



**TXCPA**

# **Texas CPA Pipeline Strategy**

**2025**

## Introduction

The Texas Society of CPAs (TXCPA) has a longstanding history in working to grow the CPA profession and expand the pipeline. TXCPA, our 20 local chapters, and member volunteers have done significant work to provide student outreach and support accounting career education.

Today's students are introduced to career exploration as early as elementary school and often choose a learning path in high school. Additionally, options for earning college credit while in high school have expanded. As the education landscape has evolved, TXCPA has recognized the need for a more proactive, coordinated, and focused statewide approach with measurable outcomes.

In 2022, a Pipeline Task Force worked with TXCPA staff to identify key stakeholders in the CPA pipeline, gather data, and develop a statewide strategy with a purpose of effecting change and increasing the number of individuals becoming licensed CPAs through expanded outreach. Their strategy was focused on segmented messages and strategies aimed at reaching various audiences, from elementary and middle school students to CPA candidates. The TXCPA CPA Pipeline Strategy was implemented in 2022-2023 and 2023-2024. You can see the successes resulting from the strategy on Page 14.

In 2023, the National Pipeline Advisory Group (NPAG) was convened in response to an American Institute of Certified Public Accountants (AICPA) Council resolution aimed at developing a national strategy to address accounting talent issues. They identified a need for a cohesive, unified, data-driven, and flexible approach to bring more people into accounting, with recommendations based on six major themes. TXCPA's Pipeline Task Force became a permanent committee during this same timeframe, and they stayed abreast of NPAG's work and final report.

In 2024, the TXCPA Pipeline Committee revised the TXCPA CPA Pipeline Strategy to better align its objectives with national efforts and transform the original objectives and tactics outlined by audience to now correspond with NPAG's six major themes.

TXCPA remains deeply committed to collaborating with organizations engaged in pipeline initiatives at both the state and national levels to safeguard the future of the accounting profession.



## Theme 1: Tell a More Compelling Story About Accounting Careers

Despite the prestige and long-term financial rewards of an accounting career, misconceptions persist, leading many business students to choose other majors due to accounting's "image problem." A 2023 survey by the Center for Audit Quality (CAQ) and Edge Research revealed that more compelling and accurate messaging is needed to showcase the profession's diverse opportunities.

Moreover, outreach often comes too late, as most students only learn about accounting in college. Early and inclusive messaging is crucial, especially to address the underrepresentation of minorities in the profession, which hinders mentorship opportunities.

Outdated messaging that doesn't resonate with younger talent contributes to the disconnect. A 2023 EY survey found that Gen Z values companies with strong environmental, social, and governance (ESG) impacts, diverse teams, and community engagement. However, senior executives tend to promote these aspects of their workplaces less frequently, contributing to the gap in attracting new talent.

NPAG recommends addressing these perception gaps through a collective effort to share a more dynamic narrative, targeting students, parents, teachers, and career changers. The focus is on highlighting accounting's meaningful work, stability, and prospects.





### **Key Messages for College Students**

- An accounting degree offers freedom and flexibility, a connection to entrepreneurship, and an ability to pivot throughout your career.
- Becoming a CPA increases your earning potential, provides career stability and flexibility, and opens even more doors to career possibilities and advancement opportunities.
- TXCPA is a trusted resource for support and information related to becoming a CPA in Texas.
- The TXCPA member community is a built-in professional network here to encourage and mentor you and help you on your path to the CPA.

### **Key Messages for High School Students**

- Studying business and accounting provides you with a concrete skillset for a successful career and future.
- Accounting is the foundation of every business and provides an understanding of financial literacy that can serve you and others in your life.
- Set your sights on becoming a CPA to maximize your earning power, broaden your career horizons, and fast-track your path to success.
- TXCPA is a trusted resource for support and information related to accounting in Texas. (Message for high school educators)

### **Key Messages for Elementary and Middle School Students**

- Accounting is the secret code for running any business – it's what helps companies big and small succeed.
- Understanding money and how it works helps you succeed in whatever you do.

### **TXCPA Tactics**

- Work with AICPA and state CPA societies to develop consistent brand positioning and messaging for all key audiences.
- Design a statewide ambassador program that will leverage key messages from current research and provide the training and resources for members to deliver high quality and standardized outreach.
- Expand relationships with Career and Technical Education (CTE) educators to introduce accounting in career exploration curriculum, with a focus on middle and high school students.
- Promote and host Accounting Opportunities Month in partnership with AICPA and other state CPA societies.
- Connect with students outside of the classroom with special events, such as summer immersion programs, CPA2B bootcamps, and Balance Sheet Bash events.

### **Success Metrics**

- Reach 14,000 students for the 2024-2025 fiscal year. In the future, goals will be set by grade level with the intent of reaching younger students and broader audiences of business majors to help them understand the value of accounting.
- Launch of ambassador program to train CPA volunteers.
- Host at least 12 special events for students.

## Theme 2: Make the Academic Experience More Engaging

Accounting education is evolving to meet shifts in student learning styles and expectations. Students want courses to be more engaging and relatable, not easier, to better reflect the dynamic profession. This can help showcase accounting as a career offering stability, flexibility, work/life balance, and social relevance.

The percentage of business students graduating with accounting degrees has decreased, with only one in eight earning such a degree in 2021-22, compared to one in seven in 2015-16.

Research shows that many business majors find accounting coursework uninteresting, and they may not understand the diverse career opportunities an accounting degree offers. With the decline in accounting graduates, it is vital to correct misconceptions and highlight diverse career paths such as public service and entrepreneurship.

Introductory Principles of Accounting courses are crucial, as 41% of students decide their major during their first two years of college. Groups like NPAG, the American Accounting Association (AAA), and NABA, Inc. recommend placing engaging instructors in these courses, incorporating technology, involving mentors, and exposing students to real-world practitioners. These changes aim to increase interest in accounting and improve the pipeline of future accountants.

With rising demand for accountants, accounting programs should guide students through challenges with enhanced support while maintaining academic rigor. Innovative practices and shared best practices across programs can help reduce attrition and increase graduation rates.

Classroom instruction forms the foundation, but connections with real-world professionals spark student passion. A national initiative to connect professionals with colleges will provide students with greater opportunities for real-life insights into the accounting profession.

## **TXCPA Tactics**

- Identify and provide resources and support for at least one faculty and student ambassador at every college campus with an accounting program, including community colleges offering the 30 credit hours of accounting courses required for licensure.
- Develop a University Advisory Board strategy and related resources to support firms' engagement with community colleges and universities.
- Support AAA's strategy to revamp the Principles of Accounting course. Consider partnering to host AAA's session on attracting students to Principles of Accounting for Texas educators.
- Explore a session at the annual Accounting Education Conference where Texas educators can share the interesting things they are doing to attract students to the profession and convert students to accounting majors.
- Continue to advocate for Accounting as a STEM profession to access resources and compete with other fields.
- Recognize educators who are incorporating unique teaching strategies in the classroom and share best practices with the broader community.
- Pursue partnerships with student business organizations, such as Beta Alpha Psi, FBLA, DECA, BPA, etc.
- Work with firms and high school educators to place interns from local high schools or host job shadowing events.
- Establish partnerships with organizations that have a financial literacy mission in schools.

## **Success Metrics**

- Growth in faculty ambassador program with engagement on more campuses.
- Increase nominations for Outstanding Accounting Educator Awards.
- Partner with AAA to host a "Principles Bootcamp" in Texas.



## Theme 3: Addressing the Time and Cost of Education

Extensive research highlights how the additional 30 credit hours required for CPA licensure is a significant barrier, particularly for underrepresented minorities. A survey found that 57% of business majors avoided accounting due to the 150-hour requirement. CPA candidate entries have declined, with a 26% drop for minorities versus a 14% decline for non-minorities, according to data from a 2023 survey by the Center for Audit Quality (CAQ) and Edge Research.

Since the late 1990s, CPA mobility has allowed licensed CPAs to practice across state lines without needing additional permits, reducing complexity and cost. As remote work grows, 62% of CPAs view mobility as crucial. The Uniform Accountancy Act (UAA) supports mobility through substantial equivalency in education, examination, and experience, though state variations can cause confusion. A working group is exploring solutions to modernize licensure while maintaining mobility and addressing cost barriers.

The suggestion has been made to shift from rigid credit-hour requirements to competency-based standards to reflect skills and abilities rather than education hours. This allows flexibility as higher education evolves.

NPAG evaluated various licensure models, from conservative to bold. Safer options focus on reducing education costs and time, while bolder approaches aim to future-proof licensure against changes in education and the job market.

Immediate relief may come from programs like AICPA and NASBA's Experience Learn and Earn (ELE) program, offering lower-cost, on-the-transcript learning options. Employers can partner with universities to provide experiential learning programs for the final 30 credit hours.

Near-term ideas include off-the-transcript experiential learning, allowing work experience to count toward licensure. The longer-term vision is a competency-based model, focusing on skills mastery and knowledge over time spent in education, offering flexibility while maintaining the CPA profession's integrity.



## **TXCPA Tactics**

- Coordinate state and chapter scholarship programs for greater visibility. Share the Fort Worth fundraising example with other chapters to promote the value of collaboration.
- Pursue an alternate pathway to licensure.
- Develop a fundraising plan for TXCPA scholarships.
- Encourage organizations to support TXCPA's scholarship initiatives and other programs designed to ease the financial burden of becoming a CPA.
- Prepare an online resource to share TXCPA scholarships and other funding opportunities available, such as CPA Exam funding and programs at AICPA and AWFA.

## **Success Metrics**

- Increase number of scholarship applicants.
- Increase overall scholarship funding from TXCPA and chapters.
- Increase funds raised for TXCPA scholarship.
- Achieve legislative approval of alternate pathway to licensure.





## Theme 4: Grow Support for CPA Exam Candidates

A CPA license reflects professional value, public protection, and adherence to ethical standards, requiring education, experience, and a rigorous exam. Despite its prestige, the number of CPA Exam candidates has declined, with a 22% drop from 2018 to 2022, partly due to the time and cost involved.

A variety of recommendations to ease the burden on and provide additional support for CPA Exam candidate have been proposed.

NPAG recommends allowing students to take sections of the exam immediately after completing relevant coursework. This approach helps candidates while their knowledge is fresh and reduces overall licensing time, offering more flexibility before life and work demands increase.

Many candidates take the exam while working, which can be challenging. Employers can help by offering exam coaches, mentors, workload adjustments, and best practices to support candidates. This can improve retention and recruitment for employers.

According to an NPAG survey, 62% of students support counting CPA Exam prep courses toward the 30 credit hours required for licensure. Implementing this would require coordination among universities, the AAA, and state boards to approve eligible courses.

Creating a secure, cloud-based data warehouse would streamline candidate support by centralizing data that is currently scattered across states, helping track trends, challenges, and the effectiveness of programs.

To reduce wait times for final scores, NPAG recommends the AICPA send an advisory score (99% accurate) to NASBA within a few days after testing. This would help candidates decide whether to continue studying or move on, but it would require system updates.

Current CPA Exam eligibility periods vary by state and require requalification if not completed within the timeframe. NPAG proposes a single national eligibility period of 30 months or making eligibility permanent to simplify the process.

Offering more practice tests, beyond current sample exams, would help candidates prepare without incurring extra costs, providing valuable readiness tools without the need for expensive prep materials.

### **TXCPA Tactics**

- Continue to advocate for access to CPA candidate data to provide improved CPA candidate support; eliminate or refine unnecessary rules, regulations, policies, and procedures, which can be used to shepherd the candidates' journey to CPA licensure.
- Develop a comprehensive career mentoring program for stages from student to new accountants.
- Explore a candidate group in TXCPA Exchange for members and non-members.
- Create a resource guide to provide clarity to the administrative process for licensure and preparation for the CPA Exam.
- Review and recommend changes in TSBPA's Application of Intent, eligibility and scheduling processes, promoting CPA candidate convenience and ease of use.
- Work with NASBA and AICPA, and through the UAA, to advocate for regulatory and licensing uniformity to promote CPA candidate convenience and eliminate unnecessary obstacles in the candidates' journey in becoming a CPA (e.g., Exam registration processes and follow up, amount of time to complete four Exam parts, amend 18-month expiration for sections of the CPA Exam).

### **Success Metrics**

- Launch of mentoring program by April 30.
- Launch of candidate Exchange group by April 30.



## Theme 5: Expand Access for Underrepresented Groups

The accounting profession is underrepresented by Black, Hispanic, Latino/Latina, and American Indian groups compared to their share of the U.S. population. Increasing diversity is essential for a healthy pipeline, but challenges like limited access, lack of role models, and economic barriers persist.

To address this, employers should assess their diversity efforts, particularly in early-stage recruiting, and encourage mentors to connect with underrepresented students. Strengthening pathways between community colleges and four-year programs can also help, as 47% of students support better resources for these transitions.

The 150-hour CPA education requirement has disproportionately impacted minority candidates, with high costs affecting first-generation students. Expanding financial assistance and reducing the cost of exam prep materials could improve access. Additionally, the CPA Exam and academic materials should be regularly reviewed for bias to ensure fairness for all candidates.

### **TXCPA Tactics**

- Increase outreach to students and faculty in Historically Black Colleges and Universities (HBCUs), Hispanic-Serving Institutions (HSIs) and Minority-Serving Institutions (MSIs), through student experiences like Balance Sheet Bash and expansion of faculty and student ambassadors.
- Support AAA's two-year bridge program to support community college students pursuing accounting.
- Support and expand NABA's ACAP program in Texas.

### **Success Metrics**

- Ambassadors in HBCUs, HSIs, and MSIs.
- Extend and expand relationships with high schools with EverFi programs.

## Theme 6: Enhance the Employee Experience

With future labor shortages and changing demographics, accounting professionals have many career options, making them more selective. To attract and retain talent, employers must adapt their culture and business models to meet evolving motivators, such as work/life balance (76%), personal fulfillment (67%), and salary (60%), as identified in the 2024 BestColleges survey. Employers should offer competitive pay, reasonable workloads, career growth, flexibility, and an inclusive work culture to engage the next generation.

Although employers must undergo significant changes to effectively engage the next generation and expand the talent pipeline, they stand to benefit the most from this transformation.

Low starting salaries in accounting discourage students from pursuing the field. Accounting ranks among the lowest starting salaries for business majors, and pay transparency is making this issue more apparent. From 2017 to 2022, data shows salary growth in accounting (16%) lagged behind other professions, causing significant earning power losses. While accounting careers can be lucrative mid-career, employers must raise starting salaries and promote transparency to stay competitive and attract new talent.

The "great resignation," hybrid work, and economic shifts have exposed operational shortcomings. Employers must transform their approach to attract and retain talent by offering flexible work hours, manageable workloads, and career development opportunities. Preventing burnout through flexible work options and reducing client loads are key strategies, supported by the majority of students and stakeholders in NPAG surveys. Employers should also invest in automation and other strategies to ease workload pressures.

To retain talent, employers should focus on providing clear career pathways and individualized growth opportunities. Investing in skills development and career advising helps employees advance and fosters long-term engagement.

Strong organizational culture is vital for employee engagement and retention. Employers should document and integrate their cultural values into all processes to ensure consistency. Transparent communication about changes, such as mergers or ownership shifts, can reduce uncertainty and strengthen cultural alignment.

Commitment to diversity, equity, inclusion, and belonging (DEIB) is essential for growing the accounting pipeline. Increasing the representation of underrepresented minorities is key to reflecting the U.S. population. Employers should focus on improving the experience for diverse employees and training managers to be inclusive leaders who provide effective support and feedback.



## **TXCPA Tactics**

- Develop tools, benchmark studies, and resources to help members address talent and staffing challenges.
- Create and promote resources to become an Employer of Choice (e.g., diversity, work/life balance, leadership and entrepreneurial opportunities, competitive compensation and quicker advancement, flexible career paths, new service offerings (e.g., ESG), community involvement) to help organizations attract and retain today's CPA talent.

## **Success Metrics**

- Explore partnership with PCPS and other vendors to develop plans for employer tools.
- Employer training and resources shared/downloaded.

### **TXCPA Successes Since Launching a CPA Pipeline Strategy**

- Reached 11,914 students in 2022-2023 (exceeded the goal of 10,000), and 11,674 students in 2023-2024.
- Effectively promoted the passage of SB 159, effective Sept. 1, 2023, which allows Texas CPA Exam candidates to sit at 120 hours after completing at least 21 upper-level accounting hours.
- Supported HB 2217, which expanded eligibility for Texas State Board of Public Accountancy (TSBPA) scholarship funds to accounting students with at least 15 upper-level accounting hours.
- Held discussions with TSBPA about tracking candidate progress and having greater access and visibility into data.
- Promoted adoption by TSBPA of NASBA-approved model rule for 30-month extension for exam section expiration.
- Advocated in hill visits in May 2023 for Accounting as STEM legislation.
- TXCPA President and CEO appointed to National Pipeline Advisory Group.
- An Accounting Education Foundation task force evaluated the purpose and structure of the state scholarship program and opportunities to coordinate and streamline the process state-wide. Changes were made to TXCPA's scholarship process to reduce barriers and be more inclusive.
- Hosted two CPA Weeks in 2022-2023, and two Accounting Opportunities Month events in 2023-2024.
- Increased number of ambassadors on Texas campuses
- Created branded materials for students and educators and added Spanish translations for high school materials.
- Identified and purchased an online mentor platform that best fits TXCPA's needs.
- Expanded TXCPA career center promotions to encourage internship and part-time position postings.
- Developed a TXCPA Employer Guide in 2022-2023 and 2023-2024.
- Encouraged TSBPA to expand their 5th Year Scholarship Program to cover the cost of the CPA Exam, which was adopted.

## Conclusion

TXCPA is dedicated to securing the future of the accounting profession by addressing the critical challenges facing the CPA talent pipeline. Through the collaborative efforts of our organization, local chapters, member volunteers, and national partners, we are committed to expanding outreach, making the academic experience more engaging, supporting CPA Exam candidates, and fostering a more inclusive and diverse profession.

As the labor market evolves, today's accounting professionals have more career options and higher expectations for work/life balance, personal fulfillment, and competitive salaries. To remain a top choice for future talent, employers must embrace necessary changes to their business models, culture, and compensation practices. Equally important is the need for more effective storytelling about the dynamic and rewarding nature of accounting careers, paired with early, inclusive outreach to underrepresented groups.

TXCPA recognizes the importance of creating clear career pathways, supporting diverse talent, and ensuring flexible, meaningful work environments. By aligning our goals with national initiatives like the NPAG themes and focusing on measurable outcomes, we are committed to cultivating the next generation of accounting professionals and ensuring the long-term vitality of our profession. Together, we will continue to inspire and support future CPAs as they embark on a fulfilling and impactful career.

