

NECESSARY CHOICES: THE CASE FOR PAID PARENTAL LEAVE
IN THE UNITED STATES

by

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Over the past several decades, women have joined the U.S. labor force in increasing numbers. As females comprise a growing proportion of the labor market's new entrants, incidents of family/work conflicts are more prevalent. Parental leave is a family-oriented policy which addresses the issue of parents taking time away from work to care for a newborn.

The United States has no national policy which allows its citizens to utilize a parental leave. Furthermore, a national policy will not be implemented without the support of the business community. Thus, the author has examined the parental leave issue from the perspective of the potential benefits that employers can accrue from a national parental

leave policy.

The contents of the thesis include a review of the demographic trends regarding women's employment in the United States; a study of three European countries'--Sweden, the Federal Republic of Germany and the United Kingdom--parental leave policies; an examination of the incidence of parental leave in the U. S. and the benefits of parental leave to employers; and a discussion of several national policy options.

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PREFACE

. . .the family's most important function is to raise the next generation of Americans, handing on to them the Judeo-Christian values of Western civilization and our ideals of liberty. More than anything else, the ability of America's families to accomplish those goals will determine the course our country takes in the century ahead (cited in "Dead Leaves," 1990, pp. 8-9).

This excerpt from the 1988 Republican Party platform espouses the fundamental importance of the family unit to society. However, as a nation, we have failed to acknowledge that the structure of the family has evolved over the last several decades.

The structural changes of the family unit have not been the result of a sole social phenomenon. Traditional two-parent households are undergoing transition as more married women enter the labor force--divorce rates have risen creating an unprecedented number of single-parent households. In addition, the continuing lack of opportunities for men of color, especially black men, has increased the number of never-married, single-parent families.¹

These changes in the family, in and of themselves, are not a threat to our social fabric. However, ignoring the problems that this creates for individuals and the failure to solve these problems at a national level will determine that our country's future course will be a rocky one.

One of the most dramatic changes is the increasing

numbers of women participating in the labor force since World War II, especially women with children. This influx of women, traditionally the caregivers and maintainers of the family, into the workplace has heavily burdened families with concerns surrounding day care, family medical leave and infant care leave. According to the U. S. Bureau of the Census, the percentage of families with children in which both the husband and wife work steadily increased between 1980 and 1987 (1981, 1986, 1988). The United States is the only industrialized country in the world that does not have some form of a maternity and/or parental leave benefit at the national level. Although the parental leave issue is but one aspect of family-oriented policies (child care is one obvious other), it is an important part of resolving family/work conflicts.

In this paper, I will examine the effects, and specifically the benefits, of a national paid parental leave policy to private sector employers. I use the term "parental leave" as a catch-all in reference to the time away from work taken by parents of either sex before and after the birth or adoption of a child. Leaves that comprise parental leave are: maternity or disability leave, which is leave used by the birth mother immediately before and/or after confinement for preparation and recovery; and parental or infant care leave, which is leave time which can be used by either parent, birth or adoptive, to care for a newborn.

My thesis begins with a review of the demographic trends

regarding women's employment in the United States. Statistics have shown repeatedly that the increase in women's labor force participation rates cuts across age and race categories. Statistics show that an increasing number of the workers of tomorrow will be women and non-whites.

According to William Johnston, about sixty percent of new entrants into the labor force by the year 2000 will be women; minorities will comprise almost one-third of the labor market's new entrants by the 21st century (1987). Policies that reconcile work and family conflicts will become more essential as more women are faced with dual responsibilities.

Economic need, due to the irreversible structural changes in our economic system (e.g., deindustrialization), has also contributed to the increase in female labor force participation rates. Spitze notes that eighty-nine percent of women work either to support themselves and/or their families or to supplement the household's income (1988). For a growing number of women, their income is the sole source of support for their families.

The rising number of divorces necessitates the paid employment of many middle class white women. The percentage of white divorced women who headed their own households grew from 25.3 in 1970 to 42.2 in 1988 (U.S. Bureau of the Census, 1990). Though many women work to survive, most often they find fulfillment and satisfaction in paid employment (Spitze, 1988). Whatever the reasons for this influx of women into the

labor force, it is unlikely the current trend will be reversed.

Meanwhile, women, employed or not, still give birth to children (some things don't change) and act as the primary nurturers of children, which is a demanding, not to mention expensive, task. The financial and emotional cost of parenting, in terms of lost wages, reduced earning power and stress, will also be examined in the first chapter of my thesis. Since the U.S. government provides little support to its working citizens who are parents, mothers and fathers bear the bulk of the financial burden of raising society's next generation of workers and citizens.

In contrast to U.S. policy, many other countries, particularly in Europe, have implemented comprehensive plans which address the needs of parents who participate in the labor force. I will examine the parental leave policies of three countries: Sweden, the Federal Republic of Germany and the United Kingdom. My research will include the eligibility requirements of the programs, the length of the leaves, how the leave systems are funded and the effects of the parental leave policies on the business sector of the countries. While none of these countries' parental leave policies can be successfully transplanted to this country, an examination of the experiences of other countries can give insights into what policy provisions are particularly successful and what provisions need revision, especially in the context of the

U.S. historic, social, and economic experience and structure.

Chapter 3 of my thesis will review the incidence of parental leave, or lack thereof, in the United States. I will examine three general areas: current governmental policies, both federal and state; current corporate policies, which are concentrated primarily in the large business sector; and finally, I will address the arguments against a national parental leave policy.

In Chapter 3, I will also discuss the benefits of parental leave to employers. For instance, businesses save money by retaining employees who may have otherwise resigned to take time off from work to be with a newborn. Benefits to parents from a paid parental leave are easy to document--from stronger parent/child bonding to financial security. On the other hand, the benefits of parental leave to businesses are less easy to document because they are not always easy to quantify. Yet, they still exist. The benefits to employers can be financial (e.g., due to lower employee turnover and thus lower training costs) as well as psychological (e.g., through better worker morale.)

Finally, in Chapter 4, I will conclude my thesis with some national policy recommendations based on my analysis of the benefits and problems of the current parental leave policies and the possibility of a national policy for the United States. These recommendations will consist of the elements that are necessary for a workable and equitable leave

policy, such as the length of leave time, the proportion of wage replacement, workable means for businesses of all sizes for financing the parental leave, and other general stipulations.

It is my hope I will find that the discouraging costs of parental leave as it is currently implemented in the United States will be alleviated through a more comprehensive national policy. Though there are many societal benefits to be accrued through a national paid parental leave policy, they will never be realized in the United States unless it is evident to employers that a leave policy will also improve their profit margin. Thus, my focus on the benefits of a paid parental leave policy to private sector employers.

ENDNOTE

¹ For statistical information, see U.S. Bureau of the Census (1990). Statistical Abstract of the United States. Washington, D.C.: Author.

CHAPTER 1

Review of Demographic Trends

The composition of the U.S. labor force has been evolving for the past several decades. The U.S. Bureau of the Census (1990) has shown that since 1950 the labor force participation rates of women have been increasing while those of men have been decreasing. By the year 2000, the labor force participation of women will have increased 84.7% since 1950 while men's will have declined by 12.2% during the same period. Furthermore, the increase of female labor force participation is not confined to any one age group or racial background but is manifested across all age and race categories. For instance, the percentage increase of labor force participation for white and black women between the years 1970 and 1988 was 32% and 17% respectively. In 1988, over fifty-three percent of Hispanic women 16 years and older participated in the U.S. labor force, up from forty-seven percent in 1980 (U.S. Bureau of the Census, 1990).

While female labor force participation has been on the increase, and continues to be, the rate of this increase has been slowing down. According to the Bureau of Labor Statistics, the percentage of women in the labor force has hovered around 57.7% for the past two years (cited in Uchitelle, 1990). One reason for this slowdown, besides the recent recession which had an impact on "pink collar" industries (such as service businesses) most severely, is the

lack of support systems for working women with children. Most experts agree that women will join the labor market in increasing numbers again when society addresses family issues, such as child care and parental leave, on a national level (Uchitelle, 1990).

The factors contributing to the large influx of women into the labor force are many and complex. Sociologists and historians have enumerated a number of reasons for this radical change in the composition of the U.S. economy: the need and/or desire for economic support (or additional support) of the family; declining birth rates; the increased demand of labor in female-dominated industries (e.g., clerical services); the shift in society's attitude toward married women working outside the home; the increase in divorce rates, which forces women to support themselves and, often, their children; and the increased level of education that women are attaining (Anderson, 1988; Spitze, 1988).

One of the foremost reasons for this systemic change is the erosion of the family wage. John Sweeney (1988), in his testimony to a Congressional subcommittee, noted that albeit the number of wage earners per family has increased, family income has declined. Glenna Spitze (1988) observes that forty-three percent of women said they needed "to bring in extra money" when they were asked why they worked (p. 45). If women had not joined the workforce, real family income would have declined 18% since 1973 (Sweeney, 1988). Whether

women are entering the labor force for economic or other reasons, the "traditional family" is becoming increasingly rare. Today, only one in ten families have a husband who works and a wife who stays at home (Sweeney, 1988). And even though a large wage gap between male and female earnings exists, women are making significant contributions to the family's total income. "The median percentage of total family income contributed by wives with earnings was 27% in 1981 with a range of 34% for blacks and 26% for whites" (Garrett, Lubeck, and Wenk, 1991, p.27).

While it is difficult for many two-paycheck families to make ends meet, women who are solely responsible for their families' survival have even greater hardships. One reason the number of women who head their own households has increased is higher divorce rates. Thus, women are working outside the home in order to support themselves and their families. In fact, forty-six percent of women in 1984 worked for pay in order "to support self or family" (Spitze, 1988, p.45).

There has been a large increase in the percentage of women who are in the labor market and are of childbearing age over the past several decades. Freedman (1988) observes that in today's American workforce eighty percent of working women are of childbearing age and 93 percent of these women will become pregnant during their working life. This striking statistic illustrates the extent to which employed women

carry, or will potentially carry, the dual responsibilities of parent and employee. This double workload, while applicable to men also, often impacts women to a greater degree since they are often the primary caregivers of children and chief maintainers of the home.

Although some husbands are taking more responsibility for the maintenance of the household, women are still expected to do the bulk of domestic chores, regardless of whether or not they are employed outside the home. A study done in 1985 found that women contribute seventy percent of the time spent on domestic chores while men contribute fifteen percent. (The remaining fifteen percent was contributed by other household members.) The same study also noted that men with wives who worked outside the home contributed only five minutes more per day to household chores than their counterparts with wives who stayed at home (Fernandez, 1986). In general, women, employed outside the home or not, are solely responsible for maintaining the household. The responsibilities of employment and homework become even more burdensome in households with a single (most often female) parent.

The percentage of single mothers who work outside the home full-time is significant. The number of women employed full-time, married or single, with children under 18 years old had been increasing since 1975 (from 68.2% to 72.9% in 1988). Over sixty-nine percent of working women have children under 6 years old. The proportion of full-time employed single

women with children under 18 years old is even larger (79.4% in 1988). Over three-quarters (76.8%) of single women with children under 3 years of age were employed full time in 1988 (U.S. Bureau of Labor Statistics, 1989, Table 56). The physical and emotional demands on these parents 'are substantial.

The pressures on the worker/parent affect not only her or him but also the family in general. As more families comprise dual-earner households, more children have both parents in the workforce. There have been numerous studies on the need for affordable, quality daycare for the healthy development of children and for the peace of mind of their parents. The issue of daycare becomes critical for the parent when s/he decides to enter or reenter the labor force after the birth of a child. However, the period out of the labor force before and after the birth of a child is also critical to working parents.

As mentioned before, most women in the labor force are of childbearing age and the vast majority of them will become pregnant while participating in the work force. Obviously people will have babies, and for that matter, get sick, with or without leave, parental or sick. T. Berry Brazelton has studied the importance of bonding between new parents and infant in the development of healthy family relationships. Brazelton (1988) writes that it takes at least the first four months of the newborn's life for the new parents and child to

form a solid attachment to each other. His work provides an excellent psychological justification for a national (minimum) four-month paid parental/infant care leave policy.

Although it may be best for both parents and newborns to be together for at least the first four months of an infant's life, it is a rare luxury for parents in the United States, as I will illustrate in more detail in Chapter 3. For instance, it is federal law (under the Pregnancy Discrimination Act of 1978 [PDA]--an amendment to Title VII of the Civil Rights Act of 1964) that any private sector employer who provides medical disability leave (with the maintenance of fringe benefits) must extend those provisions to women affected by pregnancy, childbirth and other related medical conditions (Samuels, Coffinberger, and Fonts, 1988). However, relatively few employees are covered by the PDA provisions. According to Kamerman and Kahn (1987), "fewer than 40 percent of working women have income protection at the time of maternity that will permit them a six-week leave without severe financial penalty" (p. 56). This coverage is meager both in terms of number of people benefiting and length of leave. Samuels et al. (1988) point out another problem with the United States' approach to maternity leave:

Treatment of pregnancy and childbirth strictly in terms of medical disability ignores the fact that there are compelling psychological, social, and physiological reasons for providing a period of parental leave that extends beyond the relatively limited period of actual physical disability resulting from normal pregnancy and childbirth (p. 753).

The United States' federal response to maternity leave is inadequate because it denies the psychological and social needs of the mother while focusing only on the mother's need for physical recovery.

Fortunately, a number of states are taking the initiative concerning maternity and parental leave. Fifteen states have some form of family leave legislation on the books, while several other states provide disability leave (Women's Legal Defense Fund, 1991). However, the leaves are often for short periods of time and unpaid. I will cover the states' provisions, and the corporate response to maternity and parental leave, in more detail in Chapter 3.

One argument against implementing a national policy is that workers who decide to have children have made a personal decision and any burdens arising from having a family must be resolved at a personal level. However, one could argue that society, in order to preserve itself, must bear some responsibility for the well-being of its citizens--those who comprise the society today and in the future. Robert Moroney (1986) has contended that one of the responsibilities of the state is "to develop a mechanism that will protect individuals and families from the inevitable negative aspect of the economic system" (p. 22). He also states that the State provides education with the rationale that children are the future of the society; thus their well-being must be addressed by the society today (Moroney, 1986). This logic could also

be extended to support family policy issues, including parental leave.

The absence of a minimum standard for paid parental leave forces parents to carry a disproportionate share of the costs of childbearing. Spalter-Roth and Hartmann have done a study which quantifies the costs parents bear, particularly mothers, in the absence of a national paid parental leave policy. The costs incurred are both financial (due to lost earnings from time out of the labor force for recovery and child care and increases in the wage gap) and emotional.

Spalter-Roth and Hartmann (1991) estimate that women in the U.S. who gave birth in the mid-eighties lost almost \$31 billion annually in earnings due to decreases in wage rates and hours of employment. Furthermore, those women who had no leave provisions whatsoever aside from vacation lost nearly \$607 million in additional earnings because typically they experienced more unemployment and even lower earnings (compared to those with some type of leave) (Spalter-Roth and Hartmann, 1991). Those women who gave birth and were not covered by either maternity or parental leave also cost society: approximately \$108 million in public assistance payments according to Spalter-Roth and Hartmann (1991). The mothers of the United States are bearing a disproportional amount of the cost of raising the next generation of citizens.

The costs of no parental leave to parents are not confined to the financial realm--there are emotional costs as

well, which affect the citizen as both parent and worker. Donna Lenhoff (1988), from the Women's Legal Defense Fund, observes that women suffer from the emotional stress of no parental leave when faced with home and work responsibilities and the harm to their careers. She also notes that fathers can be the victims of sex discrimination and risk their careers if they want to take time off to be with a newborn (Lenhoff, 1988). This emotional strain can take its toll on productivity. According to a Fortune survey, almost seventy percent of mothers who are employed suffer from stress related to family issues and that this stress is a strong contributor to workers' absenteeism and lower productivity (cited in Sweeney, 1988). The dual responsibility of parent and employee pose challenges for not only workers who are mothers or fathers but for all citizens of the United States.

The trend of women working outside of the home is not unique to the United States; yet our country is the only industrialized country in the world without a parental leave policy. (The Pregnancy Discrimination Act is considered a disability benefit, contingent upon a woman's inability to work, not a leave policy.) Other countries, such as Sweden, the Federal Republic of Germany and Great Britain, have not only addressed the parental leave issue, but, in some cases, the provisions of the law have been very generous. In the next chapter, I will outline the parental leave benefits the above countries offer their citizens, briefly discuss the

histories of their policies and elucidate the successes and problems with each of the approaches and how the U.S. may learn from its allies' experiences.

CHAPTER 2

Profile of Three European Countries

The governments and citizens of other countries in the world have recognized the need for parents, usually mothers, to have time away from work to adjust to a newborn child. For many countries, particularly those on the European continent, maternity leave is a benefit that provokes no controversy--it is viewed as an absolute necessity. According to an International Labour Office (ILO) survey, published in 1985, 127 countries provide maternity leave, the average length of which is 12 to 14 weeks. While maternity leave, a policy specifically for mothers, is a common benefit within many countries' social system, parental leave, which can be shared by both parents or used solely by either parent, is becoming increasingly popular as an option for working parents.

In this chapter, I will review the common elements of the maternity leaves of other countries. Then, I will outline the policies of three European countries: Sweden, the Federal Republic of Germany¹, and the United Kingdom. I have chosen these three countries for a number of reasons. Sweden has the most generous leave policy in the world and has an explicit goal of promoting equality between the sexes. West Germany has a very different social goal with its maternity benefit and is middle-of-the-road in its generosity of benefits. The United Kingdom is the closest to the United States in its philosophy and is consequently the least generous in its

benefits. All three of these countries are also highly competitive in the global economy.

With a review of other countries' policies, I do not propose that another country's policy can be transplanted to our system and be expected to work; I do hope to show some of the many different approaches to maternity and parental leave policies, examine the pitfalls of the systems, and devise ways to alleviate those problems into a parental leave policy that would fit the U.S. system.

One of the loudest arguments against a U.S. parental leave policy is that the cost of leaves decrease the competitiveness of U.S. industries compared to foreign markets. However, this argument is muted when one considers the parental leave policies of other highly economically competitive nations such as Sweden and West Germany. Yet, even many so-called third-world countries have been able to justify the costs of this much-needed benefit. According to Ann Bookman (1991), "Currently 81 developing countries have devised policies that give women (or, less commonly, parents) a period of leave with pay both before and after childbirth" (p.70). She goes on to note that despite the fact that the average GNP per capita of most of these countries is 53 times smaller than that of the U.S., the financial resources for paid leave around the time of childbirth have been found (Bookman, 1991). Obviously, it is not a lack of money that stops our country from implementing a paid parental leave

policy--it is a lack of commitment to American families.

There are three basic elements that constitute maternity leave policies in the vast majority of countries. Kamerman, Kahn and Kingston (1983) enumerate these elements: First, health and medical insurance for the mother and newborn; second, the right of the mother to a guaranteed job-protected leave from work; and finally, a cash benefit which replaces the mother's lost wages during the leave period. The last two elements make up what the authors call the statutory maternity leave policy (Kamerman et al., 1983). Within the confines of these commonalities, each country with a maternity and/or parental leave policy has developed a system within its own unique historical, cultural and social context.

Sweden adopted its first maternity leave legislation in 1937 (Cook, 1989). Later, in the 1960s and 1970s, Sweden revised its maternity leave policy in an effort to recruit more married Swedish women as workers, rather than continue its policy of utilizing large numbers of immigrant workers (Cook, 1989). Another goal of the policy was to alleviate the "sex roles" and promote "the concept of equal parental responsibility for infant care" (Cook, 1989, p. 208).

In 1988, Swedish policy included five different types of family leave, including parental, maternity, and pregnancy leave. Although each has different eligibility requirements, each type of leave is paid at a rate of 90% of the leave-taker's regular earnings through the social insurance system.

Also, the leave-taker is eligible to return to her/his former position (or a comparable one) at the end of the leave period (Stoiber, 1989). The maternity leave covers all working women regardless of length of employment or size of employing firm. The leave is 12 weeks long with 6 weeks preceding the birth and 6 following (Stoiber, 1989).

Sweden was the first country to extend the benefits of a prolonged maternity leave to fathers (Cook, 1989). Sweden's parental leave, the length of which is nine months, can be used by either parent alternately or by either one individually. (Parents may also take an additional nine months leave with wage replacement of a minimum flat rate per day for the first 3 months and the final 6 months at no pay.) Adoptive parents are also eligible to utilize the parental leave benefit (Kamerman et al., 1983; Stoiber, 1989). In order to be eligible for the leave, the parent must have worked for the same employer for 6 months prior to the request of the leave or for 12 of the 24 months prior to the request of the leave (Stoiber, 1989).

All of Sweden's family leave benefits are funded by the national social insurance system, which is in turn financed through payroll taxes (85%) and general revenues (15%) (Stoiber, 1989). The rate of use of Sweden's parental leave is 99% for mothers (Stoiber, 1989) and 20% for working fathers, up from 2% (Cook, 1989).

One of the advantages of Sweden's family leave policies

is the number of women who terminated employment contracts following childbirth has greatly decreased since the implementation of the programs. The figure is now 10 percent, compared to 50% in West Germany and 90% in Great Britain (Stoiber, 1989). This has improved Swedish women's long-term economic security because when one's employment record is uninterrupted, a decline in earnings is avoided (Stoiber, 1989).

Stoiber found in her study that employers' main complaint with Sweden's family leave policies was cost. Sweden has a very high nonwage labor cost when compared to other nations; thus, when paid leave benefits are expanded, so are the costs to employers. Small businesses in Sweden are especially hard-hit because the tax rates in Sweden are standardized rather than progressive according to firm size (Stoiber, 1989). While these problems are significant to Sweden's small business owners, this problem would not necessarily apply to the U.S. since our corporate tax system is structured differently.

The Federal Republic of Germany [FRG] has had the longest history of maternity leave of any nation. In 1891, Bismarck, as part of a national sickness insurance plan for all industrial workers, implemented the first maternity leave. The policy set maximum workday hours and mandated that employers could not hire women until four weeks after confinement (Frank and Lipner, 1988). Twelve years later, new

mothers were given a six-week "rest" from work; in 1911, two weeks of the leave were paid (Frank and Lipner, 1988). Rather than promoting equality between the sexes, Germany's family leave policy has been based on the need for mothers' health protection.

West German society has historically enforced women's place in the home as primary and outside employment as secondary. In recent years, in the face of an absolute population decline of eight percent in less than two decades, the German government has been attempting to formulate policies that will encourage women to have families (Stoiber, 1989). As of 1988, the law provides German citizens with three types of family leave: maternity, child-raising (i.e., parental), and short-term leave for the care of a sick child (Stoiber, 1989).

The maternity leave is a required eight-week paid leave for natural mothers only (Bookman, 1991). The cash benefit for the maternity leave is equivalent to the mother's regular wages and she is entitled to job protection during the leave period. The cost of the program is deferred through an employment-based insurance fund (Stoiber, 1989).

The FRG's child-raising/parental leave may be used by either a natural or adoptive parent. The parent is paid a flat rate until the child is seven months old; then the cash benefit is determined on a sliding scale. The length of the leave is up to 3 years and the parent on leave is allowed to

work up to 18 hours per week (Stoiber, 1989; Bookman, 1991). The leave is job-protected although there are exceptions for small businesses, especially as the leave period gets longer. Since the cash benefit is a flat rate amount, it is often more costly for men to use the leave. As of 1989, almost all of the men who took advantage of the child-raising/parental leave were either students or unemployed. The child-raising leave is financed solely through the federal government (Stoiber, 1989).

The child-raising leave policy attempts to reduce the loss of workers' skills with the provision of 18 hours of work per week. This, along with the generous leave period, has allowed German women to maintain a continuous employment history. These provisions have resulted in a smaller wage gap between men and women in West Germany than in either the United States or the United Kingdom (Stoiber, 1989).

One possible negative consequence of FRG's family leave policies is the lack of employment opportunities for women. This lack is not due solely to family leave provisions--as noted before, Germany has a very strong cultural bias against women, especially married women, working outside the home. However, the existence of special benefits for women may discourage employers from hiring women (Stoiber, 1989).

The greatest difficulty that the family leave policies impose on employers is the cost, particularly when replacing workers and then retraining them on their return when the

leave is very long (i.e., longer than six months). Stoiber (1989) found in her study of German leave entitlements that "Three to four months of maternity leave apparently create few problems and involve an accepted level of indirect costs" (p. 40). As a representative from the German Employer's Association stated:

There is a strong feeling of obligation [on the part of] German employers toward workers and workers' families, so some guarantees of stability are necessary. . . It is reasonable for women to have time off from work in accord with the ILO [International Labour Office] maternity conventions [i.e., three to four months]. It becomes more difficult, too big a problem as you go beyond that (Stoiber, 1989, p. 41).

Whereas long leaves create problems for employers, leaves of several months are manageable.

The philosophy behind the United Kingdom's [UK] maternity leave policy has also been based on the protection of the mother's health. In the late 19th century, Parliament passed laws similar to Germany's: employers were not allowed to hire women within four weeks of giving birth. In 1911, the need for paid leave was evident and an attempt was made to insure the maternity leave (Frank and Lipner, 1988).

Today, the UK's family leave policy is one of the most scanty in Europe. While the policy does not look meager on paper, in practice, it does not help as many people as it could because the eligibility requirements are stringent. Three programs comprise the UK's maternity leave policy and all three provide a cash benefit. The programs and benefit

levels vary with the amount of time the woman has been attached to the labor force (Bookman, 1991).

The eligibility requirement for the maternity allowance program is the natural mother must be employed for at least 24 weeks prior to the delivery. The maternity allowance program allows a leave duration of 18 weeks (up to 11 weeks prior to the delivery) with a cash benefit of a flat rate plus a wage-related supplement if eligible (Kamerman et al., 1983; Bookman, 1991). The same or a comparable job is guaranteed to the mother at the termination of her leave (Kamerman et al., 1983).

The second of the United Kingdom's maternity leave programs is the maternity pay program. In order to be eligible for 90% of her wage for 6 weeks, the natural mother must have worked for her employer at least 2 years full-time or 5 years part-time (Kamerman et al., 1983). The total leave time, during which the mother's job is fully protected, is 18 weeks. The remaining 12 weeks is paid at a flat rate (equal to that of the maternity allowance) (Bookman, 1991; Kamerman et al., 1983).

The major problem with the United Kingdom's maternity leave policy is that, due to the strict employment eligibility requirements, only about half of mothers-to-be are eligible for the most generous program. Also, the more children a woman has, the less likely she is to be eligible for leave with subsequent births. Stoiber (1989) observes that 63% of

first-time mothers were eligible for the maternity pay program, 33% of second-time mothers and 24% of women with their third pregnancy. The decline in eligibility is due to the lengthy employment requirement--most women in the UK do not return to work immediately after the leave period is over and most often return to work on a part-time basis (Stoiber, 1989).

The burden the UK's maternity policy imposes on employers seems to be light, because not many women are eligible for the leave, especially for subsequent births; job-protection requirements are lax (employers may fire a pregnant woman if she cannot perform her regular duties and there are no alternative duties available); the costs of the policy is mitigated by social insurance funds, the financing costs of which are distributed among all employers. When surveyed, very few employers express any difficulties with the maternity leave policy (Stoiber, 1989).

Although the maternity and/or parental leave policies of Sweden, the Federal Republic of Germany and the United Kingdom are unique to the cultural, historic and social contexts of each respective country, policy makers in the U.S. can examine these policies and their results to formulate a successful parental leave bill for the United States. The provisions of the Swedish leave regulations are very generous and do promote the Swedish goals of recruiting more women into the labor force and alleviating sex roles.

The main problem with the leave policy for employers, particularly small businesses, is funding. There are a number of ways the U.S. could avoid this problem (assuming that the U.S. corporate tax and leave financing system is comparable to Sweden's.) First, the financing of the leaves should be structured so that all employers bear relatively the same burden of the cost. Thus, firms of a certain size will not be responsible for a disproportionate share of costs as small businesses are in Sweden. Also, Sweden's leave costs are high because the proportion of wage replacement is large and the length of leave can be quite long. Each of these can be reduced to decrease (relatively) the costs of a U.S. policy.

The Federal Republic of Germany's leave policy contributes to the reduction of employment opportunities for German women. This problem could be mitigated in the U.S. with a proportional wage replacement, which would reduce the earnings loss for men if they chose to take the leave.

The main problem with the United Kingdom's policy is the length-of-employment requirements disqualifies many women from the leave entitlements. Another problem is that fathers are also ineligible for the leave policies, since they are strictly maternity leaves. These problems could be avoided in the U.S. by having reasonable employment requirements for the leave allowing both women and men to utilize the leave.

In general, leave periods of reasonable length allow employed women to take time off work without severing their

ties to the labor force, thus enabling them to maintain seniority and wage rates. Furthermore, employers do not seem to have much difficulty in complying with the leave legislation except when the leave periods become longer than six months. Taking into account the strengths and weaknesses of other countries' leave policies, U.S. legislators could formulate a leave policy that is both equitable and beneficial to all parties involved.

ENDNOTE

¹ Since all of my information on West Germany is dated previous to the unification of Germany, some of the data may be inaccurate; however, since East Germany also had a maternity leave policy, it is unlikely that great changes would be made, such as a termination of the benefit.

CHAPTER 3

Parental Leave Policies in the United States

The issue of parental leave in the United States is not new. The issue, along with elder care leave and sick child leave, is being, and has been, debated in Congress a number of times during the last decade. Parental leave has also been discussed in state legislatures and in corporate boardrooms. The result of all the talk has been action in a handful of states and in some companies. Despite the progress, many parents still do not enjoy the luxury of time off from work after the birth of a child.

In this chapter I will review the Pregnancy Discrimination Act of 1978, which is the only policy the U.S. has that even remotely addresses the issue of parents, in this case mothers, taking time off from work after childbirth. I will then outline the provisions of the state laws and the effects these laws have had on employers in those states. Some corporations, most often the largest in the country, have been implementing their own leave policies independent of any federal or state mandate. The impetus behind these policies and their effects will be discussed. Finally, the arguments against a nationally mandated paid parental leave policy, and the responses to those arguments, will be reviewed.

Public support for parental leave policies has been growing. A recent Gallup Poll found that an overwhelming majority (81%) of those polled "believe employers should be

required to provide unpaid leave of absence to an employee for the birth or adoption of a child" ("Parental Leave. . .Support," 1990, p. 23). Seventy-three percent of those polled felt that "employers could do more to help employees be both good workers and good parents" ("Parental Leave. . .Support," 1990, p. 23).

Whereas public opinion supports the expansion of parental leave policies, and some companies and states have been responding to people's desires, many companies will not consider implementing a parental leave policy unless mandated by either the federal or state government. According to Jerry Geisel (1990), in a survey done by Buck Consultants, Inc., 73% of employers surveyed did not have any parental leave policy and 62% of those would add a leave policy only if they were forced by legislative mandate. Furthermore, the National Council of Jewish Women found that the proportion of women in the U.S. who are covered by paid maternity disability policies has remained steady throughout the 1980s. In fact, employers and supervisors have been attempting to decrease the maternity/disability leave period from 6 to 8 weeks to 4 or 5 weeks (Kamerman, 1991). In other words, most employers will not meet the demand for parental leave unless coerced.

So far, the legal mandates for unpaid parental leave in the United States have been sparse. In their book, The Responsive Workplace, Sheila Kamerman and Alfred Kahn (1987) observe that American women have no legal guarantees that

allow them to take time off from work, with job protection and wage replacement, at the time of childbirth. The only federal law in the U.S. that addresses maternity leave is the Pregnancy Discrimination Act [PDA] of 1978, which is an amendment to Title VII of the Civil Rights Act of 1964.

The PDA states that employers, with 15 or more employees, must treat pregnant employees as they would any other employee with a temporary disability. In other words, if an employer provides leave to employees (with job and benefits protection), pregnancy, childbirth and related medical conditions must also qualify for the leave benefits. Therefore, if the employer has temporary disability insurance [TDI], a pregnant employee is eligible for a short-term paid maternity leave. The law, however, does not require employers to carry TDI. As a result, the number of women covered by this law are relatively few. For those women who are entitled to maternity/disability leave under the PDA, the length of leave is contingent upon her physical recovery from birth.

A number of states provide job protection for workers who must take time from their jobs due to family or personal medical reasons. All told 25 states and Puerto Rico have regulations that guarantee an employee his or her job in case s/he must be out of work temporarily due to family or personal medical needs (Women's Legal Defense Fund, 1991). Each states' provisions vary according to length of leave, eligibility requirements, etc. Generally, health and

seniority benefits must be maintained but some states do not require employers to continue these benefits. Of all the states which allow some type of leave, Puerto Rico is the only one which provides pay (other than disability) during the leave period (Women's Legal Defense Fund, 1991).

The Families and Work Institute recently surveyed the first four states to adopt parental leave laws: Oregon, Wisconsin, Minnesota and Rhode Island (the leave periods of which range from 6 weeks [Minnesota and Wisconsin] to 13 weeks [Rhode Island]). The majority of employers surveyed felt that the parental leave legislation did not seriously increase their costs and they did not have much difficulty administering or implementing the regulations. Most of the employers (59.8%) assigned work to other employees in order to replace the on-leave worker temporarily (Trost, 1990).

A Wall Street Journal article reported that over 60% of working mothers in America are not eligible for maternity leave and that even fewer women are covered by parental leave provisions (Brannigan, 1987). Not only are few women covered by any type of maternity or parental leave, many who are eligible for parental leave cannot take advantage of the benefit because it is usually unpaid. The National Council of Jewish Women recently surveyed 2,600 new mothers and found that the average income of the husbands of the women who took parental leave was \$48,000 (Smith, 1990). If parental leave legislation is to benefit the majority of citizens of this

country, it must be paid.

During the last several legislative sessions, Congress has been considering a number of family leave proposals. Representative Patricia Schroeder and Senator Christopher Dodd introduced the Family and Medical Leave Act, which:

would require employers to provide up to 15 weeks of unpaid, job-protected medical leave for any serious health condition, including pregnancy, and up to 10 weeks of unpaid, job-protected family leave to care for a newborn or newly adopted child or for a seriously ill child, parent, or spouse. Employers would be required to maintain coverage of health benefits during the leave (Meiers, 1989, p. 46).

The bill would affect only those corporations with 50 or more employees, which is about 5% of the nation's businesses and 39% of all employees (Parham, 1990; Meiers, 1989).

Bush vetoed the above version of the Family and Medical Leave Act; however, Senators Dodd and Bond have developed a compromise bill which allows 12 weeks of unpaid leave for the care of children or ill family members and further expands the exemptions for businesses. Businesses will be able to exempt its highest paid employees and fewer part-time employees will be eligible for leave ("Senate Compromise. . .," 1991.)

Bush has threatened to veto the compromise version of the bill if it reaches his desk because he feels it would place undue hardship on business. "Not true," in the words of Representative Marge Ronkema from New Jersey. "Not one state or business that has adopted similar or more far-reaching leave policies has told Congress of disruption or decline in productivity" (Parham, 1990, p. 14). In fact, a number of

businesses are realizing that the implementation of parental leave policies and other family benefits is very good for business and the bottom line.

In the late 1980s, The National Council of Jewish Women surveyed almost four thousand firms on their maternity leave benefits. Seventy-two percent of employers with 20 or more employees provide eight or more weeks of maternity leave and 36% of those have some wage replacement. Half (51%) of employers with fewer than 20 employees offer eight or more weeks of maternity leave to female workers, eleven percent providing some cash benefit (Brannigan, 1987). Buck Consultants found in their survey of firms that over one-third provide some form of continued salary (either some or all), but it often only for maternity medical leave as opposed to parental leave. The survey also found that managerial and professional employees benefit the most because employers use the maternity leave benefits as a recruiting tool ("Paid Parental Leave. . .," 1990). Ansberry (1990) estimates that only thirty-seven percent of companies with 100 or more employees provide parental leave. Whereas some employers are implementing maternity leave, more often than not the leave time is short (not even close to Dr. Brazelton's recommended minimum of four months), for mothers only, and unpaid, which benefits higher income families.

The companies that provide leave for new parents, as well as other family-centered benefits, include the Campbell Soup

Company and Aetna Life and Casualty. Of the company's six month leave policy, David Hackney, a Campbell spokesperson stated, "Not only does it reduce turnover, but it also reduces training costs because you don't have to train new employees as often" (Smith, 1990, 132). After analyzing its six-month parental leave policy, Merck Pharmaceuticals found that it saved \$12,000 per employee due to reduced turnover (Meiers, 1989). At Aetna, a six-month parental leave policy reduced the turnover of female workers who had given birth by 50% within two years (Smith, 1990). Over the long-run, this can mean substantial savings for a company. In the words of IBM spokesperson Mike Shore, "The long-range goal of the [parental leave] program is to 'bolster employee loyalty' and 'increase productivity'" (Meiers, 1989, p. 49).

Productivity and training costs can be measured fairly easily. Worker morale and company loyalty, on the other hand, are not easily measured, but are also extremely important to the functioning of the company and worker productivity. One could contend that the implementation of paid parental leave policy could relieve, to a certain extent, employee stress and improve worker morale. Laura Gold, a corporate policy administrator at Lotus Development, recognizes the need for respecting workers' roles in and out of the workplace:

Our assets are the minds of our employees, so we nurture and take care of people. We understand that people have personal as well as work lives. The company wants to pay employees back for this commitment (Meiers, 1989, p. 49).

Despite the many benefits that could be enjoyed by both employers and employees with a national parental leave policy, some businesspeople, particularly those who run small businesses, and conservatives still argue that parental leave should not be mandatory. Their arguments include the assumption that businesses will eliminate other benefits if they are mandated to include specific benefits like parental leave in benefits packages; employers will not hire women of childbearing age because they will perceive them as being a burden; mandated benefits destroy jobs; benefits packages are best compiled through a collective bargaining process and federal mandates disrupt this process unnecessarily; parental leave benefits are discriminatory against traditional families where the husband works and the wife stays at home; and finally, parents have the responsibility to raise their own families--employers should not be expected to help employees who are also parents. I will address each of these, and related arguments, individually.

Christine Russell, director of the U.S. Chamber of Commerce Small Business Center, says that while the Chamber of Commerce supports parental and medical leave, they oppose mandatory leave because "[a] lot of small businesses will eliminate some of their existing benefits to make room for mandated parental leave. . ." (Smith, 1990, p. 131-32). At the present time, any parental leave bill that is passed by Congress will be only for unpaid leave. Generally, unpaid

parental leave is not a costly benefit as business owners in states with unpaid leave have attested; thus, adding it as an option in a company's benefits package would probably not be burdensome. Furthermore, while highly skilled employees aren't easy to replace temporarily, they are even more difficult to replace permanently.

An article in Nation's Business contends that federal leave legislation interferes with employers/employees rights to determine benefits which fit the needs of individual companies ("Why the Federal Bureaucracy. . .," 1986). As more women of childbearing age enter the labor force, more businesses will be faced with an employee who needs to be accommodated with parental leave. With comprehensive, nationwide standards, employees will be guaranteed the right to equal treatment and the right to put their family first. With a national policy, an employee who is a parent-to-be has the right of parental leave guaranteed, with some minimum standards, while allowing the employer and employee to negotiate between themselves the length of leave and other specifics of the leave (e.g., if the worker will return part-time or full-time, etc.)

Also, with national minimum standards of parental leave, neither employers or employees will be guessing about what they are required to provide and what they are entitled to receive. It will save time, worry and energy for both parties. For companies with operations in different states,

complying with the various laws and requirements for family leave is, according to a senior administrator with a nationwide insurance company, "a juggling act" (Meiers, 1989, p. 48). Nationwide parental leave standards would eliminate problems for businesses.

Another argument against a national parental leave policy is that employers would perceive women of childbearing age as too expensive to hire if they were entitled to "special" benefits. Gary S. Becker (1986), from the University of Chicago, has argued that family policy legislation raises the cost of hiring women; thus, unemployment rates for younger women would increase. According to demographic trends, the percentage of native white males entering the labor force will drop from forty-seven to fifteen by the year 2000 (Johnston, 1987). In other words, the workers of tomorrow will be women and minorities and employers will have to hire them if they want to keep their businesses operating. Furthermore, any parental leave legislation that is passed would apply to both women and men. Already federal courts are ruling that any company's parental leave policy must be applied to both women and men equally (Ansberry 1990). Therefore, assuming Becker's contention is correct, employers would perceive everyone as burdensome.

An argument that relates to the one above in terms of increased unemployment of women is one that contends small businesses will be hurt with mandatory parental leave,

therefore destroying jobs and ultimately damaging the U.S. economy (Lamp, 1988). Opponents of parental leave also state that unemployment rates of women in countries with generous parental leave policies are much higher than those in the U.S. (Kempley, 1988).

The assumption that a mandatory parental leave policy would destroy jobs is pure speculation. In the states that have unpaid parental leave, most employers have stated that the legislation has been relatively inexpensive (Trost, 1990). With a paid parental leave policy, an equitable funding mechanism will be essential. Countries with paid parental leave often have national insurance systems which pay for all or part of the leave costs, thus significantly reducing the costs of leave to employers. There is no reason why the U.S. could not set up a comparable system or method of funding parental leaves. Also, in response to the contention that parental leave will ultimately reduce U.S. competitiveness, if this were the case, Germany, Japan, and almost every other country in the world would not have family leave policies.

In response to the argument that women of childbearing age in countries with paid parental leave experience more unemployment, I contend that the higher rates are not due to parental leave per se but to other factors. In Stoiber's study of parental leave policies in Sweden, West Germany and the United Kingdom, female unemployment specifically as a result of the leave policy was not cited as a significant

problem. In fact, one major advantage of parental leave is that it reduces the number of women who must quit their jobs for time off work after the birth of a child only to begin a job search for new employment a few months after the birth.

The fourth argument against parental leave is that the best way to implement such policies is through the collective bargaining process ("Dead Leaves," 1990). This would be a reasonable contention if the labor movement in the U.S. was strong. According to Karen Nussbaum (1988):

The new workforce is unorganized. Fewer than 20% are in unions, and in the fast-growing clerical and service industries, less than 15% have union representation. Relying on the old system of employer/employee give and take provided by collective bargaining to establish wages and benefits won't answer the needs (or supply the solutions) for today's work force (p. 150).

Workers' needs will not be adequately met at the bargaining table.

Phyllis Schlafly (1988), president of the Eagle Forum, states that mandated parental leave discriminates against the class of full-time mothers who work in the home and gives preferential treatment to dual-earner households. The tone and terminology of Schlafly's statement, given to the House Committee on Education and Labor on March 5, 1987, regarding H.R. 925 "The Family and Medical Leave Act of 1987" belies her return-to-the-traditional-family agenda. Unfortunately for Schlafly, the "traditional family" in which the husband works and the wife stays at home with the children is, for better or worse, becoming increasingly rare. As stated before, the

structure of the family is evolving because of economic and social pressures. Though this evolution is disconcerting to some, it must be addressed, not only in the home where families are making adjustments, but also in the work place. A national parental leave policy is one way to facilitate adjustments in the labor market.

Finally, some oppose parental leave because they feel any family/work conflicts should be resolved by the worker since s/he made the decision to have a family in the first place (Kepley, 1988). However, there is an undeniable link between the health--physical, emotional and spiritual--of the individual citizen and the society as a whole. If we begin to neglect individuals, eventually all suffer. Eileen Trzcinski (1991) sees the issue as a "free rider" problem:

The business community argues adamantly against mandated parental leave, claiming that parental leave will interfere with economic efficiency and hence with economic growth and productivity. These arguments deny any link between the welfare of children today and the welfare of society tomorrow. If employers benefit in the long run when children are well cared for, then employers must share the costs (p. 213).

Employers are getting a free ride from a lack of parental leave policies. While parents bear all of the costs of child-raising, employers profit from not having to support employees in their roles as parents. To eliminate the inequity of the status quo, federal parental leave legislation must be implemented so employers share the cost of child-raising.

Maternity and parental leave policies in the U.S. are

piecemeal. For the minority of women who are eligible for maternity/disability leave, the leave period is short and sometimes unpaid. For the few workers who are eligible for parental leave, the leave is almost always unpaid, allowing only higher income families to utilize the benefit. Employers in states that have mandatory family leave have found the provisions are generally not burdensome. In fact, a number of large corporations are finding that parental leave policies can reduce costs and increase productivity. It is possible to formulate a paid parental leave policy for the U.S. that will benefit the majority of workers in the country without harming the nation's economy. I will review a number of the policy options in the next chapter.

CHAPTER 4

Policy Recommendations

The need for a national parental leave policy, with the basic provisions of job and seniority guarantees and the continuation of health and medical insurance, is great. A number of women in the U.S. qualify for disability insurance after the birth of a child, which allows them some recovery time. Some women are eligible for parental leave through their employment benefits and/or through state law. And many women qualify for neither. Furthermore, in the vast majority of cases, the leave, if any, is unpaid, allowing only higher income families to benefit from any state or company policy. In order to promote equity and efficiency in our society, a national paid parental leave policy must be adopted.

As more women, many of whom are mothers or will be mothers, enter the labor force and acquire more responsibilities in and outside the home, men will have to take a greater role in parenting and other domestic areas. Women can no longer be expected to take care of the bulk of household and child-care chores and be employed in the labor force as well. A national parental leave policy which applied to both women and men would be an endorsement of equality between the sexes and allow men to take an important role in the early development of their children.

However, in order for this endorsement of equality between the sexes to work as intended, the leave for parents

must be paid. The wage gap between men's and women's income makes it much cheaper for the wife to take time off work to take care of a child if the leave is unpaid. If parents were able to claim some wage replacement, it would allow parents more flexibility in their decision of who will take the leave.

Paid parental leave is also necessary to promote equity between the classes. As it is now, with the majority of existing leave policies being unpaid, only those with high incomes can enjoy parental leave. A national paid parental leave policy would allow lower income families to enjoy the luxury of spending more uninterrupted time with their newborns.

Middle income families also have a difficult time justifying taking an extended leave from work when it is unpaid. Ann Bookman (1991) observes that "without wage replacement many dual-earner middle-income families will fall into the low-income or poverty-line category during an unpaid leave" (p. 85). Paid parental leave is essential in the maintenance of families' financial stability.

There are many ways in which the Congress could structure a paid parental leave policy. In the following pages, I will outline some potential funding mechanisms. This discussion will be a cursory one; the issue of financing a parental leave policy, paid or unpaid, is complex as well as controversial. To give this component of the parental leave topic adequate examination would require another thesis.

One way to construct the financing would be to have the leave provisions divided into two separate categories: one for medical or disability leave, which could be used by birth mothers immediately following confinement; the second category would be considered the parental or family leave provision, which could be utilized by either the mother or father.

Under provision one, medical/disability leave, all mothers would be guaranteed a certain amount of time to recover after the birth of a child with wage replacement. Under this provision, fathers could be guaranteed several days off from work to be with their families immediately after the birth (also with wage replacement.) Although adoptive parents would not need any recovery time after birth, under this provision adoptive parents could be allowed to take paid leave from work to spend time with the child. The Task Force on Parental Leave Policy (1991) has recommended that such a medical/disability leave be up to 26 weeks.

Provision two, parental/family leave, could be utilized by either mother or father, birth or adoptive parent. Again, parents utilizing this leave period would be eligible for a cash benefit and job guarantees. The Task Force on Parental Leave Policy (1991) has proposed that the length of family leave also be twenty-six weeks. (The task force also recommends that family leave provisions be applicable to the care of an ill child, spouse or parent.)

The method of wage replacement could be structured in two

ways: a flat rate or some proportion of the worker's income. A flat rate approach could reimburse those on leave for the general amount of child-bearing and costs for supplies, etc. A flat rate, depending on how it is funded, as Garrett et al., (1991) point out, could have "strong redistributive consequences" (p. 36), since these costs take a larger percentage of poor families' incomes. However, a flat rate approach is also "pro-natalist" because it pays families to have children.

A proportional wage replacement is not redistributive, thus not promoting equity between the classes. However, when the wage replacement structure is based on income, it encourages either parent to take the leave, not just the parent with the lower income (usually the mother.) Therefore, a proportional wage replacement would promote equality between the sexes.

My recommendation for wage replacement is the use of a proportional cash benefit based on income. I think it is important to encourage men to take a role in domestic affairs, which a proportional structure does. While I feel redistribution of income is important, I do not like the idea of a pro-natalist policy. Having parental leave paid in the first place is a step toward equity between the classes. Another way to help lower income families without a flat rate cash benefit is to reimburse those under a certain income level for baby supplies, etc. as the British government does

under its leave policy.

The next step is to determine what percent of the wage is to be replaced during the leave period. The Task Force on Parental Leave Policy (1991) has recommended that the cash benefit (during both medical/disability leave and parental/family leave) equal 75% of the worker's weekly income not to exceed 150% of the median individual income in the United States that year.

There are a number of options by which to fund paid parental leave. Unfortunately, since a paid parental leave policy will probably not be passed in the United States in the near future, not much research has been done on funding methods. However, a number of methods can be considered in order to fund this much-needed benefit.

One way to finance the maternity/disability leave is through a national insurance fund. The family leave cash benefit could be funded through an insurance fund that is maintained through government, employer and employee contributions. The fund could also be financed by all employers alone or just employers with workers on leave. There are many ways to structure the funding aspect of a paid parental leave policy. However, before any national policy can be successfully implemented in the U.S., it will be essential to research a variety of financing options.

The advantages of paid parental leave to workers who are also parents, or will be parents, are extensive: reduced

losses of earnings; decreased time out of the labor force, which can reduce the wage gap between female and male earnings; reduced stress from having to return to work too early; and the opportunity to form a solid relationship with the newborn. Employers also accrue benefits from parental leaves.

Corporations in the United States which have implemented parental leave policies find that leave policies can save money and increase productivity in the long-run. Employers in states that have mandated family leave have found that it is neither costly nor burdensome. However, existing leave policies in the U.S. are generally unpaid, allowing only a limited number of workers to utilize them; furthermore, many businesses which do not have any leave policies have no intentions of implementing any type of leave policy voluntarily, unpaid or otherwise. Yet, the reality of changing long-term demographics will still confront employers: women will comprise a larger proportion of new labor market entrants in the next decade than ever before. Thus, in the interest of both employer and employee, adjustments in the boundaries between work and home will have to be made.

The implementation of a paid parental leave policy in the United States is one correcting mechanism which could alleviate the inequities of the present system and realize the greatest benefit for society. Such a policy would require employers to adjust to the realities of the American work

force and contribute to the well-being of our country's next generation. For Americans, paid parental leave is a necessary choice.

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