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OFF-RAMPS AND ON-RAMPS: KEEPING WOMEN ON THE ROAD TO SUCCESS

Center for Work-Life Policy/*Harvard Business Review* Report Provides First, In-Depth Data Revealing Whether and Why Highly Qualified Women “Opt Out” of the Workforce

NEW YORK, February 28, 2005 – Are women really “opting-out” of the workforce as last year’s media uproar suggested? New data in the form of an article and report – released today by the *Harvard Business Review* and the Center for Work-Life Policy (CWLP) – says “absolutely not,” at least not in the way the stories indicated.

“Many talented, committed women take off-ramps but an overwhelming majority can’t wait to get back in,” says Sylvia Ann Hewlett, President of the Center for Work-Life Policy (CWLP) and an author of the report. While more than one-third (37%) of highly qualified women off-ramp for some period of time, the vast majority (93%) want to return to work. Many find this more difficult than they anticipated. Only 74% succeed in rejoining the workforce and only 40% return to full-time jobs. A real “wake up call” for corporations, adds Carolyn Buck Luce, Partner at Ernst & Young and co-author of the report, “is that 95% of off-rampers would not consider going back to their previous employers.”

Are women being pulled out of the workforce due to family demands, or pushed out by elements of the job that make them head for the door? What challenges do women face in re-entering the workforce and what are the penalties for leaving? And, what can companies do to keep women on the road to success? These are the questions the CWLP and several members of its “Hidden Brain Drain” task force – Ernst & Young, Goldman Sachs, and Lehman Brothers – sought to answer in sponsoring this survey to investigate the role of “off-ramps” and “on-ramps” in the lives of highly qualified women. Published in a 140-page report in conjunction with the *Harvard Business Review*, the results of this survey of 2,443 women and 653 men provide a comprehensive roadmap of women’s career paths and suggest actions that companies can take to ensure that female talent is better utilized over the life span.

(more)

Key Findings:

- 1. Off-ramping is an important phenomenon. A substantial minority (37%) of highly qualified women off-ramp – that is, they voluntarily leave their careers for a period of time.**
 - Across sectors, off-ramping among highly qualified women is often triggered by family responsibilities. Childcare issues loom large but so does elder care. Off-ramping women generally feel that “pull” factors outweigh “push” factors.
 - Women in business, banking and finance weigh their decision to off-ramp differently. Here “push” factors outweigh “pull” factors, and the dominant trigger is failure to find a career either satisfying or enjoyable.
 - A husband’s reaction to a woman’s decision to off-ramp is often ambivalent or negative.
- 2. Women off-ramp for a surprisingly short period. Even so, “time out” is extremely costly.**
 - On average, women off-ramp for only 2.2 years. In business and banking/finance, off-rampers average even shorter periods of time out (1.2 and 1.5 years respectively).
 - On-rampers experience a severe (and escalating) penalty for “time out.” On average, women lose 18% of their earning power when they off-ramp. (This figure rises to a staggering 37% when women off-ramp for 3 or more years).
 - In business and banking/finance, penalties are particularly draconian. On average, these women lose 28% of their earning power when they off-ramp — even though in these sectors women typically off-ramp for less time than the average off-rampers.
- 3. A majority of professional women (58%) describe their careers as non-linear. Off ramping is one way of “taking time out.” Other strategies involve:**
 - Reduced responsibility and/or reduced jobs.
 - Declining promotion opportunities.
 - Flexible work arrangements (FWA). These are highly prized. Indeed, among highly qualified women, more women find FWA more desirable than enhanced compensation.
 - Many women encounter stigma in accessing FWA. Between one quarter and a third report various roadblocks in the culture of their corporation/organization.
 - In an interesting contrast, women who work for more progressive companies (that offer at least three formal work-life policies) are less likely than others to have ever off-ramped.
- 4. Despite the fact that on-ramping women are highly motivated (mostly by financial pressure), most find re-entry enormously difficult.**
 - Fully 93% of women currently off-ramped want to get back to work, yet many fewer (74%) succeed in obtaining jobs – and only 40% return to full-time jobs. In the banking/finance sector, success rates are lower here; only 67% succeed in on-ramping.
 - Only 5% of those who on-ramp want to go back to the company they used to work for. Indeed, in the business and banking/finance sectors, none of the women attempting to on-ramp want to go back to the company they left. This comprises a clear challenge to employers.
- 5. On-rampers are hungry for help from the private sector. They feel that a variety of company-sponsored initiatives would make for more successful on-ramping experiences.**
 - Most on-ramping women (93–94%) are eager for help re-training, re-tooling and re-skilling. This figure rises to 96–97% in the banking/finance sector.
 - These women are also eager for help in dealing with the time crunch in their lives. In the business sector among on-ramping women, 89% want access to reduced hour jobs. (Across sector, 82% want access to reduced hours and reduced workloads).
 - While the majority (44%), of women leave the workforce to spend more time with family, about 1 in 4 women (23%) leave to pursue a degree or other training.
- 6. Women find it difficult to claim or sustain ambition.**

- Highly qualified women are significantly less ambitious than their male peers (35% versus 48%).
- Young highly qualified women are more likely than older women to see themselves as extremely or very ambitious (39% versus 31%).
- Only 15% of highly qualified women single out “a powerful position” as an important career goal. Far more important to these women is the ability to associate with people they respect (82%); the freedom to “be themselves” at work (79%), the opportunity to be flexible with their schedules (64%), and to receive recognition from their company (51%).

The bottom line: Companies need to devote urgent energy to attracting, retaining and re-attaching high caliber female talent because a “war for talent” is looming on the horizon. The first generation of corporate gender policies were all about giving women access to the workplace. Corporations now need to move to the second generation of policy and practices that will more fully realize the talents, skills and ambitions of their female population. To that end, this study points to an innovative action agenda which includes:

- Creating a rich menu of on-ramps embracing and enabling a comprehensive definition of flexibility
- Developing networks that sustain ambition
- Eliminating the stigma surrounding work-life options
- Transforming pathways to power

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For a copy of the full *Harvard Business Review* research report, please contact:

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Research Methods

Nationally representative samples of 2,443 high achieving women and 653 high achieving men aged 28 – 55 participated in the survey. Qualified respondents had earned a graduate degree or a college degree with honors. Women and men were interviewed online using a self-administered questionnaire. Interviews averaged 22 minutes in length and were conducted between June 23 and July 15, 2004.

***Harvard Business Review* Publications**

“Off-Ramps and On-Ramps: Keeping Talented Women and the Road to Success” by Sylvia Ann Hewlett and Carolyn Buck Luce. (February 28, 2005)

The Hidden Brain Drain: Off-Ramps and On-Ramps in Women’s Careers by Sylvia Ann Hewlett, Carolyn Buck Luce, Peggy Shiller and Sandra Southwell.

The Center for Work-Life Policy

The Center for Work-Life Policy (CWLP) undertakes research and works with employers to design, promote and implement workplace policies that enhance personal/family well-being and increase productivity. CWLP is committed to promoting policies that enable individuals to realize their full potential across the divides of gender, race and class. The CWLP is a nonprofit, nonpartisan organization based in New York City.

Participants in the Task Force include:

American Express; Booz Allen Hamilton, Inc.; BP International; Cisco Systems; DoubleClick; Ernst & Young, Eversheds LLP; General Electric Company; Goldman Sachs; Johnson & Johnson; Lehman Brothers; Moody's Corporation; The New York Times Company; Pfizer Inc.; Pitney Bowes Inc.; Sears, Roebuck & Co.; Sullivan & Cromwell LLP; Time Warner; and Unilever PLC.

TASK FORCE DIRECTOR

SYLVIA ANN HEWLETT is the founding President of the Center for Work-Life Policy, a non-profit organization which seeks to develop policies that enhance work-life balance. She is also the Director of the Gender and Public Policy Program at the School of International and Public Affairs, Columbia University. The first woman to head up the Economic Policy Council – a “think tank” comprised of 125 business and labor leaders – Dr. Hewlett is well known for her expertise on gender and workplace issues. Her books include *When the Bough Breaks* (winner of a Robert F. Kennedy Memorial Book Prize), *Creating a Life* (named by *Business Week* as one of the top ten books of 2002) and *The War Against Parents* (co-authored with Cornel West). She has taught at Cambridge, Columbia and Princeton Universities and held fellowships at the Institute for Public Policy Research in London and the Center for the Study of Values in Public Life at Harvard. A Kennedy Scholar and graduate of Cambridge University, Hewlett earned her PhD in economics at London University.

CO-CHAIRS

CAROLYN BUCK LUCE is a partner in the Global Accounts Group at Ernst & Young and the New York pharmaceutical leader responsible for E&Y's relationships with global pharmaceutical companies. She is also cochair of E&Y's TriState Professional Women's Network and a frequent speaker at industry and professional women's conferences. Buck Luce is an adjunct professor at the School of International and Public Affairs at Columbia University, where she teaches a course titled “Women and Power.” She is also the treasurer and a member of the board of the New York Women's Foundation. Buck Luce is the cochair of the Center for Work-Life Policy's Hidden Brain Drain task force. Ms. Buck Luce received her B.S. degree from Georgetown University and her M.B.A. degree from Columbia University.

CORNEL WEST is University Professor of Religion at Princeton University. Prior to his appointment at Princeton, he was the Alphonse Fletcher University Professor at Harvard University teaching Afro-American Studies and Philosophy of Religion. He has taught at Yale, Union Theological Seminary and Princeton University where he was chair of the Department of Afro-American Studies. A well-respected speaker and authority on issues of race and religion, he was part of President Clinton's National Conversation on Race initiative. West is the author of numerous articles and books including *Prophetic Fragments*, *The Cornel West Reader*, the best-seller, *Race Matters*, and *The War Against Parents* (co-authored with Sylvia Ann Hewlett), and *Democracy Matters*. Dr. West is a magna cum laude graduate of Harvard with an M.A. and Ph.D. degrees from Princeton.