

Women Are Facing A Crisis In This Country. That's Bad News for Business.

January 2025

It's no secret that women are in crisis across the country. Women are being forced to navigate impossible circumstances accessing reproductive health care, becoming parents, negotiating the early years of parenthood and taking on caregiving for parents and other family members. For too many, hurdle after hurdle compounds until they are unable to meet the demands or are forced out of the workforce entirely.

These factors don't just impact women and their families, they have vast consequences for our country's economy. Research shows that if the share of women in the workforce was on par with other wealthy countries that have more family-friendly policies in place, such as Germany and Canada, it would have positively impacted our economy:

- Another 4.6 million prime-age women would have been in the labor force in 2023 alone.
- The nation's GDP would have been 3 percent higher on average over the last decade; that's close to \$7 trillion more in GDP.¹

Without the support systems women and families need, it can be simply unsustainable for women to remain in the workplace. **A nationwide survey of women showed that when trying to decide whether to stay with an employer:**

- **88 percent said fair pay is important;**
- **68 percent said that a flexible work schedule is important;**
- **And 81 percent said that benefits are important to this decision.**

Yet, more than six in 10 of women gave businesses a below average grade (C, D, or F) when it comes to providing family friendly policies.² The failure to support women in the labor force, and the subsequent loss of women's labor, has enormous implications not only for families, but for businesses' bottom line and our economy as a whole. Forcing women out of the workplace has real costs for businesses – replacing an individual employee costs an average of 40 percent, and up to 150 percent, of the employee's annual salary.³ Additionally, having women in leadership positions leads to better outcomes, job satisfaction and well-being for employees which saves companies from the financial losses of high turnover and disengaged workers. Supporting women in the workplace is not just up to policymakers, businesses must be part of the solution.

The Problem

Complex problems resulting from decades of systemic racism and sexism, compounded by attacks on abortion care and health care, have created barriers for women – particularly mothers – from fully participating in the workforce.

- **ABORTION BANS:** At least 13 states have total abortion bans, and many others have restrictions in place.⁴ These barriers have drastic economic implications for people unable to access the abortion care they need. Women denied an abortion were worse off financially one year later than women who terminated a pregnancy, less likely to be employed in a full-time job and more likely to be living below the federal poverty line.⁵
- **MOTHERHOOD PENALTY:** Becoming a parent has a detrimental effect on women's economic security. Working women who become mothers experience a drop in earnings in the year after giving birth. Earnings fall by an average of \$1,861 in the first quarter after birth relative to earnings pre-pregnancy or in early pregnancy.⁶
- **MATERNAL HEALTH:** The U.S. has the highest rate of maternal deaths among high-income countries.⁷ Women in the U.S. are more likely to die from pregnancy-related causes than their mothers were a generation ago.⁸ And the risk is 2-3 times higher for Black and Indigenous women than for white women, regardless of income or education.⁹ One study found that poor maternal health costs the country more than \$30 billion, noted to be a conservative estimate.¹⁰
- **PAID FAMILY & SICK LEAVE:** Only 27 percent of workers have access to paid family leave through their jobs¹¹ as the U.S. remains the only high-wealth nation without a paid leave program.¹² Additionally, 21 percent of private sector workers – and nearly six in 10 of the lowest-income workers – don't have access to even a single paid sick day,¹³ which hurts public health and increases presenteeism in the workplace.¹⁴
- **CHILD CARE COSTS:** The costs of child care are painfully high. In a recent survey, 60 percent of parents said they spend more than 20 percent of their household income on child care, and 84 percent spend 10 percent or more of their annual household income on child care.¹⁵
- **WAGE GAP:** Women in the U.S. were typically paid just 75 cents for every dollar paid to a man in 2023, a difference of \$14,170 over the year. The wage gap is wider for many groups of women. In 2023, white, non-Hispanic women were paid 73 cents; Black women 64 cents; Latinas 51 cents; Native American women 52 cents; and Asian American, Native Hawaiian and Pacific Islander women just 80 cents for every dollar paid to white, non-Hispanic men,¹⁶ while disabled women made 50 cents for every dollar paid to nondisabled men.¹⁷

What Business Can Do to Help:

Ensure employees have access to health care that meets their needs

- ☑ Provide employees and their families with health insurance that covers:
 - ☑ Abortion
 - ☑ Birth Control
 - ☑ Mental health support, including care for postpartum adjustment disorders
 - ☑ Pregnancy care
 - ☑ Access to doulas and midwifery care

Allow workers to meet their health needs and caregiving responsibilities

- ☑ Provide paid family and medical leave
- ☑ Provide paid sick days that employees can use to care for themselves, including time off to access abortion care, or to care for family members
- ☑ Implement workplace flexibility policies
- ☑ Ensure workers that request schedule changes do not face retaliation
- ☑ Implement fair scheduling practices, particularly for hourly employees
 - ☑ Provide predictability with hours and income
 - ☑ Eliminate policies that place workers “on-call” or schedule workers for “split-shifts”
 - ☑ Do not send workers home early without pay when demand is low

Eliminate pay disparities based on gender, race, and caregiving responsibility

- ☑ Examine compensation practices, including salary, bonuses, raises and promotions to ensure there is no pay disparity based on gender, race, or caregiving responsibility
- ☑ Provide salary range in job postings and do not ask for salary history or base initial salary offers on prospective employee’s prior pay
- ☑ Promote pay transparency in the workplace

Advocate and Evaluate Policies and Partnerships

- ☑ Speak out in support of laws and policies that help pregnant and parenting workers
- ☑ Review partnerships for alignment on business values
- ☑ Ensure political donations go to candidates and causes that support women in the workplace

-
- ¹ National Partnership for Women and Families. (2024, October). *Unfinished Policy Agenda for Women in the Economy Cost the U.S. \$6.7 Trillion in GDP Gains Over a Decade*. Retrieved 18 December 2024 from <https://nationalpartnership.org/report/unfinished-policy-agenda-women-in-economy-cost-trillions-in-gdp/>
- ² Lake Research Partners (2023, April). *Banners from a Nationwide Online Omnibus Survey of 1,022 Adults Age 18 and Older* (pp. 2-4).
- ³ Washington Center for Equitable Growth (2020, December). Improving U.S. labor standards and the quality of jobs to reduce the costs of employee turnover to U.S. companies. Retrieved 20 December 2024, from <https://equitablegrowth.org/improving-u-s-labor-standards-and-the-quality-of-jobs-to-reduce-the-costs-of-employee-turnover-to-u-s-companies/>
- ⁴ Guttmacher (2024, December). *State Bans on Abortion Throughout Pregnancy*. Retrieved 13 December 2024 from <https://www.guttmacher.org/state-policy/explore/state-policies-abortion-bans>
- ⁵ Green Foster, D. et al. (2018, February). Socioeconomic Outcomes of Women Who Receive and Women Who are Denied Wanted Abortions in the United States. *American Journal of Public Health* 112(9) 1290-1296. Retrieved 28 April 2023, from <https://ajph.aphapublications.org/doi/10.2105/AJPH.2017.304247>
- ⁶ Sandler, D. & Szembrot, N. (2020, June). *New Mothers Experience Temporary Drop in Earnings*. U.S. Census Bureau. Retrieved 20 December 2024, from <https://www.census.gov/library/stories/2020/06/cost-of-motherhood-on-womens-employment-and-earnings.html>
- ⁷ Gunja, M. et al. (2024, June 4). *Insights into the U.S. Maternal Mortality Crisis: An International Comparison*. Retrieved 20 December 2024 from the Commonwealth Fund website: <https://www.commonwealthfund.org/publications/issue-briefs/2024/jun/insights-us-maternal-mortality-crisis-international-comparison>
- ⁸ Declercq, E & Zephyrin, L. (2020, December). *Maternal Mortality in the United States: A Primer*. Retrieved 20 December 2024 from https://www.commonwealthfund.org/sites/default/files/2020-12/Declercq_maternal_mortality_primer_db.pdf
- ⁹ Hill, L. et al. (2024, October 25). *Racial Disparities in Maternal and Infant Health: Current Status and Efforts to Address Them*. Retrieved 20 December 2024 from <https://www.kff.org/racial-equity-and-health-policy/issue-brief/racial-disparities-in-maternal-and-infant-health-current-status-and-efforts-to-address-them/>
- ¹⁰ O'Neil, S. et al. (2021, November). *The High Costs of Maternal Morbidity Show Why We Need Greater Investment in Maternal Health*. Retrieved 28 April 2023 from <https://www.commonwealthfund.org/publications/issue-briefs/2021/nov/high-costs-maternal-morbidity-need-investment-maternal-health>
- ¹¹ Mason, J. (2023, September 21). *When We Fight, We Win – Paid Sick Days and Paid Family Leave*. National Partnership for Women & Families Blog. Retrieved 20 December 2024, from <https://nationalpartnership.org/when-we-fight-we-win-paid-sick-days-and-paid-family-leave/>
- ¹² National Partnership for Women and Families. (2022, October). *The Family and Medical Insurance Leave (FAMILY) Act*. Retrieved 1 May 2023, from <https://nationalpartnership.org/wp-content/uploads/2023/02/family-act-fact-sheet.pdf>
- ¹³ Mason, J. (2024, September 19). *It's a Travesty: Nearly 27 Million Workers Lack Paid Sick Days*. National Partnership for Women & Families Blog. Retrieved 20 December 2024, from <https://nationalpartnership.org/travesty-27-million-workers-lack-paid-sick-days/>
- ¹⁴ National Partnership for Women & Families. (2022, November). *Paid Sick Days Improve Public Health*. Retrieved 1 May 2023, from <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-improve-our-public-health.pdf>
- ¹⁵ Care.com. (2024, January 17). *This is how much child care costs in 2024*. Retrieved 20 December 2024, from <https://www.care.com/c/how-much-does-child-care-cost/>
- ¹⁶ Majumder, A. & Mason, J. National Partnership for Women and Families. (2024, September). *America's Women and the Wage Gap*. Retrieved 12 December 2024, from National Partnership for Women & Families website: <https://nationalpartnership.org/wp-content/uploads/2023/02/americas-women-and-the-wage-gap.pdf>
- ¹⁷ Ditkowsky, M., Majumder, A., Ahmed, A. & Gallagher Robbins, K. (2024, October). *Disabled Women and the Wage Gap*. Retrieved 20 December 2024 from National Partnership for Women & Families website: <https://nationalpartnership.org/report/disabled-women-wage-gap/>