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THINKING OF GETTING A PH.D. IN ACCOUNTING?

Some Insights into Accounting Ph.D. Programs

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Many CPAs wonder what it would be like to become an accounting professor. Although it is possible to become an accounting professor without a doctoral degree via the adjunct faculty pathway (Violette and Willis 2015), many universities require candidates for tenure-track faculty positions to have a Ph.D. Some accounting professors have non-traditional doctorates in business administration, aka DBA (Pathways Commission 2014), but most have a Ph.D. in accounting.

Practicing CPAs have some knowledge of undergraduate and master programs in accounting, but very few know the ins and outs of accounting Ph.D. and DBA programs. This article shares some insights into accounting Ph.D. and DBA programs and provides advice for CPAs who are considering a career change.

The Job Market for Accounting Professors

The good news is that there is currently a strong demand for accounting professors, due to a persistent shortage of suitable candidates (Plumlee and Reckers, 2014; Boyle, Carpenter, and Hermanson, 2015). Although the American Accounting

Association is attempting to address the issue, this shortage is likely to continue for some time, especially for smaller, public and non-doctoral universities (Boyle, Carpenter, and Hermanson, 2015; Plumlee, Kachelmeier, Madeo, Pratt, and Krull 2006). One of the key contributing factors to the shortage is a lack of qualified applicants for accounting Ph.D. programs.

Benefits of an Accounting Ph.D.

Salaries are generally high for accounting professors. According to the 2018-2019 Salary Survey Reports of the Association to Advance Collegiate Schools of Business (AACSB International), the average nine-month salary for assistant professors of accounting is \$148,800. For assistant professors in the top 25 percent of the salary range, nine-month salaries can be over \$188,000.

Professors can also supplement their salaries with research stipends and summer teaching assignments. According to the same survey, summer research support and teaching compensation average \$16,000 and \$12,000, respectively. Some universities even provide summer research funding of over \$30,000.

In addition to the good financial compensation, there are many perks to working as a professor, including good pension packages, work-life balance and working without a manager. Many universities provide tuition deductions for a professor's spouse and children. Professors also have sabbatical leaves, a paid leave for at least one semester every six or seven years.

Costs of Accounting Ph.D. Programs

Most accounting Ph.D. programs not only offer tuition waivers, they also pay their students monthly salaries. The programs are full-time and students have to leave their regular accounting jobs to focus on their studies. To compensate for this loss of earnings, Ph.D. programs provide students with annual financial packages of between \$55,000 and \$85,000 in the form of tuition waivers and stipends.

Although there are tuition fees for Ph.D. students, universities provide tuition waivers that effectively cancel any tuition costs. Depending on the university, the tuition waivers can be between \$35,000 and \$55,000 annually. Second, students receive salaries between \$20,000 and \$35,000 per year. The programs also provide funding for travel, accommodation and conference registration fees to support students' professional growth and job searches.

Students and their families usually receive health, dental and vision insurance through their universities. Some universities such as the University of Oregon even

provide special housing options for Ph.D. students who have children.

Admission Into Accounting Ph.D. Programs

Highly Competitive. Given the significant resources provided to each student in the form of individual guidance and financial support, it is not surprising that Ph.D. accounting programs only admit a small number of students. On average, an accounting Ph.D. program admits two students each year, out of at least 50 applicants. At more prestigious universities, the number of applicants may be much higher.

As a result, universities generally have to turn down many qualified applicants. At the other extreme, some programs may choose to admit fewer students if they have no qualified applicants.

Given this highly competitive setting, it is better to apply to a number of schools on different tiers to increase the chances of being accepted. Remember, despite schools' efforts to select the best candidates, the admission process involves some luck. When only two students are accepted each year from a large pool of applicants, admission into a program depends on many factors, including who else is applying to the same school in the same year.

Therefore, it is important not to focus on a single school; the accounting doctoral curricula at most universities are similar and students receive comparable training. An academic career is long and where faculty members received their doctoral degrees becomes less important as one's professional achievements accumulate.

Admission Criteria. There is no set standard for admissions into accounting Ph.D. programs; instead, the programs consider various factors when making admission decisions, including:

- **GMAT scores;**
- **Undergraduate and graduate GPAs;**
- **Work experience;**
- **Personal statement;**
- **Writing skills;**
- **Background in calculus, economics and statistics;**
- **Programming skills; and**
- **References.**

Due to the competitive nature of the admission process, admitted students usually have high GMAT scores and GPAs. According to Brink, Glasscock and Wier (2012), the average GMAT score of an accounting Ph.D. student

Accounting Ph.D. Programs in Texas

Ph.D. Granting Universities	Examples of Where Graduates Teach	Range of Starting Salary (9 months)
University of Texas, Austin	Cornell University Stanford University	\$180,000 - \$220,000
University of Texas, Dallas	University of Missouri University of Hong Kong	\$180,000 - \$220,000
University of Texas, Arlington	University of Michigan – Flint University of Minnesota – Duluth	\$130,000 - \$140,000
University of Texas, San Antonio	University of Nevada – Reno University of Houston – Victoria	\$130,000 - \$140,000
University of Texas, El Paso	Texas A&M – Commerce	\$130,000 - \$140,000
University of Texas, Rio Grande Valley	N.A.; New program started in 2019	N.A.
Texas A&M University	University of Connecticut University of Kansas	\$180,000 - \$220,000
University of Houston	University of Colorado University of Texas, Rio Grande Valley	\$180,000 - \$220,000 \$130,000 - \$140,000
Rice University	University of Chicago University of Utah	\$180,000 - \$220,000
Texas Tech University	University of Nevada – Reno	\$130,000 - \$140,000
University of North Texas	University of Nevada – Reno	\$130,000 - \$140,000
Notes: Placement data are from published data from each university or from internet searches. Estimated salary data based on published data from each university or comparable universities.		

is 692, which puts accounting Ph.D. students in the top 12% of GMAT test takers. Ph.D. curricula generally include microeconomic and statistics courses, so some background in calculus, economics and statistics is important.

Accounting research is data-driven, so candidates with programming skills have an advantage. References are another important factor. Academia is a small circle and professors often know each other. A positive assessment from a renowned professor can boost a candidate's chance of admission.

Campus Visits. Most Ph.D. programs will invite a few finalists for a campus visit before making final admission decisions. During the visit, candidates will have interviews with most of the accounting professors, with each interview lasting about 30 minutes.

Candidates will also meet current Ph.D. students to get a feel for what it is like to at a particular university. Campus visits allow both candidates and the programs to better understand each other and decide whether it is a good fit. Schools usually make their admission decisions soon after all the finalists have visited the campus. Some schools even make decisions on the same day of the visit.

Program Structure

Academics. Accounting Ph.D. programs are rigorous academic programs that aim to teach both teaching and research skills. The programs are usually between four and six years, with the first two years devoted to course work and the rest of the program devoted to research.

In the first two years, students take an average of three courses per semester. These courses include

research courses in accounting and finance and fundamental courses, such as microeconomic theory and econometrics.

Depending on the program, students will write research papers in their first and/or second summers and present their findings at research seminars. At the end of the second year, students will take a comprehensive exam that tests their understanding of the accounting research literature. Students have to pass the comprehensive exam to continue their studies.

After passing the comprehensive exam, students devote their time to developing and writing their dissertation. Every program requires students to teach at some point during their studies, but teaching loads vary from one course every semester to one course during the entire program.

Research is the Focus. Unlike undergraduate and master programs, Ph.D. programs in accounting focus on developing students' research skills, as research is the currency in academia. Students with a promising dissertation and working papers are more likely to receive job offers at research universities that have Ph.D. programs and offer higher salaries. For most universities, publications are the most important criteria in the tenure promotion process.

It can take a very long time to conduct a research project, a fact that surprises many students.

On average, papers take at least three years from the beginning of the project to publication in a top-tier accounting journal. Within that time frame, a paper may undergo multiple revisions and be submitted to several journals before it is accepted for publication. Each paper revision can take at least a month and data revisions alone can take at least two weeks. In addition, students may be working on several papers simultaneously, with each paper at a different stage of publication, so there is always work to be done.

Courses Can Be Challenging. Most accounting Ph.D. students were A students in their undergraduate and master-level accounting courses. However, courses in Ph.D. programs are substantially more difficult than undergraduate and graduate accounting courses. Undergraduate and master-level accounting courses focus on accounting knowledge, such as taxation,

auditing, etc., and do not require extensive skills in mathematics and statistics. In contrast, most accounting Ph.D. programs require students to take Ph.D.-level courses in topics such as microeconomic theory and econometrics. These courses are mathematics-intensive and proof-based, and can be challenging for some students.

Despite the difficulty, the good news is that these courses are intended to develop the students' understanding of economic theories, not to turn them into mathematicians. Generally, accounting students are not expected to get an A in these courses and most will not use mathematic proofs in their research. However, being aware of the challenges and having appropriate expectations is important for success in the programs.

Students Must Learn Programming by Themselves.

Being able to work with data is critical in accounting research. Students have to learn how to program in software packages such as Stata and SAS, and to work with accounting and stock return databases. Throughout the Ph.D. programs, students work on many research projects that require programming skills. For example, in the first and second years, many courses will require students to replicate existing studies using new data.

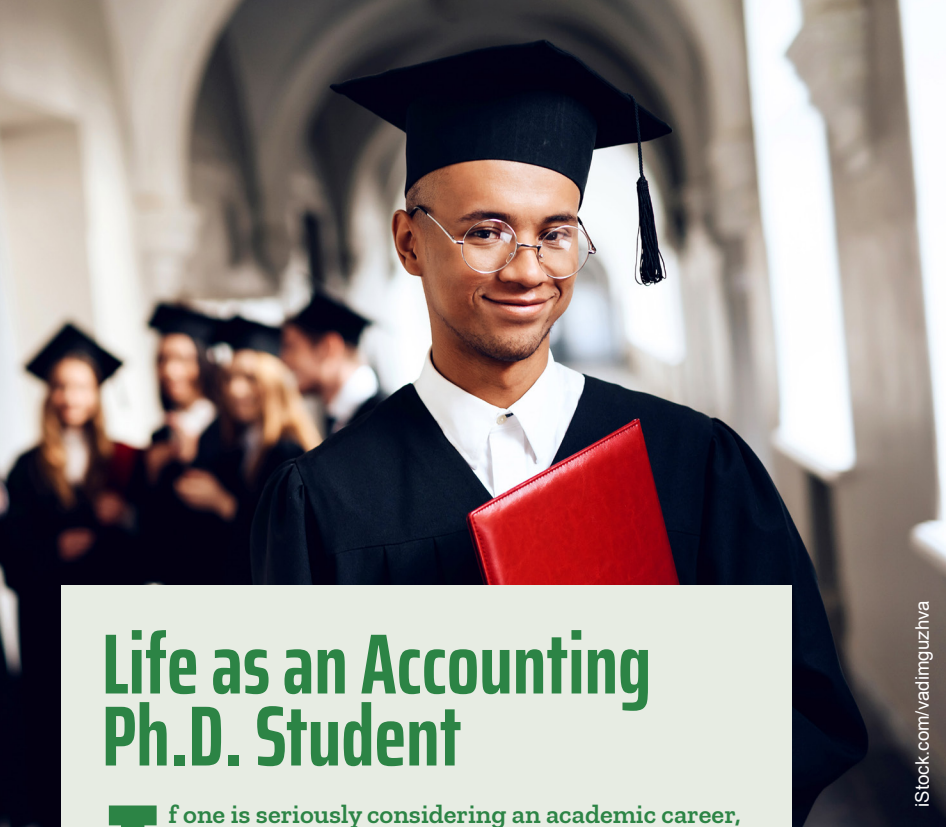
Although accounting researchers do not require the same level of programming skill as a software engineer, they do use programs that are much more difficult and time-consuming than Excel. Data analysis can sometimes take

days or weeks, and coding errors can be difficult to resolve. Unfortunately, professors do not teach students programming skills; instead, students need to teach themselves using the internet or by helping each other.

Writing is Important. Writing is much more important in Ph.D. programs than in undergraduate and master accounting programs. Academic papers are the final product of research. While the findings reported in papers are the core outcomes of data analysis, writing plays an important role in determining whether these findings are published in a top-tier journal.

Accounting academic papers are on average 60-pages long and few students have experience writing such long papers. The writing process takes time. For example, it is not uncommon to spend a week writing and polishing a five-page introduction.

**For most universities,
publications are the most
important criteria in the tenure
promotion process.**



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Life as an Accounting Ph.D. Student

If one is seriously considering an academic career, it is better to make the change early. First, opportunity costs become higher as one works in the accounting profession. If one has already become a senior manager or even a partner, then giving up the job will mean a very substantial income loss. In contrast, if one has just worked for four to five years, the economic sacrifices will probably be much smaller.

Second, a Ph.D. program in accounting is much more academically intensive than undergraduate and graduate accounting programs. It is easier for someone in their 20s and early 30s to adapt to this new environment than for someone in their late 30s and 40s.

Time Management is the Key to Success

Unlike professional accounting practices, Ph.D. students have a great deal of freedom in managing their time. The first two years of the program are class-oriented, but there is no formal work schedule after the first two years. Time management is at the discretion of each individual.

This freedom to manage time does not mean free time. In contrast, many students find this freedom unproductive.

Moreover, it is also important to separate work life from home life. As accounting research can be done anywhere with a computer, many students choose to work at home and this may interfere with their family life. One piece of advice for students seeking to balance work and family is to keep a regular work schedule – work at the office from 9 a.m. to 6 p.m. on weekdays and do not work at home unless it is necessary.

Accounting Ph.D. Programs in Texas

Texas has the advantage of having a large number of accounting Ph.D. programs. About 100 universities in the U.S. offer Ph.D. programs in accounting and 11 of them are in Texas. In fact, all of the major cities in Texas have at least one university that offers an accounting Ph.D. program. For comparison, Oklahoma only has two universities that offer accounting Ph.D. programs and New Mexico does not have any.

The Ph.D. programs in accounting in Texas range from those with historically good placement records to those that have just started. For instance, graduates of the University of Texas, Austin and Rice University have become professors at premier research universities, where they can earn nine-month salaries of over \$220,000. With additional research funding, their annual income can be more than \$250,000.

Graduates of the University of Texas, Arlington and Texas Tech University have become professors at teaching schools such as the University of Nevada, Reno where they earn nine-month salaries of around \$130,000. Prospective students in Texas can visit nearby universities with programs to get some in-person information and can even attend research presentations to get a better feel for what a program is like.

An Alternative to Ph.D.: Doctorate in Business Administration (DBA)

Besides a Ph.D. in accounting, CPAs who want to teach at universities may also consider a Doctorate or Executive Doctorate in Business Administration (DBA). According to the Executive DBA Council, there are more than 50 universities worldwide that offer DBA programs, but the University of Dallas is the only university that offers such a program in Texas.

Unlike Ph.D. programs that are full-time and require students to leave their jobs, DBA programs are mostly online and only require students to come to campus for in-class sessions for several weekends during each semester. DBA students can continue their jobs, but it may be challenging for some students to balance their work, family and academics.

While Ph.D. programs provide tuition waivers and pay salaries for their students, DBA students must pay out of pocket for their tuition, which is on average \$40,000

a year. DBA programs are shorter than most Ph.D. programs and are generally three to four years in length.

Perhaps the most important drawback of DBA programs is the job market implications. Many universities may perceive DBA programs to be less academically rigorous than Ph.D. programs and some schools even require faculties to hold a Ph.D., making it difficult for DBA students to land a job at large research universities.

Most DBA graduates tend to teach at smaller and regional universities, which will likely pay less and have higher teaching loads than larger universities. Although some DBA graduates teach at large universities, they usually do so as instructors instead of tenure-track faculties and receive lower salaries. They also teach more classes than professors at other institutions.

Career in Academia

Academia is a great career option for CPAs who want to work in a university or prefer a non-corporate lifestyle. Given the shortage of accounting faculty and the potentially high earnings, this is also a good time to become an accounting professor. However, a career in academia may not suit everyone.

As most CPAs do not know much about this career path, this article offers important insights into various aspects of accounting Ph.D. programs and discusses DBA programs for those who may find it a better fit. The aim is to help prospective students make an informed decision about this career change.

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Everyone Experiences Frustrations

Just like any other job, every student will encounter some obstacles in a Ph.D. program. Common obstacles include:

- Getting back into the study mode;
- Challenging economic courses;
- Developing research ideas;
- Presenting research;
- Learning how to program and how to teach;
- Passing the comprehensive exam;
- Writing the dissertation; and
- Looking for a job.

However, with the support of their advisers, their families and each other, most students overcome these obstacles and receive their Ph.D. Critically, students receive personalized guidance from their dissertation advisers with respect to many aspects of academic career (e.g., dissertation presentation, job interview preparations, publication processes, etc.).

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