

## Hey! What's New? 2025-88

### Calculating AI's Impact on CPAs: New Study Quantifies Time Savings

A recently released Stanford University Graduate School of Business Research Paper provides early evidence on the integration and impact of Generative Artificial Intelligence (AI) in accounting at the accountant and task levels.

According to the authors, “there is limited understanding of the current extent of AI adoption in accounting, how AI adoption affects individual accountants, their productivity, work outcomes and day-to-day processes. Generative AI differs fundamentally from prior technological innovations in accounting: instead of merely automating routine processes via predefined rules, AI systems learn from unstructured data and assist in decision-making.”

This paper discusses this difference in greater depth. In short, “AI is not just speeding up existing tasks – it is reshaping how accountants interact with information and make judgments. Such a transformation promises significant efficiency gains but also raises new concerns about reliability, control, and the evolving role of accountants. Motivated by this context, our study examines how Generative AI is changing financial accounting processes at both the task level and the individual accountant level, providing some of the first empirical evidence on this emerging phenomenon.”

First, they surveyed a panel of 277 professional accountants to document heterogeneous AI adoption patterns, perceived benefits, and key concerns. “This survey evidence reveals a broad range of engagement with AI – the median accountant uses AI tools a few times per week, about 10% integrate AI into their daily routine and fewer than 10% have never tried AI.” The authors note that “accountants generally recognize AI’s potential to reduce repetitive work and improve analysis, but many also voice trepidation about AI-generated errors, data security, and even job displacement.”

The authors partnered with an AI-based accounting software provider to analyze proprietary field data from 79 small- and mid-sized firms. “This unique dataset comprises detailed accountant-task level records and hundreds of thousands of transaction entries, allowing us to observe how AI tools are actually used in practice and how they impact work outputs. By combining survey data, theory and granular field evidence, our approach triangulates the effects of AI from multiple angles and ensures that our conclusions are both data-driven and rooted in real-world behavior.”

Productivity gains emerge as a key benefit, they say. “Accountants who adopt AI can take on significantly more work. On average, AI-using accountants support 55% more clients per week compared to non-users, enabling them to broaden their client service scope. These accountants also log more billable hours, indicating that AI helps convert previously nonproductive time into client-facing work. Importantly, we find evidence of task reallocation facilitated by AI.

“Routine tasks like data entry and transaction coding consume a smaller share of time for AI adopters – an 8.5 percentage point reduction in time spent on data entry for extensive AI users, equivalent to approximately 3.5 hours per week, assuming a standard 40-hour work week, freed from manual entry. Accountants appear to re-allocate this saved time to higher-value activities.”

The authors also document improvements in financial reporting quality associated with AI usage.” Firms where accountants deploy Generative AI show significantly more detailed and timely accounting records. In our sample, AI adoption is linked to a 12% increase in general ledger granularity, as measured by the number of unique accounts used to categorize transactions. This finer granularity suggests that AI-enabled accountants can capture transactions in more specific accounts, enhancing the informational richness of financial reports.”

They add that AI usage also correlates with faster reporting cycles – “on average, accountants using AI close the books 7.5 days sooner at month-end than those who do not use AI. Essentially, firms embracing AI are able to finalize their monthly financial statements almost within two weeks after month-end, whereas others take over a week longer. These patterns indicate that AI integration can improve the timeliness and precision of financial reporting, likely by automating data processing and flagging anomalies in real time. Notably, we find no evidence that these efficiency gains come at the expense of quality – if anything, the data suggest quality is enhanced.”

Crucially, they conclude, “our findings highlight the complementarity between AI tools and human expertise. Rather than rendering accountants obsolete, AI appears to be most effective as a collaborative tool that works in tandem with professional judgment. We find that more experienced accountants tend to leverage the AI system more strategically and reap larger performance gains from it... In short, Generative AI serves as a powerful assistant – enhancing productivity and accuracy – while the accountant’s expertise ensures that the final outputs are sound and contextually appropriate.”

Get the study at [Human + AI in Accounting: Early Evidence from the Field by Jung Ho Choi, Chloe Xie :: SSRN.](#)