Diversity at a Crossroads: A Study of Public Company Audit Partners

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In light of recent pushback against DEI initiatives, this study benchmarks diversity among public company audit partners prior to a potential inflection point. Using PCAOB AuditorSearch data from 2019 and 2023, we find that in 2023, 68% of SEC audit partners were white males, 21% white females, and 11% from racial or ethnic minority groups. SEC engagements are among the most prestigious and lucrative in public accounting. Our findings reveal a modest increase in partner diversity since 2019 and aim to inform discussions on current levels and trajectories along with the impact of DEI policy changes in the accounting profession.

Keywords: diversity, public accounting, audit partners

INTRODUCTION

Diversity, equity, and inclusion (DEI) have become central to the strategic goals of public accounting firms, particularly following the increased global focus on social justice issues in 2020 (e.g., Deloitte, 2020; PwC,. The Big 4 firms—Deloitte, PwC, EY, and KPMG—have regularly published reports detailing their diversity metrics and have made bold commitments to improving diversity at all levels, including leadership (Deloitte, 2024; EY, 2024; KPMG, 2024; PwC, 2024). For example, in PwC's 2022 Diversity and Inclusion Transparency Report, they stated,

> *"…we acknowledge that we need to accelerate progress in the representation of women and racial/ethnic diversity across all employee levels. We must do more to* ***retain*** *our diverse teammates as they advance in their careers at our firm. And we must proactively place more women and racially/ethnically diverse partners in charge of* ***leading large client*** *engagements."* (PwC 2022)

In Deloitte's 2021 Global Impact Report, they stated,

> *"At Deloitte, we want everyone to feel they can be themselves and to thrive at work— in every country, in everything we do, every day. This can only be achieved by providing a workplace culture characterized by inclusive everyday behaviors and built on a foundation of respect and appreciation for diversity in all its forms."* (Deloitte 2021)

However, these public commitments often clash with the internal realities of firm culture, which continues to value the "ideal worker"—a professional who prioritizes work above all else (e.g., Dwyer and Roberts, 2004; Almer, Lightbody, and Single, 2012; Spencer-Jolliffe, 2021). This "ideal" is disproportionately disadvantageous to women and minority professionals (Madsen 2013, Hardies, Lennox, and Li 2021, Madsen 2023), creating barriers to their advancement into leadership roles, particularly on prestigious and high-revenue audits, such as those involving SEC clients. Compounding this issue, public accounting firms are facing external pressures, including legal challenges to DEI initiatives as states enact legislation to reduce or eliminate funding for these efforts (Wong 2023). Additionally, other corporations are moving away from costly DEI initiatives (Nix 2023; Kratz 2024; Peck 2024). And most recently, the federal government has rolled back on DEI initiatives within the federal government (Mulvihill, Alexander, and Kruesi 2025). This has put pressure on the private sector, including the accounting firms. For example, KPMG and Deloitte recently decided to discontinue DEI reporting, (2025), and KPMG's CEO announced the end of their program, which aimed to have half of its partners and managing directors from underrepresented groups by 2025 (Foley). Despite strides in recruiting a more diverse workforce at junior levels, the demographic makeup of audit partners, particularly those handling SEC clients, remains significantly less diverse. This is especially concerning because SEC audit engagements remain a critical segment of the profession due to the high visibility, complexity, and revenue generation (Hardies, Lennox, and Li 2021).

SEC clients represent some of the most lucrative and prestigious engagements for audit firms, requiring extensive expertise, larger teams, and greater regulatory scrutiny. As such, leadership of these engagements is often viewed as a significant career milestone for audit partners, symbolizing professional achievement and status (Carter and Spence, 2014; Almer et al.,. Given the high-profile nature of these roles, the diversity of audit partners managing SEC clients provides an essential benchmark for evaluating the effectiveness of firms' diversity efforts in light of broader cultural changes. By focusing on SEC-registered clients, we provide a more granular analysis of diversity efforts within the audit profession. This focus distinguishes our study from previous research (discussed below), which has largely looked at overall firm diversity or new-hire diversity rather than examining audit partner diversity in such a specific context.

Despite strides in recruiting a more diverse workforce at junior levels, we show that the demographic makeup of audit partners, particularly those handling SEC clients, remains significantly less diverse. This paper aims to document the current state of diversity among SEC client audit partners and explore whether firms' past public diversity commitments have translated into meaningful representation in these prestigious roles today. Our study aims to identify the strides the firms have made and the gap that remains between firms' prior claimed diversity goals and actual diversity among audit partners overseeing SEC clients, as well as to set a benchmark for future changes in public company audit partner diversity.

We begin this study by obtaining data from the PCAOB's AuditorSearch database, spanning the years 2019 and 2023. We find that out of 2,929 public company engagement partners in 2023, 67.9 percent are white males, 21.1 percent are white females. Race or ethnic minority partners make up 11 percent. This represents a modest increase in white female and ethnic minority partners, as an additional examination of 2019 data shows that of 3,406 total public company audit partners, 72.4 percent were white males, 19.2 percent were white females, and 8.4 percent were partners from racial or ethnic minority groups.

We accept and agree with Cussatt, Harris, and Xiao (2021) that "the concept of diversity is vast, has different meanings to different audiences, and continues to evolve." We approach our task with two underlying assumptions: (1) the public accounting industry will hire the best and the brightest people regardless of race or ethnicity, gender, etc. and without considering "diversity" as the first-order goal, and (2) engagement partner diversity is constrained by education, hiring practices, and norms from 15 to 20 years ago. Our goal is not to criticize past public accounting hiring practices, but rather to document one measure of DEI progress in public accounting, so that stakeholders in the accounting profession can look forward to improvements in this measure of DEI over the next five, ten, or 20 years.

BACKGROUND AND PRIOR LITERATURE

Racial and gender diversity in public accounting has been a subject of increasing focus in recent years, particularly as public accounting firms faced growing pressure to demonstrate their commitment to diversity, equity, and inclusion (DEI). The "Big 4" accounting firms—Deloitte, PwC, EY, and KPMG—have all made public declarations in recent years regarding their goals for increasing diversity in their workforce. In addition to the examples above, EY's public DEI statement in 2022 emphasized that "Diversity and inclusiveness are core to who we are and how we work. We hold a collective commitment to foster an environment where all differences are valued, practices are equitable and everyone experiences a sense of belonging –where people are inspired to team and lead inclusively in their interactions every day." (EY 2022). To further illustrate this point, KPMG's Chair and CEO also issued a statement on diversity and inclusion as recently as 2024, stating, "In addition to the trust and transparency that guide our work, our dedication to diversity, equity, and inclusion (DEI) is steadfast. It's a testament to the fact that our entire business is based on our people – their passion, skills, and commitment to excellence and integrity. We bring our Values to bear through Accelerate 2025, our strategy rooted in growing and supporting a diverse workforce and inclusive work environment." (KPMG 2024).

Until recently, these firms regularly published diversity reports that highlighted their progress in recruiting and promoting professionals from underrepresented groups (Deloitte, 2024; EY, 2024; KPMG, 2024; PwC, 2024). However, the most recent U.S. presidential election (2024) and the new administration have brought on a very different outlook on DEI initiatives, not only at the federal government level, but also at the industry level, including the accounting industry. The effects are already apparent, as seen in Deloitte's and KPMG's decision to discontinue diversity reporting, and in KPMG's termination and non-renewal of their Accelerate 2025 program, as mentioned in the quote above.

Audit partners play a crucial role in the success and reputation of public accounting firms, (2019), particularly those responsible for auditing SEC clients. SEC clients are generally larger and more prestigious, requiring complex and high-quality audits. The revenue generated from these engagements is often substantial, and partners leading SEC audits are considered to be among the most experienced and capable within the firm. As such, securing a partnership role with SEC clients is not only prestigious but also indicative of a professional's status within the firm (Almer et al. 2021).

Given that SEC engagements are among the most prestigious and high-revenue audits, these roles may be more likely to be filled by professionals who have a longer tenure in the firm and who may have advanced through the firm's ranks during periods when diversity initiatives were less prominent. This could result in lower diversity levels among SEC audit partners compared to the overall audit partner population and the new hire population, where recent diversity initiatives may have had more of an impact. For example, in Table 1 we show PWC's reported DEI figures for their new hires and their partner and principal group (we focus on the subset of partners, who have public clients). We observe that the percentages in the partner group are higher than those in the new-hire group only for the Male and White categories. Additionally, the lack of transparent reporting on diversity among SEC audit partners suggests that this is an area where firms may not have achieved the same level of diversity progress as in other areas. Thus, examining the diversity of partners in these roles is a critical indicator of whether firms' diversity initiatives *remain* effective into the highest levels of responsibility.

TABLE 1
PWC DEI FIGURES (PWC 2020)

DEI Category	New Hires	Partners and Principals
Total Number	3,825	3,336
Male	52%	78%
Female	46%	22%
White	58%	83%
Hispanic	12%	3%
Black or African American	7%	2%
Asian	17%	9%
Elected not to Provide	2%	2%
Two or more	3%	<1%

This table presents DEI figures self-reported by PwC on their 2020 D&I Transparency Executive Summary.

Prior research has examined the determinants of a diverse audit team and partner group. Madsen (2023) compares diversity in the university-to-job pipeline in auditing to other disciplines and finds that Black accountants are underrepresented among entry-level auditors compared to other similar professions, despite Black individuals being *overrepresented* among college first-year students planning to major in accounting. The study concludes that the findings are consistent with unintentionally biased recruiting efforts. In their examination of compensation for female audit partners, Hardies, Lennox, and Li (2021) find that female audit partners are less likely to be assigned to more prestigious audit clients, and this is not due to lower productivity, suggesting findings consistent with gender discrimination. This study illustrates that while accounting firms may be moving toward an equal number of female auditors and partners as a whole, we may still see lack of diversity in the audit partners of *public company* audits. Similarly, Chen, Hallman, and Sunder (2025) find that only a small proportion of public company engagements are led by female audit partners, but interestingly, that from the late 2010s to the end of 2023, *male* auditors were at a higher risk of leaving the firms and at a lower probability of promotion conditional on staying, pointing to possible future changes in the partner group of audit firms. Together, these studies show that trends may change, and thus, it is important to note where we stand on diversity at different points in time.

Prior research has also studied the effects of a diverse engagement team. Industry and academia appear to agree that having diverse engagement teams enhances audit quality and firm values (e.g., Chen, Sun, and Wu, 2010; Gul, Wu, and Yang, 2013; Hardies, Breesch, and Branson, 2015; Condie et al.,. Existing research has demonstrated the benefits of diversity in audit teams (e.g., Gul et al. 2013; Nolder and Riley 2014; Hardies et al. 2015). Specifically, prior research has found that audit team diversity improves decision-making, leads to higher-quality audits, and results in lower turnover rates among audit personnel (Condie et al.,. Similarly, Ahn et al. (2023) find that same-group individuals in accounting are less likely to leave when there are more same-group peers and leaders. Audit team diversity has been shown to have positive effects on client outcomes as well. For example, Krishnan, Singer, and Zhang (2023) find that ethnic minority audit partners (hereafter EMAPs) are associated with clients' more predictive future cash flows, smaller discretionary accruals, and a lower likelihood of receiving comment letters. Further, they find that overall, clients of EMAPs have higher financial reporting quality. Diversity efforts have also been found to lead to external recognition. Larkin, Bernardi, and Bosco (2013) find that as the number of women directors increased, so did the probability of the corporation appearing on public lists that tout corporate transparency and ethical orientation.

Even in the current social and political environment, where DEI initiatives are being scaled back and, in some cases, completely eliminated, the issue of the effects of diversity (or lack thereof) remains important. In fact, Gramlich and Huang (2023) study pollution regulations and find that nonprescriptive regulations can stimulate innovations that improve efficiencies in those areas. Applying their findings more broadly, as DEI efforts become more of a choice for individual firms, rather than a prescribed model they are required to follow, we may see that DEI practices experience change and innovation.

The changes in diversity practices and the extent to which prior diversity efforts have impacted the most prestigious audit engagements—those with SEC clients—have not been fully explored (gender has been examined by Almer et al.,. We do know from prior literature that barriers to advancement in public accounting, such as the lack of mentorship opportunities and implicit biases in promotion practices disproportionately affects minority and female professionals (e.g., Anderson-Gough, Grey, and Robson 2005; Almer and Single 2007; Almer et al. 2021, Hardies, Lennox, and Li 2021). Research on organizational behavior suggests that individuals from underrepresented groups may face additional challenges in navigating the path to partnership, particularly in high-status roles such as those overseeing SEC clients (Rosenthal,. These factors make it essential to examine whether the Big 4 firms' diversity efforts are reflected in the audit partners assigned to their most prestigious clients and to document the current state of audit partner diversity, thereby setting a benchmark for evaluating changes in efforts and outcomes in the future.

METHODS

We collected audit partner data from the PCAOB's AuditorSearch database, focusing on public company audit engagement partners for 2023 and comparing it to data from 2019, allowing us to track changes over this period. The dataset includes information on the gender and race or ethnicity of partners. We identified those partners responsible for SEC-registered clients, offering a more detailed look at diversity in this high-stakes area.

We downloaded the PCAOB AuditorSearch dataset, which included public company audit partner names on three different dates: June 11, 2020; June 14, 2022; and April 9, 2024. Our sample covers engagement partners from all 50 U.S. states and the District of Columbia. We focus on the 2023 data, as it represented the most recent year with complete information at the time of download and was suitable for the scope of our study. Because the dataset did not include demographic variables, we manually collected data on gender and race or ethnicity through a comprehensive search of publicly available sources, including firm websites, LinkedIn profiles, university affiliations, and board memberships. This method allowed us to cross-validate data from multiple independent sources, ensuring accuracy. Less than 5 percent of partners lacked a discernible online presence; thus, we believe that this did not introduce systematic bias that would affect the gender, race, or ethnic distribution. To classify race or ethnicity, we also cross-referenced names with professional associations, such as the Association of Latino Professionals for America, and other contextual indicators, minimizing potential misclassifications and providing a reliable demographic profile.

Our analysis encompasses 172 public accounting firms that filed audit reports for 8,080 public company clients, involving 2,929 engagement partners. In Table 2 we categorize these firms: the Big 4 (Deloitte, PwC, EY, and KPMG) employed 1,886 engagement partners; the next four largest firms (Grant Thornton, BDO, Marcum, and RSM) contributed 408 partners to the data; the next ten firms employed 257 partners; and all remaining firms accounted for 378 of the partners in our data.

TABLE 2
ALL ENGAGEMENT PARTNERS WITH PUBLIC CLIENTS IN 2023

Firm	Number of Partners	Percentage of Total
Deloitte	500	18.6%
Ernst & Young	545	17.1%
KPMG	371	16.0%
PwC	470	12.7%
Total Big 4	**1,886**	**64.4%**
Grant Thornton	147	5.0%
BDO	111	3.8%
Marcum	78	2.7%
RSM US	72	2.5%
Crowe	44	1.5%
Moss Adams	41	1.4%
FORVIS	40	1.4%
WithumSmith+Brown	28	1.0%
Baker Tilly	25	0.9%
EisnerAmper	20	0.7%
Cohen & Company	17	0.6%
UHY	16	0.5%
CohnReznick	15	0.5%
Plante & Moran	11	0.4%
Total Next 14	**665**	**22.5%**
Remaining 154 Firms	**378**	**12.9%**
All 172 Firms	**2,929**	**100%**

This table presents breakdown of public company audit engagement partners in 2023 by firm.

FINDINGS

In 2023, of 2,929 public company audit engagement partners (Table 3), 75.5 percent (2,211) were male and 24.5 percent (718) were female. Within the Big 4 firms, the gender gap was slightly narrower, with 73.5 percent (1,386) male and 26.5 percent (500) female. However, the proportion of female partners decreased with firm size: The next 14 firms had 22.9% female partners, and the remaining 154 firms had 17.5% female partners. For comparison, U.S. Census Bureau data indicate a near-even gender distribution in the general population, with 50.45 percent females and 49.55 percent males (Bureau,. In 2021, of adults 25 and older with a bachelor's degree, 53.1 percent were women, and 46.9 percent were men (Bureau 2022a), highlighting the underrepresentation of women in audit partnerships, particularly outside the Big 4.

Analysis of partner race/ethnicity (Table 4) also reveals a stark contrast with U.S. demographics. Our distribution was 89 percent White, 1.8 percent Black, 6.9 percent Asian, and 2.3 percent Hispanic. The U.S. Census Bureau's 2023 estimates are: 75.5 percent White alone, 13.6 percent Black, 6.3 percent Asian, and 19.1 percent Hispanic/Latino (Bureau 2023). A perfect comparison of our partner data percentages for this study would be to the race distributions within entry-level auditors, which is data we do not have. However, we do have data on the demographics of college-educated adults, which is still a better comparison group than the U.S. population given an individual must have a bachelor's degree to become a CPA and therefore a partner at an audit firm. In 2021, of adults aged 25 and older with a bachelor's degree, 71.4 percent were White, 9.4 percent were Black, 10.4 percent were Asian, and 8.8 percent were Hispanic (Bureau 2022b). While less drastic, the contrast between the race demographics of public company audit partners and college-degree-holding adults remains quite apparent.

TABLE 3
GENDER BREAKDOWN OF PARTNERS IN 2023

Firm	Male	Female	Male %	Female %
Deloitte	356	144	71.2%	28.8%
Ernst & Young	397	148	72.8%	27.2%
KPMG	290	81	78.2%	21.8%
PwC	343	127	73.0%	27.0%
Total Big 4	**1,386**	**500**	**73.5%**	**26.5%**
Next 14 Firms	**513**	**152**	77.1%	22.9%
Remaining	**312**	**66**	82.5%	17.5%
All Firms	**2,211**	**718**	**75.5%**	**24.5%**

This table presents breakdown of public company audit engagement partners in 2023 by gender for the firms in the sample.

TABLE 4
ETHNICITY OR ORIGIN BREAKDOWN OF PARTNERS IN 2023

Firm	White	Hispanic	Black	Asian	White %	Hispanic %	Black %	Asian %
Deloitte	460	8	9	23	92.0%	1.6%	1.8%	4.6%
Ernst & Young	491	12	15	27	90.1%	2.2%	2.8%	5.0%
KPMG	342	10	3	16	92.2%	2.7%	0.8%	4.3%
PwC	425	8	14	23	90.4%	1.7%	3.0%	4.9%
Total Big 4	**1,718**	**38**	**41**	**89**	**91.1%**	**2.0%**	**2.2%**	**4.7%**
Next 14 Firms	**581**	**16**	**7**	**61**	**87.4%**	**2.4%**	**1.1%**	**9.2%**
Remaining	**308**	**12**	**6**	**52**	**81.5%**	**3.2%**	**1.6%**	**13.8%**
All Firms	**2,607**	**66**	**54**	**202**	**89.0%**	**2.3%**	**1.8%**	**6.9%**

This table presents breakdown of public company audit engagement partners in 2023 by race and/or ethnicity or origin.

In Table 5 we show partner distributions by ethnicity or origin as well as gender for 23 in numbers (Panel A) and in percentages (Panel B), to demonstrate a more detailed picture of the findings discussed above.

TABLE 5
ETHNICITY OR ORIGIN AND GENDER BREAKDOWN OF PARTNERS IN 2023

Panel A (number)	Female				Male			
Firm	White	Hispanic	Black	Asian	White	Hispanic	Black	Asian
Deloitte	131	2	0	11	329	6	9	12
Ernst & Young	127	5	6	10	364	7	9	17
KPMG	79	1	0	1	263	9	3	15
PwC	111	3	6	7	314	5	8	16
Total Big 4	**448**	**11**	**12**	**29**	**1270**	**27**	**29**	**60**
Next 14 Firms	**125**	**5**	**0**	**22**	**456**	**11**	**7**	**39**
Remaining	**45**	**1**	**2**	**18**	**263**	**11**	**4**	**34**
All Firms	**618**	**17**	**14**	**69**	**1989**	**49**	**40**	**133**

Panel B (percent)	Female				Male			
Firm	White	Hispanic	Black	Asian	White	Hispanic	Black	Asian
Deloitte	26.2%	0.4%	0.0%	2.2%	65.8%	1.2%	1.8%	2.4%
Ernst & Young	23.3%	0.9%	1.1%	1.8%	66.8%	1.3%	1.7%	3.1%
KPMG	21.3%	0.3%	0.0%	0.3%	70.9%	2.4%	0.8%	4.0%
PwC	23.6%	0.6%	1.3%	1.5%	66.8%	1.1%	1.7%	3.4%
Total Big 4	23.8%	0.6%	0.6%	1.5%	67.3%	1.4%	1.5%	3.2%
Next 14 Firms	18.8%	0.8%	0.0%	3.3%	68.6%	1.7%	1.1%	5.9%
Remaining	11.9%	0.3%	0.5%	4.8%	69.6%	2.9%	1.1%	9.0%
All Firms	21.1%	0.6%	0.5%	2.4%	67.9%	1.7%	1.4%	4.5%

This table presents breakdown of public company audit engagement partners in 2023 by race and/or ethnicity or origin and gender.

We show the same information for 2019 in Table 6.

TABLE 6
ETHNICITY OR ORIGIN AND GENDER BREAKDOWN OF PARTNERS IN 2019

Panel A (number)	Female				Male			
Firm	White	Hispanic	Black	Asian	White	Hispanic	Black	Asian
Deloitte	109	2	1	5	346	4	5	10
Ernst & Young	111	4	0	7	435	4	6	8
KPMG	83	6	2	2	336	8	3	8
PwC	111	4	3	8	365	7	7	12
Total Big 4	**414**	**16**	**6**	**22**	**1482**	**23**	**21**	**38**
Next 16 Firms[1]	**116**	**3**	**0**	**13**	510	12	4	33
Remaining	**123**	**4**	**4**	**19**	473	14	6	50
All Firms	**653**	**23**	**10**	**54**	**2,465**	**49**	**31**	**121**

Panel B (percent)	Female				Male			
Firm	White	Hispanic	Black	Asian	White	Hispanic	Black	Asian
Deloitte	22.6%	0.4%	0.2%	1.0%	71.8%	0.8%	1.0%	2.1%
Ernst & Young	19.3%	0.7%	0.0%	1.2%	75.7%	0.7%	1.0%	1.4%
KPMG	18.5%	1.3%	0.4%	0.4%	75.0%	1.8%	0.7%	1.8%
PwC	21.5%	0.8%	0.6%	1.5%	70.6%	1.4%	1.4%	2.3%
Total Big 4	20.5%	0.8%	0.3%	1.1%	73.3%	1.1%	1.0%	1.9%
Next 16 Firms	16.8%	0.4%	0.0%	1.9%	73.8%	1.7%	0.6%	4.8%
Remaining	17.7%	0.6%	0.6%	2.7%	68.3%	2.0%	0.9%	7.2%
All Firms	19.2%	0.7%	0.3%	1.6%	72.4%	1.4%	0.9%	3.6%

Panel C (changes)	Female				Male			
Firm	White	Hispanic	Black	Asian	White	Hispanic	Black	Asian
Deloitte	+3.6%	-	-0.2%	+1.2%	-6.0%	+0.4%	+0.8%	+0.3%
Ernst & Young	+4.0%	+0.2%	+1.1%	+0.6%	-8.9%	+0.6%	+0.6%	+1.7%
KPMG	+2.8%	-1.1%	-0.4%	-0.2%	-4.1%	+0.6%	+0.1%	+2.2%
PwC	+2.1%	-0.1%	+0.7%	-0.1%	-3.8%	-0.3%	+0.3%	+1.1%
Total Big 4	**+3.3%**	**-0.2%**	**+0.3%**	**+0.4%**	**-6.0%**	**+0.3%**	**+0.5%**	**+1.3%**
Next 16 Firms[1]	**+2.0%**	**+0.4%**	**-**	**+1.4%**	**-5.2%**	**-0.1%**	**+0.5%**	**+1.1%**
Remaining	**-5.8%**	**-0.3%**	**-**	**+2.0%**	**+1.3%**	**+0.9%**	**+0.2%**	**+1.8%**
All Firms	**1.9%**	**-0.1%**	**+0.2%**	**+0.8%**	**-4.5%**	**+0.2%**	**+0.5%**	**+1.0%**

This table presents the number of public company audit engagement partners in 2019 by race and/or ethnicity or origin and gender in Panel A. Panel B presents the percentage for each audit partner category. Panel C presents the percentage change in each audit partner category percentage from 2019 to 2023.

The U.S. Census distinguishes between "White alone" (75.5%) and "White and not Hispanic or Latino" (58.9%), with the difference (16.6%) representing White individuals who are Hispanic/Latino. Therefore, if partner demographics mirrored the U.S. population, excluding the white Hispanic/Latino population, we would expect approximately 59 percent to be White, 19 percent to be Hispanic, 14 percent to be Black, and 6 percent to be Asian. The large overrepresentation of White partners and significant underrepresentation of Hispanic and Black partners in our sample is clear.

We then compared the 2023 data to that from 2019 to assess changes over time. Tables 5 and 6 show slow progress at the audit partner level for SEC clients. Firstly, the number of Hispanic females actually decreased (from 16 to 11). And while the number of Black and Asian female partners and Hispanic, Black, and Asian male partners all increased, the small absolute change underscores the limited impact of current DEI initiatives at this level. This highlights the persistent disparity between audit partner diversity on SEC engagements and the broader workforce diversity statistics reported by the Big 4. Despite significant focus on DEI in recent years, the demographic makeup of these partners has seen only modest change over the last four years, particularly in these high-profile roles. Furthermore, we anticipate that the current cultural climate will have a direct impact on diversity efforts, and thus, an indirect effect on this demographic makeup in the future.

CONCLUSION AND IMPLICATIONS

Our findings reveal a modest increase in the demographic diversity of public accounting firms' audit partners responsible for SEC clients over a four-year period. Although the progress may seem small, it may represent meaningful changes at the leadership level, particularly in high-stakes SEC engagements. The efficacy of recent DEI initiatives and the structural barriers that still exist in promoting diverse professionals to the highest levels of the profession face a new challenge in the form of DEI roll-back at the federal government level. It is possible that segments of the private sector that rely on federal clients may be pressured to roll back internal DEI initiatives in order to retain federal contracts.

However, firms can pursue DEI initiatives implicitly by revising their strategies for advancing underrepresented groups into leadership positions. This could include more targeted mentorship programs, transparent promotion pathways, and specific diversity metrics for SEC engagements. Moreover, greater transparency in reporting the diversity of audit partners serving these prestigious clients would provide an important benchmark for measuring future progress. In an era where external pressures on DEI initiatives are mounting, the auditing profession faces a critical juncture where they must decide whether to go beyond public commitments and take more proactive steps to ensure that their most prestigious roles reflect the diversity of their broader workforce.

To strengthen the understanding of how diversity impacts audit quality and firm outcomes, more research is needed to explore the long-term effects of diverse leadership on SEC audit engagements. Future studies could also examine the role of mentorship, sponsorship, and promotion practices in facilitating the progression of underrepresented groups to leadership roles within this unique time and environment. Additionally, investigating the intersection of diversity and evolving regulatory demands in high-stakes audit environments would provide valuable insights for shaping future DEI strategies in the profession.

ENDNOTES

1. There are three date variables in the PCAOB data: fiscal period end date of the client company, audit report date, and filing date. We used fiscal period end date of the client company. Using other date variables yields a minor difference in the number of partners.
2. We counted BDO USA, P.A., BDO USA, P.C. and BDO USA, LLP as one firm and Marcum LLP and Marcum Asia CPAs LLP as one firm, as well. The other 13 firms are Grant Thornton, RSM, Moss Adams, Crowe, Baker Tilly, CohnReznick, Plante & Moran, WithhumSmith+Brown, EisnerAmper, Forvis, Marcum, Cohen & Company, and UHY.

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APPENDIX

We recognize that coding partner gender/ethnicity is inherently subjective. This was a main concern before we started the hand-collection process. However, throughout the process, we noticed that partners are inclusive when it comes to listing languages, college groups, firm groups, local professional groups on their firm profiles, LinkedIn accounts, etc. This mitigated our concern as we found that public accounting partners were generally very visible online.

There are a few interesting notes we made during the hand-collection process. First, there are a handful of LGBTQ+ partners in the 2023 sample, which we did not include as part of our diversity analysis. Second, a noticeable trend is female partners using male or gender-neutral names (e.g., PCAOB data would have a legal name of Kristal, and the firm profile would have Kris).

We pulled a random sub-sample of 50 partners from our 2023 sample of 2,929 engagement partners. The "Engagement Partner ID" is a variable on the PCAOB AuditorSearch dataset (https://pcaobus.org/resources/auditorsearch) for their names and firms. We invite anyone who is curious as to how we collected the data to look up partners' names and firms in the dataset and search on the internet.

	Engagement Partner ID	Female	White	Asian	Black	Hispanic
1	2300082	0	0	1	0	0
2	3410542	1	1	0	0	0
3	3410827	1	1	0	0	0
4	3411103	0	1	0	0	0
5	3411282	0	1	0	0	0
6	3411372	1	1	0	0	0
7	3411577	0	1	0	0	0
8	3411709	0	1	0	0	0
9	3411848	1	1	0	0	0
10	4200652	0	1	0	0	0
11	4201023	1	0	1	0	0
12	4201164	0	0	0	0	1
13	4201513	1	1	0	0	0
14	4203816	0	1	0	0	0
15	4204165	0	1	0	0	0

16	4204940	1	0	1	0	0
17	4953128	0	1	0	0	0
18	4961936	0	1	0	0	0
19	10000235	0	1	0	0	0
20	10600003	0	1	0	0	0
21	18500130	0	1	0	0	0
22	18500445	0	1	0	0	0
23	18500477	0	1	0	0	0
24	18500494	0	1	0	0	0
25	18500544	0	1	0	0	0
26	18500632	0	1	0	0	0
27	18501047	0	1	0	0	0
28	23800067	0	1	0	0	0
29	23800193	0	1	0	0	0
30	23800274	0	1	0	0	0
31	23800280	1	1	0	0	0
32	23800328	0	1	0	0	0
33	23800598	0	1	0	0	0
34	23800658	0	1	0	0	0
35	23800803	0	1	0	0	0
36	23800808	0	1	0	0	0
37	23800998	0	1	0	0	0
38	23801121	0	0	1	0	0
39	24311138	0	0	0	0	1
40	24311562	0	1	0	0	0
41	24311906	0	0	0	0	1
42	27491789	0	1	0	0	0
43	34900004	0	1	0	0	0
44	56900001	0	1	0	0	0
45	59600034	0	1	0	0	0
46	65900142	0	1	0	0	0
47	229791377	1	1	0	0	0
48	362700002	0	1	0	0	0
49	610810544	0	1	0	0	0
50	614300105	0	1	0	0	0