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## Woman CPA – 1980 and Beyond

Mary A. Finan

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## The Woman CPA — 1980 and Beyond

*Excerpts from a speech given at the charter dinner of the Central Pennsylvania affiliate of AWSCPA at Harrisburg, Pa., May 15, 1984.*

**By Mary A. Finan**

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I was asked to talk tonight about my career as a CPA, a *woman* CPA, a *partner* in Arthur Young. In deciding how to approach this topic, I concluded it would be more beneficial to you to hear about women CPA's in general and commentary on their future potential in the accounting profession.

The November 1983 issue of *Working Woman Magazine* ran an article called, "One Percent of the Big Eight." The writer, Carole Gould, a lawyer, estimates that only one percent of partners in the so-called "Big Eight" accounting firms are women.

Hearing those statistics, does it or should it matter to you who are in or are involved with the accounting profession what percentage of the "Big Eight" accounting firms' partners are women? The answer is yes and no. Yes, if it gives you a clue as to your chances to make it to the top. No, if you evaluate the percentage as nearly meaningless — or no longer *material*, as we accountants say.

First of all, let's set the record straight. While the Declaration of Independence reminded England that all men are created equal, it never mentioned a word about CPA firms. My firm, Arthur Young, may not be the largest of the "Big Eight," but many consider it the most progressive — at least in the advancement of women. Fifteen of our 700-plus partners are women. That's two percent — or twice as high as the average.

Except for philosophy even that number is immaterial. Here's why. It's a new world out there. Accounting firms, as such, are not much older than

this century. Most, if not all, the large ones are based on English and Scottish traditions. And with those conservative Scotch-English traditions, is it any reason to wonder why there are so few women partners? But, as I said, it's a new world out there. And by *new*, I mean new. First of all, the supply and need for accounting graduates has more than tripled in just the past ten years. There were around 20,000 graduates in 1970 and almost 60,000 in 1982. This June, we expect to see about 62,000 graduates. Accounting firms, as usual will take about 30 percent.

Those who follow these things at the American Institute of Certified Public Accountants say that growth will continue. But the percentage of increase is leveling off. That means there will not be the nearly geometric increase in accounting graduates the profession has been counting on to fill its requirements. Not only in public accounting firms, but in private industry and government, as well. And that means the accounting firms are going to have to compete even more avidly for the better recruits.

Lucky for recent college graduates and current accounting students — and particularly lucky for women students. For women have been joining CPA firms in greater and greater numbers. As the AICPA's James MacNeil observes: "The highest growth rate, over the years, is in the number of women who have joined what was once strictly a male preserve." The Institute's Director of Relations with Educators, Dr. MacNeil, has been running these annual

surveys for a number of years. His 1984 survey shows that 46 percent of the graduates and 40 percent of those entering public accounting will be women this year. That's just about quadruple what it was a decade ago.

When I joined Arthur Young, I was one of the chosen few. By 1975, 11 percent of the recruits were women. Last year, fully 43 percent of all the recruits were female. And, though currently only 2 percent of the partners are women, you might be interested to know that 11 percent of our management group — what we call PPM's — partners, principals and managers — are women.

Think what this means. Ten years ago, 11 percent of the recruits were women. Today, 11 percent of the managerial group are women. It takes about five years to move up to manager, another three to five to make principal, and an additional two to three to be one of the 10 percent to be selected as a partner. As more and more of the professional staff is made up of women, this will be reflected in the partnership when they have put in their time and earned this honor. I believe that a woman who demonstrates her professionalism and her ability to deal with clients has every bit as good a chance to make partner as any man does.

You might ask what woman has these qualities and has the ability to demonstrate them to those that count. Well, I can't say for sure — however, about a year ago the AWSCPA surveyed women who had reached the top at the "Big Nine" firms. From the 69 women partners, who responded to the survey, it was found that "the majority are life-long over-achievers who come from stable and supportive families." The group also found that these partners reach that status at an average age of 33, and that the majority are married with no children.

Their overall college grade point average was 3.48, with a 3.63 grade point in their major. These women achieved those grades despite the fact that 75 percent of them worked while attending school. Furthermore, although generally only 30 percent of the applicants usually pass the CPA exam the first time, nearly 53 percent of *these* women did. And almost 28 percent of the rest passed it the second time.

Nearly three-quarters of the women are married, only one-quarter have ever been divorced, and about one-third have children.

Since I was Arthur Young's first woman partner who had come up through the ranks, I had worked for the firm 21 years before I made partner. (This length of service is not the norm for woman partners today.) I am married and have no children. There are women partners at Arthur Young who do have children. They all say that it wasn't easy, but they have combined an accounting career with motherhood and achieved partnership. How did they do it? Well, each case was different and probably each case was handled differently depending on the individual's desires, and the needs of the office where the individual was located — Arthur Young presently has no firm policy in this area.

For example, the head of tax operations in our Chicago office was so anxious to get a pregnant woman tax manager back last year that he promised to set up a nursery right there in one of the empty offices.

In our New York office, we've tried several different methods. Some work two or three days per week in the office and the rest at home. Of course, that's difficult to arrange for full-time auditors, but can work effectively for consultants. We have one woman in our tax department who has had three children since she joined the firm. We've reduced her workload by about one-fourth. Yet, this has not prevented her from becoming a partner.

You might ask: "Is anyone looking out for the woman CPA to see if she can advance to partner in a CPA firm or chief financial officer in a major corporation?" I think the answer to that question is "yes." Individual accounting firms, where women represent 40 percent of each year's hires, have to be concerned that a significant percentage of these women stay with the firm and advance to partnership. Major firms are aware that the turnover rate of women staff accountants is high and are looking for ways to control it.

The American Institute of CPA's is also concerned with "women" in accounting. The AICPA Future Issues Committee identified close to 100 issues of future concern to the profession. Two of these issues specifically relate to women — one was the "up-

ward mobility of women" and the second was "role of women in CPA partnerships, two career families, number of hours, client relations, business development." From the numerous issues listed in their report, the Future Issues Committee selected some 14 for immediate consideration — one of which was the "upward mobility of women." In their commentary of this issue, they cite the need to strengthen women's advancement and express a concern that many believe upward mobility for women is more difficult than for men, particularly admission to partnership.

The report goes on to state that women have risen to various levels in accounting firms, but relatively few have been admitted to partnership. Within the past two decades, the number of women entering the profession has increased, and, as a consequence, the supply of qualified women now nearly equals the supply of qualified men. The next several years will bring an increasing proportion of women into the potential partner pool. There is a high probability that women will constitute more than half of the accounting profession within the next twenty years.

Admission to partnership is affected by many considerations, notably technical, management, client relationship and practice development abilities. There is no question about women's technical ability. But traditional beliefs and attitudes regarding other abilities raise questions. For example, are women at a competitive disadvantage in comparison to men in obtaining new audit clients and maintaining existing ones? Is there a woman's "network?" Moreover, some partners may believe that men are generally more dedicated than women to a professional career.

The employee turnover rate in CPA firms is greater for women than for men, perhaps attributable in part to personal frustration. One reason why professional women find advancement difficult may be society's pressure on women to be the center of family units, including the role of child-bearer and child-raiser. If a woman is to fulfill both professional and family responsibilities at the same time, she may need flexibility in her professional work — for example, flexible hours, flexible workdays, or flexible locations.

The attitudes toward professional women deserve deliberation. Are males as willing and cooperative when their manager is female? What are men's attitudes toward their professional women colleagues?

Some practitioners think that the issue does not exist; that it has already been solved, that is, women will become partners just as easily as men if their qualifications are similar. On the other hand, others believe that such an attitude is part of the problem, indeed, that it is the central problem.

Having thus summarized the issue, the current initiatives suggested by the Future Issues Committee as being available to the profession to address the issue are the following:

- The Institute should solicit more information about success stories from firms that have made unusual progress in promoting women to the partnership level.
- Top management of the Institute could use a management-by-objectives approach to bring more women in to work on committees, programs and similar activities.
- The Institute could seek cooperation of the American Woman's Society of CPA's (AWSCPA) in formulating a program that could enhance the upward mobility of women.
- The Institute could consider developing counseling seminars for professional women of CPA firms to assist them in dealing with the problems they may encounter.

I believe that each of these suggestions has merit.

There is room for women at the top in each of the major disciplines within accounting firms. Hopefully, some of what I have said will help you become part of the partner group. Ω

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**Mary A. Finan** is a partner in Arthur Young & Company's National Office, where she serves as Director of SEC Practice. She received a BS in Accounting from Fordham University and attended Columbia University's Executive Program in Business Administration. Mrs. Finan is a member of the AICPA and presently is chairperson of its Committee on SEC Regulations. She is a member of ASWA, AWSCPA and is on the Advisory Board of the Bureau of National Affairs, Security Regulations and Law Report.