Thank you, Mr. Chairman, Ranking Member Brady, and members of the Ways and Means Committee. My name is Pronita Gupta. I am the Director of Job Quality at the Center for Law and Social Policy (CLASP), an anti-poverty organization that promotes effective federal and state policies for low-income families and individuals. I am truly honored to come before this committee to speak to the central importance of paid family and medical leave for all workers, and especially for low-income workers, parents, children, seniors, and people of color.

I bring to this testimony extensive experience on paid family and medical leave at both state and federal levels. Prior to joining CLASP, I was the Deputy Director of the Women’s Bureau in the U.S. Department of Labor (USDOL) and one of my primary responsibilities was overseeing a national grant program to support states studying the feasibility of adopting a paid family and medical leave policy. The underlying mission of the grant program was to expand access to paid family and medical leave and meet a critical need faced by most working families, especially low-income families. It has been thrilling to witness four of the grantees, 3 states and Washington, DC, adopt paid family and medical leave laws since conducting these feasibility studies using the USDOL funds. An additional five states that also received some level of support are currently engaged in serious consideration of paid family and medical leave proposals, and two existing states used the funds to help identify where to make improvements and have since either passed new legislation or adopted practices that broaden the reach of the programs to better serve people in those states. Since joining CLASP, I have had an opportunity to provide many of these states with in-depth analysis and technical assistance about paid family and medical leave policy and operations.

Furthermore, as someone who has had to use paid family and medical leave in the past and will have to use it again, I can also speak to the power of paid family and medical leave. Fourteen years ago, when I became a new mother, I experienced both elation and dread. I was so happy to have a beautiful baby girl after a problematic pregnancy, but I was also inconsolable when she needed to be delivered early and had to go to the NICU, where she remained for two-and-a-half weeks. As I dealt with my own healing and worried about her health, the one stress I didn’t have was economic insecurity. I was fortunate to be among the first people who could take advantage of California’s new Paid Family Leave program, which began the year before. I was able to take six weeks of paid leave to heal, care, and bond with my new baby. My daughter has now grown to be a happy and healthy teenager, but I am now dealing with a parent who has Alzheimer’s. However, I know that when I need to take time to care for him as his condition worsens, I work for an organization that
values caregiving and has its own paid family and medical leave policy. Furthermore, I work in the District of Columbia, which passed a paid family and medical leave law that will take effect in 2020. People should not have to win the boss lottery nor move to one of the seven jurisdictions with paid family and medical leave to have peace of mind when they need to take time to heal or care for a loved one.

And from the perspective of CLASP, which has an anti-poverty and racial justice mission, I can speak to the crucial importance of paid family and medical leave as an anti-poverty policy, which contributes to economic stability for all families but especially to low-wage workers, people of color, and families coping with a medical condition or welcoming a new child.

I make three key points in my testimony. First, paid family and medical leave benefits workers, families, and employers, including small businesses, by improving people's economic security and health. Second, given the current realities of work in the United States, we urgently need a national paid family and medical leave program. Finally, I conclude with lessons from the states about how to design a comprehensive paid family and medical leave program that works for all workers, including low-income individuals and their families.

**Paid family and medical leave benefits workers, families, and employers**

Almost all working people will experience a caregiving need at some point in their lives, whether to welcome a new child, care for a seriously ill loved one or to treat their own serious illness. And, while parental paid leave is needed, it is not enough for the majority of caregiving needs workers actually need and take. According to most recent data from the U.S. Department of Labor, roughly 75 percent of people take leave to care for a seriously ill, injured, elderly or disabled love one, a serious personal injury, illness or disability or to address the deployment or injury of a military service member in their family, compared to the 21 percent of leaves taken for the birth or placement of a new child. Data from the states also illustrate this fact—in California from 2004 to 2017, 9.5 million claims were filed by workers for their own disability in contrast to the 2.4 million claims filed for the care of a new child. Paid family and medical leave programs allow workers the ability to care for themselves and loved ones in a way that works for them, their families, and employers.

In just the last three years, the number of states that have enacted paid family and medical leave has more than doubled, with several more jurisdictions likely to pass legislation in the next two years. Currently California, New Jersey, Rhode Island, New York, Washington state, the District of Columbia, and Massachusetts either have or will soon have paid family and medical leave programs, and several states have strengthened their policies since they first passed. One reason for this extraordinary momentum is the powerful evidence that paid family and medical leave is crucial for families’ health and economic stability, and particularly crucial for low-wage workers, women, families vulnerable to economic stress, and families of color.

Evidence also shows that effective access to paid family and medical leave can improve the health of mothers and children; reduce racial disparities in wage loss between workers of color and white workers; improve employer experience by improving employee retention and reducing turnover costs; and increase women’s labor force participation, which can lead to greater economic security for a family and strengthen the overall economy. A number of paid family and medical leave studies and analyses from the states currently operating paid family and medical leave programs demonstrate the following key benefits of paid family leave and medical leave:
1. Paid family and medical leave strengthens individuals’ and families’ economic security.

As Dr. Waldfogel testified before the Subcommittee on Worker and Family Support in March of this year, “When employees have access to paid family leave, they are more likely to take leave to care for a family member or for themselves, and they are more likely to be employed and have higher earnings afterwards.” Without access to paid leave, workers and their families have no good choices. On the one hand, they may forego leave, trying to work through a baby’s infancy or a loved one’s or their own serious illness – at the risk of damaging their health and family stability, as well as losing their job if the juggling act becomes impossible. In fact, one in seven low-wage workers – and one in five low-wage working mothers – reports losing a job because of illness or the need to care for a family member. Or workers may take unpaid leave and lose income during a critical moment for the family – again risking ill health, further instability (for example, missed rent or mortgage payments placing housing at risk), and a cycle of instability at work and at home. At a time when 4 in 10 adults do not have the resources to cover even an unexpected $400 expense, families face acute challenges with taking unpaid leave.

As our economy changes, it’s critical for low-income families that women stay in the labor force. In 2015, 64 percent of mothers were primary or co-breadwinners. Of this number, Black women were sole breadwinners in 70 percent of their families. For those moms, the loss of a job from a family’s medical situation can plunge them into economic turmoil.

When workers have access to and can afford to take paid family and medical leave, however, they are able to succeed at work and sustain their family’s economic security. Numerous studies have found that women who took paid leave following the birth of a child had better outcomes on several measures of work, income, and family economic security than those who didn’t. Studies prove that California’s paid family leave program has increased labor force attachment and long-term wages for lower-income households.

Paid family and medical leave also provides financial support to families caring for seriously ill elder family members. A California study found that that the state’s paid family leave program has led to an 11 percent relative decline among the elderly in nursing home use, which is very costly for most families and the state. Furthermore, according to one study, while the probability of workers losing income due to providing care for an adult with health problems increases by 29 percent, having access to paid family leave reduces the chances of wage loss.

But behind these statistics are real people. The following quotation by Valery Y., who was able to use California’s paid family and medical leave program and took 4 months of paid leave, highlights why paid family and medical leave can make all the difference:

“Wage replacement...definitely made me more comfortable. It helped knowing when we were about to pay day care, during leave we could pay the bills. Psychologically it helped. I was taking time to do what was important, but by being paid I felt a connection to the work world. It was very, very, very valuable to have this...If I didn’t have paid leave, most likely I would have chosen to go on shorter leave. We would have been hard pressed to take unpaid leave. It would change my thinking.”
2. Paid family and medical leave contributes to improved health for working people and their children and families.

Extensive evidence points to the health benefits associated with economic stability and paid family and medical leave. Paid leave provides necessary time for children and families to prevent and treat illnesses, spend critical time bonding, seek preventive care, and better maintain their mental health and overall wellbeing.\(^{13}\) The health benefits of paid leave for children begin in infancy, but continue throughout their childhood. For mothers who give birth, access to paid leave means they can recover from childbirth, are less likely to experience symptoms of postpartum depression, and more likely to breastfeed longer, which benefits the mother and infant.\(^{14}\) When more paid leave is available, rates of infant mortality and hospitalizations fall.\(^{15}\) Fathers also benefit, as those who take longer leaves are more likely to be involved in child care later in their child’s life.\(^{16}\) Children’s health also benefits from care in the years following birth or adoption: For a seriously ill child, the presence of a parent shortens their hospital stay by 31 percent.\(^{17}\) Despite these benefits, a quarter of U.S. mothers return to work within less than 2 weeks of giving birth.

Paid family and medical leave programs help. Research from the U.S. Department of Health and Human Services finds that California’s paid family leave program has given low-income parents the time they need to find “affordable and trustworthy child care arrangements, or to gain a subsidized child care slot,” which are critical work supports for low-income families.\(^{18}\) Another longitudinal study of California’s program finds that paid family leave resulted in many positive health outcomes for elementary school children, especially lower-income children, including “lower probabilities for having ADHD, hearing problems or recurrent ear infections or being overweight.”\(^{19}\)

Furthermore, paid family and medical leave also helps workers with their own illness and disability. Survey data finds, for example, that paid medical leave allows cancer patients to access, afford and follow-through with needed treatment and manage side effects.\(^{20}\)

3. Paid family and medical leave programs are endorsed by employers, who may see benefits such as reduced turnover, and are practical and implementable for state agencies.

Paid family and medical leave programs may increase employee retention and morale, benefiting workers and businesses. Many workers end up leaving their jobs when they lack paid family and medical leave. A study by Pew found that over a quarter of surveyed workers who took unpaid leave did not return to the same employer.\(^{21}\) Replacing workers can be costly for employers, averaging 20 percent of a worker’s annual wages.\(^{22}\) Paid family and medical leave increases retention—with the likelihood of workers returning to the same employer after their leave.

Research suggests businesses in California, New Jersey, and Rhode Island have not experienced significant challenges in implementing paid family leave. Employer surveys in these states found that two-thirds of employers were supportive of the laws; another 15-20 percent were neutral.\(^{23}\)

- According to a California study, 9 out of 10 employers experienced positive or no noticeable effects on productivity, profitability, turnover, and employee morale. Furthermore, 83 percent of workers in lower-quality jobs who used paid family leave returned to the same employer compared to 74 percent of those who did not use paid family leave.\(^{24}\)
In a New Jersey survey, the majority of employers reported no difficulty implementing the program. Additionally, a number of New Jersey employers found that the paid family leave program actually “helped reduce stress among employees and improve morale among employees who took leave and their co-workers.”

In a Rhode Island survey, more than three-quarters of employers either supported or felt neutral about the state’s paid family leave program one year after it went into effect.

Paid family and medical leave also levels the playing field for small businesses. Many larger businesses provide paid leave because they know it’s good for workers and good for the bottom line. Small businesses that can’t afford to offer paid leave would be able to offer it through a national paid family and medical leave social insurance program, such as that envisioned by the FAMILY Act. This insurance model would enable these employers to compete with larger businesses to hire and retain the best employees by offering a highly valued workplace policy, without having to shoulder the entire cost.

In addition to helping businesses, paid family and medical leave supports overall economic growth through increased labor force participation, worker retention and productivity. Without it, studies show, we are limiting labor force participation, especially of women and losing potentially $500 billion in additional economic activity per year.

**Why We Need A National Paid Family and Medical Leave Program Now**

A national paid family and medical leave program will provide a critical, portable, work-based benefit for all workers, including those who are self-employed. As the economy and the nature of work change, a national paid family and medical leave program is likely to be the only option available to many workers, especially low wage workers, needing time to care for themselves or a loved one. The economy has been changing for some time and low-wage work is one of the fastest growing job sectors. The Great Recession, the dissolution of collective bargaining power, and the “fissuring of the workplace” – where many jobs that once provided workers with some economic security have been replaced by subcontracted, temporary, 1099, involuntary part-time and other contingent employment arrangements – have created an abundance of precarious, low-wage and low-quality jobs.

Millions of workers—predominantly women and people of color—now have jobs with low pay, shifting work schedules, limited or no workplace protections, and few if any benefits, including access to paid family and medical leave. Workers who are classified as independent contractors or who work part-time may lose out on a host of critical employer-provided benefits, including paid leave, vacation time, sick days, or disability insurance.

Roughly 93 percent of private sector low-wage workers have zero access to paid family leave, and 82 percent lack access to paid medical leave through employer-provided short-term disability insurance. Most of these workers cannot afford to take unpaid time off to care for a seriously ill loved one. Not having access to paid family and medical leave is particularly challenging for workers of color. Sixty-two percent of Black adults and 73 percent of Latino adults are either ineligible for or cannot afford to take unpaid leave, compared to 60 percent of white adults. Therefore, a medical emergency or a seriously ill spouse or partner, can force low-income worker of color into debt or into deeper poverty without access to paid family and medical leave.

Workers are not earning enough to support or save for their caregiving needs on their own. A survey by Pew Charitable Trusts found that one-quarter of African American families surveyed had less than $5 in reserve. In 2018, approximately 1.7 million workers earned wages at or below the federal minimum wage of $7.25 per hour. Most of these workers were young, female, and
The erosion of job quality and expansion of low-wage jobs has contributed to stubbornly high poverty rates, particularly for families with children. As of 2017, nearly 40 million people (12.3 percent of the U.S. population) were living in poverty in this country. Two-thirds of children living in poverty live with at least one worker, so the issue for these families is not the absence of work but parents struggling to support a family in low-wage work that offers too little stability and too few hours. As one manager of a Head Start preschool program serving low-income families shared with Human Rights Watch:

“...with paid leave I think some [families] could get out of the cycle of poverty they're stuck in...If they could get support they would do better. You'd see better parenting choices and opportunities...kids could form solid attachments and do better in life.”

Paid family and medical leave is one of a crucial cluster of policies that, taken together, can have an important effect on child poverty. It can do so by supporting steady work and success on the job for young workers and others seeking to move up and by protecting families who have achieved stable incomes from being destabilized by a birth or family member’s illness.

**What a Comprehensive Paid Family and Medical Leave Program Should Include to Work for Low-Income Individuals and Families**

Paid family and medical leave will help families preserve some economic stability in times of both great joy—welcoming a new child to the family—and potentially great pain from medical and financial hardship. The states that have passed paid leave laws offer a valuable roadmap of the core policy elements that are needed and that work. These include:

1. **A national paid family and medical leave program should be comprehensive and allow people to take time to address serious family and medical needs as well as care for new children.**

As I mentioned earlier in my testimony, while paid leave is critical for new parents, a parental leave program alone would not meet all individuals’ and families’ needs and could exacerbate gender and racial inequities.

Parental-only leave fails to recognize the type of caregiving families engage in, including caring for siblings, children (regardless of their age), spouses or partners, and grandparents. A comprehensive policy will support the roughly one in five Americans who live with a disability, and the approximately one in four households with a child, adult, or senior with a disability, as well as their caregivers. With a growing elderly population, many people are also providing care for an elder loved one. Today, 43.5 million people provide unpaid care to family members and most also have full-time, paying jobs. Furthermore, as more individuals and families grapple with the opioid crisis, individuals will need paid leave to seek treatment and family members may need paid leave to support a loved one’s recovery.

The six states and the District of Columbia with paid family and medical leave have comprehensive programs that ensure a worker can take needed leave to bond with a new child, care for a seriously ill loved one, or treat their own serious illness. That means a new parent can enjoy a few weeks to bond with a new child, but will also have paid leave if their child faces a serious illness, whether at age 2 or 25. Furthermore, that same individual would be able to take leave if diagnosed themselves with a serious illness, such as cancer, while maintaining the family’s economic security.

Additionally, an estimated 5.5 million caregivers take care of wounded veterans and service members. That’s why a number of the new states to adopt paid family and medical leave laws have explicitly broadened and included language about caring for a service member in their eligibility requirements, including New York, Washington and Massachusetts.

2. **A national paid family and medical leave policy must be available to all workers, regardless of sector or employer size and whether workers are employed full or part-time or are self-employed.**

Lessons from the Family and Medical Leave Act demonstrate that when leave policies are limited by employer size and eligibility restrictions, they actually exclude the majority of workers. States have been more inclusive in covering small businesses and part-time workers. Additionally, five states (California, New York, Washington State, the District of Columbia, and Massachusetts) allow self-employed workers to opt in to coverage. A national policy should cover all workers.

3. **A national paid family and medical leave program must be inclusive of all families.**

Comprehensive paid family and medical leave programs must reflect the diversity of families in the United States. The 2010 census revealed that almost 80 percent of our nation’s households no longer fit the nuclear family model of a mother, father, and their biological children. As of 2014, roughly 85 million people, predominantly people of color, live in multigenerational households. A HUD study also found that the financial and housing crises have created a significant growth in households comprised of more than one unrelated families. Furthermore, a 2007 Los Angeles Health Survey found 23 percent of 1.2 million residents in Los Angeles County provided informal,
unpaid care to close friends or extended family members. Finally, many LGBTQ adults—especially older adults—do not have accessible relationships with biological relatives for several reasons, such as moving to a more LGBTQ-friendly area away from biological family, LGBTQ stigma within biological families, and family planning choices. Given the extraordinarily high rates of LGBTQ individuals living in poverty it is critical that paid family and medical leave programs be inclusive of all families.

Recognizing this trend, when New Jersey expanded its paid family leave law at the beginning of 2019, it became the jurisdiction with the most inclusive family definition of any paid family leave law in the country. The law now includes coverage for adult children and siblings, grandparents and grandchildren, domestic partners, and any other person related to the employee by blood, along with chosen family. Both Massachusetts and Washington state include expanded definitions of family as do all of the paid family and medical leave laws being proposed in 2019.

4. A national paid family and medical leave program will be affordable when funded and administered through a social insurance program.

International and state-based examples all illustrate that a social insurance model is the best mechanism to administer a paid family and medical leave program, and if designed well, can provide universal coverage that is portable at a very low per-person cost. All the states that have passed paid family and medical leave programs are using a social insurance program, meaning workers and/or employers pay a small premium through their payroll taxes to a dedicated trust fund. When workers need to use their paid family and medical leave, their wages are replaced through this fund. This allows each state to pool its funds and risk across a large group of workers and employers, including small businesses, and makes the coverage equitable and affordable. None of the states have experienced any challenges administering the program through this mechanism, and some states, such as New Jersey and California, have expanded their programs. The states with paid family and medical leave programs all confirm that the most effective, transparent, and equitable program design is a public social insurance trust fund administered by a public agency.

5. A national paid family and medical leave program must include a wage replacement rate that keeps all families financially secure during a caregiving episode.

Evidence from California’s first years suggests that an insufficient wage replacement rate will prevent many low-wage workers from taking leave for which they are eligible—and for which they have paid—because the low benefit level places them at risk of financial instability. California implemented new wage replacement levels in 2018, with workers now receiving from 60 to 70 percent of their income and a higher percentage going to lower-income workers. The WORLD Policy Analysis Center found that a higher wage replacement rate is necessary to keep families out of poverty, ensure middle-income families can meet essential needs during paid leave, such as rent or mortgage payments, and ensure gender equity in leave-taking. Many states, including Washington and Massachusetts, are using a progressive wage replacement model to provide affordable levels of wage replacement to workers. Furthermore, evidence from California’s paid family leave program shows that a higher benefit can lead to higher earning and greater job retention.
6. **A national paid family and medical leave program must include job protection and strong prohibitions against discrimination or retaliation.**

Job protection is critical to helping workers—particularly those being paid low wages, who are disproportionately women, people of color, and people with disabilities—retain their jobs at a critical moment in their lives when economic stability is especially important. A 2012 U.S. Department of Labor survey found that among employees needing leave for a qualified family and medical reason but not taking it, the fear of losing their job was the second most commonly cited reason (17 percent), behind unaffordability. Job protection also enhances the probability that men will take leave, which can help reduce gender inequality at home and in the labor market. Job protection may also improve women’s likelihood of returning to their same employers after taking leave for the birth of a child. Indeed, a law that doesn’t protect a worker’s job while that worker is away from work caring for self or family is not really a leave law at all but rather just a law that provides financial benefits—which the worker must risk his or her job to access.

We know from the states that including job protection is feasible and critical. Rhode Island and New York’s existing paid leave laws protect workers’ jobs while they are on family leave. Massachusetts’s new law includes full job protection for all leave-taking with robust anti-retaliation provisions. New Jersey recently passed legislation that added new anti-retaliation protections to its paid family leave and temporary disability insurance law, while also amending the New Jersey Family Leave Act, the state’s unpaid leave law, to expand access to the right to reinstatement after taking family leave to an estimated 200,000 workers.

7. **A national paid family and medical leave program should ensure leaves are long enough to meet individual and family care needs.**

Early last year, the WORLD Policy Analysis Center released a report on the health benefits and economic feasibility of paid family and medical leave. Its recommendations included six months of paid parental leave to support health, economic benefits, and gender equity, with three months as the minimum. Not only can parents bond with their child, behavioral health research also finds that breastfeeding rates increase when mothers have access to paid leave. These benefits also trickle down and provide children with several health benefits, including the time to visit the doctor for well-baby visits and timely immunizations. Based on this research and evidence from earlier states, in the states that have paid family leave laws, both Washington and Massachusetts have policies allowing for 12 weeks of leave. New Jersey will increase to 12 weeks by July 2020, while New York will increase the leave cap to 12 weeks by 2021. Most states also offer additional weeks of disability leave for a worker's own serious health needs.

**Conclusion**

Reaching all American workers—with the benefits already described for workers, children, mothers, people with health challenges, and people of color—demands national action. While state paid family and medical leave initiatives have been enormously important in covering workers and modeling successful approaches, a state-only strategy leaves out workers, families, and communities who need help the most. We cannot achieve the health, developmental, and poverty reduction benefits of paid family and medical leave without a national program and standard.

We know exactly what would work for our nation. We can learn from states across the country and the District of Columbia and consider and pass legislation currently pending in Congress that would provide comprehensive paid family and medical leave. The FAMILY Act would create a national paid
family and medical leave insurance fund to help ensure that a working parent can care for a new child and all working people can take paid time to address their own or a family member’s serious health issue. It would be available to every employee and every entrepreneur in this country.

Together with affordable quality child care and universal health care, paid family and medical leave allows individuals to stay employed steadily over the course of a career while also caring for loved ones and providing for their own health. We cannot afford as a nation to delay these solutions.

Thank you again for the opportunity to testify today. I look forward to answering your questions.

Endnotes


Family Leave is Good Business


Additionally, a parental-only policy may have unintended consequences affecting women. In enacting the FMLA, Congress included family and medical leave, in addition to parental leave, in part to minimize hiring discrimination against women of childbearing age. FMLA Findings and Purposes, 29 U.S.C. § 2601(b)(4) ("minimizes the potential for employment discrimination on the basis of sex by ensuring generally that leave is available for eligible medical reasons (including maternity-related disability) and for compelling family reasons, on a gender-neutral basis").


57 Kristin Smith, ”Job Protection and Wage Replacement: Key Factors in Take Up of Paid Family and Medical Leave Among Lower-Wage Workers, University of New Hampshire Carsey School of Public Policy, Spring 2019, https://scholars.unh.edu/cgi/viewcontent.cgi?article=1363&context=carsey.