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Support the FAMILY Act

Providing employees with paid family medical leave is good for workers, good for businesses, and good for North Carolina's economy

At some point, nearly everyone needs time to recover from a serious illness or care for a sick loved one or new child. But the majority of working people in the United States cannot take the leave they need without risking their jobs or economic security. **Only 12 percent of the U.S. workers have access to paid family leave through their employers**, and less than 40 percent have personal medical leave through an employer-provided temporary disability program.¹ **The Family and Medical Leave Act—the only federal law designed to help working people meet the dual demands of job and family—leaves out 40 percent of the workforce and guarantees only unpaid leave, which millions cannot afford to take.**

That means millions of workers who develop serious health conditions, have seriously ill family members or become parents are **forced to choose between what is best for their families and income they need to cover basic expenses.**

That's why Congress should pass the FAMILY Act—crucial legislation enacting a national paid family and medical leave insurance program that allows people to continue receiving a portion of their wages when they need time away from work for family or medical reasons.

Sponsored by Rep. Rosa DeLauro (D – Conn.) and Sen. Kirsten Gillibrand (D – N.Y.), **the Family And Medical Insurance Leave (FAMILY) Act would:**

- **Provide workers with up to 12 weeks of partial income** when they take time for their own serious health condition, including pregnancy and childbirth recovery; the serious health condition of a child, parent, spouse or domestic partner; the birth or adoption of a child; and/or for particular military caregiving and leave purposes.
- **Enable workers to earn 66 percent of monthly wages**, up to a capped amount.
- **Cover workers in all companies, no matter their size.** Younger, part-time, lower-wage and contingent workers would be eligible for benefits.
- **Be funded by small employee and employer payroll contributions** of two-tenths of one percent each (two cents per \$10 in wages), or about \$1.50 per week for a typical worker.
- **Be administered through a new Office of Paid Family and Medical Leave within the Social Security Administration.** Payroll contributions would cover both insurance benefits and administrative costs.

The FAMILY Act is good for workers, good for businesses, and good for the economy. It's time to provide leave for workers and their families.

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¹ U.S. Bureau of Labor Statistics. (2014, September). Employee Benefits in the United States National Compensation Survey: Employee Benefits in the United States, March 2014 (Tables 16 and 32).

The FAMILY Act would strengthen economic security for working families:

- **Paid leave enables families to maintain economic stability during a family health crisis or following the birth or adoption of a baby.** A birth is the most expensive health event for families during childbearing years. Paid leave helps keep families on track to meet new expenses. In the year following a birth, new mothers who take paid leave are more likely than those who take no paid leave to stay in the workforce and 54 percent more likely to report wage increases.²
- **Parents who took leave report lower levels of public assistance in the year following their child's birth, when compared to those without paid leave.**³

The FAMILY Act makes good sense for businesses:

- **Paid family and medical leave creates more customers for local businesses and boosts the overall economy.** Replacement income provided by family medical leave insurance goes right back into the local economy, boosting businesses, as workers spend it to help cover the basics. So paid medical leave creates an immediate antidote to what business owners have repeatedly cited as the biggest problem for their business and the economy—weak sales.⁴
- **Paid family leave reduces—rather than raises—costs for businesses.** Nearly two-thirds of employers say that complying with the FMLA is very easy or somewhat easy. And a 2013 study found that 87% of California employers said their state's paid family leave program saved them money rather than increased their costs.⁵
- **Expanding family and medical leave would provide significant savings in reduced turnover.** California employers report that their state-level program has had a neutral or positive effect on employee productivity, profitability, and turnover, and most employers coordinate their own benefits with the state's paid family leave program.⁶ Another study found that mothers who gave birth after the passage of the FMLA were more likely to return to the same employer and took less time away from paid employment than those who gave birth before the FMLA.⁷
- **Replacing an employee permanently, rather than providing leave, can cost as much as five times the employee's yearly wages,**⁸ with additional losses in productivity and employee morale. The costs of losing an employee (advertising for, interviewing and training a replacement) is often far greater than the cost of providing short-term leave to retain existing employees. In a recent cost-benefit analysis of the recent federal paid leave proposals, reduced turnover accounted for the majority of the expected savings. Family medical leave reduces these costs by helping businesses hold onto their workers when they need medical leave.

Paid family and medical leave is good for workers, good for businesses, and good for the economy. It's time for Congress to pass the FAMILY Act.

² Houser, L., & Vartanian, T. (2012, January). Pay Matters: The Positive Economic Impact of Paid Family Leave for Families, Businesses and the Public. Center for Women and Work at Rutgers, the State University of New Jersey Publication.

³ Ibid.

⁴ Sustainable Business Council. (2012). Opinion Survey: Small Business Owners' Opinions on Regulations and Job Creation. http://asbcouncil.org/sites/default/files/files/Regulations_Poll_Report_FINAL.pdf

⁵ Bartel et al. (2014, June). California's Paid Family Leave Law: Lessons from the First Decade. U.S. Department of Labor Publication

⁶ Milkman & Appelbaum. (2013.)Unfinished Business: Paid Family Leave in California and the Future of U.S. Work-Family Policy

⁷ [The Effects of Paid Family and Medical Leave on Employment Stability and Economic Security](#), Center for American Progress, April 2012.

⁸ [Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families Businesses and the Public](#), Rutgers Center for Women and Work, Jan 2011.