



MAY 2021 | FACT SHEET

# Paid Family and Medical Leave Will Support an Equitable Economic Recovery

The COVID-19 pandemic highlighted the deep gaps in our economic and social infrastructure that have resulted from decades of underinvestment and policy choices that failed to center the needs of women, people of color, and families. Yet even before the COVID-19 pandemic and the economic recession, too many working people lacked the support and protections to allow them to provide care for themselves and their loved ones. COVID-19 has made dramatically clear that this tradeoff leaves both working people and their loved ones who depend on them for care in an untenable position. We cannot go back to the way things were; only structural changes and sustained public investments can fix the deep underlying flaws in our social infrastructure so we can have an economy that works for everyone.

## Even before the pandemic, working people who most need paid family & medical leave were least likely to have it.

In 2019, [only 19 percent of workers in the United States had access to paid family leave](#) through their employers (i.e., paid time away from work to, for example, care for a family member with a serious health condition or a new baby), and just 40 percent had paid medical leave to address their own serious health conditions through an employer-provided short-term disability program. For people working in low-paid and part-time jobs—[most of whom are women](#)—access is even more limited; among workers in the lowest 25 percent of wage earners, for example, [only 9 percent had access to paid family leave](#). And while research shows [men increasingly want to take an equal share of caregiving](#), [women are still more likely than men to serve as primary caregivers](#), and are therefore more likely to need paid time off to ensure that their children or other family members receive the medical care and attention that they need.

Access to paid family and medical leave is also an issue of [racial justice](#). People of color have been hardest hit by the pandemic, but [racial and gender wealth gaps](#) mean that women of color and their families are less likely to have the economic resources to cushion the blow of an unforeseen illness or caregiving need. This reality leaves women of color and all working people with the impossible choice between taking care of themselves or their families and maintaining their financial security.

## Emergency paid leave helped protect workers' health and economic security during the pandemic, but fell short of meeting long-term needs.

The Families First Coronavirus Response Act (FFCRA), passed by Congress in the early weeks of the pandemic, required some employers to provide up to 10 weeks of paid, job-protected “public health emergency leave” for parents caring for children whose school, child care provider or usual source of care had closed.

The FFCRA was the first time the United States implemented a national paid leave program, and research shows that the law helped flatten the curve in the early days of the pandemic and was cost effective, with a lower price tag than the government initially predicted. There is also evidence from states with their own paid leave programs that having these protections in place helped workers better manage the impacts of the pandemic; claims for caregiving and medical leave increased in March 2020, but because the state programs were already up and running and supported through a dedicated source of funding workers were able to access the benefits quickly. Paid leave also helped employers during the pandemic: a recent survey found that companies that provided paid leave reported that those policies helped them adapt and respond to the crisis, and a survey of small employers found that nearly half reported having at least one employee take COVID-19-related paid sick leave or paid family leave.

Unfortunately, the FFCRA left too many working people without protection because of loopholes and carveouts for certain employers and did not provide benefits to people caring for their own long-term health needs. And because Congress failed to take action, the mandate to provide these benefits expired at the end of 2020. But the need for these protections will not end with the current health crisis. To fully recover from COVID-19 and guard against future pandemics, a permanent paid family and medical leave program that covers all workers must be part of our public health infrastructure.

## National and comprehensive paid family & medical leave is essential to an equitable economic recovery that supports working families.

Creating a national paid leave program would have widespread positive effects. In addition to promoting workforce attachment and economic stability and providing much needed support for caregiving, a comprehensive paid leave plan would contribute to improved health outcomes and could help lower health care costs. Guaranteeing paid time off work means people are more likely to stay home to recover when they fall ill and their loved ones are more likely to receive necessary medical check-ups and critical immunizations. Research also shows that paid leave strengthens businesses of all sizes by reducing turnover costs, increasing employee loyalty, and minimizing administrative and financial costs. And by ensuring access to paid family and medical leave for the women and families of color who have most often been excluded from these protections, a comprehensive, national plan would promote a more equitable economic recovery.

Policymakers can learn from the progress made at the state level and create a paid family and medical leave program that is comprehensive, inclusive, and economically viable for working people.

A national paid family and medical leave policy must include:

- **Meaningful duration and progressive wage replacement rate.** A paid family and medical leave program must provide at least 12 weeks of paid leave and replace all or most wages during leave to ensure that working people—especially those in low-paid jobs—can meaningfully access the benefit.
- **Broad coverage and job protection.** Paid family and medical leave must be available to all working people, including part-time workers and independent contractors. It must also give workers access to benefits quickly and guarantee that all workers are protected from retaliation for taking leave, can continue health insurance coverage during leave, and have the right to return to their jobs following leave.

- **Expansive and inclusive uses.** A strong paid leave policy must ensure that working people may take leave to care for themselves and their loved ones, including spouses, domestic partners, parents, children of any age, siblings, grandparents, grandchildren, and other individuals who comprise someone’s “chosen family.”
- **Stable funding source.** A national paid family and medical leave plan must be funded with new revenue—not through cuts or reductions to existing benefits from programs on which people rely. Small contributions shared by employers and working people will create a system to equitably and sustainably fund a permanent national paid leave program.

have been included in two new federal plans released in April 2021: the [Building an Economy for Families Act](#) introduced by House Ways & Means Committee Chairman Richard Neal, and the [American Families Plan](#) proposed by President Biden.

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Ensuring an equitable recovery requires us to address not only the long-term impacts of the recession on women of color and women more generally, but also the deep underlying flaws in our economy that made the pandemic so devastating for women of color and their families in the first place. It is clear that paid family and medical leave is a vital part of the care infrastructure we need to recover and build an economy that works for all of us.

## Federal plans would create a national paid family & medical leave program to address the range of health and care needs of working people.

The [Family and Medical Insurance Leave \(FAMILY\) Act](#), championed by Senator Kirsten Gillibrand and Representative Rosa DeLauro, would provide workers with up to 12 weeks of leave to address their medical needs and caregiving responsibilities, including caring for a new child after birth or adoption; serious personal health conditions—which includes pregnancy and post-partum care; caring for a child, parent, spouse, or partner; and for specific military caregiving and leave. It would also allow workers to receive up to 66% of their monthly wages, ensuring that low-wage workers have a higher share of their wages replaced. The FAMILY Act would apply to all workers, regardless of the size of their employer or how long they had been in that job. The program would be administered through a new office within the Social Security Administration and funded by joint employer and employee payroll contributions.

The FAMILY Act outlines a strong framework for a national program. Over the near-decade since it was first introduced, eight states and the District of Columbia have successfully enacted or implemented their own paid leave programs, some with more generous benefits than the federal proposal. Growing [evidence from these states](#) has pointed to improvements that would make the program more equitable, including higher wage replacement rates for the lowest paid workers, an inclusive family definition, improved protections from retaliation and job loss, and expanded coverage and eligibility rules. Many of these improvements