

# PARTNER'S REPORT

THE MONTHLY UPDATE FOR CPA FIRM OWNERS

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## CPA Firm Compensation

**Two major surveys predict that CPA firm pay will see small increases next year.** This is much better than many industries and professions are hoping for and indicates the resiliency of the profession, even through a severe downturn.

**Base salary raises in 2010.** Public accounting firm base salaries are predicted to increase next year from 2.5 percent for seniors to 3.1 percent for partners, according to estimates from Ajilon Professional Staffing's *2010 Salary Guide*. It also is significant that these figures beat the overall national average for all finance and accounting salary projections for next year, which predict an 0.85 percent decline next year.

In addition to the above-noted increases, base pay for CPA firm directors (partner-level, generally not CPAs) is expected to rise 2.7 percent next year, manager pay will go up 3 percent, and staff accountant (junior) pay will rise 2.6 percent (see accompanying table for more data).

"Despite a still-weak labor market, we are seeing continued demand for skilled finance and accounting professionals in almost all industries and regions nationwide," said Doug Arms, chief talent officer of Ajilon Professional Staffing. "Companies that take a proactive approach to attracting and retaining this top talent—which includes

providing a strong compensation package to their people—will be first to grow profit and regain market share when the economy rebounds. We are seeing the best and brightest pool of talent we've seen in decades; many companies are looking for creative ways to attract and retain this talent as we prepare for the upturn."

**Still a growth industry.** According to the Ajilon guide, the accounting profession is expected to grow in size and scope in 2010 as proposed changes in regulation and compliance create new roles for accounting professionals. The demand for financial analysis, budgeting, and forecasting due to the recession will be the number-one driver of job opportunities for accounting professionals, followed by the transition to international financial reporting standards and the economic stimulus package.

**About the Ajilon survey.** Ajilon is a professional staffing firm and a division of Adecco Group North America. The annual guide contains estimated salary ranges for various finance and accounting positions at small, midsize, and large CPA firms and companies in 75 major metropolitan markets across North America, based on feedback from Ajilon professionals.

Salary ranges vary depending on the location,

job description (private industry, public accounting, or data entry and payroll), and size of company (less than \$250 million in revenues, between \$250 million and \$1 billion and revenues, or more than \$1 billion in revenues). Data in the guide represent base salary only.

**Starting salary ranges.** Starting salaries will increase for most tax, audit/assurance, and management (consulting) personnel at CPA firms next year, though most increases will be quite small, even smaller than Ajilon's projected raises

for existing staff and partners, according to the second survey.

The *Robert Half 2010 Accounting & Finance Salary Guide* predicts that among tax professionals at CPA firms, the largest increases in starting pay over 2009 levels will go to managers at large firms (1.8 percent), midsize firms (1.6 percent), and small firms (also 1.6 percent). Large public accounting firms are those with \$250 million-plus in sales; midsize firms have \$25 million to \$250 million; and small firms, up to \$25 million in sales.

#### Projected Base Pay in 2010 for Public Accounting Partners and Staff (in \$ thousands)

		Partner	Director	Manager	Senior (3+ years' experience)	Staff Accountant (1-3 years' experience)
<b>Year Over Year Increase</b>		<b>3.1%</b>	<b>2.7%</b>	<b>3.0%</b>	<b>2.5%</b>	<b>2.6%</b>
Northeast (CT, MA, ME, NH, NY, RI, VT)	S*	\$116-173	\$95-134	\$70-94	\$56-70	\$46-57
	M	120-178	100-140	73-100	57-71	47-59
	L	131-200	102-146	74-105	58-72	48-60
Middle-Atlantic (DE, MD, NJ, PA, VA, WV, DC)	S	115-171	99-132	70-93	54-67	44-56
	M	118-176	103-138	71-95	55-68	45-57
	L	129-200	107-143	76-101	56-70	46-58
Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI)	S	110-164	91-120	64-84	48-61	43-54
	M	114-169	95-131	67-91	54-64	44-55
	L	118-200	96-134	70-94	56-67	45-56
South (AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN, TX)	S	108-160	89-118	63-82	47-59	42-53
	M	111-165	93-128	66-88	52-64	43-56
	L	120-171	97-130	69-92	53-67	44-57
West (AK, AZ, CA, CO, HI, ID, MT, MN, NV, OR, UT, WA, WY)	S	114-169	93-122	70-88	53-65	45-58
	M	117-174	100-138	73-97	57-74	46-60
	L	125-180	101-140	76-99	58-75	47-61
Canada (in Canadian dollars)	S	113-166	97-130	69-92	53-66	43-54
	M	133-196	108-138	77-96	54-69	45-57
	L	154-227	122-156	81-103	57-72	48-60

\*S=Company size and annual revenues under \$250 million.

M=Company size and annual revenues \$250 million to \$1 billion.

L=Company size and annual revenues over \$1 billion.

(Source: Ajilon Professional Staffing's 2010 Salary Guide)

In audit/assurance positions, the increases for new hires will be smaller: The largest will go to senior manager/directors at large firms (0.8 percent), midsize firms (0.8 percent), and small firms (0.6 percent).

For management services (consulting) new hires, the increases in starting salary this year will also be relatively small: Senior manager/director hires will receive 0.8 percent at large, midsize, and small firms—and that is the highest increase. In management services, new hires were the only categories with lower starting pay than a year ago: Entry-level pay (up to one year of experience) in management services will be down 0.3 percent at small and midsize firms and down 0.2 percent at large firms.

Among the trends noted in the survey report, top talent still is seen as key to fending off competitive threats. Accountants with international expertise will be especially valued, particularly with IFRS and their expected introduction into the U.S. market.

**About the Robert Half survey.** Survey data represent national averages. The full report includes salary variances for more than 50 metropolitan areas. In addition, Robert Half has a new salary calculator ([www.roberthalf.com/salarycenter](http://www.roberthalf.com/salarycenter)) for customized data by city.

The report divides its public accounting compensation data into three areas: tax services, audit/assurance services, and management (consulting) services. Salary information does not include overtime or bonuses. In general, firms should add up to 10 percent for holders of graduate degrees or professional certifications. These adjustments are particularly significant when considering starting pay for higher-level personnel at CPA firms.

Free copies of both reports are available at the Web sites below.

Sources: Ajilon Professional Staffing's *2010 Salary Guide* ([www.ajilon.com](http://www.ajilon.com)) and *Robert Half 2010 Accounting & Finance Salary Guide* ([www.rhi.com](http://www.rhi.com))

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