

## DISCUSSION

Many workers are forced to choose between going to work or staying home to take care of themselves, their children, or their aging parents.

Staying home often means risking the loss of a job. A large majority of workers lack the right to stay home from work to tend to family medical concerns, and many of those who do have the right cannot afford to do so.

The federal FMLA covers workers who have worked at least 1,250 hours and a minimum of one year at a company with 50 employees. The percentage of workers covered by the law has decreased as the labor market has changed from one where employees spend a long time with a single employer to one where employees work a comparatively short time for many different employers.

A National Partnership for Women and Families report indicates that 40 percent of workers nationwide are not covered by the FMLA because they work for businesses with less than 50 employees. Furthermore, most workers who are protected under FMLA cannot afford to take leave without pay. Workers who are not covered under FMLA or who cannot afford to take unpaid leave are often forced to go into work sick or leave family members without needed care.

Labor market standards that provide for guaranteed leave benefit both employees and employers and achieve the progressive goal of balancing work and family life. A number of states have begun to implement their own paid leave programs to cover the shortfalls in the federal Family and Medical Leave Act. A paid leave program encourages workplace flexibility by doing two things. First, it guarantees workers a minimum number of days off to stay home with a new child or care for a sick family member. Second, it makes leave feasible by allowing workers to continue to collect a portion of their wages while away from the workplace. In addition to protecting workers having to choose between their jobs and their families, paid leave also benefits employers by reducing turnover, increasing productivity, and increasing employee well-being.

Paid family and medical leave for workers promotes strong families, healthy communities, and productive businesses. The 1993 federal Family and Medical Leave Act (FMLA) allows covered workers to take up to 12 weeks of unpaid leave to recover from a serious health condition or to care for a seriously ill family member or a newly born or adopted child.

State-level FMLAs can extend both coverage and the use of guaranteed leave. Some states provide paid leave options ranging from Temporary Disability Insurance (TDI) and At-Home Infant Care (AHIC) to more comprehensive programs, such as those in California and Washington. Not only are paid leave programs popular, but they benefit employees and employers alike. Paid leave programs protect working families from having to choose between health and the ability to pay the bills, while also saving employers money by promoting employee health, satisfaction, and retention.

### About CSI

The Center for State Innovation (CSI) believes every state can achieve shared prosperity, environmental sustainability, and efficient democratic government. We offer evidence-based, outcome-measured, fiscally prudent strategies for doing so.

A non-partisan, not-for-profit institution, CSI provides many types of assistance to state executives interested in implementing progressive policies.

To learn about CSI's Policy Briefings, Strategy Academies, and other services offered at no cost, visit [www.stateinnovation.org](http://www.stateinnovation.org).

## COSTS

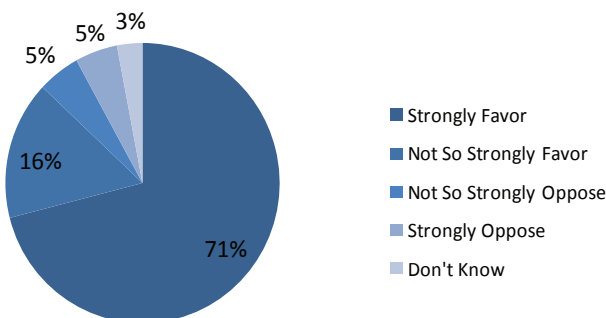
The National Partnership for Women and Families and the Institute for Women’s Policy Research note that program costs vary depending on the number of weeks of leave the program allows and the amount of pay provided during that time. They estimate that a program providing paid leave for employee health (including pregnancy, maternity-related disability, care for an infant, or care for an ill spouse, child, or parent) would cost approximately \$1.00 per week per employee. Funding for paid leave can come from a number of sources such as a state’s Temporary Disability Insurance (TDI) system. TDIs are currently used by states that mandate partial pay for medical disability and/or family leave (including medical leave related to pregnancy and childbirth) and are funded by employee and/or employer contributions, making them costless to state governments (aside from minimal monitoring or enforcement costs). California’s paid family leave program – regarded as the model for state leave programs – is funded by employee contributions. The California program costs employees less than \$2.25 per employee per month.

## PUBLIC PERCEPTION

Americans broadly support paid leave programs. A 2007 Lake Research Partners poll indicates that 75 percent of respondents favored extending current unpaid leave laws to provide paid family and medical leave. Eighty-seven percent of respondents said that they would support giving all full-time workers seven paid sick days at companies with more than 15 employees, while 71 percent of respondents said that they would strongly support extending sick days to part-time employees on a pro-rated basis (see Chart below). Remarkably, these types of proposals receive majority support across the political spectrum. Ninety-four percent of Democrats, 90 percent of Independents, and 83 percent of Republicans said that they were in favor of paid sick days. Similarly, 81 percent of Democrats, 73 percent of Independents, and 69 percent of Republicans said that they were in favor of family leave insurance.

CHART

**Public Support for Paid Sick Leave for Companies with 15 or more Employees**



Source: Lake Research Partners

### Paid Leave Facts

- 78 percent of people who need leave did not take it because they could not afford to go without pay.

**Source:** Institute for Women’s Policy Research

- Approximately 10 percent of workers who take leave under FMLA with less than full pay are forced to go on public assistance while on leave.

**Source:** National Partnership for Women and Families

- 94 percent of workers who receive full pay while on leave return to their previous employer, as compared to just 76 percent of unpaid leave-takers.

**Source:** Family Caregiver Alliance

- Ninety percent of employers reported that FMLA caused little or no increase in administrative costs.

**Source:** The Future of Children

## TALKING POINTS

### *Won't employers and the economy suffer from the cost of providing paid leave?*

No. Employers and the economy actually receive a number of benefits from paid leave. First, employers benefit from the fact that workers with access to paid leave are more likely to be satisfied with and remain in their current jobs. More specifically, by reducing turnover, paid leave helps to protect employers from both the direct costs associated with having to continually recruit and train new employees, as well as the indirect costs associated with lost productivity and lowered morale. These costs often far outstrip the cost of providing paid leave. In addition, a report by the MultiState Working Families Consortium indicates that paid leave benefits employers by reducing “presenteeism,” limiting the spread of contagious illnesses, improving employees’ mental health, and boosting productivity.

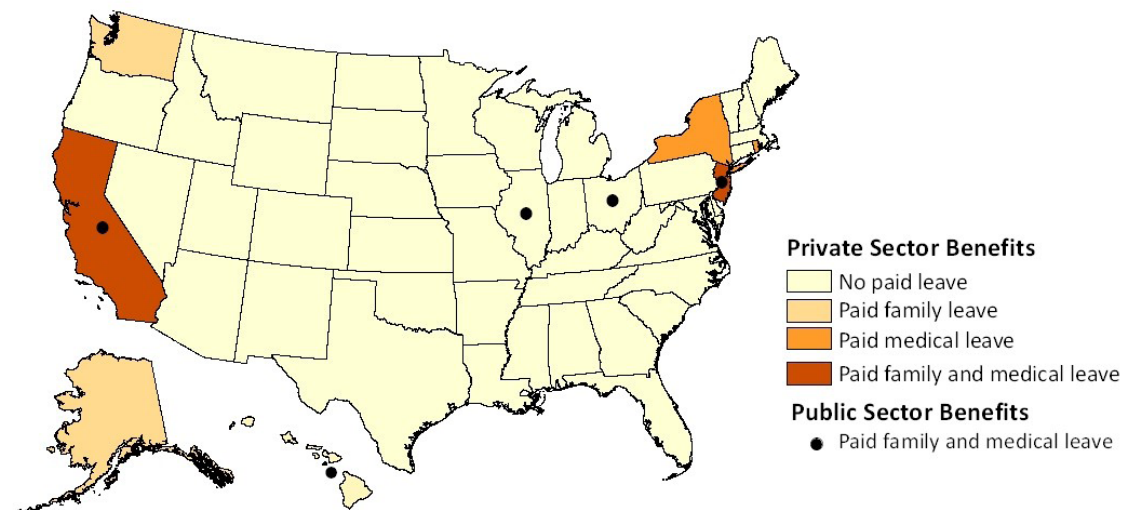
These sentiments are echoed by employers themselves. A large majority of employers report that the benefits of the Family and Medical Leave Act (FMLA) outweigh its costs, with even more suggesting that FMLA compliance had a positive (or at least neutral) effect on productivity, profitability, and growth.

### *Do mandated benefits come at the expense of employee take-home pay?*

The National Partnership for Women and Families and the Institute for Women’s Policy Research estimate that providing paid leave for employee health (including pregnancy, maternity-related disability, care for an infant, or care for an ill spouse, child, or parent) would cost approximately \$1.00 per week per employee. This is a small price for workers to pay for the benefit of partial paid leave and job security in times of need. California’s paid family leave program costs employees less than \$2.25 per month.

## WHO ELSE IS DOING IT?

As shown below, there is significant variation in the types of paid leave programs that states have adopted. Six states – California, Hawaii, New Jersey, New York, Rhode Island, and Washington – guarantee private sector employees some form of paid leave through Temporary Disability Insurance (TDI). Of these states, only California and New Jersey guarantee both paid family leave and paid medical leave. Five states – California, Hawaii, Illinois, New Jersey, and Ohio – guarantee state employees paid family and medical leave.



## SPOTLIGHT ON INNOVATION

*California:* In 2002, California became the first state to offer a comprehensive family leave program. The law, 2002 California, Chapter 901, the Family Rights Act, which went into effect on January 1, 2004, is an expansion of California's State Disability Insurance (SDI) program. The law allows workers to collect partial wages for up to six weeks while they care for a seriously ill family member or bond with a newborn baby or adopted child. A study by Ruth Milkman and Eileen Appelbaum indicated that as of January 1, 2008, eligible workers are allowed to receive 55 percent of weekly earnings, up to a maximum of \$917 per week, while on leave.

*Washington:* In 2007, Washington became just the second state to adopt a comprehensive family leave law, 2007 Washington Session Law 5659, the Family Leave Insurance Act. Effective July 1, 2008, the program provides \$250 per week for up to five weeks to workers taking leave to care for a newborn or newly adopted child.

## WHAT CAN YOU DO?

Innovation in paid leave policy has primarily been achieved through legislation. Model legislation is available through a number of sources including the Progressive States Network and the National Partnership for Women and Families.

There are many different ways of implementing leave plans. State leave programs vary in terms of the sector they cover (e.g., public sector versus private sector), the type of benefits provided (e.g., family leave, medical leave, flexible sick leave, or At-Home Infant Care), and the level of job protection they offer. As noted in a report by the National Partnership for Women and Families, it is essential that leave programs guarantee job protection as well as benefits.

Paid family and medical leave is integral to the more general goal of promoting workplace flexibility and should be considered in relation to other policies designed to work toward this end. The MultiState Working Families Consortium has advocated for the establishment of a minimum standard for workplace flexibility. In addition to providing for paid family and medical leaves, this standard would guarantee a minimum number of sick days for all workers, increase the share of workers covered under the Family and Medical Leave Act, and give working parents time off to attend to their children's school functions.

## RESOURCES

### Policy Reports

Center for Policy Alternatives

- "Family Leave Benefits MultiState Working Families Consortium"  
[www.stateinnovation.org/research/work-family balance/paid family and medical leave/cpa\\_familyleavebrief.pdf](http://www.stateinnovation.org/research/work-family%20balance/paid%20family%20and%20medical%20leave/cpa_familyleavebrief.pdf)

Family Caregiver Alliance

- "Paid Family and Medical Leave: Why We Need It, How We Can Get It"  
[www.caregiver.org/caregiver/jsp/content/pdfs/op\\_2003\\_paid\\_family\\_medical\\_leave.pdf](http://www.caregiver.org/caregiver/jsp/content/pdfs/op_2003_paid_family_medical_leave.pdf)

The Future of Children

- "Family and Medical Leave: Making Time for Family Is Everyone's Business"  
[www.futureofchildren.org/usr\\_doc/vol\\_11\\_no\\_1\\_no\\_photos.pdf](http://www.futureofchildren.org/usr_doc/vol_11_no_1_no_photos.pdf)

Institute for Women's Policy Research

- "Paid Family and Medical Leave: Essential Support for Working Women and Men"  
[www.iwpr.org/pdf/famlve2.pdf](http://www.iwpr.org/pdf/famlve2.pdf)

MultiState Working Families Consortium

- "Family Values at Work: It's About TIME!"  
[www.9to5.org/familyvaluesatwork/FV@workReport.pdf](http://www.9to5.org/familyvaluesatwork/FV@workReport.pdf)

National Partnership for Women and Families

- "Expecting Better: A State by State Analysis of Parental Leave Programs"  
[www.nationalpartnership.org/site/DocServer/ParentalLeaveReportMay05.pdf?docID=1052](http://www.nationalpartnership.org/site/DocServer/ParentalLeaveReportMay05.pdf?docID=1052)
- "Family Leave Benefits: A Menu of Policy Models for State and Local Policy Leaders"  
[www.nationalpartnership.org](http://www.nationalpartnership.org)

Ruth Milkman and Eileen Appelbaum

- "Paid Family Leave in California: New Research Findings"  
[www.familyleave.ucla.edu/briefingpapers/papers/newresearch.pdf](http://www.familyleave.ucla.edu/briefingpapers/papers/newresearch.pdf)

Voices for America's Children

- "Child Advocates Q&A: Paid Family and Medical Leave"  
[www.voices.org](http://www.voices.org)

### Opinion Polls

Lake Research Partners

- "Banners from a Nationwide Survey of 1,200 Likely Voters"  
[www.lakeresearch.com](http://www.lakeresearch.com)

### Legislation

California

- 2002 California Family Rights Act, Gov. Code sections 12945.1, 12945.2  
[www.leginfo.ca.gov](http://www.leginfo.ca.gov)

Washington

- 2007 WA Family Leave Insurance Session Law 5659  
[apps.leg.wa.gov/documents/billdocs/2007-08/Pdf/Bills/Session%20Law%202007/5659-S2.SL.pdf](http://apps.leg.wa.gov/documents/billdocs/2007-08/Pdf/Bills/Session%20Law%202007/5659-S2.SL.pdf)