

# EMPLOYMENT

## FACT SHEET

### **Paid Leave is Crucial for Women and Families**

December 2013

*When workers need to take time away from work to care for their families or for their own illness, few have access to employer-provided paid family and medical leave. As a result, workers who take time off often face a significant loss of income. The Family and Medical Insurance Leave Act (FAMILY Act) would solve this problem by providing partial wage replacement for up to twelve weeks to workers to address a serious health condition, care for a sick family member, or care for a newborn, newly-adopted child, or newly-placed foster child. This commonsense solution is crucial to meeting the needs of the twenty-first century workforce.<sup>1</sup>*

#### **Now More Than Ever, Women and Families Need Paid Leave**

Nearly all workers need to take time away from work at some point during their careers because of a serious personal or family illness or to care for a new child. Yet, only 12 percent of workers in the United States have paid family leave through their employers and fewer than 40 percent have personal medical leave through an employer-provided short-term disability program.<sup>2</sup> Access to paid leave is even more limited for women of color.<sup>3</sup> Younger women and women with lower education levels are more likely to be lower-income, and therefore less likely to have paid leave than women who are older and more educated.<sup>4</sup>

Women make up almost half of today's workforce.<sup>5</sup> Four in ten American households with children under age 18 now include a mother who is either the sole or primary earner for her family.<sup>6</sup> This number has almost quadrupled since 1960 and includes 8.6 million single mothers.<sup>7</sup>

Men are now playing a greater role in the household, but women are still far more likely to be the primary caregivers. Sixty-six percent of women in dual-earner couples report taking greater responsibility for routine child care than their male partners.<sup>8</sup> Seventy percent of women also report taking time off from work because

of children's needs, in comparison to only 30 percent of men.<sup>9</sup>

Lack of paid leave compounds the financial hardships that many women already face. Women experience poverty at far higher rates than men.<sup>10</sup> In addition, poverty rates are particularly high for single-mother families. In 2012, more than half of poor children lived in female-headed households.<sup>11</sup> Low-wage workers are far less likely than other workers to have access to paid family leave: only four percent of low-wage workers have access to paid leave, as compared to 22 percent of high-wage workers.<sup>12</sup> Today women make up nearly two-thirds of those in minimum wage jobs.<sup>13</sup> Additionally, 60 percent of the jobs gained by women during the Great Recession were in the 10 largest low-wage occupations (those that typically pay less than \$10.10 an hour).<sup>14</sup> These workers can least afford to take unpaid time off from work for their own illness or to care for a loved one.

Not only are women more likely than men to work in jobs that pay low wages, women earn less than men in nearly every occupation across the income spectrum.<sup>15</sup> On average, American women who work full-time, year-round are paid only 77 cents for every dollar paid to their male counterparts.<sup>16</sup> For women of color, the gap is even larger.<sup>17</sup> Unpaid time out of the workforce contributes to the gender wage gap, which adds up to a

lifetime earnings gap of \$464,300.<sup>18</sup> Across the income spectrum, paid leave is crucial to achieving economic security for women and families.

## **A National Paid Leave Program Will Build on the Success of the FMLA and State Paid Leave Programs**

The Family and Medical Leave Act (FMLA) provides up to 12 weeks of unpaid, job-protected leave for personal and family serious health events.<sup>19</sup> Over the last 20 years, America's workers have used the FMLA more than 100 million times to take time off work when they need it most. Ninety-one percent of employers report that complying with the FMLA has had either a positive effect or no noticeable effect on employee absenteeism, turnover, and morale.<sup>20</sup> The FMLA provides important job protections for women and families, but nearly 40 percent of the workforce is not eligible. Of those who qualify for FMLA, nearly half are unable to use it for financial reasons.<sup>21</sup> The FMLA was always intended as a first step and the FAMILY Act will build on its success.

States have already begun to move in this direction. California, New Jersey, and Rhode Island have created insurance programs that provide paid leave to workers.<sup>22</sup> These states represent 15 percent of the U.S. population in the United States.<sup>23</sup>

Other countries have also recognized the importance of paid family leave. Of 167 countries studied by the International Labor Organization, almost all (98 percent) provide cash benefits to women during maternity leave.<sup>24</sup> Only four countries—Lesotho, Papua New Guinea, Swaziland, and the United States—provide some maternity leave without pay.<sup>25</sup> Forty-eight percent of countries studied provided at least 14 weeks of maternity leave. The United States is the only industrialized country in the world that does not offer a guaranteed paid leave program.<sup>26</sup>

## **The Family and Medical Insurance Leave Act Provides a Solution**

The FAMILY Act is a legislative proposal that would ensure that workers can afford to take leave when they need it. It would provide benefits equal to 66 percent of workers' typical monthly wages, up to a capped monthly amount indexed to the national average wage

index.<sup>27</sup> If a worker took the maximum amount of leave, the benefits would range from a minimum of \$580 to a maximum of \$4,000 per month.<sup>28</sup> The FAMILY Act would cover workers regardless of employer size.

The FAMILY Act is also entirely self-funded. It would create an independent trust fund within the Social Security Administration with sufficient funding to administer the program as well as cover the benefits. The trust fund would be funded through employee and employer contributions of two-tenths of one percent of a worker's wages. For the average worker, this would amount to less than two cents for every \$10 paid.<sup>29</sup>

The FAMILY Act will mean healthier families. More workers will be able to take care of themselves when they are sick; receive necessary, critical care; and take time to recover. With paid leave, more parents will be able to care for their newborn babies and sick children. This means that newborns are more likely to be breastfed, which brings cost savings and health benefits for mother and baby.<sup>30</sup>

The FAMILY Act is also good for employers. Paid leave means workers are less likely to quit for family or medical reasons and therefore reduces worker replacement costs, which can cost employers one-fifth of an employee's salary.<sup>31</sup> Additionally, turnover declines when workers are able to afford to take time off to care for a new child or address a personal or family illness.

## **Conclusion**

Paid family leave is a commonsense solution to the pressing needs of today's workforce. It is crucial for employers, employees, families, and our nation. There is simply no excuse for America to continue to lag behind every other industrialized country by failing to provide paid leave to its workers. Healthy workers are the backbone of the American economy. Their children are the workforce of the next generation. When workers and their families get sick, we should make certain they can take the time they need to get better. Our competitiveness as a nation and our integrity depend on it.

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- 3 Heather Boushey and Sarah Jane Glynn, *The Many Benefits of Paid Family and Medical Leave*, Center for American Progress (November 2012), available at <http://www.americanprogress.org/wp-content/uploads/2012/11/GlynnModelLegislationBrief-2.pdf> (PDF).
- 4 See Carmen DeNavas-Walt, et. al., *Income, Poverty, and Health Insurance Coverage in the United States: 2012*, U.S. Census Bureau (September 2013), available at <http://www.census.gov/prod/2013pubs/p60-245.pdf> (PDF).
- 5 NWLC calculations based on Bureau of Labor Statistics, Current Population Survey, Household Data, Annual Averages, 3. Employment status of the civilian non-institutional population by age, sex, and race, 2012, available at <http://www.bls.gov/cps/cpsaat03.htm>.
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- 8 Ellen Galinsky, et. al., *Times are Changing at Work and at Home*, Families and Work Institute (August 2011) at 17, available at [http://familiesandwork.org/site/research/reports/Times\\_Are\\_Changing.pdf](http://familiesandwork.org/site/research/reports/Times_Are_Changing.pdf) (PDF).
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- 10 NWLC, *Insecure & Unequal: Poverty Among Women and Families 2000-2012* (September 2013), available at <http://www.nwlc.org/resource/insecure-unequal-poverty-among-women-and-families-2000-2012>.
- 11 *Id.*
- 12 U.S. Department of Labor, Bureau of Labor Statistics, *National Compensation Survey* (March 2013), Table 32. Leave Benefits: Access, civilian workers, available at <http://www.bls.gov/ncs/ebs/benefits/2013/ownership/civilian/table21a.htm>. Low-wage refers to occupations in the lowest 10 percent of the average wage distribution; high-wage refers to occupations in the highest 10 percent.
- 13 NWLC, *Fair Pay for Women Requires Increasing the Minimum Wage and Tipped Minimum Wage* (October 2013), available at <http://www.nwlc.org/resource/fair-pay-women-requires-increasing-minimum-wage-and-tipped-minimum-wage>.
- 14 NWLC, *60 Percent of Women's Job Gains in the Recovery Are in the 10 Largest Low-Wage Jobs* (July 2013), available at <http://www.nwlc.org/sites/default/files/pdfs/60percentfactsheet.pdf>.
- 15 See NWLC, *How the Wage Gap Hurts Women and Families* (April 2013), available at <http://www.nwlc.org/resource/how-wage-gap-hurts-women-and-families>.
- 16 NWLC, *50 Years & Counting: The Unfinished Business of Achieving Fair Pay* (June 2013), available at <http://www.nwlc.org/resource/50-years-counting-unfinished-business-achieving-fair-pay>.
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