



Almost every country in the world offers more generous maternity leave than the U.S.

The United States and Papua New Guinea are the only countries in the world that do not provide any paid time off for new mothers. Why haven't maternity leave laws kept pace with the increase of working parents? Economics correspondent Paul Solman explores the debate on whether time off for new parents is also good for business

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PAUL SOLMAN: Teacher Michelle Alcoser was back in the classroom only five-and-a-half weeks after having son Sebastian. That's all the time she could afford.

MICHELLE ALCOSER: When I first came back, he was still only sleeping about 90 minutes at a time, and having the time to sleep and handle all of the additional workload that comes with that was a logistical challenge.

PAUL SOLMAN: And when her new baby, Declan, arrived, Claire Prestwood was counting on sick or vacation pay for at least some of her maternity leave. But her 3-year-old's illnesses had wiped them out. So Prestwood went to providers of last resort.

CLAIRE PRESTWOOD: We can solicit leave donations, and colleagues or work friends will donate. So far, I have received two donations.

PAUL SOLMAN: They covered two days of paid leave, for which the Prestwoods are eternally grateful.

Such stresses are the norm in America, but nowhere else. According to the United Nations, we and Papua New Guinea are the only countries in the world that do not provide any paid time off for new mothers.

And only since 1993 have we had the Family and Medical Leave act, or FMLA, which grants up to 12 weeks of unpaid leave for full-time workers at firms with 50 or more employees. But the law fails to cover fully 40 percent of American workers, like part-timer Kimberly Lewis.

WOMAN: I don't actually get time off.

PAUL SOLMAN: Lewis, a graduate assistant, won't be eligible for even unpaid leave when she gives birth in February.

WOMAN: I have been working during this semester break to kind of bank hours in order so that when the baby does come, I won't have to report to work the next day.

PAUL SOLMAN: The next day. As for paid family leave, you get 16 weeks in the Netherlands, 52 weeks in Denmark after the birth of a bouncing baby or even a dancing baby, almost 70 weeks in Sweden, 12 weeks in Burundi. But it's just a pipe dream for Americans like Lewis. Here, only one in eight receive paid family leave.

President Obama pushed paid leave in his State of the Union. And his Department of Labor has urged businesses to lead on leave. But Claire Prestwood points out, the government itself doesn't offer paid leave. She knows because she's a federal employee.

CLAIRE PRESTWOOD: It's slightly hypocritical to tell the private sector they need to pay maternity and paternity leave, but the federal government itself doesn't offer that.

PAUL SOLMAN: The president has now directed federal agencies to advance employees sick leave, to be repaid later, after the birth of a baby. He is also pressing Congress to grant six weeks of actual paid family leave, though passage is unlikely.

But nothing's changed for private sector workers like Vanessa Hause. Just to get approval for her FMLA-mandated unpaid leave, it took multiple calls to human resources, doctor's notices, a passel of paperwork.

VANESSA HAUSE: It changed my opinion of wanting to be employed while being a new mom. It's just so difficult to deal with your employer.

PAUL SOLMAN: Now, your heart might go out to these women, but maybe your mind should as well. Paid leave not only bolsters families, says economist Chris Ruhm, but boasts broad economic benefits as well.

CHRISTOPHER RUHM, University of Virginia: It leads to higher overall employment rates of women.

PAUL SOLMAN: Ruhm has found that new moms are more likely to return to work if they get paid leave.

CHRISTOPHER RUHM: It's going to preserve human capital, which leads to higher productivity. I think we would be willing to actually pay some costs to support a family value, but, in fact, in this case, we actually might get a benefit. So — so, it's a double gain.

PAUL SOLMAN: Take Google, one of several tech firms that entice top talent with family-friendly perks. When Google extended paid maternity leave to 18 weeks, the rate at which new moms left the company fell by 50 percent.

YouTube CEO Susan Wojcicki, a longtime Google employee, herself on her fifth maternity leave, corroborates economist Ruhm. Paid leave works to — quote — “avoid costly turnover and to retain the valued expertise, skills and perspective of our employees who are mothers.”

PAUL SOLMAN: OK, so then the obvious question: Why hasn't the U.S. joined the rest of the world, Papua aside, in offering paid family leave?

TRICIA BALDWIN, Reliable Contracting: It can be a — quite a hardship for a company.

PAUL SOLMAN: Tricia Baldwin is the secretary treasurer of Reliable Contracting, where workers get 12 unpaid weeks off, per the FMLA, plus short-term disability payments of \$200 a week.

But even that's a burden for firms like hers, she says, that aren't quite as rich as Google.

TRICIA BALDWIN: If we have someone in a position, that job is important. So, it means that job has to be replaced, and done by somebody else. That means paying somebody. I can't imagine having to pay then also for their salary while they're out as well.

PAUL SOLMAN: This is no minority view. A survey of businesses found 98 percent opposed to mandated paid family leave.

JEFFREY MIRON, Harvard University: If it's good business, businesses will do it.

PAUL SOLMAN: Libertarian economist Jeffrey Miron disputes the data on the benefits of paid leave, but, regardless, he thinks, business policy should be left to consenting adults.

JEFFREY MIRON: The government shouldn't be interfering in the labor market. It shouldn't be dictating any terms that are arranged between employers and employees.

PAUL SOLMAN: But are you then saying that labor markets should decide the wages and benefits regardless of any legislation at all? That is, there should be no minimum wage, say?

JEFFREY MIRON: That is what I would say.

PAUL SOLMAN: Miron's may be an extreme view, but it contains a key question about paid leave: Who's going to do the paying?

JEFFREY MIRON: Either the owner of the business is going to pay for it in lower profits, or the customer's going to pay higher prices because we have raised the cost for that business, or it's going to come from the salaries of other workers, because someone has to pay for the paid leave of those people who take advantage of such a policy.

PAUL SOLMAN: But Ruhm notes that after California became the first state to mandate the benefit, more than 90 percent of the companies there reported either positive or, at worst, neutral effects.

CHRISTOPHER RUHM: Businesses seem to just make it work. And the polling data we have, when we survey them, most of them say it's just not a big deal.

PAUL SOLMAN: And, supporters ask, is it really good for our economy that mothers like Michelle Alcoser return to work while her son still sleeps in 90-minute blocks and nurses constantly, while she shoulders a teaching load that's heavier than ever?

MICHELLE ALCOSER: If I think about how hard it's going to be, then I won't do it.

PAUL SOLMAN: Do we want a new dad like Nick McAuliffe to be back on the job so soon after his daughter is born?

MAN: Believe it or not, kids actually need their dad. I do what I can, but I'm gone for 10 hours a day. I'm getting four hours of sleep a night, and still have to put in 40, 45, 50 hours a week.

PAUL SOLMAN: And, in fact, most Americans say they support paid family leave. But no one wants to pay for it.

So, for the time being, it's still just us and Papua New Guinea going it alone.

Paul Solman, reporting for the PBS NewsHour.