

Long Island Business News

Numbers crunch

By: Claude Solnik May 7, 2018

Many accountants love their work, but say their hours are the worst thing about their profession in a business driven by a handful of key deadlines, according to a new report about the industry. And the hours often aren't getting any better.

A recent study by Inside Public Accounting found that more than 90 percent of those surveyed enjoy their clients and believe they're getting better at their job, with help from their firm.

But if they like many things about their work, long hours or "compression" to meet a few deadlines, such as April 15, remain a seemingly intractable problem.

Hiring freezes after the recent recession, a shortage of experienced CPAs and regulations fueling additional work often mean longer hours. The profession, it seems, may be a victim of its own success – and shortages of accountants with five to seven years of experience.

Nearly 60 percent of those in a survey of accountants by Inside Public Accounting said their hours were the least enjoyable element of their work and more than 80 percent listed an unreasonable workload as the weakest firm attribute.

A 2015 study by Inside Public Accounting found staff with up to five years of experience worked 2,100 hours a year, while those with six to eight years of experience averaged 2,250.

"Compression is continuing to get worse, and is causing significant strain on staffing resources, making it more difficult for professionals to achieve the work-life balance they crave," Kelly Platt, principal and managing editor at Inside Public Accounting, told LIBN. "Some firms have as much as 75 percent of their business within a three-month period. People get burned out really quickly."

While balance sheets and generally accepted accounting principles may be typical terms of the trade, "compression" is turning into another topic of conversation.



Carolyn Mazzenga: Public accounting offers opportunity for more diverse work than private industry.

“Compression basically means you’re getting a tremendous amount of work done. It’s like being in the retail business at Christmas time,” Carolyn Mazzenga, partner in charge of Marcum’s Melville office, said. “You’ve got a tremendous need in a condensed time.”

While some jobs are seasonal, accounting is in large part a deadline-driven business. Tax returns for partnerships and S corporations are due March 15, while those for individuals and C corporations are due April 15.

The extension deadline is September 15 for S corporations and partnerships and Oct. 15 for individuals and C corporations.

“We do have a tremendous amount of work over a two- to-three-month period that we try to get done as quickly as we can,” said Jeff Agranoff, chief human resources officer for Grassi & Co., based in Jericho.

Technology speeds things up, providing a possible solution, but often making things worse, leading to longer delays.

“Technology is a double-edged sword,” Mazzenga said. “If somebody knows they have to send something snail mail, they might work on it sooner and put it in the mail to you. If they know they can just push a button, it’s like, ‘I can do it tomorrow.’”

Firms typically don’t get documents related to investments such as hedge funds and private equity until the summer or fall, increasing delays.

“If they’re willing to have us do the work earlier or after the compressed time, we can give discounted fees and additional consulting services,” Agranoff said.

While extensions are possible, many clients don’t want them, especially if they qualify for refunds. And auditors typically face April 30 deadlines for audited financial statements.

“A lot of clients don’t want extensions if they have investors or bank loans,” Agranoff added. “They may want to know financially what their tax situation is. There’s a lot of pressure to get it done without an extension.”

The profession is trying to help workers by being flexible in terms of hours. Firms often are flexible about when and where employees work.

“Give people assignments, goals of what they need to produce and clients they need to service,” Agranoff said. “We haven’t said, ‘You need to be in the office between this and that hour.’ We give people assignments and set expectations.”

Telecommuting also lets people work from home, with some doing this full time and others dividing time between home and office. And the profession includes seasonal workers: Some Marcum employees are off during the summer and work during peak season.

“A lot of people like to go home and have dinner with their family,” Mazzenga said of employees who may finish work at home. “They have dinner and then get back on their computer and continue to work.”

Firms bring amenities to the office, especially when hours get longest. Marcum during busy season runs an ice cream day, brings in massages and manicures as well as caterers; Grassi offers massages, ice cream parties and catered meals.

While many CPAs love their work, and manage their hours, some people leave public accounting, pursuing shorter hours in private industry. “Most of the accountants working in public accounting who go into corporate work Monday to Friday nine to five,” Platt said.

Accountants who leave for private industry or just leave the profession are fueling a shortage of those with five to seven years of experience.

Agranoff said “people at times are being burned out by accounting,” leading to a gap of those with more experience. Many, however, return to the job.

“Some people who leave to go into private industry get bored or aren’t challenged and come back,” Agranoff said. “We have a fair amount of rebound hires.”

A 10- to 12-year span before becoming partner doesn’t help, although Agranoff said non-equity partners sometimes can be fast tracked.

“They don’t take part in the pool. If the firm does really well, they may get a bonus,” Platt continued. “An equity bonus may bring much more. Being named partner is status. It shows other people in the firm that it’s doable. I think it’s a win win.”

Some younger accountants rise more rapidly than in the past. But even then, they may not be given the latitude to work with clients or take part in key meetings.

“The younger ones say they don’t have a say. They don’t have a seat at the table,” Platt said. “That could be a combination of youth and arrogance. Or the person could really help the client.”

Agranoff said it’s important for employees to like their work: Medium-sized firms have the variety and opportunity to let people do different things.

“We try to give a lot of variety,” he said. “We’re large enough, so we have different opportunities. But we’re small enough, so we can give those opportunities. We give people a lot of variety.”

Firms can spread their work over the year, by adding consulting. That not only adds revenue, but liberates it from tax deadlines.

“There are non-traditional firms that are predominantly IT consultants,” Platt said. “They’re busy 12 months a year.”

Grassi and Co. launched 16 consulting practices, including a recently started cyber security practice. All of this helps provide work all year long.

“We made a huge investment in getting a number of consulting areas built up that we offer to clients from technology to operational consulting, human resources consulting, outsourced CFO and CFO advisory,” Agranoff said.