Bipartisan Policy Center

Paid Family Leave in the United States

A Primer on Working Family Trends and Paid Family Leave

February 2020

ABOUT BPC

The Bipartisan Policy Center is a Washington, DC-based think tank that actively fosters bipartisanship by combining the best ideas from both parties to promote health, security, and opportunity for all Americans.

Our policy solutions are the product of informed deliberations by task forces of former elected and appointed officials, business and labor leaders, and academics and advocates who represent both sides of the political spectrum.

In 2018, BPC launched the Task Force on Paid Family Leave led by former U.S. Senator Chris Dodd, former U.S. Senator Rick Santorum, and 24th Administrator of the U.S. Small Business Administration Maria Contreras-Sweet. Together, they are focused on fostering a bipartisan path for a national paid family leave policy.

ACKNOWLEDGMENTS

The BPC would like to thank our Paid Family Leave team including Adrienne Schweer, Jacqueline Rodríguez, Julie Anderson, Michele Stockwell, and Faye Powers. We also thank Marika Tatsutani and Lori McGrogan for their contributions to our paid leave effort.

Letter from BPC Task Force on Paid Family Leave

We applaud Congress for recently providing 12 weeks of paid parental leave to more than two million moms and dads who serve as federal employees. We've all become accustomed to lamenting the divided and paralyzed state of our politics. But on paid family leave—an important 'kitchen table' issue that could make an immediate difference to millions of Americans—bipartisan consensus is building.

Growing interest in paid leave reflects a broad recognition that, despite a strong economy and low unemployment, many American families today are struggling. That's partly because seismic social and economic shifts have made it increasingly difficult to juggle the demands of work and family life. The great majority of American households are headed by dual-working parents or a single-working parent. Most mothers (70 percent of women with children below the age of 18) are in the workforce, and one in four new mothers return to work less than two weeks after giving birth. At the same time, more Americans than ever—by some estimates as many as 40 million—are providing care to elderly relatives and other family members who are sick or need support.

When Congress passed the Family and Medical Leave Act in 1993, it was an early recognition that America's working families needed help. Today, more than a quarter of a century later, it is time to do more. For one thing, the Act simply doesn't cover enough workers: with so many people employed by small businesses, or self-employed, or in non-traditional work arrangements, as much as 40 percent of the U.S. workforce does not qualify for FMLA protections to deal with for parental, family caregiving or medical needs. Even among those who do qualify, many simply cannot afford to take unpaid leave. In fact, only 19 percent of American workers now have defined *paid* family leave benefits through their employer. Among low-wage and hourly workers—precisely the workers who are least likely to be able to afford going without a paycheck for a period of time—the fraction with access to employer-provided paid leave is even smaller.

Given these realities, we need to strengthen our nation's leave policies. Growing numbers of states are considering or adopting new policies and several large companies have begun offering expanded leave benefits for their employees. But the federal government also has a role to play in addressing some of the shortcomings in our current system and extending leave protections to ensure that more working families have a fighting chance to achieve financial security while also providing the care their loved ones need.

Any new national paid leave program should be designed with a couple of key facts in mind:

- **The U.S. economy has changed**. Single-parent and dual-working households are on the rise and significantly more caregivers are in the workforce.
- **The private sector alone cannot address the needs of working families**. While many employers are stepping up to provide paid leave, most of these leave programs benefit higher-wage workers.
- **Meaningful wage replacement**. We have learned from state paid leave programs that wage replacement needs to be substantial enough to ensure all workers have enough resources to take time to focus on family, especially low-wage workers for whom the replacement should equal at least 75 percent of average weekly wages for workers 200 percent of the poverty line and below.
- **Expanding job protection beyond FMLA**. As we've seen in states with paid family leave programs, workers who need paid family leave the most often do not take it for fear of losing their job.
- **Benefit men and women equally**. We know that long-term outcomes for children improve with caregiving from both parents and want to promote paternal engagement and ensure women are not subjected to hiring and workplace bias.
- **Impacts on small business**. Small businesses provide a path to economic mobility and security for millions of workers and contribute in important ways to community cohesion. Paid family leave programs can be designed so all small business employees benefit without overburdening the business financially or administratively, as we have seen in state policy design.
- **Maintain millennial workforce participation**. As the largest working segment of America, today's young people are balancing new challenges—they are the largest segment of child-bearing age and include more dual-worker families. They also work in new sectors (non-traditional work and the gig economy) and are seeking more flexible work environments to manage home and work demands.

At a time when many Americans are losing faith in the ability of elected leaders to work together in ways that respond to their real needs, the symbolic and practical value of action on paid family leave is hard to overstate. The attached paper provides core information on the topic and we hope will serve as a useful tool. We look forward to working with policymakers and stakeholders alike and remain optimistic that we can reach agreement on a national paid family leave program.

Sincerely,

Christopher J. Dodd — Rick Santorum — Maria Contreras-Sweet

Chris Dodd — Rick Santorum — Maria Contreras-Sweet

Table of Contents

Introduction

In little more than a generation, profound social and economic shifts have transformed the lives of working Americans and created new challenges for American families. A confluence of trends—the rising participation of women in the labor force; an increasing number of single-parent and dual worker households; the growth of non-traditional employment; higher living costs, especially in many urban areas; unaffordable or inaccessible quality childcare; and the loss of stable, high-quality, middle-wage jobs—has greatly increased the difficulty of balancing work and family commitments for millions of Americans. Because it is no longer possible for many to support a family on a single income, far fewer households have the flexibility to forego paid employment to meet caregiving demands.

Without paid family leave, many Americans, when faced with a significant caregiving challenge—whether because of the birth or adoption of a child; the need to care for a young child or elderly relative, or in some instances both; or their own medical illness or disability—find themselves in an untenable situation. They can't meet their caregiving responsibilities while working, but they also can't afford to take unpaid leave or lose their job. Not surprisingly, these trade-offs are especially difficult for low-income households.

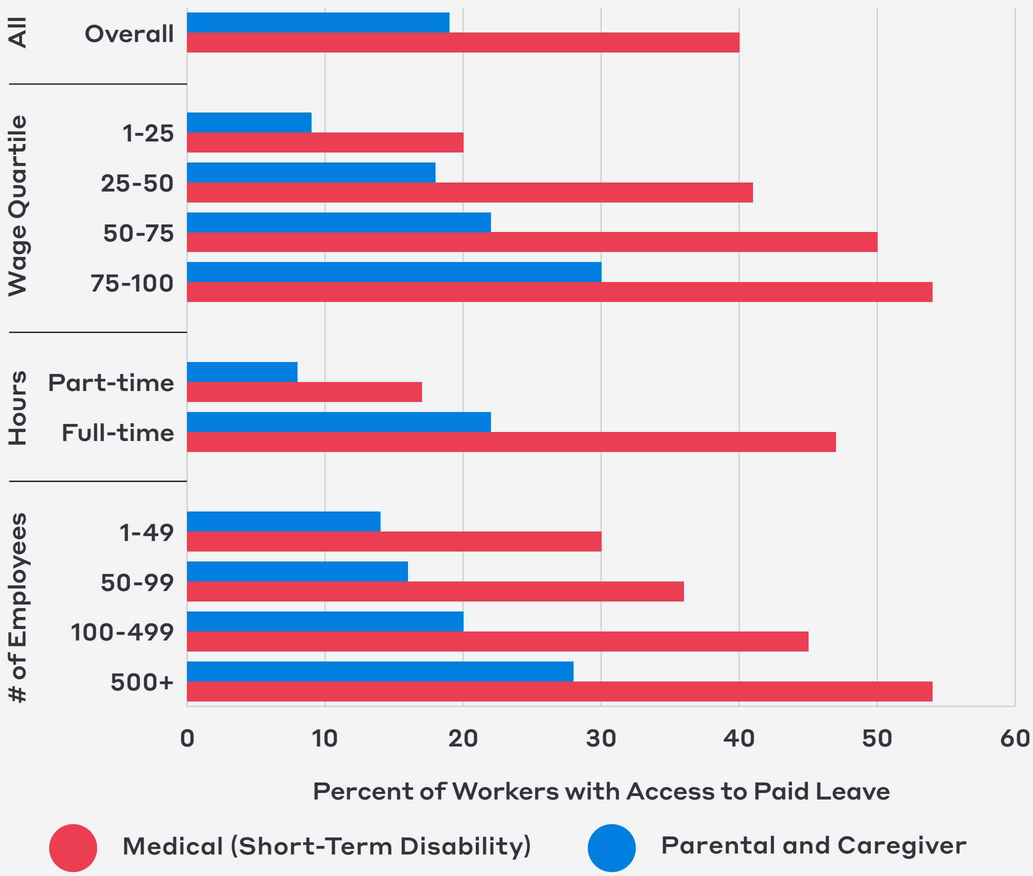
Passage of the landmark Family and Medical Leave Act (FMLA)[1] in 1993 was prompted by a recognition that the paradigm of a two-adult household, in which just one adult worked full-time and one adult was available to meet family care responsibilities, was changing rapidly. By the early 1990s, nearly three-quarters of women between the ages of 25 and 54 were in the workforce—up from about 50 percent in 1970,[2] while the share of women with children who worked outside the home had grown even more dramatically.[3] But the FMLA guarantees only job-protected leave—it does not provide or mandate pay while on leave. The FMLA also covers only a portion (approximately 60 percent) of the workforce.[4] Moreover, according to the most recent national FMLA survey, about 46 percent of workers who needed leave, but didn't take it, reported not taking leave because they couldn't afford to lose income. As a result, these workers might have been unable to provide care at a critical time, such as in the weeks following the birth of new child, or they might have delayed their own, much-needed medical care. A quarter century after the FMLA was adopted, it has become clear that current leave policies are not keeping up with the realities that confront millions of working American families.

Throughout this paper, we refer to three types of paid family leave benefits:

1. Parental leave – time to bond with a newborn, newly adopted, or newly fostered child.
2. Family caregiver leave – time to care for a seriously ill or injured family member.
3. Medical leave – time to recover from a serious health issue that makes the employee unable to perform the functions of his or her position.

Approximately 19 percent of American workers are covered by a defined paid family leave benefit according to the Bureau of Labor Statistics (BLS).[5] These benefits are offered by employers. Significantly more Americans have access to medical leave through short-term disability policies, but these policies cover only time needed to take care of one's own qualifying medical condition—they do not cover family leave or parental leave for fathers or non-birth mothers. Access to all types of paid leave is lower for Black and Latino, less-educated, lower-paid, and part-time workers.[6]

Figure 1: Availability of Paid Family Leave



Source: U.S. Bureau of Labor Statistics[7]

The three sections that follow describe the factors that are elevating the need for paid family leave for American workers. The first section describes recent changes in the U.S. workforce and discusses how these changes interact with caregiving needs to create new challenges for families. The next section outlines the case for instituting a national paid family leave policy as a way to improve economic productivity and labor force participation, increase families' financial security, promote gender equity in the home and workforce, and support children's early development. The third section summarizes current state and federal policy on paid family leave, reviews recent proposals to strengthen leave policies, and discusses public attitudes on this topic, especially among millennials.

1. Why Family Leave Matters

1.1 THE CHANGING AMERICAN ECONOMY

Despite strong growth in the U.S. economy over the last decade, and currently record low levels of unemployment, many Americans are still struggling. Larger structural shifts, including notably the loss of many middle-skill manufacturing jobs, have reshaped the economy, concentrating wage gains in high-skill occupations that typically require a postsecondary education. Workers without a college degree, on the other hand, face a labor market in which jobs that provide stable hours and benefits, and sufficient pay to support a family on a single income, are increasingly rare. In some parts of the country, such jobs have nearly disappeared altogether. Meanwhile, wages for low-skill work have only recently showed signs of increasing, despite a tight job market.

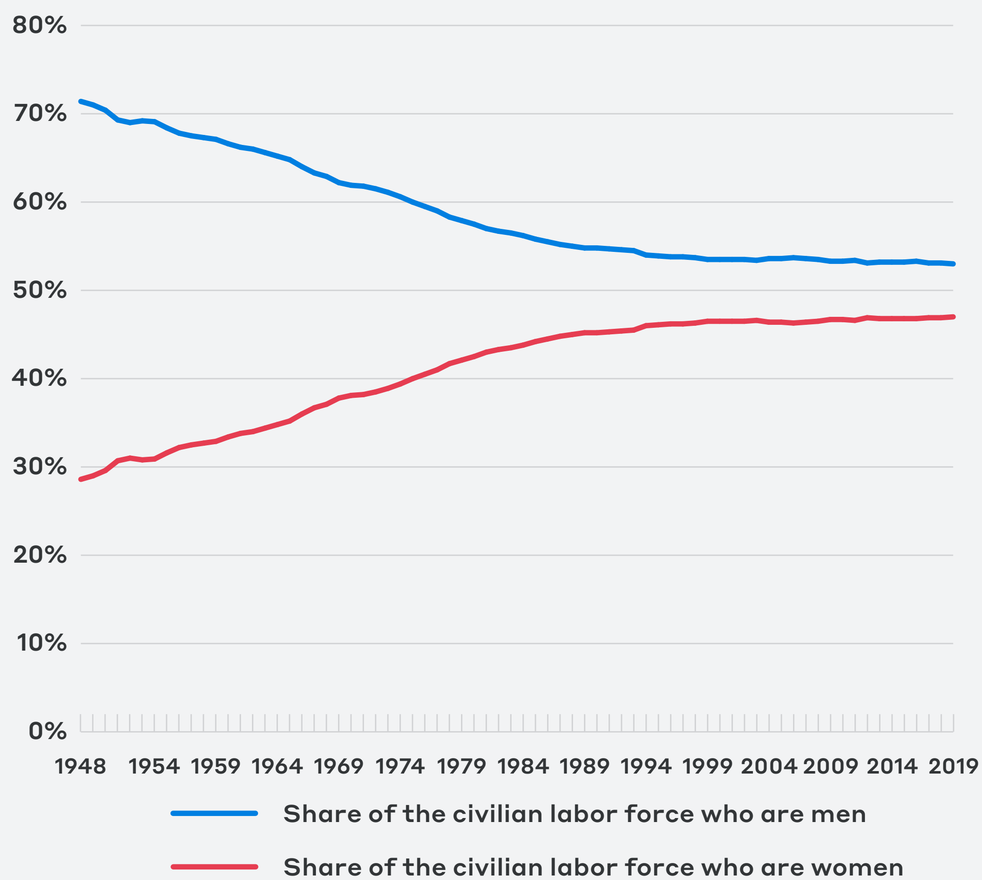
The economy in other words, has become increasingly polarized, providing ample rewards and opportunity to some workers, but increasing financial insecurity for millions of working families, which—faced with stagnant income and rising costs for many essentials such as housing and quality childcare[8]—have had to change the way they balance work and caregiving. As a result, today's America is characterized by dual-worker households, working mothers, and more low-wage workers balancing multiple part-time jobs that often don't provide traditional employee benefits.

Currently, women account for nearly half—47 percent—of the roughly 160 million people in the U.S. workforce.[9] This is a 10 percent increase from the 1970s.[10] In contrast to previous generations, many working women also have children at home. In 2017, 70 percent of mothers with children under the age of 18 were working, up from 47 percent in the 1970s.[11] Compared to earlier generations, a much larger number of women with children (40 percent in 2017) were also the sole or primary breadwinner in their household.[12]

Changing social norms and family structures also affect the needs of the modern workforce with respect to leave. The share of children in one-parent households has continued to increase over time, reaching approximately 26 percent in 2014. At the same time, the share of births outside of marriage has continued to rise across all demographic groups, to an overall figure of 40 percent in 2014.[13]

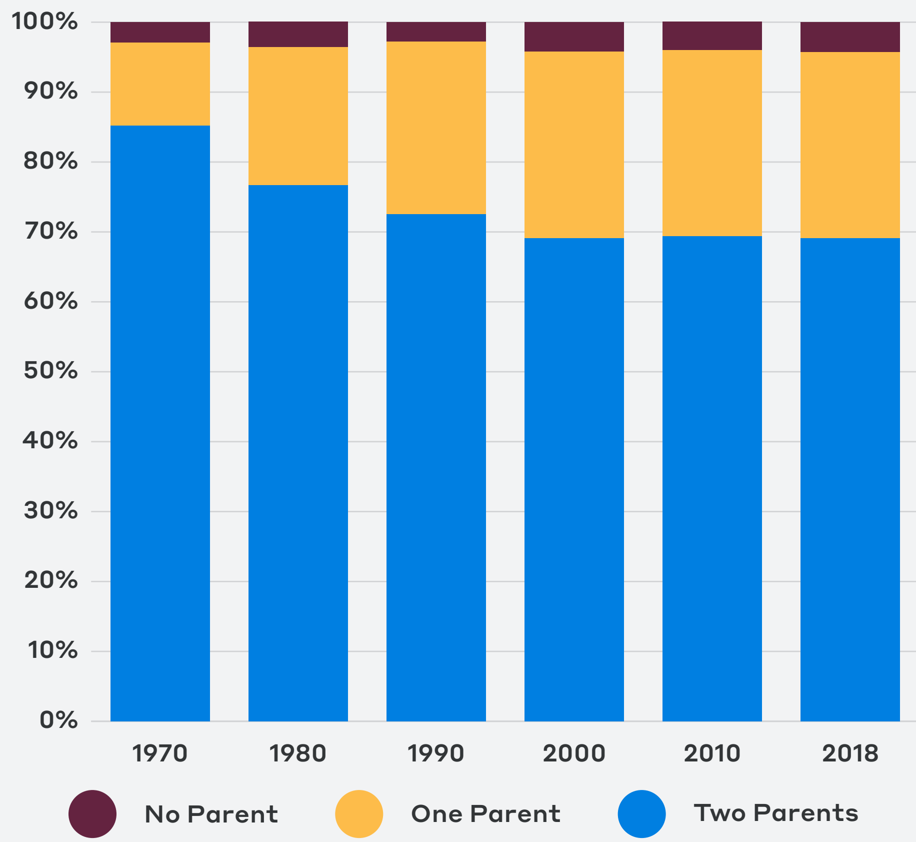
As a result of these trends—the rise of women's labor force participation and an increase in the number of single-parent households—nearly two-thirds of American children under age 6 are living in households where all resident parents are working.[14] These families face particular challenges balancing work and caregiving demands, especially when their financial resources are limited and when they rely on the kinds of low-wage, often part-time or non-traditional jobs that are least likely to offer employer-provided leave.

Figure 2: Civilian Labor Force by Sex, 1948-2019 Annual Averages



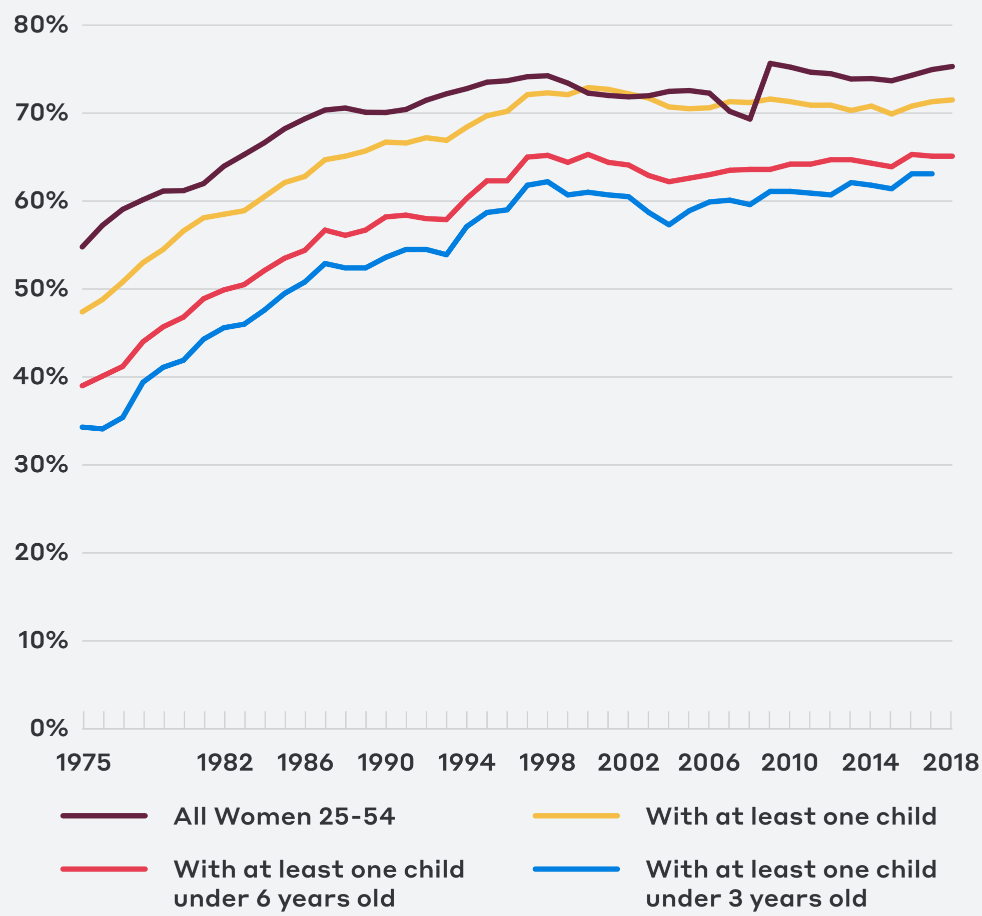
Source: U.S. Bureau of Labor Statistics[15]

Figure 3: Share of Dual and Single Parent Households Over Time



Source: U.S. Census Bureau[16]

Figure 4: Female Labor Force Participation Over Time, 1975–2018



Source: U.S. Bureau of Labor Statistics[17,18,19,20]

For the reasons noted above, the number of Americans working low-wage jobs with meager benefits has also been growing. According to one estimate, approximately 53 million Americans—44 percent of all U.S. workers ages 18-64—are working in low-wage occupations with a median hourly wage of $10.22 and median annual earnings of $17,950.[21] Given that the service sector as a whole is projected to grow faster than other sectors, this share is expected to increase, even in the context of a strong economy and low overall unemployment.[22]

Non-traditional work arrangements also complicate the task of designing policies to provide benefits to workers. "Gig economy" jobs, such as driving for Uber, have drawn considerable media attention but in fact account for only a small share of such arrangements, which commonly include temporary help agency workers, on-call workers, contract workers, and independent contractors or freelancers. Studies indicate that most workers in these jobs use them to supplement their income, but lower educational attainment is correlated with higher dependence on income derived from alternative sources (in other words, less educated workers are likely to be more dependent on non-traditional jobs).[23] And typically, these do not receive traditional non-wage benefits (e.g., health insurance, leave, retirement savings, etc.). Those who solely rely on non-traditional work for income are unlikely to be eligible for FMLA job-protected leave given the law's strict requirements concerning hours worked for single employer.

1.2 NEW CAREGIVING DEMANDS

As a result of the economic and social trends discussed in the foregoing section, the 'typical' American household is now one in which all resident adults work. Without a stay-at-home parent, working families, especially if they are low- or middle-income, have little flexibility to provide home-based care for a new baby, a sick child, or an elderly relative without jeopardizing the jobs and income on which the family's financial security depends.

Lack of parental leave, in particular, is squeezing new families across the country, especially new parents, most of whom are part of the millennial generation. In 2018, the number of people having children in the United States dropped to a historic low. Total births declined 2 percent between 2016 and 2017, to an overall rate of 60.2 births per 1,000 women ages 15 to 44. This decline continued a general downturn that started with the Great Recession of 2008. As a result, America's fertility rate is now the lowest it's been in 30 years.[24] While new research shows that millennials are building strong families and driving down the divorce rate,[25] they are having significantly fewer children. Many cite costs—specifically, the lack of paid family leave and the cost of child care, as well as lack of time to provide meaningful care—as the main reasons why they are having fewer children than they would like.[26] Millennials are almost twice as likely as the baby boomer generation to have their spouse or partner working outside the home.[27] A declining birth rate, if it persists, could significantly affect the U.S. economy and the country's ability to care for an aging population.

For many families, the aging of the baby boomer generation means that many workers are joining the so-called sandwich generation. That is, they are providing informal care for older relatives while they still have children at home. A 2018 study by the AARP found that nearly 40 million Americans provide support for their aging loved ones. Of these 40 million caregivers, nearly half are sandwich generation caregivers and about one in seven is providing financial support to both an aging parent and a child. At present, more than 10 million millennials are family caregivers, and every year 1.2 million millennial women give birth for the first time.[28]

These caregiving demands are forcing some to leave the workforce to take on informal or unpaid caregiving responsibilities despite a desire to continue earning.[29] RAND Corporation has estimated that Americans currently spend over 30 billion hours per year providing informal care to elderly relatives and friends. According to RAND, the annual opportunity cost of providing this unpaid care, based on 2011 and 2012 data, totals $522 billion.

With caregiving demands for the elderly expected to continue growing as the population ages, paid family leave also remains a source of significant support for adults caring for sick or injured children. According to the Department of Labor's FMLA survey, around 1.8 million workers per year—or nearly 40 percent of all workers who take caregiver leave—take leave to care for a sick or injured child. Research shows that children recover faster when their parents are present: according to one study, for example, the presence of a parent can shorten a child's hospital stay by 31 percent.[30]

Among workers who use FMLA protections, medical leave is the most cited reason. According to the most recent national study of the program, 55 percent of workers who took FMLA leave did so to care for a serious personal health condition.[31] Not surprisingly, access to *paid* medical leave varies by occupation, income, and firm characteristics. Today, 40 percent of all workers have access to short-term disability—that is, employer- or state-provided benefits for a non-work-related injury or illness (typical coverage per disability is 6–12 months). Among lower-wage workers (i.e., workers in the lowest quartile of earnings), however, only 20 percent can access short-term disability (compared to 54 percent of workers with earnings in the highest quartile). Research on existing short-term disability and state-paid medical leave programs suggests that a new paid family leave policy, by providing critical support to workers who would otherwise be at higher risk of eventually claiming Social Security disability benefits, could substantially reduce the probability of prolonged workforce separation.[32]

2. The Case for Paid Family Leave

2.1 GAPS IN CURRENT LEAVE POLICIES

Approximately 19 percent of American workers are covered by a defined paid family leave benefit according to BLS.[33] These benefits are offered by employers. Significantly more Americans have access to medical leave through short-term disability policies, but these policies cover only time needed to take care of one's own qualifying medical condition—they do not cover family caregiving leave or parental leave for fathers or non-birth mothers. Access to all types of paid leave is lower for Black and Latino, less-educated, lower-paid, and part-time workers.[34]

While access to paid family leave is not widespread, it is especially unlikely to be available to low-wage and part-time employees. For example, only 6 percent of workers with earnings in the lowest 10 percent of weekly wages can access paid family leave. By contrast, more than a third (34 percent) of workers with earnings in the highest 10 percent of weekly wages have access to paid family leave.[35]

Although very few workers have access to a defined paid family leave benefit, many Americans combine different types of paid leave—vacation, sick days, etc.—to cover time away from work. A recent study using Department of Labor data shows that more than 66 percent of Americans who took time off for parental, family caregiving, or personal medical leave continued to receive pay from their employers.[36] The study finds that workers who cobbled together family leave using other leave policies were paid most frequently through a general paid time off benefit (69.3 percent), personal days (35.5 percent), or temporary disability insurance (21.4 percent). These results are consistent with a 2017 study by the Pew Research Center.[37] Such strategies can be costly in other ways, however, particularly for working parents and their children. Researchers find that the depletion of sick time and vacation days to cover parental caregiving responsibilities has a significant impact on infant well-visits and care.[38]

Faced with growing family caregiving needs, access to paid family leave is a critical issue, particularly for the millions of families who struggle to make ends meet even with all adults in the workforce. Many of these families rely on income from multiple, low-wage jobs that offer meager employer-provided benefits. Indeed, the Pew survey found a sharp divide in access to paid family leave benefits between higher- and lower-wage workers. Among leave-takers with household incomes above $75,000 per year, nearly three-quarters received some pay while on leave; at household income between $30,000 and $75,000 per year, the fraction was 60 percent. Among leave-takers with household income below $30,000 per year, however, only 37 percent received some pay while on leave and nearly half of those who took unpaid or partially paid parental leave reported going on public assistance to help cover lost wages. About three in ten lower-income workers said they were unable to take leave when they needed or wanted to in the last two years. And among these workers, the loss of wages or income was overwhelmingly cited as the main reason for not taking leave.[39]

Besides its immediate impact on the day-to-day finances and caregiving challenges that confront working families, there are broader policy rationales for addressing paid family leave at the federal level. The remainder of this section focuses on two issues in particular: (1) economic productivity and the gender pay gap and (2) the benefits of paid parental leave in terms of early child development.

2.2 ECONOMIC PRODUCTIVITY AND THE GENDER PAY GAP

Research on the effect of family and medical leave insurance points to several broader economic benefits, including increased labor-force participation, improved employee retention and productivity, and increased lifetime earnings and retirement security, especially for women.[40] Several studies that have examined the impact of different leave policies in Europe and the United States generally find that increased flexibility to take care of a family member or recover from an illness can increase labor-force attachment, particularly for women. For example, a paper by Ruhm and Teague finds that paid parental leave policies reduce the overall unemployment rate for all workers and lead to higher rates of labor-force participation.[41] A California study using 2009 and 2010 data on employment found that workers in low-quality jobs who used family leave insurance were far more likely to return to the same employer after taking leave than workers who did not use, or did not have access to, such insurance.[42] Similar results have been found in analyses of the impact of the FMLA: the vast majority of workers who used the law to take unpaid leave returned to their previous employer.[43]

By reducing employee turnover, as well as employee absenteeism and tardiness, and by helping companies attract and retain higher-quality workers, paid family leave and other family-friendly policies can also provide tangible benefits to employers. The Center for Women and Work at Rutgers University has found that the employee retention and productivity benefits of such policies equal or outweigh their costs to employers.[44] In a recent study by Panorama and the American Sustainable Business Council, researchers linked employer-provided work–family policies and programs with higher firm profitability and found that the introduction of such policies was linked to an increase in firm valuation, as reflected in the firm's stock price.[45] Studies of family and medical leave insurance programs at the state level have generally found that these programs have limited or net positive impacts on business costs and operations.[46] In the 2009–2010 California study previously mentioned, 91 percent of employers in that state reported either "positive" or "no noticeable" effect on firm profits and performance as a result of the policy.[47]

Researchers have also attempted to assess the costs and impacts of informal caregiving—to individual workers and their families, and for the economy as a whole. For example, a 2011 analysis by MetLife estimated the average impact of leaving the workforce early to care for an elderly relative, both in lost wages and in lost Social Security benefits: for individual women, the combined figure totaled $274,044; for men the total was $233,716.[48] At the national level, a study published by RAND in 2014 estimated that the annual opportunity cost of providing informal care for the elderly (in terms of the foregone employment potential of caregivers) totals $522 billion annually.[49] These costs and impacts are obviously concentrated among those workers and families who take on caregiving responsibilities. As summarized in a recent AEI/Brookings study:

> Given the potential for caregiving to decrease work hours and labor force participation, it can hurt the financial security of care providers in the long term, in addition to the short-term financial strain of temporarily ceasing or reducing paid work. Over time, caregivers are more likely to fall into poverty, and they show relatively lower accumulation of savings and assets. They are more likely to spend money out of pocket on care-related purchases, and full-time caregivers are more than three times as likely to report financial difficulty as those who provide no care. Those who reduce work hours to care for a family member on an ongoing basis not only forgo wages but also may lose the opportunity to further advance their careers. Those who exit the labor force to care for a family member lose wages and work-related benefits, and longer periods outside the labor force may seriously diminish work skills.[50]

Because women, despite their greatly increased presence in the workforce, still shoulder a disproportionate share of caregiving responsibilities within families, paid family leave policies are especially consequential for working women. According to Pew research, 42 percent of mothers report reducing their work hours to care for a child or other family member, compared to 28 percent of fathers, and women are about three times more likely than men to quit a job to care for a family member.[51] Given the high cost of taking time out of the labor force, these gender disparities in caregiving likely play an important role in explaining the gap that persists between working men and women, not only in terms of wages and earnings but also in terms of the numbers of women in leadership roles within their professions.

Figure 5: Women in the Home and Workforce

- Roughly 1 in 4 women return to work 10-14 days after giving birth
- 72% of mothers with children under 18 are in the labor force today
- College-educated women improve their earnings by 39% from age 25 to 45, while men improve their earnings by 110%
- Nearly two-thirds of American children under age 6 are living in households where all resident parents work
- 40% of mothers are the sole or primary breadwinner for their families
- On average, women spend 2.6 hours on household management and activities, while men spend 2.0 hours
- Women spend more than twice the time (1.1 hours) providing physical care to children (e.g. bathing or feeding) than men (26 minutes)

Source: U.S. Department of Labor; U.S Bureau of Labor Statistics; The National Bureau of Economic Research[52,53,54]

Evidence for this link can be found in data that show a much smaller wage gap when women and men first enter the workforce right after college and a much smaller wage gap between unmarried women with no children and men (compared to the gap between married women with children and men). As women get married and have children, however, the wage gap widens. The fact that a woman's childbearing years tend to coincide with her peak earning years (the average American woman has her first child at age 26) amplifies the long-term effect on earnings and professional opportunities. For example, a University of Massachusetts study found that, for every child a woman has, her salary decreases by 4 percent—and that penalty is worse for low-wage workers. But for men, fatherhood increases earnings by more than 6 percent.[55]

With lower wages and a larger share of the caregiving burden within the home, even when a male partner is present (on average, women still spend more than twice as much time as men on childcare and household chores in two-parent households[56]), it is perhaps not surprising that women's participation in the labor force is still somewhat lower than that of men's (nearly 60% for women, compared to just over 70% for men)[57] and that women are more likely to work part-time.[58] And among prime-age women who are currently outside the labor force, more than half cite caregiving as the main reason for their nonparticipation.[59]

Single mothers and women in low-wage jobs face a particularly unforgiving set of trade-offs between work and caregiving and are also among the group of workers least likely to benefit from family-friendly workplace policies and programs. Again, women are disproportionately affected: though they account for about 47 percent of the overall U.S. workforce, women comprise two-thirds of the low-wage workforce.[60] And as we have already noted, 40 percent of women with children under 18 are the sole or primary breadwinners for their families, earning at least half of their total household income.[61] While this group includes households where married women out-earn their husbands, a larger share—nearly one-quarter of all households with children under 18—is comprised of households headed by a single mother.[62] Compared to all mothers with children under 18, single mothers are younger, on average, and more likely to lack a college degree. They are also significantly poorer: in 2018, the median income for family households headed by a single mother was $45,128—well below the median income for all family households ($80,663) and less than half the median income of family households headed by a married couple ($93,654).[63] Given these disparities, the benefits of a federal paid family leave policy in terms of increased earning potential and workforce participation would be particularly meaningful for low-income and single mothers, and for the millions of children who depend on them.

In response to persistent gender pay disparities, a growing number of OECD countries are reserving non-transferable periods of paid parental leave exclusively for fathers (these are sometimes called "daddy quotas"). Other countries are offering "bonus" paid weeks if both parents take leave in an effort to normalize the idea of fathers taking leave, diminish potential employer discrimination, and increase gender equity at home and in the workplace. Recent research data from Norway, Sweden, and Canada show that earmarked paternity leave tends to significantly increase the parental leave taken by fathers.[64] In a 2019 study, researchers in Canada found that "daddy quotas" increased mothers' labor force participation and full-time employment, while also reducing mothers' part-time employment and unemployment. Additionally, they found that the quotas had a positive or statistically insignificant effect on hourly wages.[65]

Helping women stay in the workforce isn't the only goal of paid family leave policies. Another is enabling parents to spend time with their children. This is important as several studies of paid parental leave, as we discuss in the next section, point to strong benefits from early parent and childing bonding. Research on whether similar benefits result from family caregiving and medical leave, by contrast, is limited; thus, this is an important topic for further study.

2.3 PARENTAL LEAVE AND EARLY CHILDHOOD DEVELOPMENT

As discussed in previous sections, most American parents, including nearly two-thirds of those with minor children, are in the workforce, either full- or part-time—some by choice, others by necessity. And while all working parents, especially those with young children, have to balance childcare with work demands, the challenges are particularly acute for new parents. Relatively few people—only 19 percent of Americans,[66] according to BLS—are able to use a defined paid family leave benefit to take paid time off after the birth of a child.[67] The fraction is even lower, only 6 percent, for low-wage workers.[68] As a consequence, about a quarter of new mothers return to work as early as 10 days after giving birth.[69]

As a previous BPC report on early childhood development noted, the years from birth to five are a critical period in a child's development. When parents return to work in the early weeks of life, they cut short a critical period for bonding with a newborn and establishing breastfeeding, which has demonstrated benefits for infants' health and later development.[70]

Children are learning at birth, and their earliest experiences are the foundation for lifelong developmental outcomes. A child's early development, as emphasized in a groundbreaking report published by the National Research Council and Institute of Medicine in 2000, "is both highly robust and highly vulnerable"[71], meaning that while children in their earliest years develop at a rapid pace, they are susceptible to both positive and negative environmental factors. It is critical that families and children have the support needed to help them thrive during this period. Parental leave can play an important part of the early care and learning continuum; as more families have access to this type of leave, there will be greater benefits for the entire early care and learning system.

International studies have found that access to paid family leave is linked to lower infant mortality and higher rates of breastfeeding, and, for new mothers, lower rates of depression and higher levels of relationship satisfaction with their partner, both of which also benefit children.[72] Longer periods of maternity leave have also been associated with higher rates of infants receiving well-baby care and immunizations. Conversely, a 2005 study using data from the National Longitudinal Survey of Youth found that "a mother's return to work within 12 weeks of giving birth was associated with a greater likelihood of the child having externalizing behavioral problems at age 4."[73] Though discussions about parental leave tend to focus on the mother–infant relationship, studies also point to benefits of paternity leave. Specifically, researchers have found that fathers who take longer paternity leaves are more involved in childcare later; greater paternal involvement, in turn, has been linked to higher cognitive test scores in children.

Paid parental leave is beneficial for children in another way: by helping new parents avoid a loss of income at a critical time and by reducing the likelihood that new mothers leave the workforce, it contributes to families' longer-term financial security and stability. This type of stability is strongly linked to other child development outcomes, including academic achievement, behavior problems, and mental health.[74]

3. The Current Policy Landscape on Family Leave

3.1 FEDERAL POLICY

For the last 27 years, nearly 60 percent of American workers[75] have been covered by a national *unpaid* leave policy under the 1993 Family and Medical Leave Act (FMLA).

The FMLA covers employees who:

- have worked for a company for at least one year,
- worked at least 1,250 hours during that year (or approximately 156 days),
- live within 75 miles of the workplace, and
- work for an employer who employs 50 or more employees for at least 20 weeks during the current or previous year.

Covered employers must provide 12 weeks of unpaid, job-protected parental leave (birth/adoption), family leave (care for an immediate family member), or medical leave (care for the worker's own health). As noted earlier in this paper, nearly half of FMLA-eligible workers who don't take leave even when they need leave cite their inability to afford losing pay as the reason.[76]

Consequently, interest in leave policies that address the shortcomings of the FMLA has increased among members of both political parties in recent years. In December 2019, Congress adopted a new policy that provides 12 weeks of paid parental leave for 2.1 million federal workers as part of the fiscal year 2020 National Defense Authorization Act (NDAA). As the largest employer in America, this action by the federal government marks an important step forward in expanding access to paid family leave and sets a strong standard for other employers to follow.

In 2019, Congress also extended the paid family leave employer tax credit pilot program for another year. This two-year pilot program was established by the "Strong Families Act" as part of tax reform legislation in 2017. Led by Senator

Deb Fischer (R-NE) and cosponsored by Senators Marco Rubio (R-FL) and Angus King (I-ME), the Strong Families Act amended the Internal Revenue Code to:

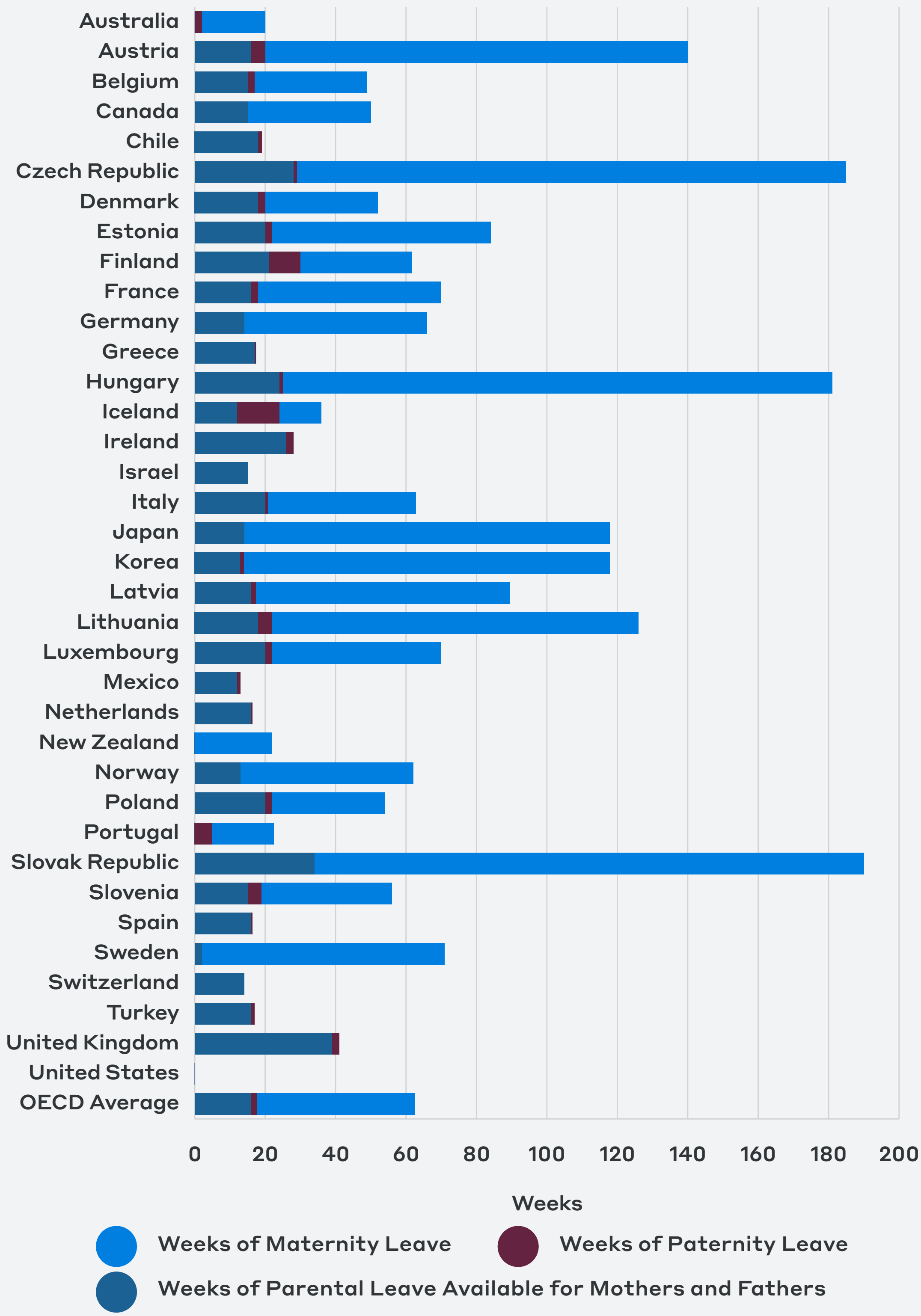
- Allow certain employers to claim a business tax credit for a specified percentage (not to exceed 25 percent) of the wages paid to employees during a period not exceeding 12 weeks in which such employees are on family and medical leave, and
- Limit the allowable amount of the tax credit to the product of the normal hourly wage rate of covered employees for each hour of actual services performed for the employer and the number of hours for which family and medical leave is taken.

For the last six years, Senator Kirsten Gillibrand (D-NY) and Representative Rosa DeLauro (D-CT) have introduced the FAMILY Act that creates a new comprehensive national paid family leave program which has garnered emerging bipartisan support. While the FAMILY Act has yet to move through Congress, policies with similar or more expansive provisions have been adopted in multiple states, including California, Washington, Massachusetts, Connecticut, and Oregon—typically with bipartisan support.

In 2018 and 2019, Senator Marco Rubio (R-FL) and Representative Ann Wagner (R-MO) introduced the New Parents Act, which would allow new parents to tap a portion of their Social Security benefits for paid parental leave after the birth or adoption of a child.[77] Under this bill, parents could use their Social Security benefit for at least two months of leave; according to its sponsors, families with a median income of $70,000 would be able to cover at least 70 percent of their wages.[78] In March 2019, Senators Joni Ernst (R-IA) and Mike Lee (R-UT) previewed a draft of the CRADLE Act. Similar to the Rubio–Wagner bill, the CRADLE Act would allow natural and adoptive parents to receive one to three months of paid leave benefits in exchange for postponing their retirement benefits.[79]

Notably, paid family leave was a platform issue for the last two American presidents. President Barack Obama tasked senior advisor Valerie Jarrett and Labor Secretary Tom Perez with leading a paid family leave initiative. Subsequently, President Donald Trump was the first Republican presidential candidate to include paid family leave in his campaign platform; he is also the first American president to include a paid family leave policy in the administration's annual budget proposals and mention paid family leave during his State of the Union addresses. Both Obama and Trump have cited the fact that America is the only OECD country without a national paid parental leave policy.

Figure 6: National Parental Leave Policies Across OECD Countries



Source: Bipartisan Policy Center[80]

3.2 STATE POLICIES

To date, eight states and the District of Columbia have passed paid family leave legislation. California's policy has been in place the longest: more than 15 years. Studies of state policies have, in some cases, led to later modifications, including raising wage replacement rates and expanding the definitions of who qualifies as a family member to provide care. In 2019, paid family leave bills were pending before more than 25 state legislatures, but Connecticut and Oregon were the only states to pass a law. In their proposed or adopted paid family leave policies, states have adopted different approaches to specific design issues, such as exemptions and opt-in or opt-out provisions. For example, many states exempt small business employers from paying into the program, while allowing small business workers to benefit. Also, many do not allow government employees to qualify for the paid family leave benefit. Concerned about the potential for a patchwork of different state and municipal leave policies, a number of large companies with employees in multiple jurisdictions have begun calling for a national policy.

Existing state policies are summarized in Table 1.

Table 1: State Paid Family Leave Policies

Features	California	New Jersey	Rhode Island	New York	District of Columbia	Washington	Massachusetts	Connecticut	Oregon[81]
Timeline	Enacted 2002, effective 2004	Enacted 2008, effective 2009	Enacted 2013, effective 2014	Enacted 2016, effective 2018	Enacted 2017, effective 2020	Enacted 2017, effective 2019 (premiums) and 2020 (benefits)	Enacted 2018, effective 2019 (premiums) and 2021 (benefits)	Enacted 2019, effective 2021 (premiums) and 2022 (benefits)	Enacted 2019, effective 2023
Parental	6 weeks (8 weeks as of July 1, 2020)	6 weeks (12 weeks as of July 1, 2020)	4 weeks	10 weeks (12 weeks as of 2021)	8 weeks	12 weeks	12 weeks	12 weeks	12 weeks
Family Caregiver	6 weeks (8 weeks as of July 1, 2020)	6 weeks (12 weeks as of July 1, 2020)	4 weeks	10 weeks (12 weeks as of 2021)	6 weeks	12 weeks	12 weeks	12 weeks	12 weeks
Medical	52 weeks	26 weeks	30 weeks	26 weeks	2 weeks	12 weeks	20 weeks	12 weeks	12 weeks
Job Protection	No; however, workers may be entitled to job-protection under the FMLA or the California Family Rights Act (CFRA)	No; however, workers may be entitled to job-protection under the FMLA or the New Jersey Family Leave Act (NJFLA)	Yes, while on parental or family caregiver leave;[82] workers may also be entitled to job-protection under the FMLA and the Rhode Island Parental and Family Medical Leave Act (RIPFMLA)[83]	Yes, while on parental and family caregiver leave;[84] workers may also be entitled to job-protection under the FMLA	No; however, workers may be entitled to job-protection under the FMLA and the District of Columbia Family and Medical Leave Act (DCFMLA)[85]	Yes, but workers must meet specific eligibility requirements similar to the FMLA;[86] workers may also be entitled to job-protection under the FMLA and the Washington Family Leave Act (FLA)[87]	Yes; workers may also be entitled to job-protection under the FMLA and the Massachusetts Parental Leave Act (MPLA)[88]	Yes, after working for employer for 3 months;[89] workers may also be entitled to job-protection under the FMLA and the Connecticut Family and Medical Leave Act (CFMLA)[90]	Yes; workers may also be entitled to job-protection under the FMLA and the Oregon Family Leave Act (OFLA)[91]
Size of Employers Covered	All private employers, self-employed workers may opt in, and some public employers	All private and public employers	All private and some public employers[92]	Most private employers; public employers may opt-in	All private employers, self-employed workers may opt in	All employers, self-employed workers may opt in; firms with <50 workers are exempt; firms with 50-150 workers may receive assistance	All employers, self-employed workers and local government may opt in; firms with <25 workers are exempt	All private sector employers; self-employed workers and local collective bargaining units may opt in	All employers; self-employed workers and tribal governments may opt in; firms with <25 workers are exempt, but may receive assistance
Funding Method	Parental, family caregiver, and medical leave funded by workers (1%)[93]	Parental and family caregiver leave funded by workers (0.08%); medical leave funded by workers (0.17%) and employers (0.10% - 0.75%)	Parental, family caregiver, and medical leave funded by workers (1.1 %)	Parental and family caregiver leave funded by workers (0.153%); medical leave (not to exceed 60 cents) funded by workers (0.5%) and employers (remaining balance)[94]	Parental, family caregiver, and medical leave funded by employer (0.62%)	Parental, family caregiver, and medical leave premium (0.4%) funded by workers (63%) and employers (37%)[95]	Parental and family caregiver leave funded by workers (0.13%); medical leave premium (0.62%) funded by workers (40%) and employers (60%); employers with <25 workers are exempt[96]	Parental, family caregiver, and medical leave funded by workers (0.5%)	Parental, family caregiver, and medical leave premium (1%) funded by workers (60%) and employers (40%)
Wage Replacement	60-70%; weekly maximum benefit of $1,252	66%; weekly maximum benefit of $650 (85% as of July 1, 2020)	60%; weekly maximum benefit of $867[97] (65% as of 2020; 70% as of 2021; 75% as of 22)[98]	55%; weekly maximum benefit of $746.41 (60% as of 2020; 67% as of 2021)[99]	90%; weekly maximum benefit of $1,000	90%; weekly maximum benefit of $1,000	80%; weekly maximum benefit of $850	95%; maximum weekly benefit of $780[100]	100%; maximum weekly benefit of $1,215[101]

Source: Bipartisan Policy Center[102]

3.3 PRIVATE SECTOR POLICIES

In the private sector, the technology, financial services, insurance, and professional services industries lead the way in terms of offering paid family leave. The lowest levels of access to paid family leave are found in the leisure and hospitality industry. The amount of leave available under different employers varies greatly. For example, Netflix provides as much as 52 weeks of paid parental leave; by contrast, Boeing offers three weeks of paid family leave.

There was more private sector movement on the issue of paid family leave in 2018. In January, Walmart announced that it would extend the same parental leave it offers corporate employees (ten weeks of paid maternity and six weeks of paid paternity)[103] to its full-time hourly cashiers and store workers. In February, Starbucks said it would expand its six-week paid parental leave benefit to full-time hourly fathers (previously this benefit had only been available to new mothers and adoptive or foster parents).[104]

More recently, companies including Apple, IBM, PepsiCo, Target, Lowes, CVS, Dollar General, and Gap, among others, have introduced or expanded parental leave benefits for hourly employees, though several limit benefits to employees who work at least a certain number of hours per week.[105] For example, CVS now offers full-time employees up to four weeks of paid parental leave,[106] while Dollar General offers two weeks of paid parental leave for full and part-time employees to care for a new child (birth, adoption, or foster), with an additional six weeks for birth mothers.[107,108]

3.4 SMALL BUSINESS ATTITUDES TOWARD PAID FAMILY LEAVE

Across the country, small business sentiment on paid family leave is mixed. On the one hand, there is support for a uniform national policy that could help millions of small employers offer a benefit that is typically only available through large companies. On the other hand, the small business community is concerned about the potential cost and difficulty of managing operations while employees are on extended periods of leave.

In a recent BPC poll of more than 500 owners and executives of businesses with 50 or fewer employees, most executives—both Democrat and Republican—reported interest in providing paid family leave benefits to their employees. Fewer than one-third of surveyed executives said they were not at all interested in providing any type of paid family leave. Moreover, over 60 percent of executives believed that providing paid family leave would have a positive impact on employee morale, employee retention, and their company's ability to attract new employees. Nonetheless, despite strong interest in providing paid family leave, more than half of small business owners or executives said they would need support in some form to offer this benefit.

Unsurprisingly, BPC's survey also revealed wide generational differences in small business executives' perspectives on paid family leave. Executives from the millennial generation and, to a lesser extent, Gen Xers were much more supportive of paid family leave than executives from the baby boom generation; they were also much more likely to view paid family leave as providing benefits to their business.[109]

Understanding the barriers and benefits to adopting or expanding paid family leave for budding entrepreneurs is essential to designing smart policies for small businesses, which account for about one-third of private-sector employment in America.[110] Unlike larger employers, small business owners are much more vulnerable to workforce changes, potential abuse of a paid family leave policy, and changes in profitability. Aware of these barriers, Washington state's paid family leave program provides small business assistance grants to businesses with 50–150 employees and businesses with fewer than 50 employees that opt in to the employer share of the premium.[111]

Paid family leave can also provide competitive advantages by helping small business owners attract and retain qualified, motivated workers. One study found that 88 percent of all workers would take benefits over a raise in pay, with millennials being the largest demographic group to support that view. The same study found that paid family leave and a flexible schedule were among the benefits rated most important by millennials.[112]

3.5 PUBLIC ATTITUDES TOWARD WORK AND LEAVE

Public attitudes toward family and medical leave reflect current economic and social realities. In a wide-ranging survey of these attitudes, conducted in 2016, the Pew Research Center found broad public support for paid family and medical leave. Paid maternity leave and medical leave to address one's own serious illness drew especially strong support (80–85 percent of respondents supported these forms of paid leave). Support for paternity leave and for medical leave to take care of an ill family member was not quite as strong but a solid majority (67–69 percent) expressed support for these types of leave also.[113]

Among respondents who voiced support for paid family leave policies in the Pew survey, more than 70 percent said that employers, rather than workers or state or federal government, should pay for leave benefits. There was less consensus, however, on the question of whether employers should be required to provide paid family leave—slightly more than half (51 percent) said it should be required, while 48 percent said it should be up to employers—and only about a third said that expanding access to paid family and medical leave should be a top policy priority for the federal government.[114]

The public's sense of urgency about the need for paid family leave may be changing, however, given evidence that support for such policies is higher among young people. In 2016, millennials (defined as people ages 22 to 36 in 2018) became the largest cohort in the workforce, comprising 35 percent of American workers.[115] This is also the group that is most likely to have children soon.

Millennials differ from prior generations in many ways that are relevant for policy discussions that concern the relationship between parenting and work. A global survey of millennials by Ernst and Young found several key differences compared to previous generations:[116]

- *Millennials are more likely to be in dual-earning households.* More than three-quarters (78 percent) of millennials with a partner reported having a spouse/partner working full-time as compared to 47 percent of boomers.
- *Millennials are more likely to make sacrifices to balance work and family responsibilities.* Nearly 60 percent of millennials say they are willing to stop working to take care of children at home, 12 percent more than Generation X. Millennials also express greater willingness to change jobs, take a pay cut, or move to another country to have access to better parental leave benefits.
- *Millennials value parental leave more than prior generations.* More millennials (compared to other generations) reported that they would recommend their employer, be more engaged and happier in their jobs, and be less likely to quit if their employer offered additional work flexibility and paid parental leave.

Thus, changing public attitudes and a growing sense of urgency about the difficulty of balancing work and family demands in today's economy seem likely to motivate continued bipartisan interest in pursuing paid family leave policies at the federal and state level.

Endnotes

1 U.S. Department of Labor, "Family and Medical Leave Act" Available at: https://www.dol.gov/whd/fmla/.

2 U.S. Department of Labor, "BLS Data Viewer," 2019. Available at: https://beta.bls.gov/dataViewer/view/timeseries/LNS11300062.

3 S. F. Hipple. "Labor Force Participation: What has Happened Since the Peak?" *Monthly Labor Review*, U.S. Bureau of Labor Statistics, September 2016. Available at: https://www.bls.gov/opub/mlr/2016/article/labor-force-participation-what-has-happened-since-the-peak.htm.

4 U.S. Department of Labor, "FMLA Surveys." Available at: https://www.dol.gov/whd/fmla/survey/.

5 U.S. Department of Labor, *National Compensation Survey: Employee Benefits in the United States, March 2019*. Available at: https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf.

6 U.S. Bureau of Labor Statistics, "Workers With Access to Paid Leave By Selected Characteristics, Averages for the Periods 2011 and 2017-2018." Available at: https://www.bls.gov/news.release/leave.t01.htm.

7 U.S. Department of Labor, *National Compensation Survey: Employee Benefits in the United States, March 2019*. Available at: https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf.

8 Center on Budget and Policy Priorities, *Child Care and Housing: Big Expenses with Too Little Help Available*, April 2019. Available at: https://www.cbpp.org/research/housing/child-care-and-housing-big-expenses-with-too-little-help-available.

9 U.S. Bureau of Labor Statistics, "Employment: Labor Force Statistics," Jan 2020. Available at: https://www.bls.gov/data/.

10 M. Toosi and T. Morisi. *Women in the Workforce Before, During, and After the Great Recession. United States Bureau of Labor Statistics*. United States Bureau of Labor Statistics, July 2017. Available at: https://www.bls.gov/spotlight/2017/women-in-the-workforce-before-during-and-after-the-great-recession/pdf/women-in-the-workforce-before-during-and-after-the-great-recession.pdf.

11 U.S. Department of Labor, "Mothers and Families," 2018. Available at: https://www.dol.gov/wb/stats/mother_families.htm.

12 K. Parker, J. M. Horowitz, and M. Rohal. *Parenting in America: Outlook, Worries, Aspirations are Strongly Linked to Financial Situation*. Pew Research Center, December 2015. Available at: http://assets.pewresearch.org/wp-content/uploads/sites/3/2015/12/2015-12-17_parenting-in-america_FINAL.pdf.

13 Ibid.

14 KIDS COUNT, "Children Under Age 6 With All Available Parents in the Labor Force in the United States," 2018. Available at: https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force#detailed/1/any/false/37,871,870,573,869,36,868,867,133,38/any/11472,11473.

15 U.S. Bureau of Labor Statistics, "Employment: Labor Force Statistics," Jan 2020. Available at: https://www.bls.gov/data/.

16 U.S. Census Bureau, Historical Living Arrangement of Children, November 2019. Available at: https://www.census.gov/data/tables/time-series/demo/families/children.html.

17 U.S. Bureau of Labor Statistics, Women in the Labor Force: A Databook, December 2018. Available at: https://www.bls.gov/opub/reports/womens-databook/2018/home.htm.

18 U.S. Bureau of Labor Statistics, "Civilian Labor Force Participation Rate," Federal Reserve Bank of St. Louis, Available at: https://fred.stlouisfed.org/series/LNS11300060.

19 U.S. Bureau of Labor Statistics, "Table 5. Employment Status of the Population by Sex, Marital Status and Present and Age of Own Children under 18, 2017-2018 Annual Averages, April 2019. Available at: https://www.bls.gov/news.release/famee.t05.htm.

20 U.S Bureau of Labor Statistics, "Civilian Labor Force Participation Rate by age, Sex, Race, and Ethnicity," September 2019. Available at: https://www.bls.gov/emp/tables/civilian-labor-force-participation-rate.htm.

21 Brookings, *Realism About Reskilling: Upgrading the Career Prospects of America's Low-Wage Workers*, November 2019. Available at: https://www.brookings.edu/research/realism-about-reskilling/.

22 https://www.bls.gov/news.release/pdf/ecopro.pdf

23 K. G. Abraham. *What do We Know About Nonstandard Work?*" Presentation at the Conference on Nonstandard Work and Social Insurance, January 2018. Available at: https://www.nasi.org/sites/default/files/Abraham(1).pdf.

24 B. H. Hamilton, J. A. Martin, M. J. K. Osterman, et al. *Births: Provisional Data for 2017.* National Center for Health Statistics, May 2018. Available at: https://www.cdc.gov/nchs/data/vsrr/report004.pdf.

25 P. Cohen. *The Coming Divorce Decline*. University of Maryland, College Park, November 2018. Available at: https://osf.io/preprints/socarxiv/h2sk6/.

26 C. C. Miller. "Americans Are Having Fewer Babies. They Told us Why." The Upshot, July 5, 2018. Available at: https://www.nytimes.com/2018/07/05/upshot/americans-are-having-fewer-babies-they-told-us-why.html.

27 Ernst and Young. "Study Highlights: Dual-Career Dynamics in the US." Available at: https://www.ey.com/us/en/about-us/our-people-and-culture/ey-study-highlights-dual-career-dynamics-in-the-us#.XEmfNi2ZNp8.

28 Bipartisan Policy Center, "Unpacking the Finances of the Sandwich Generation: Key Takeaways from BPC's Survey of Family Caregivers," July 2019. Available at: https://bipartisanpolicy.org/blog/unpacking-the-finances-of-the-sandwich-generation/.

29 Harvard Business School, *How Employers Can Help Employees Manage Their Caregiving Responsibilities—While Reducing Costs and Increasing Productivity*, 2019. Available at: https://www.hbs.edu/managing-the-future-of-work/Documents/The_Caring_Company.pdf.

30 Heymann. J. (2001, October 15). The Widening Gap: Why America's Working Families Are in Jeopardy—and What Can Be Done About It. New York, NY: Basic Books.

31 AARP, *Breaking New Ground: Supporting Employed Family Caregivers with Workplace Leave Policies*, September 2018. Available at: https://www.aarp.org/content/dam/aarp/ppi/2018/08/breaking-new-ground-supporting-employed-family-caregivers-with-workplace-leave-policies.pdf.

32 Urban Institute, *Expanding Early Intervention for Newly Ill and Injured Workers and Connections to Paid Medical Leave*, October 2018. Available at: https://www.urban.org/sites/default/files/publication/99250/expanding_early_intervention.pdf.

33 U.S. Department of Labor, *National Compensation Survey: Employee Benefits in the United States, March 2019*. Available at: https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf.

34 U.S. Bureau of Labor Statistics, "Workers With Access to Paid Leave By Selected Characteristics, Averages for the Periods 2011 and 2017-2018." Available at: https://www.bls.gov/news.release/leave.t01.htm.

35 Ibid.

36 B. Gitis. "Paid Family and Medical Leave." American Action Forum, February 2018. Available at: https://www.americanactionforum.org/infographic/paid-family-medical-leave/.

37 J. M. Horowitz, K. Parker, N. Graf, et al. *Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Policies*. Pew Research Center, March 2017. Available at: http://www.pewsocialtrends.org/2017/03/23/americans-widely-support-paid-family-and-medical-leave-but-differ-over-specific-policies/.

38 C. J. Ruhm. "Parental Leave and Child Health." *Journal of Health Economics* 19, no. 6 (2000): 931-960. Available at: https://www.sciencedirect.com/science/article/abs/pii/S0167629600000473?via%3Dihub.

39 J.M. Horowitz, K. Parker, N. Graf, and G. Livingston, "Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Policies," March 23, 2017. Available at: https://www.pewsocialtrends.org/2017/03/23/americans-widely-support-paid-family-and-medical-leave-but-differ-over-specific-policies/.

40 H. Boushey, A. O'Leary, and A. Mitukiewicz. *The Economic Benefits of Family and Medical Leave Insurance*. Center for American Progress, December 2013. Available at: https://cdn.americanprogress.org/wp-content/uploads/2013/12/PaidFamLeave-brief.pdf.

41 C. J. Ruhm and J. L. Teague. *Parental Leave Policies in Europe and North American*. NBER Working Paper No. 5065, National Bureau of Economic Research, 1995. Available at: http://www.nber.org/papers/w5065.

42 E. Appelbaum and R. Milkman. *Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California*. Center for Economic and Policy Research, 2011. Available at: http://cepr.net/documents/publications/paid-family-leave-1-2011.pdf.

43 Multiple studies cited in Am progress report: Abt Associates, Hofferth and Curtin, and Baum.

44 L. Houser and T. P. Vartanian. *Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Business, and the Public*. Center for Women and Work, Rutgers University, January 2012. Available at: https://smlr.rutgers.edu/sites/default/files/images/CWW_Paid_Leave_Brief_Jan_2012_0.pdf.

45 Panorama and American Sustainable Business Council, *The Business Impacts of Paid Leave: A Financial Analysis of the Return On Investment of Paid Family and Medical Leave*, October 2019. Available at: https://panoramaglobal.org/wp-content/uploads/2019/11/Business-impacts-of-paid-leave-A-Panorama-report.pdf.

46 Congressional Research Service, *Paid Family Leave in the United States*, May 2019. Available at: https://fas.org/sgp/crs/misc/R44835.pdf.

47 Small Business Majority and Center for American Progress. "Small Businesses Support Paid Family Leave Programs. March 2017. Available at: https://smallbusinessmajority.org/our-research/workforce/small-businesses-support-paid-family-leave-programs.

48 MetLife Mature Market Institute. *Caregiving Costs to Working Caregivers*. June 2011. Available at: khttps://www.caregiving.org/wp-content/uploads/2011/06/mmi-caregiving-costs-working-caregivers.pdf.

49 RAND Corporation. "Cost of Informal Caregiving for U.S. Elderly Is $522 Billion Annually." October 2014. Available at: https://www.rand.org/news/press/2014/10/27.html.

50 AEI-Brookings Working Group on Paid Family Leave. *Paid Family and Medical Leave: An Issue Whose Time Has Come*. May 2017: 8. Available at: https://www.brookings.edu/wp-content/uploads/2017/06/es_20170606_paidfamilyleave.pdf.

51 K. Parker, J. M. Horowitz, M. Rohal. *Parenting in America: Outlook, Worries, Aspirations are Strongly Linked to Financial Situation*. Pew Research Center, December 2015. Available at: http://assets.pewresearch.org/wp-content/uploads/sites/3/2015/12/2015-12-17_parenting-in-america_FINAL.pdf.

52 Abt Associates, Family and medical leave in 2012: Technical report, 2012. Available at: https://www.dol.gov/sites/dolgov/files/OASP/legacy/files/FMLA-2012-Technical-Report.pdf.; U.S. Bureau of Labor Statistics. "American Time Use Survey." June 2019. Available at: https://www.bls.gov/news.release/pdf/atus.pdf

53 U.S. Bureau of Labor Statistics. "Employment Characteristics of Families Survey." April 2019. Available at: https://www.bls.gov/news.release/famee.nr0.htm.

54 Erling Barth, Sari Pekkala Kerr, Claudia Olivetti. "The Dynamics of Gender Earnings Differentials: Evidence from Establishment Data." *The National Bureau of Economic Research*. No.w23381, 2019. Available at: https://www.nber.org/papers/w23381.pdf.

55 M. B. Budig. *The Fatherhood Bonus & the Motherhood Penalty: Parenthood and the Gender Gap in Pay*. Third way, September 2014. Available at: http://content.thirdway.org/publications/853/NEXT_-_Fatherhood_Motherhood.pdf.

56 U.S. Bureau of Labor Statistics, "American Time Survey Results—2018 Results," June 2019. Available at: https://www.bls.gov/news.release/pdf/atus.pdf.

57 U.S. Bureau of Labor Statistics, "Employment Situation Summary," January 2020. Available at: https://www.bls.gov/news.release/empsit.nr0.htm. Notably, however, BLS reports that women currently account for just over half of non-farm payroll employment (based on establishment data).

58 U.S. Bureau of Labor Statistics, "Labor Statistics from the Current Population Survey," January 2019. Available at: https://www.bls.gov/cps/cpsaat22.htm.

59 Brookings, "Women Staging a Labor Force Comeback," March 2019. Available at: https://www.brookings.edu/blog/up-front/2019/03/26/women-staging-a-labor-force-comeback/.

60 National Women's Law Center, "Women in the Low-Wage Workforce by State," June 2018. https://nwlc.org/wp-content/uploads/2018/06/women-in-low-wage-workforce-by-state-2018-1.pdf.

61 Center for American Progress, "Breadwinning Mothers Continue to be the U.S. Norm," May 2019. Available at: https://www.americanprogress.org/issues/women/reports/2019/05/10/469739/breadwinning-mothers-continue-u-s-norm/.

62 A.W. Greiger, Gretchen Livingston, and Kristen Bialik, "6 Facts About U.S. Moms," Pew Research Center, May 8, 2019. Available at: https://www.pewresearch.org/fact-tank/2019/05/08/facts-about-u-s-mothers/.

63 U.S. Census Bureau, *Income and Poverty in the United States: 2018*, September 2019. Available at: https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-266.pdf.

64 London School of Economic, *Reducing Mommy Penalties with Daddy Quotas*, Department of Social Policy, June 2019. Available at: http://www.lse.ac.uk/social-policy/Assets/Documents/PDF/working-paper-series/07-19-Berkay-Ozcan-and-Allison-Dunatchik.pdf.

65 Ibid.

66 U.S. Department of Labor, *National Compensation Survey: Employee Benefits in the United States, March 2019*. Available at: https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf.

67 U.S. Bureau of Labor Statistics. "13 Percent of Private Industry Workers Had Access to Paid Family Leave in March 2016." *TED: The Economics Daily*, November 2016. Available at: https://www.bls.gov/opub/ted/2016/13-percent-of-private-industry-workers-had-access-to-paid-family-leave-in-march-2016.htm.

68 U.S. Bureau of Labor Statistics. "Employee Benefits Survey." March 2017. https://www.bls.gov/ncs/ebs/benefits/2017/ownership/private/table32a.htm.

69 Abt Associates. *Family and Medical Leave in 2012: Executive summary*. September 2013. Available at: https://www.dol.gov/sites/dolgov/files/OASP/legacy/files/FMLA-2012-Technical-Report.pdf.

70 Bipartisan Policy Center. *A Bipartisan Case for Early Childhood Development*. October 2017. Available at: https://bipartisanpolicy.org/wp-content/uploads/2017/10/BPC-A-Bipartisan-Case-For-Early-Childhood-Development.pdf.

71 D. A. Phillips and J. P. Shonkoff. *From Neurons to Neighborhoods: The Science of Early Childhood Development* (National Academies Press, 2000). 4. Available at: http://nationalacademies.org/hmd/reports/2000/from-neurons-to-neighborhoods-the-science-of-early-childhood-development.aspx.

72 M. Warner-Richter and A. Blasberg. “Paid Parental Leave is Rare, But Good for Kids.” Child Trends, July 2017. Available at: https://www.childtrends.org/paid-parental-leave-rare-good-kids.

73 M. Kim. “The Benefits of Paid Parental Leave for Children’s Well-Being.” Blog on Learning and Development, December 2017. Available at: https://bold.expert/the-benefits-of-paid-parental-leave-for-childrens-well-being/.; L. M. Berger, J. Hill, and J. Waldfogel. “Maternity Leave, Early Maternal Employment and Child Health and Development in the US.” *The Economic Journal* 115, no. 501 (2005). Available at: https://www.researchgate.net/publication/4894764_Maternity_Leave_Early_Maternal_Employment_and_Child_Outcomes_in_the_US.

74 G. J. Duncan and K. Magnuson. “The Long Reach of Early Childhood Poverty.” *Pathways*, Publication of the Stanford Center for the Study of Poverty and Inequality (2011): 22-27.

75 AEI-Brookings Working Group on Paid Family Leave. *Paid Family and Medical Leave: An Issue Whose Time Has Come*. May 2017. Available at: https://www.brookings.edu/wp-content/uploads/2017/06/es_20170606_paidfamilyleave.pdf.

76 Abt Associates. *Family and Medical Leave in 2012: Executive summary*. September 2013. Available at: https://www.dol.gov/asp/evaluation/completed-studies/Family_Medical_Leave_Act_Survey/EXECUTIVE_SUMMARY_family_medical_leave_act_survey.pdf

77 Office for Senator Marco Rubio, “Rubio, Romney, Wagner, Crenshaw, Introduce bill Giving Parents an Option for Paid Family Leave, March 2019. Available at: https://www.rubio.senate.gov/public/index.cfm/2018/8/english-espa-ol-rubio-unveils-bill-giving-parents-an-option-for-paid-family-leave.

78 “Economic Security for New Parents.” Available at: https://www.rubio.senate.gov/public/_cache/files/7bcee930-38e4-4580-a747-bd1d26e374ff/1050B06F6967E192EFCFE139E732082E.economic-security-for-new-parents-act-one-pager.pdf.

79 CRADLE ACT.” March 2019. Available at: https://www.ernst.senate.gov/public/_cache/files/50e52d04-bffd-4373-891b-5d5b8ba405c2/9C6BEA03605DC46CAA4C0C07AF453DA2.cradle-act-summary.pdf.

80 Bipartisan Policy Center, “Paid Family Leave Across OECD Countries,” Jan 2020. Available at: https://bipartisanpolicy.org/explainer/paid-family-leave-across-oecd-countries/.

81 Oregon State Legislature, “House Bill 2005,” 2019. Available at: https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2005.

82 State of Rhode Island, “Family, Medical, Parental, Leave Policy,” June 2017. Available at: http://www.hr.ri.gov/documents/Policies%20&%20Communications/FMLA%20Policy%206-6-17.pdf.

83 Ibid.

84 New York State, “Paid Family Leave.” Available at: https://paidfamilyleave.ny.gov/.

85 DC Office of Human Rights, "DC Family and Medical Leave Act," March 2016. Available at: https://ohr.dc.gov/sites/default/files/dc/sites/ohr/publication/attachments/DCFMLA_Poster_March2016.pdf.

86 State of Washington, "Senate Bill 5975," 2017. Available at: https://static.votesmart.org/static/billtext/60356.pdf.

87 Washington State Department of Labor & Industries, "Family Leave Act," 2019. Available at: https://www.lni.wa.gov/WorkplaceRights/LeaveBenefits/FamilyCare/LawsPolicies/FamilyLeave/default.asp.

88 Commonwealth of Massachusetts, "Parental Leave in Massachusetts," 2019. Available at: https://www.mass.gov/service-details/parental-leave-in-massachusetts.

89 Connecticut Campaign for Paid Family Leave, "Frequently Asked Questions," 2019. Available at: https://paidfamilyleavect.org/faq/

90 State of Connecticut, "Family & Medical Leave Act (FMLA)," 2019. Available at: https://www.ctdol.state.ct.us/wgwkstnd/fmla.htm.

91 State of Oregon, "Oregon Family Leave Act," January 2019. Available at: https://www.oregon.gov/boli/TA/docs/OFLA-Poster.pdf.

92 State of Rhode Island, "S 0643 Bill Text," 2019. Available at: http://webserver.rilin.state.ri.us/BillText19/HouseText19/H5912.pdf.

93 State of California, "Contribution Rates and Benefit Amounts, Employment Development Department, January 2019. Available at: https://www.edd.ca.gov/disability/Contribution_Rates_and_Benefit_Amounts.htm.

94 New York State, "Disability Benefits." Available at: http://www.wcb.ny.gov/content/main/offthejob/db-overview.jsp.

95 Washington State, "Premiums," Employment Security Department, 2019. Available at: https://paidleave.wa.gov/premiums.

96 Commonwealth of Massachusetts, "Family and Medical Leave Contribution Rates for Employers," 2019. Available at: https://www.mass.gov/info-details/family-and-medical-leave-contribution-rates-for-employers#contribution-rate-split-for-employers-with-25-or-more-covered-individuals-.

97 Rhode Island Department of Labor and Training, "2019 UI and TDI Quick Reference." Available at: http://www.dlt.ri.gov/lmi/news/quickref.htm.

98 The Economic Progress Institute, "Expanding Access to Paid Family Leave," March 2019. Available at: http://www.economicprogressri.org/wp-content/uploads/2019/04/TCI-fact-sheet-MARCH-2019-1.pdf.

99 New York State, "New York Paid Family Leave Updates for 2019 Overview." Available at: https://paidfamilyleave.ny.gov/2019.

100 GovDocs, "Connecticut Passes Expansive Paid Family and Medical Leave Act," July 2019. Available at: https://www.govdocs.com/connecticut-passes-expansive-paid-family-and-medical-leave-act/.

101 Stephen Scott and Alexander Wheatley, "Oregon Passes Nation's Most Generous Paid Family Leave Law," SHRM, July 16, 2019. Available at: https://www.shrm.org/resourcesandtools/legal-and-compliance/state-and-local-updates/pages/oregon-passes-generous-paid-family-leave-law.aspx.

102 Bipartisan Policy Center. "State Paid Family Leave Laws Across the U.S." November 2019. Available at: https://bipartisanpolicy.org/explainer/state-paid-family-leave-laws-across-the-u-s/.

103 M. Corkery. "Walmart's Bumpy Day: From Wage Increase to Store Closings." New York Times, January 11, 2018. Available at: https://www.nytimes.com/2018/01/11/business/walmart-wages-tax-cuts.html.

104 Starbucks Stories. "Starbucks Announces New Investments in Paid Leave, Wage." January 2018. Available at: https://news.starbucks.com/press-releases/starbucks-announces-new-investments-in-paid-leave-wage.

105 Claire Cain Miller, "Walmart and Now Starbucks: Why More Big Companies Are Offering Paid Family Leave," The New York Times, January 24, 2018. Available at: https://www.nytimes.com/2018/01/24/upshot/parental-leave-company-policy-salaried-hourly-gap.html.

106 S. Gray. "CVS to Raise Employee Pay and Offer Four Weeks Paid Parental Leave." Fortune, February 8, 2018. Available at: http://fortune.com/2018/02/08/cvs-raise-wages-offer-four-weeks-paid-parental-leave/.

107 Starbucks Stories. "Starbucks Announces New Investments in Paid Leave, Wage." January 2018. Available at: https://news.starbucks.com/press-releases/starbucks-announces-new-investments-in-paid-leave-wage.

108 National Partnership for Women & Families, "Leading on Leave: Companies with New or Expanded Paid Leave Policies (2015-2019)," August 2019. Available at: https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/new-and-expanded-employer-paid-family-leave-policies.pdf.

109 Tim Shaw, "Key Takeaways from BPC's Survey of Small Business Views on Paid Family Leave," Bipartisan Policy Center, June 24, 2019. Available at: https://bipartisanpolicy.org/blog/key-takeaways-from-bpcs-survey-of-small-business-views-on-paid-family-leave/.

110 U.S. Census Bureau, "2015-2016 SUSB Employment Change Data Tables," March 2019. Available at: https://www.census.gov/data/tables/2016/econ/susb/2016-susb-employment.html. Note that, because of the way the census data break down enterprise employment size, we are including enterprises with up to 99 employees in the category of "small business" for purposes of calculating the small business share of overall private sector employment.

111 Washington State, "Small Business Information." Available at: https://esd.wa.gov/paid-family-medical-leave/smallbusiness.

112 Panorama, *The Business Impacts of Paid Leave*, October 2019. Available at: https://panoramaglobal.org/wp-content/uploads/2019/11/Business-impacts-of-paid-leave-A-Panorama-report.pdf.

113 J. M. Horowitz, K. Parker, N. Graf, et al. *Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Policies*. Pew Research, March 2017. Available at: http://www.pewsocialtrends.org/2017/03/23/americans-widely-support-paid-family-and-medical-leave-but-differ-over-specific-policies/.

114 Ibid.

115 R. Fry. "Millennials Are the Largest Generation in the US Labor Force." Pew Research Center, April 2018. Available at: http://www.pewresearch.org/fact-tank/2018/04/11/millennials-largest-generation-us-labor-force/.

116 Ernst and Young. Study: *Work-Life Challenges Across Generations*. 2015. Available at: https://www.ey.com/us/en/about-us/our-people-and-culture/ey-work-life-challenges-across-generations-global-study.

Bipartisan Policy Center

1225 Eye St NW, Suite 1000
Washington, DC 20005

bipartisanpolicy.org

202 - 204 - 2400

BPC prioritizes one thing above all else: getting things done.

@BPC_Bipartisan
facebook.com/BipartisanPolicyCenter
instagram.com/BPC_Bipartisan

Policy Areas

- Campus Free Expression
- Early Childhood
- Economy
- Energy
- Governance
- Health
- Higher Education
- Immigration
- Infrastructure

Bipartisan Policy Center

1225 Eye Street NW, Suite 1000
Washington, D.C. 20005

IDEAS. ACTION. RESULTS.