THE RIGHT DIRECTION FOR NORTH CAROLINA AND PAID MATERNITY LEAVE

by

Kristen Biggers Said, MD

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Lori A. Evarts, MPH
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Susan A. Randolph, Reader
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The United States is the only industrialized nation in the world that does not offer some form of paid maternity leave. The Family and Medical Leave Act (FMLA) guarantees unpaid job-protected leave to select qualifying individuals. To date, only four states have implemented their own paid family leave programs through an expansion of existing temporary disability insurance (TDI) program. Paid maternity leave leads to decreased in infant deaths and post-partum depression as well as increased breastfeeding, among other benefits. These benefits can be gained with minimal to no negative impact on employers. North Carolina should be the first state without an existing TDI program to institute a job-protected paid family leave program.

KEYWORDS: maternity leave, paid family leave, temporary disability insurance
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<tr>
<td>CAEDD</td>
<td>State of California Employment Development Department</td>
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<td>CDC</td>
<td>Centers for Disease Control and Prevention</td>
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<td>CFRA</td>
<td>California Family Rights Act</td>
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<td>CFTF</td>
<td>Child Fatality Task Force</td>
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<td>EPBMA</td>
<td>New Jersey Employers’ Pensions and Benefits Administration Manual</td>
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<td>FLI</td>
<td>Family Leave Insurance</td>
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<td>FMLA</td>
<td>Family Medical Leave Act</td>
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<td>ILO</td>
<td>International Labor Organization</td>
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<td>LBW</td>
<td>Low birth weight</td>
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<td>LGW</td>
<td>Low gestational weight</td>
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<td>NJ</td>
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<td>NY</td>
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<td>NC</td>
<td>North Carolina</td>
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<td>NCCFPT</td>
<td>North Carolina Child Fatality Prevention Team</td>
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<td>NCDPH</td>
<td>North Carolina Division of Public Health</td>
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<td>NCDSS</td>
<td>North Carolina Division of Social Services</td>
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<td>NC DMH/DD/SAS</td>
<td>North Carolina Division of Mental Health, Developmental Disabilities and Substance Abuse Services</td>
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<td>NJEPBMA</td>
<td>New Jersey Employers' Pensions and Benefits Administration Manual</td>
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<td>NJFLA</td>
<td>New Jersey Family Leave Act</td>
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<td>NPWF</td>
<td>National Partnership for Women &amp; Families</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>NYS</td>
<td>New York State</td>
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<td>OECD</td>
<td>The Organization for Economic Co-operation and Development</td>
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<td>PDL</td>
<td>Pregnancy Disability Leave</td>
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<td>PFLA</td>
<td>Paid Family Leave Act</td>
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<td>PTO</td>
<td>Paid time off</td>
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<td>RI</td>
<td>Rhode Island</td>
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<td>RIDOLT</td>
<td>Rhode Island Department of Labor and Training</td>
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<td>RIFML</td>
<td>Rhode Island Family and Medical Leave Law</td>
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<td>SES</td>
<td>Socioeconomic status</td>
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<td>State Disability Insurance</td>
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<td>Temporary Caregiver Insurance</td>
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<td>Temporary Disability Insurance</td>
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<td>U.S.</td>
<td>United States</td>
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<td>USDOL</td>
<td>United States Department of Labor</td>
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CHAPTER I
INTRODUCTION

Scope of the Problem and Historical Perspective

The first national law regarding employee compensation and work hours in the United States (U.S.), the Fair Labor Standards Act, was signed by Franklin Roosevelt in 1938, at a time when the majority of families had at least one adult family member who did not work outside of the home (Boushey & Mitukiewicz, 2014). This vision of America is no longer the case, where over half of American workers provide care outside of work (Boushey & Mitukiewicz, 2014) and 68% of all children have all parents working (National Partnership for Women & Families [NPWF], 2016). Since the 1960’s women have gone from comprising just over 35% of the workforce to almost half (Glynn, 2012; U.S. Department of Labor [USDOL], 2015b). Over 40% of mothers are the sole or primary breadwinner for their families (Glynn, 2012). The percent is even higher in some minority households, with the number of married African American women who are primary breadwinners jumping to 50% (Glynn, 2012). This dynamic is further increased in families with a lower socioeconomic status (SES). In fact, almost 70% of women in families where the total family income is in the lowest quintile have salaries equal to or greater than those of their husbands (Glynn, 2012). This trend is also noticeable among women of childbearing age. Only 10% of women in 1967 had the highest income of the family; this number soared to over 36% in 2010 (Glynn, 2012).

Given these statistics, it is shocking that the U.S. does not offer any financial protection to women who give birth. In this country, not all women are eligible for unpaid leave. Due to
the economic burden of time away from work without pay, almost two thirds of women are unable to take any type of leave after giving birth, either because they are not eligible for the Family Medical Leave Act (FMLA) or they cannot afford the time off (Brandeis University, 2016). In two weeks or less after having a baby, almost a quarter of all working mothers are back on the job (Klerman & Pozniak, 2012). These numbers are staggering, especially given that almost every other country in the world has some form of required paid maternity leave. The International Labor Organization (ILO) surveyed 185 countries and determined that only the U.S., Papua New Guinea, and Oman have no required paid maternity leave. Some countries started offering protections to working pregnant women and mothers over 100 years ago (Addati & Gilchrest, 2014). The U.S. is far behind the rest of the world.

The FMLA provides up to twelve weeks of job-protected unpaid time away from work in a twelve month period for the birth or adoption of a child, a personal serious medical condition, or caring for an immediate family member with a serious medical condition. These rights only apply to individuals who meet certain criteria (USDOL, 2016). A large number of women are not eligible under these criteria, mostly affecting young and minority women, especially those with a lower SES (NPWF, 2016). A report found that of those women who can and do take advantage of FMLA, 15% file for public financial assistance during their time away from work (NPWF, 2016).

**Current Policy Climate**

President Barack Obama has frequently discussed the importance of family-friendly work and leave policies. His administration has also attempted to address the wage gap between men and women as well as work practices that discriminate against minorities. The
USDOL (2015a) has provided several grants to states wishing to study the impacts of paid family leave. For the first time in U.S. history, both major party candidates for president have national paid family leave in their platforms. The vast majority of Americans, as much as 81%, think some form of paid family leave should be considered. These numbers show large support across age, gender, and education level as well as from both Democrats and Republicans, 96% and 74%, respectively (NPWF, 2016).

The Family and Medical Insurance Leave Act of 2013 was introduced by Representative Rosa Delauro and 87 other sponsors in the US House of Representatives. This act would have provided paid maternity leave insurance under the U.S. Social Security and Disability fund. Unfortunately, because it was not enacted by the end of the 113th Congress, the bill was considered dead (Congress, 2013; Impulse, 2016).

**Current North Carolina Regulations Around Maternity Leave**

North Carolina (NC) does not offer any protection or benefit to pregnant or new mothers above the minimum federal standard of the FMLA. The only family-friendly policy afforded to working parents in the state, other than what is required by the federal government, is its ‘small necessities’ law. This law requires employers of any size to permit workers four hours per year to attend a child’s school-related activity. The lack of additional protections earned NC a “D” rating in 2016 from the National Partnership for Women & Families (NPWF, 2016).

The North Carolina Child Fatality Prevention Team (NCCFPT) falls under the direction of the state’s medical examiner’s office and is charged with researching and recommending changes to limit preventable causes of death in children in NC. The Child Fatality Task Force
(CFTF) discusses recommendations from the NCCFPT and in turn recommends changes in legislation to the general assembly and governor. Since CFTF’s inception in 1991, the pediatric death rate has been lowered by 46% (Child Fatality Task Force [CFTF], 2016). In September 2016, the NCCFPT released a recommendation to the state’s CFTF to consider adding a state-run paid family leave program among other suggestions. Within the past year, NC has had at least six child fatalities that were due in part to “lack of affordable/available child care to working parents” (North Carolina Child Fatality Prevention Team [NCCFPT], 2016, p. 1). The very first recommendation to help prevent further child fatalities was the institution of paid family leave. NCCFPT specifically requested the NC General Assembly to draft and pass legislation requiring employers to provide up to six weeks of maternity leave after the birth or adoption of a child at 55% of the employee’s usual rate of pay. The NCCFPT listed the following groups as potential stakeholders and/or resources in support of this request: Division of Child Development and Early Education, NC Justice Center, Smart Start, NC Infant Mental Health Association, NC Pediatric Society, NC Academy of Family Physicians, NC Child Care Health and Safety Resource Center, NC Public Health Association, NCDSS, NC DMH/DD/SAS, NC Division of Public Health (NCDPH), private foundations, NC Child, businesses and employers, Better Business Bureau, Chambers of Commerce, Duke Center for Child and Family Policy, and UNC Gillings School of Global Public Health Department of Maternal and Child Health (NCCFPT, 2016). The NCCFTF will have a hearing on these recommendations in November 2016.
CHAPTER II
LITERATURE REVIEW

Current Federal Guidelines

The Pregnancy Discrimination Act of 1978

The Pregnancy Discrimination Act of 1978 was an amendment to the Civil Rights Act of 1964 and states:

(k) The terms ‘because of sex’ or ‘on the basis of sex’ include, but are not limited to, because of or on the basis of pregnancy, childbirth, or related medical conditions; and women affected by pregnancy, childbirth, or related medical conditions shall be treated the same for all employment-related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work, and nothing in section 703(h) of this title shall be interpreted to permit otherwise. This subsection shall not require an employer to pay for health insurance benefits for abortion, except where the life of the mother would be endangered if the fetus were carried to term, or except where medical complications have arisen from an abortion: Provided, That nothing herein shall preclude an employer from providing abortion benefits or otherwise affect bargaining agreements in regard to abortion. ("The Pregnancy Discrimination Act of 1978," 1978, para 4)

This act essentially prohibits employers from expressly discriminating against a woman because she is pregnant. It does not, however, provide any protections for time off, and under this act a woman could still be fired for not showing up to work the day she was giving birth. Additionally, as a result of the Pregnancy Discrimination Act, any state with a Temporary Disability Insurance program (currently New York, New Jersey, Rhode Island, California, and Hawaii) was required to cover normal pregnancy under
this plan. In these states, birth mothers are eligible for six to twelve weeks of paid time off surrounding the births of their children (Stearns, 2015).

**The Family Medical Leave Act**

The FMLA provides up to twelve weeks of job-protected unpaid time away from work in a twelve month period for the birth or adoption of a child, a personal serious medical condition, or caring for an immediate family member with a serious medical condition. These rights only apply to individuals who meet certain criteria:

1. Have worked for the employer for at least twelve months,
2. Have at least 1,250 hours of service in the twelve months before taking leave, and
3. Work at a location where the employer has at least 50 employees within 75 miles of the employee’s worksite (USDOL, 2016, para. 8).

This Act disproportionately does not cover young and minority women as they are more likely to transition to different employers more frequently, work one or more part-time positions, and work for companies not covered under the FMLA (NPWF, 2016).

**U.S. States Offering Paid Maternity Leave**

Currently, only four states, California, New Jersey, Rhode Island, and starting in 2018 New York, have developed state-mandated paid maternity leave programs. These programs were all additions to the states’ pre-existing state disability insurance programs that provide paid medical leave for serious medical conditions that affect one’s ability to perform the essential functions of the job. The expansion now provides paid “family leave” after the birth or adoption of a child. Previously a mother was only guaranteed paid time off after the birth of a child if she herself had a temporary or permanent disability. Each state varies as to the
amount of time off allowed and the amount of salary paid. In each of these states, the paid family leave is funded by an employee-paid payroll tax. Thus, these states have developed a state-run insurance program paid for by employees, not what some may consider an “entitlement program” (Rodriguez, 2016). All of these programs allow the use of leave for other sick family members, but for the purposes of this paper, the effects the policies have on a parent after the birth or adoption of a child will be reviewed. In addition, all states must comply with the federal FMLA, but some states have opted to provide even more job-protection.

**California**

California has developed its own form of the federal FMLA, called the California Family Rights Act (CFRA). This law expands the FMLA in that it provides protections for same-sex domestic partners and increases privacy protections. The CFRA does not otherwise expand the group of people covered under FMLA. Thus, employees must have worked for a minimum of twelve months, at least 1,250 hours during that time, and work for a company that has 50 or more employees. The FMLA and CFRA only provide job-protection for qualified individuals while they are on up to twelve weeks of approved family or medical leave. They do not provide wage replacement (California Family Leave Laws, 2013).

California was the first state to adopt a paid family leave policy in 2002 through the Paid Family Leave Act (PFLA) (California Family Leave Laws, 2013). This new program has increased the time the average working mother takes after giving birth from three weeks to six or seven weeks (Rossin-Slater, Ruhn, & Waldfogel, 2013). If a working parent pays into the State Disability Insurance (SDI) plan through work, then he or she is eligible to take up to six weeks of
paid family leave after the birth or adoption of a baby at 55% wage replacement, capped in 2016 at $1,129 per week, for the purposes of bonding with the new baby (NPWF 2016, State of California Employment Development Department [CAEDD], 2016a). Most employees in California are covered under SDI (California Family Leave Laws, 2013). The entire SDI program, including the PFLA, are funded through a 0.9% employee payroll tax on the first $106,742 of salary per year (CAEDD, 2016b). The SDI and PFLA do not provide job protection. One must be covered under FMLA or Pregnancy Disability Leave (PDL) to be afforded job protection. Additionally, there is a seven day unpaid waiting period before wage replacement starts, and the employer may require employees to use up to two weeks of vacation/sick leave first. Employees with remaining sick/vacation leave may use that leave to supplement the first unpaid week as well as using their extra leave for partial wage replacement during the remainder of the leave period. In this scenario, an employee could receive 100% wage replacement by receiving 55% from SDI and the remaining 45% from their residual vacation/sick time (California Family Leave Laws, 2013).

Additionally, women are allowed to take up to four months of pregnancy-related disability leave before the birth of a baby under PDL, another California state law. The PDL must be medically necessary and usually is granted for four weeks before the birth of a child and six weeks after a vaginal delivery or eight weeks after a Cesarean section. The PDL applies to any employee working for a company that has five or more employees. Leave under the PDL is job-protected but only paid if the mother is covered under the state’s SDI. There are no requirements for years of service or hours worked to be covered under the PDL (California Family Leave Laws, 2013). The PFLA does not specifically offer job protection, but this is
provided under the PDL. There is a possibility of a woman paying into SDI, working for a company with less than five individuals, who qualifies for paid family leave but is not provided job protection. A mother can apply for up to an additional twelve weeks of job-protected unpaid time off for the purposes of bonding with the baby under CFRA after she has completed her PDL, six weeks of which would be paid under Paid Family Leave (NPWF, 2016). The average scenario for a woman who is covered under the FMLA or CFRA, PFL, and PDL is 22 weeks of total job-protected time away from work, including 16 weeks of wage replacement.

**New Jersey**

In addition to FMLA, New Jersey has its own Family Leave Act (NJFLA). The NJFLA has the same qualifications as the FMLA, though it only requires an employee to have worked 1,000 hours in the last year instead of 1,250 hours. It also covers any employee of a government agency or a school (New Jersey Employers' Pensions and Benefits Administration Manual [NJEPBMA], 2016). These laws provide twelve weeks of unpaid job-protected time away from work for qualified employees following the birth or adoption of a child.

Since 2009, New Jersey (NJ) has provided up to six weeks of paid wage replacement of 66% of earnings through the state Family Leave Insurance (FLI). The benefit is capped at $615 per week. The FLI is paid for by a 0.08% employee payroll tax for the first $32,600 of earnings. This income figure changes annually. The NJ FLI is an extension of the state’s Temporary Disability Insurance (TDI) program, which gets its funding from taxing an additional 0.25% of the first $32,600 of earnings in addition to an employer contribution (NJEPBMA, 2016). Similar to California, the NJ FLI is only wage replacement and does not itself provide job protection (NPWF, 2016). To be eligible, employees must have worked for a covered employer for a
minimum of 20 weeks and make greater than or equal to $168 per week, or have made at least $8,400 in the year preceding the leave request (NJDOL, 2016). Similar to California, there is a seven day waiting period before paid benefits can be dispersed. Employees who leave their job within fourteen days of the family leave qualifying event may also be eligible for benefit once they are no longer employed as long as they meet the qualifying criteria and do not have any of the disqualifying criteria. Unique to NJ, employers are allowed to opt out of the state FLI plan and provide a private plan that is equivalent or better than the state plan given that it does not cost the employee more than the state plan (NJDOL, 2016).

Pregnant women may qualify for TDI, usually from four weeks before birth to six weeks after birth, though it is possible to receive up to 26 weeks of pregnancy-related TDI in rare circumstances. Additionally, women qualified for TDI can get up to six weeks of additional paid time away from work for the purposes of bonding with the baby. However, unlike California, NJ does not have a separate Pregnancy Disability Law to afford additional job protection. So, a woman who is qualified under FMLA, NJFLA, TDI, and FLI may be entitled to sixteen weeks of paid time away from work, but her job may only be protected for twelve of those weeks (NPWF, 2016).

**Rhode Island**

Rhode Island has its own family and medical leave law (RIFML). Its only expansion on the federal FMLA, that applies to new mothers only, is for employees who have worked at least 1,560 hours in the previous year; they are entitled to take 13 weeks of job protected time away from work in a 24 month period (NPWF, 2016).
The Temporary Caregiver Insurance (TCI) is Rhode Island’s expansion of their state TDI program. Rhode Island (RI) was the first state, in 1942, to implement a state-run TDI program. Currently, the RI TDI/TCI programs are funded through employee payroll tax of 1.2% of the first $64,200 of annual salary. Pregnant women can qualify for up to 30 weeks of TDI for a physician documented pregnancy-related disability. However, an individual can only receive 30 weeks of TDI or TCI combined. Following the birth or adoption of a child, a parent can take up to four weeks of TCI at a rate of 60% of base salary, or a maximum of $817 per week. Similar to NJ, this time is not job protected unless the employee also qualifies for FMLA or RIFML (Rhode Island Department of Labor and Training [RIDOLT], 2016).

**New York (starting in 2018)**

New York does not have a separate FMLA law to provide increased job protection. In 2018 New York (NY) will commence a new graduated paid family leave policy. This is an extension of NY’s existing TDI program (New York State [NYS], 2016). The first year the program will provide eight weeks of leave at a wage replacement rate of 50% of salary. In 2019, workers will be eligible for ten weeks at 55%, and in 2020 ten weeks at 60%. Finally, in 2021 employees will be eligible for twelve weeks of paid leave at 67% of base salary, not to exceed 67% of the average state-wide weekly wage (Fuchs & Millman, 2016). This policy is the most wide-spread and applies to any employee who is covered under Workers’ Compensation and has been employed for at least 26 weeks. This leave is also job-protected, so an employer would have to return a worker to the same or similar position upon return from leave. Like the other states, this program will be funded through an employee payroll deduction that has yet to be determined (Fuchs & Millman, 2016).
In addition, NY has a TDI program that can provide paid leave for disability during and after pregnancy. The TDI is funded through employee and employer payroll tax and does not provide job protection. Usually pregnancy-related disability coverage lasts four to six weeks before delivery and four to six weeks after. Though it can extend up to twenty-six weeks, TDI and PFL cannot be more than twenty-six weeks combined. FMLA and PFL must be used concurrently. So, by 2021 a working mother in NY who qualifies for FMLA, TDI, and PFL could use her FMLA and TDI for a total of eight to twelve weeks before and after delivery and then twelve weeks of PFL for a total of twenty-four weeks of job-protected paid time away from work (NPWF, 2016).

**Comparison to Foreign Countries**

The International Labor Organization has been discussing maternity protection since its formation in 1919. In 2000, they issued recommendations that all countries offer a minimum of fourteen weeks of paid maternity leave. The compensation should be a minimum of two-thirds of the woman’s usual pay, and they stipulated that the funds should come from either the government or a form of social insurance. According to Addati and Gilchrest (2014), only 34% of the over 185 countries surveyed comply with these recommendations. The U.S., however, is the only developed country that offers no national paid maternity leave (Addati & Gilchrest, 2014). The average international paid maternity leave is thirty-six weeks (The Organisation for Economic Co-operation and Development [OECD], 2016) with places like Albania, Bosnia and Herzegovina, Canada, Croatia, Denmark, Serbia, the United Kingdom, and Sweden offering a year or more of paid maternity leave (Worst and Best Countries for maternity Leave, 2015).
Even considering the upcoming NY plan with the strongest paid maternity leave program to date, the U.S. is far behind the rest of the world.

**Benefits of Paid Maternity Leave**

**Positive Effects of Antenatal Leave**

There are many causes of low birth weight (LBW), weight at birth less than 2,500g, and premature birth. Maternal mental and physical stress in the weeks leading up to delivery can increase the risk for preterm birth and low birth weight (Stearns, 2015). Shortened gestational age and LBW can lead to complications in the neonatal period, longer hospital stays, higher medical expenditures, and even infant mortality (Goldenberg & Culhane, 2007). In addition to immediate consequences, these negative birth outcomes can affect the baby long-term, contributing to lower IQ, reduced likelihood of attaining a higher level of education, increased chance of using public assistance later in life, and decreased future salary potential. These negative effects can increase health and economic disparities experienced throughout a person’s life (Stearns, 2015).

The initiation of FMLA decreased the incidence of LBW and preterm labor in married, college-educated women, a cohort who would more likely be able to take unpaid leave from work (Rossin, 2011). In states that offer TDI for pregnant women, birth weight and gestational age increased across demographics, but most significantly in single and African American women (Rossin, 2011). There is a statistically significant increase in birth weight when mothers are not working in the month prior to delivery up to three months prior to delivery (Del Bono, 2012). On a population level, states that offer paid maternity leave have a decrease in the incidence of low birth weight babies and obstetric complications. A 2.6% to 3.2% decrease in
the number of low gestational weight (LGW) babies has been demonstrated when women have access to paid maternity leave (Stearns, 2015). There is an even more dramatic increase in reduction of preterm labor, 6.6% (Stearns, 2015). These infant benefits may be due to the decreased physical and mental stress associated with paid antenatal maternity leave. Not performing physically demanding work in the last trimester can reduce physical stress and not having to worry about the financial challenges of time away from work can reduce mental stress. Additionally, women who receive paid antenatal maternity leave are less likely to have a cesarean delivery (Stearns, 2015). It has been calculated that the decrease in LBW babies alone more than covers the cost of antenatal and early postnatal maternity leave under the current state systems (Stearns, 2015).

**Child Benefits of Postnatal Leave**

The greatest impact of maternity leave is when it is provided in the first six months surrounding the time of birth (Stearns, 2015). A significant decrease in infant mortality can be achieved with only ten weeks of paid parental leave (Ruhm, 2000). This may be partly because women who can take leave are more likely to take their babies to early doctor’s visits and comply with vaccination recommendations. Daku, Raub, and Heymann (2012) looked at 185 countries and discovered that vaccination rates increased significantly with a longer duration of maternity leave with 100% salary replacement. They did not, however, get similar findings in countries where women were only offered partial salary replacement (Daku et al., 2012). A Norwegian study found that four months of paid maternity leave increases the child’s future chances of graduating from high school (Carneiro, Løken, & Salvanes, 2015).
The benefits of breastfeeding are well documented from effects on the immune system to bonding to even long-term health benefits. Breastfeeding has been associated with decreases in many childhood diseases including diabetes, asthma, infections of the ear and lung, obesity, and even some cancers (Skiba, 2016). A California study demonstrated offering paid maternity leave doubles the length of time a woman breastfeeds and increases the percent of women still breastfeeding at six months by 17% (Applebaum & Milkman, 2011; Huang & Yang, 2015). When Canada doubled the required paid, job-protected maternity leave from six months to a year, more women reached the goal of exclusively breastfeeding for six months as recommended by both the American Academy of Pediatrics and the World Health Organization (Baker & Milligan, 2008).

Maternal Health Benefits of Postnatal Leave

Most people will support that a mother should not be expected to return to work immediately after giving birth. Not only does a woman have to physically heal from birth, but time must also be spent on around-the-clock care for and bonding with the new infant. These demands, coupled with the lack of sleep that accompanies the birth of a new child, are mentally and physically demanding. Breastfeeding has benefits for the mother as well, including improved mental health and a lower lifetime risk for breast and ovarian cancers (Ip et al., 2007). Breastfeeding for longer durations even decreases the mother’s risk of developing rheumatoid arthritis (Karlson, Mandl, Hankinson, & Grodstein, 2004) and potentially type II diabetes (Jager et al., 2014).

Postpartum depression is a serious medical condition that affects 600,000 new mothers, or 13%, in the U.S. every year (Centers for Disease Control and Prevention [CDC], 2016; O'Hara
& Swain, 1996). Women who are able to take at least twelve weeks of time away from their job after delivery show a decrease in depressive symptoms and an increase in overall mental wellbeing. The former benefit was only observed when the maternity leave included salary replacement (Chatterji & Markowitz, 2012). The rate of maternal depression is inversely related to the length of maternity leave, up to six months (Dagher, McGovern, Dowd, & Lundberg, 2011). A systematic review demonstrated a positive impact from paid maternity leave on either mental health, physical health, or a decrease in reports of domestic violence (Aitken et al., 2015).

**Economic Benefits of Postnatal Leave**

Women who are allowed to take paid maternity leave are more likely to return to work with the same employer (Hegewisch & Gornick, 2011). After the institution of their paid family leave program in California, the number of women returning to work at the same employer rose by almost 20% (Baum & Ruhm, 2016). Employee retention prevents companies from spending money on new employee recruitment and training (Skiba, 2016). Those costs can range from 50%-200% of the employee’s annual salary (Kantor, 2016). Parents who are provided paid family leave are more productive during the time they are at work, leading to increased productivity and often profits for the company (Matos & Galinsky, 2014). Surprisingly in California, when figures were compared before the PFL program was instituted, women worked on average 2.8 hours more per week and 7.1 more weeks the year following the birth of a child (Baum & Ruhm, 2016).

A gender pay gap exists in the workplace in that women make less money than men in the same position. This gap is partially expanded in the U.S. because women are still often the
only or the primary parent tending to the needs of dependents in the household. These family
duties decrease the number of hours that women can spend at work, earning a pay check
(Glass, 2004). Paid family leave programs can start to reduce the gender pay gap while still
allowing parents to take care of personal and family obligations.

Concerns about Paid Maternity Leave

Business owners were surveyed several years following the start of the California Paid
Family Leave program. According to Appelbaum & Milkman (2011), over 90% of those
surveyed, as reported by said they program had “positive effects or no effect at all on their
productivity, profitability, or performance” (p. 29) and almost 100% stated “positive or no
noticeable effect on employee morale”(p. 8). Only 9% of employers in California suspected that
employees might be using leave for reasons other than what is supposed to be covered
(Applebaum & Milkman, 2011).

Programs like those in the four U.S. states listed above could cause increased stress on
those employees who do not need to utilize the paid family leave programs. In another study
from California, almost two thirds of employers said they transfer work to other employees
when a coworker is out on leave so that businesses do not incur additional costs by hiring a
temporary worker (Applebaum & Milkman, 2011). This work transfer occurs even though this
cost is somewhat mitigated in states that have paid family leave because the company is not
also simultaneously paying the salary of the employee out on leave (Rodriguez, 2016).

Work is beneficial to a person’s mental well-being thus extended leave programs may
have some unintended consequences. Extended leave, as seen in countries like France and
Germany that offer up to three years of job-protected leave, can reduce a woman’s chances of
coming back to the workforce. Such long leave could also make a company question hiring women and thus lead to discriminatory hiring practices or increasing the gender pay gap (Hegewisch & Gornick, 2011). Germany has recently tried to decrease the discrimination against women of child-bearing age as they now offer a year of paid family leave to both mothers and fathers (Germany Federal Office for Migration and Refugees, 2015).
CHAPTER III

POLICY RECOMMENDATIONS

North Carolina should be the first state without a pre-existing temporary disability insurance program to implement a paid maternity leave policy. Using data collected from other states, the anticipated total cost of a paid family leave policy annually should be determined. The cost should be collected from a new employee payroll tax at a rate to be determined. The program should provide paid leave at a minimum of 66% wage replacement for birth mothers from four weeks before a due date to six weeks after delivery for vaginal births and eight weeks after delivery for cesarean births. Additionally, all employees who pay into the program should be allowed twelve weeks of paid family leave to care for the serious health condition of a family member or after the birth or adoption of a new baby that is in addition to the ten to twelve weeks surrounding the birth/ adoption. Ideally, new parents would be given up to six months of paid leave following the birth or adoption of the child with at least some of the leave being paid at 100% wage replacement. The entirety of this leave should be job-protected. Employees should be able to use accumulated paid time off (PTO) to supplement any leave not paid at 100% to bring the total income during leave up to 100% wage replacement. However, employees should not be required to use their PTO before starting or during leave. Finally, more individuals should be eligible for this leave than are currently eligible for FMLA. Because this would be a state-wide program, the leave can be offered to any employee who has earned a minimum amount of money in NC and also paid into the NC program within the previous rolling year.
CHAPTER IV

CONCLUSIONS

It is embarrassing that the U.S. is the only industrialized country in the world that does not have national paid maternity leave. Because legislation has stalled at the national level, this is the perfect opportunity for North Carolina to lead the way in advancing paid family leave in this country. The benefit of being the last country to the table is that lessons can be learned from what works and what does not from the experience and data from other countries. There is the distinct advantage of making evidence-based policy by examining the large volume of research on the topic. It is clear that paid maternity leave has significant advantages with minimal drawbacks. Even those who are not swayed by the personal stories of hardship from working mothers should be swayed by the economic benefits. At a societal level when considering medical costs, cost of life and potential future earnings, maternity/adoption leave programs in the discussed U.S. states more than pay for themselves. The nation cannot progress if pregnancy and individuals with young families are viewed as inconveniences. As Jane Hokanson Hawks said in her editorial, “Family-friendly workplace policies are not frills – they are basic human needs” (Hawks, 2014, p. 217).

Personal Leadership Experience and Possible Application to this Issue

I could potentially have a leadership role in promoting this policy in several different capacities. As a physician in Employee Health and Wellness at a large university in North Carolina, I have the ability to effect change on paid family leave at an organizational level. The department already reviews all FMLA requests, and Duke University would certainly be a
stakeholder if they wanted to change any of its medical or family leave policies. Duke offers three weeks of paid parental leave to one parent after the birth/adoptive of a child to those employees who have worked for Duke for at least a year. There must be three weeks of unpaid leave before the paid leave is allowed, and employees are required to take all sick or vacation time during the three week waiting period. Though this policy is better than no paid leave at all, there obviously could be massive improvement for this policy. I learned in the Leadership Assessment course (PUBH 790) that my change style indicator score is 20-conserver that indicates my preference is for organization and change that will not upset an established organization. This score adds a personal challenge any time I want to effect great change. My initial thoughts include making tweaks to the current policy and continually reviewing the benefits and related consequences of these changes. I am not convinced that a small change in this policy would dramatically benefit a large group of people. Because of this, I will have to go against what feels comfortable to me and try to advocate for a major policy change.

Additionally, I am a mother and a citizen of both NC and the U.S.. I have recently become emboldened to try to effect change at the local political level. As a Myers-Briggs ISTJ, being an effective advocate for change can be difficult. I am most comfortable observing and listening to others and only speaking myself when I am 100% sure that what I am saying is completely correct. Unfortunately, there are many things in life that one can never be completely sure about, especially consequences of policy change. I am a person who can be convinced by facts and figures. I think my biggest take away from the PUBH 790 course is that simply providing more data is not enough to convince everyone to embrace policy change; as such, I have started to tell stories in addition to providing facts. This has helped me express my
opinions and recommendations to a broader audience. If I am going to be an effective change agent and leader, I must draw strength from my natural tendencies while pushing myself to reach beyond them.
REFERENCES


