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Supply of accounting graduates and the demand for public accounting recruits, 2004, for academic year 2002-2003

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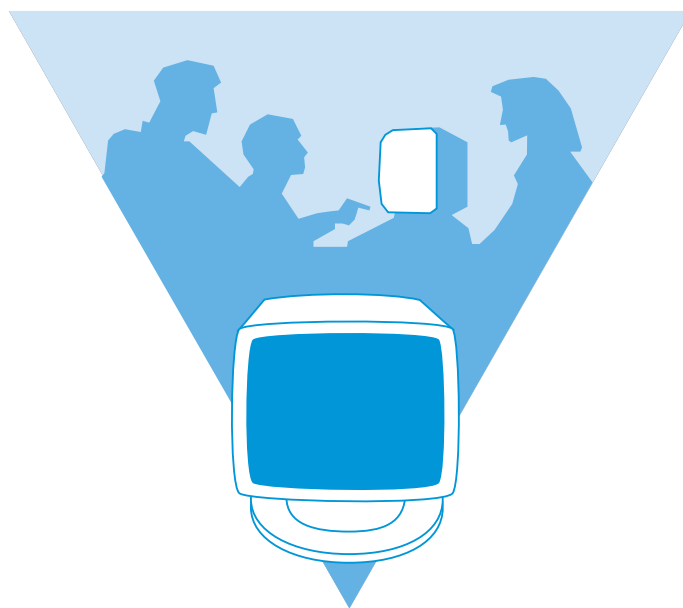
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The Supply Of Accounting Graduates And the Demand For Public Accounting Recruits—2004 For Academic Year 2002–2003



The CPA. Never Underestimate The Value.™

Academic & Career Development Team

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The Supply
Of Accounting Graduates
And the Demand
For Public Accounting Recruits–2004
For Academic Year 2002–2003

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Introduction and Highlights

This 2004 edition of *The Supply of Accounting Graduates and the Demand for Public Accounting Recruits* is prepared for anyone interested in the demographics of the accounting profession. This report will be useful for individuals involved in planning for university accounting programs, and human resources for accounting firms.

The data reported here are based on a survey conducted in 2004 of U.S. colleges and universities that offer accounting degrees at the Baccalaureate, Master's or Ph.D. level and survey of public accounting firms and sole practitioners affiliated with the American Institute of Certified Public Accountants (AICPA). The report is presented in two sections: "Accounting Graduates" presents detailed information regarding the number of accounting degrees awarded by universities during the 2002-03 academic year and "Hiring by CPA Firms" reports the hiring of recent college graduates by public accounting firms in 2003.

Both sections present data weighted to provide a normative profile of the recipients of accounting degrees and individuals newly hired by CPA firms. The Graduates Section reports by level of accreditation held by the college or university. The Hiring Section reports by size of firm. Both reports present detailed gender and ethnic data. A complete description of the methodology used for gathering and weighting data is presented in Appendix A.

Supply Data from Colleges and Universities

- Thirty-seven thousand students were awarded Bachelor's degrees in Accounting and close to 13,000 were awarded Master's degrees. Compared to 2001-02, the number of Bachelor's degree recipients increased 6% and the number of Master's degrees awarded increased 30%.
- The increase in Bachelor's degrees awarded was seen across the country, except in the Eastern region where Bachelor's degree recipients held steady. Schools in all regions awarded a greater number of Master's degrees than in previous years.
- In 2002-03, more females than males received Bachelor's degrees (57% to 43%) and Master's degrees (52% to 48%) while more males than females received Ph.D.s (56% to 44%).
- Minorities accounted for 22% of accounting bachelor's, 18% of master's graduates, and 46% of Ph.D.s.
- Approximately one-fourth of 2002-03 Bachelor's degree recipients took positions with public accounting firms and about one-fifth began their careers in business and industry. A majority of Master's degree recipients (59%) went into public accounting. These proportions are similar to the placement of 2001-02 degree recipients.
- Compared to 2001-02, accounting enrollments in Bachelor's programs increased by 6%, Master's in Accounting programs increased by 40%, MBA in Accounting programs increased by 30%, and Master's in Taxation programs held steady. Total accounting enrollments for the three-year period 2000-2003 are up 17%.
- The number of candidates sitting for the CPA Exam increased almost 1%. Exam candidates for 2003 totaled 109,872.

Demand Data from Public Accounting Firms

- In 2003, there was an increase in the number of new accounting Bachelor's hired (5%) and an increase in Master's hired (8%) compared to 2002.
- Over the years, the Institute has tracked the proportions of new hires working variously in accounting/auditing, management consulting and taxation. In 2003, almost three-quarters of the graduates (72%) accepted accounting/auditing positions, more than one-fifth took assignments in taxation and 3% began work in management consulting for public accounting firms.
- Females comprise the majority (54%) of new graduates hired by public accounting firms. This represents a 7% decrease from 2002.
- Eighteen percent of new graduate hires were minorities; a 1% increase from the previous year.
- Across all firms surveyed, the annual turnover rate was 10%, the same as in 2002. Turnover rates and firm size are positively correlated.
- In 2003, the turnover rate was higher for females than males, especially at the medium-sized and smaller firms.
- The largest firms are the most ethnically and racially diverse.

Demand Projections by Public Accounting Firms

- In addition to requesting their actual Year 2003 hiring facts and figures, we asked firms to predict future hiring trends vs. their actual hiring figures in 2003. We asked firms to estimate the percentage change from 2003 hiring out to three different years: (1) 2004, (2) 2006, and (3) 2008. Predictions for 2004 vs. 2003 hiring of accounting graduates reflect increased growth across all size firms, particularly for the larger firms.
- Firms' estimates of growth in hiring of non-accounting graduates are also positive, yet more conservative.
- Predictions for long-term growth with respect to hiring of accounting graduates and non-accounting graduates are even more optimistic.

Accounting Graduates

The following tables present a variety of characteristics of colleges and universities which awarded accounting degrees during 2002–03 and the individuals who received those degrees. AACSB—International (AACSB) and the Association of Collegiate Business Schools and Programs (ACBSP) appear in several tables because both those organizations accredit business degree programs. Business accreditation focuses on degree programs offered within a business school which may include one or more degrees in accounting. The AACSB also offers specific accreditation of accounting programs which is the highest level of accreditation available for schools that offer accounting degrees. The majority of accounting degree programs are accredited by regional accrediting organizations that review the entire college or university without special emphasis on business or accounting.

College and University Response Rates

Of the 841 colleges and universities asked to participate in the survey, 244 returned completed questionnaires for a response rate of 29%. Last year, the response rate was 32%.

TABLE 1
Number of Schools Surveyed for 2004 Report

| | <i>Number of Questionnaires Mailed</i> | <i>Number of Schools Responding</i> | <i>Response Rate %</i> |
|---|--|---|------------------------|
| Accredited in Accounting | | | |
| By AACSB | 162 | 76 | 47 |
| Accredited in Business | | | |
| By AACSB | 243 | 64 | 26 |
| By ACBSP | 99 | 22 | 22 |
| Other Business Administration Programs | 337 | 82 | 24 |
| Total Schools Surveyed | <u>841</u> | <u>244</u> | <u>29</u> |
| Public Schools | 442 | 133 | 30 |
| Private Schools | 399 | 111 | 28 |
| Majority Schools | 757 | 219 | 29 |
| Minority Schools | 84 | 25 | 30 |

Projecting from the sample to all colleges and universities awarding accounting degrees, 37,010 students were awarded Bachelor's degrees in Accounting and 12,655 were awarded Master's degrees.

TABLE 2
Graduates by Level of Accreditation 2002–03

| | <i>Number of Programs</i> | <i>Bachelor's</i> | <i>Master's</i> | <i>Total</i> |
|------------|-------------------------------|-------------------|-----------------|---------------|
| Accounting | 162 | 19,925 | 8,120 | 28,045 |
| Business | | | | |
| AACSB | 243 | 8,860 | 3,265 | 12,125 |
| ACBSP | 99 | 1,805 | 520 | 2,325 |
| Other | <u>337</u> | <u>6,420</u> | <u>750</u> | <u>7,170</u> |
| Total | <u>841</u> | <u>37,010</u> | <u>12,655</u> | <u>49,665</u> |

Accounting Degrees Awarded

Compared to 2001–2002, the number of Bachelor’s degree recipients increased 6% and the number of Master’s degrees awarded increased 30%.

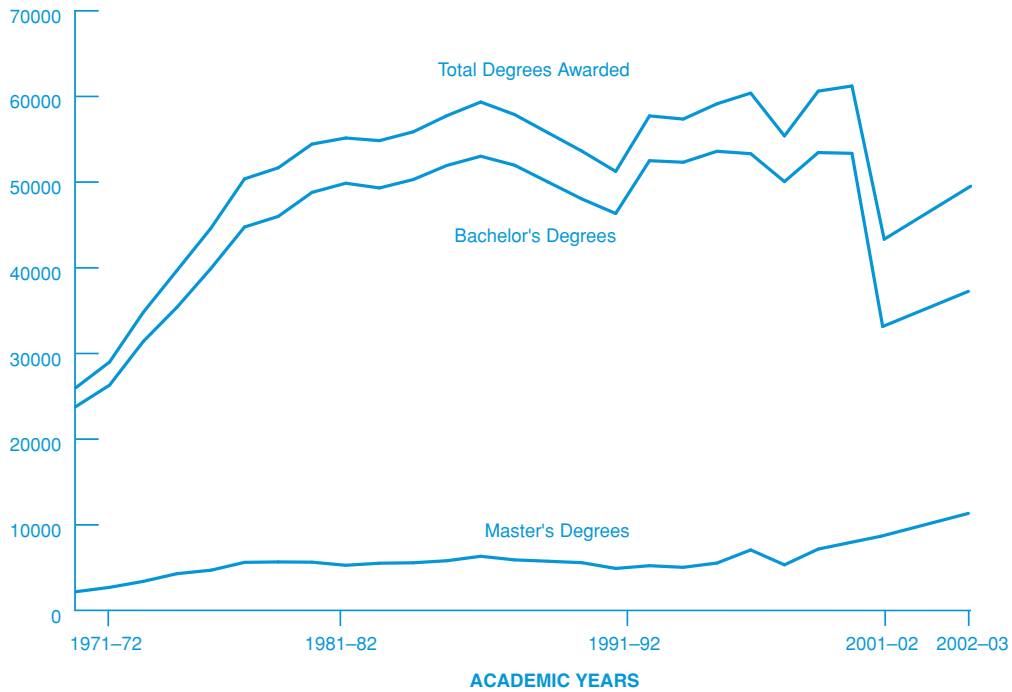
TABLE 3A

**Accounting Degrees Awarded by All Schools
1971–72 Through 2002–03**

| | <i>Bachelor's</i> | | <i>Master's</i> | | <i>Total</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> |
| 1971–72 | 23,800 | — | 2,200 | — | 26,000 | — |
| 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% | 5,540 | + 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% | 12,655 | + 30% | 49,665 | + 11% |

FIGURE 1

**Trend In Accounting Degrees Awarded
1971-72 Through 2002-03**



145 Accounting Ph.D.s were awarded in 2002-2003, an increase over 2001-2002 estimates.

TABLE 3B

**Accounting Ph.D's Awarded
1998-99 Through 2002-03**

| | <i>Number of Graduates</i> | <i>Rate of Growth</i> |
|---------|----------------------------|-----------------------|
| 1998-99 | 185 | - 3% |
| 1999-00 | 195 | + 5% |
| 2000-01 | 115 | - 41% |
| 2001-02 | 110 | - 4% |
| 2002-03 | 145 | + 32% |

The number of bachelor's degrees and Master's in Accounting awarded at accounting accredited programs continued to increase in 2002–03, while the number of MBAs in Accounting decreased.

TABLE 4
Accounting Degrees Awarded by AACSB – Accredited Accounting Programs

| | <i>Number of AACSB-Accredited Accounting Programs</i> | <i>Bachelor's</i> | <i>MBA in Accounting</i> | <i>Master's in Accounting</i> |
|---------|---|-------------------|------------------------------|-----------------------------------|
| 1998–99 | 139 | 14,075 | 220 | 3,100 |
| 1999–00 | 140 | 15,750 | 355 | 4,585 |
| 2000–01 | 147 | 15,815 | 505 | 4,585 |
| 2001–02 | 156 | 16,895 | 650 | 6,475 |
| 2002–03 | 162 | 19,925 | 475 | 7,645 |

When focusing on AACSB and ACBSP business-accredited programs, the number of bachelors and masters degrees significantly increased.

TABLE 5
New Accounting Graduates From AACSB- and ACBSP-Accredited
Business Administration Programs
(including AACSB – Accredited Accounting Programs)

| | <i>Number of AACSB- and ACBSP-Accredited Business Administration Programs</i> | <i>Bachelor's</i> | <i>Master's</i> | <i>Total</i> |
|---------|---|-------------------|-----------------|--------------|
| 1998–99 | 458 | 29,780 | 6,345 | 36,125 |
| 1999–00 | 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 |

Other business administration programs saw a decrease in bachelor's degrees and an increase in master's degrees.

TABLE 6
New Accounting Graduates
From Other Business Administration Programs

| | <i>Number of Other Business Administration Programs</i> | <i>Bachelor's</i> | <i>Master's</i> | <i>Total</i> |
|---------|---|-------------------|-----------------|--------------|
| 1998–99 | 395 | 11,390 | 380 | 11,770 |
| 1999–00 | 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 |

In 2002–03, more public school students received Bachelor’s degrees in Accounting than in previous years. Private schools saw an increase in Bachelor’s graduates after a drop in the previous year.

TABLE 7
New Accounting Graduates With Bachelor’s Degrees
From Public and Private Schools

| | <i>Public</i> | <i>Private</i> |
|---------|---------------|----------------|
| 1998–99 | 29,680 | 11,490 |
| 1999–00 | 26,455 | 10,660 |
| 2000–01 | 26,045 | 11,810 |
| 2001–02 | 25,195 | 9,800 |
| 2002–03 | 26,785 | 10,225 |

More public school students received Master’s degrees in Accounting; the number of Master’s degrees awarded to private school students increased slightly.

TABLE 8
New Accounting Graduates With Master’s Degrees
From Public and Private Schools

| | <i>Public</i> | <i>Private</i> |
|---------|---------------|----------------|
| 1998–99 | 4,365 | 2,360 |
| 1999–00 | 5,125 | 2,855 |
| 2000–01 | 5,480 | 3,220 |
| 2001–02 | 6,625 | 3,075 |
| 2002–03 | 8,835 | 3,820 |

With respect to geographical trends, all regions, except the Eastern region, saw increases in Bachelor’s graduates. The Eastern region remained level.

TABLE 9
New Accounting Graduates With Bachelor’s Degrees
by Geographic Region

| | <i>Eastern</i> | <i>North Central</i> | <i>Southern</i> | <i>Pacific</i> |
|---------|----------------|--------------------------|-----------------|----------------|
| 1998–99 | 10,215 | 12,070 | 13,185 | 5,700 |
| 1999–00 | 8,800 | 9,485 | 13,220 | 5,610 |
| 2000–01 | 9,865 | 10,505 | 11,135 | 6,350 |
| 2001–02 | 8,800 | 8,950 | 12,105 | 5,140 |
| 2002–03 | 8,745 | 9,170 | 13,225 | 5,870 |

All regions, especially the Southern region, continued to see an increase in Master's graduates.

TABLE 10
New Accounting Graduates With Master's Degrees
by Geographic Region

| | <i>Eastern</i> | <i>North Central</i> | <i>Southern</i> | <i>Pacific</i> |
|---------|----------------|--------------------------|-----------------|----------------|
| 1998–99 | 1,810 | 1,710 | 2,590 | 615 |
| 1999–00 | 1,820 | 1,160 | 3,100 | 1,900 |
| 2000–01 | 1,870 | 2,180 | 3,455 | 1,195 |
| 2001–02 | 2,275 | 2,325 | 3,705 | 1,395 |
| 2002–03 | 2,475 | 3,285 | 5,335 | 1,560 |

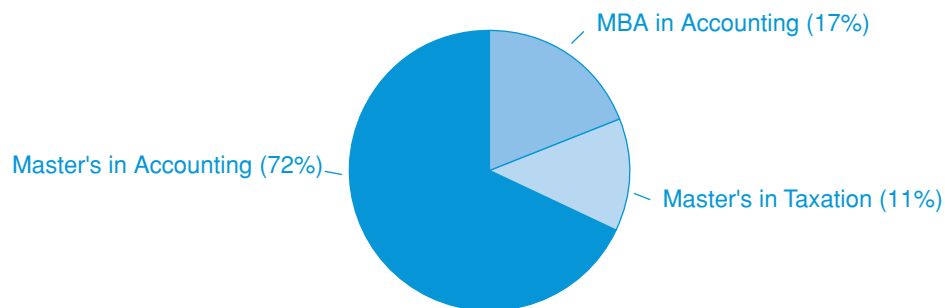
More Master's in Accounting and MBAs in Accounting were awarded in 2002–03 than in previous years. Master's in Taxation decreased slightly. The increase in Master's of Accounting graduates was significant (42%).

TABLE 11
New Accounting Graduates With Master's Degrees
by Type

| | <i>Master's in Accounting</i> | <i>MBA in Accounting</i> | <i>Master's in Taxation</i> |
|---------|-----------------------------------|------------------------------|---------------------------------|
| 1998–99 | 4,565 | 1,265 | 895 |
| 1999–00 | 5,390 | 1,115 | 1,475 |
| 2000–01 | 5,685 | 1,630 | 1,385 |
| 2001–02 | 6,395 | 1,725 | 1,580 |
| 2002–03 | 9,120 | 2,160 | 1,375 |

Still, the large majority of all Master's degrees awarded were Master's in Accounting.

FIGURE 2
New Accounting Graduates With Master's Degrees
by Type 2002–03



Gender Data For New Graduates

56% of all Bachelor's and Master's degrees in accounting were awarded to females in 2002–03.

TABLE 12A

Percentage of New Accounting Graduates by Gender
Combined Bachelor's and Master's Degrees

| | Male (%) | Female (%) |
|---------|----------|------------|
| 1998–99 | 44 | 56 |
| 1999–00 | 44 | 56 |
| 2000–01 | 45 | 55 |
| 2001–02 | 43 | 57 |
| 2002–03 | 44 | 56 |

In 2002-03, considerably more females than males received accounting Bachelor's degrees. The percentage of females receiving accounting Master's degrees decreased by 2% from the previous year. However, the percentage of females receiving accounting Ph.D.s increased 44% from 36% the previous year.

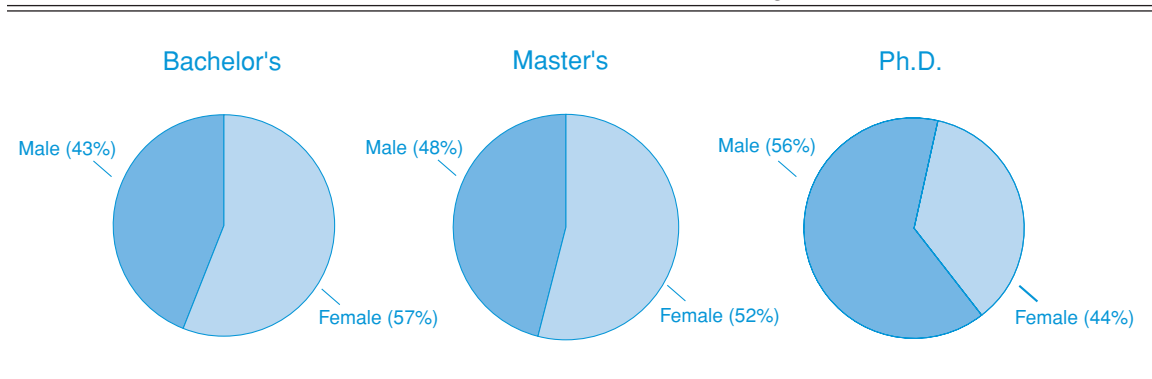
TABLE 12B

Percentage of New Accounting Graduates by Gender 2001–02
Bachelor's, Master's and Ph.D. Degrees

| | Bachelor's (%) | Master's (%) | Ph.D. (%) |
|--------|----------------|--------------|-----------|
| Male | 43 | 48 | 56 |
| Female | 57 | 52 | 44 |

FIGURE 3

Percentage of New Accounting Graduates by Gender 2002–03
Bachelor's, Master's and Ph.D. Degrees



Ethnic/Racial Data For New Graduates

The percentage of accounting degree recipients of ethnic/racial background held fairly steady.

TABLE 13A

**Percentage of New Accounting Graduates by Ethnic/Racial Background
Total Bachelor's and Master's Degrees**

| | Asian/ Pacific Islander (%) | Black or African American (%) | Hispanic or Latino (%) | American Indian/ Alaska Native (%) | Total Ethnic/ Racial (%) | White (%) | Other (%) |
|---------|-----------------------------------|-------------------------------------|------------------------------|--|--------------------------------|--------------|--------------|
| 1998–99 | 6 | 8 | 5 | * | 19 | 78 | 3 |
| 1999–00 | 6 | 9 | 5 | * | 20 | 77 | 3 |
| 2000–01 | 8 | 7 | 5 | * | 20 | 75 | 5 |
| 2001–02 | 8 | 8 | 7 | * | 23 | 72 | 5 |
| 2002–03 | 7 | 8 | 7 | * | 22 | 72 | 6 |

* Less than 0.5%.

TABLE 13B

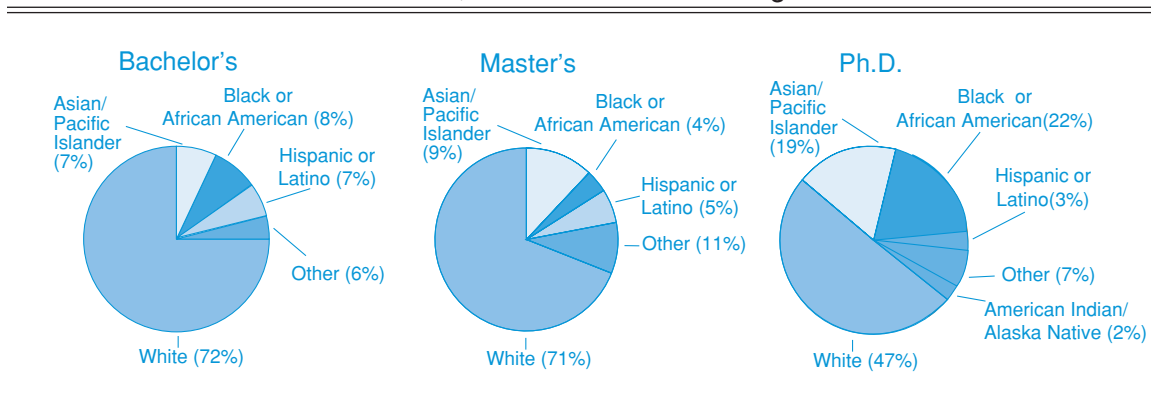
**Percentage of New Accounting Graduates by Ethnic/Racial Background 2002–03
Bachelor's, Master's and Ph.D. Degrees**

| | Bachelor's (%) | Master's (%) | Ph.D. (%) |
|-------------------------------|----------------|--------------|-----------|
| Asian/Pacific Islander | 7 | 9 | 19 |
| Black or African American | 8 | 4 | 22 |
| Hispanic or Latino | 7 | 5 | 3 |
| American Indian/Alaska Native | * | * | 2 |
| Total Ethnic/Racial | 22 | 18 | 46 |
| White | 72 | 71 | 47 |
| Other | 6 | 11 | 7 |

* Less than 0.5%.

FIGURE 4

**Percentage of New Accounting Graduates by Ethnic/Racial Background 2002–03
Bachelor's, Master's and Ph.D. Degrees**



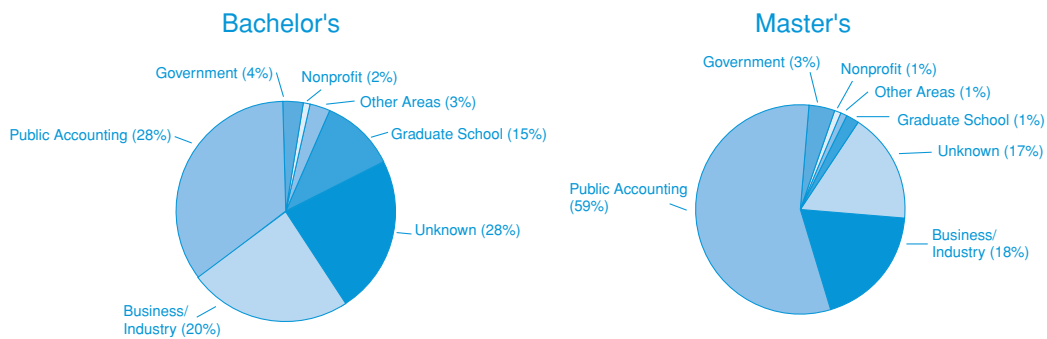
Placement of New Graduates

Approximately one-quarter of 2002–03 accounting Bachelor's degree recipients took positions in public accounting firms and about one-fifth began their careers in business and industry. A large majority of Master's degree recipients (59%) went into public accounting.

TABLE 14
Placement of New Accounting Graduates 2002–03

| | <i>Bachelor's (%)</i> | <i>Master's (%)</i> |
|-------------------|-----------------------|---------------------|
| Public accounting | 28 | 59 |
| Business/Industry | 20 | 18 |
| Government | 4 | 3 |
| Nonprofit | 2 | 1 |
| Other areas | 3 | 1 |
| Graduate school | 15 | 1 |
| Unknown | 28 | 17 |

FIGURE 5
Placement of New Accounting Graduates 2002–03
Bachelor's and Master's Degrees



Regardless of accreditation level, Master's degree recipients were more likely to go into public accounting than were Bachelor's degree recipients.

TABLE 15
Placement of Bachelor's Graduates
by Level of Accreditation 2002–03

| | <i>Accounting</i> | <i>Business</i> | | <i>Other</i> |
|-------------------|-------------------|-----------------|-------|--------------|
| | | AACSB | ACBSP | |
| Public accounting | 23% | 39% | 34% | 27% |
| Business/Industry | 16 | 22 | 30 | 28 |
| Government | 3 | 5 | 5 | 6 |
| Nonprofit | 1 | 1 | 4 | 4 |
| Other areas | 2 | 3 | 3 | 4 |
| Graduate school | 20 | 10 | 9 | 7 |
| Unknown | 35 | 20 | 15 | 24 |

TABLE 16
Placement of Master's Graduates
by Level of Accreditation 2002–03

| | <i>Accounting</i> | <i>Business</i> | | <i>Other</i> |
|-------------------|-------------------|-----------------|-------|--------------|
| | | AACSB | ACBSP | |
| Public accounting | 64% | 42% | 60% | 70% |
| Business/Industry | 13 | 30 | 33 | 23 |
| Government | 3 | 1 | 4 | 3 |
| Nonprofit | 1 | 2 | 3 | * |
| Other areas | 1 | 1 | * | * |
| Graduate school | 2 | * | * | 4 |
| Unknown | 16 | 24 | * | * |

* Less than 0.5%.

Bachelor's degree recipients from Eastern schools were more likely to begin their careers with public accounting firms than graduates from schools in other regions of the country.

TABLE 17
Placement of New Accounting Graduates
With Bachelor's Degrees by Region 2002–03

| | <i>Eastern (%)</i> | <i>North Central (%)</i> | <i>Southern (%)</i> | <i>Pacific (%)</i> |
|-------------------|--------------------|--------------------------|---------------------|--------------------|
| Public accounting | 36 | 25 | 24 | 30 |
| Business/Industry | 19 | 22 | 21 | 16 |
| Government | 5 | 3 | 5 | 4 |
| Nonprofit | 2 | 1 | 2 | 4 |
| Other areas | 1 | 4 | 2 | 4 |
| Graduate school | 7 | 19 | 19 | 10 |
| Unknown | 30 | 26 | 27 | 32 |

However, accounting Master's degree recipients from Eastern schools were more likely to begin their careers in business/industry.

TABLE 18
Placement of New Accounting Graduates
With Master's Degrees by Region 2002–03

| | <i>Eastern (%)</i> | <i>North Central (%)</i> | <i>Southern (%)</i> | <i>Pacific (%)</i> |
|-------------------|--------------------|--------------------------|---------------------|--------------------|
| Public accounting | 23 | 54 | 69 | 76 |
| Business/Industry | 35 | 17 | 16 | 9 |
| Government | 2 | 1 | 4 | 2 |
| Nonprofit | 2 | 1 | 1 | * |
| Other areas | 1 | 2 | 1 | 2 |
| Graduate school | 1 | 2 | 1 | 3 |
| Unknown | 36 | 23 | 8 | 8 |

* Less than 0.5%.

Type of degree obtained had more influence on placement than gender did.

TABLE 19
Placement of New Accounting Graduates by Gender 2002–03

| | <i>Bachelor's</i> | | <i>Master's</i> | |
|-------------------|-------------------|-------------------|-----------------|-------------------|
| | <i>Male (%)</i> | <i>Female (%)</i> | <i>Male (%)</i> | <i>Female (%)</i> |
| Public accounting | 28 | 27 | 57 | 61 |
| Business/Industry | 20 | 21 | 21 | 16 |
| Government | 3 | 5 | 2 | 3 |
| Nonprofit | 1 | 2 | * | 1 |
| Other areas | 2 | 2 | 1 | 1 |
| Graduate school | 15 | 14 | 2 | 1 |
| Unknown | 31 | 29 | 17 | 17 |

The degree obtained had more influence on placement than ethnic/racial background.

TABLE 20
Placement of New Accounting Graduates With Bachelor's Degrees
by Ethnic/Racial Background 2002–03

| | <i>Asian/ Pacific Islander (%)</i> | <i>Black or African American (%)</i> | <i>Hispanic or Latino (%)</i> | <i>American Indian/ Alaska Native (%)</i> | <i>White (%)</i> | <i>Other (%)</i> |
|-------------------|--|--|---------------------------------------|---|----------------------|----------------------|
| Public accounting | 18 | 12 | 18 | 16 | 30 | 12 |
| Business/Industry | 17 | 30 | 28 | 4 | 20 | 6 |
| Government | 3 | 13 | 6 | * | 3 | 2 |
| Nonprofit | 7 | 1 | * | * | 2 | * |
| Other areas | 5 | 4 | * | * | 2 | 1 |
| Graduate school | 12 | 9 | 9 | 6 | 16 | 1 |
| Unknown | 38 | 31 | 39 | 74 | 27 | 78 |

* Less than 0.5%.

TABLE 21
Placement of New Accounting Graduates With Master's Degrees
by Ethnic/Racial Background 2002–03[†]

| | <i>Asian/ Pacific Islander (%)</i> | <i>Black or African American (%)</i> | <i>Hispanic or Latino (%)</i> | <i>American Indian/ Alaska Native (%)</i> | <i>White (%)</i> | <i>Other (%)</i> |
|-------------------|--|--|---------------------------------------|---|----------------------|----------------------|
| Public accounting | 45 | 48 | 43 | 40 | 69 | 15 |
| Business/Industry | 16 | 24 | 46 | 20 | 16 | 19 |
| Government | 1 | 12 | * | * | 2 | * |
| Nonprofit | 1 | * | 11 | * | * | * |
| Other areas | 1 | * | * | * | 1 | 3 |
| Graduate school | 5 | * | * | * | 1 | 1 |
| Unknown | 31 | 16 | * | 40 | 11 | 62 |

[†] The base for this table includes only 184 non-White graduates, of which 110 are Asian/Pacific Islander, 49 are Black or African American, 20 are Hispanic or Latino, and 5 are American Indian/Alaska Native.

* Less than 0.5%.

Accounting Enrollment

Total accounting enrollments significantly increased by 9% over last year's 1% increase.

TABLE 22
Accounting Enrollment in All Schools 2002–03

| | <i>Bachelor's</i> | <i>Master's in Accounting</i> | <i>MBA in Accounting</i> | <i>Master's in Taxation</i> | <i>Ph.D.</i> | <i>Total</i> |
|---------|-------------------|-------------------------------|--------------------------|-----------------------------|--------------|--------------|
| 1998–99 | 134,050 | 8,620 | 3,770 | 2,600 | 770 | 149,810 |
| 1999–00 | 127,960 | 9,455 | 2,445 | 3,130 | 680 | 143,670 |
| 2000–01 | 134,775 | 10,375 | 4,000 | 2,935 | 800 | 152,885 |
| 2001–02 | 133,435 | 12,565 | 4,065 | 3,555 | 890 | 154,510 |
| 2002–03 | 141,175 | 17,540 | 5,270 | 3,550 | 1,085 | 168,620 |

TABLE 23
Percentage of Accounting Students Enrolled by Gender 2002–03

| | <i>Bachelor's (%)</i> | <i>Master's (%)</i> | <i>Ph.D. (%)</i> |
|--------|-----------------------|---------------------|------------------|
| Male | 44 | 48 | 57 |
| Female | 56 | 52 | 43 |

In 2002–03, males comprised 44% of all those enrolled in Bachelor's degree programs, 48% of those enrolled in Master's degree programs and 57% of those enrolled in Ph.D. programs. In all categories, the percentage of males increased by 2-3% over last year

FIGURE 6
Percentage of Accounting Students Enrolled by Gender 2002–03
Bachelor's, Master's and Ph.D. Degrees

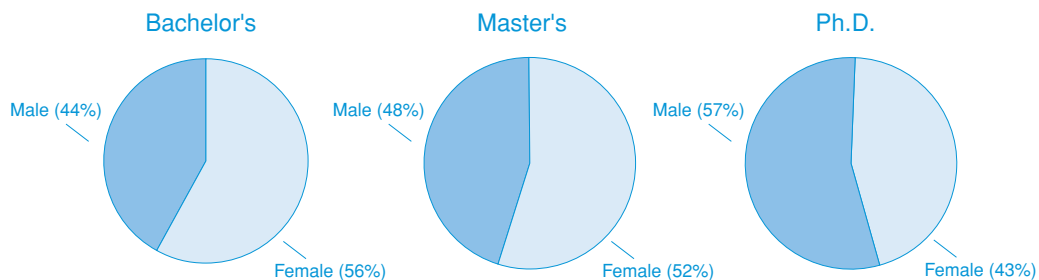


TABLE 24

**Percentage of Accounting Students Enrolled
by Ethnic/Racial Background 2002–03**

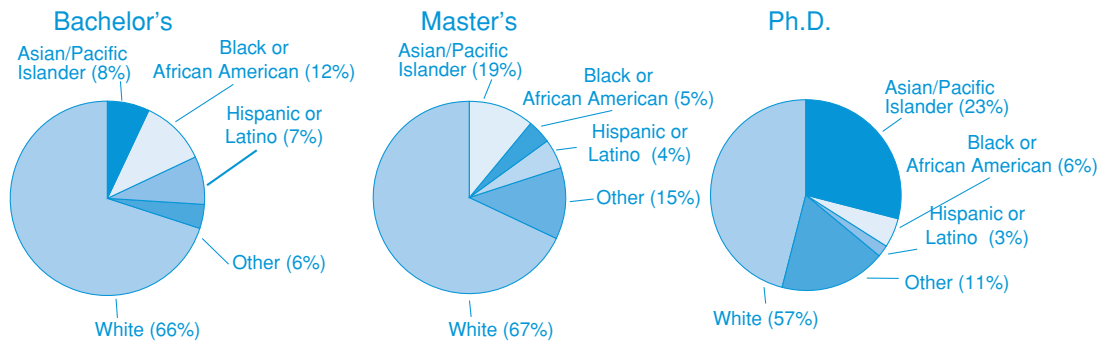
| | <i>Bachelor's (%)</i> | <i>Master's (%)</i> | <i>Ph.D. (%)</i> |
|-------------------------------|-----------------------|---------------------|------------------|
| Asian/Pacific Islander | 8 | 9 | 23 |
| Black or African American | 12 | 5 | 6 |
| Hispanic or Latino | 7 | 4 | 3 |
| American Indian/Alaska Native | 1 | * | * |
| Total Ethnic/Racial | 28 | 18 | 32 |
| White | 66 | 67 | 57 |
| Other | 6 | 15 | 11 |

* Less than 0.5%.

More than 50% of all accounting students in 2002–03 were Whites.

FIGURE 7

**Percentage of Accounting Students Enrolled by Ethnic/Racial Background 2002–03
Bachelor's, Master's and Ph.D. Degrees**



Accounting Enrollment Trends

Many survey respondents believe that Master's in Accounting will continue to attract greater interest in the future.

TABLE 25
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 | 51 | 45 | 4 |
| Master's in accounting | 72 | 26 | 2 |
| MBA in accounting | 31 | 65 | 4 |
| Master's in taxation | 50 | 50 | * |
| Ph.D. in accounting/taxation | 22 | 67 | 11 |

* Percentage distributions for each program exclude schools that do not offer that degree.

Uniform CPA Examination

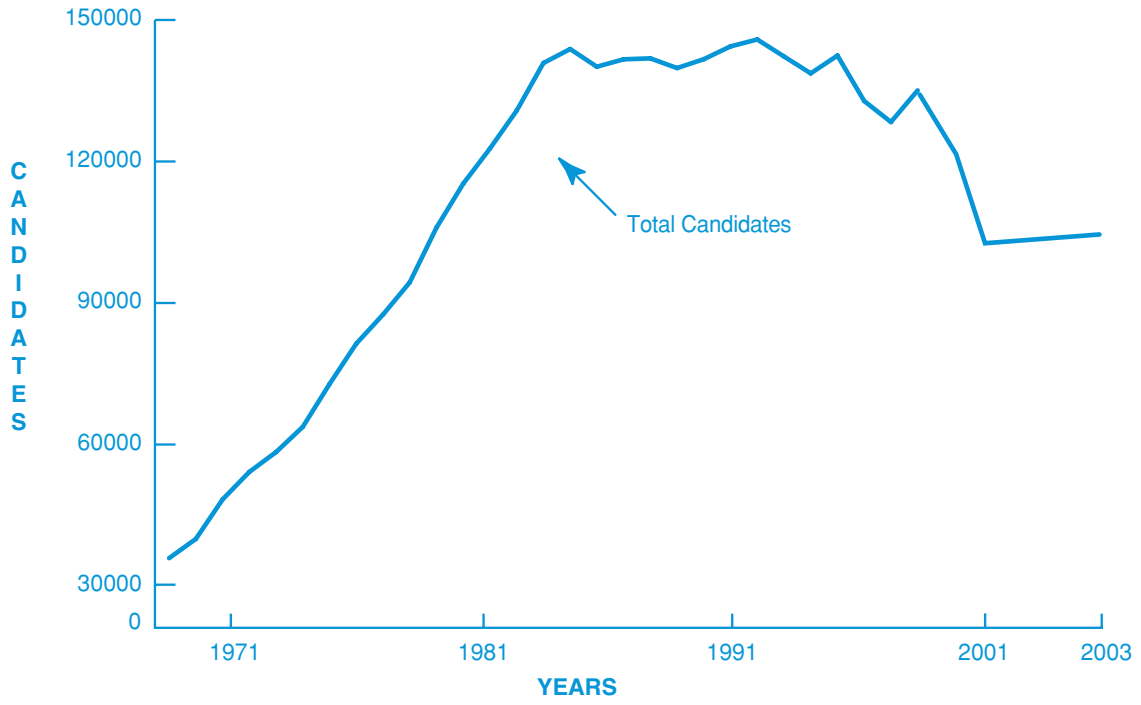
Since the peak years of the early nineties, the number of candidates sitting for the CPA Exam has been in decline. However, in 2002, the number of candidates increased over the previous year and continued to increase in 2003.

TABLE 26
Uniform CPA Examination — 1971–2003

| <i>Year</i> | <i>Total Number of Candidates</i> |
|-------------|---------------------------------------|
| 1971 | 53,811 |
| 1972 | 57,928 |
| 1973 | 63,165 |
| 1974 | 72,052 |
| 1975 | 80,433 |
| 1976 | 86,464 |
| 1977 | 93,148 |
| 1978 | 104,511 |
| 1979 | 113,629 |
| 1980 | 120,925 |
| 1981 | 128,793 |
| 1982 | 138,677 |
| 1983 | 141,583 |
| 1984 | 137,918 |
| 1985 | 139,454 |
| 1986 | 139,647 |
| 1987 | 137,637 |
| 1988 | 139,474 |
| 1989 | 142,135 |
| 1990 | 143,572 |
| 1991 | 140,042 |
| 1992 | 136,536 |
| 1993 | 140,228 |
| 1994 | 130,803 |
| 1995 | 126,434 |
| 1996 | 133,000 |
| 1997 | 121,443 |
| 1998 | 116,906 |
| 1999 | 126,769 |
| 2000 | 115,493 |
| 2001 | 106,072 |
| 2002 | 108,955 |
| 2003 | 109,872 |

FIGURE 8

Uniform CPA Examination
1971 through 2002



Hiring by CPA Firms

In early 2004, the AICPA conducted a survey of all 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 newly employed graduates and professional staff. The core question in the survey asked firms to provide a breakdown of both accounting and non-accounting graduates employed in 2003.

Firms were asked to provide a breakdown of newly employed graduates by gender, ethnic/racial background, and area of assignment (i.e., 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.

Because the 16 largest firms account for such a large proportion of newly employed graduates, a greater effort was made to obtain their responses. The firms' responses were tracked, and a series of follow-up phone calls was undertaken in an effort to maximize the collective response rate. A more complete description of the survey is presented in Appendix B.

Public Accounting Firms Response Rates

In total, 5,600 public accounting firms were surveyed and 1,612 responded for a 29% response rate.

TABLE 27
CPA Firms Surveyed for 2004 Report

| <i>Number of AICPA Members Per CPA 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 | 16 | 16 | 12 | 75 |
| 50–200 members | 92 | 92 | 39 | 42 |
| 10–49 members | 1,542 | 1,542 | 506 | 33 |
| Fewer than 10 members | 42,682 | 3,950 | 1,055 | 27 |
| All CPA firms | 44,332 | 5,600 | 1,612 | 29 |

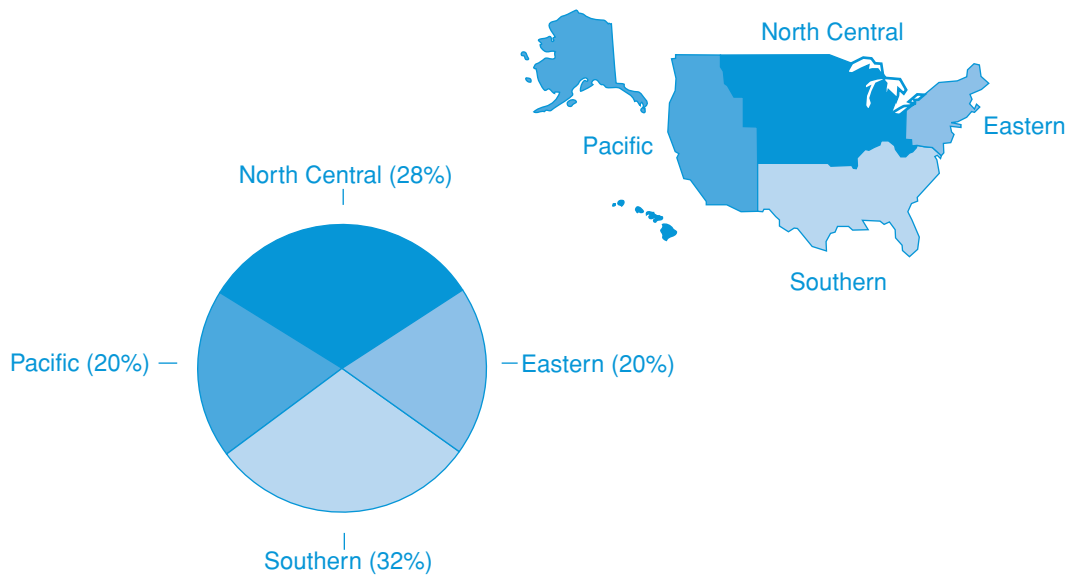
* Total includes 22,268 sole practitioners.

Firms that responded represent all regions of the country. About nine in ten were “local” firms, and 3% were minority-owned.

TABLE 28
Demographic Characteristics of Responding CPA Firms

| <i>Geographic Location of Firm</i> | (%) | <i>Firm Type</i> | (%) | <i>Ownership of Firm</i> | (%) |
|------------------------------------|-----|----------------------------|-----|--------------------------|-----|
| Eastern | 20 | Local | 89 | Majority | 97 |
| North Central | 28 | Regional | 10 | Minority | 3 |
| Southern | 32 | National/ International | 1 | | |
| Pacific | 20 | | | | |

FIGURE 9
Geographic Location of Responding CPA Firms



New Accounting Graduates Hired by CPA Firms

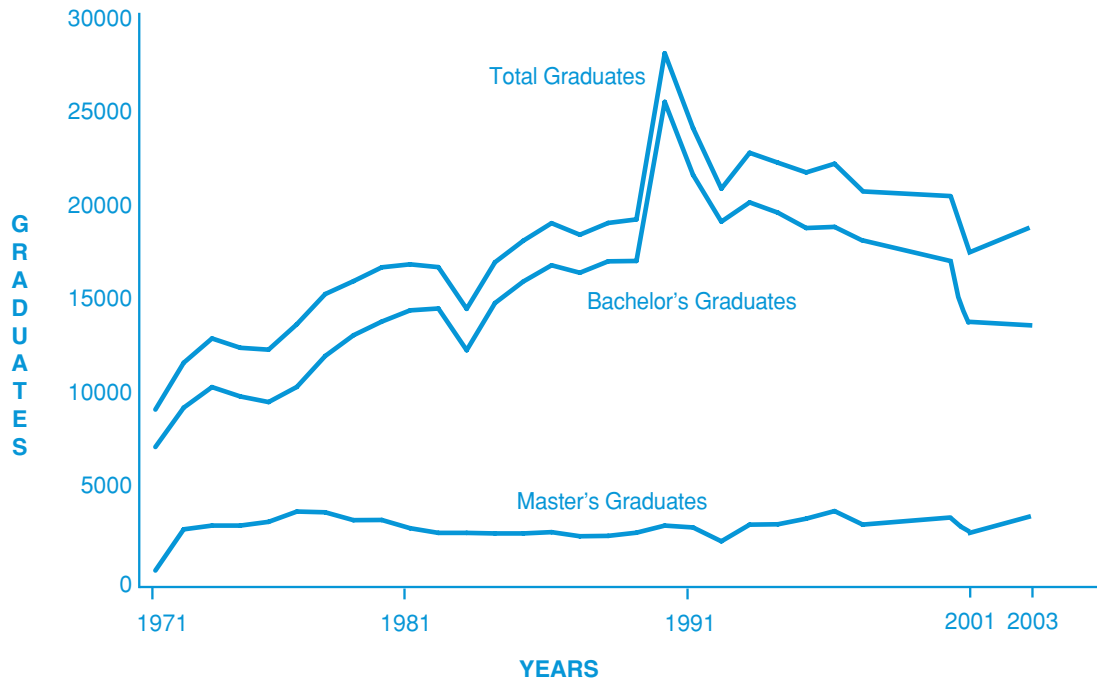
In 2003, the number of Bachelor's hires increased by 5% and Master's hires increased by 8%.

TABLE 29
New Accounting Graduates Hired by CPA Firms

| | <i>Bachelor's</i> | <i>Master's</i> | <i>Total Demand</i> |
|------|-------------------|-----------------|---------------------|
| 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 |

FIGURE 10

New Accounting Graduates Hired by CPA Firms



Firms represented in all groups, except those employing 10 to 49 members, increased their hiring of Master's degree graduates. Firms employing more than 50 members hired relatively more Bachelor's graduates than those employing less than 50 members.

TABLE 30
New Accounting Graduates Hired by CPA Firms
by Firm Size

| <i>Number of AICPA Members Per CPA Firm</i> | <i>Bachelor's</i> | <i>Master's</i> | <i>Total</i> |
|---|-------------------|-----------------|--------------|
| More than 200 members | | | |
| 1999 | 5,860 | 1,700 | 7,560 |
| 2000 | 5,839 | 2,018 | 7,857 |
| 2001 | 4,125 | 1,605 | 5,730 |
| 2002 | 4,180 | 1,655 | 5,835 |
| 2003 | 4,855 | 1,730 | 6,585 |
| 50–200 members | | | |
| 1999 | 880 | 160 | 1,040 |
| 2000 | 565 | 128 | 693 |
| 2001 | 790 | 110 | 900 |
| 2002 | 580 | 140 | 720 |
| 2003 | 930 | 210 | 1,140 |
| 10–49 members | | | |
| 1999 | 3,160 | 360 | 3,520 |
| 2000 | 3,983 | 666 | 4,649 |
| 2001 | 3,015 | 680 | 3,695 |
| 2002 | 2,510 | 630 | 3,140 |
| 2003 | 2,320 | 630 | 2,950 |
| Fewer than 10 members | | | |
| 1999 | 7,060 | 1,030 | 8,090 |
| 2000 | 6,878 | 874 | 7,752 |
| 2001 | 5,405 | 640 | 6,045 |
| 2002 | 5,360 | 870 | 6,230 |
| 2003 | 5,165 | 985 | 6,150 |
| All CPA firms | | | |
| 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 | 15,925 |
| 2003 | 13,270 | 3,555 | 16,825 |

Twenty-one percent of graduates hired in 2003 earned their Master's degrees in Accounting. The percentage of graduates hired with Master's degrees has risen over the years.

TABLE 31
New Accounting Graduates With Master's Degrees
Hired by CPA Firms as a Percentage of
All New Accounting Graduates Hired
by Firm Size

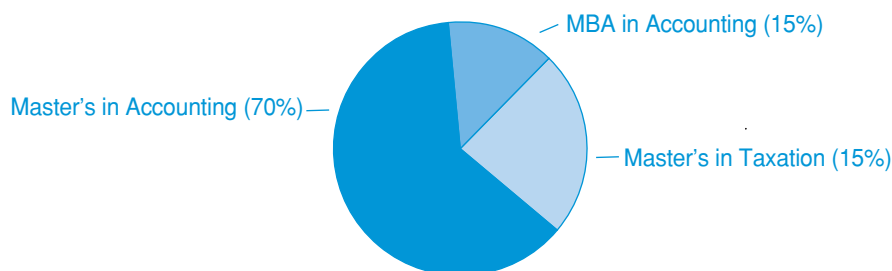
| | <i>Number of AICPA Members Per CPA Firm</i> | | | | <i>All CPA Firms (%)</i> |
|------|---|---------------------------|--------------------------|----------------------------------|--------------------------|
| | <i>More Than 200 Members (%)</i> | <i>50–200 Members (%)</i> | <i>10–49 Members (%)</i> | <i>Fewer Than 10 Members (%)</i> | |
| 1999 | 22 | 15 | 10 | 13 | 16 |
| 2000 | 26 | 18 | 14 | 11 | 18 |
| 2001 | 28 | 12 | 18 | 11 | 19 |
| 2002 | 28 | 19 | 20 | 14 | 21 |
| 2003 | 26 | 18 | 21 | 16 | 21 |

More than two-thirds of Master's graduates hired by public accounting firms hold Master's in Accounting degrees. The percentage of Master's in Taxation hired by the firms has leveled off at about 15%.

TABLE 32
Percentage of New Accounting Graduates
With Master's Degrees Hired by CPA Firms
by Type of Program

| | <i>Master's in Accounting (%)</i> | <i>MBA in Accounting (%)</i> | <i>Master's in Taxation (%)</i> |
|------|-----------------------------------|------------------------------|---------------------------------|
| 1999 | 63 | 21 | 16 |
| 2000 | 69 | 20 | 11 |
| 2001 | 72 | 18 | 10 |
| 2002 | 62 | 14 | 24 |
| 2003 | 70 | 15 | 15 |

FIGURE 11
Percentage of New Accounting Graduates
With Master's Degrees Hired by CPA Firms
by Type of Program — 2003

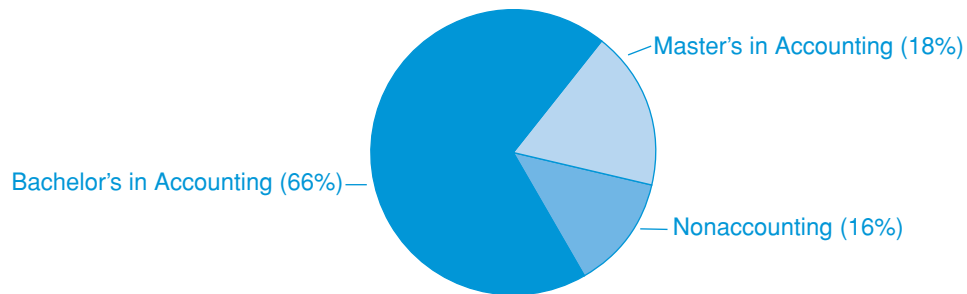


Two-thirds of all new graduates hired in 2003 held Bachelor's degrees in Accounting while less than two in ten held non-accounting degrees. Another 18% earned Master's degrees in Accounting.

TABLE 33
**Percentage of Total New Graduates
Hired by CPA Firms
by Type of Degree**

| | <i>Total Accounting</i> | | <i>Total Non-accounting (%)</i> |
|------|-------------------------|---------------------|-------------------------------------|
| | <i>Bachelor's (%)</i> | <i>Master's (%)</i> | |
| 1999 | 57 | 11 | 32 |
| 2000 | 66 | 14 | 20 |
| 2001 | 69 | 16 | 15 |
| 2002 | 69 | 18 | 13 |
| 2003 | 66 | 18 | 16 |

FIGURE 12
**Percentage of Total New Graduates
Hired by CPA Firms
by Type of Degree — 2003**



Area of Assignment

As in the previous year, almost three quarters of the graduates (72%) accepted accounting/auditing positions and about one-fifth took assignments in taxation.

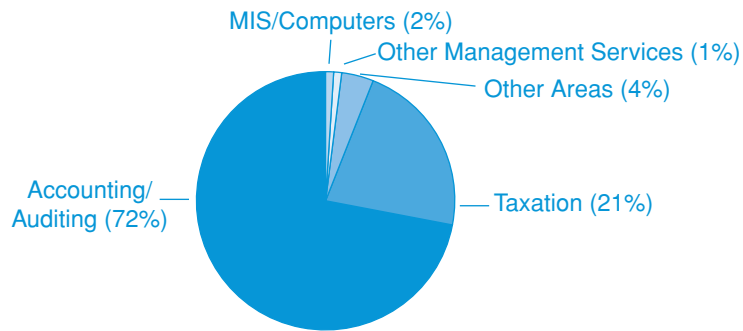
TABLE 34
Percentage of New Graduates Hired by CPA Firms
by Area of Assignment

| Number of AICPA Members Per CPA Firm | Accounting/ Auditing (%) | Management Consulting Services | | | Taxation (%) | Other (%) |
|--|--------------------------------|--------------------------------|--|---------------------|-----------------|--------------|
| | | MIS/ Computers (%) | Other Management Services (%) | Total MCS (%) | | |
| More than 200 members | | | | | | |
| 1999 | 49 | 18 | 5 | 23 | 19 | 8 |
| 2000 | 64 | 3 | 6 | 9 | 23 | 4 |
| 2001 | 70 | 3 | * | 3 | 21 | 6 |
| 2002 | 75 | 3 | * | 3 | 18 | 4 |
| 2003 | 77 | 4 | * | 4 | 16 | 3 |
| 50–200 members | | | | | | |
| 1999 | 62 | 4 | 2 | 6 | 21 | 10 |
| 2000 | 75 | 2 | 2 | 4 | 19 | 2 |
| 2001 | 71 | 2 | 2 | 4 | 22 | 3 |
| 2002 | 73 | 2 | 1 | 3 | 21 | 3 |
| 2003 | 69 | 1 | 1 | 2 | 20 | 9 |
| 10–49 members | | | | | | |
| 1999 | 71 | 3 | 1 | 4 | 21 | 4 |
| 2000 | 66 | 2 | 3 | 5 | 22 | 7 |
| 2001 | 69 | 1 | 3 | 4 | 25 | 2 |
| 2002 | 69 | 1 | 1 | 2 | 25 | 4 |
| 2003 | 76 | 1 | 1 | 2 | 20 | 2 |
| Fewer than 10 members | | | | | | |
| 1999 | 60 | 1 | 3 | 4 | 31 | 5 |
| 2000 | 64 | 1 | 1 | 2 | 31 | 3 |
| 2001 | 67 | 1 | 3 | 4 | 26 | 3 |
| 2002 | 71 | 1 | 1 | 1 | 23 | 5 |
| 2003 | 65 | 1 | 1 | 2 | 27 | 6 |
| All CPA firms | | | | | | |
| 1999 | 56 | 11 | 4 | 15 | 23 | 7 |
| 2000 | 65 | 2 | 3 | 5 | 25 | 5 |
| 2001 | 69 | 2 | 1 | 3 | 24 | 4 |
| 2002 | 72 | 1 | 1 | 2 | 22 | 4 |
| 2003 | 72 | 2 | 1 | 3 | 21 | 4 |

* Less than 0.5%.

FIGURE 13

Percentage of New Graduates Hired by CPA Firms
by Area of Assignment — 2003



Gender Data for New Graduates Hired

After a continuous upward trend from 1999, there was a 7% decrease of new female graduates hired by public accounting firms in 2003. However, females still comprised the majority of new graduates hired.

TABLE 35

Percentage of New Graduates Hired by CPA Firms
by Gender

| | Male (%) | Female (%) |
|------|----------|------------|
| 1999 | 46 | 54 |
| 2000 | 44 | 56 |
| 2001 | 44 | 56 |
| 2002 | 39 | 61 |
| 2003 | 46 | 54 |

Ethnic/Racial Data for New Graduates Hired

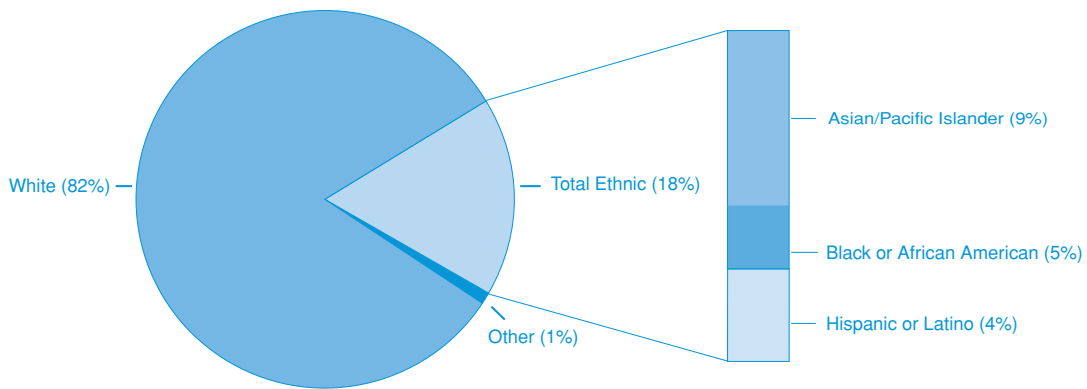
Approximately eight in ten new graduates hired by CPA firms in 2003 were Whites. The percentage of Asian/Pacific Islanders (9%), Blacks or African Americans (5%) increased while the percentage of Hispanics or Latinos (4%) decreased.

TABLE 36
Percentage of New Graduates Hired by CPA Firms
by Ethnic/Racial Background

| | <i>Asian/ Pacific Islander</i> (%) | <i>Black or African American</i> (%) | <i>Hispanic or Latino</i> (%) | <i>American Indian/ Alaska Native</i> (%) | <i>Total Ethnic/ Racial</i> (%) | <i>White</i> (%) | <i>Other</i> (%) |
|------|---|---|--------------------------------------|--|--|---------------------|---------------------|
| 1999 | 12 | 4 | 4 | * | 20 | 79 | 1 |
| 2000 | 10 | 3 | 7 | * | 20 | 79 | 1 |
| 2001 | 8 | 3 | 6 | * | 17 | 82 | 1 |
| 2002 | 8 | 3 | 6 | * | 17 | 82 | 1 |
| 2003 | 9 | 5 | 4 | * | 18 | 81 | 1 |

* Less than 0.5%.

FIGURE 14
Percentage of New Graduates Hired by CPA Firms
by Ethnic/Racial Background — 2003



Hiring Demand Forecast

Firms were asked to predict future hiring trends vs. their actual hiring figures in 2003. We asked firms to estimate the percentage change from 2003 hiring out to three different years: (1) 2004, (2) 2006, (3) 2008.

The table below shows estimated percentage changes in future hiring of new accounting graduates, new non-accounting graduates and total number of CPAs employed. Results are segregated by firm size.

| TABLE 36A | | | | | | | | |
|--|--|---|--------------------------------------|---|---------------------------------------|---|---------------------------------------|---|
| Average Percentage Change in Hiring vs. YR2003 Hiring | | | | | | | | |
| | <i>Fewer than 10 AICPA members</i> | <i>Number of firms responding</i> | <i>10 – 49 AICPA members</i> | <i>Number of firms responding</i> | <i>50 – 200 AICPA members</i> | <i>Number of firms responding</i> | <i>Over 200 AICPA members</i> | <i>Number of firms responding</i> |
| New Accounting Graduates | | | | | | | | |
| 2004 vs. 2003 | +4.6 | 1,045 | +5.4 | 497 | +9.2 | 39 | +10.2 | 11 |
| 2006 vs. 2003 | +9.2 | 1,034 | +15.2 | 483 | +12.4 | 39 | +20.2 | 10 |
| 2008 vs. 2003 | +8.2 | 1,025 | +19.3 | 473 | +17.0 | 39 | +11.7 | 10 |
| New Non-Accounting Graduates | | | | | | | | |
| 2004 vs. 2003 | +2.7 | 1,041 | +1.3 | 495 | +5.3 | 39 | +2.7 | 11 |
| 2006 vs. 2003 | +6.9 | 1,030 | +1.8 | 481 | +0.2 | 39 | +5.4 | 10 |
| 2008 vs. 2003 | +6.2 | 1,021 | +4.1 | 472 | +0.2 | 39 | +5.0 | 10 |
| Total CPAs | | | | | | | | |
| 2004 vs. 2003 | +3.4 | 1,037 | +5.6 | 496 | +5.2 | 39 | +5.9 | 11 |
| 2006 vs. 2003 | +9.6 | 1,034 | +9.3 | 483 | +9.3 | 39 | +8.0 | 10 |
| 2008 vs. 2003 | +7.3 | 1,024 | +10.4 | 474 | +11.4 | 39 | +10.2 | 10 |

Professional Staff Employed

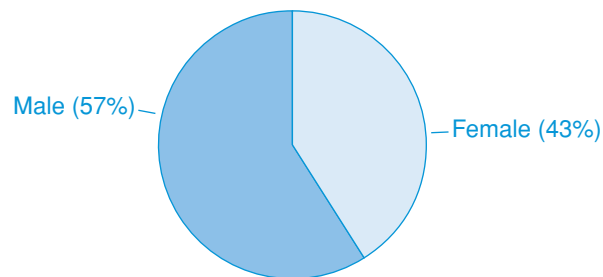
Professional staff are defined as CPAs, prospective CPAs, and others with a similar amount of academic training in a field that is part of the practice of public accounting.

Looking at the 2003 gender breakdown among all professional staff members (both CPAs and prospective CPAs), 57% were males and 43% were females. There is no clear trend relating firm size to gender ratio.

TABLE 37
**Percentage of Professional Staff Employed by CPA Firms
 by Gender — 2003**

| | <i>Number of AICPA Members Per CPA Firm</i> | | | | <i>All CPA Firms (%)</i> |
|--------|---|-----------------------------------|----------------------------------|--|----------------------------------|
| | <i>More Than 200 Members (%)</i> | <i>50–200 Members (%)</i> | <i>10–49 Members (%)</i> | <i>Fewer Than 10 Members (%)</i> | |
| Male | 59 | 52 | 56 | 57 | 57 |
| Female | 41 | 48 | 44 | 43 | 43 |

FIGURE 15
**Percentage of Professional Staff Employed by CPA Firms
 by Gender — 2003**



Again looking at total professional staff, but this time focusing on the ethnic/racial distribution, 90% of all staff members were White, 4% were Asian/Pacific Islander, 3% were Hispanic or Latino and 2% were Black or African American. Firms employing 200 or more members exhibited the most racial/ethnic diversity.

TABLE 38
Percentage of Professional Staff Employed by CPA Firms
by Ethnic/Racial Background — 2003

| | <i>Number of AICPA Members Per CPA Firm</i> | | | | |
|--------------------------------|---|---------------------------|--------------------------|----------------------------------|--------------------------|
| | <i>More Than 200 Members (%)</i> | <i>50–200 Members (%)</i> | <i>10–49 Members (%)</i> | <i>Fewer Than 10 Members (%)</i> | <i>All CPA Firms (%)</i> |
| Asian/Pacific Islander | 9 | 3 | 4 | 3 | 4 |
| Black or African American | 3 | 2 | 2 | 2 | 2 |
| Hispanic or Latino | 3 | 1 | 2 | 3 | 3 |
| American Indian/ Alaska Native | * | * | * | * | * |
| Total Ethnic/Racial | 15 | 6 | 8 | 8 | 9 |
| White | 85 | 93 | 92 | 91 | 90 |
| Other | * | 1 | * | 1 | 1 |

* Less than 0.5%.

FIGURE 16
Percentage of Professional Staff Employed by CPA Firms
by Ethnic/Racial Background — 2003

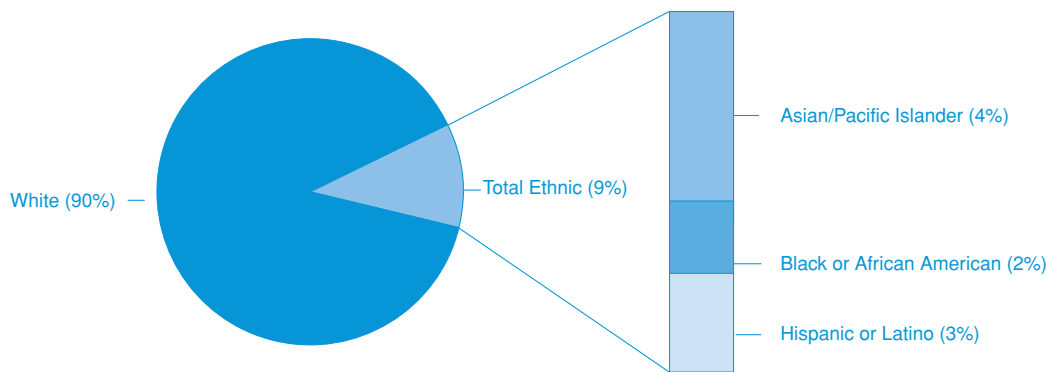


Table 39 illustrates 2003 staff turnover statistics for different size firms. Across all firms surveyed, the annual turnover rate held steady at 10%. Turnover rates and firm size are positively correlated.

TABLE 39
Professional Staff Turnover
by CPA Firm Size

| <i>Number of AICPA Members Per CPA Firm</i> | <i>Annual Professional Staff Turnover (Resignation or Termination) as a Percentage of Total Professional Staff (%)</i> |
|---|--|
| More than 200 members | |
| 1999 | 22 |
| 2000 | 28 |
| 2001 | 25 |
| 2002 | 17 |
| 2003 | 21 |
| 50–200 members | |
| 1999 | 14 |
| 2000 | 19 |
| 2001 | 12 |
| 2002 | 15 |
| 2003 | 15 |
| 10–49 members | |
| 1999 | 13 |
| 2000 | 13 |
| 2001 | 11 |
| 2002 | 11 |
| 2003 | 12 |
| Fewer than 10 members | |
| 1999 | 9 |
| 2000 | 7 |
| 2001 | 7 |
| 2002 | 7 |
| 2003 | 7 |
| All CPA firms | |
| 1999 | 14 |
| 2000 | 16 |
| 2001 | 12 |
| 2002 | 10 |
| 2003 | 10 |

While the ratio of male to female professional staff in 2003 was 57:43, the ratio of males to females who were terminated or resigned was 45:55, reflecting a higher turnover rate for females. Turnover of females occurred more so in the smaller firms.

TABLE 40
Percentage of Professional Staff Terminated by or Resigned
From CPA Firms by Gender — 2003

| | <i>Number of AICPA Members Per CPA Firm</i> | | | | |
|--------|---|-----------------------------------|----------------------------------|--|----------------------------------|
| | <i>More Than 200 Members (%)</i> | <i>50–200 Members (%)</i> | <i>10–49 Members (%)</i> | <i>Fewer Than 10 Members (%)</i> | <i>All CPA Firms (%)</i> |
| Male | 54 | 48 | 48 | 38 | 45 |
| Female | 46 | 52 | 52 | 62 | 55 |

84% of professional staff members who were terminated or resigned in 2003 were White. Since the percentage of Whites on staff in 2003 was 90%, a disproportionately higher rate of turnover occurred among non-Whites.

TABLE 41
Percentage of Professional Staff Terminated by or Resigned From CPA Firms
by Ethnic/Racial Background — 2003

| | <i>Number of AICPA Members Per CPA Firm</i> | | | | |
|-----------------------------------|---|-----------------------------------|----------------------------------|--|----------------------------------|
| | <i>More Than 200 Members (%)</i> | <i>50–200 Members (%)</i> | <i>10–49 Members (%)</i> | <i>Fewer Than 10 Members (%)</i> | <i>All CPA Firms (%)</i> |
| Asian/Pacific Islander | 9 | 7 | 6 | 8 | 8 |
| Black or African American | 4 | 3 | 4 | 5 | 4 |
| Hispanic or Latino | 3 | 3 | 2 | 3 | 3 |
| American Indian/ Alaska Native | * | * | * | * | • |
| Total Ethnic/ Racial | 16 | 13 | 12 | 16 | 15 |
| White | 83 | 86 | 87 | 83 | 84 |
| Other | 1 | 1 | 1 | 1 | 1 |

* Less than 0.5%.

Turning to CPAs only (as opposed to both CPAs and non-CPAs), almost two-thirds of all CPAs employed by public accounting firms in 2003 were males (64%). Although not shown, the percentages for males and females held steady from the previous year.

TABLE 42
Percentage of CPAs Employed by CPA Firms by Gender — 2003

| | <i>Number of AICPA Members Per CPA Firm</i> | | | | |
|--------|---|-----------------------------------|----------------------------------|--|----------------------------------|
| | <i>More Than 200 Members (%)</i> | <i>50–200 Members (%)</i> | <i>10–49 Members (%)</i> | <i>Fewer Than 10 Members (%)</i> | <i>All CPA Firms (%)</i> |
| Male | 58 | 63 | 62 | 66 | 64 |
| Female | 42 | 37 | 38 | 34 | 36 |

TABLE 43A
Percentage of CPAs Employed by CPA Firms
by Ethnic/Racial Background and Firm Size — 2003

| | <i>Number of AICPA Members Per CPA Firm</i> | | | | <i>All CPA Firms (%)</i> |
|-------------------------------|---|-----------------------------------|----------------------------------|--|----------------------------------|
| | <i>More Than 200 Members (%)</i> | <i>50–200 Members (%)</i> | <i>10–49 Members (%)</i> | <i>Fewer Than 10 Members (%)</i> | |
| Asian/Pacific Islander | 6 | 3 | 3 | 3 | 3 |
| Black or African American | 2 | 1 | 1 | 1 | 1 |
| Hispanic or Latino | 2 | 1 | 2 | 2 | 2 |
| American Indian/Alaska Native | * | * | * | * | * |
| Total Ethnic/Racial | 10 | 5 | 6 | 6 | 6 |
| White | 90 | 95 | 94 | 93 | 93 |
| Other | * | * | * | 1 | 1 |

* Less than 0.5%.

TABLE 43B
Percentage of CPAs Employed by CPA Firms
by Ethnic/Racial Background and Firm Type — 2003

| | <i>Minority CPA Firms (%)</i> | <i>Majority CPA Firms (%)</i> | <i>All CPA Firms (%)</i> |
|-------------------------------|-----------------------------------|-----------------------------------|------------------------------|
| Asian/Pacific Islander | 23 | 3 | 3 |
| Black or African American | 18 | * | 1 |
| Hispanic or Latino | 36 | 1 | 2 |
| American Indian/Alaska Native | 2 | * | * |
| White | 17 | 96 | 93 |
| Other | 4 | * | 1 |

* Less than 0.5%.

Table 44 shows the gender distribution among partners/owners in various size firms. Across all firms, 79% of partners/owners in 2003 were males, 21% were females. Firms employing fewer than ten members had the highest percentage of female partner/owners: 24%.

TABLE 44
Percentage of Partners/Owners in CPA Firms by Gender — 2003

| | <i>Number of AICPA Members Per CPA Firm</i> | | | | <i>All CPA Firms (%)</i> |
|--------|---|-----------------------------------|----------------------------------|--|----------------------------------|
| | <i>More Than 200 Members (%)</i> | <i>50–200 Members (%)</i> | <i>10–49 Members (%)</i> | <i>Fewer Than 10 Members (%)</i> | |
| Male | 88 | 89 | 87 | 76 | 79 |
| Female | 12 | 11 | 13 | 24 | 21 |

Table 45A shows the ethnic/racial background of partners/owners in various size firms. Across all size firms, Whites comprised at least 96% of the partners/owners in 2003.

TABLE 45A
Percentage of Partners/Owners in CPA Firms
by Ethnic/Racial Background and Firm Size — 2003

| | <i>Number of AICPA Members Per CPA Firm</i> | | | | <i>All CPA Firms (%)</i> |
|-----------------------------------|---|-----------------------------------|----------------------------------|--|----------------------------------|
| | <i>More Than 200 Members (%)</i> | <i>50–200 Members (%)</i> | <i>10–49 Members (%)</i> | <i>Fewer Than 10 Members (%)</i> | |
| Asian/Pacific Islander | 2 | * | 1 | 2 | 1 |
| Black or African American | 1 | * | 1 | 1 | 1 |
| Hispanic or Latino | 1 | 1 | 1 | 2 | 2 |
| American Indian/ Alaska Native | * | * | * | * | * |
| Total Ethnic/ Racial | 4 | 1 | 3 | 5 | 4 |
| White | 96 | 99 | 97 | 95 | 96 |
| Other | * | * | * | * | * |

* Less than 0.5%.

Of the minority firms surveyed, partners/owners were 36% Hispanic or Latino, 24% Black or African American, and 22% Asian/Pacific Islanders.

TABLE 45B
Percentage of Partners/Owners in CPA Firms
by Ethnic/Racial Background and Firm Type — 2003

| | <i>Minority CPA Firms (%)</i> | <i>Majority CPA Firms (%)</i> | <i>All CPA Firms (%)</i> |
|-------------------------------|-----------------------------------|-----------------------------------|------------------------------|
| Asian/Pacific Islander | 22 | 1 | 1 |
| Black or African American | 24 | * | 1 |
| Hispanic or Latino | 36 | * | 2 |
| American Indian/Alaska Native | 3 | * | * |
| White | 7 | 99 | 96 |
| Other | 8 | * | * |

* Less than 0.5%.

Experienced Recruits Hired*

The survey also asked firms if in 2003 they hired more or fewer experienced recruits (as opposed to new graduates) than they did in 2002. Table 46 shows results for different size firms. 86% of the firms surveyed said they hired about the same number of experienced recruits in 2003 as in 2002. Firms with more than 200 AICPA members reported a higher percentage of experienced recruits.

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

TABLE 46
Experienced Recruits Hired in 2003
Relative to 2002
by CPA Firm Size

| Number of AICPA Members Per CPA Firm | Percent of CPA Firms Indicating That the Number of Experienced Recruits Hired in 2003 Relative to 2002 Was: | | |
|--|--|----------|-----------|
| | Higher (%) | Same (%) | Lower (%) |
| More than 200 members | 67 | 33 | 0 |
| 50–200 members | 47 | 42 | 11 |
| 10–49 members | 26 | 59 | 15 |
| Fewer than 10 members | 9 | 87 | 4 |
| All CPA firms | 10 | 86 | 4 |

Paraprofessional Staff Hired*

Turning to whether firms hired more or fewer paraprofessional staff in 2003 vs. 2002, the results approximate the findings for experienced professionals (shown above): 83% of firms hired about the same number in 2003 as in 2002.

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

TABLE 47
Paraprofessional Staff Hired in 2003
Relative to 2002
by CPA Firm Size

| Number of AICPA Members Per CPA Firm | Percent Indicating They Hire Paraprofessional Staff (%) | Percent of Firms Indicating That the Number of Paraprofessional Staff Hired in 2003 Relative to 2002 Was: | | |
|--|---|---|----------|-----------|
| | | Higher (%) | Same (%) | Lower (%) |
| More than 200 members | 100 | 37 | 63 | 0 |
| 50–200 members | 90 | 23 | 63 | 14 |
| 10–49 members | 80 | 13 | 80 | 7 |
| Fewer than 10 members | 61 | 12 | 84 | 4 |
| All CPA firms | 62 | 12 | 83 | 5 |

Colleges and University Accounting Programs

For this survey the population of colleges and universities granting accounting degrees was defined as all schools with accreditation in accounting plus all schools accredited in business by the AACSB — International, or by the Association of Collegiate Business Schools and Programs, plus other accounting degree granting programs that appear in *Accounting Faculty Directory—2004* (Hasselback, Prentice Hall).

In early 2004, 841 schools offering bachelor's, master's, and/or Ph.D. degrees in accounting were asked for data about the school, its graduates, and faculty. Information was gathered regarding the number of each type of degree awarded, and the gender, racial/ethnic, and employment placement of individuals receiving those degrees. A copy of the questionnaire can be seen in Appendix D.

To estimate the accounting graduates from nonresponding schools, regression equations were developed that related the number of graduates with bachelor's, master's, and/or Ph.D. degrees to the number of accounting faculty for the schools that responded to the survey. The number of accounting faculty in the schools surveyed was obtained from the *Accounting Faculty Directory—2004*.

CPA Firms

In early 2004, the AICPA conducted a survey of about 5,600 CPA firms and sole practitioners affiliated with the Institute. Questionnaires were sent to all CPA firms affiliated with the AICPA that had more than 10 AICPA members and about 10% of the 42,682 CPA firms that have fewer than 10 AICPA members. Questionnaires asked firms to categorize newly hired recent college graduates by gender, ethnic/racial background, and area of assignment (i.e., accounting/auditing, taxation, management consulting services, and other specialty areas). The firms also were asked to identify themselves as majority-owned or minority-owned, and to give information on their recruiting efforts, professional and paraprofessional staff, and new hires that had experience. A total of 1,612 CPA firms responded for an overall response rate of 29%.

A weighted methodology was used to generate estimates for the firms that did not respond to the questionnaire. Regression analysis was used to estimate the demand by nonresponding firms for accounting graduates. For each of four firm-size categories (more than 200 AICPA members, 50–200 members, 10–49 members, and fewer than 10 members) regression equations were estimated that relate the number of new accounting bachelor's and master's graduates hired to the number of AICPA members for firms that responded to the survey.

Limitations of the Survey Results

A confidence interval or statement of accuracy of the results in the form of “plus or minus x percentage points” is not possible to compute. The methodology used for both surveys is not true statistical sampling because the populations surveyed are university accounting programs and CPA firms, not the individuals receiving the degrees or getting the new jobs and being characterized in the tables.

Survey Questionnaires



Academic and Career Development

April 2004

TO ADMINISTRATORS OF ACCOUNTING PROGRAMS:

The AICPA needs your assistance as we gather data for a survey of accounting programs. The information you supply will be used for the publication, *The Supply of Accounting Graduates and the Demand for Public Accounting Recruits*. Your prompt response is essential for us to continue to provide current and relevant information about accounting education.

The questionnaire consists of two brief sections:

- School data — information about your program is preprinted and simply needs to be updated.
- Student data — number of accounting majors and degrees awarded during the 2002-2003 academic year with ethnic and gender breakdown. Please include graduate data where it is requested.

Please return the questionnaire in the enclosed envelope at your earliest convenience. If it is necessary to distribute sections to staff members, please make sure that all of the sections are returned to the AICPA. If you have any questions, please contact Leticia Romeo at (212) 596-6221.

Thank you for your assistance with the survey.

Sincerely,

A handwritten signature in cursive script that reads "Bea Sanders".

Beatrice Sanders
Director
Academic and Career Development

Enclosures

SECTION I: STUDENT DATA

Please review the following information about your school and accounting program(s). Make any corrections or additions directly on this sheet

College/University Name **3537**

Address:

Main Telephone:

Type:

Total Enrollment:

Regional Accreditation:

Business Accreditation:

Level of Accreditation:

Accounting Accreditation:

Level of Accreditation:

UNDERGRAD DIVISION NAME:

Dean:

Accounting Program Head:

Telephone:

FAX Number:

GRADUATE DIVISION NAME:

Dean:

Accounting Program Head:

Telephone:

FAX Number:

Undergraduate Accounting Degrees Offered:

Graduate Accounting Degrees Offered:

Doctoral Accounting Degrees Offered:

How can a student fulfill the 150-hour requirement in your program?

SECTION II: STUDENT DATA

Please review the following questions as completely and accurately as possible. If your school does not have a bachelor's in accounting program, please skip to Part II, Master's Programs.

I. BACHELOR'S PROGRAMS

1. ACCOUNTING MAJORS ENROLLED IN BACHELOR'S PROGRAM FOR THE 2003 FALL TERM:

A. Please indicate the total number of undergraduates enrolled as accounting majors during the 2003 fall term.

B. Please give the breakdown by male and female students (in the boxes in the left column) and by ethnic/racial groups (in the boxes along the bottom row). The box in the lower-left corner should match the total provided in Q.1A. Provide as much detail as possible by specifying the number of male and female undergraduates within each ethnic/racial group.

C. Next, please provide as much detail as possible by specifying the number of male and female undergraduates within each ethnic/racial group (in the blank lines provided below).

| | | | | | | | | | |
|---------------|----------------------|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Male | <input type="text"/> | = | <input type="text"/> | _____ | _____ | _____ | _____ | _____ | _____ |
| Female | <input type="text"/> | = | <input type="text"/> | _____ | _____ | _____ | _____ | _____ | _____ |
| Total | <input type="text"/> | = | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

White **Black or African American** **Hispanic or Latino** **Asian/Pacific Islander** **Native American/Alaska Native** **Other**

2. ACCOUNTING GRADUATES WITH BACHELOR'S DEGREES AWARDED BETWEEN 9/02 AND 8/03:

A. Please indicate the total number of students who graduated with accounting-related bachelor's degrees between 9/02 and 8/03.

B. Please give the breakdown by male and female graduates (in the boxes in the left column) and by ethnic/racial groups (in the boxes along the bottom row). The box in the lower-left corner should match the total provided in Q.2A. Provide as much detail as possible by specifying the number of male and female graduates within each ethnic/racial group (in the blank lines provided below).

| | | | | | | | | | |
|---------------|----------------------|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Male | <input type="text"/> | = | <input type="text"/> | _____ | _____ | _____ | _____ | _____ | _____ |
| Female | <input type="text"/> | = | <input type="text"/> | _____ | _____ | _____ | _____ | _____ | _____ |
| Total | <input type="text"/> | = | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

White **Black or African American** **Hispanic or Latino** **Asian/Pacific Islander** **Native American/Alaska Native** **Other**

3. **PLACEMENT OF GRADUATES WITH BACHELOR'S DEGREES AWARDED BETWEEN 9/02 AND 8/03:**

- A. Please indicate in COLUMN A the placement of graduates who earned bachelor's degrees in accounting between 9/02 and 8/03.
- B. Please indicate in COLUMN B the breakdown by male and female graduates for each placement area. Indicate in COLUMN C the breakdown by ethnic/racial groups for each placement area.

| Placement Areas | COLUMN A | | COLUMN B | | COLUMN C | | | | | | | |
|---------------------------|-----------------|--|---|--------|-----------------------------------|--------------------|------------------------|-------------------------------|-------|-------|--|--|
| | Total Placement | Total # of graduates who went into each placement area | Placement by Gender # of graduates who went into each placement area | | Placement by Ethnic/Racial Groups | | | | | | | |
| | | | Male | Female | Black or African American | Hispanic or Latino | Asian/Pacific Islander | American Indian/Alaska Native | White | Other | | |
| a. Public Accounting | = | | | | = | | | | | | | |
| b. Business/Industry | = | | | | = | | | | | | | |
| c. Government | = | | | | = | | | | | | | |
| d. Nonprofit Organization | = | | | | = | | | | | | | |
| e. Graduate School | = | | | | = | | | | | | | |
| f. Other Areas | = | | | | = | | | | | | | |
| g. Unknown | = | | | | = | | | | | | | |

C. For the past academic year, are you aware of any gender-related or ethnic/race-related trends in the placement of graduates with bachelor's degrees in accounting? Please be as specific as possible in your comments.

Please answer the following questions as completely and accurately as possible. If your school does not have a master's in accounting or taxation program, or an MBA in accounting program, please skip to Part III. Ph.D. Programs.

II. MASTER'S PROGRAMS

1. MASTER'S-LEVEL ACCOUNTING/TAXATION STUDENTS **ENROLLED** FOR THE 2003 FALL TERM:

Please indicate the number of accounting and taxation students enrolled in each Master's program during the 2003 fall term.

| <u>Master's Programs</u> | <u>Number of Students Enrolled During the 2003 Fall Term</u> |
|--|--|
| A. Master's in accounting — including MA, MS, MAcc, MPA and MAS programs | _____ |
| B. Master's in taxation — including MBAs with a concentration in tax | _____ |
| C. MBAs with a concentration in accounting | _____ |
| D. Total number (A + B + C) | _____ |

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2. GENDER AND ETHNIC/RACE BREAKDOWN FOR ACCOUNTING/TAXATION STUDENTS IN ALL MASTER'S PROGRAMS FOR THE 2003 FALL TERM:

Of the total number of master's-level accounting/taxation students entered in Q.1D above, please give the breakdown by male and female students (in the boxes in the left column) and by ethnic/racial groups (in the boxes along the bottom row). The box in the lower-left corner should match the total provided in Q.1D. Next, please provide as much detail as possible by specifying the number of male and female students within each ethnic/racial group (in the blank lines provided below).

| | | | | | | | | |
|---------------|---|-------|-------|-------|-------|-------|-------|-------|
| Male | = | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Female | = | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Total | = | _____ | _____ | _____ | _____ | _____ | _____ | _____ |

3. ACCOUNTING/TAXATION **GRADUATES** WITH MASTER'S DEGREES AWARDED BETWEEN 9/02 AND 8/03:

Please indicate the number of graduates with master's degrees for each of the accounting/taxation programs awarded between 9/02 and 8/03:

Master's Programs Number of Master's Degrees
Awarded Between 9/02 and 8/03

- A. Master's in accounting — including MA, MS, MAcc, MPA and MAS programs _____
- B. Master's in taxation — including MBAs with a concentration in tax _____
- C. MBAs with a concentration in accounting _____
- D. Total number (A + B + C)

4. GENDER AND ETHNIC/RACE BREAKDOWN FOR ACCOUNTING/TAXATION GRADUATES WITH MASTER'S DEGREES AWARDED BETWEEN 9/02 AND 8/03:

Of the total number of graduates with master's degrees entered in Q.3D above, please give the breakdown by male and female graduates (in the boxes in the left column) and by ethnic/racial groups (in the boxes along the bottom row). The box in the lower-left corner should match the total provided in Q.3D. Next, please provide as much detail as possible by specifying the number of male and female graduates within each ethnic/racial group (in the blank lines provided below).

| | | | | | | | |
|---------------|--|---|--|---|--|---|--|
| | | | | | | | |
| Male | | = | | = | | = | |
| Female | | = | | = | | = | |
| Total | | = | | = | | = | |

5. **PLACEMENT OF GRADUATES WITH MASTER'S DEGREES AWARDED BETWEEN 9/02 AND 8/03:**

- A. Please indicate in COLUMN A the placement of graduates who earned master's degrees (in accounting, taxation, or MBAs with a concentration in accounting) between 9/02 and 8/03.
- B. Please indicate in COLUMN B the breakdown by male and female graduates for each placement area. Indicate in COLUMN C the breakdown by ethnic/racial groups for each placement area.

| Placement Areas | COLUMN A | | COLUMN B | | COLUMN C | | | | | |
|---------------------------|-----------------|--|---------------------|--------|-----------------------------------|-------|--|------------------------|-------------------------------|-------|
| | Total Placement | Total # of graduates who went into each placement area | Placement by Gender | | Placement by Ethnic/Racial Groups | | | | | |
| | | | Male | Female | Black or African American | White | # of graduates who went into each placement area | Asian/Pacific Islander | American Indian/Alaska Native | Other |
| a. Public Accounting | = | | | | | | = | | | |
| b. Business/Industry | = | | | | | | = | | | |
| c. Government | = | | | | | | = | | | |
| d. Nonprofit Organization | = | | | | | | = | | | |
| e. Graduate School | = | | | | | | = | | | |
| f. Other Areas | = | | | | | | = | | | |
| g. Unknown | = | | | | | | = | | | |

Please answer the following questions as completely and accurately as possible. If your school does not have a Ph. D. in accounting or taxation program, please skip to Part IV. Enrollment Projections.

III. Ph.D. PROGRAMS

1. DOCTORAL-LEVEL ACCOUNTING/TAXATION STUDENTS ENROLLED FOR THE 2003 FALL TERM:

- A. Please indicate the total number of doctoral-level students enrolled in accounting/taxation programs during the 2003 fall term.
- B. Please give the breakdown by male and female doctoral students (in the boxes in the left column) and by ethnic/racial groups (in the boxes along the bottom row). The box in the lower-left corner should match the total provided in Q.1A. Provide as much detail as possible by specifying the number of male and female doctoral students within each ethnic/racial group (in the blank lines provided below).

| | | | | | | | |
|---------------|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | | | |
| Male | = | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Female | = | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Total | = | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

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2. ACCOUNTING/TAXATION GRADUATES WITH DOCTORAL DEGREES AWARDED BETWEEN 9/02 AND 8/03:

- A. Please indicate the total number of graduates who received accounting/taxation-related doctoral degrees between 9/02 and 8/03.
- B. Please give the breakdown by male and female graduates (in the boxes in the left column) and by ethnic/racial groups (in the boxes along the bottom row). The box in the lower-left corner should match the total provided in Q.2A. Provide as much detail as possible by specifying the number of male and female graduates within each ethnic/racial group (in the blank lines provided below).

| | | | | | | | |
|---------------|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | | | |
| Male | = | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Female | = | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Total | = | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Please answer the following questions as completely and accurately as possible.

IV. ENROLLMENT PROJECTIONS

1. 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 circle one number for each program. If your institution does not currently offer that program, circle "4".)

| | Enrollment 2 years from now will be: | | | |
|--|--------------------------------------|--------------------------------|-------------------------------|------------------------|
| | Higher than current enrollment | The same as current enrollment | Lower than current enrollment | Do not know/No opinion |
| <u>Accounting Programs</u> | | | | |
| A. Bachelor's — majors in accounting | 1 | 2 | 3 | 4 |
| B. Master's in accounting — including students in MA, MS, MAcc, MPA and MAS programs | 1 | 2 | 3 | 4 |
| C. Master's in taxation — including MBA students with a concentration in tax | 1 | 2 | 3 | 4 |
| D. MBA students with a concentration in accounting | 1 | 2 | 3 | 4 |
| E. Ph.D. students in accounting/taxation | 1 | 2 | 3 | 4 |

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Thank you very much for completing this survey. We would like your comments about the survey and/or trends in accounting education. The information you provide is an important resource in planning for the accounting profession.

Comments on this survey:

Submitted By: _____ Name _____ Title _____

(Note: Please return completed survey in the enclosed envelope. If the envelope is misplaced, return completed survey to AICPA, Academic & Career Development Team, Curriculum Data Base Project, 1211 Avenue of the Americas, New York, NY 10036-8775.)

Thank you very much for completing this three-part survey. We would like your comments about the survey and/or trends in accounting education. The information you provide is an important resource in planning for the accounting profession.

Comments on this survey:

(Note: Please return all three sections in the enclosed envelope. If the envelope is misplaced, return all three sections to AICPA, Academic & Career Development, Curriculum Data Base Project, 1211 Avenue of the Americas, New York, NY 10036-8775.)

May 2004

Dear Managing Partner or Human Resources Partner:

The AICPA is conducting its study of accounting program administrators and CPA firms to gauge the supply of accounting graduates and the demand for public accounting recruits. The information gathered with these surveys is very useful to the AICPA in planning for the profession's needs and useful to the practicing profession as a source of information for human resources planning and employment trends. The data gathered will be reported in the publication *The Supply of Accounting Graduates and the Demand for Public Accounting Recruits*, which will be available later this year.

We will greatly appreciate your participation in the study by answering the questionnaire as accurately and completely as possible and returning it to us in the enclosed postage-paid envelope by June 30, 2004. The reliability and usefulness of the results depend heavily upon broad-based participation.

If it is necessary to forward this questionnaire to the appropriate party or office, please do so. As in the past, the data gathered are entirely confidential and will be used only in summary form. To ensure anonymity, we are not asking you to sign your name or your firm's name.

If you have any questions, please contact Leticia Romeo at (212) 596-6221.

Sincerely,



Beatrice Sanders
Director

Enclosures

AICPA SURVEY ON THE EMPLOYMENT OF NEW GRADUATES AND OTHER PERSONNEL WITHIN PUBLIC ACCOUNTING

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. Employment of New Graduates

1. We would like to determine the number of new accounting and nonaccounting graduates who began employment at your firm during **2003**. **New graduates** are defined as those who began employment at **entry-level positions** with no or only nominal previous experience with a CPA firm.

If your firm did not hire new graduates who began employment at entry-level positions in 2003, please skip to Section II (Other Personnel Information) on page 4.

Please indicate below the number of **new graduates** with the following degrees who began employment at your firm on a full-time basis during **2003**. (**Note:** If, for a particular degree, there were **no** graduates who began employment, enter **0**; if the information is **not available**, enter **NA**.) **Do not include** those graduates who were recruited in 2003 to begin employment in 2004.

Note: If a newly employed 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 who began employment on a full-time basis during 2003: |
|---|--|
| A. Bachelor's in Accounting — including other bachelor's degrees with majors in accounting . . | <input style="width: 50px; height: 20px;" type="text"/> |
| B. Master's in Accounting — including MA, MS, MAcc, MPA and MAS degrees | <input style="width: 50px; height: 20px;" type="text"/> |
| C. Master's in Taxation — including MBAs with a concentration in tax | <input style="width: 50px; height: 20px;" type="text"/> |
| D. MBAs with a concentration in accounting | <input style="width: 50px; height: 20px;" type="text"/> |
| E. TOTAL: A+B+C+D= | <input style="width: 100px; height: 20px;" type="text"/> |
| <u>Nonaccounting Degree</u> | |
| F. Bachelor's degree in IS/Computer Science | <input style="width: 50px; height: 20px;" type="text"/> |
| G. Bachelor's degree in Finance | <input style="width: 50px; height: 20px;" type="text"/> |
| H. Bachelor's degree in other (nonaccounting) business majors | <input style="width: 50px; height: 20px;" type="text"/> |
| I. Bachelor's degree in nonbusiness majors | <input style="width: 50px; height: 20px;" type="text"/> |
| J. TOTAL Nonaccounting Degree (Bachelor's): F+G+H+I= | <input style="width: 100px; height: 20px;" type="text"/> |
| K. Master's or higher degrees in IS/Computer Science | <input style="width: 50px; height: 20px;" type="text"/> |
| L. Master's or higher degrees in Finance | <input style="width: 50px; height: 20px;" type="text"/> |
| M. Master's or higher degrees in other (nonaccounting) business majors | <input style="width: 50px; height: 20px;" type="text"/> |
| N. Master's or higher degrees in nonbusiness majors | <input style="width: 50px; height: 20px;" type="text"/> |
| O. J.D. in Law | <input style="width: 50px; height: 20px;" type="text"/> |
| P. TOTAL Nonaccounting Degree (Master's or higher): K+L+M+N+O= | <input style="width: 100px; height: 20px;" type="text"/> |
| Q. GRAND TOTAL: E+J+P= | <input style="width: 100px; height: 20px;" type="text"/> |

2. Please indicate below the **gender breakdown** of new graduates who began employment at your firm on a full-time basis during **2003**.

Gender

Number of new graduates employed on a full-time basis during 2003 who are:

- A. Male
- B. Female
- C. **TOTAL:** **A+B =** **= Line Q in Q.1**

3. Please indicate below the **ethnic/racial breakdown by gender** of new graduates who began employment at your firm on a full-time basis during **2003**. If the gender breakdown is not available, please provide the total numbers by ethnic/racial group.

Ethnic/Racial Group

| | Total number of new graduates employed on a full-time basis during 2003 who are: | Gender | |
|--|--|----------------------|----------------------|
| | | Male | Female |
| A. White | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| B. Black or African American | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| C. Hispanic or Latino | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| D. Asian/Pacific Islander | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| E. American Indian/Alaska Native | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| F. Other* | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| G. TOTAL: | A+B+C+D+E+F = <input type="text"/> = Line Q in Q.1 | | |

*Please indicate generally what groups are included in "Other." _____

4. Please indicate below the number of new graduates who began employment at your firm on a full-time basis during **2003** who have been assigned primarily to the following **areas**.

Area

Number of new graduates employed on a full-time basis during 2003 who have been assigned primarily to:

- A. Accounting
- B. Auditing
- C. Assurance Services
- D. Taxation
- E. IS/Computer
- F. Management Services (other than IS)
- G. Other Areas
- H. **TOTAL:** **A+B+C+D+E+F+G =** **= Line Q in Q.1**

5. Please provide the following recruiting information for those new graduates who began employment at your firm on a full-time basis during 2003.

Recruiting Information

Number of:

A. On Campus Recruiting:

- Candidates interviewed on campus
- Candidates interviewed on campus who visited your office
- Candidates interviewed on campus who were offered jobs
- Candidates interviewed on campus who were hired

B. Off Campus Recruiting:

- Other new graduates who were initially interviewed
- Other new graduates who were offered jobs
- Other new graduates who were hired

Note: The total number of new graduates hired in A and B should equal the number in line Q in Q.1.

II. Other Personnel Information

Note: The following section applies to all employees at your firm during 2003. If some of the information for the following questions is not available, enter N/A.

6. **Professional staff** are defined as CPAs, prospective CPAs, and others with a similar amount of academic training in a field that is part of the practice of public accounting.

- A. What is the **total** number of **professional staff employed** in your firm as of **December 31, 2003**? Include partners.
- B. What is the **total** number of **professional staff** in your firm who were **terminated or resigned** during **2003**? Include partners.

7. Under **SECTION I** below, please indicate the **gender breakdown** of the **professional staff employed** in your firm as of **December 31, 2003**.

Under **SECTION II** below, please indicate the **gender breakdown** of the **professional staff** in your firm who were **terminated or resigned** during **2003**.

| <u>Gender</u> are: | SECTION I Number of professionals employed as of 12/31/03 who are: | SECTION II Number of professionals terminated/resigned during 2003 who |
|-----------------------|---|---|
| A. Male | <input type="text"/> | <input type="text"/> |
| B. Female | <input type="text"/> | <input type="text"/> |
| C. TOTAL: | A+B= <input type="text"/> = Q.6A | A+B= <input type="text"/> = Q.6B |

8. Under **SECTION III** below, please indicate the **ethnic/racial breakdown** of the **professional staff employed** in your firm as of **December 31, 2003**.

Under **SECTION IV** below, please indicate the **ethnic/racial breakdown** of the **professional staff** in your firm who were **terminated or resigned** during **2003**.

| <u>Ethnic/Racial Group</u> | SECTION III | | SECTION IV | |
|--|--|----------------------|--|----------------------|
| | Number of professionals employed as of 12/31/03 who are: | | Number of professionals terminated/resigned during 2003 who are: | |
| A. White | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| B. Black or African American | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| C. Hispanic or Latino | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| D. Asian/Pacific Islander | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| E. American Indian/Alaska Native | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| F. Other | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| G. TOTAL: | A+B+C+D+E+F= <input type="text"/> = Q.6A | | A+B+C+D+E+F= <input type="text"/> = Q.6B | |

9. Please indicate the **number of CPAs** among the **professional staff employed** in your firm as of **December 31, 2003**. Include partners.

10. Of the total **number of CPAs** entered in **Q.9**, please indicate below the **gender breakdown**.

| <u>Gender</u> | Number of CPAs who are: |
|------------------|--|
| A. Male | <input type="text"/> |
| B. Female | <input type="text"/> |
| C. TOTAL: | A+B = <input type="text"/> = Q.9 |

11. Of the total **number of CPAs** entered in **Q.9**, please indicate below the **ethnic/racial breakdown by gender**. If the gender breakdown is not available, please provide the total number of CPAs by ethnic/racial group.

| <u>Ethnic/Racial Group</u> | Total number of CPAs who are: | Gender | |
|--|--|----------------------|----------------------|
| | | Male | Female |
| A. White | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| B. Black or African American | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| C. Hispanic or Latino | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| D. Asian/Pacific Islander | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| E. American Indian/Alaska Native | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| F. Other | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| G. TOTAL: | A+B+C+D+E+F = <input type="text"/> = Q.9 | | |

12. Please indicate the **number of partners** among the **professional staff employed** in your firm as of **December 31, 2003**.

13. Of the total **number of partners** entered in **Q.12**, please indicate below the **gender breakdown**.

| <u>Gender</u> | <u>Number of partners who are:</u> |
|---------------------|--|
| A. Male | <input type="text"/> |
| B. Female | <input type="text"/> |
| C. TOTAL: | A+B= <input type="text"/> = Q.12 |

14. Of the total **number of partners** entered in **Q.12**, please indicate below the **ethnic/racial breakdown**.

| <u>Ethnic/Racial Group</u> | <u>Number of partners who are:</u> |
|--|---|
| A. White | <input type="text"/> |
| B. Black or African American | <input type="text"/> |
| C. Hispanic or Latino | <input type="text"/> |
| D. Asian/Pacific Islander | <input type="text"/> |
| E. American Indian/Alaska Native | <input type="text"/> |
| F. Other | <input type="text"/> |
| G. TOTAL: | A+B+C+D+E.+F= <input type="text"/> = Q.12 |

15. **Experienced recruits** are defined as professional staff hired at above entry level. Was the total number of **experienced recruits** employed by your firm during **2003** higher, lower or the same as the number employed during **2002**? (circle one only)

1. Higher
2. The Same
3. Lower

16. Of the total hires — new graduate and experienced recruits — employed in 2003, what percentage represent experienced recruits? %

17. **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**? (circle one only)
 1. Yes
 2. No
- B. If **yes**, was the total number of **paraprofessional staff** employed by your firm during **2003** higher, lower or the same as the number employed during **2002**? (circle one only)
 1. Higher
 2. The Same
 3. Lower

III. Your Demand Forecast

The AICPA has committed significant resources to a five-year direct marketing campaign to attract students to become CPAs. The following questions will help us estimate the practicing profession's need for future CPAs, key baseline measures for the campaign. We realize that projecting future needs is difficult given the fast-changing business environment; however, we ask that you do your best to provide us with estimates.

18. Comparing 2004 to 2003,

Will the number of new **accounting graduates** your firm hires...(check one)

- Stay about the same?
Increase? By what %? _____%
Decrease? By what %? _____%

Will the number of new **nonaccounting graduates** your firm hires...(check one)

- Stay about the same?
Increase? By what %? _____%
Decrease? By what %? _____%

Will the total number of CPAs in your firm...(check one)

- Stay about the same?
Increase? By what %? _____%
Decrease? By what %? _____%

19. Comparing 2006 to 2003,

Will the number of new **accounting graduates** your firm hires...(check one)

- Stay about the same?
Increase? By what %? _____%
Decrease? By what %? _____%

Will the number of new **nonaccounting graduates** your firm hires...(check one)

- Stay about the same?
Increase? By what %? _____%
Decrease? By what %? _____%

Will the **total number of CPAs** in your firm...(check one)

- Stay about the same?
Increase? By what %? _____%
Decrease? By what %? _____%

20. Comparing 2008 to 2003,

Will the number of new **accounting graduates** your firm hires...(check one)

- Stay about the same?
Increase? By what %? _____%
Decrease? By what %? _____%

Will the number of new **nonaccounting graduates** your firm hires...(check one)

- Stay about the same?
Increase? By what %? _____%
Decrease? By what %? _____%

Will the **total number of CPAs** in your firm...(check one)

- Stay about the same?
Increase? By what %? _____%
Decrease? By what %? _____%

IV. Background Information

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

22. Which of the following most closely describes your firm? (circle one only)

1. Local firm
2. Regional firm
3. National/multinational firm

23. Is your firm/practice minority-owned? (Minority-owned is defined as majority ownership by those of Black or African American, American Indian/Alaska Native, or Asian/Pacific Islander races or of Hispanic or Latino ethnic origin.) (circle one only)

1. Yes
2. No

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

- | | |
|------------------|------------------------|
| 1. 1–2 members | 5. 25–49 members |
| 2. 3–4 members | 6. 50–99 members |
| 3. 5–9 members | 7. 100 or more members |
| 4. 10–24 members | |

Thank you very much for completing this survey. We would like your comments about the survey and/or trends in the accounting profession. The information you provide is an important resource in planning for the profession.

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

AICPA Survey on the Employment of New Graduates
and Other Personnel Within Public Accounting
Academic & Career Development
1211 Avenue of the Americas
New York, NY 10036-8775

Geographic Regions Referred to in Tables 9, 10, 17, 18, and 28

Eastern

Connecticut
 Delaware
 District of Columbia
 Maine
 Maryland
 Massachusetts
 New Hampshire
 New Jersey
 New York
 Pennsylvania
 Rhode Island
 Vermont

North Central

Colorado
 Illinois
 Indiana
 Iowa
 Kansas
 Michigan
 Minnesota
 Missouri
 Montana
 Nebraska
 North Dakota
 Ohio
 South Dakota
 West Virginia
 Wisconsin
 Wyoming

Southern

Alabama
 Arkansas
 Florida
 Georgia
 Kentucky
 Louisiana
 Mississippi
 New Mexico
 North Carolina
 Oklahoma
 Puerto Rico
 South Carolina
 Tennessee
 Texas
 Virginia

Pacific

Alaska
 Arizona
 California
 Hawaii
 Idaho
 Nevada
 Oregon
 Utah
 Washington

