KEY INVESTMENTS IN digital modernization are transforming the Finance workforce within the federal government’s largest civilian agencies. A decade ago, many agencies initiated significant digital transformation programs, such as modernized enterprise resource planning migrations, that have paved the way for further modernization. Deloitte’s experience working with many of these organizations over the last decade points to increased investments in cloud, process automation, and advanced analytics that are paying dividends and reducing the need for human intervention in the finance function.

The result is a smaller financial management workforce that is shifting from transactional roles to nontransactional, value-added ones. This is borne out by the decreasing trend over the last eight years: The number of financial management positions in the federal government’s largest civilian agencies has decreased by close to 12% overall, with transactional jobs decreasing over 16% (figure 1). Workforce allocation in these top agencies is also approaching top private sector benchmarks: The American Productivity & Quality Center reported that companies that fall within the 25th percentile allocate 70% or more time to nontransactional Finance activities.

How has digital transformed the Finance workforce in government?

Digital modernization investments appear to have paid off

Brian Siegel, Mike McCormick, and Mike Kuchler

FIGURE 1

Digital modernization is driving a decrease in transactional Finance roles

<table>
<thead>
<tr>
<th>Nontransactional</th>
<th>Transactional</th>
</tr>
</thead>
</table>

Civilian 500 series headcount by government fiscal year; top 10 civilian agencies by FY2020 budget authority.

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This trend highlights how the Finance function has been transforming into a cross-cutting business partner that can deliver insights and help increase speed and accuracy of decisions. While the data above demonstrates the impact of digital modernization in the largest civilian agencies, smaller agencies have also been vaulted into digital modernization, as the global pandemic has required the government to roll out solutions with unprecedented speed.

Governments can take advantage of the current momentum and lessons learned over the past year-and-a-half to continue on the path of becoming a truly digital enterprise. To learn more about this path, check out *Accelerated digital government.*

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**Endnotes**


2. As measured by end strength, a measure of total positions filled at the end of each year, representing the headcount of all paid employees.


How has digital transformed the Finance workforce in government?

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