

Increased demand, heightened awareness of accounting issues create new opportunities in finance and accounting

By Mike Trehella

The employment picture for finance and accounting professionals is one of the brighter spots in a struggling economy characterized by investor uncertainty and continued corporate downsizing.

We find that some companies had cut so deeply that they have now found it necessary to increase permanent hiring, from entry level up to CFOs, to meet new financial reporting requirements.

According to the Bureau of Labor Statistics, accountants and auditors filled more than 975,000 jobs in 2000, while financial managers filled about 658,000. There is no indication this trend will be reversed.

The Current Picture

Whether the setting is a public corporation that has become more wary of its numbers or a small business looking to outsource its accounting work, there are a number of attractive options for today's finance and accounting professionals. Far from being a stagnant field, finance and accounting opportunities are growing at a pace expected to continue through 2010.

Employment of accountants in public practice will remain especially strong, with firms nationwide reporting more business under the Sarbanes-Oxley Act – the passage of which spurred an even higher level of demand for accounting professionals that has still not been met.

One of the elements creating the shortage of finance and accounting professionals is the difficulty in attracting new talent to the field – a situation that has almost reached a crisis stage.

Highly publicized accounting scandals coupled with an increase in the required credit hours from 120 to 150 to earn an accounting degree has brought interest in the profession to a near-standstill. Students who otherwise might have pursued a career in public accounting have switched to MBA and law programs, leaving accounting firms short-handed. Because of the lack of new graduates, more firms are experimenting with a variety of staffing solutions, including job-sharing, flextime and telecommuting.

In terms of compensation, there are few indications that salaries will revert to the levels typical four years ago, when a combination of factors created artificially high salary levels. These factors included reaction to a perceived shortage of qualified accountants that led companies to relax hiring standards and inflate salary levels, along with the “high tide” practice in which accountants, like other professionals, enjoyed uncharacteristically high salaries during the dot com boom.

While pay is slowly improving in some areas, it’s unlikely it will return to previous levels anytime soon. Companies also are less likely to offer the rich compensation packages that were the norm just a few years ago, and are expecting finance and accounting professionals, particularly those at higher levels, to be more flexible in their negotiations.

Employment Outlook and Trends

Although overall demand continues to increase, it is not occurring in every sector. For example, professionals specializing in fields such as mergers and acquisitions will need to wait until companies can once again focus on expansion before they see any major improvement in demand.

On the upside, in addition to the increased demand for experienced public accountants, recent changes in tax laws -- including the most recent overhaul by the Bush Administration -- have solidified the position of tax work as the profession's mainstay. Further, professionals with specialized skills in information technology and turnaround situations, or who specialize in areas such as healthcare and banking can anticipate expanded opportunities over the next several years.

Another factor that impacts opportunities for finance and accounting professionals is the expansion of responsibilities. For example:

- The Internet and technological advances have increased the flow of data that accountants can analyze to help companies function more efficiently. That, in turn, has increased the demand for professionals able to interpret that data.
- To limit the number of business relationships they must manage, clients today prefer the convenience of having their personal financial planning and other financial services accomplished through their accounting professionals.
- Accounting firms have found they are more likely to keep individual clients longer by offering them more services. Therefore, accountants are assuming more responsibility, which in turn raises their value to the client and firm.

Another emerging trend is that of education and certification. Nurtured by the spate of recent accounting scandals, there is an increased need for financial and accounting professionals

who can detect and prevent financial fraud. As a result, the field of Forensic Accounting is expected to be a new growth area.

National trade organizations such as the Institute of Management Accountants have already begun to offer special certification designations for individuals who specialize in particular areas. For example, their Certified Management Accountant designation is available for those who pass a four-part test and agree to fulfill continuing education requirements and meet the standards of conduct.

The Game Plan

To capitalize on growth trends and new opportunities, finance and accounting professionals must keep their skills sharp. For those professionals in industries or geographic areas that are still in the early stages of recovery, that may mean seeking out temporary or temp-to-perm opportunities.

For all professionals, it's critical to conduct due diligence on companies they are considering for employment. Are they financially viable, both now and in the future? Will the product or service the company sells continue to be in demand or is it on the declining side of its life cycle? Is the leadership stable, experienced and innovative, with a well-defined plan for continued growth? Do they have a vision for the position being filled? Is it a position that is valued and will contribute to the company's future growth?

Finally, the following fundamental truths should always be kept in mind:

- The value of skills is the best hedge against layoffs.
- Highly valued people are paid more.

- Each individual is personally responsible for maintaining his or her value in the marketplace.
- People make businesses successful.

Finance and accounting professionals who keep these fundamentals in mind while sharpening and expanding their skills and staying attuned to the opportunities created by the turmoil and change that characterize business today will always be of value to companies that value them in return.

Michael Trehwella is group president of emerging markets for Kforce, Inc. (www.kforce.com). Based in Tampa, Kforce Inc., (NASDAQ: KFRC) is a full-service professional staffing firm providing flexible and permanent staffing solutions in more than 40 North American markets as well as through online services.

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Liz Roop, Vice President
RFB Communications Group, Inc.
107 N. 11th St., Suite 2
Tampa, FL 33602
Phone: (813) 259-0345
Fax: (813) 250-2816
Mobile