

KEY FINDINGS: SALO FINANCIAL EXECUTIVE INDUSTRY TRACKING STUDY

STAFFING  
SALO8  
FORECAST



## Finance/Accounting Talent Shortage to Continue in Minneapolis/St. Paul in 2008

SALO recently underwrote the first comprehensive research of the Minneapolis/St. Paul job market for finance and accounting professionals. Designed and conducted by Satisfaction Management Systems of Eden Prairie, an independent research firm, the study focused exclusively on Twin Cities' companies and the state of the F&A job market and supply of qualified professionals. More than 100 web-based interviews were conducted in November, with the vast majority of respondents holding Executive and VP titles, with either final decision making authority or significant influence in hiring decisions. Most respondents have been in hiring roles in the Twin Cities for 6-20 years. Participants came primarily from Services, Financial, Health Care and Consumer sectors, with an equal split between private and publicly-traded companies.

SALO is concerned about the widely reported "talent shortage" that is occurring nationwide in the profession. The U.S. Department of Labor along with a number of management consulting firms and the finance industry itself all have

published data about the growing talent shortage and its potential impact on the economy. In fact, Minnesota's Department of Employment and Economic Development confirms that demand for professionals in finance and accounting will be strong through 2014. The Department anticipates that business/financial occupations will grow 20 percent in the Minneapolis/St. Paul metropolitan area, which is faster than the economy's average. This translates into 23,000 new jobs. In addition, the region will need to replace 20,000 workers who are expected to retire before 2014, bringing the total to 43,000 business/finance job openings by 2014.

Following are the key findings of the first SALO Forecast which include the opinions of Minneapolis/St. Paul business leaders for the first six months of 2008. SALO will conduct its Forecast twice a year to ensure that the information is up-to-date and accurately reflects the current business environment in the Twin Cities.



## Perceptions Around Staffing Shortage:

- More than a third of participants (37%) agree that there will be a shortage of qualified professional finance and accounting staff.
- Those who think that there will be a shortage are significantly more likely to be Publicly Traded.
- Participants in the Health Care sector are significantly more likely to think there will be a shortage than those in the Service sector.



## Perception of Local Shortage:

- 9 out of 10 respondents (88%) feel that the shortage in financial staff will be driven by the Insufficient Number of Qualified Candidates. The second-most cited reason is that talent is being utilized in non-core financial areas (50%).
- Significantly more Executives than Directors attribute the staff shortage to Larger Growth in Business.



## Perception of Local Shortage (continued):

- Significantly more participants from Privately Held Organizations think the staff shortage is due to the Insufficient Number of Qualified Candidates.
- Significantly more participants anticipating an increase in staff in the first half of 2008 attribute the staff shortage to Larger Growth in Business.



## Impact of Staffing Shortage:

- The impact of a financial staffing shortage will be to increase workload and burnout on the current staff (40%) and to inhibit the growth and efficiency of the company.
- The use of interim/contractual staff and recruitment firms and consultants are the most frequently employed strategies to deal with the financial staffing shortage.



## Methods of Recruitment:

- The most frequently used methods for recruiting direct hire professional finance staff are:
  - Recruiters, Headhunters, Staffing Agencies and Consultants (38%)
  - Internet Searches and Job Boards (29%)
- The method being used most often to recruit interim/project professional finance staff is Recruiters, Headhunters, Staffing Agencies and Consultants (62%). It is used 6 times more often than any other recruitment method.



## Salary Range of Staffing Shortage:

- Participants who think there will be a financial staffing shortage in 2008 think that the \$66 to \$80K and the \$81K to \$100K salary ranges are the most likely ranges to be affected.
- Significantly more Executives think that the \$50K to \$55K range will see the biggest shortage of talent compared to Vice Presidents.
- Significantly more participants with the intent to increase staff think that the \$81K to \$100K range will see the biggest shortage of talent.
- Significantly more participants from Privately Held organizations think the talent shortage will be greatest in the \$101K to \$120K range.



## Areas of Staffing Shortage:

- Participants who anticipate a shortage of qualified professional finance and accounting functions cite the following areas as most susceptible to the shortage:
  - Strategic/Financial Planning (36%)
  - Internal Controls (36%)
- Significantly more Executives think there will be a shortage in Strategic/Financial Planning compared to Directors.
- Significantly more participants with the intent to increase staff in 2008 think there will be a shortage in Strategic/Financial Planning, Internal Controls and in the SEC Reporting area.



## Methods of Retainment:

- Almost half of participants mention Compensation and Benefit Packages as the most frequently used methods of retaining direct hire staff.
- One in five participants mention the opportunity for career advancement and culture and environment of the organization to retain direct hire staff.
- One in four participants mention the Culture and Environment of their organization as being the most frequently used method of retaining their interim/project staff.

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Prepared By:

**sms**

 Satisfaction Management Systems

7157 Shady Oak Road  
Eden Prairie, MN 55344  
952.939.4300  
[www.satmansys.com](http://www.satmansys.com)

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