



2020 COMPENSATION & BENEFITS SURVEY FINDINGS

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Data analysis and reporting was produced by Whorton Marketing & Research, www.kwhorton.com.

Overview & Methodology

Whorton Marketing & Research (WM&R) administered a compensation and benefit survey in Virginia among public accounting firm members of VSCPA. As part of our Center for Innovation, the VSCPA is committed to delivering value and supporting Virginia firms in our joint efforts to drive the CPA profession forward. The purpose of this survey was to provide competitive salary and benefit information for Virginia, so firms can make informed decisions around talent and staffing strategies. The survey measured compensation by category of accountant, managerial, and support staff.

Participation in the survey was completely confidential, which is why the VSCPA engaged a third-party research partner WM&R to conduct the study. WM&R stored and analyzed the data to protect privacy of all participants. Each participating firm receives a free copy of this report.

Timing

The survey launched on November 11 and closed December 11, 2020.

- The invitation and first reminder conveyed a deadline of December 2, which was extended to December 9 for most invitees and December 11 for some additional contact names that were identified and invited well after the initial November 11 invitation date.
- Messages were sent under the VSCPA logo, name, email, and signature line.
- Survey invitations included a pdf guide to the survey so that respondents could prepare and identify necessary data prior to starting their survey.
- Special notes were sent under the researcher's signature to individuals with incomplete surveys to encourage them to return and complete more.
- VSCPA staff engaged in viral contacts with various members to encourage their participation.

Participation

- A total of 59 total responses were received from the 390 firms that were invited to participate.
- Our initial list included multiple contacts particularly in larger firms, as we identified primary managing partner contacts and primary HR or office management contacts. In all cases there were no more than three contacts per firm, with names removed from the distribution list as responses from their firm were completed.
- This translates into a 18% participation rate by contacted firm, roughly equal to similar surveys in other states.

Executive Summary

WM&R administered a compensation and benefit survey in Virginia among public accounting firm members of VSCPA from November 11 to December 11. A total of 59 firms participated out of 390 firms invited to participate, a response rate of 18%. More detailed findings, including compensation by geographic region, can be found in the full report.

Compensation by Position

- Accountants I (with 0-1.9 years of experience) earn a mean salary of \$51,121. Accountants II (with 2-2.9 years) earn a mean of \$57,256, and Accountants III (with 3-4.9 years) earned a mean of \$66,299.
- Supervisor/Manager I (5-6.9 years) earned a mean of \$75,110 and II (10-14.9 years) earned a mean of \$104,181. Directors (\$130,160) and Partners (\$210,780) earn far higher mean salaries.
- Among support staff, those in General Administration (\$51,625) earn the least, while specialists in Finance (\$81,025), Human Resources (\$77,981), IT (\$74,708), and Marketing (\$74,295) earn more. Paraprofessionals/Bookkeepers earn a mean of \$52,345.

Participants also indicated their highest and lowest salary if they had more than one person in a position (presented in the full report). The average spread between mean high and low salaries was quite wide—56% among Partners, 63% among Directors—and lower among Supervisor/Managers (about 40%), Senior Managers (33%), Accountants III (23%), I & II (about 15% each).

Accountants	Salaries	
	Mean	Median
Accountant I	\$51,121	\$52,000
Accountant II	\$57,256	\$60,500
Accountant III	\$66,299	\$66,325
Supervisor/Manager	\$75,110	\$79,910
Supervisor/Manager	\$91,948	\$92,700
Senior Manager	\$104,181	\$107,250
Director	\$130,160	\$120,547
Partner	\$210,780	\$197,900
Paraprofessionals/ Bookkeepers	\$52,345	\$52,000
Human Resources	\$77,981	\$79,100
IT	\$74,708	\$80,423
Marketing	\$74,295	\$67,500
Finance	\$81,025	\$73,416
General Admin.	\$51,625	\$48,515

Raises

Overall, the average percentage increase in salary was a mean of 4% between October 2019-20 and is anticipated to be the same level, 4.0% in the October 2020-21 period.

Bonuses

- Among accountants, the proportion of firms awarding bonuses was lower for Accountants I (55%), II (48%), and III (66%) than for Supervisor/Managers I (71%) and II (57%). Relatively few Senior Managers (62%), Directors (58%), and Partners (35%) received a bonus.
- Among support staff, Finance (100%) and IT specialists (71%) were likely to receive, while HR (58%), General Administration (53%), Paraprofessionals (43%), and Marketing (43%) are less likely.
- Mean bonus targets generally rise with income and experience, from means of 2.8%, 3.9%, and 4.2% among Accountants I, II, and III, to Supervisor/Manager I (5.3%), Senior Manager I (6.5%), and Directors (10.4%). They are lower however for Supervisor/Manager II (6.5%) and Partners (7.7%). Bonus targets are between 2.5% and 4.2% for each support staff position.
- Average bonus increases with years of experience, among accountants lowest for Accountants I (\$1,721), II (\$2,640) and III (\$2,743), higher for Supervisor/Managers I (\$4,156) and II (\$4,133). Senior Managers (\$9,253), Directors (\$13,300) and Partners (\$67,274) have much larger bonuses when they are awarded.
- Among support staff, Bookkeepers (\$1,815) and General Administration (\$1,893) earn lower bonuses. Specialists including HR (\$4,255), Marketing (\$3,566), IT (\$4,862), and Finance (\$6,297) earn larger ones.
- Only 11% regularly offer profit sharing to staff, while 3% do so sometimes. Amount is based on individual or group achievement of company goals (50% each), or a set amount per person (25%).

- Approximately 20% of Accountants, 26% of Bookkeepers, and less than 15% of more senior Supervisor/Managers, Senior Managers, or Directors are eligible to receive overtime pay, while administrative staff are eligible in 65% of participating firms.

Company Focus and Variances in Compensation

- Primary areas of focus, accounting for at least a quarter of a firm's total billings include tax (93%), audit (56%), consulting (37%), outsourced accounting or bookkeeping (32%), and a few in forensic/litigation support (8%) or business/asset valuation (7%).
- Estimated average salary differentials by staff with a specialty show that tax specialists (mean of 7.6% and a median 2.5%) earn more than generalists do, and CPAs earn a mean 15%/median 10.0% more than non-CPAs. Audit specialists (5.0%) and consulting/valuation specialists (2.8%) also earn more than generalists.

Staff Levels and Turnover

- Firms had a mean of 27.6 and median 9.0 FTE staff. We broke down results in the report categorizing firms roughly into thirds as small (1-5 staff), medium sized (6-15 staff), and large >15 FTE (32%).
- Staff structures show that Accountants I (9%), II (5%), and III (14%), Supervisor/Managers I (7%) and II (6%), Senior Managers (12%), Directors (5%) and Partners (22%) account for most of staff combined: Paraprofessional/Bookkeepers (5%) and support staff (15.5%) round out total staffing.
- During the past year, firms lost a mean of 4.6 and median of 1.0 staff, and hired a mean of 5.6 and median of 1.0. This meant slight growth and mean 13% and median 6% average staff turnover.
- Official workweek for accountants is a median 40 hours while actual weeks are 55 hours in the busy/tax season and 40 hours outside the busy season. Most (85%) firms offer flexible hours, most of them year-round while some do so in the summers only.
- Currently, 45% of firms permit some time working at home and/or either more in the office or more time at home, while 40% permit full work from home, 38% require periodic videoconferences.

Average Leave

Full-time staff receive a mean of 18.3 days in the 1st year of employment, 20.6 days at their 3rd anniversary, 22.9 days at their 5th, 26.0 days at their 10th, and 27.2 days at 15 or more years of experience.

- Most (86%) have PTO and 14% have separate vacation/sick leave. Mean PTO increases from 14.5 days at the lowest experience level to a high of 22.1 days at the 5th anniversary. Vacation increases from 8.8 days to 18.3 days between lowest and highest tiers. Sick leave increases from 5.0 to 11.5 days at each tier.
- Mean paid family leave (excluded from the total above) is 17.5 days at all levels of experience.
- A mean of 69 hours and median 40 hours of unused PTO are allowed to carry forward into the next year.

Insurance

The most common insurance benefits available to accountants on staff include medical insurance for employees (76%) and dependents/family (60%). The detailed report presents much more information, but in this case, almost all large firms provide these benefits.

- Other benefits include life insurance for employees & dependents/family (58%/20%) dental insurance (55%/47%), vision insurance (44%/44%), long-term (47%) and short-term disability (38%).
- Firms offer FSAs (47%) or HSAs (40%), while 7% provide a health reimbursement arrangement.
- Mean percent of premium covered by employer is highest for employee health insurance (85%) while average premium covered for spouses (40%) is low. Employee long- and short-term disability (74% each) are primarily covered by the employer. Premium coverage is low for employee/spouse dental (27%/11%), and life insurance (13%/15%).

Other Benefits

Matching contributions for retirement programs (75%), professional membership dues (71%), professional license/credential reimbursement, and bonuses for passing CPA exam (55% each), and flexible work arrangements (49%) are offered by many.

- If offered, cost of membership dues and license/credentials are covered almost 100% by employers.
- Tuition assistance (63%) has lower average coverage by the employer.
- 401k employer match is a mean 4.6% and median 3.0% of salary. It is sometimes one-for-one (43%) or automatic amount (22%), while 35% report fractional matches of employee contribution with a cap.
- Typical vesting schedules are either automatic (39%), 100% vested at a certain time (35%), or phased in vesting over time (26%).

Company Profile

Most firms participating in the survey operate in Northern Virginia (51%) or Central Virginia/Richmond (39%), and fewer are in Hampton Roads (22%), Shenandoah Valley (17%), or Southwest Virginia (12%); 15% operated in multiple areas.

- Most firms generate annual revenue under \$1 million (33%) or \$-\$2.4 million (30%) while 20% do \$2.5-\$9.9 million, and 17% more than \$20 million.

Individual Profile/Diversity

- Leadership is 90% white while other accountants and support staff are 83% and 87% white, respectively.
- The age profile shows that 65% of leadership is 50 or older, while median age of other accountants is about 36 and support staff almost 35.
- Education profile profiles show 75%-80% of staff hold Bachelor degrees at each staff level, while 23% of leadership, 20% of other accountants, and 10% of support staff hold MBAs or another advanced degree.
- 21% have a systematic diversity, equity & inclusion initiative while 58% of firms do not, and another 21% indicated being diverse or at least unbiased without a specific program.
- Common programs include presence at historically diverse schools, engaging a consultant to ensure they attract and retain a diverse population, being involved with college associations such as NABA, founding a Women's Council, and commitment to fostering a culture of inclusion through valuing differences of clients, vendors and current and prospective team members.