

Accountants Expect More Hiring than Firing Next Year

By Michael Cohn, December 20, 2011

Ninety-two percent of financial professionals believe that businesses will either maintain their current employee headcount or increase their employee count in 2012, according to a survey of U.S. accounting firms.

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The survey, released Monday by the financial information provider Sageworks, found that 75.62 percent of the accountants polled expect businesses to maintain their number of employees in 2012, based on accountants' interactions with their business clients. Meanwhile, 16.34 percent believe businesses will either increase or significantly increase their employee count in 2012, and only 6.65 percent anticipate businesses will either reduce or significantly reduce their employee count.

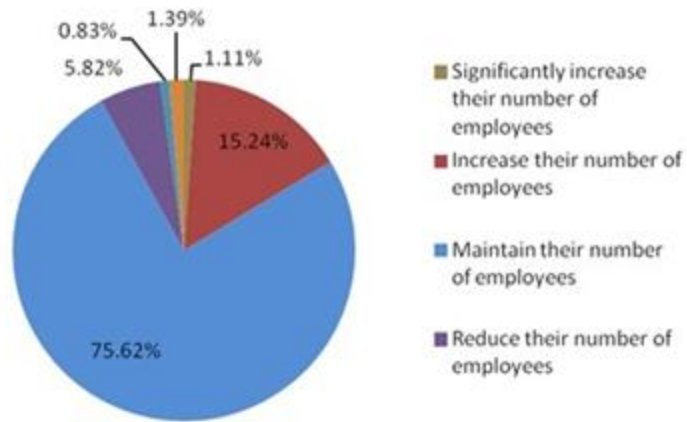
The results come on the tail end of a positive year for privately held businesses, which saw average sales growth of over 6 percent, an increase from 4.5 percent in 2010, and -5 percent in 2009. Similarly, private businesses' average net profit margin is at a 10-year high of 6.4 percent in 2011, after hitting a low of 4.2 percent in 2009, and climbing to just over 5 percent in 2010.

“This survey indicates a slightly positive movement toward hiring, and that’s very consistent with the fact that private company revenues have been growing steadily over the past 12 months,” said Sageworks CEO Brian Hamilton in a statement.

He noted that a higher percentage of accountants anticipate more hiring than job cuts next year, perhaps indicating that businesses' growth outlooks are starting to catch up with the reality that revenues are growing. Even so, Hamilton added, “It’s way too early to say what’s going to happen.”

Why, despite all of these performance trends, are businesses unsure about hiring in 2012? Part of the answer might lie in the profitability employers are seeing out of their current employees. Since 2009, profit per employee has increased almost 50 percent, to over \$15,000, demonstrating high levels of worker productivity, according to Sageworks.

Sageworks Accountant Survey: Based on conversations with your



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