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Behind the Curtain of Workforce Diversity: Evidence from EEO-1 Reports

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Abstract. We leverage the 2023 court-ordered Freedom of Information Act release of standardized Equal Employment Opportunity (EEO-1) reports to examine the workforce diversity of federal contractors. Using the released data for a sample of more than 19,000 publicly traded and private firms, we provide descriptive evidence on the variation in gender and racial diversity of these companies' workforce. We also document the existence of a racial gap between managers and lower-level employees. A substantial portion of that gap cannot be explained by industry or geographic factors, reflecting the influence of firm-level characteristics. Then, focusing on a sample of more than 800 publicly traded federal contractors, we find robust evidence that the racial managerial gap is associated with firms' decision to withhold the voluntary disclosure of their EEO-1 forms. Although our findings are subject to several caveats, we provide important evidence on workforce diversity and highlight the importance of using granular, firm-level data to study diversity topics.

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Keywords: EEO form • diversity metrics • strategic disclosure

1. Introduction

Rising interest in diversity, equity, and inclusion (DEI) practices has increased investors' and stakeholders' calls for firms to publicly disclose information on their workforce composition and other DEI metrics. Regulators are also taking notice, as the lack of consistency across existing disclosures has led the U.S. Securities and Exchange Commission (SEC) to consider "further enhancements" to its rules on human capital disclosures (Gensler 2022). In this paper, we leverage the April 2023 release of standardized EEO-1 reports on workforce diversity for more than 19,000 federal contractors to provide empirical evidence on firms' diversity practices across, focusing on middle management. Our paper has two distinct research objectives. First, we use data on all the firms in the release to provide descriptive evidence on workforce diversity for U.S. federal contractors, assessing the relative importance of industry-, geography-, and firm-level factors in explaining the variation in firms' diversity. Second, we narrow our sample to a set of large public firms and examine whether their

underlying managerial diversity is associated with their decision to disclose EEO-1 reports to the public before the court-induced release of the data.¹

In the United States, all firms with more than 100 employees must file annual comprehensive workforce diversity data to the Equal Employment Opportunity Commission (EEOC) in a standardized EEO-1 report. These reports are filed confidentially, and only a small minority of firms voluntarily disclose their EEO-1 reports to the public. Firms typically resist calls to share their EEO-1 reports (Williams 2019), and this resistance has contributed to a lack of publicly available information on workforce diversity (Dobbin and Kaley 2022).² Investors also face data constraints, with more than two-thirds of U.S. public firms not disclosing a single diversity-related metric in their 10-K filings (Bourveau et al. 2023).

The universe of publicly available firm diversity information expanded significantly with the 2023 release of EEO-1 reports for more than 19,000 federal contractors. Although EEO-1 reports are confidential, firms with federal contracts can be subject to Freedom of

Information Act (FOIA) requests. In 2018, a reporter from The Center for Investigative Reporting submitted FOIA requests for the EEO-1 reports of all federal contractors from 2016 to 2020. During extended litigation, these data were released in April 2023 for all firms that did not object to the release. Because these forms were initially filed confidentially and are subject to regulatory oversight (and hence less prone to manipulation), the release presents a powerful setting for examining firm diversity (Bailey et al. 2025).

Using the full release, we first depict the landscape of workforce diversity among public and private federal contractors, which are important economic players and employ millions of people in the United States. EEO-1 forms include a breakdown of gender and race by occupation types, including executives, managers, and professionals, among other categories. This breakdown is unique, as other data sources (e.g., the Bureau of Labor Statistics and the U.S. Census) are pooled across all employees. We focus on first- and middle-level managers because studies have argued that managerial diversity is firms' primary diversity challenge (Dobbin and Kalev 2022). Further, recent research in the management field suggests that diversity at the middle-management level is important for problem solving and implementing firm strategies (Schubert and Tavasoli 2020, Richard et al. 2021).

Consistent with the aggregate statistics provided by the EEO, our data reveal low levels of managerial diversity relative to workforce diversity. Specifically, men (White individuals) hold 7% (16%) more first- and middle-level management roles relative to their representation in the full sample. Exploiting the granularity of our data relative to publicly available data sets, we next examine the drivers of the variation in firms' gender and racial makeup by formally decomposing the variation in firms' racial minority and gender diversity across county, industry, and year.³ In the most stringent specification, we find that county \times industry \times year fixed effects explain around 60% of the variation in firms' levels of racial minority managers; the other 40% of the variation within these groups can be attributed to other factors (e.g., firm-level characteristics). The fact that more than one-third of the variation in firms' diversity is unexplained by their industry and region implies that there are crucial firm-level factors driving firms' diversity that researchers can only test with granular, firm-level data like we exploit in this paper.

Having documented that managerial diversity is heterogeneous even within industry-county-year groups for which aggregate data are publicly available, we turn to our second objective: examining whether firms' diversity levels are associated with their decision to disclose diversity data to the public. We focus on a sample of the 2,500 largest public firms from 2016

to 2020. In this sample, we manually identify 1,312 publicly traded federal contractors, of which 830 had their EEO-1 reports released in April 2023.⁴

We examine firms' voluntary public disclosure of their EEO-1 reports, finding that 6.4% of firms previously disclosed their EEO-1 form.⁵ Thus, more than 90% of the releasing firms did not object to the release despite previously declining to provide the data in a voluntary disclosure.⁶ Our data indicate that firms operate in a partial disclosure equilibrium where only a minority publicly disclose their EEO-1 form. The key benefit of our data set is that we observe the underlying data for the firm (here, on workforce diversity) regardless of their disclosure choice. This feature departs from the typical voluntary disclosure setting, in which studies typically infer firms' underlying data from public disclosure (Christensen et al. 2021).

We examine the association between firms' underlying diversity and public disclosure using industry, within-firm, and geographic benchmarks. First, we assess whether firms with higher managerial diversity relative to their industry peers are more likely to disclose their EEO-1 report publicly. Our results reveal that a firm's relative gender diversity in managerial ranks is uncorrelated with the decision to disclose its EEO-1 form; however, racial composition seems to play a significant role. A 10-percentage-point increase in the share of minority managers is associated with an increase in a firm's probability of sharing its EEO-1 report by just over two percentage points, or 33% of the mean disclosure rate. We find similar results when looking at individual race categories, particularly for Black and Hispanic managers.⁷

Next, we test whether the decision to publicly disclose an EEO-1 report is associated with a firm's managerial diversity relative to the firm's diversity among other ranks. We construct three within-firm diversity benchmarks: (i) executives relative to first- and middle-level managers, (ii) first- and middle-level managers relative to the promotion pool (i.e., professionals, technicians, and sales workers), and (iii) the promotion pool relative to other lower-level employees.⁸ For gender diversity, we find that high proportions of female executives relative to the proportion of female first- and middle-level managers are associated with a higher likelihood of firms disclosing their EEO-1 form publicly. The other two margins of gender diversity (i.e., first- and middle-level to the promotion pool and the promotion pool to lower level) are not significantly associated with firms' EEO disclosure. For racial diversity, we find that a move from the 25th percentile to the 75th percentile of a firm's proportion of minority first- and middle-level managers relative to the proportion of minority workers in the promotion pool is associated with a 1.2-percentage-point increase in the likelihood that the firm discloses their EEO-1 form publicly, equivalent to an increase of 18% relative to the mean

disclosure rate.⁹ The other two margins (i.e., executives to first- and middle-level managers and the promotion pool to lower-level employees) are not significantly associated with firms' EEO-1 disclosure.

One interpretation of these results is that the gap in gender and racial diversity occurs at different levels in our sample. For women, the glass ceiling appears to begin at their ascent from first- and middle-level managers to executives. The average ratio of the share of female executives and the share of female first-and-middle-level managers is 0.69, whereas the average ratio of first- and middle-level managers to the promotion pool is close to one. Alternatively, for racial minorities, gaps in representation begin when moving from the promotion pool to first- and middle-level managers: The average ratio of the share of racial minority first-and-middle-level managers and the share of racial minority workers in the promotion pool is 0.82. This interpretation provides one explanation for why our analyses show that firms' racial diversity among first-and-middle-level managers is significantly associated with their EEO-1 disclosure, but gender diversity among first-and-middle-level managers is not.

Finally, we benchmark firms' managerial diversity against the diversity of the regions where they operate. To create this benchmark, we measure a firm's exposure to U.S. states by counting the mentions of U.S. states from firms' regulatory 10-K filings (Garcia and Norli 2012). We combine this measure with data on each state's racial and gender composition to construct a "weighted average" geographic diversity benchmark for each firm. Using this benchmark, we again fail to find any association between gender diversity among managers and EEO-1 disclosure. However, our results suggest that moving from the 25th percentile to the 75th percentile of the ratio of the share of racially diverse managers in the firm and the racial diversity of the firm's geographic benchmark is associated with a 3.4-percentage-point higher likelihood that the firm publicly discloses its EEO-1 report. The magnitude of this association is equivalent to a 54% higher likelihood of disclosure relative to the mean disclosure rate. These results point to geographic benchmarks playing an important role in firms' disclosure decisions, in addition to within-firm and industry benchmarks.

Our collective findings suggest that a firm's relative share of racial minority managers is positively associated with its decision to disclose its diversity information to the public, consistent with firms strategically withholding their diversity information. This finding is particularly strong for the share of Black and Hispanic managers, where managerial diversity relative to our benchmarks is lowest. Further, the associations we document are robust when benchmarking against the diversity of industry peers, within-firm diversity across ranks, and the diversity in the geographic

regions where the firm operates. However, one concern may be that the propensity to disclose diversity information simply reflects a heightened focus on human capital management, which could influence both workforce diversity and related disclosures. Additionally, it is possible that voluntary EEO-1 disclosure is a function of the firm's propensity to disclose in general, which could be related to correlated omitted variables. To address these concerns, we use the disclosure of non-DEI human capital information and the issuance of quantitative earnings management guidance as placebo outcomes. We do not find a significant association between firms' diversity and these disclosures. Although our study documents associations and should not be interpreted causally, the robustness tests mitigate the concern that correlated firm characteristics related to human capital management and voluntary disclosure practices do not purely drive the associations we document.

Our paper makes two contributions to the literature. First, it contributes to the literature on workforce diversity. One strand of literature in labor economics, management, and sociology has focused on strategies to improve workforce diversity (Barrios et al. 2020, Dobbin and Kalev 2022, Benson et al. 2024a).¹⁰ A second strand of literature, following the seminal work of Becker (1957), focuses on the consequences of a more diverse workforce overall (Nishii 2013, Bratek et al. 2024) or more diversity within firms' governance institutions (Cai et al. 2024), with mixed evidence on the effects of diversity on firm outcomes (Ahern and Dittmar 2012, Bermiss et al. 2023, Choi et al. 2023, Breuer et al. 2024). A third strand of literature focuses on issues related to the measurement of firms' diversity (Kalev et al. 2006, Tomaskovic-Devey et al. 2006, Edmans et al. 2024) and the potential consequences associated with the mismeasurement of firms' diversity (Baker et al. 2024). Our study contributes most directly to the third strand of literature by providing unique, up-to-date statistics on the workforce diversity of more than 19,000 federal contractors at the firm level. Our data are accurately measured, and our analyses indicate that it is incrementally informative over aggregate statistics that are publicly available. These data expand the availability of granular diversity data and can be used to support firm-level analyses of workforce diversity in future research.

Second, our paper contributes to the literature on the determinants of nonfinancial disclosure. A growing body of work studies firms' decision to voluntarily disclose information on the social aspects of their actions.¹¹ We complement these studies by employing a novel data set with comprehensive job-specific information to identify where diversity is associated with promotion and how underlying EEO-1 report data are associated with the decision to disclose the report. Importantly, because firms disclose EEO-1 reports

privately to the government, our results do not reflect an information endowment friction (Dye 1985). We find that firms with below-average representation of minority managers are significantly less likely to disclose their EEO-1 form, which may suggest that firms withhold diversity information that might be perceived as “bad news” to some stakeholders. Our paper also complements two recent studies. Balakrishnan et al. (2024) find that consumers perceive firms that disclose their EEO-1 forms more positively, whereas Baker et al. (2024) find that companies engage in “diversity washing.” That is, they disclose ambitious public commitments about diversity targets but fall short of reaching those targets in their hiring practices. Our results add context to the public disclosure of diversity metrics by showing that firms with lower workforce diversity are more likely to withhold their EEO-1 forms.

2. Data

2.1. Data Description

Obtaining data on the workforce composition of U.S. firms is challenging. Employers with at least 100 employees must annually submit confidential EEO-1 reports to the EEOC and the U.S. Department of Labor (DOL).¹² EEO-1 reports contain data on the gender and racial/ethnic composition of the firm’s workforce by job category. These reports classify gender and race based on self-identification by employees, which provides an advantage over the name-based classification commonly used in other data sets (Greenwald et al. 2024). The EEOC does not make individual reports public, but aggregate-level data (without identifying firm or employee information) are reported for job categories, gender, race/ethnicity, industry, and county.

We plot the trends in diversity using the publicly available aggregate EEOC data from 2007 to 2021 in Figure 1. The trends in diversity for all employees (a) and middle managers (b) indicate minimal increases in diversity over this time period. In Figure 1(c), we plot the diversity of managers relative to all employees. The proportion of Asian managers to Asian employees shows a striking upward trend, beginning at 0.88 in 2007 and reaching a proportion above one in the latter part of the sample. There is also a slight closing of the gap for female and Hispanic managers, with the ratio of the proportion of the groups among managers and the proportion of the groups among all employees increasing from 0.78 (0.50) in 2007 to 0.86 (0.59) in 2021 for women (Hispanics). In contrast, we observe a stagnation of the differences in representation between Black managers and Black employees, which is 0.51 in both 2007 and 2021. The data show parity or above parity for the proportion of white and Asian managers to all employees, but female, Black, and Hispanic managers appear to face greater bars to promotion. Because these

trends rely on aggregate data, we are unable to identify which firms drive the differences in representation.

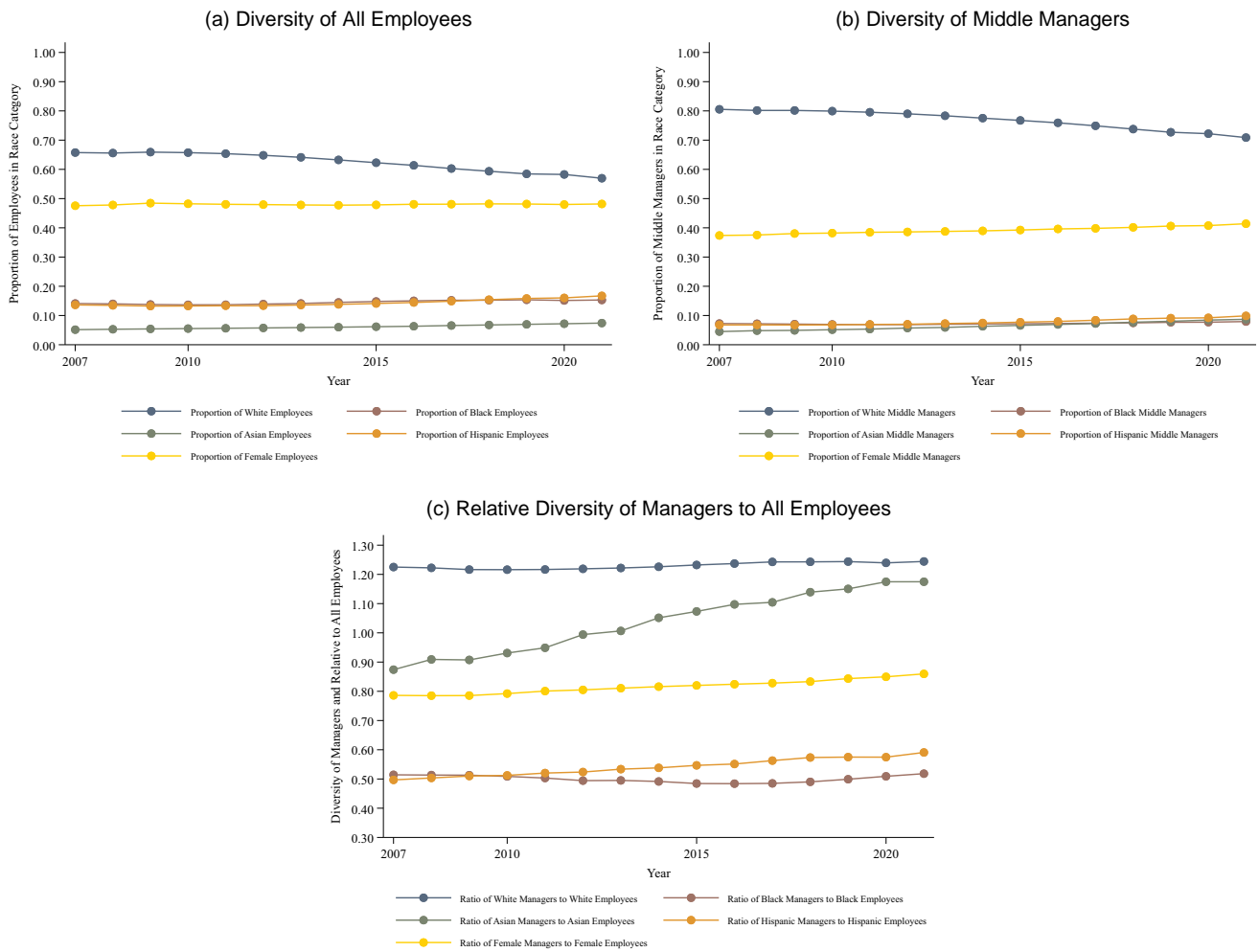
Although firm-specific reports are filed confidentially, firms with government contracts can be subject to FOIA requests. In 2018, The Center for Investigative Reporting (CIR) submitted FOIA requests to the Office of Federal Contract Compliance Programs (OFCCP) for the official EEO-1 reports of several technology firms that had qualified as federal contractors. Many firms requested that the FOIA requests be blocked, arguing that their diversity data qualified as a “trade secret” and was therefore exempt under laws allowing firms to protect such information from disclosure. When the federal government agreed with these arguments, CIR initiated a lawsuit, alleging a violation of FOIA. The court ruled in favor of CIR in 2019, but the ruling left an opening for firms to object to the release of their data using specific FOIA exemptions. CIR subsequently requested EEO-1 reports from 2016 to 2020 for *all* federal contractors, and the OFCCP appealed the decision and issued a public notice asking firms to object to the release by contacting the OFCCP.¹³ In April 2023, while the appeal was being deliberated, EEO-1 data were released publicly for approximately 19,000 companies that agreed to the release or simply did not object.¹⁴ Among these 19,000 federal contractors are both publicly traded and private companies.¹⁵ The released data include information on firms’ diversity (e.g., race and gender proportions) along with information on basic firm characteristics, such as their industry and geographic (headquarters) location.

2.2. Decomposition of Variation in Diversity

In contrast to the EEOC’s annual aggregate diversity data, our data allow us to observe firm-level variation in workforce composition within these aggregate groups for a large sample of federal contractors. The granularity of these data has the potential to offer unique advantages over the aggregate statistics that the EEOC publishes annually. However, it is possible that the EEOC’s aggregate diversity data provide sufficient granularity to explain diversity, and there is no meaningful variation in diversity within these aggregate groups. To assess the incremental usefulness of our data, we formally examine the proportion of the variation in diversity that is explained by industry, county, year, and firm in Table 1.¹⁶ This exercise allows us to quantify the incremental value of firm-specific data over publicly available aggregated statistics.

In panel A of Table 1, we show the R^2 from regressions of the proportion of minority managers and the proportion of female managers on various fixed effects. Columns (1) and (7) show that the inclusion of year-fixed effects alone explains only a negligible fraction of the variation in firms’ minority and female

Figure 1. (Color online) Aggregate Trends in Diversity



Notes. This figure shows temporal trends in aggregate diversity for each of the main groups in our study. (a) Aggregate diversity trends among all employees. (b) Aggregate diversity trends among first and middle managers. (c) Aggregate diversity trends for the ratio of the diversity of first-and-middle managers relative to the diversity of all employees.

diversity. Conversely, the addition of county fixed effects in columns (2) and (8) increases the R^2 to 0.45 and 0.21 for the proportion of minority managers and female managers, respectively, whereas the addition of industry fixed effects in columns (3) and (9) moves the R^2 to 0.10 and 0.56 for minority and female managers, respectively. Interestingly, geography appears to be more important in explaining the share of racial minority managers, whereas industry is more important in explaining the share of female managers.

Finally, columns (4) and (5) show that the inclusion of these fixed effects together (i.e., additively in column (4) and as an interaction in column (5)) explains 52% and 62% of the variation in firms' share of minority managers, and columns (10) and (11) show that the same fixed effects explain 63% and 64% of the variation in firms' share of female managers. These results indicate that even within the most stringent groups (i.e., county \times industry \times year), approximately 34%–40% of

the variation in firms' diversity remains unexplained. The inclusion of firm-fixed effects in columns (6) and (12) increases the R^2 of both racial minority managers and female managers to 98%. We also perform a variance decomposition for Black, Hispanic, and Asian managers separately in panel B, finding similar results. Taken together, the findings in Table 1 indicate that a substantial portion of the variation in firms' diversity is driven by firm-level factors, highlighting the incremental value of our granular firm-level data.

2.3. Sample of Publicly Traded Companies

In our strategic disclosure tests, we use the CRSP-Compustat universe as of December 31, 2022, as the basis for our sample. We focus on publicly traded companies and exclude private federal contractors from our sample in our disclosure tests because the majority of anecdotal evidence surrounding public disclosure of firms' EEO-1 forms pertains to public

Table 1. Variance Decomposition

Panel A: Variance decomposition of percentage of female and minority managers												
	Percentage minority managers						Percentage female managers					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
R^2	0.00	0.45	0.10	0.52	0.62	0.98	0.00	0.21	0.56	0.63	0.64	0.98
Year fixed effects	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No
County fixed effects	No	Yes	No	Yes	No	No	No	Yes	No	Yes	No	No
Industry fixed effects	No	No	Yes	Yes	No	No	No	No	Yes	Yes	No	No
County × industry × year fixed effects	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Firm fixed effects	No	No	No	No	No	Yes	No	No	No	No	No	Yes
Observations	20,182	20,083	20,181	20,082	11,292	9,750	20,182	20,083	20,181	20,082	11,292	9,750

Panel B: Variance decomposition of percentage of individual races						
	Percentage Black managers		Percentage Hispanic managers		Percentage Asian managers	
	(1)	(2)	(3)	(4)	(5)	(6)
R^2	0.49	0.97	0.61	0.97	0.51	0.98
Year fixed effects	No	No	No	No	No	No
County fixed effects	No	No	No	No	No	No
Industry fixed effects	No	No	No	No	No	No
County × industry × year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Firm fixed effects	No	Yes	No	Yes	No	Yes
Observations	11,292	9,750	11,292	9,750	11,292	9,750

Notes. This table reports the results of a variance decomposition of firms' managerial diversity metrics. The data include observations from 2019 and 2020 because the other years in the released EEO-1 data (2016–2018) do not contain complete data on firms' NAICS industries. The tables report the R^2 for regressions using different fixed effects structures. Panel A reports this decomposition for general measures of managerial diversity (female and racial minority managers), and panel B reports the decomposition for the proportion of individual races. In panel A, columns (1)–(6) use the proportion of racial minority managers as an outcome, whereas columns (7)–(12) use the proportion of female managers as an outcome. In panel A, columns (1) and (7) include year fixed effects, columns (2) and (8) include year and county fixed effects, columns (3) and (9) include year and industry fixed effects, columns (4) and (10) include year, county, and industry fixed effects, columns (5) and (11) include county × industry × year fixed effects, and columns (6) and (12) include firm fixed effects. In panel B, columns (1), (3), and (5) use county × industry × year fixed effects, whereas columns (2), (4), and (6) use firm fixed effects.

firms (Choi et al. 2024). We require that firms be present in the sample for all fiscal years between 2016 and 2020, and we restrict our sample to a balanced panel of the 2,500 largest firms that fit these criteria.¹⁷ We then manually match federal contractors whose EEO-1 reports were released with our sample of public firms, obtaining 830 unique firms. Of the remaining 1,670 firms, we identify 482 federal contractors using USAspending.gov, suggesting that approximately one-third of the federal contractors in our public company sample objected to the release of their data. We discuss selection concerns related to objectors in more detail in Section 4.1.

Although EEO-1 reports are filed confidentially, a growing number of firms choose to separately disclose their EEO-1 reports to the public.¹⁸ We exploit this dimension by manually searching companies' websites using the WayBack machine to identify whether firms disclosed their EEO-1 form annually throughout our sample period. We find that, on average, 6.4% of the federal contractors in our sample disclosed their EEO-1 report voluntarily (Table 2). This rate increased from 0.8% to 15% between 2016 and 2020. The large

number of firms who did not object to the data release even though they previously declined to disclose their EEO-1 reports may be due to a lack of knowledge of the release (Choi et al. 2024) or increased scrutiny around the release, with many stakeholders expecting that objections to the release were a signal of low diversity (Evans and Rangarajan 2019).

3. Workforce Composition

We first tabulate the workforce demographics statistics for the full sample of federal contractors in panel A of Table 2. Our sample consists of 19,139 unique federal contractors and a total of 55,506 EEO-1 filings. Twenty-five percent of the firms in our sample have data for the entire period between 2016 and 2020, and 75% of the firms in our sample have more than one year of data. The coverage of the EEO-1 filings in the data are evenly distributed throughout the five years, with each year accounting for about 20% of the sample.

When we consider employees at all levels, we observe that 32% of them belong to a racial minority group, whereas 68% are nonminority White. We present data

Table 2. Descriptive Statistics of EEO Variables

Panel A: Descriptive statistics for general diversity variables (full sample)						
	Observations	Mean	Standard deviation	p25	p50	p75
Overall diversity						
% Female employees	55,506	0.44	0.26	0.22	0.39	0.68
% Racial minority employees	55,506	0.32	0.23	0.14	0.27	0.45
% White employees	55,506	0.68	0.23	0.55	0.73	0.86
% Black employees	55,506	0.11	0.14	0.02	0.06	0.14
% Hispanic employees	55,506	0.13	0.16	0.03	0.07	0.15
% Asian employees	55,506	0.05	0.10	0.01	0.02	0.06
Diversity of Managers						
% Female managers	55,506	0.41	0.27	0.19	0.36	0.64
% Racial minority managers	55,506	0.21	0.22	0.06	0.15	0.30
% White managers	55,506	0.79	0.22	0.70	0.85	0.94
% Black managers	55,506	0.07	0.12	0.00	0.02	0.08
% Hispanic managers	55,506	0.08	0.14	0.00	0.03	0.10
% Asian managers	55,506	0.04	0.10	0.00	0.00	0.05
Diversity of lower-level employees						
% Female lower-level employees	55,506	0.45	0.27	0.22	0.41	0.70
% Racial minority lower-level employees	55,506	0.34	0.24	0.15	0.29	0.49
% White lower-level employees	55,506	0.66	0.24	0.51	0.71	0.85
% Black lower-level employees	55,506	0.12	0.14	0.02	0.07	0.15
% Hispanic lower-level employees	55,506	0.14	0.17	0.03	0.07	0.17
% Asian lower-level employees	55,506	0.06	0.10	0.01	0.02	0.07
Panel B: Descriptive statistics for general diversity variables (public firm sample)						
	Observations	Mean	Standard deviation	p25	p50	p75
Disclosure variables						
EEO public disclosure	3,192	0.06	0.25	0.00	0.00	0.00
Overall diversity						
% Female employees	3,192	0.39	0.19	0.24	0.35	0.54
% Racial minority employees	3,192	0.30	0.15	0.20	0.28	0.39
% White employees	3,192	0.70	0.15	0.61	0.72	0.80
% Black employees	3,192	0.08	0.06	0.03	0.07	0.11
% Hispanic employees	3,192	0.10	0.08	0.05	0.08	0.13
% Asian employees	3,192	0.09	0.11	0.02	0.05	0.11
Diversity of managers						
% Female managers	3,192	0.36	0.18	0.21	0.31	0.47
% Racial minority managers	3,192	0.21	0.13	0.12	0.18	0.27
% White managers	3,192	0.79	0.13	0.73	0.82	0.88
% Black managers	3,192	0.04	0.04	0.02	0.04	0.06
% Hispanic managers	3,192	0.06	0.05	0.03	0.05	0.08
% Asian managers	3,192	0.08	0.10	0.02	0.05	0.10
Diversity of lower-level employees						
% Female lower-level employees	3,192	0.41	0.21	0.25	0.37	0.58
% Racial minority lower-level employees	3,192	0.32	0.16	0.21	0.31	0.42
% White lower-level employees	3,192	0.68	0.16	0.58	0.69	0.79
% Black lower-level employees	3,192	0.09	0.07	0.04	0.08	0.12
% Hispanic lower-level employees	3,192	0.11	0.09	0.05	0.09	0.14
% Asian lower-level employees	3,192	0.09	0.11	0.02	0.05	0.12
Panel C: Descriptive statistics for relative diversity measures (public firm sample)						
	Observations	Mean	Standard deviation	p25	p50	p75
Ratio of executives to managers						
Female executives to female managers	3,183	0.68	0.38	0.44	0.65	0.87
Racial minority executives to racial minority managers	3,115	0.63	0.51	0.31	0.56	0.85
Black executives to Black managers	2,851	0.46	0.75	0.00	0.00	0.66

Table 2. (Continued)

Panel C: Descriptive statistics for relative diversity measures (public firm sample)						
	Observations	Mean	Standard deviation	p25	p50	p75
Hispanic executives to Hispanic managers	2,918	0.54	0.76	0.00	0.33	0.76
Asian executives to Asian managers	2,904	0.92	1.15	0.00	0.67	1.20
Ratio of managers to promotion pool						
Female managers to female promotion pool	3,163	0.99	0.41	0.75	0.92	1.12
Racial minority managers to racial minority promotion pool	3,105	0.82	0.33	0.64	0.78	0.93
Black managers to Black promotion pool	2,972	0.86	0.61	0.50	0.75	1.05
Hispanic managers to Hispanic promotion pool	2,999	0.91	0.54	0.60	0.83	1.10
Asian managers to Asian promotion pool	2,991	0.74	0.47	0.48	0.68	0.90
Ratio of promotion pool to lower-level employees						
Female promotion pool to female lower-level employees	3,171	1.02	0.80	0.55	0.75	1.21
Racial minority promotion pool to racial minority lower-level employees	3,144	0.76	0.41	0.51	0.68	0.91
Black promotion pool to Black lower-level employees	3,037	0.58	0.54	0.28	0.44	0.67
Hispanic promotion pool to Hispanic lower-level employees	3,061	0.62	0.46	0.36	0.52	0.76
Asian promotion pool to Asian lower-level employees	2,956	3.00	3.85	0.95	1.67	3.26
Ratio of firm managerial diversity to geographic benchmark						
Female managers to female population	2,978	0.70	0.36	0.42	0.62	0.93
Racial minority managers to racial minority population	2,978	0.35	0.25	0.18	0.29	0.46
Black managers to Black population	2,978	0.39	0.31	0.18	0.32	0.53
Hispanic managers to Hispanic population	2,978	0.34	0.24	0.17	0.29	0.45
Asian managers to Asian population	2,978	1.10	1.05	0.37	0.81	1.46
Ratio of firm lower-level diversity to geographic benchmark						
Female lower level to female population	2,978	0.81	0.41	0.49	0.72	1.13
Racial minority lower level to racial minority population	2,978	0.55	0.31	0.32	0.50	0.72
Black lower level to Black population	2,978	0.81	0.58	0.40	0.69	1.04
Hispanic lower level to Hispanic population	2,978	0.61	0.44	0.30	0.50	0.81
Asian lower level to Asian population	2,978	1.34	1.29	0.44	0.91	1.78

Notes. This table shows the descriptive statistics for various workforce diversity metrics obtained from firms' disclosed EEO-1 data. Panel A reports the descriptive statistics for the full sample of federal contractors who did not object to the release of their EEO-1 data. Panel B reports the descriptive statistics for the sample of Compustat firms who did not object to, or agreed to release their EEO-1 data. Panel C reports the descriptive statistics for the relative diversity measures (across ranks) for the sample of Compustat firms who did not object to, or agreed to release their EEO-1 data. All continuous variables are winsorized at the 1st and 99th percentile. Detailed variable definitions are provided in Appendix B.

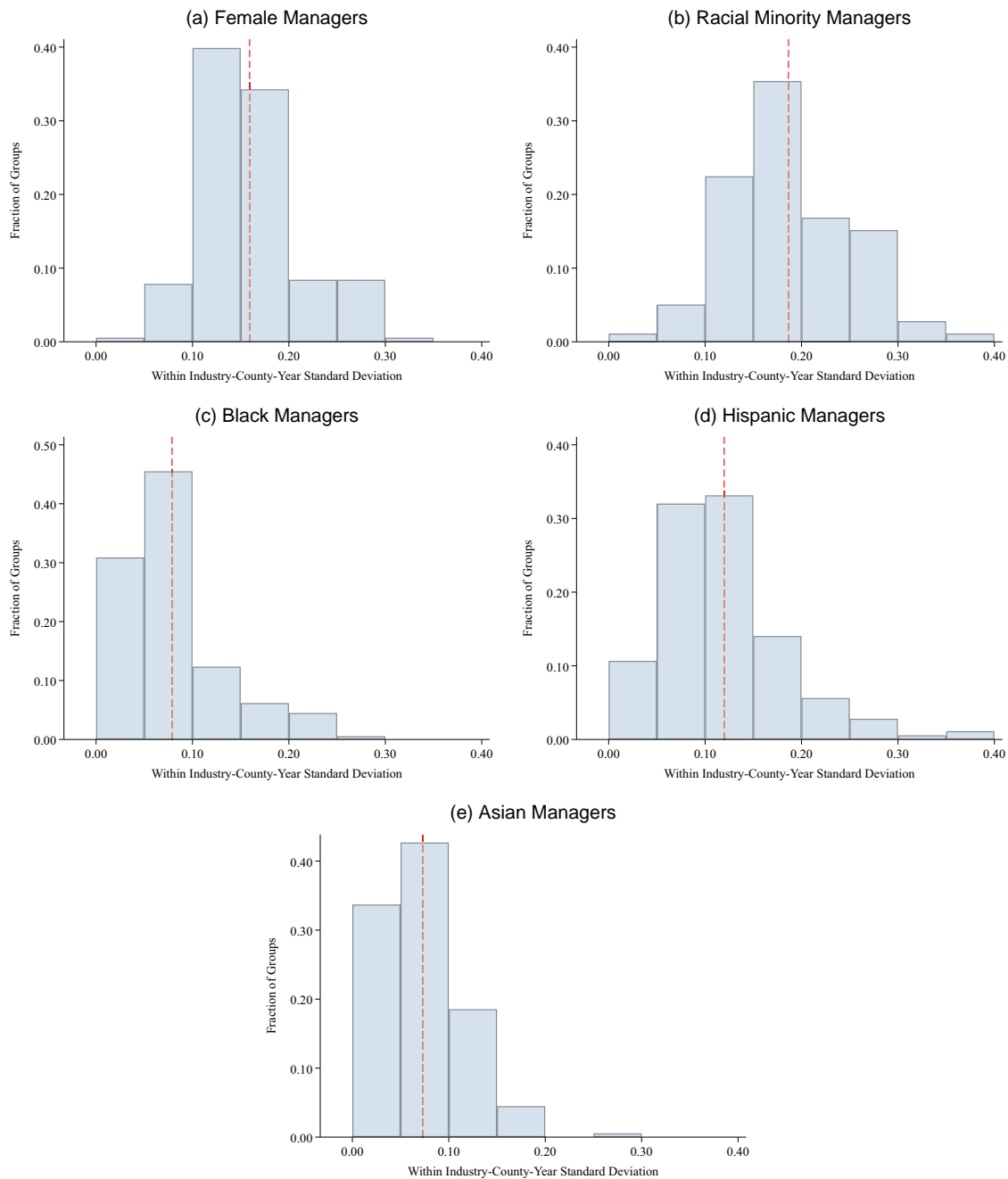
for Black, White, Hispanic, and Asian employees because these racial groups are disclosed in EEO metrics. Black employees comprise 11% of the workforce, Hispanic employees 13%, and Asian employees 5%.

Panel A of Table 2 also presents the diversity of managers in our full sample. Here, we observe that diversity in managerial roles declines compared with the diversity among all employees. For example, 44% of all employees are female, but only 41% of managers are female. Racial minorities show an even steeper

decline: They comprise 32% of all employees but only 21% of managers. Further, racial minorities are less represented in managerial positions across all minority racial groups in our data. The most significant decline in representation occurs for Black managers, because the share of Black employees in managerial roles declines to 7% compared with a share of 11% Black employees in all roles.

Panels B and C of Table 2 show the descriptive statistics for the diversity of publicly traded contractors

Figure 2. (Color online) Within Industry-County-Year Variation in Diversity



Notes. This figure shows the distribution of within industry (three-digit NAICS)-county (FIPS county)-year standard deviations for the sample of firms that did not object to the release of their EEO-1 data. For each industry-county-year group, we calculate the standard deviation of the metric of interest (e.g., the share of female managers) among the firms within that group. The figure then represents the distribution of standard deviations across all industry-county-year groups. The dashed line indicates the mean within-industry-county-year standard deviation. Distributions for the share of (a) female managers, (b) racial minority managers, (c) Black managers, (d) Hispanic managers, and (e) Asian managers.

in our sample. In panel B, we observe a similar decline in diversity when moving from all employees to the first-and-middle management level. We also present descriptive statistics for our within-firm and geographic benchmarks in panel C.¹⁹ We observe greater gaps as we move from executives to managers and from managers to the promotion pool. The ratio of

executives to managers is 0.68 (0.63) for female managers (racial minorities), and the ratio of managers to the promotion pool is 0.99 (0.82) for females (racial minorities). When we compare workforce diversity to the geographic benchmark, we also observe lower values for managers relative to lower-level employees. The ratio of managerial diversity to geographic

diversity is 0.70 (0.35) for female managers (racial minorities), whereas this ratio for lower-level diversity is 0.81 (0.55) for females (racial minorities).

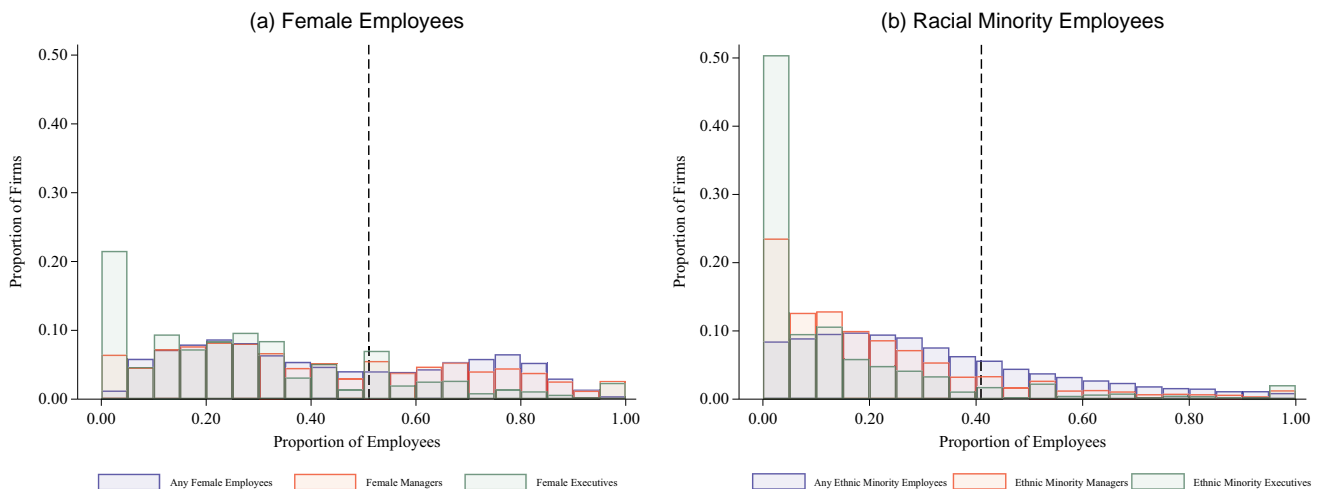
The data presented in Table 2 demonstrate lower workplace diversity for managerial ranks within the firm. However, these averages mask significant heterogeneity across firms, so we turn to Figures 2 and 3 to explore the data in more detail.

Figure 3 presents shares of female and minority employees across the various job titles for the full sample of private and public federal contractors. The distributions for both females and racial minorities are right-skewed, with many firms employing a lower proportion of female and racial minority employees. The skewness of the distributions becomes much more pronounced as we move up the hierarchy from all employees to first- and middle-level managers to executives. For example, Figure 3(a) shows that very few firms employ fewer than 5% women across all job titles, but approximately one in five firms employ fewer than 5% women at the executive level. These patterns become even more striking when we examine racial diversity. Considering all levels of employment, Figure 3(b) shows that around 8% of firms employ fewer than 5% racial minority employees. The proportion of firms employing less than 5% of racial minorities rises to more than 24% for first- and middle-level managers. However, the most drastic differences are at the executive level, where half of the firms in our sample employ fewer than 5% minority executives. This low level of diversity at the executive level is consistent with the findings of prior research (Hekman et al. 2017).

Given the granularity of our data, we consider variation in the diversity of specific racial groups. Figure 4 presents the distribution of racial minority groups for the full sample of private and public federal contractors. We observe a left-skewed distribution for White employees, where more firms employ a higher proportion of White employees (Figure 4(a)). For example, although only 9% of firms employ more than 95% White employees, 26% of firms employ more than 95% White managers. In contrast, we observe right-skewed distributions for Black, Hispanic, and Asian employees (Figure 4, (b)–(d)), consistent with the distributions for pooled racial minorities in Figure 3. Black employees experience the lowest levels of representation at the managerial and executive levels, with nearly 65% of firms employing fewer than 5% Black managers and more than 85% of firms employing fewer than 5% Black executives (Figure 4(b)). Similarly, 58% of firms employ fewer than 5% Hispanic managers, and nearly 80% of firms employ less than 5% Hispanic executives. The statistics for Black and Hispanic employees highlight the gap in representation for these racial groups in managerial positions relative to all employees. The distribution of Asian employees (Figure 4(d)) is also skewed but less so. Seventy-one percent of firms employ fewer than 5% Asian employees, whereas 75% of firms employ fewer than 5% Asian managers. Although a small gap in representation still exists, the differences between the percentage of all employees and the percentage of employees in managerial roles are less severe for this racial group.

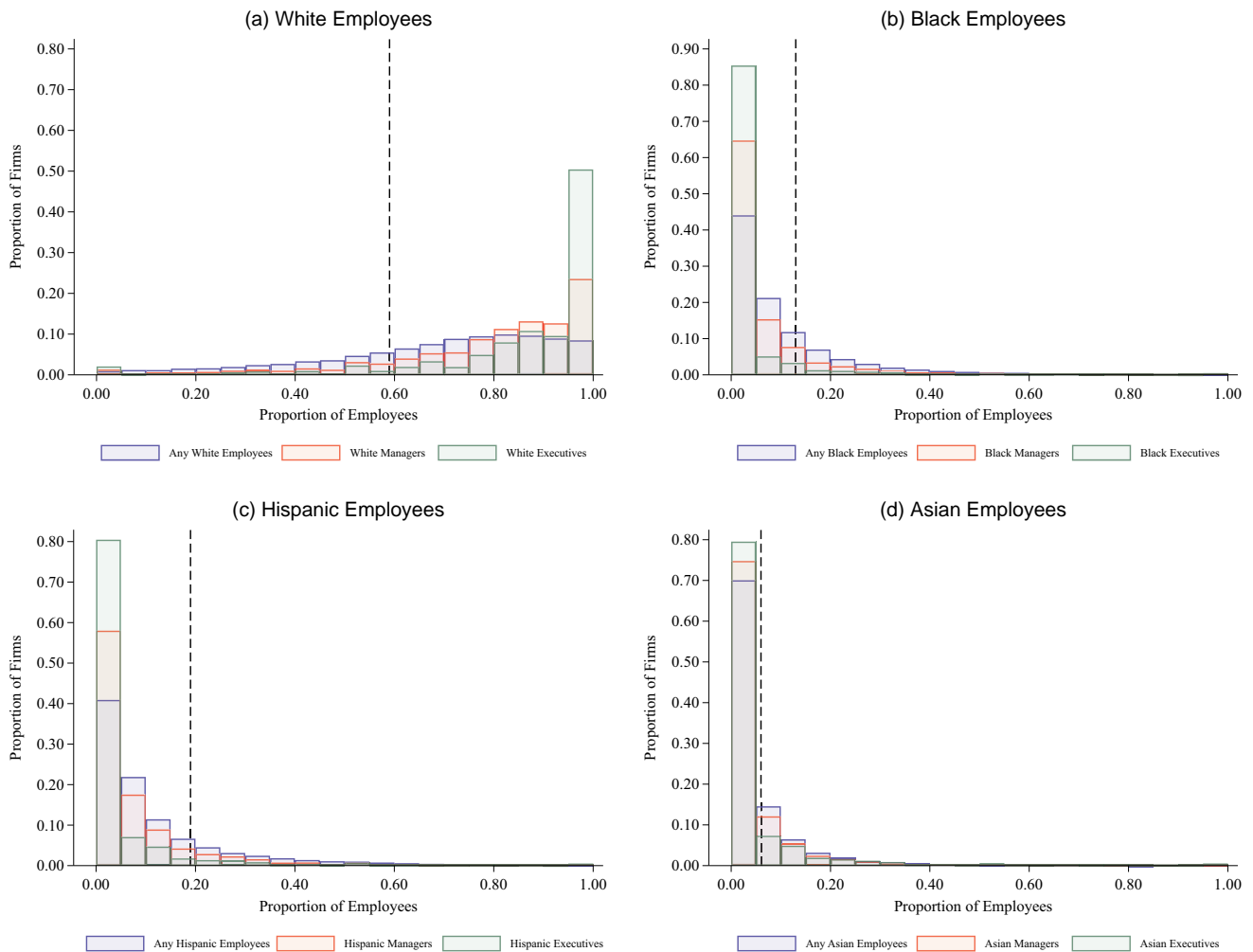
Overall, we find that the firms in our sample exhibit decreasing diversity as we move up the managerial

Figure 3. (Color online) Histograms of Female and Racial Minority Shares



Notes. This figure shows the distribution of women and racial minorities for all firms that did not object to the release of their EEO data. (a) Distribution of female employee shares within firms. (b) Distribution of racial minority employee shares within firms. In each panel, the dashed line represents the proportion of that racial group across the U.S. population in 2020.

Figure 4. (Color online) Distribution of Racial Minority Groups



Notes. This figure shows the distribution of racial groups for all firms that did not object to the release of their EEO data. (a) Distribution of White employee shares within firms. (b) Distribution of Black employee shares within firms. (c) Distribution of Hispanic employee shares within firms. (d) Distribution of Asian employee shares within firms. In each panel, the dashed line represents the proportion of that racial group across the U.S. population in 2020.

hierarchy. However, our findings are subject to the caveat that EEO-1 data do not account for premarket differences (e.g., education or skill) or selection in employees' decisions to enter the labor market and subsequently work for a large federal contractor, both of which may be correlated with minority status (Neal and Johnson 1996).

4. Strategic Disclosure

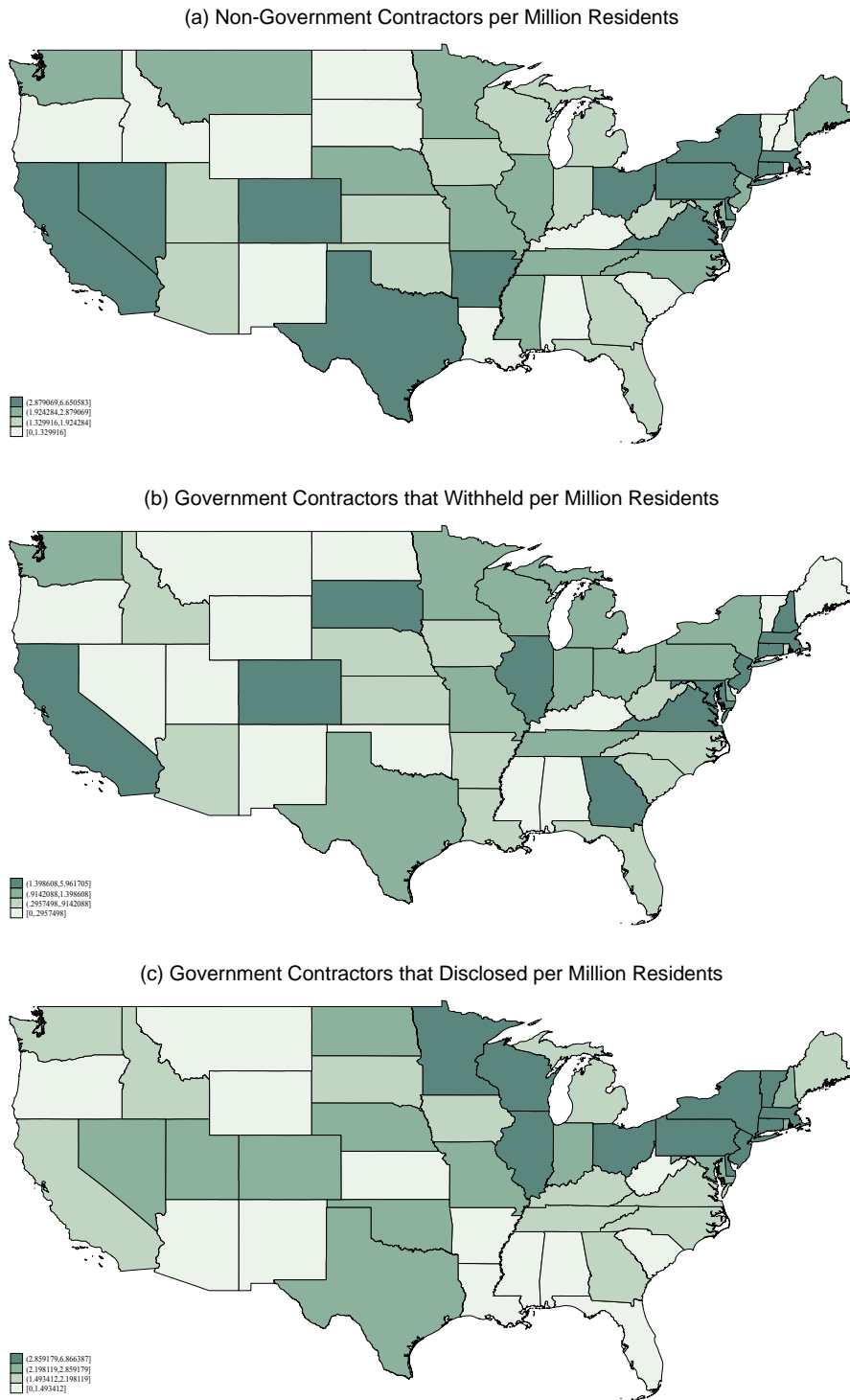
4.1. Sample Selection Bias

In the remainder of our tests, we focus on the sample of publicly traded federal contractors who did not object to the release of their EEO-1 data. Our sample faces two potential forms of bias relative to the population of public firms. First, given that firms choose to bid to obtain federal contracts, there may be differences

between government contractors and other firms. Second, there may be systematic differences between government contractors that object and do not object to the release of their EEO-1 reports. To help us assess potential concerns about selection bias, we quantify the similarities and differences along various dimensions across the group of federal contractors who released their EEO-1 data, the group of federal contractors who objected to the release of their EEO-1 data, and other (noncontractor) firms. Additionally, we assess differences between predicted diversity using our data and the actual diversity disclosed in the publicly available EEOC aggregate statistics.

4.1.1. Descriptive Statistics and Determinants. As shown in Figure 5, the geographic distribution of the

Figure 5. (Color online) Geographic Distribution of CRSP-Compustat Sample



Notes. This figure shows the geographic distribution across the United States for three groups of firms in our sample: CRSP-Compustat firms that are not government contractors, CRSP-Compustat firms that are government contractors and objected to the release of their EEO-1 data, and CRSP-Compustat firms that are government contractors and agreed to or did not object to the release of their EEO-1 data. The counts of firms from each group in each state are scaled by the number of total residents in that state. Thus, the figures plots the number of firms within the group per one million residents. (a) Proportion of the nongovernment contractor CRSP-Compustat firms in each state. (b) Proportion of firms that refused disclosure of their EEO-1 data in each state. (c) Proportion of firms that agreed to or did not object to the release of their EEO-1 data in each state.

three groups is largely similar, although some differences exist (e.g., contractors in California are less likely to release their data). Table 3, panel A, reveals some differences in industry composition. For example, government contractors in finance and insurance are more likely to permit the release of their EEO-1 reports, whereas those in the information industry are more likely to object. Compared with noncontractors, manufacturers and utilities are more likely to be federal contractors, whereas firms in the mining, oil and gas, and real estate industries are less likely to be federal contractors. Table 3, panel B, shows the financial determinants of firms’ decision to be a contractor, to object to the release of their EEO data (conditional

on being a federal contractor), and their diversity levels. Column (1) suggests that firm size is positively associated with being a federal contractor. Firms with higher institutional ownership are more likely to be federal contractors, and capital-intensive firms (e.g., high capex to sales) are less likely to be federal contractors. Column (2) indicates that conditional on being a federal contractor, smaller firms and more labor-intensive firms (e.g., high COGS to sales) are more likely to not object to the release of their EEO data. There is limited evidence of systematic differences between the firms in our sample and other firms along other financial dimensions (e.g., performance, market to book, and leverage).

Table 3. Sample Determinants

Panel A: Industry distribution of contractors who did not object, contractors who objected, and noncontractors			
Two-digit NAICS	Government contractors who did not object	Government contractors who objected	Non-government contractors
11: Agriculture, Forestry, Fishing, and Hunting	0.12	0.00	0.42
21: Mining, Quarrying, and Oil and Gas Extraction	3.38	1.45	7.07
22: Utilities	4.47	5.19	1.35
23: Construction	1.69	1.45	1.68
31: Manufacturing	3.74	3.53	3.28
32: Manufacturing	10.74	15.77	8.41
33: Manufacturing	28.35	23.86	11.77
42: Wholesale Trade	2.05	5.19	2.44
44: Retail Trade	1.57	1.24	3.45
45: Retail Trade	0.36	0.83	2.35
48: Transportation and Warehousing	3.26	2.28	4.96
49: Transportation and Warehousing	0.36	0.00	0.00
51: Information	6.63	10.79	7.82
52: Finance and Insurance	20.63	9.34	28.34
53: Real Estate and Rental and Leasing	4.10	5.81	9.08
54: Professional, Scientific, and Technical Services	3.62	4.77	1.68
56: Administrative and Support and Waste Management	1.81	2.70	0.93
61: Educational Services	0.24	1.45	0.42
62: Healthcare and Social Assistance	1.33	2.07	0.93
71: Arts, Entertainment, and Recreation	0.24	0.21	0.59
72: Accommodation and Food Services	1.09	0.83	2.52
81: Other Services (except Public Administration)	0.12	0.41	0.34
99: Public Administration	0.12	0.83	0.17
Total	100.00	100.00	100.00

Panel B: Determinants models				
	Contractor	Did not object	Proportion of female managers	Proportion of racial minority managers
	(1)	(2)	(3)	(4)
<i>Log(Total Assets)</i>	0.058*** (0.009)	-0.024** (0.009)	-0.006 (0.005)	0.009*** (0.003)
<i>ROA</i>	-0.233 (0.144)	0.199 (0.189)	-0.029 (0.044)	-0.024 (0.050)
<i>Market to Book</i>	0.001 (0.001)	-0.000 (0.001)	-0.000 (0.000)	0.001* (0.001)
<i>Capex to Sales</i>	-0.228*** (0.050)	0.149 (0.132)	-0.116* (0.063)	-0.013 (0.035)
<i>COGS to Sales</i>	-0.008	-0.062*	-0.011	-0.001

Table 3. (Continued)

	Panel B: Determinants models			
	Contractor	Did not object	Proportion of female managers	Proportion of racial minority managers
	(1)	(2)	(3)	(4)
<i>Inst. Ownership</i>	(0.028) 0.116* (0.060)	(0.037) 0.115 (0.070)	(0.025) −0.060 (0.039)	(0.016) 0.019 (0.026)
<i>Leverage</i>	−0.080 (0.056)	0.068 (0.084)	0.010 (0.024)	−0.020 (0.029)
<i>Female Population in Operating Geography</i>			−0.105* (0.063)	
<i>Racial Minority Population in Operating Geography</i>				0.778*** (0.084)
<i>N</i>	10,244	5,743	2,814	2,814
<i>Adjusted R²</i>	0.264	0.270	0.770	0.491
<i>Year fixed effects</i>	Yes	Yes	Yes	Yes
<i>Industry fixed effects</i>	Yes	Yes	Yes	Yes
<i>Clusters</i>	Industry	Industry	Industry	Industry

Notes. This table reports the determinants of our public firm sample. Panel A shows the industry breakdown of the firms in each sample. “Government contractors who did not object” refers to firms that did not object to or agreed to release their EEO-1 data. “Government contractors who objected” refers to firms that refused to disclose their data and were government contractors. “Non-government contractors” refers to firms that were not federal contractors. Panel B reports the results of different margins of selection in our sample. Column (1) reports the determinants of whether the firm is a contractor or now, column (2) reports the determinants of whether the firm objected or not to the release of their data (conditional on being a federal contractor), column (3) reports the determinants of a firm’s proportion of female managers, and column (4) reports the determinants of a firm’s proportion of racial minority managers. All columns in panel B include industry and year fixed effects and standard errors are clustered on the industry level.

***, **, and * statistical significance at the 1%, 5%, and 10% levels, respectively.

Columns (3) and (4) of Table 3 show the determinants of firms’ share of women and racial minorities. Column (3) suggests that among the financial characteristics, only $\frac{Capex}{Sales}$ is negatively associated with the proportion of female managers, consistent with manufacturing traditionally being a male-dominated industry (Deloitte 2015). Column (4) suggests that size is positively associated with the share of racial minority managers: A 1% increase in total assets is associated with a 0.9% increase in the proportion of racial minority managers. The share of racial minorities within a firm’s operating geography is also strongly positively associated with their share of racial minority managers. The greater impact of geography in explaining the share of racial minority managers relative to explaining the share of female managers is consistent with the decomposition of the variation in diversity shown in Table 1.

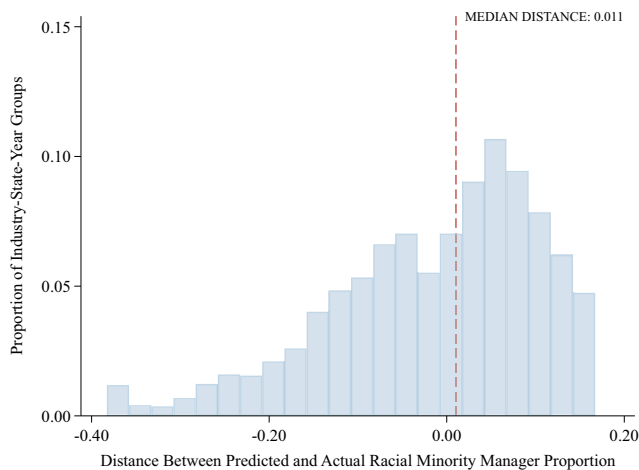
4.1.2. Selection Bias. Next, we assess the bias coming from (i) firms selecting whether to be contractors, and (ii) conditional on being a contractor, firms selecting whether they want to release their data. Conceptually, we attempt to model and control for the bias coming from the contractor decision (i) so that we can attribute the differences between the aggregate EEOC data and our estimated diversity to the strategic disclosure incentive (ii). This approach allows us to descriptively explore whether firms objecting to the release of their

EEO-1 data have systematically lower diversity levels than those that allow the release of their data.

We first address the source of bias coming from the contractor decision using the coefficient estimates from the determinants model in Table 3 to compute a predicted contractor probability (i.e., the predicted value from the regression) based on their observable financial characteristics for each firm year. With this predicted probability, we estimate a regression of firms’ diversity on the same set of controls and include the inverse of the predicted contractor probability as a weight in the regression. This inverse-probability weighting approach allows us to adjust for the bias stemming from nonrandom contractor selection by attempting to control for the likelihood that the firm is a federal contractor. Using the coefficient estimates from this regression (which are produced using only the nonobjecting contractors, for whom we observe firm-level diversity data), we compute a predicted diversity for all firms, including nonobjecting contractors, objecting contractors, and noncontractors. We then aggregate this predicted diversity up to the two-digit North American Industry Classification System (NAICS)-state-year level and compare it to the aggregate EEOC data at the same aggregation level.

In Figure 6, we plot the distribution for the distance between the predicted diversity and the actual diversity reported by the aggregate EEOC statistics. We find that the data from the aggregate EEOC database

Figure 6. (Color online) Histogram of Predicted vs. Actual Racial Minority Manager Proportion



Notes. This figure shows the histogram of the difference between the predicted and actual racial minority share for industry (two-digit NAICS)-state-year groups. The horizontal axis represents the distance between the predicted and actual racial minority manager proportion: that is, it is the predicted racial minority share within that firm based on its observable characteristics (as discussed in Section 4.1.2), less the actual observed racial minority share within that firm. The vertical axis represents the proportion of industry-state-year groups that fall within the given distance bucket. The dashed line represents the median distance, which is 0.011.

are systematically lower than our predicted data. This finding can be interpreted as indicating that firms who object to the release of their data have systematically lower levels of diversity. As our prediction model is trained on disclosing firms' data and the estimated diversity from the prediction model is systematically higher than the true aggregate EEOC data, the results could imply that the exclusion of lower diversity objecting firms biases the predicted diversity upward (Li 2025).

However, these results require significant caveats. First, although we model contractor status to “control” for whether a firm is a contractor, unobservable characteristics that we cannot fully capture may explain the observed differences in the predicted and actual diversity data. Second, we can only model firms' contractor status and predict diversity among publicly traded companies due to data constraints; therefore, our results cannot adjust for the potential bias coming from the fact that the aggregate EEOC data contains both publicly traded and private companies. Nevertheless, the results are consistent with less diverse firms objecting to the release of their EEO-1 data.

4.2. Firms' Underlying Diversity and Voluntary Disclosure

We next turn to whether a firm's absolute or relative diversity influences its decision to publicly disclose its EEO-1 report. We focus on managers for the remainder

of our tests because research argues that diversifying at the management level is the primary diversity challenge for firms (Dobbin and Kalev 2022) and because recent research in the management field suggests that diversity at the middle-management level is important for problem-solving and implementing firm strategies (Schubert and Tavassoli 2020, Richard et al. 2021).²⁰ Panel B of Table 2 presents descriptive statistics for the EEO data for firms in our sample. From 2016 to 2020, we obtain just over 3,000 EEO-1 reports for our sample of Compustat firms. Only 6.4% of the reports in our sample were voluntarily disclosed by the firms directly (i.e., made available on their websites). Thus, the majority of our data were not publicly available before the mass release of the EEO-1 reports in April 2023. As discussed in Section 2, public disclosure of EEO-1 reports has risen drastically in recent years because investors and other stakeholders have demanded more information on DEI practices and outcomes. For the firms in our sample, the number publicly disclosing the EEO-1 report rose from 0.8% in 2016 to 15% in 2020. This drastic increase notwithstanding, the vast majority of firms continue not to disclose their EEO-1 reports.

The release of these data to the public permits us to investigate whether firms that disclose their EEO-1 reports appear to do so strategically, as well as to explore which diversity metrics appear to have the greatest influence on the decision to disclose.²¹ Table 4 presents the results of these tests. In panel A, we first investigate whether the proportion of female or minority managers influences the choice to disclose. These specifications include controls for diversity at lower ranks and various financial characteristics, along with industry and year-fixed effects. The inclusion of industry fixed effects means that our tests focus on firms' diversity relative to the diversity of their industry peers.

We first examine gender diversity in column (1), finding no evidence that the proportion of female managers is associated with public disclosure of EEO-1 reports. There may be several explanations for this result. First, the result could reflect that the imbalances across gender are less severe relative to imbalances across race at the middle-management level, as shown in Figure 3. In panel B of Table 2, for example, the ratio of the share of female managers relative to the share of female employees in the “promotion pool” is 0.99. This statistic suggests that the representation of women in middle-management positions, relative to their representation in positions where they could plausibly be promoted to middle management, is nearly proportional. Another explanation for the limited evidence may be that there is limited firm-level variation in the share of women. The results in Table 1 descriptively suggest that a large fraction of the variation in the share of women is driven by

Table 4. Strategic Disclosure of EEO-1 Reports

Panel A: Firms' diversity relative to industry peers and public EEO disclosure					
	Public EEO disclosure				
	(1)	(2)	(3)	(4)	(5)
% Female Managers	0.061 (0.071)				
% Racial Minority Managers		0.211*** (0.075)			
% Black Managers			0.452** (0.195)		
% Hispanic Managers				0.339** (0.151)	
% Asian Managers					0.145 (0.130)
% Women (Lower-Level)	-0.068 (0.072)				
% Racial Minority (Lower-Level)		-0.056 (0.049)			
% Black Employees (Lower-Level)			-0.159 (0.154)		
% Hispanic Employees (Lower-Level)				-0.145** (0.071)	
% Asian Employees (Lower-Level)					0.078 (0.149)
Log(Total Assets)	0.051*** (0.007)	0.048*** (0.007)	0.050*** (0.007)	0.050*** (0.007)	0.049*** (0.006)
ROA	0.140* (0.073)	0.146** (0.073)	0.139* (0.073)	0.141* (0.073)	0.137* (0.074)
Market to Book	0.001 (0.002)	0.001 (0.002)	0.001 (0.002)	0.001 (0.002)	0.001 (0.002)
Capex to Sales	0.030 (0.091)	0.035 (0.096)	0.036 (0.092)	0.033 (0.094)	0.028 (0.096)
COGS to Sales	-0.014 (0.032)	-0.015 (0.029)	-0.017 (0.031)	-0.015 (0.032)	-0.013 (0.027)
Inst. Ownership	-0.072* (0.042)	-0.073* (0.042)	-0.070 (0.042)	-0.073* (0.041)	-0.073* (0.043)
N	2,951	2,951	2,951	2,951	2,951
Adjusted R ²	0.181	0.185	0.182	0.182	0.186
Year fixed effects	Yes	Yes	Yes	Yes	Yes
Industry fixed effects	Yes	Yes	Yes	Yes	Yes
Clusters	Industry	Industry	Industry	Industry	Industry
Panel B: Diversity among ranks and public EEO disclosure					
	Public EEO disclosure				
	(1)	(2)	(3)	(4)	(5)
Female Executives to Female Managers	0.030*** (0.010)				
Female Managers to Female Promotion Pool	0.027 (0.019)				
Female Promotion Pool to Other Female Employees	0.013 (0.010)				
Racial Minority Executives to Racial Minority Managers		-0.010 (0.007)			
Racial Minority Managers to Racial Minority Promotion Pool		0.040*** (0.014)			
Racial Minority Promotion Pool to Other Racial Minority Employees		0.036 (0.025)			
Black Executives to Black Managers			0.005 (0.008)		

Table 4. (Continued)

Panel B: Diversity among ranks and public EEO disclosure					
	Public EEO disclosure				
	(1)	(2)	(3)	(4)	(5)
<i>Black Managers to Black Promotion Pool</i>			0.020*		
			(0.011)		
<i>Black Promotion Pool to Other Black Employees</i>			0.004		
			(0.014)		
<i>Hispanic Executives to Hispanic Managers</i>				−0.005	
				(0.006)	
<i>Hispanic Managers to Hispanic Promotion Pool</i>				0.014*	
				(0.008)	
<i>Hispanic Promotion Pool to Other Hispanic Employees</i>				−0.004	
				(0.012)	
<i>Asian Executives to Asian Managers</i>					−0.000
					(0.004)
<i>Asian Managers to Asian Promotion Pool</i>					0.009
					(0.010)
<i>Asian Promotion Pool to Other Asian Employees</i>					0.002
					(0.003)
<i>Log(Total Assets)</i>	0.051***	0.053***	0.057***	0.055***	0.056***
	(0.007)	(0.007)	(0.008)	(0.008)	(0.007)
<i>ROA</i>	0.135*	0.142*	0.169**	0.143*	0.145*
	(0.075)	(0.074)	(0.081)	(0.084)	(0.080)
<i>Market to Book</i>	0.001	0.001	0.001	0.001	0.001
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
<i>Capex to Sales</i>	0.011	0.020	0.025	0.025	0.032
	(0.103)	(0.100)	(0.119)	(0.116)	(0.129)
<i>COGS to Sales</i>	−0.014	−0.018	−0.024	−0.029	−0.041
	(0.033)	(0.031)	(0.041)	(0.040)	(0.044)
<i>Inst. Ownership</i>	−0.069	−0.058	−0.042	−0.055	−0.034
	(0.042)	(0.041)	(0.040)	(0.046)	(0.044)
<i>N</i>	2,917	2,830	2,530	2,602	2,505
<i>Adjusted R²</i>	0.184	0.185	0.190	0.183	0.191
<i>Year fixed effects</i>	Yes	Yes	Yes	Yes	Yes
<i>Industry fixed effects</i>	Yes	Yes	Yes	Yes	Yes
<i>Clusters</i>	Industry	Industry	Industry	Industry	Industry
Panel C: Firms' diversity relative to geographic diversity and public EEO disclosure					
	Public EEO disclosure				
	(1)	(2)	(3)	(4)	(5)
<i>Female Managers to Female Population</i>	0.018				
	(0.047)				
<i>Female Lower-Level to Female Population</i>	−0.044				
	(0.034)				
<i>Racial Minority Managers to Racial Minority Population</i>		0.124**			
		(0.049)			
<i>Racial Minority Lower Level to Racial Minority Population</i>		−0.031			
		(0.030)			
<i>Black Managers to Black Population</i>			0.051**		
			(0.023)		
<i>Black Lower Level to Black Population</i>			−0.030*		
			(0.017)		
<i>Hispanic Managers to Hispanic Population</i>				0.052**	
				(0.025)	
<i>Hispanic Lower Level to Hispanic Population</i>				−0.036***	
				(0.012)	
<i>Asian Managers to Asian Population</i>					0.016
					(0.010)

Table 4. (Continued)

Panel C: Firms' diversity relative to geographic diversity and public EEO disclosure										
	Public EEO disclosure									
	(1)	(2)	(3)	(4)	(5)					
<i>Asian Lower Level to Asian Population</i>					0.009 (0.007)					
<i>Log(Total Assets)</i>	0.054*** (0.007)	0.051*** (0.007)	0.054*** (0.008)	0.053*** (0.008)	0.051*** (0.007)					
<i>ROA</i>	0.136* (0.078)	0.144* (0.079)	0.138* (0.078)	0.139* (0.079)	0.126 (0.080)					
<i>Market to Book</i>	0.001 (0.002)	0.001 (0.001)	0.001 (0.002)	0.001 (0.002)	0.001 (0.001)					
<i>Capex to Sales</i>	0.012 (0.096)	0.023 (0.101)	0.019 (0.099)	0.017 (0.097)	0.006 (0.096)					
<i>COGS to Sales</i>	-0.013 (0.033)	-0.010 (0.029)	-0.010 (0.031)	-0.012 (0.032)	-0.014 (0.026)					
<i>Inst. Ownership</i>	-0.103** (0.048)	-0.102** (0.047)	-0.101** (0.047)	-0.099** (0.047)	-0.104** (0.048)					
<i>N</i>	2,825	2,825	2,825	2,825	2,825					
<i>Adjusted R²</i>	0.187	0.192	0.188	0.187	0.192					
<i>Year fixed effects</i>	Yes	Yes	Yes	Yes	Yes					
<i>Industry fixed effects</i>	Yes	Yes	Yes	Yes	Yes					
<i>Clusters</i>	Industry	Industry	Industry	Industry	Industry					
Panel D: Firms' diversity and voluntary disclosure of non-DEI information										
	Management guidance					Non-DEI HC metric (10-K)				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>% Female Managers</i>	0.160 (0.109)					-0.257 (0.287)				
<i>% Racial Minority Managers</i>		0.068 (0.142)					-0.117 (0.419)			
<i>% Black Managers</i>			-0.033 (0.449)					0.035 (0.934)		
<i>% Hispanic Managers</i>				0.274 (0.456)					0.080 (0.742)	
<i>% Asian Managers</i>					-0.130 (0.209)					-0.664 (0.455)
<i>% Women (Lower-Level)</i>	-0.093 (0.122)					0.267 (0.343)				
<i>% Racial Minority (Lower-Level)</i>		-0.144 (0.131)					0.248 (0.322)			
<i>% Black Employees (Lower-Level)</i>			-0.074 (0.274)					-0.440 (0.515)		
<i>% Hispanic Employees (Lower-Level)</i>				-0.291 (0.325)					0.270 (0.410)	
<i>% Asian Employees (Lower-Level)</i>					0.004 (0.200)					0.781* (0.425)
<i>Log(Total Assets)</i>	0.033*** (0.008)	0.033*** (0.007)	0.033*** (0.009)	0.032*** (0.007)	0.033*** (0.008)	-0.038** (0.015)	-0.039*** (0.015)	-0.035** (0.016)	-0.039** (0.016)	-0.036** (0.015)
<i>ROA</i>	-0.112 (0.102)	-0.108 (0.100)	-0.111 (0.102)	-0.120 (0.102)	-0.113 (0.104)	-0.165 (0.249)	-0.183 (0.237)	-0.158 (0.249)	-0.163 (0.247)	-0.206 (0.238)
<i>Market to Book</i>	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	-0.001 (0.002)	-0.001 (0.002)	-0.001 (0.002)	-0.001 (0.002)	-0.001 (0.002)
<i>Capex to Sales</i>	0.070 (0.082)	0.059 (0.085)	0.063 (0.084)	0.062 (0.086)	0.068 (0.082)	0.246 (0.344)	0.236 (0.327)	0.214 (0.339)	0.232 (0.326)	0.223 (0.336)
<i>COGS to Sales</i>	-0.221*** (0.049)	-0.217*** (0.048)	-0.219*** (0.049)	-0.222*** (0.049)	-0.224*** (0.046)	0.058 (0.037)	0.054 (0.036)	0.073* (0.038)	0.061* (0.036)	0.055 (0.037)
<i>Inst. Ownership</i>	0.425*** (0.108)	0.427*** (0.103)	0.421*** (0.106)	0.426*** (0.106)	0.421*** (0.106)	-0.087 (0.135)	-0.083 (0.134)	-0.082 (0.137)	-0.085 (0.139)	-0.089 (0.132)
<i>N</i>	2,951	2,951	2,951	2,951	2,951	1,411	1,411	1,411	1,411	1,411

Table 4. (Continued)

Panel D: Firms' diversity and voluntary disclosure of non-DEI information										
	Management guidance					Non-DEI HC metric (10-K)				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Adjusted R^2	0.581	0.582	0.581	0.582	0.581	0.240	0.241	0.241	0.241	0.244
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clusters	Industry	Industry	Industry	Industry	Industry	Industry	Industry	Industry	Industry	Industry

Notes. This table reports the associations between firms' managerial diversity and their disclosure of their EEO-1 form. Panel A reports the results using firms' managerial diversity proportions as explanatory variables. Panel B reports the results using relative diversity measures across ranks (i.e., executives, first-and-middle management, the promotion pool, and lower-level employees). Panel C reports the results using relative diversity measures using geographic benchmarks. Panel D reports the associations between firms' managerial diversity and a set of placebo outcomes. All specifications include industry (four-digit NAICS) and year-fixed effects, and standard errors are clustered on the industry level.

***, **, and * statistical significance at the 1%, 5%, and 10% levels, respectively.

industry. Additionally, in Figure 2, the average within-county-industry-year standard deviation in female proportion is 0.16 relative to women making up 41% of all managers on average (i.e., a coefficient of variation of approximately 0.39). In comparison, the average within-county-industry-year standard deviation in the proportion of racial minorities is 0.19 relative to racial minorities making up 21% of all employees on average (i.e., a coefficient of variation of 0.90). The limited within-industry firm-level variation in the share of women may be another explanation for why we find limited evidence of an association between the proportion of female managers and public EEO-1 disclosure. Finally, it is possible that (low) female representation in middle management does not represent a material risk for investors or employees.

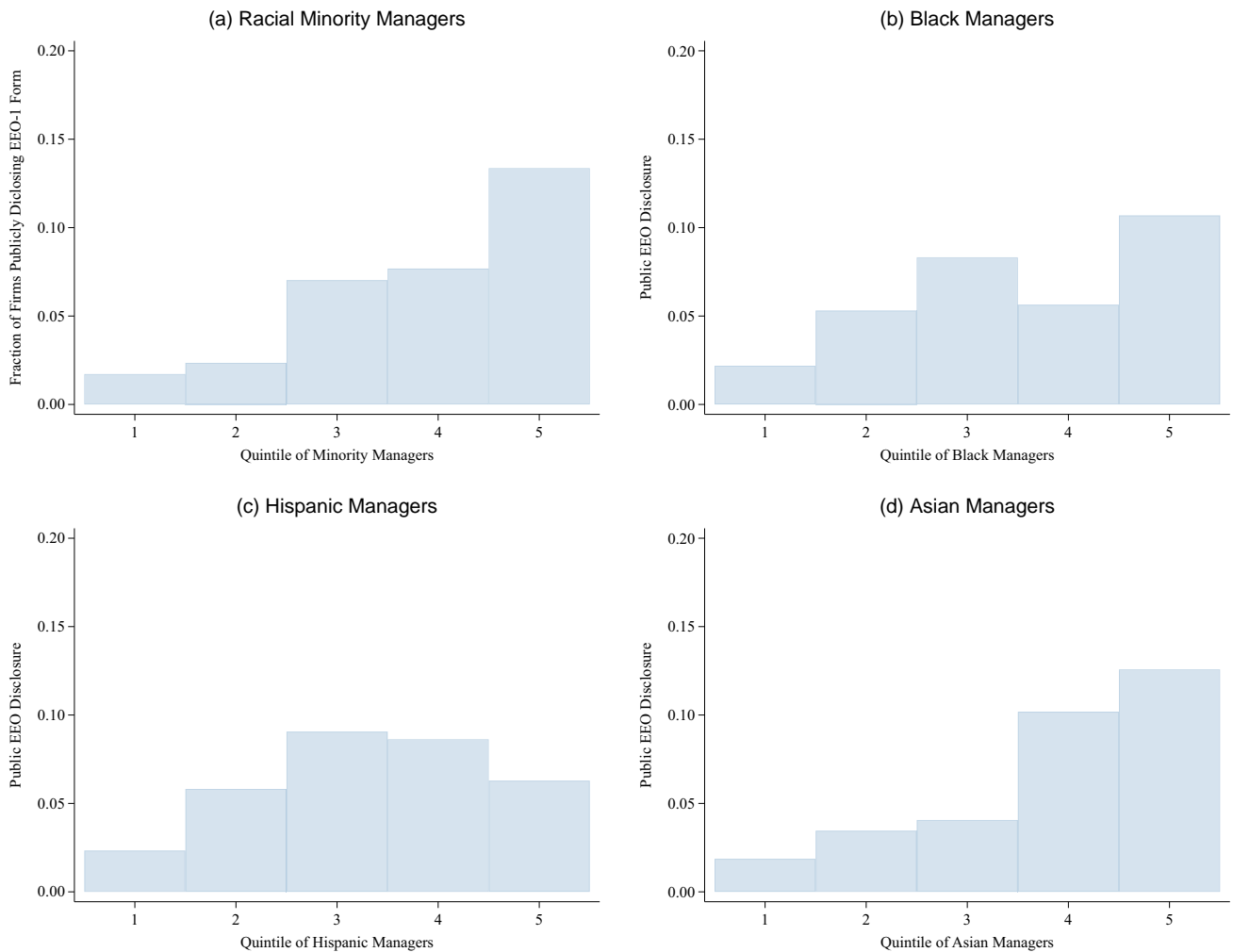
We next consider racial minority managers. In column (2), our independent variable of interest is the proportion of managers belonging to any racial minority group. We find a positive and significant coefficient on the proportion of racial minority managers, indicating that firms with a higher share of racial minority managers are associated with a higher likelihood of disclosing. Economically, a 10-percentage-point increase in the proportion of racial minority managers is associated with a 33% increase in the probability of disclosure relative to the mean.²² When we consider specific racial groups in columns (3)–(5), our results suggest that this association is partially driven by Black and Hispanic managers. However, we do not find evidence that this association holds for the share of Asian managers to total employees (although the sign is also positive), perhaps because there is less variation in this distribution.²³ In Figure 7, we descriptively plot the univariate relationship between firms' diversity and their propensity to disclose their EEO-1 report publicly. Our figures support our main findings and suggest that there is a general increase in the propensity for firms to disclose their EEO-1 form when they are

higher in the distribution for their share of racial minority employees.

Next we test whether the representation of minority managers relative to the diversity at other ranks within firms is associated with public disclosure of EEO-1 reports. Table 4, panel B, presents the results of these tests. We use three measures of within-firm relative diversity: the share of diverse executives relative to the share of diverse middle managers, the share of diverse middle managers to the share of diverse employees in the "promotion pool," and the share of diverse employees in the "promotion pool" relative to the share of diverse employees among other (lower) ranks. Including all of these within-firm relative diversity measures in one specification allows us to assess the level(s) within the firm where diversity is associated with the decision to publicly disclose EEO-1 reports.

In column (1) of panel B of Table 4, we find that the ratio of female executives to female middle managers is the only relative diversity measure for women positively associated with public EEO-1 disclosure. This result indicates that firms with greater gaps in female representation at the executive level relative to female representation at the middle management level are associated with a lower likelihood of disclosing their EEO-1 form publicly. This provides another potential explanation for why the share of female middle managers is not associated with the public disclosure of EEO-1 forms in panel A. Female representation at the executive level seems to be more related to disclosure.²⁴

In columns (2)–(5) of panel B of Table 4, we test the same relative diversity measures for racial minorities and each of the three specific minority categories. Similar to our findings from panel A, we find that a higher share of racial minority middle managers relative to the share of racial minority promotion pool employees is positively associated with firms' decisions to publicly disclose their EEO-1 form. Economically, a move from the 25th percentile to the 75th percentile of the

Figure 7. (Color online) Quintile of Racial Minority Managers and Public EEO Disclosure

Notes. This figure shows the univariate relationship between firms' share of racial minority managers and their decision to publicly disclose their EEO-1 report. The horizontal axis in each panel represents the quintile of the metric (with higher values denoting higher diversity), and the vertical axis represents the proportion of firms within that quintile that publicly disclose their EEO-1 report. (a) Share of racial minority managers in general. (b) Share of Black managers. (c) Share of Hispanic managers. (d) Share of Asian managers.

ratio of a firm's proportion of minority first- and middle-level managers and their proportion of minority workers in the promotion pool (approximately equivalent to a one standard deviation change in this ratio) is associated with a 1.2-percentage-point (or 18% of the mean disclosure rate) increase in the likelihood that the firm discloses their EEO-1 form publicly. We do not find any significant association between diversity at other levels and firms' public disclosure of their EEO-1 forms. Similar to panel A, we find consistent results for Black and Hispanic managers but no evidence that this association holds for Asian managers.

Finally, in panel C of Table 4, we assess the association between firms' diversity relative to the diversity in the regions in which they operate. For each firm, we construct a proxy for the diversity in their

operating geographies by first counting the number of times they mention each U.S. state in their 10-K filing, following the methodology laid out in Garcia and Norli (2012). We then use the proportion of each state's mentions in the 10-K (relative to the total mentions of all U.S. states) as a weight for relative importance of each U.S. state to the firm's operations. Matching to data on each U.S. state's share of female and racial minorities, we construct a weighted average measure of firms' "expected" level of diversity based on their operating regions.

Our findings in panel C of Table 4 are largely consistent with our findings in panels A and B. In column (1), we find no association between a higher share of women relative to the share of women in firms' geographic benchmarks and firms' decision to disclose their EEO-1 form publicly. In columns (2)–(4), we find

that higher shares of racial minority managers relative to the share of racial minorities in the geographic benchmark are associated with a higher likelihood of disclosing the EEO-1 form publicly, again driven by the Black and Hispanic managers. Economically, moving from the 25th percentile to the 75th percentile of the ratio of the share of racially diverse managers in the firm and the racial diversity of the firm's geographic benchmark (approximately equivalent to a one-standard-deviation change in this ratio) is associated with a 3.4-percentage-point (or 54% of the mean disclosure rate) higher likelihood that the firm publicly discloses its EEO-1 report.

Although the results in panels A–C are indicative of firms strategically disclosing their EEO-1 form, these results could also be driven by omitted variables correlated with both diversity and the propensity to disclose in general (e.g., financial characteristics that we do not observe) or other concerns (e.g., reverse causality). Because Christensen et al. (2021) suggest that similar factors drive both social responsibility disclosures and more traditional financial disclosures, we use *Management Guidance* as a placebo outcome given that it is also a voluntary disclosure but largely unrelated to firms' diversity.²⁵ If our primary results simply reflect that firms' general propensity to disclose is correlated with their workforce diversity, then we expect to find an association between workforce diversity and voluntary financial disclosures. On the other hand, if our results reflect strategic disclosure, there should not be an association between workforce diversity and *Management Guidance*. The results of this placebo test are presented in columns (1)–(5) of Table 4, panel D. Using the same diversity measures as our primary tests, we find that there is no significant association between firms' diversity and their decision to issue management guidance. This placebo test provides assurance that our primary findings are not simply capturing other firm-specific factors that may be related to both diversity and the propensity to provide voluntary disclosures.

A related concern is that high workforce diversity may simply reflect a heightened focus on human capital management, which could also be related to the propensity to disclose human capital metrics. To address this concern, we also use non-DEI quantitative human capital disclosures as a placebo outcome, following the approach in Bourveau et al. (2023). As shown in columns (6)–(10), we again fail to find an association between managerial diversity and non-DEI human capital disclosures. This test provides assurance that our findings do not merely capture that firms with "better" performance on labor issues also prefer to speak more on labor-related issues; instead, the results appear to be specific to the disclosure of diversity-related information.

Taken together, our results are consistent with firms strategically disclosing their diversity metrics when they appear more racially diverse compared with within-firm benchmarks, industry peers, and geographic benchmarks. We view our results as responding to the call from Gow et al. (2016) for descriptive studies on first-order questions. Our data reveal a partial disclosure equilibrium where only a minority of firms disclose their EEO-1 reports. Although we do not formally test a disclosure theory, we can speculate on the reasons preventing the unravelling of EEO-1 filings. Because companies must prepare the information and file it confidentially to the government before deciding on whether to release it publicly or not, we argue that our disclosure equilibrium is not driven by direct preparation costs (Verrecchia 1983) or uncertainty about the information endowment (Dye 1985). Instead, it is possible that managers are uncertain about what its various stakeholders want to see and therefore prefer to stay silent (Bond and Zeng 2022). Although testing a disclosure theory is beyond the scope of this paper, future research could exploit the recent increase in the number of firms publicly disclosing their EEO-1 forms to formally test a dynamic disclosure game for nonfinancial information.

5. Discussion and Conclusion

Using an FOIA-released data set of government contractors' EEO-1 reports, we provide evidence on the factors driving variation in diversity among U.S. public firms. We find that industry, geography, and time explain approximately 60% of the variation in diversity. The remainder of the variation is attributable to firm-specific factors and can only be tested with granular, firm-level data like that we exploit in this paper. Focusing on a sample of publicly traded firms, we document that higher racial workforce diversity (relative to industry, within-firm, and geographic benchmarks) is positively associated with the public disclosure of firms' EEO-1 reports. Our results are consistent with firms strategically disclosing their diversity data, whereby firms with lower diversity withhold information on their workforce composition from investors and other stakeholders.

Our collective findings provide important insights for policymakers. Investors increasingly view low diversity as a material source of risk for public companies (Balakrishnan et al. 2023, Shelby 2023) and have called for the SEC to mandate disclosure to obtain comprehensive and comparable public data on DEI practices (Augustine et al. 2021, Mennie 2021). Ultimately, our results cannot directly speak to the desirability of a disclosure mandate for EEO-1 filings; rather, the need for a disclosure mandate depends on the disclosure equilibrium achievable through market

forces (Bertomeu 2024). For example, a dynamic disclosure game could lead to information unraveling (Bourveau et al. 2025). Supporting this argument, numerous practitioners have documented the steep increase in public disclosure of EEO-1 filings in the years after the end of our sample period. A report by Just Capital indicates that the number of Russell 1,000 firms publicly disclosing their EEO-1 filings rose from 11% in 2021 to 34% in 2022. On the other hand, a report by Teneo focused on S&P 500 firms shows that EEO-1 filings have appeared to reach a plateau at just above 50% between 2022 and 2023. The stagnation in the disclosure rate of large public firms, alongside a much lower disclosure rate by smaller public firms, raises questions on whether market forces will be sufficient to reach full disclosure in the coming years.

Given the uncertainty surrounding whether pressure from market forces will result in a sufficient level of disclosure, our findings, based on a sample of public federal contractors, offer valuable insights. First, we provide timely information on firm-specific diversity for a large sample of firms whose data were previously unavailable at this scale due to a lack of required disclosure. We show that firm-level data on diversity displays significant variation after demeaning by industry, county, and year. This granular data are particularly valuable because DEI practices cannot be inferred from commonly observable diversity characteristics of boards (Edmans et al. 2024). Second, our results quantify the differences in workforce diversity between the growing sample of firms that voluntarily disclose this data and those that remain silent. We show that firms' decision to withhold information in our sample correlates with lower racial diversity in managerial ranks across various benchmarks.

It is important to note, however, that our empirical approach is subject to several limitations that have implications for the inferences that can (or cannot) be drawn from our tests. First, in terms of coverage, our data set comprises only federal contractors. Although there are more than 19,000 firms in our sample, their overall workforce composition does not exactly align with the demographics of the local labor markets in which they operate, suggesting that federal contractors may differ from the general population of firms. Second, we only observe data for federal contractors that did not object to releasing their data. Thus, we cannot directly speak to the diversity practices or disclosure decisions of firms that objected to releasing their data. Although we document that objectors' and

nonobjectors' financial characteristics do not differ substantially, unobserved differences may still exist. Third, we do not observe data on employee education, skill, or experience, which may be correlated with gender and race. Given these constraints, our data set does not allow us to draw conclusions on questions such as whether discrimination exists or the role of public federal contractors in systematic discrimination based on gender or race. However, our data do allow us to provide granular, firm-specific evidence on workforce diversity across gender and race by job categories for a large number of public contractors.

Despite the limitations of our study, this data set still has the potential to allow researchers to explore questions reliant on firm-level variation in diversity metrics. Having shown that significant firm-level variation in diversity exists, future studies can use this data to understand the determinants and consequences of firms' diversity. The data are likely to be especially valuable to researchers who are interested not only in general diversity at the firm but also how firm diversity varies across ranks. The standardized job categories from the EEO-1 data (unique to this data source) allow such comparisons across firms. For example, future research could assess the role of firm-initiated diversity programs versus local (e.g., state) public programs in fostering diversity among the different ranks within organizations or consider how contractor diversity varies with changes in the federal government's stance on diversity in federal contracting (The White House 2021, 2025). The large number of firms can help researchers account for time-invariant and time-varying characteristics to isolate treatment effects. In that sense, our firm-level data can serve as a complement to recent studies that obtain data at the employee level from a single firm or institution (Cullen and Perez-Truglia 2023; Benson et al. 2024a, b).

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Appendix A. Example of EEO-1 Report

CO= D140290
 U= D140290

EQUAL EMPLOYMENT OPPORTUNITY
 2021 EMPLOYER INFORMATION REPORT EEO-1
 CONSOLIDATED REPORT

SECTION B - COMPANY IDENTIFICATION

1. APPLE INC.
 ONE APPLE PARK WAY
 CUPERTINO, CA 95014

2.a. APPLE INC.
 ONE APPLE PARK WAY
 CUPERTINO, CA 95014

c. EIN= 942404110

SECTION C - TEST FOR FILING REQUIREMENT

1- Y 2- N 3- Y DUNS= 060704780

SECTION E - ESTABLISHMENT INFORMATION
 NAICS: 334111 - Electronic Computer Manufacturing

SECTION D - EMPLOYMENT DATA

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO											OVERALL TOTALS	
	MALE	FEMALE	*****MALE*****						*****FEMALE*****						
			WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE		TWO OR MORE RACES
EXECUTIVE/SR OFFICIALS & MGRS	2	0	77	0	0	17	0	1	21	2	0	6	0	0	126
FIRST/MID OFFICIALS & MGRS	602	305	5184	235	13	2926	16	109	1888	173	9	1122	4	74	12660
PROFESSIONALS	1694	898	13170	697	79	14058	47	608	4393	436	26	5918	25	338	42387
TECHNICIANS	870	625	2335	554	18	484	12	148	1070	339	16	320	2	96	6889
SALES WORKERS	3367	1975	6344	2239	103	1097	68	567	2854	1343	46	607	39	413	21062
ADMINISTRATIVE SUPPORT	1377	1054	3476	924	36	537	34	216	2356	1194	30	595	31	269	12129
CRAFT WORKERS	22	2	42	2	2	13	0	0	1	0	0	0	0	0	84
OPERATIVES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LABORERS & HELPERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SERVICE WORKERS	211	292	78	24	7	86	3	15	33	17	2	37	3	7	815
TOTAL	8145	5151	30706	4675	258	19218	180	1664	12616	3504	129	8605	104	1197	96152
PREVIOUS REPORT TOTAL	8162	5064	31766	4651	274	17930	185	1679	12927	3485	136	7860	109	1218	95446

SECTION F - REMARKS

DATES OF PAYROLL PERIOD: 12/16/2021 THRU 12/31/2021
SECTION G - CERTIFICATION

CERTIFYING OFFICIAL: Lenai Butterfield
 EMAIL: Lenai@apple.com
 EEO1 REPORT CONTACT PERSON: Lenai Butterfield
 EMAIL: Lenai@apple.com

CERTIFIED DATE [EST]: 5/16/2022 10:19 PM

TITLE: Senior Manager, Global EEO & Affirmative Action
 PHONE: 4088620893
 TITLE: Senior Manager, Global EEO & Affirmative Action
 PHONE: 4088620893

Appendix B. Variable Definitions

Variable	Variable source	Definition
Public EEO Disclosure	Corporate websites, ESG reports	An indicator variable that takes a value of one if the firm publicly discloses their EEO-1 report and zero otherwise.
% Female Employees	EEO-1 forms	The total number of female employees divided by the total number of employees.
% Racial Minority Employees	EEO-1 forms	The total number of racial minorities (i.e., nonwhite employees) divided by the total number of employees.
% Black Employees	EEO-1 forms	The total number of Black employees divided by the total number of employees.
% Hispanic Employees	EEO-1 forms	The total number of Hispanic employees divided by the total number of employees.
% Asian Employees	EEO-1 forms	The total number of Asian employees divided by the total number of employees.
% Female Lower-Level Employees	EEO-1 forms	The total number of female lower-level employees divided by the total number of lower-level employees.
% Racial Minority Lower-Level Employees	EEO-1 forms	The total number of Racial Minority lower-level employees divided by the total number of lower-level employees.

Appendix B. (Continued)

Variable	Variable source	Definition
<i>% Black Lower-Level Employees</i>	EEO-1 forms	The total number of black lower-level employees divided by the total number of lower-level employees.
<i>% Hispanic Lower-Level Employees</i>	EEO-1 forms	The total number of Hispanic lower-level employees divided by the total number of lower-level employees.
<i>% Asian Lower-Level Employees</i>	EEO-1 forms	The total number of Asian lower-level employees divided by the total number of lower-level employees.
<i>% Female Managers</i>	EEO-1 forms	The total number of female first-and-middle level managers divided by the total number of first-and-middle level managers.
<i>% Racial Minority Managers</i>	EEO-1 forms	The total number of racial minority first-and-middle level managers divided by the total number of first-and-middle level managers.
<i>% Black Managers</i>	EEO-1 forms	The total number of black first-and-middle level managers divided by the total number of first-and-middle level managers.
<i>% Hispanic Managers</i>	EEO-1 forms	The total number of Hispanic first-and-middle level managers divided by the total number of first-and-middle level managers.
<i>% Asian Managers</i>	EEO-1 forms	The total number of Asian first-and-middle level managers divided by the total number of first-and-middle level managers.
<i>Female Executives/Managers</i>	EEO-1 forms	The ratio between the share of female executives and the share of female managers. For example, if 10% of the firm's executives are female, but 20% of the firm's first-and-middle managers are female, the value of this ratio would be 0.5.
<i>Racial Minority Executives/Managers</i>	EEO-1 forms	The ratio between the share of racial minority executives and the share of racial minority managers. For example, if 10% of the firm's executives are racial minorities, but 20% of the firm's first-and-middle managers are racial minorities, the value of this ratio would be 0.5.
<i>Black Executives/Managers</i>	EEO-1 forms	The ratio between the share of racial minority executives and the share of racial minority managers. For example, if 10% of the firm's executives are black, but 20% of the firm's first-and-middle managers are black, the value of this ratio would be 0.5.
<i>Hispanic Executives/Managers</i>	EEO-1 forms	The ratio between the share of Hispanic executives and the share of Hispanic managers. For example, if 10% of the firm's executives are Hispanic, but 20% of the firm's first-and-middle managers are Hispanic, the value of this ratio would be 0.5.
<i>Asian Executives/Managers</i>	EEO-1 forms	The ratio between the share of Asian executives and the share of Asian managers. For example, if 10% of the firm's executives are Asian, but 20% of the firm's first-and-middle managers are Asian, the value of this ratio would be 0.5.
<i>Female Managers/Promotion Pool</i>	EEO-1 forms	The ratio between the share of female managers and the share of female employees in the promotion pool (i.e., professionals, sales workers, technicians).
<i>Racial Minority Managers/Promotion Pool</i>	EEO-1 forms	The ratio between the share of racial minority managers and the share of racial minority employees in the promotion pool (i.e., professionals, sales workers, technicians).
<i>Black Managers/Promotion Pool</i>	EEO-1 forms	The ratio between the share of black managers and the share of black employees in the promotion pool (i.e., professionals, sales workers, technicians).
<i>Hispanic Managers/Promotion Pool</i>	EEO-1 forms	The ratio between the share of Hispanic managers and the share of Hispanic employees in the promotion pool (i.e., professionals, sales workers, technicians).
<i>Asian Managers/Promotion Pool</i>	EEO-1 forms	The ratio between the share of Asian managers and the share of Asian employees in the promotion pool (i.e., professionals, sales workers, technicians).

Appendix B. (Continued)

Variable	Variable source	Definition
<i>Female Promotion Pool/Other Employees</i>	EEO-1 forms	The ratio between the share of female employees in the promotion pool (i.e., professionals, sales workers, technicians) and the share of female employees among employees who are not in the promotion pool and are not managers or executives (i.e., administrative support workers, craftworkers, laborers, operatives, service workers).
<i>Racial Minority Promotion Pool/Other Employees</i>	EEO-1 forms	The ratio between the share of racial minority employees in the promotion pool (i.e., professionals, sales workers, technicians) and the share of racial minority employees among employees who are not in the promotion pool and are not managers or executives (i.e., administrative support workers, craftworkers, laborers, operatives, service workers).
<i>Black Promotion Pool/Other Employees</i>	EEO-1 forms	The ratio between the share of black employees in the promotion pool (i.e., professionals, sales workers, technicians) and the share of black employees among employees who are not in the promotion pool and are not managers or executives (i.e., administrative support workers, craftworkers, laborers, operatives, service workers).
<i>Hispanic Promotion Pool/Employees</i>	EEO-1 forms	The ratio between the share of Hispanic employees in the promotion pool (i.e., professionals, sales workers, technicians) and the share of Hispanic employees among employees who are not in the promotion pool and are not managers or executives (i.e., administrative support workers, craftworkers, laborers, operatives, service workers).
<i>Asian Promotion Pool/Other Employees</i>	EEO-1 forms	The ratio between the share of Asian employees in the promotion pool (i.e., professionals, sales workers, technicians) and the share of Asian employees among employees who are not in the promotion pool and are not managers or executives (i.e., administrative support workers, craftworkers, laborers, operatives, service workers).
<i>Female Managers to Female Population</i>	EEO-1 forms	The ratio between the share of female managers within the firm and the share of females in the regions where the firm operates. The share of females in the regions where the firm operates is calculated by counting the number of times a firm refers to each U.S. state in their 10-K, following (Garcia and Norli 2012). We then use the proportion of times each state is mentioned (relative to all mentions of U.S. states) as a weight, combined with states' data on the share of females from the 2020 U.S. Census, to create a measure of expected female diversity in the regions where the firm operates.
<i>Racial Minority Managers to Racial Minority Population</i>	EEO-1 forms	The ratio between the share of racial minority managers within the firm and the share of racial minorities in the regions where the firm operates. (See definition for Female Managers to Female Population on variable construction for population diversity).
<i>Black Managers to Black Population</i>	EEO-1 forms	The ratio between the share of black managers within the firm and the share of blacks in the regions where the firm operates. (See definition for Female Managers to Female Population on variable construction for population diversity).
<i>Hispanic Managers to Hispanic Population</i>	EEO-1 forms	The ratio between the share of Hispanic managers within the firm and the share of Hispanics in the regions where the firm operates. (See definition for Female Managers to Female Population on variable construction for population diversity).

Appendix B. (Continued)

Variable	Variable source	Definition
<i>Asian Managers to Asian Population</i>	EEO-1 forms	The ratio between the share of Asian managers within the firm and the share of Asians in the regions where the firm operates. (See definition for Female Managers to Female Population on variable construction for population diversity).
<i>Female Lower Level to Female Population</i>	EEO-1 forms	The ratio between the share of female lower-level employees within the firm and the share of females in the regions where the firm operates. (See definition for Female Managers to Female Population on variable construction for population diversity).
<i>Racial Minority Lower Level to Racial Minority Population</i>	EEO-1 forms	The ratio between the share of racial minority lower-level employees within the firm and the share of racial minorities in the regions where the firm operates. (See definition for Female Managers to Female Population on variable construction for population diversity).
<i>Black Lower Level to Black Population</i>	EEO-1 forms	The ratio between the share of black lower-level employees within the firm and the share of blacks in the regions where the firm operates. (See definition for Female Managers to Female Population on variable construction for population diversity).
<i>Hispanic Lower Level to Hispanic Population</i>	EEO-1 forms	The ratio between the share of Hispanic lower-level employees within the firm and the share of Hispanics in the regions where the firm operates. (See definition for Female Managers to Female Population on variable construction for population diversity).
<i>Asian Lower Level to Asian Population</i>	EEO-1 forms	The ratio between the share of Asian lower-level employees within the firm and the share of Asians in the regions where the firm operates. (See definition for Female Managers to Female Population on variable construction for population diversity).
<i>Return on Assets (ROA)</i>	Compustat	Net income before extraordinary items divided by total assets.
<i>Market to Book (MTB)</i>	Compustat	Market capitalization divided by total assets.
<i>CapEx/Sales</i>	Compustat	Capital expenditures divided by sales.
<i>COGS/Sales</i>	Compustat	Cost of goods sold divided by sales.
<i>Institutional Ownership</i>	Thomson Reuters 13F	Percentage of outstanding shares held by institutional investors.
<i>Contractor</i>	USASpending.gov	An indicator that takes a value of one if the firm is a federal contractor and zero otherwise.
<i>Did not Object</i>	EEO-1 forms	An indicator that takes a value of one if the firm did not object to the release of their data and zero otherwise.
<i>Management Guidance</i>	IBES	An indicator that takes a value of one if the firm issues quantitative management guidance in that year and zero otherwise.
<i>Non-DEI HC Metric (10-K)</i>	10-K Reports	An indicator that takes a value of one if the firm discloses any non-DEI related human capital metrics in their 10-K reports.

Endnotes

¹ For clarity, we refer to voluntary disclosure by the firm as “disclosure” and the release of the data under the FOIA request as “release.” We also classify government contractors as firms that “objected” or “did not object” to the release.

² To study workforce diversity outside of executives, scholars have had to rely on data provided by employers (Holzer et al. 2006), confidential agreements with the Equal Employment Opportunity Commission (Kalev et al. 2006, Tomaskovic-Devey et al. 2006), or third-party information providers such as Revelio Labs (Baker et al. 2024, Cai et al. 2024, Liang et al. 2024).

³ We focus on these groups because this level of aggregation aligns with the EEOC’s publicly available statistics, which are aggregated by year, geography, gender, race, and industry.

⁴ We assess the selection issues in this sample in Section 4.1.

⁵ The fraction of firms disclosing in our sample rose from 0.8% in 2016 to 15% in 2020.

⁶ Choi et al. (2024) contacted firms that were subject to the release, finding that a meaningful portion were unaware of the release and the opportunity to object. Additionally, we conjecture that the reputational risk of objecting to the release may be higher than choosing not to voluntarily disclose, due to increased scrutiny of

firms subject to the data release. Finally, because of ongoing litigation, there is also uncertainty around whether objecting firms may have their data released despite objecting.

⁷ We do not find a significant association between the proportion of Asian managers and firms' public EEO-1 disclosure. A potential explanation for this finding is that the distribution of the share of Asian managers exhibits limited variation (Figure 1).

⁸ We identify the "promotion pool" following the EEOC's definitions.

⁹ When we consider specific races, we find that these results hold for both Black and Hispanic employees. Again, we do not find evidence that this association holds for Asian managers.

¹⁰ For example, Gow et al. (2023) looks at the role of shareholder voting in increasing board diversity. Consistent with their study, we document that a gap between the representation of women in first-and-middle management and the representation of women in executive positions continues to persist.

¹¹ Topics range from human capital broadly defined (Bourveau et al. 2023) and general social policies (Cyr-Jones et al. 2025) to more specific topics, including the gender pay gap (Bennedson et al. 2022, Huang and Lu 2025), workplace safety (Christensen et al. 2017), and forced labor (She 2022). Our racial/ethnic minority results are generally consistent with these other works. However, other studies have found a positive association between DEI-related disclosure and the percentage of female employees and female executives using resume data from Revelio Labs (Baker et al. 2024, Liang et al. 2024). The differences between their findings and ours may be attributed to our focus on first- and middle-level management, our use of benchmarks to identify the relative strength of a company's diversity, or differences in underlying data (e.g., estimated diversity from resume data versus EEO-1 reports and differences in sample selection).

¹² Facing a lower threshold, federal contractors must submit reports if they have at least 50 employees.

¹³ Based on interviews with contractor firms subject to the release in Choi et al. (2024), a nontrivial number of firms were unaware of the release and the possibility of objecting.

¹⁴ Litigation related to the reports of objecting firms is ongoing as of the date of this study, resulting in uncertainty around whether objecting firms will ultimately have their data released despite their objections.

¹⁵ To assess the relevance of EEO-1 information to investors, we examine cumulative abnormal returns following the release date. We split the sample of firms into three groups: releasing firms that previously voluntarily disclosed at least one EEO-1 report in the release ("Disclosers"), releasing firms that never voluntarily disclosed any EEO-1 reports in the release ("Nondisclosers"), and objecting firms which did not have their data released ("Objectors"). We observe that disclosing firms enjoy returns of 13.4 basis points in the 10 trading days following the release, and nondisclosing (objecting) firms suffer a stock price decrease of 11.3 (5.5) basis points (untabulated). Although these magnitudes are modest, our findings are consistent with the release recalibrating investors' expectations about diversity and further consistent with diversity-related information being perceived as value relevant to at least some investors.

¹⁶ We use the data released for 2019–2020 as these data have complete information on industry.

¹⁷ Prior research indicates that large firms face more public scrutiny (Cormier and Magnan 2003, Christensen et al. 2021).

¹⁸ The number of firms in the Russell 1000 disclosing an EEO-1 report tripled from 11% in 2021 to 34% in 2022. See the 2023 Just Capital Report.

¹⁹ We note that there is some sample attrition for these benchmarks. The loss of observations is due to ratios where the denominator is zero and therefore undefined.

²⁰ Some studies (Madsen 2013) have documented the importance of firms' diversity among other job categories, such as professionals. We use the diversity of professionals in untabulated tests and find largely similar (albeit weaker) results (i.e., a significant correlation between racial diversity and disclosure, but not gender). Our speculative interpretation of these findings is that since the racial gap between professionals and managers is smaller than the racial gap between managers and promotion-pool workers, firms have a greater incentive to withhold disclosure of lower diversity among managers than professionals.

²¹ Throughout these tests, we employ four-digit NAICS industry fixed effects and year fixed effects, and we estimate standard errors clustered by industry. Our inferences are robust to using industry \times year fixed effects, defining industry based on two-digit NAICS, and clustering by firm.

²² We acknowledge that the economic magnitude of our results is large. We believe that this is due to (i) a relatively small (although growing) sample mean and (ii) the fact that we likely capture a first-order factor (i.e., firms' underlying workforce diversity) in firms' decision to disclose their EEO-1 forms publicly.

²³ Our results also reveal a positive and robust correlation between a firm's size and its probability of disclosing its EEO-1 form, consistent with the argument that large public firms face more scrutiny on ESG issues than do smaller ones (Christensen et al. 2021) and that profitability is associated with more public disclosure (Miller 2002). The positive association between profitability and EEO-1 form disclosure is inconsistent with firms' argument that EEO-1 data are kept confidential to hide valuable trade secrets (Williams 2019).

²⁴ This interpretation is supported by the fact that the representation of women in middle management relative to the "promotion pool" is nearly proportional (Table 2, panel B).

²⁵ Management forecasts are economically important disclosures (Beyer et al. 2010) and have been used extensively by past literature to proxy for firms' overall voluntary disclosure behavior (Boone and White 2015).

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