

CFO MOVEMENT STUDY 2023

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Introduction

Today's CFOs are grappling with continued, rapid, digital disruption (both within their organizations and the finance function itself), along with a prolonged high-interest rate environment and continued fear of recession.

Meanwhile, organizations continue to put an emphasis on, and investment in, bringing greater diversity, equity, and inclusion to the c-suite. Amidst that backdrop, CFO movement for the first half of 2023 reveals how the current climate is putting pressure on companies to hire new CFOs and/or diverse CFOs and offers insights into how CFO hiring will play out for the remainder of the year.

Key Findings

- **CFOs of color** represented almost a quarter of new CFOs (22%), while women made up a third (34%), statistically stagnant from the prior year's study.
- **First-time CFOs were almost evenly split** between men (51%) and women (49%).
- **Most external hires had prior CFO experience** (82%) and most internal hires were promoted from the Chief Accounting Officer or VP of Finance roles.
- **It hasn't been a great year for internal promotions, thus far.** The study found that over three-quarters of new CFOs were hired externally (72%). Women were almost as likely to get promoted from within (48%) than from outside (52%). This year's study found that most new CFOs of color were much more likely to be external hires (62%).
- **Few external hires were first-time CFOs** (18%); most first-time CFOs came from internal promotions (71%). This suggests that companies prefer outside hires to have a proven track record in the role and that few new CFOs are achieving this role outside their current organizations.
- **Nonwhite CFOs were more likely to have an MBA** (67%) compared to white CFOs with an MBAs (55%) and MBAs overall (58%). Women were less likely to have an MBA (45%) compared to men (64%) and MBAs overall. Women, however, were more likely to hold a CPA (37%) compared to men (28%) and CPAs overall (30%).



Methodology

This study was compiled using publicly available data and covers the period January 1, 2023, through June 6, 2023. It presents the findings from our study of 179 CFO moves at Fortune 500 and other notable companies.

The CFOs were coded with following tags: gender (male or female), race (white or person of color), first-time CFO (no previous employment in a CFO role), internal promotion (obtained CFO position at current company of employment), MBA, and CPA. Internal promotions included CFOs that obtained broader CFO roles in 2023 (e.g., divisional CFO to global CFO).

The term "person of color" is used to describe a non-white individual. Males and females were coded based on the pronouns used at the time of the announcement.



CFOs in 2023: Who are they?

Of the 179 CFOs hired in the first half of 2023, men continued their majority status (66%) as did white CFOs (78%).

These findings are almost identical to last year's study. Just over a quarter rose to CFO through an internal promotion (28%). The majority changed companies (72%). Of those promoted internally, men led women (59% to 41% respectively). When race was applied to gender, white men led in promotions (43%) compared to white females (27%), men of color (16%) and women of color (14%). Put another way, white men accounted for more new CFOs (96), than white women, and men and women of color, combined (83).

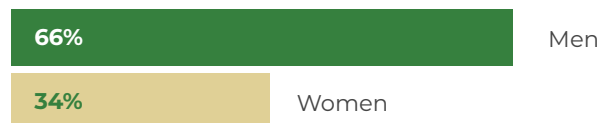


As the economy cools, companies are becoming more thoughtful about succession planning”

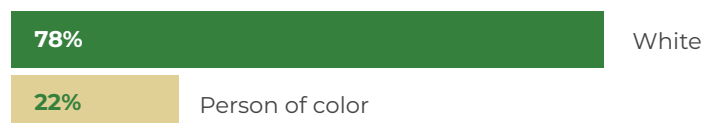
Shawn Cole

President Cowen Partners Executive Search

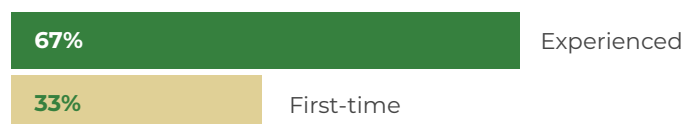
New CFOs by Gender



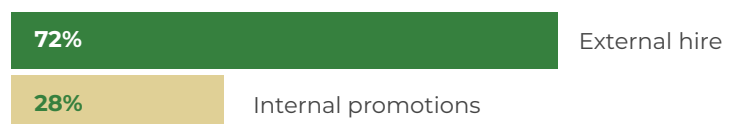
New CFOs by Race




New CFOs by first-time in the role



New CFOs by internal promotion





Female CFOs at the Fortune 500 and Companies of Note

Women

Just over a third of new CFOs hired by Fortune 500 companies and companies of note were female (34%), a slight dip from last year's study (36%). Over a quarter of U.S. CFOs are female (28%), suggesting that new hires are outpacing current trends (CFO Cold Brew, May 2023).

Though almost three quarters of total new CFOs came from outside the organization (72%), only half of new female CFOs were hired from the outside (52%), the rest came to the CFO as an internal promotion (48%).

In this year's study, women were less likely to have an MBA (45%) compared to men (64%) and to MBAs overall (58%). Women, however, were more likely to hold a CPA (37%) compared to men (28%) and CPAs overall (30%).

Of Fortune 500 company CFO hires thus far, almost half were women (45%). With female CEOs now leading over 10% of Fortune 500 companies (SHRM, January 2023), women's overall progress in the c-suite, though slow, is steadily moving upward.

Women of Color

Females of color continued to represent a small portion of new CFOs, only sixteen women of color were hired as CFOs in the first half of 2023, down slightly from last year's study (18). They accounted for 35% of MBAs among all persons of color and 81% of CPAs among the same. Women of color made up a third of all first-time CFOs of color (34%). White women, however, continued to outpace them: a third of all first-time CFOs were white women (32%), compared to women of color (17%).

Diversity

One in five new CFO hires in 2023 were persons of color (22%), a small increase from last year's study. Men of color made up over half of new CFOs of color (59%) compared to women of color (41%).

On the education and credentialed front, CFOs of color were more likely to have an MBA (67%) compared to white CFOs (55%). Just over a quarter of people of color were CPAs (28%), while almost a third of white CFOs could say the same (31%).

Of all CFOs of color hired this year, almost half were first-time CFOs (48%) compared to almost a third of white CFOs (29%). They were also more likely to get promoted from within (38%) compared to their white counterparts (26%).

Women of color were almost twice as likely to be first-time CFOs (62% of female first-timers compared to 34% male). Nonwhite CFOs had a promotion rate only three points higher compared to their female peers (21% vs. 18%).

Further, more females of color obtained their first-time CFO position through an internal promotion (43% of women of color) compared to their white female peers (31%). This may suggest a trend of promotions favoring women of color or that white women are leaving to obtain a first-time position.

CFO Movement Among the Fortune 500

So far this year, 20 Fortune 500 companies have hired new CFOs. While many of the study's Fortune 500 findings track with the companies of note, there are a few notable differences.

The study found greater gender parity in the Fortune 500.

Fortune 500 vs. Companies of note, by gender

	Male CFOs	Female CFOs
Fortune 500	55%	45%
Other companies	66%	34%

Racial diversity findings were in-line with other notable companies. Given the investment Fortune 500 companies have put into diversity, equity, and inclusion initiatives, however, the lack of a larger gap between company types may indicate that some of these programs have failed to live up to expectation.

Fortune 500 Companies vs. Other companies of note, by race

	White	Person of color
Fortune 500	70%	30%
Other companies	78%	22%

Fortune 500 companies were less likely to hire first-time CFOs: unsurprising given the financial complexities of their businesses.

Fortune 500 Companies vs. Other companies of note, by first-time CFO

	First-Time	Prior experience
Fortune 500	25%	75%
Other companies	33%	67%

The road to becoming a new CFO

The study noted a variety of paths to becoming a new CFO. Some individuals moved laterally – a CFO in one organization jumped to being a CFO in another. Others were promoted internally to the role, while still others were promoted to the role outside their existing organizations. Meanwhile, the education and certifications these new CFOs carried continued to shift.

First-Time CFOs

Of the 179 new CFOs in 2023, 59 individuals ascended to the role for the very first time. This group of first-time CFOs were divided equally among gender (51% male and 49% female). A third were people of color (31%). Among first time CFOs of color, the study found nearly equal representation across gender (10 females and 8 males). As noted in the key highlights, most CFOs promoted internally were first-time CFOs (71%). A total of 36 first-time CFOs held MBAs, representing 61% of all first timers; just over a third held CPAs (36%).

First-time CFOs, by internal promotion external hire

Internal	External
61%	39%

Internal Promotions

Just 40% of CFOs in 2023 came from internal promotions (51), while the majority came from outside the company (127). White CFOs dominated those internally promoted (70%). Across gender and race, white males represented the most internal promotions (43%), followed by white females (27%), males of color (16%), and females of color (14%). Over half of internally promoted CFOs held an MBA (55%).

Internal promotions, by gender and race

Internal promotions, by gender and race	External
White males	43%
White females	27%
Males of color	16%
Females of color	14%

Degrees and Certifications

Over half of new CFOs in 2023 held an MBA (58%), while just under a third were CPAs (30%). CPAs continued to decline; a steady drop noted since 2014. Rarely did a new CFO have neither an MBA nor CPA. Many without an MBA or CPA or both, often had other certification such as Certified Financial Analyst or Certified Treasurer or had other advanced degrees such as a JD or PhD.



Companies included in our 2023 CFO Movement Study

- 8x8
- Acadi
- Affinity
- Air Canada
- Airbus
- Alcoa
- Algorand
- Alltrust Credit Union
- Ally Financial
- AMD
- Apogee Enterprises
- Appen
- ArcBest
- Arevon
- Ascent Industries
- Authentic Brands
- AutoNation
- Aware
- Axiod
- Ballys
- Bark
- BigCommerce
- Black & Decker
- Boomi
- Burberry
- Caesars
- CAMICO
- Campbell Soup Company
- Capsida Bioterapeutics
- Capstone
- Cargill
- Checkout.com
- Chemours
- ChromaDex
- Church's Texas Chicken
- Cielo
- Citrine Informatics
- Comcast
- Complete Solaria
- Conde Nast
- Constellium
- Coveo
- Curbio
- Current
- Dell
- Digital Realty
- DocuSign
- Dollar General
- Drift
- DXC Technology
- Elemica
- Emerson
- Empire
- Employ
- Ernst & Young
- Evercore
- Everlaw
- Experity
- Extreme Networks
- FICO
- FleetCor
- Fortune Brands
- Frontline
- Funko
- GE
- GE HealthCare
- Gogo
- Groupon
- Guess?
- Hasbro
- Hertz
- Hexure
- Hinge Health
- Hyzon Motors
- Illumina
- Infobip
- Informatica
- Intuit
- iteris
- ivanti
- Jacobs
- Kentucky Fried Chicken
- Kingstone
- Komodo
- LastPass
- LendingPoint
- Logitech
- Lulus
- Lyft
- MariaDB
- Markel
- Metagenics
- Momnt
- NBC Sports
- nCinoi
- Nestle
- NFL
- Nielsen
- Nikola
- Nordstrom
- NSF O'Reilly
- Ocean Spray
- OcuTerra
- Open Farm
- Orange
- Organic Valley
- Outschool
- Overair
- Paragon Space Development
- Payoneer
- Pilot Company
- Pinterest
- Proofpoint
- ProShares
- ProSomnus
- Proterra
- Prudential Plc
- Qurate Retail Group
- Radian Group
- RBB Bancorp
- RealNetworks
- Remote
- Reviv3 Procure Company
- Rocky Brands
- Roku
- Rolls-Royce
- Rootstock Software
- Ryvid
- Salad and Go
- Scientific Games
- Sealed Air
- SelectQuote
- Sight Sciences
- SiriusXM
- Skillz
- Sonder Holdings
- Splunk
- Stellantis
- Stord
- SunPower
- Syniverse
- Sysco
- Tarsus Pharmaceuticals
- Tellurian
- The Duckhorn
- Portfolio
- The New York Times Company
- The Toro Company
- Thorne HealthTech
- Thrasio
- TransDigm Group
- TreeHouse Foods
- Treliant
- TripleLift
- Trove
- TrueCar
- U.S. Bank
- U.S. Secret Service
- UpWork
- Vacasa
- Vanta
- Vera Bradley
- Verily
- Vertafore
- Vince
- Viral Nation
- Vmware
- WalkMe
- Weatherford
- Werner
- Western Union
- WeWork
- Woebot
- Woodward
- Workday
- Xwell
- Yeti
- Zilliant
- Zillow

About

At Cowen Partners, we stand at the forefront of the executive search industry, empowering companies to thrive and excel in their growth, revenue, and market presence.

We specialize in identifying exceptional leaders and placing them in key positions to drive success. Our team of seasoned executive recruiters collaborates with organizations of all sizes, encompassing both public and private enterprises, pre-IPO ventures, and non-profit entities. Through a meticulous and discerning approach, we unite handpicked candidates, with companies in pursuit of the most exceptional executive talent, representing the top 1%. With the support of our experienced senior partners, we execute a diligent and efficient executive search process, ensuring leadership placements within a remarkable six-week timeframe.

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