Fidelity® Study: The Pandemic’s Impact on Women

Fidelity Investments’® Pandemic Impact Study examines the attitudes and behaviors of American caregivers related to work and money, months into the COVID-19 pandemic. The following data reflects findings from women looking at how they’re feeling about juggling work and home responsibilities, and how that may be influencing career decisions.

The pandemic is challenging Americans in unprecedented ways, driving many women in particular to reevaluate how they manage work and home responsibilities. In fact, Fidelity finds that more women are considering stepping back from the workforce but are more engaged with their finances than before the pandemic.

Approximately 4-in-10 (39%) women are considering a change to their work life, either leaving their job or reducing their hours due to increased caregiving responsibilities.

Why are women considering stepping back from the workforce?

- Homeschooling needs: 42%
- Keeping children home due to health concerns: 34%
- Cost of getting help to care for/teach children is cost prohibitive: 27%
- Too hard to juggle job and family responsibilities: 27%
- Caring for young children not yet in school: 26%
- Support for aging parent or another adult family member: 24%
How is the pandemic affecting women’s daily lives?

SHOULDERING THE RESPONSIBILITIES

While caregiving responsibilities may be the most pressing challenge working mothers are trying to manage, it’s certainly not the only one. Since the onset of the pandemic, among those who are married or living with a partner, 45% say they’ve taken on an even larger share of household responsibilities compared to their significant other.

Women are significantly more likely to say that they’re shouldering a majority of the work. Here are the percentages of work women and men report doing compared to their partners:

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<th>WOMEN</th>
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<tr>
<td>67%</td>
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<td>72%</td>
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<td>71%</td>
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SOME OF THE BIGGEST CHALLENGES WOMEN SAY THEY’RE FACING DUE TO THE PANDEMIC

Overall, 60% of women say they are feeling much more stressed, with a range of concerns weighing them down.

LEADING STRESSORS FOR WOMEN

- Emotional and mental well-being of their children: 80%
- Everyday finances: 80%
- Family member contracting COVID-19: 77%
- Their own emotional and mental well-being: 74%
- Long-term savings and investments: 70%
- Juggling childcare and work: 62%
- Job loss/falling behind in their career should they need to step back: 59%

Self-care

- 49% cutting back on self-care, including finding “me time”
- 48% feeling cut off from friends and family
- 41% sleeping less

Health

- 34% maintaining a healthy diet
- 34% making time to exercise and stay active
- 28% feeling more distracted and less productive while working

Productivity

- 33% prioritizing their day to stay productive
- 22% putting in more hours working from home
THE SILVER LINING
The pandemic has been a catalyst for many women to become more actively engaged in their finances.

Where women were already building good planning and savings habits, many say they have amplified those efforts in the last six months to shore up finances for the future. In addition, more women are also taking steps to better educate themselves (36%) and become more comfortable talking about money (35%).

Among activities where women have increased their focus:

- 67% of women say they are now more engaged in managing their money since the onset of the pandemic.
- 46% cutting back on discretionary spending
- 43% creating or updating a financial plan
- 40% building up emergency savings
- 35% talking about money

NO MATTER WHAT DECISIONS FAMILIES ARE MAKING, FIDELITY IS HERE TO HELP
In this time when so many are experiencing a job change, whether that be a job loss or a decision to step back from the workforce, it’s important to understand how this can affect your finances today, but also for the long term so you can plan accordingly to stay on track to reach future goals.

Among potential impacts:
- Retirement and healthcare contributions and any employer matches
- Compounding growth and potential investment earnings of those contributions
- How your social security benefit may be calculated
- Career development opportunities along with the challenge of re-entering the workforce at a comparable salary

LET’S CONSIDER ONE HYPOTHETICAL SCENARIO
A 35-year old woman making $75,000 a year is considering leaving her job. Taking one year away from her retirement savings could potentially mean almost $160,000 less in retirement savings by the time she is 67 years old.*

*This hypothetical example shows estimated ending retirement plan balances for a woman who at the age 35 is earning $75,000 in salary. The estimate assumed a 6% employee contributions rate to a workplace retirement account, with an additional 3% employer match, and a 1.5% annual real salary growth rate. A 10% reduction in salary when returning after the career break. Contributions are made at the beginning of each year and are subject to IRS and Plan limits. The model assumes no outflows during the year. Compounded growth and potential investment earnings are impacted by a 4.5% (after-tax) real rate of return. No outflows are assumed during the break. The example does not include any employer matches or contributions in the year she returns.

TAKES ONE YEAR OFF

NO CAREER BREAK

Difference:

$159,702

$1,259,381

$1,099,679

$75k SALARY

$1,299,381

$1,099,679

$75k SALARY

TO LEARN MORE ABOUT WHAT MAKES FINANCIAL PLANNING DIFFERENT FOR WOMEN, WITH SUGGESTED NEXT STEPS TO HELP WITH PERSONAL PLANNING, VISIT THE FIVE FINANCIAL FUNDAMENTALS IMPACTING WOMEN.

ADDITIONAL RESOURCES

Women Talk Money
Join the weekly conversation, live every Wednesday or anytime on demand, to learn more about topics most relevant to women and ask your own most pressing money questions.

Fidelity’s Life Events Hub
Find a comprehensive library of additional tools, checklists and other resources to help plan for and manage major life moments.

24/7 Support
For those who want more hands-on help, Fidelity representatives are available at no cost to answer questions 24/7 at 1-800-FIDELITY, or online at fidelity.com.

ABOUT THE FIDELITY INVESTMENTS PANDEMIC IMPACT STUDY:
This study presents findings from a nationwide survey of 1,902 U.S. adults, 951 men and 951 women, ages 18+ who identify as a caregiver and were employed as of January 1, 2020. This survey was fielded August 25 – September 4, 2020 by Engine Insights, an independent research firm not affiliated with Fidelity Investments. The results of this survey may not be representative of all adults meeting the same criteria as those surveyed for this study.

ABOUT FIDELITY INVESTMENTS:
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