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Regarding H.B. 6932, An Act Concerning Paid Family and Medical Leave

March 3, 2015

All Americans want workers to be able to take time off when they are sick, need to care for someone who is sick, or welcome a new child to their family. That, in part, is why the overwhelming majority of businesses provide paid leave benefits to their workers, even though there is no legal requirement that they do so.

Of course, there are still Americans who lack adequate paid leave time and struggle to balance the needs of their families with their jobs. Connecticut lawmakers want to ease that burden, and are contemplating legislation that would create a new state-based entitlement program to provide participating workers with up to 12 weeks of leave, paid at 100% of salary, each year.

Sadly, however, this new program could backfire, particularly on the most vulnerable workers, by reducing employment opportunities and discouraging the creation of flexible employment arrangements. Women would likely disproportionately suffer from restricted employment opportunities, including a reduced likelihood of being able to negotiate their own personalized employment relationships.

Rather than moving toward a standardized, government-created employment regime for Connecticut businesses and workers, Connecticut lawmakers should focus on facilitating job creation so that workers have more and better job opportunities that will meet their unique needs. To better help people in need, government support should be targeted to those who face significant hardship.

Discouraging Job Creation and Economic Opportunity

Most Connecticut businesses already provide paid leave benefits to full-time workers. They do so because this helps them attract and retain valued workers. The costs of providing those benefits are built in to their total cost of employment. The costs of paid leave benefits not only include continuing to pay workers while they are on leave, but administering the program, engaging temporary replacement workers, and suffering disruption in operations.

The proposal to create a voluntary, government-funded leave program could relieve businesses of some of the costs of paid leave benefits (continuing to pay the salaries of workers using leave) and in fact, some businesses may feel encouraged to reduce their current benefit programs and push workers into the state system. However, the proposed state system would also create new costs for businesses by increasingly the likelihood that workers would use leave, particularly lengthy periods of leave. Costs would increase particularly for workers who currently lack paid leave benefits.

Therefore, under this new program, businesses would have an incentive to consolidate jobs and hire fewer, more highly skilled workers in order to minimize the potential disruption to their operations. That's bad news for workers with lower skills who could find themselves out of a job altogether.

Encouraging Bias Against Women; Threatening Flexibility and Innovative Work Arrangements

Generous paid leave proposals are sold as a boon for women because women are more likely to utilize these benefits to care for newborns, sick children, and aging parents. Yet there is a flip-side to this: Employers inevitably know that female employees will be more likely to opt into this program and use the extensive paid leave benefits, and therefore will be more reticent to hire women, particularly for leadership positions.

These are not just theoretical risks. European countries offer women extensive paid leave time, but European women appear to pay a price in terms of workplace opportunities. For example, they are far less likely than their American counterparts to be in managerial positions. Fourteen percent of American women workers are managers (compared to 15 percent of American men); just 5.9 percent of European women workers are (compared to 12.2 percent of European men).

Encouraging the move toward one-size-fits-all leave programs also ignores that workers have different needs and preferences when they face the need for time off or have increased personal obligations. Some prefer to work from home or utilize reduced or flexible hours, rather than exit their jobs entirely. Employers may be willing to accommodate workers' needs, but also have needs of their own, and would benefit from being able to explore arrangements other than lengthy periods of complete absence.

I've seen how such considerations and trade-offs work in practice, both as an employer and as a working mother. I've worked for the Independent Women's Forum (IWF) for more than ten years, during which time I've had five children. I've had different leave packages based on my needs and the organization's needs, following each of those births. Now as a manager, I help make employment decisions: We've hired a woman just months before her due date and multiple young women, knowing that it is highly probable that they will have children and need accommodations. In each case, we've been able to find a unique mix of benefits and work expectations based on their preferences and job duties. Some have preferred to move to a part-time status, while some have wanted a leave of absence, and others have just needed additional flexibility. Our organization has worked to accommodate those preferences, but have also occasionally asked that employees be available to answer questions or for emergencies. Honest conversations and negotiations have allowed us to make myriad arrangements work.

Rather than encouraging the development of innovative, win-win solutions, a state entitlement program would cut off those conversations and create a more rigid work environment that is less easily tailored to individual needs. The result would be fewer employment opportunities across the board, and particularly for women seeking leadership positions.

Targeting Assistance to Those in Needs

Many workers don't have the luxury of negotiating employment contracts with a conscientious employer. They have few work options and tight budgets, making their situations desperate.

That's why policymakers ought to focus their attention on providing additional financial support to those who truly face hardship: workers with lower incomes who lack adequate paid leave benefits. For

example, lawmakers could consider changing the unemployment insurance programs to provide temporary assistance for qualifying workers in need of leave time, or augmenting other financial support programs for those with low incomes. The goal should be to find ways to alleviate hardship by providing income support to those who are economically vulnerable, but without changing long-term work incentives or making them less attractive hires for employers.

Importantly, the best way to make sure that all workers have the benefits that they want and need is to create a growing economy with plentiful work opportunities so that workers have a variety of options and a stronger negotiating position so that they can craft the compensation packages they prefer. Therefore, policymakers should consider how to improve the overall business climate—by lowering taxes, reducing red tape and costly mandates—so that employers and workers have more resources and the freedom to negotiate the work arrangements that make the most sense for them and their families.