Statement for the Record
US House of Representatives Committee on Ways and Means
Hearing on Legislative Proposals for Paid Family and Medical Leave
January 28, 2020

Dear Chairman Neal,

Thank you for your leadership on the urgent issue of paid family and medical leave. The Center for Law and Social Policy (CLASP) is an anti-poverty organization that advocates for paid family and medical leave as a critical work support that can help reduce and prevent poverty and safeguard the economic security of families. As noted in our Director Pronita Gupta’s testimony before the Committee in May 2019, CLASP has long advocated for paid family and medical leave as a critical support for all workers, and especially for low-income workers, parents, children, seniors, and people of color.

There is popular support and growing momentum for this benefit around the country. Currently California, New Jersey, Rhode Island, New York, Washington, 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. California’s law, passed in 2002, has successfully been in effect for over 15 years. At CLASP we provide many of these states with technical assistance about paid family and medical leave policy and operations. We know, however, that we need a comprehensive national solution—informed by evidence from the states—that benefits all workers and their families, regardless of where they work or live.

This statement includes three points: (1) paid family and medical leave benefits workers, families, and employers, including small businesses, by improving people’s economic security and health; (2) given the current realities of work in the United States, we urgently need a national paid family and medical leave program; and (3) we know from the states how to design a comprehensive and equitable paid family and medical leave program that will benefit all workers, including low-income individuals and their families.

1. Paid family and medical leave benefits workers, families, and employers

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.¹ 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:

**a. Paid family and medical leave strengthens individuals’ and families’ economic security and increases women’s labor force attachment.**

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. 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), and a cycle of instability at work and at home. At a time when four in ten adults struggle to cover even an unexpected $400 expense, families face acute challenges in taking unpaid leave.²

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.³ 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.⁴ 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.⁵ The Institute for Women’s Policy Research recently released a report confirming that state paid family leave legislation increases mothers’ labor market attachment.⁶ The study found that paid family leave increases the labor force participation of mothers by six percentage points in the year of a birth, with beneficial effects up to five years after a birth. The effects include reducing birth-year maternal labor market detachment by 20 percent in the year of a birth and up to 20-50 percent five years after a birth.

Paid family and medical leave thus supports overall economic growth through increased labor force participation, worker retention and productivity.⁷ Without it, studies show, we are limiting labor force participation, especially of women and losing potentially $500 billion in additional economic activity per year.⁸

**b. 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.⁹ 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.¹⁰ When more paid leave is available, rates of infant mortality and hospitalizations fall.¹¹ Fathers also benefit, as those who take longer leaves are more likely to be involved in child care later in their child’s life.¹²
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. 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.

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.

c. **Paid family and medical leave programs are endorsed by employers, who may see benefits such as reduced turnover.**

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. Replacing workers can be costly for employers, averaging 20 percent of a worker's annual wages. 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.

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.

2. **The Urgent Need for a National Paid Family and Medical Leave Program**

Roughly 92 percent of private sector low-wage workers have zero access to paid family leave. Most of these workers cannot afford to take unpaid time off to care for a seriously ill loved one. 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 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.

Workers are not earning enough to support or save for caregiving needs on their own. 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.

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.

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

The FAMILY Act is the best legislative proposal to implement a national paid family and medical leave program. By creating a national social insurance program, the FAMILY Act will allow payments and risk to be pooled across a large group of workers, making it affordable, accessible, and efficient. The FAMILY Act can also continue to be strengthened by drawing on the lessons and data from successful state programs.

a. **The FAMILY Act would create a comprehensive program allowing time to address serious family and medical needs as well as care for new children.**

Paid leave is critical for new parents, but a parental leave program alone would not meet all individuals’ needs and could exacerbate gender and racial inequities.\(^{22}\) According to 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, compared to the 21 percent of leaves taken for the birth or placement of a new child.\(^{23}\) Data from the states also illustrate this— in California from 2004 to 2017, workers filed 9.5 million claims for their own disability in contrast to the 2.4 million claims they filed to care for a new child.\(^{24}\)

**FIGURE 1**

*Only 21 percent of leaves were for a new child*

Reason for leave among employed workers who took leave in the previous 12 months, as reported in 2012

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caregiving</td>
<td>18%</td>
</tr>
<tr>
<td>Own illness</td>
<td>55%</td>
</tr>
<tr>
<td>New child</td>
<td>21%</td>
</tr>
<tr>
<td>Other reason/unknown</td>
<td>6%</td>
</tr>
</tbody>
</table>


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. 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.

b. **Paid leave should be available to all workers, regardless of sector or employer size and include part-time and self-employed workers.**

Lessons from the Family and Medical Leave Act demonstrate that when leave policies are limited by employer size and eligibility restrictions, they actually exclude many workers. States have been more inclusive in covering small businesses and part-time workers. Additionally, most states allow self-employed workers to opt in to coverage. A national policy should cover all workers.

c. **Paid leave should be inclusive of all families.**

Comprehensive paid family and medical leave programs must reflect the diversity of families in the United States. In 2014, 85 million people nationwide were living in “extended families,” defined as families departing from the “nuclear family” model of married parents and their minor children. The number of multi-generational family households in the U.S. has doubled since 1980. People of color disproportionately live in extended families and multi-generational families: about 25% of Latinos and African Americans, and about 27% of Asian Americans, live in multi-generational households. 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.

Paid family and medical leave laws in Oregon and Connecticut, along with the recently expanded New Jersey paid family leave law, cover loved ones with whom a worker has a close relationship equivalent to a family relationship. In addition, New York’s and Massachusetts’ paid family leave laws have flexible domestic partner definitions that do not require legal registration and cover a range of loved ones. Existing state paid family leave laws show that an inclusive family definition provides important protection to workers without abuse or a significant increase in costs.

d. **Paid leave should be 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.

e. Paid leave should 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 and ensure gender equity in leave-taking. Many states use a progressive wage replacement model to provide affordable levels of wage replacement to workers.

f. Paid leave should include job protection and robust anti-retaliation provisions.

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 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. Massachusetts’s law includes full job protection for all leave-taking, while Connecticut and Oregon provide job protection to all workers who have been employed with their employer for approximately three months. Rhode Island and New York’s existing paid leave laws protect workers’ jobs while they are on family leave. In addition, several states prohibit retaliation against workers for exercising their rights; for example, Massachusetts has particularly robust anti-retaliation provisions and New Jersey recently amended their law to add anti-retaliation language.

g. Paid leave should include leaves that 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.

**Conclusion**

Reaching all American workers 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 issues. It would be available to every employee and every entrepreneur in this country. Congress should consider the FAMILY Act, with critical amendments based on lessons from the states.

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.

**Endnotes**


16 Juliana Menasce Horowitz, Kim Parker, Nikki Graf, and Gretchen Livings.


22 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”).


37 Appelbaum and Milkman, Leaves that Pay.


42 “WORLD Policy Analysis Center, supra note 41.
