



Kentucky Society of Certified Public Accountants (KyCPA)

KyCPA COVID-19 Quick Pulse Survey, Third Round

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Overview & Methodology

This is the final report in a series of benchmarking collaboratives conducted by Avenue M Group (Avenue M) on behalf of over a dozen state CPA societies from across the United States. At the end of April through early May 2020, 18 CPA societies took part in the first round of a COVID-19 Quick Pulse Survey, and 14 of the societies elected to participate in a second round of the survey in September of 2020. The third and final round of the survey was fielded in January of 2021, and 15 state CPA societies partook in the research. The following report is an analysis of the continued impact of COVID-19 on the CPA profession based on the data collected from these surveys.



15 State CPA Societies 8,300+ CPAs

Quantitative Research Overview

The KyCPA survey launched on January 13, 2021 and closed on January 27, 2021. An invitation to participate in the survey was sent to 3,497 individual email addresses. A total of 293 surveys were collected with an overall response rate of 8%. The survey had a margin of error of +/-5% at the 95% confidence level. The industry standard for member research studies is to achieve a margin of error of +/-5% at the 95% confidence level. KyCPA is within this goal; thus, the results are considered representative of KyCPA's audience overall. In other words, if the survey were conducted over and over, 95 times out of 100, one would obtain results within +/-5% of the results garnered in this survey.

Interpreting the Data

This report contains an executive summary with key findings and recommendations from the electronic survey. The Executive Summary addresses areas with enough significant and relevant information to support themes that emerged from the survey results. The Recommendations section provides recommendations based on the themes addressed in the report and Avenue M's experience in research and consulting with professional societies and associations.

Additional findings can be found in the Demographic Overview and throughout the Overall Survey Results. The Demographic Overview shows a brief summary of current survey respondents. The Overall Survey Results section contains all of the questions from the survey and their respective answers for both KyCPA-specific respondents and the aggregate total from all participants across the participating CPA societies. All results, including breakdowns by crosstabs, for the entire surveyed audience can be found in the Excel file labelled, "KyCPA Cross Tab File Round 3."

Statistically Significant Differences

The cross-tabulated data are column percentages. This means that column data are being used to segment the rows. Percentages in the Excel crosstab file may include blue and red arrows. These arrows indicate a value that is significantly higher (blue) or lower (red) than what would otherwise be expected when compared with its complement. For example, a value that shows how respondents in the Public Accounting sector rated the level of impact COVID-19 has had on business operations would be compared to its complement, the level of impact on business operations due to COVID-19 on all respondents not in the Public Accounting sector. These colors are only descriptive when comparing values in the same row or column, but not across rows or columns diagonally. In some cases, this may not appear accurate, as lower numbers are not colored red and higher numbers are not colored blue in a particular row or column. This may be due to an inadequate sample size. When a response has a low sample size, we cannot be reasonably certain that it is statistically representative of the population. Additionally, it may be an inability of the statistical testing to find any significant relationship between these values that is not due to chance, meaning the value may be explained by sampling error.

Survey Bias

Every study has some bias due to an overrepresentation by a certain segment of its audience. It is important to understand the level of influence by an overrepresented segment and take it into consideration during the analysis. To identify differences within important groups when compared to the overall findings, Avenue M also cross-tabulated the results by the following demographic attributes and other survey variables:

- Overall
- Benchmark
- Round Comparison (survey 1, 2, & 3)
- Current Position
- Sector
- # of Employees
- Specialty
- Years a CPA
- Level of Disruption
- Impact on Business Operations
- Expected Financial Impact
- Expectations of KyCPA
- Gender
- Data Specific to Retired Respondents

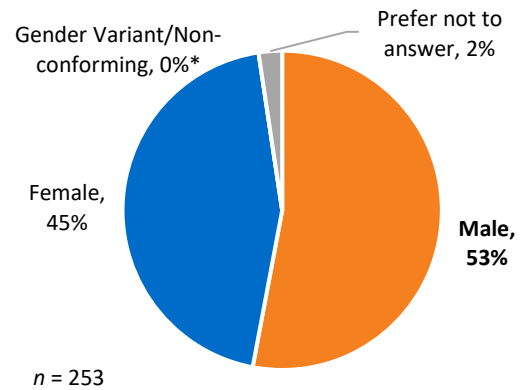
Avenue M Group, LLC, an independent market research and consulting firm, conducted the survey, analyzed the data, and prepared this white paper report. All respondent information is displayed in the aggregate and remains confidential. This report does not reveal information from any individual source.

Demographic Overview

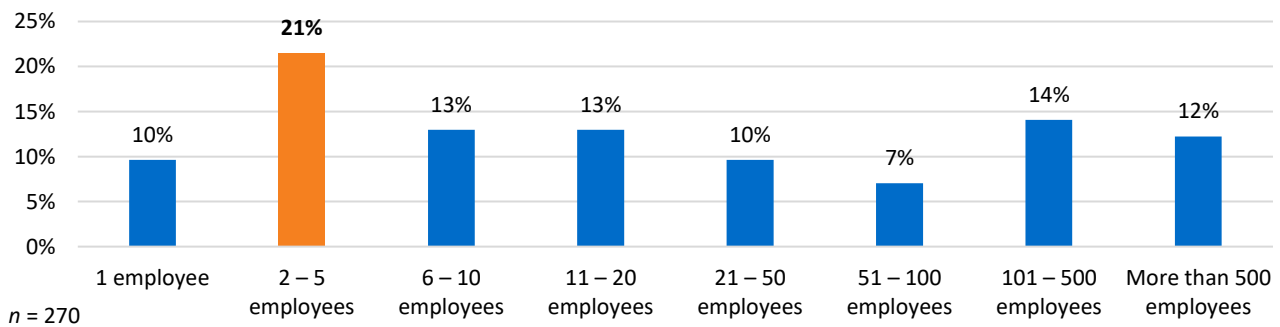
The tables and charts below show an overall view of KyCPA respondents that provides context needed to better understand the findings and results that emerged from this study.

Employment Status	Percent
Partner/Shareholder/Owner	30%
Sole Practitioner	13%
Retired but still practice	3%
Director/Manager	9%
Staff Member	12%
President/CEO/COO/CFO	12%
Corporate Accounting/Finance Professional	7%
Controller	5%
Retired and no longer work	2%
Consultant	1%*
Government Employee	2%
Unemployed	0%*
Internal Auditor	1%*
Department Chair/Professor/Teacher	1%*
Other ¹	3%
<i>n</i> = 286	

Sector	Percent
Public accounting	57%
Business & Industry/Corporate Finance	25%
Not-for-profit organization	6%
Consulting/Advisory	5%
Education/Academia	4%
Other	4%
<i>n</i> = 279	



Years a CPA	Percent
Fewer than 3 years	5%
3 – 6 years	6%
7 – 10 years	5%
11 – 20 years	23%
21 – 30 years	22%
31 – 40 years	25%
41 – 50 years	12%
More than 50 years	2%
<i>n</i> = 269	



- Three in ten respondents are partners, shareholders, or owners.
- Over half of respondents identify as male.
- Nearly three in five respondents work in public accounting.
- One-quarter of respondents have been a CPA for 31 to 40 years.
- Around one-fifth of respondents work in an environment with 2 to 5 employees.

¹ Multiple questions in this survey included an “Other, please specify:” response option. This included an open-text field where individuals submitted their responses. To view the “Other, please specify:” entries, please view the verbatim crosstab Excel file delivered with the survey report.

*Less than 5 respondents.

Executive Summary

On behalf of 15 state CPA societies, Avenue M Group launched a third and final sentiment survey in January 2021. As the COVID-19 pandemic continues to affect CPAs, both personally and professionally, the same survey was administered 3 times over the course of a year in order to track changes and trends and provide benchmarking data to organizations. Responses came from partners, shareholders, sole practitioners, C-Suite executives, staff members, controllers, corporate accounting and finance professionals, and government employees.

98%

Of KyCPA CPAs shared that the COVID-19 pandemic has been disruptive to their firm, organization, or company. This number remains unchanged from the first survey.

According to the nearly 300 KyCPA members who responded to the final survey, 90% believe KyCPA has met or exceeded expectations during the pandemic. This statistic is the same as it was in the first survey but is down 2% from the second survey (survey 1: 90%, survey 2: 92%).

The overwhelming sentiment shared by 98% of KyCPA respondents was that COVID-19 has been disruptive, to varying degrees, to their organization. This statistic is the same from the initial survey, but up 2% from the second survey (survey 1: 98%, survey 2: 96%). More specifically, 4% shared that COVID-19 has continued to cause complete disruption to their work (survey 1: 6%, survey 2: 3%), and 11% of KyCPA respondents report a reduction in staff (down 4% from survey 2).

The financial implications brought about by the pandemic have shifted over the course of the 3 surveys. Back in the Spring of 2020, 6% of KyCPA respondents indicated they were not experiencing any financial impact on their business. After the fielding of the second survey, the number of respondents that selected “There has been no financial impact on my business” increased by 11% (17%). This number went up 6% (23%) with the third survey. Overall, these numbers point towards the fact that, even if individuals experienced negative financial impact earlier on in the course of the pandemic, nearly one-quarter are now in a more positive financial situation.

More specifically, over two-fifths (43%) of sole practitioners reported that they have not experienced a financial impact on their business due to COVID-19. However, one-fifth of respondents who work at a company with 500+ employees anticipate the financial impact from the pandemic will last over 2 years.

Similar to the previous surveys, respondents indicated that KyCPA can be most helpful in the short-term by providing complimentary access to on demand webinars on current topics and live webinars with Q&A. Also, respondents across all 15 societies indicated in the open-text box for “Other, please specify:” that their state CPA society could provide support by advocating for an extension to the 2021 tax deadline.

While the need is still present, the need to provide guidance on compliance with new government relief programs dropped by 10% from survey 1 to survey 3 (from 65% to 55%). Additionally, the need for guidance/tips for organizations facing a cash flow crisis dropped by 11% over the course of the past year (from 22% to 11%).

Employees

In the second survey, it was reported that 36% of KyCPA respondents had a reduction of staff at their physical office and most employees continued to telecommute. The data in the third survey dropped by 8% (now at 28%). Additionally, the number of respondents whose companies are working completely remotely dropped from 11% in survey 1 to 6% in survey 3. As health and safety concerns continue to change, fluctuations with remote working situations may persist. While some employees can expect to work 100% remotely in the future, it is likely more will return to the office (whether full-time or hybrid with remote working) as the vaccine rollout efforts progress. Those working in the business & industry/corporate finance sector have faced significant layoffs, with 25% reporting in survey 3 that they have experienced a reduction in employees at their place of work as a result of the pandemic. Other concerns of KyCPA CPAs include (verbatim responses):

- 3 staff left public accounting
- Lack of communication among staff

Financial

In the final survey, 28% of KyCPA CPAs reported concerns over losing revenue due to business closures. Over the course of the past year, this statistic has improved. In the Spring of 2020, 45% of KyCPA members were concerned with business closures and 36% expressed the same concern in the second survey. Other business concerns expressed by CPAs include:

- Increased regulation and taxation of our business due to political changes
- All projects take longer in remote environment

Personal

The ability to maintain a work/life balance remains a challenge for many KyCPA members. Nearly half (49%) cited this as a challenge, which is up 5% from survey 1 (44%). Overall, one-third of respondents are concerned with maintaining connection and company culture while working from home, which could be contributing to challenges with maintaining a work/life balance. Other comments expressed by CPAs include:

- Not being able to get what I need to complete my job due to others working from home.
- Some employees are having to teach school during working hours since lack of school and childcare

Similar to the previous studies, KyCPA members' most pressing concerns and challenges surrounding COVID-19 continue to vary based on their business sector. Maintaining a work/life balance is a constant concern for all members, with those working in the public accounting sector showing an 11% increase from survey 1 (from 42% to 53%). Additionally, for those working in public accounting, one of their most pressing concerns continues to be navigating PPP/SBA and evolving changes in law (60%, up 10% from survey 2). Please see the tables on the following pages for further details and to see a comparison between the data from all 3 survey rounds.

Round 1					
What are your most pressing concerns?	Public accounting	Business & Industry/ Corporate Finance	Not-for-profit organization	Consulting/ Advisory	Education/ Academia
Ensuring the continued health and safety of our employees	55%	69%	67%	18%*	63%
Losing clients/revenue due to business closures	55%	31%	28%	53%	50%*
Keeping a work/life balance	42%	48%	56%	41%	50%*
Helping clients/employer meet government deadlines	48%	10%	17%*	29%	13%*
Reevaluating our budget and business plan to ensure long-term stability	19%	46%	50%	29%	75%
Handling stress related to a personal situation and/or family needs	28%	30%	33%	41%	38%*
Collecting tax information from clients	41%	0%*	6%*	12%*	0%*
Servicing clients or customers when there are travel restrictions	32%	14%	22%*	53%	25%*
Staying employed/keeping my job	15%	24%	11%*	12%*	38%*
Laying off or furloughing staff due to a drop in business	16%	23%	22%*	6%*	50%*
Conducting audits when agencies, organizations and institutions remain closed	29%	3%*	6%*	6%*	0%*
<i>n</i> =	182	90	18	17	8

Round 2+					
What are your most pressing concerns?	Public accounting	Business & Industry/ Corporate Finance	Not-for-profit organization	Consulting/ Advisory	Education/ Academia
Ensuring the continued health and safety of our employees	54%	62%	55%	0%*	67%
Keeping a work/life balance	49%	46%	50%	50%*	42%
Navigating PPP/SBA and evolving changes in law	50%	35%	20%*	13%*	17%*
Maintaining connection and company culture while working from home	26%	42%	45%	25%*	58%
Losing clients/revenue due to business closures	45%	29%	25%	38%*	17%*
Handling stress related to a personal situation and/or family needs	31%	35%	20%*	0%*	17%*
Helping clients/employer meet government deadlines	38%	6%	5%*	0%*	8%*
Reevaluating our budget and business plan to ensure long-term stability	12%	41%	40%	13%*	33%*
Collecting tax information from clients	33%	2%*	0%*	13%*	0%*
Servicing clients or customers when there are travel restrictions	17%	14%	0%*	25%*	0%*
Staying employed/keeping my job	15%	16%	20%*	13%*	8%*
Conducting audits when agencies, organizations and institutions remain closed	19%	1%*	0%*	0%*	0%*
Laying off or furloughing staff due to a drop in business	4%	16%	15%*	25%*	0%*
<i>n</i> =	200	93	20	8	12

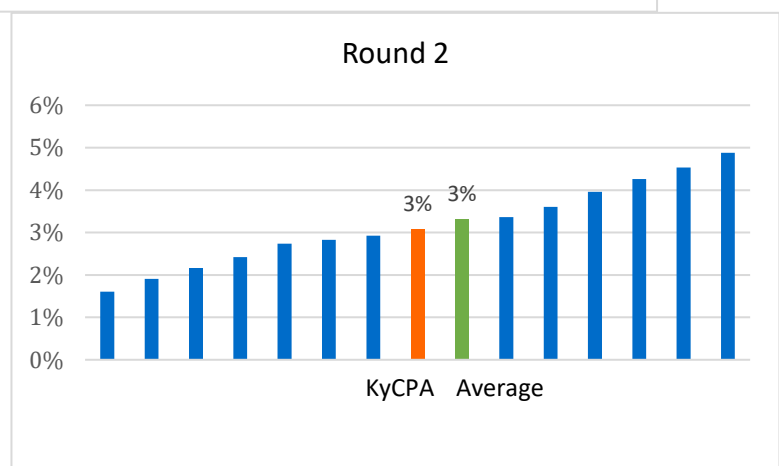
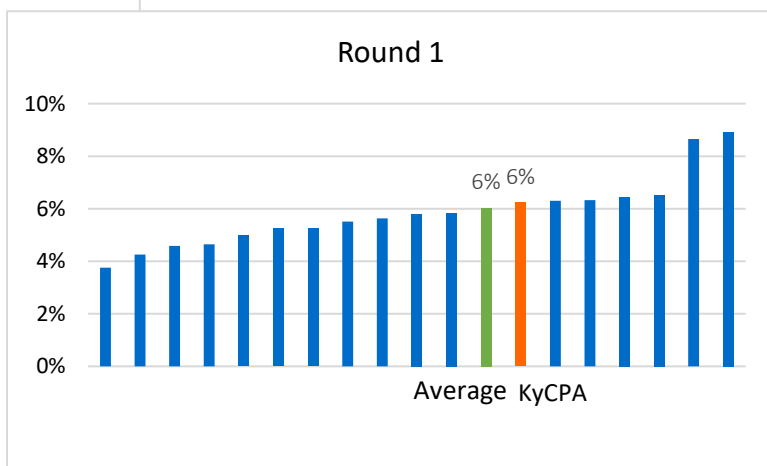
Round 3					
What are your most pressing concerns?	Public accounting	Business & Industry/ Corporate Finance	Not-for-profit organization	Consulting/ Advisory	Education/ Academia
Ensuring the continued health and safety of our employees	53%	69%	63%	8%*	70%
Keeping a work/life balance	53%	50%	63%	15%*	50%
Navigating PPP/SBA and evolving changes in law	60%	33%	44%	15%*	0%*
Maintaining connection and company culture while working from home	25%	48%	38%	15%*	50%
Handling stress related to a personal situation and/or family needs	30%	31%	38%	31%*	50%
Helping clients/employer meet government deadlines	49%	9%	0%*	23%*	0%*
Losing clients/revenue due to business closures	36%	19%	25%*	15%*	10%*
Collecting tax information from clients	46%	2%*	0%*	23%*	0%*
Servicing clients or customers when there are travel restrictions	23%	17%	13%*	46%	0%*
Reevaluating our budget and business plan to ensure long-term stability	7%	45%	56%	15%*	30%*
Staying employed/keeping my job	4%	17%	13%*	23%*	20%*
Conducting audits when agencies, organizations and institutions remain closed	17%	3%*	0%*	0%*	0%*
Laying off or furloughing staff due to a drop in business	3%	16%	0%*	0%*	0%*
n =	146	64	16	13	10

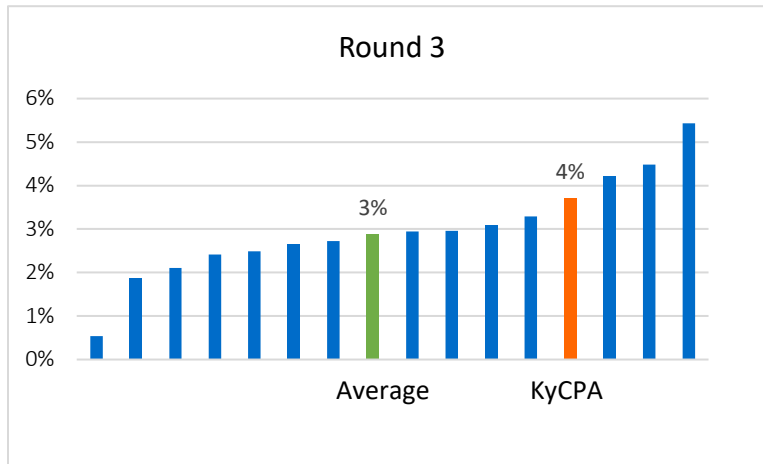
*Less than 5 respondents

*Additional response options were added to this question in Survey 2 & 3 based on frequency of open-end responses from Survey 1

Four percent of KyCPA members continue to experience complete disruption to their work due to COVID-19. This is 1% higher from the second survey as well as 1% higher than the benchmark average from survey 3. While the sample size for those working in education/academia was low (n=10), the majority of this audience (70%) indicated the pandemic has been completely (20%) or extremely (50%) disruptive to their workplace. Four percent of KyCPA members specializing in taxes have not found COVID-19 to be disruptive to their business. See the charts below for a comparison between all three surveys.

Top Box (Completely Disruptive) for COVID-19 Disruption to Firm, Organization, or Company





KyCPA members (5%) are as likely as the aggregate group average (5%) to indicate COVID-19 has greatly decreased their business operations. Overall, the percentage of KyCPA members indicating the pandemic has greatly decreased business operations dropped by 9% since the first survey was fielded and by 3% since the second survey was fielded. On a positive note, business has increased for 27% of those working in the business & industry/corporate finance sector (moderately: 22%, greatly: 5%). See the charts below for a comparison between the three surveys.

Bottom Box (Greatly Decreased) COVID-19 Impact on Business Operations

