
THE PARENT POTENTIAL



Parental and
Family Leaves
in Canada's
Finance Industry

—
2021

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About WCM

Accelerating equity, diversity and inclusion in finance.

WCM is a national not-for-profit organization founded in 1995. We execute on our mission through:

**Building Equity
Literacy**

—

**Amplifying Diverse
Talent**

**Uniting the finance
industry**

—

**Maintaining organiza-
tional excellence**

Our partners include the major Canadian bank-owned dealers, independent and foreign dealers, asset managers, insurance firms, major pension plans, regulatory agencies, exchanges, and advisory firms. Our community of 3,500 professional and student members makes WCM the largest network of professionals in Canadian finance who have come together to vote for increased equity, diversity and inclusion.

Ways to support our mission towards equity and diversity:

- #1** Become a WCM member at wcm.ca/join
- #2** Support WCM research by completing future surveys and sharing with colleagues
- #3** Amplify and share WCM research and reports internally at your firm, in your network, and on social media.

Introduction

Gender inequalities in unpaid care work are one of the many contributing factors to gender inequality in the workplace. The unequal and gendered distribution of domestic and childcare work leads to many negative career implications for women, from bias, stigmatization and negative perceptions, to barriers to networking and career advancement opportunities. This often results in slower career progression, off-ramping, decreased earnings and mental/physical health challenges. It's time to evolve cultural norms around who is responsible for and capable of caregiving, and give all parents equal access to participating in this important societal activity.

Previous WCM research found a disheartening 82% of women and 90% of junior-mid level women reported believing that maternity leave will hurt their career, and more than half of women reported that their maternity leave actually did negatively impact their careers.* These negative perceptions of maternity leave and the lived negative experiences are creating unnecessary complications, frustrations and dissatisfaction among women.

Destigmatizing parental leaves and equalizing childcare responsibilities are necessary prerequisites for gender equality and equity in the workplace. **For women to participate equally at work, we need to make it possible for men to participate equally at home.** This means enacting the right corporate policies that give all parents—regardless of gender—the opportunity to participate equally in their children's care and to balance their professional and personal lives.

Strong parental policies paired with a supportive culture can go a long way in improving a company's retention, employee loyalty and achieving diversity goals. The benefits of these outcomes are far-reaching. While WCM acknowledges there is a cost associated with these policies, they are small compared to the cost of a leaky and homogenous talent pipeline. Ultimately, raising children is incredibly valuable work for our society and economy, and all working parents deserve to have the support they need to advance and succeed in their careers and in their parenting journey.

* WCM. The Equity Equation. 2020. https://wcm.ca/files/about/Equity_Equation_2020.pdf

About this study

The purpose of this study is to provide data and insights specific to Canada's finance industry to inform WCM's sponsor firms in evaluating or enhancing parental/family policies and the cultural and systemic infrastructure around these policies.

WCM collected:

- the parental/family leave policies of 23 of Canada's leading financial institutions
- the reported experiences of 183 finance professionals who have taken parental/family leaves within the last five years, including their experience preparing for, taking, and returning from parental leaves

From this data, *The Parent Potential* provides a snapshot of corporate parental policies in Canada's finance industry, as well as a pulse check on employee experiences and pain points as it relates to parental leave. It then offers targeted recommendations and interventions to firms, leaders and people managers, to enhance policies and ensure a positive parental leave experience for all parents.

The Parent Potential builds on WCM's established body of industry research offered to WCM sponsors to inform and drive equity, diversity and inclusion. Ultimately, this study aims to support WCM sponsor firms in:

- **attracting and retaining talent**
- **building gender equitable workplaces and achieving EDI goals**
- **breaking down the 'frozen middle', where women get stuck while juggling career and family life**

Sincerely,

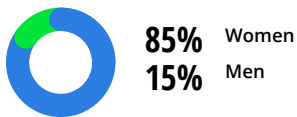
Lara Zink, President & CEO, WCM

Katie Squires-Thompson, Chief Strategy Officer, WCM

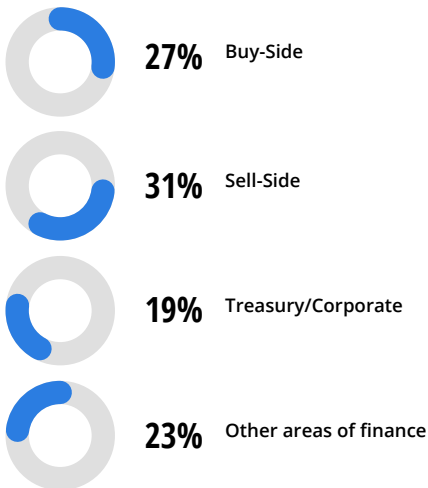
Respondent Demographic

Thank you to the 183 finance professionals who took parental leave in the last 5 years, and shared their experience with us via an anonymous survey.

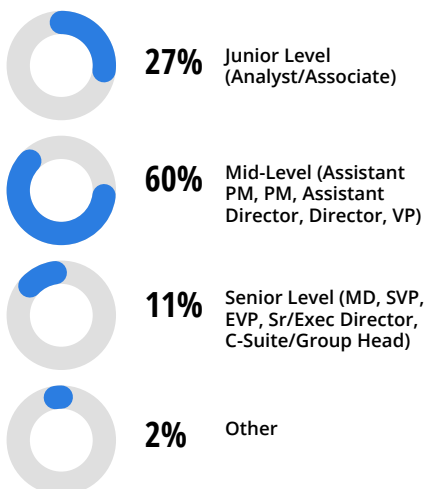
By Gender



By Area of Finance



By Seniority



NB. Values in Agree and Disagree charts don't always add up to 100% due to other response options provided.

Survey Design

Thank you to Alison Venditti of Moms at Work for her contributions to the survey design.

moms at work

Participating Firms

Thank you to the 23 firms who shared their Family Leave Policies with us for this study.



Key Findings

01

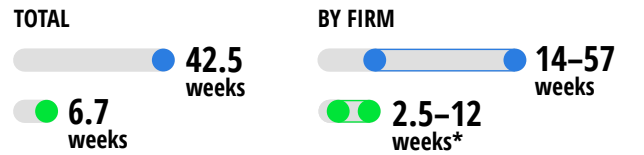
#1 Women are taking parental leaves more than twice as often as men.

Parental leaves taken in last 2 years*



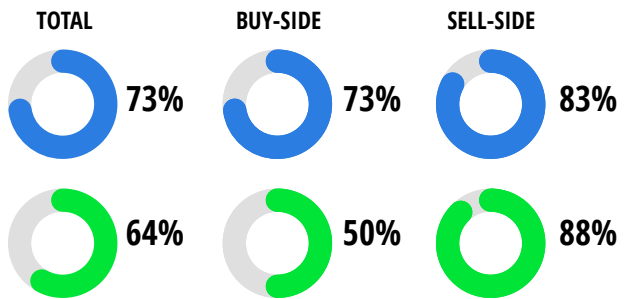
#2 Women's parental leaves are on average seven times longer than men's.

Average parental leave duration in the last 2 years



#3 Most respondents did not take the full duration of paid parental leave that their firm offers.

% of respondents who did not take the full amount of time available to them

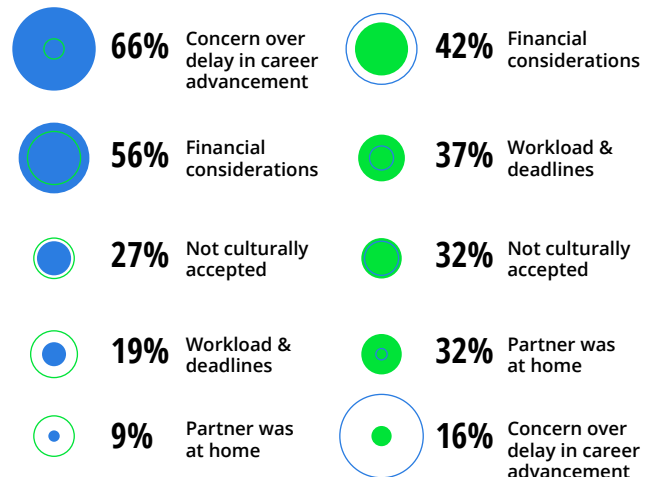


#4 Men and women report similar and different barriers to taking the full amount of parental leave.

Women were four times more likely than men to cite a concern that a longer parental leave would delay their career advancement.

Men were twice as likely than women to cite workload as a reason for taking a shorter leave.

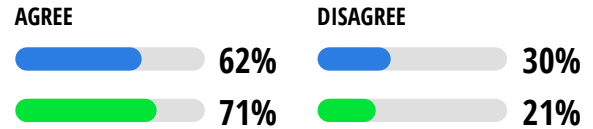
Top reasons for not taking the full duration of parental leave



#5 The majority of men and women are satisfied with their firm's parental leave policies. Even so, men are more likely to report satisfaction than women. Still, nearly one third of women are not satisfied.

I am satisfied with my firm's parental leave policies

● Women
● Men



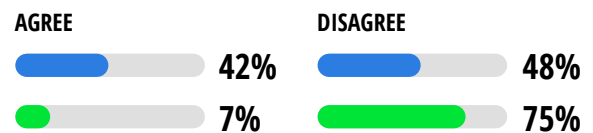
#6 When it comes to practices, procedures and culture that surrounds these policies, men and women have similar levels of satisfaction with the

process leading up to parental leave. Men and women begin reporting more disparate experiences during and returning from parental leave.

#7 The return to work process can be a particularly challenging period. Upon returning to work from parental leave, women are six times more likely than men to seriously consider quitting their jobs and twice as likely than men to experience decreased job satisfaction.

I seriously considered quitting in the 6 month period following my return to work

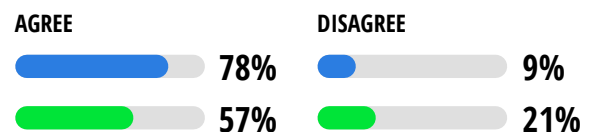
● Women
● Men



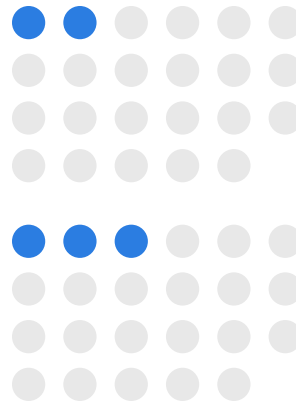
#8 While most women and men agreed parental leave policies would influence their decision when choosing between employers, this was more of a consideration for women.

The amount of time offered would influence my decision when choosing one employer over another

● Women
● Men



#9 Most firms don't have plans to improve their parental leave offerings within the next two years. Having longer policies is not necessarily an effective solution. Rather, firms should focus on dismantling the barriers that hold employees back from taking full advantage of parental leave offerings, and improve the supports and culture around the policies to ensure leaves are a positive experience for all parents.



9% of firms indicated a potential increase in maternity and parental leave policies.

13% of firms indicated a possible increase in adoptive leave policies.

See Recommendations on P. 26.

Overview of Corporate Parental Leave Policies in Canadian Finance

We reached out to 27 of our sponsor firms—financial institutions in Canada—to see what exactly they offer new parents, birth and adoptive. 23 firms provided their parental leave policies. There is significant variation.

02

Birth Mothers

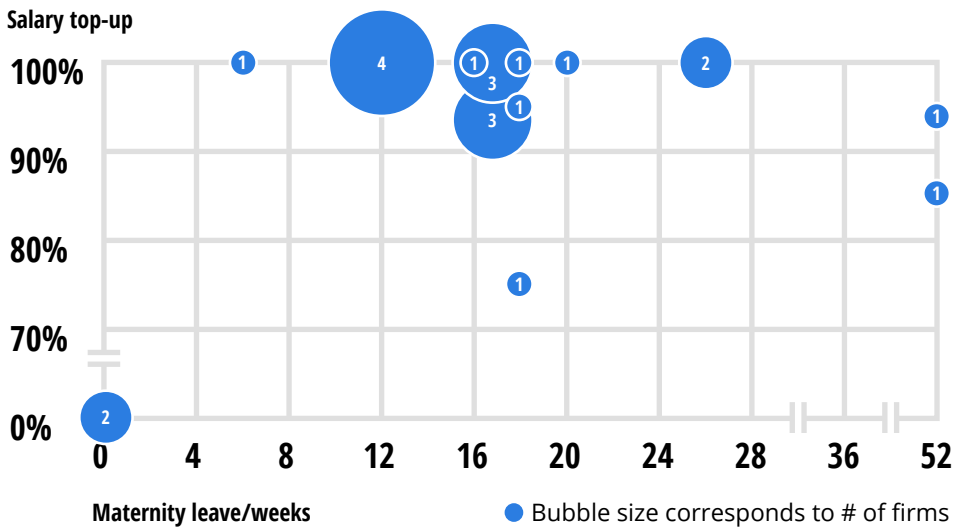
70% of the firms surveyed offer birth mothers 16 weeks or more (4+ months) of paid parental leave,* with salary top-ups between 85–100%.**

Salary Top-Ups: 79% of firms offer birth mothers a salary top-up of 93% or more, with 57% of firms offering salary top-ups of 100%.

—
Still, two firms do not have a paid maternity/parental leave policy for birth mothers.

* Inclusive of maternity leave.

** With the exception of one firm, which offers a 75% salary top-up.



Fathers & Non-Birthing Parents

40% of the firms surveyed offer fathers and non-birthing parents a minimum of 12 weeks of paid leave with salary top-ups between 85–100%.*

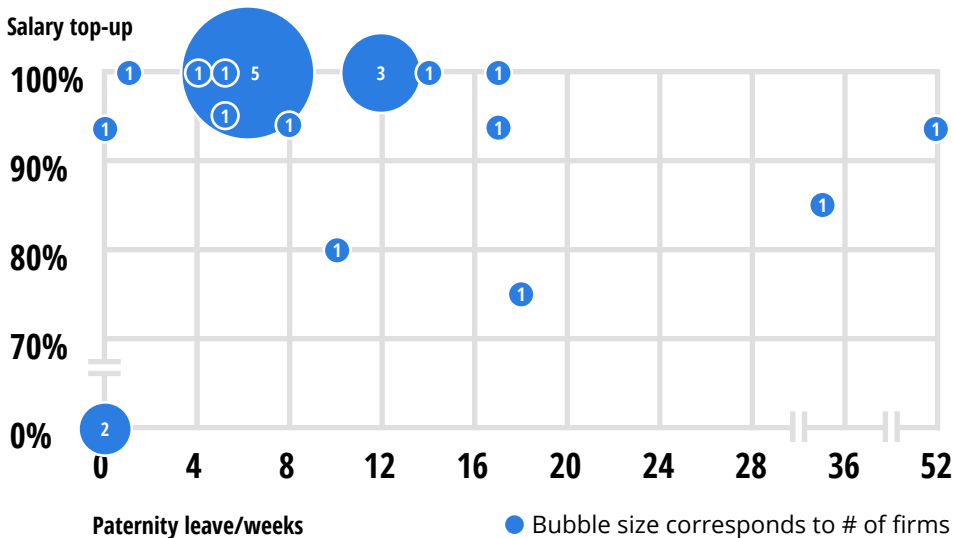
Of all parents, fathers are offered the least amount of paid parental leave.

—
52% of firms offer 6 weeks or less of paid leave to fathers and non-birthing parents. Two firms do not offer any paid leave.

Salary Top-Ups: nearly 80% of firms offer salary top ups of at least 93% or more, and 57% of firms offer salary top ups of 100%.

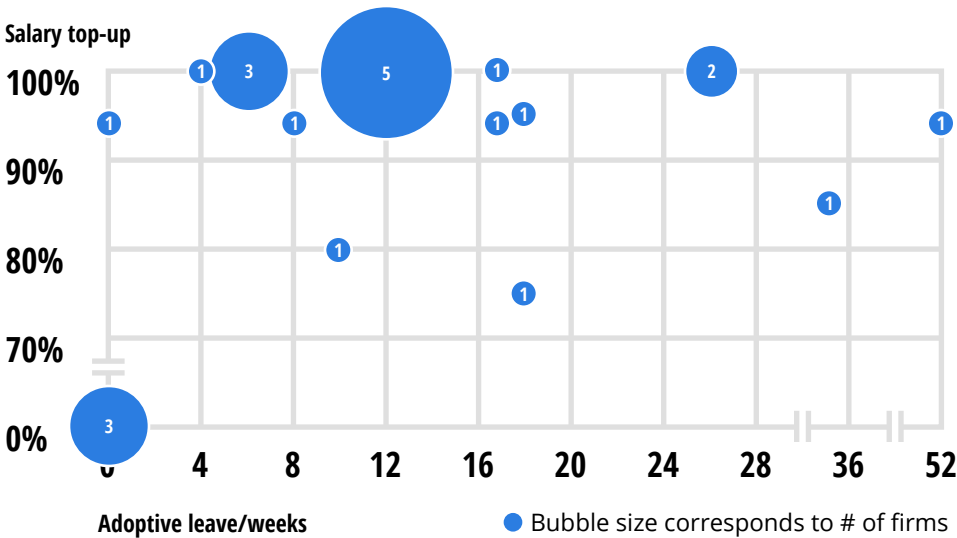
—
Of interest: 70% of firms require non-birth parents to be on EI in order to access the paid parental leave.

* With the exception of one firm, which offers a 75% salary top-up.



Adoptive Parents

57% of the firms surveyed offer adoptive parents a minimum of 12 weeks of paid leave with salary top-ups between 85–100%.*



Three firms do not offer any paid leave to adoptive parents.

Salary Top-Ups: nearly 75% of firms offer salary top ups of at least 93% or more, and 52% of firms offer salary top ups of 100%.

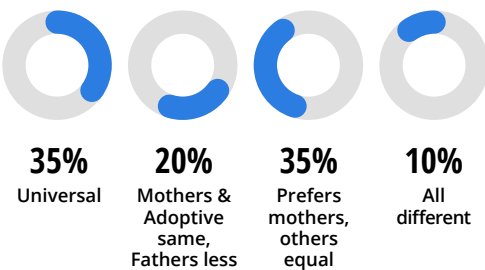
Adoption Subsidies: 3 firms offer subsidies to adoptive parents to assist with the financial cost of adoption. These subsidies range from \$20,000 - \$30,000 per child or per family.

* With the exception of one firm, which offers a 75% salary top-up.

Access to Policies

LEAVE POLICY BY PARENT TYPE

35% of firms offer all parents the same policy.

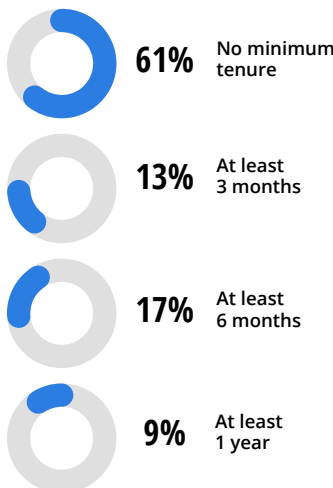


ELIGIBILITY

83% of firms extend their parental leave policy to part-time employees.

TENURE

The majority of firms (61%) do not have tenure requirements to access paid parental leave.



Of the firms that do have tenure requirements, the majority require between 3–6 months of tenure, and only two firms require a minimum of one year of service.

One firm offers a variable top-up model, where as the % of salary top-up and length increase with employee tenure.

Three firms (13%) have a claw-back policy attached to their parental leave policies.

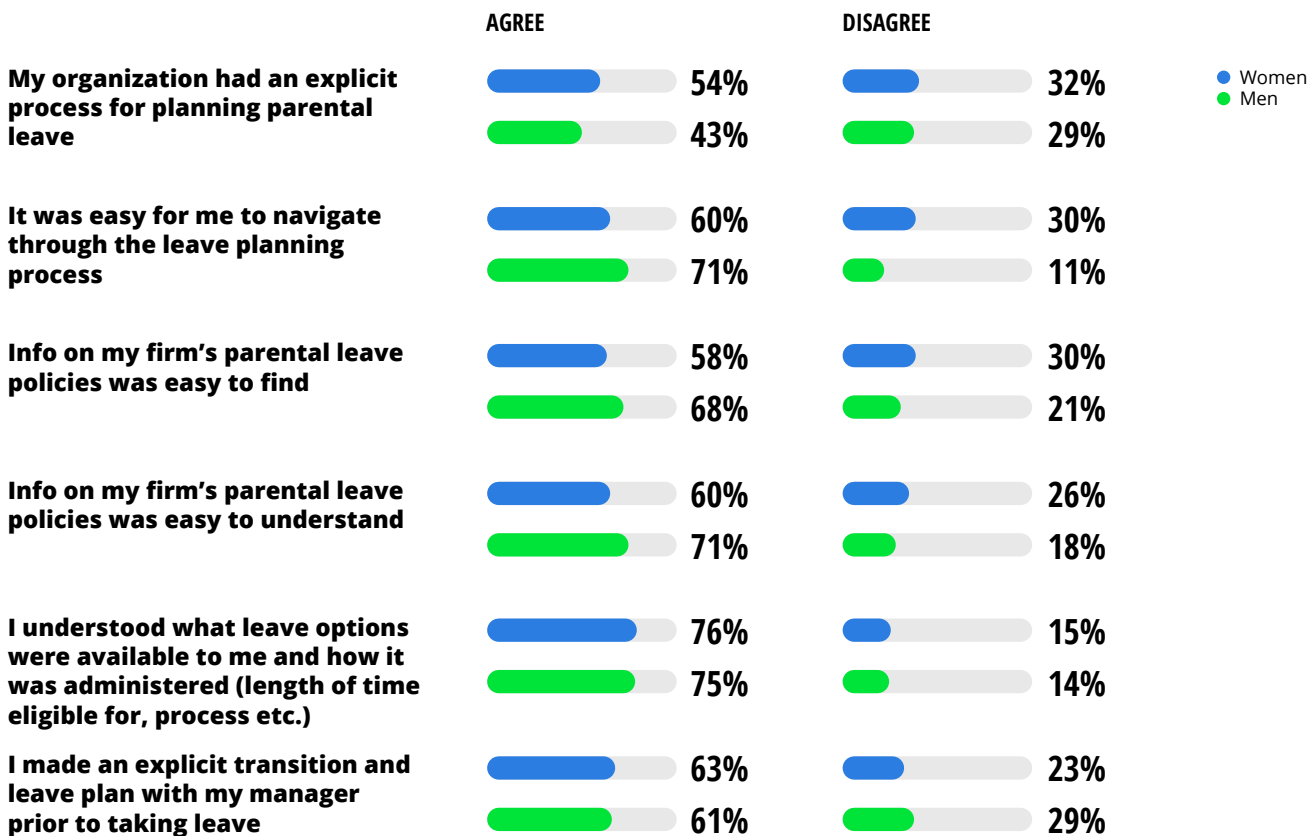
Employee Experiences of Parental Leaves

03

I. Preparing for and taking parental leave

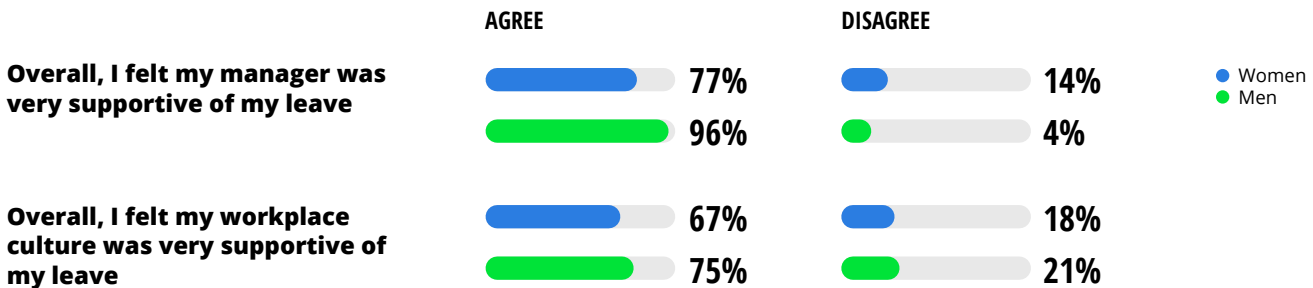
Administrative & Access

The majority of men and women felt their firm had an explicit process for parental leaves, believed information was easy to find and understand, and that overall, the process was easy to navigate. However, a significant group of women and men disagreed with these statements.



Cultural Support

Roughly three quarters of men and women felt their manager and workplace cultures were very supportive of their parental leaves. Manager support was more widely reported than workplace culture. Men were more likely than women to feel this support on both accounts.

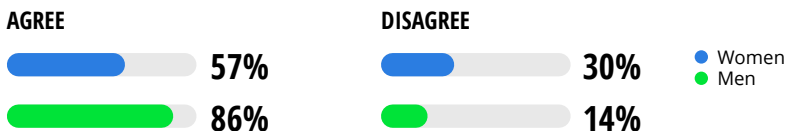


Communication and Opportunities

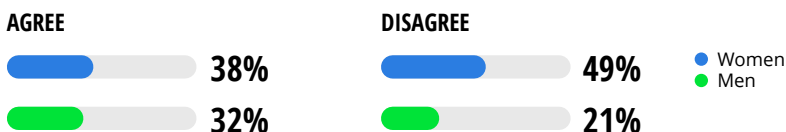
The majority of men and women felt their team maintained sufficient communication and connection during their leave. However, men were 30% more likely than women to feel this way.

Half of women report not being informed about promotion opportunities and company changes while on leave, compared to one fifth of men.

My team maintained adequate levels of communication and connection with me during my leave



I was informed about promotion opportunities and company changes during my leave



DISCRIMINATION

Women are more likely to face discrimination than men.

Half of women report not experiencing discrimination in the 6 months before/after their parental leave, or during their parental leave. However, still one quarter of women reported:

- Being denied opportunities to develop professionally
- Being denied promotion, new role, advancement of earnings
- Experiencing poor treatment or derogatory comments

93% of men reported a parental leave experience without any discrimination.

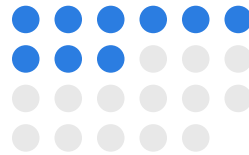
Firm Supports in Preparing for Parental Leave

#1

Structured touchpoints with HR

“Three facilitated, structured touchpoints with HR, the manager and employee, before, during and upon return from leave, to understand the employee’s individual needs and provide information on the programs and resources available to support them.”

35% of firms



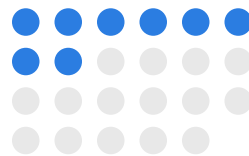
13%

firms report having support for managers on how to navigate the parental leave process

#2

Microsite/intranet portal with written resources/employee package

30% of firms



26%

of firms reported having **at least three** of the adjacent supports

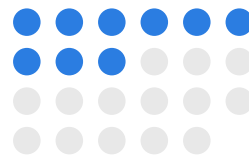
#3

Employee checklists with what to expect and do pre and during leave

“Dedicated intranet hub for family leaves that include policy, FAQs, process map, link to Employee Assistance Program, etc.—manager and employee checklists.”

“Pre leave package for employees (including child care resources, benefit forms, checklist for actions required by employee prior, during and post leave.”

35% of firms



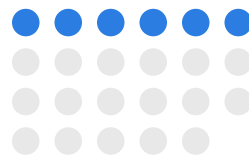
#4

Peer to peer employee support via a mentorship/buddy program, or Working Parent Group

“Employees are provided with the option of participating in a Keep In Touch program during their leave, where they have a ‘buddy’ who communicates with them on high-level work updates. Frequency and mode of communication are entirely up to the employee on leave.”

“A program pairing new parents with a CM mentor for peer to peer support and guidance.”

22% of firms



30%

of firms reported **no** structured or formal supports

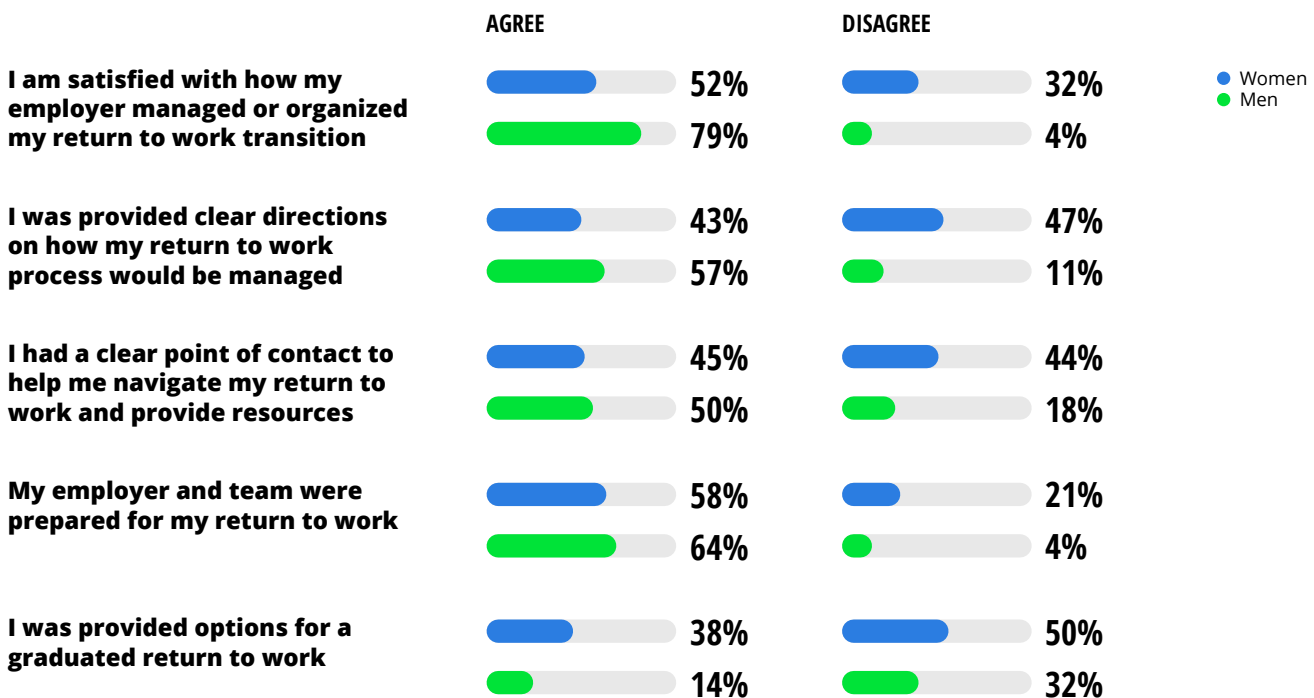
II. Returning to work after parental leave

Return to Work Process

Fewer than half of women and roughly half of men felt their return to work process was clear and had a clear point of contact to help them navigate their return to work.

Women were more likely than men to report being offered graduated return to work options. Yet, still 50% of women reported not having been offered options for a graduated return to work.

Overall, men report higher satisfaction with how their firm managed their return to work process. The return to work process is more of a pain point for women.



Upon returning to work

WORKLOADS AND EXPECTATIONS

Either remain the same or increase for both genders. Very few reported a decrease in these areas.

FLEXIBLE WORK OPPORTUNITIES

Either remain the same or increase for both genders. Roughly 40% of men and women report increased flexible work opportunities.

JOB SATISFACTION

Decreases for many women: Nearly half of women (42%) reported decreased job satisfaction, compared to 21% of men.

AMBITION & DRIVE

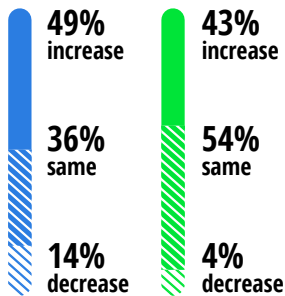
Remain the same or increase for both genders: half of women and one third of men reported their desire for career advancement

and their drive to take on more responsibilities increased following parental leave.

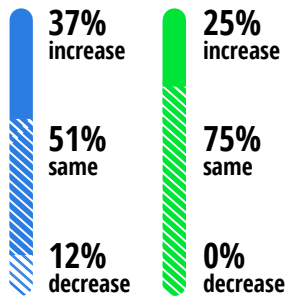
OPPORTUNITIES FOR ADVANCEMENT AND PROMOTION

Largely remain the same, with the exception of 38% of women reporting a decrease in these advancement opportunities.

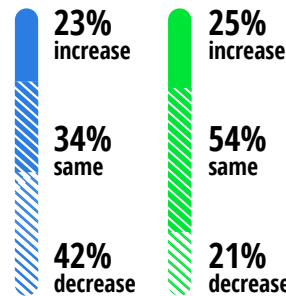
Job Responsibilities



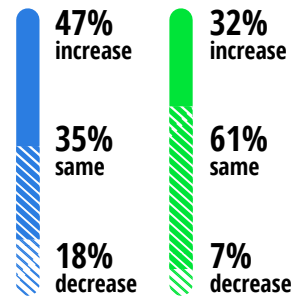
Managers' Expectations



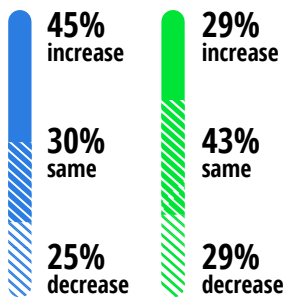
Job Satisfaction



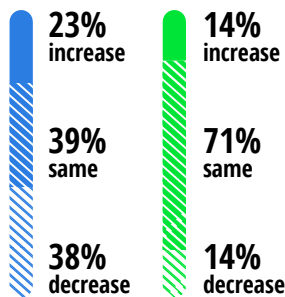
Desire for Career Advancement



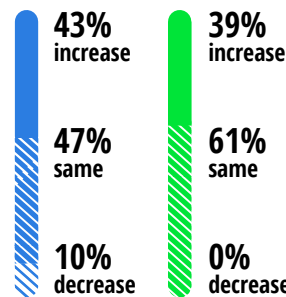
Drive to take on more responsibilities



Opportunities for advancement & promotion



Opportunities for flexible work

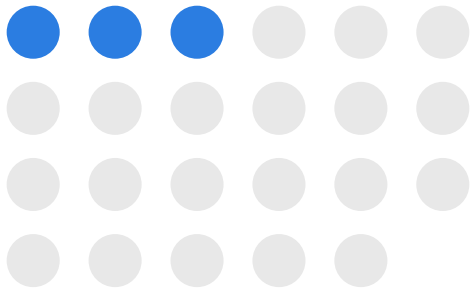


● Women
● Men

Graduated Return from Parental Leave

3

firms report offering structured, gradual return to work options



“For return to work, we have a policy that allows the person to have up to 8 weeks of additional flexibility to work reduced hours on a variable schedule, gradually increasing to the return to their regular full or part time hours. During this time, benefits are kept whole/unreduced and the time off is supported by additional resources. To be specific, an employee hired temporarily to replace the person on leave will be kept on longer if needed so that the returning person is not overwhelmed and has the flexibility to be on reduced hours. This ‘return to work’ policy is available to anyone on a return from any leave of absence.”

Spotlight on Dads

04

Benefits of fathers taking parental leave

Allowing and encouraging men to share similar levels of responsibility as women for child caregiving is a prerequisite for gender equity. The benefits of more men taking parental leave goes beyond gender equity, and are widely researched but not yet widely recognized. Research shows that men, women, children and companies all benefit from fathers taking parental leave, and has linked paternity leave with:

- + Higher quality father-child relationships**
and closeness, and increased parental satisfaction for fathers.¹
- + Higher likelihood of fathers' long-term involvement**
in parenting and of equitably sharing household responsibilities with their partners.²
- + Increased marital stability and satisfaction,**
and a reduced the risk of divorce.³ Men who took time off from work after the birth of their child were 25% less likely to see their relationship end in the next six years.
- + Increased partner's mental and physical health**
and mitigating postpartum depression.⁴ One study found that mothers whose partners were offered flexible paid leave in the year after a child's birth were less likely to need antibiotics and anti-anxiety medication.
- + Narrowing the gender wage gap**
and increasing women's workforce participation and career advancement.⁵

1 Petts, R.J., Knoester, C. & Waldfogel, J. Fathers' Paternity Leave-Taking and Children's Perceptions of Father-Child Relationships in the United States. *Sex Roles* 82, 173–188 (2020). <https://doi.org/10.1007/s11199-019-01050-y>

2 Tamm, M. Fathers' parental leave-taking, childcare involvement and mothers' labor market participation. (2018). https://www.diw.de/documents/publikationen/73/diw_01.c.611889.de/diw_sp1006.pdf

3 Carlson, D.L., Knoester, C., Petts, R.J. If I [Take] Leave, Will You Stay? Paternity Leave and Marital Stability. <http://paa2019.populationassociation.org/uploads/190145>

4 Miller, C. "weden Finds a Simple Way to Improve New Mothers' Health. It Involves Fathers." *New York Times* [New York], 4 June 2019. <https://www.nytimes.com/2019/06/04/upshot/sweden-finds-a-simple-way-to-improve-new-mothers-health-it-involves-fathers.html>

5 Ferrant, G., Pesando, L.M., and Nowacka, K. Unpaid Care Work: The missing link in the analysis of gender gaps in labour outcomes. 2014. https://www.oecd.org/dev/development-gender/Unpaid_care_work.pdf

So why don't more fathers take parental leave?

Access to adequate corporate policies and eliminating or reducing negative financial implications are important steps to increasing the likelihood of men taking parental leave. Yet, many other barriers persist which discourage uptake, even when adequate policies are available. These barriers range from restrictive and outdated gender roles (think: men as breadwinners, women as caregivers), a lack

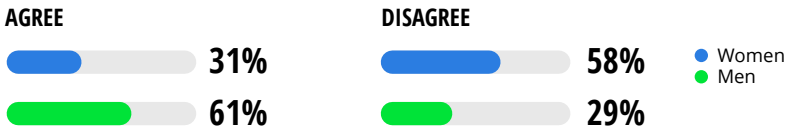
of role-models, lower confidence and/or perceived competence as a caregiver, and a fear of negative implications on career progression.

Many of these barriers hold true in Canadian finance. Our findings show that traditional restrictive gender roles that lead to stigmatization, an unsupportive work culture, and lack of adequate financial support are to blame for men not taking longer parental leaves.

WORKPLACE SUPPORT

The majority of men feel their workplace cultures support and encourage men in taking parental leave. Women are half as likely to agree with this statement. However, half of women and 39% of men don't believe there is adequate workplace support for fathers.

My organization fosters an environment in which men feel comfortable taking parental leave



Taking paternity leave is encouraged in my organization

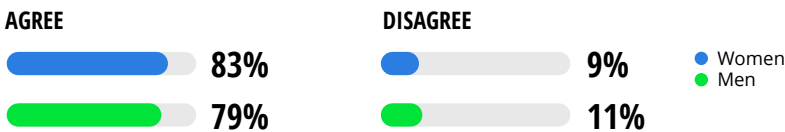


I believe there is adequate workplace support for fathers

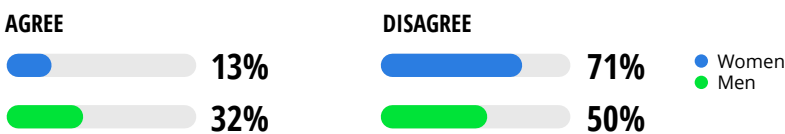


The vast majority of men and women agree that it is less socially accepted in their organizations for men to take the full amount of parental leave, and that men receive more judgement than a woman for taking the same amount of parental leave.

Colleagues would judge a man more than a woman for taking the same amount of parental leave



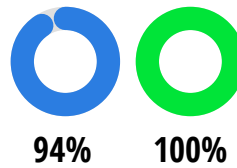
It is socially accepted in my organization that fathers take full amount of paternity leave



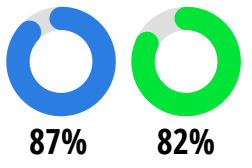
BARRIERS

When asked whether the following were barriers preventing men from taking more parental leave:

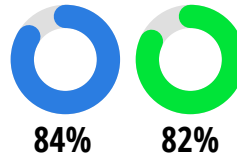
Traditional restrictive gender stereotypes



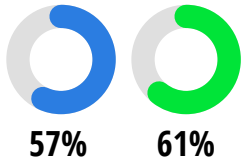
Unsupportive work culture



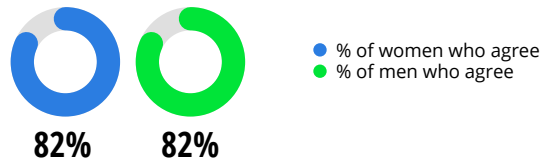
Supportive work culture but lack of incentives and encouragement



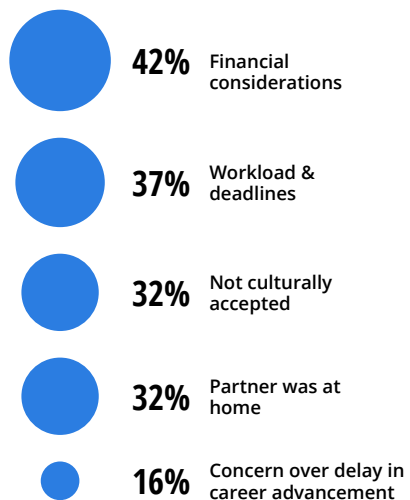
Not wanting to take away from mothers' leave by sharing leave



Financial reasons

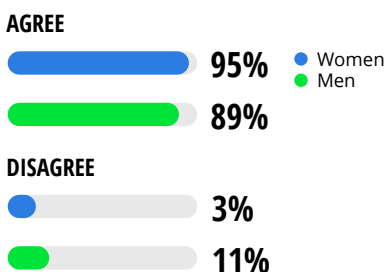


MEN RESPONDENTS' REASONS FOR NOT TAKING FULL AMOUNT OF PARENTAL LEAVE



UNGENDERED OPPORTUNITY

Nearly all women and men respondents agree that all genders should have access to equal parental leave opportunities.

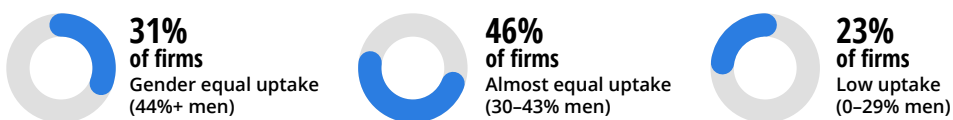


UPTAKE

Men’s uptake of parental leaves may increase with longer leave policies. The firms who achieved a close to equal gender uptake of parental leaves have:

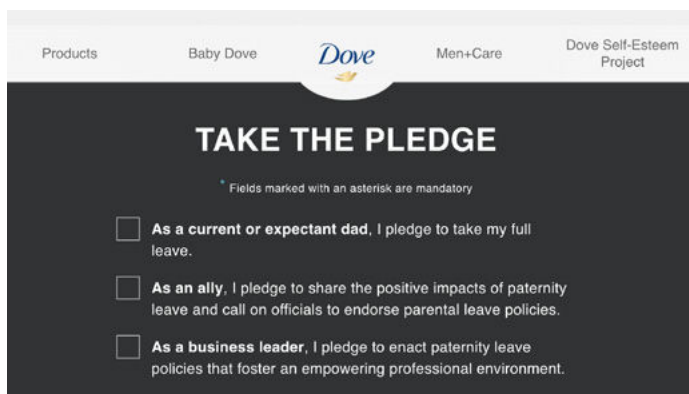
- Generous parental leave policies: six firms offered parental leave to fathers of 17 weeks or longer. All six firms reported that men accounted for 40% of parental leaves taken in the last two years.
- Gender neutral policies: 3 firms who had the highest male uptake offered the same amount of leave time to all employees.

Parental leave uptake by % of men

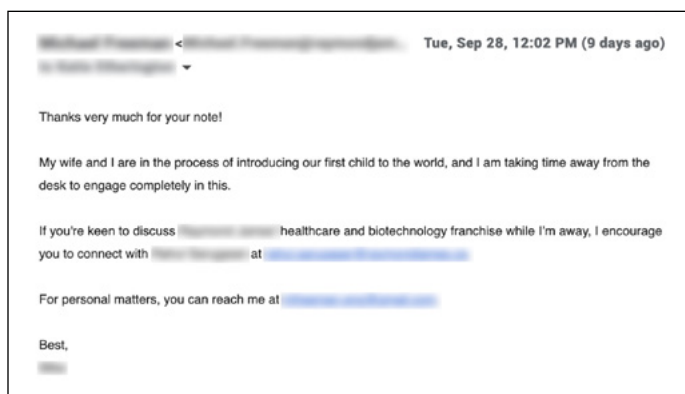


Shifting the culture

Companies can critically examine and improve their parental leave policies and work on shifting culture and coaching people managers to incentivize uptake and reduce barriers for men. See **Recommendations** on P. 26.



Dove Men + Care Pledge for Paternity Leave
www.dove.com/us/en/men-care/paternity-pledge.html



A recent out-of-office response from a new dad role-models to others and shows how culture is changing

A Roadmap to Improve the Parental Leave Experience

05

Many companies have strong parental leave policies in place. However, having the right policy isn't enough to ensure high uptake and positive experiences.

In addition to strong policies, firms must surround policies with supportive infrastructure to reduce/eliminate barriers and incentivize and encourage employees. As the direct link to employees, leaders and their people managers have an important responsibility to lead the way.

#1 Enact the right corporate parental leave policies

Design generous, gender-neutral parental leave policies that all parents can access.

Implement a flexible, gender-neutral parental leave policy that offers a generous and equal amount of paid time off for all parents. Incentivize employees by eliminating or reducing any negative financial implications of parental leave. Ideally, tenure requirements and clawbacks are avoided.

Best in class: 93% salary top-up | 12 months | Gender neutral

Don't require non-birthing parent to be on EI beyond 5 weeks.

Tying corporate policies to Canada's federal EI parental benefits program often disincentivizes the 'secondary caregiver' from taking more than 5 weeks leave as it eats into the birth-parent's benefits. The result: fathers take significantly shorter leaves than mothers, ultimately hurting both parents in different ways. Companies can work around this by offering paid leaves for the non-birthing parent beyond the 5 weeks of EI, without requiring the non-birthing parent to be on EI.

#2 Ensure parental leaves are a positive experience

Have formal, structured mechanisms in place and support the re-entry process.

Negative perceptions and experiences of parental leave are still widespread. Have systems in place to assure positive experiences and reduce risk of career stagnation, such as:

- formal transition plans pre and post leave
- transparency around career trajectory
- guarantee an unaffected promotion timeline
- offer a graduated return to work option, where employees can begin part-time and gradually return to full-time

Often, this means recognizing there is no "one-size-fits-all" solution and employers should work closely with each person to find an appropriate path forward.

Train people managers to support positive parental leave experiences.

Ensure leaders and people managers are informed and on board with parental leave and are taking it themselves.

- Develop a handbook for people managers as a guide. The guide should outline the organization's leave policies, expectations and rights, the role of the manager and the employee, best practices to guarantee a positive experience, etc.
- Approach leaves as opportunities. Rather than thinking about parental leaves as an inconvenience, reframe to consider how this can create opportunities for other employees to grow, stretch or step up. What employees can be given growth or stretch opportunities?
- Recognize that every parent wants a different level of engagement and connectivity while on leave. There is no "one-size-fits-all" solution. For example, some employees might appreciate regular touchpoint calls to stay updated on progress throughout the leave. Others may prefer to fully unplug from work.

#3 Foster a supportive work culture that normalizes and embraces parental leaves for all parents

Set a supportive tone.

- Profile and celebrate male role models.
- Incentivize male leaders to talk openly about their parental leave experiences, why it's important, and encourage employees to follow suit. Doing this will slowly overturn cultural norms about what is acceptable.
- Workplace-based campaigns, employee outreach programs and Employee Resource Groups can contribute to creating a workplace environment that fully supports the caregiving duties of all genders.

Build a family-friendly and flexible work culture.

Providing working parents with flexibility will allow them to continue to be active and engaged in their children's lives beyond their parental leave. Empowering employees to set and control their schedules as much as possible means employees are not forced to "opt out." From a business perspective, this will improve diversity, retention and engagement all around. *Disclaimer: if only women take advantage of these accommodations, it will reinforce cultural norms and perpetuate gender inequality.

E.g. arranging meetings around taking their children to school or providing time to attend doctor's appointments)

Educate staff on the numerous benefits of parental leave for all genders.

Educate all employees on the benefits, and teach people to stop seeing caregiving as a burden.

#4 Regularly collect and analyze parental leave data and experiences

Collect data to measure and manage.

- Collect data on who is taking parental leaves and for how long, and use the data to inform policies and supportive infrastructure and confirm your efforts are having the desired effect.
- Survey employees who have taken parental leave on their experience.
- Continue to update policies and processes as culture evolves, and as gender roles and expectations continue to change.

