

## **POLICY BRIEF: ECONOMIC AND HEALTH BENEFITS OF PAID FAMILY AND MEDICAL LEAVE**

While the enactment of the Family and Medical Leave Act (FMLA) in 1993, which stipulates that employees of companies with 50 or more personnel are entitled to 12 weeks of unpaid, but job-protected leave, was an important first step toward improving access to leave for new parents, leave policy in the U.S. is far behind other countries.<sup>1,4,5</sup> The U.S. is the only industrialized country without a national, mandatory paid family or medical leave policy.<sup>2</sup> Only an estimated 12% of U.S. workers in the private sector, and roughly 16% of state and local government employees receive some paid family and medical leave.<sup>3</sup>

Research on the socioeconomic benefits of paid family leave at the individual and family level found a positive association between leave and child and maternal health outcomes, 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.<sup>1</sup> A recent study on the health benefits of paid leave in 16 European countries found that extending the length of paid leave to 50-weeks was associated with a 20% reduction in infant deaths.<sup>2</sup>

Despite evidence that leave policies are beneficial for maternal and child health, many women in the U.S. have no choice but to return to the work force shortly after giving birth. Moreover, nearly a quarter of American women permanently leave the workforce before or after childbirth, which can also have negative consequences on health outcome by constraining their career achievement, lifetime earnings, and family finances.<sup>4,5</sup>

Paid leave policies also have important economic benefits for workers, employers, and the economy. Labor statistics on post-birth employment outcomes among pre-birth working women indicate that women who had access to paid maternal leave were 40-69% more likely to return to work after giving birth compared to their counterparts without leave.<sup>1</sup> Ultimately, this reduces employer turnover costs and employment continuity bolsters life-time earnings and retirement savings of workers. Furthermore, the income continuity that paid leave provides to individuals and families aids the economy as recipients are able to pay bills and buy products and services.<sup>4,5,6</sup>

Recently, several U.S. states (California, New Jersey, and Rhode Island) modified the FMLA by offering paid family leave benefits to workers in the private and public sector.<sup>2</sup> The state programs offer six-weeks of paid leave at one-half to two-thirds of the employee's earnings. While it is still too early to tell how this modification has impacted mother and child health or business profitability, responses from employers and employees have been positive.<sup>6,7,8</sup>

### What about Louisiana?

In addition to FMLA, Louisiana is one of a few states that offers greater access to leave due to pregnancy disability than under federal law. The Louisiana Pregnancy Disability Law requires companies with 25 or more employees to provide 6 weeks of unpaid leave for pregnant mothers who have normal, uncomplicated deliveries and 4 months of leave for disability related to pregnancy, childbirth, or related medical conditions.<sup>9,10</sup> Recently, the Civil Service Commission of the City of New Orleans approved a policy that provides 8 weeks of paid family leave to city employees<sup>11</sup>. Paid family and medical leave legislation that would establish a paid leave benefits program was submitted in the Louisiana House and Senate during the 2015 legislative session.

Given that the state has one of the highest infant mortality rates in the country (8.2 deaths per 1000 live births), and given that there is the association between access to paid family leave and infant and maternal health outcomes, the state should consider implementing a statewide paid family and medical leave policy.<sup>12</sup>

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- <sup>1</sup> Gault B, Hartman C, Hegwisch A et al. Paid parental leave in the United States. Institute for Women's Policy Research. 2014. Accessed at [http://www.iwpr.org/publications/pubs/paid-parental-leave-in-the-united-states-what-the-data-tell-us-about-access-usage-and-economic-and-health-benefits/at\\_download/file](http://www.iwpr.org/publications/pubs/paid-parental-leave-in-the-united-states-what-the-data-tell-us-about-access-usage-and-economic-and-health-benefits/at_download/file).
- <sup>2</sup> Rossin-Slater M, Rhum C, and Jane Waldfogel. The Effects of California's Paid Family Leave Program on Mothers Leave-Taking and Subsequent Labor Market Outcomes. National Bureau of Economics Research Working Paper Series. 2011. Accessed at <http://www.nber.org/papers/w17715>.
- <sup>3</sup> Rosenbaum, Daniel. In Paid Family Leave, U.S. Trails Most of the Globe. The New York Time, February 22, 2013. Accessed at [http://www.nytimes.com/2013/02/23/your-money/us-trails-much-of-the-world-in-providing-paid-family-leave.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2013/02/23/your-money/us-trails-much-of-the-world-in-providing-paid-family-leave.html?pagewanted=all&_r=0).
- <sup>4</sup> Council of Economic Advisors. The economics of paid and unpaid leave. Office of the President of the United States. June 2014. Accessed at [www.whitehouse.gov](http://www.whitehouse.gov).
- <sup>5</sup> Human Rights Watch. Failing its families: lack of paid leave and work-family supports in the U.S. 2011. Accessed at [www.hrw.org](http://www.hrw.org).
- <sup>6</sup> Appelbaum E, Milkman R. Leaves that pay: employer and worker experiences with paid family leave in California. 2011. Center for Economic and Policy Research. Accessed at [www.cepr.net](http://www.cepr.net).
- <sup>7</sup> Lerner S, Appelbaum E. Business as usual: New Jersey employers' experiences with family leave insurance. 2014. Center for Economic and Policy Research. Accessed at [www.cepr.net](http://www.cepr.net).
- <sup>8</sup> National Partnership for Women & Families. First impressions: comparing state paid family leave programs in their first years. 2015. Accessed at [www.nationalpartnership.org](http://www.nationalpartnership.org).
- <sup>9</sup> U.S. Bureau of Labor Statistics. National compensation survey: employee benefits survey. 2014. Accessed at [www.bls.gov](http://www.bls.gov).
- <sup>10</sup> <http://www.nationalpartnership.org/issues/work-family/work-family-policy-database/louisiana/pregnancy-disability-leave.html>.
- <sup>11</sup> Civil Service Commission, City of New Orleans. Accessed at <http://www.nola.gov/mayor/press-releases/2014/20141215-parental-leave-request/>.
- <sup>12</sup> State Health Facts 2008-2010. The Henry J. Keiser Family Foundation. Accessed at <http://kff.org/other/state-indicator/infant-death-rate/>.

*Prepared by the Mary Amelia Women's Center*

