

Accounting Education: A Case for Experiential Learning Activities

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Disturbing trends –Accounting Profession

There are an insufficient number of students studying accounting and pursuing CPA certification

- The AICPA 2023 Trends report notes:
 - 7.8% decline in bachelor's degree completions in accounting from 2021 to 2022, this is a significant shift from an average 1.3% yearly decline from 2015 to 2021 (AICPA, 2023)
 - A similar trend for graduate completions in accounting has taken place in 2021 to 2022 declining by 6.4% (AICPA, 2023)

Why?

There are several factors that are recognized as contributing to the accounting pipeline issue including:

- a lack of interest
- higher starting salaries in other majors
- the 150 hours CPA requirement
- math challenges
- cost of the 150 credit hours in real dollars and opportunity cost (CAQ, 2023)

Accounting work is boring/unattractive?

Capturing student interest in accounting requires business programs to engage students in the topic area

- Dynamic nature of the work
- Wide range of professional opportunities available

Experiential Learning

Experiential Learning Theory (ELT)

- Draws on human learning and development theories (Dewey, Lewin, Piaget, Jung, and others)
- Defines learning as...
 - “the process whereby knowledge is created through the transformation of experience. Knowledge results from the combination of grasping and transforming experiences (Kolb, 1984, p. 41)
- Steps - “Do, Reflect, Think and Apply” (Butler et al., 2019)
 - (acquisition, manipulation, and recall; Kolb, 1984; Kolb & Kolb, 2005)

Experiential Learning & Accounting Education

- **Traditional accounting education focus** - **task completion**, **memorization**, and **clear-cut answers** (Turner & Baskerville, 2013)
 - teacher-centered
- **Experiential-based accounting education focus** - **identify and locate resources**, **develop questions**, **define problems**, **generate hypotheses**, undergo individual analysis, **critical thinking**, problem-solving, and **handle complex issues** (Butler et al., 2019; Kendall et al., 1986, Zegwaard et al., 2023)
 - student-centered

Experiential Learning & Accounting Education

EL Activities

- Acct. software set-up and use
- Article summaries and discussions
- Simulations
- Field experiences
- Internships/coops
- Consulting projects
- Volunteer Income Tax Assistance (VITA)

(Butler et al., 2019; Gittings et al., 2020; Zegwaard et al., 2023)

Stakeholders

- Students
- Faculty
- University
- External constituents
 - employers
 - alumni

(Zegwaard et al., 2023)

Winona, MN VITA site 2024



Experiential Learning & Accounting Education

EL-based Accounting Research

- Systematic literature review from 1993-2018 (Gittings et al., 2019)
 - Published articles on EL activities in undergrad. accounting courses (N=50)
 - Range of EL activities researched
 - **Benefits**
 - Technical knowledge and comprehension (40)
 - Student attitude and satisfaction (33)
 - Authentic application of theory (29)
 - Transferable skills (23)
 - Real-world awareness (20)
 - **Barriers** - implementation hurdles, instructor buy-in

Experiential Learning & Accounting Education

- Involves deep learning through the integration of new material with existing knowledge
- Traditional approach ignores social realities of accounting practices recognized by AICPA, AAA, and IACBE
- Challenges
 - Linking concrete experiences to learning objectives
 - Faculty taking on consulting and coaching skills/practices
 - Prepare for uncontrollable environment (manage experience and mitigate low student satisfaction)
 - Managing external partnerships

(Butler et al., 2019)

What do the employers want?

Employers want it all!

And they should!

- Technical skills
 - Core CPA knowledge and competence (Intermediate Accounting, Managerial Accounting, Accounting Information Systems, Audit, Tax)
 - Data analysis tool experience (Excel, Power BI) and Advanced Analytics
 - Advanced Tax knowledge
- Soft skills
 - Time management, organization, communication, problem solving, public speaking
 - Employers want students who want to (and are ready to) work – they should have ‘success skills’
 - Critical thinking
 - Taking students outside of their ‘comfort zone’
 - Students are introduced to new issues and new ways of thinking

(AICPA & CIMA, 2023)

What's the return Experiential Learning & Accounting Education

- **Technical skills** – get to a deeper level of development on Bloom's taxonomy
 - Application
 - Synthesis
- **Soft Skills – Practice/develop**
 - Skills can be developed through practice and application
 - Students 'think on their feet' and adapt
 - They learn how to interact with team members, clients, and in a business environment
- **Critical Thinking – Practice/develop**
 - Skill Development through practical application and continued movement beyond scenarios they have already seen
 - Practice dealing with complex and/or ambiguous situations that don't only have one 'right' solution

Project with local Fortune 500 Company Fastenal that is headquartered in Winona, MN



Fall Semester - Accounting Information Systems

Students produce:

- Narratives
- Data Flow Diagrams
- Flowchart(s)
- Other documents
- Presentations around 10 minutes for the client
- Focus on Internal Controls, strengths and weaknesses

Students have worked with local teams, other US teams, teams in Mexico

Teams of 3 work best (opinion)



Continuing with Fastenal!



Spring Semester - Auditing

With Fastenal Internal Audit Team Student Produce

- Risk Analysis
- Control Matrix
- Audit Workpapers
- Other documents
- Focus on updates to process documents, COSO framework, ERM framework

Students have worked with local teams, other US teams, and teams in India

Information Technology and Environmental, Social, and Governance (ESG) options

Teams of 3 work best (opinion)



Podcast – Auditing



Assignment

- 20 minute podcast
 - Select topic
 - Research
 - Write script
 - Produce podcast
 - Review another team's podcast
 - Works best in pairs or threes (opinion)

Do, Reflect, Think, Apply

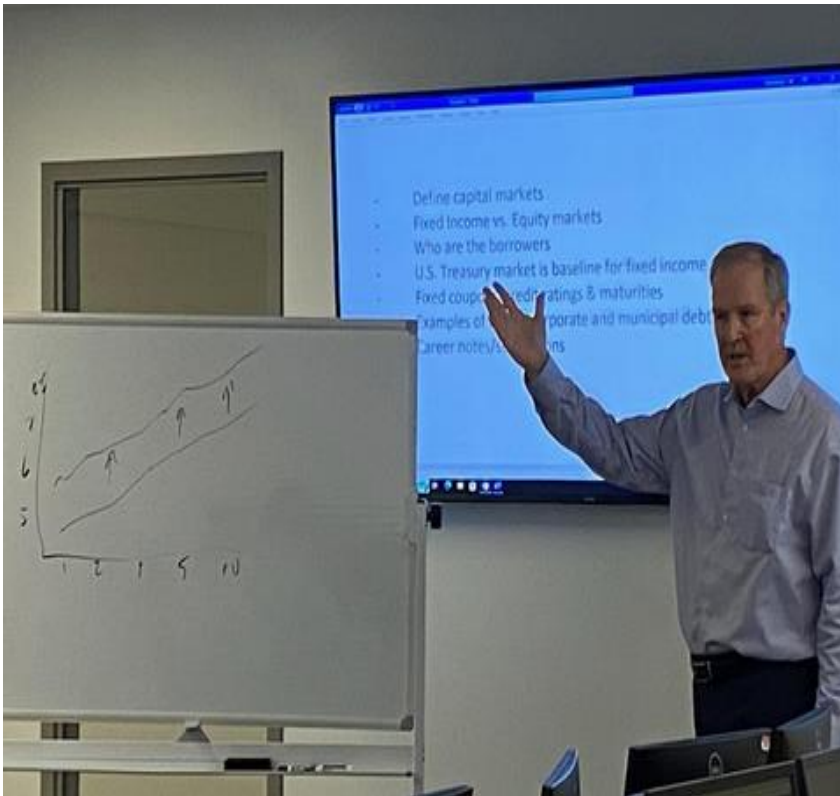
(Butler, et al., 2019)

Partnerships with Firms and Alums

Establishing an informal Accounting Advisory Group that includes members of partner CPA firms and corporations

Business Advisory Committee is very important to the department and school but does not focus on major specific issues

- Scholarships from firms for working internships
- Firm presentations
- Case Competition with partner firm



Partnerships with firms and alums



Alumni Connections are very important for both the companies and the University.

- Companies are hungry for reliable employees
- Universities are seeking connectivity and the added value of providing students with connections
- Strategically placing speakers across the curriculum

Get out of the classroom – A Case for Experiential Learning

- Facility tours
- Employer engagement sessions
- Internship and career connectors



A Case for Experiential Learning

Networking Nights

- Business students interacting with business professionals
 - Mock interviews
 - Resume reviews
 - Networking events



Back to the Accounting Pipeline – It's a problem

- The MNCPA agrees that one of the issues (though not the only issue) is likely the 150 credit requirement (Wedul, 2023)
- New CPA pathway introduced by the MNCPA in 2023, House File 1749 and Senate File 1660 aim to broaden the pathways to CPA licensure are up for revision
 - The first pathway is the traditional 150 credit hour path with 1 year experiences for licensure
 - The second pathway is 120 credit hours with 2 years experience for licensure

Final Thoughts

What are your thoughts on issues with the accounting pipeline?

What are your thoughts on the current state of accounting education and meeting employer demands?

What opportunities do you see to continue this work?

Other thoughts and questions?

Thank You!

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