AICPA®

Measuring the impact of CPA Evolution Through 25 Q2

Executive summary

The CPA Evolution-aligned version of the CPA Exam (“Exam”), launched in January 2024, introduced significant changes, including candidate choice and flexibility. The Exam now consists of three Core sections [Auditing and Attestation (AUD), Financial Accounting and Reporting (FAR), and Taxation and Regulation (REG)] and the choice of one Discipline section [Business Analysis and Reporting (BAR), Information Systems and Controls (ISC), and Tax Compliance and Planning (TCP)].

While 2024 test section volumes were volatile following the run-up in 2023, test volumes ended strongly in 2024 and are increasing in 2025. With many of the credit extensions expired on June 30, 2025, increased Discipline section volumes are forecasted in the remainder of 2025.

Similar to volumes, section pass rates were volatile in 2024, with different candidate populations sitting for the Discipline sections. While the concept of candidate choice affects both volumes and pass rates, the pass rates are increasing, and volumes are increasing.

The CPA Evolution project was a deeply researched initiative to recognize the rapidly changing knowledge and skills that accounting professionals must possess. The AICPA® and the Board of Examiners will continue their oversight of the CPA Exam and will provide another update after the conclusion of testing for 25Q3 in October 2025.

Background

- The licensure model was changed to provide candidates with flexibility in the examination process while maintaining the alignment of the Exam with the knowledge and skills typically required of a person with one to two years of professional accounting experience for their role in protecting the public interest.

- The public interest is protected by the testing of key concepts covering auditing and attestation, financial accounting, taxation, and regulation in the Core sections, which all candidates are required to take. The Discipline sections provide flexibility by allowing candidates to choose a Discipline section to exhibit additional knowledge and skills in one of three Discipline sections.

- Regardless of a candidate's chosen Discipline, CPA Evolution leads to the same CPA license. CPA professional practice is not limited by the Discipline passed; professional standards provide guidance related to required competence and due care when performing professional services.

- The ongoing proven reliability and validity of the Exam continues to complement the education, experience, and ethics requirements for initial licensure as a CPA.

- Each Core and Discipline section has different content and different populations of candidates sitting for each section because not all candidates sit for all Discipline sections.

- There are no curves or quotas on the number of candidates who pass in each quarter. Each section is an independent assessment of each content area (as described in the CPA Exam Blueprints). Sections can be taken in any order.

- The CPA Exams team follows rigorous psychometric standards and licensing examination standards, and it focuses on what a new CPA needs to know and do to protect the public interest (as determined by formal research known as a Practice Analysis).

Current performance

Testing volumes are strong and will strengthen in 2025

- As expected, the number of test sections delivered in 2024 (about 148,000) was fewer than the pre-CPA Evolution launch build-up of 2023 (about 204,000) because test volumes are typically lower in the year following a major update.

- Numerous policies enacted to ease the transition to CPA Evolution affected candidates during 2024 and 2025, including the 2024 CPA Exam Transition Policy, one-time 18-month Credit Extension Policy (expired June 30, 2025), and the Credit Period Rule being extended from 18 months to 30 months or more (depending on jurisdiction) to pass the remaining three sections.

- 2025 Q1 and Q2 volumes (about 94,000) exceeded 2024 Q1 and Q2 volumes (about 63,000).

- 2025 test section volumes are projected to exceed 2024 test volumes because many candidates had credit that expired on June 30, 2025.

Pass rates and candidate behavior

- Figure 1 illustrates that the Core section volumes are increasing. Further analysis of the data informs us that candidates are sitting for FAR first (often a test prep provider recommendation), followed by AUD, and then REG. The volumes of sections taken second or third are lower, and the pass rates for these sections are higher because the better performing candidates (those that have already passed some sections) constitute more of their population.
- The FAR volumes are the highest, and the FAR pass rates are the lowest because FAR is the section most candidates take first.
- The data indicates that candidates are passing the Core sections first before taking a Discipline section. In 2024, candidates sat for 128,000 Core sections but only 19,900 Discipline sections. As illustrated in Figure 2, Discipline section volume is increasing, with the number of sections administered to date in 2025 nearly eclipsing 2024's full-year total.
- For example, BAR, the Discipline section with lower pass rates in 2024, saw a pass rate of 47% in the second quarter this year — a significant improvement from the aggregate 38% pass rate for BAR in 2024.
- The AICPA also estimates that about 100,000 candidates who are eligible to sit for a Discipline section did NOT yet sit for a Discipline section because they previously held BEC credit (that has since expired) or they are passing the Core sections before attempting a Discipline section.
- The 2024 Discipline volumes of 19,900 do not yet allow for a full assessment of the impact on Discipline section pass rates.
- Figure 3 illustrates the section pass rates after the computerization of the CPA Exam in 2004.
- The data tells that strong FAR passers do well on BAR, strong AUD passers do well on ISC, and strong REG passers do well on TCP. Only 10% of candidates that fail BAR switch to a different Discipline, while only 1% of candidates that fail either TCP or ISC switch to a different Discipline. The volumes are still quite low, and the AICPA will analyze this further throughout 2025.
- All candidates are taking fewer sections annually, likely due to the state board credit rule extension from 18 to 30 or more months. In 2024:
  - On average, all candidates took 1.9 sections versus 2.4 historically.
  - On average, new candidates took 1.25 sections versus 1.4 historically.

Next steps

- The AICPA's candidate communications will continue to promote best practices such as:
  - Completely reviewing the **CPA Exam Blueprints**
  - Focusing on the assessment of higher-order skills and the **task-based simulations**
  - Creating and executing on a **personalized study plan**
  - Selecting the Discipline section that best fits your education, experience, and passion versus one that has a higher pass rate
- The AICPA and the Board of Examiners (BOE) will continue to meet regularly to review the performance of the CPA Exam and the candidates as the volumes are expected to increase throughout 2025.
- The AICPA will provide an update to volumes and pass rates after the conclusion of testing for 25Q3 in October 2025. Quarterly CPA Exam pass rates are posted on our website.

Figure 1: CPA Evolution – Core section volumes

	2024						2025		
	Q1	Q2	Q3	Q4	Total		Q1	Q2	YTD
AUD	8,190	10,102	11,916	10,059	40,267	31%	10,837	13,337	32%
FAR	9,295	12,264	15,989	13,506	51,054	40%	14,593	16,626	41%
REG	7,141	10,037	10,895	8,762	36,835	29%	9,232	11,534	27%
Total	24,626	32,403	38,800	32,327	128,156		34,662	41,497	

Note: Sections delivered

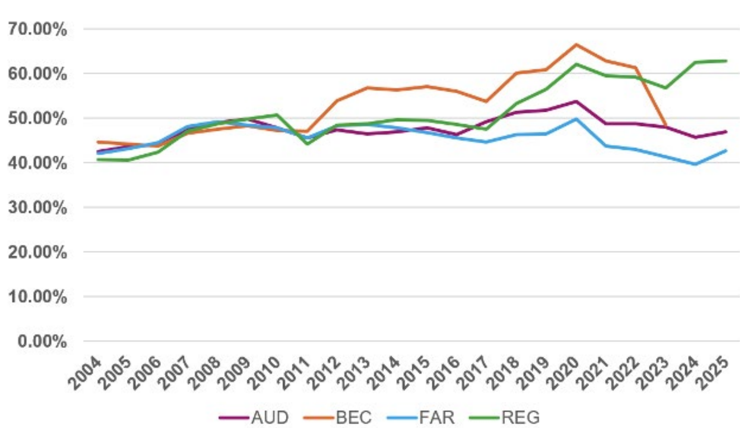
Figure 2: CPA Evolution — Discipline section volumes

	2024						2025		
	Q1	Q2	Q3	Q4	Total		Q1	Q2	YTD
BAR	704	1,696	2,274	2,666	7,340	37%	1,861	2,685	26%
ISC	380	1,110	1,622	2,235	5,347	27%	1,587	3,623	30%
TCP	689	1,156	2,011	3,330	7,186	36%	2,810	4,971	44%
Total	1,773	3,962	5,907	8,231	19,873		6,258	11,279	

Compare with REG-37K

Note: Sections delivered

Figure 3: CPA evolution — Section pass rates



- 2024 – 2025 represents CPA Evolution Core Sections
- 2025 represents cumulative through 25Q2

Frequently asked questions

The FAQs that follow are intended to address misconceptions about the CPA Exam and provide brief responses to questions raised in recent discussions.

Q. Is the CPA Exam a college-graduation test on the knowledge gained from your accounting and business courses?

A. No. The CPA is not a college-graduation test, and there is no common curriculum that all accounting programs follow. Rather, to protect the public interest, the CPA Exam tests the knowledge and skills a newly licensed CPA is expected to have for initial CPA licensure. The knowledge and skills tested on the CPA Exam are determined through the Practice Analysis.

A newly licensed CPA is someone with one to two years of professional accounting experience.

It's important to note that the knowledge and skills tested on the Exam will remain the same even as many states are changing their pathway to licensure by adding the option of a bachelor's degree plus two years of supervised work experience.

Q. Does the new, CPA Evolution-aligned Exam determine what areas CPAs will work in once licensed?

A. No. The new CPA Exam, which launched in January 2024, introduced significant changes, including candidate choice and flexibility. The Exam consists of three Core sections — Auditing and Attestation (AUD), Financial Accounting and Reporting (FAR), and Taxation and Regulation (REG). Additionally, the Exam includes the candidate's choice of one of three Discipline sections — Business Analysis and Reporting (BAR), Information Systems and Controls (ISC), and Tax Compliance and Planning (TCP).

All Disciplines lead to the same CPA license. CPA professional practice is not limited to the Discipline passed. Professional standards provide guidance related to required competence and due care when performing professional services.

Q. What trends can be seen in the pass rate and test volume data?

A. Test section volume was lower in 2024, as expected, following the rush by candidates to test under the previous format in 2023. Test volumes ended strong in 2024 and are increasing in 2025. Many credit extensions related to the CPA Exam transition, COVID-19 pandemic, and other factors expired on June 30, 2025. Increased Discipline section volumes are forecasted for the remainder of 2025.

As with test volume, section pass rates were volatile in 2024, with different candidate populations sitting for the Discipline sections. While the concept of candidate choice affects both volume and pass rates, pass rates are increasing. For more details, see the "Current Performance" section of this paper.

Q. Is the CPA Exam scored on a curve, or are their quotas for pass/fail?

A. No. The Exam is not scored on a curve. Individual cut scores are set by the Board of Examiners for each section of the Exam. A candidate's total score is a weighted combination of scaled scores from multiple-choice questions (MCQs) and task-based simulations (TBSs). Scaled scores on the MCQ and TBS portions of the CPA Exam are calculated using formulas that take into account factors such as whether the question was answered correctly and the relative difficulty of each question. There are no quotas.

To pass a CPA Exam section, candidates must score 75 at minimum. Scores are reported on a scale that ranges from 0 to 99. It's important to know that a total reported score does not represent a percentage of correct responses, nor should it be interpreted it as such.

For more on exam scoring **go here**.

Q. Pass rates for certain sections of the Exam differ by as much as 30 percentage points. Is that a red flag?

A. No. Pass rates for each section of the Exam are not normalized or expected to be equal or similar. Divergent pass rates can be a reflection of differing levels of readiness with the material tested. And candidate choice of Discipline means testing populations are different. Also, more volume is needed for the Exam's new Discipline sections; pass rates are likely to shift as more candidates sit for those exams.

Q. Nearly 20,000 Discipline sections were taken in 2024. Isn't that enough volume to make determinations?

A. No. Given transition rules and credit extensions to help with the shift to CPA Evolution, there is a significant population of candidates who have not yet taken a Discipline section. The nearly 20,000 Discipline sections taken are dwarfed by the volume of Core sections — more than 128,000 in 2024. And because of candidate choice, the volume per Discipline section was even smaller. For example, the ISC Discipline saw around 5,300 sections administered last year. While volume is increasing in 2025, the data does not allow for a full assessment of the impact on Discipline section pass rates.

Q. Should candidates boost their odds of passing by taking the Discipline section with the highest pass rates, even if their career aspirations or interests lie in another area?

A. No. What's easy for one candidate may not be for another. It's recommended that candidates select the Disciple that most closely aligns with their interests and education. That best practice also aligns with the data, which shows that candidates are likely to do well on a Discipline if they have done well on the respective Core section. For example, FAR passers do well on BAR, AUD on ISC, and REG on TCP.

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