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Parental Leave: a Complex Issue. Comments on Ruhm, Lero, and Kamerman

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Introduction

The papers by Ruhm, Lero, and Kamerman focus on the effects of maternity and parental leave policies on children and their families. They outline what is currently known about this topic, suggest what research still needs to be done in this area, and offer suggestions on how policies in this area could be developed.

Research and Conclusions

All three authors reach similar conclusions in their papers:

- Parental leave is one important accommodation designed to increase the ability of families to balance the needs of the workplace and home. — Ruhm
- Parental leaves are modest policies on the budget side, an essential part of any country's child and family policy, and an essential component of a country's early childhood education and care policy. — Kamerman

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- Paternity leaves and benefits are variously referred to as family policies that protect maternal and infant health, as employment policies that promote gender equity, and respect the rights of workers to combine work and family responsibilities, and as an essential ingredient in early childhood education and care policies. — Lero

For the above statements to be true, however, men and women would have to be equally likely to use these policies (otherwise we would be studying maternity leave), and no negative work-related consequences would be associated with the use of these policies (negative work-related consequences imply a lack of balance). Unfortunately, research documented in business literature indicates that neither of these assumptions is true.

Are men and women equally likely to use parental leave? While there is very little research on paternity leaves, the answer to this question seems to be a resounding "No!" Very few men seem to take paternity leaves. Rather, they take a few vacation days or other paid discretionary days (what is referred to by Peck as "informal paternity leave") when their children are born.[1]

In addition, there is ample empirical evidence showing that women who take parental or maternity leave experience negative consequences at work. In a very recent study, Budig and England[2] report a wage penalty of approximately 7% per child among young American women.

A recent study conducted by Statistics Canada[3] indicates that motherhood is also associated with a wage gap in Canada. Using data from the 1998 *Survey of Labour and Income Dynamics*, Drolet determined that mothers who had their children later in life earned 6.0% more than mothers who had their children early. While this gap in wages was observed among mothers of all ages, the incidence was found to be greatest among younger Canadian women. Drolet also notes that the wage differentials are greater with respect to the timing of children than the timing of marriage. On one hand, mothers who delay their pregnancy obtain 17.1% higher hourly wages on average compared to those who chose to have children early. On the other hand, women who delay their marriage earn 7.8 percent more than those who marry early. Similar findings were reported by Andrew et al.[4] who found an inverse relationship between the career success for women and the number of offspring they chose to have.

Recent research supports the idea that the cohort of women now in their prime childbearing years shows a marked lack of enthusiasm for childbearing. This conclusion is based on recent research, which has noted an increased propensity on the part of many professional women to remain childless, or delay motherhood.[3-5] Data published in 2002 by Statistics Canada indicates

that Canada's total fertility rate has been declining drastically over the past several decades. From 1979 to 1999, the fertility of Canadian women aged 20 to 24 declined nearly 40% while fertility among those aged 25 to 29 decreased about 25%. In 1999, the fertility rate was at a record low of 1.52 children per woman. Drolet also notes that “Current trends in marriage and fertility patterns suggest that young Canadian women are delaying family formation and concentrating on developing their careers.”[3]

Human capital theory[6] can be used to explain why motherhood is becoming less attractive to women in managerial and professional positions. According to this theory, people make investments such as acquiring education or experience, to upgrade and earn higher wages. The greater the investment an employee has made, the greater the potential cost of dropping out of the labour force and thus, the less likely he or she will be to do so.[1] Human capital theory would predict that women with more invested in their career (i.e., more education, work experience, and greater seniority) would be less likely to have children if they felt that taking maternity leave would reduce their human capital.[7]

This phenomenon is not a new one. In a landmark study, Goldin[8] examined the relationship between career, marriage, and children by tracing the labour force participation rates of five cohorts of American female college graduates over the last century. This study concluded that combining career and family has always been a daunting task for women and that over the century a significant proportion of college-educated women have coped with conflicting career and family demands by deciding to remain childless.

A recent study conducted by Sylvia Ann Hewlett[9] has also explored this issue. Hewlett's study focused on two age cohorts of professional women; the breakthrough generation, aged between 42 and 55, and the younger generation aged between 28 and 40. According to her survey, 33% of high-achieving women (in the younger cohort defined as those earning a minimum of $55,000 a year, and in the older cohort those earning a minimum of $65,000 a year) were childless at the age of 40. Half of those in her ultra-achiever group (defined as women earning $100,000 a year) did not have children. Hewlett concluded her study by pointing out that career success was negatively correlated with the probability of having a family with children. Taken as a whole, this body of literature suggests that policy makers have to think beyond maternity and parental leave if they wish to facilitate the task faced by professional women in having children.

Research in the area of maternity/parental leave is also limited by the fact that career cycle issues for women are often treated as separate from (or not relevant to) life cycle issues (i.e., when to have children or how long to stay at home with a child). Unfortunately, these two elements are not separate. The peak years for having children coincide with the peak years for career progression and development. Hewlett provides an excellent quote from economist Lester Thurrow to illustrate this catch 22:

> *The years between 25 and 35 are the prime years for establishing a successful career. These are the years when hard work has the maximum payoff. They are also the prime years for launching a family. Women who leave the job market during those years (i.e., take maternity or parental leave) may find that they never catch up.*[10]

The effect of women's careers on their ambivalence around having children can be attributed to a shift in career expectations that has led many women to establish career patterns similar to those of their male peers.[11] The years of career development and advancement are often characterized by intense demands at work, long hours, and arduous job-related travel. These work demands are incompatible with the task of bearing and raising a child. Since having children late offers a better career path for women both in terms of salary and tenure, many appear to be delaying family formation. This delay often results in smaller families or childlessness.

Conclusions

What do we know about the impact of parental leave on child and family outcomes? Based on these articles, it would seem we do not know a great deal. The authors identify a number of problems with the research in this area that greatly limits our ability to draw meaningful conclusions regarding the effects of parental leave policies on both children and parents. Flaws noted by the authors include the lack of research on a range of important factors that may intervene between infancy and later periods of life, including household structure and the availability of high quality daycare, inconsistent findings, and relatively small effect sizes. They also noted that the mechanisms by which parental investments in childcare can yield improved outcomes are unknown at this time. Ruhm points out that it is difficult to determine how the use of parental leave affects children, since the mothers who take leave when children are young are likely different from those who do not. These limitations indicate that considerable caution should be used in applying the available research. Instead, this particular literature leaves the

reader with the unfortunate impression that maternal employment has a negative impact on children.

Implications

All three authors discuss maternity and parental leave policies. However, most of the research in this area focuses on the impacts of *mothers* electing to work instead of staying home for the first few years with their young children or the impact of mothers who elect to take maternity leave. Simply calling this policy “parental” leave has not changed how it is viewed. It largely remains a policy for women. As Budig and England note:

While the benefits of mothering diffuse widely — to the employers, neighbors, friends, spouses and children of the adults who received the mothering — the costs of child rearing are borne disproportionately by mothers.[2]

There is a real need to reconcile the needs of society (i.e., population growth and child development) with the needs of female professionals (i.e., their career needs and the choice to have children). Indeed, there is a need for researchers to go beyond their examination of maternity and paternity leave, as policy changes alone will not dictate a cultural shift.

In my opinion, the current research and policy focus on *parental leave* offers a simple solution to what all three authors (but particularly Lero) note is a very complex issue. This is only one component in a set of policies and supports that need to be developed to help parents balance competing work and family demands. To address this issue in a meaningful way, we need to look at how we can reduce women’s burden of costs in bearing and rearing children. Insodoing, we should not restrict our examinations to societal policies such as parental and maternity leave. Rather, we should look at how jobs are structured and how employees are rewarded (e.g., rewards are currently linked to years of experience, seniority, and the ability to work long hours). Tax policy could also be a useful area to investigate (e.g., how can we encourage fathers as well as mothers to take parental leaves?).

Other areas worthy of additional research (as identified by the authors) include the following:

- Why do women return to work early?
- Why do men not take parental leave?
- What determines how long a mother will take maternity leave?

- What determines how long a father will take paternity leave?
- How can we normalize leave-taking for both mothers and fathers?
- Why are women deciding to remain childless or have fewer children?
- What can organizations do to help working parents be effective both at home and at work? What can governments do?

Only by finding answers to these questions can we develop policies and services that support their intended beneficiaries.

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