Stepping Up: How Education Access Can Help Bridge the Gender Gap for Working Adults

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Foreword

The American labor force lost **2.4 million** women in 2020.

Predominantly, this loss included Black, Hispanic, Latinx, and Indigenous women who are overrepresented in frontline roles and sectors hardest hit by the pandemic, and by women forced to choose between career and parenting or caregiving responsibilities.¹ These trends were mirrored in higher education, where women lost 1.4x as many jobs as men - and people of color, who represented 1 in 4 higher education employees accounted for more than half of all jobs lost.

It’s easy to point at the pandemic — a clear and exogenous shock that left virtually no industry untouched — as a singular cause of this job loss, but that isn’t the full story. Women are underrepresented in fields and roles historically aligned with the most earning potential, and those who do enter those fields are generally paid less than their male counterparts. The pandemic simply made the impact of deeply ingrained gender inequities more visible.

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**What is the difference between gender bias and gender discrimination?**

**Gender bias** refers to treating a person differently based on their gender.

For example, expecting women to do the equivalent of office “housework” outside of their job descriptions, such as planning parties or taking notes during meetings.

**Gender discrimination** occurs when bias moves into illegal territory.

For example, limiting women’s pay, titles, or assignments on the basis of gender.

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¹ Forbes

Source: CEW Georgetown

Source: EmpowerWork
Gender bias and discrimination represent more than a collective social, moral, (and, in the case of discrimination, legal) failing.

**Losing women from the workforce carries negative economic implications, and in fact represents a threat to the future of work and the global economy.**

Conversely, better inclusion of women in the workforce has a positive economic impact on both macro and micro levels. When more women participate in the workforce, the GDP rises. At the corporate level, companies that prioritize gender diversity are 21% more likely to outperform on profitability and 27% more likely to have superior value creation.

There are ways the higher education ecosystem can help alleviate some of the most dire negative impacts of ingrained gender bias and discrimination. At Guild, we’re working to understand how the gender gap impacts women working adult students. As with many systemic issues, there is no panacea that can resolve all of these challenges. However, it is our hope that by understanding this gap and how it impacts the students we serve, we can better position higher education, a proven key to unlocking economic mobility, to be part of the solution and to foster deeper conversation from the critical nexus between education and the workplace.

Women dominate frontline roles. These roles are historically low wage. If education means greater economic mobility, how can women working in frontline roles learn the skills needed to successfully advance? For many, the cost of earning a degree that could unlock economic mobility is simply too costly — both in terms of time and money. Yet the prospects of not doing so are bleak: a stagnant minimum wage, coupled with high automation risk means that not only do frontline employees face continued economic hardship, but a growing danger that their roles will be lost in coming years.

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3 EquitableGrowth.org
4 McKinsey
5 Center for Economic and Policy Research
6 Business Insider
7 McKinsey. According to this research, by 2030, 15% of the global workforce will be replaced by automation.
Furthermore, job loss has been inequitable among racial and ethnic demographics. While the last year caused widespread disruption to the workforce and prodigious job loss, Black women and Hispanic women suffered a disproportionate amount of this job loss. Together, Black women and Hispanic women represent roughly 14% of the workforce, yet lost 26% of all jobs during the pandemic. Addressing this job loss therefore requires addressing the systemic barriers that limit or prevent upward mobility for women of color, starting with frontline roles.

**Gender Gap: Career Path Without Education Benefit**

**Starting Out**
- Underrepresented in fields affiliated with greatest economic mobility
- Undereducated/lacks skill set needed to advance, but college is unaffordable

**Hiring**
- Sexist & classist bias may be embedded in interview process
- Women are likelier than men to apply for jobs they are overqualified for

**Skilling**
- Senior role promotion
- Hiring/Skilling/Admission/Starting Out

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**Inequitable Job Loss**

<table>
<thead>
<tr>
<th>% of Workforce</th>
<th>% of Total Job Loss</th>
<th>Difference Between Representation in Workforce and Job Loss</th>
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<tbody>
<tr>
<td>Men (overall)</td>
<td>21%</td>
<td>-19%</td>
</tr>
<tr>
<td>Women (overall)</td>
<td>42.66%</td>
<td>87.14%</td>
</tr>
<tr>
<td>Hispanic Women</td>
<td>12.17%</td>
<td>13.86%</td>
</tr>
<tr>
<td>Black Women</td>
<td>93%</td>
<td>93%</td>
</tr>
</tbody>
</table>

**Sources:** Bureau of Labor Statistics and Pew Research Center

**Gender Gap**

2/3 of all student loan debt. Source: AAUW
Access to Education is the Critical First Step

Fortunately, more companies are seeing the value in preparing frontline workers for promotion through education benefits that will equip them with the skills necessary to unlock mobility within their own companies. Equitable education benefit policies underwrite tuition and education costs to help employees gain in-demand skills and competencies while avoiding student debt. Employers partnering with Guild Education, for example, have saved their employees over $363 million in total student debt.

Taking advantage of education benefits is a proven way to help women graduate from frontline roles. Overall, women who engaged in education benefits through Guild were 89% more likely to be promoted. One of Guild’s employer partners found that engaging in the education benefits program more than doubled the promotion rate for non-exempt women employees a group that formerly had the lowest promotion rate. What’s more, education lessened the gap in promotion rates between women and men colleagues from a 13% difference down to 5%.

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8 Guild impact data.
**CASE STUDY**

Chipotle employee Dylan is ambitious and always wanted to earn a college degree, recognizing the advantage it could give her when leadership opportunities opened up. But the cost, along with her perceptions around time commitment, demotivated her. When she learned about Chipotle’s debt-free degree program, and that this program would enable her to progress in line with her schedule, she realized that suddenly these barriers were surmountable. “Chipotle made a way for me to educate myself while advancing in my career. Double whammy,” she recalls. “I’m working towards a business management and leadership degree...I hope it will allow me to advance my career [and] keep moving up the ladder.”

And in fact her career already has advanced. After working as an apprentice for a little over a year, Dylan was promoted to General Manager while still in school.

For students like Dylan, the secret sauce to successful degree completion doesn’t stop at enrolling in a program that teaches the competencies necessary to be a successful leader. She also needed flexibility. Programs that provide asynchronous learning options empower students to learn on their own schedules and go at their own pace. Chipotle’s willingness to promote Dylan for her competencies and not her degree alone also drove her pre-graduation advancement.

**Gender Gap: Career Path With Education Benefit**

<table>
<thead>
<tr>
<th>Total Lifetime Earnings</th>
<th>Due to wage gap</th>
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<tbody>
<tr>
<td>Executive</td>
<td>$2.6M (&gt;768k)</td>
</tr>
<tr>
<td>Supervisor</td>
<td>$1.3M (&gt;440k)</td>
</tr>
</tbody>
</table>

- **Executive**
  - Median annual earnings: $106k
  - Percent of male earnings: 68%

- **Supervisor**
  - HEI is mindful of gender representation in L&D
  - Learns durable, perishable skills
  - Percent of male earnings: 58%

- **Hiring**
  - Median annual earnings: $56k
  - Percent of male earnings: 58%

- **Business Operations**
  - Median annual earnings: $31k
  - Percent of male earnings: 70%

- **Skilling**
  - Median annual earnings: $33k
  - Percent of male earnings: 70%

- **Starting Out**
  - Median annual earnings: $33k
  - Percent of male earnings: 70%

**Barriers on all levels:**
- Covid-19
- 56% women left the workforce
- Pregnancy/Maternity
- 17% of mothers never return to work

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Understanding Representation & the Wage Gap

Enabling access to education is a large piece of the puzzle for all frontline workers, most of whom are women. Education benefits can do that. Understanding how a degree can advance economic mobility is tied to other factors, one of which is field of study (e.g., people who earn legal degrees tend to pursue careers in legal fields). And it is here that we start to see another clear gender breakdown.

Let’s start with representation in the highest and lowest paying fields. The chart below shows the fields with highest to lowest median pay, and the gender breakdown between them.

Women tend to be underrepresented in the fields affiliated with highest pay and overrepresented in the fields affiliated with lower pay.

For example, women comprise fewer than 25% of the workforce in computer and mathematical occupations, which include high-paying roles like software engineering, but 60% of sales and office occupations, which include hourly administrative roles with limited upward career mobility.
At first glance, the Legal field appears to be an outlier. It is the third highest-paying field in terms of median income, and women represent the majority of the workforce at just under 58%. However, when both median earnings and gender are taken into account as in the chart on the right, a stark pay gap becomes apparent. In the legal field, **women are paid about 80% less than men**, representing the most dramatic pay gap across all fields. This may broadly signify that in higher paying fields with a larger quantity of women, women are in lower-paying roles, or are paid less to do the same work. In the legal field, it happens to be both. **According to the US Bureau of Labor Statistics, among the highest earners in this field, lawyers, female median earnings amount to about $34,000 less than their male colleagues per annum - or $1.37M over a 40-year career.** Furthermore, women dominate lower-paying support roles such as paralegal and legal assistant, which carry a median salary consisting of just 44% of the average lawyer’s pre-bonus salary.
And this points us to the central problem in understanding economic mobility for women: systemic gender bias and discrimination means that women are paid less than their male counterparts. The above chart shows that in every field, regardless of representation, women make less money than men.

In fact, if all of the fields examined above had an equal split between men and women and achieved pay equity, an additional $177,916,596,000 would go to women each year.

And achieving pay equity is slow-going. According to the World Economic Forum’s (WEF) Global Gender Gap report for 2021, it will take more than 60 years for North American women to achieve pay parity with men at the current rate.¹⁰

While the notion of a world in which we have a 50/50 gender split and no pay discrepancies across fields may seem far fetched, it is eye opening to see that in such a world, individual women stand to increase their salaries across the board and women, on the whole, only stand to lose dollars in fields where they currently hold the majority of jobs and the pay gap is smallest.

¹⁰ World Economic Forum 2021 Gender Gap Report. According to the report, at the current rate, it will take 61.5 years for North American women to achieve pay parity with men.
The pay gap is not exclusive to gender demographics

WEF’s pay parity estimations include all women. The pay gap is significantly worse when pay rates are disaggregated by race.\textsuperscript{11} For example, a white man with a bachelor’s degree earns $1,489 per week on average. For white women that would be $1,247. For Black or African American women, weekly earnings would be $970, and for a Hispanic or Latina woman, the average drops to $934 per week.\textsuperscript{12} This highlights a critical, compounding negative effect of the gender pay gap and the racial pay gap. While all women face pay gaps across industries, many women of color face additional bias and discrimination based on racial and ethnic identity that also negatively impacts pay.

Understanding Representation and Program Choice

Guild analyzed enrollment choices of working adult students against current representation of women in multiple fields. Currently, working adult women with education benefits are choosing programs at rates that are in-line with the percentage of women represented in those fields right now. For example, women make up about 25% of the workforce in computer and mathematical fields, and women comprise about 27% of the working adult students who are using their education benefit to enroll in programs in those fields.

Unpacking this trend is important because the number one reason why women with education benefits stop out of their education program is because they discovered there had been misalignment in program selection in the first place.

\textsuperscript{11} SHRM
\textsuperscript{12} AAUW
There are two main drivers of program misalignment:

1. **Poor program fit with career goals or interests**, and
2. **A mismatch between how flexible the program delivery is and how flexible the student needs it to be**. According to Guild research, while the majority of working adults enroll in degree programs because the credential unlocks economic opportunity, **women place greater value on degrees that are applicable to a variety of career paths, whereas men place greater value on high job placement potential.**

Why is this the case? Why do working adult women place more value on how flexibly a degree can be applied over job placement potential? This question merits deeper examination, but at surface level, we can hearken back to representation as a key trend that can influence where value is placed. **Representation fosters confidence and helps shape what people imagine to be possible.** Most of the time, when women look up the corporate ladder across industries, men are at the top: as of 2020, women represented just 21% of c-suite roles. A woman working in a frontline role may aspire to become a senior software developer, but an awareness of how underrepresented women are in that role — combined with a knowledge of the tech industry’s well-documented struggles with gender bias — may inspire her to try to keep her options open. Furthermore, a lack of representation also points to gender bias in hiring practices. A woman knowingly entering into a field where she’s likely to encounter an all-male hiring panel may find flexibility necessary to pad her options in a way that a man in that same scenario may not.

Women may also be actively discouraged from pursuing certain fields or careers resulting from harmful stereotypes around what types of jobs women “should” have, or the types of activities women “should” engage in. Exposure to these stereotypes tends to begin early, and the effects can be seen by the time students reach middle and high school. For example, Microsoft released a study examining why girls lose interest in STEM as they get older, and found that by high school, girls are not only less confident doing STEM, they are more likely to feel that coding and engineering jobs aren’t for them. The reasons for this included peer and social pressure, a lack of representative role models, and a general misunderstanding of what STEM jobs can be. Today, although women represent half of the American workforce, only 27% of STEM jobs are held by women.

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14 McKinsey
15 Pacific Standard Magazine
16 Microsoft
17 Census Bureau
Another driver of a need for flexibility in career options is status as a caregiver. Female working adult students are likelier than male students to be caregivers, and are far more likely to be single parents. Also, in light of the pandemic, female working adult students were likelier than their male counterparts to report feeling less secure in their jobs — for those with caregiving responsibilities, this can add greater urgency to the need to be able to find another job quickly. And given the drastic impact Covid-19 has had on caregiving responsibilities for women in particular, a more broadly applicable credential may be perceived as having greater value.

Did you know that only 2.1% of tenured faculty at non-profit 4-year universities are Black women?

What Can Be Done?

Higher education cannot solve the gender gap by itself, but it can certainly move the needle. Postsecondary education can serve as a first step to help women graduate from the frontline and embark on an upwardly mobile career path. But academic institutions must empower women. A few strategies that innovative institutions have implemented to begin chipping away at the gap include:

### Representation
- Across the institution faculty and leadership
- In course content and material
- When providing examples or describing successful people in various roles

### Support
- Mentorship programs
- Coaching that understand the swath of internal and external barriers women are up against
- Wrap around supports that reduce barriers such as childcare

### Community building and networking activities
- Build relationships with companies that offer debt-free education to provide opportunities to women on the frontlines

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18 Guild survey data. N=1,002.
Transparency

- Clear connections between the skills gained in academic programs and the career paths/job relevance
- This will make it easier to contextualize progress towards a goal and communicate the career-ready skills gained
- Examples to highlight the competencies that generally lead to success in various careers

Gender conscious education

- Bias training (for all genders)
- Career readiness, interview prep that incorporates strategies to overcome the unique circumstances women may face
- Promote awareness of the conscious and unconscious biases that exist and provide strategies that all genders use to combat them

Flexible Pathways

- Provide the flexibility to switch programs
- Create pathways with stackable credentials and credit for prior learning/on-the-job training

Though these strategies are a step in the right direction, in isolation they will not solve an issue of this magnitude. Knowing that women often face uniquely gendered barriers to successfully earning a degree and unlock economic potential, employers can work to help women overcome them not only through offering an education benefit that is easy to take advantage of, but conversations about the skills that help them advance within the company. Understanding the competencies that will lead to upward career mobility combined with the right guidance can help clarify program choice. Additionally, a commitment to gender equity means not only pay parity, but equal representation in leadership roles and hiring and promotion committees.

Overcoming barriers necessitates strong academic partners that understand the unique needs of working adult women and the gendered barriers that women face on an upwardly mobile career pathway, and meets students where they are.

This means flexible learning models and equitable delivery, in addition to a direct approach to empowerment. Similarly, academic institutions can prepare women for success in the workplace by offering training, networking opportunities, and walking the walk by ensuring women are represented across departments and in positions of leadership.
At Guild, we are working to make education more equitable, accessible, and valuable for working adults. Are you interested in joining us on our mission to educate America’s workforce? Please get in touch!