The Economic, Political, and Social Context of Maternity Leave in the United States: A Comparative Analysis

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The Economic, Political, and Social Context of Maternity Leave in the United States

Female labor force participation: percentage of working-aged (usually 16+) women engaged in the workforce — employed or actively looking for a job

Gender wage gap: difference in male and female wages divided by male median wages

Gender employment gap: difference in the employment percentages of working-aged (ages 20-64) men and women

Unpaid/Non-Market Labor: labor time spent working that is typically unpaid, used here as household work and inclusive of time spent in childcare

Externality: when economic activity indirectly affects agents that are not directly involved

Opportunity Cost: cost associated with a foregone choice

Luxury Good: good with which consumption increases as income increases

Breadwinners: those that provide the majority or all of the household income

Organisation of Economic Cooperation and Development (OECD): cohort of 37 countries, working together to develop policies around progress and growth

Comparative Advantage: when one person’s opportunity cost is less than that of another person

Fordism: economic practice, named after Henry Ford, of centralized mass production

Post-Fordism: economic practice following Fordism, that involved flexibility and specialization

Inflation: rising prices

Stagflation: inflation combined with rising unemployment

Monetizing Debt: practice of relying on money creation to finance government programs

Commodification: practice of treating a resource as a commodity, used particularly in this paper as the practice of treating human capital as a commodity and increases the power of the market in everyday life

Aid to Families and Dependent Children: program established in 1935 under the Social Security Act providing financial assistance to children whose parents were unable to entirely support them financially

Earned Income Tax Credit: tax credit or refund benefit provided to working low- or moderate-income workers
ABSTRACT

As American female labor force participation and educational attainment has grown over the past seven decades, laws supporting women with children have not kept pace with changes in workforce demographics, particularly in the form of paid maternity leave. Relative to its economic counterparts, the United States has shown a significant delay in addressing the increasing numbers of women in the workforce and adapting paid leave laws accordingly. Once introduced, policies were limited and offered little or no financial support, in stark contrast to those of other countries. Even today, the United States remains one of a small minority of countries that has not adopted a paid maternity leave policy.

This paper analyzes the current state of maternity leave in the United States and examines the historical economic, social, and political environments at the time of women’s significant advancement into the labor force, particularly looking at the resurgence of an ideology based around the traditional family unit. In this paper, I contend that delay and continued limitation of maternity leave policies in the United States can be tied directly to this political environment.

A comparative analysis between the United States and similar OECD countries is also presented, to determine if a correlation exists between the present paid maternity leave laws and standard social and economic gender equality indicators, particularly focusing on female labor force participation rates, gender wage and employment gap, and the inequity of time spent in unpaid labor.

While the United States does show some instances of larger inequities, there is no significant correlation between longer paid maternity leave policies and the aforementioned gender equality indicators. Ultimately, more research and analysis are needed to evaluate the long-term impact, particularly on health, economic, and social outcomes for both mother and child.

INTRODUCTION

The role of women as economic agents has shifted in a recent period of American history — in just the past 70 years, women have made considerable gains in labor force participation rates and educational attainment. Significant to these gains are trends in changing laws, social norms, and workplace dynamics, a triad of key elements necessary for women to invest in their own human capital at greater rates and continue contributing to the economy.

In this paper and associated analyses, I will first review the health, social, and economic importance of paid maternity leave, highlighting the ways in which social and economic disparities may be exacerbated by the absence of these policies. I will then compare the maternity leave policies offered in Organisation of Economic Cooperation and Development (OECD) countries to those in the United States and investigate the extent to which the United States lags behind these countries in terms of the specific economic and social indicators of female labor force participation rate, gender wage and employment gaps, and the gender division of non-market/household work.

I will also analyze labor force data within its historical context to describe the American approach to paid maternity leave. By focusing on the interaction between social norms, politics, and economics, I assert we can gain a clearer understanding of how and why the United States lags behind its economic counterparts in establishing maternity leave laws. Since the focus of this paper is on women in the workforce, historical participation and education trends, and gender inequities, I will focus on the importance of maternity leave policies, rather than paternity or shared parental leave policies. Additionally, the term ‘women’ as used throughout this paper does not take into account demographic groups of women and the disparities between them. Furthermore, the impact of the COVID-19 pandemic is not included in this analysis.

The rapid increase of women in the workforce and the changing compositions of successful economies demand a transformative legal, economic, and social system. Relative to its counterparts, the United States has not developed laws supporting women in the workforce nor encouraged continued female human capital investment, likely due to its unique political, economic, and social history. In the absence of such laws, I hypothesize that there is persistent inequality between men and women in the form of the gender wage and employment gap, female labor force participation rates, and the division of unpaid household/childcare labor.
BACKGROUND AND IMPORTANCE OF MATERNITY LEAVE

Trends in Female Labor Force Participation and Educational Attainment

The past 70 years has proven to be an astonishing time for women in the United States; the number of women attending college, graduating with advanced degrees, and joining the workforce from 1950 to today has grown dramatically. The increase in educational attainment represents a human capital investment increase — women have increasingly attended college and invested in their careers. As female educational attainment increased, female labor force participation increased in conjunction. In fact, the number of women participating in the workforce has grown 400% since 1950. Currently, women make up almost 50% of the workforce and outpace men in the number of bachelor’s degrees received by age 31. Figures 1 and 2 below, show both the increase in college degrees and labor force participation rate of women from the 1940s–2016.

Figure 1: Female Educational Attainment (1970–2016)

Social, Economic, and Health Implications of Maternity Leave

This rapid increase in female labor force participation requires a thorough understanding of the social, economic, and health context of the comprehensive support of mothers in the workforce, starting from the moment of birth. The time following the birth of a child is oftentimes referred to as the “fourth trimester,” the 3-month period in which a woman is “adapting to multiple physical, social, and psychological changes. She is recovering from childbirth, adjusting to changing hormones, and learning to feed and care for her newborn,” as described by the American College of Obstetrics and Gynecology (ACOG). The fourth trimester is a time of overwhelming stress associated with caring for a
newborn on a limited amount of sleep and significant physical and psychological postpartum strain. At times this strain can result in postpartum mood and anxiety disorders, a leading complication of pregnancy and childbirth. These psychological disorders typically present themselves within the first few weeks following childbirth and require prompt medical attention. The ACOG also describes the first weeks with a newborn as “a critical period for a woman and her infant, setting the stage for long-term health and well-being.”

There have been a number of studies done on the benefit of maternity leave for the health and happiness of mother and baby following childbirth. One such study done by the American College of Obstetrics and Gynecology (ACOG) in 2018, looked at the physical, social, and psychological changes impacting women post childbirth and duly summarized the most compelling reasons to provide maternity leave — it promotes the health, wellbeing, and happiness of both mothers and new children. In the following subsections, I explore additional economic and social implications of paid maternity leave.

A. Social Impact — Early Childhood Bonding is Crucial

Two premier theories of early childhood development were introduced through the work and investigations of Konrad Lorenz and John Bowlby. Lorenz developed the idea of imprinting, or the act of an infant animal forming an innate attachment to a moving object. Bowlby adapted the idea of imprinting to establish the Attachment Theory, one of the most cited and fundamental psychological principles still in use today. Using the idea of attachment of infant animals and after observing behavioral issues of children, Bowlby developed the Attachment Theory as an explanation for the bond between mothers and their children, a bond that transcends simply meeting basic infant needs. Specifically, Bowlby postulated that there is an innate, biological need for infants to be in close proximity to their mothers and that attachment security impacts the long-term development of a child.

Bowlby developed an additional theory, Maternal Deprivation Hypothesis, in which “continual disruption of the attachment between infant and primary caregiver (i.e., mother) could result in long-term cognitive, social, and emotional difficulties for that infant.” In particular, attachment insecurity can lead to behavioral problems, lower intelligence, anger, and mental health issues and that infants experience distress and anxiety when separated from their mothers, even if they were still being cared for.

A recent International Journal of Child Care and Education Policy article entitled “The role of length of maternity leave in supporting mother-child interactions and attachment security among American mothers and their infants,” investigated Bowlby’s Attachment Theory in relation to the importance of maternity leave. Using data from the Early Childhood Longitudinal Study-Birth Cohort, researchers Plotka and Busch-Rossnagel set out to determine if the length of maternity leave impacted mother-child bonding and attachment security. Plotka and Busch-Rossnagel’s findings are clear; there is a direct correlation between length of maternity leave and the quality of mother-child interactions. Per the research, quality mother-child interactions are critical points for the development of an infant — the mother has time to understand the needs and cues of her infant without the distress resulting from separation. The study also showed that the length of maternity leave correlates positively with the infant’s ability to form secure attachments to their mothers, which has been shown to increase levels of empathy, and academic success later in life.

The findings by Plotka and Busch-Rossnagel are in line with those of other studies done on the importance of developing secure attachments with mothers early on in childhood. Most notably of which is the study done by the National Institute of Child Health and Human Development (NICHD) Early Child Care Research Network (ECCRN) finding that “more than 10 h a week in child care during the first year of life put a child at risk of developing insecure attachments and aggressive behaviors when a mother had low levels of sensitivity.”

Bowlby’s and subsequent research have shown that maternity leave has a multi-benefit result for mothers and their children; children are able to develop attachment security, mothers have the time to learn crucial infant cues, and the positive cognitive, social, and behavioral benefits to children are life-long. Bowlby even presented the idea that economic and social welfare of mothers serve as a linchpin for the child’s wellbeing. In 1951, he wrote, “Just as children are absolutely dependent on their parents for sustenance, so in all but the most primitive communities, are parents, especially their mothers, dependent on a greater society for economic provision. If a community values its children it must cherish their parents.”

B. Social Impact — Time with Children is a Luxury Good and is Non-Substitutable

Another implication of maternity leave is a social phenomenon interwoven with a recent change in American society — the correlation between the educational attainment of women and the time they want to spend with their children.
Specifically, the better educated a woman is, the more time she spends caring for her children. Economists Guryan, Hurst, and Kearney, first discovered this unexpected relationship in their 2008 paper, “Parental Education and Parental Time With Children,” where they found that, on average, a college educated woman spends 4.5 more hours per week with her children than a woman with less education. The researchers themselves found these results startling given that generally women with higher educations also tend to spend more time working in careers outside of the home, and considering the well-known opportunity cost of time. Guryan, Hurst, and Kearney even reviewed data from fourteen other countries, and found similar results; the more education a woman has, and thus the more income they make, the more time they spend with their children. Put another way, the time spent with one’s own children is a luxury good.

One interpretation of this finding is particularly significant as it shows a changing view of how children are viewed in our society; women want to fully invest in their children in addition to their continued investment in themselves. Time spent with children differs substantially from time spent in other unpaid, nonmarketable work; it is significantly more enjoyable than time spent on household chores. Like some household chores, parents can outsource childcare (to some degree), and as female education levels rise, time spent on normal household chores falls, but time spent with children rises, which seems counterintuitive. The opportunity cost of spending time taking care of your children, while holding a job outside of the home, is significant for college-educated mothers given the typical higher earnings. But women have determined, as found in the Guryan, Hurst, and Kearney study, that time spent on childcare is worth this cost. Thus, outsourced childcare is not a perfect substitute for parent-led childcare and women have shown this through their time preference.

In brief, the state of workplace society is as follows: women are better educated and are increasingly participating in the workforce with higher incomes at this point in U.S. history than at any other time. The Guryan, Hurst, and Kearney study potentially shows that with the changing composition of the workforce, there is a change in certain workplace characteristics; female workers may want jobs that offer the flexibility and understanding of the importance of time with children. Women are continuously investing in their own human capital — spending significant time on their education and careers — but are also investing in their children.

C. Social Impact — Maternal Mental Health and Social Implications

Two recent studies conducted by economists Mandal and Markowitz/Chatterji found that women with paid maternity leave are happier. In both studies, the authors evaluated the different variables associated with the mother’s Center for Epidemiologic Studies Depression (CESD) value, where a higher CESD score is indicative of more depressive symptoms. Mandal, in her 2018 paper, “The Effect of Paid Leave on Maternal Mental Health,” connected paid maternity leave with maternal mental health through her examination of women returning to work within and after 12 weeks of giving birth. Through her detailed analysis, Mandal found that women returning to work within 12 weeks had higher CESD scores than those returning within nine months of giving birth. However, the author also found that the differences in depression scores are minimized when the mother is paid; if the mother is paid and returns to work sooner, she’ll have a lower CESD than if she receives no pay at all.

Markowitz and Chatterji, in their 2012 paper, “Family Leave After Childbirth and the Mental Health of New Mothers,” conducted a similar research approach and had comparable results. The authors found that mothers with less than 12 weeks of maternity leave, with less than eight of those weeks paid, had increases in depressive symptoms, and women with less than eight weeks of paid maternity leave had a reduction “in overall health status.” In their sample, the authors found that 72% of mothers took less than eight weeks of maternity leave, with five weeks as the average amount of time that is paid. The large majority of mothers return to work before their baby is just two months old, while only being paid a months-worth of expenses. As presented in their paper, those mothers with less than 12 weeks of maternity leave had a CESD score more than one-point higher than those mothers that took longer leave. However, beyond these broad findings, Markowitz/Chatterji provide a compelling insight into the social disparities of the substantial difference between socio-economic groups; depression symptoms are much more likely to be presented in poorer mothers than in more financially secure mothers. Additionally, there is evidence that the mental health of the mother has long-lasting and extensive effects on the health and wellbeing of their children; children with depressed mothers are more likely to have behavioral and cognitive problems.

Thus, women with fewer weeks of maternity leave (usually almost entirely unpaid), are more likely to show depressive symptoms, which occurs even more so among poor women, impacting their own health and the health and wellbeing of their children into adulthood.

According to the evidence presented by Mandal and Markowitz/Chatterji, women who are forced to return to work earlier have negative health outcomes that
result in long-term effects on the health and welfare of their children. Thus, the importance of both time spent with a newborn and financial security cannot be overstated; following the profound psychological and physical experience of childbirth, women need financial and social support to remain healthy.

D. Economic and Social Implication — Women as Breadwinners

The economic implications of maternity leave are crucial to the wellbeing of women and families in terms of the continued human capital investment that ensures women can independently support themselves and their families. This is especially crucial at a point when an increasing number of women are contributing at higher rates to the family income, with some becoming the family breadwinners. In fact, a 2013 study done by the Pew Research Center found that the percentage of families with the mother as the primary breadwinner has increased dramatically over 50 years; in 1960, only 11% of women were considered primary breadwinners, increasing to 40% in 2011, with single mothers making up more than 65% of this value.31

The increase in the number of breadwinning mothers is correlated with women becoming better educated and a larger share of the labor force, and as the number of households in which the mother is similarly or better educated than the father is increasing, the share of women breadwinners increases. Both of these are shown in the Pew Research Center Figure 3, below.32 As women become a larger portion of the American workforce and contribute more than ever to individual household income, their gainful employment and salaries are critical to families.

E. Economic Impact — Women as Lower-Wage Workers

Further insight into the importance of maternity leave is shown by the composition of the part-time lower wage workforce, a group often unable to access paid leave benefits. The National Women’s Law Center released a study in 2017 on the representation of women in the American workforce, showing that women disproportionately represent low wage (jobs that pay less than $11 per hour) and lowest wage (jobs that pay less than $10 per hour) workers in the United States, relative to men, as shown in Figure 4 below.33

Additionally, within the low- and lowest-wage workforce, women are more likely to be supporting children — in fact, 32% of low-wage women and 25% of lowest-wage women are supporting children.34

A characteristic of the low-income workforce is that policies sometimes fail to reach the employees that need them the most. Since the United States does not currently have a national paid maternity leave policy, employees (depending on their state of residence) often rely on their employer to provide paid leave as a workplace benefit. A Center for Law and Social Policy (CLASP) study recently explored family and medical leave policy access and the take-up rate by low-income workers and found that a striking 93% of low-income workers do not have access to paid leave benefits through their employers. As the vast majority of low-wage workers are forced to take unpaid leave under the Family and Medical Act of 1993 in order to care for their newborns, many workers simply cannot
afford to take time off — in fact, around 25% of women needed to return to work within 10 days of giving birth.35

Women are disproportionately representing the low- and lowest-wage sectors of the U.S. economy, holding jobs in which the vast majority of employees do not have access to paid leave benefits. Because the only legal option many low wage new mothers have is to take unpaid leave through the FMLA, some end up quitting their jobs or returning to work before the standard amount of leave time.

MATUREN LEAVE COVERAGE COMPARISON ACROSS SELECT OECD COUNTRIES

In 1998, the International Labour Organization (ILO) issued the press release, “More than 120 Nations Provide Paid Maternity Leave,” finding that all 120 countries have better maternity leave policies than the United States, New Zealand, and Australia in terms of time provided and pay amount.36 Since the article was released, both New Zealand, and Australia, and more countries have adopted paid maternity leave policies. A more recent NPR study found that the number of United Nations countries with paid maternity leave is now up to 193 and the United States still remains the only high-income country that does not have a federal paid maternity leave policy.37

The best representatives for comparison with the United States are those countries that are structured similarly — the countries belonging to the Organisation for Economic Co-operation and Development (OECD). The OECD was originally founded in 1961 by twenty countries, including the United States, and has since grown to include thirty-seven, predominately comprising European and North American countries that have similar governmental and economic structure. There are 37 OECD countries, and the scope of this comparison is restricted to countries that have the most similar structure and Gross Domestic Product (GDP) per capita as the United States, countries that had the most data available, and those that generally had GDP per capita above the OECD average.

The first comparison between select OECD countries and the United States is the timeframe in which laws and protections were established. The U.S. lags behind other countries by a significant amount of time — establishing FMLA unpaid leave roughly 40 years after other countries had established similar paid maternity leave benefits.

United States — FMLA, Short-term Disability, and State-specific Policies

Unlike many of its economic counterparts, the United States currently does not have any federally mandated, paid maternity leave laws. In lieu of a national maternity leave policy, the United States has a collection of laws and insurance systems — the Family Medical Leave Act of 1993, short-term disability insurance, and state-specific leave policies. No federal policy is aimed directly at providing women comprehensive leave to provide financial support, job protection, and

Figure 5: Timeline of Maternity Leave Benefits — Select OECD Countries38
Timeline showing the country, amount of leave provided (or another maternal protection) and if pay was guaranteed, by date of enactment. Data sourced from various country websites and OECD Family Database. Note: only the laws associated with maternity leave (as opposed to parental leave) are included here.
enough time to adequately bond with their infant. While states have begun to address this issue, the implementation of policy has occurred only relatively recently (within the past 20 years) and is limited to a small number of states.

**Figure 6: Timeline of Maternity Leave Benefits — State-specific Policies**

Timeline of State-sponsored paid maternity and parental leave — showing the state and amount of leave provided. Data sourced from state-specific websites and National Partnership for Women and Families.

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**A. Family and Medical Leave Act of 1993**

The first law passed that most closely resembles a maternity leave policy is the Family and Medical Leave Act of 1993. For the eight years following its introduction in 1985, the bill went through a series of changes and different names until it reached its final form, as shown in Table 1 below.

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**Table 1: Progression of Family and Medical Leave Act in Congress (1985–1993)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>CONGRESS</th>
<th>BILL</th>
<th>DETAILS</th>
</tr>
</thead>
</table>
- Payment optional by employer |
S.2278: Parental and Disability Leave of 1986 | - 18 weeks of parental leave  
- Payment optional by employer  
- Apply only to companies with 15+ employees |
| 1987 | 100th Congress | H.R.284: Family and Medical Leave Job Security Act of 1987  
S.249: Parental and Medical Leave Act of 1987 | - 8 weeks of parental leave, used by either parent  
- 3 weeks maternity leave  
- Apply only to companies with 50+ employees |
| 1987 | 100th Congress | H.R.925: Family and Medical Leave Act of 1987  
S.2488: Parental and Medical Leave Act of 1988 | - 10 weeks of parental leave  
- Payment optional by employer  
- Apply only to companies with 20+ employees |
| 1988 | 100th Congress | S.345, H.R.770: Family and Medical Leave Act of 1989 | - 12 weeks of parental leave  
- Payment optional by employer  
- Apply only to companies with 50+ employees |
- Payment optional by employer  
- Apply only to companies with 50+ employees  
- Employee must work 12+ months and 1,250+ hours before leave  
- Works at a location where the employer has at least 50 employees within 75 miles |
| 1993 | 103rd Congress | H.R.1, S.5: Family and Medical Leave Act of 1993 | - 12 weeks of parental leave  
- Payment optional by employer  
- Apply only to companies with 50+ employees  
- Employee must work 12+ months and 1,250+ hours before leave  
- Works at a location where the employer has at least 50 employees within 75 miles |
The FMLA Act of 1993 was meant to fill a gap in policy and ensure that if a parent were to take time off to care for their newborn child or other family member, their job (or a similar one) would be available when they returned. The law would be an ideal replacement for an actual maternity leave policy if it were to provide all working women paid time off to recover from childbirth and have time to bond with their newborns. However, as shown in a 2017 study done by the Institute for Women’s Policy Research (a subsidiary of the Department of Labor), only 50% of women aged 18-34 were eligible to take family leave in 2012, but significantly more likely to take leave than women without children. The latter fact corresponds to the prime childbearing years (late teens to late 20s), as working women around this time would likely take FMLA for childbirth. The charts, as presented in the issue brief, show FMLA eligibility by age group and are recreated in Figure 7, below.

**Figure 7: FMLA Eligibility and Probability of Taking FMLA Leave by age group.**

![Figure 7: FMLA Eligibility and Probability of Taking FMLA Leave by age group.](image)

Source: Institute for Women’s Policy Research, Qualifying for Unpaid Leave: FMLA Eligibility Among Working Mothers.

B. Short-Term Disability/Paid Medical Leave

A second piece of current policy, Short-Term Disability (STD) Insurance or Paid Medical Leave, is designed to provide some pay to employees during their time off. Pregnancy and childbirth are considered short-term disabilities and as such can fall under STD Insurance benefits. Generally, short-term disability insurance is merely an insurance plan that is either provided through an employer or can be purchased by individual. By design, STD insurance is not intended to provide job-protection, deferring to employer-specific policies and any laws outlined by the FMLA. If a woman is fortunate enough to work for an employer that provides STD, they are eligible to receive an estimated 60-75% of their base salary. Employers typically require that employees contribute part of the take-home-pay towards the premiums for the short-term disability fund. In cases where a company does not provide short-term disability, a woman is able to purchase a policy through an insurance company (as someone would purchase life insurance), but these policies are often costly and may only provide 40-60% of pre-disability salary. The use of short-term disability insurance by private employers is far from widespread, as shown in Figure 8 below.

**Figure 8: Employee Access to Short-term Disability**

![Figure 8: Employee Access to Short-term Disability](image)


The percentage of workers with access to paid time off differs greatly by employment category with management, business, and financial jobs on the higher end, at 61%, and part-time workers on the lower end, closer to 15%.

Per a 2017 U.S. Bureau of Labor Statistics report, the median wages received when taking STD benefits, were around $600/week, and the largest percentage of people (~40%) receive just 60% of their salary. This would seem to indicate that even if a woman is fortunate enough to be in the 50% that qualifies for FMLA and also provided time to recover from childbirth, she may not be able to afford to take the unpaid leave. In fact, a 2013 Center for American Progress study found that around 50% of women could not afford to take leave, a number that varied substantially between different demographic groups.

C. State Coverage Beyond the Family and Medical Leave Act and Short-Term Disability

In recent years, eight states and the District of Columbia began establishing their own parental leave coverage, with the purpose of replacing the need for short-term disability insurance, as shown in Table 2 below.
Table 2: State Paid Family Leave Laws*

<table>
<thead>
<tr>
<th>STATE / YEAR EFFECTIVE (BENEFITS)</th>
<th>STIPULATIONS</th>
<th>DETAILS</th>
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<tbody>
<tr>
<td>CA 2004</td>
<td>- must have contributed to State Disability Insurance (SDI)</td>
<td>- 6 wks</td>
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<tr>
<td></td>
<td>- earned $300 from SDI deductions during base period</td>
<td>- 60-70% of salary</td>
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<tr>
<td></td>
<td></td>
<td>- updated to 8 wks (eff. 2020)</td>
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<tr>
<td>NJ 2009</td>
<td>- must have contributed to Temporary Disability Insurance</td>
<td>- 8 wks</td>
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<tr>
<td></td>
<td>- &gt;20 wks of covered NJ employment</td>
<td>- 2/3 of salary</td>
</tr>
<tr>
<td></td>
<td>- salary &gt;$200/week or &gt;$10,000 in base period</td>
<td>- pay updated to 85% of salary (eff. 2020)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- updated to 12 wks (eff. 2020)</td>
</tr>
<tr>
<td>RI 2014</td>
<td>- wages received in Rhode Island and paid into Temporary Disability Insurance and Temporary Caregiver Insurance</td>
<td>- 4 wks family bonding under Temporary Caregiver Insurance</td>
</tr>
<tr>
<td></td>
<td>- salary &gt; $12,600 in base period or &gt;$2,100 in a quarter of base period (taxable wages 150% of highest quarter earnings)</td>
<td>- 6 wks disability under Temporary Disability Insurance</td>
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<tr>
<td></td>
<td></td>
<td>- 60% of salary</td>
</tr>
<tr>
<td>NY 2018</td>
<td>- currently employed by covered employer for &gt;26 wks (full-time) or &gt;175 days (part-time)</td>
<td>- 8 wks (2018)/10 wks (2019)/12 wks (2021)</td>
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<tr>
<td></td>
<td></td>
<td>- 55% of average weekly salary</td>
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<tr>
<td></td>
<td></td>
<td>- capped at 60% of average weekly salary (2020)</td>
</tr>
<tr>
<td>WA 2019</td>
<td>- worked &gt;820 hours in 4/5 quarters</td>
<td>- max 18 wks (12 wks parental leave + 6 wks disability)</td>
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<tr>
<td></td>
<td></td>
<td>- max benefit $1000/week (year 1) adjusted to 90% of average weekly wage</td>
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<tr>
<td>DC 2020</td>
<td>- spent &gt;50% of worktime in D.C.</td>
<td>- 8 wks</td>
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<tr>
<td></td>
<td>- currently employed by covered employer for some or all of 52 wks before birth</td>
<td>- 90% of average weekly wage</td>
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<tr>
<td></td>
<td></td>
<td>- max benefit $1000/week (2021)</td>
</tr>
<tr>
<td>MA 2021</td>
<td>- salary &gt;$4,700 in last four quarters and &gt;30x weekly unemployment benefit amount</td>
<td>- 12 wks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- max benefit $850/week adjusted annually to equal 64% of state average weekly wage</td>
</tr>
<tr>
<td>CT 2022</td>
<td>- currently employed by covered employer for &gt;12 wks</td>
<td>- max 14 wks (12 wks parental leave + 2 wks disability)</td>
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<tr>
<td></td>
<td>- salary &gt;$2,325 in highest-earning quarter</td>
<td>- 95% of average weekly wage capped at 60x Connecticut minimum wage</td>
</tr>
<tr>
<td>OR 2023</td>
<td>- must have contributed to Paid Family and Medical Leave Insurance Fund</td>
<td>- max 14 wks (12 wks parental leave + 2 wks disability)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- max benefit is 120% of average weekly wage</td>
</tr>
</tbody>
</table>

ANALYSIS

Method

This research used data collected from the OECD Family Database containing the specific social and economic equality indicators: gender wage and employment gap, female labor force participation rate, and the division of time of unpaid versus paid labor. A formal regression analysis has not been presented here, as the sample size of OECD countries is limited and would not provide a robust understanding of the correlations. Additionally, the implementation of state-specific policies has occurred relatively recently or will occur in the near future, thus the effects on female labor force participation rates and other social and economic factors would be rather limited.

Nonetheless, I will first present a comparative analysis of the paid maternity leave policies by OECD and apposite economic and social indicators, as indicated above. I restricted the comparison countries further to those that have a similar Gross Domestic Product (GDP) per capita and those with similar governmental structures to the United States. Thus, the countries used in the comparison are Australia, Canada, Finland, Germany, Ireland, Netherlands, Norway, Poland, Sweden, the United Kingdom, and the United States. In this section, I will exclusively use this subset of OECD countries for the comparison, however the ‘OECD Average’, is the average among all OECD countries.

I will then continue with a qualitative analysis and review of the unique political, economic, and social factors of the United States that have contributed to its delay and limitations of maternity protections. In particular, I will explore the relationship between the sharp increase in the number of women in educational institutions and workplaces around the 1970s and the dominance of free-market economists and politicians.

Findings and Discussion

A. Economic and Social Indicators

The first part of this analysis is to review and compare the common social and economic gender equality indicators relative to the length and presence of maternity leave in OECD countries.
i. Maternity Leave by Country

To begin the comparison, Figure 9 below, indicates the amount of maternity leave in weeks that women are guaranteed, by country, and the average amount across all OECD countries. The figure includes the amount of time specifically for women as maternity leave, and the amount of separate time designated as parental leave. As mothers in these countries are allowed to use parental leave and as the focus of this paper is on women, the total amount of leave provided is the sum of maternity leave and parental leave length.

Strikingly missing from the figure is the United States, as there is no paid maternity leave law currently in place. For the purposes of this analysis and the juxtaposition of the paid policies of these countries with the U.S., the amount of leave presented here will be restricted to paid leave. Therefore, the United States is considered to provide zero weeks of paid maternity or parental leave, despite the existence of the Family and Medical Leave Act of 1993.

Figure 9: Paid Leave Available in weeks, by country

<table>
<thead>
<tr>
<th>Country</th>
<th>Maternity Leave</th>
<th>Parental Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD Average</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>United States</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>39</td>
<td>0</td>
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<tr>
<td>Sweden</td>
<td>13</td>
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<td>35</td>
</tr>
<tr>
<td>Australia</td>
<td>18</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Table PF2.1.A Summary of paid leave entitlements available to mothers. OECD Family Database

ii. Female Labor Force Participation Rate

Before the 1970s, most OECD countries, including the United States, experienced a female labor force participation rate of less than 50%. The 1970s proved to be an impressive period for female labor in these countries as participation increased rapidly for the next 20–30 years. Some countries are still experiencing a modest increase in participation, while most have experienced a settling. The rates, as of 2019, show that on average, the majority of women in OECD countries are participating in the labor force. Relative to its similar OECD counterparts, the United States has a slightly lower female labor force participation rate, but that which is higher than the overall OECD average.

Figure 10: Graph of Female Labor Force Participation Rate (%) in ten-year increments (1970–2019)

Source: OECD Labour Force participation rate (indicator). Rounded to nearest whole number.

iii. Gender Wage Gap

Perhaps the most widely recognized issue currently facing women in the workforce is the gender wage gap. Figure 11 below shows the gender wage gap of the select subset of OECD countries by the bottom (first decile), top (ninth decile), and median earner. The United States retains a higher than average gap in all three wage types, but that which is similar to the other countries presented here.
The issue of gender wage gap has plagued OECD workforces for as long as women have been members and demands considerable attention in the future — both for the social and economic benefit of the population. In fact, the Institute for Women’s Policy Research study recently found that “equal pay would cut poverty among [U.S.] working women and their families by more than half and add $513 billion to the national economy.”

iv. Gender Employment Gap

A similar measurement instrument is the gender employment gap, which measures the difference in the employment percentages of working-aged (ages 20–64) men and women. Figure 12 shows the comparison of the gender employment gap across the select subset of OECD countries.

As a measurement instrument, this gap may show the health of an economy in a specific and meaningful way — a high gender employment gap is indicative of an economy that makes it more difficult for women to find jobs, effectively support themselves financially, or to be able to find and afford appropriate childcare once back at work. As found by a recent International Labour Organization (ILO) InfoStories, “The freedom to work — by choice, in conditions of dignity, safety and fairness — is integral to human welfare. Guaranteeing that women have access to this right is an important end in itself.”

Reducing the gender employment gap and therefore guaranteeing women have access to work is internationally considered crucial to the question of human welfare. Furthermore, reducing the gender employment gap, admittedly, extends beyond ensuring basic human rights; from an economics point of view, women in the workforce result in higher Gross Domestic Product growth.

v. Unpaid vs Paid Market Labor

This section explores another question of gender economics and workplace dynamics that has lingered in societies for decades — is there a convention of expectation for men and women in non-market and market work? Market work is usually defined as time spent in a paid position, one that produces a quantifiable
labor product. Any time not spent in a paid position, or market work, has often been oversimplified as “leisure time,” or any time that does not provide a market-producing good. While leisure time does include time spent sleeping, engaging in entertainment activities (watching television, reading, gardening), it paradoxically includes time spent cooking, cleaning, and caring for children. Household labor, or time spent on the tasks needed to maintain and run a household, and the time spent caring for children is unpaid and thus harder to quantify. Despite this, the time spent in the household is invaluable and essential to maintaining quality of life for families and requires closer inspection when it comes to responsibility. To parse out the time spent in these tasks, many economists have since relabeled household labor and childcare as “non-market labor,” distinguishing it from time spent in leisure.

For many decades, there was an expectation that the role of women in American society was to spend all of their time in non-market labor; solely in charge of household tasks and childcare, as the societal norm and expectation was for married women to become ‘homemakers’ and not be career-focused. This expectation of gender roles can be attributed, at least in part, to the simple economics of comparative advantage. Women who had not attended college and had retained lower paying jobs would have much less income than that of their husbands, who would more likely have a college degree or trade. Thus, at some points in our economic history, it would have made financial sense for families if the woman remained at home and focused on the unpaid labor of ‘homemaker’ and ‘stay-at-home mom’ than in low-paid labor. This idea was explored by economist Gary Becker in his book A Treatise on the Family: “Theorem 2.2 If all members of a household have different comparative advantages, no more than one member would invest in both market and household capital. Members specializing in the market sector would invest only in market capital, and members specializing in the household sector would invest only in household capital.”

However, now women make up nearly 50% of the workforce and are increasingly contributing to family incomes. The question then remains, if women make up larger portions of the workforce, and thus market work, is their non-market time decreasing as a result? The obvious assumption to make is that if societal norms have shifted enough so it is not unthinkable for married women (and women with children) to work outside of the household, then the expectation of women in non-market work could change in concurrence. As done in the previous sections, to evaluate this assumption, I have looked at OECD country-level data on gender-specific division of time between market and non-market labor:

Figure 13: Time Spent in Unpaid and Paid Work (Hours/Day)

Figure 13 shows that without exception, women continue to spend more time in unpaid work and less time in market work than men. With a trend such as this, social and economic inequality is persistent: women continue to provide the majority of the unpaid non-market labor and cannot devote that time to paid, market work that advances careers, presenting an obvious opportunity cost. Furthermore, encompassed in the perpetuation of imbalance of unpaid-paid work is the gender wage gap. Becker also addresses this in his book: “Women can be said to have a comparative advantage in the household sector when there are complementarities between men and women if the ratio of the marginal product in the household to the wage rate in the market is higher for women than for men when both supply the same amount of time to the household and when both invest in the same human capital.” Thus, even if women continue to invest in their education and careers, if they continue to receive a smaller wage relative to that of men, the expectation of women to provide the household labor will likely persist.

Some countries have tried to address this gap through the development of social policies aimed at reducing the expectation of women as the primary caregiver for children. Norway, Sweden, and other Scandinavian countries have attempted to resolve the inequality in the division of unpaid time through the introduction of paid paternity leave; if men are encouraged to spend time caring for their child, it might disrupt the imbalance across genders. As found in a 2006 report developed by the Nordic Council of Ministers, entitled ‘Nordic experiences with parental leave and its impact on equality between women and men’: “In each
Nordic country, the aim of the parental leave system is to achieve greater equality between the genders at home and in the labor market...It is important, from the perspective of gender equality, that men assume greater responsibility in the home than previously and participate in an active way to bring up their children.”

However, this report also notes the fact that encouraging active participation in non-market labor takes men away from market work, often to the detriment of their positioning in the labor market. Therefore, the report concludes: “...[paternity leave] does not necessarily bring men and women toe to toe in the labor market — rather, it may mean that parents will be seen as a second-class workforce and that men with grown children will retain their privilege in working life. Mothers continue to be the ones to bear primary responsibility for looking after the children, weakening their position and often reflecting in their pocketbooks.”

The Cause of the Delay and Limitations: The Social, Economic, and Political Context

Relative to other OECD countries, the American legal, economic, and societal response to the rapid increase of female workforce and educational participation has been delayed significantly. The premier examples of social progress, namely the Scandinavian countries, seemed to preemptively address the increase in women in the workforce by establishing maternal protection and leave laws early in the 20th century (and some even in the late 19th century). On the other hand, the development of similar laws in the United States mainly occurred in the late 20th century, long after women had become crucial economic agents. The protective laws that were eventually passed in the United States were not directly aimed at providing women with maternity leave benefits, were limited in time, and provided no financial support.

Equally important to understanding the delay in U.S. policies on paid paternity leave, are the reasons underlying the lackluster adoption of such policies. Based on the trends and analysis above, I contend there are social, political, and economic motivations that occurred in tandem with the increase in female labor force participation that serve as the driving force for the lack of maternity leave benefits. Included in these are the historical prominence of free-market economists and capitalism, corporations as welfare decision makers, and the social and political importance of the traditional family structure.

A. Fordism and the Traditional Family Structure

The social expectation of the traditional family structure is deeply rooted in American history but continuously makes its way into political and economic ideologies, especially as the role and power of the corporation grew. While already very much a part of the social identity of Americans in the early 20th century, the importance of the family structure was weaved into the period of industrialist economic growth and production model. Industrialism, or Fordism, is the distinct economic age of mass production and mass consumption, which found its heyday as an attractive mode of regrowth from around 1940–1970. This period resulted in a significant rise in the importance of capitalism in a post-war world, as the United States, in its distinct political ideological form, could depart significantly from those that it had been fighting against. This enabled corporations to have more dominance over their workers and established the role of the company as a major decision-maker in the political and economic sphere. As Gøsta Esping-Andersen, points out in his book "The Three Worlds of Welfare Capitalism," welfare (here, insurance) decisions were openly given to companies:

What matters is that charity, or any kind of insurance, be based on voluntarism and that, moreover, insurance arrangements be soundly contractual and actuarial. Since there is no such thing as a free lunch, rights and benefits must reflect contributions. Once liberalism came to accept the principle of unionism, it was also perfectly capable of extending the idea of individual insurance to collectively bargained social benefits. Indeed, the latter came to inspire the whole ideology of welfare capitalism that so enthused American liberalism between the wars. The idea here was that the United States could be spared the ‘socialistic’ flavor of state social insurance by encouraging company-based welfare schemes.

The idea of welfare capitalism began between the world wars. Following the second world war and the rise of Fordism, the value of the corporation was elevated, and along with this the power of welfare decisions fell into the hands of corporations. Fordism also perpetuated the idea of the Fordist family structure and wage, premised on a male worker, a stay-at-home wife and children, and compensation designed such that every male head of the household could make a living wage. As Sociologist Melinda Cooper describes, "...the economic security of the postwar era was premised on a tightly enforced sexual division of labor that relegated women to lower-paid, precarious forms of employment and indexed the wage of the Fordist worker to the costs of maintaining a wife and children at home." Furthermore, the idea of the Fordist family wage was based around...
the commodification of labor — in that the success of corporations depended on the reliance of the worker on the market. Thus, a livable wage was partially provided so that the workers could afford to purchase the very products that they were working to produce. Esping-Andersen also explores this concept: “As commodities, people are captive to powers beyond their control; the commodity is easily destroyed by even minor social contingencies, such as illness, and by macro-events, such as the business cycle. As commodities, workers are replaceable, easily redundant, and atomized.”

At the time of the Fordist family wage, women were not yet a major part of the American workplace, representing just 30% of the workforce, in lower-paid positions that usually did not require college degrees. Women working around this time were typically single and childless, usually resigning from their positions of employment as soon as they were married. In fact, there was a strong negative correlation between the salary of a husband and female labor force participation, indicating that a driver of women’s labor force participation was potentially financial need rather than interest or desire, and was compounded by societal norms and household expectations. Additionally, there was widespread use of ‘marriage bars,’ a discriminatory practice in which married women were prevented from hire and single women were fired from their positions as soon as they were married. These practices were slow to change and did not result in immediate or significant increases in women’s labor force participation but by the mid-1950s, they were almost completely phased out and older, married women started to become more commonplace in American workforces.

The post-Fordist/post-Industrialist era, beginning around 1970, gave rise to a different work environment as companies became more flexible and specialized, diverging from brute production force of large factories and overly mechanized tasks, and the worker became integral to production decisions and processes. There was also a shift in the traditional Fordist family structure — a move away from the standard male breadwinner, supporting a wife and children, correlated with the wave of the women’s revolution and changing social norms of the 1960s. As Cooper points out, “The revolution in family law and intimate relationships that occurred in the 1960s — from the introduction of no-fault divorce to the growing acceptance of cohabitation — destroyed the very raison d’être of the Fordist family wage and thereby led to its gradual phasing out over the following years.” I argue that of equal importance to the decline of the Fordist family wage and changing family structure is the widespread use of the birth control pill in the 1970s.

B. The Birth Control Pill and the Rise of Women in the Workforce

The birth control pill was approved by the Food and Drug Administration in the 1960s and became widely used by married women, only with approval from their husbands. Prior to 1970, it was illegal in most states for an unmarried minor to gain access to the pill without consent from her parents. It took a generational backlash against the war as, “Old Enough to Fight, Old Enough to Vote,” which led to the ratification of the 26th Amendment and prompted most states to lower their age of majority, allowing unmarried minors to gain access to the pill without parental consent. This legal change marks a pivotal moment in women’s history and would have cumulative impacts on women’s educational and career paths — women could now invest freely in their own human capital development, unrestrained by the threat of pregnancy at a younger age. In fact, starting in 1970, there was an exponential increase in the number of women attending and graduating with college and even professional degrees, like law and medicine.

Figure 14: Female Labor Force Participation Rate (%) by Age (1948–2016)

Up to this point, the investment in longer education programs would have a high opportunity cost; women would have to forgo either marriage or an education in favor of the other. However, following the development and wide usage of the birth control pill, women could now manage to invest in time-intensive education programs and subsequent careers, without entirely giving up the development of families. Figure 14 gives indication of the change in labor force participation with the ending of marriage bar usage and, more remarkably, the advent of the birth control pill.  

Additionally, I would argue that the widespread use of the birth control pill and subsequent development of a more educated female population would forever change the comparative advantage of women from unpaid labor to paid work. Gary Becker, in his book "A Treatise on the Family," points out that it is economically more efficient if one person stays at home and the other provides labor to the marketplace if each person has a comparative advantage to one skillset. Additionally, Becker asserts that "women have less incentive to invest in human capital than men do when the number of children is the main result of marriage." It is possible then, that the advent of the birth control pill compounded the shift away the traditional path of marriage and children, a shift that was concerning to policy makers.

C. Free-Market Economics and the Resurgence of the Traditional Family Structure

The neoliberalism movement of the late 1970s was partly a backlash to the rise of feminism and the female labor force participation, while mostly attributed to the intense inflation of the period. The inflation worried investors as asset values fell while worker wages rose and policy makers were becoming increasingly concerned with the decline in male employment rates. In response to this stagflation, the Federal Reserve chairman at the time, Paul Volcker, executed the "Volcker Shock", a drastic interest rate increase in attempt to curb inflation. This decision, in-turn, encouraged free-market economists, such as Milton Friedman, to increasingly lobby against government intervention in markets. Friedman believed that inflation was a direct result of the Federal Reserve “monetizing debt” in order to fund welfare programs, programs that would ultimately risk economic growth and progress. Cooper summarizes the sentiment of Friedman and others, “Inflation then was not only an evil in and of itself; it had also served to finance welfare programs ‘whose major evil [was] to undermine the fabric of society — that is, the natural incentives of the ‘family’ and the market’." Thus, to these neoliberalists, welfare programs did not just limit economic growth, but to erode the very foundation of American society — the family unit. Politicians and economists once again focused their disapproval on the program Aid to Families and Dependent Children (AFDC), giving it yet another review following the inflationary crisis. The two sociologists Cloward and Piven identified the AFDC as the reason for the divergence from the traditional family in their 1966 article The Weight of the Poor: A Strategy to End Poverty, as: "...such measures reinforce the female as breadwinner in an already female-headed household...Our society has preferred to deal with the resulting female-headed families not by putting men to work, but by placing the unwed mothers and dependent children on public welfare — substituting check-writing machines for male wage earners." Thus, subsumed in the neoliberal dogma of limited government intervention and free-markets, is that the traditional family structure (like under the Fordist family wage) is integral to American identity. Or as Cooper points out, “The fact that fathers ‘choose’ to support wife and children and mothers ‘choose’ to perform most of the unpaid reproductive work of care, thus relieving the state of any such responsibilities, represents the equilibrium state of the family in a free-market order, a state of mutual dependence and self-sufficiency.” Political powers adapted this ideology in the 1980s, growing substantially in the 1990s as significant changes were made to the AFDC. From then on, any social progress has often been mired in the political partisanship and deference to corporate decision making, with a continued preference toward neoliberalist ideology and the societal importance of the traditional family structure. I would argue that in a similar way to welfare programs, paid maternity leave was expected to act as a catalyst for the deviation from the traditional family structure; in that, women getting paid post-childbirth would encourage women to continue to work, rather than feeling the need to stay home to raise children.

D. The Commodification of Labor and Female Labor Force Participation

Other OECD countries responded to the increase in the female labor force participation rates of the 1970s by expanding paid maternity leave laws, as Norway, the United Kingdom, Australia, and Canada did. The United States, on the other hand, did not expand laws beyond the Pregnancy Discrimination Act of 1978, which made it illegal to fire or demote women because of pregnancy. I would argue that much of the delay and limitation of the bill was a result of the political, social, and economic structures of the United States. While the United States was still determinedly focused on the importance of decision making by companies and limited government intervention, other countries de-commodified human capital. Sweden, for example, saw de-commodification and de-industrialization in post-Fordism as a way to capitalize on the already
increasing female labor force participation rates. In fact, Esping-Andersen describes the Swedish welfare state as a commitment to three principles: 1) the improvement and expansion of social, health, and educational services; 2) maximum employment-participation, especially for women; and 3) sustained full employment... As such, a female-focused welfare system resulted in “female-biased social-service explosion. On the supply-side it provides services, like day care, which women need in order to work and which, coincidentally, provide women’s jobs.”

The United States remains highly commodified to this day and as such many argue that a mandated paid maternity leave would actually result in a negative externality for female employees — if an employer is forced to pay the employee for leave, the ‘cost’ of that employee is higher and simple supply and demand economics dictates that employees that cost more will be demanded less. Or: “Since women are more likely to take leave than men, employers would expect that, other things equal, hiring a man would likely be less costly than hiring a woman. So they would hire fewer women or pay them less than men. In a word, TANSTAAFL” (There ain’t no such thing as a free lunch). And, on the other side “women benefit by remaining more attached to the labor force generally and also to specific jobs when they take time from work; other family members, especially newborn children, can get the care and attention they need for their health and well-being; and employers benefit from less employee turnover and healthier workplaces.” These two differing viewpoints can at least agree on the need for more cost-benefit analysis to determine the best option for the United States. With that being said, the one thing that is noticeably missing from any sort of analysis is the long-term benefits in a two-fold way: for the mother in the form of continued human capital investment and career growth and for the infant in the form of attachment security.

Capitalism is a cornerstone of American political, economic, and social ideology — it has been used as the framework for policy decisions for the past century. Subsumed and fundamental to capitalism ideology is the traditional family structure, an externality associated with the era of industrialism and the Fordist family wage, which experienced a resurgence in reaction to economic inflation, changing social norms, and government spending on welfare programs. In conjunction, there was a surge of women gaining college and professional degrees and entering and staying in the workforce. Comparatively to other OECD countries, the United States established legal protections for pregnant women much later than any other country and once implemented, provided the least supportive national maternity leave policy — limited in time and financial support.

This delay and limitation can be attributed to several differences between the OECD countries, and, as I argue above, is tied to the deference of decisions to companies and the significant growth of the free-market beliefs during the 1970s, following the stagflation of the period and as a backlash to decisions made by the Federal Reserve. This remarkable political, social, and economic climate of the 1970s had an impact on welfare programs for years — as neoliberalism continued to grow and foster the importance of the traditional family structure, government spending on public programs became a divisive political issue. Thus, as women were experiencing a profound and exceptional movement into the workplace and investing more in their educations and careers, this economic and political environment was pushing against the establishment of progressive laws. Potentially, paid maternity leave was considered a progressive law that would have undermined the traditional family structure by encouraging women to stay in the workforce following childbirth.

LIMITATIONS AND FUTURE RESEARCH

Conspicuously missing from this comparative study is analysis on the long-term social and economic benefits of paid maternity leave. While there are studies that have been focused on specific countries or American states, there are none that have been able to closely capture the true extent of maternity leave on social and economic inequities. Additionally, most of the state-specific paid leave policies have either been implemented recently or will be implemented in the near future, so the economic impacts are to be determined.

In conjunction with any additional analysis is the need to evaluate and understand the impact of the events of 2020, namely the COVID-19 pandemic and subsequent economic downturn. The pandemic has caused a multitude of changes to daily life — from the method and means of work life to the lack of sufficient childcare resources. Immediate data has shown that the pandemic has had a disproportionate impact on women with children, widening any already present social and economic disparities.

Furthermore, there is a significant amount of cost-benefit analysis that still needs to be done — from the financing of paid maternity leave, to the long-term impact that paid maternity leave has on the career paths and salary of American women, and the wellbeing of their children. This will likely prove to be difficult as many of the data and measurement tools are qualitative, including preference and feelings. An issue that also needs to be explored further — is the lack of maternity leave
benefits causing women to take jobs that are mis-matched for their skills for the flexibility and FMLA/short-term disability benefits? If so, how does this impact the economy and future economic growth?

CONCLUSION AND POLICY RECOMMENDATIONS

Relative to its economic counterparts, the United States has lagged behind in the implementation of pregnancy protection and maternity leave. In lieu of a national paid maternity leave policy, the U.S. opted instead to provide unpaid job protection through the Family and Medical Leave Act (FMLA) of 1993 and left any payment decisions to companies in the form of short-term disability. These policies came at least 40 years after comparable countries implemented their paid maternity leave (and almost a century after the first maternity leave laws of Scandinavian countries) and are limited in both time and pay. The analysis presented in this paper indicates that even with these limited laws in the United States, a large percentage of working women do not have access to FMLA nor short-term disability, or cannot afford to take the full portion of leave because of financial reasons (if eligible for FMLA).

The comparative analysis of various economic and social indicators between the U.S. and similar OECD countries, revealed mostly similarities, with the exception of the amount of time American women spend in unpaid work (U.S. has a larger gap between men and women). Ultimately, this gives little insight into the effect paid maternity leave has on the social and economic inequality in these countries. Additionally, there is little correlation between the presence and length of paid maternity leave with other indicators, namely the female labor force participation rate and educational attainment rate and gender wage and employment gap; gender wage gap is a particularly persistent feature across all countries. I hypothesize that the inequality between men and women is deeply-rooted in these societies — that at some point women had a comparative advantage to household work and childcare over market work, particularly when women were not investing as much in their education and careers. Even as women have begun investing more in their education and career, at times having their investment surpass that of men, there is a stickiness to this norm that has proven resistant to change.

There is also the question of the interrelationship between the stickiness of these norms and the gender wage gap — if women are still paid less than men in the market, then it may still be a comparative advantage for some households to divide the unpaid and paid labor into traditional gender roles. As a result, women continue to invest primarily in household human capital and men in market human capital — perpetuating the dominance of the gender wage gap and inequity of unpaid labor. Thus, there is a cyclical relationship between the gender wage gap and the persistence of women as the primary childcare provider.

Comparison between many different countries based on these social and economic factors prove to be difficult without a comprehensive econometric analysis of the macroeconomic and microeconomic structures of each country and would also argue that these indicators do not necessarily best represent economic success, health, social and gender equality, and happiness. Instead, I assert that the approach to paid maternity leave lies in the unique economic, political, and social structures of the United States, with particular focus on the everlasting impact of the Fordist era on American policy.

While political divides were widening and the wave of free-market economists and politicians were growing, women were continuing to make strides in workforce participation and career path attainment; in the past 50 years, women’s labor force participation has grown to be nearly 50% of the workforce and continue to earn the majority of bachelors-level degrees. Furthermore, women are quickly becoming the breadwinners in American society, proof that the once highly regarded Fordist family wage is an outdated and limiting ideology to perpetuate. Just as seen in the post-Fordist era, changing social norms and gender roles has ushered in new age of family dynamics, but one that is both dependent on women to care for children and to provide crucial human capital to the United States economy. Women have been, and continue to, invest in their own human capital and have proven to be a determined presence in the economy, shown by the fact that nearly 70% of women around the world would rather work than stay at home with their children.51

Even beyond personal preference, utilizing the human capital of women seems to be an efficient use of human resources — time investment has already gone into education and career pathing for women and the continued investment of the human capital could benefit the economy in the long run. Thus, America must find a way to reconcile the cornerstone of capitalism and free markets with the importance of society, future economic growth, and continued investment in human capital. Prominent features in this area are the gender wage gap and the division of non-market work — two factors that will continue to be marked sources of gender inequality in the workforce.
Beyond the economic and social inequities women face in the workplace by measure of the indicators presented above, there are a myriad of other factors to maternity leave that are crucial to women’s health, wellbeing, and independence. I would suggest extensive and continued cost-benefit analyses on paid maternity leave — with a significant emphasis placed on the importance of maintaining and encouraging the continued investment in nearly 50% of the American workforce.

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