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FOR THE ACCOUNTING AND FINANCE HIRING MARKET



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Data + trends

for the accounting and finance hiring market

The labor market has undergone profound changes since the beginning of the coronavirus pandemic. The accounting and finance market has certainly experienced its own shifts, producing trends and challenges that companies should understand (and be prepared for) if they want to build out their accounting and finance departments or tackle demanding finance projects.

For employers, the hiring landscape has been trying, to say the least. As job openings reached a twenty-year high in July 2021, hires lagged far behind¹. **Qualified candidates have become almost mythical for many hiring companies, leading to intense competition for the highly skilled unicorns who do find their way into a candidate pool.** And that's

when there is a talent pool in the first place. Many companies—often for the first time ever—are pursuing passive candidates en masse, and employers in danger of losing their best talent to these new opportunities are responding with aggressive counter offers, accelerated promotions, and new perks.

It isn't just the market for long-term employment that is seeing a shortage of candidates. Many companies are having trouble finding temporary help, contractors, and consultants. Some companies were forced to part ways with trusted independent consultants during the pandemic, and are finding that those consultants have moved on to better-paying projects or long-term contracts with other companies. This has left thousands of companies scrambling to address critical workforce shortages right when their traditional talent wells have run dry.

Another way the pandemic impacted market demand for accounting and finance professionals

was by bolstering industries where their skills are essential. Special purpose acquisition companies (SPACs) dominated the IPO conversation, raising [nearly twice as much money](#) in 2020 as they had raised in the previous ten years combined. The SPAC boom helped make 2020 the most IPO-heavy year since the dot-com bubble, creating a new stream of demand for accountants, auditors, CFOs, and controllers.

Similarly, COVID-19 increased the demand for numerous products and delivery models, specifically eCommerce functionality in consumer packaged goods and related manufacturing. As new businesses sprang up and existing ones pivoted to meet this demand, accounting and finance professionals were fundamental to ensuring their ongoing success.

All of this is taking place against the backdrop of a global health crisis that may not be resolved for years.

From our vantage point in recruiting and hiring for multiple industries, Vaco has seen firsthand how the market (and its demands) is creating real challenges for companies as they prepare for year-end close and navigate new regulatory requirements for accounting and financial reporting. As we've helped clients address these challenges, we've developed some key insights and advice on weathering the current market.

In this white paper, we'll take a look at the current jobs outlook, salaries and wages, as well as hiring trends, across key accounting and finance professions. Then we'll break down some of the biggest challenges employers are facing as they try to expand or maintain their accounting and finance departments.

¹“Job Openings and Labor Turnover Summary.” <https://www.bls.gov/news.release/jolts.nr0.htm>. Accessed 27 Sep. 2021.

Chapter 1:

ACCOUNTING & FINANCE JOB MARKET BY THE NUMBERS

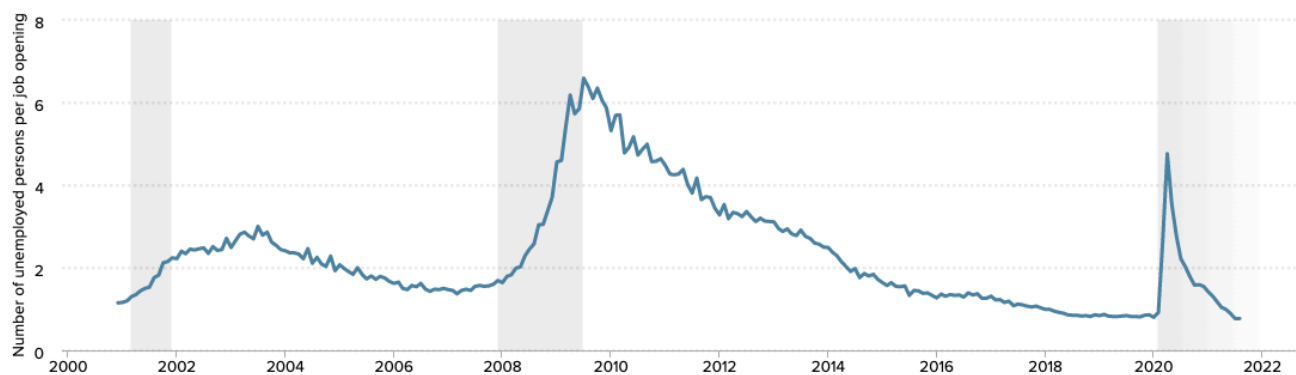
One thing made clear by this year’s labor market data is that we’re in a historically candidate-driven market. This is evidenced by the record number of job openings and employee resignations, each of which have sustained high numbers throughout each month of 2021.

In April 2021, the number of voluntary resignations by employees hit 3.9 million², a twenty-year high. After a brief lull in May, quits shot back to historic levels in June and July. In response, a Texas A&M professor coined the term “The Great Resignation” to describe the seemingly endless parade of notice letters being handed in by workers.

In July, job openings across all industries in the nonfarm sector in the U.S. increased by 749,000. This pushed total job openings to a twenty-year high of 10.9 million³, according to data from the U.S. Bureau of Labor Statistics (BLS).

By the beginning of August 2021, the number of available jobs outpaced the number of unemployed American workers by about one million. The number of unemployed persons per job opening fell to just 0.8, capping a trend in candidate scarcity that has been building since January:

The job-seekers ratio, 2000–2021



Notes: Shaded areas denote recessions. Unemployment levels represent the average of the unemployment level for the current month and the subsequent month in the Current Population Survey to better line up with the job openings data from the Job Openings and Labor Turnover Survey.

Source: EPI analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey and Current Population Survey

²“Job separations increase by 324000 to 5760000 in April 2021.” 15 Jun. 2021, <https://www.bls.gov/opub/ted/2021/job-separations-increase-by-324000-to-5760000-in-april-2021.htm>.

³“Job Openings and Labor Turnover Summary.” <https://www.bls.gov/news.release/jolts.nr0.htm>.



If we zoom in on industries with a high concentration of accounting and finance professionals, similar patterns emerge. In July, job openings in the financial activities sector increased by 202,000⁴ to reach a series high of 548,000. Job openings in the professional and business services sector increased by 114,000 to reach a series high of 1.8 million. These numbers are the highest they've been in the twenty years that the BLS has been collecting the data.

Perhaps more telling is the number of hires⁵ during the months when job openings spiked. In April, June, and July, total hires were virtually flat for all industries. July was especially telling, as total hires in the booming financial activities

sector increased by only 9,000, while hires in professional and business services increased by only 90,000.

While the demand for accounting and finance talent has increased, the number of active candidates has not. In fact, in August 2021, **the financial activities sector had the lowest unemployment rate of any sector in the U.S. at just 3.2%**⁶. By contrast, the overall unemployment rate for all U.S. workers for that month was 5.3%. Even at the height of the pandemic, when the overall unemployment rate reached a 73-year high of 14.4%, the financial activities sector was the least affected of all other sectors⁷.

⁴"Job openings reach high of 10.9 million in July 2021 - Bureau of Labor Statistics." 14 Sep. 2021, <https://www.bls.gov/opub/ted/2021/job-openings-reach-high-of-10-9-million-in-july-2021.htm>.

⁵"Table A. Job openings, hires, and total separations by industry" <https://www.bls.gov/news.release/jolts.a.htm>.

⁶"Table A-14. Unemployed persons by industry and class of worker" 3 Sep. 2021, <https://www.bls.gov/news.release/empsit.t14.htm>.

⁷"Employment Situation News Release - Bureau of Labor Statistics." 8 May. 2020, https://www.bls.gov/news.release/archives/empsit_05082020.htm.

Let's complete our picture of the state of accounting and finance jobs in the U.S. by highlighting some other stats and projections.

Jobs outlook, 2020 - 2030⁸

All Business and Financial Occupations



Employment, 2020
8,774,000



Projected employment, 2030
9,524,600 (8% increase)



	Accountants and Auditors	Budget Analysts	Financial Managers
What they do (From bls.gov)	Accountants and auditors prepare and examine financial records, identify potential areas of opportunity and risk, and provide solutions for businesses and individuals.	Budget analysts help public and private organizations plan their finances. They prepare budget reports and monitor organizational spending.	Financial managers create financial reports, direct investment activities, and develop plans for the long-term financial goals of their organization.
Employment, 2020	1,392,200	52,500	681,700
Projected employment, 2030	1,488,200 (+7%)	55,000 (+5%)	799,900 (+17%)

⁸Home: Occupational Outlook Handbook - Bureau of Labor Statistics." <https://www.bls.gov/ooh/>.



Earnings overview⁹

These estimates do not include self-employed workers.



	Accountants and Auditors	Budget Analysts	Financial Managers
Median annual salary	2018: \$70,500 2020: \$73,560 (+4.2%)	2018: \$76,220 2020: \$78,970 (+3.4%)	2018: \$127,990 2020: \$134,180 (+4.6%)
Median annual hourly wage	2018: \$33.89 2020: \$35.37 (+4.2%)	2018: \$36.65 2020: \$37.97 (+3.4%)	2018: \$61.53 2020: \$64.51 (+4.7%)
2018 percentile salary estimate	Lowest 10%: \$43,650 Highest 75%: \$122,840	Lowest 10%: \$49,860 Highest 75%: \$116,300	Lowest 10%: \$67,620 Highest 75%: >\$208,000
2020 percentile salary estimate	Lowest 10%: \$45,220 (+3.6%) Highest 10%: \$128,680 (+4.8%)	Lowest 10%: \$51,220 (+2.7%) Highest 10%: \$121,360 (+4.4%)	Lowest 10%: \$70,830 (+4.7%) Highest 10%: >\$208,000 (+/- 0%)
Highest-paying states (annual mean wage), 2020	District of Columbia: \$110,140 New York: \$101,140 New Jersey: \$96,260	District of Columbia: \$104,330 Maryland: \$97,390 Virginia: \$97,020	New York: \$215,640 New Jersey: \$184,130 District of Columbia: \$177,920



⁹Occupational Employment and Wage Statistics Home Page." <https://www.bls.gov/oes/>.

In looking at the projected job growth of some key professions in the accounting and finance world, it's clear that demand for these skills won't slow over the next decade. Jobs in the financial manager occupation, which includes controllers, are actually projected to grow *twice as fast* as the average profession.

These trends make sense if you consider the past year and a half. COVID-19 sunk the economy into its worst recession since World War II¹⁰. Financial expertise was vital for businesses to stay afloat, adjust, and respond—to both the stresses of the economic downturn and the increased demands of the economic recovery. At the same time, many firms were forced to downsize their teams and eliminate or reduce accounting and finance positions due to budgetary constraints.

The unemployment level in the financial activities sector reached 5.7% in May of 2020¹¹, a level not seen since the Great Recession.

As the economy rebounded, many accounting departments were overloaded, and necessary functions became more time-consuming. Large accounting projects were often delayed—either temporarily or permanently.

As we make our way towards 2022, the unemployment rate has decreased in many accounting-and-finance-heavy industries. However, unemployment is still higher than pre-pandemic levels. When coupled with the record number of job openings and flat number of hires, it becomes clear that many companies are struggling to attract and hire enough accounting and finance talent to meet their needs.

The pandemic will continue to impact economic growth, and while projections can provide useful insight, no one can say just how or when the economy will be affected by the virus or when the job market will return to pre-pandemic trends. The uncertainty and unpredictability of the economic landscape is a huge driver of demand for financial and accounting talent. Companies know they need to financially prepare for the future—whatever it may look like—to sustain themselves.

In the next section, we explore some of the key trends and challenges in the accounting and finance hiring market. You'll hear from some of Vaco's foremost recruiting experts and get their advice on addressing the unprecedented circumstances many companies are facing while trying to hire in this labor market.

Let's get started.

¹⁰"COVID-19 to Plunge Global Economy into Worst Recession since" 8 Jun. 2020, <https://www.worldbank.org/en/news/press-release/2020/06/08/covid-19-to-plunge-global-economy-into-worst-recession-since-world-war-ii>.

¹¹"Databases, Tables & Calculators by Subject - Bureau of Labor" <https://www.bls.gov/data/>.

Chapter 2:

TRENDS AND CHALLENGES

TREND: Accounting and finance professionals have widely embraced remote and hybrid work.

CHALLENGE: Companies that don't offer flexible work options are losing top candidates to competitors that do.

The pandemic prompted a mass exodus from office buildings, co-working spaces, and public life in general. Almost overnight, employees across industries transitioned to an entirely remote work environment. Nearly two years in, it's clear that working from home will be the new normal for thousands of employees. It's also clear that employees want remote work flexibility to be a permanent part of their professional lives.

This is confirmed by multiple surveys conducted throughout the pandemic. In McKinsey's remote work survey from April 2021, 52% of respondents stated a desire for more flexible work options post-COVID-19. In the same survey, 30% of respondents said they were "likely" or "very likely" to switch jobs if their employer required them to return to fully on-site work¹².

In a February 2021 poll based on Gallup's ongoing COVID-19 panel tracking survey, 26% of workers stated a desire to continue working remotely, even with widespread vaccine availability¹³.

Finance and accounting professionals led the way in adapting to and embracing remote work throughout the pandemic. In a June 2020 survey from the BLS, Management, Business and Financial Occupations had the highest ability to telework of all occupations¹⁴. In a Pew Research survey from December 2020, **84% of banking, finance, accounting, real estate or insurance professionals** said their jobs could be done from home¹⁵.

Across industries, remote work flexibility is a growing priority for candidates, and companies are responding by announcing permanent remote work policies for their teams.



¹²"What employees are saying about the future of remote work." 1 Apr. 2021, <https://www.mckinsey.com/business-functions/organization/our-insights/what-employees-are-saying-about-the-future-of-remote-work>.

¹³"How Has the Pandemic Affected U.S. Work Life?" - Gallup News." 17 Mar. 2021, <https://news.gallup.com/poll/339824/pandemic-affected-work-life.aspx>.

¹⁴"Ability to work from home: evidence from two surveys - Bureau of ..." <https://www.bls.gov/opub/mlr/2020/article/ability-to-work-from-home.htm>.

¹⁵"How Coronavirus Has Changed the Way Americans Work." 9 Dec. 2020, <https://www.pewresearch.org/social-trends/2020/12/09/how-the-coronavirus-outbreak-has-and-hasnt-changed-the-way-americans-work/>.

Pew Research Center bears no responsibility for the analyses or interpretations of the data presented here. The opinions expressed herein, including any implications for policy, are those of the author and not of Pew Research Center.

Here are some notable companies that have announced permanent flexibility options for their workforces since the start of the pandemic:

Google Google announced permanent hybrid/remote work options in August 2021.

Nationwide Nationwide Insurance announced a permanent hybrid work model in April 2020.

PWC PriceWaterhouseCooper announced in September 2021 that it would allow all 40,000 of its employees to work remotely permanently.

Twitter Twitter announced a permanent work-from-home policy in October 2020.

Salesforce Salesforce announced permanent remote work options in February 2021.

It's important to note that it isn't just large corporations that have adopted remote and flexible work policies. Denver software startup Flatfile, which has around 50 employees, is fully remote. Financial planning software company Finmark (50-100 employees) has also embraced remote work for its teams.

As the leader of Vaco's Accounting and Finance Direct Hire division, Joslyn Osborn is intimately familiar with candidates' growing demands for remote work flexibility. In recent months, she's seen the hiring struggles faced by companies that don't offer hybrid or remote options to their employees. Without flexibility as a selling point for your organization, the process of finding a long-term accounting and finance team member can take a really, *really* long time.

How can companies respond?

For millions of candidates in the current market, flexible work options are a key differentiator between potential employers. And these candidates have more leverage and more options than they've had in decades. With so many companies adopting permanent remote and hybrid work models (and spreading the

word about their commitment to flexibility), great candidates can choose to only pursue opportunities that meet those expectations. As for companies that don't offer flexible work, Osborn says, they may need to adjust their hiring timelines and, most importantly, look into interim resources while they continue their talent search.

"I try to tell hiring managers in these situations that this may take a while. If your company is in-office five days a week and that policy is out of your control, hiring may require more time than previously needed to find a candidate willing to be on-site full time. So you're definitely going to need to bring in an interim resource," Osborn says.

Osborn emphasizes how interim accounting and finance support can ensure that critical projects and initiatives keep moving. It can also help create a better environment and workload for welcoming a new long-term employee.

"Your position will be more attractive to the permanent person you want to hire if they know the work has been getting done," Osborn said.

TREND: Multiple accounting-and-finance-heavy industries are seeing record rates of employee turnover.

Multiple industries experienced record numbers of employee turnover in 2021. The financial activities, professional and business services, and finance and insurance sectors all experienced twenty-year highs in employee quits in April 2021¹⁶.

As long-term employees leave for new opportunities, many companies are facing huge talent gaps and the need to find and recruit candidates quickly. In this market, however, the challenges abound.

Candidates have the leverage to be highly selective in the opportunities they consider. Many candidates are talking to multiple companies simultaneously and may enter negotiations with a hiring company with multiple competing offers already in hand.

It's not just other hiring companies that are putting the pressure on, either.

Osborn noted that she's seen multiple candidates get sky-high counter offers from their current employers when they put in their notices. She has even begun seeing something she calls the "pre-counter offer": a pre-emptive promotion and pay increase when an employer gets even the slightest hint that an employee is interviewing elsewhere. These "pre-counter" offers can be extremely effective in getting outstanding employees to take themselves out of the job hunt—before hiring companies are able to negotiate in the first place.

CHALLENGE: Historically stable and mature companies need to retool their benefits and interview processes for the current job seeker.

Many companies have never before experienced a labor market as competitive as the one they face now. As a result, they're slow to adjust their recruiting and hiring strategies to address it.

Take the interview process, for instance. Companies that cling to an extended interview process are losing great candidates to competitors that hire with more urgency. Companies that insist on interviewing all candidates in person, rather than utilizing video conferencing, are lengthening and complicating a process that became pretty streamlined over the past year. The same challenges are occurring in companies that don't use candidate interviews as an opportunity to set themselves apart from their competitors.

Candidates want to know about company culture, diversity and inclusion initiatives, training and promotion opportunities, and future growth strategies. They value flexibility, work-life balance, and benefits that improve their quality of life. If a company can't sit down with a candidate and easily communicate their policies and philosophies on these topics, top candidates are likely to look elsewhere for their next opportunity.

In the current labor market, they have the power to do so.



¹⁶Table 4. Quits levels and rates by industry and region, seasonally" <https://www.bls.gov/news.release/jolts.t04.htm>.

How can companies respond?

To compete for the very best candidates, competitive salary ranges and benefits are step one. Don't create a job description without knowing the true market ranges for the position you're looking to fill. If you don't have accurate or up-to-date salary information, you may need to perform a salary evaluation before you begin recruiting and hiring—especially for in-demand positions.

If you've performed a salary evaluation and found that you can't offer a competitive salary or the top-of-mind benefits that candidates desire, consider providing other perks, like flexible work hours, company-wide wellness programs, tuition reimbursement, corporate discount programs, and generous time-off plans. Create benefits programs that are truly beneficial to your team members. To do this, those benefits need to be embedded in your company culture. Otherwise, they're just lip service.

Unlimited time-off policies, for example, can be incredibly desirable to employees and candidates on paper. But if none of your employees use their PTO because your company culture discourages vacations or time away, that benefit becomes nothing more than a line item in an employee handbook. It is functionally meaningless within your employees' actual lives. Meaningless benefits can negatively affect your company's reputation, especially in the hiring market. Your current employees may not recommend your organization to peers and friends in the job market who value work-life balance, and candidates who accept a position believing your organization encourages work-life balance may not stay for long.



Fortunately, there are innovative ways to show candidates that your time-off policy is a true, usable benefit. Some companies provide “vacation bonuses” of \$500 or \$1,000 per year to each full-time employee to encourage them to take time off. Other companies, like HubSpot, have instituted a company-wide “week of rest” where all employees take time off to unplug and recharge.

Even if you can't institute high-level (and expensive) policies like these, there are ways to instill a healthy work-life balance at all levels of your company. Encourage managers to take a minimum number of days off each quarter to set an example for their team members. You can even institute a vocal recommendation for time off—three weeks per employee, per year, for instance—that comes directly from your company's leaders.

The same sentiment applies to diversity and inclusion initiatives. Paying lip service to diversity, equity, and inclusion (DEI) in interviews won't impress candidates as much as having action-oriented strategies for creating a diverse and inclusive workplace. Diverse mentoring programs, regular DEI discussions and panels, diverse promotion programs, and diverse hiring strategies are just a few examples of ways you can effect real change within your organization and show candidates that your commitment is more than words.



TREND: Salaries for accounting and finance professionals are increasing quickly.

CHALLENGE: Companies are being “outbid” for great candidates at all employment levels.

While we don’t have official wage and salary data for accounting and finance occupations past May 2020, we can examine a few key pieces of data that illustrate just why salaries for these professionals are rising so rapidly.

First, we have to look at the geographic areas where accounting and finance employment is highly concentrated. For the BLS, this data is represented by a formula known as Location Quotient (LQ). If an area has an LQ of greater than one for a given occupation, it indicates that the occupation holds a higher share of total employment in that area than average. If an area has an LQ of less than one, it indicates a lower share of total employment than average for that occupation.

For accountants and auditors, the states with the highest LQ in 2020 were the District of Columbia, New York, Colorado, South Dakota, and Virginia¹⁷.

The District of Columbia has the highest LQ for accountants and auditors at 1.6, followed by Colorado at 1.5, and New York at 1.4. This means

that accounting and auditing jobs are 1.6X more concentrated in the District of Columbia than the average for all other states. Other states with LQs of higher than one for accountants and auditors include New Jersey and Massachusetts. It’s important to note that the states with the highest concentration of accounting and auditing professionals are also states with the highest cost of living and highest per capita income. New Jersey, Massachusetts, New York, and the District of Columbia are among the top 10 highest cost-of-living areas in the U.S.¹⁸ They are also in the top 10 in per capita income¹⁹.

For the financial manager occupation, which includes controllers in the BLS data, the numbers are even more telling. In 2020, the states with the highest LQ for financial managers were Connecticut, the District of Columbia, Massachusetts, Illinois, and New Hampshire²⁰. The LQ for financial managers in Connecticut was 2.45—meaning financial managers were 2.45X more concentrated in Connecticut than the average for other states. In fact, three states—Connecticut, the District of Columbia, and

¹⁷“13-2011 Accountants and Auditors - Bureau of Labor Statistics.” <https://www.bls.gov/oes/current/oes132011.htm>.

¹⁸“Cost Of Living Index By State 2021 - World Population Review.” <https://worldpopulationreview.com/state-rankings/cost-of-living-index-by-state>.

¹⁹“Per Capita Income By State 2021 - World Population Review.” <https://worldpopulationreview.com/state-rankings/per-capita-income-by-state>.

²⁰“11-3031 Financial Managers - Bureau of Labor Statistics.” <https://www.bls.gov/oes/current/oes113031.htm>.

Massachusetts—had LQs of greater than two for the financial manager occupation. All three states are in the top 10 for cost-of-living and per capita income.

When key accounting and finance professionals are concentrated in high-income, high-cost-of-living areas, they may have expectations for higher pay when they enter the job market. Additionally, companies that are opening their recruiting pool to remote candidates may experience higher salary ranges from candidates in different areas of the country.

Another driver of rising salaries is the low unemployment rates in multiple accounting and finance occupations.

The U.S. News and World Report's Best Jobs²¹ list ranks the 100 best jobs in the U.S. each year, assigning each job a score based on factors like average salary, opportunities for advancement, work-life balance, stress levels, and unemployment rates.

On the 2021 list, the accountant profession ranked at number 75 overall, but boasted an unemployment rate of just 1.7%. Financial manager/controller came in much higher on the list at number 17 overall, with an even lower unemployment rate: just 1.4%. For comparison, other in-demand and high-ranking occupations like statistician (number 6), data scientist (number 8), and information security analyst (number 15) had

unemployment rates that ranged from 2.7% to 3.5%.

Low unemployment within the industry means there are fewer accounting and finance professionals actively seeking jobs.

Companies experiencing turnover in key accounting or finance positions may get few or no qualified applicants, and they may face immense competition for the candidates they do attract. When companies engage in passive recruiting, the salary conversation becomes even more central. To convince a top accountant or controller to leave their current role, hiring managers have to be prepared to offer a salary or wage that will get their attention. They also have to be prepared to top any counter offers the candidate receives when they announce their departure and any competing offers they may receive from other companies.

This competition—which exists in recruiting for staff accountants, entry-level auditors, senior accountants, controllers, financial managers, and above—is one of the biggest roadblocks for companies that are trying to fill critical open roles. Lack of budget to pay competitive salaries is a key reason many companies are struggling to find the help they need in this current market.

²¹"100 Best Jobs - Careers - US News Money." <https://money.usnews.com/careers/best-jobs/rankings/the-100-best-jobs>.



How can companies respond?

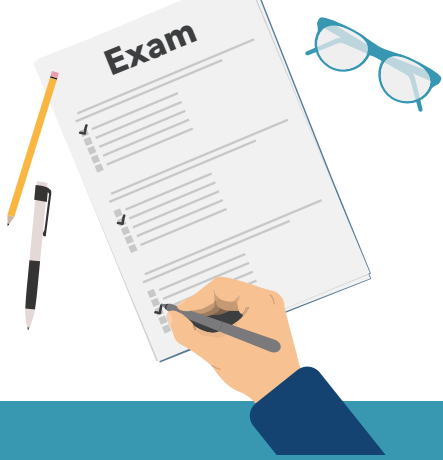
If your company doesn't have the budget to pay a salary or wage that meets market standards, it may take a long time to fill an open accounting or finance position. But that doesn't mean the work should go undone.

Consulting, contract, and contract-to-hire resources can fill your talent gaps for a reasonable cost while you conduct your search for a permanent hire. Managed services can completely remove an accounting or finance function from your plate so you can focus on a salary evaluation or intensive recruiting campaign.

It's important to remember, however, that your traditional recruiting and hiring methods may not be effective in the current market. With unemployment rates incredibly low for these occupations, passive recruiting has become a

vital tool that can yield impressive results—if you have a large enough talent network and the time and insight to engage passive candidates effectively.

Most hiring managers don't have an independent network of qualified passive candidates to tap into when the labor market tightens. If they have a relationship with a trusted talent solutions firm, however, they can utilize their resources when critical talent needs arise. Engaging a firm for your hiring needs can help you find consultants, contractors, contract-to-hire talent, and long-term employees, from a much larger and more engaged pool of professionals. The process of recruiting through a firm is typically faster and more efficient than an internal hiring team because they have the resources, technology, and relationships to expedite each stage of the process.



TREND: COVID-19 impacted the number of accounting students sitting for the CPA exam.

CHALLENGE: There are fewer early-career CPAs entering the candidate pool for hiring companies.

The pandemic impacted the number of qualified accountants entering the job market in 2020 and 2021. Many graduate-level accounting majors halted their studies during the pandemic, delaying their entry into the job market by a year or more.

Similarly, many accounting students delayed scheduling and sitting for the CPA exam due to testing limitations and challenges. As a result, the National Association of State Boards of Accountancy (NASBA) reported an 18% decrease²² in the number of exam sections that were processed in the 2020 fiscal year. According to AICPA's most recent Accounting Graduates Supply and Demand Report²³, 2018 saw the lowest number of CPA candidates since 2006.

It isn't just the pandemic that has impacted the number of CPAs entering the job market. The AICPA estimates that 75% of its 448,000 members²⁴ became eligible to retire in 2020. Roughly two-thirds of the 669,130 actively

licensed CPAs²⁵ in the U.S. are members of AICPA.

As the pandemic continues, many older Americans may accelerate their retirement plans; in 2020, 3.2 million Baby Boomers retired, up from just 1.5 million who retired in 2019²⁶. Over the next year, we could see an uptick in CPA retirements, leaving thousands of open positions that will likely require candidates to have a CPA license.

Finally, there have been recent declines²⁷ in the number of students enrolling in accounting programs at universities. Enrollment in bachelor's accounting programs declined by 4% from 2015/2016 to 2017/2018. During the same period, enrollments in Master's and Ph.D. programs declined by 6% and 23%, respectively.

Companies that need CPAs—for either temporary projects or long-term positions—may face hiring bottlenecks as they contend with both increased demand and fewer eligible CPAs on the market.

²²"NASBA Sees Significant Decline in CPA Exam-Related Revenue." <https://insidepublicaccounting.com/2020/11/nasba-sees-significant-decline-in-cpa-exam-related-revenue/>.

²³"2019 Accounting Graduates Supply and Demand Report - AICPA." 25 Jan. 2019, <https://www.aicpa.org/content/dam/aicpa/interestareas/accountingeducation/newsandpublications/downloadabledocuments/2019-trends-report.pdf>.

²⁴"Creating a "Retired CPA" Status in the UAA - AICPA." <https://www.aicpa.org/advocacy/state/retiredcpastatusexposedraft.html>.

²⁵"How Many CPAs Are There? | NASBA." <https://nasba.org/licensure/howmanycpas/>.

²⁶"The pace of Boomer retirements has accelerated in the past year." 9 Nov. 2020, <https://www.pewresearch.org/fact-tank/2020/11/09/the-pace-of-boomer-retirements-has-accelerated-in-the-past-year/>.

²⁷"2019 Accounting Graduates Supply and Demand Report - AICPA." 25 Jan. 2019, <https://www.aicpa.org/content/dam/aicpa/interestareas/accountingeducation/newsandpublications/downloadabledocuments/2019-trends-report.pdf>.

How can companies respond?

CPAs are in extremely high demand and very low supply, and traditional recruiting and hiring strategies may not be successful. CPAs—for both contract and long-term employment—command higher salaries, better benefits, and more flexibility in the current market, so companies that need to attract these sought-after candidates may need to reevaluate their company's value proposition. Is your organization offering a salary or hourly rate that is commensurate to the market value for the candidate? How does your company's culture, benefits, and reputation stack up next to the competition? Are there ways you can sell your company's sizzle more effectively in job descriptions, ads, and campaigns?

These are important questions for companies to ask as they try to build job descriptions and interview processes for in-demand talent like CPAs and accountants.

Additionally, companies may need to adjust their job requirements. Closely evaluate the nature of the role you're trying to fill, and determine whether or not a CPA certification is truly necessary for the work to be done correctly and efficiently. It may be more pertinent to search for candidates who have skills in certain technology or information systems or those who are especially strong in business analysis. If CPA licensure is key to your business model, there are ways to fill roles while still building a CPA-friendly culture.

To incentivize candidates to pursue their CPA license after being hired, you can offer free test preparation, cover test registration costs, and offer bonuses for employees who complete the exam within a year of being hired.

WRAPPING UP

These are far from the only trends and challenges companies are facing as they try to meet growing accounting and finance talent needs. Whatever your unique hurdles may be, however, there are resources to help you address them.

Interim resources and support, including consultants, temporary and contract talent, and managed services, can help ensure that the work is getting done while you search for the right candidate to join your team.

HOW CAN VACO HELP?

A lot is happening and a lot is changing within the accounting and finance industry. Many companies are turning to Vaco to help them find highly skilled finance and accounting professionals who are well-versed in today's technology and data-driven methodologies.

If your company is facing talent gaps, and you need a strategic partner in filling them, Vaco is with you all the way.

→ **Need a hand finding the right talent?
We're here to help.
[CONTACT US TODAY!](#)**



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