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Rapid advances in technology continue to impact the accounting profession. As CPA firms shift their hiring models to focus more on technology skills, non-accounting graduates now comprise 31 percent of all new graduate hires in public accounting. That's an increase of 11 percentage points from 2016 to 2018, according to the [“2019 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits,”](#) released today by the AICPA.

The biennial report, published since 1971, provides statistical projections and expectations based upon university responses for the 2017-2018 academic year and

firm responses for the 2018 calendar year. This data provides a snapshot of the

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ensure accounting graduates and newly licensed CPAs have these skills and expertise needed to support the evolution of the audit.”

One of the ways AICPA is seeking to address this trend is through the CPA Evolution project, in partnership with the National Association of State Boards of Accountancy. This project strives to ensure that CPAs continue to have the competencies needed to support an accounting profession that plays a critical role in protecting the public interest.

The percentage of new accounting graduate hires assigned to audit-related work is increasing. This area now comprises 56 percent of new accounting graduate hires. That's up four percentage points from 2016 and nine percentage points from 2014.

Overall CPA firms hired about 11 percent fewer accounting graduates in 2018 than they did in 2016, and nearly 30 percent fewer than in 2014. As firms continue to embrace technology and evolve their approach to the audit, they are seeking employees with data science and data analytics skills. They are largely filling those needs with non-accounting graduates, though there is anecdotal evidence from firms to suggest that some of this technology-specific hiring is occurring at the experienced hire level.

On the supply side, enrollments in undergraduate accounting programs stand at the second highest level on record after pulling back slightly from their all-time high in 2015-2016.

Nearly 208,000 projected students were enrolled in undergraduate accounting programs during the 2017-2018 school year, topping 200,000 for the fourth Trends report in a row. More than 33,000 projected students were enrolled in master's programs in 2017-2018. This reflects a six percent decline from 2015-2016 but remains comfortably above any level pre-recession. Declines in graduate student

enrollment is due largely to more students opting to enter the workforce in lieu of

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candidates and newly licensed CPAs in 2018 dipped to the lowest level in 10 years. CPA candidates fell 7 percent to 36,827, while newly licensed CPAs fell 6 percent to 23,941.

“The AICPA and other stakeholders in the profession are focused on anticipating the changes shaping our economy and ensuring newly licensed CPAs have the skills they need to serve as trusted advisors to their clients,” said Yvonne Hinson, CPA, CGMA, Ph.D., AICPA Academic-in-Residence, Academic & Student Engagement. “As the pace of change increases, the Institute has been accelerating our work on a number of profession-wide initiatives that attract, inspire, and engage the next generation of CPAs.”

In addition to CPA Evolution, some of these initiatives include:

- A CPA Exam practice analysis focused on the impact of technology and the critical skills for newly licensed CPAs. An exposure draft and invitation-to-comment will be published in late December.
- Accounting Accreditation Practitioner Engagement Program which places CPA practitioners on AACSB accounting accreditation teams and committees.
- Accounting Doctoral Scholars Program provides funding for CPAs to obtain their doctorates and teach.
- Accounting Program for Building the Profession trains high school educators to teach a college-level accounting class.

The Institute is working with organizations to increase the likelihood that racial and ethnic minority students consider accounting early in their career decision-making process. AICPA scholarships and programs such as the Accounting Scholars Leadership Workshop help ensure accounting students have a meaningful and successful experience as they work to earn their CPA license.

The report found that racial/ethnic diversity has increased, with the highest

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