

PAID PARENTAL LEAVE IN THE UNITED STATES:  
A CRITICAL LITERATURE REVIEW

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*For my children, Nico and Thea,  
in hopes that you will acquire the balance you desire in life.*

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The average family no longer consists of a breadwinning father and caregiving mother. It is common for both parents to be working outside of the home and sharing caregiving responsibilities. Many families depend upon two incomes to sustain their household. Work-family policies do not mirror the needs of today's average family. Enacting a policy that would pay new parents to take parental leave would be a major step forward in remedying this problem. Implemented nationally, this could stimulate society through positive effects on family life, employment practices, and public interests.

The family unit is impacted the most by the lack of paid leave. Wage replacement would allow parents more time with their children and increase financial stability. Longer leaves are associated with increased parent-child bonding, particularly among fathers. Children, whose parents who take longer leave are more likely to receive improved medical attention, recovery from illness quicker, and benefit from a lengthier breastfeeding period. Parental health benefits are also linked to the availability of longer leave.

A paid leave policy would positively affect the labor market. Evidence shows leave contributes to higher retention rates and lower-turnover rates among employees. Paid leave is connected to higher workplace productivity and increased appeal of the workforce, especially among women.

The availability of paid parental leave has a number of implications on societal interests. Studies show lower-income workers, who would benefit most, are least likely to receive family-work benefits. Employed mothers have less access to paid leave than employed fathers do. This incentivizes women to stay home and forces fathers to return to work early. It is also suggested a paid leave policy would alleviate costs currently associated with public assistance and health care.

Understanding how paid parental leave would affect families, the workforce, and the public interest in the United States should aid in moving the conversation towards constructing a suitable national paid parental leave policy.

Peter Seybold, Ph.D., Committee Chair

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## INTRODUCTION

Over the last few decades the typical dynamic of families in the United States has shifted from the single income household, consisting of a breadwinning father and a caregiving mother, to a dual-income household where the breadwinning and caregiving responsibilities rest on the shoulders of both parents. More mothers are working outside of the home, more fathers are taking on principal caregiving responsibilities, and it is more common for families to depend upon two incomes to maintain a comfortable standard of living. These developments to work and family arrangements call for long overdue improvements to work-family policies. A national paid parental leave policy, similar to those currently operating in most developed nations, would promote a stronger, more constructive work-family balance in our society.

In order for the United States to move forward with enacting such a policy, public awareness of society's need for national paid parental leave will need to be raised. It will be important to emphasize the greater social impact. This can be accomplished by highlighting the influences these policies would have on families, employment, and areas of social and public interests. Not only would this policy benefit our society in a number of direct ways, but its enactment could be a catalyst for promoting additional work-family benefits.

By critically evaluating existing literature on the subject, this paper intends to aid in raising the awareness required to rally citizens behind support for paid parental leave. Most of the material reviewed describes advantages and practicability of providing working parents with a decent wage during time taken away from employment to care for their newborn (or newly adopted) child. Since there is no precedent for a national level policy in the United States, a considerable amount of the literature approaches the issue



as an abstract concept, leaving plenty of room for further research. That being said, several sources evaluate the few state-level policies currently in place in the U.S. as well as the national level policies observed in other countries. The objective to reviewing relevant and scholarly literature that addresses the pros, cons, and applications of paid parental leave is to create the most complete representation of how this policy might operate inside of our nation's complex social structure.

This review serves the purpose of establishing the range of ways paid parental leave is thought to stimulate society. The major focus areas emphasize the impact on family life, employment practices, and public interests. Assembling and analyzing the literature generates a view of the big picture, providing insight into how the individual components of society affected relate to one another on this issue. This comprehensive assessment also serves the purpose of exposing gaps in the literature and highlighting significant questions to be answered by future research. This paper's primary objective is to expose the complexity of the paid parental leave issue. Optimistically, meeting this objective will raise public awareness and bolster discussion on the topic of enacting a universal paid parental leave policy in the United States.

The subsequent body of this thesis will include a contextual background information, an explanation of methods and procedures involved in literature collection, the primary literature review of carefully selected sources, and a proposal of possible paid parental leave policy prescriptions. The background section will be a brief history of work-family policy development, an introduction to the country's current state and national parental leave policies, and a brief comparison of paid leave policies here in the United States to the policies implemented in other developed nations. The primary focus

of the literature review concentrates on the direct and indirect influence paid parental leave has on families, businesses, and public interest concerns. Following the literature review is a proposal, assembled from the selected literature, of possible policy prescriptions. The conclusion exposes gaps in the information presently available and recommends areas for future research.

### **Methods and Procedures**

The critical literature review and analysis was created by carefully examining literature relating to the significance of providing parents with paid leave, major policy arguments, and in what ways paid leave would pertain to the United States' social structure. The first step was the collection of an assortment of relevant literature on the subject. The preliminary batch of collected writings was gathered using online academic databases such as EBSCO, Google Scholar, JSTOR, ProQuest, SAGE, to search through abstracts of scholarly articles and books addressing current and proposed parental leave policies. From there, applicability of each article's information was weighed and only the literature that weighed on the three major focus areas discussed in this paper were further reviewed and analyzed for the purpose of this paper. Searches were conducted using the following terms and phrases: 'paid family leave', 'U.S. family policies', 'maternity leave', 'paternity leave', 'Family Medical Leave Act', 'family and work', 'family leave and the economy', 'effects of paid family leave on businesses', and 'state funded family leave.' Supplementary sources, those not discussing the issue of parental leave, were used to support claims in primary literature on the importance of breastfeeding, presence of parents, and the value of fathers' early involvement.

For the purpose of providing context and history, a handful of sources written in the 1990s were reviewed. For the purpose of keeping the literature timely, the majority of the literature considered ranged from years 2002 to 2015. This constraint on the date range is aimed at keeping the discussion relevant and accurately reflecting the current state of the issue.

The final set of sources were chosen for their significant influence on the current dialogue regarding family leave policies in the United States. Special regard was given to sources addressing the issue as it specifically related to family, business, and the public interests. The literature disproportionately favors the implementation of paid parental leave policies in the United States. Nevertheless, a reasonable amount of the literature also gives credence to positions disfavoring the policy change. This process ultimately provided the final collection of literature analyzed and evaluated in the critical literature review.

In preparation for building this review, it was essential to first identify the key themes defined throughout the literature. Next, it was important to identify the gaps and inconsistencies of issues that fail to be adequately addressed thus far. The main intention behind assessing the literature was to outline the relationships among the key defined themes and reveal the need for the expansion of future research to focus in on these connections.

This review is organized by the previously introduced themes: families, business, and public interest. The association of each of these themes to paid parental leave and their significant role in the large-scale discussion have been evaluated by breaking down each theme into its major policy arguments. For instance, paid parental leave's effect on

family is analyzed by considering how it can shape families' health, financial circumstances, and parent-child relationships. The study of the policy's relationship with business considers how providing paid leave impacts employee retention, company productivity, and labor market participation. Socioeconomic, gender, and social costs are the top public interests issues that presented themselves throughout the literature. The method of deconstructing these themes provides an organized framework for laying out the top reasons for favoring and disfavoring paid parental leave policies.

### **Limitations**

This paper's analysis on the subject of paid parental leave narrowly considers the subject of paid parental leave in this country. First, it is limited to evaluating literature about paid family leave policy as it pertains to the United States specifically. Our society determines policies dependent on a set of attitudes, values, and politics unique to our society. Therefore, comparisons with other countries, while valuable, are not the focus of this review since their implementation of policies are founded upon a system made up of different values, attitudes, and political views. Evaluating literature focused on policies of other countries would involve more extensive analysis and comparison beyond the scope of this review.

Available literature providing information about policies already in effect is scarce and therefore also limits this review. While there are three states that provide paid family leave, California is the only one with any significant amount of research to be applied to literature on the subject. A small portion addresses the meager amount of existing research on the resulting policy outcomes of New Jersey, Washington, and Rhode Island's experiences with their programs. It is expected that future studies will be

able to develop more research on these states and states currently working toward passing paid family leave legislation.

## **Background**

Support for paid parental leave programs, as well as other work-life balance initiatives, has become more important to working Americans as the relationship between work and family responsibilities has advanced over the last few decades. The dynamics of this relationship truly began to change as the number of women entering the workforce increased. This reframing of our labor force blurred the gender lines between traditionally prescribed breadwinning and caregiving roles and increased the need to prioritize work-family policy in the United States (Appelbaum and Milkman 2011). Even though the landscape of our work and family dynamics has changed and attitudes have become more progressive, our policies have not progressed alongside these social developments.

The first major policy response to this alteration in our workforce occurred with the passing of the 1978 Pregnancy Discrimination Act. During the 1970s some states began passing laws requiring employers to provide job protected leave to new mothers (Berger et al. 2005). Before the implementation of the Federal Pregnancy Discrimination Act, women who were or may have become pregnant did not receive protection from job termination, were demoted or rejected from receiving promotions, and denied jobs because pregnancy was considered “self-inflicted” and therefore would not be covered by Temporary Disability Insurance (Ochshorn and Skinner 2012). The Federal Pregnancy Discrimination Act might have helped set the approach to family-work policy on the right

track, however, pregnancy discrimination is just one of the many problems floating in a sea of work-family issues that need to be addressed through policy changes.

The subject's history reveals a considerable transformation of the working family over the last three to four decades. Between the years of 1975 and 1998 alone, the proportion of working mothers with children under the age of three almost doubled, rising from 34% to 62% while only 25% of children still found themselves in households with one working parent and one at-home caregiving parent (Wells 2003). As of 2013, 71% of children found themselves in either a single parent household with a working parent or a dual-parent household with two working parents (Boushey, O'Leary, Mitukiewicz 2013). Recent research supports the theory that while the number of dual-income families and the hours parents work have been increasing the time requirements of raising a family have not decreased (Berg, Kalleberg, Appelbaum 2003). Despite the obvious transformation of our labor force, it has been heavily suggested that current work-family attitudes toward policy still appear to be deeply rooted in an early- to mid-20<sup>th</sup> century family models where fathers are financial providers and mothers are principle caregivers (Boushey 2011). Not only does this position not reflect the current reality of work or family life in the United States, it is contributing to the continuing absence of adequate work-family policies.

The present-day federal policy response to the growing work-family conflict is found in twenty-three-year-old Family Paid Medical Leave Act of 1993 (FMLA). The enactment of this policy helped to kick off an ongoing conversation regarding paid parental leave in the United States (Fass 2009). Knowing the scope of FMLA is necessary to understanding where the United States currently stands in relation to

parental leave policies. This federal policy provides job-protected leave to companies with fifty or more employees for up to twelve weeks per year that employees may use to take care of a new child, an ill family member, or their own ailments (Mory and Pistilli 2000). The Family Medical Leave Act provides more protections than those previously available to working parents, yet still falls woefully short of providing the majority of families with the resources necessary to effectively utilize the leave they require to care for a new child.

A few details of Family Medical Leave Act are key to putting into perspective the scope of coverage this policy currently provides. First, none of the job-protected twelve weeks is compensated for under the FMLA. Consequently, if an employee's circumstances require that they still be capable of bringing home an income while on leave to take care of their new child this must be done by supplementing unpaid FMLA leave with their accrued sick or personal leave (Fass 2009). Recent studies have discovered that a common reason employees do not utilize FMLA or similar leave programs is because these parents cannot financially afford to take the unpaid time away from work (Fass 2009). Another drawback to FMLA is that it is not universally applied. The job-protected leave is not offered to seasonal and temporary workers nor is it available to employees of organizations with less than fifty employees (Gerstel and McGonagle 1999). These limitations thwart the ability of countless parents to fund maternity and paternity leave and allow the jobs of an entire segment of workers to be unprotected if they need to take parental leave from their job.

Unfortunately, failure to compensate employees during parental leave is fairly unique to the United States in that is not a problem we share with the majority of other

developed nations. The United States parental leave policies have considerably fallen behind the policies enacted in other countries around the world. Although each nation employs their own approach, they share the common goal of financially aiding their citizens and helping them successfully navigate their familial responsibilities and labor market contributions. European nations provide paid maternity leave, and typically grant twelve to fourteen weeks of time off with 70 to 100% wage replacement over that time period (Ruhm 2011). Even more progressive countries such as Sweden, Norway, Denmark, and the United Kingdom offer up to 62 weeks, over a year, of paid leave to new parents (Sweet 2013). Here in the United States there is still no national policy and very few states with paid parental leave policies.

An interesting assessment of the generosity and gender equality examining other countries' paid parental leave policies identified Finland, Norway, Sweden, and Greece as the countries with the most generous and gender-equal policies (Ray, Gornick, and Schmitt 2008). This assessment credits five policy practices responsible for that status. They include: "generous paid leave, non-transferable quotas of leave for each parent, universal coverage with modest eligibility restrictions, financing structures that pool risk among many employers, and scheduling flexibility" (Ray et al. 2008). The United States does not employ any such practices.

It has been established that no paid leave policy for parents currently exists on a national level. However, a few states have passed legislation of their own providing paid leave through family medical leave insurance. California, New Jersey, and Rhode Island are the only three states that have enacted some version of state-level family leave acts (Boushey et al. 2013). In 2004, California became the first state to legislate a paid family



leave policy by providing workers with wage replacement of 55% of weekly earnings for up to six weeks of leave, the maximum benefit equaling \$1,011. The program has been financed by a payroll tax from California's previously existing State Disability Insurance (Appelbaum and Milkman 2011). As of 2009, New Jersey offered six weeks of paid leave at two-thirds of the employee's weekly pay funded by a payroll tax on employees to assist with the care of a new child or tend to other family care issues (Fass 2009). As of January 2014, Rhode Island also began the use of a payroll tax to fund their paid leave program benefiting working families (Boushey et al. 2013). While it is worth acknowledging the progress being made on a state level, the reality is only 6% of states have fully enacted policies providing paid parental leave for their citizens. Without a state or federal paid parental leave policy to defer to, individual organizations are often left to struggle with interagency policies aimed at providing paid parental leave to its employees. As of 2008, 25% of employers in the U.S. offered fully paid "maternity-related leave" for any length of time (Ray et al. 2008).

Our nation's current methods aimed at assisting U.S. citizens trying to balance their intertwined work and family responsibilities do not come close to providing families with what they actually need. Our current policies are outdated, inadequate, and do not come close to competing with those of other developed nations. Today's gender diverse workforce calls for parental leave policies oriented towards provided options for both men and women to balance employment with family and children. The Family Medical Leave Act falls short of creating a practical solution to the problem. This is made painfully clear when compared to the benefits bestowed upon the working class in other nations across the globe. What is more troubling is that, as a nation, we are even falling

short in comparison to the progress made by a few of our own states and private organizations. The need for change is even more obvious as we examine these issues outlined in the following literature which reveal just how deeply this policy deficiency seeps into the roots of our society.

## LITERATURE REVIEW

This critical literature review considers the topic of implementing paid parental leave policies through a summarization of the subject areas given the most attention by the collective literature. Not surprisingly, the significance of parental leave policies for families is the subject most written about. The material identifies parent and child health outcomes, families' financial circumstances, and the development of parent-child relationships as the primary concerns associated with parents' access to paid leave. Another extensively discussed issue is what these policies mean for employers in the United States. Employee retention, productivity, and overall labor market participation are the main areas addressing employers' concerns about the costs and benefits of paying employees during time taken off work for parental leave. Additionally, the literature refers to a few matters of common public interests also affected by parental leave policies. These include socioeconomic disparity, gender bias, and costs to society. The following critical review is aimed at evaluating these issues independently; however, it is important to be mindful that these issues are typically not independent of one another when taking the big picture issue into consideration.

### **Family**

Working families share a direct relationship to the issue of paid parental leave. Probably the most evident impact of receiving paid leave versus unpaid leave is effect it has on a family's finances. Receiving unpaid parental leave can also have consequences on the early bond between children and parents. Furthermore, the health of parents and children shares a link to families' ability to collect an income during parental leave.

### *Financial circumstances*

Management of fiscal resources is a key family-based argument in favor of compensating parents on leave taken to provide care for an infant or newly adopted child. A considerable amount of literature exposes the limitations of a parental leave policy that provides job protection yet, is unpaid. These sources have reviewed the usage of unpaid leave and the consequences of families' lost income should they elect to utilize this unpaid option. The research collected on states and businesses already providing working parents with some degree of paid parental leave offer up real-world data on what a paid leave policy can actually look like.

Many families find parental leave policies limited to providing only job protection and not paid time off to be unfeasible. As previously mentioned, the Family Medical Leave Act provides only a selection of working parents with job-protected leave; however, this time off is offered sans financial compensation. A survey of FMLA eligible employees found that 77% of people who felt they needed the leave decided against taking it, citing financial reasons as their justification (Fass 2009). A third of moderate- and upper-income mothers and two-thirds of low-income mothers have experienced a loss of earnings due to absence from work taken for the purpose of tending to their new child (Appelbaum and Milkman 2004). These families, expected to be in greatest need of family leave, are unable to take it because sacrificing their weekly income is more than their family can financially afford (Mory and Pistilli 2000). These findings suggest that programs like FMLA would be utilized more if they were to include some form of wage compensation.

Family leave policies would be more beneficial to families if they provided income to parents during the period of leave. Government supported paid leave programs offering even partial wage replacement help provide adequate compensation during the time a new parent takes off work to care for an infant (Guendelman, Goodman, Kharrazi, Lahiff 2014). Surveys show parents would be more apt to take advantage of the leave if paid. Eighty-eight percent of FMLA eligible employees surveyed said that if wage-replacement had been made available they would have taken the leave (Fass 2009). Future finances may also be influenced. For instance, a family able to take advantage of paid parental leave options during a child's infancy would have more funds available to pay for future costs such as higher-quality childcare (Gomby and Pie 2009). Not forcing families to forfeit income for a period of weeks or months would lead to accumulative financial stability benefits.

#### *Promotion of parent-child relationships*

Extended time off of work after a child's birth provides parents more time to spend developing the bond with their child. One of the primary factors determining if parents will take more time off of work during this initial bonding period is whether or not the leave is paid (Gomby and Pei 2009). The ability to take more parental leave from work has a particular influence on father's involvement during infancy.

Increased leaving taking is said to be a factor in the promotion of healthy parent-child relationships. Longer continuous periods of bonding time between parents and children during early infancy can benefit the well-being of both child and parent (Lester 2005). However, studies show that a third of U.S. mothers return to work within three months of their child's birth, while many others return even sooner (Berger et al. 2005).

Parents who are fortunate enough to have access to well-paid leave are the most likely to delay their return to work after the birth of their child (Ruhm 2011). Once California began providing wage-replacement during parental leave, researchers found a “statistically significant increase” in the number of mothers utilizing leave after their child’s birth; the amount of time taken for maternity leave had increased in length by an average of three weeks (Rossin-Slater, Ruhm, and Waldfogel 2013). These longer leave periods allowed parents and children more time together than if the mothers were unable to afford taking longer leaves; however, it is not just mother-child relationships that benefit from longer leave taking.

Likely due to society’s traditional gender expectations, much of the literature addressed parent-child bonding as it related to mothers’ leave-taking ability; yet, the more recent literature is paying attention to fathers’ parenting involvement. Most of it concludes that superior parental leave policies are linked to an increase in a father’s involvement with their child, beyond the period immediately after birth (Gomby and Pei 2009). Findings show that FMLA and unpaid state leave laws provide little to no increase in father’s leave taking, even when longer unpaid leave is offered (Han and Waldfogel 2003). On the other hand, when fathers receive income replacement for their leave they are more inclined to take longer leave, affording fathers more time to better develop emotional connections with their infant (O’Brien 2009). A recent study shows fathers in the United States who have taken two or more weeks of leave were likelier to diaper, feed, and bath their baby by the child’s ninth month than fathers who took less than two weeks (Gomby and Pei 2009). The length of time a father is able to spend with their child allows them to cultivate parenting skills traditionally and disproportionately

carried out by mothers. These longer leaves also increase parents' and children's odds of benefiting from the positive health and wellness outcomes.

#### *Health and wellness outcomes*

The health and wellness of parents and children can also be linked to families' ability to afford longer leaves. The literature associates improved health and wellness outcomes with the effects of extended parental leave on children's medical attention. The data also shows improved outcomes relating to parent's mental and physical health, mother's postpartum recovery, as well as greater breastfeeding opportunities which benefit mothers and children.

Parents' early return to work has been linked with unfavorable health outcomes for children. Evidence shows when parents are forced to return to work soon after their child's birth the probability of that child receiving regular medical checkups, staying up-to-date on immunizations, and breastfeeding is lower during the child's first year than if those parents were able stay home longer (Berger et al. 2005). Caring for a child during such a dependent phase of life as infancy is a complex process found to be most successful when a primary caregiver is physically present (O'Brien 2009). Studies have found that the presence of parents tend to be associated with decreases in the severity of symptoms and contribute to quicker recoveries for ill children (Appelbaum and Milkman 2004; Lester 2005). Research also shows slight links between parents' earlier return to work and adverse effects of cognitive and behavioral development (Lester 2005).

In some cases, the level of medical care and health-related attention children receive reflects the amount of leave a parent takes. Nationally collected data shows that a parent's early return to work can have a negative effect on the amount of regular medical

checkups children receive between birth and their first birthday (Gomby and Pei 2009). Morality rates are noticeably lower for infants and young children whose parents have taken parental leave (Ruhm 2011; Shepherd-Banigan, Bell, and Bell 2014). It is suggested that these results are due to the probability that not taking parental leave limits opportunities for parents and health care professionals to notice signs of health issues that may require immediate care (Rossin 2011).

Creating circumstances that would give infants the opportunity to breastfeed is an additional health benefit of paid parental leave provides for children. Breastmilk is considered optimal nutrition for infants, provides immune protection, regulates physical development and metabolism, reduces the risk of sudden infant death syndrome, decreases the odds of developing infections and illnesses, and lowers the risk of childhood obesity (Dieterich, O'Sullivan, and Rasmussen 2013). According to the American Academy of Pediatrics six months is the recommended length for exclusive breastfeeding of an infant (Galtry 2003). A leave period of twelve weeks, the maximum of unpaid leave under FMLA, has been associated with shorter periods of breastfeeding compared to leaves that extend beyond these three months (Berger et al. 2005). Findings suggests that the length of breastfeeding is increased by half a week for every week of maternity leave or by one-third of a month for each month a mother is on parental leave (Gomby and Pei 2009). Some have come to the conclusion that the development and expansion of paid leave would help offer many low- and middle-income working mothers the opportunity to breastfeed for longer periods of time (Galtry 2003). As discussed later, benefits of breastfeeding are not limited to the health of the child but also provide significant health benefits for mothers.



Children are not the only ones whose health can be connected to the availability of paid parental leave. Parents' mental-emotional and physical health may also depend on the type of leave they are afforded. For instance, a woman who knows that she will be granted paid maternity leave is likely to experience less stress, a factor associated with unfavorable birth outcomes, during pregnancy than a woman anxious over her financial situation (Rossin 2011). The availability of paid leave also relieves the mental strain on parents after a child's birth. Studies have found the more time a parent can spend at home with their newborn correlates with decreased depression and anxiety (Gomby and Pie 2009). Paid parental leave would also cease the need for parents to substitute their own sick leave in lieu of parental leave, allowing them to use their sick leave for their own healthcare instead of forfeiting it to supplement parental leave (Damme 2011). While both parents can be vulnerable to stress and other personal health issues associated with the additional responsibility of parenting, mothers face additional unique physical health matters that accompany physically giving birth and breastfeeding.

Mothers who give birth, as opposed to adoptive mothers, are faced with postpartum recovery which is more extensive for some mothers than it is for others. When provided with paid and job protected leave, studies have found women tend to take at least six to eight weeks off work after giving birth to recover, the typical physician-recommended amount (Gomby and Pei 2009). As mentioned before, longer leaves encourage mothers to breastfeed for longer periods of time. This provides mothers with important benefits to their own health such as lowering their risks of developing diabetes, obesity, hypertension, breast and ovarian cancers, and the leading cause of death among American women, heart disease (Dieterich et al. 2013; Shwarz and Nothnagle 2015).

Recent data suggests that if U.S. mothers were able to breastfeed for one year after every birth, an estimated 14,000 heart attacks would be prevented annually (Shwarz and Nothnagle 2015). The health benefits associated with breastfeeding alone deliver a convincing argument in favor of longer leave times.

The literature on is fairly dense with research representing the benefits of paid parental leave on the health, wallets, and available parent-child bonding time. The degree to which paid parental leave is valuable varies among individual families. Whatever the most important benefit is to an individual family, healthy, happy, financially stable working families will be more productive contributors to society and to the labor market.

### **Employment**

There are many sensible arguments in favor of implementing paid leave for the sake of families; however, the benefits to employers are not as conspicuous. Employers, when considering the implementation of a policy providing their employees with paid parental leave, are primarily interested in weighing the benefits and costs to their organization. The most commonly addressed concerns according to the literature, are focused around the how family leave policies relate to employee retention and turnover, productivity rates, and the larger impact on labor market participation.

#### *Retention and turnover*

The ability to retain employees and decrease turnover rates are commonplace objectives for most businesses. Several of the reviewed studies credit the offering of paid family leave as contributing to higher retention and lower turnover rates. These positive effects on employee retention are especially prominent among women employees.

The ability to hold onto employees acts in employers' best interests. It does so by lowering the high costs, avoiding lessened productivity, and preventing time loss often suffered during the necessary process of hiring new employees and providing additional training required to compensate for lost employees (Houser and Vartanian 2012). Successful retention of employees also serves to protect human capital, skill development, and specialized training which, in turn, creates stability within the company (Zigler, Muenchow and Ruhm 2012). The importance of retaining employees is indicated by employer's efforts to keep turnover low. In fact, a number of managers have acknowledged that their family benefit plans were implemented to specifically address problems with "turnover, recruiting, and absenteeism" (Baugham, DiNardi, and Holtz-Eakin 2003). Findings show this is often a successful approach.

Employers offering family friendly benefits report experiencing significantly lower turnover rates (Baugham et al. 2003). In studies where family-medical leave insurance has been granted to employees, findings have shown substantial increases in the probability of employees returning to the same employer they worked for before taking their leave (Boushey et al. 2013). These findings, which show paid parental leave's impact on employee retention, note that these policies play an even more significant role in the retention of women employees.

Providing paid parental leave is particularly instrumental in the retention of women employees. Since maternity leave coverage is often an influential factor in a woman's decision to return to work after having a child (Berger et al. 2005). Women, who would otherwise quit a job providing only unpaid leave, have reported they are likelier to continue their employment if the leave were paid (Gomby and Pei 2009). Mothers who

take paid leave after the birth of a child are more likely to be working nine to twelve months following their child's birth than those who do not initially take leave (Houser and Vartanian 2012). Workplace policies supporting family responsibilities are particularly important to the retention rates of women.

### *Productivity rates*

Studies have found that in addition to effecting turnover and retention rates, the policies employers choose to implement can sway the productivity of their employees. A major concern of businesses, weighing whether or not to offer paid parental leave, is that the increase in leave taking will burden their organization's productivity. Yet, studies have been finding that providing employees with family-friendly leave options decrease spontaneous leave taking while promoting successful alternative coverage for leave-takers, increase commitment to the organization, and attract high caliber workers, all of which generate productivity.

If properly managed, the increased leave taking associated with paid leave policies is likely to be a benefit rather than a cost to employers. Reports show over 20% of employees using sick leave use it on family responsibilities but if provided alternate leave options including paid parental leave, employees would use less spontaneous sick and personal time off (Baugham et al. 2003). Even though employers providing family leave benefits, beyond those offered by the law, did experience increased leave taking, many indicated they were able to cover the work left by leave-takers simply by sharing it among employees (Appelbaum and Milkman 2004). Correct employee utilization of leave and attentive planning on the part of the employer results in enhancement of companies' overall productivity.

When employees feel a greater commitment and hold positive attitudes towards their employer they perform higher quality work. Some analysts of paid leave programs are concerned that providing these benefits could potentially decrease productivity and profitability because people would stay at a job they disliked only to receive the benefits (Gomby and Pei 2009). However, employees' ability to balance their work and family obligations has been found to increase employees' commitment to their employing organization (Berg et al. 2003). Hence, why studies suggest that better leave policies, including providing compensation during parental leave, yield dependable and dedicated employees (Gomby and Pei 2009). It has been proposed that loyalty promoted through access to paid family leave, when combined with the amount of professional experience maintained by retaining employees, ultimately increases workers' efficiency and production (Wells 2003). In fact, studies have reported a positive correlation between employer practices encouraging the integration of work and family life and more participatory, high-commitment work systems (Berg et al. 2003). Not only do these policies target current employees, they are also bait for potential employees.

Higher productivity rates for companies providing paid family leave may also be the result of attracting higher caliber employees. A study of *Working Mother's* magazine's "100 Best Companies for Working Mothers" found companies that provided work-family programs attracted "higher-quality" workers, contributing to increased employee productivity as well as increased employer profits (Boushey et al. 2013). If a company is attracting good employees, securing the loyalty and commitment of current employees, and effectively managing the leave being taken, it appears lack of productivity should not be a major concern.

### *Labor market participation*

Not just for the benefit of individual companies or employers, an expansive paid parental leave policy would serve an even broader purpose of increasing labor market participation. The securities that paid leave could provide families incentivize more people to take part in the labor market. These incentives would have the greatest impact on increasing the women's participation in particular.

Paid leave has been associated with increases in people seeking employment and continuing participation in the labor market. The ability for workers to retain employment while on leave while simultaneously receiving compensation reinforces their relationship with the workforce (Houser and Vartanian 2012). This improved attachment to the labor force renders work more attractive than staying at home or accepting public assistance as means of meeting a family's needs (Lester 2005). Most of the current research emphasizes the relationship of leave policies to women's job market participation.

Women in our society are still more likely to be primary caregivers, handling the bulk of 'domestic' responsibilities as they relate to their child's needs. Given that, in a heterosexual parenting scenario, the woman's income tends to be more expendable than a man's, women are typically driven to reduce their labor market participation in order to manage these responsibilities (Ray 2008). The option of paid parental leave increases the probability that mothers will enter the labor market and remain in, as opposed to leaving the workforce to exclusively care for children (Gheaus and Robeyns 2011). This is partly because women who can afford to take time off of work instead of terminating employment to take longer leaves experience an increased commitment to the overall

labor force (Gomby and Pei 2009). These findings illustrate that if women were provided with options allowing them time to care for their young child without making financial or employment sacrifices their participation in the labor market would increase.

At first glance, policies encouraging longer leave times do not strike a person as especially employer friendly. While the impacts of paid leave policies could vary, depending on the company or employer involved, the literature shows us that some of employers' major areas of concern may not be too concerning after all. The increase in the overall labor market participation of women would be beneficial on a national level, especially since baby boomers have begun to retire. When implemented sensibly, this policy has the potential to offset costs to the employer by securing higher retention rates, low turnover, and increased productivity rates.

### **Public Interest**

The issue of paid parental leave is not narrowly confined to its relation with families and the labor market. Much of the literature addresses broader implications of family leave policies as applied to the public's collective interests. These social matters include contribution to class inequality, perpetuation of gender stereotypes, and economic costs to society.

### *Socioeconomic impact*

A working parent's socioeconomic status is often an indicator of the type of family leave their employment provides. Under the current landscape of paid parental leave, upper class working parents are most likely to benefit. This means it is the lower class parents and families who are disparately impacted by the current policy.

The availability of parental leave and other family-friendly benefits are not evenly distributed across class ranks. Jobs with better benefits are generally concentrated in the workforce's upper level jobs (Milkman and Appelbaum 2013). Data shows those jobs, offering substantial compensation when on leave, are most often enjoyed by older employees with a higher education and private insurance (Shepherd-Banigan et al. 2014). Even unpaid benefits under the current Family and Medical Leave Act are received disproportionately between social classes. FMLA's most significant positive impact is on married and college educated women (Damme 2011). As for fathers, it has been reported that those likely to take longer leaves are primarily white, highly educated men holding more high-status jobs (Gomby and Pei 2009). These findings show how the current policy or lack of policy reinforces the financial hardships of already financially burdened families.

The impact of unpaid leave is particularly harsh for lower-income workers. Most of these people receive little or no family leave benefits and are not financially capable of taking unpaid leave in order to be home with a new child (Appelbaum and White 2009). In fact, research on unpaid FMLA leave found no significant impact on the leave-taking of single mothers and mothers without a college education (Damme 2011). Not only do lower-income workers have less access to even unpaid leave, they also are less likely to receive paid sick or vacation time, which is often the main source of income support in the absence of paid family leave (Appelbaum and Milkman 2004). In fact, a study surveying workers earning less than \$20,000 a year found that 74% of workers in this socioeconomic class did not receive pay from their employers while on leave (Fass 2009). The social division is not limited in its impact on the working parents. Children of



parents who can afford leave have a higher chance of benefiting from positive outcomes associated with longer parental leave-taking (Rossin 2011). For example, the wages typical of lower-class parents are often not enough to cover the costs of quality childcare (Baker and Milligan 2010). Therefore, without a paid leave policy universally applicable across income brackets, economic class disparity is likely to be perpetuated.

#### *Gender expectations in the workforce*

The lack of a national paid parental leave policy also plays a role in preserving traditional gender roles. The primary gender issue for women is that access to only unpaid leave makes it difficult for women to continue participation in the workforce. For men, not being afforded paid leave forces them back to work shortly after their child is born. This makes it difficult for society to break away from traditional expectations and stereotypes pigeonholing women into the caregiving role and men into the role of breadwinner.

Mothers are still often regarded as better suited for fulltime caregiving than for participating in the labor force. This belief is supported by the facts that working mothers are still more likely to take leave than working fathers which contributes to the stereotype (Gomby and Pei 2009). By the nature of employment most common among women, employed mothers often have significantly less access to paid sick leave, paid vacations, or flexible working hours than employed fathers (Appelbaum and Milkman 2004). Women also typically earn less income than fathers and without compensation for parental leave this incentivizes mothers to reduce employment in order to take on the majority of the child care responsibilities (Ray 2008). Offering paid parental leave would

address each of these issues, by expanding mothers' options beyond the traditional non-employed caregiving role.

In the United States it is usually a larger burden on families if fathers take unpaid leave. This is because it is still more common for a father's income to be greater than the mother's (Ray 2008). It has been proposed that encouraging more fathers to take parental leave, by providing wage-replacement, will assist in balancing out the caregiving expectations and reduce interference with women's employment prospects (Boushey et al. 2013). Studies involving countries that provide wage replacement and job security have found that this model "reduces the wage penalties associated with motherhood and thus may help decrease the extent of gender inequality in the labor market" (Appelbaum and Milkman 2004). Implementing similar policies here in the United States could potentially limit workplace gender discrimination for both mothers and fathers.

Not all experts believe that providing paid parental leave will balance gender roles and combat discrimination in the workplace; some believe the opposite will occur. Some studies reporting that even when both mother and father are provided paid leave the mother is more likely to take leave than fathers (Boushey et al. 2013). A group of economists claim that in such a competitive labor market mandating parental leave will cause those more likely to take leave, referring to women, to be paid lower wages (Mory and Pistilli 2000). However, the larger body of literature leans towards the probability that "sensitive meshing" of paid parental leave policy with the development of other family-oriented workplace policies will actually promote gender equity (O'Brien 2009). These conflicting views about the effect paid parental leave would have for gender norms

is a reminder that there are many factors to consider and more research to be conducted in the future.

### *Social costs*

A major issue to consider when discussing the outcomes of a national paid parental leave policy is the costs society would endure. In the opinion of some economists, not providing working parents with access to paid leave at a national level, presently has society paying for this policy's absence (Yost 2012). Two major areas leave policies affect the costs to society are include the providing public assistance and health care costs.

Studies have found that the inability of parents to financially compensate for the leave taken to care for their new child has created a need for public assistance use among a number of parents. One survey found that a roughly 10% of people who took longer leaves and received less than their normal income were forced onto public assistance to stay financially afloat (Damme 2011). Another study found that about 11% of workers on unpaid leave and 5% of those who received even partially paid leave still relied on some form of public assistance (Lester 2005). Paid leave could alleviate this reliance. Findings show women who take paid leave after a child's birth are 39% less likely to receive public assistance and 40% less likely to be receiving food stamps in the year following their child's birth and men are also less likely to receive public assistance or food stamps than those who return straight to work (Houser and Vartanian 2012). The question to answer then becomes one of weighing the costs of public assistance against the costs of a paid leave policy funded through social insurance. This is another area in which more comparative research would help with future analysis of this issue.

It is suggested that health outcomes associated with taking longer, financially covered leave would lead to a decreased use of the healthcare system. Health benefits for children who receive care from leave-takers would consequently translate into fiscal savings to the state (Lester 2005). The benefits to mothers and children who breastfeed, likelier to occur when mothers have access to paid leave, could also save on healthcare costs. Lowering the disease risks of women as a result of breastfeeding would reduce the disease burden which could save the U.S. billions of dollars annually (Shwarz and Nothnagle 2015). A United States Department of Agricultural review from the 2000s estimated a savings of at least \$3.6 billion after only six months if hospitals increased breastfeeding levels (Weimer 2001). It seems reasonable that a policy associated with so many health benefits could decrease the use of, and consequently, the costs associated with health care. This is yet another area in which more fiscal data, similar to that on the savings linked to breastfeeding, could help create stronger social costs arguments in support of paid parental leave.

It is important to be mindful that the impact of paid family leave policies extends beyond just individual families and employers. Issues affecting the families and businesses that frame our society are felt by nearly everyone. The public interests of members contributing to society, even those without a family or business, are still influenced by the absence or existence of a nation paid parental leave policy. This is true with respect to their relationship with issues of class, gender roles, and the social costs for which they are also responsible.

This critical review provides an overview of the key areas of interests attached to enacting paid parental leave policies: family, employment, and public interests.

Currently, the literature provides the most thorough evidence and evaluations for what paid leave means for families. In the future, this area could use more longitudinal studies on the effects of behavior and cognitive development among children whose parents take longer leaves and those whose are not able to. There is also room for more in depth research on the promotion of father involvement and how increased paternal involvement associated with longer leaves benefits children in comparison with an increase in solely maternal involvement.

The literature also gives a significant amount of attention to what paid parental leave would mean for businesses. Higher retention rates, productivity rates, and labor market participation are all important to employers. Further research should focus in more detail on the financial pros and cons so that businesses can better see what these policies would mean for their bottom line. It would be beneficial to continue studying and surveying the businesses that take it upon themselves to provide paid leave while taking into account what other family oriented policies they provide. Analyzing paid parental leave alongside other family benefits may provide insight into how other policies detract or enhance businesses implementation of paid leave policies.

The impact of a national paid parental leave policy on public interest issues deserve more attention. Further research should expand upon all areas of social interest issues. The future literature should reach beyond exposing the problem of socioeconomic disparity and provide more extensive data illustrating how paid parental leave could improve the circumstances for lower-income families in ways that it would not do for middle- and upper- class families. It would also be valuable to obtain more fiscal data comparisons of what society pays for public assistance and health care as well as how

much of that could be offset by paying toward social insurance used to cover family leave.

There is plenty of room for continued in-depth research and data collection on the topic of paid parental leave in the United States. Literature laying out the benefits of and arguments against this policy are and will continue to be constructive in future endeavors to advocate for a national paid parental leave policy. Equally, if not more, valuable would be the collection of additional data on the actual implementation of such a policy and possible models for how to accomplish this task.

## POLICY PRESCRIPTIONS

After reviewing the literature there appears to be a strong foundation from which to advocate for the national application of a paid parental leave policy in the United States. There are benefits to our families' health, financial stability, and parent-child relationships. The individual family is not the only social entity that profits from paid parental leave policies. The literature consists of showing that employers also profit via increased retention rates, productivity, and labor market participation. If the advantages to families and employers is not a persuasive enough argument, the literature also explains how public interests such as social inequality, gender disparity, and costs to society are positively impacted by implementing paid parental leave.

### **Family**

The most direct impact of paid parental leave policies is felt by families. The financial stability created by providing parents with wage-replacement during their leave allows them to take longer leaves and be a greater presence in the early life of their child. As discussed in the literature, this extended parenting time leads to improved parent-child relationships and potential health benefits for parents and children.

Paid parental leave policies undoubtedly increase families' capacity to simultaneously provide sufficient financial support and caregiving. This is not something that even our federal policy, the Family Medical Leave Act, currently provides for this country's working families. The job-protected leave FMLA offers is certainly important but considering it is unpaid and only available to eligible persons it falls short of what parents actually need. The nation needs a policy that can be used by an overwhelming majority of working parents, if not by all them. Additionally, this policy must include a

wage-replacement provision parents can take advantage of or else there will be no increase in leaving taking, as the mere offering of more leave to more parents will not satisfy the financial needs of these families. This contention is supported by findings that show high percentages of FMLA eligible parents who decided against taking the leave, admitted they would have taken advantage of the leave if it had been paid (Fass 2009). The need to financially care for children exists for all parents, even when paid leave is not offered, creating numerous financial burdens for working parents, some of which could be alleviated by a national paid parental leave policy.

In addition to simply receiving an income, parents would otherwise not have had access to, a wage-replacement option lets them to take more time away from work than unpaid options, allowing them more time to tend to the needs of their infants. These longer leave periods are associated with many positive outcomes for families (Appelbaum and Milkman 2004). Parents are more likely to take these valuable longer leaves from work when wages are secured during their leave (Guendelman et al. 2014; Ruhm 2011). These findings demonstrate that if we want our parents and children to reap the benefits of longer leaves those leaves must be accompanied by some fraction of income.

The positive outcomes from increased parental presence include improved parent-child bonds and significant health benefits for children as well as parents. The more time parents can dedicate to personally caring for their children's wellbeing, opposed to enlisting non-parent childcare, is a contributing factor to improved health outcomes in children (Lester 2005). The creation of a leave policy that makes it possible for parents to stay home is important because without a leave option that provides financial security



families are finding themselves making decisions between providing care for sick children and staying financially afloat (Appelbaum and Milkman 2004). Even though current findings show adverse effects on cognitive and behavioral development to be fairly small for children whose parents return to work shortly after a child's birth, the possibility of improved developmental outcomes, on any level, is sufficient additional motivation for supporting longer parental leave (Lester 2005).

Parents' health also benefits from circumstances afforded by paid parental leave policies. They experience less financial stress, can allocate their leave to better care for their own health, and mothers can take more time to recover from childbirth. Improved health outcomes for parents is not only advantageous for the parents themselves, but also for family members, employers, and the society contributing to their health care. The health of individual human beings has implications for all members of society, further proving benefits of a national paid leave policy extend beyond the needs of individual families.

## **Employment**

Right behind families as the group most impacted by a national paid parental leave policy are employers and the nation's labor market. Employers are more likely to be skeptical of paid parental leave because they fear longer leaves would harm their business. However, research shows that paid parental leave often has positive effects on employee retention, productivity rates, and participation in the workforce.

Even though studies support the businesses' fear that paid leave encourages longer leave taking, studies have also found that implementing more family supportive policies increases retention rates (Houser and Vartanian 2012; Gomby and Pei 2009;

Berger et al. 2005). These employers retained nearly 90% of workers compared to the 75% retained by employers offering the minimum (Appelbaum and Milkman 2004). Retaining employees and experiencing low-turnover rates contribute to the employer's cost savings and the company's stability.

There is also not much reason to be concerned with lower productivity rates as a consequence of offering paid leave. In the case of unpaid leave, studies show that after implementing FMLA most businesses reported either no harm or an improvement in profits, production, and employee retention since its implementation (Gomby and Pei 2009). Employers support for paid parental leave policies would enhance the lives of their employee's families. This increased commitment to employees works in favor of higher productivity rates.

If a national family leave policy provided the majority of working families with paid leave more parents would find it constructive to participate in the labor market which would increase employment rates. A national policy is preferable to state policies because states may attempt to attract businesses by requiring less generous family benefits and discouraging workers in need of benefits (Pressman and Scott 2014). A national paid leave policy would eliminate this race to the bottom problem and give employers and the labor market opportunities to thrive. In addition to an improved labor market there are several other areas of public interest this policy could benefit.

### **Public Interest**

A national paid family leave policy would have a positive influence reaching beyond issues unique to employers and families. Making this policy equally available for all working parents, regardless of class or gender, would challenge the current disparity

among social classes as well as allow men a women opportunities to break out of prescribed gender roles. Additionally, it could alleviate, or at least make better use of, the costs society is currently paying in the absence of wage-compensation for working parents.

Without this policy, leave benefits currently relate to income level, insurance status, and full or part-time employment status. This system only increases the inequality felt across social and economic classes. Paid leave would provide “lower wage parents the financial security necessary to take the leave available to them” (Ray et al. 2008). A nationwide paid leave policy, made accessible to those across the spectrum of varying incomes, would ensure that people are equally covered and receive fair provisions to care for new children and family (Boushey and Glynn 2012). This means that the financial gap between lower-income and higher-income parents would not get wider just because lower-income parents decide to have children.

In terms of gender equality, society has been making progress; yet, both women and men still must overcome hurdles of unbalanced gender roles on a daily basis. Despite the strides made in the workforce and at home, the expectations of women to shoulder the majority of childcare responsibilities have not really changed (Olsen 1995). The idea that working women are expected to take care of a new child while the father brings home the income is the underpinning of the current unpaid policy.

The promotion and de-stigmatization of father’s leave taking would be possible with a nationally paid leave policy available to all working parents. If mothers are continually the parent taking leave it is likely to keep discrimination alive when hiring and promoting women, decreasing their lifetime earnings and further validating beliefs that women

should be at home with their families and men should be at work (Gheaus and Robeyns 2011). Significantly paid leave would promote gender equity by allowing the higher wage parent, usually the father, to take parental leave without diminishing the household's income (Ray et al. 2008). Paid parental leave, provided nationally and in addition to sick and vacation leave, could release the pressure on men and women to fulfill stereotypes just so they may provide adequate financial stability and caregiving support to their families.

### **Possible Models**

It is easier to see why our country needs a paid parental leave policy than picturing how that policy would be put into effect. An assessment of other developed countries with paid family leave policies suggests that “providing generous, universal, gender-egalitarian, and flexible parental leave policy, financed through social insurance would go a long way toward spreading the costs of caring for children more equitably across mothers and fathers, parents and non-parents, and employers and employee” (Ray et al. 2008). This a similar framework should be used here in the United States. We need a national policy that is applied universally across the United States labor market and equally to both women and men. The wage-replacement should provide the employee enough money to make it financially feasible for them to take the leave. Lastly, it should be financed through some form of social insurance.

Initially, it may seem as if expanding paid parental leave policies should be accomplished by implementing state-wide policies on a state-by-state basis. The appeal of this approach is that, since a handful of states have instituted their own programs, it might be easier achieve at a state level than a national one. However, after consideration,

this approach is probably liable to hold up progress as states begin a race to the bottom. States' fear that offering paid parental leave would cause an excessive burden on businesses and potentially push them out of state would be moot if paid parental leave was a national policy. A policy, applied universally across the states would promote consistency in the provisions of the policy which would aid in evening the playing field of the national economy.

Another important policy requirement, necessary to reducing gender inequality and promoting gender-egalitarianism, would be that the policy is equally applied to women and men. The model laid out in the paper entitled *Equality-Promoting Parental Leave* advocates for providing parents a “default” amount of leave. This option would automatically grant a specified amount of leave to men and women and from that point parents would be required to opt out of the default leave if they desired to take leave for less than the allocated amount of time. The theory is that people often adhere to default options (Gheaus and Robeyns 2011). Hence, providing default parental leave for mothers and fathers would promote leave taking for both genders without infringing upon personal choice and circumstance.

A national policy should provide this default strategy, to parental leave policy, with the caveat that once opted out of it is lost. Understanding that many mothers are in need of recovery time after giving birth, this should not be accounted for in addition to the default leave. In essence mothers and fathers should be offered the same paid parental leave by granting it to mothers and fathers equally or else gender discrimination in the workplace will continue. This element of the policy should promote both a higher

involvement of fathers in their children's lives as well allow mothers more flexibility and freedom to balance a career with raising their children.

In terms of generosity the length of time parents are able to collect paid leave is essential. Paid, but ungenerous, leave does not promote longer leave taking. To illustrate this point, the findings of a 2013 study on the association between employer-offered leave and the duration of maternity leave revealed that women offered short maternity leave were highly likely to return to work within twelve weeks even if the leave is paid (Guendelman et al. 2014). If the wage-replacement is not enough for families to afford the time off then the policy would be no more effective than the current unpaid policy. The wage-replacement would not need to cover one hundred percent but should provide a generous fraction of employee's typical income.

Most countries offering paid parental leave finance it through varying social insurance systems and in our country California and New Jersey's state level paid leave programs are currently financed through payroll taxes paid by employees (Ray et al. 2008). Financing leave through social insurance lifts the burden off employers, hopefully reducing discrimination against parents who take the leave. This proposed method is expected to be received by many individuals as being asked to pay their hard earned money into a system financing the choices of others. However, people will not stop having children and society will be funding these children in one way or another. Considering the costs already being paid, much of which could be offset by providing parents with paid leave, contributing through a social insurance system is actually as self-serving as it is generous.

## CONCLUSION

A review of the current literature makes it seem safe to conclude that the absence of a national paid parental leave policy has been associated with enough adverse effects on our society to warrant further research and discussion. This thesis synthesizes those effects through assessment of studies linking this policy to issues influencing family, the workforce, and public interests. Majority of the research reviewed described various problems which could be, at least partially, remedied by putting paid parental leave into practice. This paper concludes with a summary of the broad findings, an overview of gaps found throughout the collective literature, and suggestions for future research.

### **Summary of Findings**

The key point to arise from this critical literature review is that the current state of paid parental leave in the United States is hindering our ability to create an effectively well balanced social structure oriented around the support of working families. Families are currently being deprived of financial stability, health benefits, and improved parent-child relationships. Employers are missing opportunities to cultivate a more productive, low-turnover workforce while our labor market struggles to attract working parents. Denying an evenly distributed paid leave policy to employees further contributes to gender and socioeconomic disparities.

The research suggests that the most direct impact is suffered by the family unit. Findings show that unpaid leave financially burdens families, especially those in the middle- and lower- class, often forcing parents into an early return to work or into sacrificing more income than they can reasonably afford (Appelbaum and Milkman 2004; Fass 2009; Mory and Pistilli 2000). Wage replacement during leave can give parents

more time with their new child and increase their financial stability (Fass 2009; Gomby and Pie 2009). Results of different studies associate longer leaves to increased parent-child bonding time, significantly noteworthy among fathers (Gomby and Pei 2009; Ruhm 2011). Children whose parents take longer leaves were found more likely to receive improved medical attention, experience a quicker recovery from illness, and breastfeed longer (Berger et al. 2005; Lester 2005; O'Brien 2009). Mothers' health also benefits by means of lessened anxiety, longer postpartum recovery, and the opportunity to breastfeed (Gomby and Pei 2009; Dieterich et al. 2013; Shwarz and Nothnagle 2015).

The literature also included findings that linking our current leave policies to consequences for the labor market. It concluded that there is evidence paid parental leave contributes to higher retention rates and lower-turnover, especially among women employees (Baugham et al. 2003; Berger et al. 2005; Boushey et al. 2013). Studies also discovered an increase in productivity among employees provided with improved family-work benefits. (Berg et al. 2003; Gomby and Pei 2009). Analysis of the overall labor market found that offering paid parental leave increases the attractiveness of the workforce, again, most significantly for women. (Gheaus and Robeyns 2011; Lester 2005).

Lastly, the literature found that paid parental leave had broader implications on societal interests. Results of these studies show that lower-income workers are the least likely to receive family-work benefits; yet, they are the most in need of policies such as paid parental leave (Baker and Milligan 2010; Fass 2009). Employed mothers have less access to paid leave than employed fathers, incentivizing mothers to stay home and forcing fathers into early returns back to work, further reinforcing traditional gender roles



(Appelbaum and Milkman 2004; Gomby and Pei 2009; Ray et al. 2008). It is also pointed out that paid parental leave may alleviate costs currently associated with public assistance and health care (Damme 2011; Lester 2005; Shwarz and Nothnagle 2015).

## **Gaps**

Highlighting the existing gaps in this research serves useful for efficiently and effectively directing future research. For the purpose of utilizing the literature as an instrument in gaining favorable support for the enactment of a national paid parental leave policy, it is essential for future literature to further address the unfavorable viewpoints. In comparison to the data collected on family, there is room to improve on the amount of information on paid parental leave as it applies to employment and greater public interests.

The first notable weak spot is the lack of arguments against paid leave. While not absent in the research or literature, opposing viewpoints generally received brief and shallow attention. A surface level discussion of the possible disadvantages to paid parental leave is not sufficient if the goal is to advocate in favor of a future leave policy. This gap limits the capacity of future research to address potential drawbacks of the policy. Without this information, possible remedies would also be missed, leaving us with an incomplete representation of how this policy would need to be impressed upon society.

Another piece missing from the reviewed literature is a decent cost analysis of society's fiscal responsibilities as they relate to a national paid leave policy. Lacking this analysis of costs associated with the social implications resulting from not having paid parental leave compared against the savings and costs accompanying a paid leave policy

is damaging to the social cost argument. Without breaking down these costs it will be more difficult to gain widely-held support. In such a capitalist society the monetary factor often outweighs social benefit factor.

The literature and research also lacks the critical development of material linking the importance of paid parental leave for families to its significance to employers and public interests. Failing to effectively illustrate the connections that bond these issues leaves gaps creating vulnerability in the overall argument. Not strengthening this network weakens the position that paid parental leave does not exist in a vacuum and should be an issue for society as a whole.

### **Suggestions for Future Research**

Future research and literature should expand upon the current research, fill in these existing gaps, and resolve contradictions where possible. It is important to know which facets of the paid parental leave issue are most controversial as well as who are the most likely to oppose the policy and why. It is also critical to identify where public awareness is deficient so that future research can skillfully direct its educational efforts. Creating a well-informed population from which to survey ensures a more accurate collection of data regarding society's attitude on the subject.

Upcoming research should strive to expose the apprehensions and concerns inviting the most controversy. This will assist researchers in conducting narrowly tailored studies, potentially shedding light on policy opponents' trepidations. A better understanding of these hesitations will potentially direct researchers to study these areas in more depth.

It is likely that many of these concerns will come from the areas of employment and social effects more so than from the perspective of families. Therefore, in an attempt to

change the perception that paid parental leave is primarily beneficial for families, future research should largely focus on the benefits to our workforce and the implications for society.

Future data should be used to create a model clarifying the indirect and direct costs paid parental leave has on society. This research should take into account the current public assistance and health care costs associated with the consequences of parents not being able to afford parental leave. This information should then be compared to the costs of putting a paid leave program into practice. Ideally, this analysis would lead to the creation of a model illustrating the potential savings of a paid leave policy over the absence of one.

Future literature should develop areas where family, employment, and public interests overlap. The effects of paid parental leave are much more complex than a series of consequences and benefits imposed on these separate facets of society. However, these do not exist in their own separate spaces. For instance, the positive health outcomes families experience as a result of paid leave impacts the costs society pays into the health care system. Another example is how the financial stability of families can be connected to public assistance funding. An additional overlapping area would include labor market participation and the reinforcement of gender stereotypes. If these links, along with many others, were better developed and articulated in future literature these connections could create a richer national level policy argument relatable across the population.

In closing, integrating the literature on paid parental leave is useful for the purpose of referencing the major themes involved and bringing attention to the number of influential factors. However, this research is limited in several ways. For instance, the

selection of literature for this review is restricted by personal subjectivity regarding what is significant and relevant to the issue. A more exhaustive review of the subject would include a more meticulous dissection of the claims made in the literature. This would involve using more supportive literature to reinforce the value of what current research claims are the positive outcomes associated with paid parental leave policies. Expanding the scope of research to involve more extensive evidence collected from other countries could be beneficial for a broader and more comprehensive review of the subject. Lastly, due to the constantly evolving landscape of our nation's social structure, even a more comprehensive and exhaustive review will not address all of the influencing factors or potential outcomes in connection with a paid parental leave policy.

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J.D. Candidate, Robert H. McKinney School of Law, December 2017.

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