



Promoting Health and Cost Control in States:

How States Can Improve Community Health & Well-being Through Policy Change

Paid Family Leave



Background

The United States is one of the only countries that does not guarantee paid family leave to new parents.¹ Paid family leave allows employees to take paid time off for a recent birth or adoption of a child, taking care of a parent or spouse with a serious medical condition, or caring for a sick child. Currently, federal law provides up to 12 weeks of unpaid leave for new parents, but there is no federal law that requires private sector employers to provide paid family leave.² Few states have taken steps to enact more expansive family leave policies, and only 13% of private-industry employees have access to paid family leave through their employers.^{3,4}

Policies that support paid family leave provide employees with financial security while they care for their child or loved ones and improves maternal and child health. About two-thirds of women work during their first pregnancy, but without access to paid family leave they must choose between taking unpaid leave, returning to work shortly after childbirth, or quitting their jobs altogether.⁵ Without paid family leave, events such as childbirth or having a sick family member may challenge a family's financial stability.⁶ Only about half of working women receive paid leave, including only three in 10 working women with less than a high school diploma.⁷ Paid family leave allows

KEY TAKEAWAYS

What is Paid Family Leave?

- Paid family leave policies require employers to provide employees with time off for a recent birth or adoption of a child, taking care of a parent or spouse with a serious medical condition, or caring for a sick child.

How does Paid Family Leave Improve Health?

- Access to paid family leave policies improve maternal and child health by reducing the risk of birth-related health issues for mothers and their babies.

What is the Economic Impact of Paid Family Leave Policies?

- Offering employees paid family leave has been shown to provide economic security to caregivers, increase employee retention, and save employers the cost of training new hires.

new parents to care and bond with their child and helps reduce the risk of falling into poverty.⁸

What States Can Do

States can pass legislation to ensure paid family leave for employees. Under federal law, through the Family Medical Leave Act (FMLA), eligible employeesⁱ are guaranteed 12 weeks of unpaid, job-protected leave to care for a newborn, adopted or foster child.⁹ However, there is no federal requirement to provide paid family leave to new parents.¹⁰ Each state has the authority to expand upon the FMLA requirements and enact their own paid family leave policies. So far, six states and the District of Columbia have implemented paid family leave laws.¹¹ The scope of application, employee benefits and the lengths of the paid leave vary among these states.¹²

Paid Family Leaves Policies Increase Maternal and Child Health

Paid family leave policies are critical to maternal and child health and reduces the risk of birth-related health issues for both mothers and their children. Research shows that mothers who have a longer delay returning to work after giving birth may have fewer depressive symptoms and better mental health compared to mothers who return to work earlier.^{13,14} Evidence from other developed nations shows



that paid parental leave policies are associated with lower infant and child mortality, with longer leave associated with lower mortality.^{15,16,17} Additionally, access to paid family leave can improve economic security for families and reduces the risk of falling into poverty.^{18,19} Enhanced economic security can lower risk for toxic stress, which is damaging to both physical and mental health.²⁰



ⁱ FMLA applies to all public agencies, including state, local and federal employers, local education agencies (schools), and private-sector employers who employed 50 or more employees in 20 or more workweeks in the current or preceding calendar year, including joint employers and successors of covered employers.

Paid Family Leave Policies Can Improve Employee Retention and Benefit Both Employers and Employees

Offering employees paid family leave can increase employee retention and save employers the cost of training new hires, which can cost up to 20 percent of employees' salaries.^{21, 22} Paid family leave policies also increase the likelihood that mothers remain in the labor force after childbirth, particularly mothers without bachelor's degrees.^{23,24,25} In California and New Jersey, paid family leave policies have had beneficial effects for both employers and employees. Both states show no negative impacts on employers but do note an increase in hiring and job mobility among young women.^{26,27,28} Other studies have demonstrated the cost effectiveness of paid family leave policies via lower levels of public assistance receipt in the year following the birth of a child. For example, one study found that women who took paid family leave were 40 percent less likely to receive public assistance compared with women who did not.^{29,30}

Benefits of Paid Family Leave



Decreased infant and child mortality



Better employee retention



Improved maternal mental health



Economic security for families

Interested in learning more about Paid Family Leave and other evidence-based policies? Visit the PHACCS website to read the full report and other policy briefs for our 13 recommended policies.

TAKEAWAYS FOR MULTIPLE AUDIENCES — COMMUNICATING THE IMPORTANCE AND IMPACT OF PAID FAMILY LEAVE POLICIES

Policymakers

- States can adopt a broad definition of “family members” in paid family leave laws to include siblings, grandparents, and other relatives to reflect caregiver responsibilities.
- Paid family leave policies can reduce state Medicaid spending via reductions in nursing home spending.³¹
- Nondiscrimination provisions can be included in paid family leave and job protection laws to ensure employees do not face retaliation or job loss while they are on leave.

Public Health Professionals

- Paid family leave policies allow new parents to bond with their child, reduce health risks for new mothers and their infants, and reduce their risk of falling into poverty.

- Access to paid family leave is associated with reduced infant and child mortality, as well as better mental health outcomes for mothers and caregivers.

Employers

- Women without access to paid family leave often must choose between taking unpaid leave, returning to work shortly after childbirth, or quitting their jobs.
- Paid family leave policies increase the likelihood that mothers remain in the labor force after childbirth.
- Offering paid family leave improves employee retention and saves employers the cost of training new hires.

Endnotes

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