

## JOINT ECONOMIC COMMITTEE DEMOCRATS

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U.S. Senator Martin Heinrich • Ranking Member

## 25 Years Since the FMLA, the Time for Paid Leave is Here

- 1. Since February 5, 1993, the Family and Medical Leave Act (FMLA) has kept millions of workers from losing their jobs, but we can do more. FMLA covers less than 60 percent of the workforce, and it only guarantees up to 12 weeks of *unpaid* leave, which millions of Americans cannot afford to take.<sup>1</sup>
- 2. **Women's contribution to household finances is increasing.** Women's share of household earnings has grown from 36 percent in 1993 to 45 percent in 2016.<sup>2</sup>
- 3. **Fathers are more engaged in raising children, promoting child development**. The rate of fathers with a working spouse who provided care for their children increased by over one-third to 30 percent from 1991 to 2011.<sup>3</sup> More engagement by fathers is associated with better language, cognitive, and social development in children.<sup>4</sup>
- 4. **Women's labor force participation lags behind similar countries.** Women's labor force participation nearly doubled from 1948 to 1999. Yet, it has declined by three percentage points since 2000, unlike other OECD countries, potentially resulting in over \$500 billion in lost economic activity in 2016 alone.<sup>5</sup>
- 5. **Paid leave increases employment for mothers.** First-time mothers who used paid leave were 26.3 percentage points less likely to quit their jobs and 18 percentage points more likely to return to the same employer, compared to those who did not use paid leave.<sup>6</sup>
- 6. **Paid leave improves the health and livelihoods of children, fathers, and mothers.**Access to paid leave increases breastfeeding rates, well-baby checkups and vaccinations, as well as time and engagement for both fathers and mothers.<sup>7</sup>
- 7. **Paid leave helps businesses, including small businesses**. About 90 percent of employers said paid leave had positive or neutral effects on productivity, profitability and performance. Small businesses were especially likely to report these effects.<sup>8</sup>
- 8. Access to paid family leave has stagnated since at least 2010. Only 13 percent of private-sector workers had access to paid family leave through their employers in 2017, just slightly higher than 10 percent in 2010.<sup>9</sup>
- 9. **Lower-paid, part-time workers have less access to paid leave.** In 2017, higher-paid workers were six times more likely to have access to leave than lower-paid ones. Full-time workers were three times more likely than part-time ones.<sup>10</sup>
- 10. **The U.S. is the only industrialized country that does not mandate any paid leave for new parents.** 11 Out of 193 countries, only eight do not have paid maternity leave: New Guinea, Suriname, a few South Pacific island nations, and the U.S. 12

<sup>&</sup>lt;sup>1</sup> http://www.nationalpartnership.org/research-library/work-family/paid-leave/paid-family-and-medical-leave.pdf

<sup>&</sup>lt;sup>2</sup> JEC Democratic Staff analysis based on Current Population Survey, Annual Social and Economic Supplement data from 1993 to 2017.

<sup>&</sup>lt;sup>3</sup> https://www.census.gov/prod/2013pubs/p70-135.pdf. Children is defined as under age 15.

 $<sup>^{4} \, \</sup>underline{\text{http://www.aei.org/wp-content/uploads/2017/06/Paid-Family-and-Medical-Leave-An-Issue-Whose-Time-Has-Come.pdf}$ 

<sup>&</sup>lt;sup>5</sup> JEC Democratic Staff analysis based on Bureau of Labor Statistics and OECD data, using methodology from the Department of Labor. <a href="https://www.dol.gov/featured/paidleave/cost-of-doing-nothing-report.pdf">https://www.dol.gov/featured/paidleave/cost-of-doing-nothing-report.pdf</a> "Lost economic activity" is defined as the foregone economic activity if women's LFPR were as high as Canada or Germany's. See footnote in DOL report for caveats to this analysis.

 $<sup>^{6}\ \</sup>underline{\text{https://www.dol.gov/asp/evaluation/completed-studies/IMPAQ-First-Time-Mothers.pdf}}$ 

<sup>&</sup>lt;sup>7</sup> <a href="https://www.dol.gov/asp/evaluation/reports/PaidLeaveDeliverable.pdf">https://www.dol.gov/asp/evaluation/reports/PaidLeaveDeliverable.pdf</a> and <a href="https://www.nationalpartnership.org/research-library/work-family/paid-leave/paid-leave-works-in-california-new-jersey-and-rhode-island.pdf">https://www.dol.gov/asp/evaluation/completed-studies/IMPAQ-First-Time-Mothers.pdf</a>

<sup>&</sup>lt;sup>8</sup> http://cepr.net/documents/publications/paid-family-leave-1-2011.pdf

<sup>&</sup>lt;sup>9</sup> JEC Democratic Staff analysis based on Bureau of Labor Statistics, National Compensation Survey

<sup>&</sup>lt;sup>10</sup> JEC Democratic Staff analysis based on Bureau of Labor Statistics, National Compensation Survey. Workers are private-industry workers, using percentile cutoffs for the annual hourly rate for all workers. Higher-paid workers have an annual hourly rate in the top 10 percent. Lower-paid workers are in the bottom 10 percent.

<sup>11</sup> http://www.pewresearch.org/fact-tank/2016/09/26/u-s-lacks-mandated-paid-parental-leave/

<sup>12</sup> https://www.worldpolicycenter.org/data-tables/policy/is-paid-leave-available-for-mothers-of-infants