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## POLICY BRIEFING SERIES

## WORK-FAMILY INFORMATION FOR STATE LEGISLATORS

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CREATED BY:

SLOAN WORK AND FAMILY  
RESEARCH NETWORK  
BOSTON COLLEGE

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## PAID FAMILY LEAVE: ONE SOLUTION TO HELPING TODAY'S WORKING FAMILIES MEET THEIR FAMILY RESPONSIBILITIES AT CRITICAL TIMES

*Unlike previous generations, today's typical American family does not have an adult at home on a full-time basis to take care of the needs of children or other dependents. Paid Family Leave is one kind of legislation that policy makers are considering to enable women and men to retain their jobs, remain economically viable, and fulfill their family responsibilities in caring for a newborn, a newly adopted child, or a family member with a serious illness.*

### WHAT IS PAID FAMILY LEAVE (PFL)?

PFL is a form of partial or complete income replacement for working women and men who take time off from employment to care for a family member during a major life event, including a serious illness or the birth of a baby or adoption or foster placement of a child.<sup>1</sup>

### WHY IS PFL POLICY BEING DEVELOPED?

Workforce and workplace changes have made it increasingly difficult for working families to meet their work and family responsibilities, including tending to a family medical crisis or childbirth. Key reasons for this conflict include:

- **Most caregivers work.** The vast majority of American workers have family caregiving responsibilities outside of work and no full-time caregiver at home.
  - A full 70% of American working families with children have all adults in the labor force.<sup>2</sup>
  - Some 25% of workers have elder-care responsibilities,<sup>3</sup> and this number is expected to reach 40% by 2020<sup>4</sup> because people are living longer due to advances in science and medicine.<sup>5</sup>
- **Most caretakers work long hours.** The average American couple now works close to 90 hours a week, with each partner working 40 or more hours,<sup>1</sup> resulting in diminished time to handle family responsibilities.
- **Employers commonly do not voluntarily provide PFL to their employees.** Only 8% of all workers in the private sector receive PFL.<sup>1</sup> Meanwhile, one survey revealed that just 12% of private companies offer paid maternity leave, and only 7% offer paid paternity leave to their employees.<sup>1</sup>

### WHAT HAPPENS WHEN PFL IS NOT PROVIDED?

Without a stay-at-home-caregiver and with no PFL policy in place, in the event of a family medical crisis or child birth, many workers are forced to take *unpaid* leave or quit their jobs, often resulting in considerable economic distress.<sup>6</sup> This distress is exacerbated for low-wage workers, who often lack savings and access to any paid leave, including vacation or paid sick days.

### WHY IS THE FEDERAL LEGISLATION, THE FAMILY AND MEDICAL LEAVE ACT (FMLA), INSUFFICIENT?

While the FMLA provides eligible working caregivers up to 12 weeks of unpaid leave per year for the birth or adoption of a child, or to care for themselves or a sick family member, without losing their jobs or health insurance, it is limited in scope.

- The FMLA only covers 55% of the workforce, and, thus, it does not apply to millions of workers, many of whom are low-wage workers and/or new mothers.<sup>7,8</sup> The FMLA excludes employees who work for a company with fewer than 50 employees, those who have not been with the current company for 1 year, and those working part-time.
- The FMLA is unpaid and, thus, is not a viable option for many otherwise eligible working families. In fact, 78% of employees who qualified for FMLA leave and needed to take it did not do so because they could not afford to forgo a paycheck.<sup>9</sup>

*"PAID FAMILY LEAVE IS IMPORTANT FOR QUALITY OF LIFE AND FAIRNESS TO EMPLOYEES. IT WILL ALSO HELP EMPLOYERS KEEP GOOD STAFF, WHICH HELPS JOBS AND THE ECONOMY. IT'S SIMPLY THE RIGHT AND ETHICAL THING TO DO TO MAKE SURE STRUGGLING ARIZONA FAMILIES DO NOT HAVE TO CHOOSE BETWEEN ESSENTIAL FAMILY CARE AND THEIR JOBS."*

REPRESENTATIVE DANIEL PATTERSON (AZ) ON HB 2598



## DOES THE PUBLIC SUPPORT PFL?

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Yes. A recent national poll reveals that 76% of respondents favor implementing a PFL policy.<sup>10</sup> Meanwhile, the vast majority of countries around the world support PFL:

- **To care for children.** Of 173 countries studied worldwide, only four countries do not guarantee paid leave and/or provide substantial birth payment for parents to care for newborn babies: Liberia, Papua New Guinea, Swaziland, and the United States.<sup>11</sup>
- **To care for an ill family member.** At least 145 of the 173 countries studied provide paid sick days for short- or long-term illnesses, with 136 countries providing a week or more annually. More than 81 countries provide sickness benefits for at least 26 weeks or until recovery.<sup>11</sup>

## HOW DOES THE AVAILABILITY OF PFL AFFECT WORKING FAMILIES?

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Research indicates that having access to PFL can improve child and family health and economic well-being.<sup>8</sup>

- **Child health.** Newborn children whose mothers remain home for 12 weeks or longer are more likely to receive regular medical checkups, to complete their recommended immunization schedule, and to be breastfed than children whose mothers return to work within 12 weeks after childbirth.<sup>12</sup> Beyond infancy, sick children recover faster when parents are involved in their health care.<sup>13</sup>
- **Parental health.** Mothers - who were employed prior to childbirth and who delay returning to work after giving birth — experience fewer depressive symptoms than those who return to work earlier.<sup>14</sup> Fathers who take longer leaves are more involved in child care, which may be beneficial for the family.<sup>15</sup>
- **Economic security.** Access to paid leave increases the likelihood that women return to work following childbirth, work later into pregnancy, and return to work faster, all of which contribute to higher earnings and family economic security.<sup>16</sup>

## HOW DOES PFL AFFECT BUSINESSES?

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Employers who provide PFL often find that there are business benefits, including retaining valued employees, reducing turnover and absenteeism, and increasing loyalty and morale.<sup>17</sup> Employers also have concerns about PFL, including the potential for increased labor and management costs, decreased productivity when a key employee is out, and increased administrative burdens and legal hurdles in implementing and tracking PFL.<sup>18</sup>

## HOW DOES PFL AFFECT GOVERNMENT?

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PFL may save government money where paid time off allows workers to tend to their families at a critical time, receive income, and return to work without having to depend on public assistance programs such as TANF and food stamps.<sup>19</sup> PFL may reduce health-care costs where having a family member at home to provide care can reduce the length of hospital stays and reduce the demand for nursing home and paid in-home care.<sup>20</sup>

## WHAT STEPS HAVE POLICY MAKERS TAKEN REGARDING PFL?

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A growing number of states are proposing or passing PFL legislation.

### STATUTES

- Five states provide PFL for new mothers who give birth via State Temporary Disability Insurance (CA, HI, NJ, NY, RI).
- Three states provide PFL for low-income working parents, who receive subsidies to provide care for newborns or newly adopted children (MN, MT, NM).
- Two states provide PFL for family leave (CA, NJ).
- One state provides PFL for parental leave only (WA).

### 2009 SESSION BILLS

- Eight states have proposed legislation concerning providing PFL (AZ, HI, MA, MO, NH, NY, OR, WA).
- Two states have proposed legislation to eliminate or defer the launch of a PFL program (NJ, WA).

## COMPARISON OF THREE STATE PFL PROGRAMS

STATE	COMPENSATION	LENGTH OF BENEFIT	COVERAGE	STRUCTURE	HOW IT IS FUNDED
California	55% of weekly pay up to \$959/week**	Up to 6 weeks/year	To care for seriously ill parent, child, spouse, domestic partner, and to bond with a new child	Expands preexisting state Temporary Disability Insurance (TDI) program	Payroll tax: Employees pay up to \$64/year; employers pay nothing
New Jersey	66% of weekly pay up to \$546/week**	Up to 6 weeks/year	To care for seriously ill parent, child, spouse, domestic partner or civil union partner, and to bond with a new child	Expands preexisting state TDI program	Payroll tax: Employees pay up to \$33/year; employers pay nothing
Washington*	\$250/week flat benefit for full time workers	Up to 5 weeks/year	To care for a newborn or newly adopted child	To be determined	To be determined

Figured based on information provided in: Fass, S. (2009). *Paid leave in the states: A critical support for low-wage workers and their families*. New York, NY: National Center for Children in Poverty.

\* While the program was originally scheduled to launch in October 2009, Washington Governor Chris Gregoire recently signed legislation pushing back the implementation date to October 2012.

\*\* Cap based on 2009 calculations.

## WHERE CAN I GET MORE INFORMATION?

### The Paid Family Leave Collaborative Outreach and Education Campaign—<http://www.paidfamilyleave.org>

- The Paid Family Leave Collaborative is “a group of organizations committed to informing Californians of their rights under Paid Family Leave.”

### The National Partnership for Women & Families—[http://www.nationalpartnership.org/site/PageServer?pagename=ourwork\\_paidleave\\_landing](http://www.nationalpartnership.org/site/PageServer?pagename=ourwork_paidleave_landing)

- “The National Partnership for Women & Families is a non-profit, nonpartisan organization that uses public education and advocacy to promote fairness in the workplace, quality health care, and policies that help men and women meet the demands of work and family.”

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The Sloan Work and Family Research Network can provide you with additional research-based information about working families.

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