

Survey Reveals Mild Increases to Departmental and Salary Budgets in 2012

Fifty-four percent of finance and accounting executives plan to increase department budgets in 2012. That is according to a recent survey conducted by Kforce Finance & Accounting designed to gauge salary and budget plans for the coming year.

Increases will be modest, however. Respondents indicated increases of three to ten percent, with an average of 5.5 percent. Further, more than 46 percent planned no increases from current levels.

The survey, which was conducted in October, examined the plans and attitudes of executives across a number of industries, including manufacturing, IT, affordable housing, legal services, retail, hospitality and healthcare administrative support.

Sixty-two percent of respondents said they were responsible for their department's staffing budget. When asked about salary budgets, 61.5 percent said it would increase next year. That is compared to 30.8 percent of respondents who indicated salary budgets would remain the same, and 7.7 percent who indicated a decrease. When asked how much salary budgets would change, respondents identified increases of three to eleven percent. One respondent noted that their salary budget would decrease by 30 percent.

Said one respondent: "[We] had very large increases in 2011 salaries, so [we] will hold steady in 2012 and will increase [our] headcount in 2013."

That is not the case for all respondents. Eighty-five percent of executives surveyed indicated that their 2012 salary budgets include pay increases for current employees. When asked how much salaries would go up in the coming year, 90 percent of respondents indicated it would be by less than 10 percent.

Additionally, changes to salary budgets will result in hiring for 38.5 percent of respondents. That is compared to the 46.2 percent who said that they would not be increasing head count. Nearly eight percent of respondents noted that they would be cutting positions, while an equal amount said that they would not.

For those executives who plan to hire, 21.4 percent said they are seeking to fill entry-level positions with recent graduates, 14.3 percent are looking to hire midlevel employees and 7.1 percent are in the market to hire new management.

When asked if 2012 budget changes would be responsible for funding projects that were previously placed on hold because of the recession, 23.1 percent of respondents said yes. Included in these projects are improving IT infrastructure and financial systems, automating purchasing processes and revamping financial analysis functions.

While uncertainty in the economy no doubt remains, the survey's findings indicate gradual improvements as finance and accounting executives make modest increases to department and salary budgets, and begin hiring in the New Year.