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September 30, 2015

## **Opportunity for accountants presents challenge for firms**

New regulations and industry growth spur demand for the highly skilled.

By Gerald Schiffman



Joseph Perry, partner-in-charge of tax and business services, says clients often scoop up accounting firms' best talent

The accounting industry is growing—and looking for more help. Of the 30 firms on Crain's list, 22 have expanded their total of New York-area professionals in the past year, culminating in an 11.4% overall growth rate.

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But this gain is mainly representative of the Big Four (PwC, EY, KPMG and Deloitte), which have increased their staffs at a 13.8% rate. The rest of the firms on the list experienced just a 4.5% bump, although it's not for lack of capacity. The smaller firms also need more accountants but are finding a pre-recession-level shortage of qualified candidates.

"It's a challenge to find talented people," said Andrew Botwin, chief human-resources officer at Marcum (No. 6 on the list). "We've got a high bar at Marcum. The higher the bar, the harder it is to fill those spots."

## **New compliance codes**

Demand is fueled by firms' need for more staff to help meet new compliance codes. This consists of banking regulations, as well as the complex requirements of the Affordable Care Act. So not only must small firms compete with the Big Four behemoths, they also have to vie with their clients—investment banks and consultancies—for the best and brightest.

"It's a circular scenario in which talent is being absorbed by clients," said Joseph Perry, partner-in-charge of tax and business services at Marcum. "At the same time, that's driving new business to firms like Marcum, which have an insatiable need to hire new talent to meet the new service requirements."

## **Employee stress**

But the movement of job applicants away from public accounting firms goes beyond increased competition from clients—it's also about the stress on employees. Recent tax seasons have been among the most straining in years, as accountants have been required to sift through Congress' extensive changes to the tax code all on their own. Slashed IRS budgets have made it all but impossible to get assistance from the agency.

Accountants have responded by moving toward more private work and taking positions in corporations' internal accounting departments, seeking better working conditions. A recent study from the *Journal of Accountancy* (the flagship publication of the American Institute of CPAs) indicated that many accountants are seeking new jobs. Firms of all sizes are managing understaffed workplaces, an affliction that doesn't seem ready to ease up any time soon.

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"It's no longer just the Big Four," said Carmelina Lalley, U.S. assurance experienced recruiting leader at PwC (No. 1). "Now competition is more diverse. In New York City alone, it's startups, corporate and tech firms. Facebook didn't exist a number of years ago, and now it does, and they need accountants, too."

A version of this article appears in the September 28, 2015, print issue of Crain's New York Business.