

July 8, 2019

ABOUT

The Time To Care: The Need For a Paid Family and Medical Leave Policy

Everyone should be able to take time to care – time to welcome a new addition to the family or care for yourself or a loved one – without fear of losing their job or income. The ability to take extended paid time off of work when growing your family or when an unexpected illness or accident occurs to you or a loved one is something that has broad (84%) support nationwide. These major life events can be difficult to handle on their own, and the additional financial strain that comes with them can increase that stress. Instituting a paid family and medical leave program can help to address these challenges. Proposals to adopt a statewide paid family and medical leave program were introduced but did not receive a vote during Virginia's 2019 legislative session. Lawmakers should consider the benefits of these types of policies and have meaningful debate leading up to and during the 2020 session.

Seven states have passed statewide paid family and medical leave programs, which are often funded by contributions by the employee themselves – through a small percentage of their paycheck – and sometimes by the employer as well. Employees can then benefit by receiving a portion of their normal wages (up to a certain amount) over a specified number of weeks while they take the time to care for themselves or a loved one. Being able to receive pay while taking time off to care would relieve stress, as families wouldn't have to worry about their ability to pay for basic necessities.

The United States is the only high-income country and one of only two countries in the Western Hemisphere which does not require some form of paid parental leave. The Family and Medical Leave Act (FMLA) requires some employers to offer up to 12 weeks of unpaid leave for birth, adoption, or fostering of a child; caring for certain family members with a serious health condition; or your own serious illness. But this still results in challenges. Not all workers are covered by FMLA, and the leave that is guaranteed under the policy is without pay. Those not covered by the FMLA are those who work for an employer in the private sector with less than 50 employees, have not been with their current employer for at least 12 months, and those who have not worked a total of at least 1,250 hours in the last 12 months before the leave is needed.

Beyond FMLA coverage, access to paid family and medical leave is limited. A recent survey found that only 16% of private sector employees in the U.S. have access to paid family leave, and only 42% have access to paid medical leave through short-term disability insurance. Access to paid leave is even more limited for families with low incomes. Across the country, only 4% of the lowest wage workers have access to paid family leave compared to 31% of the highest paid workers. Similarly, only 11% of the lowest wage workers have access to paid medical leave in the form of short-term disability insurance compared to 67% for the highest paid workers. Families who are most financially vulnerable don't have many options when it's time to care for themselves or a loved one.



The Commonwealth Institute for Fiscal Analysis provides credible, independent and accessible

information and analyses of fiscal and economic issues with particular attention to the impacts on low- and moderate-income persons.

July 8, 2019

ABOUT

Many people will need to take extended time off at some point in their lives. While leave for a new child may be most closely associated with this policy, the predominant reason for taking family and medical leave could impact anyone. A Department of Labor report found that welcoming a new child or pregnancy was the reason for only 21% of FMLA leave cases. The vast majority involved personal illness (55% of cases). Caring for a family member was also a predominant reason for needing leave (18% of cases). And a more robust program that allows people to receive a portion of their wages while taking time off would allow for more people to care for a sick partner or parent, or take time off to care for themselves.

While some families may be able to accommodate the financial impact of temporarily losing a source of income, it's challenging for most. Nationally, 78% of workers live paycheck to paycheck. And it's estimated that 55% of Virginia families are unable to take advantage of unpaid leave via FMLA because they don't qualify or can't afford to. Meanwhile, paid family and medical leave policies can have an important impact on the financial health of young families. Research has found that access to paid family leave has a positive effect on job searching and employment for women around the time of childbirth, and reduces a mother's risk of poverty after childbirth.

A statewide paid family and medical leave program could be a valuable tool to advance racial equity. Nationally, only 25% of Latinx workers and 43% of Black workers have access to some form of paid parental leave, while 50% of white workers do. Additionally, households headed by a person of color are more likely to be multi-generational, which could mean that it's more likely that workers would need to use time to care for a sick family member. Expansion of paid family leave would allow the needed time off without causing financial distress.

Across the country, there's broadening discussion about state paid family and medical leave programs. Currently, seven states and the District of Columbia have implemented or passed legislation for paid family and medical leave programs, and more than 20 additional states are expected to consider legislation. During the 2019 General Assembly session, three proposals (SB1639 by Sen. Boysko, HB2120 by Del. Carroll Foy, and HB2261 by Del. Guzman) were introduced, which would've brought paid family and medical leave to many working people in Virginia across sectors. The bills were ultimately unsuccessful in passing but did result in a bipartisan agreement that the issue should be studied further through the formation of a work group. As we await the results of the work group, mounting evidence points to the need for a paid family and medical leave program, particularly for working families with low incomes in Virginia. Legislators should act this upcoming session and listen to the needs of all people in Virginia who need the time to care for themselves and their loved ones, without a financial barrier.

— Joseph Dennie, Research Intern, and Freddy Mejia, Policy Analyst



The Commonwealth
Institute for Fiscal
Analysis provides
credible, independent
and accessible

information and analyses of fiscal
and economic issues with particular
attention to the impacts on low- and
moderate-income persons.