



March 21, 2019

Representative Danny K. Davis
Chair, Worker and Family Support Subcommittee
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515 -6348

Representative Jackie Walorski
Ranking Member, Worker and Family Support
Subcommittee
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515 -6348

Dear Chair Davis, Ranking Member Walorski, and Members of the Subcommittee:

On behalf of the 170,000 members and supporters of the American Association of University Women (AAUW), I want to thank the Subcommittee for holding a hearing on March 7, 2019, focused on “Leveling the Playing Field for Working Families: Challenges and Opportunities.” I am pleased to submit this letter in support of the Family and Medical Insurance Leave (FAMILY) Act (H.R. 1185) for the hearing record.

Key to the ability of working families to balance the needs of families and the obligations of work are policies that support greater availability and access to a high standard of benefits, including paid family and medical leave and paid sick days.¹ This is why AAUW advocates in support of FAMILY Act. 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 bill is the paid family and medical leave plan that will benefit workers, their families, businesses, and our economy.

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 fewer than 40 percent have personal medical leave through an employer-provided short-term disability program.² While 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, FMLA is not enough. Many Americans do not qualify for FMLA, and even if covered, many cannot afford to take unpaid leave without jeopardizing their family’s economic security.³

Women workers with less education and lower wages tend to have the least access to paid leave.⁴ The lack of access to paid leave also has disproportionately impacted low income working mothers with less education. Mothers without a college degree are often less likely to have access to paid leave.⁵ They are also more likely to be let go from their job or to quit during pregnancy or shortly after childbirth.⁶ The absence of a national paid leave policy is inadequate and must be addressed.

The FAMILY Act is a comprehensive and sustainable solution 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 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, successful businesses, and improve overall health outcomes. 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.⁷ 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.⁸ Lastly, paid leave keeps people in their jobs while reducing turnover costs. A comprehensive review found that the cost of turnover can range from 16 to 200 percent of an employee's annual compensation,⁹ 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.¹⁰

The FAMILY Act builds on the successes of FMLA by taking meaningful steps 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.

Again, I thank the Subcommittee for holding an important hearing on the challenges and opportunities that working families face and 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

¹ "Public Policy Priorities," AAUW, June 2017, www.aauw.org/resource/principles-and-priorities/

² "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>.

³ “Quick Facts: Paid Leave,” AAUW, July 2017, www.aauw.org/files/2017/08/QuickFacts_PaidLeave-nsa.pdf.

⁴ Julia Isaacs, Olivia Healy, and H. Elizabeth Peters, Urban Institute, “Paid Family Leave in the United States: Time for a New National Policy,” at 3, May 2017, https://www.urban.org/sites/default/files/publication/90201/paid_family_leave_0.pdf.

⁵ *Id.*

⁶ *Id.*

⁷ Deanna S. Gomby and Dow-Jane Pei, “Newborn Family Leave: Effects on Children, Parents, and Business,” 2009, <http://paidfamilyleave.org/pdf/NebwornFamilyLeave.pdf>.

⁸ “Paid Leave,” National Partnership for Women and Families. <http://www.nationalpartnership.org/our-work/workplace/paid-leave.html>.

⁹ 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>.

¹⁰ 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.