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Promoting Gender Equality in the US Labour Force Through Paid parental leave

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Special points of interest:

- The U.S is the only developed nation without some form of parental leave.
- Parental leave is left up to the discretion of employers.
- Parental leave benefits both parents and children.

Executive Summary

In 2014 a survey released by the Organization for Economic Cooperation and Development revealed that the United States is the only nation of forty-one developed countries without paid parental leave. That same year, then-president Barack Obama announced an incentive plan for states to implement their own paid maternity plan into legislation. Unfortunately, this incentive never gained momentum in Congress. As a result, only four of the fifty-two states brought legislation into effect by January 2017, when President Obama left office. As it relates to maternity/ parental leave, many studies have concluded Parental leave benefits parents and their children.

This Policy Brief identifies where the federal or judicial court can act and bring to fruition an amendment to the Federal Law, The Family and Medical Leave Act (FMLA), to ensure parents have access to paid parental leave and other benefits. In addition, it discusses the advantages of having paid parental leave enacted into legislation and the amenities it brings to mothers and employers that reap the rewards.



Scope of the Issue

Many working parents may experience stress immediately following a child's birth, adoption, or foster care. Research has proven that the ages from birth to age three are crucial to a child's development. This period is also considered es-

sential in the bonding process between parents and children. This bond is vital in a child's emotional, social and physical development. However, the difficulties in addressing parental stress and child development are even more significant for

low-income working families whose unpaid time off from work or income falls below national average earnings. Indeed, when wages are lost and cannot be replaced, the birth of a child can lead to additional financial hardship for some families. Taking a break from the workplace can impact the future income potential for all families. More so, women in the United States have little to no access to paid parental leave.

Under Federal Law, the FMLA passed in 2013 allows provisions for some employees with up to twelve weeks of leave to care for children, whether it may be a newborn, new adoption, foster placement or illness. Under this law, there is one guarantee; job protection, this leave, however, goes unpaid. To curb this injustice, Former President Obama proposed an incentive for states to implement paid maternity plans into legislation.

President Obama's proposal for paid family leave in January 2015 failed because opponents tended to frame this as a partisan issue, with democrats on one side and republicans on the other. GOP congressional leaders immediately shot down the proposal, which stood little chance of gaining traction on Capitol Hill. As a result, there was little the president could do on mandatory paid leave without congressional support. Though not true, the Republicans tried to argue that paid leave is a "job killer". As a result, there is no national paid family leave law; decisions are left up to individual states to im-

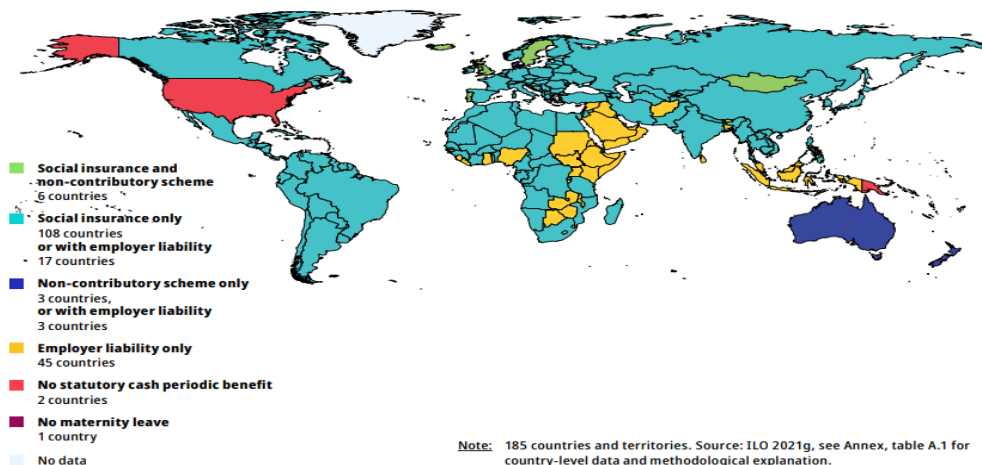
plement as they see fit. Job hunting can be problematic if you transition from one state to another.

According to the 2019 Organisation for Economic Cooperation and Development report, the US is the only OECD state without a national statutory paid maternity, paternity or parental leave. This lack of regulation in one of the World's wealthiest nations is a definite contrast to some third-world countries where women in some Caribbean countries receive paid maternity leave for approximately twelve weeks. In addition, a National Compensation Survey conducted to determine employee benefits in the United States in March 2020 found that only twenty-one per cent of workers has access to paid family leave through their employers (Scalia, 2020).

In 2021, 75,699,000 women aged 16 and over were in the labour force, representing 47.0% of the total workforce. In most instances, women are the primary caretakers of the family. Parents, women, in particular, should not have to choose between their family/starting a family or their jobs. As a result, the US could boost its gross domestic product (GDP) by about \$650 billion per year by adding 4.85 million more women (aged 25-54) to its workforce, which would reach a level proportional to women's labour force participation in Canada, Germany, and the United Kingdom.

Restrictions on abortion access due to the

► Figure 1 Source of funding of maternity leave cash benefits, 2021



overturn of Roe vs Wade are expected to cost \$105 billion in state economic losses per year due to lost labour force participation and earnings and increased turnover and time off from work among women aged 15 - 44. As a result, women are now at a more considerable disadvantage in the labour force and will sometimes drop out due to the lack of financial support during these difficult times.

It is understood that unpaid leave taken through the FMLA in the US is used to retain employees resulting in women staying in the job. Nevertheless, research has dispelled this myth. According to University of Maryland researchers Sandra Hofferth and Sally Curtin, "Ninety-four per cent of workers with fully paid leave to the same employer, while only seventy-seven per cent of those with unpaid leave did so".

Benefits of Implementing this Policy

Implementing a national paid family leave would ensure multiple benefits. In the United States, women roughly make up half of the workforce (KAISER FAMILY FOUNDATION, 2021). If women are forced to choose between family and work, then businesses will suffer the consequences of not being able to find persons to fill much needed positions. In addition, when women cannot return to the workforce, economic output and growth are affected.

Promoting Mental Health

The benefits of paid family leave are well recognised. Supporting caregivers with paid time off to tend to newborn (s), recently adopted children, or geriatric care promotes healthy development and allows

mothers time to recuperate from the rigours of childbirth and the responsibilities of caring for a newborns/ family members. Benefits also protect, if not improve, maternal & mental health; moreover, it enhances families' economic security.

"Approximately 50% of women report experiencing common postpartum complications within the first two months after giving birth" (Romig and Bryant, 2021). Paid medical and caregiving leave lets workers care for themselves and loved ones and reduces financial anxiety and parental stress during those periods of vulnerability. In addition, employers reduce the high employee turnover rate with paid leave benefits, thus boosting productivity and labour force participation.

Promotes Gender/ Income and Race Equality

A paid family leave plan is very relevant, especially for persons impacted by race or gender discrimination. There are factual discrepancies in paid leave regarding race and income levels. It has been noted that whites, non-Hispanic workers and high-wage earners have greater access to paid family leave. Black or Hispanic low-paid workers, living pay cheque to pay cheque with little or no savings, again highlighting the racial imbalances among the workforce. A national paid family leave policy should afford workers job protection or an equivalent post with identical salary and benefits. "In a recent evaluation of FMLA, two-thirds of workers who did not take needed family and medical leave reported that they could not afford to take leave unpaid" (Romig and Bryant, 2021).

Promotes Job Retention

Employers who needed time off but could not access paid leave suffered, resulting in financial and emotional distress. Employees forced into taking unpaid leave will find it exceedingly difficult to maintain their basic household and family needs. In contrast, regardless of current health issues, others have little choice but to continue to work. Employees who reach the breaking point are either dismissed or quit the job to focus on their health issues or family. "For example, without paid leave, 30 per cent of working women left their jobs after giving birth, according to

one study... access to paid leave significantly reduced labour market exits, which can have long-term economic consequences for workers and families" (Jones and Wilcher, 2020). Paid parental leave also makes businesses more appealing to a workforce that is becoming increasingly diverse. This makes it easier to retain valued employees and keep the staff you would have invested time and money in training.

Promotes Job Loyalty

Paid maternity or paternity leave has demonstrated a parent's goodwill toward their employer, especially if compensation is continued during parental leave time. In turn, this encourages loyalty to the business and aids in retaining working parents and those who intend to return from maternity leave.

Reduces Poverty

Paid parental leave sustains and may even improve household economic security for families following the arrival of a baby. "California's Statistics showed, on average, paid family leave reduced the poverty risk among new mothers by 10.2 per cent and increased household income for those mothers by 4.1 per cent based on California's program" (Romig and Bryant, 2021). In addition, food insecurity for households with new mothers was lessened, especially for low-income mothers with limited access to resources. Through California's paid parental leave program, economic security afforded low-income mothers (families) to bridge the gap between employment and caregiving obligations.



Recommendations

Currently, The FMLA has failed many very vulnerable employees it was purported to assist. Eligible workers are entitled to a maximum of 12 work weeks of unpaid leave. In this instance, The FMLA does very little for new and predominantly low-income households. The birth or adoption of a baby coupled with unpaid leave is a financial hurdle the vast majority of families cannot afford.

As a matter of principle, this is when additional income is essential for the physical and psychological well-being of the family. A decline in revenue at this juncture leaves families in an even more vulnerable situation. This policy forces families to choose between caring for a member or job security which inevitably leads to all parties suffering. As it stands now, paid leave is available to federal and some private sector employees.

1. To alleviate the debacle of the FMLA, paid leave should be instituted; some states have enacted specific policies regarding paid leave but with distinctive characteristics for their particular needs. Though this is well intended, persons transitioning between states may need help accessing the full range of services offered due to differences in structure and eligibility requirements. A national plan encompassing all states and territories would establish a coherent approach benefitting all regardless of location. Paid leave diminishes the financial as well as the psychological stresses for workers who are responsible for caregiving duties within the family. Re-

assurance and support can be provided by ensuring workers can return to their respective positions or an equivalent post with similar benefits and remuneration.

2. Under the current FMLA legislation, micro-businesses with less than fifty employees are not catered to. This means that most businesses and their employees will not qualify for paid leave. To improve this policy, consideration must be given to startup businesses. Accommodating these micro-businesses and their respective employees would assist in relieving the burden on both the employee and employer (where the employer wouldn't have to worry about training staff while the employer would be reassured with job security).

3. The current policy is vague and leaves room for interpretation. This means that local municipalities and businesses can determine that parental leave applies only to females. Rewriting the law to include fathers, in particular, would ensure coverage for LGBTQ+ couples or single fathers.

4. Having a standardised application process for all states and territories would relieve some of the barriers associated with applying for benefits. Therefore, reducing the uncertainty in documentation and wait time considerably.

5. At present, states are responsible for their parental leave policy. Introducing a standardised policy for all fifty-two states and territories would mean losing some benefits due to relocation would not be an option.



Samantha Barbour
2114407
Changemakers Building Your
Personal Brand
For Sustainable Employment

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Creating Impact on Policy

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Figure 1. International Labour Organization (2022). *Source of Funding of Maternity Leave Cash benefits, 2021. Care at work Investing in care leave and services for a more gender equal world of work*. Available at: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_838653.pdf [Accessed 4 Nov. 2022].

