

Did Shared Parental Leave work?

Shared Parental Leave was introduced in 2015 to allow eligible working parents to share up to 50 weeks of leave in their child's first year. Research asks if it has succeeded in changing parents' behaviour. Are fathers taking more or longer leave after the birth of a child?



The policy challenge

Persistent gender gaps in pay and career progression are a feature of European labour markets, including the UK. The pay gap between men and women widens after parenthood and half of this increase is due to mothers spending less time in full-time work.

Parental leave policies which complement maternity leave, such as paternity leave, 'daddy months' in some European countries, or shared parental leave, can help:

- · mothers to return to work earlier
- parents to share caring responsibilities more
- · to improve work-life balance
- to reduce gender gaps.

The best solution is still being debated, but the majority of European countries have parental leave policies. For instance, under the EU Work-Life Balance Directive, all EU Member States must have two non-transferrable



months of parental leave for each parent, with the level of compensation determined by individual states.

The UK is unique in this context. Although working parents have maternity, paternity and Shared Parental Leave (SPL) policies at their disposal, SPL applies only to a subgroup of working parents, is relatively poorly compensated and requires a trade-off with maternity leave.

The policy

The policy gives eligible, working mothers the opportunity to transfer 50 weeks of their leave and 37 weeks of leave pay to fathers, so that the leave is used jointly. Shared Parental Pay (ShPP) is offered at a flat rate or 90% of pay, whichever is lower. In 2015 the flat rate was £139.58 per week and in 2024 £184.03 per week, only a fraction of the National Living Wage.

To be eligible for ShPP parents must meet specific work and pay criteria. If parents want to use the scheme, they must:

- be employees (not 'workers', who tend to be on more casual contracts)
- have been employed continuously by the same employer for at least 26 weeks by the end of the 15th week before the due date
- stay with the same employer until the start of the leave
- each earn on average at least £123 a week.

Data on uptake and length of leave are not systematically collected and reported. However, it is estimated that uptake of SPL was under 2% in 2018-19.



Using the data

The analysis used Understanding Society data and focused on leave uptake and length from 2010 to 2019. The researchers used a method called regression discontinuity in time to determine the causal impact of the policy on fathers' behaviour. The evaluation set out to compare the take-up and length of leave of working fathers with children born before April 2015 (not eligible to use the policy) and in or after April 2015 (eligible to use the policy).

To make the groups comparable and to mimic eligibility for SPL, the focus was on fathers who had been continuously employed for at least a year before their child's arrival and who were in a relationship with a working partner. By using comparable groups of parents whose children were born at different times, researchers could ascertain that any changes in the uptake of leave or its length are due to the policy itself and not any other confounding factors. They also tested the assumptions of this methodology and explored different specifications, showing that these do not affect the results.

Findings

The policy was expected to lead to two changes. If all fathers were equally incentivised to share leave, one would expect to see an increase in the percentage taking leave. It is also

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possible that fathers who already took paternity leave would now complement it with SPL. This would increase the length of leave taken after the birth of one's child.

The researchers found no effect. There is no evidence that a higher percentage of fathers took leave, or that the length of leave taken by fathers increased in response to the policy. In addition to the overall effect, the researchers examined the behaviour of subgroups of parents likely to benefit more from SPL and did not find effects for any of these subgroups.

Potential reasons

Other work exploring the response to SPL, based on interviews with parents and descriptive analysis of data, points towards at least three hurdles to uptake:

- · restrictive eligibility criteria
- · low level of compensation
- · complex rules.

Many working couples are not eligible for SPL and ShPP because of the qualifying employment period. This criterion is more restrictive than for other types of leave, and automatically excludes those on temporary or short-term contracts. It also discourages job changes.

The low level of payment hinders sharing leave if the father is the high primary earner, as the leave-taking parent always foregoes a significant proportion of earnings, and the loss increases with earnings.

The system is also complex to navigate and the lack of readily available information discourages uptake. As a result, it takes a lot of effort from prospective parents and employers to use the policy.





Read the report

Joanna Clifton-Sprigg, Eleonora Fichera, Melanie Jones and Ezgi Kaya, Fathers taking leave: evaluating the impact of Shared Parental Leave in the UK, IZA Working Paper 17076: https://www.iza.org/publications/dp/17076/fathers-taking-leave-evaluating-the-impact-of-shared-parental-leave-in-the-uk