

Costs and benefits of improved leave for fathers in the first year: Too good to ignore

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Although designed to promote gender equality, parental leave policies in the UK have yet to close the gap in uptake, with women taking significantly more leave than men.¹ For example, in the UK, paternity leave is short and poorly compensated and Shared Parental Leave (SPL) has failed to deliver for working parents, with no significant effect on average take-up or length of leave taken by working fathers. This is due to eligibility criteria, poor level of compensation whilst on leave and procedural complexity, making it inaccessible for many working families.² By contrast, non-transferable paternal leave entitlements have been widely implemented across Europe, following the 2010 and 2019 EU directives,³ and similarly across Canada, Singapore and Japan.

We recommend reforming the UK's current parental leave policies to enable better uptake of leave entitlement by fathers, in turn leading to greater sharing of childcare responsibilities between fathers and mothers, and a stronger attachment to the labour market among mothers.

We consider one specific policy change – an expansion of paternity leave from two to six weeks, to be taken flexibly over the first year of a child's life. Within this proposal, we analyse four different policy-pay configurations – compensation for fathers at 90 per cent of the average weekly earnings (AWE), with or without a cap, at the National Living Wage (NLW), and at the current Statutory Paternity Pay (SPP) rate. For each policy-pay configuration we obtain three different net benefit figures to reflect the fact that take-up of these policies is unknown and based on assumptions we make. Our Central estimate reflects the most likely take-up behaviour, but we also present much more conservative Low and much more optimistic High estimates.

Based on this analysis we argue that **'six weeks for fathers, paid at 90 per cent average weekly earnings'** – an expansion of the current paternity leave, to be taken flexibly across the first year – would be a good first step in changing the current landscape.

- 1 Farré, L., 2016. Parental Leave Policies and Gender Equality: A Survey of the Literature. *Estudios de economía aplicada*, 34(1), pp.45–60.
- 2 Clifton-Sprigg, J., Fichera, E., Kaya, E. and Jones, M. (2025). Fathers taking leave: evaluating the impact of shared parental leave in the United Kingdom. *Fiscal Studies*, 1–12. <https://doi.org/10.1111/1475-5890.70000>
- 3 European Union, 2010. Council Directive 2010/18/EU of 8 March 2010 on the framework for the activities of the member states in the field of parental leave. *Official Journal of the European Union*, L68, pp.13-19. Later repealed by Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers.

At the same time, ensuring degree of choice and flexibility, as with SPL, remains important, particularly for those already inclined to take on more caregiving responsibilities. Therefore, similarly to the Women's and Equalities Committee, we recommend the continued provision of SPL with adjustments to address the aforementioned challenges and to align the provision with the revised and flexible paternity leave allowance.⁴ A successful suite of policies utilised by both mothers and fathers will be good value for money, bringing the following potential benefits: positive wellbeing effects of strengthened familial relationships and work-life balance, more equal distribution of household labour, improved female participation in the labour market, and greater workforce productivity and retention. This aligns closely with the UK government's plan to Get Britain Working and the priorities related to the reduction of gender gaps and equal labour market opportunities for all.

Our evaluation finds the introduction of 'six weeks for fathers, paid at 90 per cent average weekly earnings' provides adequate compensation to encourage increased take-up and duration of paternal leave, assuming flexible leave is offered during the first year. Flexibility is critical, enabling fathers to support women's return to work, alongside minimising the impact to businesses to increased employee leave. Furthermore, the policy aligns the entitlement offered to fathers closer with maternity leave, providing six weeks of well-paid leave to mothers and fathers.

We maintain existing eligibility criteria to position the extension as close to current policy as possible. The choice of six weeks is not coincidental: it is informed by international literature.⁵ Furthermore, policy scenarios offering more than six well-paid weeks would require a redesign of maternity leave. We see our proposal as an important first step in the reform.

Under the Central (preferred) take-up estimate, in which 74 per cent of eligible fathers utilise the earmarked leave, and compensation at 90 per cent of AWE, the policy brings net total social benefits of +£12.8 billion each year. The direct annual cost to the government of paying fathers whilst on leave is -£1.3 billion, the value of forgone tax receipts amounts to -£0.21 billion, and increased tax receipts from women's increased labour totals +£0.11 billion annually. The annual cost to the businesses is -£0.42 billion. The total quantifiable and monetisable gain to leave-taking households amounts to +£14.7 billion each year when accounting for wellbeing and labour market benefits as well as tax transfers, or +£0.53 billion when only accounting for labour market gains of mothers' increased

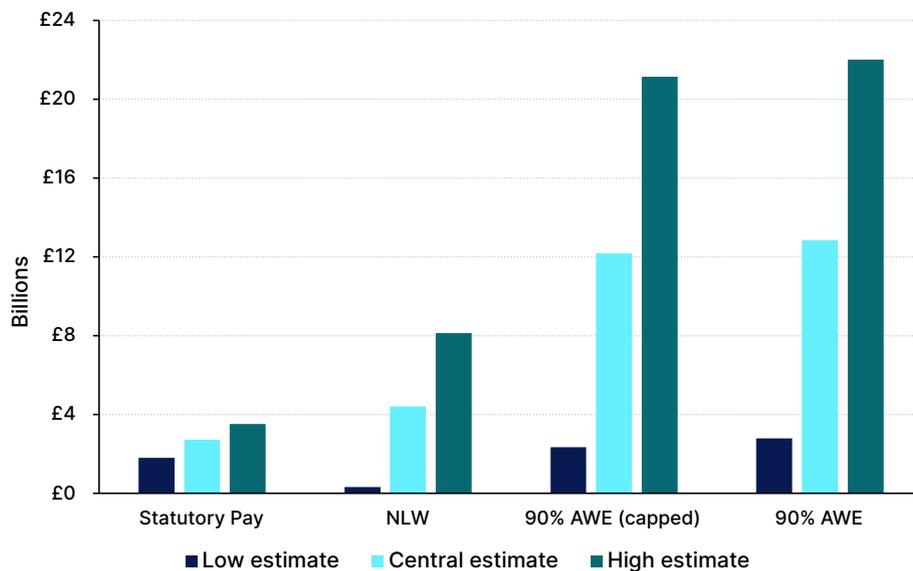
4 Women and Equalities Committee (2025), Equality at work: paternity and shared parental leave, Sixth Report of Session 2024-25, HC 502.

5 22 OECD countries earmark over six weeks for fathers at the equivalent of 100 per cent earnings. These countries have 4pp smaller gender gaps in both wages and labour force participation. Fatherhood Institute, 2024: https://www.fatherhoodinstitute.org/_files/ugd/efff1d_4d71c418c2e44aecb6ed84a11a15bcc7.pdf; Fogden, R. Singh, T. Merkulova T, Brearley, J., Fabianski, L. and Franklin, B. (2023) Leave in the lurch: Paternity leave, gender equality and the UK economy. Centre for Progressive Policy (CPP).

employment and hours worked. The extent of the labour market benefits hinges on the way in which policy is utilised. International evidence suggests earmarked leave has greatest potential when it is taken mostly sequentially and not simultaneously by parents. We anticipate that most of the increase in labour market participation by mothers materialises only in that case. Many potential benefits, such as benefits to child development or changing gender norms, are not monetised due to data and methodological limitations.

We compare this to the other three policy-pay configurations. When introduced with a cap of £1,200 a week, the policy would still yield a net benefit of +£12.2 billion. Although utilising a different methodology and considering predominantly financial costs and benefits to the Treasury and the economy, in their recent report Joseph Rowntree Foundation and the Centre for Progressive Policy also propose an extension of paternity leave to six weeks paid at 90 per cent of average weekly earnings (capped) to maximise growth benefits.⁶ The less generously paid policy configurations – with payments at the National Living Wage or Statutory Paternity Pay rate – also lead to net benefits, even in cases of low take-up. However, the difference between the two more generous cases is much less striking than when lower payments are offered. This is due to much lower take-up rates in cases of poor financial compensation.

Figure 1. Estimated total net benefit of six weeks of flexible paternal leave paid at different rates and assuming different take-up rates



6 Woodruff, L. (2025) Improving Statutory Paternity Leave would benefit families and the economy, Joseph Rowntree Foundation report.

The rationale for change

Gender equality

Currently, women in the UK adjust their labour market behaviour after childbirth more than men, widening the existing gender inequalities in the labour market. The employment rate of women falls from above 90 per cent to below 75 per cent around childbirth, and employed mothers reduce their average weekly working hours from 40 to under 30. This is not the case for men.⁷

‘Complementary’ parental leave policies,⁸ which effectively allow equal involvement of both parents, enable greater attachment by women to the labour market, including earlier return to work after maternity leave; and greater sharing of domestic and caring responsibilities between fathers and mothers. For example, studies of earmarked paternal leave in Quebec suggest that, with fathers’ increased time spent on solo parenting, women’s labour supply increased.⁹

Reduced gender inequalities and greater attachment of mothers to the labour market aligns closely with the government’s ambitions of 80 per cent employment rate, increasing women’s labour market participation, addressing pay inequalities, and ensuring women can realise their full potential and progress in the workplace, all of which contribute positively to economic growth.

Benefits to business

‘Complementary’ parental leave policies positively affect the work-life balance of employees, associated with lower staff turnover and higher productivity.¹⁰ Businesses can therefore benefit from lower recruitment costs, given greater employee and skills retention, and productivity improvements, driven by gains in employee wellbeing.¹¹ Earmarked paternal leave has seen no lasting change in fathers’ working hours upon returning from leave.¹²

7 Andrew, A., Bandiera, O., Costa Dias, M., and Landais, C. (2021) The careers and time use of mothers and fathers. IFS Briefing Note.

8 Such as paternity leave, reserved for fathers – ‘daddy months’ – or shared parental leave.

9 Patnaik, A. (2019). Reserving time for daddy: The consequences of fathers’ quotas. *Journal of Labor Economics* 37 (4):1009–1059.

10 Bennett, B., Erel, I., Stern, L.H., and Wang, Z., 2023. Paid Leave Pays Off: The Effects of Paid Family Leave on Firm Performance. (ECGI Finance Working Paper N° 643/2019).

11 Fogden, R. Singh, T. Merkulova T., Brearley, J., Fabianski, L. and Franklin, B. (2023) Leave in the lurch: Paternity leave, gender equality and the UK economy. Centre for Progressive Policy (CPP).

12 Tamm, M. (2019) Fathers’ parental leave-taking, childcare involvement and labor market participation. *Labour Economics*, 59: 184-197.

Benefits to families

UK parents increasingly want to be able to share leave more equally. Findings of the British Social Attitudes Survey indicate a decline in support for the traditional division of labour and increasing support for both parents working when children are young. Support for more generous parental leave policies than the current UK provision and for increased leave sharing has grown.¹³

Furthermore, ‘complementary’ parental leave policies positively affect family wellbeing. For example, greater paternal involvement in childcare has been shown to improve life satisfaction of both mothers and fathers.¹⁴ Most studies demonstrate important spillover effects to other aspects of family life, such as familial bond, couple stability and fertility.¹⁵ This extends to broader life quality factors, such as health and happiness, that provide long-term benefits to child development and wellbeing.¹⁶

Current leave-sharing policy falls short

Successful parental leave policies are gender egalitarian, generously paid and often (partially) earmarked specifically to fathers.¹⁷ The UK SPL does not work in its current form. Although the number of recipients of the Statutory Shared Parental Pay has increased from 6,200 in 2015/2016 to 13,000 in 2021/2022, still a relatively small group of eligible parents utilises the scheme.¹⁸

Clifton-Sprigg, Fichera, Jones and Kaya¹⁹ show that it has not affected the

- 13 For instance, 22 per cent of respondents in 2012 compared to 39 per cent in 2022 agreed that ‘the mother and father should each take half of the paid leave period’ and a stable 42 per cent across the years supported the mother taking most of the paid leave and the father taking some of it (See: Allen, J. and Stevenson, I. (2023) British Social Attitudes 40. Gender roles. National Centre for Social Research.)
- 14 Korsgren, P. and van Lent, M. (2022) Earmarked paternity leave and well-being. IZA Discussion Paper No. 15022.
Philpott, L.F., Goodwin, J. and Saab, M.M. (2022) Paternal leave and fathers’ mental health: a rapid literature review. *International Journal of Men’s Social and Community Health*, 5(SP1): 29-49.
- 15 Canaan, S., Lassen, A.S., Rosenbaum, P., and Steingrimsdottir, H. (2022) Maternity leave and paternity leave: Evidence on the economic impact of legislative changes in high income countries. IZA Working Paper No. 15129.
- 16 Tugrul, H., Stuckler, D. and Aassve, A. (2024) Long-term impact of parenting-related leave policies on adolescents’ well-being: a systematic review of quasi-experiments. *European Journal of Public Health*, 34(2): 272-282.
- 17 In countries where well-paid shared parental leave and paternity leave are offered, men take on more parental leave and women spend more time in the workplace (See: Bartel, A. P., Rossin-Slater, M., Ruhm, C.J., Stearns, J., and Waldfogel, J. (2018) Paid family leave, fathers’ leave-taking, and leave-sharing in dual-earner households. *Journal of Policy Analysis and Management* 37 (1): 10–37; Patnaik, A. (2019). Reserving time for daddy: The consequences of fathers’ quotas. *Journal of Labor Economics* 37 (4):1009–1059; Ray, R., Gornick, J. and Schmitt, J. (2010) Who cares? Assessing generosity and gender equality in parental leave policy designs in 21 countries. *Journal of European Social Policy* 20 (3): 196–216.) Flexibility of the policy is also important; Ziegler, Lennart and Omar Bamieh (2023). What drives paternity leave: financial incentives or flexibility? Tech. rep. IZA Working Paper No. 15890.)
- 18 Department for Business and Trade (2023) Shared parental leave: evaluation report, BEIS/DBT Research Paper Series Number 2023/010.
- 19 Clifton-Sprigg, J., Fichera, E., Kaya, E. and Jones, M. (2025). Fathers taking leave: evaluating the impact of shared parental leave in the United Kingdom. *Fiscal Studies*, 1–12. <https://doi.org/10.1111/1475-5890.70000>

take-up or length of leave among fathers overall, nor among groups which stood to benefit most from it. UK-specific qualitative research suggests that the inadequate financial support and complex regulations²⁰ as well as strict income and continuous employment eligibility criteria²¹ are the reasons behind the low uptake of the UK SPL. Evidence on how take-up translates into differential involvement of fathers in care and thus labour market impacts is mixed. Solo involvement of fathers, as well as childcare availability and cost at the end of leave entitlements, appear crucial for this outcome.

Our approach

We consider a feasible policy extension of flexible paternity leave from two to six weeks, available to eligible working fathers, and not conditional on mother's employment.²² Within this policy we model four policy-pay configurations in which fathers are compensated at: 90 per cent of average weekly earnings (AWE), with or without a cap, at National Living Wage (NLW) rate and at the current Statutory Paternity Pay (SPP) rate.

This is a longer leave period than the current paternity leave, available to working fathers in their own right and, in our preferred configuration, well compensated. We maintain existing eligibility criteria to position the extension as close to current policy as possible and do not assume changes in complexity, though simplification of procedures would lead to lower costs faced by employers.

We employ Cost-Benefit Analysis (CBA), which allows for a systematic comparison of expected costs and benefits, expressed in monetary terms, through the assessment of both direct fiscal implications and broader societal outcomes, such as improvements in gender equality and wellbeing. Central to the CBA methodology is the conversion of all estimates into a common monetary metric and timeframe, achieved through discounting, which facilitates consistent comparison across outcomes.

We identify several costs and benefits faced by the government, businesses, and households. To quantify and monetise them we draw, where possible, on available UK data and ensure our methodology aligns closely with that employed in the recent Flexibility Reform and Day-One

20 Birkett, Holly and Sarah Forbes (2019). Where's dad? Exploring the low take-up of inclusive parenting policies in the UK. *Policy Studies* 40 (2), pp. 205–224.

21 Bendall, C. and Mitchell, G. (2023). The shared parental leave framework: Failing to fit working-class families? *International Journal of Discrimination and the Law*, 23(4), 299–320.

22 We use the term 'paternity leave' to apply also to non-father 'second' parents, such as a non-gestational mother in a same-sex couple.

Right Impact Assessments²³ to enhance the applicability and relevance of the findings. We take a step beyond the usual approach and quantify some of the benefits which are often described qualitatively, drawing on estimates from the academic literature and Green Book guidance.²⁴

To account for uncertainty in leave uptake, for each policy-pay configuration, we model Low, Central, and High take-up scenario. Accurate prediction is challenging due to fragmentation of academic evidence, data limitations, cultural differences, and the complexity of policy designs. Similarly, historical trends may not predict future behaviour due to evolving social factors. We use information from Leave Network²⁵ for countries identified by the OECD database as offering wage replacement over four to six weeks.²⁶

Cost-benefit analysis of six weeks at 90 per cent AWE

We identify the following potential benefits: positive wellbeing effects of strengthened familial relationships and work-life balance, improved female participation in the labour market, enhanced child development outcomes, reduced gender-stereotypical attitudes, peer effects, and greater workforce productivity and retention (including knowledge and skills). We only quantify the most substantial benefits due to data and methodological challenges.²⁷

On the other hand, the costs incurred to businesses and government are primarily in the form of payments to households taking leave, and the associated administrative costs. Other costs, such as training long-term replacements, are assumed to be negligible due to the short duration of leave. Given the discretionary nature of leave, we have assumed benefits to employees must be equal to or greater than the cost associated with the loss of wages and other non-monetisable costs.

Details of assumptions made, and calculations, are given in the technical appendix. In Figure 2 we present the costs and benefits to the leave paid at 90 per cent AWE (without a cap), depending on the take-up rate applied. The Low estimate sees 49 per cent of eligible fathers utilise the scheme, the Central estimate 74 per cent, and the High estimate 96 per cent. In each case there is a net benefit to the policy.

23 Department for Business and Trade, 2024. Paternity Leave Flexibility reform: De Minimis Impact Assessment (IA); Department for Business and Trade, 2024. Final stage impact assessment: Day 1 right to paternity leave and unpaid parental leave.

24 Wang and co-authors follow a similar approach when analysing the introduction of a national paid family leave programme in the United States. (See: Wang, B., et al., 2024. The Benefits and Costs of Paid Family Leave. NBER Working Paper Series.)

25 Experts from the University of Vienna's International Network on Leave Policies and Research review parental leave policies, statistics, and related research for 50+ countries annually, and ensure cross-country comparability: <https://www.leavenetwork.org/annual-review-reports/>

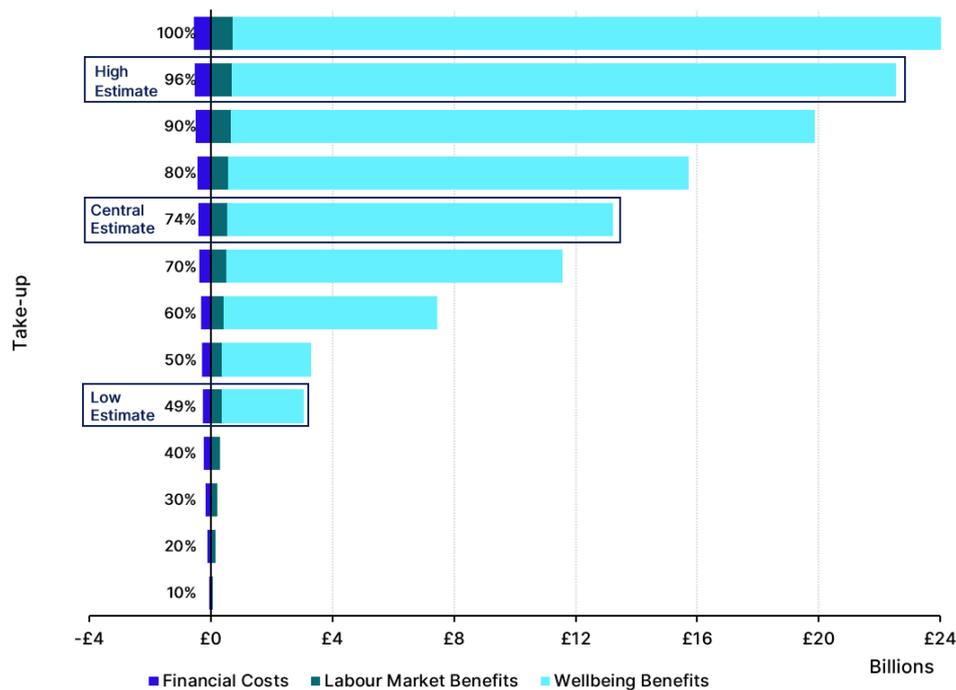
26 Blum, S., Dobrotić, I., Kaufman, G., Koslowski, A., and Moss, P. (2023) International Review of Leave Policies and Research 2023. International Network on Leave Policies and Research; OECD, 2024.

27 Further, we note that benefits are greater with longer leave and when fathers undertake substantial solo parenting.

Our Central (preferred) estimate assumes 74 per cent take-up. As seen from headline figures (Table 1) in this case, we find a net social benefit of £12.8 billion each year, driven by the substantial benefits to the households associated with increased life satisfaction and female labour force participation.

Although integral to economic appraisal in public policy analysis, wellbeing has rarely been quantified and monetised in this context due to methodological and data limitations. For comparability, if we exclude wellbeing gains, the net social benefit arising solely from the labour market effects is approximately £529 million: anticipated female labour force participation increases by 4.5 per cent²⁸ and hours worked (conditional on employment) increase by four per cent,²⁹ bringing GDP gains and additional tax revenue. We note that this is conditional upon fathers using these weeks strictly for childcare, enabling mothers' earlier return to work or increased working hours.³⁰ The policy must therefore encourage sequential take-up for at least some of the six weeks. Regardless, because we do not include unquantified benefits, such as child development and changing gender attitudes, our calculations likely provide a lower bound of net social benefits, which are substantial under every scenario.

Figure 2. Balance of costs and benefits under different take-up rates



28 Farré, L. and González, L., 2019. Does paternity leave reduce fertility? *Journal of public economics*, 172, pp.52–66.

29 Bacheron, J., 2021. The impact of paternity leave on mothers' employment in Europe. (AMSE Working Papers 2021-No 10).

30 For example, the 2022 World Cup caused a transitory one per cent increase in flexible paternity leave taken in Spain, suggesting some fathers were taking leave not solely for childcare, which would limit mothers' increased labour force participation. González, L., Guirola, L., and Hospido, L., 2024. Fathers' Time-Use while on Paternity Leave: Childcare or Leisure? (BSE Working Paper 1463). Barcelona: BSE.

The cost of the policy to the government, from annual paternity leave payments and tax transfer effects, is £1.4 billion. However, this is directly received by households, and therefore a transfer with zero net cost.

The primary cost for businesses is £347 million annually in reorganisation costs, as firms lose an employee for an additional four weeks a year compared to current state. However, six weeks is sufficiently short for businesses not to undergo a long-term replacement hire, as with maternity leave. Furthermore, there is a built-in flexibility in the proposed policy within the first year. Leave may be taken concurrently with mothers, supporting early postpartum recovery, or staggered, to facilitate mothers' return to work. In practice, fathers will likely adopt a combination of these approaches. In that case the additional costs would be distributed across the year.

We find a net positive effect of the policy at all three take-up estimates. Therefore, we conclude there is substantial merit in the implementation of this policy-pay configuration.

Table 1. Total costs and benefits to the government, businesses and households – six weeks of leave at 90 per cent AWE (£Millions)

	Low estimate	Central estimate	High estimate
Government	-£946	-£1,415	-£1,844
Businesses	-£278	-£416	-£542
Households	+£4,000	+£14,658	+£24,385
Net	+£2,776	+£12,827	+£22,000

Note: (-) implies cost, (+) implies benefit, all figures in millions (£)

Table 2. Total costs and benefits by category – six weeks of leave at 90 per cent AWE (£Millions)

Costs	Low	Central	High
Paid leave	-£42	-£63	-£82
Reorganisation costs	-£232	-£347	-£452
Familiarisation costs	-£1	-£1	-£1
Administrative costs	-£3	-£5	-£6
Total costs	-£279	-£416	-£542

Benefits	Low	Central	High
Female labour force participation changes	+£353	+£529	+£689
Wellbeing	+£2,701	+£12,715	+£21,853
Total benefits	+£3,055	+£13,244	+£22,542

Net	+£2,776	+£12,827	+£22,000
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Note: (-) implies cost, (+) implies benefit, all figures in millions (£)

Cap on payments

We also consider a version of the policy where a cap of £1,200 a week is applied on the compensation. Doing so ensures fiscal sustainability and fairness by limiting high payouts to top earners, making the system more equitable and affordable. A cap of £1,200 a week corresponds to £62,400 a year which is close to the current ‘high income threshold’ of £60,000 on child benefit.

This cap would affect the top eight per cent of highest-earning fathers. We assume only slight changes to take-up as fathers on higher incomes may be more able to bridge the temporary earnings gap and may also have a stronger preference for taking longer paternity leave. Furthermore, they are more likely to work for an employer offering enhanced leave packages, in which case the cap is not binding. Overall, in this scenario we anticipate the net benefit of £12.2 billion.

Table 3. Comparison of net cost/benefit across Low, Central and High take-up estimates – six weeks at 90 per cent AWE capped (£Millions)

	Low estimate	Central estimate	High estimate
Net cost/benefit	+£2,336	+£12,169	+£21,142

CBA of six weeks at the SPP and at the NLW

We also evaluate the policy-pay configuration in which pay remains at the current Statutory Paternity Pay rate of £187.18 per week. In this case we expect a much lower take-up rate because low levels of compensation constitute a key barrier.³¹ The Low estimate sees a six-week average of 31 per cent of eligible fathers utilising the scheme, the Central estimate 35 per cent, and the High estimate 38 per cent, derived from adjusting international take-up data to the statutory rate, consistent with the methodology above.

The government would face an annual cost of -£78 million, whilst the businesses would pay -£83 million annually. The benefit to households totals +£2.9 billion. The policy results in a net benefit of +£2.7 billion under the Central (preferred) take-up estimate of 35 per cent, but each scenario yields positive net benefits (Table 4).

Table 4. Comparison of net cost/benefit across Low, Central and High take-up estimates – six weeks at statutory pay (£Millions)

	Low estimate	Central estimate	High estimate
Net cost/benefit	+£1,797	+£2,696	+£3,514

Finally, we consider payments at the National Living Wage rate, currently £12.21/hour or £457.88/week assuming a 37.5-hour work week. Again, because low compensation prohibits take-up, the Low estimate sees a six-week average of 43 per cent of eligible fathers utilising the scheme, the Central estimate 53 per cent, and the High estimate 62 per cent. As before, these estimates are derived from international take-up data and adjusted for payment at the level of NLW, consistent with the methodology applied throughout.

In this case the government faces annual net costs of -£0.62 billion, while the businesses would pay -£0.28 billion. The benefits to households total +£5.3 billion. The policy results in a net benefit of +£4.4 billion under the Central estimate, but each scenario yields net benefits (Table 5).

31 Birkett, H. and Forbes, S., 2019. Where's dad? Exploring the low take-up of inclusive parenting policies in the UK. *Policy studies*, 40(2), pp.205–224.

Table 5. Comparison of net cost/benefit across Low, Central and High take-up estimates - six weeks at NLW (£Millions)

	Low estimate	Central estimate	High estimate
Net cost/benefit	+£313	+£4,393	+£8,117

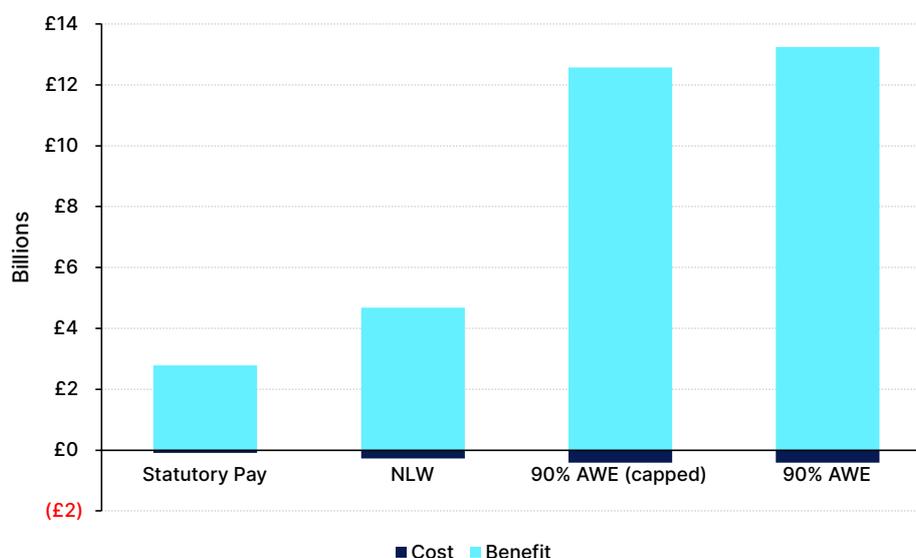
Policy comparison

In Table 6 we compare headline figures for all four policy-pay configurations, assuming the Central take-up scenarios. Applying a cap to payments of 90 per cent AWE leads to only a slightly lower net benefit, whilst also lowering the costs faced by the government. In the case of payments at the Statutory Paternity Pay rate and the National Living Wage the net benefit shrinks significantly, predominantly due to lower expected take-up.

Table 6. Comparison of the net cost/benefit of six weeks of leave using Central take-up estimates and different pay scenarios (£Millions)

Central estimates	90% AWE (74% take-up)	90% AWE capped (72% take-up)	NLW (53% take-up)	Stat pay (35% take-up)
Costs	-£416	-£405	-£281	-£84
Benefits	+£13,244	+12,574	+£4,674	+£2,779
Net	+£12,827	+£12,169	+£4,393	+£2,696

Figure 3. Comparison of the net cost/benefit of six weeks of leave across pay scenarios using Central take-up estimates



Recommendations

1. The government should review the current package of parental leave policies, with consideration being given to the financial compensation and the length of entitlement granted specifically for fathers.
2. Six weeks of flexible paternity leave (taken within the first year) paid at 90 per cent of average weekly earnings and available to employee fathers as a day-one right would be likely to be taken up by a significant proportion of fathers and lead to a net social benefit.
3. The pay could be capped at £1,200 a week. The cap would affect the top eight per cent of highest-earning fathers and result in slightly lower net benefit.
4. Many of the non-monetary benefits of this policy were excluded from analysis due to methodological and data challenges. They should be considered in future work. Therefore, what we provide is an underestimate of the gains to be made.
5. Changes further than proposed increases in the length of fathers' leave entitlement and its generosity would require a greater overhaul of the current system, to ensure alignment with maternity leave and shared parental leave entitlements.
6. Six weeks of well-paid and flexible paternity leave would constitute a desired and important first step in delivering change. It is pivotal to guaranteeing high take-up among fathers. However, transformative change requires carefully considered design to incentivise change within households and workplaces, resulting in greater gender equality. For instance, based on evidence from other countries the labour market benefits are judged to be most likely to materialise in case of sequential rather than simultaneous take-up of some of the leave by fathers. Moreover, other measures introduced alongside the policy would be welcome to reshape gender expectations around caregiving.
7. We support continued provision of SPL but note that redesign is required to remove current barriers to take-up and to align it with the newly proposed paternal leave.

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Technical appendix

Policy currently in place

Currently, employee fathers are entitled to two weeks of paternity leave paid at the Statutory Paternity Pay rate (£187.18 a week in 2025/26). Leave eligibility requires that the father is an employee, gives correct notice, and has been continuously employed for at least 26 weeks up to any day in the 'qualifying week', i.e. 15th week before the baby is due. Fathers are eligible for pay if they also earn £125 a week (before tax).

Although implementation date is unknown, it has been announced that leave will become day-one right, meaning all employee fathers will be entitled to leave from the moment they become employed, i.e. the duration of employment restriction will be lifted. Pay is not a day-one right.

Our proposals

We propose an extension of the existing paternity leave policy from two to six weeks to be taken flexibly within the first year of child's life, available to fathers from the first day of employment. We do not adjust eligibility to include self-employed fathers. Within this we consider the following four policy-pay configurations:

1. Compensated at 90 per cent of average weekly earnings (AWE) without a cap
2. Compensated at 90 per cent of average weekly earnings (AWE) with a cap of £1,200 a week
3. Compensated at the Statutory Paternity Pay rate of £187.18 a week
4. Compensated at the National Living Wage (NLW) of £12.21/hour or £457.88 a week

Conceptual outline of costs and benefits

Based on theoretical and empirical research, we identify several costs (-) and benefits (+) associated with extending the leave length and improving its financial terms for fathers. These costs and benefits are outlined in Table A1. Financial costs include payments made by businesses and governments to fathers whilst they are on leave, as well as reorganisation, familiarisation and administrative costs related to implementation of the policy.

Non-financial costs and benefits include opportunity costs of bonuses and overtime, retention of staff and skills, as well as an array of gender equality (female labour force participation changes, opportunity cost for career advancement, reduced gender-stereotypical attitudes, peer effects) and wellbeing effects and effects on child development. Many of them are unlikely to arise with a six-week period. They are often also difficult to quantify and monetise, due to their abstract nature. We highlight non-monetisable benefits in blue in the table. These include wellbeing as we only monetise the 'life satisfaction' component of wellbeing gains.

We conceptualise 'Female Labour Force Participation Changes' as an expected increase resulting from greater involvement of fathers in the childcare and household responsibilities.³² This includes increased employment of women as well as increased hours worked.

'Wellbeing' captures improvements in life satisfaction³³ and productivity stemming from taking paid leave upon arrival of a child. We expect this to benefit families involved and their employers.

'Child development' encompasses a range of benefits linked to greater paternal involvement in childcare, including higher life satisfaction among both parents, stronger father-child relationships, and positive developmental outcomes for children. These benefits also generate important spillover effects across family life, contributing to stronger familial bonds, greater couple stability, and increased fertility.³⁴ While we anticipate long-term gains in areas such as early education and future earnings, current data limitations prevent us from quantifying these effects within our final analysis.

'Staff retention' is a key cost consideration for businesses, with turnover leading to significant expenses related to recruitment, training, and lost productivity. Paid leave policies can mitigate these costs: the National Partnership for Women & Families (2023) found that employer-level paid leave improves employee retention and productivity without raising operating costs, largely by reducing turnover. By helping retain skilled staff and company-specific knowledge, these policies create cost savings for employers; for households, the benefit lies in avoiding the time and financial burden associated with job loss, such as seeking new employment.

32 When fathers are more involved in childcare through improved paternity leave, mothers' labour supply increases, reducing gender inequalities (see for example Farré, L. and González, L., 2019. Does paternity leave reduce fertility? *Journal of Public Economics*, 172:52-56).

33 Paternity leave increases parents' long-term home-life satisfaction through improvements in their children's wellbeing, development, or bonding (See Korsgren, P. and van Lent, M., 2022. Earmarked Paternity Leave and Well-Being. IZA Discussion Paper No. 15022). Bonn: IZA.

34 Further details on the nature and sizes of these effects can be found in a number of studies, incl. Korsgren, P. and van Lent, M. (Jan. 2022). Earmarked Paternity Leave and Well-Being. IZA Working Paper No. 15022. Institute of Labor Economics (IZA); Canaan, S., Lassen, A., Rosenbaum, P., and Steingrimsdottir, H. (2022). Maternity leave and paternity leave: Evidence on the economic impact of legislative changes in high income countries. IZA Working Paper No. 15129

‘Opportunity costs of bonuses and overtime’ refer to the potential income households forgo when taking leave beyond standard pay, offset in part by employer savings from avoided additional labour costs. We assume that a six-week leave period is unlikely to require temporary cover, and therefore exclude costs associated with covering overtime. Firms could also benefit from savings on other variable costs, such as travel reimbursements.

Another potential cost is the ‘output loss’ resulting from a longer leave period taken by fathers. However, evidence from Europe and the US suggests that paid parental leave does not reduce firms’ output during the leave,³⁵ and improves firm productivity. Moreover, with just a four-week extension of leave proposed here, firms may be able to absorb the temporary loss of an employee, especially if taken flexibly over the year. Nevertheless, the net impact on businesses remains uncertain.

Of the non-financial costs, our analysis quantifies and monetises the increase in female labour force participation, incorporating labour market outcomes associated with improvements in gender equality, alongside improvements in home-life satisfaction, through inclusion of social valuation of wellbeing benefits. ‘Opportunity costs of bonuses and overtime’ for households are assumed to be the inverse of employer benefit, rendering them neutral in our final analysis. Although conceptually well-documented, ‘Retention of staff and skills’ and ‘Child development’ cannot be monetised due to lack of sufficient data and mixed evidence to date.

We do not quantify certain further benefits for data or methodological limitations but address them here qualitatively for completeness. Paternity leave reduces men’s gender-stereotypical attitudes.³⁶ It does not impact either parent’s employment outcomes unless atypically long.³⁷ Taking shorter leave can be a signal of commitment to work³⁸ but, increasingly, fathers not taking earmarked paternity leave are stigmatised.³⁹ Businesses providing paternity pay signals a care for employee wellbeing.⁴⁰ Lengthening paternity leave should therefore reduce the opportunity cost of taking such leave versus career advancement; increase the leave fathers feel able to take before returning to work; and improve employees’ perceptions of wellbeing benefits.

35 Brenøe, A.A., Cnaan, S., Harmon, N.A., and Royer, H.N., 2024. Is Parental Leave Costly for Firms and Coworkers? *Journal of Labor Economics*, 42(4), pp.1135-1174; Bartel, A., Rossin-Slater, M., Ruhm, C., Slopen, M., and Waldfogel, J., 2025. The impact of paid family leave on employers: evidence from New York. *Community, Work & Family*, 28(2), pp.153-171; Ginja, R., Karimi, A., and Xiao, P., 2023. Employer Responses to Family Leave Programs. *American Economic Journal: Applied Economics*, 15(1), pp.107-135.

36 Fontenay, S. and González, L., 2024. Can Public Policies Break the Gender Mold? Evidence from Paternity Leave Reforms in Six Countries. (BSE Working Paper 1422). Barcelona: BSE.

37 See for example Patnaik, A., 2019. Reserving Time for Daddy: The Consequences of Fathers’ Quotas. *Journal of Labor Economics*, 37(4), pp.1009-1059.

38 Waldfogel, J., 1998. Understanding the “Family Gap” in Pay for Women with Children. *Journal of Economic Perspectives*, 12(1), pp.137-156.

39 Dahl, G.B., Løken, K.V., and Mogstad, M., 2014. Peer Effects in Program Participation. *American Economic Review*, 104(7), pp.2049-2074.

40 Bradley, C., Moergen, K. J., Roumpi, D. and Simon, L. S. (2024). Don’t just tell me, show me: Impacting perceptions of organizational attraction and fit using activating LGBT diversity signals. *Personnel Psychology*, 77(3), 1025-1053.

Table A1. Costs and benefits to households, businesses and government

	Costs			
	Households	Businesses	Government	= Total society
Paid leave	+	-	-	-
Forgone tax receipts	+	0	-	0
Reorganisation costs	0	-	0	-
Familiarisation costs	0	-	-	-
Administrative costs	0	-	-	-
Loss of output	0	?	0	?

	Benefits			
	Households	Businesses	Government	= Total society
Female labour force participation changes	+	+	0	+
Increased tax receipts	-	0	+	0
Opportunity costs of bonuses and overtime	-	?	0	-
Retention of staff and skills	+	+/0	0	+
Wellbeing	+	+	0	+
Child development	+	+	+	+
Opportunity cost for career advancement	?	0	0	-
Reduce gender-stereotypical attitudes	+	+	0	+
Reputation/peer effects	+	+	0	+

Note: + implies a benefit, - implies a cost, 0 suggests no effect on that particular party, ? indicates an uncertain effect (often due to the short-term nature of leave). Given in blue are non-monetisable benefits.

Quantification exercise

Affected population

We assume the eligible population of fathers to be 427,100. This is an estimate drawn from the analysis by the Department for Business and Trade (DBT) of the January to December 2023 data from the Annual Population Survey⁴¹ which used 427,100 male employees with children under one as a proxy for the number of eligible fathers. This assumes all working fathers are eligible for the policy, not just those who have been continuously employed for 41 weeks prior to the expected birth week of their child (the current eligibility criterion).

Take-up estimates

Table A2. Assumed take-up rates for respective policies

	Low estimate	Central estimate	High estimate
Six weeks at 90% AWE	49%	74%	96%
Six weeks at 90% AWE (and a cap)	48%	72%	94%
Six weeks at NLW	43%	53%	62%
Six weeks at Statutory Paternity Pay	31%	35%	38%

In Table A2 we present the assumed take-up rates used in the calculations. They were derived using data from [Leave Network](#)⁴² for countries identified in the [OECD database](#)⁴³ as offering wage replacement for paternity leave of four to six weeks.

In Table A3 we identify the countries in question and show take-up rates for their paternity leave policies, the level of wage replacement offered, and the adjustment we apply to infer the take-up in our scenario.

41 Department for Business and Trade, 2024. Final stage impact assessment: Day 1 right to paternity leave and unpaid parental leave [Online].

42 Blum, S., Dobrotić, I., Kaufman, G., Koslowski, A., and Moss, P. (2023) International Review of Leave Policies and Research 2023. International Network on Leave Policies and Research.

43 OECD, 2024. OECD Family Database, [Online] www.oecd.org.

Table A3. Relevant country take-up estimates

Country	Take-up (%)	Payment (%)	Adjusted to 90% (%)
Estonia	90.5	100	81.5
France	70	100	63.0
Spain	68.9	100	62.0
Netherlands	90	84	96.4
Finland	74	82	81.2
Belgium	43.4	79	49.4
Lithuania	73.2	78	84.5
Average			74.0
Min			49.4
Max			96.4

We assume that take-up is linearly correlated with pay. For six weeks compensated at 90 per cent AWE, we scale the relevant take-up to generate High and Low estimates.⁴⁴ We then take an average to arrive at the Central estimate. We also expect there to be some tapering off, with the highest take-up in the first weeks of leave entitlement. To estimate the extent of tapering off, we draw on the annual reviews of various policies in other countries provided by Leave Network and the academic literature. Among countries with most comparable policies, tapering off was minimal in Spain⁴⁵ and Slovenia⁴⁶ but more substantial in the Netherlands, where the payments were capped.⁴⁷ Spain is chosen as a most comparable case, and we anticipate minimal tapering off. Our Central estimate is in line with uptake following Spain's 2018 expansion to a five-week earmarked paternity leave.

In the case of entitlement that is capped at £1,200 a month, we adjust the take-up rate for the eight per cent of fathers likely affected by the cap, which brings the estimation down. We assume that 37 per cent of those affected by the cap work for employers who offer enhanced parental leave packages and the cap will not be binding for them.⁴⁸ The take-up among the remaining 63 per cent within the most earning group will be lower as a result of the cap.

44 Scaled Take-Up = (Take-Up*90%)/(Payment Rate) or (Take-Up*20.4%)/(Payment Rate), dependent on scenario.

45 Farré, L., González, L., Hupkau, C., and Ruiz-Valenzuela, J., 2025. Paternity Leave Reforms in Spain and Their Influence on Fathers' Take-Up. (BSE Working Paper 1487). Barcelona: BSE.

46 Slovenia Country Notes in Leave Network annual reviews.

47 Statistics Netherlands, 2022. Module Arbeid, Zorg en Kinderopvang 2021 [in Dutch]. The Hague: CBS.

48 CIPD, 2025. Equality at work: paternity and shared parental leave. Available from: <https://committees.parliament.uk/writtenevidence/136854/pdf>

We apply the same methodology for six weeks compensated at the SPP and at NLW rates but apply the compensation levels of 20.4 per cent (which is the average payment rate for paternity leave in the UK according to OECD data⁴⁹) and £457.88 (which is an equivalent of earnings for 37.5 hours a week at NLW), respectively. In case of the payments at Statutory Paternity Pay rate we assume that the take-up over the first two weeks remains unchanged, set at estimates identified by DBT analysis⁵⁰ and model lower take-up only in the additional four weeks based on the lower payment rates (Tables A4 and A6). We then apply an average across the six weeks to incorporate this expected tapering.

Table A4. Relevant country take-up estimates, adjusted for SPP payments

Country	Take-up (%)	Payment (%)	Adjusted to 20.4% (%)
Estonia	90.5	100	18.5
France	70	100	14.3
Spain	68.9	100	14.1
Netherlands	90	84	21.9
Finland	74	82	18.4
Belgium	43.4	79	11.2
Lithuania	73.2	78	19.1
Average			16.8
Min			11.2
Max			21.9

Table A5. Estimated take-up rates of fathers in six weeks at SPP

	Low	Central	High
Week one	74%	74%	74%
Week two	66%	66%	66%
Weeks three to six	11%	17%	22%
Take-up estimate	31%	35%	38%

Note: Figures rounded to nearest whole number.

49 OECD Family Database: <http://www.oecd.org/els/family/database.htm>

50 Department for Business and Trade, 2024. Paternity Leave Flexibility reform: De Minimis Impact Assessment (IA)

Table A6. Relevant country take-up estimates, adjusted for NLW payments

Country	Take-up (%)	Payment (%)	Adjusted to NLW- 55% (%)
Estonia	90.5	100	49.6
France	70	100	38.3
Spain	68.9	100	37.7
Netherlands	90	84	58.7
Finland	74	82	49.4
Belgium	43.4	79	30.1
Lithuania	73.2	78	51.4
Average			45.0
Min			30.1
Max			58.7

Table A7. Estimated take-up rates of fathers in six weeks at NLW

	Low	Central	High
Week one	74%	74%	74%
Week two	66%	66%	66%
Weeks three to six	30%	45%	59%
Take-up estimate	43%	53%	62%

Main figures

The basis for most of our calculations is:

take-up rate × number of eligible fathers × effect size × monetary value

Financial costs

We identify the cost faced by government, businesses and households drawing on similar impact assessments and available UK data. The cost faced by the government of additional statutory payments is calculated as 90 per cent of average weekly wage (£752.67), the eligible population of fathers (427,100) and the respective take-up rate. We also consider that

the government experiences a fall in tax receipts during the additional four weeks fathers spend on leave (totalling £211 million in the Central scenario) and a gain in tax receipts from women's increased labour (totalling £106 million); this is a transfer between the households and hence has zero net effect.

UK employers can reclaim a proportion of the statutory payments depending on their size (HMRC, n.d.).⁵¹ We account for this cost borne by employers by calculating the total value of statutory payments reclaimed by businesses as a proportion of total Exchequer costs.⁵² We account for reorganisation costs of £274.48 per employee per week, based on the Confederation of British Industry (CBI)'s wage cost of absence estimate which captures wage costs of absence, reorganisation costs, and non-wage labour costs, such as pension and National Insurance contributions.⁵³

To include non-wage labour costs incurred by larger firms associated with familiarisation, we uprate the median wage of HR managers and directors, estimated at £31.83 per hour.⁵⁴ We assume a one-off familiarisation time of half an hour per large firm, and zero per small firm (as they may only engage with new requirements when directly prompted). For the government cost of familiarisation, we lift HMRC's estimate of £500,000 required to update internal systems in response to the 2024 Flexibility Reform.⁵⁵

Similarly, for administrative costs, assuming arrangements are agreed upon in one discussion with the future parent, we apply an uprated hourly rate per HR Manager of £31.83 for large firms, and an uprated hourly rate per Manager/Director of £28.86 for small firms, with firms of both sizes allocating 0.5 hours per case.

Non-financial benefits

Drawing on relevant academic literature and adjusting to our policy scenarios, we quantify two principal non-financial benefits: Gender Equality and Wellbeing.

Within Gender Equality, we only quantify and monetise 'Female Labour Force Participation Changes' benefits by calculating the expected annual GDP increase from women's increased labour force participation and hours worked (conditional on employment). Based on experience of Spain following one of its leave expansions, we assume an increase of 4.5 per

51 92 per cent reclaim rate for large employers (50+ employees), 103 per cent reclaim rate for small employers (1-49 employees). Great Britain only; Northern Ireland maintains reserved employment law. We remove businesses with no employees.

52 To estimate the number of businesses impacted, we use national Business Population Estimates, assuming the distribution of fathers across firm sizes reflects the overall workforce.

53 CBI, 2018. Time for employers to place workplace health and wellbeing front of mind – CBI/Bupa/HCA Healthcare | CBI. Confederation of British Industry.

54 Department for Business and Trade, 2024b. Final stage impact assessment: Day 1 right to paternity leave and unpaid parental leave [Online]. Department for Business and Trade.

55 Department for Business and Trade, 2024. Paternity Leave Flexibility reform: De Minimis Impact Assessment (IA) [Online]. Department for Business and Trade.

cent, applied to the relevant fraction of eligible households (dependent on the assumed take-up rate) and multiplied by an equivalent increase in GDP per female.⁵⁶ Using estimates from analysis by Bacheron,⁵⁷ we model benefits arising from a four per cent increase in weekly work hours among those mothers in leave-taking households who are already employed (and working an average 28.4 hours a week⁵⁸). We adjust for gender pay differences to estimate GDP gains from women's increased labour.

Of all potential wellbeing benefits we focus on life satisfaction,⁵⁹ quantified by improvements in WELLBYs (discounted wellbeing-adjusted life years) – life expectancy multiplied by self-reported life satisfaction, on a scale from 0-10.⁶⁰ Earmarked paternity leave is expected to increase life satisfaction in Europe by 0.20 points for mothers and 0.14 points for fathers on a 0-10 scale, due to improvements in children's wellbeing, development, or bonding.⁶¹ Since we consider an expansion rather than introduction of leave, from 32 per cent of the studied average to 95 per cent, we scale up the estimate accordingly, and account for an effect due to increase in take-up relative to current situation and an increase in the length of leave taken. Overall, this leads to a 0.023 and 0.016-point life satisfaction increase for mothers and fathers, respectively. Assuming an effect lasting ten years, applying to all eligible population and valued by HM Treasury at £16,604 per WELLBY, this leads to a total value of £12.7 billion.⁶²

56 We do not adjust the percentage, to account for possible diminishing marginal effects. Farré, L., González, L., Hupkau, C. and Ruiz-Valenzuela, J., 2025. Paternity Leave Reforms in Spain and Their Influence on Fathers' Take-Up. (BSE Working Paper 1487). Barcelona: BSE.

57 Bacheron, J., 2021. The impact of paternity leave on mothers' employment in Europe, AMSE Working Papers 2021-No 10.

58 This estimate comes from ONS data on earnings and working hours, available here: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/actualweeklyhoursworkedseasonallyadjustedhour01sa>

59 Paternity leave has been also shown to increase life expectancy of both fathers and children but these benefits are more difficult to quantify and monetise, particularly in the case of a relatively short extension of leave.

60 BiGGAR Economics, 2023. Towards a Wellbeing Economy: The Distribution of Wellbeing in the UK.

61 Korsgren, P. and van Lent, M., 2022. Earmarked Paternity Leave and Well-Being. (IZA DP No. 15022). Bonn: IZA.

62 HM Treasury, 2021. Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance. The WELLBY value is estimated at £13,000 in 2019 prices. We adjust for inflation to obtain £16,604.

Six weeks at 90 per cent AWE

Table A8. Detailed costs and benefits of six weeks paid at 90 per cent AWE

Costs	Low	Central	High
Paid leave	-£42,104,803	-£63,025,180	-£82,116,839
Reorganisation costs	-£231,850,202	-£347,048,311	-£452,176,579
Familiarisation costs	-£1,330,763	-£1,330,763	-£1,330,763
Administrative costs	-£3,269,968	-£4,894,699	-£6,377,407
Total costs	-£278,555,736	-£416,298,953	-£542,001,588

Benefits	Low	Central	High
Female labour force participation changes	+£353,251,901	+£528,770,191	+£688,945,857
Wellbeing	+£2,701,397,075	+£12,714,794,350	+£21,852,888,008
Total benefits	+£3,054,648,976	+£13,243,564,541	+£22,541,833,865

Net cost/benefit	+£2,776,093,240	+£12,827,265,588	+£21,999,832,277
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Six weeks at 90 per cent AWE with a cap

Imposing a cap of £1,200 a week on payments would affect eight per cent of the eligible fathers. We expect 37 per cent of those to be employed in companies offering enhanced payments packages and hence the cap would not be binding in their case. The remaining 63 per cent would be affected and the take-up rate among this group may be lower. Therefore, we assume a slightly lower average take-up rate across all three scenarios (Low – 48 per cent, Central – 72 per cent and High – 94 per cent). The lower payments and take-up lead to lower costs to the government but also affect (although marginally) the benefits.

Table A9. Detailed costs and benefits of six weeks paid at 90 per cent AWE and capped at £1,200 a week

Costs	Low	Central	High
Paid leave	-£34,655,593	-£51,874,722	-£67,588,672
Reorganisation costs	-£231,850,202	-£347,048,311	-£452,176,579
Familiarisation costs	-£1,330,763	-£1,330,763	-£1,330,763
Administrative costs	-£3,269,968	-£4,894,699	-£6,377,407
Total costs	-£271,106,526	-£405,148,496	-£527,473,421

Benefits	Low	Central	High
Female labour force participation changes	+£345,544,732	+£517,233,605	+£673,914,595
Wellbeing	+£2,261,699,651	+£12,056,626,933	+£20,995,347,771
Total benefits	+£2,607,244,383	+£12,573,860,538	+£21,669,262,366

Net cost/benefit	+£2,336,137,857	+£12,168,712,043	+£21,141,788,945
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Six weeks at SPP

We follow a similar approach to that outlined above. Now, when calculating the total cost faced by the government, we use a replacement rate of 20.4 per cent and lower take-up rates, as discussed. Other elements remain unchanged. Also, employer costs – paid leave, reorganisation, and administrative – are lower due to a smaller fraction of eligible fathers taking leave. Lower take-up implies lower benefits as the gains in employment and hours worked, as well as life satisfaction now accrue to a smaller proportion of parents. The benefits of higher labour market participation of women and life satisfaction gains now amount to +£120 million and +£2.66 billion, respectively, under the Central scenario. We find a net social benefit of +£2.78 billion.

Table A10. Detailed costs and benefits of six weeks paid at SPP

Costs	Low	Central	High
Paid leave	-£1,724,207	-£2,586,311	-£3,371,441
Reorganisation costs	-£52,519,472	-£78,779,208	-£102,694,325
Familiarisation costs	-£1,330,763	-£1,330,763	-£1,330,763
Administrative costs	-£740,724	-£1,111,086	-£1,448,380
Total costs	-£56,315,167	-£83,807,369	-£108,844,909

Benefits	Low	Central	High
Female labour force participation changes	+£80,019,785	+£120,029,678	+£156,467,259
Wellbeing	+£1,772,879,493	+£2,659,319,239	+£3,466,612,580
Total benefits	+£1,852,899,278	+£2,779,348,917	+£3,623,079,839

Net cost/benefit	+£1,796,584,112	+£2,695,541,549	+£3,514,234,929
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Six weeks at NLW

As above, due to lower take-up rates, costs to the government and employers are lower than with 90 per cent wage replacement. Life satisfaction benefits are low at low levels of additional take-up, leading to lower net benefits in the Low estimate. Our preferred estimate is the Central estimate which shows greater net benefits than under statutory pay.

The low estimate under the NLW is lower than under statutory pay for two reasons. The costs are higher, but at this level of take-up, the wellbeing benefits still do not accrue. Secondly, as explained, past behaviour is not necessarily indicative of future behaviour. We assume it is (more so) for statutory pay when extending to six weeks, but the lower bounds of all the other scenarios reflect the fact that take-up could fall for unpredictable reasons. The lower bound is unlikely; the Central estimate is our preferred estimate.

Table A11. Detailed costs and benefits of six weeks paid at the NLW

Costs	Low	Central	High
Paid leave	-£21,167,614	-£26,028,593	-£30,464,658
Reorganisation costs	-£203,443,859	-£250,163,169	-£292,798,591
Familiarisation costs	-£1,330,763	-£1,330,763	-£1,330,763
Administrative costs	-£2,869,331	-£3,528,251	-£4,129,572
Total costs	-£228,811,567	-£281,050,775	-£328,723,584

Benefits	Low	Central	High
Female labour force participation changes	+£309,971,392	+£381,153,926	+£446,114,164
Wellbeing	+£232,224,601	+£4,293,220,148	+£7,999,230,869
Total benefits	+£542,195,993	+£4,674,374,074	+£8,445,345,032

Net cost/benefit	+£313,384,427	+£4,393,323,299	+£8,116,621,448
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