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## Members in Education, February/March 1999

American Institute of Certified Public Accountants (AICPA)

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# Members in Education

February/March 1999

AICPA

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

## Highlights

### H2

Accounting and Finance Starting Salaries Rise an Average of 4.7 Percent in 1999, According to Annual Survey  
.....

### H3

The Path of Accounting Education Change  
.....

### H3

AAA Accounting Coursepage Exchange  
.....

### H4

WFIEC Research Facilitation Project Request for Proposal  
.....

## The AAA Academic Partners and Benchmarking Program

As part of its agenda to promote worldwide excellence in accounting education, research and practice, the American Accounting Association (AAA) is developing a new program that offers a continuing relationship to individual accounting departments and schools through its Academic Partners Program. The new program will enable schools and programs to highlight their accomplishments and further improve performance by partnering with the AAA and other departments worldwide who are committed to continuing excellence in accounting education. As the program develops it will offer such services as:

- Benchmarking.
- Regular (perhaps biweekly) electronic bulletins of timely information useful to accounting leaders.
- "Toolkits," or comprehensive collections of resources from books to bibliographies including Web resources on topics important to accounting educators, like program assessment, the first course in accounting, successful grant seeking, student recruitment, and vitality in the intermediate accounting curriculum.
- Special networking opportunities with leaders of departments facing similar challenges.

- Membership on special partnerships councils for schools with common attributes (e.g., research focus, two-year, international schools) both to share information and to help steer AAA program development.
- The opportunity to highlight program innovations or learn about others' innovative activities.

### The Benchmarking Project

A "360 degree" Benchmarking program is a central element of the services to departments that comprise the Academic Partners project. Mike Diamond, AAA President, announced the initiative at last August's Annual Meeting:

"I am pleased to announce that the AAA is about to launch a major drive to help accounting departments measure and improve across numerous dimensions. Through the new benchmarking program, participating departments will receive solid comparative data on their performance and that of their peers, together with "best practices" information and other resources to assist in further improvement. When fully operational, the benchmarking program will include surveys of a department's students, faculty, chair or dean, alumni and employers of its graduates."

*continued on page H3*

## From the Editor's Desk...

**The AAA and AICPA, through complementary initiatives, are laying foundations for significant accounting education change. The AICPA is identifying critical competencies that accounting graduates need for success, based on the needs of the profession per the CPA Vision Process. The AAA is supporting the pursuit of excellence in accounting education through a new benchmarking program.**

**Together, the AICPA and AAA are respectively working towards redefining the "what" and "how" of accounting education for the future. Stay tuned for further developments on these two important projects.**

—Elizabeth Koch, *Editor*



## Accounting and Finance Starting Salaries Rise an Average of 4.7 Percent in 1999, According to Annual Survey

Starting salaries in accounting and finance are forecast to increase by an average of 4.7 percent next year, according to the just-released 1999 Robert Half and Accountemps Salary Guide. In 1998, average starting salaries were projected to increase by 3.1 percent.

Robert Half and Accountemps are the full-time and temporary placement divisions, respectively, of Robert Half International Inc., the world's first and largest staffing firm specializing in accounting, finance and information technology. The annual salary survey is based on an analysis of the thousands of job orders managed by the company's U.S. offices.

"Salary growth in the accounting and finance fields can be attributed to strong demand for these professionals to guide and support both short- and long-term business expansion initiatives," said Max Messmer, chairman and CEO of Robert Half International.

"Companies are hiring accountants at all levels, from accounts receivable professionals who can manage a growing volume of incoming payments for products and services, to analysts who can provide strategic advice based on assessment of financial information collected throughout their organizations," Messmer said. "The rising use of project teams has also heightened the need for accounting and finance staff with leadership and communication skills."

### Public vs. Corporate Accounting

Starting salaries at large public accounting firms (defined in the Salary Guide as those with more than \$250 million in sales) are expected to rise by an average

of 5.6 percent in 1999. Accountants with one to three years of experience are in particular demand at these firms and will experience a 7.8 percent increase in base compensation, while senior accountants can expect a 6.9 percent gain. Salary growth will also be strong at small public accounting firms (those with up to \$25 million in sales), where accountants with one to three years of experience will see a 5.1 percent increase in base compensation.

In corporate accounting, starting salaries are forecast to rise by an average of 5.1 percent at large companies. Senior accountants and accountants with one to three years of experience will see the most substantial gains, with respective increases in base compensation of 6.1 percent and 6.0 percent. Meanwhile, accounting managers at medium-sized companies (those with sales of \$25 million to \$250 million) will experience a 5.7 percent rise in average starting salaries.

"With heightened competition for qualified candidates, many organizations are training less experienced accountants to fill more advanced roles and customizing positions to meet the unique skills of new employees," Messmer said. "Companies in private industry and public accounting firms are developing more attractive compensation packages that include such benefits as flexible work schedules, signing bonuses and extended vacation time."

### Fastest-Growing Salaries

Accounting clerks at medium-sized firms are expected to see the largest percentage increase in starting salaries of any single job classification, with base compensation forecast to rise by 10.4 percent. At small companies, accounting clerks will enjoy a 10.3 percent increase in average starting salaries. "Businesses are actively hiring entry-level staff to support accounting department objectives, which is translating

into higher starting salaries for these professionals," Messmer said.

Accounts payable managers at large firms will experience the third largest increase in average starting salaries by job classification, with a 10.0 percent gain. Starting compensation for accounts receivable/accounts payable managers at small companies will rise by 9.3 percent. Payroll managers at large firms and payroll clerks at small businesses will each see a 9.2 percent increase in average starting salaries, while payroll managers at small firms will experience a 9.0 percent gain.

### Industry Outlook

Demand for accounting and finance professionals is expected to be particularly strong in such industries as finance, insurance and real estate; manufacturing; high technology; business services; health care; and construction. However, hiring activity varies significantly based on geographic region. (A regional analysis of hiring trends and compensation variances is included in the Salary Guide.)

Information in the Salary Guide is derived from the thousands of job searches, negotiations and placements conducted each year by experienced Robert Half recruiting managers. Continuing or ongoing salaries are not reported because too many external factors—such as seniority, work ethic, job performance and training—impact the salaries of full-time employees as work histories develop.

Companies nationwide have consulted the Robert Half and Accountemps Salary Guide for decades to determine salaries for all levels of employees. In addition, the U.S. Department of Labor uses the guide in the preparation of its Occupational Outlook Handbook, one of the largest-selling government publications.

Robert Half International has more than 230 offices in the United States, Canada and Europe, and offers online job search services at [www.rhii.com](http://www.rhii.com).



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## The Path of Accounting Education Change

For over a decade, accounting educators and practitioners have been working together to change the way accountants are educated. This agenda for change has its roots in the AAA's Committee on the Future Structure, Content, and Scope of Accounting Education that presented an important report to the accounting education community in 1986. Their report, *Future Accounting Education: Preparing for the Expanding Profession* (the "Bedford Report"), called for major changes in how future accountants were to be educated.

The largest firms supported these ideas in 1989 in their position statement or "white paper," *Perspectives on Education: Capabilities for Success in the Accounting Profession*. The Perspectives statement focused on the qualifications needed by future accountants and challenged accounting educators to change the accounting curriculum to emphasize these new capabilities. They urged educators to move to an approach that would integrate the capabilities required for success [of new practitioners] into the whole accounting curriculum. The firms sponsoring the report committed \$5 million over several years to support curriculum improvement, and these funds supported creation of the Accounting Education Change Commission (AECC) and the Commission's funding of a dozen grants to colleges and universities for significant curriculum change projects. At its conclusion, the work of the AECC became part of the goals of the faculty development initiative of the AAA, and that work built a foundation for the Association's new initiatives to develop services for accounting departments and schools.

Most recently, the AICPA is developing a Pre-professional Competency Framework to address the competencies accounting graduates need for success in the future. According to the CPA Vision Process, employers of accounting graduates are calling for a wide range of intellectual and interpersonal skills, as well as basic knowledge of business and accounting. They are calling especially for accounting graduates who are prepared to be lifelong learners in their practice of accounting. The AICPA plans to expose a draft of this framework at the 1999 AAA Annual Meeting. It is anticipated

that the information generated from the AAA's Benchmarking Project will be especially useful to academics as they begin to implement new ways of developing critical competencies for the next millennium. Accounting educators are responding to the concerns of practitioners by exploring new approaches to curriculum, new courses and assignments, and new ways to teach accounting. Accounting education is shifting from a focus on memorizing rules and working problems to an increased emphasis on student learning, with emphasis on the development of professional skills and strong preparation in the uses of technology.

### technology

#### AAA Accounting Coursepage Exchange

A new educational resource is online at the AAA Web page (<http://aaa-edu.org>)—the

Accounting Coursepage Exchange (ACE) Project! You can find the ACE database by clicking on Faculty Development, clicking next on "Teaching," then on the Accounting Coursepage Exchange link at the top of the page. There you will discover a searchable database designed to make it possible for faculty to both share educational materials and find useful ideas to support the development of accounting courses and curriculum.

Faculty can enter information about their coursepages using an online form to become part of this searchable database that allows accounting and business educators worldwide to share information about curriculum, teaching approaches, tools to stimulate learning, useful links to additional Web resources and specific course schedules, policies and plans.

The Accounting Coursepage Exchange (ACE) allows faculty to:

- Search for colleagues' accounting and finance coursepages by name, institution, text or course category.
- Search for accounting and finance coursepages according to course characteristics identified by the teaching professor.
- Add your coursepage to the growing database.

#### continued from page H1—Benchmarking

The Benchmarking project has two central purposes:

- to identify best practices in accounting education targeting continuous improvement in the preparation of new accounting professionals; and
- to provide accounting faculty and program leaders with comparative assessment data useful both for program improvement and for reporting to internal and external constituents.

Benchmarking is a direct outgrowth of the continuing reform movement that began with the Bedford Commission and continues through the AAA's faculty development program supported by member

dues, the Sponsor's Task Force (Big Five accounting firms) and the AICPA. Obtaining, analyzing and reporting comparative assessment data from colleges' students, graduates, alumni, faculty, department chairs and employers is a necessary part of improving accounting education. Benchmarking data is anticipated to be of substantial interest to many accounting departments in colleges and universities.

The AAA is now designing the benchmarking forms and planning the field testing process. The first benchmarking survey is planned for the fall of 1999. Diamond says, "I believe this is a major new undertaking for the AAA that will transform our

relationship with accounting departments, while providing data and resources to better meet our members' needs as identified through a formal benchmarking process."

While elements of both the Academic Partners and Benchmarking projects will be piloted during the coming months, both programs will be launched by the AAA's Annual Meeting in August 1999, in San Diego. Those interested in further information can contact Craig Polhemus, Executive Director, American Accounting Association, 941/921-7747, ext. 303.

For more information on AAA Faculty Development activities visit their Web site: [aaa-edu.org](http://aaa-edu.org).



## Women and Family Issues Executive Committee (WFIEC) Research Facilitation Project

# REQUEST FOR PROPOSAL

### Objectives:

- To facilitate meaningful research in areas of interest to the WFIEC.
- To engage people outside the WFIEC to perform research relevant to the committee's work.
- To match researchers with research opportunities.
- To identify topics for research that CPA firms and others desire.
- To assist researchers in planning and completing research that is credible and practical for the professional community.

### Specific Topic Areas Important to the Research:

Preference will be given to research on the following topics. However, the WFIEC will consider all proposals based on merit and perceived value to the firms. (*Note:* A research project can address one area, a selection of areas, or all of them.)

- Retention—decreasing turnover rates in accounting firms.
- Image enhancement—How can we attract more young people into the accounting profession?
- Work vs. Personal Time.
- Compensation Issues—Perceived overall fairness: pay equity, deferral of top-level compensation to senior ranks, non-monetary compensation (psychological rewards/saying “thank-you”), willingness to earn less for working less.
- Women in Education—Career pathing, leadership and advancement issues in academia.
- Goals and Aspirations—“Do you desire to become a partner?”
- Performance Measures—Identifying the issues relating to managing staff on flexible work arrangements. Assessing productivity of flextime/flexplace staff. Is other staff being negatively impacted? What time frame will be given for evaluation?
- Managing Expectations—What specifics should the employee/employer contract address? Who is responsible for what?
- Prevalence of “workload creep.”

Perceptions of co-workers and clients of flexible work arrangements participants.

### Research Method:

The proposed design should have a high external validity and ability to generalize results to the population under study. A major objective is the gathering of perceptions from the research population regarding proposed solutions to the turnover/retention problem. The research design should be structured so that the results can be distinguished by gender, age, other personal demographics (such as personal commitments—dependent children, dependent parents), and career variables (such as the desire to become a partner or the level of personal career planning or commitment).

The RFP should include a draft of the contemplated data collection instrument. It should also contain detailed criteria of population to be studied (such as number of participants required for research viability, ratios of male to female participants required, what professional levels within the firm should participants be drawn, marital status of research subjects, number of parents vs. non-parents, etc.).

We understand the draft will not have been pretested or piloted. We wish to receive the draft instrument to insure clear communication on the researcher's proposed direction for the study.

A human-subjects review as called for by your academic institution will be required.

### Participation Process:


The WFIEC will facilitate the research by noting possible topics, selecting the proposal(s), soliciting CPA firms to participate (thus facilitating access to data), serving as intermediary between the selected researcher and firms interested in participating (as needed), acting as a sounding board or resource (optional, as desired by the researcher) as the project progresses, and assisting if possible to facilitate publication and other dissemination of the final product(s). The WFIEC will not provide funding of research resulting from this RFP.


The WFIEC will receive attribution on any and all publicly circulated versions of the resulting manuscript(s), as well as any and all final published document(s) resulting from the project. Further, the researcher is expected to report to the Committee every six months regarding project status including any working papers, presentations, and publications that result until final publication(s) is (are) in print. The Committee expects the researcher to make every effort to publish the end result. The manner and choice of publication outlet(s) are entirely up to the researcher.


The researcher must reach an agreement with the participating CPA firms regarding the confidential information each firm wants to receive about its employees. The WFIEC will not be involved in this agreement, but the researcher is expected to honor the agreements he/she makes with the various participating firms. The researcher is expected to comply with the typical data availability conventions. The researcher has the right and obligation to abide by any anonymity or confidentiality assurance made to individuals who participate in the research. However, within the constraints of that parameter, the researcher should make every effort to make the data available to others. A data availability statement must be made on all publicly available manuscript(s) and published documents.

Due Date for Proposals: April 1, 1999

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