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DECADE WITH PAID FAMILY LEAVE HAS BENEFITTED CALIFORNIA’S WORKERS, BUSINESSES, AND HEALTH OUTCOMES, SAYS NEW ANALYSIS

A Look Back of a Decade with California’s Paid Family Leave Law, Nation’s First Family Leave Insurance Program

SANTA BARBARA, CA—Sunday, September 23 marked the 10th anniversary of the passage of California’s groundbreaking Paid Family Leave Act, the first state family leave insurance program in the nation. Commemorating the anniversary, a new analysis from the University of Santa Barbara, Ten Years of the California Paid Family Leave Program: Strengthening Commitment to Work, Affirming Commitment to Family, details the economic and health benefits for workers and families and cost-savings to businesses over the last decade as well as areas where the effectiveness of the law can be improved.

Over the last decade, more than one million paid family leave (PFL) claims have been filed, the overwhelming majority for bonding with a newborn. According to the report, median-income and low-income mothers who benefitted from paid family leave (PFL) were able to nurse for nearly double the amount of time than mothers who did not use PFL, decreasing the mother’s risk for diseases including cardiovascular disease, diabetes, and hypertension and the infant’s risk of obesity, diabetes, childhood leukemia, SIDS and other diseases. Furthermore, in an economy where most families need two-incomes to stay afloat, PFL enables working fathers to care for their newborns as well, with a six percent increase in claims for child bonding among men over the last three years.

“I had two babies before the Paid Family Leave law and one baby after the law, and it made a huge difference in my experience as a working mother of a newborn,” said Janet Zamudio, a Resource and Referral Manager at BANANAS, Inc., a child-care resource center based in Oakland. “Paid Family Leave enabled me to nurse for longer and care for my newborn through her first six critical weeks. My family saved on childcare costs and we didn’t need to worry about falling behind financially.”

“No worker should be forced to choose between their family and their paycheck, and thanks to the success of California’s landmark paid family leave program, millions of working Californians don’t ever have to make that choice,” said Art Pulaski, executive secretary-treasurer of the California Labor Federation, which co-sponsored California’s paid family leave legislation. “California is leading the nation by demonstrating that paid family leave is both crucial to a healthy society and financially viable. And during tough economic times, paid family leave provides a vital safety net for the working families that need it the most.”

According to the report, use of paid family leave also correlates with increased productivity in the workforce and cost savings for businesses. Research shows that when mothers who used PFL returned to their jobs, they increased their working hours by six to nine percent, also resulting in a corollary increase in their earnings. Since the paid family leave program is funded directly by workers, the law relieves businesses, especially small businesses, of the cost of providing their employees with paid leave. Businesses also benefit from lower employee turnover, as workers who use PFL are nine percent more likely to return to the same employer than workers who do not use paid leave.
“The research gathered over the last decade could not be clearer—The Paid Family Leave Act has been a tremendous benefit to California’s families and has helped bring the workplace up to speed with the needs of today’s families,” said Cassandra Engeman, UCSB Ph.D. candidate who authored the report as part of her dissertation. “It sets a solid foundation to continue to make advancements for working people and their families.”

Under California’s Paid Family Leave Act, more than 13 million Californians can receive up to 55 percent of their wages for six weeks while they provide care for a family member with a serious health condition or to bond with a new child. Employees directly fund the paid family leave program through paycheck deductions through the state disability insurance program.

Even though workers fund the program directly, lack of awareness of the program remains a problem, with low-income and minority communities the least likely to know about their rights to paid family leave. And many workers in the lowest-paid jobs cannot afford to take advantage of the program they pay into, as they would be unable to cover their expenses on reduced income.

“We still have a lot of work to do—increasing the number of workers who know about the program and making it a viable option for the working poor,” said Sharon Terman, Attorney at the Legal Aid Society-Employment Law Center, part of the coalition that pushed for the passage of the law. “But the fact remains that Californians should be enormously proud of the Paid Family Leave Law on this anniversary. It’s helped hundreds of thousands of Californian families over the last ten years and serves as a model for other states.”

The California Work & Family Coalition is a collaborative of unions and community groups protecting every Californian’s right to a job and a life. The California Work & Family Coalition is a partner in the Family Values @ Work consortium, a national movement of grassroots state coalitions and policy experts fighting for paid time to care.