COVID-19’s Impact on Women in the Workplace: Avoiding a Major Setback

The disproportionate impact of COVID-19 on industries where women are heavily concentrated combined with the virus’s debilitating impact on child care options and in-person schooling threatens progress in the integration and representation of women in the US economy. Even if the reversal proves temporary, as is likely, the career consequences of the pandemic for individual women could have long-lasting effects and slow future progress.1 When talented workers sit on the sidelines or are prevented from fully contributing to the workforce, those workers are not the only ones affected. The economic strength of the entire nation suffers for the duration of those workers’ entire careers, and employers miss out on an important competitive resource. Thus, the impact of COVID-19 on women is a first-order national concern.

Women are a vital part of the American labor force, both as nearly half of workers, and, as the primary facilitators of work by others through formal and informal caretaking roles.2 Even if progress in more fully integrating women into all aspects and levels of the economy has, at times, been slow, it has also been one of the most important sources of strength for the American economy over the past half century.3 The continued lowering of barriers and further economic integration of women into all fields and roles in proportion to their talents remains one of the surest paths to increasing the size, skill, and contributions to innovation of the American workforce.4
INSIGHTS FOR WHAT’S AHEAD

Recommendations for Business Leaders and Policy Makers to Reverse the Impact of COVID-19 on Women in the Economy

Business leaders should:

- **Increase the availability, and normalize the use, of flexible work options, such as remote work and flexible hours**, including evaluating the performance of workers who utilize them on an equal footing with employees who don’t.

- **Improve access to care options**, by offering working parents subsidies or stipends to meet the increased need or costs for care where care is available—or additional temporary leave benefits where it is not. While liability issues and regulatory burdens may make it more difficult in the short term, employers may want to investigate more direct approaches to child care provisions in the long run as part of a parent-friendly approach to supporting the workforce.

- **Work to close the gap in pay equity**, including through an examination of compensation policies and efforts to correct existing deficiencies when women are found to be systematically underpaid relative to their male counterparts for fundamentally similar work.

- **Help women candidates advance into leadership roles**, including onto corporate boards, through sponsorship, mentoring, and training efforts to help all midcareer women reach potential leadership-feeder positions.

- **Adopt existing best practices for supporting and advancing women into leadership roles**, including prioritizing, disclosing, and rewarding efforts to reach gender parity; encouraging or incentivizing executives to participate in sponsorship and inclusion efforts; and adopting recruiting and promotion practices so that women, and especially mothers, make progress toward higher rungs of leadership.

Policymakers should:

- **Create a new child care stabilization fund** to speed economic recovery and ensure that women have widespread access to safe, high-quality child care.

- **Communicate clarity on the actions necessary to facilitate safe, in-person learning and provide funding to schools** to offset the additional costs of safe operation during the pandemic.

- **Extend temporary paid-leave programs** scheduled to expire at the end of 2020 until COVID-19 is no longer disrupting care arrangements.

- **Increase additional income supports**, including augmenting unemployment compensation, extending emergency access to Individual Retirement Accounts, and temporarily expanding eligibility criteria for the Supplemental Nutritional Assistance Program.

- **Provide block grants targeted to eviction and foreclosure prevention.**

- **Create innovative training programs with input from business to target in-demand skills** through tax credits, support for training organizations and institutions, or direct support to trainees.
Expanding women’s participation and better allocating and utilizing their full talents could be a “growth generator,” capable of boosting GDP by up to 10 percent based on OECD estimates. Researchers have found that reducing the underrepresentation of women in patent-intensive fields and patent-intensive job tasks could increase US GDP per capita by more than 2 percent. Further, research suggests that more female representation in leadership roles can improve economic opportunities for women throughout the firm and the economy and improve a company’s profitability.

Building on the history of advocacy for the advancement of women in the workplace and into corporate leadership by the Committee for Economic Development of The Conference Board (CED), this solution brief demonstrates how business leaders and policymakers can offset the impacts of COVID on working women and restart vital progress.

THE IMPACT OF COVID-19

While the COVID-19 pandemic has been enormously disruptive—threatening the health and economic well-being of large numbers of Americans—it has disproportionately affected working women. It will likely be the first recession in half a century to—at its peak—feature a larger increase in unemployment rates among women than men, and by a larger magnitude than any recession for which the Bureau of Labor Statistics has recorded unemployment rates.

At the depth of the crisis, women’s employment—in absolute numbers—fell to its lowest level since the 1990s. By November, less than two-thirds of the net loss in women’s employment suffered since February had been recovered. The bounce back in employment may be larger than the recovery in earnings because, compared to a year prior, there remained a roughly 58 percent increase in people working part time who would prefer to be working full time, and a nearly 20 percent reduction in multiple job holding. The Conference Board calculates that the net decline in female employment from January to November likely represented a net loss of roughly $560 billion in US GDP.

Two critical factors have significantly contributed to the outsized hit to women’s employment in the pandemic. First, COVID-19 has driven job losses in the lower-wage and service-oriented jobs most affected by the need for social distancing, where women are disproportionately employed. Despite constituting a little less than half of the overall workforce in 2019, women made up more than three-quarters of the personal services workforce (77 percent)—including hairdressers and child-care workers—and of health care support workers (87 percent), like home health aides and dental assistants. Women were also heavily represented in occupations like restaurant server (71 percent), food preparation worker (59 percent), and cashier (71 percent)—as well as in administrative support roles (71 percent)—that were particularly hard-hit. As a result of the pandemic, nearly 4 million fewer women were working in the private sector providing services in November 2020 compared to a year earlier.

Second, women are likely bearing significantly more of the brunt from disrupted or less reliable care arrangements. Prior to the pandemic, women were significantly more likely to report altering their work patterns to allow for child care responsibilities and to be
spending more time providing care. In 2019, mothers of children under age 18 reported spending nearly twice as much time on average on child care and housework as fathers. Even in households where both parents work full time, mothers of children under age 5 provide an average of nearly 60 percent of parental child care within a marriage and an even greater share of the child care provided during typical working hours. Thus, if child care outside the home becomes unavailable, it is more likely that the mother is called upon to pick up the slack.

Early in the pandemic, when most schools and child care centers were temporarily closed, mothers with young children reduced their work hours by an estimated four to five times on average more than fathers—and more than twice as much as during the Great Recession—leading to an estimated increase in the gap in work hours of at least 20 percent. In an April 2020 survey, 80 percent of mothers of children under age 12 reported spending more time homeschooling or helping children with distance learning than their spouses. Even in households where both spouses are working remotely full time, women are roughly 50 percent more likely to report working less during the pandemic than men are, and roughly two-thirds of married women report that they are doing the majority of the child care.

Many women, at least temporarily, have been pushed out of the labor force entirely. In surveys over the summer, women were between two and three times as likely as men to report they were not working due to COVID-19-related child care issues. The share of women working or looking for work was down 1.9 percentage points in October 2020 compared to the prior October, a roughly 46 percent greater deficit than for men over the same period. The disparate impact on women was particularly concentrated among mothers of school-age children—with about three times as many mothers having dropped out of the labor force since the start of the pandemic as fathers.
In addition to the immediate hit to income from lost wages, the economic setback from time out of employment could have long-run implications for women’s careers and earning power. One study found that—across a 15-year period—one year out of the workforce was associated with a nearly 40 percent reduction in total earnings for women. While COVID-19’s employment losses were particularly concentrated among women without a four-year college degree, Economist Claudia Goldin has speculated that COVID-19 setbacks could also severely disadvantage women in “up-or-out” or “winner-take-all” positions, such as lawyers trying to make partner or college professors trying to secure tenure. Whether early- or mid-career, competitions for promotions during a period in which women with children may be facing significant disadvantages could have long-lasting effects on the trajectory of their careers.

Prior to COVID-19, women had made slow but steady progress in diversifying the upper ranks of corporations. For example, the share of women in C-suite roles grew by nearly 4 percentage points—roughly 22 percent—between 2015 and the start of 2020. Further down the pipeline, women’s representation among senior managers and directors exceeded one-third of roles for the first time, though the pace of progress toward full representation was slower than at higher rungs. If COVID pushes significant shares of women to reduce their work responsibilities, not seek out promotion, or exit the workforce entirely, it could arrest recent progress in closing the gap in representation between women and men.

**HOW TO RESPOND TO THE CHALLENGE**

Even before the COVID-19 crisis, the individual business case for better supporting women employees was strong—not least because doing so widens the talent pool from which organizations draw and provides a competitive advantage over peer companies that fail to recruit and promote women. Additionally, employees who perceive opportunity for advancement within their company as fair typically report being happier with their careers and more likely to remain with their current employers longer. Companies with a reputation for fairness and supporting women may also find it easier to recruit top talent. From a national-interest perspective, business leaders and policymakers should prioritize reducing the burden COVID-19 is imposing on women, particularly those with children. Acting now could mitigate any setback in the progress toward women’s economic integration over the past several decades and avoid, as some have worried, a “generational” loss of talent.

**Support working women hit hard by the COVID crisis**

The pandemic’s economic shocks have displaced or disadvantaged millions of workers, threatening their physical and economic well-being. For as long as the crisis persists, the economy will remain hobbled—and Americans’ lives and livelihoods will continue to be at risk. Because women have been among the hardest hit by the economic impacts of COVID, they have the most to gain from quick and effective interventions that mitigate the impact of COVID-19 on the economy. Policymakers need to provide immediate relief that will help support families and strengthen their ability to make a quicker economic recovery when the virus is contained without discouraging work. CED has called for a series of measures that would help bolster the demand for employment—avoiding unnecessary layoffs or economic setbacks—while helping women who have experienced a loss of income.
As laid out in CED’s First 100 Days Plan, Congress should act to augment unemployment compensation, extend emergency access to Individual Retirement Accounts, and temporarily expand eligibility criteria for the Supplemental Nutritional Assistance Program (SNAP) through 2021. Policymakers should also expand relief to women at risk of eviction or foreclosure to avoid temporary disruptions spiraling into permanent setbacks by providing block grants that can be targeted to families facing housing distress.

Additionally, for women permanently disconnected from employers and who struggle to return to the workforce, the US will need innovative training programs to help them find new roles in the post-COVID-19 economy. Policymakers should fund innovative skills- and competency-based training programs—through tax credits or direct support to workers, similar to Pell grants—with input from business to target in-demand skills. Such efforts should not only help furloughed or unemployed workers but also incentivize employers to upskill their employees, especially low- and middle-wage women.

Increase flexibility for working parents

Prepandemic, concern about work-life flexibility was the number one issue raised by employees in a 2019 survey of workplace experiences. Prior to 2020, women were already disproportionately likely to take advantage of opportunities to work from home. By making it easier to adapt work to family responsibilities, flexible work arrangements have been successful in helping mothers remain engaged in the workforce even at times when nonwork responsibilities become more demanding. With so many parents taking on additional burdens during COVID, an ability to work from home and flexibility in the timing of when work is performed have become even more important and sought-after accommodations to help parents continue working—when such accommodations are feasible.

A significant share of employers offered at least some amount of scheduling flexibility (70 percent) or work-from-home options (64 percent) prior to the pandemic, but COVID has pushed even more companies to offer flexible work options broadly. However, many firms are failing to meet their employees’ expectations, with only 44 percent of workers rating their employer as doing a good job providing flexibility for caregivers during the pandemic.

A key component of flexible work that may be lacking is a culture shift that removes the perception that utilizing flexible work options will hurt career outcomes. Nearly a quarter of working mothers report being worried that their performance is being negatively judged due to caregiver responsibilities, and nearly 30 percent report discomfort sharing that they have work-life challenges. Business leaders must pair the provision of flexible work options with a commitment to respect and encourage their use, and manage and evaluate the performance of workers who utilize them on an equal footing with employees who don’t. Additionally, employers should encourage all parents—and not just mothers—to make use of available work flexibilities, helping them to share in the additional child-care burdens in their households and reducing the perceived penalty associated with caregiving.
Improve and increase access to care options

Reliable school and child-care services facilitate work. An estimated 17 percent of all women who work rely on child care and schools to keep their children safe. Nearly 9 out of 10 families with children under age 5 and two working parents depend on paid child care, as do more than 8 out of 10 working single parents. The COVID-19 pandemic has enormously disrupted existing models of child care outside of the home. More than 55 million elementary and secondary students were affected by school closures in the spring, while more than 60 percent of parents reported that their usual child-care provider had at least temporarily closed due to the pandemic. CED has been urging federal policymakers to create a new child care stabilization fund to speed recovery and ensure widespread access to safe, high-quality child care is maintained.

Though many care providers and schools opened at least partially or part time for in-person care and learning at the start of the 2020–21 school year, public health considerations have limited the reliability and number of regularly available spots. Few large city school districts have been able to offer normal, full-time, in-person services, and many have spent much of the year offering only remote learning to most of their students. Disrupted care arrangements have likely reduced the number of women able to work. For instance, one analysis found that a 10 percent increase in school closures in September was associated with a 1.5 percentage point drop in the share of mothers working nationwide.

Repairing and strengthening the provision of in-person child care and schooling would avoid additional losses from women stepping out of the workforce or downshifting career responsibilities, and speed employment recovery for those who have already been forced to the sidelines.

As CED has recommended, federal policymakers must act to help schools manage the additional costs of safe operation during the pandemic and to stabilize the child-care sector to provide safe, high-quality child care for those who need it. Prioritizing keeping care providers and schools open—especially those serving younger children—could involve restrictions on other indoor activities that carry a high risk of spreading COVID, such as restaurants, bars, and gyms, rather than closing schools when the levels of community spread begin to rise. The sooner children can safely and reliably return to full-time services, the sooner that parents will be able to resume prepandemic work arrangements and effort.

Business leaders concerned about supporting or retaining employees who have care responsibilities, helping employees return to work after taking time off to meet care burdens, or recruiting more women into their workforces could try to augment available child care. Relatively few employers (13 percent) currently offer onsite or offsite care subsidies. Employers could consider offering such subsidies or even temporary stipends to help parents whose children have not yet returned to full-time, in-person school.

While liability issues and regulatory burdens may make it more difficult in the short term, employers may want to investigate more direct approaches to child-care provisions in the long run as part of a parent-friendly approach to supporting the workforce. Such efforts could include securing child-care slots for their employees or even contracting for new services to host child care near the office.
However, as long as the supply of safe child-care options remains a challenge, care subsidies may be ineffective in helping parents to work. Instead, paid-leave policies or part-time opportunities could help caregivers remain connected to the workforce while taking some time away to provide care and avoid losing workers who have increased care burdens. Temporary paid-leave programs enacted by Congress earlier in the year—and scheduled to expire at the end of 2020—helped to lift the financial burden on some businesses to expand such efforts. Congress should act to extend those programs until COVID has been fully contained. However, in the absence of congressional action, business leaders should carefully consider replacing or enhancing such programs.

Work to close gaps in pay equity

As long as unfair pay practices persist, they will continue to undermine efforts to support women’s advancement. During the pandemic, as partners decide who will cut back hours or leave the workforce to handle increased care responsibilities, women are disproportionately likely to be the ones who make that sacrifice, likely motivated in many instances by lower relative earnings and the smaller financial hit incurred. However, the disparity itself is partly driven by the higher propensity for women to have taken time out of the workforce or to have reduced work effort previously due to family responsibilities. Additionally, to the extent that bias encountered earlier in their careers—including at previous employers—has led to lower current salaries, past discrimination is playing a role in pushing women out now.

The COVID-19 experience should drive a recommitment on the part of business leaders to ensure that their organizations are committed to closing gaps in pay equity. Such efforts should include a forensic examination of compensation strategy, design, and execution with regards to potential sources of bias. Organizations should also pursue action plans to remediate pay and make changes when women are found to be relatively underpaid for fundamentally similar work as male counterparts.

Create supports to help women candidates advance into leadership roles

Especially if COVID-19 threatens to disrupt the path to leadership roles for working mothers at all stages of the pipeline, companies must consider supports to help women get back on track. Relative to practices before the pandemic, business leaders should look to the needs of all midcareer women to help them reach potential leadership-feeder positions.

Research suggests that women need opportunities to fill diverse operational roles and acquire a breadth of business experiences to get to the C-suite. Connecting early- and mid-career women to sponsors or advocates who can help prepare and recommend them for such job rotations and assignments has proven successful. Strong and intentional sponsorship networks increase the value of mentorship efforts, which also give future leadership candidates the help they need to succeed in their current roles. Many working women express high interest in mentorship and sponsorship on surveys.
Businesses can foster formal programs in which high-potential women are paired with mentors and sponsors, and provide coaching and guidance to help mentors and sponsors to develop expectations and specific skills and competencies.⁵⁰

Additionally, business leaders should go beyond mentorship and sponsorship to provide training that will help women prepare for next steps and higher leadership roles. While these supports were needed prepandemic, they may be critical in helping some women who experienced career setbacks or were forced to downshift during the COVID crisis to get back on track.

**Adopt best practices for supporting and advancing women**

As outlined in CED’s 2019 report, *Filling the Pipeline: Advancing More Women Into the C-Suite and On Corporate Boards*, many companies were already falling short on increasing women’s representation in leadership and improving their prospects for advancement. Addressing the impacts of COVID-19 will not be sufficient if it merely returns performance to the prepandemic status quo. CED has championed practical steps for companies that will be even more necessary to make further progress postpandemic and will complement the recommendations included in this brief, improving their effectiveness.

These steps include cultural leadership from top business executives who make it clear that diversity and inclusion—including in leadership roles—is a priority for their organizations and, where necessary, implementing change-management plans to make inclusion part of their business’s brand. Leaders should share diversity metrics internally so that employees can track progress or recognize glaring deficits. Additionally, businesses should hold managers accountable for helping women advance by making gender parity a performance management goal and setting aside the resources to make it happen. Such resources could include dedicating a portion of the compensation pool for those parts of the organization that achieve diversity objectives—something that less than one-third of companies currently do.⁵¹ Further, companies falling short should require executives to sponsor diverse prospects for future leadership roles and consider requiring senior managers to include women on their leadership teams or executive committees.

Businesses should be using intentional talent management to help women, and especially mothers, to make progress toward higher rungs of the company, including clarifying succession lines and paths to leadership and adopting recruiting and promotion practices to bring forward diverse candidates.
ENDNOTES


2 Cindy Cisneros, “Testimony to the US House of Representatives Committee on Small Business Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship,” The Committee for Economic Development of The Conference Board (CED), February 6, 2020. Prior to the pandemic, more than 8 in 10 “prime-age” women (between the ages of 25 and 54 years old) and more than 7 in 10 mothers of children under age 18 were working outside the home.


6 Cook and Gerson (2019).


Titan Alon, Matthias Doepke, Jane Olmstead-Rumsey, and Michèle Tertilt, “The Impact of Covid-19 on Gender Equality,” COVID Economics 4: 62-85, April 14, 2020. The study defines typical working hours as between 8:00 a.m. and 6:00 p.m.


Cohen and Hsu, “Pandemic Could Scar a Generation.”


On one survey, nearly 40 percent of working women reported that working from home was not an option. See: “Here’s How the Pandemic Is Affecting Women’s Careers,” Wall Street Journal, October 5, 2020.

Thomas et. al., “Women in the Workplace, 2019.”


Thomas et. al., “Women in the Workplace, 2020.”
38 In July, more than 80 percent of providers surveyed reported that they were serving fewer children than before COVID-19. See: Holding On Until Help Comes: A Survey Reveals Child Care’s Fight to Survive, National Association for the Education of Young Children, July 13, 2020.
39 At one point in November, Boston, Detroit, Indianapolis, Philadelphia, Las Vegas, and New York were all utilizing fully or near-fully remote learning, for example. See: Stephen Sawchuk, “Schools Are Retreating to Remote Learning as COVID-19 Surges. Do They Have To?” Education Week, November 17, 2020.
46 Sarah Jane Glynn, Gender Wage Inequality: What We Know and How We Can Fix it, Washington Center for Equitable Growth, April 2018.
48 CED, Filling the Pipeline.
49 Thomas et. al., “Women in the Workplace, 2019.”
51 Thomas et. al., “Women in the Workplace, 2019.”
SUSTAINING CAPITALISM
Achieving prosperity for all Americans could not be more urgent. Although the United States remains the most prosperous nation on earth, millions of our citizens are losing faith in the American dream of upward mobility, and in American-style capitalism itself. This crisis of confidence has widened the divide afflicting American politics and cries out for reasoned solutions in the nation’s interest to provide prosperity for all Americans and make capitalism sustainable for generations to come. In 1942, the founders of the Committee for Economic Development (CED), our nation’s leading CEOs, took on the immense challenge of creating a rules-based post-war economic order. Their leadership and selfless efforts helped give the United States and the world the Marshall Plan, the Bretton Woods Agreement, and the Employment Act of 1946. The challenges to our economic principles and democratic institutions now are equally important. So, in the spirit of its founding, CED, the public policy center of The Conference Board, will release a series of 2020 Solutions Briefs. These briefs will address today’s critical issues, including health care, the future of work, education, technology and innovation, regulation, China and trade, infrastructure, inequality, and taxation.