



(c. online)

November 16, 2009

The tax staff crunch goes on Good help will be as hard to find as ever next tax season

BY ROGER RUSSELL

Although the unemployment rate nationally is close to 10 percent, accountants with a tax specialty are still in demand.

"The unemployment among accountants is much smaller," said Jodi Chavez, senior vice president at staffing company Ajilon Finance. "People have the perception that there are many unemployed within the accounting and finance industry, but that's not the case. Accountants with the right skill sets are still highly sought-after."

"From the employer's perspective, it's still tough to find good talent," agreed Robert Lyons, group leader for finance at Kelly Services. "There are a lot that are unemployed, but when you talk about 'A' employees with good pedigrees, that demand still exists."

"Don't let the big numbers convince you that the market is full of accounting professionals looking for work," said Brett Good, district president for Southern California and Arizona at Robert Half. "Although unemployment is over 12 percent in California, for tax personnel it's less than 5 percent."

"In our Employment Dynamics and Growth Expectations Report, about half of the employers who responded indicated they are still experiencing a shortage of qualified workers, especially in the tax and CPA professions," he said. The report, completed in late August, found that in the next 12 months, more than half of employers polled plan to hire full-time employees, four in 10 will hire contract, temporary or project workers, and four in 10 will hire part-time employees. The report said that companies seek tax accountants who can help them achieve bottom-line savings through effective tax management, and placed "tax accountant" at the top of the list of positions with the best prospects.

UNDERSTAFFED ALREADY

Glen Dubiel, vice president of professional services at The Mergis Group, the professional services division of Spherion, observed that firms are already operating with fewer personnel than in prior years.

"Public accounting firms have trimmed their staffs in audit and tax, so they're operating leaner," he said. "Corporations haven't proactively trimmed so much, but have let staff go through attrition. When, say, a senior tax person we placed in the past leaves an organization, we naturally think they would replace them and they haven't done so."

"So we haven't seen demand like in past years for permanent placement of tax full-time equivalents. But my prediction is, given the dynamics, there will be a need to augment their staff. I can't imagine they can get the work done with the staff they have, so most will augment their staff with contractors," he said. "My advice is, if you're a manager and don't have the budget to rehire the person you lost, consider temporary contract employees. If you do that now you will be able to find someone with the skill set you need. But

you can't wait till two days before you need them, because there is not an abundance of tax professionals that are out of work."

"Overall, everybody has as much tax work as they ever did, but with less staff than before," said Dubiel. "It's going to be tough where they had ten people on their staff before but now they have eight. You have to get the same work done but with less bodies."

"Utilizing temporary workers saves costs," he said. "If you explore it early, you will end up with the right person to augment your staff and get the job done. And if the work can be done remotely, that's good. The bigger you draw the circle, the more people you can find. It will increase your chances of finding the right person."

Last year, Ajilon's Chavez noted an increase in qualified candidates as a result of layoffs by the Big Four: "That pool has dried up in the sense that accountants with those qualifications fit the ideal profile, so they're the ones most highly sought-after. There are a few on the market, but not to last year's level."

"Although the economy is an important factor, it's more of an issue for companies that have a large proportion of their workforce in Generation Y," said Chavez. "Retaining that group will be a bigger issue than trying to attract them. It hasn't been a focal point from a recruiting perspective, but as the economy improves it will become an issue."

There has been some increased hiring in the health care and IT industries in the past 90 days, according to Chavez. "In the majority of other industries, there's been some salt-and-pepper hiring. It's been sporadic. More companies are open to flexible staffing with temporaries, whereas six months ago there was none. So we've seen the market go from no hiring even on a temporary workflow to an increase in temporary flexible staffing, which if history proves itself again means that permanent hiring will follow in another six months."

Lyons predicted that the trend toward bigger government and the expectation of higher taxes will have a positive offshoot for corporate tax departments, as well as public accounting firms. "It will increase the demand for tax professionals just to handle what the government throws at them," he said.

For the long term, Lyons noted, the trend looks good. "Leslie Murphy, a Kelly board member and a former chair of the American Institute of CPAs, said that by 2020 three out of four AICPA members will be nearing retirement age."

THE FIRM VIEW

For **DiCicco, Gulman & Co. LLP**, a Boston regional firm, the economy has made it easier to recruit. "The Big Four have scaled back so significantly that it's incentivizing soon-to-be graduates to take a look at the next tier down," said chief operating officer Cheryl Burke. "So we're seeing candidates that would already have offers in hand under prior circumstances. They would have interned with a large firm and never go through the recruiting process."

"Our firm is a little unique in that we have a lot of personnel on flexible hours," she said. "They scale back off-season and gear up in-season. They might work three or four days a week outside of tax season, but work a full 40 or 50 hours during the busy season."

Burke said that the flexible staff and reliance on area internship programs has allowed the firm to forego adding seasonal staff during the past few years. "We participate in area internship programs, such as the Semester in Profession program at the University of Massachusetts," she said. "The semester is from January to the end of March, so it fits right in with our busy season. We try to have interns go out on at least one audit, and the rest of the time they are preparing returns."

Firms that already have part-time or flexible staff can avoid the time and effort to find staff and bring them up to speed.

New Jersey CPA Salim Omar hired an additional CPA for his nine-member firm a year ago as a two-day-a-week part-timer. For tax season, he plans to move her to full-time. And two seasonal staffers are both returning. "Once you find the right people, you're better off keeping them, since recruiting and training are time-guzzlers," he said.