



Accounting Talent Insights Report 2023

www.toaglobal.com

Table of Contents

Introduction 3

Market Overview 4

Challenge: Attracting more practitioners 6

Talent and Training Overview 8

Salary Overview 13

Summary 15

About TOA Global 16

Introduction

Accounting firms in the United States saw an increase in both revenue and profits in 2022, but continued to face difficulties in hiring and holding on to their staff.

Is there a solution in sight?

Firms have tried salary increases to hold on to their employees and apprenticeship programs to attract more students to the profession, yet as one industry leader puts it, the shortage has only worsened.

Even as the median annual salary for accountants in the U.S. increased from 2012 to 2021, the number of accounting graduates kept falling.

This report looks at the talent supply prospects for U.S. accounting firms, as well as a solution that has worked for thousands of forward-thinking practices.



Market Overview

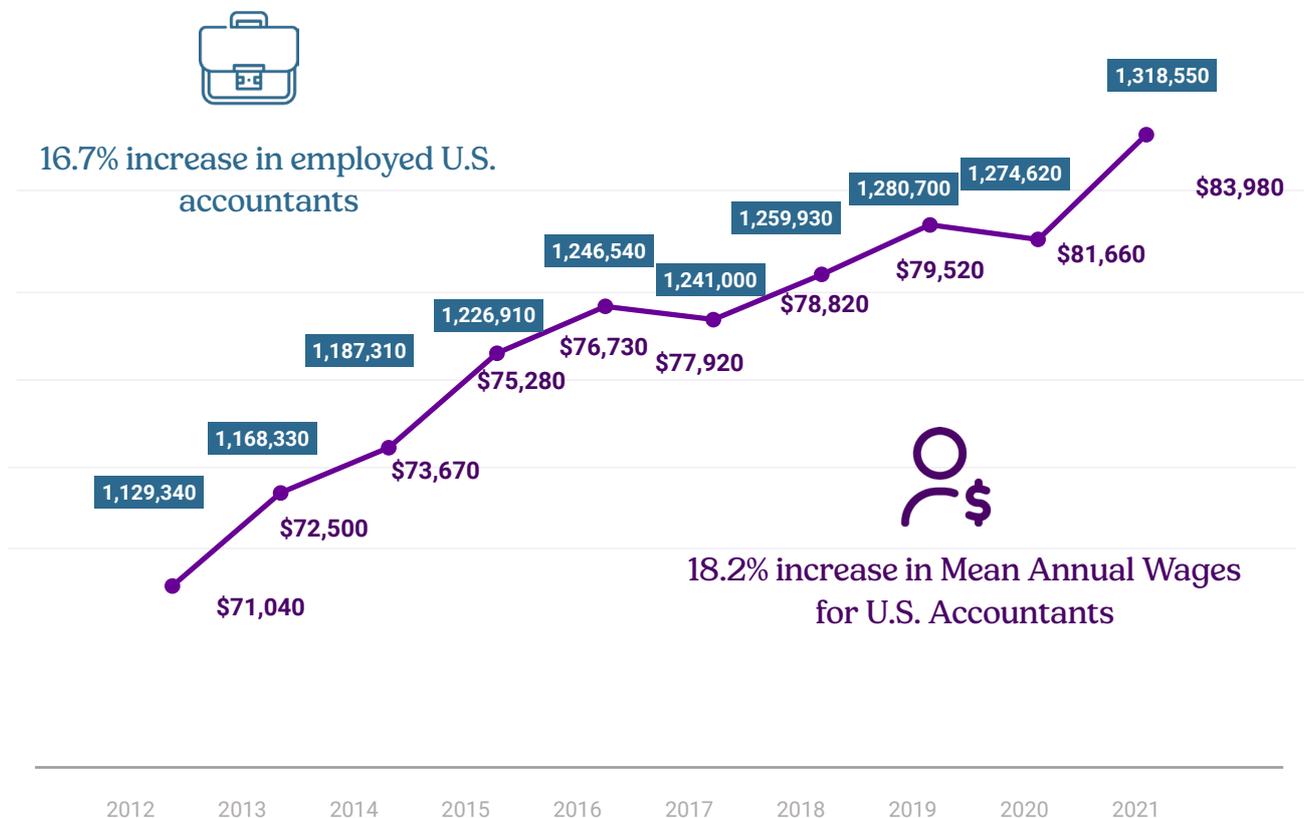
High attrition continued even if accountants and auditors in the U.S. have been getting pay increases over the past 10 years, a trend that grew more pronounced after 2020 as firms tried to hold on to their staff.

Here are some of the signs The Great Resignation has yet to abate in the accounting industry:

- In January 2022, KPMG announced its second across-the-board wage increase in less than six months. CEO Paul Knopp told Bloomberg Tax that the firm believed this “will not only help us retain the great talent that we have, but it will help attract more talent.”
- Another Big 4 firm, Ernst & Young, reported it had spent around \$2 billion since the pandemic began to increase pay and provide bonuses to retain team members and attract new ones.
- Professional staff turnover was the highest in recent memory, at 19% in 2022 from 15% in the year before, the annual Rosenberg Survey revealed.

Between 2012 and 2021, the mean annual wage for accountants and auditors increased by 18.2%, based on Bureau of Labor Statistics (BLS) records.

The total number of employed accountants and auditors likewise increased by 16.7% in those years.



Source: Occupational Employment and Wage Statistics, Bureau of Labor Statistics

From 2021 to 2031, an average of 136,400 jobs for accountants and auditors will open up each year, the BLS forecasts. These will include replacements for practitioners who will retire within the decade or change careers.

Accountants and Auditors in the United States

Actual and Projected Employment: Accountants and Auditors in the United States



$$1,531,600 - 1,449,800 = 81,800$$

Projected employment, 2031 Employment, 2021 Projected change (net new employed accountants)

Source: Occupational Outlook Handbook (Accountants and Auditors)
by the Bureau of Labor and Statistics

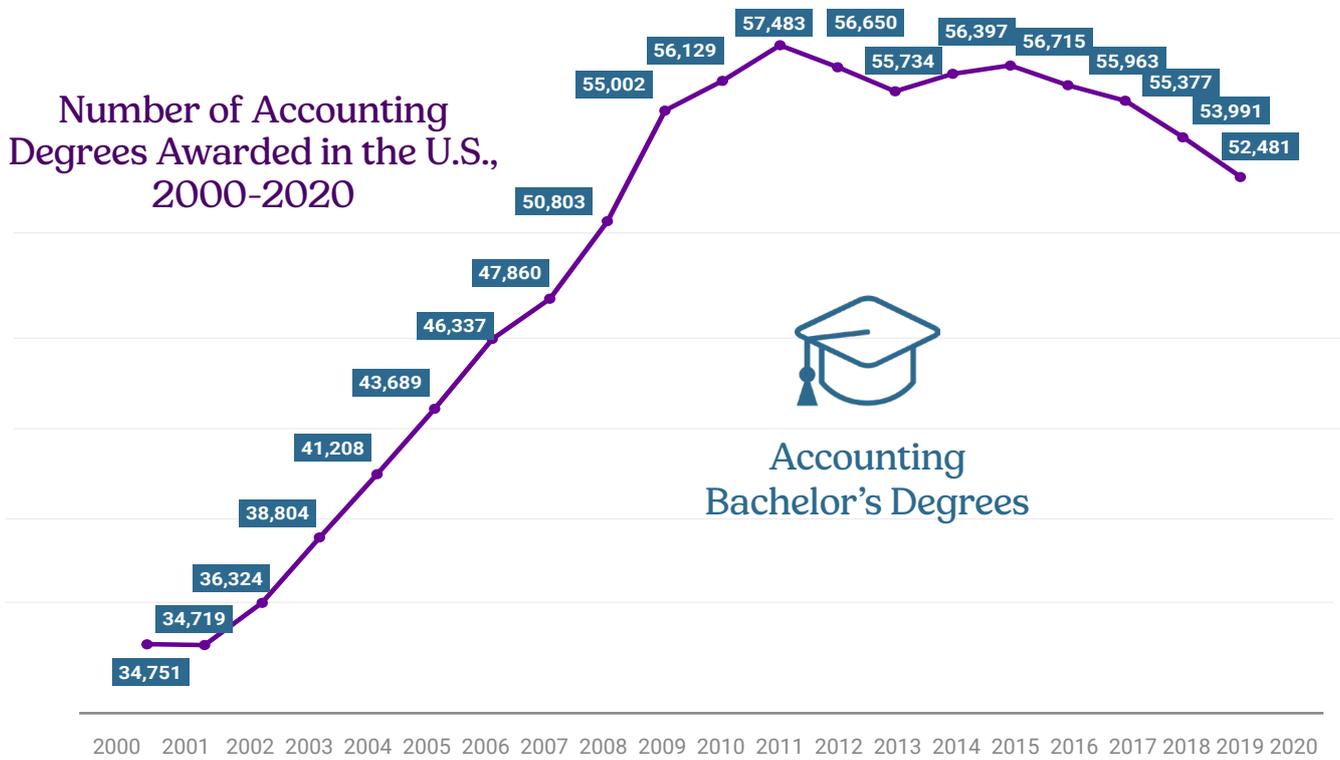


From 2021 to 2031, an average of 136,400 jobs for accountants will open up each year, BLS forecasts.

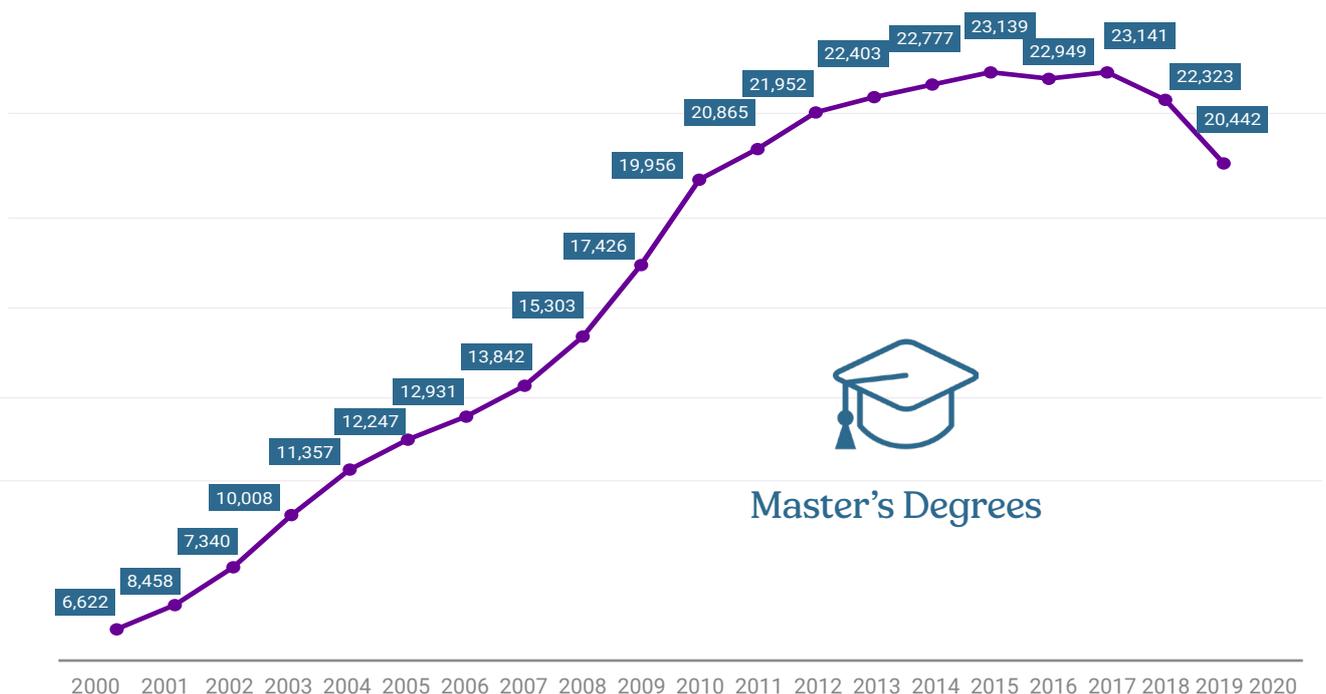
Challenge: Attracting more practitioners

One indicator of the accounting skills pipeline is the number of accounting majors who graduate each year.

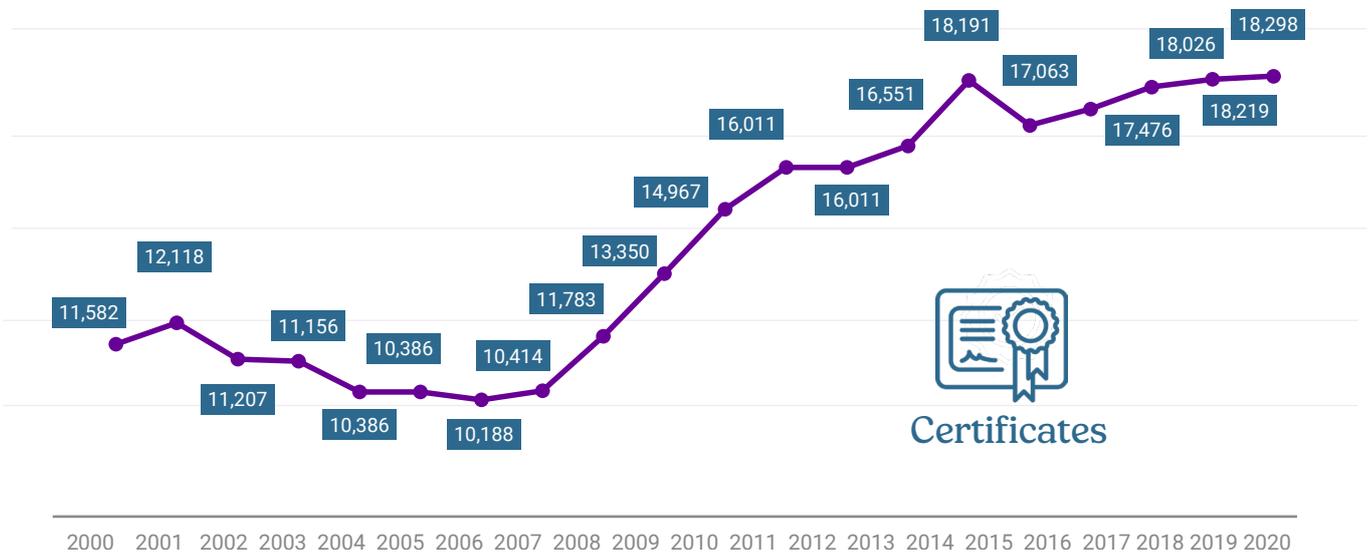
The number of individuals who graduated with a bachelor's degree in accounting in 2020 was 8% below its peak in 2012.



Meanwhile, the number of those who were awarded a master's degree in accounting peaked in 2018 but has since dropped by 11.6% in 2020.



While the number of accounting certificate course graduates has increased since 2016, the combined number of bachelor's, master's and certificate course graduates is still less than 70% of the projected demand for accountants and auditors in the U.S.



“The labor shortage seems to get worse every year,” observed Marc Rosenberg, CPA, founder of [The Rosenberg Survey](#). “It’s bound to increase the salaries of staff if it hasn’t done so already.”

Among the survey’s findings for 2022:

- ✓ The firms covered by [The Rosenberg Survey](#) reported only a 4% increase in headcount, despite revenue and profit increases of 9-10%.
- ✓ The aging of Baby Boomer partners has contributed to a growing market for mergers and acquisitions, as merging up has become one way to grow despite the skills shortage, as well as the most viable exit strategy for accounting firm owners who now want to retire.
- ✓ Consulting revenue accounted for only 11% of what CPA firms were making, down from 13.5% the year before. This points to an untapped potential for U.S. accounting firms.
- ✓ Partners have had to work more in the last 12 months which, in turn, has discouraged otherwise-qualified managers from accepting partnership offers.

“Many newer-generation partners have no appetite for the long-hours lifestyle of Baby Boomers. It’s not uncommon to need 2 new partners to replace a founder who’s been working 3,200+ hours per year,” said Kristen Rampe, CPA, Managing Partner of Rosenberg Associates, which publishes the annual survey.

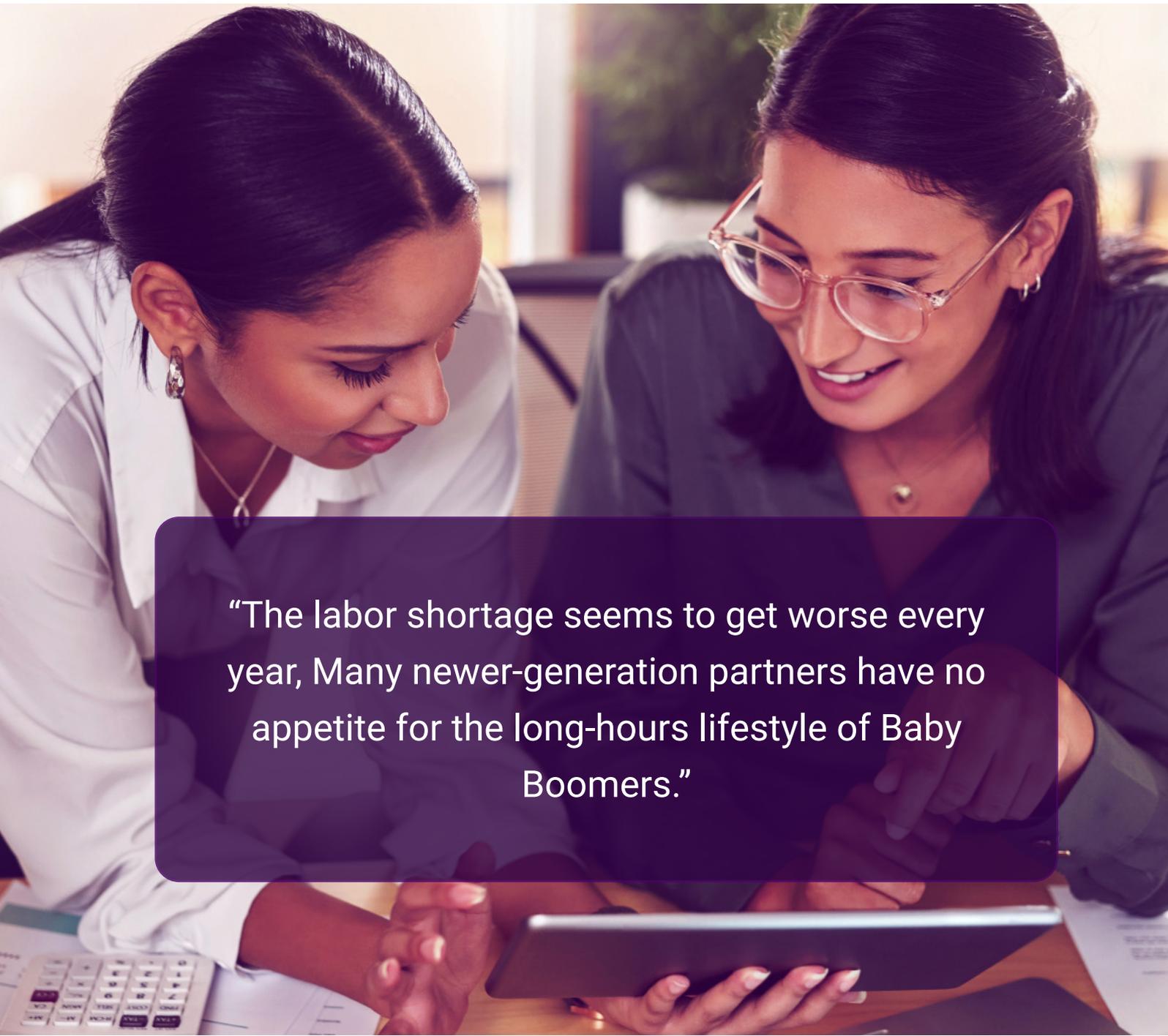
“Few want this job.”

For leaders of accounting firms, part of the challenge of attracting younger practitioners is selling the profession's strengths: among them stability, the chance to grow businesses and generate wealth, and work-life balance.

To advance their succession plans, they first need to show younger colleagues that success in accounting is an attractive proposition.

Starting in 2023, companies like Aon and HP will launch an apprenticeship program that will allow participants to work toward a Chartered Global Management Accountant certificate. The apprenticeship is a joint effort of the U.S. Department of Labor and the American Institute of Certified Public Accountants (AICPA).

Tom Hood, AICPA's EVP of business engagement and growth, confirmed in a [Fortune](#) interview that the apprenticeship program is intended to support talent development, "the absolute biggest issue facing all of our corporate finance and accounting folks."



“The labor shortage seems to get worse every year, Many newer-generation partners have no appetite for the long-hours lifestyle of Baby Boomers.”

Talent and Training Overview

Another solution that accounting firms can adopt is working with accountants and bookkeepers from different regions.

This will give firms the additional capacity they urgently need so they can protect their current staff from burnout, encourage and train emerging leaders in their firms and position themselves for growth.

With the right offshoring partner, accounting firms can, in just a few weeks, add highly skilled accountants and bookkeepers from regions like the Philippines to their teams.

Universities in the Philippines have graduated an increasing number of accountants since 2013.

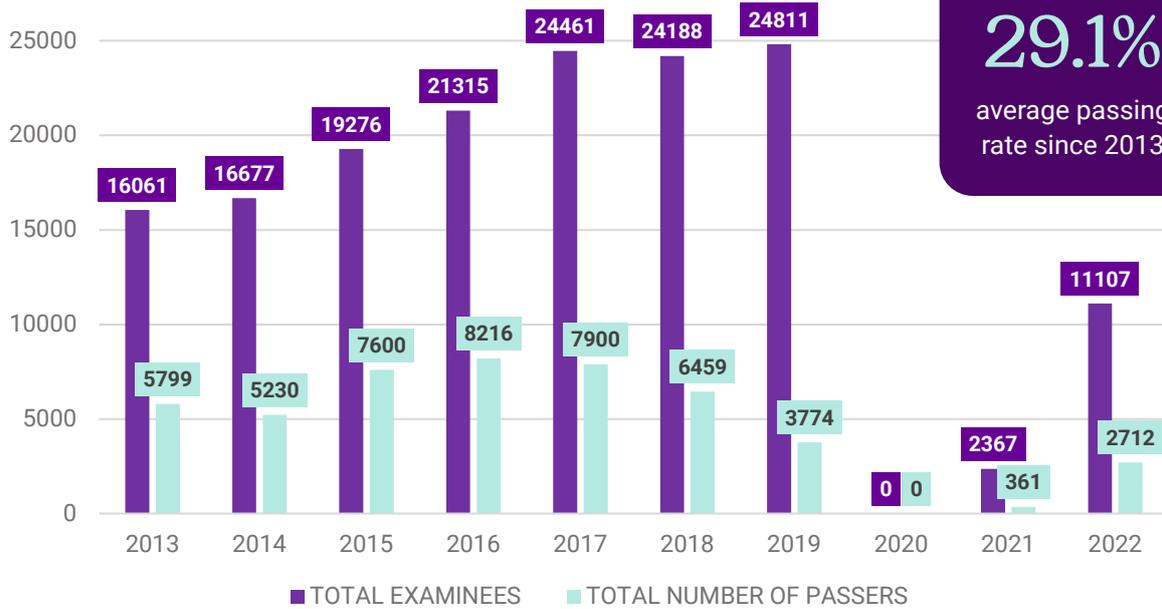


And despite a reputation for being difficult—typically, less than one-third of all examinees pass them—the licensure exam for Certified Public Accountants in the Philippines continues to attract thousands of aspiring CPAs every year.

“The Philippines may have one of the largest numbers of qualified professional accountants among Asian countries,” wrote [Joel Tan-Torres](#), a former chairman of the Professional Regulatory Board of Accountancy.

Although the board exams were cancelled in 2020 and the first half of 2021 because of the pandemic, the number of successful examinees in 2022 has reached 72% of its pre-pandemic level in 2019.

CPA Exam Passers 2013-2022



Source: Professional Regulation Commission Philippines

Becoming an Accountant and CPA: Comparing the PH and U.S. Paths

	Philippines	US
Associate's degree	Not applicable	18 months
Bachelor's degree	4 years	4 years
Certified Public Accountant (CPA) qualification	Bachelor's degree required 6-part licensure exam*	Bachelor's degree required 4 exams
Certified Management Accountant (CMA) qualification	2 graduate-level courses (e.g., Strategic Cost Management, Strategic Business Analysis) 2-part qualifying exam	Bachelor's degree required 2 exams
Continuing education requirement	120 Continuing Professional Development (CPD) units every 3 years for regulated professions, including accounting	Varies across states but generally 40 hours of Continued Professional Education (CPE) per year to renew their license

* The 6 exams in the Philippines' Licensure Exam for CPAs are: Management Services, Auditing, Taxation, Regulatory Framework for Business Transactions, Financial Accounting and Reporting, and Advanced Financial Accounting and Reporting

In March 2023, accountancy as a profession in the Philippines will mark its 100th year.

At least 452 universities are accredited to offer bachelor's degree programs in accountancy or accounting technology, according to the Commission on Higher Education. These courses typically last for four years and only the best make it through.

What this means for accounting firms: every year, thousands graduate from accountancy programs with a strong understanding of PH accounting knowledge and processes.

Within a couple of years, many will have acquired some experience working with international clients—or at least be ready to undergo further training so they can work with clients abroad. By the time they have worked for at least 5 years with an international team, an accountant trained in the Philippines can be ready to take on a Senior Accountant/Supervisor role.

U.S. Accounting Levels and Skills of Accountants in the Philippines

Accountant with 2 years PH Experience

- ✓ Assist and prepare financial statements
- ✓ Apply matching principles (pre-payments and accruals)
- ✓ Update fixed asset register
- ✓ Assist in balance sheet reconciliations
- ✓ Compute provision for income tax



Graduate Accountant Level D

Year 1 as international
accountant

- ✓ Can draft Employer's Quarterly Federal Tax (Form 941)
- ✓ Can draft U.S. individual income tax return (Form 1040) for review
- ✓ Assist in preparing client financials - e.g. can correctly process bank statement entries using the client's software (QuickBooks, Xero)
- ✓ Enters bank statement transactions into the software and able to post these using the coding of the Firm's POC
- ✓ Updates and maintains fixed asset register - this task includes adding new asset items, process depreciation, disposal, trade-ins
- ✓ Ability to draft list of queries for the supervisor or manager's attention
- ✓ Applies matching principles e.g. prepare prepayments and accruals journals

Continued: 2-5 years as an Accountant, moving into an Intermediate Accountant.



Accountant Level C

Year 2-3 as international accountant

- ✓ Have a good understanding of the client's accounting software e.g. QuickBooks, Xero
- ✓ Liaises with various statutory authorities on behalf of clients including the IRS and SEC
- ✓ Enters bank statement transactions and autonomously post these into the accounting software. Few corrections and changes may be made by the POC
- ✓ Understands and can effectively utilize the IRS portal (Tax Transcript)
- ✓ Can reconcile IRS portal accounts with the client records
- ✓ Can compute provision for income tax
- ✓ Can prepare and finalize Employer's Quarterly Federal Tax (Form 941)
- ✓ Can prepare and draft return for partnerships, and trusts and companies
- ✓ Can prepare and draft tax return for individuals, partnerships, and trust and companies
- ✓ Assist in preparing client financials - e.g. can correctly process bank statement entries using the client's software (QuickBooks, Xero)
- ✓ Ability to draft list of queries for the supervisor or manager's attention. The quality of queries are at developing level
- ✓ Draft financial statements for review



Intermediate Accountant Level B

Year 4-5 as international accountant

- ✓ Can delegate and supervise junior staff members' work
- ✓ Has a strong understanding of U.S. tax legislation especially on individual and companies
- ✓ Has a good understanding and can apply the tax minimization strategies
- ✓ Liaises with the IRS for complex matters e.g. entering payments arrangements, lodging tax objections
- ✓ Liaises with various statutory authorities on behalf of clients including the IRS and SEC
- ✓ Has a good understanding of the client's accounting software e.g. QuickBooks, Xero
- ✓ Enters bank statement transactions and autonomously post these into the accounting software
- ✓ Update and maintain of fixed asset register-this task includes adding new asset items, process depreciation, disposal, trade-ins
- ✓ Can reconcile IRS accounts with the client records
- ✓ Understands and can effectively utilize the IRS portal
- ✓ Can complete balance sheet accounts reconciliation including Tax Reconciliation, bank reconciliation
- ✓ Can compute provision for income tax
- ✓ Ability to draft list of queries for the supervisor or manager and or client's attention.
- ✓ Can prepare and finalize Employer's Quarterly Federal Tax (Form 941)
- ✓ Can prepare and finalize tax return for individuals, partnerships, and trust and companies
- ✓ Completes financial statements



Continued: Finally moving into an Intermediate Accountant.

Senior Accountant / Supervisor Level A

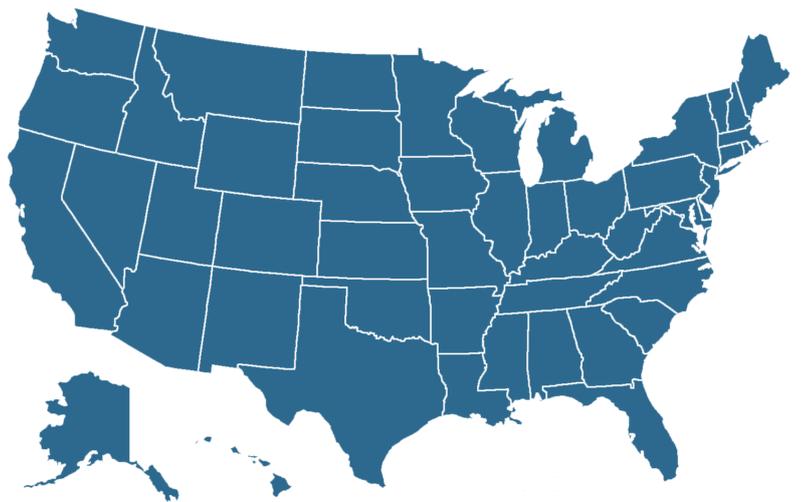
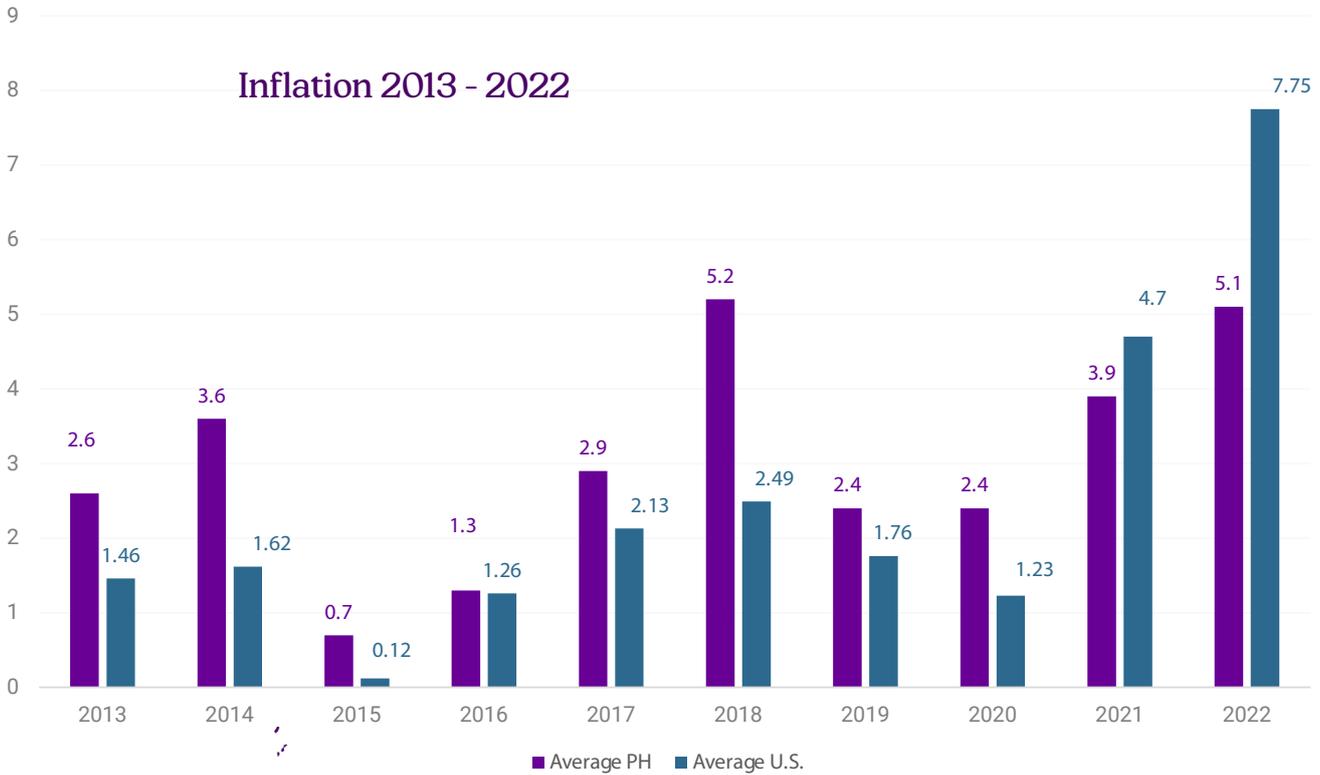
Year 6+ as international
accountant

- ✓ Delegates and supervise junior staff members work
- ✓ Provides training and mentoring to junior staff
- ✓ Reviews the work of junior and intermediate accountants
- ✓ Has an excellent understanding of U.S. tax legislation especially on individual and companies
- ✓ Has a good understanding and can apply the tax minimization strategies
- ✓ Liaises with the IRS for complex matters e.g. entering payments arrangements, lodging tax objections
- ✓ Liaises with various statutory authorities on behalf of clients including the IRS and SEC
- ✓ Liaises directly with the firm's clients
- ✓ Has a high level of understanding of the client's accounting software e.g. Quickbooks, Xero
- ✓ Updates and maintains fixed asset register -this task includes adding new asset items, process depreciation, disposal, trade-ins
- ✓ Understands and can effectively utilize the IRS portal.
- ✓ Can reconcile IRS accounts
- ✓ Can complete balance sheet accounts reconciliation including Tax Reconciliation, bank reconciliation
- ✓ Can compute provision for income tax
- ✓ Ability to prepare list of queries for the supervisor or manager and or client's attention. The queries are at advanced level.
- ✓ Can prepare and complete special purpose financial statements and tax returns
- ✓ Can prepare and finalize tax return for individuals, partnerships, and trust and companies
- ✓ Can prepare and finalize Employer's Quarterly Federal Tax (Form 941)

Salary overview

In recent years, the salaries of accountants and bookkeepers in the Philippines have been increasing as a response to rising inflation and competition for highly skilled talent.

Despite these increases, annual pay in the Philippines for accounting and bookkeeping roles in 2022 amounted to only 11% to 24% of what the same roles commanded in the U.S., based on advertised job openings on Indeed.



Annual Pay Rates for Accountants in the Philippines and the U.S.

Role	Average offshoring salary bands - Philippines (Equivalent in USD)	Average - U.S.
Accountant - Generalist	₱416,000 to ₱624,000 (\$7,480 to \$11,221)	\$52,403
Senior Accountant	₱1,040,000 to ₱1,560,000 (\$18,701 to \$28,052)	\$73,233
Accountant - Intermediate Auditor	₱624,000 to ₱936,000 (\$11,221 to \$16,831)	\$74,153
Senior Auditor - Supervisor	₱1,040,000 to ₱1,560,000 (\$18,701 to \$28,052)	\$80,754
Junior Bookkeeper	₱416,000 to ₱624,000 (\$7,480 to \$11,221)	\$42,561
Senior Bookkeeper	₱624,000 to ₱936,000 (\$11,221 to \$16,831)	\$59,700



Source: Advertised pay rates in the online jobs board Indeed
(Exchange rate used: ₱55.61 as of 9 December 2022, Central Bank of the Philippines)

Summary

Accounting firms can only raise salaries up to a point. While the Big 4 corporations can afford to spend billions of dollars in an attempt to solve the talent shortage, for small and medium practices, more sustainable solutions will need to be found.

When the Covid-19 pandemic began in 2020, it compelled more firms to adopt cloud-based accounting software so they could work as distributed teams.

This made it clear that with the right conditions in place, accounting firms can leverage both technology and offshoring so they can overcome the talent shortage in some economies and keep growing.

What conditions need to be in place? In our experience, accounting firms that want to make offshoring work in their favor need:

- ✓ a talent solutions provider that will fully support their recruitment and onboarding programs so they can work with the best in regions like the Philippines;
- ✓ pay and benefits packages that are competitive with the best in the local market, which will help them attract candidates and retain the offshore talent they've hired; and
- ✓ facilities and technology platforms that will keep their teams connected and allow them to work together securely.



About TOA Global

Since 2013, TOA Global has connected more than 1,000 accounting firms in Australia, New Zealand, and the United States with highly skilled accountants and bookkeepers in the Philippines.

We now have nearly 3,000 team members who enjoy the benefits of working with international clients without having to leave their home city.

Our number of full-time team members has kept rising as we met our clients' talent needs—even as the pandemic increased the demand for accounting professionals. Thousands apply to join us each year as Accountants, Senior Accountants, and Bookkeepers, and successful candidates choose from any of four offices in Cebu, Clark, Manila, and Tarlac.

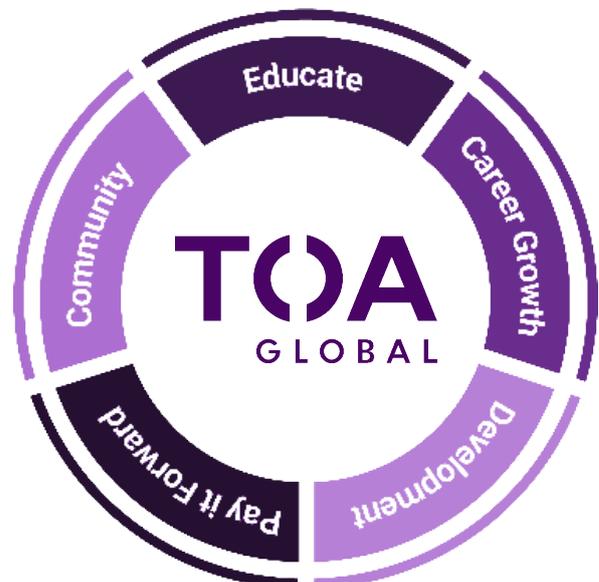


While prospective team members come to us with at least two years of accounting or bookkeeping experience, those who have yet to work with international clients get paid to train in our [Accelerator Program](#).

This is a 7-week course that trains participants in accounting software and Australian or U.S. accounting standards.

For this program and the continuing professional growth of our team members, we depend on our dedicated training division, [Ab² Institute of Accounting](#).

If you're curious about how a global talent solution can build greater capacity and position your accounting firm for further growth, we invite you to book a chat [here](#).





Collective Brilliance

2833 Crockett St., Suite 199,
Fort Worth, Texas, 76107

11160 Rancho Carmel Dr
STE 106-1023, San Diego,
CA 92106

info@toaglobal.com

www.toaglobal.com



[@toaglobal](#)