How Social Upheaval Shaped DEI Hiring Practices

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Abstract: Partisan divides increasingly shape how Americans—and the organizations they work for—respond to social issues, influencing outcomes ranging from elections to campus protests. Yet evidence linking partisanship to organizational decisions remains limited. We study how the partisan orientation of employees relates to the hiring practices their firms adopt at 705 companies listed on the Fortune 500 or S&P 500, following George Floyd's murder. Focusing on DEI (Diversity, Equity, and Inclusion) positions, we found a sharp increase in DEI-related job creation following Floyd's murder. Using political donation data to construct a firm-level measure of partisan orientation, we show that prior to the event, liberal- and conservative-leaning firms had nearly identical levels of new DEI-related job creation. After the event, liberal firms sharply increased these roles while conservative firms showed minimal changes– highlighting how firm-level partisan orientation is associated with divergent organizational responses to a salient social issue.

1. Introduction

Polarization in America and across much of the world rose sharply over the past decade, leading to publicized, sometimes violent clashes, including in city streets and university campuses (1-8). This polarization – the process by which societal opinions and political identities increasingly diverge – impacts firms when stakeholders demand they address social issues, even when these have little to do with the firms' business activities, including immigration, race relations, abortion, gun control, gay rights, and geopolitical conflicts like the wars in Ukraine and the Middle East (9-15). Yet, despite a rich tradition of studying how polarization impacts voting behaviors, affective responses, and attitudes toward specific issues, research on how it impacts firms remains nascent and focused on brand activism, firm strategy and consumer response (16-18). Polarization often manifests within organizations through partisanship—the extent to which the firm's stakeholders align with one political party or ideology. This, in turn, can shape how firms interpret and act upon contentious societal events. Understanding whether and how partisan dynamics shape lasting organizational responses—such as changes to human resource strategy and organizational structure—is important yet remains largely unexplored.

To address this gap, we used LinkedIn data and employee political donations to investigate how the highly salient and polarizing murder of George Floyd on May 25, 2020, impacted trends in the creation of diversity, equity and inclusion (DEI) specific roles. Within days, this event sparked the fastest growing and most widespread protests in the history of the Black Lives Matter movement, spreading to over 4,500 cities across the United States within just a few weeks of the murder (19). To evaluate how firms responded to the murder and unprecedented social movement mobilization, we analyzed LinkedIn data on hiring histories from 705 firms listed on either the Fortune 500 or S&P 500. We found a sizable increase in new DEI job roles beginning

just weeks after the murder (Figure 1a), a shift we interpret as a substantive organizational response, not merely symbolic. Although some firms have since rolled back DEI efforts, creating and filling a DEI-specific role is typically considered a substantive action—one that alters HR strategy, internal accountability, and often workforce composition. Roles like "Chief Diversity Officer" usually involve formal authority, teams, and KPIs (e.g., recruitment targets, retention initiatives, bias training). In contrast, symbolic actions—such as public statements or changing a company banner—require little commitment and have little long-term impact on the firm. Even when later eliminated, DEI-specific roles often leave an imprint on organizations—altering hiring practices, accountability structures, and norms in ways that symbolic actions do not (20).

We linked these new jobs, and hires, data with the Federal Election Commission (FEC) political donations dataset to develop a proxy measure for the ideological leanings of the firms' employees. Once we coded firms as liberal or conservative-leaning based on the political donations of their employees, two surprising findings emerged: first, before the murder of George Floyd, liberal and conservative firms followed a steadily increasing and remarkably similar trend in gradually increasing the number of DEI-specific job positions and new hires. Second, we find that immediately after George Floyd's murder, liberal firms sharply increased DEI job creation, diverging from their own past trend and their conservative-leaning peers (Figures 1b, 2a, 2b and 3). Together, these findings indicate that the period following George Floyd's murder saw both a sharp rise in DEI-related positions in large U.S. firms and an emerging divergence in DEI jobs and new hires between liberal- and conservative-leaning firms—making these workplaces increasingly distinct in their approaches to diversity, equity, and inclusion.

2. Data Description

2.1. Using FEC Data to measure Firm-Level Political Ideology

We used data of large U.S. based companies listed on either the Fortune 500 or S&P 500. We estimated the ideological leaning of the firms' workforce, using the FEC data on individual political donations (21-24). This data includes donors' employers, allowing us to proxy for the ideological leaning of a firm's workforce based on the political candidates their employees support (25-28). Using individual contribution data from the 2010 through 2020 election cycles we matched 1,818,740 individual political contributions to 705 unique firms. We discuss the matching process in supplementary text S1. Importantly, our results are consistent using either fuzzy matching or exact matching. We only include donations made before the murder of George Floyd.

Following existing literature (22, 22), we then calculated a firm-level political liberalism index based on: 1) the proportion of donation dollars to Democrats, 2) the ratio of Democratic donations to total donations, 3) the fraction of employee donors supporting Democrats, and 4) the share of Democratic donation recipients. We chose this measure over alternatives like headquarters location (10) or the political donations of its board members or CEO (29) because many hiring decisions – such as the job postings wording and candidate promotion – are primarily governed by human resource departments, regional or local offices, and middle-level managers, particularly in large firms (30,31). We replicated our analysis using only donations from individuals in management level positions in supplementary text S2.

2.2. Employee Profile Data

We obtained LinkedIn data which provides comprehensive information on worker histories from Revelio Labs, a widely used source in social science research on hiring and career histories (32, 33). Revelio Labs is a workforce intelligence company that has collected the near universe of

LinkedIn Profiles. The data we used includes detailed job histories—specifically, the employer's name, job title, location, and start date for each position—as reported by individuals on their LinkedIn profiles. Revelio applies machine learning techniques to clean and standardize employer names, grouping variations like "McDonald's," "McDonalds Corp," and "McDonald's Corporation" into a single canonical employer name and unique identifier. We use these standardized employer names to match each "New Hire" in our sample with its employer and the FEC data. We use the original job titles, exactly as listed by users, to determine whether a given 'new hire' staffs a DEI-related role. The start date is the month and year that a given individual reports that they began a given position. We define a 'new hire' as any newly listed position, using the start date reported by the individual as the timing of the hire. For example, if someone indicates they began working in November 2019 in a given position, we count this as a new hire at that time. We include all such positions, regardless of whether the individual was promoted internally or newly joined the company.

Our main dependent variable, intended to capture DEI-related positions, indicates if a job title contains a string suggesting that the job role relates to DEI. These terms include "diversity,", "inclusion" "dei,", "d&i", "i&d", "equality" or "belonging". In this way, we capture real changes in how firms structure their operations; creating and filling a DEI-related position such as "Chief Diversity Officer" or "Inclusion and Diversity Manager" has a long-term effect on firms, as such positions come with a range of responsibilities and, often, measurable performance indicators and targets relating to Diversity, Equity and Inclusion. The subsequent statistical analysis focuses on changes in the creation of new DEI roles, which, assuming these positions are effective and that the job title captures the role of the individual hired, likely leads to changes in the firms' policies and workforce composition over time. We use data starting in 2004, when LinkedIn

reached 1 million users, to the end of our data in November 2023.

We provide a detailed discussion of our measure and its validation in Supplementary Text S3, including a manual review of false positive and false negative rates. Supplementary Text S4 presents further robustness checks using alternative measures of DEI roles. We present summary statistics for our data in supplementary text S5. One limitation of the LinkedIn data is that individuals in different ideological environments may have varying incentives to emphasize or obscure the DEI nature of their roles on LinkedIn, potentially impacting our measurement of DEI hires. To address this, we replicated our analysis using job posting data where the same incentives do not exist and report similar trends in supplementary text S6.

3. Research Design

We used a differences-in-differences (DiD) design to estimate changes in the creation and staffing of DEI jobs following the murder of George Floyd. This approach offers a structured way to assess whether the heightened attention to race relations—intensified by this highly salient event, which dominated traditional and social media and sparked widespread protests across the United States—was followed by a departure from prior DEI job creation and staffing trends. Prior research on social movements suggests that pressure from social movements can change firms' practices through institutional isomorphism and corporate appeasement (34, 35). However, our findings indicate that instead of conforming to the field-wide adoption seen in other contexts—and in the gradual increase in DEI positions before the murder—the response of liberal-leaning firms was swift, significant, and departed quickly from conservative-leaning firms.

We use DEI roles because, unlike public statements, press releases, and marketing campaigns, creating (and filling) an entirely new position directly related to DEI is a substantive

action a firm takes (36, 37). Prior research found that George Floyd's murder indeed heightened the perception of anti-Black discrimination rapidly, particularly among Americans with liberal political leanings, while the views of those with conservative stances remained relatively stable (38). The murder and subsequent reaction – including from President Trump, also contributed strongly to "DEI" being perceived as a partisan issue. For example, soon after the murder, the Trump administration prohibited federal entities and their affiliates from providing certain DEI training, labelling them "divisive" and "harmful." (39). In contrast, democratic party leaders and State Governors were vocal proponents of DEI. Thus, the murder of George Floyd can be viewed as an exogenous shock that sharpened partisan divisions specifically over DEI, without being associated with the factors that would usually predict creating DEI jobs in Fortune 500 and S&P 500 firms.

The critical assumption in the statistical test we employed – comparing DEI jobs before and after the murder of George Floyd – is that if the event and subsequent public reaction did not happen, liberal and conservative firms would have continued on a parallel trend in their DEI job creation. To test this assumption, we examined the trends in DEI hires before the event and found they followed a stable, increasing and surprisingly similar trend (as seen in Figures 1b and 3) which we discuss in more detail in our section on robustness checks. Since this trend diverged immediately following the murder, we conclude that this event (and the social upheaval it sparked) was, at the very least, a substantial contributor to the organizational changes we observed.

4. Results

4.1. Descriptive Statistics

Figure 1a shows the share of DEI hires, which sharply increased after the murder of George Floyd. The increase from the year before the murder of George Floyd to the year after it is approximately 78.9%. While the magnitude of the increase in such a short period is surprising, the increase itself is not, as firms responded to heightened attention to race issues in various ways, one of which is by increasing their efforts to create and hire DEI positions. In Figure 1b, we split the sample of firms into liberal-leaning and conservative-leaning based on the organizational liberalism index from the FEC data using the top and bottom 25th percentiles as a cut-off. When we do this, we find that liberal-leaning firms drove most of this increase, diverging from the 17-year-long trend. The increase among more conservative firms was significantly smaller, as shown in Figure 1b.

[Insert Figure 1 here]

4.2. Regression Analysis

While our previous analysis draws a compelling picture of how liberal and conservative-leaning firms diverged in creating and staffing new DEI positions following the murder of George Floyd, it is not sufficient to establish statistical significance or assess causality. We therefore follow a common causal identification methodology, using a DiD design (40-43). Our outcome variables, described in the previous section, indicate whether a new position is DEI-related. In our fully specified model, we include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects with standard errors clustered at the firm by state level.

Figure 2a presents the DiD results with different combinations of fixed effects comparing firms in the top 25th percentile to those in the bottom 25th percentile before and after the event. For each model, the figure presents the interaction term between an indicator variable for a firm being in the top 25th percentile of liberal firms and '*Post George Floyd'* variable – an indicator

equal to one if the position appears in our data for the first time after May 25th 2020. Results indicate that the estimated treatment effect of George Floyd's murder on the share of DEI hires was significantly larger among firms in the top 25th percentile of organizational liberalism compared to those in the bottom 25th percentile. Across all models, this effect represents a substantial percentage increase in DEI hires for more liberal firms relative to their pre-treatment baseline.

Figure 2b builds on the fully specified DiD model, exploring the impact of varying the cutoff points used to distinguish between liberal and conservative firms. Unlike Figure 2a, which focuses on firms in the top 25th and bottom 25th percentiles, Figure 2b adjusts the threshold to test the robustness of the directionality of the treatment effect. The interaction term represents the difference in the post-George Floyd increase in DEI hires between firms classified as more liberal and those classified as more conservative, based on their organizational liberalism scores. Figure 2b shows that as the cutoff point increases (from the top and bottom 50% to the top and bottom 10%, sequentially narrowing the definition of liberal and conservative firms), the estimated effect size consistently grows, indicating a stronger impact of the upheaval following George Floyd's murder on DEI hiring practices as we compare firms that are more liberal to firms that are more conservative.

[Insert Figure 2 here]

4.3. Robustness Checks

A key assumption in the DiD statistical test is that before the event, the two groups followed a parallel trend. This means that in the absence of the treatment event—in our models, George Floyd's murder—the rate of DEI jobs and hires for the two groups, liberal and conservative

firms, would have continued on the same trajectory. Any divergence after the event can therefore be attributed to the event.

We test this assumption by employing a dynamic DiD model that identifies divergence in trends. We created dummy variables for each relative year before and after the murder of George Floyd and interacted these with a dummy variable indicating whether the new hire was from a firm in the top 25th percentile of organizational liberalism. If the parallel trends assumption holds, the trend line in Figure 3 should stay close to zero, remaining within the horizontal lines that represent the confidence intervals. Indeed, Figure 3 shows that there are no significant differences in DEI hiring trends between liberal and conservative firms in any of the periods before George Floyd's murder. This provides strong statistical support for the parallel trends assumption, indicating that in the absence of George Floyd's murder, we would have expected the similar, gradual increase in DEI hiring among liberal and conservative firms to continue.

[Insert Figure 3 here]

We conducted several additional robustness checks. First, we tested the parallel trends assumption across various cut-off points between liberal and conservative firms, finding consistent results detailed in supplementary text S7. Second, we conducted a placebo test by replicating the analysis using different (non-DEI) job roles that should not have been impacted by the murder of George Floyd in supplementary text S8. Third, to ensure the stability of our political ideology measures and address concerns that our estimates are the result of including firms with fewer donors, where the ideology measure may not reflect the correct underlying ideological leaning of the firms' workforce, we replicated the analyses excluding firms with fewer than 50 matched donations, producing substantively similar results shown in supplementary figure S18. Fourth, we also conducted a similar analysis replacing our use of

indicator variables for liberalism with the raw continuous index and found similar results which we present in supplementary text S7. Finally, we examined the role of state political partisanship, as firms in Democrat-majority states may face stronger community pressures to adopt DEI hires. To assess this, first, we used firm-by-state fixed effects, controlling for all time-invariant state-level factors, including baseline partisanship, and isolating within-firm variation over time (Figures 2a and 3). Additionally, we replicated our main model using state-level partisanship (2016 presidential election outcomes) instead of the organizational liberalism index and did not identify a significant treatment effect. We report this analysis in supplementary text S9.

An important alternative explanation can be that the observed divergence in DEI hiring between liberal- and conservative-leaning firms may have been driven not by the murder of George Floyd, but instead by the outcome of the November 2020 presidential election. Firms may have experienced heightened pressure to demonstrate alignment with the priorities of the democratic administration after the election results were announced. If this were the case, the rise in DEI hiring—particularly among liberal-leaning firms—could reflect a strategic response to the anticipated policy environment, rather than a direct reaction to the events that followed George Floyd's murder.

To evaluate this possibility, we conducted two additional analyses. First, we replicated our event study at the quarterly level focusing on the two quarters preceding the 2020 election. Figure 4 shows that the partisan divergence in DEI hiring began in the second and third quarters of 2020—before the November election—suggesting that this divergence started before the outcome of the election were known. Supplementary Figure S21 presents the quarterly event study for the entire time period used in our analysis. Additionally, we re-estimated our main difference-in-differences models using only DEI hires that occurred before November 2020. The

results remain consistent with our primary findings, providing additional evidence that the partisan divergence in DEI hiring emerged before the election. We present these results in supplementary figure S22. We note that even though the divergence began shortly after the murder of George Floyd (and before the 2020 presidential election), it is plausible that the continued growth in DEI roles was amplified by the Democratic victory in the 2020 election.

[Insert Figure 4 here]

We also conducted two additional robustness checks to validate the parallel trends assumption. First, we performed a series of time-based placebo tests using alternative pre-treatment dates—ranging from six months to three years before the murder of George Floyd—as hypothetical treatment periods (supplementary text S11). These do not show evidence of divergence in DEI hiring trends between liberal and conservative firms before the murder. Second, we tested whether our results were sensitive to the specific DEI-related terms used to construct the outcome variable by systematically excluding each term from the measure of "DEI-job". The results remained substantively unchanged across most specifications, though excluding all job titles that include the word "Diversity" reduces the statistical significance of the effect significantly. We interpret this result as suggesting that no single term is exclusively driving the main finding (supplementary text S12).

5.1. Discussion

Our findings illustrate how the highly salient murder of George Floyd—an event that triggered the largest and most widespread protests in the history of the BLM movement—was followed by a swift, substantive and meaningful response from American firms: the creation and staffing of new DEI-specific roles. This response was significantly faster and more extensive in firms with liberal-leaning managers and employees, departing from the trend in earlier years. Regardless of

whether the response from liberal-leaning firms was reactive to social movements or proactive and perhaps even preemptive (35), our findings—and the additional tests reported in the supplementary material—indicate this particular event as a temporal point after which DEI-specific roles started diverging between liberal- and conservative-leaning firms. By showing this, our results are consistent with the interpretation of firm response to the murder of George Floyd as an institutional shock rather than a gradual, field-wide ("isomorphic") shift (34).

Several additional implications can be drawn from these findings. First, the ideological leanings of employees and managers shape how firms respond to polarizing social issues, but only when the issue becomes salient (for related mechanism tests, see supplementary materials S-7, S-9, and Fig. S9–S14, and S20–S21). Second, if partisanship shapes firm response, highly salient issues can produce divergent reactions between liberal- and conservative-leaning firms. When these responses include substantive, rather than symbolic, actions—particularly ones that impact long-term HR policies, such as the creation of DEI-specific roles—this divergence risks contributing to the creation of self-reinforcing "ideological clusters," where firms become more appealing to some employees and less to others based on practices adopted during moments of social upheaval. Such swift departures in DEI-specific jobs between employers with more liberal vs conservative-leaning workforce could have lasting implications for HR practices, corporate culture, workforce composition, public perception, and affective polarization (44) and potentially contribute to the likelihood of backlash. While we do not observe these outcomes directly, they are important avenues for future research.

Our study focuses on DEI job roles, but this argument can easily be extended to other partisan issues: firm policies related to gun carrying, gender-neutral toilets, or healthcare benefits such as transgender-inclusive healthcare, same-sex partner benefits and medical travel benefits to

facilitate access to abortion services can also make workplaces more dissimilar from one another along partisan lines. Moreover, swift divergence in DEI-specific job roles could influence public perception, potentially affecting their brand identity, market positioning (9), and consumer base. By demonstrating that social upheaval following polarizing events can drive firms to restructure their HR practices, we also hope to highlight that firms may have also impacted polarization, a relatively underexplored area in the study of organizations.

There are important limitations to our study. While we provide evidence of a sharply widening gap in DEI adoption between liberal and conservative firms, it offers only suggestive evidence on some of the mechanisms explaining why this effect emerged (we report those primarily in the supplementary materials). Existing literature offers several plausible mechanisms, including social movement target selection and firm receptivity (45), CEO activism (46), shareholder activism (47) employee activism (48), and competitive counter-positioning (9). Estimating the relative contributions of potential mechanisms requires careful investigation. Understanding how these mechanisms interact—and which dominate under varying conditions—remains a promising direction for future research.

Another limitation of our paper is that our measure of firm-level political ideology is based on political donations. As discussed, political donations capture a subset of the relatively wealthier and more politically engaged employees, potentially skewing the estimated ideological profile of the firm. Additionally, some employees, particularly those in top management teams, may strategically split their donations across parties for access or influence. Alternative sources of data can be used to capture the ideological leaning of employees. For example, some leverages voter registration data (41). Other approaches can use text analysis methods on internal communications (e.g., emails, video calls), a method that can detect subtler ideological sentiment

that does not manifest in donations or voter registrations. Each approach raises different, non-overlapping methodological limitations and exploring them could advance our understanding of how political ideologies shape organizational responses to polarizing events.

An increasingly consequential development is the political and legal backlash against DEI across many U.S. states and at the federal level, which has led some firms to retreat from public commitments made in 2020. While this does not alter the findings we present—covering the period from mid-2020 to the onset of this backlash—it is sufficiently impactful to warrant future study on the durability of firm responses to social upheaval, particularly in practices tied to partisan ideology. Yet structural changes related to DEI job roles, implemented for several years before the emergence of regulatory and legal pushback, are likely to have already produced lasting effects. These can include the formalization of DEI roles within HR departments, the introduction of inclusive recruitment pipelines, internal metrics tied to representation goals, and mandated equity training programs. This raises important questions about how "substantive changes" are defined in the Corporate Social Responsibility literature, and future research should examine whether and how these retrenchments affect the durability of such organizational imprints—particularly whether these practices are quietly maintained, diluted, or dismantled as external pressures shift.

We find that the period following the murder of George Floyd and the heightened attention to both the BLM movement and race relations in the U.S. was associated with differential responses from large U.S.-based firms in their creation and staffing of DEI-specific positions. Liberal-leaning firms sharply increased the creation and staffing of entirely new DEI positions, while conservative-leaning firms did not. We interpret these findings as suggestive evidence that salient and polarizing events can drive liberal and conservative firms further apart

in their organizational structure, practices and, ultimately, their human resources. This differential impact highlights the need for further research to understand how polarization is shaping corporate America, not only in the more traditional channels of non-market strategy and political donations but also in organizational practices, strategy, and structure.

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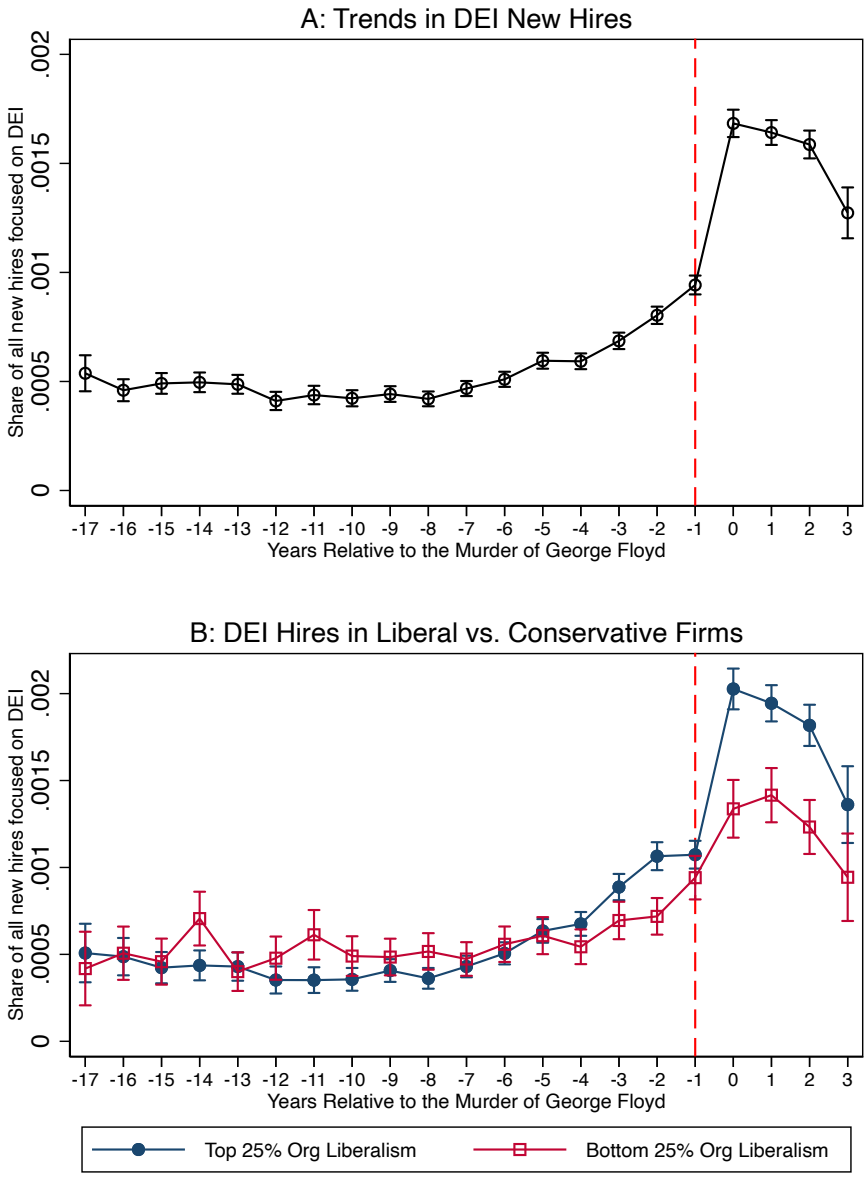
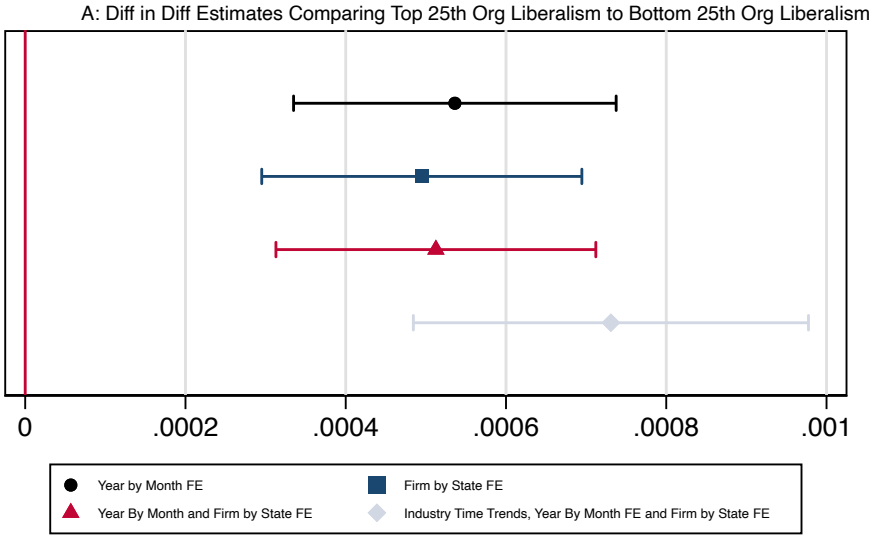
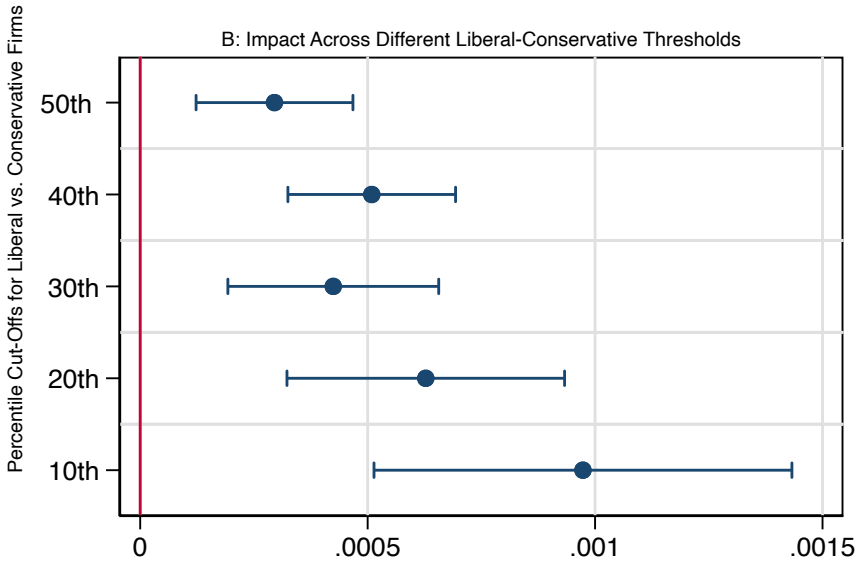
Fig. 1. Share of New Hires that Focus on DEI before and after the Murder of George Floyd



Notes: These figures show estimates for DEI hires during the periods before and after the murder of George Floyd (indicated by the red dotted line). **A**, displays the share of all new hires focused on DEI across firms. **B,** shows the share of new hires focused on DEI, split by firms in the top 25th percentile of organizational liberalism and those in the bottom 25th percentile. The periods before and after the murder of George Floyd are relative to the event date. Organizational liberalism is derived from employee political donations. Bars indicate 95% confidence intervals.

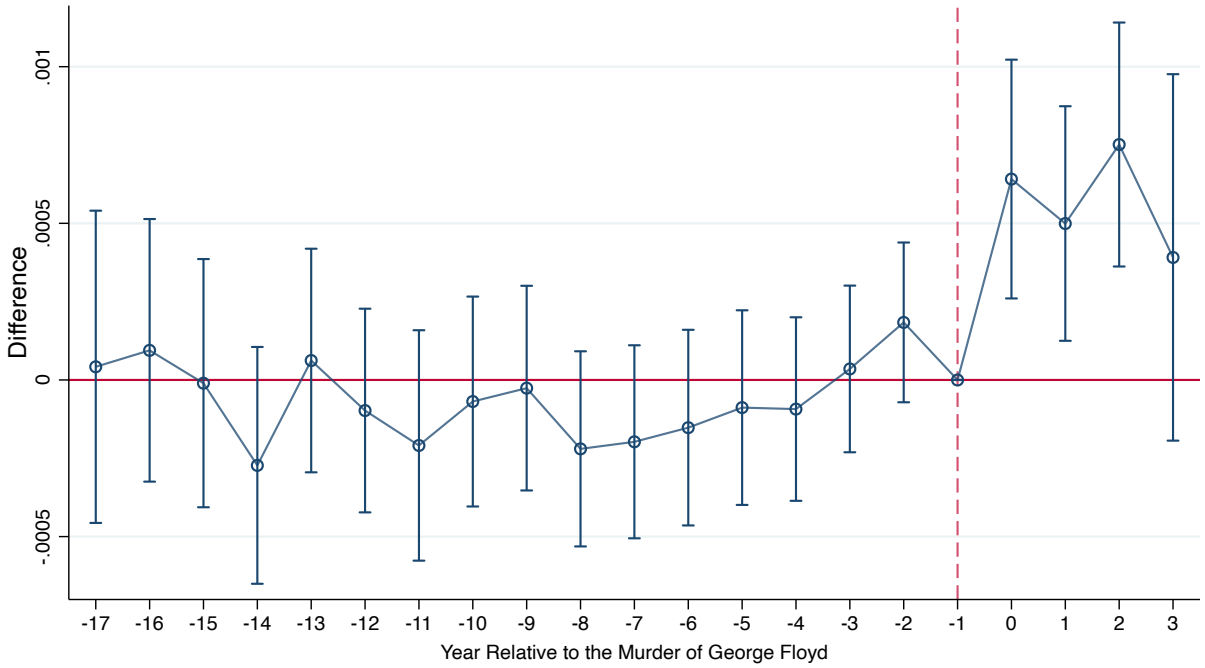
Fig. 2. Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms





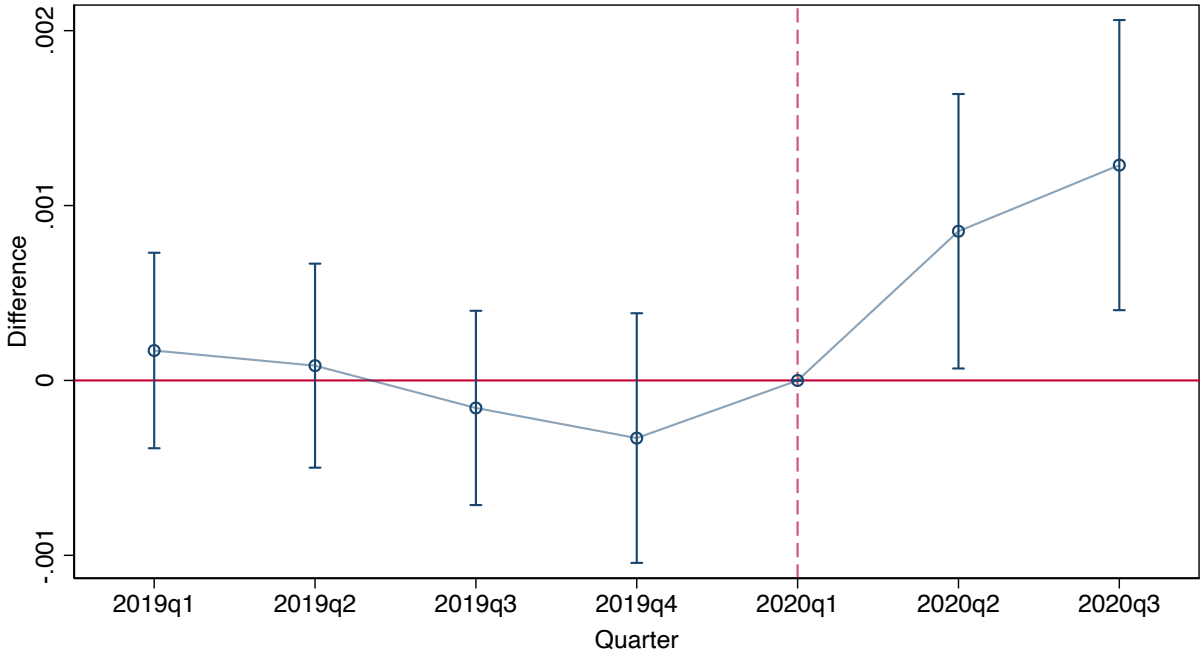
Notes: These figures show difference in difference estimates predicting whether a job is a DEI job with robust standard errors clustered at the firm by state level. **A**, compares firms in the top 25th percentile of organizational liberalism to those in the bottom 25th of organizational liberalism with different configurations of fixed effects and time trends. **B,** presents results from the fully specified model with industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. The different estimates present results with different cut-off points between liberal and conservative firms. The estimates reflect different cut-off points distinguishing liberal and conservative firms. Each regression includes observations from firms either above or below the specified cut-off point. For instance, with a 30th percentile cut-off, the regression includes firms in the top 30th percentile (liberal) and bottom 30th percentile (conservative).

Fig. 3. Dynamic Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms



Notes: Each point represents the difference in predicted probability that in the indicated period, a new hire from a firm in the top 25th percentile of organizational liberalism versus a new hire from a firm in the bottom 25th of organizational liberalism is a DEI role relative to this difference in the reference time period. The reference period is the one-year period preceding the murder of George Floyd (May 2019 to May 2020). The regression includes industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals. Supplementary text S7 shows figures with this same regression with different cut-off points between liberal and conservative firms.

Fig. 4. Dynamic Difference in Difference Estimates at the Quarterly Level of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms Prior to the 2020 Election



Notes: Each point represents the difference in predicted probability that in the indicated quarter, a new hire from a firm in the top 25th percentile of organizational liberalism versus a new hire from a firm in the bottom 25th of organizational liberalism is a DEI role relative to this difference in the reference time period. The reference period is the quarter prior to the murder of George Floyd (2020q1). The regression includes industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals. This analysis focuses on a shorter period and ends the analysis prior to the 2020 presidential election in the United States which happened in 2020q4. Supplementary figure S21 shows this regression with the full time period used in our analysis.

Supplementary Materials for

How Social Upheaval Shaped DEI Hiring Practices

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This PDF file includes:

Supplementary Text S1 to S12
Figs. S1 to S24
Tables S1 to S3

Overview of Supplementary Text

- **S-1 Matching Firms with Employee Political Donations**
- **S-2 Distinguishing between donations from Employees and Management**
- **S-3 Methodology for Identifying DEI jobs**
- **S-4 Robustness Checks with Additional DEI related terms.**
- **S-5 Summary Statistics**
- **S-6 Additional Analyses with Job Posting Data**
- **S-7 Dynamic Difference in Difference Model with Different Cut-Off Points between Liberal and Conservative**
- **S-8 Placebo Check with Other Occupations that should not have been Impacted by George Floyd's murder.**
- **S-9 State-Level Partisanship**
- **S-10 Exploring the Role of the 2020 Presidential Election**
- **S-11 Time Based Placebo Checks**
- **S-12 Exploring the Robustness of the Parallel Trends across Different DEI job measures**

S-1 Matching Firms with Employee Political Donations

To validate the match between the political donation records and the firms in our sample, we employ two distinct matching methods. First, we utilized exact matching. To address inconsistencies in how employees may refer to their employers in the FEC records, we incorporated multiple alternative terms for each company, including name changes and nicknames, as identified through SEC filings and web searches (Gupta et al., 2016). We conducted exact matching based on the primary name or alternative names, successfully matching 1,818,740 unique donations to the 705 firms in our sample. Table S1 presents summary statistics, including the average number of matched donations per firm, average unique donors per firm, the average donation amount, and the average index per firm.

Second, to validate the exact matching, we implemented a fuzzy matching procedure following Stuckatz (2022). We first preprocessed employer names by standardizing text (lowercasing, removing punctuation and whitespace, and canonicalizing legal suffixes) to ensure consistency. We then applied term frequency-inverse document frequency (TF-IDF) weighting to emphasize unique components of names and used cosine similarity to match FEC employer names with those in our dataset. Using TF-IDF, we matched 2,691,441 unique donations to the 705 firms in our sample. Table S1 provides detailed firm characteristics for both Exact Match and TF-IDF Match methods.

To demonstrate consistency across these two matching processes, we conducted additional analyses. We found that the index created with both matching strategies is correlated at the 0.75 level, indicating a high level of correlation. Additionally, we present the main results to show that both matching processes produce almost identical outcomes. The main text presents

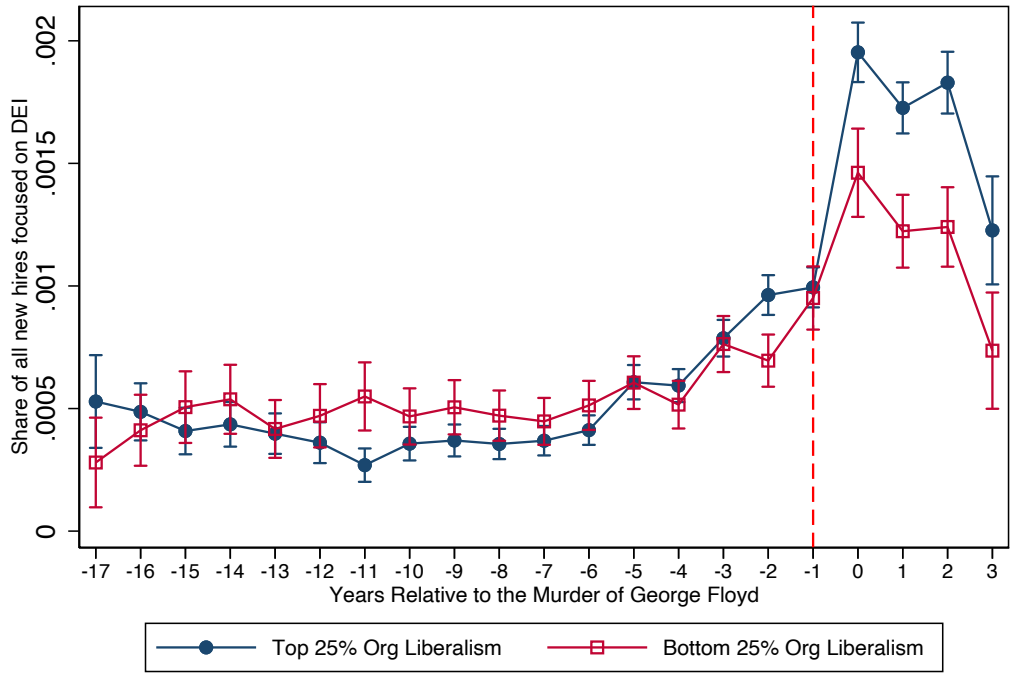
the results using the exact matched data (Figures 1, 2 and 3). Figure S1 shows the raw trends in DEI jobs among the top 25th percentile and bottom 25th percentile using the fuzzy matched data. Figure S2 shows the difference in difference models using the fuzzy matched data. The results are almost identical using both approaches. The 5 most common firms in the top 25th percentile of organizational liberalism in terms of new hires are Amazon, IBM, Nordstrom, Microsoft and Apple. The 5 most common firms in the bottom 25th percentile of organizational liberalism in terms of new hires are Lockheed Martin, State Farm, Northwestern Mutual, Exxon Mobil and Eli Lilly.

Table S1. Matching Federal Election Commission Contribution Data with SP500 and Fortune 500 firms

	(1) Exact Match	(2) TDIF Match
Firm Characteristics		
Average Matched Donations per Firm	2594.49 (5898.55)	4185.76 (13109.49)
Average Unique Donors per Firm	480.47 (938.54)	318.85 (771.90)
Average Donation Amount per Firm	378619.49 (1581019.04)	538471.93 (1804207.44)
Average Political Liberalism Index	0.7472 (0.1431)	0.7250 (0.2004)

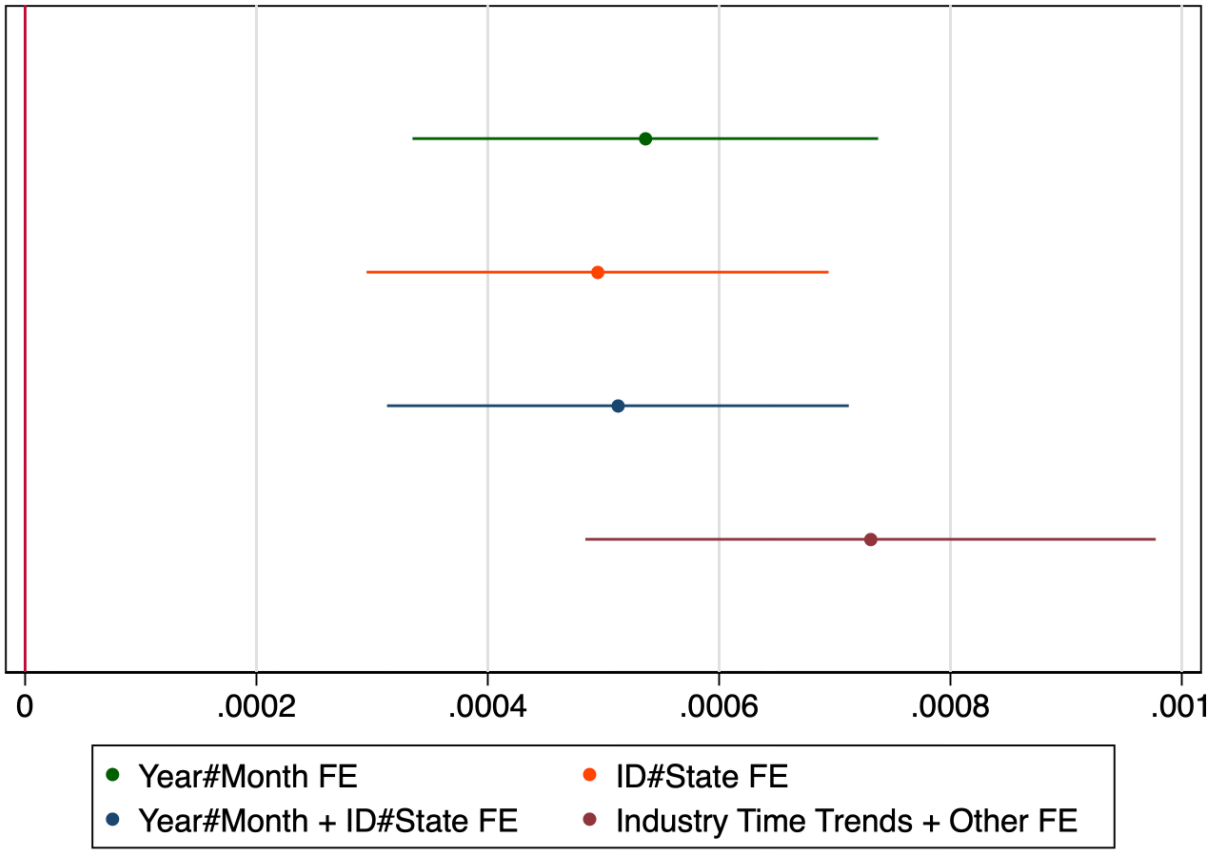
Notes: Standard Deviations are shown in parentheses.

Fig. S1. Share of New Hires that Focus on DEI before and after the Murder of George Floyd in Liberal vs. Conservative Firms using Fuzzy Matched Political Donation Data



Notes: This figure shows the share of new hires focused on DEI, split by firms in the top 25th percentile of organizational liberalism and those in the bottom 25th percentile using fuzzy matched political donation data. The periods before and after the murder of George Floyd are relative to the event date. Organizational liberalism is derived from employee political donations and is matched with firms using TDIF a fuzzy matching technique\. Bars indicate 95% confidence intervals.

Fig. S2. Difference in Difference Models Comparing DEI New Hires from Firms in the Top 25th Percentile to the Bottom 25th Percentile Using Fuzzy Matched Political Donation Data

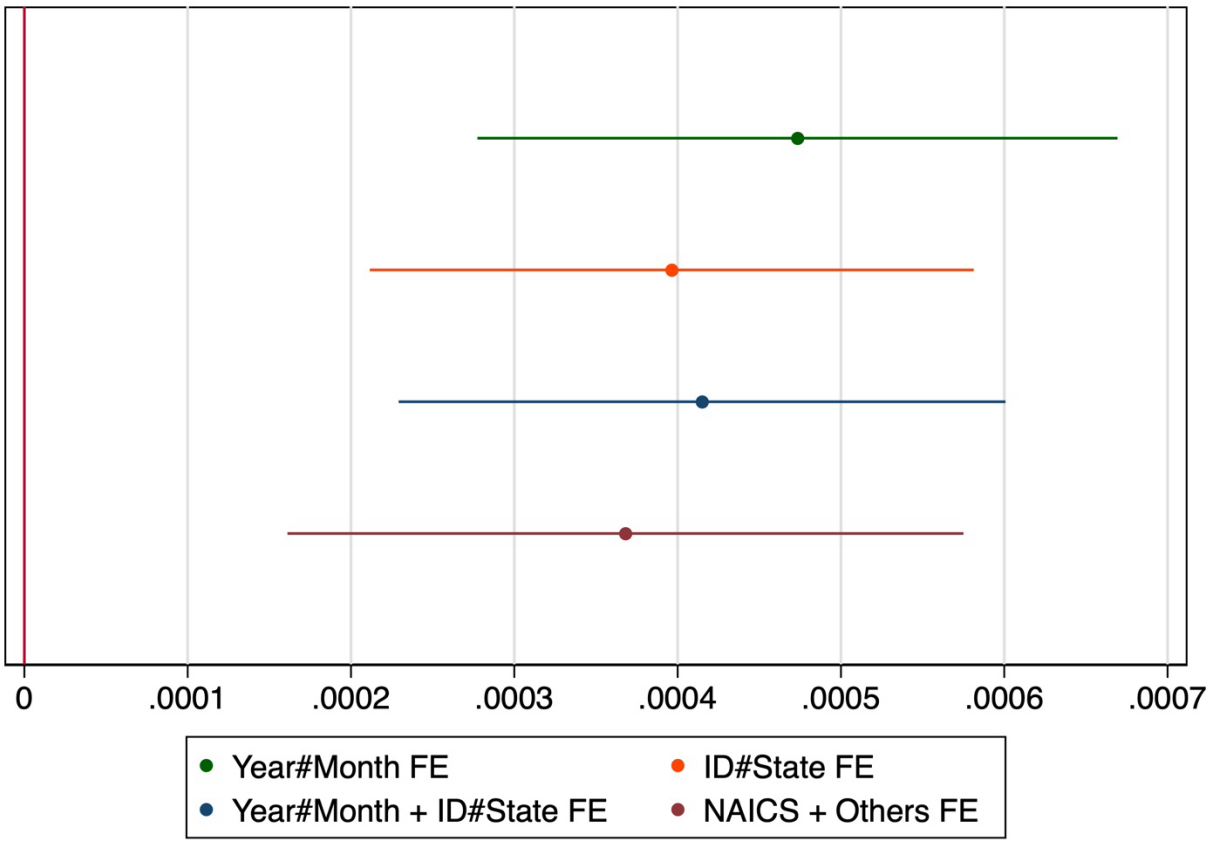


Notes: This figure shows difference in difference estimates predicting whether a job is a DEI job with robust standard errors clustered at the firm by state level using political donation data that was matched with firms using TDIF a fuzzy matching technique. We compare firms in the top 25th percentile of organizational liberalism to those in the bottom 25th of organizational liberalism with different configurations of fixed effects and time trends.

S-2 Distinguishing between donations from Employees and Management

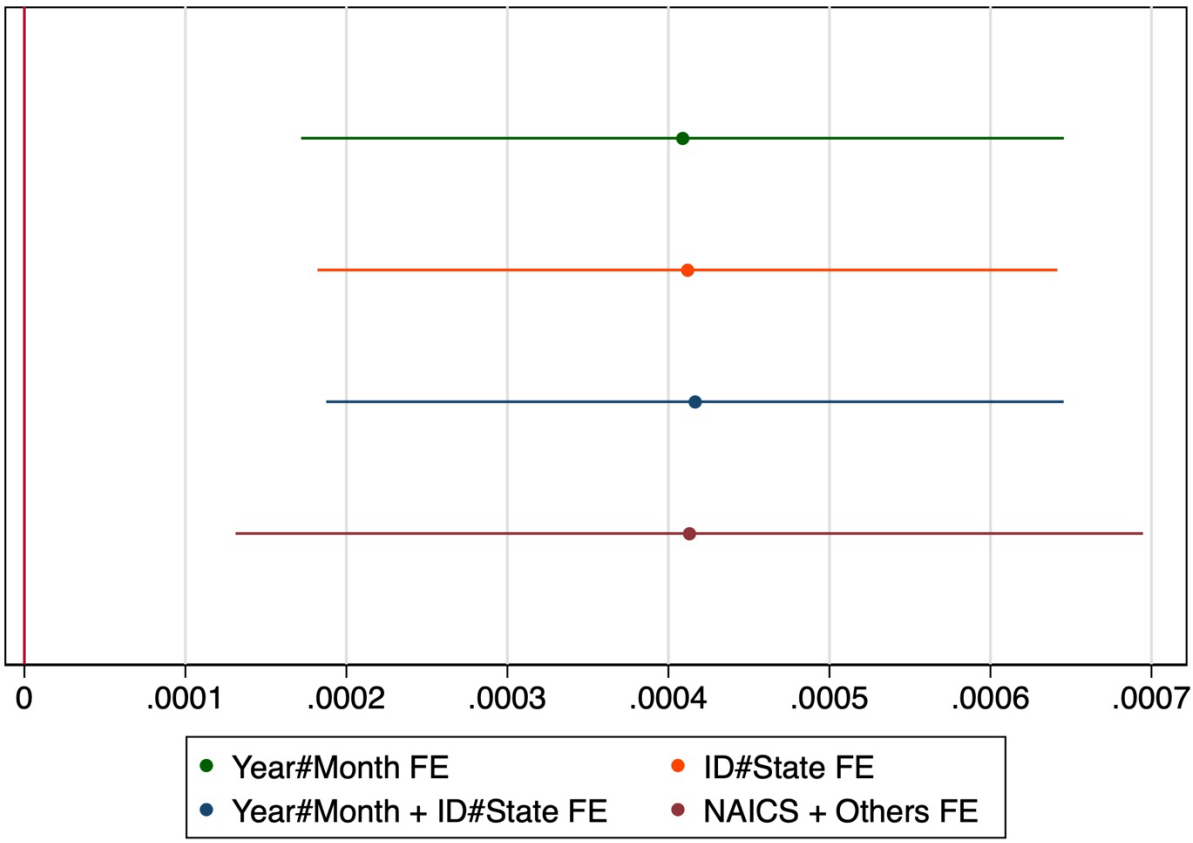
In this analysis, we extend our main findings by distinguishing between the political ideologies of management and rank-and-file employees. To achieve this, we identify donations made by managers using self-reported occupation data from the Federal Election Commission (FEC). Specifically, we classify donations as originating from management if the donor's occupation matches common titles associated with top management team (TMT) roles. This classification is implemented through exact matching using regular expressions (regex) with word boundaries to ensure precision. The predefined list of TMT roles includes titles "CEO," "CFO," "COO," "CTO," and "VP," as well as broader descriptors like "chief," "president," "executive," "managing director," "general manager," and "board member." We separated managerial donations from those of rank-and-file employees, enabling a more granular analysis of ideological differences across organizational levels. We then replicated our creation of the index but create a separate index for ideology of TMT and rank-and-file employees. The correlation between the indices is 0.603, indicating a moderate positive relationship between the two indices. Figure S3 presents the difference-in-differences models using the liberalism index derived solely from managerial donations. Conversely, Figure S4 displays the models using the index derived only from employee donations. The results using both indices are quite similar in terms of statistical significance and magnitude.

Fig. S3: Difference in Difference Models Comparing DEI New Hires from Firms in the Top 25th Percentile to the Bottom 25th Percentile Using Only Top Management's Political Donation Data



Notes: This figure shows difference in difference estimates predicting whether a job is a DEI job with robust standard errors clustered at the firm by state level using only political donation data from top management. We compare firms in the top 25th percentile of organizational liberalism to those in the bottom 25th of organizational liberalism with different configurations of fixed effects and time trends.

Fig. S4: Difference in Difference Models Comparing DEI New Hires from Firms in the Top 25th Percentile to the Bottom 25th Percentile Using Only Employees' Political Donation Data



Notes: This figure shows difference in difference estimates predicting whether a job is a DEI job with robust standard errors clustered at the firm by state level using only political donation data from non-top-management employees. We compare firms in the top 25th percentile of organizational liberalism to those in the bottom 25th of organizational liberalism with different configurations of fixed effects and time trends.

S-3 Methodology for Identifying DEI Jobs

As mentioned in the body of the paper, we code a job title as representing a DEI-related role if its title includes at least one of the following terms from a curated list of keywords and does not include certain exclusionary terms. The DEI keywords encompass commonly used acronyms and phrases related to diversity, equity, and inclusion efforts, while the exclusion key words help ensure that we do not include unrelated roles that only coincidentally contain similar strings. A job title is coded as a DEI job if it meets the following two criteria:

1. The job title must include at least one of the following terms:
    a. ‘diversity’, ‘inclusion’, ‘dei’, ‘d&i’, ‘equality, ‘belonging’, ‘i&d’,
2. The job title must not include any of the following exclusionary terms:
    a. ‘intern’, “fellowship”

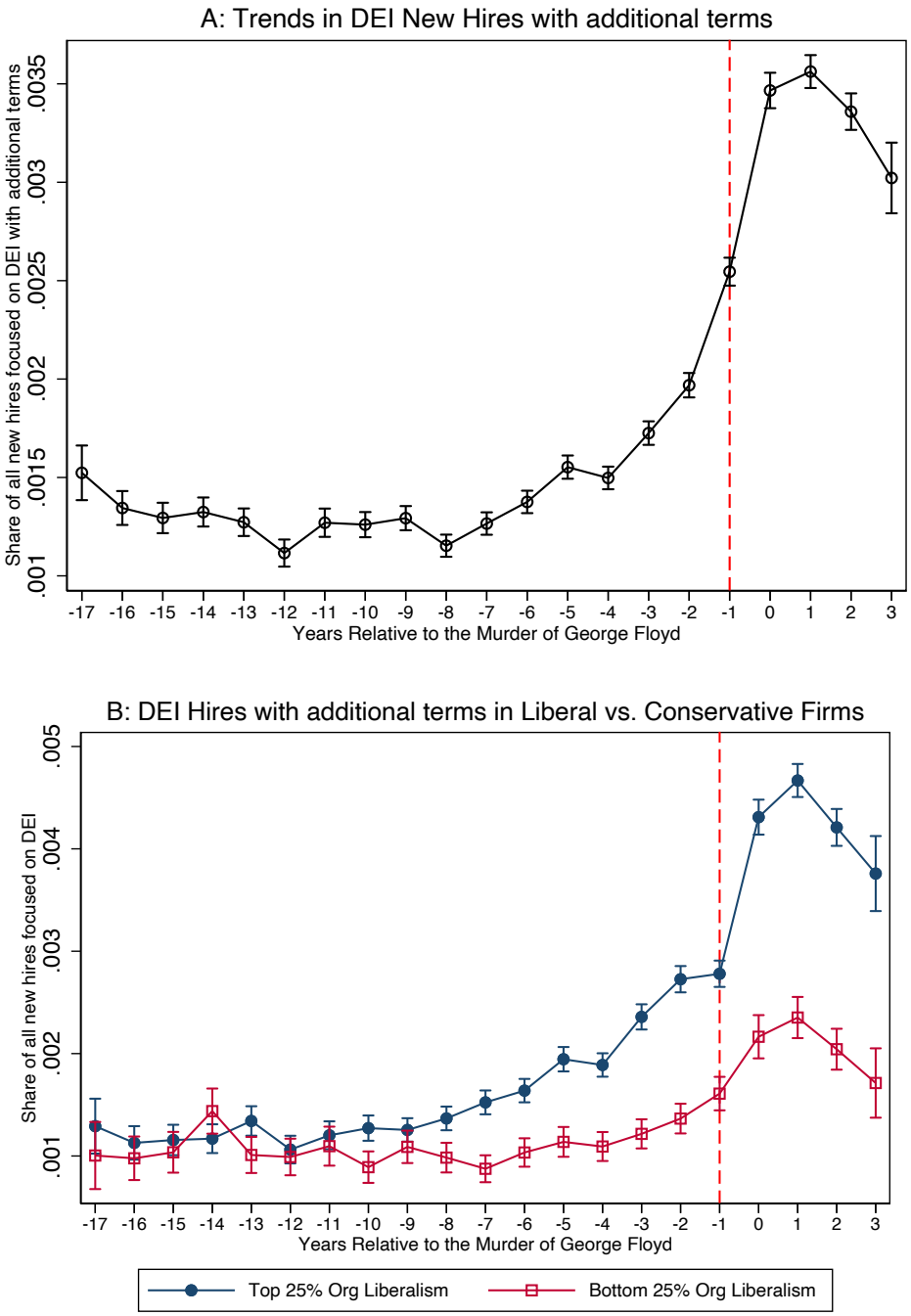
To validate this measure, we estimated the rate of false positives and false negatives. To assess false positives, we took a random sample of 500 job postings that we had coded as a DEI job and examined them manually. We found that 95% of these were correctly classified as true positives. To assess false negatives, we took a random sample of 500 job postings that we had coded as not being a DEI job, again examining them manually. We found that 100% of these were correctly classified as true negatives.

S-4 Robustness Checks with Additional DEI-Related Terms

We conducted robustness checks by expanding our list of DEI terms to include “culture” and “people”. Figure S5 illustrates the share of DEI hires over time using these additional terms, while Figure S6 shows the difference-in-differences estimates comparing liberal and conservative firms with the expanded DEI terms. The results using the additional terms are quite similar in terms of statistical significance and magnitude. However, the parallel trends assumption is less likely once we include “people” and “culture.” To dig into this further, we

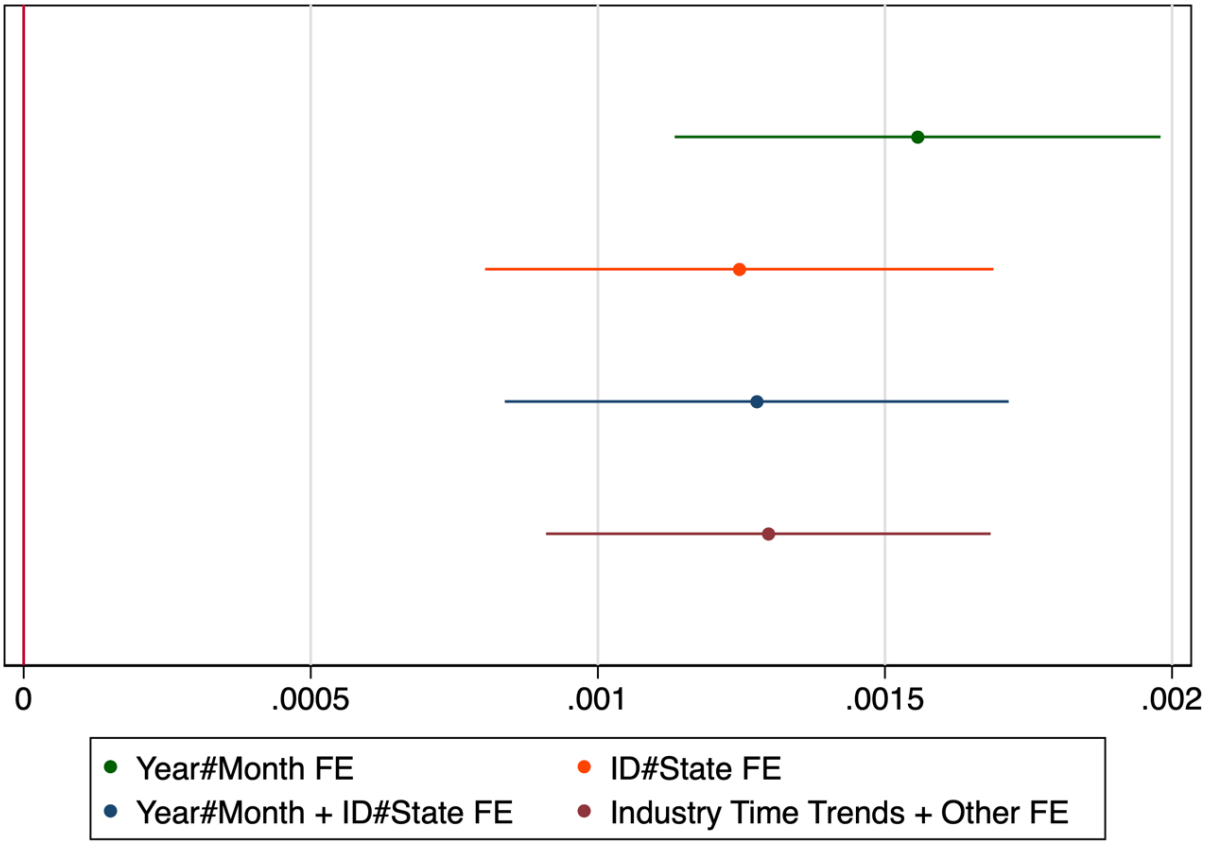
pulled a random sample of 100 job postings that include “people” and “culture” in the job title but didn’t include any of the other, more clearly DEI-related terms in our measure. We then read through each posting and coded whether the role was directly tied to DEI. We found only one of these DEI positions which had the job title “sr mgr. people of color” seemed to be directly related to DEI. Instead, these positions were general HR, people ops, or culture roles — suggesting that including “people” and “culture” alone brings in a lot of false positives. Hence, we prefer our main measure that does not include the terms “people” and “culture” as standalone indicators.

Fig. S5. Share of New Hires that Focus on DEI before and after the Murder of George Floyd With Additional DEI terms



Notes: These figures show estimates for DEI hires before and after the murder of George Floyd (red dotted line). A, the proportion of new hires that focus on DEI. B, the proportion of new hires that focus on DEI split by firms in the top 25 percentile of organizational liberalism and those in the bottom. Our measure of organizational liberalism is derived from employee donations. We begin our New Hire data in 2010 when LinkedIn reached 70 million users.

Fig. S6. Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms With Additional DEI terms



Notes: This figure shows difference in difference estimates predicting whether a job is a DEI job with robust standard errors clustered at the firm by state level. We compare firms in the top 25th percentile of organizational liberalism to those in the bottom 25th of organizational liberalism with different configurations of fixed effects and time trends. For these regressions we add "people" and "culture" to the list of DEI terms used.

S-5 Summary Statistics

Table S2 provides summary statistics for new hires, including the share of DEI new hires, average new hires per firm, maximum and minimum new hires per firm, total new hires, and the number of firms with new hire data across the entire sample, before George Floyd, and after George Floyd. We measure new hires using proprietary data purchased from Revelio Labs, a vendor which aggregates publicly available online employment details from LinkedIn. Revelio Labs has become a common data source in organizational and management research (e.g., Li et al. 2022, Frake et al. 2024). Their dataset aims to capture individual job histories by compiling online profiles and standardizing company, title, and work history information across multiple sources. Revelio Labs gathers and aggregates online profile information at scale; for each individual profile, the vendor algorithmically extracts features such as job title, years of experience, employer, seniority level, and location. Revelio Labs then standardizes these fields to facilitate cross-company and cross-occupation comparisons. Revelio Labs cleans and standardizes employer names across variant spellings and maps subsidiaries or regional branches to their ultimate corporate parent.

Table S2. Summary Statistics for New Hires

	(1) Entire Sample	(2) Before George Floyd	(3) After George Floyd
New Hires			
Share of DEI New Hires (%)	0.07 (2.57)	0.05 (2.28)	0.16 (3.98)
Average New Hires per Firm	49,905.25 (90,843.75)	39,567.23 (73,571.50)	7,537.38 (16,481.67)
Max New Hires per Firm	84,0077	67,3937	29,7899
Min New Hires per Firm	59	33	2
Total New Hires	35,183,199	27,894,894	5,313,855
Number of Firms with New Hire Data	705	705	705

Notes: Standard Deviations are shown in parentheses.

S-6 Additional Analyses with Job Posting Data

To complement our findings using LinkedIn data that we show in the main text of this manuscript. We also gathered supplementary data on job postings. We obtained job posting data from Revelio Labs who scrapes and cleans job posting aggregators (e.g., monster, indeed simplyhired, careerjet) to provide job posting level data. We used data on the employer, job title, location and posting dates. The only pre-processing that impacts a variable we use is Revelio's company mapping model, which uses machine learning techniques to reconcile spelling variants of a given firm to a single unique identifier and a canonical employer name. This data ends in November 2023. For our analyses using the job posting data our main dependent variable is an indicator if a job title in a job posting contains a string suggesting that the job role relates to DEI. We use the same strings that we used in our main analysis. We focused on job titles rather than job descriptions to more accurately capture jobs and new hires that are about DEI and not ads that include wording about DEI policies. Many firms include a "standard" paragraph on equal opportunity/DEI employment principles, making it difficult to assess from the text of the post itself whether the new job represents a substantive effort to increase DEI in the firm.

Table S3 displays summary statistics for our job posting data. Unlike LinkedIn, our job posting data does not have universal coverage as some firms may not post their jobs on aggregators. Figure S7a show that the share of DEI job postings sharply increased after the murder of George Floyd. In Figure S7b, we split the sample of firms into liberal-leaning and conservative-leaning based on the organizational liberalism index from the FEC data. When we do, however, we find that the increase in DEI job postings is driven mainly by liberal-leaning firms. Consistent with our main results. Figure S8 presents the difference in difference results

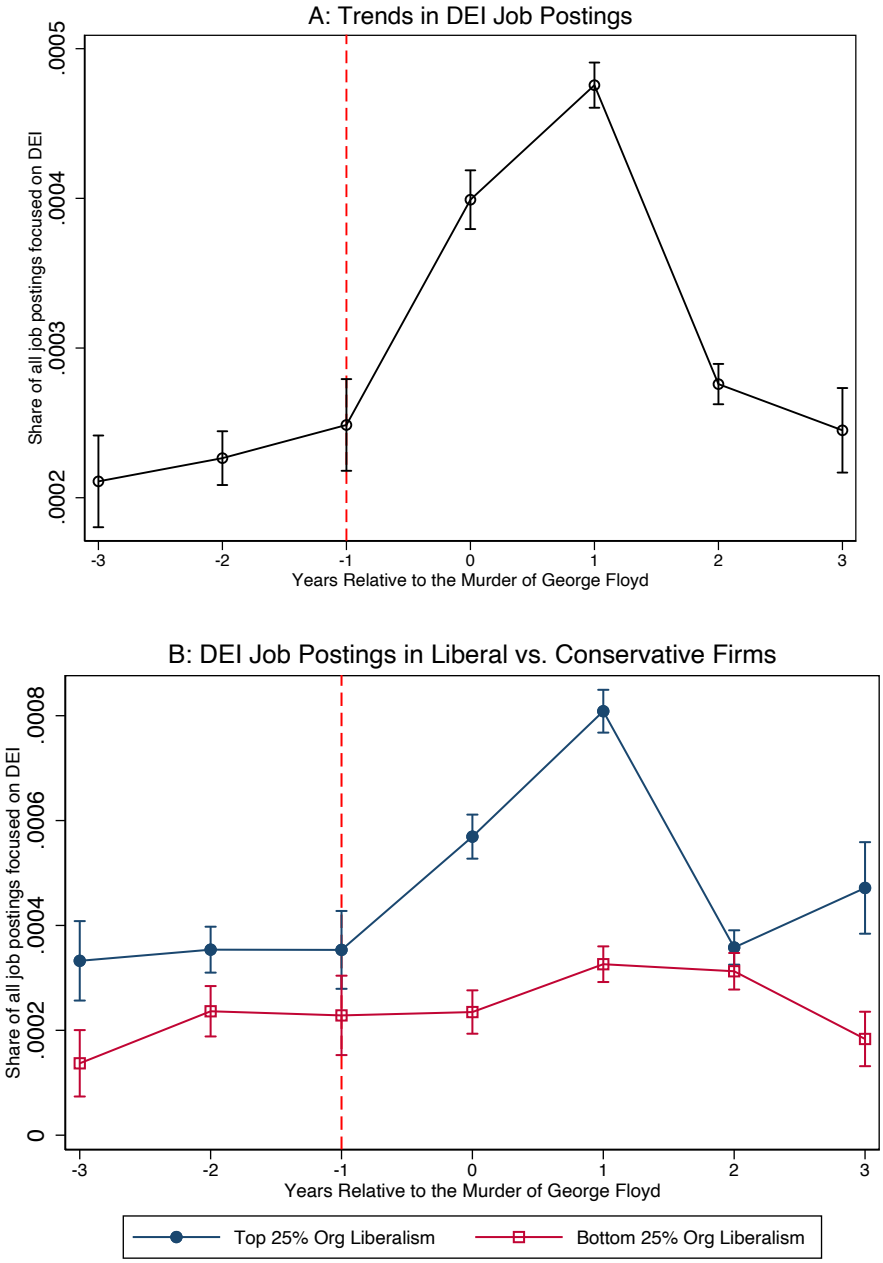
with different configurations of fixed effects and industry time trends. The results are consistent with our main results with LinkedIn data.

Table S3. Summary Statistics for Job Posting Data

	(1) Entire Sample	(2) Before George Floyd	(3) After George Floyd
Job Postings			
Share of DEI Job Postings (%)	0.03 (1.86)	0.02 (1.57)	0.04 (1.95)
Average Job Postings per Firm	39,963.80 (84,861.57)	10,504.81 (23,138.14)	29,781.15 (66,338.38)
Max Job Postings per Firm	824,728	268,184	567,506
Min Job Postings per Firm	54	1	4
Total Job Postings	25,416,974	6,565,506	18,851,468
Number of Firms with Job Posting Data	636	625	633

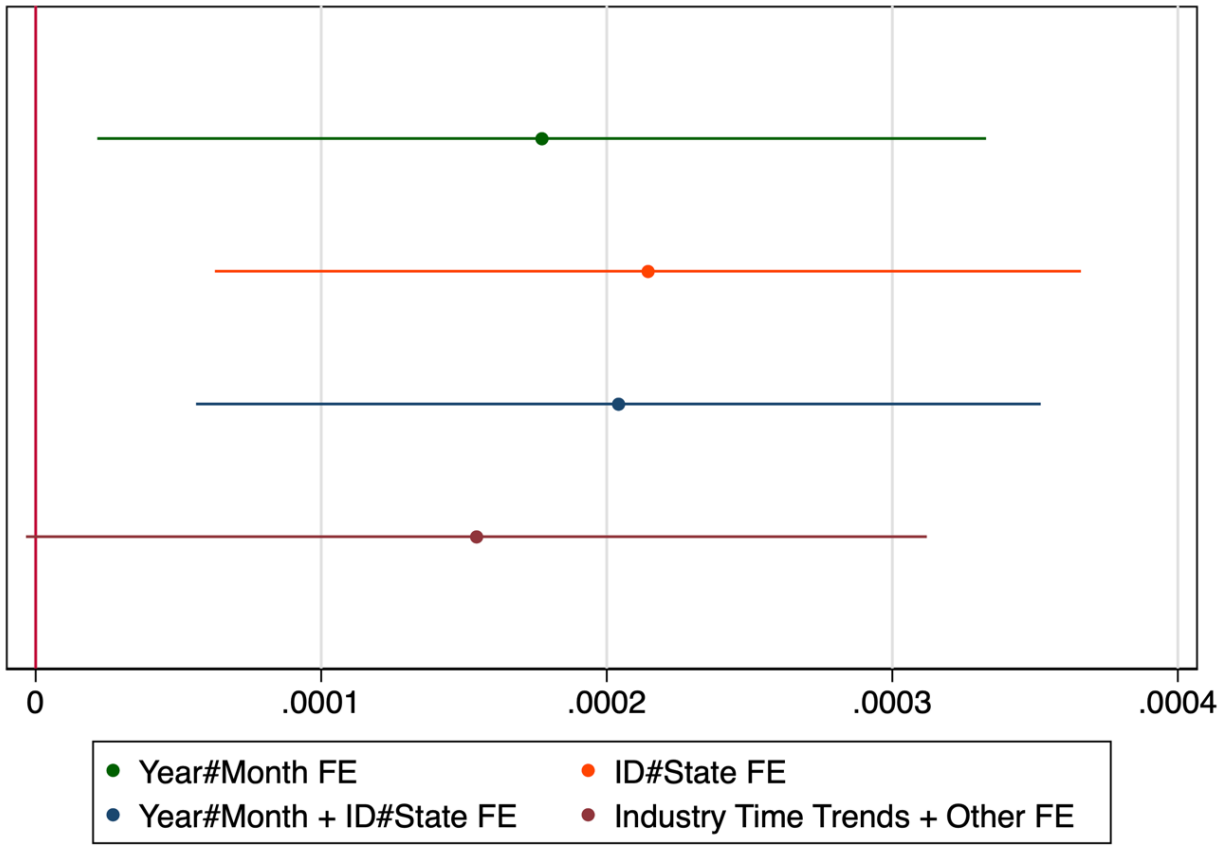
Notes: Standard Deviations are shown in parentheses.

Fig. S7. Share of Job Postings that Focus on DEI before and after the Murder of George Floyd



Notes: These figures show estimates for DEI job postings during the periods before and after the murder of George Floyd (indicated by the red dotted line). **A**, displays the share of job postings focused on DEI across firms. **B,** shows the share of job postings focused on DEI, split by firms in the top 25th percentile of organizational liberalism and those in the bottom 25th percentile. The periods before and after the murder of George Floyd are relative to the event date. Organizational liberalism is derived from employee political donations. Bars indicate 95% confidence interval

Fig. S8. Difference in Difference Estimates of the Murder of George Floyd on DEI Job Postings Comparing Liberal to Conservative Firms



Notes: This figure shows difference in difference estimates predicting whether a job posting is a DEI job with robust standard errors clustered at the firm by state level. We compare firms in the top 25th percentile of organizational liberalism to those in the bottom 25th of organizational liberalism with different configurations of fixed effects and time trends.

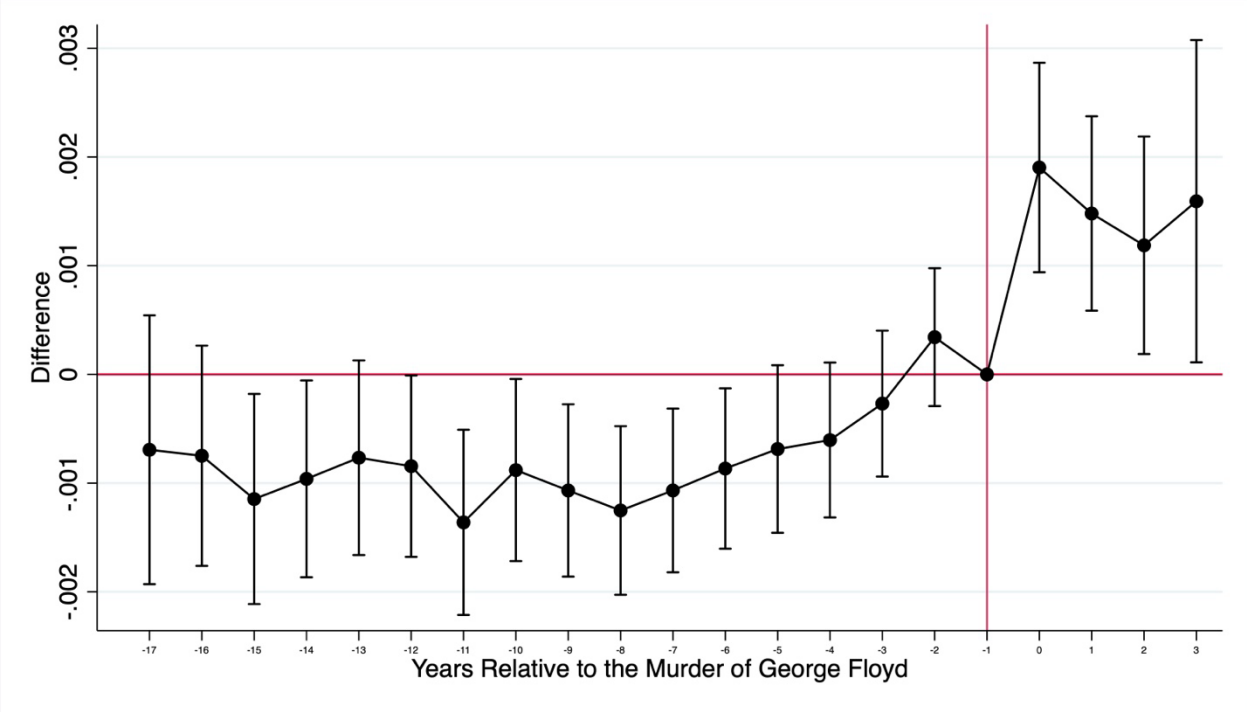
S-7: Dynamic Difference in Difference Model with Different Cut-Off Points between Liberal and Conservative

This section presents results from dynamic difference-in-differences models estimating the impact of the murder of George Floyd on DEI-focused hiring across firms with varying levels of organizational liberalism. We analyze these effects using multiple cut-off points to differentiate between liberal and conservative firms, based on their organizational liberalism scores derived from employee political donations.

For each cut-off point, we estimate dynamic treatment effects relative to the period before the murder of George Floyd. The dependent variable is a dummy variable that indicates that a new hire focuses on DEI. The models control for industry-specific time trends, year-by-month fixed effects, and firm-by-state fixed effects, with standard errors clustered at the firm-by-state level.

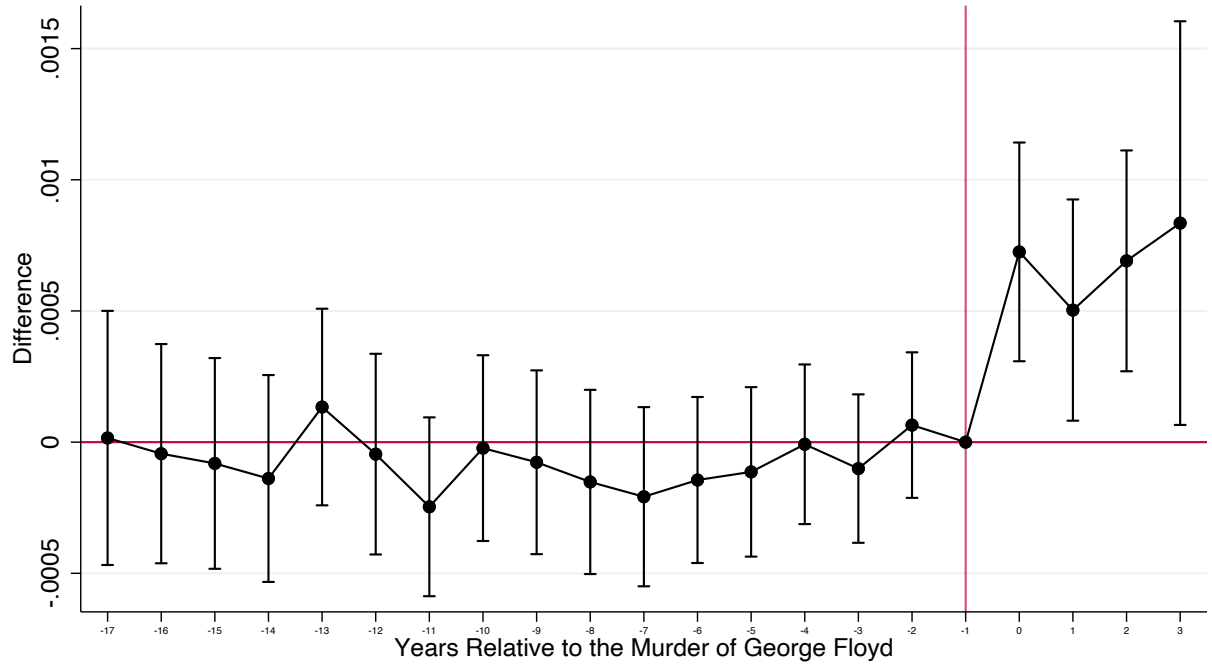
Each regression compares firms above and below the specified cut-off point, allowing us to identify differences in DEI-focused hiring dynamics across varying levels of organizational liberalism. The results are visualized in a series of coefficient plots, where each point represents the difference in predicted probabilities relative to the pre-treatment period, with 95% confidence intervals. Figure S9 presents the results usings the continuous value for the liberalism measure instead of creating dummy variables. Figures S10, S11, S12, S13 and S14 present these results at the 50^{th} percentile, 40^{th} percentile, 30^{th} percentile, 20^{th} percentile and 10^{th} percentile cut off points.

Fig. S9. Dynamic Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms with Continuous Measure for Organizational Liberalism



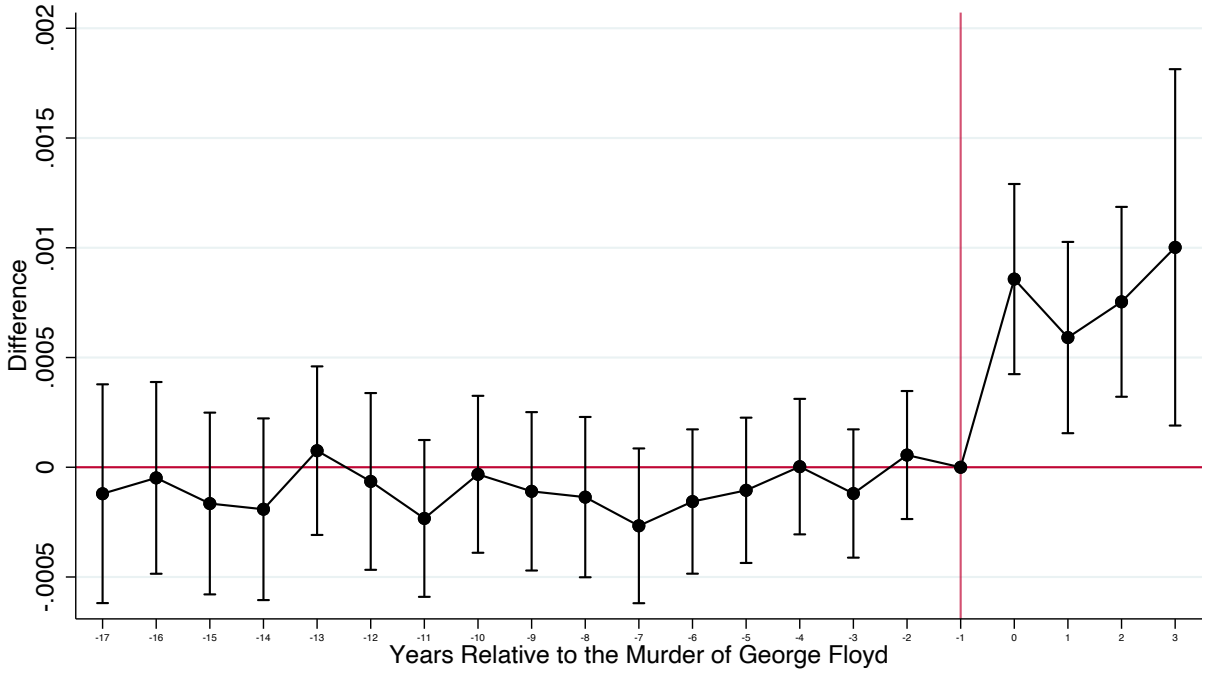
Notes: Each point represents the interaction between a dummy variable for the indicated period and the Continuous Measure for Organizational Liberalism. The estimates are relative to the the reference time period. The reference period is the one-year period preceding the murder of George Floyd (May 2019 to May 2020). The regressions include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals.

Fig. S10. Dynamic Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms Top and Bottom 50th Percentile



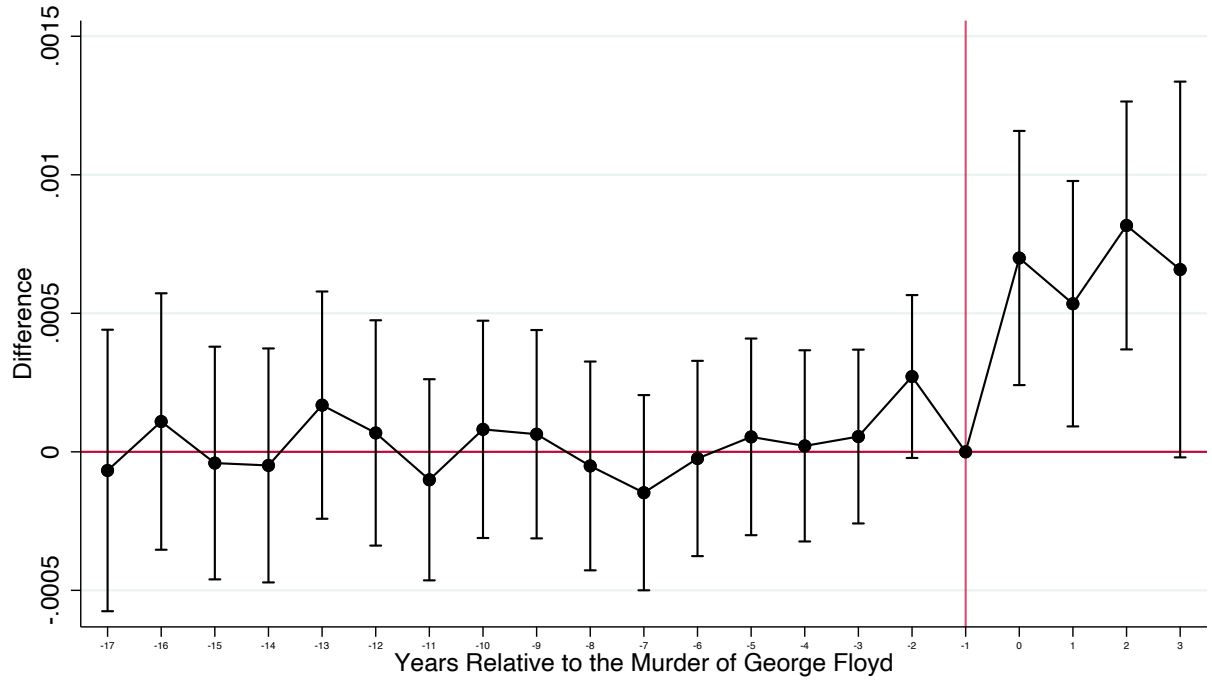
Notes: Each point represents the difference in the predicted probability that, in the indicated period, a new hire from a firm in the top 50th percentile of organizational liberalism versus a new hire from a firm in the bottom 50th percentile is a DEI role, relative to this difference in the reference period. The reference period is the one-year period preceding the murder of George Floyd (May 2019 to May 2020). The regressions include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals.

Fig. S11. Dynamic Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms Top and Bottom 40th Percentile



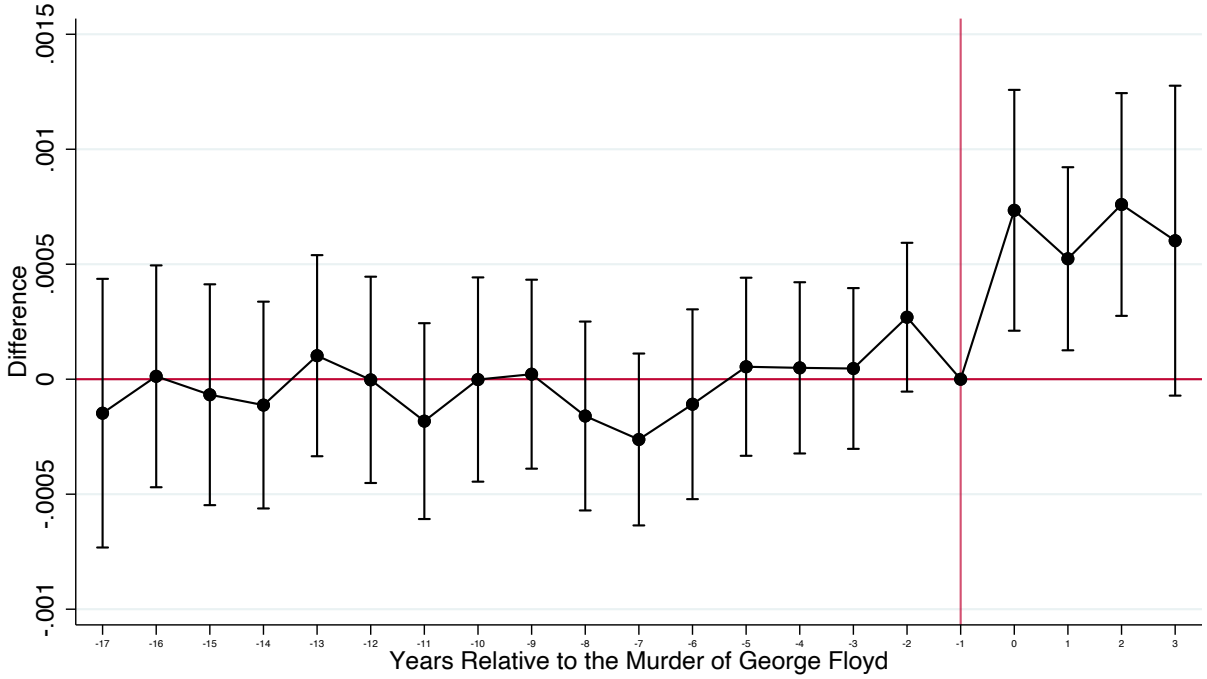
Notes: Each point represents the difference in the predicted probability that, in the indicated period, a new hire from a firm in the top 40th percentile of organizational liberalism versus a new hire from a firm in the bottom 40th percentile is a DEI role, relative to this difference in the reference period. The reference period is the one-year period preceding the murder of George Floyd (May 2019 to May 2020). The regressions include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals.

Fig. S12. Dynamic Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms Top and Bottom 30th Percentile



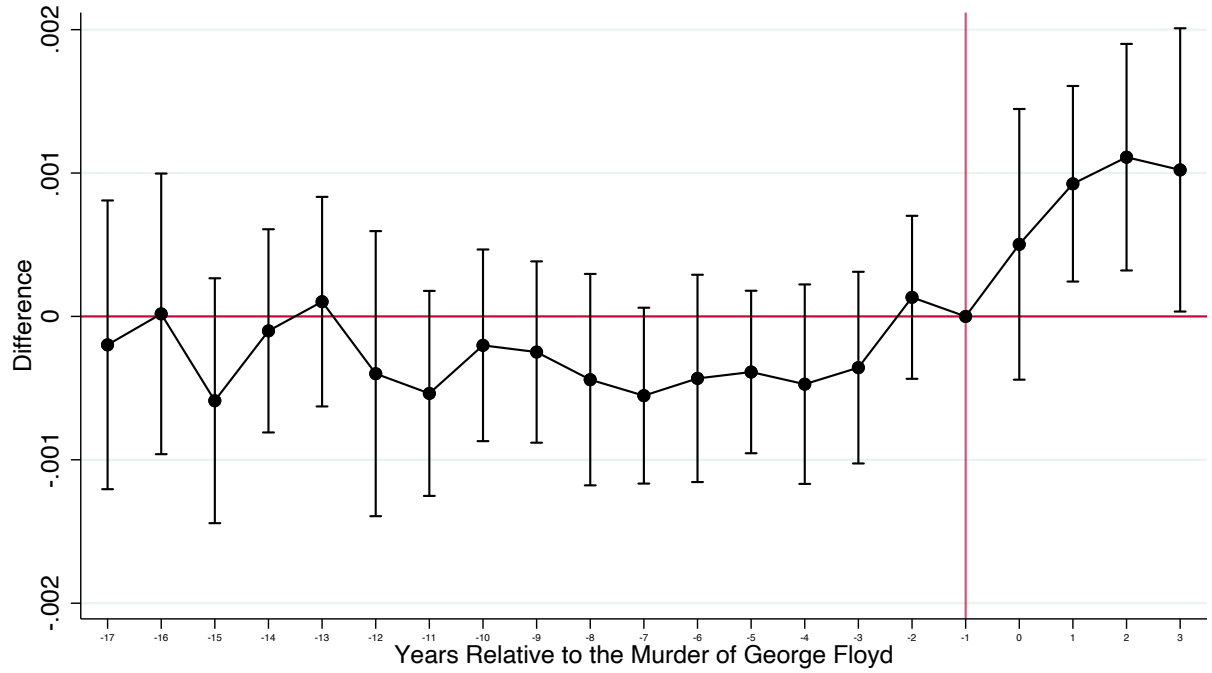
Notes: Each point represents the difference in the predicted probability that, in the indicated period, a new hire from a firm in the top 30th percentile of organizational liberalism versus a new hire from a firm in the bottom 30th percentile is a DEI role, relative to this difference in the reference period. The reference period is the one-year period preceding the murder of George Floyd (May 2019 to May 2020). The regressions include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals.

Fig. S13. Dynamic Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms Top and Bottom 20th Percentile



Notes: Each point represents the difference in the predicted probability that, in the indicated period, a new hire from a firm in the top 20th percentile of organizational liberalism versus a new hire from a firm in the bottom 20th percentile is a DEI role, relative to this difference in the reference period. The reference period is the one-year period preceding the murder of George Floyd (May 2019 to May 2020). The regressions include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals.

Fig. S14. Dynamic Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms Top and Bottom 10th Percentile



Notes: Each point represents the difference in the predicted probability that, in the indicated period, a new hire from a firm in the top 10th percentile of organizational liberalism versus a new hire from a firm in the bottom 10th percentile is a DEI role, relative to this difference in the reference period. The reference period is the one-year period preceding the murder of George Floyd (May 2019 to May 2020). The regressions include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals.

S-8 Placebo Check with Other Occupations that should not have been Impacted by George Floyd's murder.

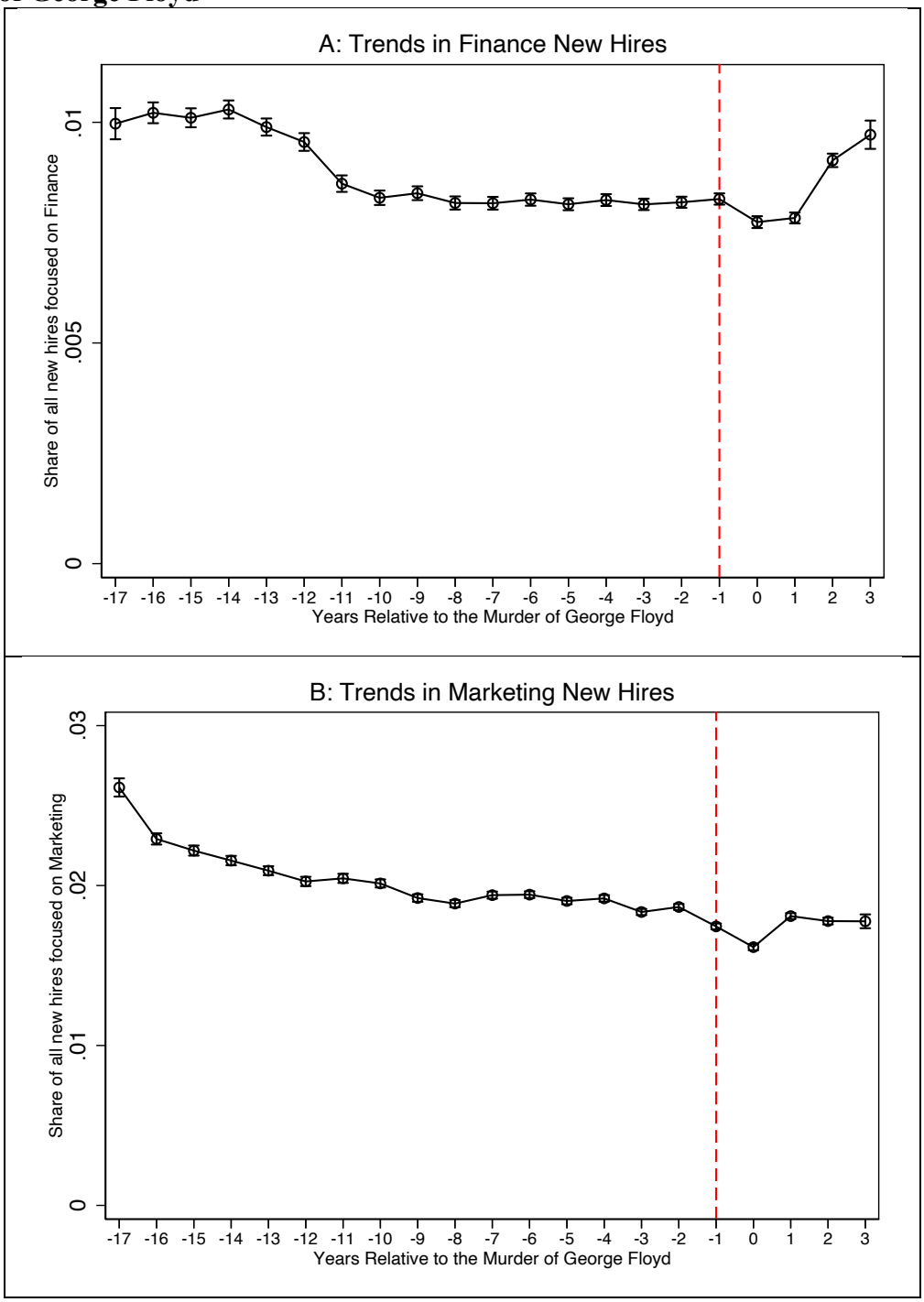
To further validate our findings, we performed a placebo check two placebo occupations that are generally present in large corporations yet are unlikely to be influenced by the murder of George Floyd or related sociopolitical events. We selected two occupations that are common across many large US firms: (1) Roles related to marketing, (2) Roles related to finance.

For the placebo test, we first present the raw overall trends for all firm in our sample, replicating figure 1a from the main text. For these two placebo roles, we see relatively stable trends overtime and no large changes around the murder of George Floyd which is very different than the graphs with the real DEI trends. We present these results in Figure S15. Next, we replicated Figure 1b from our main sample where we graph the raw trends for the most conservative and most liberal. We use the same cut off points here as we do in our main text. For the placebo roles, there is similarly no large changes in the differences between these types of firms around the murder of George Floyd. We present these results in Figure S16.

Next, we replicated our main difference-in-differences (DiD) analyses with the placebo roles. We use the fully specified model here with industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. If our findings were purely due to general shifts in hiring patterns rather than a response to a polarizing event, we would expect to see a similar divergence in these placebo occupations. Conversely, if the results remain null for these roles, it would strengthen our interpretation that the observed effect on DEI hires is specifically related to the social and ideological salience triggered by George Floyd's murder. Figure S17 shows the difference in difference models for the different placebo roles. The treatment effect for placebo occupations is smaller in magnitude and statistically insignificant. Finally, to ensure the stability

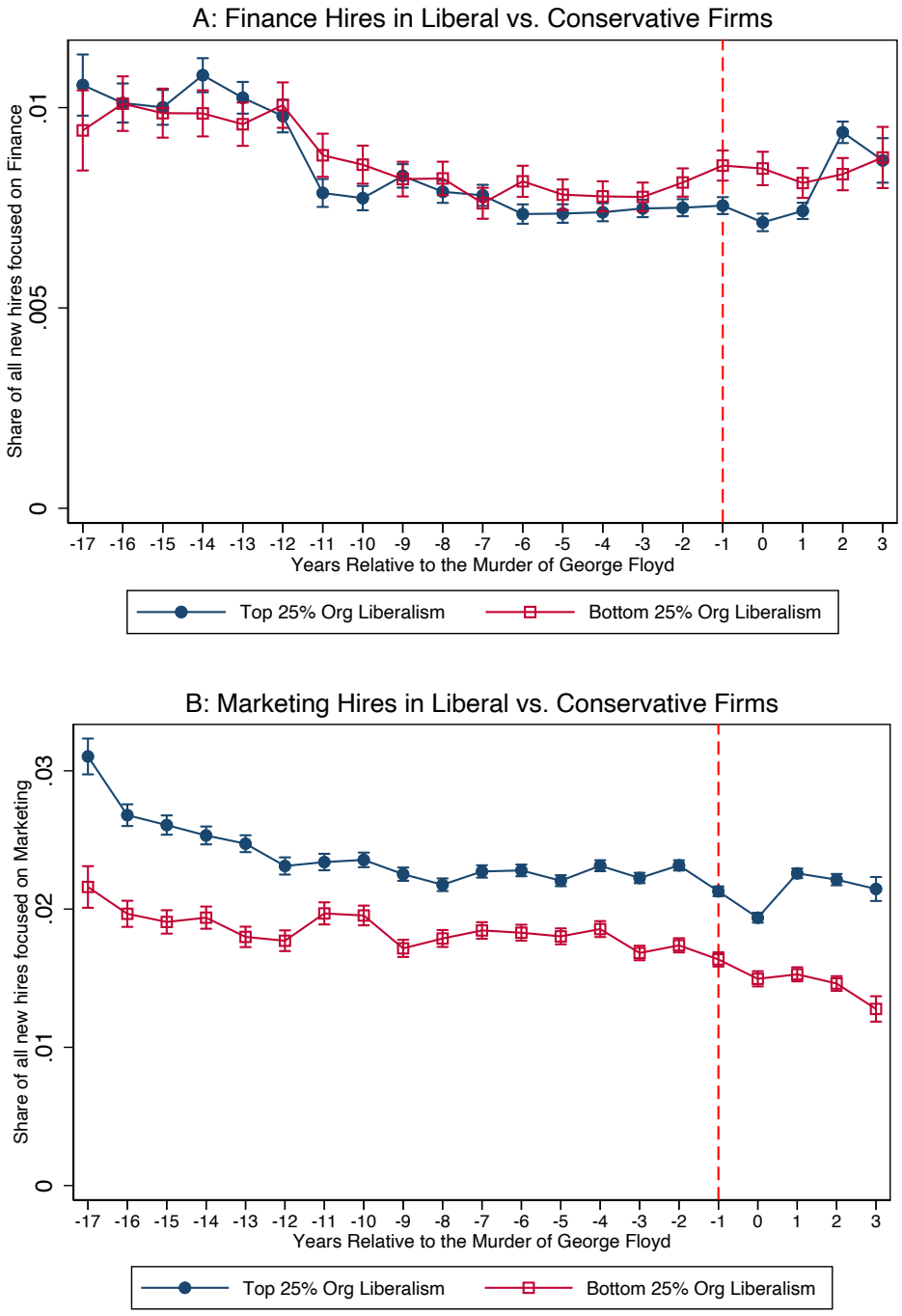
of our political ideology measures and address concerns that our estimates are the result of including firms with fewer donors, where the ideology measure does not reflect the workforce of the firm, we replicated the analyses excluding firms with fewer than 50 matched donations, producing substantively similar results shown in supplementary figure S18.

Fig. S15. Share of New Hires that Focus on Finance or Marketing before and after the Murder of George Floyd



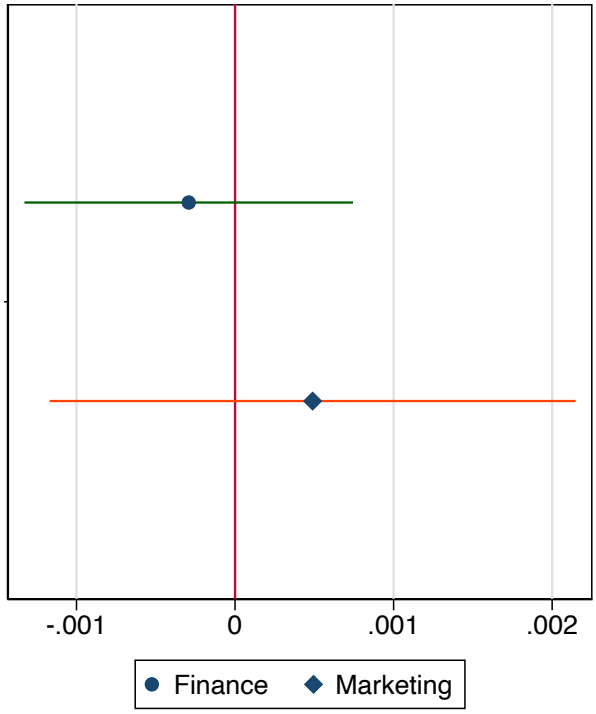
Notes: These figures show estimates for Finance or Marketing hires during the periods before and after the murder of George Floyd (indicated by the red dotted line). **A**, displays the share of all new hires focused on Finance across firms. **B**, displays the share of all new hires focused on Marketing across firms.

Fig. S16. Share of New Hires that Focus on Finance or Marketing before and after the Murder of George Floyd in Liberal vs. Conservative Firms



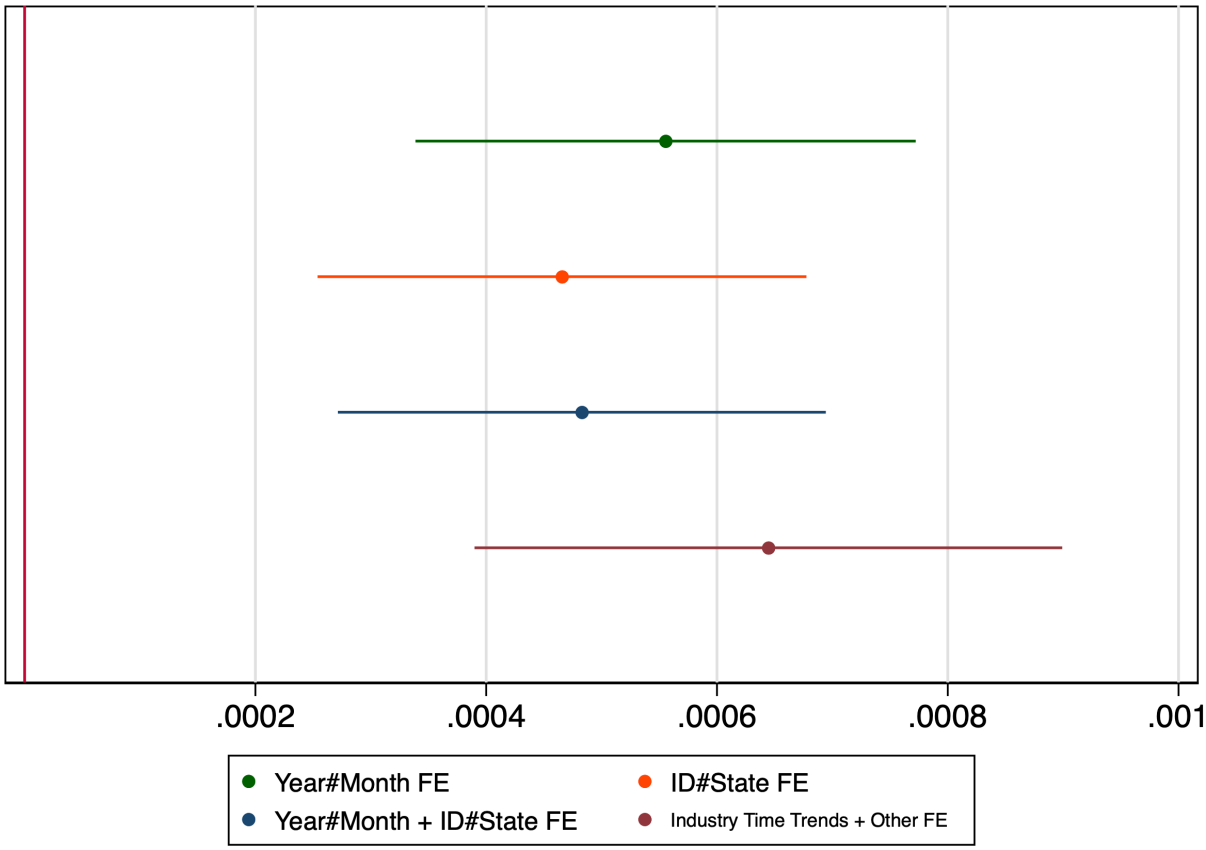
Notes: This figure shows the share of new hires focused on Finance, **A**, or Marketing, **B**, split by firms in the top 25th percentile of organizational liberalism and those in the bottom 25th percentile. The periods before and after the murder of George Floyd are relative to the event date. Organizational liberalism is derived from employee political donations. Bars indicate 95% confidence intervals.

Fig. S17: Difference in Difference Models Replicating for Finance and Marketing Roles



Notes: This figure presents difference in differences regressions that compare hiring in finance (circle) and marketing (diamond) in firms in the top 25th percentile of organizational liberalism to those in the bottom 25th percentile of organizational liberalism. The models include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects with standard errors clustered at the firm-by-state level.

Fig. S18: Difference in Difference Models Replicating Figure 2 but Dropping Firms with Less Than 50 Matched Donations

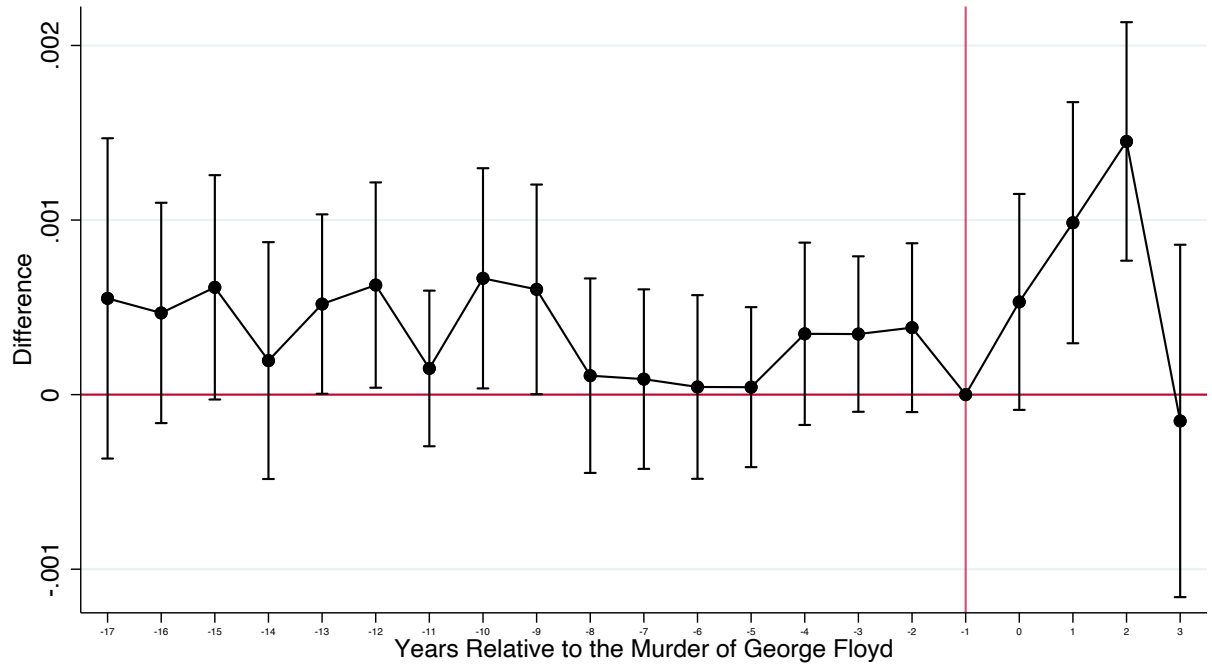


S-9: State-Level Partisanship

We replicated our main analysis using a sample restricted to hiring in swing states. Swing states were defined based on their political competitiveness during recent presidential elections and we included Wisconsin, Pennsylvania, New Hampshire, Minnesota, Arizona, Georgia, Virginia, Florida, Michigan, Nevada, Colorado, North Carolina, and Maine. By focusing on these politically contested states, we aimed to examine whether the observed effects hold in regions where partisan influences are less pronounced compared to strongly liberal or conservative states. We replicated our main dynamic difference in difference analysis but restrict our sample to swing states. The estimates are similar to our main analysis, however, considerably larger in magnitude. However, the confidence intervals are larger due to the smaller sample. We present these results in Figure S19.

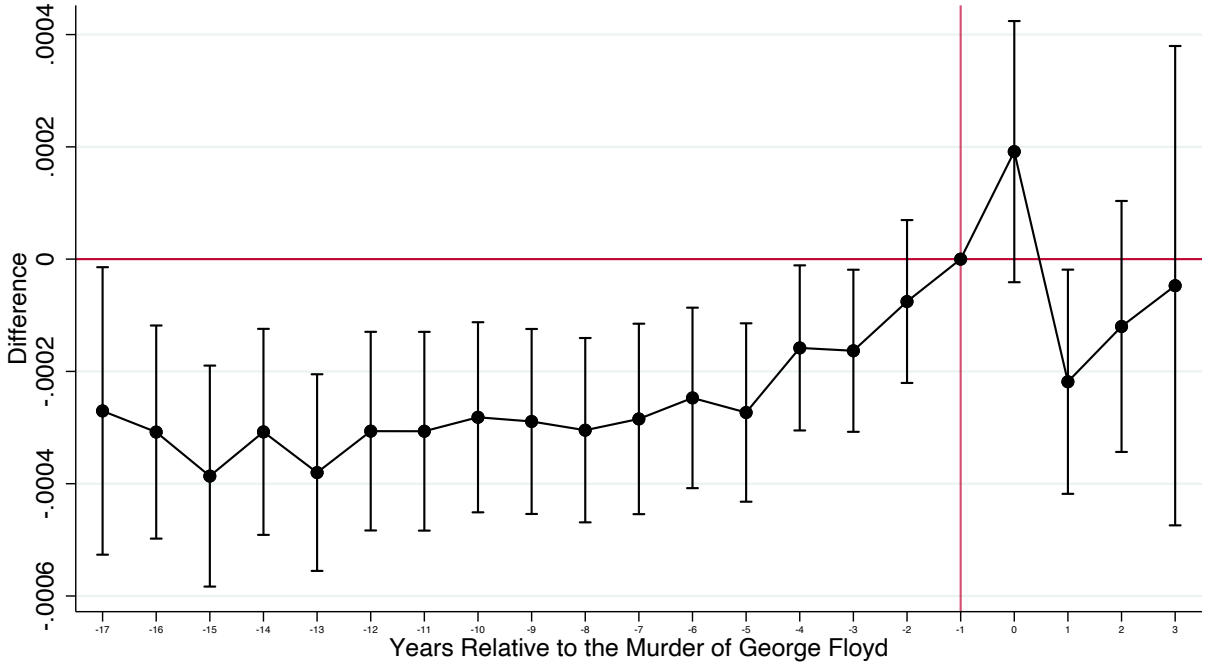
We next extended our analysis by replacing the organizational ideology measure with state-level partisanship indicators, using data from the 2016 U.S. presidential election. Specifically, we calculate the share of votes in each state that went to Hillary Clinton. We then perform a dynamic difference-in-differences analysis, like Figure 3 in the main text, comparing hiring trends in states in the top 25th percentile of Clinton votes (e.g., Oregon, Washington, Delaware, Rhode Island, Connecticut, New Jersey, Vermont, Illinois, New York, Massachusetts, Maryland, Hawaii, and California) to states below this threshold. We plot the treatment effect for each year relative to the murder of George Floyd. Unlike the analysis in Figure 3, which shows a sharp and statistically significant increase in DEI hiring after George Floyd's murder, this analysis using state-level partisanship fails to detect a significant treatment effect. We present this figure in figure S20.

Fig. S19: Difference in Difference Models Replicating Figure 3 but Including only New Hires in Swing States



Notes: Each point represents the difference in the predicted probability that, in the indicated period, a new hire from a firm in the top 25th percentile of organizational liberalism versus a new hire from a firm in the bottom 25th percentile is a DEI role, relative to this difference in the reference period. The reference period is the one-year period preceding the murder of George Floyd (May 2019 to May 2020). The regressions include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals. This figures differs from Figure 3 in the main text in that it restricts to only new hires in swing states.

Fig. S20. Dynamic Difference in Difference Estimates of the Murder of George Floyd on DEI Hires Using Election Data from the 2016 Presidential Election to Measure State Liberalism

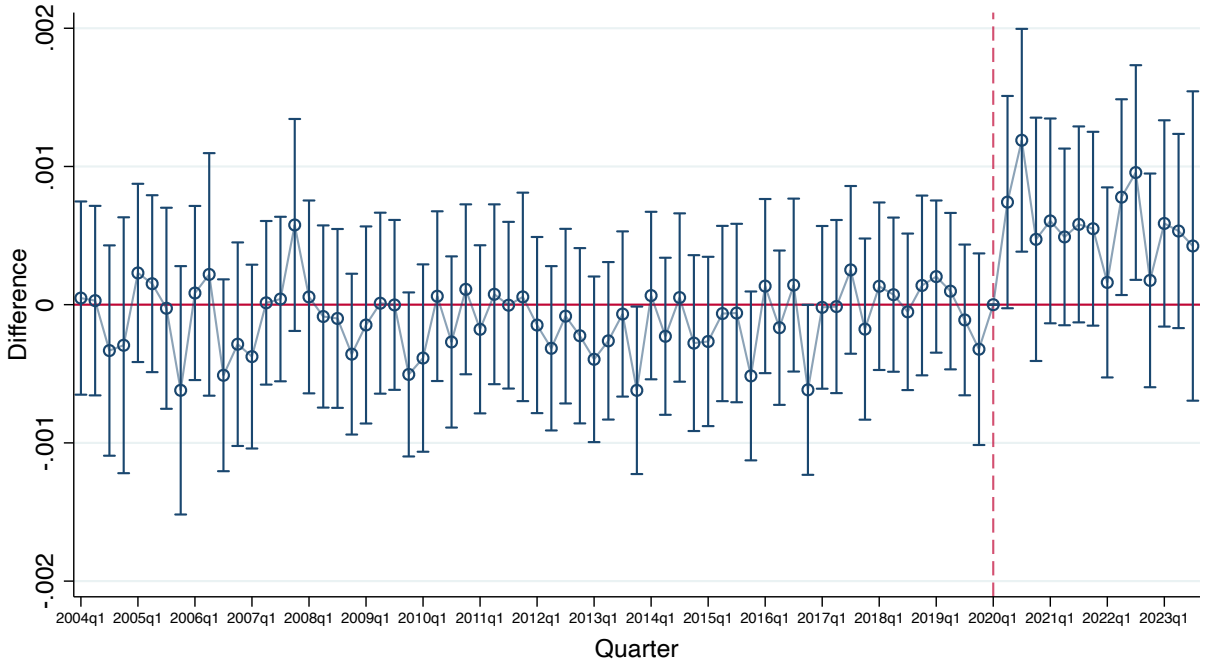


Notes: The reference period is the one-year period preceding the murder of George Floyd (May 2019 to May 2020). The regressions include industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals. This figure differs from Figure 3 in the main text in that it compares the new hires in states from the top 25th percentile in Clinton votes in 2016 to those below.

S-10: Exploring the Role of the 2020 Presidential Election

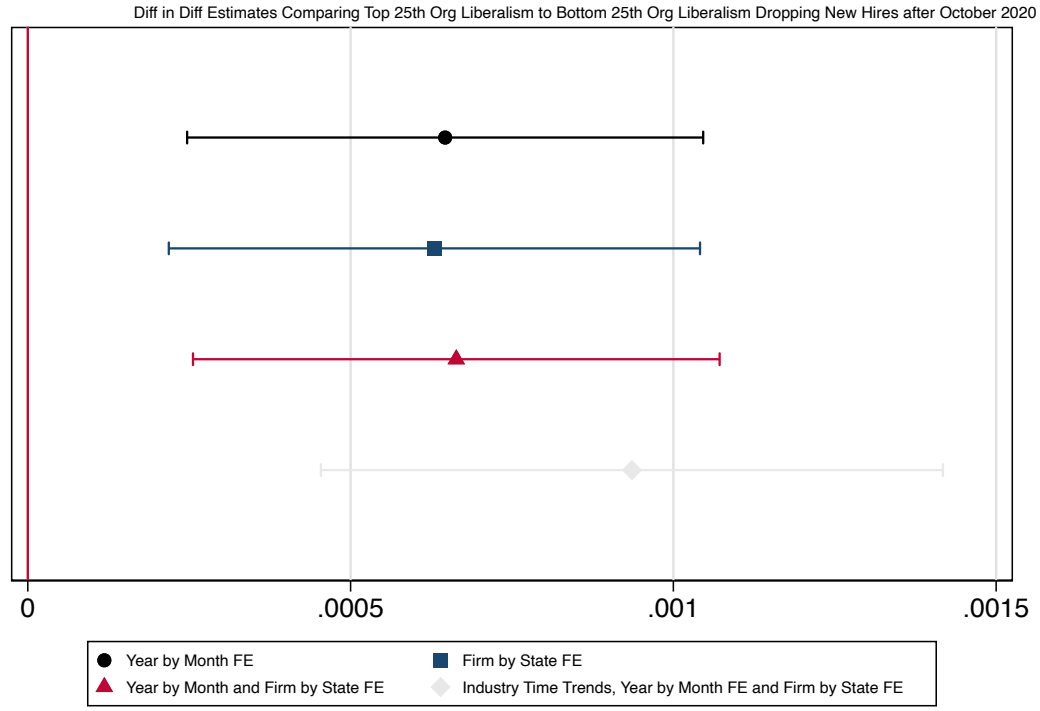
To examine whether our observed treatment effects were driven by reactions to the outcome of the 2020 U.S. presidential election rather than the murder of George Floyd, we replicated our main event study analysis at the quarterly level. This allows us to isolate the effect of George Floyd's murder from the potential influence of the election results that would have happened in the same yearly bin. Figure S21 displays the quarterly dynamic difference-in-differences estimates for the full period at the quarterly level. The results show that the divergence in DEI hiring between liberal and conservative firms begins shortly after Floyd's murder—before the November 2020 election—and continues throughout the remainder of the year. These findings suggest that the observed divergence is not merely a response to the election outcome but rather reflects a direct reaction to Floyd's murder and its immediate aftermath. Figure S22 shows our main difference-in-differences models (Figure 2) using only those DEI hires that took place prior to November 2020. The results remain consistent with our primary findings, indicating that the observed divergence in DEI hiring patterns did not simply arise after the election results.

Fig. S21. Dynamic Difference in Difference Estimates at the Quarterly Level of the Murder of George Floyd on DEI Hires Comparing Liberal to Conservative Firms



Notes: Each point represents the difference in predicted probability that in the indicated quarter, a new hire from a firm in the top 25th percentile of organizational liberalism versus a new hire from a firm in the bottom 25th of organizational liberalism is a DEI role relative to this difference in the reference time period. The reference period is the quarter prior to the murder of George Floyd (2020q1). The regression includes industry time trends, year-by-month fixed effects, and firm-by-state fixed effects. Bars indicate 95% confidence intervals. This analysis focuses on a shorter period and ends the analysis prior to the 2020 presidential election in the United States which happened in 2020q4. Supplementary figure X shows this regression with the full time period used in our analysis.

Fig. S22. Difference in Difference Estimates of the Murder of George Floyd on DEI Job Postings Comparing Liberal to Conservative Firms Prior to the 2020 Election

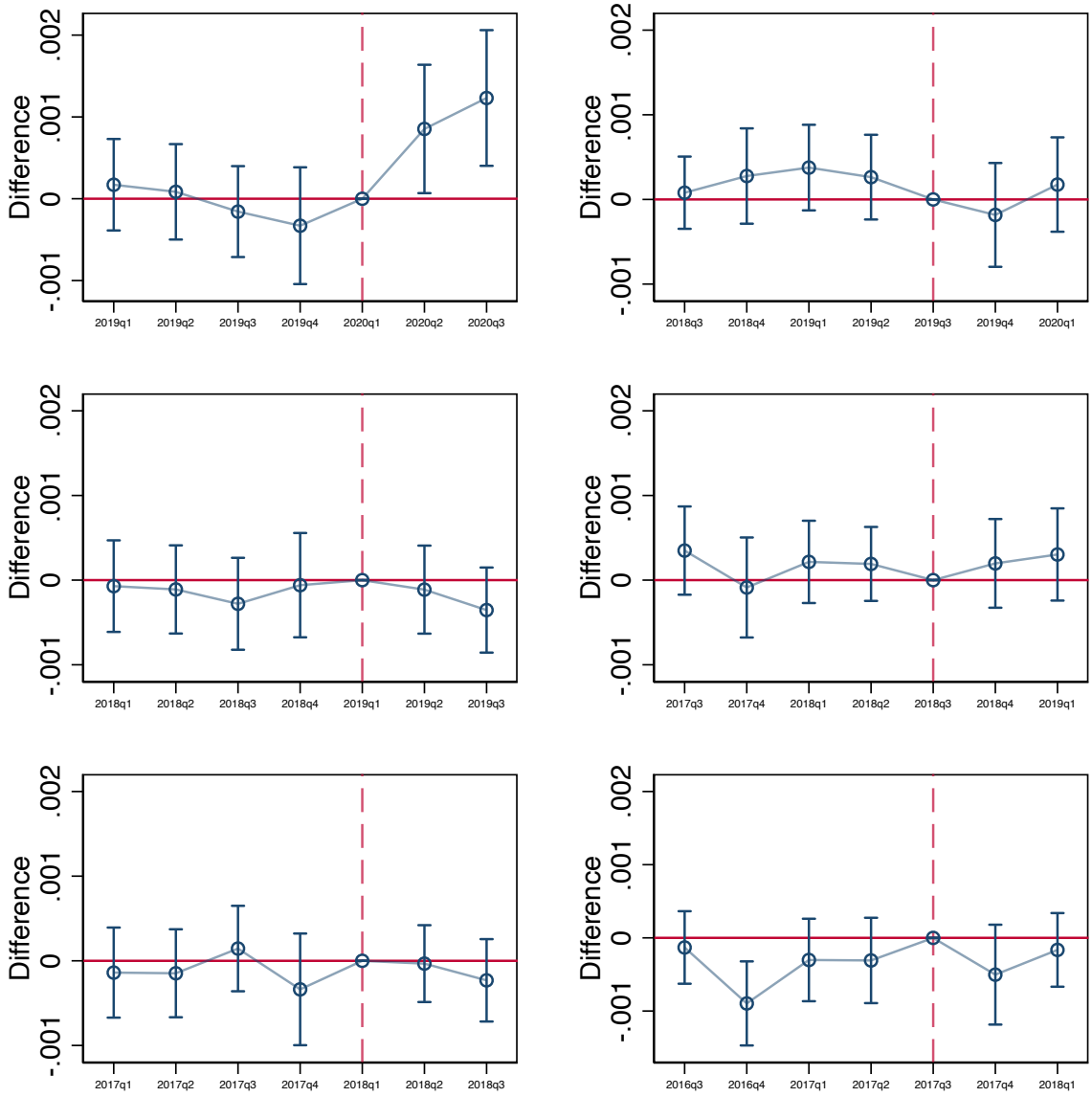


Notes: This figure shows difference in difference estimates predicting whether a job posting is a DEI job with robust standard errors clustered at the firm by state level. We compare firms in the top 25th percentile of organizational liberalism to those in the bottom 25th of organizational liberalism with different configurations of fixed effects and time trends. We only include new hires that occurred prior to the November 2020 Presidential Election in the United States.

S-11 Time Based Placebo Checks

To further probe the validity of our findings, we conducted a set of placebo tests using alternative "fake" treatment dates. Specifically, we replicated the quarterly dynamic difference-in-differences analysis (Figure 4) but designated five pre-treatment dates—6 months, 1 year, 1.5 years, 2 years, and 2.5 years prior to George Floyd's murder—as placebo event dates and adjusted the time frame and reference period accordingly. For each placebo date, we defined the reference period as the quarter preceding the fake treatment and then re-estimated the dynamic model. If liberal and conservative firms were already on divergent DEI hiring trajectories before the real treatment date of George Floyd's murder, we would expect to detect similar differences around these placebo dates. However, as shown in Figure S23, we observe no statistically significant differences in DEI hiring across these placebo windows. In fact, 4 of the 5 placebo estimates are negative, and all are substantially smaller in magnitude than the effects detected after the actual treatment date. This strengthens the credibility of our identification strategy by demonstrating that the divergence in DEI hiring emerges uniquely around the murder of George Floyd.

Fig. S23. Time-Based Placebo Checks Using Alternative Pre-Treatment Dates and Reference Periods

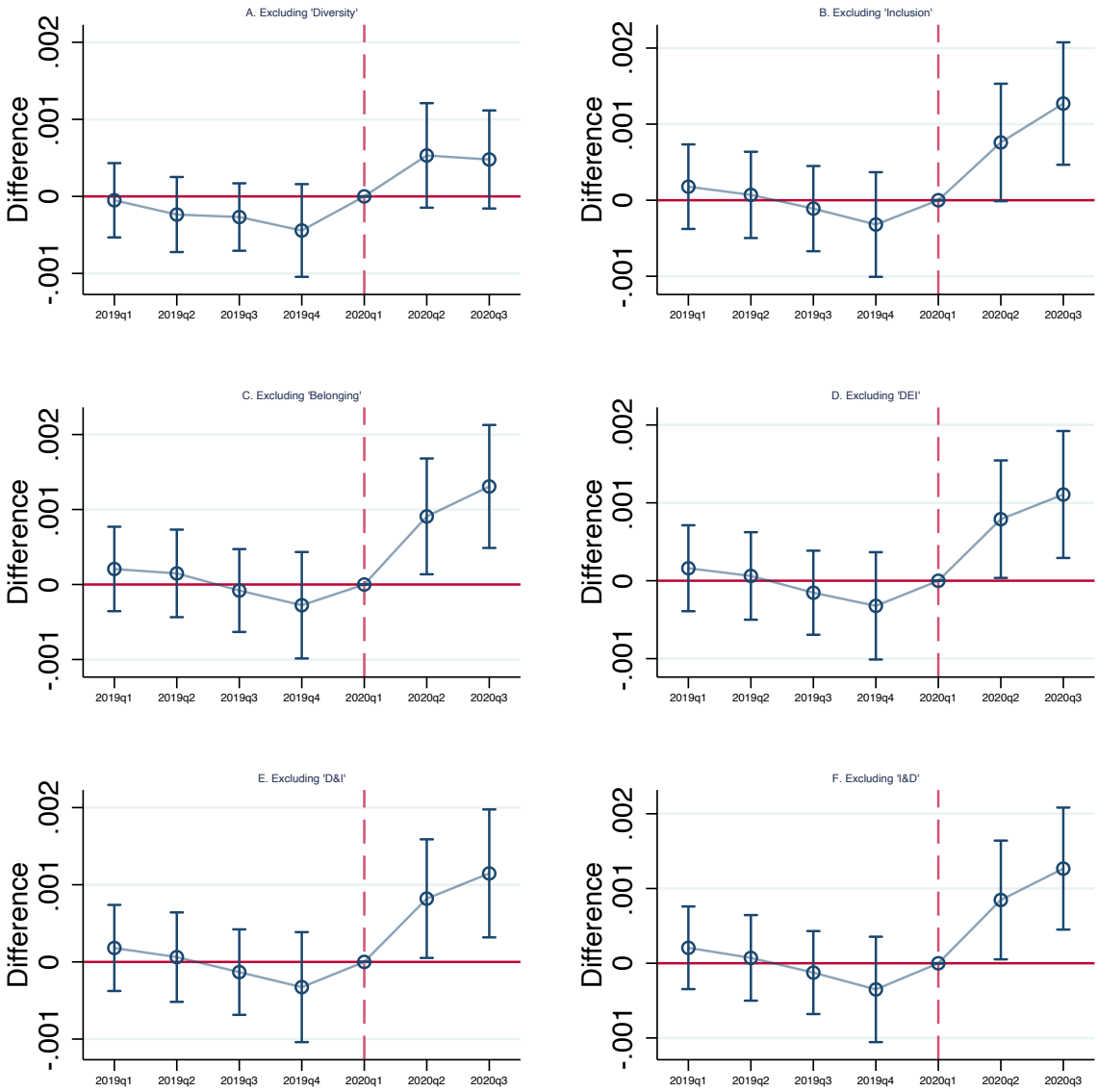


Notes: This figure presents dynamic difference-in-differences estimates using placebo treatment dates set at 6 months, 1 year, 1.5 years, 2 years, and 2.5 years prior to the murder of George Floyd. For each placebo date, we define the reference period as the quarter immediately preceding that date and estimate the difference in the predicted probability that a new hire from a liberal firm (top 25th percentile of organizational liberalism) versus a conservative firm (bottom 25th percentile) is in a DEI role. Each point reflects this difference for a given quarter relative to the corresponding placebo reference period. The regressions include industry-specific time trends, year-by-month fixed effects, and firm-by-state fixed effects, with standard errors clustered at the firm-by-state level. Across all placebo periods, we observe no statistically significant divergence in DEI hiring trends, providing strong support for the validity of our parallel trends assumption and indicating that the observed post-treatment divergence is not driven by preexisting trends.

S-12 Exploring the Robustness of the Parallel Trends across Different DEI job measures

To assess the robustness of our results to the construction of the DEI outcome variable, we repeated the quarterly event study analysis multiple times, each time excluding a different DEI-related keyword from the definition of a DEI hire. Specifically, we cycled through six alternate outcome variables, omitting one term at a time from our list: "diversity," "inclusion," "belonging," "DEI," "D&I," and "I&D." For each of these variants, we estimated the same dynamic difference-in-differences model from Figure 4 and generated the corresponding coefficient plots. As shown in Figure S24, the results remain substantively similar across all specifications. The divergence in DEI hiring between liberal and conservative firms and the parallel pre-trends are consistent regardless of which term is excluded. This reinforces that our findings are not artifacts of idiosyncratic language use or over-reliance on any one keyword.

Fig. S24. Robustness of Quarterly Event Study Estimates to Alternative DEI Outcome Definitions



Notes: This figure presents dynamic difference-in-differences estimates of DEI hiring at the quarterly level, replicating the model from Figure 4 while systematically excluding one DEI-related keyword at a time from the outcome variable. The keywords removed in each specification are: “diversity,” “inclusion,” “belonging,” “DEI,” “D&I,” and “I&D.” Each line represents the difference in the predicted probability that a new hire from a liberal firm (top 25th percentile of organizational liberalism) versus a conservative firm (bottom 25th percentile) is in a DEI role, relative to the quarter preceding the murder of George Floyd (2020 Q1). The regressions include industry-specific time trends, year-by-month fixed effects, and firm-by-state fixed effects, with standard errors clustered at the firm-by-state level. Across all specifications, the estimated effects are substantively similar, indicating that the observed divergence is not driven by the inclusion or exclusion of any specific DEI-related term.