



COVID-19 Connecticut CPA Benchmarking Survey













Survey 2 – Fall 2020

Conducted by:



Overview and Methodology

This report is the second in a series of benchmarking collaboratives conducted by Avenue M Group on behalf of more than a dozen state CPA societies (listed below) from across the United States. At the end of April through early May 2020, 18 CPA societies took part in the first round of a COVID-19 benchmarking survey. Fourteen of the societies elected to participate in a second round of the survey, and responses were fielded from the end of August through mid-September 2020. The following report is an analysis of the continued impact of COVID-19 on finance professionals and their businesses based on the data collected.

				
	14 State CPA Societies 8,000+ CPAs			
				
				

Quantitative Research Overview

The second CTCPA survey launched on August 26, 2020 and closed on September 9, 2020. An invitation to participate in the survey was sent to 3,278 individual email addresses. A total of 522 surveys were collected with an overall response rate of 16%. The response rate is similar to the first survey (17%). The second survey had a margin of error of +/-4% at the 95% confidence level. The industry standard for member research studies is to achieve a margin of error of +/-5% at the 95% confidence level. CTCPA is well within that goal; thus, the results are considered representative of CTCPA's audience overall. In other words, if the survey were conducted over and over, 95 times out of 100, one would obtain results within +/-4% of the results garnered in this survey.

About the Connecticut Society of CPAs

The Connecticut Society of CPAs is Connecticut's leading professional CPA organization, with almost 6,000 members. Founded in 1908, the organization is governed by a seven-person volunteer Board of Directors and a 30-person volunteer Advisory Council.

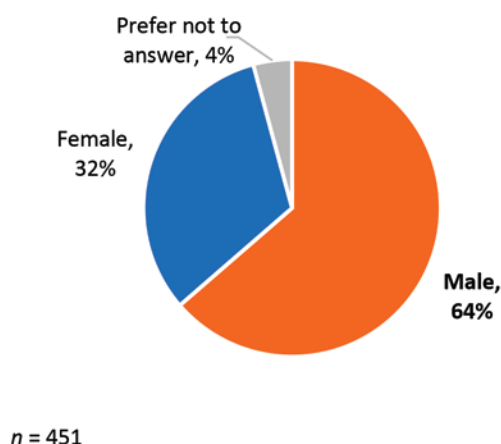
Our members are trusted business advisors who help individuals, businesses, and other organizations plan and reach their goals. Led by our Vision 2025 strategic plan, we seek to engage, empower, and advance our members, our profession, and our business community. Our mission includes promoting a culture of life-long learning, providing member engagement through online 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.

Demographic Overview

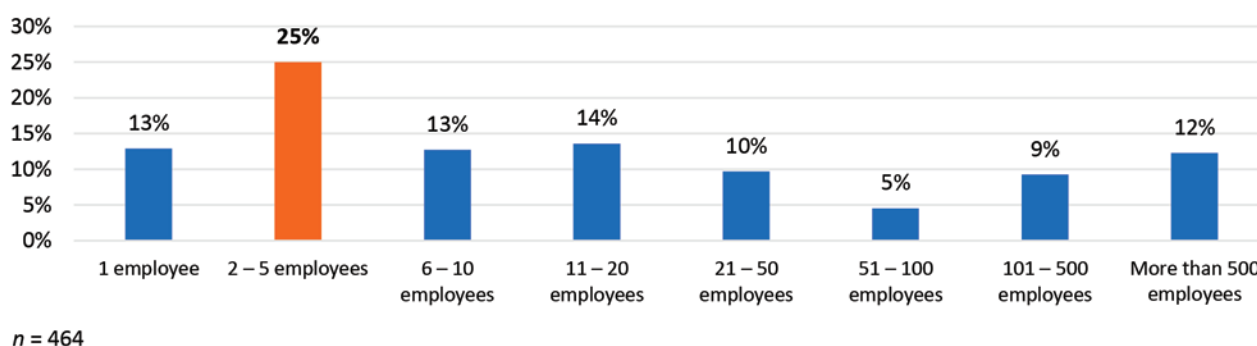
The tables and charts below show an overall view of Connecticut respondents from the second round of the survey that provides context to better understand the findings that emerged from this study.

Employment Status	Percent
Partner/Shareholder/Owner	33%
Sole Practitioner	22%
Director/Manager	12%
Staff Member	10%
President/CEO/COO/CFO	5%
Controller	4%
Corporate Accounting/Finance Professional	3%
Retired and no longer work	2%
Retired but still practice	2%
Government Employee	1%
Consultant	2%
Unemployed	1%*
Department Chair/Professor/Teacher	1%*
Internal Auditor	1%
Other ¹	1%*
<i>n</i> = 522	

Sector	Percent
Public accounting	75%
Business & Industry/Corporate Finance	14%
Not-for-profit organization	4%
Consulting/Advisory	3%
Education/Academia	1%
Other	3%
<i>n</i> = 496	



Years a CPA	Percent
Fewer than 3 years	3%
3 – 6 years	4%
7 – 10 years	3%
11 – 20 years	12%
21 – 30 years	26%
31 – 40 years	38%
41 – 50 years	13%
More than 50 years	1%*
<i>n</i> = 458	



- One-third of respondents are partners, shareholders, or owners.
- Three-quarters of respondents work in public accounting.
- Nearly two-thirds of respondents identify as male.
- Nearly two in five respondents have been a CPA for 31 to 40 years.
- One in four respondents work for an organization with 2 to 5 employees.

Executive Summary

As the COVID-19 pandemic continues to have a significant impact on both the professional and personal lives of accounting professionals, Avenue M Group launched a second sentiment survey in August 2020 on behalf of the CTCPA to reassess the concerns and challenges facing its members. The responses came from partners, shareholders, sole practitioners, C-Suite executives, staff members, controllers, corporate accounting and finance professionals, and government employees.

The impact of COVID-19 on businesses in the United States is evolving on a constant basis and organizations are continuously adapting in response.

The overwhelming sentiment shared by 96% of respondents was that COVID-19 has been disruptive to their organization. This is down 1% from the first survey. More specifically, 2% shared that COVID-19 has continued to cause complete disruption to their work.

Thirteen percent of Connecticut respondents report a reduction in staff. This number decreased by 4% (17% in Survey 1).

Back in May, 27% of Connecticut respondents expected the financial impact of COVID-19 to last six months or less, while 18% stated it could be as long as 13 to 24 months. Presently, 19% of CTCPA respondents believe their business will be financially impacted for 13 to 24 months, and 6% believe the impact will last for more than 2 years. This data is similar to the benchmark average for all 14 states (23% and 8%, respectively).

It is also interesting to note that 70% of Connecticut respondents indicated that business has been steady or increased during the pandemic. This is up from 43% in the first survey and is higher than the national average in the second survey of 65%.



96%

of CTCPA members said that the COVID-19 pandemic has been disruptive to their firm, organization, or company. This is down 1% from May 2020.



19%

of Connecticut respondents believe their business will be **financially impacted** for 13 to 24 months, and 6% believe the impact will last for more than 2 years.

Immediate Challenges



28%

of respondents indicate that there is reduced staff in the physical office and the majority of employees are still telecommuting. This is down from 38% percent in the spring.



13%

of respondents report staff reductions. This has lowered 4% from the initial study. (17% and 13%, respectively).

Staffing Continues to Be in Flux

Previously, it was reported that 38% percent of Connecticut respondents were experiencing reduced staff at the physical office, and 20% moved to an entirely remote workforce. Currently, 28% of respondents indicate that there is reduced staff in the physical office and the majority of employees are still telecommuting; 11% of respondents still have an entirely remote workforce.

Sixteen percent of members responded that while most employees were telecommuting previously, the majority have now returned to the office.

Overall, the percentage of respondents reporting staff reductions has lowered 4% from the initial study (17% and 13%, respectively).

One-quarter of those who work in the business and industry/corporate finance sector and nearly two-fifths (38%) of those in the not-for-profit sector report staff reductions have occurred.

Other impacts reported include:

- Not hiring first-year staff due to difficulty training them while working remotely.
- Minimizing client access to the office.

Respondents in the business and industry/corporate finance sector and those in the not-for-profit sector report a **higher rate of staff reductions**.



1/4

of those in the business and industry/corporate finance sector report staff reductions.



Nearly 2/5

(38%) of those in the not-for-profit sector report staff reductions.



38%

of CTCPA members report concern over losing revenue due to business closures. This is an improvement over the 60% of respondents citing this concern in the first survey.

Financial Concerns Are Easing

In the second survey, 38% of Connecticut respondents reported concern over losing revenue due to business closures. This shows an improvement compared to the first survey where three in five reported this same concern.

Other financial concerns expressed by respondents include:

- Anticipating what changes will remain and what will change in the environment, and determining how to modify organizational strategy going forward.
- Some individual clients are opting to complete their own tax returns.



46%

of respondents cited the ability to maintain a work/life balance as a challenge. This is up 8% from the initial survey.

Work/Life Balance Concerns Are Increasing

The ability to maintain a work/life balance was cited as a challenge for 46% of all Connecticut respondents. This is up 8% from the initial survey.

Directors/managers (64%) are significantly more likely than those in other positions, such as staff members (52%) or sole practitioners (37%), to indicate keeping a work/life balance is a top concern.

Overall, more than three in ten (31%) of Connecticut respondents are concerned with handling stress related to a personal situation and/or family needs.

Other concerns expressed by respondents include:

- Some employees are opting to take leave due to childcare or other family issues.
- Some employees have completely left the company citing family issues.

Directors/managers are significantly more likely than others to indicate that keeping a work/life balance is a top concern.



64%

of directors/managers



52%

of staff members



37%

of sole practitioners

Most Pressing Concerns

Connecticut respondents' most pressing concerns and challenges surrounding COVID-19 continue to vary based on their business sector. Concerns over maintaining a work/life balance have increased or remained a constant concern for all members, but these concerns are most prevalent for those working in the public accounting sector (up 8% from Survey 1) and not-for-profit sector (up 17% from Survey 1).



Ensuring the continued health and safety of employees continues to be a top concern for almost all industries, including public accounting (**53%**), business and industry/corporate finance (**56%**), not-for-profit organizations (**63%**), and education/academia (**60%**).

In the first round of the survey, those working in public accounting indicated their most pressing concern was losing clients/revenue due to business closures (68%). Presently, this number has dropped by 25% down to 43%. In the second round of the survey, the same audience indicated that a top concern now is navigating Paycheck Protection Program (PPP) and U.S. Small Business Administration (SBA) loan issues and evolving changes in law (52%).

The most pressing concerns for public accounting respondents has changed, with **losing clients/revenue being outpaced by navigating loan and law changes.**



43%

of those working in public accounting indicated that losing clients/revenue due to business closures is a pressing concern. This represents a 25% drop from 68% in Survey 1.



52%

of public accounting respondents in the second round of the survey indicated one of their most pressing concerns now is navigating PPP/SBA and evolving changes in law.

Please see the tables on the following page for further details and to see a comparison between the data from rounds 1 and 2 of the survey.

Most Pressing Concerns

Benchmark Between Survey 1 and 2

Survey 1 Responses					
What are your most pressing concerns?	Public accounting	Business & Industry/ Corporate Finance	Not-for-profit organization	Consulting/ Advisory	Education/ Academia
Ensuring the continued health and safety of our employees	57%	64%	62%	29%	50%
Losing clients/revenue due to business closures	68%	36%	33%	41%	30%*
Keeping a work/life balance	39%	49%	33%	6%*	30%*
Helping clients/employer meet government deadlines	45%	12%	24%	24%*	20%*
Reevaluating our budget and business plan to ensure long-term stability	25%	42%	71%	18%*	50%
Handling stress related to a personal situation and/or family needs	29%	29%	48%	12%*	50%
Collecting tax information from clients	37%	2%*	0%*	12%*	0%*
Servicing clients or customers when there are travel restrictions	28%	14%	14%*	29%	0%*
Staying employed/keeping my job	13%	37%	14%*	18%*	30%*
Laying off or furloughing staff due to a drop in business	17%	29%	29%	6%*	40%*
Conducting audits when agencies, organizations and institutions remain closed	22%	3%*	10%*	6%*	10%*
n =	411	59	21	17	10

*Less than 5 respondents

Survey 2 Responses					
What are your most pressing concerns?	Public accounting	Business & Industry/ Corporate Finance	Not-for-profit organization	Consulting/ Advisory	Education/ Academia
Ensuring the continued health and safety of our employees	53%	56%	63%	27%*	60%*
Keeping a work/life balance	47%	48%	50%	27%*	40%*
Navigating PPP/SBA and evolving changes in law	52%	23%	44%	33%	0%*
Maintaining connection and company culture while working from home	28%	44%	31%	33%	40%*
Losing clients/revenue due to business closures	43%	21%	25%*	33%	40%*
Handling stress related to a personal situation and/or family needs	29%	39%	38%	27%*	40%*
Helping clients/employer meet government deadlines	40%	8%	0%*	20%*	0%*
Reevaluating our budget and business plan to ensure long-term stability	14%	39%	56%	7%*	40%*
Collecting tax information from clients	29%	0%*	0%*	13%*	0%*
Servicing clients or customers when there are travel restrictions	22%	13%	13%*	27%*	0%*
Staying employed/keeping my job	10%	18%	19%*	20%*	0%*
Conducting audits when agencies, organizations and institutions remain closed	16%	3%*	13%*	7%*	0%*
Laying off or furloughing staff due to a drop in business	6%	15%	19%*	0%*	0%*
n =	343	61	16	15	5

*Less than 5 respondents

*Additional response options were added to this question in Survey 2 based on frequency of open-end responses from Survey 1

Business Disruption and Decreases

Two percent of Connecticut respondents continue to experience complete disruption to their work due to COVID-19. This is lower than the previous study (5%). The benchmark average for the second round of surveys (3%), which includes 13 other states, continues to be higher than that of Connecticut. Overall, the level of complete disruption has decreased since the first survey was administered in the spring.

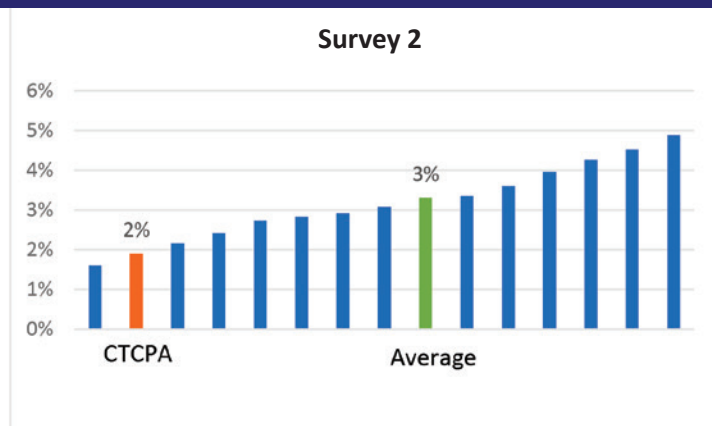
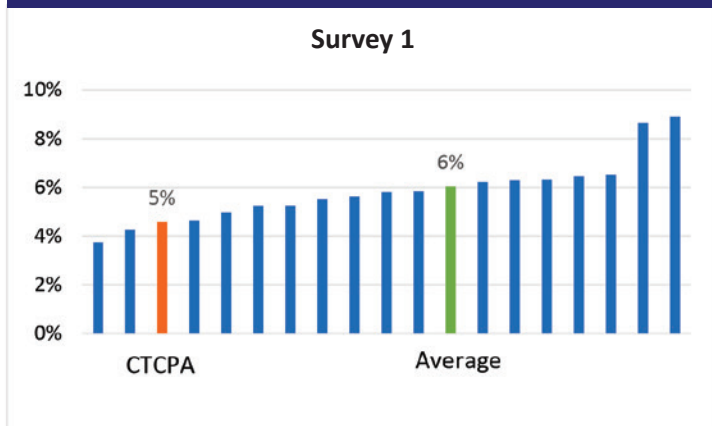
Nearly one-quarter (24%) of individuals who work in the business and industry/corporate finance sector indicate that COVID-19 has been extremely disruptive to their workplace. This is higher than the overall Connecticut respondent average of 14%.



The number of Connecticut respondents citing a complete disruption of work decreased from 5% to 2% with the second survey.

Connecticut also continued to report lower disruption than the national average.

Percent Indicating COVID-19 Had Completely Disrupted Firm, Organization, or Company



24%

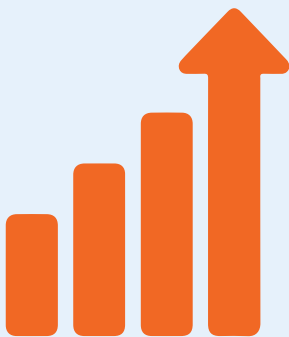
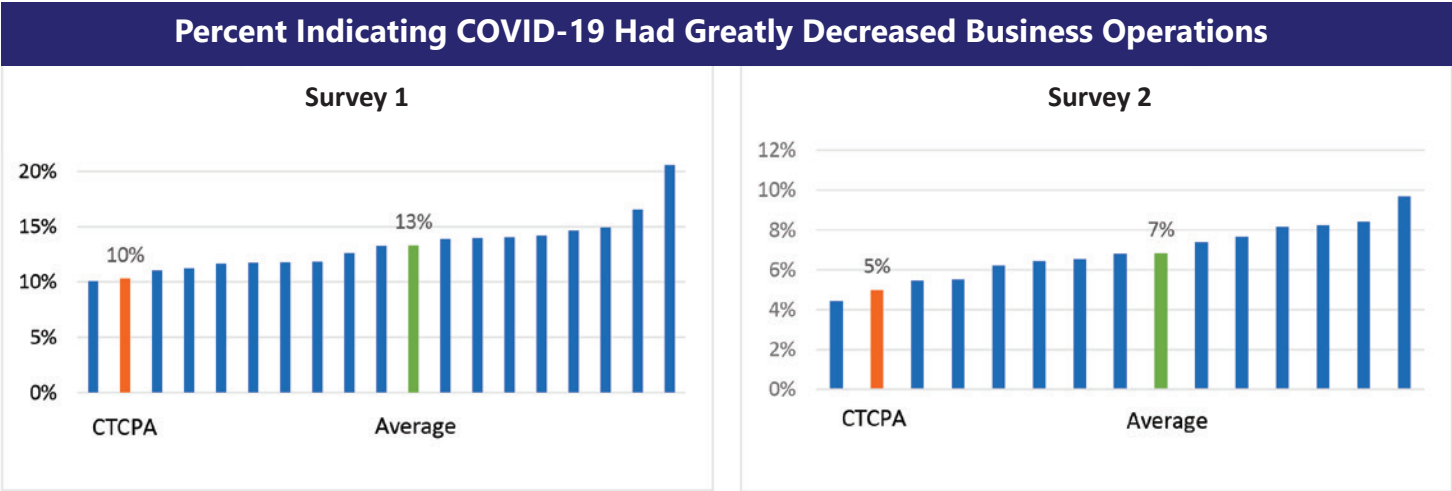
of individuals who work in the business and industry/corporate finance sector indicate COVID-19 has been extremely disruptive to their workplace.

This is higher than the overall respondent average of 14%.

Connecticut respondents are less likely (5%) than the aggregate group average (7%) to indicate COVID-19 has greatly decreased their business operations. Overall, the percentage of CTCPA members indicating the pandemic has greatly decreased business operations dropped by roughly 5% since the first survey was fielded in May. Respondents who work in the not-for-profit sector (38%) are significantly more likely than individuals working in other sectors to indicate operations have greatly decreased due to COVID-19.

However, 70% of Connecticut respondents indicated that business has been steady or increased during the pandemic. This is up from 43% in the first survey and is higher than the national average in the second survey of 65%

Connecticut respondents continue to report less of a decrease in business operations than the national average.



70% of Connecticut respondents indicated that business has been steady or increased during the pandemic.

This is up from 43% in the first survey and is higher than the national average in the second survey of 65%