

AICPA Releases 2023 MAP Survey Results: How Does Georgia Compare?

by **JAMIE ETZBACH**

The National MAP Survey dates back to the 1990s and is the largest benchmarking survey on accounting firms' financial results and practice management approaches. The survey is fielded every two years, though there were three years between the 2018 and 2021 surveys due to the COVID-19 pandemic.

The data provides firm leaders with an honest look at where their firm stands in relation to the profession and similarly sized practices while spotlighting industry trends, areas of concern and potential opportunities.

Forty-three Georgia firms took part in the 2023 National MAP Survey.

Responses were gathered from May through July, reflecting the financial results of the firm's fiscal year 2022.

Beyond the national results, the statistics are further broken down by regions: West, Northeast, Midwest, and South. For the 2023 survey, the South region was top in participation at 32 percent.

In addition to Georgia, the South region includes:

- Alabama
- Arkansas
- Delaware
- Florida
- Kentucky
- Louisiana
- Maryland
- Mississippi
- North Carolina
- Oklahoma
- South Carolina
- Tennessee
- Texas
- Virginia
- West Virginia

REPORT FORMAT

Data from the 2023 MAP Survey analyzed

information into five major categories:

- **Key Performance Indicators (KPIs)** – detailed calculations that provide valuable results and insight into how a firm is performing.
- **Firm Information** – geographic data on firms completing the survey and general demographic information on the firms, including the number of years in business, location, service lines and more.
- **Financial** – detailed income and expense data, breakdown of fee sources and billing protocol statistics.
- **Staffing and Compensation** – all the details on staffing, billing rates, utilization and compensation.
- **Cyber Liability and Security** – details on cyber liability programs, coverage and practices.

Data was then broken into brackets according to firm revenue.

ANALYZING THE RESULTS

Financial

The report's executive summary concludes that accounting firms showed resiliency and resolve during the COVID-19 pandemic. Like other businesses, many firms dealt with sudden shifts to all-remote work and had to adjust to a new reality of safety concerns and economic shocks.

For all firms, median net client fees in fiscal 2022 jumped to almost \$1.1 million, 9.1 percent higher than in fiscal 2021. In Georgia, the change was slightly under the national growth at 8.86 percent.

The median firm in the 2023 survey posted bottom-line growth and top-line gains. Upward revenue movement was seen across all seven size ranges tracked by the MAP Survey.

The survey further indicated that all firms' median net hourly billing rate rose 16

percent, which covered the 6.1 percent rise in average annual base salary for professionals recorded by all firms in 2022. Hourly billings accounted for a median of 65 percent of revenues for firms that provide that pricing option. Hourly-based billing accounts for 45 percent of the total revenue for Georgia firms falling under the national average.

Salary expenses (excluding owners) as a percentage of net client fees stayed flat at 32.6 percent. Georgia's salary expenses were slightly higher than the national average at 33.5 percent.

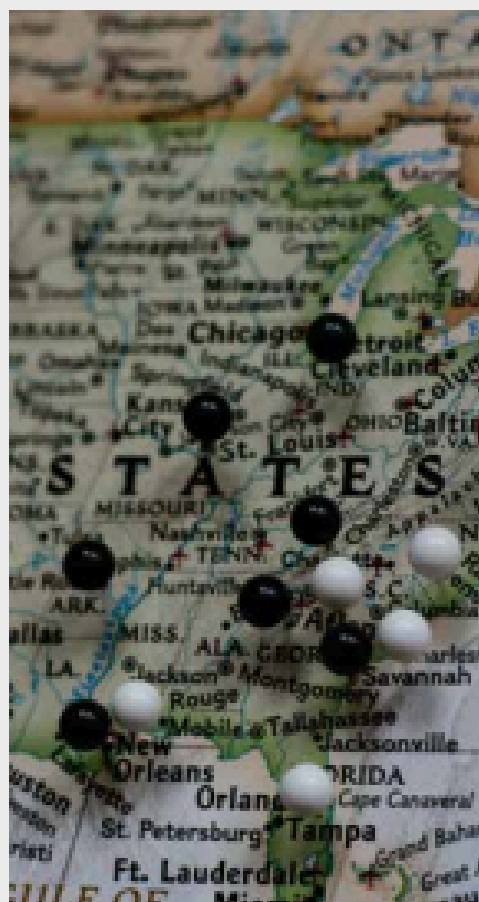
Staffing and Compensation

The accounting profession faces pipeline challenges, which the AICPA and NASBA seek to address by forming the National Pipeline Advisory Group (see page 12 for more information). The 2023 MAP Survey reports an official turnover rate of zero percent for all firms.

The survey found a median turnover rate of 6 percent for firms with annual net client fees of between \$1.5 million and \$5 million. Firms in the \$5 million to \$10 million range reported a median turnover rate of 10 percent, while the largest firms (\$10 million and up) saw their median turnover rate hit 14.25 percent.

In Georgia, smaller firms' turnover was nearly zero (in fact, the numbers are so small, they show as zero percent on the report), while firms with more than \$1.5M in revenue showed a 12.3 percent turnover rate.

Among all firms that reported voluntary turnover, 30 percent had a team member accept a position at another firm, and 28 percent had a team member leave the profession entirely. Those percentages were up from 79 percent and 20



numbers to note

43

GEORGIA FIRMS

took part in the 2023
National MAP Survey

\$1.1M

MEDIAN NET CLIENT FEES FOR ALL FIRMS

which is 9.1% higher than fiscal
2021. Georgia's grew by 8.86%.

32.6%

SALARY EXPENSES AS A PERCENTAGE OF NET CLIENT FEES

with Georgia's slightly higher than
national average at 33.5%

12.3%

TURNOVER RATE FOR GEORGIA FIRMS WITH \$1.5M+ REVENUE

with smaller Georgia firms'
turnover nearly zero.

\$57,500

AVERAGE ANNUAL COMPENSATION FOR NEW ACCOUNTING PROFESSIONALS IN GEORGIA

putting Georgia higher than the national
median average at \$50,000.

85%

FIRMS WITH CYBER LIABILITY INSURANCE NATIONALLY

with Georgia below national curve at 79%.

percent, respectively, in the 2021 survey. The percentage of firms hit with retirements increased to 19 percent from 15 percent two years ago.

Voluntary turnover for Georgia firms was 42 percent for team members accepting positions at other firms; 48 percent left the profession entirely, and retirements were 23 percent.

According to the U.S. Bureau of Labor Statistics' recent National Occupational Employment and Wage Estimates, accountants' and auditors' average annual salary lags well behind other professionals' salaries. The 2023 MAP Survey found that the median average compensation for new accounting professionals was \$50,000 per year in fiscal 2022, up from \$45,000 in fiscal 2020. New accounting professionals in Georgia average \$57,500 annually, putting Georgia higher than the national average and the South region average of \$54,703.

Cybersecurity and Liability

Cybercrime threats are increasing, and with

AI gaining momentum, accounting firms are a target as they have a considerable amount of sensitive client information.

Results indicated that 85 percent of respondents said they purchased cyber liability insurance, and another five percent said they didn't have cyber liability coverage but planned to secure coverage in 2023. These results are up from 82 percent in 2021.

Georgia is below the national curve with cyber liability insurance. In the 2023 survey, 79 percent of firms said they had already purchased. Only 17 percent said they had yet to purchase. The remaining three percent said they plan to purchase this year.

For the South Region, the results were:

- Yes: 83 percent
- No: 16 percent
- No, but plan to purchase this year: 6 percent

TO LEARN MORE

PCPS members who participated in the survey can access and instantly download

detailed information on the platform. ALL survey participants, PCPS or Non-PCPS, can download their FREE personalized report from the platform.

The 2023 Survey Executive Summary is available and open to all (PCPS members and non-members who participated in the survey or not) at www.aicpa-cima.com/professional-insights/article/national-map-survey

JAMIE ETZBACH is the director, publications and marketing for The Georgia Society of CPAs. She ensures all member communications, both print and electronic, provide member value and strategically meet the needs of the Society's membership.