



April 17, 2023

Sue Coffey  
CEO – Public Practice  
American Association of Certified Public Accountants

Dear Sue:

On February 27, 2023, the AICPA released the third version of its *Draft Pipeline Acceleration Plan*<sup>1</sup> (the Plan) which seeks to address the growing shortage of CPAs. This plan identifies eight initiatives to improve the pipeline of future CPAs, with most involving or impacting accounting education. As members of the Governing Council of the AAA, the largest organization representing accountants in academia, we applaud the AICPA for working to address the dire need to promote accounting careers as partners in elevating the profession. Many of the initiatives already enjoy support from the AAA, such as pushing for STEM recognition for accounting programs.<sup>2</sup>

We applaud the AICPA's efforts to leverage the CAQ Accounting+ initiative to elevate and improve the image and attractiveness of accounting among Black and Hispanic/Latino student populations. However, we believe the Plan needs to do more to address the image problems facing the profession that affect the accounting pipeline. We are also concerned by the proposed Experience, Learn & Earn Program (ELE), including whether the program is the optimal method for potential CPA candidates to earn the additional 30 credit hours, and the effect of ELE on accounting education.

### ***Image of the Profession***

Accounting has an image problem. We agree with the following statement from the Texas Society of Certified Public Accountants:

“...the most pressing concern expressed by our Board of Directors was the escalating negative perceptions and misnomers of the profession. There is a critical need for a proactive and strategic public awareness and branding initiative to better position the profession and be attractive to the next generation.”

(TXCPA Letter to AICPA March 10, 2023)

The most concerning image issue is the perception that the increasing use of automation and artificial intelligence in accounting will result in accountants becoming obsolete. This perception can lead to a lack of appreciation for the complex and valuable work that accountants do. Many people also view accounting as a dry, technical field that primarily involves working with numbers and data. Professional accounting is further stereotyped as boring and tedious, and accountants are also often viewed as compliance officers. This view can create a perception that

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<sup>1</sup> Available at <https://www.aicpa-cima.com/resources/article/draft-plan-to-accelerate-talent-pipeline-solutions>. Last accessed April 2, 2023.

<sup>2</sup> AAA Resolution in Support of Science, Technology, Engineering and Math (STEM) Designation for Accounting Programs, July 2021. Available at [https://aaahq.org/portals/0/aaa\\_stem\\_resolution.pdf?ver=2021-07-30-105525-240](https://aaahq.org/portals/0/aaa_stem_resolution.pdf?ver=2021-07-30-105525-240).

accountants are not strategic thinkers who can contribute to the broader goals of an organization. These perceptions can make it difficult to attract students into accounting and for accounting firms to recruit and retain top talent.

As educators, we find that students increasingly seek diverse organizations that also promote a work-life balance. When students evaluate potential careers, they consider factors such as compensation and the difficulty of the degree. The additional 30 hours of education and the difficulty of the CPA exam are evaluated relative to compensation. Increasingly, students are choosing other fields because of these considerations.

The decision not to pursue an accounting degree can be influenced by a variety of factors, including personal interests, educational requirements, perceptions of the field, and the demands of the profession. The decision should not be related to an accountant's image. Without resolving our profession's image issue, we believe it will be difficult to improve the accounting pipeline. There is a critical need for a coordinated rebranding of the profession and re-positioning of our profession as the premier business and personal services provider. We must address this issue before we can repair the low pipeline issue.

#### **Experience, Learn & Earn (ELE program)**

An initial pilot of the ELE program will begin in Fall 2023 with (only) one university partner and up to 1,000 students. While the proposal states that other universities may also apply to participate in the program, many, if not most, will be unable to hit the target pricing. By partnering with a particular institution (or set of institutions), the AICPA is giving the strength of its brand to that institution and signaling that the education offered through the ELE is superior to other methods of obtaining the additional credits.

If the program initially enrolls at or even near the maximum level, this enrollment represents much more than a pilot. The 2021 *Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits* reports 20,442 accounting master's degrees awarded in 2019-20. The first year of the ELE program could be equivalent to almost 5% of all the master's accounting graduates in the United States. The size of the nation's largest master's in accounting programs would pale in comparison. The AICPA claims that the ELE program will target students who otherwise would not enter a graduate degree program to obtain the extra 30 hours needed for licensing, but it is unclear how these students can be identified and whether they would otherwise be qualified for and seek a graduate degree.

We recognize that a goal of the Pipeline Acceleration Plan is also to increase the number of undergraduate accounting graduates. However, the comparatively high percentage of accounting undergraduates who obtain a master's degree and the many students who sit for the exam and obtain licensure without a master's degree do not necessarily indicate the master's degree is a significant barrier to entering the profession.

A primary purpose of the ELE program is to reduce the opportunity cost of obtaining the additional 30 hours by allowing undergraduate accounting graduates to work while they complete additional coursework online. The educational component of the ELE program is not currently known. Concerns include 1) the ELE appears to rely on excessive experience hours; 2)



the ELE program does not seem to focus on technical accounting content and skills that firms indicate are valuable for new hires; 3) there is no description of how academic integrity in online learning will be addressed; and 4) uncertainty about the ability to transfer academic credits. We find that graduates of accounting master's programs rarely regret investing their time in an advanced degree. While the ELE program is stated to not target students who would otherwise complete 150 credit hours, spillover is inevitable when the target pricing is at or below the credit hour cost of community colleges.

We also note there are many master's in accounting programs offered online by quality public institutions. The cost of these programs is higher than the ELE program, but the cost difference is unlikely to be sufficient to deter a student from pursuing graduate studies. Accounting graduate programs have made considerable changes in their curricula in recent years to address the demands of the profession, such as the addition of more advanced data analytics offerings, and preparation for upcoming CPA Evolution exam changes. An unintended consequence of the ELE program is that it may undermine many existing master's in accounting programs. Such harm would negatively impact accounting departments with ripple effects spreading to undergraduate degree programs and ultimately hurting the pipeline in the long run. Existing programs also result in a graduate degree, a professional and personal achievement for many students. While a graduate degree may not be considered critical or even valued by CPA firms, it can often be valuable when accounting graduates leave public accounting for corporate positions.

The ELE program will likely have significant impacts on existing accounting programs. The draft plan notes, "The AICPA, state CPA societies, accounting firms, academia, state boards of accountancy and their organizing body, the National Association of State Boards of Accountancy (NASBA), and many others are working together on profession-wide, multi-stakeholder efforts to improve the pipeline." However, the views of the AAA were not considered in developing the ELE.

The ELE Program represents a fundamental shift in the pathway to completion of the education requirements for CPA. The AICPA indicates that the additional 30 hours to acquire the technical competence and skills needed for today's CPA is "best obtained at the graduate level."<sup>3</sup> Further, the AICPA notes that "Graduate-level programs are an excellent way to more fully develop skills such as communication, presentation, and interpersonal relations, and to integrate them with the technical knowledge being acquired." We earlier noted the need to enhance the profession's image. We are concerned that promoting an "easier" path to completing education requirements will not contribute positively to the accounting profession's public brand. We would prefer that strategies focus on increasing the return on the graduate degree, or reducing the cost associated with the existing delivery of master's of accounting programs. We reemphasize that many programs are offering online solutions consistent with the objectives of the ELE.

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<sup>3</sup> American Institute of CPAs. 2023. 150 Hour Requirement for Obtaining a CPA License Available at: [150 Hour Requirement for Obtaining a CPA License \(aicpa.org\)](https://aicpa.org/150-hour-requirement)

### **High School and College Strategies**

While the current strategy seems appropriate, we also encourage the AICPA and other organizations to also consider developing programs to build awareness of the opportunities an accounting career offers at earlier ages. For example, several states require a career awareness program for upper elementary and middle school students. We need to make sure that accountants are viewed positively in these programs. Some anecdotal evidence suggests that based upon recent reports that accounting jobs may be eliminated due to automation, some middle school and high school guidance counselors are discouraging students from considering such careers.

### **Extending the 18-Month Exam Window**

We agree with the recommendation to extend the CPA exam window. Many students would like to sit for the exam after obtaining their undergraduate degree but find it challenging to do so while working and taking additional credits to earn a master's degree or reach 150 hours without earning a graduate degree. Even a 24-month window may not be sufficient for these individuals, and we recommend at least a 36-month window.

We appreciate this opportunity to comment on the Draft Pipeline Acceleration Plan. We all share an interest in growing and diversifying the accounting pipeline, and this draft plan contains several excellent ideas to achieve this purpose. We believe that the reputation of the profession needs to be addressed for these initiatives to be fully effective. We also believe that efforts in the current Plan to change the way the additional 30 hours are earned will likely have an adverse effect on the reputation of the profession and also have negative impacts on accounting programs.

Sincerely,

A handwritten signature in black ink, reading "Randal J. Elder". The signature is fluid and cursive, with the first name "Randal" being more prominent and the last name "Elder" following in a similar style.

Randal J. Elder  
American Accounting Association 2022-23 Council Chair

Letter approved by the members of the AAA Council April 12, 2023