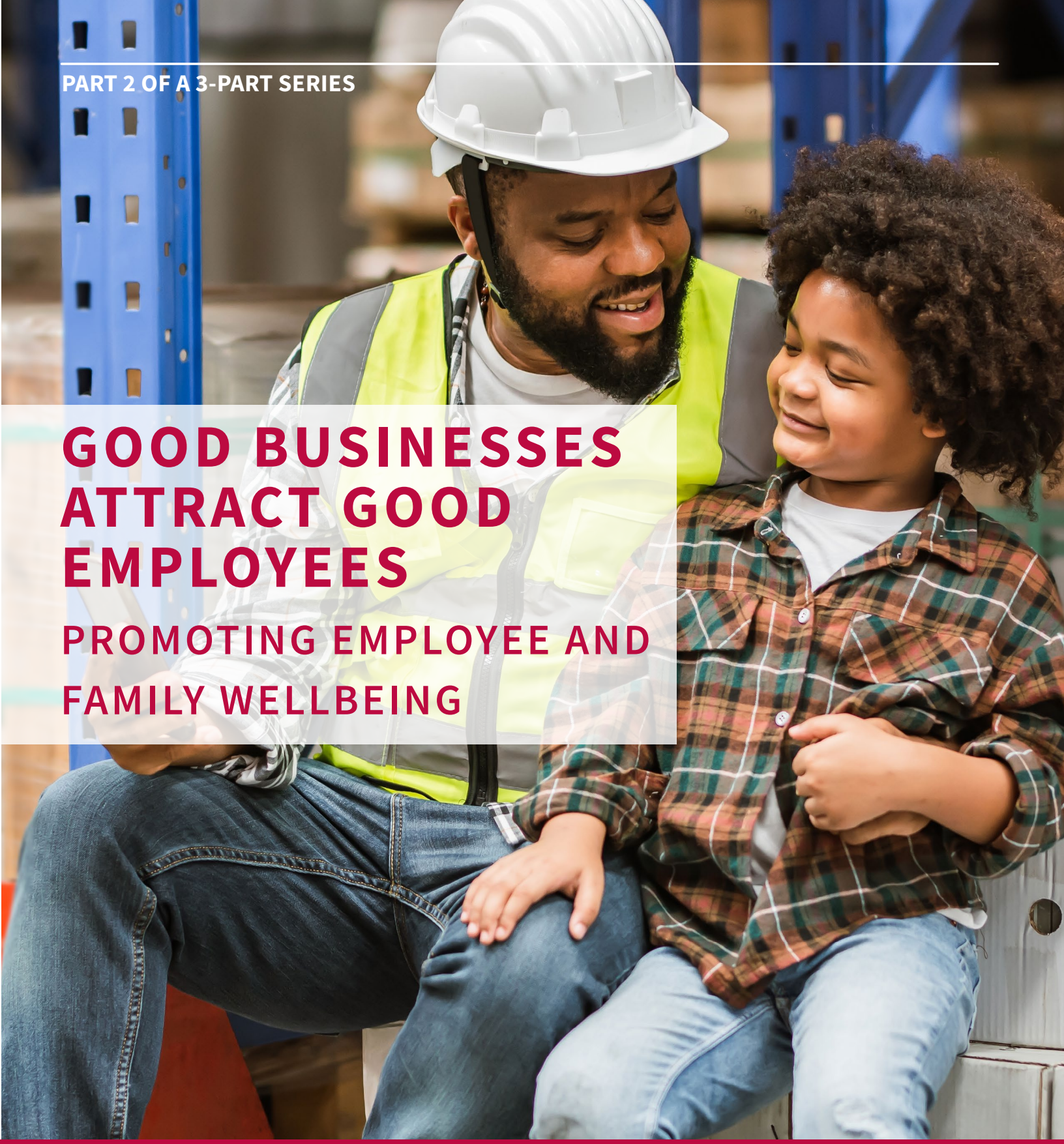


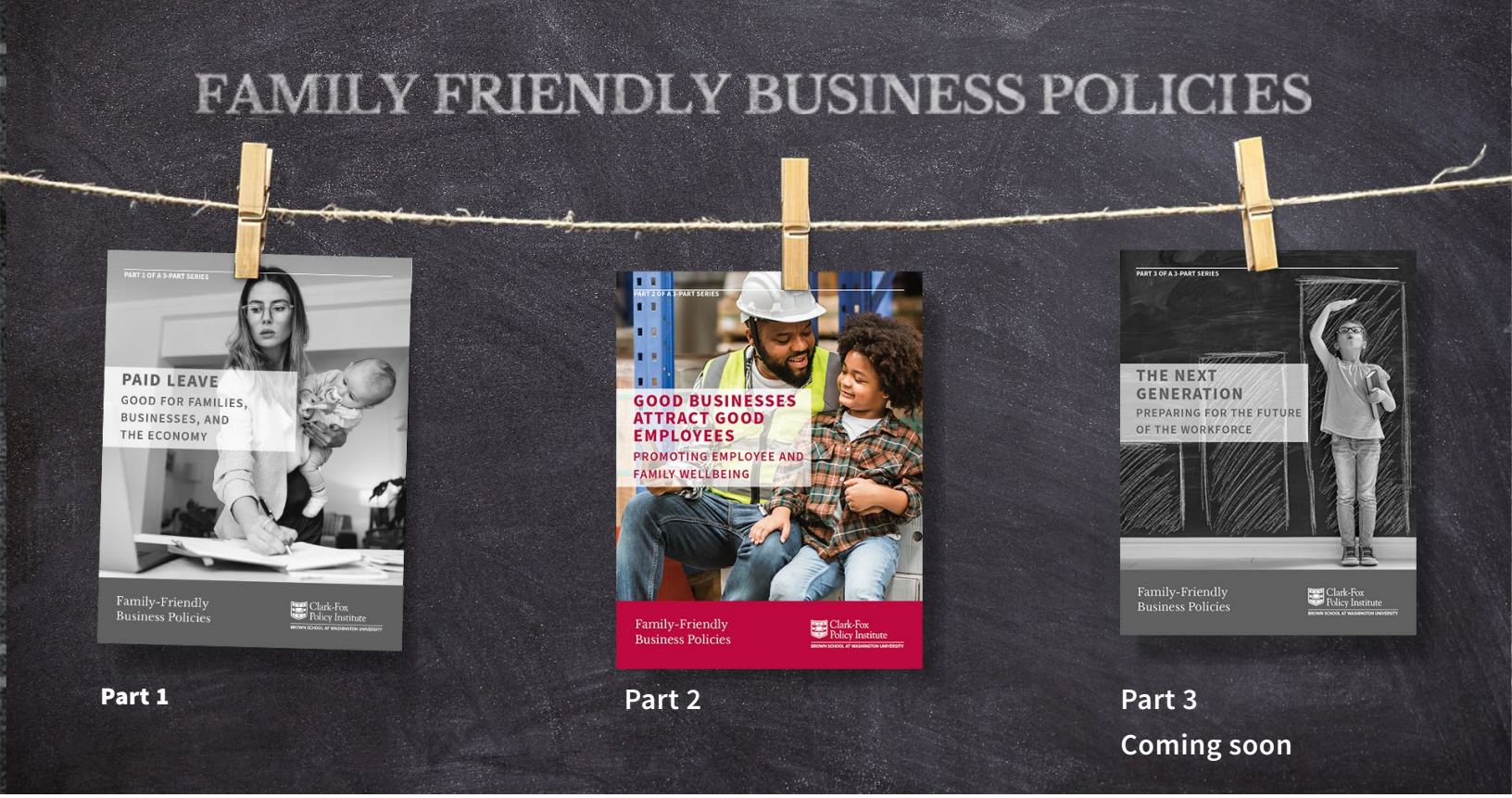
PART 2 OF A 3-PART SERIES

GOOD BUSINESSES ATTRACT GOOD EMPLOYEES

PROMOTING EMPLOYEE AND FAMILY WELLBEING

Family-Friendly Business Policies

Clark-Fox Policy Institute
BROWN SCHOOL AT WASHINGTON UNIVERSITY



Part 1

Part 2

Part 3
Coming soon

The Clark-Fox Policy Institute has produced a three-part policy brief focused on family-friendly business policies

The evidence-informed policy recommendations were developed by layering scientific research with community voice. They are aimed at supporting employees by providing the flexibility needed to balance the responsibilities of work and family while maintaining economic security. Businesses—in any sector—benefit by retaining valuable talent and empowering employees to be undistracted and productive at work. The evidence-informed policy recommendations are human-centered, contribute to maintaining a healthy and sustainable workforce, and support a growing and thriving economy.

Part two of the Family-Friendly Business Policies series offers evidence-based policy solutions that advance pay equity, promote livable wages, provide affordable and comprehensive health insurance coverage, and allow for flexible working arrangements.

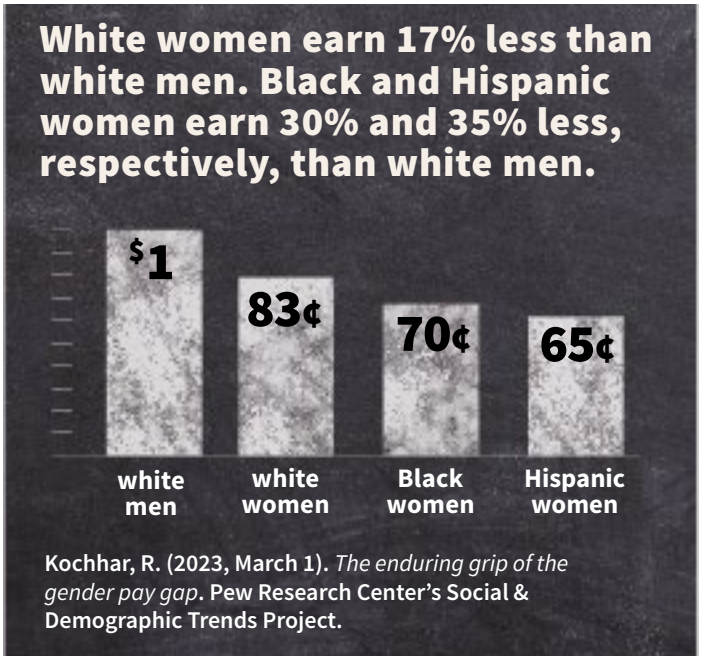
Pay Equity

Recommendation: Implement systems and policies that explicitly address the root causes of pay inequity.

The wage gap between men and women is well documented. White women earn 17% less than white men.[1] Black and Hispanic women earn 30% and 35% less, respectively, than white men.[1]

More than half of American women work outside the home.[2] Although pay inequity harms all women in the workforce, it is particularly hard on single mothers who face limited options for childcare and a greater burden of parenting expenses. As a consequence, single mothers are more likely to live in poverty than single fathers.[3] In 2019, a woman could expect to make $590,000 less than a man for a lifetime of work.[4] As women move through their careers, they are less likely to be promoted and more likely to leave the workforce due to the lack of opportunity for advancement.[5,6]

Closing the pay gap between men and women is good business. Supporting women through equitable pay, policies, and practices demonstrates that businesses prioritize and value the skills that women bring to the table. Women who feel they are paid fairly are more committed to their employer, increasing productivity, and are less likely to leave, keeping hiring costs low.[7] Pay equity helps recruit the best talent.[7] These efforts support women's professional development and career advancement and could make it easier for women to remain in the workforce long-term.



Businesses can realize the benefits of establishing pay equity by:[7]

- Analyzing pay data for potential gaps,
- Using objective criteria to determine the value of jobs, and
- Forgoing asking a candidate for their salary history as a basis for determining their pay.

These practices will ensure alignment with the Equal Pay Act, which was enacted in 1963 to prevent wage discrimination based on sex for jobs that require equal skill, effort, and responsibility, and are performed under similar working conditions within the same place of business.

Combating racism and sexism is the only way to fully close the wage gap.[8] Employers can commit to diversity and inclusion by implementing policies and practices such as workplace harassment protections, blind resume screening, and unconscious bias training for hiring managers.[9] These efforts build a supportive workplace culture that improves employee performance and supports a business's bottom line.[10]

Living Wage

Recommendation: Pay employees a wage that covers their expenses and allows for the employee's family to meet their basic needs.

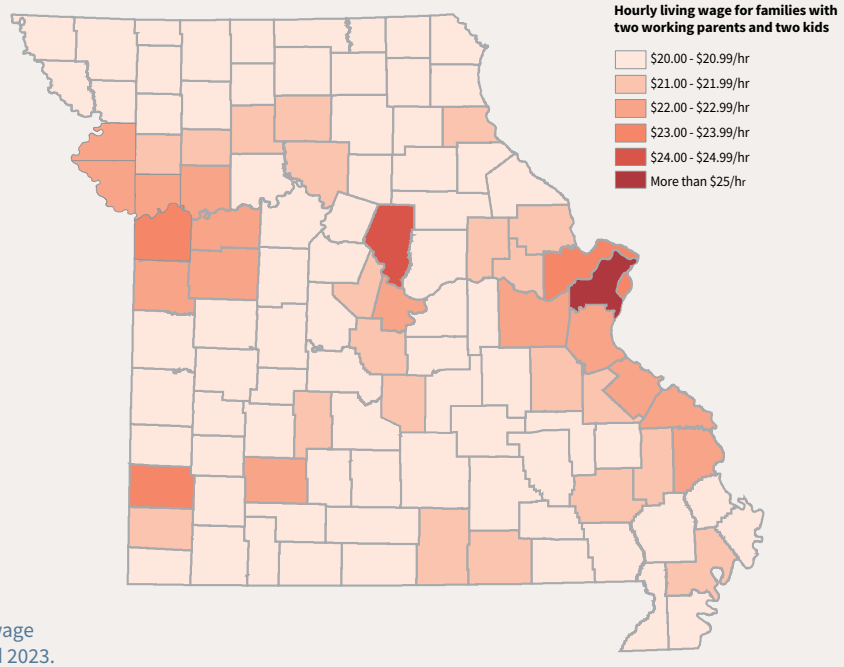
In 2018, Missourians passed a statewide referendum to raise the minimum wage to $12/hour over five years and continue to raise or lower the minimum wage annually based on cost of living changes. In 2024, Missouri's minimum wage reached $12.30/hour. Even with these increases, Missouri's minimum wage still falls well below what it costs to afford necessities for a family of four in Missouri. **In every county in Missouri, parents with two kids need to earn more than $20 an hour to cover their family's basic needs.**[11]

Unfortunately, as the minimum wage has increased, so has the cost of necessary expenses like food, housing, and childcare. For example, a family with two full-time minimum wage working parents and two children (one infant and one 4-year-old) would pay on average $17,055 for child care alone, more than two-thirds the parents' annual salary.[12] The minimum wage accounts for few of the day-to-day needs of Missouri families.

Businesses benefit from paying a living wage because it helps improve employee morale and retain valuable employees.[13-15] Communities that have implemented a living wage see fewer employees miss work, use overtime, or leave for better-paying jobs. Paying employees a living wage ensures that they are not struggling to meet and maintain their basic needs. A living wage improves access to necessities like food, clothing, housing, and child care which advance health, well-being, and stability.[16] Employees who make a living wage can build wealth they can pass down to their children and grandchildren (generational wealth), creating financial security for future generations.

Missouri Living Wage Map

Parents in every Missouri county need to earn more than $20 an hour to cover basic needs for a family of four.



Massachusetts Institute of Technology. Living wage calculator. https://livingwage.mit.edu. Updated 2023.

Health Insurance

Recommendation: Provide all employees, part-time and full-time, with low-deductible comprehensive health insurance. Ensure that the health plan offered has a low deductible and has a reasonable upcharge for adding the employee's family members to the plan.

Nearly half of all working adults (43%) do not have adequate health insurance.[17] These workers may be uninsured, experience gaps in coverage, or have coverage that does not provide them with affordable health care.[17] Though the 2010 Affordable Care Act (ACA) reduces costs and improves access to health insurance coverage for some Americans, many people living in states that did not expand coverage are still left without the health insurance coverage they desperately need.[18]

Businesses can close the health insurance coverage gap by offering low-deductible health insurance benefits to all employees, full-time and part-time, and their families. **Affordable health insurance improves health and builds financial security for employees and their families.** Low deductibles and comprehensive health insurance plans encourage employees to use healthcare facilities when they are sick.[19]

Employees with health insurance are more likely to use preventive care instead of waiting to get medical care in an emergency, which can result in longer periods of leave.[20] Affordable health insurance keeps families from struggling to pay their medical bills, reduces the amount of debt sent to collection, and improves access to credit.[21] Keeping the cost to add family members to the plan low reassures parents that their children will be medically cared for without the fear of medical debt.[22]

Some small businesses, such as those that employ 1-50 full-time employees, may be unable to afford healthcare coverage for their employees. However, through the ACA's Small Business Health Options Program (SHOP), businesses can provide health and dental coverage for their employees. Businesses in the SHOP program may qualify for the Small Business Health Care Tax Credit, which will lower premium costs.[23]

Businesses can close the health insurance coverage gap by offering low-deductible health insurance benefits to all employees, full-time and part-time, and their families.

Flexible Working Arrangements

Recommendation: Create opportunities to set flexible working hours and locations.

Missouri families want better job flexibility. In a survey by the U.S. Chamber of Commerce Foundation, the top three benefits desired by Missouri parents with young children were the ability to work from home (54%), flexible working days (54%), and flexible working hours (34%).[24] Many positions, including those within the retail and hospitality industries, must be performed at specific hours and locations. Yet even within these roles, there may be opportunities to offer flexibility that allows for work/life balance.

Flexible working arrangements improve employees' work-life balance, and as a result, businesses are seeing better performance outcomes.[25] Employers that offer flexible working arrangements save on real estate, building maintenance, utilities, and other overhead costs.[26] Strict in-office requirements and lack of control over their schedules often conflict with families' needs and can limit the amount of time parents spend with their children.[27]

During the pandemic, many businesses shifted to a work-from-home model to meet COVID-19 safety guidelines. Doing so improved employees' satisfaction and made it easier for them to care for their children, juggle family obligations, and still meet the demands of their jobs.[28]

Now, as economic recovery is underway, some businesses are pushing for employees to return to in-person work. As a result, the U.S. is experiencing an unprecedented number of employee resignations, a phenomenon coined as the "Big Quit" or the "Great Resignation." Employees report preferring flexible working arrangements over returning to the office because they do not want to lose the flexibility of balancing work and family life, reduced transportation costs, time savings, and improved well-being.[29]

As more businesses transition to flexible working arrangements, it will be essential to invest in organization-wide professional development training for managers and employees. Training on how to best use flexible hours and locations to achieve work-life balance, employee satisfaction, and employee productivity will create sustainability for the business and its workforce. Employee input is critical for businesses when developing this training.

Conclusion:

The time for businesses to leverage their power and resources to improve the lives of their employees through family-friendly business policies is now. If businesses want to retain and attract quality talent, they must adapt to meet the demands of an evolving workforce. Together, businesses and their employees can collaborate to create solutions that help ensure both employees and businesses can thrive.

Note: Although this brief refers to the need for mothers and fathers to have access to family-friendly workplaces, we are aware and want to be inclusive of people who do not identify as either gender. Family-friendly business policies benefit all parents regardless of gender. The binary construct of gender is used only when referring to previously conducted research.

Special thanks to the Gateway Early Childhood Alliance for hosting a community listening session with working parents. This provided the institute with stories and insights from families about the policies that would help them balance the responsibilities of work and family while maintaining economic security.

The Clark-Fox Policy Institute

The Clark-Fox Policy Institute is dedicated to child well-being through the development and dissemination of evidence-informed policy. Building on the foundation of scientific research, the institute layers empirical data with the lived experience of the impacted population. Science alone cannot drive the policymaking process, and the institute is committed to working with communities whose voices are often left unheard. To achieve this, the institute serves as a regional convener and a catalyst for addressing pressing social issues.

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