Changes in Maternity Leave Among Women in Low-Income Households in San Francisco: Response to the Paid Parental Leave Ordinance

Authors: Julia M. Goodman, PhD, MPH[1], Holly Elser, MPH[2], William H. Dow, PhD[2]

Short abstract

San Francisco recently enacted the most far-reaching paid leave law in the U.S., requiring that employers supplement income up to 100% of wages for employees on leave. Using a pre-post survey, we examine the effect of the Paid Parental Leave Ordinance (PPLO) on maternity leave use and proportion paid. We estimate multivariate difference-in-differences regression models comparing changes in leave-taking and benefits among new mothers employed in San Francisco before and after the PPLO compared to similar mothers employed in surrounding counties, stratified by household income. Preliminary baseline results show disparities in leave-taking and benefits by income, with lower income mothers less frequently offered employer-paid leave and offered shorter leave at lower replacement rates. We expect the follow-up survey to reveal an increase in the proportion of low-income mothers offered paid leave and a corresponding increase in the duration of postnatal leave taken among mothers exposed to the PPLO.

Extended abstract

Background

Substantial research has documented the beneficial effects of leave-taking (1–8). Despite this, parents in the U.S. face minimal job protection laws and only a patchwork of state and local policies that provide partial pay for some parents. In fact, only about 13% of workers in the U.S. have any paid leave (9).

San Francisco recently enacted the Paid Parental Leave Ordinance (PPLO), the most far-reaching law in the U.S. The PPLO builds on the California Paid Family Leave (PFL) program to ensure six weeks of fully paid leave for new parents employed in the City's private sector. The PPLO may particularly benefit low-income parents in San Francisco who are least likely to take advantage of unpaid or partially paid leave programs. Unpaid leave expansions through the Family and Medical Leave Act (FMLA) have been associated with an increase in the share of mothers on maternity leave, but mostly among college-educated and/or married mothers (10). California's partially paid PFL program somewhat narrowed this socioeconomic gap, doubling maternity leave utilization from approximately three to six weeks on average, with the strongest effects among black, non-college educated, unmarried, and Hispanic mothers (11). Yet leave-taking remains depressed among lower socioeconomic status parents, in part due to the difficulty in affording leave when only partially paid.

The PPLO provides an important opportunity to examine the impact of the first government-mandated fully paid leave policy in the U.S. on economically vulnerable families. Specifically, we examine the following research questions:

1. Did the PPLO increase uptake and duration of leave among mothers employed in San Francisco, especially among low-income mothers?
2. Did the share of leave that was paid increase among mothers employed in San Francisco, especially among low-income mothers?

Data and Research Methods

Data – Our study uses a pre/post survey of mothers who gave birth in the San Francisco Bay Area before and after PPLO implementation. Women who were employed or whose partners were employed during pregnancy and whose child was still living with them were eligible to participate. We mailed invitations to a stratified random sample from birth records for all women who delivered live births in the San Francisco Bay Area in 2016 (Wave I) or 2017 (Wave II) to participate in a 25-minute online survey. Participants were offered a $15 gift card for their participation. Non-responders were mailed up to two reminder cards (the second with a higher incentive offer) and the subset with identifiable phone numbers were subsequently called. We completed data collection for Wave I (births in 2016) in August 2018 and expect to complete Wave II (births in 2017) data collection in late 2018.

Employed women were asked a series of questions about their job(s) during pregnancy; whether and how much leave from work they took before (antenatal leave) and after (postnatal leave) the birth of their child; and what, if any, pay they received from their employer and/or the government (e.g., State Disability Insurance, Paid Family Leave, etc.). Women with employed partners were asked similar questions about their partners' jobs, leave-taking, and pay. All women were asked about pre- and post-natal health conditions for themselves and their child. This paper includes only women who reported employment at some point during pregnancy (N=355 at baseline).

Methods – Our paper will use a difference-in-difference approach to examine changes in uptake and duration of leave and payment during leave among women employed in San Francisco compared to women employed

elsewhere in the Bay Area, stratifying our sample by annual household income. This strategy allows us to account for underlying changes in leave-taking occurring in unaffected counties, so that we can identify a causal impact of the PPLO on leave-taking and payment. We expect to complete data collection by the end of 2018, and data analysis by March 2019. We present here preliminary descriptive findings from our baseline survey.

Findings

Preliminary findings from baseline (pre) survey

Table 1 shows unweighted demographic and employment characteristics for the 355 employed women in our sample who gave birth in 2016. Almost 90% of this sample reported another parent living with them at the time of birth. One-quarter of respondents spoke a language other than English at home and one-third were born outside the U.S. Less than 10% of respondents had no college experience; 17.9% had some college; and 73.2% were college graduates. A majority (60.7%) of respondents reported an annual household income above $97,000; 20.4% reported between $32,001-$97,000; and 18.9% reported $32,000 or below.

Reflecting our sampling strategy, half of respondents were employed in San Francisco. Seventeen percent were employed in the public sector, which the PPLO does not cover. 52.8% were employed in private, for-profit companies; 18% in non-profit organizations; and 4.9% were self-employed. One-fifth worked for firms with less than 20 employees, putting them below the cutoff for PPLO eligibility. 45% worked for firms with 500 or more employees, with the rest distributed among other firm sizes. Half of respondents had worked for their employers between one and four years when they went on leave. Most (70.2%) respondents were full-time workers in the 12 months before they went on leave. More than three-quarters worked a regular daytime schedule, but 15.5% reported working a variable schedule (one that varies day to day or week to week).

Figure 1 shows the distribution of ante- and postnatal leave duration by annual household income. While the likelihood of not taking any antenatal leave was similar across income groups, among those who did take leave, lower income women were more likely to report longer antenatal leave duration. With the exception of the longest postnatal leave duration category (>20 weeks), postnatal leave durations also differed across income groups, with lower income tracking with shorter leave duration. Differences in both of these patterns were statistically significant.

Overall, about two-thirds of women who took antenatal leave received payment from the government (e.g., State Disability Insurance) and 47.2% received some pay from their employers. Women who took antenatal leave were equally likely to receive payment from the government across income groups; but the highest income women were the most likely to have received pay from their employers (Figure 2). Both government and employer pay varied substantially across income groups, with lower income women less likely to report pay from either source. Among women who reported any pay from their employers, lower income women received a lower wage replacement rate for a shorter period of time compared to women in higher income categories.

To provide context for potential policy responses, women who were not offered at least 12 weeks of fully paid leave were asked how much leave they *would have taken* had the employer they worked for during pregnancy offered that much leave. Figure 3 shows responses by household income. Interestingly, responses to this hypothetical question varied significantly by income. The highest income women were evenly split between reporting 12 weeks and more than 12 weeks of leave, with almost none reporting less than 12 weeks. While the modal response for both of the lower income categories was 12 weeks, women with household incomes below $32,000 were evenly split between reporting that they would have taken less than and more than 12 weeks of leave.

Expected findings from post survey

Due to essentially universal uptake of postnatal leave in the baseline survey, we do not anticipate an increase in the proportion of the sample taking any postnatal leave. The primary finding we expect to observe with the post-PPLO survey is an increase in the duration of postnatal leave taken among mothers employed in San Francisco compared to mothers elsewhere in the Bay Area. We expect this effect to be strongest among lower-income women who were more likely to take shorter leaves at baseline. Though the PPLO only covers postnatal leave, we hypothesize that both uptake and duration of antenatal leave may increase among mothers employed in San Francisco compared to mothers elsewhere in the Bay Area if increased postnatal leave makes these women feel more open to using leave during pregnancy.

We anticipate that the share of leave that was paid will increase among mothers employed in San Francisco, while remaining constant among mothers employed in surrounding counties. We expect that this will be strongest among lower-income women who, at baseline, were less likely to receive paid leave and, when they did, received a lower wage replacement rate for fewer weeks.

Table 1: Sample Characteristics, Mothers' Survey Wave 1, N=355 employed women with a birth in 2016

Demographic Characteristics	N	%
Other parent living in house at birth		
Yes	315	88.7
No	40	11.3
Language spoken at home		
English	249	74.6
Spanish	21	6.3
English and Spanish equally	21	6.3
Asian language	29	8.7
Some other language	14	4.2
U.S.-born		
Yes	228	67.5
No	110	32.5
Hispanic ethnicity		
No	294	82.8
Yes	61	17.2
Education		
No college	30	8.9
Some college	60	17.9
College graduate	246	73.2
Annual household income (2016)		
$0-$32k	61	18.9
$32,001-$97k	66	20.4
>$97k	196	60.7
Partner gender		
Male	299	97.1
Female	6	1.9
Prefer not to say	3	1
Other children under 5 in household		
None	222	67.7
1	92	28
>1	14	4.3

Employment Characteristics	N	%
County where employed		
San Francisco	164	48.1
Other Bay Area county	177	51.9
Employment sector		
Government - City or County	35	10.1
Government - State	15	4.3
Government - Federal	7	2
Private-for-profit company	182	52.8
Non-profit organization	62	18
Self-employed	17	4.9
Other	27	7.8
Firm size		
1-19	73	20.9
20 - 34	25	7.2
35 - 49	14	4
50 - 99	23	6.6
100 - 199	26	7.4
200 - 499	31	8.9
500 or more	157	45
Job tenure when went on leave		
Less than 6 months	22	6.5
Between 6 - 11 months	42	12.4
Between 1 - 4 years	168	49.4
5 or more years	108	31.8
Work hours during 12 month before leave		
Less than 8 hrs/week	10	2.9
Between 8 and 23 hrs/week	35	10.2
Between 24 and 35 hrs/week	57	16.7
More than 35 hrs/week	240	70.2
Schedule		
Regular daytime schedule	274	78.7
Regular evening/night shift	20	5.7
Variable schedule	54	15.5

Figure 1: Ante- and postnatal leave duration, by annual household income. Mothers' Survey Wave 1, N=355 employed women with a birth in 2016

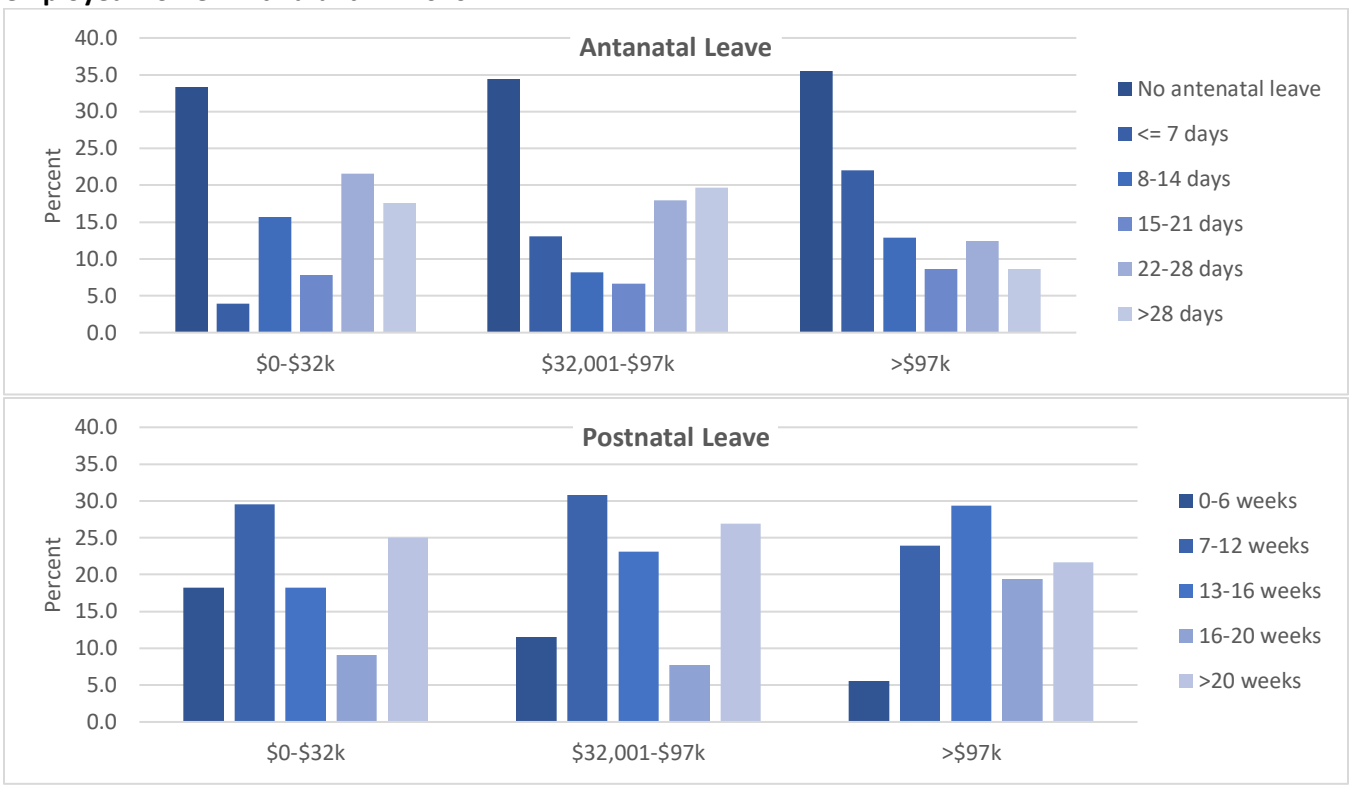


Figure 2: Leave payment, by annual household income. Mothers' Survey Wave 1, N=355 employed women with a birth in 2016

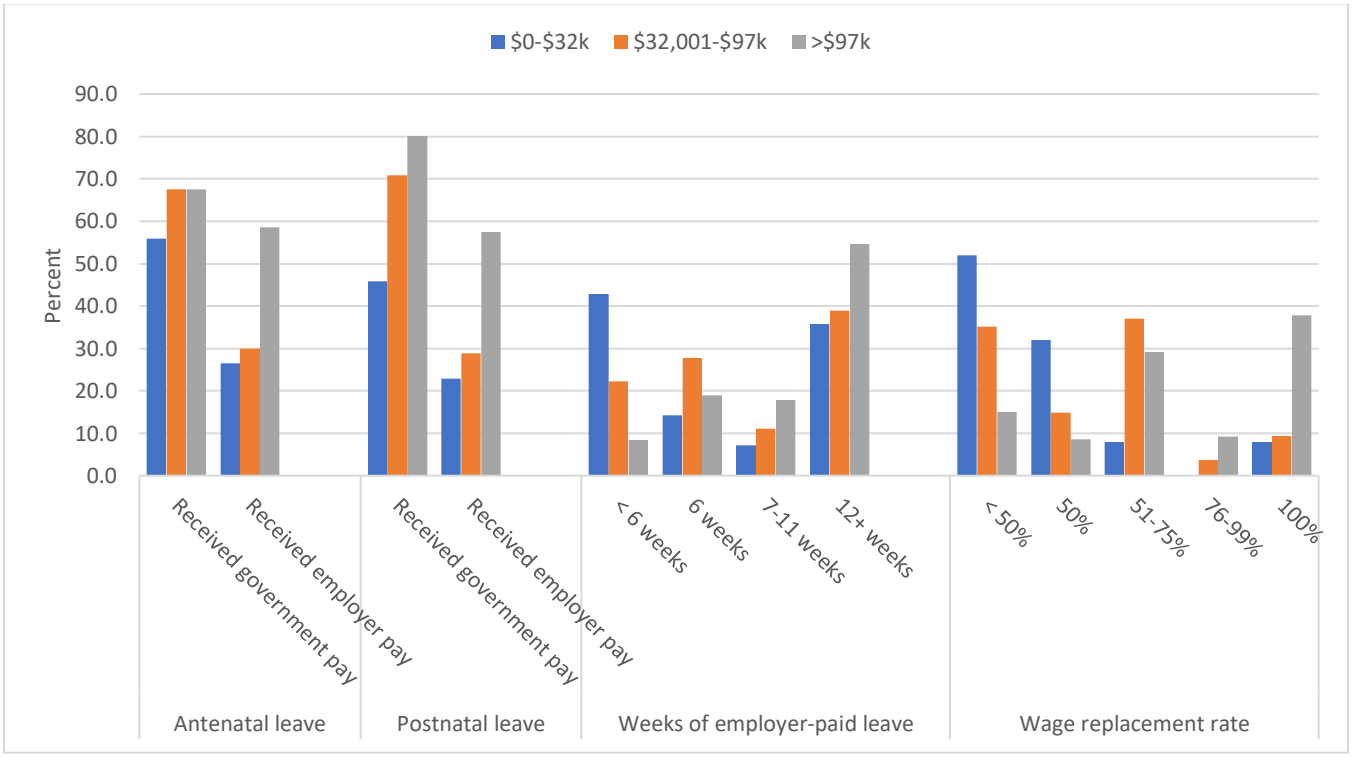
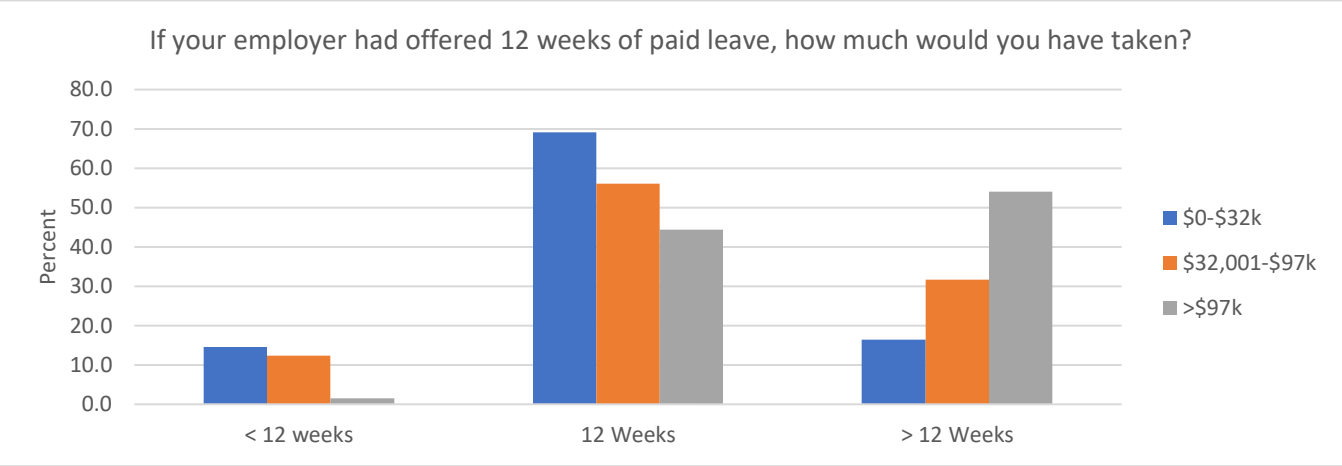


Figure 3: Hypothetical leave duration, by annual household income. Mothers' Survey Wave 1, N=247 employed women with a birth in 2016 who were *not* offered at least 12 weeks of fully paid leave.



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