Research

The Fiscal Implications of the FAMILY Act: How New Paid Leave Benefits Increase Leave-Taking and Drive Up Estimated Program Costs

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EXECUTIVE SUMMARY

This study applies the findings of a recent Cato Institute poll on paid family and medical leave to calculate the budgetary cost of the FAMILY Act, a prominent legislative proposal sponsored by Senator Kirsten Gillibrand and Representative Rosa DeLauro. All previous cost estimates of this bill are based on workers' current leave-taking patterns either under the Family and Medical Leave Act (FMLA), which provides job-protected unpaid leave, or under state-run paid family and medical leave programs. The Cato Institute conducted a poll in October 2018 that provides new information allowing for a cost estimate that accounts for the possibility that a federally guaranteed paid leave benefit would result in workers taking leave more frequently than they currently do. Applying data from the Cato Institute's poll to the FAMILY Act results in a cost estimate substantially higher than what previously employed methods find. Specifically, had the FAMILY Act been in effect in 2017:

- 45.5 million workers would have claimed paid leave benefits, at a cost of $203.2 billion to $226.8 billion;
- The bill's proposed 0.4 percent payroll tax would have only covered 15 percent of benefit payments; and
- Fully funding benefit payments would have required a payroll tax as high as 2.9 percent.

This cost estimate of the FAMILY Act is considerably higher than the estimated $31 billion to $68 billion resulting from methods that do not account for the ways that a new federal benefit would increase leave-taking.

INTRODUCTION

In recent years, policymakers have grown increasingly interested in expanding access to paid family and medical leave. While proposals vary in scope and design, some of the most popular take the form of a new government program that would send benefit payments to workers while they are on leave for family or medical reasons.

One important question is often asked about this type of proposal: How much would it cost, and how would the government pay for it? Previous American Action Forum (AAF) studies have examined a variety of paid family and medical leave proposals and analyzed their budgetary implications. Each analysis, however, faced the same limitation: While data exist on how often workers utilized job-protected, unpaid family and medical leave currently guaranteed by federal law, no information exists on how often workers nationwide would use leave if it were paid. Presumably, the existence of a benefit would induce more workers to take family and medical leave. There has been no evidence, however, to indicate how those benefits would impact the decisions of workers.

A recent poll issued by the Cato Institute attempts to fill this information gap. The poll asked workers how they would use a hypothetical federal family and medical leave program that mirrors the Family and Medical Insurance Leave (FAMILY) Act, a prominent proposal reintroduced earlier this year by Senator Kristen Gillibrand and Representative Rosa DeLauro. Specifically, the poll collected information on how often and for how long workers would take family and medical leave under this program.

This AAF study uses the Cato Institute's poll to perform a new cost analysis of the FAMILY Act. It estimates the total cost based on the new data, as well as the cost associated with each type of leave covered by the FAMILY Act: to care for a newborn or adopted child (parental leave), to care for an ill family member (family caregiving leave), or to recover from one's own medical condition (personal medical leave). The study then compares the results to two separate methods, one that follows AAF's previous methods and assumes program-use would match nationwide leave-taking patterns under current federal law guaranteeing unpaid leave, and another that assumes program-use like in the states with similar paid family and medical leave programs.

BACKGROUND ON FAMILY AND MEDICAL LEAVE POLICY IN THE UNITED STATES

In the United States, two federal laws impact family and medical leave. The Family and Medical Leave Act of 1993 (FMLA) guarantees certain workers up to 12 weeks of unpaid, job-protected parental, family caregiving, and personal medical leave.[1] To be eligible for the FMLA's 12 weeks of job protection, an employee must have worked continuously for his or her employer for at least one year and worked at least 1,250 hours in that year. In addition, the business must employ at least 50 workers within a 75-mile radius. Under these criteria, 59 percent of the workforce qualifies for the 12 weeks of job protection guaranteed by the FMLA.[2]

More recently, 2017's Tax Cuts and Jobs Act (TCJA) introduced a new tax credit, made available to businesses that provide at least 2 weeks of paid family and medical leave.[3] Originally conceived by Senator Deb Fischer's Strong Families Act, the tax credit ranges from 12.5 percent to 25 percent of the cost of each hour of paid leave, depending on how much a worker's regular earning the benefit replaces.[4] The government covers 12.5 percent of the benefit's costs if workers receive half of their regular earnings and up to 25 percent if workers receive their entire regular earnings. Businesses are only able to apply the credit toward workers who earn below $72,000 per year. The tax credit is only available under a two-year pilot program, which is set to expire at the end of this year.

No federal laws, however, guarantee workers are paid during their time away from work. In fact, the United States is the only developed country in the world that does not guarantee workers some form of paid leave.[5] But a number of federal policymakers are now exploring ways to introduce the benefit.

Perhaps the most prominent and expansive proposal comes from the left: the FAMILY Act.[6] Following the approach of several states, the FAMILY Act would use a social insurance approach to provide paid family and medical leave. In particular, the FAMILY Act would provide 12 weeks of paid leave by creating a trust fund that would be financed with a 0.4 percent payroll tax, split between employers and employees. For those 12 weeks, the federal government would provide benefit payments equal to two-thirds of regular earnings, with a minimum monthly benefit of $580 and a maximum of $4,000. Nearly all workers would be eligible for the program, which would provide benefits for the three main types of leaves covered by the FMLA—parental, family caregiving, and personal medical.

Proposals have also emerged from the right. President Donald Trump proposed introducing paid parental leave through the unemployment insurance system.[7] Senator Marco Rubio and Representative Ann Wagner's Economic Security for New Parents Act would provide paid parental leave through Social Security, allowing workers to claim Social Security benefits after the birth or adoption of a child and in return delay collection of their retirement benefits.[8] Representative Martha Roby introduced the Working Families Flexibility Act, which would allow workers to accrue paid time off for working overtime in lieu of additional pay.[9] Representative John Katko's Working Parents Flexibility Act would allow employers to offer workers the option to divert a portion of their pretax earnings into a parental leave savings account similar to a 401(k) retirement account.[10] Finally, former Representative Mimi Walters's Workflex in the 21st Century Act would reward employers that provide sufficient paid time off and workplace flexibility by exempting them from local and state paid leave mandates.[11]

PREVIOUS AAF RESEARCH ON BUDGETARY IMPLICATIONS OF PAID FAMILY AND MEDICAL LEAVE

In recent years, AAF has analyzed the budgetary implications of a variety of paid family and medical leave proposals, including the FAMILY Act,[12], [13] an initial version of the program proposed in the Economic Security for New Parents Act,[14] President Trump's proposal,[15] a proposal by the American Enterprise Institute (AEI)-Brookings Institution working group on paid family and medical leave,[16] and an AAF and related AAF-AEI proposal to target low-income workers.[17], [18] Additionally, the author of this study collaborated with the AEI-Brookings Institution working group on both an online calculator able to estimate the costs of a variety of paid family and medical leave proposals[19] and a report that compares methods for estimating paid family and medical leave budgetary costs.[20]

While AAF's methods have developed and improved over time, the fundamental strategy has remained consistent. The methods are based primarily on the assumption that program participation would mirror private sector leave-taking patterns under the FMLA, the only federal policy that guarantees family and medical leave. In particular, AAF assumes that take-up and duration of leave under the hypothetical program would match those of workers who are eligible for job protection under the FMLA. It then uses the latest available March Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) to estimate the wage distribution of program participants and weekly program benefit payments to participants. AAF then uses estimates on participation rates, the employed population, average benefit duration, and average weekly benefit to estimate the total cost of PFML programs.

Each of AAF's previous analyses, however, face a major limitation. Specifically, program take-up and duration are based on leave-taking under the FMLA, which guarantees job protection and does not provide a benefit payment. Yet, it seems likely that take-up and duration of family and medical leave would both be greater should a government benefit be made available. Thus, the cost estimates resulting from AAF's previous method may be conservative in nature.

THE CATO INSTITUTE'S POLL

A recent poll by the Cato Institute helps to close this information gap. The headline conclusion from the poll is that support for paid family and medical leave falls when considering the cost of implementing proposals such as the FAMILY Act. Seventy-four percent of adults support establishing a new government program that provides 12 weeks of paid family and medical leave when cost is not mentioned. If the same program were to cost each individual $200 per year in higher taxes, support falls to 54 percent. Moreover, the majority of Americans oppose a paid leave program if they would have to pay $450 per year or more in higher taxes.[21]

More relevant to this study, the poll also asked questions on how often workers take family and medical leave and how often they want or need to take leave. Between the two questions, the Cato Institute calculated a total demand for family and medical leave in the previous year. Additionally, the poll asks workers how many weeks of leave they would have taken in the previous year if there were a hypothetical government program that mirrors the FAMILY Act. In order to understand the total number of weeks of leave that workers would desire, the Cato Institute made the hypothetical benefit available for any length of time. Finally, the poll asked workers these take-up and duration questions for each of the three main types of leave covered by the FAMILY Act: parental, family caregiving, and personal medical.

According to the results, workers may utilize family and medical leave more frequently than previously understood, and introducing a government benefit could lead to a substantial uptick in leave-taking. The Cato Institute found that in the previous year, 23.7 percent of workers took family and medical leave (either paid or unpaid), 24.8 percent wanted to take leave, and, on net, 29.6 percent either took or wanted to take leave. All three figures are much higher than previous estimations that 12.6 percent of all workers and 15.7 percent of workers covered by the FMLA took family and medical leave in 2012.[22]

Additionally, if workers received a weekly benefit similar to those provided by the FAMILY Act, they would want to take considerably longer leaves than previous data suggest. The Cato Institute's poll found that with a FAMILY Act-like benefit, workers would want to take, on average, 13.4 weeks of leave for a newborn or adopted child, 12 weeks for family caregiving, and 14.2 weeks to tend to their own medical conditions. Previous estimates found that, in 2012, workers took 8.6 weeks for a new child, 3.7 weeks for family caregiving, and 8.2 weeks for their own health.

THE COST OF THE FAMILY ACT, ACCORDING TO THREE DIFFERENT METHODS

The following contains cost estimates of the FAMILY Act when incorporating the results of the Cato Institute's poll. To better understand the magnitude of the results, this study compares them to the results when using two separate methods. The first most closely resembles previous AAF studies and uses data on how often workers take leave under the FMLA. The second incorporates a series of assumptions that reflects the experience of similar family and medical leave programs adopted by the states. All estimates utilize the March 2018 CPS ASEC to estimate the wage distribution of program participants, their average weekly benefit payments, and the population of wage and salary workers.[23]

Cato Institute Poll[24]

The Cato Institute's findings suggest that the FAMILY Act would cost over $200 billion per year, much costlier than previously estimated. The increased cost results from workers indicating higher take-up and longer leaves when they are presented with the hypothetical benefit.

Before digging into the results, however, it is important to note that some poll respondents appear to have misunderstood the differences between the three main types of leave (parental, family caregiving, and personal medical). For instance, some respondents indicated that in the previous year they wanted to take leave for all three reasons, each of which for an entire year. While it is impossible to take three years of leave in a single year, it is possible that some workers intended to indicate that they would have liked a single year of leave for all three reasons simultaneously. Unfortunately, the data do not provide enough information to determine whether these responses were made intentionally or in error.

To address this issue, this study employs two different strategies for analyzing the Cato Institute's poll, each making a different assumption about respondent intentions. This first assumes that no respondents understand the difference between parental, family caregiving, and personal medical leave. Accordingly, for every worker, this strategy treats the average of the durations demanded for each type of leave as the total duration of leave demanded in a single year. Any worker with an average duration above 12 weeks is assumed to claim benefits for the full 12 weeks available under the FAMILY Act and not beyond that.

Table 1 contains the results from this strategy, including estimated program participation, duration, and total benefit payments, had the FAMILY Act been in effect in 2017.

Table 1: 1st Strategy with Cato Institute Data

Type of Leave	Take-Up Rate	Participation (in millions)	Average Duration (in weeks)	Total Benefits Paid (in billions), 2017	Benefits Paid as a Percentage of Total Wages
Total (Parental, Family Caregiving, and Personal Medical Combined)	29.6%	45.4	7.8	$203.2	2.55%

The results in Table 1 indicate that 29.6 percent of workers—45.5 million in 2017—would have claimed the FAMILY Act's benefits for an average of 7.8 weeks and at a cost of $203.2 billion. For perspective, that is equivalent to 2.55 percent of total wages paid to employees in 2017.[25]

The advantage of this approach is that it avoids overcounting the total length of leave benefits each worker truly demands. A drawback, however, is that it may underestimate both the duration of leave desired by some workers, and in turn, the cost of the FAMILY Act. For instance, a worker who wants 2 weeks of parental, 4 weeks of family caregiving, and 6 weeks of personal medical leave may be intentionally seeking 12 weeks of leave total. Yet, under this strategy, the worker is assumed to take only 4 weeks of leave total. Additionally, since the total cost estimate is derived by averaging durations of each type of leave, this approach does not allow for an analysis of how much each type of leave contributes to the total cost.

The second strategy assumes that every respondent to the Cato Institute's poll understands the difference between parental, family caregiving, and personal medical leave. Accordingly, for every worker, this strategy treats the sum of the durations indicated for each type of leave as the total duration desired. Like in the first estimate, any worker with a total duration above 12 weeks is assumed to claim benefits for 12 weeks and not beyond that.

Moreover, this strategy also attempts to provide a better understanding of how much each type of leave contributes to the total estimated cost of the FAMILY Act. For those who receive benefits for the entire 12 weeks, this strategy assumes that each reason for leave is responsible for the same portion of the 12 weeks of benefits they claim as the total duration they demand. For instance, a worker who demands 52 weeks of leave for parental, family care, and medical each is assumed to receive 12 weeks of benefits total, with 4 weeks for each of the three types of leaves.

Table 2 contains the results from this second strategy. It is important to note that the take-up rates and participation for each type of leave do not add to the total, as many workers in the Cato Institute's poll demand paid leave for multiple reasons.

Table 2: 2nd Strategy with Cato Institute Data

Type of Leave	Take-Up Rate	Participation (in millions)	Average Duration (in weeks)	Total Benefits Paid (in billions), 2017*	Benefits Paid as a Percentage of Total Wages*
Total	29.6%	45.4	8.7	$226.8	2.85%
Parental	10.8%	16.5	6.1	$57.6	0.72%
Family Caregiving	16.4%	25.2	4.7	$68.0	0.85%
Personal Medical	18.7%	28.7	6.1	$101.3	1.27%
*Categories may not add to total due to rounding.					

The second strategy increases the FAMILY Act's cost slightly: $226.8 billion or 2.85 percent of total wages in 2017. Like the previous estimate, 29.6 percent of employees participate in the program. Unlike the first estimate, however, the average duration is slightly longer at 8.7 weeks. This strategy also finds that $57.6 billion (25.4 percent) of the cost comes from parental leave, $68 billion (30 percent) is a result of family caregiving, and $101.3 billion (44.6 percent) is attributed to personal medical leave.

The second strategy more holistically considers each reason workers would claim benefits from the FAMILY Act, while also providing a sense for how much of the total cost is attributed to each type of leave. The strategy makes broad assumptions, however, about the types of leave workers would take. If presented with 12 weeks of paid leave (rather than unlimited as posed by the Cato Institute's poll), workers may choose to allocate their benefit payments differently.

Putting aside considerations for each strategy, both estimates suggest that introducing paid leave benefits could result in taking family and medical leave more frequently and for longer durations than indicated by previous surveys on current leave-taking patterns. This conclusion means that the FAMILY Act could result in significantly greater expenditures than indicated by previous analyses. For perspective, consider the estimated cost of the FAMILY Act resulting from two previously employed methods.

FMLA Experience

The method regularly used in AAF's previous studies assumes that take-up and duration of leave under the new program would mirror those of employed people who are eligible for job protection under the FMLA. Of note, this method is based on patterns in the current policy environment, which does not consist of a federally guaranteed paid family and medical leave benefit.

Data on leave-taking patterns under the FMLA come from the FMLA employee survey conducted by Abt Associates in 2012 on behalf of the Department of Labor.[26] The survey identified the rate at which workers took each type of FMLA-qualifying leave in the previous 12 months. It also collected information on how long each worker taking leave was away from work. Similar to when analyzing the Cato Institute poll, this method assumes that any worker who reports taking more than 12 weeks of leave would claim benefits for the full 12 weeks available under the FAMILY Act and not beyond that.

Table 3 contains the results from this method, including the total cost of the FAMILY Act, had it been in effect in 2017.

Table 3: Assuming FMLA Experience[27]

Type of Leave	Take-Up Rate	Participation (in millions)	Average Duration (in weeks)	Total Benefits Paid (in billions), 2017*	Benefits Paid as a Percentage of Total Wages
Total	15.9%	22.7	5.2	$68.4	0.86%
Parental	3.1%	4.5	7.1	$18.3	0.23%
Family Caregiving	4.0%	5.7	2.9	$9.4	0.12%
Personal Medical	8.8%	12.5	5.6	$40.6	0.51%
*Categories may not add to total due to rounding.					

Should benefit-claiming resemble leave-taking under the FMLA, which does not include pay during leave, the FAMILY Act would be considerably less costly than suggested by the results of the Cato Institute's poll. Overall, this method suggests that 15.9 percent of employees—22.7 million workers—would claim benefits for an average of 5.2 weeks and at a total cost of $68.4 billion. For perspective, that is 0.86 percent of total wages paid to employees in 2017.

This method finds that the most common and expensive type of leave would be for personal health issues: 8.8 percent of employees—12.5 million workers—would claim benefits for personal medical leave at a total cost of $40.6 billion. The program would also spend $18.3 billion on parental leave and $9.4 billion on family caregiving leave.

State Program Experience

Another method is to assume that program use mirrors that in states with programs that are similar to the FAMILY Act. This method incorporates a number of assumptions into the Abt Associates' FMLA data that make take-up and durations more closely replicate the experiences in states such as California, New Jersey, and Rhode Island.[28] Table 4 contains the results.

Table 4: Assuming State Program Experience

Type of Leave	Take-Up Rate	Participation (in millions)	Average Duration (in weeks)	Total Benefits Paid (in billions), 2017*	Benefits Paid as a Percentage of Total Wages
Total	6.4%	9.1	5.9	$31.0	0.39%
Parental	2.4%	3.4	6.8	$13.3	0.17%
Family Caregiving	0.5%	0.7	3.3	$1.3	0.02%
Personal Medical	3.5%	5.0	5.7	$16.3	0.20%
*Categories may not add to total due to rounding.					

Overall, this method finds that 6.4 percent of wage and salary earners—9.1 million workers—would claim benefits for an average 5.9 weeks and at a total cost of $31 billion in one year. For perspective, that equates to just 0.39 percent of payroll expenditures in 2017.

Again, personal medical leave comes out as the most common and expensive type of leave covered by the FAMILY Act, totaling $16.3 billion. Meanwhile, parental leave costs 13.3 billion, and family caregiving costs just $1.3 billion.

IMPLICATIONS

There are two major implications of this analysis. First, taking into account the impact of introducing a federally guaranteed paid family and medical leave benefit on worker decisions results in a considerably higher cost estimate for a paid leave program than has been previously documented. The Cato Institute's poll indicates that introducing a federally guaranteed paid benefit could result in workers taking leave more frequently and for longer durations than they currently do. Based on the Cato Institute's data, the FAMILY Act would cost at least $200 billion per year. That total is substantially more than the $68 billion estimate based on workers' current leave-taking patterns without a federal benefit and the $31 billion estimate based on the experience of state paid leave programs.

Second, with the introduction of the benefit leading to greater leave-taking, the FAMILY Act's 0.4 percent payroll tax would likely fall far short of covering the program's benefit payments. In fact, the payroll tax would cover the cost only when assuming participation is the same as in states with similar paid leave programs. When assuming participation reflects recent leave-taking patterns under the FMLA or as indicated by the Cato Institute's poll, the payroll tax only covers a small fraction of the FAMILY Act's benefit payments.

In 2017, a 0.4 percent payroll tax would have raised $31.9 billion. When assuming program use that reflects the experience of similar programs in the states, the FAMILY Act would cost $31 billion, meaning that the payroll tax would fully fund the benefit payments. There are reasons beyond the Cato survey to conclude, however, that program use may be higher than what has been experienced in the states. While the FAMILY Act most closely resembles current state-level programs, states have had difficulty spreading awareness of their programs. Evidence suggests many workers are not aware of the programs. Knowledge of the FAMILY Act would likely be much higher, as the federal government can more effectively spread awareness and national media would likely cover the program's introduction extensively. Additionally, the FAMILY Act is much more generous than most existing state programs. State programs tend to provide lower weekly benefits and shorter maximum benefit durations than would the FAMILY Act. These differences mean that under the FAMILY Act workers would likely take family and medical leave more frequently than they have under state paid leave programs.

Assuming program participation mirrors the patterns of unpaid, job-protected leave provided by the FMLA indicates that the revenue raised by FAMILY Act's 0.4 percent payroll tax would only cover less than half of the program's benefit payments. Specifically, it would fund 47 percent of the FAMILY Act's cost, should it be closer to the $68 billion estimated by this method. Thus, if participation mirrors leave-taking under the FMLA, the federal government would need a 0.9 percent payroll tax to cover the program's cost.

Finally, the payroll tax would cover only a sliver of the program's costs should a new benefit cause workers to take family and medical leave more frequently than they do under the FMLA. If participation in the FAMILY Act resemble the responses to the Cato Institute's poll, benefit payments would total $203.2 billion to $226.8 billion, and the 0.4 percent payroll tax would only cover about 15 percent of the cost. To cover the full cost of the Family Act's benefits, the federal government would need a 2.6 percent to 2.9 percent payroll tax.

CONCLUSION

The Cato Institute's poll on the FAMILY Act attempted to close important information gaps about paid family and medical leave. The poll suggests that, should the federal government introduce a paid family and medical leave benefit like what the FAMILY Act proposes, workers would go on leave more frequently and for longer periods than they currently do. Consequently, proposed programs that provide benefit payments for family and medical leave may be much costlier than previously calculated. In particular, using the data from the Cato Institute's poll suggests that the FAMILY Act would cost over $200 billion per year, well above cost estimates derived from previously used methods and data.

[1] "Family and Medical Leave Act of 1993," H.R.1, 103rd Congress, 1993, https://www.congress.gov/bill/103rd-congress/house-bill/1.

[2] Jacob Alex Klerman, Kelly Daley, and Alyssa Pozniak, "Family and Medical Leave in 2012: Technical Report," US Department of Labor, revised April 2014, pg. 21, https://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf.

[3] "Tax Cuts and Jobs Act," Conference Report, H.R.1, 115th Congress, 2017, https://files.taxfoundation.org/20171215175456/TCJA_Conference_Report.pdf.

[4] "Strong Families Act," S.1716, 115th Congress, 2017, https://www.congress.gov/bill/115th-congress/senate-bill/1716.

[5] Gretchen Livingston, "Among 41 Nations, U.S. Is the Outlier When It Comes to Paid Parental Leave," Pew Research Center, September 26, 2016, http://www.pewresearch.org/fact-tank/2016/09/26/u-s-lacks-mandated-paid-parental-leave/.

[6] "Family and Medical Insurance Leave Act," S.463, 116th Congress, 2019, https://www.congress.gov/bill/116th-congress/senate-bill/463.

[7] "Fiscal Year 2019: Efficient, Effective, Accountable: An American Budget," Proposed Budget of the U.S. Government, Office of Management and Budget, Executive Office of the President of the United States, 2018, p. 78, https://www.whitehouse.gov/wp-content/uploads/2018/02/budget-fy2019.pdf.

[8] "Economic Security for New Parents Act," S.3345, 115th Congress, 2018, https://www.congress.gov/bill/115th-congress/senate-bill/3345.

[9] "Working Families Flexibility Act of 2017," H.R.1180, 115th Congress, 2017, https://www.congress.gov/bill/115th-congress/house-bill/1180/text.

[10] "Working Parents Flexibility Act of 2017," H.R.2533, 115th Congress, 2017, https://www.congress.gov/bill/115th-congress/house-bill/2533.

[11] "Workflex in the 21st Century Act," H.R.4219, 115th Congress, 2017, https://www.congress.gov/bill/115th-congress/house-bill/4219.

[12] Ben Gitis, "Paid Leave Proposals: The Numbers Don't Add Up," American Action Forum, January 25, 2016, https://www.americanactionforum.org/insight/paid-leave-proposals-the-numbers-dont-add-up/.

[13] Ben Gitis, "The Earned Income Leave Benefit: Rethinking Paid Family Leave for Low-Income Workers,"

American Action Forum, August 15, 2016, https://www.americanactionforum.org/solution/earned-income-leave-benefit-rethinking-paid-family-leave-low-income-workers/.

[14] Ben Gitis & Gordon Gray, "The Fiscal Implications of Using Social Security to Provide Paid Parental Leave," American Action Forum, July 9, 2018, https://www.americanactionforum.org/research/the-fiscal-implications-of-using-social-security-to-provide-paid-parental-leave/.

[15] Ben Gitis, "The Costs and Distribution of Benefits of the President's Paid Leave Proposal," American Action Forum, May 23, 2017, https://www.americanactionforum.org/research/costs-distribution-benefits-presidents-paid-leave-proposal/.

[16] Ben Gitis & Douglas Holtz-Eakin, "Analysis of the AEI-Brookings Working Group Proposal on Paid Parental Leave," American Action Forum, June 7, 2017, https://www.americanactionforum.org/research/analysis-aei-brookings-working-group-proposal-paid-parental-leave/.

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[22] Ben Gitis, "Paid Family and Medical Leave in the United States: Using Data to Guide Public Policy," American Action Forum, February 22, 2018, https://www.americanactionforum.org/research/paid-family-medical-leave-united-states-using-data-guide-public-policy/.

[23] Current Population Survey: 2018 Annual Social and Economic Supplement, https://www.nber.org/data/current-population-survey-data.html.

[24] The author sincerely thanks the Cato Institute for providing the data necessary to conduct this analysis.

[25] According to the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, workers earned

$7.97 trillion in 2017, https://www.bls.gov/cew/.

[26] "FMLA Surveys," US Department of Labor, Wage and Hour Division, https://www.dol.gov/whd/fmla/survey/.

[27] Note that the FAMILY Act's estimated cost of $68.4 billion in Table 3 is slightly smaller than the $85.9 billion AAF previously estimated when using similar methods (https://www.americanactionforum.org/solution/earned-income-leave-benefit-rethinking-paid-family-leave-low-income-workers/). The previous estimate is based on an average duration of 6.5 weeks, which is the average length taken by all workers covered by the FMLA, according to Abt Associates. That estimate, however, includes durations longer than the 12 weeks of benefits available under the FAMILY Act. The method employed in Table 3 assumes that any worker who takes more than 12 weeks of leave would receive the full 12 weeks of benefits available under the FAMILY Act and not beyond that. This lowers the average benefit duration to 5.2 weeks.

[28] To replicate state experiences, this method incorporates two new assumptions. First, it assumes that only certain proportions of workers who take family and medical leave would claim the government benefits available under the FAMILY Act. Specifically, it assumes that the benefits would only be claimed by 90 percent of those on parental leave, 10 percent to 20 percent on family caregiving leave, and 50 percent on personal medical leave. Second, it assumes that 60 percent of workers who already receive paid leave from their employers would only use the government benefits after using their employer benefits for four weeks.