The Impact of Paid Family Leave (PFL) on Female Full-Time Labor Force Participation in New York

lvy Xu | 02/2025

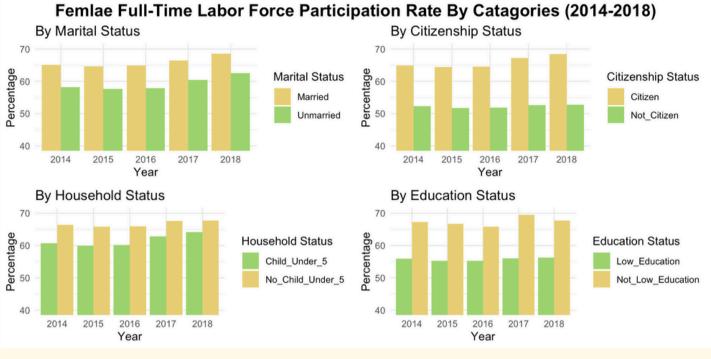
1/ PFL Effect on Female Employment

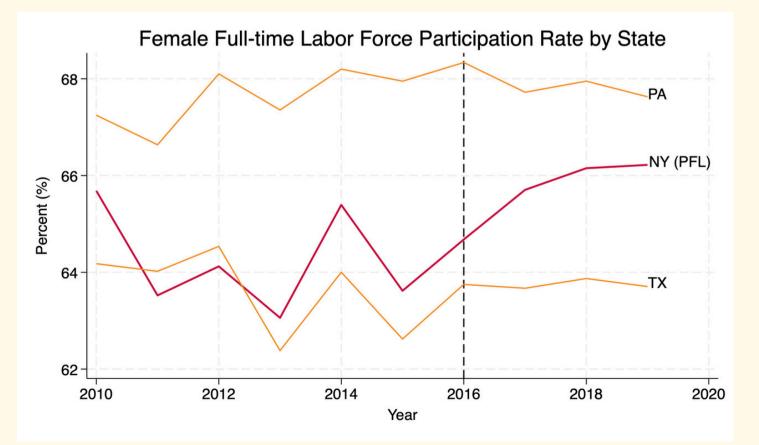
- Existing research [1] suggests PFL supports female workforce retention, but challenges remain (Graph A).
- However, key barriers remain, including reduced wage compensation, complex application processes, and eligibility restrictions [2].
- These factors may disproportionately affect unmarried mothers, less educated workers, and noncitizens (Graph A).

Goal: to evaluate the impact of New York's 2016 PFL policy on female full-time labor force participation and identify factors that influence its effectiveness across different demographic groups

2/ Analyzing PFL's Impact

- Using CPS (Current Population Survey) data [3] from 2010–2019, we apply a <u>Difference-in-Differences (DiD)</u> approach.
- New York (treatment state) is compared to control states (TX, PA) with similar pre-policy female labor force participation trend and no PFL policy in 2016 (Graph B).
- This study uses logistic regression with DiD to account for the binary outcome and control for key socioeconomic factors while isolating the causal effect of PFL.





Graph A

Graph B

3/ DiD Model and PFL Effectiveness

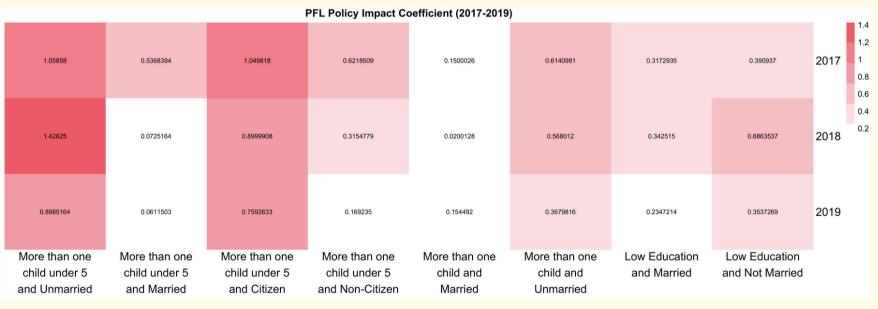
- Results show that PFL has had a significant impact (p-value < 0.05) on female full-time labor force participation.
- Before 2016, the confidence intervals include zero, indicating no ulletsignificant effect. After PFL enactment, the confidence intervals exclude zero, confirming a statistically significant decline in participation (Graph **C)**.
- Through further subgroup analysis, we found that the impact of PFL differs by marital status, number of children, education, and citizenship status (Graph D). For example, unmarried mothers with young children see the greatest benefits from PFL due to higher economic vulnerability, making them more likely to remain in the workforce.

4/ Policy Recommendations

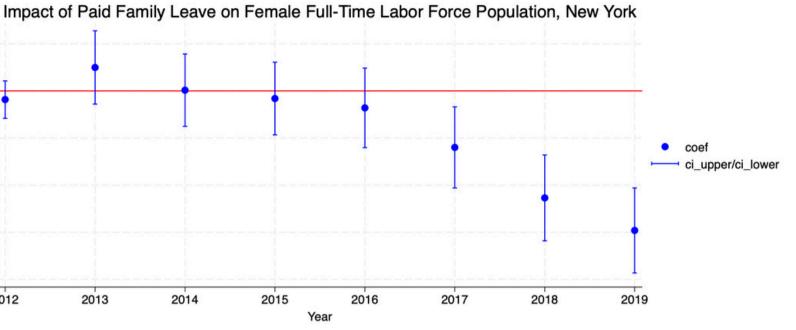
- Expand community outreach and workplace education to help loweducation women understand their rights and navigate the application process comprehensively.
- Provide childcare subsidies and extended leave for unmarried mothers with young children and expand PFL eligibility for non-citizens by addressing legal and documentation barriers.
- Conduct follow-up studies to evaluate PFL's impact on long-term workforce retention through .

[1] Stanford News. (2022). The Real Benefits of Paid Family Leave. Stanford University. Retrieved from https://news.stanford.edu/stories/2022/03/real-benefits-paid-family-leave. [2] New York State. (2018). New York State Paid Family Leave Employee Fact Sheet. Retrieved from https://www.ny.gov/sites/default/files/atoms/files/PaidFamilyLeave_EmployeeFactSheet.pdf. [3] U.S. Bureau of Labor Statistics and U.S. Census Bureau. (2010–2019). Current Population Survey (CPS) Data. Retrieved from https://www.census.gov/programs-surveys/cps.html.

DD Estimate -.3 2012 2013



$LaborParticipation = lpha + eta imes NY imes PFL_{yes} + \gamma imes DemographicControl + arepsilon$



Graph C

Graph D