

New York/New Jersey: Signing Bonuses Rise

by Myra A. Thomas in New Jersey - May 16, 2007

In New York, a lack of talent is pushing signing bonuses higher for CPAs, while in New Jersey, a new orientation program in ethics has debuted.

New York

The CPA job crunch is hitting New York State hard, and a number of recruiters are looking abroad for the professionals sought by their client firms. Alan L. Kramer, president of Kramer Executive Resources in New York City, says, "There is an incredible scramble for talent. People are pulling from countries such as Australia and South Africa."

For those in the field, the good news is that signing bonuses are becoming very big issues. Firms are dangling real money in front of qualified people to get them to jump ship from a competitor. Says Kramer, "We're certainly now seeing more signing bonuses than we have in recent years, but firms are also tying retention to that, with a contract that might pen someone in for about six months." Area firms and recruiters are also working hard to bring people who have left accounting back into the fold.

Kramer admits the profession needs to do more than it has to attract more college graduates. But, more importantly, he says the failure to set more competitive compensation levels for CPAs, compared to other industries and job titles, has caused much of the current recruitment problem. "In the last number of years, CPA firms did very well on all of the Sarbanes-Oxley work, for example, and yet they still wanted to keep starting salaries at a relatively low rate compared to other professions."

For now, New York CPAs are exploring more lucrative options. Financial planning seems to be a particularly attractive option. Since personal financial planning and elder care issues represent a growth area for CPAs, the Foundation for Accounting Education is hosting with a conference on the topic on June 20 at the Helmsley Hotel in New York City. The all-day event will focus on the importance of financial planning as an aspect of CPA work. In addition, attendees will learn specifics on investment issues, compliance concerns, and client insurance matters.

New Jersey

While serving as acting governor as Gov. Jon Corzine recovered from injuries sustained in an auto accident, Richard Codey signed a bill requiring a mandatory orientation of fledgling CPAs. According to Don Meyer, spokesperson for the New Jersey Society of Certified Public Accountants, the program must be completed within six months of obtaining certification. "The intent of this law is to make sure newly minted CPAs don't go years before they complete their first CPE courses," he says. The orientation course will include ethics as a key component, with further details to be set up by the State Board of Accountancy.

Currently, Garden State accountants must complete 120 hours of continuing education classes within three years of becoming a CPA. "The change is truly designed to be beneficial to the client and the business community, and it will ultimately benefit the CPA, as well," says Meyer. The change will go into effect once the State Board of Accountancy drafts the basis of the orientation program.