

Gender Equity in 2020: Progress But Still a Long Way to Go

By Felicia Farber

In the last decade, there has been heightened awareness of gender diversity and women's equity issues in our country. Academic institutions, health systems, businesses—including law firms—as well as other organizations have responded, hiring equity and diversity officers to work toward more inclusive environments. Women have shattered records in recent elections and made huge strides in achieving leadership roles in both the public and private sectors, government, and judiciary. However, notwithstanding all the progress that has been made so far, gender equity statistics are still quite alarming, revealing that women remain significantly under-represented in virtually every area.

The year 2018 was called “The Year of the Women.” With the #MeToo and #TimesUp movements toppling powerful moguls, celebrities and political figures like Harvey Weinstein, Bill Cosby, Matt Lauer and Al Franken, women's issues surged to the forefront of the news. The spotlight continued to shine during the contentious Brett Kavanaugh Senate hearings with serious allegations brought by Dr. Blasey Ford, and the international Women's March which coordinated protests of millions of participants across the U.S. and throughout the world. Women made enormous headway in the 2018 mid-term elections, an historic number filing to run; becoming their party's nominees for House, Senate and gubernatorial races; and winning seats in Congress. More history was made with the first Native American women, first Muslim women, and youngest women ever elected to serve as lawmakers.

Women, for the first time ever, now make up 29.2% of all state legislators nationwide.¹ This more than quintuples the number of women serving in state legislatures since 1971. This record-breaking figure may seem like great news, but it is still disturbing if you consider the fact that women make up nearly 51% of the U.S. population.²

Unequal Pay

Even more disturbing is the ongoing wage disparity

between men and women in the United States. According to the U.S. Census Bureau, women still earn 81 cents for every dollar a man earns, and women of color earn even less.³ Although the female-to-male earnings ratio of full-time workers has narrowed over the past seven decades, the pay gap continues to exist in occupations within all pay and education levels.⁴ The National Committee on Pay Equity estimates that “over a working lifetime, this wage disparity costs the average American woman and her family an estimated \$700,000 to \$2 million, impacting Social Security benefits and pensions.”⁵

The Institute for Women's Policy Research published an estimate that this earnings gap is not projected to close until the year 2058.⁶ Perhaps more shocking is that the U.S. is ranked 53rd in the Global Gender Gap Index 2020, falling below countries such as Bangladesh, Mexico and Zimbabwe.⁷ Inasmuch as the U.S. is a world leader and role model in democracy, it is clearly failing in wage equality. The good news for New Jersey citizens is that on April 24, 2018, Governor Phil Murphy signed into law the Equal Pay Act which requires pay equality not only for gender, but for all protected categories under New Jersey's Law Against Discrimination.⁸

Women in Law

For the past 20 years approximately 50% of law school graduates in the U.S. have been women.⁹ This figure probably doesn't raise any eyebrows until one learns that women make up only 36% of lawyers at law firms, and far fewer are found at senior levels.¹⁰ Indeed, 45% of women are found in non-partner roles, whereas only 22.7% are partners and 19% equity partners.¹¹ Considering that there are approximately 1.35 million lawyers in the U.S.,¹² the sharp gender differential translates to hundreds of thousands of attorneys. A 2018 survey by the National Association of Women Lawyers reveals that at the legal community's current growth rate it would take almost a century until women became half of equity partners,¹³ and The American Lawyer has

forecast that given current trends, gender parity among equity partners will not be achieved until the year 2181.¹⁴

According to a recent *Women in the Workplace* study conducted by LeanIn.org and McKinsey & Company surveying 222 North American law firms—23 of which had more than 16,000 attorneys—women were well-represented at junior, midlevel, and senior associate levels, accounting for approximately 46% of attorneys, but radically dropped off afterwards.¹⁵ Indeed, the survey revealed that only 19% of equity partners were women, and women comprised only 25% of executive-leadership positions such as management committee and practice leadership.¹⁶

The aforesaid *Women in the Workplace* study used the following questions in its research which were designed to measure the scope of gender diversity in the firms: Are women represented fairly at each level? Do women advance as rapidly as men? Do women choose not to advance at a certain point? Are women hired at the same rate as men? The results in the categories of representation, promotion, attrition and external hiring demonstrated that law firms need to improve in each area.¹⁷

In a 2020 Women's Initiative Task Force Follow-Up Study—to a prior 2017 study—reported by the New York State Bar Association, an analysis of more than 5,000 responses revealed that female attorneys represented 26.7% of attorneys appearing in civil and criminal cases across New York—only a 1.5% increase over the past three years.¹⁸ There were large gaps between women appearing as lead attorneys in the public sector (35.1%) as compared to the private sector (20.8%), and overall women attorneys accounted for only 25.3% of lead counsel roles and 36.4% of additional counsel roles.¹⁹ On a more promising note, female lead attorneys had a higher number of appearances in federal court (27.5%) than in state courts (23.1%).²⁰

Women in Business

Women in corporate America lag significantly behind men in workplace representation and advancement. A 2019 *Women in the Workplace* study sheds light on the origin of the problem: fewer women are hired at the entry and manager levels than their male peers.²¹ If women are hired, their representation diminishes at every incremental tier and they are less likely to be promoted into manager level positions. This gender disparity results in men holding 62% of manager jobs compared to 38% for women.²²

Although the U.S. has seen a growing number of women in senior management in recent years, men still

occupy the vast majority of corporate officer positions and senior leadership roles.²³ Examining the largest companies in the U.S., only 37—or 7.4%—of Fortune 500 companies are led by women CEOs²⁴ and 64—or 12.8%—have women CFOs.²⁵ Although these figures are all-time record highs, they serve to illuminate a profound gender and power imbalance that is extremely significant considering that Fortune 500 companies represent two-thirds of the U.S. Gross Domestic Product.²⁶

The statistics are even more dismal for the Global Fortune 500 companies. Only 10.9% of senior executives are women, 37% have all-male leadership teams, and an additional 21% have only one woman in a leadership role.²⁷ In basic terms, these figures mean that 185 of the world's largest companies have no women leaders at all, and more than 100 have only one woman in a leadership position.

Women on Wall Street haven't fared much better. The Financial Services industry has historically been male-dominated and the top banks continue to be run by men. A recent Catalyst study found that women's representation in senior leadership roles remains low while the gender pay gap has stayed high.²⁸ For instance, women account for less than 17% of senior leaders in investment banking, only 9% in private equity, and only 18% of total employees.²⁹ At hedge funds and private debt firms, women hold just 11% of leadership roles.³⁰

Positive Findings for Women

Despite these grim statistics, there's substantial evidence that gender diversity at the management level enhances a company's performance, and companies with more women at the top make more money:

- According to a new study last year from S&P Global Market Intelligence, public companies with women CEOs or CFOs often were more profitable and produced better stock price performance than many of the companies that had appointed men to those roles³¹
- AA Peterson Institute for International Economics survey of 21,980 firms from 91 countries found that having women at the C-Suite level correlates to a significant increase in net margins.³² Evidence shows that a wide-ranging set of influences at the decision-making level helps make companies more profitable, innovative and respected: Diversity not just across gender but across cultures improves a company's performance.³³

- Women in Congress have a track record of achieving greater financial success. A study from UC Berkeley and University of Chicago found that female legislators were able to bring back \$49 million more for their districts on an annual basis, compared to their male counterparts.³⁴
- Diverse companies are more creative. The assistant dean at the University of Arizona’s Eller College of Management, Joe Carella, analyzed Fortune 500 companies and found that those with women in top management roles produce an average of 20% more patents than teams with male leaders.³⁵
- A large female presence is associated with higher reputational standing. According to the Gender Forward Pioneer Index, companies that are “most admired” by their industry peers have twice the percentage of women in senior management than companies with weaker reputations.³⁶
- Women-owned businesses (owned, operated and controlled by one or more women) in the United States are highly successful:
 - More than 12.3 million firms are owned by women, employ approximately 9.2 million people, and generated \$1.8 trillion in sales as of 2018.
 - One in five firms with revenue of \$1 million or more is woman-owned.
 - Women-owned firms (51% or more) account for 40% of all privately-held firms and contribute 8% of employment and 4.3% of revenues.³⁷

Ironically, companies spend countless dollars on consultants, advertisers, promoters, marketing experts and PR firms to boost their profitability and increase their bottom line when studies and statistics seem to suggest that the “secret” ingredient they’re missing is more women.

Conclusion

Women have proven themselves to be exceptional leaders in business, academia, government and the judiciary, and their success cannot be ignored. With women’s issues brought to the forefront as never before, this is an ideal time for women to capitalize on the positive changes in attitudes and awareness of gender equity concerns.

Recognizing that real change does not happen overnight and that women continue to battle historical gender bias, it is incumbent on successful women leaders to use their power to speak up and help others. Accomplished women leaders need to mentor, foster, and develop successive generations to continue to change the workplace culture and promote women’s hiring, retention and growth.

It is 2020 and the U.S. has still never had a woman president, vice president or chief justice, the Equal Rights Amendment has yet to be ratified, and the majority of leaders in this nation’s—and the world’s—biggest companies are men. Globally, there is still a 31.4% average gender gap that remains to be closed.³⁸ However, continuing on the upward trajectory of recent years, it is finally within reach for women to crash through the remaining ceilings and soar to new heights. ■

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