A Novel Model to Identify Factors Associated with Mobility Apprehension

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Parental Leave: 
An Analysis of Job Protected, Paid Parental Leave in the United States

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Abstract – This article reviews the current literature on job protected, paid family leave policy in the United States. It examines the history of parental leave and the evolution of America’s social fabric by spanning the initial entrance of women into the workforce during WWII to the current prevalence of dual career families in America. The review reveals that family leave programs benefit the United States economy, employers and organizations, and mothers and their children. New York and California offer the most progressive family leave programs in the country and are used as a standard to explore the paid family leave policies that currently exist. The subsequent effect on the lives of citizens living in California after its family leave policy was introduced is used as a criterion to judge the economic prosperity and health of Californians in comparison to the residents of other states that do not offer family leave programs. This inquiry produced evidence suggesting that offering a federal job protected, paid family leave policy is an achievable endeavor which would greatly benefit the American people. However, there are significant hurdles which could prevent a federal plan from being accepted or successful such as lack of awareness and issues of mobilization. To this end, provisions that must be put in place for a future federal mandate to be effective are also discussed.

I. Introduction

This paper addresses the questions of why the United States needs paid parental leave, what exactly should be offered to employees, and how it works to benefit everyone involved. These questions will be answered by reviewing the history of parental leave in the United States, covering the main benefits of offering federally mandated paid parental leave, and outlining examples of how offering paid parental leave has been successful when introduced by various states. Section I introduces the paper and explains its motivation. Section II reviews the history of parental leave in the United States. Section III covers the benefits of offering paid parental leave. Section III is further divided into four subsections. Subsection A reviews the benefits for America’s general population. Subsection B reviews the benefits for employers offering leave. Subsection C covers the benefits for mothers. Subsection D reviews the benefits for children. Section IV details the most progressive parental leave policies offered in the United States. Section IV is further divided into Subsection A which reviews New York’s paid family leave policy and Subsection B which reviews California’s family leave policy. Section V explains the impacts of California’s paid leave policy. Section V is further divided into three subsections. Subsection A details the impacts of California’s paid leave policy on employers, Subsection B covers its impact on women’s labor force participation, and Subsection C reviews its impact on children and fathers. Section VI concludes with recommendations for the future.

Data from the Bureau of Labor Statistics shows that, in the United States, women’s wages are lower than men’s. This trend becomes more evident as women and men grow older. According to the Bureau of Labor Statistics 3rd Quarter 2018 data, the difference in wages between men and women in the 20-24 age range is 56 dollars. That number increases to 228 dollars for those between the ages of 35 to 44. For those who are 55 and over, the difference is 285 dollars. The effects of pregnancy and subsequent motherhood on women’s wages could be an explanation for the marked differences in the data (Figure 1). A review of literature on this topic would be the first step in determining the existence and cause of this discrimination between women and men. This paper examines the current status of family leave in America. The benefits of family leave for the family unit, organizations that employ mothers and fathers, and the United States economy are also examined. The status of family leave in two different states within the
United States are detailed to provide examples of existing coverage. The motivation for this paper was to review current literature and studies that provide comparison data on labor market outcomes for mothers who do and mothers who do not utilize paid parental leave. Women are subject to labor market discrimination because of their gender, and on average make less than their male counterparts (Figure 1). Employers who do not offer paid leave options for women who must miss work due to pregnancy and related complications put women at a further disadvantage.

The United States of America is the only developed nation without federally mandated paid parental leave (Sladek, 2017). The survey of 190 countries, conducted in 2010 in a study by Pressman, shows that only three countries failed to offer this kind of paid leave: The United States, Papua New Guinea, and Swaziland (Pressman, 2014). Other countries around the world, such as Finland, began introducing paid, job protected parental leave after World War II in the 1940’s and 1950’s (Clark, 2017). The United States did not introduce paid family leave programs during that period and still does not today (Figure 2).

Figure 1. Median usual weekly earnings of full-time wage and salary workers by age and sex, first quarter 2018.

Figure 2. Total weeks of paid leave available to mothers in OECD countries in 2018.
II. History of Parental Leave in the United States

The push for parental leave began in the 1970’s as large numbers of women began to enter the workforce full-time (Paquette, 2016). Although the issues began in the 70’s, it was not until the Family and Medical Leave Act of 1993 that any significant legislation was passed (Ingraham, 2018). The Family and Medical Leave Act, also known as the FMLA, requires firms who employ fifty or more people to allow employees twelve weeks of unpaid, job-protected leave. This leave is available for cases of birth, adoption, or sickness of a close family member. It excludes workers who have worked at a firm for less than one year and workers whose leave would cause substantial and grievous injury to the firm. This precludes 20% of new moms and as a result, only 0.7% of female workers between the ages of 16 and 44 can take advantage of the opportunity (Pressman, 2014). No federal mandates have been passed regarding parental leave for 25 years for the private sector. In 2015, President Barack Obama signed a presidential memorandum, requiring federal employees to have access to 6 weeks of paid sick leave to care for a new child or ill family members (Duncan, 2016).

The social and economic fabric of America has changed dramatically in the quarter of a century since the FMLA was introduced. Generation Y and Millennials now outnumber Baby Boomers in the workforce (Sladek, 2018). With this change in generations comes a shift in the prevalent family structure. According to the Population Reference Bureau:

In 2002, only 7 percent of all U.S. households consisted of married couples with children in which only the husband worked. Dual-income families with children made up more than two times as many households. Even families with two incomes and no children outnumbered the traditional family by almost two to one (Traditional, 2003).

This number has only grown since 2002. The shift in family structure affects these generations’ values and the criteria upon which they evaluate their employers. While older generations valued loyalty and a steady income, Millennials prefer flexibility, time off, autonomy, and greater involvement with their work (Sladek, 2017).

The number of mothers in the workforce has steadily increased since the 1940’s World War II era. In 1948, 17% of women with children under 18 years old were employed in the workforce. That number increased to 40% in the early 1970’s and reached 70% in the 1990’s (Pressman, 2014). As the number of mothers in the workforce has increased, the number of companies offering paid leave, especially for fathers, is quite low. Only one out of five companies offer paternity leave in the United States (Sladek, 2017). This number shows that most companies in America reinforce traditional gender roles and do not recognize the legitimacy of mothers who are the primary breadwinners of their families (Figure 3).

![Figure 3. Share of all mothers who are breadwinners or co-breadwinners, 1967 to 2015](image-url)

III. Benefits of Offering Paid Parental Leave

For America’s General Population

The benefits of paid parental leave do not only include those directly involved, but also the whole country. Paid parental leave is beneficial to the U.S. economy. Offering paid parental leave increases the likelihood of mothers returning to the workforce after the leave has been used. More women returning to the workforce means increased tax contributions from their income, which benefits the entirety of America. Women who are offered and use paid parental leave are also less reliant on public assistance, as they can care for the needs of their child while still returning to the workforce (“Expecting,” 2012).

For Employers Offering Leave

There are also benefits for organizations that support offering a paid parental leave policy for their employees. Companies do not have to necessarily support this leave financially, as funds can be raised through employee payroll taxes (Caldari, 2018). Companies have little to lose and much to gain. The unemployment rate is at the lowest it has been in
nearly fifty years. This means that companies must stay competitive in this evolving world in order to attract the greatest talent. One of the top employee-rated companies in the United States, Netflix, has recently expanded their paid leave offerings. Netflix is now offering one year of maternity leave to employees (Sladek, 2017). Successful companies that offer these benefits create a foundation of loyalty between themselves and their employees. Employees feel like their organization cares not only about their work life, but also their home life. Offering paid parental leave is an effective recruitment tool that also leads to reduced turnover and increased worker retention (“Expecting,” 2012). Offering paid parental leave also creates employees with higher levels of engagement who are more likely to return to the workforce after taking the leave (Sladek, 2017). Organizations that offer paid parental leave must also be supportive of it for their programs to be successful. As stated before, only 0.7% of female workers between the ages of 16 and 44 use the benefits offered to them by the FMLA (Pressman, 2014). There is also some evidence that finds that the FMLA’s unpaid parental leave has not increased the amount of time that parents take off from work around the birth of a child by a significant amount (Pressman, 2014). Although much of this is due to the exclusions from the FMLA, much of it is also due to the current corporate culture in America. If employers are offering paid parental leave but not seeing it utilized, a change in culture is required. Organizations should initiate a change of culture to create an environment in which people feel empowered and encouraged to make use of their benefits (Sladek, 2017). Paid parental leave policies are most effective and most beneficial when employees believe their employers are supportive of the policy (Allen, 2014) (Figure 4).

Figure 4. Percentage of Employers Offering Fully Paid Maternity Leave (Lewis, 2015)

For Mothers

Many benefits exist for mothers regarding paid parental leave. According to Steven Pressman and Robert H. Scott III, “Studies have consistently shown that women who return to work shortly after giving birth suffer from increased fatigue, depression, and anxiety (Pressman, 2014).” Offering paid parental leave helps mothers strike a healthy work/life balance (Nandi, 2018).

For Children

Whereas many studies in the past have focused on the benefits for mothers from paid parental leave, focus has shifted to the benefits for children. Scholarly literature recognizes three key areas in which children suffer from maternal employment during their first year: stress, behavioral problems, and health issues. Stress on the mother causes stress on the child. This greater stress leads to slower learning, a lack of fine motor skills, and the inability to focus in school. Behavior problems include the inability to connect with other children and make social bonds. Employment during the first year has also been linked to lower scores on the language and cognitive skill portions of standardized testing. Studies done on children in Austria have found that boys with highly educated mothers benefitted from increased paid parental leave on standardized testing done at age 15 (Danzer, 2013). Health issues stem from the lack of breastfeeding done when mothers work during the first year (Pressman, 2014). Researchers have discovered that mothers who utilize paid parental leave are more likely to breastfeed. They are also more likely to breastfeed for a longer period of time (Pressman, 2014). Amanda Cooklin, Heather Rowe, and Jane Fisher, of the Melbourne School of Population Health completed a study that found that:

Employment participation in the first ten months post-partum is associated with lower maternal separation anxiety and shorter breastfeeding duration. Paid parental leave has public health implications for mothers and infants. These include permitting sufficient time to protect sustained breastfeeding, and the development of optimal maternal infant attachment, reflected in confidence about separation from her infant (Cooklin, 2012).

Mothers who utilize family leave are more likely to take their children to regular checkups with their pediatrician and this increased time spent with
the baby also reduces infant mortality (“Expecting,” 2012). Offering paid parental leave also aids parents in choosing better childcare options. Mothers, or fathers, who are given an income stream during that time often use it towards childcare options for their child once they return to work. If there are no paid leave options available, the most cost-efficient childcare facility will often be chosen. Unfortunately, many cost-effective options are not safe, hygienic, or mentally stimulating for the child (“Expecting,” 2012).

Offering paid parental leave helps alleviate childhood poverty. The costs of clothing, food, shelter, education, and childcare for children have substantially increased through the years, without a minimum wage adjustment for inflation. Steven Pressman and Robert H. Scott III wrote about poverty rates for children in the United States saying that:

Since the 1970s, child poverty rates in the United States have consistently been much higher than rates for other age groups, as well as being much higher than child poverty rates in other developed countries. Poverty rates in this country are particularly high for families with very young children (newborn to two years old) (Pressman, 2014).

IV. Most Progressive State Policies

New York’s Paid Leave Policy

New York’s Paid Family Leave program began on January 1, 2018. This program offers paid, job protected leave for employees who work 20 or more hours a week for an organization for which they have worked at least 26 weeks before the first day of leave. Employees who work less than 20 hours a week are eligible for the benefit after 175 days worked for their organization. This leave can be taken to care for a family member with a serious health condition, to bond with a new child, or to address health issues for a family member who is active in the military. Those who take the leave are eligible to receive 50% of the state average weekly wage for 8 weeks. Employers must also maintain existing health benefits for their employee during this period. The leave amount is set to increase incrementally until it hits 12 weeks and 67% by the year 2021. The current average state weekly salary is $1,305.92, so employees would be eligible to receive around $652.96 during 2018. Most employers will require their employees to contribute the entire premium for the benefit, but employers have the option to fund it as well (Caldari, 2018).

California’s Paid Leave Policy

California has the most progressive parental leave program which includes many options for workers in need of parental leave. California’s State Disability Insurance program was passed on September 23, 2002 and went into effect on July 1, 2004. This law provides six weeks of paid family leave that can be used by either parent with wage replacement given at 55% of previous weekly earnings to a max of $987.00 a week. Organizations do not bear

![State Policies on Paid Family Leave, 2017](https://example.com/state_policies_pfl_2017.png)

**Figure 5.** State Policies on Paid Family Leave, 2017
the weight of this insurance, which instead is funded by employee payroll contributions. This employee payroll tax is at 1.2% (Pressman, 2014). California also expands upon the rights granted by the FMLA to include leave rights for those caring for the child of a domestic partner. Under California’s anti-discrimination law, pregnant women are allowed up to four months of job protected leave to tend to a pregnancy related health condition. Once the disability concludes, a woman is eligible to request up to 12 more weeks to spend time with her newborn baby under the California Family Rights Act. Up to half of all sick leave earned can be used to care for a sick child or family member, including a partner with a pregnancy related disability. Nursing mothers are also guaranteed a private place other than a toilet stall to express milk at work while their children are still infants (“Expecting,” 2012).

V. Effects of California’s Paid Family Leave Policy

On Employers

Many skeptics doubted the ability of California’s parental leave program to make a positive, successful impact on the people of California. Employers worried that increasing the amount of leave for employees would greatly affect the organizations’ finances. A survey of companies in California done after California introduced their paid parental leave program, showed that paid parental leave positively affected most organizations. 89% of companies reported that this paid leave had a positive or no effect on employee productivity, 91% for profitability, 96% for turnover, and 99% for employee morale. Offering paid parental leave reduced employee turnover and associated costs (Pressman, 2014).

On Women’s Labor Force Participation

After California’s paid family leave program was introduced, the number of mothers who utilized maternity leave doubled. Specifically, the number of mothers from disadvantaged groups increased. The average length of time taken increased from three to six weeks (Rossin-Slater, 2012). Young women’s labor force participation also increased as a result of California’s Paid Family Leave (Das, 2015). After returning from leave, the weekly hours worked by mothers with children from up to three years old increased as well. These weekly hours worked increased by a rate of 10-17%, and wage incomes rose by a similar amount (Rossin-Slater, 2012). In a study completed by Tanya S. Byker included in the American Economic Review, found that:

The bump in labor force participation around birth due to the new California and New Jersey laws implies that brief labor-market separations are being replaced with time spent on job protected leave and less time spent searching for new employment after a birth (Byker, 2016).

Worker mobility and hiring also increased for young women after the introduction of the CPFL (Curtis, 2016). Studies done following birth trends around the time the program was introduced found that women shifted their conception plans to be eligible for the new benefit. Most of these effects were seen in young women, Hispanic women, and unmarried women (Lichtman-Sadot, 2016).

On Children and Fathers

Women were not the only ones positively affected by California’s new program. After the introduction of the paid parental leave program in California, there was also a decrease in children’s health issues which included hearing-related problems, obesity, and ADHD for those children whose parents utilized the leave (Lichtman-Sadot, 2016). The program increased joint leave taking by 28% and father only leave taking by 50%. Studies completed after the program’s introduction found that fathers are more likely to take leave during their baby’s first year when paid parental leave is available to them (Bartel, 2015).

VI. Steps for the Future and Conclusion

When creating and rolling out a federal plan for the United States, the government must be mindful of the hurdles that exist. Some perceive paid parental leave as a form of welfare for middle class households. It is essential that this perception be reversed and that leaders show support for the policy for it to be effective (Kalb, 2018). Activities that drive awareness should be implemented and printed materials that detail available benefits should be made available in all major languages to ensure success (Barrett-Falconer, 2017). Oftentimes, advantaged women reap the most benefits of paid parental leave (Hamratty, 2009). Much of this is due to lack of awareness for low economic groups or exclusions put in place that preclude some workers. Although it may be difficult and time consuming to craft a federal plan and issues with mobilization might arise, the benefits far outweigh the consequences (Gardinier, 2008). William Adema, Chris Clarke, and Valerie Frey sum
it up best in their paper “Paid parental leave and other supports for parents with young children: The United States in international comparison”:

Paid parental leave and subsidized child care help to get and keep more women in the workforce, contribute to economic growth, offer cognitive and health benefits to children, and give parents options in defining their preferred work life strategy (Adema, 2016).

This paper began with posing the questions of why the United States needs paid parental leave, what exactly should be offered to employees, and how it works to benefit everyone involved. The paper answered these questions by showing how the United States must offer paid parental leave to stay competitive with the offerings of other nations. Offering paid parental leave has economic benefits that provide for the entire country, health benefits for children, economic and career benefits for women, and recruiting benefits for employers. The paper also details California’s and New York’s family leave plans which can be used as successful examples if the federal government begins to craft a federal plan.
References


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