STARTING SALARIES TO REMAIN AT SAME LEVELS

On average, starting salaries for accounting and finance professionals this year should remain little changed from 2002, according to the 2003 Salary Guide from Robert Half Finance & Accounting (www.roberthalffinance.com) and Accountemps.

The guide is based on an analysis of the thousands of job orders managed by Robert Half's U.S. offices. The research shows that, with continued economic uncertainty, demand will remain strong for accounting professionals that can implement cost containment and cash-flow improvement initiatives. Among those organizations recruiting financial staff, demand is strongest for candidates with solid leadership abilities and broad skill sets that can help achieve greater productivity and cost efficiencies.

Public Accounting

Professionals in public accounting are expected to see the biggest increases in average starting salaries next year as accounting firms compete with private industry for top applicants. Managers and directors at large public accounting firms (more than $250 million in revenues) will see average starting salaries rise 4.1%, to $78,500-116,500. Entry-level accountants at mid-sized public accounting firms ($25-250 million in revenues) can expect base compensation of $32,000-38,500, a 3.75% increase over last year. Senior accountants at small public accounting firms (up to $25 million in revenues) can anticipate a 3.5% increase in average starting salaries, to $41,750-53,750.

Corporate Accounting

While average starting salaries in corporate accounting should remain at 2002 levels for most positions, small gains are forecast for payroll supervisors and managers (up 2.9%); assistant controllers and assistant treasurers (up 2.2%); controllers (up 1.9%); and general, audit, tax, and cost accounting managers (up 1.7%).

At small companies, base compensation for payroll supervisors will rise 4.0%, the biggest increase for any single position in corporate accounting. Assistant controllers and assistant treasurers at small and mid-sized companies will see starting salaries increase an average of 2.7% over last year. These same positions at large companies ($500 million or more in annual sales) should see average starting salaries rise 2.5% over 2002.

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Other Findings

Assistant credit managers at mid-sized companies will see starting annual salaries increase 2.5%, to $36,250-45,000; those at small companies can expect a 2.2% increase, to $32,000-39,250.

Average starting annual salaries for directors of accounting at companies with $50-100 million in sales will increase 2.6%. Mortgage lenders can expect starting salaries to increase 2.1%. Base compensation for general, audit, tax, and cost accounting managers at large companies is projected to remain unchanged.

Salary declines are expected at the most senior levels. For example, CFOs and treasurers could see declines in average starting salaries of up to 3.6% at companies with $250-500 million in sales. Directors of finance at companies with more than $500 million in sales could see declines in base compensation of up to 8.6%.

Demand for accounting and finance professionals is expected to be strongest in the health and manufacturing industries.

The salaries listed above are national averages, but hiring activity will vary significantly by region. A regional analysis of hiring trends and compensation variances is included in the 2003 Salary Guide, available at no charge from Robert Half International. The survey does not report continuing or ongoing salaries, because many external factors, including seniority, work ethic, job performance, and training, affect the salaries of full-time professionals. ❑

'GAAP IS NOT ENOUGH ... IN THEORY'

According to an online survey of 1,321 U.S. general and finance managers conducted during the second half of 2002, 56% of respondents think that companies should report more than is required by GAAP in order to provide visibility into their operations and restore confidence in financial reporting.

The survey asked respondents, "Should public companies report more than is required by GAAP in order to provide visibility into their operations and restore confidence in their financial reporting?" According to Jeff Rodek, chairman and CEO of Hyperion, the survey's creator, "The fact that 44% don't feel additional reporting is needed points toward a possibly growing desire to move past what many feel is unnecessary witch-hunting. Also, complying with new regulations and requirements from GAAP, FASB, the SEC, and others is hard enough to do, given most companies' inability to access accurate data in a timely manner. Our data show that most companies cannot close their books in 11 days or less. Our suspicion is that even the 56% who say they should report more than required by GAAP would most likely have a hard time doing so, given the widespread problem of overlong reporting cycles."

This last point and its interpretation are echoed by another late-2002 study which found that 24% of Fortune 1000 executives say their CEOs do not have the data to personally certify their corporation's financials.

In the survey conducted by Teradata, respondents were asked, "Does your CEO have the right data to meet SEC requirements for guaranteeing financial statements?" A Teradata spokesperson noted that CEOs should have a "single view of the truth" to ensure data are timely, accurate, and complete. "No-where is this more critical than in financial reporting, especially with the added responsibility now placed on CEOs," he said. "CEO confidence in the data they are reporting begins and ends with data management. When only 76% feel comfortable in this area, it is a failing grade." ❑