

Women in Tax 2010

A Gender Trend Analysis

An analysis of 2002 findings vs. 2009

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Nearly two decades ago, the Tax profession started a conscious effort to bring more females into the field. In 2002, TaxTalent conducted a private study to benchmark the gender balance within the profession in various sectors and at various tax staffing levels. The data at that time clearly showed substantial progress with over 33% of the tax professionals being female. TaxDiversity, part of the TaxTalent Network, has recently conducted another tax gender study to determine the progress and trends over the past seven years.

The study data was collected using two sources of information:

1. TaxSearch Inc and TaxTalent Inc. database of 72,272 Tax Professionals as of October 2009. This data was used to determine the total pool of tax professionals, corporate in-house tax departments, and professional services.
2. IRS statistics for 2007 (the most recent available data). This data was used specifically for revenue agents, tax examiners, and revenue officers.

Four Major Findings

A leveling off in the percentage of females entering the profession (33% in 2002 vs. 35% in 2009)

In all sectors the study reveals a leveling off of females entering the profession. One apparent reason for this trend is that throughout the 1980's and 1990's females were more intent on climbing the "corporate ladder" at any cost. This meant potentially compromising time with family in order to reach their professional goals. Today, the data reveals a pendulum swing as females want more balance between both their career and family. Females are less likely to compromise time spent focusing on their family and as a result will seek out careers that provide them with an acceptable balance. The percent of degreed female accounting and legal professionals willing to accept the current work hours and travel required has reached a peak.

A significant population of females are attracted to sectors that offer them the greatest opportunity of having an acceptable work/life balance, as evidenced by the IRS statistics.

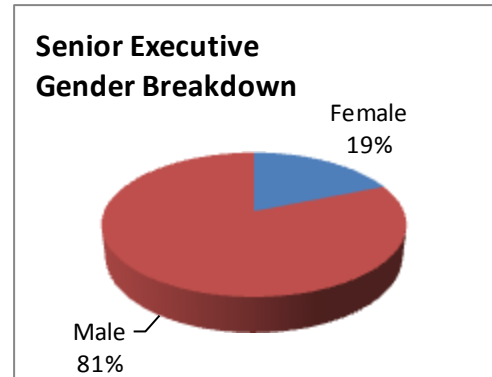
The data indicates that the IRS attracts the greatest pool of female candidates over any other sector. In Revenue Agent roles, females make up 48.01% of the candidate pool; in Tax Examiner 76.03%; and in Revenue Officer 56.08%. These numbers are more in line with the Civilian Labor Force statistics. In 2008, the Bureau of Labor Statistics shows that for the 25+ Year Old Civilian Labor Force, 47.66% were degreed women and 52.34% were degreed men. One theory for this trend is the fact that the IRS offers more structured hours and less travel. The bottom line is that the more an environment reflects the needs of the female population, the higher the percentage of female participation.

The profession has made great strides in bringing more females into Mid-Management with an increase of 15% over the past 7 years and Senior Executive positions showing an increase of just under 19% over the past 7 years.

There continues to be a significant disparity in the percentage of males vs. females in the Senior Executive positions; (19% females vs. 81% males).

One reason why we see a significant increase of females in the Mid-Management positions is due to length and timing of promoting tax positions to female candidates. The push to get females into the profession started over a decade ago and females are now starting to filter up to more Mid-Management roles.

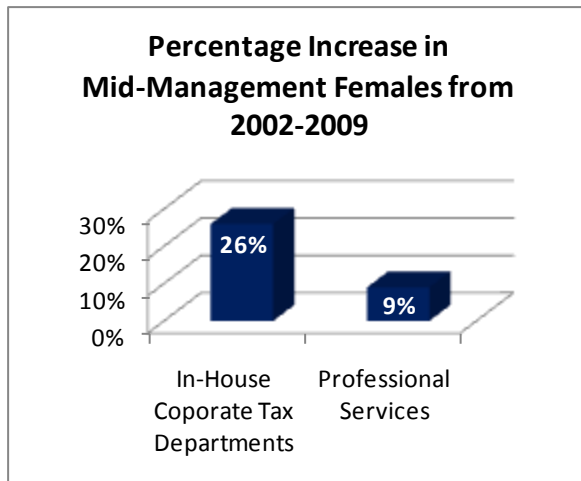
At the Senior Executive level, the gap between the percentage of females and males is considerably higher than in any other candidate pool analyzed in the study. This trend is thought to be based on timing. The pipeline of female tax professionals built up over the past two decades is now reaching the point where the female pool is able to assume more Senior Executive roles; however, the growth into these top positions is not occurring proportionate to the Mid-Management pool.



Females capable and considering a top level tax position are many times faced with the challenge of raising a family and balancing the more demanding positions which require more personal demands such as longer hours and extensive travel. The end result is that these positions are less attractive and less feasible for a certain portion of the female population when it comes to their personal career choices.

The greatest advances made by females was evident in Mid-Management roles at In-House Corporate Tax Departments with an increase of 26% over the past 7 years as opposed to Professional Services which showed an increase of 9% over the past 7 years.

This can be attributed to the fact that there is more flexibility at the earlier stages of careers in Professional Services but at the Mid-Management to Senior Executive levels, there is a greater self-imposed pressure to be more available to the clients which equates to longer hours and possibly more travel. Therefore, many females opt out of Professional Services voluntarily at these stages in their careers and move to In-House Corporate Tax Departments where there is a more structured work environment.



Note that at the Senior Executive level, the Corporate In-House sector faces the challenges of providing more structured hours and minimal travel to help attract more females to those roles.

Data, Statistics & Highlights

Corporate In-House Tax Departments

Within Corporate In-House Tax Departments, the data shows:

- Within the total pool of tax professionals, females increased their representation in tax to over 9% within the past 7 years;
- Females saw an increase of almost 26% over the past 7 years at the Mid Management level;
- Females saw only a slight change of just under a 6% increase as Tax Department Heads.

	Total Pool		Mid-Management ⁱ		Tax Department Head ⁱⁱ	
	2002		2002		2002	
Men	13,529	68%	4,904	69%	1,335	83%
Women	6,455	32%	2,227	31%	270	17%
	2009		2009		2009	
	2009		2009		2009	
Men	13,772	65%	5,358	61%	2,165	82%
Women	7,553	35%	3,430	39%	470	18%

ⁱIncludes tax professionals with management responsibilities but who are not heads of tax departments

ⁱⁱIncludes tax professionals who are heads of tax departments

Professional Services

Within the Public Accounting and Law Firms, the data revealed:

- Females have seen an increase of just under 15% over the last 7 years within the total pool of tax professionals;
- Females have seen an increase of just under 9% over the past 7 years at the Manager and Senior Manager levels
- Females have seen an increase of 18% over the past 7 years at the Partner level. Although this appears to be a significant increase, Females are still outnumbered almost 7:1.

	Total Pool		Manager/Sr. Manager/Tax Associate ⁱⁱⁱ		Partner ^{iv}	
	2002		2002		2002	
Men	15,884	73%	4,518	66%	4,959	89%
Women	5,927	27%	2,284	34%	617	11%
	2009		2009		2009	
	2009		2009		2009	
Men	14,298	69%	5,994	63%	5,485	87%
Women	6,490	31%	3,551	37%	797	13%

ⁱⁱⁱIncludes tax professionals with management responsibilities in Manager and Senior Manager positions in Public Accounting Firms and Manager, Senior Manager and Tax Associate in Law Firms.

^{iv}Includes tax professionals in Partner positions at both Public Accounting and Law Firms.

Internal Revenue Service (IRS)^v

Females continue to see an increase in all three positions over the past 5 years – 12.36% increase for Revenue Agents; 2.67% increase for Tax Examiners; and 8.56% increase for Revenue Officers.

	Revenue Agents		Tax Examiners		Revenue Officers	
	2002		2002		2002	
Men	7,003	57.27%	4,914	25.95%	2,846	48.34%
Women	5,225	42.73%	14,024	74.05%	3,042	51.66%
	2007*		2007*		2007*	
Men	6,812	51.99%	3,374	23.97%	2,426	43.92%
Women	6,290	48.01%	10,702	76.03%	3,098	56.08%

**latest data available from IRS*

^vDue to no clear division by title of those who supervise vs. those who do not, IRS data was only used in the total pool for all sectors

Total Pool of Tax Professionals

Within the tax professionals pool the data shows:

- The rate of females entering the tax profession has seemingly stabilized as data shows only a slight increase in the female pool with approximately a 6% increase over the past 7 years for the total pool of tax professionals;
- Females saw an increase of just over a 15% over the past 7 years at the Mid-Management level. This supports the position that the profession has made a concerted effort to bring more females to these roles in the past 7 years;
- Females are making significant progress in transitioning to the Senior Executive positions with just under a 19% increase over the past 7 years.

	Total Pool		Mid-Management ^{vi}		Senior Executives ^{vii}	
	2002		2002		2002	
Men	42,418	67%	12,280	67%	12,919	84%
Women	20,986	33%	6,646	33%	2,413	16%
	2009		2009		2009	
Men	46,638	65%	11,943	62%	11,913	81%
Women	25,634	35%	7,219	38%	2,770	19%

^{vi}Includes tax professionals with management responsibilities at the Sr. Manager and below levels

^{vii}Includes tax professionals with management responsibilities at the Assistant Director and above levels

Summary

Based on the results of this latest Gender Study, the Tax profession must now re-evaluate the current employment environment as it relates to female recruiting, retention and career advancement. Tax leadership needs to look for alternative incentives and options and implement new measures to help females advance within the field. Companies need to create new measures to attract and encourage females to advance to more senior level positions. Likewise females must also evaluate what they can do personally to further their escalation into more senior roles. The reality is that these challenges will not resolve themselves and to overcome the imbalance of female representation in higher positions will require efforts on both parties to help further close the gender gap.

The bottom line is that the Tax profession leaders, companies and females need to work together to ensure that a greater balance is achieved. Without both parties taking the needed steps to help resolve the imbalance, no further significant change will occur and these current statistics may represent the peak of females in the tax profession.

What Can Be Done To Achieve Greater Gender Balance in Tax?

Opportunities to Attract More Female Accounting Graduates

According to the [AICPA's 2008 Trends Report](#), there are a greater number of females enrolled in Bachelor's of Accounting programs than males (52% females vs. 48% males). This tells us that there is opportunity to attract females into the tax profession and even greater opportunity to facilitate their growth into senior level roles.

In order to reach female students enrolled in accounting programs, the profession needs to evaluate how it can more effectively grab the attention of students while on campus.

Additionally, the profession needs to stop relying on the Big 4 to recruit and train the next generation of tax professionals. Corporations need to step up and start taking these candidates in at entry level positions and training them internally.

- **Campus Representation** – Ensure that there are female representatives from the tax departments at campus recruiting events.
- **Internships** – Offer internships to female accounting students for roles that are attractive to females. Rely on your experienced female tax professionals to help identify these roles and explain why they are attractive.
- **Scholarships** – Offer scholarships aimed at female students.
- **Externships** – Offer independent externship programs where females students can come in and shadow experienced female tax professionals in different roles for a specified period of time.

Offer a **mentoring program!** In discussions with female Tax professionals it is apparently clear that professional mentoring is a key career enhancement resource. Every successful female tax professional credits part of her success to having a mentor. If a company does not have an internal mentoring program, the use of a third party program such as the one offered by [TaxDiversity](#), is a great resource to offer female candidates. For more information, visit the free [TaxTalent](#) Mentoring Program.

Opportunities to Better Retain and Advance Existing Female Tax Professionals

- The profession needs to take steps to help females at all stages of their careers, from Entry Level to Senior Executive roles.
- Companies need to be more willing to institute things such as video conferencing to help ease the travel requirements. The benefits of this can be two fold: First, it would help bring more gender diversity to senior executive roles since this solution could cut down on required travel. Second, there would most likely be a cost benefit to the company where the travel expenses could be lessened.
- Take a look at offering other benefits (such as flex time, telecommuting, etc.), whenever possible, to help females break through the self-imposed “glass ceiling” that may be preventing them from exploring a career in the tax profession.
- Rely more on the number two person (that person who reports directly to the Top Tax person) to step in and take on some of the travel requirements and extra hours required.
- Analyze tax departments of other sectors, identify roles that are attractive to females and determine what makes them attractive. For example, the IRS is clearly an attractive career path for females due to the more structured hours, and minimal travel requirements.
- Offer a **mentoring program!** In discussions with female Tax professionals it is apparently clear that professional mentoring is a key career enhancement resource. Every successful female tax professional credits part of her success to having a mentor. If a company does not have an internal mentoring program, the use of a third party program such as the one offered by TaxDiversity, is a great resource to offer female candidates.

Opportunities for Females to Promote Change

- At the student level and in the early phases of their careers, females should seek out an experienced female tax professional as a mentor. The information and guidance that this person can offer is invaluable.
- At the later phases of their careers, females can offer to be a mentor.
- Join a women’s professional association. There are many organizations specifically in accounting and in general whose mission is to help women grow professionally.
- Individually, females can also take steps to help themselves when it comes to dealing with the work/life balance challenges they face.

How the Gender Study was Conducted

Data Basis: The study data was collected using two sources of information.

- The TaxSearch Inc and TaxTalent Inc. database of 72,272 Tax Professionals as of October 2009. This data was used to determine the total pool of tax professionals, corporate in-house tax departments and professional services.
- IRS statistics for 2007 (the most recent available data) specifically for revenue agents, tax examiners and revenue officers.

Initially, an analysis of the Three Main Sectors that employ tax professionals was conducted:

- Corporate In-House Tax Departments: Those tax professionals employed by corporations that work within the confines of a corporation's internal tax department.
- Professional Services: Those tax professionals employed by Public Accounting and Law Firms.
- IRS: Those tax professionals employed by the Internal Revenue Service.

Then, the gender demographics in each sector were identified by overall pool, mid-management and senior executive levels. This process would in fact reveal if females were progressing up the tax ladder and, if so, how effectively.

Secondly, an analysis of the Total Pool of Tax Professionals by the same segmentations (overall pool, mid-management and senior executive levels) was conducted as was done for the Three Main Sectors referenced above.

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1459 Stuart Engals Blvd., Suite 302, Mt. Pleasant, SC 29464 USA

v. 843.216.7444

info@taxdiversity.com www.TaxDiversity.com



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