Paid Family and Medical Leave: Busting 10 Common Myths with Facts and Evidence

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At some point, nearly everyone needs time away from a job to recover from a serious illness or care for a sick loved one or new child. Yet the majority of working people in the United States cannot take the time they need without risking their jobs or economic security. Numerous studies show that paid family and medical leave is the right policy for working people, families, businesses and the country. This growing body of evidence demonstrates the need for and value of a national paid family and medical leave policy — and dispels myths and misconceptions that can threaten further progress.

The Truth About Paid Leave

MYTH 1: Working people already have paid family and medical leave or can use other policies, such as paid sick or vacation time, to care for themselves or family members.

FACT: Few people have paid time away from work they can use for serious family and medical needs. Only 13 percent of private sector workers in the United States have access to paid family leave through their employers, and only 40 percent have access to personal medical leave through an employer-provided temporary disability program.²

Just 50 percent of new mothers take *any* paid time away from their jobs to care for a new child.³ For men, it's no better: Just 9 percent of worksites offer paid paternity leave to all employees.⁴ Even within workplaces, employers may offer maternity, paternity or parental leave – as well as sick leave and other types of paid time off – to some of their workers but not to most or all.⁵ Employer's family care policies are variable and whether paid time off is available depends substantially on the nature of the family relationship.⁶

Lower-wage workers and workers of color are even less likely to have access to paid leave. Just 6 percent of lower-wage workers have access to paid family leave, 17 percent have access to short-term disability insurance through their employers, 39 percent have paid sick time, and 50 percent have paid vacation time. But the short time are through their employers and the short time are through their employers.

Despite high-profile announcements from leading companies touting new or expanded paid leave policies, national survey data show that the share of employers nationwide that offer paid maternity, paternity and family care leave has not changed. Even scholars at conservative institutions recognize that policies supported by public funding are needed to make paid family and medical leave available to all workers. ¹⁰



MYTH 2: Businesses don't support a national paid family and medical leave program.

FACT: High-profile companies are increasingly adopting new paid leave policies for their employees, ¹¹ and a growing number of owners of both small and large businesses – in states ranging from California and New York to Texas and Florida – have offered testimonials in support of a national paid family and medical leave insurance program. ¹² According to a 2017 Small Business Majority survey of business owners and operators with fewer than 100 employees, 70 percent said they supported a national insurance program funded through employer and employee payroll contributions. ¹³ An EY survey of employers shows more than half of large employers support a national paid leave standard. ¹⁴

Business owners nationwide know it makes good business sense to take care of their employees. For small businesses, a national paid family and medical leave insurance program can help level the playing field with larger businesses, boost employee retention and offer stability and security. For larger, multi-state businesses, a national baseline could offer greater predictability and administrative ease.

MYTH 3: Businesses do not benefit from or cannot afford paid leave. It will cause them to lay people off or close their doors.

FACT: The testimonials and evidence generated by businesses that have adopted generous paid leave policies speak for themselves. Companies are increasingly identifying paid leave as good for their bottom lines, and new evidence continues to show that policies pay for themselves. ¹⁶ There is no evidence that businesses suffer when workers have paid leave. In fact, all the available research – from employer-generated studies to analyses of paid leave programs in California, New Jersey and Rhode Island; the experiences of people fortunate enough to work for employers that offer some form of paid leave; and analyses of programs in place in other countries – shows that both employers and employees win when people can take paid time away from their jobs to address important family and medical needs.

Paid leave improves worker retention, which saves employers money through reduced turnover. Across all occupations, median turnover costs are estimated to be 21 percent of workers' annual wages. For high-wage, high-skilled workers, including those in technology, accounting and law, turnover costs can amount to 213 percent of workers' salaries.¹⁷

Prominent, profitable companies lead the way in providing paid leave. They know that paid leave policies help them recruit and retain top talent, and that satisfied, healthy workers are more productive. For example, in 2007, Google increased the paid leave it offered new mothers to five months to stem a loss of women employees, helping to maintain a diverse workforce that fosters innovation. Google found that their enhanced policy cut attrition among new mothers in half and, as a result, is cost-neutral. Small businesses also support paid leave policies because it helps them compete with larger companies.

Whether employers offer paid leave to attract and retain workers, or whether workers gain access to paid leave through public policies, businesses experience cost savings and other benefits when workers can take paid leave to address family and medical needs. Nevertheless, experience shows that voluntary employer practices only go so far and leave out some of the most economically vulnerable workers whose personal and family care needs are no less urgent than those of other workers. Government can and should play a role in setting basic standards that eliminate gaps and promote equality, and in helping both workers and businesses adapt to those standards.

MYTH 4: Businesses would bear significant costs if more working people had access to paid family and medical leave.

FACT: Businesses are already bearing the cost of employees who are absent, forced to quit to address health issues or care for family members, or working at less than full productivity. But businesses' balance sheets don't account for these costs. Direct turnover costs include those associated with separation, higher unemployment insurance, temporary staffing and searching for, interviewing and training new workers.²² Indirect costs can arise from lost productivity leading up to and after employee separations, diminished output as new workers are onboarded, reduced morale and lost institutional knowledge.²³ Moreover, most paid leave proposals don't impose the full cost of providing leave on employers. Instead, they use public funds generated through payroll deductions from employers, employees or both. A growing list of employers support this approach, as do a majority of small business owners, according to a recent public opinion survey.²⁴

MYTH 5: "One-size-fits-all" public paid leave policies create untenable administrative burdens for businesses and reduce flexibility.

FACT: Paid family leave insurance programs in California, New Jersey and Rhode Island are dispelling employer concerns about administrative hassles and reduced flexibility. Research analyses show that program administration has not been challenging for employers. The California Society for Human Resource Management, an organization of human resources professionals, declared that California's law is less onerous than expected. A consultant for the New Jersey Business and Industry Association found that, regardless of business size, New Jersey businesses have had little trouble adjusting to the requirements of the state's paid leave law. In fact, a majority of medium and large New Jersey businesses reported no increased administrative costs as a result of the program (64 percent and 59 percent, respectively). And some small California businesses are even more supportive of paid leave programs than larger businesses.

Employers who are concerned about implementing paid leave policies can learn from the many businesses that are leading the way on paid leave by adopting policies of their own. These businesses can help allay concerns and answer questions about how employers can address business or management issues that might arise when employees take family and medical leave – for example, best practices in cross-training employees, re-assigning work, or hiring temporary employees while permanent ones deal with family or medical issues.²⁹

MYTH 6: Employees abuse paid leave when it is available to them.

FACT: Evidence from California, New Jersey and Rhode Island shows that abuse of paid leave is rare and that such fears by employers are unfounded. Ninety-one percent of California employers surveyed said they were unaware of any abuse of the state's program. Nearly all that suspected abuse knew of no more than five instances in which abuse of paid family leave had occurred; more than one-quarter could only cite one instance.³⁰ Research from New Jersey revealed not a single instance of abuse.³¹ These data are consistent with employer experiences with unpaid leave under the federal Family and Medical Leave Act (FMLA). Research from the U.S. Department of Labor finds very low rates of suspected abuse and even fewer cases in which abuse of the FMLA was confirmed.

In addition, the experiences of employers that offer paid leave, such as EY, Accenture and a growing list of California and New Jersey employers, indicate that employers are rewarded

with reduced turnover costs and more dedicated and productive employees when they provide paid leave, rather than being burdened by abuse.³²

MYTH 7: People don't like paid leave because it means they have to pick up the slack for co-workers who take time away from work.

FACT: People want paid leave for themselves and their co-workers. They understand that this will mean they will occasionally have to pitch in for someone on leave but, in turn, they will have the same economic security and ability to take time when their own health or caregiving needs arise. Research from New Jersey (where a state paid leave program has been in effect since 2009) supports this, showing that workers do not resent absent co-workers who take paid family or medical leave.³³ Similarly, a survey of California workers who reported having a co-worker who took family leave (61 percent) found that 94 percent of these workers said the co-worker's leave had a positive (25 percent) or no effect (69 percent) on them.³⁴ Additionally, inclusive paid leave policies that cover working people at all stages of life – whether they are caring for a new child, an ill parent or their own serious health issue – help ensure fairness and prevent resentment in the workplace.³⁵

In short: At some point, almost everyone will need time away from work to care for their own health or that of a family member. That is why a national paid family and medical leave program has the support of nearly eight in 10 voters – across demographic, partisan and regional lines.³⁶ The public knows that a national paid leave program would strengthen the workforce, families, businesses and our economy.

MYTH 8: A national paid leave program would be too expensive.

FACT: Paid leave offers important returns on investment, including greater workforce attachment and higher wages for mothers, retention of older employees, and reduced use of safety net programs.

The United States economy and all taxpayers are already paying in multiple ways because people don't have paid leave. For example, a recent Pew Research Center study found that nearly one-fifth (17 percent) of people who took family and medical leave and did not have adequate access to paid leave turned to public assistance in connection with that leave; among low-income parents who took leave, nearly one-half (48 percent) reported using public assistance to help recoup lost income after the birth or adoption of their child. The same study also showed the extent to which people who take leave deplete savings, take on debt or put off paying their bills.³⁷

Creating a national program that provides basic paid family and medical leave benefits to everyone would cost money, but an efficiently designed program would be deficit neutral and self-sustaining. Both individuals and employers could contribute small amounts and experience positive effects.

MYTH 9: Paid leave will hurt the United States' global competitiveness.

FACT: Other countries recognize that providing paid leave supports economic competitiveness; in fact, the most competitive countries in the world offer paid leave. It's past time for the United States to catch up. Out of 185 countries and territories in the world surveyed by the International Labor Organization, the United States is one of only two to offer no paid maternity leave.³⁸ Among developed economies, the United States is the only

country that does not guarantee paid maternity leave, and all but four (Ireland, Switzerland, Turkey and the United States) offer paid parental leave to new fathers.³⁹

The United States would add about 5 percent to its gross domestic product if women participated in the workforce to the same extent as men,⁴⁰ and it stifles our economic standing when women can't make work work. Women's workforce participation climbed substantially in the United States in the 1970s and 1980s but has stagnated since then relative to other developed countries.⁴¹ Part of the reason many women don't continue working is that the United States lacks basic workplace supports and child care policies.⁴² When paid leave is available to women and men, it helps women stay in the workforce and succeed over time.

MYTH 10: It is not the right time for a national paid leave insurance program.

FACT: It is exactly the right time. A majority of working people in the United States cannot take the time they need to care for themselves or their families without risking their jobs or economic security. Working people and families in the United States lose nearly \$21 billion annually in lost wages because they can't access paid family and medical leave. If the United States and its leaders are serious about valuing families, paid family and medical leave is an important place to start. New parents who return to work without taking paid leave are paid lower wages than workers who were able to take paid leave. A year after a child's birth, these parents are less likely to be employed and are more likely to receive public assistance and food stamps than workers who took paid leave.

Older workers who must drop out of the workforce to care for an aging parent lose wages and retirement income, and health care costs rise when family caregivers are unavailable to help with care transitions or care for seriously ill family members.⁴⁶ These losses harm individual families, reduce national, state and local tax revenues, and increase demand on the health care system and safety net programs.

The need for paid family and medical leave is nearly ubiquitous but, for too long, individuals and families have been left to search for solutions on their own. Economic pressures and demographic trends underscore the urgent need to create family friendly policies that work for the nation. Lawmakers, businesses, advocates and working people must transform the country into a nation that truly reflects its family values.

As Myths are Dispelled, Paid Leave Advances

Today's patchwork of paid leave policies must be replaced with a system that gives working families the financial stability they need and deserve, and helps employers build workforces that are healthy, happy and productive. Models and lessons from California, New Jersey, Rhode Island, and soon, New York provide a good place to start. An effective national paid family and medical leave solution should be available to all working people; reflect all of the well-established reasons people need family and medical leave; apply equally to women and men; protect workers against retaliation for taking leave; and be affordable for workers and cost-effective for employers.

It is well past time for national paid family and medical leave in the United States. For more information, visit, NationalPartnership.org.

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

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