The Role of Paid Family Medical & Sick Leave

Children and families thrive when we create conditions that support their well-being. Family-friendly workplace policies, such as publicly funded paid family, medical, or sick leave (paid family leave) programs, provide a critical support to families through helping employees meet their personal and family health care needs while also fulfilling work responsibilities. Expanding paid family leave policies within states allows parents protected paid time off time from work without jeopardizing their economic security. This concrete support to families in times of need is a critical policy lever in the prevention of child abuse and neglect.

Paid Family Leave policies in this resource refer to partially or fully compensated time away from work for specific and generally significant family caregiving needs, such as the arrival of a new child, serious illness of a close family member, or to attend to one's own health.

Studies show that paid family leave improves worker retention and reduces turnover costs, citing that new mothers who take paid leave are more likely than mothers who take unpaid leave or no leave to be working again after childbirth[i] and return to the same employer.[ii] Paid family leave programs has also been associated with reductions in hospitalizations for abusive head trauma, higher rates of successful breastfeeding and maternal health, and lower rates of family stressors and risk factors. For example, a 2016 study found that California's paid family leave policy was associated with a reduction of pediatric abusive head trauma admissions.[iii]

THE BUSINESS & ECONOMIC CASE Working parents are an essential part of many businesses. Family-friendly workplaces have a competitive advantage: they attract and retain more top talent, and their employees are more productive and more committed. Plus, family-friendly employers benefit from reduced employee health care costs, a healthier work environment, and fewer employee absences. The findings on paid family leave shows that these policies are good for business.

Several leading companies have pioneered progressive paid family leave policies because they believe it helps them attract talent.

The company Patagonia has in place family friendly policies, including paid family leave, and **100% of new mothers return to work after maternity leave.**

97.6%

Of **Nestlé's U.S. employees,** 97.6% who used any form of parental leave were still active within Nestlé six months after their return.

Employee engagement and retention is the number one human resource problem according to Deloitte's 2015 Global Human Capital Trends report.

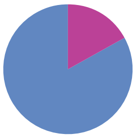
20%

The **cost to replace a lost employee** is roughly 20% of an entry-level annual salary, at a minimum, and often much larger when lost productivity is considered.

In a 2019 report the U.S. Chamber of Commerce Foundation stated that "they are dedicated to strengthening America's long term competitiveness."[iv] And "now more than ever, providing support for working parents with young children is key to attracting and retaining high-quality employees." A 2018 report shows the US economy loses an astounding $57 billion per year in revenue, wages, and productivity as a result of issues related to childcare.[v]

THE FAMILY CASE Supportive policies that strengthen economic supports yields significant benefits to an organization, individual, and their family. When families face unseen financial hardships, it sets the stage for increased parental stress, which could be a trigger for abuse and neglect. Boosting family incomes through paid family leave can relieve pressure, helping to head off childhood adversity before it happens. Furthermore, we know that stability is necessary for healthy childhood development.

Federal Family Medical Leave Act: In states without paid family leave, the only access to leave is through the federal Family and Medical Leave Act (FMLA), which requires eligible employers to provide unpaid, job-protected family leave with continuous health coverage. This coverage has limitations as it generally only applies to employers with at least 50 employees – providing access to only 17% of employees in 2018.[vi] However, the United States does not have any national standards on paid family or sick leave, despite growing public support. Expanding paid family leave policies within states by allowing workers protected paid time off is a critical support to families and can substantially improve child and family well-being while preventing child abuse and neglect.



YET, ONLY 17% OF WORKERS IN THE U.S. HAVE ACCESS TO ANY PAID FAMILY LEAVE THROUGH THEIR EMPLOYERS.

States Are Stepping up to Address the Problem: Several states have developed their own paid family leave programs. State and local progress has demonstrated that enacting paid family leave is possible and that these policies have good outcomes for employees and are not burdensome to businesses. The passage of a paid leave policy from California to Arizona and North Carolina demonstrates that this issue is possible across red and blue states.

Today there are nine states and the District of Columbia that have enacted laws to require paid family leave including, **California, Colorado, Connecticut, Massachusetts, New Jersey, New York, Oregon, Rhode Island and Washington, plus the District of Columbia.** Ten additional states—**Arkansas, Delaware, Idaho, Indiana, Kansas, Missouri, North Carolina, New Mexico, Tennessee and Virginia**—have enacted more narrowly defined policies to provide paid family leave to some or all state employees. And, at least a quarter of states have introduced paid leave legislation over the past two years. Each state's approach is slightly different in terms of how the law was enacted (by the legislature, ballot measure, or other means) and the particular details of the policy (what employers apply, duration of leave, mechanism for financing, etc.).

Some paid family leave policies are paid for through an insurance mechanism that employers and/or employees pay into, while others are funded through governmental dollars. Details such as which employees are considered eligible, which companies are required to participate, and the duration of paid leave benefits are also important considerations that can vary across proposals.

Conclusion: There is room for public policy to make paid leave more widely available. Paid family leave policies have benefits for parents, children, and the economy.

1 Houser, L., & Vartanian, T. P. (2012). Pay matters: The positive economic impact of paid family leave for families, businesses and the public. Center for Women and Work.

ii Laughlin, L. (2011). Maternity leave and employment patterns of first-time mothers: 1961-2008. U.S. Census Bureau.

iii Klevens, J., Luo, F., Xu, L., Peterson, C., & Latzman, N. E. (2016). Paid family leave's effect on hospital admissions for pediatric abusive head trauma. Injury Prevention, 22(6), 442–445. https://doi.org/10.1136/injuryprev-2015-041702.

iv https://www.uschamberfoundation.org/sites/default/files/2019_BuildingBridges_PrintableFinal.pdf

v Sandra Bishop-Josef and others, "Want to Grow the Economy? Fix the Child Care Crisis," Ready Nation, 2019.

vi Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, Access to paid and unpaid family leave in 2018.