



the work and family legal center

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Paid Family Leave in Tennessee: Studying the Issue (HB557/SB663)

What is Paid Family Leave?

- The United States and Tennessee currently have no law providing for paid leave when a worker gives birth, adopts a child, or has to care for a seriously ill family member. Nationwide, *only 12%* of private sector employees receive paid family leave through their employers, according to the U.S. Bureau of Labor Statistics.
- Paid family leave programs provide some wage replacement when an employee needs time out of the office to care for a newborn or newly adopted child, or when they need to provide care for a seriously ill family member—such as an elderly parent with cancer, a spouse requiring surgery, or a child in the hospital.
- Three states already provide paid family leave and research shows that those programs are working well.

How Will The Study Bill Work?

- The U.S. Department of Labor will use existing funds to offer \$1 million in new funding for its Paid Leave Analysis Grant Program, providing competitive grants to six to ten states or municipalities to conduct paid leave feasibility studies. These grants will be administered by the Women’s Bureau and build on the tremendous response to last year’s grant program, which provided a total of \$500,000 in paid family leave feasibility and study funds to three states (Massachusetts, Montana, and Rhode Island) and the District of Columbia.
- The bill will allow Tennessee to apply for a grant from the Department of Labor and accept funds if chosen.
- The study bill does not specify how paid family leave will need to be administered in Tennessee or the precise details of such a program.

Paid Family Leave is Good for Public Health

- A growing body of research shows that inadequate follow-up care after a patient has returned home can result in complications, re-hospitalization, and even higher patient mortality, not to mention increased costs.¹ When a family member is able to focus on providing high quality care for their loved ones, patients do better.
- Paid family leave increases the likelihood and duration of breastfeeding: The median duration of breastfeeding doubled for all new mothers who used California’s paid family leave program. Breastfeeding has lasting health benefits for babies and mothers.

Paid Family Leave is Good for the Economy

- By keeping workers with caregiving needs attached to the workforce, paid family leave decreases reliance on public assistance and other government benefits, which creates significant taxpayer savings.

¹ http://well.blogs.nytimes.com/2015/01/29/doctors-as-advocates-for-family-leave/?_r=0.



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- When family caregivers help ill and aging individuals recover more quickly and spend less time in hospitals, it leads to financial savings and a decreased burden on overcrowded health care facilities--resulting reduced Medicaid and Medicare costs will save the taxpayer money.

Paid Family Leave is Good for Business

- Paid family leave does not interfere with businesses that already provide it, and in fact will allow them to offset those costs.
- Proposals for paid family leave insurance programs in Tennessee, like those in other states, are *employee-funded* benefits. By contributing very little each week (less than the cost of a cup of coffee), employees can pay into a fund to be used in case of family emergency.
- Paid family leave has been shown to increase employee retention, lower turnover, boost productivity, and improve employee morale. It will help small businesses retain talented employees by providing a benefit often offered only to employees of large companies.
- An overwhelming 91% of employers surveyed in California reported that paid family leave had either a positive or neutral effect on profitability after the program had been in place for many years.²

For more information on this legislation, please contact A Better Balance Director of the Southern Office, Elizabeth Gedmark, at 615-915-2417 or egedmark@abetterbalance.org.

² <http://www.cepr.net/documents/publications/paid-family-leave-1-2011.pdf>.