ECONOMIC AND HEALTH BENEFITS OF PAID FAMILY AND MEDICAL LEAVE

Currently, most U.S. workers lack access to paid family and medical leaves to care for infants or for seriously ill family members. Shockingly, only about half of employed U.S. mothers have any paid leave after childbirth, and these leaves often are short and dependent on the use of accrued vacation and sick days. Too many U.S. mothers return to work too soon, which results in detrimental health and family impacts. Moreover, about a quarter of U.S. women leave the workforce (before or after childbirth), and this constrains their career achievement, lifetime earnings, and family finances. Currently, the United States is one of only three countries globally without paid maternity leave (the others are Papua New Guinea and Suriname). In contrast, policies in Europe, Canada, Australia, and Japan provide at least 14 weeks of paid leave for mothers of infants, and there are additional paid parental leaves for both mothers and fathers.

For U.S. mothers who do have access, use of paid maternity leave is associated with many important public health benefits including: decreased infant mortality and morbidity, more well-baby visits and timely immunizations, reductions in maternal post-partum depression and stress, and longer periods of breastfeeding—which significantly promote the health of children and mothers. Improved health of mothers and children—important in itself—also is important in lessening health care costs.

Paid maternity and other family leaves enable workers to fulfill their caregiving responsibilities (for children, partners, elderly parents, and their own serious medical conditions) while maintaining financial security. Since chronic stress is linked to the development of cardio-vascular diseases and other negative health outcomes, lessened financial stress—due to paid leave—contributes to health and lowers health care costs.

Paid family and medical leave policies have important economic benefits for workers, employers, and the economy. Paid leaves facilitate the continued employment of participants. A high majority of leave-takers return to work for their pre-leave employers. This reduces employer turnover costs—and employment continuity bolsters the life-time earnings and retirement savings of workers. Furthermore, the income continuity that paid leaves provide to individuals and families aids the economy as recipients are able to continue to pay bills and buy products and services.

In U.S. states that have instituted paid family and medical leave policies (California, New Jersey, and Rhode Island), research indicates positive or limited impacts of these paid leaves on employers. For example, 91% of California employers reported a “positive or no noticeable effect” on business profitability and performance upon implementation of the paid leave law.

Our current national Family and Medical Leave Act (FMLA) provides for only unpaid leave for employees in work organizations with 50 or more workers. At the state level, the Louisiana
Pregnancy Disability Law mandates 6 weeks of leave for normal delivery and covers workplaces with 25 or more employees, however, it does not provide for paid leave. Access to paid leaves through employer policies is a “Swiss cheese” phenomenon: some employees have access, while others do not\textsuperscript{13}.

For all the above reasons, a paid Family and Medical Leave Insurance program in Louisiana would promote the health and wellbeing of all children, women, and other family members, lower health care costs, contribute to employee retention, morale and productivity, and have positive impacts on the Louisiana economy. In all these respects, it is a “win-win” policy.

This brief was prepared by Phyllis Raabe, Ph.D., Adjunct Professor, Tulane School of Public Health and Tropical Medicine and Mary Amelia Women’s Center

\textbf{SOURCES}

1. Council of Economic Advisors. The economics of paid and unpaid leave. Office of the President of the United States, June 2014. \url{www.whitehouse.gov}