Paid Leave Works: Evidence from State Programs

FEBRUARY 2022

At some point, nearly every working person will need to take time away from a job to care for their own health, bond with a new child or care for a family member with a serious health condition – but millions still lack access to paid family and medical leave when these needs arise. Ten states, including the District of Columbia, have enacted paid family and medical leave programs, charting the way forward. Evidence from these states demonstrates that paid family and medical leave programs are affordable and sustainable with benefits for working families, businesses and public health.

Paid Leave Programs Have Helped Millions of Workers and Families

- In California, more than 900,000 claims are paid each year – and nearly 14.2 million since 2004. In recent years, nearly one-third of claims were for family caregiving or child bonding, while the other two-thirds were for personal medical reasons. About 6.7 percent of covered workers used the program in 2020, up from about 5 percent in a typical year. Men have filed a growing share of bonding and caregiving claims over time.

  - Since its implementation in 2004, the California program has been expanded multiple times – to broaden the range of family members for whom caregiving leave can be taken, to increase benefit levels for lower- and middle-wage workers, to make more workers eligible for job protection when they take parental leave, to increase the duration of leave and eliminate a waiting period for some benefits.

- In New Jersey, nearly 1.4 million claims have been approved since the paid family leave program was implemented in 2009. Nearly one-third of claims are for family caregiving or child bonding, and men’s share of claims has increased. About 6 in 10
claims are made by workers with annual incomes of $50,000 or less.\(^7\) Annually, approximately 125,000 claims are approved; more than 3 percent of the covered workforce makes a personal medical leave claim each year, and just over 1 percent makes a paid family leave claim.\(^8\) Three out of four workers (76.4 percent) say they view the program favorably, and support crosses gender, race/ethnicity, age, marital status, union affiliation, employment status and income.\(^9\)

- To better support families with low incomes and reflect the diversity of today’s families, the program was recently improved by increasing benefit payments, doubling the duration of family leave, expanding access to job protection, defining “family” more broadly and inclusively, covering safe leave for survivors of domestic or sexual violence, and implementing a sliding scale for wage replacement to ensure individuals with low incomes can afford to take leave.\(^10\)

### Rhode Island’s Program
Rhode Island’s program has filled just under 300,000 claims since its paid family leave was implemented in 2014.\(^11\) It was the first to offer workers reinstatement to their jobs and protection from workplace retaliation for taking paid leave. Data show that the program is serving both middle- and lower-income workers: two-thirds of program claims are made by workers with annual incomes of $50,000 or less.\(^12\) Between 35,000-40,000 claims are made in a typical year, about 8 to 10 percent of the covered workforce.\(^13\) In 2021, just over 1 in 5 claims were for child bonding or family caregiving, and men made nearly 4 in 10 claims.\(^14\) Rhode Island lawmakers recently began extending the duration of paid leave.\(^15\)\(^16\)

### Paid Leave Works in the Pandemic
Within weeks of the first pandemic wave, state paid leave programs began supporting workers with health and caregiving needs.

When schools and child care centers closed, **Rhode Island** expanded its program to cover child care needs. In March 2020, nearly 1900 Rhode Islanders used family caregiving leave, compared to just under 500 in March 2019.

In **California**, 11 percent more family caregiving leaves and 20 percent more medical leaves were taken in March 2020 compared to one year earlier.

- **In the first year of New York’s** paid family leave program, about 128,000 claims were paid (child bonding and family caregiving only), representing just under 2 percent of the covered workforce.\(^17\) About 3 in 10 claims were made for family caregiving and 7 in 10 for child bonding, and men filed about 3 in 10 claims.\(^18\) Approximately 150 military families benefited from paid leave for military exigency purposes – family needs related to active duty deployment – which New York was the first state to provide.\(^19\) Like programs in other states, New York’s serves working people from across the income spectrum, and more than half of claimants had annual incomes of $60,000 or less.\(^20\) New York’s program provides 12 weeks of job-protected paid
family leave. Recently, New York has expanded its definition of “family” in order to increase access to its paid leave program.

- In Washington’s first year of paid family leave, more than 97,000 claims were approved. Washington is the first state to collect detailed demographic data on claimants, and the racial and ethnic diversity of program beneficiaries generally reflects that of the state’s labor force: just over 7 in 10 claims were filed by applicants identifying as white, 13 percent by Latinx workers, 11 percent by Asian American and Pacific Islanders, 6 percent by Black workers and 2 percent by American Indian or Alaska Native workers. More than one-third of claims were filed by men. Like New York, Washington’s program covers military leave as well as child bonding, family caregiving and personal medical leave. Just over 45 percent of approved claims were for child bonding, just over 10 percent for family caregiving, nearly 45 percent of approved claims were for medical leave. In 2021, Washington’s legislature chose to more broadly and inclusively define “family” while temporarily expanding the program to provide COVID-19-related relief.

- D.C.’s paid family leave program was implemented on July 1, 2020. In the first year of the program, more than 12,000 claims had been filed. Just under 70 percent of claims were for child bonding, just under 24 percent for personal medical leave and 7 percent for family caregiving. The program ended its first year with a surplus, and the District has temporarily expanded the available duration of medical and family caregiving leaves, created an additional category of leave for prenatal care and eliminated the waiting period for benefits.

- Massachusetts implemented its program in 2021 and Connecticut in 2022. More than 5,500 advance applications were filed ahead of Connecticut’s program start, with just over 23 percent for child bonding, 66 percent for personal medical leave, and 10 percent for family caregiving.

- New programs will soon be fully implemented in Oregon (2023) and Colorado (2024). These states build on earlier successes with new innovations, including providing more progressive wage replacement rates, extended durations of leave for certain purposes and inclusive coverage of diverse family structures.

**Demonstrated Benefits for Employers**

- Employers have adapted well to state paid leave programs. The vast majority of California employers reported a positive effect on employee productivity, profitability and performance, or no effect. The California Society for Human Resource Management, a group of human resources professionals that initially opposed California’s paid family leave law, declared that the law is less onerous than expected,
and few businesses in their research reported challenges resulting from workers taking leave. In New Jersey, the majority of both small and large businesses say they have adjusted easily. Just one year after implementation of New York’s paid family leave program, 97 percent of employers were in compliance with the new law.

○ **State paid leave programs are a model that works for small businesses.** The majority of small business owners support the creation of family and medical leave insurance programs at the state and federal levels, as these programs make the benefit affordable, reduce business costs, increase their competitiveness and can allow small business owners themselves to take paid leave when the need arises. In California, although all employers report positive outcomes associated with paid leave, small businesses (those with fewer than 50 employees) report more positive or neutral outcomes than large businesses (500+ employees) in profitability, productivity, retention and employee morale. A survey conducted for the New Jersey Business and Industry Association found that, regardless of size, New Jersey businesses say they have had little trouble adjusting to the state’s law.

○ **Paid leave boosts employee morale and reduces costly turnover.** In California, virtually all employers (99 percent) report that the state’s program has positive or neutral effects on employee morale and 87 percent that the state program had not resulted in any increased costs. Sixty percent report coordinating their benefits with the state’s paid family leave insurance system – which likely results in ongoing cost savings. Firm-level analysis of employers in California before and after paid family leave was implemented confirmed that for the average firm, wage costs had not increased and turnover rates had decreased. Over a decade period, individuals who used the program typically made only a single claim. Workers in lower quality jobs who used the state paid leave program reported returning to work nearly 10 percent more than workers who did not use the program. Women who take a paid leave are 93 percent more likely to be in the workforce nine to 12 months after a child’s birth than women who take no leave. In multiple studies, New Jersey employers have noted that the state’s paid leave program is beneficial for employees and manageable for employers.
Proven Results for Workers and Families

- **Paid leave programs have wide-ranging benefits for public health.** Research from state programs shows that for young children, paid leave provides time to establish a strong bond with parents during the first months of life, increases rates and duration of breastfeeding, supports fathers’ involvement in care, improves rates of on-time vaccination, reduces infant hospital admissions, and reduces probabilities of having ADHD, hearing problems or recurrent ear infections. Paid leave may also help prevent child maltreatment by reducing risk factors, such as family and maternal stress and depression. Paid leave reduces the odds of a new mother experiencing symptoms of postpartum depression and is associated with improvements in new mothers’ health. In California, implementing paid family leave was linked to an 11 percent relative decline in elderly nursing home usage.

- **Working families with paid leave are more economically secure and can better manage work and family responsibilities.** Parents in California and Rhode Island reported that paid leave improved their ability to arrange child care. State paid leave programs improve the labor force participation of family caregivers, reduce the likelihood that new mothers would fall into poverty and increase household incomes, and mean working people are significantly less likely to use SNAP or other public support programs in the year after a child’s birth.

A Clear Case for a National Solution

People’s access to paid leave should not depend on where they live or work or what kind of job they hold. The success of paid family and medical leave programs at the state level demonstrates that there is an effective, affordable and proven model that works for families, businesses and the economy.

It is past time for a national solution that is:

- **Inclusive** of all working people;
- **Comprehensive** to reflect the range of personal and family caregiving needs;
- **Meaningful** in duration of leave and wage replacement level;
- **Sustainably funded without harming other essential programs; and**
- **Secure** so that workers are protected from adverse consequences for needing or taking leave.

Learn more at [NationalPartnership.org/PaidLeave](http://NationalPartnership.org/PaidLeave).

---

2. Ibid.


7. See note 4.

8. New Jersey Department of Labor and Workforce Development. (2020, August) Annual Report for 2019 Family Leave Insurance and Temporary Disability Insurance Programs. Retrieved 2 February 2022 from https://www.myleavebenefits.nj.gov/labor/myleavebenefits/assets/pdfs/ANNUAL_FLI-TDI_REPORT_FOR_2019.pdf. Estimates based on the total number of TDI and Family Leave Insurance (FLI) claims approved annually as a share of the population covered by the New Jersey state TDI and FLI plans, respectively. It is not possible to report a combined utilization rate because the populations covered by state TDI and FLI programs are not fully overlapping.


18. Ibid.


20. See note 19, Office of Governor Andrew C. Cuomo.


33 See note 19.


35 See note 30, Appelbaum and Milkman.

36 See note 32.

37 See note 30, Appelbaum and Milkman.


39 Ibid.

40 See note 30, Appelbaum and Milkman.


The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help all people meet the dual demands of work and family. More information is available at NationalPartnership.org.

© 2022 National Partnership for Women & Families. All rights reserved.