

Profession's Response to a Looming Shortage: Closing the Gap in the Supply of Accounting Faculty

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For some time, leaders of the accounting profession have been concerned about an impending shortage of accounting professors, particularly in the audit and tax specializations. A recent analysis co-sponsored by the AICPA and the American Accounting Association reveals that between 500 and 700 accounting faculty per year will retire over the next 10 years, while accounting Ph.D. programs are averaging 140 graduates per year. About 40% of those graduates, moreover, are foreign nationals who might not remain in the U.S. to teach.

Despite this trend, there is good news. First, the major demand for faculty is in audit and tax, which happen to be the leading areas of specialization for practicing CPAs. Second, the CPA profession, led by more than 66 of the largest CPA firms and joined by more than 36 state societies and the AICPA Foundation, has begun the Accounting Doctoral Scholars Program (ADS) to encourage practicing audit and tax professionals to consider a career as an accounting professor. Third, additional resources are available from the AICPA Foundation and the foundations of some professional services firms to help enable doctoral students to make an investment in becoming a faculty member. In this article, we outline the process of obtaining a Ph.D. in accounting, the rewards of the academic accounting profession and the resources available to help professionals achieve that goal.

DOCTORAL EDUCATION IN ACCOUNTING

The two basic types of accounting faculty, academically qualified (AQ) and professionally qualified (PQ), are derived from accreditation standards developed by the Association to Advance Collegiate Schools of Business (**AACSB**). Most full-time accounting faculty are AQ, which generally requires a Ph.D. in accounting, although some colleges and universities consider law degrees the terminal degree for some disciplines, such as taxation. Recognizing that the mission of universities is to both create and disseminate knowledge, universities and colleges require AQ faculty to produce research relevant to their discipline.

Ph.D. programs in accounting are designed to mentor students in how to be high-quality researchers. As a result, the programs are rigorous and usually take at least four years to complete. Usually, after two to three years of coursework, the student prepares a dissertation. During the doctoral program, students are typically funded with stipends by their universities and work as teaching and/or research assistants, for which their tuition is waived.

Approximately 100 colleges and universities supply the accounting Ph.D. graduates in the United States. Many of these programs are at major state universities or large private colleges. In admitting students, programs carefully consider factors such as grades, GMAT scores, and professional certifications and experience. Programs also consider intangibles such as intellectual curiosity, a love of learning, and perseverance and dedication in generating original research ideas.

Although earning a Ph.D. can be a long and difficult process, it brings rewards. A recent survey finds that more than two-thirds of doctoral-granting universities expected to pay at least \$135,000 base salary for newly graduated assistant professors (see "Assessing the Shortage of Accounting Faculty," Issues in Accounting Education, May 06, page 113). Often, this base is supplemented with funding for summer research. It is important to point out that professors are expected to work hard and make major contributions in accounting research, teaching and service to their university, the overall academic community and the accounting profession. Nevertheless, despite demanding workloads, professors express a high level of satisfaction with their career choices (see "Teaching for the Love of It," JofA, June 06, page 30). Some of the intangible rewards include schedule flexibility, particularly during the summer months and the holiday season. In addition, faculty have the freedom to pursue research opportunities that are aligned with their interests.

On the other hand, teaching isn't for everyone. Prospective Ph.D. students should consider whether they would be comfortable speaking in front of a class and enjoy the challenge of presenting material in a way that engages students. They should also learn beforehand about the type of studies they will face, the arduousness of those studies and other often stressful factors during the four to five years it typically takes to obtain a Ph.D. Not the least of those factors for practicing CPAs is the need to give up most or all of a regular salary as they devote most of their time to studies for the next four to five years. As this article shows, however, fellowships and stipends are often available.

These and other considerations can be explored by speaking with faculty about Ph.D. coursework and other aspects of the programs as well as teaching as a career (see "Pursuing a Ph.D. in Accounting: Walking in With Your Eyes Open," a JofA Web-exclusive article, at www.journalofaccountancy.com; enter article code 20081184 in the search box).

SUPPORT FOR DOCTORAL EDUCATION

In the spring of 2008, the biggest accounting firms in the United States created the ADS Program. To date, more than 66 firms and more than 36 state CPA societies have committed more than \$17 million to the program, which is administered by the AICPA Foundation. In each of the next four years, the program will provide financial support to up to 30 new doctoral students who are making the transition from practicing auditors and tax accountants to careers as AQ faculty members specializing in auditing or tax.

Other sources of funding for doctoral study in accounting include the AICPA's Fellowship for Minority Doctoral Students program, the Deloitte Foundation Ph.D. Fellowship grants, the KPMG Foundation Accounting Doctoral Scholarship Program, the PricewaterhouseCoopers INQuires grant program for research in auditing and tax and the PhD Project, which supports minority doctoral students and is funded by the KPMG Foundation and others.

IS THERE ANOTHER WAY?

To help fill an already existing shortage of faculty, many schools are hiring more PQ faculty members. They typically are CPAs with a master's degree and significant professional experience. In fact, many business schools are now establishing career tracks for qualified "professors of practice" with a CPA designation. These individuals contribute mainly to the university teaching and service missions and remain active in professional activities in addition to their university roles.

Although PQ faculty positions are not as numerous as AQ faculty positions in the United States and do not offer the same compensation and benefits that AQ faculty receive as researchers, becoming a PQ faculty member may be an excellent way for an experienced accounting professional to move into a career in higher education.

CAN I TRY IT OUT?

CPAs can be exposed to a career as an accounting professor without giving up their current day job or making a full-time commitment. Options include:

- Teaching an accounting course at a local college or university. Many colleges offer evening and weekend courses for working professionals and often need qualified part-time or adjunct instructors.
- Teaching a distance-education or online course. Online programs continue to grow in size and number, and many well-known accredited universities now offer them.

AICPA RESOURCES

Journal of Accounting Articles

- "Pursuing a Ph.D. in Accounting: Walking in With Your Eyes Open," a JofA Web-exclusive article, www.journalofaccountancy.com. Enter 20081184 in the search box.
- "Teaching for the Love of It," June 06, page 30
- "The Practitioner-Professor Link," June 05, page 77

Scholarships, Fellowships and Grants

- Accounting Doctoral Scholars Program, www.adsphd.org
- Fellowship for Minority Doctoral Students, <http://tinyurl.com/ccw7r>
- Deloitte Foundation, including Doctoral Fellowship Program, <http://tinyurl.com/dydh2a>
- The KPMG Foundation Accounting Doctoral Scholarship Program, www.kpmgfoundation.org/foundinitasp
- PricewaterhouseCoopers faculty initiatives, including PwC INquires, <http://tinyurl.com/c53wme>
- The PhD Project, www.phdproject.org

Faculty Job Listings

- Chronicle Careers (77ie Chronicle of Higher Education), <http://chronicle.com/jobs/>
- HigherEdJobs.com, www.higheredjobs.com

Academic and Professional Accounting Associations

- The Association to Advance Collegiate Schools of Business, www.aacsb.edu, including the AACSB Bridge Program, www.bridgeprogram.aacsb.edu
- The Institute of Management Accountants, www.imanet.org
- The American Accounting Association, <http://aaahq.org>