

## Paid Family and Medical Leave

# Goals of the Unit

- 1 Analyze the costs and benefits of Paid Family and Medical Leave on children.
- 2 Analyze the costs and benefits of Paid Family and Medical Leave on parents.
- 3 Develop your own stance on the issue, using current research

# Background on Family and Medical Leave

- **Family Leave:** The ability to *temporarily* leave work for an *extended period* of time to attend to a family issue.
  - ▶ Birth of a child.
  - ▶ Serious illness of another family member (child, partner, or parent are the common ones).
- **Medical Leave:** The ability to *temporarily* leave work for an *extended period* of time to attend to a personal medical issue.
- These are separate from paid time off (PTO) at your job. PTO covers a few weeks a year. These leaves can cover months.
- These leaves *do not need to be paid*. Rather they can only guarantee you get your job back.
- Though technically separate reasons for leaving work, legally they are two different reasons.

# Leave in the United States

- Family and Medical Leave Act of 1993 currently governs the *Federal* leave.
  - ▶ Provides 12 weeks of *unpaid* leave a year.
  - ▶ However, your job is protected.
- Reasons to use the leave:
  - ▶ For the birth and care of the newborn child of an employee.
  - ▶ For placement with the employee of a child for adoption or foster care.
  - ▶ To care for an immediate family member (i.e., spouse, child, or parent) with a serious health condition.
  - ▶ To take medical leave when the employee is unable to work because of a serious health condition.
- What if you can't afford to not get paid?
- Department of Labor Explainer:  
<https://www.dol.gov/general/topic/benefits-leave/fmla>

# Paid Leave in the United States

- There is currently no *Federal* Paid Leave Program.
  - ▶ Democrats have proposed Paid Leave Programs, however none have been passed into law.
- Paid Leave is offered by the individual states. States need to pass laws to enact Paid Leave.
  - ▶ California was the first state in the nation to have Paid Leave; enacted in 2002.
  - ▶ California helps fund Paid Leave with its State Disability Insurance (SDI) tax.
- Some companies offer paid leave as part of their compensation packages.

# States with Paid Leave

- California
- New Jersey
- Rhode Island
- New York
- District of Columbia
- Washington
- Massachusetts
- Connecticut
- Oregon
- Colorado
- Maryland
- Delaware

## Paid Leave in Other Countries

- The United States is the only country without some form of Paid Maternity Leave, among OECD Countries.
  - ▶ OECD Countries are a collection of high-income countries; most of Europe, Canada, etc.
- Most OECD countries also offer paid Paternity Leave.
- A majority of OECD countries offer paid Family and Medical Leave.

# Legalese for Paid Leave

- How many weeks of paid leave?
  - ▶ For individual states 8 or 12 weeks is common.
- What does the leave cover?
- How much money does the recipient receive a week?
  - ▶ It is usually a percentage of current income.
  - ▶ There is also a maximum weekly benefit.
- Eligibility Requirements?
  - ▶ How many hours does someone need to have been working?
  - ▶ Required to work for the same employer for a set number of weeks?
  - ▶ A minimum amount of income in the previous year?
- How is the Leave paid for?
  - ▶ Often a Payroll Tax; split between employer and employee? What tax rate?
- Exemptions for small employers?



# Ethical Questions

- Should we let people get paid to not work?
  - ▶ What are 'good' reasons for people to get paid while not working?
  - ▶ What if they don't return to work?
- How do we raise revenue?
- Is Paid Leave 'fair'?
- Should the length of leave increase (or decrease)?
- Should the size of the weekly benefit increase?
- Others?

# Demographic and Qualitative Information We'd Want

- What Percentage of people are legible for paid leave? Are these people systematically different than the general population (perhaps by occupation)?
- What percentage of eligible people take advantage of the leave? Are these people 'different' (Income and age?)
- If people do not take the paid leave, do we know why?
- What percent take the full time? If not why?
- Others?

# Research Questions

- Did the paid leave lead to better outcomes for the mother? the child? fathers?
  - ▶ What outcomes should we be interested in?
- Did people return to their jobs after using the leave?
- Were employers negatively affected while workers were on leave?
- Are certain people not taking their benefits? Why? What can be done to reach them?
- What if we marginally increased the weekly benefit? the duration?
- Does Government-provided paid leave crowd-out privately provided leave?
- Does Paid Family Leave pass a cost–benefit test?
- Others?

# Political Economy Considerations

- Why is the US the only country without Paid Family Leave?
- Why has nothing been passed at the Federal Level?
- Why have some states been successful in passing a form of Paid Leave?
- Others?

## Some Explainers

- Kaiser Family Foundation:  
<https://www.kff.org/womens-health-policy/fact-sheet/paid-leave-in-u-s/>
- Bipartisan Policy: <https://bipartisanpolicy.org/explainer/state-paid-family-leave-laws-across-the-u-s/>
- Equitable Growth: <https://equitablegrowth.org/factsheet-what-does-the-research-say-about-the-economics-of-paid-leave/>