Diversity: Closing the talent gap

PwC’s Accounting & Tax Symposium

Thursday August 4, 2016
Rod Adams,  
US Recruiting Leader

Kimberly Drumgo,  
AICPA, Director of Diversity & Inclusion

Elena Richards,  
Minority Initiatives & Talent Management Leader
Being brave, having a dialogue

Listening to each other

Minority statistics regarding the profession
Trends

32% of college enrollments
16% of accounting enrollments
12% of accounting graduates
Represent only 10% of new hires at CPA firms

Source: IES: Enrollment and Employees in Postsecondary Institutions, Fall 2014; and Financial Statistics and Academic Libraries, Fiscal Year 2014
Note: Under-represented minorities (URM) includes the following: American Indian or Alaska Native; Black/African American; Hispanic or Latino; Native Hawaiian or Pacific Islander; and Two or More Races. However, most trends and data relate directly to Black/African American students and Hispanic/Latino students.
On-campus challenges and issues regarding talent acquisition
URM students

**Challenges**

- Racial climate can negatively impact persistence and graduation rates
- Lack of preparation for college-level curriculum
- First-generation college students
- Lack of funding ($$$) for scholarships and other financial challenges
- Low graduation rates

**Talent attraction to industry**

- Profession is invisible to students and value proposition is unclear
- Lack of diversity in accounting faculty (i.e., tenured) and partners of CPA firms
- Leaders in profession don’t represent accounting as interesting or attractive
- Fierce competition with other industries (i.e., medicine and law)
- Communicating the importance of having a master’s degree

*Source: The Symposium Upward mobility and retention of African Americans within the Accounting Profession | Howard University – School of Business: Center for Accounting Education*
A Third of Minority Accountants Were 1st Generation College Graduates

Did either of your parents attend college? (Minority Young Accountants, N=484)

- Yes: 66%
- No: 33%
- Don't know/not sure: 1%
Significantly More White Young Accountants Reported Having an Accountant in their Immediate Family

Has anyone in your immediate family ever worked as an accountant? 
(by race/ethnicity, N=1410)

- White: 35%
- Black: 27%
- Hispanic: 27%
- Asian: 30%
Four-in-Ten Minority Accountants Decided to Pursue Accounting In High School

At what point did you decide to pursue a career in the accounting profession?
(Minority Young Accountants, N=484)

- Prior to graduating high school: 38%
- In college: 52%
- After receiving undergraduate degree: 10%
Affording college is the top obstacle for all, but problems with mentorship, lack of role models & belonging are significantly greater obstacles for minority young accountants.

To what extent were any of the following obstacles to your receiving an undergraduate degree?

*(White vs. Minority Young Accountants, N=1452)*

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>White Young Accountants</th>
<th>Minority Young Accountants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affording college</td>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>Lack of mentorship</td>
<td>17%</td>
<td>8%</td>
</tr>
<tr>
<td>Lack of role models</td>
<td>14%</td>
<td>5%</td>
</tr>
<tr>
<td>Deciding on a major</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>Difficulty of classes</td>
<td>12%</td>
<td>5%</td>
</tr>
<tr>
<td>Feeling that you did not belong</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>Getting accepted into college</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Getting enough credit hours</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Graph showing the percentage of White and Minority Young Accountants facing each obstacle.*
Affordability Biggest Obstacle Among All

To what extent were any of the following obstacles to your receiving an undergraduate degree?
(Percentage Stating “major obstacle,” by race/ethnicity, N=1452)

- Affording college: 36% (White), 26% (Black), 24% (Hispanic), 30% (Asian)
- Deciding on a major: 17% (White), 14% (Black), 9% (Hispanic), 9% (Asian)
- Lack of mentorship: 20% (White), 12% (Black), 8% (Hispanic), 17% (Asian)
- Lack of role models: 16% (White), 13% (Black), 5% (Hispanic), 13% (Asian)
- Difficulty of classes: 15% (White), 13% (Black), 5% (Hispanic), 15% (Asian)
- Getting enough credit hours: 10% (White), 6% (Black), 4% (Hispanic), 10% (Asian)
- Feeling that you did not belong: 18% (White), 8% (Black), 4% (Hispanic), 14% (Asian)
- Getting accepted into college: 14% (White), 7% (Black), 2% (Hispanic), 14% (Asian)
Please discuss the Top 3 best practices that have been implemented to increase visibility of the accounting profession with under-represented minority students.
Timing

4:15 to 4:30: Setup (Kim and Rod)

Ideation (60 mins)

Idea sharing (20 mins): Tables come together to share ideas and land top 3 ideas of those two tables.

Amanda Miranda (US - IFS)
College Professors Rated Most Influential By Minority Accountants

How influential are each of the following for your decision to pursue accounting as a career?

(White vs. Minority Young Accountants, N=1452, Mean ratings on 10-point scale)

- A college professor/mentor: Minority Young Accountants 6.13, White Young Accountants 6.61
- Your family/a family member: Minority Young Accountants 5.66, White Young Accountants 5.89
- Your graduate school accounting department: Minority Young Accountants 4.99, White Young Accountants 5.53
- Employment recruiters: Minority Young Accountants 5.29, White Young Accountants 4.99
- A non-family member that works in the accounting industry: Minority Young Accountants 4.95, White Young Accountants 4.68
- Your friends/peers: Minority Young Accountants 4.93, White Young Accountants 4.93
- A high school teacher/mentor: Minority Young Accountants 4.61, White Young Accountants 4.61
- A college scholarship: Minority Young Accountants 4.39, White Young Accountants 4.39
- A college career placement counselor: Minority Young Accountants 4.21, White Young Accountants 4.21
- The AICPA: Minority Young Accountants 3.81, White Young Accountants 3.81
- The media: Minority Young Accountants 3.62, White Young Accountants 3.62
- A high school guidance counselor: Minority Young Accountants 3.60, White Young Accountants 3.60

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Resources

- Attracting Underrepresented Minorities to the Accounting Profession: Insights into Diversifying the Talent Pipeline (2014)
- Howard University Center for Accounting Education
- IES: Enrollment and Employees in Postsecondary Institutions, Fall 2014; and Financial Statistics and Academic Libraries, Fiscal Year 2014
Thank you!