

#### **FACT SHEET:**

# THE BI-PARTISAN CASE FOR PAID FAMILY AND MEDICAL LEAVE

The United States is the only industrialized country in the world without some form of guaranteed, legally-protected paid leave.

Because of that shortfall, only 15 percent of workers have access to paid family leave, and that drops to a mere four percent among lowwage workers. Paid family and medical leave policies provide workers with the family-friendly workplace policies that they need to balance the demands of work and needs of family.

### Paid family leave is a pro-family policy, creating more involved fathers and stronger families<sup>1</sup>:

- Paid family leave leads to more involved fathers. Research on U.S. fathers shows that fathers who take even a
  week or two of paternity leave are more involved than fathers who take no leave in the care of their children
  nine months later.
- When fathers take paid leave, it has been shown to have long-term impacts on the involvement and parenting.
   Surveys of fathers that take paid leave show that they are more comfortable as active, responsible parents as a result of leave-taking.
- And, the increased involvement of fathers has a direct impact on the life and future of the child. More involved fathers have been shown to promote children's educational attainment and emotional stability.

### Access to paid family leave policies result in positive impacts on workforce participation and the local economy<sup>2</sup>:

- In Ohio, there is an 11-percentage point gap in labor force participation between men and women, which is partially attributed to the lack of family-friendly policies like paid leave as women are more likely to take a leave of absence from their jobs or leave the workforce entirely to care for a child or family member.<sup>3</sup>
- Paid leave policies offered to both men and women increases the level of women's employment and participation in the regional workforce.
- By improving worker attachment to an employer, access to paid leave for women has been shown to contribute to higher levels of employment rates and wages for mothers in the years following childbirth.
- Labor force participation has grown by over 18 percent over two decades in industrialized nations where paid parental leave policies are in place, while it barely budged in the U.S., where there is no right to paid leave.

### Paid leave policies help protect economic security for working families, decreasing the need for public assistance<sup>4</sup>:

- By preserving access to family income, paid leave policies reduce the demand for public assistance and social services. In fact, women who use paid leave are 39 percent less likely to receive public assistance and have a 40 percent lower rate of enrollment in the food stamps program.
- New fathers who take paid leave are significantly less likely than fathers who do not to report receiving public assistance or food stamps in the year following their child's birth.
- On average, men who take paid leave report receiving \$420 less in public assistance in the year following their child's birth than men who take no leave.

### Paid leave is good for businesses: improving employee retention, job satisfaction, and productivity<sup>5</sup>:

- A growing number of private companies many of which are Fortune 500 companies in Ohio and across
  the nation have enacted their own paid leave policies, including Facebook, Starbucks, JP Morgan Chase, and
  Proctor & Gamble.
- Paid family leave is a low-cost, high-benefit policy. Though employees are likely to spend more time away from
  work due to the benefit, the increased expense to employers that is associated with this additional paid time
  off has been found to be offset by lower employee attrition (and replacement costs) and increased worker
  productivity and improved mental well-being.
- Implementing a paid leave standard would level the playing field for businesses in attracting top talent to the state, especially for small businesses, which are less likely to be able to afford implementing a policy on their own.
- The improved rates of employee retention associated with paid leave policies can help employers avoid the replacement and retraining costs.
- In one survey, 99 percent of employers reported that offering paid leave to their workers resulted in improved employee morale.
- A recent survey of men found that 85 percent viewed a prospective employer more positively if they offered
  paternity leave.

## Paid family leave has support from business owners, particularly small business owners, and a large number of employers are already offering the policy<sup>6</sup>:

- According to a Small Business Majority poll released in 2017, seven in ten small business owners stated their support for a national publicly-administered family and medical leave insurance fund, either at the state or national level, funded by employer and employee contributions.
- SBM polling found that 61% of small business owners support paid family and medical leave insurance programs
  set up at the state level that would provide employees with a portion of their wages for a limited number of
  weeks when the employee has a serious illness, has a new baby to care for or needs to care for a seriously ill
  family member.
- The majority of small businesses already offer some sort of parental leave to allow employees to care for a new child: 26% offer maternity leave, and nearly 4 in 10 (37%) offer both maternity and paternity leave.
- 7 in 10 small businesses already have some type of policy—formal or informal—in place when it comes to family leave—time an employee would take to care for a family member with a serious illness or caregiving need.

#### Paid family leave improves health outcomes for both mother and baby:

- Rates of infant mortality, immunization, and breastfeeding have all been seen to improve when women have access to paid leave during pregnancy and after childbirth.
- A 10-week extension in paid leave is associated with a decrease in deaths in the first month of life by 2.6 percent and in the second through twelfth months of life by 4.1 percent.<sup>7</sup>
- Critical bonding time in the first months of life lead to improved child development. In fact, children of mothers who return to work less than three months following childbirth, show a reduction in cognitive development.
- The same research found that other forms of leave (unpaid or non-job-protected leave) do not show a measurable impact on mortality rates, suggesting that parents are unlikely to make use of this type of leave even when it was available to them.
- Children born to mothers who return to work less than 12 weeks following delivery have higher rates of behavioral problems later in life.8
- The health benefits for babies as a result of increased rates of breastfeeding, particularly those born preterm, include reduced rates of infections, allergies, sudden infant death syndrome, obesity, diabetes, childhood lymphoma, and leukemia.
- Additional evidence suggests that longer paid leave times are related to lower rates of maternal depression, and leave taking by fathers can also help reduce symptoms of postpartum depression.

### Without access to paid leave, the needs of older adults and caregivers is not being met:

- Labor force participation rates for women and men 65 years of age and older have climbed dramatically over the last quarter century, particularly among adults in their late 60s. In less than 15 years, the share of Ohio's population aged 65 or older will increase by nearly 40 percent.
- · Workplace policies have not kept up with this shift, meaning older adults without access to paid leave are

forced to choose between a paycheck and managing their health needs.

As the population ages and people live longer, the need for paid leave will only increase as it will become
more common for workers to serve as caregivers to older family members. A recent study from MetLife and
the National Alliance for Caregiving estimated that women lose an average \$324,044 in compensation due to
unpaid caregiving duties.

### There has been growing support and desire from American voters for paid family and medical leave policies<sup>9</sup>:

- Polling from the National Partnership for Women & Families found that nearly four in five likely voters in the 2016 election stated that it was important for elected officials to update the law to guarantee that working families have access to paid family and medical leave. Of those surveyed, 57 percent of respondents said that it is "very important."
- Of the Ohio respondents who were polled, 64 percent said that they would favor a candidate that supports paid family and medical leave.
- This 2016 polling found that support for a paid family and medical leave fund crosses gender and political party lines. Women showed higher support at 85 percent overall in favor of the policy, and a total of 65 percent of men voiced support.
- Additional polling conducted ahead of the 2018 election found that there is increasing support from voters for a
  comprehensive, inclusive paid leave policy. According to the survey, 8 in 10 (84 percent) voters stated that they
  support a comprehensive national paid family and medical leave policy that covers all workers.
- Of those respondents, there was support across political party lines: 94 percent of Democrats, 83 percent
  of Independents, and 74 percent of Republicans support a policy that covers leave for a newborn or newly
  adopted child; a seriously ill, injured, elderly, or disabled family member; an individual's own medical emergency;
  or to address a deployment or injury of a military service member.
- The survey found that most voters (70 percent) believe that support for paid family and medical leave should not be a partisan issue, including the majority of Democrats (86 percent), Independents (66 percent), and Republicans (54 percent).

#### Numerous states have already passed paid leave policies, and they're working<sup>10</sup>:

- Five states—California, Rhode Island, Washington, New Jersey, and New York—and the District of Columbia have passed laws that provide paid family leave for employees who need time off to care for sick or disabled family members or a new child.
- A majority of businesses in California (87 percent) had no increased costs as a result of the program and nine percent indicated that the program had generated cost savings for their businesses by reducing employee turnover and/or reducing their own benefit costs.
- Several New Jersey employers noted that the state's paid leave program helped reduce stress among employees and improve morale among employees who took leave and their co-workers.
- According to evidence from state-based programs, very few employers suspect abuse and even fewer have confirmed abuse.
- States with paid leave policies have reported that program administration is not challenging and programs often result in cost-savings for employers rather than a financial drain.

#### **ABOUT THE COALITION:**

The Ohio Women's Public Policy Network is a coalition of more than 25 advocacy organizations focused on promoting policies that create economic security for women and strengthen Ohio families. Using a collective voice that represents the women of our state, this network works to ensure that public policy reflects the true needs of women and families.

For more information, visit our website at

#### WWW.WOMENSPUBLICPOLICYNETWORK.ORG

The Ohio Women's Public Policy Network is made possible by generous support from



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#### **ENDNOTES**

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- <sup>2</sup> Blau, Francine, and Lawrence Kahn. Female Labor Supply: Why is the US Falling Behind. Discussion Paper, Institute for the Study of Labor, 2013
- <sup>3</sup> National Partnership for Women & Families. "Fact Sheet: Paid Family Leave Means a Stronger Ohio." January 2018. http://www.nationalpartnership.org/research-library/work-family/paid-leave/paid-leave-means-a-stronger-ohio.pdf
- <sup>4</sup> Houser, Linda, and Thomas P Vartanian. Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public. Rutgers Center for Women and Work, 2012.
- <sup>5</sup> Rossin-Slater, Maya, Christopher J Ruhm, and Jane Waldfogel. The Effects of California's Paid Family Leave Program on Mothers' LeaveTaking and Subsequent Labor Market Outcomes. Working Paper, National Bureau of Economic Research, 2011.
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- <sup>7</sup> Tanaka, S. "Parental leave and child health across OECD countries." The Economic Journal, 2005: 501.
- <sup>8</sup> Berger, Lawrence, Jennifer Hill, and Jane Waldfogel. "Maternity Leave, Early Maternal Employment and Child Health and Development in the US." Economic Journal, 2005: F29-47
- 9 http://www.nationalpartnership.org/research-library/work-family/fmla-23-lrp-poll-questionnaire.pdf
- <sup>10</sup> National Partnership for Women & Families. "Fact Sheet: Paid Family and Medical Leave: Good for Business." March 2015. http://www.nationalpartnership.org/research-library/work-family/paid-leave/paid-leave-good-for-business.pdf