



Paid Parental Leave: What can the United States and Australia Learn from Each Other?

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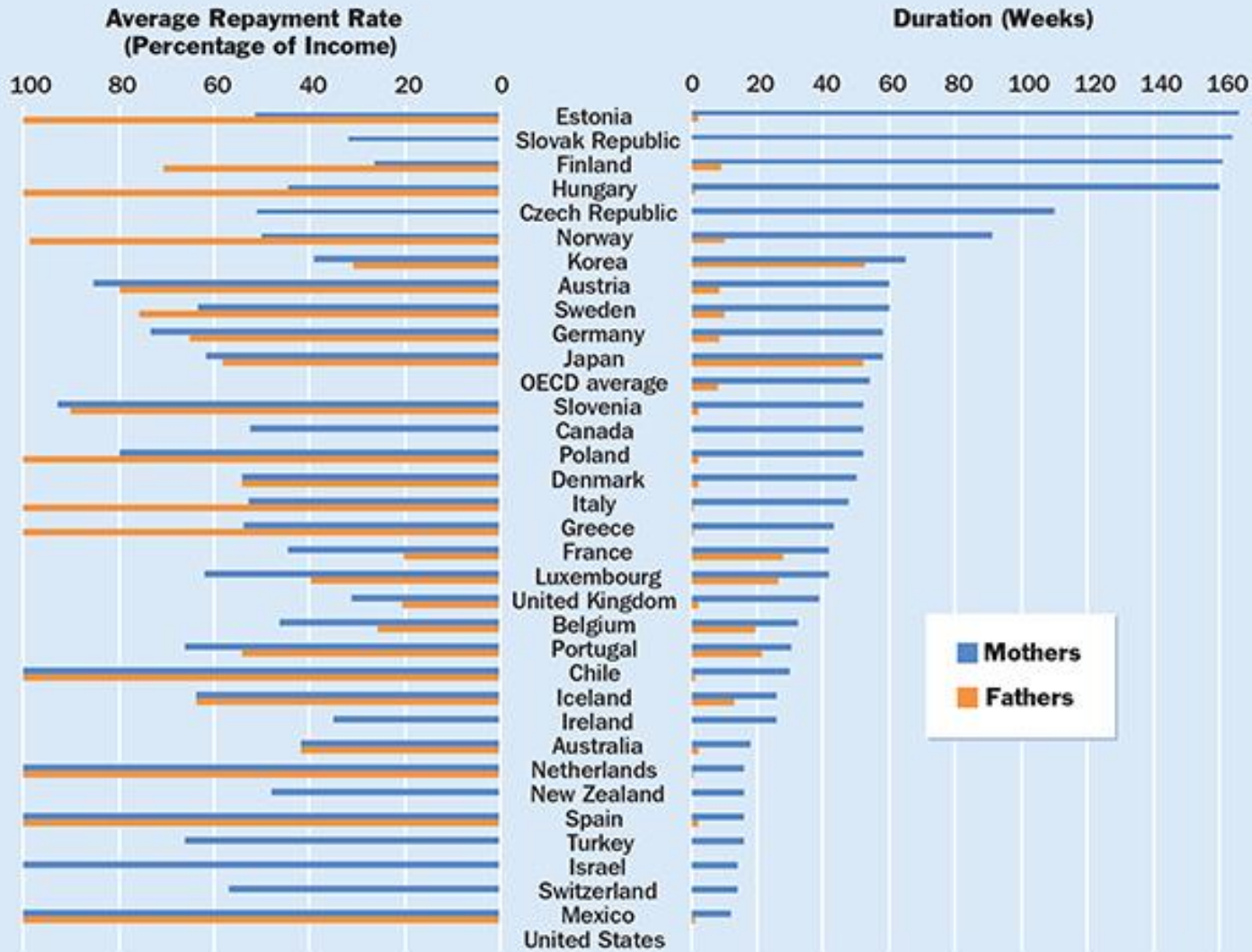
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Paid Parental Leave Entitlements in OECD Countries in 2015



SOURCE: See AEI-Brookings, *Paid Family and Medical Leave: An Issue Whose Time Has Come*

(Potential) objectives of parental leave design

- Health/care/development of infant
 - Mother specifically? Father specifically?
 - Either parent, as per family choice?
 - “balanced” time with both parents?
- Health of mother in pregnancy and post-childbirth
- Medium-long term participation of women in workplace
- Gender equality at home and work
- Increasing fertility rate
- “Reasonable” cost
- Redistributive?
- Administrative ease



Factors to design

- Who is eligible?
 - Distinct standards for mothers versus fathers?
 - Distinct standards for primary carer versus secondary carer?
 - Different rules for single-parent families? Adoptive? Same-sex?
 - Category or tenure of prior employment?
- Length of leave? Intermittent? Simultaneous permitted?
- Rate of income replacement?
 - Portions paid at lower rate or unpaid?
- Extent of job-security?
 - Guarantee of prior or comparable position?
 - Ability to effectively enforce any such guarantee? Address discrimination more generally?
- Financing mechanism? Who bears costs?
- Administrative mechanism?



Australia's Legally-Mandated Parental Leave Schemes

Paid Parental Leave (est. 2011 / 2013)

- 18 weeks to the “primary carer” of an infant
 - Default – birth mother, with an option to transfer to a partner
- 2 weeks “dad and partner pay” (DAPP)
- Both paid at the national minimum wage; top up possible

Unpaid Parental Leave (this version, 2009)

- Each parent – 12 months of unpaid leave
 - Must have “responsibility for the care of a child”
- 8 weeks may be taken simultaneously
- If only one parent takes leave, she (or he) may request 12 additional months; the employer may only refuse if it has “reasonable business grounds” for the refusal



Australia PPL legislative objectives

The objectives of the Paid Parental Leave scheme are to:

- a) signal that taking time out of the paid workforce to care for a child is part of the **usual course of life and work for both parents**
- b) **promote equality** between men and women and balance between work and family life.



Legislative objectives continued...

The objective of [PLP] is to provide financial **support to primary carers (mainly birth mothers)** of newborn ... children, in order to:

- a) allow those carers to take time off work to care for the child ...
- b) enhance the **health and development of birth mothers and children**
- c) encourage **women to continue to participate** in the workforce.

The object of [DAPP] is to provide financial support to fathers and partners caring for newborn or newly adopted children, in order to:

- (a) increase the **time** that fathers and partners take off work **around the time of birth or adoption**; and
- (b) create further opportunities for fathers and partners **to bond** with the child; and
- (c) allow fathers and partners to take a **greater share of caring responsibilities and to support mothers** and partners from the beginning

PPL usage

- Vast majority of PPL claimants are birth mothers
- Almost all take the full 18 weeks
- Slight increase going back to same job, same hours
- Small increase in women's perceptions of career prospects
 - pre-PPL 38% said "worse" career prospects; post-PPL 32%

Australia: births from 2009 (Pre-PPL) / 2011 (Post-PPL)

Weeks after birth	Pre-PPL % of mothers back at work	Post-PPL % of mothers back at work
13 weeks (3 months)	16%	8%
18 weeks (5 months)	22%	15%
26 weeks (6 months)	36%	36%
52 weeks (12 months)	69%	73%

Source: Martin et al., PPL Evaluation Final Report (2015), p. 33

DAPP usage

- First year: **About 1 in 3 eligible fathers** (in coupled households) took DAPP; about 50% of those that had heard of it
- Average leave remained 14 to 15 days
 - Many were substituting DAPP for other paid leave
 - DAPP used more by casual or self-employed, and those who lacked paid leave
- Small positive effect on employers' attitudes towards requests – soft norm of expecting dads to take about two weeks off after a birth

SOURCE: Martin et al. 2014



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Towards gender balanced parental leave

Australian and international trends

Insight paper



2017 report



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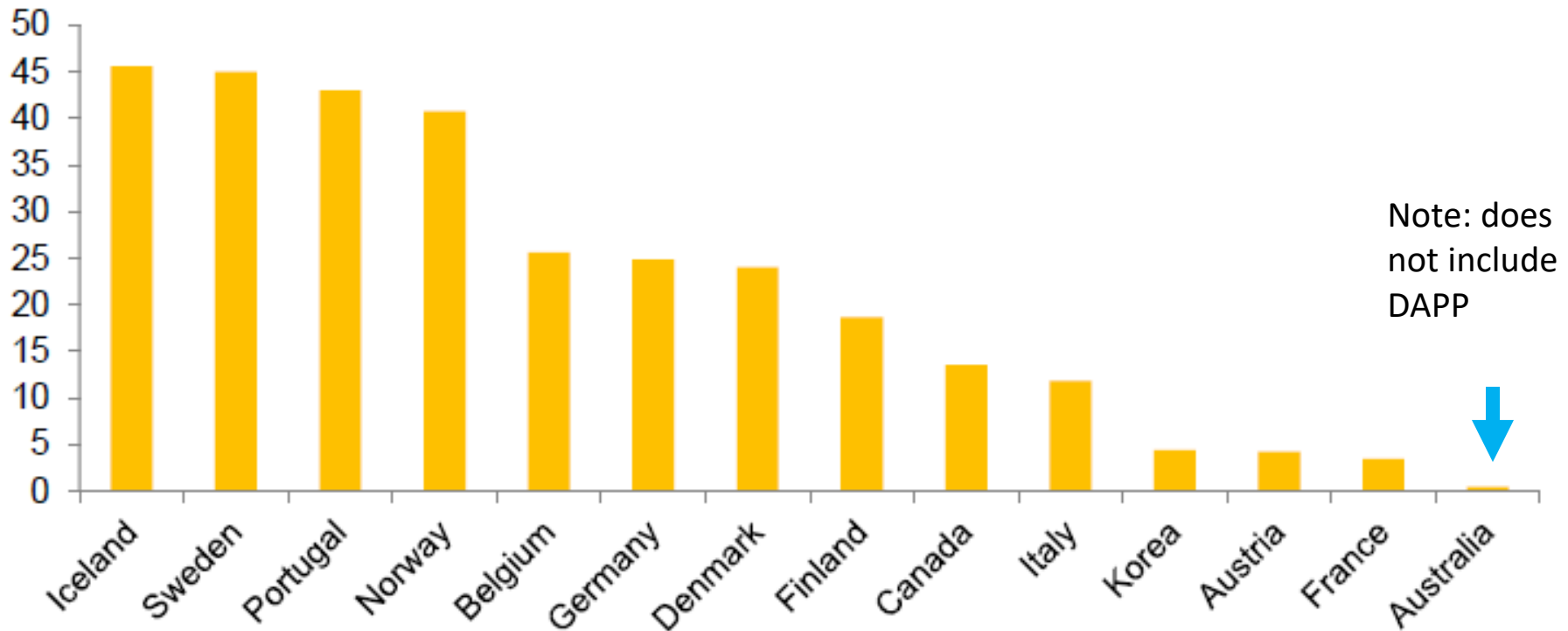


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Male share of total recipients of publicly-administered paid parental leave



Source: OECD Family Database (2016), Use of childbirth-related leave by mothers and fathers, retrieved: <https://www.oecd.org/els/family/PF2-2-Use-childbirth-leave.pdf>, viewed 30 June 2017

Source for chart: WGEA, Towards a gender balanced parental leave

Employer-provided paid parental leave

(2016-2017 WGEA data)

- 46% of employers offer paid parental leave for **primary** caregivers
 - Average length: 10.1 weeks
 - Women used 95.3% of primary carer's leave
- 39% offer paid parental leave for **secondary** carers
 - Average length: 7.3 days
 - Men used 95% of secondary carer's leave

WGEA only collects data from employers with at least 100 employees, so these numbers are likely higher than if looked at all employers

SOURCE: WGEA, Australia's Gender Equity Score Card (2017)



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U.S. Parental Leave

Paid Parental Leave – No federal law

Unpaid Parental (and Family) Leave (federal FMLA)

- Each parent has a right to 12 weeks; no distinction between “primary” and “secondary” carers
- Can be taken simultaneously or sequentially
- BUT only if work for a relatively large employer; meet hour and longevity requirements that exclude 40% of private EEs

Employer-provided paid leave

- 15% of workers have paid parental/family leave
 - For lowest 25% of wage earners – just 6%
- 38% of workers have short-term disability benefits
- Paid leave – most commonly 5-8 weeks

U.S. state paid parental (and family) leave

- 5 states (California, New York, New Jersey, Washington, Rhode Island) + DC
 - Collectively – approximately 25% of the total U.S. population
- 4-12 weeks – available to each parent
 - Can be taken simultaneously or sequentially; in some states, also intermittently
- In most states, additional benefits to women during period of physically recovering from childbirth (usually 6-8 weeks)
- Financed mostly by EE wage withholding (.09-.13% of wages, up to cap); insurance model
- Receive 60-90% of regular wages, up to cap
 - San Francisco – requires employers top up to 100%
- Cap based on avg. wkly wage; \$640-\$1200 /wk (\$812 - \$1524 AUD)
- Some do not include job protection

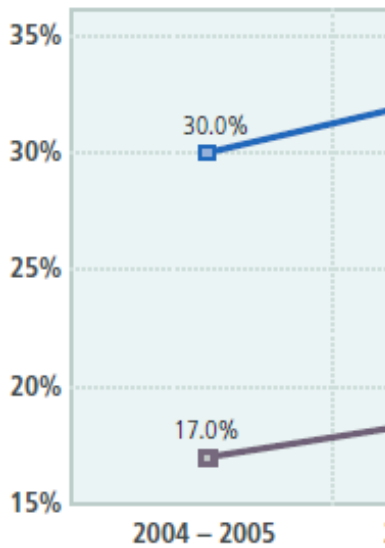


California PFL

PAID FAMILY LEAVE FOR NEW CHILDREN

The number of men in California taking paid family leave to bond with new children has doubled.

Figure 3. Percentage of PFL



Source: California Employment Development Department

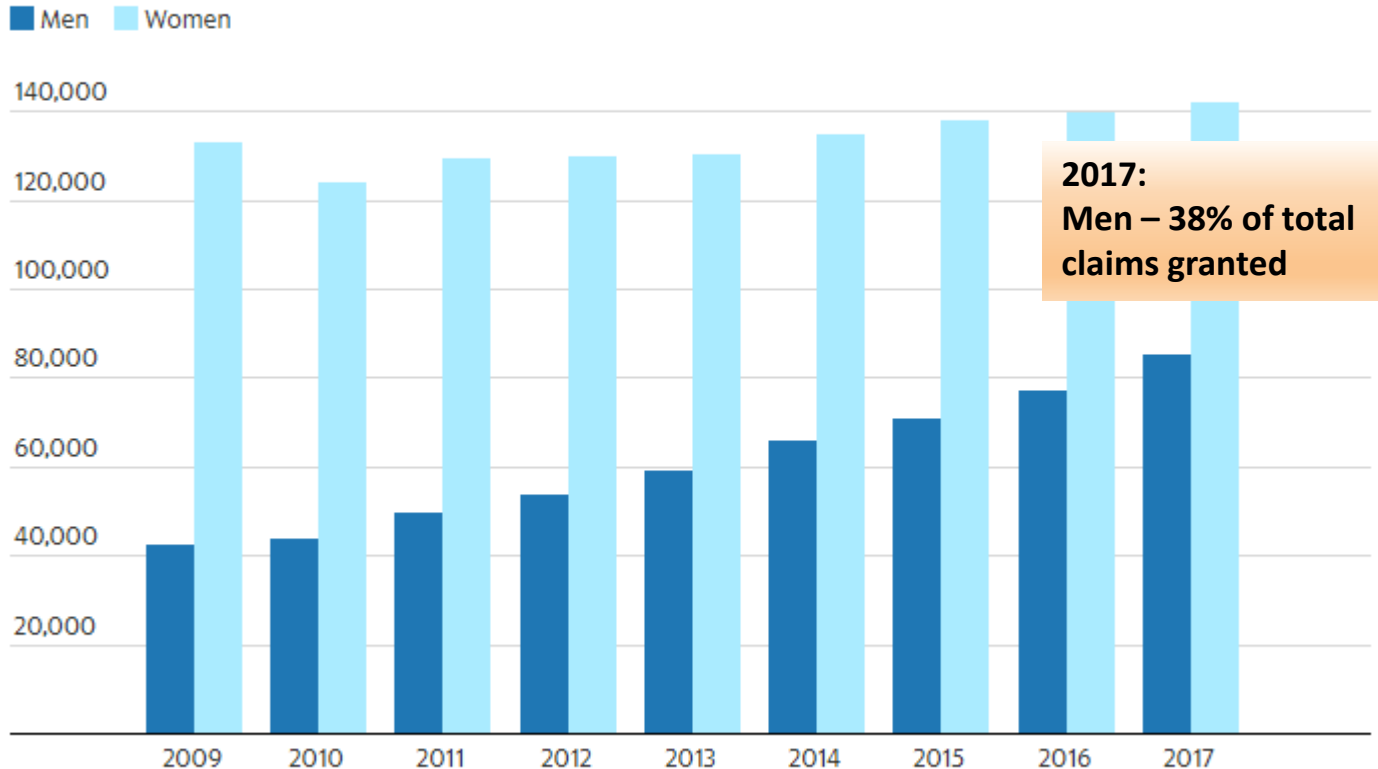


Chart: Phillip Reese • Source: California Employment Development Department • [Get the data](#)

Sources: Applebaum, E. & Milkman, R. (2012); CA <http://www.sacbee.com/site-services/databases/article197759334.html>

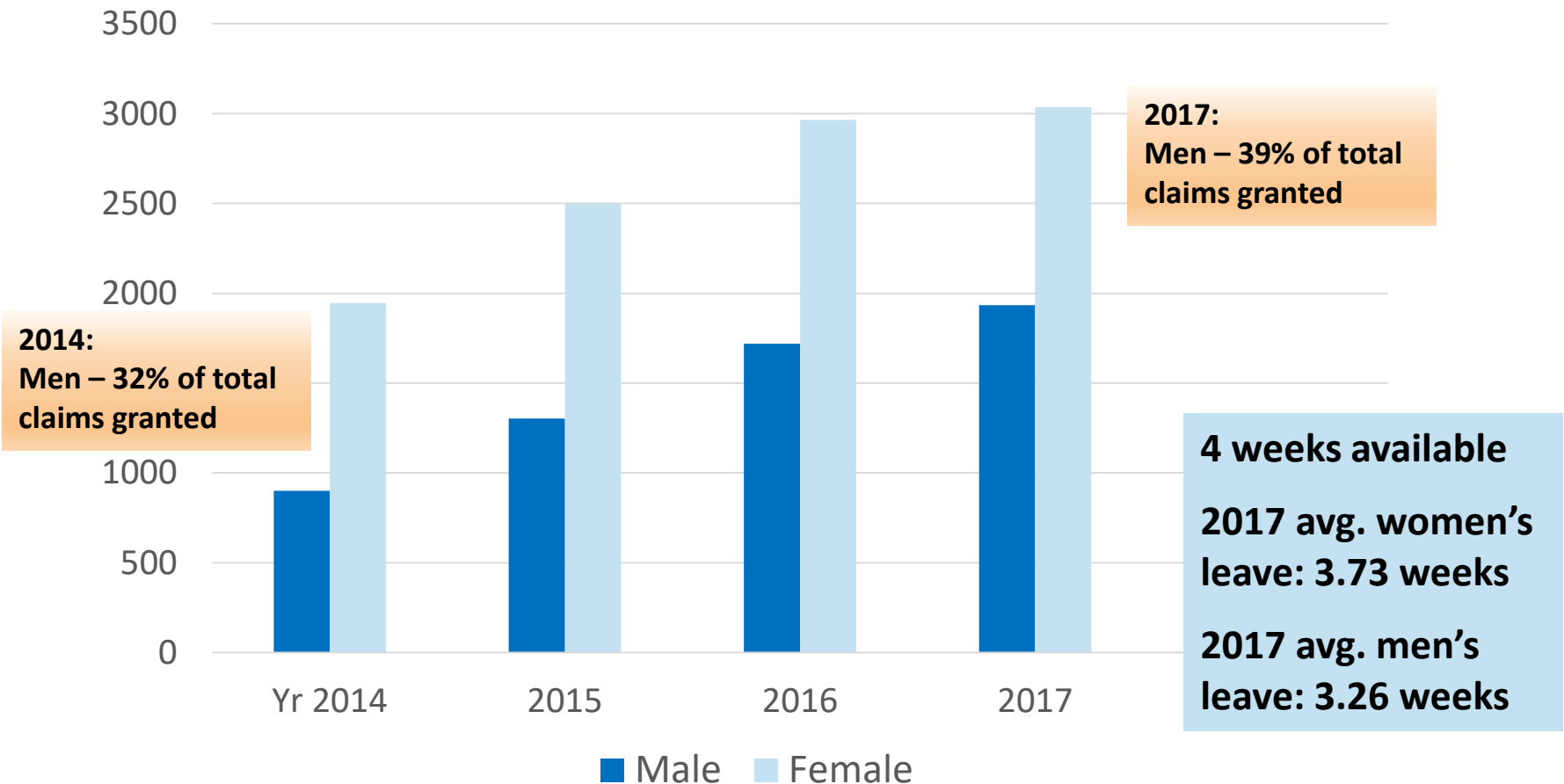
California PFL – length of bonding



Source: Bedard & Rossin-Slater, The Economic and Social Impacts of Paid Family Leave in California: Report for the California Employment Development Department (2016)

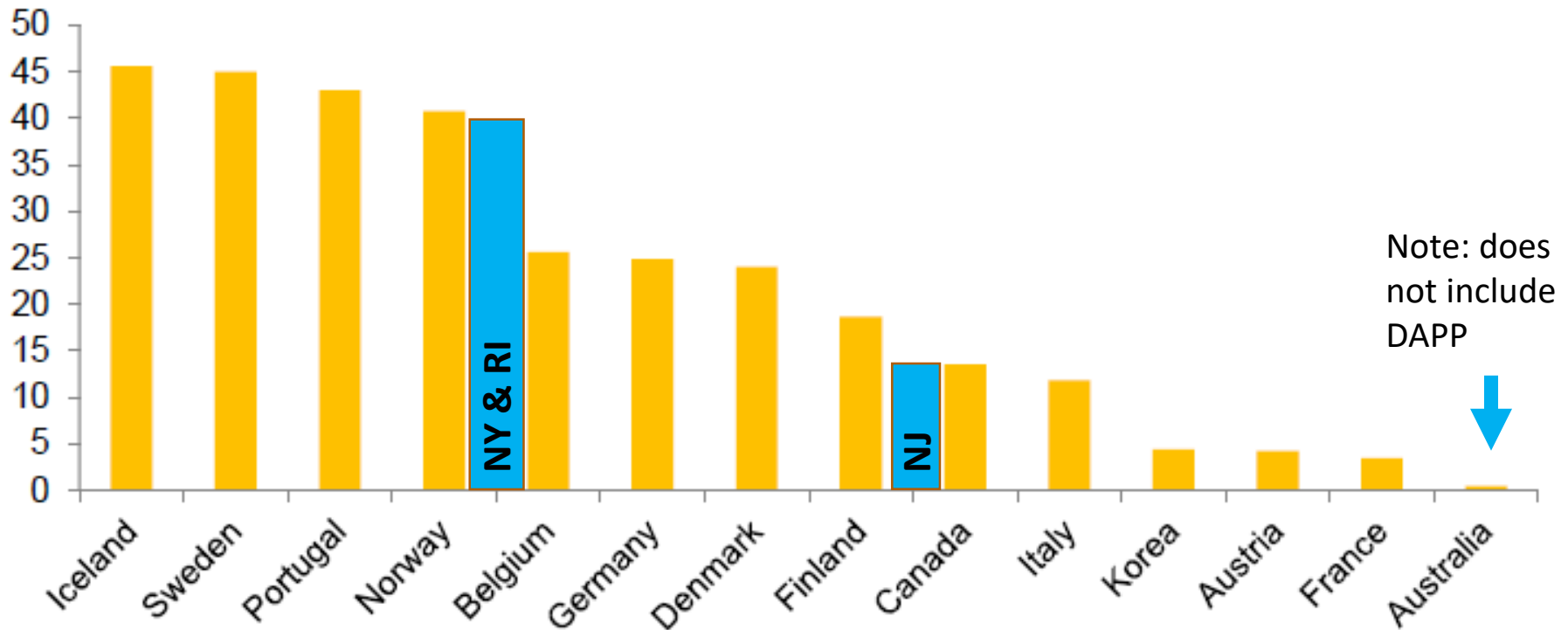


Rhode Island – PFL Bonding claims with new baby



Source: Data from Rhode Island Dep't of Labor and Training – Annual TCI reports; data from agency

Male share of total recipients of publicly-administered paid parental leave



Source: OECD Family Database (2016), Use of childbirth-related leave by mothers and fathers, retrieved: <https://www.oecd.org/els/family/PF2-2-Use-childbirth-leave.pdf>, viewed 30 June 2017

Source for chart: WGEA, Towards a gender balanced parental leave

Factors that affect family “choices” for infant & child care

- Cost of childcare
- Gender wage gap
- Work hours
- Tax policy

Economic (and mostly gender neutral)

- Breastfeeding

Biological difference

- Importance placed on parental caregiving as compared to non-parental caregiving

- Facilitating maternal caregiving
- increasing the role of fathers in caregiving?

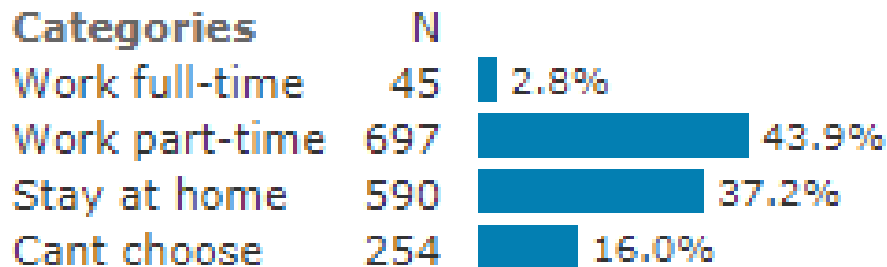
Social norms, and gender norms, will shape how these factors are weighed



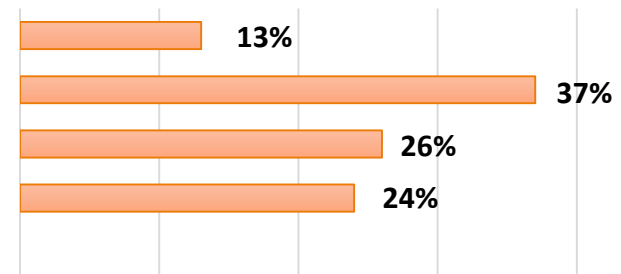
Factors that affect family choices for child care

Do you think that **women** should work outside the home full-time, part-time or not at all ... when there is a child under school age?

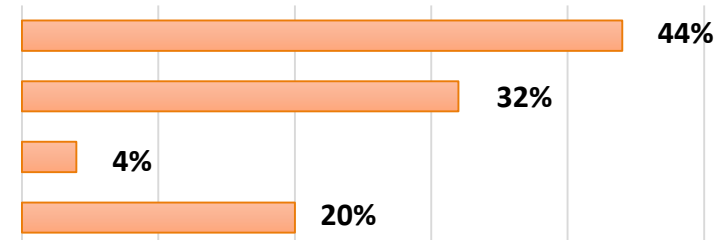
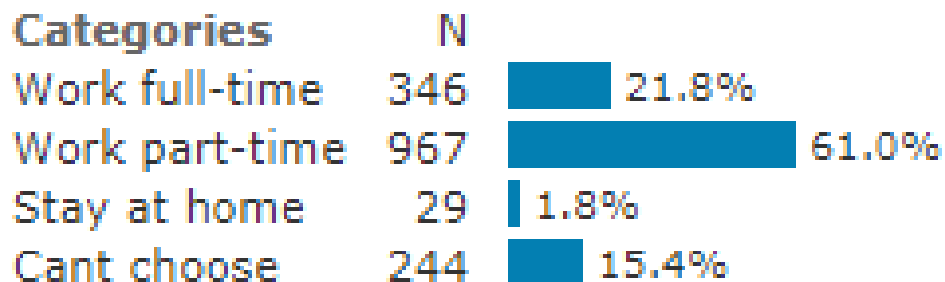
Australia (2012 survey)



US (2012 survey)



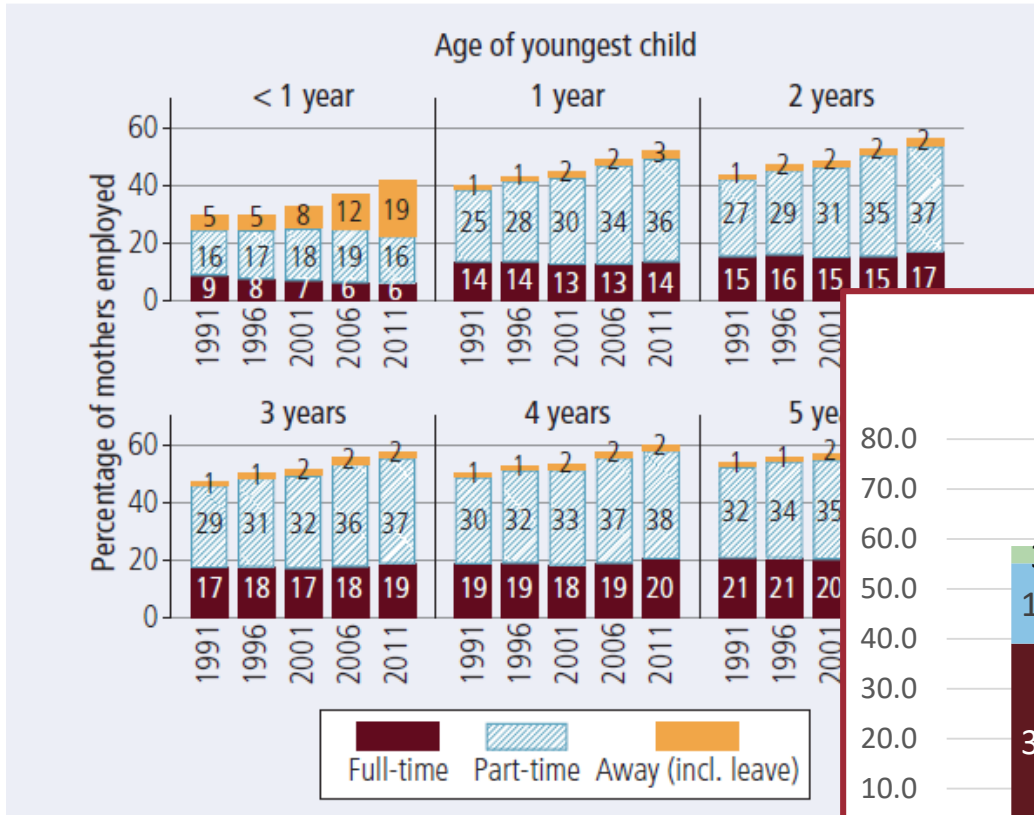
After the youngest child starts school?



Sources: Australian Survey of Social Attitudes, 2012; U.S. General Social Survey, 2012

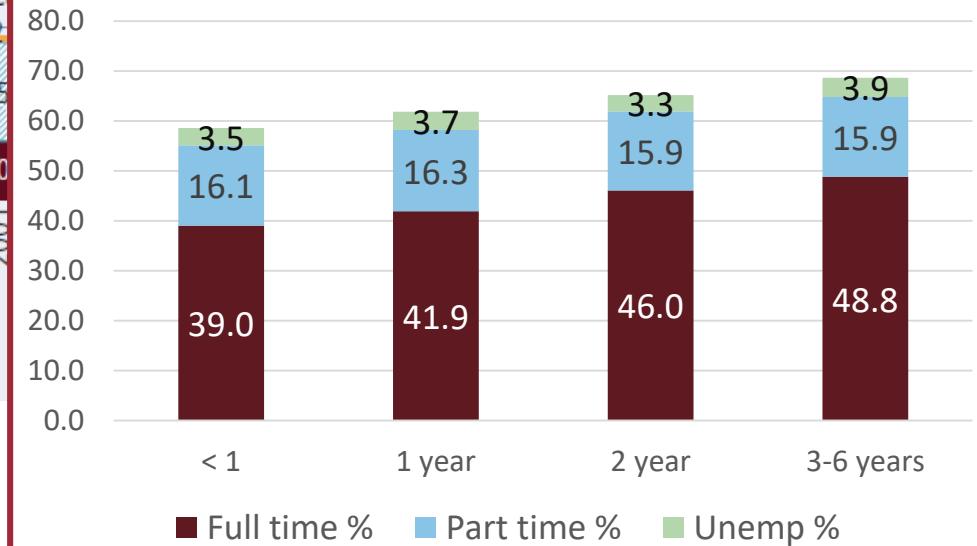
part-time / full-time split very different...

Australia -- Maternal Employment Rates



Data source for Australian chart:
 Australian Population Census;
 Source for Australian chart: Baxter,
 Parents Working Out Work (2013);

U.S. Maternal Employment Rates - 2016
 Age of youngest child



Data source for US chart: US
 Bureau of Labor Statistics

Is it important for men to take parental leave?

- Can help address gender equality issues
 - Home -- more sharing of child care and housework
 - Work?: Maybe decrease employment discrimination against mothers at work?
 - National Review – 50% of women experience discrimination around pregnancy and leave
- Depending on policy design, can extend the amount of time a baby can receive parental care
 - In the U.S., may see men taking more leave because women's leaves tend to be so short
- Many men want to – but fear workplace discrimination or other potential stigma
 - National review – 27% reported discrimination (even after very short leaves)



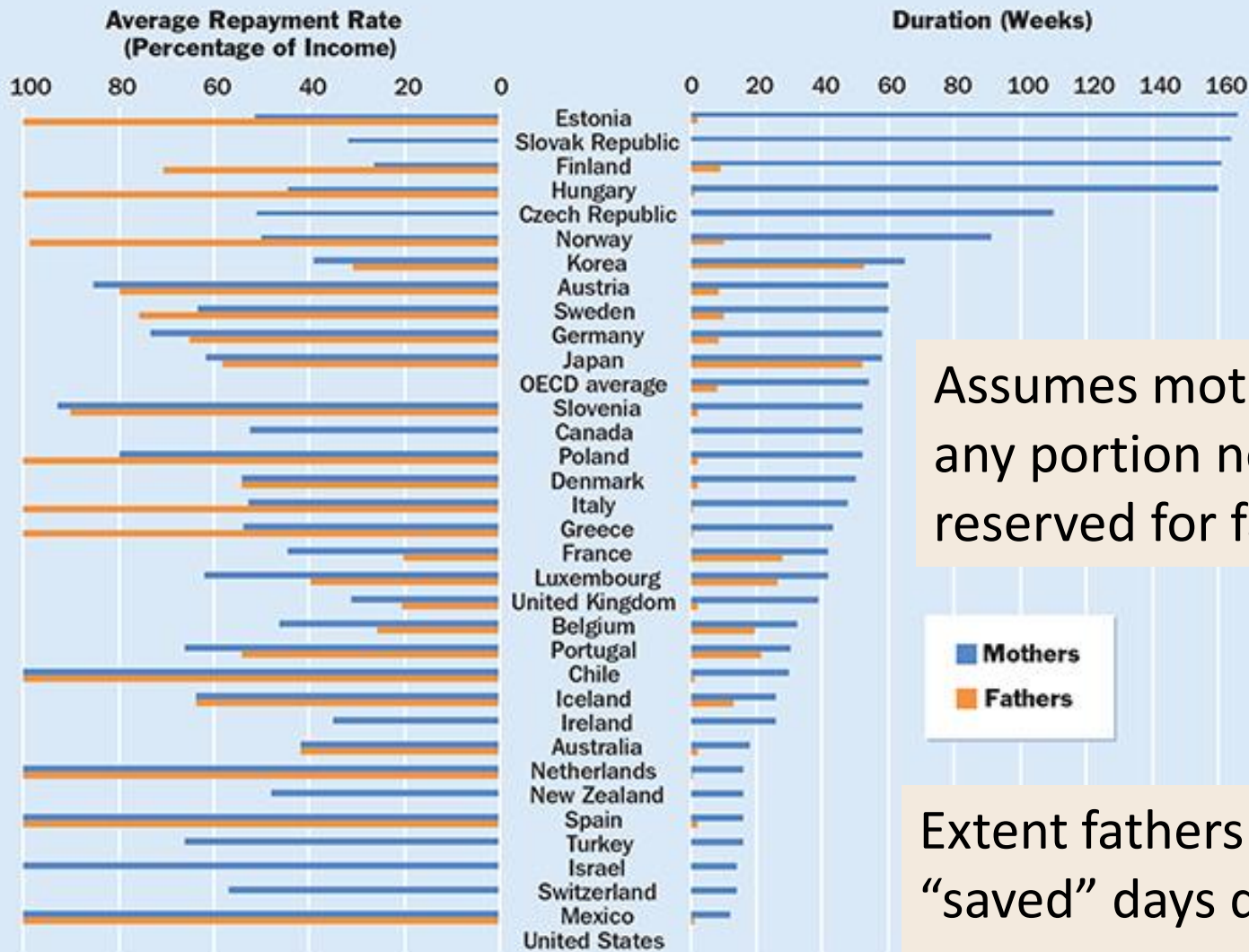
What increases fathers' use of leave?

- Pay (the closer to full pay, the better)
- Use-it-or-lose-it days for father/partner
- Protection from discrimination
 - Flexibility stigma; particularly for men seeking workplace flexibility
- Supportive workplace culture
- Gender norms and expectations
- Flexibility in terms of timing of leave
- Signals sent by government/company implementers

See, e.g., Duvander & Johansson (2012); Haas & Rostgaard (201); Moss (2015); Patnaik (2016); Sullivan et al. (2009)



Paid Parental Leave Entitlements in OECD Countries in 2015



Assumes mothers will use any portion not specifically reserved for fathers

Extent fathers actually use "saved" days depends on norms, protections, pay

SOURCE: See AEI-Brookings, *Paid Family and Medical Leave: An Issue Whose Time Has Come*

What increases fathers' use of leave?

	Pay	Use it or lose it	Flexibility	Discrimination protection
Australia	Flat rate \$695	2 wks	limited	Yes (but...)
U.S.	60-90% salary \$640-1200 cap \$812-1524 AUD	4-12 wks	Yes, generally	Yes (but...)

Gender norms

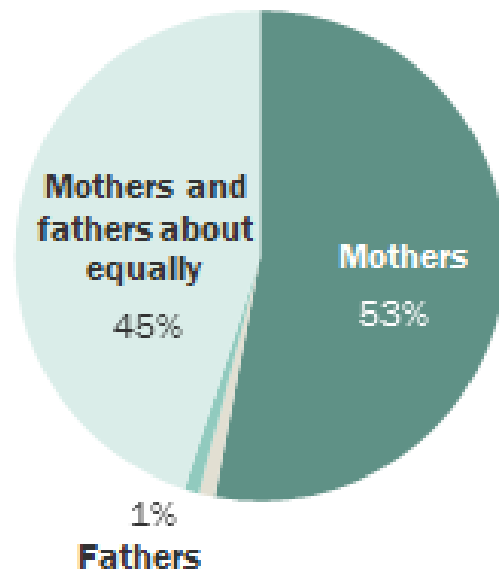
- Law structure different because norms were already different?
- Or does the different structure of the law help change the gender norms?



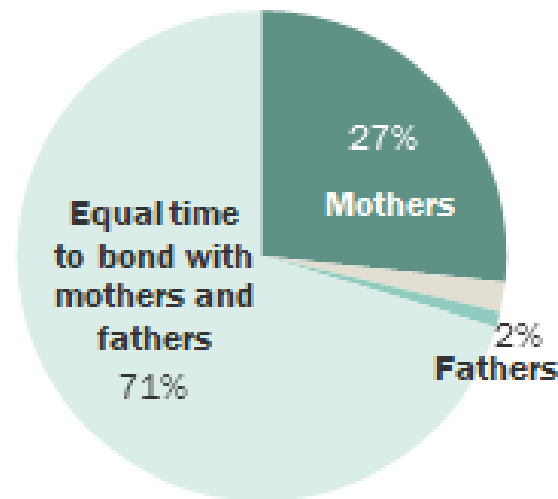
U.S. – support for “equal” time to bond

Most say it's equally important for babies to bond with their mothers and their fathers, but many say mothers do a better job than fathers caring for a new baby

% saying that, aside from breast-feeding, ___ do a better job caring for a new baby



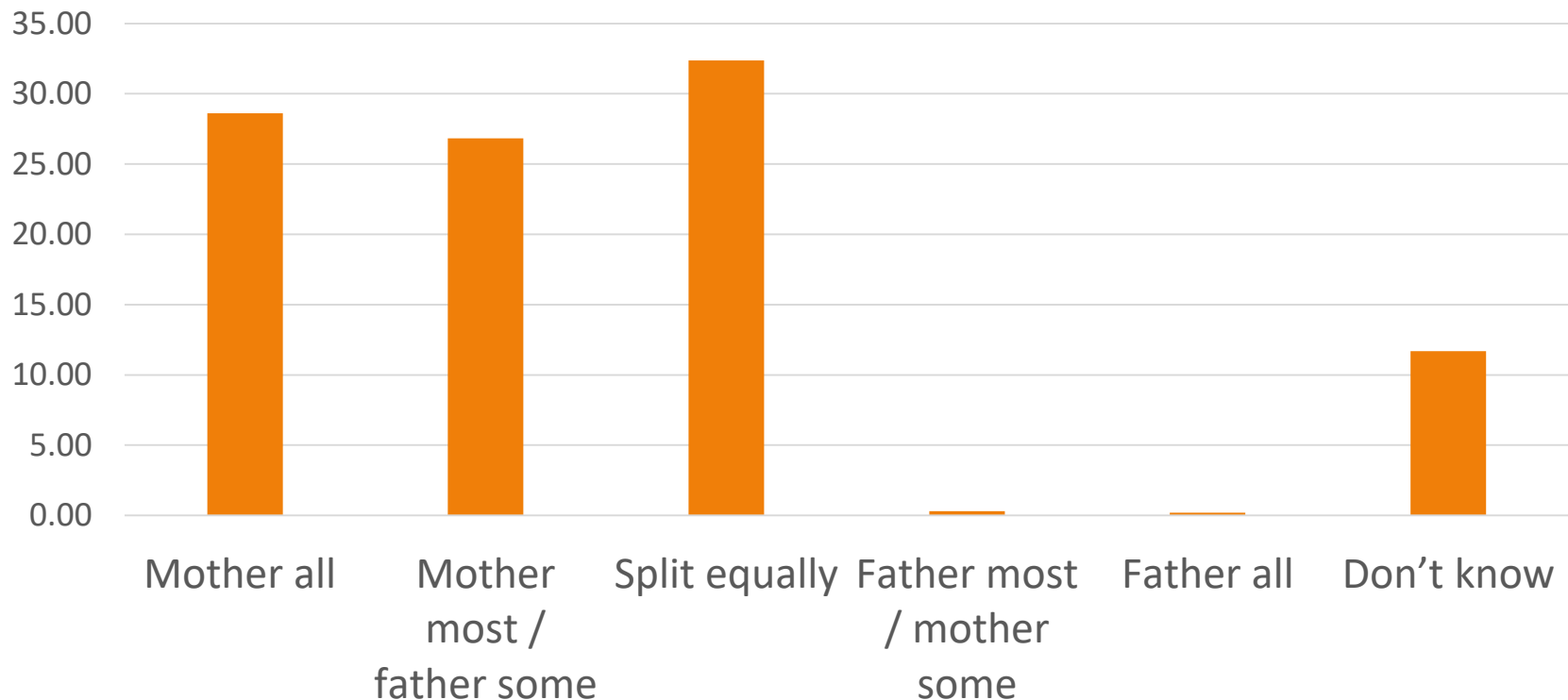
% saying it's more important for new babies to have more time to bond with ...



Source: Pew Research Center (2016 poll)

If both members of a couple are in a similar work situation and are eligible for paid leave, how should this leave period be split?

U.S. results:



Data source: U.S. General Social Survey (2012)

Men challenging unequal leave policies

Inspired Life

CNN journalist Josh Levs forced his employer to give new dads paid leave. Now he wants others to speak up, too

SEARCH

The New York Times

Continuation of the Merger



Cfius, Powerful and Unseen, Is a Gatekeeper on Major Deals



Washington Governor Signs First State Net Neutrality Bill



Nordstrom Family's Buy the Retailer Is Rejected

BUSINESS DAY

B)

Attitudes Shift on Paid Leave: Dads Sue, Too

By NOAM SCHEIBER SEPT 15, 2015



Josh and Abbie Levs. Mr. Levs and CNN settled his lawsuit against fathers. Bryan Meltz for The New York Times

U.S. sues Estée Lauder for allegedly discriminating against new dads

by Julia Horowitz @juliakhorowitz

August 31, 2017: 1:25 PM ET

Recommend 100



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Signals sent by government implementers

Who can receive it

You must be:

- the birth mother of a newborn child
- the adoptive parent of a child, or
- another person caring for a child under exceptional circumstances

You also need to:

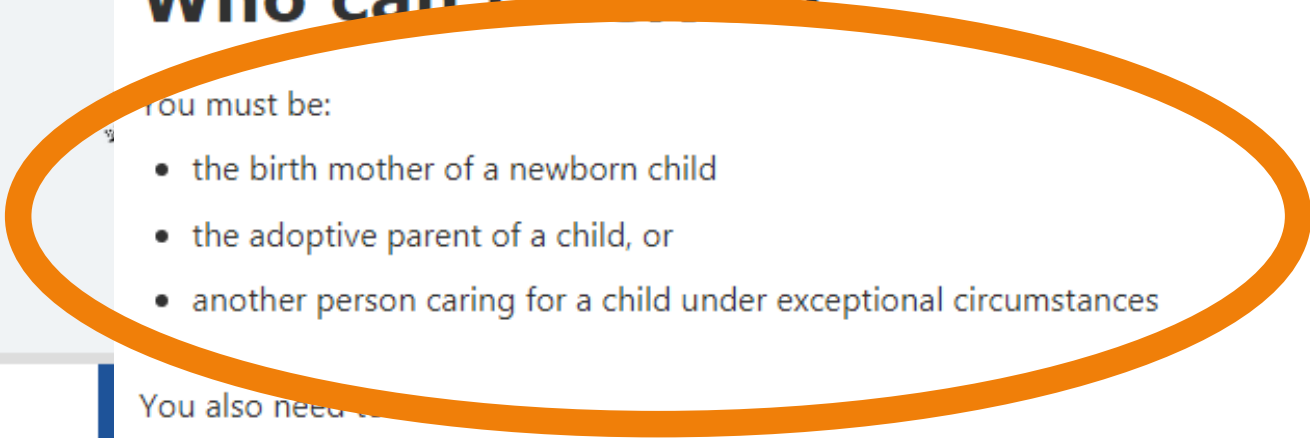
- meet a [work test](#)
- have earned an individual [adjusted taxable income](#) of \$150,000 or less in the financial year before the birth or adoption or the date you lodge your claim, whichever is earlier
- be on leave or not working from your child's birth or adoption until the end of your Paid Parental Leave period, and
- meet resident rules and be an [Australian citizen or permanent resident](#)

You may also be able to receive Parental Leave Pay if you're:

- the partner of the child's birth mother or adoptive parent and they [transfer their Parental Leave Pay](#) and care of the child to you

[claiming](#)

[Managing your payment](#)



RI
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LEAVE



Need
for a
a love



PROGRAMS

New York State Paid Family Leave



SH

Some ideas for increasing men's parental leave-taking

- DAPP reforms / Private “secondary” carer policies
 - More than two weeks
 - More flexibility on timing
 - Higher pay rate / encouraging employer top-up option
- PPL reform
 - Make transfer option more prominent, easier
 - extend length and create a use-it-or-lose-it portion for fathers
 - Higher pay rate / encouraging employer top-up options
- Private policies -- eliminate “primary” carer and “secondary” carer distinction – individual right for each parent
 - More flexibility in timing of use
- Cultural – encouraging fathers to take leave, robust discrimination protections



U.S. – better support for single parents?

- Very high non-marital birth rate – 40% of all births
 - More common for racial minorities, less educated women
 - Also most likely to lack employer-provided leave, FMLA rights
- Structure of parental leave premised on two parents who can share leave
- Means half as much leave available to single parents
- Part of a larger structure that requires single parents to work, even with young children



Questions, comments, suggestions?

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