Mothers in Finance: Surviving and Thriving

Mary Blair-Loy and Amy S. Wharton

The ANNALS of the American Academy of Political and Social Science 2004; 596; 151
DOI: 10.1177/0002716204268820

Mothers in Finance: Surviving and Thriving

By
MARY BLAIR-LOY
and
AMY S. WHARTON

This article explores two dimensions of well-being among five hundred finance managers and professionals in a large firm: higher income, which we regard as a proxy for career success, and work-family balance. These dimensions are partially incompatible: longer work hours are associated with higher earnings and with intensified conflict. Mothers are more likely than fathers to experience work-family conflict. Work that is overwhelming and unpredictable can exacerbate conflict, while workplace flexibility can alleviate it. Among men, using dependent care policies is associated with lower earnings. We find an earnings gap between men and women in the sample but no earnings penalty for mothers relative to other female respondents. Although women are less likely than men to combine parenting with careers at this firm, the mothers still at the firm may be unusually successful compared to their female coworkers.

Keywords: work-family conflict; gender and work; income; inequality

Work-family balance is a salient issue for professionals and managers in financial services. On one hand, these elite workers have traditionally enjoyed autonomy and high salaries, which offer resources in balancing work and family. On the other hand, managers and professionals have seen work hours increased in recent years (Jacobs and Gerson 2004), and they are expected to demonstrate commitment by making work the central focus of their lives (Blair-Loy 2003; Bailyn 1993). In the financial services sector, deregulation, consolidation, new technologies, unstable markets, and a twenty-four-hour global economy create a fast-

Mary Blair-Loy is an associate professor of sociology at the University of California, San Diego. She is the author of Competing Devotions: Career and Family among Women Executives *(Harvard University Press, 2003).*

Amy S. Wharton is a professor of sociology at Washington State University. Her teaching interests are sociology of gender; sociology of work; social inequality; race, class, gender, and sexuality; and sociology of sport.

NOTE: We thank Janice Madden, Jerry A. Jacobs, and Akos Rona-Tas for helpful comments.

DOI: 10.1177/0002716204268820

changing and demanding environment. Moreover, the increase in mothers' labor force participation and rise in dual-earner couples has exacerbated the time squeeze for families (Jacobs and Gerson 2001; Clarkberg and Moen 2001). How do mothers maintain full-time careers in this demanding environment? What factors facilitate their success and well-being?

This article explores these issues among managers and professionals in a firm we call International Finance (a pseudonym). Rather than studying these processes among typical or representative workers, we selected an extreme case of employees especially likely to face the pressures of work alongside the opportunity for high rewards.

International Finance is one of the largest multinational financial service institutions in the world in a turbulent industry strongly affected by global competition (Powell 2001; Fraser 2001). Following the trend of other global banks, it completed a merger in the late 1990s, followed by a massive layoff. International Finance is a "high-commitment" firm (Osterman 1995), which expects long hours and dedication from managers and professionals in return for high salaries, advancement opportunities, and a generous set of official work-family policies (Blair-Loy and Wharton forthcoming). In the sample analyzed here, the mean hours worked a week is 52.5 and the mean years of organizational tenure is 10.62. A conservative estimate of mean income (1998) is $101,547. Women and men put in similar numbers of hours worked and have devoted a similar number of years to International Finance.

How do employees maintain full-time careers in this demanding environment? We focus particularly on mothers, who tend to shoulder much of the weight of family caregiving.

We examine two aspects of well-being: salary (which we regard as a proxy for career success) and work-family conflict. Some studies suggest that these two features of well-being are somewhat incompatible because employees pursuing work-family balance are penalized with slower career advancement and lower salaries (Hochschild 1997; Fried 1998; Blair-Loy 2003). Our previous research on this firm has found that some employees perceive the use of corporate work-family policies to be risky and to come with career penalties attached (Blair-Loy and Wharton 2002). This perception is supported by Glass's (2002) longitudinal analysis, which followed a broad sample of mothers over a nine-year period and found that those who took advantage of work-family policies were penalized with reduced earnings growth compared to other mothers in the sample.

An extensive literature using large, representative samples explains earnings variation, and an emerging literature on large, representative samples explains variation in work-family conflict. Our goal is not to try to replicate these broad studies. Instead, we analyze detailed data on managers and professionals in one firm to assess the extent to which patterns apparent in broad data sets do or do not characterize full-time elite workers in the demanding and lucrative finance industry. In our sample, women work similar hours and have similar levels of organizational tenure to men. Our contribution is to identify factors that reduce or enhance the well-being of professional women who are mothers.

We present our findings as exploratory for several reasons. First, although our research questions and models are informed by previous research on these issues in broader populations, the literature does not yet provide a clear menu of inductive hypotheses. Relatively few studies investigate these processes in stressful, high-earning, professional and managerial occupations. The studies that do exist are generally qualitative and focus on one or a small number of workplaces, which could be idiosyncratic (Hochschild 1997; Fried 1998; Bailyn 1993; Perlow 1997; Blair-Loy 2003). Second, our cross-sectional data do not allow us to definitively sort out the direction of causality among the factors associated with salary or work-family conflict. Third, by definition our sample includes only those employees who have maintained careers at International Finance. This sample does not allow us to net out the selection effects that may have kept people at the firm or encouraged them to combine full-time careers with motherhood. We are able to fruitfully analyze these issues by using a valuable data set that provides detailed information on personal, family, and workplace characteristics and work-family policy use for a homogeneous group of professionals in a high-commitment organization.

Earnings, Family Responsibilities, and Gender

Research on broad samples has documented that, net of other factors that should affect earnings, marriage and children are associated with higher incomes for men and lower incomes for women. For example, a study of a broad sample of organizationally employed men found that, controlling for other factors, married men and fathers enjoy a wage premium (Hersch and Stratton 2000). Other studies on managerial and professional men in a broad array of occupations and industries have shown that the marriage wage premium is higher for men with homemaking wives than for those with employed wives (Hotchkiss and Moore 1999; Pfeffer and Ross 1982; Bellas 1992).

In contrast, studies of national populations of employed women have found a wage penalty associated with motherhood (Budig and England 2001; Waldfogel 1997; Hersch and Stratton 2000), with higher penalties for ever-married than for single mothers (Budig and England 2001). A study of Wall Street investment bankers found that longer hours worked increased earnings but that women earned less than men even when hours and other job and organizational factors were controlled for (Roth 2003). These empirical patterns are consistent with characterizations of the preferred elite organizational worker as someone who manifests singular "devotion to work" (Blair-Loy 2003), unencumbered with family responsibilities (Acker 1990). If this characterization applies to the present case, then what are the implications for parents' and especially mothers' perceptions of work-family conflict?

Work-Family Conflict

We explore one facet of the overarching phenomenon of "work-to-family conflict" (Thompson, Beauvais, and Lyness 1999), in which the demands of work interfere with one's life outside of work (Voydanoff 1988).[1] Specifically, we study parents' concerns that their jobs interfere with time needed for family and children. This is a salient measure of work-family conflict for the full-time, elite workers in our sample. This high-commitment firm (Osterman 1995; see also Pfeffer 1997) promotes a strong culture of work involvement and promises high dividends for elite employees' career investment.

We are particularly interested in mothers as compared to fathers, so we examine work-family conflict among a subsample of parents with children younger than sixteen at home. Concerns about jobs draining too much time from family may be most pressing for mothers since employed women generally take on more responsibility for family caregiving and domestic work than do employed men (Spain and Bianchi, 1996). Prior studies have found higher levels of work-family conflict among women (Galinsky, Bond, and Friedman 1996; Galinksy, Kim, and Bond 2001; Rothbard 2001) and among parents (Galinsky, Bond, and Friedman 1996).

Previous research on broad samples has shown that scheduling flexibility reduces work-family conflict (Golden 2001; Glass and Camarigg 1992). In addition, International Finance offers a generous array of corporate work-family policies, which are promoted as helping employees balance work and family responsibilities (Blair-Loy and Wharton 2002). However, employees may be worried about career penalties associated with the use of certain work-family policies and avoid using them, even if they are available on paper (Jacobs and Gerson 2004). In her qualitative study of one firm, Hochschild (1997) found that workers were reluctant to take advantage of policies that reduced work hours and that men were extremely unlikely to take officially available parental leaves.

Longer hours on the job (Voydanoff 1988; Thompson, Beauvais, and Lyness 1999; Galinsky, Kim, and Bond 2001; Berg, Kalleberg, and Appelbaum 2003) can increase work-family conflict. At the same time, longer work hours have been shown to be positively related to our first measure of well-being: income (e.g., Hotchkiss and Moore 1999; Roth 2003). Thus, working long hours may exacerbate the sense of work-family conflict at the same time that it supports higher earnings. Our models of work-family conflict include indicators for the use of corporate flexibility and dependent care policies as well as measures for job characteristics such as scheduling flexibility, job volume and unpredictability, and hours worked.

Research Questions

Within the context of full-time managerial and professional work in a high-commitment financial services firm, we study two facets of employee well-being: income and work-family conflict. Which individual and workplace characteristics

are associated with higher incomes? Specifically, do women and/or mothers earn less than otherwise similar men? What difference, if any, does the use of corporate dependent care or flexibility policies make?

Among parents of children younger than sixteen living at home, what factors help transform the mandated orientation of work dedication into worries that the job is draining too much time away from the children? In particular, do longer work hours, which we expect will be associated with higher salaries, also lead to a heightened sense of work-family conflict? What other factors are associated with work-family balance? Do corporate flexibility or dependent care policies seem to help?

Data and Variables

Data

In 1998, International Finance gave us permission to study work-family policies in their organization. We conducted semistructured interviews with seven key informants in 1998 and used these interviews to help us write a questionnaire that would survey managerial and professional employees on their attitudes and individual and workplace characteristics relating to work-family issues. In 1999, after first pretesting our survey at another organization, we administered it in three divisions at International Finance.[2] One division in the sample provides professional technical services to the organization, while the other two serve customers in core line functions. These divisions are not in the relatively low-paid human resources area, nor are they in the very highly paid investment banking area. We sent the U.S. survey analyzed here to all U.S.-based managerial and professional employees of two of these divisions and to a subset of the third division.[3] The total number of usable surveys completed was 519, representing 52 percent of our original survey population.[4]

The earnings analyses here are based on the completed surveys of the five hundred respondents who worked at least thirty-five hours a week (and excludes two men and one woman who worked less than thirty-five hours per week as well as respondents with missing data on the number of hours worked). We also conduct earnings analyses on the following subsamples: parents only, women only, and men only. The work-family conflict models are based on the two hundred parents of children younger than sixteen living with them.

We use ordinary least squares (OLS) regression to explore the associations of individual and workplace characteristics on two facets of employees' well-being: income and work-family conflict. Although sample sizes are relatively small, many factors expected to affect our dependent variables are already controlled for in this homogenous sample. We supplement our OLS earnings models with a decomposition analysis of the average sex difference in ln earnings.

Our cross-sectional data set prohibits us from making strict statements about causal order. The income variable reports income earned in 1998, and the data for the independent variables were collected in the summer of 1999. Yet many of these

TABLE 1
MEANS AND STANDARD DEVIATIONS FOR VARIABLES BY SEX

Variable	Men (n = 291)	Women (n = 209)
Dependent variables		
Income (from midpoints of categories; not used in models)*	$114,618 (56,605)	$83,004 (40,712)
ln income (used in models)*	11.5346	11.2289
Work-family conflict (range 1-4)	2.78 (0.78)	2.80 (0.89)
Independent variables		
Weekly hours worked*	53.67 (9.05)	50.76 (9.31)
Organizational tenure	10.17 (8.05)	11.29 (8.99)
Supervisor*	0.10	0.04
Work overwhelming in volume and predictability (range 1-4, reverse coded)	1.79 (0.46)	1.78 (0.53)
Scheduling flexibility (range 1-4)	2.52 (0.84)	2.58 (0.91)
Organizational tenure	10.17 (8.05)	11.29 (8.99)
Age	42.91 (9.05)	41.82 (0.03)
Age squared	1,922.50 (766.38)	1,830.41 (772.37)
Marriage*	0.80	0.64
Children younger than age six*	0.22	0.14
Children ages six to fifteen*	0.32	0.23
Homemaking spouse*	0.25	0
Sole or shared primary responsibility for child rearing*	0.12	0.24
Using flexibility policy	0.27	0.26
Using dependent care policy*	0.15	0.30
Controls		
White and born in United States*	0.70	0.61
Staff (vs. line) position*	0.78	0.52
In the top income category*	0.03	0.00

NOTE: Dichotomous variables coded (0, 1). Standard deviations for continuous variables shown in parentheses.
*Statistically significant differences between men and women ($p < .05$).

independent variables measure individual, family, and workplace characteristics that were initially established before the 1998 income was earned. The causal processes are likely complex and include lagged, reciprocal, and indirect effects as well as the direct effects we are able to model. Table 1 presents the means and standard deviations for all the variables in the analysis by sex.

Dependent variables

Our informants at International Finance advised us that we would have higher rates of response to the income question if we asked respondents to check off an

TABLE 2
INCOME CATEGORIES BY SEX

	Men		Women	
Income Category in Dollars	*n*	%	*n*	%
1. Less than 40,000	7	2.4	13	6.5
2. 40,000-59,999	35	12.2	57	28.1
3. 60,000-79,999	49	17.0	56	27.6
4. 80,000-99,999	55	19.1	24	11.8
5. 100,000-129,000	53	18.4	28	13.8
6. 130,000-159,999	37	12.8	17	8.4
7. 160,000-189,999	16	5.6	2	1.0
8. 190,000-229,999	18	6.3	3	1.5
9. 230,000-259,999	8	2.8	3	2.2
10. More than 260,000	10	3.5	0	0
Total	288	100	203	100

income category rather than ask them to reveal their specific income. We thus traded the advantage of having a specific dollar income figure for the benefit of less missing data on this measure. Our survey question on income asked, "What was your annual salary (including bonuses) for 1998?" Respondents were then asked to circle one of ten income categories (see Table 2). Our income variable is the natural log of the midpoint dollar amount of each category for the first nine categories. Respondents in the tenth category, more than $260,000, are coded as having an income of just $260,000. As a result, variation is constrained, and our OLS model will only pick up effects that are strong enough to impact income category. Therefore, our findings on the association of our independent variables with income are biased and may be understated relative to an analysis that included actual income levels. (In our earnings models, we add a dummy variable indicating membership in the top income category as a control.)

Our indicator of work-family conflict measures one aspect of this issue: parents' concerns that their jobs interfere with sufficient time spent with family and children. From a list of six items, parents in the sample were asked to check each item that described themselves (1 = *strongly agree* to 4 = *strongly disagree*). A factor analysis of this list revealed two items that seem to tap an underlying concern about the lack of time for family. We created a scale with the mean response to these two items (alpha reliability .63): "I find enough time for my children" and "My job keeps me away from my family too much" (reverse coded). Higher values indicate higher levels of conflict.

Independent variables

Table 1 presents information, by sex, on the independent variables used in the models. All variables are either continuous (with means and standard deviations

given) or dichotomous. The dichotomous variables are coded (0, 1). Most of the variables are self-explanatory, but a few require clarification.

Work characteristics that might be important in explaining work-family conflict include scheduling flexibility and an excessive volume and unpredictability of work. Our indicator for *scheduling flexibility* is the respondent's response (1 = *strongly disagree* to 4 = *strongly agree*) to this survey statement: "It is easy for me to rearrange my work schedule when I need time off for family or personal obligations." The indicator for *excessive volume and unpredictability* is the mean response (1 = *strongly agree* to 4 = *strongly disagree*) to five items, which were selected via a factor analysis from a list of ten items on job conditions. The five selected items are "I often come in to work early or stay late," "Responding to unpredictable events is a large part of my job," "Things are changing rapidly in my work unit," "My job responsibilities make it difficult for me to do some of my work at home," and "Working under tight deadlines is common in this job" (alpha reliability .65). The coding is such that *less* stressful working conditions have higher values.

Our survey asked about employees' use of several different types of corporate work-family policies that are officially available at the firm. A factor analysis revealed that respondents who took advantage of corporate work-family policies tended to use one of two categories: *family and dependent care policies* (which include child care or elder care referral services or educational materials, workers using their own paid sick time to care for a dependent, or dependent care leave of more than two weeks) or *flexibility policies* (which include flextime, flexplace/telecommuting, or compressed work week).[5] We include a binary measure of whether the respondent has used or is currently using at least one of the flexibility policies (1 = use) and a dichotomous measure of whether the respondent has used or is using at least one of the dependent care policies (1 = use). Later, we also examine the association of income with particular policies within the dependent care category. Only 2 percent of our respondents had used reduced-hours policies, so we do not include this policy category in our models.

Parents who reported that they either *took on or shared with another adult the primary responsibility for taking care of the children* in their household were coded 1. Nonparents as well as parents reporting that either their spouse or another adult cared for the children were coded 0 on this measure for sole or shared primary responsibility for child care.

Results

Earnings

First, we compare characteristics of the employees at different earnings levels. These descriptive findings foreshadow our later multivariate results. Table 2 shows that there are no women in the top salary category. For ease of interpretation, we collapsed the ten categories into five by combining categories 1 and 2, collapsing 3

and 4, and so on (results not shown here). As the salary category increases, there is a corresponding monotonic increase in the proportion of respondents who are married, who are parents of children younger than sixteen, who are male, who have a homemaking spouse, and who do not provide primary care for their children. This picture is consistent with previous research: having families is associated with higher salaries as long as one does not spend too much energy taking care of them.

Research on broad samples has documented that, net of other factors that should affect earnings, marriage and children are associated with higher incomes for men and lower incomes for women.

Parents' use of corporate work-family policies varies by earnings category and sex. There is a decrease in the proportion of fathers in each of the five salary categories who use either dependent care or flexibility policies. For example, in the lower earnings categories, up to 35 percent of fathers use dependent care and 44 percent of fathers use flexibility policies. But the proportion of policy use among fathers in the highest category is only 8 percent. Mothers have higher rates of dependent care policy use overall than fathers do but show the same monotonic decrease in policy use by salary category: 80 percent of mothers in the lowest salary use dependent care policies, and only 50 percent (two of the four mothers) in the highest category do so. In contrast, mothers in the higher salary categories are *more* likely to use flexibility polices than those earning less: only 20 percent of mothers in the lowest salary category use flexibility policies, whereas 50 percent (two women) use flexibility policies in the highest category.

Although the numbers in each cell are small, the pattern is consistent. Higher-earning fathers are less likely to use either policy type than lower-earning fathers. Higher-earning mothers are less likely to use dependent care policies than lower-earning mothers but more likely to use flexibility policies. Thus, flexibility policies may help mothers handle family caregiving responsibilities without negatively affecting their income.

We explore these patterns more systematically in the multivariate analysis. The first column of Table 3 presents the OLS earnings model for the full sample. This sample of managers and professionals in one firm has in common many of the factors that research on broad samples finds to affect wages, including organizational

TABLE 3
ORDINARY LEAST SQUARES (OLS) MODEL PREDICTING INCOME

Variable	1. Full Sample (n = 463), $B(SE)$	2. Parents (n = 187), $B(SE)$	3. Men Only (n = 275), $B(SE)$	4. Women Only (n = 189), $B(SE)$
Constant	9.086 (0.331)****	9.315 (0.781)****	9.202 (0.441)****	8.746 (0.492)****
Weekly hours worked	.015 (.002)****	.014 (.003)****	.016 (.002)****	.014 (.003)****
Supervisor	.336 (.067)****	.321 (.091)****	.345 (.076)****	.281 (.131)**
Organizational tenure	–.005 (.002)**	–.008 (.004)*	–.002 (.003)	–.006 (.004)
Age	.060 (.016)****	.058 (.037)	.049 (.022)**	.077 (.025)***
Age squared	–.055 (.000)****	–.000 (.000)	–.000 (.000)	–.001 (.000)***
Marriage	.007 (.041)	.034 (.136)	.001 (.059)	–.034 (.059)
Young children (younger than six)	.114 (.056)**	.018 (.078)	.162 (.057)***	.165 (.101)*
Children between ages six and fifteen	.159 (.041)****	—	.186 (.049)****	–.059 (.102)
Homemaking spouse	.118 (.054)**	.166 (.070)**	.084 (.052)*	—
Sole or shared primary responsibility for child care	—	—	—	.220 (.110)**
Female	–.162 (.039)****	–.145 (.088)*	—	—
Using flexibility policy	.026 (.040)	–.019 (.064)	–.038 (.048)	.100 (.069)
Using dependent care policy	–.117 (.044)***	–.064 (.067)	–.131 (.058)**	–.089 (.071)
Female × Young Children	.188 (.092)**	.160 (.118)	—	—
Controls				
White and born in United States	.117 (.036)****	.120 (.058)**	.081 (.047)	.141 (.059)**
Staff (vs. line) position	–.052 (.040)	–.197 (.067)***	–.063 (.047)	–.030 (.063)
In top income category	.525 (.125)****	.519 (.158)****	.473 (.121)****	—
Adjusted R-squared	.485	.430	.531	.310

NOTE: Income is measured as the natural log of the midpoint of one of ten income categories.
*p < .10. **p < .05. ***p < .01. ****p < .001.

size, industry, education, and occupation.[6] Within this homogeneous group, three job or worker characteristics are associated with higher earnings in the full sample: longer work hours, supervisory responsibility, and older age (column 1). We understand age to be a proxy for experience in the finance industry. In this model, organizational tenure has a negative association with earnings. Perhaps net of work hours, supervisor status, and our proxy for industry experience, those more recently recruited to the firm have used labor market competition to increase their incomes.

The presence of preschoolers and of school-aged children in the home is associated with higher incomes. Those with a homemaking spouse (all men in this sample) enjoy an additional wage premium, although the causal direction here is unclear.

The control for race-country of origin shows that white employees who were born in the United States earn more than employees of color and those born outside the United States. The control for staff (versus line) position in the organization is not statistically significant (column 1). The control for being in the top income category ($260,000 or above) is positive and statistically significant here, as it is for all the models presented in Table 3.

Net of all these characteristics (and all the workplace factors controlled for by the homogeneity of this sample), women earn significantly less than men. The use of corporate flexibility policies is not statistically significant in the full sample, but using dependent care policies is negatively associated with earnings. An interaction term of Female × Parent was not statistically significant and dropped from the model. But the interaction term of Female × Parent of Young Children is statistically significant and, rather surprisingly, shows a positive association with earnings (column 1).

The second column of Table 3 presents the findings for the subsample of parents with children younger than sixteen. The results are similar to the full sample, with the following key exceptions: age is no longer statistically significant, the negative effect of being female drops to marginal statistical significance, the interaction term of Female × Parent of Young Children is not significant here, and dependent care policy use is still negative but no longer statistically significant.

Column 3 of Table 3 shows results for male employees only. This model resembles the earlier ones, with a few variations. As we saw in the full model, work hours, supervisory responsibility, and age (interpreted as a proxy for industry experience) are associated with higher incomes. Here, reflecting previous research on broader populations, fathers earn more than other men, net of other factors. Married men do not earn significantly more than single men here, but men with a homemaking spouse do enjoy an earnings premium compared to their male coworkers (although the effect here is only marginally statistically significant). Men who use work-family policies for dependent care earn significant less than the other male respondents.

The last column (column 4) of Table 3 shows the results for female respondents only. As we saw previously, hours worked, supervisory status, and age are positively related to earnings.

Among women, having a school-aged child is not related to income. Consistent with the positive coefficient of the interaction term Female × Parent of Young Children in the full sample, column 4 of Table 3 shows that women with preschool children have marginally higher earnings than their female coworkers without preschoolers.

Since no women in the sample have a homemaking spouse, we could not measure the effects of this kind of domestic support on women's income. Instead, we included our measure of primary caregiving, which characterizes those saying they either take on alone or share with another adult the primary responsibility for caring for the children in their household. Since women tend to have more responsibility than men for all aspects of family caregiving and household management, this responsibility for primary caregiving variable helps us distinguish *among women* those with more or less intensive involvement in child rearing. For women, this measure of involved parenthood has a *positive* effect on earnings. And in contrast to men, women are not penalized for using corporate policies designed to assist with dependent care.

To better understand the apparent wage penalty for men who used dependent care policies, we disaggregated the policy types grouped in the dependent care category. In the full sample, most respondents who used policies in the dependent care category were currently using or had used either (1) child care or elder care referral services or educational materials (n = 65, about a third of which are men) or (2) their own paid sick time to care for a dependent (n = 63, again about a third are men). Only seven respondents (six women and one man) had ever used the third policy, dependent care leave of more than two weeks, which is consistent with Hochschild's (1997) findings for the firm she studied. Thus, respondents of both sexes tended to use only the less intrusive of these policies: (1) calling a 1-800 number for referrals or reading an educational brochure or (2) taking an occasional sick day. Managers and professionals in our sample are extremely unlikely to use policies such as dependent care leave that may be more visible to others at work, more intrusive of the work flow, and thereby more risky to their careers.

To determine which dependent care policy was most closely associated with lower earnings for men, we replaced the general dependent care category with a specific policy (referral service/educational materials or dependent sick time) in our models. Use of referral services or educational materials alone is not associated with income. But the use of dependent sick time is.

We substituted the dependent sick time category for the broad category of dependent care in our models and found results similar to those in Table 3. For the full sample, we found that use of dependent sick time is significantly associated with lower earnings, net of the other variables in the model ($p < .001$, results not shown). In the men-only sample, we found dependent sick time is still associated with lower earnings, although the effect is only marginally significant. In the parents model, the broad category of dependent care was not statistically significant (Table 3, column 2), but the more specific dependent sick time variable is ($p < .05$, results not shown). Whether we analyze the full sample, men only, or all parents,

TABLE 4
DECOMPOSITION ANALYSIS OF INCOME DIFFERENCES

Variable	1. Between Means	2. Due to Differences in Means	3. Between Parameters	4. Due to Differences in Returns
Weekly hours worked	2.9093	0.0487	0.0036	0.1925
Supervisor	0.0566	–0.0000	0.0004	0.0000
Organizational tenure	–1.1210	0.0005	0.0050	0.0511
Age	1.0828	0.0572	–0.0257	–1.1021
Age squared	92.09	–0.0004	0.0004	0.8275
Total: Human capital and job status		0.1055		–0.0310
Marriage	0.1350	0.0026	0.0462	0.0363
Young children (younger than six)	0.0813	0.0161	–0.0695	–0.0151
Children between ages six and fifteen	0.0890	0.0172	0.1069	0.0339
Total: Family		0.0359		0.0551
Using flexibility policy	0.0099	–0.0004	–0.1427	–0.0383
Using dependent care policy	–0.1496	0.0228	–0.0730	–0.0112
Total: Policy use		0.0224		–0.0495
White and born in United States	0.0857	0.0060	–0.0815	–0.0567
Staff (vs. line) position	0.2549	–0.0322	–0.0949	–0.0732
Total: Controls		–0.0262		–0.1299
Sum (before intercept)				–0.1552
Intercept (male-female)				0.3342
Sum		0.1381		0.1790

those who occasionally used a sick day to care for an ill child earned less than those who did not, net of other factors.

The difference between men's and women's average earnings is $31,614. Our earnings model uses units of ln dollars, and the total average difference between men's ln earnings and women's ln earnings is .306.

To further analyze this earnings gap, we decompose it into its constituent parts. We follow a standard decomposition technique that divides the logged earnings difference between women and men into the part due to differences in their mean characteristics and differences due to returns to those characteristics (U.S. General Accounting Office 2003).

We find that the portion of the .306 earnings gap attributed to men and women having different means on the independent variables is .138, or 44 percent. The remaining .179, or 56 percent, of the gap is due to differences in the returns to men's and women's characteristics.

Columns 2 and 4 in Table 4 show the contributions each set of independent variables make to the overall earnings gap. Positive values show an effect favoring men, while negative values show a female advantage. Different means for men and

women on the human capital and supervisor status variables account for about one-third of the earnings gap. Most of this is due to men working slightly longer hours, on average, and having a higher likelihood of being a supervisor than women. Gender differences in the returns to human capital and job status characteristics slightly favor women, however. Overall, human capital and job status variables account for about one-quarter of the earnings gap.

Family status variables also contribute substantially to the earnings gap. Different means on the family status variables—primarily the presence of a child or children in the home younger than six or between ages six and fifteen—and differences in the returns to those characteristics explain about one-third of the gap between men's and women's earnings.

Different means on the policy use variables account for only a small portion (6 percent) of the earnings gap. Differences in the returns to these variables offset this, however; if women and men received the same returns for using work-family policies, the earnings gap would be slightly reduced. Gender differences in the means and returns to the control variables also favor women.

Gender differences in the intercept clearly favor men. Hence, while women receive a more favorable return than men on almost all variables in the analysis (with the exception of family status), these differences in the returns to particular characteristics are only half as large as the gender difference in the intercept. Men's wages are higher than women's even after considering the effects of mean differences in characteristics and differences in returns to those characteristics.

In sum, as we would expect in this high-commitment workplace, work hours are strongly associated with earnings. In this homogeneous sample, and net of several individual and job characteristics, women earn less than men. Roughly one-quarter of the gender earnings gap can be attributed to the human capital and job status variables in the model. There is also evidence of an earnings penalty for involvement in family caregiving. Men without a homemaking wife have lower incomes than others, although the causal direction is unclear. However, mothers did not suffer a wage penalty compared to nonmothers. Moreover, the mothers of young children and those most involved in child rearing seem to enjoy a wage premium relative to other female respondents. Despite these effects, overall, about one-third of the earnings gap is due to gender differences in family status variables.

Work-family conflict

Our indicator of work-family conflict measures respondents' concerns about lacking sufficient time with family due at least in part to job demands. We are primarily interested in this issue among parents, so we limit this analysis to the subsample of parents of children younger than sixteen living at home. Table 5 presents our results.

Several job characteristics are related to work-family conflict. On average, parents who work longer hours are more likely to say they experience work-family conflict, as are parents who face an excessive volume of work with unpredictability and tight deadlines. Parents who enjoy more scheduling flexibility tend to have less

TABLE 5
ORDINARY LEAST SQUARES (OLS) MODEL PREDICTING WORK-FAMILY CONFLICT FOR PARENTS

Variable	Parents (N = 190), $B(SE)$
Constant	2.525****
Weekly hours worked	.016 (.006)***
Supervisor	.241 (.160)
Work overwhelming in volume and unpredictability, reverse coded	–.350 (.105)****
Scheduling flexibility	–.220 (.064)****
Marriage	.602 (.252)**
Homemaking spouse	.058 (.126)
Female	.283 (.129)**
Using flexibility policy	–.197 (.116)*
Using dependent care policy	.158 (.125)
Adjusted R-squared	.233

*p < .10. **p < .05. ***p < .01. ****p < .001.

work-family conflict. And using corporate flexibility policies is negatively associated with conflict, although the effect is only marginally statistically significant.

Married parents report higher levels of work-family conflict than unmarried parents, perhaps in part because married respondents have yet another family relationship that jobs could potentially interfere with. Having a homemaking spouse is not statistically significant, perhaps because the work-family conflict indicator taps whether the employee himself (or herself) spends enough time with his (or her) children and family.

Even in this homogeneous sample and net of the other variables, mothers have higher levels of work-family conflict than fathers. Given the similar number of hours worked by fathers and mothers and given the control for hours worked in the model, mothers tend to count similar amounts of time away from family and children as more troubling than do fathers.

Discussion

This article has explored two dimensions of well-being among full-time managers and professionals in a financial services firm that expects and rewards long hours. With a focus on mothers, we have studied the individual and workplace factors associated with higher income (an indicator of career success) and with an enhanced sense of work-family balance.

Net of other factors, respondents working longer hours have higher incomes. And net of other factors, women earn less than men, on average. Human capital

and job status variables in the model account for only one-third of the gender wage gap. The positive association of work hours with earnings and negative association of being female with earnings are consistent with Roth's (2003) study of earnings among another type of financial services professional: investment bankers in several Wall Street firms.

[W]e found that use of dependent sick time is significantly associated with lower earnings, net of the other variables in the model.

But our results on earnings are not uniformly bleak for women. Compared to other women, respondents with children younger than sixteen living at home do not suffer an earnings penalty. Surprisingly, mothers with children younger than six and mothers who have sole or shared responsibility for child care earn more than the other women in the sample. Despite the gender income gap in this sample, there is no motherhood gap; these full-time employed mothers remain on the fast track.

Consistent with other research, fathers of school-aged children earn more than other men. But there is some evidence that highly involved fathers may suffer negative career consequences. Men with a homemaking wife enjoy a marginal wage premium (although the causal direction is unclear here). Importantly, men who take advantage of the corporate policy to occasionally use sick time for caring for an ill dependent earn less than other men, and parents who use this policy earn less than other parents.

Our results for men seem to fit Acker's (1990) argument that the preferred elite worker is unencumbered by family responsibilities, while men manifesting too much devotion to family may be penalized. But Acker's argument does not fit our female respondents. We find that relative to other women in the sample, those with young children and those with primary caregiving responsibilities enjoy a modest earnings advantage.

One interpretation of these findings is that they are in part due to selection effects. Less than a third of the women in our sample have children younger than sixteen, compared to almost half of male respondents who have children in this age range. Far from being a normative status, combining motherhood with full-time professional and managerial finance careers may be seen as a challenging endeavor that not everyone will attempt.

These findings are broadly consistent with the argument that financial services firms require elite workers to manifest full-time allegiance (Blair-Loy 2003; Blair-

Loy and Wharton forthcoming). This mandate of work devotion clashes with the cultural requirement that mothers dedicate much time and energy to their children, who are understood as fragile and deserving of their care (Blair-Loy 2003; Hays 1996). Many women may decide that these cultural definitions of professionalism and motherhood are incompatible and thus chose one or the other. But women who maintain full-time careers after childbearing are likely to be highly successful and dedicated to their work at the same time they take on much of the culturally prescribed responsibility of child rearing.

Stated differently, among finance professionals who become mothers, the most professionally successful and committed may be the most likely to continue these demanding careers after childbearing. Of course, larger samples and longitudinal data are required to tease out the factors affecting the selection of certain women into motherhood and into maintaining full-time careers after motherhood in elite jobs in financial services.

Among the parents in our sample, longer work hours are associated with higher incomes and also with greater work-family conflict. Since we measure work-family conflict as the sense that one's job pulls one away from time that families and children need, it is not surprising that work-family conflict is greater among those working longer hours. Yet net of hours worked, mothers are more likely than fathers to worry about the lack of time with children and family. Fathers and mothers report similar average weekly work hours. Yet even controlling for hours worked, mothers are more likely than fathers to perceive that doing their jobs violates the cultural mandate that mothers give devoted care to their children, who are understood as vulnerable and needing that care (Blair-Loy 2003; Hays 1996; Garey 1999).

In addition to hours worked, other job characteristics affect parents' perception that their jobs are taking what should be family time. Parents who enjoy more scheduling flexibility and who take advantage of corporate flexibility policies are less likely to experience work-family conflict, while those who experience work as overwhelming in volume and fraught with tight deadlines and unpredictability are more likely to do so.

The two aspects of well-being—income and work-family balance—are partially incompatible. Reducing one's work hours to spend more time with one's children would likely reduce work-family conflict, but it could also reduce earnings and even jeopardize one's career.[7] Moreover, compared to fathers, mothers earn lower incomes and also endure greater levels of work-family conflict.

In other ways, these dimensions of well-being are orthogonal. By adding new variables to our regression models, we found that many factors associated with one dimension of well-being appear irrelevant to the other dimension. For example, supervisory responsibility is associated with higher earnings but does not significantly affect work-family conflict. Job characteristics facilitating work-family balance—the use of flexibility policies, scheduling flexibility, the use of corporate flextime policies, and lower levels of work volume and unpredictability—do not seem to affect income. Income per se has no statistically significant association with work-family conflict among parents in our sample. (Results of these additions to

the models are not shown here.) Thus, opportunities appear to exist for parents to enhance one dimension of well-being at International Finance without making trade-offs on the other dimension.

Conclusion

Compared to men in the sample, mothers at International Finance are also surviving in full-time managerial and professional jobs. And compared to other women, mothers may even be thriving. Given the clashing cultural schemas of devotion to this high-commitment firm for all elite employees and of family devotion or intensive motherhood for women, it may be more challenging for women than for men to combine parenting with careers at International Finance. Certainly, it is rarer in our sample to be a mother than a father of a child younger than sixteen. But among finance professionals who become mothers, the most professionally successful and devoted to work may be the most likely to continue these demanding careers after childbearing. Further research using a more precise earnings measure and larger, ideally longitudinal samples is necessary to tease out the selection effects, articulated with societal cultural understandings of work, family, and gender that we expect are operating here. Further research is also important for understanding the extent to which these findings characterize elite workers beyond the offices at International Finance.

Our research suggests that mothers maintaining full-time careers as finance professionals are corporate treasures. They work long hours and show high levels of achievement despite their responsibilities at home. Firms like International Finance would do well to support the careers of these women. Organizing the work flow of these professionals so that they are not overwhelmed by a high volume or unpredictability and preserving their scheduling flexibility may increase work-family balance without jeopardizing productivity. Promoting the use of corporate flexibility policies may positively affect women's productivity and enhance work-family balance for parents.

Financial services firms should be concerned about the earnings penalty associated with being female found in this study and elsewhere (Roth 2003) and take steps to correct this gender earnings gap. Furthermore, our control variable for white and born in the United States had a statistically significant, positive effect on earnings, suggesting that people of color and immigrants earn less net of other factors. Further research should more fully investigate the effect of race and country of origin on earnings in elite financial services jobs.

We hope that firms will address the impotence of some of their family-friendly policies. Consistent with other research (Hochschild 1997; Jacobs and Gerson forthcoming), employees may be reluctant to use reduced-hours and dependent care leave policies because of the career penalties and lower incomes they entail.

Firms should also be concerned about the earnings penalty associated with involved caregiving for men found here, including the use of corporate policies designed to assist with the care of dependents. Even the seemingly benign and

undisruptive policy of taking an occasional sick day to care for an ill dependent is associated with lower earnings at International Finance in the full sample, among parents, and among men. This practice not only hurts involved fathers, it also penalizes their career-oriented wives. If firms penalize fathers for being involved caregivers, career-oriented mothers will have to take on more responsibility at home and find it harder to stay on the fast track.

Notes

1. While our article studies the potential negative consequences of overwork, we also acknowledge the potential for positive spillover (e.g., Repetti 1994; Grzywacz and Marks 2000; Doumas, Margolin, and John 2003) or enrichment (Rothbard 2001) from work to family.

2. The sample analyzed here is a part of a larger international sample. The surveys were confidential, and they were anonymous to the extent that we knew what work group a response came from but not what individual. We conducted seven additional interviews after we collected the survey data and conducted initial analyses.

3. For the third division, the survey was sent to U.S.-based professional and managerial employees in three major geographical centers.

4. It is extremely challenging for researchers to penetrate organizations. Nevertheless, our response rate is comparable to the 52.9 percent response rate for the 1997 National Study of the Changing Workforce, a telephone survey of individuals using random-digit-dialing methods (Bond, Galinsky, and Swanberg 1998). We did extensive tests for selection bias and found no evidence that this was a problem in our data; for details, see Blair-Loy and Wharton (2002).

5. See Blair-Loy and Wharton (2002) for details on these policies and policy groupings.

6. We did not include a question on education in our survey. According to our informants at International Finance, all respondents would have at least a bachelor's degree, and many would also have MBAs or other advanced degrees.

7. As a practical matter, individual workers may be constrained from reducing work. Particular jobs require that a certain volume of work be accomplished and that time expectations from supervisors and colleagues be fulfilled. Violating those requirements and expectations may entail harsher penalties than a drop in income (or, over time, a reduction in income growth).

References

Acker, Joan. 1990. Hierarchies, jobs, bodies: A theory of gendered organizations. *Gender & Society* 4:139-58.

Bailyn, Lotte. 1993. *Breaking the mold: Women, men, and time in the new corporate world*. New York: Free Press.

Bellas, Marcia L. 1992. The effects of marital status and wives' employment on the salaries of faculty men. *Gender & Society* 64:609-22.

Berg, Peter, Arne L. Kalleberg, and Eileen Appelbaum. 2003. Balancing work and family: The role of high-commitment environments. *Industrial Relations* 42:168-88.

Blair-Loy, Mary. 2003. *Competing devotions: Career and family among executive women*. Cambridge, MA: Harvard University Press.

Blair-Loy, Mary, and Amy S. Wharton. 2002. Employees' use of work-family policies and the workplace social context. *Social Forces* 80:813-46.

———. Forthcoming. Organizational commitment and constraints on work-family policy use: Corporate flexibility policies in a global firm. *Sociological Perspectives*.

Bond, James T., Ellen Galinsky, and Jennifer E. Swanberg. 1998. *The 1997 National Study of the Changing Workforce*. New York: Families and Work Institute.

Budig, Michelle, and Paula England. 2001. The wage penalty for motherhood. *American Sociological Review* 66:204-25.

Clarkberg, Marin, and Phyllis Moen. 2001. Understanding the time-squeeze: Married couples' preferred and actual work-hour strategies. *American Behavioral Scientist* 44:1115-36.

Doumas, Diana M., Gayla Margolin, and Richard S. John. 2003. The relationship between daily marital interaction, work, and health-promoting behaviors in dual-earner couples. *Journal of Family Issues* 24:3-20.

Fraser, Jill Andresky. 2001. *White collar sweatshop: The deterioration of work and its rewards in corporate America*. New York: Norton.

Fried, Mindy. 1998. *Taking time: Parental leave policy and corporate culture*. Philadelphia: Temple University Press.

Galinsky, Ellen, James T. Bond, and Dana E. Friedman. 1996. The role of employers in addressing the needs of employed parents. *Journal of Social Issues* 52:111-36.

Galinsky, Ellen, Stacy S. Kim, and James T. Bond. 2001. *Feeling overworked: When work becomes too much*. New York: Families and Work Institute.

Garey, Anita. 1999. *Weaving work and motherhood*. Philadelphia: Temple University Press.

Glass, Jennifer L. 2002. Blessing or curse? Family responsive policies and mother's wage growth over time. Manuscript, University of Iowa, Iowa City.

Glass, Jennifer L., and Valarie Camarigg. 1992. Gender, parenthood and job-family compatibility. *American Journal of Sociology* 98:131-51.

Golden, Lonnie. 2001. Flexible work schedules: Which workers get them? *American Behavioral Scientist* 44:1157-78.

Grzywacz, Joseph G., and Nadeine F. Marks. 2000. Reconceptualizing the work-family interface: An ecological perspective on the correlates of positive and negative spillover between work and family. *Journal of Occupational Health Psychology* 5:11-126.

Hays, Sharon. 1996. *The cultural contradictions of motherhood*. New Haven, CT: Yale University Press.

Hersch, Joni, and Leslie S. Stratton. 2000. Household specialization and the male marriage wage premium. *Industrial and Labor Relations Review* 54:78-114.

Hochschild, Arlie Russell. 1997. *The time bind: When work becomes home and home becomes work*. New York: Metropolitan Books.

Hotchkiss, Julie L., and Robert E. Moore. 1999. On the evidence of a working spouse penalty in the managerial labor market. *Industrial and Labor Relations Review* 52:410-23.

Jacobs, Jerry A., and Kathleen Gerson. 2001. Overworked individuals or overworked families? Explaining trends in work, leisure, and family time. *Work and Occupations* 28:40-63.

———. 2004. *The time divide: Work, family and social policy in contemporary society*. Cambridge, MA: Harvard University Press.

Osterman, P. 1995. Work/family programs and the employment relationship. *Administrative Science Quarterly* 40:681-700.

Perlow, Leslie A. 1997. *Finding time: How corporations, individuals and families can benefit from new work practices*. Ithaca, NY: ILR Press.

Pfeffer, Jeffrey. 1997. *New directions for organization theory: Problems and prospects*. New York: Oxford University Press.

Pfeffer, Jeffrey, and Jerry Ross. 1982. The effects of marriage and a working wife on occupational and wage attainment. *Administrative Science Quarterly* 27:66-80.

Powell, Walter W. 2001. The capitalist firm in the twenty-first century: Emerging patterns in Western enterprise. In *The twenty-first-century firm: Changing economic organization in international perspective*, edited by Paul DiMaggio, 33-68. Princeton, NJ: Princeton University Press.

Repetti, Rena L. 1994. Short-term and long-term processes linking job stressors to father-child interaction. *Social Development* 3:1-15.

Roth, Louise. 2003. Selling women short: A research note on gender differences in compensation on Wall Street. Manuscript, University of Arizona, Tucson.

Rothbard, Nancy P. 2001. Enriching or depleting? The dynamics of engagement in work and family roles. *Administrative Science Quarterly* 46:655-84.

Spain, Daphne, and Suzanne M. Bianchi. 1996. *Balancing act: Motherhood and employment among American women*. New York: Russell Sage Foundation.

Thompson, Cynthia A., Laura L. Beauvais, and Karen S. Lyness. 1999. When work-family benefits are not enough: The influence of work-family culture on benefit utilization, organizational attachment, and work-family conflict. *Journal of Vocational Behavior* 54:392-415.

U.S. General Accounting Office. 2003. *Women's earnings*. Washington, DC: Government Printing Office.

Voydanoff, Patricia. 1988. Work role characteristics, Family structure demands, and work/family conflict. *Journal of Marriage and the Family* 50:749-61.

Waldfogel, Jane. 1997. The effect of children on women's wages. *American Sociological Review* 62:209-17.