



July 10, 2018

Senator Bill Cassidy  
Chairman, Subcommittee on Social Security,  
Pensions, and Family Policy  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

Senator Sherrod Brown  
Ranking Member, Subcommittee on Social Security,  
Pensions, and Family Policy  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

Dear Chairman Cassidy and Ranking Member Brown,

On behalf of the 170,000 bipartisan members and supporters of the American Association of University Women (AAUW), I would like to thank you for the opportunity to submit this letter in advance of the Subcommittee's hearing, "Examining the Importance of Paid Family Leave for American Working Families." We ask that this letter be included in the hearing record.

Our current leave system is not meeting the basic health and economic needs of workers and their families. Unfortunately, more than 100 million people, or around 85 percent of workers, do not have paid family leave, and around 60 percent of workers lack access to paid personal leave through their employers.<sup>1</sup>

To meet this critical need, AAUW supports **the Family and Medical Insurance Leave (FAMILY) Act (S. 337)** and urges this Subcommittee take up and pass the bill. The FAMILY Act would establish a self-funding paid family and medical insurance program. A national paid leave program would help to eliminate employees' fears of losing their jobs or risking their economic security in order to take necessary time off work. Ultimately, this act will benefit workers, their families, businesses, and our economy.

Access to paid family and medical leave is critical – it helps new parents, their children, older family members, and workers themselves deal with serious illnesses and injuries or the birth of adoption of children. Health outcomes are improved when paid leave is utilized.<sup>2</sup> Some workers do have access to *unpaid* leave through the Family and Medical Leave Act (FMLA), which currently provides eligible workers with up to 12 weeks of unpaid job-protected leave for medical and parental purposes. However, FMLA is not enough – even when covered, many employees cannot afford to take unpaid leave that jeopardizes their family's economic security.<sup>3</sup> Furthermore, many Americans do not qualify for FMLA.

The FAMILY Act would provide workers with up to 12 weeks of partial income replacement when they take time off for serious health conditions or caregiving purposes. The income replacement would amount to 66 percent of an individual's monthly wages, up to a capped amount for high-wage earners. The FAMILY Act would cover workers in all companies no matter the size. The program would be funded by small employee and employer payroll contributions of two-tenths of one percent each or about \$1.50 per week for the average worker. It would be administered through a new Office of Paid Family and Medical Leave within the Social Security Administration. The FAMILY Act's approach builds on the success of several state paid family and medical leave programs.

A federal paid leave program will build stronger families, healthier workers, and successful businesses. Paid leave contributes to improved newborn and child health by allowing both parents the time they need to help with healthcare decisions and responsibilities. For example, paid leave make it more likely that new mothers will be able to take the amount of time off recommended by doctors, and their children are more likely to receive medical check-ups and immunizations.<sup>4</sup> Paid leave allows ill or injured adults time to recover. Paid leave enables people to help their loved ones, including older family members with health problems, recover from illness and avoid complications and hospital readmissions, which reduces health costs.<sup>5</sup> Lastly, paid leave keeps people in their jobs while reducing turnover costs. Companies typically pay about one-fifth of an employee's salary to replace that employee,<sup>6</sup> making such unnecessary turnover very costly for employers. As just one example, in California, a state that has a successful family leave insurance program, workers in low-wage, high-turnover industries are much more likely to return to their jobs after using the state's program.<sup>7</sup>

The FAMILY Act is the right next step toward supporting families and building successful businesses. The approach of the FAMILY Act is affordable, cost-effective, sustainably funded, and does not cut from or reduce benefits from other benefits programs on which people rely. To that end, we urge this Subcommittee to take up and pass the Family and Medical Insurance Leave (FAMILY) Act (S. 337).

Cosponsorship and votes associated with this legislation may be scored in the AAUW Action Fund *Congressional Voting Record for the 115th Congress*. Please do not hesitate to contact me at 202/785-7720 or Anne Hedgepeth, director of federal policy, at 202/785-7724, if you have any questions.

Sincerely,



Deborah J. Vagins  
Senior Vice President, Public Policy and Research

Cc: Members of Subcommittee on Social Security, Pensions, and Family Policy

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<sup>1</sup> U.S. Bureau of Labor Statistics. (September 2017). National Compensation Survey: Employee Benefits in the U.S. (Tables 16 and 32). [www.bls.gov/ncs/ebs/benefits/2017/ebbl0061.pdf](http://www.bls.gov/ncs/ebs/benefits/2017/ebbl0061.pdf)

<sup>2</sup> Institute of Medicine. (2008). Retooling for an Aging America: Building the Health Care Workforce. [www.iom.edu/Reports/2008/Retooling-for-an-Aging-America-Building-the-Health-Care-Workforce.aspx](http://www.iom.edu/Reports/2008/Retooling-for-an-Aging-America-Building-the-Health-Care-Workforce.aspx). Arbaje, et al. (2008). Postdischarge Environmental and Socioeconomic Factors and the Likelihood of Early Hospital Readmission Among Community-Dwelling Medicare Beneficiaries. *The Gerontologist*, 48(4), 495-504. [www.ncbi.nlm.nih.gov/pubmed/18728299](http://www.ncbi.nlm.nih.gov/pubmed/18728299). Arora, K., & Wolf, D. A. (2017, November 3). Does Paid Family Leave Reduce Nursing Home Use? The California Experience. *Journal of Policy Analysis and Management*, 37(1), 38-62. [onlinelibrary.wiley.com/doi/abs/10.1002/pam.22038](http://onlinelibrary.wiley.com/doi/abs/10.1002/pam.22038). Gomby, D., & Pei, D. (2009). Newborn Family Leave: Effects on Children, Parents, and Business. [www.packard.org/wp-content/uploads/2011/06/NFLA\\_fullreport\\_final.pdf](http://www.packard.org/wp-content/uploads/2011/06/NFLA_fullreport_final.pdf).

<sup>3</sup> AAUW. (2017). AAUW Quick Facts: Paid Leave. [www.aauw.org/files/2017/08/QuickFacts\\_PaidLeave-nsa.pdf](http://www.aauw.org/files/2017/08/QuickFacts_PaidLeave-nsa.pdf).

<sup>4</sup> Gomby, D., & Pei, D. (2009). Newborn Family Leave: Effects on Children, Parents, and Business. [www.packard.org/wp-content/uploads/2011/06/NFLA\\_fullreport\\_final.pdf](http://www.packard.org/wp-content/uploads/2011/06/NFLA_fullreport_final.pdf) and Berger, L., Hill, J., & Waldfogel, J. (2005). Maternity Leave, Early Maternal Employment and Child Health and Development in the US. *The Economic Journal*, 115(501), F44.

<sup>5</sup> Institute of Medicine. (2008). Retooling for an Aging America: Building the Health Care Workforce. [www.iom.edu/Reports/2008/Retooling-for-an-Aging-America-Building-the-Health-Care-Workforce.aspx](http://www.iom.edu/Reports/2008/Retooling-for-an-Aging-America-Building-the-Health-Care-Workforce.aspx)

<sup>6</sup> Boushey, H., and Glynn, S. (2012). There Are Significant Business Costs to Replacing Employees. Center for American Progress. [www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf](http://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf)

<sup>7</sup> Appelbaum, E., and Milkman, R. (2011). Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California. [www.cepr.net/index.php/publications/reports/leaves-that-pay](http://www.cepr.net/index.php/publications/reports/leaves-that-pay)