



The VSCPA: *Driving Change*


VSCPA Business & Industry Conference | May 24, 2022



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Today's Agenda

- Top VSCPA Priorities
 - Pipeline Research
 - CPA Evolution
 - Drivers of Change
 - Leadership Lesson from the Rock World
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Top Issues for VSCPA

- Pipeline and capacity
- Pass Virginia rolling tax conformity
- Member engagement



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Pipeline



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The Demographic Drought

Emsi Burning Glass: *The Demographic Drought: Bridging the Gap in our Labor Force*

Retiring baby boomers

Lower birth rates

Slowing population growth

Low labor force participation

COVID accelerated these trends

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Accounting Pipeline

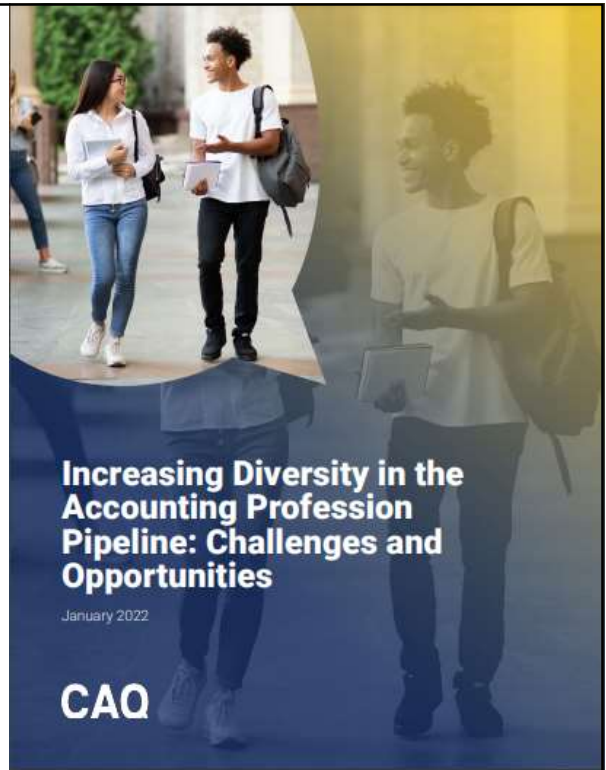
- Accounting graduates down
- Hiring of accounting grads down
- Hiring of non-accounting grads is up
- Diverse hiring up
- Black accounting grads flat at about 4%
- New CPA Exam candidates down



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Accounting Diversity

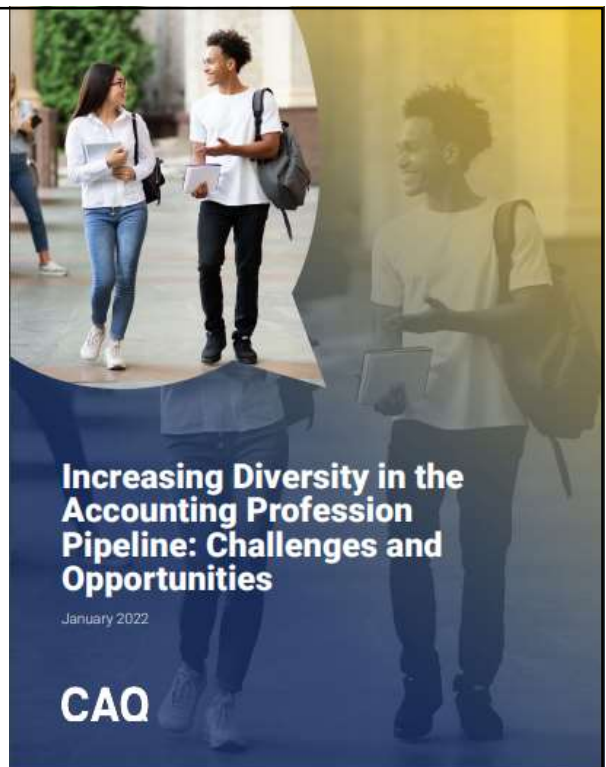
- Diversity in the profession has not kept up with diversity on college campuses
- Personal fulfillment and growth, welcoming environment are the most important factors
- Entrepreneurship and community impact important to Black and Hispanic students



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Accounting Diversity

- Opportunities to change
- Focus on fulfillment, stability and culture
- Identify a clear pathway to the profession
- Hands-on, real-world experience
- Personal connections are key – create them through classes and work experiences



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VSCPA Student Initiatives



Curtis Duke and Dr. Ruth Coles Harris scholarship



Outreach to HBCUs



CPAs in the Classroom and the Accounting Experience



Educators' Exchange



Mentor Program



High School Student Program with NABA and ODU

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CPA Evolution

A combined NASBA-AICPA initiative aimed at evolving CPA licensure to reflect the skills and knowledge CPAs increasingly need in a technology-driven marketplace

Source: AICPA & NASBA

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New Model Release Date: Jan 2024

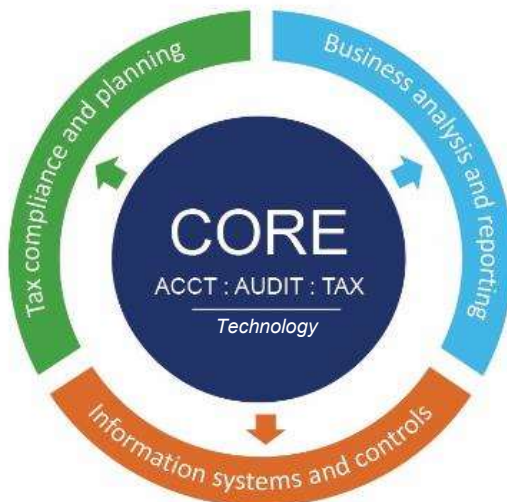


- Strong core with accounting, auditing, tax and technology
- Deeper knowledge in three primary disciplines
- Enhances public protection
- Reflects reality of practice
- Adaptive and flexible
- One CPA license

Source: AICPA & NASBA

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New Model Release Date: Jan 2024

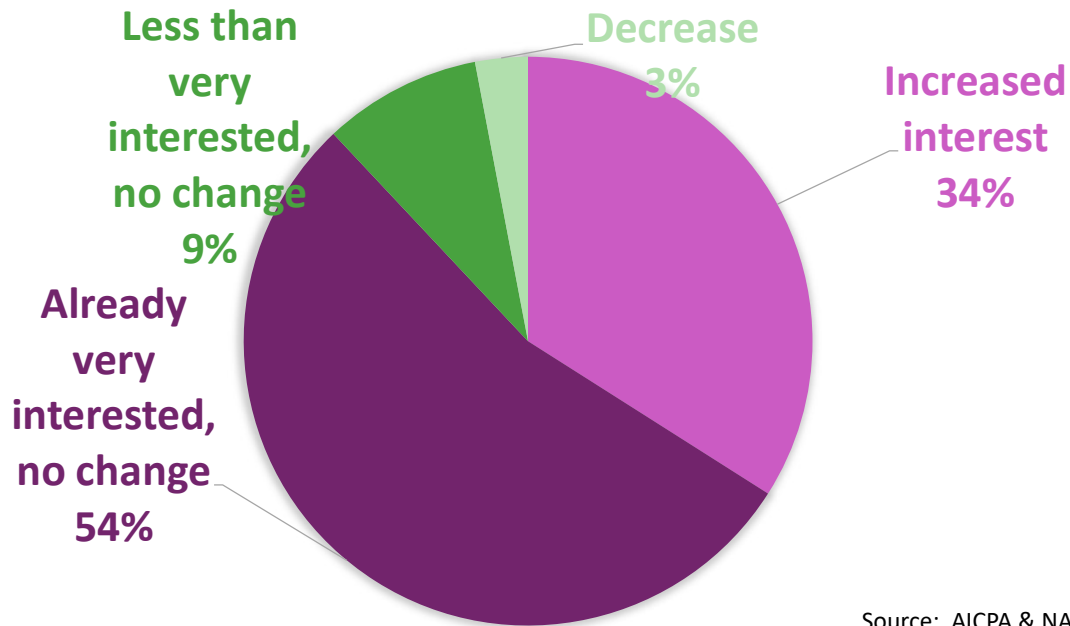


- One discipline exam only
- Can practice out of the discipline if competent
- In the future, the disciplines may change
- Transition plan for candidates that have not passed all parts by Jan. 2024

Source: AICPA & NASBA

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Student pulse survey: How does CPA Evolution influence your interest in CPA?



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Firm Survey

What if accounting programs were aligned with CPA Evolution?
(Responses from firms with 11+ CPAs)

83%

said their **hiring** of new graduates from accounting programs **would likely increase**, accounting program graduates would be considered **more valuable** than they are today or both

Source: 2021 CPA Evolution firm demand survey

Source: AICPA & NASBA

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Discuss

What are you
seeing in your
organization
regarding
staffing?

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The future isn't a fact...
it's a decision.

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Top Drivers of Change for CPAs

- Workplace and Workforce
- Society and Politics
- Economic Conditions
- Data and Technology

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Workplace and Workforce

- Aging World
- DEI
- Next-Gen Professionals
- World reshaped by COVID
- Remote work
- Mental Health
- Automating work
- Culture of innovation and agility



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Society and politics

- ESG
- Global politics
- Complexity of laws and regulations
- Scrutiny of regulations
- Hyper-partisan politics
- Declining trust of institutions
- Growth of social platforms

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Economic Conditions

- Economic uncertainty
- Shifting Customer Expectations
- Global economy
- Shared and Gig Economy
- Mergers and Acquisitions

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Data and Technology

- Big Data
- Blockchain and Decentralized Finance
- Fraying Cybersecurity
- Artificial Intelligence
- Automation
- Cryptocurrency
- Changing skills
- Human skills

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Discuss

What driver do you think will have the greatest impact on the profession?

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How we're helping

- Presentations
- Center for Innovation
- Strategic facilitation



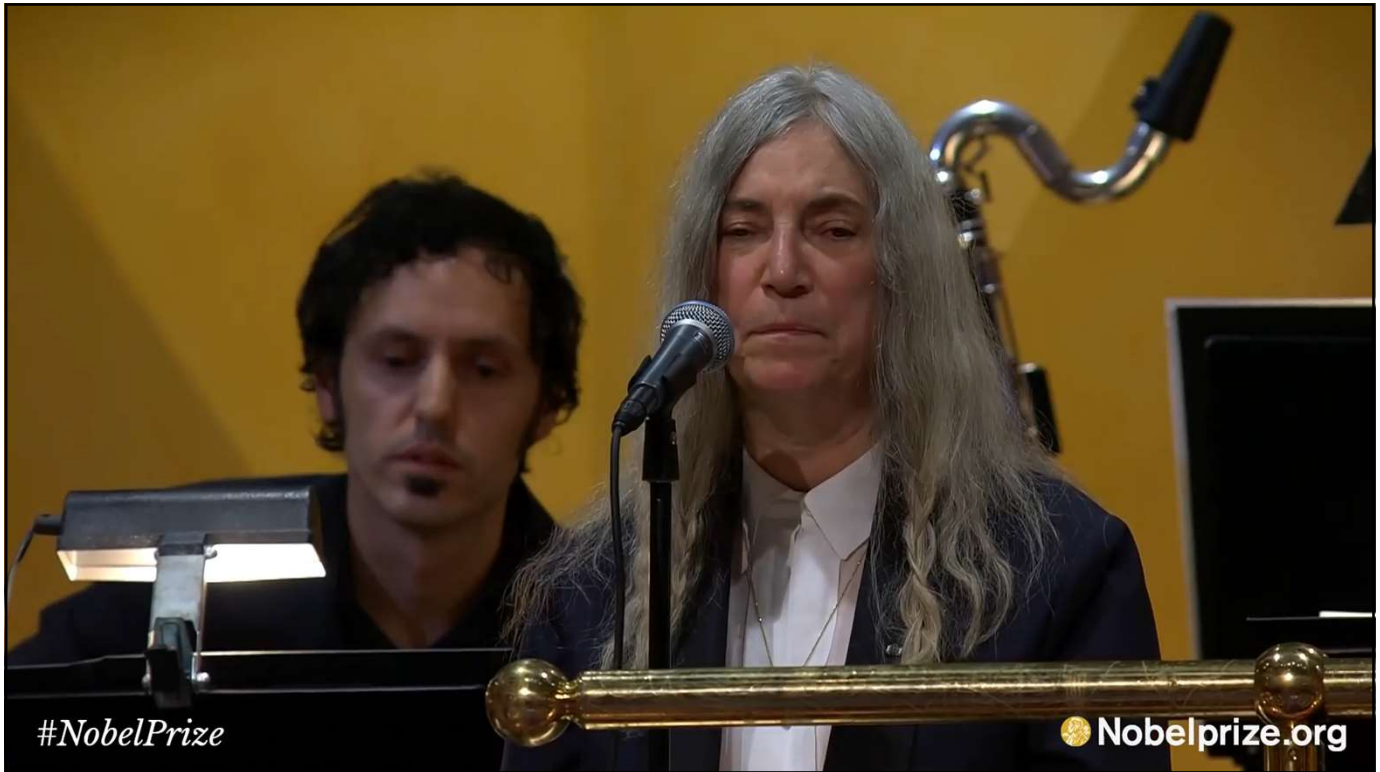
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Leadership needed to drive change

- Vision and innovation
- Willingness to experiment
- Rigorous discipline
- Collaboration
- Radical candor
- Psychological safety
- Vulnerability



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Thank you!

