

# Women Accountants— Current Status and Future Prospects

By Karen L. Hooks and Shirley J. Cheramy

Recently, almost every professional journal seems to contain an article about women in accounting. Although exaggerated, the coverage of "women in business" has clearly increased. Articles typically focus on one of two major areas: *History*—when women entered the profession, who was the first CPA, who was the first partner, etc; *Behavioral*—job satisfaction and motivation, etc.

There is still very little written about the characteristics and attributes of women partners in public accounting firms. What has been written describes a few women partners on an anecdotal basis (e.g., *Women in the Accounting Profession* by Wescott and Seiler). There are occasionally interviews with women partners in periodicals (e.g., "Where Women are Succeeding," *Fortune*, August 3, 1987). However, both of these types of publications tend to concentrate on the more well-established partners, and thus are not necessarily representative of the views and experiences of newer partners.

The study on which this article is based addresses the entire population of women partners in large CPA firms. The statistics presented herein reflect more on the newer generation of partners and what is happening now, because of greater numbers of newer partners. Leaders of the profession have to be concerned about the current generation to make future plans. The characteristics of established partners may be interesting, but the entire current population of women partners is critical to our dynamic profession.

## One Group of Successful Women

In 1983, we conducted a survey of the women partners and principals of the nine largest CPA firms.<sup>1</sup> In the fall of 1986, we conducted a similar survey. Our purposes in both cases was to investigate an easily defined group of successful

<sup>1</sup> The term principal is used here to refer to persons with ownership in a CPA firm who are not CPAs. The nine largest U.S. based public accounting firms with international offices are now: Arthur Andersen; Arthur Young; Coopers & Lybrand; Deloitte Haskins & Sells; Ernst & Whinney; Main Hurdman; Peat Marwick Mitchell; Price Waterhouse; Touche Ross. Because of the April 1, 1987 merger of Peat Marwick Mitchell and Main Hurdman, forming Peat Marwick Main, statistics for those two firms have been combined.

*HEADNOTE: The statistics from the large CPA firms clearly indicate women are advancing to partnership status and have increasing participation in audit work and in firm responsibilities. The data presented by the authors is compared with results of an earlier survey and is sufficiently voluminous to permit individual firms and groups to measure their own records, and to compare with results of future surveys.*

*Karen L. Hooks, PhD, CPA, is an Associate Professor at the University of South Florida, currently working as a Research Manager for the Canadian Institute of Chartered Accountants. Dr. Hooks is a member of the AICPA, AAA, and the American Woman's Society of CPAs. She has published articles in various professional journals.*

*Shirley J. Cheramy, CPA, is a Partner of Price Waterhouse. Ms. Cheramy is a member of the AICPA, the American Woman's Society of CPAs, and the California State CPA Society.*

**EXHIBIT I  
WOMEN PARTNERS AND PRINCIPALS IN SURVEYED FIRMS**

	Total Number of Women Partners and Principals		Number of Responses
	1983 Survey	Current Survey	Current Survey
Arthur Andersen	6	14	11
Arthur Young	12	17	11
Coopers & Lybrand	10	25	22
Deloitte Haskins & Sells	6	17	9
Ernst & Whinney	1	13	9
Peat Marwick Main & Co.	19*	39	23
Price Waterhouse	5	11	10
Touche Ross & Co.	10	21	13
	<u>69</u>	<u>157</u>	<u>108</u>

\* Includes total women partners and principals for Peat, Marwick, Mitchell & Co. and Main Hurdman for 1983.

women. Certainly, this is not the only group of successful women, but it is most visible. Partners and principals were included in both surveys because the attributes for success are not unique to CPAs. Similarly, these attributes are not unique to public accounting, but rather are probably similar to those of successful women in other areas of accounting and the business world.

### The Survey

Our survey was mailed to all women on our partner list compiled in 1983, which had been updated to reflect partner admissions through August 1986. The group is somewhat fluid with mergers and people leaving their partnerships. Our sources indicated there were 157 women partners in 1986, which is more than a 125% increase from 69 in 1983. We had expected that the percentage of women partners would increase more than it did (3% up from 1%) due to the increase in absolute numbers, but the partnerships themselves apparently also grew rapidly in that same period of time.

Of the 157 partners surveyed, 108 or 69% responded. Exhibit I gives information by firm and shows 1983 data for comparative purposes.

---

***Audit has taken the lead as the technical area in which most women partners are involved.***

---

In conjunction with our 1983 survey, we organized a meeting of the women partners in June 1983. Twenty partners attended to discuss common issues and concerns. Nearly every woman attending either personally knew or knew of the other attendees. The cohesiveness of such a meeting is

no longer possible due to the increased size and diversity of the current group of women partners.

As part of our survey, we attempted to track those women who had become partners and subsequently left their firms. Due to the frequent changes, this is difficult to accomplish. However, based upon our information, 16 of the 69 partners in 1983 (23%) had left their firm by August 1986. In addition, seven women were identified who became partners after 1983 and left prior to August 1986. There is no statistic for turnover of male partners, but we believe intuitively that this turnover of women partners is high in comparison. At the very least, it is a significant percentage because of the small absolute numbers.

---

***Fifty-four percent of today's women partners are . . . working with the firms that hired them upon their entry into public accounting.***

---

The current survey utilized the same format as the 1983 survey and covered three main areas: career activities, educational background and personal attributes. The information was primarily objective in nature, although a few subjective questions were asked. The respondents to the previous survey were asked to update their information and to respond to some specific, expanded questions on personal attributes primarily related to family issues.

### Career Activities

Audit has taken the lead as the technical area in which most women partners are involved; tax is second and con-

EXHIBIT II AREAS OF RESPONSIBILITY			
	Number of Responses	Percent of Responses	
	Current Survey	Current <sup>1</sup> Survey	1983 <sup>2</sup> Survey
Audit	53	49%	36%
Tax	35	32	48
Consulting	20	19	11
Other			5
	<u>108</u>	<u>100%</u>	<u>100%</u>

<sup>1</sup> percent of 108 responses  
<sup>2</sup> percent of 44 responses

sulting is third. This is a change from 1983 when tax was the primary area. Exhibit II shows the breakdown.

If a female college student is asked what is the single most important decision that will affect the likelihood of her achieving the partnership with a large firm, the answer has to be her choice of firm at the entry level. Of today's women partners, 54% are still working with the firms that hired them upon their entry into public accounting; this is similar to the information reported in 1983. There is a difference though. Among the remaining 46%, the career paths followed are much less consistent than they were for the 1983 group. From the 1983 results just a few patterns were identified into which most of the career paths fit. Now, there is enough divergence to make it impossible to identify a limited number of typical career paths. Perhaps this indicates that, even though a one-firm approach is the most likely path to the partnership, there are many options available to the female accountant if that approach is not chosen. Flexibility is as integral an element to current career paths as is stability.

Important career path information goes beyond how the women partners advanced and the technical areas they selected. Many now hold positions of increased responsibility. When asked about their current titles indicative of their responsibilities, 25 (or 23%) responded with position titles indicating that their roles entail more than services to clients. The types of additional responsibilities are diverse. They range from local office level to national level duties and from technical specialties to continuing education administration. Most of the titles indicate an in-charge responsibility for a technical specialty (e.g., tax, small business, retail, health care, data base technology, etc.).

---

***Flexibility is as integral an element to current career paths as is ability.***

---

This technical specialty responsibility is very consistent with an interesting response received to a subjective question. When asked what their most successful practice development avenues were, many responded that their reputation for

technical expertise preceded their attempts to sell business. They believe their knowledge, often in a specialized area, aids them in finding new business. Such a conclusion is consistent with the fact that, of those with increased responsibility, most are in technical areas rather than purely administrative capacities.

The majority of the partners (72%) indicated that their primary responsibility was at a local office level. Three percent have only regional responsibility and 9% have only national level responsibility. The remainder have responsibility at some combination of the different levels.

---

***They believe their knowledge, often in a specialized area, aids them in finding new business.***

---

The aspect of increased responsibility, particularly in technical areas, has an impact on visibility and access to the media and thus, on practice development. The individuals most often quoted in the media are those who are regional or national directors of special areas. Women partners are now just beginning to achieve these positions and accordingly, they will probably be quoted more frequently in the future.

***Educational Background***

Research is intended to be an endeavor entered into without bias. Fortunately, objective questions force an unbiased collection and analysis of data—because the authors certainly had expectations of the new generation of women partners as compared to those surveyed in 1983. One statistic already mentioned, the increase of women as a percentage of total partners from one to three percent was a surprise. Realistically, women could not have increased to a large percentage of the partners after just a few years. But, intuitively, when absolute numbers more than double, one expects a percentage increase of more than two. Other expectations were refuted in the area of education.

**EXHIBIT III  
GRADUATE SCHOOL**

	Percent of Responses	
	Current Survey	1983 Survey
Attended graduate school	10%	9%
Obtained masters degree	31	29
Obtained other advanced degree	6	7
	<u>47%</u>	<u>45%</u>

**EXHIBIT IV  
MEAN OF GRADE POINT AVERAGES**

Undergraduate, overall	3.50
Undergraduate, major field of study	3.62
Graduate, overall	3.79
Graduate, major field of study	3.80

One conclusion reached from the 1983 survey was that graduate school participation, grades, and CPA exam performance indicated that the women partners were bright. The current survey results also indicated that women partners displayed performance indicating they are among the highest academic achievers. As more women aspire for and attain the partnerships, it seems logical that grades and CPA exam performance, while remaining good, will not continue to reflect the same high level of achievement. So far, this expectation has not materialized.

*... they attributed much credit for their success to the support of their families.*

All the survey respondents have bachelors degrees and 37% also have advanced degrees. An additional 10% have at least attended graduate school without completing a degree program. As shown in Exhibit III, this is very close to the same percentage of graduate school attendance as was documented in the previous survey. In achieving their undergraduate degrees 72% attended one institution (compared to 80% in 1983) and 24% attended two (compared to 18%). Again, as in 1983, the split between those attending public and private institutions was relatively even, with 53% attending public universities and 47% attending private universities.

Grade point averages (GPAs) achieved by the women partners are very high. In every category the mean of their GPAs is 3.5 and above, on a scale of 4.0. Exhibit IV shows the mean grade point averages.

Finally, CPA exam performance of this group of women was impressive. Forty-three percent of the respondents who

are CPAs (this primarily excludes consultants who usually do not hold the designation) passed the exam on the first sitting. This is a statistic which has not been compiled for male partners so no direct comparison is possible. However, when compared with various state averages it seems to be high. An additional 36% passed on the second sitting.

### Personal Attributes

Questions on personal attributes included age, marital status, children, and family background.

The ages of respondents ranged from 32 to 55 years old, with the average age being 39, the same as in the 1983 survey. The average age at which the women became partners or principals has gone up. Currently, it is 35.6 years while in 1983 it was 33. This seems to be an important change, although it may have various explanations. It might mean that women do not have to be "fast track" or "superstars" to become partners. Another possibility is that it reflects the greater number of different career paths followed by the women partners. For example, it might reflect the admission of partners who have gained specific technical skills in firms outside the largest. Conceivably, with more divergent career routes being followed (e.g., more changes from firm to firm, starting careers after having children in college, etc.), partnership status could take a little longer, or be attained at an older age.

Marital status remains rather consistent with what was reported by the 1983 group. Currently, 65% of women partners are married, compared to 73% in 1983. Of those not currently married, 13% have never been married, and 22% have been married and are divorced. Two of the women are married to partners of their own firms; one is married to a partner of another large firm.

The information regarding children, presented in Exhibit V, is shown in two formats. First, it is shown as a percentage of total responses to be comparable with the 1983 data. The second format, however, is probably more informative and reflects additional questions asked in the second survey. It indicates percentages about only the women partners who are, or have been, married and includes information on stepchildren. Since the ease or difficulty encountered by female accounting professionals in combining a career with children is of wide concern today, it seems logical that percentages should be applied only to those women for whom the information is most relevant. Of the group who would seem most likely to have children (those who are or have been married), 51% have children of their own. Another 8% have stepchildren. Thus, 59% of the married or divorced women partners are associated with children in some way. Further, 76% of the 51% have or had small children (6 years of age or less) at some point during their careers in public accounting.

The current group of women partners has definite interests outside of work. Forty-three percent have pets and 81% have hobbies. Many reported that they have less time available to devote to these interests than they would like. Their family backgrounds seem fairly typical. Most come from families of two or three children. Eight percent are only

**EXHIBIT V  
NUMBER OF CHILDREN**

	Percent of Responses	
	Current Survey	1983 Survey
No children	56%	63%
Pregnant at time of response	1	5
One child	21	14
Two children	13	9
Three or more	9	9
	<u>100%</u>	<u>100%</u>
<b>Marital Status and Children</b>		
Currently married	65%	73%
Currently single	35	27
<b>Percent of Respondents Who Are or Have Been Married—Current Survey</b>		
No children	41%	
Pregnant at time of response	1	
Own children		
One child	20	
Two children	12	
Three children	9	
Four children	3	
Own children and stepchildren	6	
Stepchildren only	8	
	<u>100%</u>	

children (although 49% are firstborn), and 35% come from families with four or more children.

### Conclusions from the Survey

In the article describing the 1983 survey, the respondents were called pioneers and caution was recommended for anyone attempting to extrapolate the descriptions of them to the future. After analyzing the current survey such cautions now seem unnecessarily conservative. The current population of women partners can be described in a very similar manner to the previous one. The women are bright, and performed well both in school and on the CPA exam. There was nothing unusual noted about their academic experiences, although many have attended graduate school. A large proportion of them have had stable career paths. Those who did not stay

with one firm followed more divergent paths than the 1983 survey shows. Again, as in 1983, in answers to subjective questions they attributed much credit for their success to the support of their families.

Some differences were noted. More are now involved in audit work than in tax. The average age at which they were elected to the partnerships is several years older. Many now have positions of increased responsibility.

Probably the statistic having the single greatest impact on the future and on the accounting profession is the increased number of women partners with children. Whether as a parent in a dual career family or as a single parent, these partners require greater flexibility than their childless counterparts. This flexibility is not limited to partners, to the public accounting profession, or to women accountants. This change in cultural and social life-style has affected the entire business world. Ω

Give.

WE'RE FIGHTING FOR  
YOUR LIFE

**American Heart  
Association**

