



**2015 Indiana CPA Society Student Survey
Indiana Accounting Students Expectations Concerning Future
Career Plans in the Accounting Profession and Views on the
Value of the CPA Designation**

April 13, 2015

Executive Summary

In April 2015, for the tenth year, the Indiana CPA Society contacted Indiana college accounting students to solicit their opinions and expectations for the annual student survey. The INCPAS Accounting Student Survey serves to gauge the career plans of its young members, and gather views on their future goals and the value of the CPA designation.

This year's survey consisted of 27 questions. The first question determined if participants are still pursuing a degree in accounting. If a participant answered "yes" to the first question, they were then directed to complete the survey. Out of those who participated, 12 percent were recent graduates and/or no longer studying accounting.

The invitation to participate in the survey was sent to 447 student members and a link to the survey was distributed to Indiana colleges and universities asking for student participation. The response rate was 22.8 percent of student members completing the survey. Additionally, 276 students completed the survey by using the public access link distributed to them through teachers, peers and social media. The response rate in 2014 was 30.1 percent, however the survey was only sent to 239 student members.

As in previous years, more females than males completed the survey. Of those who participated, 55 percent were female and 45 percent were male.

Down from 81% last year, the survey results indicate, 68 percent of the students who participated rated their level of enthusiasm about accounting as increasing since they started college and began learning more about the profession.

The majority (92 percent) plans to continue to pursue the CPA designation in the future. The percentage of those planning to sit for the CPA Exam immediately following graduation has increased to 80.1 percent which is the highest percentage of students since the survey began in 2006. That year, only 18 percent of students planned to sit immediately. As in the past, the majority of participants said they think the designation will be valuable to their career.

When asked about future career plans, 35 percent said they plan to work in the profession for 10 or more years, a notable decrease from the 45 percent in 2014. This year, 30 percent of respondents said they are unsure or undecided about how long they plan to stay in the profession, which is the same as 2013 and 2014.

Of the students who responded, 70 percent reported they plan to choose a career in public accounting – more than the 64 percent in 2014. Of the 70 percent this year, 33 percent plan to work in public accounting for a national firm, which is a decrease from the 48 percent in 2014. Slightly decreasing from 2014, 19.1 percent of students plan to work at a regional accounting firm. This year, 16.9 percent said they plan to pursue a career in a local firm, a significant decrease from 32 percent in 2014. The percentage of those planning to pursue a career in industry decreased to 10.8 percent. Those planning to work in government remained the same as 2014 with 4 percent. Only one percent said they are choosing a career in education. Those planning to pursue a career in a not-for-profit is 3 percent.

As for what influenced these students the most in choosing accounting as a major, the 2015 results showed 27 percent were influenced by a high school accounting class and 26 percent indicated their introductory accounting class in college. Parents, friends, and career fairs also played a role in influencing some of the students.

For the third year in a row, work/life balance ranked as the top consideration for students in choosing a career field and compensation ranked second. Work/life balance hadn't been the top consideration for students since 2009. From 2010-12, compensation was the top consideration for students. Ranking third was advancement potential and fourth was flexible scheduling. Retirement plans and fringe benefits were less important to students when choosing a career in accounting, and community service opportunities were the least important.

The percentage of students who think employers place equal importance on the same considerations they think are important, such as compensation and work/life balance, has decreased slightly in 2015 to 30 percent from 31 percent in 2014. The percentage of students who think employers do not place equal importance on the same considerations they think are important has decreased slightly in 2015 at 30 percent from 32 percent in 2014. The number of

students who are unsure about how to answer the question has increased to 38 percent, up from the 36 percent in 2014.

The main reasons students chose to join the Society were because a teacher encouraged it, they wanted access to more information or they wanted to get involved. Some indicated they wanted to put their membership on their resume.

New this year, questions were added to better understand how students were earning their credits (through their college/university or partially through community college courses). Of the respondents, 15 percent take classes at community colleges.

With the rise in nontraditional student populations, we added a question determining the student status of respondents. Nearly 16 percent of students identify with being a non-traditional student.

Another new question in 2015 asked if students had completed an internship. In 2015 41.9 percent of students have completed at least one accounting internship.

The majority of survey respondents were upper classmen with 14 percent being fifth year students, 31 percent being seniors, 26 percent as juniors, 13 percent were sophomores and 9 percent were freshmen. Four percent selected other.

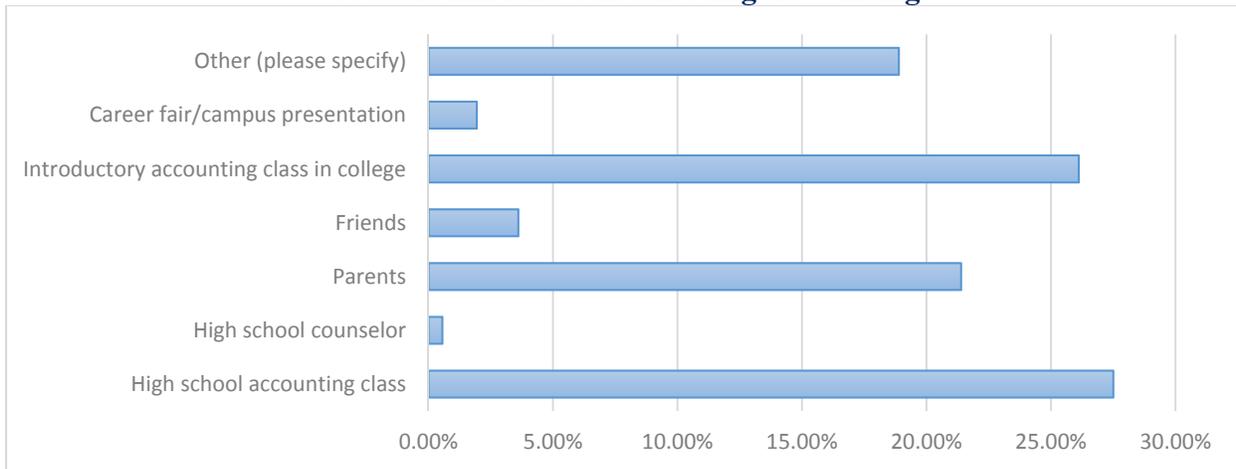
In 2014, questions regarding ethnicity were added. This year, the majority of respondents, 74 percent, identify as white. Eight percent are Asian/Pacific Islander, 6 percent are Black/African-American and five percent are Hispanic/Latino. No students identified with American Indian/Alaskan Native and one percent answered other. In comparison to national data from the 2013 Trends Report these numbers are fairly comparable to national averages.

Survey Results

Student Influences

Students were asked who or what influenced their decision to choose accounting as a major and their level of enthusiasm about the major they have chosen. Since this survey question was added in 2008, the largest percentage of students have responded that they were either influenced by a high school accounting class or an introductory class they took in college. This year, the percentage of students who said they were influenced by an introductory accounting class in college increased to 26 percent from 21 percent in 2014. Those who said they were influenced by a high school accounting class increased to 27 percent from 26 percent in 2014. Parents' influence increased in 2015 to 21 percent from 15 percent the prior year. The influence of friends remained low at only three percent. Eighteen percent reported that they were influenced by something other than one of the choices given, such as currently working in accounting, self-interest, mentors, and enjoys numbers.

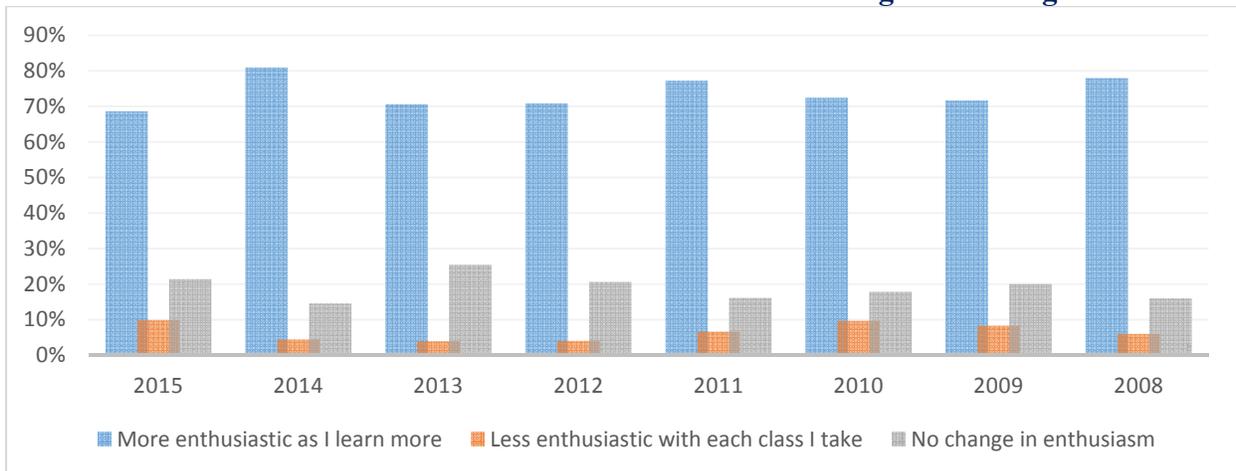
Student Influences in Choosing Accounting



Student Level of Enthusiasm

Students were asked about their level of enthusiasm about accounting as a major – 68 percent in 2015 reported they were more enthusiastic a significant decrease from 81 percent in 2014. In 2015, 21 percent said they have had no change in enthusiasm since they began. Ten percent in 2015 responded that they are less enthusiastic about accounting as their career choice from when they began. This is the highest percentage of students indicating they are less enthusiastic about accounting as a major since the survey began.

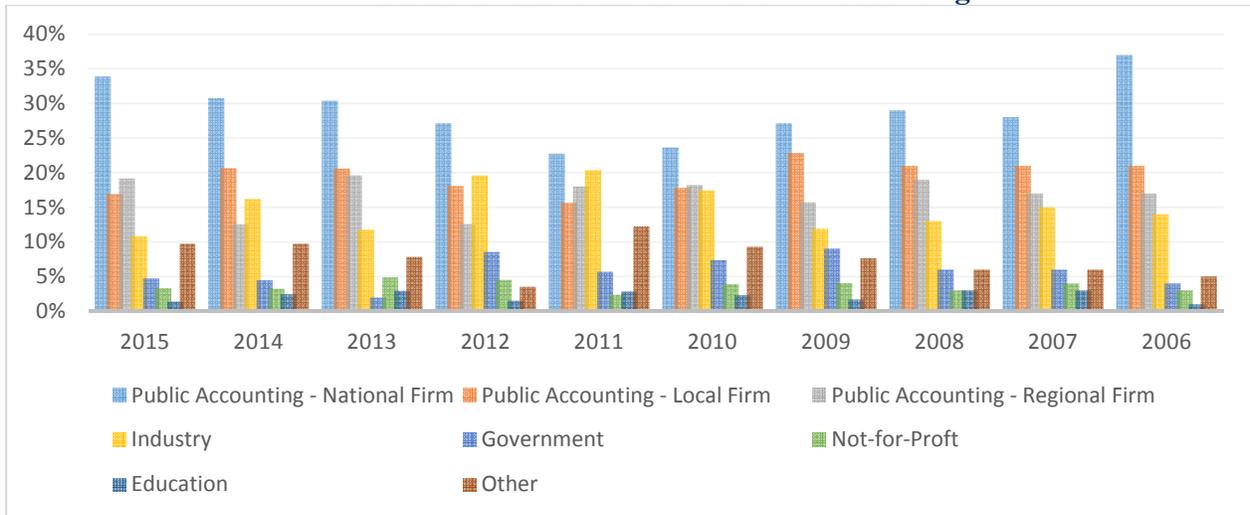
Student Level of Enthusiasm since Choosing Accounting



Students Future Career Plans and Goals

INCPAS has been asking students on the Student Survey about their future plans in accounting. Specifically, we asked them what area of accounting they plan to pursue a career in after they graduate. In 2015, 70 percent of students reported that they plan to pursue a career in public accounting, either with a national, regional or local firm – an increase from 64 percent in 2014. Public accounting is still the top career choice for accounting students at this time. The percentage planning to pursue a career in industry decreased to 10.8 percent in 2015. This is a decrease from the 16 percent in 2014. The number of students planning to pursue a career in education remains low and the percentage of students who are undecided or looking at other career options has remained the same at just below ten percent in 2014 and 2015.

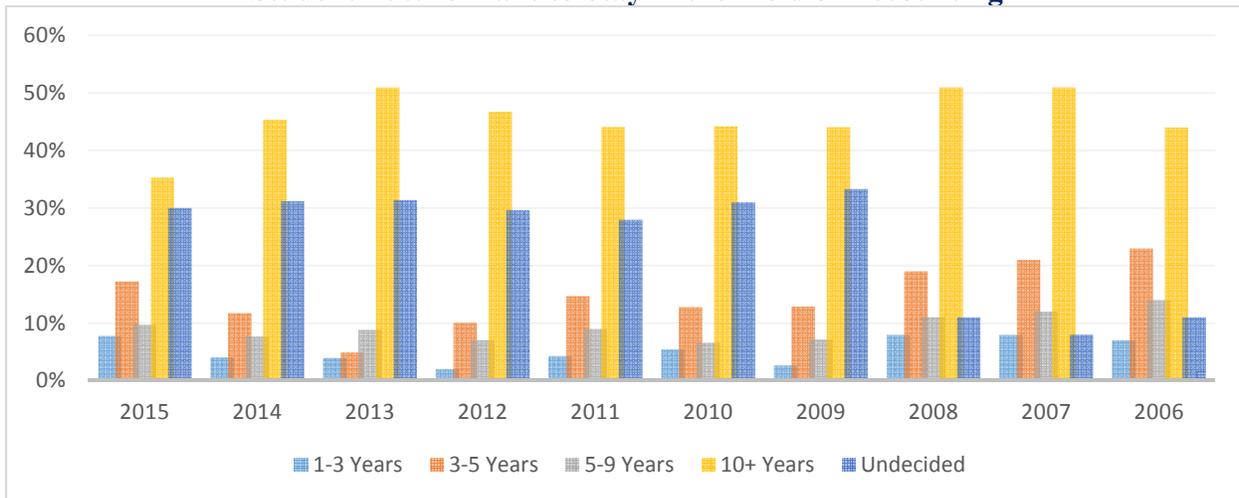
Student Future Career Plans in Accounting



Students’ Plans for Staying in Accounting

When asked how long they plan to stay in the field they have chosen, the percentage of students planning to stay in the field for 10 or more years fell to 35 percent in 2015 from the 45 percent in 2014. The number of students who are undecided about how long they plan to stay in the CPA profession remained the same for the past couple of years at about 30 percent, which is still much higher than the eight percent in 2007.

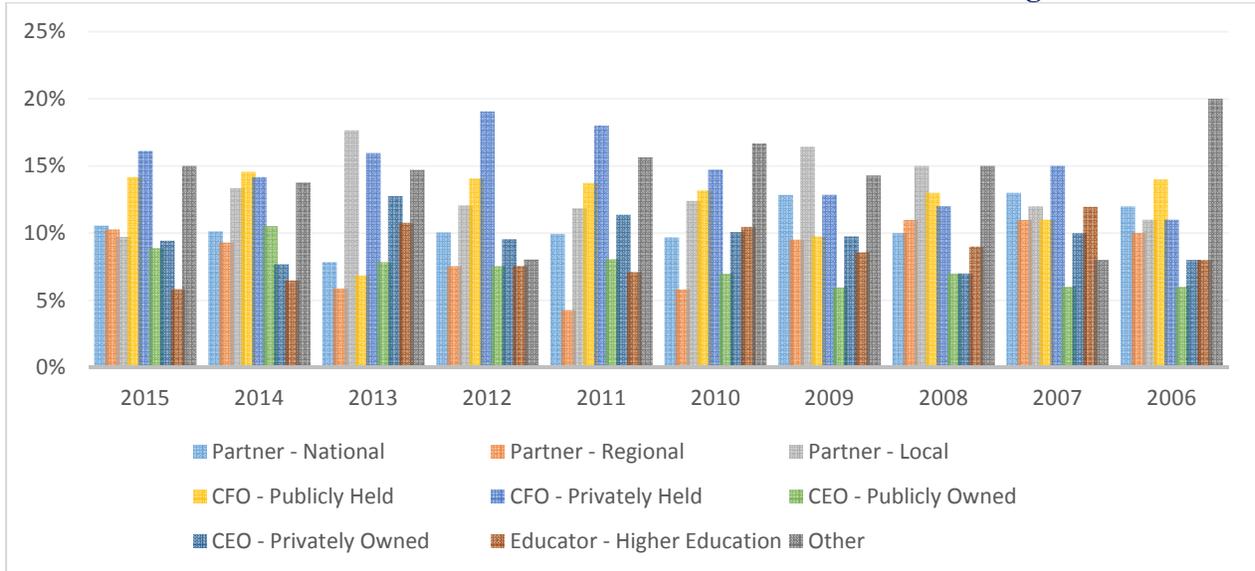
Student Future Plans to Stay in the Field of Accounting



Students Ultimate Future Career Goal

Since the survey began in 2006, students have been asked what their ultimate future career goal is in working in accounting. This year, 30 percent of students' ultimate goal is to become a CFO and 18 percent hope to become a CEO. The percentage of students who said their ultimate goal is to go into public accounting is 30 percent. The percentage of students planning to become an educator in higher education is the lowest at only five percent. Several students participating in the 2015 survey chose "Other" because they are unsure about their future goals at the time of the survey.

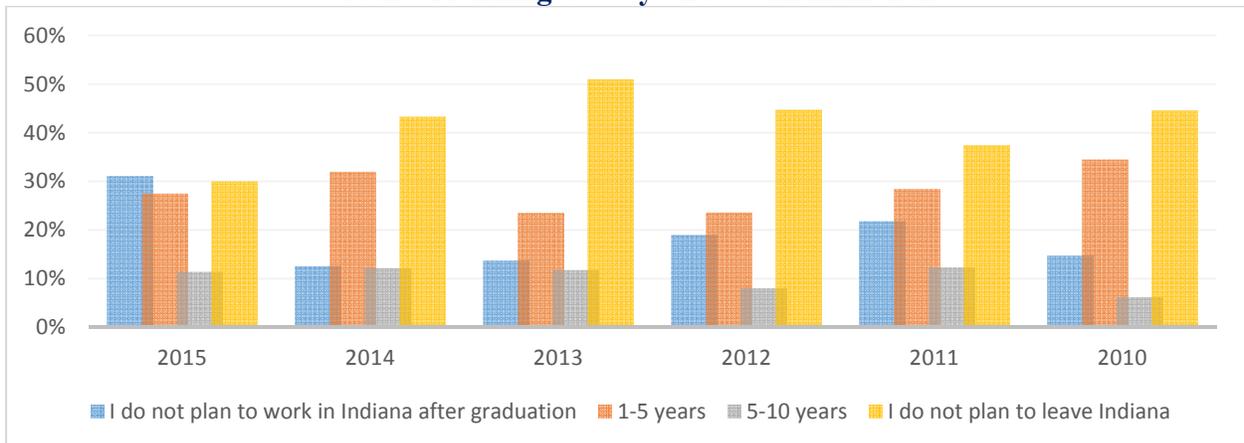
Students Ultimate Future Career Goals in Accounting



Students' Residency Plans After Graduation

In order to track and gain a better understanding of Indiana's "brain drain," the survey was revised in 2010 to include asking students how long they plan to work in Indiana after graduation. The percentage of students who do not plan to work in Indiana after graduation is the highest it has ever been, jumping from 13 percent in 2014 to 31 percent in 2015. The percentage planning to stay and work in Indiana for at least one to five years decreased to 27 percent in 2015 from 32 percent in 2014. The percentage who said they plan to stay and work in Indiana for five to 10 years was decreased slightly to 11 percent in 2015. The percentage of students who are not planning to leave Indiana after graduation or in the future is 30 percent. This number decreased from 51 percent in 2013 and 43 percent in 2014.

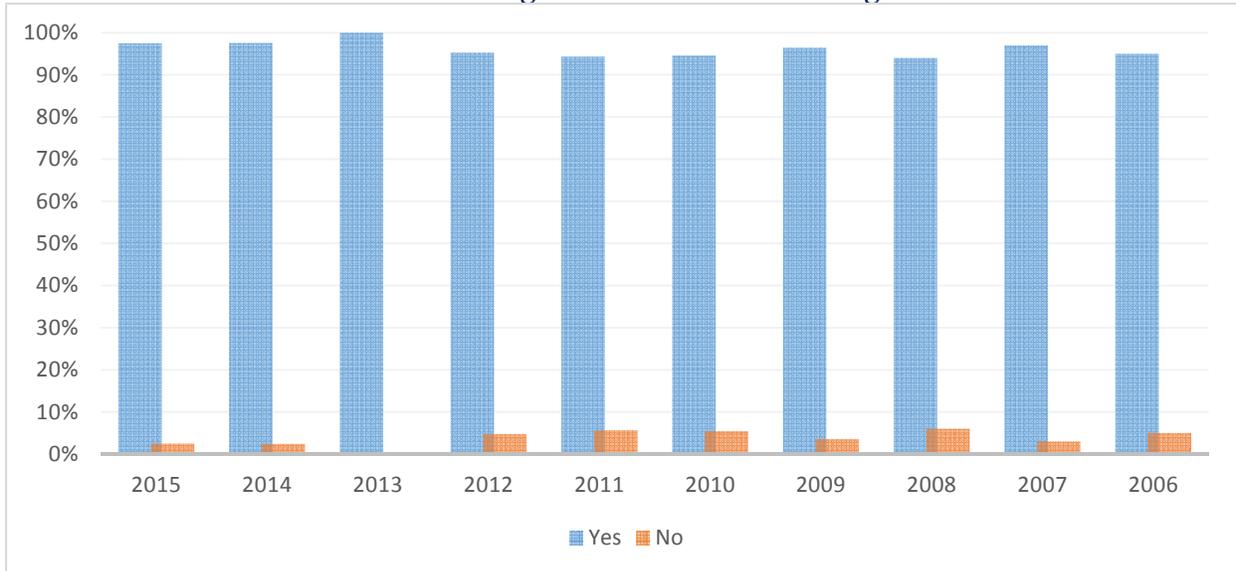
Students Planning to Stay and Work in Indiana



Students' Value of the CPA Designation

Since the survey began, the percentage of students planning to pursue the CPA designation remains consistently high – the results of this year’s survey show 97.5 percent of the students who responded plan to pursue the CPA credential. The percentage was the highest in 2013 when it was at 100 percent.

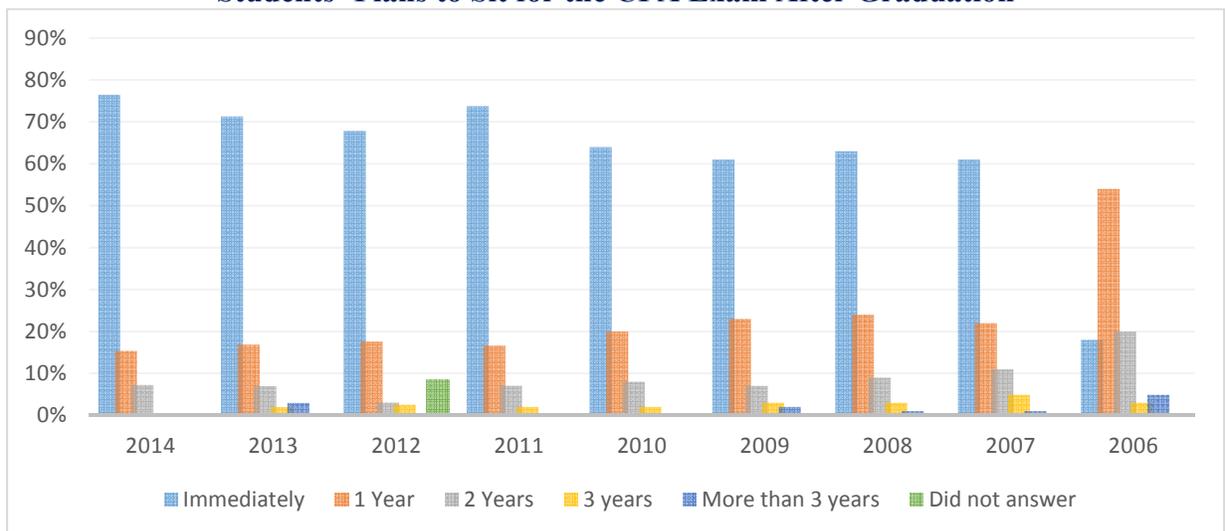
Students Planning to Pursue the CPA Designation



Students' Plans for the CPA Examination

This year, 80 percent of students reported that they plan to sit for the CPA Exam immediately following graduation, the highest in the history of the survey. The Society spends a great deal of time at campus presentations discussing the value of the CPA designation and encouraging students to sit for the Exam immediately following graduation. The percentage of those who said they will likely wait a year before sitting for the Exam has increased slightly to 16 percent from 15 percent in 2014. The percentage of those planning to wait one to more than three years has decreased considerably over the years. In 2006, over 50 percent said they planned to wait at least one year.

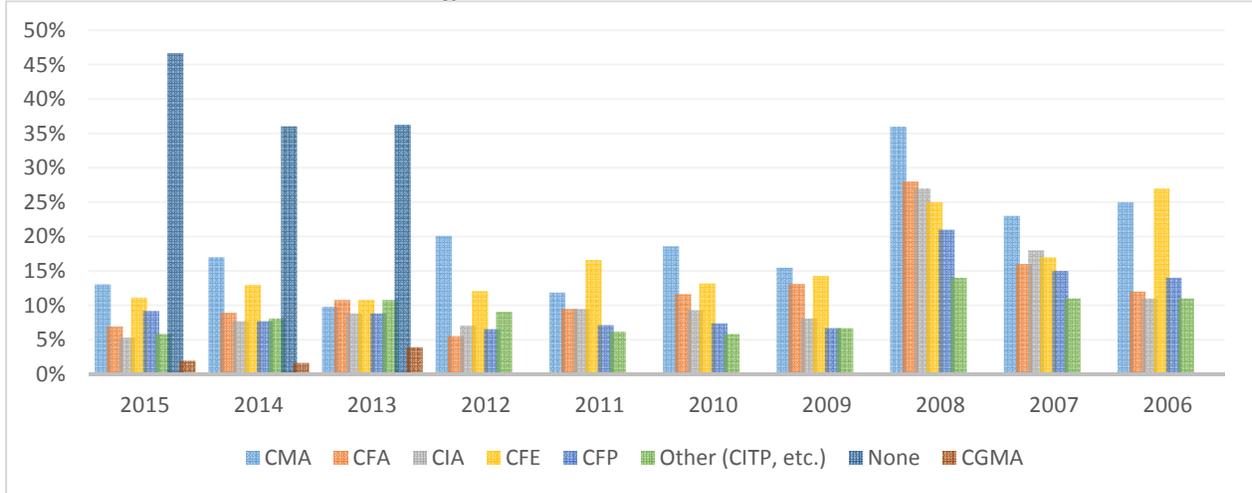
Students' Plans to Sit for the CPA Exam After Graduation



Students Value of Other Credentials

Some students are still planning to pursue other credentials along with the CPA designation. The percentage of students planning to pursue another credential was much higher in 2008 and has decreased over the past few years. In 2015, the top choice of students was the Certified Management Accountant (CMA) and the second choice was the Certified Fraud Examiner (CFE).

Students Planning to Pursue Other Credentials/Certifications

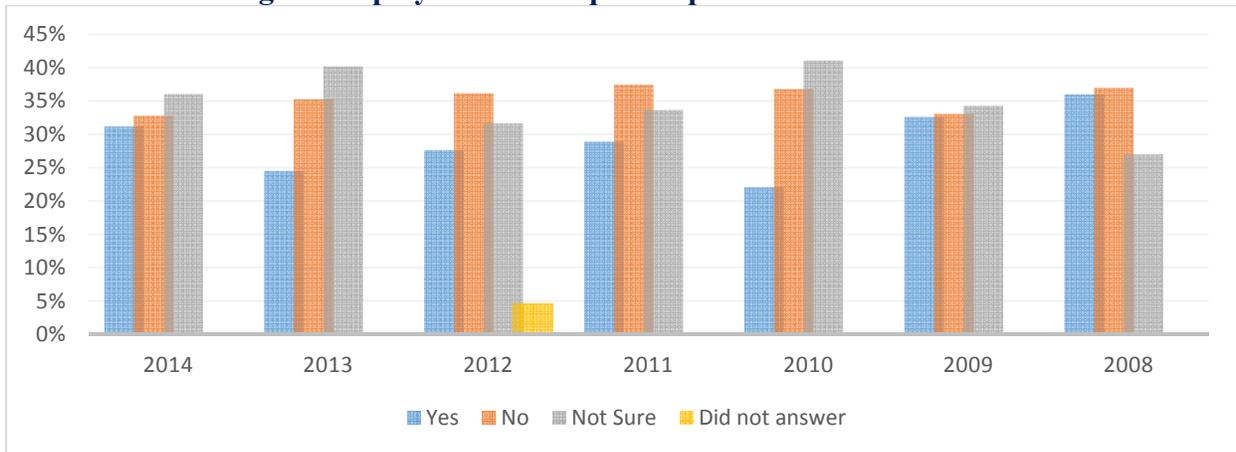


Students Most Important Considerations in Choosing a Career

Work/life balance continues to rank as the most important consideration for students who will be entering the workforce and choosing an employer – it ranked number one for the past three years. From 2010-12, compensation was the top consideration. For the seventh year in a row, advancement potential ranked third and flexible scheduling ranked fourth. According to the survey results over the past seven years, students do not consider retirement plans, fringe benefits and community service opportunities as top considerations in choosing a career.

Students also were asked if they feel employers today put equal importance on the same considerations they do. This year, 30 percent said yes, down from 31 percent in 2014. Thirty percent of students responded, “no” and the percentage of students who answered “not sure” continues to decreased to 38 percent in 2015.

Students Agree Employers Place Equal Importance on Same Considerations

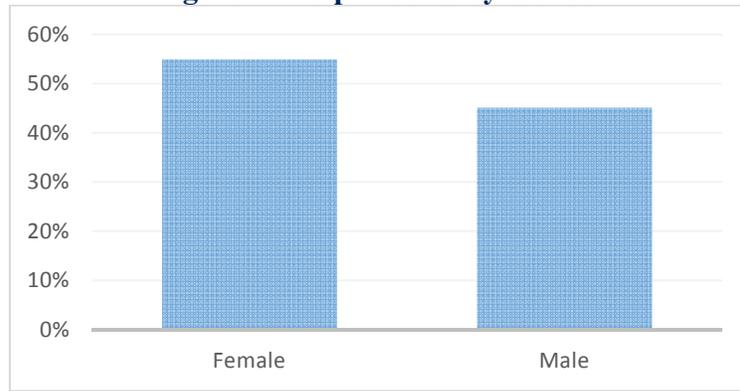


Respondents Characteristics

Student Gender

Of the students who completed this year's survey, 55 percent were female and 45 percent were male.

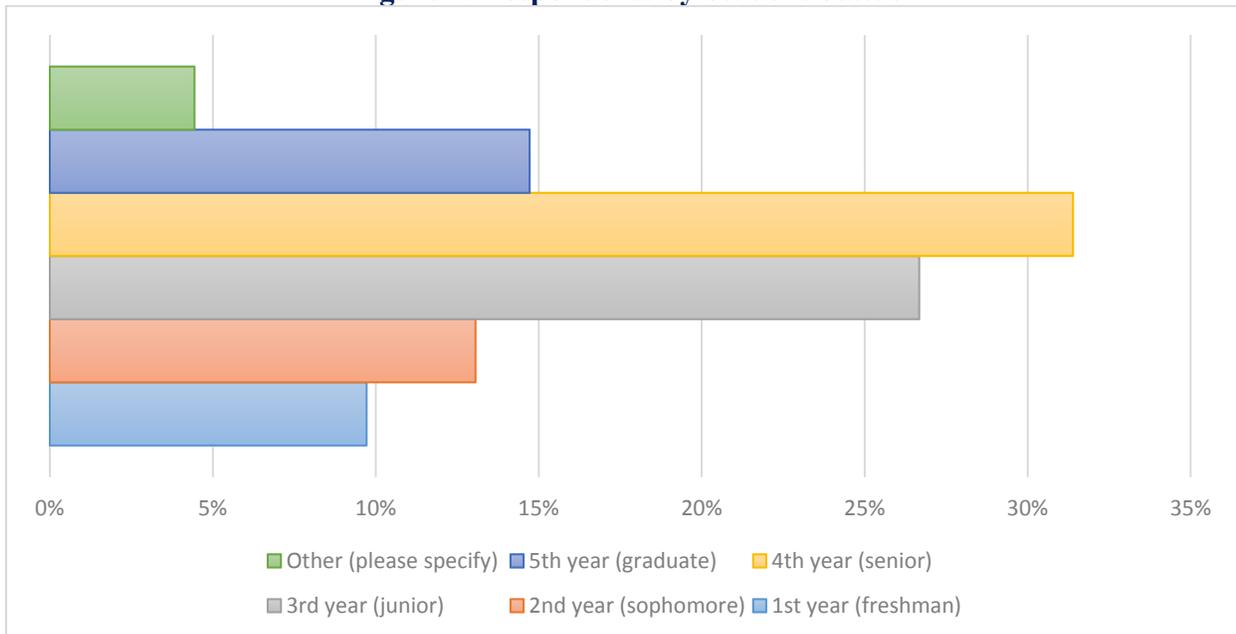
Figure 1. Respondents by Gender



Student Status

Students who are currently in their fourth year were the highest percentage of respondents (31 percent) to this year's survey. The second highest percentage to respond to the survey were third year (junior) students and the third highest to respond were fifth year students.

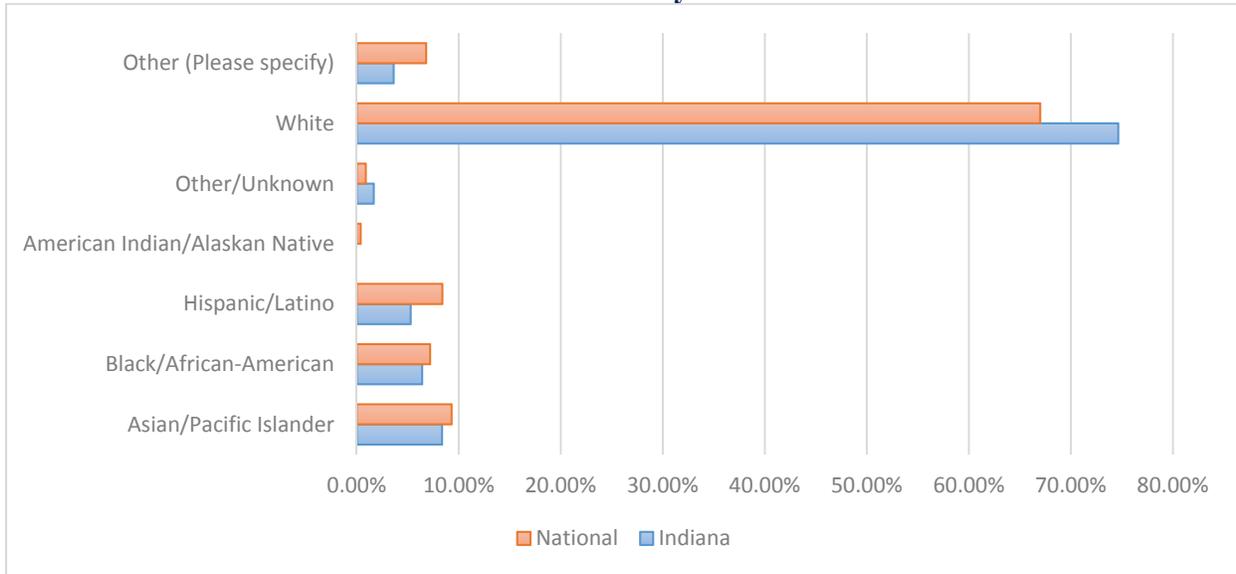
Figure 2. Respondents by Student Status



Student Ethnicity

As the Society increases its diversity initiatives, it's important to assess the demographic makeup of accounting students in Indiana and compare it with national statistics. This year, questions regarding ethnicity were added. The majority of respondents, 74 percent, identify as white. Eight percent are Asian/Pacific Islander, six percent are Black/African-American and five percent are Hispanic/Latino. No respondents identified with American Indian/Alaskan Native and one and a half percent answered other. In comparison to national data from the 2013 Trends Report these numbers are fairly comparable to national averages.

Ethnicity



Conclusion

The annual INCPAS Accounting Student Survey serves to gauge the career plans of its young members, and gather views on their future goals and the value of the CPA designation. This year, the percentage of students who say they are enthusiastic about becoming future CPAs is the highest it has been since the survey launched in 2006.

In 2006, the percentage of students planning to sit for the CPA Exam immediately following graduation was at its lowest. Since then, INCPAS has worked to encourage students to sit for the CPA Exam immediately following graduation and the percentage planning to do so rose to an all-time high this year with 80 percent of students planning to sit for the Exam immediately following graduation. The majority of students who participated think the designation will be valuable to their career. Some students also plan to pursue other credentials along with the CPA designation. The top choice this year is the Certified Management Accountant and the second is the Certified Fraud Examiner.

In order to track and gain a better understanding of Indiana's "brain drain," students are asked how long they plan to work in Indiana after graduation. The percentage of students who do not plan to work in Indiana after graduation is the highest it has ever been, jumping from 13 percent in 2014 to 31 percent in 2015. Those students who are not planning to leave Indiana after graduation or in the future decreased to 30 percent in 2015 from 43 percent in 2014.

As for their future career choice, nearly three quarters of the students who participated reported they plan to choose a career in public accounting. Public accounting has been and remains the top career choice for students. Of those choosing to go into public accounting, the highest percentage plan to work for a national firm and those planning to work in a local firm has increased to 19 percent in 2015. The percentage of those planning to pursue a career in industry decreased and those planning to work in government increased slightly. Choosing a career in not-for-profit and education is not a top choice for students.

For the second consecutive year, work/life balance ranked as the top consideration for students in choosing a career field and compensation ranked second. Ranking third was advancement potential and fourth was flexible scheduling. Retirement plans, fringe benefits and community involvement have yet to rank in the top four considerations for students considering an employer since the survey began.

The percentage of students who think employers place equal importance on the same considerations they think are important, such as compensation and work/life balance, has increased. Whereas, the percentage that think employers do NOT place equal importance on the same considerations they think are important decreased. Some students were not sure how to answer the questions.

As the Society increases its diversity initiatives, we'll continue to assess the demographic makeup of accounting students in Indiana and compare it with national statistics. In comparison to national data from the 2013 Trends Report these numbers are fairly comparable to national averages. Specifically, Indiana has slightly fewer students identifying with Asian/pacific Islander, Hispanic/Latino and Black/African-American backgrounds compared to national averages.

The response rate for this year's survey was 20 percent. The survey invites were sent via email to student members and the survey also was promoted by teachers, students and social media through a public access link. The majority of student responses came from the public access link. This was the first time we've used a method outside of traditional email to promote the survey.