

1993

Supply of accounting graduates and the demand for public accounting recruits, 1993

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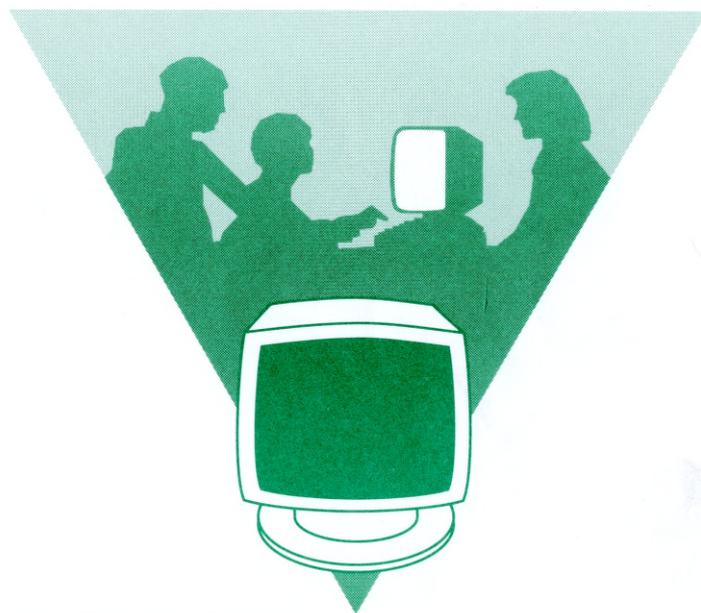
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The Supply Of Accounting Graduates And the Demand For Public Accounting Recruits—1993



The Supply
Of Accounting Graduates
And the Demand
For Public Accounting Recruits—1993

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Table of Contents

Introduction	1
Executive Summary	3
The Supply of Accounting Graduates	5
Survey Methodology	5
Results of the Survey	6
Bachelor's and Master's Degrees	6
Master's Degrees — Types of Programs	12
Gender Data	13
Ethnic Data	14
Placement of Accounting Graduates	15
Enrollment Trends	18
Uniform CPA Examination	19
The Demand for Public Accounting Recruits	21
Survey Methodology	21
Results of the Survey	23
New Graduate Recruits — Accounting Degrees	23
New Graduate Recruits — Nonaccounting Degrees	27
Area of Assignment	28
Gender Data	30
Ethnic Data	30
Recruiting Activities	31
Staff Turnover	32
Experienced Recruits Hired	33
Paraprofessional Staff Hired	33
Demographic Data	34
APPENDIX A — Survey Questionnaires	35
APPENDIX B — Survey Methodology	46
APPENDIX C — Breakdown of Geographic Regions Referred to in Tables 8, 9, 16, 17, and 34	48
APPENDIX D — Historical Trend Tables	49

Introduction

The American Institute of Certified Public Accountants' (AICPA) Academic and Career Development Division is pleased to present the 1993 edition of *The Supply of Accounting Graduates and the Demand for Public Accounting Recruits*. This report is based on data from two sources. The primary source was data obtained from a survey conducted in the fall of 1992 of public accounting firms affiliated with the Institute and all U.S. colleges and universities that offer accounting programs. (Note: Two Canadian schools were also surveyed.) A total of 777 schools were surveyed for the 1993 report, a decrease of 20 schools from the previous year's report. In addition, the survey results for the "supply" portion of the report were supplemented with data from a second source: data obtained in the spring of 1992 for the 1992-93 AICPA *Directory of Accounting Education*. Specifically, the *Directory* provided information on the total number of bachelor's and/or master's in accounting recipients for 153 of the 333 schools which did not respond to the survey. The overall response rate for the "supply" portion of the report was 77 percent; 444 schools responded to the survey and, as previously noted, data for an additional 153 schools were obtained from the *Directory*.

For the "demand" portion of the report, 20,423 firms were surveyed, an increase of 361 firms from the 1992 report. The overall response rate for the demand portion of the report was 28 percent—ranging from 87 percent for the largest firms (those with more than 200 AICPA members) to 26 percent for those firms with less than 10 AICPA members. Although no attempt was made to directly determine the number of accounting graduates hired by major employers outside of public practice (e.g., industry), the report does provide a breakdown from the perspective of the schools on where 1991-92 accounting graduates were placed (e.g., public practice, government).

The report is presented in two sections: the supply of accounting graduates and the hiring of those individuals by public accounting firms. In many of the charts, data are presented for three time periods. Tables in the supply portion report figures for the 1989-90, 1990-91, and 1991-92 **academic years**, while tables in the demand portion provide figures for the 1990, 1991, and 1992 **calendar years**. The figures are estimates based upon actual data provided by respondents and extrapolations of data for nonrespondents. Many of the charts also include the rate of growth between the 1990-91 and 1991-92 academic years (supply), as well as the 1991 and 1992 calendar years (demand).

Unlike in past years, the tables in the 1993 report do not include projections for the 1992-93 academic year and 1993 calendar year since projection data in the past have been inconsistent with the actual data received the following year. However, the report does include separate trend tables on enrollment in accounting programs two years from now and recruiting activities in 1993 relative to 1992. Tables showing historical trends from 1971-72 to 1987-88 are included in Appendix D.

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.

Executive Summary

An annual survey of public accounting firms and colleges and universities conducted in the fall of 1992 revealed an increase from the previous year's survey in both the number of new graduates and new hires. The number of new graduates with accounting degrees hired by the firms in 1992 increased by nearly 2,000 from the previous year. The number of accounting graduates in the 1991–92 academic year increased by about 1,200 from the previous academic year.

Following are some of the key findings from the **supply** portion of the report:

- More than 53,300 bachelor's degrees were awarded during the 1991–92 academic year, about a 1 percent decrease from the previous academic year.
- The number of master's degrees awarded—7,070—represents a 28 percent increase from the 1990–91 academic year.
- The number of degrees awarded in 1991–92 by schools with business administration programs accredited by the American Assembly of Collegiate Schools of Business (AACSB) was about the same as the previous academic year.
- On the other hand, the number of degrees awarded in 1991–92 by nonaccredited schools increased by 6 percent from the previous academic year. Of special note, the number of accounting graduates receiving master's degrees from these schools increased by 84 percent.
- The number of accounting graduates receiving master's degrees from public and private schools increased by 26 percent and 31 percent, respectively.
- The number of master's in taxation recipients grew by 42 percent compared to the 1990–91 academic year. There was also a significant increase in the number of master's in accounting and MBA in accounting recipients (20 percent and 32 percent, respectively).
- For the first time since 1987–88, the survey results revealed there were more female accounting graduates than male (52 vs. 48 percent).
- Accounting graduates of ethnic background represented 19 percent of all graduates during 1991–92, up slightly from the previous academic year.
- In comparison to other segments of the profession, public accounting attracted the greatest number of accounting graduates in 1991–92—particularly master's recipients (47 percent).
- More than a quarter (27 percent) of candidates who took the CPA exam in 1992 passed all parts that they attempted compared to 25 percent in 1991.

Following are some of the highlights from the **demand** portion of the report:

- Public accounting firms hired 22,520 new graduates with accounting degrees in 1992—an increase of about 2,000 from the previous year. The number of new hires with master's degrees increased by 51 percent.
- Master's in accounting recipients represented 10 percent of the new hires, up 3 percentage points from 1991, while bachelor's in accounting recipients represented 74 percent of the new hires, down 4 percentage points from 1990. Sixteen percent of new hires had nonaccounting degrees.

- Among the master's recipients, the majority of hires received master's in accounting degrees (42 percent), followed by master's in taxation (38 percent) and MBA in accounting (20 percent) degrees.
- The percentage of new hires assigned to accounting/auditing decreased by 4 percentage points from the previous year (71 percent from 75 percent), while the percentage assigned to management consulting services (MCS) increased by 6 percentage points (15 percent from 9 percent). Fourteen percent were assigned to taxation.
- The gender breakdown of new accounting graduates hired by the firms was 54 percent male and 46 percent female.
- Twelve percent of new firm hires were of ethnic background in 1992, an increase of 4 percentage points from the previous year.
- Nineteen percent of firms indicated that a higher number of experienced recruits was hired in 1992 vs. 1991; 17 percent said a lower number of experienced recruits was hired compared to the previous year (64 percent said it was the same for both years).

The Supply of Accounting Graduates

Survey Methodology

During the autumn of 1992, the AICPA conducted a survey of U.S. colleges and universities that have accounting programs. A total of 777 schools identified as having accounting programs leading to a bachelor's degree, master's degree, or both, were sent survey questionnaires in late October 1992. Non-responding schools were sent follow-up questionnaires in mid-November, and all remaining non-respondents were sent questionnaires in early December.

The questionnaires asked accounting program administrators to indicate the number of accounting graduates with bachelor's degrees, master's degrees, MBA degrees with a concentration in accounting, and master's degrees in taxation. Actual data for the 1991–92 academic year were requested. Schools were also asked to provide breakdowns of their total accounting graduates by gender, ethnic/racial background, and employment placement (i.e., 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. See Appendix A for a copy of the survey questionnaire.

Schools having accounting programs were identified through the AACSB and the 1992–1993 AICPA *Directory of Accounting Education*. The AACSB is the foremost accrediting body for bachelor's and master's degree programs in business administration and accounting in the U.S. 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, 97 had a level of accounting accreditation at the time of the survey. For this report, the AICPA also surveyed schools with accounting programs that are not members of the AACSB.

A total of 444 of the 777 schools in the population under study responded to the survey. In addition, the survey results were supplemented with data obtained from the aforementioned *Directory* to increase the response rate. Overall, data on the total number of bachelor's and/or master's in accounting recipients for 153 schools were obtained from the *Directory*, increasing the number of respondents to 597— or 77 percent of all the schools surveyed (Table 1). Responses were received from 89 percent of the AACSB-accredited member schools surveyed, and from 72 percent of the AACSB-nonaccredited member schools. Of the schools surveyed that are not AACSB members, 67 percent responded.

TABLE 1
Number of Schools Surveyed in the Fall of 1992

	AACSB Schools		Non-AACSB Schools	Total Schools
	Accredited	Nonaccredited		
Number of questionnaires mailed	281	324	172	777
Schools responding*	250	232	115	597
Response rate	89%	72%	67%	77%

* Schools responding includes 444 schools that responded to the survey and 153 schools for which data was obtained from the 1992–93 AICPA *Directory of Accounting Education*.

Schools that responded to the survey and those whose data were obtained from the *Directory* 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. As such, the supply of accounting graduates was estimated for the 23 percent of the schools that did not respond. The results of this report thus 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 from all schools offering bachelor's and master's degrees for the 1989-90, 1990-91, and 1991-92 academic years. The number of accounting graduates with bachelor's degrees decreased by 1 percent from the 1990-91 academic year (53,600 to 53,320). The number of master's recipients increased 28 percent, however, from 5,540 to 7,070. The total number of accounting graduates (bachelor's and master's combined) increased by 2 percent, from 59,140 to 60,390. Comparisons of the 1990-91 and 1991-92 academic years are illustrated in Figure 1.

TABLE 2
Accounting Graduates From All Schools

	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1989-90	52,320	5,040	57,360
1990-91	53,600	5,540	59,140
1991-92	53,320	7,070	60,390
Rate of Growth: 1990-91 to 1991-92	-1%	28%	2%

FIGURE 1
Accounting Graduates From All Schools

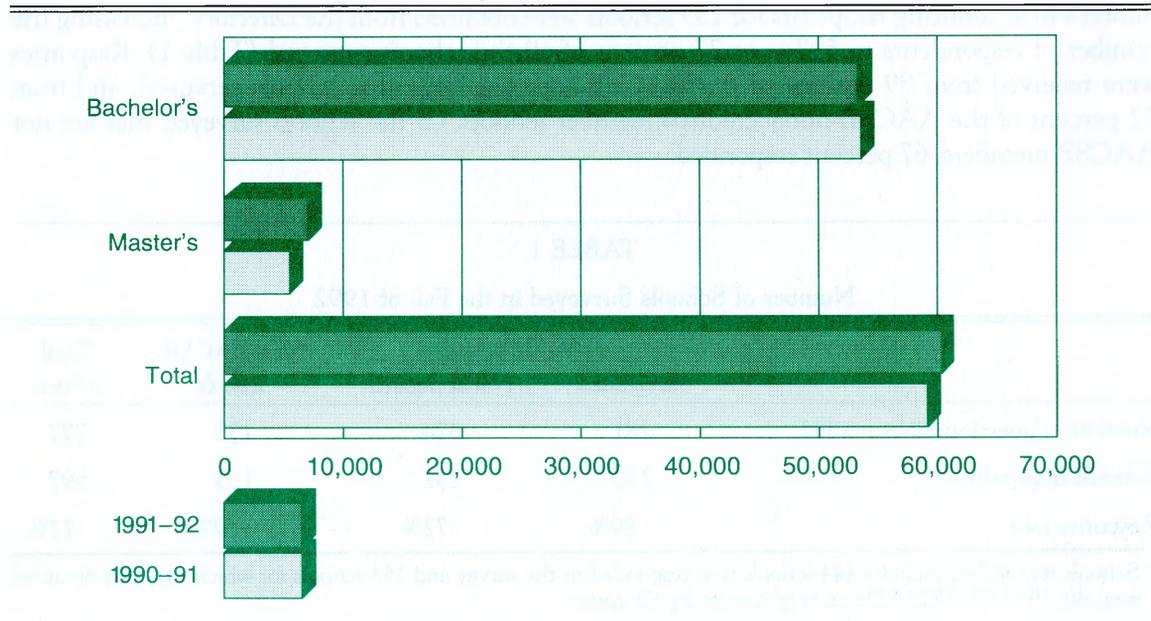


Table 3 shows the number of accounting graduates by program from AACSB schools with accredited accounting programs (of which there were 97 such schools at the time of the survey). The AACSB accredits three types of accounting programs: bachelor's in accounting, MBA with a concentration in accounting, and master's in accounting.

There was a slight increase in the number of bachelor's and master's in accounting recipients in the 1991–92 academic year vs. the previous academic year. The number of bachelor's in accounting recipients increased by 3 percent and the number of master's in accounting recipients increased by 7 percent. There was a decline in the number of individuals receiving an MBA in accounting, however—230 compared to 370 the previous academic year.

TABLE 3
Accounting Graduates From AACSB-Accredited Accounting Programs

	<i>Bachelor's</i>	<i>MBA in Accounting</i>	<i>Master's in Accounting</i>
1989–90	11,130	110	760
1990–91	13,970	370	1,370
1991–92	14,380	230	1,470
Rate of Growth: 1990–91 to 1991–92	3%	–38%	7%

Table 4, which provides figures for accounting graduates from AACSB schools with accredited business administration programs, shows a decline in the number of bachelor's recipients but an increase in master's recipients in the 1991–92 academic year compared to 1990–91. The number of bachelor's recipients decreased by 2 percent while the number of master's recipients grew by 13 percent. Overall, the combined number of bachelor's and master's recipients was about the same as the previous academic year.

TABLE 4
**Accounting Graduates
From AACSB-Accredited Business Administration Programs**

	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1989–90	28,780	3,660	32,440
1990–91	31,640	4,400	36,040
1991–92	30,950	4,970	35,920
Rate of Growth: 1990–91 to 1991–92	–2%	13%	*

* Less than 0.5%.

While the overall number of accounting graduates from AACSB-accredited business administration programs in 1991–92 was about the same as the previous academic year, Table 5 indicates a 6 percent increase in accounting graduates from nonaccredited business administration programs (i.e., AACSB nonaccredited schools and non-AACSB schools) over the same period. In particular, the number of master’s recipients nearly doubled—from 1,140 to 2,100. Figures 2A and 2B illustrate the number of bachelor’s and master’s recipients, respectively, for AACSB-accredited and nonaccredited business administration programs.

TABLE 5
Accounting Graduates From
Nonaccredited Business Administration Programs

	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1989–90	23,540	1,380	24,920
1990–91	21,960	1,140	23,100
1991–92	22,370	2,100	24,470
Rate of Growth:			
1990–91 to 1992–92	2%	84%	6%

FIGURE 2A

Bachelor's Recipients From AACSB-Accredited and Nonaccredited Business Administration Programs

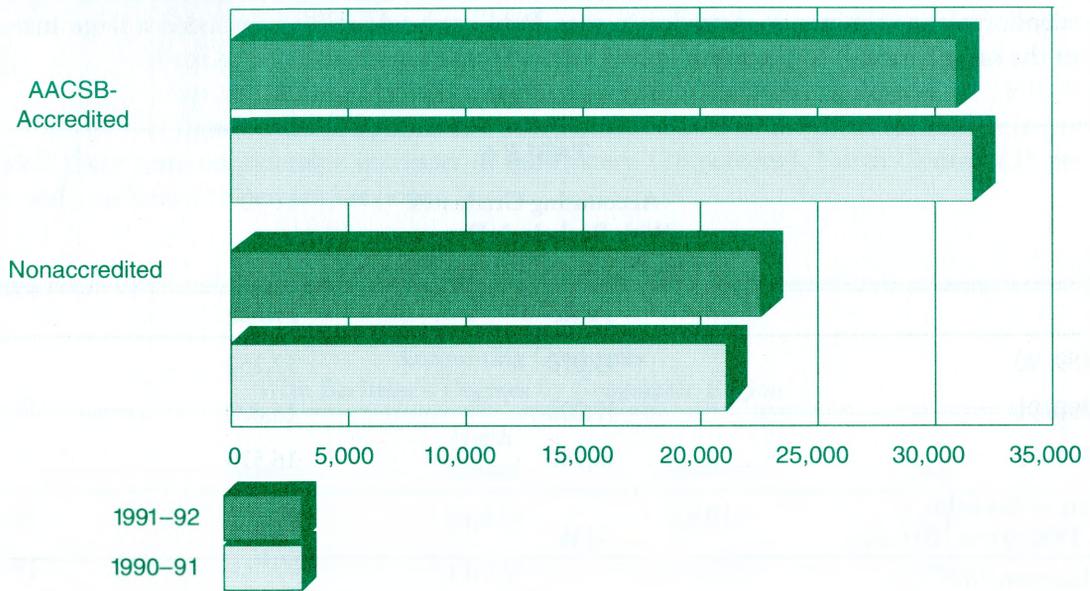


FIGURE 2B

Master's Recipients From AACSB-Accredited and Nonaccredited Business Administration Programs

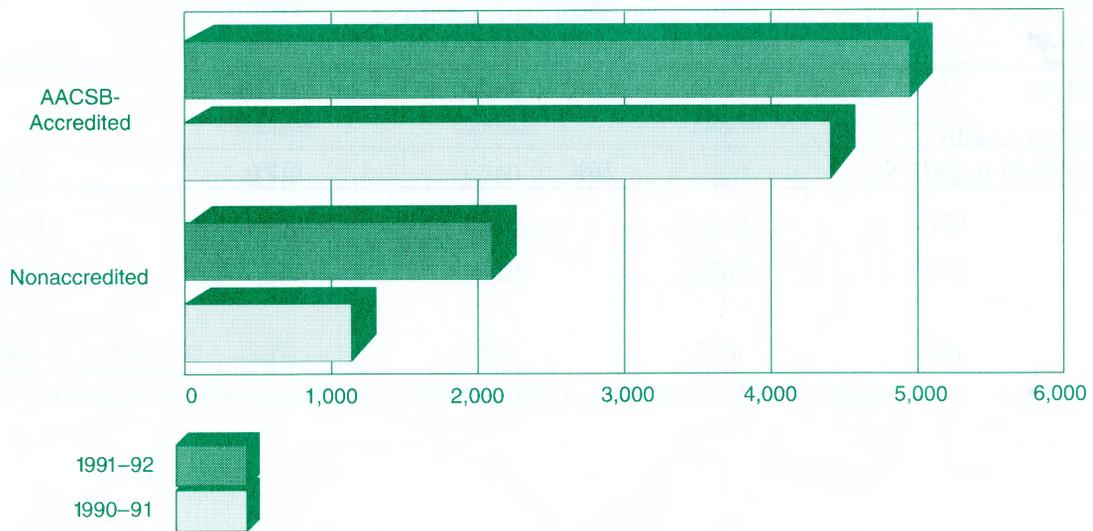


Table 6 examines the number of accounting graduates with bachelor's degrees from public and private schools. There was a 1 percent decrease in the number of bachelor's degrees awarded to accounting graduates by public schools during 1991–92 vs. 1990–91. Private schools experienced a nominal decline over the same period.

Table 7 looks at the number of accounting graduates with master's degrees from these schools. Private schools showed a 31 percent increase in the number of master's recipients in the 1991–92 academic year vs. the previous academic year. Public schools also experienced a large increase over the same period—26 percent.

TABLE 6
Accounting Graduates
With Bachelor's Degrees
From Public and Private Schools

	<i>Public</i>	<i>Private</i>
1989–90	35,070	17,250
1990–91	37,000	16,600
1991–92	36,750	16,570
Rate of Growth: 1990–91 to 1991–92	–1%	*

* Less than 0.5%.

TABLE 7
Accounting Graduates
With Master's Degrees
From Public and Private Schools

	<i>Public</i>	<i>Private</i>
1989–90	3,150	1,890
1990–91	3,680	1,860
1991–92	4,640	2,430
Rate of Growth: 1990–91 to 1991–92	26%	31%

Tables 8 and 9 provide figures for accounting graduates with bachelor's and master's degrees, respectively, by geographic region (see Appendix C for the breakdown of states by region). Comparing the 1991–92 academic year to the previous year, there was a slight decrease in the number of bachelor's recipients in three of the regions (the Southern region showed a 1 percent increase) and a significant increase in the number of master's recipients in all of the regions.

Table 8 shows that the Pacific region experienced the greatest decline in bachelor's recipients (3 percent), from 7,640 to 7,400. The number of accounting graduates with bachelor's degrees decreased by 2 percent in both the Eastern and North Central regions.

Table 9 shows that the number of accounting graduates with master's degrees in 1991–92 increased by more than a third (36 percent) in the Pacific region vs. the previous academic year. Likewise, there were considerable increases in the Eastern (28 percent), North Central (25 percent), and Southern (25 percent) regions.

TABLE 8
Accounting Graduates
With Bachelor's Degrees by Geographic Region

	<i>Eastern</i>	<i>North Central</i>	<i>Southern</i>	<i>Pacific</i>
1989–90	13,270	14,430	16,930	7,690
1990–91	13,500	14,900	17,560	7,640
1991–92	13,290	14,610	17,760	7,400
Rate of Growth:				
1990–91 to 1991–92	–2%	–2%	1%	–3%

(Note: Not included in the above table are 260 bachelor's recipients who graduated from Canadian schools)

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

	<i>Eastern</i>	<i>North Central</i>	<i>Southern</i>	<i>Pacific</i>
1989–90	1,340	1,260	1,670	770
1990–91	1,460	1,400	1,910	770
1991–92	1,870	1,750	2,380	1,050
Rate of Growth:				
1990–91 to 1991–92	28%	25%	25%	36%

(Note: Not included in the above table are 20 master's recipients who graduated from Canadian schools)

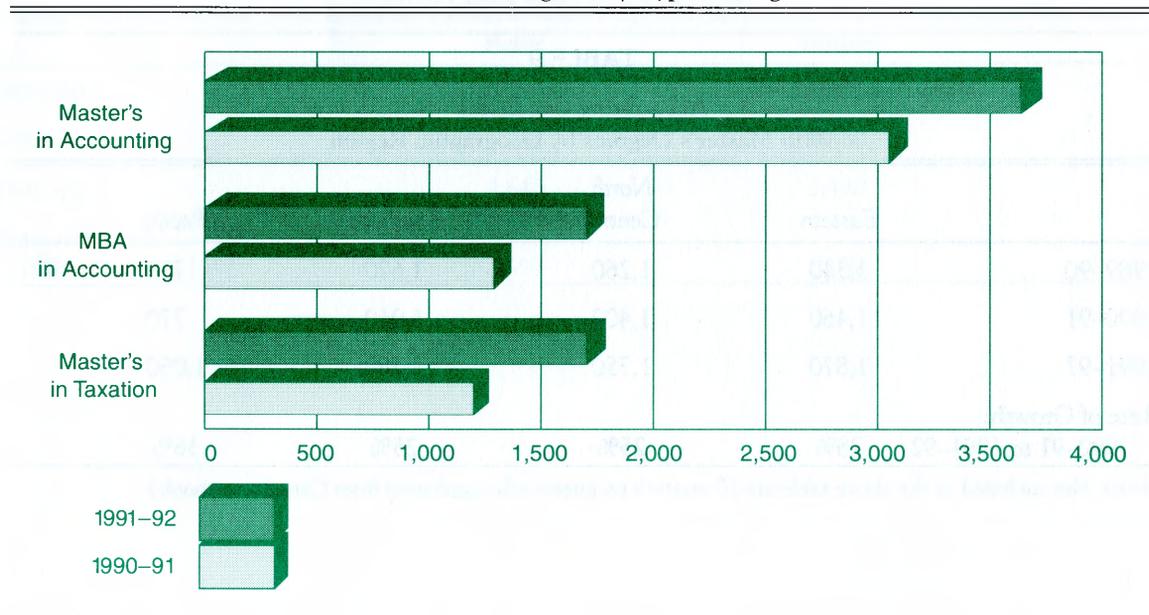
Master's Degrees—Types of Programs

Table 10 and Figure 3 focus on the number of accounting graduates with master's degrees by type of program. The three types of programs covered are master's in accounting, MBA in accounting, and master's in taxation. The number of master's in taxation recipients grew by 42 percent during 1991–92—from 1,200 the previous year to 1,700. There was also a 32 percent increase in the number of MBA in accounting recipients and a 20 percent increase in master's in accounting recipients.

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

	<i>Master's in Accounting</i>	<i>MBA in Accounting</i>	<i>Master's in Taxation</i>
1989–90	2,990	920	1,130
1990–91	3,050	1,290	1,200
1991–92	3,670	1,700	1,700
Rate of Growth: 1990–91 to 1991–92	20%	32%	42%

FIGURE 3
Accounting Graduates
With Master's Degrees by Type of Program



Gender Data

Table 11 shows there were more female accounting graduates than male accounting graduates for the first time since the 1987–88 academic year. The breakdown was 52 percent female, 48 percent male.

TABLE 11

Accounting Graduates by Gender

	<i>Male (%)</i>	<i>Female (%)</i>
1989–90	50	50
1990–91	50	50
1991–92	48	52

Ethnic Data

Table 12 and Figure 4 provide information on the number of accounting graduates by ethnic background. The table lists data for Asians, Blacks, Hispanics, Native Americans, and other minorities, as well as Whites.

Whites represented 81 percent of all accounting graduates, down 1 percentage point from the previous academic year. Of the remaining 19 percent, the breakdown was 7 percent Asians, 6 percent Blacks, 4 percent Hispanics, 2 percent other minorities, and less than 0.5 percent Native Americans.

TABLE 12

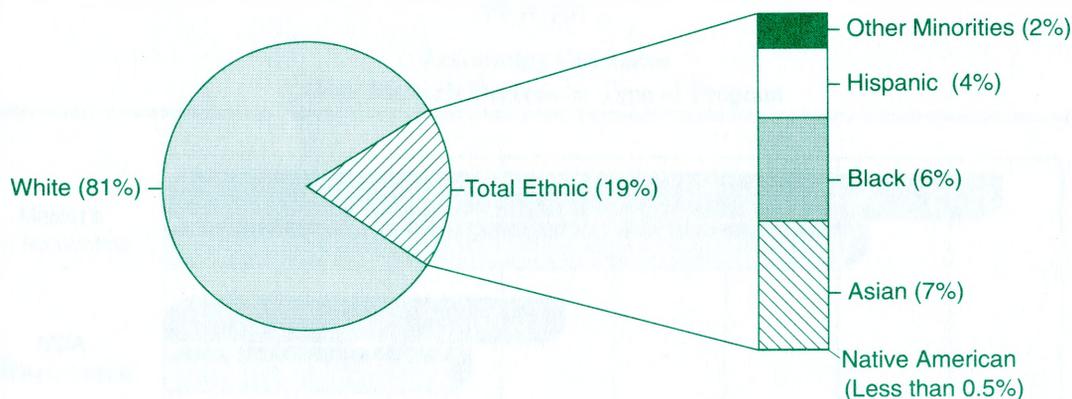
The Supply of Accounting Graduates by Ethnic Background

	Asian (%)	Black (%)	Hispanic (%)	Native American (%)	Other Minorities (%)	Total Ethnic (%)	White (%)
1989-90	5	7	3	*	2	17	83
1990-91	6	6	4	*	2	18	82
1991-92	7	6	4	*	2	19	81

*Less than 0.5%.

FIGURE 4

The Supply of Accounting Graduates by Ethnic Background 1991-92



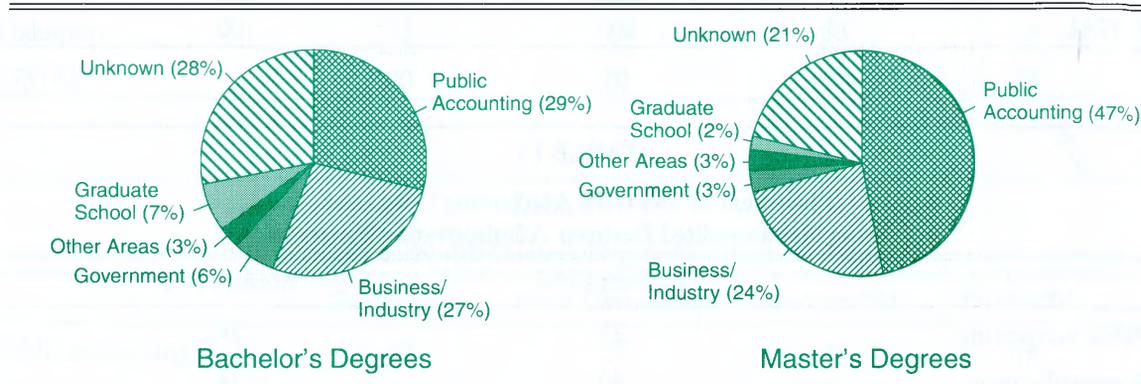
Placement of Accounting Graduates

Table 13 and Figure 5 highlight the various areas accounting graduates were placed in 1991–92 as reported by schools. Public accounting attracted the greatest number of bachelor's recipients (29 percent) and master's recipients (47 percent) compared to other segments. Business/industry attracted 27 percent of the graduates with bachelor's degrees and 24 percent of those with master's degrees. The placement of 28 percent of bachelor's recipients and 21 percent of master's recipients was unknown.

TABLE 13
Placement of 1991–92 Accounting Graduates

	Bachelor's (%)	Master's (%)
Public accounting	29	47
Business/Industry	27	24
Government	6	3
Other areas	3	3
Graduate school	7	2
Unknown	<u>28</u>	<u>21</u>
TOTAL	100	100

FIGURE 5
Placement of 1991–92 Accounting Graduates



Tables 14 and 15 provide breakdowns on the placement of accounting graduates from AACSB-accredited business administration programs and nonaccredited business administration programs, respectively.

About a third of the bachelor's recipients and more than half of the master's recipients from AACSB-accredited business administration programs were placed in public accounting in 1991-92 (Table 14). One-fourth of the graduates with bachelor's degrees were placed in business/industry, as was 24 percent of those with master's degrees. As in Table 13, the placement of a large number of bachelor's and master's recipients was unknown.

Among the nonaccredited business administration programs (Table 15), more bachelor's recipients were placed in business/industry than in public accounting (30 percent vs. 23 percent). An equal proportion of master's recipients were placed in public accounting and business/industry (24 percent each). Once again, the placement of a significantly large number of bachelor's and master's recipients was unknown.

TABLE 14
Placement of 1991-92 Accounting Graduates
From AACSB-Accredited Business Administration Programs

	<i>Bachelor's (%)</i>	<i>Master's (%)</i>
Public accounting	32	53
Business/Industry	25	24
Government	5	3
Other areas	2	3
Graduate school	8	2
Unknown	<u>28</u>	<u>15</u>
TOTAL	100	100

TABLE 15
Placement of 1991-92 Accounting Graduates
From Nonaccredited Business Administration Programs

	<i>Bachelor's (%)</i>	<i>Master's (%)</i>
Public accounting	23	24
Business/Industry	30	24
Government	6	5
Other areas	3	2
Graduate school	5	1
Unknown	<u>33</u>	<u>44</u>
TOTAL	100	100

Tables 16 and 17 provide breakdowns on the placement of bachelor's recipients and master's recipients, respectively, by geographic region during the 1991–92 academic year.

About a third of the accounting graduates with bachelor's degrees in the Eastern region and about a third in the Pacific region were placed in public accounting (Table 16). Slightly more individuals in the North Central region were placed in business/industry than in public accounting. Compared to the other regions, the Southern region reported a higher percentage of individuals who went on to graduate school (9 percent). The placement of a significant number of bachelor's recipients in each region was unknown.

Table 17 shows that more than half of the master's recipients in the Eastern region (60 percent), more than half in the Pacific region (54 percent), and nearly half in the Southern region (47 percent) were placed in public accounting. In comparison, only about a third of the accounting graduates with master's degrees in the North Central region (32 percent) were placed in public accounting. About one-fourth of the master's recipients in each region were placed in business/industry. The placement of a significant number of master's recipients in the North Central region (36 percent) was unknown in comparison to the other regions.

TABLE 16
Placement of 1991–92 Bachelor's Degree Graduates by Region

	<i>Eastern (%)</i>	<i>North Central (%)</i>	<i>Southern (%)</i>	<i>Pacific (%)</i>
Public accounting	33	28	26	32
Business/Industry	23	30	25	27
Government	4	5	5	6
Other areas	2	3	2	4
Graduate school	6	5	9	7
Unknown	<u>32</u>	<u>29</u>	<u>33</u>	<u>24</u>
TOTAL	100	100	100	100

TABLE 17
Placement of 1991–92 Master's Degree Graduates by Region

	<i>Eastern (%)</i>	<i>North Central (%)</i>	<i>Southern (%)</i>	<i>Pacific (%)</i>
Public accounting	60	32	47	54
Business/Industry	24	22	26	23
Government	5	4	3	4
Other areas	2	4	2	5
Graduate school	*	2	2	2
Unknown	<u>9</u>	<u>36</u>	<u>20</u>	<u>12</u>
TOTAL	100	100	100	100

* Less than 0.5%

Enrollment Trends

Schools are, for the most part, optimistic that enrollment in accounting programs will be higher or the same as current enrollment figures two years from now. As indicated in Table 18, two years from now 56 percent of the respondents project that enrollment will be higher in master's in accounting programs and 45 percent indicate a higher enrollment in master's in taxation programs. Less than a third project a higher enrollment in MBA in accounting (30 percent) and bachelor's in accounting (29 percent) programs. About one-fourth of respondents project that enrollment in bachelor's in accounting (24 percent) programs will be lower two years from now.

TABLE 18
Trends in Enrollment in Accounting Programs

	<i>Percent of Schools Indicating That Enrollment Two Years From Now Will Be —</i>		
	<i>Higher Than Current Enrollment (%)</i>	<i>The Same as Current Enrollment (%)</i>	<i>Lower Than Current Enrollment (%)</i>
Bachelor's in accounting	29	47	24
Master's in accounting*	56	40	4
MBA in accounting*	30	63	7
Master's in taxation*	45	48	7

*Percentage distributions exclude schools that do not have these programs.

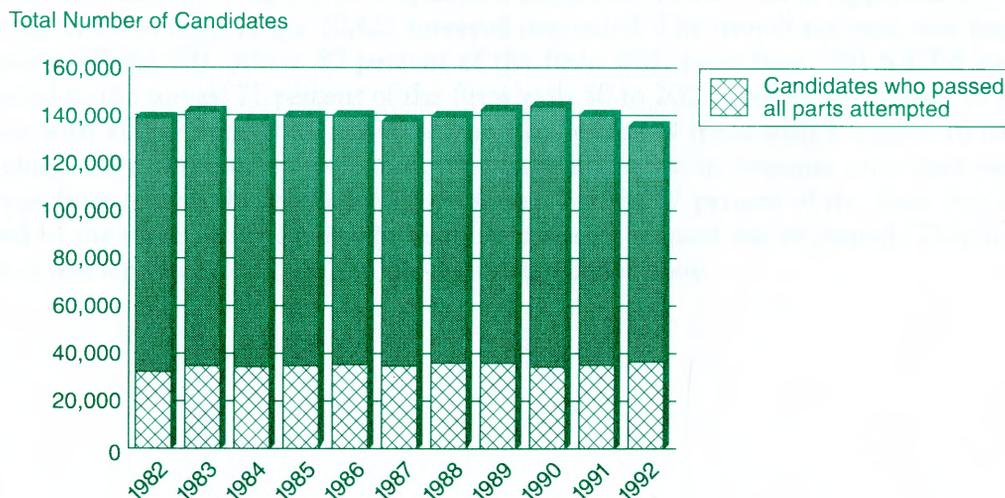
Uniform CPA Examination

Table 19 and Figure 6 provide annual figures for the past 10 years on the total number of candidates taking the CPA exam and the number of candidates who passed all parts of the exam that they attempted. In 1992, 136,536 candidates took the CPA exam and 36,508 passed all parts of the exam that they attempted. Although there was a decline from the previous year of about 3,500 candidates who took the exam, a greater number of individuals passed all parts that they attempted (27 percent compared to 25 percent).

TABLE 19
Uniform CPA Examination — 1982–92

Year	Total Number of Candidates	Candidates Who Passed All Parts of the Exam That They Attempted
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
1991	140,042	35,092
1992	136,536	36,508

FIGURE 6
Uniform CPA Examination — 1982–92



The Demand for Public Accounting Recruits

Survey Methodology

Late in the fall of 1992, the AICPA conducted a survey of all of the public accounting firms affiliated with the Institute. Survey questionnaires were sent to those individuals responsible for human resources and 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 1992.

Firms were asked to provide a breakdown of newly hired graduates by gender, ethnic/racial background, and placement (i.e., the number assigned to accounting/auditing, taxation, management consulting services, and other specialty areas). In addition, firms were asked to give information on recruiting activities, professional and 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 3,024 firms and the “short” form was sent to the other 16,463 firms affiliated with the Institute. All firms with more than 10 AICPA members received the long form, and a random sample of smaller firms received the balance of the 1,571 long forms. All of the remaining smaller firms received the short form. In addition, a sample of 1,000 of the Institute’s roughly 27,200 sole practitioners received the long form. The 19,487 firms and the 1,000 sole practitioners were sent their respective questionnaires in late November, and those receiving the long form were sent follow-up questionnaires in mid-December. (*Note: Approximately 64 questionnaires were returned because they were undeliverable; therefore, the effective sample size was 20,423.*)

Because the largest firms account for such a large proportion of newly hired graduates, a greater effort was made to obtain their responses. These firms’ responses were tracked, and a series of follow-up phone calls 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 5,746 firms of the 20,423 surveyed responded. The overall response rate was about 28 percent (Table 20). About 87 percent of the firms with more than 200 AICPA members responded to the survey, 77 percent of the firms with 50 to 200 members responded, 53 percent of those with 10 to 49 members responded, and 26 percent of those with less than 10 members (including sole practitioners) responded. The large difference in response rates between small and large firms reflects the methodology employed. For the 72 percent of the firms that did not respond to the survey, the demand for public accounting recruits was estimated. Therefore, the results of this report cover all firms in the population under study.

TABLE 20

Number of Firms Surveyed in the Fall of 1992

<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>
More than 200 members	15	15	13	87%
50-200 members	70	47	36	77%
10-49 members	1,433	1,391	733	53%
Less than 10 members	44,931	18,970	4,964	26%
All firms	46,449	20,423*	5,746	28%

* 20,487 firms were sent surveys, but 64 questionnaires were returned because they were undeliverable. The effective sample size, therefore, was 20,423.

Results of the Survey

New Graduate Recruits — Accounting Degrees

Table 21 shows the number of bachelor's and master's recipients recruited by public accounting firms in 1992. Overall, the number of new hires increased by about 2,000 (9 percent) from 1991—a reversal from the previous two years in which the number of hires decreased from one year to the next. The number of bachelor's recipients increased by 5 percent, from 18,840 to 19,870. There was a significant increase in the number of master's recipients, from 1,760 in 1991 to 2,650 in 1992. Comparisons of the 1990–91 and 1991–92 academic years are illustrated in Figure 7.

TABLE 21
New Graduates With Accounting Degrees
Recruited by Public Accounting Firms

	<i>Bachelor's</i>	<i>Master's</i>	<i>Total</i>
1990	21,340	2,500	23,840
1991	18,840	1,760	20,600
1992	19,870	2,650	22,520
Rate of Growth: 1991 to 1992	5%	51%	9%

FIGURE 7
Accounting Graduates Recruited by Public Accounting Firms

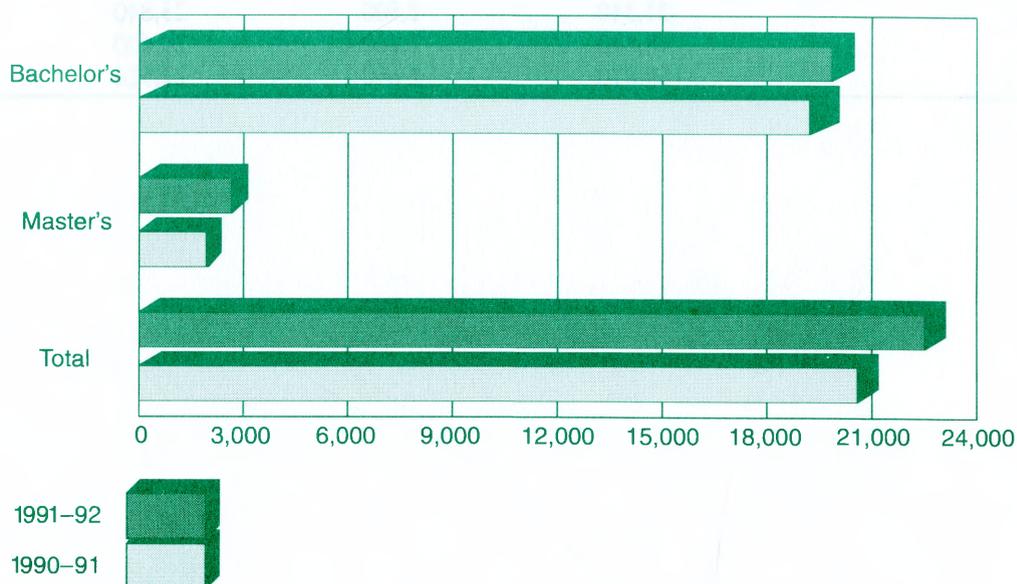


Table 22 gives a breakdown of bachelor's and master's recipients hired in 1992 based on firm size. Firms with 50 to 200 AICPA members, 10 to 49 AICPA members, and less than 10 AICPA members experienced increases in the number of bachelor's and master's recipients hired from the previous year. When compared to 1991, firms with 50 to 200 AICPA members hired about 500 more recruits with bachelor's degrees; firms with less than 10 AICPA members hired nearly 1,200 more bachelor's recipients and 260 more master's recipients. Firms with more than 200 AICPA members hired about 500 more accounting graduates with master's degrees in 1992 vs. 1991, but the number of new hires with bachelor's degrees was down about 700.

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>
More than 200 AICPA members			
1990	9,340	1,430	10,770
1991	7,960	1,030	8,990
1992	7,270	1,520	8,790
50-200 AICPA members			
1990	490	20	510
1991	300	20	320
1992	810	50	860
10-49 AICPA members			
1990	2,930	230	3,160
1991	2,130	140	2,270
1992	2,180	250	2,430
Less than 10 AICPA members			
1990	8,580	820	9,400
1991	8,450	570	9,020
1992	9,610	830	10,440
TOTAL			
1990	21,340	2,500	23,840
1991	18,840	1,760	20,600
1992	19,870	2,650	22,520

Table 23 provides data on the percentage of new recruits with master's degrees hired by public accounting firms in 1992. The percentage for all firms was 12 percent, an increase of 3 percentage points from the previous year. Firms with more than 200 AICPA members experienced the largest increase in new hires with master's degrees, 17 percent in 1992 vs. 11 percent in 1991.

TABLE 23

**Graduate Degree Hires as a Percentage
Of All New Hires by Accounting Firm Size**

	<i>More than 200 AICPA Members (%)</i>	<i>50-200 AICPA Members (%)</i>	<i>10-49 AICPA Members (%)</i>	<i>Less than 10 AICPA Members (%)</i>	<i>All Firms*</i> (%)
1990	13	2	7	9	10
1991	11	6	6	6	9
1992	17	6	10	8	12

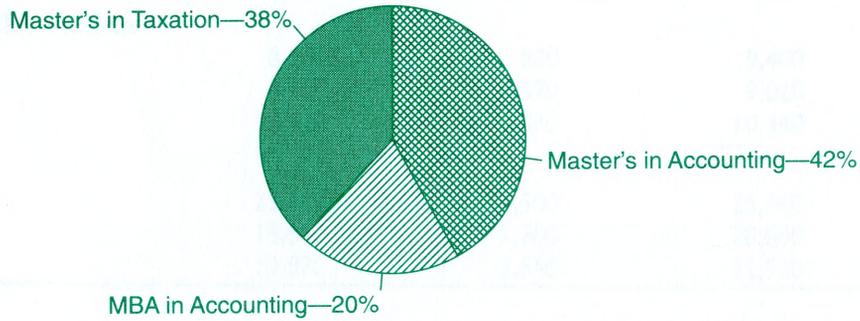
* New graduate recruits with master's degrees in accounting as a percent of all new recruits with accounting degrees.

Table 24 and Figure 8 provide a breakdown of new master's recipients hired by public accounting firms in 1992 based on the type of program in which they received their degree. There was a significant increase in the percentage of new hires with master's in taxation degrees—38 percent vs. 22 percent in 1991. However, there was a significant decrease in the percentage of individuals with master's in accounting degrees—42 percent vs. 59 percent in 1991. Those with MBA in accounting degrees comprised the remaining 20 percent of new hires.

TABLE 24
Percentage of New Graduate Recruits
With Master's Degrees in Accounting by Type of Program

	<i>Master's in Accounting (%)</i>	<i>MBA in Accounting (%)</i>	<i>Master's in Taxation (%)</i>
1990	56	21	23
1991	59	19	22
1992	42	20	38

FIGURE 8
Percentage of New Graduate Recruits
With Master's Degrees in Accounting by Type of Program — 1992



The breakdown of new graduate recruits by type of degree is provided in Table 25. Of the new recruits hired into public practice, 74 percent had bachelor's in accounting degrees, 10 percent had master's in accounting degrees, and 16 percent had nonaccounting degrees.

TABLE 25
Percentage of Total New Graduate Recruits
By Type of Degree

	<i>Total Accounting</i>		<i>Total Nonaccounting (%)</i>
	<i>Bachelor's (%)</i>	<i>Master's (%)</i>	
1990	75	9	16
1991	78	7	15
1992	74	10	16

New Graduate Recruits—Nonaccounting Degrees

Table 26 provides a breakdown of new recruits with nonaccounting degrees hired by public accounting firms in 1992 based on the type of program in which they received their degree. As noted in Table 25, 16 percent of all new hires by public accounting firms had nonaccounting degrees.

The proportion of new hires with degrees in management information systems (MIS)/computers nearly doubled compared to the previous year (31 percent vs. 16 percent). There were also slight increases in the proportion of new hires with finance degrees (15 percent vs. 10 percent) and law degrees (9 percent vs. 7 percent). The proportion of new hires with degrees in other business areas (16 percent) and nonbusiness degrees (29 percent) decreased from 1991.

TABLE 26
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>
1990	6	9	15	32	38	16
1991	7	10	16	28	39	15
1992	9	15	31	16	29	16

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

Area of Assignment

Table 27 and Figure 9 detail where new hires were placed in 1992 based on area of assignment. The areas covered are accounting/auditing, management consulting services (including management information systems and other management services), and taxation. In all of the firm-size categories, the majority of individuals were placed in accounting/auditing. Overall, 71 percent of the new hires were assigned to this area, down 4 percentage points from 1991. New hires assigned to management consulting services increased from 9 percent to 15 percent.

TABLE 27

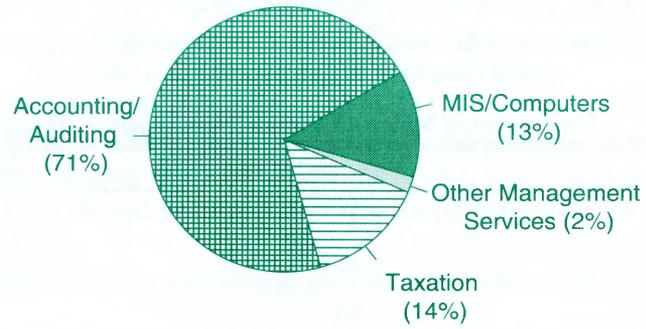
Percentage of New Graduate Recruits
By Area of Assignment

Number of AICPA Members per Firm	Accounting/ Auditing (%)	MIS/ Computers (%)	Management Consulting Services		Taxation (%)	Other (%)
			Other Management Services (%)	Total MCS (%)		
<i>More than 200 members</i>						
1990	65	17	4	21	14	*
1991	69	15	2	17	14	*
1992	70	15	2	17	13	*
<i>50-200 members</i>						
1990	78	5	1	6	14	2
1991	84	1	*	1	12	3
1992	85	3	3	6	9	*
<i>10-49 members</i>						
1990	81	2	1	3	14	2
1991	79	1	2	3	15	3
1992	77	2	2	4	16	3
<i>Less than 10 members</i>						
1990	68	4	2	6	23	3
1991	79	2	*	2	15	4
1992	66	4	*	4	24	6
<i>All firms</i>						
1990	69	9	3	12	18	1
1991	75	7	2	9	14	2
1992	71	13	2	15	14	*

* Less than 0.5%.

FIGURE 9

Percentage of New Graduate Recruits by Area of Assignment (All Firms) — 1992



Gender Data

More males than females (54 percent to 46 percent) were hired by public accounting firms in 1992. This represents a shift from the previous year, when the percentage of new female hires was greater (51 percent vs. 49 percent).

TABLE 28
Proportion of Male and Female New Graduate Recruits

	Male (%)	Female (%)
1990	41	59
1991	49	51
1992	54	46

Ethnic Data

Table 29 and Figure 10 show that 12 percent of the new graduate recruits in public accounting in 1992 were of ethnic background—an increase of 4 percentage points from 1991. The breakdown was 6 percent Asian, 3 percent Black, and 3 percent Hispanic (a nominal number of recruits were Native American and/or other minorities).

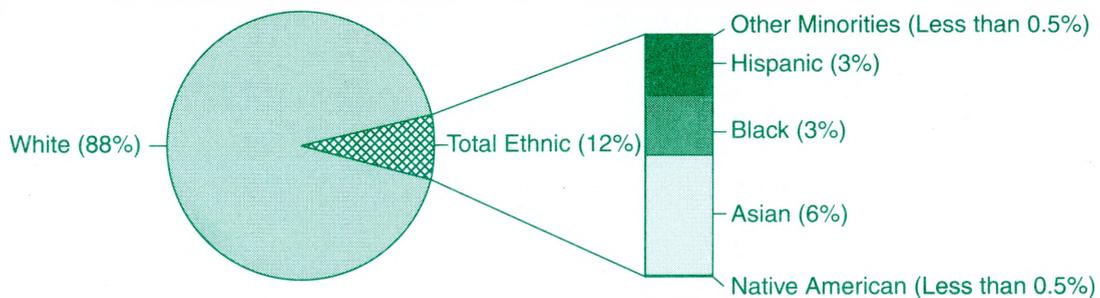
TABLE 29
Percentage of New Graduate Recruits by Ethnic Background

	Asian (%)	Black (%)	Hispanic (%)	Native American (%)	Other Minorities (%)	Total Ethnic (%)	White (%)
1990	5	2	2	*	*	9	91
1991	3	3	2	*	*	8	92
1992	6	3	3	*	*	12	88

* Less than 0.5%.

FIGURE 10

Percentage of New Graduate Recruits by Ethnic Background — 1992



Recruiting Activities

Firms were asked to provide information about their recruiting activities. A total of 767 responding firms indicated that they recruited on campus in 1992. 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, 1,041 firms reported that they recruited off campus in 1992. These firms reported the number of initial interviews, the number of job offers, and the number of graduates hired.

Of the 119,019 graduates interviewed on campus in 1992, 28 percent were invited for an office visit. About 57 percent of those invited for a visit were offered positions. Of those offered positions, 57 percent accepted. Among the 9,851 individuals who were interviewed off campus in 1992, about 17 percent were offered positions after the initial interview. Of those offered positions, 75 percent accepted.

Table 30 provides overall figures for on-campus and off-campus recruiting activities.

TABLE 30
Recruiting Activities During 1992

<i>On-campus recruiting:</i>	<i>Total</i>
Campus interviews	119,019
Office visits	33,379
Offers	19,099
Hires	10,948

<i>Off-campus recruiting</i>	<i>Total</i>
Initial interviews	9,851
Offers	1,626
Hires	1,226

Staff Turnover

Table 31 indicates the professional staff turnover by firm size for 1992. Overall, there was a 20 percent turnover in professional staff, an increase of 2 percentage points from 1991. There was a slight increase in turnover for all the firm-size groups except for firms with more than 200 AICPA members, which remained the same at 21 percent.

TABLE 31
Professional Staff Turnover by Firm Size* — 1992

<i>Number of AICPA Members per Firm</i>	<i>Professional Staff Turnover as a Percentage of Total Professional Staff (%)</i>
More than 200 members	
1990	22
1991	21
1992	21
50–200 members	
1990	13
1991	11
1992	13
10–49 members	
1990	13
1991	9
1992	10
Less than 10 members	
1990	17
1991	7
1992	8
All firms responding	
1990	18
1991	18
1992	20

* *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 resigned or were terminated.

Experienced Recruits Hired

Table 32 provides data on the number of experienced recruits hired by the various firm groups in 1992 relative to 1991.

Overall, 64 percent of the firms responding said the number remained constant. About one-third of the firms with 50 to 200 AICPA members reported an increase in the number of experienced recruits hired, as did 27 percent of the firms with more than 200 members and 24 percent of the firms with 10 to 49 members.

TABLE 32
Experienced Recruits Hired in 1992 Relative to 1991 by Firm Size*

Number of AICPA Members per Firm	Percent of Firms Indicating That the Number of Experienced Recruits Hired in 1992 Relative to 1991 Was —		
	Higher (%)	Same (%)	Lower (%)
More than 200 members	27	73	0
50–200 members	32	54	14
10–49 members	24	56	20
Less than 10 members	14	72	14
All firms responding	19	64	17

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

Paraprofessional Staff Hired

Table 33 provides data on the use of paraprofessional staff by the various firm groups, and how many of these individuals were hired in 1992 relative to 1991.

About three-fourths (73 percent) of all the firms responding indicated that they use paraprofessional staff. The majority of firms in each group reported that the number of paraprofessionals hired in 1992 was about the same as in 1991. More than a third of the firms with more than 200 AICPA members (36 percent) reported an increase in the hiring of paraprofessional staff compared to 1991.

TABLE 33
Use of Paraprofessional Staff in 1992 Relative to 1991 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 1992 Relative to 1991 Was —		
		Higher (%)	Same (%)	Lower (%)
More than 200 members	100	36	64	0
50–200 members	97	16	78	6
10–49 members	83	16	75	9
Less than 10 members	65	15	77	8
All firms responding	73	16	76	8

* *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

Table 34 and Figure 11 examine the demographic characteristics of the responding firms. Regarding geographic location, 30 percent of the firms hail from the Southern region, 27 percent from the North Central region, 23 percent from the Eastern region, and 20 percent from the Pacific region (see Appendix C for the breakdown of states by region). Regarding the type of firm, 96 percent are local firms and 4 percent are regional firms (national/international firms represent less than 0.5 percent of the total).

TABLE 34

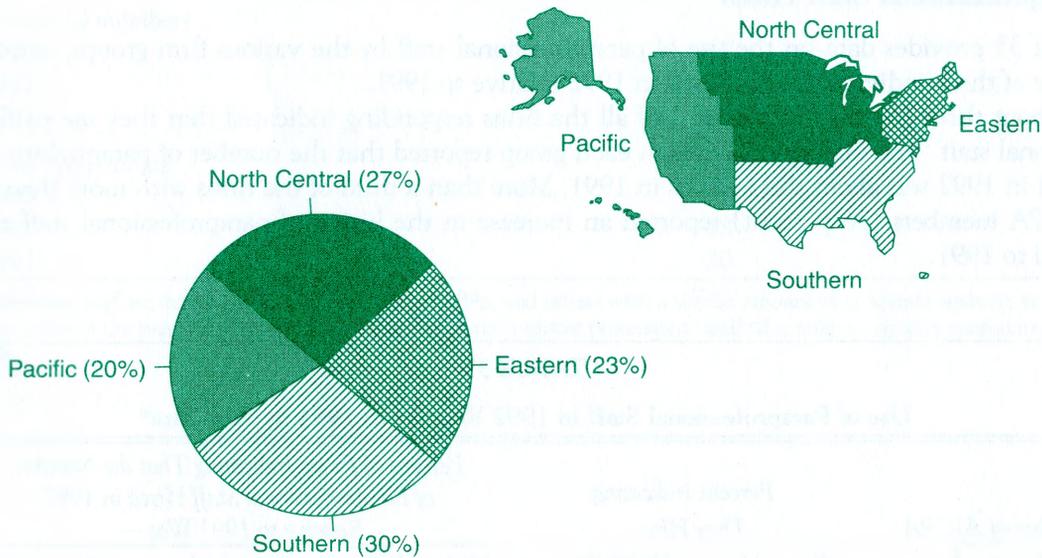
Demographic Characteristics of Responding Firms

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

*Less than 0.5%.

FIGURE 11

Demographic Characteristics of Responding Firms



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

November 2, 1992

Dear Accounting Program Administrator:

This marks the 21st 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 the 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. 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 respondents in the spring of 1993.

Please return your completed questionnaire in the enclosed postage-paid envelope by **November 16, 1992**. 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

[6]
KP
Oct = 1
Nov = 2
Dec = 3

Please answer the questions below by circling the numbers corresponding to your responses or by writing in your responses.

I. Background Information

1. Is your school public or private? [7]
- 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 1992**. (**Accounting faculty** is defined as instructors, assistant professors, associate professors and professors **only**.)

Full-time accounting faculty

[8-13]

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 1991-92 academic year. **The 1991-92 academic year** consists of the Fall, 1991 and Spring and Summer, 1992 terms. (If on trimesters, the academic year consists of Fall, 1991 and Winter, Spring, and Summer, 1992 terms.)

Please fill in below the number who graduated **during the 1991-92 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**.)

<u>Degree</u>	<u>Number of graduates in the 1991-92 academic year</u>	
A. Bachelor's in accounting—including other bachelor's degrees with majors in accounting	<input style="width: 50px; height: 20px;" type="text"/>	[14-17]
B. Master's in accounting—including MA, MS, MAcc, MPA and MAS degrees	<input style="width: 50px; height: 20px;" type="text"/>	[18-21]
C. Master's in taxation—including MBAs with a concentration in tax	<input style="width: 50px; height: 20px;" type="text"/>	[22-25]
D. MBAs with a concentration in accounting	<input style="width: 50px; height: 20px;" type="text"/>	[26-29]
E. TOTAL:	A+B+C+D = <input style="width: 80px; height: 20px;" type="text"/>	[30-33]

4. How many of the **total** graduates in the 1991–92 academic year (from line E in question 3) were **female**?

Females

[34–37]

5. Please indicate below the number of **graduates from the 1991–92 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.)

Ethnic/Racial Group	Number of graduates from the 1991–92 academic year who were:	
A. White	<input type="text"/>	[38–41]
B. American Indian	<input type="text"/>	[42–45]
C. Asian	<input type="text"/>	[46–49]
D. Hispanic	<input type="text"/>	[50–53]
E. Black	<input type="text"/>	[54–57]
F. Other	<input type="text"/>	[58–61]
G. TOTAL:	A+B+C+D+E+F = <input type="text"/>	= Line E in question 3 [62–65]

6. Please indicate below in **column A** the number of **bachelor’s** degree graduates in accounting from the 1991–92 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 1991–92 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 Number of bachelor’s degree graduates in accounting from the 1991–1992 academic year who went into:	Column B Number of master’s degree graduates in accounting and taxation from the 1991–92 academic year who went into:
A. Public Accounting	<input type="text"/>	<input type="text"/> [66–72]
B. Business/Industry	<input type="text"/>	<input type="text"/> [73–79]
C. Government	<input type="text"/>	<input type="text"/> [80–86]
D. Graduate School	<input type="text"/>	<input type="text"/> [87–93]
E. Other Areas	<input type="text"/>	<input type="text"/> [94–100]
F. Unknown	<input type="text"/>	<input type="text"/> [101–107]
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 [108–115]

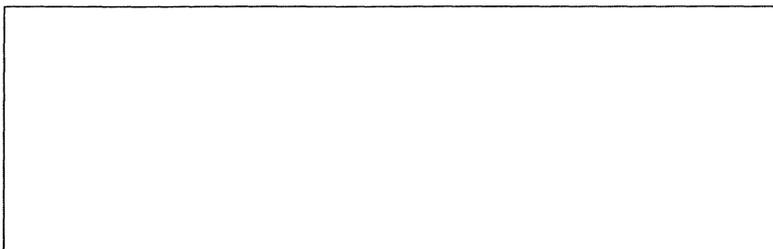
7. For each of the **accounting programs** listed below, please indicate whether you expect enrollment at your institution **two years from now** to be higher, lower, or the same as current enrollment. (Please respond for **all** programs—even if your institution does not currently offer that program.)

<u>Accounting Program</u>	<u>Enrollment 2 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	2	3	4	[116]
Master's in accounting—including students in MA, MS, MAcc, MPA and MAS programs	1	2	3	4	[117]
Master's in taxation—including MBA students with a concentration in tax	1	2	3	4	[118]
MBA students with a concentration in accounting	1	2	3	4	[119]

THANK YOU FOR YOUR COOPERATION

Please return the questionnaire in the postage-paid envelope provided or send to:

AICPA
 Supply of Accounting Graduates
 1211 Avenue of the Americas
 New York, NY 10109-0004



November 27, 1992

Dear Human Resource Partner:

This marks the 21st 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. **The reliability and thus the 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 respondents in the spring of 1993.

Please return your completed questionnaire in the enclosed postage-paid envelope by **December 14, 1992.** 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

FORM A — Long Form

AICPA SURVEY ON THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

(1-6)

IMPORTANT

Please answer the following questions by circling the numbers corresponding to your responses or by writing in your responses. Your responses 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 1992. **New graduates** are defined as those hired at **entry-level positions** with no or only nominal previous experience.

Please fill in below 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 **1992**. (**Note:** If, for a particular degree, there were **no** graduates hired, enter **0**; if the information is **not available**, enter **NA**.)

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

	Number of new graduates that have been or will be hired on a full-time basis during 1992	
<u>Accounting Degree</u>		
A. Bachelor's in Accounting—including other bachelor's degrees with majors in accounting	<input style="width: 50px; height: 20px;" type="text"/>	(7-10)
B. Master's in Accounting—including MA, MS, MAcc, MPA and MAS degrees	<input style="width: 50px; height: 20px;" type="text"/>	(11-14)
C. Master's in Taxation—including MBAs with a concentration in tax	<input style="width: 50px; height: 20px;" type="text"/>	(15-18)
D. MBAs with a concentration in accounting	<input style="width: 50px; height: 20px;" type="text"/>	(19-22)
E. TOTAL: A+B+C+D=	<input style="width: 100px; height: 20px;" type="text"/>	(23-26)
<u>Nonaccounting Degree</u>		
F. J.D. in law	<input style="width: 50px; height: 20px;" type="text"/>	(27-29)
G. Bachelor's and higher degrees in MIS/Computer Science	<input style="width: 50px; height: 20px;" type="text"/>	(30-32)
H. Bachelor's and higher degrees in Finance	<input style="width: 50px; height: 20px;" type="text"/>	(33-35)
I. Bachelor's and higher degrees in other (non-accounting) business majors	<input style="width: 50px; height: 20px;" type="text"/>	(36-38)
J. Bachelor's and higher degrees in non-business majors	<input style="width: 50px; height: 20px;" type="text"/>	(39-41)
K. TOTAL: F+G+H+I+J=	<input style="width: 100px; height: 20px;" type="text"/>	(42-45)
L. GRAND TOTAL HIRED= <input style="width: 100px; height: 20px;" type="text"/> = E+K		(46-49)

2. How many of the **grand total** new graduates hired by your firm during **1992** (from line L in question 1) were **female**?

Females

(50-52)

3. Please indicate below the number of new graduates hired by your firm during **1992** who are assigned primarily to the following **areas**. (The total in line F below should equal that in line L in question 1.)

<u>Area</u>	<u>Number of new graduates hired in 1992 who are assigned primarily to:</u>	
A. Accounting/Auditing	<input type="text"/>	(53-56)
B. Taxation	<input type="text"/>	(57-59)
C. MIS/Computer	<input type="text"/>	(60-62)
D. Management Services (other than MIS)	<input type="text"/>	(63-65)
E. Other Areas	<input type="text"/>	(66-68)
F. TOTAL:	A+B+C+D+E = <input type="text"/> = Line L in question 1	(69-72)

4. Please indicate below the number of new graduates hired by your firm during **1992** 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 1992 who are:</u>	
A. White	<input type="text"/>	(73-76)
B. American Indian	<input type="text"/>	(77-79)
C. Asian	<input type="text"/>	(80-82)
D. Hispanic	<input type="text"/>	(83-85)
E. Black	<input type="text"/>	(86-88)
F. Other	<input type="text"/>	(89-91)
G. TOTAL:	A+B+C+D+E+F= <input type="text"/> = Line L in question 1	(92-95)

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

5. Please provide the following **recruiting information** for your firm for **1992**.

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

Recruiting Information

During 1992, the number of:

a. On Campus:

Campus interviews	<input type="text"/>	(96-100)
Office visits	<input type="text"/>	(101-104)
Offers	<input type="text"/>	(105-108)
Hires	<input type="text"/>	(109-111)

b. Off Campus:

Initial interviews	<input type="text"/>	(112-115)
Offers	<input type="text"/>	(116-118)
Hires	<input type="text"/>	(119-121)

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 **1992**? (122-126)

b. Please provide your best estimate of the number of **professional staff** at your firm who will be **terminated or resign** during **1992**. (127-129)

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 **1992** be higher, lower or the same as the number hired during **1991**?

- 1 Higher
- 2 The Same
- 3 Lower

(130)

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?

- 1 Yes
- 2 No

(131)

b. **If yes**, will the total number of paraprofessional staff hired by your firm during **1992** be higher, lower or the same as the number hired during **1991**?

- 1 Higher
- 2 The Same
- 3 Lower

(132)

III. Background Information

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

(133-134)

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

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

(135)

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

(136-140)

THANK YOU FOR YOUR COOPERATION

Please return the questionnaire in the postage-paid envelope provided or send to:

AICPA
Demand for Accounting Graduates
1211 Avenue of the Americas
New York, NY 10109-0004

FORM B — Short Form

AICPA SURVEY ON THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

_____ (1-6)

IMPORTANT

Please answer the following questions by circling the numbers corresponding to your responses or by writing in your responses. Your responses 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 1992. **New graduates** are defined as those hired at **entry-level positions** with no or only nominal previous experience.

Please fill in below 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 **1992**. (**Note:** If, for a particular degree, there were **no** graduates hired, enter **0**; if the information is **not available**, enter **NA**.)

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

<u>Accounting Degree</u>	Number of new graduates that have been or will be hired on a full-time basis during 1992	
A. Bachelor's in Accounting—including other bachelor's degrees with majors in accounting	<input style="width: 60px; height: 25px;" type="text"/>	(7-10)
B. Master's in Accounting—including MA, MS, MAcc, MPA and MAS degrees . . .	<input style="width: 60px; height: 25px;" type="text"/>	(11-14)
C. Master's in Taxation—including MBAs with a concentration in tax	<input style="width: 60px; height: 25px;" type="text"/>	(15-18)
D. MBAs with a concentration in accounting	<input style="width: 60px; height: 25px;" type="text"/>	(19-22)

Nonaccounting Degree

Your response in the box below should cover the following degrees **only**:

- J.D. in **Law**, and
 - Bachelor's and higher degrees in **MIS/Computer Science, Finance**, and other (nonaccounting) **business** majors, and
 - Bachelor's and higher degrees in **non-business** majors
- (23-26)

II. Background Information

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

(27-28)

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

(27-28)

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

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

(29)

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

(30-32)

THANK YOU FOR YOUR COOPERATION

Please return the questionnaire in the postage-paid envelope provided or send to:

AICPA
Demand for Accounting Graduates
1211 Avenue of the Americas
New York, NY 10109-0004

Survey Methodology

Accounting Graduates

During the autumn of 1992, the AICPA conducted a survey of all U.S. colleges and universities that have accounting programs. A total of 777 schools identified as having accounting programs leading to a bachelor's degree, master's degree, or both, were sent survey questionnaires in late October 1992. 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 444 of the 777 schools responded to the survey. In addition, the survey results were supplemented with data obtained from the 1992–93 *AICPA Directory of Accounting Education* to increase the response rate. Overall, data on the total number of bachelor's and/or master's in accounting recipients for 153 schools were obtained from the *Directory*, increasing the number of respondents to 597—or 77 percent of all the schools surveyed. Schools that responded to the survey and those whose data were obtained from the *Directory* are similar to the total population of schools under study, matching fairly closely in terms of accounting faculty size, classification as a public or private institution, and classification as an AACSB or non-AACSB school. To check for nonresponse bias in the survey, late respondents were compared to all respondents and the results were found to be generally the same.

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 or whose data were obtained from the *Directory*. The number of accounting faculty members of schools in the survey was obtained from the aforementioned *Directory*. 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 demand for new college graduates by CPA firms, questionnaires were sent to all 19,487 firms (non-sole practitioners) affiliated with the AICPA. In addition, a random sample of 1,000 of the Institute's approximately 27,200 sole practitioners received questionnaires. (*Note:* The effective sample size was 20,423 since 64 questionnaires were returned because they were undeliverable.)

The survey consisted of two questionnaire forms. The “long” form was sent to a sample of 3,024 firms, and the “short” form was sent to the other 16,463 firms affiliated with the Institute. All firms with more than 10 AICPA members received the long form, and the balance of the 1,571 long forms was received by a random sample of smaller firms. All of the remaining smaller firms received the short form. In addition, 1,000 sole practitioners received the long form. The firms and the 1,000 sole practitioners were sent their respective questionnaires in late November, and those receiving the long form were sent follow-up questionnaires 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. Responses from those firms were tracked, and a series of follow-up phone calls 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 compared to the population as a whole reflects the survey's aim of pursuing larger firms' responses more actively. Late respondents to the survey were compared to all respondents to check for nonresponse bias and the results were found to be generally the same.

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 relate 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 the respondents relative to the 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 (i.e., the error that may arise because the results are based on samples rather than the entire population) or nonsampling error (i.e., the error, other than the 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 Referred to in Tables 8, 9, 16, 17, and 34

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 1988-89*								
	<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%
1988-89	52,500	+ 13%	5,230	+ 7%	57,730	+ 13%	91%	9%

* 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%

*Note: Beginning with the 1989 survey, the firm sample size was expanded significantly. As such, 1989 figures (and beyond) have not been included in this chart because they are not comparable to the results from previous years.

