

Can Women Have it All?

*Gender Differences in the Relationship Between
Career and Family for Top Corporate Executives*

Caitlin G. Coslett
Haverford College
Senior Economics Thesis
Advisor: Professor Linda A. Bell
Spring 2005

Acknowledgements

First and foremost I would like to gratefully thank my parents for their love and support, and for serving me so well as role models. I would also like to thank my sister Addie and all my friends for pretending they were interested in my thesis, and for telling me to relax once in a while. Lastly, I would like to express my sincerest gratitude to my advisor, Professor Linda Bell, for taking the time to teach me.

Introduction

The role of women in American society has shifted greatly over the past fifty years. Women today are much more likely to be employed outside the home than in past generations. Fortunately for these female workers, women now achieve more favorable employment outcomes than their predecessors. Women have attained higher levels of education in recent generations and there has been a dramatic increase in the number of women doctors and lawyers since the 1970s. (Goldin 2004: 10-11) Women have made similar progress in corporate America. According to the U.S. Department of Labor, between 1972 and 1995 the percentage of managerial positions held by women increased from 17 to 42.7 percent. (U.S. Department of Labor Statistics 1996) Women have also become increasingly likely to be top executives of major companies. (Cappelli and Hamori 2004: 18)

Still, there is ample evidence of continued gender inequality in employment. In particular, women are far less likely than men to achieve career success at the highest levels of corporate America. In 2001, women held only 11 percent of the top executive positions of Fortune 100 companies. (Cappelli and Hamori 2004: 18) Additionally, women are especially under-represented at the most powerful executive ranks of CEO, Chair and President. (Bertrand and Hallock 2001: 3) Although the media and organizations such as Catalyst have reported at length about the careers of women, little is known about women executives at the highest levels who have achieved extremely successful careers in this overwhelmingly male environment.¹

This paper presents the first systematic study of the family structures of women and men top executives of publicly owned companies. This study is important for several

¹ Catalyst has sponsored research on women executives, but there have been no studies focusing exclusively on women at the very highest levels of the corporate hierarchy.

reasons. These executives are extremely influential and through their companies control enormous amounts of assets. Additionally, their attitudes regarding social and family issues may be expected to have important implications for the personnel policies that influence millions of workers and their families.

Increased study of the family structures of both women and men top executives is also important because these executives are powerful symbols of the American dream. Women top executives have broken through the “glass ceiling” first described by Morrison and White (1992) and are rewarded for their hard-earned success with annual salaries and bonuses often totaling in excess of \$1 million. Because of the handsome salaries they receive and the power they wield, these executives are role models for countless young women. Little is known, however, about the tradeoffs made by these women in order to achieve this career success. A thorough study of the family structure of top executives will enable us to better understand the lives of these admired public figures, as well as the sacrifices they may have made in order to achieve this success. As one female executive wrote, “I elected not to have children because the timing was never right with my career. There was always opportunity after opportunity. My priority was my career and it didn't slow down enough for me to think that I could shift priorities to care for a child. In retrospect, I wish I had.” This paper will explore the ways in which executives of both genders balance family and career, and will study how often the women who achieve corporate success at the highest level are able to maintain their career as well as marry and have children. In short, this study examines how many women top executives truly “have it all.”

Women's Struggle to Balance Highly-Successful Careers and Family: A Context

Women have steadily increased their labor force participation rates throughout the twentieth century. (Blau *et al.* 2002: 115) After acquiring increased levels of education, women were rewarded with substantially improved labor market outcomes in the 1970s. (Goldin 2004) Still, women's struggle to achieve market equality continues today. Women who do work are paid significantly less than men in the same jobs, even after controlling for differences in labor market experiences, education, part-time status, and other human capital variables. (Blau and Ferber 1987: 319) Women also suffer from high levels of gender occupational segregation; women tend to work in mostly female occupations that generally pay less than occupations dominated by males. (Blau *et al.* 2002: 211-212) Even when women work within the same occupations as men they tend to be employed at different levels of the hierarchy. There is also evidence of gender segregation within firms; research suggests that many firms that employ both men and women segregate by job title. (Bielby and Barron: 45-46)

Relative to men and childless women, women with children have fared especially poorly in the marketplace. There is an unexplained "motherhood wage penalty" associated with having children; women with children earn significantly less than women without children, even after controlling for differences in labor market experience and other human capital variables. (Waldfogel 1998: 143; England and Budig 2001: 213-220)

The source of the wage difference between mothers and women without children is disputed. There are many anecdotal accounts of discrimination against mothers, but there has been no systematic research showing that employers discriminate against mothers. (Waldfogel 1998: 149) Becker (1985: 35) attributes the lower wages of mothers to their

increased household and childcare responsibilities. He says that wages depend positively on energy spent per hour at work, and that the amount of energy each person is able to spend in a day is a finite resource. He argues that women with children expend more energy outside work because of their increased household responsibilities. Consequently, these mothers spend less energy at work which results in lower earnings. Fuchs (1989: 29, 33-38) argues that the motherhood penalty is a result of voluntary choices made by women in anticipation of having children; he says that women who plan to have children invest less in acquiring human capital (which leads to lower wages over time) and voluntarily accept lower wages in exchange for employment nearer their home, and other family-friendly job benefits.

There is evidence that the motherhood wage penalty is greater for high skill women than for low skill women. The wage trajectories of highly-paid women shift down sharply after they have children, while there is little corresponding change in the wage trajectories of low-skill women, who only suffer a one time permanent fall in pay. (Ellwood *et al.* 2004: 22) However, it seems that the cost of childbearing for women can be reduced somewhat by delaying childbirth. (Ellwood *et al.* 2004: 25; Miller 2004: 22) This argument predicts that we will find that women executives have children at more advanced ages.

Women experience extreme difficulty balancing career and family regardless of the timing of marriage and motherhood. Goldin (2004) studied the frequency with which women have at least one child as well as a career. In this context women are considered to have achieved a career if they earn a salary at least as great as the salary of the 25th percentile of male college graduates for at least two consecutive years during their 30s. Goldin estimates that only 13-18 percent of women college graduates in the 1960s and 70s were able to achieve both family and this definition of career by the age of 40. This cohort

of women generally tried to have career first, delaying marriage and childbirth. The cohort of women college graduates in the 1980s tried to balance career and family; only 21-27 percent of these women were able to achieve both family and career by the age of 40. (Goldin 2004: 8)

For men, there is a very different relationship between career and family. Employers seem to interpret marriage as a signal that men are stable and committed. As a result marrying is associated with higher wages for men. (Blau *et al.* 1993: 20) Fatherhood is never found to be associated with lower earnings and, in a study of University of Michigan Law School graduates, both marriage and fatherhood were found to be associated with increased salaries. (Wood *et al.* 1993: 429) Thus, we expect to see high marriage and fatherhood rates among highly-paid top executives.

Women have historically struggled to gain entry to the highest level of the corporate world. Their difficulties have been termed the “glass ceiling” effect, which is a reference to the women’s inability of rise to the highest levels of the corporate hierarchy. (Morrison and Wood 1982) There is evidence that social and legal changes helped dismantle some of the explicit barriers to women’s career mobility in the 1970s. (Blair-Loy 1999: 1370) However, no women had become top executives of Fortune 100 companies by 1980 and, as recently as 2001, only 11 percent of the top executives of these companies were women. (Cappelli and Hamori 2004: 17) Even when women do break through the glass ceiling and become top executives they are still paid significantly less than men. (Bertrand and Hallock: 2001)

Little is known about the female top executives who have succeeded in a largely male environment. Cappelli and Hamori (2004) provided the most complete study of the background of executives; they summarized education, tenure, age and work history

characteristics of executives and examined gender differences in these characteristics.

However, there has been no systematic study of the types of families that this select group of women top executives, or their male counterparts, tend to have.

Becker (1991: 117) provides a model of positive assortative mating in which high-earning men marry high-quality complementary women that can contribute in to the marriage by producing household goods; this model is in accordance with the popular belief that wealthy and successful men tend to marry beautiful, charming women that don't necessarily earn a lot of money. This type of match allows the married couple to better benefit from specialization in production by household members; the gains realized from the efficient specialization of high-earning men in market production and women in household production are increased when women are better at household production. (Becker 1991: 33-48) Thus, we might expect men executives to marry women that specialize in household production and, specifically, childcare. And, while no systematic research has shown whether this is true for male top executives, there is evidence that professional men tend to marry younger women who often don't work full-time. (Hewlett 2002: 103)

Divorce is more likely when the wife's wage rate is high relative to that of her husband, in part because the couple realizes fewer benefits from specialization than does a couple with a bigger difference in comparative advantages for home and market production. (Becker 1991: 118) We know that when high-earning women do marry, they tend to marry men that are employed full-time and often well-paid. (Hewlett 2002: 103) Becker's research therefore suggests that women executives have high divorce rates since they are highly-paid and likely to marry highly-paid men.

The research most relevant to this study of top executives is a study of high-achieving women by economist Sylvia Ann Hewlett (2002). Hewlett studied the family structures of high-achieving men and women, which she defined as women earning over \$55,000 or \$65,000 depending on their age. She also specifically studied the family structures of 218 women aged 41-55 earning at least \$100,000 annually both within and outside corporate America. Hewlett found that 49 percent of women executives earning \$100,000 or more annually are childless, a much higher rate of childlessness than the 19 percent rate observed in the general population in 1998. (Hewlett 2002: 86, 309-310) A larger study of women in corporate leadership found that 36 percent of these women were childless in 1996. (Catalyst 1996) Both of these rates are significantly greater than the rate of childlessness among men top executives; Hewlett finds that only 19 percent of men executives over 40 years old earning over \$200,000 per year do not have children. (Hewlett 2002: 42) Additionally, approximately three quarters of the men working on Wall Street have children, as opposed to only approximately 50 percent of women working on Wall Street. (Catalyst 2001)

In addition to summarizing gender differences in the family outcomes of high-earning women and men, Hewlett attempted to identify the reasons for these gender differences. Her study demonstrated that high-achieving childless women had not planned or explicitly decided not to have children; many of these women planned to have children while in college, and in fact many of the high-achieving women over the age of 40 still hoped to have children despite the overwhelming odds against their success. (Hewlett 2002: 87)

Hewlett's study points to the difficulties faced by women who hope to maintain successful careers and have children. She finds that high-earning women have consistently different family structures from high-earning men, and from women that earn less. Finally, she finds that these high-achieving women are skeptical about "having it all"; only 16 percent of high-achieving women feel that it is very likely that a women can "have it all" in terms of successfully balancing both career and family. (Hewlett 2002: 91)

Data

The primary dataset that I will use to study the relationship between family and compensation for top executives of publicly traded companies is Standard and Poor's ExecuComp Data. This longitudinal dataset contains information on the compensation of the five highest paid executives in all firms in the S&P 500, S&P Midcap 400, and S&P SmallCap 600 from 1992 to 2002, as well as some executives who worked for companies in these indices in 2003.² ExecuComp includes information on salary, bonus, and options granted to the executives, as well as their full name, gender and title within the company. In addition to information about the compensation of the executives, the dataset includes information about the companies listed including their market values, the geographic region in which the companies are located, total company sales, total number of employees, standard industrial classification (SIC), SIC description and industry description of the companies.

The ExecuComp dataset contains 25,530 unique executives, 2,784 companies, and 127,644 executive-year observations. This large sample size is especially helpful for studying gender differences in compensation and family structure since women comprise

² Companies whose fiscal year ends early in the calendar year are included in the data in 2003.

only 4.45 percent of the executive-year observations and 5.36 percent of the unique executives that appear in ExecuComp from 1992 to 2003. This study primarily focuses on the relationship between career and family for executives from the technology, financial and retail sectors.³ There are 53,065 executive year observations and 11,332 unique executives in these three sectors combined; women executives comprise approximately five percent of the unique executives in the financial and technology sectors, and over seven percent of executives in the retail sector.

This dataset is valuable because enables me to study a very unique group of top executives. It seems probable that women and men top executives appearing in ExecuComp share similarly high levels of work ethic and career ambition. Thus, putative gender differences in unobserved characteristics such as job effort and motivation are likely to be smaller than among men and women in the general population. Similarly, it is often argued that women's lower wages derive partially from lower career commitment and ambition. (Fuchs 1989: 33-38) However, it seems likely that the women in this sample worked at least as hard as their male peers in order to succeed since women likely face higher levels of scrutiny and more barriers to career advancement than men in corporate America.⁴ Thus, as possible gender differences in career drive, motivation and work ethic are likely to be small or non-existent in this cohort of high ranking executives, data from this group allows me to analyze the gender wage gap without the contaminating impact of these factors. (Bertrand and Hallock 2001: 4)

³ The standards established by Yahoo Finance (<http://finance.yahoo.com/>) were used to identify financial, retail, and technology companies.

⁴ Without evaluating its merits, Bertrand and Hallock (2001: 18) similarly posit that "one might argue that the very few women who made it into our sample are truly exceptional and should not in fact be compared to the average man in the sample but rather to the highest ability men in the sample."

In addition to the ExecuComp data, this study utilizes Supplemental ExecuComp Data, which includes human capital variables not provided by ExecuComp for executives in the technology, financial and retail sectors. This data is similar to the data used by Cappelli and Hamori (2004) and was similarly compiled.⁵ Importantly, this dataset supplements the age and tenure variables which appear in ExecuComp but are missing for most executives. This supplementary data also includes human capital variables for technology and financial executives that is entirely missing from ExecuComp; Supplemental ExecuComp Data includes the executives' undergraduate and graduate schools attended, degrees attained, and whether the executives graduated with honors.

The third and most important dataset used to study the relationship between career and family for top executives is the Administered Survey of Executives in ExecuComp Dataset. This dataset also supplements ExecuComp data, and contains information supplied directly by executives about their family structures; the data was obtained by sending surveys⁶ directly to executives who appeared in ExecuComp data and were employed in the technology, financial and retail sectors. Executive survey respondents disclosed their marital status, the year(s) in which they married, how many children they have, and the years in which their children were born. Respondents also disclosed whether they took time off from full-time market employment to care for their children during their early childhood years; if applicable, respondents were asked how long this leave lasted, what type of leave it was, and whether they returned to full-time employment after the leave. Executives were additionally asked in open-ended questions how they think their career was affected by their

⁵ Data were gathered through google.com searches of the World Wide Web, as well as executive searches in Lexis-Nexus, Forbes.com, and Hoover's online databases.

⁶ See Appendix A for a copy of the cover letter sent to executives, and Appendix B for a copy of the survey returned by executives.

decision to have or to not have children, as well as how they think their decision whether to have children was affected by concern for their career.

The Administered Survey of Executives in ExecuComp Dataset includes 441 survey responses, including 82 responses from female executives; the survey response rate was .148 for men executives and .333 for women executives. See Table 1 for a gender and sector distribution of the survey respondents and Table 2 for a joint distribution by gender and job title of survey respondents. Note that females are overrepresented relative to ExecuComp in the sample of survey respondents; this is because more time and effort was spent contacting women executives in an attempt to get a higher percentage of female responses than the low rate of female executives in ExecuComp. More female responses were desired in order to better examine gender differences.⁷ Note also that CFOs are overrepresented in the sample; this unintentional overrepresentation is due to the fact that CFOs' email addresses are the easiest to find online.

Summary Characteristics of Executives

This section will summarize gender differences in the work history and family characteristics of top executives using Administered Survey of Executives in ExecuComp Data. The family characteristics of women top executives will be compared to mean population family characteristics, which have been compiled from Current Population Survey data. The family characteristics of men top executives will also be compared to these characteristics of similarly aged men in the general population.

⁷ Efforts were made to contact each executive in the retail, financial, and technology sectors via email. Additional time was spent contacting women executives by mail at the offices of their current employers or, if possible, at their home addresses.

Table 3, Panel A summarizes gender differences in the age and tenure of top executives. Men executives are significantly older than women executives, and men executives average significantly longer tenure with their current employers. Men executives are also much more likely than women to have only worked for their current employer since the beginning of their full-time work career. These results are qualitatively the same as the gender differences in worker characteristics found by Cappelli and Hamori (2004) in their study of executives of Fortune 100 companies, and by Bertrand and Hallock (2001) in their study of executives in ExecuComp from 1992-1997. It should be noted that there are significant differences between technology executives and retail and financial executives in tenure, age and likelihood of being a lifetime employee; Table 3, Panel B shows that technology executives are significantly younger than retail and financial executives, and have, on average, significantly shorter tenure with their current employer. These technology executives are also significantly less likely to have been employed their entire career at the same company. These sector differences in executive characteristics likely derive from the unique and volatile nature of the technology sector during the 1990s. In this context, it is not surprising that technology executives have less firm attachment than do executives in the relatively more stable financial and retail sectors.

Table 4 shows that male executives are more likely to have married and are more likely to have children than female executives; only 1.2 percent of men executives had never married as compared to 11 percent of women executives. Only one percent of never married women over the age of 35 earning over \$65,000 per year ever marry. (Hewlett 2002: 170). Thus, it is unlikely that many of these never married women, who are all at least 40 years old, will ever marry. Table 4 also shows that the women executives who do marry are more

likely to divorce than their married male peers; women executives that have ever married are approximately three times as likely to be divorced as male married executives (37 percent versus 11.9 percent). Women executives were much less likely than men executives to have children; only 62.5 percent of women executives had children whereas 94.1 percent of men executives were fathers.

Table 5 shows that these gender differences in marriage, divorce and parenthood rates are statistically significant. Panel A shows the results from a t-test analysis of the gender differences⁸; these gender differences are each statistically significant at a .01 level. Panel B shows the results from Fisher's exact test⁹ of the distribution of gender and ever marrying, gender and divorce, and gender and parenthood status. We can see from the Fischer's Exact Test values of .000 that there is a nonrandom and strongly statistically significant relationship between gender and never marrying, gender and divorce and between gender and the likelihood of having children among top executives.

The result that women executives are more likely than men executives to divorce is especially strong when we consider that the mean age of male survey respondents who were ever married was 3.78 years greater than the mean age of women respondents who had ever married at the end of calendar year 2004. As shown in Table 7, women executives tend to marry earlier than men executives; women's mean age of first marriage is 24.89 years, as

⁸ The two-sample t-test assumes that the samples of men and women executives are normally distributed with means μ_M and μ_W and common variance σ^2 . The null hypothesis is that $\mu_M = \mu_W$ (in this case that the same proportion of men and women executives are married, same proportion are divorced, etc.). Even if the distributions of men and women executives are not normally distributed, the use of the t-test is justified by the central limit theorem. (See Rice 1995: 396)

⁹ Fisher's exact test is a statistical test used to determine if there are nonrandom associations between two categorical variables. In this case, the gender margin of the contingency table should be considered fixed since the number of men and women executive survey responses are fixed. We will not consider different family characteristics (for example the number of executives who divorce) to be fixed. Although the Fisher exact test is most commonly used when both margins of the 2x2 contingency table are fixed, Yates (1984) argues that Fisher exact test is the appropriate test even where both margins are not fixed (see F. Yates, Tests of Significance for 2x2 Contingency Tables," *J.R. Statist. Soc. A.*, 147, p. 426-263, 1984.)

compared to 26.78 years for men executives. The size of this difference, however, is smaller than the mean difference in the ages of men and women executives. Thus, women who were married were more likely to divorce even though the men who married averaged more time since their first marriage in which the marriages could have ended in divorce.

As seen in Table 4, the divorce rate of men executives is .119, which is considerably lower than the divorce rate of .221 for men in the general U.S. population aged 35-75 (which is the age range of married men in the sample). Women executives, however, are much more likely to divorce than women from the general population. The proportion of women executives who have ever married that divorce of .370 is much higher than the corresponding proportion of women in the general population of .171.

Table 6 shows that there are statistically significant differences by gender in the mean number of marriages of executives who have ever been divorced; men who were ever divorced had a higher mean number of marriages than women executives who have been divorced. Additionally, women executives who have been divorced have a higher mean number of divorces than male executives who have been divorced, although this difference is not statistically significant. Thus, it appears that there are gender differences in the family structure of divorcees; among executives that divorce at least once, men are able to more successfully remarry than women (since men average more marriages but fewer divorces than women).

Table 4 shows that the rate of childlessness among women executives is 37.5 percent, whereas only 5.9 percent of male executives are childless. Table 5, Panels A and B, shows that there is a nonrandom relationship between gender and childlessness; women executives are in fact significantly less likely than men executives to have children. As

shown in Table 4, there is also a higher rate of childlessness among women executives than among women aged 35-73 in the general population; the childlessness rate of 37.5 percent for women top executives is almost double the childlessness rate of 19.0 percent for women from the general population. (U.S. Census Bureau 2000) These results are qualitatively similar to Hewlett's (2002) study of high-earning women.

Table 6 shows that men executives with children have more children on average than women executives that have children. Men executives with children averaged .584 more children than women with children and this difference is statistically significant at the .01 level. Since the women executives with children are on average 50 years old currently (and the youngest is 35), it is extremely unlikely that these women will have many (or any) more children; after the age of 40 only three to five percent of women who use assisted reproductive technologies are able to have a child. (Hewlett 2002: 34) Although the men with children are on average 53 years old when they returned the surveys, it is possible that they will have more children (since men can achieve fatherhood at more advanced ages than women can bear children). Thus, the observed gender difference of .584 children for executive parents with children can be assumed to be either accurate or to underestimate the true difference in the ultimate family size of men and women executives.

Table 7 summarizes the family timing decisions of men and women executives. We can see that there is no statistically significant gender difference for age of parenthood among executives; both men and women executives were on average about 30 years old when their first child was born. Table 7 also shows that women executives are marrying for the first time at younger ages than their male counterparts; women executives that marry do so almost 2 years younger than men executives.

Importantly, women executive mothers are having children later than women from the general population; the mean age of first birth for women executives of 29.8 years is much older than the average age of first birth of 25.1 for women in the U.S. population. (Contraception & Family Planning Report: 2003) Table 6 also shows that women that do marry and have children are waiting an average of five years after marriage to become mothers. The fact that highly paid women top executives become mothers at older ages than non-executives is not surprising given the findings of Ellwood *et al.* (2004) who have estimated that childbirth costs decline with age. It is possible that these women intentionally delay childbirth in order to reduce the cost to their career. Alternatively, it could be that women who don't delay childbirth are relatively less likely than women that do to become women top executives.

There are differences in the childhood caretakers listed by men and women executives with children. Table 8, Panel A shows that women executives are almost ten times as likely as men executives to list themselves as a primary caretaker of their children during their early childhood years. An overwhelming majority of men executives (91 percent) listed their spouse as a primary caretaker, as opposed to only 20 percent of women; this gender difference among top executives is shown to be statistically significant on Table 8, Panels A and B.

These results should be interpreted cautiously, however, as it seems that many executive survey respondents misinterpreted the question. Many survey respondents said that they had not taken any time off from full-time work but had been primary caretakers for their children during their early childhood years. It is not clear how to interpret this response as being the primary caretaker of an infant would appear to be incompatible with

full-time employment outside the home. Nonetheless, appears likely that self-identifying as a primary caretaker indicates that these respondents were more involved in childcare than parents who did not claim primary responsibility for childcare. These results might suggest that women executives are more likely than men executives to have employed spouses, since men executives' spouses are much more likely to care for children than women executives' spouses. However, the data do not allow us to directly test this conjecture since respondents were not asked about their spouse's employment. Still, as predicted by Becker's (1985) model of specialization, it does seem that men executives marry women who complement their market production by focusing on household production, specifically childcare. In contrast, it seems that high-earning female executives are not married to men that specialize in the production of household goods such as children, and are instead married to men that also focus on market production. It seems that even among highly paid women executives women are still responsible for more household production than their husbands. This result is consistent with the work of Hochschild (1989), who has termed the extra housework done by women in dual-career families the "second shift." Hewlett (2002: 106) also found that married women earning over \$55,000 or \$65,000 annually continue to do most of the housework. As one woman top executive tellingly wrote, "[Family responsibilities] definitely slowed [my career] down for a few years as my spouse was an executive and primary responsibility fell to me." (Administered Survey of Executives in ExecuComp)

As noted above, survey respondents were asked in an open-ended question how they feel their career was affected by their decision to have or to not have children. Executives' responses were coded into three types: 1) career wasn't impacted by the decision to have or not have children, 2) career was positively impacted by this decision, or 3) career was

negatively impacted by this decision because the executives made restrictive career decisions due to family responsibilities.¹⁰ These categories were identified after reading through survey responses and reflect the types of responses received by executives and not a preconceived breakdown of survey responses.

As shown in Table 9, Panel A the majority of men and women executives with children feel that family responsibilities had not impacted their careers in any way; 58 percent of women executives and 60.7 percent of men executives with children reported that their careers were unaffected by family obligations. I only statistically analyze the effect of family on career for parents because there are very few executives without children, and so no meaningful study of the responses of these executives is possible.¹¹ Further, it does not make sense to consider the responses of executives with and without children together because a response of the type “career was positively impacted by family” is interpreted to mean that having children positively affected the executive’s career if the respondent is a parent, but alternatively should be interpreted to mean that not having children positively effected the executive’s career if the respondent is childless.

Table 9, Panel A shows that a higher proportion of women executives than men executives with children say that they made career decisions that may have negatively impacted by having children. This gender difference is statistically significant, as shown by Table 9, Panels A and B. There are no statistically significant relationship between gender and feeling that career was not affected by family, or gender and feeling that career was

¹⁰ See Appendix C for documentation of the coding decisions.

¹¹ Many childless executives didn’t answer this question. Of the 32 childless men and women who responded, 6 of 9 men felt that their career had not been impacted by not having children and the other 3 men thought their career was positively impacted. 14 of 23 childless women said their career had been unaffected by not having children, and the 9 remaining women thought that their career had been positively impacted, for reasons such as “It probably allowed me to work harder.”

positively impacted by family (as shown on the second and third rows of Table 9, Panels A and B). Thus, highly-paid women executives who have worked hard to advance to the highest levels of the corporate hierarchy are still more likely than men executives to make family-impacted decisions which negatively affect their career.

Table 10, Panel A shows that 35.8 percent of women executives and only 7.9 percent of men executives said that concern for their career impacted their family planning decisions. Panels A and B both show that this gender difference is statistically significant. Table 10 also looks at gender differences in the likelihood of making career decisions based on concern for family among parents and non-parents separately. Among executives with children, women are significantly more likely to have made family planning decisions based on concern for career; 31.8 percent of women executives with children and 7.7 percent of men executives with children say that their family planning decisions were in some way affected by concern for career. Women without children were also more likely to have considered career than men executives without children. Fully 45.5 percent of childless women executives say that their decision not to have children was affected in some way by concern for their career. All of these gender differences are shown to be statistically significant in Table 10, Panels A and B.

The gender difference in the impact of career on family planning decisions is likely due in part to women's fears of being perceived as less committed to both their careers and their employers if they take any time off from full-time employment. Blair-Loy (1999) found women finance executives with children feel obligated to demonstrate total commitment to their careers, and believe that their career advancement would never recover if they spent any time working part-time or outside the labor force. As a result, many

women finance executives with children do not take time off even though they would like to. (Blair-Loy 1999: 1390) This fact is likely true for high-level women executives in all sectors. Indeed, among executive survey respondents, only ten women and five men with children took longer than 3 months off from full-time employment for childcare.¹² It seems probable that the relatively higher likelihood of women executives to base family decisions on concern for career is due to an awareness that if and when they have children they will face this same conflict between their desire to parent and maintain their career.

Overall, there are significant gender differences in the executives' families. Women are less likely to marry than men executives, and when they do marry their marriages are more likely to end in divorce than the marriages of men executives. Women executives are also significantly less likely than men to have children. Among parents, women executives have significantly fewer children than men executives. Table 11 summarizes gender differences in the ability of men and women executives to "have it all." Men executives are approximately twice as likely as women executives to "have it all"; in this context, an executive is determined to "have it all" if they married, had children and their first and only marriage didn't end in divorce. There are also gender differences in the types of responses given to the qualitative questions about how career impacted family and how family impacted career. Women executives are more likely than men to base family planning decisions on concern for career. And, women executives with children are more likely than men to make restrictive career decision partly due to concern for family. In sum, there are gender differences in the family structures and the perception of the tensions between family and career of women and men top executives.

¹² Source: Administered Survey of Executives in ExecuComp Data.

Discussion of the Gender Compensation Gap Using ExecuComp Variables

The gender wage gap in ExecuComp has already been studied in great detail, although only for the years 1992-1997. (Bertrand and Hallock 2001) I will briefly update this work for the years 1997-2003. The consistently negative and statistically significant coefficient on female shown throughout Table 12 shows that is a gender compensation gap among top executives after controlling for various human capital and firm control variables. The results shown are qualitatively similar to the results described by Bertrand and Hallock. (2001: 15-16)

This paper focuses on differential gender effects in the determinants of compensation in the retail, technology and financial sectors. Table 13 replicates the above analysis for these three sectors, both for all of the executives in these sectors and for survey respondents. Table 13 shows that there is a gender wage gap of 6.3 percent among all executives in these sectors, controlling for year, company market value, sector, region, and whether the executive is a CEO and/or Chair, Vice-Chair or president.

Among survey respondents, however, women are not paid significantly less than men using these same controls. So, it seems that the survey data suffer from problems of sample selection since there is a clear gender wage differential among executives in ExecuComp but not among survey respondents. Table 14 shows that there is a gender compensation gap of 12.7 percent among all retail executives, after controlling for year, company market value, and region. Among survey respondents, however, women executives earn significantly more than men executives using these controls. Table 15 shows that women financial executives earn 33.2 percent less than male executives when controlling for year, company market value and the region of the company. But, there is no

statistically significant gender wage difference among financial survey respondents in compensation when using these same controls. Table 16 shows that women technology executives earn 18.5 percent less than men technology executives in firms with the same market value, after controlling for year and region. We can also see that the gender compensation differential of technology survey respondents is very similar to the differential among all technology executives; the coefficients on female shown in Columns 3 and 6 are both qualitatively and quantitatively similar. Thus, the survey respondents in the technology sector seem to better represent executives in their sectors than do the executives in the retail and financial sectors. This is likely because the sample of technology executive survey respondents is considerably larger than the samples of respondents from the retail and financial sectors; 297 technology executives responded to my survey, and the technology sample contains 1,191 executive-year observations.

Table 17 examines the cause of the lower gender differential among survey respondents than among executives in ExecuComp who did not return the survey. This table shows that men executives in the financial and technology sectors who returned the survey earn significantly less than men executives in these sectors who didn't. There is no significant difference in any case in the compensation of women survey respondents and women who didn't return surveys in any sector. Thus, there is a diminished gender wage difference among survey respondents because relatively lower paid men top executives are more likely to have returned the survey. As a result of this diminished gender compensation differential among survey respondents the data likely underestimate the impact of family characteristics on the careers of women executives.

The Effects of Family Structure Characteristics on Compensation

This section examines the relationship between family structure characteristics and compensation in as much detail as possible. We discuss how being a primary childcare provider affects executives' compensation. Finally, we will examine the accuracy of the perceptions of executives regarding the effect of their family structure on their career. In each analysis we will examine whether there are gender differences in the relationship between family characteristic and compensation.

The data do not allow us to test whether married men executives earn more than non-married men executives because, as shown in Table 4, only 1.2 percent of men executives were never married. This very high level of homogeneity among men executives makes comparison of the compensation of men executives by marital status impossible. Similarly, since 94.1 percent of men have children it is not possible to reasonably test whether men with children earn more than childless men top executives.

There is similarly high homogeneity of marital status among female survey respondents. Only 11 percent of women executives had never been married and so it is not possible to test whether marriage is associated with higher or lower compensation for women top executives. There is greater heterogeneity with respect to parenthood status for women executives. Table 18 shows, however, that there is no significant difference in the compensation of women with and without children. The fact that there is no significant "motherhood" penalty among women top executives does not mean that there is no relationship between having children and compensation for highly paid women top executives. It is possible that the lack of significant difference between the compensation of women executives with and without children results from the small number of women in

Administered Survey of ExecuComp data. More data would better allow us to examine whether female top executives face a similar “motherhood wage penalty” to the one paid by employed women of all levels with children. (Waldfogel 1998: 143; England and Budig 2001: 213-220)

As previously noted, survey respondents identified the primary caretaker of their children during their early childhood years. There were both men and women who listed themselves as the primary caretaker of their children. As expressed above, analysis of responses to this question must be cautiously interpreted since many executives listed themselves as a primary caretaker but said that they had taken no time off from full-time market employment to care for their children. Still, we tested whether the perceived increased level of responsibility for childcare is associated for lower compensation of executives. Table 19 shows that in fact there is no significant relationship between being a primary caretaker of children and the wages of executives.

As shown in Table 9, Panel B, 45 men and 13 women executives with children say that concern for their family caused them to make decisions that may have negatively affected their career. Table 20 shows that the compensation of men and women executives who make these restrictive career decision out of concern for family earn significantly less than men and women executives with children who said that their careers were either unaffected or positively affected by family responsibilities. Table 9, Panel B also shows that 80 men and eight women feel that their career was in some way positively affected by having children. Table 20 shows that executives that feel their career was positively affected did not in fact earn more than executives who think that family has not affected

their career in any way after controlling for gender, year, sector, company market value, region and tenure of executive.

The result that family-impacted career decisions do in fact seem to damage careers is an important result. Since women are more likely than men to make these restrictive career decisions, this result likely explains part of the observed gender compensation differential among top executives.

The question as to whether executives who make family planning decisions with consideration for their career are rewarded with higher salaries is also important. As a practical concern, it is interesting to know if men and women executives who structure their families in ways that they think will benefit their careers are rewarded with higher compensation. Table 21 shows that, in fact, men and women executives who make career-impacted family planning decisions do seem to earn more than executives who do not consider their career when planning their family. Because of the small sample size, it is not possible to reasonably test whether there are gender differences in this effect. Also, the coefficient on the concern variable is not consistently statistically significant, perhaps resulting from the small sample size. Although additional study with a larger sample of executives would enable more definitive exploration of this relationship, the existing data suggest that women (and men) executives who consider their career when planning their family earn more than women who don't. Thus, the data show that women may be rewarded financially for demonstrating the kind of career commitment desired by employers as discussed by Blair-Loy (1999).

Concluding Remarks

This paper has shown that the family structures of men and women top executives differ greatly. Of notable interest is the fact that women executives have significantly different family structures than women in the general population. In particular, the data show that women top executives struggle to balance their demanding careers with family; there are comparatively high rates of childlessness and divorce and low marriage rates among women executives. Only 42.7 percent of women executives marry, have children and never divorce. In contrast, male executives seem to more easily balance successful families and demanding careers than both women executives and men from the general population. Almost 97 percent of men executives have children and 99 percent of men executives marry, and these married men executives are no more likely to divorce than men from the general population. An impressively high 85 percent of men executives married once, never divorced and had children. This rate is almost twice as high as the 43 percent of women executives who “have it all.”

Further research should be done to identify the reason for these gender differences in the family structure of top executives. It is clear that the family planning decisions of women top executives are more impacted by concern for career than are the decisions of men executives. Further investigation of these important issues is clearly warranted but would require a larger dataset that includes executives’ parenthood status. Using such a resource would make it possible to determine if women top executives in fact face a “motherhood penalty”. Furthermore, such a dataset would also enable the study of the effect of having children on the wage trajectories of executives of both genders and would allow us to better understand how the family structures of women top executives affect their careers.

References

- Becker, G. A. (1965). "Theory of the Allocation of Time." *Economic Journal*, vol. 75, no. 299, pp. 493-517.
- Becker, G.A. (1985). "Human Capital, Effort, and the Sexual Division of Labor." *Journal of Labor Economics*, vol. 3, no. 1, pp. 33-58.
- Becker, G. A. (1991). *Treatise of the Family: Enlarged edition*. Cambridge: Harvard University Press.
- Bertrand, M., and Hallock, K. (2001). "The Gender Gap in Top Corporate Jobs." *Industrial and Labor Relations Review*, vol. 55, no. 1, pp. 3-21.
- Bielby, W. T. and Barron, J. N. (1984). "A Woman's Place is with Other Women: Segregation within Organizations." In Barbara F. Reskin, ed., *Sex Segregation in the Workplace*. Washington: National Academy Press, pp. 27-55.
- Blair-Loy, M. (1999). "Career Patterns of Executive Women in Finance: An Optimal Matching Analysis." *American Journal of Sociology*, vol. 104, no. 5, pp. 1346-1397.
- Blau, F. D. (1977). *Equal Pay in the Office*. Lexington: D.C. Heath & Company.
- Blau, F. D. and Ferber, M. A. (1987). "Discrimination: Empirical Evidence from the United States." *American Economic Review*, vol. 77 No. 2, pp. 316-20.
- Blau, F. D., Ferber, M. A. and Winkler, A. (2002). *The Economics of Women, Men and Work, Fourth Edition*. Upper Saddle River: Prentice Hall.
- Cappelli, P. and Hamori, M. (2004). "The Path to the Top: Changes in the Attributes and Careers of Corporate Executives, 1980-2001." National Bureau of Economic Research Working Paper No. W10507, pp. 1-53.
- Catalyst, (1996). *Women in Corporate Leadership: Progress and Prospects*. New York: Catalyst.
- Catalyst, (2001). *Women in Financial Services: The Word on the Street*. New York: Catalyst.
- Ellwood, D., Wilde, T. and Batchelder, L. (2004). "The Mommy Track Divides: The Impact of Childbearing on Wages of Women of Differing Skill Levels." Russell Sage Foundation Working Paper Series, pp. 1-50.
- England, P. and Budig, M. J. (2001). "The Effects of Motherhood on Wages in Recent Cohorts." *American Sociological Review*, vol. 66, no. 2, pp. 204-225.

- Fuchs, V. R. (1989). *Women's Quest for Economic Equality*. Cambridge: Harvard University Press.
- Goldin, C. (2004) "From the Valley to the Summit: The Quiet Revolution that Transformed Women's Work." National Bureau of Economic Research Working Paper No. W10335, pp. 1-29.
- Hellerstein, J. K. and Neumark D. (2004). "Production Function and Wage Equation Estimation with Heterogeneous Labor: Evidence From a New Matched Employer-Employee Data Set." National Bureau of Economic Research Working Paper 10325, pp. 1-39.
- Henry J. Kaiser Family Foundation. (2003) "Contraception & Family Planning: Average Age of First Birth Reaches Record High of 25, CDH Report Says." On-line. http://www.kaisernet.org/daily_reports/rep_index.cfm?DR_ID=21410. Accessed April, 2005.
- Hewlett, S.A. (2002). *Creating a Life: Professional Women and the Quest for Children*. New York: Talk Miramax Books.
- Hochschild, A. (1989). *The Second Shift*. New York: Avon Books.
- Marini, M. M. (1989). "Sex Differences in Earnings in the United States." *Annual Review of Sociology*, vol. 15, pp. 343-80.
- Miller, A. R. (2004). "The Effects of Motherhood Timing on Career Path." Department of Economics, Stanford University, Mimeo, pp. 1-47.
- Morrison, A. P., White, R. P. and Van Velsor, E. (1982). *Breaking the Glass Ceiling: Can women reach the top of America's largest corporations?* Reading: Addison-Wesley Publishing Company, Inc.
- Rice, J. (1995). *Mathematical Statistics and Data Analysis (2nd edition)*. Belmont: Wadsworth Publishing Company.
- U.S. Census Bureau. (2000). "Fertility of American Women." Washington, D.C.
- Waldfogel, J. (1998). "Understanding the "Family Gap" in Pay for Women With Children." *The Journal of Economic Perspectives*. vol. 12, no. 1, pp. 137-156.
- Wood, R. G. Corcoran, M. E. and Courant, P. N. (1993). "Pay Differences among the Highly Paid: The Male-Female Earnings Gap in Lawyers' Salaries." *Journal of Labor Economics*, vol. 11, no. 3, pp. 417-441.
- Yates, F. (1984). "Tests of Significance for 2x2 Contingency Tables." *J.R. Statist. Soc. A.*, 147, p. 426-263.

TABLE 1. SECTOR AND GENDER DISTRIBUTION OF SURVEY RESPONDENTS

	Survey Respondents			Executives in ExecuComp
	Female Executives	Male Executives	Proportion Female	Proportion Female
Technology Sector	56	241	.189	.053
Financial Sector	15	78	.161	.055
Retail Sector	11	40	.216	.075
Technology, Financial and Retail Sectors	82	359	.186	.059

Sources: The data are from Standard and Poor's ExecuComp database, 1992-2003; and Administered Survey of Executives in ExecuComp data.

TABLE 2. JOB TITLE AND GENDER DISTRIBUTION OF SURVEY RESPONDENTS

	Survey Respondents			Executives in ExecuComp
	Female Executives	Male Executives	Proportion Female by Rank	Proportion Female by Rank
Chair & CEO	3	34	.081	.082
Chair	0	7	.000	.036
CEO	1	31	.031	.077
Vice-Chair	3	10	.231	.030
President	8	53	.131	.139
COO	0	6	.000	.026
CFO	14	51	.215	.109
CTO	1	10	.091	.011
CAO	0	2	.000	.005
Controller	0	2	.000	.005
General Counsel	12	21	.364	.034
Chief Officers	2	14	.125	.027
Managing Director	1	5	.167	.005
Senior Executive VP	3	3	.500	.009
Executive Vice President	15	32	.319	.135
Senior Vice President	13	37	.260	.133
Vice President	6	37	.140	.121
Other Jobs	0	4	.000	.000

Sources: The data are from Standard and Poor's ExecuComp database, 1992-2003; and Administered Survey of Executives in ExecuComp data.

TABLE 3**PANEL A T-TEST OF RELATIONSHIP BETWEEN GENDER AND EXECUTIVE CHARACTERISTICS**

	Female Executives	Male Executives	Male - Female	t-Value of Statistical Test
Proportion Worked for Same Company Throughout Career	.011	.087	.076**	4.306
Age	46.196	49.842	3.646**	7.653
Tenure	8.384	11.539	3.155**	5.279

Sources: Standard and Poor's ExecuComp data and Administered Survey of Executives in ExecuComp data.
 ** indicates that the difference is significant at .01 level.

PANEL B T-TEST OF RELATIONSHIP BETWEEN SECTOR AND EXECUTIVE CHARACTERISTICS

	Technology Executives	Retail and Financial Executives	Retail and Financial - Technology	t-Value of Statistical Test
Proportion Worked for Same Company Throughout Career	.044	.132	.088**	7.518
Age	47.963	52.187	4.224**	12.232
Tenure	8.720	15.182	6.462**	15.796

Sources: Standard and Poor's ExecuComp data and Administered Survey of Executives in ExecuComp data.
 ** indicates that the difference is significant at .01 level.

TABLE 4. FAMILY STRUCTURE CHARACTERISTICS OF FEMALE AND MALE

	Female Executives	Male Executives	Females Aged 35-74	Males Aged 35-74
Proportion Never Married	.110	.012	.088	.179
Proportion Ever Divorced (if ever married)	.370	.119	.171	.221
Proportion With Kids	.625	.941	.810	.850

Sources: The data on executives is from Administered Survey of Executives in ExecuComp data. The general population statistics are from *America's Families and Living Arrangements:2003*. <http://www.census.gov/population/www/socdemo/hh-fam/cps2003.html>, Fertility of American Women: June 2002, <http://www.census.gov/population/socdemo/fertility/tabH1.xls>.

TABLE 5

PANEL A. T-TEST OF RELATIONSHIP BETWEEN GENDER AND MARITAL STATUS, DIVORCE, AND PARENTHOOD STATUS

	Female Executives	Male Executives	Male - Female	t-Value of Statistical Test
Proportion Ever Married	.890	.988	.098*	4.871
Proportion Ever Divorced (If Ever Married)	.370	.119	-.251*	-5.481
Proportion With Children (If Ever Married)	.690	.946	.256*	7.008

Source: Administered Survey of Executives in ExecuComp data.
 * indicates that the difference is significant at .01 level.

PANEL B: FISHER EXACT TEST OF WHETHER THERE IS A STATISTICALLY SIGNIFICANT NON-RANDOM RELATIONSHIP BETWEEN GENDER AND MARITAL STATUS, DIVORCE, AND PARENTHOOD STATUS

		Male Executives	Female Executives	Fisher's Exact Test
All Executives (#)	Ever Married	354	73	.000
	Never Married	4	9	
Executives Who Were Ever Married (#)	Never Divorced	312	46	.000
	Ever Divorced	42	27	
Executives Who Were Ever Married (#)	Have Children	333	19	.000
	Don't Have Children	22	49	

Source: Administered Survey of Executives in ExecuComp data.

TABLE 6. FAMILY STRUCTURE CHARACTERISTICS OF FEMALE AND MALE EXECUTIVES

	Female Executives	Male Executives	Male - Female	t-Value of Statistical Test
Mean Number Marriages (if ever divorced)	1.556	1.952	1.797*	2.657
Mean Number Divorces (if ever divorced)	1.148	1.119	-.029	-0.346
Mean Number Children (if have children)	2.020	2.604	.584*	4.181

Source: Administered Survey of Executives in ExecuComp data.

* indicates that the difference is significant at .01 level.

TABLE 7. GENDER COMPARISON OF TIMING OF MARRIAGE AND HAVING CHILDREN FOR TOP EXECUTIVES

	Female Executives	Male Executives	Male - Female	t-Value of Statistical Test
Age When Became Parent (Parents Only)	29.789	30.071	.281	.289
Age First Married (Married Executives Only)	24.892	26.783	1.891*	1.863

Source: Administered Survey of Executives in ExecuComp data,
 * indicates that the difference is significant at .10 level.

TABLE 8
PANEL A. TTEST OF RELATIONSHIP BETWEEN GENDER AND PRIMARY CARETAKE OF EXECUTIVES' CHILDREN

	Male Executives With Children	Female Executives With Children	Male - Female	t-Value of Statistical Test
Proportion List Themselves as a Primary Caretaker	.027	.260	-.233*	-6.994
Proportion List Spouse as a Primary Caretaker	.910	.200	.817*	15.388
Proportion List Nanny/Daycare as a Primary Caretaker	.132	.740	-.608*	-11.315
Proportion List Relative as a Primary Caretaker	.003	.140	-.137*	-6.656

Source: Administered Survey of Executives in ExecuComp data.

Note: respondents were allowed to list more than one primary caretaker so the columns don't sum to one.

* indicates that the difference is significant at .01 level.

PANEL B. FISHER EXACT TEST OF WHETHER THERE IS A STATISTICALLY SIGNIFICANT NON-RANDOM RELATIONSHIP BETWEEN GENDER AND PRIMARY CARETAKE OF EXECUTIVES' CHILDREN

		Male Executives	Female Executives	Fisher's Exact Test
All Executives With Children (#)	List Themselves as a Primary Caretaker	9	13	.000
	Don't List Themselves as a Primary Caretaker	324	37	
All Executives With Children (#)	List Spouse as a Primary Caretaker	303	10	.000
	Don't List Spouse as a Primary Caretaker	30	40	
All Executives With Children (#)	List Nanny/Daycare as a Primary Caretaker	44	37	.000
	Don't List Nanny/Daycare as a Primary Caretaker	289	13	
All Executives With Children (#)	List Relative as a Primary Caretaker	1	7	.000
	Don't List Relative as a Primary Caretaker	332	43	

Source: Administered Survey of Executives in ExecuComp data.

TABLE 9
PANEL A. TABULATION BY GENDER OF HOW EXECUTIVES WITH CHILDREN
REPORT THEIR CAREER DECISIONS WERE AFFECTED BY FAMILY

	Male Executives With Children (n=318)	Female Executives With Children (n=58)	Male - Female	t-Value of Statistical Test
Proportion That Say They Made Restrictive Career Decisions Due to Concern for Family	.142	.260	-.118**	-2.145
Proportion That Say Their Career was Positively Affected by Family	.252	.160	.092	1.411
Proportion That Say Their Career Was Not Affected by Family	.607	.580	.027	.361

Source: Administered Survey of Executives in ExecuComp data.

** indicates that the difference is significant at .05 level.

PANEL B. FISHER EXACT TEST OF WHETHER THERE IS A STATISTICALLY SIGNIFICANT NON-RANDOM RELATIONSHIP BETWEEN GENDER AND HOW CAREER WAS AFFECTED BY FAMILY

		Male Executives With Children	Female Executives With Children	Fisher's Exact Test
All Executives With Children (#)	Say they made restrictive career decisions due to concern for family	45	13	.038
	Did not say they made restrictive career decisions due to concern for family	273	37	
All Executives With Children (#)	Say their career was positively affected by having children	80	8	.211
	Say their career was not positively affected by having children	238	42	
All Executives With Children (#)	Say their career was not at all affected by family	193	29	.757
	Said their career was in some way affected by family	125	21	

Source: Administered Survey of Executives in ExecuComp data.

TABLE 10.

PANEL A. TTEST OF RELATIONSHIP BETWEEN GENDER AND WHETHER FAMILY PLANNING WAS AFFECTED BY CONCERN FOR CAREER

	Male Executives	Female Executives	Male - Female	t-Value of Statistical Test
Proportion of all executives that say their family planning was affected by concern for career	.079	.358	-.279**	-6.288
Proportion of executives with children that say their family planning was affected by concern for career	.077	.318	-.242**	-4.83
Proportion of executives without children that say their family planning was affected by concern for career	.133	.455	-.321*	-2.117

Source: Administered Survey of Executives in ExecuComp data.

** indicates that the difference is significant at .01 level, * indicates significant at .05 level.

PANEL B. FISHER EXACT TEST OF WHETHER THERE IS A STATISTICALLY SIGNIFICANT NON-RANDOM RELATIONSHIP BETWEEN GENDER AND WHETHER FAMILY PLANNING WAS AFFECTED BY CONCERN FOR CAREER

		Male Executives With Children	Female Executives With Children	Fisher's Exact Test
All Executives (#)	Say their family planning was affected by concern for career	21	24	.000
	Say their family planning was not affected by concern for career	244	43	
Executives With Children (#)	Say their family planning was affected by concern for career	19	14	.000
	Say their family planning was not affected by concern for career	229	30	
Executives Without Children (#)	Say their family planning was affected by concern for career	2	10	.073
	Say their family planning was not affected by concern for career	13	12	

Source: Administered Survey of Executives in ExecuComp data.

TABLE 11

PANEL A. T-TEST OF RELATIONSHIP BETWEEN GENDER AND “HAVING IT ALL” (AS DEFINED BY ONE MARRIAGE, ZERO DIVORCES AND AT LEAST ONE CHILD)

	Female Executives	Male Executives	Male - Female	t-Value of Statistical Test
Proportion Who “Have it All”	.427	.849	.422**	8.872

Source: Administered Survey of Executives in ExecuComp data.

** indicates that the difference is significant at .01 level.

PANEL B: FISHER EXACT TEST OF WHETHER THERE IS A STATISTICALLY SIGNIFICANT NON-RANDOM RELATIONSHIP BETWEEN GENDER AND “HAVING IT ALL” (AS DEFINED BY ONE MARRIAGE, ZERO DIVORCES AND AT LEAST ONE CHILD)

		Male Executives	Female Executives	Fisher’s Exact Test
All Executives (#)	“Have it All”	303	47	.000
	Don’t “Have it All”	84	35	

Source: Administered Survey of Executives in ExecuComp data.

TABLE 12. GENDER PAY GAP FOR HIGH-LEVEL EXECUTIVES IN EXECUCOMP YEARS 1992-2003, ALL SECTORS

Dependent variable: Log of real gross compensation¹

	(1)	(2)	(3)	(4)	(5)	(6)
Female	-.332** (.016)	-.253** (.013)	-.273** (.014)	-.328** (.043)	-.179** (.040)	-.175** (.040)
Year Controls	Yes	Yes	Yes	Yes	Yes	Yes
Log Real¹ Company Market Value		-.377** (.002)	.376** (.002)	.405** (.005)	.390** (.004)	.397** (.005)
Region Controls			Yes	Yes	Yes	Yes
Age				.060** (.007)	.037** (.007)	.045** (.007)
Age²				-.000** (.000)	-.000** (.000)	-.000** (.000)
CEO and/or Chair					.792** (.015)	.792** (.015)
Vice Chair					.176** (.040)	.232** (.041)
President					.374** (.020)	.357** (.019)
Company Two Digit SIC Code Controls²						Yes
R²	.038	.339	.350	.332	.406	.443
N	108,509	106,939	101,843	21,414	21,414	21,414

Sources: Standard and Poor's ExecuComp data; and Administered Survey of Executives in ExecuComp data.

Notes: White-corrected standard errors are reported.

* indicates significant at .05 level, ** indicates significant at .01 level.

¹ Using 1992 dollars.

² Standard Industrial Classification Code was used to control for the firm sector.

TABLE 13. GENDER PAY GAP FOR HIGH-LEVEL EXECUTIVES IN RETAIL, TECHNOLOGY AND FINANCIAL SECTORS COMBINED

Dependent variable: Log of real gross compensation¹

	All Executives				Survey Respondents Only			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Female	-.279** (.024)	-.186** (.019)	-.202** (.019)	-.063** (.018)	-.149* (.063)	-.110* (.055)	-.130* (.056)	.001 (.054)
Year Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sector Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Company Log Real¹ Market Value		.393** (.003)	.390** (.003)	.379** (.003)		.408** (.014)	.414** (.014)	.398** (.014)
Region Controls			Yes	Yes			Yes	Yes
CEO and/or Chair				Yes				Yes
Vice Chair				Yes				Yes
President				Yes				Yes
R²	.051	.347	.351	.429	.030	.319	.340	.428
N	41,470	40,982	39,846	39,846	1964	1947	1868	1868

Sources: Standard and Poor's ExecuComp data; and Administered Survey of Executives in ExecuComp data.

Notes: White-corrected standard errors are reported.

** indicates significant at .01 level, * indicates significant at .05 level.

¹ Using 1992 dollars.

TABLE 14. GENDER PAY GAP FOR HIGH-LEVEL EXECUTIVES IN RETAIL SECTOR

Dependent variable: Log of real gross compensation¹

	All Retail Executives			Retail Survey Respondents Only		
	(1)	(2)	(3)	(4)	(5)	(6)
Female	-.233** (.038)	-.120** (.033)	-.127** (.032)	.238 (.163)	.427** (.140)	.475** (.157)
Year Controls	Yes	Yes	Yes	Yes	Yes	Yes
Log Real¹ Company's Market Value		.324** (.006)	.319** (.006)		.406** (.029)	.470** (.038)
Region Controls			Yes			Yes
R²	.034	.319	.330	.054	.414	.460
N	8,777	8,688	8,688	265	264	264

Sources: Standard and Poor's ExecuComp data; and Administered Survey of Executives in ExecuComp data.

Notes: White-corrected standard errors are reported.

** indicates significant at .01 level.

¹ Using 1992 dollars.

TABLE 15. GENDER PAY GAP FOR HIGH-LEVEL EXECUTIVES IN FINANCIAL SECTOR

Dependent variable: Log of real gross compensation¹

	All Financial Executives			Financial Survey Respondents Only		
	(1)	(2)	(3)	(4)	(5)	(6)
Female	-.424** (.055)	-.363** (.037)	-.332** (.036)	-.306* (.122)	-.245* (.107)	-.191 (.124)
Year Controls	Yes	Yes	Yes	Yes	Yes	Yes
Log Real¹ Company's Market Value		.511** (.007)	.509** (.007)		.465** (.031)	.473** (.033)
Region Controls			Yes			Yes
R²	.045	.448	.471	.018	.321	.388
N	8,800	8,712	8,712	508	505	505

Sources: Standard and Poor's ExecuComp data; and Administered Survey of Executives in ExecuComp data.

Notes: White-corrected standard errors are reported.

* indicates significant at .05 level, ** indicates significant at .01 level.

¹ Using 1992 dollars.

TABLE 16. GENDER PAY GAP FOR HIGH-LEVEL EXECUTIVES IN TECHNOLOGY SECTOR

Dependent variable: Log of real gross compensation¹

	All Technology Executives			Technology Survey Respondents Only		
	(1)	(2)	(3)	(4)	(5)	(6)
Female	-.252** (.036)	-.175** (.028)	-.185** (.029)	-.181** (.084)	-.187** (.073)	-.167* (.076)
Year Controls	Yes	Yes	Yes	Yes	Yes	Yes
Log Real Company Market Value		.390** (.004)	.386** (.044)		.396** (.018)	.408** (.019)
Region Controls			Yes			Yes
R²	.040	.319	.322	.031	.310	.344
N	22,893	22,582	22,446	1,191	1,178	1,099

Source: Standard and Poor's ExecuComp data.

Notes: White-corrected standard errors are reported.

* indicates significant at .05 level, ** indicates significant at .01 level.

¹ Using 1992 dollars.

TABLE 17. T-TEST OF DIFFERENCES IN REAL¹ GROSS COMPENSATION BETWEEN SURVEY RESPONDENTS AND NON-SURVEY RESPONDENTS

	Survey Respondents	Non-Survey Respondents	Respondents – Non Respondents	t-Value of Statistical Test
Real Mean Compensation of Financial Female Executives (thousands dollars)	1150.948	1447.730	-296.783	1.267
Real Mean Compensation of Financial Male Executives (thousands dollars)	2004.329	2438.570	-434.241*	-1.684
Real Mean Compensation of Retail Female Executives (thousands dollars)	1187.164	985.850	201.614	.995
Real Mean Compensation of Retail Male Executives (thousands dollars)	1136.221	1424.592	-288.371	-1.202
Real Mean Compensation of Technology Female Executives (thousands dollars)	1245.204	1544.732	-299.528	-.844
Real Mean Compensation of Technology Male Executives (thousands dollars)	1508.821	1962.076	-453.255*	-1.826
Real Mean Compensation of Technology, Retail and Financial Female Executives (thousands dollars)	1211.642	1324.872	-113.230	-.568
Real Mean Compensation of Technology, Retail and Financial Male Executives (thousands dollars)	1585.867	1950.791	-364.924**	-2.22

Sources: Standard and Poor's ExecuComp data; and Administered Survey of Executives in ExecuComp data.

*** indicates significant at .01 level, ** indicates significant at .05 level, * indicates significant at .10 level.

¹ Using 1992 dollars.

TABLE 18. EFFECT OF HAVING CHILDREN ON COMPENSATION OF WOMEN EXECUTIVES

Dependent variable: Log of real gross compensation¹

	Men and Women Survey Respondents						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Female	-.178* (.094)	-.183* (.096)	-.174* (.099)	-.110** (.055)	-.121** (.056)	No	No
Interaction Term- Female and Having Children	.065 (.111)	.057 (.113)	-.010 (.117)	No	No	-.107 (.065)	-.119* (.067)
Year Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sector Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Log Company Real¹ Market Value	.408*** (.015)	.415*** (.015)	.394*** (.015)	.408*** (.014)	.415*** (.014)	.409*** (.014)	.417*** (.067)
Region Controls		Yes	Yes		Yes		Yes
R²	.313	.335	.364	.319	.340	.312	.333
N	1918	1839	1738	1947	1868	1918	1839

Sources: Standard and Poor's ExecuComp data; and Administered Survey of Executives in ExecuComp data.

Notes: 1. White-corrected standard errors are reported.

2. The coefficient in Column 5 on female and the coefficient in Column 7 on the interaction between female and having kids in Table 17 are not statistically different using a t-test of coefficients. The coefficient in Column 5 on female and the coefficient in Column 7 on the interaction between female and having kids in Table 17 are not statistically different using a t-test of coefficients.

*** indicates significant at .01 level, ** indicates significant at .05 level, * indicates significant at .10 level.

¹ Using 1992 dollars.

TABLE 19. EFFECT OF BEING A PRIMARY CARETAKER OF CHILDREN DURING EARLY CHILDHOOD YEARS ON COMPENSATION OF EXECUTIVES WITH CHILDREN

Dependent variable: Log of real gross compensation¹

	Retail, Financial and Technology Executive Survey Respondents			
	(1)	(2)	(3)	(4)
Female	-.154** (.066)	-.103* (.057)	-.113* (.059)	-.161*** (.062)
List Self as a Primary Caretaker of Children	.035 (.127)	-.048 (.112)	-.054 (.113)	.014 (.118)
Year Controls	Yes	Yes	Yes	Yes
Sector Controls	Yes	Yes	Yes	Yes
Log Company Real¹ Market Value		.408*** (.014)	.415*** (.014)	.394*** (.015)
Region Controls			Yes	Yes
Tenure				-.009 (.007)
Tenure²				.001*** (.000)
R²	.030	.319	.340	.367
N	1964	1947	1868	1777

Sources: Standard and Poor's ExecuComp data; and Administered Survey of Executives in ExecuComp data.

Notes: 1. White-corrected standard errors are reported.

*** indicates significant at .01 level, ** indicates significant at .05 level, * indicates significant at .10 level.

¹ Using 1992 dollars.

TABLE 20. EFFECT OF MAKING RESTRICTIVE CAREER DECISIONS DUE TO FAMILY CONCERNS ON COMPENSATION OF EXECUTIVES WITH CHILDREN

Dependent variable: Log of real gross compensation¹

	All Retail, Financial and Technology Executives					
	(1)	(2)	(3)	(4)	(5)	(6)
Female and Have Kids	-.007 (.080)	-.067 (.068)	-.135*** (.071)	No	No	No
Female	No	No	No	-.068 (.068)	-.099*** (.059)	-.128** (.062)
Say Made Decisions That Negative Affected Career Because of Family Concerns	-.338* (.073)	-.193* (.065)	-.168* (.065)	-.294* (.069)	-.165* (.064)	-.140** (.065)
Say Their Career Was Positively Affected by Having Children	.044 (.058)	-.007 (.051)	.014 (.051)	.055 (.056)	-.008 (.050)	.018 (.051)
Year Controls	Yes	Yes	Yes	Yes	Yes	Yes
Sector Controls	Yes	Yes	Yes	Yes	Yes	Yes
Log Company Real¹ Market Value		.416* (.016)	.397* (.016)		.415* (.015)	.397* (.015)
Region Controls		Yes	Yes		Yes	Yes
Tenure			-.007 (.007)			-.008 (.007)
Tenure²			.001* (.000)			.001* (.000)
R²	.057	.335	.364	.043	.343	.372
N	1739	1722	1641	1835	1739	1657

Sources: Standard and Poor's ExecuComp data; and Administered Survey of Executives in ExecuComp data.

Notes: 1. White-corrected standard errors are reported.

* indicates significant at .01 level, ** indicates significant at .05 level, *** indicates significant at .10 level.

¹ Using 1992 dollars.

TABLE 21. EFFECT OF MAKING FAMILY PLANNING DECISIONS DUE TO CONCERN FOR CAREER ON COMPENSATION OF EXECUTIVES WITH CHILDREN

Dependent variable: Log of real gross compensation¹

	Men and Women Executive Survey Respondents			
	(1)	(2)	(3)	(4)
Female	-.170**	-.129** (.066)	-.104 (.070)	-.170** (.073)
Concern for Career Impacted Family Planning Decisions	.136*	.101 (.066)	.080 (.070)	.189*** (.070)
Year Controls	Yes	Yes	Yes	Yes
Sector Controls	Yes	Yes	Yes	Yes
Log Company Real¹ Market Value		.429*** (.017)	.439*** (.018)	Yes
Region Controls			Yes	Yes
Tenure				-.010 (.008)
Tenure²				.001*** (.000)
R²	.039	.347	.375	.404
N	1399	1386	1308	1236

Sources: Standard and Poor's ExecuComp data; and Administered Survey of Executives in ExecuComp data.

Notes: 1. White-corrected standard errors are reported.

*** indicates significant at .01 level, ** indicates significant at .05 level, * indicates significant at .10 level.

¹ Using 1992 dollars.

**APPENDIX A: COPY OF COVER LETTER SENT TO EXECUTIVES IN
ADMINISTERED SURVEY OF EXECUTIVES IN EXECUCOMP DATA**

__date__

Dear ____(executive name)____,

My name is Caitlin Coslett and I am currently a senior at Haverford College, a top liberal arts college in Pennsylvania (www.haverford.edu). I am studying the patterns of career and family, and how family impacts on the career opportunities and achievements of men and women executives. I am using a database that provides financial information on public firms and their top executives for my senior thesis and I have identified you as a current or past leader at ____ (executive employer in ExecuComp) ____.

Your responses to the following questions will enable me in my research and would be greatly appreciated. All responses will be completely confidential – I will not use specific executive names or company names in this work. I am working with a data base of over 100,000 observations, so the identification of a specific executive will not be possible in my written results. I would also be happy to send you my thesis, or an executive summary of my thesis when it is completed. If you have any questions or concerns, please feel free to email or call me. Please note that this work is being supervised by the economics department at Haverford, and you can contact Professor Linda A. Bell (lbell@haverford.edu) if you have any concerns as well. I thank you very much for your help on this study.

Sincerely,

Caitlin Coslett
ccoslett@haverford.edu
(610) 795-6582

APPENDIX C. DOCUMENTATION OF CODING OF RESPONSES TO SURVEY QUESTION ASKING HOW CAREER WAS IMPACTED BY FAMILY

Sample responses coded as career unaffected by decision whether to have children:

“Not affected.”

“No effect whatsoever.”

Sample responses of men executives coded as career positively impacted by decision whether to have children:

“Having children was an added incentive to do well and leave something behind.”

“Children positively impacted my career and my life.”

“On balance, I suspect it was an advantage.”

Sample responses of men executives coded as career decisions restricted by decision whether to have children:

“I chose a different career path when my children were young and I was given an opportunity to change jobs and move closer to family.”

“Not as flexible about traveling as used to be.”

“Certainly, I have much less time for my career now that I have kids so I work fewer hours and I go in the office on fewer weekends so this may have some negative impact on my career as well.”

“Children and family came first. Relocation was not an option to be considered seriously.”

“I've been more conservative in career decisions due to having children.”

“I definitely have (willingly) sacrificed my career for my family. There were many career assignments that I did not pursue because of the potential disruption to the family.”

Sample responses of women executives coded as career positively impacted by decision whether to have children:

“It made me a better manager since I was dealing with other people who had children and the problems and time constraints associated with them.”

Sample responses of women executives coded as career decisions restricted by decision whether to have children:

“Has created constraints on my ability to travel to the extent required, as well as limited my willingness to relocate.”

“Worked part time, restricted hours, chose to enter corporate position.”

“After meeting certain financial goals and with my children older (but still at home) I began to make less orthodox career choices: e.g. I resigned as a general counsel and went to Ukraine for a year (with one of the children...other started college) to undertake NGO consulting.”

“Definitely slowed it down for a few years as my spouse was an executive and primary responsibility fell to me.”

Source: Administered Survey of Executives in ExecuComp data.

APPENDIX D. DOCUMENTATION OF CODING OF RESPONSES TO SURVEY QUESTION ASKING WHETHER FAMILY PLANNING DECISION WAS IMPACTED BY CONCERN FOR CAREER

Sample responses of men executives coded as family planning was affected by concern for career:

“Affected timing.”

“We waited longer to have kids and we had only 2 kids- career was partly a factor.”

“Delayed marriage until later in career.”

“We waited until we were both established professionally before having children.”

“I wanted to be established in my career before having children.”

“Waited until I finished with my Post Doc.”

Sample responses of women executives coded as family planning was affected by concern for career:

“I kept postponing the decision to have children due to career, that I finally felt it didn't make sense for me to have them at this late age, 42.”

“Delayed the start of having children.”

“My decision to only have one child was influenced by a number of factors, including the fact that given my career it would be best for our family to not expand beyond one child.”

“Postponed until I was 30. I would have had more children had I not had my career.”

“Definitely a consideration- I went to law school late, so I was 30 by the time I started a new career, and taking time off for children would have been difficult.”

“I was married 10 years before having children to ensure my career was on track.”

“Career took precedence over having children.”

“Probably one factor in deciding not to have children as I enjoyed my career.”

Source: Administered Survey of Executives in ExecuComp data.