

September 25, 2024

*Corporate DEI Hiring Initiatives and Tax Planning: Evidence from Job Postings*

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This study investigates the relationship between corporate diversity, equity, and inclusion (DEI) initiatives in hiring practices and corporate tax planning. Utilizing a unique dataset drawn from companies' historical job postings, we find a negative correlation between companies' emphasis on DEI efforts and corporate effective tax rates, indicating that companies prioritizing DEI in their hiring practices are more likely to engage in tax avoidance activities. Our main results are robust to various alternative measures and after accounting for sample selection. More interestingly, we find the impact of DEI initiatives on tax rates varies according to a firm's social responsibility ratings. Our findings are substantially more pronounced for firms with lower social scores, which exhibit a propensity for tax avoidance correlated with increased DEI efforts in hiring. Our study contributes to the growing body of literature on corporate social practices, providing valuable insights into how DEI initiatives may affect corporate strategies in the business environment.