

# Employment after childbirth

*Katherine Marshall*

Women have become an integral part of the labour market: their labour force participation is more constant today, even throughout the child-bearing years. This trend has both economic and social implications. Understanding women's work patterns can help employers manage birth-related work interruptions and, in the end, retain experienced employees.

The timing of the return to work after childbirth is also of concern to women themselves. Labour force attachment is linked positively to earnings and career opportunities (Phipps, Burton and Lethbridge, 1998). On the other hand, parental involvement, particularly through infancy, is essential to healthy child development (Belsky, 1990). These conflicting factors helped spur the development of Canada's maternity/parental leave benefit programs – programs that recognize the dual responsibilities of employed parents. Nevertheless, parents continue to struggle with these issues.

American research has found a number of factors relating to a mother's return to paid work, which fall into two broad categories: human capital and family status (Desai and Waite, 1991;

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Wenk and Garrett, 1992; Joesch, 1994). This article includes aspects from both these theoretical frameworks.

The human capital approach suggests that women assess the economic value of their time at work and at home, and then choose one or the other based on cost-effectiveness. The cost of not returning to paid work is largely the lost after-tax income from employment.<sup>1</sup> The cost of not staying home includes child-care expenses and other household services. It is argued that women who have more invested in their human capital (education, training and work experience) are those most likely to have greater earnings and job status, and to return to work sooner. For that reason, variables such as age (proxy for experience), education, income, hours of work (job quality), job tenure, unionization (job quality), class of worker and occupation might be expected to influence the return to work.

The family status approach suggests that women make employment decisions based on family considerations. Findings have been less consistent in this area, partly because the influence of marital status and presence of children has changed over time. For example, marital status is now positively correlated with women's employment status. Today, a married woman's decision to return to work after childbirth may depend on how

involved her husband is at home and/or whether he is employed (and how much he earns). The more dependent the family is on the mother's earnings, the sooner she may return to work. The number and ages of dependent children at home may also influence the mother's decision, but the many possible combinations make interpretation difficult. For example, more than one child at home increases the financial needs of the family, but also means more day-care costs. These costs can vary depending on the children's ages. Family status variables included for analysis are marital status, employment status of spouse, mother's proportional contribution to family income and the number of preschool-aged children at home.

Both approaches hypothesize likely influences on a woman's return to work, but neither can account for individual preference. Some women may choose to stay at home even if it means relinquishing a well-paid job outside the home. Others may be willing to take on a low-paying position rather than remain out of the workforce any longer. The decision to return to work is complex, based not just on financial or family considerations but also on attitudes and emotions, which can be contradictory. Statistics Canada's General Social Survey found that although two-thirds of Canadian women agreed that an employed

### Data source and definitions

The Survey of Labour and Income Dynamics (SLID) is a longitudinal household survey that began in January 1993. Every three years some 15,000 respondents aged 16 to 69 enter the survey and remain for six years, completing two detailed questionnaires each year on labour market activity and income. Data used in this article are for people who entered the survey in 1993 and who responded for all four years, 1993 to 1996.

The **study population** comprises all births between April 1993 and December 1994 for which the mothers worked sometime during the last three months of pregnancy. If a woman gave birth a second time in the time period (12% did so), that birth was also included if she had worked during the last three months of pregnancy. The analysis is based on women who were in the survey for at least two years after giving birth.

Women were considered to have been **employed during pregnancy** if they reported at least one hour of work at a job or business in any of the three months prior to childbirth.

**Return to work** is the first month following the month of childbirth in which at least one hour of work at a job or

business was reported. (SLID offers monthly rather than weekly information on employment.) For example, if a woman reported a birth in March 1994, every month starting from (and including) April 1994 was examined for evidence of work hours. "Return to work by the end of the first month after childbirth" can technically include women who returned one week later (for example, those who gave birth in the last week of March and returned to work the first week of April) and those who went back seven weeks later (for example, those who gave birth the first week of March and returned the last week of April).

The **receipt of Employment Insurance (EI) or maternity benefits** variable examines the possible relationship between receiving maternity leave and returning to paid work. It relates only to the first six months after birth. Fully 80% of the women in the study population reported receiving EI benefits within the first six months. Although some may have been unemployed and looking for work, most were probably on maternity leave. Therefore, EI benefits and maternity leave benefits are used interchangeably throughout the article.

mother's relationship with her children was probably as secure as a stay-at-home mother's, half also agreed that a preschool-aged child would probably suffer if both parents were employed (Ghalam, 1997).

In addition to the human capital and family status variables, this study considers maternity leave benefits as a factor in women's rate of return to work. American studies have not been able to look at this, as no comparable program is available in the United States (see *International comparison of maternity leave*). The lack of such a benefit may be one reason American women return to work relatively quickly (43% within three months of birth) (Desai and Waite, 1991).

This article looks at the work patterns of employed women who gave birth in 1993 or 1994. It examines the timing of their return to paid work following a birth, and considers the characteristics of those who returned and those who did not. A number of job, personal and family characteristics are analyzed (see *Data source and definitions*).

### Some first-time statistics

The longitudinal Survey of Labour and Income Dynamics (SLID) offers a unique source of information on the work patterns of women before and after

childbirth. The survey offers the following first-time findings for women who gave birth and returned to work within two years.<sup>2</sup>

- 16% of paid workers and 80% of the self-employed were back to work by the end of the first month after childbirth.
- The average time off work was 6.4 months.
- 83% returned to the same employer.
- 80% reported receiving Employment Insurance (EI) benefits after childbirth. A full 100% of the women who took six months off work reported receiving benefits, compared with only 40% of those who were back to work by the end of the first month after childbirth.
- Only 13% of paid workers did not receive EI, in contrast to 85% of the self-employed.<sup>3</sup>
- 89% returned to their previous work status (full-time or part-time), whereas 9% went from full-time to part-time and 2%, from part-time to full-time.
- The average work week was 33 hours before the birth and 32 after the return to work – reflecting a shift from full-time to part-time work for a minority of women, and a reduction of one-quarter of an hour for full-time workers.

**Chart A: Many women return to work 5 to 7 months after birth.**



Source: Survey of Labour and Income Dynamics, 1993-1996  
 \* Not yet returned after two years.

**Vast majority back within two years**

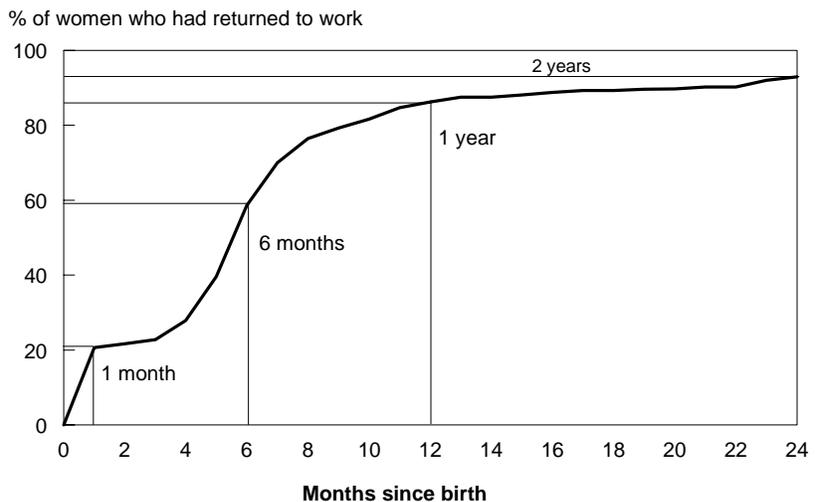
Of the 367,000 employed women who gave birth in 1993 or 1994, some 76,000 or 21% were back to work by the end of the first month after childbirth (Chart A) – 15% of paid workers (50,000) and 76% of the self-employed (26,000). (See *Absence from Work Survey* for a further comparison of paid workers.) In other words, almost one in five mothers took very little time off. Some 19% of women returned after six months, while another 12% did so after five, and 11% after seven. Given the flexibility of the start time of maternity leave, and a maximum 25-week combined paid maternity and parental leave, it is not surprising that a large proportion of women returned to work around the sixth month after childbirth (see *EI benefits*). The percentage of mothers who had returned to work increased strongly until the eighth month,

after which it levelled off considerably (Chart B). Within a year's time, 86% of mothers had returned to work, and by two years a full 93% were back to paid work.

**Self-employment and no maternity leave linked to quick return**

This study examined the differences between mothers who returned to work almost immediately after childbirth, that is, by the end of the first month after the birth, and those who did so between 2 and 24 months after. Women who returned to work by the end of the first month had worked less time at their last job (42 months versus 52) (Table 1). A smaller percentage worked in a unionized job (15%, compared with 38%) and a greater percentage worked part time (43%, compared with 24%). Large differences existed by class of worker and maternity leave benefits. Some 34% of early returnees were self-employed, compared with just 2% of those who returned later. Also, 60% of those back by the end of the first month had received no Employment Insurance benefits,

**Chart B: The percentage of mothers who return to work rises rapidly for the first 8 months after a birth.**



Source: Survey of Labour and Income Dynamics, 1993-1996

**Table 1: Characteristics<sup>a</sup> of employed women who returned to work within two years of giving birth**

	Returned to work within 2 years			Statistically significant difference	Odds ratio of returning within one month <sup>b</sup>
	Total	Within one month	After 2 or more months		
<b>Total</b>	<b>100%</b>	<b>21%</b>	<b>79%</b>		
<b>Human capital and job characteristics</b>					
Average age	30	30	30	no	...
Education: high school or less	36%	41%	35%	no	...
Median income	\$25,700	\$25,600	\$25,700	no	...
Usual weekly hours	33	30	34	no	...
Median tenure (months)	49	42	52	yes *	1.2 ns
Unionized	33%	15%	38%	yes ***	0.6 ns
Self-employed	9%	34%	2%	yes ***	7.7 *
Professional, managerial or technical occupation <sup>c</sup>	43%	44%	43%	no	...
Part-time work	28%	43%	24%	yes *	1.7 ns
No maternity benefits	20%	60%	9%	yes ***	5.7 ***
<b>Family or personal characteristics</b>					
Children <6 at home	1.6	1.7	1.6	no	...
Spouse present	96%	93%	97%	no	...
Employed spouse present	93%	85%	94%	no	...
Income as % of family income	45%	45%	44%	no	...

Source: Survey of Labour and Income Dynamics, 1993-1996  
\* Statistically significant at the .05 level; \*\* at the .01 level; \*\*\* at the .001 level.  
ns Not significant.  
<sup>a</sup> Refers to the time of birth or of last job held before birth; for births in 1993 or 1994.  
<sup>b</sup> The odds ratios are generated from logistic regression (see Logistic regression). The ratios indicate whether the variables included in the model increase or decrease the odds of returning to work within one month after childbirth (that is, by the end of the month following the month of childbirth), controlling for the other variables in the model. Only variables that were statistically significant in the cross-tabulations were included in the model.  
<sup>c</sup> Based on the Pineo-Porter-McRoberts socioeconomic classification of 4-digit occupations into homogeneous groups.

## Absence from Work Survey

Statistics Canada's Absence from Work Survey (AWS) can provide some data on maternity leave absences and compensation. An annual supplement to the Labour Force Survey, it asks paid workers about financial compensation for any illness-, accident- or pregnancy-related work absence that lasted two weeks or longer during the past year. The AWS found that 10% of paid workers were back to work two to seven weeks after giving birth in the 1993-94 period, compared with 15% for SLID. However, the AWS excludes those who took no time off work or took a leave of less than two weeks. Both surveys show an average absence of roughly five and a half months, and a maternity leave claim rate of around 85%.

### Pregnancy-related employment leave and compensation

Paid workers 1993-1994	AWS	SLID
Quick return to work*	10%	15%
Average time off work**	5.5 months	5.4 months
Received EI after birth	85%	87%
EI only	71%	...
EI plus employer or other compensation	14%	...

Sources: Absence from Work Survey, 1993-1994; Survey of Labour and Income Dynamics, 1993-1996

\* For the AWS this refers to all leaves of 2 to 7 weeks during pregnancy and/or after birth; for SLID it refers to leaves of 0 to 7 weeks after birth.

\*\* Based on an absence of one year or less.

### EI benefits

Major amendments to the *Unemployment Insurance Act* in 1971 brought in a wide range of benefits, including paid maternity leave for women. This leave entitles eligible women to a basic benefit of 55% of average insured earnings up to a maximum \$413 per week for a maximum of 15 weeks around the birth of a child. Maternity benefits usually start with the week of birth, but can be collected up to 8 weeks before the anticipated date. Payments start after a 2-week waiting period. Eligibility rules changed

with the *Employment Insurance Act* of January 1997, increasing the minimum number of work hours in the past 52 weeks from 300 to 700.

Since 1990, eligible parents have also been entitled to 10 weeks' parental leave with the birth or adoption of a child. This leave can be taken by one parent or can be shared (if both parents are eligible) any time up to 52 weeks after the child arrives home; however, most of those who apply for the leave are mothers.

compared with just 9% of those who returned later.

Early and later returnees did not differ significantly in age, occupation, income (both personal and as a percentage of family income), marital status, education, usual hours of work, or number of children under six at home.<sup>4</sup>

A number of these factors may be interrelated. For example, women who returned to work by the end of the first month after childbirth were more likely than others to work part time. These jobs may not have included such benefits as coverage from Employment Insurance.<sup>5</sup>

In order to test which factors influence an early return to work when others are controlled for, this study used logistic regression (see *Logistic regression*). When this technique was applied, only two variables were found to be statistically significant predictors: class of worker and the receipt of maternity benefits. The odds of the mother's returning to work by the end of the first month were almost six times higher when she did *not* receive maternity leave benefits. Also, the odds of returning early were almost eight times higher for the self-employed than for employees.

In contrast to American findings, this study found no relationship between income and return to work. EI appears to negate the influence of income, even though it replaces only 55% of previous earnings, with a ceiling.<sup>6</sup> So the net direct "cost" of not returning to work is at least 45% of previous earnings, which can be substantial, depending on previous earnings. However, maternity leave is a program that eligible women of all earning levels must decide to take or to forfeit. Compensation of 55% may be sufficient to encourage some women to remain at home regardless of previous earnings.

### Logistic regression

This technique was used for predicting a quick return to paid work after childbirth (by the end of the first month after birth). The dichotomous dependent variable in this case was quick return (quick return = 1 and non-quick return = 0). This technique isolates each variable in the model and reveals its relationship with the probability of a quick return, while holding all other explanatory variables constant. One calculation from this analysis is the odds ratio, which indicates whether certain variables increase or decrease the chances (odds) of a quick return.

It is not surprising to find self-employment linked to an early return to work. Self-employed women tend to experience a double financial loss if they take a leave after childbirth. First, most do not receive maternity leave benefits, and second, depending on the business, some may have to hire a replacement during their absence, which could be costly as well as difficult.

### Those who don't return have less to lose

This study also looked at women who had not returned to paid work after two years. Although this group may have been in the majority in the 1950s, they represented only 7% of all women who gave birth in the early 1990s.

Consistent with the human capital argument, women who did not resume paid work within two years after childbirth had "invested" less in their career than those who had returned to work. For example, although some differences were not statistically significant,<sup>7</sup> non-returnees were more likely to have been working part time (38% versus 28%), less likely to have been in a unionized job (16% versus 33%), and less likely to have left a professional job

**Table 2: Characteristics<sup>a</sup> of women who had and had not returned to work two years after giving birth**

	Total who gave birth	Returned within 2 years	Had not yet returned	Statistically significant difference
<b>Total</b>	<b>100%</b>	<b>93%</b>	<b>7%</b>	
<b>Human capital and job characteristics</b>				
Average age	30	30	28	no
Education: high school or less	36%	36%	36%	no
Median income	\$25,600	\$25,600	\$16,700	no
Usual weekly hours	33	33	31	no
Median tenure (months)	46	49	26	no
Unionized	32%	33%	16%	yes
Self-employed	9%	9%	8%	no
Professional, managerial or technical occupation <sup>b</sup>	42%	43%	30%	no
Part-time work	28%	28%	38%	no
No maternity benefits	20%	20%	25%	no
<b>Family or personal characteristics</b>				
Children <6 at home	1.6	1.6	1.3	yes
Spouse present	95%	96%	70%	yes
Employed spouse present	93%	93%	87%	no
Income as % of family income	44%	45%	38%	yes

Source: Survey of Labour and Income Dynamics, 1993-1996

<sup>a</sup> Refers to the time of birth or of last job held before birth; for births in 1993 or 1994.

<sup>b</sup> Based on the Pineo-Porter-McRoberts socioeconomic classification of 4-digit occupations into homogeneous groups.

(30% versus 43%) (Table 2). Furthermore, those who had not returned had, on average, spent less time at their last job than those who had returned (26 versus 49 months), and recorded lower median earnings (\$16,700 versus \$25,600). With day-care costs subtracted from modest earnings, these women would have had little financial incentive to return to work. Also, compared with those who had returned, they were younger, had fewer children under age six at home, and were more likely to be unmarried. Some 30% of non-returnees were on their own

(living without a partner), compared with just 4% of the women who returned to work. Managing child-care and household responsibilities without a partner may have made it too difficult for some to perform paid work as well.

### Summary

This study found that between 1993 and 1996, about 60% of women returned to paid work within six months of giving birth. After one year, almost 9 in 10 women had returned to work. Those who had returned had more

“human capital and career investment” than those who had not, and were more likely to be living with a partner. For example, compared with women who had left the labour force for an extended period (two years or more), those who had returned had higher income, higher job status, and longer tenure at their last job; they were also more likely to be in a unionized job.

The potential for major loss of income spurred early return to work. Women who did not receive maternity benefits and women who were self-employed returned more quickly than those who received benefits or who were paid workers.

This study shows that most women combine employment and parenthood within months of giving birth, confirming the strong labour force attachment of women today. Because the dynamics of women’s work patterns affect both families and employers, an understanding of these work patterns is crucial for the development of up-to-date workplace and family policies.

### Perspectives

#### Acknowledgement

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### International comparison of maternity leave

As do most other industrialized countries, Canada offers paid maternity and parental leave programs with the birth or adoption of a child. Canada is more generous with these programs than the United States and the United Kingdom, as the former offers no paid leave programs and the latter provides no parental leave program. Even so, Canada

offers relatively low earnings replacement (55%) and a shorter maximum total leave time (25 weeks) than most other jurisdictions considered. Furthermore, unlike Finland, Germany and Sweden, it offers parental paid leave only to those who have recent labour market experience.

#### Government-sponsored maternity, paternity and parental paid leave programs for selected jurisdictions

	Canada	Belgium	United Kingdom	Finland	France	Germany	Sweden	United States
<b>Maternity leave</b>								
Eligibility	Previous employment with contributions	Previous employment with contributions	Previous employment with contributions	Universal	Previous employment with contributions	Previous employment with contributions	Falls under <i>Parental leave</i> unless sick	na
Duration	15 weeks	14 weeks	18 weeks	18 weeks	16-26 weeks*	14 weeks	Up to 15 wks sick leave	na
Compensation	55% of previous earnings	75%-80% of previous earnings	90% of previous earnings for 6 weeks, then flat rate	80% of previous earnings or flat rate	84% of previous earnings	100% of previous earnings	80%-90% of previous earnings	na
<b>Paternity leave</b>								
Eligibility	na	na	na	Universal	na	na	Universal	na
Duration	na	na	na	1-2 weeks	na	na	10 days	na
Compensation	na	na	na	80% of previous earnings or flat rate	na	na	90% of previous earnings or flat rate	na
<b>Parental leave</b>								
Eligibility	Either parent, previous employment with contributions	Both parents, previous employment	na	Either parent, universal	Either parent, previous employment	Both parents, universal	Either parent, universal	na
Duration	10 weeks	6-12 months	na	6 months	24 months	24 months	15 months	na
Compensation	55% of previous earnings	18% of average industrial earnings	na	80% of previous earnings or flat rate	46% of base wage for 9 months**	About 15% of median industrial earnings	90% of previous earnings or flat rate	na

Source: Human Resources Development Canada, 1995

\* 16 weeks for those with fewer than three children and 26 weeks for those with three or more.

\*\* Means-tested thereafter.

na Not applicable.

## ■ Notes

1 Other costs of not returning to paid employment include the depreciation in job-related skills and/or lost opportunities for building further skills, both of which may affect future earnings. Neither of these costs can be assessed with SLID data.

2 Refers to women who worked prior to pregnancy and were in the survey for at least two years after giving birth (for more information see *Data source and definitions*).

3 A minority (15%) of the self-employed reported receiving EI. Most of this small group would probably have been incorporated business owners who made EI insurance contributions.

4 The lack of statistical significance could be partly attributable to the small sample sizes.

5 The Employment Insurance eligibility rules for part-time workers changed in January 1997. Before this date part-time workers were eligible to claim EI if they had worked at least 15 hours per week in the past 20 weeks. Since then, while their number of weekly hours is no longer stipulated, part-timers must have worked at least 700 hours in the past 52 weeks in order to be eligible for EI.

6 Findings from the Absence from Work Survey show that 71% of women in paid work received EI as their only form of compensation, while 14% received both EI and compensation from their employer or elsewhere.

7 The small sample size for non-returnees reduces the ability to produce statistically significant results. A larger sample size might increase the number of variables with estimates that show statistical significance. It would also be useful to apply logistic regression as a way to determine the key factors for leaving the labour force for at least two years, but the sample size of the women in question is too small for this type of analysis.

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