

How insights from Gen Z are helping to shape the accounting profession of the future

Insights from the EY Accounting Professional of the Future survey



The accounting profession offers financial stability and rewarding work with real-world impact, plus opportunities for career growth with recognizable employers and promotions to C-level roles. Yet the industry is witnessing a steady decline in the number of people pursuing accounting degrees and CPA licensure. This prompted EY researchers to ask college students and senior executives their views about the profession and what may be standing in the way of attracting the next generation of talent.

The EY Accounting Professional of the Future survey conducted in summer 2023 gives insights into how organizations can communicate the benefits of the accounting profession to attract Gen Z and reduce barriers to entry.

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Students should understand that the value accountants bring starts with deep technical expertise but extends far beyond that. We bring an independent, objective perspective to the boardroom and C-suite that business leaders can use to navigate risks and plan for growth. While our teams execute high-quality audits that bring trust and confidence to investors and the capital markets, the profession is also poised to provide assurance and confidence across a wider spectrum of financial and non-financial measures that matter most to investors.

Dante D'Egidio, EY Americas Vice Chair - Assurance

Top four things senior executives want students to know about a career in accounting

You can have a global impact.

40%

You'll work with emerging technologies.

39%

Accounting is a steppingstone to other opportunities.

38%

This is a chance to understand all parts of a business.

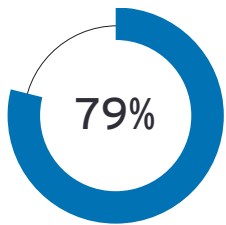
37%

Percentage of senior executives who selected these items.

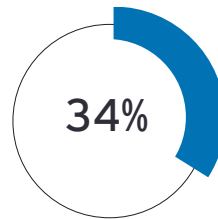
Senior executives and students are optimistic about accounting

In June and July 2023, researchers working with EY teams surveyed and interviewed more than 1,000 people across two groups: college students with an academic focus in business or science, technology, engineering and/or math (STEM) fields and senior management leaders and executives from large, publicly traded organizations.

Nearly all senior executives reported feeling optimistic about the future of the accounting profession. Almost 8 in 10 accounting and STEM students surveyed believe an accounting career will deliver long-term value. However, from 2015 through the academic year 2019-20, the number of undergraduate accounting degrees awarded was down by 7%, and the number of master's in Accounting degrees fell 11%.¹



Students believe an accounting degree will have long-term career benefits



Students see a career in accounting as a steppingstone to other leadership opportunities

Why students are pursuing a career in accounting

Students' career motivations vary. While the largest cohort continues to seek out accounting because it offers career stability and a comfortable lifestyle (46%), other reasons students cited include the ability to find solutions within numbers and data (25%), the opportunity to contribute to society (23%) and the chance to impact sustainability (21%).

Top motivations cited to pursue a career in accounting

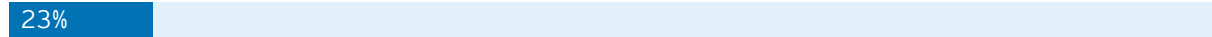
Career stability and comfortable lifestyle



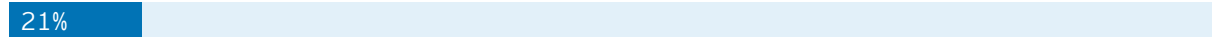
The ability to find solutions within numbers and data



An opportunity to contribute to society



The chance to impact sustainability



Percentage of students who selected these items.

Realizable values

Today's purpose-driven, Gen Z students want to join a company where they can work in diverse teams, participate in community engagement opportunities and feel positive about the company's commitment to environmental, social and governance (ESG) issues. But executives fall significantly short when it comes to promoting these accounting career aspects.

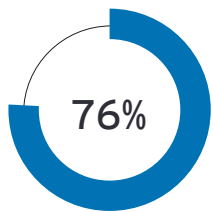


Workplace expectations have evolved. Not only do people want to be supported personally and professionally, but they also want the work they do to align with their personal purpose. As the competition for skills and talent continues to grow, organizations need to stay attuned to the workplace preferences of their next generation leaders, foster a culture of care and offer career opportunities that align with employee aspirations.

Ginnie Carlier, EY Americas Vice Chair - Talent

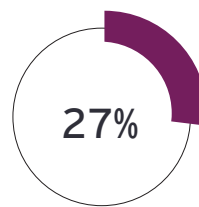
Closing the perception gap – and positioning the profession for the future

When thinking about your professional future, how important is it to work with the following within the accounting profession?

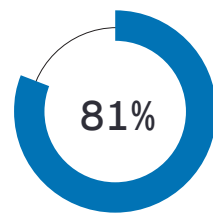


Community engagement

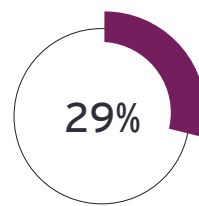
Which of the following are you promoting as selling points to attract potential employees to a career in accounting and finance?



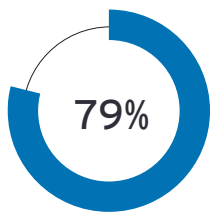
Community engagement



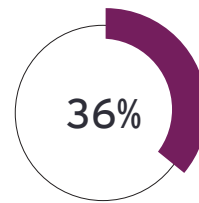
Positive ESG impacts



Positive ESG impacts



Diverse teams/work environment



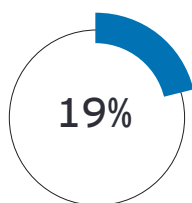
Diverse teams/work environment

Percentage of students who responded important or extremely important.

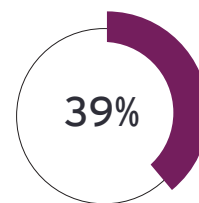
Percentage of senior executives who selected this item.

Students and senior executives share their perspectives on the future impact of AI

Students also express interest in working with emerging technology, but both students and senior executives have some level of apprehension about the future implications of artificial intelligence (AI) within the accounting profession.



Students believe AI will enable professionals to focus on judgment and higher-level thinking



Senior executives predict generative AI will enable professionals to use judgment and higher-level thinking

The EY Accounting Professional of the Future survey methodology

The survey, conducted online between June 22 and July 5, 2023, produced results with a +/- 4% margin of error at the 95% confidence level. Qualified student respondents were between the ages of 18 and 60, with 90% age 30 or younger. Their academic focus was in business and STEM, and they planned to pursue a career in accounting, business, computer science, data science, economics, engineering, finance, math, statistics, management information systems or professional services.

The senior executive sample included qualified management leadership or executives with roles in finance and accounting or human resources and talent acquisition departments. They worked full-time at publicly traded organizations with at least \$1 billion in annual revenue or privately owned organizations with at least \$50 million in annual revenue across 21 industry sectors.

Supporting pathways to the profession

The CPA career path advances opportunities

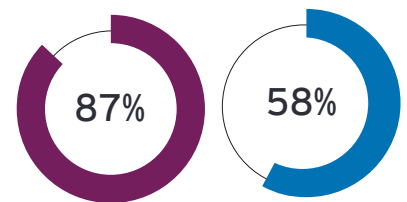
In a survey by the Center for Audit Quality (CAQ) and Edge Research, 82% of undergraduate accounting majors and 74% of recent accounting graduates find value in the CPA exam, citing respect, career advancement and higher earning potential as the top motivators for obtaining CPA licensure.²

CPAs bring desirable skills to C-level executive roles. According to recent survey data shared by the Association of International Certified Professional Accountants and the Chartered Institute of Management Accountants, the top undergraduate major among CFOs was accounting.³ Additionally, of the 652 CFOs surveyed in that study, close to 45% were CPAs.⁴

Yet the National Association of State Boards of Accountancy's data indicates that the number of CPA exam takers fell by almost 50% between 1990 and 2021.⁵ However, according to CAQ research on increasing diversity in the accounting profession pipeline,⁶ many students have expressed that the cost and time needed to reach the 150 credit hours required for CPA licensure serve as a big obstacle.

For 52% of the non-accounting students, not being able to afford the 150-hour obligation was a reason for not choosing the profession. This concern was even higher among Black (62%) and Hispanic (69%) respondents.

To address this barrier to entry, 87% of executives and 58% of students believe the accounting profession would benefit from alternative paths to earning a CPA licensure.



Ongoing efforts at EY US to attract diverse CPA talent and address accessibility

The EY need for CPA track candidates remains healthy and is projected to continue to be robust. We've seen a modest increase in our CPA hires between 2020 and 2022.



Our survey findings underscore the importance of creating alternate paths for students to become CPAs. A career in accounting can open the door for many opportunities. Organizations, academic institutions and professional associations can collaborate to demonstrate the benefits that a career in accounting provides and remove potential barriers to entry.

Becky Burke, EY Americas Assurance Chief Operating Officer

To help provide an alternative and more affordable path to the profession, Ernst & Young LLP (EY US) launched the **EY Career Path Accelerator** in summer 2021. Students complete this program while pursuing their bachelor's degree, or in the summer after graduation, and they become eligible to join EY US after completing four years of college. The EY Career Path Accelerator, which can be scaled to handle all CPA track candidates at EY US, also enables students to sit in any jurisdiction across the US. So far, over 500 current and former EY interns have enrolled. More than half of learners identify as Black, Indigenous or people of color, and about 65% have received needs-based funding through the EY Foundation, which has awarded more than \$600,000 to date.

Learn more about the EY Career Path Accelerator: ey.com/en_us/careers/ey-career-path-accelerator.

¹ 2021 Trends: A report on accounting education, the CPA exam and public accounting firms' hiring of recent graduates, Association of International Certified Professional Accountants, 2022.

² Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities, Center for Audit Quality, July 2023.

³ Amato, Neil, "Diversity continues to rise among CFOs and CEOs, survey shows," *Journal of Accountancy website*, <https://www.journalofaccountancy.com/news/2022/jan/diversity-rises-cfos-ceos-crist-kolder-report.html>, Association of International Certified Professional Accountants, 2023.

⁴ *Ibid.*

⁵ "The More Things Change, the More They Stay the Same: Addressing the CPA Pipeline Crisis," National Association of State Boards of Accountancy, Inc., 2023.

⁶ "Increasing Diversity in the Accounting Profession Pipeline." The Center of Audit Quality, 2023.

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