# by JOYCE P. JACOBSEN

choices

at critical moments in their careers, men and women make different choices and those choices have consequences for the heights they ultimately attain

changes

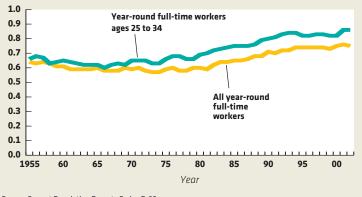
HEN I THINK OF the women who started college with me at Harvard 25 years ago, I would have been hard-put to accurately predict who would work full-time continuously, who would work intermittently or part-time while their children were young, and who would drop out of the labor force completely while in their child-raising years. My three college roommates and I have among us a PhD, a JD, an MD, and a CFA; four marriages and one divorce; seven children and four stepchildren—and we all have worked full-time continuously. Yet a glance through my twentieth reunion book shows that while our family histories are not unusual, our work histories are. Many of my women classmates are not currently working or have taken substantial amounts of time off, even though they have JDs, MBAs, and other such abbreviated symbols of the overachieving upper-middle class in contemporary America.

As Harvard graduates, my classmates and I made the kinds of educational decisions that could have led us to the top. But not all of us made it. What happened to us once we left Harvard's hallowed halls? What were the choices we faced about our careers and our families—the choices that either kept us on or moved us People must simultaneously make decisions about their careers and family lives, and every resolution to a question about one part of their life alters the opportunities for achievement in the other

## A shrinking but persistent income gap

Relative to men, women are earning more than before, but this is mainly because men's pay has declined.

Female/male median annual income ratio



Source: Current Population Reports Series P-60

off the path to the top? What befell our male counterparts who also made the choice to slow down their career progression to spend more time with their families? Who among us grasped the brass ring, and how?

### Women at work

Women and men still don't have exactly the same career trajectories, but their work lives are starting to look more and more similar. The last half-century has seen a remarkable rise in female labor force participation, as well as a notable decline for men (see chart on page 19). Only about one-third of adult women worked in 1948; today, about 60 percent do. At this rate, we are potentially nearing the day when men and women will work in equal proportions.

Already women and men workers are equally as likely to become unemployed. In the past, women were more likely to be unemployed than men at all stages of the business cycle. But now that women and men work in the same industries and often the same occupations, they are subject to the same economic ups and downs and thus the same chances of losing their jobs in a recession.

Marriage and children, which never had much effect on men's work patterns, now have less effect on women, too. In 1960 women married at a median age of 20.3 years, often marrying right out of high school and/or interrupting their college education. Marriage led to children and thereby to child-raising—and child-raising generally implied women's exit from paid labor. If women reentered the labor force at all, it was after several years, often into part-time work, and generally into work that was job- rather than career-oriented. Today women marry later in their twenties, and they have their children later as well. Thus they are more likely to go on to college, less likely to interrupt their college education for marriage, and more likely to have embarked on a career before marriage.

When they have children, they are less likely to take time out from work, and they take less time off before returning full-time. In 1960 fewer than one in five women with children under the age of six worked; today, over 60 percent do—almost identical to the labor force participation rate for married women overall. Over three-quarters of women with school-age children work.

Women also work in a much broader range of occupations than they did several decades ago. There is still substantial gender segregation in the labor market, but it derives mostly from differences in representation across jobs at the lower end of the pay and skill scale—jobs like transportation and material moving (87 percent men) or office and administrative support (74 percent women). By contrast, in professional jobs—those most likely to lead to positions at the top of organizations—men and women are more evenly mixed; for example, 32 percent of lawyers and doctors and 41 percent of postsecondary teachers are women. Overall, women comprise roughly half of all management, professional, business, and financial workers, equal to their representation in the workforce as a whole.

Although women's and men's work choices are starting to look more similar, we still see a gap in the rewards they receive for their work. Even among full-time year-round workers, women only receive three-quarters the pay of men (see chart on this page). Women have gained in pay relative to men over time, but mainly because men's earnings were stagnant or declining during much of this period. Women's earnings increased, to be sure, but not rapidly enough to explain their entire gain in relative pay. And it doesn't appear that moving women into male-dominated occupations in and of itself will completely solve the problem, since women are already substantially represented in higher-paying jobs. Within occupations, even female-dominated ones, men are disproportionately represented among the highest earners.

The good news is, among more recent cohorts, the wage difference is smaller, although it has not been completely eliminated. In 1960, the average 25- to 34-year-old year-round fulltime woman worker earned 65 percent of the equivalent man's income, but today she earns 86 percent. Younger cohorts appear to be benefiting from greater investment in higher education, increased work experience and lifetime hours worked, rising earnings in many female-dominated occupations, and possibly a reduction in the most blatant forms of gender discrimination in pay and promotion. At the same time, the gender gap in pay is not completely shut. Young women still earn significantly less money than men, and it is likely that the gap will increase over time within this cohort, as these young men disproportionately move into high-paying senior professional and executive positions.

Thus, it is clear that today's women have much greater opportunities for and rewards from work than their mothers or grandmothers did. Yet there is still a long way to go before women and men follow the same career paths—and therefore a long way to go before women and men have the same opportunities for advancement, promotions, and pay. What leads men and women to follow different trajectories?

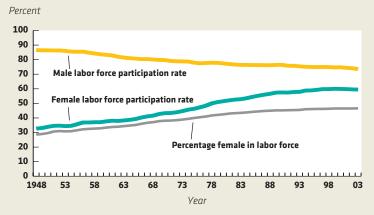
### **Choices in careers and families**

Men and women alike encounter numerous critical points in both their work and their family lives at which a decision they make—or one that someone else makes—will affect their subsequent career path. Some of these decisions might open a door to one career or close a door to another. They might lead to higher or lower pay, or more or less responsibility, or more or fewer opportunities for promotion. They might mean having no children or many, doing more or less housework, or caring for aging parents at home or putting them in a nursing facility. These choices—in career and in family—interact to allow or preclude the possibility of reaching the top.

After college, the first major career decision most people make is about their first job. Of course, as Claudia Goldin points out (see page 4), by this point people have already sorted themselves somewhat by college major. People with majors that lead to lowvisibility or back-office fields may have already reduced their chances of winning many top leadership positions in traditional corporations. How much the first job itself matters for someone's ultimate career path, however, depends on the occupation and industry. Some students start off as investment banking analysts, for example, and later go on to pursue a wide variety of careers and leadership positions. But in other professions, such

## More and more work for women

More than 60 percent of women work today, up from 30 percent after World War II. Women now comprise nearly half the labor force.



Source: U.S. Bureau of Labor Statistics.

to do enough additional research to become full professors, and senior managers have to decide whether to accept assignments that will put them in line for further promotion.

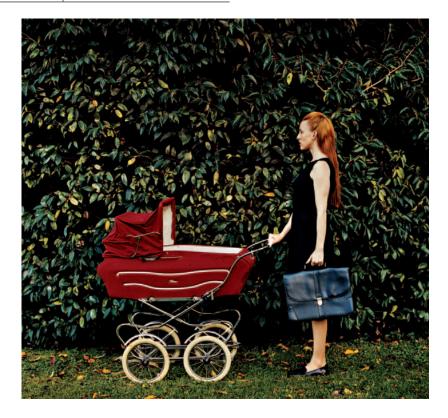
Within a given career, the choice of what kind of organization to work for can also make a difference. Some firms are more demanding and less flexible than others; a lawyer working for a government agency may find a more manageable workload than one working in a large private law firm. Newer and smaller organizations tend to have relatively flat, nonhierarchical organizational structures, which can mean greater flexibility in job descriptions but fewer opportunities for promotions. Individuals in small startups or professional services firms that are

# Career and family outcomes are built from a series of critical choices, such as college major, profession, employer, marital status, and number of children

as military officers, the first position is a clear and distinct step along a progression to the top. Those who do not take that step cannot move up.

For those who ultimately aspire to the top, that first job will turn into a career-a series of increasingly responsible jobs within or across occupations and industries. Careers vary in whether, when, and how advancement happens. Some paths, like corporate manager or college administrator, provide the possibility of quick and frequent promotions, whereas others are slower-moving. Some have a single high-stakes threshold for further advancement: Law associates and consulting managers generally get only one chance to make partner; academics one chance to get tenure. Those who don't make the cut may have to leave their profession entirely or take a lower-paying job in the same occupation in order to remain employed in that line of work. And even in high-stakes occupations, those who have passed the initial hurdle often face further decisions down the road that affect their ultimate access to the top; for example, associate professors with tenure must decide whether relatively unbureaucratized may have to take on much more responsibility for creating their own promotional paths. On the other hand, more bureaucratic and hierarchical firms may also be limited in promotion opportunities if they are not growing quickly, since advancement in these organizations generally requires others to vacate senior-level positions first. Finally, moving up in some kinds of organizations may require frequent relocations to corporate offices around the country or the globe; in other organizations, one can reach the top without ever having to move.

At the same time that men and women are facing these career choices, they are also making choices about their family lives. These are sometimes portrayed as simple binary decisions: whether or not to get married, whether or not to have children. But the realities of these choices—and their impact on career opportunities—are far more nuanced. Every small resolution to a question about family life alters the opportunities for achievement at work. Will the couple cohabitate before or instead of marriage, and if so, for how long? Is household work equally



were the ones who curtailed their pursuit of higher education or chose majors that led to "family-friendly" jobs; who worked in jobs, rather than careers; who dropped out of the labor force or reduced their work hours when their children were young; who limited their aspirations for the sake of their families. As a result, they also bore the brunt of the career consequences: less employment, lower pay, and fewer opportunities for promotion and authority on the job.

But these days, it's not all women—or even just women who experience the costs of career-family conflict. Several recent studies of women and men in high-powered professions—ones that require large commitments of time and continuous labor force attachment, especially early in the career—find that only those people who spend relatively more time on child-raising than others in the same job suffer a career or earnings penalty.

For example, in an examination of managers and professionals in a financial services firm, Mary Blair-Loy and Amy Wharton find that although women in the firm earned less than men on average, there was no earnings penalty for mothers rela-

tive to other women workers. But both women and men who

## Other things equal, only those women and men who spend relatively more time on taking care of children and family suffer a career or earnings penalty

divided, or is one person expected to take the greater share of responsibility? Are both careers weighted equally, or is one person's career more important? Will the couple have children early on or later, once their careers are more established? Only one child, or more? Close in age or far apart? Will the couple use paid child care? Work alternate shifts? Have one parent stay home? What are the expectations regarding what shape the home will be in, how much time the family will spend together, how much community service the family will do, and how many lessons the children will participate in after school? Do other family members live nearby or far away, and how much help can they provide with child-raising? Does the community offer support services for working families, such as after-school care or easy transportation to activities? How much assistance do elderly relatives need because of aging-related disabilities? The outcomes of each of these family and career choices affect the heights a person can ultimately attain.

#### When family and career collide

For most, if not all, people, family and career choices are unavoidably in conflict at times. A family emergency or the decision to stay home with small children might preclude taking a promotion that would lead to greater career growth. Pursuing a career opportunity for one spouse might mean slowing the other's career path, or even uprooting the entire family. Historically, it was women who bore the brunt of these choices. Whether by preference or by lack of other options, women took advantage of the firm's family sick leave policy earned less than their peers. Likewise, a study by Mary Noonan and Mary Corcoran examined University of Michigan Law School students who graduated between 1972 and 1985 and found no evidence that marriage or parenthood reduced the probability of making partner. However, both male and female lawyers who took time out of the labor force for child care were less likely to do so. Alicia Sasser's recent analysis of the Young Physicians Survey shows that women physicians earn less money annually if they are married or have children, but much of the pay gap is related to their working fewer hours per year. At the same time, women physicians who remain single and childless improve their earnings position relative to men over time. And Anne Preston finds that the public university science graduates she studied sorted themselves between a "parent track" and a "fast track." The earnings of women who remain single and childless actually surpassed those of men who report spending substantial time engaged in child care.

Family characteristics can also affect potential career growth. Sociologist Mary Frank Fox, who recently examined productivity among academic scientists, finds that whether a scientist is in a first or subsequent marriage and whether or not their spouse is also in a scientific occupation both affect how many articles both men and women publish. (Subsequent marriages to scientists appear to be the best for one's productivity, perhaps because child-rearing may be less of an issue in later marriages.) Fox also finds higher productivity among women with preschool children than among either women without children or women with school-age children. It may be easier to manage one's work around young children, whose child-care arrangements tend to cover the full work day, than with school-age children, whose school schedules are more difficult to work around.

Thus, even women who have made the commitment to a high-powered profession may still not reach the top, depending on the strength of their commitment to family life. And today, men who dare to step onto the "parent track" can also suffer financial penalties. At the same time, men and women who do not have children or who are not as involved in their children's lives often see their earnings and opportunities increase. In other words, so long as you don't spend too much time with your family, then it need not affect your career to have one.

### Spring forward, fall back

further reading

P

Attaining the top takes more than just accumulating a continuous set of experiences that leads to the upper echelons of an organization. Advances occur at discrete points in time, with discretion on the part of both the individual and the organization. At these critical moments, men and women can determine—or at least influence—their own fates.

Women may fall behind at these junctures because they do not act proactively enough on their own behalf. The title of a recent book on women and negotiation—*Women Don't Ask*—says it all. Most research indicates that women are not as effective as men at negotiating for promotions, salary increases, or other work benefits. And many career paths require people to ask for opportunities to move ahead, rather than waiting for those opportunities to be bestowed upon them. In those careers,

people who choose to negotiate and to take initiative to create their own opportunities are more likely to succeed—and those people are more likely to be men.

These critical moments are also points at which discrimination may occur. Discrimination need not be an all-or-nothing phenomenon in which, for example,

**"The Human Capital Explanation for the Gender Gap in Earnings,"** by Joyce Jacobsen, in Karine S. Moe (ed.), *Women, Family, and Work: Writings on the Economics of Gender,* Blackwell, 2003.

Mommies and Daddies on the Fast Track: Success of Parents in Demanding Professions, by Jerry A. Jacobs and Janice Fanning Madden (eds.), The Annals of the American Academy of Political and Social Science, 2004.

**Women Don't Ask: Negotiation and the Gender Divide,** by Linda Babcock and Sara Laschever, Princeton University Press, 2003.

women are never hired or never promoted or always paid less than men. Instead, it could be that discrimination operates consciously or unconsciously—by reducing the chance that women move ahead at each juncture. If this is the case, women will be hired and promoted more slowly and will be likely to receive lower pay raises than do men. And even if the effect at each point in time is small, over time the disadvantages will accumulate and fewer women will move up the pipeline.

Nonetheless, evidence suggests that much of the gender difference in career outcomes occurs because men and women make different choices. These choices are changing, to be sure, but women are still more likely than men to make decisions that benefit their families at the expense of their careers (see Rosanna Hertz's essay on page 22 and Nancy Folbre's essay on page

49). It could be that women are making these choices because they genuinely prefer to spend more time with their families, or it could be that they have divested from the work world because they perceive that their opportunities for career growth are limited. But in the end, the outcome is the same—fewer women at the top.

At the same time, this suggests that the best way to improve women's opportunities is to change the tradeoffs at those

### Married with children: The impact on women's work

Women's labor force			
	participation rates	1960	2002
	Single, never married	58	67
	Divorced, separated, or widowed	41	49
	Married	31	61
	no child under 18	34	54
	child 6 to 17	39	76
	child under 6	18	60

Note: Data are for civilian women 16 or older. Source: Statistical Abstract of the United States

critical moments. For example, we could make taking time off less costly or improve women's ability to negotiate for the arrangements they would need to stay in the workforce. We could make quality child care accessible and affordable. We could reconsider whether certain organizational hurdles, like tenure or partnership decisions, could be eliminated or changed to be more family-friendly. Indeed, we need to question the very way work is organized. Once we do so, we can build new structures that allow more people to balance their home and work lives.

Today's women undergraduates at elite universities are, if anything, even better prepared for the world of work than my friends and I were when we graduated. But I doubt if they have thought through how to balance career and family any more thoroughly than we did before we reached the real world. I hope, however, that as we restructure the workplace, today's young women won't need to put as much effort into balancing work and family as my generation did. Instead, they will be able to jump the work-family hurdle more gracefully—and thereby tap more of their potential. \*

Joyce P. Jacobsen is the Andrews Professor of Economics at Wesleyan University and author of The Economics of Gender.