## University of New Hampshire University of New Hampshire Scholars' Repository

Honors Theses and Capstones

Student Scholarship

Fall 2014

# Unequal Pay: The Role of Gender

Kathleen M. Gillespie University of New Hampshire - Main Campus, kmb2296@wildcats.unh.edu

Follow this and additional works at: https://scholars.unh.edu/honors Part of the <u>Benefits and Compensation Commons</u>, <u>Gender and Sexuality Commons</u>, and the <u>Work, Economy and Organizations Commons</u>

#### **Recommended** Citation

Gillespie, Kathleen M., "Unequal Pay: The Role of Gender" (2014). *Honors Theses and Capstones*. 205. https://scholars.unh.edu/honors/205

This Senior Honors Thesis is brought to you for free and open access by the Student Scholarship at University of New Hampshire Scholars' Repository. It has been accepted for inclusion in Honors Theses and Capstones by an authorized administrator of University of New Hampshire Scholars' Repository. For more information, please contact nicole.hentz@unh.edu.

# Unequal Pay: The Role of Gender By: Kathleen Gillespie Sponsored By: Caitlin DeSoye & Stephen Ciccone

**Table of Contents** 

Introduction	3
History of Women in the Workplace	5
Arguments for the Existence of the Gender Wage Gap	
Arguments against the Existence of the Gender Wage Gap	
The Glass Ceiling Component	12
Methodology	15
Results and Discussion	
Conclusion	21
Appendix A	23
Appendix B of Survey Results	
Bibliography	

Introduction

*"When women succeed, America succeeds"-President Obama.* The existence of the gender wage gap in the American workplace is a highly debated topic in today's society. There

are many people who believe the gender wage gap is simply a fallacy and has not in fact existed since the Equal Pay act of 1963 was enacted which states:

"No employer having employees subject to any provisions of this section shall discriminate, within any establishment in which such employees are employed, between employees on the basis of sex by paying wages to employees in such establishment at a rate less than the rate at which he pays wages to employees of the opposite sex in such establishment for equal work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions." ("Equal Pay Act, 1963)

On the one hand are people who do not believe in the existence of the wage gap. These people tend to lean towards the conservative side and believe there are a variety of factors that can explain the evidence many have used to argue the existence of such a gap. These factors, which will be explained in greater detail, include the educational choice of men versus women, the jobs that women tend to take as well as the career paths that they choose to pursue.

On the other hand are those that believe there exists irrefutable evidence that proves the existence of the gender wage gap post the Equal Pay Act's creation. They believe it is a serious problem that continues to negatively impact women and the amount that they make in comparison to their male counterparts everyday. The people who are on this side of the argument have based their opinions on a set of factors they believe prove the existence of the wage gap. The first of these factors is women who get the same education as their male counterparts are still paid less. A common way to gage this is when women and men are in their first year out of college. This is a perfect time for women and men to earn the same amount, as responsibilities are similar, they are young and often childless and have the exact same amount of experience. A second factor is that women learn less in virtually every job as tracked by the Bureau of Labor Statistics. Also many women believe they earn less thanks to discrimination and when trying to

balance a career and a family. This second factor allows for the entrance of the topic of the glass ceiling. The glass ceiling is the unseen but unbreakable barrier that keeps women from rising to the top of the corporate ladder regardless of experience and qualifications. It is a less disputed topic because more evidence exists to prove its existence.

Focusing primarily on the wage gap that exists in the American world of business allows for a closer and more in depth look into the issues women currently living in the United States face. After gaging the opinions of ten different business professionals, as utilizing research and reports on the topic from various sources, there is strong evidence supporting the existence of a wage gap between men and women. Through data collected personally as well as through the studies of others, it is also clear that the glass ceiling does exist and it is a very real problem in the world of business today. Although some of the arguments against its existence are good, there is evidence that exists to disprove these points.

The importance of this topic is immeasurable and the impact it has on women's lives and their ability to support themselves as well as their families is why it is so important that is existence its proven to be true. Once this happens there will hopefully be a lot more done to correct this and allow women the same equal opportunity for ascension into the power positions of a company as well as the ability to make equal wages once they are in these positions. However, until that happens there a many things that will be discussed that can be done now in order to lessen the effects and move towards a more equal workplace in which men and treated and paid the same as men.

#### History of Women in the Workplace

"We are starving while we work; we might as well starve while we strike!" -- 1909 Garment Workers' Strike Banner

Alexander Hamilton in the year 1971 was one of the first people to address women in the

workplace. He believed that women would be a good source of cheap labor and ever since then that inequality amongst the sexes has continued (Leckie, 1). It was widely believed that women would agree to work for less and would stop working once they were married. This unfair assumption of women continued on for years and it still present today especially with most men still believing women are a liability to hire due to the possibility of pregnancy. However, women did not stay dormant about this unfair behavior for long.

As early as the year 1820, women began to protest against unfair and unequal wages and created a Labor movement. In 1844 women who were mill worker in Lowell Massachusetts created the Lowell Female Labor Reform Association which testified that they work they were doing was dangerous and ended up finally leading to in investigation in worker safety. (Leckie, 1) This was a critical development and allowed the voices of women to be heard during a time when a woman publically speaking out against anyone was almost unheard of.

Following the Civil War, during which countless numbers of American men died, it become crucial for women to enter the workforce. This led to many women leaders asking for the creation of a Women's Bureau to make sure they were being treated properly and were not working in hostile conditions (Leckie, 1). Although this bureau was in fact created it was not until the year 1920. However, during the years in between its creation many unions were forming all around the country protesting for higher wages and equal compensation. There were even unions formed from newly freed African American women. (Leckie, 1)

Another huge step forward for women in the workplace occurred in the year 1881 when the members of the Knights of Labor, one of the largest and most important labor organizations of the 1880s, voted to finally admit women (Leckie, 1). This organization stressed equal pay regardless of sex and this was a huge accomplishment. Although the organization did not last long and was no longer prominent by the year 1890, it helped women immensely by stressing

equal pay and equal rights in the workplace and the progress it made for equality for women was huge (Leckie, 1). The union that ultimately over took the Knights of Labor was the American Federation of Labor, an extremely successful union during the beginning of the twentieth century. This union also heavily advocated for the equal compensation of women and its President, Samuel Gompers, was a prominent figure publicly stated in the year 1981 "Among the things we advocate is that women should have equal suffrage with men. . . We not only work for equality of suffrage, but work to fight and obtain equal wages for her".

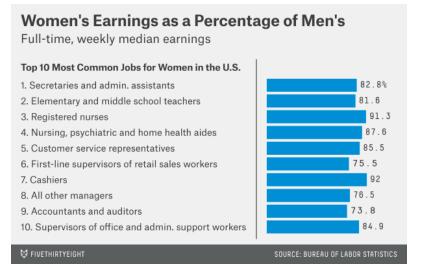
The Great Depression, which occurred during the 1930s, saw unemployment rates as high as twenty five percent. Due to this, it is not at all surprising that women were discriminated against for jobs. In fact, most of the country during this time believed that men were the only ones entitled to jobs and some employers would only hire men (Leckie, 1). This proved to be a major setback for women and their fight for equality in the workplace.

However when the United States entered into World War II in 1939 the tables again turned in the favor of women. Six million new female workers entered into the work force during this time (Leckie, 1). During both World War I and II, women proved that they're capable of working jobs typically employed by men to keep the economy running. However when the war finally came to a close and the men came back many women were forced out of their jobs. This was around the time that stereotypical "female jobs" began being dominated by women. This included positions by women in administrative office work, teaching and nursing (Leckie, 1).

Perhaps the most pivotal time for women was in 1963/1964 when the Civil Rights Act's creation led to the creation of the Equal Employment Opportunity Commission and the Equal Pay Act was put into effect. By 1970, the government enacted protective legislation for women and they were now eligible for jobs that not too long ago were only for males. Between 1984 and 2009, the number of women working in America increased from 44 million to 72 million

(Leckie,1).

Although much better than it once was the business world still has its downfalls and women still face discrimination. Women continue to dominate certain fields such as human resources, teaching and nursing and are hard to come by in others such as finance and engineering. They also still face the fact that men are often paid more than women for the same work (The Simple Truth, 2014).



However throughout all of this hardship women have never stopped fighting for equality in the workplace and it is unlikely that they ever will.

#### Arguments for the Existence of the Gender Wage Gap

As each year goes by women lose several millions of dollars due to the gender wage gap that exists in the American market. This gap has been static for the last decade, as women have consistently earned only 77% of what their male counterparts earn. (U.S. Census, 2014). This statistic is a broad look at the wage gap that occurs in the United States. It is therefore critical to look further into the gap in order to find out its true causes. A report entitled *Graduating to a Pay Gap* by the American Association of University Women found some very interesting information. The research conducted "controls for occupation, major, hours worked, parenthood, and many other factors to reveal that college-educated women working full time were paid an unexplained 7% less than their male counterparts were paid one year after graduation". (Graduating to a Pay Gap, 2012) Therefore, this analysis shows that when men and women choose the same occupation and have the same level of education for some unexplained reason there is still a gap between their salaries. This discredits the widely used argument that women dominate different fields and that is why they are ultimately paid less.

This argument, widely used by conservatives today, tries to prove the wage gap is a myth by taking saying factors such as education, job selection and the career track taken explain the gap between men and women's salaries in the United States. Although true that these factors do play a role there is still an unexplained difference and there are several reasons that prove this to be true.

First, women still earn less than men even when they achieve the exact same education level as men (Covert, 2014). Upon graduation men and women are exactly the same and this is the perfect time to test whether or not they make equal incomes. They do not yet have children and also have the same amount of experience, which is generally a few internships. However, women still make less than men during this time even if they have comparable grade point averages and schools (Covert, 2014).

Second, women earn less than men in almost every single field (Covert, 2014). People often claim that women earn less because the fields they tend to work in earn less in a general sense. However, as tracked by the Bureau of Labor Statistics, even when the exact same field is taken into consideration women earn less. These include fields such as teaching and nursing which women typically dominate and fields such as finance and construction, which are typically dominated by men. (http://www.bls.gov/cps/cpsaat39.pdf)

Third, women earn less because they take time to have children and raise a family (Covert, 2014). However, when women are able to balance working and having children they still for some reason are earning less. According to the report titled *The Many Benefits of Paid Family and Medical Leave* by the Center for American Progress approximately ten percent of the wage gap is shown to come from the simple fact that women can get pregnant and have to take time off due to it. (Boushey et al., 2012). The United States makes it hard for both parents to take leave after having a child and because women can typically take a longer leave they are usually the ones forced to stay home with the baby even if they do not want to leave their company. This directly affects their wages and the wages of all women. Fourth and final, discrimination also plays a role in the gender wage gap that exists in America today. Although it has to be taken into account that women dominate the minimum wage workers of the country and often have to put their jobs on pause to take care of their families, there is still a wage gap that exists when all of this is taken into account.

A study done by economists Francine Blau and Lawrence Kahn shows that even though factors such as job choice, the industry you work in and the type of work done prior can help explain some of the wage, there is still no explanation for about forty percent of it (Blau et al, 2007). This could easily be the result of discrimination. Overall, the arguments for the existence of the gender wage gap in America are numerous and extremely convincing. They prove the myth that the gender wage gap is fictitious wrong. However, it is important to take the arguments that claim it is a myth into account. (See Appendix A for all supporting graphs)

#### Arguments Against the Existence of the Wage Gap

There are many people in America today that believe the existence of the gender wage gap is "bogus" and they have a few arguments that they commonly use to prove it. The first argument is centered around the belief that if the gender pay gap was ever in existence at all, it has been closing rapidly in the past decade or so. A report done by Pew Research in December of 2013 indicated that millennial men and women are paid almost equally with women being paid 93% of what men are. ("On Pay Gap", 2013) However, a second report done by the Institute for Women's Policy Research in the year 2013 paints a very different picture of the wage gap. This report shows that the gap has actually had periods of widening in the past decade and has hardly closed at all. The report estimates the year 2056, as the earliest year that gap would in fact no longer exist. This means today's workers will most likely never see a time of equal pay amongst men and women. It is also indicated in the report that the economy of the United States will have to continue to grow for this occur as the gap only widens during periods of recession. (Hegewisch et al., 2014)

Another argument commonly used to prove the gender wage gap does not exist is that women typically earn less than men simply because they work in industries that pay less overall. In fact, the Republican National Committee has publicly stated "there's a disparity not because female engineers are making less than male engineers at the same company with comparable experience, the disparity exists because a female social worker makes less than a male engineer" (Republican National Committee, 2014). Although it is in fact true that women do dominate the lower paid industries while men tend to dominate the higher paying ones this cannot fully explain the gender wage gap because when men and women work in the exact same industry women still make less overall. Many people believe if women were in better paying industries this could solve the problem of the wage gap, which is simply just not the case. In fact, Harvard labor economist Claudia Goldin has found through her research "the pay gap is widest in some of the highest-paying fields. Female financial specialists make 66 percent of what their male counterparts make, female doctors earn 71 percent, and female lawyers and judges make 82 percent. That's all controlling for age, race, hours and education" (Labaton 2014).

Women earn less because they are not as aggressive as men when it comes to asking for wages (Labaton 2014). This argument is one of the most commonly used arguments to discredit the existence of the wage gap and has caused a lot of controversy recently. Simply because women do not ask for raises as often as men does not mean that they are bad negotiators it could be in part due to the fact that women fear the repercussions that could come from asking. The Chief Executive officer of Microsoft Satya Nadella has come under fire recently for his statement regarding women in the workplace. He publicly said when asked how he thinks women who are timid to ask for a raise should approach the conversation: "It's not really asking for the raise but knowing and having faith that that the system will actually give you the right raises as you go along," "Because that's good karma, it'll come back."(Davidson et al., 2014) Basically saying in other words do not ask for a raise better to just keep quiet and hope for one. These comments stunned so many and sadly Nadella is not the only male executive to make comments along these lines in the past year. The Chief Technology Officer of Facebook Mike Schroepfer stated, "It's more expensive to hire women, because the population is smaller", which just in fact is not true (Davidson et al., 2014). It may be more expensive to recruit women in that industry because they are underrepresented but women make 77% of what men make so they are not more expensive to hire by any means.

These arguments are just a few of the arguments used by those who believe the gender pay gap in America is a fallacy. They are however always at the center of the argument. Perhaps if those who believe these statements would look a little more closely into the issue they would discover it is not that simple.

#### The Glass Ceiling

The glass ceiling is a term that has seen a lot of widespread use in the mass media and due to this the true meaning of what actually constitutes a glass ceiling has been skewed. Before

discussing it's existence it is important to understand what makes up the glass ceiling. According to the paper entitled *The Glass Ceiling Effect* by David Cotter, Joan Hermsen, Seth Ovadia and Reeve Vanneman there are four criteria that must be met to establish the existence of a class ceiling (Cotter et al., 2014). These are:

- 1. A glass ceiling inequality represents a gender or racial difference that is not explained by other job-relevant characteristics of the employee.
- 2. A glass ceiling inequality represents a gender or racial difference that is greater at higher levels of at outcome than at lower levels of an outcome.
- 3. A glass ceiling inequality represents a gender or racial inequality in the chances of advancement into higher levels, not merely proportions of each gender or race currently at those higher levels.
- 4. A glass ceiling inequality represents a gender or racial inequality that increases over the course of a career. (Cotter et al., 2014)With that in mind, it is clear that a glass ceiling still exists in the American workplace today.

Although, many seem to believe that when Carleton Fiorina became the CEO of Hewlett-

Packard in 1999 that the glass ceiling had disappeared forever. This in fact is not true. Although Fiorina was able to rise to the top it is not a commonplace occurrence for women to be CEO's and many still struggle to rise to the top positions in the companies they work for. In fact in the year 2010 women only occupied 15% of all board seats among Fortune 500 companies and only 3% of the CEO's were women ("Women CEO's, 2013). Over the past three years there has been little progress in increasing either of these numbers. A new catalyst census of Fortune 500 companies gathered data regarding the glass ceiling in the year 2013, which was just last year, and the results were alarming. They found that "Women held only 16.9% of corporate board seats in 2013, indicating no significant year-over-year uptick for the 8th straight year. Women held only 14.6% of Executive Officer positions—the 4th consecutive year of no year-over-year growth. And 10% of companies had no women serving on their boards; more than 2/3 of companies had no women of color directors." (Catalyst 2013 Census, 2013) This lack of women in top positions amongst the most powerful companies in the world is not due to a lack of supply. There are many qualified and ready to be on boards and be executives but the glass ceiling is

clearly still having a huge effect. In fact this year women still only make up around 4.8% of all

Fortune 500 companies (Women CEO's, 2013)

Fortune 1-500 (26 CEOs) Mary Barra, GM (#7) Meg Whitman, HP (#17) Virginia Rometty, IBM (#23) Patricia A. Woertz, Archer Daniels Midland Company (ADM) (#27) Indra K. Nooyi, PepsiCo, Inc. (#43) Marillyn Hewson, Lockheed Martin (#59) Safra Catz, Oracle (co-CEO, #82) Ellen J. Kullman, DuPont (#86) Irene B. Rosenfeld, Mondelez International (#89) Phebe Novakovic, General Dynamics (#99) Carol M. Meyrowitz, The TJX Companies, Inc. (#108) Lynn J. Good, Duke Energy (#123) Ursula M. Burns, Xerox Corporation (#137) Deanna M. Mulligan, Guardian (#245) Kimberly Bowers, CST Brands (#266) Debra L. Reed, Sempra Energy (#267) Barbara Rentler, Ross Stores (#277) Sheri S. McCoy, Avon Products Inc. (#282) Denise M. Morrison, Campbell Soup (#315) Susan M. Cameron, Reynolds American Inc. (#329) Heather Bresch, Mylan (#377) Ilene Gordon, Ingredion Incorporated (#412) Jacqueline Hinman, CH2M Hill (#437) Kathleen M. Mazzarella, Graybar Electric (#449) Lisa Su, Advanced Micro Devices (#474) Gracia C. Martore, Gannett (#481) (Women CEO's, 2013). Also this year the number of women on boards is up slightly to around 19% and although

progress like this is good it is unlikely gender parity will occur on boards for years to come. In fact, according to a new study done by the executive search firm Hendrick & Struggles women will not achieve this gender parity on boards until the year 2042, which is still a startling twenty eight years away (McGregor, 2014). This is far too long to wait and something needs to be done. Companies are missing out on top talent and women are stuck in one place unable to move any further up the ladder.

Although they have all of this information stacked against them, women are not letting

the glass ceiling hold them down and have made some shattering progress this year. During the

first eight months alone there have been quite a few female firsts:

- Janet L. Yellen became the office of the chairperson of the Federal Reserve Board.
- Lt. General Michelle Johnson assumed command of the Air Force Academy.
- Michelle Roberts became the executive director of the NBA players women and thus became the first women to lead any big U.S. Sports Union
- Sue Petrisin was elected to be the president of Kiwanis International, which is a volunteer non-profit organization that has over 300,000 members in 89 countries.
  (Somers, 2014)

Overall, all of this progress is great news and extremely exciting but perhaps Lisa Maatz, vice president of government relations at the American Association of University women said it best when she said, "We always want to see women breaking through barriers, but it also continues to be a surprise for barriers that have yet to be broken. We want to get to the point where it's just commonplace, not special, [to where] it's just because equality exists, and this is the person who is best for the job at the time." (Somers, 2014).

#### Methodology

In order to further the research previously collected and discussed, ten female business professionals were interviewed through an online survey to gather their opinions on the gender wage gap and glass ceiling in the American business arena. Their ages ranged from about twenty-five to over fifty five. However the majority of the respondents were between the ages of twenty-five and thirty-five. This is important because they have relevant and current business experience. Six of the respondents said they identified with the Democratic Party, two identifies with the Republican Party and the last two stated they were Independent. They answered twentyfive survey questions consisting of both multiple choice as well as open response questions in order to expand on some of their beliefs as well as real live experiences. The data collected has been analyzed and this data will be the basis for the rest of this study on the gender wage gap and the glass ceiling. The outcomes are very interesting and informative and are based on present day businesswomen.

#### Results and Discussion

The results of the survey taken by ten businesswomen regarding the gender wage gap and the glass ceiling were very interesting. First, regarding the gender wage gap all ten respondents said they were in fact aware of the idea of existence of this gap. However, only seven of the respondents believed it in its existence. This may indicate a lack of knowledge about the topic since its existence has previously been proven. This lack of knowledge could halt progress for women. However, another reason for this answer may be that in today's society being a "feminist" is considered a negative thing to many people. Perhaps, these women are suffering from this stereotype in their everyday lives. Regarding the glass ceiling the results are similar. Eight of the women said they were aware of the existence of the glass ceiling. However, only six of the women said they believed in its existence. With so few women on the boards of major companies and so few women represented in major power positions especially the CEO's of company it is clear some misinformation of lack of research is to blame or they believe in the arguments used to "prove" the nonexistence of these two topics.

When a cross tabulation is created based on the political party with which the participants identify and whether or not they believe in the existence of the wage gap and glass ceiling the results are very interesting.

	What political party do you identify with?						
		Republican	Democratic	Independent	Green Party	Other	Total
	Yes	1	4	2	0	0	7
Do you believe in the existence of the gender wage gap?	No	1	2	0	0	0	3

	Total	2	6	2	0	0	10
	Yes	1	3	2	0	0	6
Do you believe in the existence of the glass ceiling?	No	1	3	0	0	0	4
	Total	2	6	2	0	0	10

This graphic may indicate the existence of a common misconception, which is that Republicans do not believe in the existence of the gender wage gap and glass ceiling but Democrats do. Perhaps this indicates that these beliefs are based on the individual and their experiences and therefore vary case by case.

When asked specifically about their experiences with the gender wage gap and glass ceiling, five of the women said they have experienced or been directly effected by the gender wage gap while only two said they have experienced or been directly effected by the wage gap. The reason this piece of information is not too surprising is because the glass ceiling tends to effect women later on in their careers when they have a lot of experience and can be considered for big power positions while the gender wage gap effects women throughout the entirety of their careers. With most of the women in this survey being between the ages of twenty-five and thirtyfive this response makes sense. When asked to expand further on their experiences of the gender wage gap three women spoke of times when they felt they were affected. The women's responses were as follows:

• "I have been hired into one of two positions that I later found out, after we were both equally qualified with the same number of years experience, I as a female had more educational experience and degrees and was salaried at the same rate as the male. Doctorate degree individuals carry higher salaries - and it was NOT an issue of flat salary per position (compensation was based on experience and education). Additionally, becoming a firm's Director, I became aware that others (males) were making almost

double my salary - while they did have approximately 5-8 years more experience than I did, they did not even have half of the education/degrees/certifications/licenses that I had - only difference in ability to do job, etc. was sex."

- My female friends are much less likely to negotiate for pay or ask for a raise. Also, although not directly cause by the wage gap, most of my female friends are more willing to take a lower-paying job, especially in non-profit or "helping" professions, than my male friends are.
- Asking for more money or a raise is far outside of my comfort zone and I have been easily made to feel that I made enough and there was no chance of an increase. No performance-based feedback was given as reason, just told it's what I deserve. Then find out, it's less than male peers.

These responses indicate experiences that can be directly related to the existence of the gender wage gap. They also reinforce an important point of the problem that is preventing the wage gap from coming to an end which is that many women are willing to take a lower paying job than most men are. They are also often scared to ask and simply feel that there is no chance of a raise and therefore will not bring the topic up. However, most men would ask for a raise if they felt they deserved one. This should not be the case. Women need to stand up for themselves and demand better without being fearful of the consequences. When asked if they believed overall women and men were equally compensated for equal work one respondent offered a key piece of insight not previously addressed. She said: "Women I know have tended to stay at one company and grow their careers there, whereas most of the men in leadership have come from outside. That lends itself to higher compensation. It's cheaper to retain good talent than attract." Although, in some cases it is true women like to stay at one company this cannot explain the gender wage gap entirely. It could however explain some of it, which is a key discovery, made

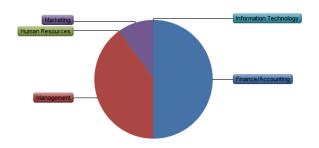
from this respondent.

Only one of the two women who said they had experienced the glass ceiling stated how. She said: "My work place is about 85% female and 4 out of the 5 top positions are held by men. The one woman has the least seniority and least power of the 5." Her response was very typical of the glass ceiling and reinforces the problem of low amounts of women in top positions. Also, when asked if they were more women or men in power positions at the company for which they worked the majority said more men. The majority also believed that women were not fairly represented in their company. Seven of the women said their CEO was male, while three said they were female. All respondents said their CFO was male and six respondents said their COO was male with the other four being female. Men outnumber women in each of these positions however it is clear men dominate the finance field and there is little room for women to reach the top positions in the finance field for these companies and many others. When asked specifically about the makeup of their boards in terms of gender the results were as would be expected. Seven of the women said there were more men than women, two said there were equal amounts and one did not answer. More companies need to make their boards less dominated by males I order to incorporate new opinions and ways of thinking.

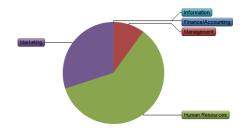
One of the most interesting parts of this survey was that when the women were asked the question of if they believe having women in power positions is crucial/critical for success two of the women said no. These responses were extremely eye opening and perhaps a downfall of this survey was that there was not a why attached to the end of the question. Perhaps they do believe that women are not always necessary and as the past has shown companies can be successful without women in power positions. However, women bring a different set of opinions and ideas to companies and can in some cases be critical to its success.

Due to the fact that these ten women work and have their careers in the field of business,

they were asked which field they believed was most impacted most by the gender wage gap and the glass ceiling and which field they believed was least impacted. The results were as follows: Most Impacted by the Gender Wage Gap and Glass Ceiling



Least Impacted by the Gender Wage Gap and Glass Ceiling



Regarding the field most impacted it is clear that finance/accounting positions as well as management positions are very effected by the gender wage gap and the glass ceiling. When asked to elaborate on these choices the women said:

- A lot of females are in analytical or accounting positions. I think it is more directly in line with management where you tend to see more males in those positions, however in the financial world specifically. Human Resources tend to be all females, as does marketing. IT and finance/accounting tend to have more males in management.
- Traditionally a "male job"
- When I think of management, I think of the stereotypical older male, who works his way up based on good ole boys network.

It is clear from these responses that stereotypes and gender roles tend to have a large impact on

the fields of business in which men and women both choose to work in and are hired to work in. In order for the gender wage gap and glass ceiling to disappear more women need to enter the typically male dominated fields and stop settling if those jobs are the ones they really want. This separation also makes the gender wage gap less likely to be solved.

On the other hand it is clear from the women's responses that they believed human resources is typically a "female job" as well as marketing. When asked to elaborate on their choices for which field of business is impacted the least by the gender wage gap and glass ceiling the one woman stated, "Marketing seems to be more attracted to women to begin with". Is this actually the case? Or do women tend to be attracted to this field as well as the field of human resources because they feel like they would not be able to be successful in the others. Do they think it would be easy to get a job in either of these fields and/or be easier to rise up in the rankings? Whatever the case may be the overall consensus is that there are disparities in the amount of men and women working in certain fields of business, which can lead to the formation of a glass ceiling and a gender wage gap in the male dominated fields. Outside of simply just the business world and including all jobs women still make less than men in all typically female dominated jobs.

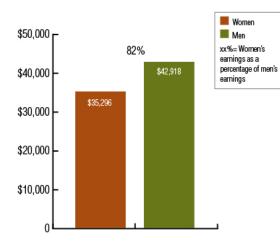
This is a problem that not only proves the existence of a gender wage gap but also is worrisome for those women who think that have a better chance of being treated equally in one of these fields on for that to not in fact be the case.

Finally, when asked if they believe the gender and wage gap should be eliminated all the respondents all agreed that it in fact should which is a good sign and hopefully they can be positively interested through this survey to get involved. Overall, these ten businesswomen were very helpful and had extremely interesting things to say regarding the gender wage gap and the glass ceiling.

#### Conclusion

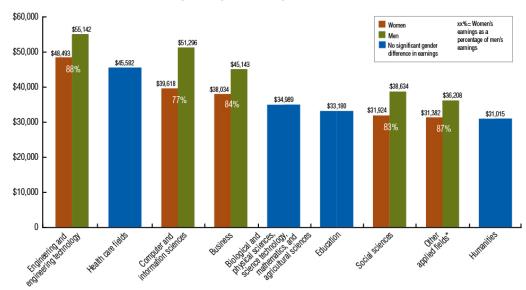
Through outside research as well as a survey done of ten businesswomen who currently are right in the center of the gender wage gap and glass ceiling issues, evidence supports the existence of these topics and therefore something needs to be done about them. There are some possible changes that can help close the gender wage gap forever and need to be considered. Companies can conduct salary audits on a yearly basis to make sure their employees are being equally compensated and should introduce quotas onto their boards. These quotas can mandate that a certain percentage of the board be female and this could be very helpful moving forward. Individually, women need to learn how to better stand up for themselves and learn how to not be afraid to negotiate for equal pay or salary raise when it is appropriate. Finally, government officials and policy makers can better enforce equal pay regulations as well as creating new ones. They should create a law that bans companies or anyone with employees from retaliating or unfairly treating anyone who asks about their pay and/ or the pay practices of the company. These solutions can lead to the gender wage gap and the glass ceiling being one step closer to becoming issues of the past. Women deserve and have ever right to equal compensation and the ability to be in the most powerful positions of companies.

## Appendix A



# FIGURE 1. Average Annual Earnings One Year after College Graduation, by Gender

Note: This chart shows average earnings among 2007–08 bachelor's degree recipients employed full time in 2009 and excludes graduates older than age 35 at bachelor's degree completion. *Source:* Authors' analysis of U.S. Department of Education, National Center for Education Statistics, 2008–09 Baccalaureate and Beyond Longitudinal Study data.





Notes: This chart shows average earnings among 2007–08 bachelor's degree recipients employed full time in 2009 and excludes graduates older than age 35 at bachelor's degree completion. In majors with red and green columns shown, men earned significantly more than women earned. In majors with one blue column shown, there were no significant gender differences in earnings one year after graduation. Source: Authors' analysis of U.S. Department of Education, National Center for Education Statistics, 2008–09 Baccalaureate and Beyond Longitudinal Study data. \*Includes architecture, communications, public administration and human services, design and applied arts, law and legal studies, library sciences, and theology and religious vocations.

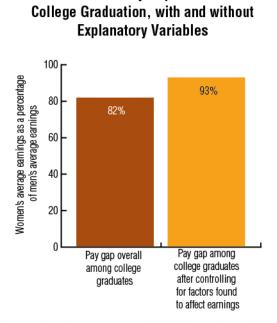
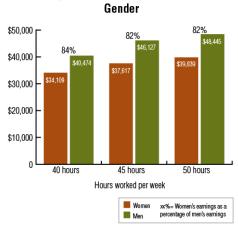


FIGURE 10. The Pay Gap One Year after

Notes: The chart shows the pay gap among 2007–08 bachelor's degree recipients in 2009. The column on the left shows the pay gap among all bachelor's degree recipients working full-time one year after college graduation. The column on the right shows the pay gap among bachelor's degree recipients working full time or in multiple jobs after controlling for factors found to affect earnings. Factors controlled for include occupation, economic sector, hours worked per week, multiple jobs, months unemployed since graduation, undergraduate GPA, undergraduate major, undergraduate institution sector, institution selectivity, age, region of residence, and marital status. This analysis excludes graduates older than age 35 at bachelor's degree completion. *Source:* Authors' analysis of U.S. Department of Education, National Center for Education

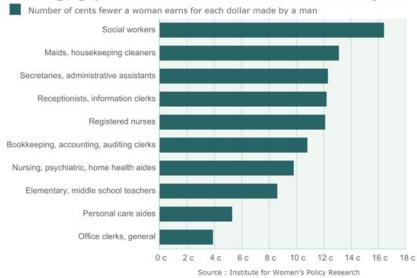
Statistics, 2008–09 Baccalaureate and Beyond Longitudinal Study data.

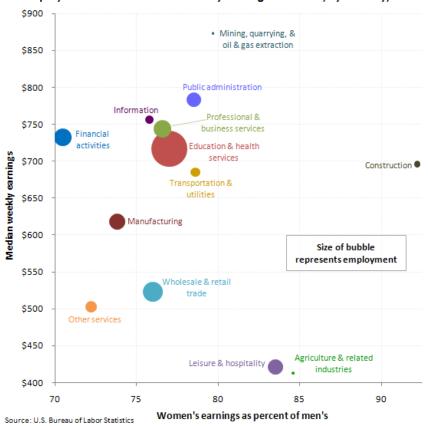


# FIGURE 9. Average Annual Earnings One Year after College Graduation, by Hours Worked and

Note: This table shows average earnings among 2007–06 bachelor's degree recipients employed full time in 2009 and excludes graduates older than age 35 at bachelor's degree completion. Source: Authors' analysis of U.S. Department of Education, National Center for Education Statistics, 2008–09 Baccalaureate and Beyond Longitudinal Study data.



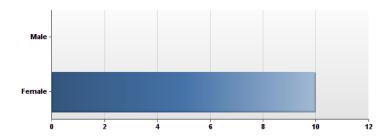




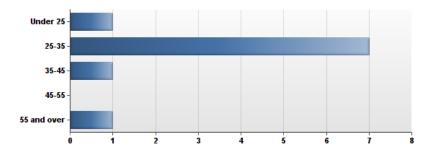
Employment and median usual weekly earnings of women, by industry, 2009

## Appendix B

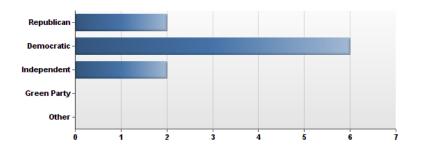
Question 1: What is your gender?



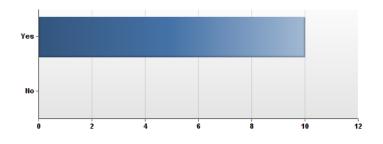
Question 2: How old are you?



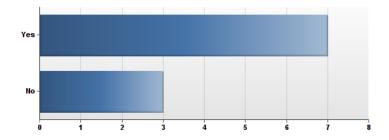
Question 3: What political party do you identify with?



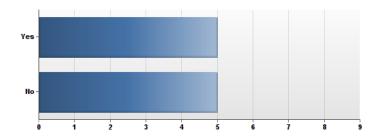
Question 4: Are you aware of the gender wage gap?



Question 5: Do you believe in the existence of the gender wage gap?

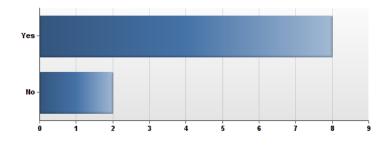


Question 6: Have you or anyone you have ever worked with experienced/ been directly effected by the wage gap?

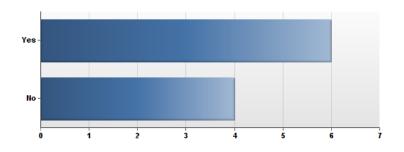


Question 7: Explain your answer to the previous question. Results are in the results and discussion section.

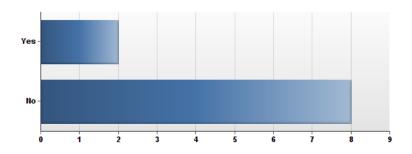
Question 8: Are you aware of the glass ceiling?



Question 9: Do you believe in the existence of the glass ceiling?

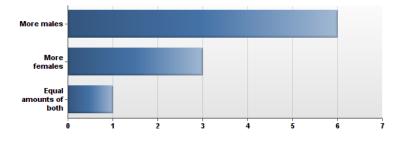


Question 10: Have you or anyone you have ever worked with experienced/ been directly effected by the glass ceiling?

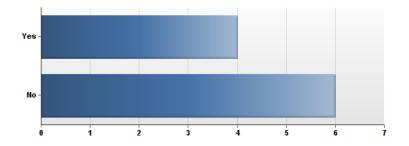


Question 11: Explain your answer to the previous question. Results are in the results and discussion section.

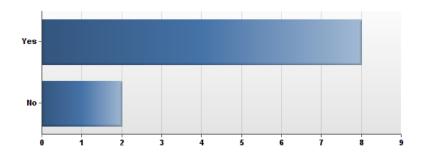
Question 12: Are there more males, females, or equal amounts of both in power positions at your company?

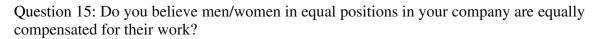


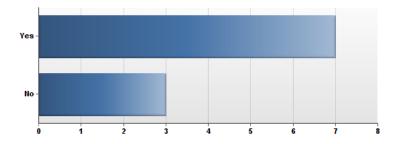
Question 13: Do you believe women are fairly represented in your company?



Question 14: Do you believe having women in power positions is important/ crucial for a company's success?

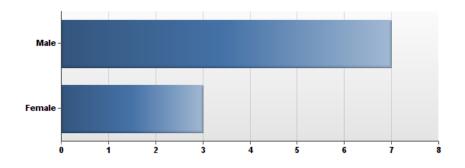




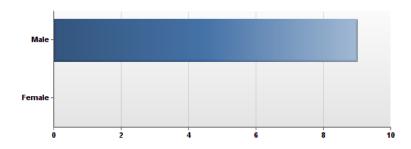


Question 16: Explain your answer to the previous question. Results are in the results and discussion section.

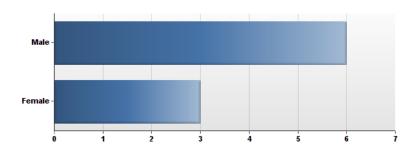
Question 17: Is the CEO of your company male or female?



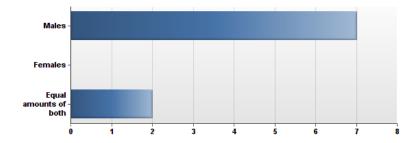
Question 18: Is the CFO of your company male or female?



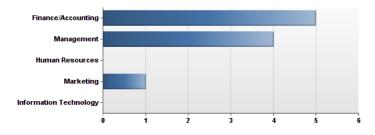
Question 19: Is the COO of your company male or female?



Question 20: On your company's board of directors, are there more males or females?



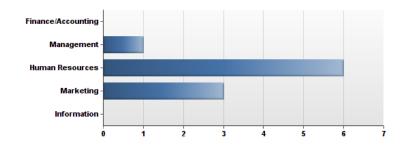
Question 21: Which field of business do you believe is most impacted by the gender wage gap and glass ceiling?



Question 22: Explain your answer to the previous question. Results are in the results and

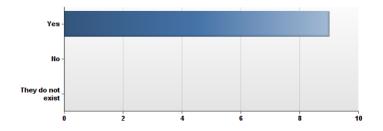
discussion section.

Question 23: Which field of business do you believe is least impacted by the gender wage gap and glass ceiling?



Question 24: Explain your answer to the previous question. Results are in the results and discussion section.

Question 25: Do you believe the gender wage gap and glass ceiling should be eliminated?



### **Bibliography**

Blau, Francine D., and Lawrence M. Kahn. "The Gender Pay Gap." *The Economists' Voice* 4.4 (2007): 843-60. Web.

Boushey, Heather, and Sarah Glynn. "The Many Benefits of Paid Family and Medical Leave." Center for American Progress, 2 Nov. 2012. Web. 05 Dec. 2014.

Cotter, D. A., J. M. Hermsen, S. Ovadia, and R. Vanneman. "The Glass Ceiling Effect." *Social Forces* 80.2 (2001): 655-81. Web. 3 Nov. 2014.

Covert, Bryce. "Here's Why We Know The Gender Wage Gap Really Does Exist." *ThinkProgress RSS*. Center for American Progress Action Fund, 8 Apr. 2014. Web. 04 Dec. 2014

Davidson, Jacob, and Kara Brandeisky. "Microsoft's CEO Wasn't the Only Male Exec to Say Something Clueless About Women This Week." *Time*. Time, 10 Oct. 2014. Web. 05 Dec. 2014.

Hegewisch, Ariane, Claudia Williams, Heidi Hartmann, and Stephanie Hudiburg. "The Gender Wage Gap: 2013; Differences by Race and Ethnicity, No Growth in Real Wages for Women — IWPR." *IWPR Publication The Gender Wage Gap: 2013; Differences by Race and Ethnicity, No Growth in Real Wages for Women — IWPR.* Institute for Women's Policy Research, Mar. 2014. Web. 04 Dec. 2014.

Labaton, Vivian. "Five Myths about the Gender Pay Gap." *Washington Post*. The Washington Post, 25 July 2014. Web. 03 Dec. 2014.

Leckie, Shirley. "History of Women in the Workplace." *The Labor Site.com*. Web. 05 Dec. 2014.

Maatz, Lisa. "The Awful Truth Behind The Gender Pay Gap." *Forbes*. Forbes Magazine, 07 Apr. 2014. Web. 03 Dec. 2014.

McGregor, Jena. "A Long Way to 50-50 on Corporate Boards." *Washington Post.* The Washington Post, 30 May 2014. Web. 05 Dec. 2014.

Somers, Meredith. "Women Shattering Glass Ceiling, Reaching New Heights in 2014." *Washington Times*. The Washington Times, 12 Aug. 2014. Web. 05 Dec. 2014.

Ward, J., Lee B., Baptist S. and Jackson H. (2010) *Evidence for Action: Gender Equality and Economic Growth*, London: Chatham House.

"The Equal Pay Act of 1963." (*EPA*). U.S. Equal Opportunity Employment Commission, Web. 03 Dec. 2014.

"The Simple Truth about the Gender Pay Gap (Fall 2014)." *AAUW: Empowering Women Since 1881*. American Association of University Women, 18 Sept. 2014. Web. 02 Dec. 2014.

"On Pay Gap, Millennial Women Near Parity – For Now." Pew Research Centers Social

Demographic Trends Project RSS. Pew Research Center, 11 Dec. 2013. Web. 02 Dec. 2014.

"Catalyst 2013 Census of Fortune 500: Still No Progress After Years of No Progress." *Media Announcements*. Catalyst, 10 Dec. 2013. Web. 05 Dec. 2014.

"Women CEO's of the Fortune 500." *Media Announcements*. Catalyst, 7 Nov. 2013. Web. 05 Dec. 2014.