WOMEN IN MANAGEMENT: ARE THEY BREAKING THE GLASS CEILING?

HEARING

BEFORE THE

SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT AND INTERGOVERNMENTAL RELATIONS

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

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WOMEN IN MANAGEMENT: ARE THEY BREAKING THE GLASS CEILING?

MONDAY, APRIL 22, 2002

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT AND INTERGOVERNMENTAL RELATIONS,
COMMITTEE ON GOVERNMENT REFORM,
New York, NY.

The subcommittee met, pursuant to notice, at 9 a.m., in the New York State Assembly Hearing Room, Room 1923, 250 Broadway, New York, NY, Hon. Stephen Horn (chairman of the subcommittee) presiding.

Present: Representatives Horn, Schakowsky, and Maloney.

Also present: Bill Perkins, deputy majority leader, New York City Council, Ninth District.

Staff present: J. Russell George, staff director and chief counsel; Bonnie Heald, deputy staff director; Justin Paulhamus, clerk; and David McMillen, minority professional staff.

Present from Congresswoman Carolyn Maloney's staff: Ben Chevat, chief of staff; Minna Elias, New York chief of staff; Phil Craft, New York deputy chief of staff; Orly Isaacson, senior legislative assistant; and Jessica Fox, director of constituent services.

Present from Assemblyman Sheldon Silver's staff: Yvonne Morrow, director, constituent services.

Mr. HORN. A quorum being present, the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations will come to order.

This subcommittee has a broad and, thus, diverse jurisdiction. We have examined an array of issues from child support and childcare to computer security and medical privacy. Today, we are here to examine an issue that affects families and the productivity of this Nation.

More than 2,000 years ago the Greek philosopher Plato wrote, "Nothing can be more absurd than the practice that prevails in our country of men and women not following the same pursuits with all their strengths and with one mind. For this the state, instead of being whole, is reduced to half."

When I was acting chairman of the U.S. Commission on Civil Rights for the period 1969 to 1982, we had our colleagues fully support the Equal Rights Amendment. And as you know, it was only missed by one or two votes in the States. Indeed, we are a Nation that is strengthened by our belief in equal opportunity for all Americans; yet, despite the efforts of the 1964 Civil Rights Act, the 1965 Voting Rights Act, yet despite those efforts, a number of re-

cent studies have found that women are still being paid less than men, even though they are performing equivalent jobs.

I welcome our witnesses today, each of whom will discuss this troubling disparity.

[The prepared statement of Hon. Stephen Horn follows:]

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Opening Statement
Chairman Stephen Horn, R-CA
Subcommittee on Government Efficiency,
Financial Management and Intergovernmental Relations
April 22, 2002

A quorum being present, the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations will come to order.

This subcommittee has a broad and, thus, diverse jurisdiction. We have examined an array of issues from child support and child care to computer security and medical privacy. Today, we are here to examine an issue that affects families and the productivity this Nation.

More than 2,000 years ago, the Greek philosopher Plato wrote … "Nothing can be more absurd than the practice that prevails in our country of men and women not following the same pursuits with all their strengths and with one mind, for thus, the state instead of being whole is reduced to half." (-*Plato, The Laws)*

Indeed, we are a Nation that is strengthened by our belief in equal opportunity for all Americans.

From 1969 to 1982, I served as a member and vice chairman of the Commission on Civil Rights. The commission's goal was for this Nation to embrace and reward equally the contributions of all of its people. Yet despite those efforts, a number of recent studies have found that women are still being paid less than men, even though they are performing equivalent jobs. I welcome our witnesses today each of whom will discuss this troubling disparity.

Mr. HORN. I now ask the ranking member, Ms. Schakowsky, the ranking member from Chicago—and we are delighted to have her here today. Chicago has the wind, New York has the rain.

Ms. SCHAKOWSKY. Thank you, Mr. Chairman.

And I would really like to also thank Congresswoman Maloney—I am assuming that she will be here soon—for her tireless leadership on behalf of women's equality and for putting together this report, along with Congressman Dingell, which refocuses our attention on these important issues. I very much look forward to this prestigious panel made up of people who are doing such wonderful work, and some very good friends of mine.

I wanted to acknowledge that on September 11th the brave women of the New York Police Department, the New York Fire Department and the Port Authority rushed to the rescue of their fellow New Yorkers, women and men. They demonstrated their commitment and their skill. These women made us all proud. It is fitting that we are here in New York today to discuss the welfare of women throughout our Nation.

Ours is a country founded on the principles of freedom and equality. Our Constitution begins, "We hold these truths to be self-evident, that all men are created equal." Nearly 100 years later President Lincoln quoted those words at Gettysburg, saying "our fathers brought forth upon this continent a new Nation, conceived in liberty and dedicated to the proposition that all men are created equal." Nearly 100 years later President Kennedy quoted those same words and went on to say, "The rights of every man are diminished when the rights of one man are threatened."

Ours is also a history of struggle to make those principles a reality for all people, men and women, all men and women. That same Constitution had embedded in it the principle that slaves would be counted as three-fifths of a person, part human, part property. It was not until after the death of President Lincoln that we undid that disgrace through the ratification of the 14th amendment. It took another 50 years before we ratified the 19th amendment and franchised women and another 50 years after that before we seriously addressed the political and social equality of the races.

The last quarter of the 20th century was one of wide-ranging social, economic and political change. Even as we fought for equality and civil rights, we had yet to adequately address equality of the sexes.

As with most fights for equality, the first step was to get those in power to recognize that there was a problem. When experts like those we will hear from today pointed out the problems of pay equity, the establishment was quick to rationalize those differences with explanations like attachment to the labor force and human capital. Undeterred, advocates and academics joined to dispel those excuses and show that pay equity was real and unjust.

Today, our facts are irrefutable. Our evidence is plentiful. We have before us a report that shows women still make less for the same work and often are blocked from board rooms. Ours is a fight for social justice and a fight against an insidious and pervasive system that undervalues women and their work.

Change will not come about through labor economics, but through the same paths as past social change. We must be firm

and insistent that this injustice will not be tolerated in a Nation that defines itself in terms of social justice. We must repeat the evidence again and again until everyone knows the facts and knows right from wrong. We must draw in our colleagues in every walk of life, wherever we have the opportunity, and make our case to our brothers, our sons, our sisters and our daughters.

At the same time, we must remember that change is happening. We only have to look around this room to see that progress has been made during our lifetime.

As we struggle to make the world a more equitable one for our children, we must also make sure they recognize our progress. Today, there are more women in key positions than ever before and they serve as role models for those who come behind us, making it easier for them to earn their own place in business or government.

Thank you, Mr. Chairman.

Mr. HORN. Thank you.

[The prepared statement of Hon. Janice D. Schakowsky follows:]

**STATEMENT OF THE HONORABLE JAN SCHAKOWSKY
AT THE HEARING ON
THE GLASS CEILING**

April 22, 2002

Thank you Mr. Chairman, and I would like to thank Representatives Maloney and Dingell for putting together this report which refocuses our attention on this important issue.

On September 11, the brave women of the New York Police Department, the New York Fire Department and the Port Authority rushed to rescue their fellow New Yorkers-women and men. They demonstrated their commitment and their skill. Those women made us all proud. It is fitting that we are here in New York today to discuss the welfare of women throughout our nation.

Ours is a country founded on the principles of freedom and equality. Our Constitution begins "We hold these truths to be self-evident, that all men are created equal." Nearly a hundred years later President Lincoln quoted those words at Gettysburg saying "our fathers brought forth upon this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal." Nearly one hundred years later President Kennedy quoted those same words and went on to say the rights of every man are diminished when the rights of one man are threatened."

Ours is also a history of the struggle to make those principles a reality. That same Constitution had embedded in it the principle that slaves would be counted as three-fifths of a person – part human, part property. It was not until after the death of President Lincoln that we undid that disgrace through the ratification of the 14th amendment. It took another 50 years, until 1919, before we ratified the 19th amendment and enfranchised women, and another 50 years after that before we seriously addressed the political and social equality of the races and the sexes.

The last quarter of the 20th century was one of wide-ranging social, economic, and political change. Even as we fought for equality and civil rights we had yet to adequately address equality of the sexes.

As with most fights for equality, the first step was to get those in power to recognize that there was a problem. When experts like those we will hear from

today pointed out the problems of pay equity, the establishment was quick to rationalize those differences with explanations like attachment to the labor force and human capital. Undeterred, advocates and academics joined to dispel those excuses and show that pay equity was real and unjust.

Today our facts are irrefutable. Our evidence is plentiful. We have before us a report that shows women still make less for the same work and, often times, are blocked from the boardrooms. Ours is a fight for social justice, and a fight against an insidious and pervasive system that undervalues women and their work.

Change will not come about through labor economics, but through the same paths as past social change.

We must be firm and insistent that this injustice will not be tolerated in a nation that defines it self in terms of social justice.

We must repeat the evidence again and again, until everyone knows the facts, and knows right from wrong.

We must draw in our colleagues in every walk of life, wherever we have the opportunity, and make our case to our brothers and our sons, and to our sisters and our daughters.

At the same time we must recognize how far we have come. We only have to look around this room to see the progress that has been made during our lifetime.

Today there are 13 women in the Senate, and 62 women who are Representatives or Delegates in the House of Representatives. Five states have women governors and 17 have women lieutenant governors. Next year will be the 20th anniversary of Sally Ride's first flight into space. These women serve as roll models for our daughters so that they can dream of being scientists, astronauts, or even President.

Mr. HORN. We will now move to the presentations. I am sure Ms. Maloney will be here soon. We will have her statement when she arrives.

But panel one and panel two—let me mention our order. We are going to ask you, and if your assistants are going to answer questions, to take the oath. This is an investigatory committee, and so we take this very seriously.

When your name is called, under the rules of the subcommittee, your full statement is with the reporter and automatically put in the hearing record. We would like you to take 7 or 8 minutes to talk from the heart and give us a summary of your statement as we have already looked at the written statements, which are very fine. So, it is important to hit the main points.

We will start now with the—first, we're missing—I think Eileen Appelbaum is missing. Let's see, we have Mr. Robertson, Ms. Stolba, Ms. Mello, so if you will rise——

Mr. ROBERTSON. Could we add Lori Rectanus, too?

Mr. HORN. Yes, and all your assistants.

[Witnesses sworn.]

Mr. HORN. The clerk will note that all have affirmed, in addition to GAO's backup. May I say that we are very glad that the General Accounting Office can be here. We always like to have them either at the beginning or the end.

You work for the legislative branch and you do wonderful work.

And, of course, the General Accounting Office is not what it seems there. They are programmatically not simply in accounting, but they are programmatically reviewing all government activities. And the chief person involved, the Comptroller General of the United States, Mr. Dave Walker, has a 15-year term. So nobody can intimidate him. He is there more than Presidents, more than Members of Congress; and he is doing a great job, and they have fine, wonderful people.

We would like—after they finish their summary, we would like to have you sort of sum up where we missed something with the witnesses. We will obviously go with each witness, 8 or so minutes, 8 or 10, and then we will—once they are all done on panel one, we will go to questions and answers in a round of 5 minutes on each side. We treat everybody in the majority and the minority the same way.

So we will now start with Robert E. Robertson, Director, Education, Workforce and Income Security Issues, U.S. General Accounting Office.

Mr. Robertson, we are glad to have you here.

STATEMENTS OF ROBERT E. ROBERTSON, DIRECTOR, EDUCATION, WORKFORCE, AND INCOME SECURITY ISSUES, U.S. GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY LORI RECTANUS; EILEEN APPELBAUM, Ph.D., PROFESSOR AND DIRECTOR, CENTER FOR WOMEN AND WORK, SCHOOL OF MANAGEMENT AND LABOR RELATIONS, RUTGERS UNIVERSITY; CHRISTINE STOLBA, SENIOR FELLOW, INDEPENDENT WOMEN'S FORUM; AND JUDY H. MELLO, FOUNDING MEMBER AND VICE CHAIRWOMAN, THE COMMITTEE OF 200

Mr. ROBERTSON. Mr. Chairman, Representative Schakowsky, thank you very much for inviting us to be part of these hearings.

Today, I am going to be talking about a report that we issued in October that provided perspective on women in management. As I indicated earlier, I am fortunate to have Lori Rectanus with me; she is the person that led that work. The report was based on an analysis of the Department of Labor's current population survey. I am going to talk about that survey a little bit later.

The report's analysis was basically structured within three broad areas. And as a concession to age, I am going to have to put my glasses on now, or who knows what words may come out of this mouth.

The first area we looked at was a comparison of key characteristics of women and men managers, including their levels of education, age, part-time work status, and marital status.

The second area we looked at was women's representation in management positions compared with their representations in all positions within particular industries.

And finally, we analyzed the salary differentials between men and women in full-time management positions, using a statistical technique that allowed us to control for the effects of education, age, marital status and race. This morning I am going to walk you quickly through those three areas of findings.

But first, as I said earlier, I would to talk just a little bit about the Current Population Survey, or the CPS, data base that we used. The CPS is basically a monthly survey of 50,000 households that contains key labor force data such as employment, wages, and occupations. Our analysis of the data base focused on 10 cities which, according to CPS, accounted for about 70 percent of all wage and salary positions that were filled by women in 2000.

Now, for the purposes of our analysis, we defined managers as individuals with CPS occupation titles that included the words "administrator," "director," "manager," or "supervisor." So our definition cut across a wide swath of different types of managerial responsibilities.

The CPS data has several limitations you should be aware of. For example, the data does not contain some of the key information that would be necessary to fully identify causes for salary differentials, such as years of experience or job responsibility. Also, the CPS data are self-reported by respondents and are not independently verified.

Having given you the setup, let me quickly walk through the results of the findings in each of the three areas.

In summary, starting with the comparison of key characteristics of women and men managers, we found that women managers in

the 10 industries we examined generally had less education, were younger, were more likely to work part-time and were less likely to be married than male managers. We have charts and graphs to illustrate these differences. You can either follow along with the poster boards we have up front, or if you look at the illustrations that are in my prepared statement, I think they start on page 3. Or you can do a combination of both.

Starting with Figure 1, dealing with education, let me give you a general orientation. You will see at the bottom of that graph all of the 10 industries that we examined listed. The dark bars on that graph represent the percent of women managers with college degrees or greater, and the lighter bars represent the same information for men managers. As the chart shows, women managers were estimated to have lower educational levels than men in all 10 industries, and these differences were statistically significant in five of the industries.

Now, if we move on to Table 1—we haven't practiced this, so we hope the charts stay up there—if we move to Table 1, we find that female managers in most of the industries that we examined were younger than their male counterparts. Hospitals and medical services was the only industry where female managers were older than male managers.

Now, if we move to Figure 2, that shows that female managers were more likely to work part-time than male managers in most of the 10 industries that we examined. For example, in professional medical services, female managers were an estimated four times more likely than male managers to work part-time. In finance, insurance, and real estate there wasn't really a significant difference between the percent of male and female managers working part-time. Both of those were around 13 percent.

And finally, the final characteristic we looked at, Figure 3, you will see that female managers were less likely to be married than their male counterparts across the 10 industries that we examined.

Now, if we move to the second broad area of our analysis, which is the representation of women managers in the 10 industries, I would ask you to look at Figure 4, which I think is on page 7 of the prepared statement. This graph shows there is no statistically significant difference between the percent of industry positions filled by women and the percent of management positions filled by women for five of the industries we examined. In contrast, the percent of industry positions filled by women was significantly different from the percent of management positions filled by women in the other five industries. Let me put this in English.

In the educational service area, in retail trade, finance, insurance and real estate, and hospital and medical services, women were less represented in management positions than they were in all positions. In professional medical services, which is the last bar there, the opposite was true. Women were represented to a greater degree in management positions than they were industry-wide.

Now, if we move to the last of three areas of our analysis, which talks about the salary differentials between men and women managers, these data are captured on table 2. What we found here was, after controlling for education, age, marital status, and race, full-time female managers earned less than male managers in both

1995 and 2000 within all 10 industries. For 2000, we found that the full-time female managers earned an estimated low of 62 cents for every $1 earned by full-time male managers in the entertainment and recreation services, compared to an estimated high of 91 cents in the educational service area.

Now, as I indicated earlier, I would caution you to remember that the analysis of the wage differences did not consider certain factors to help explain the differences, such as years of experience. You also have to be careful in interpreting the 2 years as a trend.

Mr. Chairman, that concludes my prepared statement, and I'll answer questions at the appropriate time.

Mr. HORN. Thank you.

[The prepared statement of Mr. Robertson follows:]

United States General Accounting Office

GAO

Testimony

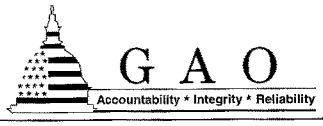
Before the Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations, Committee on Government Reform, House of Representatives

For Release on Delivery
Expected at 9:00 a.m. EDT
Monday, April 22, 2002

WOMEN IN MANAGEMENT

Analysis of Current Population Survey Data

Statement of Robert E. Robertson, Director
Education, Workforce, and Income Security Issues



GAO-02-648T

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the findings from our October 2001 report *Women in Management: Analysis of Selected Data from the Current Population Survey* (GAO-02-156). In that report, we (1) analyzed key characteristics of women and men in management positions, (2) identified how women were represented in management positions compared to their representation in all positions within particular industries, and (3) identified salary differentials between men and women in full-time management positions.

In conducting our work, we relied upon relevant data from the Department of Labor's Current Population Survey (CPS),[1] focusing on 10 industries: communications; public administration; business and repair services; entertainment and recreation services; other professional services; educational services; retail trade; finance, insurance, and real estate; hospitals and medical services; and professional medical services. According to CPS, these 10 industries accounted for about 70 percent of all wage and salary positions filled by women in 2000.[2] Using existing occupational titles within CPS, we defined managers as all occupational titles that included the words administrator, director, manager, or supervisor.[3] To identify salary differentials between male and female full-time managers, we conducted statistical analyses of CPS data, controlling for the effect of education, age, marital status, and race. The source data we relied on has several limitations that need to be considered when reviewing our findings. For example, the CPS data does not contain some of the key information that would be necessary to identify causes for salary differentials, such as years of experience or job responsibility. Also, CPS data are self-reported by respondents and are not independently verified. We conducted our work between August and October 2001 in accordance with generally accepted government auditing standards.

[1] The CPS is a monthly survey of about 50,000 households that obtains key labor force data, such as employment, wages, and occupations. In a supplement to the monthly March survey each year, additional information is obtained, such as for educational attainment. The data collected in March of 2000 represent labor force data for 1999. The information presented in this testimony are estimates and have some sampling errors associated with them.

[2] Appendix I provides brief descriptions of the types of establishments in these industries.

[3] By doing so, we included 39 different occupational titles. These titles included a wide range of positions, for example, general administrators, managers of food or lodging establishments, and sales supervisors.

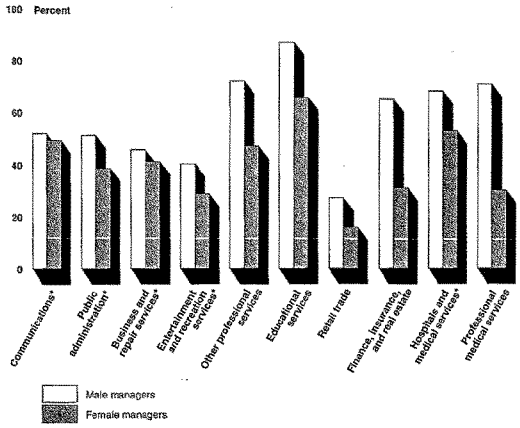
In summary, we found the following:

- Female managers in the 10 industries we examined generally had less education, were younger, were more likely to work part-time, and were less likely to be married than male managers.
- In 5 of these industries, there was no statistically significant difference between the percent of industry positions filled by women and the percent of management positions filled by women. For the other 5, however, statistically significant differences did exist. In 4 of the industries, women were less represented in management positions than they were in all positions. In 1 of these industries, women were represented in management positions to a greater degree than they were in all positions in the industry.
- Full-time female managers earned less than full-time male managers in all 10 industries, after controlling for education, age, marital status, and race. As noted above, we were not able to take years of experience into account.

Female Manager Characteristics Differed from Those of Male Managers in Terms of Education, Age, Part-Time Status, and Marital Status

According to the March 2000 CPS, a smaller proportion of female managers in 5 of the 10 industries had a college degree or greater, compared to male managers within the same industries. One of the greatest differences between educational levels was in professional medical services (an industry including clinics and physicians' offices), where an estimated 30 percent of female managers had a college degree or greater, compared with an estimated 70 percent of male managers.

Figure 1: Percent of Managers with College Degree or Greater in Selected Industries, 2000



*Denotes differences that are not statistically significant.

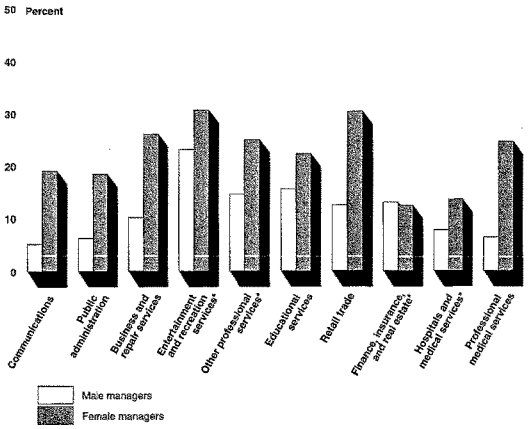
Female managers in most of the industries we examined were younger than their male counterparts, although for both men and women, the youngest managers were, on average, in retail trade (39 and 37 years, respectively) while the oldest, on average, were in public administration (48 and 46 years, respectively). Across the 10 industries, female managers were between 1 and 5 years younger than male managers (see table 1). For example, in other professional services (which includes legal services and accounting/bookkeeping services), female managers averaged about 5 years younger (40 versus 45) than their male manager counterparts. Hospitals and medical services were the only industry where female managers were older than male managers—in that industry, they were about 1 year older than male managers.

Table 1: Average Age of Managers in Selected Industries, 2000

Industry	Average age of managers	
	Male	Female
Communications	42.9	40.4
Public administration	47.6	45.6
Business and repair services	40.6	38.3
Entertainment and recreation services	39.8	38.4
Other professional services	44.5	39.8
Educational services	46.8	44.3
Retail trade	38.9	37.3
Finance, insurance, and real estate	45.1	41.1
Hospitals and medical services	43.7	44.5
Professional medical services	42.7	41.6

In addition to generally being younger, female managers were more likely to work part-time than male managers in most of the 10 industries we examined (see fig 2). For example, in professional medical services, female managers were an estimated four times more likely than male managers to work part-time. In finance, insurance, and real estate, there was no significant difference between the percent of male and female managers working part-time—both were at about 13 percent.

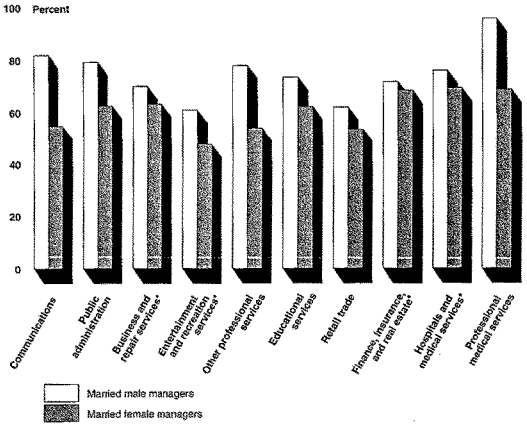
Figure 2: Percent of Managers Working Part-Time in Selected Industries, 2000



*Denotes differences that are not statistically significant.

Female managers were also less likely to be married across most of the 10 industries we examined (see fig. 3). The percent of male managers who were married ranged from an estimated low of 62 percent in retail trade to an estimated high of 96 percent in professional medical services, whereas the percent of married female managers ranged from an estimated low of 48 percent in entertainment and recreation services to an estimated high of only 69 percent in professional medical services.

Figure 3: Percent of Managers Who Were Married in Selected Industries, 2000



*Denotes differences that are not statistically significant.

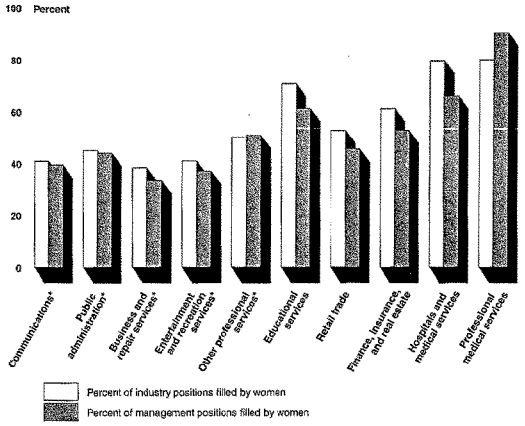
Women Were Proportionately Represented as Managers in Five of the Industries We Examined

For 5 of the industries we studied, the percent of industry positions filled by women was not significantly different from the percent of management positions filled by women, according to CPS 2000 data. In that respect, women were proportionately represented as managers in these 5 industries: communications, public administration, business and repair services, entertainment and recreation services, and other professional services (see fig. 4).

In contrast, for the other 5 industries, the percent of industry positions filled by women was significantly different from the percent of management positions filled by women. For example, in educational services; retail trade; finance, insurance and real estate; and hospitals and medical services women were less represented in management positions than they were in all positions. In professional medical services, the opposite was true: women were represented to a greater degree in management positions (90 percent) than they were in industry positions

(80 percent). We found that these relationships were the same in 1995 as they were in 2000 with the exception of 1 industry. In entertainment and recreation services, women were less represented in management positions than they were in all industry positions in 1995; by 2000, there was no significant difference between the two.

Figure 4: Percent of Industry Positions and Management Positions in Selected Industries Filled By Women, 2000



*Denotes differences that are not statistically significant.

Full-Time Female Managers Earned less than Their Male Counterparts

In all of the 10 industries we examined, we found that full-time female managers earned less than full-time male managers in both 1995 and 2000, after controlling for education, age, marital status, and race, but not for years of experience. For example, in 1995, we found that full-time female managers earned an estimated low of $0.69 for every $1 earned by full-time male managers in retail trade to an estimated high of $0.90 in professional medical services. For 2000, we found that full-time female managers earned an estimated low of $0.62 for every $1 earned by full-time male

managers in entertainment and recreation services, compared to an estimated high of $0.91 in educational services (see table 2).

Table 2: Full-Time Manager Salary Differentials for Selected Industries, 1995 and 2000

Industry	Full-time female manager earnings for every $1 earned by male full-time managers	
	1995	2000
Communications	$0.86	$0.73
Public administration	$0.80	$0.83
Business and repair services	$0.82	$0.76
Entertainment and recreation services	$0.83	$0.62
Other professional services	$0.88	$0.83
Educational services	$0.86	$0.91
Retail trade	$0.69	$0.65
Finance, insurance, and real estate	$0.76	$0.68
Hospitals and medical services	$0.80	$0.85
Professional medical services	$0.90	$0.88

Differences in salary differentials between 1995 and 2000 should not necessarily be seen as a trend. Salary levels in either of these 2 years could represent a temporary fluctuation and more extensive analysis over an extended period of time would be needed to determine trends in differences between male and female full-time manager salaries.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you or members of the Subcommittee may have.

GAO Contacts and Acknowledgments

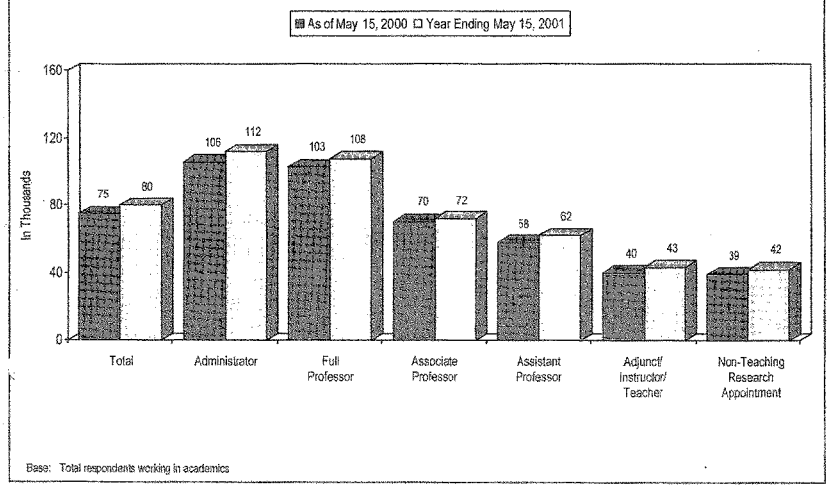
For future contacts regarding this testimony, please contact Robert E. Robertson at (202) 512-7215. Key contributors to this testimony were Lori Rectanus and Wendy Ahmed.

Appendix I: Description of Selected Industries and Percent of All Positions Filled by Women, 2000

Industry	Types of establishments in the industry	Percent of all wage and salary positions accounted for by industry
Communications	Radio and television broadcasting, telephone communications.	1.3
Public administration	Executive and legislative offices, general government, and public finance.	4.4
Business and repair services	Advertising, personnel supply, computer and data processing, and electrical repair.	5.2
Entertainment and recreation services	Theaters, motion pictures, videotape rental, bowling centers, and amusement parks.	1.7
Other professional services	Legal services, accounting and bookkeeping, and management services.	4.7
Educational services	Elementary and secondary schools, colleges and universities, vocational schools, and libraries.	13.1
Retail trade	Retail stores, catalog and mail order houses, gas stations, and vending machine operators.	18.5
Finance, insurance, and real estate	Banking, savings institutions, credit agencies, security and commodity companies, insurance, and real estate.	8
Hospitals and medical services	Hospitals, nursing facilities, and health services.	11.4
Professional medical services	Clinics and physicians' offices.	3
Total, 10 industries		**71.3**

Objective 2: Summarize Current Compensation and Compensation Trends

Figure 3: Median Gross Salary for Academics in 2000 and 2001 (in Thousands)



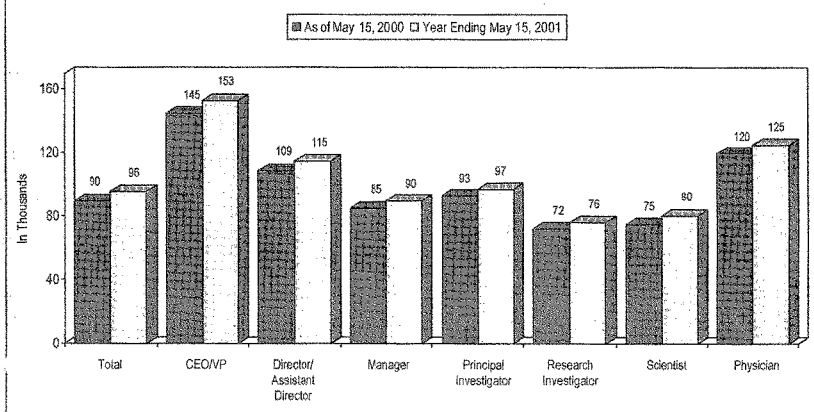
Base: Total respondents working in academics

- Overall, life scientists working in academia earned $80,000 in median gross salary for 2001. This represents about a 7% increase over the median gross income of $75,000 for 2000.

- Not surprisingly, academicians who are administrators or full professors earn much higher salaries (median of $112,000 and $108,000, respectively) than associate professors ($72,000), assistant professors ($62,000), adjunct professors or instructors ($43,000) or non-teaching research appointments ($42,000). However, the highest percentage increase occurred among the lowest paid positions: adjunct instructors and teachers (8% increase), non-teaching research positions (8%) and assistant professors (7%).

- The differences in salary observed by rank or position are not fully explained by differences in appointments. Full professors are just as likely to have a year-round appointment as associate and assistant professors, and they are actually less likely to describe their position as full-time (35 or more hours a week). Non-teaching research appointments, the lowest paid academic position overall, are most likely to have a year-round appointment (96% do), even if they are slightly more likely than all other positions except adjunct professors/instructors to be part-time (6% are). Adjunct professors/instructors are the only ones whose lower salary can be explained by their appointment. They are most likely to have less than a 9-month (16%) or 9-to-10-month appointment (26%), and many work only part-time (20%).

Figure 4: Median Gross Salary for Non-Academics in 2000 and 2001 (in Thousands)



Base: Total respondents working in non-academic setting

- In general, those working in non-academic positions earn more than academics. The median gross salary for non-academics in 2001 is $96,000, 20 percent more than the median academic salary of $80,000. On average, non-academics have experienced a similar annual percentage increase from 2000 as academics (7% each), although given their higher salary, their median dollar increase is larger ($6,000 versus $5,000).

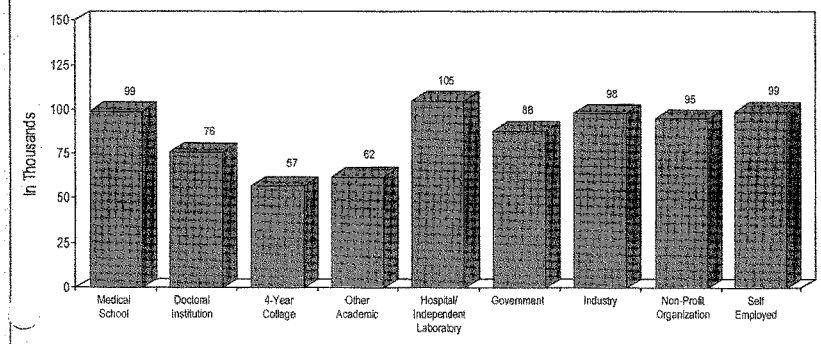
- The highest paid non-academic positions are senior management, including CEOs, COOs and Vice Presidents ($153,000), and physicians ($125,000). However, virtually all other non-academic positions are also well paid, with a median annual salary that exceeds that of a typical associate professor. This includes directors or assistant directors (median of $115,000), principle investigators ($97,000), managers ($90,000), scientists ($80,000) and research investigators ($76,000). With the exception of principal investigators and physicians, which had salary increases of 4% each, most non-academic scientists had a salary increase of 6% to 7% each since 2000.

- Not surprisingly, salary increases with the number of people supervised. However, for both academic and non-academic work settings, there is no systematic relationship between size of the employer and salary levels.

- Regardless of work location or title, the disciplines with the highest salaries are medicine (median of $144,000) and pharmacology ($104,000). The lowest paying disciplines are, environmental science ($74,000), molecular biology ($74,000), ecology ($72,000), microbiology ($73,000), developmental biology ($72,000) and cell biology ($71,000).

- Not surprisingly, salaries increase with one's age, the number of years one spends working in his or her profession and with the highest degree earned. The only exception to this is that M.D.s/Ph.D.s earn less on average (median of $122,000) than M.D.s only ($145,000).

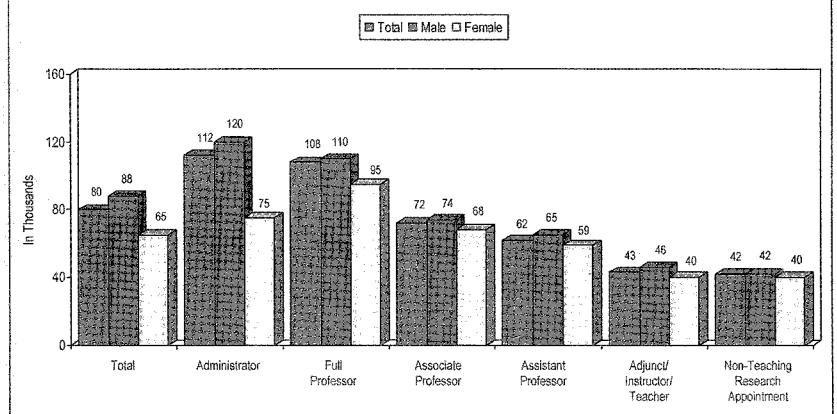
Figure 5: Median 2001 Salary by Type of Employer (in Thousands)



Base: Total respondents

For both academic and non-academic employers, private organizations pay better than public institutions. Private academic institutions pay an average of 9 percent more than public academic institutions ($85,000 versus $78,000). Among non-academic employers, government employees have the lowest median salary ($88,000), significantly lower than the median salary for industry or business ($98,000), hospitals or independent laboratories ($105,000) or the self-employed, which include many physicians ($99,000). Even not-for-profit organizations pay more on average (median of $95,000) than the government.

igure 6: Median Gross Salary for Academics in 2001 (in Thousands)

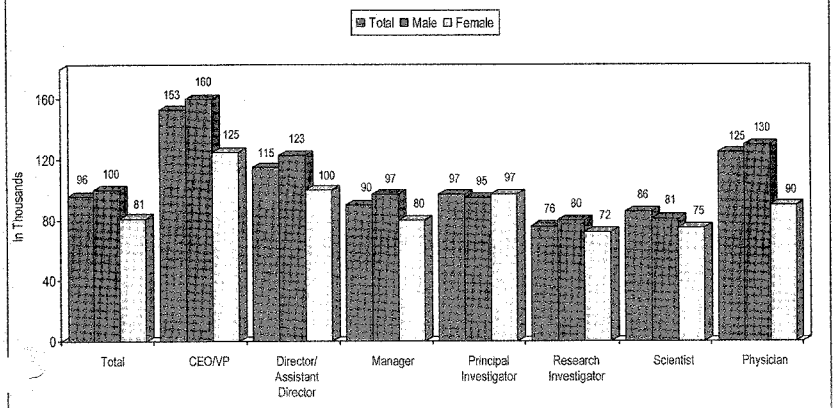


Base: Total respondents working in academics

- A gender gap is evident in life scientist salaries. Males earn significantly more than females ($94,000 versus $72,000), in fact, nearly one third more (32%). This difference is explained, at least in part, by the fact that more males are further in their career cycle, have worked longer, and are in the high-income field of medicine. Females are also working in academic settings more often than males, and previous analysis indicates that academic institutions pay less on average. Additional analysis was conducted to determine the extent of a gender gap when all of these variables are held constant.

- A gender gap in income is also evident within the academic and non-academic work settings. Across all academic positions, women earn less on average than their male counterparts, and this gap tends to be greatest for the most senior and highest paying positions. Among academic administrators, where the gap is largest, the lower female salary levels are based on a very small number of observations (30). Thus, the median salary shown for female academic administrators is not highly reliable due to the limited number of women who have reached this rank. For full professors, where the gap is also sizable (14%), differences in salaries continue to exist when male and female salaries are examined by the size and type of institution. This is evidence that women are paid less for similar work even then type of employer is held constant.

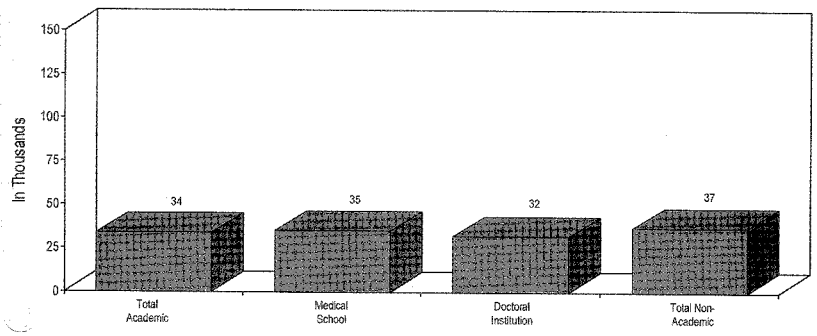
Figure 7: Median Gross Salary for Non-Academics in 2001 (in Thousands)



Base: Total respondents working in non-academic setting

- As previously noted, a gender gap in income occurs within non-academic work settings. In fact, for most non-academic positions, especially the most senior non-academic positions, the gap is larger than for academic work settings. Differences between male and female salaries by position are greatest for senior management (women earn 22% of men) and physicians (31% less, but similar to academic administrators, the female salaries for these positions are based on very few observations (less than 50 each). Male directors and managers also earn significantly more than their female counterparts (19% and 18%, respectively) in results that show lower female salaries even when examined by length of time in one's profession, type of organization or size of organization. This suggests some systematic male-female differences in pay. For more research oriented positions, differences in salary by gender are more moderate. In fact, for principal investigators, females earn slightly more than their male counterparts.

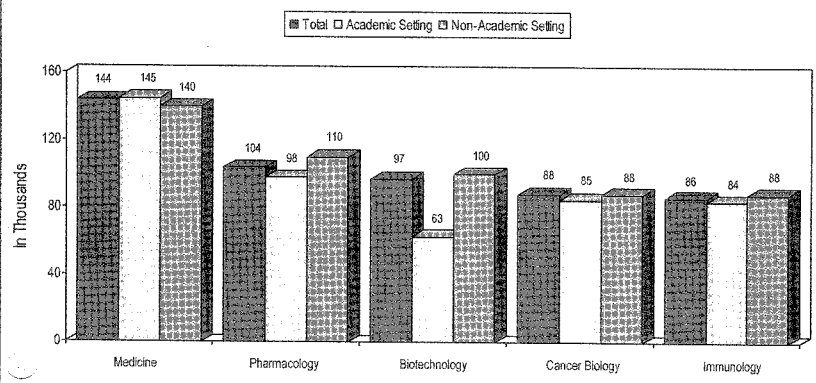
Figure 8: Median Gross Salary for Post Docs in 2001 by Work Setting (in Thousands)



Base: All current post-docs

- Post-docs earn less on average than other life scientists working in academic or non-academic settings (median of $34,000). Post-docs working in non-academic settings earn slightly more than those working in academia, including medical schools and doctoral granting institutions. This income discrepancy relative to other life scientists performing similar duties exists despite the fact that most post-docs work full-time and, for those in academic settings, for the entire academic year or more.

Figure 9: Median 2001 Salary by Selected Disciplines (in Thousands)



Base: Total respondents

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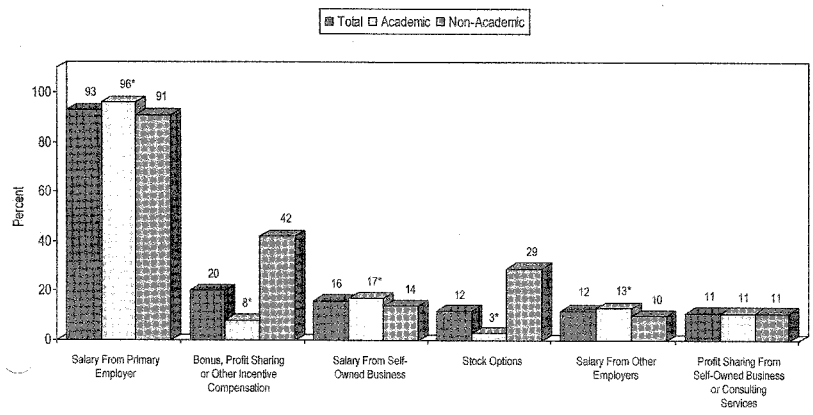
- It was previously reported that life scientist salaries in academic settings are lower overall than life scientist salaries in non-academic settings. Examining this trend by the primary discipline of the scientist reveals that this pattern holds for all major disciplines expect medicine. For scientists with a medical discipline, those working in an academic setting actually earn more than those in a non-academic setting.

- For most disciplines, the difference in salary between academic and non-academic settings is 20 percent or less. However, the difference is much larger for biotechnology, where salaries differ by 37%, and biochemistry, where salaries differ by 23%. For biotechnology in particular, this is a reflection of the many opportunities to pursue biotechnology careers in industry, whereas most who teach biotechnology associate themselves primarily with another discipline.

Figure 10: Types of Income Earned in 2001



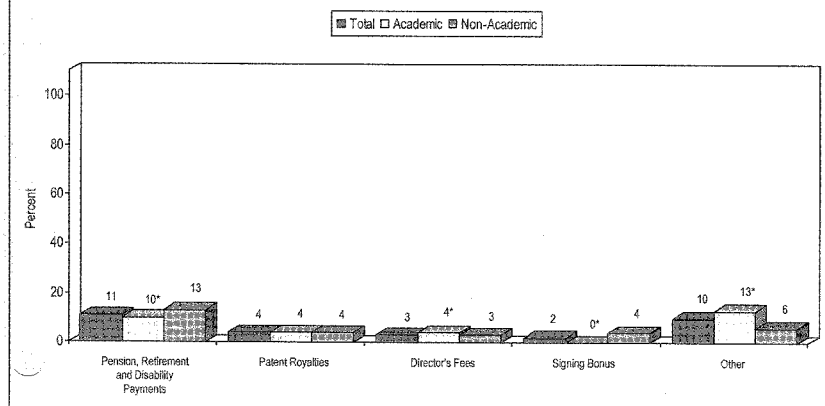
Base: Total respondents
*Denotes significant difference from non-academics at 95% confidence level.

(Cont'd on next page)

- A minority of life scientists have sources of income other than their salary from their primary employer. The most common form of additional income is a bonus or other incentive compensation. Overall, one quarter of life scientists were eligible for a bonus in 2000 (25%), and almost all eligible for a bonus received one (88%). Many non-academic receive this type of compensation (42%), especially those working in industry (69%). Few academics receive bonuses or incentive compensation (8%), although medical schools give these out at a higher rate (13%) than doctoral institutions or 4-year colleges. In non-academic organizations, the likelihood of receiving a bonus generally increases with the size of the organization, and all organizations, even government, are more likely to give bonuses than non-profit organizations.

- Likewise, stock options are largely available only to non-academics, and less than a third of these receive them (29%). Within non-academic settings, stock options are limited almost exclusively to industry, where 57% receive them, and the self-employed (10% receive). Signing bonuses are even more rare (2% receive) - because only those who recently changed jobs are eligible (5% of respondents). When given, signing bonuses are almost always associated with industry or business positions (7%).

Figure 10: Types of Income Earned in 2001 (Cont'd)



Base: Total respondents
*Denotes significant difference from non-academics at 95% confidence level.

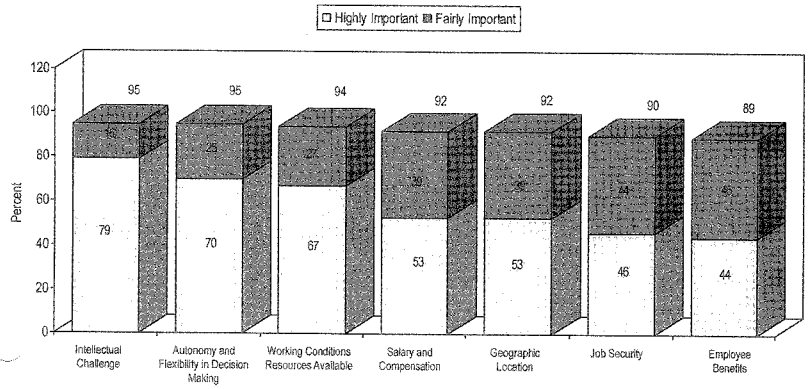
- A number of life scientists interviewed receive salary from more than one source. This includes salary from a self-owned business (16% earn) and/or salary from an employer other than one's primary employer (12% earn). Academics are slightly more likely to earn income from a secondary source than non-academics, although the differences are small. Most who earn salary from a self-owned business also receive a profit from that business (11%).

- Some also receive a pension, retirement income or disability payments (11%). The self-employed are most likely to be recipients of pension or retirement pay, suggesting that a number of scientists go into business for themselves after retirement. Very few receive income from other sources, including patent royalties (4%), Director's fees (3%), or other sources such as grants, fellowships, stipends or honoraria.

- Grants represent an important part of academic salaries, especially for those working at medial schools and doctoral institutions. Half of life scientists working at medical schools (50%) receive at least one fifth of their salary from grants, and 24 percent receive half or more of their salary from grants. About a third of life scientists working in doctoral institutions (32%) receive at least one fifth of their salary from grants, but relatively few working in 4-year colleges or other academic institutions rely on grants to this extent (11% and 9% respectively). These findings suggest that the supplementing of academic salaries with grant monies may help medical school staff in particular achieve higher salaries than they otherwise could.

Objective 5: Identify the Factors That Drive Job Satisfaction and Measure Current Job Satisfaction

Figure 15: Importance of Various Factors in Considering a Change in Primary Job



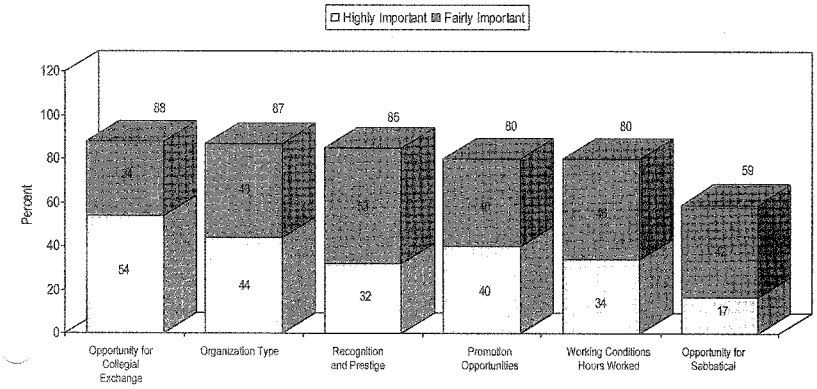
Base: Total respondents
Note: Percentages are based off of those respondents saying highly important or fairly important for each variable when considering a change in primary job on a scale of highly important, fairly important and not important

(Cont'd on next page)

- Overall, life scientists consider intellectual challenge and autonomy/flexibility in decision-making as the most important factors impacting job satisfaction among those tested (79% and 70%, respectively, rate these as highly important). Having adequate resources available to do their job properly is also highly important to 67 percent. Still important, but less so, are opportunities for collegial exchange (54% highly important), salary and compensation (53%) and geographic location (53%). Less importance still is put on job security (46%), employee benefits (44%), organization type (44%) and promotion opportunities (40%). Lifestyle considerations, including the number of hours worked and the opportunities for sabbatical, are among the least important, along with recognition and prestige. These findings suggest that life scientists will sacrifice pay, benefits, prestige and lifestyle to have the opportunity to fully utilize their scientific skills in pursuit of knowledge and discovery.

- The pursuit of intellectual challenge and other factors that contribute to professional accomplishment are especially valued by higher educated scientists, including those with a Ph.D., M.D. or M.D./Ph.D. There is also the tendency for these considerations to be more important to older scientists and ones that are further into their career, perhaps because they can afford to put intellectual pursuit above other considerations.

Figure 15: Importance of Various Factors in Considering a Change in Primary Job (Cont'd)



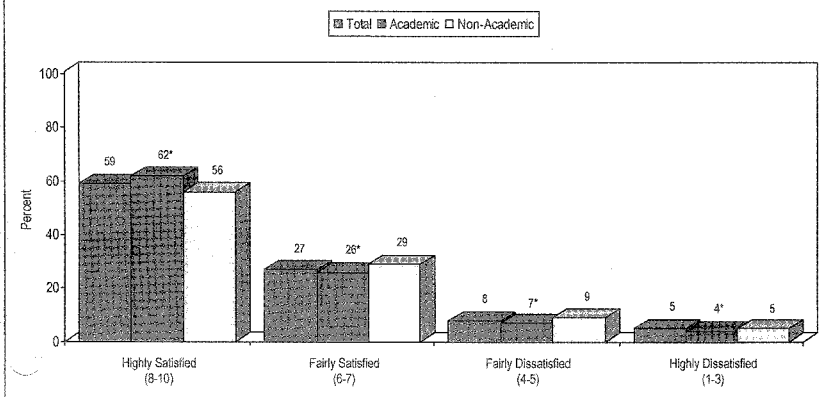
Base: Total respondents
Note: Percentages are based off of those respondents saying highly important or fairly important for each variable when considering a change in primary job on a scale of highly important, fairly important and not important.

- In contrast, less educated scientists place relatively more importance than highly educated scientists on salary and compensation, benefits, hours worked and job security. While intellectual challenge and autonomy are among the most important factors for all, it is interesting to note that males care more about salary and compensation than females, while females care more about lifestyle considerations, including hours worked, job security, geographic location and opportunities for sabbaticals than males. Women also place more importance than men on employee benefits, resources available to do their job, collegial exchange and opportunities for promotion.

- Tenure track and non-tenure track professors share many of the same values in terms of what is most important to them. Perhaps most interesting, both have similar perceptions of the importance of promotion opportunities. However, non-tenure track professors place more value on the benefits and hours worked, while tenure track professors care more about intellectual challenge, autonomy and opportunities for collegial exchange.

- Compared to their non-academic counterparts, academics, especially those working in medical schools and doctoral institutions, place more importance on having intellectual challenge, autonomy, opportunities for collegial exchange and the resources to excel. They also value recognition/prestige, the opportunity for sabbaticals and job security more than non-academicians. Perhaps because of these considerations, academics care more about the type of organization in which they work. Non-academics, in contrast, value lifestyle considerations more, including hours worked and geographic considerations.

Figure 16: Overall Satisfaction With Current Job by Work Setting



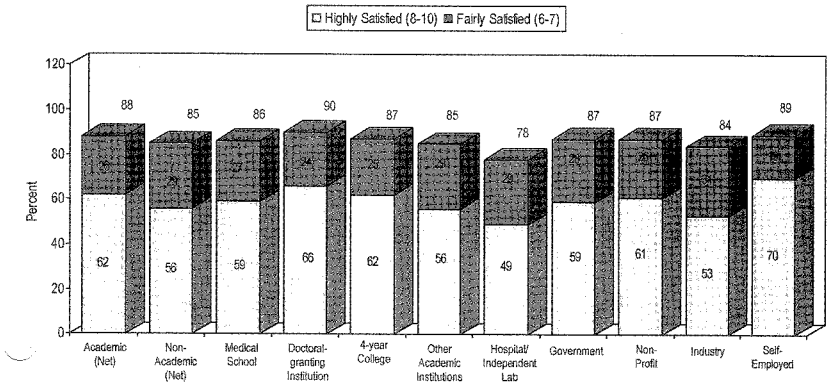
Base: Total respondents
Note: Percentages are based off a 1 to 10 scale where 10 means extremely satisfied and 1 means extremely dissatisfied.
*Denotes significant difference from non-academic at 95% confidence level.

- On an overall basis, life scientists tend to be fairly satisfied with their primary jobs. Over half (59%) indicate high satisfaction levels with their jobs (an 8, 9 or 10 on 10-point satisfaction scale), while almost none (5%) are highly dissatisfied (rating of 1, 2 or 3). The vast majority of life scientists report a satisfaction level on the top half of the scale (86%), while few report even mild dissatisfaction (13% total dissatisfied).

- Job satisfaction tends to increase with the level of one's position. Specifically, full professors and academic administrators are more satisfied than more junior professors, instructors or non-teaching research appointments. Those with tenure are most satisfied, and those on tenure track are more satisfied than those not on a tenure track. In non-academics, senior management is most satisfied, followed by directors and principal investigators. Satisfaction increases with the number of staff supervised. Note that the positions with the highest satisfaction levels are also the ones where the greatest importance is placed on intellectual challenge and achievement.

- Perhaps because of this relationship, job satisfaction increases with age, years working and career stage. M.D.s and M.D.s /Ph.D.s also have higher job satisfaction than less educated life scientists.

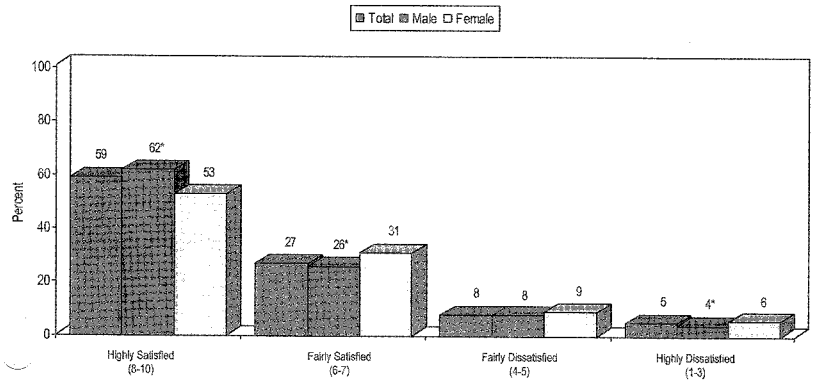
Figure 17: Overall Job Satisfaction by Work Setting



Base: Total respondents
Note: Percentages are based on a 1 to 10 scale where 10 means extremely satisfied and 1 means extremely dissatisfied.

- Life scientists working in an academic setting are generally more satisfied with their primary job than non-academics. However, there is also extensive variation in satisfaction levels within each setting. Within academia, those working in doctoral institutions are more satisfied than those at all other types of academic institutions. Outside academia, the self-employed have the highest satisfaction levels, followed by those working in non-profits and government. Size of institution has little or no relationship with overall job satisfaction except for the self-employed.

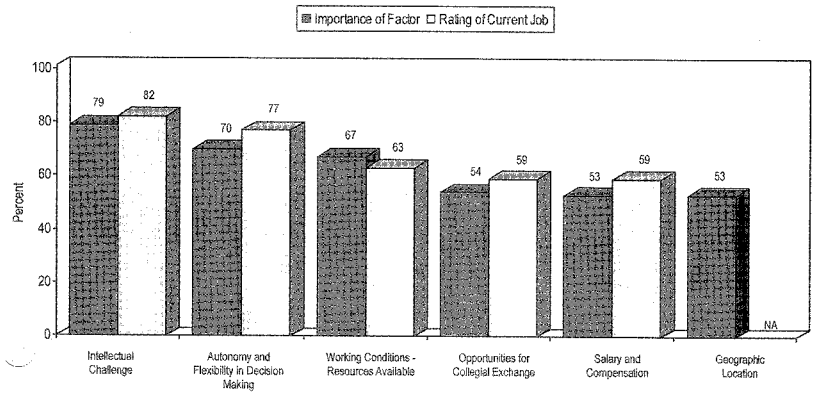
Figure 18: Overall Job Satisfaction by Gender



Base: Total Respondents
Note: Percentages are based on a 1 to 10 scale where 10 means extremely satisfied and 1 means extremely dissatisfied.
*Denotes statistically significant difference from females at 95% confidence level.

- Males are more satisfied in their jobs than females. In part, this may be related to females being less advanced in the career cycle and holding lower level jobs, since higher-level positions have higher job satisfaction.

Figure 19: Current Job Ratings on Factors Important When Considering Job Change



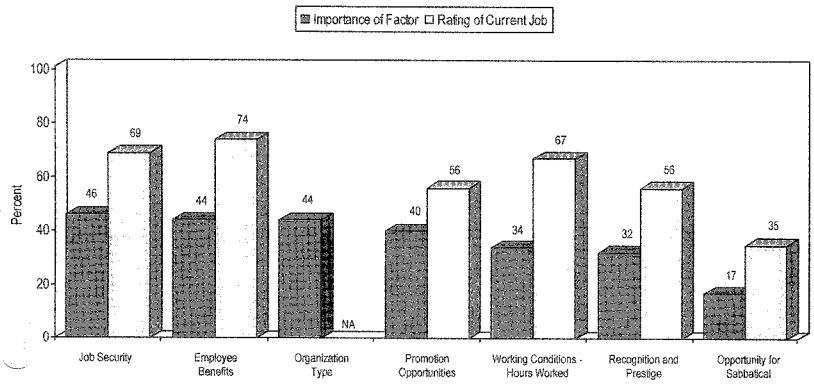
Base: Total respondents
Note: "Importance of Factor" percentages are based off those respondents answering highly important on a scale of highly important, fairly important and not important. "Rating of Current Job" percentages are based off those respondents answering excellent or good on a scale of excellent, good, fair, poor and very poor.

(Cont'd on next page)

- The overall satisfaction that life scientists feel for their job are most likely related to the fact that they are generally most satisfied with the aspects of their primary job that are also most important to them. Satisfaction is highest with intellectual challenge (82% rate as excellent or good), followed by autonomy and flexibility in decision making (77%). These are also the most important factors impacting job satisfaction. Satisfaction is slightly lower on other aspects that impact one's ability to excel in their work, including having the resources needed to do their job properly (63%) and opportunities for collegial exchange (59%). Worth noting, having the resources available to do one's job properly is the only aspect in which life scientists rate their satisfaction levels lower than the importance of the aspect.

- Across all life scientist respondents, satisfaction is higher with employee benefits (74% rate as excellent or good) than with job security (69%), hours worked (67%), salary and compensation (59%), promotion opportunities (56%) and recognition and prestige (56%). Opportunities for sabbaticals are the lowest rated aspect of those tested by a wide margin (35% excellent or good). Since all of these are relatively unimportant considerations when evaluating job satisfaction, there are no gaps where important criteria are not met.

Figure 19: Current Job Ratings on Factors Important When Considering Job Change (Cont'd)

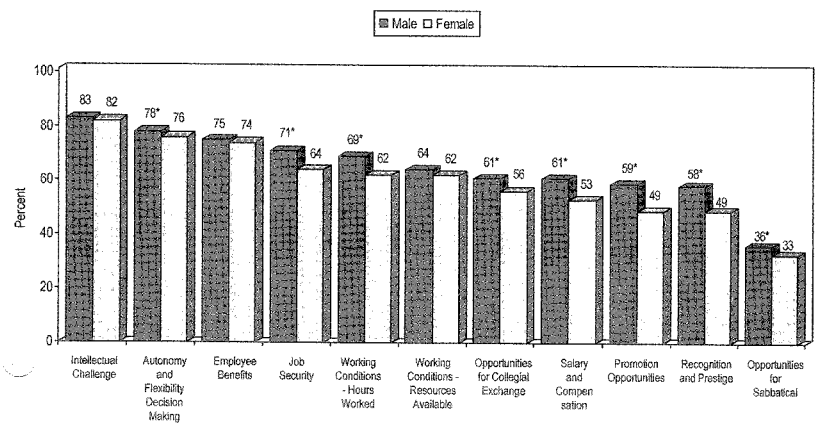


Base: Total respondents
Note: "Importance of Factor" percentages are based off those respondents answering highly important on a scale of highly important, fairly important and not important. "Rating of Current Job" percentages are based off those respondents answering excellent or good on a scale of excellent, good, fair, poor and very poor.

- Satisfaction with most aspects evaluated tends to increase with the level of one's position and, related to this, with age, years working and career cycle. In general, satisfaction parallels the importance placed on various factors with those segments placing the highest value on certain aspects of their job also reporting the highest levels of satisfaction with those aspects. Exceptions are salary and compensation, where instructors and non-teaching research appointments report low levels of satisfaction (19-30% excellent or good), despite it being a relatively important component of their job satisfaction. Promotion opportunities and prestige are other areas where large differences in satisfaction exist between tenure track and non-tenure track positions, even though the importance they place on these is similar.

- Academic institutions are perceived to be better than non-academic institutions on a number of the job aspects evaluated. These include intellectual challenge, autonomy and flexibility, opportunities for collegial exchange, job security, recognition and prestige, opportunities for promotion and opportunities for sabbaticals. In contrast, non-academic settings are perceived as being better in terms of salary and compensation and having the resources needed to do one's job properly. Government jobs are perceived to excel in employee benefits, job security and hours worked, while industry does best in salary and compensation.

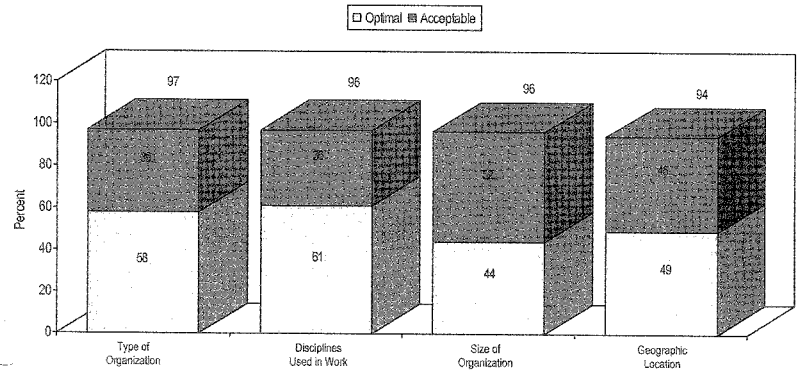
Figure 20: Job Satisfaction by Gender



Base: Total Respondents
*Denotes statistically significant difference from females at 95% confidence level.

- Males are more satisfied with their job than females on many aspects, including some that are highly important to females. The aspects on which males rate their jobs as significantly better include salary and compensation, job security, promotion opportunities, hours worked, opportunities for sabbatical, autonomy, opportunities for collegial exchange and recognition and prestige. Women do not rate their jobs as significantly better on any aspect evaluated, and they rate their jobs as significantly worse than males on a number of aspects. This helps to explain why women are less satisfied with their jobs overall, especially since men rate their jobs as better even on lifestyle aspects that are far more important to females.

Figure 21: Acceptability of Current Job on Broad Factors



Base: Total respondents
Note: Percentages are based off respondents satisfaction with each factor. Respondents answered optimal or acceptable on a scale of optimal, acceptable or not acceptable.

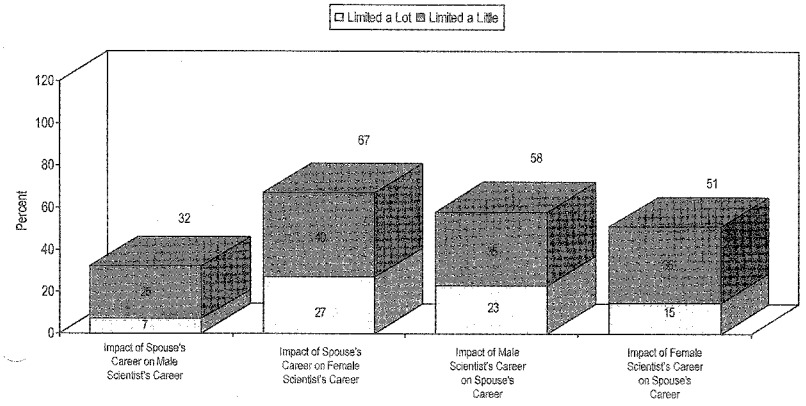
- Few life scientists find the major characteristics of their jobs unacceptable (6% or less each), but only about half to three fifths describe their job as closely matching what they would ideally like in these broad areas. Respondents are most likely to feel that their job matches their ideal in terms of the disciplines they use (61% describe as optimal) and in the type of organization where they work (58% optimal). They are less likely to believe that their geographic location (49%) or the size of their employing organization (44%) are optimal.

- On all factors except location, academics feel their jobs are more often just what they want (optimal) than non-academics. Those working in doctoral institutions and 4-year colleges are most likely to feel that the type of institution where they work is optimal for them, while government employees and hospital or independent lab workers are least likely to feel this way. Academics tend to feel that the size of their organization is optimal when it is larger.

- Males are more likely than females to describe the disciplines that they use as optimal, while females describe the geographic location where they work as optimal more often than males. This suggests that men may more often pursue jobs that are in their field of greatest interest, while women may sacrifice the optimal job for a location that matches family needs or preferences.

Objective 6: Describe Career Family Trade-Offs and Attitudes Surrounding These Trade-Offs

Figure 22: Degree to Which Married Scientists' Career Has Impacted and Has Been Impacted by Spouse's Career



Base: Total respondents

- The career paths of female life scientists suffer more from marriage and dual careers than the career paths of male life scientists. In part, this is because female scientists are more likely than males to have highly educated, working spouses and a spouse that is also a scientist. About a quarter of married or previously married female life scientists say that their spouse's or partner's career has limited their career a lot (27%), and two-thirds (67%) say that their spouse's career has limited their career at least a little. In contrast, few male scientists say that their spouse's career has limited their career a lot (7%) or to any extent (32%). Perhaps because of this, female scientists are less likely to be currently married than their male counterparts (72% versus 88%), and, instead, are more likely to be separated, divorced or widowed (13% vs. 6%) or never married (15% vs. 6%).

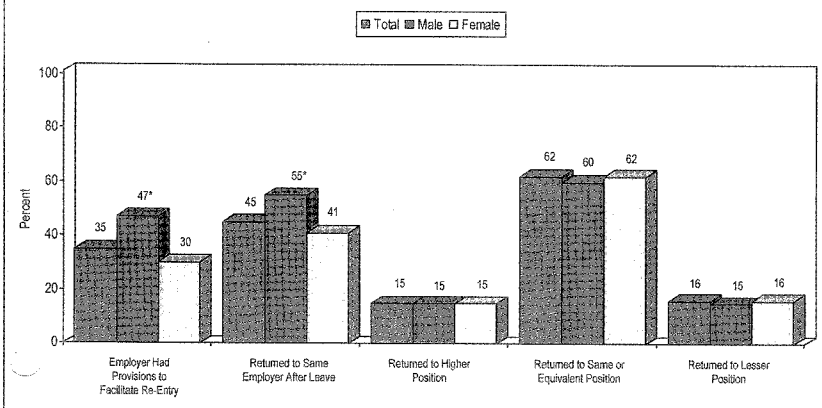
- There is recognition on the part of both male and female scientists that females give up more than males in accommodating dual-career couples. Male scientists acknowledge that their wife's career had been limited a lot by their career more often than female scientists say the same about their husband's career (23% vs. 15%). In fact, nearly half of female scientists say their spouse's career has not been impacted at all by their career (49%), far more than males say this about their wife's career (42%).

- The unemployed and, to a lesser extent, part-time workers are disproportionately likely to feel that their career has been impacted by their spouse's career. This suggests that some part-time workers or unemployed scientists may be forced into these situations by family-career trade-offs rather than freely choosing these options. Similarly, those who are just establishing their careers and those with fewer years in the work force feel that they have given up more for their spouse's career than more established workers. However, workers whose careers have been limited a lot by marriage are not necessarily younger, suggesting that some scientists delay entry into their career path or take more breaks, causing them to be less advanced in their careers.

- Scientists with a medical degree, either a M.D. or a M.D./Ph.D., are less likely to have their spouse's career limit their own career than scientists with a Masters degree or Ph.D. This is most likely due to the high degree of investment in and potential payoff for this high level of education. It is interesting to note that those with a Bachelors degree also rarely have their career path impacted by their spouse's career, perhaps because they had less ambitious plans in the first place.

- There are no differences in the degree to which one's career has been limited, or not limited, based on work setting or size of organization. This suggests that no particular type of employer has accommodated dual-career couples better than others.

Figure 23: Role of Family Leave in Career Path



Base: Respondents who took family leave of at least 6 months.
*Denotes significant difference from females at 95% confidence level.

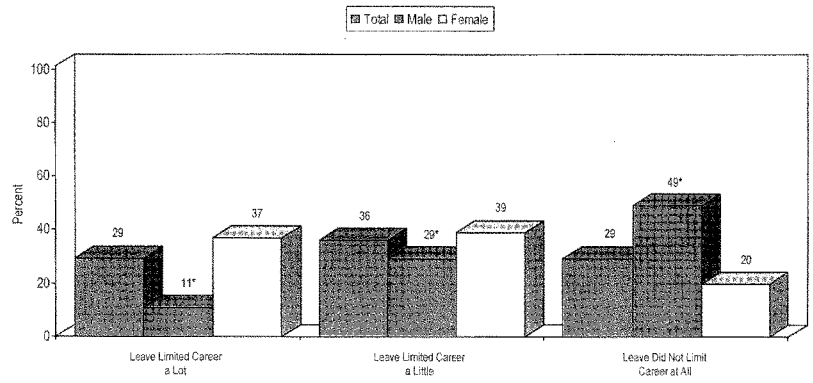
- Female scientists are also far more likely than their male counterparts to have taken 6 months or more as time off work for personal, medical or family reasons (but not professional reasons). Nearly a fifth of female life scientists have taken this type of family or personal leave (18%), compared to only 3 percent of males. Those who have taken a leave are more likely to be less educated than those who have not taken leave. Those who have taken a family leave are also far more likely to be employed part-time or not at all than those who never took a leave.

- There are no differences between academic and non-academic workers in their rate of having taken family or personal leave. However, the self-employed report having taken such leave at a higher rate than those employed by others. About a third of employers had some provisions to facilitate re-entry of workers following the family or personal leave (35%). Academic institutions, especially doctoral institutions, do a better job of trying to accommodate workers returning to work after a leave than non-academic institutions.

- Males report a higher rate of being accommodated upon their return from a leave than females (47% versus 30%). Perhaps because of this, males returned to the same employer more often (55%) than females (41%). Workers were also more likely to return to the same employer as age, number of years working and career stage increases. Perhaps because of academic institution's higher rate of making accommodations for returning workers, more academics than non-academics returned to their same employer after taking a leave (51% versus 38%).

- Taking a personal or family leave rarely resulted in a setback in one's career among those that returned to work. Most returned to a position equivalent to the one they left, and nearly as many returned to a higher position (15%) as to a lower position (16%). The type of position to which one returned did not vary based on the gender of the worker. Younger workers and those just establishing their careers tended to return to a higher level position more often than older or more established workers, but, otherwise, there are few differences by worker characteristics.

Figure 24: Impact of Family Leave on Career Development



Base: Respondents who took family leave of at least 5 months.
*Denotes significant difference from females at 95% confidence level.

- Despite the fact that women scientists returned to equivalent or better positions at a rate similar to male scientists, females perceive that taking a personal or family leave limited their career development far more than males. Over a third of female scientists who took a leave feel that this leave limited their career a lot (37%), and more than three quarters (76%) feel that it limited their career at least a little. In contrast, few males feel that a leave limited their careers a lot (11%), and two-fifths think that it limited their careers at least a little (40%). Thus, not only are women scientists more likely to take family leave, but at least in their perceptions, it is also likely to have a greater impact on their career development than when a similar leave is taken by males.

Selected Findings From 2001 Salary Survey Among Life Scientists

Conducted by:

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September 2001

Technical Methods

Mr. HORN. And our second witness on panel one has just arrived, Dr. Eileen Appelbaum, professor and director, Center for Women and Work, School of Management and Labor Relations, Rutgers University.

Ms. APPELBAUM. Thank you very much for inviting me here, and I apologize for being late.

Mr. HORN. We will have to swear you in since you weren't in the earlier group.

[Witness sworn.]

Mr. HORN. We will note Dr. Appelbaum has affirmed.

Ms. APPELBAUM. Well, I wanted to speak about two things today, both of which I know are familiar to people. But I wanted to comment on the implications of them for both what I call private policies, policies that companies can engage in today and that unions can engage in today, and public policies, the kinds of policies that require some sort of government action.

As we begin this century, there are two salient facts about women and work that I think are really important to make. And perhaps I am repeating some of what has been said; I apologize again.

The first is the dramatic increase in the employment of women over the last century, which I think we are all aware of. But what people may not be quite as aware of is the tremendous increase in the employment of mothers of young children. The employment rate of mothers of young children is now 70 percent. Seventy-two percent of women with children younger than 18, and 65 percent of those with children younger than 6 are in the work force.

On average, these women work pretty much full-time hours. They are working 35 hours a week, on average, so they are really fully occupied. The result of this is that we do not have a situation, as we had in the 1950's and the 1960's, in which there was a full-time adult at home to deal with all of the care and other responsibilities.

The second salient fact is the persistent gap in earnings between men and women. This gap has persisted, despite the fact that today women are as likely as men to have a college degree. In fact, at the bachelor's level, they are more likely to have a college degree. And yet the wage gap has not disappeared; it has narrowed. If we go back to the 1970's, we would find that women were earning 62 cents for every $1 earned by a man, and this gap did narrow over the 1980's, but it has stagnated in the second half of the 1990's and it is widening again.

So I want to talk about these two points and what their implications are, and say a few words about where the treatment of women managers and professionals come into play.

You know, sometimes it is argued that there has not been much change; if you look at hours that people are working, they haven't changed much over the last 20 years, and full-time workers rarely work more than 40 hours a week. But this really does not get at the heart of the question, because if you go back to the 1960's or even 1970, what you find is that, for the most part, women stayed at home. You had one full-time worker.

If you take a look at the 1970's into the 1980's, the hours of work of married-couple families begin to rise; and by the middle of the

1980's, we have this situation where family hours of work are the equivalent of one full-time and one part-time job.

But by the time we get to the 1990's, married-couple families with children at home, with young children at home, families in the middle of the income distribution are now working 3,900 hours a year. This is equivalent to two full-time jobs. So the time squeeze comes not because individual workers are working so many more hours, but because families are providing so many more hours of work to the labor market. And so we have this huge squeeze in terms of time that needs to be taken into account.

If we look at the wage gap and ask ourselves, why did it narrow during the 1980's and why is it stagnating now and ever widening, what we see are two things. In the 1980's, women's wages did rise as a result of the fact they had better education and as a result of the fact they were spending more years in the work force.

But the other big piece of that puzzle is that men's wages were falling during the 1980's, and so a lot of the catch-up had to do with the fact that the men were leveling down, not only that women were leveling up. But that's what took place through 1993 or 1994.

And if we look today, we see that the wage gap has stabilized and has begun to widen again.

The reasons are several fold. If we look at women without a college degree, what we find is that, as a result of welfare reform and the strong labor market of the 1990's, many single mothers entered the work force. Welfare reform got these women off the welfare rolls, but it did not get them out of poverty; and they moved into extremely low-paying jobs. The result is that the gap between men and women with a high school degree or less widened as these women entered into the work force and found their opportunities very limited.

The second thing that happened is, if we take a look at men and women with a college degree, we find that women are increasingly not found in the information technology areas in which wages have risen so rapidly in the 1990's. So if you look at 1986, you find that women made up 35 percent of the systems analysts and the computer programmers, but if you look at the present period, you find they make up only 35 percent. So there has been a decline in women's share of the very best jobs in terms of pay in the 1990's for college graduates.

The third thing that happened is the information that has brought us all together here today, and that is that the wage gap for managers and professionals between men and women began to widen in the mid-90's, and we find that women in professional and managerial positions are falling further and further behind.

The numbers that were in the report from Congresswoman Maloney and Mr. Dingell talked about 10 industries, but if you take a look at managers and professionals generally, forgetting about whatever industry they worked in, you would find the same story. You would find that gap widening for women relative to men in managerial and professional occupations generally.

One of the big problems with this huge wage gap and the fact that it doesn't disappear is, it then has implications not only for women's ability to fulfill themselves and to reach their complete po-

tential and make their greatest contribution to the economy and to their families, but it also has an effect on the decisions that men make with respect to care activities. If you have a wide differential in pay between a husband and wife, it is difficult for a family to make a decision that the father should be engaged in the care of the children. So men miss out on a lot of experiences that they would like to have because of these inequities.

So I think that we really need, as we look to the future, to think about policies and practices that will promote work-life integration for both men and women.

A lot of it, I think, has to do with the ability to control your time at work. There are many ways in which employers and unions can negotiate to reach opportunities for flexibility and for workers to take greater control over their own work time. So I think that the flexibility and work-time issues are important—I am running out of time, but they are in my written testimony so I won't elaborate.

We also need paid family and medical leave. This, I do not think, can come from employers. This has to be handled the way we handled unemployment insurance, through a fund that is dedicated to this purpose. If we work on policies like this, I think we have to amend the Equal Pay Act to cover part-time workers. We are the last industrialized country in which it is legal to discriminate against employees on the basis of the fact that they work part-time rather than full-time hours.

So I'll just stop there, and thank you very much.

Mr. HORN. Well, thank you, and we'll get to a lot more things in the question period.

[The prepared statement of Ms. Appelbaum follows:]

Women and Workplace Issues

New York City
April 22, 2002

Eileen Appelbaum
Professor and Director
Center for Women and Work
School of Management and Labor Relations
Rutgers University

My name is Eileen Appelbaum, and I am the Director of the Center for Women and Work in the School of Management and Labor Relations at Rutgers University. I want to preface my remarks today by expressing my appreciation to Congresswoman Maloney for inviting me to speak today. It is so important to working women and their families that there are people like Congresswoman Maloney representing us in Washington who take a deep and informed interest in the issues and challenges we face. I am pleased to have this opportunity to share with you my expertise – and my personal experience – on this topic.

There are two salient facts about women and work at the start of the 21st century that companies, unions and policy makers need to address:

- The first is that there has been a dramatic increase in the last 100 years in paid employment of women and, more recently, in the paid employment of mothers of young children. Women's share of the working population increased from 18 percent in 1900 to 46 percent in 2000. Today, three-fifths of all women and a much higher percentage of young women are in the workforce. Among mothers, 72 percent of women with children younger than 18 and 65 percent of those with children younger than 6 are in the labor force. The assumption many employers and managers make – that employees have someone at home full time to look after things and come to work unencumbered by family and personal responsibilities – urgently needs to be revised.

- The second is the persistent gap in earnings between men and women. This gap has persisted despite the fact that employed women today are, in general, better educated than are employed men.[1] The gap in median usual weekly earnings of full-time workers 25 years and over, adjusted for inflation, narrowed during the 1980s and early 1990s. The weekly earnings of the average adult woman working full time were just 62 percent of the average man's weekly earning – that is, women earned 62 cents for every dollar earned by a man in 1979. But the gap narrowed by 1993 to 75 cents for every dollar a man earned as women's wages rose faster (or fell more slowly) than those of men. There has been no further progress since then. In 2000, among full-time adult workers 25 years of age or older, women earned 73.6 cents for every dollar earned by a man.[2] (Among *all* workers, including those in their teens and early twenties, the trend has been the same but women earned 76 cents in 2000 for every dollar earned by a man.[3]) Our progress as a country in enabling women to achieve their full potential and encouraging men to reap the rewards of taking a greater role in caring for family and friends is greatly hindered by the persistence of such wage inequities.

In my remarks today, I will briefly elaborate on these two points. I will then use the rest of my time to draw out the implications of these developments for public policy

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[1] U.S. Department of Labor, Bureau of Labor Statistics, "Highlights of Women's Earnings in 2000," August 2001, Report 952, calculated from Table 10, p. 21.
[2] Op. cit., Table 15, p. 29.
[3] Op. cit., Table 1, p. 7.

and for what I think of as "private policy" -- practices that companies and unions can implement to improve outcomes for all employees and their families in the 21st century.

Employment Trends for Women and the Time Squeeze on Families

As noted above, the increase in employment of women has been rather dramatic over the 20th century. As a result, the time squeeze experienced by working families, most of whom now have every available adult in paid employment, is very real.

This might seem obvious. But it is sometimes disputed by employers' organizations. For example, a recently issued fact sheet from the Employment Policy Foundation argues that "duration [of time away from family and other responsibilities] has not increased in recent years."[4] With respect to the time squeeze they argue that "[l]abor force data, however, contradicts this mindset. Americans are working the same number of hours they were 20 years ago; the full-time workweek rarely extends beyond 40 hours. Time at the office doesn't appear to be a contributing factor to the time crunch."[5]

But focusing on the average hours worked by *individuals* casts very little light on the time squeeze experienced by *families*. In 1940, very few married couples were dual earner households. Fathers worked full-time and mothers stayed home and took care of children and other household responsibilities. But the increase in women's paid employment has changed all that.

By 1970, slightly more than one-third of married couples were dual earner households. Today, both husband and wife are employed in 60 percent of married couples. Jointly, these couples work for pay 81 hours a week on average.[6] Similarly, family hours of work for middle class couples with children have been rising steadily, and now approach 3900 hours a year.[7] This may still average out to about 40 hours a week for each spouse. But it is a very different experience for the family to have both parents in the workforce, between them holding down the equivalent of two full-time jobs. In addition, nearly three-quarters of single mothers now work.[8]

Most working mothers, whether married or single, work full-time. In 2000, single mother with young children worked about 37 hours a week; married mothers about 35 hours a week.

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[4] Employment Policy Foundation, Center for Work and Family Balance, "Fact Sheet 1 – Are Americans working too much?" March 2002.
[5] Ibid.
[6] Jacobs, J. and K. Green, "Overworked Individuals or Overworked Families: Explaining Trends in Work, Leisure, and Family Time," ***Work and Occupations*** 28(1): pp. 40-63, 2001.
[7] Mishel, L., J. Bernstein, and J. Schmitt, ***State of Working America 2000/2001***, Ithaca, NY, Cornell University Press, 2001.
[8] Ibid., p. 291.

It is this rise in dual earner households, family hours of work, and hours worked by mothers of young children that is at the root of the very real time squeeze experienced by so many working families.

The Stagnant Wage Gap between Men and Women in the 1990s

Despite the fact that women have made substantial occupational progress and have increased their presence in the higher paying managerial and professional occupations, [9] the wage gap between men and women stagnated in the 1990s. In part, this is explained by continuing occupational segregation within specific managerial and professional occupations. Women and men tend to work in different detailed occupations. Women are much less likely to work in the some of the highest paying professions and much more likely to work in relatively lower paying professional occupations, such as K-12 teachers and registered nurses.

But this is not the full story.

In the 1980s, wages increased substantially for women and declined for men, leading to a narrowing of the wage gap between them. After 1993, however, the trend in male wages reversed. Male wages rose faster than female wages during this period, and the wage gap stagnated. Surprisingly, perhaps, the picture is the same at every level of education. By 2000, the gap in median weekly earnings between men and women who worked full-time was essentially the same at every educational level – 74 cents to the dollar among men and women with less than a high school diploma, 71 cents among high school graduates with no college, 72 cents among those with some college or an associate's degree, and 74 cents among college graduates. [10]

Two startling developments in the second half of the 1990s contributed to the failure of the earnings gap to narrow during this period of exceptional growth and high demand for workers. The earnings gap for young workers ***widened*** after 1993, as did the gap between male and female managers between 1995 and 2000.

We need to distinguish between the level of the gender wage gap for young workers, and its trend. The gender wage gap is narrower for younger workers than it is for older workers. Among 16 to24 year olds employed full time, the average woman earns 91 cents for every dollar earned by a man. Among 25 to 34 year olds, the comparable figure is 82 cents. Among workers between 35 and 54 years of age, it is 72 cents; and for workers 55 years or older, it is 69 cents.[11]

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[9] U.S. Department of Labor, op. cit., p. 2. In 2000, 47 percent of full-time wage and salary workers in executive, administrative and managerial jobs were women, compared with 34 percent in 1983. Their share of professional jobs increased from 46.8 percent to 51.9 percent over the same time period.
[10] U.S. Department of Labor, op. cit. Table 15, p. 29.
[11] Op. cit. Table 13, p. 25.

However, the earnings gap widened among workers 16 to 24 and 25 to 34 years of age in the latter half of the 1990s. The explanation for this is two-fold.[12]

Among workers with no college education, the increased employment of former welfare recipients – mainly young women – in low wage jobs increased the earnings gap between young men and women. Among college educated workers, the earnings gap widened because jobs in high-paying information technology occupations, which disproportionately employ young workers, were filled mainly by men. The share of women holding jobs as computer systems analysts or scientists or as computer programmers fell from 40 percent in 1986 to 30 percent in 1999.

As for the earnings gap between male and female managers, a very important study by the staffs of Representatives John Dingell and Carolyn Maloney, based on data compiled by the U.S. General Accounting Office, yielded surprising results about women's poor progress since 1995. The study of ten industries employing 71 percent of women workers and 73 percent of women managers found that in terms of pay "the majority of women managers were worse off, relative to men, in 2000 than they were in 1995."[13] Data for all managers, regardless of industry, show similar gaps, with female managers earning 71 cents for every dollar earned by male managers. Among financial managers, the average woman earned 66 cents in 2000 for every dollar earned by a man; while the comparable figure is 73 cents for personnel and labor relations managers. Among workers in professional specialty occupations, the average woman earned 74 cents for every dollar earned by a man.[14]

Thus, while earnings of both men and women are typically highest in managerial and professional specialty occupations, the wage gap between men and women employed full time has persisted.

The earnings situation is far worse for part-time employees. About half of all part-time employees work in low wage jobs in just 10 narrow industries such as child day care, restaurants or grocery stores. Median hourly wages in these industries in 1999 were $10.35.[15] Most workers in part-time jobs earn less on an hourly basis, receive fewer benefits, and have fewer long-term career opportunities than their full-time counterparts.

Work-Life Integration – A Better Deal for Everyone

Having a career and a life has become increasingly difficult as household hours of work have increased. The challenge confronts parents on a daily basis, and is particularly acute for mothers. It doesn't have to be that way.

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[12] This argument is taken from Heather Boushey, "Coming of Age in the Go-Go 90's: the Stagnating Gender Gap and Young Workers," unpublished manuscript, Economic Policy Institute, December 2000.
[13] U.S. General Accounting Office data analyzed by the staffs of Representatives Dingell and Maloney, "A New Look through the Glass Ceiling: Where are the Women?" January 2002.
[14] U.S. Department of Labor, op. cit., Table 3, p. 9.
[15] Jeffrey Wenger, "The Continuing Problems with Part-Time Jobs," EPI Issue Brief, Economic Policy Institute, April 2001.

The U.S. is among the richest countries in the world. Like men, women use their education and initiative to contribute not only to the welfare of their families, but to the high levels of per capita income and the great wealth and prosperity this country enjoys. We are not going to be able to turn the clock back on women's participation in paid work outside the home, and in any case, the U.S. would be far poorer without their economic contributions. Instead, we need to think creatively about the steps that should be taken

- to allow women to more easily combine motherhood and employment,
- to encourage men to take more responsibility for child and home care, and
- to enable women to progress at work as far as their talents will take them.

Indeed, while their requirements may be most pressing, it is not only working mothers who need to be able to better integrate their work and personal lives. Fathers and single employees need time and resources for their personal lives as well.

Nothing prevents companies and unions from implementing practices that provide employees with greater flexibility and control over their work schedules and their lives. There are numerous instances of such "private policies" and practices already in place – practices that include flextime, self-scheduling, job sharing, compressed work weeks, shorter work weeks, and telecommuting. Not all flexibility practices are appropriate for all jobs, but with a wide enough menu, some type of flexibility will work in each job.

Employees have different requirements in terms of work schedules at different points in the life cycle. Employers should mainstream part-time work by allowing employees to request a reduction in hours on their current job with pro-rated pay and benefits, and honoring such requests absent a pressing business reason to refuse. This would be a boon to parents of young children, could encourage men to take a larger role in parenting, and would facilitate phased retirement for older workers and further education and training for younger ones. For employers, it means an opportunity to reduce unscheduled absenteeism and turnover, and to retain employees who might otherwise quit to accommodate family or other demands. Unions have an important role to play in assuring the transparency and fairness of practices that provide workers with flexibility to meet their individual needs. Moreover, they gain when members do not have to resign from the union and take a low paying contingent job elsewhere to get the control they need over work time.

All employees need paid time off from work – paid vacations, personal days and sick days. Employees should be able to use their paid personal days and sick days to care for members of their household who are ill.

Government has an important role to play as well.

Extended leaves associated with the Family and Medical Leave Act should be paid leaves financed publicly through an insurance system similar to Unemployment Insurance. One way to begin might be by dedicating the 0.2% temporary unemployment insurance surcharge currently collected by the federal government and used for general

budgetary relief to this purpose. This is a payroll tax collected from workers, and should be dedicated to providing workers with benefits.

The Equal Pay Act should be amended to include equal opportunity and non-discrimination provisions governing part-time work. These would protect workers on part-time schedules from discrimination in pay or benefits, encourage private sector employers to make good part-time jobs widely available, encourage both men and women to reduce their hours of work at critical points in the life cycle, and reduce the gender gap in pay.

Finally, we need a renewed commitment to equal opportunity, equal access by women to good quality jobs, and a reduction in the wage gap between men and women. Families are unlikely to be able to choose to have men spend more time in unpaid care activities if the income sacrificed by the family is much greater when men work fewer hours than when women do. Moreover, the absence of a commitment to equal opportunity may mean in increased polarization within society as the employment of mothers increases. Professional and managerial women in dual earner families working full time at jobs that require long hours face a time crunch, while the many women in marginal and/or part-time jobs face a money crunch. Both shoulder the double responsibility of job and care work, and experience high levels of stress from the difficulties they face in performing well as mothers and as workers.

Mr. HORN. Our next presenter is Christine Stolba, senior fellow at the Independent Women's Forum.

You might tell us a little bit about the Independent Women's Forum.

Ms. STOLBA. I will. Thank you, Mr. Chairman and members of the subcommittee. I am honored to have the opportunity to testify about "Women in Management: Are They Breaking the Glass Ceiling?" I am Christine Stolba, Senior Fellow at the Independent Women's Forum, which is a nonprofit, nonpartisan organization dedicated to research and public policy issues on women, particularly women in the work force. We accept no government funds, so we are—pursuant to House Rule XI, we don't accept any government funds.

I want to talk briefly about the issue of both the wage gap and the glass ceiling, and then point to a few specific problems that I had with the Maloney-Dingell report.

The existence of a wage gap and a glass ceiling are often cited as evidence of discrimination against women in the labor market, but the statistics and arguments to not withstand careful scrutiny. In 1999, the average annual full-time wages of women were 73 percent of those of men, but this average figure fails to consider crucial determinants of wages, including major variations between men and women in factors such as hours worked, education, age, part- or full-time status, experience, number of children, and most importantly, consecutive years in the work force. When these factors are considered, economists find an adjusted wage gap far smaller than the 73 percent figure, with academic studies ranging from 88 to 99 percent on the male dollar.

For example, tenure and experience are two of the most important factors in explaining the gender wage gap. According to the U.S. Bureau of the Census, women on average spend a far higher percentage of their working years out of the work force than men do. As many empirical studies have demonstrated, this means that when women return to work, they will not earn as much as their male or female counterparts who have more uninterrupted experience in the workplace.

In many studies, when all relevant factors are considered, the wage gap virtually disappears. For example, University of Maryland Professor Judith Hellerstein found that women in the banking and miscellaneous products and plastics industries made 99 percent of what men did. A recent study by the Employment Policy Foundation analyzed March 2001 Current Population Survey data and found that single women who never married, live alone and have a full-time job earn more than their male equivalents by 28 cents per hour.

Misleading rhetoric can also characterize discussions of the existence of a glass ceiling, which is the supposedly impenetrable barrier that prevents women from advancing in the corporate world. The 1995 report issued by the Glass Ceiling Commission revealed that only 5 percent of senior managers at Fortune 1000 and Fortune 500 service companies were women, and implied that systemic discrimination against women was the cause. Yet the Glass Ceiling Commission report suffered from several methodological flaws.

Typical qualifications for corporate senior management positions include both an MBA and 25 years of work experience.

Logic would suggest that the Commission made comparisons among the qualified labor pool of men and women to determine if discrimination was hampering women's advancement. But the Commission instead compared the number of women in the total labor force without reference to experience or education with the number wielding power at larger corporations, and this gave them the 5 percent figure.

A cursory glance at the history of professional school degrees reveals that few of the graduates of the 1950's and 1960's, who today would be at the pinnacle of their professions, were women. This suggests a pipeline theory where women are moving their way through pipeline into top corporate jobs. As well, evidence from organizations such as Catalyst suggests that this pipeline itself might be leaking, because women are leaving these jobs in the corporate world to take employment elsewhere often because they want flexible work arrangements and, also, often because they want to start their own businesses.

And herein, I think, lies the crucial oversight of those who continue to claim that a glass ceiling is holding back American women. These are women's own choices and decisions about their careers, which are never factored into the equation.

Studies of workplace behavior have found a clear difference in behavior and attitudes toward work between men and women, including that women are less willing to work long hours and to relocate and more eager for part-time work arrangements. Logging long hours and relocation are both routes to future promotion in corporate America. Ultimately, the only ceiling that exists in corporate America is a gender-neutral one, and it prevents those who choose to devote more time to their personal lives from advancing at the same rate as those who devote more uninterrupted time to the workplace.

Of course, unfortunately, discrimination does still exist. But I would point out that we have two important laws on the books that should continue to be enforced, the Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964.

So I feel, although Representatives Maloney and Dingell are to be commended for their interest in the issue of women's advancement in the workplace, their report suffers from several methodological flaws that render suspect its conclusions about the existence of discrimination against women in management.

First, the report concedes that the data it used from the Federal Current Population Survey do not account for two important factors for determining salary levels—years of experience and level of managerial responsibility. The exclusion of these important variables, both of which are crucial determinants of compensation and workplace advancement, raise questions about the report's conclusion about discrimination in wages.

To make a finding of discrimination, any comparison of men's and women's salaries must take into consideration age, education, and consecutive years of experience and the sizes of the businesses or firms being compared. Only after holding these factors constant can we make determinations about the existence of discrimination.

As noted above, academic studies of the wage gap have found far lower disparities in wages than those found in the report. For example, Professors Marianne Bertrand at the University of Chicago and Kevin Hallock at the University of Illinois, writing in the October 2001 issue of Cornell University's Industrial and Labor Relations Review, found that women's earnings at the top of corporate America were not significantly different from men's when all relevant factors, such as age, education, and experience were taken into account.

Moreover, between 1992 and 1997, woman nearly tripled their presence in the top executive ranks and strongly improved their compensation relative to men. Similarly, a 1999 National Science Foundation study of 1.5 million engineers concluded that female engineers make 98 cents on the dollar earned by their male counterparts.

Second, the report concedes that women managers are more likely to work part-time than their male counterparts. This means that we can and should expect that women managers' salaries will be lower than their male and female counterparts who do not work fewer hours per week.

Third, the report is merely a snapshot of 10 industries. Broader evidence reveals that women continue to make gains in the labor market and experience faster wage growth than men.

Finally, and most importantly, I sense the underlying tone of the report suggests that equality for women means statistical parity with men in all fields. By this definition women will have achieved success only when they are half of all corporate CEOs earning exactly the same average wages as men do. But I believe this is a misguided standard of success because it fails to account for the heterogeneity of the female population and the powerful forces of individual choice.

The assumption that without discrimination we would make exactly the same choices as men ignores the available evidence on women's preferences and is an assumption that many women find demeaning, for it suggests that we're incapable of making choices for ourselves and of bearing the consequences of those choices.

Thank you.

Mr. HORN. Thank you. That's a very good perspective to hear.

[The prepared statement of Ms. Stolba follows:]

Testimony of Christine Stolba
Senior Fellow, Independent Women's Forum
Before the Committee on Government Reform
Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations
U.S. House of Representatives

April 22, 2002

Mr. Chairman and distinguished members of the Subcommittee, good morning. I am honored to have the opportunity to testify on the issue of "Women in Management: Are They Breaking the Glass Ceiling?"

My name is Christine Stolba, and I am a senior fellow at the Independent Women's Forum. The Independent Women's Forum is a non-profit, non-partisan organization dedicated to research and public education on policy issues concerning women. The Independent Women's Forum neither solicits, nor accepts government funds. Pursuant to House Rule XI, clause 2(g)(4), I confirm that IWF has at no time received any federal grant, contract or subcontract.

My testimony is drawn in part from two books about women's economic progress that I have written with my co-author, Diana Furchtgott-Roth: *Women's Figures: An Illustrated Guide to the Economic Progress of Women in America* (AEI Press, 1999) and *The Feminist Dilemma: When Success is Not Enough* (AEI Press, 2001).

The Wage Gap and the Glass Ceiling: Do They Exist?

The existence of a wage gap and a glass ceiling are often cited as evidence of discrimination against women in the labor market. Yet the statistics and arguments do not withstand careful scrutiny. In 1999, average annual full-time wages of women were 73 percent of those of men. This average figure fails to consider crucial determinants of wages, including major variations between men and women in factors such as hours worked, education, age, part- or full-time status, experience, number of children, and consecutive years in the work force. When these factors are considered, economists find an adjusted wage gap far smaller than the 73 percent figure, with studies ranging from 88 to 99 percent.1

For example, tenure and experience are two of the most important factors in explaining the wage gap. According to the U.S. Bureau of the Census, women on average spend a far higher percentage of their working years *out* of the work force than men. As many empirical studies have demonstrated, this means that when women return to work, they will not earn as much as their male or female counterparts who have more uninterrupted experience in the workplace.2

In many studies, when all relevant factors are considered, the wage gap virtually disappears. For example, University of Maryland professor Judith Hellerstein found that women in the banking and miscellaneous products and plastics industries made 99 percent of what men earned. A recent study by the Employment Policy Foundation, analyzing March 2001 Current Population Survey data, found that single women who

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1 Kimberly Bayard, Judith Hellerstein, David Neumark, and Kenneth Troske, "Why are Racial and Ethnic Wage Gaps Larger for Men than for Women? Exploring the Role of Segregation Using the New Worker-Establishment Characteristics Database," National Bureau of Economic Research Working Paper 6997, March 1999; Francine D. Blau and Lawrence M. Kahn, "Swimming Upstream: Trends in the Gender Wage Differential in the 1980s," *Journal of Labor Economics* 15, no. 1 (1997): 1-42; and Charles Brown and Mary Corcoran, "Sex-Based Differences in School Content and the Male/Female Wage Gap," *Journal of Labor Economics* 15, no. 3, pt. 1 (July 1997): 431-65.

2 Bureau of the Census, *Current Population Reports*, Series P-70, no. 10 (1987); Francine D. Blau and Andrea H. Beller, "Trends in Earnings Differentials by Gender, 1971-1981," *Industrial and Labor Relations Review* 41 (July 1988): 513-29; Stephen G. Bronars and Melissa Famulari, "Wage, Tenure, and Wage Growth Variation with and across Establishments," *Journal of Labor Economics* 15 (1997): 285-317.

have never married, live alone and have full-time jobs earn more than their male equivalents by 28 cents per hour.3

Misleading rhetoric also characterizes discussions of the glass ceiling, the supposedly impenetrable barrier that prevents women from advancing in the corporate world. The 1995 report issued by the Glass Ceiling Commission revealed that only 5 percent of senior managers at Fortune 1000 and Fortune 500 service companies were women, and implied that systemic discrimination was the cause. Yet the Glass Ceiling Commission report suffered from serious methodological flaws. Typical qualifications for corporate senior management positions include both an MBA and twenty-five years of work experience. Logic would suggest that the Commission make comparisons among this qualified labor pool of men and women to determine if discrimination was hampering women's advancement. But the Commission instead compared the number of women in the total labor force, without reference to experience or education, with the number wielding power at large corporations, yielding the 5 percent figure. A cursory glance at the history of professional school degrees reveals that few of the graduates of the 1950s and 1960s, who today would be at the pinnacle of their professions, were women. This suggests a "pipeline theory," where women are moving their way through the pipeline and into top corporate jobs. As well, evidence from organizations such as Catalyst suggests that the pipeline might be leaking, because women themselves leave jobs in the corporate world to take employment elsewhere, including in businesses they themselves start.

Herein lies the crucial oversight of those who claim a glass ceiling is holding back American women: women's own choices and decisions about their careers are never factored into the equation. Studies of workplace behavior have also found a clear difference in behavior and attitudes toward work between men and women, including that women are less willing to work long hours and relocate, and more eager for part-time work arrangements.4 Logging long hours and relocating are both routes to future promotion in corporate America. Ultimately, the only ceiling that exists in corporate America is gender-neutral – it prevents those who choose to devote more time to their personal lives from advancing at the same rate as those who devote more uninterrupted time to the workplace.

Finally, it is worth noting that we already have laws on the books that protect women from discrimination in pay and promotion: the Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964. These statutes promote equal opportunity in the workplace and should continue to be vigorously enforced.

The Maloney/Dingell Report: "A New Look Through the Glass Ceiling: Where are the Women? The Status of Women in Management in Ten Selected Industries"

Although Representatives Maloney and Dingell are to be commended for their interest in the issue of women's advancement in the workplace, their report, "A New Look Through the Glass Ceiling: Where are the Women?" (hereafter referred to as the Report) suffers from several serious methodological flaws that render suspect its conclusions about the existence of discrimination against women in management.

First, the Report concedes that the data it used, from the federal Current Population Survey, do not account for "two important factors for determining salary levels: years of experience and level of managerial responsibility" (pg. 6, Dingell/Maloney report). The exclusion of these important variables, both of which are crucial determinants of compensation and workplace advancement, raises questions about the Report's

3 Kimberly Bayard, Judith Hellerstein, David Neumark and Kenneth Trotske, "New Evidence on Sex Segregation and Sex Differences in Wages from Matched Employee-Employer Data," NBER Working Paper No. W7003, March 1999; "Women Making Significant Financial Gains," Employment Policy Foundation, April 2002.

Kingsley R. Browne, "Sex and Temperament in Modern Society: A Darwinian View of the Glass Ceiling and the Gender Gap," *Arizona Law Review* 37, no. 4 (1995).

conclusions about discrimination in wages. To make a finding of discrimination, any comparison of men's and women's salaries must take into account age, education, consecutive years of experience, and the size of the businesses or firms being compared. Only after holding these factors constant can we make determinations about the existence of discrimination. As noted above, academic studies of the wage gap have found far lower disparities in wages than those in the Report. For example, Professors Marianne Bertrand of the University of Chicago and Kevin Hallock of the University of Illinois, writing in the October 2001 issue of Cornell University's *Industrial and Labor Relations Review*, found that women's earnings at the top of corporate America were not significantly different from men's, when all relevant factors such as age, education, and experience were taken into account. Moreover, between 1992 and 1997, women nearly tripled their presence in the top executive ranks and strongly improved their compensation relative to men. Similarly, a 1999 National Science Foundation study of 1.5 million engineers concluded that female engineers make 98 cents on the dollar earned by their male counterparts.

Second, the Report concedes, "women managers are more likely to work part-time than their male counterparts." This means that we can expect women managers' salaries to be lower than their male counterparts who work longer hours.

Third, the Report is merely a snapshot of ten industries. Broader evidence reveals that women continue to make gains in the labor market, and experience faster wage growth than men.

Finally, and most importantly, the underlying tone of the report suggests that equality for women means statistical parity with men in all fields. By this definition, women will have achieved success only when they are half of all corporate CEOs earning exactly the same average wages as men do. But this is a misguided standard of success, because it fails to account for the heterogeneity of the female population and the powerful force of individual choice. The assumption that, without discrimination, we would make exactly the same choices as men ignores the available evidence on women's preferences and is an assumption that many women find demeaning, for it suggests that we are incapable of making choices for ourselves – and of bearing the consequences.

Mr. HORN. And the last presenter on panel one is Judy H. Mello, a founding member and vice chairwoman of the Committee of 200. You might tell us a little bit about the Committee of 200.

Ms. MELLO. I will. Good morning, Mr. Chairman, and the congressional hearing committee. My name is Judy Mello, a founding member and the vice chairman of the Committee of 200. For those of you not familiar with it, the Committee of 200 is a professional organization of preeminent businesswomen leaders and the premier organization of its kind in this country. The Committee of 200 is focused on actively promoting women's success in business both as entrepreneurs and as corporate leaders.

We recently conducted the first-ever comprehensive study to measure women's clout, if you will, in the business world. Our goal was to define how real women's progress has been, to demonstrate where woman actually stand in the big picture, and to identify areas where women are either closing the gap or possibly losing ground.

The study is called the C200 Business Leadership Index. I think you have a copy in front of you, and I will refer to it in a minute. It will be conducted and published annually as a measure of American businesswomen's progress toward parity with their male counterparts.

The Business Leadership Index measures women's progress against their male counterparts using 10 benchmarks. The results, which were published this last March—were released in March, should be of some great interest to the committee.

The index is measured on a 10-point scale where 10 represents parity with men. Measured as a weighted aggregate of the 10 separate benchmarks measured in the study, the C200 Business Leadership Index for 2002 indicates that 3.95 on a scale of 10 percent is where the parity sits today for women.

This means that women are less than 40 percent of the way to equality with men when measured against the following benchmarks: First, women-owned businesses versus men-owned businesses, parity at that point, which is a total parity of 10, women stand at 5.8. If you refer to page 5 in the folder that I had given to you, it would be helpful.

Fortune 500 board seats occupied by women versus the number occupied by men today stands at 2.6 on a scale of 10.

Fortune 500 corporate officers who are women versus men, that scale is 2.78 on a scale of 10.

Company size of women-owned businesses versus company size of those owned by men is 3.25.

Venture capital funding for women's companies versus VC funding for men's is at 1.1 on a scale of 10.

Line and staff ratio, that is, the women of Fortune 500 corporate officer positions who hold line positions versus staff positions, knowing that the line is the faster track to a CEO position, that scale is 5.6 to 10.

The gender/wage gap, according to our analysis, shows that women's average weekly earnings as a proportion of men's in this category is 7.6.

MBA enrollment, the number of women currently enrolled versus men, is 6.6.

And keynote speakers at the top 10 high-profile annual U.S. conferences, meaning the number of women invited to speak versus men, is 3.8.

Finally, the charity fund-raising chairs, the number of women asked to serve as honorary chairpersons for one of the top U.S. 10 charities versus men is zero.

The analysis really was to combine these 10 different benchmarks when they are weighted to try to again assess on an overall basis what the power and influence of women in leadership roles are in this world. It is important to look not just at the overall index number, which is 3.8, but also at the individual benchmark numbers, so that we can see where we need to concentrate our efforts most to improve the opportunities for women in the business world.

There is a lot of talk about the great strides businesswomen are making as business leaders in America. The most important—most powerful women in corporate executive offices have indeed become household names. And women who have avoided corporate roadblocks by striking out on their own are profiting from record growth. But let's consider what the individual benchmark numbers really indicate.

The number of female corporate officers and board directors at Fortune 500 companies is still negligible. At the current rate of growth, women will not reach the halfway mark to parity with men as corporate officers in Fortune 500 companies until the year 2019. Neither will women reach the halfway mark in terms of occupying board seats in those companies until 2027.

Venture capital funding going to women-led businesses is still minute when compared to the funding going to men-led businesses.

While women are making progress toward parity with men as measured by enrollment in MBA programs, they still represent 25 to 30 percent of the business student body. Sadly, there are no women acting as fund-raising chairs at the Nation's top charities. And women's participation as keynote speakers is under the halfway mark at a parity of 3.88.

There is, however, encouraging news. Women-owned businesses, with an index number of nearly 6, are outpacing the growth rate of all businesses by 2 to 1. It would seem that women perceive the greatest opportunity in business as self-employment, doing it their own way and avoiding the roadblocks that corporate America sets-up for them.

The gender/wage gap issue is the closest to parity at 7.6 on a scale of 10, and that is because this is an issue that has been discussed and addressed by committees like this for many, many years; but the current rate of growth is still going to take 30 years to reach parity with men. This is not to say that there are not steps that women can take to improve their own progress. The Committee of 200 is working especially with younger women to encourage the kind of educational choices that will lead women toward greater success and provide support and resources to hasten their path.

However, a proactive stance on the part of government, corporate America, and academic institutions is critical to creating a business environment more conducive to the success of women in business today.

Mr. HORN. Thank you. That is a helpful statement.

[The prepared statement of Ms. Mello follows:]

- I'm Judy Mello. I'm a founding member -- and vice chairman -- of the Committee of 200. For those of you who aren't familiar with it, The Committee of 200 is a professional organization of preeminent women business leaders… and the premiere organization of its kind in this country.

- The Committee of 200 is focused on actively promoting women's success in business, both as entrepreneurs and corporate leaders.

- Recently, we conducted the first-ever comprehensive study to measure women's clout in the business world. Our goal was to define how real women's progress has been…to demonstrate where women actually stand in the big picture...and to identify areas where women are either closing the gap or possibly losing ground.

- The study is called The C200 Business Leadership Index. It will be conducted and published annually as a measure of American businesswomen's progress towards parity with their male counterparts.

- The Business Leadership Index measures women's progress against their male counterparts using 10 benchmarks. The results released in March should be of great interest to this committee.

- The Index is measured on a 10-point scale where 10 represents parity with men. As a weighted aggregate of the 10 separate benchmarks measured in the study, the C200 Business Leadership Index for 2002 is 3.95 on the 10-point scale.

- That means that women are less than 40% of the way to equality with men, when measured against the following benchmarks:

    1. Women-owned businesses versus men-owned businesses.

    2. Fortune 500 Board Seats occupied by women versus the number occupied by men.

    3. Fortune 500 Corporate Officers who are women versus men.

4. Company size of women-owned businesses versus company size of those owned by men.

5. Venture Capital Funding for women's companies versus VC funding for men's.

6. Line/staff ratio, that is women in Fortune 500 corporate officer positions who hold line versus staff jobs as compared to men.

7. Gender/wage gap – women's average weekly earnings as a proportion of men's.

8. MBA enrollment – the number of women currently enrolled versus men.

9. Keynote speakers at the top 10 high-profile annual US conferences -- meaning the number of women invited to speak versus men.

10. And, finally, charity fundraising chairs – the number of women asked to serve as honorary chairperson for one of the top 10 US charity fundraisers versus men.

- It is important to look not just at the overall Index number, but also at the individual benchmark numbers, so we can see where we need to concentrate our efforts most to improve the opportunities for women in the business world.

- There's a lot of talk about the great strides businesswomen are making as leaders in America. The most powerful women in corporate executive offices have, indeed, become household names. And women who have avoided corporate roadblocks by striking out on their own are profiting from record growth. But let's consider what the individual benchmark numbers really indicate:

- The number of female corporate officers and corporate board directors at Fortune 500 companies is still negligible. At the current rate of growth women will not reach the *halfway* mark to parity with men as corporate officers in Fortune 500 companies until 2019. Neither will

women reach the halfway mark in terms of occupying board seats in those companies until 2027!

- Venture capital funding going to women-led businesses is still minute when compared with the funding going to men-led businesses.

- While women are making progress toward parity with men -- as measured by enrollment in MBA programs -- they still represent only 25 to 30 percent of the business student body.

- Sadly, there a no women acting as Fundraising Chairs at the nation's top charities. And women's participation as keynote speakers is under the halfway mark to parity at 3.88.

- There is some encouraging news, however. Women-owned business – with an index number of nearly six – are outpacing the growth rate of all businesses by two to one. It would seem that women perceive the greatest opportunities in business as self-employment – doing it their way, and avoiding the roadblocks that corporate America sets up for them.

- The gender/wage gap is closest to parity at 7.60 on the 10-point scale, and that's because it's an issue that has been discussed and addressed by committees like this for many years. But at the current rate of growth, it will still take 30 years to reach parity with men.

- This is not to say that there aren't steps that women can take to improve their own progress. The Committee of 200 is working – especially with the younger women – to encourage the kind of educational choices that will lead women toward greater success and to provide the support and resources to hasten their path. However, a proactive stance on the part of government, corporate America and academic institutions is critical to creating a business environment more conducive to the success of women in business today.

Mr. HORN. Our friend, Mrs. Carolyn Maloney, has joined us; and if you would like to have your opening statement—or would you just like to go on to questions?

Mrs. MALONEY. I think we—I'll put it in the record. I think it is more important to listen to our important panelists.

Mr. HORN. Without objection, Ms. Maloney's statement will follow mine and the ranking member's as if read.

[The prepared statement of Hon. Carolyn B. Maloney follows:]

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STATEMENT OF CONGRESSWOMAN CAROLYN B. MALONEY

Committee on Government Reform
Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations

"Women in Management:
Are They Breaking the Glass Ceiling?"

9 a.m., Monday, April 22, 2002
New York State Assembly Hearing Room
250 Broadway, Room 1923
New York, New York

Thank you Chairman Horn and Ranking Member Schakowsky for holding this important hearing. I'd also like to thank each of the panel members for coming to testify about women in the workplace. Specifically, I would like to thank Allison Schieffelin (Chef - lin) for being here. You put a real face on the problem of gender discrimination and it takes a great deal of courage to testify. Thank you for being here today.

I look forward to hearing from each of you about your studies on women in the workforce. I believe that this discussion will help explain how women are faring in the workplace, what improvements have been made and what policies can be implemented to achieve true parity in the workplace.

As many of you may know, last January, Congressman John Dingell and I released a report title "*A New Look Through the Glass Ceiling*." The results were truly astonishing. Our study, based on data generated by the General Accounting Office, showed that women managers were actually losing ground to their male counterparts. In all ten industries studied, which employ 71% of U.S. women workers and 73% of U.S. women managers, full-time women managers earned less than men in both 1995 and 2000.

But, I was truly shocked that in seven of the ten industries, the earnings gap between full-time women and men managers actually widened between 1995 and 2000.

For example, in *Entertainment and Recreation Services*, women went from making 83 cents on the dollar in 1995 to 62 cents on the dollar in 2000. Women's earnings compared to men's

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plummeted a full 21 cents.

As this report shows, when our nation was at its strongest, women slipped. We didn't spread the wealth, we grew the disparity.

Other findings were equally discouraging. In industries where women predominate, salaries are lower.
Women managers often hold positions in less strategic, lower-paying areas.

And some women are being forced to choose between being a manager and having children at all.

In the ten industries that were studied, nearly 60 percent of women managers do **not** currently have children in the home. That compares to roughly 60 percent of men who **do** have children in the home. The gap is even wider if you look at all industries.

This discrepancy suggests that the difficulties in combining work and family are a significant constraint on women's ability to break the glass ceiling.

Some women may defer their entry into the management ranks in order to raise their children. Or some may delay having a family to advance their careers for such a long time that they forego children altogether.

While many women have pushed for the opportunity to work part-time employment, it's important not to lose sight of why women fought for this opportunity.

Women are choosing to work part-time because they don't really have any other choice.

I think these are issues that are extremely important and must be addressed. While women earn 56% of bachelor's degrees, and 57% of master's degrees in this country, true parity in the workplace remains a pipedream.

I look forward to hearing from each of you. As we increase dialogue and raise awareness, we begin to get at the root of the problem and finally find answers to many of the questions we have raised.

Mr. HORN. Welcome.

So now let's go to 5-minute rounds. There are three of us here, and we will just rotate it to get a lot of things out. I will lead with Ms. Schakowsky, the gentlewoman from Illinois, to start questioning this panel for the first 5 minutes.

Ms. SCHAKOWSKY. Ms. Stolba, you make the argument that there is no wage gap and that there is no glass ceiling for women. You said, "Ultimately, the only ceiling that exists in corporate America is gender-neutral—it prevents those who choose to devote more time to their personal lives from advancing at the same rate as those who devote more uninterrupted time to the workplace."

Rather than arguing that's gender-neutral, could not one argue that the rules of the game are structured in a way that traditionally favor men and that the arguments for the way to help to change the nature of the workplace would make it more possible for women to compete equally?

Ms. STOLBA. I do think that's true. You hear talk of the "old boys club," for example, in corporate America. I do think that as women become, and are now, half the work force, and as they choose to move throughout corporate ranks, they will begin demanding certain changes.

But I would caution in saying that I don't think there is a role for the Federal Government to impose those changes. I think what we have now with existing antidiscrimination legislation is sufficient as long it is continually and vigorously enforced. I don't think, however, that the Federal Government should take the role of telling businesses, private businesses, that you must give a certain number of weeks of paid leave, paid family leave, for example, and those sorts of things. I think that is a dangerous thing.

Ms. SCHAKOWSKY. I think it is also dangerous—the way I hear this is, in many ways, to blame the victim. And the use of the words "gender-neutral" imply that the playing field is precisely even. And I think that it's important, whether or not you believe that government should intervene, or whether voluntarily the workplace has to accommodate women, to say that it is gender-neutral and that women simply choose to be lesser players, I think increases the burden then on women.

I want to add a couple of questions about this issue of choice. Do you really believe that the choice that women have to invest in family is the same as men have? I think that's what gender-neutral implies.

Ms. STOLBA. Well, yes, of course. But the point is that we are not all going to make the same choices. I would add that the feminist movement in the 1960's was all about giving women as many choices as possible; it wasn't supposed to tell women what to choose.

And I think when we get into discussions of parity in the workplace, feminist groups and a lot of activists tend to want to ignore the fact that 70 percent of women in their lifetime have children. And many women, when polled, if you look at the data of young woman who are childless entering the work force, they are earning about the same as their male counterparts. It is once they have families that they then decide—and this is a private family decision—that the women want to take some more time off work.

I think that men who want to do that—and more and more young men are doing that——

Ms. SCHAKOWSKY. Let me talk about some women that don't have choices.

Ms. Appelbaum talked about, as part of the explanation of the growing wage gap, the influx into the workplace of women, low-educated, poor women, as a result of welfare reform. This was not a matter of choice. I think some may argue that the wonderful choice my daughter has to stay home with her two little children is not a choice that is offered to those poor women.

Do you feel that we are always talking about a choice to be home?

Ms. STOLBA. Well, we are talking about choice; but we're also talking about, as adults, taking responsibility for our choices, and that is the issue in the welfare debate.

I would add that the arguments that are made, often invoking single mothers, particularly ones that have just come off the welfare rolls, point to the fact that we are one of the last industrialized countries that doesn't have paid leave, that doesn't have certain benefits. But if you compare the U.S.' economy and women's participation in it to that of European countries, you will find their growth rates are much lower. Their wage gaps are wider. So even with those benefits, it doesn't guarantee that women will have that kind of——

Ms. SCHAKOWSKY. I see Ms. Appelbaum shaking her head. I want you to respond to that. But, in addition, would you consider adding to your list, when you talk about what government can do, we are reauthorizing welfare reform, making it—there are even more work requirements and less educational opportunities, so this issue of enabling women to diminish the wage gap is limited now.

Could you respond now to Ms. Stolba?

Ms. APPELBAUM. Just very quickly, it's just not true that all countries in Europe have less female labor force participation. If you take a look at a country like Sweden, of course they have the same trajectory as we have in terms of female labor force participation. They have a much narrower wage gap. They do still have a wage gap, but it's much narrower.

But if you take a look at countries like the Netherlands and Germany, which are making a real effort to provide opportunities for women, what these two countries have enacted is an adjustment-of-hours act which allows any employee, male or female, to request a reduction in hours of work, let's say from 40 hours to 30 hours, for a fixed period of time, and the employer can refuse if there is a business reason to refuse, but not otherwise. This has enabled many parents of children to share the responsibility of caring for their kids and also to remain in the work force, to have the continuity of the work experience, to work 30 hours a week and to continue; not to have that all or nothing choice, you have to be here or not.

Each parent can take a day off and stay home with the kids, so that children are in daycare, let's say, 3 days a week and with a family member the other four, which I think many families would find much more possible to manage.

Mr. HORN. We now yield 5 minutes to Mrs. Maloney for questioning.

Mrs. MALONEY. Thank you, Chairman Horn and Ranking Member Schakowsky very much for coming here. I have served with Mr. Horn on this committee for many years, and he has elected to not run for reelection. I think it is a true loss to the Congress of the United States. He has been an outstanding Member of Congress and one who has cared about many, many issues.

I just have to mention his strong work on Governor's Island that I believe helped force the issue, and the giving of the island back to the city; all New Yorkers thank you for the leadership that you played in that important project. And we thank the President of the United States also.

I do want to thank also Sheldon Silver, the Speaker of the Assembly, and State Senator Martin Connor for allowing us to use their hearing rooms. We really truly appreciate it.

One of the reasons that I did this study with Mr. Dingell was that there were so many studies that were coming out showing women losing ground. Not only is the White House Project that—we have Ms. Wilson here today from that one—but the Catalyst, the Annenberg Report that in telecommunications and in media jobs women hold only 3 percent of so-called "clout positions," one from the scientific community stating that women were paid a third of what male scientists were paid. And we wanted to take a broader look.

With the great work and cooperation of the nonpartisan, independent GAO, we looked at 10 industries that employed—not, Ms. Stolba, a small snapshot—but 71 percent of the women in the work force and 73 percent of women in management. So it was a broad view. We used census data. And therefore it was not an academic study in that we generated the questions.

We certainly want to go back and look at qualifications and other items that you mentioned, but we were using the data that were available to us.

I continue to hear about more reports. Ms. Mello came up with her report, and again it is showing that women are not doing so well. When you say that this is a woman's choice to go out and start her own business, when I talk to women who go out and start their own business—and the Small Business Bureau shows that the great growth in small businesses is all women-generated—they will say because they couldn't stand it. They ran into a glass ceiling and they couldn't go any further, so why continue, in their view, in being discriminated against?

I want to mention that I have started a Web site, www.equality2020.org, and I'd like to put information up on this Web site of other reports. Ms. Mello, you cited yours. I don't have that; I would like a copy of it.

But I would also like to have Ms. Stolba, for the record, the public policy foundation report that you mentioned; and I'd like to ask the panelists, all of them, to respond. And you, yourself, to the statement that you made that this particular study found that single women who have never married, live alone and have full-time jobs earn more than their male equivalents.

You know, as a mother of two, and a very strong proponent for children and families, in my view, if a woman has to be single and childless to have parity with men, the majority of whom who are married and have children, then this simply is not parity.

So first, Ms. Stolba, how do you respond?

And how do you, Ms. Appelbaum, Mr. Robertson, and Ms. Mello?

Ms. STOLBA. Well, I would say that the point of citing that study was to show that we do have equal opportunity. That is not to say—first of all, we are talking about cultural differences here as well. When woman have children, they tend to be the ones, on average, to choose to spend more time out of the work force than men do.

Now, you might not think that's a legitimate choice, because it's hampering women from advancing. But I would argue that's their choice. That's a personal family choice that women make.

Men make that choice as well. I know many young men these days who are taking parental leave to spend time with their children, taking a year's sabbatical to be with a newborn. And that is just as legitimate, and they won't advance as quickly.

I do think there are flexible, nongovernmental ways to address some of these issues—for example, in academia stopping the tenure clock for men or women who want to take a year or two off to be with their children; in law firms to have a partnership track where the partnership track time is slowed for men or women who want to take that time off.

In certain businesses, however, the demands of being a corporate CEO, for example, don't allow for as much flexibility; and most corporations are pyramid shaped. Most people don't get to the top, and if you want to get to the top, you do make sacrifices. I think I am just trying to point out here, not in a Pollyanna-ish way, that there is not discrimination, but you make tradeoffs in life. And women, on average, have tended to make different tradeoffs than men. That doesn't mean they don't have equal opportunity.

Mrs. MALONEY. Could you respond, Ms. Appelbaum? Ms. Mello. Mr. Robertson.

Ms. APPELBAUM. I would just say that women are making the best choices they can, given the rotten situation that they face. And in that sense, that is certainly true.

I agree with you that if what we have to do, that in order to have equality or even earn more—because as we all know, employers look askance at men who are single, live alone, have no children, and were never married. These are not considered good employees if they are male, only if they are female.

And we also know from the data-Ms. Stolba can verify it—that men with children earn more than men without children, everything else being equal, whereas women with children earn less.

I think it is about opportunity and I think it is about choice. The question is how do we provide women with the same opportunities? What has to happen so that the choices they make reflect their own preferences? Otherwise, I will tell you that the problem is not going to be that women don't work and that women don't earn enough.

The problem is that women don't have children in large enough numbers to replace the population. Japan already faces this; they

have a shrinking population. Italy already faces this; they have a severely shrinking population—Germany to a lesser extent.

The United States would be in the same shape as Germany if it were not for the fact that we have such a large immigrant population. First-generation women continue to have large families; otherwise, we would also be below replacement in terms of children. If we don't make it possible for people to combine a career and a family, we are going to face serious problems, a waste of human resources as women drop out of the work force or as they take part-time jobs that are way below their qualifications.

One of the things we know about part-time employment in this country is that half the jobs that are part-time are found in 10 low-wage industry occupation classifications. So if you decide that you want to cut back on your hours, in general, in this country, you cannot cut back on your hours as a professional woman in your current job. You must quit your current employer and take a job in retail. And sure, you will be paid the same as a man in retail trade, but you will not be paid the same as a person with your qualifications and you will not be contributing to this economy everything that you are capable of contributing.

What we need, I think—it was put out by Ms. Stolba: There is a view in this country that longer hours equals more productivity. Longer hours equals more managers who don't know how to manage. They manage by face time. You spend your time—long hours in a law firm, long hours in a consulting firm, long hours in a corporate headquarters, and then your manager knows you are a hard worker.

It takes a lot more to manage by results than it does to manage by face time. And here is what we have found in those companies that manage by results—because, in fact, what I study as a researcher is what goes on inside of companies. Those companies—and there are many in the United States, that do offer flexibility, that do give people flexible work arrangements—find that the first thing they have to do is educate their frontline managers, supervisors and line managers to judge by the quality of the work. What is it this person was supposed to accomplish and did they accomplish it; not, were they here 60 hours doing 30 hours' worth of work?

So there are a lot of changes that have to be made. I think, if we get to flexible work arrangements, we will also get to much better management and better use of our human resources; and we will have much greater opportunities for women, as well as for men, to adjust their work lives so that they can also have careers, be good employees; and do a good job as parents, and as children responsible for the care of their family members.

Mrs. MALONEY. Ms. Mello? Could she have a chance to respond? Because I think this is an important question, and I will give my other time back. I just wonder how the other people respond to it.

Ms. MELLO. I would like to say that, as we have heard today, there is still a lot of discussion and argument around the statistics; and I must say that I think this whole issue has suffered from the fact that the information that we have had has been fragmented and anecdotal in many ways.

The Committee of 200, a group that has been around for 20 years, these are top women CEOs in the country who have gone through this process in the last 20 years. One thing, when we came up to do this index, was to create a big picture, to really kind of create a combined, average global feel for where we really stand and to create an index that can be published every year so we can create a benchmark and start tracking it. It is a clout issue. It is a combination of 10 weighted average indexes all the way from the sublime to the ridiculous—why aren't we head of charity fundraiser balls, but that is significant when you get into it.

The bottom-line is to try to reduce the rhetoric and get down to specific measures that we can refer to, the purpose of that being really to begin a conversation about these issues so that people become more aware of the fact that we are not sitting in this valuable time arguing one statistic against another, but we have a standard that we can refer to; and from that basis, to make that information available to people who are decisionmakers both in government and the private sector.

It will also highlight, for those of us who care about this issue, when it is time to celebrate. I can remember when pay parity was, you know, a lot lower; and so I am delighted that it is getting up there, whether it is 100 percent or 7.8 or whatever.

I do think that these are opportunities, and I second think it is important to segment where we have concerns and where we need to focus our attention and understand these issues associated with hindrances to our success.

There is a lot of discussion about the need for parity and the need for diversity in the private sector, which is my sector, and I am sure in the government as well. There is very little done in terms of trying to help people who are in a position to make a difference know how to go about doing it, how to make these changes happen.

And I have spent a lot of time with our corporate sponsors and organizations talking to them about what they are doing internally to make this happen. And guess what? The reason isn't only because it is the right thing to do or that they are going to get their hands slapped, but they are looking at a marketplace where—you know the statistics better than I do—but at least 70 percent, in the next 10 years, of their marketplace is not going to represent white males and they don't have a clue about what their market is.

So, from the standpoint of business in the private sector, they are really beginning to get into these issues. The bigger they are, the harder they are going to fall if they don't start getting with it.

So we are trying to create an index that people can get a handhold, and from there start conversations and start evolving. I agree with Ms. Stolba that the private sector needs to move on taking these initiatives, with the support of the government as well, because the cost to society is too huge. I mean, ultimately, the bottom line—and this is a personal feeling—is that if we don't begin to kind of make this an easier pathway, we are going to lose the most important 50 percent of our society, where we are going to have our national leadership. We need good leaders in our country, whether it is private sector, not-for-profit, government, or whatever; and if they are hindered because they have to send their kids to school

or whatever, and society is not helping them with raising their children, then that is a cost to society and, God knows, we'll have lots of problems.

So it is really the loss of leadership opportunity, and second, it is the responsibility for raising our young children. It is not just mothers, it is not even just mothers and fathers; but it is society's responsibility. And you know the statistics, again, better than I do; but I would have to say that we as a society have not gotten serious about dealing with these educational issues and support structures for our society.

So, anyway, I think that's where I would come down. I am less interested in arguing whether the statistics are here or there. I would like to get a generally accepted standard by which to measure on an annual basis. We would like to get a lot of publicity and vision on this so that people can start referring to it.

It is like the Dow Jones in the private sector. If you look at the C200 Index, you can get a feeling for how we're doing. That is not to say that we are good, we're bad, we're indifferent, but we know where we stand.

So I hope this will be a contribution to this discussion, and I hope that people will take a good look at the index. It is a very easy read, and I think it is a very important piece of work. Thank you.

Mr. HORN. I am going to yield myself 8 minutes, which is less than our colleagues have said here.

I want to ask Mr. Robertson: Your report indicates that in most industries women managers were less educated, younger, less likely to be married, or more likely to be part-time. How important are those factors in explaining the pay disparity you found during your study?

Mr. ROBERTSON. They're very important. What we do in the last part of our analysis, the regression analysis, is say, OK, after you control for each of those, what are the differences in salaries? And we found, despite controlling for those variances, there are still differences in salaries.

And, of course, I think basically the value of our study is that we have, in essence, maybe not answered the question of whether there is a glass ceiling or isn't there? We have provided some perspectives that bracket that answer. Basically after controlling for some of these variables, that you would expect to create salary differences there are still some salary differences. Now that could be explained by some other factors that we did not have access to and could not incorporate in our model, such as job experience. We have at least bracketed down somewhat the answer to the question we were asked originally.

Mr. HORN. Ms. Stolba, you made some interesting observations about the choices women must make in attempting to balance family obligations and employment opportunities.

Do you see any trends that indicate that young women are aware of the consequences of their choices and are opting for career advancement rather than family responsibilities?

Ms. STOLBA. Absolutely. I think it starts at the level of education and having seen various types of polling data of college-age women

in the last year, last 2 years, what you find is that when you poll them, they expect to have a career.

And when you ask them, well, what about your long-term life span? How do you foresee your work life? What do you see it looking like? And there is where I think they are delightfully pragmatic, because most of those who say that they want to have children—and not all say that they want to have children, but most do; and those who do, say, well, when I have very young children, when I have children who are under the age of 5, I will probably cut back on my work life. Or alternatively they will go into fields where they feel they will have more flexibility, whether that be the capability of telecommuting and working from home; and so, keeping up a certain level of work or not.

I think that is a very good sign of—these are the granddaughters of the sexual revolution; these are the young women who have watched their mothers and grandmothers go through this struggle, and I think they are making very intelligent and pragmatic choices about it. And I think they assume that they will go back into the work force full-time once their kids are in school.

Mr. HORN. Dr. Appelbaum, in your testimony you discuss the need for greater flexibility and control over their work schedules, such as job sharing, shorter work weeks, as well as the need for publicly financed family and medical leaves.

Wouldn't that widen the gender pay gap rather than close it?

Ms. APPELBAUM. No, I don't think it would. What it would do is enable people to continue to have a continuous work experience.

What I think has to happen, however—I think one of the most critical things that the Congress can do for working women and their families is to close that loophole that allows people to be paid less on an hourly basis when they work part-time than they are when they work full-time—with the employer, of course, deciding what is a full-time job and a part-time job.

We had that egregious example, I think you probably all remember, from UPS in which part-time workers were working 35 hours a week and full-time workers were working 40 hours a week, and since you are allowed to pay part-time workers less, the pay for part-time employees was substantially below the pay for full-time employees. I think we need to eliminate that. I think that will enable men, as well as women, to reduce their hours of work.

Today, if you reduce your hours of work, you open yourself up to the possibility of far lower pay than a full-time worker gets. If your family desperately needs that money, you may leave your full-time job and take a low-paying part-time job just so you can contribute. If your family can afford it, you may leave the work force altogether. It is certainly not worth it to you as a lawyer, for example, to take a job as a part-time clerk in a WalMart or something like that. This situation leads to that break in work experience.

I think that what people are looking for, what women are looking for, what men are looking for, are greater opportunities to combine a career and a family and to be successful in both.

Mr. HORN. You said there are a number of large corporations in this country that give women sufficient flexibility in their work schedule. Could you give us some examples?

Ms. APPELBAUM. Yes, of companies that give employees sufficient flexibility, because flexibility is not just an issue for women. And I think it would be a mistake for a company to have a policy to say, this is only available to women or only available to people with children.

Men also have responsibilities. Sometimes all they want to do is finish up their degree; they would like a shorter work week to go to school—if they are young, or they are taking care of parents if they're old and so on.

But Bristol Myers Squibb is a company that immediately comes to mind, which introduced a range of flexibility options in its payroll department. It allowed for work sharing, it allowed for part-time work, and allowed for compressed work weeks. And prior to this initiative, this department clocked a lot of overtime because you needed to have people in the payroll department to deal with questions early in the day, late in the day and so on. But with the compressed work week they were able to cover the early hours and the late hours without overtime; and with job sharing, they were able to fill in where, with compressed work weeks, there are some days that are not covered.

They found that in their payroll department they were then able to offer the flexibility that the employees wanted and have considerable savings in that they no longer have to pay overtime.

The company that allows employees, male or female, to reduce their work hours to 30 hours a week is Morningstar, another pretty famous company.

Mr. HORN. Along that line where people can work in the home, we had a full committee hearing. We also have had various Appropriations—Frank Wolf, for example, has been a real leader in this; Connie Morella has been a leader in this.

Ms. APPELBAUM. That is another option that I think is very helpful.

Mr. HORN. What I learned out of that, and it came up once here, is the nervousness of the lower management saying, what is left for me when everybody is at home?

Ms. APPELBAUM. That is exactly right. And for that, we have to emphasize training for lower-level managers so that, in fact, they learn how to supervise the work that is being done and not simply observe the worker.

Thank you, I think that's very good.

Mr. HORN. I yield 5 minutes to the ranking member, Mrs. Schakowsky.

Ms. SCHAKOWSKY. Thank you. I wanted to take a personal privilege just to thank the Committee of 200, which is located in Chicago, for this incredibly important report. And I hope that your aspirations are true that it does become the kind of Dow Jones that we can go back to year after year.

Ms. Stolba, you made a statement again that sort of got me going here. "Delightfully pragmatic decisions made by women," young women. And I wondered, among other things, if as delightfully pragmatic decisions were being made by young men, that they might like to put some time into and investment into the home—and let me say, my premise being that these delightfully pragmatic

decisions are based on a stagnant notion of what the workplace is about.

Women are practical and do make decisions based on realities. But I guess our intention here is to go beyond the current realities. Is this the best reality for America, for its children, for its families, for its economy, as Ms. Mello pointed out?

So I wanted to ask you about young men, and then to say, don't we want to think outside the box here?

Ms. STOLBA. I agree we do want to think outside the box, and I do agree with Dr. Appelbaum on a number of things that she just raised in her last answer.

The polling data do show that young men have more of an interest in things such as flexible work arrangements than the generation previous. And I'll just cite a personal example of my own brother-in-law and sister who are both architects and who crafted a flexible work arrangement with their employer when my niece was born so they both were working three-quarter time—actually, I guess, half-time, but since in architecture you do need a lot of face time in the office, they worked out an arrangement where they were coparenting in fact.

And I think there is one point at which the Federal Government could help us think outside the box on this, and that would be to amend the Fair Labor Standards Act to allow for things such as COMP time and FLEX time. COMP time and FLEX time are the top two demands of younger workers these days because they want more control over their work hours.

It is not that they want to work less, it is not that they have notions of wanting to climb the corporate ladder in an old-fashioned boys club, maybe the way their parents did. They want to have a feeling of more control over their schedules, and they are also much more technologically savvy about it, and understand that there is a lot of their work they can do from home.

So I think encouraging businesses—freeing up, first of all, the old Federal regulations that prevent businesses from allowing flexible arrangements such as COMP time and FLEX time are one good way of doing this. And when we start talking about, isn't it unfair that women have to make the pragmatic choices and men don't, then we're starting to talk about social and cultural norm shifting. And these are seismic changes, and I think we should be careful about trying to legislate them. They are happening of their own volition.

You should continue to encourage equal opportunity and uphold the antidiscrimination legislation that we have. But when we start trying to talk about how do we get more men to change more diapers, then I think we are in a realm that is really not the Federal Government's realm.

Ms. SCHAKOWSKY. On the other hand, advocates who want to seek parity, who want to create more equality should not then characterize those choices as "delightful" necessarily. Maybe necessary, but not necessarily the best outcome.

Ms. STOLBA. I am describing their own descriptions of those choices. And, again, I think the other thing to raise is that we're all talking about child rearing and parenting as if it is some burden to success in the workplace. I don't think most people see it

that way. We should get back to talking about balance, because people take both of those roles seriously, and obviously parenting much more seriously.

So, again, I don't like the tone of saying that this is an obstacle that women have to overcome and, in order to overcome that, we need Federal regulations and more men changing diapers. So there is a tone shift that I think needs to happen, which would also, I think, cool people's jets in terms of overheated rhetoric that quickly comes into play in these debates.

Ms. APPELBAUM. I would just like to object to the idea that we need to change the Fair Labor Standards Act to allow for COMP time and FLEX time. There are numerous opportunities for flexible schedules within the Fair Labor Standards Act as it now exists. People who would be more affected if we changed the Fair Labor Standards Act are not Ms. Stolba's architect brother and sister-in-law—or the other way around, whatever it was. They already have whatever they want—employers can give them whatever they want in terms of COMP time. They are not covered by the Fair Labor Standards Act.

The people who are covered by the Fair Labor Standards Act are those women working at Wal-Mart, working as waitresses, working in hourly paid jobs who have no supervisory, no managerial, no independent decisionmaking capacity whatsoever. Otherwise, they would be exempt and they wouldn't be affected at all.

For those women, pay is very low. And if they do work overtime, which—few of them have that opportunity, but if they do work overtime, they depend on that time-and-a-half pay to pay their bills, to buy clothing, food, whatever for their children. So it's, I think, unreasonable to ask that they give up that extra pay.

And the overtime provisions of the Fair Labor Standards Act are the only thing that we have that prevents employers from working employees as many hours as they want, because we do not have a maximum-hours work law in this country. All of Western Europe, as you may or may not know, is subject to a maximum-hours-of-work law. You cannot require an employee to work more than 48 hours a week in all of Western Europe.

And we do not have such a provision; in this country, you can be fired for refusing overtime. So the only limit on the employer's ability to ask you to work however many hours in the week is the fact that they have to pay premium pay, and that does tend to moderate what employers would do. So I think we need to keep that in mind.

If you want to think outside the box, you want to think about amending the Fair Labor Standards Act, I'd have a proposal. And that is that we go to an 8-hour day and a 36-hour week so that, for example, people would work 5 days 1 week and 4 days the next; it would average out to 36 hours a week. Employers could handle it because, with the 8-hour day, it doesn't change their shift arrangements, and it gives every full-time employee one earned paid day off every other week. I think that would go a long way toward helping working families.

They would have that day every other week in which they could schedule doctors' appointments, meetings with teachers; you name

it, they could take care of it. They could go to banks, do their shopping, when they don't have to have their kids in tow.

I think of all the ways in which this would relieve the stress on working families. If you really want to change the Fair Labor Standards Act, that is what I would propose.

Ms. SCHAKOWSKY. Thank you.

I just wanted to say that I think it would be unfortunate if the effort to create parity in the work force by women is characterized, then, as a rejection of the notion that women embrace child raising in a really positive way. So when talking about cooling rhetoric, I want to caution you about that.

All of the evidence is there that women do, in fact, embrace child raising. The only issue is, does the workplace accommodate that in a way that is compatible with the realities of our society and the desires of women to make those choices.

Let me just read one statement, one conclusion, that I think also contests some of the criticisms that you had, Ms. Stolba, of the Maloney-Dingell report. "In both 1995 and 2000," controlling for differences in "education, age, marital status and race, full-time"—so that's part-time versus full-time—"female managers in each of the 10 industries earned less than" full-time male managers. And whenever we control as much as we can for all the factors, we still find that the wage gap exists. Thank you.

Mr. HORN. Five minutes for Ms. Maloney.

Mrs. MALONEY. Following-up on Jan's question, even if females have less education, and even if they have less experience, which we did not control for because we did not have the data in the census, but they are still doing the same job as their male counterparts, shouldn't they get the same amount of money?

That is basically what your report showed, Mr. Robertson, that in all these areas they were doing basically the same job, yet getting less money.

I wanted to ask Ms. Stolba, your comment that you don't believe—you said it is a misleading term, indicating that you don't believe it is there. But how do you explain a 1998 study, done by Harvard University and the Washington Post, which stated that 43 percent of men polled believed that a major reason why women don't move to management positions is simply because and purely because men don't want them to?

Does anyone want to comment on that besides Ms. Stolba?

You first, but anyone else too. I was just using your words but it is a question to the whole panel. But you can start first.

Ms. STOLBA. I would certainly not deny that, again, there are cultural norms that still exist in a lot of these big corporations that we need to change. But I would caution, when we talk about attitudes, first of all, this is not the same as gathering statistics and hard data. These are opinion surveys which are ambiguous at best and difficult to base strict factual conclusions on.

The reason I challenge the "glass ceiling" phrase is that I think it is deliberately misleading. It is not an argument that there is no discrimination, that we don't need the protections of antidiscrimination legislation. But people's choices matter also, and choices have consequences inside the workplace, outside the workplace; and those choices start very early. It is a matter of what you choose

to get an education in, the kind of job you choose to go into, how hard you want to work.

Mrs. MALONEY. But I don't think women choose to get paid less, which is what this report showed.

Ms. STOLBA. This report, with all due respect, does not consider what academic economists consider one of the most important factors in terms of wage and compensation—consecutive years of work experience. That is a very important factor. And if, even holding these factors constant, there is still a gap, that might be caused by discrimination. Perhaps.

But I am just arguing that the broader claims about societal discrimination in the workplace that are being made here today, based on this report, are overly broad. They're not—the evidence that was gathered can't hold up those kind of broad conclusions.

Mrs. MALONEY. But even if a woman took 10 years off to raise children, which is the average that they take off, the numbers are astonishing.

Quite frankly, I was absolutely stunned that during 1995 to 2000, when we had great prosperity in this country, women slipped—we did not spread the wealth, the disparity grew—and I am concerned that now we're going into, and are, in a recession, what these numbers are going to mean for women.

Ms. Mello.

Ms. MELLO. Just a comment on that. I think the women who do make the choice to become the CEOs, that do make those choices and sacrifices and accommodations within their lifestyle are still not making it, OK? You look at the compilation of the figures that we gave you; the women in our organization are the leading CEOs in this country, and let me tell you, we are a small bunch.

Back 20 years ago, we couldn't find 200 of us. And today they represent—it's still negligible, the women that have made those choices, the sacrifices, have the education, have the commitment, have the drive, have the leadership capabilities, the numbers are negligible in terms of who they are on the corporate Fortune 500 or 1000, even.

Mrs. MALONEY. To add to your comments, many women have told me that they consciously made the choice not to have children because the society could not support them with adequate daycare, and they are very bitter now because they did not get the job and they did not get children. And I think—why don't we have any women's charity chairs? Why would you say?

Ms. MELLO. The reason they don't is they are not viewed as having the power and the influence and the ability to draw in the money. They don't have the contacts. They don't sit on the corporate boards. They can't draw in their favors in the same way that men do because they don't have the platform.

Mrs. MALONEY. I've just got to say, anyone who says there isn't a glass ceiling or discrimination, I think you are living on another planet. Just yesterday, I had a staff member come to me who is in school, an intern in my office. And her supervisor was sexually harassing her, giving her all kinds of trouble in a major university. The response of the university is, don't bother us, go into court.

Now how in the world is a kid going to go into court with no money and what kind of message does that send to our young peo-

ple? That people don't support them when they feel that they have been wronged in whatever way.

And to sit there and to say, it is not a problem, when you have Ms. Mello's report, Ms. Appelbaum's report, Mr. Robertson's report, the Harvard report, all of these reports coming out. It could say that maybe it's 1 or 2 percentage points off, but it is not 26 cents off. It is not whatever adjustment for whatever factor was not there. Granted, we used existing data; to generate our own, it would have been far more expensive. We used the data that every researcher in the country uses, the Census Bureau data. But to say that it is not a problem, I think you are an ostrich with your head in the sand.

And I just want to thank all the panel. We have other panelists coming, but if you would like to respond to any point, to some of the points that we have been making—Mrs. Appelbaum, you had your hand up.

Ms. APPELBAUM. I wanted to respond to this question of continuous work experience and your point of the widening gap after 1995. There is no evidence that women worked less in the second half of the 1990's than they worked in the first half of the 1990's. If anything, every statistic showed increasing labor force participation, increasing continuity, increasing education, increasing preparation for high-level jobs as professionals or managers.

So the explanation for the widening gap that you found, whether the widening gap would be narrowed a few percentage points, as you pointed out, if you add education in, but the fact that it is widening speaks against this idea.

I would like to put in the record, because I would like to find it, the studies that have continuous years of work experience in them. Most have only years of work experience, and I don't know exactly where the data on continuous years of work experience comes from.

Mr. HORN. Without objection, your exhibit will be put in the record at this point.

[NOTE.—The information referred to may be found in subcommittee files.]

Mrs. MALONEY. Thank you very much, Mr. Horn.

And to followup with Mrs. Appelbaum quickly, men take time off. They take time off to go into the service. They often take time off with midlife crisis, to study or whatever, or just because they want to take some time off. And then they go back into the work force, and they don't fall behind dramatically. I think that is another point.

Again, I think a lot of these studies bring more questions than answers, that we need to look at. But men take time off, sometimes substantial time off. Many people go into government to work at great personal loss of income to help the country, and then they go back and they are not penalized in their careers.

Is there any comment on that? It seems like the women take time off and, baby, you can't get back in. The man takes time off, you are a hero. You went and did something great for your country. You served government, not the private sector, but government. You served in the military. You did a great job.

But women take time off, and it is like, forget your career, we want you to be on the factory floor.

Would somebody like to comment on that? I think it is a noble thing to take time off to raise children. It is an important contribution to the country, one that should be valued, one that brings back understanding that could help the work force, I would say and argue.

My time is up. Thank you, Mr. Horn. As always, you are a generous, wonderful gentleman.

Mr. HORN. I know. You are so right. It is a real lovefest here.

Mr. Robertson, you have heard a lot of discourse. What do you want to say about that?

Mr. ROBERTSON. Thank you. Thank you for the opportunity.

Many of the questions that have been raised this morning go obviously way beyond the scope of the work that we did. But just making a couple of observations, to me—we have experts sitting here to my left and some out in the audience—the questions raised just show how very, very complex the issues are. And I would like to go back to something Ms. Mello said earlier on in the conversation, which I think was very important and, I hope, wouldn't get lost.

She said something to the effect—and this is not a direct quote—there are a lot of statistics going to be thrown around, and different people can interpret the same statistics a different way. And I think where she is coming from in terms of if there can be some agreement, how to interpret certain statistics or what statistics we should be using, I think that would go a long way to help everybody talk a common language. And this committee, the subcommittee, is doing exactly the right thing bringing different views together, because this is an important public issue. And out of that, hopefully some of this common language will come about and we will make progress.

Mrs. MALONEY. I think GAO is just the body to do it in.

Point of personal privilege, Mr. Horn. Could I introduce a distinguished guest, Bill Perkins, who is with us, the deputy majority leader of the city council from the Ninth District, representing Harlem and the Upper West Side, who has a great interest in this and who has come to join us.

Thank you for being here, Mr. Perkins.

Mr. PERKINS. It is my pleasure.

Mr. HORN. Welcome.

Mr. PERKINS. Thank you.

Mr. HORN. Dr. Appelbaum mentioned an idea of the 8-hour day bill. I'd like to know from the rest of you what your thinking is, if there are any policies that are currently on the books that ought to be different. And I'd just like to go down: Did the GAO have any thoughts on any changes in the law, labor laws, one way or the other?

Mr. ROBERTSON. No. That is beyond the scope of our work.

Mr. HORN. Anything?

Ms. APPELBAUM. The Equal Pay Act needs to be amended so that we don't discriminate against part-time workers. I'd like to see the 36-hour week. I know it's a long way off, but I have a lot of ideas around that one.

I'd like to see paid family and medical leave. I do not think that employers should have to pay, because I think that would end up

putting an undue burden on employers, depending on the age distribution of their work force. But I think we need something along the lines of unemployment insurance that would allow for paid family and medical leave.

Mr. HORN. Ms. Stolba.

Ms. STOLBA. I am a big fan, again, of amending the Fair Labor Standards Act to allow for FLEX time and COMP time, mainly because these low-wage workers, when polled, say they would love to exchange overtime pay for time home with their families. So that is something they desire even if they are not architects.

And the other thing I would raise, we need to consider economic growth when we're talking about Federal mandates with regard to 36-hour work weeks or federally mandated, paid leave. These things cost money, and one of the enviable things about the American economy has been its incredible growth; and if we start issuing new mandates, that growth could be threatened. So I think that is just something that we need to consider when we look at these kinds of policies.

Ms. MELLO. Well, my focus has been a little different. I would love to see the 8-hour day, having come from a 12-hour day and a 14-hour day in my career. But keeping that aside in terms of the whole work force moving in the direction of parity, that would create opportunity for society to be more supportive of the issues of education and supporting children and leadership within our organizations, would be—to the extent that is supportive of that, I would definitely feel that would be recommended for your consideration.

Mr. HORN. Thank you. And do we have any more questions here? Because we need to go to the next panel.

Mrs. MALONEY. No. Thank you all. You have all given us a great amount to think about, and we will be in touch with you, and certainly working with you in the future on this important issue.

Mr. HORN. Well, if you can stay with us after panel two, and you are worried about what they might say, why we would welcome any thoughts you would have. This is a dialog.

But thank you very much for all you have done. These are excellent written statements, and I think the question period brought out a lot of important information.

Mr. PERKINS. Mr. Chairman, I wonder if I might just take a quick question because of a specific concern that I and members of the Council have. We are looking at this matter, and we will be having our own hearings on this at the end of the month.

One area of my particular focus is the impact on women of color where the problem seems to be even more so. And I am wondering if you have any thoughts about that and how that can be overcome. Anybody?

Ms. STOLBA. Well, I would just point out that actually the wage gap issues, because rates of education among African American women, in particular, compared to rates among African American men, is higher. They are doing better in the work force and they actually have always—they've always worked much more so than white women, if you look at the history of women in the labor force in America.

But I do think that there are—race, I know, was factored into the equations of this report; and I would cede to Mr. Robertson in terms of seeing those impacts. But I would point out that educational achievement of African American women is actually quite a positive story. So the hope would be, once they are in the work force, that they stay in the work force, that would be a point.

Mr. ROBERTSON. Our study didn't look to see the impact of race. What it did was basically controlled for race. And so from that standpoint, I really can't address the question.

Ms. APPELBAUM. Well, I do think that they're well-known leadership problems that affect black women in terms of their ability to rise in organizations. If white women run into a glass ceiling, I think the effect is equal, if not stronger, with respect to black women. They have fewer mentors in the workplace, they have few people that they can model themselves after. They have fewer people that look out for them and so on. So we certainly have that issue.

And if the comparison is between black women and black men, then Ms. Stolba is certainly right. But if the comparison is between black women and white men, then there is quite a distance left to go.

Ms. MELLO. I can only say that race was not an issue and not a focus of our analysis. I can tell you within our organization of 441 leading CEOs in the corporate and the entrepreneurial sector in this country and in the world, I have to say that the African American women, black women, around the world are a very small percentage of our organization, which I think is representative of leadership positions within our country on boards, etc. I mean, we are a good cross-section for that. It is nothing we are particularly proud of, but that is anecdotally what the statistics would tell you.

We have a lot of—several outstanding women who are African American on our committee, but they are a small percentage to the 441. I don't know if that is helpful.

Mr. PERKINS. Thank you. It has been.

Mr. HORN. Thank you very much. We appreciate your work that you have done, and it will be well used.

So we will now have Panel Two: Ms. Allison Schieffelin, Ms. Renuka Chander, Susan Ness and Marie Wilson.

This is an investigatory subcommittee, so if you would all rise and put up your right hand.

[Witnesses sworn.]

Mr. HORN. The clerk will note that their assistants behind them—and we will get their names—and they took the oath also.

So on Panel Two, we will start with Allison K. Schieffelin, former principal of Morgan Stanley.

STATEMENTS OF ALLISON K. SCHIEFFELIN, FORMER PRINCIPAL, MORGAN STANLEY, ACCOMPANIED BY WAYNE OUTTEN, ATTORNEY AT LAW; RENUKA CHANDER, RESEARCH MANAGER, OFFICE OF MEMBERSHIP AND MEETINGS, AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE; SUSAN NESS, ANNENBERG PUBLIC POLICY CENTER, FORMER FEDERAL COMMUNICATIONS COMMISSION COMMISSIONER; AND MARIE C. WILSON, PRESIDENT, THE WHITE HOUSE PROJECT

Ms. SCHIEFFELIN. Thank you very much. Good morning Chairman Horn, Ranking Member Schakowsky and Congresswoman Maloney. Thank you for inviting me to speak on this important topic. Because I am in pending litigation, I'd like to point out that there may be questions that I can't answer and I will defer to my attorney, Wayne Outten.

I am not being flippant when I respond with a flat no to your query: Are women breaking the glass ceiling? The glass has not broken at all, but rather has proven extremely durable and harder to see than ever. But I'm not here to present academic or scientific proof of gender discrimination because the existence of real boundaries to women's advancement have already been proven.

I am here to try and demonstrate why and how, despite our better understanding of the problems, discrimination is still a substantial impediment to women in the workplace. In fact, I cannot imagine, especially after hearing this morning's testimony, what more could possibly be needed to prove that the glass ceiling exists. Numerous important and independent studies have yielded the same conclusions.

The General Accounting Office report that prompted this hearing lays out the data on pay disparity at the highest levels of corporate America. The chair of the Equal Employment Opportunity Commission, Cari Dominguez, was an author of the glass ceiling report and led the Labor Department's glass ceiling initiative prior to her appointment to the EEOC just last year. As an aside and as an indication of Chair Dominguez's conviction about the problem, the very first press statement of her administration was here in New York when she announced that the EEOC was filing a lawsuit against my former employer, Morgan Stanley for pattern and practice discrimination against me and other women and for Morgan Stanley's subsequent retaliation against me for coming forward. I am a co-plaintiff in that case.

Professor Susan Estrich's book, "Sex and Power" contains a cogent and thorough study of many more studies. She includes the scientific work of Dr. Virginia Valian of Hunter College, the statistical proofs of discrimination produced by the Catalyst organization, and the groundbreaking MIT study which documented gender disparities at the highest levels of academia.

In a conclusive and poignant statement, Professor Estrich wrote: "There are lots of reasons that any individual, male or female, doesn't reach the top of his or her profession. They may lack the skills, the ability, even the luck. They may be lousy politicians or not care enough or not want it badly enough. But those are traits one would expect to find if it is an equal world and a level playing field in both men and women. It is true that not all men succeed.

But some do. On a percentage basis, it's rather stunning. Twenty-five years ago, graduating business school classes included 20 to 25 percent women. As of 1999, 99.4 percent of the CEOs and 97.3 percent of the top earners are men. That is not what a random distribution of success looks like by any measure."

I believe my case demonstrates what a real glass ceiling looks like today. I graduated from the Kellogg Graduate School of Management at Northwestern University in 1986 and was recruited into the associate MBA training program at Morgan Stanley that same year.

Like many young women coming into the business in those years, I had no reason to believe that gender discrimination would ever be an issue. After all, I had worked in group settings equally with my male peers throughout my academic career, had been recruited by a top Wall Street firm, and most importantly I had been told that I was part of the "next generation of women."

I assumed that my civil rights had already been won, and I did not have any personal experience of gender discrimination.

After a year of training, I took a position in the Institutional Equity Division on the trading floor at Morgan Stanley. The cat-calling, the pin-up posters and suggestive remarks, struck me as typical locker room banter and I thought I could be just "one of the guys." I laughed and joked and worked like hell. I loved the excitement and the pace of the business and I jumped in with both feet.

Morgan Stanley included me in all of their recruiting events for MBAs, and I frequently attended women's events as a spokesperson for the firm. I was also invited to participate on the gender task force. As an associate, I listened to the complaints of more senior women who had hit the glass ceiling, woman who were denied promotions and pay commensurate with their male colleagues. I heard about women who were pregnant and felt they needed to hide their pregnancies until in a bid to get extra money at year end. Still I thought that I would be impervious to the problems they faced because this was all being addressed and remedied and I was that "next generation."

In the meantime, my productivity and my responsibilities increased. I was doing very well at Morgan Stanley by any objective measure.

I loved my job, and at every stage of my career I made my ambitions clear: I wanted to be a managing director at Morgan Stanley. Nevertheless, and genuinely surprising to me, the glass ceiling inevitably blocked my advancement. I was repeatedly passed over for promotion to managing director without explanation while many men less qualified with respect to tenure, productivity, and overall firm contribution were promoted ahead of me.

In 1998, I reluctantly filed a charge of discrimination with the EEOC. At the time I filed my charge of discrimination, there were only three female managing directors out of about 50 in the Institutional Equity Division. They were amongst the lowest paid and least powerful managing directors. Two out of the three women managing directors were just promoted at the end of 1997. Two out of the three women were assigned "off-line" or nonrevenue producing divisions. Each of those women had career experience of more

than 15 years in a division in which a man could achieve managing director in less than 10 years.

When I filed my charge of gender discrimination, I never anticipated the degree to which I put my career at risk and unalterably changed my life. Chair Dominguez put it best when she said "kiss your Wall Street career good bye."

The retaliation is far worse than the discrimination. Morgan Stanley, with its unlimited resources, feels no risk at striking out against an individual woman who speaks up.

I was methodically stripped of responsibilities and was quietly but pervasively maligned. I was finally fired on October 24, 2000, for what Morgan Stanley called "insubordinate and inappropriate conduct." In truth, it was the type of conduct that is typical on Wall Street trading desks. The reality is that they fired me simply because I had the "audacity" to speak out about gender discrimination.

And I'm going to go over 1 minute with your permission, Mr. Horn.

Mr. HORN. Certainly.

Ms. SCHIEFFELIN. Morgan Stanley destroyed my career. They destroyed everything I had put my heart and soul into for almost 15 years. And the retaliation has had the effect, and I believe the intent, not only to punish me, but also to send a loud message to women that if they come forward, their careers can also be easily destroyed.

In fact, the law specifically states that complaining about gender discrimination is protected activity under Title VII, but the time, money spent and risk to my career that has accrued over the past 3½ years since I filed my charge plays directly into the hands of Morgan Stanley. I have to emphasize the incredible financial burden that accompanies my legal battle. I'm not crying poverty. I'm just pointing out that the money I earned on Wall Street allows me to bring a serious problem to a forum that no average professional, either at Morgan Stanley or any company in America, could ever afford. When, as in this case, the corporate defendant delays and delays a fair resolution, that alone serves to deter even the most resolute plaintiffs.

So I understand that I may not have the profile of your typical victim of discrimination, but I am the one that you see here today because I can afford to be here. Glass ceiling discrimination is everywhere on Wall Street. The high price has strengthened my moral conviction that it is my right, and in fact my obligation, to seek relief for myself and other women.

It's obvious to me now why women in high-ranking jobs that earn a lot of money are loathe to put it all on the line, even though they are very much aware that there is a substantial disparity in pay and promotion between men and women. And as one of my former colleagues put it, "women who have made it this far and want to stick it out make accommodations in their own minds about what they can expect and create justifications for the discrimination rather than take action which might jeopardize their careers."

I am now extremely sympathetic to those fears and I understand why so many of the women at Morgan Stanley sought me out in

the Morgan Stanley ladies room, cafeteria, or nonwork setting rather than public setting—I'm just to going to skip over some of this and read you my conclusion.

I know that this case is being closely watched not only by other investment banks, but also by other professional organizations like law firms and accounting firms. We must win this case. And I believe that we will win this case. I believe in the power of the law. I believe that the democratic process and the dedication of our public officials can overcome even the most monied and powerful corporations. I want to thank you for any action that you might take for the women who are fighting this battle. I don't want another generation of women to have to go through this.

Thank you. I'm sorry for going over.

[The prepared statement of Ms. Schieffelin follows:]

Statement of Allison Schieffelin
For

Congress of the United States
House of Representatives
Committee on Government Reform

April 22, 2002

Women In Management: Are They Breaking the Glass Ceiling?

Good morning Chairman Horn, Ranking Member Schakowsky, and Congresswoman Maloney. Thank you for giving me the opportunity to speak on this important topic.

I am not being flippant when I give you a flat "no" response to your query, "are [women] breaking the glass ceiling?" The glass ceiling has not broken at all. It has proven extremely durable, and the glass is more transparent and harder to see than ever.

But I'm not here to present academic or scientific proof. The existence of real boundaries to women's advancement has already *been* proven in those spheres. I am here to explain why I believe I have been a victim of glass ceiling discrimination in the 21st century. I am trying to demonstrate why, *despite* our better understanding of the problems facing women who attempt to scale the corporate ladder, discrimination is still a very real and substantial barrier in the workplace.

What More Could Possibly be Needed to Prove that the Glass Ceiling Exists?

First and obviously, there is the General Accounting Office (GAO) report that prompted this hearing, which lays out the data on pay disparity at the highest levels of corporate America.

Second, there is the Labor Department Report on the glass ceiling. It was written in part by Cari Dominguez, who was last year appointed Chair of the Equal Employment Opportunity Commission. Ms. Dominguez issued a press statement when she announced that EEOC was filing a lawsuit against my former employer, Morgan Stanley, for pattern and practice gender discrimination against me and other women, and retaliation against me for coming forward to complain about it. Chairperson Dominguez said: "Biased pay and promotional decisions often exclude women from positions offering the greatest status, influence, and economic reward. Industry culture often isolates and marginalizes women - through lack of access to networking opportunities, lack of access to vital business information leading to new client development opportunities, lack of acceptance of women as peers based on gender stereotyping, inflexible workplace structures, and most important, lack of access to meaningful mentoring relationships."

Third, academician Dr. Virginia Valian, an expert on gender and achievement, has done controlled scientific laboratory studies of human behavior and has documented the cumulative, pervasive, repetitive disadvantages that accrue to women over the course of their careers. Her book is entitled "Why So Slow?: The Advancement of Women". She was awarded the TIAA-CREF Outstanding Faculty Letter award just last week at Hunter College.

Fourth, there is the work done by the Catalyst Organization, headed by Sheila Wellington, including incredible statistical analysis of discrimination against women in corporate America. Their most recent report got quite a bit of press attention, and it documents the overall dissatisfaction of women in the workplace.

Numerous other important and independent studies have yielded the same conclusions. Susan Estrich's book "Sex and Power" is a cogent and thorough summary of these studies and more. In a conclusory and poignant statement she wrote: "There are lots of reasons that any individual, male or female, doesn't reach the top of his or her profession. They may lack the skills, the ability, even the luck. They may be lousy politicians, or not care enough, or not want it badly enough. But those are traits one would expect to find, if it's an equal world and a level playing field, in both men and women. It's true that not all men succeed. But some do. On a percentage basis, it's rather stunning. Twenty-five years ago, graduating business school classes included 20 to 25 percent women. Today [1999], 99.4 percent of the CEOs, and 97.3 percent of the top earners are men. That is not what a random distribution of success looks like by any measure."

What Real Glass Ceiling Discrimination Looks Like

I graduated from the Kellogg Graduate School of Management at Northwestern University in 1986 and was recruited through Morgan Stanley's Chicago and New York offices to the Associate MBA training program that same year. In my graduating class, the percentage of women was far closer to 50 percent women than it was in the 70's.

My personal story demonstrates not only that all of the studies I cited provide an accurate portrayal of what the workplace is like for women now, but also why, despite the overwhelming proof of gender bias, it is becoming increasingly difficult to force any progress toward equality in corporate America.

Like most young women coming into the business, I had no reason to believe that gender discrimination would ever be an issue. After all, I had worked in group settings equally with my male peers throughout my academic career, had been recruited by a top Wall Street firm, and most importantly had been told that I was the "next generation of women." I admit I didn't consider myself a feminist; I assumed that my civil rights had already been won, and I didn't have any personal experience with gender discrimination.

After a year of training, I took a position in Sales and Trading for institutional clients on Morgan Stanley's equity trading floor. The cat calling, the pinup posters, and the suggestive remarks struck me as typical locker room banter and I thought I could be just one of the guys. I laughed and joked and worked like hell. I loved the excitement and pace of the business, and I jumped in with both feet.

Morgan Stanley included me in all of their recruiting events for MBAs, and I frequently attended women's events as a spokesperson for the firm.

I was invited to participate on the Gender Task Force and was included in all of their important meetings as a spokesperson for my generation. As an Associate, I listened to the complaints of women who had hit the glass ceiling, who were denied promotions and pay commensurate with their male colleagues. I heard about women who were pregnant and felt they needed to hide their pregnancies until after they received their year-end bonus, while men used their spouse's pregnancies in a bid to get extra money. Still I thought that I would be impervious to the problems they faced because this was all being addressed and remedied, and I was that "next generation."

In the meantime my productivity and responsibilities increased. I am not being self-promoting when I say that my performance reviews were routinely excellent.

I loved my job at Morgan Stanley, and at every stage of my career I made my ambitions clear. I wanted to be a Managing Director. Nevertheless, I was passed over for promotion to Managing Director at the end of 1996 and again in 1997. Many men who were less qualified with respect to tenure, productivity and overall firm contribution were promoted ahead of me.

In 1998, I was told that I would likely not become a Managing Director, but was given no reason. I filed my charge of discrimination with the EEOC later that year.

At the time I filed my Charge of Discrimination, there were only three female Managing Directors out of about 50 in the Institutional Equity Division. They were amongst the lowest paid and least powerful Managing Directors in the Division. Two of those three women had just promoted at the end of 1997. They each had career experience of more than 15 years in a Division in which men could commonly achieve Partner (Managing Director) in under 10 years. Two out of three of the women MDs were assigned "off-line," or non-revenue-producing, positions.

Wall Street in General and Morgan Stanley Specifically is a Perfect Environment for this Test Case.

First and foremost, I am convinced that the age-old "pipeline" excuse is completely without merit in the Institutional Equity Division at Morgan Stanley. Unlike the environment at most industrial companies, where the path to the senior-most positions is often 25 to 35 years in duration, Wall Street Sales and Trading careers are truncated, and young people hold positions with enormous pay and power at the highest ranks of the firm. I have seen that the path to Managing Director has taken as little as 7 years of total career experience for men, and is commonly less than 10 years. In my career, therefore, I have witnessed many generations of professionals come through the pipeline to the Managing Director level. Unfortunately, I have seen the firm allow young managers and executives to repeat the pattern of gender bias over and over.

Second, as I mentioned earlier, my long experience on the Gender Task Force indicates to me that there has been cognizance of gender discrimination at Morgan Stanley for many years. The Gender Task Force at Morgan Stanley was active and operating in my junior years as a professional, and the same complaints of pay and promotion disparities were analyzed and presented to Senior Management then. I feel strongly that Morgan Stanley could have made changes a long time ago. Professor Lotte Bailyn, MIT Faculty Chair said it so well: "[Unlike a University] A committed CEO can give orders to make things happen. A company can create incentives to bring about change."

Third, the phenomenal bull market of the last 15 years dictated growth in the securities industry and provided thousands of opportunities for young people. The demand was so intense, in fact, that there are dozens of examples of men without advanced degrees who rose from the junior-most administrative positions to be senior Managing Directors.

The benefits of the growth spurt in the securities industry have not accrued equally to women. At every successive level of pay and promotion, the population of professionals still looks progressively less like the population of qualified candidates, even though the growth came long after federal civil rights laws had been in effect.

There is no excuse in the Morgan Stanley setting for this gender bias to exist. I believe that it is blatantly unlawful, and that it is my right, and my obligation, to seek relief for myself and other women.

The Fear of Retaliation is the Driving Force Against the Tide of Women Who Would Otherwise Demand Corporate Reform.

When I filed a charge of gender discrimination in 1998, I never ever anticipated the degree to which I put my career at risk and, unalterably, changed my life. Chair Dominguez phrased it "kiss your (Wall Street) career goodbye."

Morgan Stanley's campaign of retaliation against me has been fierce. The retaliation has had the effect- and I believe the intent - to not only to punish me, but also to send a loud message to other women at Morgan Stanley that their careers can also be easily destroyed if they speak out.

The retaliation is in many ways far worse than even the discrimination. Morgan Stanley, with its unlimited resources, feels no risk in striking out against an individual woman who speaks up. I believe that I was

methodically and craftily stripped of responsibilities, and that I was quietly but pervasively maligned. I was finally fired on October 24, 2000 for what Morgan Stanley calls "insubordinate and inappropriate conduct." In truth, it was the type of conduct that is typical on Wall Street trading desks. The reality is that I believe they fired me simply because I had the "audacity" to speak out about gender discrimination. Morgan Stanley destroyed my career. They destroyed everything that I had put my heart and soul into for fifteen years.

The law says that complaining about discrimination is protected activity under Title VII, but the time and money and risk to my career that have accrued over the 3 1/2 years since I filed my charge plays directly into the hands of Morgan Stanley. This is a powerful force that keeps other victims from coming forward.

There is an incredible financial burden that accompanies a legal battle of this magnitude. I'm not crying poverty. I am just pointing out that the money I earned on Wall Street allows me to bring up a serious problem in a forum that no average professional at Morgan Stanley or any company in America could ever afford. The corporate defendant delays and delays a resolution, and in most cases, of course, that alone can deter even the most resolute plaintiff. So while I understand that I may not have the profile of your typical victim of discrimination, I am the one you see because I can afford to be here. My female friends and colleagues on Wall Street have complained to me openly and in private that they experience the same exact issues that I have faced. My Kellogg Business School classmates are extremely successful, but almost none of the women have achieved their success on Wall Street. Glass ceiling discrimination is everywhere on Wall Street

Other women have and will come forward, but it is scary for us to be out front while most people "watch and see." Professor Bailyn said, "Part of the problem in identifying bias at this level [tenured faculty at MIT] is that the women involved, for all intents and purposes, are great success stories." And as one of my former colleagues put it: "Women who have made it this far and want to stick it out make accommodations in their own minds about what they can expect, and create justifications for the discrimination rather than take action which might jeopardize their careers." Simply put, women in high ranking jobs who earn a lot of money are loathe to put it all on the line even though they concede in private that there is an awful and pervasive disparity in pay and promotion between men and women. I am now extremely sympathetic to their fears, and understand why so many women only felt comfortable approaching me in the Morgan Stanley bathroom, cafeteria, or non-work setting. Despite their fears, I am optimistic and hopeful that we will join together boldly.

Professor Bailyn also remarked: "I'm sure there are still people outside and within [MIT] who feel that there's no problem here." People assume that as professional women, especially on Wall Street, we are amongst the highest compensated in the country that we have no right or reason to complain. That is the guilt and anxiety of women at the top: "do we really deserve more?"

But we do. In an industry where men achieve compensation packages that include generous options, benefits, and incredible remuneration for their work, we may question whether or not they deserve it. But if the men deserve it, than so do the women.

I know that this EEOC case is being closely watched, not only by other investment banks, but also by other professional organizations like law firms and accounting firms. We must win this case, and I believe that we will win this case. I believe in the power of the law, and that the democratic process and the power of our public officials can override even the most powerful corporations. Thank you for any action you might take for the women who are fighting this battle. I don't want another generation of women to have to go through this.

Mr. HORN. Thank you. Now we have Ms. Renuka Chander, and we are glad have you here.

Ms. CHANDER. Thank you, Chairman Horn, and good morning to the congressional committee.

I am Renuka Chander and I'm a research manager at the American Association for the Advancement of Science. Our principal product is Science Magazine, and we conducted a study of 19,000 life science members in June 2001. The report that—the sample that I'm reporting on was 8,692, which is a 46 response rate. We sent out a fairly long questionnaire asking traditional questions on current income, previous year salary, total professional income as well as attitudinal questions to describe how scientists view their jobs, what motivates scientists, and what their future plans might be regarding their careers.

As we all know, there is a gender gap in life scientists' salaries. Males earn a median of $94,000, whereas women scientists earn a median of $72,000. The findings of this study are remarkably close to the studies that have already been done in different fields. The difference is explained in part by the fact that males are further in their career cycles, have worked longer and more of them are in the high-income field of medicine. More females also work in academic settings where the pay rate is lower and they have had less time in the workplace.

A gender gap is widest among the top jobs level. Among academic administrators where the gap is the largest, admittedly our sample had a low number of observations. However, for full professors there is a difference of 14 percent in salary between men and women.

Similarly in industry, there is a gender gap in the top positions. In nonacademic positions, women earn—in senior management, women earn 22 percent less than men and among physicians, women earn 31 percent less.

Male directors and managers also earn significantly more than their female counterparts, 19 percent and 18 percent, respectively.

There is very clear evidence in this study of some systematic male-female differences in pay. For more research-oriented positions we found that the pay gap was less, but in terms of the administrative positions, the pay gap was much larger. Only in one job category did we find that women earned as much as men if not more, and that is on the job of principal investigator. There, the average was $97,000. Men earned $95,000 and women earned $97,000 but only in that particular job.

The second point I would like to make is about job satisfaction, because we think it is very important. Males are more satisfied in their jobs than females. In part, this may be related to females being less advanced in their career cycle and the fact that they hold lower level jobs, since high-level positions have higher job satisfaction.

We measured specific aspects of job satisfaction and we found that males are more satisfied with their job than females on many aspects, including some aspects that are very important to females. The aspects on which males rate their job as statistically significantly better include salary and compensation, job security, promotion opportunities, hours worked, opportunities for sabbatical,

autonomy, opportunities for collegial exchange and recognition and prestige.

Women don't rate their jobs as better on any aspect evaluated, and they rate their jobs as significantly worse than males on a number of aspects, and on aspects that are important to females.

The third and last point that I'd like to make is about the effect of marriage on female scientists' careers as well as time taken for personal issues. The career paths of female life scientists suffer more from marriage and dual careers than the career paths of male life scientists. This is not new, but I am giving you the statistics that apply to life scientists. In part, this is because female scientists are more likely than males to have highly educated working spouses, and a spouse that is also a scientist.

About a third of men, male scientists say that their career has been affected by their wife's career. But two-thirds of female scientists say that their careers have been affected by their spouse's career.

And the last point has to do with taking time off. Female scientists are more likely than their male counterparts to have taken 6 months or more as time off work for personal, medical, or family reasons. Nearly a fifth of female scientists have taken this type of personal leave—about 18 percent—compared to only 3 percent of males.

Now, we found—this is based on questioning of these people, males report a higher rate of being accommodated upon their return to leave than females. 47 percent of males were accommodated; only 30 percent of females were. And maybe this is because males return to the same employer more often, 55 percent, than females, 41 percent.

That concludes my testimony on this issue, and I thank you very much for the opportunity to testify.

Mr. HORN. Thank you. The evidence you have is going to be very helpful.

[The prepared statement of Ms. Chander follows:]

Renuka Chander

METHOD AND PROCEDURES

The first-ever AAAS/*Science* Life Sciences Salary and Career Survey was conducted by the Research Department of the AAAS Membership and Meetings Office, using the services of market research and data-processing consultants.

Sampling Plan

The sample for this survey was selected to be representative of the professionally active (i.e., working full-time or part-time) AAAS life sciences membership. The life sciences included in this survey were the Biological Sciences, Biochemistry, Medicine, Bioengineering, BioPhysics and Biological Psychology. Thus, the sample consisted of all members with a life science as their primary discipline and who were aged 80 or younger but excluded students.

In addition to these known life scientists, the sample selection included AAAS members who had not designated their primary discipline (or other demographics) in their membership records. These members, which represent about 25% to 35% of the AAAS membership, generally have newer memberships, tend to be younger and are somewhat more heavily concentrated in the life sciences compared to the older membership. Given the size of this group in the membership, excluding the "no demographics" group would have introduced a significant bias in the sample. Thus, they were included in the sample selection process, but their numbers were limited to 20% of the entire sample. This resulted in a sample of 21,000, including 16,800 with a life science discipline on file and 4,200 with no discipline on file.

Data Collection Method

Data were collected using a combination of mail surveys and Web-based surveys. All 21,000 AAAS members identified as potential respondents were mailed versions of the survey. In addition, all members in the sample with an e-mail address on file (13,597 of the 21,000 or 65%) were sent invitations with a unique url to participate in the survey. This ensured that web responses to the survey were limited to the selected sample and that only one response was received per respondent. Respondents were asked to respond using one or the other method but not both.

To encourage high response rates, all potential respondents were contacted six times by AAAS. This included three postcard alerts (each mailed about 1 week prior to a survey mailing) and three questionnaire mailings. In addition, a reminder telephone call to non-responding e-mail recipients was made to encourage response. Respondents with e-mail addresses received all postal mailings and simultaneous e-mail broadcasts. Given the sensitive nature of many of the questions, the survey was designed to be returned anonymously. This meant that all potential respondents were sent all mailings of the questionnaires with each subsequent mailing asking recipients to ignore the mailing if they had already responded.

Donald Kennedy, Editor-in-Chief of *Science* magazine, signed the alert postcards and cover letters for both the print and Web versions. Each questionnaire mailing also included a single-page outline of the survey objectives so that AAAS members could evaluate the personal

benefits they would get from completing the survey and hopefully be persuaded to respond. In addition to the cover letter and objectives in the questionnaire mailing, respondents were provided with a postage-paid, pre-addressed Business Reply Envelope to return their completed questionnaire. The carrier envelope was imprinted with the slogan "FIRST-EVER SCIENCE & AAAS SALARY SURVEY" in red ink to catch the attention of respondents. Copies of the cover letters and postcards are included at the end of this Technical Methods section.

The study was launched on May 29. On this date, the first round of e-mail invitations was broadcast and the first alert postcard mailed. The first questionnaire mailing was on June 5. The study deadline for all responses was July 10, although responses were accepted for processing until August 1. All print and Web-completed questionnaires were returned to ReData, Inc. of Bethesda, MD, where all data processing and tabulation of the data was executed.

Response Rates and Data Projectability

Of the 21,000 mailout, an estimated 2,000 of the "no demographics" group did not qualify for interview either because their primary discipline was not a life science or because they were not professionally active. These factors reduced the effective mailout to around 19,000. A total of 8,808 responded to the survey for a gross response rate of 46.4%. A total of 8,692 responses were found to be valid and usable for the analysis and this report is based on that response rate of 45.7%.

The response rates vary by data collection method, as shown in the table below. Higher response rates are achieved from the Web version of the survey, although because more of the sample was reachable by mail, the total number of responses was higher from mail.

Method	Total Sample	Usable Sample	Returns	Response Rate
Mail	21,000	19,000	5,136	27%
Web	13,597	10,762	3,556	33%
Total	21,000	19,000	8,692	46%

The final returned sample was compared to the relevant AAAS membership on work sector within Census Division and found to be remarkably close in composition. Given the high response rate and the close matching of the sample characteristics to the population characteristics, there is little chance of response bias.

Questionnaire

The questionnaire was designed by AAAS staff in consultation with Shugoll Research of Bethesda, MD. Joan Burrelli, formerly in charge of the salary surveys at the American Chemical Society and currently Senior Analyst at the National Science Foundation, and Eleanor Babco, Executive Director of the Commission on Professionals in Science and Technology provided suggestions and advice. Finally, copies of the survey were pretested by telephone with selected AAAS members before the mail and Web versions were finalized. A copy of the final survey appears as Appendix A of this report.

The questionnaire contains both the traditional questions on current-year, previous-year salary and total professional income as well as attitudinal questions that describe how scientists view their jobs, what motivates them and what their future plans might be regarding their careers. The chapters in this report outline the main topics of the questionnaire.

Data Analysis

Analysis based on the total responses of 8,692 is reliable within plus or minus 1 percentage point at the 95% confidence level. Subgroups based on smaller sample sizes are less reliable. All analysis assumes no systematic response bias between respondents and non-respondents.

Minimal weighting was applied at the tabulation phase to align the sample with overall membership proportions on work sector within Census Division. Work sector and region data are based on survey questions on institution-type and zip code of primary employment. All data presented in this report is based on weighted data.

Findings that are reported as being statistically significant are different at the 95% confidence level. Shugoll Research of Bethesda, MD prepared the interpretive analysis presented in this report.

Mr. HORN. Our next presenter is the Honorable Susan Ness, Annenberg Public Policy Center, former Federal Communications Commission Commissioner.

Ms. NESS. Thank you, Mr. Chairman. And thank you, distinguished members of the subcommittee, Congresswoman Schakowsky and Congresswoman Maloney, for convening the hearing and inviting me to testify today. I am currently a visiting professor of communication at the Annenberg School for Communications at the University of Pennsylvania, and also serve as the director of information and society at the Annenberg Public Policy Center.

The study that I'm going to talk about today: Progress or No Room at the Top? The role of women in telecommunications broadcast, cable and e-companies, was released last year under the direction of Dean Kathleen Jamieson as a result of the request that I had made based upon the experience that I had during the 7 years that I served as a commissioner at the FCC. Basically, during that time, I saw a dearth of women in the top echelon positions at communications companies. Indeed, as I went from convention to convention, virtually no women were there as keynoters or as members of the super panels other than government representatives who were women.

Indeed, as the Annenberg study documents, only 9 percent of the board of directors of telecommunications, media and e-commerce companies are women. Only 13 percent of a total of 757 executives are women. And more strikingly perhaps, only 3 percent of those who have achieved the position of executive vice president and above are women. Those are positions that Catalyst calls "clout positions." Not one of the 25 largest media conglomerates listed in Broadcasting and Cable Magazine, and that represents hundreds of billions of dollars of revenues and enormous clout, not one of them has been headed by a women in the 7 years that I served as Commissioner. Not one.

I would have expected better results to have occurred from the e-commerce companies, companies that were established subsequent to the resurgence of the women's movement 30 years ago. One would expect that they would not have established practices that might have been based on outdated views of women in business. But, no. The researchers found only 6 of 147 e-commerce company board members were women, and only 4 percent of the executive vice presidents and above were women. These are in the e-commerce companies.

Well, what does this suggest? First of all, it suggests that the passage of time alone is not going to be effective in increasing the representation of women on boards and in the executive suites of communications firms or in any industry for that matter. You can go across the board, lawyers, school administrators, scientists, you name it, all documenting similar results.

It's also been documented that when companies have a fully integrated work force at all levels of the enterprise, these companies see improvement in their bottom line. It stands to reason, communications companies are seeking to win as many consumers and viewers as they possible can. They should not be undervaluing the

opinions and experiences of 50 percent of the population. I believe Ms. Mello made that point on the earlier panel as well.

More importantly, when companies fully integrate family friendly policies into their corporate culture, they have a happier, more productive work force and they are better able to attract and retain not just women, but also family oriented men. That has a significant benefit in reducing costs, reducing the costs of new hires, new trainees, etc. There are tangible benefits to be had for corporations willing to address the matter of inclusion of women beyond token members on the board of directors or in the top-line executive succession.

Ironically, in the wake of the Enron debacle, some predict that more women will be selected to fill nonexecutive vacancies on the boards of corporations. Why? Because women score very highly on the credibility and integrity scales, qualities today that are very much in demand.

The Annenberg Report suggests several concrete steps that can be taken to increase the number of women. Among them, companies should conduct a self assessment to determine whether their corporate culture and policies are impeding their ability to attract and retain women. These efforts have to be initiated from the very top. They should ensure that there are qualified women included in any applicant pools for vacancies—and I want to underscore that minority women are very important in this whole discussion—they need to be in all of the applicant pools and any job advancement for managers should be tied to better outcomes.

Mentoring is also vitally important. It should be encouraged to steer women along the paths better destined for top leadership and not dead-end positions. In filling executive or board positions, corporations should engage search firms with a track-record of locating qualified women.

Finally, trade associations should seek out and publicize women as keynoters and plenary session panelists.

Access to capital remains a stumbling block for many female entrepreneurs wanting to buy communications companies. Congress should consider establishing a viable tax certificate program for female and minority first-time purchasers of communications firms.

So in conclusion, women are woefully underrepresented on corporate boards and in the executive suits of top communications companies. This is not going to change based on passage of time alone. You need to have real efforts underway to accomplish that. The inclusion of women beyond token numbers in boardrooms and at all levels of the enterprise can create positive tangible results to the bottom line, but it takes a sustained commitment from the top to make this happen. And hearings, such as the one you are having today, go a very long way by shining the light on this issue and encouraging the private sector to do what needs to be done to get there. Thank you all very much.

Mr. HORN. Thank you.

[The prepared statement of Ms. Ness follows:]

Progress or No Room at the Top?

The Role of Women in Telecommunications, Broadcast, Cable and E-Companies

Data for this project compiled by Lorie Slass, Annenberg Public Policy Center
with research assistance from Nicole Porter, Annenberg Public Policy Center

athleen Hall Jamieson directed this research. Jamieson is Professor of Communication and Dean of the Annenberg
chool for Communication, and Director of the Annenberg Public Policy Center of the University of Pennsylvania.

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EXECUTIVE SUMMARY

As we enter the 21st century, it is astounding how few women are at the helm of top communications and media firms. These somber statistics present an invaluable opportunity for companies and trade associations to reflect and reward practices designed to attract and retain talented female executives.

Susan Ness, Commissioner, Federal Communications Commission

- The world of broadcasting and communications is changing rapidly. Television, film, music, radio and publishing companies are being absorbed into ever larger corporations, while telecommunications and e-companies are becoming a prime source for information and commerce all over the world. Yet, as these changes in technology and ownership heighten competition among broadcasting and telecomunications companies, it seems they may be overlooking one major resource – women.

- Even the newest media conglomerates and high tech companies may reflect old attitudes in their executive suites. Women are rarely represented among top executives and boards of directors of media, telecommunications and e-companies, even as these same companies compete fiercely for viewers and users at home and at work.

- Women make up only 13% of the top executives of media, telecom and e-companies and only 9% of their boards of directors. And these figures could actually overstate women's participation in top-level decision-making -- of all the executives included in this analysis, only 3% were women with 'Clout Titles.' (See page 5 for a description of 'Clout Titles.')

- Company executives who are seeking to expand audience share are missing an opportunity to double the real life experiences and communication skills of women in corporate leadership.

SUMMARY TABLES

Where Are the Women in Telecommunications, Broadcast Media and E-Companies?

EXECUTIVES	Executives Who Are Women	Total Executives	Percent Executives Who Are Women
Network News	13	64	20%
Media Companies	13	130	10%
Telecom & Cable Companies	28	291	10%
E-Companies	43	272	16%
TOTAL	97	757	13%

WOMEN WITH CLOUT TITLES	Total Executives	Executives With 'Clout Titles' Who Are Women	Percent of All Executives With 'Clout Titles' Who Are Women
Network News	64	0	0%
Media Companies	130	1	1%
Telecom & Cable Companies	291	8	3%
E-Companies	272	11	4%
TOTAL	757	20	3%

BOARD MEMBERS	Board Members Who Are Women	Total Board Members	Percent Board Members Who Are Women
Media Companies	13	113	12%
Telecom & Cable Companies	23	214	11%
E-Companies	6	147	4%
TOTAL	42	474	9%

ANALYSIS

Broadcast Media & Entertainment Companies – Who Is Making the Decisions in Media Companies Today?

Media companies bring information and entertainment into the home and change the perspectives and lives of the viewer or user. They shape the world. The perspective of women at the decision-making level and as leaders of the strategic direction of these companies is critical to their bottom line performance, as women are often their largest target market.

Dianne Blackwood, WICT
Past National President

The Annenberg Public Policy Center analyzed lists of top executives and board members of media/entertainment companies included in the *Fortune* 1000 top revenue earning companies in the US for 1999. So that all major networks would be represented, General Electric, a diversified company and owner of NBC, and News Corp., a non-US company that owns Fox News, were included in the analysis. See page 15 for a complete description of the methodology.

Only 13 of the 130 named executives in the media/entertainment companies (10%) were women (Table 1). The Center also analyzed the corporate leadership for the network news companies. Only 20% of the top executives at the major news networks (ABC News, CBS News, CNBC, CNN and Fox News) were women (Table 2).

Table 1

MAJOR MEDIA/ENTERTAINMENT COMPANY[1] EXECUTIVES

Company	Executives Who Are Women	Total Executives Reported[2]	Percent Women
AOL/Time Warner	0	20	0%
Clear Channel Communications[3]	5	20	25%
General Electric	2	20	10%
News Corp	1	18	6%
USA Networks	1	20	5%
Viacom[4]	2	12	17%
Walt Disney Company	2	20	10%
TOTAL	**13**	**130**	**10%**

Table 2

NETWORK NEWS EXECUTIVES

Company*	Executives Who Are Women	Total Executives Reported[5]	Percent Women
ABC NEWS	1	7	14%
CBS NEWS	3	12	25%
CNBC NEWS	2	15	13%
CNN	5	22	23%
FOX NEWS	2	8	25%
TOTAL	**13**	**64**	**20%**

*Executive information for NBC News was not available.

However, titles in and of themselves may not accurately reflect a person's role in the company. While we do not wish to underplay the accomplishments of these women, questions remain: do these women hold real power within their companies? Are these women executives overseeing a variety of departments or are they in positions traditionally held by women, such as public relations, marketing and human resources?

In order to get a sense of the level of power these women hold, we reviewed the list of women executives to determine who held 'Clout Titles.' Catalyst, a non-profit research and advisory organization working to advance women in business identified 'Clout Titles'. 'Clout Titles' include Chairman, Chief Executive Officer, Vice Chairman, President, Chief Operating Officer, Senior Executive Vice President and Executive Vice-President. Executives with these titles have the highest level of power within an organization.

As a CEO for over 16 years at three different entertainment companies, I am both hopeful, yet concerned, about the inability of women and minorities to hold the highest positions in business. I am hopeful because of the expanding number of women in top management positions, as they prove essential in building strong companies. But I am concerned because there are almost no women holding CEO jobs and top board of director positions.

Margaret Loesch, CEO, Odyssey Holdings

Table 3

'CLOUT TITLES' OF EXECUTIVES IN THE MAJOR ENTERTAINMENT/ MEDIA COMPANIES WHO ARE WOMEN

Title	Number	Percent of All Media Executives
Chairman	0	0%
CEO	0	0%
Vice Chairman	0	0%
President	0	0%
Chief Operating Officer	0	0%
Senior Executive Vice President	0	0%
Executive Vice President	1	1%
TOTAL	1	1%

Table 4

'CLOUT TITLES' OF EXECUTIVES IN NETWORK NEWS COMPANIES WHO ARE WOMEN

Title	Number	Percent of All Network News Executives
Chairman	0	0%
CEO	0	0%
Vice Chairman	0	0%
President	0	0%
Chief Operating Officer	0	0%
Senior Executive Vice President	0	0%
Executive Vice President	0	0%
TOTAL	0	0%

There was just one woman with a 'Clout Title' among major media/entertainment companies (less than 1% of all the media entertainment executives) (Table 3) and not even one in network news companies (Table 4).

While the media industry doesn't have a strong history of training and mentoring women and minorities, we are slowly waking up to the fact that our future depends on it.

Jeff Smulyan, Chairman & CEO, Emmis Communications

When the data is examined to determine if these women executives are in departments traditionally populated by women, we found that around half of the female executives (46% in the media/entertainment companies and 38% of the female news executives) work in communications/marketing/PR, human resources or government relations. (Tables 5 and 6).

Table 5

DEPARTMENTS IN MAJOR ENTERTAINMENT/ MEDIA COMPANIES IN WHICH EXECUTIVES WHO ARE WOMEN WORKED

Department	Number	Percent
Communications/ Marketing/PR	4	31%
Human Resources	1	8%
Government Relations	1	8%
TOTAL	6	46%

Table 6

DEPARTMENTS IN NETWORK NEWS IN WHICH EXECUTIVES WHO ARE WOMEN WORKED

Department	Number	Percent
Communications/ Marketing/ PR	3	23%
Human Resources	3	23%
TOTAL	5*	38%

*One executive was corporate vice president for human resources and public relations and is represented in both categories. The total reflects the total number of executives and does not double count the executive that was both in PR and HR.

Women account for only a fraction of the board members of these companies as well: just 12% of the board members of the media/entertainment companies are women (Table 7).

Table 7

BOARD OF DIRECTORS OF MAJOR ENTERTAINMENT/MEDIA COMPANIES 2000-2001

Company	Board Members Who Are Women	Total Board Members	Percent Board Members Who Are Women
AOL Time Warner[6]	1	16	6%
Clear Channel Communications[7]	0	13	0%
General Electric[8]	4	19	21%
News Corp.[9]	0	15	0%
USA Network[10]	2	13	15%
Viacom[11]	2	18	11%
Walt Disney Company[12]	4	19	21%
TOTALS	13	113	12%

> One of the best ways for women to penetrate the corporate mystique is to serve on corporate boards and become actively involved in the inner workings of other corporations.
>
> **Debra Lee, President/COO, BET Holdings, Inc.**

NEW COMPANIES, OLD ATTITUDES – TELECOMMUNICATIONS, CABLE & INTERNET COMPANIES

> Women like doing business with like-minded companies and this "affinity" element is a critical one to understand in rationalizing more women at the senior level. Women value relationships with corporations and products that demonstrate support of women's initiatives and concerns.
>
> **Kay Koplovitz, CEO, Women Working Network; Chair, National Women's Business Council**

As global communication changes, telecommunication, cable TV and Internet companies have stepped forward with new structures and technologies to communicate news and information around the world. Do women find it easier to reach leadership positions in these companies - or do old habits persist, even in the new economy?

The Annenberg Public Policy Center analyzed the top executives and board members for those companies among the top 1000 revenue earners identified by *Fortune* as telecommunications. Even in newer companies, women make up a small percentage of top executives and board members.

Table 8

MAJOR TELECOM & CABLE COMPANIES[13] EXECUTIVES			
Company	Executives Who Are Women	Total Executives Reported[14]	Percent Executives Who Are Women
ALLTEL	0	13	0%
AT&T[15]	2	20	10%
Bell South	2	20	10%
Cablevision	3	15	20%
Century Tel	1	16	6%
Citizens Communication[16]	0	20	0%
Comcast	3	20	15%
Cox Communications	3	20	15%
Echostar	1	10	10%
Nextel	1	20	5%
NTL	0	9	0%
Qwest[17]	0	20	0%
SBC Communications	6	19	32%
Sprint	2	20	10%
Telephone and Data Systems	1	20	5%
Verizon[18]	3	19	16%
Worldcom[19]	0	10	0%
TOTAL	28	291	10%

Only one in ten (10%) of the telecom and cable executives is a woman (Table 8), and just eight of the 27 hold 'Clout Titles' (only 3% of all the telecom executives included in the analysis) (Table 9). In addition, half of executives in these companies (50%) who are women work in public relations, marketing or human resources (Table 10).

Table 9

'CLOUT TITLES' OF WOMEN EXECUTIVES IN THE MAJOR TELECOMMUNICATION & CABLE COMPANIES		
Title	Number	Percent of All Telecom Execs
Chairman	0	0%
Chief Executive Officer	0	0%
Vice Chairman	0	0%
President	0	0%
Chief Operating Officer	0	0%
Senior Executive Vice President	3	1%
Executive Vice President	5	2%
TOTAL	8	3%

Table 10

DEPARTMENTS WOMEN TELECOM & CABLE EXECUTIVES WORKED IN		
Department	Number	Percent
Communications/Marketing/ PR	9	32%
Human Resources	5	18%
TOTAL	14	50%

Of the 214 members of boards of directors on the 17 telecommunications companies included in the *Fortune* 1000, only 23, or about one in ten, are women (Table 11).

> Reasonable progress has been made for women in the middle ranks of telecom management. It is at the senior levels, at the CEO level especially, and at the board level, however, that great needs still persist.
>
> **Leo Hindery, Chairman, HL Capital, Inc.**

Table 11

BOARD OF DIRECTORS OF TELECOMMUNICATIONS COMPANIES			
Company	Women Board Members	Total Board Members	Percent Women Board Members
ALLTEL[20]	1	14	7%
AT&T[21]	1	14	7%
Bell South[22]	2	13	15%
Cablevision[23]	1	14	7%
Century Tell [24]	1	14	7%
Citizens Communication[25]	1	13	8%
Comcast [26]	1	9	11%
Cox Communications[27]	1	7	14%
Echostar[28]	0	5	0%
Nextel[29]	1	10	10%
NTL[30]	0	13	0%
QWest[31]	2	14	14%
SBC[32]	6	21	29%
Sprint[33]	1	10	10%
Telephone and Data Systems, Inc[34]	2	13	15%
Verizon [35]	1	16	6%
Worldcom[36]	1	14	7%
TOTAL	**23**	**214**	**11%**

For analysis of the e-company executives, researchers used *Fortune* Magazine's list of top e-companies. According to *Fortune* "these companies are redefining not only the way business is done but also how we shop, communicate, advertise, entertain ourselves, plan our lives, and manage our finances[37]."

Although women appear to have equal representation in the trenches of the communications industry, it is alarming that only a select few have been placed in positions of true power and influence.

Maggie Wilderotter, President & CEO, Wink Communications

Table 12

MAJOR E-COMPANY[38] EXECUTIVES			
Company	Executives Who Are Women	Total Executives Reported[39]	Percent of Executives Who Are Women
Amazon.com	0	10	0%
Ameritrade	2	9	22%
AOL/Time Warner	0	20	0%
Charles Schwab	6	20	30%
CMGI	3	20	15%
CNET	3	14	21%
Doubleclick	3	20	15%
E*Trade	5	17	29%
EBay	3	11	27%
Freemarkets.com	1	12	8%
Healtheon/WebMD	3	14	21%
Homestore.com	1	12	8%
Infospace	1	12	8%
Knight Trading Group	0	16	0%
Openwave (phone.com)	0	7	0%
RealNetworks	3	20	15%
Vertical Net	1	20	5%
Yahoo	8	18	44%
TOTAL	**43**	**272**	**16%**

Only 16% of the executives in the largest e-companies were women (Table 12) and 35% of the executives worked in communications/ marketing/PR or human resources (Table 13). Eleven of the female executives in the e-companies held 'Clout Titles' (accounting for only 4% of all e-company executives) (Table 14). Notably, one e-company, eBay, has a female President and CEO, Margaret Whitman. Whitman was the only female CEO among the 757 executives included in this analysis.

Table 13

E-COMPANY DEPARTMENTS IN WHICH EXECUTIVES WHO ARE WOMEN WORKED

Department	Number	Percent
Communications/Marketing/PR	7	16%
Human Resources	8	19%
TOTAL	**15**	**35%**

> When people talk about the qualities of leadership that will win out in the 21st Century, they use female words – intuitive, collaborative, inclusive – it's a world filled with webs and networks, not hierarchies, warfare, command and control.
>
> **Gerry Laybourne, President & CEO, Oxygen Media**

Table 14

'CLOUT TITLES' OF EXECUTIVES IN THE MAJOR E-COMPANIES WHO ARE WOMEN

Title	Number of Women	Percent of All E-Company Execs*
Chairman	0	0%
Chief Executive Officer	1	.4%
Vice Chairman	2	1%
President	4	0%
Chief Operating Officer	0	0%
Senior Executive Vice President	0	0%
Executive Vice President	4	2%
TOTAL	**11**	**4%**

*Execs with more than one 'Clout Title' were only counted once (for example if someone was President & CEO they were only counted in the CEO category).

While there are a small number of women in the executive suites of these e-companies, even fewer occupy the boardrooms. Fewer than one in twenty board members (4%) of the major *Fortune* e-companies are women (Table 15).

Table 15

BOARD OF DIRECTORS OF THE MAJOR E- COMPANIES

Company	Board Members Who Are Women	Total Board Members	Percent Board Members Who Are Women
Amazon[40]	1	5	20%
Ameritrade[41]	0	9	0%
AOL/Time Warner[42]	1	16	6%
Charles Schwab[43]	1	13	8%
CMGI[44]	0	6	0%
Doubleclick[45]	0	8	0%
E*Trade[46]	0	9	0%
eBay[47]	2	7	29%
Freemarkets.com[48]	1	8	13%
Healtheon/WebMd[49]	0	12	0%
Homestore[50]	0	7	0%
Infospace[51]	0	8	0%
Knight Trading Group[52]	0	14	0%
Openwave.com[53]	0	6	0%
Real Networks[54]	0	5	0%
Vertical.net[55]	0	7	0%
Yahoo[56]	0	7	0%
TOTAL	**6**	**147**	**4%**

ON THE AIR, BUT NOT IN CONTROL

With the emergence of interactive services in the broadband communications industry, it is critical for women not only to participate in this technology development, but to help guide and lead it.

Yvette Gordon, Vice President, Interactive Technologies, Seachange International, Inc.

While the number of women who are anchors or in prominent on air positions in local TV and radio news has increased, women account for less than one in four news directors nationwide, and an even smaller proportion of general managers (17% in television and 13% in radio.). And the newest industry, cable television, has the lowest percentage of women represented, with women accounting for only 4% of systems managers (Table 16).

The numbers are somewhat better at national and network news, but the pattern is inconsistent: women comprise almost half (44%) of network and national cable anchors, but they are only 19% and 38%, respectively, of radio and television network bureau chiefs in the Bacon's Media Database.

Table 16

WOMEN IN BROADCASTING – RADIO AND TELEVISION ON-AIR, EDITORIAL AND PUBLIC AFFAIRS[37]

Title	Total*	Women	Percent Who Are Women
TV Anchors (Local)	2474	1276	52%
TV Promotions Managers/Directors	409	187	46%
TV Anchors (National)	70	31	44%
Radio Promotions Managers	2158	924	43%
Network Bureau Chiefs (TV)	72	27	38%
Executive Producer TV	608	222	37%
Radio Ad Sales Managers	2511	933	37%
Television Ad Sales Managers	1064	331	31%
Radio News Directors	2383	672	28%
TV News Directors	765	200	26%
Network Bureau Chief (Radio)	27	5	19%
Television General Managers	1003	170	17%
Meteorologists	1259	177	14%
Radio General Managers	4873	640	13%
Cable Systems Managers	570	20	4%
TV Sports Anchors	520	19	4%

*Contacts with that title from Bacon's Media Database, contacts that held the same title for multiple stations were only listed once.

The Public Face of the Media Industry: Who Communicates for the Communicators?

Many trade associations represent the interest of media and telecommunications companies, as listed in the *Associations Yellow Book, Winter 2001,* published by Leadership Directories, Inc. The Yellow Book includes the presidents and boards of directors of these associations, together with their annual budgets.

The lack of women at board level in US media and telecommunications companies is significant; but it's an even greater issue internationally. I represent Liberty Media on boards in the UK, Japan, Ireland, France, Spain; and in none of the companies is there another woman at the board or executive director level.

Miranda Curtis, President, Liberty Media International

Of 40 different trade associations representing the range of media and telecommunications companies, women account for 17% and 12%, respectively, of the boards of directors. Six of the 27 media trade associations (22%) have women who are presidents, compared to just 1 of the 13 telecommunications associations (Tables 17 & 18).

Table 17

Media Trade Associations[58]	President Who Is A Woman	Board Members Who Are Women	Total Board Members	Percent of Board Who Are Women
Academy of Television Arts & Sciences	N	2	6	33%
American Business Media	N	2	22	9%
American Society of Newspaper Editors	N	6	20	30%
Association of American Publishers, Inc.	Y	2	20	10%
Association of Imaging Technology and Sound	N	1	14	7%
Association of Local Television Stations, Inc.	N	0	19	0%
BPA International	N	5	29	17%
Cable & Telecommunications Association for Marketing	Y	9	25	36%
Cable Television Laboratories, Inc.	N	0	4	0%
Magazine Publishers of America, Inc.	Y	9	43	21%
National Association of Broadcasters	N	9	61	15%
National Association of State Radio Networks, Inc.	Y	1	6	17%
National Association of Television Program Executives	N	9	22	41%
National Cable Television Association	N	0	31	0%
National Cable Television Cooperative, Inc.	N	3	12	25%
National Newspaper Association	Y	1	19	5%
Newspaper Association of America	N	0	5	0%
PROMAX	N	6	22	27%
Radio Advertising Bureau, Inc.	N	0	51	0%
Radio-Television News Directors Association	Y	8	26	31%
Regional Reporters Association	N	8	13	62%
Satellite Broadcasting and Communications Association of America	N	6	35	17%
Society of Motion Picture and Television Engineers	N	1	41	2%
Society of Professional Journalists	N	4	23	17%
Television Bureau of Advertising, Inc.	N	5	35	14%
The Association of America's Public Television Stations	N	6	19	32%
The National Academy of Television Arts and Sciences	N	7	29	24%
TOTAL	**6**	**110**	**652**	**17%**

Table 18

Telecommunications Trade Associations[59]	President Who Is A Woman	Board Members Who Are Women	Total Board Members	Percent of Board Who Are Women
Alliance for Telecommunications Industry Solutions	Y	4	33	12%
Building Industry Consulting Services International	N	1	11	9%
Cellular Telecommunications and Internet Association	N	N/A	N/A	N/A
Communications Supply Service Association	N	1	18	6%
Competitive Telecommunications Association	N	3	18	17%
Healthcare Information and Management Systems Society	N	6	12	50%
National Telephone Cooperative Association	N	0	12	0%
Personal Communications Industry Association	N	0	4	0%
Society of Cable Telecommunications Engineers, Inc.	N	1	15	7%
Telecommunications Industry Association	N	3	45	7%
The Organization for the Promotion and Advancement of Small Telecommunications Companies	N	3	21	14%
United States Telecom Association	N	4	45	9%
Wireless Communications Association International	N	0	36	0%
TOTAL	**1**	**32**	**270**	**12%**

Anecdotal evidence reveals that women are even less likely to be featured prominently at major media and telecommunications industry meetings. Women are rarely superpanel members or keynoters. Recent examples include the National Association of Broadcasters meeting in April, 2000, the annual meeting for the Cellular Telecommunications Association (Wireless 2000), the Competitive Telecommunications Industry Association Annual Convention, February 2000,and Supercomm 2000 in June, co-sponsored by the United States Telecom Association and the Telecommunications Industry Association – none of which had women as featured speakers. There were just two exceptions: the Personal Communications Industry Association in September 2000 had one woman among its major speakers, as did the Wireless Communications Association meeting in July 2000

Where women are included they are more likely to be moderators than presenters: For example, at the National Cable Television Association Meeting in May 2000, all three women among the 27 speakers were moderators. And while the Association of Local Television Stations (ALTV) Annual Meeting, in January of 2000, had thirty major speakers in the program, just two – a panelist and a moderator – were women.

> One of our biggest priorities is to create a workforce that is as diverse as our customer base. It is the right thing to do. It is also the right thing to do for our business. We will make better decisions and be more successful if the people who develop, market and service our products match our customers.
> **Steve Burke, President, Comcast Cable Communications, Inc.**

CONCLUSION & RECOMMENDATIONS

> Being the first woman to break through a glass ceiling anywhere means special pressures and responsibilities, and among them is the opportunity to ensure that the next CEO, the next board member, the next panelist, is also a woman. That means being sure that when we get to the top, we drop down the ladder for those who come behind...and we share with them the knowledge, experience they will need to take each step.
>
> **Pat Michell, President, PBS**

As telecommunications, cable and e-commerce and media industries face the challenges of a rapidly changing economy, they don't seem to be forward looking in developing their strategies for leadership. Communications companies are innovating in technology, ways of sending and receiving information, and economic models for the 21st century – but their executive suites and boardrooms still largely resemble the stereotyped practices of the 1950's. Women represent a larger and larger share of the target users and audiences these companies are trying to reach, but women's talents and life experiences are still underrepresented by company decision-makers. The time has come for future-oriented companies to add new talent and leadership as they adjust their product lines and services to address the requirements of the new economy and new century.

We urge communications companies and their trade associations to determine whether more can be done within their own institutions to include women at the highest levels.

Based on discussions with prominent industry executives, we have compiled a list of concrete steps that can be taken to achieve the goal of advancing more women to the top levels in these industries as well as and increasing realistic opportunities for entrepreneurial women to own telecommunications and media outlets.

> Finding the right executives to lead top companies is a difficult task even under ideal conditions. Reducing that available talent pool 50% by categorically precluding women from these positions makes it a virtual certainty that many of these companies are not being led by the best talent. It greatly reduces the level of competition and hurts the entire Industry.
>
> **Ann Carlsen, Founder & CEO, Carlsen Resources, Inc.**

Advancing Women to Top Level Positions

- Mentoring – Women at the top have few mentors or colleagues with whom to consult. Such feedback can play a vital role in success. Mentoring opportunities with both senior executive women and men provide valuable assistance and should be encouraged.

- Executive Recruitment – Executive recruiters should be encouraged to identify qualified women for senior and top level jobs when searches are undertaken. Executive search firms can distinguish themselves in the marketplace by establishing lists of accomplished women in these fields.

The problem is most probably not the result of malice or deliberate exclusion, but rather, due to maintaining comfort levels of high ranking executives – males feeling most comfortable with other males. It is up to the corporate world to establish an atmosphere where male and female executives can learn to feel comfortable working together, appreciating the contribution that such diversity brings to the table.

Jill A. Slavin, President, FastForward Communications

- Training – Trade associations and companies should identify successful training programs, both in and outside the industry, that could be used to train more women for top level positions, or to develop such programs where none now exist. Associations should become a resource for such information.

- Internal Audit – Companies and trade associations should do a thorough internal examination to determine whether they encourage or discourage women from advancing within their institutions and whether their corporate culture encourages retention of such executives. Are there women who today are qualified to move into positions of greater responsibility and authority? Are there programs in place to train executives, and have women been encouraged to participate in such programs? Have efforts been undertaken to ensure that women are made aware when top level openings occur?

- Industry Associations – Trade associations should examine their convention and conference programming to ensure that executive women are featured on super-panels and as keynoters. Such recognition will help companies to identify talented women for other positions.

Placing More Women on Boards

- Working with Executive Recruiters – Companies filling board positions should work with executive recruiters with a demonstrated record of success in identifying qualified women for placement.

- Mentoring –Women and men should be identified who already are serving on boards of directors of communications companies and who are willing to mentor women seeking similar board opportunities.

Different voices in the boardroom give a company not just diversity, but depth.

Anne Sweeney, President, ABC Cable Networks Group; President, Disney Channel Worldwide

Ownership

- Identifying Sources of Capital – A resource list should be developed of general sources of capital as well as of funds earmarked for women.

- Reinstatement of the Tax Certificate – Support is needed for legislation that would create a viable tax certificate program that includes women.

- Training – Training opportunities should be identified – or created – that would give entrepreneurial women vital information and contacts.

- Mentoring – Female and male owners willing to serve as mentors for entrepreneurial women should be identified and matched with those interested in ownership opportunities.

METHODOLOGY

Executives

News Companies

For each of the news companies, researchers conducted a Lexis-Nexis search of the 2001 Directory of Corporate Affiliations. Since Fox News was not included in the Directory, executive information was gathered from their website (http://www.newscorp.com/management/foxnews.html [Viewed, February 2001]). While the Directory of Corporate Affiliations lists top executives, it may not be an exhaustive list and some key executives may be left out.

Media, Telecommunication and E-Companies

Data for executives were gathered in a Lexis-Nexis search of the Hoover's Profiles of Companies, 2001. Hoover Profiles include a listing of key officers for companies. This information is gathered from company sources such as the annual report and press releases, from official filings such as the 10-K and proxy statements, and from outside sources such as newspapers, trade journals, and other articles in the press. Hoover's updates these lists on a daily basis throughout the year using press releases or other notifications in the press (see http://www.hoovers.com/hoov/join/sample_officers.html). While this list is thorough, and includes the most senior executives, it may not be exhaustive and some executives could be excluded. The Hoovers data was taken from the 2001 Hoovers Directory. The executive list for Homestore.com was taken from http://ir.stockmaster.com/ir/HOMS/officers.html, viewed February 2001.

Boards of Directors

Data for boards of directors were taken from annual reports, the company's website, e-mail responses from the companies or from company descriptions in Yahoo Finance.

On-Air, Editorial and Public Affairs

Bacon's Media Database of media contacts was searched for specific titles and positions and entries were sorted by gender.

Trade Association Data

All trade association data were obtained from the *Associations Yellow Book Winter 2001.*

ENDNOTES

[1] From *Fortune* list of top Entertainment companies, http://www.fortune.com/fortune/fortune500/ind145.html (Viewed, February 2001 and General Electric which owns NBC and News Corp. which owns Fox. Some of the companies on the list have been acquired by other companies; those acquisitions are cited in the endnotes section.
[2] Hoover's Company Profile Database, 2001
[3] Acquired AMFM and SFX in 2000.
[4] Acquired CBS, Inc. in 2000.
[5] From Directory of Corporate Affiliations, 2001 for all companies except Fox News which was taken from http://www.newscorp.com/management/foxnews.html (Viewed, February 2001)
[6] www.timewarner.com/about/whos_who/board/index.html (Viewed, February 2001)
[7] Acquired AMFM and SFX in 2000; Board information from an Email from Randy Palmer VP/Investor Relations
[8] http://www.ge.com/news/exec_office/board.htm (Viewed, February 2001)
[9] http://www.newscorp.com/management/board.html (Viewed, February 2001)
[10] http://yahoo.marketguide.com/mgi/biograph.asp?rt=biograph&rn=A11A0 (Viewed, February 2001)
[11] Viacom acquired CBS, Inc. in 2000, board information from US Business Directory, February 1, 2001
[12] 2000 Annual Report
[13] From the Fortune list of top telecommunications companies, http://www.fortune.com/fortune/fortune500/ind157.html (Viewed, February 2001). Some of the companies on the list have been acquired by other companies; those acquisitions are cited in the endnotes section.
[14] Hoover's Company Profile Database, 2001
[15] Acquired Media One in 2000
[16] Formerly Citizens Utilities
[17] Acquired US West in 2000
[18] Acquired Bell Atlantic & GTE in 2000
[19] Acquired MCI in 2000
[20] http://www.alltel.com/investors-index.html (Viewed February 2001)
[21] Acquired Media One group in 2000, http://www.att.com/leadership/leadership_a.html(Viewed, February 2001)
[22] http://bellsouthcorp.policy.net/whoweare/board.vtml (Viewed, February 2001)
[23] http://www.cablevision.com/company/index.html (Viewed, February 2001)
[24] http://yahoo.marketguide.com/mgi/offrdirs.asp?rt=offrdirs&rn=1748N (Viewed, February 2001)
[25] http://yahoo.marketguide.com/mgi/offrdirs.asp?nss=yahoo&rt=offrdirs&rn=18770 (Viewed, February 2001)
[26] http://WWW.COMCAST.COM/defaultframe.asp?section=about_us&SubSection=au-board (Viewed, February 2001)
[27] http://WWW.COX.COM/Corp/Fact%20Sheet.asp#P59_2230 (Viewed, February 2001)
[28] http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=dish&script=2200 (Viewed, February 2001)
[29] http://yahoo.marketguide.com/mgi/offrdirs.asp?nss=yahoo&rt=offrdirs&rn=A02BD (Viewed, February 2001)
[30] http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=NLI&script=2200#dir (Viewed, February 2001)
[31] Acquired US West in 2000, http://www.qwest.com/about/company/board/index.html
[32] http://yahoo.marketguide.com/mgi/offrdirs.asp?rt=offrdirs&rn=8220N (Viewed, February 2001)
[33] http://www3.sprint.com/sprint/ir/sd/bod.html (Viewed, February 2001)
[34] http://www.teldta.com/investor/index-frames.html (Viewed, February 2001)
[35] http://investor.verizon.com/profile/board.html (Viewed, February 2001)
[36] http://yahoo.marketguide.com/mgi/offrdirs.asp?rt=offrdirs&rn=50715 (Viewed, February 2001)
[37] From Fortune's description of the Fortune e-companies, December 1999.
[38] From the *Fortune* list of top e-companies, http://www.fortune.com/fortune/e50/ (Viewed, February 2001)
[39] Hoover's Company Profile Database, 2001, except for Homestore.com, taken from http://ir.stockmaster.com/ir/HOMS/officers.html (Viewed February 2001).
[40] http://www.iredge.com/IREdge/IREdge.asp?c=002239 (Viewed, February 2001)
[41] http://www.amtd.com/investor/2000annual/sharei/ (Viewed, February 2001)
[42] www.timewarner.com/about/whos_who/board/index.html (Viewed, February 2001)
[43] Email from Charles Schwab PR received February 14, 2001
[44] http://www.cmgi.com/about/leadership_director.jhtml (Viewed, February 2001)
[45] http://ir.doubleclick.net/ireye/ir_site.zhtml?ticker=DCLK&script=2200 (Viewed, February 2001)
[46] 2000 Annual Report
[47] http://yahoo.marketguide.com/mgi/offrdirs.asp?rt=offrdirs&rn=A1C7E (Viewed, February 2001)
[48] http://yahoo.marketguide.com/mgi/offrdirs.asp?nss=yahoo&rt=offrdirs&rn=A216D (Viewed, February 2001)

[49] http://www.webmd.com/corporate/index.html (Viewed, February 2001)
[50] http://yahoo.marketguide.com/mgi/offrdirs.asp?rt=offrdirs&rn=A1F92 (Viewed, February 2001)
[51] http://yahoo.marketguide.com/mgi/offrdirs.asp?nss=yahoo&rt=offrdirs&rn=A1D4E (Viewed, February 2001)
[52] Formerly Knight Trimark, http://yahoo.marketguide.com/mgi/offrdirs.asp?rt=offrdirs&rn=A1B47 (Viewed, February 2001)
[53] Formerly phone.com, http://www.openwave.com/about/board.html (Viewed, February 2001)
[54] http://www.freeedgar.com/Search/FilingsResults.asp?SourcePage=CompanyList&CIK=1046327&UseFrame=1&FormType=&DateFiled=&CompanyName=REALNETWORKS+INC (Viewed, February 2001)
[55] http://www.verticalnet.com/AboutUs/Board.asp (Viewed, February 2001)
[56] http://docs.yahoo.com/info/investor/inv_officers.html (Viewed, February 2001)
[57] Taken from Bacon's Media Contacts Database, February 2001
[58] From the *Associations Yellow Book, Winter 2001*
[59] From the *Associations Yellow Book, Winter 2001*

Mr. HORN. And we now come to our last presenter in panel two. That is Marie C. Wilson, President of the White House Project. And you might tell us a little bit about the project.

Ms. WILSON. Well, the White House—I'm Marie Wilson President of the White House Project, a national nonpartisan, nonprofit organization dedicated to advancing women's leadership by enhancing public perceptions of women's capacity to lead and fostering the entry of women in positions of leadership, including the U.S. Presidency.

I've worked on this issue in one way or another for 24 years and find this fascinating. It's really interesting. I continue to work on it in another capacity as president of the Ms. Foundation for Women where we work on it all across America, across race and class. And this Thursday the Ms. Foundation will be celebrating 10 years of Take Our Daughters to Work. A third of American adults have participated. So if a third of American adults have been that concerned about their children, we are right to be here and concerned ourselves.

Today I want to focus on one thing alone, and that is perception. So I am so glad to follow Susan Ness, the Commissioner, because perception—having gone at this every way that I can think of in 24 years, one of the ways that the White House Project has approached most recently is to look at the media and to look at what Kathleen Hall Jamieson, the dean of Annenberg has instructed me to, how do we normalize this whole area of women across race leading in America and how do we change the culture so that we change this permanently?

So I thank you for pulling the data together, Congresswoman Maloney, this has been a great help. And all of you who have worked on this, Ms. Schakowsky, very much.

Mrs. MALONEY. And like-minded men, Mr. Horn and Mr. Dingell.

Ms. WILSON. I thank you like-minded men, Mr. Horn and Mr. Dingell, who is not here and I hated to call attention to that.

At any rate, I do want to say that we looked at something that is a little bit parallel to your studies. In the White House study, we were looking at how many women appear on the Sunday morning talk shows. Because, like your study, we are finding that they are in no way appearing in proportion to their representation. Even though they are not in enough leadership positions, they are not even appearing in the ones in proportion to the ones they are. We called it "Who's Talking" and we can say with absolute certainty that women are neither seen nor heard on Sunday morning talk shows.

And I want to say a minute's worth on why those shows are important. Those shows have an agenda sitting effect in this country. That is agreed by communications scholars. They tell us what is important. They tell us what is not important. And more to the point, they have an authority setting effect. They tell us who we should listen to, who the experts are. They tell us who should lead, and who will continue to lead and they profile leaders every Sunday morning.

Before I give you the numbers I just want to say something about September 11th, because after September 11th, you will find that the data really changed on these shows and that's when peo-

ple in our country turned to television and said who do we listen to and who did they hear? Well, they didn't hear women and they did not hear women in spite of the fact that three women Senators chair the three most important subcommittees on terrorism in the U.S. Government.

And I think, particularly in this setting, when it was a war that dealt with an incredible position of women in Afghanistan, to not hear women's views was outstandingly bad.

We studied we studied this week, ABC; Face the Nation, CBS; Late Edition with Wolf Blitzer, CNN; Fox Sunday News, Fox; and Meet the Press, NBC. And of course these have tens of millions of viewers. We did not count by the way the interviewers, we counted the guest appearances on those shows because that is what we are looking at. They are the ones that are to be seen.

We studied it over a period of 18 months from January 2000 to July 2001. Just to summarize the findings, men outnumbered women 9 to 1. There were 245 repeat guest appearances by male U.S. Senators, only eight by female U.S. Senators. You know, if they had invited a few back, they could have changed every statistic. Women represent only 6 percent of all appearances by elected officials. And as you well know, women comprise 14 percent of the House and 13 percent of the Senate. Women spoke fewer words then men by 10 percent—I heard that chuckle—were slightly more likely to be less prominent and in the later segments of the shows. That did surprise us. And in every category of speaker on every topic, women were underrepresented according to the pool they represented.

So after September 11th, men outnumbered women 13 to one in the 7 weeks, a drop of almost 40 percent in women's representation compared to men. You can see that when it came to different issues like war and terrorism, we were not ready to look at women.

The impact of this has something to do and is formidable in terms of the priorities of our Nation, whether women were setting those priorities and whether women have an opinion to give and whether that opinion is important.

Two things I'd like to add that I think are important. First of all, these shows are intimate. Television is an intimate thing and when people come into your living room, when they are there every Sunday, when they are the leaders, you get connected to them. You build constituency if you are on them. You get voted for if you are on them. They are not without power.

The second thing, if only when only a few women are on them the corollary happens, then you start to say, oh, there are only a few women who are competent in America. So tokenism has a terrible price here. I'd like to summarize a couple of things, and we can talk about them if you are interested. One of the things we found, just for an example, is that the former heads of the Republican and Democratic Senate campaign committees were on the shows 24 times, and 16 times in those 18 months while the current chair of the Democratic senatorial campaign, who is a woman, was never on.

We have several examples that have to do with intelligence after September 11th where they had to reach underneath Senator Feinstein to actually bring some men on those shows after September

11th. Likewise with Kay Bailey Hutchinson and Nancy Pelosi, people who have expertise that was relevant but did not get on.

Again, I just want to say what these do, they bring voice, they tell constituents of the women that are sitting up front whether your constituencies know that you are there or doing a good job. Rosy Galar mentioned that when we brought it to Congress.

The White House study has put light on this. We will continue it. We think that we will continue to make women visible, of course, as much as possible. But we think the political parties need to be promoting the women in those parties. We think the talk shows and the producers need to be telling the bookers that they need to bring the women in. And we are glad that you are continuing to attract people to this work and have them hear it because they need to. I want to remind you that I think our country thinks it is a fair country. They want to believe that things are fair and we have this done. But it is far from done and your report will help us get there and to be a real democracy.

I would like to submit my report but I would like to also tell people further they can go to www.theWhiteHouseProject.org and see it again. I thank you and I look forward to answering questions.

Mr. HORN. Thank you.

[NOTE.—The publication entitled, "The White House Project, Who's Talking? An Analysis of Sunday Morning Talk Shows," can be found in subcommittee files.]

[The prepared statement of Ms. Wilson follows:]

Statement by Marie C. Wilson, President, The White House Project

Presented to

House Government Affairs Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations

U.S. House of Representatives

April, 22, 2002

Good Morning, Mr. Chairman, Ms. Ranking Member. I'm Marie Wilson, president of The White House Project*, a national non-partisan non-profit organization dedicated to advancing women's leadership by enhancing public perceptions of women's capacity to lead and fostering the entry of women into positions of leadership, including the U.S. presidency.

I would like to begin by thanking Congresswoman Maloney and Congressman Dingell for their leadership in sponsoring the important study, "A New Look Through the Glass Ceiling: Where Are the Women?" Your study powerfully demonstrates that women are not afforded equal opportunities to manage and lead, despite their overwhelming numbers in key industry segments. The report also highlights another pernicious trend – even when women do lead and are given positions of authority, they are underpaid and undervalued.

Your study underscores in a broad way what The White House Project found in our study, "Who's Talking? An Analysis of Sunday Morning Talk Shows" – women are neither seen nor heard as leaders in America, despite their leadership positions. The Maloney/Dingell study looked at women across the country and found that women are not justly represented even in the fields in which they hold the majority of positions. The White House Project study looked at national Sunday political talk shows, a societal

* The White House Project is a program of the Women's Leadership Forum, a 501(c)3 organization.

indicator of status and power, and also found that women guests are underrepresented as experts across fields.

Television's Sunday morning political talk shows help shape the discussion and awareness of politics and public policy in America. These shows, more than others of their type, have what media communications scholars call an "agenda-setting effect." In the same vein, our study and others of its kind argue that these shows also have an "authority-setting effect," granting certain public figures the status of experts, leaders and authorities in their fields. Television, our culture's most powerful medium, has the ability to confer authority to set the agenda for national debate, and to establish the profiles and visibility of leaders. That is why The White House Project focused on the Sunday morning shows.

Before I give you numbers, before I give you the statistics, what does this mean in practical terms? And what does this mean to America? After the tragedy of September 11 the country turned on their TVs and turned to their leaders. Who did they see? Who did they hear? Although women chair the three principle Senate subcommittees on terrorism, not one of them was on a Sunday political talk show post-September 11, while male members of their committees were repeatedly called. Their visibility and women's invisibility makes a difference. Considering the war in Afghanistan focused specifically on the plight of women, it is significant that we did not hear from women in this country.

How pervasive is this situation? We examined the following programs: *This Week* (ABC), *Face the Nation* (CBS), *Late Edition with Wolf Blitzer* (CNN), *Fox News Sunday* (FOX) and *Meet the Press* (NBC). In total, these shows reach tens of millions of viewers each week and set the agenda for the week's political discussion. The scope of WHP's report focused on the guests on the shows, and not the interviewers or correspondents. Our comprehensive review of these programs found that while the topics and areas of expertise of the guests may differ, one factor remains constant: the vast majority of guests are white and male. When only a small percentage of the nationally recognized political "experts" (the guests on the Sunday shows) are women, the public misses the opportunity to see women as leaders and authorities. This has a tremendous impact on public perception of women's ability to lead in all spheres.

Our findings show that from January 2000 to July 2001:

- Men outnumbered women 9 to 1 as guests on the Sunday shows;
- There were 245 repeat guest appearances by male U.S. Senators and only eight by female U.S. Senators;
- Women represent only 6% of all appearances by elected officials, but comprise 14% of the House and 13% of the Senate;
- Women guests spoke fewer words than men by 10%, and were slightly more likely to be in less prominent late segments of the shows; and,
- In every category of speaker and on every topic, women were under-represented in terms of the pool of available women speakers, experts and elected officials.

And, post 9/11:

- Men outnumbered women 13 to 1 in the seven weeks after 9/11, a drop of almost 40% in women's representation compared with male guests

Women's advances are real, but there is still progress to be made. The Glass Ceiling Report chronicles the fact that women managers lost earning power between 1995 and 2000, a time of strong economic growth, when compared to their male colleagues. Our study shows that women appear even less when the issue is war and terrorism. From September 11 to October 30, the ratio of male to female guests on the Sunday political talk shows dropped by 39% to 13 to 1. Our research also shows that even when women appear as guests on the talk shows, they receive less airtime, are likely to be on later segments of the shows and are generally not asked as repeat guests.

The impact of the lack of women guests is wide-ranging, as these programs discuss the priorities of the nation's agenda, and it is often a place where ideas are first brought to national attention. The absence of women matters; it's a loss of the views of half the nation – a loss of opinions and sentiments that can make a difference in public policy. And the absence, in turn, shapes the way we view women.

Through the power and reach of television, the Sunday shows have the potential to allow women to be seen in the intimate setting of one's own home as trustworthy authority figures, debaters, leaders, communicators and experts. Conversely, they have the potential to preserve traditional gender roles and to perpetuate existing notions that women lack the credibility, expertise and authority to address our nation's most significant problems.

I'd like to summarize some more of our report's findings with a few examples. We mentioned that women in leadership positions in Congress are not invited guests on the Sunday shows. We found that the former heads of the Republican and Democratic Senate campaign committees were on the shows 24 times and 16 times, respectively, in the 18 months we studied, but the current chair of the Democratic Senatorial Campaign Committee, who is a woman, was not on at all.

Also, in the seven weeks after September 11, Sen. Bob Graham, chairman of the Senate Select Committee on Intelligence, appeared six times on the different Sunday shows. Graham's prominence on the shows is not unexpected since he is the committee chairman. But, when we compare appearances by committee members with less seniority to Sen. Dianne Feinstein, the committee's fourth-ranking member, we see a serious discrepancy following the 9/11 terrorist attacks. Less ranking male committee members appeared on the show three times in seven weeks while Sen. Feinstein, who chairs the Intelligence Subcommittee on Technology, Terrorism and Government Information, was not on at all. Sen. Kay Bailey Hutchinson, the ranking member on the Commerce Subcommittee on Aviation was not a guest either, despite her knowledge of and leadership on aviation security, and Rep. Nancy Pelosi, the ranking Democrat on the House Intelligence Committee, also was not a guest on the Sunday shows in the weeks after 9/11.

These are just some recent examples during a critical period of America's history. But, as I noted earlier, this occurred repeatedly through the year-and-a-half of Sundays we studied. Since the Sunday political talk shows have the potential to confer power and authority upon those chosen as speakers on national issues, it is imperative that the qualified women who serve in Congress or in senior government positions, and women who are experts in business, medicine, law, and other fields, are given a voice. When women are only 10% of the national "experts" on these shows, and only 6 – 7% of the repeat guests, but more than 50% of the population, the public perception that men have greater knowledge or ability to address political topics persists.

The White House Project study, like the Maloney/Dingell study, shines light on these pervasive problems with hard data. We will continue to work to create opportunities of visibility and voice for our women leaders. The political parties can push their women leaders as guests on the Sunday shows, and the producers of the shows can direct their bookers to strive for more gender diversity in their guests rather than relying on the easy invitation to a male guest who has appeared before. We are glad that this hearing continues to direct attention to women's progress. It is an excellent means of deepening understanding and changing the norm of leadership in America. Ultimately, a more diverse leadership will strengthen our county and our representative democracy.

Thank you again for inviting me to present our research to your subcommittee. I would like to enter my written remarks into the record, as well as include our entire study. The study is also available online at www.thewhitehouseproject.org. I am happy to answer any questions the committee may have.

Mr. HORN. I yield myself 5 minutes to start the questioning.

Ms. Schieffelin, could you describe the scope of your responsibilities while you worked in sales and trading at Morgan Stanley, and is it a highly competitive job? I know you have a problem that you might not want to——

Ms. SCHIEFFELIN. No, I was just giving myself a second to think. The incredible growth in the securities industry over the last 15 years, in part because of the outrageous bull market, has created an incredible demand for young professionals, and in fact, young males rose in that time from very junior administrative posts to the most senior managing director levels in short periods of time.

That's not to say that there's not a very competitive environment for these jobs. All of the business school applicants applied to jobs on Wall Street. And in fact, the percentages out of every business school out of the last 15 years that applied to Wall Street versus consulting or product management or communications rose because the most profitable jobs and the stories and anecdotal evidence of these young Wall Street high fliers were tremendous. So there was incredible competition.

My particular job responsibilities were very broad because I worked in a very specialized area of the industry called convertible securities that involved the sale and trading of derivative instruments and complex swaps. It also involved working with every department of the Equity Division: in equity trading, in options trading, in initial underwritings. We raised billions of dollars, particularly for some e-commerce companies that I'm sure Morgan Stanley doesn't want to submit the research reports to today. But the responsibilities that I had were very far-reaching, both with respect to primary issuance of securities and day-to-day secondary trading of securities, including very complex securities.

Mr. HORN. How many women held similar positions in Morgan Stanley? Were you it? The typical token?

Ms. SCHIEFFELIN. For most of my career, I was the only, or one of under three women in the convertible department. But the better measure is of the entire institutional equity division. And if you look at the entire pool of applicants that you look at for men that went through the ranks of promotion, so you are looking at associates, vice presidents, principals, and managing directors, you will see that there were plenty of applicants, but that mysteriously, I guess now predictably, since you all know what I'm going to say, that at each successive level of pay and promotion, that pool of applicants looked less and less like the pool of total applicants.

So it's not that there is a dearth of women who are interested in finance or who have studied finance and, as was pointed out earlier, there are plenty of women in my graduating glass out of Kellogg and all of our partner business schools. There are tons of them. But even though many of my women colleagues from Kellogg have achieved great success, I'm certain very few achieved that success on Wall Street, not because, again, because of lack of interest, but because of lack of advancement opportunities on Wall Street.

Mr. HORN. Have you looked at data on the schools of business administration versus the schools of law? As I remember, law is now about 50–50. What about the schools of business?

Ms. SCHIEFFELIN. When I looked at Ms. Estrich's data in the Sex and Power book, she talked about very low percentage, 25 percent in the 1970's. I believe that my graduating class was much closer to 50 percent, and having had the experience anecdotally to be conducting employee interviews and super Fridays where we invited male and female applicants to come into the firm, and having hosted cocktail receptions for MBAs and women's dinners, I can tell you that the women applicants coming out of the business schools are far more numerous, and many more of them—that's such a bad word—than in the 1970's have skills and proficiency in math and sciences and the quantitative areas, and yet still they don't end up in the line positions, rather revenue producing positions. The aggressive, trading floor positions—working it out everyday positions that the men attain much more easily, even without the advanced degrees.

Mr. HORN. Well, for the other three presenters, based on your studies, were you able to determine whether the women have lost or gained ground compared to men between 1995 and the year 2000?

Ms. CHANDER. Ours was not a longitudinal study it was just a "one of" study. So I can't answer that question.

Ms. NESS. The Annenberg Center is conducting a yearly study to update the statistics to be able to answer that question. And those results should be out within the next couple of weeks.

Mr. HORN. Ms. Wilson.

Ms. WILSON. We don't have a longitudinal study either, but what I think you can see from our study that would say we have gained some ground is that even though there were only a few appearances by Condoleezza Rice and Madeleine Albright, the fact that we had two women in the area of foreign policy each of these women are in is actually progress, but that would be the progress that I could document.

Ms. CHANDER. May I just—I just remembered something. Our entire membership, which is made up of life sciences and all the other disciplines, is 80 percent men and 20 percent women. Among the life sciences we have some of the younger members, the female member percentage is 28 percent, so I guess you could call that some kind of progress.

Mr. HORN. Has science got the data in terms of the various science majors in the United States for the Ph.D. which you have to have, really, if you're going to be in most research? And as I remember in the schools of engineering, chemical engineering is almost 80 to 90 percent women and very few men. So I'm just curious what people have looked at. It's very easy to get that data.

Ms. CHANDER. Right. Right.

Mr. HORN. Maybe science wants to look at that. I don't know if they have before.

Ms. CHANDER. I know that the American Chemical Society does an annual survey, and their statisticians have concluded that there is no significant wage gap between men and women. And I think I heard a quote about an engineering survey that suggested that there was no wage gap. But in our study, whichever way you looked at it, there was a significant wage gap, even when you held certain factors constant.

Ms. SCHIEFFELIN. Mr. Horn, can I add something? I think you are really talking about the pipeline issue. Are there enough women that are coming through, where are they coming from? And the fact is that at least on Wall Street, I believe that the pipeline issue has absolutely no merit, and I'll tell you why.

In part, because as I referred to, there has been a ton of growth over the last several years in the securities industry. But more important, unlike in industrial companies where you see that the average career span required to reach a level of senior authority would be 25 to 35 years, men in the securities industry can achieve the highest levels of management in as little as 7 years. And commonly under 10 years. So while you might say that they just haven't come up yet, in fact in the last 20 years we've had many, many, many generations of people coming through the pipeline. So that pipeline question——

Mr. HORN. Thank you for that clarification. We'll now yield 5 minutes to the ranking member, Ms. Schakowsky.

Ms. SCHAKOWSKY. I really want to thank this panel for their testimony and the last panel as well. Ms. Wilson talked about perception and I wanted to refer to the first two, and is it Schieffelin?

Ms. SCHIEFFELIN. Schieffelin.

Ms. SCHAKOWSKY. I want to at least thank you for your courage to take on your employer and also acknowledge what you were saying, that you had the wherewithal to do that, and you are doing it in many ways on behalf of all those women who can't, and maybe they are the next generation that you will pave the way for. But math and science, one of the perceptions is that women just aren't that good at it and aren't going to achieve. And what you're telling me is that in some ways, that stereotype is reinforced by barriers within the workplace itself. That even for those women who have achieved the heights in terms of academic achievement and professional achievement, those barriers are there.

And I think really for all of the panelists, the question is why? What are those employers, what are those institutions, what are they saying is the reasons? I noted in your written testimony, there was no answer for why you were not promoted. What at least on paper are they telling us about why women aren't on the talk shows why they are not advancing in the communications industries and in science and in the securities industries? What are we hearing?

Ms. SCHIEFFELIN. It's very interesting, because in my entire career at Morgan Stanley, despite the annual 360-degree thorough review process, that at not one point was I ever told by my management that I lacked leadership or interpersonal skills. In fact, there were no major criticisms of my skills in any of my reviews going back to 1995.

So I have to point to Ms. Wilson's argument and tell you that after the fact, Morgan Stanley said that even though I probably did not know it because I had never been told that I lacked leadership and interpersonal skills, even though I ran the MBA program and I ran a bunch of initiatives for them in computer development, all of a sudden there is a perception out of nowhere that women are not leaders. And that's the only thing I can think of because it

struck me so hard when Ms. Wilson presented that in our perceptions of men versus women.

Ms. SCHAKOWSKY. Ms. Chander, why? What's the explanation when challenged? And your report has now been out for a while. Is there any excuse given?

Ms. CHANDER. No, I have not personally challenged anybody about this, but I have spoken anecdotally to various persons and I don't know what to make of it, but there was expressed surprised from many men that the wage gap was that significant.

I can only conjecture on my personal belief that I think women accept these lower levels of pay and they continue with their work life.

Ms. SCHAKOWSKY. And maybe for the reasons that Ms. Schieffelin said that, challenging is risky. And that would add to maybe part of the answer. Is it unconscious? Is there a level of on which this kind of what turns out to be discrimination is unconscious? I leave that as an open question, too, Ms. Ness?

Ms. NESS. Part of it is tied to cultural aspects so it is not perceived as discrimination. If an executive just picks from among his friends to fill the highest level position, it's not a question of academics. It's not a question of experience. It's not a question of leadership skills. It is really who your buddies are and who they are in those circles when the time comes to expand or to be promoted.

An example of progress: After the study, we met with the heads of several of the major trade associations. As a result of that meeting, NCTA, the National Cable and Telecommunications Association, which had no female members on its board of directors, revised its bylaws because there are no women who are the CEOs of the multiple system cable operators [MSO]. The bylaws previously required board members to be a CFO and an MSO, so it was not possible for the NCTA to have a woman on its board based on its own bylaws. NCTA has changed its bylaws and now CEOs of programming companies who are members of the NCTA are now eligible. There are now two women on the NCTA board.

It does make a difference, but it only happens because people talked about it, and met on it, and raised the issue.

Last, the notion that you can't have kids and be the head of corporations is just bunk. Within the communications arena——

Ms. SCHAKOWSKY. If you are a woman.

Ms. NESS. If you are a woman. Exactly right. Within the communications arena, I can point to many, many CEOs who are extremely successful CEOs and extremely successful parents. It can be done.

Ms. WILSON. I just wanted to followup on this whole business of are we looking at stereotypes? Is it conspiratorial? How does this happen? We also went to meet with the executive producers of the Sunday shows because I think all of us are not into reports to beat and punish; we're into reports to move things along. And we went to—I sat with some women who are incredibly astute, thoughtful, who were the producers and who were very upset to find that these Sunday shows were not reflecting women because they were women.

The first meeting we had—I won't name the show—the woman said, it's only because women are not in these leadership positions

that they are not there. And every time you can show us, we have gone through your study and they're just not there. And so we said we called attention to this piece that I mentioned about the Intelligence Committee, and we showed them how often they had to dip under the women who were underneath the ranking member or the chair of the committee to go over Feinstein. They were shocked because I don't think they meant to dip under her.

I think it's that whole business that if we are not attentive all the time to this, and also not vigilant and also not held accountable that you do think, oh, it is intelligence, it's war, we forget the number of women who are into this, not just at the national level, not just in the military, but in the State levels who are kind of risk management opportunities.

And so it is a matter of the people at the top, the people who are heading up the parties saying we want these women seen, and it is also a matter of the bookers looking beyond, that is their job. And since then, I have talked to people who have booked on these shows and they said yes, it is a matter of looking beyond, because they are there.

Ms. SCHAKOWSKY. I watched for a difference since the release of your report. I haven't really seen any. I saw Hillary Clinton was on after the weekend after you had released it, but I haven't seen much since. Are you keeping track?

Ms. WILSON. We're keeping track, absolutely. And we will release a report soon so we can tell you whether anything happened. I can only tell you that at least in talking to one woman that has sometimes been on the talk shows, she said to me when I was managing—it was Donna Brazile who told me when she was managing Gore's campaign, that she hardly had been on at all, but she had been on three times since the report came out. So she thought it might have made some difference. But I do think that calling attention to things makes a difference, and we'll be providing the names of people as well. So——

Ms. SCHAKOWSKY. You ought to put Nancy Pelosi on the list as the highest ranking woman, and since Mrs. Maloney has released "Woman After Woman," she ought to be on the list too.

Ms. WILSON. People thought we did this to promote Pelosi, but that is not why we did this.

Mr. HORN. Mrs. Maloney for 5 minutes.

Mrs. MALONEY. Thank you, Mr. Chairman. I thank all of our panelists. I believe all of you have made a tremendous difference. One of the reasons that I did our report was because of your report that prompted me to think more about the subject and want a broader view of it. I keep my own count. I think you have made a difference on TV, Ms. Wilson. I think they have changed it a little bit. All of your reports are very important.

One of the things that you said, Ms. Ness, that mirrored what Ms. Mello had said earlier, you stated that passage of time alone is not enough to get women in the top positions. Quite frankly, I have talked to firms in my area and they have noticed that women at the top have decreased since the 1970's and 80's. There are fewer and they don't know why.

What needs to be done to get women into these clout positions? And I ask all the panelists if they would like to share their views on it.

Ms. NESS. Certainly, the visibility that you are providing today, the visibility by virtue of the discussion on the talk shows makes a difference in waking people up to the fact that there is a huge disparity. Mentoring at the highest levels is extremely helpful to make sure that women are taking the right steps that will lead to positions of power and leadership succession and not into more dead-end, more traditional jobs, where women typically end up.

The studies have demonstrated that where there are women who are EVPs, the women often are in the public affairs position or in human resources, but not in management positions. So getting women to understand those pathways is vitally important and doing it both at the top levels and also early in their careers. And these concepts should come from top down. That is very important, because unless it is a commitment at the top it doesn't happen. And we heard story after story, where women were at the top of these companies, you ended up with a more balanced board of directors, you ended up with more female executive vice presidents and the like.

So it does matter. Shining the light on this issue makes a big difference. Focusing on family friendly policies is vitally important. I can't underscore that enough. One consulting firm found that it was not able to retain women, and after they examined the problem, they found that some of their managers were calling meetings at 5 o'clock in the evening for 7 o'clock that same night. These were not emergencies. A lot of women who take primary responsibility for picking up their children at day care couldn't do it. If they had had a day's notice, they might have been able to attend.

So the policy at that company changed. Instead of managers being valued for working really late and calling late meetings, those managers were criticized for not managing well. And as a result, little by little, the policies changed. Those policies became much more family friendly, and the firm was able to do a better job retaining and promoting women to partnership.

Mrs. MALONEY. Would anyone else like to comment on this question?

Ms. SCHIEFFELIN. I have to add something, which is that in the line positions when you talked about the difference between line and staff positions, it is incredibly important on Wall Street. Because in the line positions on a trading desk a woman, in order to be successful, has to be as aggressive and as outspoken and as demanding of the trader's time and attention as the men are. But those are not traits that are appreciated in women, although they are absolutely requisite for success in a trading environment.

So I see that women were pushed off of line positions into staff functions that are less promotable in part because the aggressiveness is bitchiness or snippiness when it comes from a woman. That same behavior is so revered in men in line positions on Wall Street.

Ms. WILSON. I want to add one more thing to this that I think is very interesting. In a Deloitte and Touche poll and confirmed by a Roper Starch poll, that close to 79 or 80 percent of women for women to be seen as competent leaders in business, they have to

be seen as a leader in politics because that is the front end of where people see and learn to trust women. And right now, if you look at where the people of America trust women to lead in politics, they trust us in Congress, they trust us in city council——

Ms. SCHAKOWSKY. Not enough, 14 percent.

Ms. WILSON. They don't trust us enough to get more of us in there. Let me say they trust us because men and women vote equally for them. I should put that as the indicator of trust. And they are just as likely to vote for a women as a men in those positions, but when you get into the mayors of large cities, when you get to actually the Governors, when you get to the Vice President or the President, that gap widens.

And so we really have to—that's why to have women who are at the very top be seen is important, not just political women, not just for the women in politics, but women up and down the line and having done focus groups with men and women of different races and classes around this issue, they feel until they we have women in those positions, they do not feel respected in their daily lives.

Mrs. MALONEY. Since you say that women politicians are important for moving women forward in this country, when you look at language that the press uses to describe women politicians—in the last fight for the $20 billion that the President promised us, male members who spoke up and fought for it and issued reports that we were not giving the $20 billion were called effective, I was called extremely shrill in continuing to point that out. And when I was elected to Congress, one of the major papers attributed my election to my "puppy dog enthusiasm." I don't think any male politician in Congress has ever been called puppy dog in their entire careers.

I think it is unusual to have Ms. Schieffelin here. I think your courage speaks for all women. And that every woman is standing on your shoulders. How do you respond to the arguments made earlier that women choose to work less hours and are therefore especially less likely to advance? Did you say that women were working less hours in your competitive positions that you were in?

Ms. SCHIEFFELIN. Absolutely not. In fact, quite the opposite.

Mrs. MALONEY. Thank you. Very, very briefly. I know you worked much, much more. I hate to ask a personal question, I wonder if you would share with us, do you have children?

Ms. SCHIEFFELIN. I am single and I have no children.

Mrs. MALONEY. So therefore, your alleged discrimination we heard a lot that if women had children, they can't handle it, I would argue that they are better capable of handling it. I thank you all for doing this. Especially the chairman, for coming to New York for a field hearing. I am deeply appreciative as are the people of my district and across the country. And Ms. Schakowsky.

Mr. HORN. I thank both you and Jan. And a hearty thank you to the staff, J. Russell George a New Yorker, and he is the chief counsel staff director. Dan Moll, our deputy chief of staff for the full committee was here. I don't know if he is back here or not. Bonnie Heald to my left is the deputy staff director, and Justin Paulhamus is the majority clerk. There he is.

Now we get to the minority staff, David McMillen, professional staff member. And we have also many people to thank on Mrs.

Maloney's staff in particular, and that's Orly Isaacson, senior legislative assistant to Congresswoman Maloney; and Ben Chevat, Mrs. Maloney's chief of staff, Minna Elias, that's the New York chief of staff; Phil Craft, the deputy chief of staff for Mrs. Maloney; Jessica Fox, director of constituent services for Mrs. Maloney. I am beginning to think she has as many assistants as the President of the United States.

Mrs. MALONEY. No, the whole staff is working on this because we think it is important.

Mr. HORN. Yvonne Morrow, director of constituent services for the Speaker of New York State Assembly, Stanley Silver, we thank very much for the use of this room in particular. And our faithful court reporter who has to untangle all of what I have said, Joe Strickland. Thank you, Mr. Strickland, and we appreciate all of your work. And with that, we are adjourned.

[Whereupon, at 11:50 a.m., the subcommittee was adjourned.]