



UNITED STATES DEPARTMENT OF LABOR  
Thomas E. Perez, Secretary of Labor

# THE COST OF DOING NOTHING



UNITED STATES DEPARTMENT OF LABOR  
Thomas E. Perez, Secretary of Labor

# THE COST OF DOING NOTHING

The Price We All Pay Without  
Paid Leave Policies to Support  
America's 21<sup>st</sup> Century Working Families

A Report Prepared by the U.S. Department of Labor

**September 4, 2015**



## FOREWORD

While America's working families deserve flexible supports that meet their *Modern Family* needs, we offer them a *Leave it to Beaver* family policy stuck in the last century. Despite rapid and persistent social change – such as dual-income Gen X couples “sandwiched” between caring for children and parents and the emerging millennial workforce rejecting traditional male breadwinner models – we stand still while family policy in the rest of the world passes us by. Nowhere is this dynamic more striking than on the issue of paid leave.

As Secretary of Labor, I have been inspired by the states, cities and employers who are “Leading on Leave.” I have traveled to states and communities that are taking up the charge and adopting paid family leave policies. I have met the families, businesses, local governments, and grassroots organizations working together to build a movement for paid leave. President Obama has made a clear commitment to expanding access to paid leave by calling for action in the State of the Union, convening a national White House Summit on Working Families, increasing paid leave options for the federal workforce, and funding research grants to support the development of paid leave programs in states and cities across the country.

For paid leave, it is a question of when, not if – for we are still lagging as a nation. In my travels, I have also spoken with the families who are trying to make do with our broken patchwork of existing leave options that are too short, too limited, unpaid, or nonexistent. We are one of just a handful of countries that fail to provide paid maternity leave and we lag behind our Organisation for Economic Co-Operation and Development (OECD) partners and the many other nations that provide robust paid leave to their citizens. Our policy is to **not** establish broad access to basic economic and personal security for new parents, for workers with a serious health condition, for anyone who needs the ability to take time to care for themselves and their families while still being responsible employees. Our policy is, in essence, to do nothing.

Some say paid leave is too expensive, so this report asks one simple question: What's the cost of doing nothing on paid leave? While we fail to take action, who pays the price? The answer is clear. We **all** pay a very steep price: as workers, as families, as employers and as a nation.

I refuse to accept the broken status quo. I believe that we can do right by working families and that as this report shows, it will pay off for all of us. And when I say it will pay off, I do not only mean the well-documented

positive economic impacts of paid leave. I mean the basic human dignity we can and should afford Americans who need to care for an ill spouse, attend to a parent in hospice, recover from an accident, or bond with a new baby.

In passing the Family and Medical Leave Act more than twenty years ago, we decided as a nation that managing these life events should not cost someone their job. As I have said before, the basic promise of that law is that no one should have to choose between the job you need and the family you love. For the millions of Americans who cannot afford to take leave without pay, that promise remains unfulfilled. For them, we now must lead.

—Thomas E. Perez, Secretary of Labor

## TABLE OF CONTENTS

<b>FOREWORD</b> .....	<b>i</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>2</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>3</b>
Families Making Do or Doing Without .....	4
Modest Investments and Meaningful Solutions .....	4
The Cost of Doing Nothing .....	5
<b>THE STATE OF PAID LEAVE: FAMILIES MAKING DO OR DOING WITHOUT</b> .....	<b>7</b>
Too Many Working Families Lack Meaningful Access to Paid Leave .....	7
Making Do or Doing Without .....	10
The Alternative: Paid Leave Programs That Work for Working Families .....	12
<b>THE COST TO WORKERS</b> .....	<b>14</b>
Lost Income Workers Need to Make Ends Meet .....	14
Increased Reliance on Public Assistance Benefits .....	15
Lower Chance of Returning to Work and Staying in the Workforce Long Term .....	15
Caregivers, Especially Women, Can Face Lower Earnings over a Career .....	17
More Stress and Worse Health .....	19
<b>THE COST TO FAMILIES</b> .....	<b>20</b>
Worse Outcomes for Children .....	20
More Work-Family Conflict as Eldercare Needs Increase .....	23
<b>THE COST TO BUSINESS</b> .....	<b>25</b>
Increased Turnover, Losing Talent .....	26
Making It Harder for American Business to Compete .....	27
<b>THE COST TO THE NATION</b> .....	<b>28</b>
\$500 Billion in Potentially Lost National Economic Activity .....	28
What You Cannot Put a Price Tag on .....	29
<b>THE ADMINISTRATION'S COMMITMENT TO EXPANDING PAID LEAVE</b> .....	<b>30</b>
<b>APPENDIX</b> .....	<b>32</b>
Recommendations for Further Research .....	32
Department of Labor Survey Data on Leave Access and Use .....	32
<b>ENDNOTES</b> .....	<b>35</b>

## ACKNOWLEDGEMENTS

This report was prepared by the Office of the Assistant Secretary for Policy, in collaboration with the Department of Labor's interagency Work-Family Policy Group, which is co-chaired by the Women's Bureau. We wish to acknowledge the Department's Chief Economist, the Chief Evaluation Officer, the Women's Bureau, and the Office of Public Affairs for their particular contributions to this project.

“The greatest family value is the value of time spent with your family.”

— Secretary Thomas E. Perez

## EXECUTIVE SUMMARY

A new baby. A returning service member with a traumatic brain injury. A child with a cancer diagnosis. A parent’s descent into dementia. A car accident. For many Americans, paid leave can be a lifeline that provides time away from work to take care of these important priorities without jeopardizing their economic security. When working families have access to paid leave, they can better keep both work and life responsibilities in balance. Modest investments in paid leave mean new parents or caring spouses can stay in the workforce and still meet their own and their families’ needs.

But most working families do not have meaningful access to paid leave. Only about 12 percent of private sector workers get paid parental and family leave from their employers and only about four in ten have access to paid medical leave at work in the form of short-term disability benefits.<sup>1</sup> While three states have paid family leave public

insurance programs (California, New Jersey and Rhode Island), and leading employers are providing paid leave benefits to boost recruitment and retention, that progress only goes so far.<sup>2</sup> We are one of only a few nations on earth without national paid maternity leave.<sup>3</sup> The unpaid job-protected leave available through the federal Family and Medical Leave Act (FMLA) is a critical benefit that helps many families, but almost half the workforce is not even covered by that law.<sup>4</sup> This patchwork of partial solutions leaves far too many people without any real options.

This is a problem that cuts against some of the most fundamental American values that we hold dear – values like the importance of an honest day’s work, ensuring the best start in life so our children thrive, caring for those who are ill, and honoring our mothers and fathers. It is not who we are as a nation to stand by and fail to act when people need to take care of themselves and their loved ones because of an important life event. This report documents many costs of doing nothing on paid leave, but there are some you simply cannot put a price tag on.

**Families Making Do or Doing Without**

Imagine being a new mother, excited and overwhelmed with new experiences and new expenses. Imagine losing three months of pay, when you can least afford it, or even having to quit your job altogether – putting your growing family’s economic stability at risk and holding back your own career and future earning potential. Or imagine leaving your new baby too early, returning to work before you and your baby are fully healthy and ready. Imagine being a new dad, eager to share parenthood equally, but knowing at least one parent has to bring in income for the family. Imagine these painful choices between financial security and family values playing out during other important life events – when your injured spouse comes home from a deployment, or when you or your child has a serious illness, or when your mother is dying.

Given this reality, America’s working families try their best to make do. They cobble together a few days of sick leave or vacation days here and there if they are fortunate enough to have that option. Even accounting for these inadequate alternative sources of paid time off, surveys still show that about 4 out of 10 workers do not have access to paid leave of any type.<sup>5</sup> Some people try to stretch the budget enough to take unpaid leave; others have to quit work altogether. Many simply have to do without time away from work or cut their leave short because they cannot afford to take the time that they or their families need.

The limits of our fragmented and inadequate system make social and economic inequality and persistent wage stagnation even worse. African-American and Hispanic workers, as well as part-time and lower-wage workers, face larger gaps in leave

access. Workers with disabilities in need of self-care and their families are particularly affected when they lack paid leave. Since women disproportionately bear the burdens of caregiving, as well as the negative economic impacts of work-family conflict, our failure in many parts of the country to establish paid family leave holds back half of our workforce and perpetuates women’s economic inequality.

**Modest Investments and Meaningful Solutions**

The problem is real, but the solution is within our reach. Forward-thinking employers are leading on leave, three states have established comprehensive public family and medical leave insurance programs, and countries around the globe have established national paid parental leave.<sup>6</sup> The Obama Administration is committed to expanding access to paid leave. Building on the steps announced during the 2014 White House Summit on Working Families, the President has made new proposals to strengthen the middle class by giving working families the flexibility to balance their families and their jobs and by improving leave for the federal workforce. The Administration is also committed to supporting cities and states seeking to enact paid leave policies, providing technical expertise, and supporting research around what works.

A modest, affordable investment in paid leave makes plain sense when balanced against costs. For employers, the cost of providing a few weeks of leave to just some of their employees each year should be measured against the alternative potential cost and burden of replacing experienced talent. In the three states with paid family leave, workers make a small payroll contribution and gain the income stability and peace of mind that comes with the ability to take paid leave when they need it.

### The Cost of Doing Nothing

More importantly, while adopting paid leave policies has a relatively limited cost, the status quo carries a significant price tag. Research findings, statistics, and the experiences of America's working families paint a stark picture of all the benefits we forgo – and all the negative impacts we experience without paid leave.

### THE COST TO WORKERS

- **Workers give up income they need to pay bills, buy groceries, and support their families.** Sixty percent of workers without fully paid leave reported difficulty making ends meet and many reported putting off paying bills, drawing down savings and cutting leave short.<sup>7</sup> Eighty-four percent of workers who had unpaid or partially paid leave reported putting off spending, which means not just hardship for families, but also lost income to local stores and landlords when families delay fixing the car or paying the rent.<sup>8</sup>
- **Women may lose or leave their jobs and put their long-term economic security at risk.** Studies show that mothers with access to paid leave have an increased likelihood of being employed after childbirth compared to mothers who do not have or use paid leave, that paid leave increases female labor force participation, and that access to paid leave policies can even increase work hours.<sup>9</sup>
- **Workers, particularly women, can lose earnings over the long term.** Studies in both the United States and other countries show that paid maternity leave is associated with increased pay for women with children, so this policy can help close the gender pay gap.<sup>10</sup>
- **Working parents are more likely to need public assistance benefits.** Women who have access to and take paid parental leave

are 39 percent less likely to receive public assistance, such as food stamps, in the year following a child's birth than those who cannot or do not take leave, and 15 percent of women and men who received partial or no pay during family or medical leaves reported using public assistance.<sup>11</sup>

- **More stress and worse health are hallmarks of not having the time and income to deal with family and personal medical needs.** Workers without sufficient access to paid leave who have serious health needs reported they put off or sacrificed medical treatment, and they may be less likely to stay employed.<sup>12</sup>

### THE COST TO FAMILIES

- **Children lose out on better health outcomes right from the start.** Maternity leave is linked to improved child health outcomes, including increased birth weight, decreased premature births, and decreased infant mortality.<sup>13</sup> For mothers who choose and are able to breastfeed, maternity leave is associated with increased rate and duration of breastfeeding for infants.<sup>14</sup>
- **Parents of children with chronic illness or other serious medical needs face increased challenges.** Parents of children with special healthcare needs who could take fully paid leave were more likely to report positive effects of leave on their child's physical and emotional health than those without access to paid leave. They were also more likely to report an increased benefit to their own emotional health and decreased likelihood of financial problems.<sup>15</sup>
- **Men are much less likely to take leave if it is unpaid.** Offering men paid leave increases the likelihood that they will take leave when they need it. California's paid family leave program more than doubled the rate of leave-taking by men after the birth of a child.<sup>16</sup>

- **Fathers cut paternity leave short, even though longer leaves can promote more engagement and parent-child bonding and improve outcomes for children.** In a study of working fathers in the U.S., those who took leaves of two weeks or more were much more likely to be actively involved in their child's care nine months after birth than those who took shorter leaves – including feeding, changing diapers, and getting up in the night.<sup>17</sup>
- **Paid parental leave supports modern families' changing cultural norms about work and family.** Fathers want to take on more childcare responsibilities. Paid leave provides men the opportunity to take paternity leave and serve as caregivers, which is associated with men sharing more equally in household chores and mothers increasing paid work.<sup>18</sup>
- **Without paid leave for eldercare, the growing burden on American families to care for aging family members becomes even heavier.** As more and more caregivers are working while caring for their parents, gaps in leave access increase the strain on families to balance jobs with caregiving.<sup>19</sup> Paid leave supports caregivers, so they can perform at full capacity when they are at work.

## THE COST TO BUSINESS

- **Businesses may incur significant costs to replace talented and experienced employees, especially women.** Paid maternity leave in particular increases retention and reduces turnover, so businesses do not lose talent and do not lose ground on building the gender diversity they value.<sup>20</sup>
- **It may be harder for businesses to compete at home and abroad.** Larger businesses provide paid leave to their employees

more frequently than smaller businesses, which may have fewer resources to stand up a program on their own. All businesses may find it harder to compete for talent internationally, as paid leave is more common in other countries.

- **New state programs providing paid family and medical leave insurance without an employer mandate can level the playing field.** After California and New Jersey enacted Paid Family Leave benefits, most businesses reported positive or neutral experiences and few negative effects.<sup>21</sup>

## THE COST TO THE NATION

- **We are falling behind economically compared with nations that have adopted paid leave and other family supports.** Paid maternity leave can increase female labor force participation, which contributes to economic growth.<sup>22</sup> The Department of Labor's Chief Economist estimates that if U.S. women between 25 and 54 participated in the labor force at the same rate as they do in Canada or Germany, which have paid leave and other family policies, there would be more than five million more women in the labor force in the U.S. This, in turn, would translate into more than \$500 billion of additional economic activity per year.<sup>23</sup>
- **The cost of doing nothing also includes the unfulfilled promises to our nation's families, and the many intangible costs of living without paid leave.** We can think in terms of the lost work and wages, health and stress impacts, and increased economic insecurity for families, but some consequences are more intangible, though no less important. We are leaving female talent on the sidelines and denying men an equal opportunity at home. We are forcing people to choose between their health and their income. We are compromising the

needs of our children and our parents. We are sacrificing the fundamental value of spending time with one's family.

In the following pages, this report documents these impacts in greater detail, showing how they harm America's workers, families, businesses, and our nation as a whole. By gathering and putting these facts on the table, the Department of Labor seeks to better inform this critical policy conversation.

## THE STATE OF PAID LEAVE: FAMILIES MAKING DO OR DOING WITHOUT

Paid leave is time away from work that helps individuals deal with important life events, such as a serious personal or family illness or to care for a new child, without jeopardizing their economic security. There are three major categories of paid leave policies in this report:

- **Parental leave** for mothers (maternity leave) and fathers (paternity leave) for bonding with a new child because of birth, adoption, or foster placement.
- **Family leave** for parents taking care of a child with a serious health condition, or for workers who need to care for ill or disabled adult family members like their spouse, parents, or adult children.
- **Medical leave** for workers with a serious health condition needing time for self-care, including medical leave for women around pregnancy and childbirth.

These are situations when individuals may struggle to meet their responsibilities at work

because of their own health care needs or the needs of their families. With paid leave they can take time to meet those needs and then return to work, without seeing their income cut off and without shortchanging either their jobs or their families. For this reason paid leave provides significant benefits to workers, families, employers, and the nation.

But many working families never see these benefits. As we will see in this section, few individuals have access to paid parental, family, or medical leave. To fill the gap, workers make do with inadequate alternatives that are too short or too limited (like using up sick time) or do without (by cutting leaves short or not taking leave when they or their families need it). Losing time or income are painful and sometimes impossible choices just when both of those things might matter the most.



Source: National Compensation Survey 2014

### **Too Many Working Families Lack Meaningful Access to Paid Leave**

Most working families have limited or no access to paid leave. The primary options are an employer-provided benefit program or a statewide public program like a family leave insurance or temporary disability

insurance program. However, both of these types of programs cover only a portion of the workforce. More workers have access to unpaid leave, but many cannot afford to take it.

**State Paid Leave Programs Are an Emerging Solution for Workers in a Few States**

Over the last decade, three states have adopted paid family and parental leave programs (California, New Jersey, and Rhode Island).<sup>24</sup> In these states, working families can access income while taking leave to care for a new child or a family member with a serious illness. State paid family leave programs show great promise in meeting the needs of workers, families, and employers.<sup>25</sup> These three states, along with New York, Hawaii, and the Commonwealth of Puerto Rico, also provide paid personal medical leave through temporary disability insurance (TDI).<sup>26</sup> The TDI programs provide income to workers with an illness or injury that keeps them out of work for a period of time, including medical leave for pregnancy and childbirth. Employees, and sometimes employers, pay small premiums to finance paid family leave and TDI programs.

**Employer-Provided Paid Leave Programs Are Still Too Limited**

While some employers offer paid leave because they know it is good for their business and the right thing to do for their workers, too many workers must manage without sufficient access to leave they need. The Bureau of Labor Statistics (BLS) National Compensation Survey (NCS) shows that only about 12 percent of private sector workers (or one in eight) have access to paid family leave through their employers.<sup>27</sup> Forty percent of these workers have access to paid medical leave in the form of short-term disability leave to cover time away from work due to significant personal medical needs, which may include pregnancy and childbirth.<sup>28</sup> (This is distinct from earned sick time, typically used for short-term illness or preventive care.) According to this survey, there are also large disparities in access to leave. For example, Americans with part-time jobs and lower wages are even less likely to have either type of paid leave program.

**ACCESS TO PAID LEAVE**

	All Private Sector Workers	Part-Time	Full-Time	Lower Wage (Bottom 25%)	Higher Wage (Top 25%)	Small Business (1-99 employees)	Medium and Large Business (100+ employees)
Paid Family	12%	5%	15%	5%	22%	8%	16%
Paid Short-Term Disability	40%	15%	49%	16%	62%	26%	53%

Source: National Compensation Survey 2014<sup>29</sup>

## SPOTLIGHT ON PAID SICK LEAVE

Paid sick leave (also known as earned sick time) — in which workers earn paid time off based on their hours worked — is another innovative policy that helps working families take time off to meet health needs without putting their economic security at risk. Unlike paid parental, family, and medical leave, earned sick time is designed for short-term illness or injury and to support preventive medical care. When workers don't have access to paid time off to visit a doctor — or when they face choices like going to work with a contagious illness or losing needed wages, or sending a sick child to school or day care or risking their job — there is a cost that workers, their families, businesses, and communities have to pay:

- **Earned sick time can increase economic security.** Workers with access to earned sick time don't need to give up income or put their job at risk to take care of basic health needs. They can get themselves and their children to the doctor when they need to without delaying needed medical treatment.
- **Earned sick time policies can have broad public health benefits.** Helping workers stay home when they are sick — and allowing parents to stay home with sick children — can prevent the spread of contagious illnesses to coworkers, customers, and classmates.
- **Earned sick time can support stronger and healthier workforces.** Businesses are adopting and expanding paid sick time policies because they find it means a healthier, more productive workforce. And if workers can take time off for short-term illness and then return to their jobs, businesses can save turnover costs.
- **The health care system can save money.** When workers can get to the doctor earlier, health issues can be addressed at an earlier stage and emergency room visits are less necessary.

Although earned sick time is not the focus of this report, expanding access to it is an essential companion to providing paid parental, family, and medical leave when it comes to supporting economic security and family values. For this reason, businesses, cities, and states are increasingly recognizing the cost of doing nothing and leading on earned sick time. By the end of 2014, more than 20 locations, including the states of Connecticut, California, and Massachusetts as well as over a dozen cities across the country, had passed earned sick time laws or ordinances. The momentum continued into 2015 as more localities joined their ranks. In his 2015 State of the Union address, President Obama called on Congress, as well as states and cities, to pass legislation that would allow millions of working Americans to earn up to seven earned sick days per year. To learn more about earned sick time, visit [www.dol.gov/paidleave](http://www.dol.gov/paidleave).

Other surveys show gender disparities in paid leave access. More employers provide paid maternity leave than paid paternity leave, according to a 2012 Department of Labor survey about the use of leave under the Family and Medical Leave Act.<sup>30</sup> In that survey, 21 percent of women who took parental leave reported receiving paid leave compared with 13 percent of men.<sup>31</sup> The 2014 National Study of Employers, a private study of larger employers, found that 58 percent reported providing some pay during maternity leave (through paid family or disability leave) but only 14 percent reported providing some paid paternity leave.<sup>32</sup>

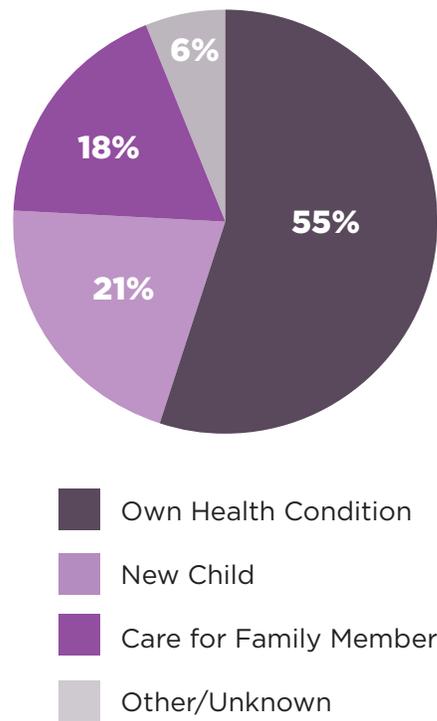
**Job-Protected Unpaid Leave Is an Important but Often Inadequate Option**

The federal Family and Medical Leave Act (FMLA), landmark legislation that helps Americans trying to manage choices between the job they need and the family they love, nevertheless cannot fully meet the needs of working families. Individuals covered by the FMLA can take up to twelve weeks of unpaid medical, parental, or family leave with the legal right to return to their jobs. In addition, close family of a covered service member with a serious injury or illness can take up to 26 weeks of unpaid leave to care for him or her.<sup>33</sup>

Access to unpaid leave is more common than access to paid leave, but it is far from universal. Those who work for smaller businesses (less than fifty employees) or have not been on the job long enough to qualify are not covered by the FMLA. Thus, about four in ten American workers are not eligible for benefits under the FMLA.<sup>34</sup> Further, while having the right to return to work has tremendous value, many people cannot afford to take unpaid leave and forgo their paycheck.

Moving to a paid leave system would likely require only a limited investment while yielding a substantial benefit. While any need for leave may occur only a few times in a particular individual’s working lifetime, they are also times when leave – and especially paid leave – is critical. Only about 16 percent of eligible employees reported using FMLA leave in 2012.<sup>35</sup> More than half of them reported taking leave for their own serious health condition, while 21 percent reported taking it to care for a new child (including pregnancy-related leaves) and 18 percent to care for a family member’s health condition.<sup>36</sup>

**REASONS FOR TAKING LEAVE**



Source: DOL FMLA Survey (2012)

**Making Do or Doing Without**

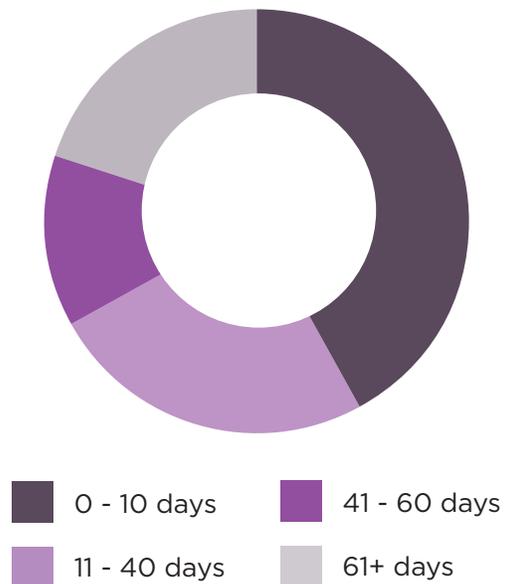
To fill these gaps in access to paid leave, individuals sometimes draw on other paid workplace leave benefits not necessarily designed to meet the same need. For example, earned sick time is a related but distinct form of paid leave, when workers need paid time off for getting over short-term illness like the flu, doctors' visits, or other regular preventive care for themselves or their families. And it is important to note that most low-wage workers lack access to paid sick time: in fact, almost three out of four workers earning less than \$20,000 a year cannot access it, by one measure.<sup>37</sup> Workers also may draw on vacation leave or generic Paid Time Off programs if their workplaces offer these benefits.

Determining exactly how many Americans have access to any paid leave is difficult to pinpoint in this context. In some surveys, like the American Time Use Survey (ATUS) and the DOL FMLA Survey, Americans report access to paid leave at substantially higher rates than the NCS figures, including individuals who receive partial pay and those who draw on a wide range of sources for paid leave (formal parental or family leave programs but also sick time, vacation, and others).<sup>38</sup> But most of these programs are short-term and may have other limitations. In the private sector, sick time plans are, on average, seven to nine days per year, according to the National Compensation Survey. And a substantial number of workers do not have **any** paid sick time or other paid time off.<sup>39</sup>

Amy from Delaware explains the challenge of piecing together fragmented, short-term benefits:<sup>40</sup>

*I had my baby girl slightly over two years ago. . . . I was not given paid maternity leave. My husband and I began saving for my maternity leave the minute we found out we were expecting a child. We cut back on our spending and worked to condense our bills. . . . I had to use every one of the personal days that I had intentionally been saving throughout my previous five years of employment. I was able to use three weeks of short-term disability, which allowed me to receive 75 percent of my pay during this time. After this ran out, I used the rest of my saved sick days. After my sick days ran out, I was able to use FMLA in order to prolong my stay at home with my baby. . . but I received no pay. Taking this time to be the best parent I can be cost my family a great deal of sacrifice. Being a brand new parent is challenging enough, but worrying about being able to pay the bills on top of it is even worse. Worst of all though would [be] not having the ability to stay home as long as I did.*

**REPORTED LENGTH OF MOST RECENT FAMILY OR MEDICAL LEAVE**



Source: DOL FMLA Survey (2012)

The data supports the conclusion that working families try to make do with any kind of paid leave they might have access to, even kinds that are designed only for very short periods of time off. The average length of reported FMLA leave is around 5.5 weeks.<sup>41</sup> More than four in ten eligible workers reported taking ten days of leave or less, and three-quarters of workers reported taking less than forty days. Even in the case of maternity leave, almost one-quarter took ten days or less.<sup>42</sup> FMLA leaves may be particularly short if workers have to depend on paid time off like sick days or vacation leave that comes in relatively short amounts, instead of having access to paid family or medical leave.

Men take particularly short parental leaves – likely due to both concerns about workplace and cultural norms, as well as the economic impacts on their families.<sup>43</sup> While nine out of ten fathers took some days off for a new child, seven in ten fathers taking leave for parental reasons took ten days of leave or less.<sup>44</sup> For two-parent families, where mothers may already be taking unpaid leave for a new baby, keeping a father's or partner's paycheck coming in may be critical – and unpaid paternity leave may simply not be an option.

**Only 13 percent of men taking leave for parental reasons reported receiving paid leave.**

**Seven in ten fathers taking leave for a new child took ten days of leave or less.**

*Source: DOL FMLA Survey (2012)*

**For every three people who took parental, family or medical leave in 2012, at least one more needed leave but did not take it for financial or other reasons.**

*Source: DOL FMLA Survey (2012)*

These very short leaves sacrifice time workers could spend caring for themselves or their families or bonding with a new child. More than three in ten individuals who received partial or no pay reported cutting their leaves short of what was needed, and more than four in ten would have taken longer leaves if they had received more pay.<sup>45</sup> Some also cut short leaves for fear of negative consequences at work.<sup>46</sup>

Cutting short leaves can harm families at crucial times. In a series of focus groups conducted by the Community Service Society of New York, low-income mothers who worked during pregnancy reported how economic and workplace pressure forced them to come back to work too soon – before they or their babies were ready.<sup>47</sup> The mothers reported statements from their employers such as “why do you have to be out so long?” (to a mother who had a baby a week earlier) and “don’t take too long, you won’t have a job.” They expressed concerns about meeting the rent, not having food in the house, and health problems caused by going back to work too soon. One new mother, when asked what the worst part was for her, said “I feel like I didn’t even get to bond, like I didn’t even get that bonding.”

The DOL FLMA survey found that for every three workers who took FMLA leave, there was at least one worker who needed leave but was

- **Women are 1.7 times more likely to have an unmet need for leave than men.**
- **African-American, Asian-American and Pacific Islander, and Native American workers are almost twice as likely to have an unmet need for leave than white workers.**
- **Workers earning less than \$35,000 a year are 2.4 times more likely to have an unmet need for leave than those earning more than \$75,000.**

Source: DOL FMLA Survey (2012)

unable to take it.<sup>48</sup> Close to half who needed leave but did not take it said they were unable to afford it.<sup>49</sup> And 17 percent reported fearing they would lose their job if they took time off.<sup>50</sup> The fear of workplace consequences is a particularly salient issue for men who take caregiving leave, as that choice is less culturally acceptable.<sup>51</sup>

Gaps in access to leave and barriers to use it reflect and can amplify underlying workplace inequality. Workers with lower incomes are least able to afford to take unpaid leave, but they are also the least likely to have access to paid leave. In the DOL survey data, more than half of workers below the median family income reported receiving no pay when taking leave. In contrast, less than one-fifth of those above the median income reported receiving no pay while on leave.<sup>52</sup> Indeed, for lower income workers, more than twice as

many reported needing leave but not taking it compared with higher income workers.<sup>53</sup> And many middle class families still face gaps in access to paid parental, family, and medical leave and stark choices between meeting rent or mortgage payments or other financial demands and time caring for children or parents.

Disparities cut across demographics as well as income. Female workers have higher rates of unmet need for leave than male workers.<sup>54</sup> African-American, Asian-American and Pacific Islander, and Native American workers have higher rates of unmet need for leave than white workers – at a ratio of nearly two to one.<sup>55</sup> And ATUS data shows that Hispanic workers are less likely than non-Hispanic workers to have access to paid leave in the first place.<sup>56</sup>

### **The Alternative: Paid Leave Programs That Work for Working Families**

It does not have to be this way. In virtually every other nation, workers can take generous

### **STATES WITH PAID FAMILY LEAVE PROGRAMS**

**CALIFORNIA: Six weeks paid parental and family leave; 52 weeks paid disability leave**

**NEW JERSEY: Four weeks paid parental and family leave; 26 weeks paid disability leave**

**RHODE ISLAND: Four weeks paid parental and family leave; 30 weeks paid disability leave**

Source: National Conference of State Legislators

periods of paid parental leave, as well as additional unpaid leave. In Europe, women generally have fourteen to twenty weeks of paid maternity leave, and both mothers and fathers can access additional paid and unpaid parental leave.<sup>57</sup> Both parents collectively may be able to use two to three years of job-protected leave (paid and unpaid).<sup>58</sup> Even beyond Europe, many OECD nations provide comprehensive paid parental leave. The United States is one of only a few nations in the world that fails to provide national paid maternity leave.<sup>59</sup>

In the U.S., workers in the three states that have adopted paid family leave programs know they can count on paid leave. The programs in California, New Jersey, and Rhode Island generally offer four to six weeks of paid parental and family leave and longer periods of disability leave, all at partial pay.<sup>60</sup> Self-employed workers can also access benefits. The programs provide men and women equal access to bonding leave for a new child. Unlike the FMLA and laws in most other countries, there is no job-protection requirement, meaning at least some workers who take leave have no legal guarantee they can return to work. However, for many families in these states, the new paid leave laws will work in combination with existing job protections under the FMLA and state unpaid leave laws to protect both immediate and long-term financial security.

Meg from California explains how important state paid family leave has been to her family:<sup>61</sup>

*When my daughter was born, thanks to California's family leave act, my partner and I were both able to take leave to care for our daughter for the first few months of her life. Before her birth, I had never imagined that it could take two parents to care for one little baby. Afterward, I knew better! I was constantly exhausted, recovering from birth,*

*not getting much sleep, and trying to figure out breastfeeding. I can't even imagine what we would have done if I had had to take unpaid leave, or go back to work sooner. I am sure I wouldn't have been able to keep breastfeeding my daughter, as it took several months for us to get a routine established. I also wouldn't have been a very useful employee, as I was completely exhausted all the time. I might have had to quit my job, which would have meant my employer would have to put in all the effort to hire and train a new employee, and would have made it harder for me to re-enter the workforce when I was ready. The most important part for me about having paid family leave is that I didn't have to choose between work and parenthood. I got to be a parent to my wonderful daughter, without giving up the job I care so much about.*

In addition to these state programs, there is a federal legislative proposal that would provide important security to American families by establishing a national insurance program for paid leave. The Family and Medical Insurance Leave Act (FAMILY Act) would provide workers up to 12 weeks of paid leave at up to two-thirds of their salary, up to a capped amount. Leave could be taken for the same reasons as FMLA leave—birth or adoption, self-care, or caregiving. It would be available to nearly all workers, without restrictions based on employer size or tenure at an individual job. The program would be funded by small payroll contributions of 0.2 percent of salary by each the employee and employer.<sup>62</sup>

At the time of this writing, a number of state legislatures have considered or have bills pending to establish paid leave programs. The list will evolve over time, but it is clear that there is significant, gathering momentum at the state and local level to address the need for paid leave.<sup>63</sup>

Even though these new state programs show exciting promise and other nations demonstrate effective models of work-family policy, the most common objection is that they cost too much. Yet there is a substantial cost to doing nothing.

**EXAMPLES OF PARENTAL LEAVE POLICIES FROM OTHER NATIONS** <sup>64</sup>

Country	Maternity Leave	Paternity and Parental Leave	Notes
Australia	N/A - see parental	18 weeks parental (shared), at the federal minimum wage level	Up to 52 weeks unpaid.
Canada (Federal)	15 weeks at 55% pay (up to a cap) with additional two weeks unpaid	35 weeks shared parental at 55% pay with additional two weeks unpaid	
Germany	14 weeks at 100% pay	48-56 weeks parental (shared) at 65% pay on average	Additional 104 weeks unpaid parental leave (shared)
Japan	14 weeks at 66.7% pay	52 weeks parental for each parent, at 50% pay up to a cap	

Source: ILO (2014) and information gathered by DOL staff from their counterparts in these countries.

## THE COST TO WORKERS

Two decades of research documents how paid leave benefits workers, as well as the costs they bear when leave is not available. First and foremost, paid leave ensures working families do not go without income when they can least afford it. But paid leave also ensures long-term economic security. It can help keep women in the workforce after they become mothers, increasing the chance a new mom will return to work and stay employed over the long term. Paid leave is a key strategy for closing the gender pay gap, reducing the toll that gaps in a résumé due to family responsibilities can take on a woman's earnings. Paid leave also helps workers care for ill family members or deal with their own serious health condition.

### **Lost Income Workers Need to Make Ends Meet**

With paid leave, workers who need to take time away from work can maintain the household income they need to buy groceries, pay bills, and support their families. So in the short term, paid leave pays off directly by avoiding lost income to workers.

The DOL FMLA survey found that particularly for longer leaves, workers are more likely to go without income.<sup>65</sup> That survey also documents the impact of those lost wages. Over 60 percent of workers who received partial or no pay during leave found it somewhat or very difficult to make ends meet while on leave.<sup>66</sup>

As a result, they reported limiting spending, relying on savings, putting off paying bills, borrowing money, and going on public assistance in order to manage finances during

the leave.<sup>67</sup> Because workers frequently take leave to care for their own or a family member’s serious health condition, losing income while medical expenses go up could create a serious bind. In the case of a new baby, parents who are paying for new clothes, diapers, and often healthcare while being on unpaid leave might have to put off paying the light or phone bill. That lost income can have a devastating impact on a family budget.

And when working families have fewer dollars to spend and struggle to meet their expenses, there is an effect on their communities and the local economy. Eighty-four percent of workers who had to take partially paid or unpaid leave reported putting off spending.<sup>68</sup> That means lost income to local stores and landlords, too.

Paid leave can dramatically reduce these immediate financial impacts, especially for economically vulnerable workers. Under California’s paid leave program, 84 percent of workers in low-wage jobs maintained at least half of their income while on leave.<sup>69</sup>

Jennifer, a military spouse, knows too well the toll that losing income has on our nation’s families, including those that provide invaluable service to our nation.<sup>70</sup>

**HOW WORKERS MANAGED FINANCIAL IMPACT OF LOST WAGES DURING LEAVE**

Limited spending	84%
Spent down savings	37%
Put off paying bills	36%
Accumulated debt	30%
Went on public assistance	15%

Source: DOL FMLA Survey (2012)

*Jennifer was employed through the state of Utah with an organization that assisted adults with developmental delays and disabilities. She had stable clients and work for several years, but in 2011 she had to take two months off to care for her husband who suffered a traumatic injury while serving in the Marine Corps. Her employer graciously held her job, which gave her peace of mind for the long run, but she would not be paid while out of the office. The two months without pay put strain on her family at a time when they were already facing extraordinary challenges. To add further hardship, Jennifer was the only one in the family able to work, so they had to go without income. She was forced to borrow money from family to get bills paid and put food on the table. While she was grateful for her job security, having been paid during this time would have kept her from facing financial troubles while helping her husband recover from wounds he sustained serving our country.*

**Increased Reliance on Public Assistance Benefits**

Paid leave programs also reduce the need for workers to rely on public assistance benefits to replace lost wages. Fifteen percent of the workers in the DOL FMLA survey who received partial or no pay reported going on public assistance.<sup>71</sup> Women who have access to and take paid parental leave are 39 percent less likely to receive public assistance, such as food stamps, in the year following a child’s birth than those who cannot or do not take leave.<sup>72</sup> Men who take parental leave also have a reduced chance of relying on public assistance, and women in states with paid family or temporary disability leave programs are less likely to rely on public assistance following the birth of a child than women in states without these programs, particularly if they use the paid leave programs.<sup>73</sup>

**Lower Chance of Returning to Work and Staying in the Workforce Long Term**

Over the long term, paid leave keeps people on track to return to work after their leave ends. Without the stability of paid leave, some

workers will find it is not possible to stay on the job while dealing with challenges like a new baby, an ailing parent, or a seriously injured family member returning from military service, especially without enough time and income to bridge the gap.

Though unpaid job-protected leave can have similar benefits,<sup>74</sup> formal paid leave policies have greater impact. More workers take time off when that leave is paid, and workers who take longer leaves have more time to transition back to work. For example, in California, Paid Family Leave doubled the average length of maternity leave women took and also increased the amount of leave taken by men and by workers in lower paying jobs.<sup>75</sup>

*Without Paid Leave, It Is Harder For Women to Stay in the Workforce after Having Kids*  
One of the best-documented effects of paid leave on employment is the impact of paid maternity leave, which increases the chance that mothers stay in the workforce after giving birth. Time off allows new mothers to manage the physical impact of childbirth, bond with a new baby, and arrange for alternative care going forward. While maternity leave in general has positive effects, it turns out that **paid** maternity leave has an even greater impact on the ability of mothers to return to work.

**Studies of the U.S. and other countries show that paid maternity leave increases labor force participation for mothers and reduces the chance they leave their jobs after having children.**

Holly from Colorado shows how this dynamic can play out for new moms:<sup>76</sup>

*When I had my first child I had to return to work within 3 weeks. I was teaching High School science. I was my family's sole [source of] income because my husband was in medical school. I only had two weeks of paid vacation so I used all of it. I only had a third week off because my daughter's birth came at spring break. It was so difficult trying to work when I was only getting a few hours of sleep. I wasn't a very good parent, nor was I a good teacher. I was breast pumping in the closet during breaks at school and staying up late at night feeding my daughter. The time was so difficult that I ended up leaving my career in education, which I loved so much. Paid family leave is so important to the stability of our families and our nation.*

Research studies over the past two decades show a clear relationship between paid maternity leave and higher female labor force participation. For example, cross-national studies comparing countries with different levels of policy support for working families consistently find that maternity leave policies lead to an increased rate of women participating in the workforce and also that paid maternity leave has a stronger effect than unpaid leave.<sup>77</sup>

Research on the effects of paid maternity leave in the United States similarly find it increases the chance mothers will remain employed.<sup>78</sup> Access to paid parental leave in California increased the odds women returned to work after childbirth compared to women who did not have access to the program.<sup>79</sup> Another analysis of survey data from across the country found that women who took paid leave were more likely to be working nine to 12 months after the birth of a child than women who took no leave, a comparable pattern to the mothers in California.<sup>80</sup> Women with access to paid family leave for pregnancy and childbirth also

**EFFECTS OF CA PAID FAMILY LEAVE**

- **10-17% increase in work hours for employed mothers of small children**

Source: Rossin-Slater, et al (2013)

- **Increased chance mothers will be employed 9-12 months after giving birth**

Source: Baum and Ruhm (2013)

tend to work more hours than women without paid leave, at least within the United States.<sup>81</sup>

*Without Paid Leave, It May Be Harder to Stay on the Job after a Personal or Family Illness*

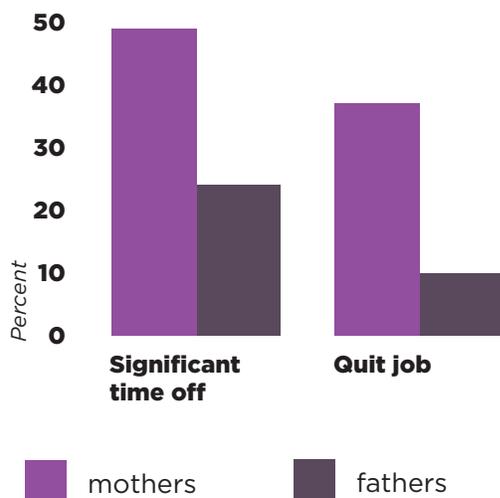
While there is much less research on the effects of paid leave on employment outside the context of maternity leave, studies show these same positive impacts on employment and retention may extend to workers taking leave for other reasons. California’s Paid Family Leave program notably increased retention for workers in “lower-quality jobs” (those with lower wages and fewer benefits) when they experienced a triggering event like a serious health problem or a family member needing care, as they were more likely to return to work and to their same employer.<sup>82</sup> Another study found a positive relationship between taking paid leave for illness and being more likely to return to work. In a survey of nurses with newly diagnosed coronary artery disease, those who had paid leave were more than twice as likely to return to work as those without leave.<sup>83</sup>

We do not have much research on the effect of paid leave on workers with eldercare responsibilities, but there is reason to believe paid leave could help workers caring for their parents to remain in the workforce. Caregiving responsibilities can have a substantial negative impact on work. Seven in ten individuals surveyed who were caring for adult relatives while working reported negative impacts on their employment, such as reducing hours, and seven percent reported leaving the labor force entirely.<sup>84</sup>

**Caregivers, Especially Women, Can Face Lower Earnings over a Career**

Over the long term, paid leave can increase earnings once workers return from leave – and potentially for many years afterward. Because paid leave reduces career interruptions that can show up as gaps on a résumé, and because

**MOTHERS MORE LIKELY THAN FATHERS TO QUIT OR TAKE SIGNIFICANT TIME OFF FOR CAREGIVING**



Source: Pew Research Center (2013)

it can help maintain work hours, these policies may have a positive impact on employment and earnings going forward. For mothers, who are more likely to experience lower pay after having children than are fathers, research shows that paid leave counterbalances the price some women pay in terms of the national gender pay gap.

Lower pay for women with children is an important factor in understanding the well-known statistic that women typically earn 78 cents to every dollar earned by a man.<sup>85</sup> While it is a myth that women's choices around work and family fully explain gender-based differences in pay,<sup>86</sup> it is true that mothers in particular are more likely to earn lower wages. Studies of the so-called “motherhood penalty” show that just the status of being a mother can lead employers to offer a woman less money than a similarly qualified man, with or without children (and there may even be a “fatherhood bonus”).<sup>87</sup>

Women with children are also more likely than men to quit a job or take extended time off to care for a family member.<sup>88</sup> When daughters caring for parents with dementia or mothers of children with chronic illness take long breaks between jobs, or move in and out of the workforce, it can have a negative impact on earnings, even without caregiver discrimination.

#### *Paid Leave Can Help Address the Gender Pay Gap and Increase Women's Wages*

In this context, paid leave may be a crucial component of efforts to close the gender pay gap. With paid leave, mothers have access to structured, economically supported time off for childbirth, making it easier to return to work at the same job. For mothers who stay in the labor force without taking long breaks, this continuity can reduce the potential for any decrease in pay for mothers after having

**Paid leave can help close the gender wage gap by reducing the time mothers take out of the labor force.**

children.<sup>89</sup> This wage gap for mothers specifically is sometimes referred to as the “family gap.”

In addition to the research documenting how paid leave improves employment participation rates and work hours for mothers, researchers studying the “family gap” have shown the impact of paid maternity leave on closing this gap. International studies have specifically linked national maternity leave policies to higher wages for women with children.<sup>90</sup> Studies based on U.S. data also show paid leave can increase earnings for women with children when compared to mothers who did not take leave.<sup>91</sup> For example, one analysis of mothers who worked before giving birth found that women who took paid maternity leave had later wages that were about nine percent higher than women who did not have this option – and who thus had to take unpaid leave, quit, or take no leave.<sup>92</sup>

#### *Women Can See Lost Earnings over Their Careers and Even into Retirement*

If a woman has less time on the job or moves from job to job, this instability may not only decrease her pay at the time, but it could have a compounding effect on career earnings. One study projects that Generation X married women will have earned only 68 percent of what their spouses earn over a career.<sup>93</sup> At least some portion of that difference may be due to time out of the workforce – something paid leave policies can help to address.

Ultimately, career interruptions, early exit, and lower wages can continue to penalize workers into retirement. A woman who earns less year after year has less ability to save for retirement and will have lower contributions into Social Security, leading to lower benefits in her elder years.

### **More Stress and Worse Health**

Even beyond the direct economic costs to workers of doing nothing, our system also imposes other indirect and less quantifiable costs when workers must make difficult tradeoffs between their jobs and their responsibilities to themselves and their families.

As we saw earlier, typical U.S. workers take relatively short leaves that may not meet their needs. Even those who manage to make do – and who take “paid leave” by pulling together bits and pieces of earned vacation or sick time – will pay a cost in other ways. Sick days that parents use up to take care of a new baby will not be there once flu season arrives. Vacation days used for a parent in the hospital can leave families scrambling for childcare on school closure days. So even for families with access to sick or vacation leave, there are costs and consequences. Kristen from Pennsylvania writes: <sup>94</sup>

*When I gave birth to our beautiful daughter just over two years ago, I was employed by a small university with no maternity leave. I saved and used every bit of my sick and vacation time . . . By exhausting all of the time I had earned for several years, when my daughter or I became ill, I had to take additional time off, unpaid. It has taken me another two years to earn back that time.*

Paid leave helps workers with disabilities and those in need of self-care by ensuring they can take time off for needed treatment while remaining employed. Without leave, they may unnecessarily delay important medical care.

Indeed, in the 2012 FMLA survey, half of workers who needed leave but could not take it postponed or did not get needed medical treatment.<sup>95</sup> In the FMLA survey conducted in 2000, majorities reported that taking leave for their own or a family member’s illness had a positive effect on the ability to comply with a doctor’s instructions and quicker recovery time.<sup>96</sup> Since paid leave makes it easier for workers to take more leave, more workers could benefit from these positive health effects.

Workers with unmet needs for leave may experience more stress, more work-family conflicts, and even worse health outcomes. Numerous studies document how stress and work-family conflicts negatively impact workers,<sup>97</sup> problems that paid leave is designed to address. One in six caregivers reported a negative impact on their own health and almost a third reported caregiving is stressful.<sup>98</sup> Cutting leave short also can harm workers. For example, one study found that longer maternity leaves were associated with a lower incidence of depression.<sup>99</sup> Kristen, who used up all of her paid sick leave because she did not have paid maternity leave, had to go back to work after only seven weeks. This is what happened next:

*When I returned to work at 7 weeks postpartum, I struggled deeply with postpartum depression. I was absolutely sick with a gut wrenching feeling every moment of the day being ripped away from my baby. I was also breastfeeding, and during those critical first few weeks, my milk supply was still adjusting and I physically needed my baby to maintain that supply so I could continue to feed her. While my delivery was “natural”, I had to endure emergency surgery immediately following birth to remove my retained placenta. I had 4 units of blood returned to me, and nearly lost my life during delivery. Nursing my baby PHYSICALLY helped me heal, as my uterus contracted more as she nursed, and the remaining placenta*

*(that was not removed during the initial surgery) was being naturally passed in this process. Without our physical contact, the process slowed, and 10 weeks postpartum I continued to hemorrhage each day. As I write this, I have tears in my eyes, as these early weeks that I will never get back with my baby, are wrought with this insane idea that mothers are able to return to work without. . . the opportunity to healthily adjust to this new lifestyle.*

\*\*\*

Paid leave has clear benefits to workers – from making it easier to stay employed, to helping close the gender pay gap, to making it possible to care for your loved ones or recover from a serious illness and still pay the rent. Looking at other countries or the states that have chosen to put paid leave systems into place, we can see these results. Yet too many workers struggle to make do with cobbled together leave benefits, or to cut short leave they need. Doing nothing effectively forces workers to absorb the cost of our nation’s inaction – in the form of job loss, less pay, and other harms. That, in turn, poses costs to families.

## THE COST TO FAMILIES

Increasing access to paid leave for parents can lead to better health outcomes for infants and sick children and improved attachment between parents and children. Paid leave also supports working families by providing leave to care for spouses and aging parents. But we are choosing to forego these benefits and jeopardize our loved ones’ care.

### **Worse Outcomes for Children**

Leaves to care for children – whether it is a new baby or a child’s serious health condition – are common and important

reasons to take time off from work. One-third of workers with unmet needs for leave in 2012 needed that leave to care for an ill spouse, parent, or child.<sup>100</sup> Parents without access to paid leave must decide whether to give up income they need to support their children or to give up time caring for their children when they need it most. Taking leave is likely to improve their children’s outcomes. But when parents cannot or do not take leave or cut leave time short for economic reasons, it can affect the well-being of their children.

### *Lack of Paid Maternity Leave Can Have a Negative Impact on Infant Health and Mortality*

Indeed, right from birth parental leave can have a critical impact on child health and well-being. Because paid leave increases the amount of maternity leave new mothers take, it may reduce the chances of mothers cutting leaves short to get back to work and reduces the risk of negative consequences for children.<sup>101</sup> For example, for mothers who choose and are able to breastfeed their infants, rushing back to work too quickly may make it harder to breastfeed successfully or for more extended durations – and can have other negative impacts on infant health.<sup>102</sup> Indeed, a number

### **MATERNITY LEAVE IMPROVES CHILD HEALTH**

- **Decreased infant mortality**
- **Increased birth weight**
- **Increased rate and duration of breastfeeding**
- **Lower chance of premature birth**

of U.S. and cross-national studies have found that maternity leave has a positive impact on the rate and duration of breastfeeding for new mothers.<sup>103</sup> In international comparisons, increased access to paid maternity leave is linked to decreased infant mortality, as well as increased birthweight and a lowered chance of premature birth.<sup>104</sup>

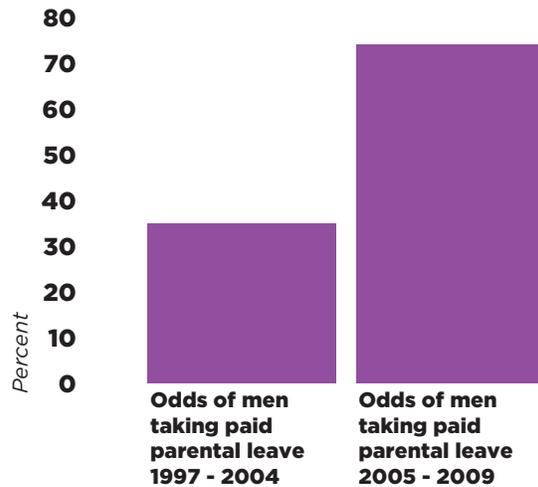
*Paid Leave Matters for Caregivers of Children with Chronic Illnesses or Serious Medical Needs*

Benefits of paid leave continue from birth into childhood. Surveys of parents of children with special health care needs (like chronic illness or other serious medical conditions) show how important paid leave can be for a parent balancing work and caregiving. A 2004 study documented that for three in ten families with children with special health care needs, at least one parent had to cut back on work because of the child's need for care.<sup>105</sup> A 2009 survey found that while more than 80 percent of the parents reported that taking leave was beneficial to their child's physical and emotional health, parents taking leave also reported negative impacts on themselves – like stress, concern about work performance, and financial problems. However, parents who could take fully paid leave not only were more likely to report positive effects of leave on their children, but they also reported an increased benefit to their own emotional health and decreased likelihood of financial problems.<sup>106</sup>

*Men Are Much More Likely to Take Leave if It Is Paid*

Although paid leave is often framed as an issue that matters to working women, paid parental leave is also critically important for fathers and for their children, and we know that men are much more likely to take the leave if it is paid.<sup>107</sup> California's paid family

**CHANGE IN MEN TAKING LEAVE IN CALIFORNIA AFTER PAID FAMILY LEAVE ADOPTED**



Source: Houser and Vartanian, Policy Matters (2012)

leave program more than doubled the rate of leave-taking by men after the birth of a child.<sup>108</sup> California employers also reported an increase in men taking leave as well as an increase in the amount of leave they took.<sup>109</sup>

When fathers get access to paid leave, it makes a big difference. A recent CBS “Sunday Morning” program reported on a new dad fortunate to work for a company with a generous paternity leave policy:<sup>110</sup>

*Scott Brodrick may be the best one-handed sandwich maker around. That bundle in his other hand is the family's newly-adopted son, Shea. When they brought him home last month, Scott decided to do something that most fathers in this country simply can't do: He's staying home from work for six weeks so he can soak up plenty of father-son moments. "He won't remember these times, but I certainly will," said Scott. "And yeah, it's been great bonding time for us."*

*His company, PriceWaterhouseCoopers in Chicago, has a policy toward new fathers that is generous, to say the least. That month-*

*and-a-half Scott's getting? It's all paid. Cowan asked, "What do other dads tell you when you tell them how much time you got?" "Jaws hit the floor," said Scott. "It's an unbelievable policy, and really rare for the father to be able to take six weeks off."*

*When Fathers Cut Parental Leave Short, They Are Less Likely to Be Early Engaged Caregivers*

Paternity leave – and especially longer leaves of two weeks or more – are associated with increased father engagement and bonding, which, in turn, can improve outcomes for children. However, under our current patchwork of benefits, men take particularly short paternity leaves.<sup>111</sup> Paid leave would have made a difference for Ritaly in New York, who had to cut his paternity leave short because his family couldn't afford unpaid leave:<sup>112</sup>

*[I] just had a 2nd child, a son, on September 4th. My wife went into labor a few weeks early and I had to take some sudden time off. My company has a good leave policy, getting the FMLA application handled was easy – but after my accrued vacation ran out, it's still just unpaid leave. The 8 days I got to spend at home with my wife made a huge difference for her, our 3 year old daughter and the baby. But then I had to return to work – being a sole provider and taking unpaid leave is just unthinkable in middle class America. It was much too soon. Please, create proper paid leave – for mothers and for fathers. Our families deserve the support of two loving parents!*

But leaves of more than two weeks are linked to important benefits for parents and children. Longer leaves mean that dads have more time to bond with a new child, and will be more involved in caring for their children right from the start. This hands-on engagement can set a pattern that lasts long after the leave ends. For example, in one study of working fathers in the U.S., those who took leaves of two weeks or

**In one study of working fathers in the U.S., those who took leaves of two weeks or more were much more likely to be actively involved in their child's care nine months after birth – including feeding, changing diapers, and getting up in the night.**

*Source: Nepomnyaschy and Waldfogel (2007)*

more were much more likely to be actively involved in their child's care nine months after birth – including feeding, changing diapers, and getting up in the night.<sup>113</sup> Studies from other countries have confirmed that fathers who take more paternity leave have higher satisfaction with parenting and increased engagement in caring for their children.<sup>114</sup>

Fathers' increased engagement can lead to improved health and development outcomes for children. This includes fewer behavioral problems and improved cognitive and mental health outcomes.<sup>115</sup> A study of four OECD countries, including the United States, found evidence suggesting that longer paternity leaves and increased time fathers spent caring for their very young children are associated with higher cognitive test scores for their children.<sup>116</sup>

*Paid Parental Leave for Fathers Supports Changing Cultural Norms about Work and Family*

As millennial workers increasingly reject male breadwinner stereotypes and fathers want to take on more childcare responsibilities, increasing support for paid paternity leave becomes even more important.<sup>117</sup>

In fact, not having paid paternity leave harms women *and* men. Some new research suggests that increasing paternity leave has potential to allow longstanding cultural norms about gender, work, and household responsibilities to evolve.

When fathers take more paternity leave, it may increase the ability of mothers to engage in paid work, with a positive effect on female labor force participation and wages. Some countries and jurisdictions recently have developed specific policies to increase the frequency and length of paternal leave-taking. One new study of paternity leave in Canada found that when fathers take more paternity leave, mothers increase their level of full-time work, and another study from Sweden found increasing the amount of paternity leave men take has similar positive impacts on women's labor force participation.<sup>118</sup> If this increase in work by mothers brings in more household income, it is good for the whole family.

Paid paternity leave also can encourage more gender equality at home. When men increase their use of paternity leave, time studies show that the amount of household work fathers and mothers perform may become

**A majority of college-educated Millennial men place family above career in terms of their personal priorities. The number of stay at home dads reached two million in 2012.**

*Source:* Bentley University Center for Women and Business (2012), Pew Social Trends (2014)

**Gen X is a growing proportion of the “sandwich generation,” with children under 18 and a living parent over age 65.**

**Seventy-three percent of people who are part of Gen X are in dual income couples where both partners work, while only 47 percent of the Baby Boom generation has a full-time working spouse.**

*Source:* Pew Research Center (2013); Washington Post (2015)

more gender balanced over time, with the men spending longer amounts of time per day on household chores and childcare.<sup>119</sup>

#### **More Work-Family Conflict as Eldercare Needs Increase**

Care for adult family members with significant health needs, including ill spouses and aging parents, is a key emerging social, economic, and workplace challenge. More than 90 percent of individuals receiving long-term care in their communities rely on unpaid care from family members.<sup>120</sup> More caregivers report providing care for their parents (36 percent) than for their children who need care because of a medical, behavioral, or other condition (14 percent).<sup>121</sup> When workers have access to paid leave for family members' long-term care, as well as acute medical needs, it can reduce work-family conflict and negative employment impacts.

For Generation X families, who are much more likely to rely on two incomes than the previous generation, the combined pressure of care for

children and care for aging parents can create stress both at work and at home.<sup>122</sup>

Almost eight in ten parents surveyed who were providing eldercare to parents or others over age 65 also are working, and over 60 percent are working full time.<sup>123</sup> Caregivers report high levels of stress, and both worker and employer surveys document negative workplace effects of caregiving.<sup>124</sup> We know that workplace flexibility policies, including unpaid leave, have a documented positive impact on the likelihood that caregivers for older family members can remain employed.<sup>125</sup> It seems likely that increasing paid leave would also reduce the potential for caregivers to have to leave their jobs, and potentially to an even greater degree than unpaid leave. Dorcas from New York experienced this challenge of going without income when her mother got sick:<sup>126</sup>

*Last year my mother became ill. She lived out of town so I had to use my vacation time to go and care for her. After two weeks, I had to return to work because I had exhausted my accrued time and couldn't afford to be out any longer. Although she still needed me and it was not what I wanted to do, I didn't have a choice and had to return to New York. A few weeks later she became very ill. Once again, I had to make the choice to sacrifice my pay and return to Florida. My mom passed away on the same day I arrived. It was as if she was waiting for my arrival. Even though I couldn't afford it, I wanted to be there for her because she was always there for us when we were younger. It was fitting to honor her and say goodbye, by being there for her with my siblings and our families, but it still pains me that I wasn't able to be with my mom during her last days.*

*As a home health aide, we don't get paid that much. We live from paycheck to paycheck and when you live from paycheck to paycheck, you have no savings to draw upon when a family crisis arises. Taking any number of days off without pay is a challenge and means falling behind on bills. It has been over a year later and I still have*

*been unable to catch up. As a home health care worker that takes care of elderly people for a living, I feel I should have been able to care for my own mom. Passing Paid Family Leave Insurance means that people like me would be able to care for their parents or other family members without enduring financial hardship.*

A Republican state legislator in Rhode Island who voted against that state's paid family leave legislation, but who is also a doctor, recently stated that his experience with how paid leave helped his patients caused him to reverse his position.<sup>127</sup> He noted in particular that the leave program likely saved money by letting patients go home more quickly from the hospital and be cared for by their families. A study of Americans aged 70 and older with disabilities reached a similar conclusion about the benefits of family care, finding those who received assistance with activities of daily living from a child were less likely to need more expensive nursing home care over the following two years.<sup>128</sup>

Women have historically provided the bulk of care for family members, and the dynamic of workforce exit for mothers also applies to women caring for their aging parents.<sup>129</sup> But increasing numbers of men – more than 14 million – are also providing eldercare.<sup>130</sup> One estimate of the cost of caregiving for adult family members found that women lose \$142,693 in lifetime wages because of leaving

**“I've had a chance to see it in effect. Now I'd probably vote for it.”**

**– Rep. Christopher Ottiato, M.D. on Rhode Island's Paid Family Leave**

the workforce early and men lose, on average, \$89,107.<sup>131</sup> In a survey of workers providing eldercare, one of the top three “wishes” from the workplace was paid leave.<sup>132</sup>

Joey’s family felt the harsh toll of elder care when no paid leave is available:

*In Indiana, Joey was living with and helping to support his aging parents when his father was diagnosed with cancer. His treatment included invasive surgery and 24-hour care, plus regular lengthy drives to the nearest hospital. At the time, Joey was working full time for a local factory. He tried to arrange his schedule to help care for his father, working full days and then staying up all night tending to him while his mother worked third-shift hours. But this schedule wasn’t sustainable for the family—eventually, his mother was forced to quit to care for her husband. This put the family even further in debt. The FMLA was unavailable to him, and it would have caused a heavy burden financially. Even after a decade, the financial and emotional burden of these circumstances has continued to impact his family’s economic stability.<sup>133</sup>*

Increasing paid family leave is important because of the growing need for care across the lifecycle and the tangible and intangible harms for working families without paid leave. When a family member needs care, not taking leave means selling both work and family short.

## THE COST TO BUSINESS

Employers are critical partners in the movement for paid leave, and businesses are speaking out about the rewards of paid leave programs. Even though employers may pay some costs to provide workplace benefits like paid leave, or have to manage short-term worker absences, those who have chosen to support a better work-life balance for their employees frequently cite substantial positive effects that offset these costs.

For example, the owner of a chain of fourteen cafes in Oregon and Nevada recently “did the math” and decided to offer three months of paid parental leave to all employees. Owner Franz Speilvogel spoke to Bloomberg News about this decision:<sup>134</sup>

*Laughing Planet’s new paid-leave policy will apply to mothers, fathers, and adoptive parents. It will pay employees their full salary, or if they’re part-time employees, it’ll pay them the average of what they earned in the past six months. “It wasn’t a business decision to do this, it was a human decision,” said Speilvogel. “But as a business owner, I also think it’ll pay off down the road.” . . . Speilvogel said it costs about \$5,000 in time and wages to train a new employee. “I did the math,” he said, and he realized that even if 10 people were out on parental leave at any one time (which would be about 3 percent of his workforce), he could easily have other employees temporarily cover their duties while he continued to pay them for 12 weeks. He’d still be spending less than the \$50,000 it would cost to hire 10 replacements. Then there’s the added benefit of employee satisfaction. Speilvogel believes that parental leave leads to healthier parents and babies and thinks people will be less likely to quit Laughing Planet when they have access to leave.*

In the states that have established paid leave programs, businesses can reap these rewards of a more stable workforce without having to incur the costs of establishing their own paid

leave programs. Instead of going it alone, businesses and workers can share the costs broadly, limiting the impact on any one person or company.

### **Increased Turnover, Losing Talent**

Without paid leave, businesses can face disruptive and costly turnover, particularly of their female employees. Earlier, this report documented how maternity leave (and paternity leave) can increase workforce participation of women and make it more likely that new mothers continue working after having children.

Retention effects matter because turnover is costly. One review of multiple studies of turnover costs estimated the median cost to replace a worker was about 21 percent of annual salary.<sup>135</sup> Increased retention not only saves money but helps companies retain experienced talent and keeps them on track with their goals for workforce gender diversity.

Several studies of workers within and outside the United States document how maternity leave in general makes it more likely that new mothers will stay with their same employer. One study of the effect of family-friendly policies on worker engagement and retention for U.S. workers found that maternity leave reduced turnover intentions.<sup>136</sup> A cross-national study of the U.S., Britain, and Japan found that maternity leave substantially increased retention for women after giving birth.<sup>137</sup> Expansion of maternity leave in Canada increased the chances that women would return to their same employer after giving birth.<sup>138</sup> These studies address both paid maternity leave and unpaid job-protected leave, but because paid

maternity leave has positive effects above and beyond unpaid leave, one may expect additional benefits of paid leave.

Laszlo Bock, Senior VP of People Operations at Google, talks about the results of increasing maternity leave from 12 to 18 weeks and beginning to provide full pay:<sup>139</sup>

*“...the attrition rate for women after childbirth was twice our average attrition rate...After making the change in leave, the difference in attrition rates vanished. And moms told us that they were often using the extra two months to transition slowly back to work, making them more effective and happier when the leave ended. When we eventually did the math, it turned out this program cost nothing. The cost of having a mom out of the office for an extra couple of months was more than offset by the value of retaining her expertise and avoiding the cost of finding and training a new hire.”*

Parental and family leave may even have broader benefits. In a 2014 study of highly educated professional fathers in the U.S., nine out of ten reported that it would be important if looking for a new job that the employer offered paid paternity leave, and six out of ten considered it very or extremely important.<sup>140</sup> These numbers were even higher for millennial workers, 86 percent of whom reported in a recent EY (formerly Ernst & Young) survey that they would be less likely to quit an employer who offered paid parental leave and increased flexibility.<sup>141</sup> Workers in lower quality jobs (those paying less or with fewer benefits) who used California’s Paid Family Leave benefits were more likely to return to their same employer following leave than those who did not use the leave benefits.<sup>142</sup>

Finally, it is likely that paid leave provides at least some of the broader documented benefits of other similar policies that reduce work-family conflict. For example, workplace

studies have found that work-family conflict can lead to turnover and that family-friendly and flexible policies increase commitment.<sup>143</sup> Other data suggests that shareholders reward companies with good family policies and that these policies can even increase productivity and profits.<sup>144</sup> They can even potentially increase engagement, loyalty, and productivity by reducing work-family conflict.

### **Making It Harder for American Business to Compete**

Without national paid leave, American businesses may face competitive disadvantages. Larger businesses are more likely to provide paid family leave to their employees, making it harder for smaller businesses to compete. Even for larger businesses, lack of national paid leave makes it harder to compete for talent internationally. When Secretary Perez traveled to Germany, he saw how American businesses can lose out on talent when other countries offer more support for working families:<sup>145</sup>

*At a luncheon with employers hosted by the Frankfurt Chamber of Commerce, I met an American man living and working here in Germany. Jason Berning is from Ohio and came to Frankfurt for a job in IT. Here, he met his wife and has started a family. In fact he plans to stay in part because of Germany's paid leave policies. In addition to the mandatory 14 weeks of paid leave (six weeks before and eight weeks after the birth) his wife Julia took eight more months of parental leave. Jason joined her at home for the first two months and spent the last two month of Jonathan's first year at home when Julia returned to work. Germany offers 12 months of paid leave to new parents, which can be extended to 14 months if the couple shares the time off. Jason and his wife are expecting their second child. As Julia recently accepted a new job that demands more time and will advance her career, she is only staying home for the mandatory 14 weeks*

*this time. Jason will take one year of paid leave in order to be at home with his children. His employer understands the importance of retaining his talent, and that is why they're providing the flexibility that allows him to take this critical time off. Jason's employer isn't an outlier. Every employer I've met with in Germany understands that offering paid leave and investing in your workforce is critical to a successful business.*

Paid leave programs like those in California, New Jersey, and Rhode Island help businesses provide paid leave without worrying about

### **TECH FIRMS LEADING ON LEAVE**

**GOOGLE: 18 weeks paid leave for birth moms, seven for dads, partners and adoptive parents**

**FACEBOOK, INSTAGRAM, and REDDIT: 17 weeks paid leave for all parents**

**YAHOO: 16 weeks paid leave for birth moms, eight for dads, partners, and adoptive parents**

**MICROSOFT: 20 weeks paid leave for birth moms; 12 for dads, partners, and adoptive parents**

**NETFLIX: 12 months fully paid parental leave for some employees for the year after a baby's birth**

*Sources: Bock (2015), The Atlantic (2013), Mother Jones (2013), CNN Money (2015), and The New York Times (2015).*

the expense and can level the playing field. Typically funded by very small payroll contributions by workers, and in some cases employers, they spread the cost broadly and limit burdens on individual employees or companies. These programs also benefit nonprofit organizations, and even self-employed individuals can take advantage of them. The alternative for employers that want to offer leave is to go it alone and bear all the cost.

Employers with experience with paid leave typically find it extremely worthwhile. Technology firms in particular have made sure their strong benefits packages specifically include several months of paid maternity or parental leave. At Netflix, some employees can take up to a year of fully paid parental leave. Other businesses that have recently increased their paid parental leave policies and family-friendly benefits in order to attract and retain the best talent include Microsoft, Adobe Systems, Goldman Sachs, Nestlé, Facebook, Vodafone, Accenture, and IBM.<sup>146</sup> After California and New Jersey enacted their public programs, most businesses reported positive or neutral experiences and few negative effects.<sup>147</sup> In a survey of California employers

about the impact of Paid Family Leave on their business, most reported they could cover the work of employees on leave by temporary reassignments, and they did not incur any new hiring or training costs.<sup>148</sup> More than 90 percent saw no evidence of abuse of leave benefits. In interviews with New Jersey employers, senior human resources personnel reported particularly positive impacts on morale and reductions in stress and financial concerns for employees.<sup>149</sup>

## THE COST TO THE NATION

### \$500 Billion in Potentially Lost National Economic Activity

As explained earlier in this report, cross-national studies show that expanding paid maternity leave increases female labor force participation by making it easier for women to stay in the workforce after giving birth.<sup>150</sup> And there is good reason to believe that the United States is losing ground in terms of the proportion of women in the workforce compared with other countries



that have robust paid parental leave and other work-family policies. From 1990 to 2010, the United States dropped from 6th to 17th place among OECD countries in its rate of female labor force participation – and researchers have attributed 29 percent of this decrease to better family-friendly policies, including paid leave, in these other countries.<sup>151</sup> In a comparison across OECD countries, paid maternity leave was associated with increased productivity.<sup>152</sup>

Indeed, a number of countries around the world have focused on expanding paid maternity leave and increasing female labor force participation as a means of boosting their economies. Japan's Prime Minister, Shinzo Abe, for instance, has talked in detail about how boosting women's participation in the workforce will lift his nation's GDP, and Japan's new parental leave system, implemented last year, is a part of the solution.<sup>153</sup>

So doing nothing on paid leave is likely hurting the U.S. national economy. The Department of Labor's Chief Economist recently estimated that if U.S. women between 25 and 54 participated in the labor force at the same rate as they do in Canada or Germany, there would be more than five million more women in the labor force in the U.S., which would translate into **more than \$500 billion of additional economic activity per year**.<sup>154</sup> While it is not possible to directly attribute all of this difference to paid leave, since many of the comparator countries also have other family supports the United States does not, it is also true that this calculation excludes the many other costs of not having a national paid leave policy outlined in this report. Thus, while it is both

over-inclusive and under-inclusive, it still presents a starting point for understanding how doing nothing is imposing very high costs on the nation.

### **What You Cannot Put a Price Tag On**

At the end of the day, the cost of doing nothing is not only a matter of economic harm. We can think in terms of the lost work and wages, health and stress impacts, and increased economic insecurity for families, but some consequences are more intangible, though no less important.

The costs include the time and livelihoods of mothers and fathers who want to be present both at work and at home. Instead of more balanced and equal opportunities, we are leaving female talent on the sidelines while denying men a fair chance at being engaged with their children. We are forcing people to choose between their health and their income, when they do not have time to get care they need. We are compromising the needs of our children, who lose time with their parents, and the needs of our parents, who need care from their children.

Ultimately, we are denying the fundamental value of spending time with your family. We do not want to force our nation's working families to choose between caring for an ill parent and paying the rent or mortgage, or having to draw down savings for college or retirement in order to take a longer maternity or paternity leave. We must work to make sure no families have to go through these kinds of painful choices.

For the many working families who struggle every day, living without paid leave, doing nothing is far too costly.

## PRESIDENTIAL MEMORANDUM

OF JANUARY 15, 2015

### **“Modernizing Federal Leave Policies for Childbirth, Adoption and Foster Care to Recruit and Retain Talent and Improve Productivity”**

Now more than ever, our Nation’s economic success rests on our ability to empower our citizens to choose jobs that best utilize their talents and interests. All employers, including the Federal Government, should support parents to ensure they can both contribute fully in the workplace and also meet the needs of their families. . . . Offering family leave and other workplace flexibilities to parents can help achieve the goals of recruiting and retaining talent, lowering costly worker turnover, increasing employee engagement, boosting employee morale, and ensuring a diverse and inclusive workforce. Yet, the United States lags behind almost every other country in ensuring some form of paid parental leave to its Federal workforce; we are the only developed country in the world without it.

#### THE ADMINISTRATION’S COMMITMENT TO EXPANDING PAID LEAVE

At a time of incredible momentum at the state and local level, and in partnership with employers who are leading on leave, President Obama is taking the action he can to support working families. Building on the steps the Administration announced during the 2014 White House Summit on

Working Families, the President has made new proposals to strengthen the middle class by giving working families the flexibility to balance their families and their jobs. The Administration is committed to expanding access to paid leave by supporting cities and states seeking to enact paid leave policies, providing technical expertise and supporting research around what works, and improving leave for the federal workforce.

To help cities and states that are ready to lead on leave, the President has proposed more than \$2 billion in new funds to encourage

states to develop paid family and medical leave programs and announced that the Department of Labor will use \$1.25 million in existing funds to help support research and analysis related to the development and implementation of paid leave programs at the state and local levels.<sup>155</sup> The Department anticipates awarding these funds to states, tribes, territories or possessions, or localities by the end of 2015. This investment is in addition to the \$500,000 in grants the Department's Women's Bureau awarded in 2014 to three states and the District of Columbia to undertake feasibility studies related to paid leave program implementation.<sup>156</sup>

The President has modernized the federal workplace through a Presidential Memorandum directing agencies to advance up to six weeks of paid sick days for parents with a new child, an employee needing to care for an ill family member, or for any other eligible uses of sick leave. This benefit will ensure women can fully recuperate from childbirth and that their spouses and parents can be there for them and for the new baby, even if they have not yet accrued enough sick leave. Leave will also be advanced for parents adopting a child or for a foster placement.<sup>157</sup> The President has called on Congress to pass legislation giving federal employees an additional six weeks of paid parental leave.<sup>158</sup>

Since the very beginning of this Administration, the Department of Labor has made key investments in the collection of new data and research to inform public policy related to paid family and medical leave. In 2011, the Department added a supplementary set of questions to the American Time Use Survey (ATUS), which generated data on access to and use of leave.

In 2012, the Department commissioned new surveys of employee use of FMLA, the first time this data had been collected in over 10 years. The Department's Chief Evaluation Office is also funding two new independent research studies related to paid leave and to worker leave more generally, including examining how paid leave programs impact employers and employees with the goal of drawing concrete lessons about specific features of leave programs and how workers use them.

All of these efforts are designed to inform the national policy debate and support innovative approaches to paid leave in states and communities around the country, to expand access to paid leave in as many places as possible, and to join the families, businesses, state and local governments, and organizations who are leading on leave right now.

## APPENDIX

**Recommendations for Further Research**

As this report documents, extensive research confirms that there are costs of doing nothing on paid leave. However, some areas have been studied more intensively than others. For example, there is more research on the employment impacts of paid maternity leave than on paid leave for other reasons, such as self-care for illness, care of ill children, or eldercare. Further study on the extent to which these other forms of leave might increase retention, for example, or affect future earnings, and under what conditions or contexts paid leave has the

most impact, would expand on our current knowledge. We also know that workers report access to paid parental and family leave at much higher rates than employers report providing paid family leave. It would be helpful to collect more detailed data in future surveys on the use of paid leave to determine how much workers cobble together other forms of leave to fill the gap where a formal policy does not exist. Finally, it would be interesting and important to expand on the research about men and women's parental leave taking, and the effect of leave taking on paid work and household work.

**DEPARTMENT OF LABOR SURVEY DATA ON LEAVE ACCESS AND USE<sup>159</sup>**

	<b>National Compensation Survey (Benefits)</b>	<b>American Time Use Survey</b>	<b>Family and Medical Leave Act Survey</b>
<b>Conducted By</b>	Bureau of Labor Statistics	Bureau of Labor Statistics	Department of Labor
<b>Frequency</b>	Annual	2011 special supplemental questions on leave <sup>1</sup>	Periodic (2000, 2012)
<b>Respondents</b>	Employers <sup>2</sup>	Employees <sup>3</sup>	Employers <sup>4</sup> and Employees <sup>5</sup>
<b>Measurement of paid or unpaid leave access</b>	Whether employer reports it is offered as employer policy	Whether employee reports having access to leave at main job	Whether employer or employee reports it is offered/available
<b>Measurement of paid or unpaid leave use</b>	None	Reported leave taken in last seven days	Reported leave taken in last 12 or 18 months

<sup>1</sup> The ATUS is an annual survey that does not include specific questions about leave use and access. In 2011 only, BLS added special questions on leave use and access.

<sup>2</sup> Sample of establishments.

<sup>3</sup> Employees who worked in the last seven days at a part- or full-time job and completed a time diary.

<sup>4</sup> Sample of worksites

<sup>5</sup> Includes oversample of leave takers and those with an unmet need for leave

	<b>National Compensation Survey (Benefits)</b>	<b>American Time Use Survey</b>	<b>Family and Medical Leave Act Survey</b>
<b>Individual types of leave included</b>	Paid Leave Benefits: Family leave (paid and unpaid), sick leave, vacation leave, personal leave, holidays, funeral leave, jury duty leave, military leave, and consolidated leave plans. Short-term disability insurance. <sup>6</sup>	Consolidated personal time off, holidays, maternity or paternity leave, sick leave vacation, or annual, personal, unpaid leave	Family leave, parental leave, sick leave, vacation leave, consolidated personal time off, holidays, unpaid leave
<b>Reasons for taking leave included</b>	None	Own illness or medical care, illness or medical care of another family member, childcare (not for illness), eldercare (not for illness), vacation, personal, birth or adoption of a child	Own illness, new child (pregnancy, adoption, foster placement), care for parent/spouse/child
<b>Level of pay specified</b>	Paid or unpaid leave by type	Paid leave, unpaid leave, some paid leave as reported by employee	Full pay, partial pay or no pay as reported by employee
<b>Source of pay specified</b>	Yes by leave type	Yes, by leave type. <sup>7</sup>	Yes by leave type
<b>Length of leave taken measured</b>	None	Number of hours	Number of days
<b>Unmet need for leave reported</b>	None	Yes within last seven days	Yes within last 12 or 18 months
<b>Employee Characteristics</b>	None	Sex, age, race (by individual race groups), ethnicity (Hispanic/non-Hispanic), parental status, health, income	Sex, age, race (white/non-white), ethnicity (Hispanic/non-Hispanic), education, income, marital status, parental status, region, sexual orientation
<b>Employer and job characteristics</b>	Occupational group, industry group, full-time/part-time, union/nonunion, wages (by percentile), establishment size, geographic area, for civilian, private industry, and state and local government workers	Occupation, industry, public (and federal, state or local) vs. private sector (and for-profit vs. non-profit), full-time/part-time	Employer size, FMLA coverage (by employer and establishment)

<sup>6</sup> Found under insurance, not benefits.

<sup>7</sup> The type of leave used is available on the Leave Module data files but only for those who took leave. The type of leave is limited to those provided by the employer as shown in the box titled "Individual types of leave included." It does not include FMLA or TDI.

	<b>National Compensation Survey (Benefits)</b>	<b>American Time Use Survey</b>	<b>Family and Medical Leave Act Survey</b>
<b>Actions in lieu of leave</b>	None	Includes questions on flexibility and schedule adjustments in lieu of leave	Includes questions on specific actions taken in lieu of leave
<b>Other</b>	Includes additional detail for sick, vacation, and consolidated leave plans (e.g., paid days by length of service, carryover provisions, limits on accrual)		Includes economic impact of partial or no pay during leave taking; includes cutting short leave taking.

## ENDNOTES

- <sup>1</sup> Bureau of Labor Statistics. 2014 *National Compensation Survey*. Table 32 (Leave Benefits: Access, Private Industry Workers), retrieved from <http://www.bls.gov/ncs/ebs/benefits/2014/ownership/private/table32a.htm> & Table 16 (Insurance Benefits: Access, Participation and Take-Up Rates, Private Industry Workers), retrieved from <http://www.bls.gov/ncs/ebs/benefits/2014/ownership/private/table16a.htm>.
- <sup>2</sup> National Conference of State Legislators. *Paid Family Leave*, retrieved from <http://www.ncsl.org/research/labor-and-employment/paid-family-leave-resources.aspx>, last visited July 17, 2015); Susan Wojcicki. Dec. 16, 2014. “Paid Maternity Leave Is Good for Business.” *The Wall Street Journal*, retrieved from: <http://www.wsj.com/articles/susan-wojcicki-paid-maternity-leave-is-good-for-business-1418773756> (last visited June 30, 2015); Heather Boushey, Ann O’Leary and Alexandra Mitukiewicz. 2013. *The Economic Benefits of Family and Medical Leave Insurance*. Washington, DC: Center for American Progress; National Partnership for Women and Families. 2014. *Expecting Better: A State By State Analysis of Laws That Help New Parents*. Washington, DC.
- <sup>3</sup> International Labor Organization. 2014. *Maternity and Paternity at Work: Law and Practice Across the World*, retrieved from <http://www.ilo.org/global/topics/equality-and-discrimination/maternity-protection/publications/maternity-paternity-at-work-2014/lang-en/index.htm> (last visited June 30, 2015). Amy Raub, et al. 2015. *Labor Policies to Promote Equity at Work and at Home: Findings From 197 Countries and Beijing Platform Signatories*. World Policy Forum.org, retrieved from [http://worldpolicyforum.org/sites/default/files/WORLD\\_Policy\\_Brief\\_Labor\\_Policies\\_to\\_Promote\\_Equity\\_at\\_Work\\_and\\_at\\_Home\\_2015\\_o.pdf](http://worldpolicyforum.org/sites/default/files/WORLD_Policy_Brief_Labor_Policies_to_Promote_Equity_at_Work_and_at_Home_2015_o.pdf) (last visited July 21, 2015).
- <sup>4</sup> Jacob Alex Klerman, Kelly Daley, and Alyssa Pozniak. 2012. *Family and Medical Leave in 2012: Technical Report*. Cambridge, MA: Abt Associates (Prepared for the U.S. Department of Labor), retrieved from <http://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf> (last visited June 30, 2015) (as revised 2014) at i.
- <sup>5</sup> Bureau of Labor Statistics. 2011 *American Time Use Survey Data*. Council of Economic Advisors Calculations, in, Council of Economic Advisors. 2014. *The Economics of Paid and Unpaid Leave*, retrieved from [http://www.whitehouse.gov/sites/default/files/docs/leave\\_report\\_final.pdf](http://www.whitehouse.gov/sites/default/files/docs/leave_report_final.pdf) (last visited July 17, 2015) at 9-10. See also Klerman, et al (2012) at 97.
- <sup>6</sup> ILO (2014).
- <sup>7</sup> Klerman, et al (2012) at 105-106.
- <sup>8</sup> Klerman, et al (2012) at 105.
- <sup>9</sup> Charles L. Baum and Christopher J. Ruhm. 2013. “The Effects of Paid Leave in California on Labor Market Outcomes.” *NBER Working Paper No. 19741*, retrieved from <http://www.nber.org/papers/w19741> (last visited July 17, 2015); Linda Houser and Thomas P. Vartanian. 2012. *Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public*. Rutgers, NJ: Center for Women and Work; Maya Rossin-Slater, Christopher J. Ruhm and Jane Waldfogel. 2013. “The Effects of California’s Paid Family Leave Program on Mothers’ Leave Taking and Subsequent Labor Market Outcomes.” *Journal of Policy Analysis and Management* 32(2): 224-245; Lynda Laughlin. 2011. “Maternity Leave and Employment Patterns of First Time Mothers 1961-2008.” *U.S. Census Bureau Current Population Reports*, retrieved from <http://www.census.gov/content/dam/Census/library/publications/2011/demo/p70-128.pdf> (last visited July 17, 2015); Barbara Gault, et al. 2014. *Paid Parental Leave in the United States*. Washington, D.C.: Institute for Women’s Policy Research.
- <sup>10</sup> Jane Waldfogel. 1998. “Understanding the ‘Family Gap’ in Pay for Women with Children.” *The Journal of Economic Perspectives* 12(1): 137-156; Rossin-Slater, et al (2013); Houser and Vartanian, *Pay Matters* (2012); Heather Boushey. 2008. “Family Friendly Policies: Helping Mothers Make Ends Meet.” *Review of Social Economy* 66(1): 51-70.
- <sup>11</sup> Houser and Vartanian, *Pay Matters* (2012); Klerman, et al (2012) at 106; see also Linda Houser and Thomas P. Vartanian. 2012. *Policy Matters: Public Policy, Paid Leave for Workers, and Economic Security for U.S. Parents*. Rutgers, NJ: Center for Women and Work; Klerman, et al (2012) at 105.
- <sup>12</sup> Klerman, et al (2012) at 131; cf. Lucy A. Peipins, Ashwini Soman, Zahava Berkowitz, and Mary C. White. 2012. “The lack of paid sick leave as a barrier to cancer screening and medical care-seeking: results from the National Health Interview Survey.” *BMC Public Health* 2012 12:520 (lack of paid time off decreases likelihood of obtaining preventative medical care); Alison Earle, John Z. Ayanian, and Jody Heymann. 2006. “Work Resumption After Newly Diagnosed Coronary Heart Disease: Findings on the Importance of Paid Leave.” *Journal of Women’s Health* 15(4): 430-441 (nurses with newly diagnosed coronary artery disease who had paid leave were more than twice as likely to return to work as those without leave).
- <sup>13</sup> Christopher J. Ruhm. 2011. “Policies to Assist Parents with Young Children.” *Work and Family* 21(2); Maya Rossin. 2011. “The Effects of Maternity Leave on Children’s Birth and Infant Health Outcomes in the United States.” *Journal of Health Economics* 30(2); Sakiko Tanaka. 2005. “Parental Leave and Child Health Across OECD Countries.” *The Economic Journal* 115(501): F7-F28; C.R. Winegarden and Paula Bracy. 1995. “Demographic Consequences of Maternal-Leave Programs in Industrial Countries: Evidence from Fixed-Effects Models.” *Southern Economic Journal* 61(4): 1020-35; Pamela Winston. 2014. *Work-Family Supports for Low Income Families: Key Research Findings and Policy Trends*. Washington, D.C.: U.S.

Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

<sup>14</sup> Rui Huang and Muzhe Yang. 2015. “Paid Maternity Leave and Breastfeeding Practice Before and After California’s Implementation of the Nation’s First Paid Family Leave Program.” *Economics and Human Biology* 16: 45-49; Michael Baker and Kevin Milligan. 2008. “Maternal Employment, Breastfeeding and Health: Evidence from Maternity Leave Mandates.” *Journal of Health Economics* 27:871-887; Gerald Calnen. 2007. “Paid Maternity Leave and Its Impact on Breastfeeding in the United States: An Historic, Economic, Political, and Social Perspective.” *Breastfeeding Medicine* 2(1): 34-44.

<sup>15</sup> Mark A. Schuster, et al. 2009. “Perceived Effects of Leave From Work and the Role of Paid Leave Among Parents of Children With Special Health Care Needs.” *American Journal of Public Health* 99(4), 698-705.

<sup>16</sup> Houser and Vartanian, Policy Matters (2012); See also Eileen Appelbaum and Ruth Milkman. 2011. *Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California*. Center for Economic and Policy Research Working Paper (median length of leave was longer for men in California who used paid family leave than for those who did not).

<sup>17</sup> Based on a 2007 study of resident fathers in opposite sex two-parent households using data from the 2001 Early Childhood Longitudinal Study Birth Cohort. Lenna Nepomnyaschy and Jane Waldfogel. 2007. “Paternity Leave and Fathers’ Involvement with Their Young Children: Evidence from the American Ecls-B.” *Community, Work & Family* 10(4): 427-453.

<sup>18</sup> Ankita Patnaik. 2015. “Reserving Time for Daddy: The Short and Long Run Consequences of Fathers’ Quotas.” SSRN Working Paper, retrieved from [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2475970&download=yes](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2475970&download=yes) (last visited June 17, 2015); See also Makiko Fuwa and Phillip N. Cohen. 2007. “Housework and Social Policy.” *Social Science Research* 36: 512-530; Elly-Ann Johansson. 2010. “The Effect of Own and Spousal Parental Leave on Earnings,” *Institute for Labour Market Policy Evaluation Working Paper* 2010:4, retrieved from <http://www.econstor.eu/bitstream/10419/45782/1/623752174.pdf> (last visited June 17, 2015).

<sup>19</sup> National Alliance for Caregiving. 2009. *Caregiving in the U.S. 2009*, retrieved from [http://www.caregiving.org/data/Caregiving\\_in\\_the\\_US\\_2009\\_full\\_report.pdf](http://www.caregiving.org/data/Caregiving_in_the_US_2009_full_report.pdf) (last visited July 17, 2015); MetLife Mature Market Institute. 2011. *The MetLife Study of Caregiving Costs to Working Caregivers: Double Jeopardy for Baby Boomers Caring for Their Parents*. Westport, CT: MetLife Mature Market Institute; K. Nicole Harms. 2003. “Caring for Mom and Dad: The Importance of Family-Provided Eldercare.” *William and Mary Journal of Women and the Law* 10: 69.

<sup>20</sup> Jane Waldfogel, Yoshio Higuchi, and Masahiro Abe. 1998. “Maternity Leave Policies and Women’s Employment After Childbirth.” *Center for Analysis of Social Exclusion, London School of Economics, CASE Paper* 3, retrieved from <http://sticerd.lse.ac.uk/dps/case/cp/Paper3.pdf>; Appelbaum and Milkman (2011); Stephen L. Grover and Karen J. Crooker. 1995. “Who Appreciates Family-Responsive Human Resources Policies: The Impact of Family-Friendly Policies on the Organizational Attachment of Parents and Non-Parents.” *Personnel Psychology* 48: 271-288; Michael Baker and Kevin Milligan. 2008. “How Does Job-Protected Maternity Leave Affect Mothers’ Employment?” *Journal of Labor Economics* 26(4): 655-691.

<sup>21</sup> Appelbaum and Milkman (2011); Sharon Lerner and Eileen Appelbaum. 2014. *Business as Usual? New Jersey Employers’ Experiences with Family Leave Insurance*. Center for Economic and Policy Research, retrieved from <http://www.cepr.net/index.php/publications/reports/business-as-usual-new-jersey-employers-experiences-with-family-leave-insurance> (last visited July 17, 2015).

<sup>22</sup> Winegarden and Bracey (1995); Christopher J. Ruhm. 1998. “The Economic Consequences of Parental Leave Mandates: Lessons from Europe.” *The Quarterly Journal of Economics* 113 (1): 285-317; Florence Jaumotte. 2003. “Female Labour Force Participation: Past Trends and Main Determinants in OECD Countries.” *OECD Economics Department Working Papers*, No. 376, retrieved from <http://dx.doi.org/10.1787/082872464507> (last visited July 17, 2015); Ariane Hegewisch and Janet C. Gornick. 2011. “The impact of work-family policies on women’s employment: a review of research from OECD countries.” *Community, Work and Family* 14 (2): 119-138.

<sup>23</sup> Heidi Shierholz. Dec. 19, 2014. “Paid Leave Is Good for Business,” retrieved from <http://blog.dol.gov/2014/12/19/paid-leave-is-good-for-business/> (last visited June 30, 2015). Calculated by the DOL Office of the Chief Economist, comparing 2013 female labor force participation in the United States with Canada and Germany and applying a standard multiplier to GDP. For more details on calculation methodology, see endnote 154.

<sup>24</sup> National Conference of State Legislators, Paid Family Leave, retrieved from <http://www.ncsl.org/research/labor-and-employment/paid-family-leave-resources.aspx> (last visited September 4, 2015).

<sup>25</sup> Appelbaum and Milkman (2011); Lerner and Appelbaum (2014).

<sup>26</sup> National Partnership for Women and Families. 2015. *State Temporary Disability Insurance Programs*, retrieved from <http://www.nationalpartnership.org/research-library/work-family/paid-leave/existing-tdi-programs.pdf> (last visited July 17, 2015).

<sup>27</sup> National Compensation Survey 2014, Table 32.

<sup>28</sup> National Compensation Survey 2014, Table 16.

<sup>29</sup> National Compensation Survey 2014, Table 32 and Table 16. “Lower wage” is the bottom quartile of earnings, “higher wage” is the top quartile; “small business” is 1 to 99 employees, “medium and large business” is 100 or more employees.

<sup>30</sup> Klerman, et al (2012) at 135 (a third of employees work at worksites that offer paid maternity leave to all or most female employees versus 20 percent for male employees).

- <sup>31</sup> Klerman, et al (2012) at 143.
- <sup>32</sup> Kenneth Matos and Ellen Galinsky. 2014. *2014 National Study of Employers*. Families and Work Institute at 27.
- <sup>33</sup> See generally 29 CFR Part 825 (FMLA regulations); 29 CFR 825.127 (Leave to care for a covered service member with a serious illness or injury); U.S. Department of Labor Wage and Hour Division. *Family and Medical Leave Act*, <http://www.dol.gov/whd/fmla/index.htm> (last visited July 17, 2015).
- <sup>34</sup> Klerman, et al (2012) at i; 20-21. The vast majority of employers report providing unpaid leave of unspecified type or duration in the NCS, and workers not covered by the FMLA report taking unpaid leave in the DOL survey. But there is no way to tell from these surveys if this is job-protected leave, how much leave workers can take, and under what conditions.
- <sup>35</sup> Klerman, et al (2012) at ii.
- <sup>36</sup> Klerman, et al (2012) at 70.
- <sup>37</sup> Claudia Williams and Barbara Gault. 2014. "Fact Sheet: Paid Sick Days Access in the United States: Differences by Race/Ethnicity, Occupation, Earnings, and Work Schedule." *Institute for Women's Policy Research*, retrieved from: [http://www.iwpr.org/publications/pubs/paid-sick-days-access-in-the-united-states-differences-by-race-ethnicity-occupation-earnings-and-work-schedule/at\\_download/file](http://www.iwpr.org/publications/pubs/paid-sick-days-access-in-the-united-states-differences-by-race-ethnicity-occupation-earnings-and-work-schedule/at_download/file) (last visited July 17, 2015). See Fig 2. Based on (IWPR) analysis of the 2012 National Health Interview Survey (NHIS).
- <sup>38</sup> Council of Economic Advisors (2014) at 9-10 (39 percent of workers have access to paid parental leave; 53 percent to paid leave for illness); Klerman, et al (2012) at 97 (34 percent of leave takers reported receiving no pay while on leave, 17 percent reported partial pay and 48 percent full pay); Klerman, et al (2012) at 101-102 (workers draw on multiple sources of pay and leave programs to for family and medical leave).
- <sup>39</sup> According to the 2014 National Compensation Survey, 61 percent of private sector workers have any paid sick leave, Table 32, and for those who have fixed number of days per year sick leave plans, on average, workers have 7-9 days of paid sick leave, depending on length of service. Table 35 (Paid Sick Leave: Number of Annual Days By Service Requirement, Private Industry Workers), retrieved from <http://www.bls.gov/ncs/ebs/benefits/2014/ownership/private/table35a.htm> (last visited June 30, 2015). Almost 30 percent of workers do not even have access to paid holidays or any paid vacation leave. Table 46 (Paid leave combinations: Access, private industry workers), retrieved from <http://www.bls.gov/ncs/ebs/benefits/2014/ownership/private/table46a.htm> (last visited July 16, 2015).
- <sup>40</sup> Moms Rising. 2013. *Stories from the Front Lines of Motherhood*, at 33-34, retrieved from <http://www.momsrising.org/uploads/files/2013%20FINAL%20Paid%20Leave%20Book%20Story%20Book%20%28low%20ores%20version%29.pdf> (last visited June 28, 2015).
- <sup>41</sup> Klerman, et al (2012) at 67-68.
- <sup>42</sup> Klerman, et al (2012) at 67-68; 141.
- <sup>43</sup> Harrington, B., et al. 2014. *The New Dad: Take Your Leave*. Boston College Center for Work and Family, retrieved from: <http://www.bc.edu/content/dam/files/centers/cwf/news/pdf/BCCWF%20Executive%20Summary%20The%20New%20Dad%202014.pdf> (last visited July 17, 2015); Nepomnyaschy and Waldfogel (2007).
- <sup>44</sup> Nepomnyaschy and Waldfogel (2007) at 434 (89 percent of fathers took some time off); Klerman, et al (2012) at 141 (70 percent of men taking parental leave took ten days off or less).
- <sup>45</sup> Klerman, et al (2012) at 105-106.
- <sup>46</sup> Appelbaum and Milkman (2011); see also Klerman, et al at 127 (2012) (17 percent of workers with unmet need for leave cited fear of losing a job as the reason for not taking leave).
- <sup>47</sup> Nancy Rankin and Margaret Mark. 2015. *A Necessity, Not a Benefit: NYC's Low-Income Moms Discuss Their Struggles Without Paid Family Leave and Job Security*. New York: Community Service Society of New York, retrieved from: <http://www.cssny.org/publications/entry/a-necessity-not-a-benefit> (last visited June 25, 2015).
- <sup>48</sup> Calculated from Klerman, et al (2012) at 5, 114 (4.6 percent of all employees reported an unmet need for leave, while 16 percent of workers reported taking FMLA leave in 2012).
- <sup>49</sup> Klerman, et al (2012) at 127.
- <sup>50</sup> Klerman, et al (2012) at 127.
- <sup>51</sup> Harrington, et al (2014).
- <sup>52</sup> Klerman, et al (2012) at 98.
- <sup>53</sup> Klerman, et al (2012) at 120.
- <sup>54</sup> Klerman, et al (2012) at 118.
- <sup>55</sup> Klerman, et al (2012) at 119.
- <sup>56</sup> Council of Economic Advisors (2014) at 11.
- <sup>57</sup> Ruhm (2011); ILO (2014).
- <sup>58</sup> Ruhm (2011); ILO (2014).
- <sup>59</sup> ILO (2014). Raub et al (2015). OECD. 2014. *Trends in Leave Entitlements Around Childbirth* No. PF 2.5, retrieved from <http://www.oecd.org/els/family/database.htm> (last visited June 28, 2015).

<sup>60</sup> National Conference of State Legislators, Paid Family Leave; National Partnership for Women and Families. 2015. *State Paid Family Leave Laws*, retrieved from <http://www.nationalpartnership.org/research-library/work-family/paid-leave/state-paid-family-leave-laws.pdf>.html (last visited July 17, 2015).

<sup>61</sup> Moms Rising (2013).

<sup>62</sup> S. 786, Family and Medical Insurance Leave Act (114<sup>th</sup> Congress), text available at <https://www.congress.gov/bill/114th-congress/senate-bill/786>.

<sup>63</sup> As of the time of writing, Colorado, Connecticut, Illinois, Massachusetts, Michigan, New Mexico, New York, and Pennsylvania considered paid leave legislation in 2015. The state of Washington passed a law in 2007 to establish a paid leave program, but it has not been implemented.

<sup>64</sup> The information in this simplified chart comes primarily from ILO (2014), combined with the Department's current information obtained in the course of recent travel. It omits significant details and focuses on a limited set of countries in favor of quick access to facilitate comparisons.

<sup>65</sup> Klerman, et al (2012) at 97. Sixty percent of leaves of ten days or less are fully paid while only 41 percent of longer leaves are at full pay.

<sup>66</sup> Klerman, et al (2012) at 106.

<sup>67</sup> Klerman, et al (2012) at 105.

<sup>68</sup> Klerman, et al (2012) at 105.

<sup>69</sup> Appelbaum and Milkman (2011) at 5.

<sup>70</sup> Personal story, unpublished, shared by the Elizabeth Dole Foundation, July 8, 2015.

<sup>71</sup> Klerman, et al (2012) at 106.

<sup>72</sup> Houser and Vartanian (2012) (Pay Matters) at 2.

<sup>73</sup> Houser and Vartanian (2012) (Pay Matters) at 2; Houser and Vartanian (2012) (Policy Matters) at 8.

<sup>74</sup> Sandra L. Hofferth and Sally C. Curtin. 2003. "The Impact of Parental Leave Statutes on Maternal Return to Work After Childbirth in the United States." *OECD Social Employment and Migration Working Papers No. 7*.

<sup>75</sup> Rossin-Slater, et al (2013) at 224; Appelbaum and Milkman (2011) at 18, 22, 26.

<sup>76</sup> Moms Rising (2013).

<sup>77</sup> Hegewisch and Gornick (2011) (review article); Baum (2003); Ruhm (1998) (9 European nations); Winegarden and Bracy (1995) (17 OECD nations); Ruhm and Teague (1995); Waldfogel, Higuchi and Abe (1998) (U.S., Britain and Japan). One important finding is that periods of maternity leave considered of "moderate" length (such as those lasting a few months) have the most positive impact on maternal employment, while more extended periods of leave from work (such as one or more years) show more mixed results. Hegewisch and Gornick (2011); Ruhm and Teague (1995). This suggests that state paid family leave insurance programs and employer programs that provide a few months of paid maternity leave could be particularly promising for improving female labor force participation in the U.S., where many women have only a few weeks of paid maternity leave or none at all.

<sup>78</sup> Han, et al (2009); Berger and Waldfogel (2004); Joesch (1997).

<sup>79</sup> Baum and Ruhm (2013) find that California's Paid Family Leave program increases the likelihood that women remain employed 9-12 months after birth by 5-6 percentage points over women who were not covered by that program, a statistically significant effect; see also Rossin-Slater et al (2013) at 6.

<sup>80</sup> Houser and Vartanian (2012), Pay Matters at 2.

<sup>81</sup> Baum and Ruhm (2013) at 22 find that California's Paid Family Leave Program leads to increased work weeks and work hours in the year following childbirth; Rossin-Slater et al (2013) at 242 find the program increased usual weekly work hours of mothers of young children.

<sup>82</sup> Appelbaum and Milkman (2011) at 5.

<sup>83</sup> Alison Earle, John Z. Ayanian and Jody Heymann. 2006. "Work Resumption After Newly Diagnosed Coronary Heart Disease: Findings on the Importance of Paid Leave." *Journal of Women's Health* 15(4): 430-441.

<sup>84</sup> National Alliance for Caregiving (2009) at 54.

<sup>85</sup> Bureau of the Census. 2014. *Income and Poverty in the United States: 2013*, retrieved from <http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf> (last visited September 4, 2015), at 10.

<sup>86</sup> Pamela Coukos. June 7, 2013. "50 Down, 50 to Go? Mythbusting the Pay Gap Revisited," retrieved from <http://blog.dol.gov/2013/06/07/50-down-50-to-go-myth-busting-the-pay-gap-revisited/> (last visited June 28, 2015).

<sup>87</sup> Shelly J. Correll, Stephen Benard, and In Paik. 2007. "Getting a Job: Is There A Motherhood Penalty?" *American Journal of Sociology* 112 (5): 1297-1339.

<sup>88</sup> Pew Social Trends. Dec. 11, 2013. "On Pay Gap, Millennial Women Near Parity for Now," retrieved from <http://www.pewsocialtrends.org/2013/12/11/on-pay-gap-millennial-women-near-parity-for-now/>.

<sup>89</sup> In studies of women's earnings, time out of the labor force for family reasons and breaks in employment can have a negative impact over the long term. Joyce P. Jacobsen and Lawrence M. Levin. 1995. "Effects of Intermittent Labor Force Attachment on Women's Earnings." *Monthly Labor Review* 14-19; Julie L. Hotchkiss and Melinda Pitts. 2003. "At What Level of Labor Market Intermittency Are Women Penalized?" *American Economic Review* 93(2): 233-27 (2003).

There may be a wage penalty for having children even controlling for differences in work experience or other worker characteristics. Jane Waldfogel. 1997. “The Effect of Children on Women’s Wages.” *American Sociological Review* 62(2): 209-217; Michelle J. Budig and Paula England. 2001. “The Wage Penalty for Motherhood.” *American Sociological Review* 66(2): 204-225.

<sup>90</sup> Jane Waldfogel. 1998. “Understanding the ‘Family Gap’ in Pay for Women with Children.” *Journal of Economic Perspectives* 12(1): 137-156, at 150; Waldfogel, Higuchi & Abe (1998) at 531.

<sup>91</sup> Rossin-Slater, et al (2013) at 224; Houser and Vartanian (2012) at 2.

<sup>92</sup> Boushey (2008) at 61.

<sup>93</sup> April Yanyuan Wu et al. 2013. “How Do Trends in Women’s Labor Force Activity and Marriage Patterns of Women Affect Social Security Replacement Rates?” *Social Security Bulletin* 73(4), retrieved from <http://www.ssa.gov/policy/docs/ssb/v73n4/v73n4p1.html> (last visited June 25, 2015).

<sup>94</sup> Story shared with Department of Labor via <http://www.dol.gov/featured/paidleave/>.

<sup>95</sup> Klerman, et al (2012) at 131.

<sup>96</sup> U.S. Department of Labor, Wage and Hour Division. *FMLA Survey: The 2000 Survey Report, Chapter 4*, retrieved from <http://www.dol.gov/whd/fmla/chapter4.htm> (last visited June 24, 2015).

<sup>97</sup> See Metlife (2011); Tammy D. Allen, et al. 2000. “Consequences Associated With Work to Family Conflict: A Review and Agenda for Further Research.” *Journal of Occupational Health Psychology* 5(2): 278-308; Gary A. Adams, Lynda A. King and Daniel W. King. 1996. “Relationships of Job and Family Involvement, Family Social Support and Work-Family Conflict with Job and Life Satisfaction.” *Journal of Applied Psychology* 81(4): 411-420; Nadine Marks. 1998. Does it Hurt to Care? Caregiving, Work and Family Conflict and MidLife Well-Being.” *Journal of Marriage and the Family* 60(4): 951-966.

<sup>98</sup> National Alliance for Caregiving (2009).

<sup>99</sup> Pinka Chatterji and Sara Markowitz. 2005. “Does the Length of Maternity Leave Affect Maternal Health?” *NBER Working Paper No. 10206*, retrieved from <http://www.nber.org/papers/w10206> (last visited September 4, 2015).

<sup>100</sup> Klerman, et al (2012) at 122.

<sup>101</sup> Rossin (2011).

<sup>102</sup> Lawrence M. Berger, Jennifer Hill and Jane Waldfogel. 2005. “Maternity Leave, Early Maternal Employment and Child Health and Development in the US.” *The Economic Journal*, 115 (501): F29-F47.

<sup>103</sup> Huang and Yang (2015); Baker and Milligan (2008); Calnen (2007).

<sup>104</sup> Ruhm (2011); Rossin (2011); Tanaka (2005); Winegarden and Bracy (1995).

<sup>105</sup> Peter C. Van Dyck et al. 2004. “Prevalence and Characteristics of Children with Special Health Care Needs.” *JAMA Pediatrics* 158(9): 884-890.

<sup>106</sup> Mark A. Shuster, et al. 2009. “Perceived Effects of Leave From Work and the Role of Paid Leave Among Parents of Children with Special Health Care Needs.” *American Journal of Public Health* 99(4): 698-705.

<sup>107</sup> Harrington (2014).

<sup>108</sup> Houser and Vartanian, *Policy Matters* (2012); See also Appelbaum and Milkman (2011) (median length of leave was longer for men in California who used paid family leave than for those who did not).

<sup>109</sup> Appelbaum and Milkman (2011).

<sup>110</sup> CBS News. June 21, 2015. “Daddy’s Home: Embracing Paternity Leave,” retrieved from <http://www.cbsnews.com/news/daddys-home-embracing-paternity-leave/> (last visited July 17, 2015).

<sup>111</sup> Eighty-nine percent of fathers took some leave, based on a 2007 study of resident U.S. fathers in opposite-sex two-parent households using data from the 2001 Early Childhood Longitudinal Study Birth Cohort. Nepomnyaschy and Waldfogel (2007). Harrington, et al found in a 2014 survey of highly paid professional U.S. fathers that only about 5 percent took no paternity leave, but over 80 percent took two weeks of leave or less. A 2012 Department of Labor survey found that 70 percent of men taking leave for parental reasons took 10 days or less. Klerman, et al (2012) at 141. Nepomnyaschy and Waldfogel (at 433-37) similarly find paternity leaves in the U.S. are short and that two thirds of fathers take less than two weeks of leave.

<sup>112</sup> Story shared with Department of Labor via <http://www.dol.gov/featured/paidleave/>.

<sup>113</sup> Nepomnyaschy and Waldfogel (2007) at 442-45.

<sup>114</sup> Maria Del Carmen Huerta, et al. 2013. “Fathers’ Leave, Fathers’ Involvement and Child Development: Are They Related? Evidence from Four OECD Countries.” *OECD Social, Employment and Migration Working Papers*, No. 140, retrieved from [http://www.oecd-ilibrary.org/social-issues-migration-health/fathers-leave-fathers-involvement-and-child-development\\_5k4dlw9w6czq-en](http://www.oecd-ilibrary.org/social-issues-migration-health/fathers-leave-fathers-involvement-and-child-development_5k4dlw9w6czq-en) (last visited June 17, 2015); Linda Hass and C. Philip Hwang. 2008. “The Impact of Taking Parental Leave on Fathers’ Participation in Childcare and Relationships with Children: Lessons from Sweden.” *Community, Work and Family* 11(1): 85-104; Sakiko Tanaka and Jane Waldfogel. 2007. “Effects of Parental Leave and Work

- Hours on Fathers' Involvement With Their Babies: Evidence from the Millennium Cohort Study." *Community, Work and Family* 10(4): 409-426; Christina Boll, Julian Leppin, and Nora Reich. 2014. "Paternal Childcare and Parental Leave Policies: Evidence from Industrialized Countries." *Review of Economics of the Household* 12(1): 129-158.
- <sup>115</sup> Huerta, et al (2013); Nepomnyaschy and Waldfogel (2007); Anna Sarkadi, et al. 2008. "Fathers Involvement and Children's Developmental Outcomes: A Systematic Review of Longitudinal Studies." *Acta Paediatrica* 97: 153-158; Erini Flouri and Ann Buchanan. 2002. "The Role of Father Involvement in Children's Later Mental Health." *Journal of Adolescence* 26: 63-78.
- <sup>116</sup> Huerta, et al (2013).
- <sup>117</sup> Pew Social Trends. June 5, 2014. "Growing Numbers of Dads home with the Kids," retrieved from <http://www.pewsocialtrends.org/2014/06/05/growing-number-of-dads-home-with-the-kids/> (last visited July 17, 2015) (2 million stay at home dads in 2012); Bentley University Center for Women and Business. 2012. *Millennials in the Workplace: Moving From Conversation to Action*, retrieved from <http://www.bentley.edu/centers/center-for-women-and-business/millennials-workplace> (last visited June 25, 2015) (defining Millennial generation as those born since 1980).
- <sup>118</sup> Patnaik (2015); Johansson (2010).
- <sup>119</sup> Patnaik (2015); See also Fuwa and Cohen (2007); Christina Boll, Julian Leppin and Nora Reich. 2014. "Paternal Childcare and Parental Leave Policies: Evidence from Industrialized Countries." *Review of Economics of the Household* 12(1): 129-158.
- <sup>120</sup> H. Stephen Kaye, Charlene Harrington, and Mitchell P. LaPlante. 2010. "Long Term Care: Who Gets It, Who Provides It, Who Pays, and How Much?" *Health Affairs* 29(1): 11-21.
- <sup>121</sup> National Alliance for Caregiving (2009).
- <sup>122</sup> Seventy-three percent of people who are part of Generation X are in dual income couples where both partners work, while only 47 percent of the Baby Boom generation has a full-time working spouse. Brigid Schulte. May 5, 2015. "Millennials Want a Work-Life Balance. Their Bosses Just Don't Get Why." *Washington Post*, retrieved from [http://www.washingtonpost.com/local/millennials-want-a-work-life-balance-their-bosses-just-dont-get-why/2015/05/05/1859369e-f376-11e4-84a6-6d7c67c5odbo\\_story.html](http://www.washingtonpost.com/local/millennials-want-a-work-life-balance-their-bosses-just-dont-get-why/2015/05/05/1859369e-f376-11e4-84a6-6d7c67c5odbo_story.html) (last visited June 30, 2015). Generation X is an increasing proportion of the "sandwich generation," with a living parent over 65 and one or more children under 18. Pew Research Center. 2013. *The Sandwich Generation: Rising Financial Burdens for Middle-Aged Americans*, retrieved from <http://www.pewsocialtrends.org/2013/01/30/the-sandwich-generation/> (last visited June 25, 2015) (survey defines Generation X as adults who were 32-47 in 2012).
- <sup>123</sup> Bureau of Labor Statistics. 2013. *Unpaid Eldercare in the United States 2011-2012: Estimates from the American Time Use Survey*, retrieved from <http://www.bls.gov/news.release/pdf/elcare.pdf>. This survey defined eldercare very broadly, to include any unpaid care provided to another individual age 65 or over, whether a household member or not.
- <sup>124</sup> Metlife (2011); National Alliance for Caregiving (2009).
- <sup>125</sup> Eliza K. Pavalko and Kathryn Henderson. 2006. "Combining Care Work and Paid Work: Do Workplace Policies Make a Difference?" *Research on Aging* 28(3): 359-374.
- <sup>126</sup> Family Values at Work. "Dorcas' Story – A Home Health Aide and Her Dying Mother," retrieved from <http://familyvaluesatwork.org/story/dorcas-story-a-home-health-aide-and-her-dying-mother#sthash.DwIjTeDy.sPwI14oc.dpbs> (last visited July 16, 2015).
- <sup>127</sup> Rebecca Leber. June 3, 2015. "How Do You Get GOP Lawmakers To Support Paid Leave? Show Them It Works." *The New Republic*, retrieved from <http://www.newrepublic.com/article/121947/republican-changes-position-paid-family-leave> (last visited July 16, 2015).
- <sup>128</sup> Anthony T. LoSasso and Richard W. Johnson. 2002. "Does Informal Care From Adult Children Reduce Nursing Home Admissions for the Elderly?" *Inquiry* 39: 279-297.
- <sup>129</sup> Angelina Grigoryeva. 2014. "When Gender Trumps Everything: The Division of Parent Care Among Siblings." *Center for the Study of Social Organizations Working Paper #9*, retrieved from <http://www.princeton.edu/csso/working-papers/WP9-Grigoryeva.pdf>; Susan L. Ettner. 1995. "The Impact of Parent Care on Female Labor Supply Decisions." *Demography* 32 (1): 63-80; Metlife (2011); National Alliance for Caregiving (2009).
- <sup>130</sup> National Alliance for Caregiving (2009), as updated in 2012, <https://caregiver.org/selected-caregiver-statistics>.
- <sup>131</sup> Metlife (2011) at 14.
- <sup>132</sup> Kerstin Aumann, et al. 2008. *The Eldercare Study: Everyday Realities and Wishes for Change*. Families and Work Institute.
- <sup>133</sup> Personal story, unpublished, shared by the National Partnership for Women and Families, July 1, 2015.
- <sup>134</sup> Bloomberg Business. January 23, 2015. "This Oregon Restaurant Just Gave Its Workers Paid Parental Leave," retrieved from <http://www.bloomberg.com/news/articles/2015-01-23/the-laughing-planet-caf-paid-maternity-leave> (last visited June 28, 2015).

- <sup>135</sup> Boushey and Glynn (2012).
- <sup>136</sup> Grover and Crooker (1995).
- <sup>137</sup> Waldfogel, Higuchi and Abe (2009).
- <sup>138</sup> Baker and Milligan (2008).
- <sup>139</sup> Laszlo Bock. 2015. *Work Rules! Lessons From Inside Google That Will Transform How You Live and Lead*. New York: Twelve, Hachette Book Group, at 280-81.
- <sup>140</sup> Harrington, et al (2014).
- <sup>141</sup> EY (Formerly Ernst and Young). 2015. *Global Generations: A global study on work-life challenges across generations/ Detailed Findings*, at 20, retrieved from, [http://www.ey.com/Publication/vwLUAssets/EY-global-generations-a-global-study-on-work-life-challenges-across-generations/\\$FILE/EY-global-generations-a-global-study-on-work-life-challenges-across-generations.pdf](http://www.ey.com/Publication/vwLUAssets/EY-global-generations-a-global-study-on-work-life-challenges-across-generations/$FILE/EY-global-generations-a-global-study-on-work-life-challenges-across-generations.pdf) (last visited July 8, 2015).
- <sup>142</sup> Appelbaum and Milkman (2011).
- <sup>143</sup> Ellen Ernst Kossek and Cynthia Osseki. 1999. "Bridging the Work-Family Policy and Productivity Gap: A Literature Review." *Community, Work and Family* 2(1):7-32.
- <sup>144</sup> Christine Siegworth Meyer et al. 2001. "Work Family Benefits: Which Ones Maximize Profits?" *Journal of Management Issues* 13(1): 28-44; Michelle M. Arthur and Allison Cook. 2004. "Taking Stock of Work-Family Initiatives: How Announcements of "Family-Friendly" Human Resource Decisions Affect Shareholder Value." *Industrial and Labor Relations Review* 57(4): 599-613; Thomas J. Clifton and Edward Shepard. 2004. "Work and Family Programs and Productivity: Estimates Applying a Production Function Model." *International Journal of Manpower* 25(8): 714-728.
- <sup>145</sup> Secretary Tom Perez. October 29, 2014. "Exploring New Models of Workforce Innovation." *U.S. Department of Labor Blog*, retrieved from <http://blog.dol.gov/2014/10/29/exploring-new-models-for-workforce-innovation/> (last visited July 17, 2015).
- <sup>146</sup> Nanette Fondas. May 1, 2013. "Marissa Meyer's Potential Revolutionary Paternity Leave Policy." *The Atlantic*, retrieved from <http://www.theatlantic.com/sexes/archive/2013/05/marissa-mayers-potentially-revolutionary-paternity-leave-policy/275468/>; Dana Liebelson. May 28, 2013. "Can Facebook and Reddit Fix America's Maternity Leave Problem?" *Mother Jones*, retrieved from <http://www.motherjones.com/politics/2013/05/silicon-valley-maternity-leave-paternity-leave>. Heather Kelly. August 5, 2015. "Microsoft Bumps Up Its Parental Leave Benefits." *CNN Money*, retrieved from <http://money.cnn.com/2015/08/05/technology/microsoft-maternity-leave/index.html> (last visited August 15, 2015). Clair Cain Miller and David Streitfeld. September 1, 2015. "Big Leaps for Parental Leave, if Workers Actually Take It." *The New York Times*, retrieved from <http://www.nytimes.com/2015/09/02/upshot/big-leaps-for-parental-leave-if-workers-actually-follow-through.html?hp&action=click&pgtype=Homepage&module=second-column-region&region=top-news&WT.nav=top-news> (last visited September 1, 2015).
- <sup>147</sup> Lerner and Appelbaum (2014) (NJ); Appelbaum and Milkman (2011) (CA).
- <sup>148</sup> Appelbaum and Milkman (2011).
- <sup>149</sup> Lerner and Appelbaum (2014).
- <sup>150</sup> Winegarden and Bracy (1995); Ruhm (1998); Jaumotte (2003); Hegewisch and Gornick (2011).
- <sup>151</sup> Francine D. Blau and Lawrence M. Kahn. 2013. "Female Labor Supply: Why Is the US Falling Behind?" *Discussion Paper Series, German Institute for the Study of Labor No. 7140*, retrieved from <http://www.econstor.eu/bitstream/10419/69492/1/735335141.pdf>.
- <sup>152</sup> Andrea Bassanini and Danielle Venn. 2007. "Assessing the Impact of Labour Market Policies on Productivity: A Differences in Differences Approach." *OECD Social Employment and Migration Working Papers No. 54*, retrieved from <http://www.oecd.org/social/soc/38797288.pdf>.
- <sup>153</sup> Shinzo Abe. September 25, 2013. "Commentary: Shinzo Abe: Unleashing the Power of 'Womonomics.'" *The Wall Street Journal*, retrieved from <http://www.wsj.com/news/articles/SB10001424052702303759604579091680931293404> (quoting a 1999 study conducted by Goldman Sachs); Shinzo Abe. April 24, 2015. "When Women Thrive, So Will the World." *BloombergView*, retrieved from <http://www.bloombergview.com/articles/2015-04-24/when-women-thrive-so-will-the-world> (last visited July 8, 2015).
- <sup>154</sup> Heidi Shierholz. Dec. 19, 2014. "Paid Leave Is Good for Business." *U.S. Department of Labor Blog*, retrieved from <http://blog.dol.gov/2014/12/19/paid-leave-is-good-for-business/> (last visited June 30, 2015). Calculated by the DOL Office of the Chief Economist using the following methodology: In 2013, the labor force participation rate of women age 25-54 in the U.S. was 73.9 percent, compared with 82.4 percent in Germany and 82.5 percent in Canada. If the U.S. had the same rate as Canada or Germany, there would be around 5.5 million more women age 25-54 in the labor force in the U.S. Those additional workers would increase the overall labor force in the U.S. by around 3.5 percent. GDP is equal to the size of the labor force times productivity times average hours worked per worker times one minus the unemployment rate. Applying a standard approximation implies that the percent change in the size of the labor force (in this scenario 3.5 percent) plus the percent change in productivity (in this scenario zero) plus the percent change in average hours worked

(zero) plus the percent change in one minus the unemployment rate (zero) is equal to the percent change in GDP. Thus, all else equal, a 3.5 percent increase in the labor force would translate into a 3.5 percent increase in GDP, or well over \$500 billion dollars. Of course, if 5.5 million more workers joined the workforce, it is likely that not all else would be equal; productivity, average hours worked, or the unemployment rate might also change. Nevertheless, this exercise provides a broad-brushstroke sense of the amount of national income being “left on the table” due to the fact that the U.S. has lower female labor force participation than other peer countries.

<sup>155</sup> The White House: Office of the Press Secretary. January 14, 2015. *FACT SHEET: White House Unveils New Steps to Strengthen Working Families Across America*, retrieved from <https://www.whitehouse.gov/the-press-office/2015/01/14/fact-sheet-white-house-unveils-new-steps-strengthen-working-families-acr> (last visited July 17, 2015).

<sup>156</sup> U.S. Department of Labor. September 24, 2014. *News Release: \$500K For Studies on Expanding Paid Family and Medical Leave provided by U.S. Department of Labor Grants*, retrieved from <http://www.dol.gov/opa/media/press/wb/WB20141206.htm>.

<sup>157</sup> President Barack H. Obama. January 15, 2015. *Presidential Memorandum: Modernizing Federal Leave Policies for Childbirth, Adoption and Foster Care to Recruit and Retain Talent and Improve Productivity*, retrieved from <https://www.whitehouse.gov/the-press-office/2015/01/15/presidential-memorandum-modernizing-federal-leave-policies-childbirth-ad> (last visited July 17, 2015).

<sup>158</sup> White House Fact Sheet (2015).

<sup>159</sup> In addition to these DOL resources, other national government surveys have collected useful data related to leave. For example, the National Health Interview Survey collects data related to sick leave and the Survey of Income and Program Participation previously collected data on maternity leave.



United States Department of Labor