



FEBRUARY 2023

# Five-year Labour Market Study



# Labour Market Study At A Glance

HIGHEST-DEMAND  
SECTOR:

**Public  
Accounting  
Practice**

ALBERTA ECONOMIC  
REGIONS WITH THE  
GREATEST NEED FOR CPAs:

**Calgary  
Edmonton  
Lethbridge-Medicine Hat**

There is a **strong and increasing demand** for professionals to fill accounting roles in various industries, and **the CPA designation is highly valued** in the business world

**Senior management  
roles will require  
more CPAs**

as it is anticipated a significant number of CPAs will begin to retire from the workforce

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# Introduction

## PROJECT BACKGROUND

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In 2022, CPA Alberta, CPA Saskatchewan, and CPA Manitoba contracted BDO Canada LLP to conduct a study on projected labour market needs over the next five years for Chartered Professional Accountants (CPAs). CPA Alberta will use the Five-year Labour Market Study to better:

- Understand the changing recruitment needs of the profession;
- Develop and promote professional development to increase competencies of CPAs to serve and protect the public; and
- Support growth in the profession.

The business world is rapidly evolving. Data governance, artificial intelligence, machine learning, and other innovative sectors are already creating new areas of opportunity where professional accountants can excel.

The accounting profession is transforming to meet and exceed the expectations of this new working world. CPAs have an unparalleled depth of knowledge in accounting, strong ethical mindsets, and professional commitments to protect the public and act in the public interest. Their skills and competencies allow them to succeed and lead in many professional roles, and people and organizations trust CPAs.

Accounting may not always look the same, but the right strategic insight and leadership skills will always be valuable in the business world.

This study, abridged and summarized, demonstrates there is—and will continue to be—a high demand for CPAs to fill accounting roles in Alberta.

## METHODOLOGY AND APPROACH

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This study made use of four main sources of information to predict the future labour market needs for accounting and finance professionals in the three provinces (Alberta, Saskatchewan, and Manitoba).

### MEMBERSHIP SURVEY

BDO developed an online survey which, along with an understanding of the historic behaviours of members, provided insights into the CPA membership across Alberta. The survey was used to gather critical information relating to the perceived supply and demand gaps across the geographies, industries, and seniority levels of current CPA members. The survey also gathered qualitative information from respondents on the key trends impacting the profession today and into the future.

### INTERVIEWS AND FOCUS GROUPS

BDO conducted over 30 engagements with key stakeholders in each of the three provinces as well as national organization representatives. These stakeholders included representation from various post-secondary institutions, private industry, the public sector, recruiters, business organizations, and Indigenous peoples. The findings from these interviews and focus groups were used to inform the qualitative trends included in this report.

### SECONDARY RESEARCH

BDO undertook a wide-ranging research effort to gather information on the environmental factors that may have meaningful impacts on the supply and/or demand for accounting and finance professionals in the coming years. This research included both topics that were of specific interest to the CPA professional regulatory bodies as well as trends identified by BDO that may impact the profession in the coming years. Where needed, BDO engaged with subject matter experts to gain more insight on specific factors and trends.

**This method allowed the combination of external sources of data with on-the-ground insights from those closest to the industry—CPAs themselves.**

## SUMMARY OF FINDINGS

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- Alberta is projected to see substantial population growth between 2022 and 2030, potentially reaching a population of nearly 5.2 million.
- There is a strong and increasing demand for professionals to fill accounting roles in various industries. The CPA designation is highly valued in the business world.
- Projections are that Alberta will require around 1000 new CPAs annually over the next three to five years.
- The top three economic regions in Alberta with the greatest need for CPAs were determined to be Calgary, Edmonton, and Lethbridge-Medicine Hat.
- The sector with the highest demand will be public accounting practice.
- Junior, mid-level, and senior positions will all have high demand, but senior management roles will require more CPAs as it is anticipated a significant number of CPAs will begin to retire from the workforce in the next five to seven years.
- There are large firms with plans to increase their workforces by up to six per cent due to sustainability reporting-related demands in the coming years.
- In Alberta, it is estimated more than 800 new CPAs will come through the CPA Professional Education Program annually between 2022 and 2030.
- It is estimated approximately 150 CPAs will come to Alberta through immigration and interprovincial mobility annually between 2022 and 2030.



# LABOUR MARKET FORECAST

## LABOUR MARKET FORECAST

# Overview of Supply and Demand Variables

## DEMAND

Projections are that Alberta will require around 1,000 new CPAs annually over the next three to five years, based on the factors below.

### DEMAND FACTOR #1: REPLACEMENT NEED

Based on demographic trends across Canada, it is clear that there will be a need to replace those CPAs who will retire at a significant rate in the coming years. This demand factor assesses historic behaviours of CPA members “ceasing practice” and determines the age at which this occurs. It then predicts future replacement needs based on this behaviour as the CPA membership ages.

Between now and 2030, it is projected more than 300 Alberta CPAs will leave the workforce each year for a variety of reasons, most in the Calgary and Edmonton areas.

### DEMAND FACTOR #2: POPULATION GROWTH AND ECONOMIC GROWTH

Statistics Canada publishes various population scenarios for economic regions across Canada. These estimates are based on various assumptions including immigration, interprovincial migration, outmigration, and the population of non-permanent residents. There is a correlation between population growth and economic growth and these forecasts are valuable in predicting future labour market dynamics.

Alberta is projected to see substantial population growth between 2022 and 2030, potentially reaching a population of nearly 5.2 million.

### **DEMAND FACTOR #3: EXISTING UNMET DEMAND**

BDO completed a survey of CPAs across the province to understand where there is an excess of demand over supply. These figures showed a demand/supply gap in all geographical areas in Alberta which is numerically higher in big cities but proportionally larger in smaller centres.

### **DEMAND FACTOR #4: ENVIRONMENTAL FACTORS**

As detailed in the Environmental Trends section of this report, there are various trends that may have an impact on the CPA profession in the coming years. Some of these trends could have impacts on labour market demand while others will impact the nature of the profession and the skills and duties associated with it.

The biggest environmental factor that will likely impact the CPA profession in Alberta is sustainability-related reporting. CPAs are well-positioned to fill these needs, and there are large firms with plans to increase their workforces by up to six per cent due to sustainability-related demands in the coming years.

## **SUPPLY**

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Supply will be met through a combination of new CPAs coming through the Professional Education Program (PEP) as well as members coming through other routes.

### **SUPPLY FACTOR #1: MEMBERS THROUGH PEP**

Enrollment in the Professional Education Program (PEP) Core 1 course is the best data to show a student's entry into the CPA program. This data shows those prospective CPA members who have taken the first significant step to membership by enrolling in the program required to gain membership. Using an analysis of historic enrollments and how those candidates proceeded to membership (or not), BDO was able to build logic to predict future members based on forecasted enrollment figures.

In Alberta, it is estimated more than 800 new CPAs will come through PEP annually between 2022 and 2030.

### **SUPPLY FACTOR #2: MEMBERS THROUGH OTHER ROUTES**

While the majority of members come through PEP, there are a number of other routes to membership that do not require the person to complete PEP. These routes have been summarized into those who relocated to Alberta who are already fully accredited and those who come from other accredited programs. Looking back in history allows a simple estimate of new CPAs through each of these routes.

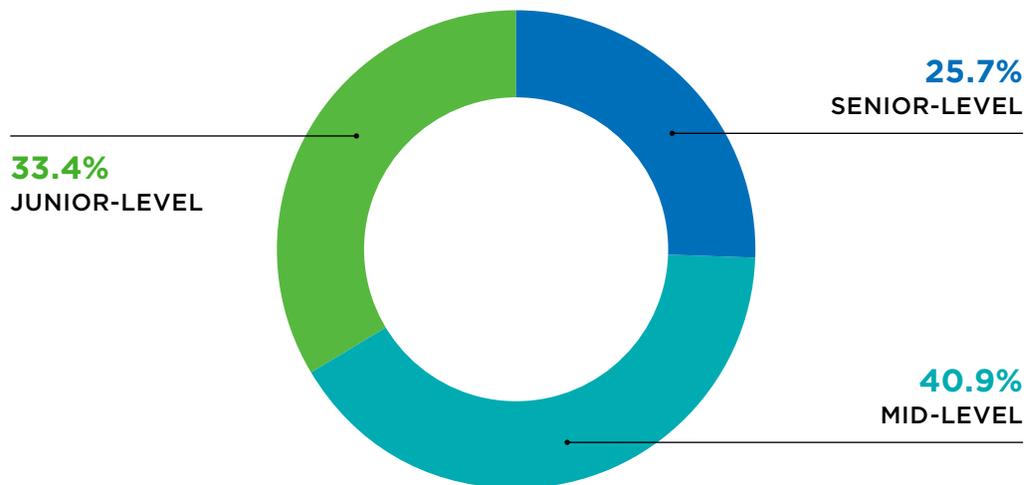
It is estimated approximately 150 CPAs will come to Alberta through other routes annually between 2022 and 2030.

## LABOUR MARKET FORECAST

# Current Membership Profile

Member data was used to assess the current baseline of members across the province. Information was provided to enable insights to be gathered across the three variables of focus: economic region, industry, and seniority. Below is a summary of the existing membership base across these variables.

### CURRENT MEMBERSHIP BASE BY SENIORITY



## CURRENT MEMBERSHIP BASE BY ECONOMIC REGION

ECONOMIC REGION	CURRENT CPA MEMBERS	PROPORTION OF CPA MEMBERS AS A PERCENTAGE OF THE REGION'S TOTAL POPULATION
Lethbridge - Medicine Hat	1,050	0.348%
Camrose - Drumheller	273	0.136%
Calgary	15,565	0.979%
Red Deer	625	0.293%
Banff - Jasper - Rocky Mountain House	190	0.218%
Edmonton	8,617	0.589%
Wood Buffalo - Cold Lake	530	0.373%
Athabasca - Grande Prairie - Peace River	249	0.094%

# ENVIRONMENTAL TRENDS



## THEME 1: EDUCATION

# The Value of Influence

## IMPACT ON CPAs

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Shifts in education, perception and career pursuits are all key drivers in someone's desire to pursue a CPA designation.

A key takeaway is understanding how the CPA designation can:

- Seize the opportunities posed by on-going global changes.
- Prepare individuals to thrive and enhance organizations through understanding theory and applying on-the-job learnings.
- Demonstrate continued value.

# Understanding the Modern Accountant

## CAREER INSIGHTS

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### WHO IS GEN Z?

- When looking at a career path, there are important factors that will change and influence the desire to have a specific career. As the Baby Boomer generation commences its retirement, Millennials and Gen Z will soon makeup most of all employers and employees within organizations.
- New graduates are increasingly seeking employers whose corporate mandates align with corporate social responsibility and sustainability principles. These employers tend to offer impactful work and live up to the values of the new generation. It seems that new graduates worry less about monetary compensation and more about flexibility and work that matters to society.

### A MULTI-DIMENSIONAL WORLD

- Technological advancements (discussed later in this section) are automating some of the more measured tasks associated with the profession which has resulted in employers looking to CPAs to have a broader skillset and take on non-traditional responsibilities. This could be an attractive value proposition to those considering the CPA and desiring variety in the role.

## MORE VALUE-ADD

- It is expected that outsourcing more administrative-focused tasks will continue, thus roles that add more value will come to the forefront. What will be important is correlating evolving business solutions to human capital.
  - It can be deduced that any designation will need to be seen as a value-added designation, which can prepare holders to be able to have multi-faceted careers that will allow for continued growth and not be siloed into a single path.
  - A qualification should allow for growth and adaptation to changing business needs.

## IMPACT ON CPAS

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- The accounting profession is set to see one of its greatest transitions and shifts in decades. As the previous generations embark on their retirement journeys, new accountants will emerge at the helm of firms.
- Accountants will be challenged to optimize their current roles, add value to their organizations and be proactive, not reactive, thinkers.
- Being recognized as key members of the organization will be imperative to the success of one's career and ambitions within the accounting field.

## THEME 3: BUSINESS OUTLOOK

# Business is Changing— Are You Ready?

## BUSINESS OUTLOOK

### PERFORMANCE MEASURES BEYOND FINANCIALS

- As both micro and macro factors impact businesses, the reporting requirements and desires of both members of the community and shareholders go beyond the financial reporting of companies.
- There is a new, and renewed, emphasis that is being placed on companies regarding their social license to operate and environmental, social and governance frameworks.
  - This increase in disclosure offers a unique opportunity for those in the accounting profession to report on and offer insights into key trends and the operating health of the company outside of key financials.
  - While the requirements for financial reporting will remain, there will be an opportunity for companies to differentiate themselves by being leaders in their reporting disclosures. CPAs are in a key position to support these initiatives as they have a wealth of knowledge on standards and best practices.
  - This trend also allows CPAs to become proactive rather than reactive as they will be able to deduce trends and key insights from past performance and offer key decision-making pieces of information, which directly impacts the company's performance and perception for the greater market and community.

- Methodologies are currently being developed for “impact weighted” accounts that reflect a company’s social and environmental impact in their financial accounts. This is an area where future CPAs will be able to play a large role.
- Given the magnitude of this change across the audit and assurance duties, other types of professionals (e.g., CFAs and MBAs) may also be targeting these new reporting needs. CPAs are uniquely qualified in many aspects and could leverage these skills and their reputation to be at the forefront of these changes.

## WORKFORCE PARTICIPATION

- Workers over 55 years of age accounted for 21% of the workforce in 2017, projected to rise to 25% by 2036.
- There is an increasing number of international students in Canada which is leading to increased labour force participation from international student graduates in Canada. Canada is leading other western countries in the growth of the international student population, with an increase of 135% from 2010 to 2020.<sup>1</sup>
- As companies enhance their service offerings, they can reach new markets and operate beyond their provincial and national borders.
- To that effect, there is a focus on roles that are multi-faceted, which has created a desire and need for either re-skilling or upskilling with key areas of focus, per the “Be Future Ready—Transitions and Transformations” report by CPA Alberta:
  - Leadership and social influence
  - Analytical thinking and innovation
  - Critical thinking and analysis
- By having the ability and the opportunity for a business’ workforce to continually upskill, there is an inherent value proposition that allows companies to provide services they may not have had the talent to deliver in the past.
- In addition, per the Business Council of Alberta, the prairies have the youngest populations in Canada, meaning that there is a long career ahead for prairie residents and especially those who are just entering the workforce. They will be looking for the ability to have an impact on decisions that are made and support businesses with their pursuits.

1. It is important to note that these are pre-pandemic figures and it is still to be determined how this will impact the long-term trends.

## IMPACT ON CPAS

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- As businesses embark on their new journeys, one of their greatest challenges will be navigating change.
- With companies competing at a provincial and national level for the same customers, the ability to reach beyond borders will be imperative.
- New capabilities that will be required for CPAs per the CPA Canada “Foresight—Reimagining the Profession” report include the following:
  - Being able to measure beyond financials (including environmental, social and governance metrics)
  - Having the capabilities to analyze data
  - Provide critical information for decision-enabling processes
  - Adopting and enabling new technologies to improve efficiency
- The skills listed above are a win-win for both the CPA holder and businesses they serve as they will be able to work in lockstep to create the company of the future.

## THEME 4: THE IMPACT OF TECHNOLOGY

# The Digital DNA

## IMPACT OF TECHNOLOGY

### EMBRACING AUTOMATION

- Technology plays both an enabling and transformational role in the ways in which businesses conduct their day-to-day operations and the roles and responsibilities of each employee.
- Large and complex datasets are becoming more important in the business decision process as well as supporting future predictions of financial position.
- Per the “Be Future Ready, CPA Careers: Transitions and Transformations” report by CPA Alberta, labour automation technologies are expected to have a widespread impact on jobs and industries. Per The Economist, the most valuable resource is now data.
- When thinking about the implication of technologies, automation comes up as a way to manage low value-added tasks. According to the “Big Data and Artificial Intelligence—The Future of Accounting and Finance” report by CPA Canada, artificial intelligence can create a more efficient and accurate workforce that costs 40% less and can be scaled and evolved:
  - These technologies are expected to have the most impact in the bookkeeping, accounts payable, accounts receivable management and basic tax functions—functions that are often done by non-designated persons at present time.

- This is also going to support the evolution of professional accounting roles through the ability to focus on understanding trends and analytics. The value of the accounting profession will increasingly lie in the ability to present and explain complex data and provide robust strategic advice to clients.
- A new era of analysis is emerging through the use of both predictive and prescriptive analytics:
  - Predictive analytics uses data, specialized algorithms, and machine learning to understand and predict potential outcomes, whereas prescriptive analytics is a new way of guiding predictions into tangible actions by offering decision options based off analyzed outcomes.
  - What can be deduced from the implication of various types of technologies is that the Excel spreadsheet will no longer be the only tool available to support complex decision-making, meaning that new opportunities will emerge for individuals to participate both in the creation of the technologies as well as the application.

## ENABLING VALUE CREATION

- As described throughout this report, there is a need to enable roles to focus on more value-added tasks and this trend is becoming more and more evident.
- One way to add value is by reconfiguring roles that have traditionally been high-volume and low value-add in the past by allowing technologies, such as robotic process automation (“RPA”) to complete these tasks.
- Per “The Dawn of a New Partnership—A Robotics-led Finance Function” by EY, robotic process automation can increase accuracy, enable an audit trail, provide cost savings, improve reliability, provide a strong ROI, offer the ability to right shore operations, increase productivity and allow cross-industry utilization.
- Tasks that will most benefit from robotic process automation include bank reconciliation, sales and invoicing, fixed asset management, financial reporting, inventory management, accounts payable and accounts receivable management, closing and tax planning.

## EMPOWERED BY CUSTOMERS

- Enabling new forms of technology is expected to serve existing customers in a more efficient manner as well as provide the opportunity to gain new customers who utilize the provided services.
- As customers continue to request more from their providers and with the current labor shortage, automation will become a key enabling factor for firms to offer a suite of services while managing client expectations.
  - What can be deduced for the accounting profession is that relief can be seen for roles that are focused on processes rather than analysis.
  - For customers and clients, automation will allow for their basic tasks to be managed while allowing the professional accountant to focus on adding value.

## IMPACT ON CPAS

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- The key takeaway regarding technology for the accounting profession and in particular CPAs is that the enablement of technology is not about reducing headcount, but rather increasing worker efficiency and broadening the value that CPAs can add to their companies and clients.
- Technology is an enabler of growth and relevancy. These tools can also support in the relief of the pressures felt by a tightening labor force.

## THEME 5: INDUSTRY OUTLOOK

# Setting Up for Success

## INDUSTRY OUTLOOK

### CHANGE IS CONSTANT

- In the past, there have been many examples of major changes in industry standards and requirements. The ability to change and adapt while supporting clients has been a key role the accounting industry has been able to fill.
- Per the IBISWorld 54121BCA report, changes in regulatory, tax and sustainability structures and reporting are expected to continually support the relevance of the accounting profession in order to best mitigate the changes. The emergence of changes provides the ability for traditional accountants to offer advisory-style roles:
  - This will again support the notion of focusing on more value-added roles such as advisory and consulting.
  - For the accounting profession, this offers the opportunity to offer a suite of services and remain on top of trends and policy changes that could impact their clients (proactive work rather than reactive).
- Recruiters and post secondary institution career advisors concur that employers have a key role to play in teaching these changes to staff through on-the-job training and professional development.

## IMPACT ON CPAS

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- CPAs have an opportunity to make a strong, lasting impact on what the future of accounting could be.
- The key takeaways are:
  - Attracting students to the accounting profession in a non-traditional manner includes finding ways to have individuals self-select into the CPA program.
  - Enabling career paths that offer dynamic and adaptable roles will require the CPA program to offer courses and learnings that are relevant and applicable on-the-job.
  - CPAs are trusted advisors within their organizations, where they are able to provide proactive insights and support decision making.
  - Entrenching the use of technology to support both basic and complex tasks will free up accountants to offer more value-added services and move into prescriptive analytics.

## **CHARTERED PROFESSIONAL ACCOUNTANTS OF ALBERTA**

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