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## Demographic Shift Plays out as Firms Seek Talent

*ACCOUNTING: Companies recruit at colleges to replace baby boomers*

By Jessica C. Lee

Aging baby boomer accountants have Orange County accounting firms on the hunt for fresh talent.

But competition for the best and brightest is pretty stiff.

In recent years, local and global accounting firms with OC offices say it's been an associates' market with accounting firms going after graduates to take on an increasing amount of work every year.

Firms have spent the past six years heavily recruiting entry-level accountants directly from local universities to help them take on a windfall of work related to Sarbanes-Oxley and proposed international standards.

Sarbanes-Oxley was passed in 2002 after corporate scandals at Enron Corp. and WorldCom Corp.

The legislation, which required new controls and standards to reduce fraud and increase communication with investors, became a boon to the accounting industry as many public companies tapped accounting firms to help them implement the rules, but the work is beginning to slow down.

The added work prompted firms to go on hiring sprees, said Denny Reigle, director of academic and career development at the American Institute of Certified Public Accountants in Washington, D.C.

"There's a great deal of attention on accounting because of SOX," Reigle said. "Firms need to be really accurate in their accounting and all of that comes down to spending a lot of time and energy on their work, which requires help from more accountants."

The demand for entry-level accountants has boosted the enrollment of accounting majors in recent years, Reigle said.

For the 2006 and 2007 academic year, there were 203,368 students enrolled in undergraduate and graduate accounting programs at universities nationwide, according to the institute's 2008 trends in the supply and demand of accounting graduates survey.

That's a 29.4% jump from the 143,670 students enrolled in these programs for the 1999 through 2000 academic year.



UC Irvine job fair: accounting firms recruit college juniors, seniors

For the 2006 and 2007 academic year, there were more than 64,000 accounting degrees awarded nationwide, which is about a 19% increase from the 2003 to 2004 period, according to the institute.

“The number of students enrolling and graduating from accounting programs is at an all-time high; but the need for students is also at an all-time high due to legislation,” Reigle said. “Large public accounting firms are becoming extraordinarily competitive with each other because they’re all seeking the same top students.”

Stiff competition to find the best students has driven salaries up, Reigle said.

Recent accounting graduates can earn yearly salaries of \$40,000 to more than \$60,000 depending on the geographic market they’re in, Reigle said.

### **Active on Campus**

Accounting firms have become more active on college campuses in recent years in order to attract and groom students to become future employees, Reigle said.

“Firms are extraordinarily well organized in their penetration of universities,” he said. “They seek talent at the most entry levels and they do this by forming relationships with accounting faculty and career service offices.”

Firms often sponsor programs and seminars and tap their employees to help teach classes, said John Belli, managing partner of the Irvine office of New York-based Ernst & Young LLP.

“Meeting students early on is very important,” Belli said. “When you get involved in accounting programs, teach courses and have good relationships with faculty, you meet good candidates along the way.”

Local and global accounting firms with OC offices work closely with several local universities including University of California, Irvine; California State University, Fullerton; Chapman University; University of Southern California; University of California, Los Angeles; and others.

The firms often host on-campus recruiting sessions targeted at sophomore- and junior-level students, according to Sarah Ollenburger, university recruiting manager for the Irvine office of Chicago-based Grant Thornton LLP.

There are two large peak seasons for recruiting, she said.

Fall recruiting usually lasts from August through November where accounting firms meet with senior-level students who are interested in full-time jobs for the following year, she said.

Firms interview junior-level students January through March for summer internship programs, Ollenburger said.

Students typically participate in summer internships before they start their senior years, she said. The programs last about eight weeks and focus on skill and team building training, Ollenburger said.

“The goal after every summer program is to have a clear idea of who the firm will recruit as full-time employees after graduation,” she said.

The number of incoming entry-level hires varies from firm to firm.

Grant Thornton, which counts about 200 accountants at its Irvine office, typically brings in anywhere from 60 to 80 people every year at its offices in Irvine, Los Angeles, San Diego and Woodland Hills, Ollenburger said.

Irvine-based **Haskell & White LLP**, which counts 76 accountants at its OC headquarters, hires six to 10 entry-level accountants every year, according to its managing partner Wayne Pinnell.

The workload for entry-level accountants varies because the industry goes through peak seasons when companies come out with their quarterly and yearly reports and file taxes.

A firm's busy season can span from December to April with entry-level accountants expected to work 50 hours to 55 hours each week, Reigle of the AICPA said.

### **Better Balance**

The amount of work new accountants take on also depends on the kinds of projects they are working on, what their clients are up to and how complex their projects are, he said.

Firms often try to space out their accountants' jobs, Reigle said.

"They do this because they don't want to bog down their accountants with so many jobs at the same time," Reigle said. "Firms are becoming much more aware of a life-work balance. They don't want to burn people out."

Firms have become more aggressive in offering a better work-life balance for entry-level accountants, said Pinnell of Haskell & White.

"The younger generation of accountants is demanding it. It's what they're used to," Pinnell said.

The generational differences between the baby boomer accountants that are set to retire and the newest generation of accountants are clear in both expectations and skills, said Dean Samsvick, managing partner of KPMG LLP in Costa Mesa.

"Today's folks are really sophisticated when it comes to information technology because they're much more connected through the Internet and e-mail," he said.

Having a new breed of accountants who are technologically savvy is a big plus with changing technology and globalization, firms said.

But baby boomer accountants agree that younger accountants need to maintain a good old-fashion way of conducting business. That includes communicating with clients outside of conference calls and e-mail.

"We have to stress not losing sight of the importance of meeting a client, shaking their hand and looking them in the eyes," Samsvick said.