



# Back-to-work:

The billion-dollar opportunity  
for companies



# I. Introduction

The female talent pool in America is growing bigger and better qualified, now filling more than half the seats in universities,<sup>1</sup> grad schools,<sup>2</sup> and law schools.<sup>3</sup> Companies that tap into this talent pool and recruit women for management roles outperform their industry averages on many different metrics, including profitability as measured by ROE, EBITDA, and stock price growth.<sup>4</sup> And yet, many companies struggle to retain this talent pool once those women become mothers.

In America, **more than 75% of expecting mothers say that they are excited to go back to work** after giving birth,<sup>5</sup> but **43% of them end up leaving their careers.**<sup>6</sup> Of the new moms who do return to work after giving birth, **50% switch to a lower-paying job at a family-friendly employer.**<sup>7</sup> Quitting their jobs is often a disappointing outcome for women, and it's also a costly outcome for companies. Replacing an employee who leaves after childbirth can **cost anywhere from 20% to 213% of an employee's annual salary.**<sup>8,9,10</sup>

In order to attract and retain top female talent, companies like Google, eBay, and Bank of America have rolled out new policies to give women longer periods of paid maternity leave for 18 weeks, 26 weeks, and 16 weeks, respectively, while Netflix is now offering an entire year.<sup>11</sup> But most companies struggle to afford generous leave policies like these, and even if they could, more time off wouldn't ensure women's return by itself. Women are generally eager to come back to work once they're able, and **longer maternity leave doesn't lead to better health outcomes for mothers after the first six months.**<sup>12</sup> And no matter how

<sup>1</sup>Milligan, Patricia et al. "When Women Thrive Businesses Thrive." Mercer, LLC. 2014.

<sup>2</sup>Perry, Mark. "Women earned majority of doctoral degrees earned in 2014 for 6th straight year, and outnumbered men in grad school 136 to 100." AEIdeas blog. American Enterprise Institute. September 17, 2015.

<sup>3</sup>Olson, Elizabeth. "Women Make Up Majority of U.S. Law Students for First Time." New York Times. December 16, 2016.

<sup>4</sup>"Women Matter: Gender diversity, a corporate performance driver." McKinsey & Company. 2007.

<sup>5</sup>"Modern Family Index 2016," Bright Horizons Family Solutions.

<sup>6</sup>Light, Paulette. "Why 43% of Women with Children Leave Their Jobs, and How to Get Them Back." The Atlantic. April 19, 2013.

<sup>7</sup>"Modern Family Index 2016," Bright Horizons Family Solutions.

<sup>8</sup>Bernard, Tara Siegel. "Why Companies Have Started to Coach New Parents." New York Times. July 22, 2016.

<sup>9</sup>"Modern Family Index 2016," Bright Horizons Family Solutions.

<sup>10</sup>Boushey, Heather and Sarah Jane Glynn. "There Are Significant Business Costs to Replacing Employees." Center for American Progress. November 16, 2012.

<sup>11</sup>Adamczyk, Alicia. "These are the Companies with the Best Parental Leave Policies." TIME Magazine. November 4, 2015.

<sup>12</sup>Dagher, Rada et al. "Maternity Leave Duration and Postpartum Mental and Physical Health: Implications for Leave Policies." Journal of Health Politics, Policy and Law, Vol. 39, No. 2, April 2014.

generous their leave might be, women face a new set of challenges in returning to work when that leave is over. This white paper will examine the ways in which **current U.S. maternity care policies fail to support women when they return to work, leaving them at risk for mental and physical health complications and incentivizing them to drop out of the workforce**, and it will offer constructive suggestions for what companies might do instead, with practical examples from companies that are already making strides to reform their policies.

In a perfect world, companies would take action to improve maternity care because they value the contributions of their female employees, as well as the principle of equal opportunity and the long-term health of American families. But in practice, there is also a strong bottom-line argument for reforming maternity care: the cost to U.S. companies from **replacing female employees who quit, covering long-term healthcare for mismanaged postpartum problems, dealing with absenteeism and reduced productivity during postpartum struggles, and settling lawsuits** adds up quickly to billions of dollars of losses which plainly merit preventive action. A small company with 11 new moms could stand to lose over a million dollars a year, while a big company with 4,000 new moms could lose over a billion dollars in just seven years. These costs are preventable with the right kind of interventions.

At Maven, we find that what mothers need to return to their jobs successfully isn't as simple as more time off. They need better information and medical attention during their leave, as well as better social support and more flexibility when they navigate the transition out of leave and back to work.

# II. History

## How the U.S. put employers in charge of designing our country's maternity care

In 1963, JFK's Presidential Commission on the Status of Women reported the United States had already fallen well behind the rest of the industrialized world in its provisions for women in the workforce, recommending paid maternity leave and child care for all women in America, along with other benefits.<sup>13</sup>

Over the next 50 years, the other countries in the industrialized world continued to enact more reforms to support women at work, while the United States passed just one law, the Family Medical Leave Act (FMLA), which guarantees just 12 weeks of unpaid maternity leave for women in certain kinds of jobs. In its 1981 Convention on the Elimination of All Forms of Discrimination against Women **the United Nations required all countries to provide 14 weeks of paid maternity leave as a basic human right** and encouraged them to provide 18 weeks plus additional benefits. As of 2017, **185 countries have signed that convention, but the United States still has not.**<sup>14</sup>

As a result, federal law in America has less of an impact on the choices women make about returning to work than their employers' policies do. For better or worse, the power lies with American companies to design or adopt programs that will shape the behavior of American women.

Over the last two years, Maven has gotten to know hundreds of U.S. companies grappling with these issues, many of whom genuinely want to support their new parents and improve their female retention rates. But even for a company with good intentions, it can be hard to tell what steps to take next. Corporate America has been subsidizing ineffective maternity care plans for decades, with little impact on health outcomes.<sup>15</sup>

<sup>13</sup>United States President's Commission on the Status of Women. *American Women: Report of the President's Commission on the Status of Women*. U.S. Government Printing Office: Washington, DC, USA, 1963.

<sup>14</sup>Sundbye, Annamaria, and Ariane Hegewisch. 2011. *Maternity, Paternity, and Adoption Leave in the United States*. Publication A143. Washington, DC: Institute for Women's Policy Research.

<sup>15</sup>Sakala, Carol et al. "Evidence-Based Maternity Care: What It Is and What It Can Achieve." Joint report by Childbirth Connection, Reforming States Group, and Milbank Memorial Fund. 2008.

Our research reveals three key findings which hold true across the board:

## 1. Longer leave doesn't solve the problem by itself.

Nearly all U.S. companies are thinking about extending leave, in some cases from 6 to 12 weeks, in others from 12 weeks to 24 weeks. This is a critical step, particularly if a company's baseline leave policy is very limited. But research suggests that **beyond a critical threshold near the six-month mark (24 weeks), additional leave doesn't contribute much to women's health outcomes.**<sup>16</sup>

- **When one Maven client, a large retailer, offered unlimited leave, most men and women only took an average of five months, and the longest leave anyone took was 7.5 months.**
- **When Denmark extended its fully paid maternity leave from 24 weeks (six months) to 46 weeks (11.5 months), women only chose to take an average of five extra weeks, and they saw very limited health benefits from that increase.**<sup>17</sup>
- When Lauren Smith Brody, acclaimed author of *The Fifth Trimester*, conducted a survey of 700 new moms, the **women reported that they felt physically ready to return to work after 5.5 months, and mentally ready after six months.**<sup>18</sup>

## 2. Extra support shapes women's decisions.

As other countries and U.S. companies have experimented with options like government- or employer-funded child care, paid paternal leave, home health visiting programs and immunization services, employees of both genders have adapted their career choices to take advantage of those programs. Meanwhile, women in the United States who don't have any of those support programs face a strong incentive to drop out of the workforce entirely.

## 3. It takes a village – or at least, a coordinated effort.

The old saying is that it takes a village to raise a child. In the modern world, it takes focused attention from many different angles to create an exceptional return-to-work experience, given all the moving parts involved in caring for both the mother and the child. Confronted with the urgent problem of retaining female talent, many companies are expanding their maternity

<sup>16</sup>Dagher, Rada et al. "Maternity Leave Duration and Postpartum Mental and Physical Health: Implications for Leave Policies." *Journal of Health Politics, Policy and Law*, Vol. 39, No. 2, April 2014.

<sup>17</sup>Voldby Beuchert, Louise et al. "The Length of Maternity Leave and Family Health." IZA Discussion Paper No. 8206, May 2014.

<sup>18</sup>Wallace, Kelly. "The 'Fifth Trimester': When new moms return to work." CNN online. April 6, 2017.

packages to offer longer leave or other new programs without taking time to evaluate whether those ideas are working or not. Armed with independent survey data, academic research, and 200+ conversations with benefits managers over the last 24 months, Maven is prepared to demonstrate which kinds of support programs are genuinely helpful to new moms and have material impact on performance for their employers.

# III. Problems and Costs

## Where our current maternity care system breaks down

Postpartum care for mothers in America has been curiously ignored. When the U.S. congressional representatives debated FMLA in 1993, their main concern was for the health of businesses.<sup>19</sup> When researchers began to study the impact U.S.'s limited maternity care coverage over the next two decades, their main concern was for the health of children.<sup>20,21</sup> While these were important and worthy concerns, to this day there has been little comparable study and advocacy about health outcomes for mothers. **Typical insurers offer just one doctor's visit at six weeks postpartum** and perhaps a few quick, impersonal phone calls with a nurse. These policies have little effect in catching and preventing the many expensive healthcare complications which arise in the postpartum period, and they do nothing at all to address the extra obstacles which women face in returning to work.

### Physical health outcomes for moms

#### *Maternal Mortality*

**The United States has by far the highest maternal mortality rate in the developed world**, and it is also the only developed country whose maternal mortality rate has been **dramatically increasing, rather than decreasing, over the last 15 years**. Other countries have successfully mitigated the dangers of the postpartum period with vigilant screening programs.<sup>22</sup> In fact, a recent study observed that the average man in the U.K. is more likely to die while his partner is pregnant than she is. In the U.S., by contrast, postpartum care continues to place a decisive emphasis on the health of the newborn child, often at the expense of the health of the mother. When U.S. mothers develop dangerous or fatal complications in the postpartum period, the companies who provide their insurance policies are left to pick up the tab.

<sup>19</sup>Dagher, Rada et al. "Maternity Leave Duration and Postpartum Mental and Physical Health: Implications for Leave Policies." *Journal of Health Politics, Policy and Law*, Vol. 39, No. 2, April 2014.

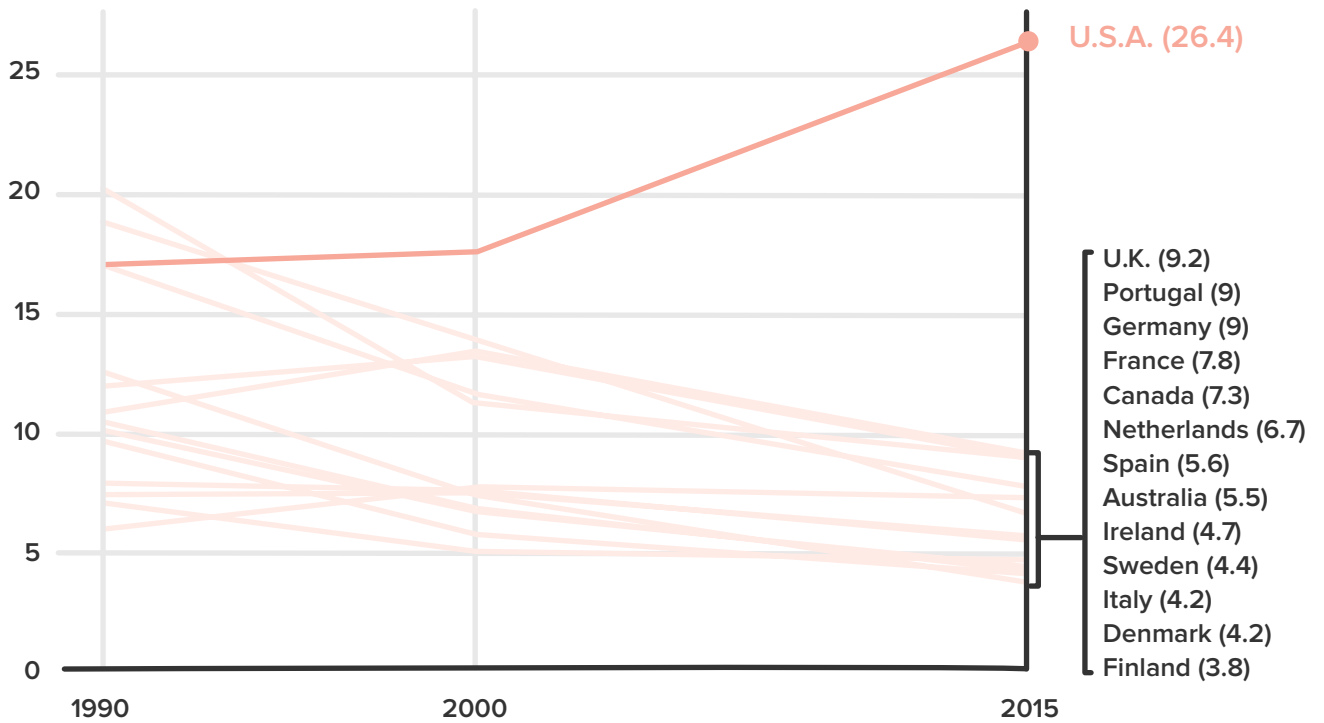
<sup>20</sup>Winegarden, C.R.; Bracy, P.M. Demographic consequences of maternal-leave programs in industrial countries: Evidence from fixed-effects models. *South. Econ. J.* 1995, 61, 1020–1035.

<sup>21</sup>Avendano, Mauricio et al. "The Long-Run Effect of Maternity Leave Benefits on Mental Health: Evidence from European Countries." *Social Science and Medicine* 132: 45-53. May 2015.

<sup>22</sup>Martin, Nina et al. "Focus On Infants During Childbirth Leaves U.S. Moms In Danger." *NPR News Investigations*. 12 May, 2017.

## Maternal mortality is rising in the U.S. as it decline elsewhere<sup>23</sup>

Deaths per 100,000 births



### What companies can do

Taking their cue from the vigilant screening programs which have succeeded in other countries and in the state of California, companies can help by offering policies with **longer more frequent check-ins with a range of healthcare providers who can spot signs of trouble early.**<sup>24</sup>

<sup>23</sup>Martin, Nina. "U.S. Has The Worst Rate Of Maternal Deaths In The Developed World." NPR News Investigations. May 12, 2017.

<sup>24</sup>New York Times Editorial Board. "America's Shocking Maternal Deaths," New York Times. September 3, 2016.



## *Postpartum pain*

New longitudinal studies are beginning to show that it **often takes much longer than the projected six weeks of the traditional puerperium period for women’s organs to return to their pre-pregnancy state.** The result is ongoing postpartum pain long after most American women’s maternity leave is over.<sup>25</sup> A standard medical scoring tool lists **28 significant postpartum symptoms** that women commonly experience, including the following:

- Back and neck pains
- Headaches
- Breast soreness
- Heavy bleeding
- Abdominal pains (cramps, heartburn)
- Hemorrhoids
- Hot flashes
- Chills
- Night sweats
- Diarrhea
- Fevers over 100°
- Uterine infections
- High blood pressure treated by a doctor

Women report an average of **6.1 symptoms during the first six weeks** after giving birth, but they continued to report an average of **4.7 symptoms throughout the first six months.**<sup>26</sup> Since most women experience pelvic floor trauma during vaginal births, the most common diseases in new mothers are pelvic dysfunctions, which cause incontinence as well as pain.<sup>27</sup> Unbeknownst to many managers, these health problems follow women into the workplace, and longer maternity leave won’t keep them at bay: **the length of a woman’s maternity leave does not help to reduce these 28 symptoms after the first 12 weeks.** A typical American insurer’s plan, with just one doctor’s visit for new moms at six weeks postpartum, simply isn’t enough to cover the number and variety of physical symptoms that new moms experience as they recover from giving birth.

These problems are especially important in light of a new study from the Center for Disease Control (CDC) which shows that **for the first time in history, women in America are more likely to have babies in their thirties than in their twenties,** since older women report more difficulty recovering from the physical demands of pregnancy and labor than younger women do.<sup>28</sup>

<sup>25</sup>Dagher, Rada et al. “Maternity Leave Duration and Postpartum Mental and Physical Health: Implications for Leave Policies.” *Journal of Health Politics, Policy and Law*, Vol. 39, No. 2, April 2014.

<sup>26</sup>McGovern, Patricia et al. “A Longitudinal Analysis of Total Workload and Women’s Health After Childbirth.” *JOEM* 2011, vol. 53, no. 5, 497-505.

<sup>27</sup>Fonti, Ylenia et al. “Post-partum pelvic floor changes.” *Journal of Prenatal Medicine* (3)4: 57-59. October-December, 2009.

<sup>28</sup>T.J. Mathews, M.S.; and Brady E. Hamilton, Ph.D., “Mean Age of Mothers is on the Rise: United States, 2000–2014,” *Center for Disease Control*. January, 2016.

## What companies can do

Companies like Accenture, General Electric, Salesforce, Google, and Johnson & Johnson all have programs for **phasing new moms back in**, in some cases letting them start out part-time at a pro-rated fraction of their salary.<sup>29,30</sup> PNC is offering **telecommuting** and **remote work options** for new parents,<sup>31</sup> which can give women more flexibility to manage their pain. Women also stand to benefit from **better information, more opportunities to speak with doctors** and **access to women's health physical therapy**, either in-person or via telemedicine on platforms like Maven, since new moms are often surprised to learn that there are exercises and simple changes to their daily routines which can help them manage these symptoms.<sup>32</sup>

## *Lost benefits from lactation*

Magazines love to report on the benefits of breast milk over formula for newborns, but many people are unaware that **breast feeding has massive health benefits for mothers, too**. It helps the uterus to resume its normal shape and size more quickly, and it reduces postpartum blood loss. It also reduces the risk of postpartum depression and a host of other diseases including type-2 diabetes, rheumatoid arthritis, cardiovascular disease, breast cancer, and ovarian cancer.<sup>33</sup> Because of the enormous health benefits of breastfeeding for both mothers and infants, **the American Association of Pediatrics (AAP) has described lactation as “a public health issue, not a lifestyle choice”** and joins the World Health Association (WHO) in recommending that all infants breastfeed exclusively for the first six months. But **two months after giving birth, mothers report that their return to work is their top reason for ending breastfeeding**.<sup>34</sup> While 73% of women in the U.S. choose to breastfeed after giving birth, only 33% continue breastfeeding exclusively throughout the first three months, and women returning to work are more than twice as likely to quit as women staying at home.<sup>35</sup> In the end, **less than one out of five of American mothers ends up breastfeeding**

<sup>29</sup>Beck, Julia. “How some companies are helping new moms transition back to work, gently.” *Washington Post* online. May 5, 2016.

<sup>30</sup>DeFelice, Manon. “The Rise of ‘Returnity’: Transitioning Back to Work Post-Baby.” *Forbes*. August 24, 2017.

<sup>31</sup>Huang, Georgene. “After Maternity Leave: How Companies Can Support New Parents’ Transition Back To Work.” *Forbes* online. February 9, 2017.

<sup>32</sup>Yarrow, Allison. “What no one tells new moms about what childbirth can do to their bodies.” *Vox*. June 26, 2017.

<sup>33</sup>American Academy of Pediatrics, “Policy Statement: Breastfeeding and the Use of Human Milk.” *Pediatrics*, vol. 129, no. 3, e827-e841.

<sup>34</sup>Burtle, Adam. “Population Health and Paid Parental Leave: What the United States Can Learn from Two Decades of Research.” *Healthcare* 4(2): 30. June 1, 2016.

<sup>35</sup>Murtagh, Lindsey et al. “Working Mothers, Breastfeeding, and the Law.” *American Journal of Public Health* 101(2): 217-223. February 2011.

**exclusively for the full six months recommended by the WHO and the AAP.<sup>36</sup>**

Adding up the expenses that result from those foregone health benefits for mother and child, the AAP concludes that **for every dollar employers invest in developing lactation support programs, they will see a 200% to 300% return.**<sup>37</sup> When Mutual of Omaha offered a lactation support program, they ended up spending \$2,146 less on healthcare costs for each woman who enrolled, which gave yearly savings of \$115,881.<sup>38</sup> Furthermore, women who know that their work environment is compatible with their breastfeeding goals are substantially less likely to be absent from work and less likely to quit. **Companies with comprehensive lactation support programs have a post-maternity retention rate of 94%, compared to national average of just 57%.<sup>39</sup>**

### What companies can do

Most companies are now required by law to provide **lactation rooms in the workplace**, but some companies like Yahoo, General Mills, and Cisco have made extra efforts to ensure that their pumping spaces are both comfortable and private.<sup>40</sup> Ernst & Young, Accenture, Clif Bar, IBM, Johnson & Johnson, and Twitter offer **provisions for shipping breast milk** for women who have to travel for their jobs, since they can't carry more than three ounces of fluids onto an airplane.<sup>41</sup> Maven also offers on-demand **lactation consultants** to help women develop feeding strategies that work for their bodies and their babies in the face of their scheduling constraints.

## Mental health outcomes for moms

### *Chronic Fatigue*

The average newborn doesn't sleep through the night concurrently with their parents until they are five months old.<sup>42</sup> As a result, **sleep disturbance scores for new mothers are similar**

<sup>36</sup>Burtle, Adam. "Population Health and Paid Parental Leave: What the United States Can Learn from Two Decades of Research." *Healthcare* 4(2): 30. June 1, 2016.

<sup>37</sup>American Academy of Pediatrics, "Policy Statement: Breastfeeding and the Use of Human Milk." *Pediatrics*, vol. 129, no. 3, e827-e841.

<sup>38</sup>U.S. Department of Health and Human Services. "The Business Case for Breastfeeding." *Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau*. 2008.

<sup>39</sup>*Ibid.*

<sup>40</sup>Kahn, Mattie. "The Best Lactation Rooms in America." *Elle*. April 19, 2016.

<sup>41</sup>Noguchi, Yuki. "Ship That Breast Milk For You? Companies Add Parent-Friendly Perks." *NPR*. 27 May, 2016.

<sup>42</sup>Henderson, Jacqueline et al. "Sleeping Through the Night: The Consolidation of Self-Regulated Sleep Across the First Year of Life." *Pediatrics*, vol. 126, no. 5, November 2010.

**to those for women who work permanent night shifts or rotating shifts.**<sup>43</sup> If managed poorly, this chronic sleep disruption can contribute to postpartum depression.<sup>44</sup> It also **lowers productivity and impairs performance in the workplace**, at an indirect cost to the employer.<sup>45</sup>

### What companies can do

As with postpartum pain, offering **flexible work schedules** and **phasing new moms back in** can help women to compensate for their disrupted sleep in the first few months of their child's life. Maven also offers **training in how to facilitate infant sleep**, since the sooner infants are able to sleep through the night, the sooner their parents can as well.

### *Postpartum Depression*

During pregnancy and the postpartum period, massive changes in hormone concentrations put women at risk for mood disorders of varying length and severity. The Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM IV) defines postpartum depression as beginning within four weeks after childbirth, but new studies have shown that it **can start as late as three to six months after birth, and it can last beyond the first year if left untreated.**<sup>46</sup> This means that postpartum depression can and often does hit *after* a woman in America has returned to work. Estimates of how many women get postpartum depression have increased over time, with most recent studies estimating that as many as one out of five women suffer from the condition.<sup>47</sup> While hospitals do screen new mothers, most women only stay in hospitals for one or two nights after giving birth, after which they typically go six weeks without being evaluated by a medical professional. Even the women whose symptoms are caught in hospital screenings aren't necessarily given effective counseling afterwards.

Treating postpartum depression isn't just a question of making women more comfortable during the months after they give birth. If it goes unaddressed, it can make women more vulnerable to depressive episodes later. It is the main reason why **women on maternity**

<sup>43</sup>McGovern, Patricia et al. "A Longitudinal Analysis of Total Workload and Women's Health After Childbirth." *JOEM* 2011, vol. 53, no. 5, 497-505.

<sup>44</sup>Okun, Michael. "Sleep and postpartum depression." *Current Opinion in Psychiatry* 28(6):490-496, November 2015.

<sup>45</sup>Hafner, Marco et al. "Why sleep matters – the economic costs of insufficient sleep: A cross-country comparative analysis." *RAND Europe*. 2016.

<sup>46</sup>Dagher, Rada et al. "Maternity Leave Duration and Postpartum Mental and Physical Health: Implications for Leave Policies." *Journal of Health Politics, Policy and Law*, Vol. 39, No. 2, April 2014

<sup>47</sup>O'Hara, Michael et al. "Postpartum Depression: Current Status and Future Directions." *Annual Review of Clinical Psychology* (9):379-407. March 2013.

**plans with limited coverage have a 14% greater risk of depression later in life** than women on maternity plans with complete coverage.<sup>48</sup> Those subsequent depressive episodes can come back to hurt an employer's bottom line. **Depression in America costs \$26.1 billion in indirect health care expenses every year, and \$51.5 billion in absenteeism and reduced productivity.**<sup>49</sup> Preventative counseling and support programs for postpartum depression are impactful in the short term and cost-effective in the long term.<sup>50</sup>

### What companies can do

As with maternal mortality, the first and most important improvement is more points of contact with healthcare professionals who can identify signs of trouble. Once postpartum depression has been diagnosed, counseling with a mental health provider is the next step. Since some studies suggest that social support from peers and family is the most important criterion in recovering from postpartum depression,<sup>51</sup> **support groups** can also be an important tool. At Maven, we've found that it is also critical to ensure that women get access to a network of professionals who specializes in maternal mental health, and are not limited to generalist mental health providers who may have never treated postpartum depression before.

### *Separation Anxiety*

The same large-scale hormone shifts which can trigger postpartum depression also impact the way that mothers feel about their infants. When the U.S. Congress debated FMLA in 1993, **medical professionals testified that federal law should guarantee 16 weeks of leave because of the rate at which the bond between mother and child develops;**<sup>52</sup> as a result, it is not surprising that **90% of new mothers surveyed by Maven report separation anxiety** when they returned to work after a typical leave of 8-12 weeks.<sup>53</sup> Women are often very reluctant to discuss separation anxiety with their employers, for fear of looking weak or uncommitted.

<sup>48</sup>Avendano, Mauricio et al. "The Long-Run Effect of Maternity Leave Benefits on Mental Health: Evidence from European Countries." *Social Science and Medicine* 132: 45-53. May 2015

<sup>49</sup>Woo, Jong-Min et al. "Impact of Depression on Work Productivity and Its Improvement after Outpatient Treatment with Antidepressants." *Value in Health* 14 (4): 475-482. June 2011.

<sup>50</sup>Petrou, Stavros et al. "Cost-effectiveness of a preventive counseling and support package for postnatal depression." *International Journal of Technology Assessment in Health Care* 22(4): 443-453. October 2006.

<sup>51</sup>Oates, M.R. et al. "Postnatal depression across countries and cultures: a qualitative study." *British Journal of Psychiatry* 184 (suppl. 46), s10-s16. 2004.

<sup>52</sup>Dagher, Rada et al. "Maternity Leave Duration and Postpartum Mental and Physical Health: Implications for Leave Policies." *Journal of Health Politics, Policy and Law*, Vol. 39, No. 2, April 2014

<sup>53</sup>Survey of Maven Users (n=600), 201

## What companies can do

This is another area where **good information** and support groups can make a difference, by helping new mothers to recognize that their feelings are normal and will improve with time. **Counseling** with professional mental health providers or **back-to-work coaching** can also create a space for women to talk about their struggles without guilt or fear of judgment.

## Social health outcomes for moms

### *Personal relationships*

New moms who work with Maven share that they are often unprepared for the strain which their new responsibilities place on their relationship with their partners. Many modern couples begin their marriages with the intention of splitting housework equally, but in practice, things work out differently. **In households with children under six where both parents work full-time, women spend 4.57 hours per day on household chores** (including cooking, cleaning, grocery shopping, and caring for children), compared to **2.91 for men**. Those women also spend 1.04 fewer hours than men on work and 0.45 fewer hours than men on sleep and television.<sup>54</sup> As a result, it's not surprising that **mothers are 30% more likely than fathers to turn down a promotion, and more than twice as likely to quit their jobs altogether, because of their household responsibilities**.<sup>55</sup> Chore wars might seem like a private matter, but when they affect women's performance at work, they affect the company's bottom line.

The financial stakes in those chore wars become much higher after couples have children. Hiring help sounds like an easy solution, but in many parts of the country, **childcare is now the single biggest expense for families – bigger than rent or mortgage payments, and bigger than higher education**.<sup>56</sup> In many metropolitan areas, the costs of quality childcare are well above the U.S. Department of Health and Human Service's affordability standard, which is 10% of the family's income.<sup>57</sup> Since **childcare for infants is much more expensive**

<sup>52</sup>Dagher, Rada et al. "Maternity Leave Duration and Postpartum Mental and Physical Health: Implications for Leave Policies." *Journal of Health Politics, Policy and Law*, Vol. 39, No. 2, April 2014

<sup>53</sup>Survey of Maven Users (n=600), 2017.

<sup>54</sup>American Time Use Survey (Table A-6B), Bureau of Labor Statistics, 2011 – 2015.

<sup>55</sup>"On Pay Gap, Millennial Women Near Parity – For Now." Pew Research Center. 10 December, 2013.

<sup>56</sup>Bahney, Anna. "Childcare is Biggest Expense for a Growing Number of Families." *Forbes*. June 29, 2015.

<sup>57</sup>Gould, Elise and Tanyell Cooke. "High Quality Childcare is Out of Reach for Working Families." *Economic Policy Institute, Issue Brief #404*. October 6, 2015.

**than childcare for older children,**<sup>58</sup> new parents often face a sudden, unexpected incentive to have one parent stay home. In practice, that parent is usually the mother. Even when both parents continue to work, **the average employee misses 8 to 9 days of work per year due to breakdowns in their childcare arrangements,** and this **absenteeism due to childcare breakdowns costs American businesses three billion dollars every year.**<sup>59</sup>

### What companies can do

The best solution would be some form of **employer-funded or employer-subsidized childcare,** which would remove women's economic incentive to stay home and put them on a par with their peers in the rest of the developed world, where governments provide municipal childcare centers or tax credits for in-home childcare. U.S. companies who imitate these benefits see big results. When **Warner Brothers** started offering onsite childcare centers, their CEO called it "the best investment we've ever made."<sup>60</sup> **Patagonia's** on-site childcare centers have led to a **100% retention rate for new mothers.**<sup>61</sup>

Short of offering childcare help, companies like KPGM, Ernst & Young, MetLife, Deutsche Bank, and Etsy offer back-to-work coaching for new parents, which can help women rehearse difficult conversations and set boundaries with their partners about household responsibilities.<sup>62</sup>

### *Professional relationships*

Women who do come back to work after their maternity leave describe a veritable minefield of unexpected social obstacles as they struggle to take back the duties which were once theirs, but which were taken over by coworkers during their absence.<sup>63</sup> After months of feeling misunderstood by management, as well as judged and threatened by peers, many women give up and quit or seek new jobs with employers that are more family-friendly. Others strike back. **Lawsuits filed for Family Responsibilities Discrimination (FRD)** – which is discrimination involving pregnancy, parental responsibilities, and responsibilities to care for other ill or aging family members – **have risen 269% in the last decade. Employees**

<sup>58</sup>*Ibid.*

<sup>59</sup>Shellenback, Karen. "Child Care & Parent Productivity: Making the Business Case." *Linking Economic Development and Child Care Research Project*, Cornell University, 2004.

<sup>60</sup>"The Best Investment We've Ever Made:" Former Warner Brothers Studio chief lauds company's investment in child care." *Bright Horizons at Work*. July 24, 2015.

<sup>61</sup>Anderson, Jenny. "This is what work-life balance looks like at a company with 100% retention of moms." *Quartz*. October 16, 2016.

<sup>62</sup>Bernard, Tara Siegel. "Why Companies Have Started to Coach New Parents." *New York Times*. July 22, 2016.

<sup>63</sup>Pearl, Hilary. "Managing your emotions after maternity leave" and "Reclaiming your turf after maternity leave." *Harvard Business Review*, August 19 and 28, 2014.

win **52% of all FRD lawsuits filed, receiving an average verdict or settlement payment of \$646,183,**<sup>64</sup> so taking steps in this area can help to protect companies against liability as well as improving employee retention and productivity.

### What companies can do

This is another area where **back-to-work coaching** can help women understand their own emotions and rehearse difficult conversations before confronting peers or managers. This is why part of Maven's back-to-work program includes **coaching for managers,**<sup>65</sup> to train them how understand and anticipate new parents' needs and mediate common conflicts in the workplace which might otherwise end with women changing employers or dropping out of the workforce altogether.

<sup>63</sup>Pearl, Hilary. "Managing your emotions after maternity leave" and "Reclaiming your turf after maternity leave." *Harvard Business Review*. August 19 and 28, 2014.

<sup>64</sup>Calvert, Cynthia T. "Caregivers in the Workplace: Family Responsibilities Discrimination Litigation Update 2016." *The Center of WorkLife Law, UC Hastings*. 2016.

<sup>65</sup>Bernard, Tara Siegel. "Why Companies Have Started to Coach New Parents." *New York Times*. July 22, 2016.



# IV. Summing it all up

Using representative experiences from companies around the globe who are already working to improve their maternity care programs, we can add up how much a typical U.S. maternity care policy is costing its employer. (We omit costs from maternity lawsuits because they can vary so much in their settlement costs and their incidence rates in different types of business settings.)

**Absenteeism costs:** New moms in the U.S. miss work in the months after their brief maternity leaves for many reasons, including pain, exhaustion, depression, breastfeeding struggles, and childcare emergencies. Some of those motives are easier for researchers to track than others. A research group at Cornell reported that absenteeism due to breakdowns in childcare arrangements costs companies an average of around \$1,700 per employee,<sup>66</sup> and CIGNA estimated that absenteeism from insufficient lactation support program cost their company \$200 per employee.<sup>67</sup>

**Long-term health care costs:** Because medical researchers have only recently begun to acknowledge the problems with traditional postpartum care, they are still working to collect data about all the ways in which proper attention to women's bodies and minds during this period will defray healthcare costs to employers down the line by reducing the rate of complications, the need for surgery, the incidence of depression in later life, and more. Researchers in other countries have taken the lead in running studies like these, but it can be difficult to translate their findings about healthcare costs in foreign economies into costs on U.S. healthcare market. That said, some hard data is already available in American studies for a few major problems like lactation support programs, postpartum depression, and pelvic floor disorders.

- Mutual of Omaha reported spending more than \$2,000 on extra healthcare costs for each woman who failed to enroll in their lactation support program.<sup>68</sup>
- A team of researchers led by Vivian Sung at Brown University estimated healthcare costs of \$6,000 for every woman whose untreated pelvic floor problems led to fecal incontinence requiring surgery.<sup>69</sup>

<sup>66</sup>Shellenback, Karen. "Child Care & Parent Productivity: Making the Business Case." *Linking Economic Development and Child Care Research Project*, Cornell University, 2004

<sup>67</sup>U.S. Department of Health and Human Services. "The Business Case for Breastfeeding." *Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau*, 2008.

<sup>68</sup>U.S. Department of Health and Human Services. "The Business Case for Breastfeeding." *Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau*, 2008.

<sup>69</sup>Riva, Diego and Gianfranco Minini, editors *Childbirth-Related Pelvic Floor Dysfunction: Risk Factors, Prevention, Evaluation, and Treatment*. Springer, 2016.

- A study at the University of Maryland found that postpartum depression corresponds to extra healthcare costs of around \$700 within the first three months after birth,<sup>70</sup> and the Wilder Foundation estimates that PPD costs employers \$6,200 per woman in lost productivity after women return to work.<sup>71</sup>

**Turnover costs:** A New Zealand company, Clear Communications, calculated that recruiting and training replacements for new moms who quit after their maternity leave cost them an average of \$75,000 (USD) per woman.<sup>72</sup> Their estimate is in line with Ernst & Young’s claim that replacing a new mom costs them 150% of her salary, applied the median U.S. salary of \$44,000.<sup>73</sup>

We can add up these costs to find out how much companies could stand to lose per mom when women try to come back to work after their maternity leave, struggle for a few months, and then quit within the first year.

Absenteeism from childcare breakdowns (per mom, per year) <sup>74</sup>	<b>1,700</b>
Absenteeism from lactation struggles (per mom, per year) <sup>75</sup>	<b>200</b>
Healthcare costs from reduced breastfeeding (per mom, per year) <sup>76</sup>	<b>2,000</b>
Healthcare costs from mismanaged pelvic floor problems (per mom) <sup>77</sup>	<b>6,000</b>
Healthcare costs from mismanaged postpartum depression during first three months after birth (per mom) <sup>78</sup>	<b>700</b>
Productivity costs from mismanaged postpartum depression (per mom, per year) <sup>79</sup>	<b>6,200</b>
Turnover costs (per mom) <sup>80</sup>	<b>+ 75,000</b>
	<hr/> <b>\$91,800</b> per mom

<sup>70</sup>Dagher, Radha et al. "Postpartum Depression and Health Services Expenditures Among Employed Women." *Journal of Occupational and Environmental Medicine* 52(2): 210-215. February 2012.

<sup>71</sup>"The Cost of Untreated Maternal Depression." Wilder Foundation. 2010.

<sup>72</sup>"Showcasing creative workplace solutions." *Maternity Protection Campaign Kit*. Maternity Protection Coalition. 2003.

<sup>73</sup>Doyle, Allison. "Average Salary Information for U.S. Workers." *The Balance*. April 25, 2017.

<sup>74</sup>Shellenback, Karen. "Child Care & Parent Productivity: Making the Business Case." *Linking Economic Development and Child Care Research Project*, Cornell University, 2004.

<sup>75</sup>U.S. Department of Health and Human Services. "The Business Case for Breastfeeding." *Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau*. 2008.

<sup>76</sup>Ibid.

<sup>77</sup>Riva, Diego and Gianfranco Minini, editors *Childbirth-Related Pelvic Floor Dysfunction: Risk Factors, Prevention, Evaluation, and Treatment*. Springer, 2016.

<sup>78</sup>Dagher, Radha et al. "Postpartum Depression and Health Services Expenditures Among Employed Women." *Journal of Occupational and Environmental Medicine* 52(2): 210-215. February 2012.

<sup>79</sup>"The Cost of Untreated Maternal Depression." Wilder Foundation. 2010.

<sup>80</sup>Showcasing creative workplace solutions." *Maternity Protection Campaign Kit*. Maternity Protection Coalition. 2003.

It follows that a small company with **11 female employees** who become moms could stand to lose **over a million dollars** per year from poor maternity care:

Losses per mom	<b>91,800</b>
Number of moms	<b>x 11</b>
	<hr/>
	<b>\$1,009,800</b>
	per year

Meanwhile, a large company with **4,000 female employees** who become moms could stand to lose **over a third of a billion dollars** every year:

Losses per mom	<b>91,800</b>
Number of moms	<b>x 4,000</b>
	<hr/>
	<b>\$367,200,000</b>
	per year

Within two years, that large company's hypothetical costs would exceed **half a billion dollars**, and within three years, they would pass **the billion-dollar threshold**:

Losses per year	<b>367,200,000</b>
Number of years	<b>x 3</b>
	<hr/>
	<b>\$1,101,600,000</b>
	per year

It follows that getting maternity care right is, literally, **a billion-dollar opportunity** for leading U.S. companies.

# V. Conclusion

Three things seem clear: first – companies face massive losses when their female employees quit mid-career. Second, many moms genuinely want to come back to work after their kids are born. And third, maternity leave by itself does not make that feasible for them. **One prospective Maven client, a large pharma company, offers 20 weeks of paid leave, but still sees a 40% dropout rate in their female employees after childbirth.** Many other companies are similarly stymied.

So, what does work? While there are limits on what longer maternity leave can do for women after six months, research suggests that **good health outcomes for mothers do depend strongly on two key factors throughout the first year: social support and perceived control.**<sup>81</sup> The companies seeing the best results are the ones promoting these two factors, by giving women the flexibility to choose their own schedules as they transition back to work, training their peers and managers how to show them compassion and encouragement, and guaranteeing systemic help for key challenges like childcare and breastfeeding. At Maven, we've seen that **uniting these solutions into a single, simple, easy-to-access platform increases women's sense of support and control even further.** When women get the right level of clinical attention during the early weeks postpartum when most physical and mental health complications begin, **then they are healthy, confident, and focused when it's time to begin our back-to-work program** and navigate logistical challenges like childcare and finances with support from our coaches.

The obstacles American women face in returning to work are steep, but they aren't insurmountable. And when we find ways to overcome them, companies and employees benefit alike: women can continue to advance in careers of their choosing, and companies save not just the costs of replacing them, but the costs of settling lawsuits, dealing with absenteeism and reduced productivity during postpartum struggles, and covering the long-term health complications which develop from poor postpartum care. Improving maternity policies is an opportunity for companies to do a very humane thing by raising American women up to the standard of care which the U.N. and the rest of the developed world regard as a basic human right, but it is also an opportunity for companies to protect their own interests by offsetting these billion-dollar costs while attracting and retaining talented women who can help the company profit and thrive.

<sup>81</sup>McGovern, Patricia et al. "A Longitudinal Analysis of Total Workload and Women's Health After Childbirth." *JOEM* 2011, vol. 53, no. 5, 497-505.