



BIPARTISAN POLICY CENTER

# Paid Family Leave: An Introduction

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# What is Paid Family Leave?

While existing family leave policies vary, there are generally three categories of family leave:

## Parental Leave

Time to bond with a newborn, newly adopted, or newly fostered child.

## Family Caregiver Leave

Time to care for a seriously ill or injured family member, including a child, parent, or spouse.

## Medical Leave

Time to recover from a serious health issue that makes the employee unable to work for a short period of time.

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## Accessibility to Paid and Unpaid Leave

- 83%** of workers don't have access to a defined paid parental or caregiver leave policy, and 61% don't have access to medical leave
- 4%** of the lowest-wage workers have access to paid parental or caregiver leave, and only 12% have access to medical leave. By contrast, 31% of the highest-wage workers have access to paid parental or caregiver leave, and 59% have access to medical leave
- 60%** of workers are covered by the Family and Medical Leave Act (FMLA), which provides unpaid, job-protected leave





# The Need for Paid Family Leave

## Many workers can't afford to take unpaid family leave

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Without paid family leave, many Americans can't afford to take time off to bond with a new child, care for a sick or elderly relative, or recover from a short-term illness.

**46%** of workers who needed leave but didn't take it report inability to afford unpaid leave

**50%** of leave takers return to work early because they can't afford more time off

**1 in 4** About 1 in 4 women who take maternity leave (22.8%) report returning to work within two weeks of giving birth

## The Changing Nature of Families in the Workforce

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Today, women make up 76% of the workforce compared to 34% in 1950 and 58% in 1990. The rise of working women and the increase of single- and dual-earning households make it difficult for families to balance work and caregiving commitments.

**72%** of working women have minor children at home

**1/3** of children are living with a single parent

**2/3** of children live in households where both parents work

## The Sandwich Generation

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Family caregivers are the single largest source of care for older adults. In 2013, about 40 million family caregivers in the U.S. provided about 37 billion hours of unpaid care, an estimated economic value of approximately \$470 billion.

**1 in 10** working parents are also providing care to an adult family member

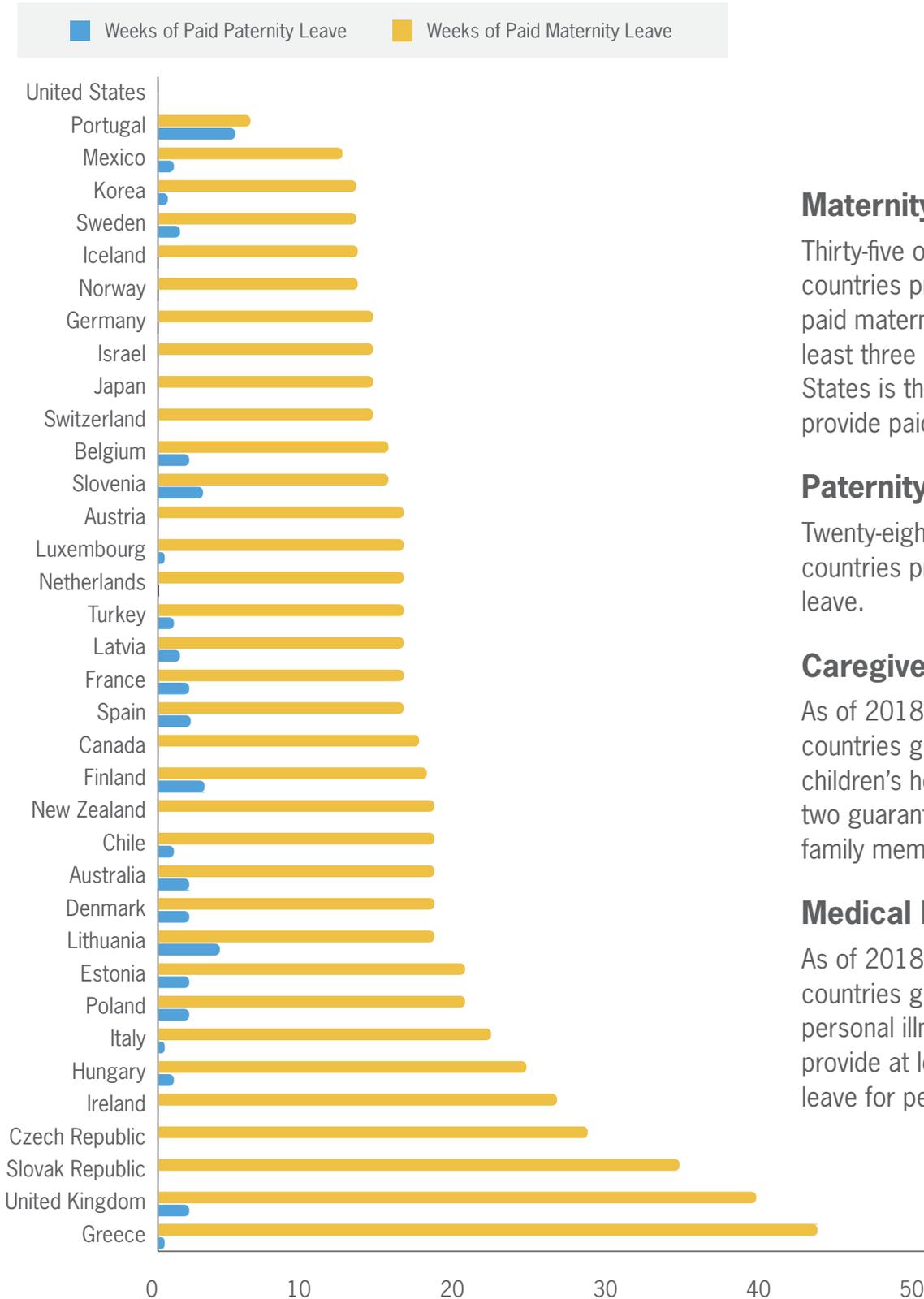
**15%** of middle-aged adults in 2013 were providing financial support to both an aging parent and a child

**1 in 4** millennials is a family caregiver and more than half of them are African-American, Latino, or Asian



# Internationally, Paid Family Leave is Widely Available

## Parental Leave Availability Among Organisation for Economic Co-operation and Development (OECD) Countries



### Maternity Leave

Thirty-five out of thirty-six OECD countries provide nationwide paid maternity leave for at least three months. The United States is the only country to not provide paid maternity leave.

### Paternity Leave

Twenty-eight out of thirty-six OECD countries provide paid paternity leave.

### Caregiver Leave

As of 2018, twenty-eight OECD countries guarantee paid leave for children's health needs, and twenty-two guarantee paid leave for adult family member's health needs.

### Medical Leave

As of 2018, thirty-two OECD countries guarantee paid leave for personal illness, and twenty-eight provide at least six months of paid leave for personal illness.





## Small Business Attitudes

- 70%** of millennial small business owners report interest in providing paid family leave
- 60%** Over 60% of executives believe it would have a positive impact on employee morale, retention, and their ability to attract new talent
- 50%** About half of executives report that it is somewhat or very difficult for their small business when employees take leave

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## Benefits of Paid Family Leave

Giving fathers flexibility to take time off work in the months after their children are born is associated with improved postpartum health and mental well-being of mothers.

Active and regular paternal engagement with children is associated with positive cognitive and behavioral outcomes for children.

Paid family leave can increase workforce participation of mothers, improve employee retention and productivity, and increase lifetime earnings.

## Potential Cost of Paid Family Leave

**\$8 TO \$46 BILLION**

According to AEI-Brookings Paid Family Leave Working Group, universal access to eight weeks of parental, family caregiver, and medical leave would have an estimated cost ranging from \$8 billion to \$46 billion per year based on the Group's proposed plan.



# State Paid Family Leave Programs

States are serving as the laboratories of democracy as they experiment with paid family leave policies. Eight states and the District of Columbia have state paid family leave programs. Four programs—California, New Jersey, Rhode Island, and New York—are operational and five—Washington, Massachusetts, District of Columbia, Connecticut, and Oregon—have not yet gone into effect.



## California

- Enacted 2002, effective 2004; expanded 2016, effective 2018; expanded 2017, effective 2020
- Six weeks of parental and family caregiver leave
- Fifty-two weeks of medical leave
- Up to 70% wage replacement
- Parental, family caregiver, and medical funded by employee payroll tax
- Includes all private employers
- Covers only some public employees
- Self-employed workers can opt in



## New Jersey

- Enacted 2008, effective 2009; expanded 2019, effective 2020
- Six weeks of parental and family caregiver leave (increasing to 12 weeks in 2020)
- Twenty-six weeks of medical leave
- Up to 66% wage replacement (increasing to 70 percent in 2020)
- Parental and family caregiver is funded by employee payroll tax; medical is funded by employee and employer payroll tax
- Includes all private and public employers



## Rhode Island

- Enacted 2013, effective 2014
- Four weeks of parental and family caregiver leave
- Thirty weeks of medical leave
- Up to 60% wage replacement
- Parental, family caregiver, and medical funded by employee payroll tax
- Includes all private employers
- Covers only some public employees



## New York

- Enacted 2016, effective 2018
- Eight weeks of parental and family caregiver leave
- Twenty-six weeks of medical leave
- Up to 55% wage replacement
- Parental and family caregiver is funded by employee payroll tax; medical is funded by employee and employer payroll tax
- Includes most private employers and public employers
- Self-employed workers and certain public employees can opt-in





## Washington

- Enacted 2017, effective 2019 (premiums) and 2020 (benefits)
- Twelve weeks of parental, family caregiver, and medical leave
- Up to 90% wage replacement
- Parental, family caregiver, and medical funded by employee and employer payroll tax
- Includes all private and public employers
- Self-employed workers, independent contractors, and small employers with 50 or fewer employees can opt-in with incentives



## Massachusetts

- Enacted 2018, effective 2019 (premiums) and 2021 (benefits)
- Twelve weeks of parental and family caregiver leave
- Twenty weeks of medical leave
- Up to 80% wage replacement
- Parental, family caregiver, and medical funded by employee and employer payroll tax
- Includes all private and public employers (exempts small employers with fewer than 25 employees)
- Self-employed workers and local governments can opt-in with incentives



## District of Columbia

- Enacted 2017, effective 2020
- Eight weeks of parental leave
- Six weeks of family caregiver leave
- Two weeks of medical leave
- Up to 90% wage replacement
- Parental, family caregiver, and medical funded by employer payroll tax
- Includes all private employers
- Public employees not covered
- Self-employed workers can opt in



## Connecticut

- Enacted 2019, effective 2021 (premiums) and 2022 (benefits)
- Twelve weeks of parental, family caregiver, and medical leave
- Up to 95% wage replacement
- Parental, family caregiver, and medical funded by employee payroll tax
- Includes all private employers
- Self-employed workers and state and local collective bargaining units can opt in



## Oregon

- Enacted 2019, effective 2023
- Twelve weeks of parental, family caregiver, and medical leave
- Up to 100% wage replacement
- Funded by employee and employer payroll tax
- Includes all private employers
- Small employers with fewer than 25 employees can opt in with incentives



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