



United States Government Accountability Office
Washington, DC 20548

September 20, 2010

The Honorable Carolyn B. Maloney
Chair
Joint Economic Committee
United States Congress

The Honorable John D. Dingell
House of Representatives

Subject: *Women in Management: Analysis of Female Managers' Representation, Characteristics, and Pay*

According to data from the Bureau of Labor Statistics, women made up nearly 47 percent of the total workforce in the United States in July 2010.¹ Women's participation in the labor force, particularly among women with children, is much higher today than several decades ago. For example, using data from the Current Population Survey, the Bureau of Labor Statistics reported that couples in which only the husband worked represented 18 percent of married couple families in 2007, compared with 36 percent in 1967.² In addition, an increasing proportion of women are attaining higher education. Among women aged 25 to 64 in the labor force, the proportion with a college degree roughly tripled from 1970 to 2008. Further, the Equal Employment Opportunity Commission found that the percentage of female officials and managers in the private sector increased from just over 29 percent in 1990 to 36.4 percent in 2002.³

Although women's representation across the general workforce is growing, there remains a need for information about the challenges women face in advancing their careers. In 2001, using 1995 and 2000 data from the Current Population Survey, we

¹U.S. Department of Labor, Bureau of Labor Statistics, USDL-10-1076, *The Employment Situation—July 2010* (Washington, D.C., Aug. 6, 2010).

²U.S. Department of Labor, Bureau of Labor Statistics, *Women in the Labor Force: A Databook* (Washington, D.C., September 2009).

³U.S. Equal Employment Opportunity Commission, *Glass Ceilings: The Status of Women as Officials and Managers in the Private Sector* (Washington, D.C., March 2004). In addition, Bureau of Labor Statistics data show that the number of employed women working as chief executives and general and operations managers increased from 24 percent in 2004 to 27 percent in 2008.

found women were less represented in management than in the overall workforce in 4 of the 10 industries reviewed.⁴ We also found differences in the characteristics and pay of male and female managers, which we explored using statistical modeling techniques. To respond to your request that we update this information to 2007, this report addresses the following three questions: (1) What is the representation of women in management positions compared to their representation in nonmanagement positions by industry? (2) What are the key characteristics of women and men in management positions by industry? and (3) What is the difference in pay between women and men in full-time management positions by industry?⁵

Enclosed are fact sheets that provide detailed results of our analysis (see enclosure I). In summary, we found the following:

- Based on our own analysis of 13 industry sectors in both 2000 and 2007, we found that in 2007 women comprised an estimated 40 percent of managers and 49 percent of nonmanagers on average for the industry sectors we analyzed—industries that comprised almost all of the nation’s workforce—compared to 39 percent of managers and 49 percent of nonmanagers in 2000. In all but three industry sectors women were less than proportionately represented in management positions than in nonmanagement positions. Women were more than proportionately represented in management positions in construction and public administration, and there was no statistically significant difference between women’s representation in management and nonmanagement positions for the transportation and utilities sector.
- According to our estimates, female managers in 2007 had less education, were younger on average, were more likely to work part-time,⁶ and were less likely to be married or have children, than male managers. While the average female married manager earned the majority of her own household’s wages, her share of household wages was smaller than the share contributed by the average male married manager to his household’s wages. These findings were generally similar to findings for 2000.
- The estimated difference in pay between female managers working full time and male managers working full time narrowed slightly between 2000 and 2007 after adjusting for selected factors that were available and are commonly used in examining salary levels, such as age, hours worked beyond full time, and education. When looking at all industry sectors together and adjusting for

⁴GAO, *Women in Management: Analysis of Selected Data from the Current Population Survey*, GAO-02-156 (Washington, D.C.: Oct. 23, 2001).

⁵We reported on the years 2000 through 2007 to avoid concerns about the role of the recession that began in December 2007 and to avoid any complications to the analysis due to the change of survey questions in the data set we used that were made in 2008.

⁶Our definition of individuals working part-time included those who were not working full time, but reported usually working some hours per week, weeks worked, and wages earned, all over the past 12 months.

these factors, we estimated that female managers earned 81 cents for every dollar earned by male managers in 2007, compared to 79 cents in 2000. The estimated adjusted pay difference varied by industry sector, with female managers' earnings ranging from 78 cents to 87 cents for every dollar earned by male managers in 2007, depending on the industry sector.

Enclosure I also includes separate fact sheets on the findings for each industry sector in alphabetical order by industry. Enclosure II provides summary information on the characteristics we analyzed by industry.

Our findings were based on data we analyzed from the U.S. Census Bureau's American Community Survey (ACS) for the years 2000 through 2007. We selected ACS rather than the Current Population Survey due to the greater number of observations in ACS. We analyzed managers across all of the broad industry categories used in ACS, representing the entire workforce, except for the agriculture and mining sectors, individuals living in group quarters, and those who were not living in a U.S. state or the District of Columbia.⁷ We defined "managers" as all individuals classified under the "manager occupation" category in ACS. In our multivariate analysis of the differences in pay between male and female managers working full time and year round by industry,⁸ we used annual earnings as our dependent variable, adjusting for certain characteristics that were available in the dataset and commonly used to estimate adjusted pay differences. These include age, hours worked beyond full-time, race and ethnicity, state, veteran status, education level, citizenship, marital status, and presence of children in the household.⁹ In addition to analyses of ACS data, we reviewed selected GAO and other reports and consulted with experts in conducting this analysis. We assessed the reliability of the ACS generally and of data elements that were critical to our analyses by reviewing documentation on the general design and methods of the ACS and on the specific elements of the data that were used in our analysis, interviewing U.S. Census Bureau officials knowledgeable about the ACS data, and completing our own electronic data testing to assess the accuracy and completeness of the data used in our analyses. Based on these efforts, we determined that they were sufficiently reliable for our analyses. See Enclosure III for a detailed description of our methodology.

⁷We excluded agriculture because, according to the Bureau of Labor Statistics, farmers may have other sources of income, such as from federal subsidies, which may not be reported in ACS as income and would complicate our analysis on pay differentials. We excluded mining because we found a relatively limited number of observations in the mining industry. According to ACS, group quarters is a place where people live or stay in a group living arrangement that is owned or managed by an entity or organization providing housing and/or services for the residents. Examples include college residence halls, nursing homes, group homes, military barracks, correctional facilities, and mental hospitals.

⁸Our definition of individuals working full time were those who, over the past 12 months, reported usually working greater than or equal to 35 hours per week and 50 weeks per year, and reported positive wages earned.

⁹When we looked at all industries together, we also adjusted for industry sector.

Our analysis is descriptive in nature. Our analysis neither confirms nor refutes the presence of discriminatory practices. Some of the unexplained differences in pay seen here could be explained by factors for which we lacked data or are difficult to measure, such as level of managerial responsibility, field of study, years of experience, or discriminatory practices, all of which can be found in the research literature as affecting earnings. More detailed information on the characteristics of women in management in specific industries could help policymakers to identify actions, if any, to help women advance to management positions. For example, starting in 2009, the ACS included a question on field of study, a variable recognized as important in examining differences in pay and advancement. Improvements to the type of data available, such as this one, could help researchers to better understand the determinants of salary and advancement.

We conducted our work from February 2010 to September 2010 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this product.

Agency Comments and Our Evaluation

We provided a draft of this report to the Departments of Commerce and Labor for review and comment. Both agencies provided technical comments, which we incorporated where appropriate.

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As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the Secretaries of Commerce and Labor, relevant congressional committees, and other interested parties. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact me at (202) 512-7215 or sherrilla@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in enclosure IV.

A handwritten signature in black ink that reads "Andrew Sherrill". The signature is written in a cursive style with a large initial 'A' and 'S'.

Andrew Sherrill, Director
Education, Workforce, and
Income Security Issues

Enclosures—4



Women in the Workforce

Women and mothers

On average, we estimated that women comprised 40 percent of managers and 49 percent of nonmanagers in 2007, compared to 39 percent of managers and 49 percent of nonmanagers in 2000. Women were less than proportionately represented in management positions than in nonmanagement positions in all but three industry sectors in 2007. Women were more than proportionately represented in management positions in construction and public administration; there was no statistically significant difference between women's representation in management and nonmanagement positions for the transportation and utilities sector.

Similarly, mothers with children under 18 were less than proportionately represented in management than in the rest of the workforce in most industry sectors in 2007. On average, we estimated that mothers comprised 17 percent of nonmanagers and 14 percent of managers. Results were similar in 2000.

Top earners and board members

While neither the ACS nor any other federal database tracks women's participation on corporate boards, according to data from a nonprofit organization that specializes in women in business, women comprised 6.3 percent of top earner positions in Fortune 500 companies in 2009 and held 15.2 percent of board directors' seats at Fortune 500 companies, up from 11.7 percent of seats in 2000.¹

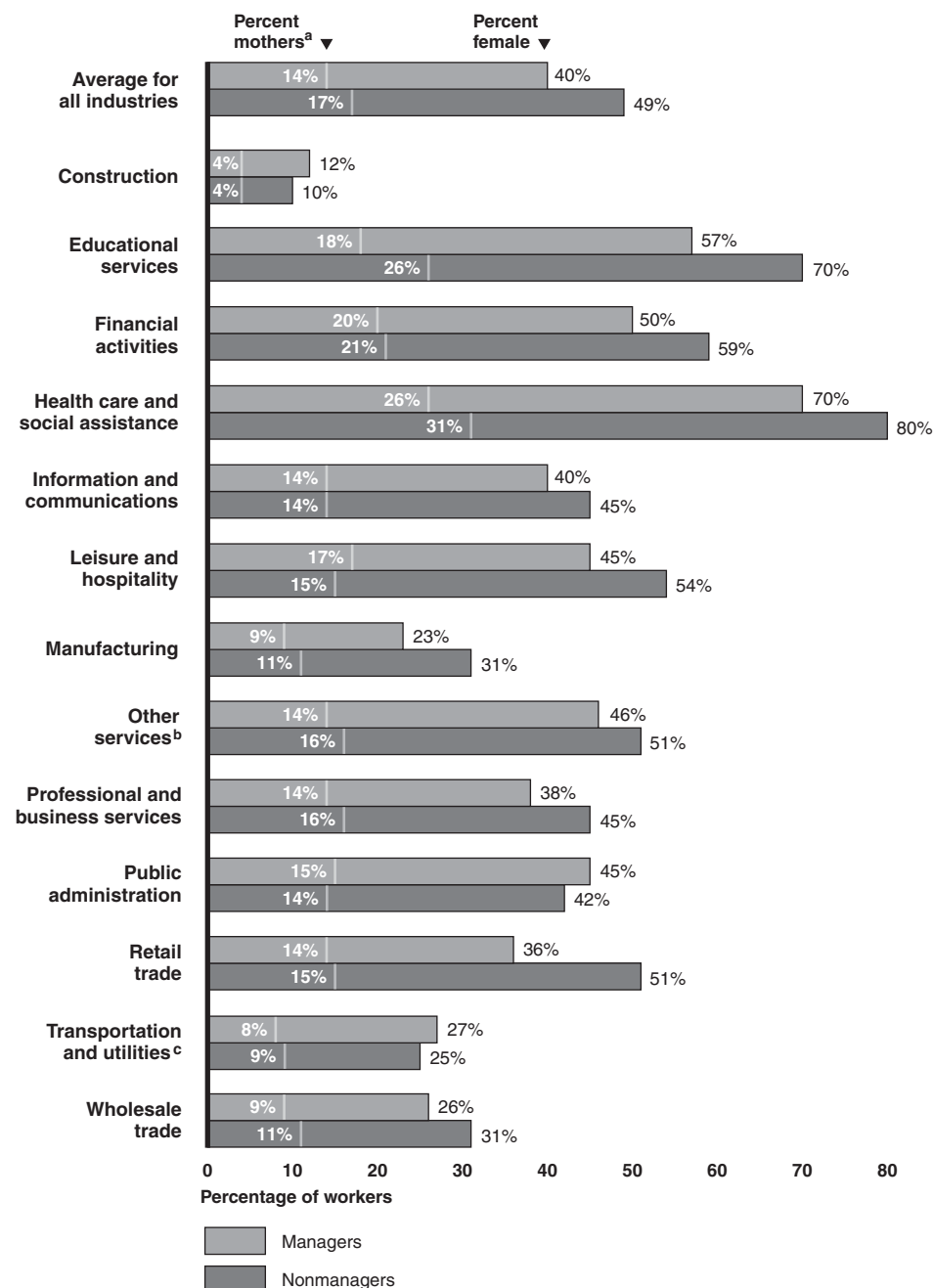
Enclosure I

Analysis of Female Managers' Representation, Characteristics, and Pay

WOMEN'S AND MOTHERS' WORKFORCE REPRESENTATION

Analysis of All Industry Sectors, Combined and Separate

Estimated Female Representation by Industry, 2007



Source: GAO analysis of American Community Survey data.

^aMothers refers to women with their own children under age 18 living in the household.

^bPositions included, for example, auto repair shop managers and parking lot managers.

^cThe difference in proportions of female managers and nonmanagers was not statistically significant.

¹Data reported by Catalyst, New York, NY. See Women in U.S. Management Quick Takes, March 16, 2010 and 2009 Catalyst Census: Fortune 500 Women Executive Officers and Top Earners. Top earners were defined as current executive officers who were among the five most highly compensated employees in each company.



KEY CHARACTERISTICS OF WOMEN IN MANAGEMENT

Analysis of All Industry Sectors Combined

Industry Characteristics

The 13 broad industry sectors we selected represent all industries in the U.S. workforce, except agriculture and mining, and individuals living in group quarters, and those who were not living in a U.S. state or the District of Columbia.

Total workers²

2000: 141.1 million
2007: 147.7 million

Total management positions

2000: 11.7 million
2007: 12.9 million

Estimated female representation

2000
Managers: 39 percent
Nonmanagers: 49 percent
2007
Managers: 40 percent
Nonmanagers: 49 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$48,000
Male managers: \$70,000
2007
Female managers: \$52,000
Male managers: \$75,000

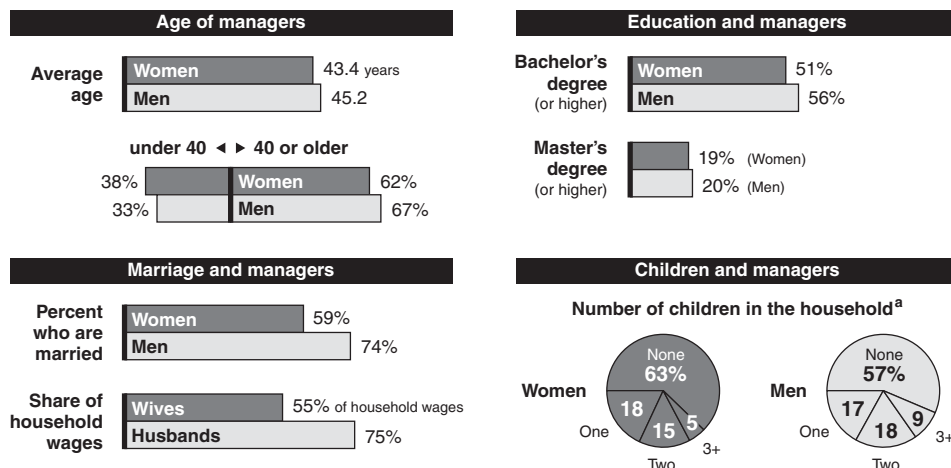
Percent working part-time

2000
Female managers: 27 percent
Male managers: 17 percent
2007
Female managers: 25 percent
Male managers: 17 percent

Source: GAO analysis of American Community Survey data.

Estimates for Characteristics of Managers by Gender, 2007

According to our estimates, for most industries in 2007, female managers were younger, had less education, were more likely to work part-time, and were less likely to be married or have children in the household than male managers. While the average female married manager earned the majority of her own household's wages, her share of household wages was smaller than the share contributed by the average male married manager to his household's wages.



Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

Further Analysis of Characteristics of Managers by Gender

- These results were largely similar for 2000.
- While both male and female managers experienced increases in attainment of bachelor's degrees or higher, women's gains surpassed men's. According to our estimates, male managers with a bachelor's degree or higher increased from 53 percent in 2000 to 56 percent in 2007, while female managers with a bachelor's degree or higher increased 6 percentage points from 45 percent in 2000 to 51 percent in 2007. Similarly, while the share of male managers with a master's degree or higher went up less than 1 percentage point from 2000 to 2007, the share of female managers with a master's degree or higher rose nearly 4 percentage points.
- When looking at all industries together, we estimated a statistically significant difference in racial composition between male and female managers in both 2007 and 2000. However, we did not find differences in every industry. In all of the industries with differences in 2007, female managers were more likely than male managers to be African American.

²Our counts of total workers and management positions may differ from those of the Census Bureau due to differences in definitions of workers and other factors.

Examining Pay Differences

Researchers have not agreed on the reasons for differences in pay between women and men. Some maintain these pay differences are due to differences in personal characteristics of working women and men, such as educational attainment. Others attribute pay differences to the types of jobs in which women and men typically work, with women more often working in lower paying occupations and jobs than men.

Our analysis adjusted for a select number of variables that were available and are commonly used when examining pay differences. However, we acknowledge that there are many variables and methods of analysis, other than those we included, that could be used that would yield different numbers for an adjusted pay difference than our analysis yielded.

Some of the unexplained differences in pay seen here could be explained by factors for which we lacked data or are difficult to measure, such as level of managerial responsibility, field of study, years of experience, or discriminatory practices, all of which may affect earnings. Our analysis neither confirms nor refutes the presence of discriminatory practices.

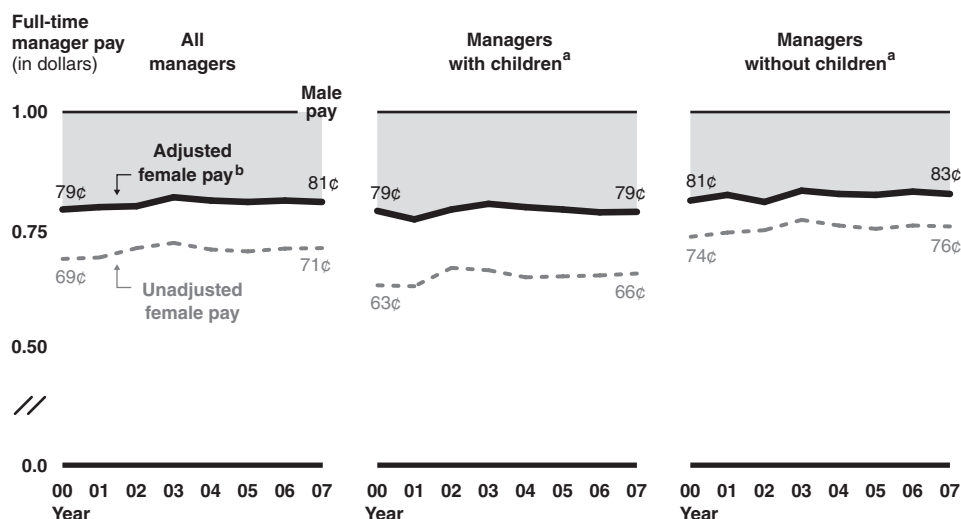
Enclosure I

DIFFERENCES IN PAY

Analysis of All Industry Sectors Combined

Estimated Pay Differences for Full-Time Managers, 2000-2007

When looking at all industry sectors together, the estimated difference in pay between female and male managers working full time narrowed slightly between 2000 and 2007 when adjusting for selected factors that are important and available when examining salary levels.



Source: GAO analysis of American Community Survey data.

Note: The narrowing of the gap between 2000 and 2007 for all managers and managers without children in the household was statistically significant at the 95 percent confidence level. For 2001-2007, the margins of error for pay gaps differed for any single year by no greater than plus or minus 2 cents. See enclosure III for a table of margins of error for each year.

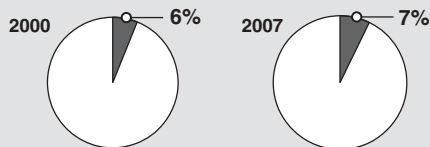
^aChildren refer to children under age 18 living in a household with a manager.

^bFor this analysis, we adjusted for age, hours worked beyond full time, race and ethnicity, state, veteran status, education, industry sector, citizenship, marital status, and presence of children in the household. We adjusted for industry sector to control for the possibility that pay differences could occur because female managers tended to be employed in industries that had lower rates of pay. However, we acknowledge that the distribution of female managers by industry sector itself might reflect some level of discrimination associated with hiring, promotion, or other employer practices. For the subsequent industry-specific analyses, we adjusted for the same variables, except we excluded industry sector.

Further Analysis of Pay Differences by Gender

- The adjusted difference in pay between male and female managers with children in the household was larger than the difference in pay for those without children in the household. Specifically, we found that across all the years, female managers with children in the household earned on average 79 cents for each dollar earned by male managers with children in the household. Female managers without children in the household earned an average of 82 cents for each dollar earned by male managers without children in the household. We did not adjust for factors that may influence pay for managers with children, such as time off of work.
- The adjusted pay difference varied by industry; female managers' earnings ranged from 78 to 87 cents for every dollar earned by male managers in 2007, depending on the industry.

Percentage of construction employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the construction sector included, for example, construction managers, electrical contractors, and building construction contractors. There was a smaller proportion of female managers in construction than within any other industry.

Total workers

2000: 8.9 million
2007: 10.7 million

Total management positions

2000: 900,000
2007: 1.1 million

Estimated female representation

2000
Managers: 12 percent
Nonmanagers: 10 percent
2007
Managers: 12 percent
Nonmanagers: 10 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$51,000
Male managers: \$63,000
2007
Female managers: \$52,000
Male managers: \$70,000

Percent working part-time

2000
Female managers: 28 percent
Male managers: 21 percent
2007
Female managers: 28 percent
Male managers: 17 percent

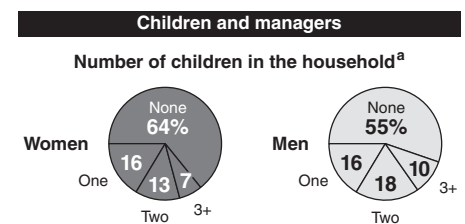
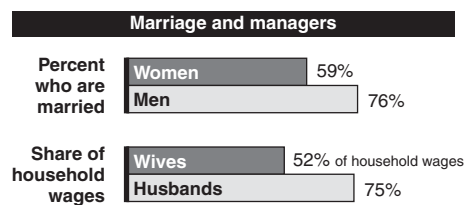
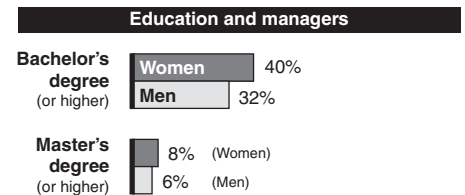
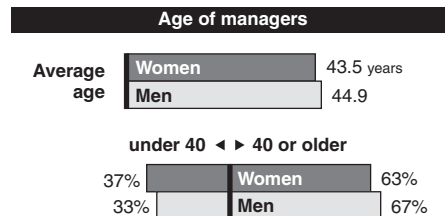
Source: GAO analysis of American Community Survey data.

CONSTRUCTION

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

In construction, female managers were younger on average, less likely to be married or have children in the household, and more likely to work part time than male managers. In this industry, female managers had more education than male managers. Among married managers, women contributed a smaller share than men of their respective household wages.³

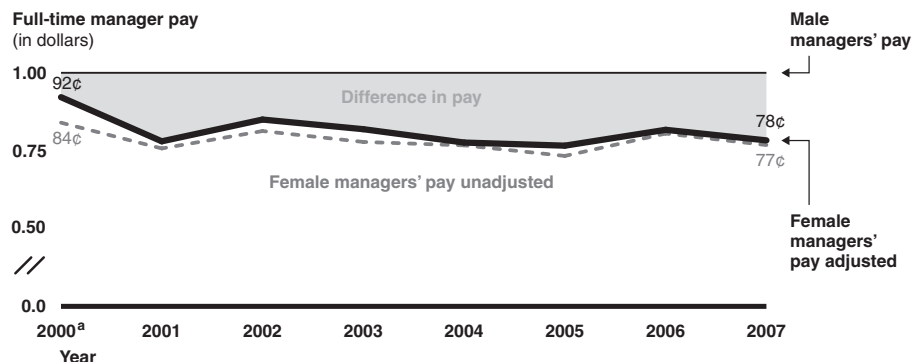


Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

The adjusted pay difference fluctuated between 2000 and 2007. In 2000, the adjusted pay difference between female and male managers was not statistically significant.

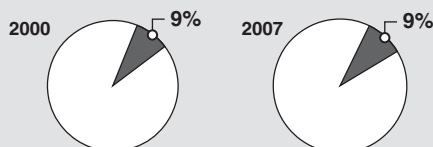


Source: GAO analysis of American Community Survey data.

^aThere was no statistically significant difference between female and male managers' pay in 2000.

³In 2000, the differences in average age and in the percentages of managers who were aged 40 and older, worked part-time, and had bachelor's and master's degrees were not statistically significant. Other results were similar to results in 2007.

Percentage of educational services employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the educational services sector included, for example, school principals, directors of admissions, and directors of research.

Total workers

2000: 12.2 million
2007: 13.6 million

Total management positions

2000: 800,000
2007: 1.0 million

Estimated female representation

2000
Managers: 53 percent
Nonmanagers: 71 percent
2007
Managers: 57 percent
Nonmanagers: 70 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$54,000
Male managers: \$66,000
2007
Female managers: \$59,000
Male managers: \$70,000

Percent working part-time

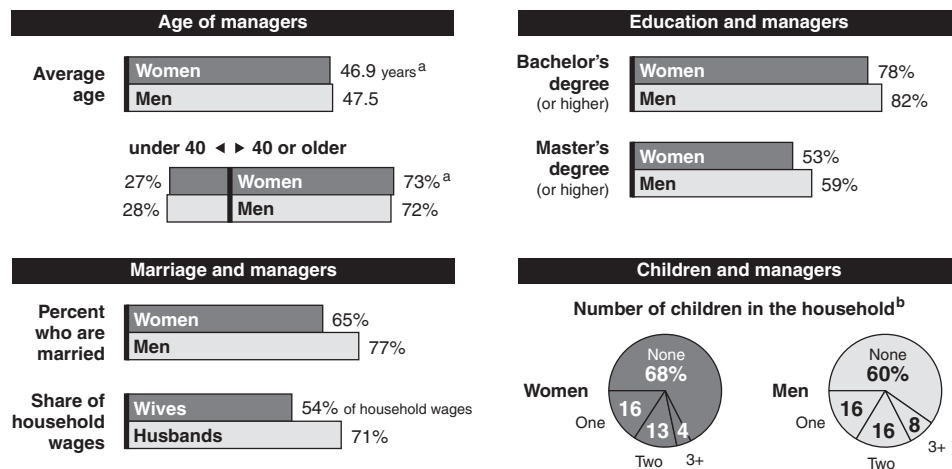
2000
Female managers: 38 percent
Male managers: 29 percent
2007
Female managers: 33 percent
Male managers: 25 percent

EDUCATIONAL SERVICES

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

Female managers in educational services had less education on average, were less likely to be married or have children in the household, and were more likely to work part-time than male managers. The differences in average age and in the percentage of managers aged 40 and older were not statistically significant. Among married managers, women contributed a smaller share than men of their respective household wages.⁴



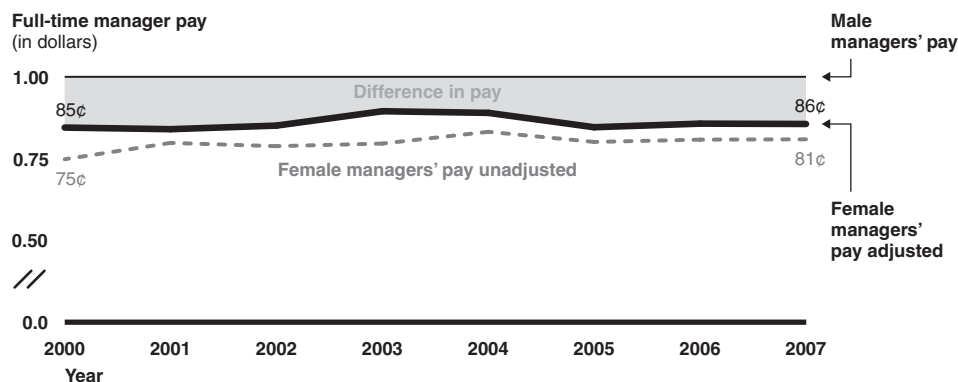
Source: GAO analysis of American Community Survey data.

^aThere was no statistically significant difference between female and male managers.

^bThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

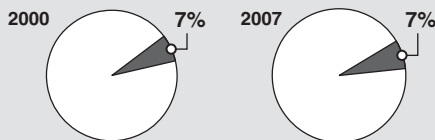
The adjusted pay difference varied slightly between 2000 and 2007, with female managers earning around 85 or 86 cents for every dollar earned by male managers in most years.



Source: GAO analysis of American Community Survey data.

⁴Results were generally similar in 2000. However, the difference in the percentage of male and female managers who had children in the household was not statistically significant in 2000.

Percentage of financial activities employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the financial activities sector included, for example, loan and credit managers, bank cashiers, actuarial managers, real estate office managers, and apartment managers.

Total workers

2000: 9.3 million
2007: 10.3 million

Total management positions

2000: 1.5 million
2007: 1.8 million

Estimated female representation

2000
Managers: 53 percent
Nonmanagers: 61 percent
2007
Managers: 50 percent
Nonmanagers: 59 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$46,000
Male managers: \$72,000
2007
Female managers: \$50,000
Male managers: \$85,000

Percent working part-time

2000
Female managers: 24 percent
Male managers: 20 percent
2007
Female managers: 22 percent
Male managers: 18 percent

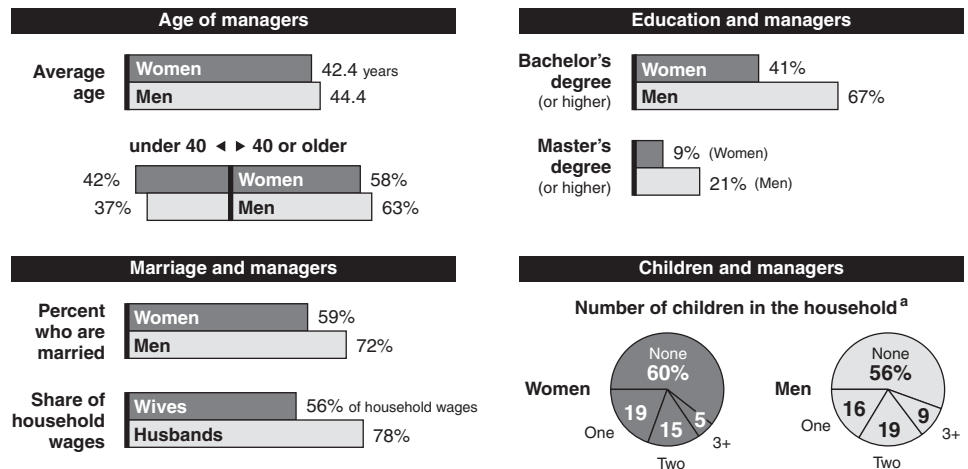
Source: GAO analysis of American Community Survey data.

FINANCIAL ACTIVITIES

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

Female managers in financial activities were younger and had less education on average, were less likely to be married or have children in the household, and were more likely to work part-time than male managers. Among married managers, women contributed a smaller share than men of their respective household wages.⁵

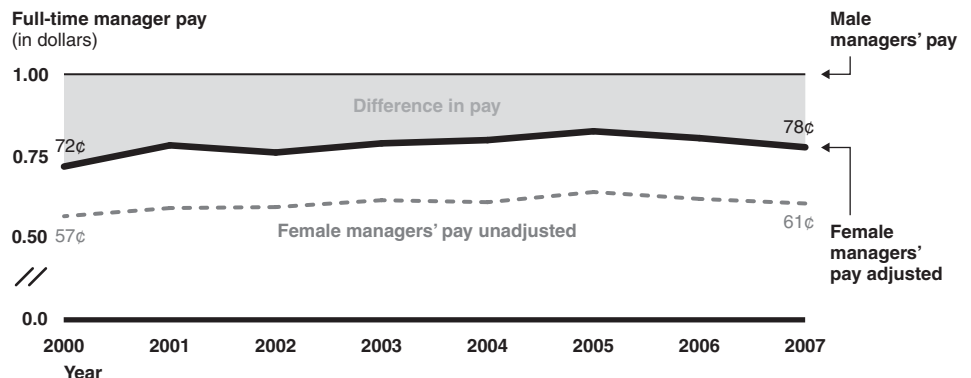


Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

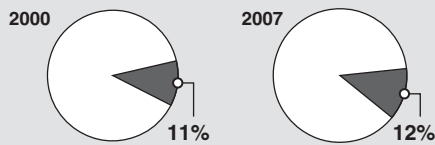
The adjusted pay difference varied between 2000 and 2007. Female managers earned between 78 and 81 cents for every dollar earned by male managers in most years, with a low of 72 cents and a high of 83 cents.



Source: GAO analysis of American Community Survey data.

⁵Results were generally similar in 2000. However, the differences in the percentages of male and female managers who worked part-time and had children in the household were not statistically significant in 2000.

Percentage of health care and social assistance employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the health care and social assistance sector included, for example, hospital administrators, clinical directors, nursing superintendents, and community center directors. There was a larger proportion of female managers in health care and social assistance than within any other industry.

Total workers

2000: 15.6 million
2007: 18.4 million

Total management positions

2000: 1.0 million
2007: 1.1 million

Estimated female representation

2000
Managers: 66 percent
Nonmanagers: 81 percent
2007
Managers: 70 percent
Nonmanagers: 80 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$48,000
Male managers: \$66,000
2007
Female managers: \$52,000
Male managers: \$70,000

Percent working part-time

2000
Female managers: 26 percent
Male managers: 17 percent
2007
Female managers: 22 percent
Male managers: 15 percent

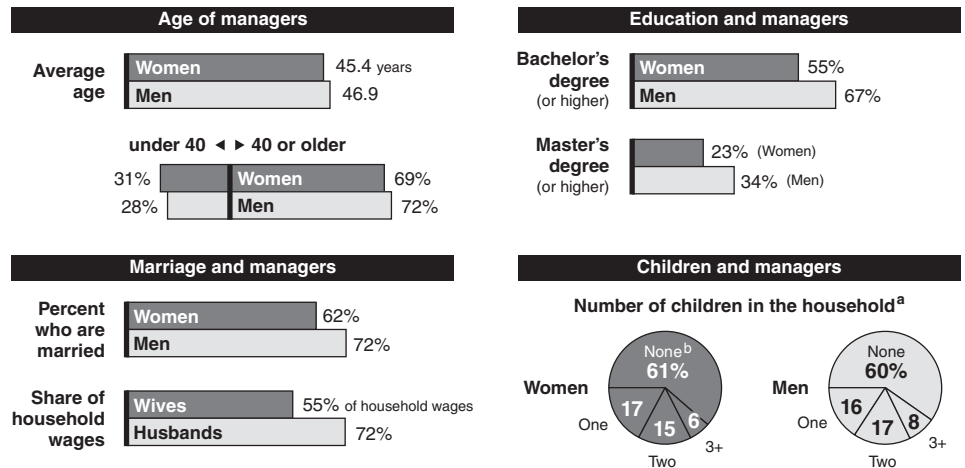
Source: GAO analysis of American Community Survey data.

HEALTH CARE AND SOCIAL ASSISTANCE

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

Female managers were younger and had less education on average, were less likely to be married, and were more likely to work part-time than male managers. The difference in the percentage of managers who had children in the household was not statistically significant. Among married managers, women contributed a smaller share than men of their respective household wages.⁶



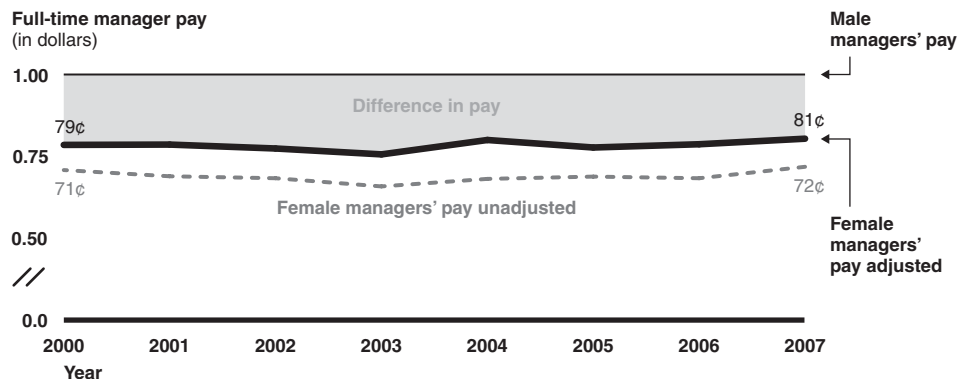
Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

^bThere was no statistically significant difference between female and male managers.

Estimated Pay Differences for Full-Time Managers, 2000-2007

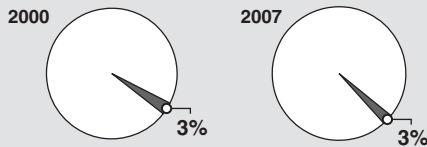
The adjusted pay difference stayed about the same between 2000 and 2007. Female managers earned between 76 and 81 cents for every dollar earned by male managers.



Source: GAO analysis of American Community Survey data.

⁶In 2000, the differences in average age and in the percentage of managers aged 40 and older were not statistically significant. Other results were similar to 2007.

Percentage of information and communications employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the information and communications sector included, for example, radio station managers and data processing managers.

Total workers

2000: 4.4 million
2007: 3.7 million

Total management positions

2000: 600,000
2007: 600,000

Estimated female representation

2000
Managers: 40 percent
Nonmanagers: 48 percent
2007
Managers: 40 percent
Nonmanagers: 45 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$60,000
Male managers: \$84,000
2007
Female managers: \$62,000
Male managers: \$84,000

Percent working part-time

2000
Female managers: 25 percent
Male managers: 16 percent
2007
Female managers: 23 percent
Male managers: 15 percent

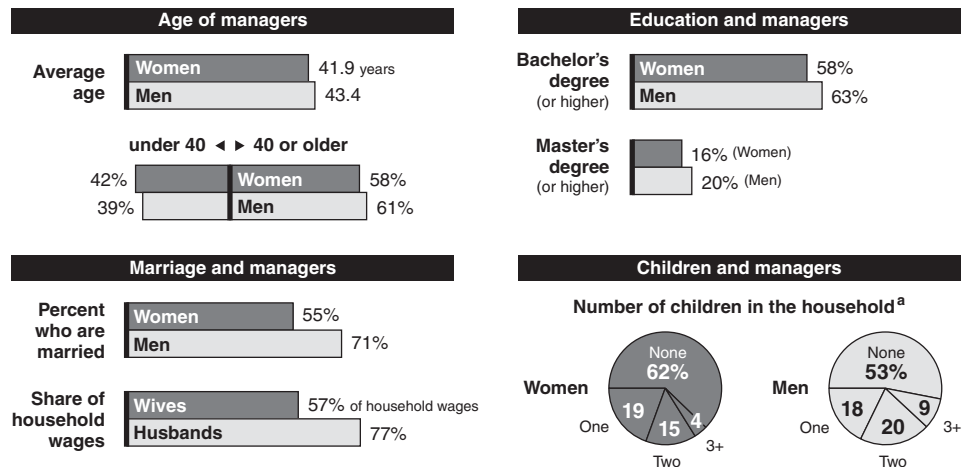
Source: GAO analysis of American Community Survey data.

INFORMATION AND COMMUNICATIONS

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

Female managers in information and communications were younger and had less education on average, were less likely to be married or have children in the household, and were more likely to work part-time than male managers. Among married managers, women contributed a smaller share than men of their respective household wages.⁷

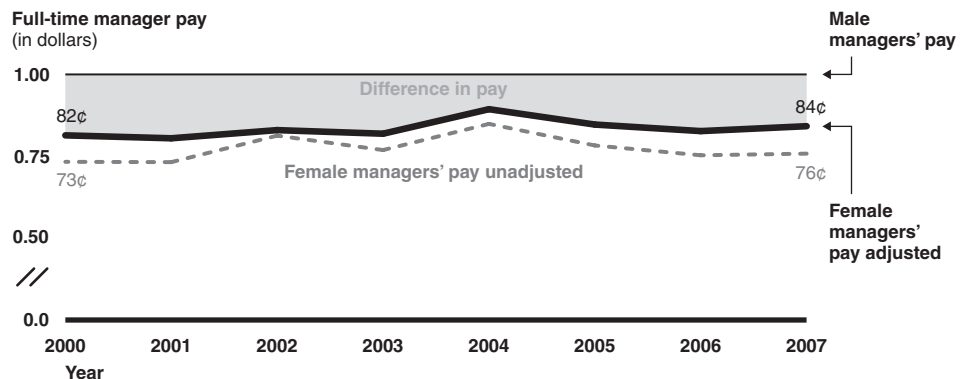


Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

The adjusted pay difference fluctuated between 2000 and 2007; female managers earned between 81 and 85 cents for every dollar earned by male managers in most years, but this rate jumped to 90 cents in 2004.



Source: GAO analysis of American Community Survey data.

⁷In 2000, the differences between male and female managers in average age and in the percentages of managers who were aged 40 and older, had bachelor's and master's degrees, and had children in the household were not statistically significant. Other results were similar to 2007.

LEISURE AND HOSPITALITY

Industry Snapshot

Percentage of leisure and hospitality employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the leisure and hospitality sector included, for example, entertainment directors, recreation facility managers, food production managers, and hotel managers.

Total workers

2000: 12.6 million
2007: 14.5 million

Total management positions

2000: 1.1 million
2007: 1.3 million

Estimated female representation

2000
Managers: 43 percent
Nonmanagers: 54 percent
2007
Managers: 45 percent
Nonmanagers: 54 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$35,000
Male managers: \$45,000
2007
Female managers: \$35,000
Male managers: \$45,000

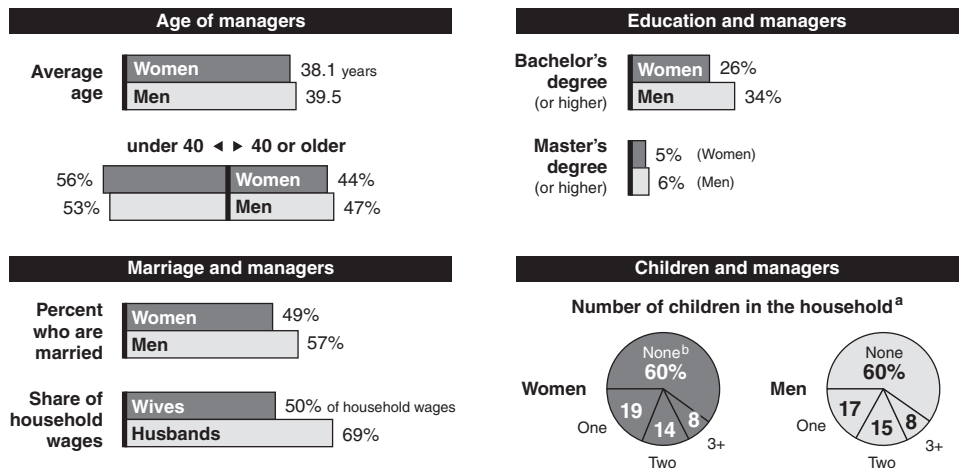
Percent working part-time

2000
Female managers: 31 percent
Male managers: 19 percent
2007
Female managers: 32 percent
Male managers: 21 percent

Source: GAO analysis of American Community Survey data.

Estimates for Characteristics of Managers by Gender, 2007

Female managers were younger and had less education on average, were less likely to be married, and were more likely to work part-time than male managers. However, the difference in the percentage of managers who had children in the household was not statistically significant. Among married managers, women contributed a smaller share than men of their respective household wages.⁸



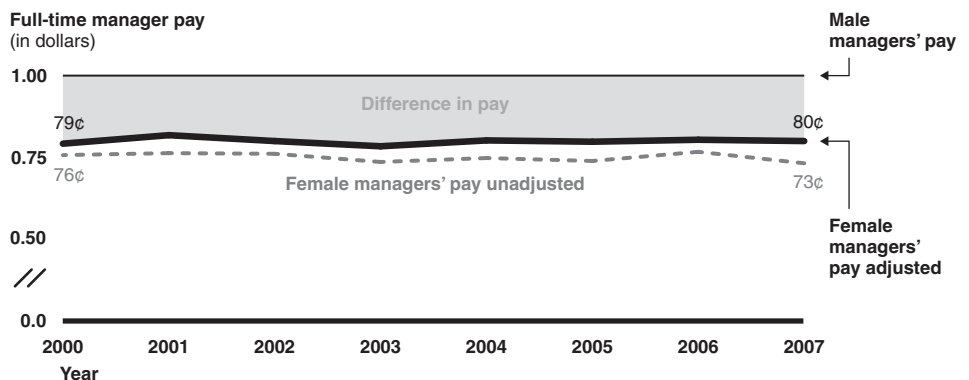
Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

^bThere was no statistically significant difference between female and male managers.

Estimated Pay Differences for Full-Time Managers, 2000-2007

The adjusted pay difference between male and female managers stayed about the same from 2000 and 2007. In most years, female managers earned 79 to 80 cents for every dollar earned by male managers.



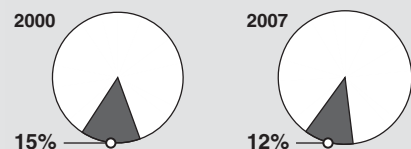
Source: GAO analysis of American Community Survey data.

⁸In 2000, the differences between male and female managers in average age and in the percentages of managers who were aged 40 and older and had master's degrees were not statistically significant. Other results were similar to 2007.

MANUFACTURING

Industry Snapshot

Percentage of manufacturing employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the manufacturing sector included, for example, production superintendents, manufacturing directors, and factory superintendents involved in the manufacturing of beverages, textiles, machinery, and a wide variety of other goods.

Total workers

2000: 20.5 million

2007: 17.4 million

Total management positions

2000: 1.8 million

2007: 1.8 million

Estimated female representation

2000

Managers: 22 percent

Nonmanagers: 34 percent

2007

Managers: 23 percent

Nonmanagers: 31 percent

Median salaries for full-time managers (2007 dollars)

2000

Female managers: \$61,000

Male managers: \$84,000

2007

Female managers: \$67,000

Male managers: \$86,000

Percent working part-time

2000

Female managers: 24 percent

Male managers: 13 percent

2007

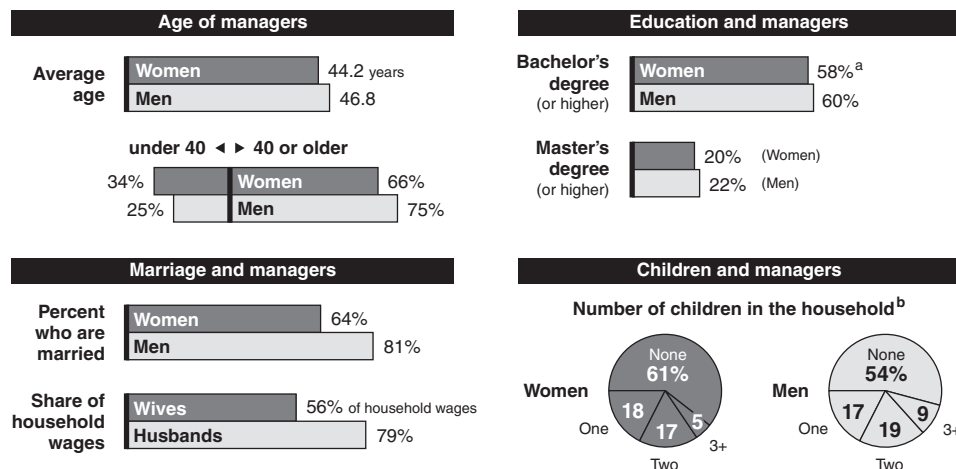
Female managers: 19 percent

Male managers: 13 percent

Source: GAO analysis of American Community Survey data.

Estimates for Characteristics of Managers by Gender, 2007

Female managers in manufacturing were younger on average, less likely to be married or have children in the household, and more likely to work part-time than male managers. The difference in the percentage of managers with a bachelor's degree was not statistically significant. Among married managers, women contributed a smaller share than men of their respective household wages.⁹



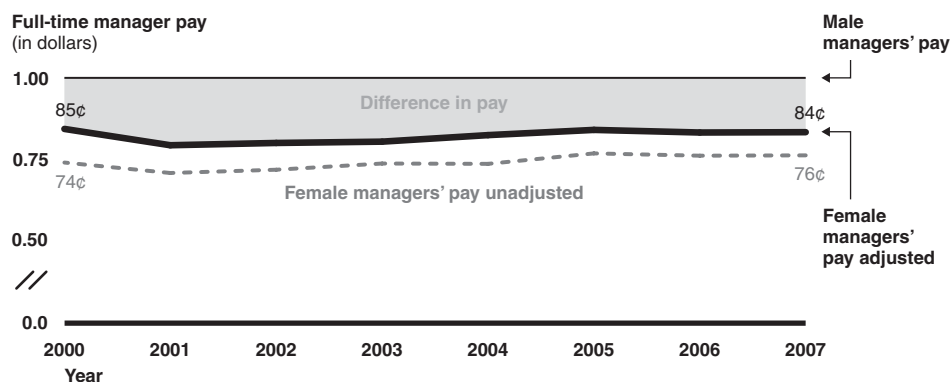
Source: GAO analysis of American Community Survey data.

^aThere was no statistically significant difference between female and male managers.

^bThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

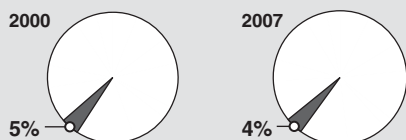
The adjusted pay difference between male and female managers fluctuated between 2000 and 2007, with female managers earning between 80 and 85 cents for every dollar earned by male managers.



Source: GAO analysis of American Community Survey data.

⁹Results were generally similar in 2000. However, the difference in the percentage of male and female managers with a master's degree was not statistically significant.

Percentage of other services employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

The other services sector included industries not specifically provided for elsewhere in the classification system. Management positions included, for example, auto repair shop managers, funeral directors, and parking lot managers.

Total workers

2000: 6.4 million
2007: 6.3 million

Total management positions

2000: 500,000
2007: 500,000

Estimated female representation

2000
Managers: 45 percent
Nonmanagers: 53 percent
2007
Managers: 46 percent
Nonmanagers: 51 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$44,000
Male managers: \$48,000
2007
Female managers: \$49,000
Male managers: \$55,000

Percent working part-time

2000
Female managers: 31 percent
Male managers: 19 percent
2007
Female managers: 32 percent
Male managers: 21 percent

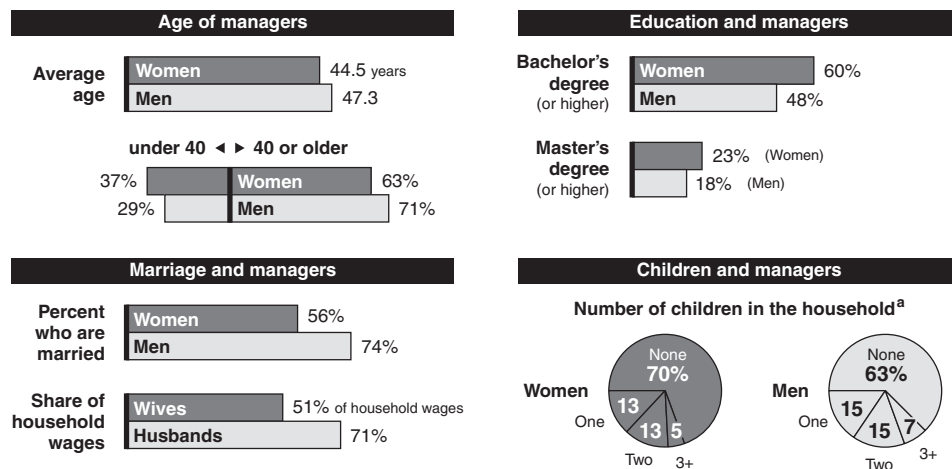
Source: GAO analysis of American Community Survey data.

OTHER SERVICES

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

Female managers were younger on average, less likely to be married or have children in the household, and more likely to work part-time than male managers. In contrast to most other industries, female managers in other services had more education than male managers. Among married managers, women contributed a smaller share than men of their respective household wages.¹⁰

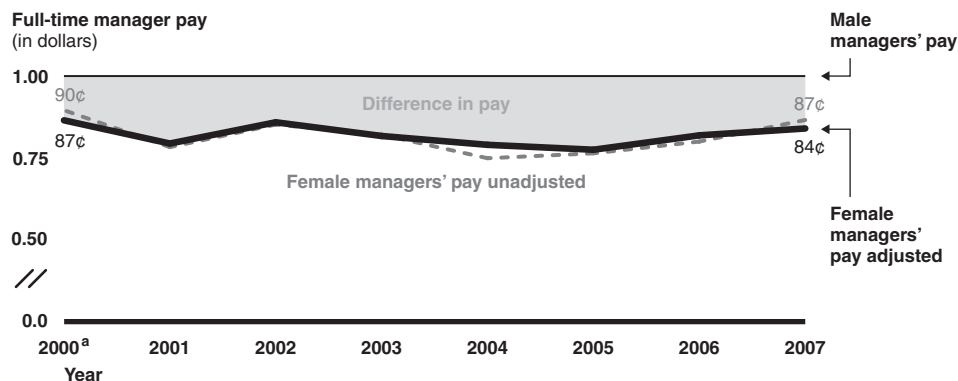


Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

The adjusted pay difference fluctuated between 2000 and 2007. In 2000, the adjusted difference in pay between female and male managers was not statistically significant.

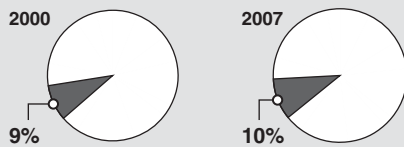


Source: GAO analysis of American Community Survey data.

^aThere was no statistically significant difference between female and male managers' pay in 2000.

¹⁰In 2000, the differences in the percentages of managers who were aged 40 and older, had master's degrees, and had children in the household were not statistically significant. Other results were similar to 2007.

Percentage of professional and business services employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the professional and business services sector included, for example, account executives and administrative services managers.

Total workers

2000: 12.6 million
2007: 14.7 million

Total management positions

2000: 1.2 million
2007: 1.6 million

Estimated female representation

2000
Managers: 40 percent
Nonmanagers: 46 percent
2007
Managers: 38 percent
Nonmanagers: 45 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$52,000
Male managers: \$84,000
2007
Female managers: \$63,000
Male managers: \$90,000

Percent working part-time

2000
Female managers: 24 percent
Male managers: 16 percent
2007
Female managers: 26 percent
Male managers: 16 percent

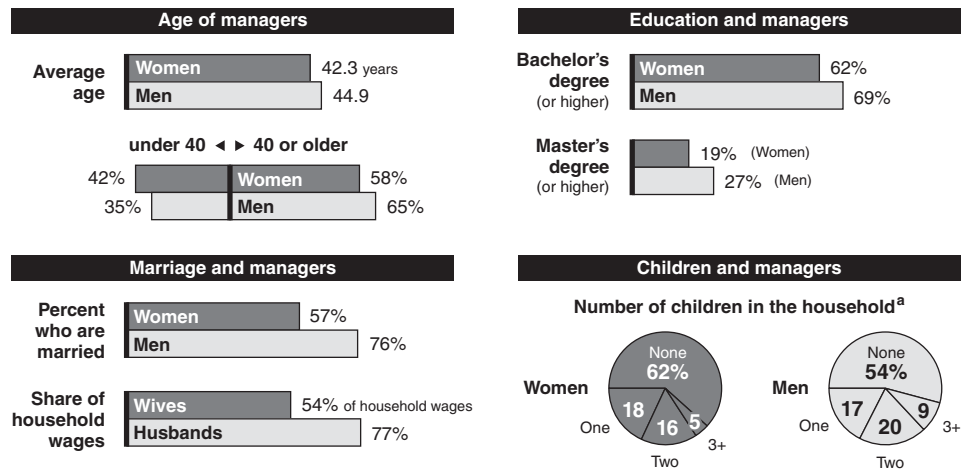
Source: GAO analysis of American Community Survey data.

PROFESSIONAL AND BUSINESS SERVICES

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

Female managers in professional and business services were younger and had less education on average, were less likely to be married or have children in the household, and were more likely to work part-time than male managers. Among married managers, women contributed a smaller share than men of their respective household wages.¹¹

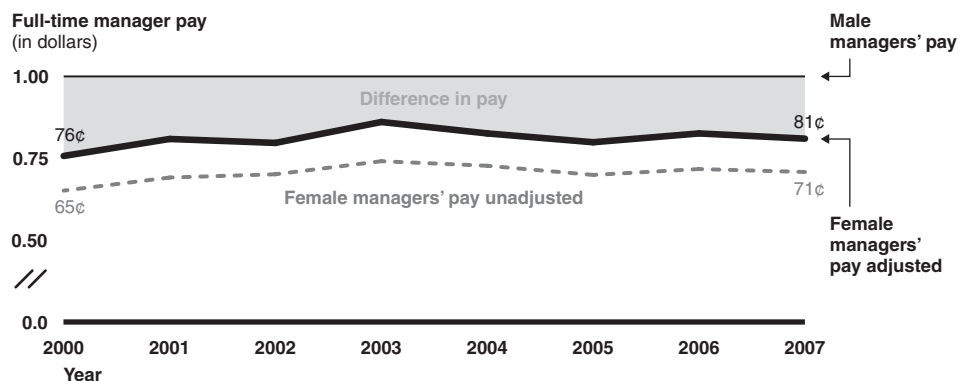


Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

The adjusted pay difference fluctuated between 2000 and 2007. Female managers earned between 80 and 83 cents for every dollar earned by male managers in most years, with a low of 76 cents and a high of 86 cents.



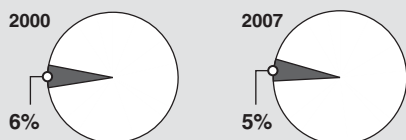
Source: GAO analysis of American Community Survey data.

¹¹Results were generally similar in 2000. However, the difference in the percentage of male and female managers who had children in the household was not statistically significant in 2000.

PUBLIC ADMINISTRATION

Industry Snapshot

Percentage of public administration employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the public administration sector included, for example, city and tribal council members, county supervisors, and tax commissioners.

Total workers

2000: 7.9 million
2007: 7.8 million

Total management positions

2000: 700,000
2007: 700,000

Estimated female representation

2000
Managers: 41 percent
Nonmanagers: 42 percent
2007
Managers: 45 percent
Nonmanagers: 42 percent

Median salaries for full-time managers (2007 dollars)

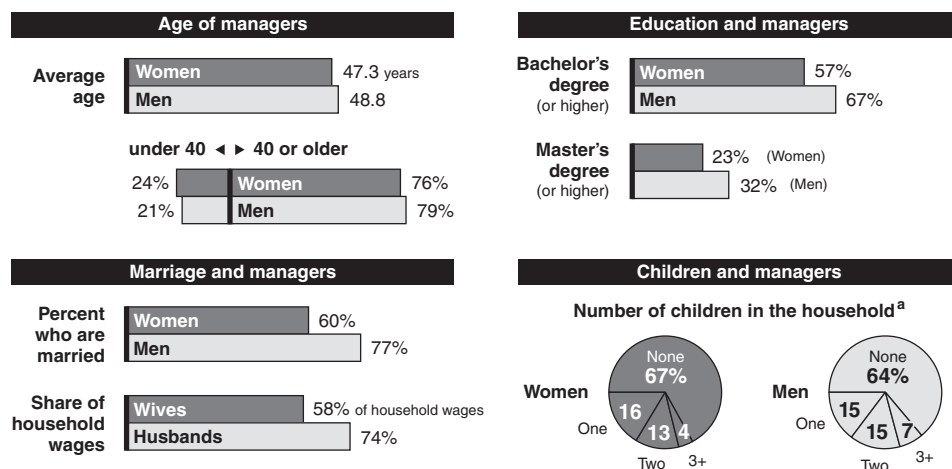
2000
Female managers: \$51,000
Male managers: \$64,000
2007
Female managers: \$60,000
Male managers: \$74,000

Percent working part-time

2000
Female managers: 24 percent
Male managers: 17 percent
2007
Female managers: 20 percent
Male managers: 16 percent

Estimates for Characteristics of Managers by Gender, 2007

Female managers in public administration were younger and had less education on average, were less likely to be married, and were more likely to work part-time than male managers. Among married managers, women contributed a smaller share than men of their respective household wages.¹²

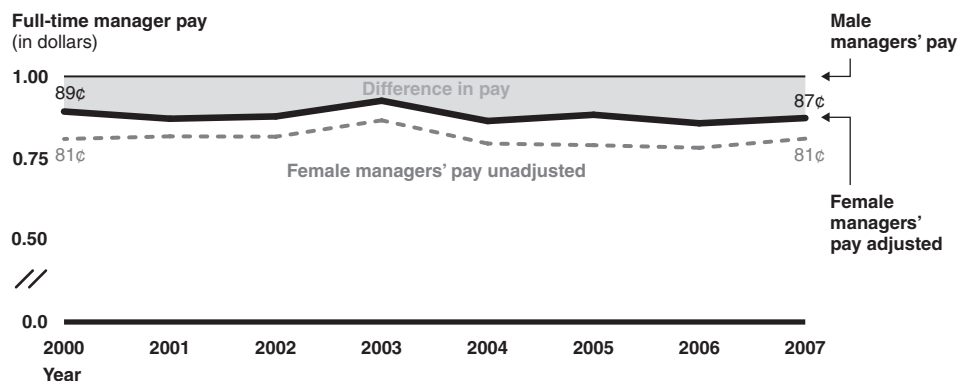


Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

The adjusted pay difference fluctuated between 2000 and 2007. Female managers earned 86 to 89 cents for every dollar earned by male managers in most years, but earned a high of 93 cents in 2003.

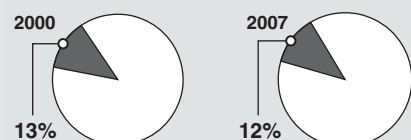


Source: GAO analysis of American Community Survey data.

Source: GAO analysis of American Community Survey data.

¹²In 2000, the differences in the percentages of male and female managers who were aged 40 and older, worked part-time, and had children in the household were not statistically significant. Other results were similar to results in 2007.

Percentage of retail trade employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the retail trade sector included, for example, department store managers, merchandise managers, and motor vehicle dealership managers.

Total workers

2000: 17.7 million
2007: 18.0 million

Total management positions

2000: 700,000
2007: 500,000

Estimated female representation

2000
Managers: 38 percent
Nonmanagers: 51 percent
2007
Managers: 36 percent
Nonmanagers: 51 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$39,000
Male managers: \$63,000
2007
Female managers: \$48,000
Male managers: \$67,000

Percent working part-time

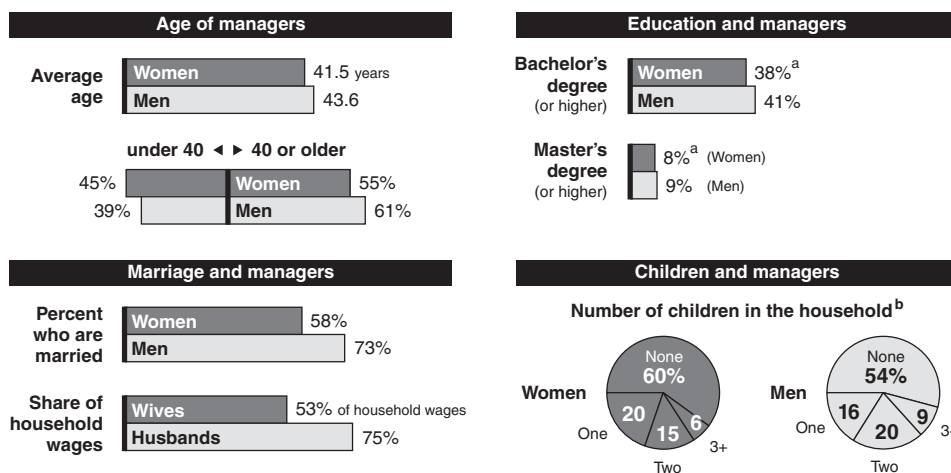
2000
Female managers: 24 percent
Male managers: 15 percent
2007
Female managers: 22 percent
Male managers: 14 percent

RETAIL TRADE

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

Female managers in retail trade were younger on average, less likely to be married or have children in the household, and more likely to work part-time than male managers. The differences in the percentages of managers with bachelor's and masters' degrees were not statistically significant. Among married managers, women contributed a smaller share than men of their respective household wages.¹³



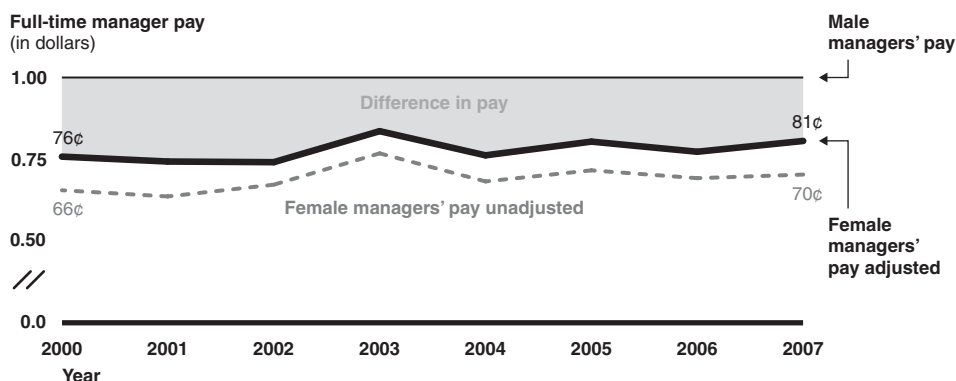
Source: GAO analysis of American Community Survey data.

^aThere was no statistically significant difference between female and male managers.

^bThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

The adjusted pay difference narrowed between 2000 and 2007 despite fluctuation.



Source: GAO analysis of American Community Survey data.

¹³In 2000, the differences in the percentages of managers who were aged 40 and older and had children in the household were not statistically significant. In addition, the difference in the percentage of managers with bachelor's degrees was statistically significant, with female managers less likely to have a bachelor's degree than male managers. Other results in 2000 were similar to results in 2007.

Percentage of transportation and utilities employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions within the transportation and utilities sector included, for example, transportation supervisors, electrical superintendents, and warehouse managers.

Total workers

2000: 7.4 million
2007: 7.6 million

Total management positions

2000: 500,000
2007: 600,000

Estimated female representation

2000
Managers: 26 percent
Nonmanagers: 26 percent
2007
Managers: 26 percent
Nonmanagers: 25 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$48,000
Male managers: \$66,000
2007
Female managers: \$52,000
Male managers: \$70,000

Percent working part-time

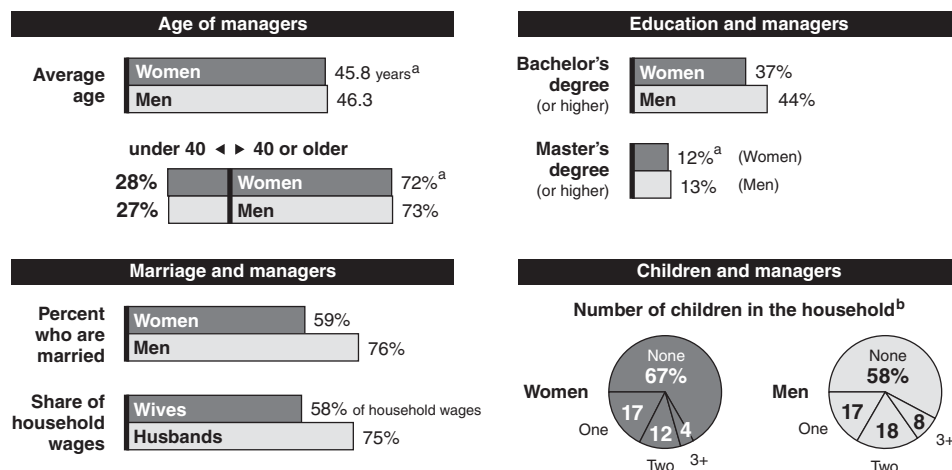
2000
Female managers: 25 percent
Male managers: 11 percent
2007
Female managers: 22 percent
Male managers: 15 percent

TRANSPORTATION AND UTILITIES

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

Female managers had less education on average, were less likely to be married or have children in the household, and were more likely to work part-time than male managers. The differences in average age and in the percentages of managers aged 40 and older and with master's degrees were not statistically significant. Among married managers, women contributed a smaller share than men of their respective household wages.¹⁴



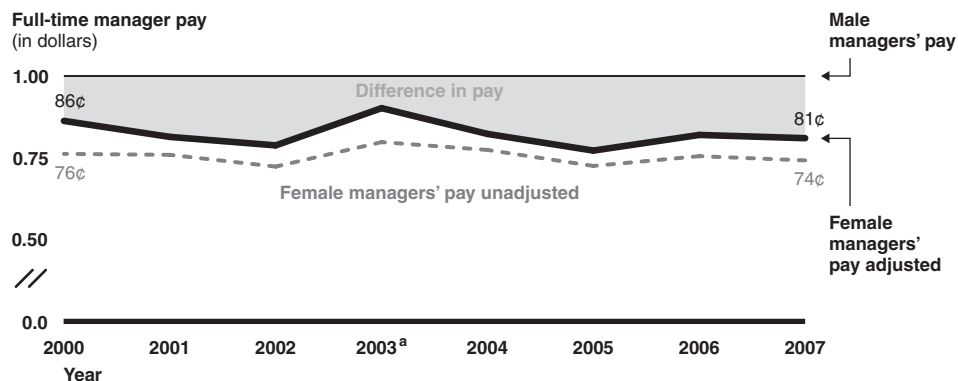
Source: GAO analysis of American Community Survey data.

^aThere was no statistically significant difference between female and male managers.

^bThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

The adjusted difference in pay fluctuated between 2000 and 2007, but was not statistically significant in 2003.



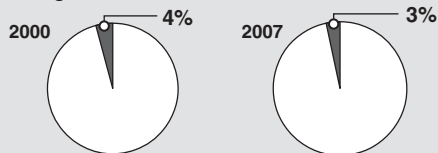
Source: GAO analysis of American Community Survey data.

^aThere was no statistically significant difference between female and male managers in 2003.

¹⁴In 2000, the differences in age and in the percentage of managers aged 40 and older were statistically significant; on average, female managers were younger and less likely to be 40 and older than male managers. In addition, the differences in the percentages of managers with bachelor's degrees and with children were not statistically significant. Other results were similar to results in 2007.

Source: GAO analysis of American Community Survey data.

Percentage of wholesale trade employees among all industries



Source: GAO analysis of American Community Survey data.

Industry Characteristics

Management positions in the wholesale trade sector included, for example, purchasing managers and general operations managers.

Total workers

2000: 5.5 million
2007: 4.7 million

Total management positions

2000: 400,000
2007: 400,000

Estimated female representation

2000
Managers: 24 percent
Nonmanagers: 31 percent
2007
Managers: 26 percent
Nonmanagers: 31 percent

Median salaries for full-time managers (2007 dollars)

2000
Female managers: \$47,000
Male managers: \$72,000
2007
Female managers: \$55,000
Male managers: \$76,000

Percent working part-time

2000
Female managers: 17 percent
Male managers: 15 percent
2007
Female managers: 23 percent
Male managers: 15 percent

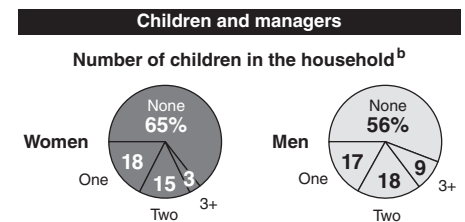
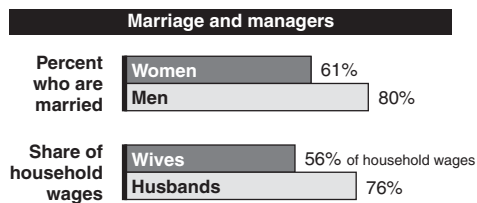
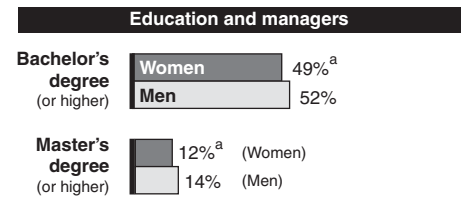
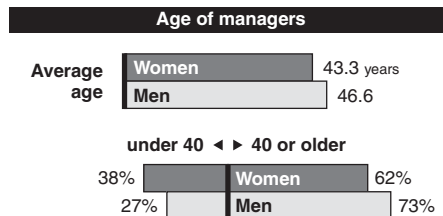
Source: GAO analysis of American Community Survey data.

WHOLESALE TRADE

Industry Snapshot

Estimates for Characteristics of Managers by Gender, 2007

Female managers were younger on average, less likely to be married or have children in the household, and were more likely to work part-time than male managers. The differences in the percentages of managers with bachelor's and master's degrees were not statistically significant. Among married managers, women contributed a smaller share than men of their respective household wages.¹⁵

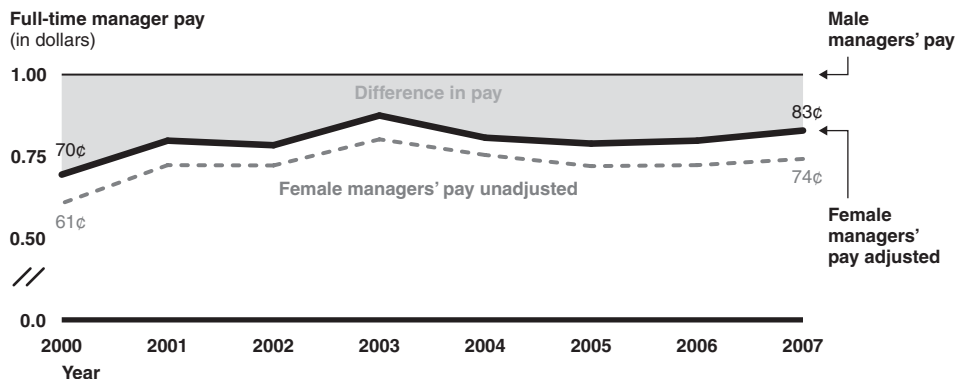


Source: GAO analysis of American Community Survey data.

^aThere was no statistically significant difference between female and male managers.^bThis refers to the number of children under age 18 living in a household with a manager.

Estimated Pay Differences for Full-Time Managers, 2000-2007

The adjusted pay difference fluctuated between 2000 and 2007. In most years, female managers earned 79 to 83 cents for every dollar earned by male managers.



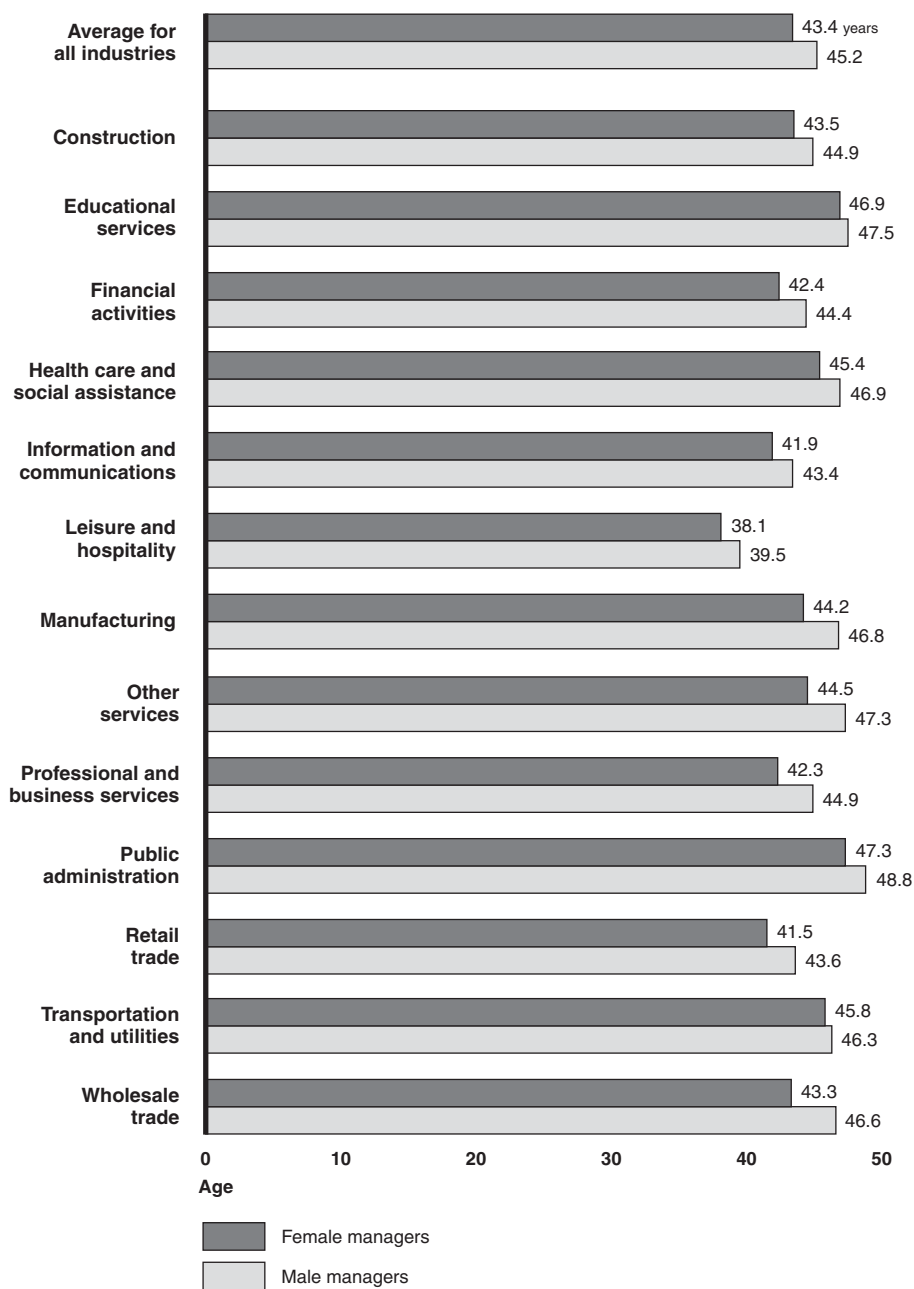
Source: GAO analysis of American Community Survey data.

¹⁵In 2000, the difference in the percentage of managers with bachelor's degrees was statistically significant with female managers being less likely to have a bachelor's degree than male managers. The differences in the percentages of managers who were aged 40 and older, worked part-time, and had children in the household were not statistically significant. Other results were similar to 2007.

Enclosure II

Key Characteristics of Managers by Industry

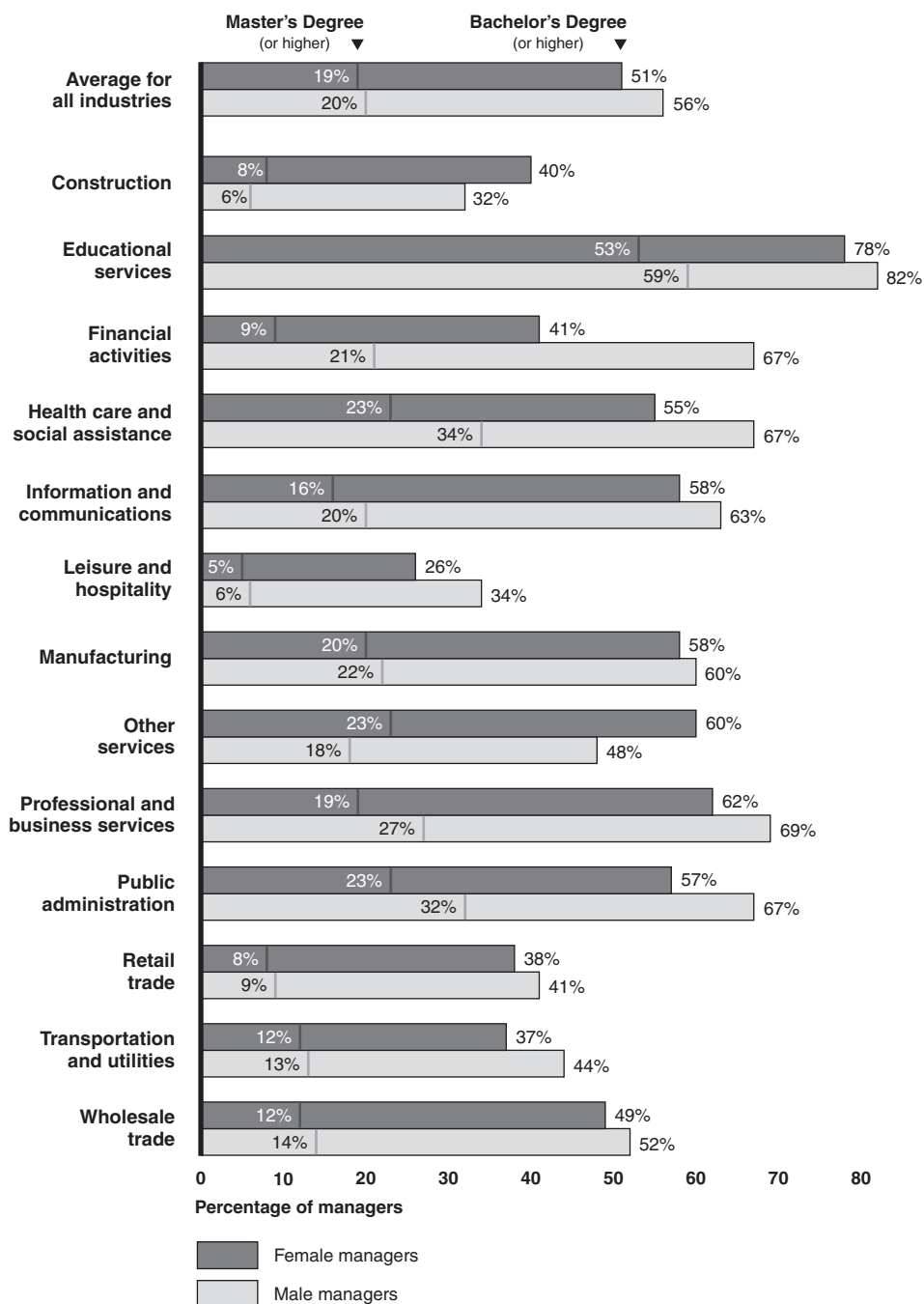
Figure 1: Estimated Average Age of Managers, 2007



Source: GAO analysis of American Community Survey data.

Enclosure II

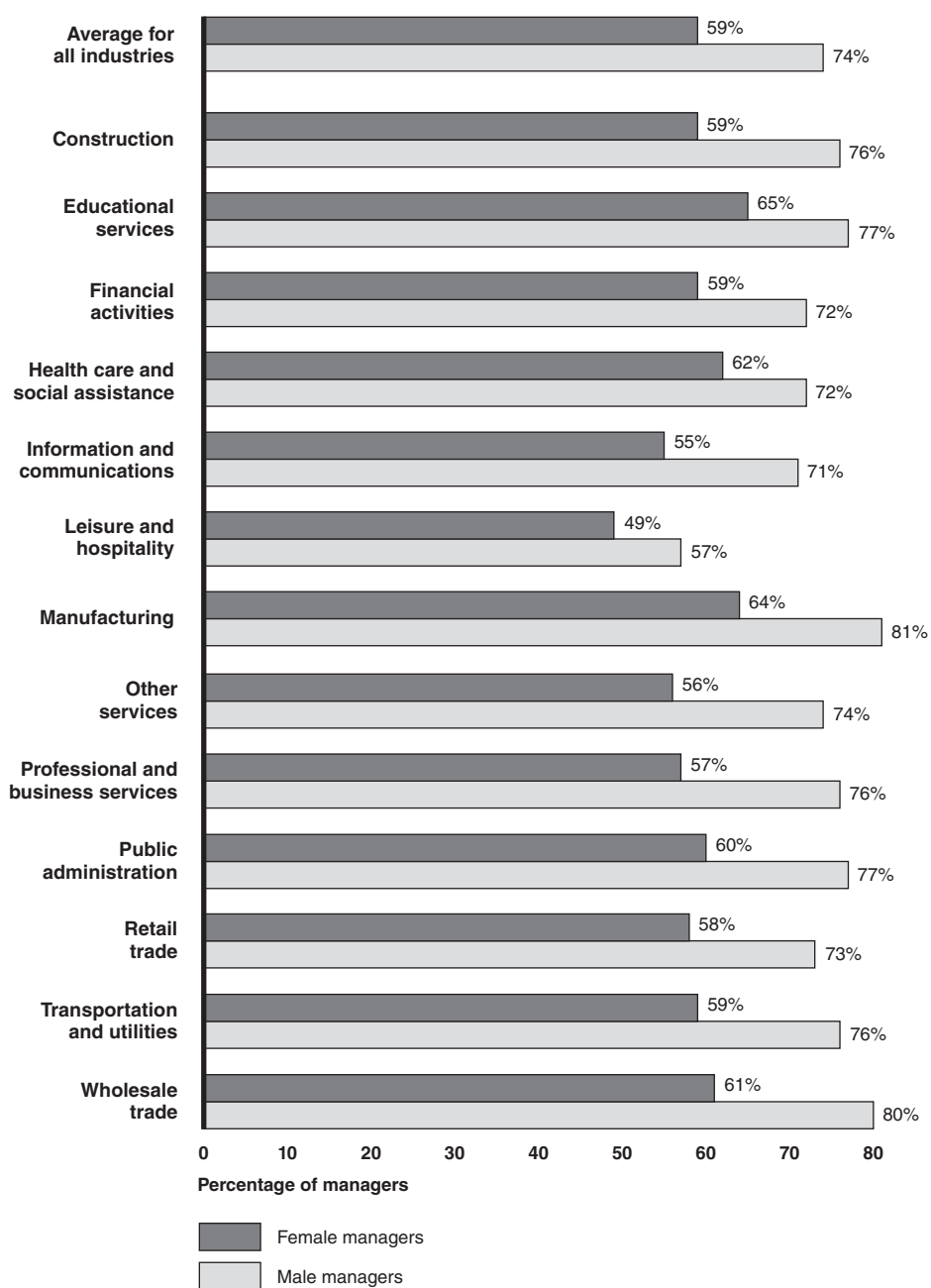
Figure 2: Estimated Educational Attainment of Managers, 2007



Source: GAO analysis of American Community Survey data.

Enclosure II

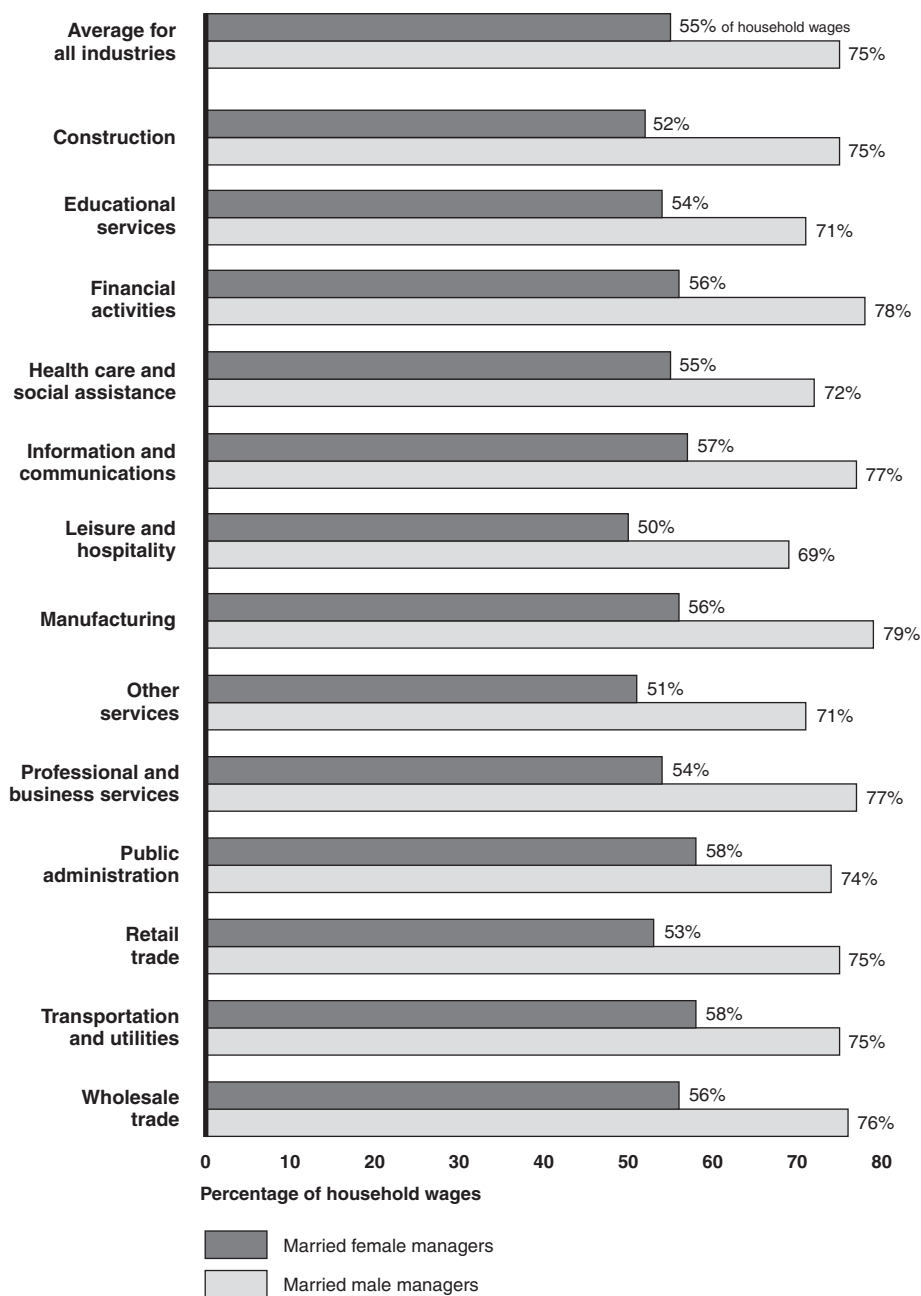
Figure 3: Estimated Percentage of Managers Who Were Married, 2007



Source: GAO analysis of American Community Survey data.

Enclosure II

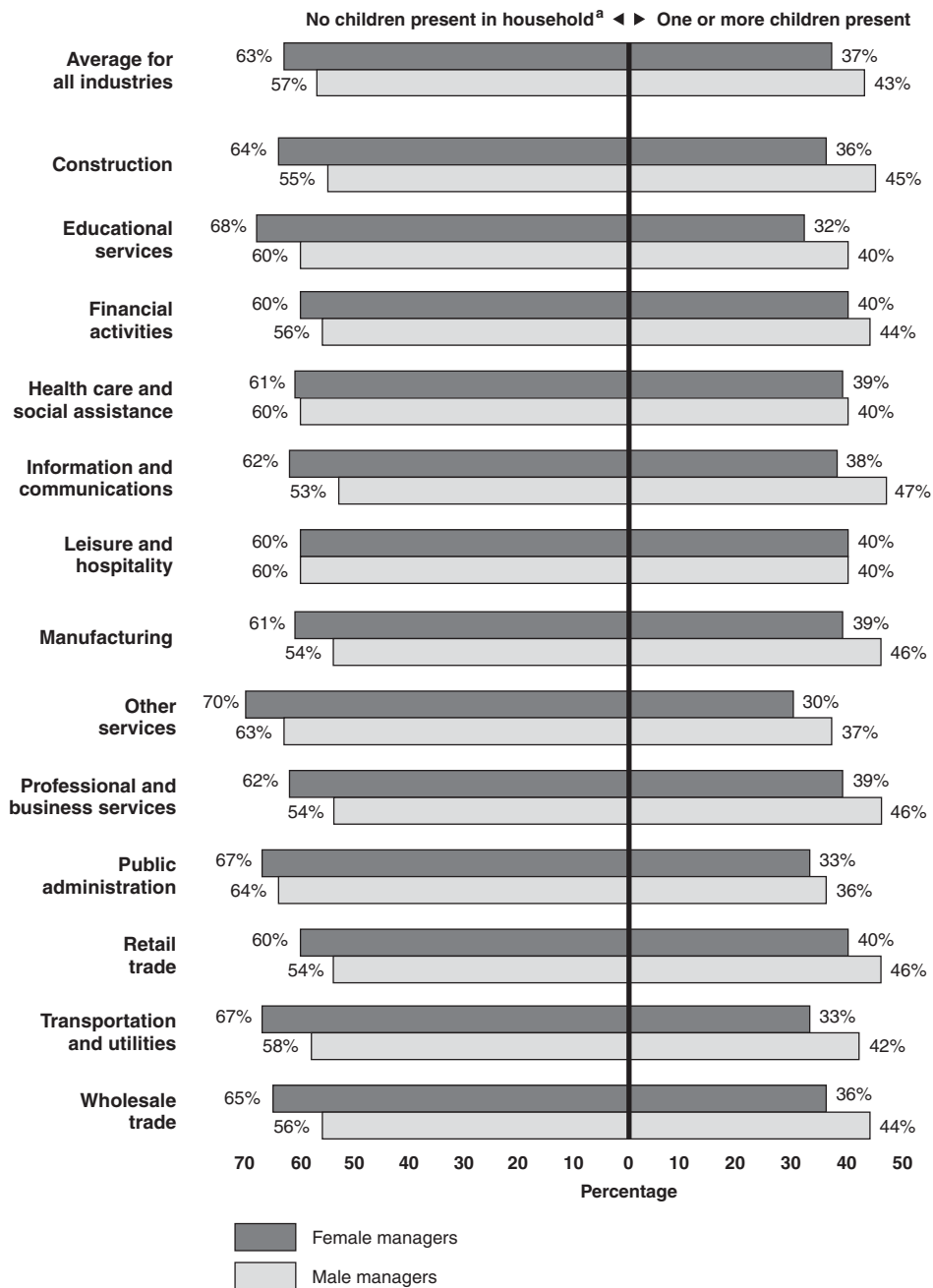
Figure 4: Estimated Percentage Contribution Married Managers Made to the Total Wages of Their Households, 2007



Source: GAO analysis of American Community Survey data.

Enclosure II

Figure 5: Estimated Percentage of Managers With and Without Children in the Household, 2007



Source: GAO analysis of American Community Survey data.

^aThis refers to the number of children under age 18 living in a household with a manager.

Enclosure III

Objectives, Scope, and Methodology

Our review focused on (1) the representation of women in management positions compared to their representation in nonmanagement positions by industry, (2) the key characteristics of women and men in management positions by industry, and (3) the difference in pay between women and men in full-time management positions by industry. To answer these questions, we analyzed data from the Public Use Microdata Sample of the American Community Survey (ACS) for the years 2000 through 2007.

Data

For all three research questions, we used data from the U.S. Census Bureau's (Census Bureau) ACS database. We selected ACS rather than the Current Population Survey, which was used in GAO's 2001 report on this issue, due to the greater number of observations in ACS, which allowed us to have greater precision when looking at specific industries. ACS is an ongoing national survey conducted by the Census Bureau that collects information from a sample of households. ACS replaced the decennial census long-form questionnaire as a source for social, economic, demographic, and housing information.

Industry Selection

We organized approximately 250 discrete industries represented in ACS into 13 industry sectors that generally follow the ACS broad industry sectors with some minor modifications. For example, we renamed some sectors, and separated educational services from health care and social assistance. The industry sectors we included represent the entire workforce, except for the agriculture and mining sectors.

We excluded agriculture because, according to the Bureau of Labor Statistics, farmers may have other sources of income, such as from federal subsidies, which may not be reported in ACS as income and would complicate our analysis on pay differentials. We excluded mining because we found a relatively limited number of observations in the mining industry. We also excluded from the analysis those individuals living in group quarters and those who were not living in a U.S. state or the District of Columbia.¹ These restrictions resulted in a loss of about 3 percent of the managers and 4 percent of nonmanagers represented in 2007.

¹According to ACS, a group quarters is a place where people live or stay in a group living arrangement. Examples include college residence halls, nursing homes, group homes, military barracks, correctional facilities, and mental hospitals.

Enclosure III

Definitions

- Our definition of working full time included those who, over the past 12 months, reported usually working 35 hours or more per week and 50 weeks or more per year, and those with wages greater than zero.
- Our definition of individuals working part-time included those who were not working full time, but reported usually working some hours per week, weeks worked, and wages earned, all over the past 12 months.
- Workers were individuals who reported working one or more weeks during the past 12 months and reported receiving wage and salary income. Our sample did not include self-employed workers unless they also received wage and salary income. We relied on the individual's reported industry of employment; however, it may be that some individuals are employed in multiple industries, which our analysis did not capture.
- We defined managers as all individuals classified under the manager occupation category in ACS, which includes a wide range of more than 1,000 job titles.² Job titles under the manager code include positions such as school principals, radio station managers, zoo directors, parking garage managers, nurse administrators, and chief executives. The ACS manager occupation does not include first-line supervisors who have largely the same duties and same levels of education as those they supervise.
- Due to the structure of ACS data, our definition of having children varied depending on whether we were looking at only women or comparing women and men. The ACS records information on the presence of children in two ways: (1) at the household level and (2) with respect to individuals' own children within the household. We used the household-level variable to compare women and men, and the individual-level variable to calculate estimates for women only. The two variables are generally consistent with one another. For example, in 2007, about 36 percent of female managers had one or more of their own children living with them (according to the individual-level variable), and about 37 percent lived in a household where there were one or more of the householder's own children (according to the household-level variable). In both cases, a person's "own child" includes children by birth, marriage (step), or adoption.

²According to Census Bureau officials, occupations refer to categories of job titles. Some job titles directly match to a specific occupation, such as Chief Executive Officer to chief executive; others may cross into more than one occupation. Occupations may also be restricted by industry.

Enclosure III

Data Reliability

We assessed the reliability of the ACS generally and of data elements that were critical to our analyses and determined that, despite the limitations outlined below, they were sufficiently reliable for our analyses. Specifically, we:

- reviewed documentation on the general design and methods of the ACS and on the specific elements of the ACS data that were used in our analysis,
- interviewed Census Bureau officials knowledgeable about the ACS data and consulted these officials periodically throughout the course of our study, and
- completed our own electronic data testing to assess the accuracy and completeness of the data used in our analyses.

As a result of these efforts, we identified the following limitations with the data:

- **Inconsistency of data sample.** The data sample was not consistent in size over 2000 to 2007. Since 2000, the ACS expanded its survey across the United States. However, currently available Public Use Microdata Sample files for the earliest years of ACS include sufficient data from a supplemental survey effort to generate reliable national-level estimates. Based on discussions with Census Bureau staff responsible for the ACS sampling, we determined the overall sample sizes are large enough to produce statistically reliable results for each industry sector during each year. However, in cases where a difference was not statistically significant in one year but was in another, we could not rule out the possibility that an analysis of a larger sample would have found statistically significant differences in both years.
- **Manager definition.** The manager category in the ACS was a slightly imperfect measure of the true population of managers in the workforce. The manager category in ACS included positions which may have disparate levels of responsibility. ACS did not include variables describing the level of responsibility of a manager, nor years of experience. Therefore, we were not able to analyze these separately in our analysis of pay differentials. In addition, the “manager” category does not include persons with de facto management responsibilities not reflected in their titles. For example, a partner in a law firm may not be listed as a manager even though he or she may have work responsibilities similar to those of a manager.

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- **Self-guided survey.** The structure of data collection for ACS may introduce errors. Since information was collected through a self-guided survey without interviews, there was no opportunity during data collection to clarify responses.³
- **Underreporting of part-time hours.** The survey questionnaire had an open-ended question regarding number of hours usually worked each week. Some researchers studying this ACS question found that part-time workers tended to under-report their weekly hours worked.⁴ Because part-time workers are more likely to be women, their hourly earnings may be more likely to be over-estimated in the data. We restricted the sample for the analysis of pay differentials to full-time workers to address this data limitation.
- **Coding of open-ended responses.** There are inherent limitations in coding open-ended responses. We interviewed Census Bureau officials and reviewed documentation regarding their protocol for coding occupation and industry for ACS data entry and internal controls on coding open-ended survey responses, and have judged them to be sufficiently reliable for our purposes.

The studies by Catalyst, Inc., on the representation of women among boards of directors and top earners at Fortune 500 companies were reviewed by multiple analysts, including a social scientist with expertise in estimation from survey data. In addition, we interviewed and consulted with staff members from Catalyst, Inc., who were knowledgeable about the organization's methods of collecting, analyzing, and reporting data in these studies. We determined, based both on these interviews and on our review of the studies, that the data and methods were sufficiently reliable for generating the estimates we present in this report.

Methods

Descriptive Statistics

To analyze our first question on the representation of women in management positions, we used ACS to estimate the percentage of management positions within each industry held by women compared to the percentage of nonmanagement positions held by women in the same industry to take account of industries having different gender compositions. We performed the same analysis to compare the percentage of managers and nonmanagers who were mothers with children under 18 in the household.

³According to Census Bureau officials, Computer Assisted Telephone Interviewing and Computer Assisted Personal Interviewing are available for respondents who do not complete the paper questionnaire.

⁴Nathaniel Baum-Snow and Derek Neal, "Mismeasurement of Usual Hours Worked in the Census and ACS," *Economics Letters*, Vol. 102, Issue 1 (2009).

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For the second question, we used ACS to generate descriptive statistics on male and female managers' education levels, age, part-time status, marital status, and the presence and number of children in the household. For married managers, we computed their share of household wages for the years 2000 and 2007. For full-time managers, we computed the median salary. Where we presented data on median salaries, we adjusted the salaries to 2007 dollars, and rounded the salaries to the nearest one thousand.

To take account of the sample design used in the ACS, we used the person weight present in the ACS data file.⁵ For each measure, we tested whether the difference between men and women was statistically significant at a 95 percent confidence level in 2007 or in 2000. In addition, we tested whether the change for each gender between 2000 and 2007 was statistically significant. For the differences in percentages, we calculated sampling errors using the design-factor method described in Census Bureau documentation on the proper use of ACS data. For 2007, we also estimated confidence intervals using replicate weights provided with the ACS; these weights were not available for 2000 ACS data. When the statistical significance of differences calculated using the two methods differed, we present the results from the replicate method of variance estimation.

We chose to report on the years 2000 through 2007 to avoid concerns about the role of the recession that began in December, 2007 and to avoid any complications to the analysis due to the change of survey questions ACS made in 2008. However, for each measure, we tested whether the difference between men and women was statistically significant at a 95 percent confidence level in 2008 as well to see any changes since 2007. In addition, we tested whether the change between 2007 and 2008 was statistically significant for each gender. Except for the percentage of workers that were part-time, which was affected by a change in a survey question in 2008, we found there were very few statistically significant differences between 2007 and 2008 for any of the descriptive statistics.

Multivariate Regression Analysis Approach

For the third question, we used multivariate regression analysis to examine the differences in pay between male and female managers. We limited the analysis to those working full-time, because of limitations with calculating wages and hours for part-time workers. For each industry, and for all industries combined, we conducted a regression analysis of full-time managers within the ACS data set, which includes men and women. In this analysis, we used an indicator variable for gender to measure the average difference between men and women's salaries. By including additional variables in the regression, we adjusted for other characteristics of men and women, and determined the extent to which the difference was (or was not) explained by the addition of those variables. Specifically:

⁵In the ACS data, each person represents different numbers of people in the population because of the ACS sampling design. To account for this, the Census Bureau recommends using a "person weight" to adjust the sample to represent the full population.

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- In order to determine the extent to which gender differences persist when other characteristics of managers are taken into account, we performed multivariate regression analysis to predict the logarithm of annual salary.

$$\text{(Without controlling for factors)} \text{Ln(annual salary)} = \alpha + \beta * (\text{female}) + \varepsilon$$

$$\begin{aligned} \text{(With controlling for factors)} \quad \text{Ln(annual salary)} &= \alpha + \beta * (\text{female}) \\ &+ \delta * (\text{set of characteristics of the individual}) + \varepsilon \end{aligned}$$

- Because we used the logarithm of the annual salary, the standard interpretation of β , the coefficient on female, is that it represents the average log point difference between men and women, after adjusting for the other variables in the model. Following practice in the economic literature, that coefficient was modified, to more closely approximate a percent difference (by $\exp(\text{coefficient on female})$).⁶
- We performed this analysis for 8 years of ACS data (2000-2007), for each industry separately, and for all industries combined. To take account of the sample design used in the ACS, we used the person weight present in the ACS data file.
- Our regression model included age, age squared, hours worked beyond full time, dummy variables for race,⁷ Hispanic status, state, veteran status, education level, citizenship, marital status, and presence of children in the household. In addition, our regression that combined all industries included a dummy variable for each industry.

We acknowledge there are many variables and methods of analysis that could be used that would yield different numbers for the adjusted differences in pay. Some variables we would have included but were not available included managerial responsibility, field of study, and years of experience.

The estimated 95 percent confidence intervals around the estimated adjusted differences in pay for 2000 through 2007 are presented in table 1.

⁶Francine Blau and Lawrence Kahn, "Gender Differences in Pay," *The Journal of Economic Perspectives*, Vol. 14, No. 4 (2000). This is an issue that is especially important if the pay gaps are large. See Robert Halvorsen and Raymond Palmquist, "The Interpretation of Dummy Variables in Semi-Logarithmic Equations," *American Economic Review*, Vol. 70, No. 3 (1980).

⁷While we included nine different racial categories in the regression, more than 95 percent of the individuals were White, African American, or Asian.

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Table 1: Estimates and Confidence Intervals for the Estimated Adjusted Differences in Pay, 2000-2007

Industry	Year	Lower bound	Estimated female managers' earnings for every dollar earned by a male manager	Upper bound
All industries combined				
	2000	\$0.77	\$0.79	\$0.81
	2001	\$0.79	\$0.80	\$0.81
	2002	\$0.79	\$0.80	\$0.81
	2003	\$0.81	\$0.82	\$0.83
	2004	\$0.80	\$0.81	\$0.82
	2005	\$0.80	\$0.81	\$0.82
	2006	\$0.81	\$0.81	\$0.82
	2007	\$0.80	\$0.81	\$0.82
Construction				
	2000	\$0.78	\$0.92	\$1.09
	2001	\$0.72	\$0.78	\$0.84
	2002	\$0.77	\$0.85	\$0.94
	2003	\$0.74	\$0.82	\$0.91
	2004	\$0.71	\$0.78	\$0.85
	2005	\$0.73	\$0.77	\$0.81
	2006	\$0.78	\$0.82	\$0.86
	2007	\$0.75	\$0.78	\$0.82
Educational services				
	2000	\$0.79	\$0.85	\$0.91
	2001	\$0.81	\$0.84	\$0.88
	2002	\$0.82	\$0.85	\$0.89
	2003	\$0.85	\$0.90	\$0.95
	2004	\$0.85	\$0.89	\$0.93
	2005	\$0.82	\$0.85	\$0.87
	2006	\$0.84	\$0.86	\$0.88
	2007	\$0.84	\$0.86	\$0.88
Financial activities				
	2000	\$0.66	\$0.72	\$0.79
	2001	\$0.75	\$0.78	\$0.82
	2002	\$0.73	\$0.76	\$0.80
	2003	\$0.76	\$0.79	\$0.83
	2004	\$0.76	\$0.80	\$0.84
	2005	\$0.80	\$0.83	\$0.85
	2006	\$0.79	\$0.81	\$0.83
	2007	\$0.76	\$0.78	\$0.80

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Industry	Year	Lower bound	Estimated female managers' earnings for every dollar earned by a male manager	Upper bound
Health care and social assistance				
	2000	\$0.73	\$0.79	\$0.85
	2001	\$0.75	\$0.79	\$0.83
	2002	\$0.74	\$0.78	\$0.81
	2003	\$0.72	\$0.76	\$0.80
	2004	\$0.76	\$0.80	\$0.84
	2005	\$0.75	\$0.78	\$0.80
	2006	\$0.77	\$0.79	\$0.81
	2007	\$0.78	\$0.81	\$0.83
Information and communications				
	2000	\$0.74	\$0.82	\$0.90
	2001	\$0.76	\$0.81	\$0.86
	2002	\$0.77	\$0.83	\$0.90
	2003	\$0.76	\$0.82	\$0.88
	2004	\$0.82	\$0.90	\$0.97
	2005	\$0.81	\$0.85	\$0.89
	2006	\$0.79	\$0.83	\$0.87
	2007	\$0.81	\$0.84	\$0.88
Leisure and hospitality				
	2000	\$0.72	\$0.79	\$0.87
	2001	\$0.78	\$0.82	\$0.86
	2002	\$0.76	\$0.80	\$0.85
	2003	\$0.73	\$0.79	\$0.84
	2004	\$0.76	\$0.80	\$0.85
	2005	\$0.77	\$0.80	\$0.83
	2006	\$0.78	\$0.81	\$0.83
	2007	\$0.78	\$0.80	\$0.83
Manufacturing				
	2000	\$0.79	\$0.85	\$0.90
	2001	\$0.77	\$0.80	\$0.83
	2002	\$0.77	\$0.80	\$0.83
	2003	\$0.78	\$0.81	\$0.84
	2004	\$0.79	\$0.83	\$0.86
	2005	\$0.82	\$0.84	\$0.87
	2006	\$0.81	\$0.83	\$0.86
	2007	\$0.82	\$0.84	\$0.86

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Industry	Year	Lower bound	Estimated female managers' earnings for every dollar earned by a male manager	Upper bound
Other services				
	2000	\$0.70	\$0.87	\$1.07
	2001	\$0.74	\$0.80	\$0.86
	2002	\$0.80	\$0.86	\$0.93
	2003	\$0.76	\$0.82	\$0.88
	2004	\$0.73	\$0.79	\$0.85
	2005	\$0.74	\$0.78	\$0.82
	2006	\$0.78	\$0.82	\$0.86
	2007	\$0.80	\$0.84	\$0.88
Professional business services				
	2000	\$0.70	\$0.76	\$0.82
	2001	\$0.78	\$0.81	\$0.85
	2002	\$0.76	\$0.80	\$0.84
	2003	\$0.82	\$0.86	\$0.90
	2004	\$0.79	\$0.83	\$0.87
	2005	\$0.78	\$0.80	\$0.83
	2006	\$0.81	\$0.83	\$0.85
	2007	\$0.79	\$0.81	\$0.84
Public administration				
	2000	\$0.82	\$0.89	\$0.97
	2001	\$0.83	\$0.87	\$0.91
	2002	\$0.84	\$0.88	\$0.92
	2003	\$0.88	\$0.93	\$0.98
	2004	\$0.83	\$0.87	\$0.90
	2005	\$0.86	\$0.88	\$0.91
	2006	\$0.83	\$0.86	\$0.89
	2007	\$0.85	\$0.87	\$0.90
Retail trade				
	2000	\$0.68	\$0.76	\$0.85
	2001	\$0.70	\$0.74	\$0.79
	2002	\$0.69	\$0.74	\$0.80
	2003	\$0.78	\$0.84	\$0.90
	2004	\$0.71	\$0.76	\$0.82
	2005	\$0.77	\$0.81	\$0.85
	2006	\$0.74	\$0.77	\$0.81
	2007	\$0.77	\$0.81	\$0.85
Transportation and utilities				
	2000	\$0.77	\$0.86	\$0.97

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Industry	Year	Lower bound	Estimated female managers' earnings for every dollar earned by a male manager	Upper bound
	2001	\$0.76	\$0.82	\$0.88
	2002	\$0.72	\$0.79	\$0.86
	2003	\$0.77	\$0.90	\$1.06
	2004	\$0.75	\$0.82	\$0.90
	2005	\$0.74	\$0.77	\$0.81
	2006	\$0.78	\$0.82	\$0.86
	2007	\$0.78	\$0.81	\$0.85
Wholesale trade				
	2000	\$0.60	\$0.70	\$0.81
	2001	\$0.74	\$0.80	\$0.87
	2002	\$0.72	\$0.79	\$0.86
	2003	\$0.81	\$0.88	\$0.95
	2004	\$0.74	\$0.81	\$0.89
	2005	\$0.74	\$0.79	\$0.84
	2006	\$0.75	\$0.80	\$0.85
	2007	\$0.79	\$0.83	\$0.88

Source: GAO calculations based on American Community Survey data.

Note: We calculated the margin of error by using a 95 percent confidence interval of the regression coefficient estimate.

Alternative Models

To determine whether the results of our analysis for all industries combined were sensitive to the precise variables included, we estimated alternative versions of our reported model. Specifically, we estimated models that (1) did not include dummy variables for each industry, (2) did not adjust for marital status or presence of children, and (3) included an interaction effect between type of education and age. We found that not including a dummy variable for industry produced a larger gap, but the results of the other two models were similar. The ranges of estimates are shown in table 2.

Table 2: Ranges of Estimates of Women's Pay Relative to Men's Under Alternative Models

Model	Minimum estimate	Maximum estimate
Without industry controls	\$0.77 (+/-0.02)	\$0.79 (+/-0.01)
Without marital status or presence of children	\$0.78 (+/-0.02)	\$0.81 (+/-0.01)
Reported model	\$0.79 (+/-0.02)	\$0.82 (+/-0.01)
Including interaction effect between education and age	\$0.80 (+/-0.02)	\$0.82 (+/-0.01)

Source: GAO analysis of American Community Survey data. The 95 percent margin of error is placed in parenthesis. For all models, the minimum was estimated in 2000 and the maximum was estimated in 2003.

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Including Children in the Salary Gap Analysis

In addition to the analysis described above, we also estimated a segregated model designed to examine the impact of having children in the household on the differences in pay between men and women for our analysis of all industries combined. To do this, we estimated the regression equation two additional times: first for managers with children in the household, and second for managers without children in the household.

The segregated model allowed us to say whether the differences in pay varied for individuals with and without children in the household. Additionally, the segregated model did not assume the importance of factors that influence income (such as education) are the same for those with and without children in the household. Segregated analysis also allowed us to report two results for the differences in pay: one for managers with children in the household—comparing the salary of women with children in the household to that of men with children in the household—and one for managers without children in the household—comparing the salary of women without children in the household to the salary of men without children in the household—in addition to any baseline differences in pay we report for all individuals.

Document Reviews and Interviews

We reviewed selected GAO and other articles and reports on this topic and consulted with experts and Census Bureau officials to review our methods and provide the appropriate context for the report.

Limitations of the Analysis

This report did not attempt to provide an extensive explanation for the difference in earnings between male and female managers, such as by comparing the relative importance of any of the variables in explaining the differences. In addition, our analysis was not designed to determine the presence or absence of discrimination. As shown in table 2 above, models with different variables can result in differences in the estimates.

Because of concerns about disclosing identities of respondents, the Census Bureau limits reported salaries in the publicly available ACS data. The level of limit, or “top-code” varies by state and year. When the pay is top-coded, our calculations use an underestimate of the true salary. If male managers were more likely than female managers to earn the highest wages (and be top-coded), this may have led us to report a smaller average difference in pay than actually exists. For all of the managers in our data across all of the years, we found that approximately 5 percent had wages that were top-coded. However, we did not know the extent to which the true salary is above the top-code.

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GAO Contact and Staff Acknowledgments

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Staff Acknowledgments

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Related GAO Products

Financial Services Industry: Overall Trends in Management-Level Diversity and Diversity Initiatives, 1993-2008. [GAO-10-736T](#). Washington, D.C.: May 12, 2010.

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