

# CTCPA Survey of **Challenges Facing the Accounting Profession and Clients, and Possible Solutions**

2022



Conducted by:





Connecticut Society of Certified Public Accountants

## Executive summary and key findings

The initial CTCPA “Challenges Facing Connecticut Accounting Firms and Businesses” survey was completed in January 2020, pre-pandemic; 2021’s responses were captured within a very difficult phase of the pandemic, pre-vaccine. While we are still operating within a pandemic, the availability of vaccinations, testing, and far more information about COVID-19 places this year’s survey far closer to a “post-COVID” environment.

This begs a number of critical questions: Are we getting back to “normal,” or does a two-year pandemic permanently squelch the idea of “normal”? How should companies move forward in a new landscape?

Key findings included:

- While public accounting firms and businesses alike have successfully figured out how to navigate the pandemic, certain challenges are trending higher across the board: recruiting and retaining employees. It seems no one is immune from “The Great Resignation.”
- The pandemic forever altered how professionals can do their jobs. While more seasoned professionals tended to be happier to return to the office, new and young professionals tend to prefer hybrid or remote work environments. Flexibility in schedules and work habits should be considered as a valuable benefit in the fight to retain employees.
- Several studies have shown that the accounting profession is lagging in diversity, equity, inclusion, and access; it appears that the size of the problem and the importance of efforts to remedy the problem varies considerably across generations. Companies should also strive to take meaningful steps toward embracing diversity, equity, inclusion, and access initiatives.

### About the Survey

*This year’s benchmarking survey was in the field between December 7, 2021 and January 7, 2022 and received 410 responses (margin of error +/- 5%, response rate of roughly 10%). Survey responses included 342 participants from public accounting and the remainder from business and industry, government, education, and nonprofits.*

## Respondents’ experience and services

Nearly three-quarters of respondents have at least 20 years of experience in the profession, with 31% of respondents reporting between 31 and 40 years of experience; just under 10% of respondents have fewer than 10 years of experience. Ninety-three percent of the respondents are certified public accountants; nearly 90% of the respondents have some input into decisions, with 45% being the primary decision-makers.

More than 60% of the public practice respondents work in small firms (fewer than 10 employees); 27% work at midsize firms (11 to 50 employees), and 11% work at large firms with more than 100 employees.

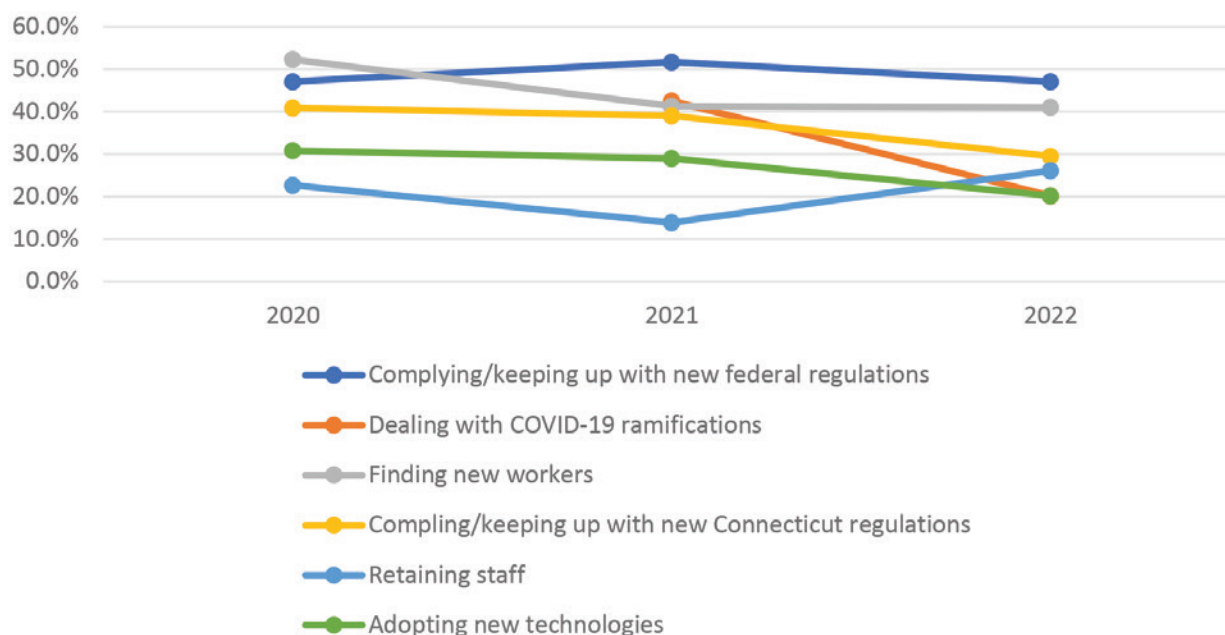
Conversely, a majority of respondents working in industry work at large companies; 64% of respondents work at companies with more than 100 employees. Twenty-eight percent of respondents’ companies have between 11 and 50 employees.

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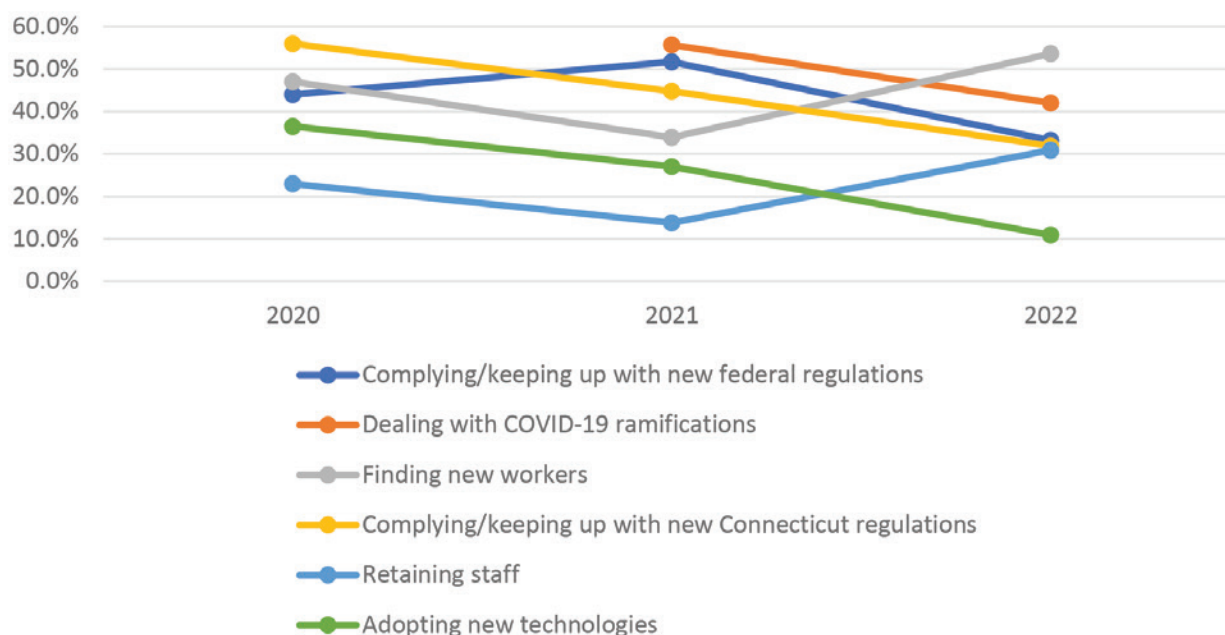
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# What are public practice respondents struggling with as we emerge out of the pandemic?

## Top Concerns for Respondents Working in Public Accounting Firms



## Public Accounting Clients' Top Concerns



# What are public practice respondents struggling with as we emerge out of the pandemic?



**48.8%**

**of respondents named complying with federal regulations as their top challenge this year – a slight increase over the pre-COVID marker (47.1% in January 2020).**

Pre-pandemic, more than half of respondents working in public practice (52.3%) were struggling to find new workers, citing that hiring issue as the top concern, followed by complying with federal legislation and regulations (47.1%) and state legislation and regulations (40.9%).

In 2021, multiple billion and trillion-dollar relief packages and programs such as the Paycheck Protection Program (PPP) put CPAs in critical advisory roles for their clients, with constantly changing information and guidance; the top concern was complying with new federal regulations (51.7%, a four-point increase over the prior year). This took precedence even over coping with the ever-evolving COVID virus (42.5%). Finding new workers dropped by 11 percentage points from the prior year, to 41.3%.

That struggle with federal regulations maintained the top spot this year, dropping only a few percentage points to just above the pre-COVID marker (48.8% in 2022, versus 47.1% in January 2020).



**20.20%**

**of respondents said they are struggling to manage COVID-19 ramifications, down significantly from 42.5% last year.**

Public accounting respondents seemed to have a much better handle on the ever-changing COVID circumstances, as the number of respondents reporting dealing with COVID ramifications tumbled from 42.5% to 20.20%, the same percentage of those struggling with adopting new technologies. The rapid-fire implementation of new technologies seemed to slow down post-COVID, dropping nearly nine percentage points.

One increasing number, however, speaks to the current state of the accounting profession and, really, most professions: recruitment and retention. Finding new workers dipped for obvious reasons in 2021 and remains relatively flat, but the number of respondents reporting difficulty retaining staff (which had dropped from 22.7% to 13.9% from 2020 to 2021) doubled from 2021 to 2022 to 26.1%. The accounting profession, it seems, is not immune to the “Great Resignation,” as many have dubbed the sheer amount of professionals leaving their current positions for reasons ranging from retirement to better benefits or salaries to exploring an entirely new career path.



**26.1%**

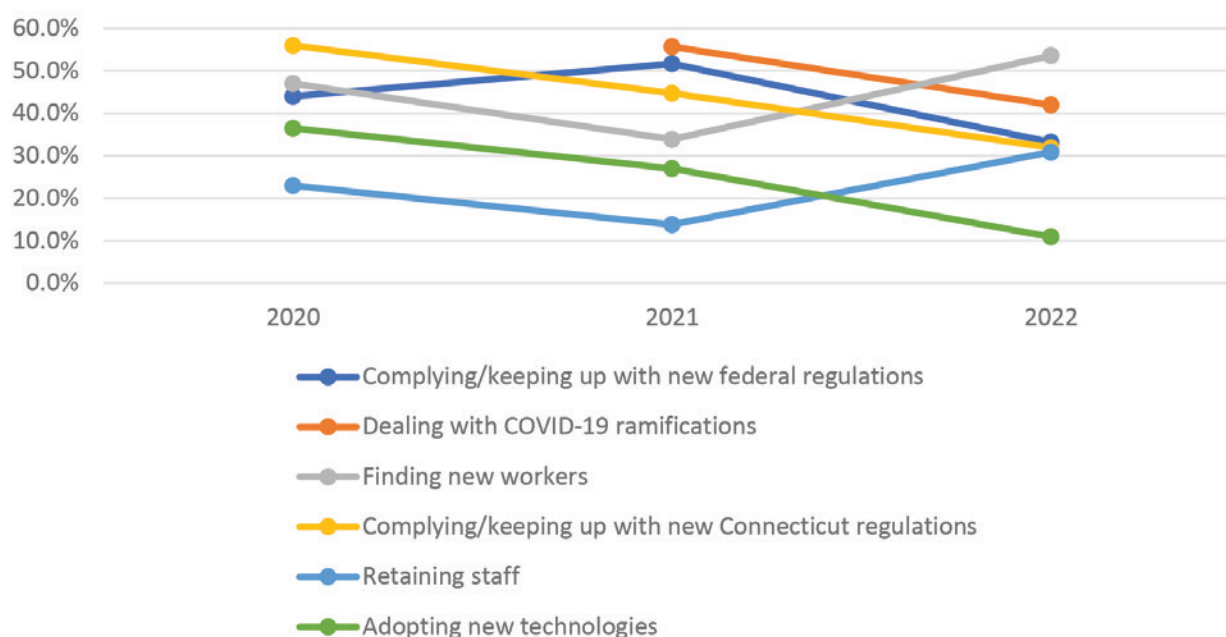
**of respondents cited retaining staff as a top challenge. This number doubled from 2021 to 2022.**

During the pandemic, CPAs in public accounting cemented their role as trusted business advisor to their clients; anecdotally, CTCPA members shared that they were in contact more frequently with their clients, advising on everything from PPP loans to critical business decisions (particularly important for clients, such as restaurants, hit hard by lockdowns). Their clients’ top challenges and concerns are depicted below; similar to the CPAs who advise them, an increasing number of clients are struggling to find and keep employees.

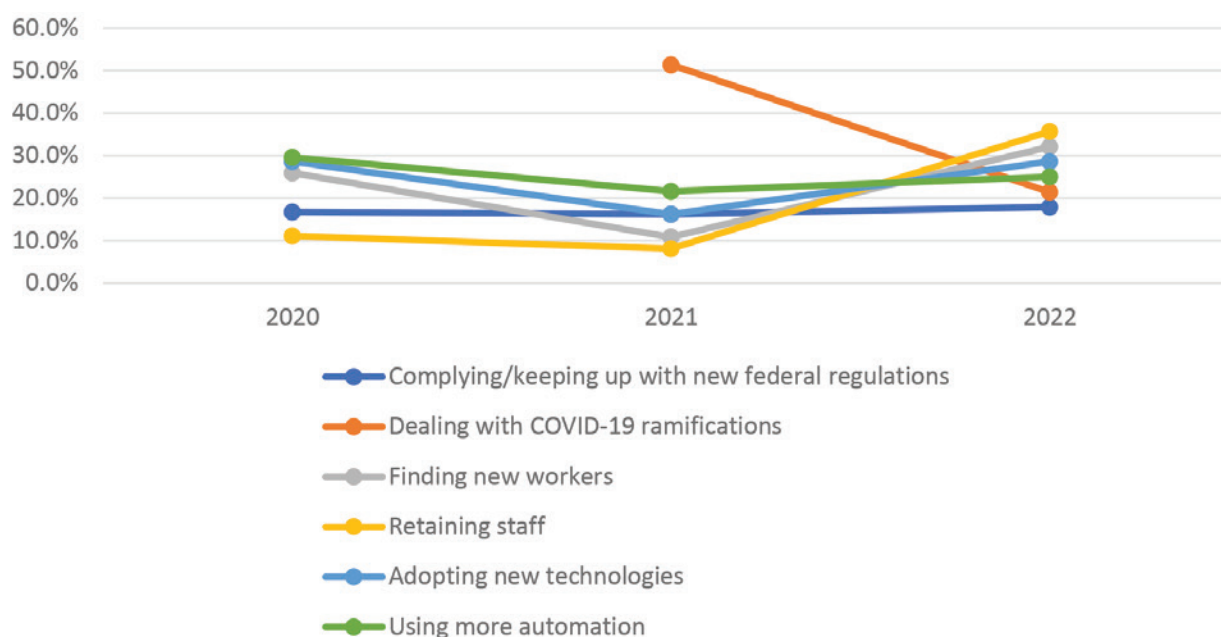


# What are private industry respondents and their customers struggling with as we emerge out of the pandemic?

## Top Concerns for Respondents Working in Private Industry



## Private Industry Customers' Top Concerns



# What are private industry respondents and their customers struggling with as we emerge out of the pandemic?



**25%**

**of respondents cited dealing with COVID-19 ramifications as an area of significant concern, falling from the top concern for 46.8% in 2021 and 25% in 2022.**



**11.1%**

**of respondents said they are struggling to keep up with new federal regulations. This represents a significant decrease from 38.3% last year.**



**44.4%**

**of respondents cited finding new workers as a top challenge. Finding new workers was the top challenge for respondents in private industry in 2020 (41.2%) before dropping to 29.8% in 2021.**

Respondents working at companies also seemed to grasp the logistics of doing business in the time of COVID-19, with the ramifications of the pandemic falling from the top concern for 46.8% of respondents in 2021 to the fourth most pressing concern in 2022 (25%).

In fact, a number of the most pressing concerns for respondents in private industry showed a fairly steep decline from 2021 to 2020:

- Finding new clients, which declined only slightly from 2020 to 2021, plummeted from its position as a top concern for 31.9% to only 2.8%.
- Keeping up with the federal regulations, after an increase from 30.9% to 38.3%, dropped to 11.1%.
- Complying with Connecticut regulations was a top concern for 13.9% of respondents, a nearly 11% drop from the year prior.
- Similar to the public accounting respondents, adopting new technologies also declined after the early, panicked days of the pandemic, dropping from 38.3% to 30.6%.

Two key statistics showed an upward trend, however, and those concerns tell a similar story to those of public accounting counterparts: the increasing challenges of finding – and keeping – workers.

Finding new workers was the top challenge for respondents in private industry in 2020 (41.2%), before dropping to 29.8% in 2021. That number rebounded with a vengeance post-pandemic, with finding new workers cited as a top challenge for 44.4% of respondents.

The challenge of retaining staff dipped from being a top challenge for 13.2% of respondents in 2020 to 8.5% in 2021 before nearly increasing more than threefold to 27.8% in 2022.

Respondents working in private industry were asked what their customers are struggling with, and the story remains the same – hiring, hiring, hiring.

This goes to show just how universal the current labor market is. Companies, like public accounting firms, must be cognizant of keeping their employees happy to avoid the mass resignations happening elsewhere; the second part of our survey, delving into office culture, diversity, and working environments across the generations, may provide some insight into how this can be accomplished.

## Adapting to the “New Normal”

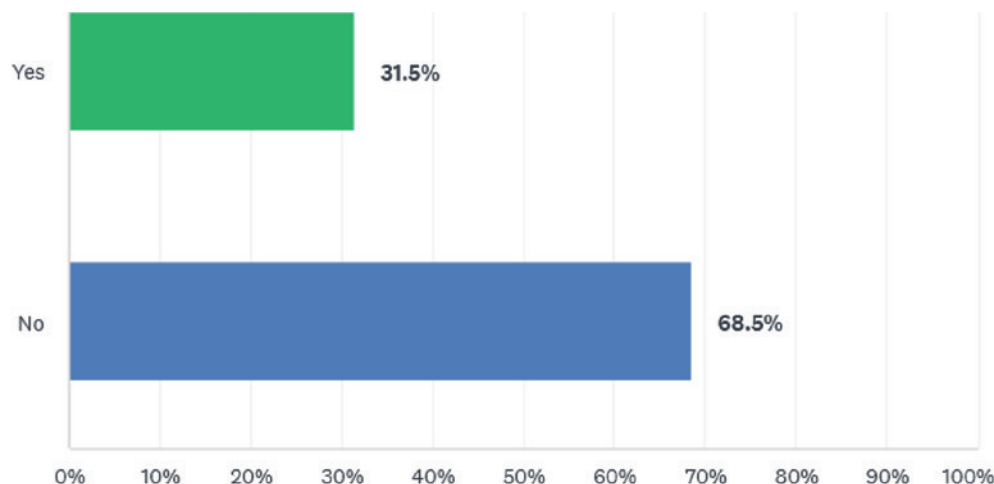
As companies adapt to the “new normal,” conversations on workplace arrangements, schedule flexibility, and diversity have taken on an increased importance, especially as the business community grapples with the aforementioned “Great Resignation.” In order to allow finance professionals to benchmark their own office culture challenges, this year’s survey asked those questions.

The data shows some marked disparities between generations, with newer and more experienced professionals disagreeing on a few key points.

### Focus on diversity at public accounting firms

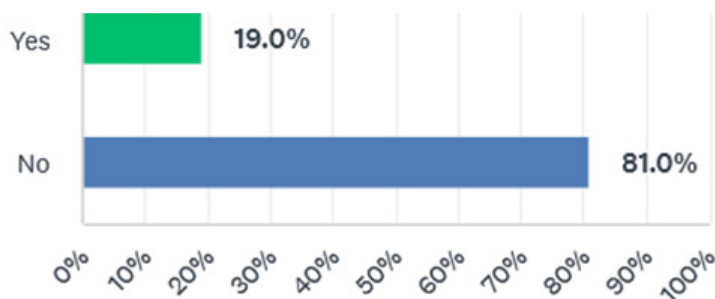
Recent surveys have shown that diversity continues to be a challenge for the accounting profession – but the size of the problem and how important professionals feel it is to address diversity, equity, inclusion, and access issues varies widely based on career stage.

#### Is Increasing Diversity, Equity, Inclusion, and Access a Focus For Your Firm? All respondents

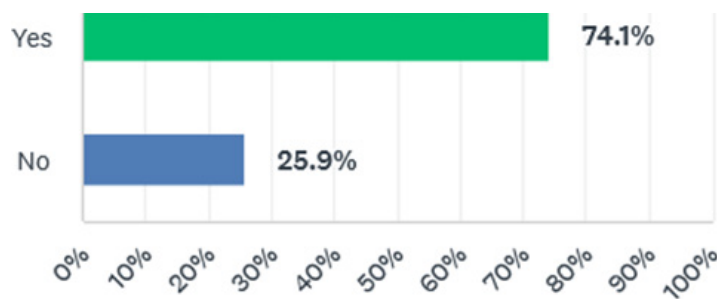


Less than one third of all public practice respondents said that increasing diversity, equity, inclusion, and access is a focus for their firms. For respondents with 40+ years of experience, only one-fifth of all respondents indicated that diversity, equity, inclusion, and access are a focus ... yet nearly three-quarters of respondents with fewer than 10 years of experience said their firms were focused on this.

#### Is Increasing Diversity, Equity, Inclusion, and Access a Focus For Your Firm? Respondents with 40+ years of experience



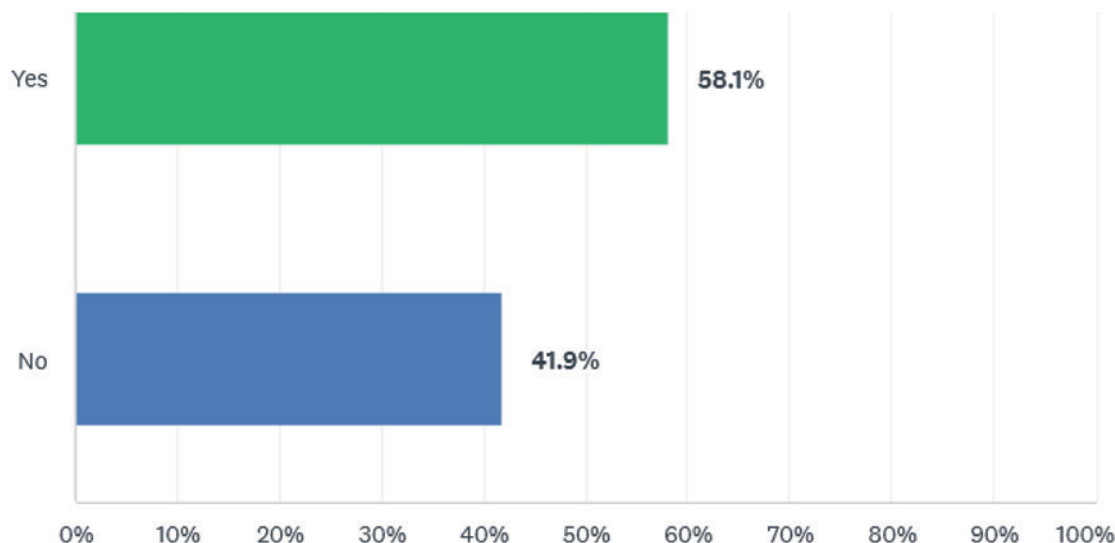
#### Is Increasing Diversity, Equity, Inclusion, and Access a Focus For Your Firm? Respondents with fewer than 10 years of experience



## Focus on diversity in private industry

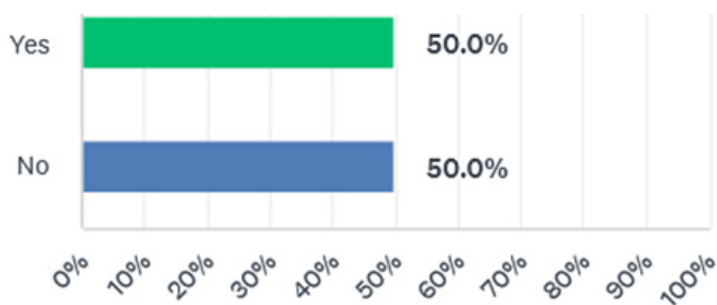
While a statistically smaller population, the survey respondents working in industry mimicked the findings of their public accounting counterparts – with an increased focus. More than half of all respondents indicated that increasing diversity, equity, inclusion, and access was a focus for their companies.

### Is Increasing Diversity, Equity, Inclusion, and Access a Focus For Your Company? All respondents

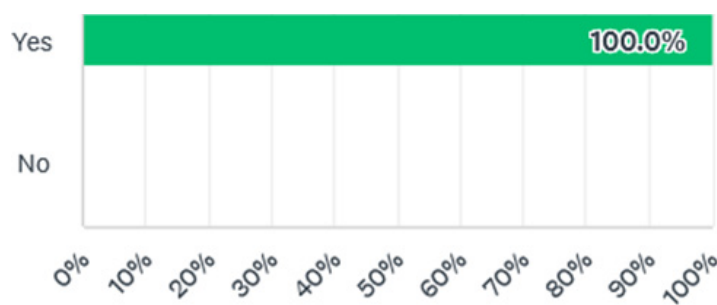


Half of all respondents with more than 40 years of experience indicated that diversity, equity, inclusion, and access was a focus for their companies, while all respondents with fewer than 10 years of experience answered the same way.

### Is Increasing Diversity, Equity, Inclusion, and Access a Focus For Your Company? Respondents with 40+ years of experience



### Is Increasing Diversity, Equity, Inclusion, and Access a Focus For Your Company? Respondents with fewer than 10 years of experience

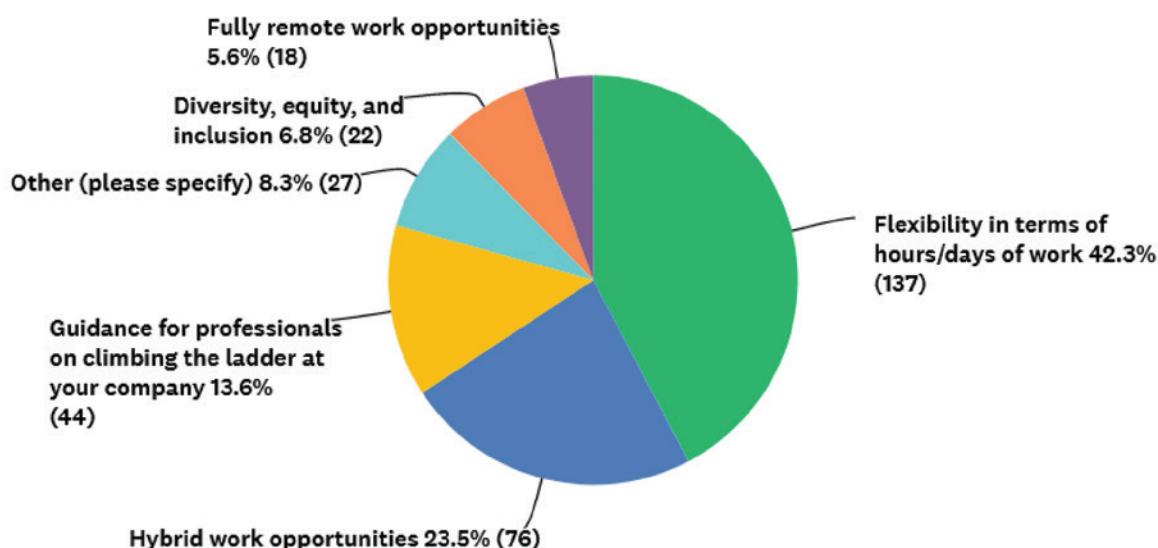




## Office culture: What's working?

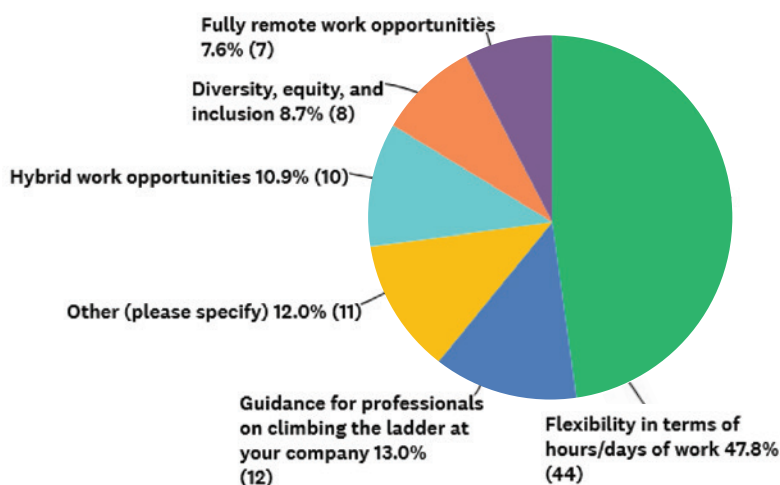
When it comes to office culture nearly two years into a pandemic, 42% of respondents applauded their companies' schedule flexibility, while nearly one-quarter more credited hybrid work opportunities as a key factor in the success of their current workplace.

### What do you feel is the most important factor to success in your work environment? All respondents

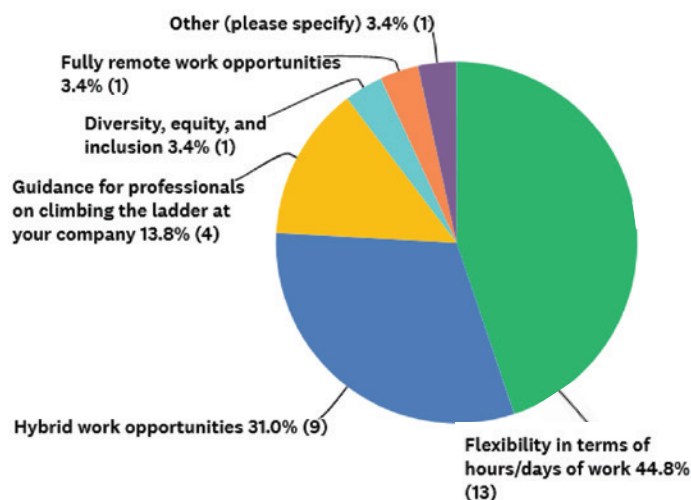


The charts look remarkably similar across the generations.

### What do you feel is the most important factor to success in your work environment? Respondents with 40+ years of experience



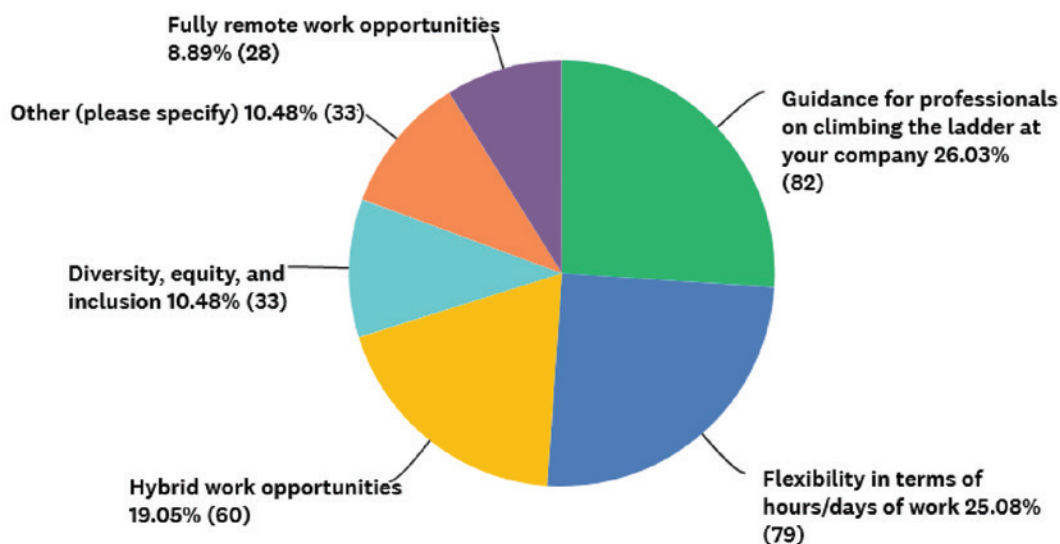
### What do you feel is the most important factor to success in your work environment? Respondents with fewer than 10 years of experience



## Office culture: What's NOT working?

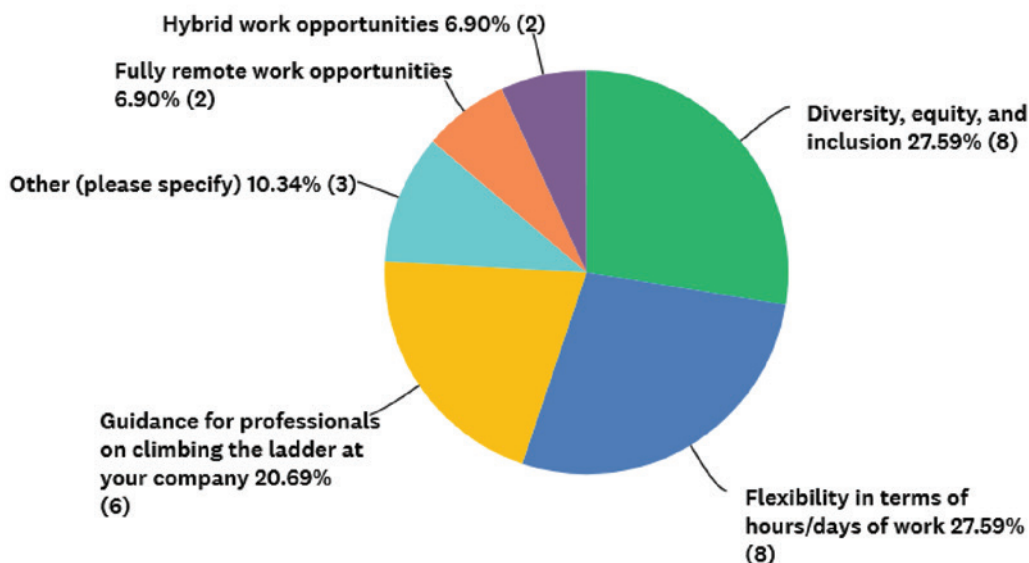
While nearly half of all respondents credited schedule flexibility as the key factor in a happy workplace, this is not the case everywhere, as a quarter of respondents reported their companies needed to improve on this factor. This was second only to a need for companies to provide more guidance for professionals on how to climb the ladder at their companies. This is anecdotally a common problem we hear, and one that can be remedied by providing resources such as career tracks, mentorships, and open communication among staff and leaders.

### Where do you feel your company could most improve or enhance? All respondents



While the responses of experienced participants mirrored the overall themes, more than one quarter of respondents with fewer than 10 years of experience indicated their companies needed to enhance their diversity, equity, inclusion, and access efforts. This and schedule flexibility were the most popular responses, presenting clear marching orders to company decision-makers.

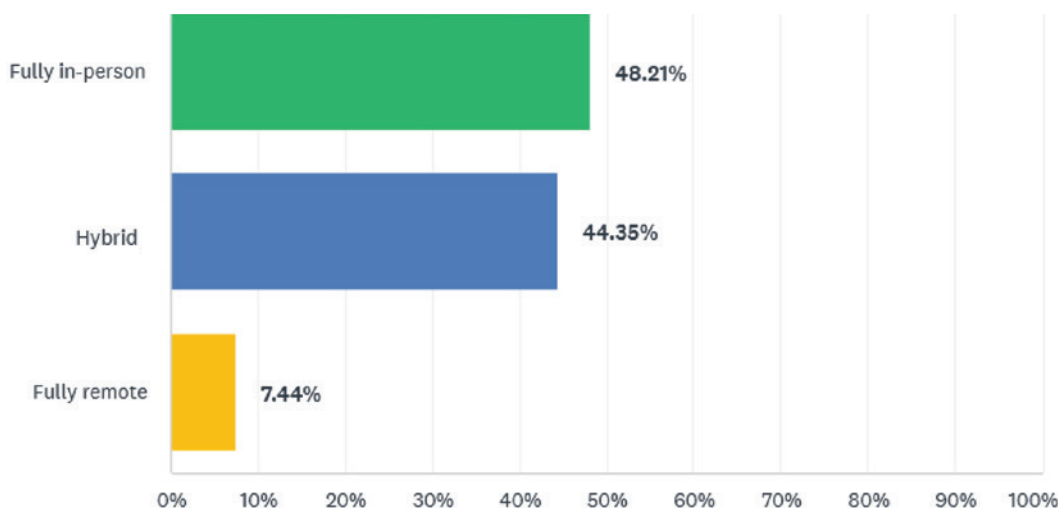
### Where do you feel your company could most improve or enhance? Respondents with fewer than 10 years of experience



## How do financial professionals prefer to work?

There's a question that's started many conversations in the past two years: "Are you working in the office or at home?" Ready or not, COVID threw the door to remote work wide open, yet as vaccines and testing presented a way back into the office, some strong personal preferences have emerged. Respondents were fairly evenly split between preferring an in-person environment and hybrid (partially in-person, partially remote), with in-person work taking the slight edge.

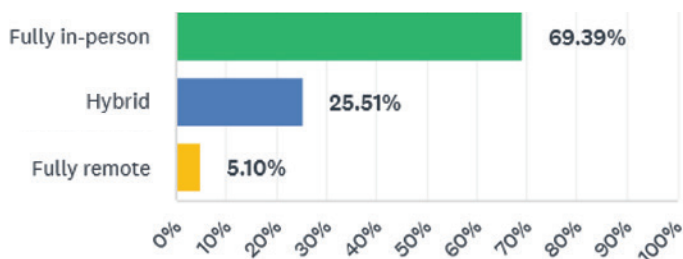
### What is your preference for work location? All respondents



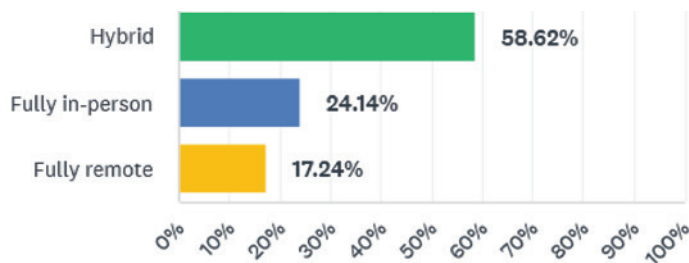
Generational differences, however, clearly come into play when work preferences are involved.

Nearly 70% of respondents with 40+ years of experience prefer a fully in-person workplace, with only one quarter embracing a hybrid schedule. On the other end of the spectrum are the new professionals, 75% of whom prefer to work outside of the office, with 59% preferring a hybrid schedule and 17% preferring to work fully remote.

### What is your preference for work location? Respondents with 40+ years of experience



### What is your preference for work location? Respondents with fewer than 10 years of experience



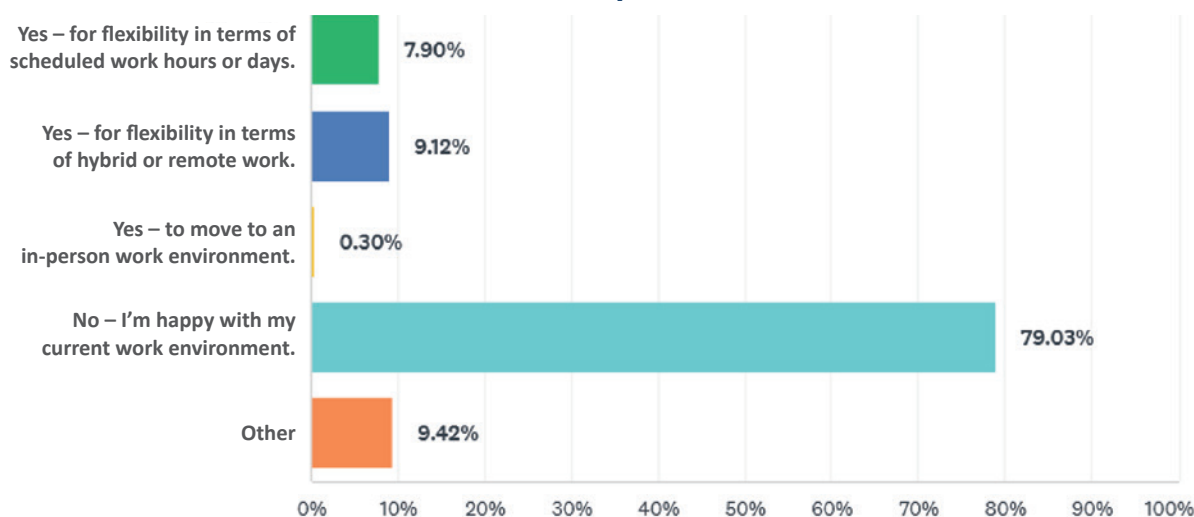
## The good news ...

As the world has transitioned to a “new normal” and emerged out of a very traumatic, trying time, people naturally began to reconsider their careers and circumstances, leading to what experts are calling the “Great Resignation.” This – combined with Baby Boomer retirements, a talent shortage, and a shrinking pipeline – has some company leaders very concerned.

The good news: according to our survey, nearly four-fifths of respondents are happy with their current employers and situations.

### Would you consider leaving your current employer for a different work situation?

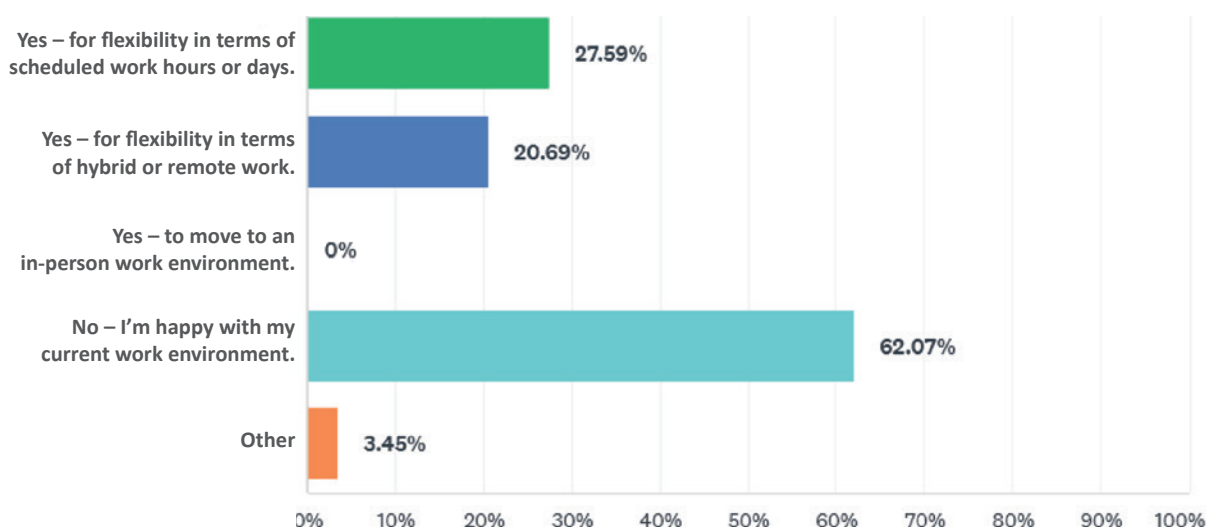
All respondents



The number does shift slightly among workers with fewer than 10 years of experience, with 62% of workers reporting they’re satisfied with their current employers, but nearly 28% of workers reporting they’d consider leaving for more flexibility in terms of hours and days of work, and 20% reporting they’d consider leaving for more flexibility in terms of working remotely or on a hybrid schedule. (Note: Participants were able to select more than one choice.)

### Would you consider leaving your current employer for a different work situation?

Respondents with fewer than 10 years of experience





## Conclusion

"The past two years have tested us in ways couldn't have imagined; this pandemic has changed the nature of our jobs, the way we work, and so much more," said CTCPA Executive Director and CEO Bonnie Stewart. "We are so proud of the way CTCPA members have reacted to every curveball, continuing to show up for their families, their companies, their clients, and their communities."

"As we turn the page on this chapter, we're armed with new technologies. CTCPA continues to focus on technology as a way to stay nimble and ahead of the curve, and we're watching closely to see what comes next," she continued.

"Over the course of these past two years, however, many of us have changed our mindsets and our priorities as well, and it's not surprising to see that recruiting and retaining employees have climbed the charts as top concerns, regardless of industry. We've known for several years that the 'Silver Tsunami,' the imminent retirements of many Baby Boomers, would present challenges, but the 'Great Resignation' resulting from the pandemic has greatly exacerbated these issues," said Stewart.

"As we move forward with our members, we're sharpening our focus on ensuring that the pipeline to the accounting profession is full, vibrant, and diverse – particularly as a major modernization of the CPA licensure process and CPA Exam are right around the corner in 2024."

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**Bonnie Stewart**  
Executive Director and CEO,  
Connecticut Society of CPAs

## About the Connecticut Society of CPAs

The state's premier membership association for certified public accountants and other finance professionals, the CTCPA serves almost 6,000 individuals in public practice, business and industry, not-for-profit, government, and education. The organization is led by a nine-person volunteer Board of Directors and a 30-person volunteer Advisory Council.

Our members are trusted business advisors who help individuals, businesses, and other organizations plan and reach their goals. Our mission includes promoting a culture of life-long learning, providing member engagement through virtual and in-person networking and collaborative events, helping our members leverage the latest technology, and cultivating relationships with policy makers, governmental officials, and fellow professionals.

**Find a CPA in your area or become a part of our dynamic membership at [www.ctcpas.org](http://www.ctcpas.org).**