

Key Facts: Paid Family and Medical Leave

MAY 2023

The vast majority of working people, regardless of income, do not have paid family leave.

Nearly 105 million people – 75 percent of workers – do not have paid family leave through an employer to care for a new child or a loved one with a serious health condition. Nearly sixty percent lack temporary disability insurance for their own major medical needs.¹

92 PERCENT OF THE LOWEST-PAID WORKERS LACK ACCESS
56 PERCENT OF THE HIGHEST-PAID WORKERS LACK ACCESS

The paid leave crisis has a high cost for America's families.

- **Millions of families are one unexpected bill from financial emergency.** About 3 in 10 adults (32 percent) – and nearly half of Latinx adults (46 percent) and over half of Black adults (52 percent) – would be unable to cover an unexpected \$400 expense or would have to cover it by selling something or going into debt.²
- **Families are losing income.** People's lack of access to paid family leave or personal medical leave costs U.S. families \$22.5 billion per year in lost wages.³
- **Elder care is a growing need.** The number of people over age 65 is expected to almost double to more than 94 million people by 2060.⁴ Already, 53 million people provide unpaid care to family members and most also have paying jobs.⁵ Nearly half (45 percent) of family caregivers experience financial impact and work interruptions as a result of caregiving.⁶ Men over the age of 50 who leave the workforce to provide care for a parent lose, on average, nearly \$284,000 in earnings and retirement savings – and women, \$324,000.⁷

The paid leave crisis reinforces gender and racial inequality and harms families' health.

- **Women's jobs and careers suffer.** More than one in four women (26 percent) say family caregiving has negatively affected her ability to keep a job or advance in the workplace.⁸
- **Too often, gender-based stereotypes and discrimination determine whether a worker can care for those they love.** The median length of paternity leave for fathers is one week and 72 percent of fathers take less than two weeks,⁹ keeping them from bonding with children and supporting their spouses' health, which exacerbates gender inequality.¹⁰ Nearly 6 in 10 LGBTQ workers (58 percent) expect to care for at least one chosen family member who may not otherwise qualify under legal or biological ties,¹¹ but just one in five (22 percent) live in states with inclusive leave policies for spousal care and only about one-third

(25 percent) in states with inclusive leave policies for caring for children regardless of legal status.¹²

- **The health of women and families is undermined.** Women – especially women with lower incomes – often cut their leaves short due to lack of pay or fear of retaliation, elevating their risk of postpartum depression, work stress, marital dissatisfaction, and maternal mortality and undermining parent-child bonding.¹³
- **The gender-based wage gap persists,** in part because men cannot take an equal share of leave.¹⁴ If progress continues at the same rate as it has since 1960, the gender wage gap isn't expected to close until 2059.¹⁵ Black women lose nearly \$1 million, Native women more than \$1.1 million and Latinas nearly \$1.2 million over their lifetimes to the wage gap.¹⁶

The paid leave crisis harms businesses and our economy.

- **Businesses lose valued employees and productivity.** Workers are more likely to leave their employers after taking leave if it is unpaid.¹⁷ It costs businesses, on average, anywhere from 16 percent to more than 200 percent of a worker's annual salary to replace them.¹⁸ Firms' productivity improves by 3.6-6.5 percent after implementing paid leave.¹⁹ After a statewide paid leave program was implemented, businesses with 50 or fewer employees were even more likely than larger employers to report positive outcomes on profitability, productivity, retention and employee morale.²⁰
- **Women leave the workforce, hurting their families and our economy.** Lack of paid leave is a major cause of U.S. women's relatively low labor force participation rate, which has not yet recovered its pre-pandemic level, much less its 2000 peak.²¹ If it were similar to that of comparable countries, the U.S. would gain an estimated \$650 billion in GDP each year.²²

It is time for Congress to pass the FAMILY Act, the only proposal that would guarantee access to paid leave and meet the needs of women and families.

- **More workers now receive paid family leave through state programs than through employer-provided benefits, proving that public policy works.** As of 2022, twelve states including the District of Columbia had passed paid leave legislation, covering more than 50 million workers²³ – 15 million more than the number receiving paid family leave as an employer-provided benefit.
- **Six in 10 Asian American and Pacific Islander women, six in 10 Latinas and more than half of Black women** say paid leave would help "a lot" with managing work and family duties.²⁴
- **Four in five voters** (80 percent) support creating a national paid family and medical leave program. That includes 89 percent of Democrats, 76 percent of Independents and 70 percent of Republicans.²⁵
- **Two-thirds** of small business owners and operators support a national paid family and medical leave policy.²⁶

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- ¹ U.S. Bureau of Labor Statistics. (2022, September). *National Compensation Survey: Employee Benefits in the United States, March 2022* (See Excel tables, Civilian workers, Short term disability and Leave). Retrieved 3 May 2023, from <https://www.bls.gov/ncs/ebs/benefits/2022/home.htm>
- ² Federal Reserve Board. (2022, May). *Economic Well-Being of U.S. Households in 2021 (Chart: Adults who would cover a \$400 emergency expense using cash or its equivalent)*. Retrieved 3 May 2023, from <https://www.federalreserve.gov/consumerscommunities/sheddataviz/unexpectedexpenses.html>
- ³ Glynn, S. J. (2020, January 21). *The Rising Cost of Inaction on Work-Family Policies*. Retrieved 3 May 2023, from Center for American Progress website: <https://www.americanprogress.org/issues/women/news/2020/01/21/479555/rising-cost-inaction-workfamily-policies/>
- ⁴ Vespa, J., Medina, L., and Armstrong, D. M. (2020, March) *Demographic Turning Points for the United States: Population Projections for 2020 to 2060* (p. 1). Retrieved 3 May 2023, from the U.S. Census Bureau website: <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1144.pdf>
- ⁵ National Alliance for Caregiving. (2020, May). *Caregiving in the U.S. 2020*. National Alliance for Caregiving and AARP Public Policy Institute Publication. Retrieved 3 May 2023, from <https://www.aarp.org/content/dam/aarp/ppi/2020/05/full-report-caregiving-in-the-united-states.doi.10.26419-2Fppi.00103.001.pdf>
- ⁶ Ibid.
- ⁷ MetLife Mature Market Institute. (2011, June). *The MetLife Study of Caregiving Costs to Working Caregivers: Double Jeopardy for Baby Boomers Caring for Their Parents* (p. 14). Retrieved 3 May 2023, from <https://www.caregiving.org/wp-content/uploads/2011/06/mmi-caregiving-costs-working-caregivers.pdf>
- ⁸ YWCA & New America's Better Life Lab. (2019, December 12). *Navigating Work and Care. Phone survey of 1,000 adult women conducted by Lake Research Partners and American Viewpoint from Sept. 5 - Sept. 14, 2019*. Retrieved 3 May 2023, from <https://www.newamerica.org/better-life-lab/reports/navigating-work-and-care/>. The survey includes oversamples of 100 African American women, 100 Latina women, 100 Asian/Pacific Islander women, 100 Native American women, 100 Gen Z women, 100 Millennial women and 100 white rural women without a college degree.
- ⁹ Horowitz, J. M., Parker, K., Graf, N., & Livingston, G. (2017, March 23). *Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Policies*. Retrieved 3 May 2023, from the Pew Research Center website: <https://www.pewresearch.org/social-trends/2017/03/23/americans-widely-support-paid-family-and-medical-leave-but-differ-over-specific-policies/>
- ¹⁰ ZERO TO THREE, & National Partnership for Women & Families. (2018, December). *The Child Development Case for a National Paid Family and Medical Leave Program*. Retrieved 3 May 2023, from <https://nationalpartnership.org/wp-content/uploads/2023/02/the-child-development-case-for-a-national-paid-family-and-medical-leave-insurance-program.pdf>
- ¹¹ Maxwell, M. B., Johnson, A., Lee, M., & Miranda, L. (2018). *U.S. LGBTQ Paid Leave Survey*. Human Rights Campaign Foundation Publication. Retrieved 3 May 2023, from the Human Rights Campaign website: <https://www.thehrcfoundation.org/professional-resources/2018-u-s-lgbtq-paid-leave-survey>
- ¹² Movement Advancement Project. (2023, May). *Family Leave Laws*. Retrieved 3 May 2023, from https://www.lgbtmap.org/equality-maps/fmla_laws
- ¹³ Schulte, B., Durana, A., Stout, B., and Moyer, J. (2017, June) *Maternal Health and Wellbeing section of the Paid Family Leave: How Much Time is Enough?* Retrieved 3 May 2023, from the New America website: <https://www.newamerica.org/better-life-lab/reports/paid-family-leave-how-much-time-enough/maternal-health-and-wellbeing/>
- ¹⁴ Blewiweis, R. (2020, March). *Quick Facts About the Gender Wage Gap*. Retrieved 3 May 2023, from the Center for American Progress website: <https://www.americanprogress.org/issues/women/reports/2020/03/24/482141/quick-facts-gender-wage-gap/>
- ¹⁵ Institute for Women's Policy Research. (2020, September). *Same Gap, Different Year: The Gender Wage Gap: 2019. Earnings Difference by Gender, Race, and Ethnicity*. Retrieved 3 May 2023, from <https://iwpr.org/wp-content/uploads/2020/09/Gender-Wage-Gap-Fact-Sheet-2.pdf>
- ¹⁶ National Women's Law Center. (2023, March). *THE LIFETIME WAGE GAP BY STATE FOR BLACK WOMEN*. Retrieved 3 May 2023, from: <https://nwlc.org/resource/the-lifetime-wage-gap-by-state-for-black-women/>; National Women's Law Center. (2023, May). *THE LIFETIME WAGE GAP FOR NATIVE AMERICAN WOMEN*. Retrieved 3 May 2023, from <https://nwlc.org/resource/the-lifetime-wage-gap-by-state-for-native-women/>; National Women's Law Center. (2023, March). *THE LIFETIME WAGE GAP BY STATE FOR LATINAS*. Retrieved 3 May 2023, from: <https://nwlc.org/resource/the-lifetime-wage-gap-by-state-for-latinas/>
- ¹⁷ Appelbaum, E., & Milkman, R. (2013). *Unfinished Business: Paid Family Leave in California and the Future of U.S. Work-Family Policy*. Ithaca, NY: Cornell University Press
- ¹⁸ Boushey, H., & Glynn, S. J. (2012, November 16). *There Are Significant Business Costs to Replacing Employees*. Retrieved 3 May 2023, from Center for American Progress website: <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacingemployees/>
- ¹⁹ Panorama & American Sustainable Business Council. (2019, October). *The Business Impacts of Paid Leave: A Financial Analysis of the Return on Investment of Paid Family and Medical Leave*. Retrieved 3 May 2023, from <https://assets.ctfassets.net/n0merlwkrasg/59MwRB7HNIFRL7VMYqYMGj/4486aa4327ac0a502ff5d67dc0d52863/Business-impacts-of-paid-leave-A-Panorama-report.pdf>

²⁰ Appelbaum, E., & Milkman, R. (2013). *Unfinished Business: Paid Family Leave in California and the Future of U.S. Work-Family Policy*. Ithaca, NY: Cornell University Press. Retrieved 15 April 2021.

²¹ U.S. Bureau of Labor Statistics. (2022, October 12). *Current Population Survey: Labor Force Participation Rate – Women*. Retrieved 3 May 2023, from FRED, Federal Reserve Bank of St. Louis: <https://fred.stlouisfed.org/series/LNS11300002>

²² Blau, F. D., & Kahn, L. M. (2013, May). Female Labor Supply: Why Is the United States Falling Behind? *American Economic Review*, 103(3): 251-256. doi: 10.1257/aer.103.3.251; Novello, A. (2021, July). *The Cost of Inaction: How a Lack of Family Care Policies Burdens the U.S. Economy and Families*. Retrieved 3 May 2023, from National Partnership for Women & Families website: <https://live-national-partnership-for-women-dev.pantheonsite.io/wp-content/uploads/2023/02/cost-of-inaction-lack-of-family-care-burdens-families.pdf?wpld=70991>

²³ National Partnership for Women & Families estimate based on reported program coverage for California Disability Insurance, New Jersey Family Leave Insurance, and Rhode Island Family Leave Insurance in most recent year for which data is available in each state, and estimated coverage based on program rules and labor force and employment data from the U.S. Bureau of Labor Statistics and the American Community Survey for New York, the District of Columbia, Washington state, Massachusetts, Connecticut, Oregon, Colorado, Maryland and Delaware. For more details, contact the National Partnership.

²⁴ See note 8.

²⁵ Navigator Research and Global Strategy Group. (2022, September). *Paid Family and Medical Leave: A Guide for Advocates*. Retrieved 3 May 2023, from <https://navigatorresearch.org/wp-content/uploads/2022/09/Navigator-Update-09.23.2022.pdf>

²⁶ Lake Research Partners. (2020, October 2). Small business owners' attitudes on paid family and medical leave. Retrieved 3 May 2023, from <https://irp-cdn.multiscreensite.com/167e816a/files/uploaded/Paid%20Leave%20for%20All.small%20business.pdf>