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and retain top talent from a perpetually shrinking pool of accounting professionals while avoiding undue burdens brought by inflation?

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By Richard Lavina.

Today's accounting world faces an unprecedented challenge: How can firms scout and retain top talent from a perpetually shrinking pool of accounting professionals while avoiding undue burdens brought by inflation?

What's happening as it relates to the accounting industry is that we're at a supply crunch. Inflation makes hiring accountants out of college more expensive as past incomes quickly become outdated because new graduates are looking for higher-paying jobs.

The way accounting firms are built today is no different from one set up in the 90s, where you have a managing partner on top and interns/first-year staff at the bottom.

Everyone along the way wears multiple hats and does different types of work. Each

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asking for higher salaries, but that's where most of the crunch is. Traditionally within accounting firms, the work divided among the staff is part of a broader relationship. Give work to lower staff, they learn to work and progress upward and take on more responsibilities. The cycle continues each year with new staff replenishing the previous group as they progress through the firm's ranks.

When graduates enter the job market, their eyes might wander toward the most lucrative opportunities, and their attention trickles down. Accounting firms, for that reason, can find themselves stuck in a difficult position. Given the current inflation we're facing and the supply of young, talented college graduates that would replenish the employee hierarchy are looking elsewhere for higher-paying jobs, it becomes harder for accounting firms to support interns and first-year staff.

Bookkeeping and tax preparation are services that need to be done. However, you can't cut bookkeeping and taxes because you might lose clients and revenue. So, what do firms do in this position where they can't raise prices on essential services to increase salaries across the board?

There is no indication that inflation will slow down in the near term. Models indicate that it will take years before inflation slows to a reasonable rate. As such, the cost of living continues to surge nationwide. In the meantime, alternative staffing solutions are ideal for firms looking to free up compliance work to allow staff more time to provide value to their clients and the firm. Alternative staffing solutions are effective in that they grant firm access to a fractional workforce that can clear bookkeeping and tax work quickly and affordably. As the supply crunch tightens, we feel this will be a bigger player because fewer people will get into the accounting profession.

It's where outsourcing services step in to help. Firms are at a bottleneck where they can't raise the prices of bookkeeping and tax services to match inflation because

customers won't return. It's a sacrifice to the bottom line that is ineffective. By

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