

## Beyond the Balance Sheet – Tackling the Accountant Shortage



Accounting jobs in Canada are in high demand and the demand for skilled talent within the finance and accounting professions remains high in 2024. Part of the increase in demand for accounting professionals has been driven by the impact of technology on Canadian accounting practices.

As the world of accounting continues to evolve, processes and procedures are becoming increasingly automated increasing the need for skilled talent. Many companies are looking to AI as a way of increasing efficiencies, allowing accountants to focus on higher value tasks.

Without a skilled workforce, Canadian businesses may not be able to attract new opportunities such as foreign investment. A decline in the quality of financial services impacts investor confidence and could potentially hinder economic growth. Having a solid foundation in accounting expertise allows Canada to remain a strong competitor in the global marketplace.

In Canada, accountants are heavily involved in the practice of taxation. Tax legislation is complex and sometimes incomprehensible, leaving taxpayers at the mercy of accountants to ensure compliance.

Despite all the opportunities for finance professionals, a survey found that 90 percent of accounting and finance firm hiring managers were battling hiring challenges due to the widespread shortage of accountants in North America.

[A recent analysis by Bloomberg](#) based on data from the U.S. Bureau of Labor Statistics finds there are 340,000 fewer accountants than five years ago, leaving the number of accountants and auditors employed in the U.S. at approximately 1.6 million.

To make matters worse, the number of students signing up for and completing accounting degrees has dropped.

[Between 2016 and 2022, the Association of International Chartered Professional Accountants \(AICPA\) saw a 40 percent drop in new students sitting for the CPA exam.](#)

### **What Factors Contribute to the Talent Shortage?**

- *Aging Workforce* – Many experienced professionals are retiring with a smaller number of young professionals entering the field
- *Job Requirements* - Accounting is a demanding career often involving long hours. Burnout is often a factor. Program costs can be high and the salaries of many entry level positions aren't as generous as in other areas of business such as marketing or technology leaving many to reconsider the profession
- *Brand Perception* – Accounting is often seen as boring and isn't as glamorous a profession compared to other financial careers or careers in other sectors. This may change as technology continues to play a more important role and companies continue to strive for more flexible working arrangements
- *Increased Demand for Specialized Skills* – There is a growing need for expertise in areas such as forensic accounting, data analytics, cybersecurity and blockchain technology
- *Skills Mismatch* – There is a gap between skills taught in educational institutions and the skills required by employers. The demand for soft skills remains high and plays a critical role to success in accounting. Skills such as communications, relationship building and leadership are key contributors to decisions that impact the bottom line

***Despite the less than stellar outlook for talent in the accounting and finance professions, here are 5 ways to make the profession more appealing:***

#### **Rebrand the Industry**

Focus on the evolving and strategic nature of modern accounting to break down stereotypes. Show newcomers there is an increased need for professionals with a keen understanding of technology and the ability to incorporate it into accounting practices. Accounting doesn't have to be boring as game changing technology is incorporated into strategic planning.

#### **Focus on Stability and Wealth of Opportunity**

Accounting is virtually recession proof and companies across all sectors are looking for qualified professionals. Companies need efficient accounting practices as the risk of unexpected expenses remains high.

## **Strategize to Attract Top Talent**

Salaries should be competitive to those in other sectors. Raise entry level salaries for finance and accounting roles. Offer flexible working arrangements and work/life balance. Remote work, training opportunities and clear paths to career advancement will also go a long way to attracting and retaining top talent.

## **Adopt a Collaborative Approach**

Stress the importance of a collaborative approach between industry associations, businesses, educational institutions and the government to develop and maintain a sustainable talent pipeline. Curriculums need to be adapted to incorporate the latest technology in the new digital age of accounting.

## **Streamline the Process**

Make it easier for accountants with international training to get their qualifications recognized in Canada. This is also a great way to bring valuable perspectives to the table.

The industry is evolving rapidly and the future for accounting and finance professionals looks bright. Accountants who are expert communicators and storytellers will play a key role as sought after strategic leaders in the new digital age.

No longer seen as a “boring” profession, the accountants of tomorrow will be trusted resources needed to provide scope and context to a wide variety of complex business decisions.

Moving forward, the war for talent will be the result of a collaborative effort between various stakeholders. Through innovation and collaboration, the financial sector can emerge from the drought and come out a winner – maintaining trust and ensuring the success of Canada’s economic engine.