

Meeting the Promise of Paid Leave: A Research Brief

AUGUST 2019

PAID FAMILY AND MEDICAL LEAVE has become more prominent in state and national legislative debates. But the details must be right in order to make paid leave work for the people who need it most. Fortunately, the states with the longest-standing paid leave programs – California, New Jersey and Rhode Island – offer a wealth of information about how to design a robust paid leave law. This brief shares new insights about use of these programs and best practices to support workers with low incomes and small employers, based on the report [Meeting the Promise of Paid Leave: Best Practices in State Paid Leave Implementation](#).

Paid family and medical leave programs in California, New Jersey and Rhode Island have helped millions care for themselves and loved ones.

“**I WOULD ABSOLUTELY RECOMMEND THAT [PEOPLE] TAKE ADVANTAGE OF IT. [...] I'M A VERY FAMILY-ORIENTED PERSON, AND I WOULD DEFINITELY RECOMMEND IT IF THEY WANTED THAT EXTRA TIME WITH THEIR FAMILY.**

— 'DIANA,' EMPLOYEE AT A SMALL BUSINESS WHO USED NEW JERSEY PAID LEAVE

- These three programs have provided **paid family and medical leave more than 13.6 million times**. Workers can use paid leave to address their own serious health condition – including mental health needs and conditions related to pregnancy and childbirth – to bond with a newborn or newly adopted child or to care for a seriously ill or injured family member.

- **Men's share of leave for child bonding and family caregiving has increased over time, though a disparity between women's share of caregiving still remains.** Men now take more than one-third of leaves to bond with a new child in California (38 percent) and Rhode Island

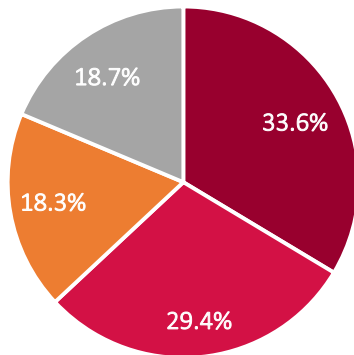
(38 percent). In New Jersey, men's share of child bonding leave has increased more slowly (just 14 percent in 2016), though recent improvements to the state's program are likely to promote gender equity.

- **The majority of leaves are modest in length.** For example, Rhode Island's program covers up to 30 weeks of medical leave, but about three-quarters of claims are for 12 weeks or less.

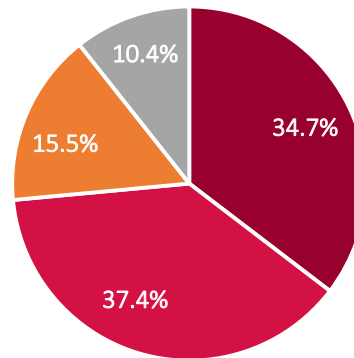
People across income levels take paid leave, and those with middle and lower incomes make up the largest share of claimants.

- In all three states, paid leave programs have been used broadly by workers across income levels. Data indicates utilization has been especially strong among workers with middle- and lower-middle incomes.
- In Rhode Island, use of leave is close to proportional by income level. For example, in 2017, workers with annual incomes under \$25,000 made up about 34 percent of Rhode Island's workforce and filed about 35 percent of paid family and medical leave claims.

Workforce by Income (2017)



Claimants by Income (2017)



■ \$2,500 to \$24,999 ■ \$25,000 to \$49,999
 ■ \$50,000 to \$74,999 ■ \$75,000 or more

Interviews with state administrators and other experts indicate that sustained public outreach and guaranteeing job protection for family leave have been key to the program's success in reaching workers with the lowest incomes.

- In New Jersey, workers paid less than \$50,000 per year made up about 55 percent of the workforce, and about 60 percent of program claimants in 2017. Still, the program could better support the lowest-income workers. Those paid less than \$25,000 per year, particularly men, were underrepresented. New Jersey has enacted improvements that are likely to help, including expanded job protection and a progressive wage replacement rate, which will be fully effective by 2020.

RECOMMENDATIONS TO SUPPORT WORKERS WITH LOW INCOMES

- Inadequate wage replacement has been a barrier to lower-income people's use of paid leave programs, and has resulted in shorter leaves than needed. Disparities in use were starkest among men: Those paid less than \$25,000 a

year made just 7 percent of men's family caregiving claims in New Jersey, even though they made up 25 percent of all men in the workforce.

- **Job protection and anti-retaliation are particularly important for workers with low incomes, workers of color and immigrant workers.** Nationally, millions of workers are not covered by the federal Family and Medical Leave Act or similar state laws, which guarantee the right to return to the same or a similar position after taking leave and include robust protections against employer retaliation for needing or taking leave. Numerous workers interviewed reported fearing or experiencing job loss when they needed to take paid leave. Notably, small employers interviewed did not express opposition to job protection, and several spoke in favor of protecting employees' jobs.
- **Family should be defined inclusively to reflect the range of caregiving relationships working families have.** Workers in this study described caring for grandchildren, siblings and a nephew, among others. For example, “Tanya,” who works as a substitute teacher, had been the primary caregiver for two grandchildren from birth, and formerly provided care for her adult sister, who has an intellectual disability.
- **Provide dedicated funding, staff and other resources for public outreach and education about the program.** Outreach should be conducted on an ongoing basis, not only right after program passage or initial implementation. Consider piggybacking on existing outreach efforts in other public programs, such as SNAP and Medicaid, to reach marginalized communities. Partner with community-based organizations to reach broader audiences.

“**IT WOULD BE A HUGE WIN IF WE CAN ENSURE THAT AN EMPLOYEE’S JOB IS PROTECTED IF THEY WERE TO USE THIS PROGRAM. IT WOULD ALSO BE A VICTORY IF WE CAN COMMUNICATE THIS TO ALL BUSINESS OWNERS.**”

— SMALL RETAIL EMPLOYER
IN NEW JERSEY

Employers generally have adapted well to state paid leave programs.

- **For many employer stakeholders, interacting with these programs was simply an everyday aspect of managing a workforce.** Employers were able to integrate state program benefits with their own offerings, whether by administering leave in-house or outsourcing leave management to a third-party administrator.



IN MY TENURE, WE REALLY HAVEN'T GOTTEN A LOT OF QUESTIONS ON PAID FAMILY LEAVE. [...] WE REALLY DON'T GET A LOT OF REQUESTS TO HOLD A SEMINAR OR WORKSHOP, OR THEY'LL CALL US FOR ANY CLARIFICATION. [...] IT SEEMS TO BE WORKING OUT WELL.

— DIRECTOR OF A STATE BUSINESS ASSOCIATION

- Employers took a range of approaches to coordinating their benefits with state programs. Human resources staff described options including "topping off" state benefits to ensure that employees receive their full usual wages while on leave, providing supplemental long-term disability insurance for lengthier health needs, and offering wraparound services to complement paid leave, such as support for breastfeeding while at work and support services for elder care needs.

- Small employers felt the state program helped them provide needed benefits to employees. Fourteen percent of small employers

interviewed had experienced an employee taking leave under the state program; all reported either a positive experience or had no comment.

- Small employers have strategies for addressing employee absences. Notably, managing absences was an experience all small employers shared, whether or not they had had an employee use the state program. Just 10 percent reported ever hiring temporary workers to replace capacity. Much more often, existing staff filled in: 93 percent reported other employees taking on additional work, and 73 percent reported the owner working additional hours.

RECOMMENDATIONS TO EASE IMPLEMENTATION FOR EMPLOYERS

- Engage employers as key stakeholders throughout the legislative and implementation process. Work with employer stakeholders to ensure requirements are clear and suitable for a range of worksites.

Director of a state business association: "We want to comply. We'll always support well-intentioned bills and regulations. [...] When now it comes to application, that really is where the battle happens. The devil's in the details. Am I going to have to send in quarterly reports or monthly reports? Do I have to keep sets of records everywhere, or can I go to electronic filing? Those things are important."

- Support employers with dedicated and ongoing public outreach. When asked what would help paid leave programs work better for them, employers'

most common response was more information from administrative agencies. Many employers also expressed interest in resources from administrative agencies, such as sample language for employee manuals.

- **Provide clear, timely information as the new program is implemented.** Provide clear instructions about payroll contributions, record-keeping requirements and any other employer responsibilities well before premium collection begins. Publicize premium collection and other requirements. Create user-friendly forms and online portals that individual employers can access, keeping in mind that many employers have minimal knowledge of legal language or jargon related to public policies.

CLEAR, DEFINED INFORMATION WOULD BE HELPFUL. I AM BUSY RUNNING MY SHOP AND CANNOT ALWAYS BE LOOKING UP THE INFO MYSELF.

— SMALL NEW JERSEY EMPLOYER

- **Use multiple channels to reach employers where they are.** Partner with business associations and other agencies to reach broader employer audiences. Conduct ongoing education and outreach to employers in multiple media, such as online, through mailings and through presentations to employer organizations.
- **Provide clarity about employers' responsibilities under paid leave and other related laws.** Coordinate resources about paid leave with resources about other related laws, such as FMLA and unemployment insurance, to help clarify how these laws interact.

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, reproductive health and rights, access to quality, affordable health care and policies that help all people meet the dual demands of work and family. More information is available at NationalPartnership.org.

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