

DIVERSIFYING U.S. ACCOUNTING TALENT: A Critical Imperative to Achieve Transformational Outcomes



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Increasing Diversity in Business through Academe

FOREWORD

For more than 50 years, the National Association of Black Accountants (NABA) has been dedicated to bridging opportunity gaps for Black professionals in accounting, finance, and related business professions. Representing more than 200,000 stakeholders, NABA has advanced people, careers, and its mission by providing education, resources, and network access to professionals and students in fulfilling the principle of our motto: "Lifting As We Climb."

Today, NABA is a proud research partner of IMA® (Institute of Management Accountants) and CalCPA (California Society of Certified Public Accountants) in presenting *Diversifying U.S. Accounting Talent: A Critical Imperative to Achieve Transformational Outcomes*. All sponsoring, partnering, and contributing organizations involved in this study are committed to championing the continuous improvement of diversity, equity, and inclusion (DE&I) in the accounting profession. We are coordinating with other organizations, practitioners, academicians, and students to define the priorities, principles, and metrics needed to reshape the profession's talent pipeline and propel its transformation forward. In collaboration, we are unearthing empirical data and oral histories to support the impetus for meaningful DE&I initiatives in the profession and across industries.

The United States is not just becoming more diverse. By 2045, populations currently referred to as "minorities" will be the majority, and the racial and ethnic composition of young talent will shift accordingly. It is estimated that nearly 5% of the U.S. adult population identifies as LGBTQIA, and females, who make up half of the U.S. population, now comprise the majority of the U.S. accounting workforce. Each of these groups, however, is underrepresented in U.S. accounting leadership.



"*Lifting As We Climb*"

As broader trends toward greater diversity continue, the accounting profession will need to implement recruitment, retention, and career advancement practices enabling the workforce and its leadership to reflect the diverse fabric of our society. Studies show that a 1% increase in diversity can lead to as much as a 9% increase in performance. While we work to transform the way our profession delivers value, this study reveals that closing the diversity gap that exists at senior levels is critical to achieving long-term success.

We trust that you will find this report a forward-thinking resource as the business world at large explores new strategies to execute change and improve DE&I. We anticipate that the imperative and importance of improving diversity in the workplace and the profession will intensify. We look forward to helping lead the change with increased collaboration, courage, and action. •

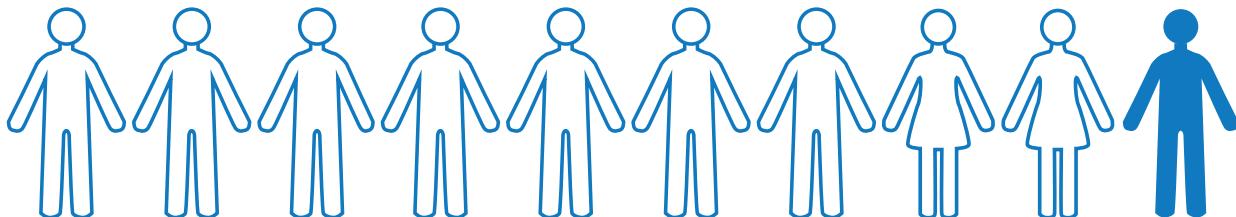
Herschel Frierson

Chairman of the Board of Directors
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EXECUTIVE SUMMARY

One need only look at the face of the U.S. accounting profession's leadership to conclude that inadequate progress has been made in attracting, retaining, and promoting diverse talent. For every 10 of the profession's most senior leaders, nine are white, eight are male, and few openly identify as LGBTQIA (lesbian, gay, bisexual, transgender, queer, intersex, and asexual).¹



Once closed to persons of diverse demographic backgrounds, the accounting profession in the United States, encompassing public accounting and management accounting (accountants and financial professionals working in organizations), now consists of a majority of female and more than one-fifth nonwhite professionals. This progress, however, is not reflected at senior levels. Men comprise 86% of the CFOs of Fortune 500 and S&P 500 companies and 77% of partners in accounting or finance functions at U.S. CPA firms. More than 90% of

the profession's executive leadership are non-Hispanic white (see Table 1).

Persons who identify as LGBTQIA can elect to disclose their status or keep it private, which affects the ability to make accurate assessments around the segment's representation. A 2017 Gallup poll estimates that approximately 4.5% of American adults identify as lesbian, gay, bisexual, or transgender, and a 2020 McKinsey publication reports that LGBTQ+ persons are underrepresented in corporate America and its senior leadership roles.² While there is a lack of

TABLE 1: KEY STATISTICS: U.S. POPULATION, ACCOUNTING WORKFORCE, AND ACCOUNTING LEADERSHIP

	2019 U.S. Population ³	2019 U.S. Accountants and Auditors Workforce ⁴	2019 Sitting CFOs of Fortune 500 and S&P 500 Companies ⁵	2018 Partners in Accounting/Finance Functions of U.S. CPA Firms ⁶
Female	50.8%	61.7%	13.9%	23.0%
Hispanic or Latino	18.5%	8.9%	1.6%	2.0%
Black or African American	13.4%	8.5%	1.4%	1.0%
Asian	5.9%	12.0%	4.9%	4.0%
American Indian and Alaska native, alone	1.3%	Data not available	Data not available	0.2%

As the U.S. government recognizes Hispanic or Latino as ethnicity rather than race, it is possible that there is overlap across the other races presented because persons can select Hispanic or Latino in addition to a race when responding to U.S. government surveys.

current research that provides a reliable estimate of the representation of LGBTQIA persons in the accounting profession, and the U.S. Census does not collect LGBTQIA identification, the study did not identify evidence to suggest that the U.S. accounting profession differs materially in this composition from the broader business workforce.

The dramatically low demographic diversity within accounting executive leadership raises a question for the profession's long-term sustainability: Why are persons from diverse demographic groups (other than white men who do not openly identify as LGBTQIA) overwhelmingly underrepresented at the profession's most senior levels? •

IMA® (Institute of Management Accountants) and CalCPA (California Society of Certified Public Accountants), with the support of our global research partner, research partners, research contributors, and research advisors, conducted a nationwide diversity, equity, and inclusion (DE&I) research study with three demographic focus areas: race and ethnicity, gender, and LGBTQIA orientation (see "Why this Study?" on p. 13). This study included an online survey of more than 3,000 current and former U.S. accounting professionals and interviews of nearly 60 accounting, human resources, and DE&I practitioners and academics. All survey respondents self-identified as current or former members of the U.S. accounting profession, and they varied in experience level, U.S. geographic region, and age.

Only half of the respondents of all backgrounds view the profession as equitable or inclusive, and an even smaller proportion of demographically diverse respondents share this view.

Only half of the respondents view the profession as equitable or inclusive. In comparing responses by demographic group, two-thirds of non-Hispanic, white, non-LGBTQIA males view the profession as equitable and inclusive, but about half of LGBTQIA respondents and, on average, one-third or less of female, nonwhite, Hispanic, and Latino respondents share this view (see Table 4 on p. 18).

On average, less than one-third of nonwhite, Hispanic, Latino, female, and LGBTQIA respondents view that their particular demographic group:

- Receives equitable treatment,
- Has access to the same opportunities, information, support, and resources as its non-Hispanic, white, male, and non-LGBTQIA counterparts, and
- Is provided with an inclusive environment by senior leaders in their organizations (see Table 5 on p. 19). •

I believe the profession is equitable.

48%

I believe the profession is inclusive.

50%

Persons of diverse demographic backgrounds report they are not advancing in the profession because of *inequity and exclusion*.

When asked to identify the factors that contribute to underrepresentation of their respective demographic groups in senior leadership roles, demographically diverse professionals point to firsthand observations or experience of inequitable practices and exclusive

behaviors. Respondents and interviewees cite instances of bias affecting recruitment, assignments, peer-to-peer interactions, promotions, compensation, mentoring and sponsorship, and retention efforts, including the factors mentioned in Table 2. •

TABLE 2: FACTORS THAT CONTRIBUTE TO UNDERREPRESENTATION IN SENIOR ROLES (as reported by each respective demographic group)

	Nonwhite, Hispanic, Latino	Female	LGBTQIA
This group does not consistently receive fair treatment in the recruitment process.	73%	57%	50%
This group does not have equitable access to sponsors or mentors within their organization.	70%	66%	50%
There is greater emphasis on recruitment than retention for this group.	62%	63%	34%
Leaders demonstrate unfair prejudice or bias toward this group that negatively affects promotion.	50%	73%	60%

Diverse talent leaves companies and the profession because of DE&I-related issues.

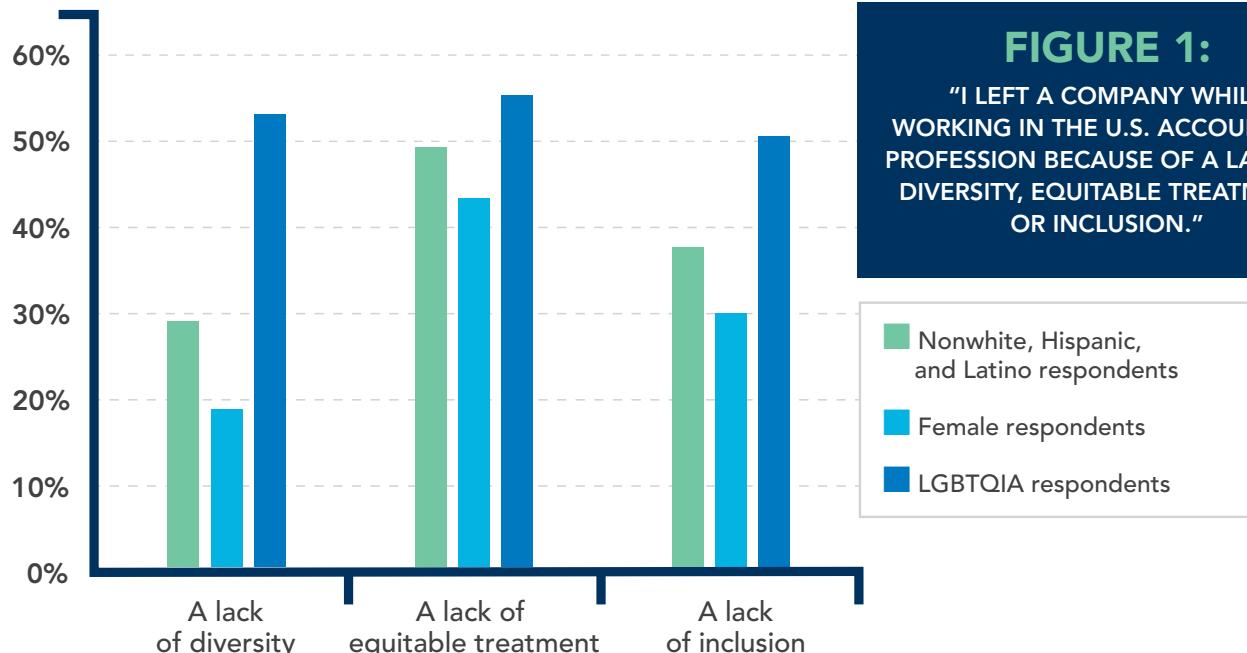
In each demographic group, respondents report that DE&I issues have directly contributed to decisions to leave a job and move on to another opportunity while working in the U.S. accounting profession (see Figure 1). Our study found that 43% to 55% of female, nonwhite, Hispanic, Latino, and LGBTQIA respondents have left a company due to a perceived lack of equitable treatment. At least 30% of the respondents from each of these groups have left companies because of a lack of inclusion. More than half of the respondents from each group that is underrepresented at senior levels report having personally experienced inequitable or exclusive treatment that they perceived to be rooted in bias against people like them. The following are some examples:

- Discovering that persons with comparable or

lower-level jobs, education, or experience, but different demographic backgrounds, were receiving better compensation.

- Failing to get promoted to a position for which they felt qualified.
- Feeling unsafe to contribute ideas that are different from others.
- Being yelled at or demeaned by a colleague, supervisor, or leader.
- Hearing derogatory comments or jokes about people like them.

Almost one in five LGBTQIA respondents and nearly one in 10 female and racially or ethnically diverse respondents report that inequitable and exclusive experiences contributed to them leaving the profession (see Table 6 on p. 20). •



The lack of DE&I poses risks to the success of the profession's transformation currently underway.

Technology advances and the accelerated pace of change have prompted automation of routine, repetitive tasks, and creation of more value-added jobs that require advanced competencies and skills. The profession must have the right capabilities to outpace and outrace technology advances—placing it in a *race for relevance*.⁷

A lack of DE&I directly affects the talent pipeline and the public's trust in the profession's ability to timely adapt to business changes. The long-term future of the U.S. accounting profession will be shaped by the ability of existing talent to effectively implement the transformation underway and the ability of the next generation of professionals to sustainably carry the profession's transformational efforts forward.

Analyzing the underrepresentation of diverse people among executive leaders along with the insights from academics and practitioners in this study reveals unmet challenges around retention and promotion. These dynamics require looking beyond diversity to equity and inclusion (see Figure 2 on p. 13). Just over 10% of the nearly

1,400 open-text survey responses asserted that the profession is a “pure meritocracy,” and further attention to DE&I is not only “unnecessary” but “detrimental.” Yet the profession’s lack of equity and inclusion can be interpreted by some in the world as contrary to its ethical principles and values of unbiased decision making and accountability (see “Ethical Imperative” on p. 38). It can also lead to failure in enticing, developing, and engaging the requisite talent for 21st Century demands.

Additional factors reinforce the critical importance of ensuring the presence of diverse talent:

- Research shows that teams with greater diversity, particularly at the leadership level, realize greater innovation and returns than less diverse counterparts (see Appendix B). Therefore, the transformation will yield greater success and value with increased diversity.
- By 2045, persons who identify as non-Hispanic white are projected to become the minority of the U.S. population.⁸ The accounting workforce

and its leadership do not reflect the current demographic makeup of the population. The source of future professionals is the younger generation, which is more diverse. Identifying ways to attract diverse talent to the profession is vital.

Respondents of all backgrounds assert that DE&I efforts to date have not yet satisfied the

profession's ethical obligations, demands for talent, societal expectations, and prospective value delivery. In their perspective, bias still influences hiring, promotion, and development decisions at every point along the talent pipeline. Without targeted and coordinated efforts to improve diversity, recognize talent equitably, and foster an inclusive environment, the profession may risk losing the race for relevance. •

Acting now to further diversify U.S. accounting talent is critical to achieving transformational outcomes.

Attracting, retaining, and promoting the next generation of leaders into the 21st Century is paramount to the long-term sustainable success of the profession. Although some strides have been made toward a more diverse workforce, progress has been incremental. Respondents indicate the profession needs more role models, courage, and innovation to bring about and sustain the amount of change needed. DE&I professionals call for more transformative, action-oriented approaches. Talented and capable people from diverse backgrounds are calling for respect and equitable opportunities. Finance and accounting leaders are calling for progress without compromising competency-based advancement.

This study calls for the profession's entire ecosystem (accounting leaders and practitioners, accounting associations, standard setters, regulators, colleges and universities, accounting academics, hiring personnel, and organizations employing accountants) to act collectively to:

- Acknowledge the impact of the current state of DE&I on the talent pipeline and the transformation,

- Prioritize establishing an end-to-end diverse talent pipeline, and
- Leverage ethical principles to foster an unbiased, inclusive, and respectful culture.

Bringing in and promoting talented people based on relevant and unbiased factors rather than demographics present a valuable opportunity. Taking prominence in corporate decision making, reporting, and governance, DE&I matters have become highly relevant to the profession's clients and constituents. The U.S. Securities & Exchange Commission has adopted human capital resources reporting for the Management Discussion and Analysis portion of Form 10-K. More broadly, investors are calling for more disclosures about how corporations are responding or contributing to resolving social justice issues. Because of their public interest orientation and commitment to act ethically, accountants are uniquely positioned to implement DE&I improvements as well as advise and support the development of the right indicators to measure the success of DE&I programs. •



PART 1

Diversity, Equity, and Inclusion: The State of the Profession and Key Findings

Why this Study?

Research shows greater diversity leads to more innovation and stronger value delivery.

Significant research makes an overwhelming business case for diversity in business (see Appendix B). This research reveals that organizations with above-average diversity on their leadership teams report more innovation, higher earnings, and better overall financial performance than those with below-average leadership diversity.⁹ Thus, motivated by business strategy, public pressures, and the profession's foundational ethical imperative, leaders in accounting have deployed or supported a range of initiatives such as policies, tool kits, mentoring programs, specialty groups, and sensitivity training to bolster diversity, equity, and inclusion (DE&I). •

FIGURE 2: DEFINING "DIVERSITY," "EQUITY," AND "INCLUSION"

DIVERSITY	EQUITY	INCLUSION
Any dimension that can be used to differentiate groups and people from one another. These dimensions, such as age, ethnicity, and gender, can be visible or tangible, or they may be invisible or intangible, such as thoughts, perspective, experiences, belief systems, faith, culture, and sexual orientation.	The promotion of justice, impartiality, and fairness within the procedures, processes, and distribution of resources.	A state of being valued, respected, and supported.

* The use of "equity" throughout this report, rather than "equality" which is more commonly used by some international accountancy bodies, is intentional as the focus of this component of the study aligns with the working assumption that sometimes sameness of treatment (equality) does not result in proportional fairness (equity).

Sources: Equity: bit.ly/3bDD2LE; inclusion: bit.ly/3ig1K5Y.

Progress has been made with diversity.

The U.S. accounting profession has become more diverse over time. As recent as the early 20th Century, access to the profession was restricted for females, impenetrable for certain ethnicities and nonwhite races, and only attainable for LGBTQIA (lesbian, gay, bisexual, transgender, queer, intersex, and asexual) persons if they were white, male, and had not disclosed their LGBTQIA identification. Today, the U.S. accounting profession is nearly 62% female, 23% nonwhite, and includes persons across multiple demographics who have identified as LGBTQIA in professional settings.¹⁰ •

TABLE 3: KEY DEMOGRAPHICS IN THE U.S. ACCOUNTING PROFESSION, 2019 AND 1983¹¹

	Female	Black or African American	Asian American	Hispanic or Latino
2019	61.7%	8.5%	12.0%	8.9%
1983	38.7%	5.5%	Data not available	3.3%

DE&I progress does not manifest at senior levels.

Despite these trends over the decades, representation by African American, Hispanic, and Latino persons in the profession and leadership roles remains markedly lower than their respective representation within the U.S. population. Women and Asian Americans comprise a greater portion of the profession than their representation within the overall U.S. population, but based on workforce statistics, they are underrepresented in senior roles (see Table 1). LGBTQIA persons are underrepresented in corporate America and its leadership positions. The data offer a clear conclusion: The most senior levels of the profession are highly unrepresentative for all people of diverse demographic backgrounds. •

This study sought to understand the diversity gap between the profession and its leadership.

To perform a holistic assessment of the current state of the U.S. accounting profession from a DE&I perspective, IMA® (Institute of Management Accountants) and CalCPA (California Society of Certified Public Accountants) cosponsored a nationwide study of DE&I with three demographic focus areas: race and ethnicity, gender, and LGBTQIA. With the support and contributions of the global research partner, research partners, research contributors, and research advisors, this study aimed to identify the following:

- Key factors contributing to the underrepresentation of certain demographic groups in the profession in senior leadership roles,
- Current DE&I perceptions and experiences of accounting practitioners, and
- Actions needed to remedy underrepresentation of certain groups in the profession at all organizational levels.

Of the 3,136 survey respondents and 57 interviewees, 47% identified as female, 68% identified as white or Caucasian, and 7% identified as LGBTQIA (see Appendix A). •

DE&I in the Profession: A Holistic View

Societal influences, attitudes, and norms have affected the U.S. accounting profession just as they have affected the workplace as a whole. A long history of systemic racism, misogyny, and discrimination based on sexual orientation and gender identity fostered a culture of exclusion, segregation, oppression, and even violence against marginalized groups.

WOMEN: Within accounting, these influences typically relegated women to bookkeeping and clerical jobs. More significantly, women have been the objects of demeaning remarks and stereotypes about limited interest in and capabilities for leadership. They have also been the targets of sexual harassment in the workplace.¹²

LGBTQIA: Prompting most to concealment, the U.S. accounting profession was unwelcoming to persons who self-identified as LGBTQIA.¹³ Those in the workforce who were believed to be LGBTQIA were often humiliated, discriminated against, passed over for promotions, or legally terminated.

Over recent decades, consistent with broader workforce trends, the U.S. accounting profession has responded to societal pressure, legal reform, and significant increases in diversity in the U.S. population. Legally, U.S. employers can no longer deny employment or terminate an employee based on gender, race or ethnicity, or LGBTQIA identification. The outright restrictions preventing persons from obtaining professional accounting certifications or gaining access to the profession are gone. Most members of the profession now benefit from corporate policies that allow for safe reporting of inappropriate behavior, forums for internal discussion, the removal of artificial barriers toward advancement, and formal processes to ensure fair recruitment practices.

Leaders in the accounting profession and, more broadly, in corporate America are currently taking action to create more diverse, equitable, and inclusive workplaces. There is a growing acceptance that this action is good for business. Varied perspectives enhance customer and client outreach and enrich decision making at all levels within an organization, and this enhances performance and results (see Appendix B).

As our one-on-one conversations revealed, there is observable movement in DE&I initiatives, particularly at larger companies and in larger metropolitan centers. Champions within the profession are proactively implementing DE&I-related corporate social responsibility initiatives and making significant contributions to increasing diversity in business school classrooms, educating youth from underserved communities, and building diverse candidate pools. New scrutiny is being brought to the effectiveness of training and awareness-raising programs. The research noted that about 10 years ago, the profession made an effort to recruit more women, and the demographics show the result: More women are entering the profession. Today, some organizations are taking this one step further by rewarding senior leaders who champion gender parity. Attention to activities that empower, coach, mentor, and sponsor racial and ethnic minorities and LGBTQIA professionals will result in similar progress. •

RACE AND ETHNICITY: Nonwhite, Hispanic, and Latino persons were legally denied employment based on race and ethnicity. Some states' laws prevented African Americans from sitting for the CPA examination altogether, and most African Americans were excluded from obtaining a CPA license because they were unable to meet the experience requirement that mandated work with licensed practitioners, most of whom were white and would not hire African Americans. Racial and ethnic minorities were restricted from certain client assignments and regularly overlooked for advancement opportunities.¹⁴

Despite noteworthy increases in the number of women leaders and other points of progress, this study found that inequities and exclusive behaviors persist in the profession. They are the primary reason for diverse talent's underrepresentation at senior levels.

In the face of a transformation during which the profession redefines its offering and reconsiders human capital resources, survey respondents and interviewees confirm that inequity and exclusion are directly and negatively affecting diverse talent's attraction to the profession and retention, promotion, and comfort in the profession. The current state of DE&I and its impact on the profession are explored in four key areas:

- Attracting diverse talent,
- Retaining and promoting diverse talent,
- Overcoming bias in the workplace, and
- Responding to assertions of meritocracy.

Attracting Diverse Talent

More than 90% of the interviewees in this study raise the importance of reaching the next generation of professionals, including members of underrepresented groups, by increasing the discipline's visibility to youth and presenting an image that features possible career tracks. Interviewees report that today, DE&I-related issues disproportionately reduce the profession's attractiveness to underrepresented groups, specifically persons who identify as African American, Hispanic, Latino, and LGBTQIA (see "Factors Disproportionately Reducing the Profession's Attractiveness to Underrepresented Groups").

Factors Disproportionately Reducing the Profession's Attractiveness to Underrepresented Groups

Factors reducing the profession's attractiveness to African American, Hispanic, and Latino persons

- Lack of exposure to the profession prior to college
- Stereotypes regarding lower mathematical aptitude
- The disproportionately greater need to begin generating income immediately after receiving a bachelor's degree (rather than attending additional schooling for CPA eligibility)*

Factors reducing the profession's attractiveness to African American, Hispanic, Latino, and LGBTQIA persons

- Discrimination experienced by parents or earlier generations from the business community
- Insufficient support during college
- Lack of business school professors with whom diverse talent identifies
- Perceived exclusive environment and inequitable treatment within the profession
- Lack of visible, successful diverse talent in senior levels of the profession

* The CPA examination education requirement mandates candidates earn 150 college credit hours for CPA eligibility. Only 120 credit hours, however, are required to obtain an undergraduate degree. Students who desire to sit for the CPA examination may earn the additional 30 credit hours by obtaining another degree (most often, a master of accounting in the fifth year of college) or taking additional coursework at an accredited institution without obtaining an additional degree.

Interviewees anticipate that without significant improvement, the accounting profession will perpetuate perceptions that it is closed and inequitable, and the brightest young talent will remain unengaged and unreachable. Some respondents went further by noting that a lack of diversity at senior levels may erode progress already made (particularly among women and Asian Americans) because diverse talent—along with some younger white male counterparts—may pursue alternative areas of study or leave the profession because they view other long-term career opportunities as more promising and inclusive.

Retaining and Promoting Diverse Talent

Nearly 27% of current U.S. accounting professionals are over 54 years old, and 8% are over 65 years old.¹⁵ The average age of sitting CFOs of *Fortune 500* and *S&P 500* companies is 53 years.¹⁶ Consequently, the profession is likely to see significant movement in senior leadership roles and hundreds of thousands of practitioners leaving the workforce for retirement within the next decade. Additionally, by 2045, persons who identify as non-Hispanic white are projected to become the minority of the U.S. population.¹⁷ Replacing these senior professionals raises a need to attract younger people. In the U.S., these younger people are from diverse backgrounds; the profession needs to innovate ways to attract them.

This expected exit of longer-tenured talent, concurrent with rapidly increasing diversity in the U.S. population, would appear to drive the profession toward retaining and promoting diverse talent. This study recognized, however, that many persons in the focus demographic groups are stuck in lower- and midlevel positions or leaving the profession altogether. In addition, a lack of DE&I affects the career decisions of people who are not part of underrepresented groups. For instance, some white, non-LGBTQIA men reported that they want to see an improvement in DE&I at senior levels as a point of continued engagement and pride in being a part of the profession. In response to multiple survey and interview questions, as detailed later in this report, this study's respondents invariably point to factors around equity and inclusion as the reason for underrepresented groups' lack of advancement in or premature exit from the profession. •

Equity and Inclusion: Only half of all respondents view the profession as equitable and inclusive. Non-Hispanic, white, non-LGBTQIA males are more likely to view the profession as equitable or inclusive than nonwhite, Hispanic, Latino, female, and LGBTQIA respondents.

Despite general progress in DE&I across the profession, many current and former accounting practitioners do not believe that actions taken to date have resulted in an equitable and inclusive profession (see Table 4). •

TABLE 4: RESPONDENTS WHO VIEW THE PROFESSION AS EQUITABLE OR INCLUSIVE

	I believe the profession is equitable.	I believe the profession is inclusive.
Nonwhite, Hispanic, or Latino	26%	30%
Female	33%	37%
LGBTQIA	54%	55%
White male, non-LGBTQIA	67%	69%
All	48%	50%

Inequity and exclusion: On average, less than one-third of nonwhite, Hispanic, Latino, female, and LGBTQIA respondents say that their demographic group receives fair and inclusive treatment.

When asked about the treatment and conditions of their own demographic, views of nonwhite, Hispanic, Latino, female, and LGBTQIA respondents are even less favorable than for the profession as a whole. Only 16% of nonwhite, Hispanic, or Latino respondents believe that their group receives equitable treatment (see Table 5). Female and LGBTQIA respondents are similarly unconvinced about the profession's inclusiveness or lack of bias.

TABLE 5: DIVERSE TALENT OVERWHELMINGLY PERCEIVES AN INEQUITABLE WORKPLACE

	Nonwhite, Hispanic, or Latino (as reported by nonwhite, Hispanic, and Latino respondents)	Female (as reported by female respondents)	LGBTQIA (as reported by LGBTQIA respondents)
I believe this group receives equitable treatment.	16%	30%	30%
I believe this group has access to the same opportunities, information, support, and resources as its counterparts (white, male, and non-LGBTQIA, respectively).	21%	36%	30%
I believe senior leaders provide an inclusive environment for this group.	23%	33%	34%

Considered along with the underrepresentation at senior levels, as shown in Table 1, these respondents' perceptions support a conclusion that the U.S. accounting profession is not providing an inclusive environment in which everyone feels welcome and respected. Further, members from diverse groups believe persons with their respective backgrounds are receiving inequitable treatment from the profession's leadership. •

A lack of DE&I influences talent retention within organizations and the profession.

On average, nearly half of nonwhite, Hispanic, Latino, female, and LGBTQIA respondents report leaving a company for a lack of equitable treatment. At least 30% of these respondents have left companies because of a lack of inclusion (see Figure 1 on p. 10).

When assessing the more holistic impact of DE&I on talent retention within the profession, as many as 18% of LGBTQIA respondents, 10% of nonwhite, Hispanic, and Latino respondents, and 7% of female respondents report inequitable and exclusive experiences that they believed were rooted in bias and that contributed to their decision to leave the profession (see Table 6). Career decisions of LGBTQIA respondents are more heavily affected by a lack of DE&I than respondents of any other demographic group.

These findings suggest that the lack of DE&I, specifically inequitable and exclusive experiences, has a direct effect on the retention of diverse talent. Decreasing human capital contributions to the business, a lack of DE&I affects turnover within an organization's accounting and finance function. As indicated by survey responses in Table 6, inequitable and exclusive behaviors and practices relating to compensation, promotions, or treatment by supervisors or leaders directly contribute to a wholesale loss of diverse talent across the profession.

TABLE 6: "I EXPERIENCED BEHAVIORS THAT I PERCEIVED TO BE ROOTED IN BIAS AGAINST PEOPLE LIKE ME AND THAT CONTRIBUTED TO MY LEAVING THE PROFESSION."

	LGBTQIA Respondents	Nonwhite, Hispanic, and Latino Respondents	Female Respondents	White Male, Non-LGBTQIA Respondents
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	18%	6%	5%	5%
I was yelled at or demeaned by a colleague, supervisor, or leader.	15%	10%	7%	4%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	15%	8%	6%	5%
I experienced direct bias or discrimination.	14%	7%	5%	3%

Overcoming Bias in the Workplace

Interviews with human resources, DE&I professionals, and academic researchers suggest that inequity and exclusion in the profession rarely manifest as overtly today as they did in the past. Contemporary challenges in these areas most often take the form of microaggressions, implicit or unconscious bias and presumptions, unfounded stereotyping, and social or professional exclusion. (See Figure 3.)

FIGURE 3: UNCONSCIOUS BIAS, STEREOTYPES, AND MICROAGGRESSIONS

UNCONSCIOUS BIAS	STEREOTYPES	MICROAGGRESSIONS
Involuntary categories and stereotypes we use to assess people, situations, and actions	Oversimplified ideas or a generalized belief about a particular type of person or group of people	Everyday verbal, nonverbal, and environmental slights, snubs, or insults, whether intentional or unintentional, that communicate hostile, derogatory, or negative messages to target persons based solely upon their marginalized group membership

Source: Microaggressions: bit.ly/3nIFnas.

Typically, these behaviors are not obvious and are challenging to substantiate. Moreover, discerning the impetus for microaggressions can be exacerbated by “intersectionality”—a term coined by Kimberlé Crenshaw in 1989 to describe the way people’s social identities can overlap. In short, people often cannot determine with certainty whether inequitable or exclusive treatment results from being an ethnic minority, a woman, or LGBTQIA.

Nevertheless, a person's identification with a particular demographic group often results in self-monitored or modified behavior in the workplace. In his book, *Whistling Vivaldi*, social psychologist Claude Steele explores *identity contingencies*—“the things you have to deal with in a situation because you have a given social identity.” Steele describes how identity contingencies influence us: “Some constrain our behavior down on the ground.... Others, just as powerful, influence us more subtly, not by constraining behavior on the ground but by putting a threat in the air.” Steele’s description of stereotype threat—a threat in the air or an unfounded assumption broadly applied to a demographic group—and responses to this threat describe our study’s key findings as they relate to bias in the profession.

With considerable consistency, the study’s female, nonwhite, Hispanic, Latino, and LGBTQIA participants detailed extensive, subtle behavior modifications and personality adaptations that they used in work settings to deflect stereotypes. In many instances, interviewees of these demographic categories describe scenarios in which they consciously presented themselves in ways that were not really *them*. Instead, they conformed to what they viewed as culturally acceptable to the majority. For example, they overextend, working double the hours of colleagues or volunteering for additional assignments to combat the stereotype of poor work ethic. Some adjust speech patterns, attire, or hairstyles to combat the stereotype of being unprofessional, unpolished, or unkempt. Sometimes they altered behavior without realizing it until later reflection on a scenario. Other times, they modify their behavior consciously in the moment to combat stereotypes regarding their social identification.

Most interviewees of this study’s focus demographic groups stated that, sometimes, the choice to employ deflections to avoid stereotyping was encouraged by persons within their own demographic category. These behavior modifications reflect a belief that presenting one’s *whole, authentic self* would result in detrimental or penalizing consequences. Women, racial and ethnic minorities, and LGBTQIA professionals confirmed the opinion that collectively, stereotype threats and other bias-based actions, even if perpetrated unintentionally, have contributed to prolonged discomfort in the workplace, premature exit from the profession, and underrepresentation among senior leadership. •

IDENTITY CONTINGENCIES

“The things you have to deal with in a situation because you have a given social identity, because you are old, young, gay, a white male, a woman, black, Latino, politically conservative or liberal...and so on. Generally speaking, contingencies are circumstances you have to deal with in order to get what you want or need in a situation.”

Source: Claude M. Steele, *Whistling Vivaldi: How Stereotypes Affect Us and What We Can Do*, W.W. Norton & Company, 2010.

Responding to Assertions of Meritocracy

Perception: Some members in the profession believe that further action to improve DE&I is unnecessary, inappropriate, and, in some instances, discriminatory against white, non-LGBTQIA males. Several expressed themselves in callous, personal attacks on this study’s research team and its sponsoring, partnering, and contributing organizations.

People from groups that are underrepresented among senior leadership assert that they do not seek to negate or discount the experiences of other groups, including those with immigrant roots who sought the profession as a means to the upper middle class. They acknowledge that other demographic

groups, such as those from Irish, Eastern European, Jewish, and Italian backgrounds, historically suffered discrimination in the profession. Yet study participants maintain the position that the past discriminatory practices toward some groups do not justify discrimination of other groups today. They observe that certain groups *remain* disproportionately excluded from advancing in the profession because of disadvantages and unfounded bias that continue without resolution.

Some members of the profession disagree. This study's interviews, open-text survey responses, and direct correspondence demonstrate that a number of members of the profession believe that further action to improve DE&I is unnecessary. The following themes were identified in approximately 10% of the 1,370 open-text survey responses received:

- A blind meritocracy will resolve any presumed DE&I issues.
- DE&I challenges were resolved decades ago, and they are no longer pertinent.
- Hiring managers receive very few applications from qualified diverse applicants.
- Few members of underrepresented groups are available or ready for internal promotion.
- Many members of underrepresented groups leave voluntarily; they are not pushed out.
- Efforts to improve diversity disadvantage qualified white, non-LGBTQIA males.

The majority of interviewees, however, responded that a true meritocracy is not an absolute solution in practice for a number of reasons:

- The disproportionate underrepresentation in senior roles confirms that a widespread blind meritocracy does not exist today.
- Blind meritocracy promotes a recruitment culture of ignoring differences in race, gender, and sexual orientation rather than valuing them.
- A belief in the purported meritocracy perpetuates unconscious bias and favoritism, and leaves these issues unaddressed. For example, a lack of diversity in the profession's most senior roles has led to inequitable invitations to the means for professional development.
- Women have made the greatest improvement in diversity among senior roles in the profession, as the result of an abundance of targeted DE&I initiatives across the profession and concerted cultural changes.
- The lack of recognition or awareness of diversified people as talented, along with presumptions about their capabilities, results in diverse professionals either remaining stuck at lower- or midlevel positions or leaving the profession altogether. Respondents stated that the lack of diversity among roles that are directly beneath those of CFO and CPA firm partners inhibits improvement.

Respondents and interviewees observed that those who challenge the need to enhance attention to DE&I often reserve their views for private discussions or anonymous forums. The hidden nature of these remarks contributes to the belief that some publicly voiced support for DE&I is disingenuous window dressing. This perceived insincerity erodes trust and results in the loss of engagement and commitment. It leads people of all backgrounds to believe that reporting acts of bias will trigger hostility and retaliation. Under these conditions, as the interviewees suggest, a true meritocracy is unattainable. •



In Your Shoes

To heighten awareness of real-life experiences, professors Theresa Hammond and Prem Sikka call for “the use of oral histories to give voice and visibility to those marginalized or otherwise adversely affected by accountancy.”¹⁸ Following these academics’ suggestion, the following pages present a series of profiles that “walk in the shoes” of those who offered their firsthand accounts through one-on-one interviews and open-text survey responses. These generational career reflections along the profession’s talent pipeline do not represent any single interviewee but portray the experiences of multiple interviewees and respondents with the demographic and professional attributes displayed.

FINANCIAL ANALYST IN BUSINESS

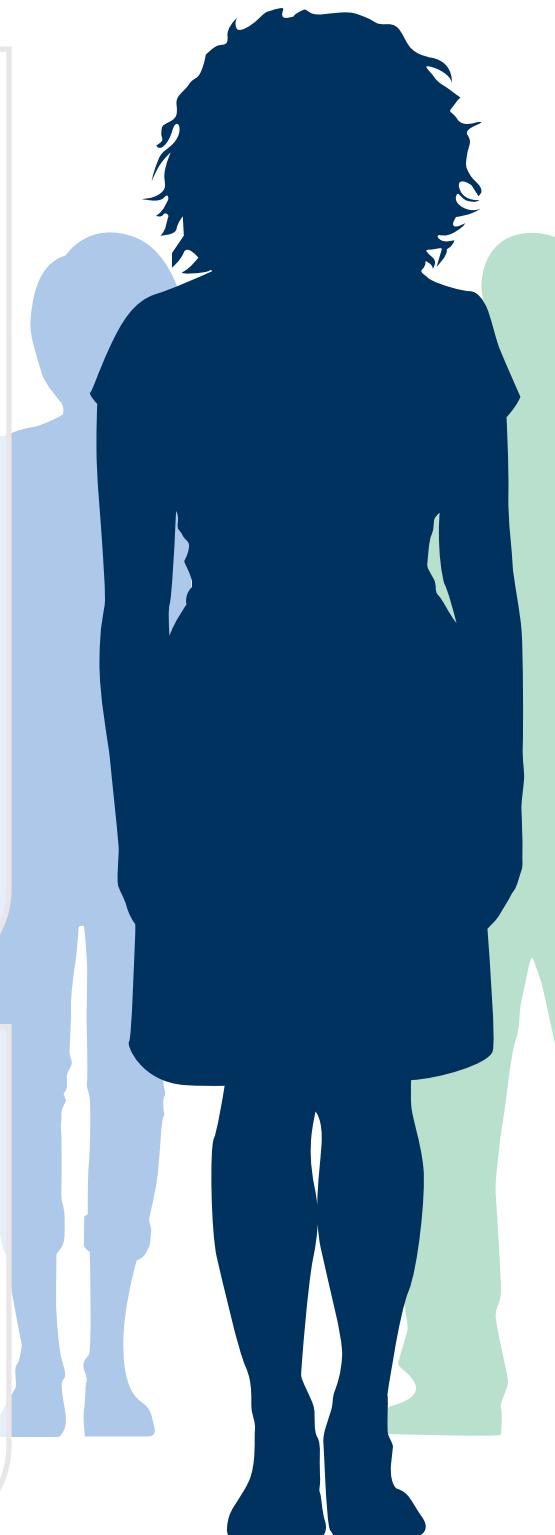
Black female // Age: under 30 // Average five years in business

“ I was a top student and landed a job at what I thought was a great company. For months, I didn't receive any actual work (other than administrative tasks), but my white peers received great and challenging assignments. I repeatedly asked for work but continued to show up each day and get paid to do nothing. I learned much later that my boss, a white male, believed I was hired just because I was Black.”

“ Many of my Black female young professional colleagues in the accounting profession are just planning to start their own businesses and leave the profession once those efforts generate enough income.”

“ Our accounting organization just went through a massive reorg, and, after hundreds of managed moves, the full senior leadership team is still all white. The only diversity we can see is the presence of white women.”

“ I am receiving great developmental assignments in my organization but have been told that I should not expect to move beyond midlevel in the accounting or finance department. There is only one senior Black female executive in the finance function at the global company I work for with thousands of persons in the finance function. I have no reason to believe I will advance.”





AUDITOR, SENIOR AUDITOR, PUBLIC ACCOUNTING

Hispanic female // Age: under 30 // Average five years of public accounting experience

“ As we progress in our careers, the hours are very demanding. I don't know if I will be able to keep working 60+ hours a week and start a family. Women don't see that as an opportunity in public accounting.”

“ I worked on a client team led by an older white partner who ignored me in favor of one of my teammates until he realized I had a brain. He was from an older generation and only wanted to talk to my white colleague. I didn't dwell on it; I just assumed that was the way it was.”

“ A key challenge to entering the accounting profession was the CPA exam being in English. English is not my first language. If I had more time on the CPA exam, I could do better because it just takes me a bit longer to process the questions.”

“ A female accounting supervisor walked past me while in Spanish conversation with the cleaning lady and asked, 'Why don't you speak English?'”

AUDITOR, SENIOR AUDITOR, PUBLIC ACCOUNTING

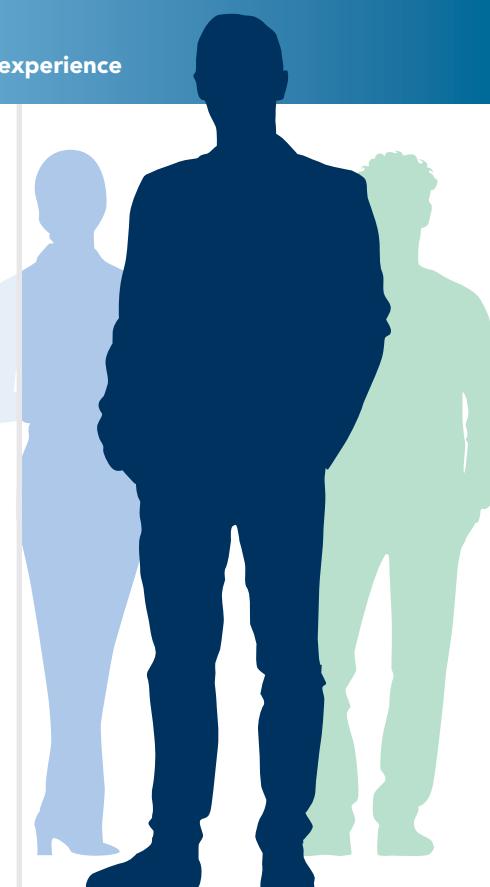
Openly gay white male // Age: 25-35 // Average five to 10 years of public accounting experience

“ I was fortunate to go to a college where I did not feel discriminated against because I am gay. There was a sense of community, and there were affinity groups. I got the support I needed and was able to focus on my studies. But I was concerned about the perceived conservative nature of the profession even though I really love accounting.”

“ I left one employer because I did not feel included in the organization. Many of my LGBT+ associates who are 'out' have also left organizations because of this. I intentionally bring my whole self to interviews so people can decide up front if they want to hire me or not knowing my identification.”

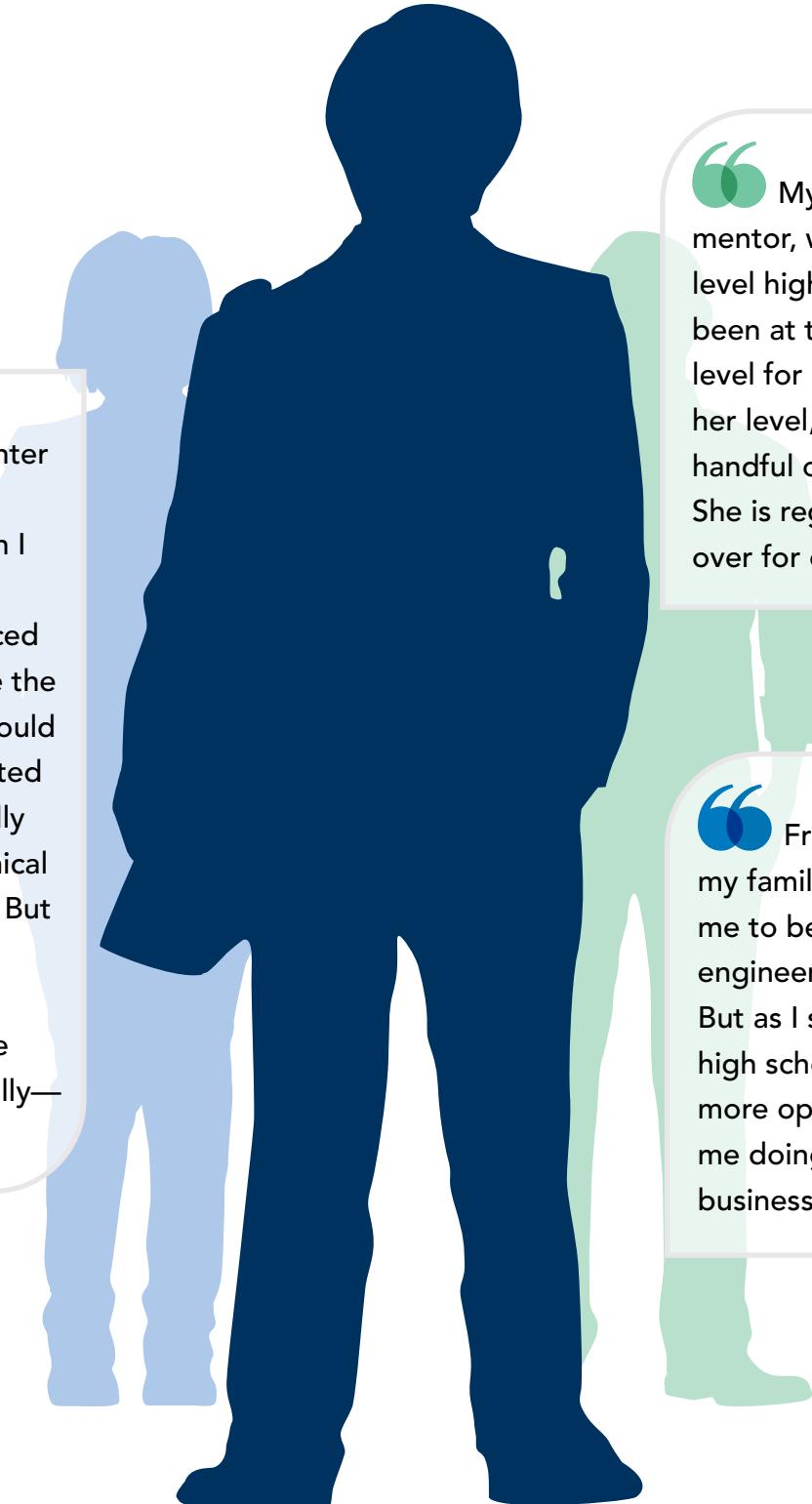
“ Many persons I attended college with did not choose business majors in favor of professions they thought might be more accepting of persons in the LGBT+ community. You have to be really passionate about accounting and really secure to be 'out' in this profession.”

“ I am disappointed to know that there are some LGBT persons who are senior leaders in the profession but do not bring that part of themselves to work. I have been told by LGBT+ colleagues that certain leaders are also LGBT+ but in work settings they do not speak of it. This makes me wonder if there is truly a long-term future in the profession for me even today.”



SENIOR FINANCIAL ANALYST IN BUSINESS

Asian male // Age: 30-40 // Average 10 years in business



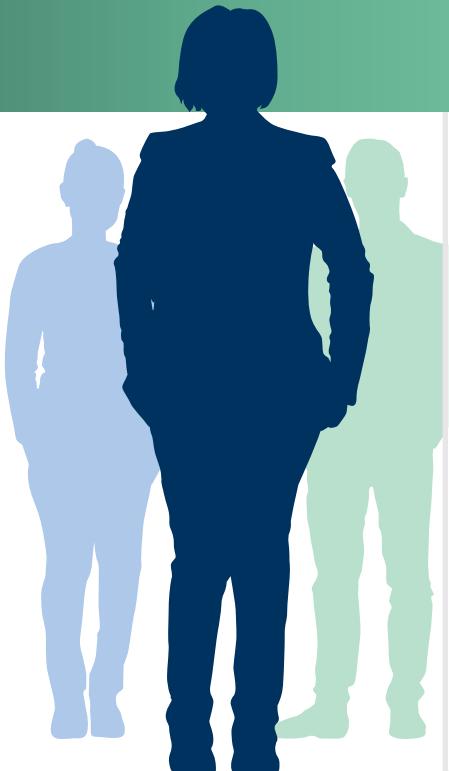
“ I did not encounter many challenges in business school. When I started my first accounting job, I noticed many people gave me the assignments no one could figure out—I was excited about it. I worked really hard and solved technical accounting problems. But when asked to lead projects, my white colleagues—who were not as strong technically—were asked to lead.”

“ My Asian American mentor, who is only one level higher than me, has been at the team leader level for 10 years. Above her level, there are only a handful of Asian leaders. She is regularly passed over for opportunities.”

“ From a young age, my family always wanted me to be a doctor, lawyer, engineer, or professor. But as I started entering high school, they became more open to the idea of me doing something in business.”

MIDLEVEL LEADER IN PUBLIC OR MANAGEMENT ACCOUNTING

Black female // Age: 40-55 // More than 20 years of experience in business



“ I entered a conference room with all white male senior leaders to facilitate a session. I was dressed in professional attire and holding my laptop and notebook. One of the males in the room asked, ‘Oh, are you here to bring the coffee?’ ”

“ I am no longer as invested in my career. I have decided to focus more energy on other efforts because I do not believe I will ever be rewarded for my contributions. There is always ‘one more thing’ I need to do before I will be ready. Another certification. Experience in a

certain part of the business. More exposure to larger-scale projects. Yet each time I cross the item off the list, another appears. It is a constant moving target.”

“ I was in the top of my high school class. I went to a majority white college on full scholarship and was top of that class. I am a CPA. I consistently receive positive performance feedback. Yet I did not receive my first team leadership opportunity until 20 years into my career, and I don’t expect I will ever reach senior leadership.”

PARTNER, SENIOR OFFICER, PUBLIC ACCOUNTING FIRM

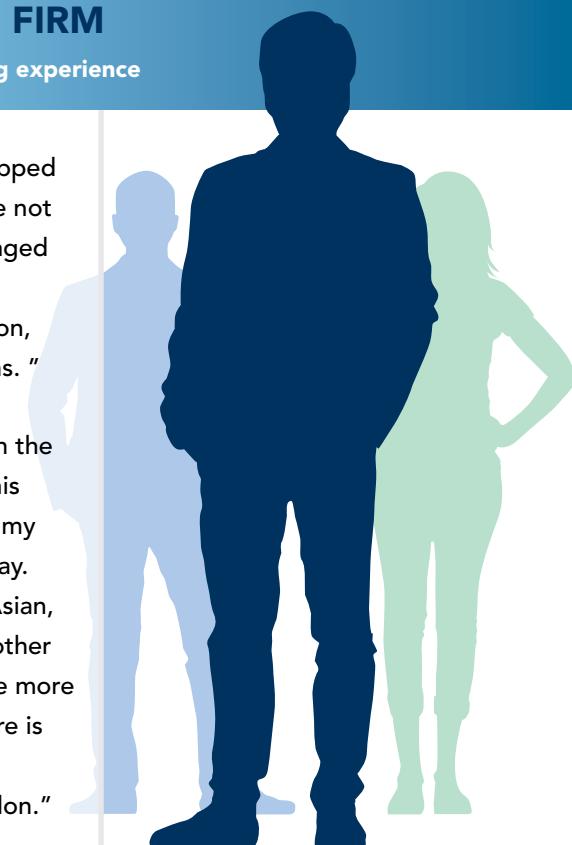
Openly gay Asian male // Age: 40-50 // More than 20 years of public accounting experience

“ I am now in a senior leadership position, and I am committed to using this position to fostering an inclusive environment and treating all persons equitably. I believe my team is thriving because of this.”

“ When we hear about racial and ethnic diversity efforts, we always hear about Black and Latino persons. Everyone assumes that because Asian Americans increased representation across the profession that no action is needed. But Asian Americans are making it to midlevel roles and don’t make it to the top. That’s not OK. Why don’t we [Asian Americans] matter?”

“ As Asian Americans, we are trapped in the middle ground because we are not traditionally economically disadvantaged and tend to be quieter. I see Black colleagues step up and demand action, but I don’t see that with fellow Asians.”

“ More role models are needed in the LGBT+ community. I struggle with this because I want to be recognized for my accomplishments, not because I’m gay. Then I end up becoming the token Asian, or minority, or LGBT+ person. I ask other LGBT+ colleagues why they won’t be more visible, and they say it’s because there is still a fear of discrimination from the predominant white male upper echelon.”



PARTNER, PUBLIC ACCOUNTING FIRM

White female // Age: 45-55 // More than 20 years of public accounting experience

“ During the firm interview, I said in 10 years I expected to be partner. All three male managing partners laughed at me and said, ‘We have been in business 50 years. We have never had a female partner and don’t see that happening.’”

“ After five years, I left the firm because of sexual harassment but returned to try and help change it. I had it hard enough as a woman—and I am white. Minorities had it even worse. If the name wasn’t ‘right’ on the résumé, they weren’t even considered—until I started hiring. I am working to get another woman promoted to partner. When I retire, I want a minority woman to replace me. We have to be the change we want to see.”

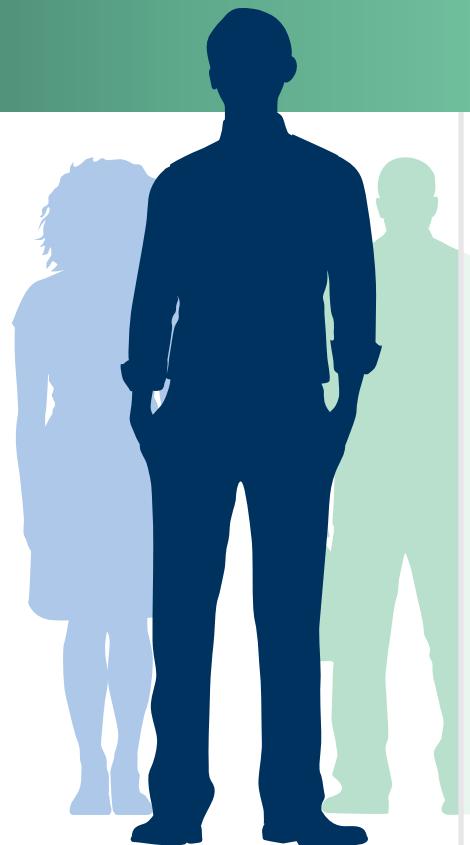
“ I had to work three times as hard as the male partners in my small public accounting firm, but I made it. I also made less money than male partners for the first eight years because they kept giving me administrative work.”

“ Managing partners said they never would have let me be a partner if I had children and I didn’t need to earn the same salary as the other partners since I had a husband. I was also told—as a partner—that I couldn’t have a certain account because I was a woman and couldn’t handle it, even though I worked on the account for more than 20 years.”



VICE PRESIDENT, SENIOR OFFICER

White male // Born in 1980s



“ While in decision-making positions, my boss and I have turned down business from vendors when we observed their representatives operating with bias or making inappropriate statements founded in stereotypes.”

“ I left my last firm because I didn’t like the way my direct supervisor was being treated. She was a Black woman, and I saw how unfairly she was treated. I was rewarded for my strong performance, but she was evaluated on totally different standards.”

“ I think my race has played a role in how successful I’ve been. As a white

male, people give me the benefit of the doubt, so I know that I’ve risen faster. I’m in my mid-30s, and I’m already in a C-suite position. I don’t see any other people of color with similar abilities that have moved this quickly.”

“ My former CFO, who brought me into the company, was a Latina female. She was many years my senior, but when we would meet with investment firms, they would direct conversations to me—even though I was the most junior person in the room. I had none of the decision-making authority, but they just assumed that I did.”

VICE PRESIDENT IN FINANCE OR ACCOUNTING IN BUSINESS

Black male // 20 to 30 years of experience in public and management accounting

“ I often hear leaders say they can’t find ethnically diverse talent for these top roles. This isn’t accurate, and I question, ‘Where are they looking for this talent?’ Those who intentionally look find diverse talent just fine.”

“ I know of many examples of blatant racism in public accounting. Once, an African American mentee of mine was called ‘Oscar Mayer Wiener’ by accounting colleagues at his firm because of the color of his skin.”

“ In the ‘80s and ‘90s, women were

not in partner ranks in public accounting. Targeted efforts were undertaken to correct that to bring women along. However, we don’t have that kind of effort for racial diversity.”

“ I worked over a decade at Big 4 firms. I did well and made it to senior manager, but I believe I did not have the opportunities to serve at the partner level because I did not have the right mentors to get there. Now, I serve as a mentor to many colleagues of all backgrounds. I also sponsor them by finding meaningful development opportunities for them.”



SENIOR FINANCE OR ACCOUNTING OFFICER

Openly gay white male // Age: 45-55 // More than 20 years of public accounting experience

“ In multiple instances, my bosses excluded me from things. Once, my boss invited all the male members of the team to play golf. He didn't invite females and didn't invite me. When we talked about it, he said he just assumed I wouldn't like it. That's implicit bias. As I became more senior, my straight white male boss expressed the stance, 'That's fine, but please don't talk about it,' regarding my sexual orientation.”

“ Mental health is a very big issue in the LGBT+ community. There isn't always a family support system around. There are high rates of depression, suicide, etc., because of the toll remaining closeted or being rejected has taken. This absolutely spills over into the work environment.”



“ I cannot think of any transgender employees I have ever encountered in my tenure in accounting. This is not surprising to me because, while the profession is slightly more welcoming to lesbian, gay, or bisexual persons, there is still a long way to go for transgender people.”

“ I have experienced a host of microaggressions and discriminatory acts, and I am a white, gay male. People who are transgender or Black, Hispanic, or Asian in the LGBT+ community probably struggle even more in our profession. I can't even identify many who are out—most who are out in the profession are white males.”

CAN YOU IMAGINE IF YOU, AS A STRAIGHT PERSON, WERE TOLD YOU NEED TO ACT GAY...

and you had to do that for years on end all throughout your most critical developmental years?

This is what many people in the LGBTQIA community experience—realizing something about yourself then concealing it for years—sometimes decades.

It can have an extraordinarily negative impact on your

self-awareness, ability to date, and comfort forming any kind of relationship.

Then you enter a profession where you think, "I'm going to have to do that again (hide myself)." You enter making an assumption that this is not a great place to talk about it.

After months or years go by without talking about it, the more senior you get, the more you believe you have to lose if disclosing could result in discriminatory acts. So, you stay silent or leave the profession.

SENIOR FINANCE OR ACCOUNTING OFFICER

Black, Hispanic, or Latino female // 20 to 30 years of experience in public and management accounting



“ When serving in an executive accounting role, I walked into a client meeting with four of my staff. The white male client eagerly approached the much younger white male on my team to shake his hand and say how excited he was to be meeting with him and getting his insight. My staff member pointed to me and said, ‘Um, she’s the CFO.’”

“ I have reported, and encouraged other African Americans and females to report, inappropriate behavior by leaders, but human resources would not even speak of considering this behavior

as related to race or gender—the offenders simply got a stern talking-to, if that, and life carried on.”

“ I have been intentional about ensuring diverse candidate pools and equitable access to development opportunities. At one company, an HR professional is devoted to building a database of experienced diverse candidates that will be searched in addition to other databases. They are deliberately expanding their network to include diverse talent. This is fundamentally about equitable access.”

PARTNER, SENIOR OFFICER

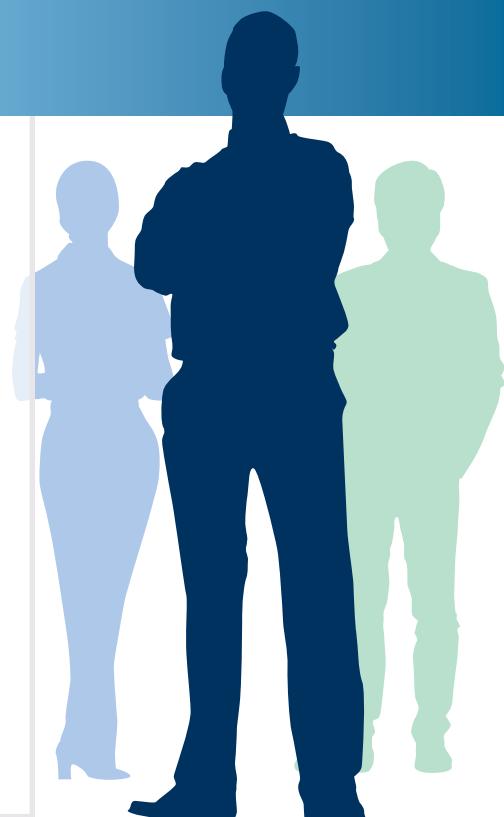
White non-LGBTQIA male // Baby Boomer: Born in early 1960s

“ This is a profession based on merit. I think we should not be asking questions regarding race or gender. It should be about professional talent. You are responsible for yourselves. Don’t blame others for your deficiencies.”

“ The same opportunities for growth, leadership, and development are available. They just do not want to [put in the work]. They would rather have it all handed to them on a silver platter. Females opt out for personal and family reasons. Employers practice bias favoring females. And the Black community is not attracted to accounting.”

“ What anyone does sexually is none of our business. I don’t flaunt that I’m heterosexual and white. I think it is wrong that there is reverse discrimination to hire or be fair to others with less talent because of their skin color or what they do with their personal parts.”

“ Why are you doing this study? If someone is stupid enough to hire poor quality talent to appease people with whatever skin pigmentation or sexual/gender issues, then they deserve to suffer the consequences from intentionally hiring poor talent.”



C-SUITE, MANAGING PARTNER, BOARD MEMBER

White non-LGBTQIA male // Born in mid-1950s

“Client assignments—I remember when it was impossible to put a female or Black person on some accounts. Some clients wouldn’t allow it. Most CPA firms were afraid to try. There’s been lots of progress, but we are still suffering from some of those disadvantages.”

“Bias training has been unsuccessful because many hiring managers don’t believe there is bias to begin with. Relying just on training is not enough.”

“There is pervasive and persistent discrimination at senior levels, despite public expressions to the contrary.”

“We must have ways to measure and monitor equity and inclusion—not just diversity. This has to be a high priority. If this were a major supply chain issue, leadership teams would pull out all the stops to resolve it. This will not happen overnight, but we need to keep having this conversation and we need to take more action.”



A Closer Look at Specific Demographic Groups

Race and Ethnicity

Racial and ethnic discrimination is an unfortunate thread in the fabric of U.S. history. Many African Americans, Hispanic and Latino Americans, American Indians, and Asian Americans function daily with a consciousness of America's history of slavery, colonization, violence, systemic oppression, discrimination, exclusion, inequitable rights, and threats to citizenship. In 2020, amid a tragic series of events rooted in social injustice and racial and ethnic bias, many were confronted with the fact that American society had not progressed as far as they may have hoped or believed. While most Americans today are fortunate to have avoided the worst of history's extremes, lingering effects still impact the lives and professional careers of Hispanic, Latino, and nonwhite racial and ethnic groups.

African Americans: One hundred years after the first African American, John Cromwell, Jr., obtained a CPA license, African Americans still only make up less than 1% of CPAs and less than 1.5% of the most senior accounting and finance roles in the U.S. This low representation among CPAs and senior leadership exists although African Americans comprise:

- Over 13% of the U.S. population and
- Over 8% of the accountants and auditors' workforce.

Hispanic or Latino Americans: Although Hispanic and Latino Americans have grown to 18.5% of the U.S. population, they represent:

- Under 9% of the accountants and auditors' workforce,
- Under 5% of CPAs in the accounting/finance functions of U.S. CPA firms, and
- Under 2% of senior accounting roles.

Asian Americans: Asian Americans represent 5.9% of the U.S. population. Yet they account for:

- 12% of the U.S. accountants and auditors' workforce,
- 10% of CPAs in the accounting/finance functions of U.S. CPA firms, and
- 4%-5% of senior leadership roles.



73%

Underrepresented racial and ethnic groups do not consistently receive fair treatment in the recruitment process.



70%

Underrepresented racial and ethnic groups do not have equitable access to sponsors or mentors within their organization.



62%

There is greater emphasis on recruitment than retention for underrepresented racial and ethnic groups.

When requested to indicate factors that they believe have contributed to underrepresentation of Hispanic, Latino, and nonwhite racial and ethnic professionals in senior leadership roles, members of these groups answered as follows:

- 73% indicated that racial and ethnic minorities do not consistently receive fair treatment in the recruitment process.
- 70% emphasized the lack of equitable access to sponsors and mentors within their organizations.
- 62% observed that there is a greater emphasis on recruitment rather than retention.
- 52% identified lack of objective feedback on their performance as a key contributor to the lack of progression.
- 50% stated that they perceive unfair bias that affects opportunities for promotion.

This study acknowledges that the American Indian and Alaska Native demographic group is also underrepresented at senior levels of the profession (see Table 1 on p. 7). There were not enough responses, however, from persons of this demographic group to perform adequate analysis and present comprehensive findings.

Hispanic, Latino, and nonwhite respondents not only reported that challenges affect them as a group but also their own, individual ability to advance (see Table 7). Although 63% of these respondents feel their views are respected by their accounting and finance colleagues, nearly the same percentage (62%) responded that they have to work much harder than their non-Hispanic, white peers to gain comparable recognition. The same percentage (62%) reported that they have discovered persons with comparable or lower-level jobs, education, or experience but with different demographic backgrounds who received higher compensation.

TABLE 7: NONWHITE, HISPANIC, OR LATINO PROFESSIONALS' PERCEPTION OF BIAS-BASED TREATMENT

I was not given recognition for my contributions.	62%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	62%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	60%
I did not feel safe to contribute my ideas that were different from others.	56%
I experienced direct bias or discrimination.	55%

Nonwhite, Hispanic, and Latino professionals' responses to the statement, "Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the U.S. accounting and finance profession."

Gender

Women have made greater progress than any other demographic group reflected in this study. Increasing representation dramatically since the 1980s (see Table 3 on p. 13), women are now the majority of the accounting and auditing workforce in the U.S.¹⁹ Progress notwithstanding, women remain largely underrepresented among CPA firm partners and CFOs of major companies (see Table 1 on p. 7).

Asked to identify the contemporary factors that they believe contribute to female underrepresentation in senior leadership:

- 73% of female respondents point to leaders demonstrating unfair prejudice or bias that negatively affects promotion.
- 66% report a lack of equitable access to mentors or sponsors.
- 63% observe a greater emphasis on recruitment of women than retention.



When asked about their personal experiences, 72% of women responded that they believe their views are respected by their colleagues, and 60% reported that they believe they can be their authentic selves in the work environment. They also reported multiple DE&I challenges (see Table 8), however, including a lack of recognition for their contributions, unfair compensation and promotion practices, and a perceived lack of acceptance in expressing their opinions freely.

TABLE 8: WOMEN PROFESSIONALS' PERCEPTIONS OF BIAS-BASED BEHAVIOR

I was not given recognition for my contributions.	59%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	55%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	51%
I did not feel safe to contribute my ideas that were different from others.	46%

Female professionals' responses to the statement, "Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the U.S. accounting and finance profession."

LGBTQIA

As societal circumstances impact the workforce, it is not surprising that fewer than 35% of LGBTQIA respondents believe that persons who share this identification receive equitable or inclusive treatment within the U.S. accounting profession. In the U.S., laws protecting equal rights of the LGBTQIA population have lagged far behind those for women or racial and ethnic groups. It was not until 2015 that the U.S. Supreme Court recognized a constitutional right to same-sex marriage and mid-2020 that the court ruled that federal civil rights extend to gay, lesbian, and transgender employees.²⁰

In this study, LGBTQIA interviewees consistently reported that many professionals elect not to disclose sexual orientation or gender identification in the workplace for a variety of reasons. Some fear negative career-related ramifications; others are concerned about prompting untenable levels of discomfort in work settings. A few senior practitioners reported that they stay silent at work out of habit. Amid these rationales, LGBTQIA practitioners tend to keep their identification or orientation concealed, which contributes to a lack of visible senior LGBTQIA leaders in the U.S. accounting profession.

LGBTQIA interviewees also largely asserted that remaining closeted equates to remaining *invisible* among the profession's executive leadership. Younger LGBTQIA interviewees, while acknowledging that they understood the challenges faced by more experienced LGBTQIA leaders, widely viewed these leaders' lack of disclosure as a missed opportunity to serve as role models. Staying silent can imply that the profession remains unwelcoming.

In alignment with this position, 50% of LGBTQIA survey respondents pointed to the lack of equitable access to sponsors and mentors within their organization as one of the contributing factors for underrepresentation, or perceived underrepresentation, of LGBTQIA practitioners in senior leadership roles. •



TABLE 9: LGBTQIA PROFESSIONALS' PERCEPTIONS OF BIAS-BASED BEHAVIOR

I heard derogatory comments or jokes about people like me.	67%
I felt that it was necessary to correct others' assumptions about my personal life.	66%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	61%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	59%
I did not feel safe to contribute my ideas that were different from others.	57%
I was yelled at or demeaned by a colleague, supervisor, or leader.	57%

LGBTQIA professionals' responses to the statement, "Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the U.S. accounting and finance profession."



PART 2

Diversity, Equity, and Inclusion: The Future of the Profession

Heightened global interconnectivity, technological advances, and renewed attention to accountants' pivotal societal role create a mandate for a broad-based conception of talent through enhanced DE&I, particularly among senior leadership.²¹ The current transformation that is redefining the profession for the next century requires reconsidering individual behavior and raises a call for collective action by the profession as a whole.

Ethical Imperative

A hallmark of the accounting profession is adherence to a universal set of ethical standards. Businesses, governments, and other organizations rely on and place confidence in accountants' work because of their commitment to act ethically, objectively, and in the public interest. Ethics is the foundation of a purpose-driven profession, defined by the valuable asset of trustworthiness.²²

The *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) by the International Ethics Standards Board for Accountants (IESBA) requires accountants to comply with five fundamental principles of ethics—integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.²³ Among other attributes, ethical accountants:

- Act with integrity by being straightforward, honest, and fair in all professional and business relationships.
- Are objective and exercise professional or business judgment without being compromised by bias.
- Behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships.
- Avoid any conduct that might discredit the accounting profession as a whole.

The Code's requirements, especially the principles of ethics, help accountants fulfill their public interest responsibility. Although the Code does not expressly address DE&I, organizational cultures that are aligned to the Code can help support the effectiveness of DE&I programs. Further, recent changes to the Code implore all accountants to use an inquiring mind that involves remaining open and alert to circumstances that demand further investigation. These changes also explain that bias affects the exercise of professional judgment when identifying, evaluating, and addressing threats to compliance with the principles of ethics. The recent changes to the Code were released in October 2020 and will go into effect in December 2021.



Changing Expectations

Society's global movement toward *improving the lives and prospects of everyone, everywhere*, creates opportunities for professional accountants to renew their commitment to leadership in the arena of ethical business practices.

In 2015, all United Nations Member States adopted 17 Sustainable Development Goals (SDGs) as a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere.²⁴ The accounting profession's public interest imperative overlaps with several of the United Nations' SDGs around decent work and economic growth, gender equality, quality education, and reduced inequality within and among countries. As highlighted by IESBA Chairman Stavros Thomadakis, "The accounting profession is uniquely positioned to lead on these goals, as ethics forms part of its value-proposition."²⁵

The International Federation of Accountants (IFAC), in its December 2020 Point of View (POV), "Embracing a People-Centered Profession," notes, "the accountancy profession can and must take the lead on achieving gender equality and fully embedding a culture of diversity and inclusion into its DNA. It's the right thing to do; it's good for business; and the continued relevance of the profession depends on it."²⁶

A strong ethical culture enables the implementation of DE&I programs. The promotion of an ethical culture is most effective when leaders and those in managerial roles hold themselves to account for living ethical values and adhering to policies that are put in place. Similar to other policies aimed at promoting ethical behavior in the workplace, DE&I programs thrive when avenues exist to encourage and protect those who create dialogue as a means to resolve actual and suspected noncompliance.

As noted in the IFAC POV, "Diversity without meaningful inclusion in decision-making and leadership has no impact.... [Further,] diversity and inclusion as a mindset...should be embedded into work cultures at every level."²⁷ Inclusive work cultures are necessary to support competency at all levels of an organization. This study found that, when paired with equitable treatment, an organization with an inclusive work culture helps to ensure that individuals stay fully engaged and motivated toward strong performance and value delivery. It is important that leaders recognize that each employee has unique skills, talents, and experiences. Therefore, rather than a "check-the-box" approach to human capital resources, it is beneficial to tailor processes that support, develop, and coach each employee in a way that allows for nurturing talent toward its best use. To this end, moved by a responsibility to act with integrity, objectivity, competence, and due care, ethical leaders in the accounting profession are well positioned to serve as credible and trustworthy enablers and champions of DE&I. •

Ethical leaders in the accounting profession are well positioned to serve as credible and trustworthy enablers and champions of DE&I.

Solutions for Change

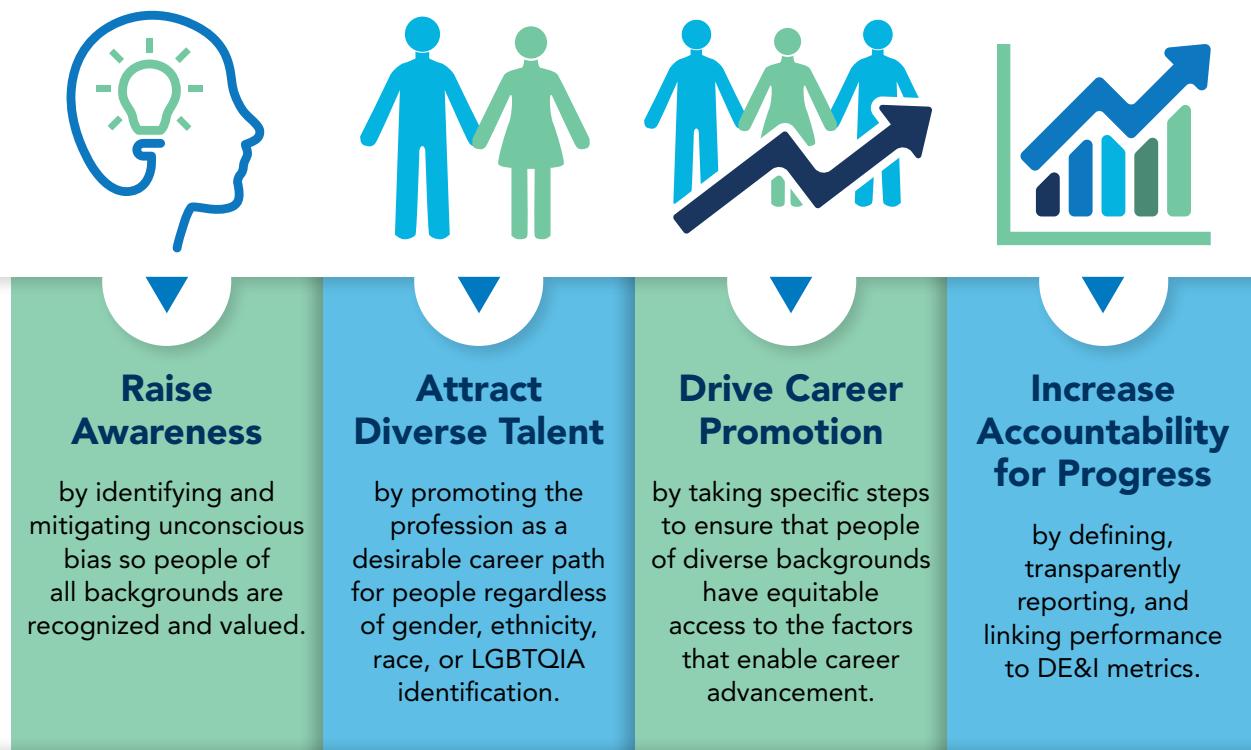
To thrive and meet 21st Century demands, the profession must take action to attract and develop diverse talent.

Multiple interviewees in this study observed that ongoing pressures to meet regulatory burdens and improve efficiency take up significant time and resources. As a result, attention to talent and innovation, including attention to DE&I, takes a lower priority until the need is viewed as critical.

The profession's long-term viability and strength depend on attracting, retaining, and promoting the next generation of professional leadership. Interviewees state that previous initiatives have not brought about adequate results, and the status quo is unlikely to close the diversity gap at senior levels. Without expansive targeted efforts, the profession risks being unable to attract the people resources to meet transformational demands.

DE&I challenges emerge at every point on the career pathway. Therefore, reversing the trends requires attention and action at every step along the pipeline. One-on-one interviews revealed the view that the needed change will involve "everybody"—the collective efforts of parents, high school teachers, guidance counselors, university admissions officers, professors, administrators, hiring personnel, peers, and senior leadership. More specifically, the suggestions for action fall into four primary categories: awareness, attraction, promotion, and accountability.

FIGURE 4: KEY FOCUS AREAS FOR DE&I ACTION



Awareness: Identifying and mitigating unconscious bias so people of all backgrounds are seen as talented, capable, and value contributors.

- Observe the capabilities of existing employees; see them as talented and professional.
- Identify and actively work to correct presumptive biases about aptitude. Interviewees reported that women, African Americans, and Hispanic or Latino persons have been discouraged to study or follow a career path that is math-focused or “too hard.”
- Create forums that allow for honest interaction, open communication, and listening.
- Avoid stigmatizing people whose bias may be unconscious as this can cause them to disengage and resist.
- Explain and provide examples of microaggressions, stereotypes, and unconscious bias. Heighten awareness of how a lack of equity and inclusion manifest today.

Attraction: Acting in a way that promotes the profession as a desirable career path for people regardless of gender, ethnicity, race, or LGBTQIA identification.

- Serve as mentors and introduce diverse groups of people to the profession. There are insufficient or inadequate interactions between members of our profession and people in underrepresented communities.
- Find and express points of common value with students of diverse backgrounds and their potential path through the profession.

Promotion: Taking specific steps to ensure that people of diverse backgrounds have equitable access to the factors that enable career progression.

- Assign people to clients, teams, and projects without favoritism, bias, or presumptions about interest and capabilities. Interviewees with public accounting experience cited client assignments at CPA and consulting firms, particularly at the early career stages, that sometimes place diverse practitioners into less lucrative or visible specialties or into those with fewer billable hours.
- Offer a follow-up process to correct microaggressions. Survey respondents and interviewees reported diverse talent often “stays quiet” and does not report these instances for fear of retaliation or lack of anonymity.
- Innovate to help professionals meet work and/or family or other personal responsibilities.
- Provide exposure to how things work at the higher levels to people of all backgrounds. Prepare and groom them for senior management roles.

Accountability: Measuring the performance and progress of all professionals regarding the first three components—awareness, attraction, and promotion.

- Create internal processes to heighten awareness and eliminate microaggressions.
- Support further research into talent and diversity in the profession.
- Hold leaders in practice and academia accountable with links to compensation and performance.
- Measure and report progress on equity and inclusion, not just diversity.
- Work across the profession’s ecosystem transparently and collaboratively toward measurable progress.

Already exhibiting high ethical standards and awareness of the positive transformational outcomes possible with greater diversity, many academics, practitioners, and leaders of all backgrounds are passionately committed to improving DE&I in the profession. More importantly, this study found that their commitment is backed by action. The following are some examples of such action.

- **Community through high school:** Professional accounting organizations arrange visits to high schools in underserved communities to raise awareness of the accounting profession. Some partner with universities to invite high school students of diverse backgrounds for on-site or even residential visits so they can meet accounting program faculty, students, and professionals.
- **Colleges and universities:** There are members of academe who are intentional about equitably engaging every student in the classroom and ensuring that support and resources are present for students of all backgrounds to succeed. In 1994, The PhD Project was founded with the goal of diversifying the corporate boardroom by diversifying the role models in front of the classroom. Since its inception, this program has supported more than 1,200 minority business professors in their doctoral pursuits and the number of minorities earning business Ph.D.s in the U.S. has quintupled.²⁸
- **Corporations and CPA firms:** Corporate boards of some companies have written diversity goals into senior executives' performance contracts. Companies have created mentorship programs that leaders join voluntarily and ensure equitable opportunities for diverse staff to participate. Recruitment teams have mandated diverse interview panels and interviewees, and some have even dedicated resources to proactively develop databases of external, experienced candidates of diverse backgrounds to be searched alongside others when positions become available.
- **Practitioners:** Many practitioners, including those outside leadership positions, decide to speak up when they observe what they perceive to be biased behavior in the profession. Some consciously use terms such as partner, spouse, we, and us instead of wife, husband, them, or they. Many choose hope and optimism in discussing the DE&I work to be done and actively and visibly support DE&I initiatives.

To achieve greater diversity in senior leadership roles and widespread progress in equity and inclusion, respondents indicate the profession needs more role models, courage, and innovation—role models to demonstrate the feasibility of progress, courage to have uncomfortable conversations, and innovation to develop and implement transformative approaches. •

DRIVING CHANGE

The U.S. accounting profession has a significant diversity gap among its senior leadership that, unless addressed, will inhibit its long-term sustainability, innovation, and fulfillment of fundamental ethical principles to act in the public interest. The future of the profession is greatly dependent upon its ability to attract, retain, and promote diverse talent.

The overwhelming majority of this study's nonwhite, Hispanic, Latino, female, and LGBTQIA participants reported that their respective groups are underrepresented in senior roles due to a lack of equity and inclusion. Diverse talent's experiences of inequity and exclusion have led to disengagement, employee turnover, and, for some, leaving the profession. The older segments of the profession are at or close to retirement age, and younger talent in the U.S. is growing more diverse. In the absence of visible role models with whom diverse people can identify and expansive, targeted efforts to improve equity and inclusion, history and the current state of DE&I suggest the diversity gap will remain.

Closing the Diversity Gap

This study highlights key DE&I matters impacting the future of the profession and areas of focus for future research and improvement efforts. As presented by this study's participants, solutions to improve equity and inclusion and to close the

diversity gap in the U.S. accounting profession include coordinated initiatives to:

- Raise awareness,
- Attract diverse talent,
- Drive career promotion, and
- Increase accountability for progress.

Members of the accounting profession's ecosystem have the opportunity to be part of the solution by:

- Acknowledging the impact of the current state of DE&I on the talent pipeline and the transformation,
- Prioritizing the establishment of an end-to-end diverse talent pipeline, and
- Leveraging ethical principles to foster an unbiased, inclusive, and respectful culture.

Accounting professionals already have solutions to offer to build awareness and attract more diverse talent to the profession. Existing ethical principles provide the foundation to equitably recognize the value diverse talent is already contributing. Increasing accountability for progress in these areas is likely to yield the agility, innovation, and responsiveness that the profession needs for this fast-changing business world. With improved DE&I, the profession, built on a centuries-old foundation of ethics and values, will continue to thrive. •

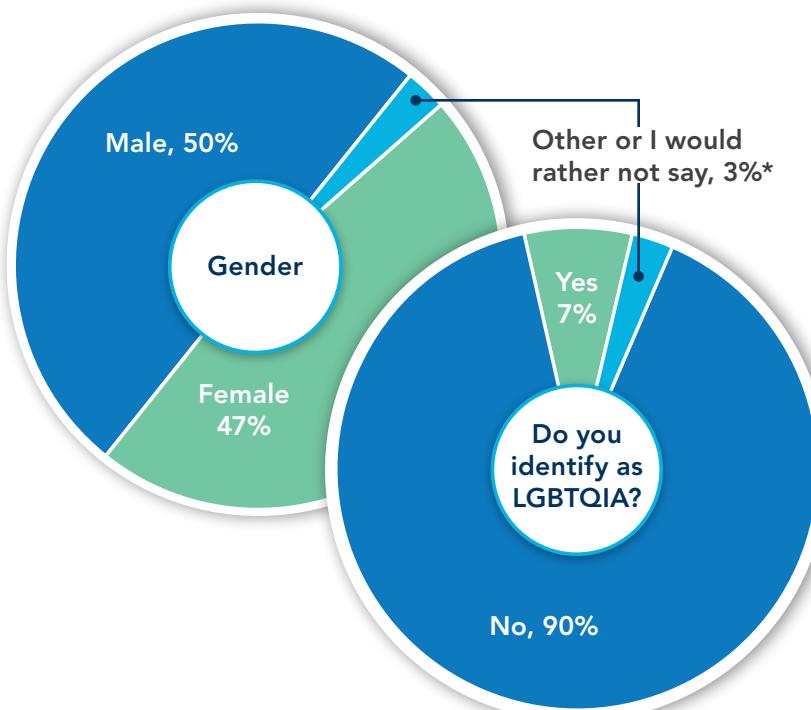
APPENDIX A: RESEARCH APPROACH

To perform a holistic assessment of the current state of the U.S. accounting profession from a DE&I perspective, IMA and CalCPA cosponsored a nationwide study of DE&I focusing on three demographic groups: underrepresented races and ethnicities, females, and persons who identify as LGBTQIA. With the support and contributions of global research partner, International Federation of Accountants; research partners, National Association of Black Accountants, Association of Latino Professionals For America, and National Society of Black CPAs; research contributors, Connecticut Society of CPAs, Colorado Society of CPAs, Florida Institute of CPAs, Illinois CPA Society, Maryland Association of CPAs, Massachusetts Society of CPAs, The Ohio Society of CPAs, Pennsylvania Institute of CPAs, and Texas Society of CPAs; and research advisors, Sandra Richtermeyer and Henock Louis, this study aimed to identify the following:

- Key factors contributing to the underrepresentation of certain demographic groups in the U.S. accounting profession in senior leadership roles,
- The impact of DE&I on the U.S. accounting transformation and talent pipeline for accounting professionals within the U.S., and
- The actions needed to remedy underrepresentation of certain groups in the U.S. accounting profession at all organizational levels.

Findings are based on a survey of 3,136 current and former accounting professionals and academicians in the U.S. as well as individual and group interviews conducted with 57 current and former accounting professionals, DE&I and human resources professionals, and academicians across the U.S. Study participants were identified with experience working in the profession in the District of Columbia and every U.S. state except New Mexico. A summary of key respondent demographics can be found in Figure A1. Forty-seven percent of the respondents identified as female, 68% identified as white or Caucasian, and 7% identified as LGBTQIA.

FIGURE A1: DEMOGRAPHIC COMPOSITION OF IMA AND CALCPA U.S. DE&I SURVEY RESPONDENTS



*Answer choices for the gender question in the survey were "male," "female," "other," and "I would rather not say." 0.1% of respondents selected "other," and 2.6% selected "I would rather not say." Answer choices for "Do you identify as LGBTQIA?" were "yes," "no," and "I would rather not say." 3.3% of respondents selected "I would rather not say."

Limitations

- This study used nonstatistical sampling methods. Results are based on analysis of adduced data, but representativeness of the sample cannot be measured with precision.
- In conducting interviews, during instances of intersectionality, the research team often could not differentiate between personal narratives based on one demographic (such as race or ethnicity) vs. another demographic (such as gender). For example, it was not uncommon

for a woman of color to state she was unable to discern whether inequitable or noninclusive behavior toward her is due to her race, ethnicity, or her gender.

- The survey produced voluminous data that were analyzed for the purpose of identifying major trends and potential solutions. Cross-comparison on all questions was not conducted. Further analysis in the future may yield results that provide additional depth of insight.

TABLE A1: RACE AND ETHNICITY*

White or Caucasian	68.0%
Black or African American	13.6%
Hispanic or Latino	6.7%
Asian or Asian American	4.3%
American Indian or Alaska Native	0.4%
Native Hawaiian or other Pacific Islander**	0.0%
Other	1.4%
Two or more races	1.7%
I would rather not say	4.3%

* Percentages do not sum to 100.0% due to rounding.

**This study did include persons who identified as Native Hawaiian or other Pacific Islander, but the number of these respondents comprised less than 0.09%.

TABLE A2: AGE***

Less than 23	1.1%
23-38	22.3%
39-54	31.9%
55-73	38.8%
74 and older	4.0%
I would rather not say	1.8%

***Percentages do not sum to 100.0% due to rounding.

APPENDIX B:

DIVERSITY AND PERFORMANCE

STUDY	AUTHOR	SUMMARY	REFERENCE
"Understanding organizational barriers to a more inclusive workplace"	Peter Bailinson, William Decherd, Diana Ellsworth, and Maital Guttman	<p>Thirty-nine percent of all respondents say they have turned down or decided not to pursue a job because of a perceived lack of inclusion at an organization.</p> <p>Eighty-four percent of all respondents have experienced workplace microaggressions, which are everyday slights rooted in bias.</p>	June 23, 2020, mck.co/3nNOZAX
"Why diversity matters"	Vivian Hunt, Dennis Layton, and Sara Prince	<p>Companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry medians.</p> <p>Companies in the top quartile for gender diversity are 15% more likely to have financial returns above their respective national industry medians.</p> <p>In the U.S., there is a linear relationship between racial and ethnic diversity and better financial performance: For every 10% increase in racial and ethnic diversity on the senior executive team, earnings before interest and taxes (EBIT) rise 0.8%.</p>	January 1, 2015, bit.ly/2o8MVVo
"Diversity and inclusiveness means growth"		Within EY, groups that lead on engagement, including the ability to "feel free" to be oneself at work, correspond with four points higher revenue growth, eight points higher gross margin, and eight points higher retention.	go.ey.com/2LSTuwC

STUDY	AUTHOR	SUMMARY	REFERENCE
<i>Innovation, Diversity and Market Growth</i>	Sylvia Ann Hewlett, Melinda Marshall, and Laura Sherbin with Tara Gonsalves	Companies with diverse teams are 45% more likely to improve market share and 70% more likely to capture a new market.	Center for Talent Innovation, 2013, bit.ly/2LXsxru
"The Other Diversity Dividend"	Paul Gompers and Silpa Kovvali	<p>Study on venture capital decision making shows that diversity significantly improves financial performance on measures such as investment profitability at the individual portfolio-company level and overall fund returns. The success rate of acquisitions and initial public offerings (IPOs) made by partners with shared school backgrounds was 11.5% lower than for those by partners from different schools.</p> <p>The success rate of acquisitions and IPOs made by partners with shared ethnicity was 26.4% lower than those made by partners from diverse backgrounds.</p> <p>Venture capital firms that increased their proportion of female partner hires by 10% saw, on average, a 1.5% spike in overall fund returns each year and had 9.7% more profitable exits.</p>	<i>Harvard Business Review</i> , July-August 2018, bit.ly/2XWhd1X
"How Diverse Leadership Teams Boost Innovation"	Rocío Lorenzo, Nicole Voigt, Miki Tsusaka, Matt Krentz, and Katie Abouzahr	Companies with above-average total diversity, measured as the average of six dimensions of diversity (migration, industry, career path, gender, education, and age) had both 19% points higher innovation revenues and 9% points higher EBIT margins.	BCG, January 23, 2018, on.bcg.com/3sn3Jdk
"How and Where Diversity Drives Financial Performance"	Rocío Lorenzo and Martin Reeves	Companies with above-average total diversity, measured as the average of six dimensions of diversity (migration, industry, career path, gender, education, and age) had both 19% points higher innovation revenues and 9% points higher EBIT margins.	<i>Harvard Business Review</i> , January 30, 2018, bit.ly/3igO8Y5

STUDY	AUTHOR	SUMMARY	REFERENCE
<i>Inequality and Heterogeneity: A Primitive Theory of Social Structure</i>	Peter M. Blau	Quantifying diversity of a team or group with regard to a nominal feature or social categorization, such as gender or ethnicity, can be accomplished through the Blau index. The Blau index calculates the likelihood that a randomly selected member from a group will be a part of a specific category.	Free Press, New York, N.Y., 1977
<i>The CS Gender 3000 in 2019: The changing face of business</i>	Richard Kersley, Eugene Klerk, Anais Boussie, Bahar Sezer Longworth Joelle Anamootoo Natzkoff, and Darshana Ramji	Companies with one or more women board members had higher average return on investment and better average growth than companies with male-only boards. Large-cap firms with at least one woman on the board performed 26% better than those without; small-cap firms performed 17% better.	Credit Suisse Research Institute October 2019, bit.ly/3sn3Mpw

ENDNOTES

¹ AICPA, 2019 *Trends in the supply of accounting graduates and the demand for public accounting recruits*, 2019, bit.ly/3bEdw8S; and Crist | Kolder Associates, *Crist / Kolder Volatility Report 2019*, 2019, bit.ly/3sqA3AT.

² Frank Newport, "In U.S., Estimate of LGBT Population Rises to 4.5%," Gallup, May 22, 2018, bit.ly/2LQC6J4; Diana Ellsworth, Ana Mendy, and Gavin Sullivan, "How the LGBTQ+ community fares in the workplace," McKinsey & Company, June 2020, mck.co/3ssJM4O.

³ United States Census Bureau, American Community Survey, "Population estimates, July 1, 2019," 2019, bit.ly/35EomYY.

⁴ U.S. Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," 2019, Household Data Annual Averages, Table 11: Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity, bit.ly/2fkY4Dv.

⁵ Crist | Kolder Associates, 2019.

⁶ AICPA, 2019.

⁷ Michael Cohn, "Accountants look to educate younger generation in latest tech skills," *Accounting Today*, October 28, 2020, bit.ly/2LQNfto [referencing quotes of Jeffrey Thomson, IMA president and CEO].

⁸ Jonathan Vespa, Lauren Medina, and David M. Armstrong, "Demographic Turning Points for the United States: Population Projections for 2020 to 2060," United States Census Bureau, February 2020, bit.ly/3p0EhZj.

⁹ Average diversity calculations in some studies are calculated through use of diversity indices, for example, the Blau index, which quantifies the probability that members randomly selected from a group will be in different diversity categories.

¹⁰ U.S. Bureau of Labor Statistics, 2019; The U.S. Bureau of Labor Statistics reported in 2019 that 77.1% of the accountants' and auditors' workforce is white. This figure, however, includes persons who reported ethnicity as Hispanic or Latino; 8.9% of the professionals are reported as Hispanic or Latino, but details of this demographic by race are not available. Thus, percentages in Table 1 will not sum to the 23% reference, which refers exclusively to nonwhite persons and does not account for overlap of Hispanic or Latino persons.

¹¹ United States Census Bureau, *Statistical Abstract of the United States*, 1991, p. 395; U.S. Bureau of Labor Statistics, 2019.

¹² Daniel Hood, Ranica Arrowsmith, and Danielle Lee, "Sexual harassment is a bigger problem than accountants think," *Accounting Today*, March 12, 2018, bit.ly/3qkVRaz.

¹³ Theresa Hammond, "LGBTQ+ accountants: a call for oral history research," *Sustainability Accounting, Management and Policy Journal*, November 2018, pp. 615-624.

¹⁴ Theresa A. Hammond, *A White-Collar Profession: African American Certified Public Accountants since 1921*, The University of North Carolina Press, Chapel Hill, N.C., 2002.

¹⁵ U.S. Bureau of Labor Statistics, 2019, Table 11b: Employed persons by detailed occupation and age, bit.ly/39w7Lrg.

¹⁶ Crist | Kolder Associates, 2019.

¹⁷ Jonathan Vespa, et al., 2020.

¹⁸ Theresa Hammond and Prem Sikka, "Radicalizing accounting history: the potential of oral history," *Accounting, Auditing & Accountability Journal*, 1996, pp. 79-97.

¹⁹ U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, *Statistical Abstract of the United States 1991*, 1991; U.S. Bureau of Labor Statistics, 2019.

²⁰ Ariane de Vogue and Devan Cole, "Supreme Court says federal law protects LGBTQ workers from discrimination," CNN, June 15, 2020, cnn.it/3nNQ0ZN.

²¹ "Global Ethics Board Elevates Importance of Accountants' Societal Role and Strengthens Mindset Expectations," International Ethics Standards Board of Accountancy (IESBA), October 5, 2020, bit.ly/3bEUVK5.

²² Accountancy Europe's surveys of young professionals show the importance of values in their career decisions. See also, *The 21st Century Profession*, Chartered Accountants Australia and New Zealand, June 2020.

ENDNOTES (continued)

²³The IESBA (www.ethicsboard.org) is an independent global standard-setting board. Its mission is to serve the public interest by setting ethics standards, including auditor independence requirements, which seek to raise the bar for ethical conduct and practice for all professional accountants through a robust, globally operable *International Code of Ethics for Professional Accountants (including International Independence Standards)*. The electronic copy of the Code is available at www.IESBAeCode.org; IFAC's publication series titled, "Exploring the IESBA Code," provides an explanation of important concepts in the Code, including the fundamental principles, the conceptual framework, and the role and mind-set expected of accountants. It is available at bit.ly/3nMvhW0.

²⁴"Take Action for the Sustainable Development Goals," bit.ly/35MTipY; "Transforming our world: the 2030 Agenda for Sustainable Development" (bit.ly/3oN53E5) set out a 15-year plan to achieve the Goals; "The Sustainable Development Agenda," bit.ly/3qmx6uy; United Nations Department of Economic and Social Affairs, Sustainable Development, "The 17 Goals," 2020, bit.ly/35JotJc.

²⁵Stavros Thomadakis, "Global Ethics Day 2020: Rethinking Business for a Sustainable Future," IESBA, October 21, 2020, bit.ly/2MZCVj4.

²⁶"IFAC's Points of View, Embracing a People-Centered Profession," 2020, bit.ly/3tOzRar.

²⁷*Ibid.*

²⁸The PhD Project, "Milestones and Achievements: Success by the Numbers," 2020, bit.ly/2LBwhPN.