

# Paid Family Leave: Study of City Workers in NYC

## **Paid Family Leave Benefits Health**

Paid family leave has important health benefits, particularly for mothers and newborns. In the United States, research has found that paid family leave is associated with higher breastfeeding initiation, duration and exclusivity,<sup>1,2</sup> improved well-baby care<sup>3</sup> and improved mental health outcomes.<sup>4</sup> With support from the U.S. Department of Labor, the New York City Department of Health and Mental Hygiene conducted a survey of 1,000 women who had given birth in New York City (NYC) in 2014. This survey, the NYC Work and Family Leave Survey, found that the duration of leave matters for health, but economic circumstances often dictate the amount of time a mother can take. More than half of mothers reporting economic hardship returned to work in less than 6 weeks,<sup>5</sup> which is less than the typical disability period following childbirth.<sup>6</sup>

The NYC Work and Family Leave Survey found that length of leave taken from work after childbirth was associated with mothers' general health, experiences of significant depression and exclusive breastfeeding for 3 months or more.<sup>7</sup> Mothers who took less than 6 weeks of leave were nearly three times more likely to self-report depression of 2 weeks or more in the year following the birth (OR=2.76) than mothers who took more than 6 weeks of leave. Mothers taking less than 4 weeks of leave (OR=1.97) were more likely to report fair/poor health than those taking more than 4 weeks of leave.<sup>8</sup> We also found that the length of leave matters for child health, as women who took 12 or more weeks leave were more likely to exclusively breastfeed for three months or longer compared to women who took less than 12 weeks leave (61.3% vs. 53.8%).<sup>9</sup>

In addition to the importance of postpartum leave for mother and child health, research has also shown the benefits of other types of paid family leave. For example, when parents take longer work leaves to care for their seriously ill children, child physical and emotional health is positively impacted.<sup>10</sup> Further, elderly patients cared for by family members have significantly shorter hospital stays and recover faster from illness.<sup>11</sup> Paid family leave has also been shown to benefit the emotional health of the care giver.<sup>12</sup>

## **Access to Paid Family Leave Benefits is Growing in the Private Sector**

Under the federal Family and Medical Leave Act (FMLA), all employees who have worked more than a year and at least 1250 hours have the right to up to 12 weeks of leave a year for personal illness, bonding with a new child, care of an ill family member and certain military exigencies including public sector employees working for a government of any size, but the law does not mandate that the leave be paid. Recent state-led paid family leaves policies in California, Rhode Island and New York have excluded public sector employees from mandatory coverage. These states have provided a mechanism for public sector employees to opt in to the state's program. New Jersey's paid leave program only provides benefits to public sector employees if they are covered by the state's Temporary Disability Insurance Plan, which is not true of many public employees in New Jersey (e.g., Members of the Division of State Police in the Department of Law and Public Safety).<sup>13</sup>

Beginning in 2018, New York State will offer one of the country's most generous paid family leave programs to date to more than 6.4 million private-sector workers.<sup>14</sup> By 2021, eligible workers will be able to take up to 12 weeks of paid leave each year, receiving up to 67% of their weekly wages, capped at nearly \$850/week based on the current average weekly wage in New York.<sup>15,16</sup> Workers will be eligible for this benefit after 6 months of working for a private-sector employer, regardless of their employer's size, as well as job protection and continuation of health care benefits. The New York State paid family leave benefit will be available to bond with a new child within one year of a child's birth, placement in foster care, or adoption, to care for a seriously ill family member, or to address certain legal, financial, and childcare-related military family needs.<sup>17</sup> The law does not automatically apply to those working in the public sector.

Similarly, municipalities have taken action, for example, Washington, DC has passed legislation to provide up to eight weeks of parental leave and up to 6 weeks for family care at up to 90% pay beginning in 2020 for private sector workers, and San Francisco will require employers in the private sector to provide workers with 6 weeks of parental leave at up to 100% of pay beginning January 2017.

### **Access to Paid Family Leave For City Workers**

There are roughly 560,000 public sector employees in NYC who work for federal, state and local governments;<sup>18</sup> roughly 360,000 of these are employed by NYC ("City Workers").<sup>19</sup> City Workers are predominantly unionized (91%);<sup>20</sup> for unionized employees paid parental leave and disability benefits are subject to collective bargaining. Where such benefits are available to union represented employees they are typically offered by union welfare funds which the City supports with financial contributions but does not dictate benefits. A much higher proportion of City Workers are women when compared to the private sector (58% vs 49%).<sup>21</sup> Fifty two percent of City Workers are of childbearing age (20 to 45), and 22% are over the age of 55.<sup>22</sup> These age groups, which are three quarters of all City Workers, tend to be more likely to need to take family leave either to bond with a new child or care for a seriously ill family member.<sup>23</sup>

Public sector employees (local, state, and federal) participating in the NYC Work and Family Leave Survey were more likely than those working in the private sector to report that they returned to work because they had not accrued enough leave (55.7% vs. 34.6% of private sector workers).<sup>24</sup>

In late 2015, NYC Mayor de Blasio demonstrated the City's commitment to its municipal workforce by establishing a Paid Parental Leave benefit for bonding with a new child which provides 6 weeks of paid leave at 100% of salary (pro-rated for part-time employees). This benefit was established by Executive Order and is available to the 20,000 managerial service City Workers whose benefits are under direct Mayoral control. In the case of union-represented employees, the issue of paid family leave will continue to be addressed in collective bargaining between the City and the unions representing the municipal workforce. At present, many City Workers in need of leave for family care purposes are able to take paid leave by using their accrued leave.

## **Gaps in Knowledge**

The general literature on leave suggests that there are large inequities in availability, use, and income replacement for caregiving leave.<sup>25</sup> Some of these may be attributable to differences across employers' leave policies. NYC is a very large employer with similar leave policies across its workforce (although with some variability based on an employee's work week, tenure, union affiliation and whether they are a uniformed or civilian employee). By understanding current leave-taking among City Workers and evaluating differences in leave data by race, gender and income after an FMLA-eligible event (such as the birth of a child), we can help determine the potential equity benefits of providing additional paid family leave. It should be noted that the study began prior to the implementation of the new paid parental leave benefit for managerial employees.

## **Study Objectives**

The purpose of this study is to assess current leave taking among City Workers for an FMLA-qualifying purpose and to assess whether there are leave-taking disparities by gender, race, salary, tenure and other factors. Due to data availability, this has been limited to employees welcoming a new child by means of birth or adoption. This study evaluates how many City Workers took leave, and how much paid and unpaid leave City Workers took in the 12 months after the birth or adoption of their child or children (the "event"). The study data enables the assessment of the potential equity benefits and feasibility of a paid family leave policy.

## **Methodology**

### Data Sources, Sample, and Measures

We used de-identified administrative data on City Workers. Our sample was comprised of City Workers who were enrolled in a city-sponsored health insurance plan and added a new child dependent to their policy due to birth or adoption between 2011 and 2015. To be eligible for city-sponsored health insurance, City Workers must work at least 20 hours per week and be expected to work for a period of at least six months.<sup>26</sup> Approximately 90% of eligible City Workers participate in city-sponsored health insurance. The NYC Department of Citywide Administrative Services (DCAS) provided demographic and employment history data for City Workers who met sample criteria and were from agencies using the NYC Automated Personnel System (NYCAPS) under their authority.<sup>27</sup> The Office of Payroll Administration (OPA) provided historical data on leave use for City Workers in the sample using the Payroll Management System (PMS). Approximately 200,000 of the roughly 360,000 City Workers are employed by entities for which we had both employment and leave data to assess. It should be noted that certain employees, such as teachers (who are 77% female and more than 20% of City Workers) and those working for NYC Health + Hospitals (who are 68% female and about 10% of City Workers)<sup>28</sup> are not included in the sample as we did not have both their employment and leave data to assess. Of the entities included in our sample, 60% of those using city-sponsored health insurance were men and 40% were women.

In order to assess leave balances up to a year after having a child, we excluded City Workers who 1) added a child by birth or adoption who was greater than one year of age, 2) left their City job less than a year after the birth/adoption, 3) had missing leave information. We also de-duplicated records of City Workers who added multiple children at the same time (e.g., with a twin birth). The final sample contained 20,269 unique City Workers and 23,495 events.

The primary outcome measure of interest was City Worker paid and unpaid leave used (including consecutive and intermittent days) up to 12 months after the birth or adoption of a child dependent added to their city-sponsored health insurance plan. This report does not include periods of time where an employee was on an approved leave of absence.<sup>29</sup> Unpaid leave only includes periods recorded as such on an employee's time sheet.<sup>30</sup> Paid leave included all time for which an employee was provided full pay, including accrued annual leave, sick and compensatory time as well as other paid leave categories. It did not include any paid family leave, as a full year's leave information was not available for City Workers who benefitted from NYC's new Paid Parental Leave program which went into effect in the final weeks of 2015.<sup>31</sup> We also examined paid leave balances available one year after adding a child dependent to the health insurance plan.

We examined demographic characteristics including employee sex, age and race/ethnicity (Hispanic, White, Black, Asian, American Indian, and Other/Unknown). We also examined employment characteristics, including tenure with the city, pay rate and managerial status. Tenure was calculated by subtracting the employee start date from the date a dependent was added to insurance. Income categories (<\$40K, \$40-59K, \$60-79K, \$80-99K, and \$100-300K) were created based on the pay rate provided.<sup>32</sup> In converting pay rates to equivalent annual income, we adjusted by year for inflation.<sup>33</sup>

Median paid, unpaid, total leave and leave balance was estimated separately for civilian and uniformed employees and male and female employees by race/ethnicity and income category. Median, rather than mean, values were calculated to account for outliers.

## **Results:**

There were approximately 23,500 employees who added a newborn or adopted child to their health insurance plan from 2011 to 2015

- 76.7% were men, 23.3% were women
- Of men, 31.5% were civilian and 68.6% were uniformed
- Of women, 70.4% were civilian and 29.6% were uniformed
- Almost 40% of the sample employees were between 30-34 years of age
- The majority of employees had 5 or more years of service at the time of the birth/adoption (75.1%)
- Roughly 2% (2.27%) were managerial employees

<b>Annual Utilization of Leave in Year After Becoming New Parent Among <u>Civilian Employees</u>, by Gender, Race/Ethnicity, and Salary.</b>								
	New Parents	Percent Sample	Median Tenure (years)	Median Total Time Taken (weeks)	Median Paid Time Taken (weeks)	Percent Using Unpaid Time	Median Unpaid Time Taken Among Those Using Any Unpaid Time (days)	Median Paid Leave Balance Available At End of Year (days)
<b>Females</b>	<b>3,859</b>	<b>40.5%</b>	<b>6.1</b>	<b>10.8</b>	<b>5.5</b>	<b>74.3%</b>	<b>19.0</b>	<b>10.3</b>
<b>Race/Ethnicity</b>								
Hispanic	697	18.1%	6.6	11.5	6.2	73.2%	19.5	10.2
White	852	22.1%	6.3	11.4	6.6	62.8%	21.0	13.0
Black	1,698	44.0%	6.2	10.0	4.8	80.1%	18.2	8.5
Asian	328	8.5%	5.6	11.1	6.6	73.8%	16.0	14.3
Other/Unknown	284	7.4%	4.6	10.9	5.3	77.8%	22.1	10.4
<b>Income</b>								
Under \$40K	1,202	31.1%	4.2	8.5	3.8	82.7%	18.0	6.1
\$40k-\$59k	1,406	36.4%	6.3	11.0	5.2	75.3%	22.0	9.9
\$60k-\$79k	613	15.9%	7.1	11.7	7.7	70.3%	15.5	13.2
\$80k-\$99k	417	10.8%	8.2	13.6	10.9	63.1%	18.0	17.3
\$100k-\$300k	221	5.7%	10.0	12.8	10.2	54.8%	18.1	23.3
<b>Males</b>	<b>5,665</b>	<b>59.5%</b>	<b>7.8</b>	<b>6.9</b>	<b>6.4</b>	<b>46.9%</b>	<b>1.5</b>	<b>36.5</b>
<b>Race/Ethnicity</b>								
Hispanic	989	17.5%	8.3	7.6	7.0	46.4%	1.3	30.5
White	2,472	43.6%	8.9	6.9	6.5	40.3%	1.3	36.3
Black	1,112	19.6%	7.7	7.2	6.6	61.3%	1.9	34.3
Asian	719	12.7%	6.0	5.8	5.4	47.0%	1.3	49.8
Other/Unknown	373	6.6%	5.5	6.8	6.4	49.3%	2.0	34.6
<b>Income</b>								
Under \$40K	787	13.9%	3.1	6.8	6.0	63.7%	2.0	26.0
\$40k-\$59k	1,430	25.2%	6.3	7.2	6.5	50.4%	1.9	34.4
\$60k-\$79k	1,235	21.8%	7.7	6.6	6.2	48.8%	1.1	38.4
\$80k-\$99k	1,569	27.7%	10.3	7.0	6.8	39.4%	1.2	36.5
\$100k-\$300k	644	11.4%	14.0	6.6	6.4	33.4%	2.0	57.3
<b>Total</b>	<b>9,524</b>		<b>7.1</b>	<b>7.8</b>	<b>6.2</b>	<b>58.0%</b>	<b>4.4</b>	<b>22.8</b>

**Annual Utilization of Leave in Year After Becoming New Parent Among Uniformed Employees,  
by Gender, Race/Ethnicity, and Salary.**

	New Parents	Percent Sample	Median Tenure (years)	Median Total Time Taken (weeks)	Median Paid Time Taken (weeks)	Percent Using Unpaid Time	Median Unpaid Time Taken Among Those Using Any Unpaid Time (days)	Median Paid Leave Balance Available At End of Year (days)
<b>Females</b>	<b>1,621</b>	<b>11.6%</b>	<b>7.7</b>	<b>17.1</b>	<b>16.1</b>	<b>51.3%</b>	<b>3.2</b>	<b>17.4</b>
<b>Race/Ethnicity</b>								
Hispanic	464	28.6%	8.1	17.4	16.8	39.0%	2.3	15.2
White	307	18.9%	8.9	17.6	17.2	35.2%	1.5	22.2
Black	584	36.0%	7.9	16.9	15.8	66.8%	4.2	17.6
Asian	15	0.9%	9.1	12.5	12.5	20.0%	2.2	16.4
Other/Unknown	251	15.5%	4.2	15.6	14.2	59.4%	4.2	13.8
<b>Income</b>								
Under \$40K	19	1.2%	2.5	9.6	8.1	84.2%	19.4	11.0
\$40k-\$59k	475	29.3%	3.8	14.1	13.2	60.2%	4.2	12.1
\$60k-\$79k	629	38.8%	8.9	18.0	17.3	50.1%	3.0	21.0
\$80k-\$99k	413	25.5%	8.3	17.9	17.1	44.8%	2.1	21.5
\$100k-\$300k	85	5.2%	13.8	18.8	18.8	34.1%	1.1	34.8
<b>Males</b>	<b>12,350</b>	<b>88.4%</b>	<b>8.4</b>	<b>9.3</b>	<b>7.4</b>	<b>38.8%</b>	<b>2.0</b>	<b>22.7</b>
<b>Race/Ethnicity</b>								
Hispanic	2,136	17.3%	8.0	8.5	7.5	46.0%	2.0	22.6
White	6,981	56.5%	9.2	10.9	7.6	30.6%	1.7	23.0
Black	1,166	9.4%	7.8	7.8	6.8	60.9%	3.2	22.8
Asian	680	5.5%	7.9	7.3	6.8	44.3%	1.1	31.9
Other/Unknown	1,387	11.2%	4.9	8.1	6.9	47.4%	2.1	18.7
<b>Income</b>								
Under \$40K	266	2.2%	1.3	4.8	4.5	63.9%	2.0	14.9
\$40k-\$59k	2,510	20.3%	3.5	6.7	5.4	49.8%	2.1	17.3
\$60k-\$79k	4,400	35.6%	9.0	9.2	7.7	44.6%	2.1	23.7
\$80k-\$99k	4,198	34.0%	9.1	13.3	7.9	25.6%	1.2	23.1
\$100k-\$300k	976	7.9%	14.2	9.6	8.3	33.9%	1.2	48.6
<b>Total</b>	<b>13,971</b>		<b>8.3</b>	<b>10.1</b>	<b>7.8</b>	<b>40.2%</b>	<b>2.1</b>	<b>22.3</b>

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<sup>29</sup> City Workers may be granted up to a 4 year continuous unpaid leave of absence for each child, known as City Child Care Leave. This leave is available to employees regardless of whether they have paid leave balances available or are ineligible for or have exhausted their use of FMLA leave.

<sup>30</sup> City Workers must have a timesheet submitted for them in order to get paid and for their City-sponsored health benefits to continue. This report does not account for time individuals took while granted an approved unpaid child care leave of absence once paid leave balances and FMLA entitlements were exhausted.

<sup>31</sup> Although City Workers were identified based on having a birth or adoption occurring in 2011-2015, leave data was only available through mid-November, 2016. Any events occurring less than a year before leave data extraction were excluded from the final sample.

<sup>32</sup> If a record was missing data on pay rate at the time of the birth or adoption of their child, but pay rate was available for a later date, we imputed the pay rate from that most proximal to the birth or adoption.

<sup>33</sup> Inflation adjustments were based on the Consumer Price Index (CPI) for all Urban Consumers in the New York-Northern New Jersey-Long Island Area, re-indexed to June 2015. <http://data.bls.gov/cgi-bin/surveymost?cu> (New York All Items).