



2013

TRENDS

IN THE **SUPPLY** OF **ACCOUNTING GRADUATES**
AND THE **DEMAND** FOR **PUBLIC ACCOUNTING RECRUITS**

By
Scott Moore
Director, Student and Professional Pathways
Academic & Career Awareness

TARP Worldwide

Copyright © 2013 American Institute of CPAs. All rights reserved.

Requests for permission to make copies of any part of this work should be mailed to
Permissions Department, AICPA, 220 Leigh Farm Road, Durham, NC 27707-8110

1 2 3 4 5 6 7 8 9 0 ACD 9 2 0

CONTENTS

2

Introduction

3

Summary

5

Trends in Supply

Accounting Enrollment
Accounting Enrollment Predictions
Accounting Graduates

18

Trends in Demand

Public Accounting Firm Hiring

28

Firm Demographics

34

CPA Examination

35

Appendix

Breakdown of Geographic Regions
Supply Survey Methodology & Response Rates
Demand Survey Methodology & Response Rates

INTRODUCTION

The 2013 edition of Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits is a continuation of a long-standing AICPA survey. The last survey was published in 2011 (for the 2009-10 academic year). The current version identifies key trends in accounting enrollment, as well as graduation and hiring through the 2011-12 academic year. This report is prepared to provide guidance and information to various stakeholders and interested parties.

The results of the survey show very positive signs on both the supply and the demand side of the equation. Enrollments and degrees awarded are at all-time highs, displaying a strong interest in the accounting profession as a career choice. Nearly 15% of universities continue to receive more applications from qualified applicants than they can admit as they are constrained by limited spaces in the classroom. Even so, more than 60% of the universities predict increased enrollment in both MBA in accounting and MA in taxation. Hiring by public accounting firms also is at an all-time high, especially at the Master's degree level, signaling the importance of the 150-hour rule for CPA licensure. Furthermore, 89% of public accounting firms also forecast that they will hire the same or more graduates in the following year, a very positive trend into the future.

The AICPA is keenly aware of the challenges we face in increasing the diversity of the accounting profession, specifically as it relates to ethnicity and race. Forty years of focus has been placed on this issue, and the results, while beneficial, have not been the results that keep up with the pace of changing demographics. The launch of the AICPA's National Commission on Diversity and Inclusion commits to a renewed focus on minority representation in the accounting profession. The efforts of the National Commission will focus on retention and advancement to address the declining trajectory of minorities in the accounting profession.

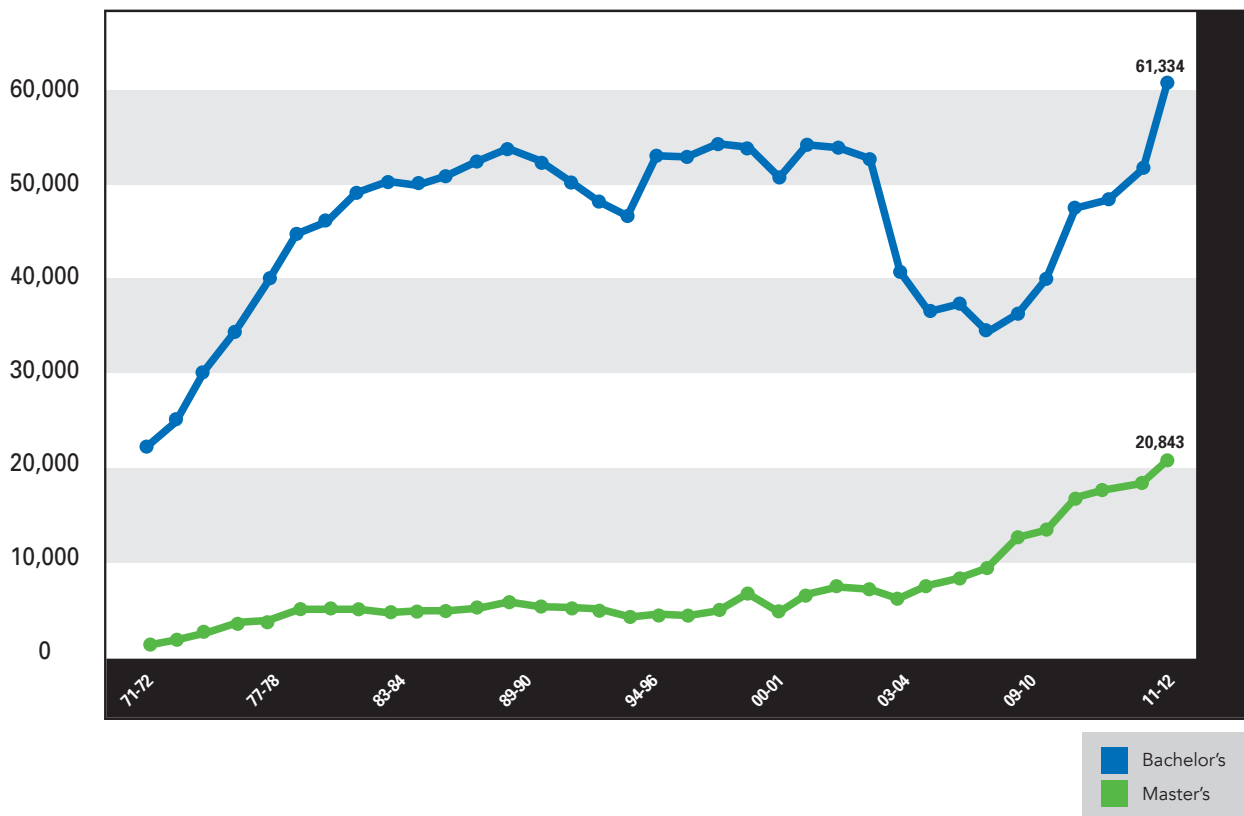
We are very appreciative of all who took the time to participate, and welcome your questions and feedback as we strive to make the information in these surveys relevant to your needs.

SUMMARY

ACCOUNTING ENROLLMENT BY PROGRAM — 2001-12

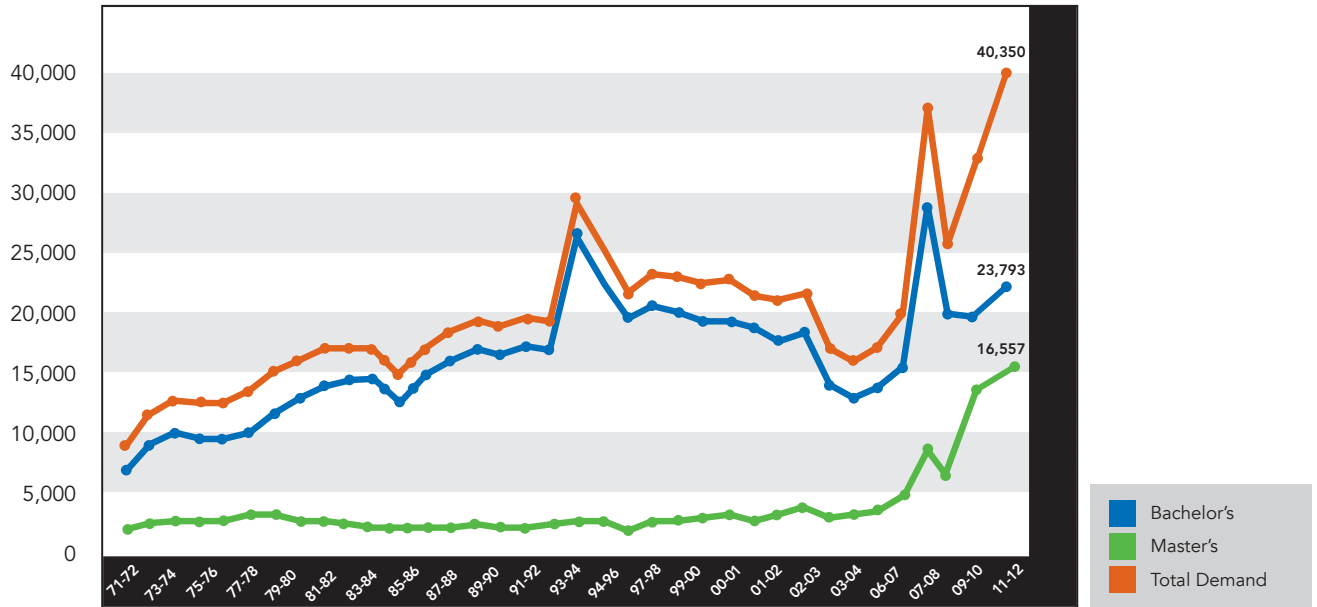
	2001-02	2002-03	2003-04	2006-07	2007-08	2009-10	2011-12
BA	133,435	141,175	142,735	173,299	181,075	187,534	201,570
MA Acc	12,565	17,540	18,795	21,253	22,291	29,464	29,648
MBA Acc	4,065	5,270	4,030	4,482	3,664	5,100	5,132
MA Tax	3,555	3,550	3,595	3,239	4,580	2,822	2,840
Ph.D.	890	1,085	955	1,095	1,224	1,188	1,189
Total	154,510	168,620	171,110	203,368	212,834	226,108	240,380

ACCOUNTING DEGREES AWARDED — 1971-2012



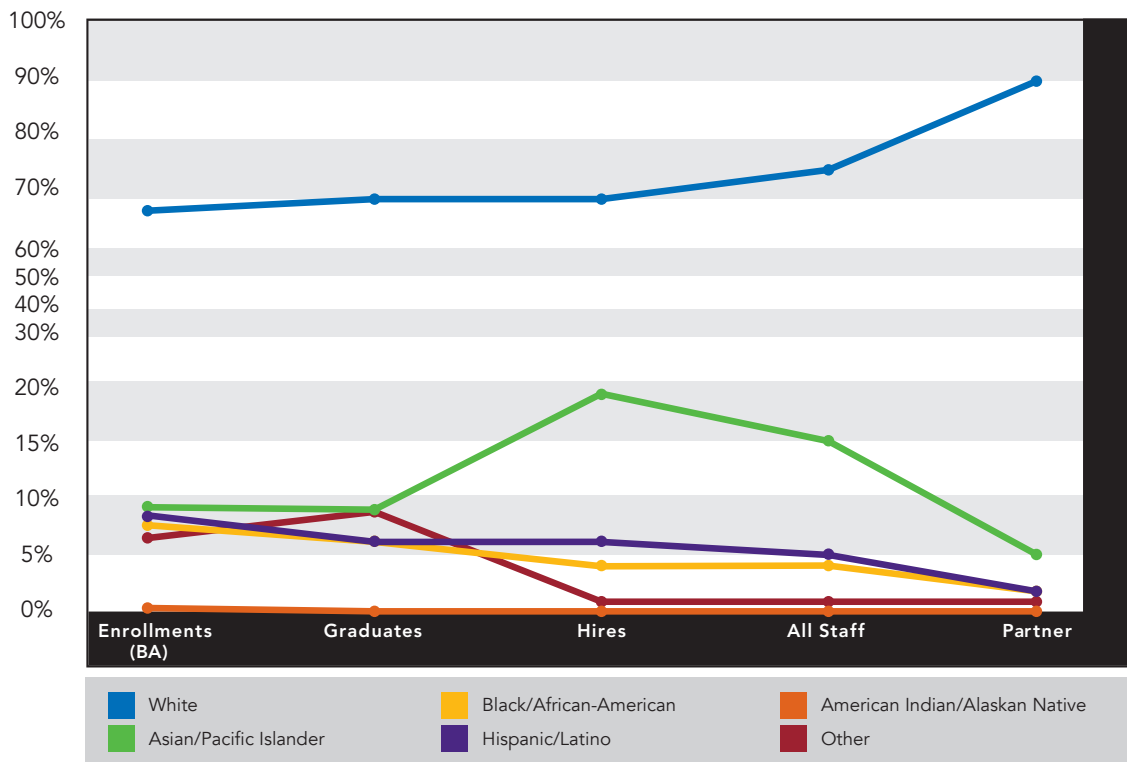
Accounting enrollments and degrees awarded continue to grow, especially in Bachelor's degree programs.

NEW ACCOUNTING GRADUATES HIRED BY CPA FIRMS — 1971-2012



Hiring Demand has surpassed the previous all-time high set in 2006-07.

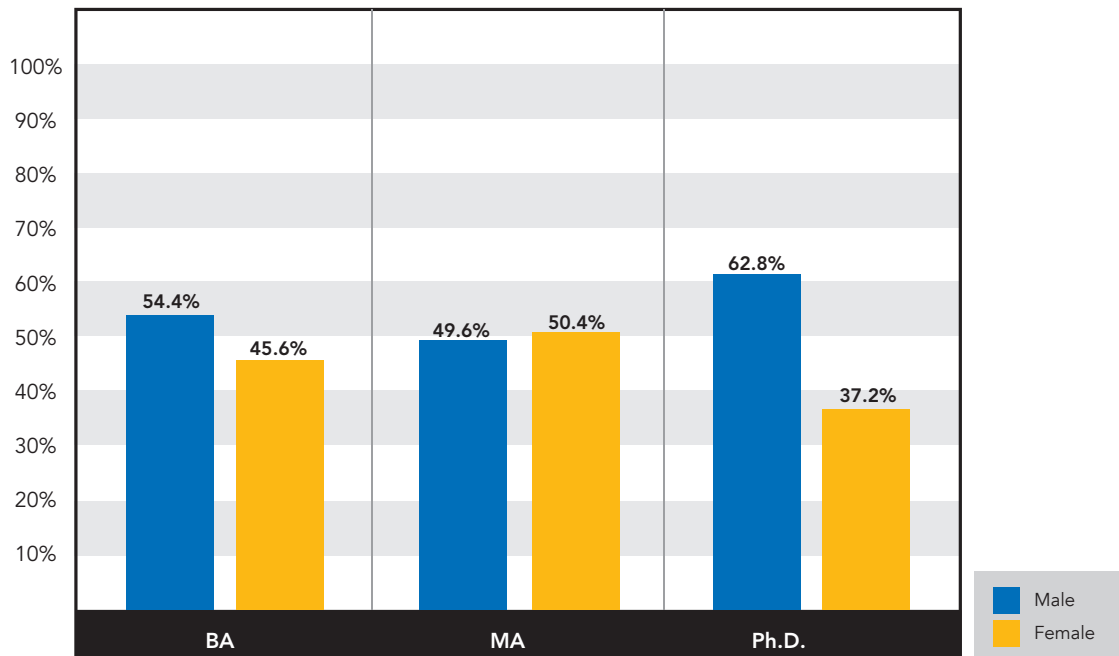
ACCOUNTING CAREER TRAJECTORY — 2012



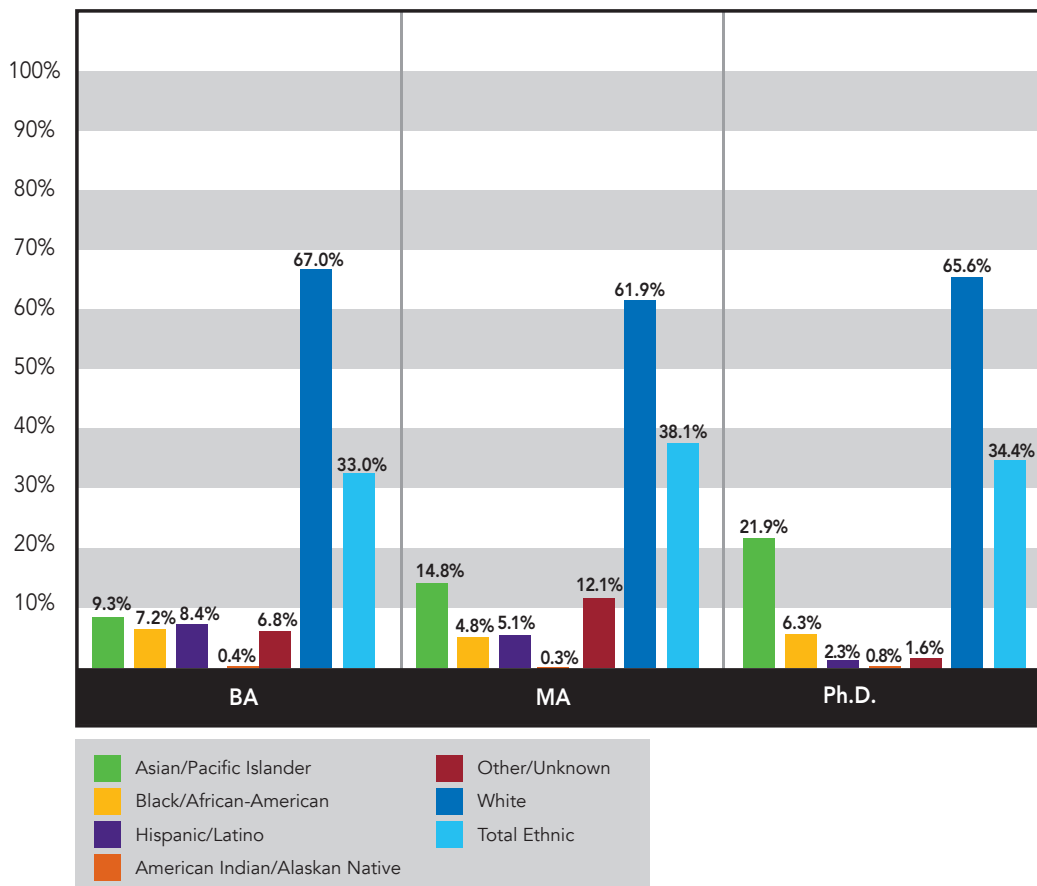
This represents a snapshot of accounting professionals by ethnicity. Minorities trail the white population significantly as they progress further into their accounting careers as demonstrated by the decline in partnership positions. This demonstrates the need for continued efforts to retain and advance minorities in the profession.

2013 **TRENDS** **IN SUPPLY**

ENROLLMENT BY GENDER — 2011-12

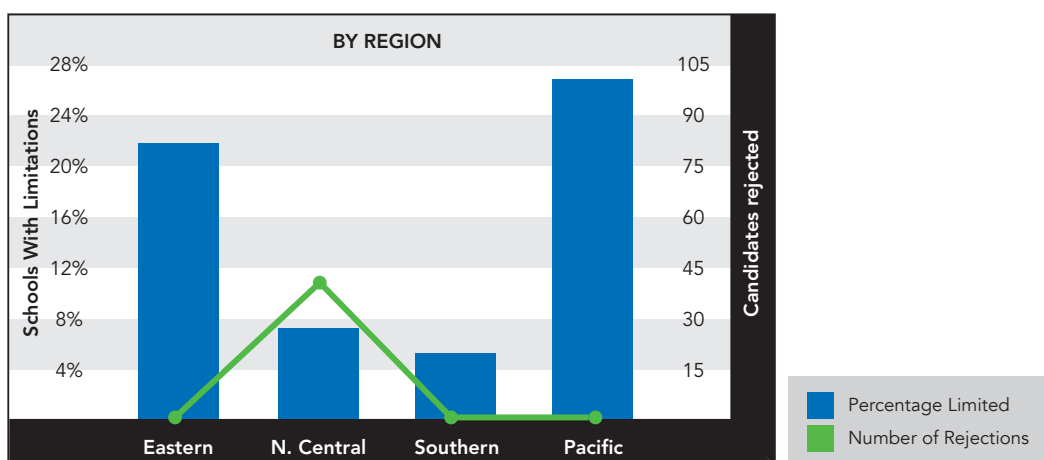
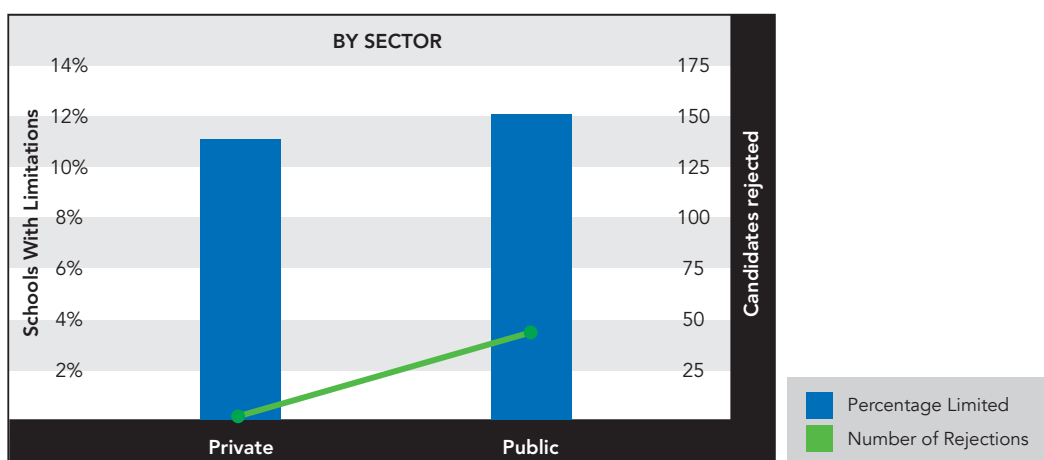
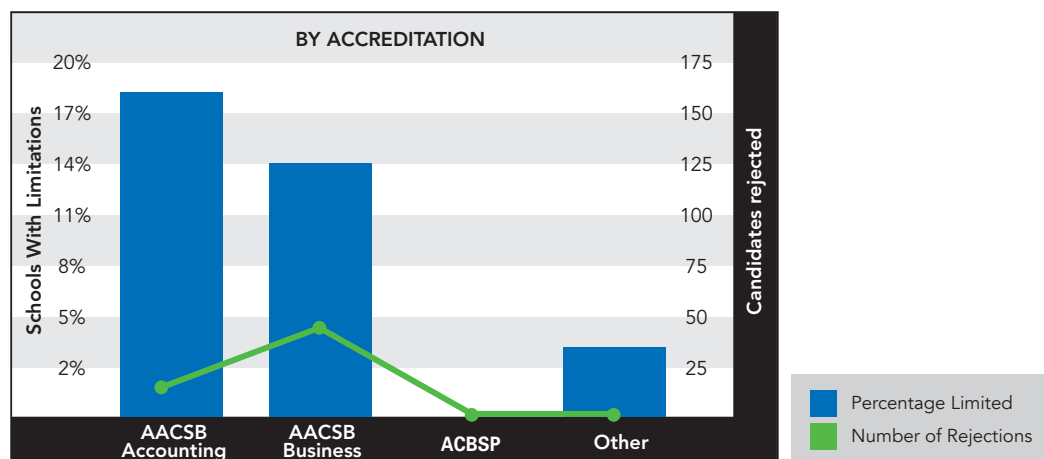


ENROLLMENT BY ETHNICITY — 2011-12

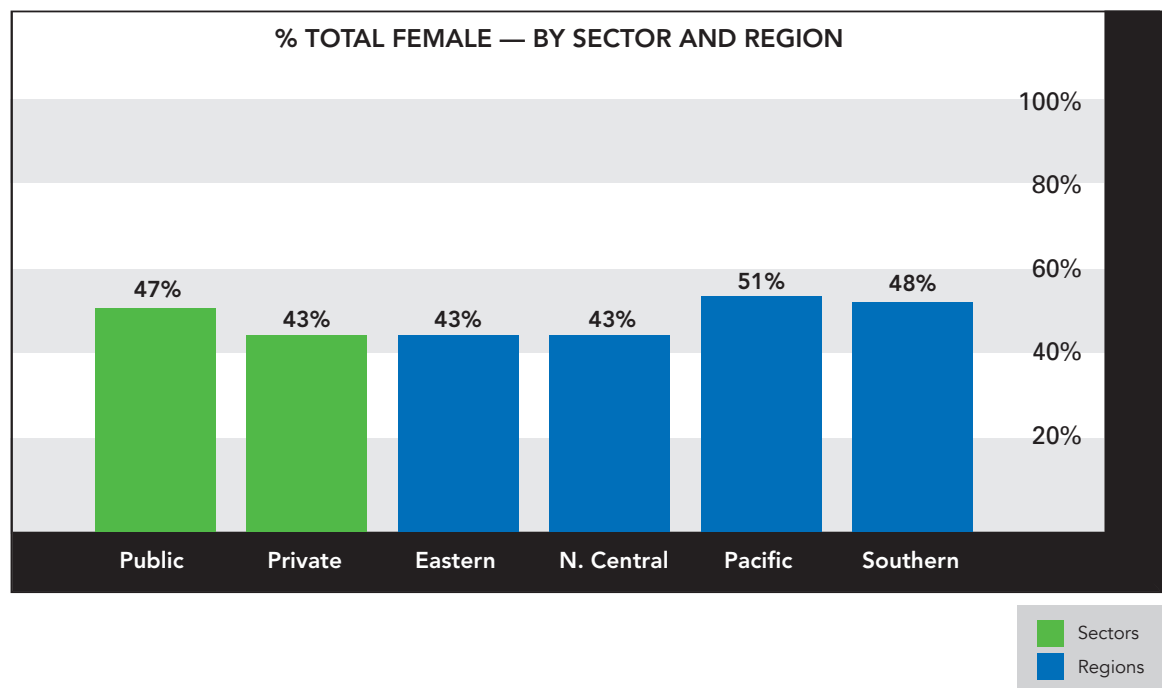
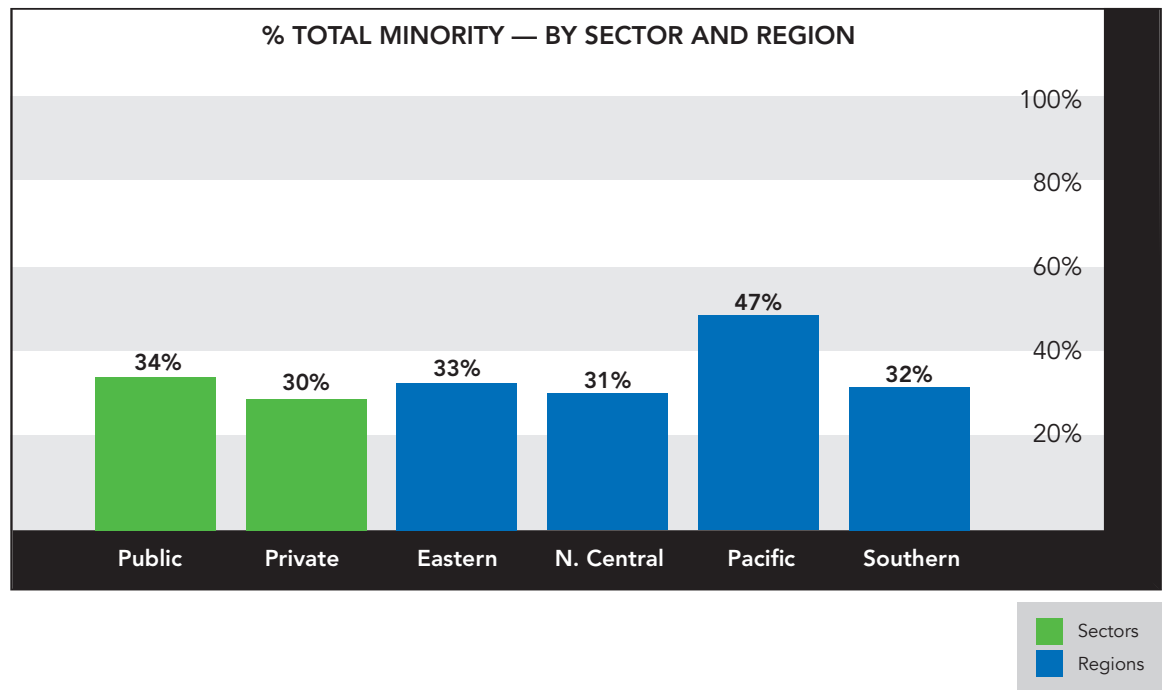


BACHELOR'S ENROLLMENTS BY LIMITED SPACE — 2011-12

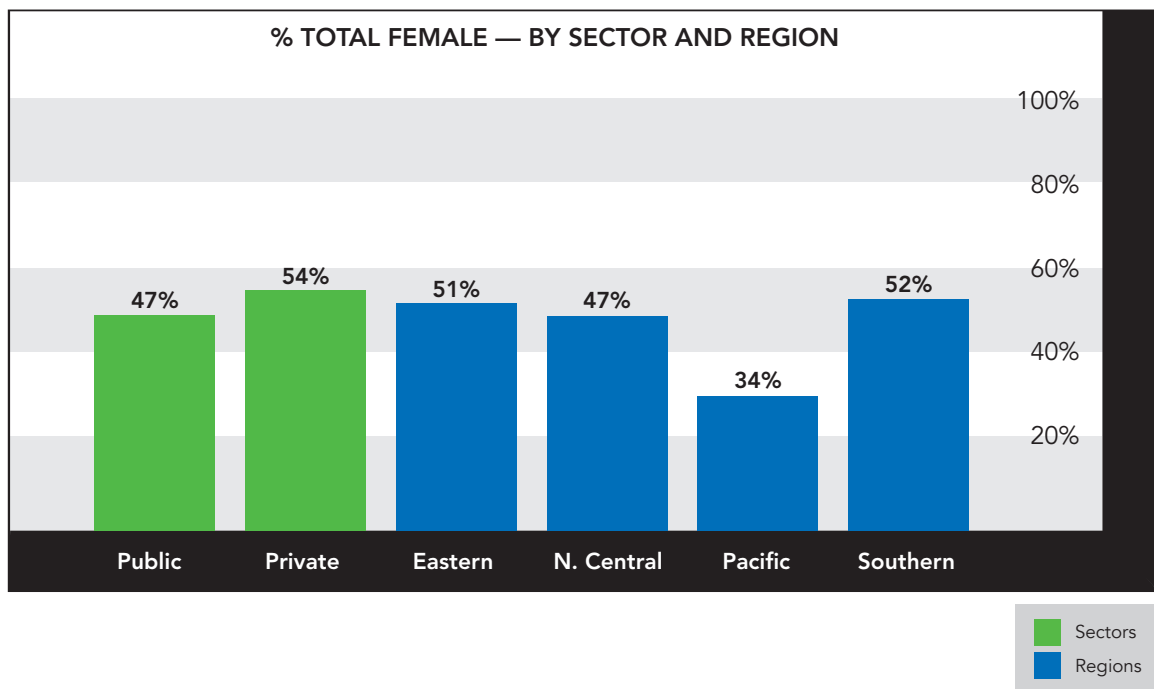
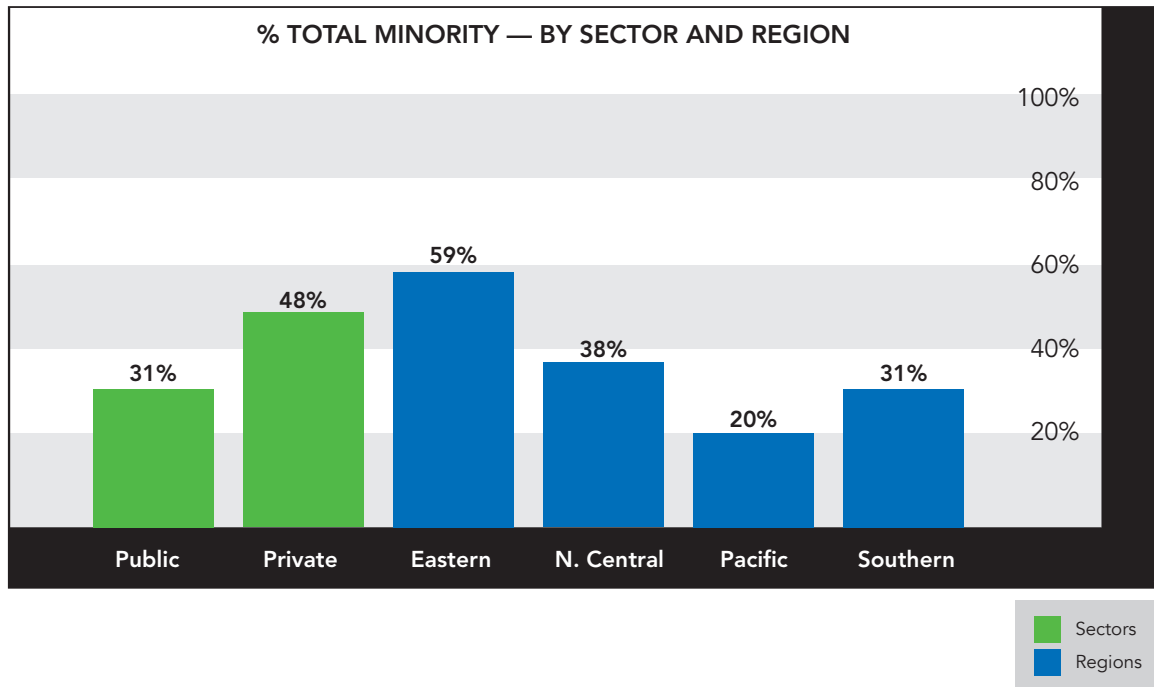
Survey Question: Are your enrollments limited by available spaces? If your enrollment is limited, roughly how many qualified candidates do you turn away?



BACHELOR'S ENROLLMENT BY ETHNICITY AND GENDER — 2011-12

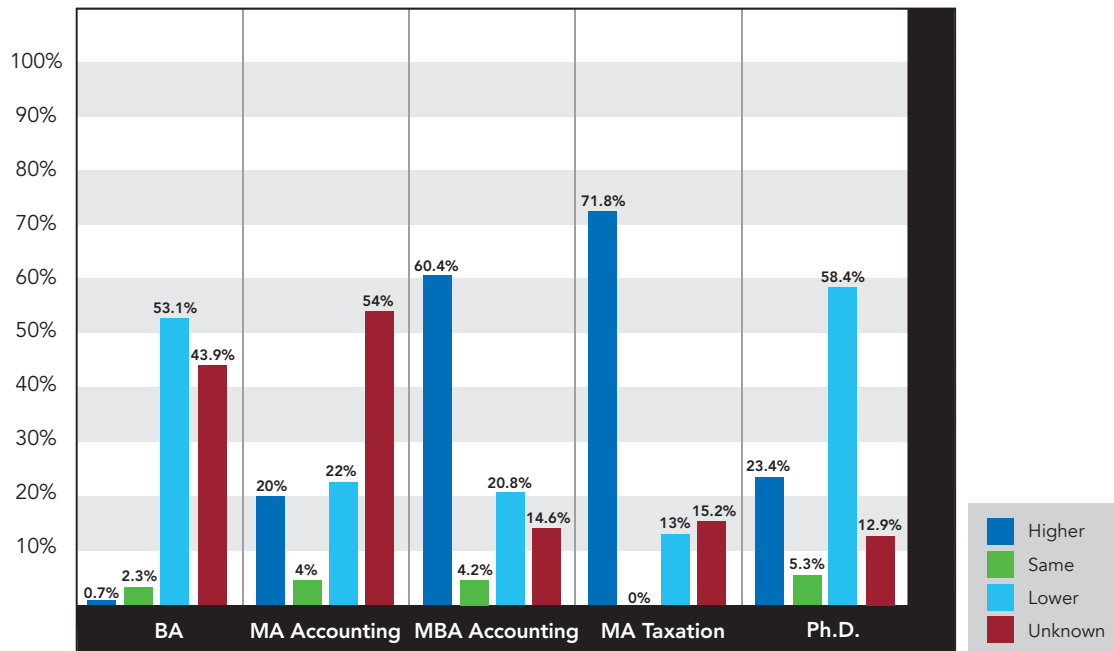


MASTER'S ENROLLMENT BY ETHNICITY AND GENDER — 2011-12



FUTURE ENROLLMENT PREDICTIONS — 2011-12

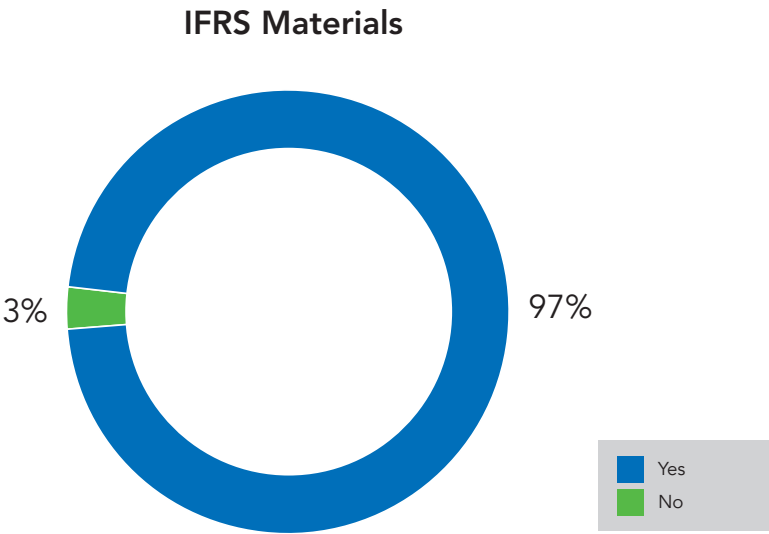
Survey Question: For each of the following accounting programs listed, please indicate whether you expect enrollment at your institution two years from now to be higher, lower or the same as current enrollment.



These data show that schools do not anticipate an increase of enrollments at the BA level but show strong growth for both MBA in Accounting and Masters of Taxation. This corresponds with the increased demand and hiring for Master's graduates.

PERCENTAGE OF SCHOOLS OFFERING IFRS MATERIAL — 2011-12

Survey Question: Does your school offer courses that include IFRS material?

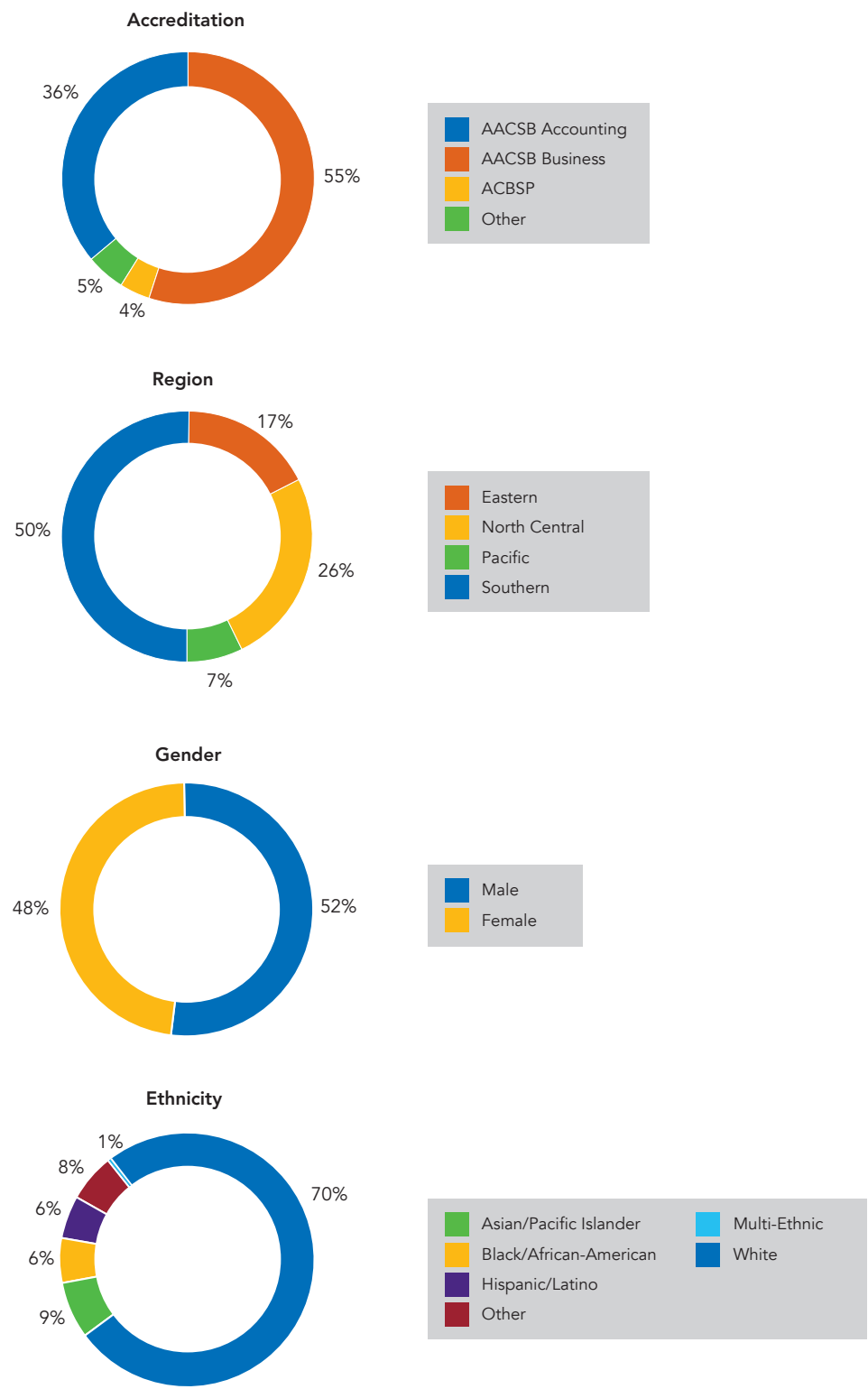


All schools surveyed stated that they will have some IFRS included in their curriculum by 2013.

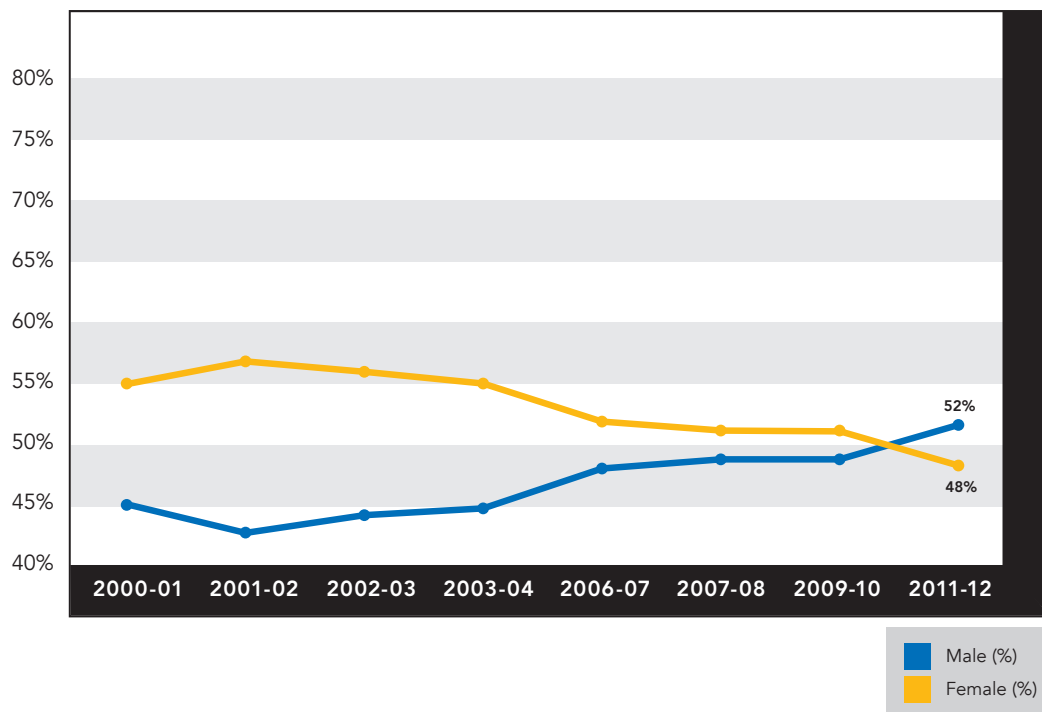
ACCOUNTING DEGREES AWARDED BY ALL SCHOOLS — 1971-2012

YEAR	BACHELOR'S		MASTER'S		TOTAL DEMAND	
	GRADUATES	RATE OF GROWTH	GRADUATES	RATE OF GROWTH	GRADUATES	RATE OF GROWTH
1971-72	23,800	-0-	2,200	-0-	26,000	-0-
1972-73	26,300	+11%	2,700	+23%	29,000	+12%
1973-74	31,400	+19%	3,400	+26%	34,800	+20%
1974-75	35,400	+13%	4,300	+26%	39,700	+14%
1975-76	39,900	+13%	4,700	+9%	44,600	+12%
1976-77	44,760	+12%	5,620	+20%	50,380	+13%
1977-78	46,000	+3%	5,670	+1%	51,670	+3%
1978-79	48,800	+6%	5,640	-1%	54,440	+5%
1979-80	49,870	+2%	5,280	-6%	55,150	+1%
1980-81	49,320	-1%	5,520	+5%	54,840	-1%
1981-82	50,300	+2%	5,570	+1%	55,870	+2%
1982-83	51,950	+3%	5,810	+4%	57,760	+3%
1983-84	53,020	+2%	6,330	+9%	59,350	+3%
1984-85	51,980	-2%	5,910	-7%	57,890	-2%
1985-86	50,000	-4%	5,750	-3%	55,750	-4%
1986-87	48,030	-4%	5,580	-3%	53,610	-4%
1987-88	46,340	-4%	4,910	-12%	51,250	-4%
1988-89	52,500	+13%	5,230	+7%	57,730	+13%
1989-90	52,320	-0-	5,040	-4%	57,360	-1%
1990-91	53,600	+1%	5,040	+10%	59,140	+3%
1991-92	53,320	-0-	7,070	+28%	60,390	+2%
1992-93	50,060	-6%	5,330	-25%	55,390	-8%
1993-94	53,450	+7%	7,170	+35%	60,620	+9%
1994-95	53,360	-0-	7,860	+10%	61,220	+1%
1995-96	52,030	-2%	7,630	-3%	59,660	-3%
1998-99	41,170	-21%	6,725	-12%	47,895	-20%
1999-00	37,115	-10%	7,980	+19%	45,095	-6%
2000-01	37,855	+2%	8,700	+9%	46,555	+3%
2001-02	34,995	-8%	9,700	+11%	44,695	-4%
2002-03	37,010	+6%	12,665	+30%	49,665	+11%
2003-04	40,420	+9%	13,340	+5%	53,760	+8%
2006-07	47,662	+18%	16,559	+24%	64,221	+19%
2007-08	48,968	+2.7%	17,491	+5.6%	66,459	+3.5%
2009-10	51,036	+4.2%	17,603	+0.6%	68,639	+3.3%
2011-12	61,334	+20.2%	20,843	+18.4%	82,177	+19.7%

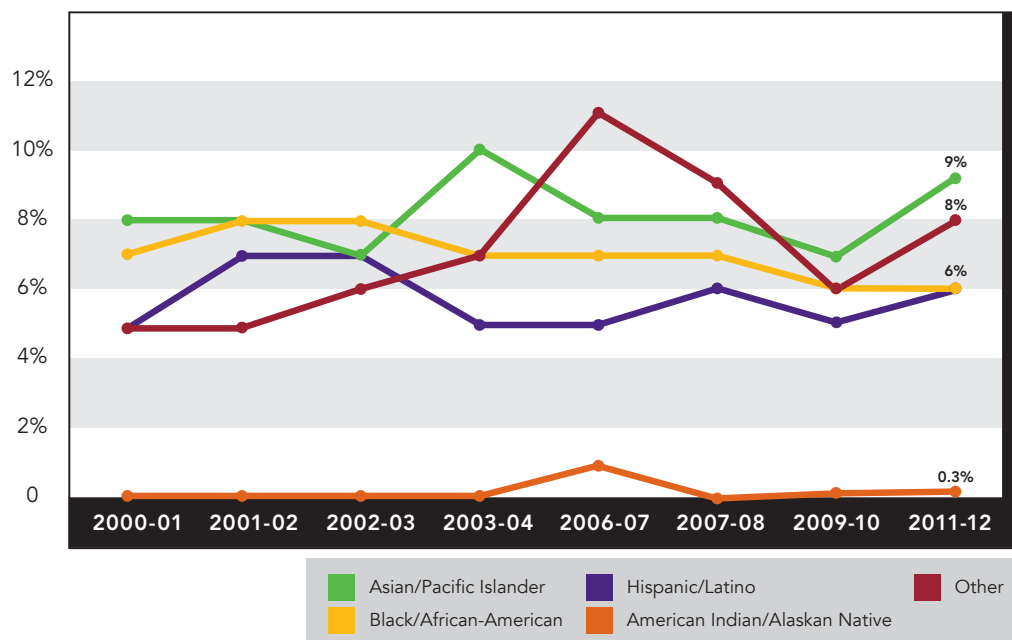
ACCOUNTING GRADUATE DEMOGRAPHICS (BA & MA COMBINED) — 2011-12



BACHELOR'S AND MASTER'S GRADUATES BY GENDER — 2000-12



BACHELOR'S AND MASTER'S GRADUATES BY ETHNICITY — 2000-12



Unfortunately, as a percentage of total graduates, there was a decrease across all ethnicity categories. There was an increase in total graduates across all categories; however, those categories are not keeping pace with the increase in enrollments among white students.

NEW ACCOUNTING GRADUATES FROM AACSB ACCOUNTING AND AACSB & ACBSP ACCREDITED BUSINESS ADMINISTRATION PROGRAMS — 1999-2012

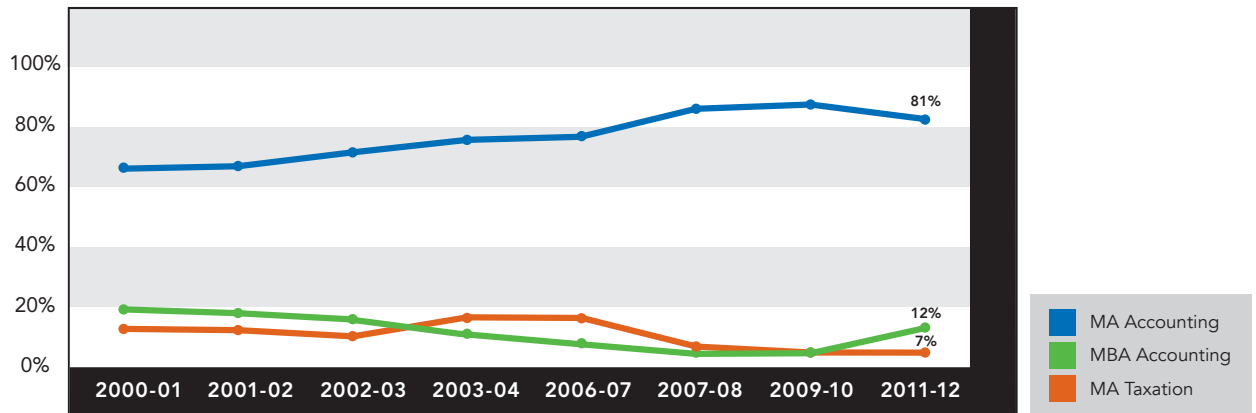
	AACSB ACCOUNTING PROGRAMS & AACSB & ACBSP BUSINESS ADMIN. PROGRAMS	BACHELOR'S	MASTER'S	TOTAL
1999-2000	461	28,070	7,260	35,330
2000-01	479	28,175	7,235	35,410
2001-02	494	27,880	9,170	37,050
2002-03	504	30,590	11,905	42,495
2003-04	501	33,120	12,635	45,755
2006-07	597	38,555	14,912	53,467
2007-08	602	39,734	16,115	55,849
2009-10	599	41,761	16,211	57,972
2011-12	599	51,021	19,243	70,264

Accounting programs from AACSB and ACBSP accredited institutions have shown a large increase in the number of graduates.

NEW ACCOUNTING GRADUATES FROM OTHER BUSINESS ADMINISTRATION PROGRAMS — 1999-2012

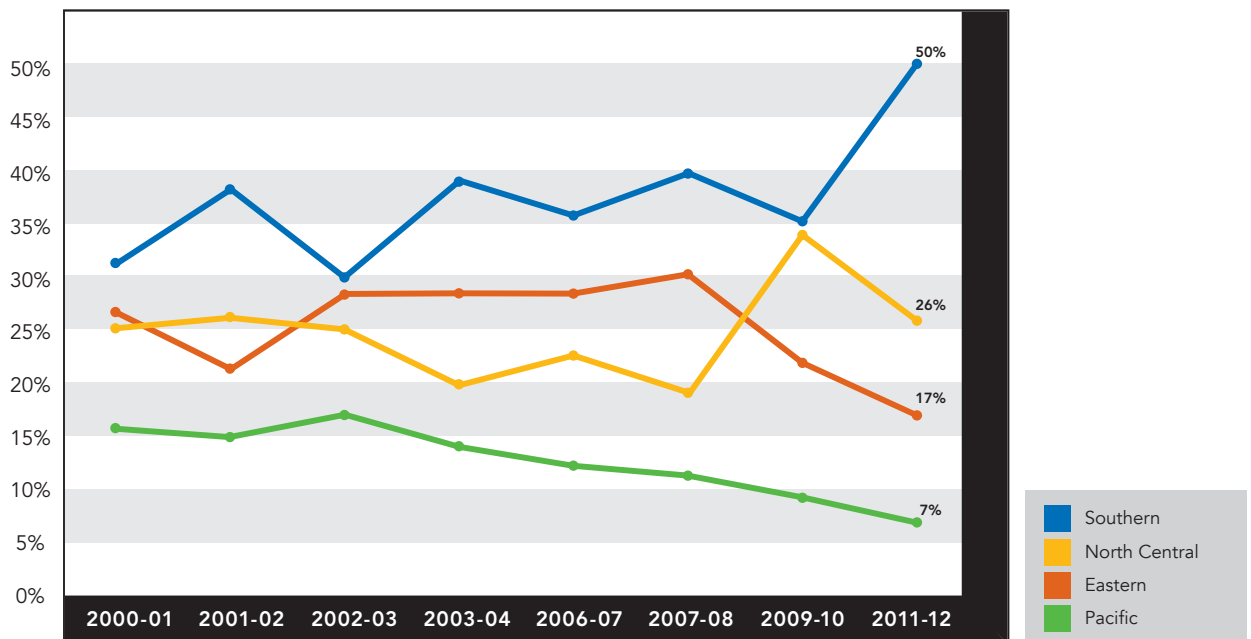
	NUMBER OF OTHER BUSINESS ADMINISTRATION PROGRAMS	BACHELOR'S	MASTER'S	TOTAL
1999-2000	395	9,045	720	9,765
2000-01	378	9,680	1,465	11,145
2001-02	355	7,115	530	7,645
2002-03	337	6,420	750	7,170
2003-04	330	7,300	705	8,005
2006-07	322	9,107	1,647	10,754
2007-08	324	9,234	1,376	10,610
2009-10	314	9,275	1,392	10,667
2011-12	315	10,313	1,600	11,913

MASTER'S DEGREES BY PROGRAM TYPE — 2000-12

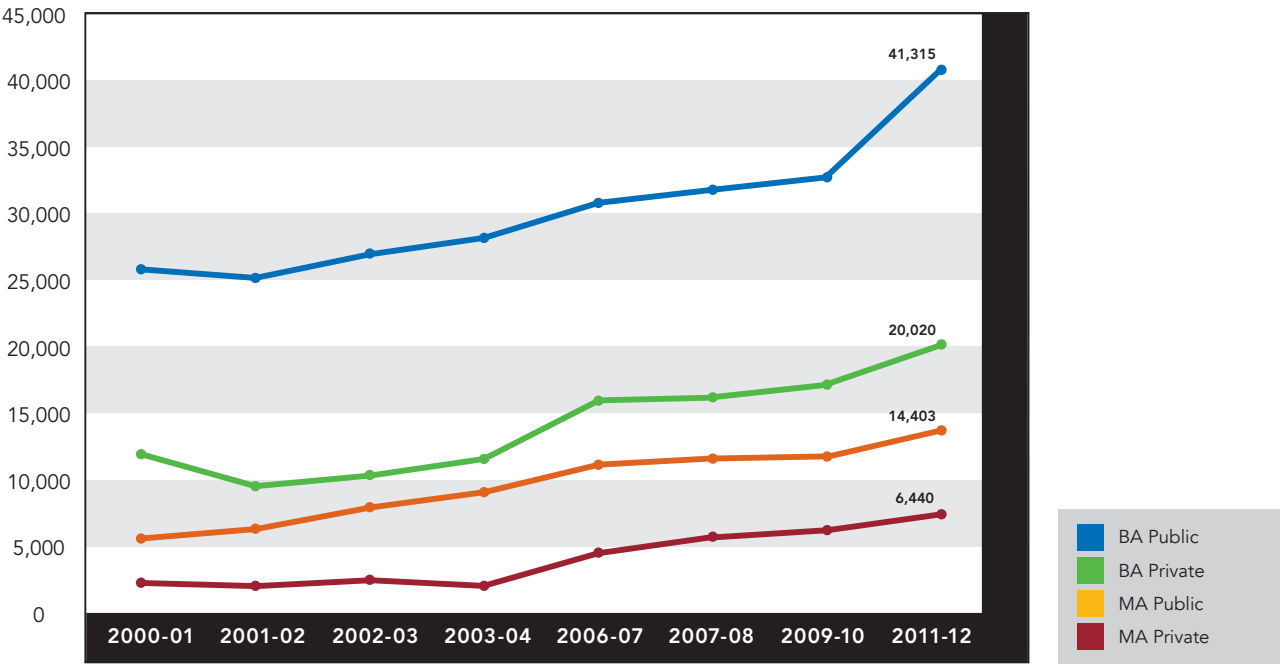


Master's degrees in Accounting (MAcc) continue to be the dominant program of choice at the Master's level. The continuing decline in Master's degrees in Taxation remains a concern.

BACHELOR'S AND MASTER'S DEGREES BY GEOGRAPHIC REGION — 2000-12



ACCOUNTING GRADUATES BY SECTOR — 2000-12

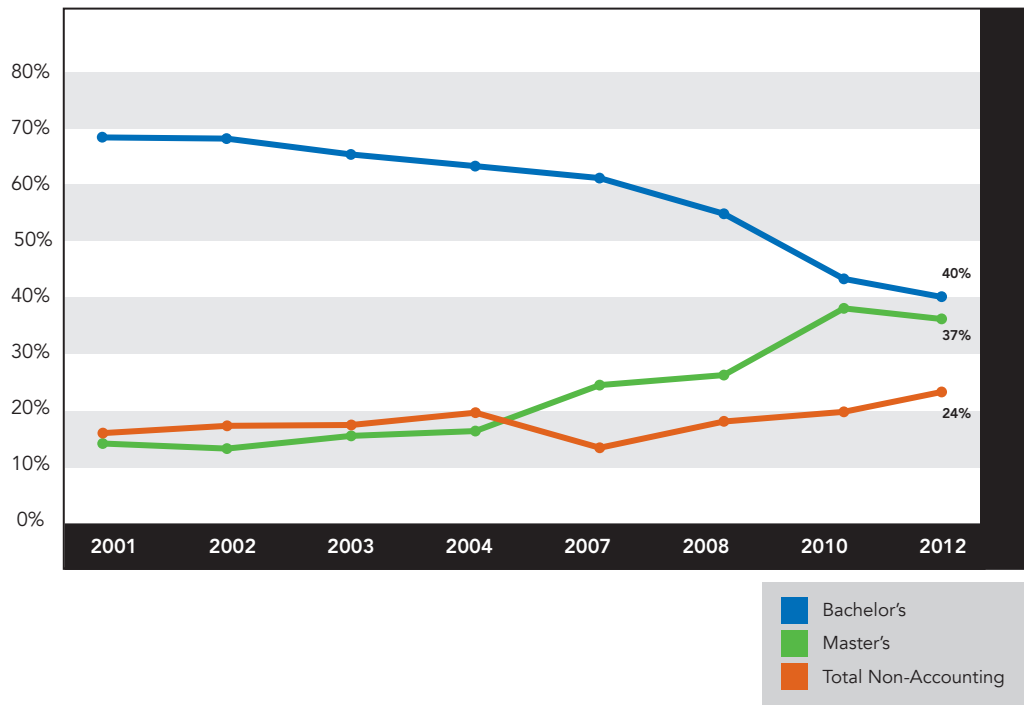


2013 **TRENDS** **IN DEMAND**

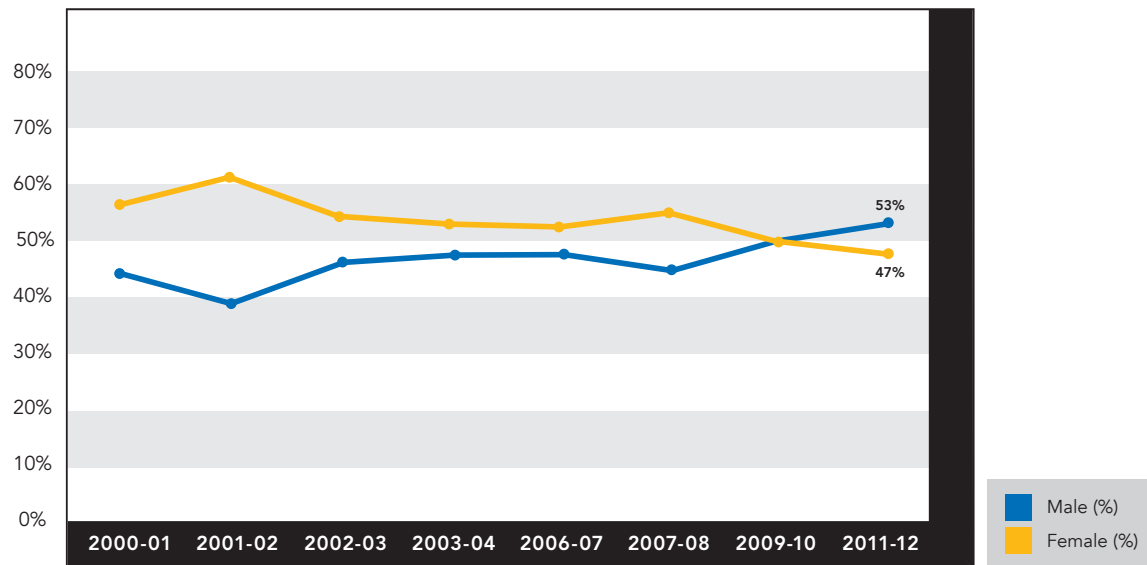
NEW ACCOUNTING GRADUATES HIRED BY CPA FIRMS — 1971-2012

YEAR	BACHELOR'S	MASTER'S	TOTAL DEMAND
1971	6,800	2,000	8,800
1972	8,900	2,400	11,300
1973	10,000	2,600	12,600
1974	9,500	2,600	12,100
1975	9,200	2,800	12,000
1976	10,010	3,350	13,360
1977	11,660	3,310	14,970
1978	12,770	2,890	15,660
1979	13,500	2,900	16,400
1980	14,100	2,460	16,560
1981	14,200	2,210	16,410
1982	11,970	2,210	14,180
1983	14,490	2,180	16,670
1984	15,640	2,180	17,820
1985	16,510	2,250	18,760
1986	16,110	2,030	18,140
1987	16,720	2,050	18,770
1988	16,740	2,220	18,960
1989	25,240	2,600	27,840
1990	21,340	2,500	23,840
1991	18,840	1,760	20,600
1992	19,870	2,650	22,520
1993	19,320	2,670	21,990
1994	18,500	2,970	21,470
1995	18,560	3,375	21,935
1996	17,820	2,650	20,470
1999	16,960	3,250	20,210
2000	17,265	3,686	20,951
2001	13,335	3,035	16,370
2002	12,630	3,295	15,295
2003	13,270	3,555	16,825
2004	14,985	4,720	19,705
2007	28,025	8,087	36,112
2008	19,110	6,378	25,488
2010	19,870	13,451	33,321
2012	23,793	16,557	40,350

NEW ACCOUNTING GRADUATES HIRED BY CPA FIRMS AS
A PERCENTAGE OF TOTAL HIRES BY DEGREE — 2000-2012



NEW ACCOUNTING BACHELOR'S AND MASTER'S GRADUATES HIRED BY CPA FIRMS BY GENDER — 2001-12

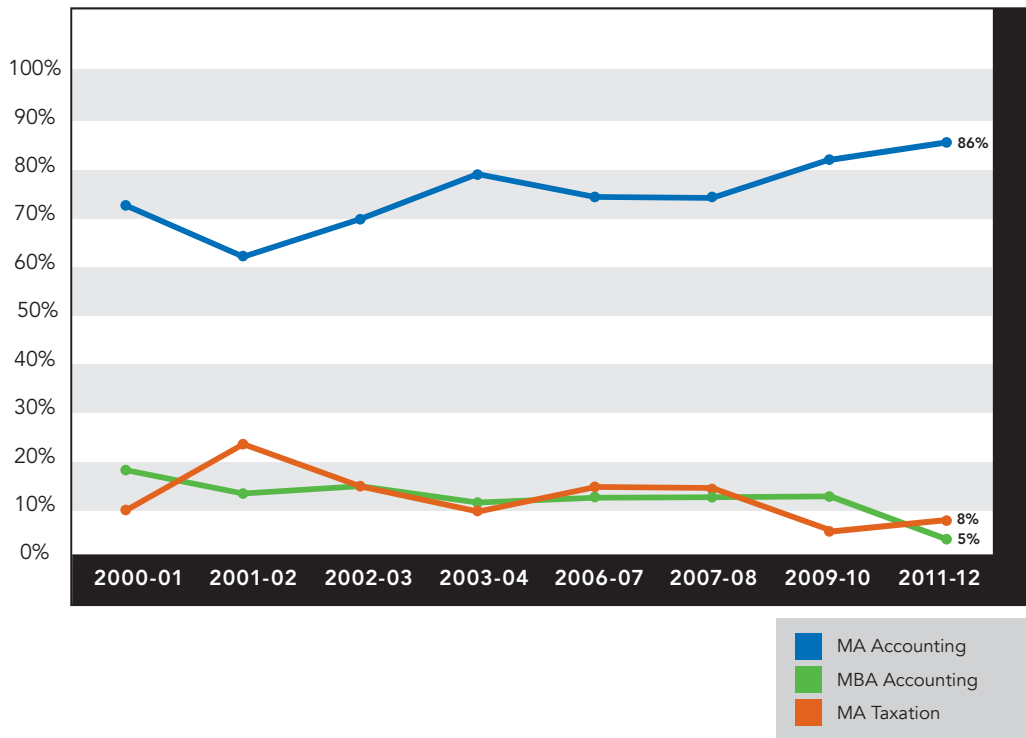


NEW ACCOUNTING BACHELOR'S AND MASTER'S GRADUATES HIRED BY CPA FIRMS BY ETHNICITY — 2000-12

	Asian/Pacific Islander	Black/ African-Amer- ican	Hispanic/ Latino	American Indian/Alaskan Native	Multi-ethnic*	Total Ethnic/ Racial	White	Other/ Unknown
2000	10%	3%	7%	0%	--	20%	79%	1%
2001	8%	3%	6%	0%	--	17%	82%	1%
2002	8%	3%	6%	0%	--	17%	82%	1%
2003	9%	5%	4%	0%	--	18%	81%	1%
2004	12%	3%	8%	0%	--	23%	76%	1%
2007	13%	8%	4%	1%	--	26%	72%	2%
2008	12%	4%	4%	2%	--	22%	78%	0%
2010	12%	4%	7%	0%	2%	25%	73%	2%
2012	19%	4%	6%	0%	0%	29%	70%	1%

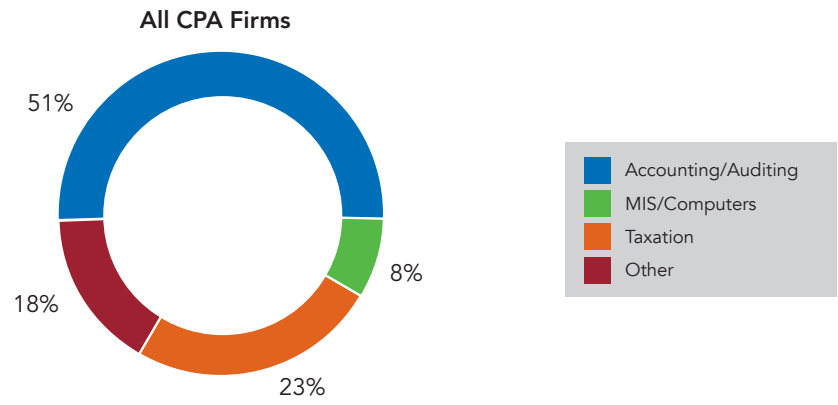
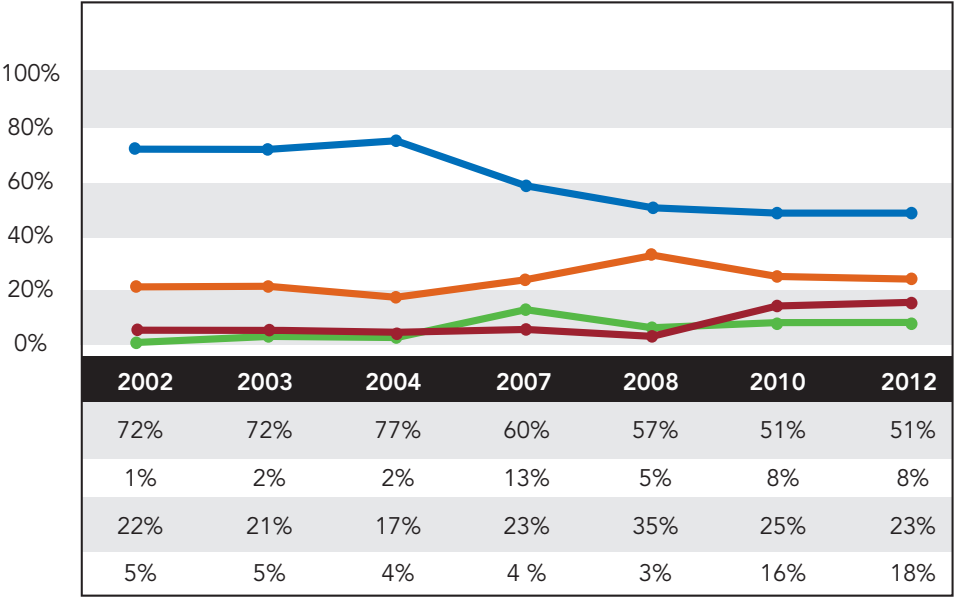
*Multi-ethnic data were not captured prior to 2010 survey.

NEW ACCOUNTING MASTER'S GRADUATES HIRED BY CPA FIRMS BY TYPE OF DEGREE — 2001-12



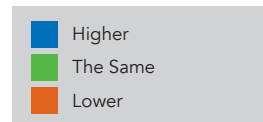
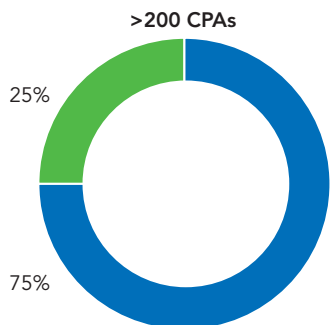
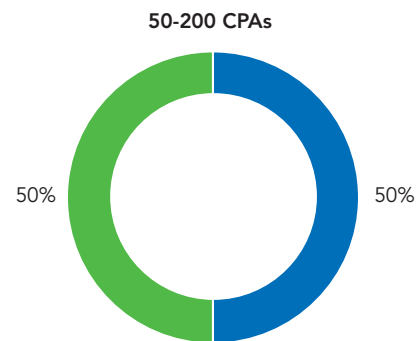
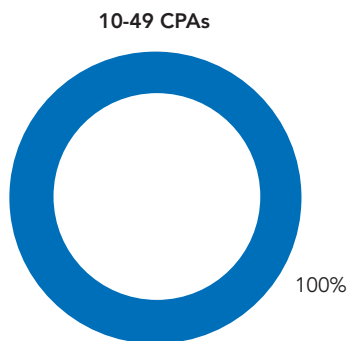
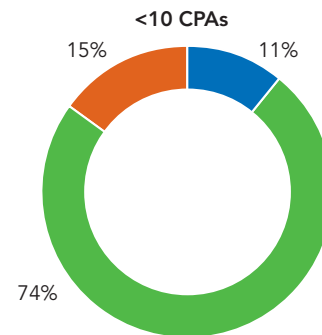
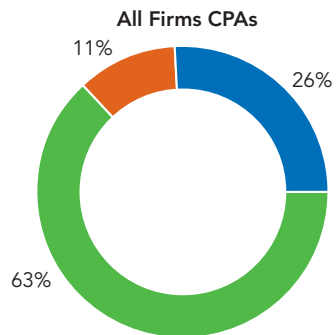
Masters in Accounting represent almost 90% of new CPA firm Master's hires, which is significantly higher than Masters in Taxation and MBAs in Accounting.

NEW ACCOUNTING GRADUATES HIRED BY CPA FIRMS BY AREA OF ASSIGNMENT — 2002-12

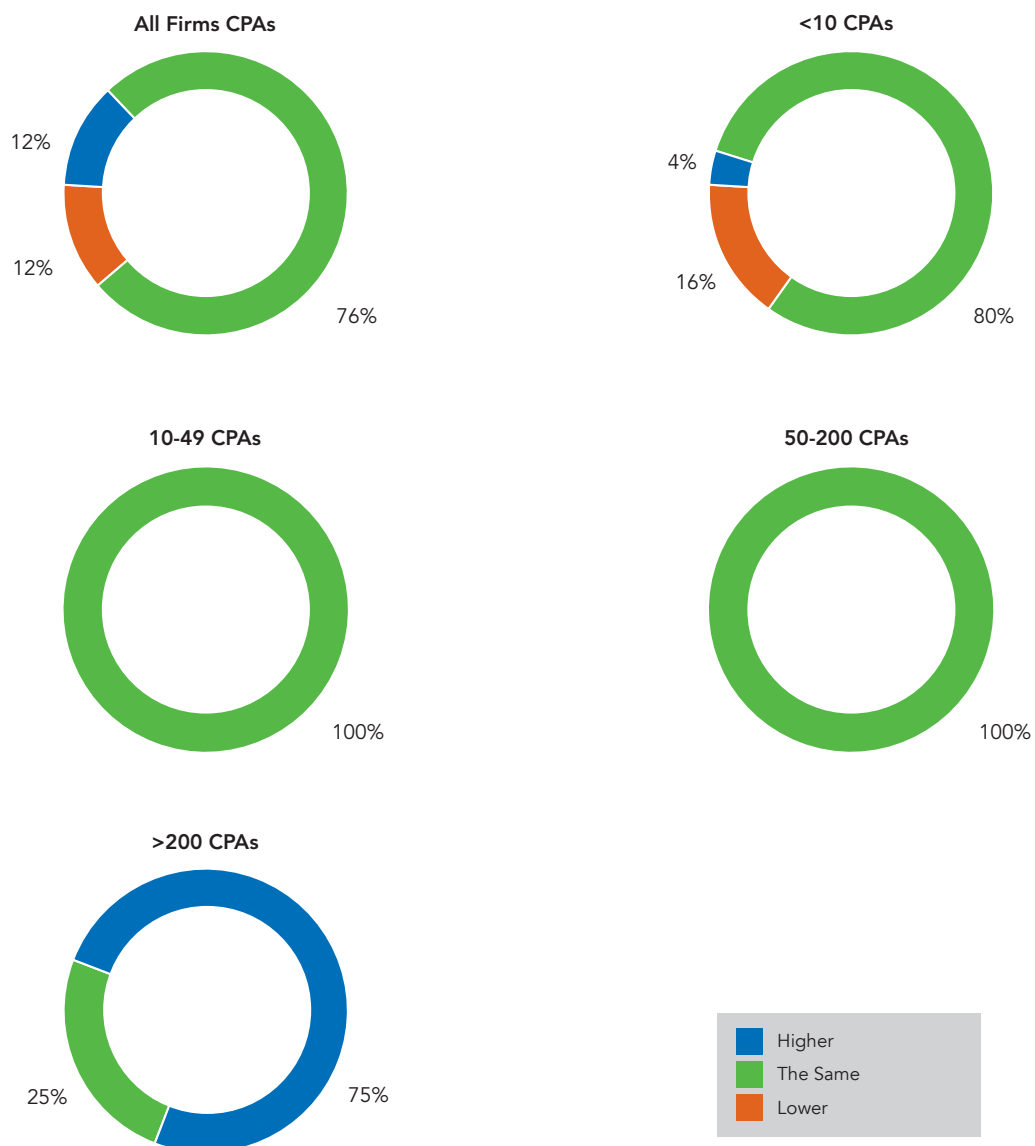


*Accounting/Auditing remains the most common area of assignment for new graduates at CPA firms. While this segment has been growing, it has not maintained pace with other areas of assignment such as advisory services.

DEMAND FORECAST — NEW ACCOUNTING GRADUATES TO BE HIRED IN 2012

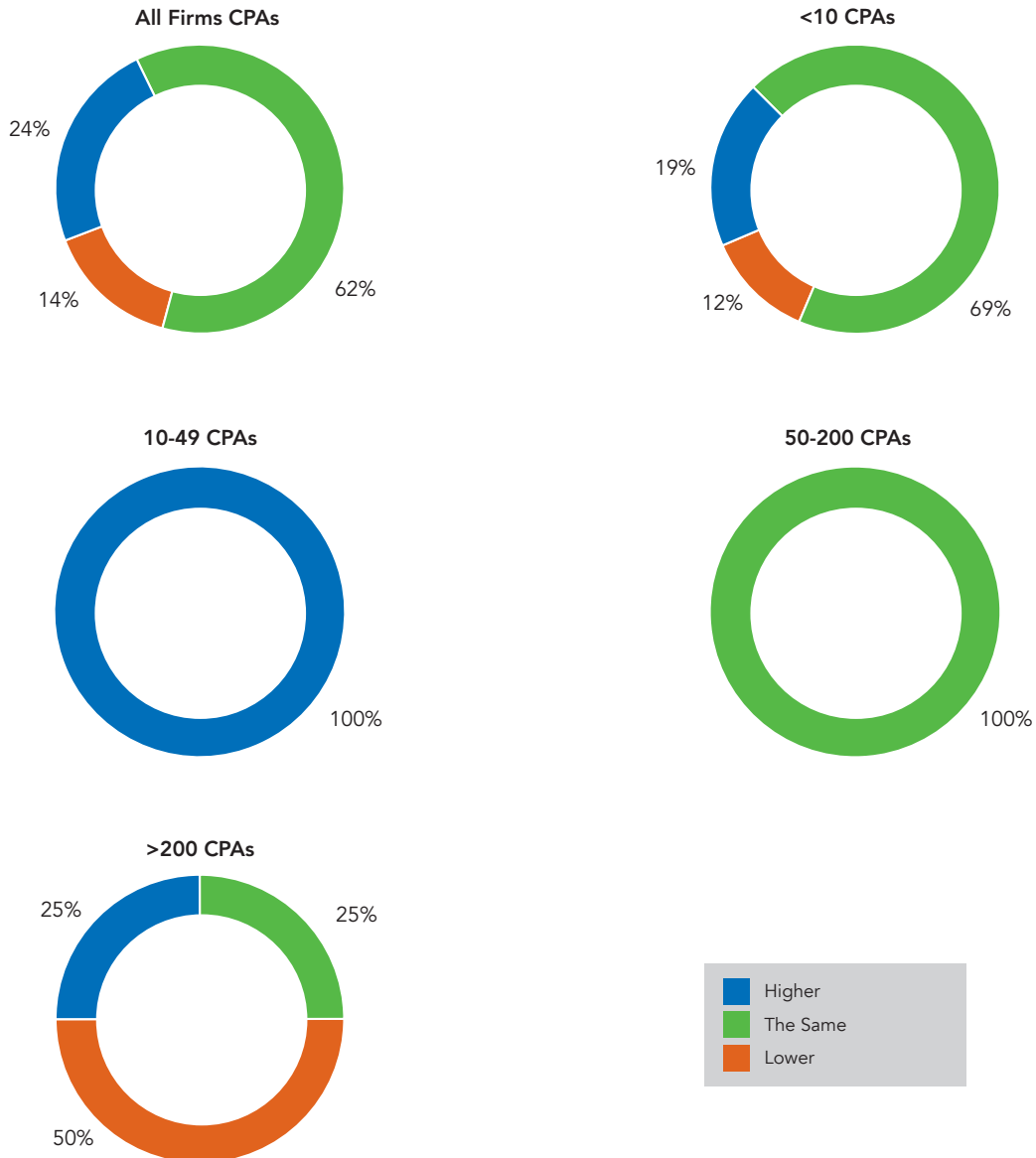


DEMAND FORECAST — NEW NON-ACCOUNTING GRADUATES TO BE HIRED IN 2012

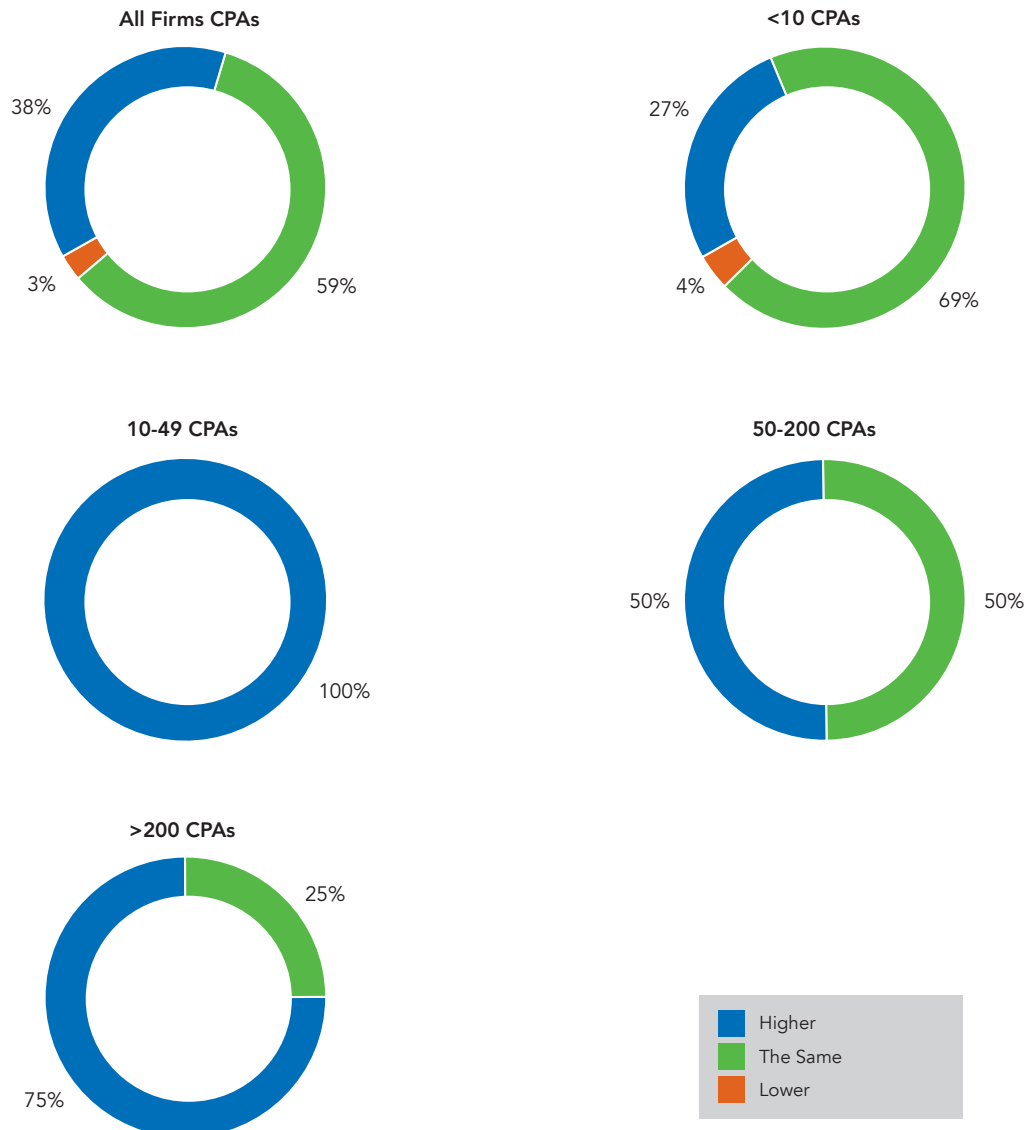


DEMAND FORECAST — EXPERIENCED RECRUITS TO BE HIRED IN 2012

Survey Question: Is the number of experienced recruits hired by your firm likely to be higher, lower or the same as the previous year?



DEMAND FORECAST —
EXPECTED NUMBER OF CPAS ON STAFF IN 2012

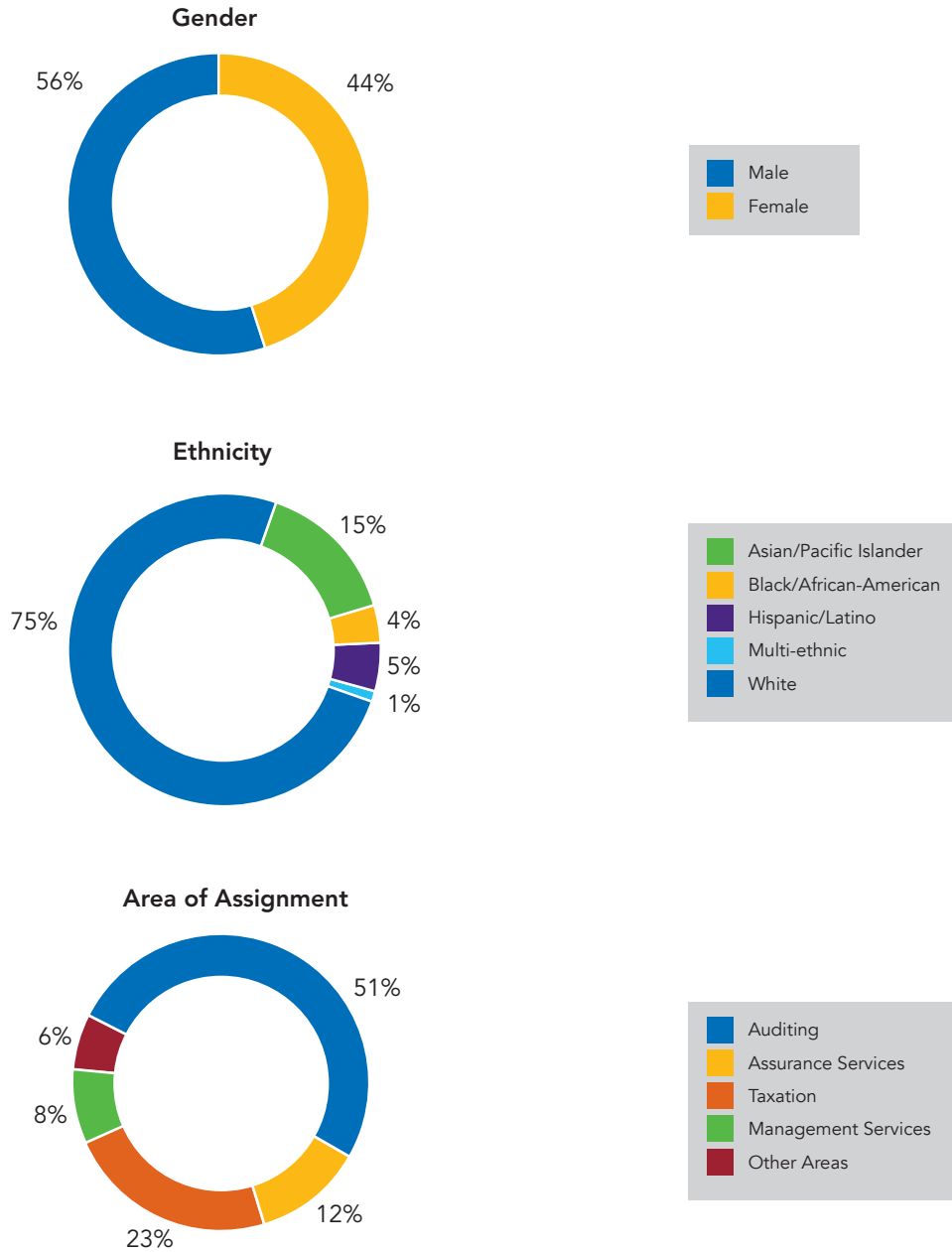


2013

FIRM

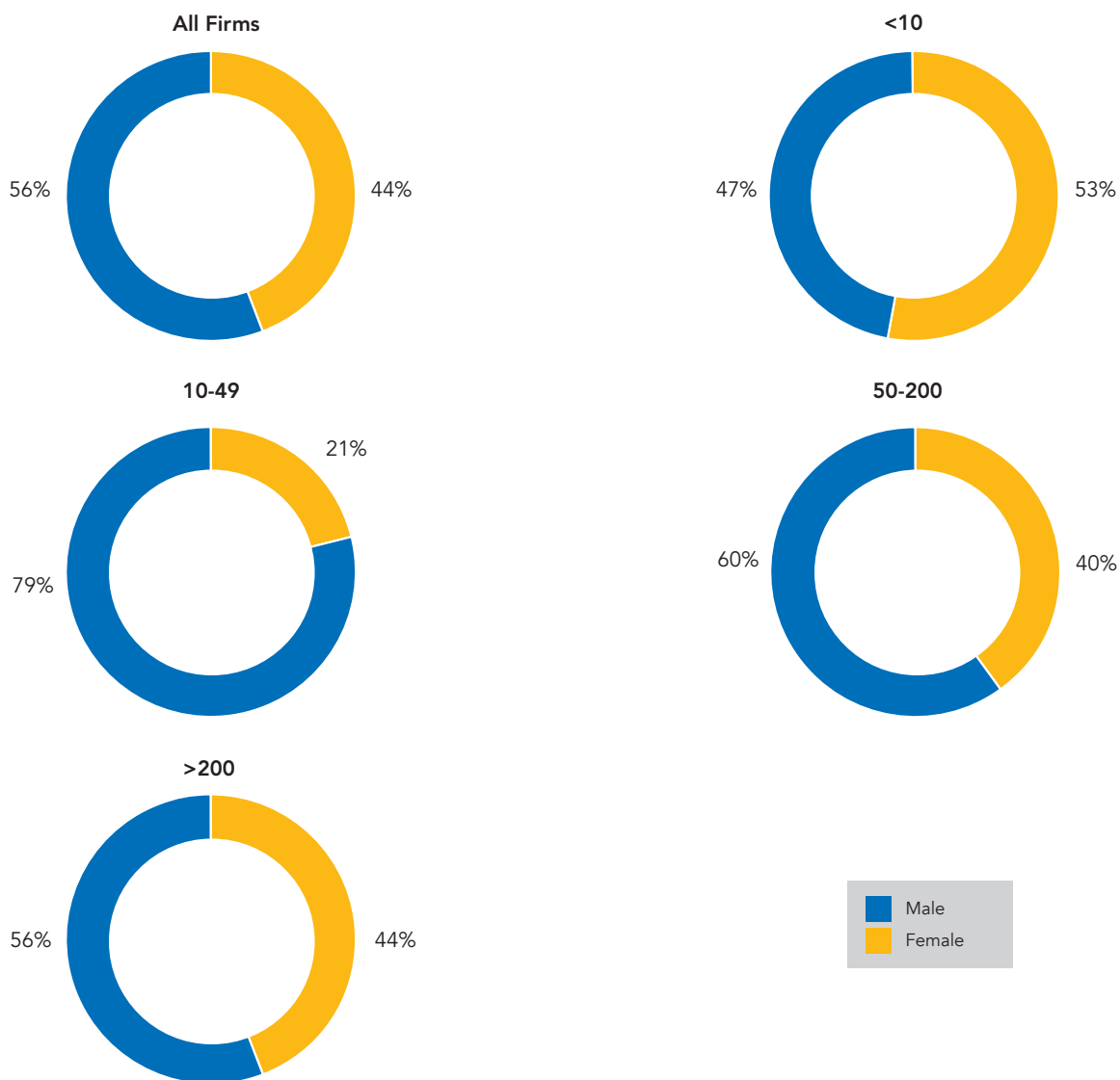
DEMOGRAPHICS

DEMOGRAPHICS —
ALL ACCOUNTING EMPLOYEES AT CPA FIRMS — 2012



PROFESSIONAL STAFF DEMOGRAPHICS BY FIRM SIZE — 2012

Gender

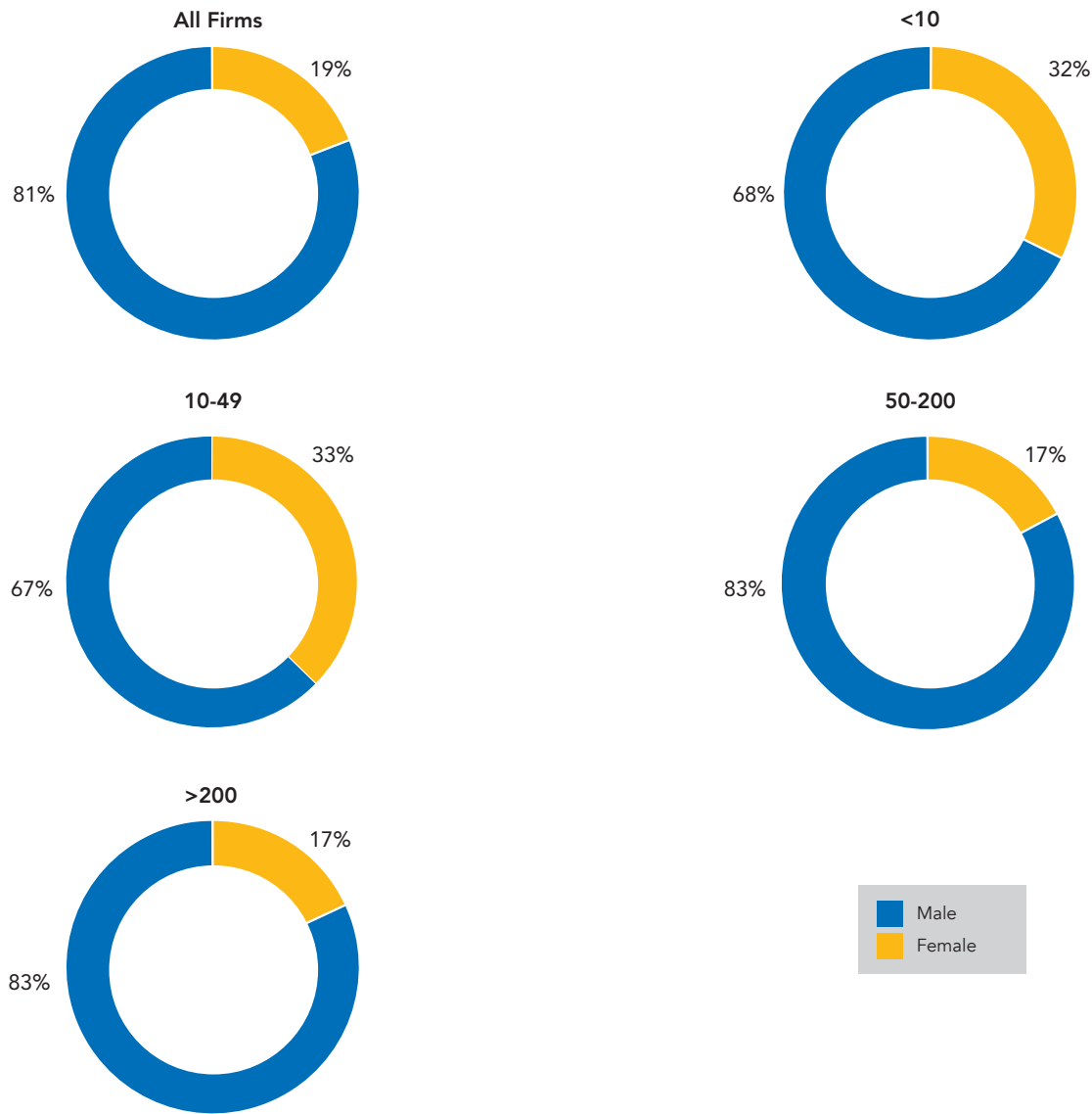


Ethnicity

	All Firms	<10	10-49	50-200	>200
White	75%	80%	100%	79%	74%
Asian/Pacific Islander	15%	3%	0%	11%	15%
Black/African-American	4%	7%	0%	3%	4%
Hispanic/Latino	5%	8%	0%	0%	5%
American Indian/Alaska Native	0%	0%	0%	0%	0%
Multi-ethnic	1%	2%	0%	0%	1%
Other	0%	0%	0%	7%	0%

PARTNER DEMOGRAPHICS BY FIRM SIZE — 2012

Gender

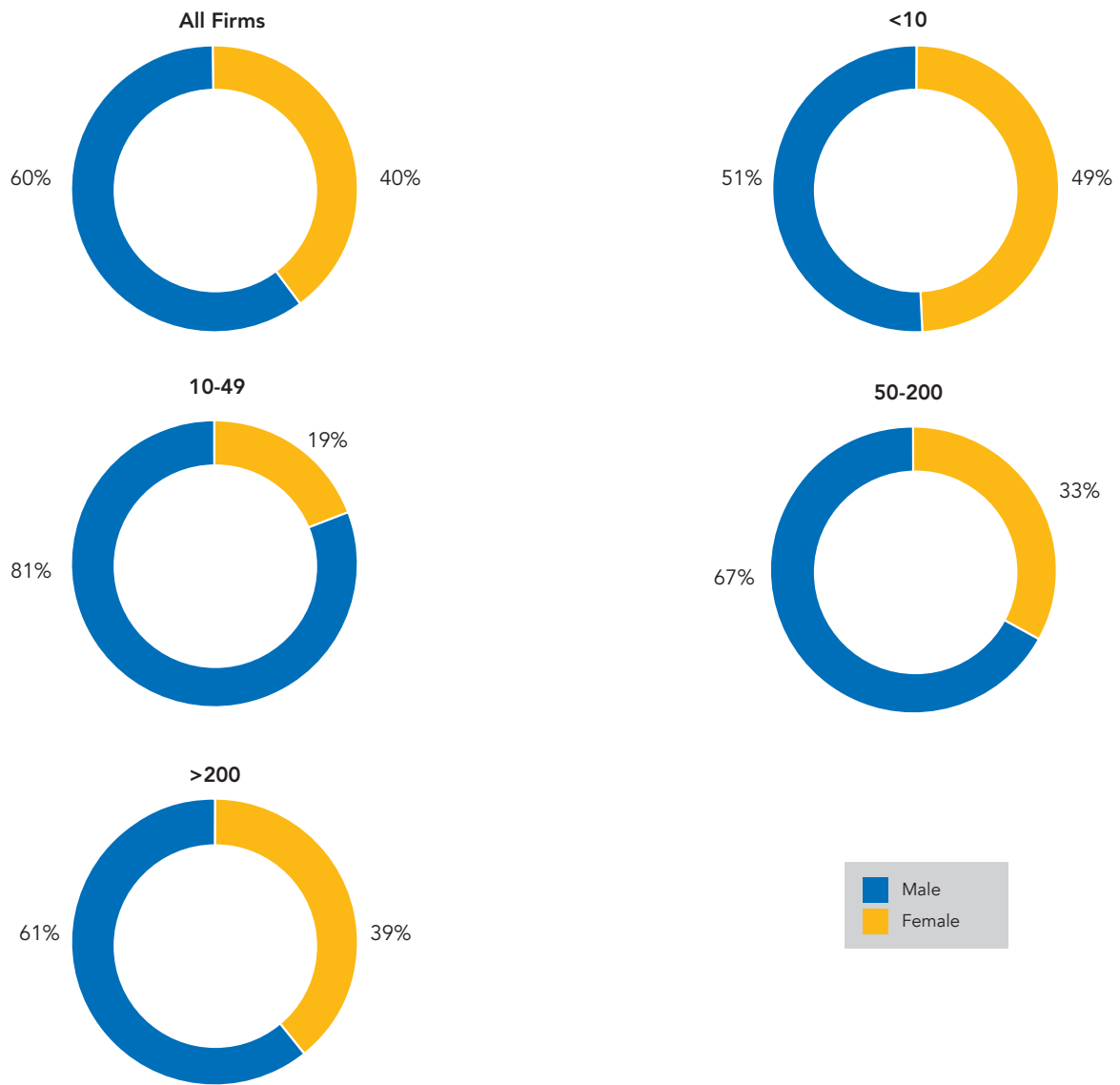


Ethnicity

	All Firms	<10	10-49	50-200	>200
White	90%	88%	100%	50%	91%
Asian/Pacific Islander	5%	0%	0%	25%	5%
Black/African-American	2%	9%	0%	0%	1%
Hispanic/Latino	2%	3%	0%	0%	2%
American Indian/Alaska Native	0%	0%	0%	0%	0%
Multi-ethnic	0%	0%	0%	0%	0%
Other	1%	0%	0%	25%	1%

CPA DEMOGRAPHICS BY FIRM SIZE — 2012

Gender

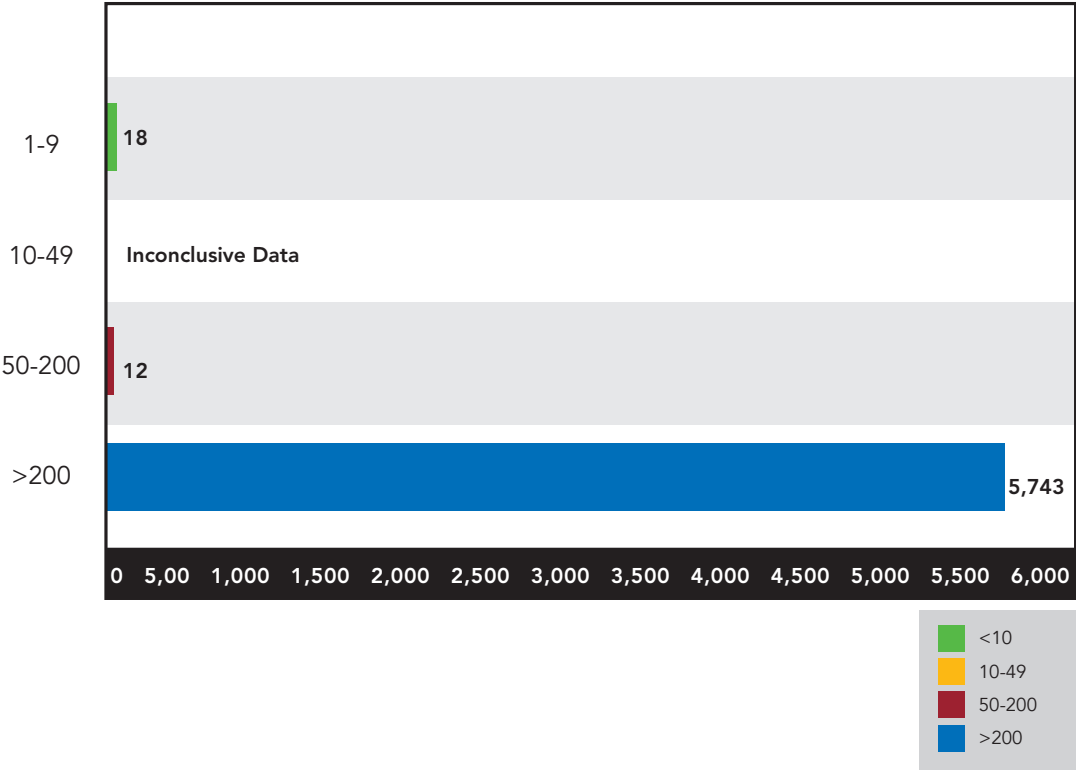


Ethnicity

	All Firms	<10	10-49	50-200	>200
White	86%	86%	100%	100%	85%
Asian/Pacific Islander	8%	4%	0%	0%	8%
Black/African-American	2%	3%	0%	0%	2%
Hispanic/Latino	3%	6%	0%	0%	2%
American Indian/Alaska Native	0%	0%	0%	0%	1%
Multi-ethnic	1%	1%	0%	0%	1%
Other	0%	0%	0%	7%	1%

FULL-TIME EMPLOYEES ENROLLED IN COURSES FOR CPA ELIGIBILITY — 2012

Survey Question: How many full-time employees are currently attending classes in order to qualify for their CPA?



CPA EXAMINATION

NASBA, the AICPA and Prometric launched the international administration of the Uniform CPA Examination in Bahrain, Kuwait, Japan, Lebanon and the UAE in August 2011, and in Brazil in February 2012, to respond to global candidate demand and raise awareness of the U.S. CPA credential. The launch of the international exam was successful, helping to increase the numbers of U.S. CPAs worldwide. The three parties are exploring expansion opportunities in the near future.

The AICPA Examinations team, with the oversight of the Board of Examiners, continues to monitor emerging accounting standards to maintain the currency of the exam. Recently, the Auditing Standards Board (ASB) issued its new Clarified U.S. Auditing Standards, which will impact the Auditing and Attestation (AUD) section of the exam beginning in 2013 and accounts for the most significant change to the AUD section in the last decade.

Behind the scenes, the technology supporting the exam continues to improve, allowing the exam to incorporate changes in line with an increasingly dynamic profession. Above all, changes to the exam maintain the relevance required to protect the public interest.

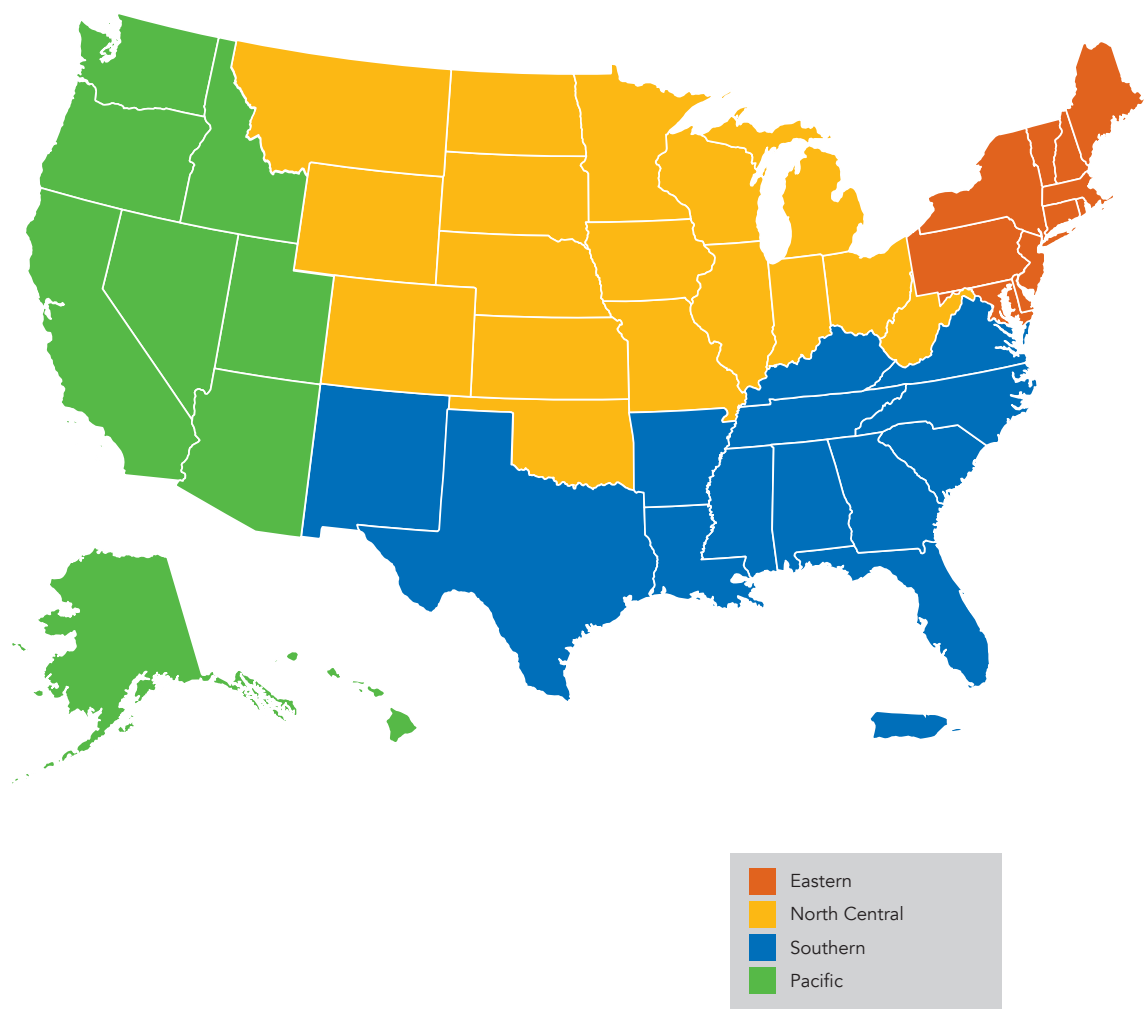
YEAR	TOTAL NUMBER OF RESPONSES	YEAR	TOTAL NUMBER OF RESPONSES
1971	53,811	1992	136,536
1972	57,928	1993	140,228
1973	63,165	1994	130,803
1974	72,052	1995	126,434
1975	80,433	1996	133,000
1976	86,464	1997	121,443
1977	93,148	1998	116,906
1978	104,511	1999	126,769
1979	113,629	2000	115,493
1980	120,925	2001	106,072
1981	128,793	2002	108,955
1982	138,677	2003	109,872
1983	141,583	2004*	44,513
1984	137,918	2005	61,884
1985	139,454	2006	69,259
1986	139,647	2007	77,196
1987	137,637	2008	85,362
1988	139,474	2009	93,199
1989	142,135	2010	103,600
1990	143,572	2011	90,630
1991	140,042	2012	93,106

*2004 represents the first year the exam was offered as a computer-based test. Prior to April 2004, the Uniform CPA Examination was administered twice a year in May and November in a paper-and-pencil format. Under the new format, Examinations are now administered continuously for a two-month window each quarter.

FOOTNOTE: In January 2011, NASBA, the AICPA and Prometric implemented the most significant set of changes to the Uniform CPA Examination since the Exam was computerized in 2004. Content Specification Outlines (CSOs) were updated to reflect changes in the profession, including the addition of IFRS. New task-based simulation (TBS) questions were introduced, and exam section lengths and weightings were changed. Behind the scenes, the technology supporting the Exam was dramatically improved, allowing the Exam to incorporate changes in line with an increasingly dynamic profession. Above all, changes to the Exam maintain the relevance required to protect the public interest.

APPENDIX

BREAKDOWN OF GEOGRAPHIC REGIONS



TRENDS IN SUPPLY SURVEY METHODOLOGY

Survey Fielding

- A census of colleges and universities granting accounting degrees was invited to participate
- The AICPA extensively followed up with non-respondents to maximize the response rate
- The margin of error at the 90% confidence level is $\pm 5.4\%$
- Regression equations were developed to forecast enrollment and graduation numbers

Response Information

- Surveys were predominantly completed online; a paper copy response option was also available
- The number of accounting faculty was used to predict enrollment and graduation
- Six regression equations were developed in total: an enrollment and graduation equation for each program (Bachelor's, Master's and Ph.D.)

Analysis & Reporting

- Survey results have been weighted by the number of accounting faculty to reflect the entire population
- R squares were developed for each equation

TRENDS IN DEMAND SURVEY METHODOLOGY

Survey Fielding

- A census of public accounting firms was invited to participate
- The AICPA extensively followed up with non-respondents to maximize the response rate
- Results were weighted by the size of firms as determined by the number of AICPA members employed
- The margin of error at the 90% confidence level is $\pm 7.8\%$

Response Information

- Surveys were predominantly completed online; a paper copy response option was also made available
- A regression equation was developed to forecast hiring
- The number of AICPA members employed at public accounting firms was used to forecast hiring

Analysis & Reporting

- Survey results have been weighted to be reflective of the entire public accounting population
- The R square is .99

