



As kids get back to school, what are the latest employment trends for women in the U.S?

The current back-to-school season further highlights how the previous normal does not work for women. The September U.S. jobs report showed that women actually had a net loss of 26,000 jobs during the month, while men gained 220,000. The women's unemployment rate stood at 4.2% at the end of September, compared to a pre-pandemic rate of 3.1% in February 2020. Unemployment for Black women was 7.3%, compared to a pre-pandemic rate of 4.9%. If the U.S. unemployment figures counted the nearly two million women who have left the labor force since February 2020, the women's unemployment rate would have been 6.8% at the end of September.

What is driving women out of the workforce?

Supporting women back to full-time work, with the accompanying economic gains, requires complex solutions. At a minimum, surveys have shown that women need reliable school schedules, affordable and high-quality childcare, higher wages, paid caregiving leave, and flexible work policies.

McKinsey and LeanIn.Org recently released the seventh annual *Women in the Workplace* study, a significant annual survey of women in corporate America. With the burdens of child care and housework five times more likely to fall to women, the report found a widening gap in levels of burn-out reported by women and men. Women reported a burnout rate of 42% in 2021, compared to 35% for men. In 2020 this was 32% versus 28%. The study found that one in three women - at all job levels - has considered downshifting or leaving her career.

Amid the uneven effects of COVID-19 on women, how have Black women been particularly impacted?

In an environment of heightened focus on racism, the *Women in the Workplace* report found disconnects between publicly stated DEI commitments by companies and the reality of what minority women are continually experiencing. All women experience micro-aggressions at work, but Black women are three times more likely to face certain common micro-aggressions. In addition, the report found that women are more likely to take on the extra work involved in supporting a diverse and inclusive workplace. The DEI work that women leaders are performing results in better employee satisfaction and retention, with less burnout. At the same time, this critical work is primarily overlooked in the promotion and career path process, with few companies recognizing it.

In particular, the impact of COVID-19 on Black women must be addressed. COVID-19 has killed more Black Americans than any other racial group, with a devastating blow to life expectancy. In looking at U.S. employment, Black women have lagged the worst in job recovery since February 2020, with 291,000 Black women leaving the workforce since then.

When will the U.S. catch up to the rest of the developed world on universal child care?

Before the pandemic, low-paying services jobs were predominantly held by women. Many workers, including the women who have traditionally been filling such posts, have shunned recent services openings, shifting their focus into jobs with better pay and working conditions. The avoidance of low-paying jobs, high burn-out, and lower female labor force participation in the face of increased caregiving, is being called the "Great Resignation".

The child care provisions of the Biden Administration's proposed Build Back Better plan would provide federal funding for early child care, from full support for low-income families up to a cap of 7% annual income spent on child care. U.S. families currently spend an average of 13% of their income on child care. In addition, the plan proposes paid family and medical leave and investments in long-term care, including improved pay for caregivers.

How do these trends impact women's hard-won progress in the workplace?

The *Women in the Workplace* study found that women continue to make slow strides in most levels of the workplace, but a broken rung at the first management level persists. Only 86 women are promoted to this level for every 100 men. In one sign of progress, this was true for women of color as well as White women. Despite gains for women, White men still comprise 62% of the C-suite.

Credit Suisse recently released *CS Gender 3000 in 2021: Broadening the diversity discussion*. This is the latest in the biannual CS Gender 3000 report series, a cornerstone global study of women in corporate management. As Parallele Finance and others have highlighted, the report found that women's representation on boards is increasing at a faster pace than within management and executive ranks. As with previous versions, the report examined the "diversity premium". While not demonstrating a causal relationship, the data continues to point to an observed premium for higher levels of gender diversity in leadership on several measures, including better EBITDA margins through time and stronger share price performance. We were pleased to see our Q1 data on public sector AUM included in the report's discussion of gender lens investing. (See *Q2 AUM for gender lens equity and fixed income*.)

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