



2021 Industry Benchmark Survey

FOCUS REPORT

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P: 0508 422 692
E: info@icnzb.org.nz
W: www.icnzb.org.nz

Contents

Empowering
Bookkeepers
to be trusted
and valued
business
professionals

- 3 Introduction
- 4 Focus 1 - services provided
- 5 Focus 2 - hourly rates charged
- 6 Focus 3 - employment status
- 7 Focus 4 - length of time in business
- 8 Focus 5 - active clients
- 9 Focus 6 - length of time in industry

Introduction

The ICNZB Annual Benchmark Survey is designed to gain insight into the bookkeeping industry, and the successes and challenges bookkeepers and the bookkeeping industry face.

In its second year, the 2021 survey yielded 90 responses from across the industry, and not surprisingly 93% of respondents were members of the Association.

The key demographics of respondents are as follows:

- The majority of respondents were based in Auckland, followed by Canterbury. This is in line with data showing these two regions having the highest number of members.
- 93% of respondents were female and 7% male. This is a true reflection of the predominantly female orientated profession.
- The most common age bracket for respondents was 41-50 years of age, closely followed by 51-60 years.
- Most respondents identified as bookkeepers with lower numbers representing other job titles.

Core focus areas

The 2021 survey contained 74 questions which provided data on the respondent; their business operations, employment status, services provided, charge out rates, and more.

This report focuses on 6 core areas which provide us with valuable insight into the current standing in the industry. We have dug into these 6 focus areas and provided some comparative commentary between the 2020 and 2021 data.

As this survey progresses and grows, we hope to be in a position to guide bookkeepers on average rates, service offerings etc.

Focus 1

What services do you provide?

Question 26 of the survey related to the services provided to clients. There was a total of 23 services able to be selected from in this question.

The top 5 areas of service identified for 2021 were:

- Client bookkeeping (off site)
- Payroll (each pay run)
- Support
- Training – off site
- End of Year Prep for Accountant

These top 5 are in line with what we expect bookkeepers to be offering to their clients.

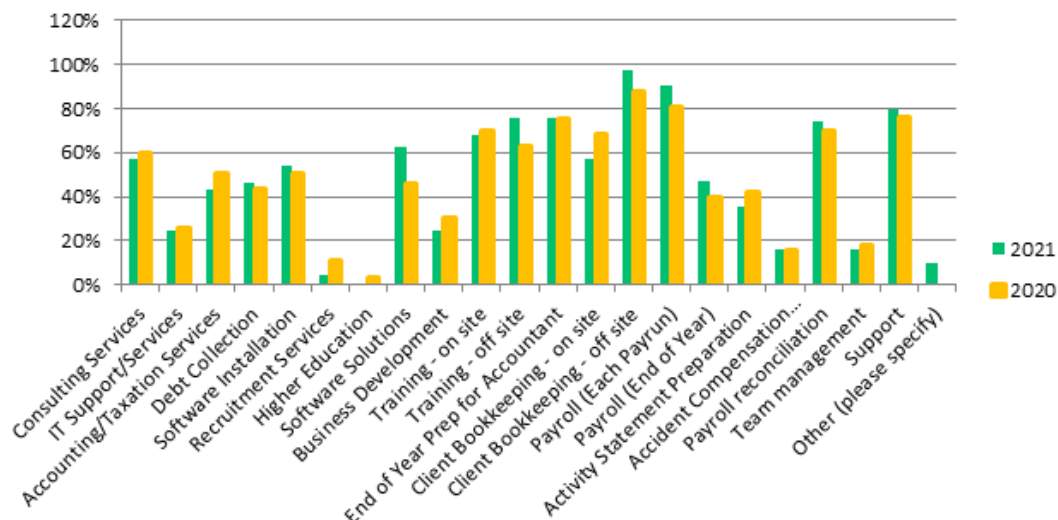
Following the increase in remote working we were not surprised to see an increase in client bookkeeping being offsite compared to 2020. Pay

run support and off-site training also saw a rise compared to 2020.

At the other end of the spectrum, the least offered services remain consistent with 2020's findings. While these services are not commonly offered by bookkeeping professionals in New Zealand, they are included in the survey as we are aware some people do offer them.

As more and more businesses move to technology in the wake of COVID and bookkeepers become more respected as business advisory professionals, there could potentially be the scope for bookkeepers to assist their clients more in these speciality areas:

- Recruitment Services
- Accident Compensation Commission
- Team management
- IT Support/Services
- Business Development



Focus 2

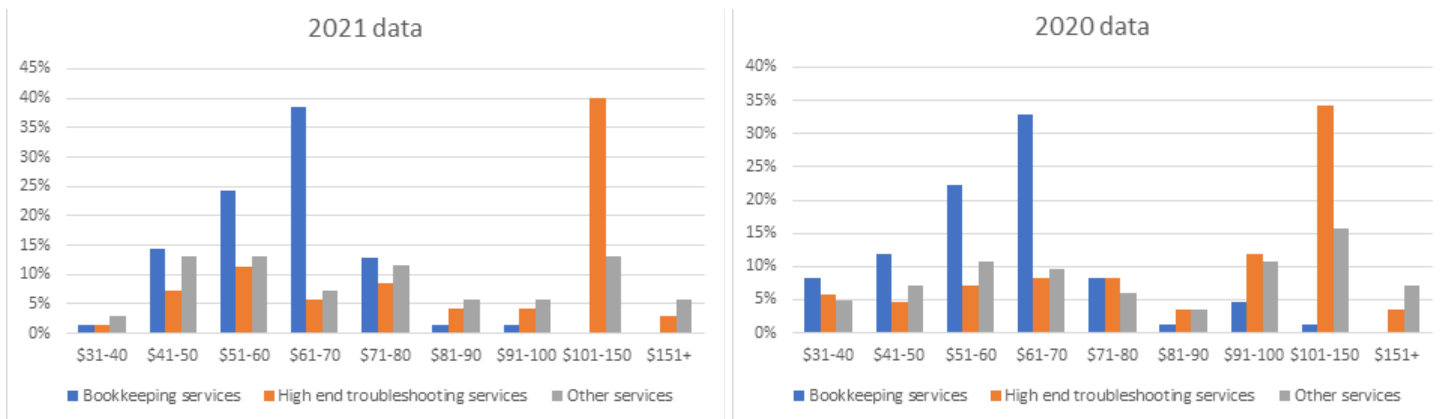
Hourly rate charged

Question 39, 40 and 41 of the survey related to hourly rates charged for bookkeeping services, high end troubleshooting services and other services.

Charge rates are a common topic within the bookkeeping community – what do you charge for your services.

The data for this is clear from 2020 and 2021 – the range for bookkeeping services sits within the \$61-\$70 bracket, high-end troubleshooting services clearly sit in the \$101-\$150 price range, and other services fluctuate along the line.

It is reassuring to see that respondents are quite consistent across the board, and are also pricing themselves within the market rates, while placing immense value on their high-end troubleshooting services.

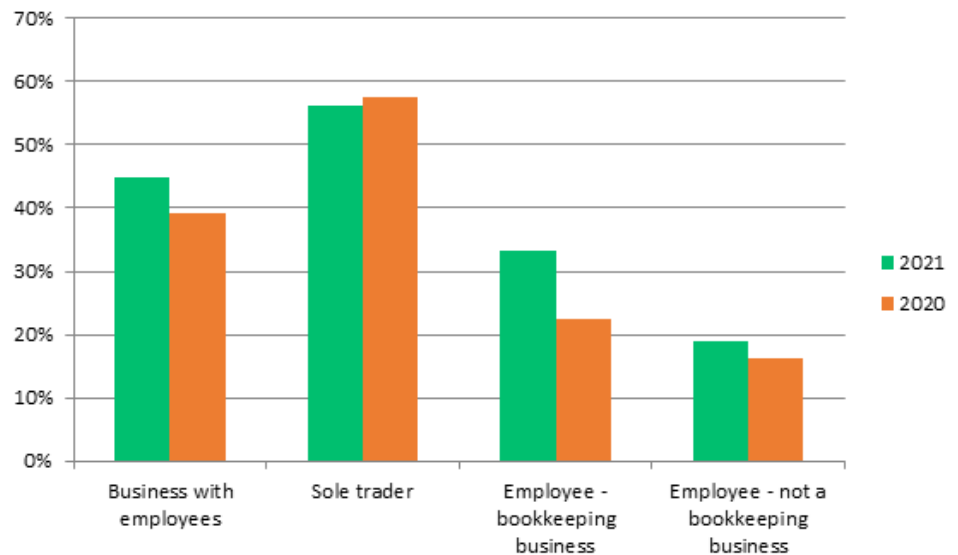


Focus 3

Owner vs sole trader vs employee vs contractor

Questions 10, 11 and 12 of the survey related to the respondents business/employment situations.

We have looked at the data across the 3 questions relating to the respondents type of business structure. The trend shows that 2021 saw more businesses taking on employees.



As we would expect the majority of bookkeepers sit in the sole trader category, but 2021 saw a slight change in response and we are seeing an increase in business with employees. This is a great area of growth and development for the industry, and one we hope to see increase more in the 2022 survey.

This data can be supplemented with questions 13, 14, 15 and 16 which provides insight on how many full and part time employees are working with business owners, as well as casual and contractors.

10%

increase on
bookkeeping
employees

Focus 4

Length of time business operating

Question 20 of the survey related to how long the respondent had been operating their bookkeeping business.

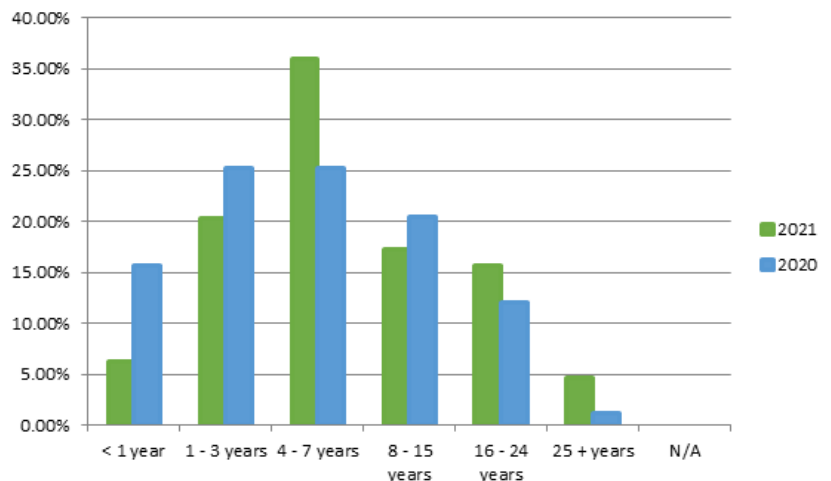
The decrease of those being in their 1st year of business in 2021 (6.25%) compared to 2020 (15.66%) is not surprising and we are seeing a trend of fewer bookkeeping businesses opening in the last turbulent business year.

We see that more businesses are moving into the 4-7 year range, and a more pronounced drop down to the new range bracket of 8-15 years.

Surprisingly, the number of businesses that have been around for 25 years plus has increased in 2021 – we had expected this to drop further as many of our longstanding members had taken the opportunity to retire following COVID.

What may be of interest to some is the opportunity to create a succession plan for long running businesses. As we see more bookkeepers retire, there is potential for their business and/or client base to be sold on to another bookkeeping business.

35.94%
of businesses are
4-7 years old



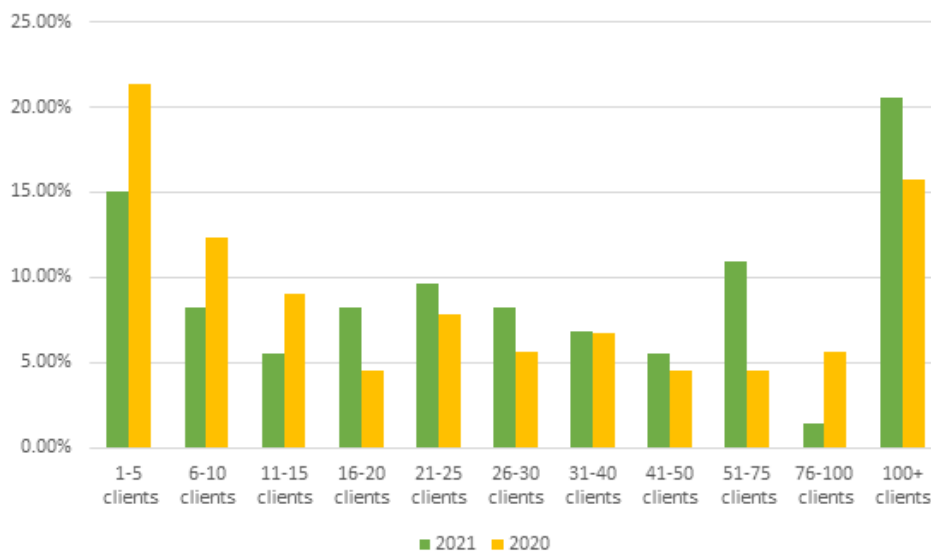
Focus 5

Active clients

Question 27 of the survey focussed on how many active clients the respondents have on their books.

The change in trend from 2020 to 2021 is interesting. We believe this could be directly attributed to Focus 4 – similar with the time respondents have been in business dropping in Focus 4 of this report, we believe this could link to the reduction in bookkeepers starting out with 1-5 clients.

We see a sharp increase in those working with 51-75 clients and again with 100+ which could be attributed to those combining businesses, or simply more of the small to medium business owners engaging with bookkeepers.



Focus 6

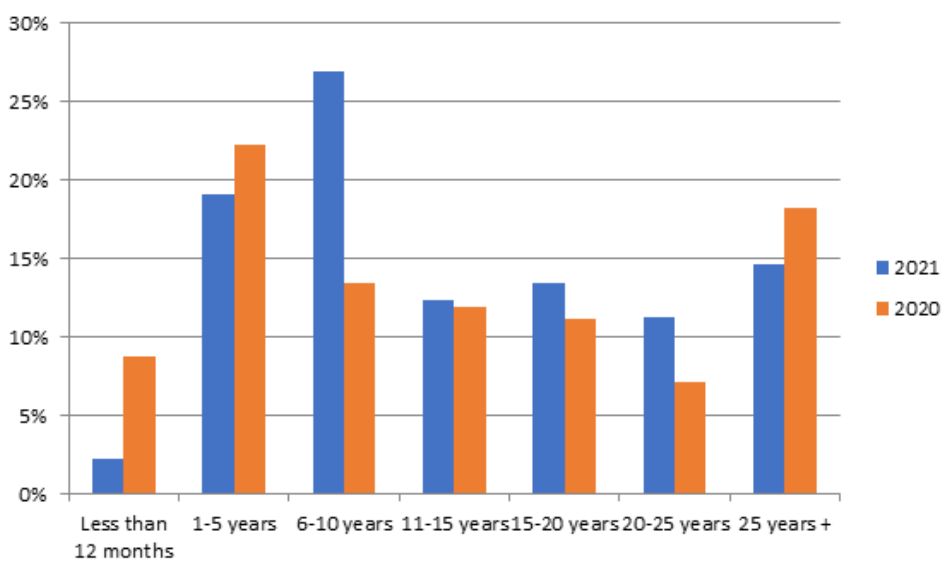
Length of time in industry

Question 7 of the survey focussed on how long respondents have been working in the bookkeeping industry.

Another casualty of COVID, this question yet again demonstrates a decrease in new bookkeeping businesses being started.

The number of respondents who had been in the industry less than 12 months went from 9% in 2020 to 2% in 2021, which is a significant drop.

We also see the same trend in the mid-range bracket as we have with Focus 4 of this report – the increase in the 6-10 year range increased from 13% in 2020 to 27% for 2021.





Te Whare Kaitiaki Pūtea Whai Mana o Aotearoa



Institute of Certified NZ Bookkeepers / Te Whare Kaitiaki Pūtea Whai Mana o Aotearoa
PO Box 11202
Sockburn
Christchurch 8443

P: 0508 422 692
E: info@icnzb.org.nz
W: www.icnzb.org.nz

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