

The Importance of Parental Leave



PARENTAL LEAVE FOR BOTH MUMS AND DADS

Paid parental leave for both mums and dads is a critical step towards gender equity.

-  Paid parental leave for each parent fosters a more equal division of unpaid care, improves family work-life balance, and contributes to an increase in women's workforce participation.
-  The availability of paid parental leave is linked to many other social, demographic and economic benefits too, including positive health effects for the mother and child.

GOING ABOVE AND BEYOND

A number of companies in New Zealand are demonstrating leadership by going above and beyond current statutory requirements, topping up leave payments or extending leave time.

-  In 2018 ANZ increased its paid parental leave to 26 weeks, two years ahead of the extension coming into law.
-  My Food Bag tops up the statutory parental leave pay to a parent's full wages for 18 weeks. If the other parent is the primary carer the organisation pays 160% of the employee's wages for the 18 weeks.
-  Companies including Spark, Fonterra and Stuff offer benefits such as topping up the government-paid leave and letting staff accrue annual leave while they are away.
-  Vodafone offers mothers who return to work within 12 months the ability to work a 30-hour week for 40 hours' pay for six months.
-  A number of organisations including ANZ and Stuff continue to pay employees' KiwiSaver contributions while they are on parental leave and include them in the annual pay reviews.

NEW ZEALAND



In New Zealand there are 22 weeks' paid primary carer leave. This will increase to 26 weeks from 1 July 2020.



Leave is paid at up to \$539 a week before tax – one of the lowest allowances in the OECD and usually a significant drop in earnings.



Payments can be 'transferred' to the spouse if they become the primary carer instead, but the process is not designed to easily encourage shared leave as the default option; the law is complicated and most people aren't aware of how leave can be shared.



The primary eligibility for paid parental leave lies with the birth mum.



THE MOTHERHOOD PENALTY



For women, parenting has a significant impact on their earning and career potential. On average, becoming a mother decreases the hours a woman works, and her monthly income. In contrast, fathers experience no significant change in any of their labour market outcomes when they have children.

Taking time out to care:

8.3% is hourly wage penalty for women who come back to work after more than a year caring for children.

Returning to work quickly:

High-income women who quickly return to work after giving birth experience a marked and persistent slowdown in their income growth and likely a corresponding decrease in lifetime earnings.

EMPOWERING DADS TO DAD



Even countries that have introduced Shared Parental Leave see far fewer men than women using it. Japan and South Korea both offer 52 weeks of leave but historically, few men use the leave, citing fears of workplace discrimination. To ensure that fathers use benefits to the same extent as women we need our cultural attitudes in the workplace and in society to shift to an expectation that parenthood is a shared experience and responsibility.

Workplace support

50% of fathers surveyed believe their workplace isn't supportive in encouraging fathers to take parental leave.

Parental leave policy

40% of fathers feel that their workplace parental leave policy is not equal for men and women.



THE BENEFITS OF WELL-PAID SHARED PARENTAL LEAVE



Less bias against women

Whether consciously or unconsciously, women are often held back from being promoted or even hired if they seem a likely to take time off work to have children in the near future. If the 'risk' of this happening is equal for both men and women however, we can reduce this prejudice.



Women's careers affected less

When we balance the unpaid caring work done by men and women, women will be enabled to power on in their careers, just as men are.



Attract top talent

Having the option for both parents to spend time with their baby is likely to attract the very best talent. In particular, this is likely to appeal to women in senior positions because they know they can return to work without compromising on their baby's childcare.



Improve staff retention

Working parents will feel more goodwill and loyalty towards their employer if they know shared parental leave is an option. This will increase retention rates among working parents and make mothers more likely to return to work after maternity leave.



Daughters of working mothers tend to do better

in their working lives than those of stay-at-home mothers.



Better sex

Men who help with housework and childcare have more and better sex.



WHY SHOULD PARENTS BE ABLE TO TAKE PARENTAL LEAVE AT THE SAME TIME?



When the mother is breastfeeding, it is not possible for the partner to be the primary carer at the beginning of the child's life.



Having both parents at home means that couples can share childcare responsibilities, which is likely to reduce stress, sleepless nights and overall wellbeing.



When responsibilities are shared, both men and women are more likely to return to work in a positive frame of mind, ready to be productive from the get-go.

THE IMPORTANCE OF PATERNITY LEAVE

- ✓ Fathers are entitled to this precious time just as equally as women and it is important that dads bond with their babies.
- ✓ Policies that ensure fathers have the support they need to prioritise their family responsibilities, while also meeting work demands, can significantly increase the personal and economic well-being of their families.
- ✓ Paternity leave – and especially longer leaves of several weeks or months – can promote parent-child bonding, improve outcomes for children including performing better on cognitive tests and being better prepared to start school.
- ✓ Paid paternity leave can increase gender equity at home and at the workplace.
- ✓ By empowering fathers to take on their fair share of parenting, paternity leave can support women's careers.
- ✓ Research in Norway show that fathers continue to pay an equal or near equal role when they have taken their full entitlement.



WHAT WOULD MAKE A DIFFERENCE?

1 Clarity

Easy-to-understand, well-paid leave, which can be used by the parents consecutively or at the same time.

2 Incentivise

Ringfenced use-it-or-lose-it paternity leave, as fathers are more likely to take paid parental leave if incentivised to do so.

3 Encouragement

Genuine encouragement and walking the talk from employers that fathers won't be perceived as less committed to their role for taking time off to look after their children.

4 Better paid parental leave

Better paid parental leave. As men still tend to be paid more than women, it often makes sense for the woman to be the primary carer when a couple is deciding who should continue earning their regular wage.

5 Raising awareness

Raising awareness of what's available. With the current provision for sharing leave hideously complicated, employers have a duty of care to their staff to raise awareness of and encourage mum and dads to share leave in a way that works for them.

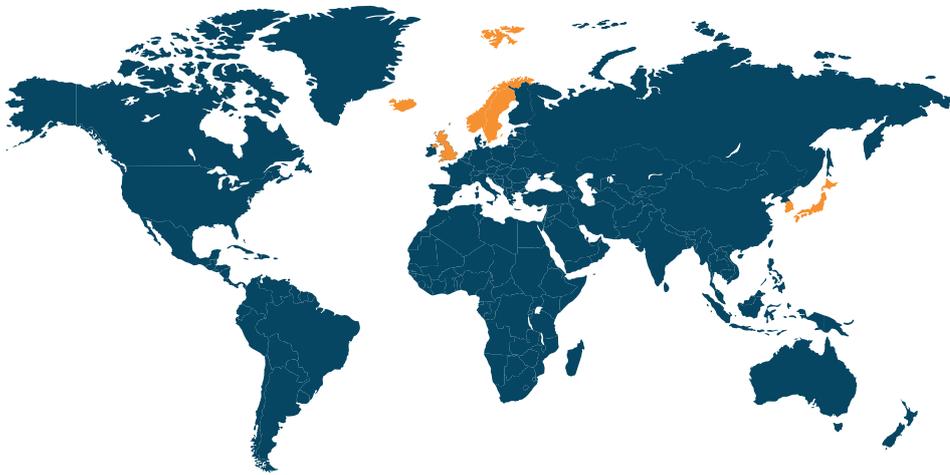
6 Support

Supportive environment/ societal attitudes.

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AROUND THE WORLD



Iceland

Iceland has the world's most equal parental leave system. It's the only country where men and women get the same amount of nontransferable leave - three months each. The couple is also given an additional three months to be shared as they choose.

Norway

Parents are entitled to ten weeks each and then up to 39 weeks to share between them. Fathers' take-up of parental leave increased from 5% to 70% following implementation of this use it-or-lose it policy. Canada and the UK are discussing this currently.

Japan and South Korea

Have some of the most generous paternity leave policies in the world but the dads don't use it. Why? Unless paid paternity leave is supported by the societal expectation (pressure, even) that dads actually use it, they don't.

UK

Low take-up of shared parental leave by men (around 2%). One of the main reasons for this is that it is unaffordable for most couples for men to take leave if they are self-employed or earn more than their partner. New mothers are obliged to take the initial two weeks of leave.

Sweden

In 1995, a new law reserved one month of the leave for each parent on a "use it or lose it" basis. Almost all fathers started to use the leave immediately.

Sources

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