



AN INDUSTRY REPORT FOR CPA & PROFESSIONAL SERVICES LEADERS

THE 2027 CPA & FIRM LEADER'S REPORT

What 2026 actually did to accounting, law, consulting and advisory firms, what 2027 is set up to do, and the ten things to focus on to come out of it stronger.

PUBLISHED SEPTEMBER 2026 · LIFE PULSE INC · [LIFEPULSEINC.COM](https://lifepulseinc.com)

WHY WE WROTE THIS

Every number in this report is a people number wearing a financial costume.

Life Pulse works with organizations on one problem: the gap between what a team is capable of and what it actually produces. We do that through coaching, keynotes, live sessions and training built on a simple premise — **people are not the problem. People have problems.** When a busy season ends in errors, when a manager quietly disengages, when a good senior takes the recruiter's call, the cause is almost never capability. It is misalignment between what the person is aiming at and what the work is asking of them.

2026 handed professional services a market that punishes misalignment faster than any year in a decade. Growth decelerated for the second straight year while net income rose — firms bought margin with price and consolidation, not with output.² Capacity per person kept shrinking. The people most likely to leave are the ones you already paid to train, and the managers holding the whole model together are the least engaged group in the workforce.⁹

Fulfillment is the metric. Success is the byproduct.

That is not a soft statement. When the average replacement cost of one departing professional is \$232,000,⁷ retention *is* the margin strategy, and optimal performance *is* the growth strategy.

HOW TO READ THIS REPORT

Pages 3–8

What happened in 2026 and what the data says about 2027 — growth, consolidation, talent, pricing, capacity. Every figure is sourced on page 16.

Pages 9–14

Why retention and optimal performance are the two levers that actually move 2027, and the ten things to focus on, with the first move for each.

A NOTE ON THE NUMBERS

Nothing here is estimated by us unless it is labeled **derived**. Figures drawn from vendor write-ups, recruiter surveys or undisclosed samples are labeled **directional**. Where sources disagree — and on turnover and market size they disagree a lot — we show the range rather than pick the flattering number.

THE ONE-PAGE READ

2026 looked like a good year on the P&L. The operating engine got quieter and weaker.

7.0%

organic growth across 605 firms, down from 7.7% — while net income growth rose to 10.4%²

62%

of professional staff now log under 1,400 billable hours, against 30% in 2021³

\$232k

average cost of replacing one departing professional, per Thomson Reuters⁷

SIX THINGS THAT ARE TRUE GOING INTO 2027

- **Growth is decelerating while profit rises.** Organic growth fell to 7.0% and total growth to 8.3%, yet net income growth climbed to 10.4%.² Rosenberg's ~300 firms show the same shape: 7.6% growth, 7.0% organic, income per partner \$640,000 — but firms under \$5M saw income per partner fall to \$359,000 from \$463,000.³
- **Capacity per person is shrinking quietly.** Revenue per FTE is roughly \$222,000–\$226,000, up 2.6%, and has failed to keep pace with inflation for five consecutive years.^{2,3}
- **Low turnover is a trap, not a victory.** Firm-wide turnover is 11.8%, a two-decade low¹⁰ — while 24% of professionals say they will consider leaving within 24 months if their firm limits what technology can do for them.⁷
- **The busy season is the operating model's failure point.** 78% of staff worked more than 50 hours a week, 57% called it stressful, and 70% admitted making or narrowly missing errors in the final 48 hours.¹¹
- **Consolidation built a two-tier profession.** Record 194 accounting deals in 2025, private-equity buyers at 54.8% of volume, \$49bn of enterprise value and ~96,000 staff consolidated since 2016 — but the deal pace already turned down in mid-2026.¹⁴
- **Clients are quietly re-shopping.** 91% of buyers want proactive advisory and only 27% of firms initiate it; 31–32% of corporate clients will reconsider provider relationships within 12 months.^{13,7}

THE LEADERSHIP TRANSLATION

You cannot hire your way out of a pipeline that produced 6.6% fewer accounting graduates,¹⁷ and you cannot bill your way out of a five-year decline in output per person.² In 2027 the two variables fully inside your control are **who stays** and **how well the people who stay perform**. Everything in this report points at those two.

2026 IN NUMBERS

The year profit rose and the engine slowed.

Averages hide the story in 2026. Here is the spread firm leaders actually lived in.

MEASURE	2026 READING	WHAT IT MEANS FOR A FIRM
U.S. accounting services revenue ¹	\$158.4B (+1.8%)	Five-year CAGR of just 1.4%; 85,412 firms, a fragmented base.
Organic growth, 605 firms ²	7.0% (from 7.7%)	Second straight year of deceleration.
Median net client fee growth ⁴	6.7% (from 9.1%)	A broader AICPA sample shows the same deceleration.
Net income growth ²	10.4% (from 8.1%)	Profit is coming from price and mix, not volume.
Rosenberg growth / income per partner ³	7.6% / \$640k	Firms under \$5M: income per partner fell to \$359k from \$463k.
Revenue per FTE ^{2,3}	\$222k–\$226k (+2.6%)	Behind inflation five years running. Revenue per work hour \$116.
Staff logging <1,400 billable hours ³	62% (30% in 2021)	Capacity per head has structurally declined.
Firm-wide turnover ¹⁰	11.8%	Two-decade low; over \$75M firms 14.6%, under \$5M 8.1%.
Client accounting services growth ²	+16.7%	Now 10.9% of firm revenue; IT consulting +32.1% off a small base.
Realized price increase ⁶	+4.6% (2025) +4.4% expected	77% of firms plan another increase in the next 6–12 months. ¹²
Hours × rates share of revenue ²	63.1% (from 67.1%)	Fixed-fee and value pricing rose from 29.3% to 33.7%.
Accounting M&A transactions, 2025 ¹⁴	194 (+26%)	PE buyers 54.8% of volume, up from 38.9%.
Accounting degrees conferred ¹⁷	55,152 (–6.6%)	Master's –15%; undergraduate enrollment rose a third year.
IRS workforce change ¹⁹	–28% net	~33% of revenue agents gone; every notice costs you more time.

READ THIS TABLE TWICE

Almost every line is a divergence, not a trend: rising profit beside falling output per person, record deal volume beside decelerating organic growth, a two-decade-low turnover rate beside a workforce openly weighing exits. Divergence is what makes 2027 a leadership problem rather than a forecasting problem.

FORCE ONE · THE MARKET

A two-tier profession: bought growth at the top, squeezed independents below.

The headline growth number is respectable. Underneath it, the top of the profession is growing by acquisition while organic growth hits a five-year low — and the midsize independent firm is where the two trends collide.²

SIGNAL	2026	NOTE
IPA 100 total net revenue growth ²	12.8%	Up from 10.4% — and 211 mergers completed in the survey year.
IPA 100 organic growth ²	7.0%	Down from 7.8%: the slowest in five years.
Top 100 firms, \$100M–\$1B ⁵	+15.67%	All five new Top 100 entrants used outside capital.
Mergers reported, Top 100 ⁵	225	Against 122 the prior year.
PE share of accounting deals ¹⁴	54.8%	Financial-buyer volume up 69.1%; typical pricing 3–6× EBITDA. (Directional: compiled tracker data.)
Cumulative consolidation ¹⁴	\$49B EV	525 events, 473 firms, ~96,000 accountants and staff since 2016.
Rolling 12-month institutional deals ¹⁴	230 → 207	March to July 2026; July alone was down 47% year over year.

WHAT THIS DOES TO A FIRM'S 2027

If you are consolidating

You are buying revenue faster than you are building leaders. Billion-dollar firms grew partner ranks only 3.8% while \$100M–\$1B firms grew theirs 15.24%.⁵ Integration is a people problem: the acquired firm's managers decide whether the multiple you paid survives contact with year two.

If you are staying independent

Your differentiator is the one thing capital cannot buy quickly — continuity of the people your clients know. 55% of clients noticed changes in who works their account and 52% say talent shortages hurt timeliness.¹³ Midsize law firms are being squeezed the same way, with rate growth decelerating to 5.3% against 9.8% at the Am Law 100.²⁰

THE 2027 POSTURE QUESTION

Deal pace has already turned. Firms planning to “sell into the wave” in 2027 should not assume March-2026 pricing,¹⁴ and firms planning to stay should not assume their people will stay by default. Either posture is legitimate. Drifting between them is not.

FORCE TWO · THE PEOPLE

The pipeline is thin, the peak is brutal, and the manager layer is carrying both.

78%

of public accounting staff worked more than 50 hours a week last busy season¹¹
(directional)

52%

of managers rate their work-life balance poor — more than double the prior year¹¹
(directional)

22%

global manager engagement, down from 31% in 2022, while individual contributors fell one point⁹

FOUR FORCES ON THE TALENT BASE

- **The pipeline is turning, but not fast enough to matter in 2027.** Accounting degrees fell 6.6% to 55,152, with master's degrees down 15%¹⁷ — even though undergraduate enrollment rose for a third straight year and 2025 first-time CPA Exam candidates hit their highest level since 2018.¹⁷ BLS projects about 124,200 openings a year against 5% employment growth through 2034.¹⁶
- **The largest employers are cutting the entry level while the profession rebuilds it.** PwC US said it plans to cut U.S. entry-level hiring by almost a third by 2028, citing technology change and historically low attrition.¹⁷
- **The busy-season peak is a systems failure, not a stamina failure.** In a survey of 438 U.S. accountants after April 15, 78% landed in the “survived” tier or worse, one in two slept under six hours a night, 44% reported strained relationships needing repair afterward, and 58% had more than half their clients send documents late.¹¹ Larger, better-systematized firms managed stress better — which means workflow, not willpower.
- **Corporate finance flipped from surplus to shortage in a single year.** 61% of finance leaders report talent shortages, producing a 2026 Talent Shortage Index of 77% against a 2025 Talent Surplus Index of 108% — a 31-point reversal.²¹ Your staff have somewhere else to go.

WHAT GOOD PEOPLE NOW COST

ROLE (U.S. MIDPOINT STARTING SALARY, 2026)	ANNUAL	SOURCE NOTE
Tax services director	\$180,500	
Senior manager, audit/assurance	\$179,250	
Tax manager	\$121,500	Robert Half 2026 Salary Guide, from a survey of 410+ U.S. finance and accounting leaders. Midpoint = a candidate with average experience for the role. ²¹
Senior tax associate	\$95,250	
Senior associate, audit/assurance	\$86,250	

Projected 2026 pay increases run **+3.7% in public accounting tax, audit and assurance** against +2.1% across finance and accounting overall, with senior tax associate the fastest-moving role at +5.8%.²¹ **Pay is no longer the differentiator — everybody moved it.** 87% of leaders say they pay more for specialized skills; the top premiums are financial reporting, data analytics and financial modeling.²¹

FORCE THREE · THE MONEY

Price went up. Output per person did not.

The distinguishing feature of this cycle is that firms are not short of demand. They are short of delivered capacity, and they have been covering the gap with rate increases and acquisitions.

THE SQUEEZE, IN SEQUENCE

#	PRESSURE	2026 EVIDENCE
1	Output per person slides	Revenue per FTE \$222k–\$226k, up 2.6% and behind inflation for five straight years; top-quartile firms reach \$283k. ^{2,3}
2	Billable hours fall	Professional staff at firms over \$20M average 1,342 billable hours; 62% of staff log under 1,400, against 30% in 2021. ³
3	Staff cost outruns rates	Billing rates rose roughly 4–6% while staff costs rose faster; personnel runs 45–55% of revenue at \$1M–\$3M firms, and under 45% marks the high performers. <i>(Directional: vendor compilations of survey data.)</i> ¹²
4	Work leaks before it is billed	Firms report roughly 5% annual revenue leakage, about 15% of chargeable work is never billed, and write-offs of 8–10% are the working baseline where well-run firms hold below 3%. <i>(Directional.)</i> ²³
5	Errors cluster at the peak	70% of accountants admitted making or narrowly missing an error in the final 48 hours of busy season. ¹¹
6	Unbilled client service grows	The IRS is 28% smaller with about a third of revenue agents gone; every notice, amended return and transcript costs more practitioner time. ¹⁹
7	Client relationships go up for bid	One-third of CFOs are contemplating an auditor change despite 51% having used the same firm 10+ years; running an RFP alone produced fee reductions of 25–30%. ²³

DERIVED: WHAT ONE LOST TAX MANAGER COSTS YOU

Gallup puts the cost of replacing an employee at **half to twice annual salary**, and calls that conservative.⁹ Applied to the Robert Half 2026 midpoint salary for a tax manager, \$121,500,²¹ one departure costs roughly **\$61,000 to \$243,000** in recruiting, onboarding, lost productivity and partner time — before the client relationship moves.

Thomson Reuters puts the all-in average at **\$232,000** per departing professional, inside that range.⁷ *(Range derived by Life Pulse from the two sourced inputs; not a survey figure.)*

One caution before you benchmark yourself: the AICPA MAP figure leaders quote most often — net remaining at 36.9% of net client fees, 38.4% at top performers — is measured **before** partner compensation, and net remaining per partner was \$252,663.⁴ It is not an operating margin, and comparing your firm to it as though it were will flatter you.

This is why the 2027 conversation cannot stop at recruiting. Every dollar in that calculation is a dollar you keep by **not losing the person**.

THE OUTLOOK

What to expect in 2027.

Firm leaders expect acceleration; the operating data says it has to come from capacity and price rather than headcount. The macro backdrop is steady, which removes the excuse.

8.3%

organic growth firm CEOs and managing partners expect, against an estimated 7.3% actually realized in 2025⁶

+2.4%

real GDP projected for 2027 by the FOMC, with unemployment at 4.1%²⁶

39

jurisdictions that have signed new CPA licensure pathways into law; 23 already effective¹⁸

FIVE ASSUMPTIONS WORTH PLANNING AGAINST

- **Expectations run ahead of delivery.** Executives forecast 8.3% organic growth for 2026 while the realized 2025 figure was 7.3% (5.1% size-adjusted).⁶ Consulting, client accounting services and tax are expected to carry it — client accounting services already grows 16.7% a year and is 10.9% of firm revenue.²
- **Licensure becomes an operations project in 2027.** 39 jurisdictions have signed changes, 23 are effective, and the rest are expected by the end of 2027 — so recruiting, experience verification and CPE tracking must handle several pathways at once.¹⁸
- **Tax complexity keeps rising and guidance keeps landing.** Treasury and the IRS issued proposed regulations under the 2025 tax act in August 2026 with new Form 5471 reporting mechanics;¹⁹ vendor analysis estimates the act adds 10–15% to return complexity (*directional*).¹⁹
- **Adjacent sectors are steady but decelerating.** Law firm demand rose about 3% on 7% worked-rate growth;²⁰ consulting is forecast to grow about 6%;²⁰ insurance brokers' organic growth slowed in six of seven revenue bands to 6.2–10.2%;²⁰ architecture and engineering face nonresidential spending of –0.3% in 2026 before +3.0% in 2027.²⁰
- **The labor market loosens on the demand side, not the supply side.** Professional and business services openings fell 8.2% year over year and quits dropped to about 401,000 a month.¹⁶ Fewer people are moving — which makes 2027 the cheapest year in a while to lock in the people you have.

WHAT WOULD CHANGE THE PICTURE

Upside

Advisory demand converts faster than expected: 91% of buyers want proactive advisory and 90% would pay more for proactive risk identification.¹³ An upside surprise is a staffing and delivery emergency, not a windfall.

Downside

The technology gap turns into client loss. 31–32% of corporate clients will reconsider providers within 12 months, a third of them with \$1M+ of annual work in play — roughly \$143bn of U.S. legal and accounting revenue under active reconsideration.⁷

THE PLANNING CONCLUSION

Both cases end in the same instruction: **make your existing workforce more stable and more productive.** In the upside you cannot staff the work; in the downside you cannot afford the leakage.

LEVER ONE

Why retention is the whole game in 2027.

Turnover at 11.8% is the lowest in two decades¹⁰ — and that is exactly what makes it dangerous. Low turnover tells leaders retention is solved while the departures that remain are concentrated in the people who cost the most to replace.

WHERE FIRMS ACTUALLY LOSE PEOPLE

LEAK	SCALE	WHAT THE DATA SAYS
Experienced staff and managers	11.8%	Firm-wide turnover, but concentrated after the firm has already paid for the training; firms over \$75M run 14.6%, under \$5M 8.1%. Higher-turnover firms show lower revenue per FTE and more rework. ¹⁰
The technology exit	24%	of professionals would consider leaving within 24 months if their organization limits what technology can do for them — 13% within 12 months. ⁷
The manager layer	71%	of voluntary exits trace back to management rather than pay; stated quit reasons lead with work environment (32.4%) and leadership (30.3%). (<i>Directional.</i>) ²²
Year two	2x	Intent to leave within two years doubles from 1 in 10 in year one to 1 in 5 in year two; where a firm does not live up to its stated culture, 60% want out after two years. ²²
The first 90 days	3.4%	median 90-day new-hire turnover benchmark (professional services typically 1–3%); the top causes are expectation-versus-reality mismatch (30.3%) and no connection to the team. (<i>Directional.</i>) ²⁵

THE RETENTION MATH

Cost side. \$232,000 average replacement cost per departing professional;⁷ half to twice salary as the general rule,⁹ which is **\$61k–\$243k** for a tax manager and **\$48k–\$191k** for a senior tax associate at 2026 midpoint pay (*derived from those two sourced inputs*).²¹ Cost per hire alone runs \$5,475 for a non-executive role and \$35,879 for an executive.²¹

Capacity side. Every departure lands on the people who stay, in a firm where 62% of staff already log under 1,400 billable hours.³

Client side. 55% of clients noticed changes in who works their account and 52% say talent shortages hurt timeliness — but firms that simply talk openly about staffing changes score NPS 79 against a 55 average, 24 points from one conversation.¹³

Timing side. Quits across professional and business services have fallen to about 401,000 a month from 591,000 a year earlier.¹⁶ People are not moving much right now, which makes this the cheapest window in years to lock in the people you already have.

THE LIFE PULSE READ

Note what the leading causes are: expectation versus reality, the direct manager, a stated culture the firm does not live. None of those is a pay problem or a market problem. They are alignment problems — and they are fixable by the person running the team, in conversations that cost nothing but rhythm.

LEVER TWO

Why optimal performance is the other half.

Keeping people is worth little if the people you keep are operating at 60%. The performance evidence in professional services is unusually concrete — and unusually ignored.

31%

of U.S. employees are engaged; 18% are actively disengaged, flat against 2025⁹

–51%

turnover in top-quartile engagement units, with +23% profitability and +18% productivity⁹

\$7

average return per \$1 spent on leadership development, across a range of \$3 to \$11²⁴

PERFORMANCE SHOWS UP IN FOUR PLACES YOU ALREADY MEASURE

WHERE	THE EVIDENCE
Profitability	Gallup's Q12 meta-analysis puts top-quartile engagement units at +23% profitability, +18% productivity, +10% customer loyalty, –51% turnover and –78% absenteeism against bottom-quartile units. ⁹ Revenue per FTE is the second-strongest correlate of profitability in the Rosenberg data set, and top-quartile firms reach \$283,000 per FTE with income per partner of \$878,000. ³
Quality	70% of accountants made or narrowly missed an error in the final 48 hours of busy season. ¹¹ Write-offs of 8–10% are normal, under 3% is achievable, and a 15% write-off turns a 45% margin into the low 30s (<i>directional</i>). ²³
Technology return	74% of professionals use AI tools several times a week and organizational use jumped to 40% from 22%, but 82% of organizations are not measuring return and only 16–18% have scaled it firm-wide. Organizations with a formal strategy are more than 3× as likely to realize positive return. ^{7,8}
Human capacity	One in two accountants slept under six hours a night through busy season and 44% reported relationships that needed repair afterward. ¹¹ 90% report fatigue or burnout as a significant issue, led by workload and fragmented systems (<i>directional</i>). ¹¹ These are lagging indicators of how people are being led.

People are not the problem.
People have problems.

Every figure on this page is the visible edge of an invisible condition: a workforce carrying more than it can hold, led by managers who are themselves the least engaged they have been in a decade.⁹ You do not fix that with a raise or a new workflow tool. You fix it by realigning what people are aiming at with what the work requires — and then holding the rhythm. Engagement is also the transmission mechanism for technology: where a manager actively supports the team's use of it, engagement runs 48% against 30%.⁹

THE LIST

Ten things to focus on in 2027.

Ordered by how much of the outcome each one controls. The first three are delivery and money. The next four are people and clients. The last three are the structure you run them inside.

01 Rebuild the busy-season operating model before you push more volume.

2027 REALITY 78% of staff worked over 50 hours a week, 57% called the season stressful, 52% of managers rated work-life balance poor, and 70% made or nearly made an error in the final 48 hours — while 58% of clients delivered more than half their documents late. Larger, better-systematized firms handled it better, so this is a workflow problem. *(Partly directional.)*¹¹

THE MOVE Re-engineer the peak, not the people: client document deadlines with consequences, staggered internal due dates, a named owner for every return in the last 14 days, and a hard rule that nothing new is accepted inside the final 48 hours. Debrief the season in May, not next January.

02 Attack capacity per person, not headcount.

2027 REALITY Revenue per FTE of \$222k–\$226k has trailed inflation for five straight years, 62% of professional staff now log under 1,400 billable hours against 30% in 2021, and roughly 15% of chargeable work is never billed at all.^{2,3,23}

THE MOVE Measure realization and write-offs by engagement and by manager, not firm-wide. Set a write-off ceiling at 3%, review anything above 8%, and retire or reprice the bottom decile of engagements before you hire another person to serve them.

03 Raise prices deliberately and move off the hour.

2027 REALITY 77% of firms plan increases — 39% at 5%, 25% at 10% — realized price rose 4.6% in 2025 with 4.4% expected in 2026, hours × rates fell to 63.1% of revenue while fixed-fee and value pricing reached 33.7%, and top-quartile billing rates hit \$494/hour even in markets under 250,000 people.^{12,6,3}

THE MOVE Price the work, not the clock. Only 28% of clients are on fixed retainers but 46% prefer them, and retainer clients score NPS 70 against 44.¹³ Convert your top 20 recurring engagements to fixed fee this year and publish rate cards internally so nobody discounts quietly.

HOW TO USE THIS LIST

Ten priorities is nine too many for one quarter. Put a name and a date beside each item, pick the two you will actually start in January, and schedule the other eight across 2027 rather than pretending they are all live. The three on this page show up in the numbers fastest. The four on page 12 decide whether these three hold, and the three on page 13 decide what the firm looks like in five years.

04 Treat retention as the growth strategy — priced in dollars.

2027 REALITY Turnover is at a two-decade low of 11.8%, but it is concentrated in experienced staff and managers, where replacement runs an average of \$232,000 per professional — \$61k–\$243k for a tax manager on the half-to-twice-salary rule (*derived*).^{10,7,9}

THE MOVE Name your top 20 people. For each: what they are aiming at in three years, what is in the way, and one commitment from the firm this quarter. Put a dollar figure on each name in the partner meeting. A 45-minute conversation that prevents one exit pays for the program.

05 Fix the manager layer first.

2027 REALITY Global manager engagement fell from 31% to 22% between 2022 and 2025 while individual-contributor engagement fell a single point; 71% of voluntary exits trace to management, and top-quartile engagement units run 51% less turnover with 23% higher profitability.^{9,22}

THE MOVE Train managers to lead people, not just review files: expectation-setting, one-on-ones, feedback, and how to handle the person whose problem is not on the engagement. Most were promoted for technical skill and have never been taught any of it. Leadership development returns an average of \$7 per \$1.²⁴

06 Sell advisory proactively and defend the six-to-nine-year client.

2027 REALITY 91% of buyers want proactive strategic advisory and only 27% of firms initiate it; 90% would pay more for proactive risk identification; client accounting services grows 16.7% a year and is already 10.9% of firm revenue — and net promoter scores bottom out at 37 for six-to-nine-year clients against 84 at 15+ years.^{13,2,25}

THE MOVE Run a proactive conversation with every client in the six-to-nine-year band this year, before renewal season. Put one named advisory offer in front of each of them. Firm-initiated advisory scores 14 points higher on NPS than client-initiated.¹³

07 Convert technology use into measured return your clients can see.

2027 REALITY 74% of professionals use AI tools weekly and organizational use jumped to 40% from 22%, but 82% of organizations are not measuring return, only 16–18% have scaled it, and 77–78% of corporate clients call technology-enabled quality essential while just 5–6% say providers deliver it.^{7,8}

THE MOVE Pick two workflows, set a baseline, and measure one thing: hours returned to your professionals and turnaround time to the client. A formal strategy makes positive return more than 3× as likely.⁸ Then tell clients what changed — they are already scoring you on it.

08 Make succession and ownership economics explicit.

2027 REALITY More than 30% of firms have a managing partner aged 60 or older but only 55% have a written succession plan; 57% of multi-owner firms have no approved plan; 44% of sole practitioners plan to retire within five years and 75% within ten; and 40% of firms are revisiting buyout terms, 71% of them because of private equity.¹⁵

THE MOVE Put dates, names and numbers on paper this year: who succeeds whom, on what timeline, at what valuation, with what client-transition process. Average buyout multiples already slipped from 78.4% to 76.9% of revenue — ambiguity is now costing partners money.¹⁵

09 Choose your consolidation posture on today's pricing, not March's.

2027 REALITY 2025 set a record at 194 deals with PE buyers at 54.8% of volume and \$49bn of enterprise value consolidated since 2016 — but rolling 12-month institutional deals fell from 230 in March 2026 to 207 in July, and July alone was down 47% year over year. Typical pricing is 3–6× EBITDA. (Partly directional.)¹⁴

THE MOVE Decide, in writing, which of three postures you are in for 2027 — acquire, be acquired, or stay independent — and staff accordingly. Every posture is won or lost on whether your managers stay through the transition.

10 Build the pipeline internally and plan for multiple licensure paths and a smaller IRS.

2027 REALITY Accounting degrees fell 6.6% to 55,152 with master's down 15%, BLS projects about 124,200 openings a year, 39 jurisdictions have signed new licensure paths with 23 already effective and the rest expected by the end of 2027, and the IRS is 28% smaller with about a third of revenue agents gone.^{17,16,18,19}

THE MOVE Stop treating the pipeline as a recruiting line item. Build a two-year internal development path, get your CPE and experience-verification process ready for multiple pathways at once, and price the extra client hand-holding that a smaller IRS now requires instead of absorbing it.

IF YOU ONLY DO TWO

Do **#1 and #5 together**. The busy season is where your people decide what the job costs them, the manager is who they decide it about, and neither fix requires capital. Everything else on this list gets easier once your people stop leaving and your peak stops breaking.

WHAT THIS LIST IS NOT

None of these ten is a technology purchase, and only two require capital. Nine of the ten are decided in conversations that already appear on your calendar — the partner meeting, the one-on-one, the client renewal, the busy-season debrief. The firms that move in 2027 are not the ones with a different list. They are the ones who hold the rhythm of the list they already have.

MAKE IT OPERATIONAL

The 2027 firm leader's scorecard.

Twelve numbers. Reviewed monthly by the leadership team, not quarterly by a committee. If a line has no owner, it has no chance.

	METRIC	WHY IT IS ON THE LIST	OWNER
01	Voluntary turnover, split by level and by manager	11.8% hides where it hurts ¹⁰	
02	90-day new-hire survival, by supervisor	1–3% is the benchmark ²⁵	
03	Revenue per FTE and revenue per work hour	Five years behind inflation ²	
04	Share of staff under 1,400 billable hours	62% today vs 30% in 2021 ³	
05	Write-offs and realization, by engagement	Under 3% is achievable ²³	
06	Busy-season hours per person, weekly	78% exceed 50 hours ¹¹	
07	Errors and near-misses in the final 14 days	70% error/near-error rate ¹¹	
08	Fixed-fee share of revenue	33.7% and rising ²	
09	Realized price increase vs. staff cost increase	+4.6% against faster wages ⁶	
10	Advisory conversations initiated by the firm	91% want them, 27% get them ¹³	
11	Manager leadership training hours	The retention unit ⁹	
12	One-on-ones held vs. scheduled	The only leading indicator of all of the above	

FIRST 90 DAYS OF 2027

Weeks 1–4

Baseline all twelve metrics, even where the data is ugly. Name your top 20 people. Decide your 2027 posture — acquire, be acquired, stay independent — and say it out loud to the firm.

Weeks 5–8

Redesign the busy-season workflow while last season is still fresh. Start manager leadership training. Convert the first block of engagements to fixed fee.

Weeks 9–12

Run the first full monthly scorecard review with owners in the room. Hold the top-20 conversations. Book proactive advisory conversations with every six-to-nine-year client.

THE RHYTHM IS THE STRATEGY

Baselines decay. Anything on this page reviewed once and filed will be back to 2026 performance by June — which is to say, by the week after the deadline.

ABOUT LIFE PULSE

What we do, and where we fit in a professional services firm.

Life Pulse helps individuals and organizations leverage alignment—increasing performance, results and profit at scale without sacrificing success or fulfillment.

Founded in 2017 and based in St. Louis, Life Pulse works with leaders and teams across professional services, construction, healthcare and enterprise organizations. The work is built on one methodology: define your own definition of success, discover your actual position against it, and decide to realign — exposing the gap, bridging it and sustaining the bridge. Four vital signs of fulfillment — internal, physical, relational, professional — make it measurable. The system has been used inside organizations including Google, X and the U.S. Air Force, and Matt Granados' work on it produced multiple #1 international best sellers, *Motivate the Unmotivated* and *The Intentional Week*.

WHERE LEADERS TYPICALLY START

ENGAGEMENT	WHAT IT IS
Precision Pulse Session	A customized live 30- or 60-minute session for a partner group, leadership team or board. Leadership picks the issue, every participant submits their role, context and biggest roadblock beforehand, and the session works the actual root causes. Not a canned keynote.
Cohort programs	Two programs, each run in separate Executive and Manager-Leader rooms. The Unbreakable Workshop builds individual capacity — Foundation, Power and Glue. Motivation Management is about managing the people around you and the people problems on the team. Monthly live sessions plus digital training between them.
Coaching and community	Optimal Performance Coaching, the LP Planner system, and ongoing private group access for teams in a program.
REALIGN	A two-day leadership intensive in St. Louis. Leaders leave with a customized 90-day plan. Next edition: November 4–5, 2026. realignstl.com
Keynotes and virtual training	For associations, partner retreats, firm-wide meetings and chapter events.

Nobody arrives unaligned. Everyone is aligned to something.

Which is why the work is always **realignment** — taking a team that is already pointed somewhere and pointing it, deliberately, at the thing that actually matters in 2027.

lifepulseinc.com · Support@LifePulseInc.com · 636-698-7104

SOURCES

Where every number came from.

All figures published between January and September 2026 unless noted. Items marked *directional* in the report come from vendor write-ups, recruiter surveys or undisclosed samples.

- 1 IBISWorld, *Accounting Services in the US* industry report and business-count statistics, 2026 edition (May 2026).
- 2 Inside Public Accounting, 2026 Practice Management Survey early results (605 North American firms, Sept. 8, 2026) and IPA 100 data dives (Aug. 19, 2026).
- 3 The Rosenberg Survey, 28th edition (~300 firms, 2025 data), Sept. 23, 2026, and the 27th edition, Oct. 2025.
- 4 AICPA & CIMA / PCPS, *2025 National MAP Survey* (1,073 completed responses, FY2024 data), Sept.–Nov. 2025.
- 5 Accounting Today, *Top 100 Firms 2026* supplement (2025 results).
- 6 William Blair & Winding River Consulting, *Accounting Services: Second Annual Executive Survey*, 2026.
- 7 Thomson Reuters, *Future of Professionals Report 2026* (1,816 professionals, 62 countries, surveyed Mar.–Apr. 2026) and the accompanying June 22, 2026 release.
- 8 Thomson Reuters Institute, *2026 AI in Professional Services Report* (1,500+ professionals, 24+ countries) and “The AI readiness framework,” Aug. 5, 2026.
- 9 Gallup: *State of the Global Workplace 2026* (Apr. 2026), U.S. engagement release (July 21, 2026), the Q12 meta-analysis 11th edition (2024) as reported Sept. 2026, and “This Fixable Problem Costs U.S. Businesses \$1 Trillion” (replacement cost of one-half to two times salary, 2019).
- 10 Inside Public Accounting turnover data dives, Feb. 16 and May 20, 2026.
- 11 CPA Practice Advisor / Accountaneur, Tax Season Survival Index (438 U.S. accountants, May 26, 2026); Distinct Recruitment, “Busy season 2026” (July 30, 2026, sample not disclosed — directional); Intuit 2026 Accountant Technology Survey (725 professionals) as reported 2026 — directional.
- 12 Ignition, *2026 U.S. Accounting and Tax Pricing Benchmark* (368 firms, June 23, 2026); CPA Trendlines billing-rate and staff-cost reports, Jan. and May 2026 — directional; staffing-cost ratios compiled from Rosenberg 2025 data by Stealth Agents, June 2026 — directional.
- 13 ClearlyRated, *2026 Accounting Buyer Insights Report* (~500 buyers, May 7, 2026) and “What Accounting Clients Actually Want in 2026” (180 clients, surveyed Mar. 2026).
- 14 Capstone Partners, *Accounting Services M&A Update*, July 13, 2026; CPA Trendlines Research, *CPA PE Deal Tracker*, June 9 and Aug. 26, 2026; DealSeam PE roll-up tracker, June 30, 2026 — directional.
- 15 Inside Public Accounting leadership-transition data dives, July 2 and Aug. 18, 2026; AICPA PCPS *CPA Firm Succession Planning Survey* (226 multi-owner firms, plus the sole-practitioner report); Rosenberg Associates buyout data via IPA, Jan. 20, 2026.
- 16 U.S. Bureau of Labor Statistics: Occupational Outlook Handbook, “Accountants and Auditors” (2024–34 projections); OEWS May 2025 as reported by AICPA & CIMA, Sept. 14, 2026; JOLTS, July 2026 results.
- 17 AICPA & CIMA *2025 Trends Report* and *Journal of Accountancy* pipeline analysis (Oct. 27, 2025); AICPA enrollment release, June 9, 2026; PwC U.S. entry-level hiring plans as reported by Business Insider, Aug. 21, 2025.
- 18 Accounting Today, “States overhaul the 150-hour rule,” June 29, 2026; Atlas CPA Index pathway tracker, 2026 — directional.
- 19 TIGTA, *Status of the IRS's Workforce as of January 2026* (June 9, 2026) and 2026 filing-season readiness memo; GAO-26-108116; Brookings, July 28, 2026; IRS Form 5471 Schedule E implementation notice (Sept. 16, 2026) on proposed regs REG-115145-25; Thomson Reuters analysis of return-complexity increase, 2026 — directional.
- 20 Thomson Reuters Institute, *Law Firm Financial Index*, Q1 and Q2 2026; Source Global Research consulting forecasts, 2026; AIA Consensus Construction Forecast, July 2026; Big “I” & Reagan Consulting, *2026 Best Practices Study Update*, Aug. 12, 2026.
- 21 Robert Half, *2026 Salary Guide: Finance and Accounting* (410+ U.S. leaders); Controllers Council, *2026 Corporate Finance & Accounting Talent Research Study*; SHRM 2025 Benchmarking Reports (cost per hire).
- 22 Chambers, *State of the US Legal Talent Market 2026* (8,200 associates, 82 firms); BTI Consulting associate satisfaction research, Apr. 2026; Retensa and Pierpoint professional-services retention analyses, 2026 — directional.
- 23 SPI Research, *2026 Professional Services Maturity Benchmark* (509 firms) as reported 2026 — directional; FERF/FEI *16th Annual Audit Fee Survey*, Apr. 14, 2026; PCAOB 2025 inspection results as reported by Accounting Today, Aug. 13, 2026.
- 24 New Level Work, *The ROI of Leadership Development* (752 L&D owners, 2023); TalentLMS *2026 L&D Report* — directional.
- 25 CPA.com & AICPA PCPS *Client Advisory Services Benchmark Survey* (206 practices, published Dec. 2024); HRBench 90-day new-hire turnover benchmarks, Apr. 30, 2026 — directional; Enboarder HR-leader onboarding survey as reported 2026 — directional.
- 26 Federal Reserve FOMC Summary of Economic Projections, Sept. 16, 2026; Federal Reserve Bank of Philadelphia, *Survey of Professional Forecasters*, Q3 2026.

METHOD NOTE

Life Pulse compiled this report from the public releases listed above. The dollar ranges for replacing a tax manager and a senior tax associate are derived by Life Pulse from two sourced inputs — Gallup's half-to-twice-salary replacement rule and Robert Half's 2026 midpoint salaries — and are labeled derived wherever they appear. No client data, proprietary benchmarks or unattributed statistics appear in this report.

The market will decide what work exists in 2027. You decide who is still here to deliver it.

If you want this applied to your firm — your turnover, your managers, your busy season, your scorecard — that is the conversation we have every week with firm leaders.

START HERE

lifepulseinc.com/precision-pulse-session

realignstl.com · November 4–5, 2026 · St. Louis

Support@LifePulseInc.com · 636-698-7104

