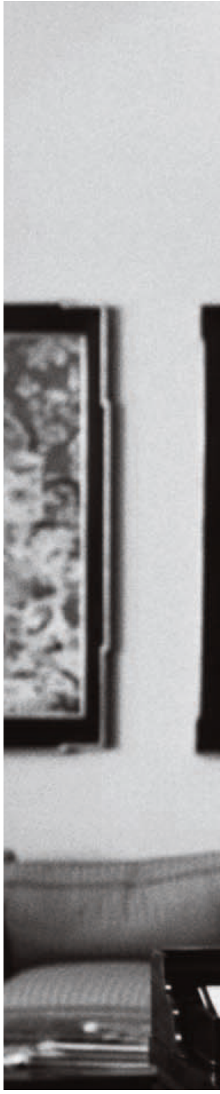
A special issue of the *Regional Review* based on a Boston Fed conference and additional materials and commentary

an introduction

In June 1968, more than 35 years ago, I started my first real job as a management trainee at the Federal Reserve Bank of New York. It was not my first-ever job—I had worked either part- or full-time since I was 14 years old. But it was my first full-time job after graduating from college with a bachelor's degree in political science a month earlier.

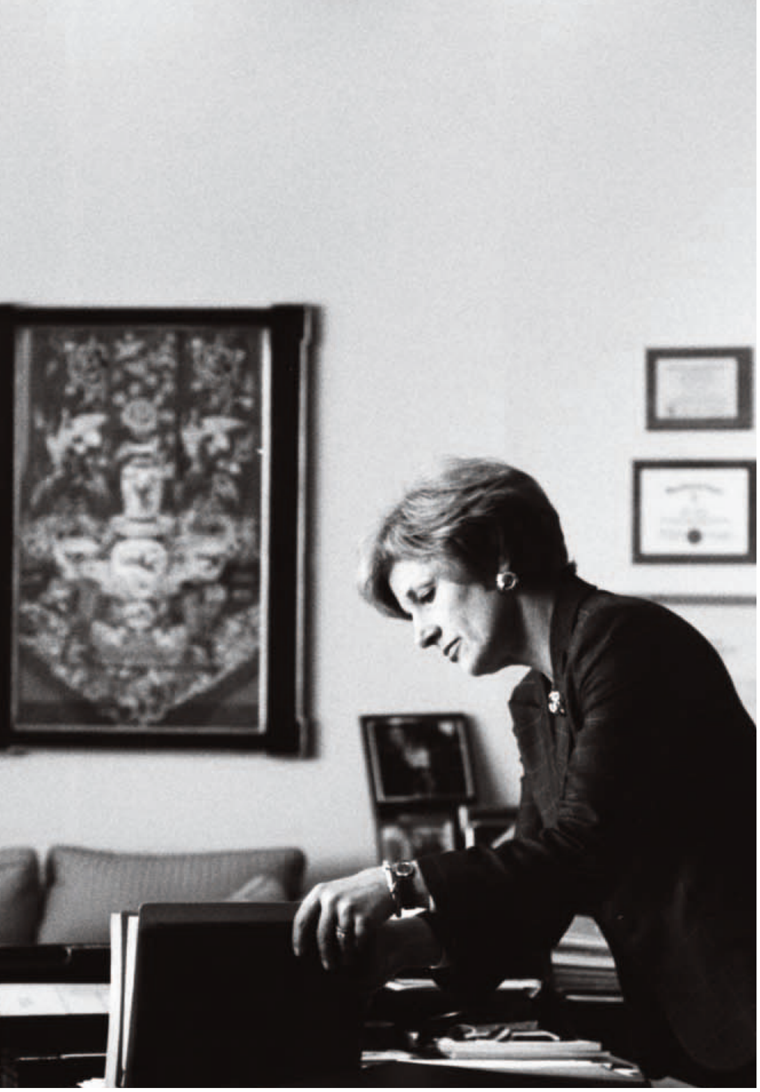
It was also a first for the New York Fed; I was their first female management trainee, though women held management positions and the head of the statistics department from 1959 to 1972 was a woman. In 1968, formal management training for women just out of college was not the usual situation, as many interviewers had made clear when they came to recruit on campus. But the New York Fed had recruited me for a job as a computer programmer. And when the interviews were over, I talked my way into interviewing for their management training program.

I certainly never thought that I would still be working at a Federal Reserve Bank 35 years later. In fact, I'm not sure if I had a single conscious thought about where I would be 35



by CATHY E. MINEHAN

Women have made great strides in the business and professional world



years in the future. I did think that I would get an apartment on Park Avenue (it actually turned out to be in Queens), pay off my college debts, and in three or four years attend graduate school. I eventually earned an MBA—at night, reimbursed by the Bank—and went on to work in more varied and challenging jobs than I would have ever thought possible. For a long time, I was often the youngest person, and one of the few women, at the table—particularly in the payments and planning areas in which I focused. But eventually others joined me, including the many eminent women who participated in the Boston Fed conference, "Reaching the Top," which is the basis for this special issue of the *Regional Review*.

We were part of the "quiet revolution" that Claudia Goldin writes about in her piece—a period of enormous change that began in the late 1960s. In 1970, only half as many women as men had attained a four-year college degree by age 34. By 2000, the gap had disappeared, with 29 percent of women attaining at least a bachelor's degree versus 24 percent for men. In the early 1970s, women accounted for only a small fraction of graduate and professional degree recipients. By 2001, they were receiving more than half of all such degrees conferred.

With changes in education also came changes in women's roles in the workplace. Today, both wife and husband are working in 60 percent of married-couple families with children under the age of six, about double the percentage in 1970. And these mothers are far more likely to be in managerial and professional jobs—positions that only a few years earlier had been held primarily by men.

Several years ago, however, I became concerned as I began to hear anecdotes about well-educated women backing off from full-time to part-time work, or withdrawing from the workforce entirely as they started families or experienced difficulties moving up in their organizations. Data from the U.S. Bureau of Labor Statistics began to suggest that for the first time in many years, labor force participation rates among college-educated women with young children had slipped. A widely read article in *The New York Times* along with a drumbeat of other media coverage put the spotlight on women's choices and progress. Stories about the difficulties of women combining work and family obligations—both for children and for elder care—in an ever-more competitive business world, and the concomitant rise in both stress and guilt, were regular features in newspapers and on television.

Moreover, even among the best-educated, highest-earning workers, Catalyst and other analysts found evidence of continued impediments to women moving into top spots. Women currently hold almost 51 percent of managerial positions, but only about 16 percent of corporate officer positions, 10 percent of "power titles" such as CEO or COO, and about 5 percent of top-earning jobs. Especially significant for the future, women account for only 5 percent of the corporate officers holding the key line jobs that make up the pipeline to top spots in most corporations. We all know that it makes a difference if both women and men in an organization cannot look up and see women at the top. If high-potential women begin to leave, what does that signal to women in more junior positions? What does it say to young women in college and

There are still impediments even for the best and brightest

Women at the top in the 1970s...

Thirty years ago, only a handful of women were in the highest positions in large firms.

Only two were top Fortune CEOs at any point in the decade
Katharine Graham, Washington Post Co. beginning in 1972
Marion Sandler, Golden West Financial Corp. beginning in 1974

In 1,300 large U.S. corporations, women accounted for only:

11 top earners (1972)

150 board directors (1975)

485 corporate officers; with only a quarter holding the title of vice president or above (1979)

Notes: Top earners are companies' three highest-paid employees as reported in SEC proxy statements.
Sources: *Fortune*, July 17, 1978; *Time*, January 5, 1976; "Profile of a Woman Officer," Heidrick and Struggles, 1979

...and in 2002

In 2002, women held more than 50 percent of all managerial and professional positions. But among Fortune 500 companies, they accounted for only:

1.6 percent of CEOs
Carly Fiorina, Hewlett-Packard Co.
Mary Sammons, Rite Aid
Anne Mulcahy, Xerox Corporation
Patricia Russo, Lucent Technologies
Andrea Jung, Avon Products Inc.
S. Marce Fuller, Mirant
Eileen Scott, Pathmark Stores
Marion Sandler, Golden West Financial Corp.

5.2 percent of top earners

7.9 percent of "clout" titles

9.9 percent of line officers

13.6 percent of board directors

15.7 percent of corporate officers

Notes: Top earners are companies' five highest-paid employees as reported in SEC proxy statements. "Clout" titles include chair, vice chair, chief executive officer, president, chief operating officer, senior executive vice president, and executive vice president. Line officers are those with revenue-generating or profit-and-loss responsibility.

Sources: *Fortune*; 2003 Catalyst Census of Women Board Directors; 2002 Catalyst Census of Women Corporate Officers and Top Earners; and U.S. Bureau of Labor Statistics

graduate school who are preparing for their future careers?

The 35 years since I began work have brought much in the way of progress to women in the workforce, but they have brought challenges as well. Too few women occupy the corner offices, and increasingly the price paid by those who do succeed seems too high.

This special issue of the *Regional Review*, based on the Boston Fed conference, "Reaching the Top," is intended to address these issues. It brings together a group of distinguished women and men from business, government, and the academic and research communities to study these questions. From the beginning, we decided to take a "life-cycle" approach, seeking to identify the key moments in women's lives and careers that influence where they ultimately end up. What is the evidence of a retreat, if any, from a quarter-century of progress? Are women getting the preparation and education necessary for careers that lead to the top? What are the key points in a woman's family and work life that either encourage or discourage that path? What organizational practices and structures help or hurt? And how can we all do better at each step of the way, so our most able and qualified workers remain in the pipeline?

Perhaps these questions are nothing to worry about, if these patterns reflect the choices of women in advantageous positions who can afford to leave the labor force if they so choose. But I worry anyway. We need to encourage our best and brightest women—our future leaders—not to drop out, but to stay the course, not because it is what some of us did, but because this is vital to our nation's economic future. As the economy becomes increasingly global and sophisticated, our nation's continued competitiveness and success will only come if we can tap into all of our citizens and take advantage of all the skills and leadership that the nation can generate.

Thus, recognizing the progress already made, I respectfully submit that we need to look for new models, new ways of doing things that make it possible for high-potential women and men to remain attached to the workforce when family or personal responsibilities demand time as well. This may require confronting long-held attitudes about work and how it is organized, changes that may prove costly in the short run. But in the long run, the loss of some of our most highly educated workers and role models for younger women may make the short-run costs seem less daunting. Making these changes is vital not only to maintaining our economy's long-run health, but also to ensuring that the satisfaction of contributing to the larger society through work is available to all who seek it. Only then will reaching the top be available to everyone. ❊

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