



These workers are the solution to your firm's hiring needs

How leveraging seasonal help year-round can see you through the CPA shortage.

Introduction

The biggest [challenge many accounting firms face](#) these days is the shortage of talent. We probably don't have to tell you that, but it's still puzzling that there are far more open jobs at CPA firms than there are able-bodied accountants to fill those jobs.

This gap persists despite the fact that, [according to the American Institute of CPAs](#), enrollments in accounting programs, the number of degrees awarded, and graduates hired are at, or near, record levels. This shortage, as you well know, disrupts firms' operations, hindering efforts to keep up with client demands and building an adequate pipeline for the next generation of partners.

Accounting firms are trying to deal with this problem in several ways, but this eBook is going to focus on one solution that many may not have considered yet: freelance workers. Sure, maybe your firm has brought in temporary help during tax season but has it crossed your mind to use this strategy year-round? Are we blowing your mind yet? Okay, maybe this isn't that novel of an idea, but if you're skeptical, keep reading as we make a case for freelance CPAs as a key piece to your talent puzzle.



How'd we get here?

It's probably a good idea to first wrap our heads around this problem. Several factors have led to the talent challenges that we'll cover below. These factors alone would be enough to make recruiting difficult, however, many firms have amplified the problem by resisting the change happening all around them. We'll examine those circumstances as well. Shall we continue?

General factors

To set the stage, let's dig into the situation that has caused this talent shortage, starting with some general factors that have affected all types of businesses, not just accounting firms.

The factors that we explore below give skilled, in-demand workers a lot of options when choosing a job. They don't have to settle for high-pressure work environments or stingy benefits packages. Highly skilled workers also want an employer that uses technology effectively, fosters a culture that suits their lifestyle and values, and a competitive salary is nice, too.

That's a lot of boxes to check and many job-seekers aren't afraid to leave companies that are unwilling or unable to check them all, resulting in a fluid, unpredictable workforce.

Remote workers

For starters, the American workforce is changing in ways never before seen. A [2017 FlexJobs-Global Workplace Analytics report](#) found that 3.9 million U.S. employees work from home at least half of the time. That figure is up from 1.8 million in 2005, a 115 percent increase.

Technology allows more professionals to work from where they want, when they want, and more employers are willing to let them do it to keep the most talented people.

Why? Well, many business leaders believe remote workers are simply better. They're happier, motivated, self-reliant, responsible, and this leads to, yes, more productive. They even quit less often! That doesn't mean remote workers don't face challenges like [feelings of exclusion or isolation](#); hiring remote workers isn't a plug 'n play solution. Firms who want to embrace remote work arrangements need to do it consciously and with the intent that you will work to make it work. Regardless, the move toward remote work is real, and more job-seekers are considering employers who offer it.



Technology

What makes remote work possible? Technology, of course! Namely, the internet; or the cloud, if that helps you.

Storing software in the cloud instead of on our computers is pretty brilliant, actually. If a fire burns your office to the ground, and you have no backup: A) You're bad at this and B) You've lost a lot of valuable information. By sticking everything from accounting to CRM to payroll to benefits online, not only has it made contingency planning easier, it has also allowed employees to disperse far and wide since they can access their tools anywhere.

Whether it's at home or a coffee shop or the beach, anyone with a strong WiFi connection can still get their work done. With this flexibility, people can avoid the perils and expense of commuting, as well as antiquated workplace norms like set hours or mandatory weekends.

Technology has revolutionized many people's attitudes about how they work, and both employers and employees are reaping the benefits.

Oh, those millennials

And who's leading that change in attitudes? Yes, it's millennials. In the [first quarter of 2015](#), millennials (individuals born between 1981 and 1997) surpassed Generation X (born between 1965 and 1980) as the largest portion of the American workforce. And even more recently, millennials are set to become the [largest living generation](#) in 2019. In short, millennials are the driving force in the workplace.

Millennials grew up with the nascent technology that developed into the everyday tools we all use. Personal computers, the internet, mobile telephones, and social media have become essential to the workforce, and millennials know how to harness their power in innovative and yes, productive ways that have been a boon to businesses of all kinds.

Millennials also expect employers to be indifferent about how and when work outcomes are achieved so long as they are achieved. Smart employers recognize the futility of demanding their people adhere to a rigid schedule and expectations. Those employers that ignore the wishes of younger workers will soon find that they won't have any younger employees at all.



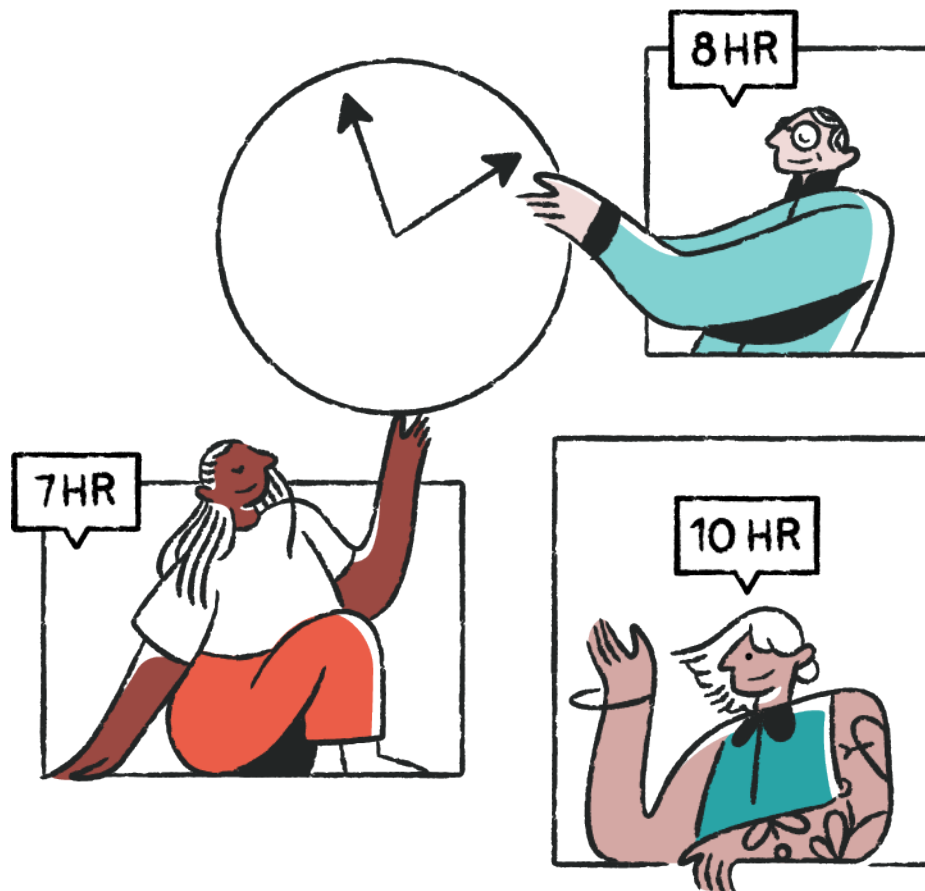
Flexible work arrangements

One final development that we'll touch on before getting into the factors unique to the accounting profession is the emergence of flexible work arrangements. For decades, men dominated the workforce and the expectation generally was that they, at a minimum, would work a standard 9 to 5 schedule. There was the norm.

When women began entering the workforce in record numbers in the late 1960s, however, attitudes and policies prevented them from being given equal treatment and pay. One area of unfair practice that continued for decades was the treatment of women who chose to have children. Most employers treated the situation as one where a woman had to choose between having a career or having children. There was no middle ground. Men, on the other hand, were not expected to sacrifice either.

This disparity existed for many years before women demanded more flexible arrangements. Employers soon realized that if they did not provide an environment that allowed women to pursue professional aspirations and have a family life, many would find employers that did. This has forced employers to seriously consider employees' lives outside the workplace.

While workplace inequity still continues in many forms, technology and expectations of younger workers have spread across industries of all kinds. Any employer serious about retaining employees must consider providing flexible working arrangements.



Factors in the accounting profession

Now that we've covered all that, we can touch on a couple of unique factors that have an impact on accounting firms specifically.

150-hour requirement for the CPA exam

One of the most controversial issues in the accounting profession's recent history is the 150-credit-hour requirement to be a CPA. Every state and territory that issues licenses requires candidates to earn a total of 150 credit hours to be eligible. For accounting majors, there are two ways of obtaining the 25-30 additional credits necessary:

1. Take additional classes as an undergraduate. Anything from basket weaving to psychology to finance to theater is eligible.
2. Go to graduate school and earn a master's degree in accounting.

Some [people argue](#) that the 150-hour rule has created an unnecessary barrier for those seeking a CPA. Whether it's the additional undergraduate credits or pursuing a master's, accounting majors will have to incur more cost to meet the requirement and delay their entry to the workforce. This would be fine if the additional education resulted in requisite compensation, but there's little evidence that that's the case.

These circumstances can give accounting majors pause about pursuing a CPA. And in recent years, while the number of accounting graduates has grown, the number of people sitting for the CPA exam has stayed relatively flat. The most recent analysis from the AICPA found that that number rebounded a bit, however, the number of student enrollments dropped significantly.

It remains to be seen where these trends will lead, but there's little question that the mandatory 150 credits is a barrier that may discourage some from pursuing the CPA, making a long-term career at an accounting firm highly unlikely.



Accounting firm culture and business model

Another problem that has plagued the accounting profession is its culture. For decades, firms have relied on an up-or-out business model that forced employees to earn a promotion, or flame out. Those determined to earn promotions had to log hundreds of hours of overtime every year, for many years sacrificing time with friends, family, and forgoing leisure activities. If a person managed to survive this rigid system, and had a bit of luck, he or she could reach the level of partner.

That career path does not appeal to many people anymore; there are countless opportunities for accountants at startups, legacy businesses, and even entrepreneurial ventures that offer financial awards. These opportunities are often intellectually challenging, but also allow them to have a life outside work. Over the last 10-15 years, more women have entered the profession, to the point that they now make up more than half of entrants. The number of women partners, however, has not seen similar growth. In other words, while firms have been able to attract women, they have struggled to retain them. Many women find the culture within most firms fails to fit their needs for work-life balance, and more men seem to be concluding the same thing since many firms struggle to find and retain the necessary people.

Furthermore, for most professionals, careers no longer follow a linear path. Now, careers zig and zag; fit and start; die and resurrect. The era of staying in a single job for the entirety of one's career is long gone. Accounting firms large and small have counted on this employer loyalty for decades, but the desire of most workers to seek out new professional experiences and challenges. While these experiences are certainly possible within an accounting firm, the general factors discussed earlier make other opportunities very attractive, drawing many qualified people away.

Many accounting firms have not adapted to these changes

Many occupations resist change, but accounting has been particularly stubborn about the changes happening all around us. And there's a good reason for this—firms have been wildly successful for a very long time. “If it ain't broke,” etc., etc.

The problem with that attitude now is that the workplace is changing in ways that will render the old way of doing things obsolete. The cultures and business models of yore will go the way of blacksmiths, elevator operators, and chimney sweeps. Young accountants will not find the charm in an old-timey profession when technology can do the repetitive, monotonous tasks and allow a person to perform interesting and challenging work when and where they want.

Yes, adapting to change is difficult, but firms that respond to it will attract the dynamic and energized employees who will help transform their employers and help them survive.

Okay, now what?

We know, we know. You've heard all this before. Cliches such as the "rapid pace of change" and "talent wars" have become pervasive across the media, as have stories about businesses that have tried to counter the disruption, trying a host of tactics to attract recruits. But how can firms actually do something about it? Well, for starters, let's touch on something your firm shouldn't do.

Don't use gimmicks to recruit.

Over the last decade or so, technology companies have imparted lavish benefits and perks upon its workforce. Free cafeterias with food from every corner of the world, massages, nap rooms, ping pong tables, kegs in every kitchen, the list goes on and on. This is all included on top of generous benefits that include unique offerings such as parental or dependent leave, unlimited vacation, student loan assistance, and more. The idea being that if you create a workplace overrun with benefits, fun, and privilege, employees will never want to leave.

Accounting firms have attempted to adopt some of these tactics, to a degree. And while it's a step in the right direction, the beer cart Fridays and dog-friendly atmosphere can wind up being little more than gimmicks and window dressing if your firm fails to commit to a wholesale change. Employees will quickly realize if the ping pong table is just for show if the culture and business model clings to the past.



Enter: Freelance CPAs

For accounting firms that are in the process of implementing new technology, establishing a culture (often for the first time), considering remote workers, and offering flexible work arrangements, this all probably feels a bit overwhelming. Top it off with the ongoing need to recruit and retain professionals, and firms have a lot of balls in the air.

If your firm is struggling to fill its open full-time positions and it feels like you've tried everything, it might be time to step back and reassess the problem. Considering all the factors we've covered, engaging freelance CPAs may be an innovative way for you to get the help you need while embracing some of the desires of the seemingly fluid contemporary workforce. There are a few different ways to incorporate freelance CPAs, so let's dive into each of them a little bit.

Seasonal workers

This is the easy one. CPA firms of all shapes and sizes have used temporary or freelance workers in the January-April tax season for years. These seasonal tax preparers work 3-4 months to help firms get through the busiest time of year. At the end-of-tax-season party, everyone high-fives and limps back to their families, but the seasonal workers won't be back to work until next year.

This same idea can work for auditors, too. Most companies who require an audit have a December 31st year-end, which means their audits will be performed in the early months of the new year. A firm can bring on the extra auditors they need to get through the heavy time, and everyone goes their separate ways when the work dies down. If your firm audits a lot of businesses with June 30th or September 30th year-ends, obviously the timing would be different to meet the need.

Firms like this arrangement because they get extra help without all the costs that come with hiring full-time employees. The workers like the arrangement because they get to make a good wage for a defined period of time and then get to enjoy a lot of time off. Details like scope of work, wages or fees, and other particulars need to be hashed out, of course, but both parties can come away very happy with a seasonal relationship.

Project-based work

This is another easy one for firms to implement. Let's say you have a big project coming up for an important client and you are short-staffed. Instead of scrambling to hire the perfect person, find someone to come on board specifically for this engagement. You can pay them hourly or agree to a fixed fee, but the key feature of this arrangement is that the professional will work this project only and cut ties when the project ends.

If the project is recurring, then the relationship might resemble more of a seasonal arrangement, but fundamentally, if you've found someone who will perform a very specific function and then depart when that function has been completed, you have a relationship that revolves around a specific engagement.

Contract work

A slightly different arrangement may resemble something closer to a vendor/contractor relationship. This person may be available to you on a retainer or ongoing basis, performing tasks as you need them. This kind of ad hoc approach may seem like a hindrance in some ways, but if you are hurting for help, it may be just the thing to help you break through a talent stalemate.

Pros and Cons to Freelance CPAs

If you've read all this way and still aren't sure, let's try to boil this down to a handful of pros and cons to see if hiring freelance CPAs is an excellent choice for your firm.

Pros:

- **Cost Savings** — Aside from wages and travel, other costs normally incurred for full-time employees (e.g., health care benefits, 401k match, etc.) will not apply.
- **Expanding the network** — You will establish new relationships with professionals that you might not otherwise encounter. If you establish a nice bench of talent, you will have a network of workers that you didn't before.
- **Find some experts** — If you have a unique project, you will attract professionals with unique skills, likely leading to higher quality work.
- **No messy breakups** — You can sever ties quickly with a bad freelancer. Once the project ends you have no obligation to use him or her again.
- **Build some loyalty** — If you accommodate a good freelancer's preferences, he or she is likely to come back to you in future seasons or for new projects.

Cons:

- **You may have to get in line** — Freelance workers may have multiple projects going on, meaning your work may not always be his or her top priority at all times.
- **Availability** — Seasonal or project-based workers are unlikely to be available on a moment's notice if you have tasks or projects come up outside their defined period of work.
- **They may have terms** — Freelance CPAs may require certain conditions (e.g., working remotely) that you are not accustomed to or comfortable with.
- **Sacrifices** — You may not have total control over how or when the freelance performs the work.
- **Build some loyalty** — If you accommodate a good freelancer's preferences, he or she is likely to come back to you in future seasons or for new projects.

Remember, a freelance or contract CPA will want this to be a good deal for themselves, too. This means that you'll likely have to give up some control that you would otherwise have in a traditional employer-employee relationship. There are various aspects of using freelance CPAs that might take some getting used to. But...

What do you have to lose?

In this era of hard-to-find-and-keep good people, hiring freelance or project-based CPAs is a good solution for firms that need a breakthrough. By accommodating a professional on a temporary basis, you can get the services you require and save some money while establishing a relationship with a person who could become part of your team full-time in the future.

That's a key point—even if you're working with someone on a part-time or consultative basis, you are still getting to know them, assessing their work, but also, showcasing your firm. If, while using these freelance professionals, you're also making some changes to attract more full-time talent, you may just convince your best freelancers to join you full-time.

So if your firm is struggling to find good people, try retaining some seasonal workers, project-based contractors, or, yes, even consultants to see how where the relationships go. They'll help your business meet its client obligations, and who knows, may wind up being your next superstar employees.

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