

Empowering Women in the Workplace: How Philanthropy Can Support Women's Mental Health





Unlocking the full potential of our workforce relies on empowering women in the workplace, whose invaluable contributions drive economic growth, social progress, and community well-being.<sup>1</sup>

However, the current workplace structure and systems, while evolving, were not designed to set women up for success, and have resulted in a widening gender pay gap, underrepresentation in leadership and male-dominated industries, and experiences of gender-based discrimination and harassment.<sup>2</sup> These factors negatively impact women's mental health, with many working women reporting increased rates of stress, anxiety, and depression.<sup>3</sup>

#### Snapshot of Women in the Workplace



In 2022, women were 5 to 8 times more likely than men to reduce their work hours or drop out of the labor force entirely due to caregiving responsibilities.<sup>4</sup>

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Despite making up nearly half of the U.S. labor force, women represent less than 5% of CEOs and less than 10% of top earners in the S&P 500.<sup>5</sup>

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Lack of access to affordable, quality child care remains a critical obstacle for women to enter and stay in the workforce, costing the U.S. economy \$122 billion in lost earnings, productivity, and revenue every year.<sup>6</sup>

While the challenges women face in the workplace are undeniable – from societal pressures, entrenched workplace inequalities, and pervasive gender-based expectations – so are the opportunities for positive change. By considering women's mental health needs in the workplace, we provide a strategic pathway to empower women to thrive and succeed, yielding benefits that extend beyond the individual and ultimately enhance the well-being of families, communities, and the broader economy. In this guidance, we explore practical opportunities to support working women within the existing system while also advocating for philanthropy to pursue bold initiatives that can transform the system for lasting impact on the lives of women in the workforce.



## **Enabling Women to Succeed**

The societal and economic argument for recruiting and retaining women in the workplace is well-documented. Women enhance organizational effectiveness by fostering collaboration and bringing diversity of thought and experience to the table that drives innovation and better decision-making.7 Beyond the workplace, society benefits from the ripple effects of working women, as they are more likely to partake in civic engagement, contribute to community development, and strengthen families, leading to a more vibrant and cohesive society.8

For example, women tend to reinvest up to 90 percent of their incomes back into their families, particularly in areas like healthcare, education, and nutrition, helping to improve the lives of future generations.9 Further, studies show that children of working mothers exhibit positive outcomes in educational attainment and social skills.<sup>10</sup> Working women also serve as role models for girls, especially in fields in which they have been historically underrepresented, such as Science, Technology, Engineering, and Mathematics (STEM).11

Despite these benefits, women exit the workforce at disproportionately higher rates than men. The reasons

behind this are intricate and multifaceted, with factors like family and caregiving responsibilities, genderbased discrimination, and limited advancement opportunities, contributing to increased rates of depression, anxiety, and other adverse mental health outcomes. 12 Despite these challenges, fostering a sense of community and belongingness in the workplace can be a strategic focus for philanthropic efforts. Research demonstrates that these elements contribute positively to mental health, well-being, and productivity, leading to a 56 percent increase in job performance, a 50 percent decrease in turnover risk, and a 75 percent reduction in sick days.13





## ELEVATING WOMEN IN LEADERSHIP

Research shows that workplaces benefit from female leadership, leading to improved decision-making, increased productivity, and the creation of more equitable governance structures. <sup>16</sup> Yet, women are historically underrepresented in leadership positions.



Despite making up nearly half of the U.S. labor force, women represent less than 5% of CEOs and less than 10% of top earners in the S&P 500, and women of color are nearly invisible on both S&P 500 boards and Fortune 500 boards.<sup>17</sup> Philanthropy can play a pivotal role in championing the adoption of impactful policies from other countries within the U.S. For example, check out recent regulation passed by the European Union that mandates women constitute 40% of non-executive directors on the boards of publicly traded firms by 2026.

# Ways That Philanthropy Can Support

Research suggests that promoting relationships and social support for women at work is the most effective strategy for enhancing their mental health, highlighting a unique opportunity for philanthropy to enable women to stay and succeed in the workplace.14 Funding initiatives such as employer-sponsored and community-based mentorship programs and networking events not only offer practical support, such as leadership development, but also create safe spaces for women to share experiences and collectively navigate challenges that can contribute to their overall well-being. Funding can also bolster work-based mental health services, including peersupport programs and organization-wide wellness initiatives that promote community and target workplace disparities. Furthermore, philanthropy can invest in evaluating these programs using data-driven assessments such as the Mental Health at Work Index™.

Philanthropy can also deploy strategies to increase representation in more male-dominated industries, through strategic investments in education, skills training, career readiness, and professional development programs. For example, philanthropy can leverage policy and advocacy efforts to intentionally create more inclusive workplace environments by investing in upstream approaches that encourage and nurture young women to pursue more traditionally male-dominated fields of study. Specifically, funders can champion teacher training programs and mentorship initiatives in schools that apply gender-responsive teaching practices in classrooms to attract and retain girls in STEM programming, thus nurturing their potential pursuit of STEM careers.



For more information on how philanthropy can reinforce community and connection, check out the first priority in Mindful Philanthropy's <u>Roadmap for Strategic</u> <u>Investment</u>.



## Supporting the Caregiver Workforce

With women making up 79 percent of the formal caregiving workforce across various sectors like education, healthcare, social services, and childcare, prioritizing their mental health is crucial for both individual well-being and societal welfare. 18 These careers are more emotionally demanding compared to other industries, provide less compensation, and the existing workplace systems and structures are not built to accommodate or support women, especially shift-workers, who often have to navigate balancing professional duties with familial responsibilities.

Collectively, these factors can have a negative impact on women's mental health, influencing their decisions to either reduce work hours or exit the workforce.19 In some cases, the mental health impacts can lead to more severe consequences. For example, while physicians generally face a heightened risk of suicide compared to the general population, this is especially true for female physicians. Similarly, female nurses

have an 8.5 times higher suicide rate than the general female population.20 Given society's reliance on the caregiver workforce to provide essential services, there is a unique opportunity for philanthropy to not only enhance individual well-being but also strengthen the resilience and effectiveness of vital sectors that underpin societal functioning.





# Ways That Philanthropy Can Support

Philanthropy can play a crucial role in addressing the unique challenges and systemic barriers to advancement that women in the professional caregiving workforce often face. Funders can support scholarships and training programs that further women's educational and professional development interests, such as industry-related certifications to promote career advancement. For example, day care workers are often interested in furthering their education or pursuing early childhood education credentials, but agencies usually lack the resources necessary to facilitate those advancements. Philanthropy can also broaden mental health care access by funding evidence-based peer-support programs that equip individuals and managers with the knowledge and skills to identify and assist colleagues facing mental health challenges such as compassion fatigue, burnout, or trauma. Additionally, investing in mental health counseling or substance abuse counseling programs specifically designed for women in caregiver roles can contribute to improving their well-being and resilience.

Funders can also invest in organizations committed to changing cultural norms to destigmatize mental health in caregiving settings, thus encouraging more women to seek the support they need. By promoting collaboration with unions, nonprofit organizations, and government agencies, philanthropy can help create a comprehensive advocacy network that pushes for systemic change, leading to higher wages, improved working conditions, and improved mental health for women on the frontlines.

#### **PAY EQUITY**

The gender pay gap has seen little to no improvement over the past two decades, with American women typically earning 82 cents for every dollar earned by men.<sup>21</sup> This disparity not only limits lifetime earnings but also hinders women's ability to accumulate wealth, retirement savings, and pensions, resulting in higher rates of poverty among women later in life.



Pay transparency, championed through institutional or public policy efforts, can empower women to negotiate effectively, promotes trust and respect in workplaces, and attracts and retains top talent.<sup>22</sup> Philanthropy can help to dismantle the systemic barriers by advocating for pay transparency legislation and sponsoring research that analyzes the effectiveness of interventions aimed at closing the pay equity gap.



## Advancing Policy and Systems Change

In 2022, women were 5 to 8 times more likely than men to reduce their work hours or drop out of the labor force entirely due to caregiving responsibilities.<sup>23</sup> Women are expected to balance professional demands with often-invisible household duties, with research indicating that women spend double the amount of time than men on housework, chores, and caregiving responsibilities.

The impact of this unequal burden, coupled with inadequate systems and policy support, disproportionately affects women in the workforce, with consequences to their mental health that, in turn, can impede career advancement and compromise long-term earning potential. For example, the United States is one of only six developed nations without a national paid family leave policy.24 This gap contributes to higher levels of stress, anxiety, and depression among working women, who grapple with concerns about job security and financial implications while caring for a newborn or ailing family member.<sup>25</sup>

In comparison, countries that have implemented such policies, such as flexible family leave options that can be used for childcare or eldercare, report reduced rates of depression and anxiety among working women, increased workplace productivity, economic growth, and reduced reliance on public assistance programs.<sup>26</sup> Addressing these types of disparities requires backing solutions that work toward creating a more equitable and sustainable system that will ultimately lead to higher job satisfaction, retention, and overall well-being for women in the workforce.







#### **CHILDCARE CLIFF**

More than ten million women rely on childcare systems to keep their children safe while they are at work.28 Yet, access to affordable, quality child care remains a critical obstacle for women to enter and stay in the workforce, costing the U.S. economy \$122 billion in lost earnings, productivity, and revenue every year.29 This is especially true for the over half of Americans living in childcare deserts in the U.S.

Funders dedicated to advancing gender equity should prioritize advocating for policies that not only enable access to affordable, quality childcare, but also fair wages for the caregiver workforce. To explore specific policies, check out this recent report published by the Center for American Progress.

#### **Ways That Philanthropy Can Support**

Philanthropy can take a multi-pronged approach that involves driving positive change in policies, strengthening the infrastructure for support, and addressing the broader ecosystem of challenges women face through research and advocacy. For example, funders can advocate for flexible workplaces, recognizing that 90 percent of women view hybrid work environments as an equalizer in the workplace.<sup>27</sup> Beyond the workplace, funders have an opportunity to build, enhance, or advocate for infrastructure that was designed to support women in their careers without compromising their mental well-being. This involves ensuring access to affordable and reliable long-term care facilities and establishing high-quality childcare programs, both of which can complement paid leave initiatives. Philanthropy can also fund organizations engaged in systemic policy reform and advocacy, such as the National Partnership for Women & Families.

Philanthropy can fund research exploring the specific barriers women encounter when reentering the workforce after caregiving breaks or career pauses, which can inform the development of effective reintegration programs or policies to ease these transitions. Building on this research, funders can advocate for corporations to integrate effective approaches into their workplaces, such as implementing comprehensive training programs that equip women with the skills needed for seamless reintegration. Additionally, funding marketing and outreach efforts can amplify existing care navigation services, increasing awareness and utilization of available resources.



# Supporting women's mental health in the workplace is not only a matter of individual well-being, but a strategic investment with farreaching societal and economic implications.

By confronting the deep-rooted systemic inequities and societal expectations that contribute to mental health challenges for women in the workplace, we pave the way for economic growth, enhanced family and community well-being, and the empowerment of future generations.

This is not a siloed issue but a collective responsibility that requires collaboration across various sectors, starting with funders and corporate leaders who can catalyze transformative change by recognizing and addressing the challenges women navigate in their professional lives. By investing in flexible work arrangements, culturally relevant mental health resources, and equitable childcare solutions, we can empower women to thrive professionally. Advocating for

systemic changes, such as paid family leave and fair wages, further strengthens the foundation for women's well-being in the workplace.

This call to action extends beyond specific women-focused funders – because strengthening women's mental health in the workplace is an investment in a more resilient, inclusive, and ultimately prosperous society.



Mindful Philanthropy can recommend specific organizations or develop a comprehensive strategy that aligns with this guidance and your funder priorities upon request. To get in touch with a team member, click here.



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