

Paid Leave Is a Lifeline for Workers and Families

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As policymakers finalize details in President Joe Biden's Build Back Better agenda, this analysis provides new data showing how different policy compromises can impact individual families.

House Ways and Means Chairman Richard Neal's [Build Back Better Act](#) offers the most effective paid family and medical leave policy for the range of caregiving needs across a lifespan.

Life calls. Whether due to a worker's own illness like COVID-19, the illness, injury or disability of a family member, or a major life event like having a child, every worker needs to take time off at some point. But nearly eight in 10 workers do not have access to paid family leave at work, and six in 10 lack personal medical leave through an employer's temporary disability insurance.¹ If everyone had national paid leave, a typical worker who takes 12 weeks of family or medical leave in a given year would receive almost **\$8,700** in benefits from the program.² That's equivalent to **nearly eight months in rent, more than eleven months of child care payments** or almost **thirteen months of food**.³ While this brief is focused on the direct benefits of a federal paid leave policy to individuals and families, a lack of family policies like paid leave and adequate child care costs the U.S. economy upwards of \$650 billion per year, or nearly 3 percent of total GDP.⁴

The Build Back Better Act would provide working people in the United States:

- **Up to 12 weeks of paid leave:**
 - **For their own serious health conditions**
 - **To welcome a newborn, newly adopted or foster child**
 - **To care for a family member with a serious health condition**
 - **For military caregiving purposes**
 - **Three days for bereavement leave after the death of a parent, spouse or child**
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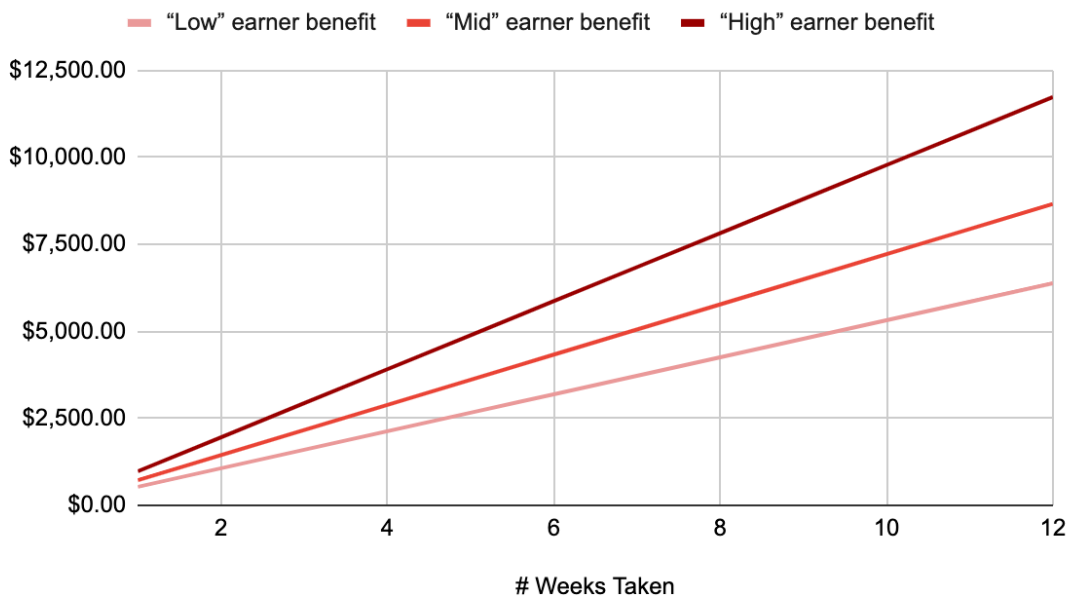
Table 1: Benefit Based on Number of Weeks Taken, for High-, Mid-, and Low-Wage Workers. (These data, with additional weeks of leave, are reflected in the graph below.)

# of Weeks Taken	“Low” Earner Benefit (\$34.6k annual)	Median Earner Benefit (\$51.5k annual)	“High” Earner Benefit (\$81k annual)
12 weeks	\$6,384	\$8,661	\$11,734
9 weeks	\$4,788	\$6,495	\$8,800

Notes: 12 weeks is the maximum benefit under the FMLA; nine weeks is the average length of leave in states with paid family and medical leave policies.⁵

All Workers, Regardless of Current Access, Will Benefit from Paid Leave

Leave Benefit, by wage level and # weeks taken



About one-third of workers – including 36 percent of Black workers and nearly half of Latinx workers – have **no access to any form of paid time off**.⁶ Low-wage workers, disproportionately women and people of color,⁷ are the least likely to have paid sick days, and only 5 percent of the lowest-paid workers have access to paid family leave.⁸ A majority of low-wage workers are ineligible for even unpaid leave under the Family and Medical Leave Act (FMLA),⁹ and low-wage workers are especially likely to report financial hardship due to lack of pay during leave, including needing to borrow money or use public assistance.¹⁰ Some of the most vulnerable

workers during the pandemic – cashiers, servers and domestic workers, among others – have the least access to paid days off.¹¹ In recent surveys, two-thirds of those who need leave but don't take it say they are unable to take leave because they cannot afford it.¹² These workers would benefit the most from the additional income through this policy. For example, someone making \$15 per hour who would previously have lost nine weeks of income from an unpaid leave would instead see their pre-tax take home pay increase by \$4,300, or 17 percent above what they would've received without a national paid leave program.¹³

But all workers will benefit from federal paid leave. Just 21 percent currently have dedicated paid family leave, and 40 percent have personal medical leave. That means a majority of those workers will likely deplete vacation or personal time in order to face a family or medical issue – and will often still fall short during serious health and caregiving episodes. Even among workers who currently have some form of paid time off, the amounts available are typically modest.

Among workers who have access to one or more of these benefits, the median amount:

- of paid sick leave provided is just seven days;
- of vacation, a median of 10 days; or,
- of consolidated PTO, a mean of 14 days.¹⁴

Access to 12 weeks of paid family and medical leave will ensure these workers are not forced to choose between using sick time to stay home with the flu and having adequate time to recover from childbirth or care for an older parent.

New Parents Will Benefit from Federal Paid Leave

While medical leave is the most common use of unpaid leave under the Family and Medical Leave Act, the birth or adoption of a child accounts for one out of every five instances of FMLA leave, or more than 3 million instances per year.¹⁵ National paid family leave would allow parents to stay home with a new child without fear of income loss, and would cover \$6,000-8,000 for a typical working parent, based on the average length of leave new parents take.¹⁶ Further, studies show that paid maternity leave improves outcomes for mothers and children in terms of physical and mental health, especially for Black and Latina mothers and their children.¹⁷ Taking at least twelve weeks of paid leave maximizes benefits such as reduced risk of post-partum depression and increased likelihood of breastfeeding, and would result in an estimated 600 fewer infant and post-neonatal deaths per year.¹⁸

Progressive Benefits Work Toward Income and Racial Equity

Under the Build Back Better Act, the rate of income replacement to workers who take paid leave is progressive, or on a sliding scale to ensure that workers with low incomes can afford to take leave. For example, someone who makes \$15 per hour makes \$600 per week for full-time work; under a progressive paid leave program, they would receive 80 percent of that, or \$480 for one week of leave. Meanwhile, someone making \$30 per hour (\$62,400 annually) would see a lower

replacement rate of around 67 percent. For those who make more than \$100,000 per year, the replacement rate is less than 55%, and the total benefit amount is effectively flat for those who make above \$250,000.¹⁹

Due to racial and gender pay gaps, a flat wage replacement rate would exacerbate existing racial and gender inequities and prevent the lowest-income workers from being able to access leave. A progressive rate, by contrast, partially mitigates those inequities and helps ensure that the low-income workers and workers of color who have historically had the least access to leave are able to take it. However, until there is pay parity, paid leave is still likely to distribute more funds to those with higher incomes. Table 2 shows that white workers who take 27 days of leave will receive more than black workers who take 50 days of leave, due to such pay disparities. Women will likely receive more than men, with higher replacement rates, since they are likely to take longer durations of leave because they typically carry the burden of caregiving in families.

Table 2: Typical Benefit by Demographics of FMLA Usage

	Median Wage (BLS data)	Wage Replacement Rate	Average length of most recent FMLA leave (days)	Annual Benefit
Female	\$46,748	72.9%	43.6	\$4,614
Male	\$56,888	69.8%	20.8	\$3,238
White	\$52,624	70.8%	27.3	\$3,998
Black	\$41,548	75.5%	51.1	\$3,294
Asian American	\$66,612	67.4%	44.8	\$5,249
Latinx	\$40,508	76.1%	38.8	\$3,118
Low-wage worker	\$34,580	79.4%	22.1	\$3,242
Median-wage worker	\$51,480	72.9%	32.6	\$3,897

Length of leave is based on average days taken for most recent qualifying FMLA leave from demographic-specific FMLA data.²⁰ Data reflect length of leave from paid leave states only, to reflect tendencies of leave taking when paid leave is available.

¹ U.S. Bureau of Labor Statistics. (2020, September). *National Compensation Survey: Employee Benefits in the United States, March 2020 (Tables 16 and 31)*. Retrieved 8 September 2021, from <https://www.bls.gov/ncs/ebs/benefits/2020/employee-benefits-in-the-united-states-march-2020.pdf>

² Average annual benefit calculations are based on BLS income data, program details of the Build Back Better Act, and a 12-week length of leave.

³ Child Care Aware. (2020). *Picking Up the Pieces: Building a Better Child Care System Post COVID-19*. Retrieved 8 September 2021, from https://info.childcareaware.org/hubfs/Picking%20Up%20The%20Pieces%20%E2%80%94%20Building%20A%20Better%20Child%20Care%20System%20Post%20COVID%2019.pdf?utm_campaign=Picking%20Up%20The%20Pieces&utm_source=Full%20Report%20PDF. Note that the average child care payment includes infant and four year old care, and while costs vary widely between state and type of program, \$6,500 would cover fewer than eight months of infant care, on average. Data is available at Child Care Aware

Appendices; U.S. Census Bureau. (2020). *American Community Survey 1-Year Estimates 2019, Table DP04: Selected Housing Characteristics*. Retrieved 8 September 2021, from <https://data.census.gov>. Internal calculation using median gross rent, occupied units paying rent.; U.S. Bureau of Labor Statistics. (2020, September). *Consumer Expenditures - 2019*. Retrieved 8 September 2021, from <https://www.bls.gov/news.release/pdf/cesan.pdf>; Internal calculation uses overall average “food” cost.

⁴ Novello, A. (2021, July). *The Cost of Inaction: How a Lack of Family Care Policies Burdens the U.S. Economy and Families*. *National Partnership for Women & Families Publication*. Retrieved 8 September 2021, from <https://www.nationalpartnership.org/our-work/resources/economic-justice/other/cost-of-inaction-lack-of-family-care-burdens-families.pdf>

⁵ Greenfield, J.C., Reichman, N., Cole, P.M., & Galgiani, H. (2019, February 8). *Projected Economic Impacts of Paid Family Leave in Colorado*. Retrieved 8 September 2021 from the University of Denver Graduate School of Social Work website: <https://socialwork.du.edu/sites/g/files/1mucqz281/files/2019-02/Paid-Family-Leave-Report.pdf>; U.S. Bureau of Labor Statistics (July 2021). *Usual Weekly Earnings of Wage and Salary Workers (Table 5)*. Retrieved 8 September 2021, from <https://www.bls.gov/news.release/wkyeng.t05.htm>; Benefit rates are based on the Build Back Better plan. Low-, median-, and high-earner benefit is 80%, 72.9%, and 62.8%, respectively. Wage levels: High=75th percentile; Mid=median wage; Low=25th percentile.

⁶ U.S. Bureau of Labor Statistics. (2019, August). *Access to and Use of Leave Summary, Table 1: Workers with access to paid leave by selected characteristics, averages for the periods 2011 and 2017-2018*. Retrieved 8 September 2021, from <https://www.bls.gov/news.release/pdf/leave.pdf>

⁷ Economic Policy Institute. (2021, January 26). *Why the U.S. needs a \$15 minimum wage*. Retrieved 8 September 2021, from <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>

⁸ See note 1.

⁹ Brown, S., Roy, R., Klerman, J. A. (2020, November). *Leave Experiences of Low-Wage Workers*. Abt Associates Publication. Retrieved 8 September 2021, from Department of Labor website: https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WHF_FMLA_LowWageWorkers_January2021.pdf; Only 38 percent of those earning \$15/hr or less are eligible for leave through FMLA.

¹⁰ Ibid.

¹¹ See note 1.

¹² Brown, S., Herr, J., Roy, R., & Klerman, J. A. (2020, July). *Employee and Worksite Perspectives of the Family and Medical Leave Act: Supplemental Results from the 2018 Surveys (Appendix Exhibit B6-4. Reasons That Needed Leave Was Not Taken)*. Retrieved 8 September 2021, from https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WHF_FMLA2018SurveyResults_Appendices_Aug2020.pdf

¹³ Cooper, D., Mokhiber, Z., & Zipperer, B. (2021, March 9). *Raising the federal minimum wage to \$15 by 2025 would lift the pay of 32 million workers*. Retrieved 8 September 2021 from the Economic Policy Institute website: <https://www.epi.org/publication/raising-the-federal-minimum-wage-to-15-by-2025-would-lift-the-pay-of-32-million-workers/>; Shepherd-Banigan, M., & Bell, J.F. (2014, January). Paid Leave Benefits Among a National Sample of Working Mothers with Infants in the United States. *Matern Child Health Journal*, 18(1), 286-295. doi: 10.1007/s10995-013-1264-3; Internal calculation: \$15/hr full-time worker would make \$25,800 if they took an unpaid leave of 9 weeks. With a \$4,300 9-week benefit, which is a 79.8% income replacement rate, they would instead get \$30,100 in pre-tax annual pay, a difference of 16.7%.

¹⁴ U.S. Bureau of Labor Statistics. (2020, September). *National Compensation Survey: Employee Benefits in the United States, March 2020 (Tables 34, 37, and 18)*. Retrieved 8 September 2021, from <https://www.bls.gov/ncs/ebs/benefits/2020/employee-benefits-in-the-united-states-march-2020.pdf>. Median leave provided to civilian workers after one year of tenure.

¹⁵ National Partnership for Women & Families. (2021, January). Key Facts: The Family and Medical Leave Act. Retrieved 8 September 2021, from <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/key-facts-the-family-and-medical-leave-act.pdf>

¹⁶ Shepherd-Banigan, M., & Bell, J.F. (2014, January). Paid Leave Benefits Among a National Sample of Working Mothers with Infants in the United States. *Matern Child Health Journal*, 18(1), 286-295. doi: 10.1007/s10995-013-1264-3; Ewing-Nelson, C. (2021, May). *Even Before This Disastrous Year for Mothers, They Were Still Only Paid 75 Cents for Every Dollar Paid to Fathers*. Retrieved 8 September 2021 from the National Women’s Law Center website: <https://nwl.org/wp-content/uploads/2021/04/EDPFs.pdf>; Internal calculation based on average maternal leave of 10 weeks and median annual earnings for full-time working mothers and fathers.

¹⁷ National Partnership for Women & Families. (2021, May). *Paid Leave Is Essential for Healthy Moms and Babies*. Retrieved 8 September 2021, from <https://www.nationalpartnership.org/our-work/health/moms-and-babies/paid-leave-is-essential-for.html>

¹⁸ National Partnership for Women & Families and ZERO TO THREE. (2018, December). *The Child Development Case for a National Paid Family and Medical Leave Program*. Retrieved 8 September 2021, from <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/the-child-development-case-for-a-national-paid-family-and-medical-leave-insurance-program.pdf>

¹⁹ These details are specific to [the Build Back Better Act as introduced 7 September, 2021](#).

²⁰ Brown, S., Herr, J., Roy, R., & Klerman, J.A. (2020, July). *Employee and Worksite Perspectives of the Family and Medical Leave Act: Supplemental Results from the 2018 Surveys*. Abt Associates Publication. Retrieved 8 September 2021 from the Department of Labor website: https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WHF_FMLA2018SurveyResults_Appendices_Aug2020.pdf

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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