

Analysis of the Necessity of Paid Maternity, Paternity and Parental Leave Policy

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Abstract: The U.S. faces challenges with a declining birth rate and an aging workforce, which impacts labor supply. A key issue is the lack of federally mandated paid parental leave, leaving many workers, especially women, balancing career and family without adequate support, contributing to workforce participation problems. This paper focuses on the current career dilemmas faced by women in the United States and how paid maternity, paternity, and parental leave policies improve the situation. This paper first provides an overview of paid family leave policies that already exist in some developed countries and focuses on explaining the current paid maternity leave policy in the United States. This paper analyzes the current dilemmas faced by working women in the U.S., such as pregnancy discrimination, differential treatment in job searches, and lower wages, and emphasizes the need for full implementation of paid maternity leave. This paper also summarizes the three major positive impacts of paid family policies on the U.S. economy through an analysis of research results from previous years: increased labor force participation, reduced dependence on social welfare, and increased fertility rate. The paper also suggests how paid maternity leave policies can be improved in the future, which is making paternity leave and maternity leave equal in duration.

Keywords: paid maternity leave, paternity leave, labor force attachment.

1. Introduction

Maternity Leave is the leave that a woman is granted before and after giving birth. It is usually used to allow the mother to recover and care for the newborn. The length of maternity leave varies from country to country and region to region and usually covers the weeks before and the weeks or months after the birth.

Paternity Leave is the leave that a man receives during or after his partner's labor. The main purpose of this leave is to enable the father to support his partner and care for the newborn. The length of paternity leave is usually shorter and may vary from a few days to a few weeks, depending on the laws of the country and the company's policy.

Parental Leave is a leave that a parent (either mother or father) can claim after the birth or adoption of a child. Parental Leave can usually be taken by either or both parents. Parental leave lengths and policies vary by country and company, and can usually be used anywhere from a few months to a few years after the birth of a child.

Paid family leave, as defined by Barbara Gault et al. in the article *Paid Parental Leave in the United States*, is paid leave earned by an employee to care for a newborn child or sick family member,

and does not include sick leave, vacation leave, personal leave, or short-term disability leave. So paid maternity leave, paid paternity leave and paid parental leave are all paid family leave [1]. The system of paid maternity leave varies considerably from country to country, for example, in Germany, women are currently entitled to three years of (partially paid) leave. Germany is currently the country that offers the longest leave and there has been a recent trend to extend leave coverage; Canada increased paid family leave from about 25 to 50 weeks in 2000. Other countries that have recently extended leave coverage include the United Kingdom and Denmark [2].

The main labor policy currently in place in the U.S. for this purpose is the Family and Medical Leave (FMLA), a law that was introduced in 1993 and which allows eligible employees to take up to 12 weeks of unpaid leave for the birth, adoption, or care of a seriously ill family member. However, this law does not require employers to provide paid maternity leave. As of 2023, U.S. policy on paid maternity leave remains relatively decentralized, with no uniform paid maternity leave bill at the federal level. Some states and local governments have implemented their own paid maternity leave policies. For example, according to Maternity and Paternity Leave in California, California is one of the few states that has paid family leave. New parents in California can receive partial wages from the state while taking time off to take care of a child. The state pays 60 percent of most employees' wages for six weeks.

The discussion on the paid system is very necessary because as more and more women enter the workplace today, how to protect women's labor rights and interests has gradually become a central issue. The paid maternity leave policy affects not only the female labor force but also all aspects of the socio-economic system, such as economic stability, family integrity, equal employment opportunity for all genders and the risk of gender discrimination in the working area [3].

This paper mainly conducts research through literature analysis and case study, by analogizing different policy cases about paid maternity leave and parental leave in the past, researching the impact of paid maternity leave on the national economy, and exploring the direction of future paid maternity leave policies that can be improved from various perspectives, such as the government, enterprises, and individuals. Studying how to improve paid maternity leave is not only to ensure women's rights and interests in the workplace, but also to enhance the attractiveness of the workplace, reduce the turnover rate of employees, and increase employee loyalty and job satisfaction of employees (especially female employees), which in turn will bring greater economic benefits to enterprises and even to the society.

2. Difficulties currently faced by women in the workplace

The U.S. is the only country among developed nations around the globe that does not have a paid maternity leave system at the federal level, and as a result, many U.S. women in the workforce have to deal with a number of struggles during their pregnancy, including loss of income, increased overall financial strain on the family, and negative impacts on their long-term careers.

Many women in labor are currently facing pregnancy discrimination in the workplace. According to Reva B. Siegel, pregnancy discrimination leads to the exclusion of women from employment, thereby reinforcing the gendered division of labor in production and reproduction and confirming women's secondary status in the labor force [4]. Many enterprises take into account the fact that female employees need to take maternity leave and parental leave, and that female employees usually tend to devote more time to their family life, which may have a certain impact on their work efficiency and ability to work. Therefore, when recruiting employees, these enterprises will prefer to recruit male employees or offer relatively lower salaries to female employees with the same working ability. Serena Canaan, et al. stated that if women employees tend to spend a long time on leave for pregnancy, then those employers may take consider that when hiring or promoting women labor force. At the same time, the wages and benefits of female employees after pregnancy will also be affected to a

certain extent. Tangniguchi provided evidence that women who choose to have children earlier are more likely to experience a drop in wages due to child rearing than women who delay having children. The reason why women who give birth earlier suffer a higher wage penalty is that their career break occurs at a critical time in their career development, and the career gap created by childbearing can significantly affect their chances of subsequent promotions and salary increases [5]. If a woman not only has no income during her maternity leave but also faces the risk of a pay cut when she returns to the workplace, the blow to her financial situation and career development will undoubtedly be huge.

3. Positive impact of paid family leave

Promoting paid family leave, especially paid maternity leave, has many potential positive effects. First, paid family leave can encourage more women to participate in the labor market, thereby increasing the labor force participation rate. This is good for economic growth because more workers generally lead to higher output levels. Barbara Gault et al. suggested that providing paid leave increases the likelihood of women returning to the labor market within a year after childbirth. Specifically, women with access to paid leave are more likely to return to work compared to those without such benefits. Additionally, paid leave can also lead to an increase in the number of hours worked per week by women after they return to work, with an average increase of about 2 to 3 hours. Although the impact on wage income is not significant, paid leave provides economic support and allows women to take leave to care for their children [1]. This series of positive impacts indirectly enhances the female labor force's attachment to their jobs, reduces employee turnover, and reduces the cost of recruiting and training new employees. Moreover, paid maternity leave policies can also increase the loyalty of the employees who stay and improve work efficiency, thus bringing greater economic benefits to the company in the future.

Second, paid maternity leave policies can reduce reliance on the social welfare system because new parents are better able to take care of their families during paid leave, reducing social problems caused by economic pressures. Linda Houser provided evidence that, compared to women who return to work and do not take any leave at all, women who return to work after paid leave were 39 percent less likely to receive public assistance and 40 percent less likely to receive food stamps within a year of the birth of their child [6]. This also means that if more paid maternity leave policies are implemented, it has the potential to reduce government spending on the social welfare system. This also allows the government to increase spending in other areas of need, thus speeding up the economic development of the United States.

Third, family-friendly policies, including paid family leave, can encourage women to have more children. Eleanor Golightly and Pamela Meyerhofer analyzed the first U.S. paid family leave program, implemented in California in 2004. They found that access to paid family leave increased fertility by 2.8% [7].

In the long run, an increase in fertility will lead to a larger working-age population, contributing to economic growth.

4. Future improvements to paid maternity leave

In addition to increasing the coverage of paid maternity leave, to maximize the benefits of paid maternity leave, it is also necessary to increase the strength of paid paternity leave at the same time. This is because if only the female labor force enjoys the benefits of paid maternity leave, it means that enterprises need to bear higher employment costs when hiring female employees. This is likely to deepen gender discrimination in the workplace, and may even affect the criteria of enterprises in hiring female employees. If paid maternity leave is increased at the same time as paid paternity leave, the cost of hiring male employees will be the same as the cost of hiring female employees, which will

reduce the unfair treatment of female employees and provide a fair and level playing field for female employees. Sabbagh found that in the U.S. if women's labor force participation rates were equal to men's, U.S. GDP could increase by 5%, while in other countries this figure could exceed 30% [8]. This evidence makes a strong case for the importance of equitable treatment of male and female workers, and that paid family policies are an effective way to achieve this goal.

5. Conclusion

From the results of the analysis, it is clear that the benefits of fully implementing paid family policies in the United States, especially paid maternity leave policies, outweigh the drawbacks. This is because the paid maternity leave policy has a lot of positive effects on the U.S. economy. This policy not only affects the employment situation of women, but it is also an effective means to achieve gender equity and increase the national GDP of the United States. However, there are still some limitations in this article, for example, this article only deals with the case study of the policy in the past years, and judges the impact of paid maternity leave by the policy that has been implemented, but lacks the prediction of the future policy direction.

Therefore, we suggest that in future research, we can focus on analyzing and projecting the possible outcomes of a fully implemented paid maternity leave program in the United States through the data of past policy outcomes, which can also provide a great contribution to the implementation of paid maternity leave programs.

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