



Evaluating Family and Medical Leave Insurance for Washington State





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May 2012

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Executive Summary

There are a handful of times during one's career when it will be necessary to take significant time away from work for health or family needs: to welcome a new child, recover from surgery, care for a spouse with cancer, or tend to aging parents. Paid family and medical leave not only enables workers to take time to address care needs, but provides benefits to families, business owners, and communities.

Research shows providing parents with paid leave to care for a newborn or newly adopted child has long-lasting benefits for children. It increases the amount of time for caregiving by both mothers and fathers and the duration of breastfeeding, contributing to better health and social development. For seniors, paid family leave enables younger working family members to provide care and establish appropriate long-term care arrangements, rather than relying on costly nursing facilities.

Paid family and medical leave is also essential to leveling the playing field for women in the workforce. Women continue to earn less than their male counterparts and are less likely to receive pay while on leave. Yet, women also spend more time as caregivers, which puts them at an economic disadvantage. Paid family leave has been shown to boost economic stability for working women – increasing their likelihood of returning to work after childbirth and decreasing their use of public assistance.

Despite these documented advantages and the growing need for paid leave benefits, fewer than one in eight workers in the U.S. has access to paid family leave. Lower-wage, part-time, and service sector employees often have little or no paid leave of any kind.¹ And while many full-time workers do have access to some paid sick and vacation leave, it usually only covers a few days or weeks in a year – perhaps sufficient to cover many routine health needs, but inadequate for more significant illnesses and life events. As a result, far too many workers face an impossible choice: take unpaid leave and sacrifice economic security, or return to work and sacrifice family health and well-being.

Public policy solutions are readily available. For decades, all workers in five states – over 20% of the U.S. workforce² – have been guaranteed paid leave for their own serious health condition under temporary disability insurance (TDI) programs in California, New Jersey, New York, Rhode Island, and Hawaii. Puerto Rico also has a TDI system in place.

California and New Jersey have added paid family leave to their state TDI programs. Workers in these states directly benefit from partial wage replacement when they must take leave, and employers benefit from more productive employees. Further, the increase in family income flows back to businesses throughout the community – contributing to the vibrancy of the local economy.

In Washington, the state legislature approved the Family and Medical Leave Insurance Program in 2007 to provide five weeks of partially paid leave for parents of a new child. However, the ongoing budget crisis has delayed implementation of the program until 2015. State lawmakers will face a choice of how to fund and finalize policy for the program in 2013. To help rebuild economic security for struggling families and main street businesses – while boosting the health of children, workers, and seniors – lawmakers should consider:

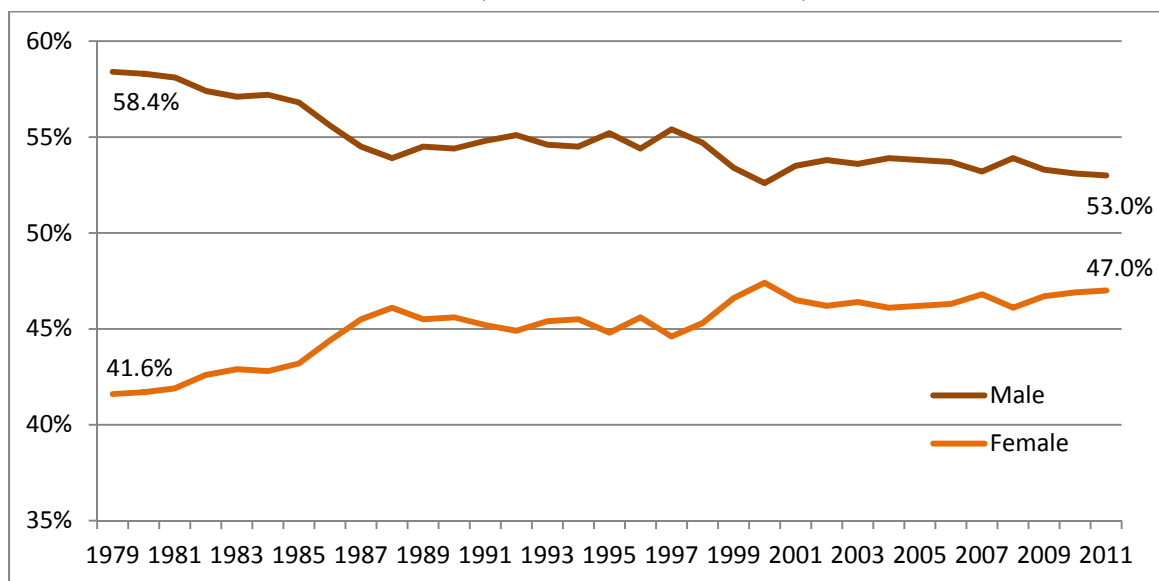
- enhancing benefits;
- extending the program to workers who need leave for their own serious health condition or to care for ill family members; and
- authorizing payroll premiums to fund benefits.

Modernizing policies for a changing workforce

Significant changes in workforce demographics have led to increased need for family-friendly workplace policies that enable workers to better balance the responsibilities of family, health and career. But absent new public standards and programs, private employers have responded slowly. Paid leave benefits have generally been limited to those workers with the greatest bargaining power, either because of training and skills or representation by a labor union.

The face of the labor force has changed considerably over the past several decades, including a notable increase in the proportion of women in the workforce. Today, women hold nearly half of jobs throughout the U.S. About 60% of Washington's women participated in the labor force in 2011 – up from 52% in 1981.³ The increase is even sharper among mothers. In 1975, just 47% of U.S. moms with children under 18 participated in the labor force.⁴ Now, more than two-thirds of mothers with kids at home are employed, and 59% of moms with children under six were working in 2010.⁵

SHARE OF LABOR FORCE, BY GENDER: WASHINGTON, 1979-2011

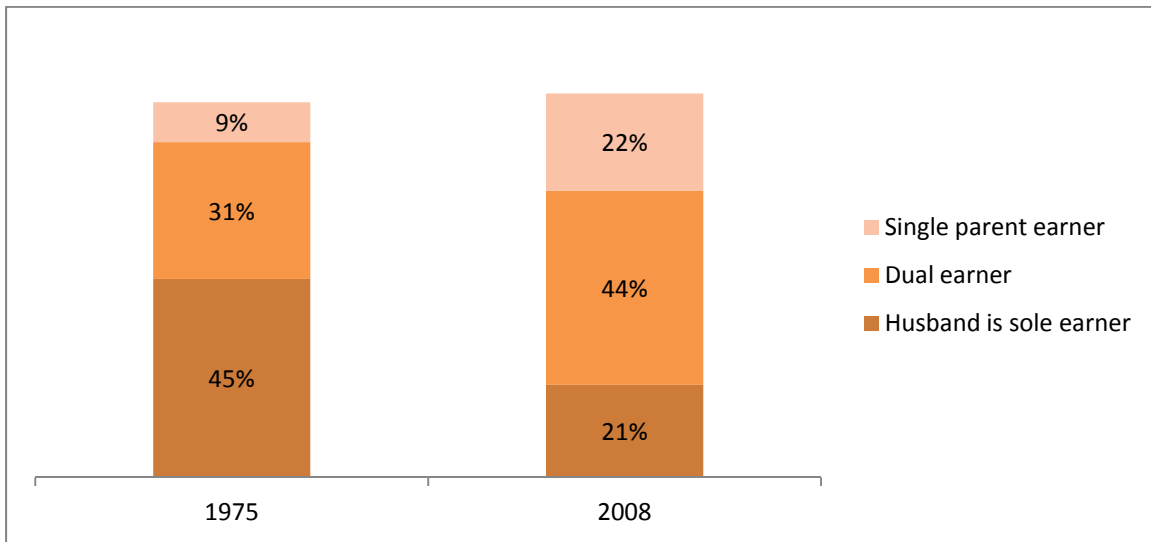


Source: Economic Policy Institute analysis of Current Population Survey data

As women and mothers have joined the workforce, families have become increasingly reliant on women's earnings. In 1975, husbands were the sole breadwinner while wives were stay-at-home moms in 45% of families with children. By 2008, only 21% of families had this arrangement. Now, about four in ten moms are the primary breadwinners for their families.⁶

Single mothers, as sole earners, are more likely than those who are married to hold a job. In Washington, 70% of single mothers were employed in 2010, compared with 62% of married moms.⁷

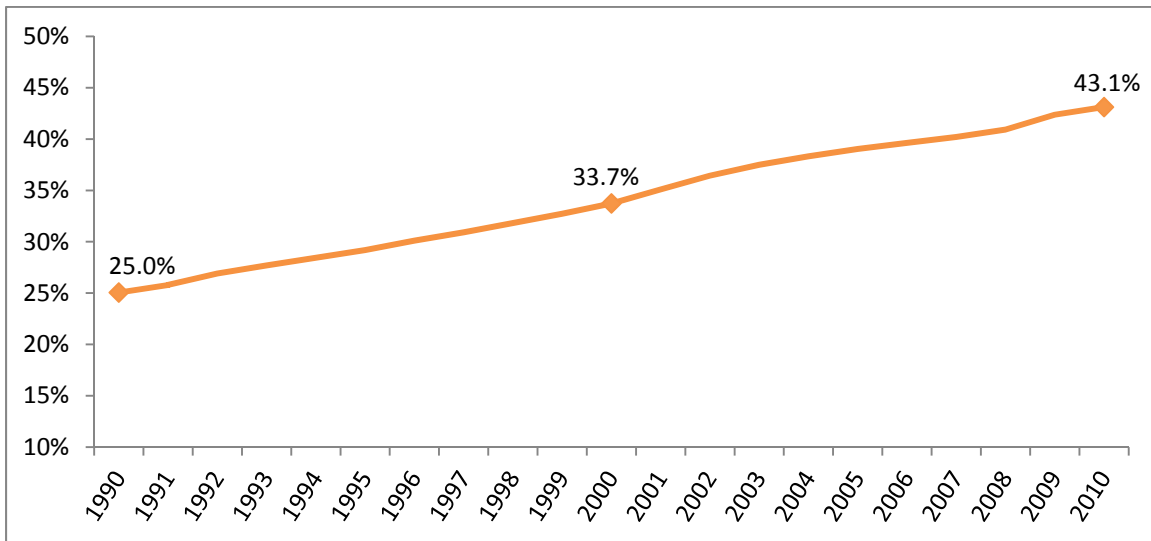
EARNERS IN FAMILIES WITH CHILDREN: U.S., 1975 AND 2008



Source: Ann O'Leary, data analysis for *The Shriver Report*⁸

Our workforce is aging, too.⁹ In Washington, the percentage of workers over the age of 45 increased from 25% in 1990 to 43% in 2010.¹⁰ This means more workers will be dealing with their own health needs and those of aging spouses, in addition to their elderly parents. More than four in ten workers has provided care for an elderly relative in the past five years, and five in ten expect to be providing care in the next five years.¹¹

SHARE OF WORKFORCE OVER AGE 45: WASHINGTON, 4 QUARTER AVERAGE, 1990-2010



Source: U.S. Census Bureau, *Quarterly Workforce Indicators*

The Family and Medical Leave Act: Out-of-reach for too many

The federal government enacted the Family Medical Leave Act (FMLA) in 1993 to ensure up to twelve weeks of unpaid leave per year for workers to recover from their own serious health condition, bond with a new child, or care for a seriously ill spouse, child or parent.^{12,13} The law also provides job protection while eligible employees are on leave.

Despite setting an important precedent, FMLA's reach has proven limited. While most employers have been able to comply with FMLA standards, a large sector of the workforce is ineligible for leave. Moreover, many workers simply cannot afford unpaid leave, even to provide necessary care to loved ones.

Leave under FMLA is available only to people working in businesses with 50+ employees, who have been with their current employer for a full year, working a minimum of 1,250 hours in the preceding 12 months. These restrictions mean little more than half the workforce has access to FMLA – and just 20% of new moms.¹⁴

The policy is further limited by the economic burden unpaid leave places upon workers and their families. U.S. Department of Labor surveys have found that among eligible workers who had a need for leave but did not take it, nearly 78% reported they could not afford to take unpaid time away from work.¹⁵ Employers, for their part, report little difficulty with FMLA.

In surveys conducted by the U.S. Department of Labor, more than 90% of employers reported the law had “positive” or “no noticeable” effects on their business’ profitability and growth. Further, the majority of employers were able to temporarily reassign the work of an employee on leave to others, rather than recruit and train a short-term replacement.¹⁶

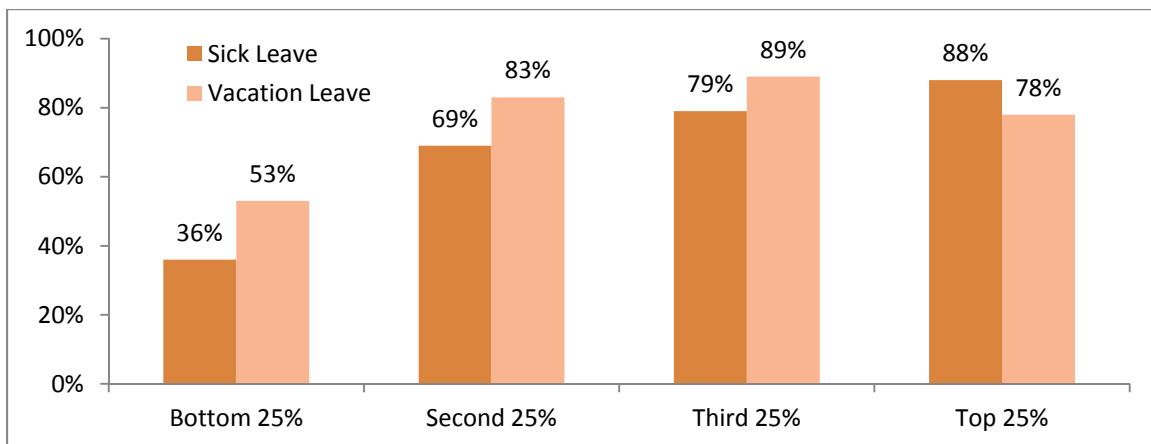
Unequal access to paid leave

While few workers have a designated paid family leave benefit, many do have limited amounts of paid leave available as vacation, sick leave, or paid time off. However, access to paid leave benefits varies across the labor force.¹⁷ In general, low-wage and part-time workers, workers without advanced degrees, and women of color are unlikely to receive any type of workplace benefit, including paid leave, which presents significant barriers to economic stability. Limited access to leave benefits can be especially challenging for low-income families.

Low-wage and part-time workers

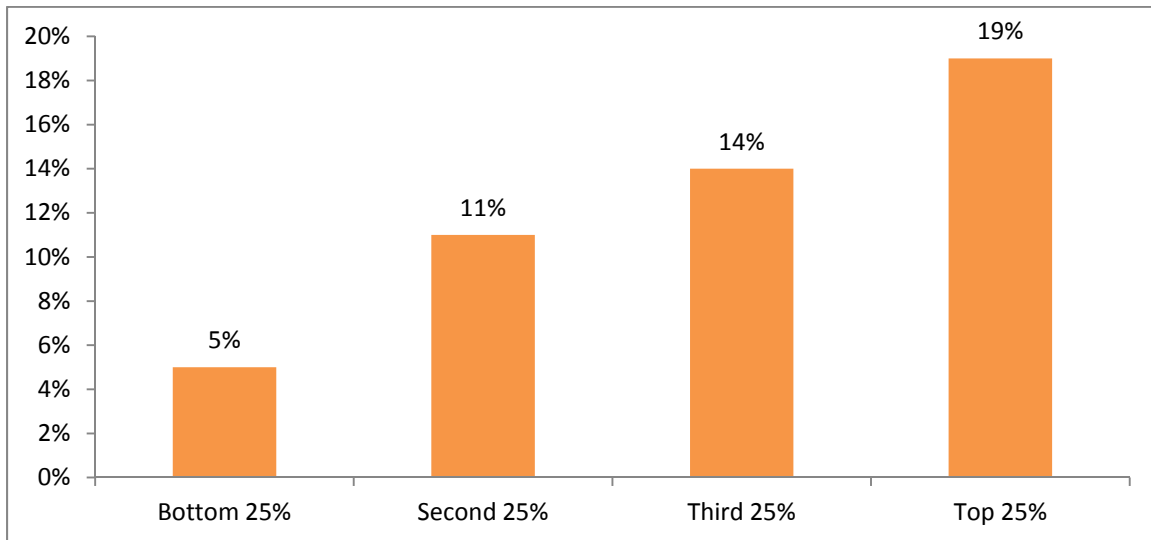
Little more than half of the U.S. workforce with earnings in the bottom 25% has access to paid vacation leave, and just 36% have paid sick leave. Access to paid family leave is especially limited – just one in 25 workers with earnings in the bottom 10% receives paid family leave benefits, compared to one in five with earnings in the top 10%. Similarly, only 6% of part-time workers in the U.S. had access to paid family leave in 2010, versus 14% of full-time workers.¹⁸

**ACCESS TO PAID SICK AND VACATION LEAVE BENEFITS,
CIVILIAN WORKERS BY INCOME QUARTILE: U.S., 2011**



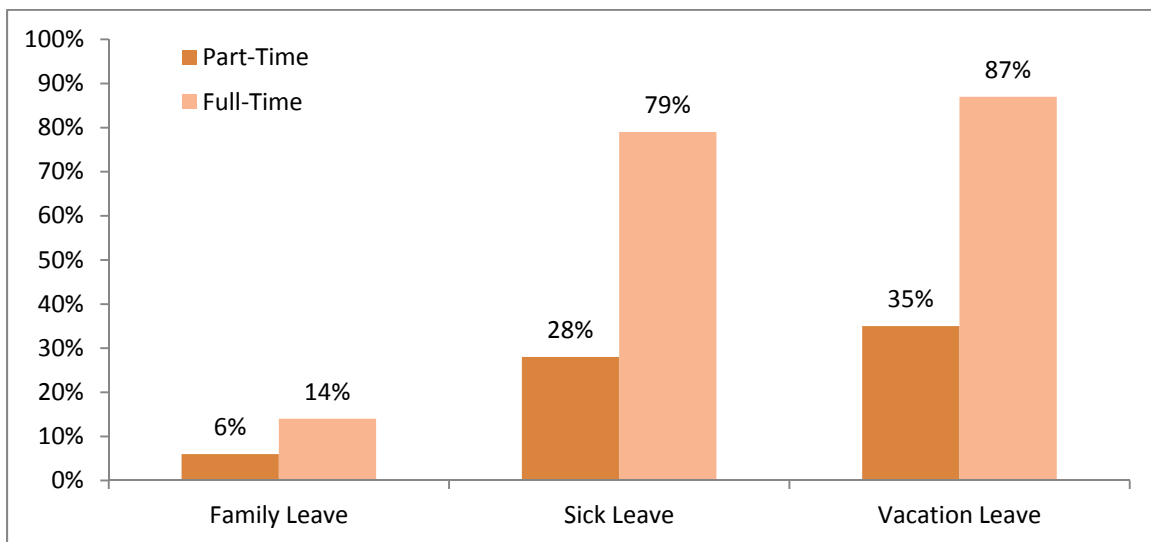
Source: U.S. Bureau of Labor Statistics, National Compensation Survey, March 2011

ACCESS TO PAID FAMILY LEAVE BENEFITS, CIVILIAN WORKERS BY INCOME QUARTILE: U.S., 2011



Source: U.S. Bureau of Labor Statistics, National Compensation Survey, March 2011

ACCESS TO PAID LEAVE BENEFITS, CIVILIAN WORKERS, PART-TIME VS. FULL-TIME: U.S., 2011



Source: U.S. Bureau of Labor Statistics, National Compensation Survey, March 2011

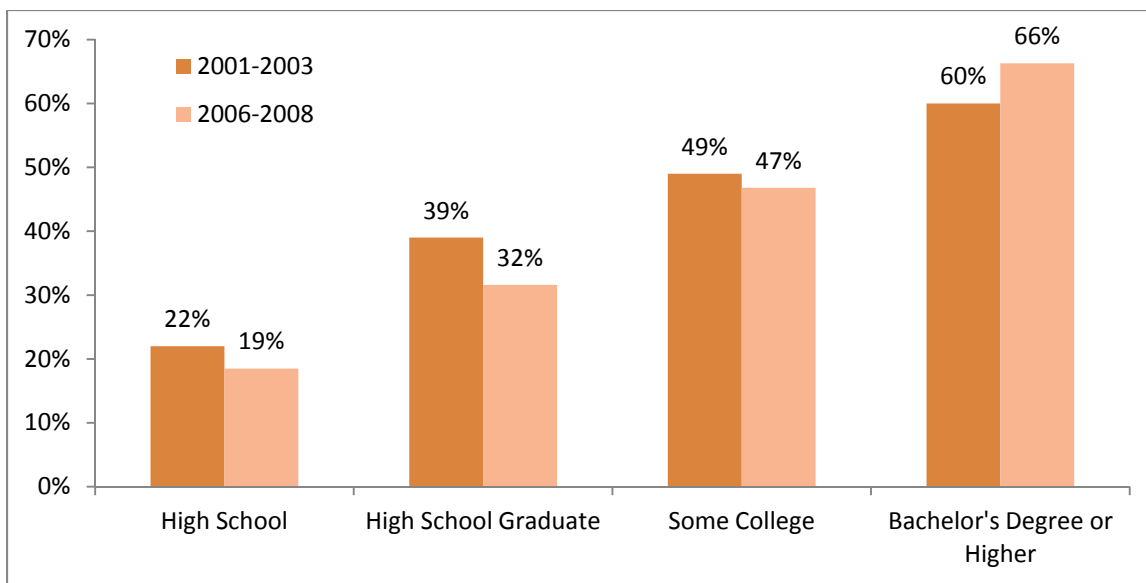
Workers in low-wage jobs often deal with unpredictable scheduling and limited flexibility. Irregular hours can be particularly difficult for workers who cannot afford consistent child care or homecare services for an ill or aging parent. Further, low-income families face greater demands for family care. Due to limited availability of resources, they are more likely to act as caregivers for elderly relatives. Children from low-income families are more likely to have chronic health issues and developmental difficulties – conditions that often require more intensive care.¹⁹

Juggling inflexible schedules and demanding care needs can put strain on any household. But for low-income families, this kind of juggling act is more often managed by a single parent: two-thirds of low-income parents are the sole head of the household.²⁰ In Washington, six in ten families led by a single mother lived below 185% of the poverty level in 2010²¹ – that's an annual income of \$32,500 or less for one parent with two children.²²

Educational attainment

Workers with higher levels of education are more likely to have jobs that pay higher wages and offer benefits, including paid leave.²³ Research by the U.S. Census Bureau found that 66% of first-time mothers with a college degree were able to take some form of paid leave after the birth of a child in 2006-08, versus just 19% of women without a high school diploma.²⁴ This disparity has increased over the last decade.²⁵

PERCENT OF WOMEN WHO RECEIVED PAID LEAVE BEFORE OR AFTER THEIR FIRST BIRTH BY EDUCATIONAL ATTAINMENT: U.S., 2001-03 AND 2006-08 ²⁶



Source: U.S. Census Bureau, *Maternity leave and employment: Patterns of first-time mothers: 1961-2003; 1961-2008*

Women and families

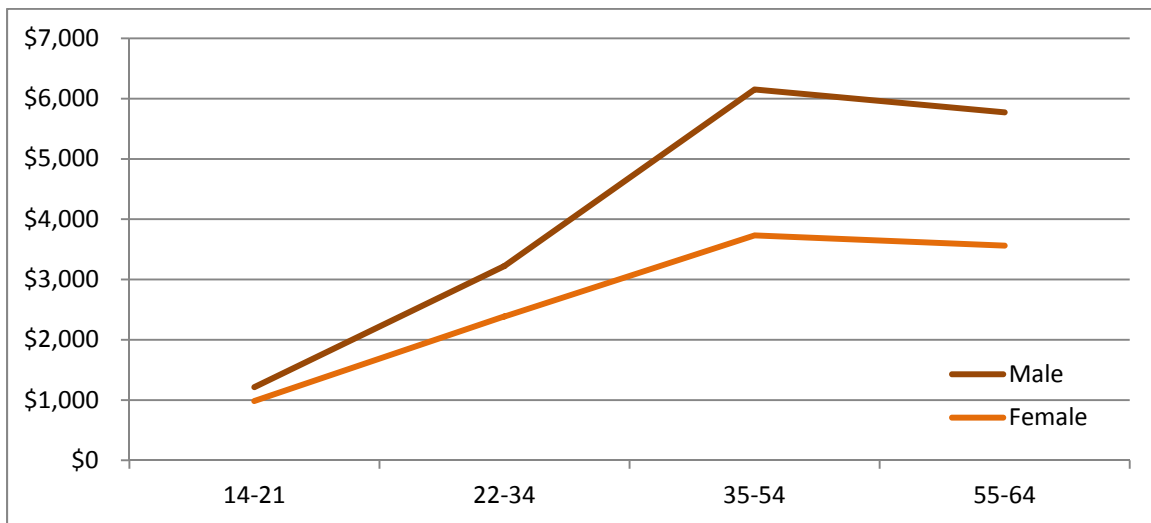
Because women are more likely to work part-time and in low-wage sectors, particularly women of color, they are disproportionately affected by lack of essential paid leave benefits. Generally, women are more likely to take family leave, whether paid or unpaid.²⁷ However, men are not only more likely to be eligible for family leave, they are also more likely to receive pay while on leave.²⁸ At the same time, women continue to earn less than men and are less likely to receive workplace benefits.²⁹

The motherhood penalty

As women's participation in the workforce has increased, families have become more dependent on women's earnings – particularly since the Great Recession left significantly more men without jobs. Yet, women continue to take home less than their male counterparts across industries, age ranges and education levels. According to research by the Center for American Progress, a typical Washington woman earns \$524,000 less than her male counterpart over a 40-year career.³⁰

Although a number of factors contribute to the earnings gap, many women experience what is known as the “motherhood penalty” – women with children have more difficulty getting hired and are more likely to be offered lower pay than other women and men with equivalent qualifications.³¹ Notably, disparities in pay begin to increase as women reach child-bearing age. As they move into sandwich years, when they are caring for children and elders at the same time, the earnings gap continues to widen because women are less likely to receive promotions and accompanying pay raises.

AVERAGE MONTHLY EARNINGS BY SEX: WASHINGTON, 2010



Source: U.S. Census Bureau, Quarterly Workforce Indicators

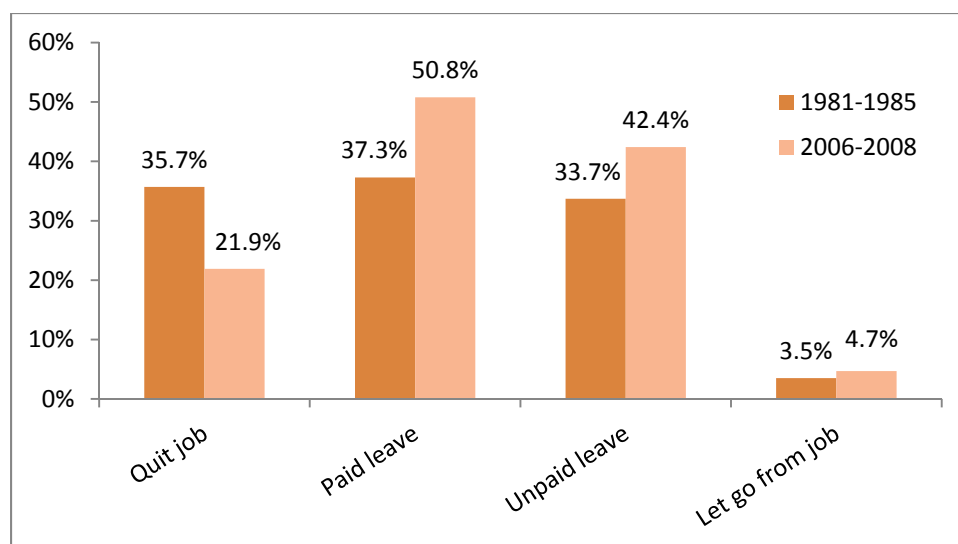
Childbirth and family care

For women working full-time, paid sick and vacation leave have become more available for situations when a few days of leave is needed. However, sick and vacation leave are usually short-term and insufficient for serious health or family issues.

Data from the U.S. Census Bureau show that more than half of first-time mothers used some form of paid leave after the birth of their first child between 2006 and 2008. More than a third of these women used a combination of leave, including paid vacation and sick days to spend time recovering from childbirth and caring for their newborns.³² Further, data show that while fewer women are quitting their jobs to care for newborns, more women are taking *unpaid* leave after giving birth and slightly more are being let go from their jobs.

SELECTED LEAVE USED BY U.S. WOMEN WHO WORKED DURING PREGNANCY PRECEDING FIRST BIRTH:

1981-1985 AND 2006-2008³³



Source: U.S. Census Bureau, Maternity Leave and Employment Patterns for First-Time Mothers: 1961-2008

Women of color

While nearly 51% of first-time mothers in the workforce used some form of paid leave to care for a new child in 2006-08, use was lower among women of color. More than 52% of non-Hispanic White moms used paid leave, compared with 50% of Black moms and 47% of Asian and Hispanic moms.³⁴ These differences are likely a reflection of the overall reduced access to benefits experienced by women of color.

Use of unpaid leave is also lower among Black and Hispanic mothers. For these women, leave without pay may be impossible, as women of color earn significantly less than other workers. In Washington, White women at the median working full-time earn just under \$41,000 annually, versus \$35,400 for Black women and \$25,400 for Latinas.³⁵ With limited earnings, any loss in wages can make leave unfeasible, even if it means sacrificing time to care for a new child.

Economic, social and health benefits of paid family and medical leave

The economic gains of paid leave are a key benefit to working families, but paid family leave also impacts quality of care. When workers on leave are ensured some level of wage replacement, they can better focus their attention on loved ones. People of all ages have better health and life outcomes when loved ones are present and active in their care.³⁶ For children, the availability of nurturing caregivers at the start matters for healthy development in the long-term. When children are sick at home, they need their parents to provide care, give medications and monitor their condition. In outpatient or hospital care, recovery is faster when parents are at their side and involved in follow-up care planning.³⁷ For adults, morbidity and mortality is affected by social engagement, and the elderly have better disease and physical health outcomes when loved ones participate in their care.³⁸

Healthier babies and mothers – and more involved dads

Caregivers who take paid leave report more positive effects on their ability to provide care, compared with those who do not receive wage replacements. In a survey of California workers who accessed paid family leave, 82% reported that bonding leave “had a positive effect on their ability to care” for a new child. Positive effects were even greater for workers in low-wage jobs – 91% reported positive effects on ability to care for a child, versus 71% of those who did not use the state’s program for leave.³⁹

Additionally, parents who took paid family leave reported positive effects on ability to arrange child care, particularly parents in low-wage jobs – 72% who used paid family leave reported positive effects compared with just 49% of those did not use the state’s program for leave.

When parents take leave, children benefit – studies show children have better physical, cognitive and behavioral outcomes when their parents are able to take adequate leave after birth or adoption.⁴⁰ A key component of these positive outcomes is the increased incidence and duration of breastfeeding associated with access to paid family leave.

Breastfeeding is well-documented as one of the best ways a mother can protect the health of her infant.⁴¹ New moms who are able to take longer maternity leaves are more likely to breastfeed and for a longer duration.⁴² California’s paid family leave program has led to significantly increased duration of breastfeeding for new mothers – from a median of five weeks for all moms to nine weeks for those in low-quality jobs and eleven weeks for those in high quality jobs.⁴³

On the other hand, children may experience negative health outcomes when parents must return to work without taking a sufficient period of leave. Research shows that children are less likely to receive well-baby care and all of their immunizations when their mothers return to work less than 12 weeks after delivery. These

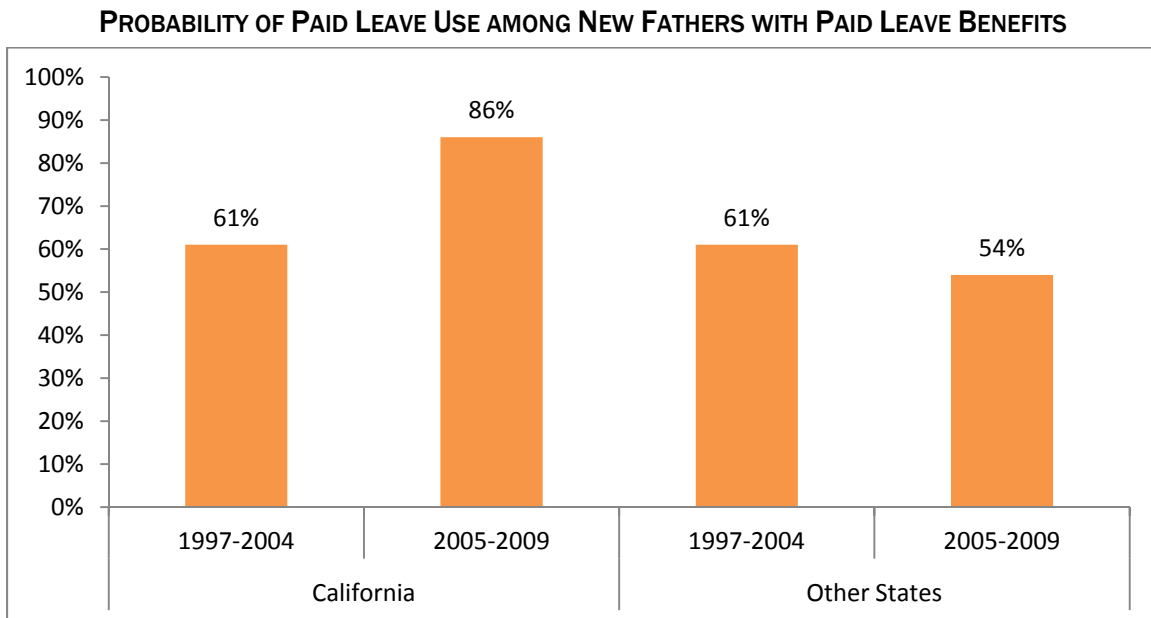
children are also less likely to be breastfed than children whose mothers' take more extended periods of leave.⁴⁴

The ability to take sufficient leave is also important to the health of new mothers. A recent study found that the majority of women who deliver are still experiencing postpartum symptoms five weeks after delivery, including fatigue and discomfort.⁴⁵ These symptoms can make work challenging, and recovery may be delayed if women are not able to adequately rest. Further, women who take shorter leaves experience more symptoms of depression and anxiety than women who are able to take at least 12 weeks of leave with their new child.⁴⁶

Welcoming a new child is an adjustment for any family. The first weeks and months of relationship building between children and parents impacts the long-term development of children – whether adopted, biological or in foster care. Children who have positive attachments to their parents are more likely to have healthy social and emotional outcomes and less likely to exhibit behavioral and adjustment problems as adolescents and adults.⁴⁷ Paid family leave helps to ensure parents and children have time to build strong relationships from the start – contributing to a healthier future for the child in the long run.

Parental Leave for Fathers

While new mothers continue to file the majority of bonding claims in the two states with universal paid family leave programs, the programs have been shown to increase the proportion of claims filed by new fathers. In California, the percentage of bonding claims filed by men increased from 17% in 2004-05, when the program was implemented, to 26% in 2009-10. Many managers have also reported increases in duration of leave taken by new dads.⁴⁸ On average, the likelihood of a new father taking paid leave increased from 61% in 2004 to 86% in 2009.⁴⁹



Source: Linda Houser & Thomas Vartanian, "Policy Matters: Public Policy, Paid Leave for New Parents, and Economic Security for U.S. Workers"

For children, the benefits of paternity leave last beyond infancy. Researchers found that men who take family leave are more likely to be involved with their children in later months. For example, men who take more than two weeks of leave after the birth of a child are more likely to participate in caregiving activities nine months later.⁵⁰

A stronger start in life for all children

Paid leave enables infants to directly benefit from bonding, but also reduces the risk of financial crisis for the entire family. As a result, babies have a more stable start in life, contributing to a healthier childhood and more promising future.

Neural connections are most actively formed during the first few years, and by 18 months disparities in vocabulary begin to appear.⁵¹ For children with limited exposure to quality learning experiences, educational attainment and career success can be out of reach. Parents are a child's first teachers, and they play a primary role in nurturing and preparing children for life. However, parents struggling to overcome poverty often face barriers to opportunities and programs that provide the best possible learning experiences.

Children who are born into poverty and near-poverty are at increased risk of poor outcomes as adults. Low-income families struggle to afford quality child care, educational opportunities, and health care, which can make it difficult to ensure children are on the most successful path to adulthood. A new study by the Brookings Center on Children and Families found that just 48% of children who live below the federal poverty level are school ready when entering kindergarten, compared to 75% of children who live above 185% of the poverty level. These children are also more likely to drop out of high school, become teen parents and live in poverty as adults.⁵²

Children without good foundations for school success, including earning a high school diploma, tend to be limited as adults to work in low-quality jobs – those that do not provide the earnings or benefits necessary to achieve economic security for their own families. Access to paid family leave provides an otherwise unlikely opportunity for low-income parents to bond with and care for their children in the critical first weeks of their lives – without forfeiting their earnings or their job.

More family care for our elders

The need for paid leave to care for family isn't limited to new parents. A growing number of workers are providing care for a different loved one: a sick or elderly family member. While it's impossible to predict when a crisis might happen, paid family leave guarantees that workers will have at least some income stability when they must take leave to focus on caring for family.

As our population ages, so does the number of people needing additional assistance or care needs – meaning more workers taking on adult caregiving, along with their work responsibilities. Among workers currently caring for an elderly relative, more than one-third are the sole caretaker.⁵³

The cost of quality adult care is a significant barrier for working families.⁵⁴ Nearly six in ten caregivers provide some financial support to their elderly family member.⁵⁵ Yet, many cannot afford regular homecare services or full-time facility care. This means families must manage both work and care duties, despite the demanding needs of some care recipients.

Studies show working caregivers spend just as many hours on the job as their non-caregiving co-workers. At the same time, more than half provide direct care several times a week or more, including meal preparation, transportation to appointments and housework. At least four in ten of these caregivers also have children at home, further stretching their time.

Any schedule becomes impossible to manage when a crisis strikes – when a family member has a stroke, needs surgery or suffers a serious injury. At these times, workers without paid leave often have no other option than to lose income, and possibly their job, in order to care for their loved one. Among workers who provide elder care for a family member, one of the most reported job concerns in a 2008 survey was access to paid time off to deal with family care needs – without having to use vacation time.⁵⁶

Healthier workers on the job

For workers, adequate time off following a serious illness or injury is critical to ensuring workplace productivity and safety. As the workforce ages, employers will likely see higher incidence of chronic conditions among their employees. For instance, 2% of adults aged 25-44 have been diagnosed with cancer. That rate increases to 9% for 45-64 year olds and 23% for those 65 and older. Further, more than 10% of 45-64 year olds have been diagnosed with heart disease and more than 12% have been diagnosed with diabetes.⁵⁷

If workers return to the job before a chronic condition is stabilized or an injury has fully healed, they may have difficulty performing their duties and risk relapse or re-injury. In some jobs, such as those that require physical abilities or operation of machinery, the safety of the entire workplace is dependent on the good health of employees. Additionally, workers and their employers may face increased health care costs in situations where an employee is injured or relapses – further affecting economic stability.

More equal economic opportunity

Access to paid family leave is an essential step toward leveling the playing field for all workers and reducing economic instability for both women and men. A study by the Rutgers Center for Women and Work found that men and women who used New Jersey's paid family leave program were less likely to receive public assistance than those who did not take leave after the birth of a child. Women who returned to work after taking paid leave were 40% less likely to receive food stamps and 54% more likely to report wage increases than women who did not take leave following the birth of a child.⁵⁸

Further research shows these economic impacts extend to all states that provide paid leave benefits to new mothers through TDI programs. In states without TDI programs, 24% of moms who had a child between 2005 and 2009 received public assistance, averaging \$749 in benefits. In TDI states, just 10% of new moms received public assistance, averaging \$358 in benefits.⁵⁹

Family leave insurance has also been shown to reduce some of the racial disparities in leave-taking. A recent study analyzed women's use of maternity leave before and after California implemented paid family leave. In the five years prior to implementation, Black women averaged just one week of maternity leave compared with 4 weeks taken by non-Hispanic White mothers. Several years after implementation, both groups averaged seven weeks of leave.⁶⁰

Finally, in protecting the economic security of workers and reducing their need for economic assistance, paid family leave is also a benefit to the state. Not only do fewer families receive state benefits, workers who continue to receive wages put those earnings back into the economy. Moreover, when women return to work and begin earning more, they are able to increase their contributions to the financial stability of their families and the economic growth of their communities.

Paid leave in Washington state

In Washington state, workers with paid leave may use it to care for an ill family member, but the proportion of employers offering these benefits has declined over the last decade. In 2002, 77% of the state's businesses offered paid vacation to full-time employees, but by 2010 that proportion fell to 68%. Those offering paid sick leave dropped from 56% in 2002 to 44% in 2010.⁶¹

Workers inside Seattle city limits will be guaranteed some paid sick leave starting September 2012, if they work for companies with 5 or more employees, thanks to a City law passed in 2011. But for most, even sick leave and vacation together allow for no more than a few paid weeks off per year.

Paid Family and Medical Leave Policies around the Country

When employees are able to successfully and healthfully manage their work and family needs, they can be more productive in the workplace – reducing turnover, generating cost savings and boosting workplace morale. As such, paid family leave is good for employers, their businesses and the local economy.

California, New Jersey, New York, Rhode island, Hawaii, and Puerto Rico have temporary disability insurance (TDI) programs covering all workers in their states. These programs vary somewhat, but all workers receive a percentage of their usual pay for up to 26 to 52 weeks when a non-job related illness or injury makes it impossible for them to work. All are funded through modest payroll taxes, and all state programs (save Hawaii's) have been in place since the 1940s.

In the 1970s, after passage of federal laws banning discrimination on the basis of sex, these programs began covering pregnancy and childbirth-related disability. As a consequence, birth mothers in these states have been guaranteed six to eight weeks of paid maternity leave for several decades, with the ability to take longer leaves for complicated pregnancies and childbirth.

California and New Jersey have added paid family leave (PFL) to their TDI programs. Workers are able to take family leave to care for a new child or ill family member. Including the six weeks typically allowed for pregnancy disability, new birth mothers in these states routinely receive 12 weeks of paid leave following the birth of their child.⁶²

California began distributing PFL benefits in 2004, which now cover 13 million workers. Workers receive benefits equivalent to 55% of pay, up to \$987 per week. New Jersey's family leave program was implemented in 2009 and covers more than 3.6 million workers. While on leave, workers receive two-thirds of pay, up to \$559 per week. As in California, benefits for paid family leave are employee-funded through a payroll tax, although NJ employers share in the cost of TDI.

Evaluation of leave-taking behaviors in TDI versus non-TDI states shows that family-friendly policies have significant effects for new parents. New mothers who live in states with TDI programs are twice as likely to take paid leave after the birth of a child as those who live in non-TDI states. Further, new moms in these family-friendly states take an average of 22 more days of paid leave, enabling more time to recover from childbirth and care for the new baby.⁶³

Researchers have also evaluated the effects of PFL programs within California and New Jersey. A recent study from New Jersey examined the impacts of paid family leave for workers, and found those who used the program experienced better economic outcomes.⁶⁴ Studies from California have determined paid family leave has positive effects for both workers and business owners.

Experience in California: Employees

In California, employees have access to both TDI and PFL through the State Disability Insurance system. Workers using TDI may take leave for up to 52 weeks to recover from a non-work-related injury, illness or disability. Using PFL benefits, workers may take up to six weeks of leave to care for a seriously ill family member or care for a new child. During the 2010 fiscal year, nearly 940,000 claims (about 7.2% of California's workforce) were filed for State Disability Insurance, more than 78% of which were for TDI benefits.⁶⁵

Workers who have accessed California's paid family leave report a number of benefits. Notably, duration of breastfeeding doubled for new mothers who used the program, compared to those who did not. New parents also report paid leave had positive effects on their ability to care for a new child and arrange child care. Furthermore, the proportion of men taking bonding leave has increased considerably in the years since the program was first implemented.

The greatest benefits were seen among workers in low-quality jobs (any job that does not meet the standard of paying more than \$20 per hour *and* providing employer-paid health insurance), particularly the impact of wage replacement.⁶⁶ More than five in six respondents in low-quality jobs who used paid family leave were able to receive at least half of their earnings. Among respondents who did not use paid family leave, more than half (59%) in low-quality jobs received no pay, versus 17% of those in high-quality jobs. Workers in low-quality jobs who used the program were also more satisfied with the length of leave – 97% report satisfaction with length of leave versus 83% in high-quality jobs who used the program. These disparities are likely due to the reduced access to benefits in low-wage occupations. While workers in high-quality jobs are able to use other types of paid leave when family leave is not available, those in low-quality jobs must forfeit their wages when taking leave.

The economic benefits to workers extend beyond the period of leave. Research suggests that women who used paid family leave experienced a 6%-9% increase in hours after returning to work, in addition to a proportional increase in wages.⁶⁷ For these women, paid family leave led to increased earnings, contributing to longer-term economic security – and benefitting their families, local communities and the state.

Experience in California: Employers

Throughout the legislative process, business owners in California expressed concerns about potential burdens associated with administering paid family leave benefits. However, in a survey conducted more than five years post-implementation, most employers reported the policy had little effect on the operation of their businesses. Further, businesses with fewer than 100 employees were less likely to report negative effects, indicating smaller employers have been able to successfully provide paid family leave.⁶⁸

EMPLOYER REPORTS OF EFFECTS ON PAID FAMILY LEAVE ON BUSINESS: CALIFORNIA, 2010

"No noticeable effect" or "positive effect" on:	Percent respondents
Productivity	89%
Profitability/Performance	91%
Turnover	93%
Morale	99%

Source: Eileen Appelbaum & Ruth Milkman, Leaves That Pay

One of the biggest concerns for business owners was the potential for costs increases. Yet, nearly 87% of surveyed employers reported that the program has not resulted in “any cost increases,” and 9% reported cost savings through reduced turnover and less frequent use of employer-paid benefits. Researchers believe cost savings are actually more widespread, as 60% of employers coordinated their benefits with the state program. This generates savings when workers use paid family leave rather than vacation or sick leave benefits paid by the employer.

In addition to the costs, employers were concerned about the potential for abuse. However, during the 2010 survey, 91% of employers responded that they were not “aware of any instances in which employees...abused the state Paid Family Leave program.” More than a quarter of those employers who were aware of abuse knew of only one case and almost none (0.5%) knew of more than 5 cases.⁶⁹

Conclusion

All parents, regardless of their employment situation, should have an equal opportunity to nurture their child. All workers, regardless of their earnings, work schedule or educational attainment, should have the tools to recover from their own illness or injury, and ensure the health of their loved ones. And all adult children, regardless of the size of their paycheck, should be able to ensure a dignified and secure future for their own parents.

Yet, the economic reality for many working families is that time away from work is financially impossible, even to care for loved ones. Whether a worker takes leave is most often based on economic factors – the primary considerations are whether leave is paid or job-protected.⁷⁰ However, the vast majority of the workforce has no access to paid family leave. Further, women and workers of color have disproportionately low access to workplace benefits.

Currently, five states have temporary disability insurance programs that enable workers to receive a percentage of pay while recovering from an illness or injury. Two states, California and New Jersey, have policies that extend paid family leave to all workers who need care for a new child or ill family member. Federal recognition of the need for paid leave is growing, too, as President Obama's 2013 budget includes \$5 million to support states in implementing paid family leave programs.⁷¹

In Washington, Family and Medical Leave Insurance is intended to provide paid leave to new parents, but implementation has been delayed until 2015. In order to be eligible for federal support and better serve low- and middle-income families, Washington must modernize its system prior to the 2015 implementation.

Without paid family and medical leave benefits, thousands of Washington workers and their families will continue to sacrifice their health and economic stability. Policies that support work-life balance are essential to the well-being of Washingtonians – ensuring the rights to health and quality of life for all workers, children and families.

Endnotes

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- ⁷ In Washington, 70% of single mothers with children under 18, versus 62% of married mothers, were employed in 2010. In the U.S., numbers are similar, with 71% of single moms with kids at home employed, versus 66% of married moms. U.S. Census Bureau, American Community Survey, 2010, Table B23007, <http://factfinder2.census.gov/>.
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