

# A Multifaceted Approach to Address the Accountant Shortage

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By now, everyone knows about the challenge the CPA profession is facing with a shortage of students going into accounting and sitting for the CPA Exam.

Here is an overview of the CPA pipeline challenges:

- ✓ There are about 13% fewer CPAs nationwide than there were in 2019.
- ✓ New Jersey has seen a similar drop, from about 23,500 CPAs in 2019 to 20,500 in 2024.
- ✓ 75% of accounting professionals are within 15 years of retirement, and with accounting enrollments down 20% in the past 10 years, there are not enough young professionals to take their place.

A lack of accountants is already affecting businesses large and small. Not only do they provide accounting services, many CPAs also serve as financial advisors to clients, especially small businesses. Local governments are also facing a severe shortage of “in house” accountants and external auditors. We have heard this from many of the local officials we met at the League of Municipalities Convention. It has reached a crisis point.

## NJCPA EFFORTS

One of the most critical steps that the NJCPA has taken to address the shortage is the creation of a Pipeline Advocacy Work Group. The group is composed primarily of accounting educators from New Jersey high schools and colleges, as well as some business school administrators and others who have ties to the education community.

This group is exploring advocacy avenues to lobby state government to increase the availability of accounting education and funding in high schools and higher education, especially for minorities. Their efforts include the following:

- ✓ Pursuing means to get accounting designated as a science, technology, engineering and math (STEM) subject, which would open up increased funding and promotion withing the educational system
- ✓ Identifying existing state grant programs that accounting students can take advantage of
- ✓ Passing legislation that would buttress accounting education
- ✓ Making lawmakers aware of the dire consequences of an accountant shortage
- ✓ Having New Jersey incorporate accounting as a major prong in its Workforce Development programs

The work group is partnering with the New Jersey Business and Industry Association (NJBIA) to achieve its goals. Workforce development has been a priority for the business community, and NJBIA lobbyists are working with the group to create a long-term advocacy plan to meet the pipeline challenge head on.

Some of the advocacy initiatives the group will undertake include the following:

- ✓ Determine whether accounting is being taught in the state’s high school and middle school statutorily required financial literacy requirements. If not, change the statute and or the implementation of the requirement.
- ✓ Strengthen relationships with the New Jersey Education Association and its chapters and special interest sections.
- ✓ Engage teachers, counselors and school administrators on the accounting shortage through articles in education publications.

- ✓ Determine if New Jersey has STEM designations that entitle certain subjects to increased funding. Work to get accounting included.
- ✓ Examine how to use the Career Technical Education (CTE) programs to increase accounting education in high schools.
- ✓ Connect with relevant STEM associations such as the New Jersey Business/Technology Education Association and the New Jersey STEM Pathways Network.
- ✓ Support federal legislation to allow federal STEM grant funding to be used for K-12 accounting education.
- ✓ Amend New Jersey’s STEM Loan Redemption Program to include accounting.
- ✓ Create a public relations advocacy campaign to heighten awareness about the harm that the pipeline problem is causing to businesses, individuals and government.

## NATIONAL EFFORTS

On a national level, the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) have released a draft licensure proposal for a “competency based” alternative to the 150-hour requirement. It would require two years of experience, the first of which requires a “CPA Evaluator” to confirm that the candidate has met certain competency standards. They also issued proposed amendments to the Uniform Accountancy Act (UAA) that would provide for the competency recommendations and a new procedure to determine substantial equivalency and mobility for interstate practice.

Comments on the proposals are due Dec. 6 and Dec. 30, respectively. Learn more at [njcpa.org/pipeline](https://njcpa.org/pipeline). 