

A CPA Diversity Report:
**Uncovering the
Barriers to Success**

Racial and ethnic minorities reveal
the barriers faced when entering
and advancing in the profession

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insight

ILLINOIS CPA SOCIETY
550 W. Jackson Boulevard, Suite 900
Chicago, IL 60661
www.icpas.org

Publisher/President & CEO
Todd M. Shapiro

Editor
Derrick Lilly

Assistant Editor
Amy Sanchez

Creative Director
Gene Levitan

Contributors
Elizabeth Brown
Derrick Lilly
Kari L. Natale, CAE
Todd M. Shapiro

Copy Editor
Jennifer Schultz, CPA

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It Takes You to Make Change

We can write about diversity, equity, and inclusion in the accounting profession, but we can't change it without you.

Diversity. Equity. Inclusion. These three words—and the efforts required to realize them—have become increasingly important as demographic and social shifts transform our country. In turn, the actions organizations take across these fronts are coming under more scrutiny than ever before as employees, consumers, and investors increasingly aim to align their individual values with those of the organizations they choose to work for, do business with, and support. The accounting profession isn't immune to these shifts, yet the good faith efforts those in this profession commonly make—encouraging more minorities to pursue accounting degrees, attempting to recruit more diverse professionals, offering unconscious bias training to staff, launching business resource groups (BRGs), and trying to be more inclusive—haven't yet managed to really move the needle.

While these are all necessary and important efforts, creating meaningful change in the accounting profession is going to take more. The truth is that this profession has been—and continues to be—primarily a white man's profession, particularly at the leadership levels. Conditions that prevent many minorities from both staying and succeeding in the profession continue, and to change the long-term trajectory of these individuals, we need to work toward fully understanding and addressing what they are.

Some may ask, "Why?" I'll argue that, for the profession to remain relevant, it needs to better represent the population and clients it serves. It's also my personal affinity and belief that everyone should have an equal opportunity and fair chance for success. When I became president and CEO of the Illinois CPA Society (ICPAS) in 2013, advancing diversity in the accounting profession became, and continues to be, a key strategic initiative of this organization.

Since then, ICPAS and its charitable partner, the CPA Endowment Fund of Illinois, have committed time and resources to programs aimed at improving racial and ethnic diversity, equity, and inclusion (DEI) in the accounting profession, like our nationally recognized Mary T. Washington Wylie Internship Preparation Program (MTWW IPP). The MTWW IPP is designed to prepare qualifying Black and other racial and ethnic minority college students for success in securing their first accounting internships and/or full-time positions and ultimately pursuing the CPA credential. Since its founding 10 years ago, 260 individuals have completed the program. Many of them have found success in their careers thanks to the life-changing opportunities our program presents.

However, despite our best efforts to date, we've learned that far too many of our MTWW IPP alumni encounter barriers and negative race-related experiences as they transition into the workplace and try to advance in it. This was a wake-up call for us. We thought getting these diverse individuals into firms and companies was doing "our job." We

thought opening doors for them would begin to move the needle on diversity in the profession. It seems we were somewhat naive.

I've heard people say that minorities just aren't interested in accounting, or that they'd prefer to be business owners or entrepreneurs, as justification for why diverse individuals leave or don't advance in the accounting profession—our research indicates otherwise. In fact, only 10% of our MTWW IPP alumni anticipate that they'll become business owners or entrepreneurs.

The reality is that there are often more systemic barriers to overcome. Sometimes based in bias and sometimes in truth, the view that diverse individuals, including many of our MTWW IPP alumni, simply "aren't client ready" or "aren't equipped for the job"—whether due to their soft skills, technical skills, past experiences, or academic preparation—persists within the accounting profession.

This is our experience. This is what we've learned. The stories and data in the following pages are from real people from our program. And while we acknowledge there's much we can learn from those who found success, we believe sharing the insight gained from our alumni's challenges affords us a chance to elevate their voices and possibly change the national conversation on the topic of DEI in the accounting profession.

Our goal is that the research we conducted to truly learn what's happening to our MTWW IPP alumni after they're hired will help bring to light some common obstacles and barriers that other diverse individuals may be experiencing throughout the profession.

We hope that this insight will help guide us toward having open, honest conversations about how we can overcome any systemic issues in the profession and come together to achieve true diversity, equity, and inclusion within it.

Ultimately, we need more diverse individuals to join and succeed in the accounting profession to achieve meaningful change. As business leaders, and as people participating in a profession built on a foundation of principles and ethics, we all have a responsibility to help ensure everyone has their fair chance at achieving success. 🌍



Todd M. Shapiro

Todd M. Shapiro
President and CEO, Illinois CPA Society
To share your thoughts, email me at shapiro@icpas.org.

BEHIND OUR RESEARCH

A decade's worth of professional updates from our MTWW IPP alumni community helped us uncover some concerning terminations and recurring experiences that are motivating some of these diverse young professionals to voluntarily leave or consider leaving their employers and, in some cases, the accounting profession.

In the interest of enhancing our programs and resources to better support our alumni's lifelong professional success and ensuring our DEI initiatives make a positive impact on the profession, we felt it was time to ask all our MTWW IPP alumni about the personal and/or institutional barriers they've encountered in their workplaces.

We believe the close, trusting relationships we've developed with these individuals over the years afforded us genuine and revealing responses to our survey and interview questions, which illustrate the obstacles that are obstructing their advancement in the profession and stifling broader minority representation within it.

We're sharing our findings to bring attention to some of our respondents' unique, eye-opening—and sometimes troubling—stories, hoping they'll inspire those in positions to make change to join us in meaningfully advancing DEI across the accounting profession.

OUR TAKEAWAYS

While our research is focused on the experiences of our small but growing pool of diverse MTWW IPP alumni, we believe what they say they're encountering may be happening to many minorities throughout the profession. With this in mind, their insights revealed three key themes—primarily coming to light during the new-hire and entry-level experience—that could be contributing to the persistent disparity in minority representation and advancement in the accounting profession.

1

THEY SEE THE PROFESSION'S LACK OF DEI AS A BARRIER

Simply put, the environment in the accounting profession isn't statistically diverse or meaningfully inclusive. This in itself makes it difficult to attract and retain diverse individuals in the profession. In fact, "Environment Not Diverse," which referred to diverse representation among leadership and peers alike, was the most prevalent barrier to success cited by our MTWW IPP alumni (58%), which was followed next by "Environment Not Inclusive" (36%). Further, approximately 18% of our survey respondents also cited "Discrimination/Microaggressions" and "General Lack of Equity Compared to Other Entry-Level Professionals" as being prevalent barriers. Looking at these challenges combined, we believe that the lack of diverse representation and welcoming environments—if left unaddressed—will continue to hinder meaningful change in the profession's demographics, perpetuating the challenge of attracting, retaining, and advancing greater numbers of diverse talent.

2

THEY FEEL HANDICAPPED BY THEIR BACKGROUNDS

About 49% of our MTWW IPP alumni indicated that "Past Experiences Did Not Adequately Prepare You or Somewhat Adequately Prepared You for Working in a Professional Environment." What's more, 48% revealed that their "Education Did Not Adequately Prepare You or Somewhat Adequately Prepared You for Your Work." And almost half of our survey respondents attribute not feeling prepared for success in their jobs when they first entered the profession to these knowledge and experience gaps. In fact, 43% cited an overall lack of confidence in their abilities to successfully perform their job responsibilities. Our takeaway is that while the MTWW IPP successfully helps elevate its participants to a level that earns them an opportunity in the profession, once inside it, many still feel like they're on unlevel ground compared to their nonminority peers due to their personal backgrounds and life experiences.

3

THEY BELIEVE THEY'RE RECEIVING INADEQUATE FEEDBACK AND DEVELOPMENT

Unfortunately, the sentiment of not feeling prepared for success seems to go unaddressed in many cases. Nearly 31% of our MTWW IPP alumni cited "Mentorship Opportunities Not Available or Inadequate for Your Professional Needs" as being a prevalent barrier experienced—making it the third most cited challenge faced. This was followed by "Lack of Timely, Relevant, or Direct Feedback on Performance" being cited by nearly 24% of our survey respondents. "On-the-Job Training Opportunities Not Provided or Inadequate for Your Professional Needs" was also a prevalent barrier experienced. Anecdotally, we've heard numerous accounts of our MTWW IPP alumni both voluntarily and involuntarily leaving their jobs without having received personalized development opportunities that could help bridge the soft and technical skills gaps that often exist between them and their nonminority peers. Given this insight, it seems many organizations could help to level the playing field for diverse professionals by investing in training and support structures that are better designed to retain and advance their minority talent.

OUR RESPONDENTS

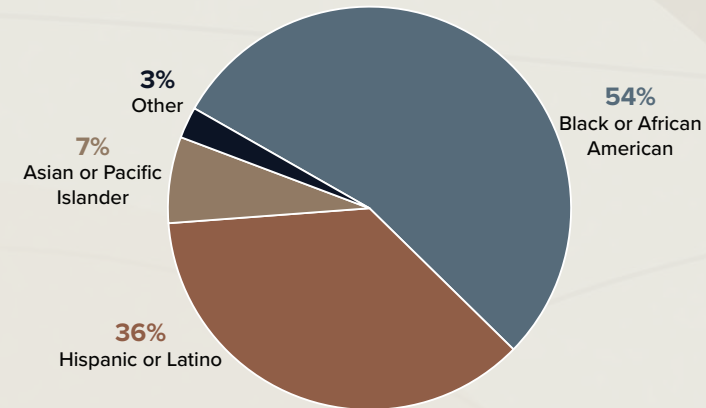
OUR SURVEY

The MTWW IPP Alumni Community Survey was deployed in May 2022 to all 260 program participants. We received 179 total responses, representing approximately 69% of the MTWW IPP alumni population. The results detailed in this Insight Special Feature were filtered to only include responses from the 159 respondents who indicated that they held “at least one accounting or finance internship, part-time, or full-time job” at the time of the survey. Our survey asked 15 multiple-choice questions, primarily about what the respondents experienced within the first few years of transitioning into the accounting profession, and allowed for additional open-ended commentary about their careers and experiences to date. Thanks to the MTWW IPP’s 10-year history to date, these 159 respondents (representing 61% of the alumni community) revealed invaluable perspectives across the demographics of age, gender, race/ethnicity, and employment, including insight into where they anticipate spending most of their careers.

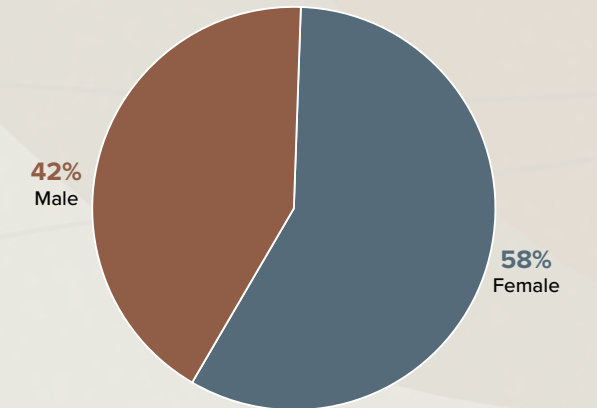
OUR INTERVIEWS

Interviews with several MTWW IPP alumni took place in June 2022 to further explore the insights they shared when responding to the open-ended questions in our May 2022 survey. These participants were selected because they represent a wide range of backgrounds and experiences: They participated in the MTWW IPP at different times, have one to seven years of professional experience, and disclosed facing one or more barriers attributed to their races or ethnicities. To ensure the most accurate information was collected, the interviews were recorded for transcription. Their personally identifiable information has been changed or omitted to protect their privacy.

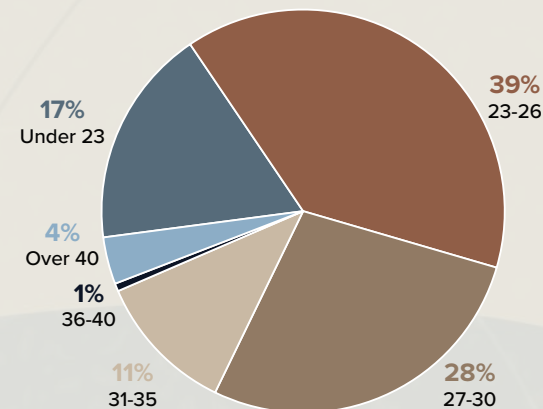
RACE/ETHNICITY



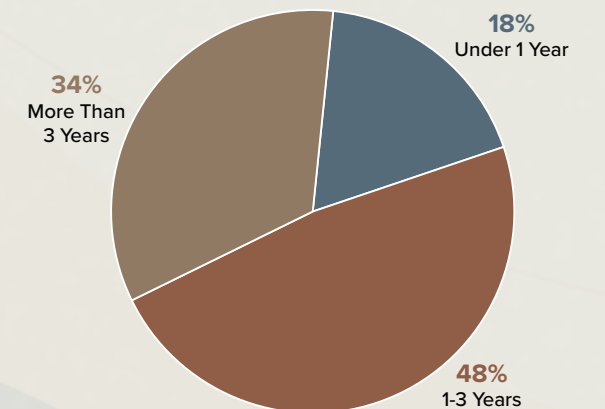
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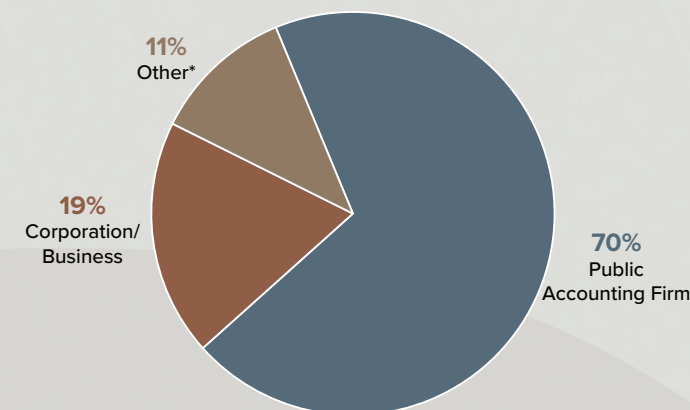
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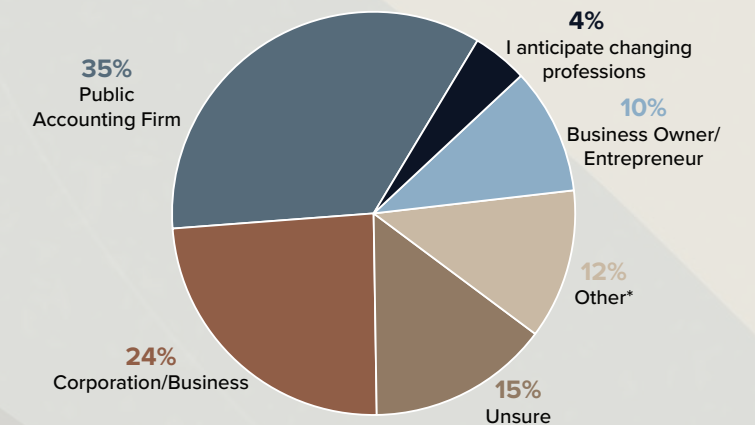
TIME IN THE PROFESSION



FIRST EMPLOYER TYPE



ANTICIPATED LONG-TERM EMPLOYER TYPE



*Respondents could select consulting firm, educational institution, governmental body, not-for-profit organization, or write-in.

What Does Diversity Look Like Now?

As demographics change across the United States, the accounting profession hasn't kept up.

Clear disparities in ethnic and racial representation exist within U.S. CPA firms and our largest, often most visible companies. Consider this: The U.S. Census Bureau's 2020 census reported the country's Asian population at 6%; Black at 12.4%; Hispanic or Latino at 18.7%; white at 61.6%; and individuals identifying as "Two or More Races," i.e., multiethnic, at 10.2%. More recently, the bureau stated that "all race and Hispanic origin groups experienced population increases, apart from the white population" when it reported on its 2021 population estimates in June 2022.

Yet, according to the AICPA's "2021 Trends" report released in early 2022, which is regarded as an authoritative source on demographic trends in the accounting profession, the Asian or Pacific Islander population of CPAs in U.S. CPA firms stood at 14%, Black at a mere 2%, Hispanic or Latino at just 5%, and multiethnic at only 2%. At the same time, the white population of CPAs was a dominant 77%. If you were to assume diversity among U.S. CPA firm partners is even less visible, you'd be correct, as 82% of partners are reported to be white by the AICPA.

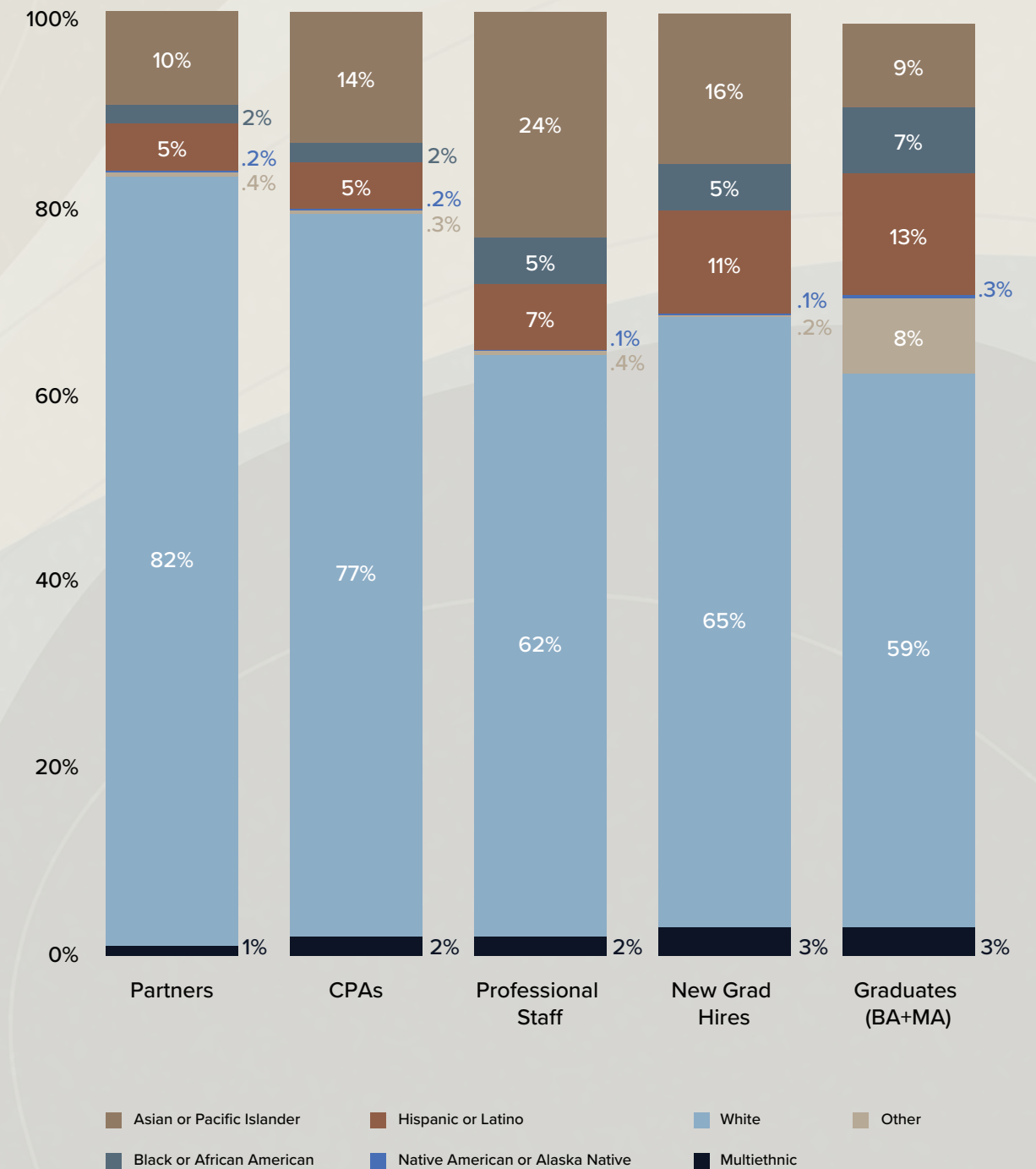
Diversity doesn't look notably different at the highest level of corporate finance either. Executive recruiting firm CristlKolder Associates' "Volatility Report 2022" analyzed the diversity among chief financial officers (CFOs) at 681 S&P 500 and Fortune 500 companies. Of the 677 companies with sitting CFOs, only 10.9% are "non-white." Putting that into perspective, just 74 of the 677 CFOs leading our largest companies are minorities: 43 are Asian (6.4%), 19 are Black (2.8%), and 12 are Hispanic or Latino (1.8%).

Perhaps there's a glimmer of hope and a hint of change on the horizon, particularly among the Hispanic or Latino population. The "2021 Trends" report data shows a steady uptick in the trend of hiring of Hispanic or Latino accounting graduates. The report also shows a slight shift in the diversity of accounting graduates: While white accounting graduates are still the majority (59%), 13% are Hispanic or Latino, 9% are Asian or Pacific Islander, 8% identify as "Other," 7% are Black, and 3% are multiethnic.

We interpret a more diverse accounting student and graduate pipeline as a small testament that the national initiatives and action items focused on increasing awareness of the accounting profession among minority populations are beginning to work—but there's more work to be done.

Convincing diverse students to major in accounting is just one part of achieving greater DEI in the profession. And while a much-desired uptick in diverse hiring is another step forward, we've learned that more diversity among accounting students, graduates, and even new hires doesn't necessarily translate to their long-term success in the profession. We believe what many of them are experiencing once becoming part of the profession is what's actually driving them out. 🙄

DIVERSITY IN THE CPA PROFESSION | 2020



Source: AICPA 2021 Trends Report

What's Driving the Disparity?

Race-related barriers and bad experiences lead the list of reasons why minorities sometimes struggle to stay and advance in the accounting profession.

When we talk about Mary T. Washington Wylie today, we often use words like mentor, visionary, trailblazer, and pioneer. After many trials and tribulations, some 22 years after the first Black male CPA was licensed, she became the nation's first Black female CPA in 1943. She was later driven to grow her South Side Chicago basement-based side business into a full-fledged accounting firm because no firms would hire her due to her race. That South Side Chicago basement became a beacon of hope for aspiring Black professionals, allowing them to gain the experience they needed to earn the coveted CPA credential.

Washington Wylie passed away at age 99 on July 2, 2005, but her legacy lives on. As a tribute to the trailblazing mentor who created numerous opportunities for generations of aspiring Black CPAs, himself included, Lester McKeever Jr. partnered with us to establish the Mary T. Washington Wylie Opportunity Fund to support advancing diversity in the accounting profession.

"He has a vision for this fund," Kari L. Natale, CAE, senior director of the CPA Endowment Fund of Illinois, says of McKeever. "He doesn't want to just provide scholarships—he really wants to provide access and opportunities to underrepresented individuals that, based on his own life experiences, are necessary to help level the playing field."

Since the fund's inception, we've worked purposefully to partner with accounting faculty, accounting firms, corporations, donors, and others across Illinois to develop and improve the fund's flagship initiative, the MTWW IPP. We're especially proud that the program attracts students from colleges across Illinois, particularly from the educational institutions that often go overlooked by accounting firm and corporate recruiters, providing them opportunities in the profession that they otherwise wouldn't have access to.

To date, the MTWW IPP has fostered a community of 260 program alumni from 48 Illinois colleges and universities, of which more than 85% have accepted accounting internships or job opportunities so far.

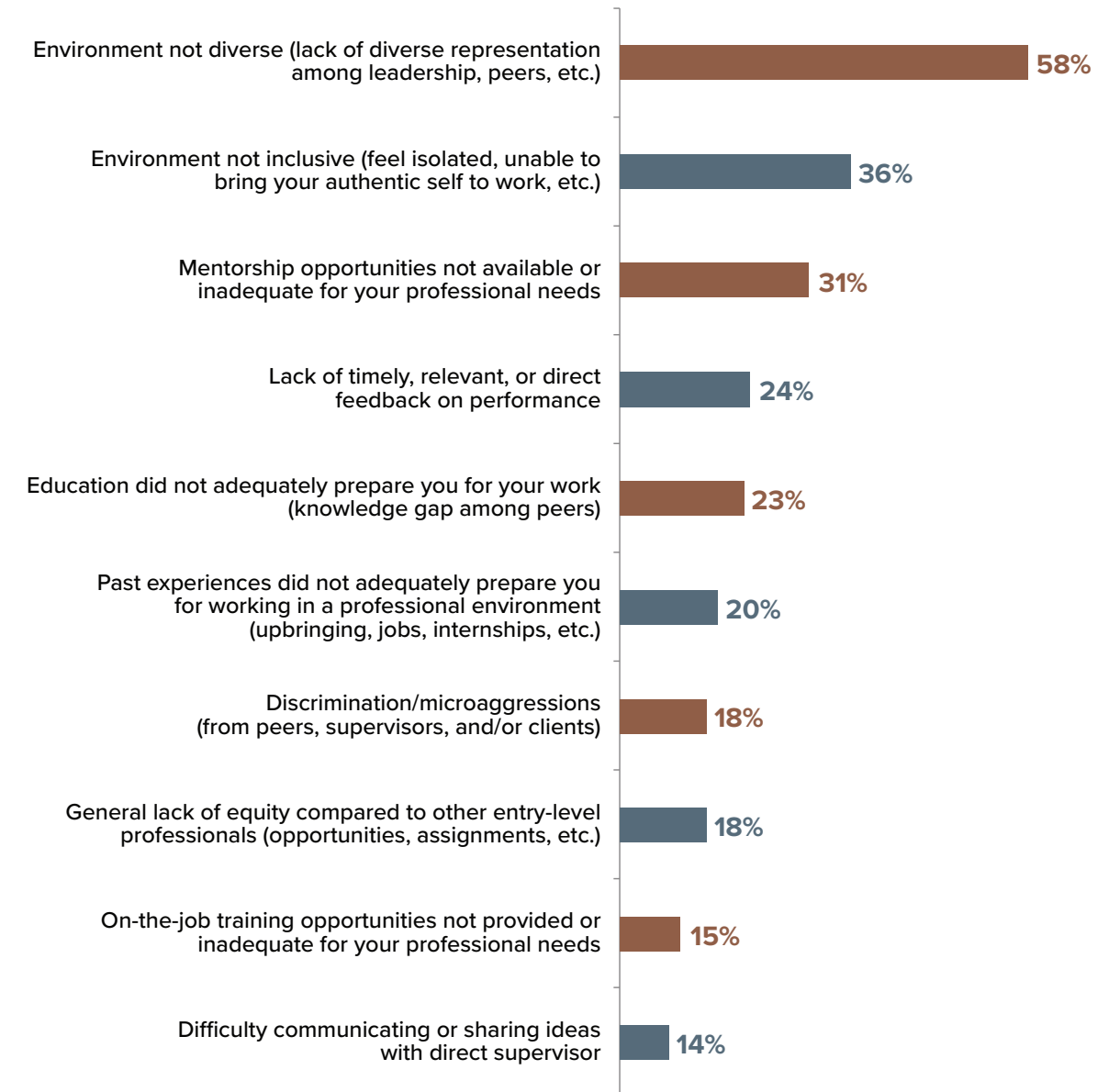
"By all accounts, those numbers make our program look like a resounding success. However, while we were so focused on increasing the pipeline of diverse talent heading into the profession, we lost sight of what was happening once these individuals were hired," Natale acknowledges. "Have we been setting people up for success, or did we just help them get internships? In trying to answer that question, we discovered that our alumni are often confronting many of the same struggles and race-related barriers Ms. Washington Wylie, Mr. McKeever, and other early Black CPA trailblazers faced decades ago."

In surveying and interviewing our MTWW IPP alumni, 10 notable barriers to their success during and after their transition into the workplace have come to light.

When we looked closer at all the leading barriers our MTWW IPP alumni revealed as being prevalent across their experiences, three themes emerged that we believe could be contributing to the persistent disparity in minority representation and advancement in the accounting profession: (1) they see the profession's lack of DEI as a barrier, (2) they feel handicapped by their backgrounds, and (3) they believe they're receiving inadequate feedback and development.

NOTABLE BARRIERS

(The MTWW IPP alumni were asked which of these barriers were prevalent in their work experiences. Participants could select all that apply.)



Source: 2022 MTWW IPP Alumni Community Survey

1

THEY SEE THE PROFESSION'S LACK OF DEI AS A BARRIER

No One Looks Like Me

The leading theme to come out of our research is that the profession's continued lack of DEI hinders meaningful change. Simply put, the environment in the accounting profession isn't statistically diverse or meaningfully inclusive. This in itself makes it difficult to attract and retain diverse individuals in the profession. In fact, "Environment Not Diverse," which referred to diverse representation among leadership and peers alike, was the most prevalent barrier to success cited by our MTWW IPP alumni (58%).

To explore this perception further, we asked, "How diverse was the representation among the leadership of your organization?" Just over 81% of our survey respondents selected "Not Diverse" or "Somewhat Diverse." Less than 7% of our respondents perceived their organizations' leadership to be "Very Diverse."

We next asked, "How diverse was the representation among your peers?" Nearly 70% of respondents selected "Not Diverse" or "Somewhat Diverse." Only about 11% of our respondents perceived diversity among their peers to be "Very Diverse."

"No one looks like me," shares one alum. "It was shocking to realize there's not one Black female partner in the practice. The lack of representation makes it hard to want to stay."

This sentiment was echoed often among our MTWW IPP alumni. "One of my peers shared that their whole team is white," says another alum. "It actually made this person uncomfortable. They asked, 'Do I fit here?'"

During one interview, another alum stated that in their group, which is their organization's largest business group in Chicago, "there's none—no Black men or women."

"You set us up for success [referring to participation in the MTWW IPP], and then we get here [into the profession] and we fail, or we quit, because we don't see anyone like us," another alum observes.

Asked what it's like being a person of color in accounting, one word seemingly sums up the feelings of our alumni: Challenging. Lacking shared experiences with both peers and supervisors, feelings of not belonging are wide-reaching and, in some cases, debilitating.

"I call it imposter syndrome," one alum tells us. "We're all trying to fit into what they [their employers] want us to be and how they want us to act. For some people, unfortunately, it's still not good enough—they still don't include you."

In fact, "Environment Not Inclusive" was the second most prevalent barrier our MTWW IPP alumni identified as stifling their success (36%). Asked specifically about how inclusive the environments were in their organizations, 51% indicated that they either lacked inclusion or flat out weren't inclusive.

"My dad is white, and I grew up in predominantly white, middle-class suburbs. I was around white people all the time. I've never experienced people just not being welcoming to people of other races like I have in the accounting profession thus far," shares one interviewee.

"The recruiters and interviewers all talked about how much their organization valued diversity, but in just the short time I worked there, there was nothing about the culture that felt inclusive to me," says another alum.

It seems that acts of exclusion—rather than inclusion—have been experienced by many, if not most, of our MTWW IPP alumni. While we acknowledge that such experiences vary and are often influenced by an organization's culture and location, these accounts are far too common—and the damage to one's career can be extensive.

As one alum explains, "They [their white colleagues] were cliquy together. I was purposely excluded. Our team would have mandatory on-site days, and my senior manager and senior would walk over to our client's site together and leave me behind at our office. It was just a dreadfully terrible feeling. Pushing for things to be more diverse doesn't really mean anything if you're not included on the team."

Exclusion from required and valuable learning and growth opportunities hamper the development of critical skills and experience. Now add in that approximately 18% of our MTWW IPP alumni also cited both "Discrimination/Microaggressions" and "General Lack of Equity Compared to Other Entry-Level Professionals" as being prevalent barriers to their success and it becomes clearer why they often perceive the workplace to be a rather unwelcoming environment.

Several MTWW IPP alumni have come back to us to vocalize their concerns that diversity and inclusion in the profession essentially is "just a number." Expressing a perception shared by many, one alum says that DEI to employers means "just having different bodies in the office that are different colors."

And who's responsible for increasing the number of diverse individuals in the profession? Increasingly, we're hearing that task falls onto the diverse individuals within an organization. "I'm their poster board for recruiting," says one interviewee.

"As a Black individual, I was leaned on quite heavily to support and create diversity and inclusion initiatives in addition to the requirements of my job," shares another. "There was very little recognition of the effort those initiatives required or the time they took away from my everyday work."

And another: "I'm involved in recruiting specifically for Illinois, specifically for diverse candidates. There's an actual workload behind this that gets no attention, that's not recognized."

Further, organizations have increasingly encouraged the creation of employee resource groups, like BRGs—which are intended to

be voluntary, employee-led groups—to foster more diverse and inclusive workplaces.

One MTWW IPP alum, speaking from both personal experiences and their peers', says organizations have pushed for minority-based BRGs to resolve their DEI challenges, but a lot of the work that's done for those resource groups is shouldered by the people that the groups are supposed to benefit. "It's like an add-on to your job," they explain. "I was involved with the firm's BRG since its creation. It became a lot of work on top of my other work. In my experience, and others', nobody who was working with you on your client projects cared about your other [BRG] responsibilities. It became draining."

Sharing another experience, a MTWW IPP alum says that something was said during a BRG event that didn't go over well with the Black employees. The incident ultimately led to the BRG meeting with the firm's managing partners, who then delegated the task of determining what should be done and what types of initiatives are needed back to the BRG's members: "I remember us [the BRG members] talking after that and thinking that we shouldn't be the ones developing programs to help make people like us." This alum ultimately left the public accounting sector after five years. "It became too much," they explain, citing the lack of recognition for the time and effort they put into the DEI initiatives they were tasked with, along with the lack of understanding and acceptance from their colleagues. "Compared to my peers, I felt like I was being asked to do more. I worked twice as hard but didn't get half as far."

This feeling of giving more while getting less is also echoed often. "I've spent a lot of my professional career feeling overlooked, and that's why I decided to leave my last position in corporate accounting," says another interviewee, who was only with that company for a year and a half.

"It seems like many of my diverse colleagues are doing their jobs well, but most of the time they're not getting promoted. I believe it's because they aren't as accepted by, or connected to, those in higher positions," shares one interviewee. "It's upsetting, and at the same time it's kind of like, 'Well, this is the profession!'"

"We've started to witness alumni from the earlier MTWW IPP classes experiencing these same situations as their years in the profession add up but their advancement stalls," Natale says. "They're coming back to us and asking for advice on how to overcome their frustrations related to their workplace environments not feeling diverse, inclusive, or equitable. They rely on us because they feel like they don't have anywhere else to turn for the support to get through the extremely difficult issues they're facing. These stories made us realize that we need to have a heart-to-heart with ourselves and the profession."

When we look at all these barriers, all these obstacles combined, we feel that "heart-to-heart" can't wait. Left unchecked, we believe the lack of diverse representation and welcoming environments within the accounting profession will continue to hinder notable change in the profession's demographics, which will only perpetuate the challenge of attracting, retaining, and advancing greater numbers of diverse talent.

2

THEY FEEL HANDICAPPED BY THEIR BACKGROUNDS

I Didn't Know Any Better

The second major theme to emerge from our research is that many of our MTWW IPP alumni feel handicapped by their backgrounds once immersed in the profession. From personal upbringing and culture to educational experiences, so many unique and deeply personal factors weigh on these individuals in one way or another.

Consider this: Many of our MTWW IPP alumni are first-generation college students. Many have persevered to rise out of impoverished neighborhoods or households. Many have had to support family members from an early age. Many are, or are born of, immigrants. In many, if not all, cases, they purposefully chose to pursue the accounting profession as a means to a better life for them and their loved ones, but it doesn't always work out quite as anticipated.

"We see how the personal upbringing and life experiences of our alumni often lead to professional challenges and self-doubt that are compounded by the difficult environments they're experiencing within the profession," Natale says. "A lot of what we're hearing from our alumni regarding their first internships or jobs is along the lines of, 'I don't know enough,' 'People are treating me like they're better than me,' 'My white peers have an advantage.'"

Among our MTWW IPP alumni, about 49% indicated that "Past Experiences Did Not Adequately Prepare You or Somewhat Adequately Prepared You for Working in a Professional Environment." That lack of preparedness can start with something as simple as one of the most basic human necessities—clothing.

"The attire? Even though the program presenters gave us advice, I still had to Google it," admits one MTWW IPP alum. "I never had a reason to wear clothing like that. I didn't know any better."

What we hear frequently among our MTWW IPP alumni is that they didn't or don't have professional role models to look to for inspiration or guidance, whether that be for something seemingly as simple as picking the right outfit for an interview and presenting oneself appropriately, or for the harder things, like navigating bias and discrimination in the workplace.

"I didn't have a network of professionals to look to, so creating one during college and once entering the workforce was difficult," shares a survey respondent in a write-in comment. "Looking back, other entry-level professionals had an advantage over me with their connections through parents, relatives, or friends."

During one of our follow-up interviews, an alum offered further insight into why they felt inadequately prepared to enter a professional environment—it recounts a situation we see often among our MTWW

IPP alumni: "My personal history is very different from most of my professional peers'. My high school and college were in more impoverished areas with limited resources. Before 18, I was working full-time, taking care of three younger siblings, and trying to finance my education. In addition, my parents are both immigrants; they didn't have the time or know-how to help me develop as a professional."

For most of us, college is where we truly begin to learn how to be a professional, but that learning can also vary widely depending on the institution, and the setback of attending a less competitive or prestigious accounting program can be hard to overcome, as many of our MTWW IPP alumni share.

"If I had attended a more competitive undergraduate program, maybe I would be more advanced and more polished than I am now," one interviewee suggests.

A write-in comment on our survey read, "Even when I participated in the Internship Preparation Program, I was intimidated by the other students who went to better schools. I felt they had a better chance in their interviews, and I lost confidence in myself."

Along similar lines, an alum who attended a "no-name school" says their college experience wasn't what they wanted or expected, but it's what was accessible to them. "I felt like I didn't gain the skills and knowledge I needed. After graduating and starting my first full-time job, I quickly realized that I didn't know how much I didn't know." This is a sentiment shared by nearly half of our survey respondents, as 48% revealed that their "Education Did Not Adequately Prepare You or Somewhat Adequately Prepared You for Your Work."

Another troubling finding also emerged during our research—a strong perception of bias during the recruiting process. "You see the judgmental expressions on their [recruiters'] faces, like, 'Where's that located? I don't think I've heard of that [school],'" recalls one interviewee. Another who attended a smaller suburban university adds, "It was frustrating when I was interviewing. I felt like the recruiters weren't trying to get to know me after they learned which school I attended."

Let's not overlook the other half of our MTWW IPP alumni that did feel confident and prepared to enter the profession. They also still felt the stigma of their backgrounds, college choices, ethnicities, and races at different points throughout their recruiting and onboarding experiences.

One alum, who completed six different accounting internships throughout their undergraduate career, says they had to learn to become "comfortable being uncomfortable" as they tried to compete with other interns for job offers. "I always felt like I was going to be a few steps behind, because you know, and you can see, there's a preference for those who went to the Big 10 and all the big brand schools," they say.

However, school choices are only one part of these individuals' backgrounds that seem to be impeding them. "I remember a classmate telling me that I wouldn't be successful in the accounting profession because of the way that I talk. They said firms 'wouldn't want' me," one interviewee shares. "During my internships, I'm pretty sure some employees understood that I have an accent and also just speak differently, but I've also heard from other people in our [MTWW IPP] alumni community that they received feedback along the same lines.

They were 'unprofessional' sounding and that's why they didn't get asked back for internships or jobs."

Another alum—who attended a small, private university and can generally pass as being white—recalls even they struggled to fit in. Still frustrated by what was experienced years ago at a recruiting event, they share, "It felt like everybody I talked to already knew each other from their fraternities or sororities. It's like they belonged to an exclusive club I could never be a part of because I didn't come from family money. I remember a manager bragging to us that they got a \$50,000 bonus that year and was buying a lake house. I don't relate to that. I come from a very different background, and it made it hard to connect and build any camaraderie with those that could've helped me during the recruiting process."

An alum of another small college, confident in their abilities and generally outspoken, has been in the profession for two years now. They share: "The people that I've worked with that went to schools with top accounting programs carry around this attitude like they're so far ahead of us [referring to diverse new hires]. In some ways, maybe they are. They had access to more advanced classes, exposure to data analytics, and even Excel training. My school didn't have the resources to provide all that. I get that people are proud of where they went to college, but just because I haven't had the same college experience doesn't mean I'm not capable of learning the same skills."

It doesn't surprise us that nearly half of our MTWW IPP alumni attribute not feeling prepared for success in their jobs when they first joined the profession to knowledge and experience gaps given their backgrounds, or that 43% of them expressed having an overall lack of confidence in their abilities upon entering the profession. What surprises us is that, after being recruited, some have expressed they're being treated as if they're not coachable.

After all, if someone has shown enough promise, whether it be through their educational achievements, internships completed, or participation in our program—where a significant part of the agenda is focused on addressing many of the issues mentioned above—to be recruited into an organization that wants to increase its diversity, are we really to believe that they aren't worth investing in and developing like any other recruit?

"When you recruit diverse individuals, particularly those out of a program like ours, you have to take into consideration that they're often coming from different schools, different ways of life, and different experiences," Natale stresses. "You can't just start them all off with a class of new hires who came from top-ranked accounting programs and prestigious schools and treat everybody exactly the same, which is what I've seen happen sometimes. Is it really any wonder that 32% of our survey respondents don't feel like they had an equal opportunity for success compared to other nonminority, entry-level professionals?"

What we take from all these accounts is that while the MTWW IPP successfully helps elevate its participants to a level that earns them an opportunity in the profession, once inside it, many still feel like that opportunity isn't equal. Whether due to their upbringing or experiences, they feel as if they're on unlevel ground compared to their nonminority peers, which only handicaps their inclusion, development, and advancement.

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THEY BELIEVE THEY'RE RECEIVING INADEQUATE FEEDBACK AND DEVELOPMENT

I Felt
Blindsided

The third theme revealed by our findings is that many of our MTWW IPP alumni feel that they aren't receiving adequate feedback and development from their employers. It's unfortunate, because the sentiment of not feeling prepared for success as described earlier seems to go unaddressed in many cases. From mentorship to direct management, personal development to advancement, a lack of meaningful support is felt across all fronts.

"Knowing the diversity numbers, why aren't employers making more of an effort to provide us with the resources we need and mentors who'll really look out for us and help us through our careers?" asks one alum. It's a valid question, as nearly 31% of our survey respondents cited "Mentorship Opportunities Not Available or Inadequate for Your Professional Needs" as being a prevalent barrier experienced—making it the overall third most cited challenge.

Comparing themselves to their nonminority peers, 32% of our MTWW IPP alumni rated themselves as "Below Average" when it comes to finding mentors or role models. Many have expressed that it's hard to even begin to form meaningful mentor-mentee relationships because of their races or ethnicities—their perception being that their nonminority counterparts have an easier time connecting with superiors and finding commonalities to bond over.

When you consider the career challenges many minorities face, and the various reasons they choose to leave their employers, there's a strong business case for organizations to invest in implementing a mentorship program. But, as our MTWW IPP alumni have told us, there needs to be genuine, meaningful intention behind any mentoring program. In other words, simply assigning someone a mentor isn't enough.

In fact, several MTWW IPP alumni shared troubling reports about assigned mentors and coaches: "I had a Black colleague who was coached out of the organization by their assigned mentor. They felt like their coach wasn't representing them well during performance reviews, and I don't think they ever felt supported by the people around them," shares one alum.

"An assigned coach isn't always a good fit," stresses another alum. "I was assigned a mentor who didn't have time to help me and didn't even try to get to know me or support me. I always wondered if my experience would've been different if I had been assigned a mentor who better understood what I was going through."

Another says, "My manager doesn't care about my development, and my assigned coach is their friend, so I feel like I have to be careful about what I say to my coach. It feels like another way in which I'm being handicapped."

Of course, assigning someone to be a mentor can be equally detrimental, despite even the best intentions. "How can you actually make a difference in somebody's life or career if you're just pigeonholed into mentoring every diverse body because you're the only person of color in leadership?" questions one alum, who shared that their firm has just one Black partner responsible for mentoring around a dozen Black young professionals throughout the organization.

Exacerbating their challenges, there also seems to be a disconnect between expectations and stated job responsibilities. "Lack of Timely, Relevant, or Direct Feedback on Performance" was cited by nearly 24% of our respondents to establish it as the fourth most prevalent barrier our MTWW IPP alumni face in the profession. Asked further if they believe their job performance aligned with the feedback they received from their managers and/or performance reviews, 27% of our survey respondents selected "No" or "Somewhat," revealing a notable disconnect between them and their managers.

"During the last four or five years, as more of our alumni have graduated and started full-time careers, we've seen more people reaching back out to us saying that they were let go or received negative feedback for reasons they didn't understand," Natale shares. "Our growing concern is that it seems like managers aren't thoroughly addressing performance issues with their diverse talent, for one reason or another."

"I was very open to feedback. I asked for it. When I compared myself to my peers, I felt like I was doing more, being asked to do more, and delivering on it, but the reviews I received were just OK, or just 'meeting expectations,'" one interviewee tells us. "Because of my race, I don't think my manager was comfortable being as critical as I really wanted or needed them to be to help me understand the issues and improve."

"Every time I thought I had a handle on things, my manager gave me negative feedback but no guidance on how to improve. I really liked public accounting, but this cycle made me doubt myself and left me feeling drained," read a survey comment. We learned this person ultimately left their position in search of a boss who would provide more direction.

"I've been here for two years and am often told I'm doing a great job. I felt blindsided when my supervisor gave me a negative review. I didn't know I was underperforming until it was too late," says another.

Similarly, another interviewee shares, "My manager doesn't provide real-time feedback. They wait until the formal performance review to communicate anything with me. I've tried to take initiative by asking for feedback and trying to understand their expectations, but I receive vague, unhelpful responses."

However, it's not just feedback—or perhaps the lack thereof—that these diverse professionals are seemingly contending with. The performance review documentation itself, and the takeaways, prove challenging to absorb. Several MTWW IPP alumni, employed by different organizations, reported that their review documentation didn't include commentary explaining how their performance was evaluated and scored or ranked.

Consider this story shared during one interview: "We see how our performance is ranked compared to other colleagues at our level. Because my scores were lower, I was told by my coach to start

scheduling monthly feedback calls with the people I produce work for, just to check in to see how I'm doing. My coach was also supposed to be checking in with these people to make sure I was doing well. I was told by everybody that I was doing a great job, but then my review scores didn't reflect that. When I shared my scores in confidence with the two other diverse individuals in my group, we discovered that we all scored poorly on more than one occasion. When we brought this up with our managers, who are all white, we were told not to worry about it. It's like no one wanted to actually confront our concerns, that maybe some bias influenced our scores. We felt isolated, targeted, and set up to fail."

That perception of being set up to fail stems deeper into the areas of training and development. "On-the-Job Training Opportunities Not Provided or Inadequate for Your Professional Needs" was also a notable barrier in our MTWW IPP alumni's experiences. Asked about the on-the-job training and development they received to improve their skills, 32% selected "Not Adequate" or "Somewhat Adequate."

One MTWW IPP alumni who has continued to advance in the profession shares that they were often expected to perform work that they were never trained for. "This was especially difficult whenever I was promoted. It always felt like the expectation was that I performed at the level of someone who was already in that role, even though the role was new to me," they explain. "It made me feel like I could never figure out how to be successful, especially when I already felt behind."

Another alum shares a similar account: "I felt there were expectations placed on me that weren't fully communicated. Many times, I was expected to take on work outside of the scope of my role, but I wasn't provided with the necessary support or training to meet those expectations."

"A lot of the on-the-job training responsibilities fall to staff who don't have the time to manage us," explains another alum. "It's kind of like everybody's just too busy with their own work to make time for training or developing others. It feels like I can't bother them [the managers] to ask for the support and attention I need. How am I ever supposed to advance if I'm not up to speed in my current role?"

Several quotes from our MTWW IPP alumni can further be plugged in here, but this one summarizes the consensus well: "I had to figure it out on my own."

We recognize these sentiments could be shared by many entry-level professionals, regardless of race. However, our MTWW IPP alumni have told us they're already feeling isolated and excluded, which only accentuates the lack of on-the-job guidance.

Anecdotally, we've heard numerous accounts of our MTWW IPP alumni both voluntarily and involuntarily leaving their jobs without having received personalized development opportunities that could help bridge the soft and technical skills gaps that often exist between them and their nonminority peers. Given the insight gained from our research, we can observe that there's often a notable disconnect between the expectations of employers and their diverse employees that needs to be addressed. As it stands, we believe many organizations could help level the playing field for their diverse talent by investing in training and support structures that are better designed to retain and advance them.

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I Feel Compelled to Stay

What we're witnessing among our MTWW IPP alumni—which we believe extends to many minorities throughout the profession—is that their experiences when entering and trying to advance in the profession are leaving many of them feeling like they're continually on unlevel ground compared to their nonminority peers. Their confidence cracks. Their perseverance wavers. They see the lack of diversity around them, experience the inequity that still exists, and face the exclusion of their peers and leaders, and so they often simply leave their jobs in search of better, more welcoming environments.

Ultimately, one MTWW IPP alum sums up the unfortunate feelings of so many: “I believe I wasn't given the same care and opportunities as my white colleagues. I felt inadequate, confused, and alone.”

All hope for change isn't lost, however—some are taking things into their own hands. As one alum shares, “I feel compelled to stay in the profession, even though some days I don't really care for it, because my hope is to be the change I want to see.” @

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Will You Be Part of the Change?

These six steps could help attract, retain, and advance more diverse talent in the accounting profession.

I personally know all 260 individuals who've participated in the MTWW IPP during the past 10 years. I'm immensely proud of them and I appreciate their honesty with us and their perseverance. I can tell you without a doubt that they all want to be successful, they all want to make a positive impact in their jobs, they all want to find their place in the accounting profession, and they all have tremendous potential for success. They have hope things can change, but we can't expect them to be solely responsible for the changes that need to be made.

Accepting the fact that many of our MTWW IPP alumni are facing extremely difficult situations and challenges once they transition into the workplace was a hard first step, but it's a step in the right direction. Harder, perhaps, is realizing that their experiences are likely representative of so many other diverse professionals'. The challenge ahead of us now is that hearing their stories is one thing, while truly listening and acting is another.

I urge that we all think carefully about each of the barriers identified by this research—from their perspectives. I urge that we all ask if we're really holding ourselves accountable for helping to ensure all employees feel valued and prepared to thrive in this profession.

Reflecting on their stories, I hope our alumni—and other diverse professionals—won't ever let difficult situations overcome their dignity or stop them from achieving their goals. I genuinely believe many of our alumni's experiences could've been totally different if their teams had a better understanding of things like bias, giving feedback, being a mentor, and the importance of creating individualized development plans.

If we're repeatedly hearing the passing comment that "this person isn't equipped," at some point we need to look in the mirror and examine how we are—or aren't—developing our diverse talent. I contend that point is now.

1. Let's be more transparent about our profession's challenges with attracting, developing, and retaining diverse talent.

2. Let's have open dialogue with diverse individuals about how we can ensure our workplaces are inclusive, even without much diversity to start.

3. Let's start investing more time in identifying, and then providing, the personalized training and development our diverse talent needs to truly realize their potential.

4. Let's do better at giving direct, honest feedback to our colleagues and mentees to use our mandated or organic mentorship time more wisely.

5. Let's be more considerate about creating safe spaces for all our people to discuss and evaluate their performance and explore any experience or education gaps that must be filled.

6. Let's all work to level the playing field.

I know it's sometimes difficult to admit that the programs we have in place may not be working as intended, but expanding our resources and resolving to better support diverse individuals in our profession can't wait. We can't wait for change; we must be the change. If we don't lead this change, I can assure you that diverse college students will lose interest in joining the accounting profession—and many of those who do join it will continue to leave soon after. We must all take accountability for creating meaningful, lasting diversity, equity, and inclusion in this profession. @



Kari Natale

Kari L. Natale, CAE
Senior Director, Planning & Governance,
Illinois CPA Society
Senior Director, CPA Endowment Fund
of Illinois