

IZA Press Statement – July 21, 2008

## **New research: Longer maternity leave has no effect on children's long-term education and labor market outcomes**

**Many countries currently discuss a possible expansion of maternity leave coverage. Supporters of such reforms claim that longer maternity leave has positive effects on children. New research by IZA Research Fellows Christian Dustmann and Uta Schönberg (University College London), which has been supported by the Anglo-German Foundation, analyzes the long-term impact of several expansions in leave coverage in Germany. The study shows that the reforms had only a very small impact on children's educational and labor market success.**

This is the first study that investigated the long-term impact of expansions in leave coverage on children's education and labor market outcomes. The authors did this by comparing children who were born shortly before or shortly after a change in maternity leave legislation. The study focused on three reforms: the expansion in paid maternity leave from two to six months in the year 1979, the expansion in partially paid leave from six to ten months in 1986, and the expansion in unpaid leave from 18 to 36 months in 1992.

In a first step, Dustmann and Schönberg analyzed the impact of the reforms on the mother's decision when to return to work after childbirth. They found that mothers indeed take advantage of the extended leave, and return later to the labor market. This was the case for each of the analyzed reforms. The researchers then analyzed the impact of the 1992 reform (i.e., the expansion in leave coverage from 18 to 36 months) on children. It turned out that the reform only had a marginal impact on track choice: the share of pupils who attend the highest track that allows for direct access to university increased by no more than 0.1%. The authors also analyzed the expansion in leave coverage from two to six months in the year 1979. Here they showed that there is neither a significant relationship between college graduation and the expansion in leave coverage, nor any measurable earnings advantages for the children later on.

This new research therefore contradicts the common belief that an increase in maternity leave will have a positive impact on children's long-term outcomes. "Our study casts doubt that further expansions in leave coverage will be successful in improving children's long-term career outcomes," says Dustmann.

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The full text of the study, which was funded by the Anglo-German Foundation as part of its “Creating Sustainable Growth in Europe” program, is downloadable free of charge from the IZA website.

Christian Dustmann, Uta Schönberg:

**The Effect of Expansions in Maternity Leave Coverage on Children’s Long-Term Outcomes**

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