

1991

# Supply of accounting graduates and the demand for public accounting recruits, 1991

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# The Supply of Accounting Graduates and The Demand for Public Accounting Recruits — 1991



**AICPA**

American Institute of Certified Public Accountants



# The Supply of Accounting Graduates and The Demand for Public Accounting Recruits ■ 1991

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# Table of Contents

<b>Introduction</b> .....	1
Summary .....	1
<b>The Supply of Accounting Graduates</b> .....	3
Survey Methodology .....	3
Results of the Survey .....	4
Bachelor's and Master's Degrees .....	4
Master's Degrees—Types of Programs .....	8
Male/Female Data .....	8
Ethnic Data .....	8
Placement of Accounting Graduates .....	10
Enrollment Trends .....	12
Uniform CPA Examination .....	13
<b>The Demand for Public Accounting Recruits</b> .....	15
Survey Methodology .....	15
Results of the Survey .....	16
New Graduate Recruits—Accounting Degrees .....	16
New Graduate Recruits—Nonaccounting Degrees .....	19
Area of Assignment .....	20
Male/Female Data .....	21
Ethnic Data .....	22
Recruiting .....	22
Staff Turnover .....	23
Experienced Recruits .....	24
Paraprofessional Staff .....	24
Demographic Data .....	25
<b>APPENDIX A—Survey Questionnaires</b> .....	27
<b>APPENDIX B—Survey Methodology</b> .....	35
<b>APPENDIX C—Geographic Breakdown</b> .....	37
<b>APPENDIX D—Historical Trend Tables</b> .....	38

# Introduction

The Relations with Educators Division of the American Institute of Certified Public Accountants (AICPA) is pleased to present the twenty-first edition of *The Supply of Accounting Graduates and the Demand for Public Accounting Recruits*. The 1991 report, based on a survey conducted in 1990, is a continuation of the expanded survey established in 1989. Beginning with the 1991 report, the survey includes public accounting firms with one AICPA member (primarily sole practitioners), bringing the total number of firms surveyed to 19,330. A total of 788 schools were surveyed for the 1991 study, compared to 778 in 1989. Included in the population of schools under study were U.S. colleges offering accounting programs. A more detailed explanation of the methodology employed in both the supply and demand surveys can be found at the start of their respective sections and in Appendix B. We would like to thank the participating schools and firms for their continued support of the survey.

Statistics from both the 1989 and 1990 surveys are referred to throughout the report. However, in order to make the 1989 figures on the total number of new graduate recruits with accounting degrees comparable to the 1990 figures, the 1989 numbers have been revised to include the estimated number of hires by firms with one AICPA member. Tables showing historical trends for years prior to the expanded survey are included in Appendix D. While the trend tables provide a clear perspective of the recent history of the profession, the data they contain were produced from surveys that are not comparable to the expanded surveys of 1989 and 1990. Therefore, the trend tables are provided outside the body of the report as a point of reference to previous studies, not as a basis of comparison to the more recent surveys.

The report is presented in two sections: the supply of accounting graduates and the hiring of those graduates by public accounting firms. No attempt has been made to directly determine the number of accounting graduates hired by such major employers as government and industry.

Data in the report are presented for three time periods. Tables on the supply portion report figures for the 1988–89, 1989–90, and 1990–91 academic years, while the tables in the demand portion report figures for the 1989, 1990, and 1991 calendar years. In reading the report, the reader should note that—

- Figures for 1988–89 and 1989–90 (supply) and 1989 and 1990 (demand) are estimates based upon actual data provided by respondents and upon extrapolations of data for nonrespondents.
- Figures for 1990–91 (supply) and 1991 (demand) are estimates of data for these periods based upon projections provided by respondents.

## Summary

For the accounting class of 1989–90, the following information was determined from the survey results:

- Over 57,000 bachelor's and master's degrees in accounting were awarded in 1989–90, which is close to the total reported in 1988–89.
- Graduate degrees totaled 5,040, which is slightly less than the 5,230 awarded in 1988–89, despite a projected growth rate of 9%.
- Accounting graduates were evenly divided by gender: 50% were male and 50% were female.

- Seventeen percent of accounting graduates were minorities.
- Thirty-four percent of the accounting graduates with bachelor's degrees and 57% of those with master's degrees were hired by public accounting firms. Twenty-eight percent of the accounting graduates with bachelor's degrees and 23% of those with master's degrees were hired by employers in business and industry.

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

- CPA firms project a decline in their demand for graduates with bachelor's or master's degrees in 1991 relative to 1990.
- Although CPA firms had projected a 10% increase in their demand for accounting graduates with master's degrees for 1990, the number of graduates hired actually decreased slightly.
- The number of accounting graduates with bachelor's degrees hired by firms with over 200 AICPA members declined from 11,100 in 1989 to 9,340 in 1990. The number of firms in this category also declined, from 17 in 1989 to 14 in 1990.
- Of the new graduates hired by public accounting firms in 1990, 16% held nonaccounting degrees, and 38% of that group held degrees from a nonbusiness program.
- Of the graduates hired by public accounting firms in 1990, 69% were assigned to auditing, 12% were assigned to management advisory services (MAS), 18% were assigned to taxation, and 1% were assigned to other areas.
- Fifty-nine percent of the new graduates hired by public accounting firms in 1990 were female.
- Public accounting firms experienced an 18% turnover rate among professional staff in 1990. Firms with over 200 AICPA members experienced a somewhat higher turnover rate of 22%.

# The Supply of Accounting Graduates

## Survey Methodology

During the autumn of 1990, the AICPA undertook a survey of U.S. colleges and universities that have accounting programs. A total of 788 schools identified as having accounting programs leading to a bachelor's degree, master's degree, or both, were sent survey questionnaires in late October 1990. Schools were identified through the American Assembly of Collegiate Schools of Business and the *Accounting Faculty Directory* by James R. Hasselback.

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 1989–90 academic year were requested as well as projections for the 1990–91 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 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 also surveyed schools with accounting programs that are not members of the AACSB.

A total of 425 of the 788 schools in the population under study responded to the survey, yielding an overall response rate of 54%. Responses were received from 60% of the AACSB-accredited member schools surveyed, and from 51% of the AACSB nonaccredited member schools. Of the schools surveyed that were not AACSB members, 50% responded (Table 1).

TABLE 1  
Number of Schools in the 1991 Survey

	AACSB Schools		Non-AACSB Schools	Total Schools
	Accredited	Nonaccredited		
Number of questionnaires mailed	264	355	169	788
Schools responding	159	181	85	425
Response rate	60%	51%	50%	54%



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, classification as public or private institutions, and classification as AACSB or non-AACSB member schools.

The supply of accounting graduates was estimated for the 46% of the schools that did not respond to the survey. Accordingly, the results of this report cover the entire population of schools studied.

## Results of the Survey

### Bachelor's and Master's Degrees

Table 2 indicates the number of accounting graduates, both bachelor's and master's degrees, for the 1988–89 and the 1989–90 academic years as well as the projected number for 1990–91. The total number of accounting graduates with bachelor's degrees reported for 1989–90 shows only a very slight decrease from the total reported in 1988–89. The total number of accounting graduates with master's degrees declined 3.6% despite last year's projected increase of 9%.

TABLE 2			
Accounting Graduates From All Schools			
	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1988–89	52,500	5,230	57,730
1989–90	52,320	5,040	57,360
1990–91 (Projections)	53,390	5,420	58,810
Rate of growth: 1989–90 to 1990–91	2%	8%	3%

The AACSB accredits three types of accounting programs: bachelor's in accounting, MBAs with a concentration in accounting, and master's in accounting. The bachelor's in accounting degrees from those programs increased by 8% from 1988–89 to 1989–90. MBAs in accounting decreased significantly from 150 in 1988–89 to 110 in 1989–90. While master's degrees in accounting remained constant at 760 for both academic years, the schools are projecting a growth rate of 14% for 1990–91 (Table 3).

TABLE 3			
Accounting Graduates From AACSB-Accredited Accounting Programs			
	<i>Bachelor's</i>	<i>MBAs in Accounting</i>	<i>Master's in Accounting</i>
1988–89	10,290	150	760
1989–90	11,130	110	760
1990–91 (Projections)	11,580	115	870
Rate of growth: 1989–90 to 1990–91	4%	5%	14%

Table 4 indicates that for 1989–90, 28,780 of the accounting graduates with bachelor’s degrees were from schools that have an AACSB-accredited business program. They represented 55% of the total number of accounting graduates with bachelor’s degrees. This compares with the 54% reported in 1988–89. Accounting graduates with master’s degrees from schools with an AACSB-accredited business program totaled 3,660, or 73% of the total number of accounting graduates with master’s degrees. This compares to the 63% reported in 1989–90. The total numbers reported for both bachelor’s and master’s graduates increased from 1988–89 to 1989–90.

<b>TABLE 4</b> <b>Accounting Graduates</b> <b>From AACSB Schools With Accredited</b> <b>Business Administration Programs</b>			
	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1988–89	28,400	3,300	31,700
1989–90	28,780	3,660	32,440
1990–91 (Projections)	29,300	3,960	33,260
Rate of growth:			
1989–90 to 1990–91	2%	8%	3%

Table 5 shows those accounting graduates with bachelor’s and master’s degrees from programs not accredited by the AACSB. A total of 1,380 master’s degrees were reported for 1989–90, a sizable decrease from the 1,930 reported in 1988–89, despite a projected growth rate of 7%. The number of bachelor’s degrees also decreased from 1988–89 to 1989–90 but only by a slight margin.

<b>TABLE 5</b> <b>Accounting Graduates From</b> <b>Programs Not Accredited</b> <b>by the AACSB</b>			
	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1988–89	24,100	1,930	26,030
1989–90	23,540	1,380	24,920
1990–91 (Projections)	24,090	1,460	25,550
Rate of growth:			
1989–90 to 1990–91	2%	6%	3%

Public and private schools expect the number of bachelor’s degrees to remain relatively the same in 1990–91 (Table 6). The number of accounting graduates with master’s degrees was slightly higher for public schools in 1989–90, 3,150 versus 3,055 in 1988–89 (Table 7). However, the number of accounting graduates with master’s degrees from private schools declined from 2,175 in 1988–89 to 1,890 in 1989–90.

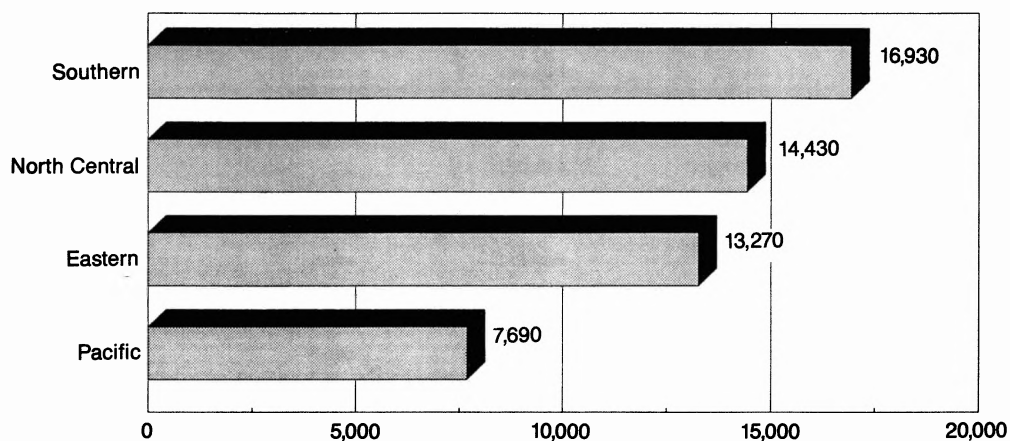
TABLE 6		
Accounting Graduates With Bachelor's Degrees From Public and Private Schools		
	<i>Public</i>	<i>Private</i>
1988-89	32,250	17,250
1989-90	35,070	17,250
1990-91 (Projections)	35,890	17,500
Rate of growth: 1989-90 to 1990-91	2%	1%

TABLE 7		
Accounting Graduates With Master's Degrees From Public and Private Schools		
	<i>Public</i>	<i>Private</i>
1988-89	3,055	2,175
1989-90	3,150	1,890
1990-91 (Projections)	3,440	1,980
Rate of growth: 1989-90 to 1990-91	9%	5%

Table 8 and Figure 1 show the number of accounting graduates with bachelor's degrees by geographic region. The total for the Eastern region declined by about 5% from 1988-89 to 1989-90, while the Southern region saw a 5% increase during the same period. Table 9 and Figure 2 show the number of accounting graduates with master's degrees by region. Totals for the Eastern and North Central regions declined in 1989-90, while the total for the Pacific region increased from 610 in 1988-89 to 770 in 1989-90. The total for the Southern region remained relatively stable—a significant difference from the 17% growth rate projected in 1988-89.

TABLE 8				
Accounting Graduates With Bachelor's Degrees by Geographic Region				
	<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	13,270	14,430	16,930	7,690
1990-91 (Projections)	13,490	14,730	17,440	7,730
Rate of growth: 1989-90 to 1990-91	2%	2%	3%	1%

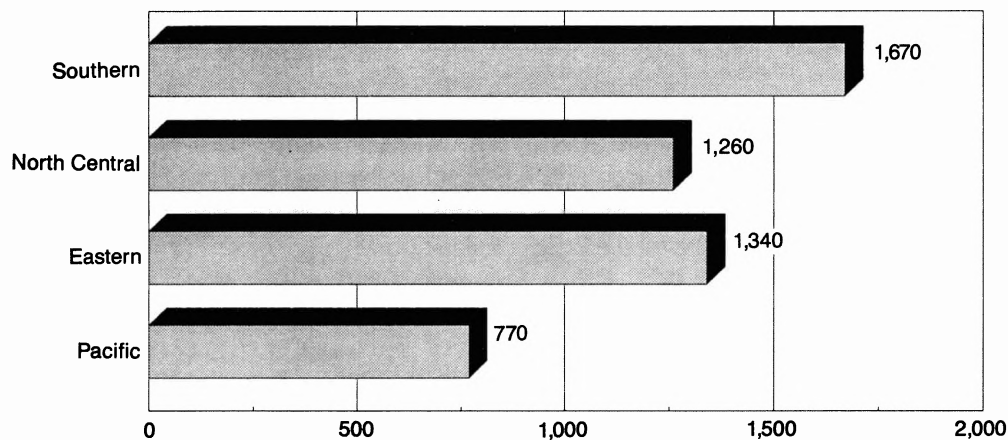
**FIGURE 1**  
**Accounting Graduates**  
**With Bachelor's Degrees by Geographic Region**  
**1989-90**



**TABLE 9**  
**Accounting Graduates**  
**With Master's Degrees by Geographic Region**

	<i>Eastern</i>	<i>North Central</i>	<i>Southern</i>	<i>Pacific</i>
1988-89	1,560	1,370	1,690	610
1989-90	1,340	1,260	1,670	770
1990-91 (Projections)	1,430	1,320	1,840	830
Rate of growth: 1989-90 to 1990-91	7%	5%	10%	8%

**FIGURE 2**  
**Accounting Graduates**  
**With Master's Degrees by Geographic Region**  
**1989-90**



## Master's Degrees—Types of Programs

The three types of master's degrees shown in Table 10 are master's in accounting, MBAs in accounting, and master's in taxation. The number of accounting graduates with an MBA in accounting decreased 27%, from 1,260 in 1988–89 to 920 in 1989–90. Nevertheless, schools are projecting a growth rate of 11% for 1990–91. The number of accounting graduates with a master's in taxation decreased slightly. However, the number of those with a master's in accounting increased 8%, from 2,760 in 1988–89 to 2,990 in 1989–90 (Table 10).

**TABLE 10**  
**Accounting Graduates**  
**With Master's Degrees by Type of Program**

	<i>Master's in Accounting</i>	<i>MBAs in Accounting</i>	<i>Master's in Taxation</i>
1988–89	2,760	1,260	1,210
1989–90	2,990	920	1,130
1990–91 (Projections)	3,230	1,020	1,170
Rate of growth: 1989–90 to 1990–91	8%	11%	4%

## Male/Female Data

Males and females each comprised 50% of the total number of accounting graduates for 1989–90.

**TABLE 11**  
**Accounting Graduates by Gender**

	<i>Male</i>	<i>Female</i>
1988–89	51%	49%
1989–90	50%	50%
1990–91 (Projections)	47%	53%

## Ethnic Data

Traditionally Black and minority schools reported a total ethnic composition of 80% in 1989–90, with 71% of the total represented by Blacks. This is a significant change from the total ethnic composition of 90% reported in 1988–89 with Blacks accounting for 81% of the total. Traditionally Black and minority schools project that the total ethnic composition will decline to 77% in 1990–91. Traditionally majority schools reported 15% of their accounting graduates as ethnic in 1989–90, with Blacks and Asians each representing 5% of the total, which is in line with the percentages reported in 1988–89 (Table 12, Figure 3, and Figure 4).

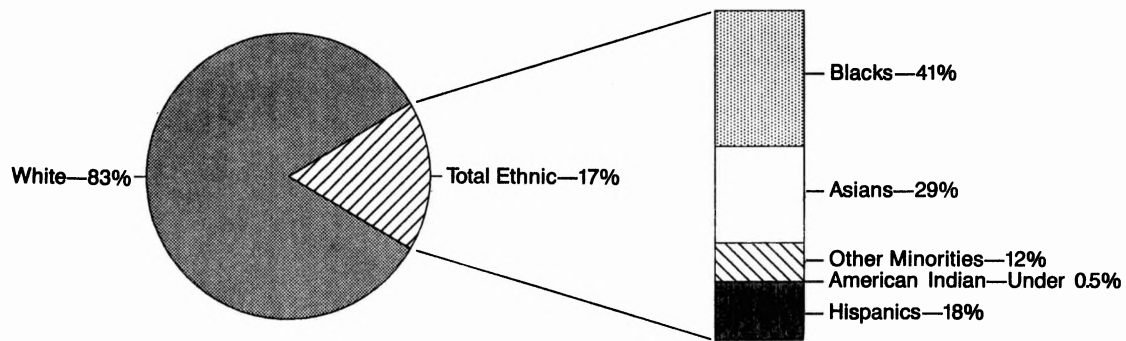


**TABLE 12**  
**The Supply of Accounting Graduates by Ethnic Background**

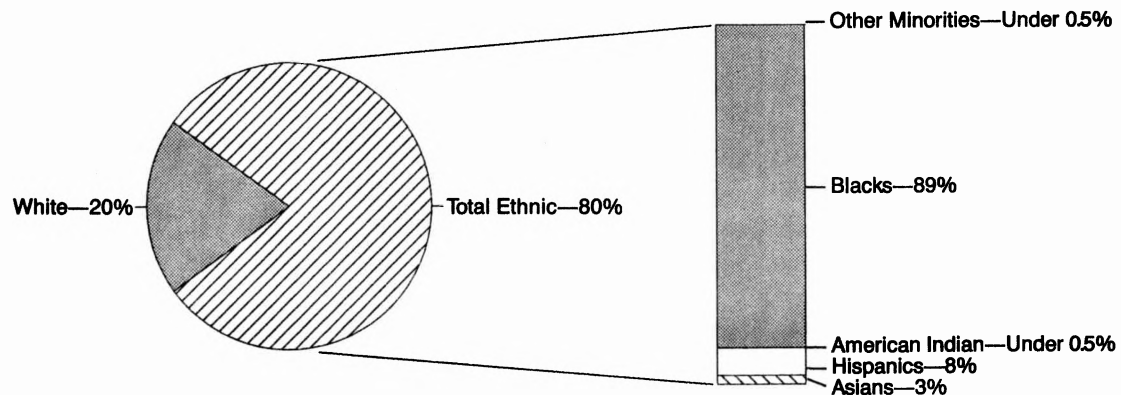
		American Indians	Asians	Blacks	Hispanics	Other Minorities	Total Ethnic	White
Traditionally	1988-89	*	2%	81%	6%	1%	90%	10%
Black and	1989-90	*	2%	71%	6%	*	80%	20%
minority schools	1990-91 (Projections)	*	2%	66%	8%	1%	77%	23%
Traditionally	1988-89	*	5%	5%	4%	2%	16%	84%
majority schools	1989-90	*	5%	5%	3%	2%	15%	85%
	1990-91 (Projections)	*	7%	5%	3%	1%	16%	84%
All schools	1988-89	*	5%	7%	4%	2%	18%	82%
	1989-90	*	5%	7%	3%	2%	17%	83%
	1990-91 (Projections)	*	7%	7%	3%	1%	18%	82%

\*Under 0.5%.

**FIGURE 3**  
**Accounting Graduates by Ethnic Background**  
**All Schools**  
**1989-90**



**FIGURE 4**  
**Accounting Graduates by Ethnic Background**  
**Traditionally Black and Minority Schools**  
**1989-90**



## Placement of Accounting Graduates

Schools reported that 34% of the accounting graduates with bachelor's degrees and 57% of those with master's degrees were hired by public accounting firms in 1989–90. Employers in business and industry accounted for the hiring of 28% of those graduates holding bachelor's degrees and 23% of those holding master's degrees (Table 13 and Figure 5).

**TABLE 13**  
**Placement of 1989–90 Accounting Graduates**

	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>
Public Accounting	34%	57%
Business/Industry	28%	23%
Government	6%	5%
Other areas	3%	3%
Graduate school	6%	3%
Unknown	23%	9%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

**FIGURE 5**  
**Placement of 1989–90 Accounting Graduates**

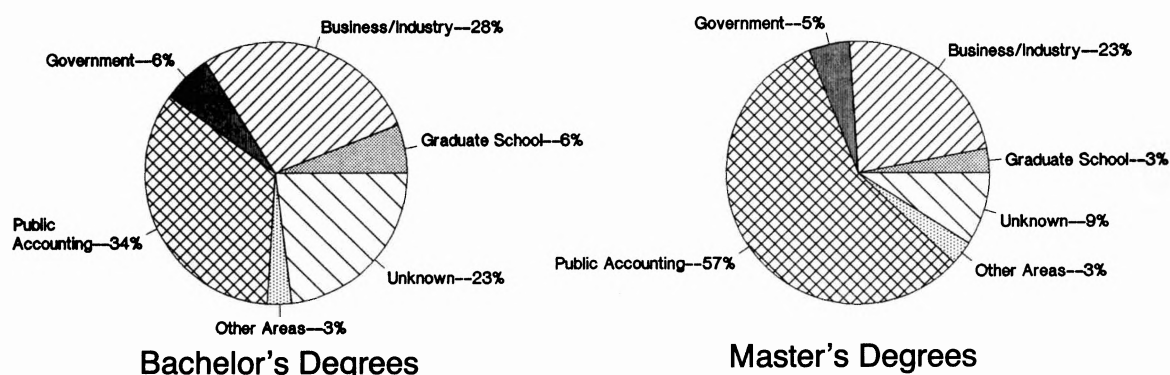


Table 14 indicates the placement percentage of graduates holding bachelor's and master's degrees from schools with an AACSB-accredited business administration program. These schools reported that 38% of their bachelor's graduates were hired by public accounting firms, whereas the firms hired 29% of the graduates with bachelor's degrees from non-AACSB-accredited schools (Table 15). Non-AACSB-accredited schools reported that 32% of accounting graduates with bachelor's degrees were employed by business and industry, whereas AACSB-accredited business schools reported a 26% employment rate for accounting graduates in the same category.

**TABLE 14**  
**Placement of 1989–90 Accounting Graduates**  
**From AACSB-Accredited Business Administration Programs**

	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>
Public accounting	38%	63%
Business/Industry	26%	19%
Government	5%	4%
Other areas	2%	2%
Graduate school	7%	3%
Unknown	22%	9%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

**TABLE 15**  
**Placement of 1989–90 Accounting Graduates**  
**From Programs Not Accredited by AACSB**

	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>
Public accounting	29%	38%
Business/Industry	32%	37%
Government	6%	7%
Other areas	4%	5%
Graduate school	5%	3%
Unknown	24%	10%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

That same relationship generally holds for accounting graduates with master's degrees. Schools with AACSB-accredited business programs reported that 63% of accounting graduates holding master's degrees were hired by public accounting firms in 1989–90, compared with 38% of the master's graduates from non-AACSB-accredited schools. Additionally, the non-AACSB-accredited schools reported that 37% of accounting graduates with master's degrees were employed by business and industry in 1989–90, almost double the 19% reported by schools with AACSB-accredited business administration programs.

Tables 16 and 17 report the proportion of bachelor's and master's graduates from each region going into the various areas of employment. The highest percentage of both bachelor's and master's graduates in each region were hired by public accounting firms. However, graduates with bachelor's degrees from schools in the North Central and Southern regions were slightly less likely to go into business or industry. A definition of the geographic regions appears in Appendix C.

TABLE 16				
Placement of 1989–90 Bachelor's Degree Graduates by Region				
	<i>Eastern</i>	<i>North Central</i>	<i>Southern</i>	<i>Pacific</i>
Public accounting	38%	33%	32%	36%
Business/Industry	25%	30%	30%	25%
Government	4%	5%	7%	7%
Other areas	4%	3%	2%	2%
Graduate school	4%	5%	9%	6%
Unknown	25%	24%	20%	24%
TOTAL	100%	100%	100%	100%

TABLE 17				
Placement of 1989–90 Master's Degree Graduates by Region				
	<i>Eastern</i>	<i>North Central</i>	<i>Southern</i>	<i>Pacific</i>
Public accounting	52%	51%	61%	57%
Business/Industry	32%	25%	18%	29%
Government	4%	4%	5%	7%
Other areas	3%	5%	1%	3%
Graduate school	2%	3%	4%	1%
Unknown	7%	12%	11%	3%
TOTAL	100%	100%	100%	100%

### Enrollment Trends

Schools were asked to indicate whether enrollment in the following accounting programs would be higher, lower, or the same five years from now: bachelor's in accounting, master's in accounting, MBAs in accounting, and master's in taxation. The vast majority of schools responding indicated that they expect enrollments to be about the same or higher in each of the four programs (Table 18).

TABLE 18			
Trends in Enrollments in Accounting Programs			
	Percent of Schools Indicating That Enrollment 5 Years From Now Will Be—		
	<i>Higher Than Current Enrollment</i>	<i>The Same as Current Enrollment</i>	<i>Lower Than Current Enrollment</i>
Bachelor's in accounting	45%	39%	16%
Master's in accounting	72%	27%	1%
MBAs in accounting	56%	40%	4%
Master's in taxation	46%	53%	1%

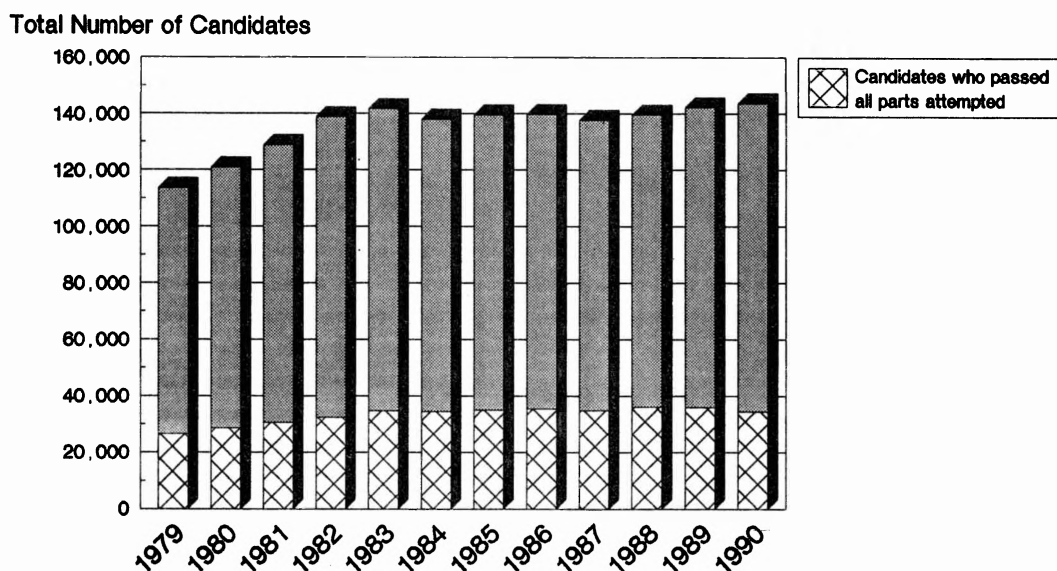
## Uniform CPA Examination

Table 19 and Figure 6 report an eleven-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
1990	143,572	34,338

**FIGURE 6**  
**Uniform CPA Examination**





# The Demand for Public Accounting Recruits

## Survey Methodology

During the late autumn of 1990, the AICPA conducted a survey of public accounting 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 1990. Firms were asked to provide a breakdown 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, 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 about 2,800 firms, and the "short" form was sent to the other 15,800 firms affiliated with the Institute. All firms with over 10 AICPA members and a random sample of smaller firms received the long form. The remaining firms received the short form. The questionnaires were mailed in late November, and the 2,800 firms receiving the long form were sent follow-up questionnaires in mid-December. In addition, a sample of 1,000 of the Institute's approximately 27,500 sole practitioners was randomly selected. Each was sent the long form in late November and a follow-up questionnaire in mid-December. Because the largest firms account for such a large proportion of newly hired graduates, a greater effort was made to obtain their responses. Copies of both the long and short questionnaire forms are included in Appendix A.

A total of 4,702 firms of the 19,330 surveyed responded, producing an overall response rate of about 24% (Table 20). About 64% of the firms with over 200 AICPA members responded to the survey, 57% of the firms with 50 to 200 members responded, 45% of those with 10 to 49 members responded, and 23% of those with under 10 members (including sole practitioners) responded. The large difference in response rates between small and large firms reflects the methodology employed. For the 76% of the firms that did not respond to the survey as well as the sole practitioners not surveyed, the demand for public accounting recruits was estimated. Therefore, the results of this report cover all firms under study.

The 1989 survey had been expanded to include public accounting firms with 2 to 9 AICPA members. This group was added to the survey population so that more comprehensive data on new graduate recruits by public accounting firms could be reported. At that time, firms with one AICPA member—primarily sole practitioners—were excluded from the survey under the assumption that the hiring of new graduate recruits by this group was negligible. After reexamining this assumption, the decision was made to include the group in this year's survey. Although the survey results indicate that the average number of new graduates in accounting hired by firms in this group is relatively small, the aggregate number for all firms with one member—approximately 2,950 hires—is indeed significant, accounting for about 12% of the total new graduate recruits with accounting degrees.

In addition to the change in the population being studied, another shift in methodology in the 1990 survey relates to the survey instrument utilized. In previous surveys, the questionnaire asked firms to indicate the number of new graduates hired. No reference was made to indicate whether this number should include only full-time or all hires. Consequently, the possibility of measurement error existed in that some firms may have reported only full-time hires, whereas others may have interpreted the question differently and included part-time or seasonal hires as well. Therefore, in the 1990 survey,

the wording of the question was modified to include new graduates hired on a full-time basis only. To the extent that this is a more restrictive definition of hires—and to the extent that firms may have included more than just full-time hires in previous years—the total demand figures reported this year may be less than what would have been reported had the more specific or restrictive wording not been used. While it is not known exactly to what extent this may have resulted in lower numbers being reported, it is believed that the impact is minimal.

**TABLE 20**  
**Public Accounting Firms**  
**in the 1991 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	14	14	9	64%
50–200 members	44	44	25	57%
10–49 members	1,242	1,242	560	45%
Under 10 members	44,800	18,030	4,108	23%
All firms	46,100	19,330*	4,702	24%

\*19,600 firms were actually surveyed, but 270 of the questionnaires were returned because they were undeliverable. The effective sample size, then, was 19,330.

## Results of the Survey

### New Graduate Recruits—Accounting Degrees

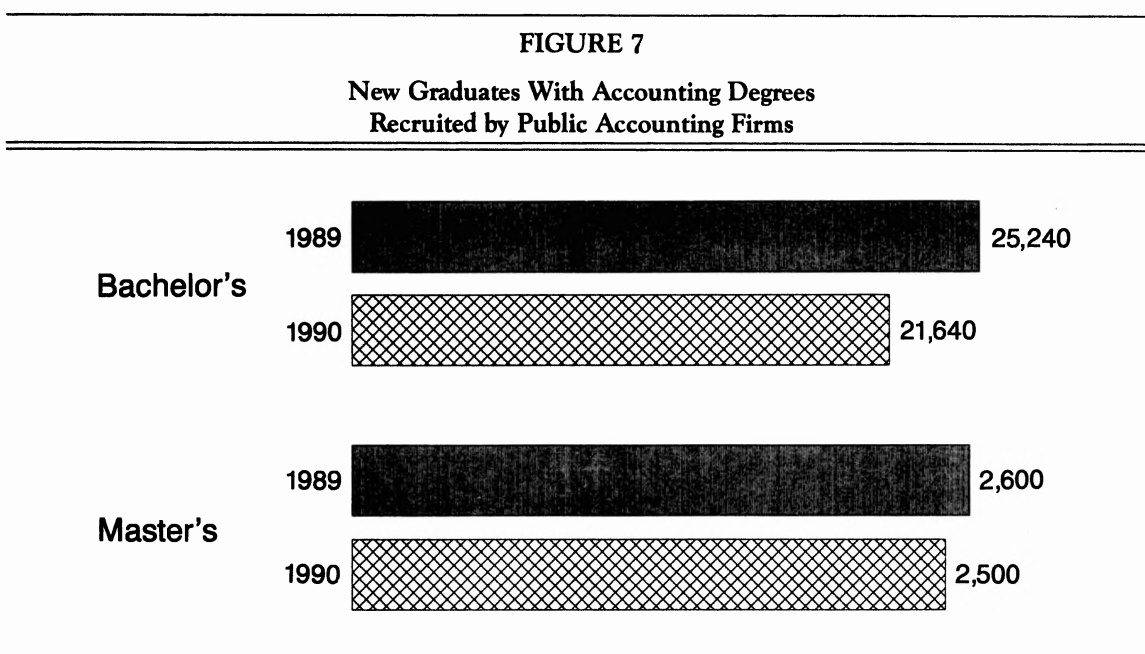
Table 21A indicates both the original and adjusted 1989 totals for the number of new graduate recruits with accounting degrees. In order to make the 1989 totals of the number of new graduate recruits with accounting degrees comparable to the 1990 totals, the 1989 totals have been revised to include the estimated number of hires by firms with one AICPA member. The inclusion of firms with one AICPA member significantly alters the total number in 1989 of new graduate recruits with accounting degrees. It also underscores the drop in that number for 1990. The number of new graduates with bachelor's degrees recruited by CPA firms declined from 25,240 in 1989 to 21,640 in 1990 (Table 21B and Figure 7). The number of new graduate recruits with master's degrees was comparatively stable for 1990, dropping from 2,600 to 2,500.

**TABLE 21A**  
**New Graduates With Accounting Degrees**  
**Recruited by Public Accounting Firms—1989\***

	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
Unadjusted figures	22,500	2,390	24,890
Adjusted figures	25,240	2,600	27,840

\*The unadjusted figures, reported in the 1990 edition of this study, exclude hires by firms with one AICPA member. The adjusted figures include the estimated number of hires by firms with one AICPA member. The adjusted figures are comparable to the figures for 1990 given in this report (Table 21B).

TABLE 21B			
New Graduate Recruits With Accounting Degrees Recruited by Public Accounting Firms			
	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1989	25,240	2,600	27,840
1990	21,640	2,500	24,140
1991 (Projections)	21,280	2,480	23,760
Rate of growth: 1990 to 1991	- 2%	- 1%	- 2%



A breakdown of new graduate recruits with accounting degrees according to firm size appears in Table 22. In the largest firm-size group, the number of new graduate recruits with bachelor's degrees in accounting decreased from 11,100 in 1989 to 9,340 in 1990. Also, the number of new graduate recruits with master's degrees in accounting declined from 1,640 in 1989 to 1,430 in 1990 for the same group. It must be noted, however, that the total number of firms in the group with over 200 AICPA members declined from 17 in 1989 to 14 in 1990.

TABLE 22

## Breakdown of Bachelor's and Master's Hires by Firm Size

<i>Firm Size</i>	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
Over 200 AICPA members			
1989	11,100	1,640	12,740
1990	9,340	1,430	10,770
1991 (Projections)	9,000	1,390	10,390
50-200 AICPA members			
1989	620	30	650
1990	790	20	810
1991 (Projections)	690	30	720
10-49 AICPA members			
1989	3,250	190	3,440
1990	2,930	230	3,160
1991 (Projections)	2,680	240	2,920
Under 10 AICPA members			
1989	10,270	740	11,010
1990	8,580	820	9,400
1991 (Projections)	8,910	820	9,730
TOTAL			
1989	25,240	2,600	27,840
1990	21,640	2,500	24,140
1991 (Projections)	21,280	2,480	23,760

The percentages of new graduate recruits with master's degrees in accounting, shown in Table 23, are expected to remain stable for 1991.

TABLE 23

Percentage of New Graduate Recruits  
With Master's Degrees in Accounting by Firm Size

	<i>Over 200 AICPA Members</i>	<i>50-200 AICPA Members</i>	<i>10-49 AICPA Members</i>	<i>Under 10 AICPA Members</i>	<i>All Firms*</i>
1989	13%	4%	6%	7%	10%
1990	13%	2%	7%	9%	10%
1991 (Projections)	13%	4%	8%	8%	10%

\*New graduate recruits with master's degrees in accounting as a percent of all new graduate recruits with accounting degrees.

Table 24 shows a breakdown of new graduate recruits with master's degrees according to type of program. No real changes are expected for 1991.

TABLE 24

**Percentage of New Graduate Recruits  
With Master's Degrees by Type of Program**

	<i>Master's in Accounting</i>	<i>MBAs in Accounting</i>	<i>Master's in Taxation</i>
1989*	56%	19%	25%
1990	56%	21%	23%
1991 (Projections)	56%	20%	24%

\*Excludes hires by firms with one AICPA member.

### 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 graduate hires, is shown in Table 25 and in Figure 8. It is anticipated that these numbers will remain relatively unchanged in 1991.

TABLE 25

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

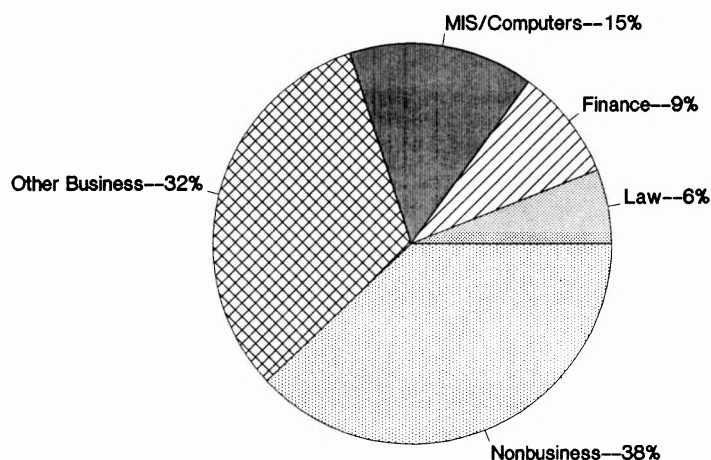
	<i>Law</i>	<i>Finance</i>	<i>MIS/ Computers</i>	<i>Other Business</i>	<i>Nonbusiness</i>	<i>Total*</i>
1989**	11%	4%	20%	32%	33%	14%
1990	6%	9%	15%	32%	38%	16%
1991 (Projections)	6%	9%	17%	31%	37%	17%

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

\*\*Excludes hires by firms with one AICPA member.

FIGURE 8

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





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

TABLE 26			
Percentage of Total New Graduate Recruits in Public Accounting by Type of Degree			
	Total Accounting		Total
	Bachelor's	Master's	Nonaccounting
1989	77%	8%	15%
1990	75%	9%	16%
1991 (Projections)	74%	9%	17%

### Area of Assignment

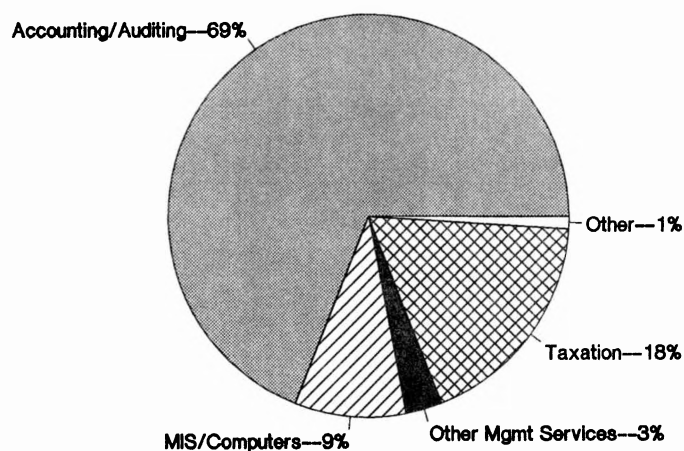
The percentage of new graduate recruits in public accounting by area of assignment is shown in Table 27 and in Figure 9. In all firm-size groups, a solid majority of recruits were assigned to accounting/auditing. The percentage of new graduate recruits assigned to MAS in 1990 is notably higher for firms with over 200 AICPA members and is expected to remain about the same for 1991. For firms with over 200 members, that percentage increased from 16% in 1989 to 21% in 1990.

TABLE 27						
Percentage of New Graduate Recruits in Public Accounting by Area of Assignment						
Number of AICPA Members per Firm	Accounting/ Auditing	<u>Management Advisory Services</u>			Taxation	Other
		MIS/ Computers +	Other Management Services =	Total MAS		
Over 200 members						
1989	68%	15%	1%	16%	15%	1%
1990	65%	17%	4%	21%	14%	*
1991 (Projections)	65%	17%	3%	20%	15%	*
50-200 members						
1989	82%	6%	2%	8%	7%	3%
1990	78%	5%	1%	6%	14%	2%
1991 (Projections)	82%	3%	2%	5%	12%	1%
10-49 members						
1989	78%	3%	1%	4%	16%	2%
1990	81%	2%	1%	3%	14%	2%
1991 (Projections)	78%	1%	1%	2%	19%	1%
Under 10 members						
1989**	73%	3%	1%	4%	21%	2%
1990	68%	4%	2%	6%	23%	3%
1991 (Projections)	69%	2%	1%	3%	26%	2%
All firms						
1989**	71%	10%	1%	11%	17%	1%
1990	69%	9%	3%	12%	18%	1%
1991 (Projections)	69%	8%	2%	10%	20%	1%

\*Under 0.5%.

\*\*Excludes hires by firms with one AICPA member.

**FIGURE 9**  
**Percentage of Public Accounting**  
**New Graduate Recruits by Area of Assignment**  
**All Firms**  
**1990**



### Male/Female Data

Females comprised the majority, 59%, of the new graduate recruits in public accounting in 1990. Their share is projected to be 57% in 1991 (Table 28). The increase in the proportion of new graduate recruits who are female in 1990 and 1991 relative to 1989 can be largely attributed to the fact that firms with under 10 AICPA members, which report hiring a greater proportion of females than do other firms, now account for a larger share of recruits.

**TABLE 28**  
**Proportions of Male and Female New Graduate Recruits**  
**in Public Accounting**

	<i>Male</i>	<i>Female</i>
1989*	52%	48%
1990	41%	59%
1991 (Projections)	43%	57%

\*Excludes hires by firms with one AICPA member.

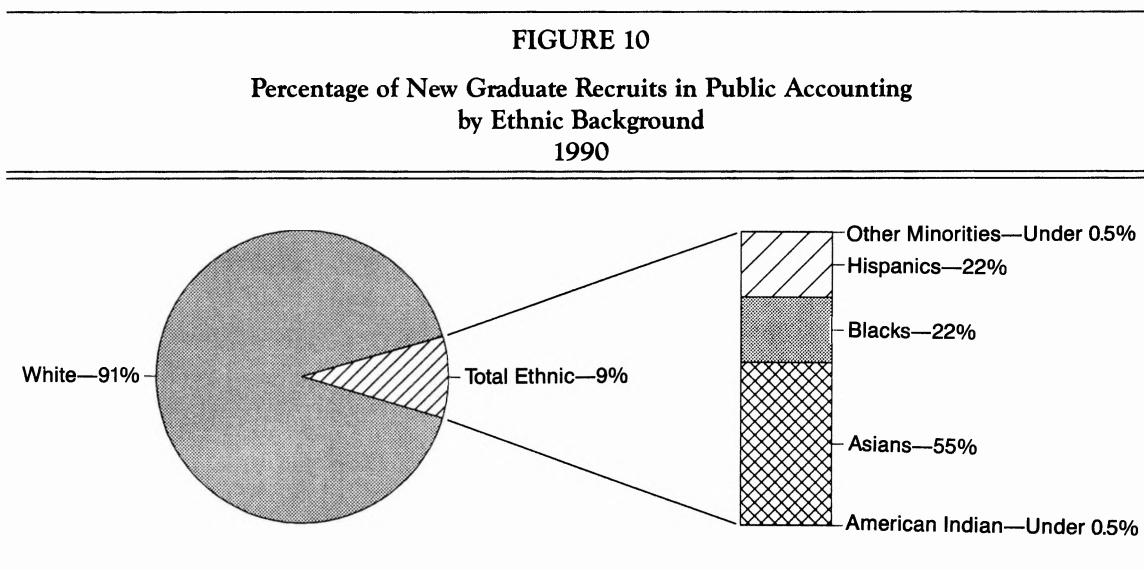
## Ethnic Data

Nine percent of new graduate recruits in 1990 were from various minority groups (Table 29 and Figure 10).

TABLE 29							
Percentage of New Graduate Recruits in Public Accounting by Ethnic Background							
	American Indians	Asians	Blacks	Hispanics	Other Minorities	Total Ethnic	White
1989*	**	4%	2%	2%	**	8%	92%
1990	**	5%	2%	2%	**	9%	91%

\*Excludes hires by firms with one AICPA member.

\*\*Less than 0.5%.



## Recruiting

Firms were also asked in the survey to provide information about their recruiting activities. A total of 270 responding firms indicated that they recruited on campus in 1990. The firms were asked to report the number of prospective recruits who were interviewed on campus, the number of office visits, the number of job offers made, and the number of graduates subsequently hired. In addition, 381 firms reported that they recruited off campus in 1990. 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 1990, 33% were invited for an office visit. Sixty percent of those who were invited for a visit were offered positions with the firm, and 52% of them accepted. Of those who were interviewed off campus in 1990, 19% were offered positions with the firm after the initial interview and 86% of them accepted.

Table 30 shows how firms expect their recruiting activities in 1991 to compare to 1990. The majority of firms indicated that the number of recruits invited to the various stages of the on-campus and off-campus recruiting process is expected to remain unchanged in 1991.

**TABLE 30**  
**Recruiting Outlook for 1991**  
**Relative to 1990**

	<i>Percent of Firms Indicating That the Number in 1991 Relative to 1990 Will—</i>		
	<i>Increase</i>	<i>Stay the Same</i>	<i>Decrease</i>
<u>On-campus recruiting:</u>			
Campus interviews	6%	82%	12%
Office visits	8%	79%	13%
Offers	9%	74%	17%
Hires	11%	73%	16%
<u>Off-campus recruiting:</u>			
Initial interviews	12%	73%	15%
Offers	10%	74%	16%
Hires	12%	73%	15%

### Staff Turnover

Table 31 indicates the professional staff turnover by firm size for 1990. All firms responding expect an 18% turnover rate, while the largest firm-size group expects a turnover rate of 22%.

**TABLE 31**  
**Professional Staff Turnover by Firm Size 1990\***

<i>Number of AICPA Members per Firm</i>	<i>Professional Staff Turnover as a Percentage of Total Professional Staff</i>
Over 200 members	
1989	23%
1990	22%
50–200 members	
1989	12%
1990	13%
10–49 members	
1989	13%
1990	13%
Under 10 members	
1989**	14%
1990	17%
All firms responding	
1989	19%
1990	18%

\*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.

\*\*Excludes firms with one AICPA member.

## Experienced Recruits

Firms were asked to indicate the number of experienced recruits hired in 1990 relative to 1989. Table 32 displays that information by firm size. Seventy percent of all firms responding indicated that the number of experienced recruits hired in 1990 was relatively unchanged from 1989. Forty-four percent of the firms in the second-largest firm-size group (50–200 AICPA members) indicated that they hired more experienced recruits in 1990 relative to 1989, while another 44% indicated that they hired the same number and 12% hired fewer. Large firms were also relatively more active in hiring experienced recruits.

**TABLE 32**  
**Experienced Recruits Hired in 1990 Relative to 1989**  
**by Firm Size\***

<i>Number of AICPA Members per Firm</i>	<i>Percent of Firms Indicating That the Number of Experienced Recruits Hired in 1990 Relative to 1989 Was—</i>		
	<i>Higher</i>	<i>The Same</i>	<i>Lower</i>
Over 200 members	42%	50%	8%
50–200 members	44%	44%	12%
10–49 members	23%	63%	14%
Under 10 members	13%	77%	10%
All firms responding	18%	70%	12%

\*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 if they employed paraprofessional staff and, if so, whether the number hired in 1990 was higher, the same, or lower than the number hired in 1989. Seventy-six percent of those firms responding reported that they hired paraprofessional staff, and 72% of them indicated that they hired the same number of paraprofessionals in 1990 as in 1989. Eighty-four percent of firms in the largest firm-size group reported that they hired paraprofessional staff and 70% of them indicated that they hired more in 1990 relative to 1989.



TABLE 33

Use of Paraprofessional Staff  
in 1990 Relative to 1989 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 1990 Relative to 1989 Was—		
		Higher	The Same	Lower
Over 200 members	84%	70%	20%	10%
50–200 members	96%	29%	63%	8%
10–49 members	85%	22%	70%	8%
Under 10 members	69%	18%	76%	6%
All firms responding	76%	21%	72%	7%

\*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 Data

Some demographic characteristics of the responding firms are indicated in Table 34. Ninety-six percent of the responding firms are local and less than 0.5% are national/international.

TABLE 34

Demographic Characteristics of  
Responding Firms

Geographic Location of Firm		Firm Type	
Eastern	23%	Local	96%
North Central	27%	Regional	4%
Southern	30%	National/ International	*
Pacific	20%		

\*Under 0.5%.

# APPENDIX A

## Survey Questionnaires

# AICPA

American Institute of Certified Public Accountants

1211 Avenue of the Americas  
New York, NY 10036-8775  
(212) 575-6200 Telex: 70-3396  
Telecopier (212) 575-3846

October 30, 1990

Dear Accounting Program Administrator:

This marks the 19th 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.

Please return your completed questionnaire in the enclosed postage-paid envelope by **November 14, 1990**. 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?

☐ Public      ☐ Private

2. Please indicate below the total number of **both** full-time and part-time **accounting faculty** at your school during the **Fall term 1990**. (**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 1989-90 academic year. **The 1989-90 academic year** consists of the Fall, 1989 and Spring and Summer, 1990 terms. (If on trimesters, the academic year consists of Fall, 1989 and Winter, Spring, and Summer, 1990 terms.)

In **column A** below, please fill in the number who graduated **during the 1989-90 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 1990-91 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 1990-91 in **column C**.

	Column A	Column B			Column C
<u>Degree</u>	Number of graduates in the 1989-90 academic year	The number of graduates in the 1990-91 academic year relative to the 1989-90 academic year will:			The <b>percentage</b> increase or decrease in the 1990-91 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 1989–90 academic year (from line E, column A in question 3) were **female**?

Females

- b. What **percentage** of the expected graduates in the 1990–91 academic year will be **female**?

%

5. Please indicate below in **column A** the number of **graduates from the 1989–90 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 **1990–91 academic year** who will fall into these ethnic/racial groups.

<b>Ethnic/Racial Group</b>	<b>Column A</b>	<b>Column B</b>
	Number of graduates from the 1989–90 academic year who were:	Percentage of expected graduates from the 1990–91 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 1989–90 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 1989–90 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.)

<b>Area</b>	<b>Column A</b>	<b>Column B</b>
	Number of <b>Bachelor's</b> degree graduates in accounting from the 1989–1990 academic year who went into:	Number of <b>Master's</b> degree graduates in accounting and taxation from the 1989–90 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	<sub>1</sub> <input type="checkbox"/>	<sub>2</sub> <input type="checkbox"/>	<sub>3</sub> <input type="checkbox"/>	<sub>4</sub> <input type="checkbox"/>
Master's in accounting—including students in MA, MS, MAcc, MPA and MAS programs	<sub>1</sub> <input type="checkbox"/>	<sub>2</sub> <input type="checkbox"/>	<sub>3</sub> <input type="checkbox"/>	<sub>4</sub> <input type="checkbox"/>
Master's in taxation—including MBA students with a concentration in tax	<sub>1</sub> <input type="checkbox"/>	<sub>2</sub> <input type="checkbox"/>	<sub>3</sub> <input type="checkbox"/>	<sub>4</sub> <input type="checkbox"/>
MBA students with a concentration in accounting	<sub>1</sub> <input type="checkbox"/>	<sub>2</sub> <input type="checkbox"/>	<sub>3</sub> <input type="checkbox"/>	<sub>4</sub> <input type="checkbox"/>

# 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 1990. **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 on a full-time basis during **1990**. (**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 on a full-time basis during **1991** 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 Number of new graduates that have been or will be hired on a full-time basis during 1990	Column B The number of new graduates expected to be hired on a full-time basis during 1991 relative to 1990 will:			Column C The <b>percentage</b> increase or decrease in 1991 will be about:
<b>Accounting Degree</b>		Increase	Stay the Same	Decrease	
A. Bachelor's in Accounting—including other bachelor's degrees with majors in accounting	<input style="width: 50px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px;" type="text"/> %
B. Master's in Accounting—including MA, MS, MAcc, MPA and MAS degrees	<input style="width: 50px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px;" type="text"/> %
C. Master's in Taxation—including MBAs with a concentration in tax	<input style="width: 50px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px;" type="text"/> %
D. MBAs with a concentration in Accounting	<input style="width: 50px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px;" type="text"/> %
E. TOTAL: A+B+C+D =	<input style="width: 80px;" type="text"/>				
<b>Nonaccounting Degree</b>					
F. J.D. in law	<input style="width: 50px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px;" type="text"/> %
G. Bachelor's and higher degrees in MIS/Computer Science	<input style="width: 50px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px;" type="text"/> %
H. Bachelor's and higher degrees in Finance	<input style="width: 50px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px;" type="text"/> %
I. Bachelor's and higher degrees in other (non-accounting) business majors	<input style="width: 50px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px;" type="text"/> %
J. Bachelor's and higher degrees in <b>nonbusiness</b> majors	<input style="width: 50px;" type="text"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	<input style="width: 50px;" type="text"/> %
K. TOTAL: F+G+H+I+J =	<input style="width: 80px;" type="text"/>				
L. <b>GRAND TOTAL HIRED</b> =	<input style="width: 100px;" type="text"/> = E+K				

2. How many of the **grand total** new graduates hired by your firm during **1990** (from line L in question 1) were **female**?

Females

- b. What **percentage** of the new graduates your firm expects to hire during **1991** will be **female**?  %

3. Please indicate below in **column A** the number of new graduates hired by your firm during **1990** 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 **1991** who will be assigned primarily to these areas.

<u>Area</u>	<u>Column A</u> Number of new graduates hired in 1990 who are assigned primarily to:	<u>Column B</u> <b>Percentage</b> of expected new graduates hired in 1991 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	<input type="text"/> % 100%

4. Please indicate below the number of new graduates hired by your firm during **1990** 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>	<u>Number of new graduates hired in 1990 who are:</u>
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 **1990**.  
In **column B**, please indicate whether you expect each of these numbers to increase, decrease or stay the same during **1991** 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 1990, the number of:	The number in 1991 relative to 1990 will:			The <b>percentage</b> increase or decrease in 1991 will be about:
		Increase	Stay the Same	Decrease	
<b>a. On Campus:</b>					
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>b. Off Campus:</b>					
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 do you anticipate will be the **average** number of professional staff employed at your firm during **1990**?
- b. Please provide your best estimate of the number of professional staff at your firm who will be **terminated or resign** during **1990**.
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 **1990** be higher, lower or the same as the number hired during **1989**?
- 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?    <sub>1</sub> ☐ Yes    <sub>2</sub> ☐ No

b. **If yes**, will the total number of paraprofessional staff hired by your firm during **1990** be higher, lower or the same as the number hired during **1989**?

<sub>1</sub> ☐ Higher    <sub>2</sub> ☐ The Same    <sub>3</sub> ☐ Lower

### III. Background Information

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

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

<sub>1</sub> ☐ Local Firm    <sub>2</sub> ☐ Regional Firm    <sub>3</sub> ☐ 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

## APPENDIX B

### Survey Methodology

#### Accounting Graduates

During the autumn of 1990, the AICPA undertook a survey of U.S. colleges and universities that have accounting programs. A total of 788 schools identified as having accounting programs leading to a bachelor's degree, master's degree, or both, were sent survey questionnaires in late October 1990. 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 425 of the 788 schools responded to the survey, yielding an overall response rate of about 54%. 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 *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 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 obtained had all schools under consideration responded to the survey.

#### CPA Firms

To determine the number of new college graduates recruited by CPA firms, questionnaires were sent to all 18,600 firms affiliated with the AICPA. In addition, a random sample of 1,000 of the Institute's approximately 27,500 sole practitioners received questionnaires. The survey consisted of two questionnaire forms. The "long" form was sent to a sample of 2,800 firms, and the "short" form was sent to the other 15,800 firms in the population being studied. All firms with over 10 AICPA members received the long form, and the balance of the 2,800 long forms was received by a random sample of smaller firms. All of the remaining smaller firms received the short form. All sole practitioners received the long form.

The 2,800 firms receiving the long form were sent follow-up questionnaires, as were sole practitioners. 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 number of graduates recruited by nonresponding firms. 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 on 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 rates, the large number of responding schools 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 obtained 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 samples rather than the entire populations) 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

Eastern	North Central	Southern	Pacific
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%

