

April 17, 2023

In late February, the American Accounting Association (AAA) and its Education Committee received the *AICPA's Draft Pipeline Acceleration Plan (DPAP)*. In the proposal, the AICPA indicates that it “. . . is partnering with stakeholders to implement a set of actions in 2023 to accelerate solutions and address certain root causes of pipeline issues.” The AAA Education Committee agrees that the pipeline of future accounting professionals is an urgent issue that requires a multi-faceted strategy. Yet, academia was not a stakeholder-partner in developing DPAP even though many of the plan's elements have significant ramifications for future professionals' education and academia.

The receipt of the DPAP is especially troubling because there is a collaborative structure, comprised of NASBA, the AICPA, and the AAA, that is specifically charged with pipeline issues. The AICPA's DPAP appears to have arisen outside of this structure. As educators who are deeply involved with preparing future accounting professionals, we believe that the AAA should be a stakeholder-partner in the ongoing development of DPAP since several of the proposed initiatives involve or can impact accounting higher education. We believe that a true partnership with educators will help avoid potential unintended adverse consequences to the profession.

### **A Need to Focus on the Beginning of the Pipeline**

We view the pipeline for talent as a funnel that opens to all students who might seek a wide variety of potential accounting career paths and ends with students entering accounting careers of their interest, including public accounting as well as accounting careers within a wide diversity of organizations. Most of the current initiatives in the DPAP focus on the narrower end of the pipeline where individuals are starting their careers rather than the beginning, where the biggest impact could occur. While many regional universities engage with their feeder community colleges and high schools, no single academic institution can engage in broad-based outreach. Some of the state societies as well as regional chapters of diversity-focused organizations (e.g., NABA's Accounting Careers Awareness Program (ACAP)) engage in outreach. But currently there is no national strategy. This is an area where the AICPA can play a pivotal role, have a more cohesive approach, and have the greatest overall impact.

### *The Accounting Brand*

Very few young children dream of becoming accountants. It is a profession without the best of brands in pop culture. Much work needs to be done to address the severe “brand” issue. Initiatives embracing the broad opportunities available for accountants in society have the greatest chance of sparking curiosity in the pre-college student. One promising avenue is the pilot outreach programs that have popped up across the country. Leveraging the best from these programs as well as what was learned from their experiences has the potential to make a big difference. Initiatives targeting the beginning of the pipeline are particularly important because there is a demographic cliff of college-age students beginning in 2026 resulting from a persistent baby-bust that began with the Great Recession. Our mutual pipeline issue promises to become an even bigger issue sooner rather than later.

Universities are not in a position to focus on the brand issue other than on a very limited local basis. This is where practice has both the talented people engaged in interesting careers as well as the infrastructure to tackle this central issue. Branding is an area of great need, and, unfortunately, academia has only limited fragmented capabilities to confront the issue. We applaud the efforts made by the CAQ to improve the brand of our profession and focus on the front of the pipeline. While any one group can work on this issue, it will take all of us as pipeline stakeholders working together to have real impact.

### *High School Accounting Courses*

As part of its DPAP, the AICPA indicates it is working on a high school education strategy involving AP or dual credit courses. An AP or dual credit course has at least two potential impacts. The AICPA's DPAP focuses on lowering college costs for students. However, it could also focus on an improved high school accounting course to attract the types of students that the profession would like to have as professionals and potentially to encourage them to become accountants. To accomplish both goals, the DPAP program should focus on an improved high school accounting course that augments the opportunity for university transferability and enhances the perception of the profession thereby potentially encouraging students to become accountants and attracting the types of students that the profession would like to have.

For the AP or dual credit course to lower college costs (a DPAP goal), it must be transferable for college credit. Ultimately, the universities decide whether to accept AP credit or to engage in dual credit courses. Thus, involvement with academia in course and teacher development would help ensure high school teachers can deliver the appropriate level of content and improve the possibility of transferability thereby offering a greater chance of a successful outcome. The course's content must both actually be, and perceived to be, equivalent to a university accounting course. To accomplish the actual and perceived equivalency and to attract students to accounting, the course should be a broad-based reflection of the profession, not a traditional high school bookkeeping course or narrowly focused on a few accounting career paths. Additionally, high school faculty must be qualified to teach the course. Academia has expertise in teaching and faculty development. The AAA has been building relationships with high school teachers through a pilot mentoring program. High school teachers have been invited and attend the AAA teaching and curriculum conferences and are paired with faculty mentors. Several university faculty have been very successful in teaching the first courses in accounting as well as mentoring high school teachers. A collaborative effort could improve the likelihood of a more successful outcome for all parties.

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

The AICPA proposes to offer 30 credit hours of college credit at community college prices so that students can meet the 150-credit hour requirement. The courses are based on first-year skills and competencies that firms most value. The AICPA has an advisory group of state societies and state boards of accountancy. University educators are absent from this advisory group.

The ELE program is driven by skills needed in the first year of practice. As such, some could interpret the program as being more like CPE rather than college degree level courses. As we indicated in our comments regarding the CPA Evolution Model Curriculum (CPAEMC), a college curriculum is designed to provide students with an educational foundation that will serve them for their entire careers. Although an overlap exists between the skills needed for the first year in a career and a lifelong foundation, the two are quite different. Would a fragmented hodgepodge of classes targeted toward first year skills be in the best interest of your professionals and the profession in the long run? Moreover, college curricula and the associated learning objectives are routinely monitored and assessed by accreditation bodies at the state and national levels. It is unclear how the quality and learning outcomes of ELE courses can be assured if there is wide variation in first-year skills delivery.

The ELE has potential inadvertent adverse consequences. One of these is reputational. The Pathways Commission (2012)<sup>1</sup> was a joint project of the AAA and AICPA. Its first recommendation was to “build a learned profession for the future by purposeful integration of accounting research, education, and practice for students, accounting practitioners, and educators” (Pathways Commission 2012, 11). This recommendation stated that “all too frequently, students in accounting classes are exposed to technical

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<sup>1</sup> Pathways Commission, 2012, *Charting a National Strategy for the Next Generation of Accountants*, American Accounting Association and American Institute of CPAs.

material in a vocation-focused way that is disembodied from the complex, real-world settings to which the students are bound and from the insights that research can bring to practice” (Pathways Commission, 11). The Pathways Commission called for greater linkages among practice, education and research in a manner that was more similar to that for law, medicine or engineering. The ELE program pulls courses out of accredited degree granting programs and in a direction quite different than that of other professions. It easily could be perceived as education-lite and have harmful reputational effects.

The proposed skills that will be the focus of the ELE program tend to be technical topics or technological tools. Soft skills are an exception, but as educators are well aware, these skills are difficult to develop in online platforms. What is noticeably missing are critical thinking skills. This need arises in most surveys and is one of the skills most important in being able to adapt to a changing business environment. It is a set of skills that is programmatically developed in university curricula.

Another potential adverse consequence of ELE for accounting students is the potential for CPA tracks in Masters of Accounting programs’ drying up. Although some schools might have to close down their Masters programs thereby cutting off a path, others might engage in other Masters programs that have accounting but are not CPA-track focused. Without a viable CPA track in these Masters programs, students could divert into other accounting-related professional paths thereby diminishing the number of students sitting for the exam and becoming CPAs. The ELE pathway could create one path but close off others with unknown implications for the profession in the long run.

The AICPA recognizes that first year professionals have many demands on their time and is therefore recommending to extend the window for taking the CPA exam beyond 18 months. This seems worthwhile. Part of the issue with students’ completing the exam has been getting time off from a firm to take the exam. This has improved since the inception of the 18-month window. But, if students have difficulty obtaining the time while they are working to take the exam, will the time be available to take 30 credit hours in their first year? Those of us who teach students engaged in fulltime work and have students completing degrees, see the stress and difficulty with doing both well on a daily basis. Students’ studies or work or both are impacted. Will firms be able to give these students the time to successfully complete courses? Will there be pressure to reduce the quality of the courses so students can complete them? What will this do to the quality of the ELE program in the long run? What will the long-run impact on the profession be if the ELE is perceived to be of lower quality? Our profession relies on the trust of the public; education is the foundation for that trust.

### **Concluding Remarks**

Both academia and the profession have a common vital interest in enlarging the pipeline of future accounting professionals. These are complex issues. Many of the DPAP initiatives either involve or affect academia. Yet, to date academia has been excluded from this conversation. We have much to gain from working together. Enlarging the pipeline benefits the profession, academia, and society.

Sincerely,

American Accounting Association Education Committee