

# Paid Leave Works in California, New Jersey and Rhode Island

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**Five U.S. states and the District of Columbia have laws guaranteeing paid family and medical leave. Evidence from the first three states to enact paid leave demonstrates how well these policies work – and this body of evidence will continue to grow** as new programs take effect in New York, Washington state and the District of Columbia. These programs provide workers with a share of their wages when they need time to care for a family member with a serious health condition, bond with a new child or deal with their own serious medical issue.

## Paid Leave Policies Have Helped Millions of Families

- ▶ **California** workers filed nearly 2.8 million paid family leave claims between the implementation of the state's paid family leave program in 2004 and November 2017. More than 2.4 million of these claims were by parents seeking time to care for new children.<sup>1</sup> In that same period (July 2004 – November 2017), more than 9.5 million claims were filed by workers for their own disability.<sup>2</sup> California families have experienced positive economic and health effects due to the program, and the vast majority of California employers perceive a positive effect on employee productivity, profitability and performance, or no effect, which means the fears some employers articulated when the policy was being considered never materialized.<sup>3</sup> The California program has been expanded multiple times since its adoption – to broaden the range of family members for whom caregiving leave can be taken, to increase benefit levels for lower- and middle-wage workers, and to make more workers eligible for job protection when they take parental leave.<sup>4</sup>
- ▶ In **New Jersey**, workers filed more than 255,000 leave claims between the family leave insurance program's implementation in 2009 and December 2016 – more than 205,000 filed by parents seeking time to bond with a new child.<sup>5</sup> Three out of four workers (76.4 percent) say they view the program favorably, and support crosses gender, race/ethnicity, age, marital status, union affiliation, employment status and income.<sup>6</sup> The majority of both small and large businesses say they have adjusted easily.<sup>7</sup>
- ▶ In **Rhode Island**, workers filed nearly 34,000 claims between the state's implementation of its paid family leave program in 2014 and the end of 2017 – more than three-quarters of approved claims were to bond with a new child.<sup>8</sup> Research among new parents, family caregivers and businesses suggests the law is working well.<sup>9</sup> Rhode Island's program improved upon the programs in California and New

Jersey by guaranteeing workers reinstatement to their jobs and offering protection from workplace retaliation for taking paid leave.

- ▶ In **New York**, legislators adopted a new paid family leave program with nearly unanimous bipartisan support.<sup>10</sup> The program took effect in 2018 and will be fully phased in by 2021.<sup>11</sup> Eighty percent of New York voters said they supported the proposal prior to enactment.<sup>12</sup> When fully implemented, New York will provide 12 weeks of job-protected paid family leave.<sup>13</sup>
- ▶ In the **District of Columbia**, a new paid family and medical leave law is scheduled to take effect in 2020. The program will provide up to eight weeks of leave for new parents, six weeks to care for a seriously ill family member and two weeks to care for one's own serious health condition. The program was the first paid leave program in the country to be enacted without an existing temporary disability insurance law.<sup>14</sup>
- ▶ Most recently, **Washington** state lawmakers enacted a paid family and medical leave law with strong bipartisan support. It will take effect in 2019 and 2020 and provide between 12 and 18 weeks of leave for workers to care for a new child, care for a family member's serious health condition or deal with their own serious health condition.<sup>15</sup>

## Proven Results for Workers and Families

- ▶ **Paid leave improves child health outcomes.** Paid leave gives parents time to establish a strong bond with a new child during the first months of life, which results in long-term health benefits for both children and parents. Breastfeeding duration increased substantially among California women who took paid leave, with significant increases in breastfeeding initiation among mothers in lower quality jobs.<sup>16</sup> For low-income families in New Jersey, researchers found that new mothers who use the paid leave program breastfeed, on average, one month longer than new mothers who do not use the program.<sup>17</sup> Preliminary research in California suggests that paid leave may also help prevent child maltreatment by reducing risk factors, such as family and maternal stress and depression.<sup>18</sup> A longitudinal study in California indicates many positive health outcomes for elementary school aged children following the implementation of paid leave, including lower probabilities of having ADHD, hearing problems or recurrent ear infections or being overweight – especially among children with lower socioeconomic status and with mothers who have lower educational attainment.<sup>19</sup>
- ▶ **Fathers and children benefit from paid leave.** Access to paid family leave encourages fathers to use leave for bonding and caregiving. And when fathers take leave after a child's birth, they are more likely to be involved in the direct care of their children long term.<sup>20</sup> In California, the number of fathers filing leave claims increased by more than 400 percent between 2005 and 2013, as the state's program became better established.<sup>21</sup> In the first year of Rhode Island's program, a greater proportion of new dads took leave to bond with a newborn or adopted child than did new dads in the first year of the California or New Jersey programs.<sup>22</sup> As a much newer program, this suggests a broader cultural shift around fathers taking leave and, potentially, greater knowledge of its benefits.
- ▶ **Paid leave helps caregivers arrange care for their families.** Studies in California and Rhode Island found that parents who use those states' paid family leave programs are much more likely than those who do not to report that leave has a positive effect on their ability to care for their new children and arrange child care.<sup>23</sup> Paid leave also helps people who care for older adults: A California study found that the

implementation of the state's paid leave program accounted for an 11-percent relative decline in elderly nursing home usage.<sup>24</sup>

- ▶ **Paid leave helps workers provide for their families.** An analysis of California's paid leave program found that the program increases the short-term and long-term labor force participation rates of family caregivers with an 8-percent increase in the short run and a 14-percent increase in the long run. The long-term increase in labor force participation was higher among workers in lower-income households.<sup>25</sup>
- ▶ **Paid leave means families are less likely to use public assistance.** An analysis of states with paid family leave or temporary disability insurance programs found that new mothers in those states are less likely than new mothers in other states to receive public assistance or food stamp income (now known as SNAP, the Supplemental Nutrition Assistance Program) following a child's birth, particularly when they use the paid leave programs.<sup>26</sup> New mothers in states without paid leave programs report participating in some type of public assistance program more than twice as often as those living in states with paid leave programs. And in the year following a child's birth, new mothers living in states with temporary disability insurance programs are 53 percent less likely than women in other states to report using SNAP.<sup>27</sup>

## Demonstrated Benefits for Businesses

- ▶ **Paid leave improves businesses' bottom lines.** Paid leave insurance programs are an affordable, sustainable way for businesses of all size to support their employees when serious family and medical needs arise. A recent survey conducted by the professional services firm EY found that the majority of large companies support the creation of paid family and medical leave programs on the state or federal level that are funded through tax contributions.<sup>28</sup> In New Jersey, about six in 10 medium- and large-sized businesses report no increased administrative costs as a result of the state's paid family leave program.<sup>29</sup> A survey of California employers revealed that 87 percent confirmed that the state program had *not* resulted in any increased costs, and 60 percent report coordinating their benefits with the state's paid family leave insurance system – which likely results in ongoing cost savings.<sup>30</sup>
- ▶ **Paid leave is good for small businesses.** Multiple surveys have found that the majority of small business owners support the creation of family and medical leave insurance programs at the state and federal levels, as these programs make the benefit affordable, reduce business costs, protect small business owners themselves and increase their competitiveness.<sup>31</sup> In California, although all employers report positive outcomes associated with paid leave, small businesses (those with fewer than 50 employees) report more positive or neutral outcomes than large businesses (500+ employees) in profitability, productivity, retention and employee morale.<sup>32</sup> A survey conducted for the New Jersey Business and Industry Association found that, regardless of size, New Jersey businesses say they have had little trouble adjusting to the state's law.<sup>33</sup>
- ▶ **Employee retention can also improve significantly with paid leave, especially among lower wage workers.** A report from Rutgers' Center for Women and Work found that women who take paid leave are 93 percent more likely to be in the workforce nine to 12 months after a child's birth than women who take no leave.<sup>34</sup> In California, workers in lower quality jobs who used the state paid leave program reported returning to work nearly 10 percent more than workers who did not use the program.<sup>35</sup>

- ▶ **Paid leave improves employee morale.** A recent EY survey found that more than 80 percent of businesses that offer paid family leave report a positive impact on employee morale, and more than 70 percent report an increase in employee productivity.<sup>36</sup> In California, virtually all employers (99 percent) report that the state’s program has positive or neutral effects on employee morale.<sup>37</sup> Several New Jersey employers interviewed as part of a small study note that the state’s paid leave program helps reduce stress among employees and helps improve morale among employees who took leave and their co-workers.<sup>38</sup>
- ▶ **Paid leave programs are used as intended by workers without burdening employers.** The California Society for Human Resource Management, a group of human resources professionals that opposed California’s paid family leave law, declared that the law is less onerous than expected,<sup>39</sup> and few businesses in their research reported challenges resulting from workers taking leave. In Rhode Island, a study of small- and medium-sized employers conducted after the state’s program came into effect found no negative effects on employee workflow, productivity or attendance; the majority of employers surveyed said they were in favor of the new program.<sup>40</sup>

## A Clear Case for a National Solution

All workers in the United States need to be able to take time away from their jobs when serious family and medical needs arise, without jeopardizing their financial stability. The success of the programs in California, New Jersey and Rhode Island demonstrates that progress is possible – and that there is an effective, affordable and proven model that works for families, businesses and economies.

**People’s access to paid leave shouldn’t depend on where they live, who they work for or what job they hold. It is past time for a national solution.** Gone should be the days when only 15 percent of workers in the United States have access to paid family leave, and fewer than 40 percent have paid medical leave.<sup>41</sup> Everyone needs and deserves time to care for their health and their families. Learn more at [NationalPartnership.org/PaidLeave](http://NationalPartnership.org/PaidLeave).

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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](http://NationalPartnership.org).

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