

Is the Road to Unemployment Paved with Good Intentions?

Chia Jung Chang (University of Illinois Chicago)

October 2018

Abstract

One consequence of the California Paid Family Leave (CA-PFL) program is it may foster discrimination against women. I examine how employment and wages of women of child-bearing age change relative to young men and older women in response to the program. Exploiting variation in paid family leave access across industries, I find the CA-PFL program decreases employment for young women by 0.6% compared to young men and 0.2% compared to older women. Furthermore, I find minimal change in wages. Most women enjoy the benefits of paid leave without compromising their wages, but a select few are unable to attain employment.