

Supporting State Investment in Paid Family and Medical Leave

FEBRUARY 2016

At some point, nearly all workers need to take time away from work to deal with a serious personal or family illness, or to care for a new child. Yet only 13 percent of workers in the United States have access to paid family leave through their employers, and less than 40 percent have access to personal medical leave through employer-provided temporary disability insurance.¹ Paid family and medical leave insurance programs allow workers to continue to earn a portion of their pay while they take time away from their jobs to: address a serious health condition (including pregnancy); care for a family member with a serious health condition; or care for a newborn, newly adopted child or newly placed foster child.

Promoting Programs Working Families Need

President Obama's proposed Fiscal Year 2017 budget includes \$2.2 billion to support the creation of state paid leave programs and \$1 million for state paid leave research.

- ▶ **A paid leave partnership initiative.** The budget includes \$2.2 billion to provide competitive grants for up to five states to cover the initial cost of setting up a state paid family and medical leave program, as well as half of the cost of providing benefits for three years. These programs would be similar to the successful paid family leave insurance programs in California, New Jersey and Rhode Island.
- ▶ **Funding for new, state-level research and analyses.** The budget also includes an increase of \$1 million for the U.S. Department of Labor's Women's Bureau to support new state paid leave research and analyses to help inform the development of paid family and medical leave programs.

The time is now: Congress should support state innovation and investment in paid family and medical leave. Together, Congress and states can create healthier and more secure families and more stable communities.

Paid Leave Benefits Families, Businesses and Communities

Existing state paid leave programs have shown widespread benefits and provide effective models for other states.

- ▶ California, New Jersey and Rhode Island have successfully implemented paid family leave insurance programs. The three programs were built upon temporary disability insurance programs created decades ago. Studies of these programs demonstrate how well paid leave insurance programs work.²

- ▶ In **California**, workers have filed nearly 2.3 million leave claims since the state implemented its family leave insurance program in 2004.³ The vast majority of California employers report seeing a positive impact on employee productivity, profitability and performance, or no effect.⁴
- ▶ In **New Jersey**, workers have filed more than 200,000 leave claims since 2010, the first full year of the state’s paid family leave program’s implementation.⁵ Three out of four workers (76.4 percent) say they view the program favorably.⁶ Both small and large businesses say they have adjusted easily.⁷
- ▶ In **Rhode Island**, workers filed nearly 13,000 claims since the program’s implementation in 2014.⁸ Business supporters were critically important to passing the law and research suggests that women and men have used the program more equally than during the first years of the California and New Jersey programs.⁹

Paid leave provides the security working families need.

- ▶ Workers without paid leave often have no choice but to take unpaid leave or quit a job when illness strikes or a child needs care.
- ▶ Low-wage workers need financial support the most when illness strikes or a new child arrives, but they are the least likely to have access to any type of leave.¹⁰
- ▶ The federal Family and Medical Leave Act (FMLA) provides up to 12 weeks of unpaid leave, but millions of workers cannot afford to take it. Nearly half of workers who needed and were eligible for leave under the FMLA but did not take it say they could not afford to take unpaid time off.¹¹

Nearly eight in 10 U.S. adults (78 percent) say that family and maternity leave is a “very important” labor standard for workers.

— Survey of 1,400 adults nationwide.
National Opinion Research Center at the University of Chicago, June 2010

Paid leave programs help reduce health care costs.

- ▶ Paid family and medical leave programs contribute to improved health. New mothers are better able to initiate and continue breastfeeding, and new parents can more easily get babies to the doctor for check-ups and immunizations when they have access to paid leave.¹² Paid leave also allows ill or injured adults to get critical care and take needed recovery time, and it enables caregivers to help ill parents, spouses and children fulfill treatment plans and avoid complications and hospital readmissions.¹³

Paid leave saves government and taxpayer money.

- ▶ Both women and men who take paid leave are significantly less likely to rely on public assistance or food stamps after a child’s birth. And women who take paid leave are more likely to be working nine to 12 months after a child’s birth. Thus, creating paid leave insurance programs can save precious resources while providing families with the stability they desperately need.¹⁴

1 U.S. Bureau of Labor Statistics. (2014, September). *Employee Benefits in the United States National Compensation Survey: Employee Benefits in the United States, March 2014* (Tables 16 and 32). Retrieved 9 February 2016, from <http://www.bls.gov/ncs/ebs/benefits/2014/ebbl0055.pdf>

-
- 2 National Partnership for Women & Families. (2014, October). *Paid Leave Works in California, New Jersey and Rhode Island*. Retrieved 9 February 2016, from <http://www.nationalpartnership.org/research-library/work-family/paid-leave/paid-leave-works-in-california-new-jersey-and-rhode-island.pdf>
 - 3 State of California Employment Development Department. (2014). *State Disability Insurance – Quick Statistics: Paid Family Leave Claims Filed*. Retrieved 9 February 2016, from http://www.edd.ca.gov/About_EDD/pdf/qspfl_Claims_Filed.pdf and http://edd.ca.gov/About_EDD/pdf/qspfl-PFL_Claims_Filed.pdf (Data are through December 2015. Unpublished calculation.)
 - 4 Appelbaum, E., & Milkman, R. (2011). *Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California*. Center for Economic and Policy Research Publication. Retrieved 9 February 2016, from <http://www.cepr.net/index.php/publications/reports/leaves-that-pay>
 - 5 State of New Jersey Department of Labor and Workforce Development. (2009–2014). *Family Leave Program Statistics*. Retrieved 3 February 2015, from http://lwd.dol.state.nj.us/labor/fli/content/fli_program_stats.html (Data are through December 2015. Unpublished calculation.)
 - 6 Houser, L., & White, K. (2012). *Awareness of New Jersey's Family Leave Insurance Program is Low, Even as Public Support Remains High and Need Persists*. Rutgers University, The State University of New Jersey Center for Women and Work Publication. Retrieved 9 February 2016, from http://njtimetocare.com/sites/default/files/03_New%20Jersey%20Family%20Leave%20Insurance-%20A%20CWW%20Issue%20Brief.pdf
 - 7 Ramirez, M. (2012). *The Impact of Paid Family Leave on New Jersey Businesses*. New Jersey Business and Industry Association and Rutgers University, The State University of New Jersey Presentation. Retrieved 9 February 2016, from <http://bloustein.rutgers.edu/njbia-the-impact-of-paid-family-leave-on-nj-businesses>
 - 8 Rhode Island Department of Labor and Training. *Monthly TDI/TCI Claims Summary*. Retrieved 9 February 2016, from <http://www.dlt.ri.gov/lmi/uiadmin.htm> (Data are through December 2015. Unpublished calculation.)
 - 9 National Partnership for Women & Families. (2015, February). *First Impressions: Comparing State Paid Family Leave Programs in Their First Years*. Retrieved 9 February 2016, from <http://www.nationalpartnership.org/research-library/work-family/paid-leave/first-impressions-comparing-state-paid-family-leave-programs-in-their-first-years.pdf>
 - 10 See note 1.
 - 11 Abt Associates Inc. (2012, September 6). *Family and Medical Leave in 2012: Technical Report*. Retrieved 9 February 2016, from <http://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf>
 - 12 Berger, L., Hill, J., & Waldfogel, J. (2005). Maternity Leave, Early Maternal Employment and Child Health and Development in the US. *The Economic Journal*, 115(501), F44.
 - 13 See e.g., Institute of Medicine. (2008, April 11). *Retooling for an Aging America: Building the Health Care Workforce*, 254. Retrieved 9 February 2016, from <http://www.iom.edu/Reports/2008/Retooling-for-an-Aging-America-Building-the-Health-Care-Workforce.aspx>; Arbaje, et al. (2008). Postdischarge Environmental and Socioeconomic Factors and the Likelihood of Early Hospital Readmission Among Community-Dwelling Medicare Beneficiaries. *The Gerontologist* 48(4), 495–504. Summary retrieved 9 February 2016, from <http://www.rwjf.org/grantees/connect/product.jsp?id=34775>
 - 14 Houser, L., & Vartanian, T. (2012). *Pay Matters: The Positive Economic Impact of Paid Family Leave for Families, Businesses and the Public*. Rutgers University, The State University of New Jersey Center for Women and Work Publication. Retrieved 9 February 2016, from <http://www.nationalpartnership.org/research-library/work-family/other/pay-matters.pdf>

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.

© 2016 National Partnership for Women & Families. All rights reserved.