



Insight

What Pew's Report on Paid Leave Preferences Means for Policy

BEN GITIS | APRIL 19, 2017

Recently, the Pew Research Center conducted a national survey on paid family and medical leave.^[1] Pew examined American perspectives on the issue and filled major information gaps on the paid leave benefits that employers already provide. The findings were quite interesting and it is important to put them in the context of the array of paid leave policy proposals currently under consideration. Two pieces of information stand out: first, while the vast majority of Americans think workers should receive paid family and medical leave, most prefer to receive this benefit from their employer, not the government. As a result, the most popular proposals are limited government approaches that enable employers to provide the benefit themselves. Second, almost two-thirds of workers are already compensated by their employers when they take family and medical leave. Workers with low household incomes, however, are very unlikely to receive the benefit. This underscores that for a policy to effectively expand paid family and medical leave and to address hardship, it must prioritize low-income workers.

PUBLIC OPINION ON PAID FAMILY AND MEDICAL LEAVE

Pew examined opinions regarding the three forms of paid leave generally covered under the term *paid family and medical leave*: leave following the birth or adoption of a new child, leave for one's own serious medical condition, and leave to care for a family member with a serious medical condition. As outlined in Table 1, most Americans think workers should have access to each type of paid leave.

Table 1: American Views on Paid Family Leave^[2]

Leave Category	In Favor	Against
Maternity	82%	18%
Paternity	69%	31%
Family Care	67%	33%
Medical	85%	15%

Depending on the type of leave, 67 percent to 85 percent believe workers should receive paid leave for a family or medical issue. The most popular forms of leave are paid medical and maternity leave. 85 percent think

workers should receive paid medical leave and 82 percent think female workers should receive paid leave following the birth or adoption of a child. Meanwhile, two-thirds of Americans think that male workers should receive paid parental leave and that all workers should receive paid leave to care for a family member with a serious medical condition.

Of those who think workers should be offered paid family and medical leave, most prefer the benefit to come from employers, not the government. These findings are detailed in Table 2.

Table 2: Views on Who Should Provide the Benefit Among Those Who Support Paid Family and Medical Leave^[3]

Leave Category	Employer	Government
Maternity	74%	26%
Paternity	76%	24%
Family Care	59%	42%
Medical	72%	28%

Depending on the type of leave, 59 percent to 76 percent of Americans who think workers should receive paid family and medical leave want the benefit to come from employers. Only 24 percent to 42 percent think the federal government should provide the benefit.

Interestingly, this shows that Americans really do not support what is perhaps the most common way of providing paid family and medical leave throughout the world and in the United States. Countries that provide paid family and medical leave generally utilize taxpayer-funded social insurance programs that compensate workers when they are on leave. Taxpayers in Denmark, for instance, fund a program that provides payments to new mothers for up to 50 weeks of maternity leave.^[4] The same method is used in California, New Jersey, and Rhode Island, which provide several weeks of paid leave by distributing payments through state-run trust funds that are financed with payroll taxes.^[5] Finally, the major liberal proposal under consideration on Capitol Hill would provide paid family and medical leave in the same manner. Sen. Kirsten Gillibrand and Rep. Rosa DeLauro's Family and Medical Insurance Leave (FAMILY) Act would distribute payments for up to 12 weeks of paid family and medical leave through a government-run trust fund financed with a 0.4 percent payroll tax.^[6]

Although Americans clearly prefer for paid family and medical leave to be provided by employers, they are split as to whether the federal government should mandate that employers provide this benefit. Pew found that 51 percent support a mandate and 48 percent believe that employers should be allowed to decide for themselves.^[7] Combined with the previous findings, these results suggest that while Americans like paid family and medical leave, there is substantial hesitation as to whether the federal government should play any role at all in providing the benefit.

PUBLIC OPINION ON FEDERAL FAMILY AND MEDICAL LEAVE PROPOSALS

Pew also surveyed American perspectives on proposals to increase access to paid family and medical leave that are currently under consideration on Capitol Hill. Given that most Americans would rather receive the benefit from their employers than from the government, they are extremely supportive of Senator Deb Fischer’s solution to help businesses provide their own paid family and medical leave benefit. Table 3 contains Pew’s results.

Table 3: American Views on Federal Paid Leave Proposals^[8]

Proposal	Strongly Favor	Somewhat Favor	Total in Favor
Tax credits to employers (Strong Families Act)	45%	42%	87%
Pretax savings accounts (Working Parents Flexibility Act)	39%	45%	84%
Gov. paid leave program funded with tax on wealthy/corporations (Sec. Clinton proposal)	28%	32%	60%
Gov. paid leave program funded with payroll tax (FAMILY Act)	24%	38%	62%

Pew found that 87 percent of Americans favor a solution similar to Senator Deb Fischer’s Strong Families Act, which would offer tax credits to businesses that provide paid family and medical leave to their workers.^[9] 45 percent strongly favor and 42 percent somewhat favor her solution. Americans are also highly supportive of a solution to help workers afford family and medical leave on their own. Representative John Katko’s Working Parents Flexibility Act would allow workers to set aside pre-tax earnings in a 401k-style savings account that they could draw from while on family and medical leave.^[10] Overall 84 percent favor this approach (39 percent strongly favor and 45 percent somewhat favor).

Solutions that would involve massive new government programs that directly distribute paid leave benefits and require new taxes are less popular (although still receive support from the majority of Americans). According to Pew, 62 percent of Americans favor a FAMILY Act-style program, which would impose a new payroll tax so the government can provide paid leave benefits on its own. Only 24 percent strongly favor this approach, while 38 percent somewhat favor it. Meanwhile, 60 percent favor (28 percent strongly favor and 32 percent somewhat favor) Secretary Hillary Clinton’s campaign proposal for the federal government to provide paid leave benefits by taxing corporations and the wealthy.^[11]

TRENDS IN PAID LEAVE ALREADY AVAILABLE TO WORKERS

Perhaps Americans do not see a need for a government-run paid leave benefit because most workers are already compensated while on family and medical leave. According to Pew, 47 percent of workers who took family and medical leave were paid fully by their employers and another 16 percent were paid partially. This means that 63

percent of workers receive a paid leave benefit already.[12] This is consistent with an Abt Associates report, which found that in 2012, 65 percent of workers who took family and medical leave were paid by their employer (48 percent were paid fully and 17 percent were paid partially).[13]

Pew also illustrates how workers utilize a mix of employer-provided benefits to receive paid leave. Of those who received full or partial pay while on family and medical leave, 79 percent say at least some pay came from vacation days, sick leave, or a general paid time off (PTO) benefit. 22 percent say that at least some pay came from an employer-provided temporary disability insurance benefit. Finally, 20 percent say that at least some pay came from a defined family and medical leave benefit provided by their employers.[14] That’s equivalent to 13 percent of all leave takers (those who were and were not paid) having access to a defined paid family and medical leave benefit, and consistent with the Bureau of Labor Statistics’ estimate that 13 percent of all private sector workers in 2016 were offered a defined paid family leave benefit.[15]

While 63 percent of workers are paid while on family and medical leave, access to any paid leave benefit varies substantially by household income level. In previous American Action Forum (AAF) reports, we pieced together data on access to paid leave by wage and education levels to argue that workers in low-income households are the least able to receive paid family and medical leave.[16] We did not, however, have data that directly ties access to paid leave to household income. Pew’s report fills this information gap and confirms our suspicion. Table 4 contains Pew’s findings on paid leave by household income level.

Table 4: Percent of Workers Paid While on Family and Medical Leave by Household Income Level[17]

Household Income	Full or Partial Pay	No pay
Less than \$30,000	38%	62%
\$30,000 to \$74,999	60%	40%
\$75,000 or greater	74%	26%

Only 38 percent of workers in households with annual incomes under \$30,000 received full or partial pay while on family and medical leave. Meanwhile, 60 percent of those with household incomes between \$30,000 and \$75,000 and 74 percent with household incomes over \$75,000 were paid. Clearly, paid leave is rare in low-income households, yet abundant in middle- and upper-income households.

These data suggest that the most direct way for the government to expand access to paid family and medical leave and address hardship would be to provide the benefit specifically to low-income workers. Previously, AAF outlined this type of approach when we presented the Earned Income Leave Benefit (EILB), a cost-effective and targeted way to provide 12 weeks of paid family and medical leave to low-income workers.[18] Under our prototype parameters, the benefit would only be available to workers with household incomes just under \$30,000, the very workers who least frequently receive paid leave. Interestingly, Pew found that if the government were to provide paid family and medical leave, 85 percent of Americans think that it should be available to all workers, not just low-income workers.[19] Yet, a principle virtue of a solution like the EILB is that it would not replace the employer-provided paid leave benefits that are growing rapidly in the private sector [20]

and that Americans prefer over any government program. Rather, it would supplement those benefits by providing a safety-net to the low-income workers who are unlikely to have any paid family and medical leave today and in the foreseeable future.

CONCLUSION

The Pew report should be used to guide paid family and medical leave policy going forward, as it illuminated Americans' perspectives on paid leave and filled major information gaps on who does and does not currently have access to paid leave. Overall, Americans widely think that workers should receive paid family and medical leave. They do not, however, think that the benefit should come from a massive government program that requires new taxes. Instead, they prefer that employers provide the paid family and medical leave benefit and solutions that enable employers to provide the benefit are extremely popular. Americans may feel this way because most workers are already compensated by their employers when they take family and medical leave. Yet, low-income workers are the least likely to receive paid family and medical leave and stand to benefit the most from any government solution. This suggests an approach that targets low-income workers would be an effective way to expand access to paid leave without displacing the employer-provided benefits that workers prefer.

[1] Juliana Horowitz, Kim Parker, Nikki Graf, & Gretchen Livingston, "Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Policies," Pew Research Center, March 2017, <http://www.pewsocialtrends.org/2017/03/23/americans-widely-support-paid-family-and-medical-leave-but-differ-over-specific-policies/>.

[2] Ibid., pg. 19.

[3] Ibid, pg. 22.

[4] Organisation for Economic Co-operation and Development, "Key Characteristics of Parental Leave Systems," February 28, 2016, https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf.

[5] Sarah Jane Glynn, Gayle Goldin, and Jeffrey Hayes, "Implementing Paid Family and Medical Leave Insurance, Connecticut," Institute for Women's Policy Research, 2016, <https://www.ctdol.state.ct.us/FMLI%20report%20for%20CT.pdf>.

[6] "FAMILY Act," S.337, Sen. Kirsten Gillibrand, 115th Congress (2017-2018), <https://www.congress.gov/bill/115th-congress/senate-bill/337>.

[7] Pew report, pg. 24.

[8] Ibid., pg. 28.

[9] "Strong Families Act," S.344, Sen. Deb Fischer, 115th Congress (2017-2018), <https://www.congress.gov/bill/115th-congress/senate-bill/344>.

- [10] “Working Parents Flexibility Act of 2016,” H.R. 4699, Rep. John Katko, 114th Congress (2015-2016), <https://www.congress.gov/bill/114th-congress/house-bill/4699>.
- [11] “Paid family and medical leave,” Hillary for America, <https://www.hillaryclinton.com/issues/paid-leave/>.
- [12] Pew report, pg. 53.
- [13] Jacob Alex Klerman, Kelly Daley, and Alyssa Pozniak, “Family and Medical Leave in 2012: Technical Report,” US Department of Labor, revised April 2014, <https://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf>.
- [14] Pew report, pg. 61.
- [15] National Compensation Survey, Bureau of Labor Statistics, <https://www.bls.gov/data/>.
- [16] Ben Gitis, “The Earned Income Leave Benefit: Rethinking Paid Family Leave for Low-Income Workers,” American Action Forum, August 2016, <https://www.americanactionforum.org/solution/earned-income-leave-benefit-rethinking-paid-family-leave-low-income-workers/>. See also Ben Gitis & Angela Rachidi, “Affordable and Targeted: How Paid Parental Leave in the US Could Work,” American Action Forum & American Enterprise Institute, March 2017, <https://www.americanactionforum.org/solution/affordable-targeted-paid-parental-leave-us-work/> and Ben Gitis, “What We Know About Paid Family Leave in the Private Sector,” American Action Forum, March 2016, <https://www.americanactionforum.org/research/know-paid-family-leave-private-sector/>.
- [17] Pew report, pg. 60.
- [18] Ben Gitis, “The Earned Income Leave Benefit: Rethinking Paid Family Leave for Low-Income Workers,” American Action Forum, August 2016, <https://www.americanactionforum.org/solution/earned-income-leave-benefit-rethinking-paid-family-leave-low-income-workers/>. See also Ben Gitis & Angela Rachidi, “Affordable and Targeted: How Paid Parental Leave in the US Could Work,” American Action Forum & American Enterprise Institute, March 2017, <https://www.americanactionforum.org/solution/affordable-targeted-paid-parental-leave-us-work/>.
- [19] Pew report, pg. 27.
- [20] Ben Gitis, “What We Know About Paid Family Leave in the Private Sector,” American Action Forum, March 2016, <https://www.americanactionforum.org/research/know-paid-family-leave-private-sector/>.