The absence of a federal paid maternity leave has threatened the economic security of low-income families during and after childbirth, compelling many of them to turn to public assistance (Klerman, Daley, & Promak, 2012; Waldfogel, 2005). In the absence of federal paid maternity leave, five states (New York, Rhode Island, Hawaii, New Jersey, and California) currently operate paid maternity leave through Temporary Disability Insurance (TDI) or Short-Term Disability Insurance (SDI). The different approaches that states have adopted vis-à-vis maternity leave comprise an excellent opportunity to examine whether paid maternity leave might promote different policy outcomes as they relate to family economic issues for low-income mothers.

### Research Questions

1. Does the availability of paid maternity leave reduce TANF use for low-wage working mothers following the birth of a child?  
2. Does the reduction vary across states according to the leniency of eligibility rules?

### Hypothetical Expectation

The following hypothetical consideration uses different sets of paid maternity leave (PML) and TANF rules in California and New Jersey to identify those who are most likely to be affected by paid maternity leave among low-income working single mothers with two children. These two state programs represent antipodes of a generous paid maternity leave policy (California) and a restrictive one (New Jersey).

### Methods and Data

This study uses multiple years (2002–2014) of the cross-sectional dataset from the Current Population Survey (CPS) March Annual Social and Economic Supplement. Difference-in-Difference (DiD) design with robust standard logistic regression is used to estimate the effects that paid maternity leave has on TANF use in low-income single female-headed families with newborn children. The outcome of interest is whether mothers did or did not receive TANF during the year in which they gave birth to a child. Residence in five states (California, Hawaii, New Jersey, New York, and Rhode Island) protecting pregnancy through TDI is considered as the treatment. By using these two different eligibility criteria, this study runs two different analyses separately and finds the range of the treatment effect. Definition of subject and control groups are summarized in Table 2.

### Results

The interaction between the treatment group and paid maternity leave, presented as an odds ratio in Table 3, captures the DiD estimates for the net treatment effect and demonstrates the effect of paid maternity leave on those likely to be eligible for it. The net treatment effect of paid maternity leave for both generous eligibility (A) and minimal eligibility (B) in Table 3, are associated with less TANF use (OR = 0.590, p < .05 in model (A); OR = 0.304, p<.001 in model (B)) in states that offer paid maternity leave; this accounts for the difference in TANF use between the treatment group and the comparison group in states that offer no paid maternity leave.

### Discussion

This study finds that availability of paid maternity leave is associated with lower use of TANF. With the wage replacement available via paid maternity leave, low-income mothers are less likely to rely on TANF benefits, which use often afflicts its dependents with strict working requirements, lifetime limits, negative connotations, and political stigmas. In addition, empirical examination of both the California and New Jersey cases indicates that the generosity of paid maternity leave eligibility rules interactively influence the impact of paid maternity leave on TANF use. The differential interaction between paid maternity leave and TANF further suggests various program rules that might be used to provide low-income mothers with economic support during the inevitable job interruption after childbirth.