PIPEDINE
DISRUPTION
The search for solutions to the weakening supply of CPAs.
About the Illinois CPA Society (ICPAS)

ICPAS is an extraordinary community of more than 24,000 accounting and finance professionals working in public accounting, corporate finance, not-for-profits, consulting, government, and education.

Founded in 1903, the Society is one of the largest state CPA societies in the nation, with the core mission of “Enhancing the value of the CPA profession.”
We have an economy that is growing. In study after study, the accounting profession is viewed as one of the top professions to work in. There are more accounting majors today than ever before—over 250,000. So what’s the problem? And why does “pipeline” continually come up as one of the top issues facing the profession?

We have to look at the environment a bit more closely to get at the answers. Yes, there are more accounting majors than ever before, but 49 percent of those accounting majors will never sit for the CPA Exam, and one-third of those who do sit for the exam will never complete it. As a result, only one-third of accounting majors ever pass the exam. With such a coveted credential, why do so few complete the process?

There are many factors driving down the number of new CPAs. We can blame a vibrant economy where many companies willingly hire accounting graduates without requiring a CPA. We can blame the growth in advisory services at firms that don’t require a CPA. We can blame the 150-hour rule. We can blame the exam format. But in the end, we have to look inward and challenge ourselves on how much we are supporting, pushing and requiring accounting majors to become CPAs.

In an AICPA survey, staff identified work environment as the number one factor influencing whether they follow through and become CPAs—a work environment that encourages and supports them in attaining the credential. Reasons respondents gave for not finishing the exam included conflicts with work, cost of the exam, the need for time to study, and multiple tries to complete all parts. Only 27 percent of test-takers finish all four parts on the first try. On average, passing candidates require about 6.5 attempts to pass the four parts. The cost to complete four parts and a review class can reach almost $5K.

This is where we become either part of the problem or part of the solution. We have to ask ourselves, “Are we creating and fostering an environment that encourages staff to complete the CPA Exam?” Many companies are happy to hire accounting majors and not require a CPA. Is that best for your company’s and your staff’s long-term prospects?

Public accounting firms, too, have to look inwards. In a recent Illinois CPA Society survey of the top 25 public accounting firms in the Chicagoland area, 98 percent said they’re struggling to meet CPA needs or would like a larger pool of CPAs to recruit from. Yet 12 percent said they only provide financial assistance for a review course (not the exam) and 12 percent said they provide no financial assistance at all. Of those that do provide financial assistance, only two firms will pay for more than one attempt of a section. Yet, the average candidate requires 6.5 attempts to pass all four parts. Lastly, 20 percent said they don’t provide PTO or flexible work schedules for the review course or the exam.

So, at the end of the day, are we putting our money (literally not proverbially) where our mouths are? If we’re serious about the need for more accounting majors to become CPAs, we need to provide the financial and environmental support to complete the process. Yes, it will require an investment of time and money. However, with three-out-of-four current CPAs projected to retire in the next 15 years, the pipeline issue is bound to only get worse. In the end, this is time and money we can’t afford not to invest.
What’s Draining the CPA Pipeline?
And what can we do about it?
By Derrick Lilly
Indeed, the projections for the accounting industry are both big and bright. Growing at a steady annual clip of 3-4%, we’ll hit these figures by 2020, says business intelligence and research powerhouse IBISWorld. And better yet, adding in IBISWorld’s projections for growth in Tax Preparation Services, Forensic Accounting Services, and Payroll & Bookkeeping Services sends these numbers skyrocketing (by billions of dollars and several thousands of establishments and employees).

What it all equates to is fast-growing demand for accounting talent, and, more specifically, certified public accountants, or the trusted business advisors we know as CPAs.

This may not come as news. After all, since the Great Recession of 2008, the accounting industry has been a bright spot in our no-to-slow-growth economy. But what’s likely a surprise is that despite record hiring by accounting firms, steady corporate growth, record student enrollments in accounting programs, and record numbers of Bachelor’s and Master’s degrees in accounting being earned, the number of individuals pursuing the CPA credential has bucked the trend, fading or flat-lining in recent years. And, while 2016 may end up being an exception as qualified candidates rush to complete their testing before 2017 CPA exam changes take effect, the fact remains, we need more CPAs.

“A stagnating CPA pipeline is a threat,” warns Todd Shapiro, Illinois CPA Society president and CEO. “It’s an issue that will only get worse and grow more troubling without action because there’s no slowdown in sight for accounting talent demand.”

For a state like Illinois, which is home to 4.4% of the nation’s accounting establishments according to IBISWorld (not to mention some of the top-ranked accounting and business schools), and 5 of the top 15 firms in the country from Accounting Today’s “2016 Top 100 Firms” list, we have to ask, “Why?”

“Why aren’t record numbers of accounting students and young professionals sitting for the CPA exam? Why does pipeline continually come up as one of the top issues facing the profession?” asks Shapiro. “We have to ask ourselves what can—or should—we do about it? Or, maybe more importantly, what happens if we do nothing at all?

On its surface, the CPA pipeline looks solid. Since the 1999-2000 academic year, total accounting program enrollments, or all students pursuing a Bachelor’s in Accounting, Master’s in Accounting, MBA in Accounting, Master’s in Taxation or Ph.D., have increased year over year nationally.

And scholars are rising to the challenge of meeting specialized workplace skills demands—and, optimistically speaking, the mandatory 150-credit hour requirement to sit for the CPA exam—by pursuing and earning more Master’s in Accounting degrees than ever before, reports the American Institute of CPAs’ (AICPA) 2015 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits.

Breaking beneath the surface, however, it becomes clear that the CPA pipeline has its cracks. National Association of State Boards of Accountancy (NASBA), Department of Education, Bureau of Labor Statistics, and AICPA data indicates that a mere 33% of all accounting graduates ever become CPAs. Worse even, since peaking between 2010 and 2011, the number of graduates sitting for the CPA exam has been declining nationally.

Here in Illinois, 16% fewer candidates sat for the CPA exam in 2015 compared to 2010’s high of 6,574. In fact, Illinois Board of Examiners (ILBOE) statistics reveal declines in four out of the last five years since. What’s more, ILBOE test data from the last six years (2010-2015) shows an average annual cumulative pass rate of just 53%, and only 28% of candidates overall ever pass and become CPAs certified in Illinois. So what we have are fewer candidates taking the exam, few managing to pass it, and even fewer becoming CPAs in a state notable for its CPA presence.

Of course, the timing of this trend couldn’t be worse. The AICPA anticipates 75% of working CPAs will retire within the next 15 years. So if you think the CPA talent pool is shallow now, imagine just how empty it will become if the CPA pipeline isn’t restored.

From costs and complexity to career choices, the number of factors stemming the flow of CPA exam candidates and future Illinois CPAs stretch far and wide. In the Society’s view, none of these leading issues are insurmountable, but we can’t avoid them; we must face them head on if we’re going to seal our leaking pipeline.
Time and time again we hear that individuals who are exposed to the accounting profession and CPAs at a young age, whether it’s through family, friends, or maybe even an elementary or high school career day, are more likely to join the profession and become CPAs themselves.

But how many students at the high school and college levels are planning their academic futures and careers without ever meeting a CPA? How many don’t know that the CPA is rated the most desirable credential by employers, according to The Wall Street Journal? How many don’t know that it’s a clear pathway to “One of the largest single blocks of above-average paying jobs in the country,” according to TIME Business & Money? How many accounting students think their Bachelor’s degree is “good enough” when just a little more time and money invested in themselves can earn them the opportunity to become a CPA, which could earn them anywhere from 5% to 15% more than their non-credentialed counterparts throughout the course of their careers, according to Robert Half?

These are million-dollar questions—literally a CPA could earn $1M more over their career than non-CPAs.

**What can we do?**

By no means can we singlehandedly steer people towards becoming CPAs, but we can collectively do more to expose people to CPAs and the innumerable opportunities the credential opens up to them, not only among our families and friends, but also in our communities and schools across our state.

Take the annual CPA Day of Service, as just one example. This day exists for us to step out of our offices and volunteer our time, skills and knowhow to give back to our communities. This can consist of anything you wish, from providing hands-on outreach to a nonprofit, to teaching financial literacy, to partnering with a local school to advise students about the many career paths a CPA can take (FBI Special Agent anyone?). Whatever the case may be, we’re not only bettering someone else’s life when we give back, we’re bettering the profession and expanding its reach. Now what would happen if we made these efforts on a grander scale and on more than one marked day per year!
Besides trying to spark interest in CPA-related careers, we need to do more to ensure that academic and career advisors and educators, from high schools and community colleges to grad schools, are equally in tune with the benefits the CPA credential offers.

"It used to be a given that if you were in an accounting program you went on to get the CPA, but it seems we’ve gotten away from that while the CPA exam has gotten far more complicated," explains Sarah Herrmann, Illinois CPA Society member outreach manager. "It’s also a major concern of ours that all of the campuses we visit have varying degrees of understanding of the intricacies of the exam and don’t consistently demonstrate the importance of having the CPA credential. This isn’t a choice that students are making for the next year, it’s a choice they’re making for the rest of their careers.

“What’s also being missed by many of our colleges and universities is the business case for pushing the CPA,” Herrmann continues. “Students that get the CPA are almost undoubtedly going to get jobs, and schools with students that get jobs get more students and more attention from employers and recruiters.”

Here exists the opportunity to create collateral and initiatives, “best practices” if you will, that educational institutions across the state can draw on during their teaching and advising so that the CPA becomes synonymous with academic study and success. In many regards, the Society’s expanding “Be a CPA” campaign and group of Student Ambassadors are spearheading the championing of the CPA as they grow the pro-CPA presence on campuses and build relationships and provide resources to peers and educators. But further collaboration between the Society, the profession and educational institutions across the state could lead to far greater reach and a stronger impact on the pipeline.

From there we then must ask if we can do more to ensure that anyone interested in a CPA career can easily understand what sitting for the CPA exam truly entails.

**Complexity and Confusion**

To state the obvious, the CPA exam is hard. But it’s not just the exam itself that’s grueling (we’ll get to that); even for the accounting student planning to tackle the exam, or the young accounting professional looking to take it as he or she advances in the profession, it’s challenging to navigate all one must do to qualify and register to test. As Herrmann says, “It’s like this mysterious, complicated thing that we’ve made really hard to get.”

To put it in perspective, the Society published a six-page CPA Exam Overview & Facts guide meant to highlight everything an Illinois candidate needs to know and do to sit for the Uniform CPA Exam. And we can point to proactive educators like Beth Murphy, CPA, associate professor, School of Accountancy and MIS at DePaul University in Chicago, who has taken it upon herself to host CPA exam workshops that help her students understand the education requirements and administrative logistics of getting through the application process.

And beyond the intricacies of registering for the CPA exam, the 150-credit hour requirement to qualify to sit for the exam is proving to be a startling source of confusion. The immediate assumption of prospective candidates is that a fifth year of school or a Master’s degree is required to qualify to sit for the exam. For many, a fifth year in school or the time away from work, the costs, and the mere challenge of completing more courses deter them from ever pursuing the CPA.

**What can we do?**

“So many of our students need to work while pursuing their education, and for students where four years is a challenge in and of itself, five years is often totally out of the question,” says Murphy. “One of the things universities don’t necessarily communicate well to their students is that you don’t need to go to school for five years. In Illinois, with careful planning you can earn a four-year degree and supplement it with extra hours to be able to take the CPA exam within four years, and we need to convey that better.”

We’ll never discount the merits of a Master’s degree; it’s an excellent investment in one’s future—but it’s irresponsible of us to position it as the only means to the CPA. We have to do a better, more universal job of making students and Bachelor’s degree holders aware of the multiple pathways to the CPA.

With student loan debt surpassing $1.2T and pressuring the livelihoods of many, we’re compelled to point out that accredited community colleges offer affordable course options whose credits could count towards the 150-credit hour goal. And the truth is, the 30 extra credit hours typically needed beyond what’s earned through most 120-credit
hour Bachelor’s degree programs can come from electives or courses in a particular subject area of interest from whichever accredited college or university serves them best.

This is an important point for academic advisors and educators to understand and communicate to students. “To the educators, academic advisors and career services offices, it’s about how you can help students navigate a path that makes sense to them,” encourages Herrmann. “Some students may only need a few extra classes to qualify to sit for the CPA exam, while others may not know where to even begin.”

If some form of standardized best practice is needed to ensure consistent messaging is delivered across the state, let’s have that conversation and craft that messaging. Or perhaps we can come together to develop a standardized CPA exam preparation course that students could take and earn credits towards that 150-credit hour goal. Whatever the case, let’s rise to the challenge of making the 150 credit hours easier to schedule and earn—not easier in that subject matter is dumbed down, but easier in that colleges and universities have clear pathways to earn 150 credit hours in four years. Here, we can highlight Illinois Wesleyan University’s (IWU) program that notably helps streamline the path to the CPA.

IWU has carefully planned multiple routes to earning all 150 credit hours in four years’ time. IWU’s standard course load of four courses each semester equates to a Bachelor’s degree and 128 credit hours. The additional credits then come by way of helping students navigate taking optional May Term (summer) programs, “overloading” semesters by taking five courses instead of four, earning off-campus credits through Advance Placement courses, or by taking courses during breaks at other colleges or universities. IWU students also have the option of completing a spring internship program paired with a summer term to complete the 150 hours in four years.

For IWU students choosing to pursue Master’s degrees, IWU has fostered agreements with several other Illinois universities to ensure that IWU students transferring into their graduate programs will need to complete as few prerequisites as possible.

The result is an accounting program that not only emphasizes the broad training needed to succeed in the CPA profession, but one that also generates graduates that often achieve the highest CPA exam pass rates in Illinois.

With its focus on time and cost reductions, and a simplified path to the CPA, replicating this approach at colleges and universities across the state could have a dramatic impact on strengthening the CPA pipeline. Community colleges in particular could also benefit by further developing clear transfer programs that feed into traditional four-year accounting programs or supplement them as a lower cost pathway to earning the credits needed to sit for the CPA exam.

“There are so many good students with the abilities to become CPAs who go to schools that don’t have the same financial or advisory resources as others to help move them along this expensive and complicated journey,” says Herrmann. “If we could figure out how to reach all students equally, the CPA pipeline would be far better off.”

**Time and Costs**

Outside of tuition costs, sitting for the CPA exam itself takes a lot of time and money. Whether it’s a case of affordability or having the flexibility to study and work around exam blackout periods and testing restrictions, this is a substantial hurdle for both prospective students and working professionals to overcome.

“Research indicates roughly one-third of accounting students who intend to sit for the exam fail to take it. Financial barriers work
“Evaluation, application and testing fees alone total nearly $1,025 for a first-time domestic candidate preparing to take all four sections of the CPA exam in Illinois.”

against expanding the profession,” writes Amy Pitter, Massachusetts Society of CPAs president and CEO in Fueling the Accounting Profession Pipeline: What Will it Take?

Evaluation, application and testing fees alone total nearly $1,025 for a first-time domestic candidate preparing to take all four sections of the CPA exam in Illinois. Add on a series of review and preparation courses, and the grand total could easily jump to nearly $5,000. But we know through national testing data that only 27% of examinees pass all four sections during the first attempt. In fact, it takes an average of nearly 6.5 attempts to pass the entirety of the CPA exam, meaning the vast majority of candidates will retake multiple sections, elevating both study and testing costs and time commitments.

“When you’re thinking of sitting for the CPA exam, and you’re close to being done or are done with school, and you’re looking at your student loans, and rent, and all of your mounting expenses, thousands of dollars for review courses that will limit your time to get on your feet and pay your bills and $1,000 to sit for an exam you’re likely to fail is a lot of money, and many schools and employers lose sight of that,” says Herrmann.

What can we do?

It’s easy to be turned off by the upfront costs, whether it’s the time or money, especially among students that are more worried by the semester ahead rather than the years ahead. That’s why first and foremost we must emphasize that investing in the CPA credential yields life-long dividends.

As Jackie Rosenfeldt, CPA, partner in Grant Thornton LLP’s Audit Services practice in Chicago will tell you, “The CPA credential is absolutely necessary as a minimum to advance to the manager rank in the audit and tax service lines.”

So what’s $5,000 now when Robert Half suggests possessing the CPA credential could lead to more frequent promotions and a salary difference of $50,000 between CPAs and their non-CPA counterparts? And as mentioned before, over a 40-year career a CPA could earn $1M more than a non-CPA. Regardless of how hard we try to ingrain these facts in students and young professionals, we know some simply don’t have the means to take on the CPA exam alone. “If we’re serious about mending and growing the CPA pipeline, we need to find more ways to reduce the financial and time barriers that are pushing aspiring CPAs away,” says Shapiro.

The Society and CPA Endowment Fund of Illinois, for example, partner in awarding about $185,000 through annual academic scholarships, CPA exam awards and other outreach and diversity programs aimed at growing and enhancing the CPA pipeline, but these investments in the future of the profession are limited in reach and support. With greater partner and donor support, we could grow our impact and serve more deserving students and CPA candidates.

We must also address the challenge of supporting aspiring CPAs already in the workforce. In our survey of Chicago’s 25 largest public accounting firms, 23 firms (92%) said that they require professional staff to earn the CPA credential in order to be promoted to certain positions in the firm. Yet, 24% provide no financial assistance at all or only provide financial assistance for a review course. Of those that do provide financial assistance for the exam, only two firms will pay for more than one attempt of each exam section even though we know that the average candidate requires 6.5 attempts to pass all four parts. Some of the leading firms in Illinois don’t even provide staff with PTO for review courses or the exam. What kind of message is this sending? “We have to ask ourselves if there’s more we can do to truly create and foster an environment that encourages staff to complete the CPA exam,” says Shapiro.
1 in 3  Accounting grads who become CPAs. (NASBA, Dept. of Education, Bureau of Labor Statistics, AICPA)
27%  Candidates who pass all four parts of the CPA exam on the first attempt. (AICPA)
6.5  Average attempts needed to pass all four sections of the CPA exam. (AICPA)
30.4  Average age of CPA exam takers in Illinois in 2015. (NASBA)
The Uniform CPA Exam:

Four sections. Fourteen hours. And a 47% failure rate in Illinois.

The Uniform CPA Exam was developed to protect the public interest by ensuring that every person passing it and qualifying to be a licensed CPA possesses the broad expertise that the real world demands. But the four targeted exam sections require 14 hours of testing, innumerable hours of studying, and a substantial investment in time and money. With an average pass rate of only 53% in Illinois over the last six years, many candidates simply don’t think it’s worth it, and the profession itself may be inadvertently helping to fuel that thought.

“There’s an increasing number of jobs that don’t require the CPA straight out of school, especially within the Big Four where there are so many service lines,” explains Herrmann. “Students and young professionals are seeing big dollar signs in the ‘sexy’ consulting business, and even a lot of corporate jobs are paying more than public accounting firms.”

Accounting Today’s “2015 Top 100 Firms” data shows advisory services revenues have grown by 91% in recent years and now make up roughly one-third of firm revenue. The careers created by rapid expansion into specialized consulting and advisory work are attracting individuals at all academic and professional levels: The titles sound nice, the subject matter is diverse and intriguing, the jobs pay well, and, in many cases, they don’t require the CPA credential. On the other hand, tax (17%) and audit and accounting (6%) revenues have seen much slower growth. Unfortunately, these are the two most demanding areas of licensed CPAs and where the bulk of them earn their bread and butter. To little surprise, the annual growth rate of professional staff and partners (8.9%) has outpaced the growth of CPAs (3.6%) within firms.

“As non-CPA consulting positions grow, and in many instances pay more than traditional audit and tax roles, the number of quality students and prospective CPAs pursuing the designation may decline further,” warns Sean Treccia, director of Campus Recruiting with KPMG LLP.

If public accounting firms themselves, which often feed the public and private company realms, are intentionally or unintentionally putting less emphasis on the importance, value and demands of the CPA credential, it sends a message to students, aspiring CPAs and working professionals that they don’t need it. The trickledown effect is that trying to repair the pipeline becomes a losing battle.

What can we do?

“There are many factors driving the numbers of new CPAs down. We can blame a vibrant economy where many companies will hire accounting graduates without requiring the CPA. We can blame the growth in advisory services at firms which don’t require the CPA. We can blame the 150-credit hour rule. We can blame the exam’s format. But in the end, we have to look inward and challenge ourselves on how much we are supporting, pushing and requiring accounting majors and professionals to become CPAs,” says Shapiro.

We alone may not have all of the solutions to solve the pipeline problem, but we certainly can’t ignore it. Rather we must challenge it....
There’s a war being waged in the accounting profession, and we’re the ones stoking its flames.

The war for qualified and skilled talent is real, and we have the opportunity to be part of the problem or part of the solution.

Ask the top 25 public accounting firms in Chicago what they think of the CPA pipeline and 88% of them will tell you that there aren’t enough CPAs to meet their wants and needs. How do we know? We asked.

In May 2016 we wrapped up a survey of Chicago’s 25 largest public accounting firms that asked managing partners, HR leaders and other strategic decision makers from each firm some tough questions about the state of the CPA pipeline and what they’re doing to support the CPA credential and their employees aspiring to earn it. With pipeline supply and diversity being such hot-button issues in recent years, and 40% of firms reporting back that they’re flat out “struggling to find candidates to meet [their] CPA talent demands,” we expected some proactive and creative efforts on their behalf aimed at filling the CPA pipeline. We won’t name names or point fingers, but, frankly speaking, we found the results to be a bit lackluster.

Every firm we spoke to, 100% of them, reported back that the CPA credential is “very desirable” or “somewhat desirable” when hiring or recruiting professional staff. No one even blinked at the question. So it comes as a surprise then that each and every one of these firms isn’t doing everything they can to ensure their people have the tools they need to earn the CPA.

Twelve percent of firms offer no financial assistance for CPA exam preparation courses or testing. Another 12 percent only offer financial assistance for a prep course. Only two out of 25 firms offer financial assistance for taking the CPA exam more than once (even though the average candidate will need at least two, if not three attempts to pass some sections)—one covers expenses for two attempts, while one firm will foot the bill for “as many as it takes.” Only 52% of firms provide both PTO and flexible work schedules for prep courses and testing. And the most popular incentive for earning the CPA credential is—drumroll please—a one-time bonus (72%). Twelve percent of firms don’t even offer a reward or incentive. This all seems a bit counterintuitive when 92% of firms (23 of 25), “require professional staff to earn the CPA credential in order to be promoted to certain positions in the firm.”

Over and over we hear from firms that there’s a lack of CPAs and skilled candidates in the talent pool, that attracting new talent is a challenge, that there’s so much competition for top talent, and then
“The talent pipeline is one of the biggest risks to our firm and our industry.”

John Bird, CPA, Partner, RSM US LLP

(ICPAS 2016 CPA Pipeline Survey)
The Diversity Challenge

CPAs must embrace the changing face of business.

Mending and growing the CPA pipeline is essential to securing a sustainable, adaptable and talented flow of professionals to carry on the legacy of the CPA—the legacy of being a trusted business advisor. But the face of our population—and the face of business—is changing, and that means the face of tomorrow’s CPA must change as well.

Minorities of African, Asian, Latin, Middle-Eastern and mixed-race descent are driving our country’s population growth. Combined, these groups will soon exceed the White/Caucasian population, beginning a new “minority-majority” phase according to the U.S. Census Bureau.

Consider this: In 2014, more than 20 million children under the age of five (a smidgen over 50%) living in the US were minorities. By 2020, projections show that over half of the nation’s population aged 18 and younger will be of a minority race or ethnic group. By 2044, the US population as a whole will become majority-minority. And by 2060, minorities will rise to 56% of our projected 471-million-person population. “No group will have a majority share of the total and the United States will become a ‘plurality’ of racial and ethnic groups,” the U.S. Census Bureau states.

The Bureau also highlights another milestone we’ll soon hit: By 2029, all Baby Boomers will be age 65 or older.

But Lester H. McKeever Jr., CPA, JD, managing principal at Washington, Pittman & McKeever LLC and a founding member of the CPA Endowment Fund of Illinois, is astute to point out that “you can’t measure diversity just by counting numbers.”

Indeed, as diverse as our country’s population is, and continues to become, that diversity still hasn’t transcended the CPA profession. The AICPA’s 2015 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits report illustrates the issue well. In 2014, 85% of all professional staff at CPA firms was White. Narrowed to just CPAs, that number rises to 88%. Focused on partners, it jumps to 93%. As for female partners, they total just 24%. Now consider 2007’s measures of these same groups, which equalled 80%, 87%, 91% and approximately 20%, respectively. So despite diversity being a hot-button issue, despite the increasing talk about the need for diversity in the profession, we’ve actually moved backwards in some respects.

“The numbers can’t hide the truth. At many of our elite institutions and organizations, diversity has not arrived. Management ranks still don’t reflect market demographics,” says McKeever. “We have to be smarter. We’ve got to open doors wider.”

“Our profession is at a crossroads,” says Scott D. Steffens, CPA, chairperson of the Illinois CPA Society’s board of directors and a partner with Grant Thornton LLP in Chicago, “If we’re going to meet marketplace demands and stay at the top of our game, we need to attract and retain talent that reflects the growing diversity of the clients and communities we serve. This goes for all of us in both public accounting and corporate roles.”

As it stands now, White accounting graduate recruits still dominate the profession at 69% of new hires according to the 2015 Trends report, while only 15% are Asian/Pacific Islanders, 8% are Hispanic/Latinos, a mere 3% are Black/African-American, and a miniscule 2% are multi-ethnic.

In recent years we’ve seen CPA firms, universities, and professional associations like the Illinois CPA Society (ICPAS), National Association of Black Accountants (NABA), Association of Latino Professionals for America (ALPFA), National Council of Philippine American Canadian Accountants (NCPACA), and others making moves to try to bolster diversity and the CPA pipeline by providing grants and scholarships to high achievers from low-income and underrepresented ethnic groups in the profession.

Here at the Society, growing and championing diversity has become a primary initiative. “An enhanced focus on diversity is one of the mission-critical initiatives I support as the Society’s Board Chair, but there is still so much to do,” Steffens states.

Consider, for example, the success of the donor-driven Mary T. Washington Wylie Internship Preparation Program. Having just wrapped up its fourth year, this program administered by the Society and CPA Endowment Fund of Illinois has impacted 100 students and is nationally renowned for driving diversity in the profession.

“Our program prepares deserving African-American and other underrepresented minority college students, whom we’ve identified through our relationships with NABA, ALPFA and accounting faculty across Illinois, to be placed into an internship and guided down a career path,” explains Kari Natale, director of the CPA Endowment Fund of Illinois. “In addition to financial assistance, the Program delivers three days of intensive training and direct exposure to people in the profession that provide these students with the resume
development and interviewing and career coaching that they so desperately need. The profession needs these students to succeed.

What’s more, Natale continues, “Once these scholars complete the Program, they become ambassadors of the Program and the profession. They go back to their campuses and communities to speak with their peers, friends and families about the opportunities this program and the accounting profession offer, which only furthers our reach and impact.”

Pushing the envelope further, the Society launched its inaugural Diversity Summit on June 15, 2016 in Chicago. The Summit brought together CPA firms, educators, minority association leaders, diversity officers and others to actively discuss diversity trends, challenges, initiatives and ways to further collaborate on making an impact on their peers and the profession. “We need to ensure that we’re all working together to move the needle on the important issue of diversity in the CPA profession,” Steffens says.

Attracting more diverse students to accounting programs and preparing them to be CPAs is just the beginning, however. To see real change, there has to be a culture shift, and that’s where coming together as a profession will pay the most dividends for the future of the CPA and the future of our business.

“Walk the talk,” says McKeever. “To the leadership here and across the country, our ‘C-suite’ executives should more consistently demonstrate that diversity is both a strategic business imperative and a moral issue.”

“There are imbalances in representation between firm and business leaders and their staff, between them and their customers, and between the profession and today’s population that we need to address,” says Steffens. “Because having diversity—whether it’s in gender, race, ethnicity, lifestyle choice, and more—strengthens our organizations, drives better decision-making, creates new opportunities, and grows our competitive advantage.”

“Our profession, and businesses in general, and each of us, must address this issue,” McKeever says in closing. “The problem is not someone else’s problem, but it is all of our problem. It is not just limited to one community or another, but affects us all.”