

## The 2022 Top 100 People: The pipeline problem

By Danielle Lee December 21, 2022 9:00 AM

As the accounting profession continues to struggle with recruiting new members to its ranks, myriad issues could be to blame. So we asked this year's Top 100 Most Influential People what they identify as the problem(s), with their answers illuminating how the profession can evolve to remain relevant to future generations.

We asked, "The profession is having trouble attracting new talent, in general and CPA exam candidates in particular. Why do you think that is?"



It is a combination of things, but one of the most important is that I think we still have the perception of a profession that is boring, hard work, and stuck in the past. Collectively, we need to show that our profession is dynamic, rapidly changing, and important to the future of our society.

— **Joel Black, chair, Governmental Accounting Standards Board**



Historically, the CPA profession has not been known to be tolerant of diversity, including the LGBTQIA+ community and diversity of ethnicity/culture. Only recently is the profession starting to make improvements in gender diversity. This has led to a stifling lack of diversity of thought, an inability to evolve

quick enough to keep pace, and the reality that the profession no longer reflects the diversity of the organizations and individuals it serves.

I'm proud to be one of the few openly gay leaders of a global association and I've worked hard to make the profession more inclusive. I was part of a groundbreaking research project in 2020 that revealed LGBTQ accountants found the workplace wasn't welcoming to them, which was causing them to leave the profession. In my current position, I'm able to lead by example, demonstrating the great things that can happen in a diverse and inclusive workplace that allows employees to be their full authentic selves.

The CPA exam, specifically, has been too narrow and doesn't adequately explore the skill sets that a person actually needs in order to be successful at the job. Other exams, meanwhile, like the CIA exam, are far more practical and robust and they do a better job of preparing an individual for the actual work they'll be doing.

— **Anthony Pugliese, president & CEO, Institute of Internal Auditors**



Based on the six months of research the CAQ undertook prior to launching our Accounting+ awareness campaign, misperceptions exist about the profession. Students — across all demographics — see accounting as a desk job crunching numbers. It's boring. It's all math.

But that couldn't be further from the truth. Technology and artificial intelligence have automated many old accounting tasks, allowing auditors to expand their work to focus on more intellectual endeavors like data analytics and fraud detection. This work also allows them to expand and hone other skill sets, like communication and management.

A lot of people don't realize it, but auditors play a role in nearly every industry, from music to sports to social media to fashion and renewables. So not only do auditors get to work in a field that provides a valuable public service, but they also get to [be] exposed to a range of industries and work in an area that aligns with their own passions and interests.

— **Julie Bell Lindsay, CEO, The Center for Audit Quality**



The industry is changing, and so should we. I think people early in their careers view the auditing profession in a dated light; the industry isn't what it used to be — it's innovative, it's digital, it's exciting! In order to attract more bright young minds to this industry, we need to educate more on the profession's evolution and draw more attention to the diversity of roles under the umbrella of auditing.

There is a lack of awareness of the endless possibilities that the profession and becoming a CPA provides. Especially today as we evolve into the future, none of the stereotypical perceptions are real, the profession is as exciting and vibrant as ever.

— **Carl Peterson, vice president, small firm interests, Association of International Certified Professional Accountants**



The profession is not clear on the branding of what an accountant is. I sometimes joke about needing a TV show that will put us in an exciting or fun light so more people will be attracted to this profession. We need to "sell" the amazing things that we do for clients and why it is important. Our next generation is different, and they are looking for opportunities in professions where they can grow fast and feel valued from day one. We have some work to do in this area and it starts with current firm leaders recognizing that they need to create an experience where our Gen Z professionals want to be.

— **Sandra Wiley, president, Boomer Consulting Inc.**



Young people don't see the relevance of what we do, so they don't see this as an exciting career path. Social media compounds that by painting a fairly miserable picture of what we do and what it's like to be an accountant. Social media is constantly and instantaneously influencing people and all they see is how crappy the work is. Google the phrase "why I hate auditing" and you'll get a million hits. Young people only see the way the work gets done, that it's heavy on compliance with a lot of time on the road, and that perspective is not attractive to anyone. The workplaces that have a positive, business-minded culture and a healthy work-life balance don't draw as much positive attention because there aren't nearly as many good places to work in accounting as there are bad places.

We also contribute to this unappealing view of accounting just in the kinds of work that we have new staff people do. They didn't get a four-year degree plus the extra year for the 150 hours to spend days ticking and tying, working long hours, and being stuck in organizations that don't want to change. Not everyone wants to navigate the organizational structures to become a business leader.

We need to find ways to make this profession exciting and relevant, and a great vehicle for learning about business. We also need to be open to creating new positions in firms that take advantage of a person's unique talents and abilities to contribute to the whole.

— **Alan Anderson, founder and president, Accountability Plus**



The proposed CPA exam revamp increases challenges for attracting all candidates, especially Black and minority accountants. The revised exam creates a potential skills transferability issue for individuals who wish to navigate across specialties after they obtain licensure. As written, it appears that if a CPA wants to move to a different discipline or work outside their designated area, they must retake the exam to demonstrate competency in the new expertise. This can potentially create an unnecessary educational and financial burden on the candidate, moving us further from equity in the profession and reducing attracting diverse candidates.

Moreover, minority-majority schools will be financially challenged to adapt curriculum, faculty training, and technology resources to adequately prepare learners to compete effectively under the new criteria. Without sufficient educational support, Black CPA candidates may have difficulty demonstrating the required knowledge and skills outlined in the new exam blueprints.

— **Guylaine Saint Juste, president & CEO, NABA Inc.**



I think that the pandemic is going to take the majority of the blame for this one, but I actually feel the problem started long before that. It's just possible that the issue in attracting new talent lands solely on the generational culture shift. As technology has evolved, and millennials/Gen Z arrived onto the workforce, these digital natives began asking a question that the previous generations never did: Why? Why would I want to kill myself during tax season? Why do I need to work at an office? Why should I bother getting a CPA if I can do advisory work and make more money without a degree? The younger generations don't value delayed gratification the way their parents do, and they have very different priorities (i.e., Can I set my own hours? Can I bring my dog to work?) than professionals who came before them.

— **Kim Austin, director, global strategic accounting partnerships, Avalara**



I believe that young talent has many, many options today, many of which did not exist years ago. Even if someone should choose to go into public accounting, a healthy percentage of them are no longer choosing tax or audit, but rather going into consulting or advisory-type work. I think the answer lies with a deep investment in a firm's commitment to recruiting, retaining and growing talent and providing an accelerated growth plan for high performers. In addition to all of the above, the firm needs to be profitable if it is to compete in the war on talent in terms of recruiting and keeping best-in-class talent.

— **Allan Koltin, CEO, Koltin Consulting Group**



To the new generation who have never been in a firm, accounting sounds like a synonym for boring. However, for those who have been a part of a firm, they understand they are at the heart of a business, guiding and making decisions in partnership that impact your client's ability to grow and thrive. Once you join the profession you realize this it is a wonderful strong community of practitioners that share and collaborate with the ultimate goal of helping clients. In turn, this helps support a thriving business community in your local area. It would be great to help students understand how through accounting they can make this impact.

Firms should look past a credentialed candidate to get them in the door. This can help instill the love of the profession in those that were perhaps seeking other skills. This can then grow the profession as staff get in, love it, and want to stay. Perhaps a path to develop a CPA later in their career (vs. the current traditional model) may be needed. The traditional hire isn't always the right hire with what the needs of a nontraditional, thriving firm are becoming.

— **Elizabeth Beastrom, president of tax & accounting professionals, Thomson Reuters**



CPA firms are not compensating their associates as well as other industries/professions, and this is due in part to the commodification issues we face. Through advisory services CPA firms can break out of commoditization and create wealth they can share with their employees. The brand of the profession conveys that this is "my parents' career path," or ... even worse ... "my grandparent's career path." A focus — with a rebranding — around advisory services will help greatly to address this issue.

There is a perception — perhaps an accurate one — that technology is displacing accounting and bookkeeping services. As a result, this generation of college studies views accounting and bookkeeping as in its twilight, headed to the same decline as the one experienced by travel agents about 15 years ago.

— **Joe Woodard, CEO, Woodard**



Our research indicates that the downward trend of candidates sitting for the CPA exam is in big part a change in demographics. There has been a continual decrease in the population of college-aged people for several years. This has been amplified by a decrease in that age group attending college. COVID-19 has also played a role as has the very low unemployment wherein students can get a job that is relatively high paying without a degree or credential. We (the accounting profession) will be competing against other professions from a shrinking pool.

— **Ken Bishop, president and CEO, National Association of State Boards of Accountancy**



We have a brand problem. I think as a profession we can be complacent, happy to maintain the status quo as long as we, individually, are successful. We are happy to let the stereotype of the nerdy number cruncher be a self fulfilling prophecy, instead of correcting and proudly sharing our true value to our organizations and society. People can't aspire to something they cannot see. We need to be seen.

— **Rebekah Brown, CEO Maryland Association of CPAs**



The 150-hour and advanced degree requirements require much education for a relatively small immediate reward. Other degrees can allow motivated individuals and entrepreneurs to move far more quickly than an accounting degree does. Legacy promotion in CPA firms still works in some situations, but many accounting professionals want to move faster than the traditional education and CPA exam tracks allow.

— **Randy Johnston, CEO and founder, EVP, NMGI and K2 Enterprises**



We, as a profession, have neglected to address the harsh requirements in hours and the issues with a compressed workload in firms. I am hearing from so many talented leaders and firm leaders for the first time in my career in this space (21 years) that they are creating boundaries around hours worked and placing a priority on family and health. If more firms worked to create a more balanced workload model (through technology, and efficiencies) and reduced the hours' requirements of team members, we would be better able to attract and retain top talent.

Firm leaders should determine what their teams love to do and collaborate with them to create roles where they spend a portion of their time doing this. Consulting is typically one of these things. When you put people in a position to do the work they love and are proud of, they grow in their roles and stay. Then these individuals serve as promoters for our profession.

— **Angie Grissom, owner, chief relationship officer, The Rainmaker Companies**



Students have an overwhelming amount of career options. It is up to us to demonstrate our profession's value proposition beyond which benefits we can entice them with. The new generation of accountants needs to feel that they are truly mission driven and performing a valuable public service. We must share our stories.

— **Calvin Harris Jr., CEO, New York State Society of CPAs**





I think this is because of a lack of promotion to high school and college students of the benefits, challenge, personal engagement, excitement and advancement opportunities in our profession. This needs to be instituted by our national accounting organizations and state societies and in a lesser level by the larger firms, i.e., Top 100 excluding the Big 4 who hire 70% of the accounting major graduates and where 90% of them leave the profession within three years. There needs to be more proactivity about the advantages of careers in public accounting.

— **Edward Mendlowitz, emeritus partner, WithumSmith+Brown, PC**



Talented young people have an ever-growing list of career options, including in fields that didn't even exist ten years ago. We need to better communicate the benefits of our profession, which offers the total package of economic growth, advancement opportunities, and a path to leadership. What we don't want is our profession and the opportunities it affords to be the best kept secret in job recruiting.

— **Richard Jones, chair, Financial Accounting Standards Board**



Today's generation of new accountants is less likely to stay on one career path or stay with one firm for a long period of time. They change jobs to learn new skills or sometimes just for a different experience. As a profession, we need to create more opportunities for career choice within our firms. Offering a broader

range of services enables our staff to stay in the profession while learning new skills and pursuing alternative career paths. Our new ownership and capital structure have enabled us to do just that. And firms need to be technology-forward in everything they do to keep young people engaged in their work.  
— **Charles Weinstein, CEO, Eisner Advisory Group LLC**



First, the accounting profession is horrible at public relations. It looks boring and accountants reinforce it by talking about long work hours. Second, the five-year requirement adds no value and pushes people a different direction. Finally, there are more choices in other fields. Being a CPA just does not create the "image" younger professionals may want to project and their personal self-worth is very tied into their social capital. Being a CPA is not a high social capital item that so many students feel they want for their lives. Again, back to some bad PR for a long time.

— **Bob Lewis, President, The Visionary Group**



CPAs and other accountants have long suffered from an image problem, misinformation about what accountants do and being blissfully ignorant about how great a job it is to be a CPA. The CPA profession in particular needs a long-term, grass-roots initiative, from coast to coast, large cities and small, to spread the word and dispel the myths.

Another thought: Increase the salaries of staff dramatically. Salaries of CPA firm staff in their 20s used to be one of the highest paying jobs for students with just a four-year college degree. It's still pretty good, but it has been losing ground to other jobs. A managing partner I know shared this thought with me: "Partners in CPA firms make fantastic money. Assume a firm's partners earn \$600,000 a year, on average. That's a lot of money. Shouldn't they think about reducing their incomes by 5 or 10% and pay higher salaries to staff? Why wouldn't we that? What holds us back from doing this?"

Here's another thought: As I understand it, lawyers are encouraged if not required to do pro-bono work. This is a great way for lawyers to benefit society. CPA firms need to do something similar. In droves and on a consistent basis, firms need to require their leaders to spend a meaningful amount of time each year at all levels of education, perhaps starting with middle school students, through high school and of course, college, helping young people understand what accountants do and why being a CPA is such a great job. In other words, CPAs need to do a full-course press on students to influence their career decisions.

— **Marc Rosenberg, managing partner and founder, Rosenberg Associates**



This is one of the most often discussed subjects when I talk with accounting firms and companies. Accounting firm partners and financial executives all seem to have an opinion on the pipeline decline, usually the 150-hour requirement, though it is rarely based on any kind of data, just personal supposition. As part of our (the Illinois CPA Society) Insight Special Feature, A CPA Pipeline Report – Decoding the Decline, we talked with over 3,100 students and young professionals. Instead of my personal supposition, I'll let them do the talking. The number one challenge was:

- Workload time commitment
- Other top challenges for those who had not started or didn't intend to start the CPA exam process were:
  - Don't see value or relevance to their careers
  - Don't see the ROI
  - Other credentials are more valuable to their careers
  - Their employers don't require or support it

Interestingly, when talking with students and young professionals, the 150-hour requirement didn't even make it into the top five challenges, yet practitioners, with years and years of experience, insist that the 150-hour requirement is the top challenge. Why? I believe that people are looking for a simple answer to a very complex problem. Relevance (there's that word again) was a top challenge. The sooner we start listening to the real challenges that students and young professionals are telling us, the sooner we can address the pipeline issue.

— **Todd Shapiro, president & CEO, Illinois CPA Society**



I disagree. The profession is not having trouble attracting new talent. It's having trouble attracting the kind of talent it doesn't really need anymore. Accountants seem to believe you need to be an accountant to serve clients. You don't. Yes, you need skills, training and experience in finance, tax and accounting. Most of all, you need to be able to understand people and business. But the profession is learning. More and more firms are hiring non-accounting accountants, people with the skills to drive change. Whether or not they have a CPA license or passed Accounting 101.

*Accounting Today* is proving this by expanding its coverage beyond CPA-only firms.  
— **Rick Telberg, CEO, CPA Trendlines Research, a service of Bay Street Group LLC**



Bolstering the CPA talent pipeline requires approaching the issue from all angles, including removing barriers to passing the CPA exam, providing interesting and challenging work, automating tasks to free up auditors' time for high-level strategic thinking, offering competitive compensation and benefits, and improving the diversity of the accounting talent pool starting with students entering college.

— **Paul Knopp, chair and CEO, KPMG LLP**