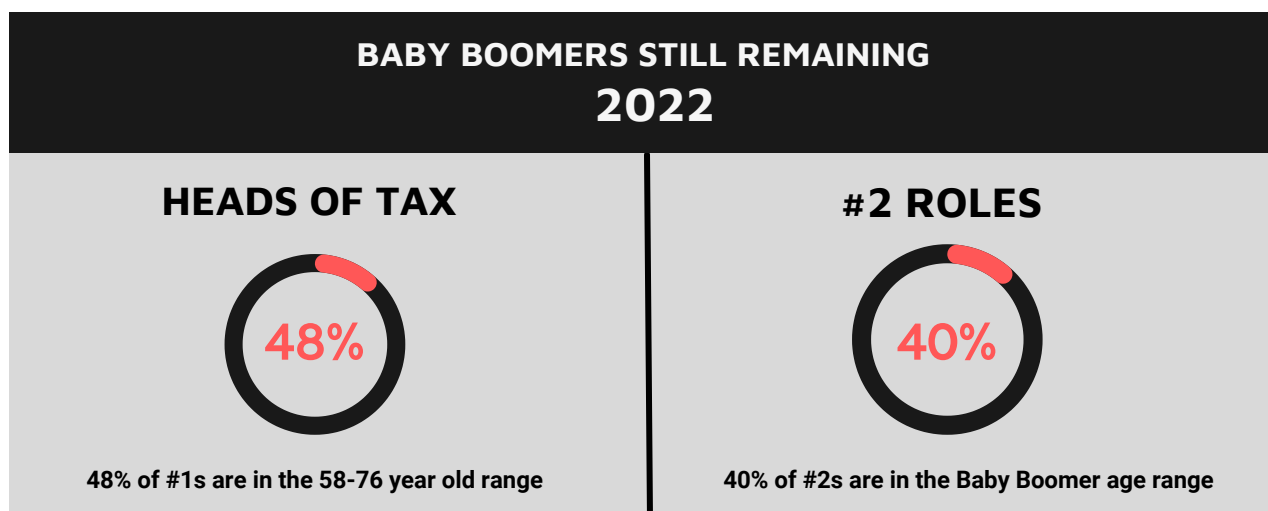


DEMOGRAPHIC IMPACT ON TAX LEADERSHIP ROLES

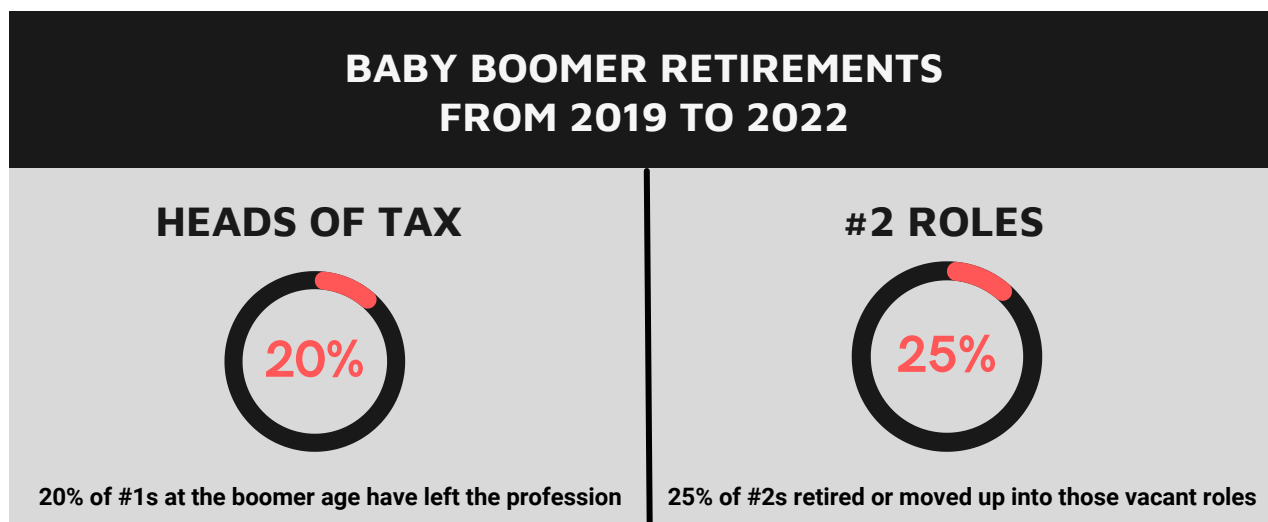
Updated data regarding Heads of Tax and those reporting directly to the Heads of Tax

A newly released update from our 2019 study on tax leadership demographics shows what we previously predicted: Baby Boomers (ages 58-76) are starting to retire, which is being accelerated due to COVID-19. In the last three years over 20% of the Heads of Tax have retired while 25% of #2s reporting to that role have either retired or moved into the Head of Tax positions.

The astonishing part of these figures is that we still have so many Baby Boomers still in the #1 and #2 roles, meaning the headache is only beginning. Conservatively, 48% of our Heads of Tax and 40% of our #2s are in the Baby Boomer age range, who we anticipate will be going out the door in the very near future.



The data displays *20% of Heads of Tax have already left the profession while 25% in #2 roles have retired or moved up into those vacant roles.*



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This data is magnified as we see retirement ages dropping, which we believe to be a result of implications brought on by the COVID 19 pandemic. In the past, we saw these tax leaders aiming to retire at the age of 65 and above, but recently we are hearing more people discussing earlier retirements at 62 and under, especially when speaking to the older Millennials. This leads us to believe that we are in for an even more DRAMATIC loss of talent much sooner than later as the younger Boomers decide to retire meaning an even bigger knowledge gap than we imagined is on the horizon as more continue to exit the tax profession over the next five years.

We see this exodus as a MAJOR factor impacting the entire tax profession. While this data is focused strictly on corporate in-house, it's safe to assume it will apply equally to accounting, law and all government taxing agencies.

The competition for the Gen Xers and older Millennials will continue to heat up as we will need to pull them up to fill the gaps of the departing Heads of Tax and #2s. These Gen Xers and older Millennial unicorns who have the knowledge and could possibly take on these roles will be promoted faster and with much less preparation than generations before them.

As we all know, this is compounded by the current climate and factors that tax leaders are dealing with and will need to continue to manage going forward. These pressures are coming from managing in a remote environment, the increase in U.S. tax functions due to SPACs and spin-offs, continual tax code tweaks, salary and title inflation, pressures from ESG, etc.

There are steps that you can take now which we address in [Managing Supply and Demand Tensions in Tax](#). More importantly, after you digest this information, utilize this report to educate your HR and Financial leadership before the implications show up in your recruiting and retention.

To ensure that content like this and much more is delivered to you on an automatic basis at no cost, [sign up for TaxTalent today](#). If you would like to discuss the potential effects directly related to your tax department, call Stephanie Conley at 843-216-7444 to schedule a call with TaxTalent, TaxSearch, and TaxForce President, Tony Santiago.