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CHICAGO BUSINESS

FOCUS: CEO PAY

Despite progress, pay gap persists

But there's hope: For younger women, the difference is narrowing

BY STEVE HENDERSHOT

For every dollar a man in Illinois makes, a woman makes 76 cents.

The median salary for Illinois women who work full-time is \$33,100 vs. \$43,500 for men, according to the Institute for Women's Policy Research (IWPR) in Washington, D.C.

In Illinois, women's pay compared with men's is slightly less than the national average of 77%. Women who work in Northeastern states like Maryland and Massachusetts are the closest to closing the pay gap, while women in Southern states like Arkansas and Louisiana are the furthest.

But in no state does the average female worker make as much as her male counterpart. And the way things are going, it will take 50 years for women to achieve equal pay across the country, according to the IWPR.

So, is this also true of CEO pay?

That's less clear. A broader study released in 2005 found that female executives, including CEOs, make 8% to 25% less than male executives. The study, conducted by Linda Bell, a professor of economics at Harverford College in Pennsylvania, tracked the compen-

sation of the top five executives at thousands of U.S. companies over a 10-year period.

But no one has exclusively studied whether women CEOs make on average as much as their male counterparts. That's because there aren't enough women in head offices to get an accurate sample. Only 12 CEOs of Fortune 500 companies are women, according to Catalyst Research in New York.

"In the U.S., traits like assertiveness and decisiveness are at the tops of people's minds with regard to leadership," says Jeanine Prime, director of research at Catalyst. "People tend not to associate those qualities with women."

With Archer Daniels Midland Co.'s Patricia Woertz, Kraft Foods Inc.'s Irene Rosenfeld and Sara Lee Corp.'s Brenda Barnes, Illinois has more women CEOs in the Fortune 500 than any other state. While they are alone among Illinois' 100 largest public companies, their pay is comparable to the men.

With compensation of \$19.2 million, Ms. Rosenfeld was the fourth-highest paid Chicago CEO in 2006. Ms. Woertz was the 12th, at \$11.3 million, and Ms. Barnes was 29th, at \$6.6 million.

GAINING GROUND

The scarcity of women CEOs "is not a pipeline issue," says Vicky Lovell, director of employment and work/life programs at IWPR.



JOHN R. BOEHM

"Women don't ask for promotions the way men do," says Catherine Lee, president of the Chicago chapter of NAWBO.

"There are enough qualified women out there with solid experience in running businesses."

Ms. Lovell cites male-dominated social networks and gender stereotypes as causes for the gap, along with a lack of social support that makes it hard for women to work in demanding jobs while raising families. "Women who are successful at the highest levels are much more likely to have forgone having children than other women," she says.

But women bear some responsi-

bility for their lower pay and lack of advancement. "Women don't negotiate salary with the same confidence men do," says Catherine Lee, president of the Chicago chapter of the National Assn. of Women Business Owners (NAWBO). "Women wonder, 'Why don't supervisors see how valuable I am?' Men go after raises and promotions, and they do it proudly. Women expect to be asked."

Despite the current gap, women are gaining ground in the executive suite. They held 16% of corporate

officer positions and 15% of board seats at Fortune 500 companies last year. That's up from 1996, when women occupied 10% of corporate officer and 10% of board spots.

Likewise, there are signs the wage gap is narrowing. Nationally, women ages 20 to 24 earned 94% as much as men in the same age group in 2005, according to the U.S. Bureau of Labor Statistics. Women ages 25 to 34 earned 89% as much as their male peers.

It's not equal, but it's a start.