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ACCOUNTING FIRMS: LABOR MARKET

## Bay Area tech boom crunches accounting talent pool

The soaring tech economy means demand for accountants is strong, sometimes pitting CPA firms against their own clients in the race for talent

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The Bay Area's booming tech industry has made for more companies with books to audit and management teams to consult, and expanded the need for outside advice on topics like cybersecurity and digital marketing strategy.

In short, there's a great deal of opportunity for accountants and consultants.

"Our growth is requiring us to hire more people," said [Teresa Briggs](#), a vice chair and West Region managing partner for [Deloitte](#) LLP in San Francisco. "There's also been kind of an explosion in demand for certain services, like cybersecurity, and we don't have enough people to satisfy demand in the market. We have to go out and hire people to meet that demand."

But for Deloitte and the other firms that employ accountants and consultants, the boom times have also posed a challenge: They have found themselves pitted against many of their own clients and prospective clients in competition for the same finite pool of talent and expertise.

"It's probably particularly difficult for us as a Bay Area employer," said [Lawrence Wood](#), managing partner of DZH Phillips Certified Public Accountants and Advisors, which has offices in San Francisco, Oakland, Burlingame and San Rafael.

He acknowledges that to many prospective employees, a job with an accounting firm may, at first examination, not appear as attractive as a job in the tech industry.

"It's a lot of hours," he said. "It's not necessarily sexy all the time. We can't afford the big campuses like the Yahoos and Googles of the world. Maybe the perks on the surface don't look as good as they could."

But Wood advises that because of the current “demographics” of the accounting profession, “there’s a whole world of opportunity” for those willing to go enter the industry.

The demographics that Wood refers to include a relatively large number of baby boomers and millennial generation accountants, but fewer professionals from the generations in between, he said. This makes for many opportunities for experienced accountants.

Accounting firm partners say their recruiting challenge has been exacerbated as the education requirements to become an accountant have been raised from 120 semester hours to 150 in most states over the past decade and a half.

The California Board of Accountancy adopted the 150-hour requirement in 2014.

“They almost changed it to a five-year degree,” said [Diana Sosa](#), a partner with Bregante + Co. LLP, which has offices in San Francisco, Pleasanton and Novato. “If I’m a student, I could go into finance or do something else. With tuition, it’s something people really have to think about.”

Still, Bay Area accounting firms are overcoming the workforce challenges as best they can.

Bregante added six to its payrolls last year, including administrative personnel, and could potentially add another two or three this year, Sosa said. DZH will bring in eight new entry-level professionals in the fall, Wood said.

[Deloitte](#) brought on 24,000 new staffers nationwide last year, Briggs said. Bay Area figures were not readily available, Briggs said, but she noted that client assignments in the region are not necessarily served by local staff and Bay Area staff do not necessarily serve local clients.

“We’re a big customer of the major airlines,” she said.

Accounting firm partners working to lure new talent are quick to point out the benefits their firms offer.

Debbie Messemer, managing partner for KPMG LLP in San Francisco, notes that the firm has recently doubled the match it offers for contributions to employees’ 401K accounts, doubled the parental leave it offers, and created a “fun committee,” to plan activities for employees.

The firm’s Bay Area staff has grown from 1,400 a year ago to 1,800 today, she said.

The national accounting firm Marcum LLP offers commissions to employees who refer job candidates that the firm hires, said Hugh Tama, partner-in-charge in San Francisco. Those commissions vary, depending on the level of position filled, and range as high as \$10,000 for a CPA.

“We’re constantly adding people,” he said. “I’m sure you’re aware of how tight the market is in the Bay Area, so even when we get staffed up to the level we want to be, you’re always looking. Good people are just such a limited commodity right now.”

To be sure, demand for accounting and consulting services may not remain as strong as it is now. But even if the economy declines, and accounting firms cut back, professionals in some of the more sought-after specialties, like cybersecurity and digital marketing, may still have relatively secure jobs.

“We tend to carry hot skill areas in a downturn because they’re very hard to hire for, out of a dip,” Deloitte’s Briggs said.

She emphasized, however, that Deloitte has no current plans to cut jobs in any area.