SUCCESSFULWOMEN

TIMELY INVESTMENT AND FINANCIAL PLANNING TOPICS

Parental leave policies leave parents wanting more

Paid leave for new parents hasn't changed much in 30 years – but parents' needs have

Before bonding with your newborn, newly adopted or foster child, there is math to behold. The overall cost of raising children in the U.S. aside (~$17,000 each year per child), some of the first financial conversations soon-to-be parents have will include childcare needs from those first precious weeks through formal schooling.

And what a sobering conversation that can be. Although the Federal Employee Paid Leave Act granted federal employees 12 weeks of paid parental leave, those employed by small businesses, self-employed or part of nontraditional work arrangements don't qualify.

This means they must rely on either their state or company's policy, or the Family and Medical Leave Act (FMLA) – where companies with 50 employees or more are required to provide up to 12 weeks of job-protected, unpaid time off – for any chance at a patchwork plan and that only covers 56% of U.S. workers.

However, many can't afford to take unpaid leave and only nine states and the District of Columbia offer paid family leave programs. What's more, only 19% have defined benefits through their employer … a number that shrinks further among low-wage and hourly workers.

Among companies that do provide paid parental leave, leading the way are technology, financial services, insurance and professional services industries, with leisure and hospitality industry lagging far behind. No matter where companies fall on the spectrum, time available is wide – Netflix provides 52 weeks of paid parental leave and Boeing gives three weeks, for example.

A MILLENNIAL CONUNDRUM

Changing public attitudes and the difficulty of balancing work and family in today's economy contribute to an increasing sense of urgency around what's next for paid family leave in the U.S.

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Parental leave policies (cont.)

These days, it's likely that all adults work in the standard American household. Without a parent at home, there's little flexibility for home-based care for a new baby, sick child or elderly relative without putting jobs in jeopardy.

The millennial generation experiencing the lack of paid parental leave and childcare costs are changing their life plans and having fewer kids than they want.

In 2016, millennials became the largest cohort in the workforce, comprising 35% of American workers.

When it comes to parenting, millennials differ from previous generations, which may affect future policy decisions around paid family leave.

- 78% of millennials with a partner have a spouse/partner working full-time compared to 47% of boomers.
- 88% of workers would take benefits over a pay raise, with millennials the largest group in support of that view.
- Close to 60% of millennials are willing to stop working to care for children at home, 12% more than Generation X.
- More millennials reported they would recommend their employer, be more engaged and happier in their jobs, and be less likely to quit if their employer offered additional work flexibility and paid parental leave.
- Millennials express a greater willingness to change jobs, take a pay cut or move to another country to have access to better parental leave benefits.

A GLOBAL SPECTRUM OF PAID LEAVE

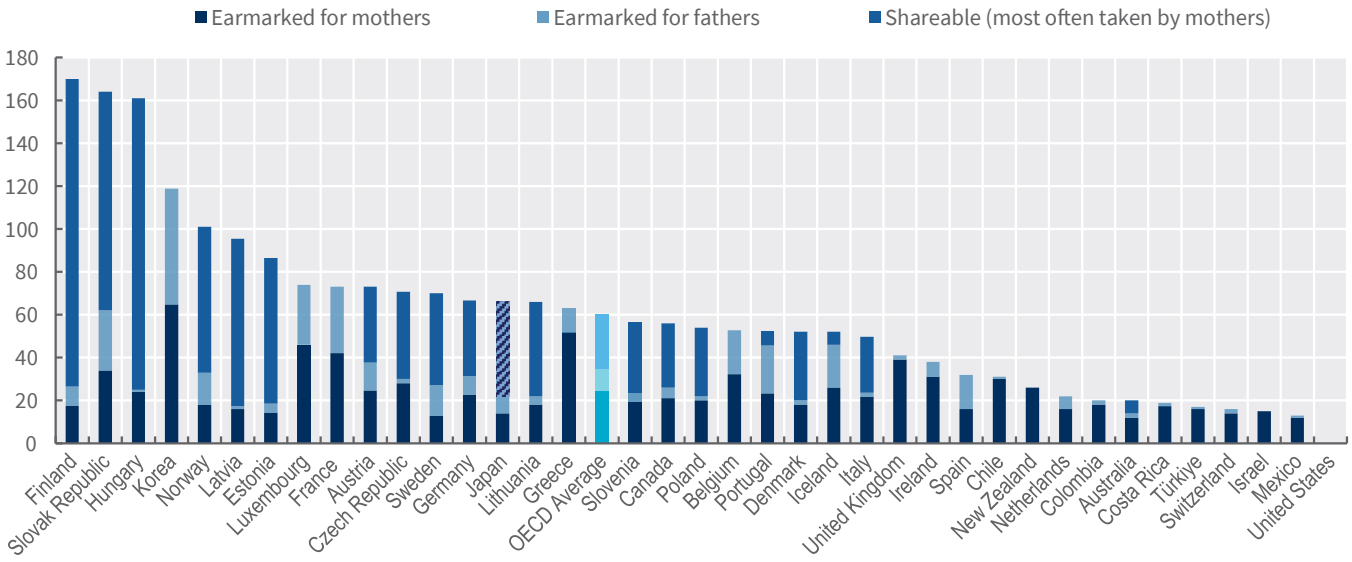
Unfortunately, the U.S. is lacking a national paid parental leave policy compared to, well, just about every other country. As of November 2021, we're the only wealthy country without guaranteed paid parental leave at the national level, based on data from the World Policy Analysis Center.

Across Organisation for Economic Co-operation and Development (OECD) countries, mothers are entitled to just above 32 weeks on average for paid parental and home care. However, 11 OECD countries offer none at all. While some countries provide more than six months of paid maternity leave, the average is just under 19 weeks. New fathers average just above 10 weeks of paid leave.

Some countries allow paid family leave to be shared between parents. Although mothers take the majority, the other partner can use parts of their collective entitlement – on average 25.4 weeks for OECD countries.

RESERVED AND SHAREABLE PAID FAMILY LEAVE ENTITLEMENTS

Length in weeks of shareable paid family leave, 2022



Source: Ernst and Young. Study: Work-Life Challenges Across Generations. 2015
Source: Organisation for Economic Co-operation and Development

In the United Kingdom, mothers can take up to **nine months** paid leave.

Israel, New Zealand and the United States provide no paid **father-specific** leave.

Japan and Korea provide the longest paid father-specific leaves at around **12 months** (52 and 54 weeks, respectively).

Finland, Hungary and the Slovak Republic provide a shareable **2 1/2 years** of paid leave or more.

Thirty years of … progress?

- **1993**: Congress passed the Family and Medical Leave Act, where companies with 50 employees or more are required to provide up to 12 weeks of job-protected, unpaid time off.
- **October 2020**: Federal Employee Paid Leave Act (FEPLA) allows the substitution of up to 12 weeks of paid parental leave for FMLA unpaid leave.
- **November 2021**: Build Back Better Act, passed by the U.S. House of Representatives but currently stuck in the Senate, would provide four weeks of paid family leave to all U.S. employees.

TIME TO BENEFIT

Research shows the benefits of paid leave on physical and mental health, and family stability. The American Psychological Association reported that paid parental leave can reduce financial stress, empower parents to focus on bonding with their kids, and increase gender equality when fathers are provided time to share in childcare duties.

More collaboration between psychologists and economists could help quantify outcomes – such as reduced healthcare costs, more happiness, job retention – in a way that's meaningful on a policy level. ■

NEXT STEPS

Before heading overseas to start your family, consider:

- Looking into your state's paid parental leave policies.
- Reviewing your company's employee handbook to see what options are available.
- Discussing your overall financial plan with your advisor to help guide your decisions based on your personal situation.

Sources: Center on Budget and Policy Priorities; National Institutes of Health; American Psychological Association; Organisation for Economic Co-operation and Development; Bipartisan Policy Center; U.S. Bureau of Labor Statistics

More than luck

Banish the insecurity and doubt of imposter syndrome

There are times when we all feel "less than" in different facets of our lives. Turns out those feelings of insecurity and self-doubt have infused themselves into the collective consciousness of many professionals – time and time again.

YOU'RE NOT ALONE

In a 2020 KPMG study of 750 executive women from major companies, the firm found that 75% experienced imposter syndrome in their careers. And not just once.

The study found that feelings of inadequacy appeared during pivotal moments in an existing role or during promotions or career changes. This makes sense since imposter syndrome has been defined as "the inability to believe your success is deserved as a result of your hard work and the fact you possess distinct skills, capabilities and experiences."

A Harvard Business Review article states that imposter syndrome disproportionately affects high-achieving people, who find it difficult to accept their accomplishments. But, of course, your success doesn't stem from luck.

SHINE ON

Those self-imposed pressures don't have to overshadow your ability to continue thriving.

Nearly half of the women from the KPMG survey never expected to be as successful as they are, causing self-doubt – and more than half have been scared they can't live up to expectations.

81% of women believe they put more pressure on themselves not to fail – creating a much smaller margin for error than men in similar positions.

One way that almost three-quarters of surveyed women regained confidence was by seeking advice from a mentor when they doubted their abilities to take on new roles.

Having strong relationships with colleagues and leaders fosters a culture where women feel empowered to turn fears into growth opportunities. In fact, 47% believe having a supportive performance manager is the most important factor to combat imposter syndrome.

The impact of systemic racism, classism, xenophobia, and other biases was absent when imposter syndrome was coined in 1978. This may be why individuals are blamed versus creating an environment fostering diverse leadership styles to help channel healthy self-doubt into positive motivation.

With teamwork and an inclusive culture, all professionals can feel respected and valued. Collectively moving one step closer to promoting self-worth over self-doubt. ■

NEXT STEPS

- As a leader, emphasize the importance of culture and listen to differing opinions and viewpoints.
- Lead by strengthening relationships with colleagues to help them feel valued, fairly rewarded and appreciated.
- Pay attention to your special talents, abilities and gifts or enlist a trusted friend or colleague to help you better recognize them.
- If needed, check with your employer to see if therapy is part of your benefits.

Sources: "Advancing the Future of Women in Business: A KPMG Women's Leadership Summit Report" a survey of 750 executive women from major companies, 2020; Harvard Business Review; forbes.com

Wanderlust … but solo

Traveling abroad alone can be the greatest adventure of your life.

"Not all those who wander are lost." – J. R. R. Tolkien

When it comes to solo international travel, some bristle at the thought of taking a journey alone – and others can't wait to strap into their overnight flight and step into a new adventure.

Pre-pandemic, only 14% of travelers were going solo, but that number almost doubled mid-2021, according to Booking.com. Even before COVID-19, Google searches for "solo female travel" increased – 230% in 2019 per worldpackers.com. And most of the world is now open for vaccinated guests or requires pre-arrival negative COVID-19 tests.

A WHOLE NEW WORLD

The pandemic left us more self-aware – ready to get out of our heads and into new experiences. Whether you're tired of waiting for a travel buddy or are ready to check out a new destination that includes me time, a solo journey is an act of self-love worth pursuing.

Choose your destination with the intent to let go of worries and go all in on your new surroundings. Last fall, Travel & Leisure named these 12 international destinations as the best trips for solo female travelers:

- Iceland
- Barcelona, Spain
- Munich, Germany
- Dubrovnik, Croatia
- Salzburg, Austria
- Taipei, Taiwan
- Copenhagen, Denmark
- Melbourne, Australia
- Stockholm, Sweden
- Okinawa, Japan
- Norway's Fjords
- London, England

PLAYING IT SAFE

No matter where you jet off to, be prepared and have a plan – even if that means a framework with room for spontaneity.

Nobody wants unexpected adventures to take a dark turn, so in addition to following basic travel safety, these tips can help when you're on your own:

- Carry identification and store it in more than one place.
- Stay in open, public places, especially at night.
- Walk confidently and with purpose.
- Avoid drawing attention to yourself with tourist materials, by your clothing or demeanor.
- Be smart when speaking with strangers – if asking for directions, imply someone is waiting for you. Don't offer personal details that could put you at risk.
- If a situation doesn't feel right, leave.
- Keep a copy of your itinerary with someone at home; stay in contact via phone or email.

And it's still a good idea to bring a mask in your carry-on since some locations still have indoor mask mandates.

So, book that flight. You may find that even though you started this journey alone, you come home with a new sense of confidence and contacts in your phone from like-minded solo travelers to plan your next adventure with. ■

NEXT STEPS

- Research your trip destination in advance to understand social norms.
- Identify a "tap to pay" credit card for easy public transportation travel.
- Talk to your financial advisor to help you financially plan for your trip of a lifetime.

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