

# The Popular, Affordable Path for Paid Family and Medical Leave in Washington



## Summary

A just-released study funded by a [U.S. Department of Labor grant](#) to the State of Washington shows strong public support for a paid family and medical leave program – and new cost estimates that put such a program easily within reach of most workers and employers:

- Three in four Washington voters support a state paid family and medical leave program, with strong support across party identification, gender, age, and income.
- Strong majorities of voters favor a comprehensive program with shared premiums for employees and employers.
- A paid family and medical leave program to care for a new child, seriously ill family member, or a worker’s own serious health condition would cost a typical worker less than a cup of coffee each week.
- A paid family leave program would reduce the use of TANF (welfare) by new parents.

The study also included interviews with 30 employers and estimates of potential reductions in TANF (welfare) and SNAP (food stamps) usage by new mothers due to paid family leave.

California, New Jersey, New York, and Rhode Island have [established programs](#) that provide wage replacement for 26 to 52 weeks for the worker’s own serious health condition, including pregnancy and childbirth-related disability, and from 4 to 12 additional weeks of paid family leave to care for a newborn or newly placed child or for a seriously ill family member. The programs are typically funded through payroll premiums.

A number of other states, including Washington, are considering establishing similar programs.

## Poll: Strong public support for comprehensive paid family and medical leave program

A poll of 529 registered voters in Washington was conducted by Lake Research Partners in March 2016.

**FINDING 1:** 82% of Washington voters believe it is important for the state to establish a program to guarantee access to paid family and medical leave.

*Question: How important is it for Washington to establish a program to guarantee access to PAID family and medical leave – very important, somewhat important, a little important, or not important at all?*



**FINDING 2:** A large majority of voters favor a comprehensive program with shared premiums for employees and employers. When asked about individual components:

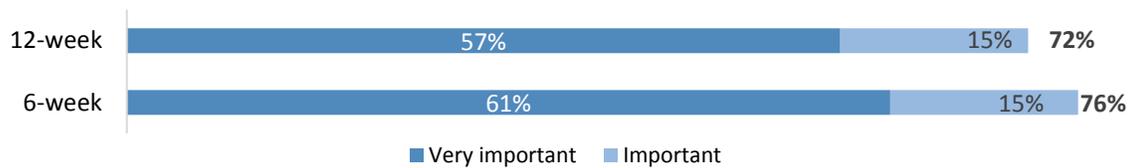
- 80% of voters favored including leave for both mothers and fathers with a new child, caring for seriously ill family members, and covering a worker’s own serious health condition.
- Voters expressed a preference for funding the program through payroll premiums shared equally by employees and employers (68%).

**FINDING 3:** A paid family leave program has strong support across party identification, gender, age, and income groups.

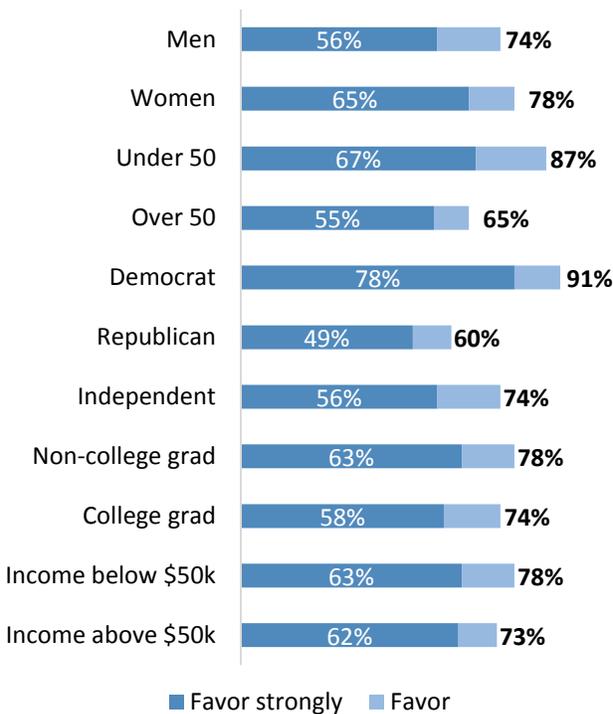
The poll tested two policy options, with high levels of support across demographic groups for both a 6-week program at a cost of \$2 per worker per week, and a 12-week program at a cost of \$3 per worker per week.

**Question:** Do you favor or oppose a program that entitles workers to **[split sample 6/12]** weeks per year of paid family and medical leave that men and women can use when they need to care for a new baby or adopted child, need to care for a seriously ill family member, or when they have an illness? The benefit would be 2/3 of normal salary with a cap of \$900 per week. The program cost would be about **[split sample two/three]** dollars per week per Washington worker.

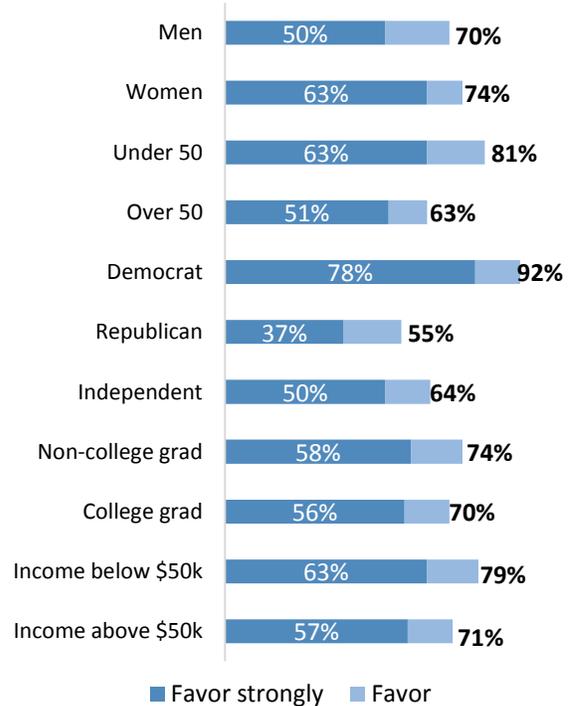
### Overall Support



### 6-Week Program



### 12-Week Program



Lake Research also conducted in-depth qualitative interviews with 30 employers, which showed a range of reactions from strong support for a state program to concerns with how the program would affect their employees and their businesses.

## Policy Analysis: Paid family and medical leave is affordable

**FINDING 1:** Economic models show a paid family and medical leave program in Washington would cost the typical worker less than a cup of coffee each week.

Estimates show a paid leave program with maximum leave lengths of 12 to 26 weeks would cost an average of \$1.75 to \$2.85 per worker per week if employees and employers share premiums, depending on program design and maximum leave lengths. Put another way, benefits would cost between 0.42% and 0.68% of total payroll, depending on program design and maximum leave lengths.

**BACKGROUND:** Researchers at the University of Massachusetts, Northeastern University, and the Institute for Women’s Policy Research developed the paid family and medical leave simulation model based on actual leave-taking behavior in the United States, including in the states that currently offer paid disability and family leave programs. As in those states, the model assumes that people could take both disability and family leave in the same year, including women who might take both pregnancy disability leave and additional family leave to care for a newborn.

The study tested eight program variations. The least-costly option, similar to House Bill 1273 introduced in the 2015 Washington Legislature, would provide 12 weeks of disability leave and an additional 12 weeks of family leave, with benefits of two-thirds usual weekly pay, and a weekly benefit cap of \$1,000. The most-costly option modeled would provide 26 weeks of disability leave, higher rates of wage replacement for lower-wage workers, and a weekly benefit cap of \$1,298.

	Option 1a	Option 2b	Option 3b
<b>Program design</b>			
Max. weeks disability	12	26	16
Max. weeks family	12	12	26
Benefits	67% of usual weekly wage up to maximum weekly benefit of \$1,000	90% of usual weekly wage for people making under \$37,500 annually (\$722/wk), with reducing rates of wage replacement up to maximum weekly benefit of \$1,298	90% of usual weekly wage for people making under \$28,100 annually (\$541/wk), with reducing rates of wage replacement up to maximum weekly benefit of \$1,298
<b>Benefit cost</b>			
Percent of total payroll	0.42%	0.68%	0.58%
Weekly cost for median wage man (\$40,091*), with equal employer match	\$1.62	\$2.62	\$2.24
Weekly cost for median wage woman (\$24,383*), with equal employer match	\$0.98	\$1.59	\$1.36
<b>Annual program leaves projected</b>	195,282	211,719	210,838

\*Median male and female annual earnings in Washington, 2015, U.S. Census Bureau, American Community Survey.

## Policy Analysis: Paid family leave will reduce TANF use by new parents

**FINDING 1:** Researchers at the University of Washington concluded that a paid family leave program would reduce the use of TANF, or welfare, by new parents.

Using 2013 birth statistics, researchers estimate that among Washington women who fall into these education and age categories (who represented 56% of birth mothers in 2013), 631 fewer would have relied on TANF during the year following childbirth, dropping from an expected 3,157 to 2,526.

**BACKGROUND:** The analysis focused on women between the ages of 20 and 35 without an AA degree or higher level of education. It compared TANF and SNAP (food stamps) usage for those women whose children were under one year of age to otherwise similar women whose children were between ages one and two, divided by whether they lived in states with or without paid disability and family leave programs. The study did not show a statistically significant reduction in SNAP use for this sample group.

[Previous studies](#) have documented benefits of paid leave to infant and maternal health, child development, women's labor force participation and earnings, stress reduction, and faster recovery from illness or injury. This study did not explore other potential impacts that a Washington paid family and medical leave program might have on state programs. Other potential impacts would include reductions in:

- TANF and possibly SNAP usage among the other 46% of birthmothers who did not meet the age and/or education criteria for this study, and among all parents in later years due to increased attachment to the labor force and increased earning.
- Childcare subsidies, particularly for expensive infant care.
- Medicaid and other state-subsidized health costs due to improved maternal and infant health, increased family involvement in elder care and other family care, and decreased stress.
- Home care and nursing home expenses.
- Remedial education, incarceration.