

1974

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

SPRING 1974

Prepared by
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The author would like to express his appreciation to Barbara Braginetz who compiled the results from the replies for both surveys.

INTRODUCTION

In response to the need for better information on the supply of and demand for public accounting recruits, the American Institute of CPAs publishes an annual study on this topic. This is the fourth of these annual studies and is intended to update the predictions of the 1973 study.

This study is based on a survey conducted in early 1974. The Institute's staff surveyed a stratified sample of 82 firms as to their projected manpower needs, and 402 colleges and universities as to their supply of accounting graduates during the same period. The response from both firms and schools was good. About 72% of the 82 public accounting firms replied, and this included almost all of the larger firms. Replies were received from schools which historically have produced approximately 83% of accounting graduates.

It is difficult to equate supply and demand or to precisely identify relative trends. This is because not all accounting graduates are employed by public accounting firms and firms hire graduates who do not major in accounting. Also, respondents use their own definition of what constitutes a major or concentration in accounting. This year more comments than ever before were noted from both firms and schools about the uncertainty of future predictions depending on the future level of business activity and the cost of higher education. Several schools also noted that while the total number of accounting graduates was sharply higher, the quality of students sought most by the firms had not increased proportionately.

The three sections of this report deal with the supply of accounting graduates, the demand for public accounting recruits, and the relationship between supply and demand. Each section includes commentary followed by related tables. Interpretation has been minimized since persons reading these data will be competent to draw their own conclusions from the historic progressions in the data or from a comparison of the changed expectations shown for the current and preceding year.

THE SUPPLY OF ACCOUNTING GRADUATES

Participation in Supply Survey

The Institute's staff surveyed 402 colleges and universities as to the supply of accounting graduates in the United States for the academic year 1972-73 and their predictions for the next five years, 1973-74 through 1977-78.

Participating schools were divided into two groups:

- *AACSB* (American Assembly of Collegiate Schools of Business) *Member Schools* are members of the AACSB assembly and have been accredited by the AACSB.
- *AACSB Assembly Schools* are members of the AACSB assembly but have not been accredited by the AACSB.

A summary of the participation in the survey follows:

	<i>AACSB Member Schools</i>		<i>AACSB Assembly Schools</i>		<i>Total</i>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Usable Responses	126	84	192	76	318	79
Nonresponses	24	16	60	24	84	21
Survey Requests	150	100	252	100	402	100

There has been a slight increase in the number of member schools in the four years surveyed as the number accredited grows. This qualitative change is not significant when compared to the measurable changes being shown currently between public and private schools in both member and assembly categories.

The first two studies included schools which were not members of the AACSB assembly. Due to poor responses from these schools and the immaterial effect they had on the overall survey results in the past, they have not been surveyed in the two most recent studies. The first two surveys' figures presented herein have been adjusted to reflect this change.

Estimation of Total Supply

Supply for the nonresponding schools was estimated under the assumption that the nonresponding schools will have the same growth rate as the responding schools. For determining this growth rate, information was obtained on the number of accounting graduates for 1969-70 from either the 1971 survey responses or Earned Degrees Conferred: 1969-70¹ (which remained the latest independent source for these data). Total supply was then estimated based on the following relationship:

$$\frac{\text{1969-70 graduates per responding schools}}{\text{1969-70 graduates per total schools surveyed}} \cdot \frac{\text{Response per responding schools}}{\text{Total estimated supply}}$$

Results of Supply Survey

Data on the number of accounting graduates for the period, 1967-68 through 1972-73 and for the projected period, 1973-74 through 1977-78, are shown in Tables I to XII at the end of this section.

Member Schools. Table IV compares the results of the 1974 and 1973 surveys for graduates from AACSB member schools. The difference between the two studies in 1973 was too small to make inferences concerning a possible changed condition and could have been due to sampling error. However, the current survey shows a marked increase in the number of both degrees going to accounting graduates based on students who are currently enrolled in accounting programs. The projections remain significantly higher for bachelor's degrees while the rate of rise for master's degrees flattens out after two years of projection. Member schools were both less uncertain about the future and expecting larger increases in the number of accounting degree holders than were assembly schools.

The 1973 survey showed a slight increase over the 1972 survey because students were transferring to accounting due to the tight job market in many other fields. The results of the 1974 survey strongly support the expectation that this situation would continue as the word spreads among students on the availability of job opportunities for accounting trained graduates.

¹Mary Evans Hooper, Earned Degrees Conferred: 1960-70 Institutional Data, (Washington, D.C.: U.S. Government Printing Office, 1971), pp. 103-110.

Assembly Schools. Table V compares the results of the 1974 and 1973 surveys for graduates from AACSB assembly schools. As is the case with the member schools, the expected increases are significant for bachelor's degree holders although not proportionately as great as for member schools. While for master's degrees, no change whatever is expected from the previous estimates.

Holders of Bachelor's and Master's Degrees. The following table indicates by use of percentages the trends in supply of holders of bachelor's and master's degrees by AACSB affiliation and in total. An index of 100 was based on the average experience for the period, 1967-68 through 1969-70.

For both categories of affiliation a higher growth rate is projected for master's degrees than bachelor's degrees. The growth rate for master's degrees in assembly schools is greatest; however, because of the relatively low base, the effect on total supply is small.

	<i>AACSB Member</i>		<i>AACSB Assembly</i>		<i>Total</i>	
	<u>Bachelor's</u>	<u>Master's</u>	<u>Bachelor's</u>	<u>Master's</u>	<u>Bachelor's</u>	<u>Master's</u>
1970-71	128	133	113	129	121	133
1971-72	148	150	128	172	138	154
1972-73	163	192	141	172	153	189
1973-74	181	225	156	258	169	231
1974-75	189	250	169	386	180	273
1975-76	195	283	181	472	188	315
1976-77	204	300	193	515	199	336
1977-78	207	317	204	601	206	364

Public and Private Schools. The growth rate from 1972-73 to 1977-78 for public and private schools is as follows:

	<u>Public</u>	<u>Private</u>
Bachelor's Degrees	36%	31%
Master's Degrees	113%	64%

In the prior studies, the growth rate for public schools also has been greater than for private schools. This predicted trend was reversed only in the 1973 study. However, the fact that public schools have a greater historical base (Table VI) partially explains why public schools do now have and will continue to account for the majority of accounting graduates who are holders of either bachelor's or master's degrees (Table VI). The other factor which has been a major influence in the expectations of 1974 is the mounting cost of education and the resulting decline in the number of students who can pay for the higher priced private school tuition.

Regional Data. Information on graduates by AACSB regional classification is included in Tables IX to XI. Table XII lists the states that make up each region.

The regional growth patterns seen for bachelor's degrees after 1972-73 are varied although each region starts with a large increase and reaches the lowest rate of increase in the final year. The growth percentages for master's degrees are more erratic but tend to follow a similar pattern with higher percentages in the near future and lower estimates in the later years.

The percentage changes after 1972-73 by regions for both types of degrees are:

Year	BACHELOR'S DEGREES							
	<i>New England</i>		<i>North Central</i>		<i>South</i>		<i>Pacific</i>	
	<u>Change</u>	<u>%</u>	<u>Change</u>	<u>%</u>	<u>Change</u>	<u>%</u>	<u>Change</u>	<u>%</u>
1972-73		100		100		100		100
1973-74	9	109	11	111	11	111	12	112
1974-75	9	118	5	116	9	120	3	115
1975-76	6	124	5	121	7	127	5	120
1976-77	8	132	5	126	8	135	7	127
1977-78	6	138	4	130	4	139	2	129

MASTER'S DEGREES

	<i>New England</i>		<i>North Central</i>		<i>South</i>		<i>Pacific</i>	
	<u>Change</u>	<u>%</u>	<u>Change</u>	<u>%</u>	<u>Change</u>	<u>%</u>	<u>Change</u>	<u>%</u>
1972-73		100		100		100		100
1973-74	25	125	29	129	17	117	17	117
1974-75	25	150	0	129	33	150	33	150
1975-76	13	163	28	157	33	183	17	167
1976-77	25	188	0	157	17	200	0	167
1977-78	12	200	29	186	17	217	0	167

TABLE I
SUPPLY OF ACCOUNTING GRADUATES
FROM ALL SCHOOLS
1967-68 to 1977-78

<i>Year</i>	<i>Educational Level</i>		<i>Total Supply</i>
	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>	
1967-68	15,700	1,500	17,200
1968-69	17,200	1,500	18,700
1969-70	18,700	1,300	20,000
1970-71	20,800	1,900	22,700
1971-72	23,800	2,200	26,000
1972-73	26,300	2,700	29,000
1973-74	29,100	3,300	32,400
1974-75	30,900	3,900	34,800
1975-76	32,400	4,500	36,900
1976-77	34,200	4,800	39,000
1977-78	35,400	5,200	40,600

TABLE II
SUPPLY OF ACCOUNTING GRADUATES
FROM AACSB MEMBER SCHOOLS
1967-68 to 1977-78

<i>Year</i>	<i>Educational Level</i>		<i>Total Supply</i>
	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>	
1967-68	8,400	1,300	9,700
1968-69	9,200	1,200	10,400
1969-70	9,800	1,100	10,900
1970-71	11,700	1,600	13,300
1971-72	13,500	1,800	15,300
1972-73	14,900	2,300	17,200
1973-74	16,500	2,700	19,200
1974-75	17,300	3,000	20,300
1975-76	17,800	3,400	21,200
1976-77	18,600	3,600	22,200
1977-78	18,900	3,800	22,700

TABLE III
SUPPLY OF ACCOUNTING GRADUATES
FROM AACSB ASSEMBLY SCHOOLS
1967-68 to 1977-78

<i>Year</i>	<i>Educational Level</i>		<i>Total Supply</i>
	<i>Bachelor's Degrees</i>	<i>Master's Degrees</i>	
1967-68	7,300	200	7,500
1968-69	8,000	300	8,300
1969-70	8,900	200	9,100
1970-71	9,100	300	9,400
1971-72	10,300	400	10,700
1972-73	11,400	400	11,800
1973-74	12,600	600	13,200
1974-75	13,600	900	14,500
1975-76	14,600	1,100	15,700
1976-77	15,600	1,200	16,800
1977-78	16,500	1,400	17,900

TABLE IV
COMPARISON OF 1974 AND 1973 SUPPLY STUDIES
FOR AACSB MEMBER SCHOOLS
1972-73 to 1976-77

<i>Year</i>	<i>Educational Level</i>				<i>Total Supply</i>	
	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>		<i>1974</i>	<i>1973</i>
	<i>1974</i>	<i>1973</i>	<i>1974</i>	<i>1973</i>	<i>Study</i>	<i>Study</i>
1972-73	14,900	14,600	2,300	2,100	17,200	16,700
1973-74	16,500	15,400	2,700	2,500	19,200	17,900
1974-75	17,300	15,800	3,000	2,800	20,300	18,600
1975-76	17,800	16,400	3,400	3,100	21,200	19,500
1976-77	18,600	16,800	3,600	3,400	22,200	20,200

TABLE V
COMPARISON OF 1974 AND 1973 SUPPLY STUDIES
FOR AACSB ASSEMBLY SCHOOLS
1972-73 to 1976-77

<i>Year</i>	<i>Educational Level</i>				<i>Total Supply</i>	
	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>		<i>1974</i>	<i>1973</i>
	<i>1974</i>	<i>1973</i>	<i>1974</i>	<i>1973</i>	<i>Study</i>	<i>Study</i>
1972-73	11,400	11,600	400	500	11,800	12,100
1973-74	12,600	12,400	600	600	13,200	13,000
1974-75	13,600	12,900	900	900	14,500	13,800
1975-76	14,600	14,200	1,100	1,100	15,700	15,300
1976-77	15,600	14,700	1,200	1,200	16,800	15,900

TABLE VI
SUPPLY OF ACCOUNTING GRADUATES
FROM ALL PUBLIC AND PRIVATE SCHOOLS
1967-68 to 1977-78

<i>Year</i>	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>	
	<i>Public</i>	<i>Private</i>	<i>Public</i>	<i>Private</i>
1967-68	9,400	6,300	900	600
1968-69	10,700	6,500	800	700
1969-70	12,100	6,600	700	600
1970-71	14,500	6,300	1,200	700
1971-72	16,800	7,000	1,300	900
1972-73	18,900	7,400	1,600	1,100
1973-74	21,000	8,100	2,100	1,200
1974-75	22,300	8,600	2,500	1,400
1975-76	23,500	8,900	3,000	1,500
1976-77	24,800	9,400	3,000	1,800
1977-78	25,700	9,700	3,400	1,800

TABLE VII
SUPPLY OF ACCOUNTING GRADUATES
FROM PUBLIC AND PRIVATE AACSB MEMBER SCHOOLS
1967-68 to 1977-78

<i>Year</i>	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>	
	<i>Public</i>	<i>Private</i>	<i>Public</i>	<i>Private</i>
1967-68	5,900	2,500	800	500
1968-69	6,500	2,700	700	500
1969-70	7,200	2,600	600	500
1970-71	8,900	2,800	1,000	600
1971-72	10,400	3,100	1,000	800
1972-73	11,700	3,200	1,400	900
1973-74	12,900	3,600	1,800	900
1974-75	13,600	3,700	2,000	1,000
1975-76	14,000	3,800	2,400	1,000
1976-77	14,700	3,900	2,400	1,200
1977-78	15,000	3,900	2,600	1,200

TABLE VIII
SUPPLY OF ACCOUNTING GRADUATES
FROM PUBLIC AND PRIVATE AACSB ASSEMBLY SCHOOLS
1967-68 to 1977-78

<i>Year</i>	<i>Bachelor's Degrees</i>		<i>Master's Degrees</i>	
	<i>Public</i>	<i>Private</i>	<i>Public</i>	<i>Private</i>
1967-68	3,500	3,800	100	100
1968-69	4,200	3,800	100	200
1969-70	4,900	4,000	100	100
1970-71	5,600	3,500	200	100
1971-72	6,400	3,900	300	100
1972-73	7,200	4,200	200	200
1973-74	8,100	4,500	300	300
1974-75	8,700	4,900	500	400
1975-76	9,500	5,100	600	500
1976-77	10,100	5,500	600	600
1977-78	10,700	5,800	800	600

TABLE IX
SUPPLY OF ACCOUNTING GRADUATES BY REGION
FROM ALL SCHOOLS
1970-71 to 1977-78

<i>Bachelor's Degrees</i>				
<i>Year</i>	<i>New England</i>	<i>North Central</i>	<i>South</i>	<i>Pacific</i>
1970-71	5,100	6,700	5,800	3,200
1971-72	5,900	7,400	6,800	3,700
1972-73	6,500	8,200	7,500	4,100
1973-74	7,100	9,100	8,300	4,600
1974-75	7,700	9,500	9,000	4,700
1975-76	8,100	9,900	9,500	4,900
1976-77	8,600	10,300	10,100	5,200
1977-78	9,000	10,700	10,400	5,300
<i>Master's Degrees</i>				
1970-71	500	800	500	100
1971-72	800	600	500	300
1972-73	800	700	600	600
1973-74	1,000	900	700	700
1974-75	1,200	900	900	900
1975-76	1,300	1,100	1,100	1,000
1976-77	1,500	1,100	1,200	1,000
1977-78	1,600	1,300	1,300	1,000

TABLE X
SUPPLY OF ACCOUNTING GRADUATES BY REGION
FROM AACSB MEMBER SCHOOLS
1970-71 to 1977-78

<i>Bachelor's Degrees</i>				
<i>Year</i>	<i>New England</i>	<i>North Central</i>	<i>South</i>	<i>Pacific</i>
1970-71	2,400	3,900	3,100	2,300
1971-72	2,800	4,400	3,800	2,500
1972-73	3,000	4,800	4,100	3,000
1973-74	3,300	5,300	4,600	3,300
1974-75	3,500	5,400	5,000	3,400
1975-76	3,500	5,600	5,200	3,500
1976-77	3,700	5,800	5,400	3,700
1977-78	3,700	5,900	5,500	3,800
<i>Master's Degrees</i>				
1970-71	400	700	400	100
1971-72	700	500	400	200
1972-73	700	600	500	500
1973-74	800	700	600	600
1974-75	900	700	700	700
1975-76	1,000	800	800	800
1976-77	1,100	800	900	800
1977-78	1,100	900	1,000	800

TABLE XI
SUPPLY OF ACCOUNTING GRADUATES BY REGION
FROM AACSB ASSEMBLY SCHOOLS
1970-71 to 1977-78

<i>Year</i>	<i>Bachelor's Degrees</i>			
	<i>New England</i>	<i>North Central</i>	<i>South</i>	<i>Pacific</i>
1970-71	2,700	2,800	2,700	900
1971-72	3,100	3,000	3,000	1,200
1972-73	3,500	3,400	3,400	1,100
1973-74	3,800	3,800	3,700	1,300
1974-75	4,200	4,100	4,000	1,300
1975-76	4,600	4,300	4,300	1,400
1976-77	4,900	4,500	4,700	1,500
1977-78	5,300	4,800	4,900	1,500
	<i>Master's Degrees</i>			
1970-71	100	100	100	—
1971-72	100	100	100	100
1972-73	100	100	100	100
1973-74	200	200	100	100
1974-75	300	200	200	200
1975-76	300	300	300	200
1976-77	400	300	300	200
1977-78	500	400	300	200

**TABLE XII
STATES PER REGION**

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

THE DEMAND FOR PUBLIC ACCOUNTING RECRUITS

Participation in Demand Survey

The 1974 study of demand, like the prior three, consisted primarily of larger firm participation. This "larger firm" classification, defined as firms with 10 or more Institute members, included 349 firms. For the 1974 demand survey, those firms which responded to the 1973 survey plus a random selection of new firms moving into each category were contacted. This sample consisted of 82 firms and included all of the 20 firms with the most Institute members. The firms contacted were asked to report their actual demand for 1972-73, to update their projections for the four years 1973-74 through 1976-77, and to make a projection for 1977-78.

Of the 82 firms contacted, 59 replied, including all of the 20 firms with the most Institute members. The aggregate demand data reported in this study are based upon these 59 replies. Results for the 267 firms not sampled and the 23 firms that did not reply were estimated based upon demand indicated by the responding firms. For purposes of this estimate, firms were classified by size. Within each class-size, the results for the nonsampled and nonresponding firms were estimated to be the same as the responding firms.

As a result of the excellent responses from the largest firms, the amount of estimation involved was minor. Estimates applicable to nonrespondents and firms not included in the sample are about 11% of the demand totals.

A summary of the participation in the survey follows:

	<i>Number of Institute Members</i>	<i>Firms</i>		<i>Survey Requests</i>		<i>Responses</i>	
		<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
More than	32	47	14	42	51	36	61
	22-32	38	11	11	13	6	10
	16-21	50	14	12	15	7	12
	10-15	<u>214</u>	<u>61</u>	<u>17</u>	<u>21</u>	<u>10</u>	<u>17</u>
		<u>349</u>	<u>100</u>	<u>82</u>	<u>100</u>	<u>59</u>	<u>100</u>

Results of Demand Study

The aggregate results of the 1974 demand study and a comparison of the 1974 and 1973 studies are shown in Tables XIII and XIV at the end of this section.

Results of 1972-73. Actual demand for holders of bachelor's degrees was 5% above the numbers estimated in the 1973 study. Actual demand for holders of master's degrees was approximately the same as predicted in the 1973 study. There apparently was little offset between the different size firms, so that the results for 1972-73 for all size firms was approximately the same as the 1973 study prediction except that more holders of bachelor's degrees were engaged by all firms.

The three earlier studies suggested that the larger the firm the greater the emphasis upon the master's degree. The actual demand for 1972-73 as reported in the 1974 study continues to support this suggestion in that 23% of the total recruits hired by firms with more than 32 Institute members held master's degrees while only 9% of the total recruits hired by firms with from 10 to 32 Institute members held master's degrees. The percentage of total recruits holding master's degrees hired by the smaller firms, however, has increased substantially from 1970-71, when only 5% of the total recruits hired by firms with from 10 to 27 Institute members held master's degrees.

PERCENTAGE OF NEW EMPLOYEES EXPECTED TO HOLD MASTER'S DEGREES

Firm Size (Institute Members)

<u>Year</u>	<u>More than 32</u>	<u>10 to 32</u>
1972-73	23%	9%
1973-74	23	10
1974-75	24	10
1975-76	24	10
1976-77	25	11
1977-78	25	11

Predictions for 1973-74 through 1977-78. Demand for holders of bachelor's degrees is slightly greater in the current years than that given in the 1973 study (Table XIV). The major change between the 1974 and 1973 studies is the decrease in the demand for holders of master's degrees. The 1973 study predicted that by 1976-77, 25% of recruits would hold the master's degree. This prediction has dropped to 23% in the 1974 study. The decrease is due to a change in the larger firms' demand. This is the second year in which the expected demand for master's degrees has declined. The 1973 study predicted for the larger firms a 1% increase in total demand for holders of master's degrees from 1972-73 to 1976-77 with a 2% increase in total demand for the smaller firms. The 1974 study shows that both the larger and smaller firms are predicting only a 2% increase in master's degrees for the years to 1977-78 while the total number sought will be up 70% by 1978.

TABLE XIII
DEMAND FOR PUBLIC ACCOUNTING RECRUITS
1967-68 to 1977-78

<i>Year</i>	<i>Educational Level</i>		<i>Total Demand</i>
	<i>Bachelor's Degree</i>	<i>Master's Degree</i>	
1967-68	6,600	1,500	8,100
1968-69	9,600	1,800	11,400
1969-70	9,900	1,900	11,800
1970-71	5,300	1,600	6,900
1971-72	6,800	2,000	8,800
1972-73	8,900	2,400	11,300
1973-74	9,700	2,800	12,500
1974-75	10,500	3,000	13,500
1975-76	11,300	3,300	14,600
1976-77	12,200	3,700	15,900
1977-78	13,100	4,100	17,200

NOTE: As explained in the report, this demand is based upon a survey of firms with 10 or more Institute members.

TABLE XIV
COMPARISON OF 1974 AND 1973 DEMAND STUDIES
1972-73 to 1976-77

<i>Year</i>	<i>Educational Level</i>					
	<i>Bachelor's Degree</i>		<i>Master's Degree</i>		<i>Total Demand</i>	
	<i>1974 Study</i>	<i>1973 Study</i>	<i>1974 Study</i>	<i>1973 Study</i>	<i>1974 Study</i>	<i>1973 Study</i>
1972-73	8,900	8,500	2,400	2,400	11,300	10,900
1973-74	9,700	9,500	2,800	2,600	12,500	12,100
1974-75	10,500	10,400	3,000	3,000	13,500	13,400
1975-76	11,300	11,400	3,300	3,400	14,600	14,800
1976-77	12,200	12,200	3,700	4,000	15,900	16,200

RELATIONSHIPS BETWEEN SUPPLY OF ACCOUNTING GRADUATES AND DEMAND FOR PUBLIC ACCOUNTING RECRUITS

Tables XV to XVII at the end of this section attempt to show the relationships between supply and demand.

The supply of accounting graduates and the demand for public accounting recruits are separate but overlapping populations. Some of the factors that should be considered in discussing them are:

1. The supply of graduates includes many students who are not interested in public accounting.
2. Holders of bachelor's degrees who go on to graduate study are reported twice, in the year they receive the bachelor's degree and in the year they receive the master's degree.
3. Demand is often filled by students who did not major in accounting. (This is particularly true at the master's level, because this study may not have identified all MBAs concentrating in or interested in accounting.)

Observations relating to the relationship between supply and demand should be made with these qualifications in mind.

The 1973 study noted that the ratio of demand to supply was expected to increase sharply over the next five years, but at a slower rate than that predicted in the 1972 study. This has not happened because the large increases in the supply of graduates have exceeded the relatively modest demand increases that continue to be projected by the firms.

Total supply is estimated to be up 8% over the 1973 projections for 1976-77 while total demand is down 2%. The supply of bachelor's degree holders is estimated to be 9% greater in the 1974 survey over the 1973 survey while demand is unchanged in 1976-77. By contrast, the supply of master's degree holders in 1976-77 was estimated to be 4% higher in 1974 over 1973 while demand declined for the same years by 8%.

The ratios in Tables XV to XVII may be placed in better perspective by comparison with data generated in another independent study² completed in 1972-73 which showed that the type of employment sought by accounting majors graduating in 1972 was as follows:

²Doyle Z. Williams, A Statistical Survey of Accounting Education 1972-73, (New York: AICPA, 1974), p. 35.

Public accounting	41.0%
Business/industry	29.3
Government	8.4
Continued education in graduate school	7.9
Other and undeterminable	<u>13.4</u>
Total	<u><u>100.0%</u></u>

TABLE XV
RELATIONSHIP BETWEEN SUPPLY OF ACCOUNTING
GRADUATES AND DEMAND FOR PUBLIC ACCOUNTING RECRUITS
1967-68 to 1977-78

<i>Year</i>	<i>Supply of Graduates</i>	<i>Demand for Recruits</i>	<i>Ratio (%)</i>	<i>Ratio Per 1973 Study (%)</i>
1967-68	17,200	8,100	47	47
1968-69	18,700	11,400	61	61
1969-70	20,000	11,800	59	59
1970-71	22,700	6,900	30	30
1971-72	26,000	8,800	34	34
1972-73	29,000	11,300	39	38
1973-74	32,400	12,500	39	40
1974-75	34,800	13,500	39	41
1975-76	36,900	14,600	40	43
1976-77	39,000	15,900	41	45
1977-78	40,600	17,200	42	—

TABLE XVI
RELATIONSHIP BETWEEN SUPPLY OF AND DEMAND
FOR HOLDERS OF BACHELOR'S DEGREES
1967-68 to 1977-78

<i>Year</i>	<i>Supply of Graduates</i>	<i>Demand for Recruits</i>	<i>Ratio (%)</i>	<i>Ratio Per 1973 Study (%)</i>
1967-68	15,700	6,600	42	42
1968-69	17,200	9,600	56	56
1969-70	18,700	9,900	53	53
1970-71	20,800	5,300	25	25
1971-72	23,800	6,800	29	29
1972-73	26,300	8,900	34	32
1973-74	29,100	9,700	33	34
1974-75	30,900	10,500	34	36
1975-76	32,400	11,300	35	37
1976-77	34,200	12,200	36	39
1977-78	35,400	13,100	37	—

TABLE XVII
RELATIONSHIP BETWEEN SUPPLY OF AND DEMAND
FOR HOLDERS OF MASTER'S DEGREES
1967-68 to 1977-78

<i>Year</i>	<i>Supply of Graduates</i>	<i>Demand for Recruits</i>	<i>Ratio (%)</i>	<i>Ratio Per 1973 Study (%)</i>
1967-68	1,500	1,500	100	100
1968-69	1,500	1,800	120	120
1969-70	1,300	1,900	146	146
1970-71	1,900	1,600	84	84
1971-72	2,200	2,000	91	91
1972-73	2,700	2,400	89	92
1973-74	3,300	2,800	85	84
1974-75	3,900	3,000	77	81
1975-76	4,500	3,300	73	81
1976-77	4,800	3,700	77	87
1977-78	5,200	4,100	79	—

NOTE: As explained in the report, the supply determined in this study does not include all recipients of the master's degree who might seek employment in public accounting.