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## Accounting as a Field for Colored Men

BY I. MAXIMILIAN MARTIN

There are at least seven negro certified public accountants in the United States, according to a recent survey. There are two in Georgia and one each in Illinois, Kentucky, New Hampshire, New York and West Virginia. All are actively engaged in public practice with the exception of one, who is comptroller of Howard university in Washington and one who is now serving as United States minister to Liberia.

I made a study of accounting as a field for colored men and submitted my findings as a master's thesis in accounting. The purpose of the survey was to discover what colored men are doing in the field of accounting and to determine what opportunities accountancy offers to trained young colored men and particularly college men. The field of accounting was divided into three parts: public accounting, private accounting and the teaching of accounting in colleges. Information was gathered on each of these fields by means of interviews, questionnaires and correspondence.

Considering the field of accounting education, I find that there are fifty-four colleges for the education of negro youth, most of them in the southern states. The catalogue of each of these schools was examined and it was discovered that twenty of them offered accounting courses. A questionnaire was then sent to each of these institutions asking information as to the nature of the courses given, the number of accounting instructors and the enrolment in the accounting courses, etc. Replies were received from eighteen of these institutions. Quite naturally there was a great deal of variance in the extent of the accounting instruction given in the various colleges. The majority of the schools confined themselves to instruction in elementary and advanced accounting. All of the twenty colleges offered a course in elementary accounting, and eighteen offered one in advanced accounting. Only seven of the schools offered auditing and cost accounting. Five institutions give a course in accounting systems, while three list income-tax courses.

The whole field of business education is a new one in the negro colleges. The colleges covered in this survey reported a total of

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760 students majoring in business administration. The enrolment in all of the accounting courses in these institutions totaled 527 students. Twenty-two persons are engaged in teaching accounting in the colored colleges. Thirteen of this number are primarily teachers of accounting while the others teach accounting as incidental to other business subjects. Hampton institute in Virginia has the largest number studying accounting—92 students, followed by Howard university with an enrolment in the accounting courses of 70 students.

The 1930 census shows that 163 negroes were engaged as “accountants and auditors.” This represents a 100 per cent. increase over the 1920 census when 80 colored accountants were enumerated. Of course this includes persons in private employment as well as public accountants. Through the coöperation of the United States department of commerce, the various teachers of accounting in the negro colleges and numerous colored business men throughout the country, contacts were established with a number of colored public accountants. A questionnaire was sent to each of these accountants in order to gather data on the nature of his practice, the problems with which he was confronted and to get his opinion of the possibilities in the field.

One of the first colored men to enter the field of public accounting recounted his experiences as follows:

“Immediately after graduation from university in 1914, I applied to take the C. P. A. examination. . . . However I could not meet the requirement of the law which provided that all applicants must have three years of practical experience with a firm of certified public accountants. You can realize the fact that it was impossible for me to meet this provision because white firms would not employ me and there were no negro firms of certified public accountants. I was very much disappointed but not discouraged. I began practising on my own account and have been quite successful in establishing a good clientele, both white and colored.”

Since that time additional men have entered the field. Two of the C. P. A's were listed in the 1925 *Accountants' Directory and Who's Who*. Forty-two colored men were found to be engaged in public accounting during the course of this survey. Of this number twenty-one are firm members, six are senior accountants and fifteen are juniors. In addition to the seven certified public accountants, replies were received from four negro registered public accountants in Illinois. There are only three partnerships among the colored accountants, while eleven accountants reported that they practised on their own account.

An analysis of the types of business which, the colored ac-

countants stated, furnished them with their practice, showed that they ranked in importance as follows:

1. Fraternal orders (insurance)
2. Insurance companies
3. Institutions, schools, churches
4. Real-estate concerns
5. Banks and finance companies
6. Manufacturing and merchandising concerns

That true merit is sometimes recognized in spite of popular prejudices is shown by the fact that most of the accountants (nine out of fourteen) enjoyed business from white concerns as well as those conducted by colored men. Three accountants in the north received the majority of their practice from white businesses—98 per cent., 90 per cent., and 80 per cent., respectively. In the south one accountant receives 15 per cent. of his work from this source. Two northern accountants had 25 per cent. of their practice among white business men and two more each had 10 per cent.

There are three important problems which face the colored accountant in the practice of his profession:

1. Gaining suitable experience with a firm of accountants.
2. Qualifying under the restrictive accounting laws of certain states.
3. Proving his worth.

While these are three distinct problems, yet there is a great deal of inter-relation between them. As to the first problem, it is very difficult for the colored man to gain employment with a reputable firm of public accountants. This difficulty is caused by the belief of accounting firms that their clients' employees will object to having a colored man come into their office to examine their books. However, when one considers the fact that three colored accountants have practically all of their work among white clients and the majority of the others have varying percentages of such practice, it becomes evident that there is not quite as much weight to this supposition as might be assumed. One might also consider the fact that in several states colored men are employed in auditing capacities with the banking, insurance and tax-examination departments. Practically all the work of these men is done among white concerns, without objections on their part. In three cases which came to my attention, colored accountants have received their experience with white C. P. A.'s, one of whom

was in a southern state. All of these men have since passed their state board examinations and received their certificates and are now successfully engaged in practice.

Turning to the second problem one finds a growing tendency on the part of various states to restrict the practice of accountancy. In many instances where the colored accountant could not obtain employment with an accounting firm he has been able to open up an office and practise for himself. The restrictive laws prevent him from doing this unless he is certified. Most states require the applicant to obtain a certain amount of experience with a C. P. A. in order to qualify for the examination. Unless there is a colored C. P. A. in that state or a white accountant who will give him the opportunity to meet these requirements, the young colored accountant is practically excluded from the practice of his profession.

The third problem is almost entirely a result of the first two problems. Because the colored accountant has so often been denied the opportunity of gaining experience with an accounting firm, in many cases he has been forced to establish his own practice. This is indeed a difficult task. Since he does not hold a C. P. A. certificate or can not state that he has been associated with the firm of "Dash and Blank" or "John Doe & Co., certified public accountants," in many instances the colored business man has regarded him with skepticism. Accordingly, the colored accountant has been forced to confine himself to doing work for small businesses, supervising the bookkeeping, making statements, etc., until he has established a name for himself. On the other hand, where the accountant possesses a C. P. A. certificate or has been fortunate enough to gain his experience with an established firm, he seems to be immediately assured of a lucrative practice.

The majority of the colored men in the field of private accounting were found to be employed in businesses conducted by colored men. Replies received from eight of the colored colleges indicated that most of their accounting graduates were working with insurance companies, schools and institutions, banks and merchandising concerns. In recent years, however, another employment has been open, that of accounting work for state, municipal and federal governments. In several of the northern states I discovered that colored men are occupying positions as examiners in the banking and insurance departments and as in-

come-tax auditors and accountants in various other departments. Such positions not only provide the colored accountant with employment but also in some cases help him to meet the C. P. A. experience requirements.

Colored men have entered all of the branches of accounting. Although they have been few in number, yet they have clearly demonstrated that the field of accounting is one in which a properly trained colored man, with ambition and courage, can succeed. The field of collegiate education in accounting in the negro colleges should continue to be an attractive one. As one teacher of accounting states:

“The teaching of accounting and business generally ought to offer considerable employment to prepared men. I believe that all of the leading schools now see the need of commercial training of the college standard.”

It is probable that there will be a growth in the number of colored men entering the field of private accounting. The growth in the number of larger businesses conducted by colored men should provide additional openings. Others should be able to find employment in state, municipal and federal positions, particularly where such positions come under the civil service.

The field of public accounting will continue to be the most difficult one for colored men to enter for some time to come. The colored public accountant today is in the same position as the colored doctor or lawyer was twenty-five years ago. He must do a great deal of pioneer work before he is properly recognized. However, the information gathered during this survey indicated that the field of public accounting is practically untouched as far as the colored man is concerned. The real development of businesses among negroes is just beginning and a wonderful opportunity to be of real service in the guidance and advising of these enterprises awaits the colored accountant.