

Counting the Benefits of Paid Parental Leave

ECONOMIC VIEW
CLAIRE CAIN MILLER

Programs in three states counter worries of an economic burden.

When Larisa Casillas gave birth to a boy two years ago, the Bay Area nonprofit organization where she worked gave her only four weeks of paid leave. But she took more than that, including 12 weeks paid by California's state family leave program, one of the few of its kind in the nation.

Ms. Casillas said the extra time was essential for bonding with her son, meeting other mothers and staving off postpartum depression. "Honestly, without that income support, I wouldn't have made it," she said.

If President Obama has his way, paid leave for new parents and people caring for ailing relatives will become national policy. In January, he gave federal employees the right to take six weeks of paid leave when they become parents. And in his State of the Union address, Mr. Obama framed paid leave as a crucial economic matter.

"It's time we stop treating child care as a side issue or a women's issue, and treat it like the national economic priority that it is," he said. Paid leave could help increase the percentage of women in the work force, he said, and help middle-class families earn stable incomes. Opponents of paid leave say it is

an economic burden that can be expensive for businesses.

What are the true economic effects of paid leave? Real-life experiments are underway in three states that already have operational paid leave programs: California, New Jersey and Rhode Island. Their experiences — particularly California's, where the policy is a decade old — offer some answers. (New Jersey's started in 2009 and Rhode Island's last year.)

Economists have found that with paid leave, more people take time off, particularly low-income parents who may have taken no leave or dropped out of the work force after the birth. Paid leave raises the probability that mothers return to employment later, and then work more hours and earn higher wages. Paid leave does not necessarily help businesses — but it does not seem to hurt them, either.

"For workers who use these programs, they are extremely beneficial," said Ruth Milkman, a sociologist at the Graduate Center, City University of New York. "And the business lobby's predictions about how these programs are really a big burden on employers are not accurate."

The Obama plan would provide six weeks of paid leave — very little compared with other industrialized countries. Britain gives 52 weeks of leave, most of it paid, for instance. At the moment, though, only 11 percent of American workers have access to paid family leave, according to the Bureau of Labor Statistics. The Family and Medical Leave Act gives workers 12 weeks of unpaid



Jennie Pasquarella, her husband, Ron Milam, and their twins, Sebastian, left, and August Milam, at home in Los Angeles.

leave, but only about half of employees are eligible.

For mothers, social scientists say, the benefits of paid leave go well beyond the fact that newborns need round-the-clock care and mothers need time to recover from childbirth.

In California, for example, the paid leave law doubled typical maternity leaves to six to seven weeks, according to a study by three researchers, Maya Rossin-Slater, Christopher J. Ruhm and Jane Waldfogel.

The increases were striking for unmarried and nonwhite women and those without a college degree, who have been less likely to work at companies with paid leave.

Leave-taking among high school graduates rose 8 percentage points and 12 points among black mothers. Among college-educated and white mothers, by contrast, it rose by a statistically insignificant amount.

"The punch line is it reduces disparities in leave-taking between low and high socioeconomic groups, and does so without damaging these women's later labor market prospects," said Ms. Rossin-Slater, an assistant professor of economics at the University of California, Santa Barbara.

Mothers in California who took leave were 6 percent more likely to be working a year later than those who did not, according to another

study co-written by Mr. Ruhm of the University of Virginia.

Jennie Pasquarella, who took paid leave from her job at a Los Angeles nonprofit organization when she had twin boys a year and a half ago, said the time off was an enormous help.

"I was not sleeping for most of that period, so if the circumstances were different and I would have had to go back earlier, I don't know how I would be able to properly function at work."

In New Jersey, in the year after giving birth, women who take paid leave have been about 40 percent less likely to receive public aid or food stamps, a Rutgers study commissioned by the National Partnership for Women and Families found.

The three states that offer paid family leave finance it through payroll taxes that pay into the states' existing temporary disability insurance programs.

At California companies, many of which lobbied against the law, fears about its effects have not played out. From 89 percent to 99 percent of employers say it has had no effect or a positive one on productivity, profitability, turnover and morale, according to a report by Ms. Milkman and Eileen Appelbaum, an economist at the Center for Economic and Policy Research. Eighty-seven percent say it has not increased costs. Nine percent say they saved money, because of lower turnover or benefit payments.

Still, social scientists say, leaves can backfire on workers if employers penalize them by denying promotions or raises.

Mix Masters: Cocktail Shakers

SHOPPING
TIM MCKEOUGH

As the owners of Coffinier Ku Design in Manhattan, Etienne Coffinier and Ed Ku have designed plenty of bars, for both restaurants and private homes. So they've spent a certain amount of time studying the intricacies of cocktail preparation.

"It's about the whole gesture," said Mr. Coffinier, 60. "The bartender makes a little dance with the shaker."

And while that shaker may be fairly utilitarian in a public venue, one way to make the ritual seem more special at home is to use distinctive accessories — a showpiece cocktail shaker, for example.

"When you're entertaining your friends, it's a conversation piece and a thing of beauty," said Mr. Ku, 54. "Antique cocktail shakers are something that I've always loved,

Cocktail shakers are utilitarian, but they can also be a lot of fun.

and given as gifts."

And in a city like New York, a cocktail enthusiast doesn't have to look far to find a good shaker. Just downstairs from Coffinier Ku's Midtown studio, for instance, the designers found an appealing example at the gift shop Extraordinary: a shaker in the form of a penguin.

"Some shakers are really serious," Mr. Ku said. "But this is just a fun thing to have on a shelf."

At Asprey, on the Upper East Side, they found a showstopper: a large-scale sterling silver shaker shaped like a lighthouse, with yellow and black enamel details. "I like it because it's not obviously a cocktail shaker, it's just a beautiful object," Mr. Ku said, adding that it also appealed to the architect in him: "I love that little deck railing."

Up the street, at the Ralph Lauren women's and home store, Mr. Coffinier pointed out the Mini

Montgomery shaker, which came with tongs and an ice bucket.

"With this, you can pour with just one hand," he said, demonstrating how easily the shaker could be opened. "It's about the pleasure of using the object."

But the designers were particularly impressed with what they found at Mood Indigo, at the Showplace Antique and Design Center in Chelsea, where the vitrines were filled with dozens of vintage shakers.

They admired a number of pieces, including one shaker that resembled a miniature fire extinguisher and another that appeared to be a commemorative model from the 1976 Summer Olympics in Montreal ("Sports and booze go well together," Mr. Coffinier said). But they finally settled on a zeppelin-shaped shaker that came with its own small ice bucket and a set of six cups.

"It's the surprise of opening and unpacking it," Mr. Ku said. "You've got to work to get to your drink."

Shopping with Etienne Coffinier and Ed Ku

- 1 Penguin cocktail shaker; \$65 at Extraordinary, 212-223-9151, extraordinarynyc.com
- 2 Twist cocktail shaker; \$145 at Nambé, 800-443-0339, nambé.com.
- 3 William Yeoward crystal Kelly shaker; \$895 at Bloomingdale's, 800-777-0000, bloomingdales.com.
- 4 Lighthouse sterling silver and enamel cocktail shaker; \$10,000 at Asprey, 212-688-1811, asprey.com.



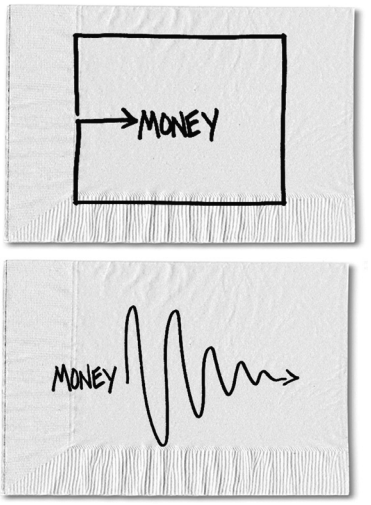
If We See Money as a Tool, Our Feelings Change

SKETCH GUY
CARL RICHARDS

Almost everything we're taught about money is focused on spending it and saving it. Parents, teachers and even personal finance books discuss saving money as keeping it, increasing it and controlling it. Saving money involves figuring out ways to get more of it, to build a bigger cushion. We're taught that's the ultimate goal.

In contrast, spending money is described as budgeting or cutting back. We're even told that we should create habits that make spending painful. We shouldn't feel good about spending money.

That's how I've long defined



CARL RICHARDS

these two concepts: saving good, spending bad.

Then, there was a subtle change in my thinking. What if we start treating money like a tool? Tools are meant to be used. Instead of thinking in terms of saving and spending money, I started to think of using it. Let's say we've decided that it's time to go on a family trip. We've saved the money, and the trip fits our plans. When the time comes to use that money, there's no need to feel guilty or bad. Instead, we're using a tool that helps us get something that we really value, time with our family.

This shift in thinking is subtle, but it changes our feelings about saving and spending. We no longer think in terms of good and bad.

Money is meant to be used, to be in motion. It circulates from us to other people then back to us. When we save money, we're simply storing it for use later. When we use money today, we're not spending it or blowing it. We're using the best tool for the job.

My experience suggests this small shift changes both how we feel and talk about spending. Of course, the shift doesn't give us permission to blow the budget or ignore our plans. But it neatly detours around the negative emotions we've been taught to feel about spending money.

We don't feel bad when we use a hammer to pound in a nail. We don't need to feel bad when we use money to pursue our plans and goals.

Managing Balance Transfers

YOUR MONEY
ANN CARRNS

Now that consumers are taking on more debt, credit card issuers are responding with more attractive balance-transfer offers, a new analysis finds.

CardHub, a credit card comparison site, evaluated 15 major issuers, and found that longer promotional interest-rate periods for transfers — up to 18 months — are now available. "Card issuers know people are in the hunt for transfer offers," and are competing for business, said Jill Gonzalez, a spokeswoman for CardHub.

The average household has about \$7,126 in credit card debt and could save about \$1,000 or more by transferring funds from high-interest cards, the analysis found. (Several websites, including Bankrate, offer calculators to help you determine how much you would save.)

Fee-free transfers, however, are still rare; most cards charge at least 3 percent of the amount you transfer, and some charge 4 percent. That can be significant, depending on your balance, since many cards no longer cap transfer fees, as they once did. If you transfer \$5,000, for instance, you will incur a fee of \$150, at 3 percent.

Balance transfers can help consumers pay off debt at lower interest rates — if the borrower has the discipline and the money to pay off the balance in a timely way.

Here are some questions about credit card balance transfers:

1 How can I be sure I'm not charged high interest on the transferred balance?
Be sure to pay the balance in full before the promotional period expires to avoid paying higher interest rates — typically, 12 percent to more than 20 percent A.P.R. — when the offer expires. Many consumers fall into the trap of making only the minimum required payment, and find themselves in a cycle of debt, in which they must apply for repeated balance transfers.

2 Can anyone qualify for a zero-percent offer?
Typically, card issuers offer such promotions to consumers with very good credit, said Ms. Gonzalez. If you aren't eligible for a low-rate transfer and you're having trouble paying your debt, you can talk to the card issuer about a plan that may allow you to pay a reduced interest rate.

3 Can I transfer other types of debt to a credit card?
Many cards allow balance transfers of other types of debt, such as car loans and even mortgages. But there is good reason to think twice about putting installment debt on a credit card, according to credit experts. Revolving debt, like credit cards, typically weighs more heavily on your credit score.