

Paid Parental Leave and Paternity Acknowledgement

Galina Zudenkova

(joint work with Anna Raute and Andrea Weber)

Abstract

We contribute to the literature studying how public policy affects child well-being by creating incentives for parents' choice of family structures. Welfare policies or parental leave policies do not only have direct effect on children but they also influence whether children grow up in a single mother household, with cohabiting or married parents. We study theoretically and empirically how parental leave policy affects decisions on the family structure before the birth of the child, focusing in particular on decisions made by parents who are unmarried at conception. We explore the 2007 German parental leave reform and find that more generous parental leave policy reduces single motherhood and increases marriage for low-income mothers.