

Employment and parental leave around the time of birth: evidence from Growing Up in New Zealand



Parental leave, particularly if paid, is associated with improved maternal and child health outcomes^{1,2}, and a priority for overcoming health inequalities³. Parents with no or limited leave, or with unpaid leave perceive an imperative to return to work sooner⁴. Early returns to work are associated with reduced levels and duration of breastfeeding and with poorer immunisation coverage⁵. Parental leave is also associated with income security, labour market attachment, career development, and gender equity in the labour force.

New Zealand was one of the last countries in the OECD to adopt paid parental leave, has been one of the least generous in the level and duration of payment, with among the most restrictive eligibility criteria⁶. Current legislation in New Zealand entitles eligible parents to 14 weeks of paid parental leave (at an average of 52% salary replacement), their partners to two weeks of unpaid parental leave⁷, and a further 38 weeks of unpaid leave that can be shared between parents. In recognition of the importance of parental leave in giving children a healthy start to life, recent political debate has resulted in changes to the length, level of payment, and eligibility for parental leave in New Zealand. These amendments will increase paid parental leave to 18 weeks over a two year period starting in 2015, and extend eligibility to include people who have recently changed jobs, seasonal and casual workers, and workers with more than one employer⁸.

Little is known about parents' experiences of recent parental leave in New Zealand, including their antenatal preferences and postnatal realities. This policy brief describes such parental leave experience of the parents in *Growing Up in New Zealand*, particularly focusing on leave anticipated and taken around the time their cohort babies were born (2009-2010).

Future analyses using data collected when children were two years old will explore the realities of returning to work in the New Zealand environment as well as the effects of parental leave on specific child outcomes including: breastfeeding; health service utilisation (including immunisation); involvement in early childhood education and care; household economic circumstances; and infectious disease.

Evidence from *Growing Up in New Zealand*

Parental leave anticipation and preference

Two thirds of mothers, and 94% of fathers had been in the workforce at any time during pregnancy with the *Growing Up in New Zealand* cohort child. The main occupation types⁹ held by mothers and fathers before or during pregnancy are shown in Figure 1.

Mothers were more likely to work less than 30 hours per week (30%) than fathers (4%). The proportion of parents working part time varied depending on whether the *Growing Up in New Zealand* cohort child was the first child in the family (24% of these mothers worked part time and 2% of fathers) or a subsequent child (45% mothers, 4% fathers).

Of those mothers in any paid employment, 97% intended to take leave once their baby was born, compared to 86% of those in self-employment, 81% of those employing persons in their own business, and 67% of those working in a family business or farm.

Mothers anticipated taking an average of 8.2 months of leave (median 6 months), but said they would prefer to take twice as much, an average of 16.5 months (median 12 months). Of fathers in the work force, 88% anticipated taking leave when the baby was born. The average leave period anticipated was 2 to 3 weeks (median 2 weeks), though the preferred duration was for 3 months leave on average (median 1 month) (Figure 2).

In general, parents across all ethnic, socioeconomic and demographic groups would have preferred a longer period of leave than they anticipated they would be able to take (Figure 3). However, the total length of preferred and anticipated leave

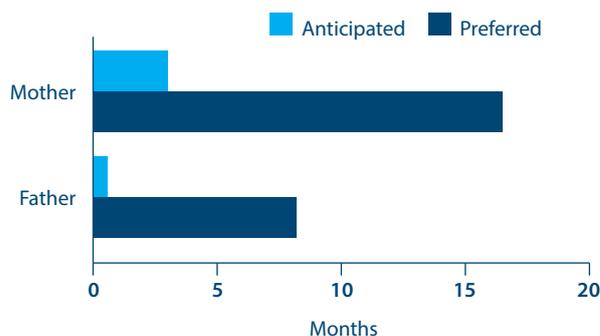


Figure 02: Anticipated and preferred leave periods for mothers and fathers

varied by maternal ethnicity and parental socio-demographics. Asian mothers tended to prefer shorter leave periods, and European and Māori mothers preferred longer leave periods.

Mothers from the lowest household income group anticipated and preferred shorter periods of leave (7.2 and 9.9 months respectively), compared to mothers from the highest income group (9.3 and 18.0 months), as did those with no secondary school qualifications, compared to mothers with tertiary education. This perhaps reflects greater financial concerns associated with taking a longer time off work for these families.

Actual leave taken by nine months

Similar proportions of mothers and fathers who had been in paid work took any leave around the time of the birth of their *Growing Up in New Zealand* child (84% of mothers and 83% of fathers). Overall, 16% of mothers (previously in paid work) did not take any leave when their baby was born. This was most commonly because of: resignation or redundancy (42%);

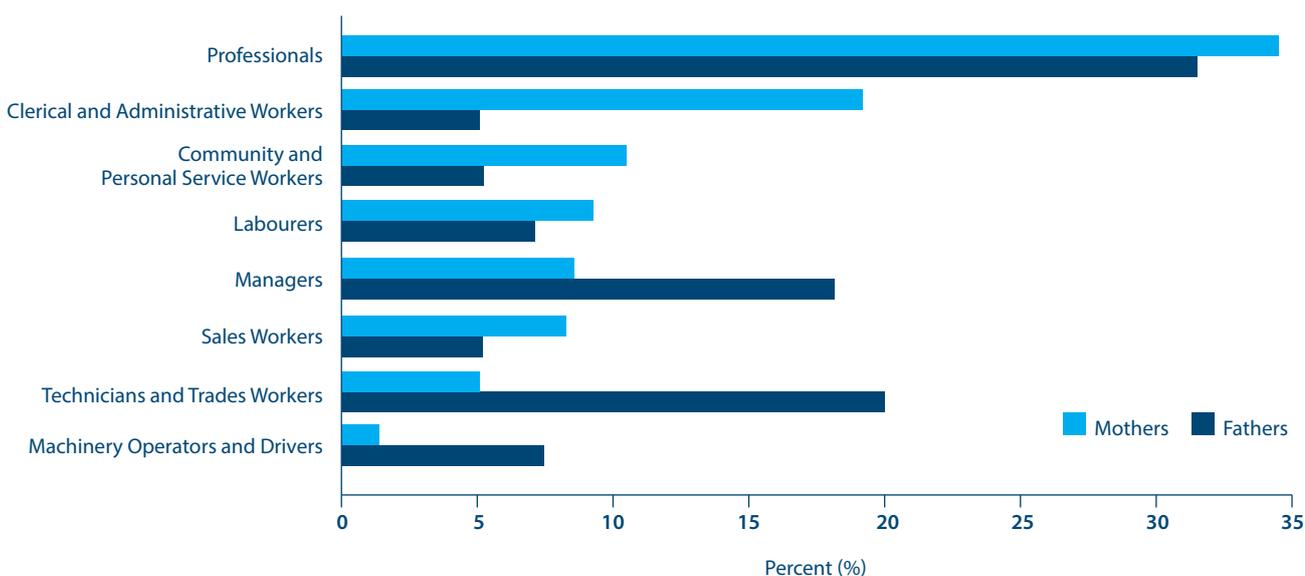


Figure 01: Main types of occupation held by mothers and fathers before or during pregnancy

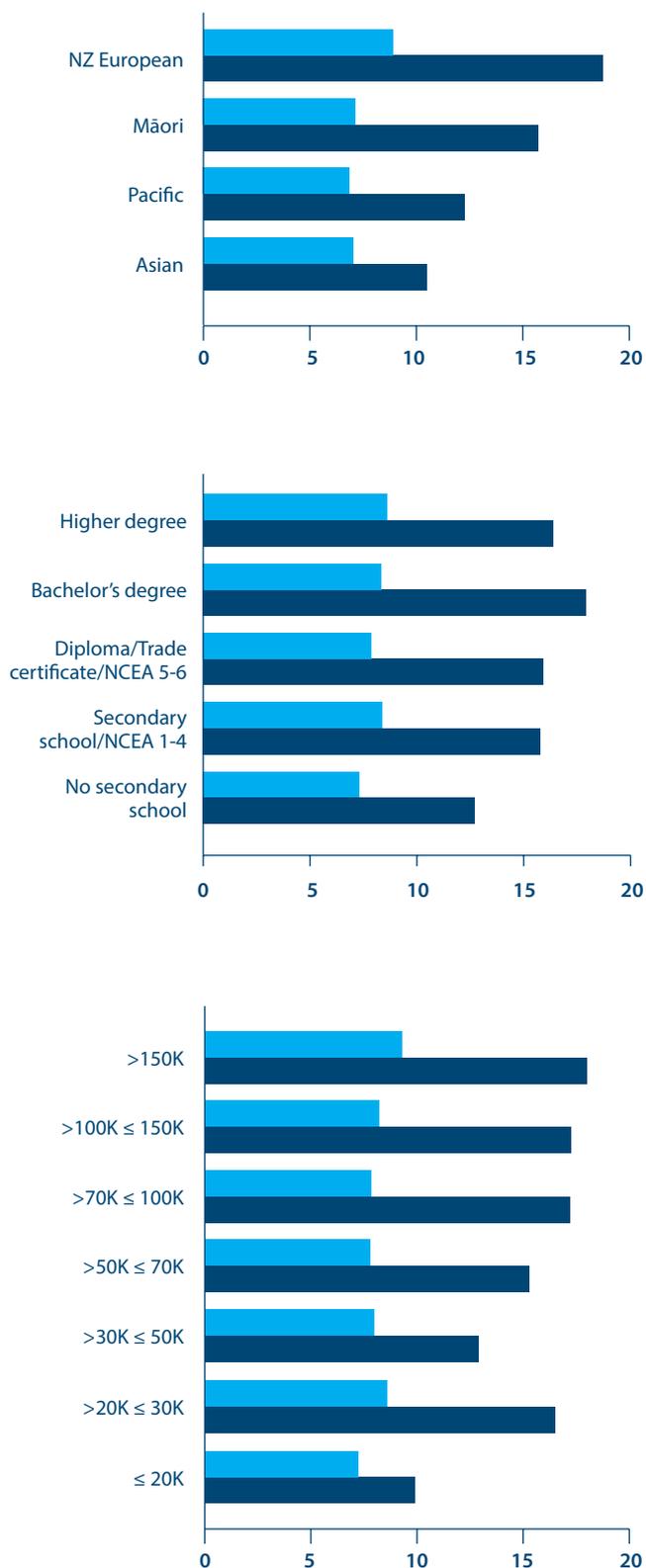


Figure 03: Mothers' anticipated (light blue) and preferred (dark blue) leave periods (in months), by self-prioritised ethnicity, education level, and household income group

not meeting regulations about leave entitlement (24%); and parenting preferences (10%) (Figure 4).

Greater proportions of mothers under 25 years of age (36%), mothers without a current partner (31%), mothers who identified their own ethnicity as Māori (23%), mothers with

an annual household income of less than \$30,000 (42%), and mothers in the occupation categories of 'machinery operators and drivers' or 'labourers' (30%) did not take any leave.

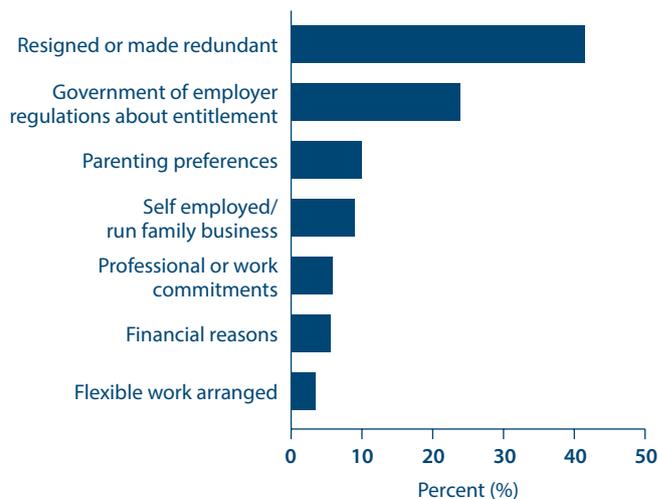


Figure 04: Reasons for mothers not taking any leave (Multiple responses allowed therefore totals >100%)

Parental leave type

Multiple types of leave were commonly combined to maximise leave duration and to allow both parents to take leave after their *Growing Up in New Zealand* child was born. Of the mothers who took leave, 42% took only one type of leave, 37% took two types of leave, and 21% took three or more types of leave. Nearly 65% of fathers who had taken leave took a combination of two types of leave, and almost 15% of fathers took a combination of three or more types of leave. Of parents who had taken leave, 30% of mothers and 19% of fathers took only paid parental leave.

The most common combination of leave taken was that of paid parental leave, unpaid leave and annual leave (Figure 5). Annual leave was the most common leave type taken by fathers.

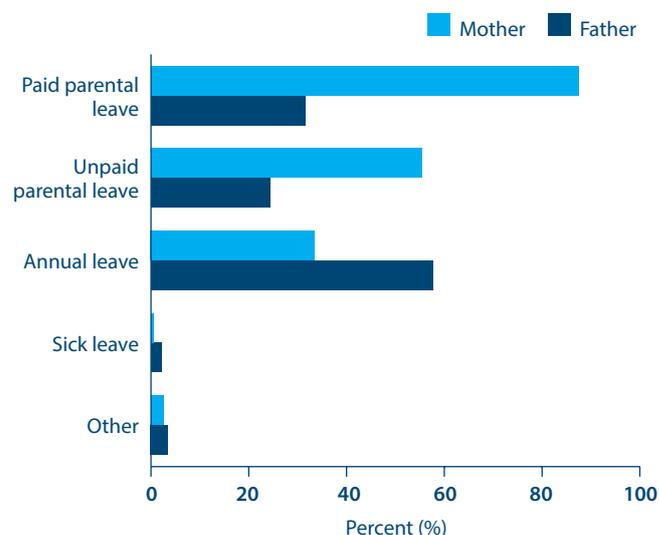


Figure 05: Proportion of *Growing Up in New Zealand* parents who took the different types of parental leave (Multiple responses allowed therefore totals >100%)

Labour force status at nine months

By the time the *Growing Up in New Zealand* children were nine months old, 30% of the mothers who had taken leave were still on leave. This compares to 1% of fathers. Of those who were no longer on leave, 45% of mothers and 92% of fathers had returned to paid employment. Of the mothers who had returned to work, 50% worked fewer than 30 hours per week when their child was nine months old. Just over two thirds of mothers (68%) worked regular hours, and the remainder worked shifts or irregular hours.

Many of these mothers who had returned to paid work indicated that had done so for multiple reasons (Figure 6). Financial reasons were most common (for 71%), as well as “because they enjoyed working and wanted to return to paid work” (46%), and because they had used up their leave entitlements (42%). Smaller, but important, proportions of mothers indicated that they had returned to work because their employer wanted them to (20%), or because they felt their career would be harmed if they stayed away (17%).

Of those mothers who had not returned to work by the time their baby was nine months of age, the most common reason given was a preference for looking after their own children (87%), followed by their partner earning enough to support the family (29%), or being too busy with family commitments (29%) (Figure 7). Fewer mothers gave reasons related to job availability (4%) or flexibility (12%), though 20% said that balancing income with child care costs meant that it was not worthwhile going back to work. Smaller proportions of mothers who were under 25 years old (25%), single parents (28%), Māori or Pacific (35%), with no secondary school qualification (19%), with an unskilled profession (28%), or a previous annual household income less than \$30,000 (22%), had returned to paid employment by nine months.

Future analyses will describe in detail the labour force and parental leave status for the *Growing Up in New Zealand* families in the first two years of their child’s life. Overall, 3322 mothers (53%) were in paid work when the *Growing Up in New Zealand* children were two years old. Of these, 2504 (75%) were paid employees and 167 (5%) were paid employees on parental leave.

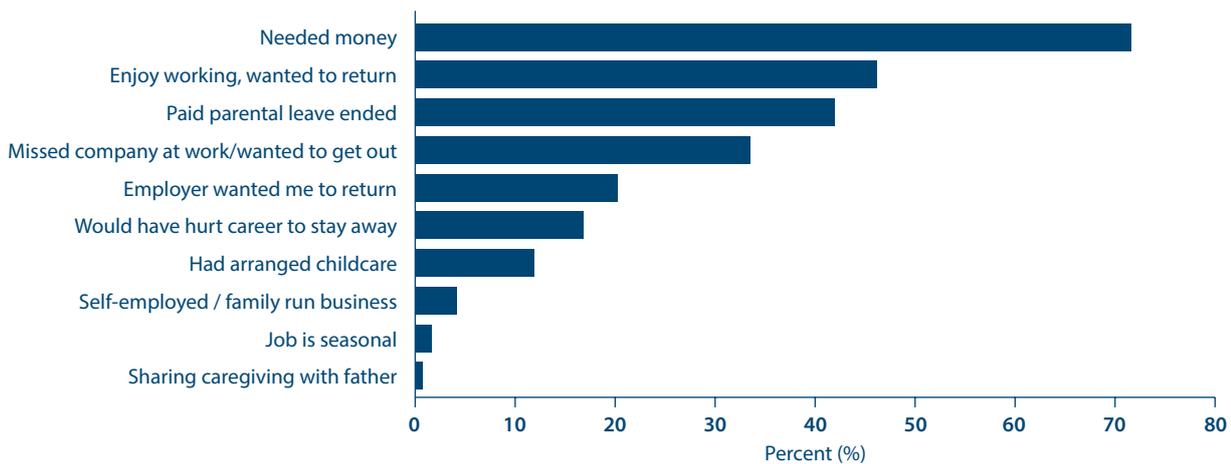


Figure 06: Reasons for mothers returning to work by the time their child was nine months of age (Multiple responses allowed therefore totals >100%)

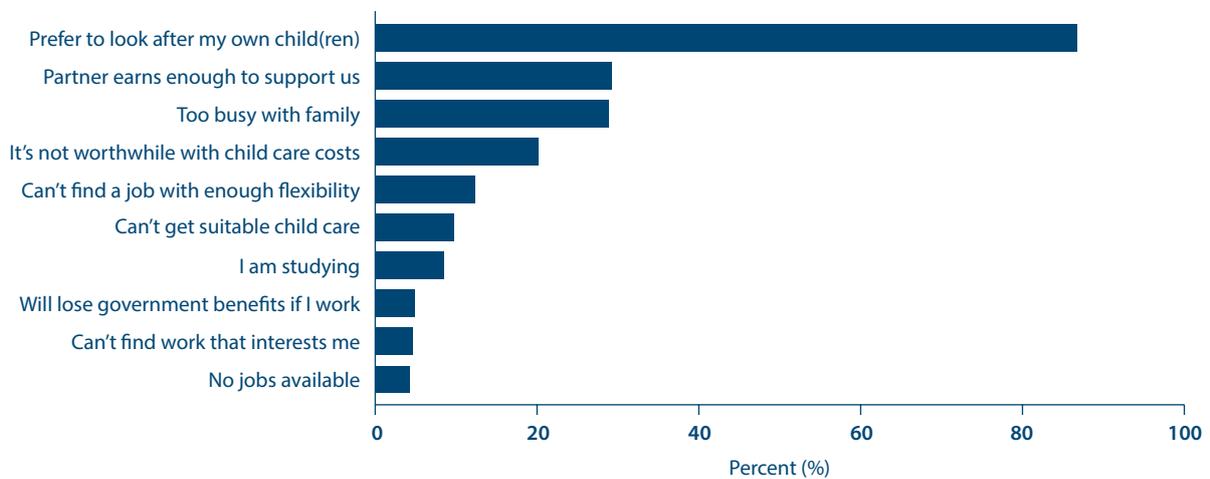


Figure 07: Reasons for mothers not returning to work by the time their child was nine months of age (Multiple responses allowed therefore totals >100%)

What does this mean?

- The majority of New Zealand parents were in the work force during pregnancy or before their baby was born.
- Mothers and fathers across all ethnicities and socio-demographic groups said that they would prefer to take more leave around the time of birth of their child than they anticipated they would be able to take.
- Mothers typically anticipated being able to take 6 months of leave, while they would have preferred to be able to take a year.
- Mothers and fathers from the lowest socioeconomic groups anticipated and preferred to take less leave than those parents in less deprived circumstances.
- Over 80% of mothers and fathers who had been working took some leave when their children were born.
- Mothers who didn't take any leave at all around the time of birth of their child were more likely to be younger, single parents, Māori, have unskilled professions, and be from low income families.
- Multiple types of leave were usually combined to maximize the length of time parents could take off work. The most common combination of leave taken was that of paid parental leave, unpaid leave and annual leave.
- The most common leave type taken for mothers was paid parental leave, while the most common leave type taken for fathers was annual leave.
- Just under one third of mothers and one in four fathers took only paid parental leave as their leave type.
- Those mothers who did not take leave were most likely to have instead resigned or been made redundant and/or they had not taken leave because they were not entitled to under the existing regulations.
- A greater proportion of the mothers who are potential most vulnerable were not able to take leave despite having paid work around the time of their pregnancy.
- Almost all fathers and many mothers had returned to work by the time their child was nine months of age, predominantly for financial reasons.
- The information collected from *Growing Up in New Zealand* about families and their environment is able to contribute to a greater understanding of the parental leave context for the current New Zealand generation.

¹Tanaka S. (2005). Parental leave and child health across OECD countries. *The Economic Journal*, 115 (February), F7-F28.

²Galtry J., Callister P. (2005). Assessing the Optimal Length of Parental Leave for Child and Parental Well-Being: How Can Research Inform Policy? *Journal of Family Issues*, 26 (2), 219-246.

³Marmot M.G., Allen J., Goldblatt P. et al. on behalf of the Marmot Review (2010). *Fair Society, Healthy Lives: Strategic review of health inequalities in England post-2010*. London UK.

⁴Brough P., O'Driscoll M.P., Biggs A. (2009). Parental leave and work-family balance among employed parents following childbirth: An exploratory investigation in Australia and New Zealand. *NZ Journal of Social Sciences Online*, 4, 71-8.

⁵Berger M.L., Hill J., Waldfogel J. (2005). Maternity leave, early maternal employment and child health and development in the US. *The Economic Journal*, 115 (February), F29-F47.

⁶Families Commission Kōmihana ā Whānau. (2007). *It's about time: Towards a parental leave policy that gives New Zealand families real choice*. Families Commission Kōmihana ā Whānau, Wellington, New Zealand.

⁷Parental leave: A guide for employees, employers, and the self-employed (2012). Ministry of Business, Innovation and Employment, Wellington, New Zealand

⁸Modernising Parental Leave Discussion Document (2014) Ministry of Business, Innovation and Employment, Wellington, New Zealand

⁹Australian and new Zealand Standard Classification of Occupations (ANZSCO). <http://www.stats.govt.nz/methods/classifications-and-standards/classification-related-stats-standards/occupation.aspx>

About *Growing Up in New Zealand*

Growing Up in New Zealand is New Zealand's contemporary longitudinal study of child development, tracking the development of nearly 7000 children in the context of their diverse families and environments from before their birth until they are young adults.

Multidisciplinary longitudinal information has been collected from the *Growing Up in New Zealand* children, who were born in 2009 and 2010, and their families.⁸ Each data collection of *Growing Up in New Zealand* seeks age-appropriate information across six inter-connected domains: family and whānau, societal context and neighbourhood, education, health and wellbeing, psychosocial and cognitive development, and culture and identity.⁹ A number of face-to-face data collection waves have been conducted with the mothers, fathers and children of *Growing Up in New Zealand* from before birth and through the first 1000 days of life. It is intended for data collection waves to occur with the cohort every 2-3 years until they reach adulthood.

The *Growing Up in New Zealand* children are broadly generalisable to current New Zealand births,¹⁰ and importantly the study collects evidence from families across the spectrum of socioeconomic status as well as ethnic diversity. The study includes significant numbers of tamariki Māori (1 in 4 of the cohort), Pacific children (1 in 5) and Asian children (1 in 6). Almost half of the cohort children are expected to identify with multiple ethnicities. This diversity of the families involved, as well as their ongoing commitment, helps to future-proof the information that can be provided from *Growing Up in New Zealand*. Retention rates are very high (over 92%) through to the preschool data collection wave which is in the field in 2014.

The unique information collected within *Growing Up in New Zealand* is designed to contribute evidence to inform

- a better understanding of the causal pathways that lead to particular developmental outcomes in contemporary New Zealand, and
- the effective evaluation, development and implementation of programmes and policy to optimise: support for families; health and development of children; and equity of outcomes across and within the New Zealand population.

The study is run by as a multi-disciplinary team of experts at the University of Auckland, who work in partnership with experts at other academic institutions as well as a large number of government agencies including the Social Policy Evaluation and Research Unit (Superu) and the Ministries of Social Development, Education, Health and others to ensure that up-to-date and appropriate evidence is provided for policy translation. A number of key reports and publications have already been produced from *Growing Up in New Zealand* and the resource provided is being increasingly utilised. Data from the *Growing Up in New Zealand* study is available for access. For further information on data access arrangements, copies of existing study publications, and contact details for our team please view www.growingup.co.nz

⁸Morton SMB, et al. (2012). How Do You Recruit and Retain a Pre-Birth Cohort? Lessons Learnt From Growing Up in New Zealand. *Evaluation & the Health Professions*; DOI: 10.1177/0163278712462717.

⁹Morton SM, et al. (2013). Cohort profile: Growing Up in New Zealand. *International Journal of Epidemiology* 42:65-75.

¹⁰Morton SMB, et al. (2014). Growing Up in New Zealand cohort alignment with all New Zealand births. *Australian and New Zealand Journal of Public Health*. In press.

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