For Immediate Release: January 11, 2011
Contact: Tim Bradley, BerlinRosen Public Affairs, 314-440-9936

REPORT: CA Paid Family Leave a Success with Businesses, Employees

FIRST-EVER STUDY OF CALIFORNIA'S PAID FAMILY LEAVE SYSTEM FINDS WIDESPREAD APPROVAL FROM BUSINESSES & EMPLOYEES ACROSS STATE

Report Calls for Greater Program Awareness & Expansion to Reduce Gap in Access to Paid Family Leave

CALIFORNIA – A new study released today finds that California's Paid Family Leave program – the first of only two state programs in the country that offer paid leave to workers when they take time off to care for a new child or sick family member – has received high marks from employers and employees alike since its implementation six years ago. The study, by researchers from UCLA/CUNY and the Center for Economic and Policy Research, is the first to examine the California program and finds that initial business concerns over the costs or potential abuse of the program were unfounded, and that the economic, social and health benefits of paid family leave have been extensive. With limited access to employer-provided benefits, low-wage workers have gained the most from the program, the report finds, but they are also the least likely to know about it. The authors call for an expansion of Paid Family Leave to build on its early successes, and for efforts to promote increased awareness of it across California.

"Paid Family Leave has been remarkably successful in California since the state first created it six years ago," said **co-author Ruth Milkman, professor of Sociology at UCLA and the City University of New York**. "It has helped hundreds of thousands of workers – especially in low-wage jobs – balance the costs and challenges of tending to family and work, and it has begun to close the gap in access to paid leave benefits. More men are taking paid parental leave now than five years ago, for example, and Paid Family Leave has doubled the average length of time new mothers are able to breastfeed. Despite the fears of critics when it was first enacted, Paid Family Leave has been well received: the employers and employees we surveyed overwhelmingly give the program high marks, and for those who use it, the result has been better economic, social, and health outcomes."

"Paid Family Leave has disproved opponents' claims that the program would be a 'job killer,'" said **co-author Eileen Appelbaum, former Professor and Director of the Center for Women and Work at Rutgers University and now a Senior Economist at the Center for Economic and Policy Research**. "Almost all employers found the program had positive or neutral effects on areas such as productivity, turnover and morale. If anything, the single biggest problem with Paid Family Leave in California is that not enough people know about it. The workers who need the program most – low-wage, immigrant and Latino workers who often lack employer-provided benefits – are the least aware of it. California will not realize the full potential of Paid Family Leave until all residents know it's there to be used. We hope this report shines a light on the great accomplishments of the state's program – and why it needs to further capitalize on its success."

Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California analyses surveys conducted in 2009-2010 of 253 employers and 500 individuals across the state about their experiences with the California PFL program. The law provides eligible employees up to six weeks of wage replacement at 55 percent of their usual earnings to bond with a new child or care for a seriously ill family member. Funded solely by employees paying into the program, the maximum payment is indexed to the state's average weekly wage and is $987 per week in 2011. According to California's Employment Development Department, in FY 09-10, 167,253 Californians used Paid Family Leave for bonding with new children and 23,220 used it to provide care for seriously ill family members. (More details on the program available at California's Employment Development Department.)

The employers surveyed – spanning a diverse and representative sample of the state's industries and regions – overwhelmingly reported that paid family leave had either a "positive effect" or "no noticeable effect" on productivity (89 percent), profitability/performance (91 percent), turnover (96 percent), and employee morale (99 percent). Small businesses were less likely than larger establishments (more than 100 employees) to report any negative effects, and the vast majority of employers (91 percent) said "No" when asked if they were aware of any employee abuses of the program.

Many employers (60 percent) also reported that they coordinated the state Paid Family Leave program with benefits they already provided – meaning employers saved money when their employees used Paid Family Leave instead of, or in combination with, the paid leave supports these employers would otherwise have paid for.

The 500 workers surveyed had all experienced a life event that the Paid Family Leave program is designed to cover. About 30 percent of them had what the researchers defined as "high-quality jobs" – those that pay more than $20 per hour and provide health insurance – while the other 70 percent held "low-quality jobs" which failed to meet that standard. These two groups sharply contrasted in regard to access to employer-provided paid sick days and/or paid vacation: nearly all respondents with high-quality jobs (94 percent) had access to such benefits, compared to only 62 percent of those with low-quality jobs.

Consequently, the impact of Paid Family Leave on workers holding low-quality jobs was pronounced: 84 percent of those in low-quality jobs using PFL received at least half of their usual pay while on leave, whereas among those in this group who did not use PFL, 59 percent received *no pay at all* while on leave.

The study also found that Paid Family Leave contributed to fundamental shifts in work-family dynamics. The proportion of bonding claims filed by men has gone up steadily and substantially since the introduction of PFL, and many employers reported that the number of men taking paid parental leave is higher than it was five years ago.

Paid Family Leave also doubled the median duration of breastfeeding for all new mothers who used it, from five to eleven weeks for mothers in high-quality jobs and from five to nine weeks for those in low-quality jobs.

Despite the general satisfaction participants in the program, "Leaves That Pay" finds that public awareness of Paid Family Leave remains limited. Half the workers interviewed did not know the program existed, despite having had a qualifying circumstance for which to use PFL; low-wage workers, immigrants, and Latinos were least likely to be aware of the program. Among those who were aware of it, concerns over the level of wage replacement, fear of employer consequences for using the program, and the ineligibility of some public-sector workers also limited use of the program.

The authors recommend building on the success of California's Paid Family Leave by expanding outreach, particularly to low-income and immigrant communities; increasing the level of wage replacement provided by the PFL program from its current 55 percent of weekly earnings to two-thirds; and extending job protection to everyone who takes a PFL leave.

As the authors argue, the California program is a model for paid leave programs that is gaining increasing attention in other states and at the federal level.

"California's experience shows that paid family leave is a win-win for employers and employees," said **Ellen Bravo, Executive Director of Family Values @ Work**, a network of state coalitions that work for policies that provide paid time to care. "Policymakers in other states and at the federal level should take note of this study and the great strides California is making to bring the workplace into sync with 21st century families."

###