

The Effects of Paid Maternity Leave: Evidence from Temporary Disability Insurance

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Abstract

This paper investigates the effects of a large-scale paid maternity leave program on birth outcomes in the United States. In 1978, states with Temporary Disability Insurance (TDI) programs were required to start providing wage replacement benefits to pregnant women, substantially increasing access to paid leave for working mothers. Using natality data, I find that TDI coverage of paid maternity leave reduces the share of low birth weight births in a state by 3.2 percent. It also decreases the likelihood of early term birth by 7.2 percent. Paid maternity leave has substantial impacts on the children of unmarried and black mothers.