national partnership
for women & families
Because actions speak louder than words.

TESTIMONY IN SUPPORT OF H.B. 6932:
An Act Concerning Paid Family Medical Leave

Submitted to the Connecticut General Assembly Joint Committee on Labor and Public Employees
March 4, 2015

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy organization based in Washington, D.C. For more than four decades, we have fought for every major policy advance that has helped women and families. We promote fairness in the workplace, reproductive health and rights, access to quality, affordable health care, and policies that help women and men meet the dual demands of work and family.

We strongly support House Bill 6932, legislation to provide Connecticut's workers with access to paid family and medical leave. At some point, nearly everyone will need to take time away from work to deal with a serious personal or family illness, or to care for a new child. But only 13 percent of workers in the United States have access to paid family leave through their employers, and fewer than 40 percent have access to personal medical leave through employer-provided short-term disability insurance.[1] Without the ability to receive income, many workers must forgo taking leave or put their economic security in jeopardy in order to care for a family member, a new child or their own health.

We were honored to speak before the paid leave task force convened by the Permanent Commission on the Status of Women in 2013 as it investigated the models used in other states, and we appreciate the opportunity now to submit testimony in support of H.B. 6932.

I. Demographic and Economic Changes Reveal an Urgent Need for Family-Friendly Policies

The world of work, wages and family has changed dramatically, but our workplace policies and norms remain largely stagnant, addressing few of the challenges Americans face day to day as they struggle to manage the dual demands of work and family. Today, women make up nearly half the workforce and are the primary or sole breadwinners in 40 percent of families;[2] in just under another quarter of families, women's earnings contribute substantially to their families' incomes.[3] Most first children nationwide are born into households with mothers who were employed before and who return to work after giving birth,[4] and most children in Connecticut live in households with a single working parent or both parents working.[5]

Despite dramatic increases in women's workforce participation and contributions as family breadwinners, women most often continue to be the primary caregivers for children at birth

1875 connecticut avenue, nw ~ suite 650 ~ washington, dc 20009 ~ phone: 202.986.2600 ~ fax: 202.986.2539
email: info@nationalpartnership.org ~ web: www.nationalpartnership.org

and during childhood – and for elderly parents.[6] While men are increasingly interested in, and taking on, more family caregiving, most of the work continues to be done by women.[7]

At the same time, our population is aging: Over the next 25 years, the number of adults 65 and older is expected to double.[8] By 2060, there will be 92 million older adults – accounting for more than 20 percent of the U.S. population.[9] This means many more workers will need time away from work to care for seriously ill parents and spouses.[10]

II. Workplace Policies in the United States Have Not Caught Up with the Needs of Working Families, but Some States Do Better

Despite the clear need for paid family and medical leave, whether a worker has access to paid leave is largely a function of who they work for and where they live. Only 13 percent of workers in the United States have access to employer-provided paid family leave that they can use to bond with a new baby or care for a seriously ill family member, and fewer than 40 percent have access to personal medical leave through employer-provided temporary disability insurance to address a personal serious medical need that requires time away from work.[11] Lower-wage workers are hit even harder: only five percent of workers in the bottom wage quartile have access to employer-provided paid family leave, and 17 percent have access to employer-provided short-term disability insurance.[12]

Focusing specifically on paid parental leave, only 50 percent of new moms in the country take paid leave of any length after the birth of their first child, often cobbling together accrued sick, vacation and personal time, and that number hasn't changed appreciably in more than a decade.[13] Among women with lower levels of education, less than one-fifth take any type of paid leave around the birth of their first child – the same percentage as in 1961.[14]

A handful of states have enacted legislation to address the mismatch between working families' needs and their lived realities. California, New Jersey and Rhode Island have successfully implemented paid family leave programs that demonstrate how well paid leave insurance works.[15] Connecticut should take lessons from these states as it develops and implements its own program.

In California, workers have filed approximately 1.7 million leave claims since the state implemented its family leave insurance program in 2004.[16] The vast majority of California employers report seeing a positive impact on employee productivity, profitability and performance, or no effect.[17] Even the Society for Human Resource Management, one of the chief opponents of paid family leave in California, issued a report finding that the law had created "relatively few" new burdens for employers and that employers' concerns about the program "have so far not been realized."[18]

The benefits for employees and their families have been significant. Among workers in low-quality jobs, 87 percent of workers who took paid family leave under the state program reported that leave had a positive effect on their ability to care for a new child or family member, compared to 72 percent of workers who did not take paid family leave.[19] For workers in high-quality jobs, the duration of breastfeeding for workers who took paid family

leave was more than twice as long as for workers who did not take paid family leave.[20] For fathers in both low- and high-quality jobs, the median length of parental leave was twice as long for those who took paid family leave through the state program as it was for those who did not,[21] and the number men filing leave claims has more than doubled since the program's inception.[22] The program also reduced disparities in leave-taking: African-American and Hispanic mothers saw some of the highest increases in rates of maternity leave-taking after California's law went into effect.[23]

In New Jersey, workers have filed more than 160,000 leave claims since the state implemented its paid family leave program in 2009.[24] Three out of four workers (76.4 percent) say they view the program favorably.[25] In a report prepared on behalf of the New Jersey Business and Industry Association, both small and large businesses said they had adjusted easily to the law and experienced no effects on business profitability, performance or employee productivity.[26]

In Rhode Island, workers filed nearly 4,000 claims in 2014, the first year of the program's implementation.[27] Business supporters were critically important to passing the law. New analysis the National Partnership conducted indicates that women and men have used the program more equally than during the first years of the California and New Jersey programs and that leave-taking is more evenly distributed between baby bonding claims and family caregiving claims.[28]

H.B. 6932 is a strong bill that takes lessons from the other states regarding wage replacement rates, maximum weekly benefit amounts and the importance of providing protection from retaliation and discharge. H.B. 6932 also reflects states' comparative experiences regarding the importance of educating workers and employers about the program, and the need for such education in both in the program's first year and on an ongoing basis. As the Committee moves forward, the National Partnership stands ready to assist with any technical questions about program design that may arise in the course of the legislature's consideration.

III. Paid Family and Medical Leave Offers Clear Benefits for Families and Businesses

All of the available research – from employer-generated studies to analyses of the state paid family leave programs in California, New Jersey and Rhode Island to data that reflect the experiences of people fortunate enough to work for employers that offer some form of paid leave to analyses of parents in other countries – demonstrates the clear benefits of paid leave.

A. Paid Leave Promotes Greater Economic Security and Financial Independence for Working Families

Guaranteeing workers access to paid leave can improve families' economic security and promote financial independence in the face of major life events. Paid leave encourages workforce attachment. Mothers who take paid leave are more likely than mothers who do not to be working nine to 12 months after a child's birth.[29] They are also more likely to receive higher wages over time. In the year after the birth of a child, mothers who take paid

leave are 54 percent more likely to report wage increases than mothers who do not and are nearly 40 percent less likely to receive public assistance or food stamps, taking into account other socioeconomic and workplace factors that might explain these differences. When fathers take paid leave, they too are significantly less likely to receive public assistance or food stamps than fathers who do not.[30] These figures are particularly important in context: Having a baby is the most expensive health event that families face during their childbearing years,[31] and it is estimated that 13 percent of families with a new infant become poor within a month.[32]

Family caregivers and workers with serious health conditions are also more likely to be able to stay and contribute in the workplace if they have workplace accommodations such as paid leave.[33] And helping older workers stay employed has real implications for their retirement security: A woman who is 50 years of age or older who leaves the workforce to care for a parent will lose more than $324,000 in wages and retirement.[34] For men, the figure is substantial as well – close to $284,000 in lost wages and retirement.[35] In addition, it is worth noting the role that personal and family illnesses play in personal bankruptcies.[36] Paid leave could ameliorate that result.

B. Paid Leave Benefits Businesses

Businesses experience cost-savings and other benefits when workers can take paid leave to address family and medical needs. First-time mothers who take paid maternity leave are more likely than mothers who do not to return to work – and to return to work for the same employer – after taking time to recover and care for their children.[37] Workers who are dealing with personal health issues or caring for a loved one are better able to stay employed when they have paid leave and other family friendly policies.[38]

Retaining workers is cost-effective because of the high costs that employers shoulder as a result of employee turnover. For high-wage, high-skilled workers in fields including technology, accounting and law, turnover costs can amount to 213 percent of workers' salaries.[39] Across all occupations, median turnover costs are estimated to be 21 percent of workers' annual wages, and even in middle- and lower-wage jobs, turnover costs are estimated to be 16 to 20 percent of workers' annual wages.[40] Direct costs associated with turnover include separation costs, higher unemployment insurance, costs associated with temporary staffing, costs associated with searching for and interviewing new workers, and training costs for new workers;[41] indirect costs can arise from lost productivity leading up to and after employee separations, diminished output as new workers ramp up, reduced morale and lost institutional knowledge.[42]

Studies from states with paid leave programs demonstrate the impact paid leave can have on retention, particularly among workers who were less likely to have paid leave before. In surveys conducted with California employers and employees several years after the state paid leave program was implemented, nearly 89 percent of workers in "lower-quality" jobs (those paying less than $20 per hour without providing health insurance) reported returning to their employers after taking paid family leave, an eight-point improvement in retention over workers in low-quality jobs who did not take paid leave through the California program.[43]

In addition, nearly 89 percent or more of California employers that were surveyed reported positive effects on profitability, performance and morale, or reported no effects – meaning that the negatives that some employers feared (concerns about shifting work to others, losing productivity, abuse, etc.) never materialized.[44] New Jersey employers interviewed recently as part of a study about that state's paid family leave insurance program noted that paid leave helped reduce stress and improve morale among workers taking leave, as well as among their co-workers.[45]

C. Paid Leave Promotes Better Health and Well-Being for Working Families

When people have time to care for themselves and their loved ones without jeopardizing their ability to make ends meet and afford basic expenses, their health and well-being improves. Newborns whose mothers take at least 12 weeks of paid leave are more likely to be breastfed, receive medical checkups and get critical immunizations.[46] Neonatal mortality is reduced when parents have access to paid leave.[47] A recent review of international literature concludes that there are benefits for maternal health when fathers take paid leave, including a reduction in maternal illness and depression and an increase in well-being.[48]

California's paid leave program has helped parents – particularly those in lower-quality jobs – learn to care for their children and to find outside child care. Eighty-seven percent of parents in lower-quality jobs who took paid family leave through the state program reported a positive effect on their ability to care for their child or ill family member, compared with 72 percent of parents in lower-quality jobs who did not use the state paid leave program. In addition, 70 percent of parents in lower-quality jobs who used state paid family leave reported a positive effect on their ability to arrange child care, compared to just 58 percent of those who did not use the state paid family leave program.[49]

Paid leave has important benefits when family members are ill as well. When children are critically ill – whether at birth or later – the presence of a parent shortens a child's hospital stay by 31 percent.[50] Active parental involvement in a child's hospital care may head off future health care needs and reduce costs.[51] Similarly, family caregivers with paid leave who care for an elderly loved one are better able to help loved ones recover from illness, fulfill treatment plans, and avoid complications and hospital readmissions, which can help lower health care costs and improve health outcomes.[52] Family caregivers themselves are also better able to care for themselves when workplace policies anticipate and are responsive to their needs.[53]

D. Paid Leave Impacts Government Revenues and Spending

Paid leave is a wise public investment. More people at work, earning higher wages, means more people paying taxes and contributing to key public programs. Guaranteeing paid leave to more workers would likely lead to reductions in government spending. An analysis of states with paid leave programs found that women in those states are less likely than women in other states to receive public assistance or food stamp income following a child's birth, particularly when they use their state paid leave program.[54]

***

For these reasons, **the National Partnership for Women & Families urges a favorable report on H.B. 6932.** We applaud the Committee for working to create a statewide paid family and medical leave program that will assure working people the security and stability they need when they take time from their jobs to gaze into the eyes of a new child and form a lifelong bond, hold the hand of a dying parent, or recover from their own serious health issue. Thank you for your consideration, and we look forward to continuing to work with you on this bill.

---

1 U.S. Bureau of Labor Statistics. (2014, September). *National Compensation Survey: Employee Benefits in the United States, March 2014* (Tables 16 and 32). Retrieved 4 March 2015, from http://www.bls.gov/ncs/ebs/benefits/2014/ebbl0055.pdf

2 The Council of Economic Advisers. (2014, June). *Nine Facts About American Families and Work.* Executive Office of the President of the United States Publication. Retrieved 27 February 2015, from http://www.whitehouse.gov/sites/default/files/docs/nine_facts_about_family_and_work_real_final.pdf

3 Glynn, S. J. (2014). *Breadwinning Mothers, Then and Now.* Center for American Progress Publication. Retrieved 27 February 2015, from http://cdn.americanprogress.org/wp-content/uploads/2014/06/Glynn-Breadwinners-report-FINAL.pdf

4 Laughlin, L. (2011, October). *Maternity Leave and Employment Patterns of First-Time Mothers: 1961-2008.* U.S. Census Bureau Publication. Retrieved 27 February 2015, from http://www.census.gov/prod/2011pubs/p70-128.pdf

5 U.S. Census Bureau. (2014). *American Community Survey 1-Year Estimates 2013, Geographies: Connecticut, Table DP03: Selected Economic Characteristics.* Retrieved 27 February 2015, from http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_1YR_DP03&prodType=table (Unpublished calculations)

6 Eisler, R., & Otis, K. (2014). Unpaid and Undervalued Care Work Keeps Women on the Brink. In O. Morgan, & K. Skelton (Eds.), *The Shriver Report: A Woman's Nation Pushes Back from the Brink.* New York, NY: Palgrave Macmillan Trade; Bianchi, S. M. (2011). Changing families, changing workplaces. *The Future of Children, 21*(2), 15-36; National Alliance for Caregiving. (2009, November). *Caregiving in the U.S.* National Alliance for Caregiving and AARP Publication. Retrieved 27 February 2015, from http://www.caregiving.org/data/Caregiving_in_the_US_2009_full_report.pdf

7 The Council of Economic Advisers. (2014, June). *The Economics of Fatherhood and Work.* Executive Office of the President of the United States Publication. Retrieved 27 February 2015, from http://www.whitehouse.gov/sites/default/files/docs/working_fathers_presentation.pdf; see also note 2.

8 Centers for Disease Control and Prevention. (2013). *The State of Aging and Health in America 2013.* Retrieved 27 February 2015, from http://www.cdc.gov/features/agingandhealth/state_of_aging_and_health_in_america_2013.pdf

9 U.S. Census Bureau. (2014, March 25). *Older Americans Month: May 2014.* Retrieved 27 February 2015, from http://www.census.gov/newsroom/facts-for-features/2014/cb14-ff07.html

10 MetLife Mature Market Institute. (2011, June). *The MetLife Study of Caregiving Costs to Working Caregivers: Double Jeopardy for Baby Boomers Caring for Their Parents.* Retrieved 27 February 2015, from https://www.metlife.com/assets/cao/mmi/publications/studies/2011/Caregiving-Costs-to-Working-Caregivers.pdf

11 See note 1.

12 Ibid.

13 See note 4.

14 Ibid.

15 National Partnership for Women & Families. (2014 October). *Paid Leave Works in California, New Jersey and Rhode Island.* Retrieved 23 February 2015, from http://www.nationalpartnership.org/research-library/work-family/paid-leave/paid-leave-works-in-california-new-jersey-and-rhode-island.pdf

16 State of California Employment Development Department. (2014). *State Disability Insurance – Quick Statistics: Paid Family Leave Claims Filed.* Retrieved 3 March 2015, from http://www.edd.ca.gov/About_EDD/pdf/qspfl_Claims_Filed.pdf; data are through January 2014.

17 Milkman, R., & Appelbaum, E. (2013). *Unfinished Business: Paid Family Leave in California and the Future of U.S. Work-Family Policy* (pp. 67-68).

18 Redmond, J., & Fklaras, E. (2010, January). *Legal Report: California's Paid Family Leave Act Is Less Onerous than Predicted.* Society for Human Resource Management Publication. Retrieved 4 March 2015, from http://www.shrm.org/LegalIssues/EmploymentLawAreas/Documents/LR012010.pdf

19 See note 17, pp. 102-103

20 Ibid.

21 Ibid., p. 99

22 State of California Employment Development Department. (n.d.). State Disability (SDI) Statistical Information: Paid Family Leave (PFL) Program Statistics. Retrieved 4 March 2015, from http://www.edd.ca.gov/disability/pdf/qspfl_PFL_Program_Statistics.pdf (Unpublished calculation)

23 Rossin-Slater, M., Ruhm, C., & Waldfogel, J. (2011, December). *The Effects of California's Paid Family Leave Program on Mothers' Leave-Taking and Subsequent Labor Market Outcomes.* National Bureau of Economic Research Publication. Retrieved 3 March 2015, from http://www.nber.org/papers/w17715.pdf

24 State of New Jersey Department of Labor and Workforce Development. (2009-2014). *Family Leave Program Statistics.* Retrieved 3 March 2015, from http://lwd.dol.state.nj.us/labor/fli/content/fli_program_stats.html; data are through July 2014. (Unpublished calculation)

25 Houser, L., & White, K. (2012). *Awareness of New Jersey's Family Leave Insurance Program is Low, Even as Public Support Remains High and Need Persists.* Rutgers University, The State University of New Jersey Center for Women and Work Publication. Retrieved 3 March 2015, from http://njtimetocare.com/sites/default/files/03_New%20Jersey%20Family%20Leave%20Insurance-%20A%20CWW%20Issue%20Brief.pdf

26 Ramirez, M. (2012). *The Impact of Paid Family Leave on New Jersey Businesses*. New Jersey Business and Industry Association and Rutgers University, The State University of New Jersey Presentation. Retrieved 3 March 2015, from http://policy.rutgers.edu/academics/projects/presentations/AFE2012/Ramirez.pdf

27 Figures provided to the National Partnership by the Rhode Island Department of Labor and Training. Rhode Island Department of Labor and Training. (n.d.). Monthly Update: Temporary Disability Insurance Program: January to June 2014.

28 National Partnership for Women & Families. (2015, February). *First Impressions: Comparing State Paid Family Leave Programs in Their First Years*. Retrieved 23 February 2015, from http://www.nationalpartnership.org/research-library/work-family/paid-leave/first-impressions-comparing-state-paid-family-leave-programs-in-their-first-years.pdf

29 Houser, L., & Vartanian, T. (2012, January). *Pay Matters: The Positive Economic Impact of Paid Family Leave for Families, Businesses and the Public*. Center for Women and Work at Rutgers, the State University of New Jersey Publication. Retrieved 27 February 2015, from http://www.nationalpartnership.org/site/DocServer/Pay_Matters_Positive_Economic_Impacts_of_Paid_Family_L.pdf?docID=9681

30 Ibid.

31 Amnesty International. (2010). *Deadly Delivery: The Maternal Health Care Crisis in the USA*. Amnesty International Publication. Retrieved 27 February 2015, from http://www.amnestyusa.org/sites/default/files/pdfs/deadlydelivery.pdf

32 Rynell, A. (2008, October). *Causes of Poverty: Findings from Recent Research*. Heartland Alliance Mid-America Institute on Poverty Publication. Retrieved 27 February 2015, from http://www.woodsfund.org/site/files/735/69201/260704/363127/causes-of-poverty_report_by_Heartland_Alliance.pdf

33 Ryan, E. (2014, June 30). Family Caregivers at Work. *AARP Blog*. Retrieved 27 February 2015, from http://blog.aarp.org/2014/06/30/family-caregivers-at-work/

34 See note 10.

35 Ibid.

36 Himmelstein, D. U., Thorne, D., Warren, E., & Woolhandler, S. (2009, August). Medical Bankruptcy in the United States, 2007: Results of a National Study (Table 2). *The American Journal of Medicine, 122*(8), 741-746. Retrieved 3 March 2015, from http://www.amjmed.com/article/S0002-9343(09)00404-5/fulltext#sec2.1

37 Laughlin, L. (2011, December 7). Presentation to the National Partnership for Women & Families' Work-Life Lunch Group, Washington, D.C. Calculations based on U.S. Census Bureau Survey of Income and Program Participation, 2008 Panel, Wave 2. Data on file with the National Partnership for Women & Families.

38 See note 10.

39 Boushey, H., & Glynn, S. (2012, November 16). *There Are Significant Business Costs to Replacing Employees*. Center for American Progress Publication. Retrieved 27 February 2015, from http://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf

40 Ibid.

41 Allen, D. G., Bryant, P. C., & Vardaman, J. M. (2010). Retaining talent: Replacing misconceptions with evidence-based strategies. *The Academy of Management Perspectives, 24*(2), 48-64; see also note 39.

42 Hausknecht, J. P., & Holwerda, J. A. (2013). When does employee turnover matter? Dynamic member configurations, productive capacity, and collective performance. *Organization Science, 24*(1), 210-225; see also note 10.

43 See note 17, pp. 101-102.

44 Ibid., pp. 67-68.

45 Lerner, S., & Appelbaum, E. (2014, June). *Business As Usual: New Jersey Employers' Experiences with Family Leave Insurance*. Center for Economic and Policy Research Publication. Retrieved 27 February 2015, from http://www.cepr.net/documents/nj-fli-2014-06.pdf

46 Berger, L., Hill, J., & Waldfogel, J. (2005). Maternity Leave, Early Maternal Employment and Child Health and Development in the US. *The Economic Journal, 115*(501), F44.

47 Ruhm, C. J. (2000). Parental leave and child health. *Journal of Health Economics, 19*(6), 931-960.

48 Harrington B. et al. (2014). *The New Dad: Take Your Leave. Perspectives on paternity leave from father, leading organizations, and global policies*. Boston College Center for Work and Family Publication. Retrieved 27 February 2015, from http://www.thenewdad.org/yahoo_site_admin/assets/docs/BCCWF_The_New_Dad_2014_FINAL.157170735.pdf

49 See note 17, pp. 102-103.

50 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.

51 Heymann, J., & Earle, A. (2010). *Raising the global floor: dismantling the myth that we can't afford good working conditions for everyone*. Stanford, CA: Stanford Politics and Policy

52 See e.g., Institute of Medicine. (2008, April 11). *Retooling for an Aging America: Building the Health Care Workforce* (p. 254). Retrieved 27 February 2015, from http://www.iom.edu/Reports/2008/Retooling-for-an-Aging-America-Building-the-Health-Care-Workforce.aspx; Arbaje et al. (2008). Postdischarge Environmental and Socioeconomic Factors and the Likelihood of Early Hospital Readmission Among Community-Dwelling Medicare Beneficiaries. *The Gerontologist 48*(4), 495-504. Summary retrieved 27 February 2015, from http://www.rwjf.org/grantees/connect/product.jsp?id=34775

53 Met Life Mature Market Institute. (2010). *MetLife Study of Working Caregivers and Employer Health Care Costs: New Insights and Innovations for Reducing Health Care Costs for Employers*. Retrieved 27 February 2015, from https://www.metlife.com/assets/cao/mmi/publications/studies/2010/mmi-working-caregivers-employers-health-care-costs.pdf

54 Includes states with both paid family leave and temporary disability insurance (personal medical leave) programs. Houser, L., & Vartanian, T. (2012, April). *Policy Matters: Public Policy, Paid Leave for New Parents, and Economic Security for U.S. Workers*. Center for Women and Work at Rutgers, The State University of New Jersey Publication. Retrieved 27 February 2015, from http://smlr.rutgers.edu/cww-report-policy-matters