

To Retain Women, U.S. Companies Need Better Childcare Policies



Buckling under the burden of childcare during the pandemic, more than 800,000 women left the work force between August and September 2020, according to The New York Times. According to McKinsey, the pandemic has set women back half a decade. At its peak, women's unemployment had risen by 2.9 percentage points more than men's unemployment. Not only does this matter for gender equality, it will also reduce families' abilities to offset income losses, resulting in a deeper and more persistent economic recession as a whole. Leaders of all genders need to not only empathize, but also step up and actively find ways to keep women in the workforce.

Caregiving responsibilities at home and work could threaten women's ability to remain and progress in the workplace: Up to 2 million women are considering leaving the workforce, according to the 2020 Women in the Workplace study from McKinsey and LeanIn.Org. Women of color are particularly challenged and are also trying to maintain career progression. Women could suffer the most in the 2021 recovery, too, according to McKinsey and Oxford Economics. The return to pre-pandemic employment levels for women will take 18 months longer than it will for men. This is why investing in caregiving is investing in women, and in the future of our global economy.

This Is a Global Issue

Pandemic-related job and income losses have been much higher for women around the globe, prompting some to call this period the “shecession of 2020.” Globally, women already perform almost 2.5 times as much unpaid care and domestic work as men. Many single mothers have had to keep working, while some have had no choice but to quit. Some have struggled to access basic necessities like water and utilities, including in the U.S. “When the pandemic broke out, significant help arrived quickly for working parents in many rich countries, with one notable exception: the United States,” according to Bloomberg Law. A year into the pandemic, President Biden’s \$1.9 trillion Covid-19 relief package has moderates clashing with progressives in his own party, stalling change. The childcare system is already exacerbating inequalities for women and the poor. Will this continued lack of help hold back the world’s largest economy? And will help come too late to repair the damage already done?

The U.S. is clearly behind the rest of the developed world on this issue. Australia took the lead early on and provided childcare subsidies to families and financial support to childcare facilities. Childcare centers across Canada were subsidized with federal funds totaling U.S. \$475.5 million. Ontario added an additional U.S. \$112 million for PPP (paycheck protection programs) and staffing. In Japan and Korea, the government subsidized family leave time. In Singapore, the government offset child center fees by 50%. In both Austria and Germany, childcare benefits application rules were simplified. Child health examinations were waived in Austria. In Germany, income reporting was simplified. And, in Ireland, the government subsidized childcare provider salaries.

While the U.S. government lags behind on policies to help working families, companies can and should be acting sooner. So, what can business leaders do today to keep even more women from leaving the workforce?

1. **Engage women in conversation.** Involve your female workers in designing strategic management initiatives that enable change and build resilience, including personal leadership capabilities, critical job skills and competencies, and organizational redesign. Then, take action to ensure the implementation of new policies.
2. **Revisit ideas and reset policies to allow for more flexible work arrangements.** It’s all about giving women a choice about the number of days worked at home, their timeframe for commuting, expectations for meetings, email protocols, desired availability, and time-off policies.
3. **Assess current pace, productivity, and performance expectations.** Ensure that goals are realistic and that employees are measured based on outcomes.
4. **Acknowledge parents.** Create an environment that acknowledges the role of parents, so they don’t feel like they have to have to hide their childcare challenges from work.
5. **Fix the gender pay divide.** Recent U.S. Census Bureau data indicate that women earned, on average, just 82 cents for every \$1 earned by men, and their projection shows parity is not to be gained for another 30 years or more.

6. **Reexamine your benefits system.** Implement time-off policies for homeschooling. Encourage employee assistance programs, bereavement support, and mental-health assistance for increased stress.
7. **Fortify communication.** Model transparent two-way communication about childcare policies and issues. Leave less to interpretation when it comes to messaging, decisions, and feedback.
8. **Offer parental perks.** Think about offering some perks such as kid-friendly virtual events, mental health days, and support groups for those with kids at home.
9. **Take a fresh look at paternity leave.** In a recent [multi-country interview](#) with 130 new fathers and their partners, McKinsey found that parental leave can strengthen partner relationships, help to establish a shared parental role, and help both a spouse's career and the family finances.

Exploring Flexible Work Arrangements

Employees value flexible work arrangements, and companies need to get serious about offering them. Job-sharing is one form of flexible work arrangement where one's role is fulfilled by two people. There are great benefits: schedule flexibility, improved work-life balance, increased productivity, and talent retention. Sharing requires workstyle fit, expertise, the right coverage, excellent communication, information sharing, and a collaborative review of results. Other flexible designs include remote working, alternating locations, meal/break flexibility, compressed workweeks, and part-time work.

While many flexible roles offer similar benefits, it's important to keep in mind that the way they're structured can also come with some unfortunate downsides. Unfortunately, some "part-time" options for women turn into trying to cram a full-time workload into a part-time schedule, for less pay per hour. And part-time work often means that career opportunities pass by, childcare needs don't fit well with childcare providers' needs, and women end up feeling left out of both working-mom and stay-at-home mom support groups. Leadership needs to be more realistic about setting the appropriate expectations for part-time positions with the entire company.

Involving Women in Designing Strategic Management Initiatives

In order to be successful at keeping more women in the workforce, companies need to make women a central part of the team — from the C-suite on down. Include women in strategic management conversations, and make changes together. The success of women, families, future generations, and our global economy depend upon our corporate executives choosing to take on this kind of bold leadership.

Written by: Deborah Schroeder-Saulnier
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