



May 7, 2019

Representative Richard Neal
Chair
Committee on Ways and Means
House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515-6348

Representative Kevin Brady
Ranking Member
Committee on Ways and Means
House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515-6348

Dear Chair Neal, Ranking Member Brady and Members of the Committee,

On behalf of the 170,000 members and supporters of the American Association of University Women (AAUW), I want to thank the Committee for holding a hearing on May 8, 2019, entitled “Paid Family and Medical Leave: Helping Workers and Employers Succeed,” and accepting this letter for the hearing record.

The FAMILY Act (H.R. 1185) would establish a sustainable, self-funded paid family and medical leave insurance program that is strong and inclusive, setting a nationwide paid leave baseline. 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 bill is the paid family and medical leave plan that will benefit workers, families, businesses, and our economy.

Despite a patchwork of federal, state, and local protections, too many workers suffer from inadequate or nonexistent paid leave. Our current system is not meeting the basic health and economic needs of workers and their families. Only 17 percent of workers in the United States have access to paid family leave through their employers, and less than 40 percent have personal medical leave through an employer-provided short-term disability program.¹ While many workers do have access to 12 weeks of unpaid job-protected leave under the Family and Medical Leave Act (FMLA), FMLA is not enough. Many workers do not qualify for FMLA, and, even if covered, many cannot afford to take unpaid leave without jeopardizing their economic security.²

Lack of national paid leave particularly affects women, undermining their ability to fully participate in the workforce. Low-wage workers are less likely to have access to paid family leave.³ Given that women make up more than two-thirds of workers making less than \$10 an hour, this lack of paid leave for low-wage workers disproportionately impacts them.⁴ Further, we know that persistent gender stereotypes, combined with workplace policies designed for a worker who is not the primary caretaker, mean that caregiving still falls primarily on women. Sixty percent of unpaid caregivers are women, and of that group, 55 percent are employed outside of the home.⁵ If caring for a family member requires taking time off work, women can lose income and even be pushed out of the workforce.⁶ Lack of access to paid leave forces women to make the impossible choice between caring for a family member or keeping their job,

potentially hampering their short- and long-term economic security. The absence of a national paid leave policy is unacceptable and must be rectified.

The FAMILY Act is a comprehensive and sustainable plan that would address the nation's paid family and medical leave needs, benefit working people and their families, and provide affordable solutions for employers. This bill 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, 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. This approach builds on the success of several state paid family and medical leave programs.

A federal paid leave program will build stronger families and healthier workers. Paid leave contributes to improved newborn and child health by allowing both parents the time they need to help with health care decisions and responsibilities. For example, time at home with newborns and young children has been shown to, among other benefits, increase parent's ability to attend medical visits and decrease infant and post-neonatal mortality rates.⁷ It also allows ill or injured adults time to recover and gives family members time to care for sick relatives. It enables people to help their loved ones, including older family members with health problems, to recover from illness and avoid complications, thereby reducing hospital readmissions and health costs.⁸

Lack of access to paid leave comes at a high cost to employees and employers alike. The lack of access to paid family and medical leave costs workers an estimated \$20.6 billion each year in lost wages.⁹ For women over 50 who leave the workforce early to care for an aging parent, there is a loss of more than \$324,000 in wages and retirement.¹⁰ For businesses, paid leave helps them by retaining workers and reducing the high costs of turnover, such as advertising, interviewing and training new hires.¹¹ A comprehensive review found that the cost of turnover can range from 16 to 200 percent of an employee's annual compensation, making such unnecessary turnover very costly for employers.¹² 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.¹³

The FAMILY Act improves upon the successes of FMLA by taking meaningful steps toward supporting families and building successful businesses. The FAMILY Act is an affordable, cost-effective, and sustainably funded solution that provides meaningful, comprehensive coverage, and does not cut from or reduce other essential benefits.

Again, I thank the Committee for holding this important hearing on the challenges and opportunities that working families face and for accepting this statement for the record. I urge Congress to support and pass the FAMILY Act (H.R. 1185). Cosponsorship and votes associated with this legislation may be scored in the AAUW Action Fund *Congressional Voting Record for the 116th 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

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- ¹ “The Family And Medical Insurance Leave (FAMILY) Act: Fact Sheet,” National Partnership for Women and Families, September 2018, <http://www.nationalpartnership.org/our-work/resources/workplace/paid-leave/family-act-fact-sheet.pdf> see also U.S. Department of Labor, Bureau of Labor Statistics, *National Compensation Survey: Employee Benefits in the United States*, September 2018, <https://www.bls.gov/ncs/ebs/benefits/2018/employee-benefits-in-the-united-states-march-2018.pdf>.
- ² National Partnership for Women & Families, “Paid Family and Medical Leave: An Overview,” October 2017, <http://www.nationalpartnership.org/our-work/resources/workplace/paid-leave/paid-family-and-medical-leave.pdf>.
- ³ U.S. Department of Labor, Bureau of Labor Statistics, *Employee Benefits Survey, Leave benefits: Access*, 2017, <https://www.bls.gov/ncs/ebs/benefits/2017/ownership/private/table32a.htm>.
- ⁴ Jasmine Tucker and Kayla Patrick, “Low-Wage Jobs Are Women’s Jobs: The Overrepresentation of Women in Low-Wage Work,” August 2017, <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2017/08/Low-Wage-Jobs-are-Womens-Jobs.pdf>.
- ⁵ National Partnership for Women & Families, “The Female Face of Family Caregiving,” November 2018, <http://www.nationalpartnership.org/our-work/resources/workplace/female-face-family-caregiving.pdf>.
- ⁶ *Id.*
- ⁷ ZERO TO THREE and National Partnership for Women & Families, “The Child Development Case for a National Paid Family and Medical Leave Program,” December 2018, <http://www.nationalpartnership.org/our-work/resources/workplace/paid-leave/the-child-development-case-for-a-national-paid-family-and-medical-leave-insurance-program.pdf>.
- ⁸ FAMILY Act Coalition Letter to Congress, May 2019, <http://www.nationalpartnership.org/our-work/resources/workplace/coalition/family-act-coalition-letter.pdf> (citing Institute of Medicine, *Retooling for an Aging America: Building the Health Care Workforce* (Washington, DC: The National Academies Press, 2008), <https://doi.org/10.17226/12089>; Alicia I. Arbaje et al., “Postdischarge Environmental and Socioeconomic Factors and the Likelihood of Early Hospital Readmission among Community-Dwelling Medicare Beneficiaries,” *The Gerontologist* 48, no. 4 (August 2008), <https://doi.org/10.1093/geront/48.4.495>).
- ⁹ Sarah Jane Glynn and Danielle Corley, “The Cost of Work-Family Policy Inaction: Quantifying the Costs Families Currently Face as a Result of Lacking U.S. Work-Family Policies” Center for American Progress, 2016, <https://www.americanprogress.org/issues/women/reports/2016/09/22/143877/the-cost-of-inaction/>
- ¹⁰ MetLife Mature Market Institute, “The MetLife Study of Caregiving Costs to Working Caregivers: Double Jeopardy for Baby Boomers Caring for Their Parents,” (June 2011) <https://www.caregiving.org/wp-content/uploads/2011/06/mmi-caregiving-costs-working-caregivers.pdf>
- ¹¹ Christine Siegwath Meyer, Swati Mukerjee, and Ann Sestero, “Work-Family Benefits: Which Ones Maximize Profits?,” *Journal of Managerial Issues*, Spring 2001, 13, no. 1.
- ¹² Heather Boushey and Sarah Jane Glynn, “There Are Significant Business Costs to Replacing Employees” (Center for American Progress, November 2012), <https://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf>.
- ¹³ Eileen Appelbaum and Ruth Milkman, Center for Economic and Policy Research, “Leaves that pay: Employer and Worker Experiences with Paid Family Leave in California,” January 2011, www.cepr.net/index.php/publications/reports/leaves-that-pay.