

# ECONOMIC ENGAGEMENT OF MOTHERS:

## ENTREPRENEURSHIP, EMPLOYMENT, AND THE MOTHERHOOD WAGE PENALTY

Jessica Looze and Sameeksha Desai | DECEMBER 2020



# Economic Engagement of Mothers: Entrepreneurship, Employment, and the Motherhood Wage Penalty

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## Introduction

The economic value women bring to their own households and to the broader economy is well-documented. In fact, nearly all of the economic gains that have occurred among middle class families since 1970 have come from the increased earnings of women.<sup>1</sup> Mothers make substantial contributions to the finances of many families and households. In 2018, nearly half of the more than 30 million families with children under 18 in the United States had either a single mother or a married mother contributing at least 40% of a couple's joint earnings.<sup>2</sup>

Mothers' *unpaid work* is also crucial to their households and the economy. Mothers spend more time than fathers "orchestrating family life," including caring for children, transporting them to school and other activities, and doing housework.<sup>3</sup> While it is difficult to determine the monetary value of unpaid household work, estimates suggest that incorporating the value of nonmarket work would raise nominal GDP by somewhere between 30% and 40%.<sup>4</sup>

Despite the importance of mothers' economic contributions, the broader economy fails to support mothers in a variety of ways. The well-being of children is not only important for families, but also the future of the economy. Yet the costs of raising children fall largely on families — and disproportionately on mothers. In addition to the lack of support for combining careers with caregiving, mothers face a *motherhood wage penalty*, which accounts for much of the gender wage gap.<sup>5</sup> Even entrepreneurship, an economic activity that can potentially offer more autonomy and flexibility, is made more difficult for mothers by child care challenges and barriers to entrepreneurship for women more broadly.

Why is motherhood undervalued and unsupported economically? How does motherhood, and the many challenges that accompany it, shape women's decisions about their career choices and about their pursuit of entrepreneurship in particular? What does entrepreneurship support mean for entrepreneurs who are mothers? And how can we support mothers' access to opportunities to engage in the economy — and ease their access to opportunity through entrepreneurship?

This report takes up the relationship among motherhood, caregiving, the persistent wage penalty it carries for women, employment, and entrepreneurship. We discuss the motherhood wage penalty, and several of the factors proposed to help explain it. We also discuss engagement in entrepreneurship among mothers, and specifically how children shape women's decisions about — and opportunities for — business ownership. We pay particular attention to the implications of the fluidity between entrepreneurship and wage and salary work, as individuals move in and out of these types of work throughout their lives. The types of constraints mothers face and supports they receive can have a profound effect on these transitions. Finally, we end with a roadmap for supportive policies that enable mothers to engage in meaningful work, provide for their families, and contribute to the broader economy. These policies must be a central feature of the post-COVID-19 economy.

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**Why is motherhood undervalued and unsupported economically? How does motherhood, and the many challenges that accompany it, shape women's decisions about their career choices and about their pursuit of entrepreneurship in particular?**

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**Nearly all of the economic gains that have occurred among middle class families since 1970 have come from the increased earnings of women.**

## The economic role of mothers in their households

Despite persistent narratives and public policies that assume the majority of households have a full-time stay-at-home mother and an employed male breadwinner, only about 1 in 5 American households has a stay-at-home parent.<sup>6</sup> In 2019, 72.3% of women with children under 18 years old were employed, as were 66.4% of mothers with children under 6 years old.<sup>7</sup>

Mothers who are entrepreneurs make crucial financial contributions to their families and the economy. Among entrepreneur mothers, 1 in 4 reported being the sole provider in their household prior to the pandemic. Twenty-seven percent of Black entrepreneur mothers reported being sole providers, compared to 19% of Hispanic entrepreneur mothers and 23% of white entrepreneur mothers.

Even in households with additional sources of income, entrepreneur mothers are often substantial contributors. Of Black entrepreneur mothers, 43% reported contributing at least half (but not all) of their household income, and 51% of Hispanic and 52% of white entrepreneur mothers did the same. Taken together, 70% of Black entrepreneurs, 71% of Hispanic entrepreneurs, and 76% of white entrepreneurs who are mothers contribute somewhere between half and all of their household finances.<sup>8</sup>

The COVID-19 pandemic has increased the importance of the contributions that entrepreneurs who are mothers make to their household finances. More than a third of married or cohabiting entrepreneurs who are mothers (35%) reported that their spouse or partner had been laid off or furloughed and/or had their hours or pay cut during the pandemic. The income brought in by these entrepreneurs who are mothers has become even more vital to family finances.<sup>9</sup>

## Barriers to mothers' economic participation

Despite mothers' high rates of labor force participation and the reliance of households and the broader economy on mothers' paid and unpaid work, many mothers do not have the support they need. As a result, mothers face substantial challenges balancing caregiving and family responsibilities with economic participation.

The arrival of a child brings important shifts in household needs and resources, shaping parents' economic activities in multiple ways. Household responsibilities and expenses increase with the addition of a new family member. In addition to food, clothing, and medical services, children require many hours of care and nurturing each day. Many parents do not have access to paid leave that would allow them to stay home in their children's earliest weeks and months without a significant economic cost. Related, the lack of high-quality, affordable child care in many parts of the U.S. make parents' ongoing decisions about how to balance their careers with their children's needs difficult. In addition to providing for the immediate needs of young children, new parents must plan for the more long-term caregiving and financial commitments they will need to make to provide for their families.

Among entrepreneur mothers



reported being the sole provider in their household.

Among entrepreneur mothers



reported their income contributes to at least half of their household finances.

**Many parents do not have access to paid leave that would allow them to stay home in their children's earliest weeks and months without a significant economic cost.**

## The financial and nonfinancial costs of child care

For many mothers, the costs of child care can affect the viability of holding a job. If child care expenses are greater than the take-home pay from a job, it may not be financially viable to remain employed. At the same time, if care arrangements are inconvenient because of their locations or because they have limited hours of operation, a parent has more constraints on their employment opportunities. Unpredictability of schedules, especially prevalent in low-wage, service sector jobs, make it difficult for many mothers to find care arrangements that align with their work schedules.<sup>10</sup>

In addition to the financial costs of child care itself, there are other costs, including transportation and time spent away from other activities. Simply put: there are 24 hours in a day. If it takes 30 minutes in addition to a parent's regular morning commute to drive to a child care location, and another 30 minutes on the way home in the evening, this leaves parents one less hour per day to engage in other activities.

These factors all have important implications for whether, when, and how mothers participate in the labor market. They also have implications for mothers' access to opportunities through entrepreneurship and the outcomes of their businesses. Mothers who do not have regular access to affordable, high-quality child care are faced with difficult decisions as they seek to balance their children's safety and early development with their family finances and their ability to commit to their own jobs, careers, and opportunities.

## The motherhood wage penalty

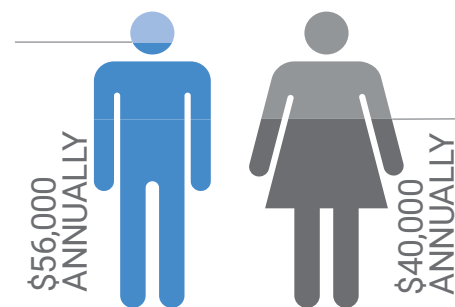
Among full-time, year-round workers, women earn 81.5 cents for every dollar earned by men – a gender wage gap of 18.5%.<sup>11</sup> This gap is notably smaller between women and men without children (about 7%)<sup>12</sup> and much larger between women and men with children. Median annual earnings among mothers who are employed full-time, year-round is \$40,000, compared with \$56,000 for fathers, amounting to a gap of nearly 29%.<sup>13</sup> The gender wage gap, then, is largely a motherhood wage gap – the result of the motherhood wage penalty.

Although estimates vary, the gross motherhood wage penalty is typically estimated to be between 5% and 10% per child.<sup>14</sup> This amount varies by mothers' age at first birth and number of children. Women who become mothers when they are older face smaller wage penalties,<sup>15</sup> while mothers who have greater numbers of children face larger penalties.<sup>16</sup>

The motherhood wage penalty is larger among white women, and children have smaller effects on the wages of Black and Hispanic women.<sup>17</sup> The earnings of Black and Hispanic women are lower, on average, than those of white women. Median weekly earnings of white women are 78.4% of those of white men, compared to 61.4% and 56.0% for Black and Hispanic women, respectively.<sup>18</sup> Lower earnings among Black and Hispanic women mean there is less room for these wages to fall.

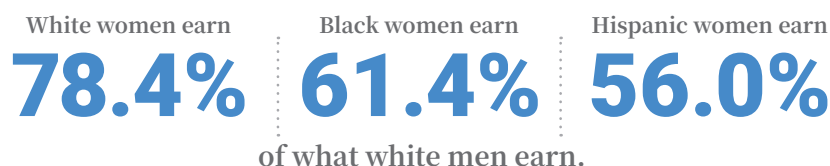


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### WOMEN'S MEDIAN EARNINGS COMPARED TO WHITE MEN



## What contributes to the motherhood wage penalty?

**Work experience and job tenure.** Many women take time away from the labor market following the birth or adoption of a child. This time away results in lost opportunities for developing and cultivating relevant skills, building professional networks, and receiving promotions and pay increases. Less work experience accounts for much of the motherhood wage penalty.<sup>19</sup>

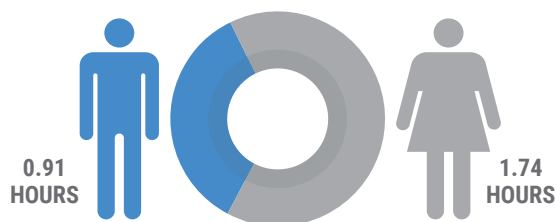
**Competing demands.** Many workplaces continue to be structured around expectations of the “ideal worker” who has few demands outside of work, including taking care of children.<sup>20</sup> Yet mothers spend more time providing care for children and doing housework than fathers. Mothers spend an average of 1.74 hours caring for and helping children in the household each day compared to 0.91 hours among fathers.<sup>21</sup> Even when mothers provide more income for the family, they spend about 30% more time with children than fathers.<sup>22</sup>

**Part-time work.** While the motherhood wage penalty exists even among full-time, year-round workers, women’s disproportionate representation in part-time work — which often is not paid as well as full-time work — contributes to their lower earnings overall. Some women choose part-time work to accommodate other responsibilities or interests, but there are many women who earn less because they are involuntary part-time workers — they are willing and able to work full-time, but they can only find part-time employment. Women of color are disproportionately employed in involuntary part-time work.<sup>23</sup> Even women who are employed part-time voluntarily may be choosing this lower-income path because caregiving responsibilities make full-time work too difficult. In fact, one third of women who work part-time voluntarily (34%) report doing so because of child care problems and/or family or other personal obligations, compared to 8% of men.<sup>24</sup>

**Long and inflexible hours.** For many full-time workers, especially those in professional and managerial jobs, work hours have increased in recent decades.<sup>25</sup> Working very long hours (usually defined as 50 or more hours per week) has become increasingly common. Compensation for working long hours has increased, leading to wage differentials between those who are able to put in these long hours and those who are not.<sup>26</sup> Even if mothers remain employed their incomes may suffer if they are not able to put in the long hours — often during particular times of the day.

**“Family-friendly” work.** With the exception of part-time work, “family-friendly” job characteristics have not been found to account for much of the motherhood wage penalty. In fact, many such characteristics, including autonomy and schedule flexibility, are associated with *higher* wages.<sup>28</sup> The motherhood wage penalty is smaller in occupations characterized by greater autonomy, fewer teamwork requirements, and less competitiveness — all characteristics more compatible with family and caregiving needs.<sup>29</sup> It appears, then, that with the exception of hours spent at work, mothers are not trading higher wages for more family-friendly work conditions.

**MOTHERS SPEND MORE TIME CARING FOR AND HELPING CHILDREN IN THE HOUSEHOLD THAN FATHERS.**



**1 in 3**



**women who work part-time voluntarily report doing so because of problems with child care or family or other personal reasons compared to 8% of men.**

**In households in which husbands work very long hours, wives — and especially mothers — are more likely to exit the labor market.<sup>27</sup>**

**This suggests that many mothers whose spouses are employed very long hours likely withdraw from the labor market because they take on more responsibilities at home. The same pattern, however, is not seen among husbands whose wives work long hours.**

**Compensation for working long hours (usually defined as 50 or more hours per week) has increased, leading to wage differentials between those who are able to put in these long hours and those who are not.**



**Work effort.** Because mothers spend more time and effort on child care and housework, they are assumed to spend less effort on paid work.<sup>30</sup> This presumption of lower productivity at work then leads to lower wages. In fact, mothers report similar levels of work effort as fathers and men and women without children, however, and mothers report greater job engagement and work intensity compared to fathers.<sup>31</sup>

**Job mobility.** Moving from one job to another is an important way that many workers increase their wages, especially in the early years of their careers. While more than a quarter of mothers who change employers following the birth of a child (27.3%) switch to jobs that provide lower pay, an even greater proportion (38%) who change employers following the birth of a child end up in jobs with higher pay.<sup>32</sup> Mothers with young children, however, are less likely than women without children to change jobs voluntarily.<sup>33</sup> If mothers experience a sort of 'job lock' in that they are less willing or able to change jobs, especially in their early careers, they may miss out on opportunities to increase their wages.<sup>34</sup>

## Entrepreneurship and motherhood

There are two important considerations to keep in mind when thinking about entrepreneurship and motherhood:

1. **Financial considerations, caregiving responsibilities, and time demands are intertwined. These factors shape the types of opportunities mothers have as entrepreneurs, their access to resources and networks, and their financial and growth outcomes.**
2. **The relationship between an individual as a *employee* and as an *entrepreneur* is fluid, as entrepreneurship is one of the many options that individuals may consider when thinking about how to engage in the economy alongside other aspects of their lives.**

Mothers who are entrepreneurs confront many of the same challenges that employed mothers face when it comes to combining caregiving and household responsibilities with paid work. In fact, self-employed women report spending more time, on average, on child care activities and less time in paid work compared not only self-employed men, but also to employed women and men. Self-employed women report an average of 14 hours per week of primary child care (meaning that child care is the main activity conducted during that time) compared to 11.9 hours among employed women. Differences in time spent on secondary child care (caring for a child while doing another primary activity) are even larger, with self-employed women spending about an hour more on secondary care per day (5.7 vs. 4.6 hours).<sup>36</sup>

### Bias in hiring and promotion

Mothers are often perceived as less competent and committed to the workplace, and this bias shows up in employers' decisions about hiring and promotions. Women job applicants without children were about twice as likely as equally qualified mothers to receive a callback from a potential employer. Evaluators who saw fictitious job applicant profiles that varied only by parental status rated mothers as less competent and committed to paid work, recommended them less often for hire and were less likely to promote or recommend them for management compared to women without children. **They also recommended starting salaries for mothers that were 7.4% less than those offered to women without children.** In stark contrast, fathers were seen as more committed to paid work and were offered higher starting salaries than men without children.<sup>35</sup>

**Mothers who are entrepreneurs confront many of the same challenges that employed mothers face when it comes to combining caregiving and household responsibilities with paid work.**



Children increase the likelihood that women will enter nonprofessional, nonmanagerial self-employment: each additional child increases women’s likelihood of self-employment in nonprofessional, nonmanagerial occupations by 10%, while they have no effect on the likelihood women will enter professional, managerial self-employment.<sup>37</sup> Notably, women entrepreneurs in professional occupations do not face a wage penalty for children. However, women entrepreneurs in nonprofessional occupations face a wage penalty of approximately 6% per child. This penalty means that if a woman starts with \$10,000 in earnings from self-employment in a nonprofessional occupation, her earnings will fall to \$9,400 after her first child and to \$8,836 after her second child. Much of this penalty is tied to the large share of nonprofessional women entrepreneurs who are child care providers, and the low wages associated with this work.<sup>38</sup>

**10%** Each additional child increases women’s likelihood of self-employment in nonprofessional, nonmanagerial occupations by 10%

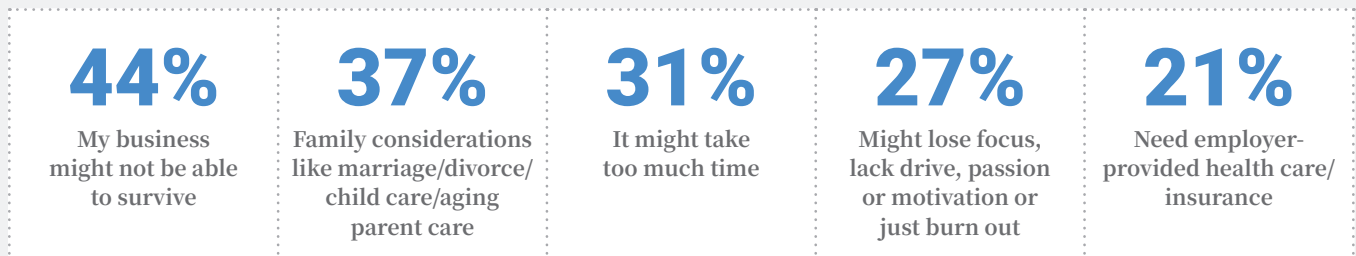
### Why do mothers become entrepreneurs?

Among mothers who have become entrepreneurs within the last five years, the top reasons for having started a business include:<sup>39</sup>



### What stops mothers who want to start a business from becoming entrepreneurs?

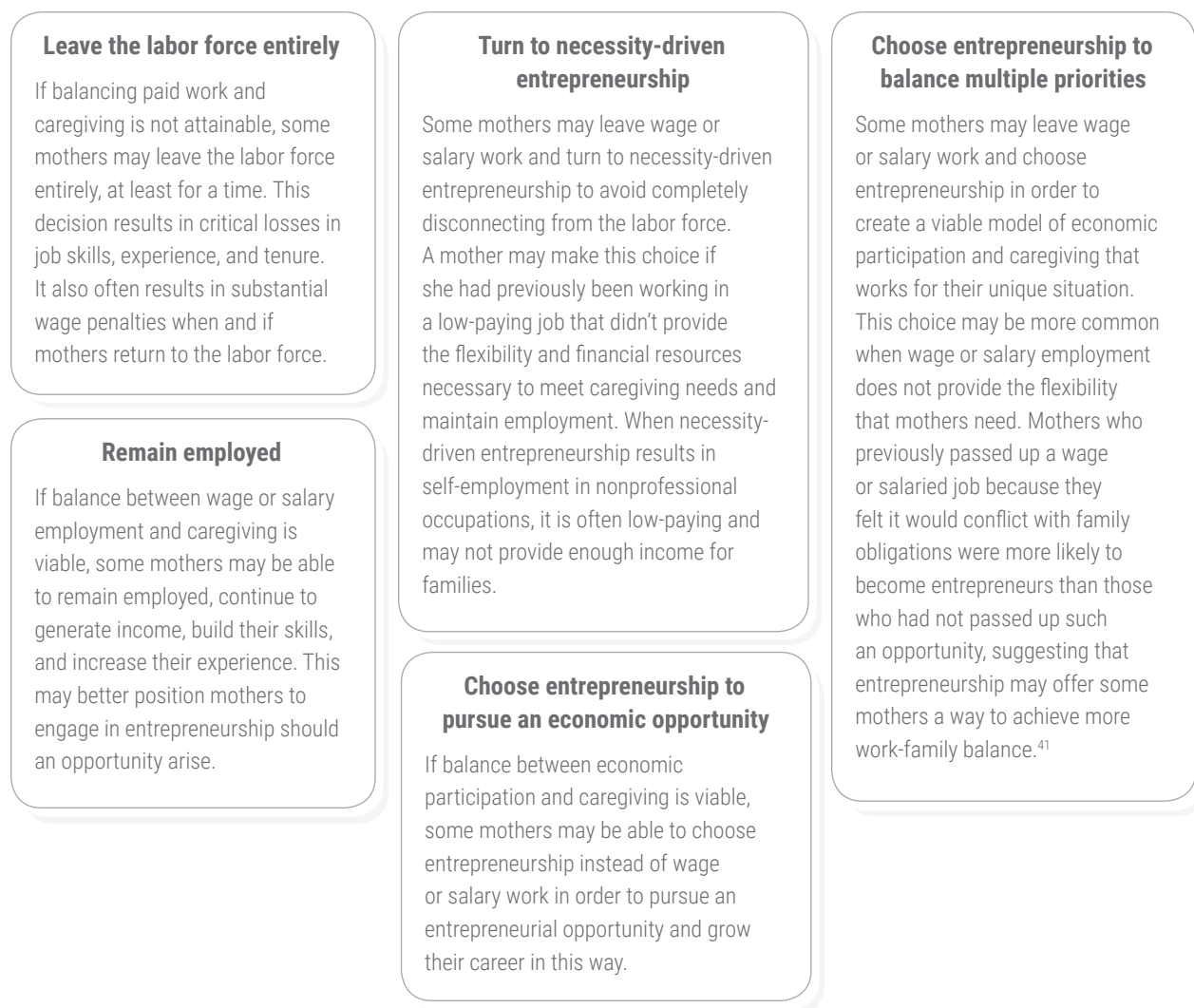
Nearly 2 in 5 mothers who are very interested in starting a business but ultimately do not report that family and caregiving responsibilities is a primary reason. Among these mothers (pre-entrepreneurship leavers),<sup>40</sup> the top reasons for not becoming entrepreneurs include:



## Career and caregiving pathways

The fluidity between wage and salary employment and entrepreneurship can be seen when we consider the options available to mothers. Entrepreneurship is one of the many options that individuals may consider when thinking about how to engage in paid work alongside other aspects of their lives. At least five pathways may emerge from career and caregiving considerations:

**Figure 1: Five career and caregiving pathways of mothers**



*Note: The five pathways represent typologies of activities, but they are not mutually exclusive and not exhaustive.*

**Mothers who previously passed up a wage or salaried job because they felt it would conflict with family obligations were more likely to become entrepreneurs than those who had not passed up such an opportunity, suggesting that entrepreneurship may offer some mothers a way to achieve more work-family balance.**

## Policy considerations

Supporting mothers as they move among economic activities throughout their lives is important to ensuring greater economic gains for women, for their families, and for the broader economy. Policies, therefore, should give motherhood the economic importance and support that it deserves.

### Work-family policies are not traditionally considered entrepreneurship policies but can have a significant impact on entrepreneurship.

Policies must address the challenges that families – and particularly mothers – face in attending to both paid work and caregiving responsibilities. The motherhood wage penalty and barriers to economic opportunities for women are problems facing the whole economy. Work-family policies such as paid leave, affordable and high-quality child care, and flexible schedules enable mothers to remain connected to the labor market – both as employees and as entrepreneurs. While not traditionally considered entrepreneurship policies, they play an important role in paving a road toward access to opportunity for entrepreneurship for those individuals who may want to pursue it.

**Supporting mothers as they move among economic activities throughout their lives is important to ensuring greater economic gains for women, for their family, and for the broader economy.**

### Supporting mothers is a vital part of the recovery from the COVID-19 recession

COVID-19 has left many families scrambling to care for and even educate their children as child care centers and in-person schools have closed. The bulk of these responsibilities have fallen to women.<sup>42</sup> Given the intensified demands around caregiving alongside a recession that has disproportionately affected the types of jobs that women – especially women of color – often hold, such as those in the service sector and retail, it's not surprising that women are exiting the labor market at an alarming rate.

Nearly four times as many women than men dropped out of the labor market in September 2020. While nearly 216,000 men left the labor market, roughly 865,000 women did the same.<sup>43</sup> Mothers have been hit particularly hard. By October 2020, mothers between the ages of 24 and 39 were nearly three times more likely than fathers in the same age range to report being unable to work during COVID-19 due to a school or child care closure.<sup>44</sup>

Even before COVID-19, parents faced a risk that they would not be able to send their child to care arrangements because of illness. COVID-19 has exacerbated this unpredictability, as parents now confront the possibility not only that their own child may get sick, but also that other children and staff members being sick could close the entire center or school for an extended period of time. This unpredictability makes it difficult for parents to count on care arrangements that make their employment possible. For parents who may rely on family support, such as grandparents, for child care, concerns about health and exposure can limit use of those options.

These women will face important choices during the recovery. Should they return to employment? Should they remain out of the labor market? Should they become entrepreneurs? If they become entrepreneurs, the challenges they face will shape the outcomes of their business activity. If they return to employment after taking time away, some will face wage penalties.

Recovery efforts from the COVID-19 recession need to address the continued inequities facing women in the economy, including the economic consequences of motherhood. A sustainable path forward for the entire economy requires equitable access and support for mothers to engage in wage and salary work and in entrepreneurship – and for equitable rewards to these activities.

## Paid family leave for all workers

The Family and Medical Leave Act (FMLA), passed in 1993, provides for twelve weeks of unpaid, job-protected leave for specified family and medical reasons, including the birth or adoption of a child. Many workers are not eligible for this leave, however, including self-employed workers and employees of small firms (fewer than 50 employees). In fact, less than 60% of all U.S. workers are eligible for the protections provided by FMLA.<sup>45</sup> These exclusions are especially important when thinking about the employees of entrepreneurs, as new businesses are typically small and so not required to offer job-protected leave to their employees.

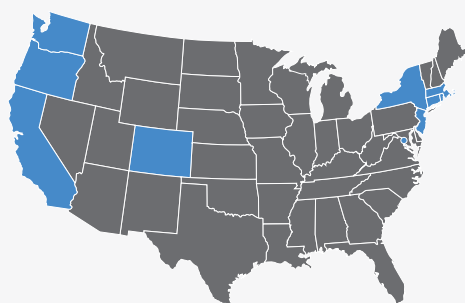
Even among workers who are eligible for this benefit, many cannot afford to take unpaid leave. And less than 1 in 5 civilian employees has access to *paid* family leave.<sup>46</sup> Nine states and Washington D.C. have enacted paid family and medical leave laws.<sup>47</sup> Private companies are increasingly providing paid family leave to employees, but these benefits are largely concentrated among high income workers, while low-wage and part-time workers are much less likely to have access to paid leave.<sup>48</sup>

Disparities in access to paid leave exacerbate inequalities among workers, as those who earn low wages are often in most need of this support but less likely to access to it. At the same time, it is more difficult for smaller firms to cover the costs of paid leave for their workers, compared to larger firms with the resources to be able to offer this benefit.

Paid family leave helps keep women connected to the labor market, which can lessen the motherhood wage penalty because women are not completely removed from paid work. The introduction of paid family leave in California and New Jersey was found to increase mothers' labor force attachment in the year of birth and up to five years afterward. For mothers with college degrees, the effects lasted closer to eight years.<sup>50</sup> Paid maternity leave is also associated with higher pay among mothers. Wages of mothers who were working prior to the birth of their first child and received pay during their maternity leave are 9% higher than those of other mothers.<sup>51</sup> Studies on other countries also support this conclusion, as there are lower motherhood wage penalties in countries with leaves of moderate lengths.<sup>52</sup>

### Paid leave for fathers can increase gender equity

Paid leave for fathers is important to the personal and economic well-being of families as it can increase gender equity at home and in the workplace. Paid paternity leave in Quebec increased the time mothers spent in paid work as well as the time fathers spent doing housework for years after the program. This suggests that providing fathers with paid time off to spend with their children when they are infants can influence how parents allocate time to child care, household work, and paid work years later.<sup>49</sup>



**Only nine states — California, Colorado, Connecticut, Massachusetts, New Jersey, New York, Oregon, Rhode Island, Washington — and Washington D.C. have enacted paid family and medical leave laws.**

**Less than 1 in 5 civilian employees has access to paid family leave.**

## Affordable, high-quality child care

Child care is expensive. In 40 states plus the District of Columbia, the cost of child care for two children exceeds mortgage costs among homeowners.<sup>53</sup> Given these high costs, it is not surprising that mothers are often faced with difficult choices about whether to engage in paid work or themselves provide care for their children.

Reduced out-of-pocket costs for public early care and education – as well as increased availability – can have positive impacts on mothers' labor force participation and work hours.<sup>54</sup> Furthermore, smaller motherhood wage penalties have been found in countries with more publicly funded child care.<sup>55</sup>

## Flexible schedules

The way that jobs are structured and rewarded perpetuates inequality in the labor market. Firms often have incentives to disproportionately reward workers who put in long hours and who work particular hours.<sup>56</sup>

It is telling that so many mothers cite independence, flexibility, and the need to balance work and family as reasons that they turned to entrepreneurship. It is also telling that so many mothers ultimately decided not to pursue a business idea because they were worried it might take too much time. Workplaces that do not account for the many demands on mothers' time stand to lose women whose skills and experience may be tremendous assets to their bottom lines. At the same time, perceptions around the demands of entrepreneurship, especially those regarding the time investment necessary, may keep some mothers from pursuing a business opportunity and becoming entrepreneurs.

For entrepreneurs and wage and salary employees, creating a culture and enacting policies that value both market work and individuals' lives more holistically can help alleviate the particular challenges mothers face, while also supporting the lives and livelihoods of all individuals. Policies must support flexible work practices and work to reduce expectations around hours devoted to paid work. It is not enough for workplaces to offer flexible or reduced work hours as accommodations for some workers, especially if they must be negotiated with current supervisors and are subject to change. Individuals who use these accommodations fear (and often face) a "flexibility stigma" if their work hours are seen as a deviation from workplace norms.<sup>57</sup>



### Public preschool program

Beginning in 2009, Washington, D.C. expanded their public preschool program – once available only to low-income families – to all families living in the District of Columbia, regardless of income level. The program offers two years of universal, full-day preschool across the city's public schools, public charters, and some private preschool programs. Since implementation of the program, the labor force participation rate among mothers in Washington D.C. has increased by around 12 percentage points, and 10 of these percentage points are attributed to the expansion of preschool.<sup>58</sup>

**For entrepreneurs and wage and salary employees, creating a culture and enacting policies that value both market work and individuals' lives more holistically can help alleviate the particular challenges mothers face, while also supporting the lives and livelihoods of all individuals.**

## What could these policies do for entrepreneurship?

- **Mothers may gain greater choice in how they engage in employment.** If mothers had access to well-paying jobs that provide the flexibility that caregiving requires, they could continue to develop their skills and gain experience in the labor market. Calculations made prior to the current recession estimate that if U.S. women between the ages of 25 and 54 participated in the labor force at the same rate as women in this age range in Canada and Germany – countries with paid leave and other family supportive policies – there would be more than five million more women in the U.S. labor force, resulting in more than \$500 billion of additional economic activity per year.<sup>59</sup>
- **Mothers who may have otherwise been pushed into necessity entrepreneurship – which often generates low income – may have more choices in how they engage economically, including to remain in paid employment.** In countries with generously subsidized child care, as well as those with higher rates of part-time employment among women, women are less likely to turn to entrepreneurship out of a need for a more desirable employment situation.<sup>60</sup> Supportive policies can expand the economic choices of mothers, so they can determine when, and how, it is best for them to engage in specific economic activities, including entrepreneurship. If child care costs are affordable to families and if women have flexibility to balance their personal and work lives, they may have more choices about economic participation to accommodate the demands of caregiving and paid work. Being able to continue to work in wage and salary jobs may give some mothers the opportunity to build their skills and consider their options so that they are positioned to engage in entrepreneurship later in their careers if such an opportunity arises.
- **Mothers who choose entrepreneurship as an attractive economic opportunity may be better able to start a business – and to grow it.** When mothers have attractive options in the labor market and the flexibility that allows them to care for their children while building their careers, entrepreneurship may pose yet another appealing option for utilizing their talents – enhancing the financial well-being of these mothers, their families, and the broader economy. Moderate lengths of paid leave and more generous child care provisions mean that women are more likely to be engaged in the types of growth-oriented entrepreneurship that create jobs and drive innovation. In countries that offer mothers a moderate amount of paid leave (between 20 and 30 weeks), women run larger businesses, aspire to greater business growth, and are more likely to introduce a new product or service. In countries with high levels of child care provision, women entrepreneurs are more likely to sell products or services that require the use of new technology.<sup>61</sup>

**Broader gains come from smoothing the path to economic participation for mothers, whether it is through wage or salary work or entrepreneurship. While the work-family policy changes described above are not traditionally considered entrepreneurship policies, they play an important role in opening access to entrepreneurship for individuals who want to pursue it. Supportive policies can enhance the development of the skills and experience needed for productive work and for growth-oriented entrepreneurship – immediately or in the future.**

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## Endnotes

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