

# Where Have all the Women Gone?

COVID-19's Crushing Impact on  
U.S. Female Employment



The statistics are flooding in at an alarming rate with overwhelming headlines. Behind the research is a stark and startling reality:

# The women have left the building.

*Time Magazine* called it a “she-cession,” while another term floating around is “wexit.” But clever wordsmithery aside, the ripple effects of this blow to the workforce are going to take years, if not a generation, to overcome.

Just before the pandemic, in January 2020, women had edged out men in the workforce by a tiny percentage, giving hope to an eventual move toward workplace equity, at least in practice if not in profit. Women still lag men in pay, with a woman earning anywhere from 53 cents to 85 cents on the dollar compared to the average man.

The factors contributing to this exodus are complex, bringing a different and darker meaning to the cliché “women and children first.” It’s the workforce pandemic no one saw coming:

- ▶ More than **5.4 million** women’s jobs have been eliminated from the U.S. workforce between February 2020 – January 2021.<sup>1</sup>
- ▶ Since March 2020, at least **2.3 million women** have left the U.S. workforce, compared to **1.8 million men**.<sup>1</sup>
- ▶ **76% of mothers** with children under age 10 say child care is one of their top three challenges during COVID-19, compared to **54% of fathers** with young children.<sup>2</sup>
- ▶ Since March 2020, **28% of women** with kids under age 18 at home have temporarily or permanently left the workforce to become a primary caregiver to children, compared to **10% of men**.<sup>3</sup>
- ▶ **Women of color** are being hit disproportionately hard with **9.1% of Latinas** and **8.4% of Black women** unemployed, compared to **5.7% of white women**.<sup>4</sup>
- ▶ More than **2 in 5 of the 12.2 million** women’s jobs lost between February and April 2020 have not yet returned.<sup>1</sup>

1 [Another 275,000 Women Left the Labor Force in January](#). Clair Ewing-Nelson. 2021.

2 [Women in the Workplace 2020](#). Rachel Thomas et al. 2021

3 [Women Are Getting Pushed Out of the Workforce—With Few Ways to Return](#). Alina Dizik. 2021.

4 [The US economy lost 140,000 jobs in December. All of them were held by women](#). Annalyn Kurtz. 2021.

But this is just temporary, right? Once we hit our economic stride, get vaccinated, reopen schools, and get back to normal, the women will come back...right?

Not necessarily. The problems contributing to the “she-cession” are multifaceted, and many have been building long before the pandemic. Some are systemic issues requiring legislative or more holistic national action that will take years to implement. Still, there are definitely actionable steps employers can take to make their workplaces more female-friendly in the near future.

Beyond the ideals of workplace equity and empathy, there’s a real bottom-line incentive to getting and keeping women at work: Increased female labor force participation could accelerate U.S. GDP growth, adding a staggering \$5.87 trillion to the global stock market in 10 years.<sup>5</sup>

Employers looking to take a share of that growth and put a stopgap in the “she-cession” can best put their investment and energy into four key areas:



**Dependent  
Care**



**Mental  
Health**



**Equal  
Pay**



**Flexible  
Work**



<sup>5</sup> [The Key to Unlocking U.S. GDP Growth: Women](#), Beth Ann Bovino and Jason Gold. 2017.



## Gaps in Child care Options, Affordability, and Division of Labor Present Women with a COVID-19 Catch-22

*“Child care is an invisible part of the economy.”*

—Ellen Galinsky, Chief Science Officer, Bezos Foundation and Author of *Mind in the Making: The Seven Essential Life Skills Every Child Needs*

A 2019 study by Ready Nation indicates that of the 14 million parents with children under age three in the U.S., 78%—or 11 million—are working parents.<sup>6</sup>

It may seem like the most obvious issue, but we have to address the stuffed toy elephant in the room: Dependent care challenges throughout the pandemic have been tough for families—especially given the swiftness and suddenness with which schools and child care facilities closed in 2020 only to reopen with varying capacity and health restrictions.



<sup>6</sup> [Want to Grow the Economy? Fix the Child Care Crisis](#), Sandra Bishop-Josef et al. 2019.

Parents, particularly mothers, found themselves struggling to work productively while simultaneously caring for and educating their children. And while the pandemic accelerated it and made it more acute, it's important to remember: There was a dependent care crisis before March 2020, the fallout of which mainly affected women.

- ▶ **Many Americans lack access to local, quality child care options.** The Center for American Progress found in 2018 that about half of American families with young children live in a “child care desert,”<sup>7</sup> an area with a high density of families with young children, but few or no available child care options within a 20-minute drive. As might be expected, the news also is not good for lower-income communities and families, who may have access to government subsidies for child care, but no available or affordable options nearby.

- ▶ **Child care costs consume a large share of women's earnings, who continue to earn less than men.** Pre-pandemic, many women were simply working to afford their child care bill. About 55% of families report spending at least \$10,000 a year on child care, per Care.com.<sup>8</sup> Multiply that times the two children in the average American family, and—after calculating for the gender pay gap—it stopped making economic sense for many women to work outside the home. Some of the women who found themselves at home due to layoffs may simply stay put if they have a partner who can earn income for the family.

- ▶ **Women also bear the biggest caregiving load.** Regardless of how far we think we've come as a society, decades-old gender expectations are still quite prevalent. The McKinsey and Company analysis, “Women in the Workplace 2020,” reveals a deep disconnect on the division of household duties, showing how hard antiquated gender roles are to break. More than 70% of fathers think they are splitting household labor equally with their partner (during COVID-19) but only 44% of mothers report an even split.<sup>9</sup>

According to the Bureau of Labor Statistics, mothers are more than three times as likely as fathers to be responsible for most of the housework and caregiving. And they're 1.5 times more likely than fathers<sup>9</sup> to be spending an extra three or more hours a day on housework and child care—equivalent to 20 hours a week, or half a full-time job.<sup>2</sup>

7 [The Coronavirus Will Make Child Care Deserts Worse and Exacerbate Inequality](#). Rasheed Malik. 2020.

8 [Child care costs more in 2020, and the pandemic has parents scrambling for solutions](#). Care.com Editorial Staff. 2020.

9 [American Time Use Survey Summary](#). U.S. Bureau of Labor Statistics. 2020.



Now that COVID-19 has limited care center capacity, disrupted continuous operations, and resulted in care provider furloughs or layoffs, the child care situation is even more dire. The child care industry—itself fueled primarily by women—was hit hard and has yet to recover, along with other female-dominated industries like service and retail that eliminated jobs during the pandemic. Women who kept their jobs during COVID-19 were nonetheless squeezed by lower pay on one side and fewer child care providers on the other.

Based on those factors, it appears it was more than a simple question of “Who makes more?” when families nationwide determined “Who will stay home with the kids?” and “Who will continue in their career?”

The result? The cultural and economic underpinnings of the “she-cession.”

*“... without further relief and the promise of sustained investment in the child care sector, America could be facing a child care shortage so severe that many parents may not be able to rejoin the workforce, hindering an economic recovery.” —Center for American Progress*

*“The pandemic thrust our nation’s care crisis into the spotlight. Our economic recovery rests on people’s ability to get back to work, and for parents, that makes child care indispensable. But with social distancing, remote work and the closure of businesses that many parents rely on, a new dynamic of child care is quickly emerging. If we don’t take action now to solve this child care crisis, there will be huge ramifications for all of us.” —Tim Allen, CEO, Care.com*

Mothers are

**1.5x**



more likely than fathers to spend an extra three or more hours a day on housework and child care—equivalent to 20 hours a week, or half a full-time job.<sup>9</sup>

About

**1/2**



of American families with young children live in a “child care desert,” an area with a high density of families with young children, but few or no available child care options within a 20-minute drive.<sup>7</sup>





# Making it Work: Dependent Care

While the federal government continues to determine how to support child care with bills like the “[Child Care is Infrastructure Act](#),” and local school systems continue to sort out how and when to open, employers can take five key steps to ensure that working women have options when it comes to dependent care.

1. **See employees as whole people.** Work-life balance isn't just an HR catchphrase—it's a real need. Employers must use [empathy](#) to recognize that many working women are also caregivers to children, dependents or semi-independent adults, or parents.
2. **Conduct a “care census.”** Track data on employees' caregiving responsibilities. Gathering that data, even anonymously, will give employers a baseline to help shape their strategy.
3. **Connect the dots between care and cost.** Understand how caregiving challenges can affect the bottom line. Employers lose \$12.7 billion each year due to lost productivity from child care challenges faced by their workforce.<sup>6</sup> Caregiving clearly impacts all areas that keep HR professionals awake at night: productivity, absenteeism, and—the reason we're all here right now—attrition. Addressing caregiving needs and costs is a critical part of an effective benefits strategy that will reap clear dividends.
4. **Offer a dependent care flexible spending account (DCFSA).** With the above in mind, allowing employees to [set aside pre-tax funds](#) for child- and elder care can create long-term savings for all involved. Participants can save 20% and 30% on their annual dependent care spend with the pre-tax advantage a DCFSA provides. As child

care centers reopen with smaller class sizes and/or increased sanitation procedures, costs will likely rise—and be passed on to parents. DCFSA tax savings can give a leg up to employees paying for care. As part of federal COVID-19 relief, the IRS raised the family maximum election amount to \$10,500, so families can now set aside even more tax-free funds to offset child care costs.

5. **Find partners.** Are there groups in the community who are already offering quality child care? Parent support groups? Babysitting services? In-home elder care? Instead of recreating the wheel, see if there are partnering or referral opportunities or negotiate discount programs for child care, camps, after-school or elder care services or consider on-site programs to retain and recruit more working parents.





## COVID-19 Sends Support Systems Up in Smoke, Leading Women to Burnout—and Drop Out



*“I don’t work at home. I live at work.”*

—Remote Employees, 2020

Mental health has taken two front seats in recent times. According to the National Alliance on Mental Illness, “mental health conditions cost employers more than \$100 billion and 217 million lost workdays each year.” Add to that the inherent stressors of COVID-19 and life under lockdown—working from home, battling teleconference fatigue, caring for children, coping with isolation, being cut off from typical support structures like family and friends as well as leisure activities like movies and shopping—and declining mental health has inevitably followed.

Women at all levels of the workforce felt the squeeze, and women in senior-level positions felt an inherent need to be everything to everyone, even amid a global crisis.

The McKinsey & Company analysis notes, “senior-level women are significantly more likely than men at the same level to feel under pressure to work more and as though they have to be ‘always on.’ And they are 1.5 times more likely than senior-level men to think about downshifting their careers or leaving the workforce because of COVID-19. Almost 3 in 4 cite burnout as a main reason.”<sup>2</sup>



# Making it Work: Mental Health

Beyond offering an employee assistance program (EAP), employers should consider these four areas in supporting women's mental health.

1. **Effectively communicate benefit plans and programs.** We know. Employees often don't know about or use the benefits they have access to. Benefits literacy is a key challenge for HR/benefits professionals. Help employees understand their benefits by connecting the dots.

For example, instead of simply saying, "We have an EAP available," educate employees on *how* to use the EAP. "Do you need to talk with someone about parenting stress? Call the EAP provider for a free consultation."

2. **Do vendor homework.** Research the benefits and services current vendors already provide. Do they offer a mental health telemedicine option? Are virtual mental health visits covered by a medical plan? Can a benefits technology partner amplify the EAP, telemedicine, or point solution vendor or provide a communication channel?

3. **Stop the stigma.** Become a StigmaFree Company through NAMI to get more resources on mental illness in the workplace. Normalize discussions about anxiety, depression, stress relief, anger management and more. Create outlets, support groups, or open-door policies for women to address their mental health needs.

4. **Cross-examine culture.** Pull back the curtain to really look at how company culture is defined—not just on the About Us page but in practice, particularly when addressing mental health, stress, and burnout. It may be time for an overhaul or a revisit if the expectation is that everyone is "plugged in" 24/7. Creating and sustaining a healthy workplace culture is as much about representation as anything else, to ensure women feel comfortable bringing their full and authentic selves to work. Reviewing diversity, equity, and inclusion policies with a third party or with diverse voices within the workforce is also a substantial step toward supporting women and women of color.

## Employees rank the top benefits for supporting mental health:



—2021 State of Workplace Empathy



## Total Rewards Aren't Totally Rewarding for Half the Workforce

*"Without women's groups knocking on doors, I wouldn't have gotten where I am. We need women to support each other. We still don't have equal pay."*

—Sonia Sotomayor, U.S. Supreme Court justice

Women are roughly half the workforce, as an average over time and are earning college degrees at a faster rate than men.<sup>10</sup> So, it's astonishing to still see such a wide pay gap.

**On average, women earn 82 cents for every dollar a man earns. However, the pay gap widens and shrinks by race:**

- ▶ Asian-American women earn 85 cents to the average man.
- ▶ Black women earn 61 cents to the male dollar.
- ▶ Native American women earn 58 cents on the dollar.
- ▶ Latinas earn 53 cents to every dollar earned by the average man.<sup>11</sup>

And that was before COVID-19, and the disparate job and income losses women suffered due to it. Women who've remained in the workforce are looking to pandemic-proof their career going forward: **Nearly one-quarter plan to leave their employer due to the company's response to the pandemic.**<sup>12</sup>



**At current rates of progress, it will take 257 years to close the economic gender gap.**<sup>13</sup>

—World Economic Forum



**For every 100 men promoted to manager in 2020, 85 women were promoted (only 58 Black women and 71 Latinas).**<sup>2</sup>

<sup>10</sup> Catalyst, "Workplaces that Work for Women" Oct. 14, 2020.

<sup>11</sup> Median earnings for women in the fourth quarter of 2020 were 83.4 percent of the median for men, U.S. Bureau of Labor Statistics, TED: The Economics Daily, January 26, 2021.

<sup>12</sup> Repercussions of pandemic poised to set women in leadership back decades, Chief.com. 2020.

<sup>13</sup> Global Gender Gap Report 2020, Robert Crotti et al. 2020.



# Making it Work: Closing the Pay Gap

Women need more incentives to stay or return to the workforce. And as any HR/benefits professional knows well from salary negotiations, money talks. Certainly, salary computation is a complex issue that incorporates industry, job functions, years of experience, and hours worked. And there are some ways for employers to “mind the gap” without federal government intervention through legislation like the Paycheck Fairness Act and other protective public policies. Attracting, recruiting and keeping women in the workforce will depend upon organizations’ taking a deeper dive into their pay and promotion structures.

Part of this involves addressing disparities for women climbing the ladder: For every 100 men promoted to manager in 2020, 85 women were promoted (only 58 Black women and 71 Latinas). As a result, women held just 38% of manager positions. Stymied advancement helps the pay gap persist and contributes to women feeling like it’s easier to drop out than try to move up.<sup>2</sup>

- 1. Mine the data.** Comparing organizational pay and promotion data to industry, regional, and national averages is a solid way to set benchmarks and set accountability for reaching parity goals.
- 2. Make a plan.** ‘Failing to plan is planning to fail,’ as they say. Achieving pay equity can’t happen in one meeting, in one day—or even in one century, according to the World Economic Forum—but this situation isn’t going anywhere. Creating a data-driven plan to achieve parity and accompanying it with milestone reviews and audits to adjust as needed, is the biggest and most important first step.
- 3. Communicate programs—and progress.** Creating formal mentorship programs, or simply giving space for them to sprout organically, is a way to keep women engaged and connected beyond pay. These relationships can serve as a way to communicate organizational goals and progress toward gender pay equality. Women feel empowered and supported by knowing their voices are heard and their hard work will be rewarded at the same rate as their male counterparts.





## In a Post-COVID-19 Workplace, Increasing 'Flexibility' Has to Mean More than Yoga Class

*"Women are working more, men are understanding their value as caregivers, women are primary breadwinners—I mean, we could go on and on and on. Things are different. So, we can't keep operating like everything is the same, and that's what many of us have done. And I think it's up to us to change the conversation."*

—Michelle Obama, Author, Attorney, former First Lady

Flexibility isn't a word that one associates traditionally with employers. However, the post-COVID-19 work world requires it. HR leaders at large institutions are still marveling at how quickly they were able to deploy change in the face of adversity. Whatever timelines they typically expected for new policies and procedures got whittled down in short order during 2020.

If the pandemic did anything, it blew up the dialogue and the imperative for finding flexible working options. While many jobs are not eligible for remote work, like health care, service jobs and industrial work, about 1 in 4 workers are expected to continue working remotely for the foreseeable future.<sup>14</sup>

For industries that cannot shift to remote work, there are other ways to provide female-friendly flexibility. Our [\*2021 State of Workplace Empathy study\*](#) finds that 92% of employees considered "flexibility when it comes to schedules, deadlines, etc." as the second-most highly empathetic behavior they valued from their employer during the pandemic. The first being flexibility to take time off to care for family or friends affected by COVID-19. It's no wonder that flexibility ranked at the top during a time of tumult. Lives are not simple or predictable, and having an employer who understands the "whole employee" goes a long way toward retaining valuable talent.



About  
**1 in 4 workers**  
are expected to continue working  
remotely for the foreseeable future.<sup>14</sup>

<sup>14</sup> Economist Report: Future Workforce. Adam Ozimek. 2021.



# Making it Work: Finding Flexibility

Employers have proven they can shift where people work more quickly than they ever could've imagined. Now's the time to recapture that spirit to once again reinvent and reevaluate how people work. And it isn't just women who will reap the benefits; still, women who have found themselves in the unwinnable war of "family vs. work" and asked themselves, "Is it worth it to stay?" will be the glad recipients of a work-life revolution.

What could flexibility look like in the workplace?

**1. Slay the meeting.** Make meetings count by having an agenda and action items. There's an actual library of material online about how to get more efficient—save company money—by reducing meetings. Women who do not have to sit in meetings from 8 a.m. – 6 p.m. daily are more likely to be loyal employees...and get more actual work done.

**2. Kill email.** We know, it sounds impossible. And it would be tantamount to a workplace revolution for most office-based workplaces. However, there is something to be said for short touch-bases, fewer distractions and using other tools and technology available. This company offers a list of 44 effective email alternatives. **Fun fact:** Most employees use up 23% of their days just on email, sending and receiving, on average, 112 emails per day.<sup>15</sup>

**3. Reset the clock.** In industries where this is an option, flexibility either within the workday or for time away is a highly valuable tool when considering how to recruit and retain the female workforce.

## **4. Cross-train or upskill the workforce.**

Creating some redundancy among workers can help employees bear the load and free them up to take the time off needed to provide care for themselves and their families. Upskilling and providing career growth for employees makes them feel valued and worthy of the investment. And it provides flexibility for them to take on new roles. A recent SHRM study found that employees with access to professional development opportunities are 15% more engaged in their jobs, which led to a 34% higher retention rate.<sup>16</sup> Clearly, there's some room to grow here, as only 55% of HR professionals had a training budget last year.<sup>17</sup>

*"Telecommuting, one of many forms of work-life flexibility, should no longer be viewed as a nice-to-have, optional perk mostly used by working moms. These common stereotypes don't match reality—allowing employees to work remotely is a core business strategy today. We need to de-parent, de-gender, and de-age the perception of the flexible worker."*

*—Cali Williams Yost, CEO and Founder of Flex+Strategy Group and Work+Life Fit*

<sup>15</sup> [Email Statistics Report 2015-2019](#). The Radicati Group. 2015.

<sup>16</sup> [2017 Employee Benefits: Remaining Competitive in a Challenging Marketplace](#). Tanya Mulveney et al. 2017.

<sup>17</sup> [New SHRM Data: America Needs Common Training Metric for Success in the Global Economy](#). SHRM/Press Release. 2019.



# Waiving the 'Wexit'

*"Any society that fails to harness the energy and creativity of its women is at a huge disadvantage in the modern world."*

—Tian Wei, China Central Television (CCTV) News

It's critical to understand women aren't voluntarily downshifting or stepping away from work. Rather, they've felt compelled due to the compound pressures of demotions or reductions in force, pay disparities, disproportionate caregiving/child care responsibilities—and, most importantly, the lack of workplace policies or benefits to help them navigate or eliminate those pressures.

While the "wexit" is not sustainable for anyone, employers stand to suffer first and longest from inaction on finding solutions for child and dependent care, mental health initiatives, pay inequities, and flexibility. However, they also are in the unique and powerful position to stop the "she-cession" in its tracks by offering benefit programs and workplace policies that welcome women to retain or return to their jobs.



Find out more about how generation, gender and pay impact employees' feelings and decisions about benefits.

[Read the white paper](#)





Market-Leading Benefits Technology +  
Innovative, High-Touch Services

**businessolver.com**

