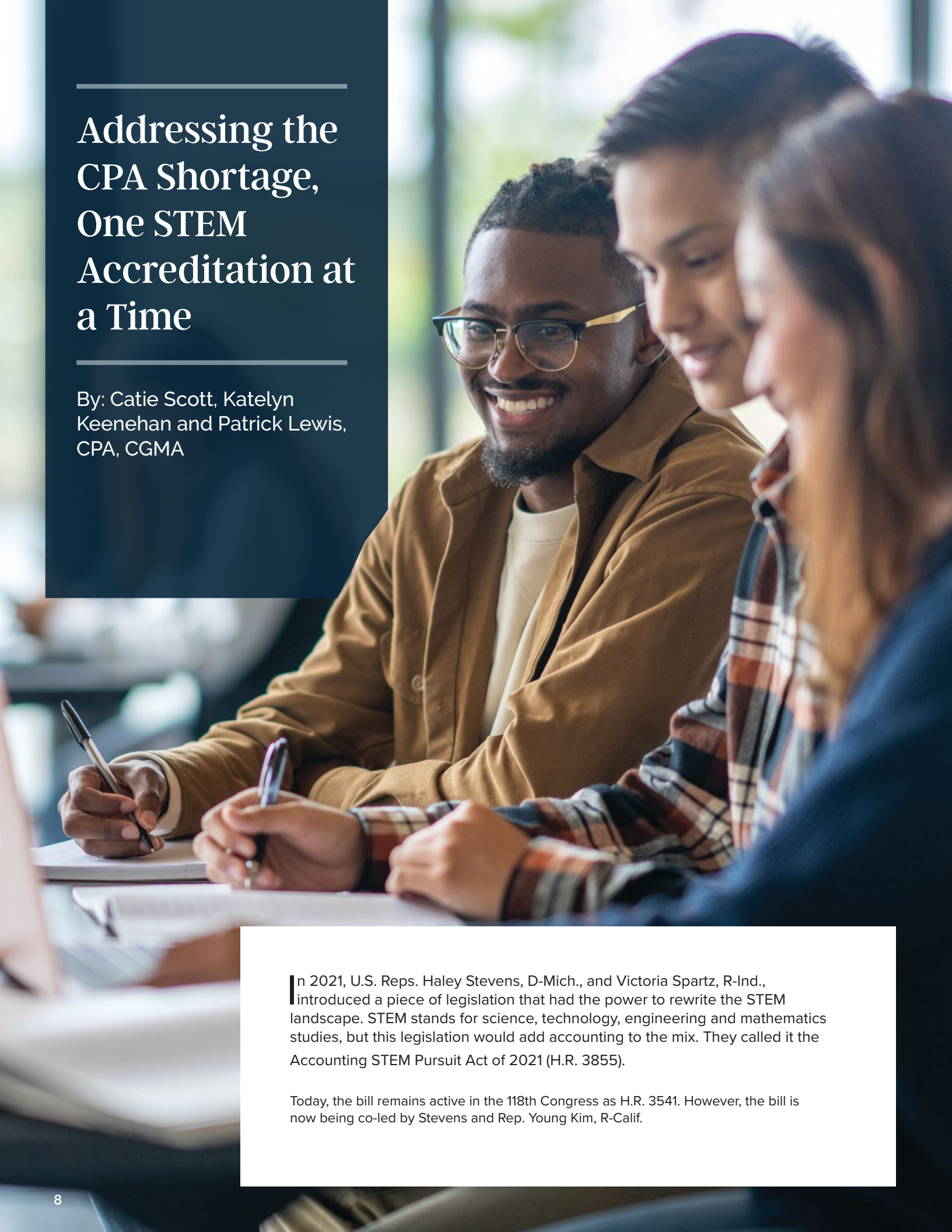

Addressing the CPA Shortage, One STEM Accreditation at a Time

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In 2021, U.S. Reps. Haley Stevens, D-Mich., and Victoria Spartz, R-Ind., introduced a piece of legislation that had the power to rewrite the STEM landscape. STEM stands for science, technology, engineering and mathematics studies, but this legislation would add accounting to the mix. They called it the Accounting STEM Pursuit Act of 2021 (H.R. 3855).

Today, the bill remains active in the 118th Congress as H.R. 3541. However, the bill is now being co-led by Stevens and Rep. Young Kim, R-Calif.

In a *Tennessee CPA Journal* article in October 2021 discussing this topic, PYA's Director of Talent Acquisition Catie Scott and the firm's Principal of Client Accounting Advisory Services Pat Lewis, CPA, CGMA, discussed the alarmingly high decrease of accountants in the profession, explaining how each year the number of certified public accountants (CPAs) continues to dwindle.¹ Everyday demand is driving the need to attract more accounting talent to public accounting, industry and government roles.

For example, new graduates with accounting degrees dropped 18.3% from their peak in 2016 to 2022. According to the American Institute of CPAs, about 47,000 students earned a bachelor's degree in accounting in the 2021-22 school year, with an additional 18,200 earning a master's degree; however, this is about 7% fewer graduates than the previous year.²

Additionally, analysts predicted that from 2018 to 2028, more than 90,000 jobs would be created in the accounting and auditing fields.¹ To further perpetuate the problem, the U.S. Bureau of Labor Statistics (BLS) recorded that in 2019, there were about 2 million people employed as accountants or auditors; in 2023, that number dropped to 1.6 million.³

This is about 400,000 fewer people in the profession than just five years ago. That would be enough people to pack four University of Tennessee, Knoxville (UTK) Neyland Stadiums. That gap exists for various reasons, primarily due to the high number of accountants retiring and fewer people pursuing accounting education to fill those roles.³



The goal of the Accounting STEM Pursuit Act of 2021 was to change STEM to STEAM, so the "A" could represent accounting. Ideally, the change would bring more recognition and awareness to the profession among young people!¹ The response from the academic community was overwhelmingly positive and supportive as the change was rolled out.

Then came a curve ball. Somewhere along the line, people began interpreting the "A" as "Arts." Once again, accounting representation was left to the wayside. In the meantime, the nation continues to see the number of students pursuing accounting degrees decline.

Despite the failed STEAM initiative and the continuing decline of CPAs, the Accounting and Information Management Department at the Haslam College of Business at the University of Tennessee, Knoxville has been working behind the scenes to establish an accredited accounting STEM program.

At a recent meeting at PYA's Knoxville headquarters, Dr. Terry Neal, the head of the Department of Accounting and Information Management at UTK, announced the approval of the accreditation to PYA and TSCPA.



Staff from TSCPA and PYA meet to discuss STEM accreditation with representatives from UTK's Department of Accounting.

UTK's Master of Accountancy (MAcc) program has achieved a significant milestone by receiving STEM designation from the U.S. Department of Homeland Security. The MAcc curriculum has been meticulously redesigned to incorporate STEM-related coursework, ensuring graduates are equipped to address complex financial challenges in today's dynamic business environment.

"Our MAcc program has undergone a comprehensive redesign to align with STEM principles," said Dr. Robert Fuller, director of the MAcc program at UTK, who led the efforts in the accreditation process. "We've introduced new courses and updated existing ones to emphasize quantitative analysis, data analytics and technological proficiency, empowering our students to excel as strategic leaders in accounting and finance."

Those changes have resulted in year-over-year growth for UTK's accounting track.

In the fall of 2021, only 435 people were on the accounting track; by fall 2022, it jumped to 537. By 2023, 602 people were majoring in accounting.

UTK faculty expects that number to continue to climb into the mid-700s by the fall 2024 semester – and even higher with the accreditation.

Mike Shamblin, PYA Managing Principal of Audit & Assurance Services, agrees with the importance of incorporating STEM principles into accounting programs in Tennessee and across the nation.

"As the number of accounting students and CPA candidates has declined, this is an important step to attracting more students to the accounting profession. It is also important as the application of technology and advanced analytics in the accounting industry continues to expand," Shamblin said.

Neal and Fuller agree that the accreditation will open doors for more international students to participate in the program, feature more hands-on experiential learning opportunities for students, and create collaborative projects with industry partners.

"We started this a long time ago and have been focused on putting together a program based on the community needs," said Neal in the meeting with PYA and TSCPA.

Under the STEM designation, accounting will now fall under the “T” for technology. Fuller said this reflects how the industry has changed to be more based around analytics and trends and is incorporating new artificial intelligence (AI) technologies into daily accounting and auditing practices.

“The way we do accounting is changing, so our curriculum needed to change with it,” Fuller said.

He continued by sharing how the STEM designation will offer MAcc graduates a competitive advantage in the job market, including attractive opportunities in accounting, finance and consulting.

Additionally, international students completing the program may be eligible for visa extensions under the Optional Practical Training (OPT) program, facilitating their transition to professional roles in the United States.

Additionally, the new College of Emerging and Collaborative Studies (CECS) at UTK is opening doors for students to diversify their skill sets even further. Using the CECS “build-your-own degree” program, a student could major in accounting and add a certificate for applied AI or cybersecurity to further enhance their skill sets and become more attractive applicants.

The progress happening on the UTK campus is encouraging to the accounting and auditing profession; however, the work isn’t finished. UTK is the first school in the state to unveil this new STEM branding for the accounting programs. If other schools follow suit, these efforts could open a wave of new applicants and opportunities and likely increase the number of CPAs in the state of Tennessee.

TSCPA, with the help of PYA and other CPA firms, has participated in campaigns at the state and federal levels encouraging elected representatives to sign the STEM bill

to make this academic shift nationwide. In addition to STEM campaigns, a unified effort among employers, professionals and professional associations will be required to make a career in accounting more attractive to students. CPAs are encouraged to share their story, especially with students. Accounting Opportunities Month, a national campaign designed to promote accounting careers, will take place in November. Learn how you can become involved with this campaign on page 24 of this issue.

About the Authors

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Footnotes

¹Scott, Catie. Lewis, Pat, CPA, CGMA (2021). Accounting Profession Gathers “STEAM.” Retrieved from: <https://bit.ly/pyasteam>

²AICPA® 2023 Trends Report (October 2023). Retrieved from: <https://bit.ly/aicpa23trends>

³Gordon, Aaron (March 2024). Technology’s Hidden Role in the Accounting Shortage. Retrieved from: <https://bit.ly/uclatech>

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