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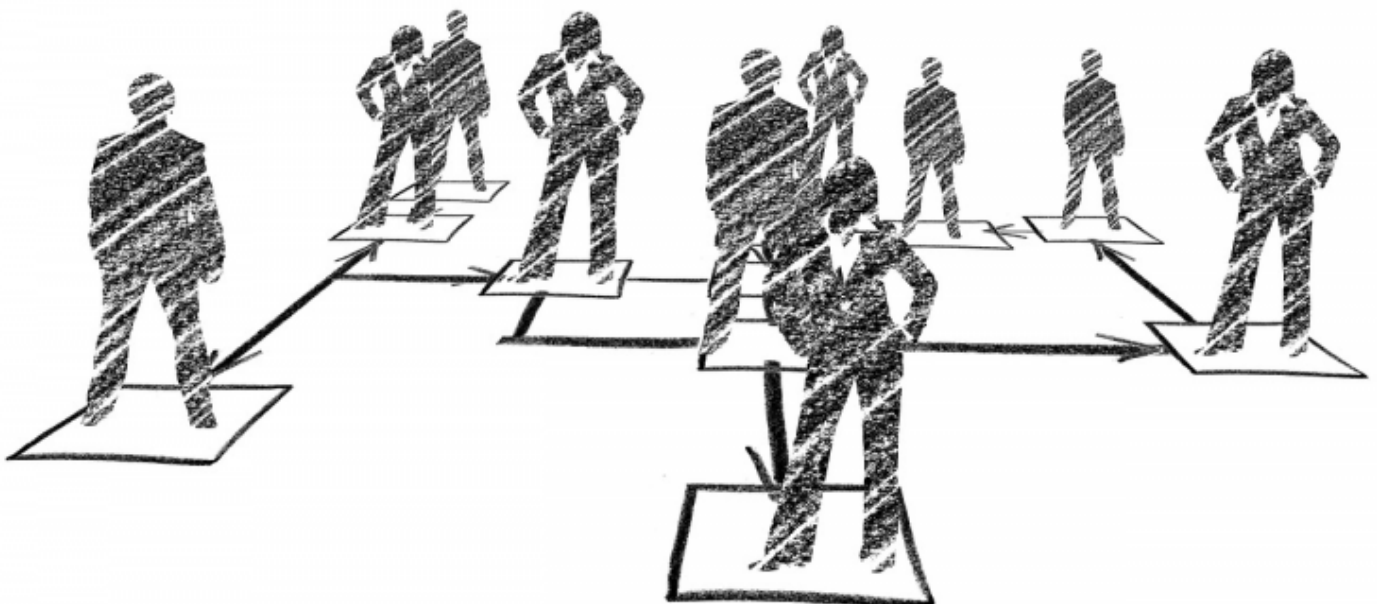
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FIRM MANAGEMENT

Will the 'Great Resignation' Become the Great Shakeout?

Should we be concerned about the rising number of accountants leaving the profession? If one is paying attention, the alarm bells are sounding across the board, and it really hits home if you've had a personal experience being short-staffed.

Ernie Villany • Mar. 23, 2022



Should we be concerned about the rising number of accountants leaving the profession? If one is paying attention, the alarm bells are sounding across the board, and it really hits home if you've had a personal experience being short-staffed.

I own a small firm in Boulder County, CO and last year at this time, I was about to deal with what would end up being a 50% reduction in staff—much harder to absorb than what most accounting firms see. At any rate, it may be time for accountants and CPAs to do a forensic analysis of our own industry.

This is a look at what the facts and statistics are telling us, and what we as a professional industry can do about it.

If you start with the Bureau of Labor Statistics, [here's a snapshot](#) of the accounting and auditing industry. In 2020, the profession amounted to 1,392,200 jobs in the U.S. The projected job outlook between the years of 2020-2030 is +7%, or approximately 96,000 new jobs. We hope. The 'Great Resignation' was a huge awakening for all of Corporate America, and it's estimated that the accounting profession alone lost an inordinate amount of its total workforce. What's particularly intriguing is that even before COVID-19, the accounting profession was [losing 10-15%](#) of its small firm professionals—and it's only sped up since that point.

Barging Towards the Exits

When the COVID-19 lockdowns began two years ago, it was right in the midst of tax-filing season—our busiest time of the year. Then the federal government announced the PPP loan programs, grants, and other means of assistance. That drove up the demand on our time, which is difficult enough to manage during a normal year. Everyone in this profession loves to fall back on the term “burnout,” but looking back there was much more contributing to the situation we find ourselves in.

The work itself is high-pressure. Individuals and corporations hold us to extremely high standards of perfection. Considering the seriousness of our work, perhaps that's warranted, but it doesn't reduce the pressure facing our profession. 70 to 80-hour workweeks aren't at all uncommon, but are we responsible for allowing this to become the norm?

Most who've quit their jobs during the Great Resignation did so to gain a better work-life balance. Our profession is no outlier in that area.

Show Us the Money

Is the pay grade no longer worth the effort? The **mid-\$60K per year** for even junior accountants would seem like a comfortable living, but the long hours have a way of averaging that out. Work-life balance? Maybe for a few months out of the year, but they don't call it "tax season" for nothing. Interestingly enough, some of the big accounting houses have begun raising salaries and bonus packages. Earlier this year, KPMG **announced \$160 million** in salary increases for its 30,000 employees. And Ernst & Young **stated they've spent** close to \$2 billion in the last two years to raise pay, increase bonuses, and retain staff.

A Way Out?

Because I provide a small firm-perspective on these issues, my own view might be a bit myopic. But I don't believe higher salaries are the panacea for retaining the best and brightest among us. What made the difference in my own practice was a two-fold solution. I found a great outsourcing partner to handle about 70% of our repetitive accounting tasks and implemented a workflow software platform solution that vastly improved our productivity. My personal experience tells me that neither of these solutions have yet to catch on with the majority of firms our size, but they should. We simply must reduce the number of hours, and the workload, of our professionals. Or they'll continue to head for the exits.

What kind of a fight would we as an industry need to put up to commit to a 40-hour workweek, even during the busy season? Cops do it. Teachers do it. Might that look like an attractive career choice compared to our current outlook? Clearly, the "way we've always done things" is no longer a sustainable business model. And to think it only took a pandemic and a major economic meltdown to prove it. To address how broken our retention efforts are in the accounting profession, it's going to take a cultural transformation. Which could—and should—begin within our own four walls.

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