**Motivation**

- Aging populations and COVID-19 have dramatically increased demands for eldercare, much of which is provided by family members who often juggle between work and caregiving.
- To support workers who take care of family members including newborn children and sick adult members, some states have implemented paid family leave (PFL) policies, offering up to around 6 weeks of paid leave in a calendar year.

**Research Question:** How did state-level paid family leave policies in CA, NJ, and RI impact labor and health outcomes of potential unpaid eldercare providers?

**Contribution to Literature**

- Estimate dynamic heterogeneous effects of eldercare needs on potential caregivers’ outcomes using de Chaisemartin and D Haultfoeuille (2021).
- Use both parental and spousal health shocks to include more types of eldercare needs.
- Use most recent HRS data available up to 2018 and eventually add 2020 data.
- Establish causal relationship by showing pre-event trends and testing whether pre-event placebo effects are jointly zero.

**Data**

- The Health and Retirement Study (HRS), 1992-2018, is a biannual survey of a nationally representative panel of population over age 50.
- Study sample is restricted to respondents aged 50-70 who meet the following criteria:
  - Have lived in any state that have ever implemented PFL.
  - Have a parent or spouse who developed ADL or IADL.
  - Were employed in the private sector within 4 years prior.
  - To support workers who take care of family members including newborn children and sick adult members, some states have implemented paid family leave (PFL) policies, offering up to around 6 weeks of paid leave in a calendar year.

**Methods**

- Estimate the following event-study for all sample and by whether individual had access to PFL:

\[ y_{iast} = \kappa_i + \gamma_a + \theta_a \lambda_t + \sum_{r=1}^{3} \delta_r c_{iast} + X_{iast} \alpha + e_{iast} \]

where \( y_{iast} \) is outcome of individual \( i \) of age \( a \) living in state \( s \) at year \( t \). \( \kappa_i \) is individual-level FE, \( \gamma_a \) is age-level FE, \( \theta_a \) is state-by-year FE, \( X_{iast} \) is a vector of individual characteristics, \( c_{iast} \) is a dummy variable equal to one if parent/spouse needs care.

- Event time \( t \) is survey wave relative to the survey wave in which parent/spouse experiences health shock in the last two years.
- \( X \) includes: marital status, number of siblings, number of children, whether have work limiting disability, whether receiving any pension, whether receiving SSDI.
- Use individual weights and cluster standard errors at the household level.

**Results**

- Even with age fixed effects, Figure 1 shows a clear downward trend of labor force participation and upward trend of retirement for potential caregivers after the onset of their parent or spouse’s health shock.
- Figure 2 shows that access to PFL did not significantly alter the labor outcomes of potential caregivers.
- Figure 3 shows no significant changes to self-reported physical health or self-reported depression levels with the onset of a parent or spouse’s health shock, and Figure 4 shows no significant effects of paid family leave on health outcomes.
- These findings on the labor and health outcomes of potential caregivers were consistent for subsamples limited to women or the bottom wealth tertile.

**Effects of Health Shock**

- Figure 1: Effects of Parent or Spouse’s Health Shock on Potential Caregivers’ Labor Outcomes
- Figure 2: Effects of Paid Family Leave on Potential Caregivers’ Labor Outcomes
- Figure 3: Effects of Parent or Spouse’s Health Shock on Potential Caregivers’ Health Outcomes
- Figure 4: Effects of Paid Family Leave on Potential Caregivers’ Health Outcomes

**References**


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