

# MEASURING PEER EFFECTS IN PARENTAL LEAVES: EVIDENCE FROM A REFORM

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## Abstract

In this paper we estimate peer effects in parental leaves (PLs), analyzing whether mothers' choices may be influenced by prior decisions made by their female colleagues. We identify peer effects through an exogenous variation in the probability that peers take a PL driven by a reform implemented in Italy in 2015 which extended the time period over which parents can receive a paid PL, providing greater flexibility in its use. We focus on post-reform mothers and exploit the heterogeneity in the share of their peers who, due to their children's age, have been affected by the reform. Our findings show the existence of important peer effects: a 10 percentage point increase in the share of peers that took a PL in response to the reform results in mothers being 2.4 percentage points more likely to take a PL. We also find a positive effect on the amount of PLs taken and a negative effect on the probability of working part-time. As suggested by the heterogeneity analysis, signalling about employers' reaction to the use of PLs might be an important channel through which peer effects unfold.

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