Parental Leave

Comparing Children’s Hospitals With Fortune 500 Companies

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Objective: To identify parental leave policies and availability of support systems for new parents employed by children’s hospitals and compare these benefits with those offered by Fortune 500 companies.

Design: Telephone or facsimile survey of all (n = 118) children’s hospitals and pediatric medical centers in the National Association of Children’s Hospitals and Related Institutions 1995 Directory of Members, and 118 geographically matched Fortune 500 companies. Policies for maternity and paternity leave, adoption benefits, and support services for new parents were compared.

Results: Ninety-four children’s hospitals (80%) and 82 Fortune 500 companies (69%) responded to the survey. No difference in duration of maternity (P=.30) or paternity (P=.12) leave was found. Sixty-two companies (77%) classified maternity leave as short-term disability while 47 hospitals (50%) classified it as sick time (P<.005). Classifying maternity leave as short-term disability generally gives better benefits to employees with short duration of service, whereas classifying maternity leave as sick time usually favors employees with longer employment. Companies provided more financial support for adoption expenses (P<.05), but there was no difference in duration of paid or unpaid leave for adoption (P=.14). Hospitals provided more on-site day care (69% vs 42%; P<.001) and better support systems for breastfeeding mothers (49% vs 24%; P<.002).

Conclusions: Children’s hospitals do not offer better parental leave benefits than Fortune 500 companies; however, they offer better support systems for parents returning to work after the birth of a child.


Due to the dramatic increase in the number of women in the workforce, parental leave policies have become more important to working parents, their coworkers, the institutions where they are employed, and to American society.1,2 The most recent policy enacted to address concerns about parental leave is the Family and Medical Leave Act of 1993 (FMLA).3 The FMLA mandates that companies with more than 50 employees offer full- or part-time employees with at least 12 months of company service 12 weeks of unpaid leave within a 12-month period if they have worked at least 1250 hours during the previous 12 months. Employees are eligible to take leave for the following reasons: the birth of a child or placement of a child in the home through adoption or foster care; the care of a child, spouse, or parent with a serious health condition; or the employee’s own serious health condition. Employees cannot be discriminated against for taking such leave.

The FMLA does not specify how much, if any, parental leave should be compensated financially3 and financial considerations may ultimately dictate how much time new parents can take off work after the birth or adoption of a child. In contrast, 14 European countries and Canada offer paid maternity leave, ranging from 12 weeks at 60% pay in Greece to 12 months at 90% pay in Sweden.4 The actual time allotted for parental leave by the FMLA and businesses can be insufficient for women working outside the home to recuperate after giving birth, establish breast-feeding adequately before returning to work, and for parents to form emotional bonds with their newborns.5,7

Because children’s hospitals have traditionally been advocates for the health and
METHODOLOGICAL CONSIDERATIONS

In the summer of 1996 we surveyed by telephone all children's hospitals (n = 45) and pediatric medical centers (n = 73) in the National Association of Children's Hospitals and Related Institutions (NACHRI) 1995 Directory of Members (N = 118). Pediatric medical centers are distinctive parts of larger medical institutions that devote considerable resources to pediatric care. We also telephoned 118 Fortune 500 company headquarters to serve as controls, matched first by city and then by state, to account for regional variability. Higher-ranking Fortune 500 companies were selected over lower-ranking companies after we controlled for location. Human resources or benefits department heads (or designees) were asked to complete the survey by telephone or facsimile. Three follow-up telephone calls were made if the survey was not completed within 1 week after the initial telephone encounter. Most representatives read their institution's policy verbatim over the telephone, or sent copies of the policy via facsimile for verification and clarification. Institutional representatives were queried about the number of employees and estimated percentage of female employees. Hospitals were asked whether parental leave policies applied to all employees, including physicians and administrators. Representatives were then asked to specify how their institution classified maternity leave. We provided categories, including disability, sick leave, vacation, maternity leave, and other; some institutions classified medical leave and FMLA under other. We grouped all responses into the following categories for analysis: (1) sick leave, when employees are paid based on duration of time accrued as paid time off. The amount of sick leave generally depends on length of employment. (2) Short-term disability signifies that the institution has a specific policy that provides employees with a percentage of base pay during medical disability. (3) The combination of sick leave and short-term disability denotes that employees must first use their sick time until a certain period passes (eg, 30 days), then use short-term disability. (4) Full maternity leave, which we defined as paid leave available to both birth and adoptive parents.

Institutional representatives were then asked the number of weeks their institution's maternity leave policy provided for prepartum and postpartum leave and the amount of financial compensation for maternity leave. Institutional representatives were also questioned about: (1) the amount of time and financial compensation provided for adoption and paternity leave; (2) whether both parents employed at the same institution are required to share the 12 weeks of family medical leave; (3) whether their hospital or company had a policy about breast-feeding in the workplace; (4) whether accommodations for new mothers were available including a designated room for expressing breast milk, an electric breast pump, and a refrigerator for storing milk; and the availability of day care facilities in the workplace. Statistical analyses were performed with SPSS software (SPSS Inc, Chicago, Ill). Fisher exact test, χ² analyses, and Wilcoxon rank sum test were used to test differences in categorical variables pertaining to hospital and company demographics and policies. Participation of institutions was voluntary, and the confidentiality of their responses was ensured.

RESULTS

INSTITUTIONAL DEMOGRAPHICS

Of 118 children's hospitals and pediatric medical centers and 118 Fortune 500 companies contacted, 94 hospitals (80%) and 82 companies (69%) completed the survey. The median number of employees at both children's hospitals and Fortune 500 company headquarters was 3000. All children's hospitals providing the required data (n = 71) had more than 51% female employees but only 38% of 45 Fortune 500 companies had more than 51% female employees (P <.001). Maternity leave policies at 93 children's hospitals covered 59% of physicians, and 41% of physicians were covered either by an affiliated university or group practice policy. The regional distribution of institutions completing the survey was as follows: 44 (25%) west, 53 (30%) midwest, 28 (16%) northeast, and 51 (29%) southeast. There were no differences in maternity leave policies or supports for mothers returning to work based on geographic location. Nine institutions (8 companies and 1 hospital) declined to participate in the study because they had a specific policy not to participate in telephone surveys. The geographic distribution of nonresponding institutions was similar to those that responded to the survey.

MATERNITY LEAVE AND PATERNITY LEAVE POLICIES

Maternity Leave

Fifty percent of hospitals and 21% of the companies classified maternity leave as sick leave (P <.001) (Table 1). The amount of sick leave to which an employee is entitled is usually based on the amount of time the employee has accrued as sick time or in a paid time off bank. (A paid time off bank is an account combining sick leave, holiday, and vacation time that are accrued according to time of service and job classification, and may be used at the discretion of the employee and supervisor.) Therefore, longer duration of employment is generally associated with greater amounts of sick time. Sick time is usually paid at full salary. There was no difference in classification or duration of maternity leave by type of pediatric medical facility (free-standing children's hospital vs hospital with a pediatric ward).
Significantly more companies than hospitals classified maternity leave as short-term disability (77% vs 40%) (P < .001) (Table 1). In most companies short-term disability was a standard benefit, although some companies considered it an optional benefit that employees could purchase. Disability plans generally cover 6 to 8 weeks postpartum and 0 to 4 weeks prepartum depending on a physician’s statement. Short-term disability policies usually pay 50% to 100% of an employee’s salary during the period of disability. Only 2 companies and 1 hospital offered paid full maternity leave (to both birth and adoptive mothers) and did not require a physician’s note. Eight hospitals offered plans whereby women had to use their sick time before beginning short-term disability. One company provided no paid leave after either childbirth or adoption. Most hospitals and companies allowed employees to use vacation time for paid time off around the birth of a child. This was not included in data analysis. Some institutions required employees to use all their sick leave and vacation time before using their unpaid time off under the FMLA. Although employment for at least 1 year is required to receive FMLA benefits, an occasional hospital or company provided these benefits sooner. The standard length of approved maternity leave is 12 to 13 weeks (based on FMLA).

There was no difference between Fortune 500 companies and children’s hospitals in actual duration of maternity leave (P > .50) (Table 1). Fifteen hospitals (16%) and 15 companies (18%) had policies that offered more than 16 weeks of maternity leave. No institution offered maternity leave between 12 and 16 weeks. Many institutions offered employees an extension of unpaid leave, on a case-by-case basis, with approval of a supervisor. Thus, there may be disparities in the amount of extra leave granted within and among institutions because of individual differences among supervisors and employees.

Paternity Leave

There was no difference between institutions with respect to duration of paternity leave (P = .12). Under the FMLA, fathers are permitted to receive 12 weeks’ leave for the birth of a child. Five hospitals (5%) and 10 companies (12%) offered more than 12 weeks’ paternity leave. Fathers usually receive no pay during paternity leave unless they use vacation time. Institutions generally do not allow fathers to use sick time or short-term disability as paternity leave. The FMLA requires that parents employed by the same institution share the 12 weeks of leave; however, 37% of hospitals and 45% of companies allowed each parent to take 12 weeks of leave (P = .33).

ADOPITION SUPPORT

Two companies and 1 hospital offered 4 to 6 weeks of paid leave for adoption of a child. There was no difference between children’s hospitals and Fortune 500 companies in duration of paid leave for adoption (P = .14) (Table 2). Five percent of all hospitals and 12% of all companies allowed more than 12 weeks of unpaid adoption leave, even as many as 18 months (P = .10).

Significantly more Fortune 500 companies than children’s hospitals provided reimbursement for adoption expenses (28 [35%] of 81 vs 16 [21%] of 78) (P < .05). The median reimbursement for adoption expenses offered was $2000 by hospitals and $2600 by companies (P = .001). The amount ranged from $1000 to $10 000 among those institutions that specified the amount of financial support provided.

SUPPORT SYSTEMS FOR PARENTS RETURNING TO WORK

Support systems for parents returning to work after the birth of a child were also analyzed (Table 3). On-site day care was significantly more available at children’s hospitals than at Fortune 500 companies (P < .001). In addition, financial discounts for on-site day care were offered at 19 hospitals (30%) and 6 companies (18%). A list of day care facilities close to the workplace was provided to employees by 1 hospital (18%) and 1 company (18%); of these institutions, the 1 hospital and 3 companies also offered discounts (pre-tax deductions) for their use. A flexible spending or dependent care account was offered by 3 hospitals and 5 companies, and a policy for day care was planned by an additional 3 hospitals and 2 companies. Institutions were categorized as not offering a discount when this option was not specified.

Support for breast-feeding mothers in the workplace ranged from none at all to the availability of an on-site lactation consultant. There was greater availability of electric breast pumps in children’s hospitals than in Fortune 500 companies (49% vs 24%) (P < .002). There was no difference in
the availability of specified areas for breast-feeding or expressing breast milk between children's hospitals (49%) and Fortune 500 companies (42%). Such locations included actual lactation centers, day care centers, and women's resource centers. Restroom lounges were included in the category "no specified room." Institutional representatives of 16 hospitals did not know where women expressed breast milk, whereas representatives from all companies knew whether a room was specified for expressing breast milk. Eighty-eight percent of 86 children's hospitals and of 81 Fortune 500 companies provided refrigerators in the workplace.

### Table 3. Support Systems for New Parents Returning to Work*

<table>
<thead>
<tr>
<th>Children's Hospitals, No. (%)</th>
<th>Fortune 500 Companies, No. (%)</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-site day care</td>
<td>63/91 (69)</td>
<td>33/79 (42)</td>
</tr>
<tr>
<td>Financial discounts for on-site day care</td>
<td>19/63 (30)</td>
<td>6/33 (18)</td>
</tr>
<tr>
<td>Electric breast pump</td>
<td>37/76 (49)</td>
<td>19/78 (24)</td>
</tr>
<tr>
<td>Specified room to express breast milk</td>
<td>38/78 (49)</td>
<td>34/82 (42)</td>
</tr>
<tr>
<td>Refrigerator to store breast milk</td>
<td>76/86 (88)</td>
<td>71/81 (88)</td>
</tr>
</tbody>
</table>

* Ellipses indicate not applicable.

The purpose of this study was to identify parental leave policies and support systems for new parents returning to work after the birth or adoption of a child at children's hospitals and pediatric medical centers in the United States and to compare these benefits with those offered by geographically matched Fortune 500 companies. We believe that examination of parental leave policies is important for the following reasons: (1) it can empower individuals with knowledge to negotiate with their own employers; (2) it may facilitate the development of better institutional parental leave policies; and (3) it may help formulate public policy. We hypothesized that children's hospitals would extend their traditional role as advocates to both children and families in the form of more generous parental leave benefits and support systems for new parents returning to work after the birth or adoption of a child.

Our results indicate that children's hospitals do not provide more generous financial compensation than Fortune 500 companies for maternity and paternity leave. In addition, there was no difference in duration of maternity leave between Fortune 500 companies and children's hospitals. All institutions surveyed were large enough to be covered by the FMLA. Fifteen children's hospitals and 15 Fortune 500 companies offered more than 16 weeks of maternity leave.

However, we found significant differences in the classification of parental leave that may affect both the duration and financial compensation of maternity benefits. For instance, by designating maternity leave as short-term disability, Fortune 500 companies may provide better maternity leave benefits to mothers with fewer years of employment. Standard sick leave benefits in many institutions generally accrue if they are not used over a period until a maximum period (eg, 6 months). Consequently, by designating maternity leave as sick time, children's hospitals may provide better maternity leave benefits to mothers with longer duration of employment. In many institutions, mothers can only take the amount of sick leave that their physician prescribes, while other institutions may allow them to use all their accrued sick leave.

Classifying maternity leave as sick leave may also be especially difficult for physicians or other professionals with long training periods (eg, postgraduate degrees). Early in their professional careers these women will not have accrued much sick time, even though they may have reached an age when they believe that they can no longer delay motherhood. Although such individuals are generally highly paid, many finish training with large debts that can limit the amount of unpaid time they can take early in their career. In contrast, other professionals such as nurses and management personnel who enter careers in their early or middle 20s can accrue more sick time or paid time off before having children. Disability policies may pay only a percentage of salary (usually 50%-100%) but usually cover an employee within a short period after employment. These policies also do not force a woman to use all her sick leave that may be needed later in the year. This type of maternity leave coverage may selectively benefit women who become pregnant early in their working career or who have higher salaries.

Both categories of maternity leave—sick leave and short-term disability—presuppose that the main purpose of maternity leave is to enable new mothers to recover physically from childbirth. However, sufficient duration of maternity leave is essential for successful maternal-infant bonding. Maternity leave is also important to enable women to establish breast-feeding before returning to work. Infant and mothers both benefit from breast-feeding regularly: breast milk benefits infants by protecting against infections, preventing food allergies, and providing highly specific nutritional requirements; breast-feeding is helpful to mothers through child spacing and may protect against the development of breast cancer. Breast-feeding also strengthens attachments or bonding between infant and mother through increased physical contact.

Our results show that there is no difference in the duration of or compensation for maternity leave between children's hospitals and Fortune 500 companies. While more than 99% of maternity leave is unpaid, how widely it is being used is unknown. Anecdotal evidence suggests that a stigma is attached to fathers taking paternity leave. Thus, fathers may be less willing to demand their paternity leave until this stigma is removed.

In this study, only 2 companies and 1 hospital offered 4 to 6 weeks of paid leave for adoption. While it is common for institutions to allow employees to use their vacation during the adoption of a child, employees are not allowed to use sick time. Although approximately 50,000 families adopt a child each year, paid leave for adoption would be relatively inexpensive to companies and hospitals because the number of adoptive parents at any insti-
tution would be small. However, this benefit can be important to families because adoption is expensive, costing an average of $12,000 and as much as $25,000. The average reimbursement by employers for adoption expenses is $3,500. Of those institutions that offered reimbursement in this study, the median reimbursement by companies was $2,600 for adoption, whereas hospitals offered $2,000. Although we found no difference in the amount of leave offered by children's hospitals and Fortune 500 companies for adoption, we believe that adoptive parents have as reasonable a claim to an equal amount of paid parental leave as parents who give birth. Promoting nurturing and bonding may be especially important for parents and adopted children since they did not share the 9 months in utero to form emotional attachments.15,16

Although this study revealed no difference in duration and compensation for maternity and paternity leave, children's hospitals were found to provide better nonfinancial support systems for new parents returning to work after the birth of a child, including greater availability of on-site day care and electric breast pumps. This difference may be due to several factors: (1) because of financial constraints and efforts at cost containment, children's hospitals may express their commitment to families and children by providing nonfinancial resources to their employees such as on-site day care and breast-feeding support systems; (2) children's hospitals have a greater percentage of female employees that may prohibitively increase the dollar amount of maternity leave and adoption benefits but may make provision of on-site day care cost-effective; and (3) unlike Fortune 500 companies, children's hospitals routinely care for newborn infants and their mothers, encourage breast-feeding, and often have appropriate breast-feeding equipment available.

Mothers must also have time and a suitable place to express breast milk to continue breast-feeding on returning to work. Although women can successfully breast-feed and work, many women face difficulties finding enough time and a comfortable place to express milk in the workplace.7,37 We found no difference between hospitals and companies with respect to areas specified for breast-feeding or expressing milk. We discounted restroom lounges as specified rooms for breast-feeding because lounges vary in quality, tend to have high levels of traffic, and are not necessarily private or clean. Movable screens in lounges might improve the situation.

Sample bias may have occurred in this study because we primarily surveyed large Fortune 500 companies, which may offer better maternity benefits than smaller companies. However, many small companies have found ways to offer better benefits than large Fortune 500 companies.2,13 Over time, there could have been a differential response rate favoring companies with good maternity benefits, although our superior response rate makes this unlikely. In addition, nonrespondents did not differ from respondents by geographic location. We believe that responses to the survey were accurate because they were consistently answered by representatives of human resources. We do not believe that recall bias is a significant factor in this study because these personnel either sent their institution's policies by facsimile or read them to the researcher via the telephone.

Institutions use different terms to describe maternity leave, such as short-term disability, sick leave or extended illness bank, and paid time off. We relied on respondents' descriptions of the leave benefits to classify them into categories. Misclassification may have occurred if respondents' descriptions were not accurate. Furthermore, in this study, we did not classify vacation time as a form of paid maternity leave because, both practically and philosophically, we do not regard the 6 to 8 weeks after childbirth as a vacation. Most parents would probably agree that vacation time may be needed later in the postpartum year for family interactions or emergencies.

This study reveals that children's hospitals and pediatric medical centers generally do not offer better parental leave benefits than Fortune 500 companies. Fortune 500 companies provided more financial compensation for adoption than children's hospitals. However, children's hospitals offer better support systems for breast-feeding mothers on their return to work, and to working employees with small children because of the increased availability of on-site day care. Pediatricians and pediatric health care workers need to continue to be advocates for the well-being of infants and families, even within their own institutions.

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REFERENCES