## Center for American Progress

### Rhetoric vs. Reality: 4 Myths About Paid Parental Leave

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More than 1 in 10 workers take family or medical leave from work each year, which represents more than 20 million people.<sup>1</sup> But the options available to those who need to take time off from their jobs to recover from a serious personal illness or injury, to welcome a new child, or to care for a seriously ill family member are insufficient to meet the current needs of families.

Currently, through the landmark Family and Medical Leave Act (FMLA), approximately 6 in 10 American workers have access to up to 12 weeks of leave for family or medical leave purposes—leave that they can take without fear of losing their job. However, the leave provided under the FMLA is unpaid, which means that many workers simply cannot afford to use it, even if they are eligible. Only 13 percent of all private sector workers have paid family leave through their employers—and younger workers, workers of color, and low-income workers are all less likely to have access to paid time off.<sup>2</sup> Furthermore, while 38 percent of workers have access to temporary disability insurance through work, less than a third of those with access have policies that are fully funded by their employer.<sup>3</sup> And that's a big problem. Without unpaid jobprotected leave, workers can lose their jobs if they need to take time off to recover from a serious illness or take care of a loved one. And without paid leave, even workers who are eligible for job-protected leave face impossible choices between their paychecks and their health or the well-being of their family. Each year, working families in the United States forgo an estimated \$20.6 billion in lost wages due to the lack of access to paid family and medical leave.<sup>4</sup>

Research shows that comprehensive paid family and medical leave is good for families, business, and the economy—it can boost maternal and child health outcomes, reduce employee turnover, and increase women's labor force participation.<sup>5</sup> But the paid parental leave plan proposed by President Donald J. Trump in his 2018 budget proposal falls far short of what working families need.<sup>6</sup> Parental leave for a new child is only one of many reasons workers need leave and only accounts for 4.2 million—21 percent—of the 20 million workers who take leave each year. (see Figures 1 and 2) Parental-only paid leave would not assist the 55 percent of leave takers who need time off from work due to a temporary disability or the 18 percent who take leave to care for a loved one.<sup>7</sup>





But those numbers only include workers who both needed leave and could take it. Another 7 million workers need leave but are not able to take it, and the most common reason reported is because they cannot afford to take leave—most likely because it is unpaid.<sup>8</sup> And workers who need leave but are currently unable to take it are even less likely to be covered under Trump's proposed parental leave-only plan. Only 9.2 percent of the workers who needed leave but did not or could not take it, or 647,000 workers, needed parental leave. (see Figures 3 and 4) Half of workers with an unmet need for leave—49.7 percent, or 3.5 million workers—needed time off to address their own health needs but were not able to take it. And an additional 35.8 percent, or 2.5 million workers, needed family caregiving leave but were unable to take it. Trump's proposal would do nothing for the bulk of workers who have an unmet need for leave.



#### FIGURE 4

#### Of the 7.4 million employed workers with unmet need for leave in the past year, only 649,000 needed leave for a new child

Number of employed workers who had unmet need for leave in the past year, by reason for leave, rounded to the nearest thousand

Caregiving	
2,524,000	
Own illness	
	3,504,000
New child	
649,000	
Military caregiving	
63,000	
Other reason/unknown	
627,000	
Note: The authors used the percentages in Figure 3 (from the most recent FMLA Technical Report, which surveyed employed workers in 2012) to estimate the number of employed workers in 2017 who had an unmet need for leave for the reasons above in the past 12 months.	
Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey, "A-6. Employed and unemployed full- and part-time workers by sex and age, seasonally adjusted," July 7, 2017, available at https://www.bls.gov/web/ empsit/cpseea06.htm; Abt Associates Inc., "Family and Medical Leave in 2012: Technical Report" (2014), available at https://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf.	

In addition to only addressing a fraction of the reasons why workers need time off, major unanswered questions remain about the eligibility, implementation, and funding of the Trump proposal.<sup>9</sup> The plan would implement an unfunded mandate to states to add a six-week paid leave benefit for new parents to their unemployment insurance programs. The policy would provide no benefit for workers who need personal medical leave or leave to provide care for a seriously ill loved one. It remains unclear who would be eligible for the plan, which is concerning, given that the current unemployment insurance system disproportionately excludes women, people of color, and low-wage workers, plus eligibility requirements vary by state. Moreover, Trump's plan fails to address the current challenges that states are experiencing with their unemployment insurance programs, many of which are severely underfunded.<sup>10</sup> It is important to distinguish myths from reality in the public debate about paid leave to ensure that policy solutions meet the needs of women, men, and families.

### Myth: Paid parental leave is sufficient to address the need for comprehensive paid family and medical leave

Paid parental leave and paid family and medical leave are not interchangeable. Paid parental leave focuses solely on providing support to parents for the birth or adoption of a child. It does not address the myriad of other reasons that workers need paid leave. This distinction is important because paid parental leave-only programs have garnered a lot of attention this year, with the release of several high-profile paid parental leave plans, including one by the president, one by a working group chaired by the American Enterprise Institute (AEI) and Brookings Institution, and one by an AEI partnership with the American Action Forum (AAF).<sup>11</sup> But as seen in the figures above, narrowing the conversation to paid parental leave understates the need for leave. Only 21 percent of workers who take leave each year do so to welcome a new child—and most leave takers, 55 percent, report having to take time away from work due to their own personal illnesses.<sup>12</sup>

Only 38 percent of all workers have access to temporary disability leave through their employers, with low-wage workers significantly less likely to have access to a policy.<sup>13</sup> Workers employed in California, New Jersey, New York, and Rhode Island have access to state-run temporary disability insurance programs, while workers in Hawaii are required to be covered by their employers. But most workers either must cobble together a solution based on whatever vacation or other leave benefits they may have, take unpaid leave, quit their job, or keep working even if it is not medically advised. In addition to the 11 million workers who take medical leave and the 3.5 million who need leave but do not take it to address their own serious illnesses, 4.6 million take leave each year to provide care for a seriously ill family member, and another 2.5 million need family care leave but do not take it. While paid parental leave is an important part of the picture and a prime example of how the United States currently falls behind our peer nations—all of which offer maternity leave and most of which offer paternity leave<sup>14</sup>—it is far from the comprehensive paid family and medical leave that families need.<sup>15</sup>

# Myth: The unemployment insurance system is well-positioned to be the home for a national paid parental leave program because it is already set up to provide regular benefits on a short-term basis

The Trump paid parental leave proposal, which would require states to add a six-week parental leave program for new birth and adoptive parents through their unemployment insurance programs, is unworkable and underfunded.<sup>16</sup> The plan ignores existing challenges facing many state unemployment insurance programs and would exacerbate funding shortages. It would push new costs onto states while ignoring the current reality that many state programs are already severely underfunded. According to the Department of Labor, only 20 states and the District of Columbia are sufficiently solvent to provide protections during a mild recession.<sup>17</sup> Instead of making new investments that could strengthen the unemployment insurance system and bolster existing programs, the proposal would simply demand that states maintain a minimum level of reserves—without putting forth a plan or funding to help states to meet the requirement.<sup>18</sup> Adding a new program without adequately addressing the issues in the unemployment insurance system risks destabilizing the system's ability to continue providing current benefits to workers who become unemployed through no fault of their own.

Other models of paid family and medical leave, such as the Family and Medical Leave Insurance Act (FAMILY Act), which would set up a social insurance system to provide paid family and medical leave, could implement the benefit without endangering the stability of other crucial safety net programs.<sup>19</sup>

Myth: A state-by-state approach is the best way to maximize flexibility and ensure that states can tailor a paid parental leave program to meet their individual needs

A state-by-state approach is not a substitute for a strong, baseline national standard that sets a floor of protections for workers. Such a standard is essential to ensure workers can access comprehensive paid family and medical leave when the need for leave arises. State innovation efforts can provide invaluable learning, but they work best when there is a strong baseline for states to build upon, while also ensuring that all workers have the leave they need. The Trump plan does little to foster state innovation because it forces states to provide a benefit through a particular structure, and then fails to provide any support to make the plan workable.

### Myth: Trump's parental leave plan is a good first step toward providing paid leave

Trump's proposal is ill-conceived—it would put in place an inefficient, inconsistent program that would be difficult to administer and risk destabilizing the worker protections currently provided through the unemployment insurance system.<sup>20</sup> While a sound federal program for paid parental leave could be an effective complement to a more comprehensive mix of paid leave policies, Trump's program does not provide a sound foundation even as a supplement to a more robust program.

The details of who would be covered, how the program would be implemented, and what benefits would look like remain murky. Moreover, Trump's plan would provide nothing for the majority of current leave takers in the United States.<sup>21</sup> Nearly 25 years after the FMLA took effect, the millions of families still waiting for progress on paid family and medical deserve more than Trump's meager, poorly constructed parental leave proposal.<sup>22</sup>

### Conclusion

Trump's paid parental leave plan is inefficient and unworkable for several reasons: Among them, it is not clear who would be eligible; how it would be implemented; how states will fund the program; or if benefits will be sufficient for parents to afford to take time off. But even beyond Trump's plan, a parental leave-only approach falls far short of what working families need. Paid parental leave is only one aspect of the comprehensive paid family and medical leave program workers need as they juggle their families' health, caregiving responsibilities, and budgets.<sup>23</sup> By contrast, a more comprehensive program—such as the FAMILY Act which was reintroduced in February 2017 by Sen. Kirsten Gillibrand (D-NY) and Rep. Rosa DeLauro (D-CT), would provide a widereaching, inclusive, job-protected and cost-effective benefit for workers who need to take time off to welcome a new child, to recover from a personal illness, or to care for a seriously ill family member or service member.<sup>24</sup>

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#### Endnotes

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