Testimony of Vicki Shabo  
Senior Fellow for Paid Leave Policy and Strategy, Better Life Lab at New America  

Hearing of the U.S. House Select Subcommittee on the Coronavirus Crisis  

_Underpaid, Overworked, and Underappreciated: How the Pandemic Economy Disproportionately Harmed Low-Wage Women Workers_  

May 17, 2022

Chair Clyburn, Ranking Member Scalise, and members of the committee, thank you for holding today’s hearing. My name is Vicki Shabo and I am a senior fellow for paid leave policy and strategy at the Better Life Lab at New America, a think tank in Washington, D.C., though the views I express here are my own.

For more than a decade, I have studied gender equity in the workplace and examined interventions that would help, including paid family and medical leave and paid sick time, access to quality, affordable child care and elder care, stronger equal pay protections, fairer scheduling practices and more. Through my work as a policy advocate and expert, I have helped to shape the dozens of federal, state and local paid sick days and paid family and medical leave policies that now provide security, stability and certainty to tens of millions of people and their loved ones – the most recent of which was signed just last week in Delaware, which became the 11th state plus D.C. to enact a statewide paid family and medical leave program. I have also worked closely with non-profit organizations that work on behalf of impacted constituencies, business leaders and researchers to build momentum and support for policy and practice changes.

For some period of time during the coronavirus crisis, it felt like the country was on the brink of change with respect to investments in care policies. The incredibly devastating health and economic effects of the pandemic and people’s keen awareness of the commonality of work-family challenges facing families across the country galvanized public sentiment. Care needs came out of the shadows and into the open like never before, and the incompatibility of public policies and private sector practices with people’s ability to work and care became crystal clear.

Congress’ bipartisan action at the start of the pandemic made a big difference in giving voice to people’s needs and concerns with respect to care. You recognized that workers would need paid sick time and family care leave to get through this unprecedented public health and care crisis. By passing even a limited policy, as the Families First Coronavirus Response Act’s paid sick and child care leave provisions were, you helped prevent more than 400 COVID cases per state per day in states without existing paid sick time protections,1 or more than 15,000 COVID cases per day nationwide. Unfortunately, workers who were protected by the law lost
guaranteed access with the law’s sunset at the end of 2020. Tax credits to eligible businesses that voluntarily provided paid sick and child care time continued – with less effect – but even that assistance ended at the end of September 2021.

Congress also recognized that the child care sector needed support. Both the CARES Act and the December 2020 emergency bill included funds for the Child Care Development Block Grant (CCDBG) and Head Start. The Democrats’ American Rescue Plan (ARP), which passed Congress in March 2021, also included substantial additional funding for CCDBG and child care stabilization.2 These child care investments were lifelines that enabled programs to open safely and allowed some parents – largely moms – to resume working for pay, increase their hours, and be better able to afford basic expenses for their households and their children. The ARP also recognized the need to support caregiving for older adults and people with disabilities and provided temporary increased funding for home- and community-based supports through Medicaid.3 Temporary expansions of the Child Tax Credit in the ARP also proved to be essential for families’ economic stability and security and temporarily substantially reduced child poverty rates.4

But now, although the pandemic and its direct and indirect effects continue, most relief has ended. The assistance that remains with respect to child care will sunset by 2024, and congressional gridlock has stymied much-needed, long overdue new permanent investments and protections. We face grave, multi-faceted risks as a country by perpetuating and exacerbating the deep inequities of the status quo with respect to women, work and care.5 That, in my opinion, is a huge missed opportunity and one that will anger, harm and demoralize people across the country, reinforcing concerns among people of all partisan leanings that policymakers are out of touch with their lives and unconcerned with their well-being.

It is not too late to change course. For people in the United States, the adoption of new policies to guarantee access to paid sick time, paid family and medical leave, and child and elder care, and protections like fairer workplace scheduling practices are not polarizing or partisan.6 They are common-sense interventions designed to help people work, care and thrive.7

I. The Pandemic’s Effects on Women and the Economy

There is no question that the coronavirus crisis is ongoing. The work and care crisis facing America’s workers and families are ongoing. For many people, an economic crisis is ongoing, despite an overall strong and growing economy. And women – particularly women in hourly service sector and care sector jobs – continue to be among those who are paying the steepest price.

Pundits and business leaders often speak of a labor force “shortage” but what we really have as a country is a shortage of policies, practices and supports. This deficit forces too many people into impossible situations. Their ability to care, to stay safe, to be healthy and to protect and
provide for their families is in jeopardy. And at high costs: measured in losses to families’ economic security and health, losses to businesses and losses to the economy.

Women who have been on the frontlines of the pandemic, whether in workplaces that required in-person service, or at home, have borne the brunt of the last two years. This is especially true for Black, Latina and immigrant women. And for women who are paid low wages ($15/hour or less), the pandemic has been particularly brutal.

In a recent survey conducted for the National Women’s Law Center, two-thirds of women paid low-wages reported that their work was exclusively conducted in person – higher than any other subgroup of women. And their connection to work was rockier than for other workers: 41 percent of women paid low wages said they lost or quit a job, compared to 23 percent of women overall and 19 percent of men; nearly half of low-paid women (47 percent) reported having their hours reduced, compared to less than a quarter of women and men overall. Nearly three-in-ten low-paid women also have caregiving responsibilities for an older adult or a disabled family member – and that number is even higher for women who lost or quit a job (34 percent). Very few low-paid women – less than one-fifth – have paid sick time, paid family or medical leave or even paid vacation time.

It is not surprising then, that more than six in ten low-paid women (63 percent), and 71 percent of women who were not currently working at the time of the National Women’s Law Center survey in February 2022, said the pandemic had negatively affected their mental health – with bills and expenses as the most significant stressor in their lives, followed by personal or family members’ physical or mental health, and stress related to caregiving. A survey conducted in the summer of 2021 by the Kaiser Family Foundation also found a significantly larger share of mothers reporting negative effects on their mental health than fathers (54 percent compared to 35 percent).

Indeed, challenges related to health and caregiving are two of the most significant factors affecting labor force participation. According to Bipartisan Policy Center/Morning Consult research from the fall of 2020, three-in-ten unemployed people said they left jobs because they were scared of getting sick – the same share as had been laid off or fired. Another 8 percent said they left because they were sick, and nearly one-fifth left because of the need to provide care to a child or other family member. Women and people of color were disproportionately affected by these concerns.

While the U.S. economy is now much stronger, and although some of these factors impeding work have lessened as jobs and schools have resumed some semblance of a typical schedule in periods where COVID caseloads fall, trouble still lurks.

The U.S. workforce is still missing more than 829,000 women as of April 2022; more than 69 percent of all jobs lost since February 2020 are jobs previously held by women. Black women and Latinas continue to have higher unemployment rates than white women.
New research released last week by Harvard economist Claudia Goldin demonstrates the divergent tale of women’s paths during the pandemic. While employment is up for college-educated women with young children, it is down for women without a college degree and most depressed for women with school-aged children and Black women.\(^{15}\) Black women between the ages of 25 and 44 faced unique hardships, according to Goldin – both in terms of higher rates of layoffs and furloughs than white women and in terms of becoming ill with COVID-19, caring for someone who was ill, or leaving work due to health and safety concerns related to the coronavirus.\(^{16}\)

All of this has significant implications for the size and productivity of the labor force, and means continued drains on U.S. GDP. The National Partnership for Women and Families estimated last summer that the U.S. economy loses $650 billion per year when women are not able to participate in the labor force at the same rates as women in our economic peer countries do.\(^ {17}\) This drain on economic output would be largely avoidable with new care policy investments.

When women do come back to the private sector labor force, they are disproportionately joining in leisure and hospitality jobs, retail, education and health services and child care\(^ {18}\) – all sectors where the jobs women tend to hold were disproportionately low-paid and low-quality prior to the pandemic and are not likely to be appreciably more supportive now in the absence of significant interventions.\(^ {19}\) This means we are setting ourselves up for more of the same hardships and challenges that existed prior to the COVID-19 crisis in terms of occupational segregation, wages and job quality. This defies common sense, evidence, and the need that workers and families have for dignity and security – and that businesses have for a stable, vibrant workforce.

As we move forward, it’s important to understand and appreciate the full suite of challenges that women on the front lines of the pandemic faced at work and at home. It is equally important to look at how the jobs that survived the pandemic are structured, where the private sector has fallen woefully short, and what needs to change if we are to create a robust, inclusive economy – and especially one that works for women in hourly jobs, who are disproportionately paid low wages and offered few benefits and protections.

II. A Look at Needed Interventions

1. Paid Sick Time

With respect to the ability to stay safe and healthy at work, one of the most common-sense needs that workers have is the ability to stay home when they are sick or when a child or dependent loved one is sick or needs to seek health care services. COVID-19 makes that even more important because of the virus’ ability to spread, even to vaccinated and boosted individuals. Without paid sick time, workers jeopardize their ability to afford basic expenses, like groceries, housing, health care and transportation\(^{20}\) – setting up impossible choices between
good health and survival. During the pandemic, about one-third of all women (35 percent) reported needing to take unpaid sick time because they contracted COVID or needed to quarantine; nearly half of all mothers (47 percent) reported taking unpaid sick time to care for a child whose school or daycare was closed – a share that rose to two-thirds of low-income mothers and nearly three-quarters of those working part-time. Women were significantly more likely than men to report new caregiving responsibilities, particularly as a result of school or child care closures, and for ill, older or disabled adult relatives.21

To be frank, we have not seen the private sector step up when it comes to providing paid sick days. That was true before the pandemic, when it was primarily the advent of state and local paid sick days laws requiring employers to provide paid sick time that drove increased access among lower-wage workers in traditional employment relationships, and it is true now. As of 2021, more than three-quarters of workers nationwide have paid sick time – but there are significant disparities. Even with the boost provided by state and local requirements,22 just half (52 percent) of private-sector workers in the lowest quartile of earners have paid sick time at their jobs nationwide, including only one-third (33 percent) of workers in the lowest decile. In addition, less than half of part-time workers have paid sick time (48 percent),23 which is significant considering the nature of hourly jobs where schedules and hours-worked vary and workers’ hours may be kept at less than full-time. Researchers at the Shift Project at Harvard University’s Kennedy School of Government, which examines job quality in service sector jobs, have found that, as of 2019, women in the service sector were less likely than men to have access to paid sick time (42 percent versus 48 percent).24 And, as of May 2021, they estimate that only half (53 percent) of service sector workers had access to paid sick leave, still with women’s access lagging behind.25 And, of course, none of these protections reach gig workers or most domestic workers.

During the pandemic, large companies were not bound by the Families First paid sick and child care leave provisions. While some provided paid sick time early on so that workers could isolate and quarantine,26 many did not – or put hurdles in place that made using paid sick time very difficult. For example, employers like Walmart required proof of a positive COVID test before granting workers the use of emergency paid sick time; with delays in testing and results, especially early on, a worker could have exposed their entire family to the virus by the time they received their test result.27 Stories abound about how workers in low-paid front-line jobs worried about endangering their families and themselves.28

And as the pandemic has continued, even some large, profitable companies that offered COVID paid sick leave of their own volition have cut it back. Just as Omicron hit in January 2022, when an estimated 8.8 million people reported missing work due to illness or care needs,29 major companies like Walgreens, Walmart, Amazon and CVS rolled back their COVID-related emergency paid sick time.30 And now, as yet another wave is rolling through with more predicted to follow, Amazon announced earlier this month that it is eliminating COVID emergency paid sick time entirely, leaving workers with just five paid sick days per year for all
COVID and non-COVID purposes. Moreover, Amazon also no longer plans to inform employees at a worksite when a worker tests positive.

We cannot get past this coronavirus crisis and into an endemic “new normal” without guaranteeing workers access to paid sick leave. It’s beyond comprehension that Congress has not yet approved more money for vaccines and testing – and equally beyond belief that any COVID relief package would not include a reinstatement and expansion of emergency paid sick leave as a public health mitigation strategy that complements funding for vaccines and testing. This is not a nice-to-have. This is a must-do.

And, of course, contagious illnesses and the need for paid time to seek preventive health services are not limited to COVID. There’s a large body of research demonstrating cost-savings to individuals and health systems, improved health outcomes, reduced contagion and benefits for businesses’ productivity when workers have access to paid sick time. That’s why we need a national paid sick time policy like the Healthy Families Act, which would guarantee that workers can earn up to seven paid sick days per year to use to address their own illness or health care need or care for a child or loved one. Especially after two years of a public health crisis, we must set a national paid sick days baseline, rather than returning to a state-by-state, city-by-city approach where many workers have no protections.

2. Paid Family and Medical Leave

The pandemic has also cast into sharp relief the need for expanded access to paid family and medical leave. People struggling with serious cases of COVID-19, workers with long COVID, people caring for loved ones whose care situations were displaced by COVID, and new parents who feared sending small children to institutional child care in the middle of a global health crisis all joined those who for decades have faced challenging circumstances without guaranteed access to paid family and medical leave. Hundreds of organizations, including a newly formed patient and caregiver coalition convened by the American Cancer Society-Cancer Action Network, have advocated vociferously for a national paid leave program on behalf of the constituencies they serve. Women – especially women who are paid low wages – are disproportionately affected because they tend to work in jobs that do not provide paid leave and because they tend to take on a disproportionate share of family caregiving.

Again, here, the “market” – the private sector – has fallen short and has especially failed workers in jobs that pay low-wages. Just 23 percent of private sector workers overall have paid family leave through their jobs; only four-in-ten have short-term disability insurance for a serious personal medical issue requiring weeks away from work. This means the vast majority of workers – at every wage level – do not have dedicated paid family and medical leave.

The situation is even more dire among the lowest-paid workers, and it did not improve during the COVID-19 pandemic. In fact, employers’ practices over the past two years only exacerbate a decade-long trend in growing gaps in access to paid leave. Just 12 percent of workers in the
lowest wage quartile, and just six percent in the lowest decile have dedicated paid family leave
as of March 2021. During the pandemic, access increased by just one percentage point for the
lowest-wage workers, while access jumped by 5 percentage points for the highest wage workers
(from 38 percent to 43 percent). This means the highest-wage workers are seven times more
likely to have paid family leave at their jobs than the lowest-wage workers. And, of course,
higher wage workers also tend to be more likely to be able to work from home, to be able to
work flexibly and to be able to ask for special accommodations.

For workers in the service sector, there is a significant unmet need for paid family and medical
leave. In a survey of service sector workers conducted by the Shift Project, more than one-
quarter of workers (28 percent) had a qualifying event for a family or medical leave in the prior
12 months, but only two-thirds of these workers would have been eligible even for unpaid, job-
protected leave through the Family and Medical Leave Act of 1993 (FMLA) because of the law’s
restrictive eligibility and business coverage requirements. As a result of risk and financial
concerns, only half of all workers, and just 37 percent of Black workers, took a leave that they
needed. And the vast majority of workers were dissatisfied with their leave options. Among
those who were dissatisfied – either because of a leave that was too short or because they did
not take leave at all – financial and job concerns loomed large. The inability to pay bills, the risk
of losing their job, and the risk of losing health insurance all hindered service workers’ leave-
taking experiences.

Access to paid leave has important economic and health benefits for workers, children, people
in need of care and families, as well as benefits for businesses that voluntarily offer it or operate
in states with public paid family and medical leave programs. Paid leave helps families afford
the income shock of missed weeks of work – which is especially important in a period of high
inflation; it saves lives, supports work, yields cost savings and boosts the economy. 41

House Democrats recognized the importance of paid family and medical leave by including the
first-ever national paid family and medical leave program in the Build Back Better Act that
passed the House last November; the Ways & Means committee approved an even more robust
version of a national paid leave program as part of the Build Back Better markup process last
fall, similar to the FAMILY Act.42 Additional job protections, such as those provided by the
newly-introduced Job Protection Act, are critical as well, so that workers who need paid leave
will not be punished for using it.43 This issue is frustratingly partisan and polarizing in this
legislative body but, nationwide, support among voters and among the public is enduringly
strong and very bipartisan.44 It is well past time for paid leave for every working person in this
country, no matter where the live, their serious care need or their job.

3. Child Care

Workers’ loss of access to child care was perhaps the most acute barrier to work for parents
during the pandemic. Child care programs shut down. Schools closed or went virtual. Parents
were left without assistance, and mothers most especially took on most of the responsibility for
child care and virtual schooling. A substantial share left their jobs or reduced their hours as a result\textsuperscript{45} – and, as recently as January of this year, major disruptions continued when the Omicron variant surged.\textsuperscript{46} In a survey released last week conducted by Marshall Plan for Moms and McKinsey, a stunning 45 percent of women who left the workforce during the pandemic cited child care as one of the reasons, compared to 14 percent of men.\textsuperscript{47}

Even before the pandemic, access to child care was challenging for parents across the country, and especially so for hourly workers and workers with non-standard schedules.\textsuperscript{48} Moreover, as of 2018, Center for American Progress analysis showed that more than half of people in the United States (51 percent) live in “child care deserts,” or areas where there are three times as many children in need of a child care spot as there are spaces in care settings.\textsuperscript{49} They found that families in rural areas and Latine families were disproportionately likely to live in child care deserts, and that maternal labor force participation rates in areas with inadequate child care were 3 percentage points lower than in communities with more plentiful child care.\textsuperscript{50} For women, the loss of income, wealth and retirement security associated with leaving or reducing work to provide child care is substantial, with significant multi-billion dollar effects on businesses and GDP as well.\textsuperscript{51} Parents’ – mostly mothers’ – unpaid labor is often invisible and monetarily uncompensated, but it is not free or costless.

The pandemic has exacerbated these challenges. According to a recent study by Child Care Aware, an estimated 16,000 child care centers or licensed family child care programs in the 37 states for which data is available closed between December 2019 and March 2021, representing a 9 percent decrease in child care spots and a 10 percent decrease in family child care programs nationwide.\textsuperscript{52} According to the most recent employment data, more than 103,000 child care jobs, or about 1/10\textsuperscript{th} of jobs in the sector, have been lost since February 2020 and have not returned – and these too are overwhelmingly women’s jobs.\textsuperscript{53}

For parents who are able to find child care spaces for their children, the cost of care has long been out of reach and is increasing. Child care costs average more than $10,000 per year and, in every region of the country, the cost of child care exceeds the cost of housing, college tuition of both.\textsuperscript{54} For low-income families, child care expenses for children under five consume 35 percent of their income.\textsuperscript{55} Even before the pandemic, child care prices rose at more than twice the rate of inflation; the coronavirus crisis exacerbated this trend, with child care inflation exceeding annual inflation in 2020 by nearly 4 percent.\textsuperscript{56} According to projections from the end of 2021, child care costs are growing at a rate higher than the costs of food or housing.\textsuperscript{57}

The House-passed Build Back Better Act included major new investments in child care and early learning to address the challenges that parents, centers and providers face, similar to the provisions of the Child Care for Working Families Act.\textsuperscript{58} It is incomprehensible that any economic recovery package considered by the Senate might be at risk of excluding investments in child care.
A new proposal unveiled last week by Senators Patty Murray of Washington and Tim Kaine of Virginia offers an accommodation to lawmakers seeking a more limited approach.\textsuperscript{59} While the Build Back Better Act’s investments were more robust and comprehensive and more in line with what the country needs, the Murray-Kaine proposal would make some key investments in CCBDG to allow states to strengthen the early learning workforce, expand the supply of quality child care facilities, and lower child care costs for families. It would also fund critical child care infrastructure needs, including higher wages for early educators and staff, including Head Start staff; reduce child care deserts and improve the supply of high-quality child care; support quality improvements; establish a new pilot program for states to match federal dollars to expand child care assistance to middle-income families; and expand access to high-quality preschool for 3- and 4-year-olds.

Doing nothing on child care at this critical moment is unacceptable. It is essentially telling the millions of parents who have struggled through the pandemic, the thousands of child care providers who have had to close their businesses or struggled mightily to stay open, and the millions of workers who have lost jobs in the sector that their work and interests do not matter. It is depriving businesses of workers. And it is depriving the economy of a source of strength.

When businesses speak of a labor shortage, what they must understand is that a significant portion of people who would like to be working for pay do not have access to the child care that would allow them to do so. When lawmakers worry about inflation, what they miss is that the costs of child care mean that it makes more financial sense in the short term for some workers to exit the labor force than to struggle to pay for care, if care is even available. We must solve child care.

4. Scheduling Predictability, Notice and Flexibility

One last area to address is job quality, and most especially the pervasiveness of scheduling practices that cause significant difficulties for low-wage workers. Scheduling instability and uncertainty has wide-ranging effects on the health and well-being of workers and their children\textsuperscript{60} – as well as very practical effects on families’ ability to find reliable child care, plan or provide care for older or disabled adults, continue their education and find other sources of work.\textsuperscript{61} Involuntary part-time hours or uncertain hours that vary from week to week or month to month also create volatility in household incomes that make it difficult to afford basic expenses – and these challenges are particularly acute for Black and Latine families who have less wealth and savings.\textsuperscript{62}

For workers who use public programs like SNAP and Medicaid, fluctuating hours combined with work requirements can lead to losing eligibility for aid.\textsuperscript{63} This is especially offensive given that workers in large grocery chains like Kroger and quick serve restaurants like McDonalds – who are subject to short notice of shifts and fluctuating hours – often have no choice but to enroll in public assistance programs to meet their basic expenses because of the low wages in their industries and workplaces.\textsuperscript{64}
The Shift Project’s research on the experiences of service workers over a four-year period (2017-2021) shows that workers in the service sector continue to face most of the same challenges now as they did prior to the pandemic. They report:

In the most recent data from Fall of 2021, 64% of workers received less than two weeks’ notice of their work schedule, unchanged from the period prior to the pandemic. In Fall of 2021, more than a third of workers received just one week of notice and one quarter have as little as 72 hours’ notice. Many other scheduling hardships persisted in the Fall of 2021, such as on-call shifts (21%), cancelled shifts (11%), shift timing changes (57%) and clopening shifts (36%) [shifts where a worker both closes a store one day and opens it the next]. In our most recent data, 42% of workers had no input into the timing of their work schedules, and 65% of workers expressed a desire for a more stable and predictable schedule.65

Researchers also find that people of color were more likely than white people to report having less than two weeks’ notice and to be expected to be on-call to work. In addition – with serious ramifications for families’ economic security and stability – women of color were 15 to 30 percent more likely than white workers to experience shift cancellations, on-call shifts and involuntary part-time hours.66 They also find that workers of color within the same firms as white workers to experience these issues – suggesting that managerial discretion tinged with implicit or explicit bias is at play.

States and localities have begun to put safeguards in place around scheduling, with results that are promising for improvements in scheduling practices and workers’ well-being. Evaluations of private sector policies also show benefits for businesses in terms of improved sales and reduced absenteeism.67 At the federal level, the Schedules That Work Act and the Part-Time Workers Bill of Rights Act offer solutions for predictability, control, notice and part-time parity.68 The status quo is hurting workers, children and businesses. We must do better.

III. The Way Forward

More than any other moment in modern history, the coronavirus crisis has revealed the ways in our current systems, practices and policies fail workers, families, businesses and the economy. Inequalities by gender, race and income have widened, particularly when it comes to people’s ability to work and care.

Some businesses have been forward thinking and urged government action and investments to help correct the market failures that characterize the status quo. For example, last fall, more than 1,000 businesses and business leaders urged the President and congressional leadership to pass a national paid family and medical leave program.69 Business trade associations, like the
U.S. Chamber of Commerce Foundation, have recognized the business case for public child care investments.\textsuperscript{70} And just last week, a new business coalition formed to advocate for public and private sector initiatives on child care.\textsuperscript{71}

Unfortunately, some of the powerful business institutions that express concerns about labor shortages, supply chain challenges and inflation also worked very hard to stop the Build Back Better Act,\textsuperscript{72} which would have made unprecedented investments in the care infrastructure the country needs to move forward.

It is past time for policymakers across party lines to look at the evidence – the reduced size and strength of the workforce due to caregiving challenges, the studies showing that both workers and businesses benefit when paid sick, medical and family leave, child care and fair schedules are in place, and the potential growth in economic activity that could be realized by addressing these gaps – and act. Government and the private sector can be partners, but the private sector is clearly not doing enough alone. The current moment of paralysis is untenable. We cannot wait another moment for investments in care.

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percentage points higher in jurisdictions that require employers to provide paid sick time to eligible workers than in those that do not (unpublished graph available upon request).


57 Kathryn Anne Edwards Tweet, November 9, 2021. https://twitter.com/keds_economist/status/1458087891071082513


69 Letter to President Joe Biden and congressional leadership from more than 1,000 businesses and business leaders, October 27, 2021. https://drive.google.com/file/d/1m3LMr9jZt5flZtg7G_gWwgr9w_Lr/view

