



# On the front line

The global economic impact of Covid-19 on women



# An unprecedented crisis

**T**he world is currently facing its worst public health crisis for more than a hundred years. Covid-19 isn't just a health crisis, however. It's also an economic one. The last major economic crisis – in 2008 – affected women disproportionately more than men; this time, with Covid-19, the outcome could be even worse.

In July and August, AXA teamed up with research firm Ipsos to survey 8,000 women from different social backgrounds in eight countries – both mature and emerging: France, Germany, Italy, Mexico, Nigeria, Spain, Thailand and the UK<sup>1</sup>. We wanted to understand how this economic crisis was affecting women, not only their incomes, job security and prospects for employment, but also their “mental load” – the stress and fatigue related to organizing the home and caring for their families. We also wanted to know how women felt about the future – what risks they see, as countries emerge from the crisis, and how well protected they feel against these risks.

Results from our survey show that Covid-19 has left millions of women worse-off, with less financial security than before, more dependent on others, and struggling to combine work and home life. The risk now is that the pandemic will reverse years of progress with gender equality – if we don't act to provide new financial opportunities for women, and break down economic barriers.

## Key findings from our survey

- Economically, Covid-19 has hit women particularly hard. Nearly half - 47% - have had to dip into savings to make ends meet, or turn to friends and family for support.
- Women have spent more time caring for others - that has increased stress and left women less time for work and professional development.
- Among the hardest hit are younger women, those with children and those in developing countries with little or no access to benefits or financial support.
- Not surprisingly, women feel more vulnerable as a result of Covid-19; 50% say they feel more exposed to financial risk. Most women say they're not covered for basic risks, if faced with another crisis.
- Despite the setbacks, women are still largely optimistic. Most believe their prospects – and their family's prospects – will improve over the next six months, or at least not deteriorate further.
- Women increasingly want to take matters into their own hands - our survey shows that nearly one in five would consider creating their own business as a response to the pandemic.

# Background to the crisis

António Guterres, UN Secretary General

“The pandemic is exposing and exacerbating the considerable hurdles women face in achieving their rights and fulfilling their potential... Without a concerned response, we risk losing a generation or more of gains (in gender equality).”

It's clear that, coming into the Covid-19 crisis, women were more vulnerable economically than men. That's because of deep-rooted inequalities in work and income. Fewer women are in employment – worldwide, the percentage of working-age women in the workforce is less than 50%. Compare that with more than 76% for men<sup>2</sup>. Women earn less than men – for every US dollar a man makes, a woman takes home just 77 cents<sup>3</sup>. For women with children, the wage gap is considerably higher. And there are more women, proportionally, working in the informal sector, without access to benefits and other forms of social protection. That's particularly true in developing countries – in south Asia, for example, up to 95% of working women are employed in the informal sector. In 2014-2016, the Ebola outbreak in west Africa left millions of informal-sector workers without income or financial protection.

We've seen evidence of women's vulnerability from previous crises. Following the last financial crisis in 2008, women lost more jobs - in percentage terms - than men. In the four years after 2008, the unemployment gap between the sexes widened by 0.7% - worldwide, an estimated 13 million jobs for women were lost<sup>4</sup>. With Covid-19, the impact could be worse – and it could bring lasting damage to women's social and economic well-being. In the current crisis, women are

more vulnerable than men for two key reasons: first, women tend to work in sectors hard hit by the pandemic; second, lockdown measures have reduced access to the care services women rely on - as a result, women have often had to prioritize family care over work commitments.



# Survey findings



### Covid-19 has left millions of women worse-off

Our survey shows that, economically, women have been hard hit by Covid-19. Nearly half of those surveyed – 47% – admitted they had to dip into savings because of the crisis. One in five had to turn to their families for financial help. And 20% of women said they’d had to make sacrifices when buying food – that figure rises to an astonishing 55% for women with at least four children. Among the worst hit are self-employed women; in many cases, these women run small businesses closed down by the pandemic. Six in ten self-employed women had to draw on savings to cope during the crisis.

Covid-19 has also brought job losses. Thirteen percent of women surveyed said they’d lost their jobs because of the pandemic, either temporarily or permanently. That’s because – proportionally – more women work in sectors like accommodation and retail that have been among the worst affected by the crisis<sup>5</sup>. In the informal sector – where nearly two in three workers are women<sup>6</sup> – employees lack proper protection, and are often the first to be made redundant during a crisis. The job-loss figure rises to 21% for young women – those between 18 and 29 years of age; it’s also higher for women with children, and for those in developing economies.

In the jobs market, women suffer from ingrained inequalities that put them at a disadvantage. Internet use, for example, is 11% lower among women than it is among men<sup>7</sup> – that’s significant at a time when digital skills are at a premium as more businesses switch to online because of Covid-19.

### Covid-19 has reduced many women’s spending power



**47%** Of women have had to dip into savings

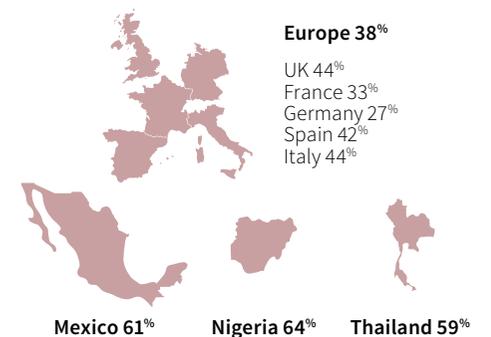
**55%**  
Of women between 18 and 29 years of age.

**59%**  
Of self-employed women

**52%**  
Of women with at least one child below 18 years of age

**53%**  
Of unemployed women looking for a job

**53%**  
Of women facing job insecurity



## Women’s mental load has increased – leaving less time for work and professional development

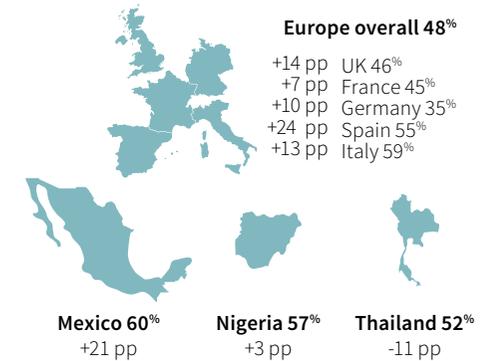
From our survey, it’s also clear that the pandemic has added to women’s mental load. Because of Covid-19, women are having to devote more time to housework, arranging childcare, or managing their families’ health and finances. Many of the care services and schools they relied on have been closed during the pandemic. The result has been increased stress and fatigue. Nearly half the women we surveyed had to go out to care for others during the crisis - or were isolated from vulnerable family members because of travel restrictions, which further added to stress.

Of the women surveyed, 51% rated their mental load as “high” - that’s up 10 points from before the pandemic. For women with children, the rate rose to 58%, up from 50%. For those without children, the increase was higher - from 35% to 46% - possibly due to financial stress or increased isolation because of lockdown restrictions. Up to 40% of women reported feeling “very isolated” and “helpless” during the pandemic - that figures rises to 57% for single mothers, who’ve had to bear the burden of increased childcare and housework alone.

Not surprisingly, women’s mental load increased most in those countries that have had the highest number of Covid-19 infections, particularly Mexico and Spain<sup>8</sup>. Where infections are low, so is the effect on women’s mental load. In Nigeria, we saw almost no increase at all; in Thailand, figures were actually lower than before the pandemic.

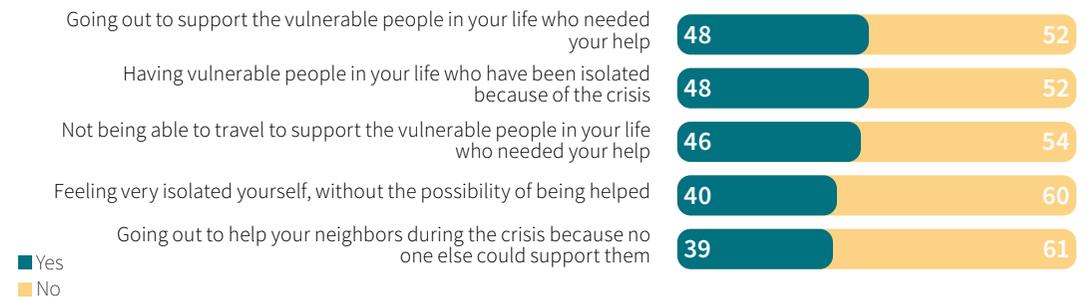
### Pandemic has increased women’s “mental load”

**51%** of women rated their mental load as “high”  
+10 points compared to before the crisis



pp = percentage points

### 48% of women acted as carers during the crisis



# “Whenever there’s a choice, it’s women who take on more responsibility for childcare and housework”

## **Burden of caring**

According to our survey, nearly half of women acted as carers for vulnerable family members during the crisis.

## **In your view, what makes Covid-19 different from previous crises?**

Women will be much harder hit this time. And that’s firstly because more women work in those sectors that have been most affected by the recent lockdowns. The second reason is related to the division of labor in households. Remember, in many countries, schools and childcare facilities were often closed during the pandemic.

## **Why should that affect women primarily?**

We’ve seen from research during the crisis that, whenever there was a choice, women were more often the ones who took on more responsibility for childcare and housework. In some cases, women will even reduce their working hours to do so. This is due partly to the wage gap – but we’re also seeing, to some extent, a return to more traditional gender roles.

## **Looking at the results of our survey, was there anything that surprised you?**

I was surprised by the sense of vulnerability among women. It’s understandable perhaps in emerging countries; there’s limited social welfare. But you see the same phenomenon in



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Women in Business Chair at Sciences Po  
(supported by the AXA Research Fund)  
and Assistant Professor of Economics at

some European countries, where there has been extensive economic and financial support during this crisis. The perception of risk among women in these countries is still high. There seems to be a disconnect between short-term economic support – and women’s own perception of future risk. This may be because they anticipate that the crisis will last.

## **Do you think this crisis will leave women more vulnerable economically?**

The longer the crisis lasts, the worse it may become – we may regress more into gender stereotypes, or see a return of old attitudes in terms of the role we believe women should play in society. In recent years, women have gradually reduced the time they spend on housework and childcare. With lockdown, it’s started to increase again; women are taking up more of the burden. It’s not the case everywhere – some men are taking on more, so we can’t be certain about the long-term effect. But the risk is that this becomes permanent. The professional gap between men and women could widen again. In this respect, the current trend towards more home-working is a double-edged sword – it allows greater flexibility but – if women stay at home more than men – it may make them less visible when it comes to career advancement or promotion.

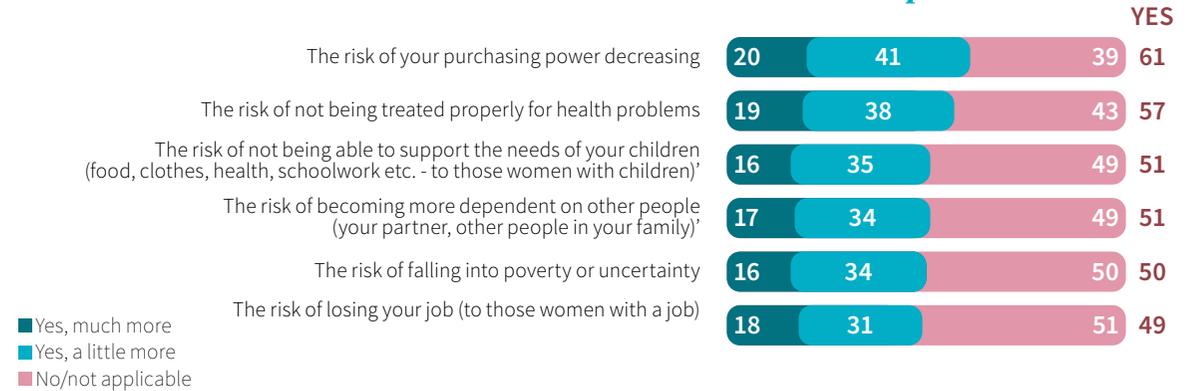
## Women are feeling more vulnerable than before the pandemic

With Covid-19, many women feel they have become more vulnerable. They worry about their finances, their healthcare, not being able to support their children, or becoming dependent on others – even falling into poverty. Fifty percent of women we surveyed feel more vulnerable to financial risk; 49% say they fear losing their jobs because of the pandemic.

Once again, figures are higher for women with children – 60% fear increased financial dependence, or not having enough money to support their children. Younger women also feel more vulnerable – a reflection perhaps of weaker job security or the difficulties many face in finding employment.

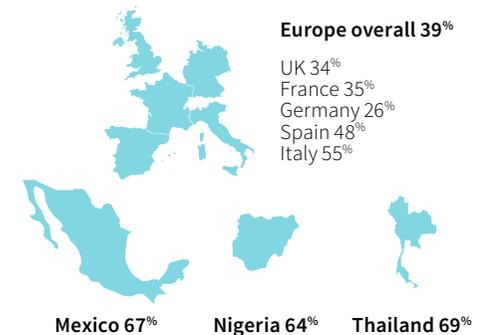
Over half the women we surveyed – 57% – feel they’re not adequately protected against life’s risks, like ill health or losing their jobs. That figure jumps to 80% in emerging economies – where there’s little or no welfare state and fewer people have insurance. Those in southern Europe – in Spain and Italy – are not far behind. Both countries were badly hit during the first wave of Covid-19 earlier this year; their economies have also struggled to recover from the 2008 financial crisis, particularly in terms of employment and public debt. In northern Europe, the figure is lower – even so, nearly two in five women in northern Europe feel they are not adequately protected.

## Economic risks for women have increased because of the pandemic



# 50%

of women feel more vulnerable to financial risks

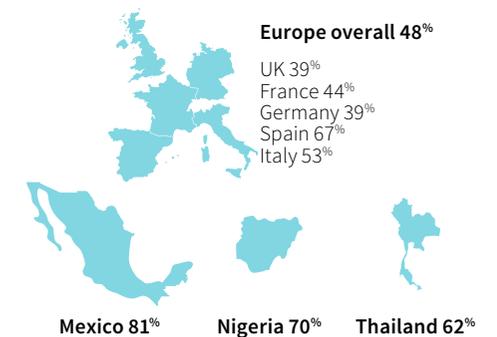


# 57%

of women say they're not adequately covered for increased risk



■ Yes, definitely  
■ Yes, somewhat  
■ No, not really  
■ No, not at all



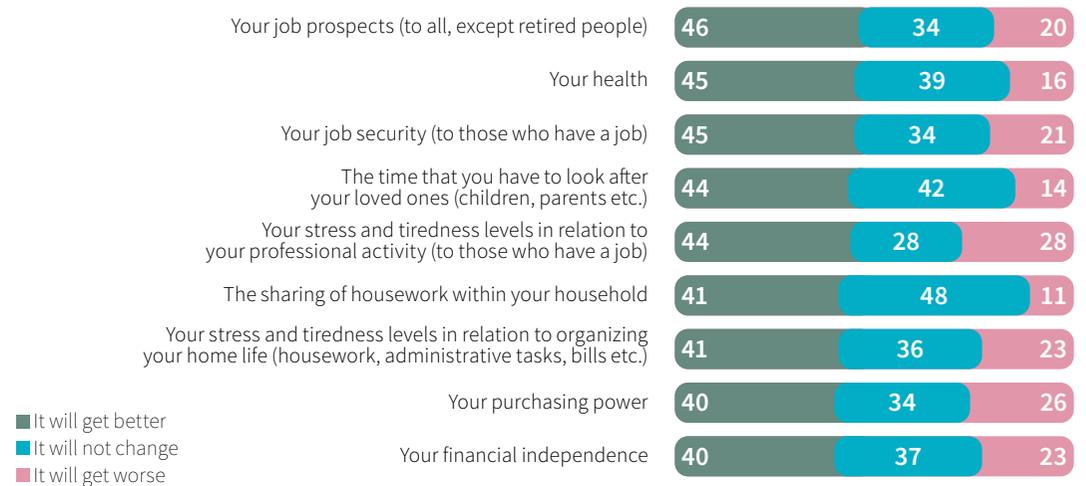
## Most women are “mildly” optimistic about the next six months

Despite the pandemic, women remain optimistic. Over the next six months, as economies reopen, most women expect their prospects either to improve – or, at worst, to remain the same. Forty-six percent, for example, see an improvement in their job prospects. It’s a similar figure for health, job security, and financial dependence. Forty-four percent believe their “stress and tiredness levels” will come down. However, nearly half of women don’t expect to see any change in how evenly housework is shared.

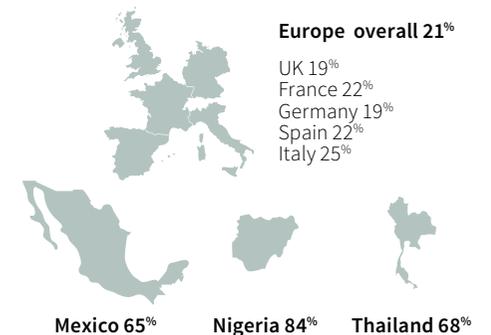
Delving into the figures, it’s women in emerging countries who feel the most positive. In these countries, there’s a culture of resilience – and a belief that there is still potential for significant growth and development. In Europe, women are less optimistic, particularly about future job security and purchasing power. Nonetheless, 21% of women surveyed in Europe believe their economic situation will improve over the next six months.

Increasingly, it seems, women want to take matters into their own hands. Our survey shows nearly one in five women would consider creating their own business as a response to the Covid-19 crisis. In part, this is borne out of necessity – particularly in countries, like Nigeria, where there are fewer job opportunities in the formal sector. But it’s also clear that a growing number of women want to carve out independent career paths. In Europe, results vary from just 6% in Germany to 16% in France.

### 46% of women see an improvement in their job prospects



**41%** of women see a better economic outlook in the next six months



# “It’s shocking to see the proportion of women now deeply worried about their finances because of the pandemic”



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**Inez Murray**

Chief Executive Officer,  
Financial Alliance for Women

## **What stands out for you in these survey results?**

What’s astonishing is how many women are moving into the “red zone” with regard to mental load – over 50% of those surveyed. Women tend to feel responsible for their children, for their elderly parents and their partners. So, during lockdown, they’ve spent more time caring for others. At the same time, there has been a huge increase in domestic violence, which is simply unacceptable. It’s also shocking to see the proportion of women now deeply worried about their finances and losing their jobs because of the pandemic.

## **What can be done to reduce financial vulnerability among women?**

There’s a need for better financial protection – many women simply didn’t have enough cash in reserve to ride out the pandemic. A lot of small businesses, for example, only had enough cash to survive the first month. Imagine you had a product that provided regular, monthly income to women who’d lost their jobs, for example, or had seen their businesses close – that would offer some peace of mind. So would a product that combined financial protection with education – ensuring that, despite a loss in income, women could still send their children school as before.

## **Can entrepreneurship help? Would it make women more resilient?**

In your survey, nearly one in five women said they’d consider creating their own business. Some women see that as an opportunity – i.e. “I have an idea for a business, and I’d like to pursue it”. Most, however, see it as a necessity – it’s the only option they have to make a living. So, we need to adapt the support we offer to individual circumstances. There are definite measures we can take. We can help more women move their businesses online, for example. We can provide training and mentoring, and help women break into new markets. The growth in digital has been very positive – we’ve found that a lot of women entrepreneurs have embraced the switch to digital technology.

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## **Dipping into savings**

Our survey shows 47% of women have had to draw on their savings during the crisis just to make ends meet.

# Four action points to improve women's financial security

Our survey shows that women – in both Europe and developing countries – have been badly affected by Covid-19. But it's also clear that women have incredible economic potential. Advancing equality for women – according to the McKinsey Global Institute – would add a staggering \$12 trillion to the global economy<sup>9</sup>. In other words – if women's conditions improve, everybody wins.

So, what can the financial services industry do to help women? Below, we've identified action points that will strengthen women's financial security, promote entrepreneurship, and alleviate the "caring burden" that holds so many women back professionally.

1. Increase women's financial security and independence by promoting financial education and helping more women build long-term savings of their own – so they're not dependent financially on other family members.
2. Offer targeted products – for example, savings products for younger women just entering the workforce (when they have more savings capacity), or for women with children to protect them against the risk of job loss or divorce.
3. Promote entrepreneurship among women through accelerated training in areas such as e-commerce, and provide financial and business protection for up-and-coming women entrepreneurs to improve their access to finance and help them expand into international markets.
4. Provide support services to reduce women's "mental load" and ease the burden of caring for children, or elderly and sick relatives, so that more women remain in the workforce and concentrate on career development.

## Women in Insurance

At AXA, we believe women are the key to progress; they're a vital force around the world for growth and development. Over the past few years, our dedicated Women in Insurance initiative has been working to ensure women have equal access to insurance for their health, wealth and businesses – and can begin at least to realize their economic potential:

- We've developed mentoring and accelerator programs to help women entrepreneurs overcome the barriers they face when launching a new business.
- We've dedicated more than EUR 1 million to research to improve women's access to healthcare – critical at a time of pandemic.
- We've developed specific products and services related to women's needs in areas like cancer care, pregnancy, care for the elderly and travel.

For more information about AXA, our products and services and our Women In Insurance initiative, please visit us at [www.axa.com](http://www.axa.com).



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### End notes

- 1 Interviews were conducted between late July and early August. All interviewees were aged 18 or older (with the exception of Thailand, where interviewees were aged between 18 and 55).
- 2 Source : UN Women (<https://interactive.unwomen.org/multimedia/infographic/changingworldofwork/en/index.html>)
- 3 Source : UN Women (<https://interactive.unwomen.org/multimedia/infographic/changingworldofwork/en/index.html>)
- 4 Source : International Labor Organization – ILO ([https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_195447.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_195447.pdf))
- 5 According to the ILO, nearly 510 million women worldwide (approximately 40% of all employed women) work in hard-hit sectors: ([https://www.ilo.org/wcmsp5/groups/public/@dgreports/dcomm/documents/briefingnote/wcms\\_749399.pdf](https://www.ilo.org/wcmsp5/groups/public/@dgreports/dcomm/documents/briefingnote/wcms_749399.pdf))
- 6 Source : UN Women (<https://interactive.unwomen.org/multimedia/infographic/changingworldofwork/en/index.html>)
- 7 Source : Organization for Economic Cooperation & Development – OECD (<http://www.oecd.org/internet/bridging-the-digital-gender-divide.pdf>)
- 8 As part of our survey, respondents were asked to rate their mental load on a scale of 0-10 (10 being the highest). Source for Covid-19 infection figures: Our World in Data (<https://ourworldindata.org/covid-cases>)
- 9 Source: McKinsey Global Institute (<https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>)

Note: all bar chart numbers represent percentages.

### Colophon

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