

**Labor & Public Employees Committee**

Public Testimony of the CT Women's Education and Legal Fund (CWEALF)

S.B. 1: *An Act Concerning Earned Family and Medical Leave* and H.B. 5387: *An Act Concerning Paid Family Medical Leave*

Submitted by: Madeline Granato, Policy Manager

March 8, 2018

The Connecticut Women's Education and Legal Fund (CWEALF) is a statewide nonprofit that advocates for and empowers women and girls in Connecticut, especially those who are underserved or marginalized. For nearly forty-five years, CWEALF has advocated for policies that advance the economic security of women across our state and promote gender equity in the workplace.

We urge the Committee to support S.B. 1: *An Act Concerning Earned Family and Medical Leave* and H.B. 5387: *An Act Concerning Paid Family Medical Leave*.

CWEALF leads the CT Campaign for Paid Family Leave with a Steering Committee of five other organizations: AARP-CT, AFSCME, Planned Parenthood of Southern New England, SEIU 32BJ and Working Families. Created in 2012, the Campaign advocates for the passage and implementation of a comprehensive system of paid family and medical leave.

Our Campaign coalition includes more than 60 organizations across Connecticut that represent a variety of interests: elder care, women's health, children's groups, special needs, labor unions, religious groups, low-income advocacy organizations, long-term illnesses and pediatrics. More than 40 small businesses are official supporters of the Campaign and a sensible wage replacement system that benefits both workers and businesses.

CWEALF applauds the Committee and state lawmakers for introducing paid family and medical leave legislation for the fourth consecutive year to address the needs of our state's families and workforce. Currently, both state and federal FMLA provide only unpaid leave to workers who have a serious medical condition, need to care for an ill family member, for the birth or adoption of a child, to serve as an organ or bone marrow donor, or to care for an injured member of the military.

While FMLA has provided job-protected leave to millions of workers since it was passed in the early 1990s, it is inaccessible to too many workers. Federal and state laws apply solely to larger companies of 50 or more employees – this leaves out approximately 40% of the workforce. In other words, forty percent of the current workforce can lose their jobs if they

become seriously ill, need to take care of an ill family member, or decide to grow their family, either by birth or adoption.

Even among workers who are covered by the FMLA, many choose not to take leave because they simply cannot afford to forego consecutive paychecks. Currently, just 15% of workers have access to paid family and medical leave through their employers. For low-wage workers, that number falls to just 5%.<sup>1</sup>

An employee does not seek FMLA-protected leave to go on vacation and relax. When a worker is seriously ill, taking care of a loved one who is seriously ill, or attending to the needs of a newborn baby, the last worry on their mind should be missing a paycheck or falling behind on paying bills or medical expenses. Workers who take unpaid leave experience higher incidences of bankruptcy and reliance on public assistance, and risk economic devastation for their families. Research shows that new mothers with paid leave are 39% less likely to use public assistance, 40% less likely to need food stamps, and 54% more likely to experience a wage increase in the following year.<sup>2</sup>

Contrary to the outdated rhetoric that pro-worker policies are “bad for business,” national research demonstrates that such earned family and medical leave benefits businesses and the broader economy.<sup>3</sup> In the past few years, many larger businesses, including Google, Hilton, Etsy and Microsoft, among others, expanded their parental leave policies. Deloitte now even offers up to 16 weeks of fully paid leave for family care. The reason for this expansion is simple: paid family and medical leave benefits their bottom line. It boosts productivity, attracts top-notch, young workers, lowers expensive turnover costs and fosters a greater attachment to the labor force.

We also can learn from other states that paid leave is a “win” for business. In California, a state with a paid leave program for more than 10 years, almost 90% of businesses surveyed many fifteen years after the implementation of paid family leave reported that it had a neutral or positive impact on business.<sup>4</sup>

In 2017, a poll by BLS Research & Consulting found that 77% of small business owners in Connecticut support paid leave legislation as proposed in S.B. 1 and H.B. 5387. When respondents learned more about the benefits of paid leave, support climbed to 82%.

Employees get sick, have babies, or take on the role of family caregiver, whether or not they have access to paid leave. Current solutions, whether they provide partial pay for as long as the employer can manage or offer some type of short-term disability, are admirable, but costly to small employers. A paid leave program as proposed in S.B. 1 and H.B. 5387 lifts the burden from the employers and shifts it to a system funded solely by small employee payroll contributions.

---

<sup>1</sup> Pew Research Center. Access to paid family leave varies widely across employers, industries. Retrieved from: <http://www.pewresearch.org/fact-tank/2017/03/23/access-to-paid-family-leave-varies-widely-across-employers-industries/>.

<sup>2</sup> Houser, Linda and Vartanian, Thomas P., “Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses, and the Public,” Rutgers Center for Women and Work, January 2012.

<sup>3</sup> Applebaum, Eileen and Milkman, Ruth, “Leaves that Pay: Employer and Worker Experiences With Paid Family Leave in California,” Rutgers Center for Women and Work, January 2011.

<sup>4</sup> See note 3.

The Campaign recommends a “Triple A” system of paid family and medical leave that encompasses three essential components:

1. *Affordable* for Connecticut workers and businesses. We recommend a system that is publicly administered by the CT Department of Labor to ensure transparency, keep costs low for the public, and remove any profit incentives. The paid leave program proposed in S.B. 1 and H.B. 5387 is funded by small employee deductions of 0.5% of weekly earnings. Under S.B. 1 and H.B. 5387, workers receive 100% of their weekly earnings, up to a cap of \$1,000/week, when they need to take leave. This program is functional for low-wage earners who cannot afford to go without any portion of their paychecks. Businesses in Connecticut will contribute zero dollars into this system.

The 2016 Implementation Study ordered by the General Assembly determined through an actuarial and financial feasibility study that this proposed system is self-sustaining and does not require yearly funding from the state to operate or distribute compensation. The total cost of compensation for requested leave and administration of the program is sustained by the recommended contribution of 0.5% (1/2 of one percent) of an employee’s earnings.

2. *Accessible* for all Connecticut workers who need to take time all kinds of leave (medical, parental and caregiving) in all kinds of families. The Campaign supports S.B. 1 and H.B. 5307’s expansion of the definition of family to include siblings, grandparents, grandchildren, children over the age of 18, and any other individual related by blood or whose close association with the employee is the equivalent of a family relationship. This definition accommodates the realistic needs of today’s households and allows employees to care for their loved ones without risking financial disaster.
3. *Adequate* to provide enough time for care or healing. S.B. 1 and H.B. 5387 allows employees to take a maximum of 12 weeks of leave, plus an extra 2 weeks if a worker experiences serious complication related to pregnancy. Twelve weeks mirrors the federal FMLA and simplifies guidelines for employers. Three other states with paid leave offer shorter leaves for family care (4-6 weeks) but have much longer leave for individual illness (26-52 weeks). Sufficient time to meet family and medical needs is critical in making paid family leave meaningful for employees.

Access to paid family and medical leave should not depend on what state a worker lives in, where they work or who they work for. As a state, we must escape the false notion that policies such as paid family and medical leave that support workers do so at a cost to businesses. We must invest in policies that prioritize the physical, emotional and financial well-being of our workforce, with the knowledge that this, in turn, will lead to economic prosperity and a competitive state economy.

Connecticut is increasingly surrounded by states with paid family and medical leave programs. Rhode Island and New Jersey already implemented successful paid leave programs, while New York passed paid leave in 2016. Similar legislation in Massachusetts was approved by one chamber last year and will likely pass as a ballot initiative in 2018. Vermont, New Hampshire and Maine are also taking steps to pass paid family and medical leave.

In 2015, a Harvard Business Review study found that nearly 40% of millennials would move, not only to another state, but another *country* for better parental leave benefits.<sup>5</sup> We must act now to recruit and retain skilled workers and young people in our state.

The time is now for Connecticut to pass paid family and medical leave to attract a young workforce, remain competitive in our region, and support workers who need to take time off from work to care for their families, recover from an illness, or welcome a new baby. Workers simply cannot wait any longer.

Thank you for your consideration.

---

<sup>5</sup>Harvard Business Review. Millennials say they'll relocate for work-life flexibility. May 7, 2015. Retrieved from: <https://hbr.org/2015/05/millennials-say-theyll-relocate-for-work-life-flexibility>