

# A BALANCED APPROACH: PAID PARENTAL LEAVE AND CHILD CARE

As the number of working women with young children and the share of dual-income households have risen in recent years—41% of mothers bring in at least half of family earnings<sup>i</sup>—it is critical to address the needs of the whole family across the birth through five continuum.

Working parents of newborn children face important choices about their continued participation in the workforce—choices that will affect their child's development, their career, and their family's financial security and stability.

Access to paid parental leave and child care are two pieces of a comprehensive policy platform that eases the difficulty of this decision for families. Together, these policies empower working parents to make the right decisions for the financial stability of their families and the development of their young children. They can take time to form close bonds with their child during the earliest developmental stage, rather than having to choose between expensive infant care facilities and low-quality, informal options. When both parent and child are ready, the parent can return to the workforce, supported by affordable child care that continues to foster their child's physical, emotional, and cognitive growth.

#### Paid Parental Leave

The United States is the only OECD country that does not offer paid maternity leave, and one of only two that does not offer paid paternity leave.<sup>ii</sup>

As a result, **1 in 4** American mothers return to work within two weeks of giving birth.<sup>iii</sup>

This has lasting consequences for the child's development and the parent's health and workforce participation. Returning to work quickly after giving birth increases the risk of adverse maternal health outcomes, including post-partum depression.<sup>iv</sup> Paid leave is proven to mitigate those risks, as well as boost employee morale and productivity, provide financial stability and a continued attachment to the workforce, and shrink the income disparity between mothers and other workers—the so-called "motherhood gap," a major driver of the nation's persistent gender pay gap.<sup>v</sup>

Infant care, which is extremely labor-intensive due to strict adult-to-child ratio regulations, is prohibitively expensive for most families: it costs more than in-state college tuition in 33 states,<sup>vi</sup> and the national average cost is over \$11,000 per year.<sup>vii</sup> For many parents, especially single parents working low-wage jobs, missing just one paycheck can have devastating effects on their financial stability. Therefore, they may rush back to work after the birth of a child and rely on informal child care arrangements and the unregulated "gray market". These environments lack the quality standards that certified providers have, meaning that many low-income child rely expensive for demonstrates the critical nature of this early stage, especially for disadvantaged children—a recent Stanford study showed children from low-income families lagging behind their more affluent counterparts in cognitive and language development as early as 18 months old.<sup>viii</sup> By guaranteeing working parents the time and financial support they need to spend this period at home as their children learn, play, and grow, we can ensure that all children have access to nurturing environments during their early years.

#### Child Care

Children are always learning, no matter the setting, and a child's development isn't over when the parent goes back to work. As their early environment continues to shape them, children of working parents need access to high-quality child care providers and facilities. However, this is not readily available to many American families. Affordable care is often not high-quality care, and providers are not always able to match the unpredictable hours of working parents, especially parents working low-wage jobs in the service sector and elsewhere—the parents who need this support the most. These workers and their families spend a disproportionately large share of their income on child care compared to higher-income households,<sup>ix</sup> meaning that supporting them with child care can make a massive impact on their daily lives. Access to child care is demonstrated to increase labor force participation among women,<sup>x</sup> which helps working families achieve financial stability (a proven predictor of health and education outcomes for children) and boosts the entire economy.

Full-time infant care costs more than in-state college tuition in 33 states and the District of Columbia.

On average, center-based infant care costs over



### A Balanced Approach to the Birth through Five Continuum

The current system, one that forces families to cobble together time off and juggle formal and informal care arrangements to make ends meet, fails to support parents' workforce participation and children's development. An integrated and connected paid parental leave and affordable child care system would give children the benefits of a seamless transition through the various stages of the birth-to-five continuum and help parents balance their work and family responsibilities.

With comprehensive paid leave, parents can avoid the significant financial, developmental, and health costs of returning to work immediately after birth. Children can flourish while spending their early time at home, benefiting from close parental bonds and a sense of financial stability. Their development can proceed unencumbered by the often informal, low-quality care arrangements that low- and middle-income parents scramble to put together for their infants when they return to work. When parents are ready to reenter the workforce—after paid leave has allowed them to both remain attached to their job and care for their newborn—children can develop in a nurturing and affordable care environment.

## ENDNOTES

- i Sarah Jane Glynn, "Breadwinning Mothers Continue to be the U.S. Norm," Center for American Progress, May 10, 2019. Available at: <u>https://www.americanprogress.org/issues/women/reports/2019/05/10/469739/</u> breadwinning-mothers-continue-u-s-norm/.
- ii World Policy Center, Paid Parental Leave: A Detailed Look at Approaches Across OECD Countries, 2018. Available at: https://www.worldpolicycenter.org/sites/default/ files/WORLD%20Report%20-%20Parental%20 Leave%20OECD%20Country%20Approaches\_0.pdf.
- ABT Associates for the US Department of Labor, Family and Medical Leave in 2012, Updated for 2013, 2013. Available at: https://www.dol.gov/asp/evaluation/completed-studies/ Family\_Medical\_Leave\_Act\_Survey/EXECUTIVE\_ SUMMARY\_family\_medical\_leave\_act\_survey.pdf.
- iv National Institutes of Health, *Exploring the Link between Maternity Leave and Postpartum Depression*, 2018. Available at: https://www.ncbi.nlm.nih.gov/pubmed/29729837.
- Sage Journal, Work–Family Policy Trade-Offs for Mothers? Unpacking the Cross-National Variation in Motherhood Earnings Penalties, 2015. Available at: <u>http://journals.</u> sagepub.com/doi/abs/10.1177/0730888415615385.

- vi New America, *The New America Care Report; Policy Recommendation: Paid Family Leave,* 2016. Available at: <u>https://www.newamerica.org/in-depth/care-report/policy-recommendation-paid-family-leave/</u>.
- vii Child Care Aware of America, US and the High Cost of Child Care, 2018. Available at: <u>https://cdn2.hubspot.</u> net/hubfs/3957809/costofcare2018.pdf?\_\_hstc=&\_\_\_\_ <u>hssc=&hsCtaTracking=b4367fa6-f3b9-4e6c-acf4-</u> b5d01d0dc570%7C94d3f065-e4fc-4250-a163-bafc3defaf20.
- viii Wiley Online Library, SES differences in language processing skill and vocabulary are evident at 18 months, 2012. Available at: <u>https://onlinelibrary.</u> wiley.com/doi/pdf/10.1111/desc.12019.
- ix University of New Hampshire, Carsey School of Public Policy, Child Care Costs Exceed 10 Percent of Family Income for One in Four Families, 2016. Available at: <u>https://scholars.</u> unh.edu/cgi/viewcontent.cgi?article=1287&context=carsey.
- × Department of Health and Human Services, The Effects of Child Care Subsidies on Maternal Labor Force Participation in the United States, 2016. Available at: https://aspe.hhs.gov/system/files/pdf/253966/ EffectsCCSubsidiesMaternalLFPBrief.pdf.



Learn more at <u>https://bipartisanpolicy.org/policy-area/early-childhood/</u>