Accounting as STEM
North Carolina Association of CPAs

House Select Committee on Advancing Women in STEM
October 12, 2022
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UNC Kenan-Flagler Business School
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Grant Thornton LLP
Partner–National Tax Business Line Leader

Scott Showalter, CPA
NCSU Poole College of Management
Professor of Practice and Director of the Master of Accounting Program
Importance of Accounting & CPAs

ACCOUNTING IS THE LANGUAGE OF BUSINESS

- Consulting
- Financial Accounting
- Auditing
- Management Accounting
- Financial Planning
- Assurance Services
- Business Valuation
- Taxation
- Information Management & IT Assurance
- Financial Forensics
Evolution of Accounting

Past

Current & Future

ncaCPA
Concerns about Student Pipeline

Undergraduate enrollment nationwide dropped 6.6% from Fall 2019 to Fall 2021.

54% of faculty report declining enrollment and graduation rates in Accounting programs.

Minorities continue to be underrepresented among Accounting students and graduates.

Source: AICPA 2021 Trends Report
The number of Accounting graduates is declining.
Concerns about Student Pipeline

New Accounting degree completions by race/ethnicity—bachelor’s & master’s 2019-20

Trends in new Accounting degree completions by race/ethnicity—bachelor’s & master’s 2013-20

Source: AICPA 2021 Trends Report
Concerns about CPA Pipeline and Diversity

Minorities make up about 40% of the U.S population, but minorities represent only 14% of the CPA profession.

Sources: U.S. Census, AICPA

Women make up more than half of accounting graduates

COVID severely impacted the number of CPA Exam candidates and Exam completions

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Sources: U.S. Census, AICPA
The number of CPA Exam candidates is falling
When and how can we attract more students to Accounting?

Pluralities of HS students have “some idea” of what they want to study

<table>
<thead>
<tr>
<th></th>
<th>Black</th>
<th>Hispanic</th>
<th>AAPI</th>
<th>White</th>
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<tbody>
<tr>
<td>Not sure</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Some ideas</td>
<td>50%</td>
<td>51%</td>
<td>49%</td>
<td>47%</td>
</tr>
<tr>
<td>Set on major</td>
<td>38%</td>
<td>36%</td>
<td>38%</td>
<td>43%</td>
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HS Students with a set major made decisions similar points in time

<table>
<thead>
<tr>
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<th>Black</th>
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<tbody>
<tr>
<td>Not sure</td>
<td>28%</td>
<td>30%</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>11-12th gr</td>
<td>35%</td>
<td>35%</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>9-10th gr</td>
<td>32%</td>
<td>31%</td>
<td>31%</td>
<td>34%</td>
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<tr>
<td>Before HS</td>
<td>32%</td>
<td>31%</td>
<td>31%</td>
<td>34%</td>
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Students with an interest in STEM (nonwhite and white) are more set on a major (44%, 52%) and deciding earlier than business focused students

Source: Center for Audit Quality, Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities
Federal & State Efforts to Designate Accounting as STEM

Federal Legislation
- H.R. 3855, Accounting STEM Pursuit Act
- S. 3398, STEM Education in Accounting Act

DHS STEM Designated Degree Program List
- Six CIP codes nominated for inclusion on the list

University Designation of Accounting Programs
- NC State University Master of Accounting Program

Massachusetts STEM Council
- Innovation Pathways
- Early College courses
Accounting as STEM under Technology

Supported by:

- AICPA, NCACPA, and 49 other state CPA societies
- National Association of State Boards of Accountancy
- American Accounting Association
- National Association of Black Accountants
- National Society of Black CPAs
- ASCEND

- Association to Advance Collegiate Schools of Business
- Association of Latino Professionals for America
- Center for Audit Quality
- LatinoTaxPro
- Name A Future
- Diverse Organization of Firms
Next Steps

- Designate & promote Accounting as a STEM field under Technology
- Increase Accounting course offerings in secondary schools
- Support AICPA Accounting Program for Building the Profession course
Questions?