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Economic “Shecession” Is Nothing Less Than A National Crisis

By: Alejandra Y. Castillo

The COVID-19 pandemic is like a Russian nesting doll of crises. Open one, and there is another inside.

The public health emergency produced a painful economic recession. That economic crisis in turn first exposed, and then worsened, the economy’s systemic racial and gender inequities. Eventually, those inequities led to 2.5 million women leaving the workforce, transforming the deep recession into a “shecession.” Decades of progress for women evaporated in 12 months.



Alejandra Y. Castillo,
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At the core of all these crises are the countless victims of the pandemic: the people who lost their lives, loved ones, homes, jobs, or businesses because insufficient social, governmental, and economic structures cruelly failed the very people who the systems were designed to support in the first place.

Of course, tackling these kinds of systems failures is nothing new to those of us in the nonprofit world. Our organizations exist to fill the cracks created and/or neglected by such systems.

As the immediate past CEO of YWCA USA, at the onset of the pandemic we doubled-down on our never-ending mission to eliminate racism and empower women as the pandemic deeply affected the women and girls in the communities we serve. The government has deemed certain jobs “essential.” But government continues to treat the people who carry out these tasks (including childcare, domestic violence housing and counseling, food services, workforce development) as disposable and replaceable.

When the pandemic sent our communities into lockdown, millions of service-sector jobs disappeared overnight. So too did childcare options. Drove of women — especially women of color — reluctantly left the workforce. This mass exodus of women has been dubbed the “shecession.” However, when one examines the automation trends, rapid growth of male-dominated STEM (science, technology, engineering, and math) fields, and rising cost and limited accessibility of childcare, one thing is clear: the stage was set for this “shecession” long before the first case of COVID-19.

In October 2020, YWCA USA published "[America's Recovery from the 2020 'Shecession'](#)" which concluded that a woman-focused economic downturn was inevitable. “The pandemic is the breaking point of a system that has failed American women for generations,” the report noted.

For decades, nonprofit organizations have been the canary in the coal mine because we see and hear the challenges before the rest of the country. It is why the nonprofit sector is well-positioned to drive investments and services in STEM education programs and advocate for childcare reform. Not only is job stability important for the individual, the economy does not function without women fully participating in the workforce.

A key to workforce entry is the future of work, and STEM education is at the core. What unlocks workforce retention are things like living wages, childcare costs, and other financial factors that prevent women from being pushed out of their careers.

Employment, childcare, equitable pay. These are not women's issues. These are national issues. The "shecession" is not just the demise of women's advancement. It is a harbinger of our nation's economic future.

The last time — and only time — our country provided adequate childcare to support parents in the workforce was during World War II. After millions of women went to work in factories, communities established thousands of childcare centers around the country to assist working mothers across socioeconomic lines. These centers were affordable and easily accessible, with round-the-clock operations that cost the equivalent of \$9 per day.

Now consider the current cost of childcare. The [Economic Policy Institute](#) reports, as recently as October 2020, the average annual cost of infant care in Washington D.C. is \$24,243. That is nearly ten times the equivalent cost of childcare during World War II. The minimum wage in D.C. is \$15 an hour (the same figure that was rejected by Congress as too high for the national minimum wage). A worker making minimum wage in D.C. earns roughly \$31,200 per year. That leaves less than \$7,000 for all other expenses, including housing, food, healthcare, transportation, and any student loans — for the entire year.

To say childcare is prohibitively expensive is a gross understatement. A primary caregiver should not have to pay for the privilege of working.

The post-pandemic era will be the first time in history that our economy hinges on how we address women in the workforce. In January 2021, 275,000 women exited the workforce. A month earlier, women accounted for [100 percent of net jobs lost](#). One. Hundred. Percent. In a recent op-ed, [Vice President Harris wrote](#) that 2.5 million women have left the labor force during the pandemic, declaring the situation a national emergency.

Harris is absolutely correct. As a country, when we have consecutive months where women leave the workforce in droves and the trend line is not abating, we have a serious problem. Make no mistake. It is not a problem just for women. It is a problem for us all.

We are living in a unique time marked by a once-in-a-century pandemic. Although the ferocity of the public health, social, and economic crises caught the world off guard, the consequences have been all too predictable.

Many of us operate in crisis-management mode, but full economic recovery requires that our actions not be just reactionary but also be strategic and visionary.

Starting today, you should brainstorm ways your organization can support women's employment and entrepreneurship with a lens towards the future of work. It may be as small as making organizational changes or as wide-scale as establishing an area of sustained advocacy.

If our nation does not use every weapon at our disposal to get women back into the workforce, our economic recovery efforts will be doomed to fail before they begin. Our lost ground will stay lost.

It does not have to be. The United States could accelerate the economy for everyone, with GDP growth by 5–10 percent in the next few decades, if we increase the number of women who enter and remain in the workforce, according to "[The Key to Unlocking U.S. GDP Growth: Women](#)," a report by S&P Global.

It's not enough to say that putting women to work is good for business. It's more accurate to say this: Without women, you're out of business.

The United States had more than a half century to brace for the "shecession." The hour is late. What are we waiting for? The road to recovery will be long and difficult. It's time to take the first step to be bold and audacious about our national economic future.

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