

SUPPORTING WORKERS, STRENGTHENING FAMILIES: THE ROLE OF THE FAMILY ACT

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When workers in the United States face a serious illness or need to care for a loved one, they often have nowhere to turn. Without a national paid family and medical leave program, many are forced to choose between their financial stability and their health and well-being. The Family and Medical Insurance Leave (FAMILY) Act seeks to change this by building on the successes of state programs to create a comprehensive and inclusive federal paid leave policy that meets the needs of workers. **We urge Members of Congress to support the FAMILY Act, which would improve the health of workers, reduce poverty for families, increase the U.S. GDP by \$775 billion each year, and generate cost savings for employers.**

PAID FAMILY AND MEDICAL LEAVE

Paid family and medical leave (PFML) refers to policies that enable workers to take extended leave from work while still receiving a portion of their pay. The majority of state PFML programs are available for the following reasons:

- Caring for a new child (including adopted or foster children).
- Addressing one's own serious health condition or that of a family member.
- Attending to needs related to one's current or upcoming active-duty military service or that of a family member.
- Addressing the impact of domestic violence, sexual assault, or other forms of gender-based violence and harassment on their lives and the lives of their family members.¹

FAMILY MEDICAL LEAVE ACT

While the Family and Medical Leave Act of 1993 provides certain workers with federal job-protected leave, **it does not guarantee pay**. For many, unpaid leave is unaffordable, and other workers are excluded from coverage due to factors such as tenure, hours worked, or size of worksite.² Those with the greatest need for leave, who are disproportionately workers of color, workers in low-wage industries, or part-time employees, are less likely to have access. As a result, only **56 percent of workers** are eligible for FMLA.³

THE NEED FOR PAID LEAVE

In 2023, only 27 percent of workers had access to employer-provided paid family leave, leaving approximately 106 million workers without access to PFML.⁴ Many higher-paid employees (65 percent) have access to private paid medical leave through employer-provided temporary disability insurance, but the vast majority (90 percent) of the lowest-paid workers—whose jobs tend to be of poor quality and not include benefits—do not have access to these same benefits.⁵

CONSEQUENCES OF A LACK OF PFML:

- The most common reason for not taking needed leave is being unable to afford to take it.⁶
- Over eight million leaves are needed but not taken each year.⁷
- In states without paid leave, workers lose an estimated \$34 billion in wages annually, according to new CLASP research.⁸
- The majority (67 percent) of workers that do not receive full pay while on leave reported financial challenges.⁹

THE NEED FOR LEAVE INCREASES FOR WORKERS EARNING LOW WAGES AND WORKERS IN MARGINALIZED COMMUNITIES

Occupational segregation thrusts already marginalized workers, including women, BIPOC, immigrants, workers with disabilities, and LGBTQIA+ workers, into industries with low pay where they are less likely to have paid leave benefits. Only 6 percent of the lowest-paid workers have access to paid leave, compared to 48 percent of the highest-paid workers.¹⁰ The consequences of this lack of access are dire:

- **Six out of 10 Black women** either do not take leave or do so without pay, costing them an estimated \$3.9 billion in lost wages each year.¹¹
- **One in 4 employed mothers** in the U.S. returns to work within two weeks after giving birth.¹²
- **Thirty-seven percent of LGBTQIA+ workers** report not having access to either PFML or paid sick leave at their current employer.¹³
- In states without paid leave, **36 percent of leaves taken by women** are done so without pay, compared to 28 percent of those taken by men.¹⁴

THE BENEFITS OF PAID LEAVE

The success of state programs demonstrates that a strong federal PFML program would benefit working families. Paid leave strengthens families, improves health and economic outcomes, and supports businesses.

HEALTH BENEFITS

- Access to paid leave promotes preventive care, family bonding, and mental well-being, and is linked to reduced infant mortality, fewer infant hospitalizations, and 31 percent shorter hospital stays for seriously ill children.¹⁵
- PFML improves the ability of cancer patients to receive and complete treatment and better manage their symptoms.¹⁶
- Access to paid leave improves maternal health, reducing the likelihood of postpartum depression and supporting physical recovery.¹⁷
- Longer parental leave increases fathers' long-term involvement in caregiving and supports healthy child development and social well-being.¹⁸

ECONOMIC BENEFITS

- Simulations of the FAMILY Act show that it would reduce poverty among families receiving benefits by more than 16 percent and reduce the poverty gap by 23 percent among those same families.¹⁹
- Research shows that if women in the U.S. participated in the labor force at the same rate as women in countries with robust work-family policies, the U.S. would add \$775 billion to its GDP each year.²⁰
- One in seven low-wage workers have lost a job because of illness or caregiving responsibilities; access to PFML reduces turnover and generates cost savings for employers.²¹
- Families with low incomes benefit substantially from access to paid leave, experiencing stronger labor market attachment and greater access to affordable and reliable child care.²²

PFML AND WOMEN'S ECONOMIC WELL-BEING

Access to PFML has been proven to help boost women's labor force participation.

- Nearly one-third of mothers leave the workforce after having a child, but new mothers who take paid leave within the first year are more likely to stay in the workforce and 54 percent more likely to report wage increases.²³
- A paid leave program would increase women's labor force attachment. Research estimates that if U.S. women's labor force attachment matched that of peer countries, up to five million more women could join the workforce.²⁴

THE FAMILY ACT CAN MAKE PAID FAMILY AND MEDICAL LEAVE AVAILABLE TO WORKING FAMILIES

The FAMILY Act would provide up to 12 weeks of job-protected, paid family and medical leave.

Eligibility: Any worker who has submitted an application and earned wages or income in the quarter preceding the benefit period would qualify for benefits.²⁵ As a result, many part-time, seasonal, domestic, or temporary workers who have been historically excluded from these types of benefits would be eligible for this program.

Anti-retaliation: In addition to ensuring leave, the FAMILY Act would prohibit employers from discriminating or retaliating against employees that utilize the insurance benefits, including a requirement that workers who have been at their job for over 90 days have the right to be reinstated. This safeguard would allow workers to take time off without fear of negative repercussions in the workplace.²⁶

Progressive Wage Replacement: Benefit amounts would be determined as a percentage of a worker's normal wages, starting at 85 percent for the lowest-paid workers and gradually decreasing for higher earners. Monthly benefits would range from a minimum of \$580 to a maximum of \$4,000.²⁷ This design makes the program more accessible for low-income and middle-class Americans who cannot afford extended periods without pay.

Inclusive Family Definition: The FAMILY Act incorporates innovations from state paid family and medical leave programs and uses a definition of family that reflects the various family structures seen in the United States, covering immediate relatives, in-laws, and other individuals with whom a worker has a close, family-like relationship.²⁸ The expanded definition is more accessible for single parents and cohabiting households. It is especially important for communities, like the LGBTQIA+ community, that are more likely to rely on chosen family for support.

LESSONS LEARNED FROM STATE IMPLEMENTATION

The 119th version of the bill incorporates valuable lessons from the states on how to equitably implement a paid leave program. These include:

- Data-sharing agreements with the Social Security Administration can streamline the application process and reduce administrative burden.²⁹
- An analysis of disparities in claims processing by the Government Accountability Office, which creates an important feedback loop.³⁰
- Allowing caregiving leave to be taken in hourly increments, rather than entire days, lets workers with chronic and long-term care remain employed while taking the time they need.³¹

ADVANCING EQUITY WITH THE FAMILY ACT

The FAMILY Act can reshape economic opportunities in the United States. By providing comprehensive paid family and medical leave, it can address longstanding inequities in caregiving and make essential benefits more accessible to marginalized workers and those with low incomes. A job-protected, national program is a necessity. The United States cannot afford to continue without one. Without the FAMILY Act, millions of workers remain forced to choose between their health, their families, and their livelihoods. Passing it is a vital step toward building a fair and inclusive economy where all workers can take the time they need to care for themselves and their loved ones.

ENDNOTES

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