

Social Good Through Business

An Interview with Kathy Raffa, CPA,
Office Managing Partner, Washington, DC Metropolitan Area, Marcum LLP

EDITORS' NOTE Kathy Raffa is also a member of the firm's Assurance Services Division. Raffa came to Marcum via the firm's merger with Raffa, P.C., one of the nation's pre-eminent public accounting and business consulting firms, specializing in nonprofits, where she served as President and grew the firm into one of the 100 largest accounting firms in the United States. With more than 35 years of successful experience serving the nonprofit sector, Raffa regularly serves as an



Kathy Raffa

Audit Partner and provides clients with advisory services. Upon her graduation from the Wharton School at the University of Pennsylvania, Raffa spent the early part of her career at a Big 8 firm. She currently serves on the boards of Trinity Washington University and EagleBank, a public company.

FIRM BRIEF Marcum LLP (marcumllp.com) is one of the largest independent public accounting and advisory services firms in the nation, with offices in major business markets throughout the U.S., Grand Cayman, China, and Ireland. Headquartered in New York City, Marcum provides a full spectrum of traditional tax, accounting, and assurance services; advisory, valuation and litigation support; and an extensive range of specialty and niche industry practices. The firm serves both privately-held and publicly traded companies, as well as high-net-worth individuals, and private equity funds and hedge funds, with a focus on middle-market companies and closely-held family businesses. The firm's merger with Raffa provides it with an expanded focus on nonprofits.

Will you discuss the history and heritage of Raffa?

The firm was started in 1984. My husband and I were at one of the Big 8 accounting firms. We left to start a company focused on creating positive change in our community. Our goal has been to enhance all aspects of our clients' operations so they can better achieve their missions and make the world a better place.

From the beginning, our focus has been on nonprofits and we measure our success by our impact on strengthening the nonprofit community. Prior to the merger with Marcum, we had roughly 300 people and nearly 90 percent of

our business was with nonprofits and social businesses.

Our firm quickly grew beyond audit and tax services as we built relationships of trust. Nonprofits needed support in many areas, so we got involved improving their accounting, technology and human resources infrastructure, enabling them to operate more effectively and create sustainable and scalable organizations.

What led to the focus on nonprofits and the social sector?

It was the nonprofit space where we felt we could really make a difference to improve lives. We knew nonprofits would benefit from the expertise we could bring and it was deeply gratifying to work with people committed to improving the world.

Since our mission permeates everything we do, the people we hire typically care about social good. As they grow with our firm, this deepens and they identify ways to build on their passions. This strengthens our firm.

Raffa was majority women-owned. Was that done intentionally, and will you discuss the emphasis you placed on providing opportunities for women?

It was intentional and not just about women, but about diversity more broadly. When I started in accounting, there were more men than women at the entry level, but that soon changed as the national firms began hiring 50 percent women from colleges.

Today, only about 20 percent of the partners at the large national accounting firms are women. While this has improved over the years, it's slow progress. From a business perspective it doesn't make sense to hire 50 percent women and then lose a large majority as they move up.

For our firm, diversity has always been important – we recognize the benefits for people individually and for the firm as a whole. Having women in leadership positions improves the opportunities for all women in the firm. Diversity leads to a better work environment, appreciation of different perspectives, happier employees, and stronger relationships with clients.

In our partner group in the D.C. region, 11 out of 18 are women and they are ethnically diverse. From the top down, we instill an appreciation of diversity in everyone.

It's important for the leadership to recognize the benefits of retaining women and

propelling women into leadership roles. Leaders need to appreciate the challenges of raising children and building a career and help women succeed by providing them flexibility that is individualized. We have to be proactive to make it work.

Will you highlight Raffa's merger with Marcum and what made you feel it was the right opportunity for the firm?

We have been approached by many firms over the years. We were looking for the right opportunity to scale what we created nationally.

We wanted a good future for our partners and staff, so the decision was made by the entire partner group to ensure everyone was on board.

A mutual friend connected us to Marcum over a year ago and we started talking about the opportunities. There were several key factors that appealed to us: one was that D.C. would be a new market for Marcum. We wouldn't be merging in with another local office so this would allow us to maintain our culture while helping Marcum grow in a new region.

We discovered that Marcum was very entrepreneurial, which would enable us to continue the creative business spirit we built.

We liked that there were offices across the country in major cities where we could have a physical presence to grow our nonprofit and social sector practice.

We liked the people we met at Marcum. This was essential.

Marcum recognized our uniqueness and wanted us to continue what has made us successful. One unique aspect is certainly our women's leadership. Additionally, we are the largest CPA firm in the world with B Corp certification. This rigorous certification is for companies using business as a force for good and takes a hard look at best practices that enable companies to "walk the talk" around topics such as women's leadership.

It's all about social good through business. Marcum's Women's Initiative and the Marcum Foundation both were highly compatible with our values. We talked about that with the leadership at Marcum and how we can collaborate to expand on what both firms are doing in that arena.

We will take what we've built over the past 34 years and build it on a national level with Marcum so that we can positively impact more people, communities and organizations. ●