

4-1964

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Recommended Citation

Brandon, Dorothy (1964) "Public Accounting—and Opportunities for Women in It," *Woman C.P.A.*: Vol. 26 : Iss. 3 , Article 2.

Available at: <https://egrove.olemiss.edu/wcpa/vol26/iss3/2>

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Public Accounting—and Opportunities for Women in It

Dorothy Brandon, CPA

Inasmuch as women workers have been predicted to total thirty million by 1970,¹ one may consider the opportunities which public accounting may offer to women who desire to enter this profession.

It has been estimated that there will be more than 100,000 men and women CPAs by 1970,² and there may be 150,000 or 200,000 practicing certified public accountants by the end of this century.³ In 1960, of the total of 60,000 CPAs, women CPAs numbered approximately 1,500, a small minority.⁴

The shortage of male accountants during World War II provided women opportunities to enter the public accounting profession which had been reluctant to accept them before that time. Women who have persevered in the postwar era have achieved success in varying positions, with public accounting leading the job classifications of women CPAs surveyed by The American Woman's Society of Certified Public Accountants.

Before a young woman begins the concerted effort to acquire her certificate by passing the rigid uniform examination, she would do well to evaluate her abilities and aptitudes in the light of requisite qualifications; to assess the advantages and disadvantages of the profession; and to weigh the resistance she may encounter in securing the practical experience most states require for certificate validation and in establishing herself in the profession of public accounting.

Qualifications

At least four successful women CPAs and several bulletins on accounting have specified qualifications which a woman CPA must possess.

Miss Jennie Palen stressed that public accounting has never been a field for the poorly equipped or for those who sought a soft berth. She further emphasized the need for industry and ability:

"It is not a field for the lazy or incompetent man, and still less one for the lazy or incompetent woman. It is a difficult career, full of hard work, hard thinking and heavy responsibilities, and its rewards are only for those who enjoy meeting the challenge.

* * * * *

"In accounting, as in all professions, part of the reward is the knowledge of constructive work honestly done. The professions are not an easy life but provide a rich one to those who belong to them."⁵

Qualities which a woman accountant should possess are: sound judgment, unquestionable integrity, tact, plenty of imagination, a great deal of physical stamina, keenness of mind, and steadfastness of purpose. She has need for special aptitude and thorough training, since accounting is not a field for the lazy or the unintelligent.⁶

Miss Mary Gildea stated that not all women would make good accountants, as would not all men. Intellectual curiosity, which is a matter of personality, and an aptitude for arithmetic are prime requisites. One has need for a knowledge of business organization and financial management, which can be acquired through study and perfected through experience. The ability to express oneself well in speech and writing is essential.⁷

Mrs. Margaret White Nally expressed the belief that women possess the qualities essential to professional accounting with their natural attention to detail, their natural curiosity, their neat habits of work, and their sense of satisfaction in bringing order and organization to a mass of detail.⁸

Miss Mary Lanigar cited a good education as a necessary qualification for public accounting, along with the willingness to continue study, to accept certain inconveniences in working conditions and some monotonous assignments, and the ability to work harmoniously with people.⁹

The stated qualifications provide a basis for self-analysis for the woman who aspires to enter public accounting. The stringency of the qualifications themselves would discourage anyone who was casual in plotting a career.

Providing her analysis has been satisfactory, she would also assess the advantages and disadvantages of the profession itself and weigh the resistance which she may encounter in entering the profession for certificate validation and work opportunity.

Advantages and Disadvantages of the Profession to Women

Certain advantages and disadvantages of public accounting have been described:¹⁰

Advantages

Identification with a highly regarded profession

Opportunity to gain varied experience with a number of clients

Opportunity to travel in some jobs

Work which may lead to executive positions
Work which provides considerable independence
Work which is not routine
Challenge
Reasonable security
Adequate compensation

Disadvantages

Work which is not easy
Work which may exact long periods of hard, sometimes tedious work, involving constant devotion and alertness to problems
The need for continuing study and research
Uncertain hours
Overtime during peak seasons
Travel which may interfere with personal plans
Work which does not become easier at higher levels

Although some women may be happy with difficult work at all levels and with continuing study and research, women who are not career-minded by nature may not wish to expend the time and effort public accounting demands.

Resistance

Occupational Outlook Handbook, 1959 Edition, page 180, states: Increasing numbers of women will be engaged in professional accounting, though most public accounting firms still hesitate to employ them—because of tradition, objections from clients, or because women are considered unsuited for travel or factory assignments. However, those women who rank high among graduates with accounting majors and who secure the CPA certificate will, in time, undoubtedly break down many of these barriers.

Public accounting firms have been reluctant to engage the services of women since they do not believe that most women look to the profession as a career and they do believe that the majority will probably marry and leave when they become of value to their employers.

Although this disadvantage to women in public accounting has been advanced by several personnel interviewers of public accounting firms and in published writings of women practitioners, the argument is refutable inasmuch as, although there is no guarantee that women will stay, there is also no guarantee that men will stay. Those women who remain are usually more steady employees than are men accountants.¹¹

Many women workers are employed out of economic necessity and these women do not present a personnel turnover problem. Since accounting is not a popular subject for girls, those who study it would seem to have a true interest and aptitude for the subject. The long training period and comparatively low starting

salary would discourage casual pursuit of any of the professions.¹²

Some public accounting firms also believe that the value of women is limited because of restrictions on the kind and amount of work women can do.

Statutory restrictions by states have limited the overtime which women may work, and so this argument does have validity. However, depending upon the individual woman accountant, inventory work and out-of-town assignments may be acceptable, since both are calculated risks which thinking women take when they enter public accounting.¹³

Public accounting firms sometimes believe that women accountants will be unacceptable to their clients. Client acceptance is, in large measure, an individual matter, depending upon the personality and views of the client and the personality, capabilities, and experience of the woman accountant herself.¹⁴ For the most part, clients' reactions to women have been favorable after women have proved themselves.¹⁵

It has been held that women accountants were not acceptable to their men co-workers in public accounting, particularly when women direct the work of men accountants as seniors or supervisors.

The attitude and personalities of the men and women on the staff, as well as the tact and individual abilities of the women seniors or supervisors, will create the resulting relationships. Harmony is dependent upon the individuals themselves.¹⁶

The foregoing arguments, or a portion of them, are apt to rebuff the woman accountant who seeks employment in public accounting. The thoughtful woman will have formulated her rebuttal to the resistance in advance.

In formal interviews with partners and personnel interviewers of national and local public accounting firms, some professionally active men and women CPAs, and three college placement directors were made in the northwestern, midwestern, and southeastern sections of the country to discern a cross-section of feeling about women in public accounting.

Of the people interviewed, the three college placement directors were the least optimistic about public accounting for women. Although they had placement opportunities for their men accounting graduates, they experienced difficulty in placing women accounting graduates. They expressed no difficulty in placing women in secretarial positions and they recommended secretarial skills to women.

None of the partners nor personnel interviewers of national and local public accounting firms were overly enthusiastic about women in public accounting. The viewpoint

most often expressed was that so long as they could obtain men accountants, they were reluctant to engage women accountants. They cited the limited usefulness of women to them in out-of-town travel and inventory work and the personnel turnover problem which women often create. However, they did point out that women were sometimes excellent in their tax departments, since women were often more patient than men in their attention to statutory detail. Some of these men said that they employed accountants upon the basis of professional qualifications alone and that they did not discriminate because of sex. They added that most women were good employees and were often more dedicated to their duties than were some men.

The opinions aired by the professionally active men and women CPAs who were queried about women's place in public accounting were largely divergent. Most of the men did not think the strains of the profession suited women; some of them were quite emphatic about the havoc women can create in out-of-town travel. Other men said that women CPAs were most proficient and were inclined to work harder than their male cohorts. Most of the women CPAs interviewed placed the responsibility for success in public accounting with the individual women themselves. Some of the women said the manpower shortage of World War II had given them their initial opportunities. Other women said they had utilized their own initiative in locating employment and that they had persevered in placing themselves despite early rebuffs by some public accounting firms. Not all of these women recommended public accounting to women because some considered the disadvantages of the profession as unsuited to women. Most of the women, however, were optimistic about the profession for women accountants who are ambitious and who have a genuine interest in public accounting.

Some women who have been successful in passing the uniform CPA examination have encountered resistance in obtaining the practical experience most states impose for certificate validation. These requirements are established by the individual states and they are not uniform. Moreover, the requirements are subject to rather frequent change. The CPA aspirant is advised to determine the practical experience requirement and the type of experience which is acceptable by contacting his particular state board of accountancy.

Some states recognize governmental field auditing in meeting the practical experience requirement. Since some women have had difficulty in obtaining practical experience

with public accounting firms, an attempt was made to determine women's employment opportunities with governmental agencies which engage in field auditing.

Auditors in charge of army audit, air force audit, and navy audit pointed out that their announcements for auditors specified that the department or office requesting certification of eligibles has the legal right to specify the sex desired and that agencies prefer men for the majority of the positions. Since travel plays a rather large part in most of their activity, the engagement of women presented distaff problems and frequently limited the usefulness of women to them. Moreover, as military organizations, many of their audit sites are in remote locations where facilities are primitive or non-existent for women. In regions where the work is broad and diversified, it is easier to engage women on their individual qualifications.

Correspondence from the national offices of the Department of the Air Force and the Department of the Navy disclosed that, while they do now employ some women accountants, opportunities are limited for the reasons cited by the auditors in charge.

A letter from the United States General Accounting Office referred to its announcement which gives the department or office the legal right to specify the sex desired.

A district chief auditor of the Internal Revenue Service pointed out that their announcements are for men only. Although there is no national policy for employing women in field auditing, their employment is at the discretion of regional directors. It was held that women were somewhat difficult to use in field auditing, not only because of the problems which travel creates, but also because not enough women were thought to be suited to negotiation with taxpayers.

None of these interviews with governmental agencies established that women would substantially mitigate their difficulty in obtaining the required practical experience through field auditing with them. However, individual circumstances could conceivably make this type of experience advantageous to women in those states which recognize it for fulfilling the experience requirement.

Estate Planning

Inasmuch as some of the most successful women CPAs engage in tax work and several of the partners interviewed recommended tax specialization to women accountants, questionnaires were sent to seven national public accounting firms to determine their employment of women, both currently and potentially, in their estate planning divisions.

Two of the seven firms reported that they

do engage women in this specialized area; five firms do not. One firm contemplates engaging women in this area in the future; one does not; and three firms are uncertain. None of these firms reported any specific objections to women.

Although five firms do not engage women in estate planning, four firms consider women suited to the work. One principal commented that since estate planning directly affects women in a great number of instances, a woman accountant could often be more effective than a man in the planning of the estate.

Qualifications required varied. The CPA was desirable to one firm and mandatory to two firms; the CPA and some legal study were desirable to three firms; and the CPA and LL.B., were desirable to two firms and mandatory to one firm.

Although the replies from the limited number of firms may not appear overly encouraging to women, the present engagement of some women in this specialized area and the firms' consideration that women are well-suited to the work may plausibly stimulate those women accountants to whom this specialization appeals to legal study.

Management Services

Since many public accounting firms engage in management services, budgets, systems and procedures, information or control systems, data processing, and decision-making, questionnaires were sent to thirteen national public accounting firms. The firms were questioned about the employment of women accountants, both currently and potentially, in these areas.

The response to the questionnaires revealed that three firms presently engage women in systems and procedures relating to accounting and finance; information or control systems relating to inventory; production control; personnel recruitment; and data processing. Six firms reported that they do not engage women in management services currently but that they would in the future, provided they had qualified women applicants. These six firms reported a scarcity of personnel, of both men and women, who are qualified in management services.

Three public accounting firms reported that they do not engage women in this area now nor do they contemplate so engaging women in the future. One of these three firms said that the level at which it conducted management services required experienced people only and that the limited length of service of women they had employed did not provide women the required experience. Another firm reported that the extensive travel required (approximately ninety per cent) was usually un-

attractive to most women. The third firm found women quite competent, but marriage, boredom, and reticence at making decisions made them poor risks on long-range personnel planning. One firm was uncertain as to its future use of women in this area of public accounting.

The most recurring comment expressed in the questionnaire was the lack of applicants qualified in management services.

Women accountants who are looking to the future may be advised to obtain the qualifications management services require, although the questionnaires admittedly represent the thinking of a very limited number of public accounting firms.

The Problem Is Individual

Despite the abundant opportunities which World War II provided women accountants during the manpower shortage, some women have encountered resistance in establishing themselves in public accounting since that time.

An editorial in the *Journal of Accountancy*, May, 1951, acknowledged that some prejudices against women have remained. However, it held that women who had a strong determination to become public accountants and who had competed successfully with men in accounting in college should have been able to find opportunities to demonstrate their ability in practice.¹⁷

Since the woman accountant asks for no discrimination because of her sex, she has been advised to ask for no special privileges. She should ask to be judged on the merit of her work, her personality as a human being, and her ability to work in harmony with others.¹⁸

Most established women accountants have placed the responsibility for future success upon the individual woman accountants themselves. Women have been admonished to be alert to opportunities as they arise. In the growing accounting profession, better opportunities become available to those women who prove their capabilities.¹⁹

Although women may encounter slightly greater initial difficulty in obtaining a position, once the position is established, advancement is unimpeded, since it is upon ability that women are judged.²⁰

Women CPAs who have replied to the 1954, 1956, and 1960 surveys of the American Woman's Society of Certified Public Accountants have reported salaries in excess of the median salaries for professional women. Age has not handicapped the woman practitioner; many have established practices of their own; and some have been able to combine their practices with homemaking. Women CPAs

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Women Accountants in Scotland

Johne Souden, C.A.

It was not until after the First World War that women became eligible for membership of the Chartered Accountancy bodies in the U.K. The first woman Scottish C.A. was Isabel Guthrie, now Mrs. Clyne Lochhead, who had served her apprenticeship in Glasgow with the firm of Ballantyne & Guthrie and was admitted to membership of the Institute of Accountants and Actuaries in Glasgow in 1923. Helen M. Somerville, J. P., who has been prominent in Professional and Soroptimist circles for many years, became the first woman member of the Society of Accountants in Edinburgh in 1925 and has continued in practice as a partner in the firm of Wallace & Somerville since 1929. Over the intervening years numbers have gradually increased and there are now 175 women members of the Institute of Chartered Accountants of Scotland which came into being through the amalgamation of the three Scottish bodies in 1951. Their present activities are summarized (on a percentage basis) below:

| | |
|---|------------|
| In practice on their own account or partners in professional firms | 8% |
| Assistants with professional firms | 28% |
| In commerce and industry including health service, universities, local government, etc. | 18% |
| At home; housewives; retired | 46% |
| | <hr/> 100% |

55% of the women members of the Institute are married. Of the total of 175, 42 are in England or Wales, 23 abroad and the rest have remained in, or have now returned to, Scotland.

Prior to 1960 there had been no activity on a corporate basis so far as women members were concerned but towards the end of that year a dinner was held in Edinburgh following which it was decided to form a group to be known as "Lady Members' Group of the Institute of the Chartered Accountants of Scotland." Its objects are: firstly, the holding of an annual function and other informal meetings in the Scottish cities and, secondly, the encouragement of women members to take an active part in the affairs of the Institute itself and to give such support as they can to girl apprentices during their training. The annual functions have been well supported and in addition to women members attending, it is customary for the President, the Vice-President and the Secretary of the Institute and other members of standing to be present as guests.

During the past four or five years an increasing number of women members has attended the Institute's Summer School which is held at the University of St. Andrews each year. Seven women members of the Institute were present at the Eighth International Congress of Accountants and the group was also represented at the International Conference on Accounting Education which was held the following week at the University of Illinois. During the European Congress of Accountants, which took place in Edinburgh in the early part of September 1963, the opportunity was taken to entertain visiting women members from other accountancy bodies in the U. K. and the continent of Europe; and the chance for an exchange of views on professional matters was much appreciated by all those present.

It is generally agreed by those who have taken part in its activities that the group has provided excellent opportunities for the personal contacts and mutual discussions of professional problems which are essential for the purpose of maintaining the high standards which the Scottish Institute and its fellow professional bodies expect from their members.

Public Accounting (continued)

have predominated in the states of New York, California, Illinois, Texas and Washington.

Women of requisite aptitude and ability have an heritage laid down for them by women who have successfully pioneered in a profession which is steadily growing. Against opposition which has somewhat subsided, women who are both steadfast and sincere in their efforts should find it less difficult to build their careers in the profession of public accounting.

¹U. S. Department of Labor, *Manpower: Challenge of the 1960's*, Washington: U. S. Government Printing Office, 1960, page 7.

²Grace S. Keats, "Looking Back and Forward," *The Woman C.P.A.*, December, 1957, page 4.

³Maurice H. Stans, "The Future of Accounting," *The Illinois Certified Public Accountant*, Volume XV, No. 4, June, 1953, page 28.

⁴AWSCPA, Unpublished Report, 1961.

⁵Jennie M. Palen, "Will Women Hold Their Place in Public Accounting," *New York Certified Public Accountant*, XVI, May, 1960, page 244.

⁶Palen, *Women in Public Accounting*, American Woman's Society of Certified Public Accountants, 1951, not paged.

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Minimization of tax liability is the responsibility of management. Existing official pronouncements, by calling for deferred tax accounting and tax "normalization," tend to report the same income for wrong decisions and for right ones. The interest to be saved by postponing tax payments should be recognized at least. The management responsible for these savings should receive the credit, not the successor management.

These problems exist because our world is one of rapid technological change, shifting demand and government efforts to speed up economic growth. These very factors make income determination more difficult and more important. Published statements report on management and, thus, management cannot be allowed to control them. Yet, internal managerial analyses provide estimates and predictions that are invaluable in providing an economically realistic picture of the firm's adaptation to a changing world. Accountants cannot afford to ignore such data; they must learn how to assess them and incorporate them in accounting theory if accounting is to continue to hold its rightfully earned high place in the world.

RULES TO LIVE BY

1. TEMPERANCE. Eat not to dullness; drink not to elevation.
2. SILENCE. Speak not but what may benefit others or yourself; avoid trifling conversation.
3. ORDER. Let all your things have their places; let each part of your business have its time.
4. RESOLUTION. Resolve to perform what you ought; perform without fail what you resolve.
5. FRUGALITY. Make no expense but to do good to others or yourself; i.e., waste nothing.
6. INDUSTRY. Lose no time; be always employed in something useful; cut off all unnecessary actions.
7. SINCERITY. Use no hurtful deceit; think innocently and justly, and, if you speak, speak accordingly.
8. JUSTICE. Wrong none by doing injuries, or omitting the benefits that are your duty.
9. MODERATION. Avoid extremes; forbear resenting injuries so much as you think they deserve.
10. CLEANLINESS. Tolerate no uncleanness in body, clothes, or habitation.

11. TRANQUILITY. Be not disturbed at trifles, or at accidents common or unavoidable.
12. CHASTITY. Rarely use venery but for health or offspring, never to dullness, weakness, or the injury of your own or another's peace or reputation.
13. HUMILITY. Imitate Jesus and Socrates.
By Benjamin A. Franklin

Tax Topics (continued)

actions are considered in classifying the nature of the judgment and legal expenses for tax purposes. This backward look does not attempt to reopen or adjust the prior years. In the light of such a consideration, these 1959 and 1960 expenditures take on the character of the 1954 three-way transaction which was a capital transaction. If these expenditures had been incurred prior to the sale in 1957, they would have been added to the basis of the Berkeley property. However, these expenditures occurred after the year of sale. To permit the Commissioner's contention to stand would serve to keep the 1957 sale transaction open indefinitely and this would be a contravention of the annual accounting period principle.

Public Accounting (continued)

¹Mary C. Gildea, "Women's Place in Public Accounting," *The Illinois Certified Public Accountant*, Volume XIV, No. 3, March, 1953, page 48.

²Margaret White Nally, "Women in the Accounting World," *Lybrand Journal*, Volume 40, No. 2, 1959, page 80.

³Mary E. Lanigar, "The Progress of Women in Public Accounting," *The California Certified Public Accountant*, XVII, November, 1947, page 17.

⁴U. S. Department of Labor, Women's Bureau Bulletin No. 258, *Employment Opportunities for Women in Professional Accounting*, U. S. Government Printing Office, 1955, page 3.

⁵Gildea, *op. cit.*, page 50.

⁶Lanigar, *op. cit.*, page 18.

⁷Gildea, *loc. cit.*

⁸*Ibid.*

⁹Lanigar, *op. cit.*, page 17.

¹⁰Gildea, *loc. cit.*

¹¹Gildea, *op. cit.*, page 48.

¹²"Women in Public Accounting," Editorial, *The Journal of Accountancy*, May, 1951, page 675.

¹³*Ibid.*, page 52.

¹⁴Mary C. McWhirter, "Status of Women Accountants in Britain," *The Woman C.P.A.*, April, 1951, page 5.