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Ten things to know about gender equality

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Since 2015, progress toward gender equality has been marginal, and now COVID-19 has hit women hard. We take stock.

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In 2015, the 193 member countries of the United Nations came together to commit to 17 Sustainable Development Goals. Goal 5 focused on gender equality and set the ambitious target of achieving gender equality and empowering women and girls everywhere by 2030. Five years later, large gender gaps remain across the world, and the early evidence suggests that the COVID-19 pandemic has had a regressive effect on gender equality.

How can we ensure that the role of women in the workplace and in society is central to efforts to rebuild economies in the COVID-19 era, and that women do not fall further behind? As world leaders at the UN General Assembly assess progress, look ahead to

recovery, and commemorate the 25th anniversary of the Fourth World Conference on Women and the Beijing declaration, we offer our perspectives on the ten things everyone should know about gender equality.

1. Tackling the global gender gap will boost global GDP

Gender inequality is not only a pressing moral and social issue but also a critical economic challenge. A 2015 report from the McKinsey Global Institute (MGI), *The Power of Parity: How advancing women's equality can add $12 trillion to global growth*, explored the economic potential available if the global gender gap was narrowed. Five years ago, women generated 37 percent of global GDP despite accounting for 50 percent of the global working-age population. The research found that in a best-in-region scenario in which all countries match the performance of the country in their region that has made the most progress toward gender equality, $12 trillion a year could be added to GDP in 2025. That would be equivalent in size to the GDP of Japan, Germany, and the United Kingdom combined, and roughly double the likely growth in global GDP contributed by female workers between 2014 and 2025 in a business-as-usual scenario. Both advanced and developing economies would stand to gain considerably; all regions could achieve at least 8 percent in incremental GDP over business-as-usual levels. In a full-potential scenario in which women match men's participation in the workforce, their sector mix, and their full-time mix of jobs, the additional GDP opportunity could be $28 trillion, or an additional 26 percent of annual global GDP in 2025. That would be roughly equivalent to the GDP of the United States and China. As we note in item number 6, the COVID-19 pandemic has added new urgency—and new risks—to achieving the economic benefits of gender parity. We have updated our calculations accordingly.

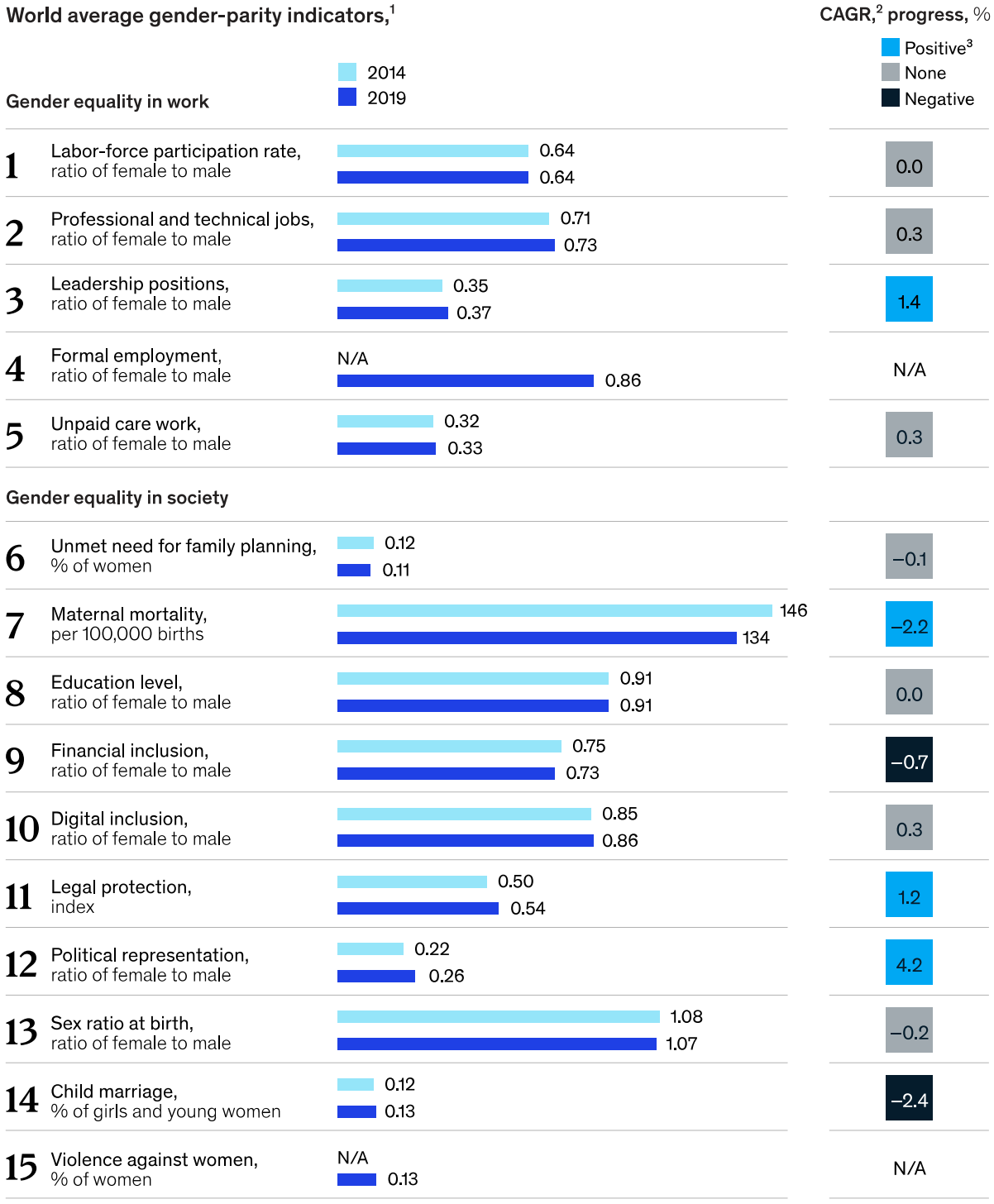
2. Progress toward gender equality has been marginal since 2015; large gaps remain

Even before the COVID-19 crisis, global progress in tackling gender gaps—in both work and society—had been marginal since 2015. MGI mapped 15 indicators of gender equality in work (how men and women engage in paid work, how they share unpaid work, and their representation in high-productivity and formal jobs, and in leading positions in the economy) and society (essential services and enablers of economic opportunity like digital and financial inclusion, legal protection and political voice, and physical security and autonomy). Gender equality in society and gender equality in work are correlated based on MGI's analysis of 125 countries. While absolute scores on equality in society tend to be higher than those of equality in work for most countries, we found virtually no countries with high equality on social indicators and low equality in employment and labor markets. This suggests that solutions need to tackle both.

We aggregated the 15 indicators into a Gender Parity Score, or GPS, ranging from zero (no gender equality) to one (full gender equality). In the past five years, progress has been marginal. Gender gaps remain across all regions (Exhibit 1). In 2015, the global GPS was 0.60; today, it is 0.61. For gender equality in work, the overall score in 2019 was 0.52, up from 0.51 in 2015. For gender equality in society, the overall score in 2019 was 0.67, up from 0.66 in 2015. These trends are similar across regions. The Middle East and North Africa region experienced the biggest increase in gender equality, rising from a global GPS of 0.47 in 2015 to 0.50 in 2019. However, some regions have experienced declines in either gender equality in work or gender equality in society since 2015.

Exhibit 1

Progress toward gender equality has been marginal since 2015.



Note: Figures may be affected by rounding.
[1]Based on latest available data and weighted based on female population.
[2]Compound annual growth rate from 2014.
[3]Progress rates: positive progress (> 0.5%), no progress (–0.5% to 0.5%), negative progress (< -0.5%).
Source: McKinsey Global Institute analysis

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All is not doom and gloom—there are significant bright spots to celebrate. Maternal mortality is decreasing in most places, and literacy and secondary education enrollment are increasing in many countries. At work, too, most countries are making slow and steady progress in equality. McKinsey has conducted research on gender diversity in North American companies in partnership with LeanIn.Org on since 2015. The research finds that 87 percent of North American companies today report gender diversity is a top priority, compared with 74 percent in 2015, but this reported priority still needs to translate into more decisive action. Representation of women in the C-suite in North America has increased to 21 percent, from 17 percent in 2015.

3. Over the past two decades, while women in advanced economies have made large gains as workers, consumers, and savers, they have faced rising costs and insecurity

Although women in advanced economies of the Organisation for Economic Co-operation and Development have made far-reaching gains as workers, consumers, and savers over the past two decades, much of this progress has been offset by rising costs and new forms of insecurity that disproportionately affect women. Between 2000 and 2018, women accounted for two-thirds of 45 million jobs created in 22 OECD countries, but many of these jobs were part-time or independent work that were less secure and offered lower pay and fewer benefits. In this period, female part-time employment increased by 2.3 percentage points, versus a 0.7-percentage-point increase in full-time employment for

women. As consumers, women—and men—benefited from a sharp decline in the prices of many discretionary goods and services such as communications and recreation, but that was offset by rising costs of housing, healthcare, and education that absorbed 54 to 107 percent of the average household's income gains in Australia, France, the United Kingdom, and the United States. As savers, the outlook for women is also challenging. One study found that while women's median net wealth is higher overall than it was two decades ago, a large gender gap remains. In Europe, women's median net wealth is 62 percent that of men.

4. Women continue to work a double shift at home

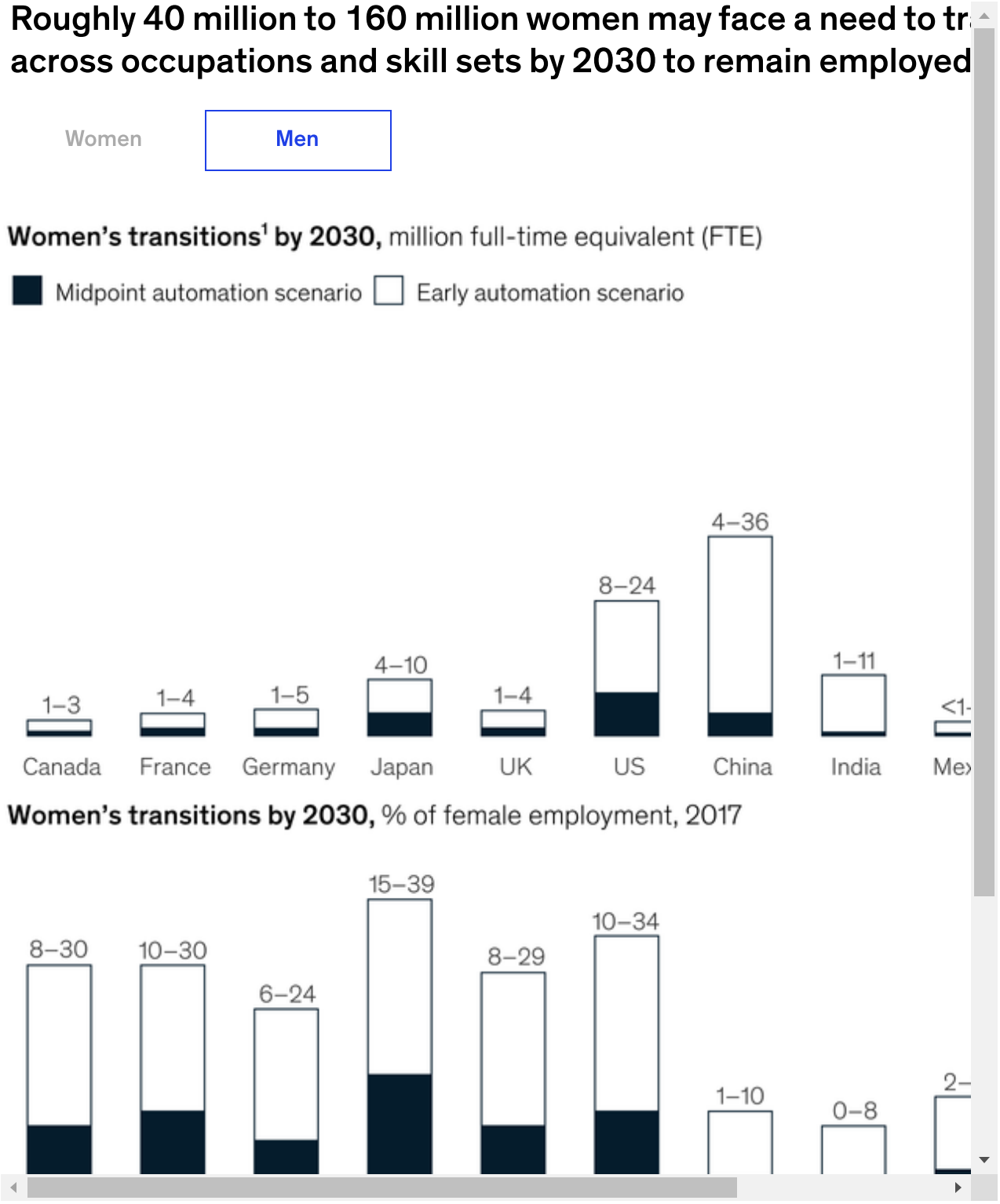
While women face inequality in the world of work, they also face inequalities in the home. Around the world, women do three times as much unpaid care work as men. As one of many examples around the world, the "double shift" is a fact of life for millions of women in China, who go out to work but then do the lion's share of work in the home as well. On average, they work nearly nine hours a day, and only about half of that is paid. Putting the two together, on average women in China work almost one entire day a week more than men. In some countries like India, women do almost ten times as much unpaid care work as men. This phenomenon is by no means confined to developing economies; it is a consistent fact that women work a double shift in advanced economies, too. In the United States, for instance, women still do almost twice as much unpaid care work as men; 54 percent of women but only 22 percent of men report doing all or most of the housework. Even among individuals who earn the majority of their household's income, 43 percent of women who are primary household income earners continue to do all or most of the household work, compared with only 12 percent of men. In addition, working women are

more likely than their male colleagues to have a working spouse: 81 percent of women are part of a dual-career couple and have two careers to balance, while only 56 percent of men are part of a dual-career couple.

5. Women face growing challenges from automation

Growing automation adoption adds to the challenges that women face in the workplace. MGI research found that the share of women whose jobs are replaced by machines and will likely need to make job transitions due to automation is roughly the same as for men: up to one in four over the next decade may have to shift to a different occupation. Between 40 million and 160 million women globally may need to transition between occupations by 2030, often into higher-skill roles (Exhibit 2).

Exhibit 2


Roughly 40 million to 160 million women may face a need to tr
across occupations and skill sets by 2030 to remain employed
Women
Men
Women's transitions[1] by 2030, million full-time equivalent (FTE)
Midpoint automation scenario
Early automation scenario
1–3
1–4
1–5
4–10
1–4
8–24
4–36
1–11
<1
Canada
France
Germany
Japan
UK
US
China
India
Mex
Women's transitions by 2030, % of female employment, 2017
8–30
10–30
6–24
15–39
8–29
10–34
1–10
0–8
2–

The particular challenge for women is that long-standing barriers make it harder for them to adapt to the future of work. Women and men alike need to develop (1) the skills that will be in demand; (2) the flexibility and mobility needed to negotiate labor-market transitions successfully; and (3) the access to and knowledge of technology necessary to work with automated systems, including participating in its creation. Unfortunately, women often face long-established and pervasive structural and societal barriers that could hinder them in all three of these areas. Women may have less time to refresh or learn new skills or to search for employment because they spend much more time than men on unpaid care work. They may also face financial constraints in doing so. And they may not have the professional networks and sponsors that could make it easier for them to navigate job transitions, among other factors. Moreover, women tend to have less access to digital technology and lower participation in science, technology, engineering, and math (STEM) fields than men. If women make these transitions, they could find more productive, better-paid work; if they don't, they could face a growing wage gap or leave the labor market altogether.

6. The challenge for women is now even greater as they experience economic fallout from COVID-19

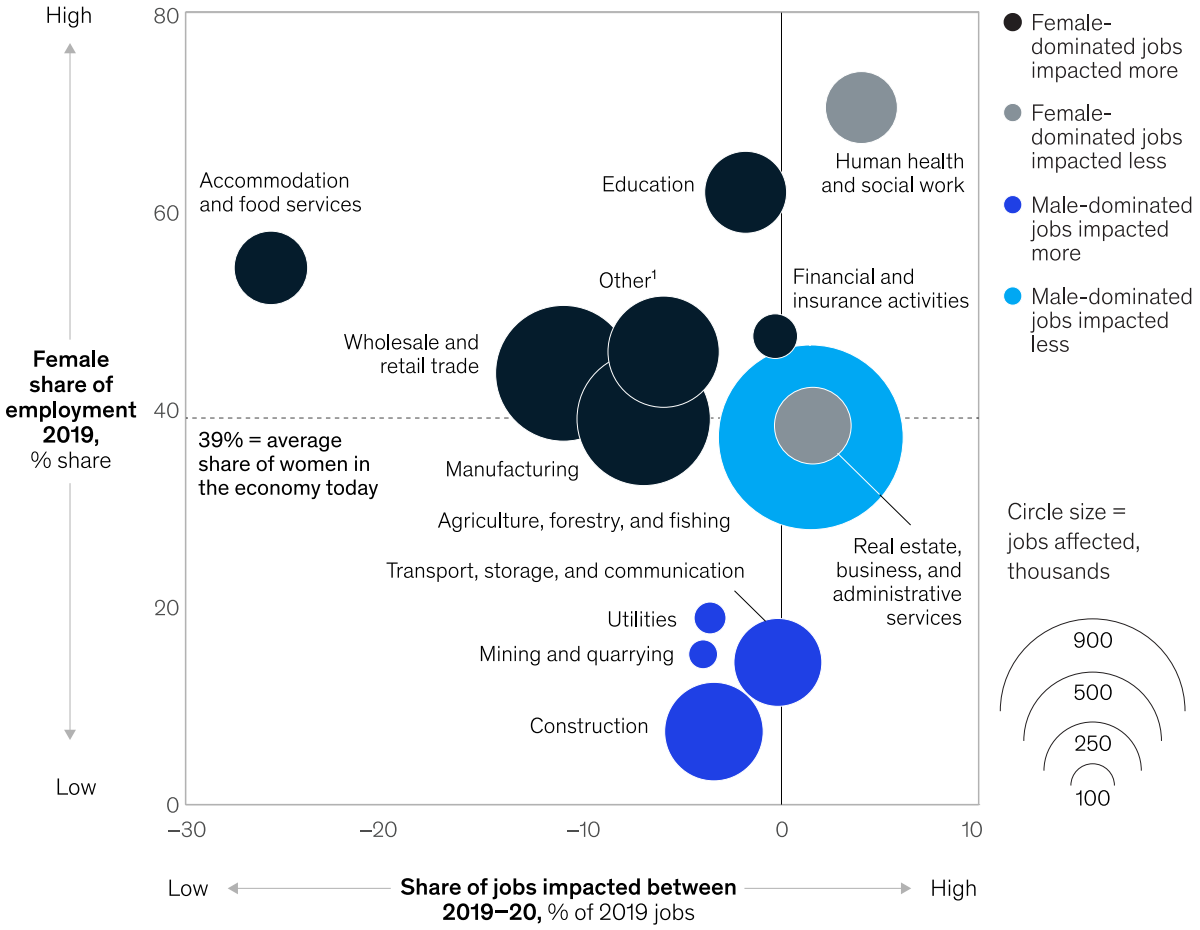
Although the early evidence suggests that the COVID-19 infection has been more deadly for men than women—the death rate for men in countries like China, Italy, and South Korea has been almost double the rate for women—women's economic prospects have been hit the hardest. On employment, our research has found that women's jobs globally are 1.8 times as vulnerable to this crisis as men's jobs. Women make up 39 percent of global employment but accounted for 54 percent of overall job losses as of May 2020. Globally,

part of the reason is that women are disproportionately represented in industries that are expected to decline the most in 2020 due to COVID-19 (Exhibit 3). Another factor is that during the pandemic, even more unpaid care work such as childcare and home schooling fell to women as nurseries and schools closed; in the United States, for example, the amount of time women spend on household responsibilities has increased by 1.5 to two hours, according to one study. The pandemic may have had noneconomic consequences for women, too—some reports suggest that the prevalence of violence against women from an intimate partner may have increased during lockdowns. If no action is taken to counter the gender-regressive impacts of COVID-19, we calculate that global GDP growth could be $1 trillion lower in 2030 than it would be if women's unemployment simply tracked that of men in each sector. That hit to growth could be even larger if increased childcare responsibilities, a slower recovery, and reduced public and private spending on services such as education and childcare force women to leave the labor market permanently. However, if action is taken to advance gender equality, $12 trillion could be added to global GDP in 2030 compared with the baseline, as noted earlier; this implies a $13 trillion potential compared with the gender-regressive scenario in which global GDP slides back by $1 trillion in 2030. A middle path—taking action only after the crisis has subsided rather than now—would reduce the potential opportunity by more than $5 trillion.

Exhibit 3

Women are disproportionately represented in industries that are expected to decline the most in 2020 due to COVID-19.

World employment impact in 2020 by industry



[1]Includes arts and recreation, public administration, and activities not elsewhere classified (ISIC revision 4).
Source: International Labour Organization; McKinsey in partnership with Oxford Economics; McKinsey Global Institute analysis

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7. We can grow our way out of some gender equality issues but not others

Even if policy makers and companies manage to craft a robust economic recovery from the COVID-19 crisis, there is no guarantee that a resumption of economic growth will help revive progress toward gender equality. For many years, it has been clear that economic growth (rising per capita GDP) does not lift all segments of the population—we cannot grow our way out of some aspects of gender equality.

In MGI's 2015 power of parity report, we identified ten "impact zones." These are the largest concentrations of gender inequality, where action to tackle gender gaps would have the most impact. In five global impact zones, gender inequality is high whether women live in an advanced or emerging economy: blocked economic potential (including women's participation in leadership positions and formal work), time spent in unpaid care work, fewer legal rights, political underrepresentation, and violence against women. Today, for every 100 men in leadership positions globally, there are just 37 women. One in three women globally, including in developed countries like the United States, has experienced violence from an intimate partner at some time in her life. In these impact zones, economic growth alone is insufficient to guarantee progress; sustained and proactive interventions will be needed.

In contrast, in some geographies, economic growth could help advance gender inequality in five regional impact zones where certain aspects of gender inequality are most prominent. They are low labor-force participation in quality jobs (in South Asia, the Middle East and North Africa, and sub-Saharan Africa), low maternal and reproductive health (in sub-Saharan Africa), unequal education levels (in South Asia and sub-Saharan Africa), financial and digital exclusion (in South Asia, the Middle East and North Africa, and sub-Saharan Africa), and girl-child vulnerability (in China and South Asia). For many of these impact zones, economic growth can increase the provision of services that could help improve outcomes. In Africa, for instance, rising per capita GDP should enable more healthcare provision, reducing maternal mortality. As countries increase their standard of living, girls typically attain increasing levels of education. In developed countries, women

are now outperforming men academically on many dimensions. In the United States, for example, women receive 57 percent of college degrees, according to the National Center for Education Statistics, and have higher overall average GPAs (but still lag behind men in STEM graduation rates).

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8. Companies that are gender and ethnically diverse outperform their peers

Advancing gender equality is not just an opportunity for countries; companies also stand to gain. McKinsey research on *Diversity Matters* (2015), on *Delivering through Diversity* (2018), and most recently in May 2020 on *Diversity Wins* examined whether companies with higher levels of both gender and ethnic diversity have greater economic performance. The 2020 research examined a data set of more than 1,000 large companies in 15 countries and found that companies in the top quartile for gender diversity were 25 percent more likely to have above-average profitability than companies in the fourth quartile. Companies in the top quartile of ethnic and cultural diversity were 36 percent more likely to outperform on profitability. The highest-performing companies on both profitability and diversity had more women in line roles (that is, owning a line of business) than in staff roles on their executive teams. The research also found a penalty for bottom-

quartile performance on gender diversity: companies in the bottom quartile for both gender and ethnic diversity were 27 percent more likely to underperform the industry average than all other firms.

Given all the competing priorities arising from the current pandemic, there is a significant risk that inclusion and diversity may recede as strategic priorities for organizations as companies focus on recovery. Downgrading diversity could well be a mistake, compromising performance and thwarting efforts to strengthen recovery over time.

9. The corporate career pipeline for women is leaky, especially early on

Over the years, our research with LeanIn.Org has found some progress in the advancement of women through the corporate pipeline in North America. In the 2019 Women in the Workplace report, we found that, of entry-level workers, 48 percent were women, compared with 45 percent in 2015. Women made up 21 percent of the C-suite, compared with 17 percent in 2019. However, as these numbers show, women are underrepresented at all levels of organizations, and the pipeline is leaky between the entry level and the C-suite. The biggest obstacle to women on the corporate ladder is a “broken rung” in the first step up to the manager level. For every 100 men hired or promoted to manager, there are only 72 women—and only 58 black women. After this initial degree of drop-off, it is very difficult for women to make up the ground lost. If differences in promotion rate are aggregated across five years, this equates to a difference of one million women in leadership roles.

Women of color are especially underrepresented in the North American workforce and face the steepest drop-offs. In North America, 18 percent of entry-level positions are held by women of color, but their representation in the C-suite is 4 percent, according to our

2019 Women in the Workplace research. These outcomes are mirrored in the day-to-day experiences of women of color in the workforce—56 percent of black women say they and their peers have equal opportunity for growth, compared with 69 percent of white women. Women of color also experience more workplace "microaggressions." For example, 40 percent of black women and 30 percent of Asian women say they needed to provide more evidence of their competence than others, compared with 28 percent of white women and 14 percent of men.

We find similar trends across the world. Across Asia–Pacific, for instance, there is only one woman in leadership positions for every four men. In some countries in East Asia, there are only 12 to 20 women leaders for every 100 men.

10. All stakeholders need to work together to maintain and accelerate progress on gender equality

There is a huge amount to do, particularly given that the automation age and now COVID-19 mean that women face new challenges on top of old ones. The only way to breathe new life into efforts to meet Sustainable Development Goal 5 is for the main stakeholders to work together on comprehensive solutions to the complex issue of gender inequality. As governments design stimulus programs and companies look for restart strategies in the wake of the pandemic, it will be important not to ignore potential gender consequences; indeed, it's time to double down by putting gender at the heart of these initiatives to capture opportunities. More data will be needed to ensure greater transparency and understanding of gender consequences.

National governments can enable change on a broader front using the law. For instance, they can remove legal barriers against women working (such as regulations prohibiting women from working night shifts) and can enforce laws protecting women from violence. The policy tool kit is wide-ranging, from financial support for women such as cash transfers, to tax regulations, childcare programs, and ensuring that public infrastructure is built and designed with gender in mind. The importance of reducing the gender gap in who takes responsibility for caregiving cannot be overstated, and governments can play an important role here. Some governments have enacted quotas to ensure a minimum level of women in leadership roles. Others have accelerated gender equality through incentives for women's education, entrepreneurship, and business lending, for instance. Nongovernmental organizations also have an important role to play, for example in shaping attitudes and social norms. Many governments and NGOs have developed fruitful partnerships with companies to scale new solutions quickly. Finally, stimulus programs can be used to help invest in women and girls.

Companies can act on a number of fronts starting with their own employees, attracting, retaining, and promoting women and understanding where the pinch points in the talent pipeline are greatest. Leaders need to champion gender diversity, ensuring that hiring and promotions are fair and fostering an inclusive and respectful culture. In the COVID-19 era, many companies are exploring family-friendly policies, including flexible and part-time positions, to support workers experiencing an increased childcare burden, as well as rethinking performance reviews and promotions. Companies can use this moment to design and put in place policies and practices that can support women in the long term. Companies can also use their supply chains and procurement practices to support women-owned businesses and hold suppliers accountable to diversity and inclusion targets.

Individuals need to make a contribution, too, from advocating for themselves in their own careers to helping others advance through sponsorship and mentorship. At work, they can be proactive in supporting talented women and speaking up if they see unconscious bias or microaggressions. In their personal lives, they can explore their own biases, both conscious and unconscious. If they have families, they can aim to raise sons and daughters who are not constrained by gender. If they are investing, they can back companies that are driving gender equality in a way that is consistent with their values.

Five years after the introduction of the Sustainable Development Goals, progress on gender equality has been modest at best, and now the effort to narrow gender gaps faces new challenges in the form of automation trends and the regressive impact of the COVID-19 pandemic. With only ten years left to meet Goal 5, progress needs to accelerate. Achieving equality for half the world's population is a global imperative that risks being undermined by competing priorities in a complex world and by the challenges of recovering from the pandemic. Creating more opportunity for women and the next generation is an aspiration and a very real goal that can lift the global economy as well as contributing to a more just society. It is a goal we need to meet collectively.

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