

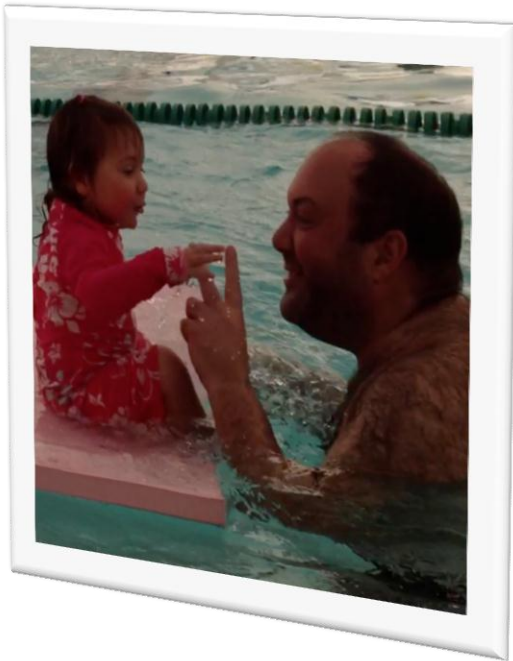
The FMLA & Infant Care Leave: Next Steps?

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Findings from: Zigler, Muenchow and Ruhm: *Time Off with Baby: The Case for Paid Care Leave, ZERO TO THREE, 2012.*

Risks to Future



- Parents & babies need time to get to know each other
 - Parents to read baby's cues/expressions of need
 - Babies to learn that care is forthcoming & predictable
 - **Short-changing that time together may undermine:**
 - Parent-child attachment
 - The child's formation of basic trust
 - The child's ability to learn, exercise self-control, & form positive relationships from then on

20 Years After Enactment

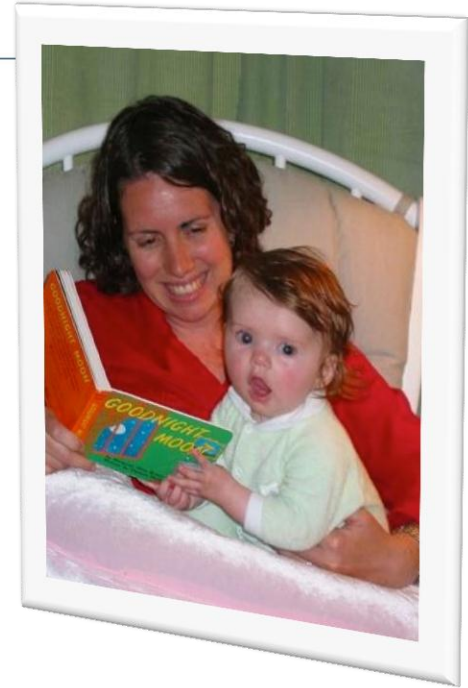
- The FMLA has expanded access to job-protected, unpaid leave for infant care
 - Mothers covered take from 2 to 6 more weeks leave
 - Fathers take 2 more days off than they did in past
- Strengthened ties of best educated, highest trained mothers to workforce
 - $\frac{3}{4}$ of new mothers with BA or higher back at work within 5 months
 - 80% to pre-birth employer
 - Most employers say no adverse effects

BUT...

- **Many workers still not covered by FMLA:**
 - Only 3 in 5 workers eligible
- **Women in particular left out**
 - Less than 1/3 of mothers employed for 1 year qualify
- **Many eligible cannot afford to take unpaid leave**
 - 1/2 who did not take needed leave said could not afford loss of pay
 - Low-income, lower-educated less likely to take leave

Unequal Access to Paid Leave

- Only California & New Jersey currently offer part-paid family leave
 - Washington enacted in 2009 but still being implemented
- Access to paid leave in the private sector varies greatly based on where one works
 - Only 22% get paid maternity leave
 - “Paid leave” most often means accrued sick or vacation leave

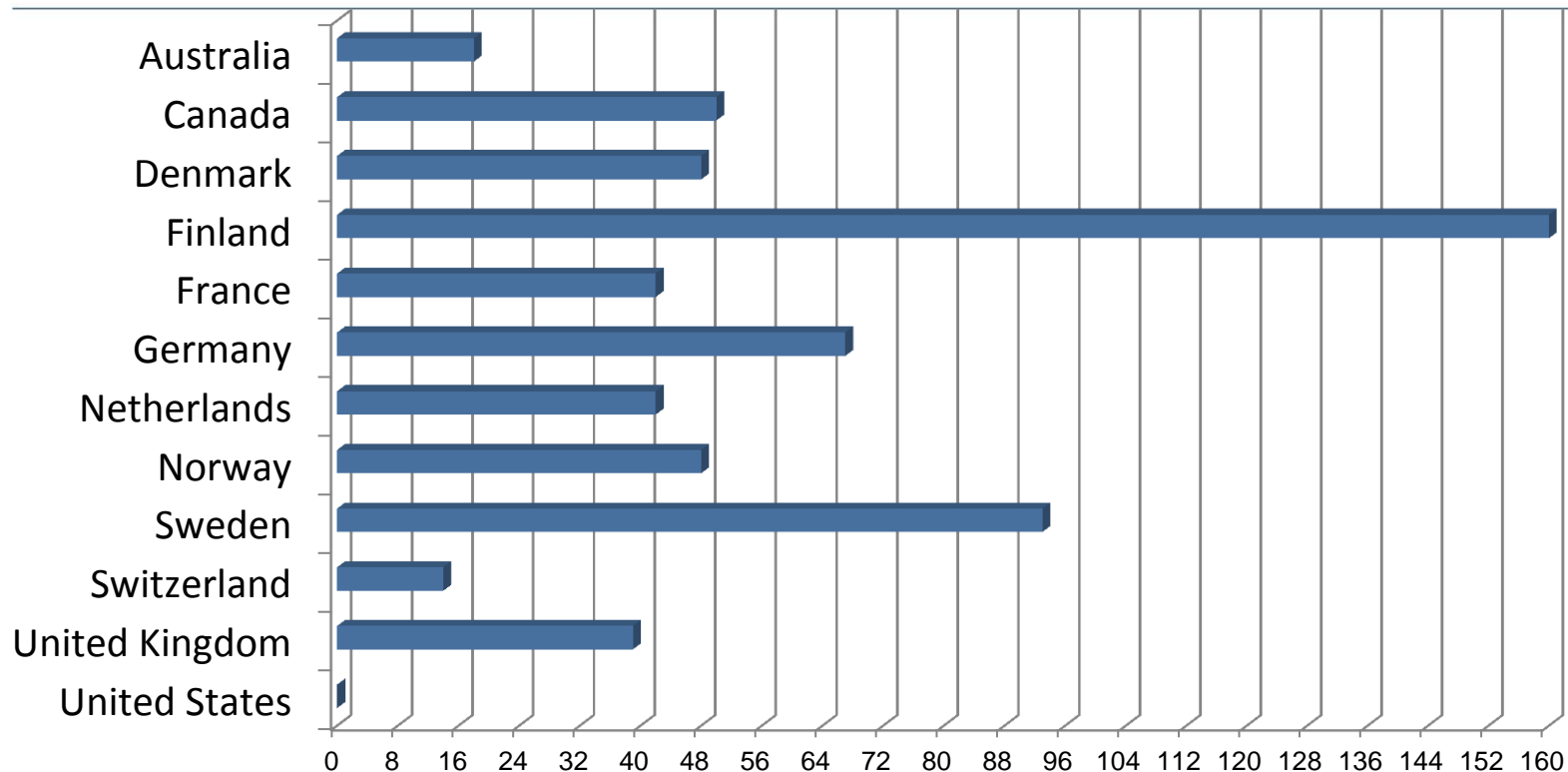


State Leave Rights Beyond FMLA

State	Expanded rights to unpaid leave				Temporary disability insurance	Paid leave
	Smaller firms	Shorter tenure	Fewer work hours	Longer leaves		
California					X	X
Connecticut			X	X		
D.C., Washington	X		X	X		
Hawaii		X	X		X	
Massachusetts	X	X	X			
Minnesota	X	X	X			
New Jersey			X		X	X
New York					X	
Oregon	X	X	X	X		
Rhode Island				X	X	
Tennessee	X			X		
Washington						X

Paid Leave Available to Mothers*

Paid time off (in weeks)



* Leaves to mothers include time that can be taken by either parent

Result: Not Much Time for Baby

- **New mothers in the U.S. return to work quickly**
 - 40 percent within 3 months, as compared to only 7 percent in the U.K.
- **Less educated, lower paid moms much more apt to return within 2 months**
 - Half of first-time moms with no more than high school education
 - One-third of those with BA degrees
- **Today's dads more likely than their fathers to take leave, but few manage more than a week**



Impact on Parents

- Inadequate time for physical recovery from delivery
 - 1 in 3 deliveries now by C-section
- Postpartum depression
 - “Baby blues”
 - 10-20% more serious
- Sleep disruption for both parents



Risks to Child Health

- Fewer babies breast-fed
 - Pediatricians recommend 6 months
 - Only 16% of babies in the U.S. get that
- Fewer get well-baby visits & immunizations
- Opportunity lost to reduce post-neonatal mortality
 - Cross-national studies link a 10-week extension of paid leave to nearly a 5% reduction in death rate between 28 days & 1 year of life

Risks to Child Development

- Fewer developmental disabilities detected & treated early
- Reduced opportunity to influence brain development
- Pressure to place infants in early non-parental care



Economic Consequences of Paid Leave in Europe

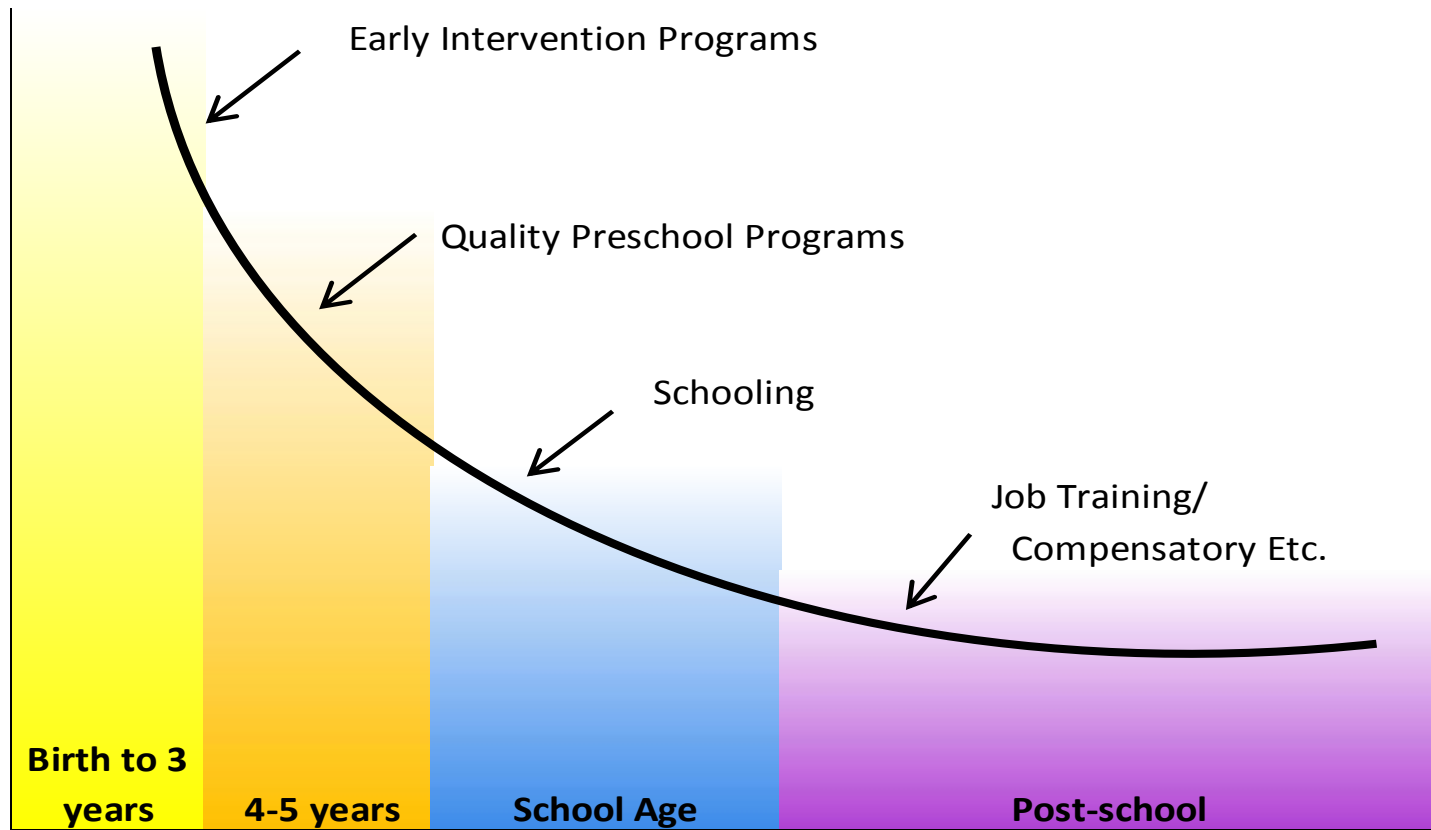
- Paid leaves of 6 months to a year affect job continuity & employment positively
- Lengthy leave entitlements may reduce women's wages & limit their advancement
- Leave policy costs relatively low
 - 0.1 percent to 0.2 percent of GDP in 7 western European nations



Estimated Costs of Paid Leave in the U.S.

- Claims for California's part-paid (55%) leave cost less than predicted
 - \$41 per year per employee
 - Expanded nationally, roughly \$4.7 billion for a 6-week leave or \$9.4 billion for a 12-week leave
- For leave policy at low end of the European range, 0.1 percent of U.S. GDP, about \$14.5 billion in 2010

Estimated Return on Investment at Different Ages



Potential Savings

- Up to \$13 billion in reduced expenditures for infectious disease
- Employer savings on hiring & re-training, estimated at 1.5 times a departing professional's salary
- Reductions in:
 - \$50 billion spent annually on special education
 - \$14 billion spent on compensatory education
 - State & federal expenditures for cash assistance & unemployment insurance

Why Mandate Rights to Paid Leave?

- “External” costs and benefits
 - Health of mother and child
 - School Readiness & other child outcomes
- Employers voluntarily providing leave may attract disproportionate number of workers who will use it

Framework for Our Proposal

- Still less generous than those in most other industrialized nations
- Consistent with areas of strongest international consensus on what is needed to protect child development & enhance labor market outcomes
- Designed to minimize financial & administrative burden on employers
- Gender-neutral where feasible
- Build on existing structures & policy

Duration of Recommended Leave Package

- 14 weeks of job-protected paid leave
 - 2 “bonus” weeks if both parents use at least some leave
- Added to 12 weeks of job-protected unpaid (FMLA) leave



Recommended Leave Package

Eligible Worker	Paid, Job-Protected Leave	Unpaid, Job-Protected Leave	Total Paid and Unpaid, Job-Protected Leave
Parent A (typically mother)	Maximum of 14 weeks	12 weeks	26 weeks (14 weeks paid plus 12 weeks unpaid)
Parent B (typically father or domestic partner)	Portion of above or 2 additional "bonus" weeks if Parent B claims at least 2 weeks	12 weeks	14 weeks (2 paid bonus weeks plus additional 12 unpaid)
Family total	14-16 weeks	12-24 weeks, depending on extent to which both parents claim unpaid leave	40 weeks, depending on extent to which both parents claim unpaid leave

Wage Replacement Rate

- 55 percent of weekly earnings (precedents: California and Canada)
- Up to Social Security taxable wage base (\$113,700 in 2013)
- Paid Leave Benefits are taxable



Other Provisions

- **Prior Work History:**
 - At least 1000 hours in previous 12 months
- **Business Size:**
 - No minimum employer size for paid leave
 - Reduce minimum employer size for job-protected leave from FMLA-requirement of 50 employees to 25
- **Administration: Through Social Security Administration**
 - Infrastructure already exists
- **Financing: General revenues and/or payroll taxes**

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