

Paid leave mandates reduce likelihood of decreasing paid work hours after a spouse's health shock, study shows

May 6 2022

The 2022 Economic Report of the President cited Associate Professor of Health Administration and Policy Priyanka Anand's research on the impact of paid family leave mandates on labor supply and caregiving decisions following a spousal disability or health shock.

"Having our [research](#) recognized in the President's Economic Report is an honor and emphasizes the importance of research on paid leave," said Anand. "Only nine states and DC currently have paid leave mandates, but more are considering adopting their own policies and the American Families Plan proposed by President Biden in 2021 would have permanently guaranteed all workers in the US 12 weeks of paid leave. It is important to understand what type of impact these policies would have on employment."

The [2022 Economic Report of the President](#) discusses the economic progress the United States has made over the past year and includes the Council of Economic Advisors Annual Report. Anand's work is featured in Chapter 4 of the report titled "Investing in People: Education, Workforce Development, and Health."

The full paper, "[The role of paid family leave in labor supply responses to a spouse's disability or health shock.](#)" was published in the May 2022 *Journal of Health Economics*.

When a [family](#) member is injured or suffers an unexpected health setback, they may need additional care. Workers without paid family leave often face the tradeoff between staying at work to earn income or leaving their job to provide care for their family member. Job protection, such as what the Family and Medical Leave Act (FMLA) provides, is important too, but often unpaid and not all families can afford to go without income while caring for a family member. Additionally, paid leave policies do not always include job protection.

"There is a large body of existing research that examines the impact of paid leave on women's careers after childbirth, but very little on the impact of paid leave on potential caregivers after a spouse's work-limiting health shock or disability. The recent global pandemic brought the issue of paid leave for family caregiving to the forefront, with many workers having family members affected by COVID-19 and needing care," Anand said.

Anand and her fellow researchers sought to better understand paid [family leave](#) policies' effect on employment in relation to a spouse's disability or sudden health issue (health shock). They questioned whether paid leave and/or job protection may further support families since they would not have to choose between caregiving and income.

The team used data from the Survey of Income and Program Participation (SIPP) to compare employment and caregiving decisions before and after a spouse's work-limiting health shock or disability, specifically in states that have a paid leave mandate (California and New Jersey) versus states that eventually had a paid leave mandate, but didn't at the time of the spouse's health shock.

They found that paid leave mandates reduce the likelihood of decreasing paid work hours to provide caregiving after a spouse's health shock. However, paid leave mandates also reduce employment if they are not

provided together with job protection. For caregivers who may not qualify for FMLA or have other sources of job protection, paid leave mandates increase the likelihood that they will leave their job to care for their spouses.

They did not find evidence of an impact of paid leave mandates on other measures of employment. The research team acknowledges that the small number of states (two) that have paid leave and the limitations of SIPP survey data are limitation of the research.

The Washington Center for Equitable Growth is funding a new project that is an extension of this research. The new project will examine the characteristics and long-term outcomes of individuals who have a need for paid leave (due to their own or a family member's [health shock](#)), but lack access either through their employer or a state mandate.

More information: Priyanka Anand et al, The role of paid family leave in labor supply responses to a spouse's disability or health shock, *Journal of Health Economics* (2022). [DOI: 10.1016/j.jhealeco.2022.102621](#)

Provided by George Mason University

Citation: Paid leave mandates reduce likelihood of decreasing paid work hours after a spouse's health shock, study shows (2022, May 6) retrieved 20 April 2024 from <https://medicalxpress.com/news/2022-05-paid-mandates-likelihood-decreasing-hours.html>

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