

Factors that Effect Choice of Major and College by Accounting Students

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There has been a significant drop in accounting enrollments nationwide in the past few years. It has become important to understand the factors that influence student's choice of accounting as a major and their choice of college and university. This study attempts to determine the factors that led accounting students at Cal Poly to choose accounting as their major and come to Cal Poly. The study shows that the majority of accounting department students are transfer students. Most students chose to major in accounting at Junior college or after they started at Cal Poly Pomona. Very few students chose their major while in high school. A significant finding was that the most important influences in choosing an accounting major were taking an accounting class or an accounting professor. Students ranked interest in the subject and earnings potential as important factors in choosing to major in accounting. Most of the students surveyed decided to choose Cal Poly in Junior College. Important influences to join Cal Poly were parents and friends. Students decided to join Cal Poly because it is a good school with a good reputation.

Introduction

There has been a significant drop in accounting enrollments nationwide in the past few years. The annual AICPA report on the supply and demand for accounting graduates published in 2000 revealed that the number of accounting students in the three-year period from 1996-1999 dropped by 22% (AICPA, 2000). Accounting departments at colleges and universities nationwide including at California State Polytechnic University, Pomona, have been struggling to stop this decline in enrollments. It has become important to understand the factors that influence student's choice of accounting as a major and their choice of college and university. This study attempts to determine the factors that led accounting students at Cal Poly to choose accounting as their major and come to Cal Poly. The findings may be generalizable to other urban regional universities such as Cal Poly particularly in the Southern California area. The results of the

study may help accounting departments to understand what factors are important for students and then to make changes to offer what students want in order to attract more and better students.

Literature Review

The dramatic decrease in both accounting graduates and enrollments prompted the AICPA to undertake a comprehensive survey of the factors causing the downturn in accounting majors. The AICPA engaged the Taylor Consulting and Research Group to conduct the study and the report of the study can be found on the AICPA web site (AICPA, 2001). The findings reveal that the accounting profession is facing several critical challenges, including the awareness and understanding by students about accounting careers as well as negative perceptions of the profession. Even many students pursuing an accounting degree profess ignorance or limited knowledge about an accounting career. The result of student ignorance is lack of interest. Only 1% of high school students are considering majoring in accounting. This is down from 1990, when a similar study showed that 4% of high school students were planning to major in accounting. The number of college students majoring in accounting has also dropped over the ten-year span from 4% to 2%. Students perceive accounting as boring, tedious work and accountants as number crunchers who work by themselves. Early decision-making is the norm among students with respect to choosing colleges, majors and careers. Sixty-three percent of high school students say they are already thinking about a career by their freshman year.

Fifty-seven percent of college students become seriously interested in a particular profession prior to college. Students are making decisions earlier and earlier, and the misinformation about accounting affects their decisions as evidenced by the low number of students choosing accounting as a potential career or major. However, when college students are exposed to more information about accounting, there is a significant increase in their interest in accounting.

The Cooperative Institutional Research Program's (CIRP) Freshmen Survey, administered by UCLA's Higher Education Research Institute is completed by thousands of new students across the United States. In 2000, Cal Poly full time freshmen also completed this survey. The results for Cal Poly freshmen compared to the national average were published by the Cal Poly Office for Institutional Research and Planning (2001). The results indicated that compared to other full-time, first-time freshmen at similar 4-year public institutions, Cal Poly Pomona first-year students were more likely to be male, live closer to campus, be non-English native speakers (31% compared to the national norm of 2.6%) and be a racial/ethnic "minority". The top 6 reasons for going to college were ranked as follows:

	Cal Poly	National
To be able to make more money	1	3
To get training for a specific career	2	1
To learn more about things that interest me	3	4
To be able to get a better job	4	2
To gain a general education and appreciation of ideas	5	5
To prepare myself for graduate or professional school	6	6

The top 6 reasons in the survey for going to “This” college were as follows:

	Cal Poly	National
This college has a good academic reputation	1	1
This college’s graduates get good jobs	2	2
This college has low tuition	3	4
This college’s graduates gain admission to top graduate/professional schools	4	8
I wanted to live near home	5	6
This college offers special educational programs	6	9

METHODOLOGY

This paper is based on a survey, which asked accounting students some very basic questions regarding their choices of major and college. The research is divided into two parts. The first part relates to students decisions regarding accounting major and asks what are the main influences surrounding the decision-making process to be an accounting major? The second part relates to when and how students decided to earn a degree from Cal Poly, Pomona? The survey asks who were the major influences and what were the underlying reasons for choosing California State Polytechnic University, Pomona. The survey also gathered demographic information about the respondents. The survey was administered at Cal Poly Pomona to students in upper division accounting classes. Lower division accounting classes were not surveyed because most of the students in these classes are non-accounting majors. The survey was distributed in almost all upper division classes being offered during the quarter at Cal Poly. Thus a representative sample of student responses was obtained. 151 students completed surveys.

Findings

Table 1 indicates that most of the respondents were Juniors and Seniors. This is to be expected because the survey was conducted in upper division classes in order to eliminate non-accounting majors who form the vast majority of students in lower division accounting classes. The totals of the responses to each question in the survey do not always add up to the total number of surveys

completed (which was 151) because a respondent may not have completed a particular question on the survey.

Table 1

Class Level

	Number	Percentages
Freshman	3	2.03%
Sophomore	5	3.38%
Junior	55	37.16%
Senior	85	57.43%
Total	148	100.00%

Table 2 below indicates that the majority of accounting students at Cal Poly are transfer students. Approximately 71% of the respondents to the survey were transfer students.

Table 2

Transfer Students

	Number	Percentages
Started at Cal Poly	43	28.86%
Transferred	106	71.14%
Total	149	100.00%

Table 3 provides some information about the junior colleges that transfer students came from. The greatest number of transfer students came from Mont Sac, PCC and Citrus College. These colleges are all geographically close to Cal Poly. This might indicate that being close to their junior college or close to their home may have influenced Cal Poly students to come to Cal Poly.

Table 3

Transferred from which Junior college

Transferred from Mt. Sac	26	24.53%
Transferred from Chaffey	7	6.60%
Transferred from PCC	20	18.87%
Transferred from Citrus	17	16.04%
Transferred from other	36	33.96%
	106	100%

Table 4 indicates that most of the transfer students had completed their sophomore year before coming to Cal Poly. Table 5 shows that a large percentage of the respondents (about 40%) had received an AA degree. This seems to indicate that the needs of transfer students should be given importance by accounting departments trying to increase their enrollments. For example transfer of lower division units to Cal Poly should not be difficult and an irritant for incoming transfer students. The fact that a large number of students have an AA degree should be taken into consideration when designing the accounting curriculum.

Table 4

Class Level Completed before Transferred

	Total	Percentages
Freshman	10	10.87%
Sophomore	<u>82</u>	89.13%
	92	100%

Table 5

Did you receive an AA?

	Total	Percentages
Yes	60	39.74%
No	<u>91</u>	60.26%
	151	100.00%

Table 6 indicates that only 22% of accounting students chose to major in accounting while in high school. The biggest group (40%) chose to major in accounting while in community college and 29% chose the accounting major after starting at Cal Poly. These findings may indicate, as mentioned in the AICPA study above that students may have a lack of information or negative perceptions about accounting at the high school level. However a significant number of college students may choose accounting after being exposed to some accounting knowledge. Thus accounting departments trying to increase enrollments should provide more and better information about accounting to high school students and also pursue college students to major in accounting.

Table 6
*When did you decide to
become an accounting major*

	Number	Percentages
High School	32	22.54%
Junior College	58	40.85%
At Cal Poly	42	29.58%
After having work experience	4	2.82%
Other	6	4.23%
Total	142	100.00%

Table 7 shows that after the students own motivations for choosing accounting, the next most important influence was an accounting class she took and another significant influence was an accounting professor. This is extremely significant because it emphasizes the role of lower division accounting courses in presenting accounting as an interesting dynamic field and drawing students to the accounting profession. There has to be increased recognition given to this fact in accounting departments and the best teachers should be assigned to lower division courses. Other significant influences in

choosing an accounting major were parents and friends. The minimal role of the high school counselor in choosing accounting may indicate that counselors are not encouraging students to take up accounting and may be pushing other majors.

Table 7
Who was the main influence to you in becoming an accounting major

	Number	Percent
Parents	37	16.59%
H.S Counselor	5	2.24%
J.C Counselor	4	1.79%
Guest speaker	2	0.90%
Friend	26	11.66%
Yourself	68	30.49%
Accounting Class you took	45	20.18%
Accounting professor	23	10.31%
Other/Explain	<u>13</u>	5.83%
	223	100.00%

Students were asked to rate the factors that influenced them to become an accounting major on a Likert type scale ranging from 1 to 5 with 1 being very important and 5 being not important. Table 8 lists the average score received by each factor. The table indicates that interest in the subject was very important for students followed by doing well in an accounting class and then the earnings potential. Students also rated the prestige of the accounting profession highly as a contributing factor. The results seem to indicate that students who take up accounting do so because they have an affinity for the subject and like it and also think they have good career prospects in a prestigious profession.

Table 8

What were your main reasons for becoming
an Accounting major (Average Score)

Interested in the subject	1.834437
Did well in Accounting Class	1.89404
Liked the earning potential	1.913907
Liked the prestige	2.231788
Dissatisfied with another major	2.993377
Family members are accountant	3.642384
Wanted to help in family business	3.390728
Felt pressure from parents	3.635762
Steady Work	2.092715
Already worked in related field	2.682119

The figures in Table 9 and Figure 1 again show, similar to the choice of accounting major, that most students decided while in junior college to come to Cal Poly. Only 21 % of the respondents decided on Cal Poly while in High School.

Table 9

When did you decide to choose
Cal Poly for your degree?

	Number	Percentages
HS	29	21.32%
JC	83	61.03%
While at another 4 yr. University	13	9.56%
while working	8	5.88%
other /name	3	2.21%
Total	136	100.00%

Figure 1

When did students decide to choose Cal Poly, Pomona as their university?

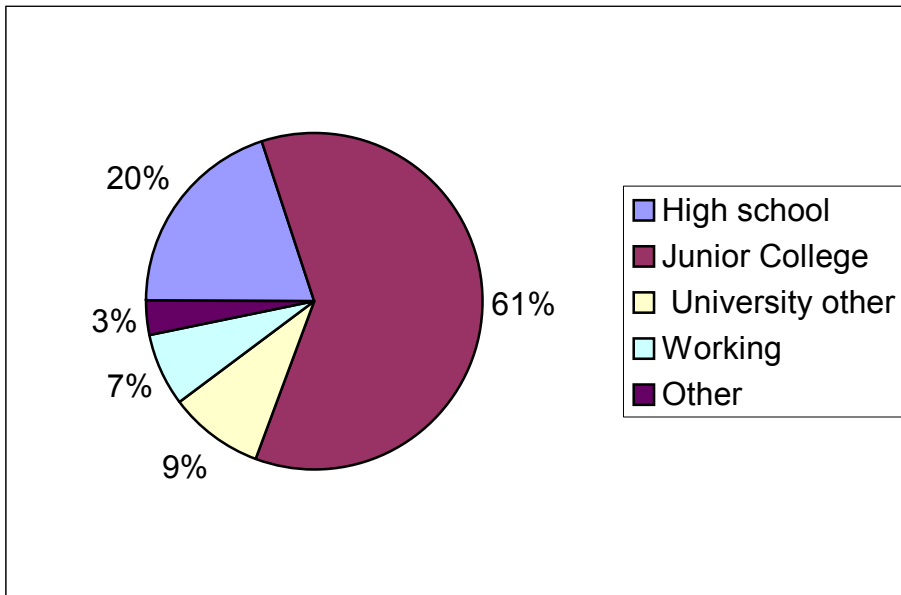


Table 10 shows that after the student herself, parents and friends were the most important influences in choosing Cal Poly. High school and junior college counselors were not an important influence in choosing Cal Poly.

Table 10
Who was the main influence in you coming to Cal Poly

	Number	Percentages	
Parents	31	16.06%	
Friends	36	18.65%	
HS counselor	8	4.15%	
JC Counselor	7	3.63%	
Cal Poly Recruiter	11	5.70%	
Yourself	74	38.34%	
Guest speaker	1	0.52%	
Accounting Professor	7	3.63%	
Other	<u>18</u>	9.33%	
	193		100.00%

Students were asked to rank the main reasons for choosing Cal Poly on a 5 point Likert type scale with 1 being very important and 5 being not important. The results are presented in Table 11 below. The results indicate that Cal Poly is a good school and Reputation were 2 of the most important factors. This is in accord with the Cal Poly IRP survey mentioned above. The second most important factor was Cal Poly is close to home. This is more important in our accounting student survey than in the IRP survey or the national average for this factor. This is something that accounting departments should keep in mind when trying to attract students.

Table 11

What were your main reasons for choosing Cal Poly

	Total
Reputation	2.410596
Came to study another major	3.304636
Could not afford another school	3.139073
Did not have grades to go elsewhere	3.761589
Cal Poly is close to home	2.112583
Family Tradition	3.649007
Cal Poly is a good school	1.933775
Other	0.205298

than half of the college students seriously considered a particular profession prior to entering college. (Insights)

Conclusion

The data presented in the tables above shows that the majority of accounting department students are transfer students. Most students chose to major in accounting at Junior college or after they started at Cal Poly Pomona. Very few students chose their major while in high school. These findings are

different from the findings in the AICPA survey mentioned above and also the Cal Poly IRP survey which indicate that most students are choosing their major earlier while in high school. The difference in results is probably because transfer students, who form the majority of Cal Poly accounting students, have different characteristics than students who enter university as freshmen. A significant finding was that the most important influences in choosing an accounting major were taking an accounting class or an accounting professor. Students ranked interest in the subject and earnings potential as important factors in choosing to major in accounting.

Most of the students surveyed decided to choose Cal Poly in Junior College. Important influences to join Cal Poly were parents and friends. Similar to the IRP survey students decided to join Cal Poly because it is a good school with a good reputation. A significant difference from the IRP survey was that students ranked Cal Poly being close to home as one of the most important factors in choosing to come to Cal Poly. This again may be because of different preferences of transfer students compared to freshmen.

In conclusion it appears that more and better information about accounting and Cal Poly needs to be provided to students in high school in order to influence them to major in accounting at Cal Poly at an earlier stage. Also it is possible to get students to choose accounting and Cal Poly even after they are college students. Lastly it appears that the factors considered when choosing major and college are different for transfer students than they are for freshmen.

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