

A PREDOMINATELY FEMALE ACCOUNTING PROFESSION: LESSONS FROM THE PAST AND OTHER PROFESSIONS

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Abstract: Currently, the accounting profession is in the process of transitioning from a male dominated profession to a predominantly female one. Other professions that have undergone this switch experienced declines in the status of the profession and the salaries. So, although women have not yet gained equal access to all levels of the accounting profession, as it becomes predominately female, perhaps they have reached the pinnacle of their success in this area if their predominance will result in lower prestige and salaries. Understanding the history of exclusion faced by women in both higher education and the accounting profession provides important information to understanding the current gender composition in the profession. Several gender-based scenarios are possible for the future of the accounting profession. And of the possible scenarios, there are alternatives that hold the potential for a positive outcome for both genders and the accounting profession as a whole.

Introduction

The accounting profession is experiencing a gender shift from primarily male dominated to mostly female. Other professions in which this occurred saw declines in the status of the profession and the salaries. So, while women have not achieved equality in the accounting profession, it is possible that they have reached the pinnacle of their success in the accounting profession, if their majority will lead to lower prestige and salaries.

This paper discusses the history of higher education and the history of accounting. Next, the impact that history has on the current culture in the profession is discussed. Then, the wage trend of professions that have experienced gender switches is explored. Finally, possible futures of the accounting profession are presented.

Brief History of Access but not Equality for Women in Higher Education

In colonial times, women were excluded from higher education (Solomon 1985). At the time, women were believed to be mentally subordinate to men and not capable of higher order thinking (Rudolph, 1990). Eventually, colleges were opened specifically for women (Sklar, Berkin, & Norton, 1979). The first, founded in 1837, is now known as Mount Holyoke College. Other colleges founded about this time were coeducational from the beginning, such as Oberlin College which opened in 1837 (Thelin, 2011). However, women were not allowed to enter the baccalaureate program and instead were granted a diploma in what was referred to as the Ladies Course. Also, the progress toward access was not steady. For example, Harvard continued to deny admitting women until 1955 (Solomon, 1985). Yet, as Table 1 and Table 2 displays, the number of women in college grew and women eventually become the majority, both in higher education as a whole and in the number of accounting degrees earned.

Table 1
Total Bachelor Degrees Conferred by Gender 1970 to 2013

Year	Total	Female	Female %	Male	Male %
1970-1971	839,730	364,136	43.3%	475,594	56.6%
1975-1976	925,746	420,821	45.4%	504,925	54.5%
1980-1981	935,140	465,257	49.7%	469,883	50.2%
1985-1986	987,823	501,900	50.8%	485,923	49.1%
1990-1991	1,094,538	590,493	53.9%	504,045	46.0%
1995-1996	1,164,792	642,338	55.1%	522,454	44.8%
2000-2001	1,244,171	712,331	57.2%	531,840	42.7%
2005-2006	1,485,242	854,642	57.5%	630,600	42.6%
2010-2011	1,715,913	981,780	57.2%	734,133	42.7%
2012-2013	1,840,164	1,052,933	57.2%	787,231	42.7%

Note. NCES (2013)

Table 2
Accounting Bachelor Degrees Conferred by Gender 1970 to 2013

Year	Total	Female	Female %	Male	Male %
1970-1971	22,099	2,063	9.3%	20,036	90.6%
1975-1976	35,806	7,645	21.3%	28,161	78.6%
1980-1981	43,344	17,046	39.3%	26,298	60.6%
1985-1986	45,885	23,114	50.3%	22,771	49.6%
1990-1991	45,860	24,688	53.8%	21,172	46.1%
1995-1996	42,002	23,690	56.4%	18,312	43.6%
2000-2001	32,672	19,774	60.5%	12,898	39.4%
2005-2006	41,276	24,410	59.4%	16,866	40.8%
2010-2011	52,960	28,602	54.0%	24,358	45.9%
2012-2013	53,154	28,299	53.2%	24,855	46.7%

Note. NCES (2013)

The initial response to the gender shift in higher education was for institutions to begin retreating from co-education. Solomon (1985) discusses the University of Chicago, which originally boasted of its commitment to women, yet sought in 1902 to end co-education due to the success of women there. By that time, the percentage of female students rose to 52% and they earned 56% of the Phi Beta Kappa awards. This trend was observed in other institutions and policies were put in place to limit women's enrollment. In other words, the renewed movement to exclude women from higher education arose from their success. Essentially women's attendance in higher education was blamed for men's absence. It was believed that their very presence was harmful and threatening to college men (Thelin, 2011). In addition, men feared they might not continue to be viewed as intellectually superior to women (Kerber, 1997). These negative attitudes were difficult to change. Thelin (2011) shares that as late as the 1940's; parents of girls were concerned that if their daughters were educated, potential husbands would not find them attractive.

Still, the number of women in college increased. In a 1979 report on the status of women and minorities in education it was revealed that 43% of bachelor's degrees, 46% of master's degrees, and 23% of doctoral degrees were awarded to women (Gilmartin & American Institutes, 1979). Then, in 2001, more than half of all undergraduates were women (Yoder, 2003). Finally, by 2010, 60% of college graduates were women (Rosin, 2010).

Brief History of the Accounting Profession and Women

The experience of women, as they entered the accounting profession, mirrored what they faced in higher education, they were confronted with resistance. A brief history of the accounting profession is provided for background purposes. It is important to be aware of the history of the exclusion of women from the profession in order to understand the current gender composition.

The history of the accounting profession includes that it did not begin in the United States (U.S.). Records of commerce have been found dating back to 3,500 B.C.E. (Alexander, 2002). Ancient Egypt, China, Greece, and Rome all developed systems of checks and balances to keep track of primarily governmental accounts, but also private accounts. However, these were mostly in the form of lists.

Medieval times presented a challenge to the advancement of financial recordkeeping due to illiteracy (Alexander, 2002). Often accounts were tracked through the use of tally sticks. A cut would be made in a hazelwood stick indicating the height of a certain amount of monies owed in pounds. For example, a human hand was 1,000 pounds and a thumb's width 100 pounds. The stick would be split down the middle and etched identically on the inside. One half would be maintained by each of the individuals on either side of the transaction.

Double entry accounting did not emerge until the 1400's, when it originated in Italy (Alexander, 2002). Luca Pacioli is commonly known for inventing the current accounting system. However, he credits Benedetto Cotrugli for developing it 35 years earlier. Still, it was Pacioli who published his book, *Summa de Arithmetica*, in 1494, that included the system.

Accounting Profession Emerges

Accounting, as an organized profession based on higher education, did not emerge until the mid-to-late 1800s. The first professional organization of accountants was in 1854, when the Institute of Chartered Accountants of Scotland (ICAS) was formed (Institute of Chartered, n.d.). The next accounting organization to emerge, The Institute of Chartered Accountants of England and Wales in 1880, merged the profession in those two countries (Alexander, 2002). Finally, in 1887, the first national accounting organization in the U.S. emerged, the American Association of Public Accountants (AAPA) (History of the AICPA, 2010). The AAPA eventually became the American Institute of Certified Public Accountants (AICPA), which is the major accounting organization in the United States today.

About this time, accounting curriculum in higher education in the U.S. was gaining acceptance. University programs were beginning to move away from the classical curriculum, which made way for more practical courses of study (Rudolph, 1990). Americans were starting to believe that the key to professionalism was training and expertise in all professional fields, including business (Merino, 2006). The first successful collegiate school of business, Wharton School, was founded in 1881 (Van Wyhe, 2007). It was made possible with a gift from Joseph Wharton at the University of Pennsylvania; however, the school did not permit women to attend until 1954 (Horkley, 2010). Female students can attend Wharton School today, but it was the last school on campus to admit women.

The Certified Public Accountant Designation

The accounting profession came into law later in the 1800s. The designation, Certified Public Accountant (CPA), was established by law on April 17, 1896 (Flesher, Previts, & Flesher, 1996). The statute stated that to become a CPA in the U.S., candidates must sit for and pass the Uniform Certified Public Accountant Examination (Uniform CPA Exam). The AICPA prepares the exam and the National Association of State Boards of Accountancy (NASBA) administers it (History of the AICPA, 2010). Since then, the accounting

profession has been through many changes and has used influence and foresight to directly impact tax legislation and other professions, such as attorneys (Flesher et al).

For example, currently, most people associate tax preparation with CPAs and accountants have outnumbered attorneys as preparers of income tax returns since the first tax laws were passed, in 1909 for corporations, and 1913 for both corporations and individuals (Murray, Flesher & Flesher, 2012). However, when the Revenue Act of 1942 were passed attorneys started to pay more attention to the roles of CPAs and tax preparation, due to the increased profile of tax services. Realizing the income potential, lawyers asserted that CPAs, by offering tax preparation services, were practicing law without a license. The controversy lasted for 20 years and was finally settled by a U.S Supreme Court case in 1963 and then a law change in 1965 that established CPAs may represent clients before the Internal Revenue Service (IRS) and the Treasury.

Also, accounting professionals were able to influence tax laws from the beginning. After the tax laws were passed in 1909, the AAPA objected to some of the requirements (Murray et al, 2012). Legislators, hoping to avoid more controversy, paid close attention to comments and recommendations of the AAPA and members of the accounting profession when drafting the Sixteenth Amendment to the U.S. Constitution. The ratification of the amendment in 1913 is still the basis for corporate and individual tax laws in place today.

Women and the Accounting Profession

So while the profession demonstrated forward thinking, political grandstanding, and the ability to work with other professional organizations, what the profession did not foresee was that women might be interested in practicing the profession. For example, the first female CPA was Christine Ross, who passed the Uniform CPA Exam in December 1896, the year of the inaugural exam in New York (Previts, Flesher, & Sharp, 2007). However, even though her score placed her in the top two or three in her group, she wasn't granted a certificate until December 1899. During the intervening months, the New York board of regents discussed whether or not to award her the certificate she had earned, due to her gender (Previts et al). In an editorial published during that time, in the *Public Accountant*, it noted that "this woman affair is only one of the many pitfalls which could not be foreseen when the (revenue) acts were passed." (Previts et al). Another example can be seen in a book titled *Duties of the Junior Accountant*, written in 1933, which does not contain the word "she" on any of its many pages (Sandburg, 1993). An updated version by Mautz (1953) did not significantly improve the text in that all references to the top positions in accounting, and the type of people who occupy those positions, are exclusively mentioned as "men".

Originally, the reason put forth in advocating for the exclusion of women from the profession was similar to the reason given for barring women from education, namely the lack of the ability (Kirkham, 1992). In the accounting, the stresses and strains of the long hours and the travel requirements was thought to render women unsuitable for the profession. And, similar to the changing arguments against educating women, as they proved to be physically up to the challenge in the accounting profession, the argument shifted to men's views on what they considered proper for women, which tended to be secretarial and clerical positions. Even as recent as the late 1970's, women in the profession were discouraged from pursuing audit work since they would have to travel with men, which could be viewed as improper (Murray et al, 2012).

Culture of the Accounting Profession

Despite the challenges, women continued to enter the accounting profession. Yet, the impact of the earlier exclusion persists to this day. For example, an article published in June of 2012 in the *Journal of Accountancy* lists 125 people that impacted accounting, only two of which are women (Tysic, 2012). This

provides some evidence for the assertion that a true understanding of this exclusion is necessary when studying the current gender composition of the accounting profession.

Hopwood (1987) addresses that issue when he discusses the intellectual development of the accounting profession in terms of the gender make-up it has historically experienced. For example, he points out that the profession is probably different today than what it might have been had women not been excluded. Kirkham (1992) discusses that studying the history of accounting, without considering the explicit exclusion of women from the profession, makes it impossible to fully understand the development of the profession and its basic values and culture. Additionally, Australian study published in 2010 indicated that the firms and the people that operate within the accounting profession are created and composed of certain practices that are not gender neutral (Kornberger, Carter & Ross-Smith, 2010). Further, it discusses the continued imbalance in the top positions in accounting in their study pointing out that the current culture of accounting firms, with its symbols and images, expresses and reinforces a division of labor based on gender. This provides support for the idea that the male dominated history of the accounting profession continues to impact the culture and therefore the gender make-up of the top positions in the profession. A report by the AICPA (2015) demonstrates the continued imbalance and reported that as of 2014, women still only represent 24% of the partners in CPA firms. And yet, women continue to enter the profession in such numbers that they currently represent the majority of accounting graduates and nearly half the new hires in accounting (AICPA, 2015).

Survey (CPS), Cumulative Inflation Factor based on Bureau of labor Statistics Consumer Price Index (CPI)

Professions that have Become Predominately Female

The effect of the history of the exclusion of women from higher education and most professions is still felt today. For example, Flynn and Leeth (1997) discusses that history has shown the impact on occupations as they shift from a traditionally male profession to become primarily female. Occupations, such as public school teaching, residential real estate agents, and bank tellers, experienced declines in occupational prestige and salaries relative to other professions that did not experience the transition to a primarily female workforce. A study of the psychology profession has noted that salaries in that profession have not kept pace with inflation as women have become the majority in that field, although a direct cause and effect was not established (Pion et al, 1996). And while not all predominately male professions have high wages, those that do not tend to have high status, such as the clergy (Bhusnurmath, 2012). Table 3 displays the current trend in the field of psychology, which shows wage growth not keeping pace with inflation.

Table 3
For Psychologists, Gender Distribution and Wage Trend for Year 2011 compared to 2014

Year	% Women	Avg Weekly Wages	% Change Wages 2011 to 2014	Cumulative Inflation Factor
2011	71.1%	\$1,229		
2014	75.8%	\$1,232	0.2%	4.0%

Note. Wage data based on Bureau of Labor Statistics, Current Population Survey (CPS), Cumulative Inflation Factor based on Bureau of labor Statistics Consumer Price Index (CPI)

Effects of Switch to Male Dominated Field

It has been considered unlikely that female dominated professions will see a large entry of men since they tend to pay less than jobs that have similar characteristics but are male dominated (Bhusnurmath, 2012). However, some professions, such as nursing, have experienced an increase in the representation of males in a field long dominated by women (Bourin & Blakemore, 2012). One of the reasons cited is the impact of economic downturns. Regardless of the reasons, recently nursing has been experiencing an influx of men to the profession (Baker, 2012; Poliafico, 1998).

In 1980, three percent of all nurses were male, according to the Health Resources and Services Administration (Baker, 2012). Then, between 1992 and 1996 figures from the Department of Health and Human Services show that the number of male nurses grew by an average annual rate of nearly nine percent. By 1998, men made up about five percent of all registered nurses (RNs) working in the U.S. (Poliafico, 1998). Finally, by 2012 men accounted for 6.6 percent, or one in every 15 nurses (Baker, 2012).

And, the number of men in the profession is expected to continue to increase. In the fall of 1997 men made up nearly 12% of the students in entry-level Bachelor of Science programs in nursing (BSN) programs, according to the American Association of Colleges of Nursing (Poliafico, 1998). Clearly, men are becoming more interested in the nursing profession. And the result, noted by Yu (2008), was an increase in the socioeconomic status of the nursing profession. So, the influx of men to the occupation may be good for nursing because when professions become more male, wages go up (Goudreau, 2012). Table 4 reveals the current trend in the field of nursing, which shows wage growth exceeding inflation.

Table 4
For Registered Nurses, Gender Distribution and Wage Trend for Year 2011 compared to 2014

Year	% Women	Avg Weekly Wages	% Change Wages 2011 to 2014	Cumulative Inflation Factor
2011	90.3%	\$1,039		
2014	89.3%	\$1,090	4.9%	4.0%

Note. Wage data based on Bureau of Labor Statistics, Current Population Survey (CPS), Cummulative Inflation Factor based on Bureau of labor Statistics Consumer Price Index (CPI)

The Current Situation in the Profession and Possible Futures for Accounting

Some occupations have continued to see the integration of women and men, but the progress towards gender balance has been slowing (Bhusnurmath, 2012). Other fields continue to experience gender segregation, and are either female dominated or predominately male. For example, science, technology, engineering and mathematics (STEM) remain predominately male. The accounting profession, as discussed earlier in this paper, is experiencing a gender shift and is becoming a predominately female occupation. Table 5 reveals the current trend in accounting, which shows wage growth not keeping pace with inflation, but exceeding that of the field of psychology.

Table 5
For Accounting, Gender Distribution and Wage Trend for Year 2011 compared to 2014

Year	% Women	Avg Weekly Wages	% Change Wages 2011 to 2014	Cumulative Inflation Factor
2011	61.6%	\$1,056		
2014	63.3%	\$1,072	1.5%	4.0%

Note. Wage data based on Bureau of Labor Statistics, Current Population

Flynn and Leeth (1997) provide several gender-based scenarios that are possible for the profession. The first, that accounting may continue to become a predominately female profession and follow the path of other professions, that experienced similar gender shifts, by losing its status and high salaries. Second, women may begin to retreat from the profession leaving it male dominated. In this scenario, the few women who remain in the field may continue to enjoy the high status and salaries the profession may maintain as a mostly male occupation. This also poses the question of whether women have perhaps reached the pinnacle of their success in the accounting profession, even though they have not attained equal access to the profession, especially if their predominance will result in lower prestige and salaries. However, there is a third possibility put forth, that the profession could become a fully-integrated profession, with equal standing for both genders. And, it is this third possibility that has the best potential for both genders and the profession as a whole.

Discussion and Conclusion

This paper provided a brief review of the literature on the history of higher education and the accounting profession, with an emphasis on the exclusion of women. Understanding the history of these topics is helpful when examining the current situation experienced by women in the accounting profession, which includes a lack of progression to senior positions, despite making up the majority of accounting professionals.

The literature revealed that women were barred from educational opportunities in colonial times. Later, as they gained access, they did not experience equality in education. When accounting emerged as a profession, it was not foreseen that women would be included in the employment opportunities it offered. Further, inclusion in the profession was dependent on access to higher education. Later, as women continued to push for access to higher education and the accounting profession they became the majority in both areas. Various strategies were implemented to limit their enrollment. Those initiatives may have achieved some early success, but ultimately women persevered and today are the majority of graduates with baccalaureate degrees. Like education, the accounting profession is experiencing a gender shift and becoming predominately female.

The history of the impact of gender shifts on other professions was explored, followed by several future gender-based scenarios possible for the accounting profession. The literature revealed that other professions that have undergone this switch have experienced declines in the both the status of the profession and the salaries, although a direct cause and effect has not been established. Thus, the issue that emerges is that perhaps even though women have not gained equal access to the profession, they may have reached the pinnacle of their success in accounting. However, of the possible scenarios, there is an alternative that holds the potential for a positive outcome for both genders and the accounting profession as a whole. It could become fully-integrated, with equal standing for both genders.

Limitations and Future Research

Limitations include a lack of available data on the history of women in higher education and the accounting profession, due to their exclusion from both areas. However, the current gender shift in the profession provides much opportunity for future research. A survey and comparison of salaries and status in the accounting profession, as it undergoes the gender shift, relative to other professions that remain predominately male would provide much needed data on the continued impact of the earlier exclusion of women from the profession. Also, follow-up studies on the various possible outcomes for the profession, in terms of gender, will continue to be of interest.

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