

**THE PROMOTION OF GOVERNMENT AND NOT-
FOR-PROFIT ACCOUNTING AS A CAREER FOR
PROMISING ACCOUNTING STUDENTS: A WORK
IN PROCESS**

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ABSTRACT

This study examines the promotion of Government and Not-for-Profit (GNFP) accounting as a profession for promising accounting students. This study will show that neither the 150 hour rule, nor AACSB-International accreditation have been beneficial to the promotion of GNFP as a viable career. The web based catalogs of 120 business schools, for the years 2004 and 2009, were scrutinized to determine if GNFP was mentioned as a viable career path for accounting students. It would appear that many accounting faculty seem to dissuade promising accounting students from seeking a career in GNFP service.

INTRODUCTION

Accounting programs have been in a state of flux since the American Institute of Certified Public Accountants (AICPA) approved the 150-hour requirement for membership. Accounting faculty and administrators scrambled to implement the 150-hour requirement in their curricula by creating and requiring additional specialized, upper level accounting courses (AECC) (AAA) (AICPA,1992) (AICPA,1996). At the same time, many schools qualified for academic accreditation and admission to the Association to Advance Collegiate Schools of Business [AACSB-International]. Initially, the AACSB-International required that no more than 50 percent of a curriculum could consist of business related courses.

However, in recent years, that strict percent standard has given way to a philosophy that each school's curriculum should reflect its unique mission and specific goals (AACSB, 2006). Nonetheless, many accounting programs significantly revamped their curricula in light of the 50 percent rule, and these changes remain in place. In the turmoil over what constitutes an acceptable curriculum, many accounting departments overlooked, ignored or disdained governmental accounting (Brannan). This is particularly true in the promotion of Government and Not-for-Profit [GNFP] accounting as a viable career field for promising accounting students.

There are a considerable number of accountants working in the GNFP field: The American Government Accountants Association [AGA] has pushed hard for increased coverage of GNFP in the curriculum and for a greater promotion of GNFP as a career choice. The AGA published two recent works which call for more emphasis on recruiting the best accounting graduates into government service. Not only is there a critical need presently, but in the future the need will be even greater. Sixty percent of the federal workforce (including accountants) will be eligible for retirement in the next few years (Report 14). What is more, according the AGA report, universities have done a poor job of educating and promoting government accounting thereby compromising the ability of the federal government to fill these crucial positions (White Paper). In a 2005

prophetic editorial Relmond Van Daniker stated that challenging fiscal times require the best accountants and financial managers to be on the payroll of government.

However, governmental groups have found it difficult to influence and change attitudes concerning GNFP careers among both accounting faculty and students. In fact, as one looks at the history of the changes resulting from the 150 hour requirement and the increase in AACSB accredited schools, the more relevant question becomes: “How did GNFP remain a visible and viable part of the accounting program at all (Langenderfer) (Brannan)?

The role of federal, state and local governments in the economy is more significant than any other institution and will remain so. Therefore, designing and implementing excellent accounting standards as well as good audits are necessary to provide for proper control over the expenditure of trillions of dollars in government resources (U.S. Census). Many academic accounting departments seem oblivious to this stark reality. This ignorance has led to a lack of encouragement to enter the GNFP field and a dearth of programs which train undergraduates adequately to confront unique GNFP challenges after graduation.

This study examines the attitudes of faculty towards a career in governmental accounting. Accounting educators have been challenged to increase both the amount and quality of GNFP coverage in the curriculum. They were also confronted to better promote governmental accounting as a practicable career option for students (Fox) (Dittenhoffer & Sennetti) (Miller & Van Daniker) (Novin et. Al., 1997) (Siegel & Sorensen). This paper examines the impact of membership in the AACSB-International and adoption of a 150-hour program on the promotion of GNFP as a viable career alternative for promising accounting students.

GNFP AS A CAREER

Karen McKenzie (1992) conducted a survey of student attitudes. As a general statement, students do not consider government accounting as a promising career field. Students felt that there was no opportunity to use their ingenuity. Although they saw some limited potential for advancement, there was no great expectation of financial fulfillment with government work. Students did see some positive elements to working in the government sector: good people to work with, time to spend in rest, recreation and with family. She concluded that GNFP careers are commonly ignored in many accounting programs. She contends that our country needs bright, well-educated men and women in government service; therefore, accounting programs, administrators, and faculty should encourage more people to consider a government accounting career.

Novin and Tucker (1993) had accounting students rank GNFP accounting and its importance on several variables. The variables: need for additional GNFP education, and GNFP as an area students desire to specialize in, were ranked as being only slightly important. Out of a possible 17 areas of accounting specialization, GNFP was ranked number 15. Novin and Tucker take accounting faculty to task for not inspiring more enthusiasm for a career in GNFP accounting. They contend that the dreary results are a result of accounting students absorbing the attitudes of their professors.

In another survey Shivaswamy and Hanks (1985) found that women tend to rank government accounting careers more highly than do men. They also found that early in students' academic careers they tend to rate GNFP careers very favorably. However, the closer students get to graduation, the lower the ranking tends to fall. The same phenomena can be observed as students' GPA increases. The higher the GPA, the less favorably they view a GNFP career. Students view GNFP work as being mundane. On the positive side, however, students do see GNFP work as providing good job security. Women, more than men, like the non-monetary rewards offered by a GNFP career. The authors contend accounting faculty have done a poor job of informing students as to the true nature of GNFP careers.

A study conducted by Epps and Brown (1992) found similar results among students and their attitudes toward GNFP careers. In terms of career attractiveness, GNFP ranks third behind public accounting and corporate accounting. These authors also point out that government service needs the strong analytical skills accounting students develop.

Albrecht and Sack (2000) published a study commissioned by the AAA in 2000 on the overall state of accounting education. There are a couple of revealing statistics in their study which do not portend well for GNFP accounting. One survey (p.42) found that about one third (32.8%) of accounting faculty felt that working as a government accountant is not a rewarding or challenging career. More ominously, almost half (49.5%) of the practitioners who responded to the survey felt the same way. Their study also found that accounting programs, in their search for more relevance (i.e. financial accounting), have dropped GNFP courses from both the undergraduate and graduate curriculums (pp.46-47). Less GNFP course coverage can be seen as precursor to less support to enter the GNFP field.

METHODOLOGY

The question of interest to this study is whether accounting programs promote government accounting as a viable career choice to accounting students. College catalogs (web based) were analyzed in 2004 and in 2009 for descriptions of the accounting program and whether GNFP is mentioned as a career option for students in the program literature. The metric is: yes or no. This measure was chosen as a surrogate to ascertain the attitude towards promoting GNFP accounting as a career choice for accounting students. The results were compared for programs with and without AACSB-International accreditation and those with and without a 150-hour program.

The three populations were defined as those schools with AACSB-International accounting accreditation [www.aacsb.edu/Accred/Accounting/acctgalph.htm], those with

AACSB-International business only accreditation [www.aacsb.edu/accredalph.htm], and those schools with no AACSB-International accreditation. Schools will only fall into one classification. A systematic random sample of 40 schools was drawn from each population. After the three independent samples were drawn, all of the accounting programs selected were classified as either having a 5th year or not having a 5th year of accounting study (Hasselback). Once an accounting program was classified as a 5th year program in 2004 it was kept as a fifth year program in 2009.

CAREERS IN GNFP

The first question examines how accreditation membership affects the attitude of accounting programs and their administrators toward portraying government accounting as a viable and worthy career choice. There are many political and economic forces, which push and pull on accounting programs. While government and not for profit agencies cannot and will not pour the same amount of dollars into supporting accounting programs, it would not seem unreasonable to assume that administrators and faculty, would at least, in theory, mention the GNFP field as a potentially feasible career option for students. Therefore, one would expect at least one mention of GNFP as a career choice in the descriptive literature contained in the school's college catalog. One should expect to find no difference among the accreditation categories in whether GNFP is mentioned as a potential career option for accounting graduates.

In 2004 there were some differences among the three classes of accounting programs. The biggest offenders are the non-accredited schools where 68 percent (27/40) of them **do not** mention GNFP as a viable career option at least once in their literature. Schools with AACSB-International accreditation do somewhat better. Schools with accounting only accreditation mention accounting as a career option for students in 55 percent (22/40) of the web catalogs examined. Business only accredited schools fared a little bit better. In 60 percent (24/40) of the web catalogs they mentioned GNFP as a career choice for accounting students. However, the tragic discovery is that almost

51 percent (61/120) of all accounting programs **do not** hold the GNFP field as a career worthy of mention in their literature.

Table 1: Number of Schools Promoting Careers in GNFP Accounting Level of Accreditation 2004

	ACCOUNTING	BUSINESS	NONE	TOTALS
NO	18	16	27	61
YES	22	24	13	59
TOTALS	40	40	40	120

Table 2: Number of Schools Promoting Careers in GNFP Accounting Level of Accreditation 2009

	ACCOUNTING	BUSINESS	NONE	TOTALS
NO	22	27	30	79
YES	18	13	10	41
TOTALS	40	40	40	120

The results in 2009 are starkly different. By an almost 2 to 1 (65.8%) (66/120) margin, a sizable majority of schools surveyed do not promote GNFP as a career choice. Those schools with no accreditation again lead the field a negative response of 75 percent (30/40). Schools with business only accreditation are only slightly better. They have a negative rate of 68 percent (27/40). Schools with accounting accreditation actually flip flopped from a positive rating in 2004 (55%) to a negative rate in 2009 of 55 percent (22/40).

The second research question examines how the adoption of the 150-hour program has impacted the attitude toward GNFP as a viable career option. The relevant literature is ambiguous as to whether schools with 150-hour programs would be more prone to advocating GNFP as career goal for its students. Therefore one would expect that there would be no difference in accounting programs (150 hour vs. no 150 hour program).

There is some difference between the two categories of accounting programs (150 hour) on the variable “accounting careers.” As stated earlier, over half of all accounting programs make no mention of GNFP careers. In those 2004 programs without a 150-hour requirement, 57 percent (21/37) **do not** mention GNFP as a career option. Approximately 48 percent (40/83) of the schools with a 150-hour program **do not** mention a career in GNFP. It is interesting to note that students in 5th year programs, students have a choice of about 10 additional classes to take but no encouragement to enter government service. In 2004, a little over half of the schools with a 5th year program, seem to dissuade accounting students from making the GNFP field a career choice.

Table 3: Number of Schools Promoting a Career in GNFP Accounting Programs with a 5th Year Program 2004

	NO 5th Year Program	YES 5th Year Program	TOTALS
NO	21	40	61
YES	16	43	59
TOTALS	37	83	120

Table 4: Number of Schools Promoting a Career in GNFP Accounting Programs with a 5th Year Program 2009

	NO 5th Year Program	YES 5th Year Program	TOTALS
NO	45	34	79
YES	22	19	41
TOTALS	67	53	120

The overall number of negative responses increased substantially in the 5 year interim. In 2004 the overall negative rate was 51 percent and in 2009 it increased to 66 percent (79/120). Among schools with a five year program, the negative rate likewise increased from 48 percent in 2004 to 64 percent (34/53) in 2009. Schools without

a 5th year also increased the negative response rate from 57 percent to 67 percent (45/67). In general, students are getting less encouragement to consider GNFP as a career field.

CONCLUSION

Very clearly, those interested in promoting GNFP as a career have a tremendous amount of missionary work to do. While it may seem like a strong statement, the evidence supports the conclusion that there is a built in bias against GNFP as a career option for accounting graduates.

To put it bluntly, accounting faculty are not portraying Government and Not-for-Profit (GNFP) accounting in the proper light. It does not take much to mention, once in the accounting program description, GNFP, as career students should investigate. Clearly those who want more accounting students choosing to make GNFP their career choice must become stronger and louder advocates.

The literature of the 1990's called on accounting programs to advance GNFP accounting. The literature did not advocate that schools promote GNFP to the exclusion of all others. The evidence indicates there has been no progress given that about a half of all schools fail to promote GNFP as a career choice. The message, subtle or not, is that it is not a field worthy of an accounting graduate.

Accounting educators need to do more to promote the GNFP field. One only has to look at the prodigious amounts of money flowing through government to see that there is a need for more professional accountants to ensure proper control of tax money. Likewise, one only has to look at the extraordinary amounts being spent to stimulate the economy and to rescue failing companies and industries. The need for GNFP accountants will only increase over the foreseeable future. Accounting educators will need to step up their effort to meet the increasing demand.

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