COWEN PARTNERS
EXECUTIVE SEARCH

CFO MOVEMENT STUDY 2022

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Introduction

This report presents the findings of our study of the 264 CFO transitions in the first half of 2022 at the Fortune 500 and notable companies as of July 22, 2022. Individuals included in this study obtained a new CFO position within the 2022 year at a Fortune 500 company or a company of note. Using publicly available data, the 264 CFOs were coded with the following tags: gender (female or male), race (white or person of color), first-time CFO (no previous employment in a CFO role), internal promotion (obtained the CFO position at current company of employment), CPA, and MBA. Note that internal promotions also included CFOs that obtained broader CFO roles in 2022 (e.g., divisional CFO to global CFO responsibilities). The term person of color is used to describe any person who is not white. Male and female were coded based on the pronouns used at time of announcement.

Example CFO Announcements in 2022:

- Diana Saadeh-Jajeh of Gamestop
- Rajesh Kalathur of John Deere
- Liz Coddington of Peloton
- Ian Borden of McDonald's
- Kate Gulliver of Wayfair
- Nnenna Nnoli of One Concern
- Kevin Wampler of Dollar Tree
- William Kelley Jr. of Tropicana
- Sonalee Parekh of RingCentral
- Svetlana Makhni of Marengo Therapeutics
- Andre Fernandez of WeWork
- Mariela Matute of Tupperware

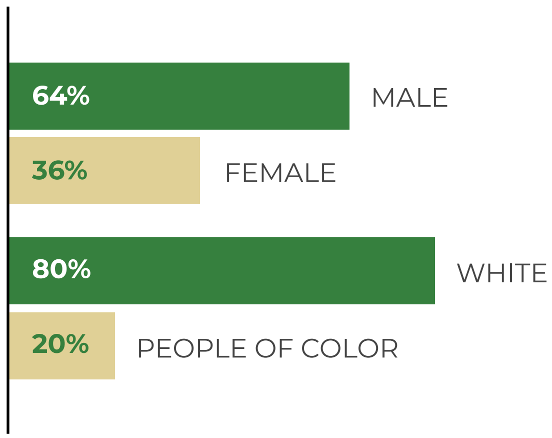
Key Findings

- **2022 CFO hiring trends in the Fortune 500** and companies of note suggest a significant increase in female CFOs (36% of CFO hires to date), building on the all-time high rate of 15% sitting female CFOs at Fortune 500 and S&P 500 companies in 2021 (CFO Dive, 2022).
- **While most CFO hires in 2022 have been white (80%), a significant number of CFOs hired have been people of color (52 individuals in 2022 to date).** A high rate of women of color are obtaining first-time CFO roles (61% CFO females of color were first-time CFOs this year).
- **More females of color obtained their first-time CFO position through an internal promotion (33% of females of color) than their white female peers (22% of white females).** This may suggest a trend of internal promotions favoring females of color, or it may suggest more white females are leaving their jobs to obtain first-time CFO positions.
- **First-time CFOs of color who are internally promoted are disproportionately more credentialed** when compared to their white peers. Of CFOs of color that obtained first-time, internal promotions in 2022, the majority held an MBA (63%) or CPA (63%), whereas among white first-time, internal CFO promotions in 2022, 40% held an MBA and 30% were CPAs.

CFOs in 2022: Who are They?

Of the 264 CFOs hired in the first half of 2022, the majority were male (64%) and white (80%). More CFOs were male among both racial groups: 34 CFOs were males of color (versus 18 females of color), and 136 CFOs were white males (versus 76 white females). About one in four CFOs in 2022 received an internal promotion to the role, while the majority changed companies to obtain their CFO position (76%).

Among those who did receive an internal promotion to CFO, the majority were white (86%) and male (63%). A third of new CFOs hired in 2022 were first-time CFOs (33%), while the majority were not (67%). Among first-time CFOs, the majority were white (78%), and just over half were male (57%).



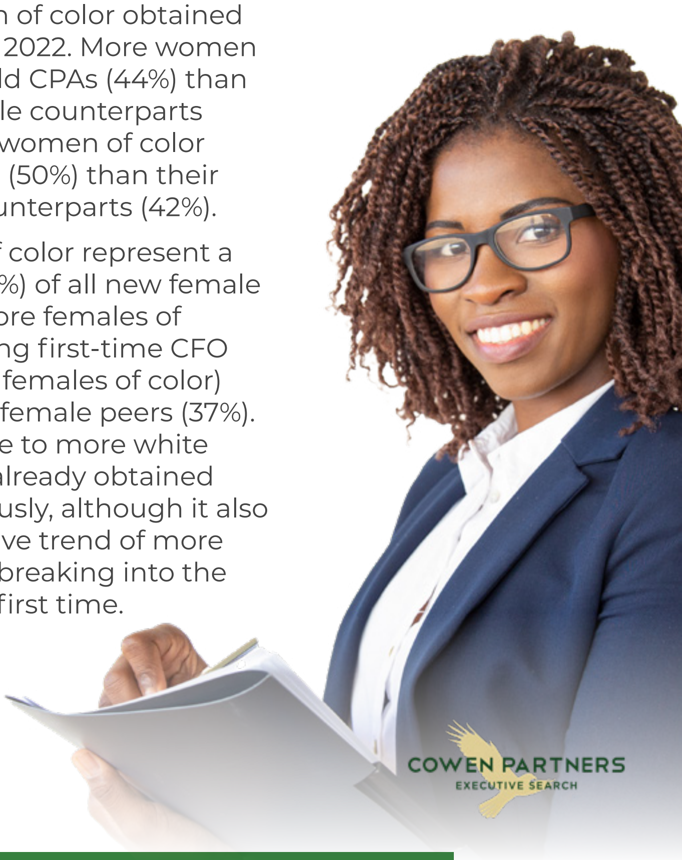
Women

Over a third of new CFOs hired by Fortune 500 companies and companies of note in 2022 have been female (36%), suggesting a steady incline in female representation among CFOs in the Fortune 500; in 2021, 15% of CFOs were female (Bloomberg, 2022). Among new female CFOs, the majority are white (81% white vs. 19% person of color).

Women of Color

Eighteen women of color obtained CFO positions in 2022. More women of color CFOs held CPAs (44%) than their white female counterparts (33%), and more women of color CFOs held MBAs (50%) than their white female counterparts (42%).

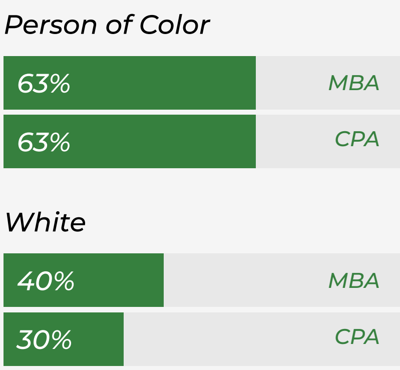
While females of color represent a small portion (19%) of all new female CFOs in 2022, more females of color are obtaining first-time CFO positions (61% of females of color) than their white female peers (37%). This could be due to more white females having already obtained CFO roles previously, although it also suggests a positive trend of more females of color breaking into the CFO role for the first time.



Further, more females of color obtained their first-time CFO position through an internal promotion (33% of females of color) than their white female peers (22% of white females). This may suggest a trend of internal promotions favoring females of color, or it may suggest more white females are leaving their jobs to obtain first-time CFO positions.

First-Time, Internal Promotions: Females by Race

First-Time, Internal Promotions: Credentials by Race



Diversity

One in five new CFO hires in 2022 were persons of color (20%), which has gone up from 11% CFO diversity in 2021 (Journal of Accountancy, Jan 2022). Nearly twice as many CFOs of color were male (13% of new CFOs) than female (7% of new CFOs). While CFOs of color had similar CPA rates compared to their white peers (27% of CFOs of color vs. 28% of white CFOs), many more CFOs of color held MBAs (58% of CFOs of color vs. 48% of white CFOs).

Compared to their white peers, CFOs of color had lower rates of internal promotions (17% persons of color vs. 26% white) and similar rates of first-time CFO status (37% persons of color vs. 33% white). However, there does seem to be significant differences between genders: while 61% of females of color obtained first-time CFOs roles in 2022, only 24% of males of color obtained first-time roles. Similarly, females of color had higher rates of internal promotions (33%) versus males of color (9%). The focus on hiring female CFOs of color has been in the news for a while (WSJ, Jan 2022) and may be sparking a national trend towards higher hiring rates.

To continue supporting the internal promotion of more persons of color to the CFO role, companies can focus on providing mentorship to candidates who express interest and potential for the role.

(WSJ, May 2021)

Among CFOs of color that obtained first-time, internal promotions in 2022, the majority held an MBA (63%) or CPA (63%), whereas among white first-time, internal CFO promotions in 2022, 40% held an MBA and 30% were CPAs. The difference in CPA rates among first-time, internal CFO hires by race is especially staggering considering that in our entire sample, only 27% of CFOs of color are CPAs. This may suggest that persons of color with credentials are more likely to obtain first-time, internal promotions than persons of color without the same credentials. It could alternatively suggest that people of color are over credentialed for the same role as their white peers.

Demand for female and CFOs of color has never been stronger and is frequently a daily conversation with prospective clients."

Shawn Cole
President Cowen Partners Executive Search

CFO Origins: Where are they coming from and how are they getting here?

First-Time CFOs by Gender

First Time CFOs

Of the new CFOs in 2022, 88 individuals (33%) were first-time CFOs, whereas most CFO moves were non-first timers (67%). This group of first-time CFOs in 2022 is nearly equally divided among genders (44% female, 56% male), reflecting an even higher rate of females (36%) than the entire CFO group in 2022. About one in five first-time CFOs is a person of color (22%), and among first-time CFOs of color, there is nearly equal representation among genders (11 females of color, 8 males of color). While some first-time CFOs changed employers to obtain the promotion (14% of the entire sample), the majority of first-time CFOs were promoted internally (19%). A total of 39 first-time CFOs held MBAs, representing 44% of all first-timers.

Internal Promotions

Sixty-four CFOs in 2022 have received internal promotions, whereas most CFOs accepted roles with new companies in 2022 (76%). Among those who received internal promotions, the majority were male (63%) and white (86%). When comparing trends among gender and race, white males represented the most of internal promotions (58%), followed by white females (28%), females of color (9%), and males of color (5%).

Of the 64 internal promotions to CFO, 27 individuals (42%) held MBAs. This rate is similar for internal promotions of first-time CFOs (43% hold MBAs).

MBA and CPA's

Half of new CFOs in 2022 held an MBA degree, while just under a third of CFOs were CPAs (28%). The number of CFOs with MBAs is down slightly from 60.5% in 2021, as is the number of CPAs from 44% in 2021 (**Journal of Accountancy, Jan 2022**). The decline in rates of CFOs holding CPAs seems to be an ongoing trend, with a decline in rates since 2014 (**WSJ, Jan 2020; Fortune, July 2022**).

When comparing race and gender groups, interesting trends emerged: More females than males were CPAs (35% of females, 24% of males), and even more females of color were CPAs (44% of females of color). Males held more MBAs than females (54% of males, 44% of females), and even more males of color held MBAs (62% of males of color). Again, this speaks to the over credentialing of women and persons of color when compared to their white male peers. Only a very small portion of new CFOs hold both an MBA and CPA (9%), which is consistent with the 10.4% rate in 2021 (**Journal of Accountancy, Jan 2022**).

Companies included in our 2022 CFO Movement Study

PetMed Express | RealNetworks | e-Emphasys Technologies | True Religion | Brain Corporation | Jacksonville Jaguars | Zum | Domino's | Vail Resorts | HF Foods | BNY Mellon | GameStop | Comscore | AllianceBernstein | Performance Food Group | WD-40 Company | Flock Safety | Dallas Area Rapid Transit | Binance.US | McDonald's | Dollar Tree | GoFundMe | Stride | Otis | Intrusion | Monogram Health | Mass Luminosity | McAfee | Boohoo | Carlsberg | Janus International | LaserShip | Wheels Up | JELD-WEN | LiveWire | SeaWorld | Deliveroo | Quest Diagnostics | Calendly | Marengo Therapeutics | United Rentals | Sentrics | Latham Group | Flutterwave | AGCO | Sonoco | Neptune Wellness | Peloton | Toyota Motor North America | Angi | JumpCloud | Tropicana | Tanger | DigniFi | SmileDirectClub | Protolabs | Bexion Pharmaceuticals | Deere | Stanley Black & Decker | Woebot Health | Six Flags | BRIX Holdings | Redwire | Freenome | Outbrain | BigBear.ai | LLFlex | BMW of North America | WeWork | Sonoco | Harrods | Athenahealth | TPI Composites | Covanta | MeridianLink | Physicians Resources LTD | MindMed | One Concern | LaunchDarkly | Volvo Trucks | Ulteig | Foursquare | Onto Innovation | Truist | Hydrow | Myers Industries | Evolv Technology | RingCentral | Moderna | Klaviyo | New Western | Jumio | Johnson & Johnson MedTech | b.well Connected Health | Freshii | SeaWorld | Jitterbit | Wayfair | BuzzFeed | Clariant | Tupperware | TuneIn | FanDuel | Hudson's Bay | Halliburton | BrightView | Anji Pharma | Redbox | ByteDance | Credit Suisse | Fitch Group | Edelman Financial Engines | E2open | WEX | American Water | Lower | Accel Entertainment | SafeBreach | IMAX | Omni | Convoy | Beachbody | Celsius | CNN | CAMP4 Therapeutics | Splash Beverage Group | Lummus Technology | Truepill | Walmart | Moderna | Pfizer | Lowe's | Nutanix | Hyzon Motors | McCarthy Holdings | Notarize | Nexthink | Grove Collaborative | Hostess Brands | Keurig Dr Pepper | Micron | Burlington Stores | Vimeo | Cars.com | Cepton | Enseo | Fresh Vine Wine | Aliaswire | Boeing Global Services | Express | Sierra Space | OppFi | Lumen Technologies | CKE Restaurants | Milestone | M2GEN | Ventus Therapeutics | AnyRoad | SAP | Kimberly-Clark | Hearst | Prada | Lightspeed Commerce | Vistra | Digital River | Grant Thornton | Scribe Therapeutics | FreightCar America | Kraken | Neiman Marcus | Aston Martin | Parachute | Bally's | Red Lobster | ACCO Brands | Spencer Stuart | AuditBoard | Renault | CarParts.com | Mineralys Therapeutics | Applied Materials | Del Monte | Accurate Background | Ted Baker | Bluebird bio | Evoque | TRG | Yext | Hickory Farms | Madison Reed | Arcfield | Mount Franklin Foods | Shell | Graphite Bio | Domino's | Six Flags | Bayer | 1stDibs | Globalization Partners | Vintage Wine Estates | Minim | Faraday Future | CafeMedia | BBC Studios | Del Monte Produce | Phenom | Celsius | Nucor | RBB Bancorp | SailPoint | The Marcus Corp. | InTech Aerospace | The Manitowoc Co. | Volvo Group | CME Group | Paysafe | U.S. Steel | Prologis | Auctane | F&G | Armanino | Code42 | Vulcan Materials | Orion Engineered Carbons | G&A Partners | Hertz | PVH | Darigold | Raytheon | Arc'teryx | Peloton | Veda | Solo Brands | Quest Diagnostics | Literati | ASRC Federal | Centogene N.V. | Electronic Arts | Scania | Red Hat | Lockheed Martin | Genuine Parts | Fender Musical Instruments | CSX | Western Digital | Kraft Heinz | BlueTriton Brands | Him & Hers Health | Onapsis | EnerVenue | ComplyAdvantage | Danimer Scientific | ZenPayroll | Health Professionals Alliance | CloudBolt Software

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