

Gender equality in workplace could add trillions to US economy ^[1]

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EXCERPTS

Gender equality in the workplace could add \$4.3 trillion (£3 trillion) to the US economy by 2025, a study has found.

The McKinsey Global Institute conducted the research showing more female employment would boost the economy.

It found \$2.1 trillion could be added if the country raised its female employment ratio from 64% to 74%.

"Gender inequality is a pressing human issue, but also has huge ramifications for jobs, productivity, GDP growth, and inequality," the report said.

The report says 6.4 million new jobs would need to be added to the US, on top of the 10 million already projected to be added by 2025, just to reach the \$2.1 trillion target. That would require businesses and local governments to invest \$475 billion.

The US economy has added more than two million jobs for the last three years, but most have been low paying.

Opponents of government enforced equality programs often point to the high cost new regulations place on businesses.

Higher pay

To get the full economic benefit women would also have to occupy more high paid and full-time jobs. Women make up 46% of the US workforce, but currently contribute just one fifth of the country's annual gross domestic product (GDP).

Promoting more women to leadership and management roles and training them for higher skilled positions would boost their contribution to the economy, the study said.

Reducing unpaid work

Reducing the amount of time women spend on unpaid work is also essential. Between 1965 and 2010 labour force participation rate for women rose, but the time women spent on unpaid child care also climbed by a third.

In February, philanthropist Melinda Gates, addressing the impact of unpaid work called it a "hidden cost in society."

On Tuesday, San Francisco became the first US city to pass a law mandating fully paid parental leave.

The study's authors called for government action to address to paid parental leave, which is not guaranteed in the US, and improve childcare. They also said businesses should look at their hiring and performance evaluation practices to boost gender diversity.

The authors admitted that reaching the \$4.2 trillion figures was unlikely because the "barriers hindering women from fully participating in the labour market make it unlikely that they will attain full gender equality within a decade."

In September, a research report by MGI said \$12 trillion would be added to the global economy if gender equality was reached worldwide.

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Region: United States ^[3]

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