

Female Labor Force Participation Is Key to Our Economic Recovery

Policymakers and business leaders must partner to address the child care crisis and return women to work

The COVID-19 pandemic has disproportionately impacted women's employment, with female workforce participation at its lowest rate in more than 30 years. Returning women to work is key to our nation's economic recovery, as female labor force participation contributes \$7.6 trillion to the US GDP every year. Lack of child care was an important driver of women exiting the workforce, as both child care providers and schools closed, and many mothers left work to care for their children.

A new ReadyNation national survey of more than 400 senior business leaders found that, while about two-thirds of employers are likely to expand child care supports offered to their employees post-COVID, many cited barriers to doing so. More than three-quarters of respondents said that federal or state government incentives, including tax credits, would increase the likelihood that their company would expand child care supports.

However, businesses alone cannot solve the child care crisis. Employer incentives must be coupled with robust public investments, including subsidies to families with low incomes and direct assistance to child care providers. For our economy to stabilize and thrive, access to affordable, quality child care for working families must be a paramount concern. Business leaders and policymakers must partner to address the child care crisis and return women to work.



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How can businesses help address the child care crisis?

ReadyNation commissioned a national survey of 408 senior business leaders in June, 2021, yielding a representative sample of executives at companies with at least \$5 million in annual revenue and at least 100 employees.

Employers reported various workforce disruptions due to the pandemic, including employees working fewer hours, or leaving the workforce temporarily or permanently, with about a third citing child care as the reason.

Prior to the pandemic, the parental supports employers offered most often were predictable work hours/schedules and flexible work schedules, with two-thirds of employers offering these. Slightly more than half of employers offered paid parental leave, and slightly less than half mentioned federal and state employer tax credits.

In the next year or post-COVID, about two-thirds of employer respondents are likely to **expand child care supports offered to their employees**. However, employers also reported various barriers, including limited resources and a lack of knowledge about how to best support their employees' child care needs.

More than three-quarters of employers said that federal or state government incentives would increase the likelihood that their company would expand child care supports offered to employees. The most called for incentives were: federal tax credit to employers for setting up dependent care accounts; increase the tax credit for employer contributions and the cap of employee pre-tax contributions; increase employer state tax credit for qualified child care expenditures; and sustain/ increase investments in Child Care Development Block Grant (CCDBG) funding for child care subsidies.

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Business executives building a skilled workforce by promoting solutions that prepare children to succeed in education, work, and life.

Council for a Strong America is a national, bipartisan nonprofit that unites five organizations comprised of law enforcement leaders, retired admirals and generals, business executives, pastors, and prominent coaches and athletes who promote solutions that ensure our next generation of Americans will be successful, productive members of society.

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