

Friday, June 23, 2006

The salary gender gap

While there are female executives at O.C. companies, none are at the helm. There also is a pay disparity.

By **MARY ANN MILBOURN**

The Orange County Register

Last year was another year without a woman at the helm of any of Orange County's public companies, and fewer of the top female executives were in the \$1 million compensation club.

Among the top 30 highest-paid women, the median compensation package was \$544,556, a 3.7 percent increase over 2004.

That compares to the median local chief executive's pay – all men – of \$1.3 million, up 2.2 percent over 2004.

And only five women made \$1 million or more last year, down from nine in 2004.

Kathleen R. Wade, president of **Standard Pacific Corp.**'s southwest region, topped the list of women executives with total compensation of \$3.2 million. When compared with local CEOs, she would rank 26th highest paid, according to an analysis by the Center for Corporate Reporting & Governance at Cal State Fullerton,

Unlike others on the top-paid list, two-thirds of Wade's compensation was a performance bonus.

That is in keeping with the Irvine-based homebuilder's longtime philosophy that cash incentives tied to company performance should be a major part of compensation. Last year, thanks to the booming housing market, Standard Pacific's profits jumped 40 percent.

Employee stock options were the other major source of compensation for women executives.

The median value of the options was \$99,208 overall, \$531,415 for the top five women.

Anita B. Bessler at **Edwards Lifesciences Corp.** rose to No. 2 on the top-paid women list because of options valued at \$915,610. That was almost half the compensation for the vice president of global franchise management.

Christine McCauley, Edwards vice president of human resources, says options have always been a major source of executive compensation at the Irvine company, which makes medical devices to treat heart disease. The thinking is that if the company does well, employees and shareholders alike will be rewarded through a higher stock price.

"It's part of the philosophy established at the beginning of Edwards to align (executive) incentives with shareholder interests," she said.

Experts find the lack of female CEOs in Orange County and the women executives' relative lower pay puzzling.

Julie Hill, former chief executive at British-based Costain's U.S. homebuilding unit here, thinks it's the age-old problem of men making the decisions and opting to hire men and pay them more.

"It's just business as usual in the county," she said.

Jone Pearce, an expert on management at UC Irvine finds the disparity in pay disconcerting. She notes women in the lower ranks always have been paid less than men.

"It could be there's a financial penalty for being a woman at the very top, too," Pearce said.

