

## **PRESS RELEASE, 21 July 2008**

### **New Research**

## **Longer maternity leave has no effect on long-term education and labour market outcomes of children**

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Many countries are currently discussing a possible expansion of maternity leave coverage. Those who support such reforms claim that longer maternity leave has positive effects on children. New research by IZA fellows Dustmann and Schönberg (University College London), published by IZA and the Anglo-German Foundation, analyses 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 labour market success.

This is the first study that investigated the long-term impact of expansions in leave coverage on children's education and labour 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 analysed the impact of the reforms on the mother's decision when to return to work after childbirth. The authors found that mothers indeed take advantage of the extended leave, and return later to the labour market. This was the case for each of the analysed reforms.

The researchers then analysed the impact of the 1992 reform (i.e., the expansion in leave coverage from 18 to 36 months) on children. They found that the reform has only 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 then analysed 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 by Dustmann and Schönberg 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.

You can download the full study from the Foundation's website at following link:

[http://www.agf.org.uk/pubs/pdfs/csgc\\_WP0807\\_maternity.pdf](http://www.agf.org.uk/pubs/pdfs/csgc_WP0807_maternity.pdf)



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**For more information on  
the content side of the research:**

Professor Christian Dustmann  
Department of Economics  
University College London  
Gower Street  
London WC1E 6BT  
United Kingdom

Phone: +44 20 7679 5832  
Mobile: +44 7818 048 380  
Email: [c.dustmann@ucl.ac.uk](mailto:c.dustmann@ucl.ac.uk)

**Media Contact at the  
Anglo-German Foundation:**

Winfried Konrad  
Media Relations  
Deutsch-Britische Stiftung  
Anna-Louisa-Karsch-Straße 2  
10178 Berlin  
Germany

Phone: +49 30 2063 4985  
Mobile: +49 171 531 8422  
Email: [wk@agf.org.uk](mailto:wk@agf.org.uk)

The authors of the study are

**Christian Dustmann**, Full Professor at the Department of Economics at the University College London. His research focuses on the employment market, migration, education and population economics.

**Uta Schönberg**, Assistant Professor at the Department of Economics at the University College London. Her research interests are labour economics and education.