



the work and family legal center

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Testimony in support of H1718, S1008

An Act establishing a family and medical leave and temporary disability leave insurance program

Submitted by Sherry Leiwant, Co-President and Co-Founder, A Better Balance

I am submitting this testimony on behalf of my organization, A Better Balance, a legal advocacy organization whose mission is to fight for policies that will protect American workers from having to choose between caring for their families and maintaining their economic security. To that end, we have been working on paid family leave issues in states throughout the country for the last ten years. We are delighted that a paid family leave bill has been introduced in Massachusetts and testify in support of this important bill.

Paid family leave – an issue whose time has come.

It comes as a shock to most Americans that the United States is the only developed country that does not provide paid leave to workers when a new child is born. Among industrialized nations, the United States stands alone in its failure to guarantee workers paid leave. In 2014, the International Labor Organization reviewed parental leave policies in 185 countries and territories, and found that all countries except two (the United States of America and Papua New Guinea) have laws mandating parental leave.¹ With no right to paid family leave, workers must rely on their employers to provide these benefits, but because they are expensive most employers do not voluntarily provide them: as of March 2013, only 12% of American workers received paid family leave through their employers.² Among the lowest wage earners in the country, only 4% of workers have access to paid family leave.³ Therefore, far too many workers are forced to choose between their jobs and their family’s health and wellbeing.

The lack of paid family leave reflects the fact that our workplace laws and policies have failed to keep up with the changing nature and demographics of working families. The labor force participation rate of women and mothers has increased significantly during the past 40 years, and the number of dual-income families and single working parents has skyrocketed. Despite these changes, we have failed to pass laws and policies that allow workers to care for loved ones without risking their economic security. It is critical that we pass laws to guarantee paid family leave to bond with new children and care for seriously ill loved ones.

Americans are beginning to recognize the importance of this issue for our families. In his State of the Union message, our President recognized that the U.S. is “the only advanced country on Earth that doesn’t guarantee paid sick leave or paid maternity leave to our workers.” He pledged to make Federal money available to the states to study the issue with the hope that they would lead the way in providing paid family leave for their citizens. Massachusetts has benefited from that offer and the Massachusetts study of paid family leave will undoubtedly show its importance and the reasonableness of its cost. California, New Jersey and Rhode Island already have paid family leave programs that have been extremely successful and have caused no problems for



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employers. And this year, there are dozens of other states including Massachusetts exploring the possibility of setting up their own paid family leave programs.

The emergence of paid family leave as an important issue is a reflection that paid family leave is a win for everyone: workers, businesses, children, elders, and the economy. A paid family leave program would make it easier for new parents—both mothers and fathers—to care for their children without undue financial hardship. Research has shown that paid family leave helps parents to recover from childbirth, bond with newborn or newly adopted children, and better meet their children’s health needs.⁴ Access to paid family leave also increases the likelihood and average duration of breastfeeding, which improves the health of newborn children and their mothers.⁵ Seriously ill children benefit when their parents can afford time off to care for them. Research shows that ill children have better vital signs, faster recoveries, and reduced hospital stays when cared for by parents.⁶

In addition, with paid family leave, workers would not have to sacrifice their economic security in order to care for ill or aging relatives. The benefits of family caregiving to elderly and sick individuals are clear: family caregivers can help these individuals recover more quickly and spend less time in hospitals.⁷ Policies that support family caregiving create savings that benefit all Massachusetts taxpayers. Unpaid family caregivers not only help to ease the burden on our crowded hospitals and long-term care facilities but also create enormous financial savings. For example, recipients of family caregiving are less likely to have nursing home care or home health care paid for by Medicare.⁸ In 2007, unpaid family caregivers in the United States provided services valued at approximately \$375 billion a year.⁹

As noted above, California, New Jersey, and Rhode Island have adopted—and successfully implemented—similar paid family leave laws to those proposed in this law. Research shows that an overwhelming majority of California employers believe paid family leave has had a positive or neutral effect on their business operations.¹⁰ Studies have also shown that paid family leave leads to business savings, by increasing employee retention, lowering turnover costs, improving productivity, and enhancing worker morale and loyalty.¹¹ In today’s economy, paid family leave is a low-cost way to keep workers employed and to help workers meet family needs. For example, women who take paid leave after a child’s birth are more likely to be employed 9-12 months after the child’s birth than working women who take no leave. New mothers who take paid leave are also more likely to report wage increases in the year following the child’s birth.¹² When forced to leave their jobs or take unpaid leave, many poorer workers must turn to public assistance programs for support. By keeping workers with caregiving needs attached to the workforce, paid family leave can decrease reliance on public assistance, in turn creating significant taxpayer savings.¹³

The Massachusetts proposal.



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The bill before you is an excellent bill, crafted along the same lines as the successful programs in the states that have enacted paid family leave and consistent to the extent possible with the Federal and state FMLA. It is an insurance program financed by small contributions that will enable workers who need to take time off when they have a new child or need to care for their own serious illness or that of a family member to do so with some pay for twelve weeks.

The bill is in line with other proposals that are being made around the country. With respect to **duration of benefits**, the Massachusetts proposal calls for 12 weeks for one's own serious illness and 12 weeks for a new child or for care of a seriously ill family member. All current state paid family leave programs were expansions of existing Temporary Disability Insurance programs which give generous amounts of leave for one's own temporary disability (California allows a full year of benefits; NJ allows six months in any one year, Rhode Island gives 30 weeks). New York gives 26 weeks for one's own disability. The family care programs in California and New Jersey provide an extra 6 weeks for family care and Rhode Island provides an extra 4 weeks. Proposals around the country in Connecticut, Colorado, Wisconsin, Hawaii, Minnesota and New York for family care provide for 12 weeks, most in addition to self care. Washington D.C. is proposing 16 weeks of leave in each benefit year. It is important to insure that there is sufficient time for workers to recover from their own illness and also to provide enough time for bonding with a new child or caring for a seriously ill family member. Research in California has shown that longer time available for these purposes, while helpful to those who need it, does not add significantly to cost because many workers don't use all the time given.

With respect to **benefit level**, the Massachusetts bill allows low income workers a higher percentage of wage replacement than higher income earners although higher income workers will still get a higher benefit. This is a reasonable method of insuring that the wage replacement rate will enable a worker to actually take the benefit and be able to meet their basic needs during their time of disability or family care. This method of determining benefit amount is being proposed in many of the state bills around the country and is a far fairer method of determining benefit level than a flat rate of wage replacement.

Job protection is another important element of this bill which is essential. It goes against the intent of the program to expect a worker who needs benefits in certain situations to risk his or her job in order to access those benefits. That is why it is important that workers be assured their jobs will be protected if they choose to take advantage of the program.

Finally, we urge the committee to insure that in setting up a new program, public education is done so that all Massachusetts workers are aware of benefits available and access to benefits is made easy for workers through streamlined application process and timely delivery of benefits. A new program presents an opportunity to create an effective model for benefit delivery to all who are eligible.

Thank you for considering this critical issue for working families and for the opportunity to submit testimony.



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¹ International Labor Organization. (2014). *Maternity and Paternity at Work: Law and Practice Across the World*

² U.S. Department of Labor, Bureau of Labor Statistics, *National Compensation Survey: Employee Benefits in the United States, March 2013* (September 2013), Civilian Workers Table 32, available at: www.bls.gov/ncs/ebs/benefits/2013/ebbl0052.pdf

³ Ibid. (figure for the bottom 10% of wage earners)

⁴ Ibid., pp. 37-48.

⁵ Ibid., pp. 37-38.

⁶ See S. J. Heymann, A. Earle & B. Egleston, *Parental Availability for the Care of Sick Children*, *Pediatrics*, Vol. 98 No. 2 (Aug. 1996), pp. 226-30; S.J. Heymann, *The Widening Gap: Why America's Working Families are in Jeopardy and What Can Be Done About It*, Basic Books (2000), p. 57.

⁷ See, e.g., A. Houser & M.J. Gibson, *Valuing the Invaluable: The Economic Value of Family Caregiving, 2008 Update*,

AARP Public Policy Institute (Nov. 2008), pp. 1-2, 6; --, *Valuing the Invaluable: A New Look at the Economic Value of Family Caregiving*, AARP (June 2007), p. 6.

⁸ Houser and Gibson, *Valuing the Invaluable: A New Look at the Economic Value of Family Caregiving*, p. 6.

⁹ --, *Valuing the Invaluable: The Economic Value of Family Caregiving, 2008 Update*, pp. 1-2.

¹⁰ E. Appelbaum & R. Milkman, *Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California*, CEPR (Jan. 2011), p. 4.

¹¹ See, e.g., Ibid, pp. 5, 8; E. Rudd, *Family Leave: A Policy Concept Made in America*, Sloan Work and Family Research Network (2004).

¹² L. Houser & T. Vartanian, *Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public*, commissioned by the National Partnership for Women & Families and conducted by the Center for Women and Work at Rutgers University (Jan. 2012), pp. 6-7.

¹³ See, e.g., A. Dube & E. Kaplan, *Paid Family Leave in California: An Analysis of Costs and Benefits*, Labor Project for Working Families (July 2002), pp. 44-49 (estimating annual savings of \$23.5 million in usage of food stamps and TANF).