



September 2024

IRS WORKFORCE

Actions Needed to Address Barriers to Diversity, Equity, Inclusion, and Accessibility

GAO Highlights

Highlights of [GAO-24-105785](#), a report to the Chairman, Committee on Finance, U.S. Senate

Why GAO Did This Study

With approximately 90,000 employees, IRS's workforce is one of the largest among federal agencies. This workforce provides critical services affecting millions of Americans. IRS has long emphasized the importance of ensuring its workforce reflects the diversity of the nation it serves. However, recent analysis shows disparities and challenges for many demographic groups within IRS.

GAO was asked to examine workforce diversity at IRS. This report examines (1) the demographic composition of IRS's workforce over the last 10 years; (2) the extent to which promotion, salary, and separation outcomes differed by demographic group in IRS's workforce during that time; and (3) the extent to which IRS has identified and taken steps to address barriers to DEIA in its workforce.

GAO reviewed relevant federal laws and guidance and IRS documents; analyzed employee personnel data, survey data, and complaints data; and interviewed officials from IRS, the Equal Employment Opportunity Commission, and representatives from IRS union and employee groups.

What GAO Recommends

GAO is making eight recommendations to IRS, including that IRS consult many information sources and regularly consult stakeholders to identify triggers and address barriers, and establish a unified DEIA strategic plan with associated performance measures. IRS concurred with all eight recommendations.

View [GAO-24-105785](#). For supplemental material, view [GAO-24-107365](#). For more information, contact James R. McTigue, Jr. at (202) 512-6806 or McTigueJ@gao.gov.

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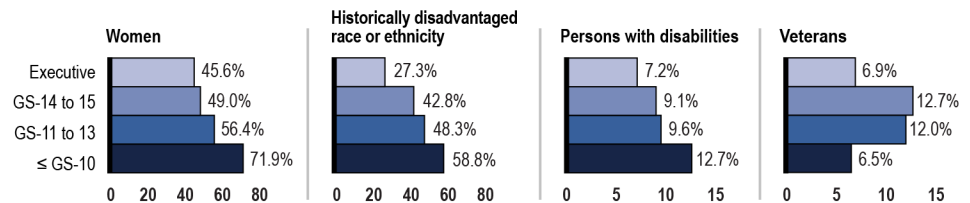
IRS WORKFORCE

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What GAO Found

From 2013 to 2022, the Internal Revenue Service's (IRS) workforce diversity increased. However, disparities persisted in the representation of women, employees from historically disadvantaged racial or ethnic groups, and persons with disabilities across ranks, occupations, and divisions. For example, in 2022, 71.9 percent of IRS employees in General Schedule (GS) grades 10 and below were women, compared to 45.6 percent of employees at the executive level.

IRS Workforce Representation by Demographic Group and Rank in the General Schedule (GS) Pay Plan and Executive Positions, Fiscal Year 2022



Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: See appendix I of [GAO-24-105785](#) for information on demographic group definitions.

These same groups also frequently faced lower likelihoods of promotion, lower salaries, and—for historically disadvantaged racial or ethnic groups—greater likelihoods of separation compared to their counterparts during this period. For example, when controlling for other factors such as occupation, employees from historically disadvantaged racial or ethnic groups were 9 to 34 percent less likely than White employees to be promoted across most GS grades. This analysis, taken alone, does not prove or disprove the presence of discrimination, completely explain reasons for different career outcomes, or establish causality but can provide important insight.

From 2013 to 2022, IRS reported eight trends, disparities, or anomalies—referred to as triggers—related to workforce diversity, equity, inclusion, and accessibility (DEIA). However, IRS faced challenges identifying and addressing barriers—policies, procedures, practices, or conditions—underlying the triggers. IRS overly relied on workforce data to identify triggers, conducted limited stakeholder consultation, and did not complete some barrier analysis steps or took them out of order. In January 2024, IRS issued draft policies and procedures that, once implemented, should help address the last of these issues. However, without actions to use many information sources and improve stakeholder consultation, IRS will be limited in its ability to fully identify and address DEIA barriers.

Furthermore, IRS has established multiple DEIA goals in separate strategic plans, creating a lack of clarity about the agency's DEIA efforts. In addition, GAO found that associated performance measures were incomplete. Without a unified strategy for DEIA goals and fully developed performance measures, IRS cannot effectively set priorities, allocate resources, assess progress, and restructure efforts as needed to address DEIA barriers affecting its workforce.

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Abbreviations

ACS	American Community Survey
DEIA	diversity, equity, inclusion, and accessibility
EDI	Office of Equity, Diversity, and Inclusion
EEOC	Equal Employment Opportunity Commission
FEVS	Federal Employee Viewpoint Survey
GS	General Schedule
IRS	Internal Revenue Service
MCO	mission critical occupation
MD-715	Management Directive 715
OPM	Office of Personnel Management
SES	Senior Executive Service

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September 9, 2024

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate

Dear Mr. Chairman:

With approximately 90,000 employees, the Internal Revenue Service (IRS) workforce is one of the largest among federal agencies. This workforce is responsible for providing critical services that touch the lives of millions of Americans—more than nearly any other public or private organization. IRS employees collect tax revenue for vital government programs and services, issue tax refunds, and help American families, workers, and businesses understand and meet their tax obligations.

IRS leaders have long highlighted the importance of ensuring the agency's workforce is inclusive and reflects the diversity of the nation it serves. For example, in 2020 the IRS Commissioner vowed to cultivate an environment that provides every employee with equal opportunity and to ensure fairness in all employment areas including promotion, evaluation, assignment, benefits, and separation. In addition, IRS's Strategic Operating Plan for fiscal years 2023 to 2031 states that IRS is committed to workforce diversity and aims to recruit, hire, and retain a workforce that reflects the diversity of American taxpayers.

However, recent analysis shows disparities and challenges for many demographic groups within the IRS workforce. For example, IRS conducted a trend analysis of its workforce from fiscal years 2018 to 2022 and found that demographic diversity was not evenly distributed across ranks.¹ Among other things, it found that employees who were women, Black or African American, Hispanic or Latino, or with disabilities were overrepresented in lower ranks and underrepresented in higher ranks. The study concluded that IRS should continue seeking ways to ensure appropriate demographic representation across ranks.

¹Internal Revenue Service, *Fiscal Year 2022 Management Directive 715 Annual Report* (Washington, D.C.: Feb. 13, 2023).

You asked us to examine diversity in the IRS workforce. This report examines (1) the demographic composition of IRS's workforce over the last 10 years; (2) the extent to which promotion, salary, and separation outcomes differed by demographic group in IRS's workforce during that time; and (3) the extent to which IRS has identified and taken steps to address barriers to diversity, equity, inclusion, and accessibility in its workforce.

For all objectives, we reviewed relevant federal laws, regulations, and executive orders, as well as IRS documents related to diversity, equity, inclusion, and accessibility (DEIA).² We also reviewed our related past reports on the IRS workforce and on workforce DEIA at federal agencies.³ In addition, we conducted interviews with officials from IRS, the Department of the Treasury, and the Equal Employment Opportunity Commission (EEOC).

For our first two objectives, we obtained IRS personnel data from Treasury's Data Insight system for all IRS employees from fiscal years 2013 through 2022—the most recent data available at the time of our request. For both objectives, we focused our analyses on IRS's full-time, nonseasonal workforce which represents the vast majority of IRS

²For purposes of this report, we use the definitions of DEIA as specified in Executive Order 14035, Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce, 86 Fed. Reg. 34593 (June 25, 2021). The order defines (1) diversity as the practice of including the many communities, identities, races, ethnicities, backgrounds, abilities, cultures, and beliefs of the American people, including underserved communities; (2) equity as the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment; (3) inclusion as the recognition, appreciation, and use of the talents and skills of employees of all backgrounds; and (4) accessibility as the design, construction, development, and maintenance of facilities, information and communication technology, programs, and services so that all people, including people with disabilities, can fully and independently use them.

³See, for example, GAO, *Equal Employment Opportunity Commission: Improved Oversight Processes Needed to Help Agencies Address Program Deficiencies*, [GAO-24-105874](#) (Washington, D.C.: June 13, 2024); *U.S. Postal Service: Opportunities Exist to Strengthen Workforce Diversity Efforts*, [GAO-24-105732](#) (Washington, D.C.: Dec. 15, 2023); *DOD Civilian Workforce: Actions Needed to Analyze and Eliminate Barriers to Diversity*, [GAO-23-105284](#) (Washington, D.C.: June 21, 2023); *Intelligence Community: Additional Actions Needed to Strengthen Workforce Diversity Planning and Oversight*, [GAO-21-83](#) (Washington, D.C.: Dec. 17, 2020); *State Department: Additional Steps Are Needed to Identify Potential Barriers to Diversity*, [GAO-20-237](#) (Washington, D.C.: Jan. 27, 2020); and *Internal Revenue Service: Strategic Human Capital Management is Needed to Address Serious Risks to IRS's Mission*, [GAO-19-176](#) (Washington, D.C.: Mar. 26, 2019).

employees (87 percent in fiscal year 2022).⁴ We assessed the reliability of these data and found them sufficiently reliable for our purposes.

For our first objective, we used the IRS personnel data to calculate the number and percentage (i.e., representation) of employees in fiscal years 2013 to 2022 by gender, race or ethnicity, disability status, and veteran status. In addition to analyzing gender and race or ethnicity separately, we also analyzed the number and percentage of employees by gender within individual racial or ethnic groups. For each fiscal year, we analyzed these numbers and percentages for IRS overall and by rank, occupation, and division.

We also compared the demographics of IRS's workforce in fiscal year 2022 to (1) the federal workforce using the Office of Personnel Management (OPM) Enterprise Human Resources Integration database for fiscal year 2022, and (2) the national civilian labor force using the Census Bureau's annual American Community Survey Public Use Microdata Sample for calendar year 2022. We assessed the reliability of these data and found them sufficiently reliable for our purposes. We used the national civilian labor force data as one of our benchmarks because IRS reported having a goal for its workforce to represent the diverse communities IRS serves nationwide. We compared the demographics of each workforce by gender, race or ethnicity, disability status, and veteran status.

For our second objective, we used the IRS personnel data to examine promotion, salary, and separation outcomes by demographic group during fiscal years 2013 to 2022 through two types of analyses—descriptive and adjusted. With our descriptive analyses, we compared annual promotion rates, annual separation rates, and average salary by gender, race or ethnicity, disability status, and veteran status. With our adjusted analyses, we compared the statistical difference in promotion, salary, and separation outcomes between a particular demographic group and a benchmark (excluded group), while controlling for other factors. The excluded groups in our analyses were men, White employees, White men, persons without disabilities, and non-veterans.

Our analyses, taken alone, neither prove nor disprove the presence of discrimination. In addition, they do not capture all considerations for

⁴IRS also has a large seasonal workforce, hired primarily to assist with the annual tax filing season. However, seasonal employees at IRS work predominantly in lower-ranked positions without career-advancement potential.

demographic composition and career outcomes in the IRS workforce. For example, our adjusted analyses captured various observable variables and controlled for a range of characteristics across different demographic groups. However, they did not account for various unobserved factors that may affect career outcomes, such as employee skill, motivation, performance, or ability. Any of these unobserved factors could increase or decrease our estimates. Therefore, our adjusted analyses do not establish a causal relationship between demographic characteristics and promotion, salary, and separation outcomes.

For our third objective, we reviewed relevant laws and EEOC regulations, reporting instructions, and guidance related to annual Management Directive 715 (MD-715) reports for conducting barrier analyses.⁵ We also reviewed other relevant criteria including federal internal control standards, evidence-based policymaking practices, leading practices for DEIA management, and workforce planning guidance.⁶

Further, we reviewed the information IRS provided to EEOC in its annual MD-715 reports for fiscal years 2013 to 2022, including the results of its barrier analyses. In addition, we reviewed EEOC technical assistance feedback and program evaluation reports provided to IRS during the same time frame. We also reviewed additional related IRS documents and data, including policies, procedures, guidance, internal assessments, strategic and performance plans, complaints data, and employee responses to OPM's Federal Employee Viewpoint Survey.

⁵Equal Employment Opportunity Commission, Equal Employment Opportunity: Management Directive 715, EEO MD-715 (Oct. 1, 2003). MD-715 provides policy guidance and standards to federal agencies for establishing and maintaining effective equal employment opportunity programs and affirmative action programs for persons with disabilities. See 42 U.S.C. § 2000e-16; 29 U.S.C. § 791. This includes a framework for agencies to conduct barrier analysis to determine whether barriers to EEO exist and to identify and develop strategies to eliminate barriers to participation. Agencies are required to report the results of their analyses annually to EEOC.

⁶GAO, *Federal Workforce: Leading Practices Related to Diversity, Equity, Inclusion, and Accessibility*, [GAO-24-106684](#) (Washington, D.C.: May 23, 2024); *Evidence-Based Policymaking: Practices to Help Manage and Assess the Results of Federal Efforts*, [GAO-23-105460](#) (Washington, D.C.: July 12, 2023); Office of Personnel Management, *Workforce Planning Guide* (Washington, D.C.: Nov. 2022); GAO, *Program Evaluation: Key Terms and Concepts*, [GAO-21-404SP](#) (Washington, D.C.: Mar. 22, 2021); *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014); and *Diversity Management: Expert-Identified Leading Practices and Agency Examples*, [GAO-05-90](#) (Washington, D.C.: Jan. 14, 2005).

Additionally, we met with relevant IRS officials responsible for the department's DEIA efforts including its Chief Diversity Officer; officials from the Office of Equity, Diversity, and Inclusion (EDI); and division-based EDI managers. We also conducted interviews with leaders of the National Treasury Employees Union and 15 employee groups representing current IRS employees to obtain their perspectives on IRS's DEIA efforts.⁷

For more detailed information on our methodology, see appendix I. Concurrent with this report we are publishing supplemental material which presents additional results from our first two objectives and from our analysis of Federal Employee Viewpoint Survey data.⁸

We conducted this performance audit from February 2022 to September 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Federal Requirements Related to Workforce DEIA

Multiple federal laws, regulations, and other directives aim to advance DEIA in the federal workforce. Among other things, these requirements prohibit discrimination based on race, color, religion, sex (including gender identity, sexual orientation, and pregnancy), national origin, age (40 and older), disability, genetic information, or any other federally-prohibited basis.⁹ For example:

- Title VII of the Civil Rights Act of 1964, as amended, requires that federal personnel decisions be made free of discrimination based on

⁷Throughout this report we refer to IRS employee groups. IRS refers to these groups as employee organizations and employee resource groups.

⁸GAO, *Supplemental Material for GAO-24-105785: IRS Workforce Demographic Composition and Employee Outcomes*, GAO-24-107365 (Washington, D.C.: Sept. 9, 2024).

⁹Throughout this report we refer to the bases for which discrimination is prohibited in federal employment as protected bases.

race, color, religion, sex, or national origin.¹⁰ The statute also requires that agencies establish a program of equal employment opportunity for all federal employees and applicants.¹¹

- Federal law also requires that recruitment policies endeavor to achieve a workforce that reflects all segments of society, while avoiding discrimination on a protected basis for or against any employee or applicant.¹²
- Section 501 of the Rehabilitation Act of 1973, as amended, prohibits employment discrimination against qualified employees and applicants with disabilities. It also requires federal employers to develop an affirmative action program plan for the hiring, placement, and advancement of people with disabilities.¹³
- While not a protected basis under statutes enforced by EEOC, federal law also prohibits discrimination based on military service.¹⁴ Additionally, veterans who are disabled or served on active duty in the armed forces during certain periods, or in military campaigns, are entitled to employment preference for most federal civilian jobs.

In addition, executive orders and other federal guidance require agencies to take multiple actions to advance DEIA in the federal workforce. Executive Order 13583, issued in August 2011, directs all executive departments and agencies to develop and implement a more comprehensive, integrated, and strategic focus on diversity and inclusion as key components of their human resource strategies.¹⁵ Executive Order 14035, issued in June 2021, expands on Executive Order 13583 and related directives to require federal agencies to advance DEIA in the federal workforce. The order directs agencies to develop related strategic

¹⁰Pub. L. No. 88-352, §§ 701-716, 78 Stat. 241, 253-266 (1964), *codified at* 42 U.S.C. §§ 2000e to 2000e-17.

¹¹See 42 U.S.C. § 2000e-16(b).

¹²See 5 U.S.C. §§ 2301(b)(1) and 2302(b).

¹³Pub. L. No. 93-112, § 501, 87 Stat. 355, 390–391 (1973), *codified at* 29 U.S.C. § 791; 29 C.F.R. § 1614.203(b), (d).

¹⁴For example, the Uniformed Services Employment and Reemployment Rights Act of 1994 prohibits civilian employers from discriminating against employees based on present, past, or future military service. See Pub. L. No. 103-353, 108 Stat. 3149, *codified as amended at* 38 U.S.C. §§ 4301-4335.

¹⁵Establishing a Coordinated Government-Wide Initiative to Promote Diversity and Inclusion in the Federal Workforce, 76 Fed. Reg. 52,847 (Aug. 18, 2011).

plans, provide resources to implement these plans, and report annually on progress, among other things.¹⁶

EEOC and the Barrier Analysis Process

EEOC is responsible for federal equal employment opportunity enforcement, leadership, coordination, and guidance. To carry out its responsibilities, EEOC uses a variety of tools including regulations and policies to implement and clarify employment discrimination statutes and to help federal agencies achieve equal employment opportunity.

Originally issued in 2003, EEOC Management Directive 715 (MD-715) establishes policy guidance for federal agencies to effectively promote equal employment opportunity and to identify and eliminate associated barriers.¹⁷ EEOC defines barriers as agency policies, procedures, practices, or conditions that limit or tend to limit employment opportunities for members of groups protected by equal employment opportunity laws. Barriers can cause trends, disparities, or anomalies in the representation of these groups, which EEOC refers to as triggers. Triggers may be identified through a wide variety of sources, such as workforce statistics, climate assessment surveys, findings of discrimination, and accessibility accommodation assessments.

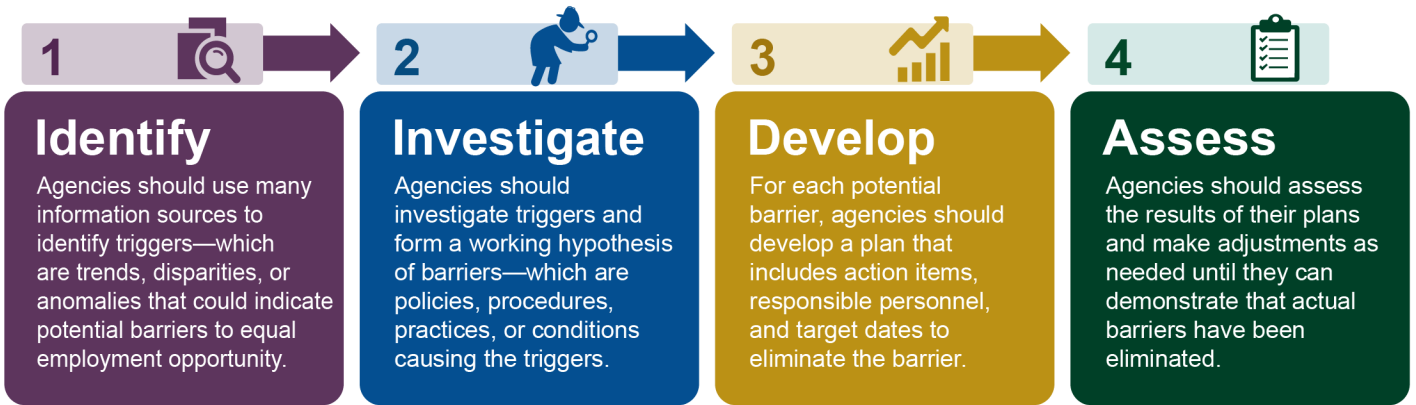
MD-715 directs agencies to report annually on the status and progress of their equal employment opportunity programs, including discrimination complaint processes, anti-harassment policies, special programs for persons with disabilities, and other program elements.¹⁸ MD-715 also lays out a four-step process for agencies to regularly conduct barrier analysis to remove barriers to equal employment opportunity (see fig. 1).

¹⁶Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce, 86 Fed. Reg. 34,593 (June 25, 2021).

¹⁷Equal Employment Opportunity Commission, *EEO MD-715* (Oct. 1, 2003). MD-715 provides policy guidance to federal agencies on fulfilling requirements under section 717 of the Civil Rights Act of 1964, as amended, and section 501 of the Rehabilitation Act of 1973, as amended. 42 U.S.C. § 2000e-16; 29 U.S.C. § 791. Under EEOC's federal sector regulations, federal agencies are required to comply with EEOC's management directives, including MD-715. See 29 C.F.R. § 1614.102(e).

¹⁸MD-715 requirements apply to all executive agencies and military departments as defined in sections 102 and 105 of Title 5, U.S. Code. MD-715 also sets general reporting requirements for agencies' subordinate components and others to submit status reports on their equal employment opportunity programs.

Figure 1: EEOC Barrier Analysis Four-Step Process



Source: GAO analysis of Equal Employment Opportunity Commission (EEOC) guidance; GAO (icons). | GAO-24-105785

While MD-715 refers to barriers to equal employment opportunity, our analysis found that the directive includes language that embodies the concepts of DEIA as defined in Executive Order 14035.¹⁹ DEIA encompasses more groups of people than those explicitly protected by the laws implemented by EEOC and MD-715.²⁰ However, triggers and barriers to equal employment opportunity are, in general, also triggers and barriers to DEIA. In addition, IRS’s MD-715 annual reports refer to equal employment opportunity initiatives as examples of DEIA efforts.

¹⁹For example: (1) MD-715 directs agencies to ensure all persons are provided opportunities to participate in the full range of employment opportunities. This language embodies the concept of diversity—the practice of including the many communities, identities, races, ethnicities, backgrounds, abilities, cultures, and beliefs of the American people. (2) MD-715 directs agencies to maintain clearly defined, well-communicated, consistently applied and fairly implemented policies and procedures. This language embodies the concept of equity—the consistent and systematic fair, just, and impartial treatment of all individuals. (3) MD-715 directs agencies to fully utilize all workers’ talents. This language embodies the concept of inclusion—the recognition, appreciation, and use of the talents and skills of employees of all background. (4) MD-715 directs agencies to regularly evaluate employment practices to identify and eliminate barriers to equal opportunity for individuals with disabilities. This language embodies the concept of accessibility—the design, construction, development, and maintenance of facilities, information and communication technology, programs, and services so all people, including people with disabilities, can fully and independently use them.

²⁰EEOC-enforced laws and Executive Order 14035 both discuss protection of individuals on various bases including race, sex, national origin, color, religion, and disability. The executive order, however, refers to underserved communities which it defines to also include additional groups such as veterans and first-generation college students not protected under EEOC-enforced laws.

Therefore, for purposes of this report, we refer to DEIA triggers and barriers in discussing the barrier analysis process.

IRS Office of Equity, Diversity, and Inclusion

The IRS Office of Equity, Diversity, and Inclusion (EDI) is responsible for implementing and overseeing IRS’s DEIA programs. Among other things, EDI prepares and submits IRS’s annual MD-715 report to EEOC. To meet MD-715 requirements, EDI works alongside agency stakeholders—such as employee groups and human capital office officials—in barrier analysis working groups. These working groups are convened to conduct barrier analyses of identified triggers.

EDI is led by the IRS Chief Diversity Officer who reports directly to the IRS Commissioner. The Chief Diversity Officer also serves as advisor to the Commissioner and the IRS senior executive team on DEIA matters.

EDI consists of five components (see table 1). In addition, division-based EDI managers are located in six of IRS’s business divisions: Criminal Investigation, Large Business and International, Small Business and Self-Employed, Tax-Exempt and Government Entities, Taxpayer Advocate Services, and Wage and Investment.²¹

Table 1: IRS Office of Equity, Diversity, and Inclusion Components

Component	Responsibilities
Office of Chief of Staff	Policy, oversight, budget, and strategic planning
Civil Rights and Anti-Harassment Division	External civil rights, anti-harassment, equal employment opportunity formal complaint support and compliance
Disability Services Division	Reasonable accommodation services and sign language interpreting
Diversity and Inclusion Division	Diversity and inclusion education and advisory services, diversity strategy, special emphasis programs, and data analytics
Equal Employment Opportunity Operations Division	Affirmative employment program, informal complaints processing, and alternative dispute resolution

Source: GAO analysis of Internal Revenue Service (IRS) documents. | GAO-24-105785

²¹IRS’s Small Business and Self-Employed division has a single EDI official, referred to as an EDI relationship manager. This official is responsible for managing the division’s equal employment opportunity and DEIA initiatives. The other five divisions each have their own EDI offices with a managing director overseeing multiple staff. According to EDI officials, the latter five managers report directly to their division head, whereas the former reports to EDI.

IRS Workforce Characteristics

IRS Is Among the Largest Federal Employers and Is Expected to Grow

IRS is among the largest federal employers in the United States, with a total workforce of about 90,000 employees.²² The vast majority of IRS workers—87 percent in fiscal year 2022—are full-time, nonseasonal employees. IRS also has a large seasonal workforce, hired primarily to assist with the annual tax filing season. However, seasonal employees at IRS work predominantly in lower-ranked positions without career-advancement potential.²³

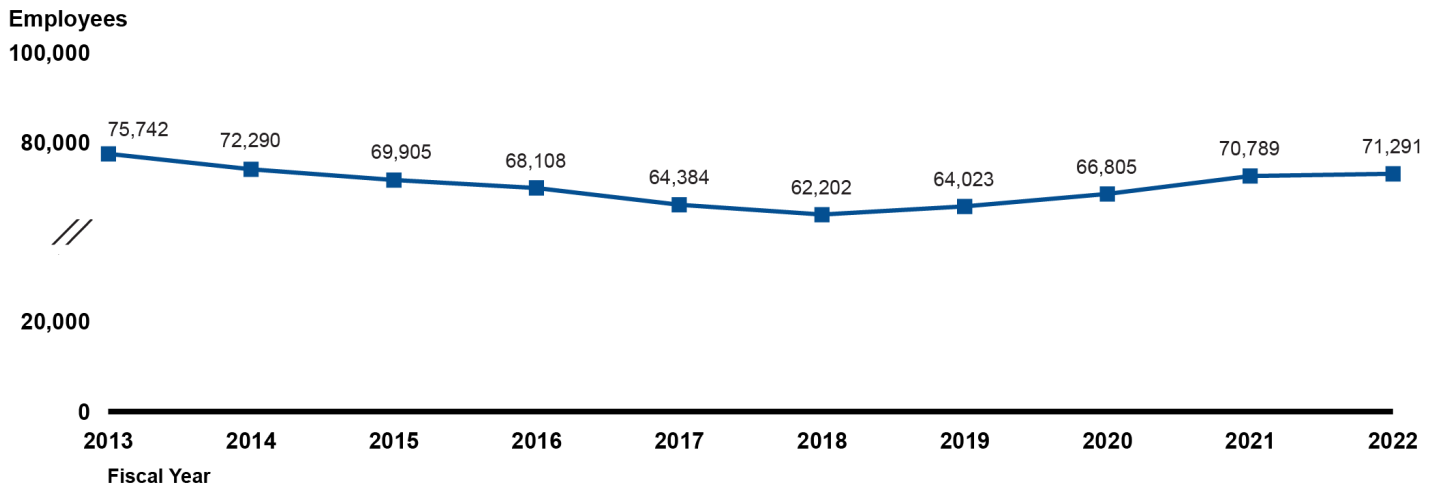
As shown in figure 2, from fiscal years 2013 to 2022, the overall size of IRS's full-time, nonseasonal workforce decreased by about 6 percent, reaching its lowest level in 2018 before slowly increasing toward prior year levels. IRS's workforce is expected to increase in size as the agency expands hiring under the Inflation Reduction Act, signed into law near the end of fiscal year 2022.²⁴

²²According to OPM FedScope data, as of September 2023 IRS was the second largest federal agency in terms of workforce size with 89,852 employees.

²³Specifically, seasonal employees represented between 11 and 20 percent of IRS's total workforce in fiscal years 2013 through 2022. During these years, nearly all IRS seasonal workers (over 98 percent each year) were employed in lower-ranked positions (ranging from the GS-1 to 8 levels). Although seasonal IRS employees can become nonseasonal employees under some circumstances, it is uncommon. Specifically, between 2013 and 2022, roughly 3 percent of IRS seasonal employees moved from seasonal to nonseasonal positions. This indicates that seasonal employment at IRS is generally not a path to senior-level positions in the agency.

²⁴The Inflation Reduction Act of 2022 provided IRS with \$79.4 billion in funding over 10 years for tax enforcement and other purposes, such as hiring more customer service representatives. Pub. L. No. 117-169, § 10301(1), 136 Stat. 1818, 1831–1832 (2022). In June 2023, the Fiscal Responsibility Act of 2023 rescinded about \$1.4 billion of amounts appropriated for IRS by IRA. Pub. L. No. 118-5, § 251, 137 Stat. 10, 30-31 (2023). In March 2024, the Further Consolidated Appropriations Act of 2024 rescinded another \$20.2 billion of amounts appropriated for IRS by IRA. Pub. L. No. 118-47, div. B, tit. VI, § 640, div. D, tit. V, § 530, 138 Stat. 460 (2024).

Figure 2: IRS Full-Time, Nonseasonal Workforce Size, Fiscal Years 2013 to 2022



Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect IRS employees at the end of each fiscal year.

More Than 80 Percent of IRS Employees Work in Six Major Divisions

IRS’s organizational structure is based on providing service to groups of taxpayers with similar needs. The agency has four primary divisions each serving a particular type of taxpayer: Large Business and International, Small Business and Self-Employed, Tax Exempt and Government Entities, and Wage and Investment. Beyond these, IRS has a number of other divisions and offices, with the two largest in terms of workforce size being Criminal Investigation and Information Technology. Together, these six divisions employed 84 percent of IRS’s full-time, nonseasonal workforce at the end of fiscal year 2022.

IRS Employees Work Predominantly in the General Schedule Pay Plan

Federal employees, including at IRS, work in a variety of jobs and associated pay plans, with different education or experience requirements, skills, and functions.²⁵ The General Schedule (GS) federal pay system covers the largest group of federal white-collar employees—that is, those in professional, technical, administrative, and clerical

²⁵OPM uses dozens of pay plans to manage federal civilian employees’ pay and career progression. OPM uses two-letter codes associated with these pay plans to provide statistical information about the workforce. Our analysis of the General Schedule includes employees identified with the GS pay-plan code in the IRS data, but not other General Schedule pay-plan codes, such as GL or GM. In the IRS data we analyzed, the other General Schedule codes were associated with less than 0.3 percent of IRS’s workforce at the end of fiscal years 2013 and 2022.

positions, according to OPM.²⁶ It has 15 grades, starting with the lowest at GS-1 and progressing to the highest at GS-15.²⁷ As shown in table 2, while IRS employees are also represented in other pay plans, nearly 90 percent were in the GS pay plan at the end of fiscal years 2013 and 2022.

Table 2: Number and Percent of IRS Employees by Pay Plan, Fiscal Years 2013 and 2022

Level	Pay-plan code	Office of Personnel Management explanation	Fiscal year 2013		Fiscal year 2022	
			Number	Percent	Number	Percent
Executive	ES	Senior Executive Service (SES)	259	0.3%	286	0.4%
	SL	Senior Level Positions	24	0.0%	30	0.0%
	AD	Administratively determined rates not elsewhere specified	29	0.0%	16	0.0%
	EX	Executive pay	1	0.0%	1	0.0%
Other	GS	General Schedule	67,257	88.8%	63,319	88.8%
	IR	Unique to occupational groupings within IRS ^a	8,096	10.7%	7,392	10.4%
	GL	GS employees in grades 3 to 10 paid a law enforcement officer special base rate under the Federal Law Enforcement Pay Reform Act of 1990	34	0.0%	237	0.3%
	WG	Nonsupervisory pay schedules—Federal Wage System	38	0.1%	10	0.0%
	GM	Employees covered by the Performance Management and Recognition System termination provisions	3	0.0%	0	0.0%
	WL	Leader pay schedules—Federal Wage System	1	0.0%	0	0.0%
Total			75,742	100%	71,291	100%

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect full-time, nonseasonal IRS employees at the end of each fiscal year.

^aThis pay plan includes IRS supervisory and management positions and spans levels equivalent to GS-5 through 15.

IRS employees in the GS pay plan may be promoted to higher levels at certain intervals, as determined by OPM regulations, qualification

²⁶In contrast, the Federal Wage System covers trade, craft, or labor (i.e., blue-collar) positions. Less than 0.1 percent of IRS's workforce at the end of fiscal years 2013 and 2022 were in Federal Wage System pay plans, according to our analysis of IRS data.

²⁷OPM administers GS job classification standards, qualifications, pay structure, and related human resources policies (e.g., general staffing and pay administration policies) government-wide. Each agency classifies its GS positions and appoints and pays its employees filling those positions following statutory and OPM guidelines. Agencies establish the grade of each job based on the level of difficulty, responsibility, and qualifications required, according to OPM. For example, a high school diploma and no additional experience typically qualifies for a GS-2 position, while a master's degree typically qualifies for GS-9.

standards, IRS policies, and the promotion potential advertised in the job announcement.²⁸

The most senior positions in the federal civilian workforce are in the Senior Executive Service (SES) or other executive positions, such as political appointees, senior technical officials, or other positions. Federal agencies may fill these positions from existing employees or select external applicants, depending on agency procedures and the requirements and qualifications of a given position. While employees at the GS-13 to 15 equivalent levels make up the feeder pool for these positions government-wide, IRS has reported that its feeder pool is made up of employees at the GS-14 to 15 equivalent levels.²⁹ IRS documentation states that GS-13 employees are not included in the feeder pool for IRS senior and executive positions because they do not have the necessary grade level experience.³⁰

Table 3 shows the number of senior- and executive-level IRS employees at the end of fiscal year 2022, as well as employees in the GS pay plan, in the IRS data we analyzed. To simplify reporting, we present these data in four clusters: GS-1 to 10 (low-level positions), GS-11 to 13 (mid-level positions), GS-14 to 15 (feeder pool for IRS senior and executive positions), and Executive (senior and executive positions in the SES, SL, EX, and AD pay plans).

²⁸According to OPM's Introduction to the Position Classification Standards (Aug. 2009), occupation series in the General Schedule are divided into two categories: those covering one-grade interval work and those covering two-grade interval work. For one-grade interval occupations, employees generally progress by one-grade increments (e.g., from GS-1 to GS-2, then to GS-3, etc.). The typical grade range for one-grade interval occupations is GS-2 through GS-8, although some occupation series may have jobs at higher grades. Two-grade interval occupations follow a two-interval progression up to GS-11 (e.g., GS-7 to GS-9, then GS-11). From GS-11 through GS-15, such series follow a one-grade pattern. Professional and administrative occupations generally follow a two-grade progression, while technical or clerical work, typically associated with and supportive of a professional or administrative occupation, follows a one-grade progression. However, certain occupation series may include both one- and two-grade positions. Agencies have the authority and responsibility to determine the appropriate grade intervals for the different types of work that may be associated with the same occupation series.

²⁹Internal Revenue Service, *Management Directive 715 Annual Report to EEOC*, Fiscal Year 2022.

³⁰IRS documentation states that it is possible for applicants to qualify for executive positions within the agency if they can demonstrate the appropriate managerial experience outside of IRS and if they were compensated equivalent to the GS-14 or 15 levels.

Table 3: Number and Percent of IRS Employees by Rank in the General Schedule (GS) Pay Plan and Executive Positions, Fiscal Years 2013 and 2022

Rank	Description	Fiscal year 2013		Fiscal year 2022	
		Number	Percent	Number	Percent
Executive	Senior and executive positions in the ES, SL, EX, and AD pay plans	313	0.5%	333	0.5%
GS-14 to 15	GS feeder pool for IRS senior and executive positions	7,282	10.8%	9,187	14.4%
GS-11 to 13	Mid-level GS positions	27,074	40.1%	20,263	31.8%
GS-10 and below	Low-level GS positions ^a	32,901	48.7%	33,869	53.2%
Total		67,570	100%	63,652	100%

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect full-time, nonseasonal IRS employees at the end of each fiscal year in the GS pay plan and executive positions (pay plan codes AD, ES, EX, and SL). These employees together represented 89.2 and 89.3 percent of the full-time, nonseasonal IRS workforce at the end of fiscal years 2013 and 2022, respectively. To simplify reporting, data are presented in four clusters: GS-10 and below, GS-11 to 13, GS-14 to 15, and executive.

^aIn fiscal year 2022, less than 0.3 percent of full-time, nonseasonal IRS employees in the GS pay plan that were in supervisory, management official, or team leader positions were in the GS-10 grade or below.

More Than 60 Percent of IRS Employees Work in Six Mission Critical Occupations

Between fiscal years 2013 and 2022, IRS employed individuals in 135 different occupations. Of these, IRS designated 28 as mission critical. In its annual MD-715 reporting to EEOC, IRS focuses on six of these mission critical occupations—four because of their career advancement potential and two because they are the agency’s most populous (see descriptions of these occupations in fig. 3). According to IRS, the four mission critical occupations with career advancement potential lead to most of the agency’s senior executive positions. In contrast, the remaining two occupations do not have career advancement potential beyond the GS-11 level, so employees must change occupations to reach higher career levels. In fiscal year 2022, employees in these six occupations represented 62.2 percent of the agency’s full-time, nonseasonal workforce.

Figure 3: IRS Management Directive 715 Reported Mission Critical Occupations



Source: GAO analysis of Internal Revenue Service (IRS) and Office of Personnel Management documentation; GAO (icons). | GAO-24-105785

IRS's Workforce Is Diverse Overall but with Disparities in Representation Across Ranks, Occupations, and Divisions

Diversity Generally Increased in Recent Years

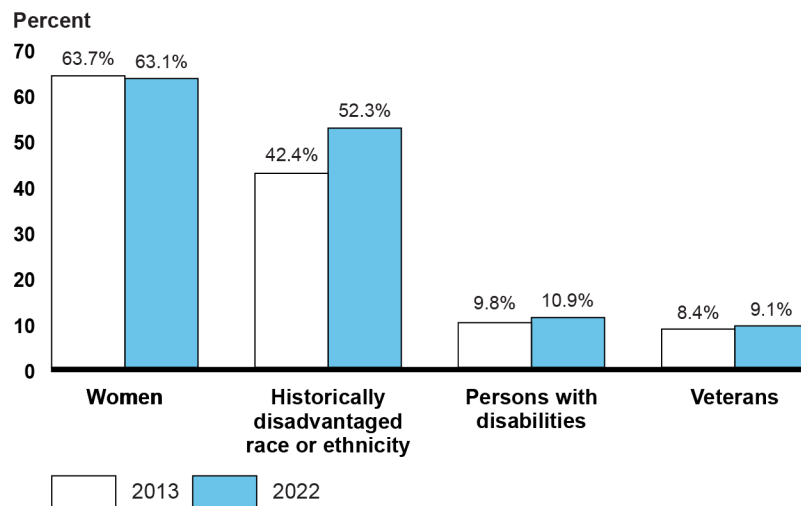
Demographic Group Definitions

- Gender.** The data we analyzed include demographic information based on OPM standards, which define sex as female and male and do not include further information on gender identity. In this report, we use gender terms of "women" and "men" to describe female and male employees.
- Historically disadvantaged racial or ethnic groups.** This group includes the following OPM categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races.
- Persons with disabilities.** This group refers to employees who self-identified on OPM's Standard Form 256, *Self-Identification of Disability Form*, as having a targeted or non-targeted disability. Targeted disabilities—generally considered more severe—include deafness and blindness. Non-targeted disabilities include pulmonary or respiratory conditions.
- Veterans.** This group refers to employees claiming eligibility for veterans' preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status).

Source: GAO analysis of Internal Revenue Service and Office of Personnel Management (OPM) documentation. | GAO-24-105785

IRS's workforce generally became more diverse from fiscal years 2013 to 2022. During this time, representation of employees from historically disadvantaged racial or ethnic groups, persons with disabilities, and veterans increased. For women, representation remained largely the same, decreasing slightly from 63.7 to 63.1 percent (see fig. 4).

Figure 4: IRS Workforce Representation by Demographic Group, Fiscal Years 2013 and 2022

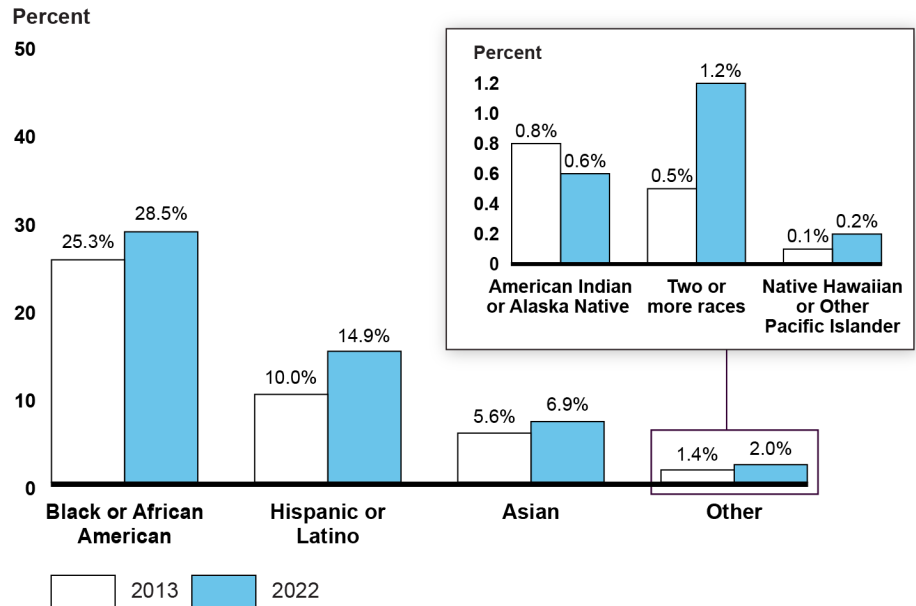


Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect percentages of full-time, nonseasonal IRS employees at the end of each fiscal year. Historically disadvantaged racial or ethnic groups include the following OPM categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races. "Persons with disabilities" refers to those who self-identified on the Office of Personnel Management's Standard Form 256, *Self-Identification of Disability Form*, as having a targeted or non-targeted disability. "Veterans" refers to employees claiming eligibility for veterans' preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status).

For historically disadvantaged racial or ethnic groups, the overall increase in representation from fiscal years 2013 to 2022 included increases in each individual racial or ethnic group in this category except American Indian or Alaska Native employees, for whom representation declined (see fig. 5).

Figure 5: IRS Workforce Representation by Historically Disadvantaged Racial or Ethnic Group, Fiscal Years 2013 and 2022



Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect percentages of full-time, nonseasonal IRS employees at the end of each fiscal year.

Across most racial or ethnic groups, these trends in representation were the same for both genders in each group. For example, representation of Black or African American, Hispanic or Latino, and Asian men and women increased, while representation of White men and women decreased (see table 1 in our supplement for associated data).³¹

For persons with disabilities, while overall representation increased from 9.8 to 10.9 percent, representation of those with targeted disabilities

³¹[GAO-24-107365](#).

alone decreased from 3.7 to 3.3 percent (see table 2 in our supplement for associated data).³²

We did not assess the factors that may have led to changes in representation of various demographic groups at IRS. However, factors contributing to the change in representation of persons with disabilities may include OPM's 2016 decision to modify the definition of persons with disabilities to include additional categories and descriptors.³³

Demographic Comparison to the Federal and Civilian Workforces

IRS's workforce in 2022 was more diverse than the federal workforce and national civilian labor force in the representation of women and employees from historically disadvantaged racial or ethnic groups.³⁴ Representation of persons with disabilities at IRS (10.9 percent) was less than the federal workforce (18.1 percent) but greater than the national

³²[GAO-24-107365](#). The federal government distinguishes between two major categories of disabilities: targeted and non-targeted. Targeted disabilities—generally considered to be more severe—include traumatic brain injuries, deafness, blindness, partial or complete paralysis, significant mobility impairments, and psychiatric disabilities. Non-targeted disabilities include gastrointestinal disorders, cardiovascular or heart disease, autoimmune disorders, pulmonary or respiratory conditions, and learning disabilities. GAO, *Disability Employment: Hiring Has Increased but Actions Needed to Assess Retention, Training, and Reasonable Accommodation Efforts*, [GAO-20-384](#) (Washington, D.C.: June 11, 2020).

³³Specifically, OPM modified the Standard Form 256, *Self-Identification of Disability Form*, to reflect changes to terms used to describe targeted disabilities, serious health conditions, and other disabilities; simplify the description of conditions; and provide respondents with the option of identifying that they have a medical condition without specifying a diagnosis. Office of Personnel Management Memorandum: Resources for Disability Self-Identification Efforts. (Washington, D.C.: Oct. 23, 2018).

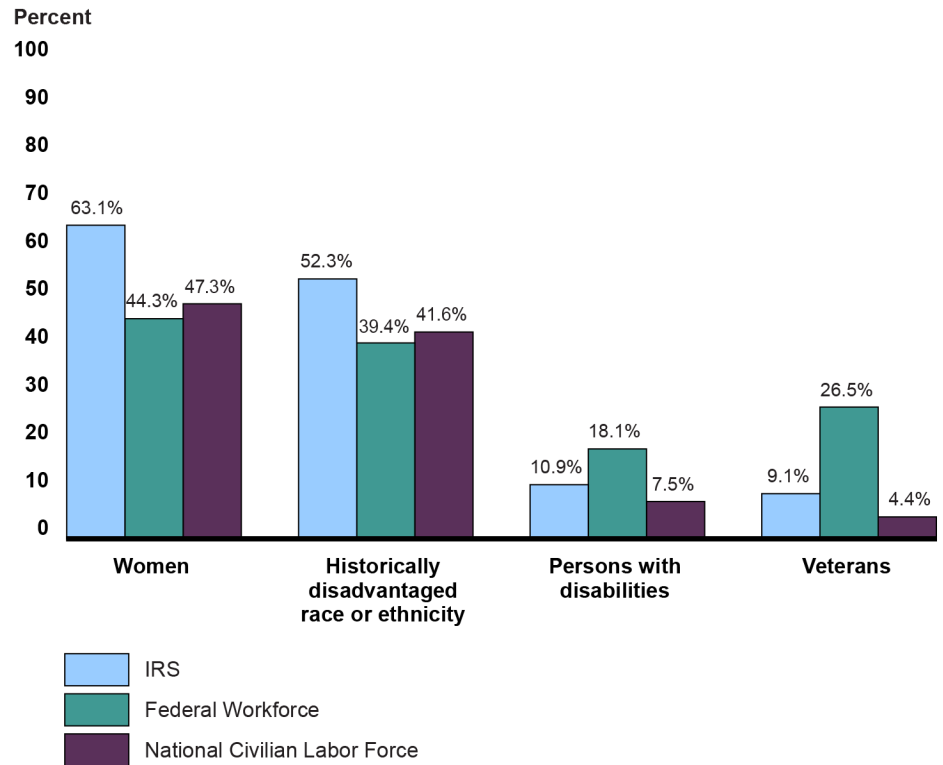
³⁴Our comparison of the IRS workforce to the federal and civilian workforces in 2022 used a mix of fiscal and calendar year formats based on data availability. Specifically, data on the IRS and federal workforces reflect fiscal year 2022, while data on the national civilian labor force reflect calendar year 2022. We compared IRS's workforce to the national civilian labor force because IRS reports having a goal for its workforce to represent the diverse communities IRS serves nationwide. In its MD-715 reports, IRS compares its workforce to this and other benchmarks, including the relevant civilian labor force—the portion of the labor force employed within analogous occupations. In comparison to the relevant civilian labor force, IRS's MD-715 report for fiscal year 2022 found that men were less represented at IRS that year while women were more represented. In addition, IRS found that employees from all racial or ethnic groups were more represented at IRS than in the relevant civilian labor force that year, except for White and American Indian or Alaska Native employees.

civilian labor force (7.5 percent).³⁵ For veterans, representation at IRS (9.1 percent) was markedly less than the federal workforce (26.4 percent) but greater than the national civilian labor force (4.4 percent) (see fig. 6).³⁶

³⁵Both federal and civilian labor force data rely on self-reporting of persons with disability. For the civilian labor force data, individuals are asked if they have difficulties completing tasks related to six categories of disabilities, while federal agencies ask individuals to identify which disability they have. Although the sources differ in how they ask about disability, we coded the data to indicate whether a person self-reported a disability or not, enabling us to compare these sources.

³⁶In our analysis of the IRS data, “veterans” refers to employees claiming eligibility for veterans’ preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status). In the federal workforce data, “veterans” refers to employees who served in the armed forces and claimed eligibility for veterans’ preference points. In the civilian labor force data, “veterans” refers to employees who served in the armed forces. According to IRS officials, there may be various reasons for the differences in demographic composition between the IRS workforce and the federal and civilian workforces. For example, they note veterans may be more drawn to agencies with missions related to defense and veterans’ affairs. We did not assess the factors that may have led to differences in representation across these workforces. According to IRS officials, there may be various reasons for the differences in demographic composition between the IRS workforce and the federal and civilian workforces. For example, they note veterans may be more drawn to agencies with missions related to defense and veterans’ affairs. We did not assess the factors that may have led to differences in representation across these workforces.

Figure 6: Representation by Demographic Group in the IRS Workforce, Federal Workforce, and National Civilian Labor Force, 2022



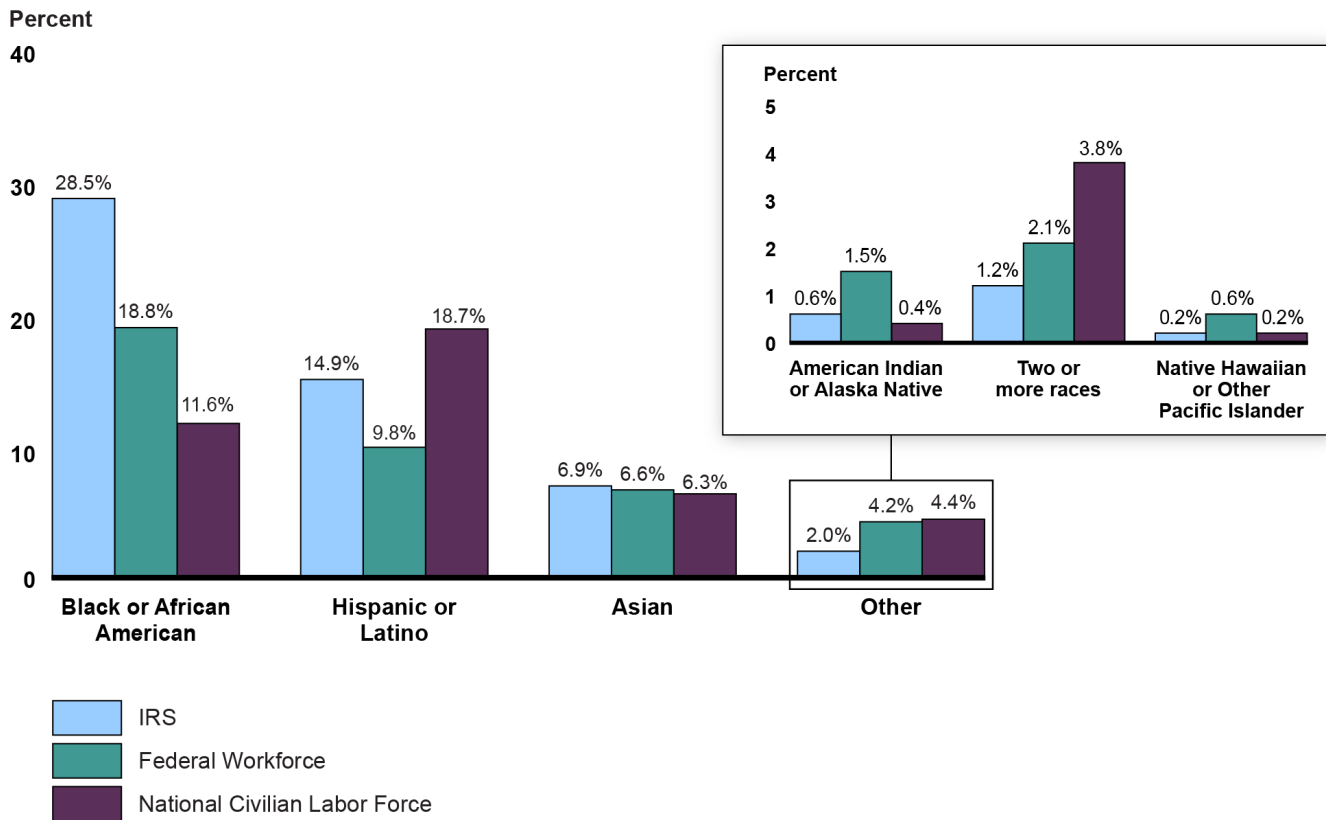
Source: GAO analysis of data from the Internal Revenue Service (IRS), the Office of Personnel Management (OPM), and the Census Bureau. | GAO-24-105785

Note: The IRS data reflect percentages of full-time, nonseasonal IRS employees at the end of fiscal year 2022. The federal workforce data also reflect fiscal year 2022, while the national civilian labor force data reflect calendar year 2022. The civilian labor force data are estimates with a margin of error no greater than plus or minus 0.06 percentage points. Historically disadvantaged racial or ethnic groups include the following OPM categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races. For persons with disabilities, IRS, federal, and civilian data rely on self-reporting of persons with disabilities. For the civilian labor force data, individuals are asked if they have difficulties completing tasks related to six categories of disabilities, while IRS and other federal agencies ask individuals to identify which disability they have. Though the sources differ in how they ask about disability, we coded the data to indicate whether a person self-reported a disability or not, enabling comparison. In our analysis, veterans refer (1) in the IRS data to employees claiming eligibility for veterans' preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status); (2) in the federal workforce data to employees who served in the armed forces and claimed eligibility for veterans' preference points; and (3) in the civilian labor force data to employees who served in the armed forces.

For historically disadvantaged racial or ethnic groups in 2022, comparisons were mixed for individual racial or ethnic groups in this category (see fig. 7). For example, representation was greater at IRS than

both the federal workforce and national civilian labor force for employees that were Black or African American and Asian and lower for employees that were two or more races. For Hispanic or Latino employees, representation at IRS was greater than the federal workforce but lower than the national civilian labor force.

Figure 7: Representation by Historically Disadvantaged Racial or Ethnic Group in the IRS Workforce, Federal Workforce, and National Civilian Labor Force, 2022



Source: GAO analysis of data from the Internal Revenue Service (IRS), the Office of Personnel Management (OPM), and the Census Bureau. | GAO-24-105785

Note: The IRS data shown reflect percentages of full-time, nonseasonal IRS employees at the end of fiscal year 2022. The federal workforce data also reflect fiscal year 2022, while the national civilian labor force data reflect calendar year 2022. The national civilian labor force data are estimates with a margin of error no greater than plus or minus 0.06 percentage points.

Diversity Generally Decreased with Seniority

Women, employees from historically disadvantaged racial or ethnic groups, and persons with disabilities were less represented, sometimes

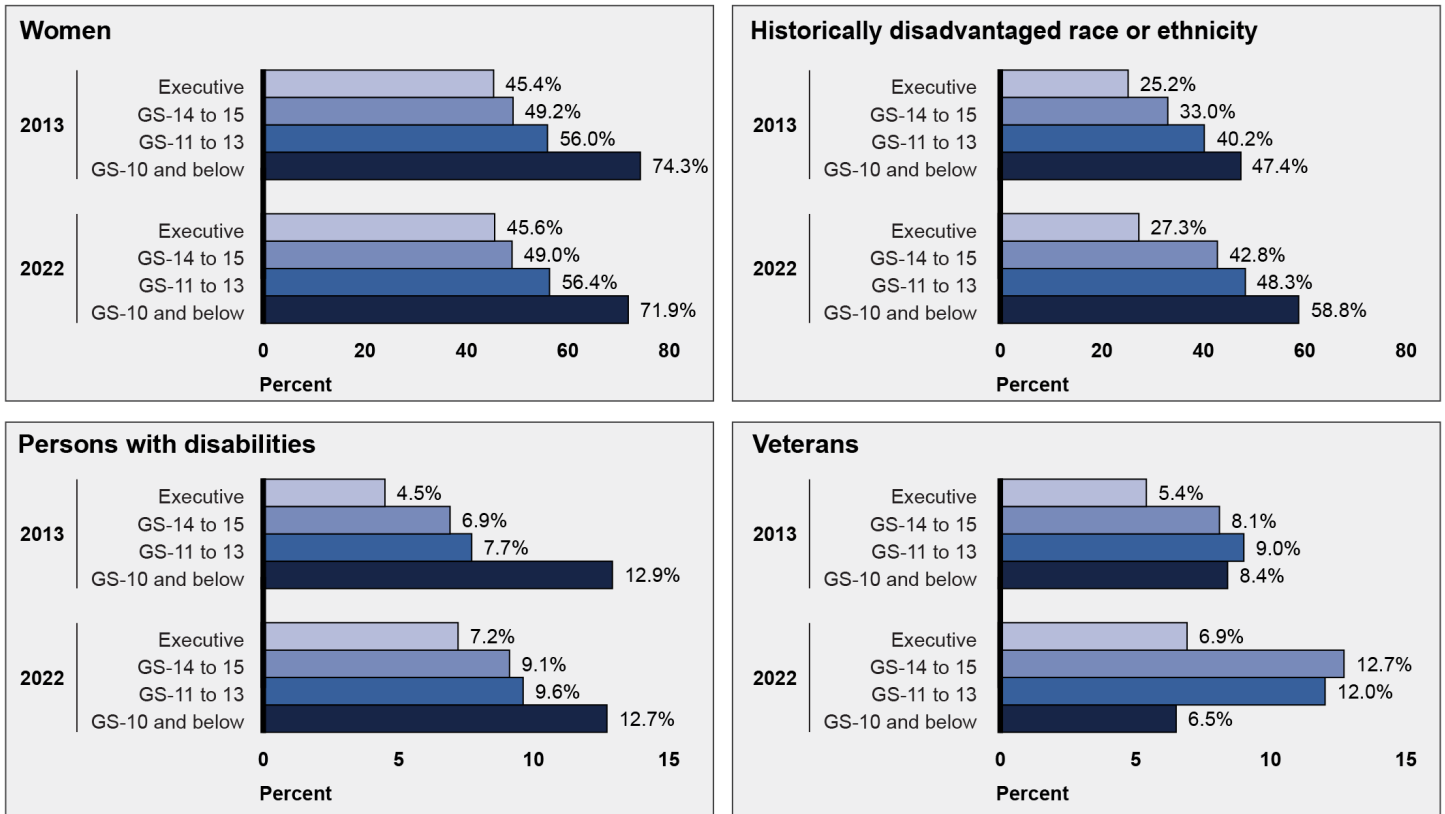
substantially, at IRS's upper GS grades and at the executive level.³⁷ For persons with disabilities, this was true both overall and for those with targeted disabilities.³⁸ For example, in fiscal year 2022, 71.9 percent of IRS employees in grades GS-10 and below were women, compared to 45.6 percent of employees at the executive level. In general, the more senior the level, the lower the representation of women, employees from historically disadvantaged racial or ethnic groups, and persons with disabilities in each of the 10 fiscal years we reviewed (see fig. 8 for fiscal years 2013 and 2022; see tables 4 to 15 in our supplement for intervening years).³⁹ For veterans, however, representation across ranks differed. Specifically, veterans were generally less represented at the lower (GS-10 and below) and executive levels and more represented in the midcareer levels (GS-11 to 13 and GS-14 to 15).

³⁷Our analysis includes employees assigned to the GS pay-plan code, not other pay-plan codes in the GS or other pay systems, such as GL, WG, GM, WL, or IR. In the IRS data we analyzed, the other codes were associated with 7,639 IRS employees, or 10.7 percent of IRS's full-time, nonseasonal workforce in fiscal year 2022. Our analysis of the executive level includes Senior Executive Service employees identified with the ES pay-plan code and additional senior-level employees identified with the SL, AD, and EX pay-plan codes. The GS pay plan is neither the only way nor a guaranteed path to obtaining a senior-level position. IRS employees from other pay plans, as well as applicants external to IRS and government can be accepted into the Senior Executive Service or other senior-level positions depending on the knowledge, skills, abilities, and hiring authorities associated with those positions.

³⁸See tables 5, 8, 11, and 14 in our supplement for data on persons with targeted and non-targeted disabilities by rank. [GAO-24-107365](#). While persons with disabilities were less represented at IRS's upper ranks, for each of the 10 fiscal years we reviewed IRS nonetheless exceeded the federal government-wide goal for representation of persons with targeted disabilities as specified in Equal Employment Opportunity Commission, *Affirmative Action for Individuals with Disabilities in Federal Employment*, 82 Fed. Reg. 654 (Jan. 3, 2017), 29 C.F.R. § 1614.203. Specifically, at least 2 percent of IRS's workforce each fiscal year from 2013 to 2022 was persons with targeted disabilities at levels GS-10 and below and GS-11 and above. In addition—taking into account persons with targeted and non-targeted disabilities as self-identified on Standard Form 256—IRS also exceeded the goal that at least 12 percent of the workforce were persons with disabilities at levels GS-10 and below but not GS-11 and above. However, in measuring against that goal, EEOC's rule allows agencies to include not just individuals self-identified with a disability on Standard Form 256 but also those who (1) self-identified elsewhere, (2) were hired under an authority that takes disability into account, and (3) who requested a reasonable accommodation. With this broader definition, IRS reports that it exceeded the 12 percent goal at levels GS-11 and above in fiscal years 2021 and 2022.

³⁹[GAO-24-107365](#).

Figure 8: IRS Workforce Representation by Demographic Group and Rank in the General Schedule (GS) Pay Plan and Executive Positions, Fiscal Years 2013 and 2022

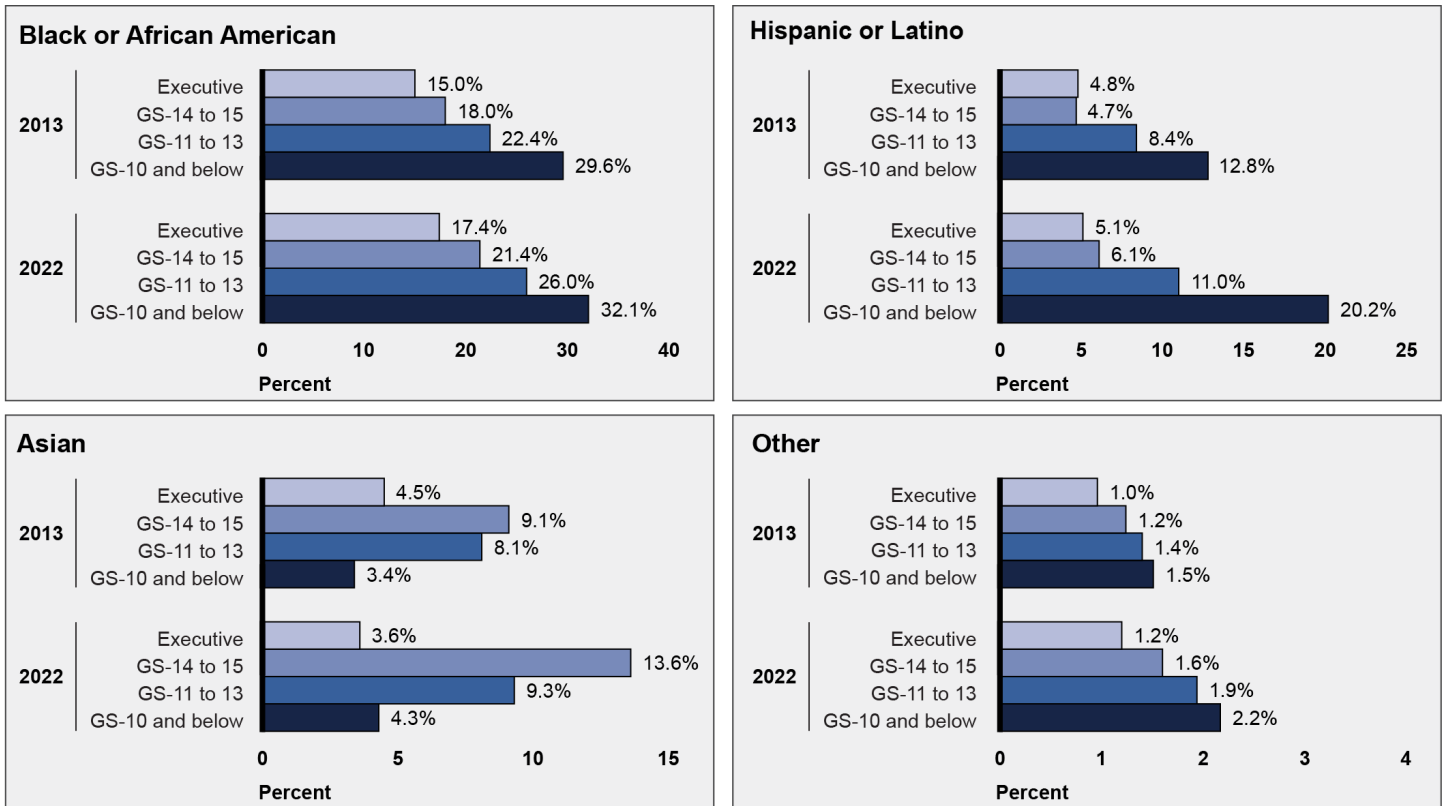


Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect percentages of full-time, nonseasonal IRS employees at the end of each fiscal year in the GS pay plan and executive positions (pay plan codes AD, ES, EX, and SL). Historically disadvantaged racial or ethnic groups include the following Office of Personnel Management (OPM) categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races. “Persons with disabilities” refers to those who self-identified on OPM’s Standard Form 256, *Self-Identification of Disability Form*, as having a targeted or non-targeted disability. “Veterans” refers to employees claiming eligibility for veterans’ preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status).

For historically disadvantaged racial or ethnic groups, this pattern was the same for some but not all individual racial or ethnic groups in this category. For example, in each fiscal year, representation of Black or African American employees declined with seniority while representation of Asian employees increased until the upper GS grades then dropped at the executive level (see fig. 9).

Figure 9: IRS Workforce Representation by Historically Disadvantaged Racial or Ethnic Group and Rank in the General Schedule (GS) Pay Plan and Executive Positions, Fiscal Years 2013 and 2022

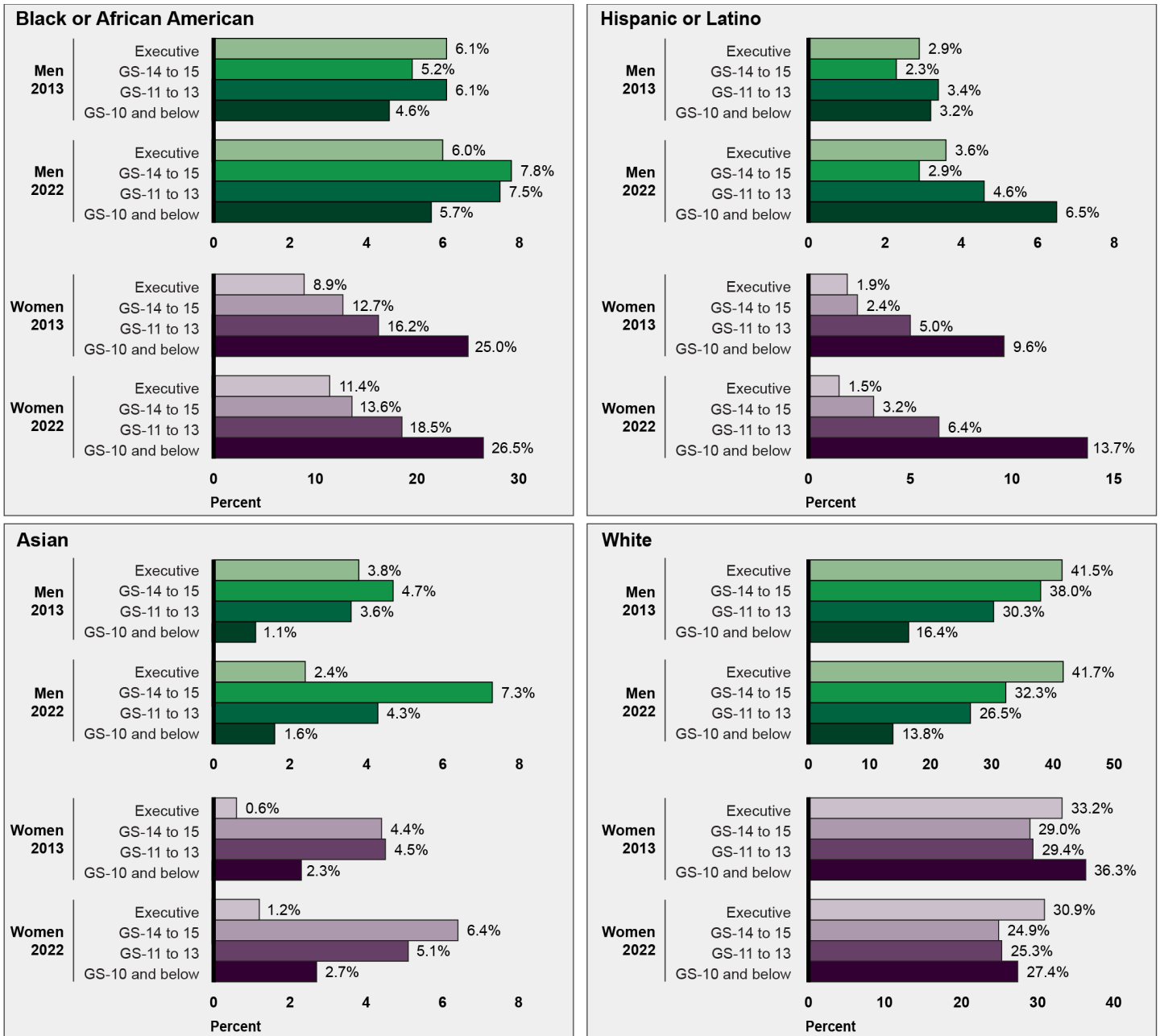


Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect percentages of full-time, nonseasonal IRS employees at the end of each fiscal year in the GS pay plan and executive positions (pay plan codes AD, ES, EX, and SL). "Other" combines American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races given their small numbers in the data.

Within some individual racial or ethnic groups, these patterns were driven largely by one gender. For example, decreasing representation with seniority in each fiscal year for Black or African American and Hispanic or Latino employees was driven largely by women, whereas increasing representation with seniority for White employees was driven largely by men (see fig. 10).

Figure 10: IRS Workforce Representation by Gender, Racial or Ethnic Group, and Rank in the General Schedule (GS) Pay Plan and Executive Positions, Fiscal Years 2013 and 2022



Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect percentages of full-time, nonseasonal IRS employees at the end of each fiscal year in the GS pay plan and executive positions (pay plan codes AD, ES, EX, and SL).

American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races by gender and rank are not included given their small numbers in the data.

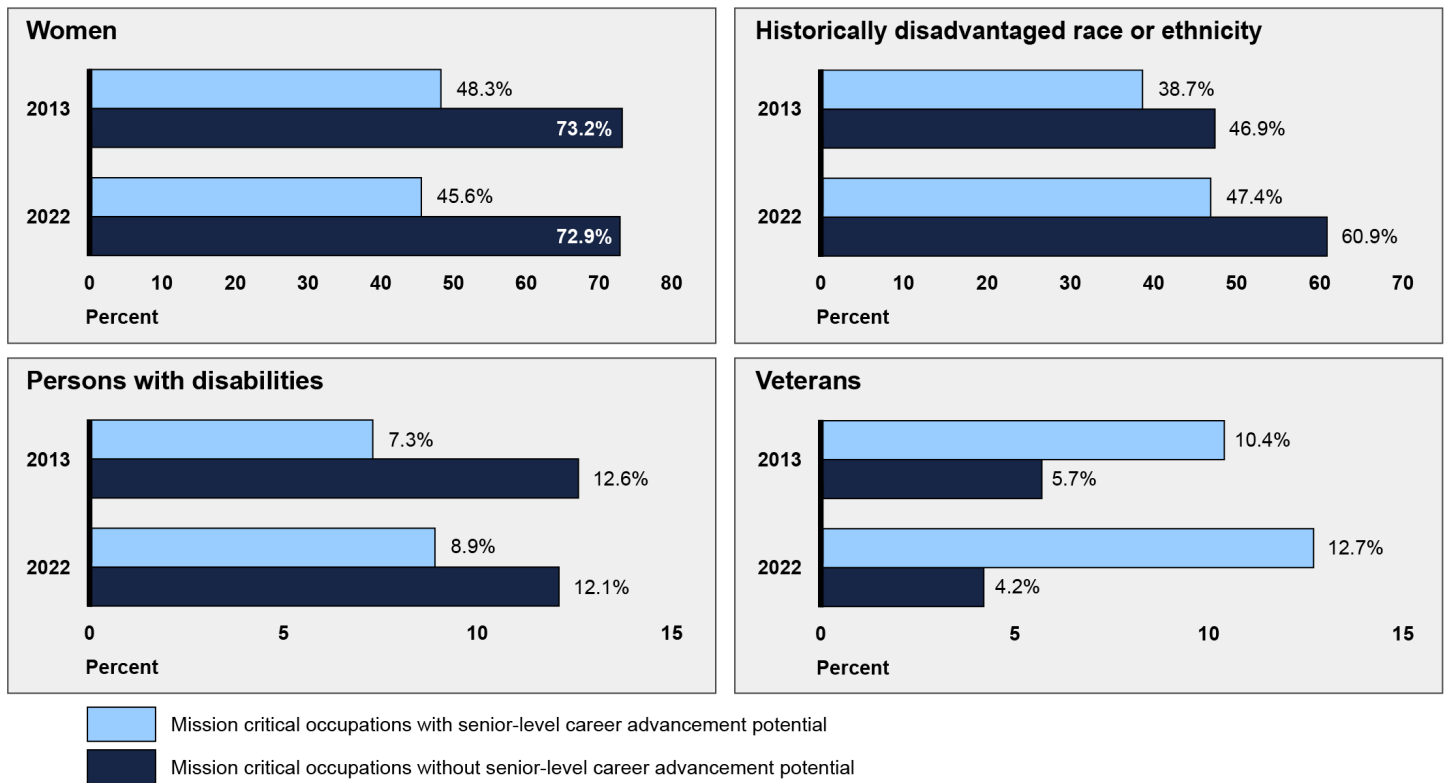
Diversity Was Generally Concentrated in Occupations without Career Advancement Potential

Women, employees from historically disadvantaged racial or ethnic groups, and persons with disabilities were less represented in IRS's MD-715 reported mission critical occupations (MCO) with senior-level career advancement potential than in those without such potential (see fig. 11). For persons with disabilities, this was true both overall and for those with targeted disabilities alone.⁴⁰ For each of these groups, representation was greater in the career-limited MCOs in each of the 10 fiscal years we reviewed. In contrast, veterans were less represented in the career-limited MCOs than in MCOs with senior-level career advancement potential in each of the 10 fiscal years we reviewed (see tables 19 to 24 in our supplement for associated data).⁴¹

⁴⁰See tables 17, 20, and 23 in our supplement for data on persons with targeted and non-targeted disabilities in mission critical occupations. [GAO-24-107365](#).

⁴¹[GAO-24-107365](#).

Figure 11: IRS Workforce Representation by Demographic Group and Occupation Category, Fiscal Years 2013 and 2022

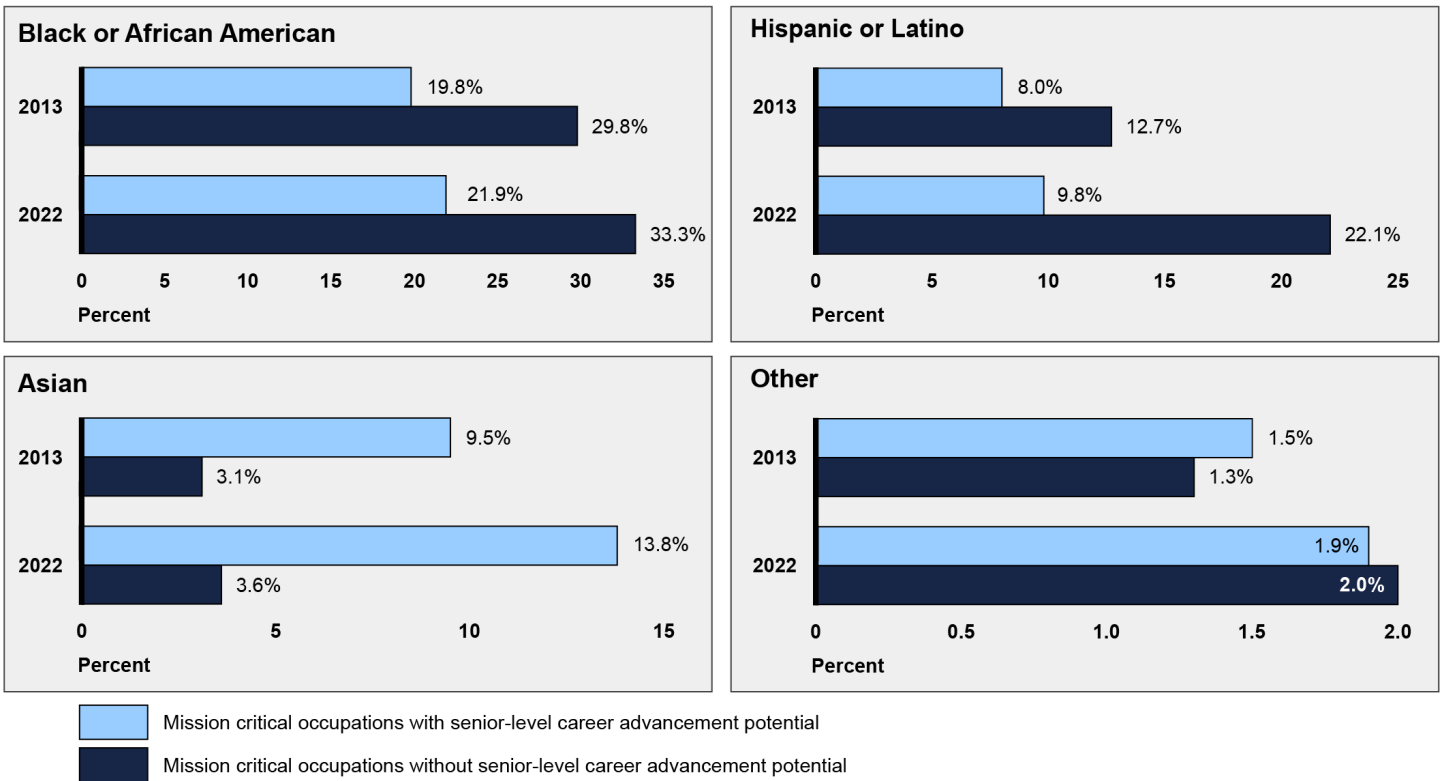


Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect percentages of full-time, nonseasonal IRS employees at the end of each fiscal year in IRS’s six Management Directive 715 reported mission critical occupations. Historically disadvantaged racial or ethnic groups include the following Office of Personnel Management (OPM) categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races. “Persons with disabilities” refers to those who self-identified on OPM’s Standard Form 256, *Self-Identification of Disability Form*, as having a targeted or non-targeted disability. “Veterans” refers to employees claiming eligibility for veterans’ preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status).

For historically disadvantaged racial or ethnic groups, this pattern was the same for some but not all individual racial or ethnic groups in this category. For example, in each fiscal year Black or African American and Hispanic or Latino employees were less represented in the career-potential MCOs while Asian employees were more represented (see fig. 12).

Figure 12: IRS Workforce Representation by Historically Disadvantaged Racial or Ethnic Group and Occupation Category, Fiscal Years 2013 and 2022

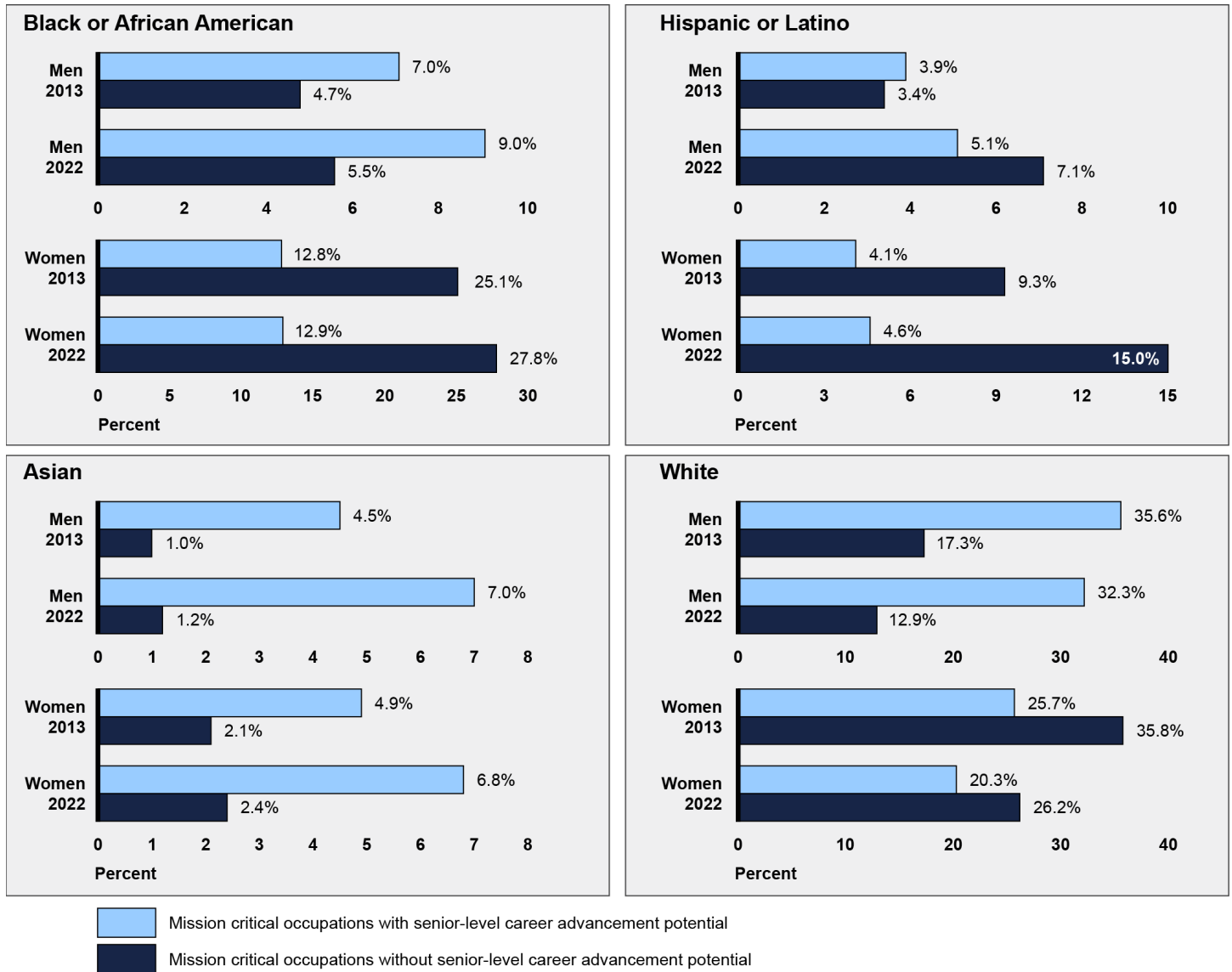


Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect percentages of full-time, nonseasonal IRS employees at the end of each fiscal year in IRS’s six Management Directive 715 reported mission critical occupations. “Other” combines American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races given their small numbers in the data.

Within some individual racial or ethnic groups, these patterns were driven largely by one gender (see fig. 13). For example, in each fiscal year from 2013 to 2022, greater representation of Hispanic or Latino employees in career-limited MCOs was driven largely by women. For Black and African American employees, men experienced the opposite pattern of greater representation in career-potential MCOs. Similarly, greater representation of White employees in career-potential MCOs each year was driven entirely by men, with women experiencing the opposite pattern.

Figure 13: IRS Workforce Representation by Gender, Racial or Ethnic Group, and Occupation Category, Fiscal Years 2013 and 2022



Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect percentages of full-time, nonseasonal IRS employees at the end of each fiscal year in IRS's six Management Directive 715 reported mission critical occupations. American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races by gender and rank are not included given their small numbers in the data.

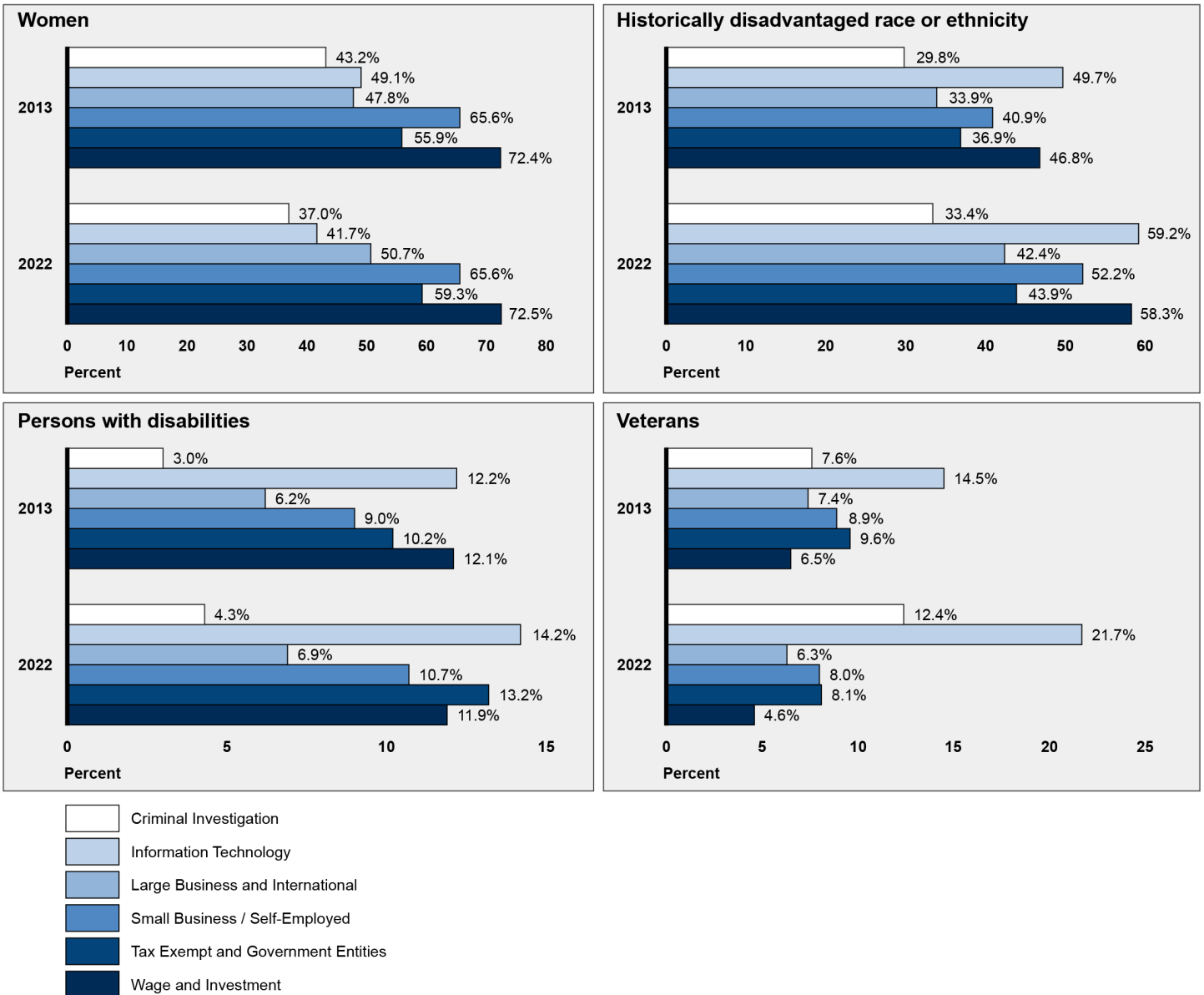
Diversity Varied Across Major Divisions

Representation of women, employees from historically disadvantaged racial or ethnic groups, persons with disabilities, and veterans varied substantially across the major IRS divisions we analyzed (see fig. 14). For example, for each fiscal year we reviewed from 2013 to 2022:

- women were most represented in Wage and Investment;
- employees from historically disadvantaged racial or ethnic groups, persons with disabilities (both overall and targeted alone), and veterans were most represented in Information Technology;
- women, employees from historically disadvantaged racial or ethnic groups, and persons with disabilities (both overall and targeted alone) were least represented in Criminal Investigation; and
- veterans were least represented in Wage and Investment (see tables 25 to 42 in our supplement for additional data on demographic representation across major divisions).⁴²

⁴²[GAO-24-107365](#).

Figure 14: IRS Workforce Representation by Demographic Group and Major Division, Fiscal Years 2013 and 2022



Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: The data shown reflect percentages of full-time, nonseasonal IRS employees at the end of each fiscal year in major IRS divisions. Historically disadvantaged racial or ethnic groups include the following Office of Personnel Management (OPM) categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races. "Persons with disabilities" refers to those who self-identified on OPM's Standard Form 256, *Self-Identification of Disability Form*, as having a targeted or non-targeted disability. "Veterans"

refers to employees claiming eligibility for veterans' preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status).

Promotion, Salary, and Separation Outcomes Indicate Limited Career Potential for Certain Demographic Groups

Promotions Were Generally Less Likely for Women, Employees from Historically Disadvantaged Racial or Ethnic Groups, and Persons with Disabilities

Our analysis of IRS data from fiscal years 2013 to 2022 found that women, employees from historically disadvantaged racial or ethnic groups, and persons with disabilities were generally less likely to be promoted across multiple GS grades.⁴³ For persons with disabilities, this was true both overall and for those with targeted disabilities. In contrast, veterans were generally more likely to be promoted than non-veterans. Specifically, as shown in figure 15:

- women were 6 to 14 percent less likely than men to be promoted across multiple GS grades,⁴⁴
- employees from historically disadvantaged racial or ethnic groups were 9 to 34 percent less likely than White employees to be promoted across most GS grades,

⁴³We used multivariate statistical methods to account for certain factors that could influence promotion likelihood. We controlled for length of time in each GS grade prior to promotion, whether an employee was over age 40 when hired at IRS, occupation groups, and fiscal years. We considered promotion to be an increase in grade between quarters. Our analysis does not completely explain promotion outcomes, as differences may result from unobserved factors such as employee skill or performance. Our estimates neither prove nor disprove the presence of discrimination. In addition, they establish associations rather than causal relationships between the observed demographic characteristics and promotion outcomes. For more information on our methodology, see appendix I.

⁴⁴Unless otherwise noted, our models used the 95 percent confidence level to identify statistically significant differences in outcomes among demographic groups. For results that were not statistically significant, we were unable to conclude whether outcome disparities existed between the demographic and comparison groups.

- persons with disabilities were 13 to 28 percent less likely than persons without disabilities to be promoted across GS grades,⁴⁵ and
- veterans were 11 to 28 percent more likely than non-veterans to be promoted across multiple GS grades.

Figure 15: Percent Difference in Likelihood of Promotion to Next Rank for IRS Employees in the General Schedule (GS) Pay Plan by Demographic Group, Fiscal Years 2013 to 2022

Demographic group	GS-6 or below to next rank ^a	GS-7 to GS-8	GS-8 to GS-9/10	GS-9/10 to GS-11	GS-11 to GS-12	GS-12 to GS-13	GS-13 to GS-14	GS-14 to GS-15	GS-15 to Executive
Gender <i>Compared to men</i>									
Women	-3.5%	-9.6%	-7.5%	0.6%	-5.5%	-14.1%	-1.3%	-4.3%	0.4%
Race or ethnicity <i>Compared to White</i>									
Historically disadvantaged racial or ethnic groups	0.2%	-11.6%	-10.6%	-9.3%	-17.2%	-13.4%	0.6%	-33.9%	-37.7%
Disability <i>Compared to persons without disabilities</i>									
Persons with disabilities	-15.6%	-14.0%	-26.4%	-13.4%	-19.0%	-28.2%	-16.1%	-25.6%	-49.0%
Veterans <i>Compared to non-veterans</i>									
Veterans	18.9%	28.3%	-3.9%	18.6%	2.8%	-0.7%	10.5%	-9.7%	-45.2%

- More likely than the comparison group to be promoted at a 95 percent confidence level
- Less likely than the comparison group to be promoted at a 95 percent confidence level
- More or less likely to be promoted but not statistically significant at a 95 percent confidence level

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: Historically disadvantaged racial or ethnic groups include the following Office of Personnel Management (OPM) categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races. “Persons with disabilities” refers to those who self-identified on OPM’s Standard Form 256, *Self-Identification of Disability Form*, as having a targeted or non-targeted disability. “Veterans” refers to employees claiming eligibility for veterans’ preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status).

^aThis column includes employees whose GS grade increased from GS-2 to 3, GS-3 to 4, GS-4 to 5, GS-5 to 6, and GS-6 to 7.

⁴⁵Persons with targeted disabilities alone were 12 to 48 percent less likely than those without disabilities to be promoted, depending on grade level. See table 47 in our supplement for additional data. [GAO-24-107365](#).

For historically disadvantaged racial or ethnic groups, promotion likelihoods varied across individual racial or ethnic groups in this category (see fig. 16).⁴⁶ For example, in comparison to White employees:

- Black or African American employees were 9 to 45 percent less likely to be promoted across most GS grades,
- Hispanic or Latino employees were 9 to 28 percent less likely to be promoted across a majority of GS grades, and
- Asian employees were 11 to 33 percent more likely to be promoted at certain GS grades.

Figure 16: Percent Difference in Likelihood of Promotion to Next Rank for IRS Employees in the General Schedule (GS) Pay Plan by Race or Ethnicity, Fiscal Years 2013 to 2022

Race or ethnicity	GS-6 or below to next rank ^a	GS-7 to GS-8	GS-8 to GS-9/10	GS-9/10 to GS-11	GS-11 to GS-12	GS-12 to GS-13	GS-13 to GS-14	GS-14 to GS-15	GS-15 to Executive
<i>Compared to White</i>									
Black or African American	-2.4%	-12.4%	-13.9%	-8.9%	-22.1%	-23.5%	-12.7%	-44.7%	-34.3%
Hispanic or Latino	-0.6%	-12.5%	-4.4%	-12.9%	-21.0%	-8.9%	-0.9%	-28.0%	-3.8%
Asian	16.5%	-7.8%	-15.5%	-7.7%	3.9%	10.9%	32.7%	-16.5%	-56.1%
American Indian or Alaska Native	-17.7%	-30.5%	-18.6%	10.2%	-25.5%	-29.0%	-20.9%	-44.0%	
Native Hawaiian or Other Pacific Islander	48.3%	-3.6%	66.0%	6.2%	-17.8%	-19.1%	-24.2%	0.1%	
Two or more races	28.4%	12.7%	26.1%	4.5%	13.2%	14.6%	30.7%	-6.1%	92.8%

- More likely than the comparison group to be promoted at a 95 percent confidence level
- Less likely than the comparison group to be promoted at a 95 percent confidence level
- More or less likely to be promoted but not statistically significant at a 95 percent confidence level
- No promotions occurred for this racial or ethnic group based on the data we analyzed

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

⁴⁶Our reporting on the results of promotion, salary, and separation outcomes for individual racial or ethnic groups may be sensitive to sample size differences across these groups. In tests of statistical significance, larger sample sizes result in smaller standard errors, which indicate more precise estimates and greater likelihoods of statistically significant results. Conversely, smaller sample sizes result in larger standard errors, which indicate less precise estimates and lower likelihoods of statistically significant results. In our analysis, for results that were not statistically significant, we were not able to conclude whether outcome disparities existed between the demographic group and the comparison group.

Note: Estimates for employees who were American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, and two or more races were often not statistically significant. This may have been due to the relatively small size of these demographic groups in our analysis.

^aThis column includes employees whose GS grade increased from GS-2 to 3, GS-3 to 4, GS-4 to 5, GS-5 to 6, and GS-6 to 7.

When examining the relationship between gender and race or ethnicity, our analysis found additional disparities (see fig. 17). Specifically, in comparison to White men:

- White women were 5 to 12 percent less likely to be promoted across several GS grades,
- women from historically disadvantaged racial or ethnic groups were 8 to 38 percent less likely to be promoted across most GS grades, and
- men from historically disadvantaged racial or ethnic groups were 10 to 30 percent less likely to be promoted across several GS grades.⁴⁷

Figure 17: Percent Difference in Likelihood of Promotion to Next Rank for IRS Employees in the General Schedule (GS) Pay Plan by Gender and Race or Ethnicity, Fiscal Years 2013 to 2022

Demographic group	GS-6 or below to next rank ^a	GS-7 to GS-8	GS-8 to GS-9/10	GS-9/10 to GS-11	GS-11 to GS-12	GS-12 to GS-13	GS-13 to GS-14	GS-14 to GS-15	GS-15 to Executive
<i>Compared to White men</i>									
White women	-5.0% ↓	-8.3% ↓	-0.5% ↔	4.8% ↔	-2.1% ↔	-12.2% ↓	7.0% ↔	-1.1% ↔	13.1% ↔
Men from historically disadvantaged racial or ethnic groups	-2.0% ↔	-9.8% ↓	-0.3% ↔	-4.2% ↔	-13.1% ↓	-10.6% ↓	12.4% ↑	-29.7% ↓	-13.5% ↔
Women from historically disadvantaged racial or ethnic groups	-4.0% ↔	-19.7% ↓	-14.9% ↓	-7.8% ↓	-21.4% ↓	-25.6% ↓	-1.4% ↔	-37.7% ↓	-48.2% ↔

- ↑ More likely than the comparison group to be promoted at a 95 percent confidence level
- ↓ Less likely than the comparison group to be promoted at a 95 percent confidence level
- ↔ More or less likely to be promoted but not statistically significant at a 95 percent confidence level

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: Historically disadvantaged racial or ethnic groups include the following Office of Personnel Management categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races.

^aThis column includes employees whose GS grade increased from GS-2 to 3, GS-3 to 4, GS-4 to 5, GS-5 to 6, and GS-6 to 7.

⁴⁷In addition, men from historically disadvantaged racial or ethnic groups were more likely to be promoted from the GS-13 to 14 level, but this was driven by Asian men who had a particularly high likelihood of promotion at that level.

Salaries Were Generally Lower for Women, Employees from Historically Disadvantaged Racial or Ethnic Groups, and Persons with Disabilities









Our analysis of IRS data from fiscal years 2013 to 2022 found that women, employees from historically disadvantaged racial or ethnic groups, and persons with disabilities earned on average less in annual salary than their respective counterparts.⁴⁸ For persons with disabilities, this was true both overall and for those with targeted disabilities alone. In contrast, veterans earned more than non-veterans. Specifically, as shown in figure 18, on average:


- women earned 17 percent less than men,
- employees from historically disadvantaged racial or ethnic groups earned 6 percent less than White employees,
- persons with disabilities earned 2 percent less than persons without disabilities,⁴⁹ and
- veterans earned 3 percent more than non-veterans.


⁴⁸We used multivariate statistical methods to account for certain factors that could influence salary. We controlled for years of IRS service, whether an employee was over age 40 when hired at IRS, occupation groups, and fiscal years. We adjusted annual salary for inflation to fiscal year 2022 dollars. Our analysis does not completely explain salary outcomes. Our estimates neither prove nor disprove the presence of discrimination. In addition, they establish associations rather than causal relationships between the observed demographic characteristics and salary outcomes. See appendix I for more information on our methodology.

⁴⁹Persons with targeted disabilities alone earned 4 percent less than persons without disabilities. See table 52 in our supplement for additional data. [GAO-24-107365](#).

Figure 18: Relative Salary of IRS Employees by Demographic Group, Fiscal Years 2013 to 2022

Demographic group		Average salary difference	
		Percent	Dollar amount
Gender	Compared to men		
	Women	-16.7% 	-\$17,123 
Race or ethnicity	Compared to White		
	Historically disadvantaged racial or ethnic groups	-5.7% 	-\$6,080 
Disability	Compared to persons without disabilities		
	Persons with disabilities	-2.2% 	-\$1,926 
Veterans	Compared to non-veterans		
	Veterans	3.2% 	\$1,338 

 Earned more than the comparison group at a 99 percent confidence level

 Earned less than the comparison group at a 99 percent confidence level

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: Historically disadvantaged racial or ethnic groups include the following Office of Personnel Management (OPM) categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races. “Persons with disabilities” refers to those who self-identified on OPM’s Standard Form 256, *Self-Identification of Disability Form*, as having a targeted or non-targeted disability. “Veterans” refers to employees claiming eligibility for veterans’ preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status). Salary data have been adjusted for inflation to 2022 dollars.

For historically disadvantaged racial or ethnic groups, salary outcomes varied across individual racial or ethnic groups (see fig. 19). For example, in comparison to White employees, Asian employees earned an average of 17 percent more, while employees from all other historically disadvantaged racial or ethnic groups earned an average of 5 to 17 percent less.

Figure 19: Relative Salary of IRS Employees by Race or Ethnicity, Fiscal Years 2013 to 2022

Race or ethnicity	Average salary difference	
	Percent	Dollar amount
<i>Compared to White</i>		
Black or African American	-5.9% ↓	-\$6,591 ↓
Hispanic or Latino	-16.5% ↓	-\$15,500 ↓
Asian	16.6% ↑	\$15,322 ↑
American Indian or Alaska Native	-10.4% ↓	-\$8,481 ↓
Native Hawaiian or Other Pacific Islander ^a	3.2% ↔	\$1,636 ↔
Two or more races	-4.6% ↓	-\$5,936 ↓

- ↑ Earned more than the comparison group at a 99 percent confidence level
- ↓ Earned less than the comparison group at a 99 percent confidence level
- ↔ Not statistically significant at a 90 percent confidence level

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: Salary data have been adjusted for inflation to 2022 dollars.

^aResults for Native Hawaiian or Other Pacific Islander employees were not statistically significant. This may have been due to the relatively small size of this demographic group in our analysis.

When examining the relationship between gender and race or ethnicity, our analysis found additional salary disparities (see fig. 20). For example, White women and women from historically disadvantaged racial or ethnic groups earned an average of 18 and 23 percent less than White men, respectively. Similarly, men from historically disadvantaged racial or ethnic groups earned an average of 8 percent less than White men.

Figure 20: Relative Salary of IRS Employees by Gender and Race or Ethnicity, Fiscal Years 2013 to 2022

Demographic group	Average salary difference	
	Percent	Dollar amount
<i>Compared to White men</i>		
White women	-18.2% ↓	-\$18,421 ↓
Men from historically disadvantaged racial or ethnic groups	-7.9% ↓	-\$8,027 ↓
Women from historically disadvantaged racial or ethnic groups	-22.7% ↓	-\$23,445 ↓

↓ Earned less than the comparison group at a 99 percent confidence level

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: Historically disadvantaged racial or ethnic groups include the following Office of Personnel Management categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races. Salary data have been adjusted for inflation to 2022 dollars.

These salary disparities were present even when we controlled for GS grade level and occupation. Specifically, within GS grades and occupations, women, employees from historically disadvantaged racial or ethnic groups, and persons with disabilities still had lower salaries on average than their counterparts.⁵⁰ In contrast, veterans had higher salaries than non-veterans in the same GS grade and occupation.⁵¹

Separations Were Generally More Likely for Employees from Historically Disadvantaged Racial or Ethnic Groups








Our analysis also found that, overall, employees from historically disadvantaged racial or ethnic groups were 6 percent more likely to




⁵⁰We found these salary differences to be smaller than those reported in figure 18, but still statistically significant at a 95 percent confidence level.

⁵¹Because we controlled for occupation, we cannot separate the potential effect of occupational segmentation on salary disparities. Occupational segmentation occurs when people of different demographic groups (such as gender and race or ethnicity) are unevenly represented across job types, which may lead to salary disparities. When we analyzed salary without controlling for occupation, we found that differences tended to be greater than those reported in figure 18, which may reflect the existence of occupational segmentation.

separate from the agency than White employees (see fig. 21).⁵² For individual racial and ethnic groups in this category, we found a greater likelihood of separation for some but not all groups. For example, employees who were Black or African American and Hispanic or Latino were more likely to separate than White employees. In contrast, Asian employees were less likely to separate.

Figure 21: Percent Difference in IRS Employees' Likelihood of Separation by Historically Disadvantaged Race or Ethnicity, Fiscal Years 2013 to 2022

Demographic group	Percent difference in likelihood of separation
<i>Compared to White</i>	
Historically Disadvantaged Racial or Ethnic Groups	+6.3% 
Black or African American	+7.4% 
Hispanic or Latino	+10.0% 
Asian	-11.8% 
American Indian or Alaska Native	+39.5% 
Native Hawaiian or Other Pacific Islander ^a	+10.0% 
Two or more races	+25.4% 

-  More likely than White employees to separate at a 95 percent confidence level
-  Less likely than White employees to separate at a 95 percent confidence level
-  Not statistically significant at a 95 percent confidence level

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

Note: Historically disadvantaged racial or ethnic groups include the following Office of Personnel Management categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races. We defined separation as an employee leaving the agency for any reason.

^aResults for Native Hawaiian or Other Pacific Islander employees were not statistically significant. This may have been due to the relatively small size of this demographic group in our analysis.

⁵²We used multivariate statistical methods to account for a range of factors that could influence separation likelihood and timing. We controlled for length of time at IRS prior to the first separation, whether an employee was over age 40 when hired at IRS, occupation groups, and fiscal years. We defined separation as an employee leaving the agency for any reason. Our analysis does not completely explain separation outcomes. Our estimates neither prove nor disprove the presence of discrimination. In addition, they establish associations rather than causal relationships between the observed demographic characteristics and separation outcomes. See appendix I for more information on our methodology.

Our analysis did not find statistically significant differences in the likelihood of separation based on gender, disability, or veteran status. However, when examining the relationship between gender and race or ethnicity, we found that women from historically disadvantaged racial or ethnic groups were 8 percent more likely to separate from IRS than White men (see table 56 in our supplement for additional data).⁵³

IRS's Efforts to Identify and Address DEIA Workforce Barriers Are Incomplete

IRS Has Identified DEIA Triggers

Our review of IRS's MD-715 reports for fiscal years 2013 through 2022 showed that IRS reported eight triggers to EEOC during that time.⁵⁴ Of these, four relate to career advancement of historically disadvantaged racial and ethnic groups, one relates to discrimination complaints, and three relate to persons with disabilities. As shown in figure 22, some of these triggers are longstanding. For example, IRS reported three of these triggers to EEOC in each fiscal year from 2018 to 2022.⁵⁵

⁵³[GAO-24-107365](#). This analysis included separation due to death or retirement. In our supplement, we present additional data on separation outcomes using other measures of separation.

⁵⁴Triggers are trends, disparities, or anomalies in the representation of demographic groups protected by laws enforced by EEOC. Triggers may point to potential barriers to equal employment opportunity and workforce diversity, equity, inclusion, and accessibility.

⁵⁵IRS issued its MD-715 report for fiscal year 2023 in April 2024. In it, IRS did not identify any new triggers or barriers beyond those IRS reported in prior years.

Figure 22: IRS Identified Triggers, Fiscal Years 2013 to 2022

Affected group	Trigger	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Not reported	High volume of complaints of non-sexual harassment	X									
Blind or low vision employees	Reported accessible technology issues	X	X								
Deaf or hard of hearing employees	Reported accessible technology issues	X	X								
Hispanic or Latino, Black or African American, and Asian women	Low participation in Senior Executive Service (SES)			X	X						
Hispanic or Latino, Asian, and Black or African American employees	Low participation in an executive readiness development program					X	X	X	X	X	X
Hispanic or Latino women	Low participation in General Schedule (GS) 12 to SES positions					X	X				
Hispanic or Latino men	Low participation in GS-12 to SES positions					X	X	X	X	X	X
Persons with disabilities	Low participation in GS-11 to 14 positions for certain occupations						X	X	X	X	X

Source: GAO analysis of Internal Revenue Service (IRS) Management Directive 715 annual reports. | GAO-24-105785

Note: The Equal Employment Opportunity Commission (EEOC) defines triggers as trends, disparities, or anomalies in the representation of demographic groups protected by laws enforced by EEOC. Triggers may point to potential barriers to equal employment opportunity and workforce diversity, equity, inclusion, and accessibility.

In addition to this report’s examination of IRS, our larger body of DEIA work has examined MD-715 implementation and workforce DEIA at multiple federal agencies.⁵⁶ We found that these agencies have each taken steps toward identifying and addressing DEIA workforce barriers but have not done so fully and all face challenges. According to EEOC officials responsible for overseeing federal agencies’ MD-715 implementation, IRS is among the top performing agencies in this area. For example, they stated IRS is responsive to EEOC feedback and processes discrimination complaints more quickly than many. However, as shown in this report, IRS continues to face DEIA workforce disparities and challenges identifying and addressing underlying barriers.

⁵⁶See, e.g., [GAO-24-105732](#), [GAO-23-105284](#), [GAO-21-83](#), and [GAO-20-237](#).

IRS Has Not Consistently Implemented the Barrier Analysis Process

Overreliance on Workforce Data to Identify Triggers

While IRS reported multiple triggers to EEOC between fiscal years 2013 and 2022, we found that IRS did not consistently implement the barrier analysis process appropriately during that time.

Our review of IRS's MD-715 reports for fiscal years 2013 through 2022 found that IRS primarily relied on workforce data tables to identify triggers. For example, all triggers IRS identified since 2015 in its MD-715 reports were based on workforce data tables alone. In addition, IRS officials stated in 2023 that, to identify triggers, they relied primarily on a spreadsheet that tracked annual workforce data. IRS reported to us that, since 2012, it has monitored discrimination complaints but only at a high level and did not analyze employee responses to DEIA-specific questions added to OPM's Federal Employee Viewpoint Survey (FEVS) in 2022. Our analysis of IRS discrimination complaints and FEVS data found differences in discrimination allegations and job satisfaction, respectively, across several demographic groups.⁵⁷

To identify triggers, agencies are to prepare and analyze workforce data tables comparing participation rates to designated benchmarks by gender, race, ethnicity, or disability status in various subsets of their workforces. According to EEOC's MD-715 instructions, participation rates below a designated benchmark for a particular group are triggers. Along with the workforce data tables, according to EEOC's MD-715 instructions, agencies must regularly consult many additional sources of information to identify triggers.⁵⁸ According to EEOC, these sources may reveal triggers that may not be present in the workforce data tables.

In October 2023, IRS initiated an assessment of its barrier analysis process. Assessment results were released in January 2024 and

⁵⁷We analyzed IRS complaints filed from fiscal years 2018 to 2021 by basis of discrimination alleged—such as race, religion, sex, age, or reprisal—and found, among other things, a disproportionately greater number of complaints filed based on reprisal and physical disability compared to the federal government overall. In addition, we analyzed IRS employee responses to the DEIA-specific FEVS questions and found, among other things, that all racial or ethnic groups were, on average, satisfied with IRS's DEIA climate, but that levels of satisfaction differed across individual groups. For example, White employees generally reported higher levels of satisfaction than employees from historically disadvantaged racial or ethnic groups. These types of analyses could help IRS identify a wider range of issues for which barrier analysis is warranted. See tables 58 and 59 in our supplement for data associated with our FEVS analysis. [GAO-24-107365](#).

⁵⁸EEOC's MD-715 instructions include the following sources: discrimination complaints, grievances, findings of discrimination, climate assessment surveys, exit interviews, focus groups, employee and advocacy groups, union officials, government reports (such as GAO publications), news publications, and accessibility accommodation assessments.

identified numerous gaps.⁵⁹ Concurrent with release of the assessment results, IRS issued draft policies and procedures in January 2024 for its barrier analysis process.⁶⁰ These policies and procedures, once fully implemented, represent a positive step toward improving IRS's barrier analysis efforts. However, they do not include elements that would help to ensure IRS consults many information sources to identify triggers. For example, the automated worksheet IRS issued in February 2024 is designed to identify triggers through workforce data tracking alone. Without documented policies and procedures that include thorough trigger identification based on multiple sources, IRS may be missing opportunities to identify potential triggers present in its workforce.

Additional Issues May Indicate Barriers

Our analyses of IRS's workforce composition and outcomes related to employee promotion, salary, and separation identify DEIA issues that may indicate potential barriers. These issues include

- persistently lower representation of women, employees from historically disadvantaged racial and ethnic groups, and persons with disabilities in IRS's higher ranks and mission critical occupations with senior-level career advancement potential;
- frequently lower likelihoods of promotion and lower salaries for these same groups; and
- frequently greater likelihoods of separation for employees from historically disadvantaged racial and ethnic groups.

EEOC guidance directs agencies to consult many sources of information to identify potential triggers. Moreover, *Standards for Internal Control* states that management should use quality information to achieve the entity's objectives.⁶¹ As IRS proceeds with its barrier analysis efforts, it has an opportunity to use further analytic results from our analyses of its

⁵⁹These gaps included a lack of (1) formal documentation, standardized processes, and templates to assist in the consistent delivery of barrier analyses; (2) consistent approaches to investigating for barriers; (3) formal documentation on assignment of and roles and responsibilities for barrier analysis management and working groups; and (4) centralized oversight of agencywide barrier analysis efforts to ensure strategic mission alignment and consistency.

⁶⁰Among other things, IRS issued a draft process map providing guidance on each stage of IRS's barrier analyses and a draft template for reporting on individual barrier analyses. In addition, IRS issued an automated worksheet in February 2024 to monitor, track, analyze, and conduct barrier analyses and to help identify and track triggers. According to EDI officials, they plan to seek broader input on the draft policies and procedures and then update them before moving forward with implementation.

⁶¹[GAO-14-704G](#).

Limited Stakeholder Consultation

workforce composition and employee outcomes to identify and address DEIA barriers. These results can help IRS officials understand potential triggers beyond those it has identified to date. Incorporating additional quality information into its barrier analysis efforts can help IRS achieve its DEIA objectives.

We found that IRS's stakeholder consultation during the barrier analysis process was limited. According to IRS documentation and officials, IRS obtains barrier analysis input from stakeholders through various channels.

For example, IRS's DEIA Strategic Plan states that employee groups are integral working members of IRS's DEIA governance council which oversees the agency's DEIA initiatives, including barrier analysis. In addition, EDI reported that it meets bimonthly with leaders of IRS's employee groups. However, based on our review of meeting minutes and interviews with leaders of 15 IRS employee groups, these bimonthly meetings focus on EDI and employee group status and event updates and not on EDI's barrier analysis efforts.⁶²

EDI officials also told us they solicit volunteers from employee groups for their barrier analyses. However, of the 15 employee groups and one employee union we spoke with, leaders of four said they had actively participated in barrier analysis working groups, while leaders of 11 said they had not been consulted on barrier analysis. The leader of another group said they had been invited to participate but could not because they were not given sufficient time within their work schedule to do so. Of the four groups that had participated in barrier analyses, leaders of two said EDI had not informed them of outcomes resulting from these analyses and they were therefore unaware of whether the analyses had been effective. Of the 12 groups that had not participated in or been consulted on barrier analysis, leaders of six told us of possible DEIA issues that could inform barrier analyses, such as limited transparency on promotion processes and unresponsiveness to discrimination complaints.

EDI officials further told us they invite division-based EDI managers to participate in barrier analyses and annually request from them information

⁶²We requested minutes from each bimonthly meeting held from fiscal year 2018 to 2022. In response, IRS provided minutes from six meetings held between October 2018 and September 2022. Our review of these minutes found one mention of barrier analysis—an employee group expressing intent to participate in barrier analysis—but no discussion of trigger or barrier identification, investigation, elimination, or related barrier analysis activities.

to complete MD-715 reporting. Requested information includes potential triggers and underlying barriers. However, when asked about EDI-led barrier analyses, three of the six division-based EDI managers we contacted said they had participated in such analyses to varying degrees, while the rest did not. Of the latter three, one said they were briefed on EDI's barrier analysis progress on a quarterly basis, while another said they were never briefed on the findings or results of EDI-led barrier analyses. A third manager said EDI needs to better collaborate with and include division-based EDI managers in IRS's barrier analyses. Two managers recommended IRS provide formal barrier analysis training to division-based EDI staff to help them better identify triggers and barriers and enhance the quality of MD-715 reporting.

According to EEOC guidance, agencies are to regularly consult and collaborate with stakeholders—including employee groups and equal employment opportunity program staff—throughout the barrier analysis process. In addition, we have previously reported that involving employees in DEIA management helps them contribute to driving organizational diversity, identifying issues, recommending actions, and developing initiatives.⁶³ We have also reported that successful organizations empower and involve employees to gain operational insights from a frontline perspective.⁶⁴ Employee input in barrier analysis can offer a frontline perspective on where potential triggers and barriers may exist.

IRS's draft policies and procedures issued in January 2024 do not include elements that would help to ensure IRS regularly consults and collaborates with stakeholders—including employee groups and equal employment opportunity program staff—throughout the barrier analysis process. While these drafts address the composition of barrier analysis working groups, they do not address regular consultation and collaboration with stakeholders outside these established groups.

Without policies and procedures that include regular consultation and collaboration with stakeholders—including employee groups and equal employment opportunity program staff—throughout the barrier analysis

⁶³[GAO-24-106684](#) and [GAO-05-90](#).

⁶⁴GAO, *High-Risk Series: Strategic Human Capital Management*, [GAO-03-120](#) (Washington, D.C.: January 2003).

process, EDI is limited in its ability to fully identify and address DEIA workforce barriers.

Steps Taken Out of Order and Incomplete

For the eight triggers IRS reported to EEOC between fiscal years 2013 and 2022, we found that IRS often did not follow EEOC's barrier analysis steps in order or did not complete all required steps. For example:

- **Step order.** For three triggers, IRS developed action plans for barrier elimination (step three) before adequately identifying potential barriers (step two). This resulted in plans that aimed to address triggers rather than their underlying barriers. For example, IRS made plans to address the trigger on low participation of Hispanic or Latino women in GS-12 through SES positions—such as a discussion panel for managers on retention, career development, and upward mobility for Hispanic or Latino employees—without first identifying specific potential barriers causing the low participation.
- **Step completion.** As detailed in appendix II, for three triggers, IRS partially investigated the triggers to identify potential barriers (step two) and partially developed and implemented plans to address barriers (step three) but did not complete these steps. For seven triggers, IRS partially assessed the effectiveness of its actions to address the triggers (step four); for one trigger it did not conduct these assessments. For five triggers, IRS closed the barrier analysis before completing all required steps.⁶⁵

According to EEOC officials, while agencies do not need to conduct a barrier analysis for all identified triggers, they must do so for those triggers reported in their annual MD-715 submissions to EEOC. We found that IRS's draft policies and procedures issued in January 2024 contain elements which, once implemented, should help to ensure that future barrier analysis steps are completed fully and in the appropriate order.

IRS's Barrier Analyses Have Been Hampered by Staffing Issues

We found that staffing issues—including vacancies and turnover, staffing shortages, and increased responsibilities within EDI—contributed to IRS's barrier analysis challenges (see appendix III for details).

EEOC MD-715 states that agency leadership must demonstrate commitment to equal employment opportunity by (1) allocating sufficient resources to relevant programs; (2) attracting, developing, and retaining

⁶⁵As of April 2024, three of the eight triggers IRS reported to EEOC between 2013 and 2022 continued to exist and the status of the remaining five were unknown based on IRS's reporting to EEOC.

staff with competencies necessary to accomplish related goals; and (3) providing staff with appropriate training and other resources to understand and discharge their duties. In addition, we previously identified top leadership commitment as a leading practice for DEIA management.⁶⁶ This leading practice includes committing the necessary resources to diversity initiatives. Moreover, OPM workforce planning guidance states that agencies should assess and develop recommendations to address their workforce needs and use assessment results to inform future workforce decisions.⁶⁷

According to our analysis of EDI documents and interviews with officials, these staffing issues have hindered EDI's ability to effectively identify and address DEIA barriers. In fiscal year 2022, EDI conducted an analysis of its core services and programs and identified risks related to staffing levels, workload, and capacity to complete critical program tasks. However, this analysis was broadly focused on EDI's top-level functions and did not comprehensively assess staffing issues hampering its ability to perform barrier analyses.

Without fully assessing and developing recommendations to address EDI's barrier analysis staffing issues to help ensure adequate resources, EDI may continue to lack the capacity to effectively identify and eliminate barriers to advancing DEIA in the workforce.

IRS Has Multiple DEIA Strategic Goals and Incomplete Performance Measures

Three Strategic Plans with DEIA Goals

Our review found that IRS has established DEIA goals in three separate strategic plans which differ markedly from one another:

- **DEIA Strategy and Roadmap.** In fiscal year 2021, IRS developed a DEIA Strategy and Roadmap for fiscal years 2022 to 2024.⁶⁸ Its stated purpose is to provide an agencywide multiyear strategy and

⁶⁶GAO-24-106684 and GAO-05-90.

⁶⁷OPM, *Workforce Planning Guide* (Washington, D.C.: Nov. 2022).

⁶⁸IRS refers to this as its EDIA Strategy and Roadmap. For purposes of consistent terminology, and because the meaning is the same, we refer to it in this report as the DEIA Strategy and Roadmap.

implementation roadmap to advance workforce DEIA. This plan articulates eight DEIA goals, focused on opportunity, recruiting and onboarding, engagement and inclusion, employee support, community relationships, equitable practices, responsibility and accountability, and governance.

- **DEIA Strategic Plan.** In fiscal year 2022, IRS developed a DEIA Strategic Plan. Its stated purpose is to implement Treasury’s DEIA Strategic Plan for fiscal years 2022 to 2026 released in April 2022 pursuant to Executive Order 14035. IRS’s plan articulates four DEIA goals focused on structure and management; pay, compensation, recruiting, hiring, and retention; employee development, training, and culture; and accessibility.
- **Strategic Operating Plan.** In April 2023, IRS issued a Strategic Operating Plan for fiscal years 2023 to 2031. Its stated purpose is to provide a high-level vision for implementation of the Inflation Reduction Act. This plan articulates five goals, with one related to DEIA. The DEIA goal focuses on workforce culture and attracting, retaining, and empowering a diverse workforce. IRS’s Strategic Operating Plan states that it supersedes the agency’s prior strategic plans. However, in providing a high-level vision, it omits many DEIA initiatives outlined in the other plans, including those related to identifying and addressing workforce barriers under MD-715.

The leading practices we have identified for DEIA management state that agencies should have a DEIA strategic plan to, among other things, help communicate actionable steps to external and internal stakeholders and hold individuals and groups accountable for advancing DEIA goals.⁶⁹ In addition, *Standards for Internal Control* states that agencies should define objectives clearly so they are understood at all levels of an agency.⁷⁰

According to EDI officials, they consider elements of all three plans to guide their DEIA efforts. They acknowledged, however, that having multiple plans creates challenges for agency stakeholders and oversight entities, such as Congress and inspectors general.

With multiple plans articulating differing DEIA goals, IRS’s DEIA efforts are neither clear nor transparent, hindering decision-makers’ ability to set priorities, allocate resources, and restructure efforts, as needed, to ensure effective DEIA advancement. In addition, where DEIA goals and

⁶⁹[GAO-24-106684](#) and [GAO-05-90](#).

⁷⁰[GAO-14-704G](#).

initiatives are not clearly documented, there is potential for the loss of organizational knowledge.

Performance Measures

In addition to differing DEIA goals across IRS's strategic plans, we found that associated performance measures also differ, and some are missing. For example:

- The four goals in IRS's DEIA Strategic Plan are each followed by placeholders labeled "TBD" for quarterly operational activities to measure progress, annual outcome measures, individuals or teams responsible, and resources dedicated. IRS reports some of this information through a Treasury online dashboard created in 2023, but reported information does not include measures of progress and outcomes or resources dedicated.
- The eight goals in IRS's DEIA Strategy and Roadmap are each accompanied by "suggested" performance measures, with a note that decisions will be made later to finalize them. In February 2024, EDI officials told us they had separately developed performance measures for the first 2 of the 3 years covered by the plan, but not for fiscal year 2024. Based on our review of IRS documentation regarding these separate measures, they had not been finalized as of March 2024.

Our work on evidence-based policymaking has shown that establishing performance measures and using the data collected for them can help agencies conduct regular program evaluations, track progress toward goals, and determine whether and how to improve results.⁷¹ In addition, the leading practices we have identified for DEIA management state that performance measures help achieve an agency's desired DEIA organizational outcomes.⁷²

In April 2024, EDI officials told us that agency-wide transformations, including those undertaken in response to the Inflation Reduction Act, have hindered their development of DEIA performance measures. However, without performance measures for its DEIA strategic goals, IRS does not have the data it needs to effectively assess its progress toward those goals or to inform decisions about further actions.

⁷¹See, for example, GAO, *Evidence-Based Policymaking: Practices to Help Manage and Assess the Results of Federal Efforts*, [GAO-23-105460](#) (Washington, D.C.: July 12, 2023), and *Program Evaluation: Key Terms and Concepts*, [GAO-21-404SP](#) (Washington, D.C.: Mar. 22, 2021).

⁷²[GAO-24-106684](#) and [GAO-05-90](#).

Conclusions

IRS has overly relied on workforce data to identify triggers pointing to potential barriers. Consequently, IRS has missed opportunities to identify additional triggers present in the workforce. Leveraging relevant results from our analyses of IRS's workforce composition and employee outcomes would provide additional opportunities to identify triggers to inform IRS's next annual barrier analysis effort.

IRS's stakeholder consultation and collaboration throughout the barrier analysis process has also been limited, particularly in relation to employee groups and equal employment opportunity staff. As a result, IRS has been hindered in its ability to fully identify and address DEIA workforce barriers.

Staffing issues—including vacancies and turnover, staffing shortages, and increased responsibilities—have contributed to IRS's barrier analysis challenges. Comprehensively assessing and developing recommendations to address these issues and using the results would help to ensure these issues are addressed.

Additional challenges are presented by the existence of differing DEIA goals across multiple strategic plans with associated performance measures that are incomplete. Establishing a unified DEIA strategic plan would help guide development and implementation of agencywide DEIA initiatives. Moreover, establishing performance measures for the goals in that plan and using the data collected for those measures would help IRS assess progress toward its DEIA goals and inform decisions about actions needed to progress further.

Recommendations for Executive Action

We are making the following eight recommendations to IRS:

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion updates its barrier analysis policies and procedures to incorporate the regular use of many information sources for trigger identification. (Recommendation 1)

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion uses relevant results from our analyses of its workforce composition and of outcomes related to employee promotion, salary, and separation to inform its next annual barrier analysis effort. (Recommendation 2)

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion updates its barrier analysis policies and

procedures to ensure regular consultation and collaboration with stakeholders, including employee groups and equal employment opportunity program staff, throughout the barrier analysis process. (Recommendation 3)

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion conducts a comprehensive assessment of and develops recommendations to address staffing issues hampering its ability to perform barrier analyses. (Recommendation 4)

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion uses the results of its comprehensive staffing assessment to take actions to address staffing issues hampering IRS's barrier analyses. (Recommendation 5)

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion establishes a unified DEIA strategic plan to determine goals for and guide the development and implementation of agencywide DEIA initiatives. (Recommendation 6)

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion establishes performance measures for the goals in its unified DEIA strategic plan. (Recommendation 7)

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion uses the data collected for its established performance measures to assess progress toward its DEIA goals and to inform decisions about further efforts. (Recommendation 8)

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of the Treasury and IRS for review and comment. IRS provided written comments that are reproduced in appendix IV and summarized below. IRS also provided technical comments, which we incorporated as appropriate. In addition, we provided sections of the draft report to EEOC for technical review. EEOC provided technical comments, which we incorporated as appropriate.

In its comments, IRS agreed with our recommendations and described actions it has planned to implement them. Regarding our second recommendation, IRS noted that it will use the relevant civilian labor force instead of the national civilian labor force as the benchmark against which to compare its workforce. In our report, we compare IRS to the national civilian labor force—in addition to the federal workforce—because IRS

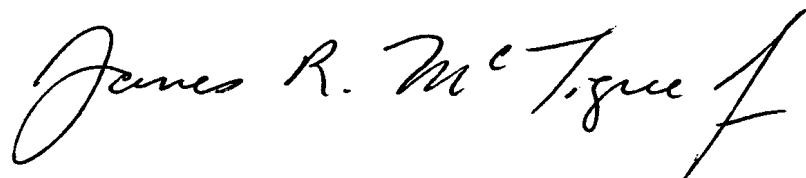
has long highlighted the importance of ensuring its workforce reflects the diversity of the nation it serves. We do not take issue with IRS comparing its workforce to the relevant civilian labor force, which it has done in its MD-715 reports, alongside its comparisons of the IRS workforce to the national civilian labor force. Each are valid for different purposes.

IRS also states that our analysis did not include the IR pay plan, which includes supervisory and management employees and represents about 10 percent of the IRS workforce. In fact, we included the IR pay plan (and all active, full-time, nonseasonal employees) in each of our quantitative analyses, except those on rank in the first objective and promotion in the second. Moreover, as IRS acknowledges in its comments, we conducted sensitivity analyses to test the effect of the IR pay plan on our rank and promotion analyses. For both, we found that the results were generally consistent with or without the IR pay plan. For example, we found that disparities in demographic representation across rank persisted whether the IR pay plan was included or not. This is consistent with IRS's own findings in its MD-715 reports that highlight disparities in demographic representation across rank when examining all IRS pay plans combined.

We are sending copies of this report to the appropriate congressional committees, the Secretary of the Treasury, and the Commissioner of Internal Revenue. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-6806 or McTigueJ@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made contributions to this report are listed in appendix V.

Sincerely yours,

A handwritten signature in black ink that reads "James R. McTigue, Jr." with a stylized flourish at the end.

James R. McTigue, Jr.
Director, Tax Policy and Administration
Strategic Issues Team

Appendix I: Objectives, Scope, and Methodology

This report examines (1) the demographic composition of the Internal Revenue Service (IRS) workforce over the last 10 years; (2) the extent to which promotion, salary, and separation outcomes differed by demographic group in IRS's workforce during that time; and (3) the extent to which IRS has identified and taken steps to address barriers to diversity, equity, inclusion, and accessibility in its workforce. Concurrent with this report we are publishing supplemental material which presents additional results from our analyses.¹

For all objectives, we reviewed relevant federal laws, regulations, and executive orders, as well as IRS documents related to diversity, equity, inclusion, and accessibility (DEIA).² We also reviewed our related past reports on the IRS workforce and on workforce DEIA at federal agencies.³ In addition, we conducted interviews with officials from IRS, the Department of the Treasury, and the Equal Employment Opportunity Commission (EEOC).

IRS Personnel Data

For our first two objectives, we obtained IRS personnel data from Treasury's Data Insight system for all IRS employees from fiscal years

¹GAO, *Supplemental Material for GAO-24-105785: IRS Workforce Demographic Composition and Employee Outcomes*, [GAO-24-107365](#) (Washington, D.C.: Sept. 9, 2024).

²For purposes of this report, we use the definitions of DEIA as specified in Executive Order 14035, Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce, 86 Fed. Reg. 34593 (June 25, 2021). The order defines (1) diversity as the practice of including the many communities, identities, races, ethnicities, backgrounds, abilities, cultures, and beliefs of the American people, including underserved communities; (2) equity as the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment; (3) inclusion as the recognition, appreciation, and use of the talents and skills of employees of all backgrounds; and (4) accessibility as the design, construction, development, and maintenance of facilities, information and communication technology, programs, and services so that all people, including people with disabilities, can fully and independently use them.

³See, for example, GAO, *Equal Employment Opportunity Commission: Improved Oversight Processes Needed to Help Agencies Address Program Deficiencies*, [GAO-24-105874](#) (Washington, D.C.: June 13, 2024); *U.S. Postal Service: Opportunities Exist to Strengthen Workforce Diversity Efforts*, [GAO-24-105732](#) (Washington, D.C.: Dec. 15, 2023); *DOD Civilian Workforce: Actions Needed to Analyze and Eliminate Barriers to Diversity*, [GAO-23-105284](#) (Washington, D.C.: June 21, 2023); *Intelligence Community: Additional Actions Needed to Strengthen Workforce Diversity Planning and Oversight*, [GAO-21-83](#) (Washington, D.C.: Dec. 17, 2020); *State Department: Additional Steps Are Needed to Identify Potential Barriers to Diversity*, [GAO-20-237](#) (Washington, D.C.: Jan. 27, 2020); and *Internal Revenue Service: Strategic Human Capital Management is Needed to Address Serious Risks to IRS's Mission*, [GAO-19-176](#) (Washington, D.C.: Mar. 26, 2019).

2013 through 2022—the most recent data available at the time of our request. This included individual-level quarterly snapshot data and fiscal year transaction data. The individual-level quarterly snapshot data included demographic and administrative data for each employee, such as sex, race, ethnicity, disability status, and veteran status.⁴ The fiscal year transaction data included personnel actions such as the timing of separations for individual employees.

For both objectives, we focused our analyses on IRS's full-time, nonseasonal workforce which represents the vast majority of IRS employees (87 percent in fiscal year 2022). IRS also has a large seasonal workforce, hired primarily to assist with the annual tax filing season. However, seasonal employees at IRS work predominantly in lower-ranked positions without career-advancement potential.⁵ We also restricted our analyses to active workers, as compared to those on furlough, leave without pay, or suspension.

We assessed the reliability of the IRS personnel data by conducting electronic data tests for completeness and accuracy, reviewing related documentation, and interviewing knowledgeable officials about how the data were collected and maintained and their appropriate uses. Electronic testing included, but was not limited to, checks for missing data elements, duplicative records, and values outside a designated range or valid time period. We determined these data were sufficiently reliable for the purposes of describing IRS's workforce and analyzing employee outcomes related to promotion, salary, and separation.

Demographic Composition

For our first objective, we used the IRS individual-level quarterly snapshot data to examine the demographic composition of IRS's workforce during fiscal years 2013 through 2022. Focusing on the fourth quarter of each year, we calculated the number and percentage (i.e., representation) of

⁴The individual-level snapshot data also included employee age, date of entry to IRS, pay plan, grade, annual salary, occupation, and unique identifiers.

⁵Seasonal employees represented between 11 and 20 percent of IRS's total workforce in fiscal years 2013 through 2022. During these years, nearly all IRS seasonal workers (over 98 percent each year) were employed in lower-ranked positions (ranging from the GS-1 to 8 levels). Although seasonal IRS employees can become nonseasonal employees under some circumstances, it is uncommon. Specifically, between 2013 and 2022, roughly 3 percent of IRS seasonal employees moved from seasonal to nonseasonal positions. This indicates that seasonal employment at IRS is generally not a path to senior-level positions in the agency.

employees by gender, race or ethnicity, disability status, and veteran status.

- **Gender.** The data we analyzed include demographic information based on Office of Personnel Management (OPM) standards, which define sex as female and male and do not include further information on gender identity. In this report, we use gender terms of “women” and “men” to describe female and male employees. For instances where an employee’s reported gender changed, we assigned the most recent value to all available years.
- **Race or ethnicity.** The data we analyzed include race and ethnicity information based on the following OPM categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, White, and two or more races.⁶ Employees who identified as Hispanic or Latino are included in that category irrespective of whether they also identified as a separate race. We analyzed these categories in two ways: (1) by individual racial or ethnic group, and (2) by historically disadvantaged racial or ethnic groups (comprising all except White). For the former, we combined the three categories of American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and two or more races into a single “Other” category given their small numbers in the data.
- **Disability status.** The data we analyzed include disability information based on OPM’s Standard Form 256, *Self-Identification of Disability Form*. On this form, employees may self-identify as having a targeted or non-targeted disability. In this report, unless otherwise stated, “persons with disabilities” refers to those employees who self-identified as having either of these. We also report data on persons who reported having targeted and non-targeted disabilities separately.
- **Veteran status.** The data we analyzed include information on whether an employee claimed eligibility for veterans’ preference points and on what basis. In this report, unless otherwise stated, the term “veteran” refers to those employees who claimed eligibility for

⁶In March 2024, the Office of Management and Budget published revisions to *Statistical Policy Directive No. 15 (Directive No. 15): Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity*—the first since 1997. The revisions update questions used to collect information on race and ethnicity. For example, they use one combined question for race and ethnicity, add Middle Eastern or North African as a response option, and encourage respondents to select as many response options as apply to how they identify. These revisions do not apply to our analyses, however, as they take effect following the time period under our review.

veterans' preference points based on having served in the armed forces, but not those who did so based on familial or spousal status.⁷

In addition to analyzing gender and race or ethnicity separately, we also analyzed the number and percentage of employees by gender within individual racial or ethnic groups. For each fiscal year, we analyzed these numbers and percentages for IRS overall and by rank, occupation, and division.

- **Rank.** We grouped employees into four categories: (1) employees in the General Schedule (GS) pay plan at grades 10 and below (low-level positions); (2) employees in the GS pay plan at grades 11 to 13 (mid-level positions); (3) employees in the GS pay plan at grades 14 to 15 (feeder pool for IRS senior and executive positions); and (4) employees at the executive level (those identified with the ES, SL, AD, and EX pay-plan codes). These employees together represented 89.2 and 89.3 percent of the full-time, nonseasonal IRS workforce at the end of fiscal years 2013 and 2022, respectively.
- **Occupation.** We focused on IRS's six MD-715 reported mission critical occupations. Within these, we grouped employees into two categories: (1) employees in occupations IRS designated as mission critical because of their senior-level career advancement potential (criminal investigator, information technology management, revenue agent, revenue officer) and (2) employees in occupations which, according to IRS, do not have career advancement potential beyond the GS-11 level (contact representative and tax examiner). We refer to these as career-potential and career-limited occupations, respectively. In fiscal year 2022, employees in these six occupations represented 62.2 percent of the agency's full-time, nonseasonal workforce.
- **Division.** We limited the analysis to six divisions which together employed 84 percent of IRS's full-time, nonseasonal workforce at the end of fiscal year 2022. These include (1) the agency's four primary divisions which each serve a particular type of taxpayer: Large Business and International, Small Business and Self-Employed, Tax Exempt and Government Entities, and Wage and Investment; and (2) the two divisions beyond those four with the largest number of employees at the end of fiscal year 2022: Criminal Investigation and Information Technology.

⁷Veterans and certain related family members can be eligible for federal employment hiring preferences based on military service. See 5 C.F.R. §§ 211.101-211.103.

Comparison to Federal and Civilian Workforces

We also compared the demographics of IRS's workforce in fiscal year 2022 to (1) the federal workforce using OPM's Enterprise Human Resources Integration database for fiscal year 2022 and (2) the national civilian labor force using the Census Bureau's annual American Community Survey (ACS) Public Use Microdata Sample (PUMS) for calendar year 2022.⁸ These were the most recent data available at the time of our analysis. We used the national civilian labor force data as one of our benchmarks because IRS reported having a goal for its workforce to represent the diverse communities IRS serves nationwide.

We compared the demographics of each workforce by gender, race or ethnicity, disability status, and veteran status.

- **Gender and race or ethnicity.** We analyzed gender and race or ethnicity in the federal workforce and civilian labor force using the same approach as in our analysis of IRS, described above.
- **Disability status.** The IRS, federal, and civilian labor force datasets each rely on self-reporting of disabilities. For the civilian labor force data, individuals are asked if they have difficulties completing tasks related to six categories of disabilities, while IRS and other federal agencies ask individuals to identify which disability they have. Though the sources differ in how they ask about disability, we coded the data to indicate whether a person self-reported a disability or not, enabling comparison.
- **Veteran status.** In our analysis, the term "veteran" refers (1) in the IRS data to employees claiming eligibility for veterans' preference points based on having served in the armed forces (excluding those claiming eligibility based on familial or spousal status); (2) in the federal workforce data to employees who served in the armed forces and claimed eligibility for veterans' preference points; and (3) in the civilian labor force data to employees who served in the armed forces.

We assessed the reliability of the federal workforce and civilian labor force data through multiple steps including review of relevant OPM and

⁸For our analysis of ACS data, we included only respondents in the civilian labor force, meaning the respondents were at least 16 years old, employed or unemployed, and not in the armed forces. The 1-year ACS files contain records for about 1 percent of the total population. PUMS data contain a sample of individual records of people and households that responded to the ACS survey and permit analyses not available through the pre-tabulated tables on data.census.gov. Geographically, the data cover states and the District of Columbia and report data for Public Use Microdata Areas, which are non-overlapping areas that partition the states and District of Columbia into contiguous geographic units containing no fewer than 100,000 people in each.

Census Bureau documentation and electronic tests of the data. We determined these data were sufficiently reliable for the purposes of comparing the demographics of IRS’s workforce with the federal workforce and civilian labor force.

Promotion, Salary, and Separation Outcomes

For our second objective, we used the IRS individual-level quarterly snapshot and fiscal year transaction data to examine promotion, salary, and separation outcomes by demographic group during fiscal years 2013 to 2022 through two types of analyses—descriptive and adjusted.

Descriptive Analyses

With our descriptive analyses, we compared annual promotion rates, annual separation rates, and average salary by gender, race or ethnicity, disability status, and veteran status. We calculated promotion rates as the total number of annual promotions in each GS grade divided by the number of annual records in each GS grade. We calculated annual separation rates based on the time of employees’ first separation, if any. We calculated average annual salary based on the fourth quarter of each fiscal year, adjusting for inflation to fiscal year 2022 dollars.

Results of our descriptive analyses are presented in our supplement.⁹ These results are useful to understand relationships between different groups. However, they account for one factor at a time—gender, racial or ethnic group, disability status, or veteran status—and not other factors that may influence promotion, salary, and separation outcomes. Therefore, we next conducted adjusted analyses using multivariate statistical models accounting for the same four factors together, along with additional individual and occupational factors that could influence career outcomes.

Adjusted Analyses

With our adjusted analyses, we compared the statistical difference in promotion, salary, and separation outcomes between a particular demographic group and a benchmark (excluded group), while controlling for other factors. The excluded groups in our analyses were men, White employees, White men, persons without disabilities, and non-veterans.¹⁰ Results of our adjusted analyses are presented in our supplement.¹¹

⁹[GAO-24-107365](#).

¹⁰We express our confidence in the precision of our estimates as statistically significant differences. We consider differences in our estimates to be statistically significant if they were significant at the 95 percent level.

¹¹[GAO-24-107365](#).

- **Promotion.** We used a discrete-time multivariate statistical logit model¹² to analyze the number of fiscal-year quarterly cycles it took to be promoted up through the GS grades and from GS to the executive level.¹³ This method estimated promotion odds by accounting for certain factors other than gender, racial or ethnic group, disability status, and veteran status that could influence promotion.¹⁴ Specifically, our models controlled for the length of time in each GS grade prior to promotion, whether an employee was over age 40 when hired at IRS, occupation groups, and fiscal years. We considered promotion to be an increase in grade between quarters.¹⁵
- **Salary.** We used panel data regressions with random effects models to analyze average salary differences across demographic groups while controlling for other factors.¹⁶ Specifically, we controlled for additional factors including years of IRS service, whether an

¹²This is a type of duration analysis, which is a statistical method for analyzing various event occurrences and event timing, used when the relevant variables take the form of a duration, or the time elapsed, until a certain event occurs (e.g., number of quarters until promotion). Duration analysis allows an estimate of the probability or odds of exiting the initial state within a short interval, conditional on having been in the state up to the starting time of the interval (e.g., the probability of being promoted, conditional on not having been promoted at the time the data were observed). We have conducted discrete-time method analyses in multiple audits to examine promotion outcomes across different demographic groups. See, for example, [GAO-24-105732](#); [GAO-23-105284](#); and [GAO-20-237](#).

¹³The executive level includes Senior Executive Service employees identified with the ES pay-plan code and additional senior-level employees identified with the SL, AD, and EX pay-plan codes.

¹⁴Our discrete-time method models produce odds ratios that compare the likelihood of promotion occurring for different demographic groups in a given quarter. An odds ratio of 1 indicates that a particular demographic group had the same likelihood of promotion as the benchmark. An odds ratio of less than 1 indicates a given demographic group had a lower likelihood of promotion. An odds ratio of greater than 1 indicates that a particular demographic group had a higher likelihood of promotion than the benchmark. We calculated percent differences in likelihood of promotion using the formula: $(\text{odds ratio} - 1) * 100$.

¹⁵We grouped employees at the GS-6 grade and below together because these are lower-ranked positions comprising less than 20 percent of our population of interest. We considered employees in this group to have been promoted if their GS grade increased between quarters from any grade in this range. We also grouped employees in the GS-9 and 10 grades together because our data indicated these grades follow a two-interval progression (e.g., nearly all employees promoted from the GS-9 grade went directly to GS-11 or higher). As a result, we only considered promotions for employees in this group if their grade increased to GS-11 or higher between quarters.

¹⁶We conducted Hausman and Lagrange multiplier tests and concluded that random effects models were needed. Fixed effects were not appropriate given that we had time-invariant variables.

employee was over age 40 when hired at IRS, occupation groups, and fiscal years. We used cluster-robust methods to estimate standard errors, with unique employee identifiers defining the clusters. We compared average salary outcomes of particular demographic groups with their benchmarks and presented the differences as percent differences. To do so, we log transformed salary outcomes. To provide additional context on the magnitude of dollar differences, we also analyzed how salary levels differed by demographic group. We adjusted all dollar amounts for inflation to fiscal year 2022 dollars.

- **Separation.** We used a discrete-time multivariate statistical logit model—similar to our promotion analysis described above—to analyze the likelihood and timing of employee separation.¹⁷ This method estimated separation odds by accounting for certain factors other than gender, racial or ethnic group, disability status, and veteran status that could influence separation.¹⁸ Specifically, our models controlled for additional factors such as the length of time at IRS prior to the first separation, whether an employee was over age 40 when hired at IRS, occupation groups, and fiscal years. In addition, our models analyzed three types of separations from IRS: separation for any reason, separation for any reason other than death, and separation for any reason other than death or retirement.

Limitations and Other Considerations for Composition and Outcome Analyses

Our analyses, taken alone, neither prove nor disprove the presence of discrimination. In addition, they do not capture all considerations for demographic composition and career outcomes in the IRS workforce. For example, our analyses were restricted to IRS’s active, full-time, nonseasonal workforce and our analyses of rank (both composition and promotion) were restricted to IRS employees identified with the GS, ES, SL, AD, and EX pay-plan codes. This accounts for the vast majority of IRS employees but not those outside this study population.

Our rank analyses (both composition and promotion) did not include the IR pay plan, which accounts for about 10 percent of IRS employees and includes supervisory and management positions. We conducted

¹⁷We have conducted similar discrete-time method analyses in multiple audits to analyze separation outcomes across different demographic groups. See, for example, [GAO-24-105732](#) and GAO, *Female Active-Duty Personnel: Guidance and Plans Needed for Recruitment and Retention Efforts*, [GAO-20-61](#) (Washington, D.C., May 19, 2020).

¹⁸Our discrete-time method models produce odds ratios that compare the likelihood of separation for different demographic groups in a given fiscal year. We calculated percent differences in separation likelihood using the formula: $(\text{odds ratio} - 1) * 100$.

sensitivity analyses to test the effect of the IR pay plan on our results. We found that the results were generally consistent with or without the IR pay plan. For example, we found that disparities in demographic representation across rank persisted whether the IR pay plan was included or not. This is consistent with IRS’s own findings in its MD-715 reports that highlight disparities in demographic representation across rank when examining all IRS pay plans combined.

Additionally, our adjusted analyses captured various observable variables and controlled for a range of characteristics across different demographic groups. However, they did not account for various unobserved factors that may affect career outcomes, such as employee skill, motivation, performance, or ability. Any of these unobserved factors could increase or decrease our estimates. Therefore, our adjusted analyses do not establish a causal relationship between demographic characteristics and promotion, salary, and separation outcomes.

Our career outcomes analyses may also be influenced or limited by various other factors, such as those shown in table 4.

Table 4: Additional Factors That May Influence Career Outcomes

Outcome	Factor	Description
Promotion	Occupation segmentation	We controlled for employee occupation to help estimate the statistical relationship between promotion outcomes and gender, race or ethnicity, disability status, or veteran status that exists beyond any statistical relationship between occupation and promotion outcomes. In other words, by controlling for occupation, we accounted for whether certain occupations have more limited promotion potential. However, this may have prevented us from considering differences in promotion outcomes due to systematic differences in occupation distribution or segmentation across racial or ethnic groups and by gender, disability status, and veteran status. If certain demographic groups tend to be segmented in occupations with relatively limited promotion potential, we might have observed lower likelihood of promotion for those groups compared to their benchmarks if we had not controlled for occupation. Our analysis may include employees who may have reached the maximum grade for their particular occupation and may therefore have no remaining promotion potential in that occupation.
	Applicants and eligibility	Differences in promotion outcomes may result from discrepancies that could occur in any stage of the promotion process, such as application, assessment of eligibility or performance, or final selection. Our analyses included all individuals in the original grade and did not distinguish between those who did or did not apply for promotion or between those who were eligible or ineligible for promotion.
	Promotion types	By controlling for occupation, we controlled for situations where some occupations may be more likely to have career-ladder (i.e., noncompetitive) than competitive promotions. ^a In addition, by analyzing promotions separately by grade level while controlling for occupation, we controlled for situations where the promotion structure may have changed from noncompetitive to competitive. However, our estimates do not explicitly differentiate between noncompetitive and competitive promotions. Career-ladder promotions tend to be more likely than competitive promotions, and we are not accounting for this difference. The effect of the promotion type could decrease or increase our estimates of odds of promotion.

Appendix I: Objectives, Scope, and Methodology

Outcome	Factor	Description
	Attrition differences	Behavioral motivations and outcomes related to attrition may influence demographic groups differently. The potential differential trends related to attrition could be one explanation for differences of the likelihood of promotion. Because we controlled for a variety of factors that may affect the likelihood of promotion, any residual differences between employees who left and those who stayed would be unrelated to the factors we controlled for, including employees' demographic characteristics.
	Budget constraints	The specific number of promotion slots available each year may vary as a result of annual budget constraints. We controlled for some aspects of possible budget constraints by including control variables for each fiscal year, but our data did not capture the specific number of promotion slots available each year. In addition, our estimates did not capture the extent to which fiscal year budget constraints affected promotion opportunities differently across occupations or IRS components.
	Pay plan differences	Pay-plan codes outside our study population may have different grade structures or career progression opportunities. If certain demographic groups tend to be concentrated in pay plans with relatively limited promotion potential, we might have observed lower likelihoods of promotion for those groups compared to their benchmarks if we included them in our adjusted analysis.
Salary	Occupation segmentation	We controlled for employee occupation to help estimate the statistical relationship between salary and gender, race or ethnicity, disability status, or veteran status that exists beyond any statistical relationship between occupation and salary. In other words, by controlling for occupation, we accounted for whether certain occupations have lower salaries. However, this may have prevented us from considering differences in salary outcomes due to systematic differences in occupation distribution or segmentation across racial or ethnic groups and by gender, disability status, and veteran status. If certain demographic groups tend to be segmented in occupations with lower salaries, we might have observed lower average salary for those groups compared to their benchmarks if we had not controlled for occupation.
	Career choice	Employees may make career choices based on factors other than salary. For example, an employee may opt to pursue a career with a lower salary but greater workplace flexibilities than another position for which they are qualified.
	Data limitation	The IRS personnel data we obtained did not include information on all factors that may influence employee salary, such as education and prior work experience. We controlled for certain aspects of possible education and experience disparities in some models by considering GS grade and found salary differences to be smaller in doing so, but still statistically significant at a 95 percent confidence level.
Separation	Data limitation	The IRS personnel data we obtained did not include information on all factors that may influence employee separation, such as marital status and family care responsibilities. Such factors may disproportionately impact certain demographic groups and therefore account for some degree of separation disparities. The data similarly did not include information on potentially relevant factors such as labor market conditions and outside career opportunities that may influence separation.

Source: GAO analysis of Internal Revenue Service (IRS) data. | GAO-24-105785

³Career-ladder promotions are noncompetitive until an employee reaches the full performance level for the occupation, after which further promotions become competitive.

IRS's Barrier Analyses

For our third objective, we reviewed relevant laws and EEOC regulations, reporting instructions, and guidance related to annual Management

Directive 715 (MD-715) reports for conducting barrier analyses.¹⁹ We also reviewed other relevant criteria including federal internal control standards, evidence-based policymaking practices, leading practices for DEIA management, and workforce planning guidance.²⁰

Further, we reviewed the information IRS provided to EEOC in its annual MD-715 reports for fiscal years 2013 to 2022, including the results of its barrier analyses. Specifically, we focused on sections where IRS is required to report the barrier analyses it conducted to identify root causes of any workforce trends, disparities, and anomalies it identified.²¹ We also focused on IRS's self-assessments in meeting its responsibilities to provide equal employment opportunities for qualified applicants and employees with disabilities and targeted disabilities. In addition, we reviewed EEOC technical assistance feedback and program evaluation reports provided to IRS during the same time frame.²²

¹⁹Equal Employment Opportunity Commission, Equal Employment Opportunity: Management Directive 715, EEO MD-715 (Oct. 1, 2003). MD-715 provides policy guidance and standards to federal agencies for establishing and maintaining effective equal employment opportunity programs and affirmative action programs for persons with disabilities. See 42 U.S.C. § 2000e-16; 29 U.S.C. § 791. This includes a framework for agencies to conduct barrier analysis to determine whether barriers to EEO exist and to identify and develop strategies to eliminate barriers to participation. Agencies are required to report the results of their analyses annually to EEOC.

²⁰GAO, *Federal Workforce: Leading Practices Related to Diversity, Equity, Inclusion, and Accessibility*, [GAO-24-106684](#) (Washington, D.C.: May 23, 2024); *Evidence-Based Policymaking: Practices to Help Manage and Assess the Results of Federal Efforts*, [GAO-23-105460](#) (Washington, D.C.: July 12, 2023); Office of Personnel Management, *Workforce Planning Guide* (Washington, D.C.: Nov. 2022); GAO, *Program Evaluation: Key Terms and Concepts*, [GAO-21-404SP](#) (Washington, D.C.: Mar. 22, 2021); *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014); and *Diversity Management: Expert-Identified Leading Practices and Agency Examples*, [GAO-05-90](#) (Washington, D.C.: Jan. 14, 2005).

²¹The steps in EEOC's barrier analysis process are: (1) use many information sources to identify triggers (trends, disparities, or anomalies that could indicate potential barriers to equal employment opportunity); (2) investigate triggers and form a working hypothesis of underlying barriers (policies, procedures, practices, or conditions causing the triggers); (3) for each potential barrier, develop a plan that includes action items, responsible personnel, and target dates to eliminate the barrier; and (4) assess plan results and make adjustments as needed to determine whether actual barriers are eliminated.

²²According to EEOC officials, as part of its oversight responsibilities, EEOC conducts technical reviews of federal agencies' equal employment opportunity programs every 3 years. EEOC evaluated IRS in fiscal years 2015, 2017, and 2021. EEOC officials stated that they will evaluate IRS again in 2024.

As part of our analysis, we assessed the extent to which IRS had completed each step of EEOC's barrier analysis process for the eight triggers IRS reported to EEOC during fiscal years 2013 to 2022. We applied EEOC's barrier analysis criteria and used a scorecard methodology. Specifically, one analyst reviewed and rated the extent to which IRS's reported actions addressed each step, using a three-point scale of "step completed" (evidence of actions/activities that addressed the step with no identified gaps), "partially completed" (some evidence of actions/activities to address the step, but there were gaps), or "not completed" (no actions/activities addressed the step and there were gaps). A second analyst then reviewed the first analyst's decisions to determine whether they agreed.

Moreover, we reviewed additional related IRS documents, including policies, procedures, guidance, internal assessments, and strategic and performance plans. We also reviewed and analyzed two data sources that EEOC identifies as sources agencies should consult during the barrier analysis process.

- **Complaints.** We analyzed IRS complaints data from its submissions of the Annual Federal Equal Employment Opportunity Statistical Report of Discrimination Complaints (EEOC Form 462) and federal government-wide complaints data from EEOC Form 462. To do so, we calculated the percentage share of complaints filed by basis—the type of discrimination alleged, such as race, religion, sex, age, disability, or reprisal—for IRS from fiscal years 2018 to 2022 and federal government-wide from fiscal years 2018 to 2021. These were the most recent data available at the time of our analysis. We then compared the IRS and government-wide percentages to examine whether IRS received a disproportionate share of complaints filed by any particular basis compared to those filed government-wide. We assessed the reliability of these data by reviewing methodological documentation and obtaining information from agency officials responsible for the data. We found the data to be sufficiently reliable for our purposes.
- **Federal Employee Viewpoint Survey.** We analyzed IRS employee responses to DEIA-related questions from OPM's Federal Employee Viewpoint Survey (FEVS) from 2018 through 2022. To do so, we selected IRS respondents from a data extract that OPM provides us

annually.²³ We then analyzed IRS employee responses to 13 DEIA questions OPM added to FEVS in 2022 and responses to the following question from the 2018 to 2022 surveys: “My supervisor is committed to a workforce representative of all segments of society.” For both, we analyzed responses by 13 demographic variables.²⁴ Beginning in 2022, OPM analyzed and reported on the 13 DEIA questions as a DEIA index containing four DEIA subindexes. We analyzed the same 13 questions but did not replicate OPM’s approach. Instead, we numerically coded all survey responses in our sample as follows: strongly agree (5); agree (4); neither agree nor disagree (3); disagree (2); strongly disagree (1); and no basis to judge/do not know (N/A). Next, we calculated six means for each demographic variable.²⁵ Because our estimates were derived from sample surveys, the means have sampling errors (ranging from 0.5 to 29.7 percent for the 13 DEIA questions and from 0.5 to 28.9 percent for the supervisory commitment question). We assessed the reliability of these data by reviewing documentation for each year’s survey and conducting electronic data testing. We found the data sufficiently reliable for our purposes. Additional results of our FEVS analysis are presented in our supplement.²⁶

Additionally, we met with relevant IRS officials responsible for the department’s DEIA efforts including its Chief Diversity Officer; officials from the Office of Equity, Diversity, and Inclusion (EDI); and division-based EDI managers to discuss IRS’s barrier analysis and DEIA efforts. We also conducted interviews with leaders of the National Treasury Employees Union and 15 employee groups representing current IRS

²³In 2021, OPM contacted a probability sample of staff selected from within strata formed by agency divisions. In all other years, OPM contacted all employees in scope and did not use probability sampling methods. OPM provided base weights in each year that adjusted for varying nonresponse and sampling probabilities (if applicable). We accounted for varying selection probabilities by applying the base weights and jackknife replicate weights, which OPM provided in each year’s file.

²⁴The demographic variables we analyzed were age group; agency tenure; education; ethnicity; federal tenure; work location (e.g., headquarters, field office, and telework); intent to leave the agency; military service; pay category; race; estimated years until retirement; sex; and supervisory status.

²⁵We calculated one mean based on all 13 DEIA questions, four means based on the DEIA subindexes, respectively, and one mean for the question on supervisory commitment to a representative workforce. Means ranged from 1 to 5 with a higher mean indicating greater respondent satisfaction.

²⁶[GAO-24-107365](#).

employees to obtain their perspectives on IRS's DEIA efforts.²⁷ We interviewed officials from EEOC and Treasury to obtain their perspectives on federal requirements related to managing DEIA in the workplace and identifying and addressing DEIA workforce barriers, as well as their perspectives on IRS's efforts in these areas.

We conducted this performance audit from February 2022 to September 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

²⁷Throughout this report we refer to IRS employee groups. IRS refers to these groups as employee organizations and employee resource groups. We extended invitations to a total of 17 of these groups. We were unable to interview two: IRS Deaf Empowerment and Advocacy Forum and Christian Fundamentalist Internal Revenue Employees. We were unable to interview the first because it was no longer active. We were unable to interview the second because it declined to participate. The 15 we interviewed were: Asian Pacific Internal Revenue Employees, Blacks in Government IRS New Carrollton Chapter, Federal Muslim Employees, Hispanic Internal Revenue Employees, IRS Federally Employed Night Professionals, IRS GLOBE, Jewish Employee Federation, Society of American Indian Government Employees, Visually Impaired Employee Workforce, Association for the Improvement of Minorities in IRS, Federally Employed Women, InnovatIRS, Servant Leaders Organization, Military Outreach for Service, and Next Gen Network @IRS.

Appendix II: Status of IRS Barrier Analyses for Triggers Reported 2013 to 2022

Our review of Internal Revenue Service (IRS) MD-715 reports for fiscal years 2013 to 2022 found that IRS reported eight triggers to the Equal Employment Opportunity Commission (EEOC) during that time.¹ Of these, four relate to career advancement of historically disadvantaged racial and ethnic groups, one relates to discrimination complaints, and three relate to persons with disabilities. While IRS reported multiple triggers to EEOC during these years, we found that IRS often did not complete each of the required steps of the barrier analysis process (see fig. 23).

¹Triggers are trends, disparities, or anomalies in the representation of demographic groups protected by laws enforced by EEOC. Triggers may point to potential barriers to equal employment opportunity and workforce diversity, equity, inclusion, and accessibility.

Appendix II: Status of IRS Barrier Analyses for Triggers Reported 2013 to 2022

Figure 23: Status of IRS’s Barrier Analyses, Fiscal Years 2013 to 2022

Affected group	Trigger	EEOC barrier analysis process completion status ^a				Potential barrier identified?	Actual barrier identified?	Barrier analysis closed?	Trigger remains?
		Step 1: Identify triggers	Step 2: Investigate for barriers	Step 3: Develop plan	Step 4: Assess success				
Not reported	High volume of non-sexual harassment complaints	●	◐	●	◐	Yes: Lack of understanding regarding non-sexual harassment in the pre-complaint process.	No	Yes	Unknown
Blind or low vision employees	Reported accessible technology issues	●	●	●	◐	Yes: Inadequate process to request and implement technology accommodations.	No	Yes	Unknown
Deaf or hard of hearing employees	Reported accessible technology issues	●	●	●	◐	Yes: Requested interpreting services not provided. Inconsistent and insufficient use of alternatives when interpreting services unavailable.	No	Yes	Unknown
Hispanic or Latino, Black or African American, and Asian women	Low participation in Senior Executive Service (SES)	●	●	●	◐	Yes: A managing managers requirement. An endorsement requirement for internal Career Development Candidate program applicants.	No	Yes	Unknown
Hispanic or Latino, Asian, and Black or African American employees	Low participation in an executive readiness development program	●	●	◐	◐	Yes: An acknowledgement form used by a program candidate's business unit executive to assess the candidate.	No	No	Yes
Hispanic or Latino women	Low participation in General Schedule (GS) 12 to SES positions	●	◐	◐	○	No: IRS noted an education requirement and a maximum entry age for certain positions but did not provide detail as to whether these were potential barriers or only observations.	No	Yes	Unknown
Hispanic or Latino men	Low participation in GS-12 to SES positions	●	◐	◐	◐	No: IRS hypothesized that a history of low hiring for some positions impacted higher-grade participation but later reported potential barriers were unknown.	No	No	Yes
Persons with disabilities	Low participation in GS-11 to 14 positions for certain occupations	●	◐	◐	◐	No: IRS hypothesized that persons with disabilities may face barriers related to education, training, attitude, and unconscious bias, but IRS later stated the potential barriers were unknown.	No	No	Yes

● Step fully completed ◐ Step partially completed ○ Step not completed

Source: GAO analysis of Internal Revenue Service (IRS) Management Directive 715 annual reports. | GAO-24-105785

^aThe steps in the Equal Employment Opportunity Commission’s (EEOC) barrier analysis process are: (1) use many information sources to identify triggers (trends, disparities, or anomalies that could indicate potential barriers to equal employment opportunity); (2) investigate triggers and form a working hypothesis of underlying barriers (policies, procedures, practices, or conditions causing the triggers); (3) for each potential barrier, develop a plan that includes action items, responsible

**Appendix II: Status of IRS Barrier Analyses for
Triggers Reported 2013 to 2022**

personnel, and target dates to eliminate the barrier; and (4) assess plan results and make adjustments as needed to determine whether actual barriers are eliminated.

Appendix III: IRS Office of Equity, Diversity, and Inclusion Staffing Issues

The Internal Revenue Service (IRS) Office of Equity, Diversity, and Inclusion (EDI) is responsible for implementing IRS's barrier analyses. We found that staffing issues—including vacancies and turnover, staffing shortages, and increased responsibilities within EDI—contributed to the challenges IRS faced in meeting this responsibility.

- **Vacancies and turnover.** The results of our review found challenges related to frequent vacancies and turnover in positions responsible for IRS's barrier analyses. For example, from fiscal years 2013 to 2022, IRS had four individuals fill the role of Chief Diversity Officer—the agency's top leadership position for DEIA—with 4 years as the longest term served. More recently, the Chief Diversity Officer position stayed vacant from December 2022 to August 2023, with multiple individuals filling the role of Acting Chief Diversity Officer during that time.

Similarly, from 2013 to 2022, four individuals filled the role responsible for preparing IRS's annual MD-715 submission to EEOC—two in the position for 1 year—with no one listed as MD-715 preparer for 3 of the 10 years.¹ From 2018 to 2022, four individuals filled the role of program manager for IRS's barrier analysis on Hispanic employees. In 2022, EDI reported that two of its three barrier analysis management positions were vacant, as well as two positions responsible for gathering and assessing barrier analysis data.

As of December 2023, 12.6 percent of EDI's positions were vacant, with vacancy rates ranging across EDI components (see table 5). Notably, the component responsible for IRS's barrier analyses—the Diversity Strategy and Proactive Resolution Services section—had the highest vacancy rate of 38.5 percent.² We also experienced frequent turnover of EDI officials responding to our requests during our review.

¹One individual was listed as MD-715 preparer since fiscal year 2020. According to IRS officials, this individual was hired in November 2020 as a permanent project manager to oversee MD-715 preparation and submission.

²According to EDI officials, one factor contributing to EDI vacancies and turnover may be a lack of senior-level career advancement potential from many positions within EDI. For example, these officials stated that some EDI positions have career paths that stop at grade levels without a bridge to higher positions. Therefore, they said some staff have left EDI to seek promotion opportunities elsewhere.

Appendix III: IRS Office of Equity, Diversity, and Inclusion Staffing Issues

Table 5: IRS Office of Equity, Diversity, and Inclusion Number of Approved, Filled, and Vacant Positions and Vacancy Rates, as of December 2023

Component	Approved positions	Filled positions	Vacant positions	Vacancy rate ^a
Chief of Staff and Operations	11	9	2	18.2%
Civil Rights and Anti-Harassment	35	31	4	11.4%
Disability Services	77	67	10	13%
Diversity and Inclusion	39	32	7	17.9%
Diversity, Strategy, and Proactive Resolution Services	13	8	5	38.5%
Inclusion, Diversity, Education, and Advisory Section	13	12	1	7.7%
Other staff	13	12	1	7.7%
Equal Employment Opportunity	28	27	1	3.6%
Total	190	166	24	12.6%

Source: GAO analysis of Internal Revenue Service (IRS) documentation and data. | GAO-24-105785

Note: The data shown reflect EDI components and subcomponents of EDI's Diversity and Inclusion component (responsible for barrier analysis) but not other EDI subcomponents.

^aWe determined vacancy rate by dividing the number of vacant positions by the number of approved positions and rounding the result to the nearest tenth.

- **Staffing shortages.** In 2022, EDI reported it was experiencing significant staffing shortages with limited options to quickly backfill positions. It reported needing an additional 85 full-time equivalent staff to meet key metrics and service levels. EDI also reported a potential further decrease in staffing levels given employee retirement eligibility.³ In May 2024, EDI reported that it had since made progress toward addressing its staffing shortages. However, it also reported that staffing shortages and vacancies continued to hamper its ability to conduct and complete barrier analysis.
- **Increased responsibilities.** Concurrently, EDI has faced increasing expectations and responsibilities stemming from multiple DEIA-related executive orders issued in recent years.⁴ For example, EDI was

³Specifically, EDI reported having among the highest proportion of employees eligible for retirement within IRS, with 35 percent eligible that year and 43 percent the following year. In comparison, among IRS employees overall, 21 and 24 percent were eligible for retirement that year and the following, respectively.

⁴See, e.g., Exec. Order No. 13985, *Advancing Racial Equity and Support for Underserved Communities through the Federal Government*, 86 Fed. Reg. 7009 (Jan. 20, 2021); Exec. Order No. 13988, *Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation* 86 Fed. Reg. 7023 (Jan. 25, 2021); and Exec. Order No. 14035, *Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce* 86 Fed. Reg. 34593 (June 25, 2021).

required to develop and implement IRS's DEIA strategic plan as part of Treasury's department-wide response to Executive Order 14035.

According to EDI officials and documentation, these staffing challenges have hindered EDI's ability to effectively identify and address DEIA barriers in accordance with EEOC guidance. For example, EDI documents—including its reports to EEOC and its DEIA Strategic Plan—frequently cite staffing shortages and vacancies as a critical challenge affecting its barrier analysis efforts. According to EDI, this has resulted in EDI staff performing the functions of vacant positions at the cost of their primary responsibilities. EDI officials told us that frequent turnover has routinely led to new staff resuming efforts initiated by others, resulting in slow and minimal progress, duplicated work, delayed analyses, and sometimes barrier analyses restarted from the beginning. EDI officials also attributed several programming delays to the 8-month CDO vacancy from 2022 to 2023, including an inability to make progress toward meeting DEIA goals and delays in establishing associated DEIA performance measures.

Appendix IV: Comments from the Internal Revenue Service



DEPUTY COMMISSIONER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

August 16, 2024

James R. McTigue, Jr.
Director, Tax Policy and Administration
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. McTigue:

I have reviewed the draft report entitled, *IRS Workforce: Actions Needed to Address Barriers to Diversity, Equity, Inclusion, and Accessibility* (GAO-24-105785), and appreciate the opportunity to provide comments.

The IRS is deeply committed to investing in our workforce, including strengthening our diversity, equity, inclusion and accessibility, and that work is necessary to address barriers. The IRS agrees with most of the report's recommendations and provided our attached responses.

Regarding the report findings, we acknowledge some differences in the data relied upon by GAO and the IRS, e.g., the IRS uses the Relevant Civilian Labor Force (RCLF) statistics for barrier analysis evaluations while GAO used the Civilian Labor Force (CLF) statistics. Additionally, the GAO analysis did not include all data for the period reviewed for IRS Payband System (IR) employees who make up most of our supervisory and management employees and comprise more than 10% of the overall IRS population. We understand additional analyses your team conducted confirms reliability of the report findings and supports your recommendations. As a result, we will continue to evaluate available information into the future as we work to implement improvements and look forward to working with GAO to ensure actions taken resolve report recommendations.

Thank you for considering our comments. If you have any questions, please contact me or a member of your staff may contact Chief Diversity Officer Carrie Holland, at 202-317-6047.

Sincerely,
Douglas W. O'Donnell
Digitally signed by Douglas W. O'Donnell
Date: 2024.08.16 09:39:07 -04'00'
Douglas W. O'Donnell
Deputy Commissioner

Enclosure

Enclosure

GAO Recommendations and IRS Responses to GAO Draft Report

IRS Workforce: Actions Needed to Address Barriers to Diversity, Equity, Inclusion, and Accessibility (GAO-24-105785)

RECOMMENDATION 1

The Commissioner of the Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion updates its barrier analysis policies and procedures to incorporate the regular use of many information sources for trigger identification.

COMMENTS

We agree with this recommendation. We will update barrier analysis policies and procedures to incorporate the regular use of information sources and trigger identification.

RECOMMENDATION 2

The Commissioner of the Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion uses relevant results from our analyses of its workforce composition and of outcomes related to employee promotion, salary, and separation to inform its next annual barrier analysis effort.

COMMENTS

We agree with this recommendation. We will utilize the Relevant Civilian Labor Force, instead of the Civilian Labor Force as the benchmark for evaluating workforce composition and outcomes related to employee promotion, salary, and separation to inform the next annual barrier analysis effort.

RECOMMENDATION 3

The Commissioner of the Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion updates its barrier analysis policies and procedures to ensure regular consultation and collaboration with stakeholders, including employee groups and equal employment opportunity program staff, throughout the barrier analysis process.

COMMENTS

We agree with this recommendation. We will update our barrier analysis policies and procedures to ensure regular consultation and collaboration with stakeholders, including

employee groups and equal employment opportunity program staff, throughout the barrier analysis process.

RECOMMENDATION 4

The Commissioner of Internal Revenue should ensure that the office of Equity, Diversity, and Inclusion conducts a comprehensive assessment of and develops recommendations to address staffing issues hampering its ability to perform barrier analyses.

COMMENTS

We agree with this recommendation. We will conduct a comprehensive assessment of and develop recommendations to address staffing issues hampering the ability to perform barrier analyses.

RECOMMENDATION 5

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion uses the results of its comprehensive staffing assessment to take actions to address staffing issues hampering IRS's barrier analyses.

COMMENTS

We agree with this recommendation. We will use the results of the comprehensive staffing assessment to take actions to address staffing issues hampering IRS's barrier analyses.

RECOMMENDATION 6

The Commissioner of Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion establishes a unified DEIA strategic plan to determine goals for and guide the development and implementation of agencywide DEIA initiatives.

COMMENTS

We agree with this recommendation. We will establish a unified DEIA strategic plan to determine goals for and guide the development and implementation of agencywide DEIA initiatives.

RECOMMENDATION 7

The Commissioner of Internal Revenue should ensure that the office of Equity, Diversity, and Inclusion establishes performance measures for the goals in its unified DEIA strategic plan.

Appendix IV: Comments from the Internal Revenue Service

3

COMMENTS

We agree with this recommendation. We will establish performance measures for the goals in its unified DEIA strategic plan based on procedures established by Department of Treasury.

RECOMMENDATION 8

The Commissioner of the Internal Revenue should ensure that the Office of Equity, Diversity, and Inclusion uses the data collected for its established performance measures to assess progress toward its DEIA goals and to inform decisions about further efforts.

COMMENTS

We agree with this recommendation. We will use the data collected for established performance measures to assess progress towards DEIA goals, and to inform decisions about further efforts based on procedures established by Department of Treasury.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

James R. McTigue Jr., (202) 512-6806 or McTigueJ@gao.gov

Staff Acknowledgments

In addition to the contact named above, Sonya Phillips (Assistant Director), Emmy Rhine Paule (Analyst-in-Charge), Marybeth Acac, Michael Bechetti, Jacqueline Chapin, Annie Chou, Caitlin Cusati, Michael Murray, Moon Parks, Ian Pearson, Samantha Piercy, Paulina Rowe, Andrew J. Stephens, Jennifer G. Stratton, Jeff Tessin, and Kimberly Washington made significant contributions to this report.

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