

Profession, academia join in effort to boost ranks of Ph.Ds

BY LIZ GOLD

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• **PRINTE-MAILREPRINTS** Each year, approximately 140 students graduate with a Ph.D in accounting - not nearly enough to sustain the demand estimated at 500, according to research by David Leslie, chancellor professor of education at the College of William & Mary in Williamsburg, Va.

The Ph.D pipeline, it seems, is producing only a trickle.

In response, members of the accounting academic community and leaders in the profession have joined forces to bring more doctoral candidates into the classroom.

Aside from an inadequate supply of doctorates, universities struggle to find qualified candidates for Ph.D programs in accountancy, and often don't have the financial and staff resources to provide slots for prospective students. Compounding the situation is the fact that 43 percent of current accounting faculty members at U.S. colleges and universities are 55 or older, according to Sue Haka, president of the American Accounting Association, a Sarasota Springs, Fla.-based organization that works to promote excellence in accounting education, research and practice.

Strong doctoral accounting faculties are essential for advancing professional knowledge and to prepare skilled accountants for the future, she said.

"One of the problems is that we don't have enough spaces," Haka explained. "We need universities to fund more doctoral student spaces. In addition, the faculty themselves are sometimes resistant to bringing in more new Ph.D students because the process takes a lot of time and effort."

A new initiative is aiming to ease that burden.

Administered by the American Institute of CPAs Foundation, the Accounting Doctoral Scholars Program will fund 30 doctoral candidates over the next eight years at a cost of more than \$16 million. The program is sponsored by upwards of 80 of the profession's largest accounting firms and several state CPA societies. The first class of the ADS Program begins this fall.

"One tenet of this program is that we want to create additional Ph.Ds over what normally would be produced," said Denny Reigle, director of the academic and career development team at the AICPA. "The theory being, at the end of eight years - which is how long it will take for all of them to complete their education - we will have an additional 120 Ph.Ds above and beyond what would normally be created."

According to Reigle, the program received approximately 155 applicants for the first class. All 99 accounting doctorate-granting universities in the U.S. were invited to participate, and so far 39 have accepted. The program will support candidates for four years. If the student needs more time to complete the degree, it becomes the university's responsibility.

"Part of the goal of the ADS Program is to promote the completion of the Ph.D in a shorter time frame," Reigle explained. "Over the years, it has lengthened to a degree which discourages candidates from undertaking such an extended program."

One intent of ADS is to encourage more people with professional experience to join the faculty ranks with a Ph.D, according to Ellen Glazerman, executive director of the Ernst & Young Foundation and Americas director for university relations. Glazerman joined other Big Four representatives and the AICPA in shaping the program.

"To have people teach audit who have actually done audit, worked with clients and who have seen how much our profession contributes to the stability of the capital markets, they share a different kind of passion with students than someone who teaches audit out of a very fabulous textbook," she said.

Glazerman said that she's been meeting with retiring partners at E&Y to talk about what they can do within the accounting academic community.

"Accounting needs to look at experienced people who are either close to retirement or who have recently retired and encourage them to go into education," said Frank Ross, the director of the Howard University School of Business Center for Accounting Education. Ross, who retired from KPMG after nearly 38 years and joined Howard's faculty as a visiting professor, also said that the move to International Financial Reporting Standards might induce early retirement for many professors who don't want to learn the new principles.

"It is complicated, and once you add the issue of minorities into it, aside from just having enough accounting faculty, I think it gets even more complex," Ross added.

Working towards bringing more under-represented minorities into the accounting academy is the Montvale, N.J.-based Ph.D Project, a program founded and administered by the KPMG Foundation that provides resources for African-American, Native-American and Hispanic professionals interested in attaining Ph.Ds in business.

There are 399 minority doctoral students in business in the U.S., and 67 of those students are specifically working towards their accounting degree, according to Bernie Milano, the president of the Ph.D Project and the KPMG Foundation. He said that in the U.S., out of 964 minority faculty, 250 teach accounting.

"We've more than tripled the number of minority professors," Milano said, adding that KPMG, in a separate initiative, has also started mining retired partners to see if there's interest in stepping into the classroom. "The dynamic that is taking place now is that the minority professors are attracting minority students."

The Center for Audit Quality's Research Advisory Board is also working with academics and the profession to promote audit and accounting research by exploring the feasibility of creating an archival database from audit work papers that would not compromise client confidentiality.

"People who come into Ph.D programs are generally told two things," said Ira Solomon, head of the accountancy department at the University of Illinois at Urbana-Champaign. "It is important to teach in the area that you are going to do your research and, 'Oh, by the way, it's almost impossible to get access to data in the auditing and tax area.' So, the last 10 years or so, in many programs, they've gotten steered away."

Solomon's department has increased its number of Ph.D candidates - two of whom came from the ADS Program. He plans to grow his program by two or three candidates a year, which would eventually increase the number of Ph.Ds in the school by 50 percent.

"If we are running a first-year doctoral seminar and we have five people, we can easily add two or three more without damaging the dynamics of that seminar," Solomon said. "The problem is, we have to have faculty to supervise the students once they arrive at the dissertation stage and we have to come up with a stipend for them."

The ADS Program helps with the second part of this problem. ADS scholars will be awarded \$30,000 a year for four years towards completing their Ph.D. Solomon said that the stipend is meant to be a supplement for candidates, since many will be leaving six-figure salaries and subjecting themselves to four or five years of intense study - a decision not for the weak-hearted or the financially unprepared.

"This is not an economic proposition for people," he said of earning a Ph.D. "This is a calling. You have to have this in your blood."