IN CPA SOCIETY

CPA TALENT PIPELINE RESOURCES

Help Your Candidates Pass the CPA Exam & Get Licensed
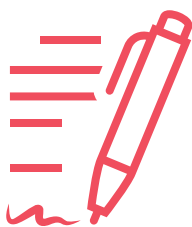
Includes:

✔ CPA Pipeline Research

✔ 2024 CPA Exam Changes

✔ Tips to Help Your Exam Candidates

✔ INCPAS Resources

incpas.org

NOTE FROM INCPAS PRESIDENT & CEO

> **We made guidance for the CPA Exam and CPA licensure processes in Indiana as up-to-date and straightforward as possible.**

I've had the privilege of meeting many of you during our INCPAS Town Hall events and office visits over the past several years. Time and again, you are a joy to chat with—and you all share a common pain point: your talent pipeline.

Whether it's finding new hires or retaining current staff, building and maintaining your team is challenging. While some may point to internal organization issues you can control as the culprits—like company culture, work hours or compensation—it's important to note there are larger factors at play that you cannot control, but that you should definitely consider when planning your pipeline strategy.

In this guide, we've included U.S. demographic and accounting enrollment trends you need to know about.

But we won't leave you hanging there! One of the best ways to attract (and keep) interested talent is to make entry into this profession as simple as possible. We made guidance for the 2024 CPA Exam and CPA licensure processes in Indiana as up-to-date and straightforward as possible. We also share what INCPAS is doing to help advocate for removing or reducing unnecessary barriers and obstacles within Indiana's path to becoming a CPA.

Review and share these resources with your organization's leaders to help your current and future hires with obtaining their CPA license. Further, be sure to use our checklists and questions you can ask to help guide your internal discussions as you plan for your organization's short- and long-term pipeline success.

Courtney

Courtney Kincaid, CAE
President & CEO

CPA PIPELINE RESEARCH: QUICK LOOK

Your staffing struggles aren't just anecdotal. The following pages are evidence-based studies and statistics you can use to pinpoint specific challenges and opportunities in your internal decision-making.

> **The time required to study for the CPA Exam is the #1 obstacle for accounting majors across all demographics.**
>
> *—Center for Audit Quality*
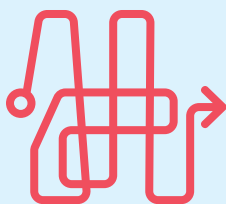
Challenges for CPA Licensure: Obstacles Reported by Students and Candidates

1. Time it takes to study for the Exam

2. Complexity of the Exam and licensure process

    › *Pro Tip: See page 10 for info on the INCPAS CPA Candidate membership that gives you access to resources that guide you through the process*

3. Cost of Exam

    › *Pro Tip: INCPAS offers free Virtual Mock CPA Exams (see page 11)*

4. Cost of additional credits needed for licensure

5. Cost of Exam preparation training

    › *Pro Tip: INCPAS members receive discounts for Exam review courses (see page 8)*

6. Time it takes to get to 150-credit hours

Source: Center for Audit Quality and EDGE Research — "Increasing Diversity in the Accounting Profession Pipeline: Challenges & Opportunities" (July 2023)

Challenges with Population & Pipeline

You've likely seen the facts and figures on "disruptive demographics" happening in the U.S. population. These are already starting to affect the labor market, college enrollment and accounting majors, and will even more long-term.

High-level factors impacting the overall population:

▸ Lower birth rates in the U.S.

▸ Increasing mortality for U.S. adults ages 65 and over

▸ Declining fertility worldwide

▸ Increasing international migration (2022 saw largest single-year increase since 2010)

▸ Domestic migration away from Midwest (400,000 residents moved to other regions in 2020–22) *https://www.csg.org/2023/01/27/midwest-lost-more-than-400000-people-to-other-u-s-regions-between-2020-and-2022*

Source: U.S. Census Bureau
https://www.census.gov/library/stories/2021/12/us-population-grew-in-2021-slowest-rate-since-founding-of-the-nation.html

"If you think we have labor force challenges now, you haven't seen anything—it's the beginning of a real challenge…You're going to have to grow your own pipeline. You have to figure out how you develop relationships with people at a very young age, and nurture and grow them all the way to your organizations and firms."

—James H. Johnson Jr., Ph.D., William Rand Kenan Jr. Distinguished Professor – Kenan-Flagler Business School at UNC-Chapel Hill

"The U.S. population growth rate peaked in 1960 and grew at a slower rate in 2021 than any other year since 1900."

—U.S. Census Bureau

A few statistics to know about specific U.S. populations and higher education:

▸ 13.6% identify as Black
  – In the 2021–22 academic year, only 7.1% of accounting graduates were Black

▸ 18.9% identify as Latino
  – In the 2021–22 academic year, only 14.3% of accounting graduates were Latino or Hispanic

▸ 60% of individuals enrolled in college/university are female
  – Male enrollment has dropped roughly 30% between 1947 and 2019

▸ College/university enrollment has declined 9.6% since 2010
  – As of Fall 2020, annual enrollment shows a 4.31% decline year-over-year *https://educationdata.org/college-enrollment-statistics*

▸ 42% of new accounting graduates identified as non-white in 2021–22 academic year
  AICPA 2023 Trends Report

"The post-millennial generation is the most racially and ethnically diverse population the U.S. has ever seen."

—Center for Audit Quality

CPA EVOLUTION & CHANGES TO THE 2024 CPA EXAM

According to a 2023 Robert Half report, **technology expertise, general business knowledge** and **specialized experience** are among the top skills required for accountants to succeed in today's work environment.

The AICPA and NASBA have been collaborating for several years on updating the CPA Exam to better reflect—and test—this "CPA Evolution" of growing skillsets expected from modern-day CPAs.

The new CPA Exam launched on January 1, 2024—here's what to know so you can support your candidates.

New Content

Part I: Take 3 Core Sections

Under the CPA Evolution licensure model, all candidates are required to take:

1. Financial Accounting and Reporting (FAR)
2. Auditing and Attestation (AUD)
3. Taxation and Regulation (REG)

Note: Business Environment and Concepts (BEC) is not on the new Exam.

Part II: Pick a Specialized Discipline

Each candidate must choose one Discipline section:

a. Business Analysis and Reporting (BAR)
b. Information Systems and Controls (ISC)
c. Tax Compliance and Planning (TCP)
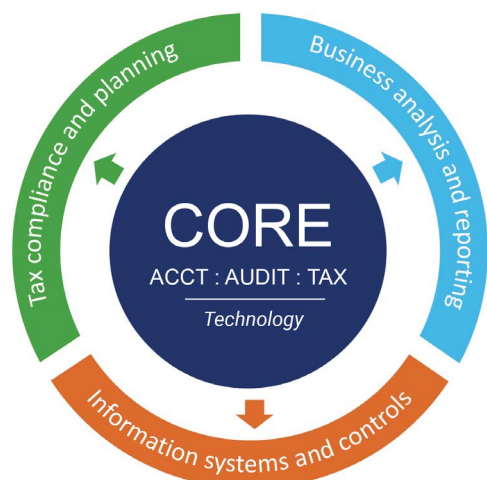
Note: Regardless of a candidate's chosen discipline, this model leads to full CPA licensure. Candidates can only pass one discipline. There is not a super CPA license for passing more than one discipline.

Source: AICPA

> **"The CPA profession has evolved to where technology, data security and analysis of data from multiple sources and systems are now integral parts of both training and work."**
>
> *—Don Carpenter, CPA, MSAcc, clinical professor of accounting – Baylor University*

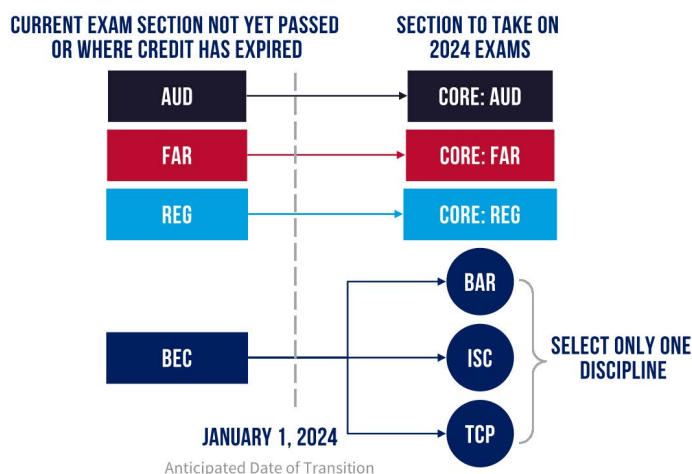*Source: Is Accounting a STEM Field? Why It Matters https://www.incpas.org/detail-pages/mvc-blog-or-article-detail/is-accounting-a-stem-field-why-it-matters*

Exam Transition Policy

There is a transition policy for candidates who have taken and passed sections of the CPA Exam. With the upcoming changes to the CPA Exam, it's important to understand it:

Candidates who have credit for AUD, FAR & REG on the "old" Exam will not need to take the corresponding new Core Exam. Candidates who have credit for BEC on the "old" Exam will not need to take a discipline (TCP, ISC or BAR) section on the new Exam.

Contrary to what some candidates think, if they start taking the "old" Exam they will not be "grandfathered" in to continue taking the "old" Exam. This is a light switch Exam. On Dec. 15, 2023, the "old" Exam was shut off and on Jan. 1, 2024, the new Exam was turned on.

CURRENT EXAM SECTION NOT YET PASSED OR WHERE CREDIT HAS EXPIRED → **SECTION TO TAKE ON 2024 EXAMS**

- AUD → CORE: AUD
- FAR → CORE: FAR
- REG → CORE: REG
- BEC → BAR / ISC / TCP — SELECT ONLY ONE DISCIPLINE

JANUARY 1, 2024
Anticipated Date of Transition

Credit Extension Relief and Reinstatement of Lost Credits

Transitioning to the new CPA Exam will result in limited testing opportunities and significant scoring delays that will require Candidates to have a well-planned testing strategy (more on that on page 7). In anticipation of these delays, the Indiana Board of Accountancy approved a policy that will extend Exam credit for anyone who has an Exam credit on Jan. 1, 2024 to June 30, 2025.

Additionally, as the profession looked at the impact of COVID-19 on candidates, a policy was recommended to provide relief to candidates impacted by the pandemic. INCPAS advocated to merge both policies and in September 2023, the Indiana Board of Accountancy adopted a policy that will reinstate any lost CPA Exam credits from Jan. 30, 2020–Dec. 31, 2023 and extend them until June 30, 2025.

So, what does this mean? **If you have employees who LOST sections of the CPA Exam from Jan. 30, 2020 to Dec. 31, 2023, those credits will be REINSTATED! They will now have until June 30, 2025 to pass any remaining sections.**

NASBA notified all impacted candidates via email, however if you have employees who you think may be impacted, they can reach out to INCPAS and we can help them navigate the process.

Exam Expiration Dates are expected to be updated in the CPAPortal by November 2023.

Exam Credit Window

There is a lot of confusion around how long candidates have to pass the CPA Exam, especially when there are one-time Exam credit extension policies in place in response to the pandemic and anticipated Exam changes.

However, ensuring candidates have adequate time to study, sit for and pass the CPA Exam is a priority for the Society. INCPAS advocated for a 36-month Exam Credit Window and the Indiana Board of Accountancy is currently in rule-making to make this a reality for Indiana candidates.

This will make Indiana one of four states with a 36-month window, six months longer than NASBA's recommendation. We'll keep you updated the progress of this rule and will let you know when it's effective.

CPA Exam Testing Strategy

It's important to know the changes to the CPA Exam will impact your candidates' testing strategies in 2024. The analysis of completed Exams will take longer than usual and affect timing of when they can sit for Exam sections and when they will receive their scores.

The Exam will be offered in windows, with the discipline windows only being open for about a month each quarter. Furthermore, if a candidate sits for an Exam section early in a testing window, they will have a significantly longer wait time for their scores.

Candidates can sit for multiple sections in a window; however, they cannot sit for the same section until they've received a failed score. To complicate this, if a candidate sits for a discipline, they will need to receive a failed score before they can sit for another discipline (provided they want to switch sections).

2024 Test Administration Schedule + Score Release Timeline

If you take a Core Section (AUD, FAR, REG) during:	Your target score release date is:	If you take a Discipline Section (BAR, ISC, TCP) during:	Your target score release date is:
January 10–March 26	June 4	January 10–February 6	April 24
April 1–June 25	July 31	April 20–May 19	June 28
July 1–September 25	Approximately November 1	July 1–31	September 10
October 1–December 26	Early February 2025	October 1–31	December 10

INCPAS Advocates to Remove Unnecessary Licensure Barriers

✔ **120-to-Sit Rule.** INCPAS successfully introduced this bill that enabled Indiana candidates to sit for the CPA Exam at 120-credit hours. This means more students to sit for the Exam sooner, while still requiring 150-credit hours for licensure

✔ **Work Experience.** The Indiana Board of Accountancy is in the rule-making process of changing the work experience requirements to apply for CPA licensure from two years to one year.

✔ **Exam Window.** The Indiana Board of Accountancy is in the rule-making process of implementing a 36-month Exam Credit Window for Indiana candidates.

HOW TO HELP YOUR TEAM MEMBERS PASS THE CPA EXAM

According to the Center for Audit Quality and EDGE Research's 2023 report on increasing diversity in the accounting profession pipeline, **the time required to study for the CPA Exam is the #1 obstacle for candidates across all demographics**. You can help by taking a proactive approach for those who are taking the CPA Exam to demonstrate you have a plan to help them make this a priority.

Internal Checklist for Your Exam Candidates

✔ **Dedicate Study Time** — Make sure their designated manager or mentor helps protect this time.

✔ **Collaborate on Clear Expectations** — Work with team members to outline a realistic timeline and study plan for passing the Exam (while factoring in their work schedule and personal life).

✔ **Accountability & Support** — Designate a manager or mentor they can check in with.

✔ **Build in Breaks** — Remind them it's okay to stretch their legs or step away when they've hit a wall at work or studying.

✔ **Incentivize** — Set perks or financial rewards for meeting benchmarks.

✔ **Regular Check-Ins** — Review benchmarks and any obstacles.

✔ **Coordinate Study Groups** — Connect them with others in similar stages of the process.

> *Your candidate team members can join INCPAS as CPA Candidate members to receive access to an online community and peer group:* **incpas.org/Join**

✔ **Offer Multiple Review Course Options** — Provide multiple provider options so they can find a study plan that best matches their learning style and preferences.

> *INCPAS members receive Exam prep review course discounts:* **incpas.org/MemberDiscounts**

✔ **Celebrate Successes** — Make sure you have a plan to recognize their achievements internally and externally (like social media platforms).

> *Celebrate your successful Exam candidates by purchasing a table at CPA Celebration:* **incpas.org/Celebration**
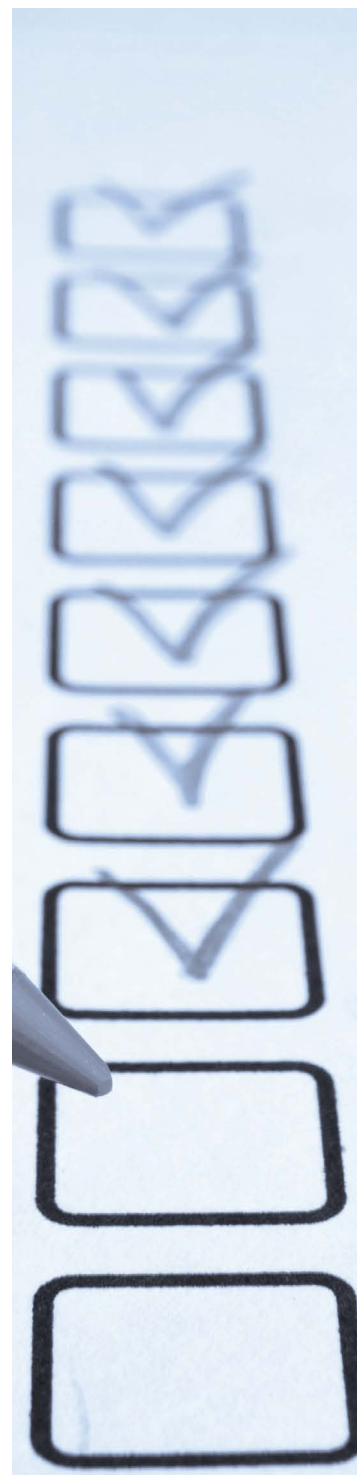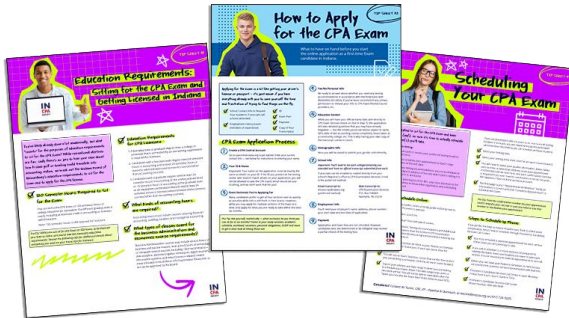
INCPAS RESOURCES FOR YOUR CANDIDATES

CPA Exam Candidate Tip Sheets

We have several resources to help Exam candidates navigate the process of taking the CPA Exam step-by-step and getting licensed in Indiana. Click on each tip sheet below to navigate to the most up-to-date file.

✦ **Download tip sheets at incpas.org/CPAExam & incpas.org/License.**

Tip Sheet #1: Education Requirements
Sitting for the CPA Exam and getting licensed in Indiana

Tip Sheet #2: How to Apply for the CPA Exam
What to have on hand before you start the online application as a first-time candidate in Indiana

Tip Sheet #3: Scheduling Your CPA Exam
How to schedule and time the section(s) you'll take

Tip Sheet #4: CPA Exam Scoring & Notification Timeline
Estimated wait time and what to do next if you passed or failed

Tip Sheet #5: Applying for the CPA License in Indiana
Steps to follow for candidates applying through Board Approval in Indiana

Tip Sheet #6: Maintaining Your CPA License in Indiana
Continuing professional education and renewal requirements

Tip Sheet #7: CPA Exam & Licensing Cheat Sheet—Organizations to Know
Organizations involved in the Exam/licensure process and how they can help

Bonus Tip Sheet: 2024 Test Administration Schedule and Score Release Timeline
CPA Exam changes will impact testing strategy for 2024

> "Applying to sit for the CPA Exam through the NASBA portal was not an easy task (even though I qualified), and I expressed my frustration to INCPAS. They immediately jumped in to help, and voila! Barely three weeks later, I woke up to an email confirming my eligibility and will soon be sitting for my exams."
>
> *—INCPAS Student Member*

INCPAS Membership: An Investment in Your Young Pros

Encouraging your interns or CPA Exam candidate team members to become INCPAS members is an easy, cost-effective way to demonstrate your investment in their future success within your organization.

All you have to do is point them in our direction, and we'll take care of the rest!

Candidate Membership

This membership type is a great entry point for your team members pursuing their CPA license. It offers all the benefits of a professional INCPAS membership at a reduced rate.

This membership helps provides access to:

✔ Current Exam requirements

✔ Changes to the CPA Exam in 2024

✔ Study groups, tips and review discounts

✔ Testing strategies and windows

✔ Indiana licensure guidance

✔ INCPAS office hours for Q&A

✔ Plus all benefits of an INCPAS membership and student membership

> **$250 for CPA Candidate members (First-time members are only $200)**

▶ **See full list of benefits and join at incpas.org/Join.**

Group Candidate Registration Made Easy
Interested in adding multiple candidates as members? Send us your list of new hires and interns, and we'll take care of their registrations! Contact INCPAS Membership Manager Jenna Whalen at jwhalen@incpas.org or (317) 726-5039 for assistance.

Student Membership
This free membership for college students offers many year-round benefits and exposure to the profession.

This membership provides access to:

✔ Trending profession news

✔ Scholarship alerts

✔ Discounted CPA Exam review courses

✔ Free mock CPA Exams

✔ Opportunities to connect with CPAs and employers

Note: There is no age limit for this membership—all nontraditional students and career changers are welcome!

▶ **Go to incpas.org/Students for details and member perks.**

INCPAS at Your Office

The INCPAS team loves visiting members and talking about the profession. We're available to talk with groups of all sizes and experience levels and can tailor our conversation based on your needs. Do your interns need to learn about trends in the profession? Do your candidates understand the CPA Exam changes? Let us know and we'd be excited to hop in the car (or on a Zoom) to talk with your group. Reach out to Ali Tonini at atonini@incpas.org to schedule a visit.

Young Pros Off the Clock Happy Hours

These free young pros member events are designed specifically for aspiring and new CPAs to get to know their colleagues and make new connections after-hours at fun locations.

Events are free for INCPAS members. There are no icebreakers or introductions—your team can just show up, and enjoy food and drinks on us!

▶ **Go to incpas.org/YoungPros to see upcoming events.**

Young Pros Leadership Academy (YPLA)

This is our top-ranked development program for young INCPAS members. Promotions, public speaking skills, work-life balance and more—you name the professional or personal goals, and the individuals who have graduated from this 2-year academy have achieved them.

YPLA is free for INCPAS members and counts for CPE. Look for applications to open in the spring of each year.

▶ **Go to incpas.org/YPLA to see eligibility and application details.**

Mock CPA Exams

Throughout the year, students and candidates can test their Exam readiness by participating in free, virtual Mock CPA Exams. Before each one, we offer a quick INCPAS 101 session to share more information about how we can help support you in your career.

Events are free for INCPAS members. Participants will be able to take the Exam section(s) of their choice for each event—we offer multiple dates throughout the year.

▶ **Go to incpas.org/MockExam to see all scheduled dates and register.**

AICPA RESOURCES

Experience, Learn & Earn (ELE) Pilot Program

An integral part of the Pipeline Acceleration Plan, the AICPA and National Association of State Boards of Accountancy (NASBA) have developed ELE to offer a less costly and more flexible way for college accounting graduates to complete the 150-hour course credit requirement to become licensed CPAs. Tulane University's School of Professional Advancement will offer the initial library of courses for the launch.

This pilot program is for students who need or want a path to the 150-credit hours of education required for CPA licensure. It allows them to earn up to 30 educational credit hours while they are employed with a CPA firm and earning a living. The ELE combines meaningful online academic coursework integrated with work experience.

▶ **Learn more at ExperienceLearnEarn.org.**

INCPAS STAFF

We can help answer any questions you might have.

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