



# Draft Pipeline Acceleration Plan

February 2023

## Addressing root causes of pipeline challenges

The accounting profession is grappling with a talent shortage. This student pipeline challenge is not unique to CPAs. Many professions are facing the same issue, driven by similar factors including shifting workforce demographics and rising education costs.

But sharing the problem doesn't lessen the pressure. Meaningful, quick action is needed.

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. Considerable investment is being made in a range of pipeline initiatives – from the Center for Audit Quality-led Accounting+ student awareness campaign to CPA Evolution and the launch of the new CPA Exam in January 2024.

As a subset of its work, the AICPA is partnering with stakeholders to implement a set of actions in 2023 to accelerate solutions and address certain root causes of pipeline issues. This plan should be viewed as a set of initiatives and areas of focus, not as an exhaustive look at all pipeline efforts.

The intent of the plan is to ensure that CPAs' work is meaningful, valued and properly compensated; that we integrate the changing needs of new recruits and young professionals; increase flexibility and accessibility in the licensure pathway; and drive awareness of the wide range of experiences and successful pathways within a profession that our country and communities rely on.

What follows is an overview of the plan, which is likely to evolve and expand throughout 2023.

### Draft Pipeline Acceleration Plan

The graphic displays eight initiatives in a two-column list, each with a purple circle containing a white number. The initiatives are:

- 1 Experience, Learn & Earn Program**  
*Pilot launch Fall 2023*
- 2 30-hour communication campaign**  
*Materials ready Q2 2023*
- 3 Extending 18-month exam window**  
*Begins Jan 2024*
- 4 Addressing jurisdictional inconsistencies for initial licensure**  
*Legal review completed and issues prioritized Jan 2023*
- 5 High school and college strategies**  
*Phase 1 implemented in 2023*
- 6 STEM recognition**  
*Push for Federal passage 2023; State toolkit available Feb 2023*
- 7 AICPA Foundation**  
*Strategic shift in Foundation focus and scholarships implemented 2023*
- 8 Stakeholder calls to action**  
*Communications mid-year 2023*

These activities are in addition to profession-wide pipeline work such as CPA Evolution (new Exam) and CAQ's Accounting+.

## EXPERIENCE, LEARN & EARN (ELE) PROGRAM

Providing a route for students who need the means and a plan to earn 150 credit hours

The initiative blends work, experience, and online courses for the final stretch of credit hours and a focus on licensure. The AICPA and NASBA program would provide university students on a CPA career pathway an opportunity to work at a firm and gain a mix of work experience, study time, and affordable college credit hours. The goals of the program include increasing accessibility to accounting and making entry into the profession more affordable for a diverse pool of candidates.

The program is designed for students who have completed between 120 and 150 college credit hours and core accounting courses. The program is not an internship or an apprenticeship. The graduates are first-year staff with a reduced workload and time to complete academic courses.

ELE's online learning will be priced at or below the average cost of a community college credit. The projected cost for 30 credit hours is approximately \$4,200 or \$140 per credit hour.

### Journey through the ELE program



Student graduates with bachelor's degree and core accounting courses completed



Joins a firm right away as a first-year staff, *not an intern*



Works flexible hours for commensurate pay *and* time allocated to complete up to 30 online credit hours to reach 150 credit hours



Continues career at the firm/company after completing the program

The program will launch as a pilot in Fall 2023 with up to 1,000 students. Outreach to firms about participation in the pilot is beginning in February. There will be one university partner for the pilot phase. A Request for Proposals will be issued this summer for universities interested in joining the program after the pilot. This approach is designed to accelerate the launch of the pilot phase while allowing interested universities time for discussions and due diligence for subsequent participation.

A key principle of the program is that it is scalable to work for firms of all sizes. Firms can tailor the experience to fit their needs. For example, a firm may not want its participants to take courses during busy season and instead would allocate time for coursework during other parts of the year.

An advisory group of leaders from state societies and state boards of accountancy is helping to shape ELE state outreach and materials.

### 30-HOUR COMMUNICATION CAMPAIGN Sharing data and success stories

This awareness campaign, which begins rolling out in the second quarter of 2023, focuses on how students can best use the 30 credit hours required for licensure beyond a typical 120-credit hour degree to increase career readiness. Firms of all sizes told the AICPA in a recent survey what key first-year skills and competencies they most value. Their responses are helping define the Experience, Learn & Earn coursework while also informing this awareness campaign.

Working within guidelines set out in the Uniform Accountancy Act and with an eye toward the revised CPA Exam in 2024, candidates are developing competencies needed to succeed in an ever more complex and technology-focused business environment. This campaign will spotlight success stories and data to help guide students and bust some myths about how students use the 30 credit hours of coursework.

### Top skills firms say are very valuable for new hires



78%

Data analysis tools  
and techniques  
(Excel, [PowerBI](#))



77%

Soft skills  
(presentation, time  
management,  
communication)



40%

Advanced analytics  
(data mining and  
visualization, predictive  
analytics)



40%

Advanced taxation  
(passive loss limitations,  
gifting assets, consolidated  
returns)

Source: AICPA Jan 2023 firm survey  
representing 29+ states

## EXTENDING THE 18-MONTH EXAM WINDOW

Significant progress has been made on a permanent extension of the **18-month window to pass all parts of the CPA Exam**. The National Association of State Boards of Accountancy (NASBA) is exposing a proposal that will be a guide for state boards to extend the window to 24 months. The proposal also provides greater clarity on a state board's authority to allow additional time to candidates.

Under NASBA's leadership, the AICPA will work with NASBA and states to quickly adopt the changes to the model rules that are approved after the comment period.

Interested parties are encouraged to consider the proposed changes and send any comments or recommendations to the NASBA Uniform Accountancy Act Committee via [uaacomments@nasba.org](mailto:uaacomments@nasba.org) by April 17, 2023.

Working with NASBA, the AICPA has been exploring what changes are needed to keep students progressing to licensure while ensuring the window isn't shutting out qualified candidates.

Some qualified candidates may be unable to complete all four sections of the CPA Exam within 18 months for numerous reasons. On average, between 2013 and 2017, more than 900 candidates annually dropped out of the CPA pipeline after passing three or four Exam sections. Approximately 1,250 candidates annually dropped out after passing two Exam sections.

The AICPA, working with NASBA, is conducting a new round of student research to identify and understand the various factors that drive accounting majors away from or toward pursuing a CPA.

While these proposals and their implementation are being discussed:

- NASBA and the state boards have approved automatic 18-month extensions for candidates who hold credit on Jan. 1, 2024, to assist them in navigating the launch of the new CPA Exam in January 2024.
- NASBA and the AICPA continue to send reminder emails to candidates alerting them of pending expiration dates.

## **IDENTIFYING AND ADDRESSING JURISDICTIONAL INCONSISTENCIES FOR INITIAL LICENSURE**

### **Streamlining procedures**

When inconsistencies in rules result in CPA candidate confusion and frustration, we all lose. Minimizing unneeded differences in requirements will smooth out bumps in the journey to licensure.

For decades, the profession has worked on uniformity across state lines through the mobility and substantial equivalency provisions in the Uniform Accountancy Act (UAA). The AICPA, in partnership with NASBA, will continue conversations with state societies and state boards in examining laws and rules as they relate to the UAA, and where opportunities may exist for greater alignment.

Progress made this year includes the completion of state-by-state research that revealed differences in experience requirements, as well as requirements for recommendation letters and candidate submissions of experience “portfolios.”

Collaboratively, stakeholders will assess and address these identified differences. We will jointly develop an action plan for 2024 state legislative sessions (and beyond) to tackle either regulatory changes, legal changes, or both.

The result will be a reduction in state-by-state regulatory and legal barriers to entry, providing a more transparent and efficient route to the CPA across the United States.

## **HIGH SCHOOL AND COLLEGE INITIATIVES**

### **Revvng up awareness and developing new options**

Accounting stakeholders are working to spark a new era of engagement with students about the opportunities and value of a career in accounting. This is a critical step toward energizing interest in the profession. Effective communication efforts must be paired with pipeline building activities at the high school and college level.

The AICPA is developing a high school education strategy that includes dual-credit course options that allow high school students to earn college credit and is researching an AP accounting course. The goal of the strategy will be to raise awareness and interest in accounting and the CPA while streamlining the educational process.

To maximize ongoing communications, the AICPA will leverage recent Center for Audit Quality (CAQ) research for improved messaging to students and teachers promoting accounting and the CPA profession. This includes developing an awareness campaign strategy that messages students directly and promotes accounting and the CPA profession. This work will align with the CAQ-led Accounting+ initiative. Accounting+ is a multi-year branding and persuasion campaign designed to elevate the image and attractiveness of accounting among Black and Hispanic/Latino student populations. It’s about debunking myths and misperceptions about accounting. Accounting+ begins with *awareness* but continues with programmatic support for students to keep a career in accounting as a viable *consideration*, ultimately seeing students

through to *action* to choose accounting and join the profession. It is built to be a collective, profession-wide solution to the pipeline diversity challenge.

The AICPA will continue to develop toolkits to support various constituents presenting and promoting accounting and the CPA profession in high schools. Working with state societies, we will continue to strengthen our presence in high schools for promoting accounting and the CPA profession, culminating in Spring and Fall Accounting Opportunities Weeks.

At the college level, the AICPA's 2023 plan includes strategy development in three key areas:

- Improving the curriculum and delivery of Introduction to Accounting courses
- Providing relevant information and resources to inform teaching and research
- Promoting accounting and the CPA profession to online universities, Historically Black Colleges and Universities (HBCUs), Minority Serving Institutions, and their students

Meanwhile, the AICPA will continue to grow and support the U.S. Academic Champions, a group of approximately 75 engaged, influential educators who are responsible for fostering a pro-CPA culture on campus.

And, notably, in partnership with stakeholders including firms, colleges, and universities, the AICPA will provide a fresh data-driven look at the profession's pipeline and firm hiring via the 2023 Trends Report. The report, due out midyear this year, outlines trends in U.S. accounting enrollments and graduates, as well as hiring in the public accounting sector, and provides select information about CPA Exam candidates.

## **STEM RECOGNITION**

### **Winning technology recognition for accounting**

Interest in professional careers starts with exposure and awareness. The AICPA and state CPA societies are working diligently to win recognition of accounting as a STEM field under the technology banner.

Legislation introduced in 2021 that must be reintroduced this year would allow STEM K-12 grant funding to be used for accounting awareness and education, with a focus on increasing access to underrepresented groups.

At the higher education level, we are working with stakeholders to urge colleges and universities to expand their accounting curricula to include additional technology-focused courses to meet the profession's current and future needs.

Currently, colleges and universities must use non-accounting classifications for their programs for them to be designated as STEM. Far more preferable would be to have accounting, and potentially related curriculum areas, designated as STEM by the Department of Homeland Security/Student and Exchange Visitor Program (DHS/SEVP) to reflect the profession's role in today's marketplace. The AICPA nominated six Classification of Instructional Program (CIP) codes to be designated as STEM in 2022. Fifty-nine other organizations signed onto that



submission. We anticipate that DHS/SEVP will announce additions to the DHS STEM Designated Degree Program List in early 2023.

The AICPA is anticipating that some of the CIP codes nominated in 2022 will not be accepted. AICPA staff are currently considering revisions that will be needed for a new submission in 2023 and working with key external stakeholders to be ready to write that submission. Two research projects are planned/in process to bolster the 2023 nomination.

## **AICPA FOUNDATION**

### **Concentrating funding on those on a CPA path**

The AICPA Foundation has agreed to shift its focus to primarily helping students who plan to pursue CPA licensure or those who are currently CPA candidates. The Foundation, which is projected to award more than \$2 million in scholarships and grants in 2023, will assist individuals with financial needs through a variety of scholarship programs. An estimated 61% of grants and scholarships are expected to go to diverse populations.

Foundation funding could be used for exam review courses, tuition, or other needs in the licensure path. Additionally, the Foundation will continue to fund scholarships and fellowships for CPAs pursuing a PhD in Accounting, with the aim of encouraging and assisting these CPAs to join the ranks of those already helping educate future generations of CPAs.

*If you are interested in learning more about how you can partner with or support Foundation activities, email [foundation@aicpa.org](mailto:foundation@aicpa.org).*

When viewed collectively, the combined giving of the Foundation, state societies and firms is helping to make the pursuit of a CPA more affordable for more candidates.

## **STAKEHOLDER CALLS TO ACTION**

### **Engaging the system of stakeholders in solutions**

The CPA pipeline decline is the result of many factors, ranging from lower college enrollment and higher costs to the expense of exam preparation to the disconnect of starting salaries from new market realities. The AICPA is calling on all stakeholders to assess and address the forces deterring individuals from pursuing a CPA career.

How firms are structured and operate plays a big role in the accounting ecosystem and, ultimately, affects the pipeline. The AICPA is in ongoing dialog with firms about their business models. To help position firms for success, new business model resources will focus on five areas: Strategy, talent, technology, governance, and service offerings. Resources on firm strategy and talent will be released soon. All relate to the overall focus on culture within firms that will attract, retain, and develop talent to ensure the success of the profession.



The cost of a college education is a major factor in student decisions and an undeniable component of the pipeline. As part of the Experience, Learn & Earn program and high school and college initiatives, we are seeking to address university cost structure.

State CPA society volunteer leaders and staff are critical to developing and implementing effective solutions. The AICPA will create and take advantage of numerous opportunities for meaningful dialogue and collaboration with state CPA societies on building the pipeline.

Lastly, AICPA leadership is meeting with regulators during March and April to discuss how they can be a part of the solution to our pipeline challenges.

This effort in 2023 will advance the dialogue on the broader issues affecting attractiveness of the CPA profession, thereby driving positive change on several fronts. This includes CPA firms, universities, and the regulatory community.

### **Progress and ongoing engagement**

Combined, these initiatives paired with ongoing investments such as CPA Evolution, aim to increase flexibility for CPA candidates while maintaining the rigor of licensure. They are designed to deliver action and drive results. Continued dialogue with stakeholders will shape and expand this plan, and the AICPA will continue to update it as we engage on these critical pipeline issues.

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