



THE RIPPLE EFFECTS OF CHANGES IN THE ACCOUNTING PIPELINE

NATALIE DIXON

PhD, CPA, ACCA, CIA, Department of Accountancy, The Peter J. Tobin College of Business,
St. John's University, Queens, Jamaica, NY.

Abstract

Purpose This study examines the ripple effects of the approval by the AICPA and NASBA of a third pathway to satisfy CPA licensure requirements. The new model allows candidates to qualify with a bachelor's degree, two years of relevant professional experience, and successful completion of the CPA examination. It offers an option that reduces the traditional 150-credit-hour requirement to 120 hours supplemented by experience, introducing greater flexibility into the licensure process. This study explores the implications of this policy shift for higher education institutions, the accounting talent pipeline, and accounting students, while identifying strategies to support stakeholders during the transition. Given persistent concerns about declining accounting enrollments and talent shortages, understanding the consequences of this structural change is both timely and important. **Design/Methodology/Approach** This qualitative study is based on 16 semi-structured interviews with senior stakeholders across the accounting education and licensure ecosystem. Participants included audit partners, a corporate CEO, a state Society of CPAs leader, accounting department chairs, faculty members, a career advisor, and representatives from CPA exam review providers, capturing micro-, meso-, and macro-level perspectives. Interviews were designed to elicit insights into the perceived benefits, risks, and expected outcomes of the alternative licensure pathway. Data were analyzed using an iterative thematic approach, with coding and recoding to identify recurring patterns and emergent themes grounded in participant experiences. **Findings** Eight interconnected themes emerged. First, participants indicated that the 150-hour requirement has not consistently achieved its intended goal of enhancing technical competence, often lacking alignment with professional skill development. Second, the new pathway was viewed as a pragmatic shift toward a more flexible, experience-based model, though concerns remain about unintended consequences, particularly regarding candidate preparedness without advanced coursework. The pathway is widely perceived as improving access by reducing financial and time barriers, with potential to enhance diversity, especially among first-generation and underrepresented students. However, respondents emphasized risks related to uneven quality of experiential learning across employers and regions. While most participants anticipated a positive effect on the accounting pipeline, uncertainty persists regarding the scale and sustainability of increased CPA supply. The findings also underscore the need for curriculum reform and stronger collaboration among educators, regulators, and employers to ensure consistency in training and professional readiness. **Originality/Value** This study offers one of the earliest empirical examinations of stakeholder perspectives on the alternative CPA licensure pathway. By integrating multi-level insights, it provides timely evidence on its system-wide implications and offers practical guidance for navigating this significant policy transition.

Keywords: 150-/120-Hour Education Requirement; Accounting Pipeline; CPA Licensure; Alternative Pathways.

1. INTRODUCTION

The accounting profession has undergone significant transformation over the past several decades, with few issues generating as much sustained debate as the 150-credit-hour requirement for Certified Public Accountant (CPA) licensure. As Ellis (2023, p1) observes, "Accounting, a profession focused on numbers, is vexed by this one: the 150 college credit hours required to become a certified public accountant." Originally introduced to enhance professional competence and safeguard public trust, the requirement has increasingly come under scrutiny for its unintended consequences on the accounting talent pipeline. Scholars and practitioners have questioned whether the additional educational burden discourages entry into the profession and contributes to persistent shortages of CPA candidates (Bramwell, 2023).

A growing body of research suggests that the 150-hour requirement imposes significant financial and time costs on prospective CPAs, disproportionately affecting students from



underrepresented and economically disadvantaged backgrounds. These barriers have been linked to a measurable decline in individuals pursuing CPA licensure, including a reported 26% reduction in minority entrants (Oliver, 2023; Vereckey, 2024). Rather than consistently enhancing professional quality, critics argue that the rule may function as a gatekeeping mechanism that restricts access without clear evidence of improved professional outcomes (Stephenson and Meehan, 2021). Reflecting mounting industry concern, Robert Cedergren, incoming board chair of the Minnesota Society of CPAs, emphasized the urgency of the issue, noting, “We don’t have enough students coming in... We have to be able to solve that problem” (Steinhardt, 2023, p. 1).

Recent scholarship situates these challenges within the broader accounting pipeline, defined as the process of attracting, developing, and retaining individuals with the potential to become successful accounting professionals (Comunale et al., 2023). Pipeline concerns extend from initial student interest in accounting through academic preparation and eventual entry into the profession. Despite targeted recruitment and retention initiatives, concerns persist. The AICPA and CIMA (2024) Annual Report acknowledges that, although multiple interventions are underway, “the long-term CPA pipeline trend remains challenging.” Similarly, Deloitte (2022) reports that talent retention is a concern for 82.4% of public companies and 68.9% of private companies. At the same time, the U.S. Bureau of Labor Statistics projects 5% growth in employment for accountants and auditors between 2024 and 2034, with approximately 124,200 job openings annually, underscoring the urgency of addressing pipeline constraints.

The transition from a 120-hour to a 150-hour licensure model reflects evolving professional priorities. While the earlier 120-hour standard emphasized accessibility and workforce entry, the shift to 150 hours sought to enhance technical competence through additional education. However, nearly 75 years after expanded educational requirements were first endorsed, the profession is again reassessing its approach. In 2025, 77% of 209 stakeholders from the AICPA and the National Association of State Boards of Accountancy (NASBA) approved a third pathway to CPA licensure, signaling a significant policy shift toward flexibility and modernization.

Effective May 13, 2025, revisions to the Uniform Accountancy Act (UAA) allow candidates to qualify for CPA licensure by earning a bachelor’s degree, completing two years of relevant professional experience, and passing the CPA examination (AICPA and CIMA, 2025). The revised Act also introduces an individual-based mobility model, enabling CPAs to practice across jurisdictions with a single license. By April 2026, at least 39 states—including Ohio, Virginia, Utah, Indiana, and Texas—had enacted or were considering similar reforms, endorsing an optional fifth year of postsecondary education (CFO Dive, 2026).

This policy shift substitutes an additional year of professional experience for the extra academic year, thereby introducing greater flexibility into the licensure process. By shortening the educational timeline, the alternative pathway seeks to accelerate entry into the profession and broaden access to CPA licensure. However, the implications of this change for higher education, professional preparedness, and workforce development remain insufficiently understood.

To address this gap, this study examines the ripple effects of the alternative CPA licensure pathway across three key domains: higher education institutions, the accounting pipeline, and accounting students. Drawing on 16 semi-structured interviews conducted in Fall 2025 with senior-level stakeholders—including audit partners, academic leaders, professional organization executives, and CPA exam review providers—this study captures micro-, meso-,



and macro-level perspectives. Using an iterative thematic analysis, the study identifies patterns and emergent themes grounded in stakeholder experiences.

Findings indicate that stakeholder responses to the 2025 UAA changes are nuanced and varied. Support is most pronounced at the meso level, particularly among firms and professional organizations, while micro- and macro-level participants express greater uncertainty. Concerns center on whether reduced formal education may weaken technical depth and diminish the distinctiveness of the CPA designation. As one macro-level respondent noted, “With advanced education optional, we risk losing part of what made the CPA designation distinguished.” In contrast, another meso-level, participant emphasized that the CPA examination serves as a “great equalizer,” ensuring consistent standards regardless of educational or experiential pathways.

Eight interconnected themes emerge from the analysis. First, the 150-hour requirement has not consistently achieved its intended objective of enhancing professional competence. Second, the alternative pathway represents a partial return to a more traditional, experience-based model, albeit with potential unintended consequences. While the pathway is expected to improve access and potentially enhance diversity, particularly among women and minority candidates, its impact on the overall supply of CPAs—including CPAs of color—remains uncertain. Additional findings suggest implications for CPA exam preparedness and potential growth in demand for exam review services. Importantly, respondents emphasize the need for accounting programs to evolve through curriculum reform and for stronger collaboration among educators, regulators, and employers to ensure consistent preparation and long-term sustainability of the profession.

This study makes a timely and original contribution by providing one of the first empirical, multi-level analyses of stakeholder perspectives on the 120-hour plus experience licensure pathway. It advances understanding of how licensure reforms may influence access, diversity, and candidate preparedness, while offering actionable insights for institutions and policymakers addressing ongoing challenges in the accounting talent pipeline.

The remainder of the paper is organized as follows. The next section reviews the historical background and relevant literature, followed by the research questions. Subsequent sections outline the methodology, present the findings and discussion, and conclude with implications, recommendations, and contributions.

2. BACKGROUND AND HISTORICAL DEVELOPMENT

In the 1950s, formal educational requirements for CPA licensure were limited and highly inconsistent across jurisdictions. At that time, only three states—Florida, New Jersey, and New York—required candidates to hold a college degree, representing approximately 6% of U.S. jurisdictions. Educational standards varied considerably, with some states imposing only minimal coursework requirements. For instance, Mississippi permitted eligibility through completion of a correspondence course in accounting-related subjects, reflecting the relatively low emphasis placed on formal higher education during this period (NASBA, 2008).

Concerns regarding the adequacy and consistency of accounting education began to gain prominence during State Board meetings throughout the 1950s. These discussions culminated in the establishment of the Commission on Standards of Education and Experience for CPAs, funded by the Carnegie Foundation and 36 states. In its 1956 report, the Commission recommended graduate-level education as a means of strengthening professional competence and enhancing public confidence in the CPA credential (NASBA, 2008). Over time, these



recommendations influenced state-level reforms. Florida became the first state to adopt a graduate education requirement, effective August 1, 1983, following a 1982 survey in which 68.1% of Florida Institute of CPAs members supported requiring a baccalaureate degree plus at least 30 additional semester hours to qualify for the Uniform CPA Examination.

Momentum toward expanded educational standards accelerated during the 1980s. In 1988, the American Institute of Certified Public Accountants (AICPA) formally approved the 150-hour college education requirement, with 83% of its approximately 200,000 members voting in favor. Although implementation was largely deferred until after 2000, this decision marked a significant milestone in redefining entry-level qualifications within the profession. During the 1990s, the AICPA and the National Association of State Boards of Accountancy (NASBA) developed model rules emphasizing a broad-based educational foundation that included communication, writing, and professional skills, rather than simply increasing technical accounting coursework. Notably, these models allowed for nontraditional pathways, enabling candidates with undergraduate degrees in liberal arts to qualify through graduate education, such as a Master of Business Administration (MBA) with an accounting concentration (NASBA, 2008).

Several factors drove the transition from the traditional 120-hour requirement to the 150-hour standard. These included the expansion of accounting and advisory services, rapid advancements in information technology, increasing complexity in accounting standards, and the belief that formal education provided a more consistent and reliable foundation than on-the-job training (NASBA, 2008). Additionally, the profession sought parity with other licensed fields—such as law, engineering, and architecture—where extended formal education is the norm.

Despite these intended benefits, the transition raised significant concerns among stakeholders. In a 1990 interview, Nathan A. Garrett, later Chair of NASBA, cautioned that the 150-hour requirement could create barriers for economically disadvantaged students and advocated allowing four-year graduates to sit for the CPA examination. Others emphasized the need for flexibility, suggesting that candidates should be permitted to complete the additional coursework part-time while employed. Critics also highlighted the absence of clearly defined benchmarks for entry-level competence and questioned whether the additional educational hours were sufficiently aligned with the demands of professional practice (NASBA, 2008).

Interpretation and implementation of the 150-hour requirement varied considerably across states. Some jurisdictions prioritized producing broadly educated professionals, while others emphasized technical accounting proficiency. These differences resulted in inconsistencies in licensure requirements, raising concerns about interstate mobility and creating confusion among prospective candidates. In response, the Uniform Accountancy Act (UAA) introduced the principle of substantial equivalency to promote consistency in licensure standards across jurisdictions (NASBA, 2008).

Building on this framework, revisions to the UAA approved on May 13, 2025, represent a significant policy shift. The revised Act permits states to adopt a third pathway to CPA licensure, allowing candidates to qualify through a bachelor's degree, two years of relevant professional experience, and successful completion of the CPA examination. In addition, the Act introduces an individual-based mobility model to facilitate interstate practice, reflecting an ongoing effort to balance flexibility, accessibility, and professional standards (AICPA and CIMA, 2025).



3. LITERATURE REVIEW AND RESEARCH QUESTIONS

Research examining the effects of the 150-hour education requirement for CPA licensure has produced mixed and, at times, conflicting findings. Early studies generally supported the premise that additional education enhances candidate performance. For example, Raghunandan, Read, and Brown (2003) found that candidates completing at least 150 semester hours performed better on the CPA examination, even after controlling for SAT scores, accounting coursework, and CPA review participation.

Similarly, NASBA (2008) reported improved first-time pass rates in Florida following adoption of the requirement. Snowball's analysis at the University of Florida documented an increase in pass rates from approximately 14% prior to 1983 to consistently above 32% thereafter, providing early empirical support for the effectiveness of expanded educational preparation.

In contrast, more recent research raises important questions about the broader consequences of the 150-hour rule. Oliver (2023), drawing on Barrios (2018), identified a 15% decline in first-time CPA exam candidates following implementation across multiple states.

Meehan and Stephenson (2020), using data from 2006 to 2016, found that while credit-hour requirements significantly influenced the number of candidates entering the CPA pipeline, they did not meaningfully improve exam pass rates or observable measures of candidate quality. These findings suggest that the 150-hour requirement may function more as a barrier to entry than as a mechanism for enhancing professional competence.

A substantial body of literature reinforces this perspective, characterizing the requirement as an entry barrier with limited marginal benefits. Grant, Ciccotello, and Dickie (2002) argued that policy debates surrounding the rule have often lacked rigorous empirical validation of its incremental value.

Their analysis of nationwide CPA exam results from 1996 to 1998 found that scholastic aptitude and participation in CPA review courses were the strongest predictors of exam success, while additional academic coursework contributed only modestly.

Similarly, Carpenter and Stephenson (2006), using panel data from 1985 to 2002, reported a substantial reduction—approximately 60%—in the number of first-time CPA candidates following adoption of the 150-hour requirement. Economic perspectives further suggest that licensing requirements may serve dual purposes: signaling quality while simultaneously restricting entry into the profession.

Recent scholarship has begun to explore alternative models aimed at addressing these concerns. Mintz, Miller, and Shawver (2023) examined emerging approaches such as the bifurcated 120/150-hour pathway, which allows candidates to sit for the CPA exam after completing 120 hours and fulfill the remaining requirements subsequently for licensure.

Proponents argue that this model reduces time and financial barriers while preserving essential competencies in areas such as information technology, analytical reasoning, and professional ethics. These discussions reflect a broader shift toward flexibility in credentialing while maintaining professional standards.

The literature also considers the implications of the 150-hour requirement for the audit market and career decision-making. Lee, Liu, and Wang (1999), building on Dye's (1995) theoretical framework, found that higher educational requirements—treated as a joint input with audit effort—can lead to increased audit fees.



While incumbent CPAs may benefit from these dynamics, clients face higher costs, and some prospective entrants may be deterred from entering the market. Complementing this perspective, Bierstaker (2004) found that although accounting students recognize the intended benefits of the 150-hour requirement, many do not expect commensurate increases in compensation. As a result, some students express interest in alternative professional certifications, such as the Certified Management Accountant (CMA), as substitutes for CPA licensure.

Jurisdictional variation further complicates evaluation of the 150-hour requirement. State boards of accountancy retain authority over licensure standards, resulting in heterogeneous policies across jurisdictions (Mintz et al., 2023). For instance, Texas requires 150 hours for both CPA exam eligibility and licensure, whereas states such as California and New York allow candidates to sit for the exam after completing 120 hours but require 150 hours for licensure. Other states permit candidates to sit within a defined period prior to completing the full requirement.

Historically, while many AICPA members supported the rule, critics have argued that it disproportionately disadvantages lower-income and minority candidates and may reinforce barriers to entry (Clolery, 1992; Shapiro, 1995). Survey evidence has also questioned whether the additional 30 credit hours meaningfully enhance professional competence.

Against this backdrop of mixed evidence and ongoing debate, the present study examines the ripple effects of the AICPA and NASBA's approval of a third pathway to CPA licensure. This pathway allows candidates to qualify through a bachelor's degree, two years of professional experience, and successful completion of the CPA examination, while also introducing an individual-based mobility model to facilitate interstate practice.

Accordingly, this study addresses the following research questions: (1) How do the 150-hour and 120-hour pathways affect higher education institutions, accounting curricula, and the broader accounting pipeline? (2) How do these requirements influence the number and composition of candidates entering the profession? (3) To what extent do alternative pathways enhance access and opportunities for women and underrepresented groups? and (4) How do differing educational pathways affect candidates' preparedness for the CPA examination and their transition into professional practice?

4. RESEARCH METHOD

Qualitative Research design

This study adopts a qualitative research design grounded in semi-structured interviews to examine stakeholders' perceptions of recent changes to CPA licensure, an area where empirical evidence remains limited and evolving. Consistent with prior research in higher education (Asonitou, 2022), the study focuses on the ripple effects of these changes across three interrelated domains: higher education institutions, the accounting talent pipeline, and accounting students. Given the exploratory nature of the research and the complexity of the policy shift, a qualitative approach is particularly appropriate for capturing the depth and contextual richness of stakeholder perspectives.

Qualitative inquiry enables a nuanced, contextually embedded understanding of how individuals interpret and respond to institutional change. Unlike quantitative approaches, which emphasize measurement and generalizability, qualitative methods allow for in-depth exploration of meanings, perceptions, and experiences as they unfold within real-world settings.

This flexibility is especially valuable in examining emerging phenomena, where predefined constructs may be insufficient to capture the full range of stakeholder responses (DiCiccio-Bloom and Crabtree, 2006; Ruslin et al., 2022). By prioritizing participants' voices, this approach facilitates the identification of patterns and insights that may not yet be reflected in the existing literature.

Semi-structured interviews were selected as the primary data collection method due to their ability to balance consistency with flexibility. While a common interview protocol ensured comparability across participants, the open-ended format allowed for probing, clarification, and the exploration of unanticipated themes. This method is particularly well suited for eliciting detailed accounts of stakeholder experiences and for uncovering the underlying reasoning behind their perspectives (Ruslin et al., 2022).

Moreover, the interactive nature of semi-structured interviews enables researchers to adapt questions in real time, thereby capturing richer and more nuanced data. Overall, this methodological approach provides a rigorous and appropriate framework for examining how key stakeholders interpret and respond to the evolving CPA licensure landscape. By enabling in-depth exploration of perceptions across multiple levels, it contributes to a more comprehensive understanding of the broader implications of this significant policy shift.

Research context, Sampling Strategy and Data Collection

The study was conducted across higher education institutions and industry settings in the United States, capturing the academic and professional contexts that shape the accounting talent pipeline. A nonprobability purposive sampling strategy was employed to identify participants with direct knowledge of the CPA licensure ecosystem, and was subsequently supplemented with snowball sampling to broaden the participant pool. Initial recruitment was conducted via targeted email outreach to an established network of stakeholders.

The purposive approach ensured that participants were well positioned to provide informed perspectives on the implications of licensure changes for higher education, the accounting pipeline, and accounting students. Recruitment communications outlined the study's purpose, emphasized voluntary participation, and assured confidentiality. Individuals who consented were scheduled for interviews.

Data were collected through semi-structured interviews conducted via Microsoft Teams, each lasting approximately 30 to 50 minutes. With participant consent, interviews were audio-recorded and transcribed verbatim to ensure accuracy and facilitate systematic analysis. To enhance credibility, transcripts were reconciled to audio-recording, returned to participants for review and verification.

Data collection proceeded iteratively and continued until thematic saturation was achieved—that is, when no new insights relevant to the research questions emerged (Guest et al., 2006). Saturation was reached during Fall 2025, with the final interview yielding no additional themes. The final sample comprised 16 participants, consistent with established qualitative research benchmarks and prior studies in accounting education (Bertaux, 1981; Miriampolski, 2001; Daff, 2020).

Semi-structured interviews were selected to balance consistency with flexibility, enabling in-depth exploration of stakeholder perspectives while maintaining comparability across interviews. The interview protocol consisted of open-ended questions and was pilot tested with experienced researchers to ensure clarity and relevance. Minor refinements and additional probing prompts were incorporated based on feedback.



During interviews, the researcher adopted a flexible and responsive approach, allowing for the exploration of emergent themes and ensuring rich, contextually grounded data (Guest et al., 2006).

Research Participants' Demographic Profile

Consistent with Vanhove et al. (2023), participants were drawn from stakeholders within the CPA licensure ecosystem and classified into three analytical tiers: micro-, meso-, and macro-levels. This framework is further informed by Hartman (2017), who distinguishes between individual (micro), organizational (meso), and system-level (macro) perspectives. Together, these tiers provide a comprehensive lens for examining the ripple effects of licensure changes on higher education institutions, the accounting pipeline, and accounting students.

Specifically, the study incorporates micro-level perspectives from accounting educators and career advisors with direct student engagement; meso-level perspectives from organizational leaders, including audit partners and department chairs; and macro-level perspectives from policy influencers and examination-related stakeholders (Vanhove et al., 2023). Engaging participants across these levels enhances interpretive depth and supports thematic saturation through multivocality (Altheide and Johnson, 1994).

The sample comprised 16 participants representing academia, public accounting, professional organizations, and CPA exam preparation providers. The micro-level group included three accounting professors and one academic administrator serving as a career advisor. The meso-level group consisted of six audit partners and two accounting department chairs. The macro-level group included a corporate chief executive officer, the president and CEO of a state Society of CPAs, and two representatives from CPA exam review providers. This composition enabled the integration of diverse yet complementary perspectives across the accounting ecosystem.

Ethical approval was obtained from the Institutional Review Board prior to data collection, and informed consent was secured from all participants. To ensure confidentiality, responses were anonymized and participants were assigned identification codes (see Table 1 for additional details). The sample included nine female (56%) and seven male (44%) participants. A majority (81%, $n = 13$) completed CPA licensure under the former 120-credit-hour pathway, one (6%) under the 150-hour requirement, and two (13%) had not completed the CPA designation.

Participants represented a wide range of institutions and professional roles. Academic respondents were affiliated with diverse U.S. institutions across multiple regions, with minimal institutional overlap. Practitioner participants included representatives from both Big Four and non-Big Four public accounting firms, as well as CPA exam review providers. Professional experience ranged from three to over 40 years, with most participants (88%) occupying senior leadership roles.

Several respondents contributed extensive and multifaceted expertise, including leadership roles in international accounting education, professional associations, and major accounting firms. Others brought experience spanning academia, public accounting, corporate leadership, and credentialing support services. Collectively, the breadth and depth of participant backgrounds provide a robust and well-rounded foundation for analyzing the evolving CPA licensure framework and its implications for the profession.



Table 1

Respondents	Current Role	Duration of Professional Experience	CPA Completed under the 120 or 150 model	Familiar with 2025 UAA Changes	Agree or Disagree to the Change
A	Chief executive officer	Over 25 years	Yes, under the prior 120 model	"Extremely familiar."	"So I would say I have mixed emotions about it."
B	The ACFE Endowed Professor of Accounting and Finance	Entering the 40th year	Yes, under the prior 120 model	"I would say I am somewhat between moderately familiar or extremely familiar with the changes. I wasn't in the room where they discussed these changes and so I would hesitate to say extremely."	"Agree, I think that it's going to be helpful as far as the pipeline and things like that? I think it will likely be very helpful."
C	The President and CEO of one of the Societies of CPAs	34 years	Yes, under the prior 120 model	"I would say my familiarity falls somewhere between moderate and extremely, as we had to adopt several of those changes ourselves. In fact, we passed legislation even before those changes were incorporated into the UAA."	"So we are very supportive of the changes that were made."
D	Member of a College Advisory Committee, previously served as a partner of a Big 4 CPA firm before retiring.	38 ½ years	Yes, under the prior 120 model	"I would say moderately familiar."	"So, I agree with the change."
E	Full professor in the Department of Accounting and Finance	18 years	Yes, under the prior 120 model	"Extremely familiar."	"I absolutely support the change."
F	Administrator and academic advisor for accounting students		Yes, under the current 150 model.	"I would say I am moderately familiar."	"I still have not really formulated an opinion."



G	Principal of a non-Big 4 CPA firm	Over 30 years	Yes, under the prior 120 model	"I would say I am somewhere between moderately and extremely."	"Well, I think that it is a positive move forward."
H	An associate professor *Department chair perspective	14 years	Yes, under the prior 120 model	"I would say I am somewhat familiar."	Mixed
I	An audit partner of a Big 4 CPA firm	8 years	Yes, under the prior 120 model	"I would say somewhat familiar."	"I do agree with it."
J	Senior manager and senior editor of one of the CPA review course providers		No, not a CPA	"I would say somewhat familiar."	Mixed
K	An accounting department chair and faculty member	Almost 26 years	Yes, under the prior 120 model	"I am moderately, but maybe extremely."	Mixed
L	CPA course reviewer representative	15 years	No, not a CPA	"Yes, I am familiar."	So I think that there are pros and cons with it, right?
M	Partner with a Big 4 CPA firm	Over 17 years	Yes, under the prior 120 model	"I am somewhat familiar."	"So, I agree."
N	An associate department chair and undergraduate advisor	Over 30 years	Yes, under the prior 120 model	"I am pretty familiar" "Yes"	"If I had to pick one side or the other, I would probably say I disagree."
O	College professor **non-Big 4 perspectives provided.	25 years	Yes, under the prior 120 model	"I am pretty familiar."	"I agree"
P	Retired CPA	Over 30 years	Yes, under the prior 120 model	"Yes, I am extremely familiar."	"I agree"

Data Analysis, Coding Strategies and Research Credibility

Data were analyzed using thematic analysis following Braun and Clarke's (2006) six-phase framework. This approach is widely recognized for its rigor and flexibility in identifying, analyzing, and interpreting patterns within qualitative data (Boyatzis, 1998; Roulston, 2001). Given the interpretive complexity of qualitative research (Holloway and Todres, 2003), thematic analysis provides a robust and systematic method for generating rich, nuanced insights grounded in participants' experiences.

Following verbatim transcription, data analysis proceeded iteratively through six phases: data familiarization, initial coding, theme development, iterative refinement through constant comparison, theme definition and naming, and the production of the final analytic narrative. Transcripts were read multiple times, with detailed notes capturing initial impressions and emerging ideas. Coding began during data collection to enhance analytic sensitivity and allow for iterative refinement of the interview protocol.

An initial cycle of coding was conducted using a hybrid inductive–deductive approach. While coding was guided by the research questions and relevant literature, openness to emergent patterns ensured that unanticipated insights were captured. Both semantic (explicit) and latent (interpretive) coding techniques were employed to identify surface-level meanings and underlying assumptions. A second coding cycle further refined and consolidated the coding structure, enhancing internal coherence and conceptual clarity across themes.

Consistent with reflexive thematic analysis, all coding was conducted by the primary researcher, emphasizing interpretive depth rather than inter-coder reliability. To enhance trustworthiness, several strategies were employed. Credibility was supported through prolonged engagement with the data and close attention to participants' language and meanings. Dependability was ensured through a transparent and systematic documentation of the research process, including sampling, data collection, and analytic procedures. Confirmability was strengthened through ongoing reflexivity, with interpretations grounded firmly in the data.

Collectively, this rigorous analytic approach provides a robust foundation for generating credible and insightful findings on the evolving CPA licensure landscape.

5. FINDINGS

Guided by Braun and Clarke (2006), this study employed thematic analysis to identify recurring patterns within the semi-structured interview data. Through systematic comparison, iterative coding, and progressive abstraction of the interview transcripts ($n = 16$), the analysis generated eight overarching themes that address the four research questions. These themes were subsequently synthesized and further interpreted in the discussion section to provide a comprehensive understanding of stakeholder perspectives on the evolving CPA licensure framework.

Overview of Themes

Appendix A summarizes the final thematic framework, outlining each major theme, its associated subthemes, and a brief explanation of the central idea each represents. The structure reflects the core patterns that emerged across participants' accounts and provides a systematic overview of the interpretive findings generated through the thematic analysis.

Appendix A		
Theme	Sub-theme	What emerged from participants insights across participants accounts
1. The 150-hour requirement did not achieve its intended purpose	Limited accounting depth in the additional 30 credits	Extra credit completed in unrelated subjects
		Performative-requirement vs enhancing CPA-readiness
	Financial and opportunity cost creates barriers to entry	Delayed workforce entry
		Extra year cost impact students' choice
2. Return to a partial familiar model may lead to unintended consequences.	Perceived benefits of returning to a familiar pathway	Return to something familiar, may offer practical advantages
		Value of early workforce entry, outweigh academic credits
	Divergent views, role of advanced-education compared to experience	Shift learning to on-the-job may cause undue pressure
		Can professional-experience adequately substitute for graduate-level coursework
3. Positive impact on the accounting pipeline but questionable impact on the number of CPAs	Increase accessibility and early workforce-entry	Lower barriers to accounting-profession entry
		Reduced educational requirement may encourage more students to major in accounting
	Divergence on employers' staffing needs and licensure outcomes	Employers benefit from larger pool of entry-level-graduates,
		Employers are encouraged to provide study time
	Persistent concerns about CPA exam performance	Whether bachelors-graduate will have time, technical knowledge to pass the CPA-exam
		Advanced topics not fully covered in undergraduate curriculum, may impact CPA-pass-rates, lower academic depth,
4. Affect aspiring CPAs' exam preparedness and benefit CPA-exam review providers	Reduce academic preparation	120-credit hours may leave candidates less academically prepared for the rigor of CPA exam
		Advanced topics in graduate level may not fit in undergraduate curriculum
	Increase reliance on self-study, expand market for CPA-exam-providers	CPA-exam-providers stand to benefit financially because of the larger pool of underprepared candidates
		Increased dependence on CPA-exam-review-courses to enhance exam readiness
5. Expand access, removal	Reduction of financial and structural	Option to choose 4-years, lower financial and time



of certain barriers while increasing diversity for women and minorities.	barriers to entry	related barriers affect minority. Option to choose early workforce entry, eliminating delayed workforce entry
	Increase accessibility, early exposure for underrepresented groups	Minnesota Scholars Initiatives that peer high school students with CPA mentors,
	Potential to strengthen diversity without guaranteeing increase in CPA licensure	Widen access and diversity
6. Enhance accounting programs competitiveness, but strongly believe college accounting programs must evolve to align with industry expectations.	Increase competitiveness through streamlined educational pathways	Enhance attractiveness and competitiveness of accounting programs More appealing to students
	Necessity for curricular innovation to meet evolving industry demands	Substantive accounting curricula transformation to remain relevant, including AI Introductory courses focus on narrow concepts of debits and credits,
	7. Strengthening curriculum reform through enhanced collaboration and communication among Colleges	Integrating profession aligned curriculum enhancements
Expand cross institutional and employer collaboration		
Strengthening communication and advising		Clear, consistent communication, early advising, Proactive outreach using class discussions, digital platforms, and student organization
8. Enhance stakeholder awareness, communication and collaboration to improve engagement and support the development of effective strategies within the accounting profession.	Early and targeted awareness efforts to strengthen the CPA pipeline	Early proactive outreach, middle schools, both parents and students Age appropriate messaging to shape perceptions
	Consistent and unified communication across the profession	Clear, coordinated communication about all options Using multiple communication channel
	Collaborative stakeholder engagement to support student success	Collaboration among all stakeholders

6. DATA ANALYSIS

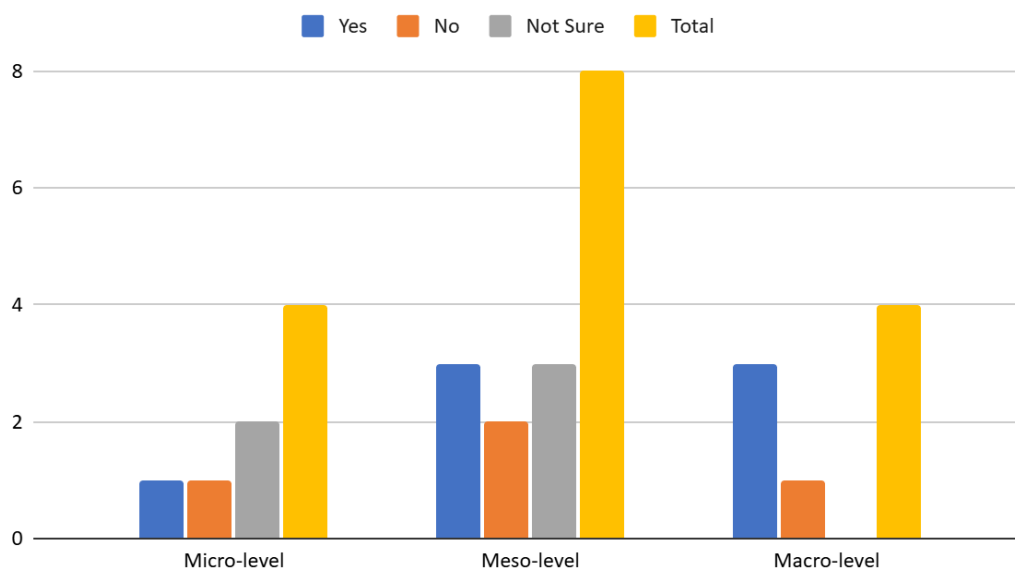
Familiarity and Response to the 2025 UAA Changes

Of the 16 respondents interviewed, 19% (n = 3) reported being extremely familiar with the 2025 revisions to the Uniform Accountancy Act (UAA), particularly the new CPA licensure pathway requiring a bachelor’s degree, two years of relevant professional experience, and successful completion of the CPA examination. A further 25% (n = 4) indicated moderate to high familiarity, 13% (n = 2) reported moderate familiarity, and 44% (n = 7) reported only some familiarity with the changes.

Regarding attitudes toward the 2025 UAA revisions, 57% (n = 9) expressed agreement or support for the new pathway, while 6% (n = 1) indicated disagreement. An additional 6% (n = 1) remained neutral or undecided, and 31% (n = 5) reported mixed or ambivalent responses.

When analyzed across tiers, meso-level participants accounted for the majority of supportive responses (67%), followed by micro-level (22%) and macro-level participants (11%). Mixed responses were most prevalent among macro-level stakeholders, indicating greater variability and uncertainty at the policy-influencing level. Overall, the findings suggest that awareness and support for the 2025 UAA changes are moderate but unevenly distributed. Stakeholder views are most cohesive at the meso level, where organizational considerations appear to shape stronger alignment, while micro- and macro-level perspectives reflect greater diversity and uncertainty regarding the implications of the new CPA licensure pathway.

Stakeholder perception on the 2025 UAA alternative pathways



Perspectives on the New Alternative Pathway

Across stakeholder groups, respondents expressed generally supportive yet nuanced views regarding the introduction of the 120/150-credit-hour CPA licensure pathways. Respondent A, affiliated with a global accounting education organization, expressed conditional support for increased flexibility while cautioning that reduced academic preparation may generate unintended consequences. Drawing on experience with CPA exam development, the respondent noted that the exam’s increasing technical and analytical rigor may disadvantage candidates entering with only 120 credit hours. Historically, candidates with graduate-level



coursework—particularly from AACSB-accredited programs—demonstrate higher pass rates and benefit from completing exam sections prior to full-time employment. As Respondent A stated, “I do love the removal of barriers. I like for people to have options,” but cautioned that “120 credit-hours is not going to get you there,” underscoring concerns about preparedness without advanced, discipline-specific education.

Respondent C, representing a state Society of CPAs, reported strong organizational support based on member surveys indicating over 75% approval. This support was reinforced by student feedback highlighting growing reluctance to pursue accounting due to the additional fifth year of education, with estimated costs ranging from \$50,000 to \$100,000 in tuition and foregone earnings. Respondent C emphasized that the 150-hour requirement had become a barrier to entry without clear evidence of improved audit quality or compensation outcomes.

Faculty respondents largely endorsed the alternative pathway, arguing that substituting professional experience for additional coursework may enhance readiness in areas such as technology and ethics. However, department chairs and career advisors offered more cautious perspectives, acknowledging both improved access and potential reductions in technical depth and professional preparedness. Respondent F summarized this tension, stating, “I see the benefits of the 150, and I also see some of the benefits of the 120.”

Practitioners from Big Four and non-Big Four firms unanimously supported the alternative pathway, emphasizing the value of early workforce entry and experiential learning. CPA exam review providers also supported the reform but cautioned that reduced academic exposure may increase reliance on exam preparation resources.

Overall, respondents agreed that the alternative pathway improves access, accelerates workforce entry, and strengthens experiential learning, but concerns remain regarding potential impacts on exam readiness and long-term professional competence.

Theme 1: The 150-hour requirement did not achieve its intended purpose

Respondents widely agreed that the 150-hour requirement has not fully achieved its original objective of enhancing technical expertise or strengthening the accounting profession. Consistent with this view, 63% (n = 10) indicated that the mandate has fallen short of its intended purpose. While originally designed to deepen specialized accounting knowledge and elevate the profession to the level of law and medicine, respondents suggested that its implementation has often deviated from this goal.

Respondent A, from a worldwide accounting education organization, noted, “The original intent behind the 150-hour requirement was to establish accounting as a profession, one aligned with advanced education.” Similarly, Respondent B, reflecting on the respondent’s tenure as editor-in-chief of the CPA Journal, recalled that the 2009 rationale was explicitly to elevate the profession “to match that of lawyers and doctors.” However, many participants argued that the additional 30 credit hours frequently lacked meaningful academic depth and were often perceived as procedural rather than developmental. Instead of strengthening technical competence, the requirement was viewed as imposing financial burdens and being inconsistently implemented across institutions.

Several respondents emphasized that students often completed unrelated coursework simply to satisfy credit-hour thresholds, thereby weakening the intended link between education and professional preparation. Respondent M observed, “Interns or new hires expressed taking classes just to reach 150 hours, not gaining accounting-focused education.” In a similar vein, Respondent C from a state Society of CPAs noted that students frequently enrolled in courses



such as wine appreciation or rock and roll history—subjects perceived as broadly enriching but misaligned with advanced accounting preparation.

While some respondents expressed concern that eliminating the additional academic requirement may reduce the profession's perceived rigor, others pointed to the CPA examination as the primary mechanism for ensuring consistent competency standards. Respondent A cautioned, "With advanced education optional, we risk losing part of what made the CPA designation distinguished." In contrast, Respondent C emphasized that the CPA exam functions as a "great equalizer," ensuring that all candidates—regardless of educational pathway or work experience—meet a uniform benchmark for professional entry.

Theme 2: Return to a partial familiar model may lead to unintended consequences

Semi-structured interview results indicate that the majority of respondents, 81% (n = 13), completed their CPA licensure under the previous 120-credit-hour requirement, while 6% (n = 1) did so under the 150-credit-hour requirement. An additional 13% (n = 2) reported not having completed the CPA designation. Several respondents referenced their licensure experiences to contextualize their perspectives, including Respondent A, who recalled taking the CPA exam in the 1980s; Respondent P, who noted, "I have been a CPA since 1988"; and Respondent D, who stated, "when I started public accounting, it was 120 hours plus two years of work experience."

Regarding perceptions of the 2025 UAA changes, 57% (n = 9) expressed agreement or support for the new pathway, 6% (n = 1) indicated disagreement, 6% (n = 1) remained neutral or undecided, and 31% (n = 5) reported mixed views. Faculty respondents emphasized that the revised 120-credit-hour pathway represents more of an adjustment than a radical departure, as it closely resembles earlier licensure structures that combined education with post-graduation experience.

As Respondent B explained, "while it may appear to be a new development, it is really something old as well, a return to a familiar model." Participants also clarified that, under current rules, candidates may sit for the CPA exam with 120 credit hours, but licensure is only granted upon completion of the full 150-hour requirement.

Across stakeholder groups, there was broad support for the two-year professional experience component, which was consistently viewed as more valuable than additional coursework. Respondent G noted that "work experience and mentorship provide invaluable insights into industry practices, workplace culture and professional methodologies," describing these as "far more impactful than the additional 30 credit-hours spent in a classroom." Similarly, Respondent P emphasized that, from a hiring perspective, "an additional year of professional experience" is more valuable than additional non-accounting coursework. Respondent E likened the model to an apprenticeship system, similar to long-standing practices in the European Union.

Participants also highlighted increasing complexity in accounting due to technological and regulatory change, raising concerns about preparedness under a reduced-credit model. Respondent F warned of a potential "direct correlation to success on the CPA exam," while others questioned whether the new pathway would significantly increase CPA supply.

In contrast, Respondent B argued that "students can learn what they need to know about accounting in 120 credit hours," emphasizing firm-based training and continuous learning as more critical than graduate education. Respondent G similarly noted that success depends on "curiosity and the mindset of continuous learning," rather than specific degree attainment.



Theme_3: Positive impact on the accounting pipeline but questionable impact on the number of CPAs

Semi-structured interviews regarding the 120-credit-hour pathway indicate that most respondents perceive a generally positive impact on the accounting pipeline, with 83% (n = 13) reporting favorable views. In contrast, 13% (n = 2) expressed neutral perspectives, and 6% (n = 1) reported mixed responses. When asked about the potential effect on the number and quality of CPAs, 44% (n = 7) believed the impact would be uncertain or questionable, while an equal proportion (44%, n = 7) anticipated improvements in both CPA quantity and quality. The remaining 12% (n = 2) remained neutral.

A representative from a worldwide accounting education organization reported early indications of recovery in accounting enrollments even prior to the formal adoption of the alternative pathway, noting a rebound after several years of decline and, in some cases, record-level enrollment. The respondent suggested that reduced barriers may encourage greater student interest over the next five years; however, they cautioned that demographic headwinds may limit long-term gains, stating, “I am concerned that we could ultimately end up with fewer CPAs.”

In contrast, Respondent C expressed optimism that the change will help address ongoing CPA shortages, noting that firms had already been hiring candidates with 120 credit hours during the pandemic due to staffing pressures. Faculty respondents similarly emphasized potential benefits, particularly the role of experiential learning. Respondent B noted that “some things are better learned in the field rather than solely in the classroom,” arguing that ethics and professional judgment are more effectively developed through practice than coursework. This respondent concluded that the pathway is likely to strengthen the accounting pipeline and improve practitioner readiness.

Practitioners from both Big Four and non–Big Four firms indicated that the expanded candidate pool would benefit employers. Respondent M noted that the firm plans to maintain its 150-hour hiring policy through 2027 before transitioning to a flexible model incorporating both pathways. Respondent G emphasized that firms will benefit from “a broader population to choose from,” while stressing the importance of clear communication to realize meaningful pipeline gains over time.

Department chairs and career advisors offered more cautious interpretations. Respondent N noted that while more students may complete four-year degrees and enter the workforce earlier, firms must ensure adequate support for CPA exam success. Respondent F similarly questioned whether the new pathway would improve outcomes, citing already low pass rates under the 150-hour model and concerns that performance may decline further under a 120-hour option.

Overall, respondents highlighted a growing tension between increasing CPA exam rigor and declining educational requirements, suggesting that the widening gap between preparation and examination expectations may pose long-term implications for licensure outcomes and pipeline sustainability.

Theme_4: Affect aspiring CPAs' exam preparedness and benefit CPA-exam review providers

Respondents indicated that the alternative CPA licensure pathway will meaningfully influence candidates' exam preparedness and may have downstream effects on CPA exam review providers. Half of the respondents (50%, n = 8) perceived that candidates will be less prepared under the alternative pathway, while 12% (n = 2) believed candidates may be better prepared,



and 38% (n = 6) anticipated no significant change in preparedness. In parallel, 50% (n = 8) believed the pathway would increase reliance on CPA exam review providers, while the remaining respondents did not express a definitive view.

Respondent A, representing a worldwide accounting education organization, noted that the perceived reduction in barriers may initially attract more students, particularly among Gen Z cohorts. However, the respondent cautioned that “this change will likely decrease candidates’ ability to succeed on the exam,” suggesting increased dependence on CPA review courses. Respondent C, representing a state Society of CPAs, emphasized the importance of experiential learning, arguing that “some things are better learned in the field,” and noting that prior data show approximately 50% pass rates for candidates sitting at 120 credit hours. The respondent did not anticipate substantial changes in pass rates, given that exam eligibility at 120 hours has long existed and that the CPA exam structure itself is also evolving.

Faculty perspectives were mixed. Respondent B emphasized the value of flexibility, stating, “I always feel that options are a good thing,” and argued that core accounting knowledge can be effectively delivered at the undergraduate level. In contrast, Respondent E questioned the marginal value of the additional 30 credit hours, while cautioning that reduced preparation may disproportionately affect performance in more complex exam disciplines.

Department chairs and career advisors were more unified in their concerns, with Respondent H stating that students will be “significantly less prepared,” particularly once they enter full-time employment and must balance work with exam preparation. Respondents warned that while the pathway may increase entry into the profession, it could also produce a cohort of accountants who struggle to progress without CPA licensure, limiting long-term career mobility.

Big Four practitioners framed the change as a trade-off between reduced academic preparation and increased experiential learning. Respondent D described candidates as “less educated” in coursework but more experienced in practice, while emphasizing firms’ continued investment in training and audit quality. Respondent M similarly noted an expected adjustment period but viewed this as consistent with professional development in audit environments.

Theme_5: Expand access, removal of certain barriers while increasing diversity for women and minorities.

The semi-structured interview results revealed that 63% (n=10) of respondents perceived the alternative pathways as a mechanism that will expand access, reduce or remove barriers and increase diversity among minorities or economically disadvantaged respondents. As one representative from a worldwide accounting education organization explained the pathway, “will encourage more people to pursue accounting ...it opens doors and expands access, while also supporting the profession’s critical need to increase diversity into the accounting pipeline.” Although the respondent expressed uncertainty about whether the change would lead to more CPAs, yet “will help in diversifying the accounting profession.”

Respondent-C, from a state Society of CPAs echoed these views, noting the alternative pathway may ease financial and time related burdens associated with the additional cost and time required for a fifth year of study and reducing these obstacles may help more students, “leverage their education and begin earning sooner.” The respondent also described targeted outreach initiatives such as the Minnesota Scholars Program, which paired high school students from underrepresented backgrounds with CPA mentors and provides professional exposure, training and support.



Academic respondents, including professors, department chairs and a career advisor perceived the alternative pathway as a positive step towards increasing access to the accounting profession by eliminating the tuition and time commitment associated with the fifth year. They noted that the 150-hour-requirement disproportionately affects women and underrepresented racial groups, limiting long term career trajectories.

While the reduction in credit hours may not eliminate all barriers, respondents agreed it could provide meaningful relief for students who lack financial resources or federal aid for a fifth year. As one professor stated, “the 120-credit hours does decrease the barrier to entry ...the 150-credit hours more negatively impacted minorities.” However, respondents also cautioned that reduced barriers to entry does not guarantee increase CPA licensure. Several noted that although firms may initially downplay the necessity of the CPA credentials, advancement often requires it. One department chair emphasized that non-accounting major hired into accounting roles may face career stagnation without the CPA license, explaining that such individuals, “can get employed but their career only go so far.”

Respondents from Big-Four and Non-Big-Four firms perceived the alternative pathway will reduce barriers, such as tuition and opportunity cost barriers, making accounting more competitive with other business majors. They anticipated that more students will choose accounting, expanding the pool of qualified candidates. Firms and academic institutions are actively working to attract a more diverse population of professionals aligning with broader efforts to strengthen the professions pipeline.

CPA exam review providers, perceived the alternative pathways can be highly beneficial, given the rising cost of higher education. The additional 30 credits often impose significant financial burdens, especially for self-funded students. Offering alternative pathways provides flexibility and reduced barriers making the profession more accessible to individuals with diverse financial circumstances. None the less, respondents emphasized that candidate’s still face substantial financial obligations related to exam fees, application fees and review material, cost that persist regardless of credit hour requirement.

Finally, the respondents advised students to explore all available resources, including academic advisors, faculty, state CPA societies and scholarship opportunities. These supports can help mitigate the financial burden of exam preparation and increase access to the profession. As noted, state societies and review-course-providers frequently offer scholarships, discounts and mentorship opportunities that can meaningfully assist with aspiring CPAs.

Theme 6: Enhance accounting programs competitiveness, but strongly believe college accounting programs must evolve to align with industry expectations.

Respondents widely agreed that the 120-credit-hour pathway will play a significant role in shaping the future of college and university accounting programs by enhancing competitiveness and aligning accounting more closely with other business disciplines. Nearly half (44%, n = 7) indicated that the bachelor’s-degree pathway will increase accounting program attractiveness and enrollment.

A further 38% (n = 6) emphasized that outcomes will depend on the effectiveness of institutional marketing and outreach strategies, suggesting that targeted positioning will be critical for recruitment and retention. A smaller proportion (18%, n = 3) expressed no clear opinion. Most respondents also underscored the need for curricular modernization, with 75% (n = 12) strongly agreeing that accounting programs must evolve to incorporate technology, artificial intelligence, and data analytics.



Across stakeholder groups, respondents consistently emphasized that the 120-credit-hour pathway is expected to reshape accounting education by increasing accessibility, competitiveness, and student interest. Academics offered mixed expectations regarding enrollment trends, noting that institutional outreach and communication will be decisive.

Several respondents suggested that awareness of a shorter pathway may make accounting more attractive, particularly given that the traditional five-year commitment has historically deterred students. Respondent E stated, “I think there will be an increase in enrollment,” noting that their institution had already observed growth in declared accounting majors.

Similarly, Respondent C indicated that universities supported the legislation partly in response to recruitment challenges and increasing student migration toward other four-year business majors such as finance. Practitioners echoed this view, with Respondent D noting that enrollment increases would likely be “immediate” as students respond to a reduced time-to-degree pathway. Department chairs and advisors similarly emphasized that the revised structure accelerates workforce entry and positions accounting more competitively among business disciplines.

Respondents also stressed the importance of transparency, emphasizing that students must clearly understand the advantages and trade-offs of each pathway to make informed decisions. Without effective communication, misperceptions about licensure requirements could distort student expectations and career planning.

A strong consensus emerged regarding the need to modernize accounting curricula. Faculty emphasized that introductory courses should move beyond narrow technical training to better engage students early in the program. Respondents advocated for integrating topics such as taxation, forensic accounting, financial planning, and data analytics to demonstrate relevance and improve retention.

Non-Big Four practitioners further emphasized the need for curricula to incorporate emerging technologies, including artificial intelligence, alongside stronger development of communication and critical thinking skills. Respondent B noted that many institutions must “reevaluate their traditional approaches,” while Respondent P emphasized that the profession must “remain competitive and create exciting opportunities,” highlighting that technology integration is as important as structural licensure reform.

Respondents also highlighted the evolving role of graduate education. While the reduced credit-hour pathway may shift some students away from master’s programs, well-designed graduate curricula focused on analytics, financial analysis, and AI were viewed as remaining highly valuable, particularly for high-achieving students seeking career mobility.

Department chairs emphasized the importance of clearly articulating the value proposition of graduate education through structured advising, faculty engagement, and alumni input. Respondent K noted that “over time some students will self-select into the master’s program,” while elite firms will continue targeting candidates with advanced education.

Overall, respondents emphasized that accounting is increasingly a dynamic, practice-oriented profession. Beyond its academic foundations, it plays a critical role in business, taxation, entrepreneurship, and personal financial decision-making. This evolving identity underscores the need for continuous innovation in education and practice to sustain the profession’s relevance and appeal.



Theme_7: Strengthening curriculum reform through enhanced collaboration and communication among Colleges

During the transition period, when aspiring CPAs may choose between the traditional and alternative pathways, respondents identified several strategies colleges can employ to support students. These included curriculum reform (36%, n=9), collaboration (36%, n=9) and communication (28%, n=7). Several respondents offered multiple strategies, reflecting the complexity of institutional decision-making during this period of change.

Stakeholders across higher education, public accounting and professional preparation described a range of strategies aimed at supporting students during the transition. Respondent-A, representing a worldwide accounting education organization, emphasized a multi-pronged institutional strategy, that includes strengthening master's programs, aligning curricula with evolving professional demands such as AI, technology and critical thinking, and fostering collaboration when faculty expertise is limited. Respondent-A also encouraged institutions to offer senior-year electives aligned with CPA discipline areas and to communicate these options clearly, urging programs to "think differently" about student preparation.

Respondent C highlighted the varied curricular adjustments underway and described how institutions were actively networking and collaborating to navigate the transition. Some institutions required minimal changes, particularly those that allowed students to sit the CPA exam after completing a bachelor, while others were reevaluating master's level coursework that were previously shifted out of undergraduate programs. Collaboration among institutions was viewed as essential for navigating the transition.

Professors emphasized the need for coordinated involvement-among multiple stakeholders, including Big-Four and Non-Big-Four-CPA-firms, industry professional's, advisors, department chairs and dean, must work collectively to support students. Undergraduate programs should provide a strong foundational preparation, while graduate programs should deliver specialized skills sets aligned with career tracks. Taxation was identified as an area requiring deeper specialization, making the master's degree particularly important for students pursuing tax careers.

Department chairs and an advisor emphasized the importance of effective student advising particularly in introductory courses where many students are still exploring career options. Respondent N described a tailored advising approach based on students' intended state of employment, noting that adoption of the 120-hour pathway varies. The advisor also reported ongoing discussions about redesigning undergraduate programs to balance educational quality with students desire for shorter, more affordable pathways.

Respondents from Big-Four-CPA-firms stressed the need for early awareness interventions, beginning in introductory accounting courses. They emphasized integrating distinctions among the CPA pathways into advising and curriculum discussion, collaboration with academic leadership, and ensuring consistent communication about professional requirements. Firm also described shifting recruitments strategies toward younger students due to the shortened timeline under the 120-hour pathway. Respondents highlighted the importance of mentorship programs, peer study groups and clear messaging about the value of work experience and CPA licensure.

Non-Big-Four-CPA-firm respondents emphasized that curriculum reform should be informed by employer engagement and grounded in broader community ecosystem. They advocated for forward looking curricula that anticipate future professional demands and for leveraging social medial influencers to reshape public perceptions of accounting. Respondent-P expressed the



need for competitive compensation, meaningful opportunities and greater recognition of CPA credential.

CPA exam review providers emphasized the importance of clear communication with incoming students about the pathways and the value of integrating CPA exam content into accounting coursework. They described the benefits of adaptive learning technologies that help candidate identify areas needing reinforcement and prepare more efficient. These tools, aligned with AICPA blue prints, were viewed as essential for supporting student's exam readiness.

Theme 8: Enhance stakeholder awareness, communication and collaboration to improve engagement and support the development of effective strategies within the accounting profession.

During the transition period, respondents identified several strategies to strengthen the future CPA pipeline, most notably enhancing collaboration among stakeholders (66%, n = 19) and improving awareness and communication efforts (36%, n = 10). Several participants highlighted multiple strategies, underscoring the multifaceted nature of the profession's challenges.

Across groups, stakeholders emphasized that early and targeted outreach is essential. Respondent A, representing a worldwide accounting education organization, stressed that engagement should begin in middle and high school and include parents who significantly influence career decisions. Initiatives such as Future Accounting Sponsoring Organizations, pitch campaigns, and student–practitioner interactions were identified as effective early-stage strategies.

Respondent C, from a state Society of CPAs, described programs such as CPA in the Classroom and college-level scholar initiatives designed to connect students with career pathways, compensation expectations, and licensure requirements. Faculty emphasized the importance of unified messaging on CPA pathways and recommended expanding outreach through platforms such as TikTok and YouTube, as well as educating high school guidance counselors.

Big Four firms advocated integrating pathway awareness into early college advising and strengthening collaboration among departments, recruiters, and student organizations. Non–Big Four respondents emphasized social media and institutional websites to correct misconceptions about the profession and highlight diverse career opportunities.

CPA exam review providers and employers further emphasized concise, accessible communication strategies and stronger partnerships with universities. Overall, respondents agreed that coordinated, multi-channel engagement is critical to sustaining and strengthening the CPA pipeline.

7. DISCUSSION

Overall, semi-structured interviews with 16 senior stakeholders reveal predominantly favorable or mixed perceptions of the 120-credit-hour alternative CPA licensure pathway. A majority (57%) expressed support, with strongest endorsement at the meso-level, primarily from Big Four and non–Big Four firm representatives. Likewise, professors, micro-level supporters a state Society of CPAs, macro-level respondent, were uniformly supportive. In contrast, 31% expressed mixed views, primarily at the macro level, including a representative of a worldwide accounting education organization and CPA-exam review providers. Finally, of the two department chairs, one provided mixed perspective while the other opposed the change.



Supporters emphasized that the alternative pathway enhances access to the profession, strengthens experiential learning, and may help address persistent talent shortages. Respondents highlighted demographic pressures, including declining college-age populations and the high cost of a fifth year of education (estimated at \$50,000–\$100,000 in tuition and lost wages). These concerns align with prior research documenting reduced CPA candidate supply following the 150-hour requirement. Faculty also noted wage stagnation and competing four-year business majors as factors diverting students from accounting, although they stressed that CPA licensure remains essential for long-term advancement.

While respondents generally supported increased flexibility, many expressed concerns about exam preparedness. Half (50%) believed the alternative pathway may reduce readiness, while 38% anticipated no change. Concerns were frequently linked to evidence that candidates with higher credit hours and AACSB-aligned programs perform better on the CPA exam. Department chairs noted that although the fifth year imposes financial burdens, it also enhances technical depth and long-term earnings.

A recurring theme was skepticism regarding the effectiveness of the 150-hour requirement itself. Most respondents argued that it failed to consistently enhance technical competence, largely because additional coursework was often not accounting-specific. Consequently, the fifth year was viewed as costly but not always educationally efficient. The new 120-credit-hour model, combined with two years of experience, was widely interpreted as a partial return to an apprenticeship model familiar to 81% of respondents who were licensed under earlier requirements.

Despite concerns, respondents consistently emphasized that CPA exam performance remains the central quality control mechanism, ensuring standardized competency regardless of educational pathway. Many further argued that success in accounting depends less on credit hours and more on adaptability, curiosity, and continuous learning. This perspective aligns with the profession's increasing reliance on technology, data analytics, and AI-driven decision-making, with 75% of respondents calling for curriculum modernization to reflect these changes.

With respect to enrollment and pipeline effects (RQ2), most respondents anticipated a positive impact on the accounting pipeline but uncertain future impact on the number of licensed CPAs. Many expected the removal of the fifth year to increase accounting major enrollment, particularly among students deterred by time and cost barriers. Some institutions already reported enrollment recovery, and firms predicted an immediate increase in student interest. However, others cautioned that demographic decline and academic preparation gaps may limit long-term growth in licensed CPAs. Notably, respondents were divided on whether the change would ultimately increase the number of CPAs, highlighting immediate positive pipeline impact but persistent uncertainty in CPAs projections.

Regarding access and diversity (RQ3), 63% of respondents believed the alternative pathway could improve access for women, minority students, and economically disadvantaged candidates by reducing financial barriers. However, concerns remained regarding the cost of CPA exam fees, variability in workplace experience, and unequal access to high-quality training opportunities. While the pathway was seen as potentially broadening entry into the profession, its long-term effect on increasing CPAs of color remained uncertain.

For exam preparedness and professional transition (RQ4), responses were mixed. Half of respondents believed candidates may be less prepared under the new pathway, particularly due to reduced exposure to advanced accounting topics traditionally covered in the fifth year.



Others argued that structured firm-based training could compensate for reduced academic preparation, particularly within large accounting firms that invest heavily in onboarding and development. Nevertheless, concerns persisted that candidates without graduate-level education may face greater difficulty passing the CPA exam and advancing professionally, increasing reliance on self-study and review courses.

Finally, respondents emphasized that the most effective strategy for strengthening the CPA pipeline is coordinated stakeholder collaboration (66%), supported by enhanced communication and early awareness initiatives. Outreach beginning in high school, engagement with parents and counselors, and consistent messaging across the AICPA, state Society of CPAs, universities, and employers were viewed as essential. Social media platforms and concise messaging were recommended to reach younger audiences effectively. Programs such as CPA in the Classroom were highlighted as promising models for early engagement.

In sum, the findings indicate a profession in transition, balancing improved accessibility with concerns about preparedness, quality, and long-term pipeline sustainability. While the 120-credit-hour pathway is widely viewed as increasing flexibility and access, its ultimate impact on CPA supply, competence, and diversity remains uncertain.

7.1 Recommendation: Community College Pathway: Opportunities and Challenges

A tailored approach to integrating community college accounting students into the CPA pipeline warrants careful consideration, drawing conceptual parallels to the flexible qualification structure used by the Association of Chartered Certified Accountants (ACCA). With more than 1,400 community colleges in the United States serving millions of students—many part-time and from racially and economically diverse backgrounds—substantial structural barriers persist for learners whose institutions offer only associate degrees. Strengthening formalized pathways through structured apprenticeships, supervised experiential learning, and coordinated mentorship programs could meaningfully expand the accounting talent pipeline while improving access and diversity.

Recent enrollment trends further highlight the strategic importance of community colleges. In spring 2024, these institutions accounted for more than half of undergraduate enrollment growth, reinforcing their role as a primary entry point into higher education. The Accounting Education Change Commission has long recognized community colleges as critical contributors to preparing entry-level accounting professionals, underscoring that instructional quality at the two-year level has direct implications for the profession's future workforce.

Empirical evidence from Texas (Heslop, 2017) suggests that well-designed community college pathways can produce comparable outcomes to traditional four-year programs when supported by strong regulatory oversight and clear articulation agreements. The Texas State Board of Public Accountancy's program approval process demonstrates that students completing structured community college accounting coursework can achieve performance levels similar to those of peers in traditional university pathways.

Internationally, the ACCA model provides further evidence that alternative, competency-based pathways can support both rigor and accessibility while cultivating a diverse and highly skilled professional workforce. Adapting similar principles domestically could position U.S. community colleges as strategic contributors to broadening access to the CPA profession, particularly if aligned with standardized experiential requirements and employer partnerships.

Collectively, these considerations suggest that community colleges represent an underutilized but high-potential component of the accounting pipeline, with the capacity to expand access,



strengthen diversity, and support long-term workforce sustainability when integrated through coherent and regulated pathways.

8. CONCLUSION

The AICPA/NASBA 2025 UAA changes represent a pivotal and forward-looking reform aimed at expanding access to the accounting profession while preserving the rigor, integrity, and public trust that underpin the CPA designation. This study contributes empirical evidence to ongoing policy debates by deepening understanding of the accounting talent pipeline and offering actionable insights for employers, educators, and professional bodies as they navigate the transition between the 150-credit-hour and 120-credit-hour pathways. It further informs strategies for enhancing student preparedness, curriculum design, and program competitiveness in a rapidly evolving professional environment.

Using iterative thematic analysis, this study identified eight interconnected themes from semi-structured interviews with senior stakeholders across academia, practice, and professional organizations. First, respondents widely agreed that the original intent of the 150-credit-hour requirement—to enhance advanced technical competence—has not been fully realized in practice. Second, the new pathway is viewed as a partial return to a familiar licensure model, albeit one that may introduce unintended consequences for preparedness and professional consistency. Third, while the alternative pathway is expected to expand access, reduce financial and structural barriers, and improve diversity—particularly among minority and nontraditional students—concerns persist regarding variability in candidate readiness. Fourth, although most respondents anticipate a positive effect on the accounting pipeline, uncertainty remains regarding its net impact on the total number of licensed CPAs and CPAs of color.

Fifth, stakeholders emphasized that accounting programs will need to become more competitive and responsive to industry expectations by integrating technology, artificial intelligence, data analytics, and critical thinking into curricula. Sixth, institutions are expected to pursue curriculum reform, strengthen industry collaboration, and improve communication strategies to remain aligned with evolving professional demands. Seventh, respondents underscored that successful implementation of the pathway will require coordinated efforts in awareness-building, stakeholder engagement, and cross-sector collaboration. Finally, eighth, there is growing recognition that firms, educators, and professional organizations must share responsibility for preparing candidates for licensure under a more flexible but also more demanding professional landscape.

Importantly, this study extends accounting pipeline literature by providing a multi-perspective thematic analysis that captures micro-, meso-, and macro-level stakeholder insights. The findings highlight both opportunities and tensions inherent in licensure reform. On one hand, the alternative pathway reduces traditional barriers, offering broader and more equitable access for students from diverse socioeconomic and educational backgrounds. This inclusivity is positioned as a strategic imperative for sustaining a resilient and representative accounting workforce. On the other hand, respondents caution that reduced formal education requirements may place greater pressure on firms and educators to ensure adequate preparation for CPA examination success and professional practice.

The UAA changes also reinforce the enduring importance of maintaining core standards of professional competence, licensure reciprocity, and public trust. These safeguards ensure that all candidates—regardless of pathway—demonstrate the necessary technical knowledge, ethical grounding, and analytical skills required in modern accounting practice. At the same



time, the reforms are expected to expand the talent pipeline and strengthen workforce diversity by increasing participation among women, underrepresented minorities, and economically disadvantaged students. However, achieving these outcomes will depend heavily on employer engagement, particularly firms' willingness to provide structured training, mentorship, and sustained support throughout the licensure process.

A key implication of this study is the strategic role of community colleges in strengthening the CPA pipeline. Through board-approved, competency-based programs and structured articulation agreements, community colleges can provide an accessible and rigorous entry point into the profession. This approach mirrors international models such as the ACCA pathway, which integrates flexible education with structured professional development. When combined with apprenticeship-style learning, community colleges can significantly expand access while maintaining academic and professional standards.

Overall, the UAA reforms create a “springboard effect,” fostering deeper collaboration among universities, employers, and professional organizations. This integrated framework supports innovation in accounting education, enhances professional readiness, and preserves the prestige and long-term value of the CPA designation, ensuring its continued relevance in a dynamic global business environment.

References

- 1) (2008), National Association of State Boards of Accountancy NASBA. “Education and Licensure Requirements for Certified Public Accountants: A Discussion Regarding Degreed Candidates Sitting for the Uniform CPA Examination with a Minimum of 120-credit-hours (120-Hour Candidate) and Becoming Eligible for Licensure with a Minimum of 150 Credit Hours (150-Hour Candidate)”; (accessed 1 January 2025).
- 2) (2022), “Deloitte Global Impact Report”, <https://www.scribd.com/document/682577184/Gx-About-Deloitte-Global-Report-Full-Version-2022> (accessed 1 March 2025).
- 3) (2025), “2024 AICPA and CIMA Annual Report on Oversight”, <https://www.aicpa-cima.com/resources/download/2024-annual-report-on-oversight> (accessed 1 June 2025).
- 4) (2025), AICPA and CIMA, “2025 Uniform Accountancy Act Exposure Draft Comments and Summary”, available at <https://www.aicpa-cima.com/advocacy/download/2025-uniform-accountancy-act-exposure-draft-comments-and-summary>; (accessed 1 February 2026).
- 5) Altheide, D. L., and Johnson, J. M. (1994), “Criteria for assessing interpretive validity in qualitative research”, In N. K. Denzin, & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (pp. 485–499). Sage.
- 6) Asonitou, S. (2022), “Impediments and pressures to incorporate soft skills in higher education accounting studies”, *Accounting Education*, 31(3), <https://doi.org/10.1080/09639284.2021.1960871>.
- 7) Barrios, J.M. (2017), “Occupational Licensing and Accountant Quality: Evidence from the 150-Hour Rule”, *Becker Friedman Institute for Research in Economics Working Paper No. 2018-32*.
- 8) Bertaux, D. 1981. From the life-history approach to the transformation of sociological practice. In Daniel Bertaux (Ed.), *Biography and society: The life history approach in the social sciences* (pp.29-45). London: Sage.
- 9) Bierstaker, J.L. (2004), “Accounting Majors' Perceptions regarding the 150-Hour Rule”, *Issues in Accounting Education* (2004) 19 (2): 211–227. <https://doi.org/10.2308/iace.2004.19.2.211>.
- 10) Boyatzis, R.E. (1998), “Transforming qualitative information : thematic analysis and code development”, Sage.
- 11) Bramwell, J. (2023), “Texas is Close to Allowing CPA Candidates to Test with 120 Credits”, *CPA Practice Advisor*. <https://www.cpapracticeadvisor.com/2023/03/22/texas-close-to-allowing-cpa-candidates-to-test-with-120-credits/78123/>.



- 12) Braun, V., and Clarke, V. (2006), "Using thematic analysis in psychology", *Qualitative Research in Psychology*, 3(2), 77–101. <https://doi.org/10.1191/1478088706qp063oa>.
- 13) Carpenter, C.G., and Stephenson, E.F. (2006), "The 150-hour rule as a barrier to entering public accountancy", *Journal of Labor Research*. <https://link.springer.com/article/10.1007/s12122-020-09313-4>.
- 14) Clolery, P. (1992), "The debate intensifies over the 150-hour requirement," *Practical Accountant*, 25 (1992), pp. 74-80.
- 15) Comunale, C. L., Irving, J. H., and Trainor, J. E. (2023), "The Accounting Pipeline Insights from Professionals and Students", *The CPA Journal* <https://www.cpajournal.com/2023/11/22/the-accounting-pipeline/>.
- 16) CFO Dive, (2026), "Tracking CPA licensure paths: Removing the 150-hour-rule hurdle. <https://www.cfodive.com/news/broadening-cpa-licensure-paths-marching-beyond-150-hour-rule-accounting-talent-shortage/745282/>"; (accessed April 27, 2026).
- 17) Daff, L. 2020. Employers' perspectives of accounting graduates and their world of work: software use and ICT competencies. *Accounting Education* 30(1):1-30 DOI:10.1080/09639284.2021.1935282.
- 18) DiCicco-Bloom, B., and Crabtree, B. F. (2006), "The qualitative research interview", *Medical Education*, 40(4), 314–321. <https://doi.org/10.1111/j.1365-2929.2006.02418.x>.
- 19) Ellis, L. (2023), "Accountants Have to Go to College for Five Years. Some Are Rethinking That", *Wall Street Journal*. <https://www.wsj.com/articles/accountants-have-to-go-to-college-for-five-years-minnesota-is-rethinking-that-cfd056b0>.
- 20) Grant, C.T., Ciccotello, C. S. and Dickie, M. (2002), "Barriers to professional entry: how effective is the 150-hour rule?" *Journal of Accounting and Public Policy Volume 21, Issue 1, Spring 2002, Pages 71-93*, [https://doi.org/10.1016/S0278-4254\(02\)00037-6](https://doi.org/10.1016/S0278-4254(02)00037-6).
- 21) Guest, G., Namey, E., and Chen, M. (2020), "A simple method to assess and report thematic saturation in qualitative research. *PLoS ONE* 15(5): e0232076. <https://doi.org/10.1371/journal.pone.0232076>.
- 22) Hartman, E. (2017), "Violence: Constructing an emerging field of sociology", *International Journal of Conflict and Violence*, 11, 1-9. DOI: 10.4119/UNIBI/ijcv.623
- 23) Heslop, G. (2017), "Is Community College CPA Examination Preparation Effective? Some Evidence to Date from Texas", *Journal of Accounting and Finance Vol. 17(5)* http://www.na-businesspress.com/JAF/HeslopG_17_5_.pdf.
- 24) Holloway, I. and Todres, L. (2003), "The status of method: flexibility, consistency and coherence", *Qualitative Research*3, 345/57.
- 25) Lee, C.J. Liu, C. and Wang, T. (1999), "150-hour rule", *Journal of Accounting and Economics Volume 27, Issue 2, April 1999, Pages 203-228*, [https://doi.org/10.1016/S0165-4101\(99\)00010-5](https://doi.org/10.1016/S0165-4101(99)00010-5).
- 26) Meehan, B. and Stephenson E.F. (2020), "Reducing a Barrier to Entry: The 120/150 CPA Licensing Rule", *Journal of Labor Research* (2020) 41:382–402 <https://doi.org/10.1007/s12122-020-09313-4>
- 27) Mintz, S. Miller, W.F. and Shawver, T.S. (2023), "Rethinking the 150-Hour Requirement for CPA Licensure - Can Alternative Paths Surmount the Barriers to Entry?" *The CPA Journal* <https://www.cpajournal.com/2023/11/27/rethinking-the-150-hour-requirement-for-cpa-licensure/>.
- 28) Miriampolski, H. (2001). "Qualitative Market Research." *Sage Publications, Inc.*
- 29) Oliver, B. (2023), "Rethinking the CPA 150-hour requirement: There must be a change", <https://www.firmofthefuture.com/training-and-certification/rethinking-150-hour-requirement/>.
- 30) "Quick Facts: Accountants and Auditors", *US Bureau of Labor Statistics*. <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm>.
- 31) Raghunandan, K. Read, W.J. and Brown, C.D. (2003), "The 150-hour rule: does it improve CPA exam performance?" *Managerial Auditing Journal*, Vol. 18 No. 1, pp. 31-38. <https://doi.org/10.1108/02686900310454174>.
- 32) Roulston, K. (2001), "Data analysis and 'theorizing as ideology'", *Qualitative Research*1, 279/302.



- 33) Ruslin, Mashuri, S. Rasak, M.S.A. Alhabsyi, F. and Syam, H. (2022), “Semi-structured Interview: A Methodological Reflection on the Development of a Qualitative Research Instrument in Educational Studies”, *Journal of Research & Method in Education*. 2320–7388, p- ISSN: 2320-737x Volume 12, Issue 1 Ser. V.
- 34) Shapiro, L.S. (1995), “When more may be too much: The 150-hour requirement”, *National Public Accountant* 40, 7, 11.
- 35) Steinhardt, S.J. (2023), “Minnesota May Abandon the 150-Hour Rule for CPAs”, *New York State Society of CPAs*, <https://www.nysscpa.org/article-content/minnesota-may-abandon-the-150-hour-rule-030623#sthash.Eyn3YE3e.dpbs>.
- 36) Vanhove, A., Opdecam, E., and Haerens, L. (2022), “Fostering social skills in the Flemish secondary accounting education: perceived challenges, opportunities, and future directions”, *Accounting Education* Volume 33, 2024-Issue 4. <https://doi.org/10.1080/09639284.2023.2208106>.
- 37) Vereckey, B. (2024), “150-hour rule’ for CPA certification causes a 26% drop in minority entrants”, MIT Management School <https://mitsloan.mit.edu/ideas-made-to-matter/150-hour-rule-cpa-certification-causes-a-26-drop-minority-entrants>.