

The Fatherhood Trap: Why Australian Dads Want To Take Parental Leave But Don't (Or Can't).



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"There is much more support for fathers to take parental leave than 20 years ago. I guess that before there was the misconception that mothers should take care of newborn babies while fathers work but nowadays it is more like a shared responsibility." - Dad

The Fatherhood Trap: Why Australian Dads Want To Take Parental Leave But Don't (Or Can't).

With the expansion of Australia's Paid Parental Leave Scheme, paid parental leave is a hot topic in workplaces across the country. Businesses are now grappling to understand how their own internal parental leave policies will sit adjunct to and enhance the government scheme. This comes as no surprise given there are very few policy reforms with such substantial social and economic benefits at play.

At its very core, offering gender-neutral parental leave on top of government entitlements is not only the right thing to do, but it's the smart thing too.

As research from the Grattan Institute so aptly puts it: "The payoffs of the successful schemes are clear: greater parental satisfaction, improvements in child development, higher rates of workforce participation, and greater economic security for women."¹

For businesses, the tangible benefits are significant: improved talent acquisition and retention, greater workplace satisfaction, and enhanced productivity to name a few.

Yet despite these known upsides, the take up of parental leave by dads in Australia is still relatively low. According to the Workplace Gender Equality Agency (WGEA), only 13% of all paid primary carer's leave in Australia is taken by men.²

Why is this, and what do we need to do to ensure the dial shifts when it comes to dads taking parental leave?

We surveyed 400 dads to find the answers, and this is what we discovered:

Dads – especially younger dads – want to take parental leave, but there are still a number of organisational, social and cultural factors that inhibit them from taking it.

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"As more fathers take up the leave, the idea that dads can and should play an active role in care will become normalised. releasing both men and women from heavily gendered norms that box in their choices."

Key Findings

73%

Three quarters (73%) of dads **want to take paid parental leave**, but a third (36%) of organisations don't offer it*.

60%

Over half (60%) of dads **have taken less than 4 weeks of paid leave**, and only a fifth have taken 3-4 months of paid parental leave.

72%

Of those who haven't taken leave, 72% say **it's the culture at their workplace** that has prevented them.



Parental leave is fast becoming a **top consideration for dads** when choosing an employer. For 72% of dads, it's their number one priority.

100%

The younger the age, the greater the likelihood that **dads have/will take/plan to take parental leave**. One hundred per cent of 18-24 year olds plan on taking it versus 18% of dads over 55.

The top three reasons why dads want to take parental leave:

- 1. To spend time with their child.
- 2. To share caring duties.
- 3. To support their partner to go back to work earlier.

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"I feel like dads taking leave is becoming more recognised as being necessary. However there is still a stigma of men taking time off for a caring role." - Dad

Have things changed?

An earlier survey conducted by Circle In in 2018 shows that while dads' attitudes have changed, workplaces are still lagging behind with what they are offering or doing to encourage dads to take parental leave.

	2018	2022
My workplace supports me to take parental leave	47%	64%
I've only taken 4 weeks or less of parental leave	75%	60%
For those who haven't taken paid parental leave, the main barrier is	Demands of the job	A workplace culture that doesn't encourage it

* In Australia, eligible employees are entitled to access the government's Paid Parental Leave Scheme. Many organisations offer their own policy in addition to these government entitlements. This figure refers to the additional leave only.

Let's Take A Deeper Look At The Story...

All the indicators point to the fact that when dads take parental leave, they are more engaged in the home, happier, and more productive at work. Their kids fare better too. Then there are the benefits of empowering women to return to work and the significant positive impacts this has on the gender pay gap and the national economy.

Case in point: when dads are supported to take parental leave, it's a win-win for everyone.

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From our own research, we know that dads in Australia want to take time for their families, and we also know, from our global counterparts, that when dads are offered and encouraged to take paid parental leave, they will take it. Let's look at Sweden, for example. In the mid-1970s, in an effort to achieve better gender equality, they were one of the first countries to introduce gender-neutral parental leave, where parents are guaranteed 480 days of paid leave that can be transferred between parents in two-parent households. In 2016, in a bid to encourage more dads to take parental leave, they introduced a new policy – colloquially referred to as "use it or lose it" – where each parent has access to 90 days of paid leave that is nontransferable to their partner. And it looks to be working – fathers in Sweden now account for around 30% of all paid parental leave, according to the Swedish Institute.⁴

More and more governments around the world are now recognising the importance of offering a more gender-balanced parental leave scheme. In 2022, Finland introduced a new scheme that offers each parent the same amount of leave -160 days - plus one parent can transfer up to 63 days to the other. This means the total length of parental leave bumps up from just over 12 months to more than 14 months.

This new gender-neutral policy and the ones like it:

- Create an equal distribution of childcare-related leave;
- Support families of all configurations; and
- Make leave and financial support more flexible as it accounts for the different needs of all family situations.

Australia's Paid Parental Leave Reform

Up until the reforms to Australia's scheme were announced in 2022, the vast majority of dads in Australia have relied on government-funded parental leave, which was 18 weeks for the 'primary carer' (mostly mums) and two weeks for 'dads and partners'.

It's not perfect and the full rollout won't happen until 2026, but these reforms not only bring Australia more in line with other countries around the world but also reflect the fact that families, values, and expectations have changed. They encourage shared caring responsibilities, support greater and more productive lifetime participation of mothers in the workforce, and work towards narrowing the gender pay gap.

Prior to the reforms, Australia ranked 29th out of 38 economically advanced countries for the length of paid parental leave offered to primary caregivers in 2021. The average length among OECD countries was 51.8 weeks.⁵The US has zero weeks of paid leave.

So, what are the changes to Australia's Paid Parental Leave Scheme (PPL)?

1. From July 1, 2023, our PPL will increase to 20 weeks and then continue to increase by two weeks every year until 2026. This will bring it to 26 weeks in total.

2. Individuals who earn over the threshold of \$156,647 are ineligible. Parents can choose to be assessed on a dual income threshold of \$350,000.

3. Parents will be able to take their leave together so they can spend more time at home at the same time with their child.

4. References to primary and secondary carers will be removed.

5. If residency requirements are met, partners will also be able to access the scheme even when the birth mother does not qualify.

"In modern society the responsibility of raising children is a shared responsibility. As opposed to prior generations where the woman was the main carer for children and the man was the breadwinner. This old model of society is now literally obsolete." - Dad

Why Don't More Dads Take Leave?

There isn't a huge amount of research into why dads don't take parental leave, but what we do know is that cultural norms and social expectations play a central role. While the government has finally recognised the need for a more generous and equitable paid parental leave system, it seems a lot of organisations are yet to show up for their parents-to-be, especially dads.

What we also know is that this status quo isn't really working anymore.

Having a child is one of life's most significant milestones with huge impacts financially, emotionally and physically. For many families, this life juncture is a defining moment in how they organise their lives moving forward. According to a Grattan Institute study, "new mothers typically reduce their paid work to take on the lion's share of caring and household work, while fathers typically continue their paid work and take on some extra caring. Caring becomes less time-consuming for both mother and father as the child gets older, but the division of labour established in those early years endures: the average woman does more caring and twice as much household work even a decade after the birth of the first child." ⁶

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"There is often an unspoken, or cultural, discouragement of dads taking time away from work for family reasons." - Dr. Ashlee Borgkvist, It Would Be Silly to Stop Now and Go Part- Time': Fathers and Flexible Working Arrangements in Australia



The parenthood penalty

In late 2022, WGEA reported that the gender pay gap was sitting at 22.8%, which translated to women earning, on average, \$26,596 less than men.⁷Unfortunately, parenthood is a significant contributor to the gender pay gap with many opposite-sex families opting to keep the father in fulltime work because traditionally they earn a higher income. Scenarios like this not only perpetuate the enduring stereotypes that men and women play in caring and paid work but negatively impact attempts to close the gender pay gap.

Gender norms

For many dads, taking parental leave is simply "not the done thing", and we have entrenched and antiquated gender roles to thank for this. A report by the Human Rights Commission found that 27% of fathers had experienced discrimination at work related to their parental leave, ranging from negative attitudes to threats of dismissal.⁸ Another Australian study showed that 34% of men would be seen as less committed to their work if they took parental leave.⁹ Our own survey found that concerns about impacts on career and dads taking parental leave "not being socially acceptable" still exist.

Workplace culture

Engrained workplace attitudes that women rather than men will be the ones taking extended periods away is a key barrier to dads taking parental leave. This is even more problematic considering our study shows that there's a growing appetite amongst dads wanting to take leave. And even when an organisation does have a gender-neutral parental leave policy, the organisation's cultural scaffolding around it doesn't always encourage fathers to take leave or work flexibly. Of the dads we surveyed, over 70% said it was circumstances coming from within their workplace that stopped them from taking parental leave. Issues like lack of support from their managers and lack of flexible work options were the key issues raised.

"Discrimination against men in the area of parenting is commonplace...and this discrimination underpins ancient structures that disadvantage not only men but women and children, too."- Annabel Crabb, political commentator 08

A silver lining

Many domestic sets up have changed because of the COVID-19 pandemic with more stay-at-home dads, and dads wanting to work flexibly and even part-time. Over half the dads in our survey said their views around parental leave and flexibility had changed because of COVID.

We're yet to know how this will play out over the long term and any correlation it may have to the take up of parental leave by dads, but it is certainly a compelling indication of what today's dads actually want.

In the UK, there's been a significant increase in dads opting for the stay-at-home life, a rise strongly connected to COVID lockdowns. A UK study of dads during and after lockdowns highlighted that more than three-quarters of fathers hoped to work flexibly after the pandemic, more than three-quarters wanted to work from home at least some of the time, and two thirds hoped to reduce their working hours to spend more time with their family.¹⁰

We're seeing patterns like these everywhere. Take Andrew Pike for example. In late 2022, this Executive Partner at law firm Herbert Smith Freehills decided to step down to part-time work and make his family a top priority. By choosing to devote more time to his two young daughters, he sent a strong message that carving out time for his family is a) a priority and b) achievable (even in a senior role).

Scenarios like this — ones that normalise dads stepping away from or altering their work arrangements to be with their children — are a testament to the changes in how dads perceive their role in the family.

When more and more workplaces respond with innovative parental leave policies and programs, it will be a big win for families and for gender equality more broadly.



Now, It's Time For Organisations To Step Up. But How?

The fact that Aussie dads account for only 13% of all primary carers leave taken shows that Australia still has a long way to go to embed long-term social and cultural change that actively supports and encourages fathers to take parental leave.

As researcher Dr. Ashlee Borgvist from the University of South Australia says, "this can only be achieved when we have strong social policies supported by business practice." In response to the government reforms, it's now over to businesses to commit to practical and sustainable changes that will mean parental leave becomes an appealing option for Australian dads and families.

The benefits at a business level are immense. The Grattan Institute study found that organisations that implement such schemes enjoy increased take-up by dads, improved connection with the workplace, and positive impacts on talent attraction and retention.¹¹

The top 4 things dads told us organisations need to do:

- 1. Create a culture that encourages dads to take leave.
- 2. Make sure managers provide better support that recognises family responsibilities.
- 3. Offer more flexible working options.
- 4. Create better parental leave policies.

According to WGEA, 6 out of 10 Australian companies provided parental leave to the primary carer of a child in 2021. The average leave offered was 11 weeks. Fifty-five per cent offered the benefit to both women and men.

The four Ps

Parenthood doesn't start and finish with parental leave and neither should the support you provide to your working parents. Here are some tangible changes that you can make within your own organisations to improve the uptake of parental leave by dads:

> Policies - having great policies — like a gender-neutral parental leave and a flexible working policy — is only half the battle but they are a great way of demonstrating how you show up for your employees in their big life moments. Ensuring your parental leave policy is flexible enough to enable a dad to take time off when he wants or needs it will increase the likelihood of him using it. Step up with our <u>Parental Leave Support Pack</u>.

> **Practise** - workplaces also need to focus on creating the right culture to enable dads to take leave. Senior dads role-modelling extended periods of parental leave is really impactful, and sharing powerful real life stories with your teams and normalising what it means for dads to take parental leave is invaluable. Managers also need to be upskilled in how to manage and support dads during this period too, including conversations around promotions, workloads, and reintegration back into the workplace.

> **Partnerships** - partner with Circle In! Our platform features nearly 1,000 practical resources, expert advice, case studies, and best-practice toolkits for you and your people to use in the moments that matter.

> **Promotion -** it's one thing to have all the policies, benefits, and culture in place but another to communicate them. Consistent messaging and an organisation-wide approach to raising awareness are key to the success of take-up.

The Power Of Change

Over the past decade, several organisations in Australia have introduced parental leave schemes that provide the same entitlements for either parent, removing labels around 'primary' and 'secondary' carer, and giving equal opportunity to women and men when it comes to taking on caring responsibilities. They've also developed concerted campaigns to raise awareness and encourage all parents, especially dads, to take advantage of the entitlements.

Ashurst

For global law firm, Ashurst, the introduction of its gender-equitable Global Parental Leave Policy has already had a significant impact on take up rates by dads. The firm has also received many positive stories from its people on how the policy has contributed to attraction. retention, and general improvement of their working life at Ashurst.

The market-leading policy includes:

- 26 weeks fully paid leave available to any eligible staff member irrespective of gender identity;
- No distinction between primary/secondary and maternity/paternity;
- Enhanced leave options including more flexibility within the first two years after the child's birth/adoption, where leave can be taken in one consecutive block, two blocks or may incorporate a fixed term part-time arrangement;
- Inclusion of surrogacy, foster and kinship care; and
- Legal staff to have a three-month reduction in chargeable hours targets when they return from extended parental leave to support their transition back to work.

"In the year after Ashurst introduced its gender-neutral FamilyCare parental leave principles, the firm saw a 31% increase in parental leavers, including a 53% increase in non-birth parents, largely men, taking parental leave. In FY22 approximately 40% of all parental leavers were men. This takes us toward our goal of improved gender equity, and actively demonstrates that men do want to play an active role in the home." - Andrea Bell, Chief People Officer, Ashurst 11

Lifestyle Communities

In recognition of the important role that dads play in family life, and to encourage shared caregiving duties, Lifestyle Communities is always on the lookout for new and innovative ways to support its team - be it through flexibility, the support offered by managers or generous policies and benefits. Lifestyle Communities has just been awarded Employer of Choice for Gender Equality Citation by WGEA.

Watch this video to discover the powerful impact this approach has on dads at Lifestyle Communities:



EnergyAustralia

At EnergyAustralia, one in every two people identify as a caregiver at home, and parents make up the largest caregiver group. With a Family Leave policy that focuses on supporting employees to succeed at work and at home, they're seeing improvements in dads take up of parental leave.

Their innovative policies offer a combination of benefits including:

- 20 weeks' paid parental leave that's completely gender-equal;
- Superannuation on all parental leave periods whether paid or unpaid. Plus, a full-time super benefit to all employees working part-time after parental leave, up to the child's 5th birthday; and
- Flexibility to take paid parental leave over two-years.

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"Paid parental leave should be substantially boosted for fathers and partners, to support men to be more engaged in the early years of their children's lives." - Dad



Stories From Real Dads

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"Taking parental leave really changed some viewpoints I had around work/life balance. It was one of the most valuable things I have ever done and set the foundation for how I will be managing care with my daughter. It really made me see how important the non "big event" time is. Just being there and picking my daughter up, playing alongside her and going for walks - these are the important bits that grow the bond. I hope it also helped my wife take some of the load off. It's made me much more empathetic to what she has to deal with all day. My workplace offers up to 6 months paid leave, which is incredible. No one bats an eye when you take it, and it is heavily encouraged. In general, I think taking parental leave just needs to be more normalised for dads."

- Dean Whitehouse, Service Delivery Manager, Grant Thornton

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"I break my paid parental leave up, typically one week upfront and then two days each week for 3-4 weeks. This allows me to stay on top of work and also help out at home when all kids are there. Other days, one child is at childcare. This also helps with the transition of my wife post the birth. Being able to take leave like this means I can help right after birth, and it gives me an opportunity to bond with my newborn baby."

- Andrew Barakat, Head of Finance, Goodman



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"At EnergyAustralia, we get 20 weeks of paid leave that's gender neutral – and can be used flexibly over two years. Some people might take a week here or a day there, or take it all up front. Superannuation payments are paid on a full-time basis during family leave, including both paid and unpaid periods. EnergyAustralia goes a step further to also pay fulltime super for parents returning to work on a parttime basis until their child reaches school age (so around 5-years of age). For me personally, this policy removes the labels and unhelpful stereotypes and recognises that all families, all parents are really different and unique, and have different needs. The policy's flexibility goes a long way in recognising that. We recently had a second daughter and to be able to support my wife and eldest daughter through the whole period and to be able to spend that time with Abby from late night nappy changes and mixing bottles through to smiles, rolling, and giggles have been amazing. Particularly knowing I've got the support of EnergyAustralia and don't have to worry about what's going on at work or how we're going to pay the bills. Because I took my leave in bulk, it has also opened up the chance for someone else in the organisation to act in my role and have an opportunity for development they may not have had otherwise. These policies help develop people capability, bench strength, and resiliency for the organisation too." - Jason Lee, Maintenance Leader at the Yallourn Power Station, EnergyAustralia.

About The Research

The survey was conducted in partnership with Lifestyle Communities between November and December 2022. The online survey was deployed by You Gov.

Sample size: n = 393

While our research refers to dads primarily in opposite-sex arrangements, we acknowledge that there are many other family constructs (families with two fathers, two mothers, adoptive families, single parent families etc). All families face challenges when it comes to understanding and accessing parental leave, so we hope these findings and recommendations are seen within that broad prism. At Circle In, we support and celebrate all parents and caregivers.



About Circle In

Circle In is a digital-first employee benefits platform that allows your caregiving employees and their managers access to expert advice at every life stage. The advice is practical, data-backed and available on demand on all devices.

Our platform not only supports individual caregivers but also helps managers provide tailored support to the caregivers in their teams that engage and build stronger connections through empathy.

It helps build empathetic people leaders through:

- Support and conversation guides across key stages; and
- Timely nudges to coach your managers in the moments that matter.

We support over 75 leading companies globally to build a family-inclusive workplace and create a culture that supports caregivers every day and in the moments that matter. Externally, we champion and add credibility to their Employee Value Proposition helping demonstrate the deliberate culture they are creating.

For more information, visit: <u>https://circlein.com/</u>.

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