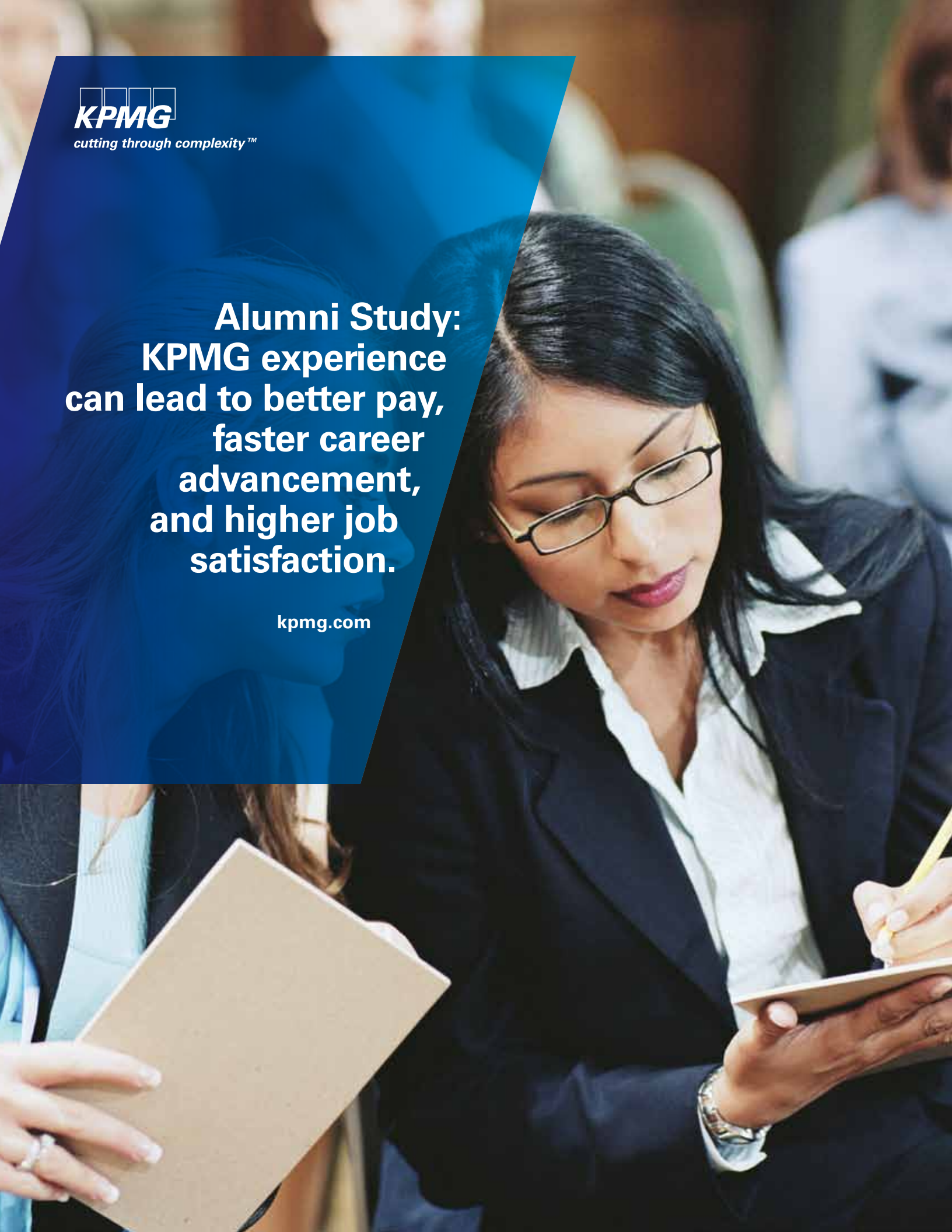




cutting through complexity™

**Alumni Study:  
KPMG experience  
can lead to better pay,  
faster career  
advancement,  
and higher job  
satisfaction.**

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***The more experience you gain working at KPMG, the better and more lucrative your career opportunities will be after you leave. Chances are you've heard this conventional wisdom before, but you may be wondering if it's supported by the facts.***



New research compiled with the help of HR consulting firm Towers Watson confirms that the conventional wisdom is, indeed, reality. According to a detailed study of more than 2,000 former Audit, Tax, and Advisory professionals who left at different stages of their careers—associate, senior associate, manager, and senior manager—the more experience you gain at KPMG, the better off you will likely be over the course of your career:

- The **more money you will likely make**, as much as 36 percent more in the near term and potentially millions more over the course of your career
- The **faster you will likely advance** your career
- The **better your work/life balance** will likely be

In addition:

- More than half of the alumni surveyed—and 60 percent of those who left as senior associates or associates—said that they believe **staying at KPMG 1 to 2 years longer would have had a positive impact on their careers.**
- Those who stayed at the firm until senior manager enjoy **significantly higher job satisfaction** in their current position than those who left as managers or staff.
- More than 80 percent of the entire sample said their **experience at KPMG greatly contributed to their current level of success.**

While these findings are consistent with results from similar surveys conducted by other Big 4 firms in recent years, this study is noteworthy for several reasons: It's the first systematic study undertaken with KPMG alumni; it demonstrates that even in the post-economic crisis environment, Big 4 experience remains a critical career success factor; and finally, it validates KPMG's long-standing commitment to the professional development of our people, whether their careers lead them to become partners, clients, or simply friends of the firm.

Now, let's take a closer look at some of the key results:

#### **Higher Compensation**

The results demonstrate that total annual compensation (including salary, bonus, and long-term incentives like stock) is significantly higher for alumni who left the firm at later versus earlier stages of their careers (Figure A).

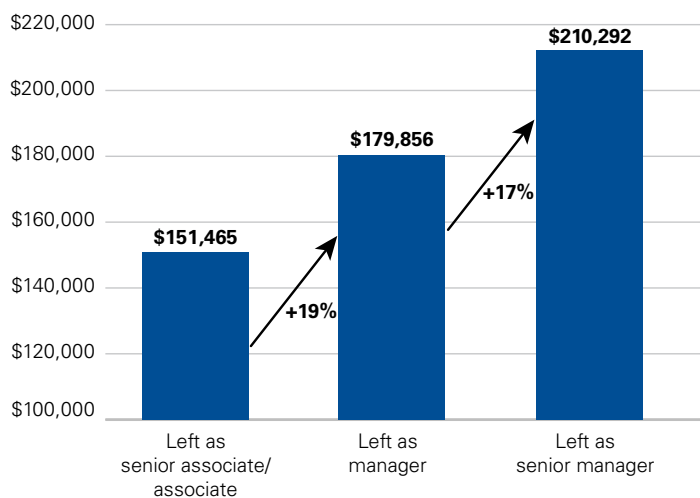
The incremental value of leaving as a manager versus a senior associate/associate is a 19 percent differential, while the incremental value of leaving as a senior manager versus a manager is a 17 percent differential. ***In total, a decision to stay on until senior manager can be worth as much as a 36 percent differential in pay.*** And over the course of a career, this can translate into enormous earnings—millions of dollars in additional compensation (see sidebar below: "Aggregate Economic Value of KPMG Experience").

“KPMG provides an excellent training ground and experience that is highly valued in the job market. I've had several jobs since leaving KPMG, and **all have been highly compensated, strategic roles, which always leveraged on the base/core skills developed in public accounting.**”

**– Manager who left in 2002**



Figure A – Average Current Total Compensation Reported by Alumni (groups matched for years of total career experience)



### Aggregate Economic Value of KPMG Experience

**Q: What is the potential economic value of KPMG experience over an entire career?**

**A: Potentially over \$3.5 million**

**Rationale:** Figure A shows a \$28,000 difference in earnings between an alumnus who left as a manager versus a senior associate or associate. Assuming that the average 33-year-old alumnus will spend about another 30 years at work, and assuming a 4 percent compounded growth in income, this difference could amount to an **additional \$1.8 million** over the course of a career.

Using this same rationale, if the alumnus stayed until senior manager, and applying the \$59,000 premium in pay, **the potential difference is \$3.6 million.**

### About the Study

To quantify the career value of KPMG experience, we worked with consulting firm Towers Watson to confidentially survey more than 2,000 Audit, Tax, and Advisory alumni who left the firm at various stages of their careers since 1993.

We gathered information about each alumnus's current position, type of employer, compensation, career growth, current job satisfaction, and a host of other variables. With this data in hand, we then applied various statistical analyses to determine whether people who were matched on *total* career experience differed based on their *KPMG* experience.

Think of the study design this way: Say we gathered a sample of 100 alumni all of whom were campus hires in the year 2000. Now assume 25 left as associates, 25 left as senior associates,

25 left as managers, and 25 left as senior managers. They all have equivalent years of experience, and so we would expect each group to have similar compensation in the jobs they hold today. *But in fact they do not.*

After examining hundreds of these matched groups, we found that *those who stayed at KPMG longer earn substantially more, advance faster, and have more fulfilling careers.* All the results presented are statistically significant.

Please note, since the responses for alumni who left as associates and senior associates were so similar, we combined the two groups for reporting purposes.

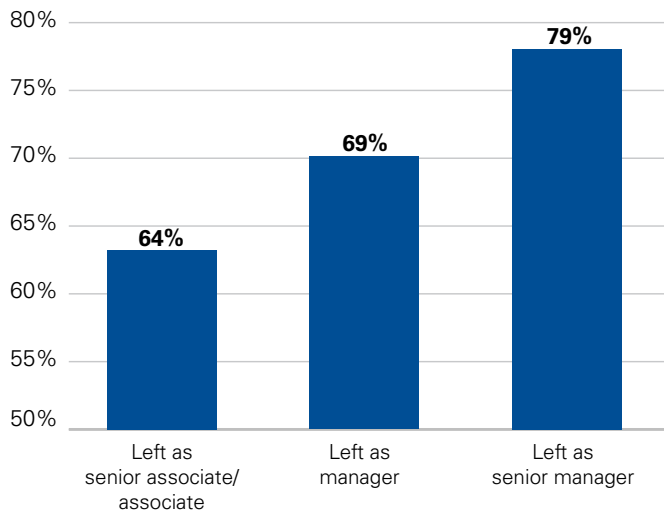
For additional information on the survey process and data, see p.7 "More about the Study."



“I feel that I left too early. I could have gained much more by adding 3 years to my KPMG career. I now work 40 hours a week and have a great schedule but have pretty much reached my potential where I work.”

– Senior associate who left in 2004

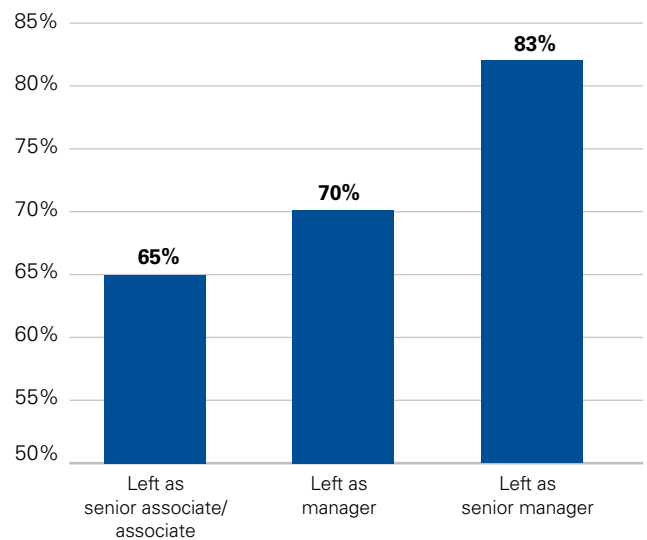
Figure B – Percent of Alumni Rating their Career Advancement as “Faster or Much Faster than Average”



### Faster Career Advancement

As Figure B above shows, **the more experience one gains at KPMG, the faster one’s career advancement is after leaving the firm.**

Figure C – Percent of Alumni Who Are Satisfied with their Current Job’s Work/Life Balance



### Increased Work/Life Balance and Job Satisfaction

An overwhelming majority of alumni who were surveyed—**81 percent**—said the experience they gained working at KPMG has contributed to their current success to a great or large extent.

Beyond earnings potential and career advancement, alumni who held more senior positions before leaving the firm are significantly more satisfied with the work/life balance in their current jobs than alumni who left the firm while still in more junior positions see Figure C.

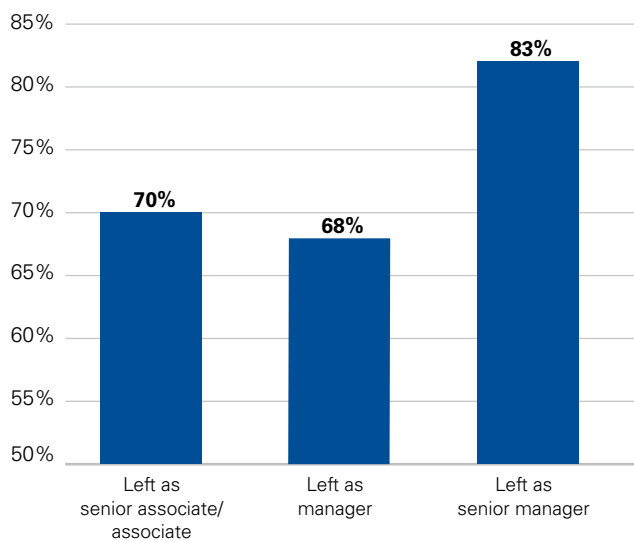
“ I believe that **the experience I received at KPMG allowed me to advance more quickly in my career** than others. I worked on many diverse projects, which gave the broader knowledge to apply to my current job. ”

– **Manager who left in 2004**

“ Staying at KPMG for nearly 11 years exposed me to senior-level executives. **Having the opportunity to forge deep trusting relationships with these people is a direct link to my success today.** ”

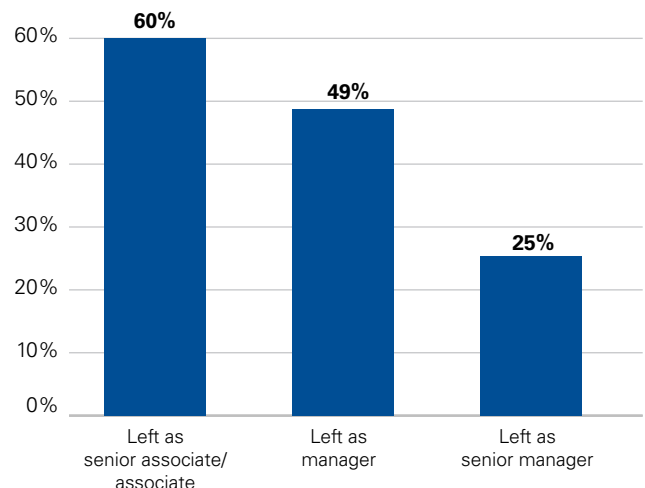
– **Senior manager/director who left in 2005**

Figure D – Percent of Alumni Who Report High Job Satisfaction with their Current Position



While current levels of job satisfaction are about the same for alumni who left the firm at the manager level or below, the results show that those who stayed until senior manager have significantly higher job satisfaction (see Figure D).

Figure E – Percent of Alumni Who Say that Staying at KPMG 1 to 2 Years Longer Would Have Had a Positive Effect on their Career



The results also show that the shorter the amount of time an individual spent at KPMG, the more likely he/she was to say that staying at the firm 1 to 2 years longer would have had a positive impact on his/her career (Figure E). **Among those who left as senior associates or associates, 60 percent said they wished they had stayed a year or two longer.**

““ My experience at KPMG LLP contributed to the development of many important skills/competencies and a greater understanding of various businesses and industries.

**That experience has made me a more knowledgeable and capable professional and has, as a result, contributed to my overall career success. ””**

– **Manager who left in 2005**

““ I give full credit to KPMG for preparing me for my current job. I left as a senior manager just over two years ago to work for an audit client. After a series of rapid promotions, I am now the VP, Treasurer, and Chief Accounting Officer. I have been told it's due to my ability to quickly assess a situation, delicately handle the politics involved, and take charge to make sure the necessary work is done quickly and accurately. Mostly, though, I am not afraid to either make decisions or to just roll up my sleeves and get a job done. **Learning all of that in just 10 years is remarkable and can only be done in public accounting. ””**

– **Senior manager/director who left in 2008**

““ KPMG gave me a great entry point to my current position as director of Internal Audit at my company. Looking back, I would have liked to stay about two or three years longer to further strengthen my experience in technical accounting and SEC compliance, so I would have an easier time at this point pursuing my career goal of becoming a corporate controller. **I think staying at KPMG longer would have helped. ””**

– **Senior associate who left in 2005**

““ **If I had it to do again, I'd take the same path and probably stay much longer at KPMG.** I learned so much during my eight years at KPMG. I think the experience a Big 4 offers cannot be compared to industry or smaller CPA firms. ””

– **Manager who left in 2002**

““ **If I had it to do over again, I would've stayed at least a few more years.** I definitely would not have had the opportunities in my career without the Big 4 experience. ””

– **Senior associate who left in 1999**

**Summary and Conclusions**

The business case for a long-term career at KPMG is compelling. KPMG professionals are called upon to make significant investments in their careers in terms of hard work, challenging assignments, rigorous training, and sustained credential-building activities. But the data shows that *the return on this investment is substantial and attractive*. For some, it is the prospect of joining the partnership and the economic and professional rewards that go with it. But for many of our professionals for whom partnership is not in their career plans, time spent with KPMG enhances their personal balance sheet of skills and experiences and leads to higher compensation, faster career advancement, and increased job satisfaction.

**More about the Study**

Working with HR consulting firm Towers Watson, we sent a survey invitation to approximately 10,000 members of KPMG’s alumni network who started with the firm as career-entry hires and then left the firm at various stages of their careers since 1993. The survey received more than 2,000 responses, including hundreds of alumni from Audit, Tax,

and Advisory. The great response we received from our alumni makes the margin of error for our results very small at +/- 2 percent.

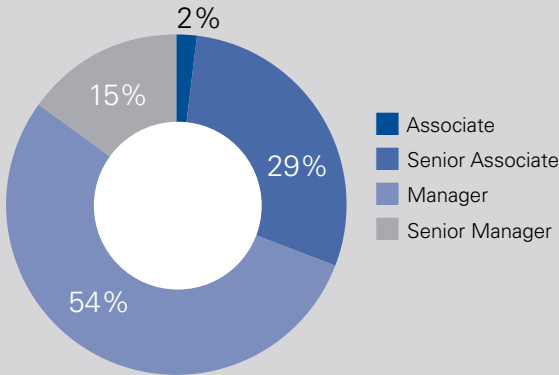
The survey asked alumni several questions about their work experiences, including their career progression, satisfaction with their current job, and their current compensation. A variety of statistical techniques (hierarchical multiple regression; analysis of variance; t-tests) were conducted to determine the effect of leaving KPMG at various levels at one’s career and compensation. These analyses control for years of work experience and other factors to ensure that any differences in career progression or salary are not attributed to those factors, but rather, are attributed solely based on the level at which the alumnus left KPMG.

Results reported in this study are all statistically significant (p<.01), indicating that these findings are very unlikely to have occurred by chance.

**When to Stay, When to Leave**

**For those who are not planning to become a partner, what is the optimal time to leave KPMG?**

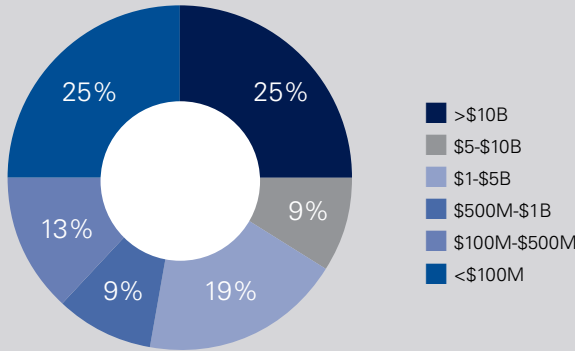
A total of 69 percent of KPMG alumni said that leaving the firm at the manager or senior manager level is better than leaving at the senior associate or associate level.



**Where Alumni Currently Work**

The large majority of respondents—82 percent—said they currently work for for-profit organizations such as corporations, businesses, and firms—though the percentage of those who still work for an accounting firm is only 13 percent. The remaining respondents said they work for government agencies, not-for-profits, and other organizations.

Of those who are at for-profit organizations, the breakdown by revenue is as follows:





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