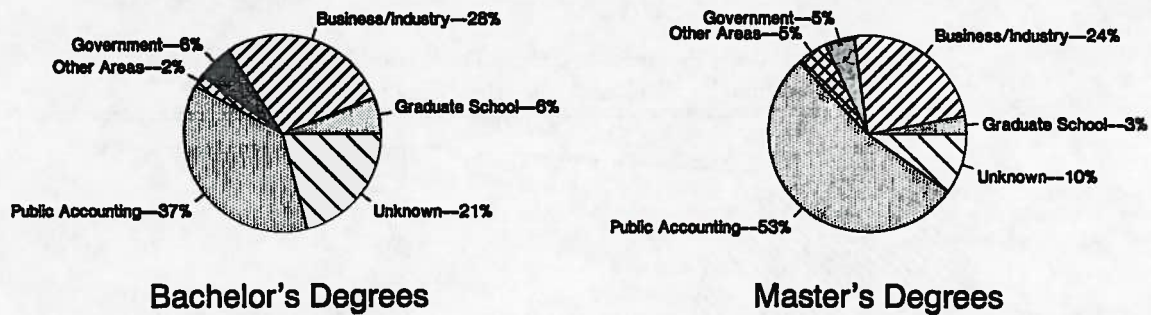


Table 14 indicates the placement percentage of those graduates holding bachelor's and master's degrees from schools with AACSB-accredited business administration programs. These schools reported that 40% of graduates holding bachelor's degrees were hired by public accounting firms, whereas these firms hired 31% of the accounting bachelor's degrees graduated from AACSB nonaccredited schools and non-AACSB schools (Table 15). AACSB nonaccredited schools and non-AACSB schools reported that 32% of accounting graduates holding bachelor's degrees were hired by employers in business and industry, whereas schools with AACSB-accredited business administration programs reported a 25% rate for accounting graduates in the same category.

TABLE 14
Placement of 1988-89 Accounting Graduates
From AACSB-Accredited Business Administration Programs

	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>
Public Accounting	40%	58%
Business/Industry	25%	23%
Government	6%	5%
Other Areas	2%	2%
Graduate School	7%	3%
Unknown	<u>20%</u>	<u>9%</u>
TOTAL	100%	100%

TABLE 15
Placement of 1988-89 Accounting Graduates
From Programs Not Accredited by AACSB

	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>
Public Accounting	31%	40%
Business/Industry	32%	26%
Government	8%	4%
Other Areas	3%	13%
Graduate School	5%	4%
Unknown	<u>21%</u>	<u>13%</u>
TOTAL	100%	100%

That same relationship holds for accounting graduates with master's degrees. Schools with AACSB-accredited business programs reported that 58% of accounting graduates holding master's degrees were hired by public accounting firms in 1988-89, compared with 40% of those graduates holding master's degrees from AACSB nonaccredited schools or non-AACSB schools. In addition, the AACSB nonaccredited schools and non-AACSB schools reported that 26% of accounting graduates holding master's degrees were hired by employers in business and industry in 1988-89, a slightly higher percentage than the 23% reported by schools with AACSB-accredited business programs.

Tables 16 and 17 report the placement of bachelor's and master's graduates by region. In each region, the highest percentage of accounting graduates with bachelor's degrees and with master's degrees were hired by public accounting firms. A breakdown of the geographic regions into states appears in Appendix C.

TABLE 16
Placement of 1988-89 Bachelor's Degree Graduates
by Region

	<i>Eastern</i>	<i>North Central</i>	<i>Southern</i>	<i>Pacific</i>
Public Accounting	41%	37%	33%	40%
Business/Industry	23%	32%	27%	26%
Government	4%	6%	6%	11%
Other Areas	2%	2%	3%	3%
Graduate School	4%	4%	9%	6%
Unknown	<u>26%</u>	<u>19%</u>	<u>22%</u>	<u>14%</u>
TOTAL	100%	100%	100%	100%

TABLE 17
Placement of 1988-89 Master's Degree Graduates
by Region

	<i>Eastern</i>	<i>North Central</i>	<i>Southern</i>	<i>Pacific</i>
Public Accounting	56%	49%	53%	55%
Business/Industry	21%	25%	25%	20%
Government	2%	5%	4%	14%
Other Areas	7%	6%	4%	5%
Graduate School	2%	3%	4%	2%
Unknown	12%	12%	10%	4%
TOTAL	100%	100%	100%	100%

Enrollment Trends

Schools were asked to indicate whether enrollment in the following accounting programs would increase, decrease, or remain stable over the next five years: bachelor's in accounting, master's in accounting, MBA in accounting, and master's in taxation. Of those responding, 71% indicated that enrollment in the master's-in-accounting program would increase over the next five years (Table 18).

TABLE 18
Trends in Enrollments in Accounting Programs

	<i>Percent Indicating That</i> <i>Enrollment 5 Years From Now Will Be—</i>		
	<i>Higher Than</i> <i>Current</i> <i>Enrollment</i>	<i>The Same</i> <i>as Current</i> <i>Enrollment</i>	<i>Lower Than</i> <i>Current</i> <i>Enrollment</i>
Bachelor's in Accounting	48%	36%	16%
Master's in Accounting	71%	26%	3%
MBA's in Accounting	59%	35%	6%
Master's in Taxation	55%	42%	3%

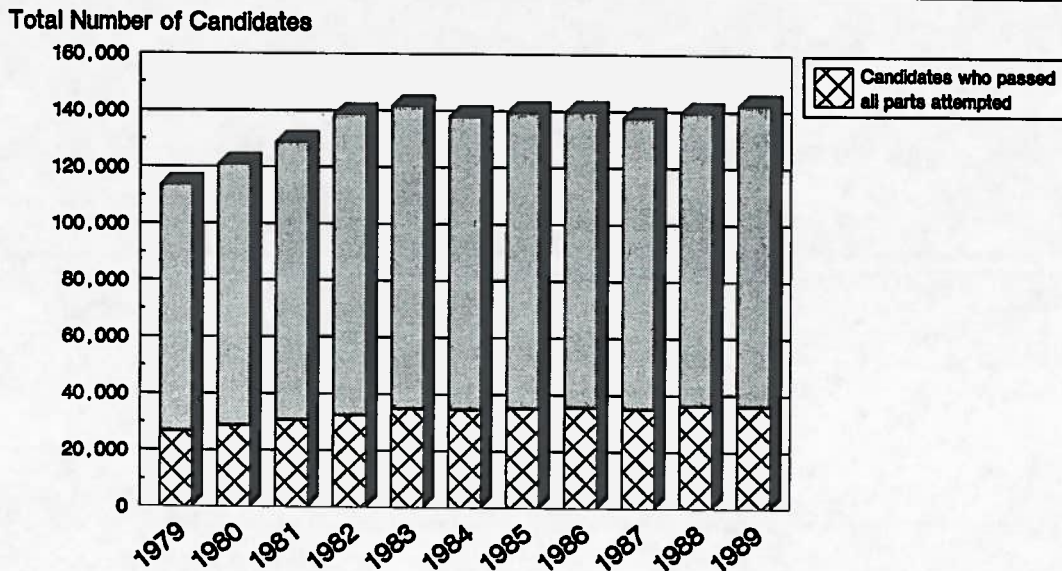
Uniform CPA Examination

Table 19 and Figure 6 report a 10-year history of the total number of candidates for the CPA exam and the number of candidates who passed all parts of the exam that they attempted.

TABLE 19
Uniform CPA Examination

	<i>Total Number of Candidates</i>	<i>Candidates Who Passed All Parts of the Exam That They Attempted</i>
1979	113,629	26,466
1980	120,925	28,571
1981	128,793	30,530
1982	138,677	32,274
1983	141,583	34,725
1984	137,918	34,395
1985	139,454	34,916
1986	139,647	35,343
1987	137,637	34,752
1988	139,474	36,012
1989	142,135	35,990

FIGURE 6
Uniform CPA Examination



The Demand for Public Accounting Recruits

Survey Methodology

During the autumn of 1989, the AICPA conducted a survey of all public accounting firms with two or more AICPA members — a total of 14,474 firms.

Survey questionnaires, sent to each firm's human resource partner, asked a variety of questions about recently hired graduates. The core question in the survey asked firms to provide a breakdown of both accounting and nonaccounting graduates hired in 1989. Projections of these data for 1990 were gathered as well. Firms were asked to provide a breakdown of newly hired graduates by gender, ethnic/racial background, and placement (that is, the number assigned to accounting/auditing, taxation, MAS, and other specialty areas). In addition, firms were asked to give information on recruiting activities, professional staff, paraprofessional staff, and experienced recruits, as well as some general background information.

The survey consisted of two questionnaire forms. The "long" form was sent to a sample of 2,500 firms, and the "short" form was sent to the other 11,974 firms in the population being studied. All firms with over 10 AICPA members received the long form, and the balance of the 2,500 long forms were received by a random sample of smaller firms. All of the remaining smaller firms received the short form. All 14,474 firms were sent their respective questionnaires in mid-November, and the 2,500 firms receiving the long form were sent follow-up questionnaires in late November. Because the largest firms account for such a large proportion of newly hired graduates, a greater effort was made to obtain these responses. These firms' responses were tracked, and a series of follow-up phone calls and mailings was undertaken, in an effort to maximize the collective response rate. Copies of both the long and short questionnaire forms are included in Appendix A.

A total of 5,055 firms of the 14,474 surveyed responded, producing an overall response rate of about 35%. About 76% of the firms with over 200 AICPA members responded to the survey, 64% of the firms with 50 to 200 members responded, 60% of those with 10 to 49 members responded, and 33% of those with 2 to 9 members responded. The large difference in response rates between small and large firms reflects the methodology employed: The vast majority of small firms received only one mailing of the questionnaire (the short form), whereas larger firms received two mailings. Moreover, the largest firms were contacted directly in the event of nonresponse to bolster their collective response rate.

As shown in Table 20, about 35% of the firms covered in the study responded to the survey. For the 65% of the firms that did not respond, the demand for public accounting recruits was estimated. Therefore, the results of this report cover all firms in the population under study. The methodology employed in this year's survey differs from that of previous years, when firms with 2 to 9 AICPA members were completely excluded and only a sample of firms with 10 to 29 AICPA members was surveyed. As a result, the data in this report are not comparable to that for previous years.

TABLE 20

Public Accounting Firms
in the 1990 Demand Survey

<i>Number of AICPA Members per Firm</i>	<i>Total Number of Firms</i>	<i>Number of Firms Surveyed</i>	<i>Number of Firms Responding</i>	<i>Response Rate</i>
Over 200 Members	17	17	13	76%
50-200 Members	44	44	28	64%
10-49 Members	1,176	1,176	704	60%
2-9 Members	13,237	13,237	4,310	33%
All Firms	14,474	14,474	5,055	35%

Results of the Survey

New Graduate Recruits—Accounting Degrees

Table 21 indicates the number of new graduates with bachelor's degrees in accounting and with master's degrees in accounting, including MBAs with a concentration in accounting and master's degrees in taxation. The number of new graduate recruits with master's degrees is expected to increase by approximately 10% in 1990.

TABLE 21

Public Accounting Demand for
New Graduate Recruits With Accounting Degrees
1989 and 1990

	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1989	22,500	2,390	24,890
1990	22,700	2,620	25,320
Rate of Growth	1%	10%	2%

A breakdown of the public accounting demand for new graduate recruits with accounting degrees according to size of firm appears in Table 22. This breakdown is applicable to 1989 only. It is notable that the percentage of graduates with master's degrees hired in 1989 is highest in the largest firm-size group.

TABLE 22
Breakdown of Bachelor's and Master's Hires by Firm Size
1989

<i>Firm Size</i>	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
Over 200 AICPA Members	11,100	1,640	12,740
50-200 AICPA Members	620	30	650
10-49 AICPA Members	3,250	190	3,440
2-9 AICPA Members	<u>7,530</u>	<u>530</u>	<u>8,060</u>
TOTAL	22,500	2,390	24,890

The percentage of new graduate recruits with master's degrees by firm size is shown in Table 23. The percentages are expected to remain relatively unchanged in 1990.

TABLE 23
Percentage of New Graduate Recruits
With Master's Degrees in Accounting by Firm Size
1989 and 1990

	<i>Over 200 AICPA Members</i>	<i>50-200 AICPA Members</i>	<i>10-49 AICPA Members</i>	<i>2-9 AICPA Members</i>	<i>All Firms</i>
1989	13%	4%	6%	7%	10%
1990	14%	4%	5%	8%	10%

Table 24 shows a breakdown of new graduate recruits with master's degrees according to type of program. The percentages are expected to remain stable in 1990.

TABLE 24
Percentage of New Graduate Recruits
With Master's Degrees by Type of Program
1989 and 1990

	<i>Master's in Accounting</i>	<i>MBA's in Accounting</i>	<i>Master's in Taxation</i>
1989	56%	19%	25%
1990	57%	18%	25%

New Graduate Recruits—Nonaccounting Degrees

The percentage of new graduate recruits with nonaccounting degrees by type of program, as well as the percentage of total nonaccounting degrees to total new graduates, is shown in Table 25 and Figure 7. It is anticipated that the percentages will remain relatively unchanged in 1990.

TABLE 25

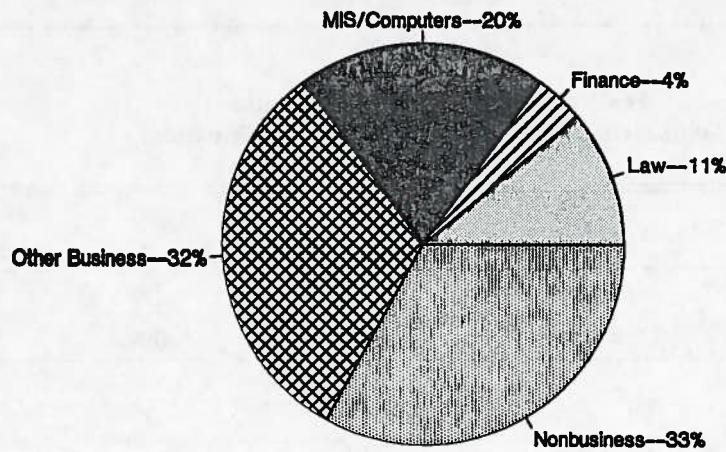
Percentage of New Graduate Recruits
With Nonaccounting Degrees by Type of Program
1989 and 1990

	<i>Law</i>	<i>Finance</i>	<i>MIS/ Computers</i>	<i>Other Business</i>	<i>Nonbusiness</i>	<i>Total*</i>
1989	11%	4%	20%	32%	33%	14%
1990	11%	3%	20%	32%	34%	14%

*Nonaccounting new graduate recruits as a percentage of total new graduate recruits.

FIGURE 7

Percentage of New Graduate Recruits With
Nonaccounting Degrees by Type of Program



The percentage of total public accounting new graduate recruits by type of degree is shown in Table 26.

TABLE 26

Percentage of Total Public Accounting New Graduate
Recruits by Type of Degree
1989 and 1990

	<i>Total Accounting</i>		<i>Total Nonaccounting</i>
	<i>Bachelor's</i>	<i>Master's</i>	
1989	78%	8%	14%
1990	77%	9%	14%

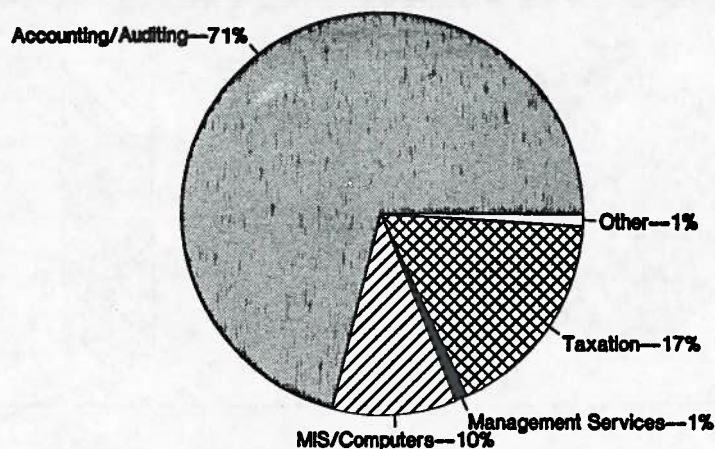
Area of Assignment

The percentage of public accounting new graduate recruits by area of assignment is shown in Table 27 and Figure 8. In all firm-size groups, a solid majority of recruits were assigned to accounting/auditing. The percentage of new graduate recruits assigned to MAS in 1989 is notably higher for firms with over 200 AICPA members and is expected to remain so in 1990.

TABLE 27
Percentage of Public Accounting New Graduate Recruits
by Area of Assignment
1989 and 1990

Number of AICPA Members per Firm	Accounting/ Auditing	Management Advisory Services			Taxation	Other
		MIS/ Computers	Other Management Services	Total MAS		
Over 200 Members						
1989	68%	15%	1%	16%	15%	1%
1990	67%	15%	2%	17%	15%	1%
50-200 Members						
1989	82%	6%	2%	8%	7%	3%
1990	85%	2%	3%	5%	9%	1%
10-49 Members						
1989	78%	3%	1%	4%	16%	2%
1990	79%	1%	1%	2%	17%	2%
2-9 Members						
1989	73%	3%	1%	4%	21%	2%
1990	68%	1%	1%	2%	29%	1%
All Firms						
1989	71%	10%	1%	11%	17%	1%
1990	69%	9%	2%	11%	19%	1%

FIGURE 8
Percentage of Public Accounting
New Graduate Recruits by Area of Assignment
All Firms



Male/Female Data

Females comprise 48% of the new graduate recruits in 1989, and their share is expected to be the same in 1990 (Table 28).

TABLE 28
Relationship Between the Public Accounting Demand
for Male and Female New Graduate Recruits
1989 and 1990

	<i>Male</i>	<i>Female</i>
1989	52%	48%
1990	52%	48%

Ethnic Data

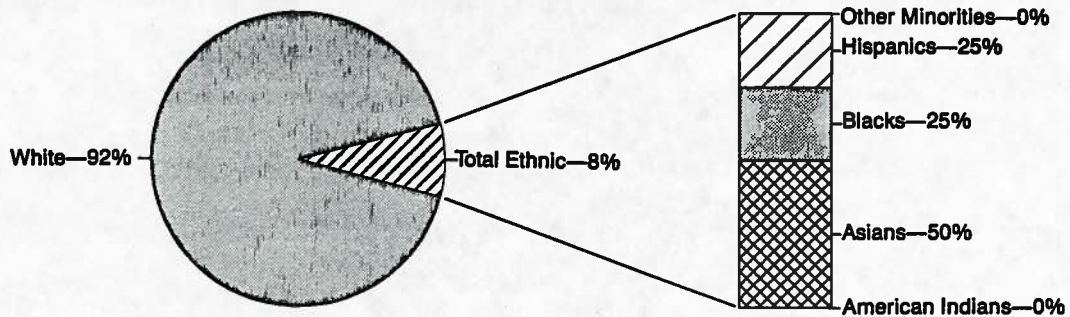
About 8% of the new graduate recruits in 1989 are from various minority groups (Table 29 and Figure 9).

TABLE 29
Percentage of Public Accounting Demand
for New Graduate Recruits by Ethnic Background
1989

	<i>American Indians</i>	<i>Asians</i>	<i>Blacks</i>	<i>Hispanics</i>	<i>Other Minorities</i>	<i>Total Ethnic</i>	<i>White</i>
1989	*	4%	2%	2%	*	8%	92%

*Less than 0.5%.

FIGURE 9
Percentage of Public Accounting Demand
for New Graduate Recruits by Ethnic Background



Recruiting

Firms were also asked in the survey to provide information about their recruiting activities. A total of 366 responding firms indicated that they recruited on campus in 1989. The firms were asked to report the number of prospective recruits who were interviewed on campus, the number of job offers made, and the number of graduates subsequently hired. In addition, 534 firms reported that they recruited off campus in 1989. The firms reported the number of initial interviews, the number of job offers, and the number of graduates hired.

Of the total graduates firms reported interviewing on campus in 1989, 33% were invited for an office visit. Sixty-five percent of those who were invited for a visit were offered positions with the firm, and 47% of those offered positions accepted. Of those who were interviewed off campus in 1989, 42% were offered positions with the firm after the initial interview and 77% of them accepted.

Table 30 shows how firms expect their recruiting activities in 1990 to compare with those in 1989. The majority of firms indicated that the number of recruits invited to the various stages of the on-campus and off-campus recruiting processes is expected to remain unchanged in 1990.

TABLE 30
Recruiting Outlook for 1990
Relative to 1989

	<i>Percent of Firms Indicating That the Number in 1990 Relative to 1989 Will—</i>		
	<i>Increase</i>	<i>Stay the Same</i>	<i>Decrease</i>
On-campus Recruiting:			
Campus Interviews	14%	77%	9%
Office Visits	14%	75%	11%
Offers	14%	73%	13%
Hires	18%	70%	12%
Off-campus Recruiting:			
Initial Interviews	13%	71%	16%
Offers	10%	72%	18%
Hires	10%	71%	19%

Staff Turnover

Table 31 indicates the professional staff turnover by firm size for 1989. The firms with over 200 AICPA members indicated a relatively high professional staff turnover rate of 23%.

TABLE 31
Professional Staff Turnover by Firm Size
1989*

<i>Number of AICPA Members per Firm</i>	<i>Professional Staff Turnover as a Percentage of Total Professional Staff</i>
Over 200 Members	23%
50-200 Members	12%
10-49 Members	13%
2-9 Members	14%
All Firms	19%

*Professional staff are defined as CPAs, prospective CPAs, and others with a similar amount of academic training in a field that is part of the practice of public accounting. Turnover includes professional staff who resign or are terminated.

Experienced Recruits

Firms were asked to indicate the number of experienced recruits hired in 1989 relative to 1988. Table 32 displays that information by firm size. Although firms generally indicated that the number of experienced recruits in 1989 was unchanged from 1988, larger firms were more likely than smaller firms to report that they hired a greater number of experienced recruits in 1989.

TABLE 32
Experienced Recruits Hired
in 1989 Relative to 1988
by Firm Size*

<i>Number of AICPA Members per Firm</i>	<i>Percent of Firms Indicating That the Number of Experienced Recruits Hired in 1989 Relative to 1988 Was—</i>		
	<i>Higher</i>	<i>The Same</i>	<i>Lower</i>
Over 200 Members	39%	46%	15%
50-200 Members	32%	52%	16%
10-49 Members	28%	57%	15%
2-9 Members	23%	66%	11%
All Firms	26%	61%	13%

*Experienced recruits are defined as professional staff hired at above entry level.

Paraprofessional Staff

Table 33 shows the use of paraprofessional staff by firm size. Firms were asked to indicate whether they employ paraprofessional staff and, if so, whether the number hired in 1989 was higher, the same, or lower than the number hired in 1988. Eighty percent of all firms responding indicated that they

employ paraprofessional staff, and 67% of these indicated that they hired the same number of paraprofessional staff in 1989 as in 1988. Again, larger firms were more likely than smaller firms to report that they hired a greater number of paraprofessionals in 1989.

TABLE 33
Use of Paraprofessional Staff
by Firm Size

Number of AICPA Members per Firm	Percent Indicating They Hire Paraprofessional Staff	Percent of Firms Indicating That the Number of Paraprofessional Staff Hired in 1989 Relative to 1988 Was—		
		Higher	The Same	Lower
Over 200 Members	92%	50%	50%	0%
50–200 Members	93%	42%	46%	12%
10–49 Members	84%	21%	70%	9%
2–9 Members	74%	26%	67%	7%
All Firms	80%	24%	67%	9%

*Paraprofessional staff are defined as nonprofessional staff hired to assist professional staff with clerical and other duties that would not be defined as traditional office duties.

Demographic Information

Some demographic characteristics of the responding firms are indicated in Table 34. A great majority, 86%, are local firms, while only 1% are national or international firms—similar to the breakdown of all firms in the population under study.

TABLE 34
Demographic Characteristics of
Responding Firms

Geographic Location of Firm		Firm Type	
Eastern	25%	Local	86%
North Central	30%	Regional	13%
Southern	29%	National/ International	1%
Pacific	16%		

APPENDIX A

Survey Questionnaires

AICPA

American Institute of Certified Public Accountants

1211 Avenue of the Americas
New York, NY 10036-8775
(212) 575-8200 Telex: 70-3396
Telecopier (212) 575-3846

October 25, 1989

Dear Accounting Program Administrator:

This marks the 18th year that the AICPA has conducted its survey of "The Supply of Accounting Graduates and the Demand for Public Accounting Recruits." The information gathered in the survey has proven to be increasingly useful to the Institute in helping to plan for the future of the profession. The survey results should be very useful to accounting educators in planning and in advising students on career opportunities. The reliability and thus usefulness of the results, however, depend heavily upon broad-based participation.


I would greatly appreciate your participation in this study by answering the questions on the enclosed questionnaire as **accurately and completely** as possible. Of greatest importance are the questions on the number of new graduates. If this questionnaire has been sent to the wrong person, please see that it is forwarded to the appropriate party.

Note that a label identifying your institution has been affixed to the questionnaire. This will allow us to track the survey returns so that those responding will not receive follow-up mailings of the questionnaire. In addition, we would appreciate it if you would write in your name and phone number in the space allotted so that we may contact you in the unlikely event that we need to clarify any of the data provided. Let us stress, however, that the data gathered are **entirely confidential**. The data will be used only in summary form and a copy of the results will be made available to all participants.

Should you have any questions about the data requested, please call Marylou Walsh at (212) 575-6357. Please return your completed questionnaire in the enclosed postage-paid envelope by **November 8, 1989**. Your timely response is crucial to the success of this important effort.

Thank you in advance for your cooperation.

Sincerely,



Rick Elam
Vice President—Education

AICPA SURVEY ON THE SUPPLY OF ACCOUNTING GRADUATES

I. Background Information

1. Is your school public or private?

1 Public 2 Private

2. Please indicate below the total number of **both** full-time and part-time **accounting faculty** at your school during the **Fall term 1989**. (**Accounting faculty** is defined as instructors, assistant professors, associate professors and professors only.)

Full-time accounting faculty

Part-time accounting faculty

II. Accounting Graduates

3. We would like to determine the number of students at your school who graduated with accounting-related degrees in the 1988-89 academic year. **The 1988-89 academic year** consists of the Fall, 1988 and Spring and Summer, 1989 terms. (If on trimesters, the academic year consists of Fall, 1988 and Winter, Spring, and Summer, 1989 terms.)

in **column A** below, please fill in the number who graduated **during the 1988-89 academic year** with the following **degrees**. (**Note:** if, for a particular degree, there were **no** graduates, enter **0**; if the information is **not available**, enter **NA**; if the degree is **not offered**, enter **NP**.)

In **column B**, please indicate whether you expect the number of graduates in the **1989-90 academic year** to increase, decrease, or stay the same relative to the corresponding number in column A.

If you checked "Increase" or "Decrease" in column B, please fill in the **anticipated percentage** increase or decrease for 1989-90 in **column C**.

<u>Degree</u>	Column A	Column B			Column C
	Number of graduates in the 1988-89 academic year	The number of graduates in the 1989-90 academic year relative to the 1988-89 academic year will:			The percentage increase or decrease in the 1989-90 academic year will be about:
		Increase	Stay the Same	Decrease	
A. Bachelor's in accounting—including other bachelor's degrees with majors in accounting	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
B. Master's in accounting—including MA, MS, MAcc, MPA and MAS degrees	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
C. Master's in taxation—including MBAs with a concentration in tax	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
D. MBAs with a concentration in accounting	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
E. TOTAL:	A+B+C+D = <input type="text"/>				

4a. How many of the **total** graduates in the 1988-89 academic year (from line E, column A in question 3) were **female**?

Females

b. What **percentage** of the expected graduates in the 1989-90 academic year will be **female**?

%

5. Please indicate below in **column A** the number of **graduates from the 1988-89 academic year** who fell into the following **ethnic/racial** groups. (The total in line G below should equal that in line E in question 3.)

Please also indicate in **column B** the **percentage** of the expected graduates from the **1989-90 academic year** who will fall into these ethnic/racial groups.

Ethnic/Racial Group	Column A	Column B
	Number of graduates in the 1988-89 academic year who were:	Percent of expected graduates from the 1989-90 academic year who are:
A. White	<input type="text"/>	<input type="text"/> %
B. American Indian	<input type="text"/>	<input type="text"/> %
C. Asian	<input type="text"/>	<input type="text"/> %
D. Hispanic	<input type="text"/>	<input type="text"/> %
E. Black	<input type="text"/>	<input type="text"/> %
F. Other Minorities	<input type="text"/>	<input type="text"/> %
G. TOTAL:	A+B+C+D+E+F = <input type="text"/> = Line E in question 3	<input type="text"/> 100%

6. Please indicate below in **column A** the number of **bachelor's** degree graduates in accounting from the 1988-89 academic year who went into the following **areas**. (The total in line G below should equal that in line A in question 3.)

Please also indicate in **column B** the number of **master's** degree graduates in accounting and taxation from the 1988-89 academic year who went into these areas. (The total in line G below should equal the total of lines B, C, and D in question 3.)

Area	Column A	Column B
	Bachelor's degree graduates in accounting from the 1988-89 academic year who went into:	Master's degree graduates in accounting and taxation from the 1988-89 academic year who went into:
A. Public accounting	<input type="text"/>	<input type="text"/>
B. Business/Industry	<input type="text"/>	<input type="text"/>
C. Government	<input type="text"/>	<input type="text"/>
D. Graduate School	<input type="text"/>	<input type="text"/>
E. Other Areas	<input type="text"/>	<input type="text"/>
F. Unknown	<input type="text"/>	<input type="text"/>
G. TOTAL:	A+B+C+D+E+F = <input type="text"/> = Line A in question 3	<input type="text"/> = Lines B, C, and D in question 3

7. For each of the **accounting programs** listed below, please indicate whether you expect **enrollment five years from now** to be higher, lower, or the same as current enrollment.

<u>Accounting Program</u>	<u>Enrollment 5 years from now will be:</u>			
	<u>Higher than current enrollment</u>	<u>The same as current enrollment</u>	<u>Lower than current enrollment</u>	<u>Don't Know/No Opinion</u>
Bachelor's—majors in accounting	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>
Master's in accounting—including students in MA, MS, MAcc, MPA and MAS programs	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>
Master's in taxation—including MBA students with a concentration in tax	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>
MBA students with a concentration in accounting	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>

November 14, 1989

Dear Human Resource Partner:

This marks the 18th year that the AICPA has conducted its survey of "The Supply of Accounting Graduates and the Demand for Public Accounting Recruits." The information gathered in the survey has proven to be increasingly useful to the Institute in helping to plan for the future of the profession. The survey results should be very useful to the practicing profession both in its human resource planning and as a source of information on employment trends in the profession.

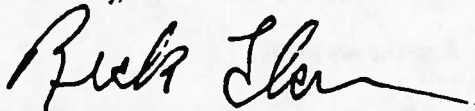
This year the survey sample has been greatly expanded. This will enable us to provide a more comprehensive analysis of the supply of and demand for accounting graduates. The reliability and thus usefulness of the results, however, depend heavily upon broad-based participation.

I would greatly appreciate your participation in this study by answering the questions on the enclosed questionnaire as **accurately and completely** as possible. **Of greatest importance are the questions on the number of new hires and AICPA members in your firm.** If this questionnaire has been sent to the wrong office, please see that it is forwarded to the appropriate party. As in the past, the data gathered are **entirely confidential** and to ensure anonymity we are not asking you to sign your name or your firm's name. The data gathered will be used only in summary form and a copy of the results will be made available to all participants.

Should you have any questions about the data requested, please call Marylou Walsh at (212) 575-6357. Please return your completed questionnaire in the enclosed postage-paid envelope by **November 30, 1989**. Your timely response is crucial to the success of this important effort.

Thank you in advance for your cooperation.

Sincerely,



Rick Elam
Vice President—Education

AICPA SURVEY ON THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

IMPORTANT

Your responses below should cover your **entire** firm—all offices or locations.

I. Recruitment of New Graduates

1. We would like to determine the number of new accounting and nonaccounting graduates hired by your firm in 1989. **New graduates** are defined as those hired at **entry-level positions** with no or only nominal previous experience.

In **column A** below, please fill in the number of **new graduates** with the following degrees that have been or will be hired by your firm during **1989**. (Note: If, for a particular degree, there were **no** graduates hired, enter **0**; if the information is **not available**, enter **NA**.)

In **column B**, please indicate whether you expect the number of new graduates hired by your firm during **1990** to increase, decrease or stay the same relative to the corresponding number in column A.

If you checked "Increase" or "Decrease" in column B, please fill in the **anticipated percentage** increase or decrease in **column C**.

Note: If a newly hired graduate has more than one degree, they should be counted only once and placed according to their highest degree.

	Column A	Column B			Column C
<u>Accounting Degree</u>	Number of new graduates that have been or will be hired during 1989	The number of new graduates expected to be hired during 1990 relative to 1989 will:			The percentage increase or decrease in 1990 will be about:
		Stay the			
		Increase	Same	Decrease	
A. Bachelor's in Accounting—including other bachelor's degrees with majors in accounting	<input style="width: 50px; height: 20px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px; height: 20px;" type="text"/> %
B. Master's in Accounting—including MA, MS, MAcc, MPA and MAS degrees	<input style="width: 50px; height: 20px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px; height: 20px;" type="text"/> %
C. Master's in Taxation—including MBAs with a concentration in tax	<input style="width: 50px; height: 20px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px; height: 20px;" type="text"/> %
D. MBAs with a concentration in Accounting	<input style="width: 50px; height: 20px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px; height: 20px;" type="text"/> %

Nonaccounting Degree

Your responses in the boxes below should cover the following degrees **only**:

- J.D. in **Law**
- Bachelor's and higher degrees in **MIS/Computer Science, Finance**, and other (nonaccounting) **business** majors
- Bachelor's and higher degrees in **non-business** majors

Column A	Column B			Column C
<input style="width: 50px; height: 20px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px; height: 20px;" type="text"/> %

II. Background Information

2. In which state is your firm's headquarters located?

3. Which of the following most closely describes your firm?

- 1 Local Firm 2 Regional Firm 3 National/Multinational Firm

4. Please indicate below the **number of AICPA members** in your **entire** firm. (If this number is not available, please provide your best estimate.)

AICPA Members

AICPA SURVEY ON THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

IMPORTANT

Your responses below should cover your **entire** firm—all offices or locations.

I. Recruitment of New Graduates

1. We would like to determine the number of new accounting and nonaccounting graduates hired by your firm in 1989. **New graduates** are defined as those hired at **entry-level positions** with no or only nominal previous experience.

In **column A** below, please fill in the number of **new graduates** with the following degrees that have been or will be hired by your firm during **1989**. (**Note:** If, for a particular degree, there were **no** graduates hired, enter **0**; if the information is **not available**, enter **NA**.)

In **column B**, please indicate whether you expect the number of new graduates hired by your firm during **1990** to increase, decrease or stay the same relative to the corresponding number in column A.

If you checked "Increase" or "Decrease" in column B, please fill in the **anticipated percentage** increase or decrease in **column C**.

Note: If a newly hired graduate has more than one degree, they should be counted only once and placed according to their highest degree.

	Column A	Column B			Column C
	Number of new graduates that have been or will be hired during 1989	The number of new graduates expected to be hired during 1990 relative to 1989 will:			The percentage increase or decrease in 1990 will be about:
		Increase	Stay the Same	Decrease	
Accounting Degree					
A. Bachelor's in Accounting—including other bachelor's degrees with majors in accounting	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
B. Master's in Accounting—including MA, MS, MAcc, MPA and MAS degrees	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
C. Master's in Taxation—including MBAs with a concentration in tax	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
D. MBAs with a concentration in Accounting	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
E. TOTAL: A+B+C+D =	<input type="text"/>				
Nonaccounting Degree					
F. J.D. in law	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
G. Bachelor's and higher degrees in MIS/Computer Science	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
H. Bachelor's and higher degrees in Finance	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
I. Bachelor's and higher degrees in other (non-accounting) business majors	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
J. Bachelor's and higher degrees in nonbusiness majors	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
K. TOTAL: F+G+H+I+J =	<input type="text"/>				
L. GRAND TOTAL HIRED=	<input type="text"/>				= E+K

2. How many of the **grand total** new graduates hired by your firm during **1989** (from line L in question 1) were **female**? Females
- b. What **percentage** of the new graduates your firm expects to hire during **1990** will be **female**? %
3. Please indicate below in **column A** the number of new graduates hired by your firm during **1989** who are assigned primarily to the following **areas**. (The total in line F below should equal that in line L in question 1.) Please also indicate in **column B** the **percentage** of the new graduates your firm expects to hire during **1990** who will be assigned primarily to these areas.

<u>Area</u>	<u>Column A</u>	<u>Column B</u>
	Number of new graduates hired in 1989 who are assigned primarily to:	Percentage of expected new graduates hired in 1990 who will be assigned primarily to:
A. Accounting/Auditing	<input type="text"/>	<input type="text"/> %
B. Taxation	<input type="text"/>	<input type="text"/> %
C. MIS/Computer	<input type="text"/>	<input type="text"/> %
D. Management Services (other than MIS)	<input type="text"/>	<input type="text"/> %
E. Other Areas	<input type="text"/>	<input type="text"/> %
F. TOTAL:	A+B+C+D+E = <input type="text"/> = Line L in question 1	<hr/> 100%

4. Please indicate below the number of new graduates hired by your firm during **1989** who fall into the following **ethnic/racial groups**. (The total in line G below should equal that in line L in question 1.)

<u>Ethnic/Racial Group</u>	Number of new graduates hired in 1989 who are:
A. White	<input type="text"/>
B. American Indian	<input type="text"/>
C. Asian	<input type="text"/>
D. Hispanic	<input type="text"/>
E. Black	<input type="text"/>
F. Other Minorities	<input type="text"/>
G. TOTAL	A+B+C+D+E+F = <input type="text"/> = Line L in question 1

**Note: If your firm recruits on campus, answer question 5a.
If your firm recruits off campus, answer question 5b.**

5. In **column A** below, please provide the following **recruiting information** for your firm for **1989**. In **column B**, please indicate whether you expect each of these numbers to increase, decrease or stay the same during **1990** relative to the corresponding number in column A. If you checked "Increase" or "Decrease" in column B, please fill in the **anticipated percentage** increase or decrease in **column C**.

Note: The total number of "Hires" in column A should equal the number in line L in question 1.

Recruiting Information	Column A	Column B			Column C
	During 1989, the number of:	The number in 1990 relative to 1989 will:			The percentage increase or decrease in 1990 will be about:
		Increase	Stay the Same	Decrease	
a. On Campus:					
Campus interviews	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
Office visits	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
Offers	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
Hires	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
b. Off Campus:					
Initial interviews	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
Offers	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %
Hires	<input type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input type="text"/> %

II. Other Personnel Information

6. **Professional staff** are defined as CPAs, prospective CPAs, and others with a similar amount of academic training in a field that is part of the practice of public accounting.
- a. What is the **average** number of professional staff employed at your firm during **1989**?
- b. During 1989, how many professional staff members **resigned or were terminated**?
7. **Experienced recruits** are defined as professional staff hired at above entry level. Will the total number of experienced recruits hired by your firm during **1989** be higher, lower or the same as the number hired during **1988**?
- 1 Higher 2 The Same 3 Lower

8. **Paraprofessional staff** are defined as nonprofessional staff hired to assist professional staff with clerical and other duties which would not be defined as traditional office duties.
- a. Does your firm employ paraprofessional staff? Yes No
- b. If **yes**, will the total number of paraprofessional staff hired by your firm during **1989** be higher, lower or the same as the number hired during **1988**?
- Higher The Same Lower

III. Background Information

9. In which state is your firm's headquarters located?
10. Which of the following most closely describes your firm?
- Local Firm Regional Firm National/Multinational Firm
11. Please indicate below the **number of AICPA members** in your **entire** firm. (If this number is not available, please provide your best estimate.)
- AICPA Members

Survey Methodology

Accounting Graduates

During the autumn of 1989, the AICPA undertook a survey of all U.S. colleges and universities that have accounting programs. A total of 778 schools identified as having accounting programs leading to a bachelor's degree, master's degree, or both, were sent survey questionnaires in late October 1989. A follow-up questionnaire was sent in mid-November to schools that did not respond to the initial mailing, and a third and final questionnaire was sent in early December to remaining nonrespondents. Appendix A contains a copy of the survey questionnaire.

A total of 472 of the 778 schools responded to the survey, yielding an overall response rate of about 61%. To check for nonresponse bias in the survey, the results from the schools responding to the first mailing were compared with the results from the schools responding in the second and third mailings. No significant differences in results were found.

To estimate the supply of accounting graduates from nonresponding schools, regression equations were developed that related the number of graduates with bachelor's or master's degrees to the number of accounting faculty members for schools that responded to the survey. The number of accounting faculty members of schools in the survey was obtained from the most recent edition of the *Accounting Faculty Directory* by James R. Hasselback. Schools not appearing in that publication were contacted individually. The regression equations were then applied to data on the size of the accounting faculties of the nonresponding schools to produce estimates of the number of graduates with bachelor's or master's degrees in accounting from these schools. The figures were then added to those gathered from responding schools to arrive at the total number of accounting graduates from all schools in the study. The high response rate achieved by the survey, the large number of responding schools, and the representative characteristics of those schools relative to the overall population provide a high degree of confidence that the results in this report are generally what would have been expected had all schools under consideration responded to the survey.

CPA Firms

To assess the demand for new college graduates by CPA firms, questionnaires were sent to the 14,474 firms having two or more AICPA members. Sole practitioners, or firms with only one AICPA member, were excluded from the survey under the assumption that any hiring of new graduates in this group is negligible. The survey consisted of two questionnaire forms. The "long" form was sent to a sample of 2,500 firms, and the "short" form was sent to the other 11,974 firms in the population being studied. All firms with over 10 AICPA members received the long form, and the balance of the 2,500 long forms was received by a random sample of smaller firms. All of the remaining smaller firms received the short form.

The 2,500 firms receiving the long form were sent follow-up questionnaires. Because the largest firms account for such a large proportion of newly hired graduates, a greater effort was made to obtain their responses. Responses from those firms were tracked, and a series of follow-up phone calls and mailings was undertaken, in an effort to maximize their collective response rate. Copies of both the long and short questionnaire forms used in the survey are included in Appendix A.

Firms that responded to the survey reflect the total population of firms included in the study. The firms that responded generally mirror all firms in terms of region of the country in which they are headquartered and in terms of firm size. The slightly greater prevalence of larger firms among the respondents than in the population as a whole reflects the survey's aim of pursuing larger firms' responses more actively. Care was taken, however, to ensure that each firm-size group was weighted appropriately in the frequency distributions represented in the report. The results from the firms

responding to the first mailing of the long questionnaire form were compared with the results from the second mailing of the form to check for nonresponse bias in the survey. No significant differences in results were found.

Simple regression analysis was used to estimate the demand by nonresponding firms for accounting graduates. For each of the four firm-size categories, regression equations were estimated that related the number of accounting bachelor's and master's recruits—as well as the number of nonaccounting recruits—to the number of AICPA members for firms that responded to the survey. The regression equations were then applied to data regarding the number of AICPA members of nonresponding firms to generate estimates of the number of accounting and nonaccounting new graduate recruits among these firms. The numbers were then added to those gathered from responding firms to arrive at the total number of accounting and nonaccounting new graduate recruits among all firms in the study.

Limitations of the Survey Results

The sampling process, the response rate, the large number of responding programs and firms, and the representative characteristics of those respondents relative to these two populations provide a high degree of confidence that the results in this report are generally the results that would be expected had all schools and firms responded to the survey. Any difference in results is due to sampling error (that is, the error that may arise because the results are based on a sample rather than the entire population) and nonsampling error (that is, the error, other than sampling error, that may arise from the practical difficulties respondents may encounter in giving measurements of the desired data).

APPENDIX C

Breakdown of Geographic Regions by Which the Supply Is Analyzed in Tables 8, 9, 16, and 17

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

APPENDIX D

Historical Trend Tables

**Historical Trends in the Supply of
Accounting Graduates Reported for
1971-72 to 1987-88***

	<i>Bachelor's</i>		<i>Master's</i>		<i>Total Supply</i>		<i>Distribution of Graduates</i>	
	<i>Number of Graduates</i>	<i>Rate of Growth</i>	<i>Number of Graduates</i>	<i>Rate of Growth</i>	<i>Number of Graduates</i>	<i>Rate of Growth</i>	<i>Bachelor's</i>	<i>Master's</i>
1971-72	23,800	—	2,200	—	26,000	—	92%	8%
1972-73	26,300	+11%	2,700	+23%	29,000	+12%	91%	9%
1973-74	31,400	+19%	3,400	+26%	34,800	+20%	90%	10%
1974-75	35,400	+13%	4,300	+26%	39,700	+14%	89%	11%
1975-76	39,900	+13%	4,700	+ 9%	44,600	+12%	89%	11%
1976-77	44,760	+12%	5,620	+20%	50,380	+13%	89%	11%
1977-78	46,000	+ 3%	5,670	+ 1%	51,670	+ 3%	89%	11%
1978-79	48,800	+ 6%	5,640	- 1%	54,440	+ 5%	90%	10%
1979-80	49,870	+ 2%	5,280	- 6%	55,150	+ 1%	90%	10%
1980-81	49,320	- 1%	5,520	+ 5%	54,840	- 1%	90%	10%
1981-82	50,300	+ 2%	5,570	+ 1%	55,870	+ 2%	90%	10%
1982-83	51,950	+ 3%	5,810	+ 4%	57,760	+ 3%	90%	10%
1983-84	53,020	+ 2%	6,330	+ 9%	59,350	+ 3%	89%	11%
1984-85	51,980	- 2%	5,910	- 7%	57,890	- 2%	90%	10%
1986-87	48,030	- 8%	5,580	- 6%	53,610	- 7%	90%	10%
1987-88	46,340	- 4%	4,910	-12%	51,250	- 4%	90%	10%

*No data available for 1985-86.

**Historical Trends in the Demand for
Public Accounting Recruits Reported for
1971-72 to 1987-88**

	<i>Bachelor's</i>		<i>Master's</i>		<i>Total Demand</i>		<i>Distribution of Recruits</i>	
	<i>Number of Recruits</i>	<i>Rate of Growth</i>	<i>Number of Recruits</i>	<i>Rate of Growth</i>	<i>Number of Recruits</i>	<i>Rate of Growth</i>	<i>Bachelor's</i>	<i>Master's</i>
1971-72	6,800	—	2,000	—	8,800	—	77%	23%
1972-73	8,900	+31%	2,400	+20%	11,300	+28%	79%	21%
1973-74	10,000	+12%	2,600	+ 8%	12,600	+12%	79%	21%
1974-75	9,500	- 5%	2,600	-0-	12,100	- 4%	79%	21%
1975-76	9,200	- 3%	2,800	+ 8%	12,000	- 1%	77%	23%
1976-77	10,010	+ 9%	3,350	+20%	13,360	+11%	75%	25%
1977-78	11,660	+16%	3,310	- 1%	14,970	+12%	78%	22%
1978-79	12,770	+10%	2,890	-13%	15,660	+ 5%	82%	18%
1979-80	13,500	+ 6%	2,900	-0-	16,400	+ 5%	82%	18%
1980-81	14,100	+ 4%	2,460	-15%	16,560	+ 1%	85%	15%
1981-82	14,200	+ 1%	2,210	-10%	16,410	- 1%	87%	13%
1982-83	11,970	-16%	2,210	-0-	14,180	-14%	84%	16%
1983-84	14,490	+21%	2,180	- 1%	16,670	+18%	87%	13%
1984-85	15,640	+ 8%	2,180	-0-	17,820	+ 7%	88%	12%
1985-86	16,510	+ 6%	2,250	+ 3%	18,760	+ 5%	88%	12%
1986-87	16,110	- 2%	2,030	-10%	18,140	- 3%	89%	11%
1987-88	16,720	+ 4%	2,050	+ 1%	18,770	+ 4%	89%	11%

