

Building a Better Future: The Economic Impact of Paternity Leave on Society

The increasing popularity of paternity leave has brought about a renewed focus on the economic effects of parental leave policies. Despite more than half of fathers in OECD countries still not using the full benefits allotted to them through paternity leave, the general uptake of said leave has increased (McKinsey & Company). And it is not only fathers themselves who recognise the advantages of taking time off post-childbirth. The UK government, alongside extending paternity leave in 2015, also introduced "The Pregnancy and Maternity Discrimination Bill" in October 2022, which ensures better job protection for pregnant women and new parents when returning to work and shows the current trend towards a more paternal leave friendly environment (UK GOV).

The growing recognition of the benefits of paternity leave is driving more fathers to take advantage of the opportunity to bond with their newborns and assist with the responsibilities of early parenthood. This article aims to examine the economic effects of the increased popularity of paternity leave, exploring how it impacts families, workplaces, and society at large.

On an individual level, the availability of paternity leave can have a significant impact on the financial well-being of new parents. Although in countries such as the UK and the US, statutory pay for paternity leave either does not exist or is below minimum wage, many countries around the world are improving their paid-leave policy. This is most notable in Japan, where paternity leave can last from 4-8 weeks at 67-80% of pre-leave pay, with additional flexible time off available throughout the first year of the child's life (The Mainichi). This generous leave policy provides fathers with the financial support necessary to spend quality time with their children while the financial support helps ease the burden on new parents and improve their overall financial well-being.

Additionally, the availability of paternity leave can also help to ease the transition into parenthood by allowing fathers to be more involved in the care of their children from the earliest stages. A US study found that "2 weeks or more of leave, is positively associated with children's perceptions of fathers' involvement, father-child closeness, and father-child communication" (PMC). This displays the positive impact of paternity leave on children, as they are able to form a closer relationship with their fathers and have a better understanding of their involvement in their care. Another benefit of extended paternity leave is its positive impact on working mothers. "One in four American women go back to work two weeks after giving birth because they can't afford to take any more time off than that" (UN). If more fathers take paternity leave and that leave is well-paid, mothers will be able to choose when to return to work rather than be forced to go back as soon as possible. Moreover, with the flexible leave system, such as the one available in Japan, parents can interchange their parental leave so that neither has to work continuously.

Furthermore, paternity leave can play a crucial role in promoting gender equality in the workplace. The traditional societal expectation that women are primarily responsible for childcare has led to a significant disparity in the distribution of domestic and care responsibilities between men and women. By providing fathers with the opportunity to take time off work to care for their children, paternity leave helps to challenge and break down these traditional gender roles and expectations. This can contribute to a more equitable

distribution of household and childcare responsibilities between parents, which can have a number of positive effects on gender equality in the workforce ([Forbes](#)).

In addition to improving the lives of individual families, the increased popularity of paternity leave also has far-reaching benefits for society as a whole. The impact of paternity leave on children is a significant benefit that cannot be overlooked. Studies have consistently shown that when fathers take paternity leave, it can lead to improved cognitive development and better mental health in their children (UNICEF). This is largely due to the fact that fathers are able to bond with their newborns and be more involved in their care from the earliest stages. This increased level of involvement can lead to a stronger, closer relationship between father and child, which can have lasting positive effects on the child's well-being and development.

In conclusion, the increased popularity of paternity leave has numerous economic benefits, both for individual families and for society itself. By improving the financial well-being of new parents, promoting gender equality in the workplace, and leading to better outcomes for children, paternity leave can help to build a more productive and equitable economy. As more fathers take advantage of paternity leave, it is likely that these benefits will become even more apparent, further emphasising the importance of this important policy.