

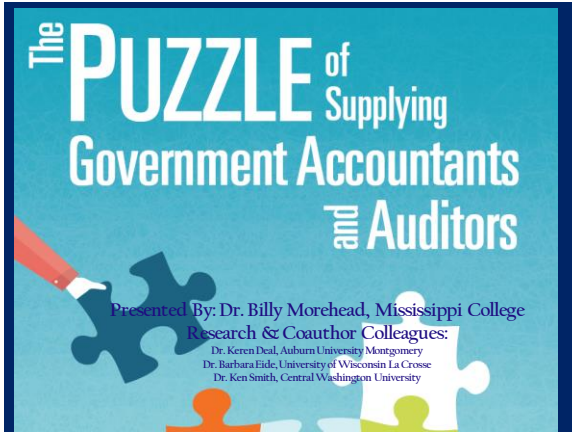


# The Puzzle of Supply & Demand in the Government Financial Management Workplace

BILLY MOREHEAD, PH.D., CPA, CGFM, CPM

TUESDAY, SEPTEMBER 13, 2016





## Research Goals:

1. Look at correlations between CPA Exam pass rates and state boards of accountancy requiring governmental accounting.
2. Gather information on “success” of graduates in the government financial management workplace



## What Did We Examine?

1. AACSB Schools’ requirements
2. State boards of accountancy requirements
3. State personnel boards requirements
4. Federal government personnel requirements
5. Survey of government financial management personnel across U.S.



## Think About Government Accounting

**SNOOZE**  
 Boring – Lack-Luster  
 Mundane  
 Green Eye Shades  
 Subtle Number Sleuth  
 Razor Sharp  
 Wizard  
 Financial Genius



## Career Opportunities

- College graduates struggling to find jobs
- Sky’s the Limit (unless you work for NASA)
- Bureau of Labor Statistics: top jobs from 2012-2022 – accounting & auditing (400,000+)



## Career Opportunities

- GAO – Human Capital on High Risk list for 15<sup>th</sup> straight year – 30.1% federal workers eligible to retire
- OMB – 25% federal workers indicated they would retire within the next 5 years
- NASACT – 58% of respondents concerned about S&L “retirement wave”



## What's the Problem?

### Governmental Accounting Course:

- 1999 Survey – 71%
- 2006 Survey – 67%
- 2014 Survey – 68% - Graduate; 74% UG
  - 45% - every semester
  - 45% - once per year
  - 10% - occasionally



Page 7

## What's the Problem?

### Governmental Accounting Course:

- Terminology
- Bases of Accounting
- Journal Entries
- Presentation of Financial Statements



Page 8

## What's the Problem?

### Governmental Accounting Course:

- Dampened Student Interest
- Lack of Exposure
- Limited Attention & Resources (on the course/faculty)
- We "Recruit" for Tax & Audit
- Too focused on "Big 4"



Page 9

## What's the Problem?

### Governmental Accounting:

- 16-24% of FAR on CPA Exam
- AL, AR, MI, MS, NE & NC (only states requiring gov. acctg. to sit for CPA exam)
- State, Territory & Federal agencies (minimum – bachelor's in accountancy or business; few require governmental)
- 85.2% of survey respondents want entry-level accountants to have at least one (if not more) gov. acctg. course



Page 10

## Who Responded?

### Survey:

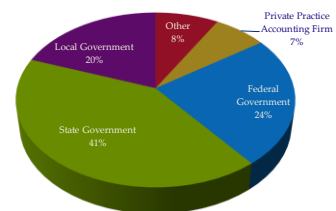
- Summer/Fall 2014
- Over 500 Government Financial Managers
  - 97% - Bachelors
  - 39% - Graduate (masters and doctorate)
  - More than 50% have certifications (CPA & CGFM were top 2)
  - 26% - 11-20 years
  - 40% - over 21 years



Page 11

## Who Responded?

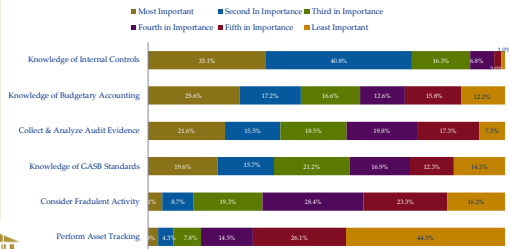
Exhibit 1: Respondents' Primary Employer



Page 12

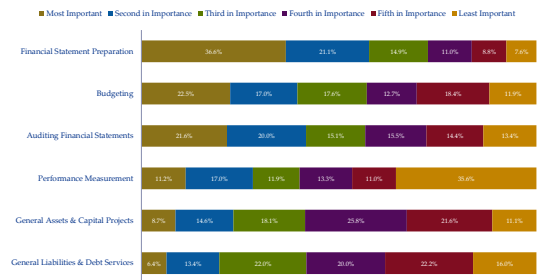
## What Did We Find?

Exhibit 2: Most Relevant Enhanced Skills Expected for New Hires



## What Did We Find?

Exhibit 3: Most Relevant Technical Skills Expected for New Hires



## What Did We Find?

### Survey – Relevant Core Skills for New Hires:

- Critical Thinking
- Financial Analysis
- Effective Oral & Written Communications



## What Did We Find?

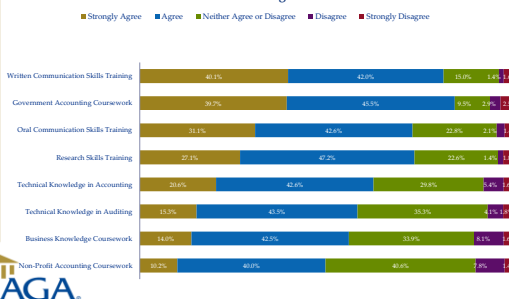
### Survey – How Prepared are New Hires?

- 58% - Somewhat
- 33% - Adequately
- 5% - Strongly



## What Did We Find?

Exhibit 4: Skills Accounting Graduates Need



## What Did We Find?

### Open Comments:

- Critical thinking, curiosity, inquisitive, dedicated, loyal, ability to communicate
- The ability to put theory into practice
- Flexibility, awareness of workplace dynamics
- Ability to multitask
- Understanding good customer service
- Willingness and ability to continue to learn



## What Did We Find?

### Open comments:

- Project management skills
- Willingness to work hard and learn from mistakes
- Have a positive attitude and ability work as part of a team
- Enthusiastic, energetic, and willing to learn and try new things



Page 19

## What Did We Find?

### Open comments:

- Advanced computer skills a must (data analytics, advanced Excel, pivot tables)
- A “willing to work” and “willing to learn” attitude
- Soft skills – getting along with peers and managers; showing up ready for work on time; willingness to take on new projects
- Ability to “translate” how functions affect/drive budget and financial statements



Strong ethical beliefs...not a skill, but a mindset

Page 20

## What Did We Find?

### Open comments:

- Ability to deal with a wide variety of personnel at different skill levels/experience and to be able to relate to senior management
- Work ethic...ability to work independently
- Ability to act professionally in the work place; understanding of business rules and chain of command



Page 21

## What Did We Find?

### Open comments:

- Ask questions; be inquisitive and curious; understand why you are doing what you are doing and the goal/objective; listening skills; seek feedback if it is not being given; learn not to be intimidated by management/power



Page 22

## What Did We Find...Millennials

- 75% of the workforce within 10 years
- Entering government – 7.1%
- Leaving government – 8.5%
- GREAT mix of skills, creativity & experiences
- “Digital Natives”
- Creative & collaborative thinkers
- Entrepreneurial spirit



Page 23

## What Did We Find...Millennials

- **THEY WANT TO BE LEADERS & are willing to work for it!**
- They want:
  - Leadership training – 61%
  - Assignments which stretch them – 57%
  - Formal career mentoring – 50%
  - 90% prefer face-to-face training (leadership skills, critical & strategic thinking, negotiation skills, presentation skills, & networking)



Page 24

## What's Next?

- The Accounting Profession (Academics, Practitioners & Students) must work together!
- Promote & Sell Our Story
- GFM – needs to be a stronger influence & connection between accounting profession as a whole, the academy, & the HR/recruiting departments.
- WAKE UP! Don't maintain the “disconnect”



Page 25

## Questions?



Page 26