



Opening Doors: (In)Equity Audits in Accounting Education

Equity audits are a tool K-12 teachers and administrators use to incorporate data into decision-making, identify achievement gaps, and prompt remedial action. The working hypothesis behind equity audits is the existence of a subset of students who could meet high academic standards and produce exceptional work but are prevented from doing so by current resource allocation and andragogic (i.e., adult education) practice.

A recent article by Associate Professors Matthew Kaufman and Joleen Kremin demonstrated how equity audits can be used in accounting higher education. According to the authors,

"Over the last decade, our accounting faculty observed increasing racial diversity among entering students without a commensurate rise in diverse graduates. This prompted a reassessment of policies, procedures, and practices that might have an unintended and disproportionate impact on student outcomes. Ultimately our concerns reduce to one critical question: Do we believe the students who leave our program due to poor performance could have succeeded under different policies? This question prompted a holistic rethink of our approach to accounting education. We are not able to ensure equal achievement for all accounting students, but we can address barriers that drive inequity."



The authors present their work as an illustration to other programs to take a similar data driven approach to DEI work. The authors break down the approach in four simple steps that can be run iteratively. First, define a goal. Second, find data to facilitate shared understanding. Third, disaggregate achievement data to identify root causes. Finally, implement identified strategies and continue program-level data analysis.

Dr. Kremin explains “Problems identified through equity audit practice can span instructors, courses, programs, and academic units. Solutions often require moving beyond what “I” can do in my classroom to consider what “we” can do together as program leaders.”

The authors performed an equity audit to try and find sources of inequity. Gathering data from across campus they noticed certain interesting factors.

“We found that underrepresented students make up a disproportionate percent of our accounting program relative to the metropolitan area we serve. Second, we noted our accounting graduates are less diverse than the pool of students who declare an accounting major. Preliminary data analysis identified a subset of declared accounting majors who successfully completed Introductory Accounting coursework but failed to complete Intermediate Accounting. This pattern had a disproportionate impact on underrepresented minority students. We dug deeper into the data to find that many of our students had large timing gaps between the first financial accounting course and the intermediate course. Our equity audit results suggested that student achievement in Intermediate Accounting reflects a student's ability and drive to succeed and foundational knowledge from prerequisite coursework.”

With data obtained through the equity audit, the faculty approached multiple stakeholders eager to fund more equitable student success efforts. Generous donations enabled additional resources to be purchased at no cost to students. Results from the initial equity audit efforts reduced negative outcomes in the first term of Intermediate Accounting by 25% and the first-week drop rate in the course by 30%. These efforts improved outcomes for all student groups. However, they disproportionately positively impacted the success of Hispanic/Latino, Black/African American, and first-generation college students.

Dr. Kaufman reflects “A key benefit of equity audit practice is refocusing away from aspects of student performance you cannot control toward those you can. We cannot remove external demands on our students or provide them additional hours in a week. However, we can address instructor-level, course-level, and program-level practices that might disproportionately impact students who face identified constraints.”

Study results provide an approach and example of using data to produce gains in student outcomes that are beyond one assignment, or one course. One of the most significant things to come out of the study, as explained by Dr. Kremin is the collaboration across campus and donors. “Once we were able to gather all our data and implement a mitigation strategy that worked more data started to be offered up and more resources were presented. We are very lucky to have so much support for students.”

The research team included Matt Kaufman, Associate Professor of Accounting at Portland State University (kauf2@pdx.edu), and Joleen Kremin, Associate Professor of Accounting at Portland State University (jkremin@pdx.edu). The study is forthcoming in *Issues in Accounting Education* in 2024.

