

# Parental Leave and Early Child Care

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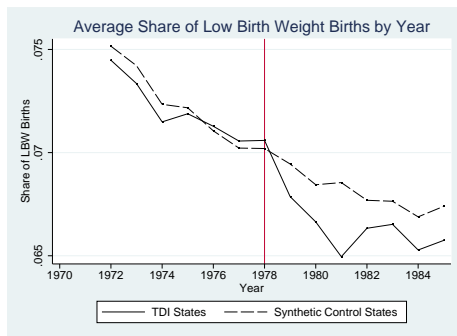
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# Parental Leave is Important

- ▶ Most parents of young children work outside the home in the U.S.
- ▶ Majority of working parents report work/life balance is a challenge
- ▶ Access to paid parental leave is low and unequal in the U.S.
  - ▶ Less than 20% of workers have access to employer-provided paid parental leave
  - ▶ < 9% of workers in bottom wage quartile, 30% in top wage quartile
- ▶ California's Paid Family Leave (2004) provides near-universal access to partially paid parental leave for workers

# Evidence of PFL on Children's Health

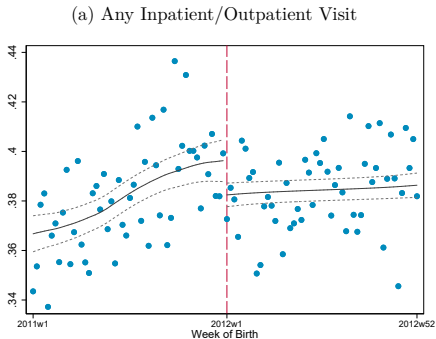
- ▶ Short run effects:
  - ▶ Improved health at birth
  - ▶ ↑ breastfeeding duration
  - ▶ ↓ hospitalizations
  - ▶ ↓ late vaccinations
- ▶ Longer-term effects:
  - ▶ Improved health in kindergarten
  - ▶ ↑ parental time in childcare
  - ▶ ↑ long-term earnings



Stearns, 2015

# Evidence of PFL on Maternal Health

- ▶ Improved mental health
- ▶ ↑ physical health
- ▶ ↓ inpatient hospital stays
- ▶ Improved maternal health also from paternity leave

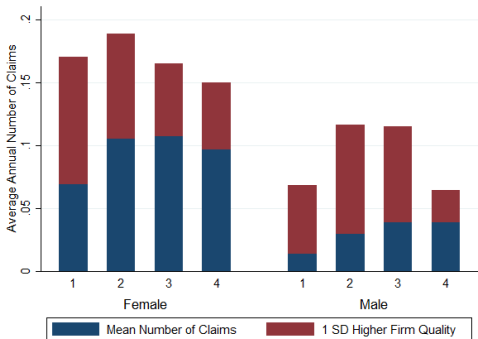


Persson and Rossin-Slater, 2019

# Evidence of PFL on Labor Market Impacts

- ▶ Effects on workers:
  - ▶ Mixed employment/wage effects for mothers
  - ▶ No evidence of effects for fathers (but low take-up)
- ▶ Effects on firms:
  - ▶ Non-negative effects on productivity/costs
  - ▶ Better firms have higher claim rates

Firm Claims by Worker Earnings Quartile



Bana, Bedard, Rossin-Slater and Stearns, 2020

# Early Child Care is Important

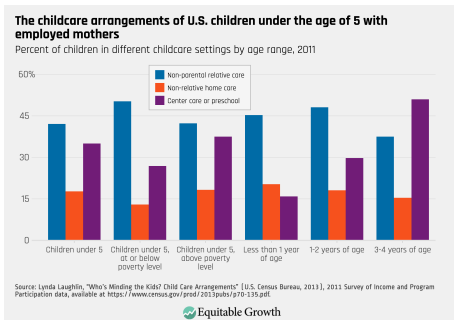
- ▶ Most children under 6 live in households where all parents work
  - ▶ Both parents are employed in 58% of married households
  - ▶ 69% of single mothers are employed
- ▶ Over 61% of children under 5 attend some type of regular childcare
- ▶ California is the **least** affordable state for center-based infant care
  - ▶ 19% (60%) of median income for married (single) households
  - ▶ Ranked 4<sup>th</sup> for for 4-year olds
- ▶ Low-income children and children of color are more likely to receive low quality care, exacerbating inequality

# Evidence of Early Child Care on Children's Outcomes

- ▶ Intensive, high-quality programs have positive effects
- ▶ Short-term effects:
  - ▶ Improve school readiness
  - ▶ Strongest effects for disadvantaged children
  - ▶ ↑ On-time immunization rates, health
- ▶ Longer-term effects:
  - ▶ ↑ educational attainment, earnings
  - ▶ ↓ reliance on public assistance
- ▶ But quality matters!

# Importance of Access to Affordable Care

- ▶ Full-time center care for very young children is limited
- ▶ Low-income children less likely to attend center care
- ▶ And lower quality care
- ▶ Childcare subsidies reach  $\leq 15\%$  of eligible children
- ▶  $10\% \downarrow$  child care costs  $\rightarrow$   $0.25\text{-}1.25\% \uparrow$  parental LFP



Morrissey, 2020



# Conclusions

- ▶ PFL appears to have high benefits vs. costs
- ▶ High-quality early care and education promote children's cognitive, socioemotional, and health outcomes
- ▶ But barriers to access important for equity considerations in both
- ▶ Following periods of PFL, families face gaps in affordable, high-quality, and stable early care arrangements before preschool