REALITY CHECK

How to pay accounting & finance professionals in a changing market

2017 SALARY GUIDE
OFFER

Acceptance
FUELED BY ECONOMIC GROWTH, THE DEMAND FOR ACCOUNTING & FINANCE TALENT IS ON THE RISE. THIS HAS CREATED A COMPETITIVE LABOR MARKET — A MARKET IN WHICH CANDIDATES, ESPECIALLY THOSE WITH SPECIALIZED SKILLS, CAN PICK & CHOOSE THEIR JOBS.

BECAUSE OF THIS, IT’S NOW MORE IMPORTANT THAN EVER FOR EMPLOYERS TO OFFER QUITE A BIT IN ORDER TO HIRE & RETAIN TOP TALENT.

TO BUILD A TALENTED & MOTIVATED TEAM, YOU NEED A TERRIFIC CULTURE. YOUR EMPLOYEES SHOULD STRIKE A HEALTHY WORK-LIFE BALANCE, HAVE OPPORTUNITIES TO GIVE BACK TO THE COMMUNITY & GENERALLY, BE ENGAGED IN A POSITIVE ENVIRONMENT.

BUT, AT THE CORE OF EVERY JOB IS A SALARY. ANY ACCOUNTING OR FINANCE PROFESSIONAL IS UNLIKELY TO ACCEPT A JOB OFFER — OR STICK AROUND LONG IF THEY DO — WITHOUT A GENEROUS NUMBER.

FORTUNATELY, OUR 2017 SALARY GUIDE PROVIDES EXACTLY WHAT YOU NEED TO OFFER THE RIGHT SALARIES & EMPLOY THE BEST TALENT. YOU’LL FIND ACCURATE, UP-TO-DATE SALARY & TOTAL CASH COMPENSATION FIGURES BASED ON COMPANY SIZE & GEOGRAPHIC AREA FOR COUNTLESS POSITIONS. YOU’LL ALSO FIND DETAILED, CONTEMPORARY JOB DEScriptions.

WE’RE CONFIDENT OUR SALARY GUIDE — & OUR PARTNERSHIP — WILL HELP YOUR BUSINESS LAND THE TALENT YOU NEED TO SUCCEED NOW, & FAR INTO THE FUTURE.

— David Alexander, President
GROWTH

Demand
2017 Salary Guide

THE INSIGHT YOU NEED TO PLAN A GREAT RECRUITING & RETENTION STRATEGY FOR 2017

According to the Bureau of Labor Statistics (BLS), total U.S. unemployment has seen little movement, hovering around 5%, yet accounting and finance occupations have seen job gains. In April of 2016, employment in financial activities rose by 20,000 jobs, and over the prior 12 months, grew by 160,000 jobs.

Driven by a recovering economy and stronger regulatory environment, the BLS projects employment for all business and financial operations occupations will

**GROW 8% FROM 2014 TO 2024, ADDING OVER 632,000 NEW JOBS.**

These jobs will realize the most gain:

- **11%** ACCOUNTANTS & AUDITORS
- **12%** FINANCIAL ANALYSTS
- **30%** FINANCIAL PLANNERS

The demand for accounting and finance professionals is up across the board, from the C-Suite to entry-level. According to the National Association of Colleges and Universities, for students who graduated in 2015, accounting and finance majors were among those most likely to land jobs.

**RISING SALARIES**

As the economy improves, even more accounting and finance experts will be needed to prepare and examine financial records. The increased demand for this expertise means salaries will rise. While this is good news for job seekers, low unemployment in accounting and finance (3% compared to 5% overall), means employers will have a tough time engaging talent.

Speaking of salaries, according to the BLS

**$65,710**

**IS THE MEDIAN ANNUAL WAGE FOR ALL BUSINESS & FINANCIAL OCCUPATIONS.**

This is significantly higher than the $36,200 figure for all occupations.

Here are the positions with some of the highest median pay:

- Chief Financial Officer **$547,280**
- Treasurer **$302,145**
- Finance Director **$301,924**
- Controller **$275,157**

**GENERATIONS IN THE WORKFORCE**

It’s a multigenerational world — one where members of several eras work together and blend their skills. Here’s a breakdown of generations in the U.S. workforce, per the Incentive Research Foundation:

<table>
<thead>
<tr>
<th>Generations</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>55 million</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>44 million</td>
</tr>
<tr>
<td>Gen Xers</td>
<td>53 million</td>
</tr>
<tr>
<td>Traditionalists</td>
<td>4 million</td>
</tr>
</tbody>
</table>

When it comes to Millennials, some of their career must-haves differ from earlier generations. Millennials demand positive cultures, flexible hours and personal fulfillment — they won’t stay at a company for long without those. What remains the same is the importance they place on salaries. The non-profit organization Catalyst reports the following about the workforce’s largest generation:

- **80%** Equate success with having enough money to support their families
- **74%** Believe success means having money in savings
ACCOUNTING & FINANCE ARE TWO OF THE TOP-RANKED INDUSTRIES IN THE U.S. NEWS & WORLD REPORT'S BEST JOBS RANKING

The 2015 U.S. Salary Survey from the Institute of Management Accountants found that base salary and total compensation for accounting and finance occupations increased at a year-over-year rate of nearly 4%, exceeding the U.S. gross domestic product growth rate. The best-compensated accountants work in securities and commodity contracts intermediation and brokerage and for the federal executive branch.

28-46% OF PROFESSIONALS WITH CMA OR CPA DESIGNATIONS EARN MUCH MORE THAN THEIR NON-CERTIFIED PEERS

On another positive note, employment for financial managers in private industry is expected to grow 7% from 2014 to 2024, about as fast as the average for all occupations.

Today, many professionals ask for — and receive — higher compensation. This good news for job seekers means a bumpy road ahead for employers. Per the article "It’s a Seller’s Market for Accountants: Report Finds Demand is High" on AccountingWEB, it’s getting tougher for businesses to find skilled candidates for job openings, especially in major urban markets.

As a result, employers must be willing to negotiate salaries and move quickly in their recruiting efforts. Offering the right compensation from the start could be the difference between landing top candidates and losing them to the competition.
PUBLIC ACCOUNTING

PER THE BLS, EMPLOYMENT OF ACCOUNTANTS & AUDITORS IS PROJECTED TO GROW BY 11% FROM 2014 TO 2024, FASTER THAN THE 7% AVERAGE FOR ALL OCCUPATIONS.

1,475,100 AUDITORS & ACCOUNTANTS WILL BE EMPLOYED IN THE U.S. BY 2024.

Some of the reasons why they are in such high demand in public accounting are globalization, an improving economy, tight lending standards, and a complex tax and regulatory environment.

Public accounting firms face stiff competition from government and other employers for top talent. There were 1.3 million accountants and auditors employed in the U.S. in 2014 in the following areas:

- 26% in public accounting, tax preparation, bookkeeping and/or payroll
- 8% in government
- 8% in finance and insurance
- 7% in management of companies and enterprises
- 6% in manufacturing

According to The American Institute of CPAs’ report "2015 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits," 91% of firms expect their hiring of new accounting grads to be the same or higher than the previous year.

With Millennials as the largest segment of the workforce, public accounting firms need to reevaluate the old way of working that focused on long hours. Millennials recognize the ease of 24/7 communication and want greater flexibility. They see more value in their modified schedules that focus on productivity rather than meeting a certain number of hours worked.

While 95% surveyed in PwC’s "Millennials at Work" report valued work-life balance, the myth that Millennials don’t place a premium on compensation is just that: a myth. 44% of those questioned said competitive wages made an employer more attractive, the second highest proportion for any factor given.
For instance, compliance with the Dodd-Frank Act requires a talented workforce in order to maintain regulatory compliance. Employees with expertise in specialized areas, including financial analysts, forensic researchers and regulatory analysts, will be in demand. The BLS projects:

**EMPLOYMENT FOR FINANCIAL EXAMINERS WILL GROW BY 10% BETWEEN 2014 & 2024**

As the economy surges, so does the need for commercial and mortgage lending. An increased demand for loans, coupled with increased regulatory compliance, means a more labor intensive loan approval process. The BLS anticipates:

**EMPLOYMENT FOR LOAN OFFICERS WILL GROW BY 8% BETWEEN 2014 & 2024**

The competition for "star talent" is no longer only within financial services. In the long run, banking jobs will center on tech. According to "Millennial Disruption," a 2015 study by Viacom Media, 73% of Millennials would rather handle their financial service needs with Google, Amazon, Apple, PayPal or Square, instead of a nationwide bank.

Updating technology and satisfying demands of better-informed and less loyal customers means banks need to prioritize hiring technologically-savvy talent. The challenge is competing for talent against the tech industry’s aggressive pay policies for junior staff.

In an interview with Business Reporter, Alice Leguay, co-founder and CEO of Emolument, said tech companies are outpacing traditional financial and professional service firms when it comes to on-campus recruiting.

"Working for a top investment bank no longer epitomizes the graduate dream, especially since financial industry remuneration has taken a bashing in the last few years."

In Bloomberg, Jennifer Surane writes that in 2007, about 13% of Harvard MBA graduates went into investment banking or trading. By 2015, that number fell to just 4%. MBA graduates from the top-tier business schools are being lured away from banking by Facebook, Google, Apple, Amazon and tech startups.