



Working for Tax & Accounting Professionals

# 2025 PROFIT AND PRACTICE REPORT: KEY INSIGHTS FOR MEMBERS

*This summary and the complete Profit & Practice Report are based on data collected through the 2025 NSA Income and Fees Survey.*

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## Overview

The **2025 NSA Profit & Practice Report** translates the results of the 2025 NSA Income and Fees Survey into practical insights for independent accounting and tax practitioners. With responses from **256 participants**—nearly a 30% increase from the prior survey—the data reflects a broad and engaged group of small and mid-sized firms, most operating with fewer than three partners.

This **Key Insights Summary** highlights major trends and takeaways to help NSA members better understand how peers across the country are structuring their practices, pricing services, managing operations, and adapting to changing client and market demands.

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## Practice Structure and Credentials

Independent practices continue to favor **lean, flexible operating models**.

- **Sole proprietors (52%)** and **S-Corporations (29%)** make up the majority of respondents, reinforcing the prevalence of owner-led firms.
- **Enrolled Agents (44%)** represent the largest credential group, followed by **CPAs (29%)** and practitioners participating in the **Annual Filing Season Program (20%)**.
- Nearly **one in five respondents (18%)** reported being unlicensed, reflecting continued entry into the profession and the growing diversity of practice backgrounds.

These results highlight the wide range of credentials and business models serving today's tax and accounting clients.

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## Staffing and Firm Capacity

Firms are responding to sustained demand with measured growth rather than structural overhaul.

- Most practices remain **single-principal firms (68%)**, consistent with prior years.
- The number of firms employing **at least one full-time accounting staff member has increased**, supporting ongoing discussions within the profession about workload pressures and capacity management.
- **Support staff** are widely used in both full-time and seasonal roles, reflecting a flexible approach to administrative and operational needs.

Overall, staffing trends point to cautious expansion focused on sustainability rather than rapid scaling.

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## Fees, Billing, and Pricing Practices

Pricing strategies remain disciplined, with a growing emphasis on predictability and scope control.

- **Fixed-fee and “by-form” billing** dominate tax preparation, while relatively few firms rely exclusively on hourly billing.
- **Average write-offs remain low (approximately 2.5%)**, suggesting strong alignment between pricing, client expectations, and service delivery.
- Many firms now charge **additional fees for disorganized records, expedited work, extensions, and late submissions**, signaling increased attention to workflow management and profitability.

While individual fee ranges vary based on service mix and credentials, most firms report holding steady or modestly increasing fees year over year.

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## Client Profiles and Work Volume

Client income levels in 2025 were more evenly distributed than in prior years, with the **largest concentration at \$75,000-\$149,000 annually**. This aligns with the continued focus of independent practices on middle- and upper-middle-income households.

At the same time, many firms reported **high volumes of work**, including:

- Large numbers of **individual returns**
- Growing volumes of **business returns**
- Increased participation in **estate and trust work**, particularly at moderate volumes

These trends suggest improved efficiency, specialization, or more deliberate client selection strategies.

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## Technology, Security, and Operations

Technology adoption remains a defining feature of independent practices.

- A majority of firms now operate in a **predominantly paperless environment**.
- **Secure client portals** and **cyber liability insurance** are widely used, reflecting increased awareness of cybersecurity risks.
- IT needs are managed through a mix of self-management, consultants, and outsourcing, with a modest shift toward outsourced solutions.
- Cloud usage continues to expand across applications and data storage, even among firms using desktop-based systems.

These findings highlight steady progress toward modernization and risk management.

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## Marketing and Client Acquisition

Growth remains primarily relationship-driven.

- **Word-of-mouth referrals** continue to dominate client acquisition.
- Websites are commonly maintained but are often viewed as tools for **credibility rather than lead generation**.
- Social media plays a limited role for most firms, with many practitioners citing unclear returns on time invested.

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## Key Takeaways and Outlook

Overall, the 2025 NSA Profit & Practice Report reflects a profession that is **stable, adaptable, and increasingly intentional**. Independent accounting and tax practitioners are responding to market pressures by refining pricing strategies, investing selectively in staff and technology, strengthening cybersecurity practices, and placing greater emphasis on workflow control and client management.

This summary provides a high-level view of those trends. The **complete 2025 NSA Profit & Practice Report**, available at no charge to survey participants, includes expanded fee benchmarks, detailed comparisons, and deeper analysis across services, staffing, billing practices, and firm economics. NSA will continue using these insights to inform member resources, education, and advocacy efforts that support profitable, sustainable independent practices.