

— TOP TAKEAWAYS —

Expanding Paid Family Leave Without Disadvantaging Low-Income Families



LOW-INCOME FAMILIES FACE THE BIGGEST NEED FOR PAID FAMILY LEAVE

- There is widespread, bipartisan support for a federal parental leave policy.
- The most compelling reason for a family leave program is the need to support low-income families, who are significantly less likely to receive paid leave from their employers.
- While there have been numerous studies of the benefits of family leave, the potential costs of such a program for low-income families have received little attention.

A FAMILY LEAVE ENTITLEMENT COULD HARM LOW-INCOME FAMILIES

- Studies of family and parental leave entitlement programs raise serious concern that they redistribute income away from low-income families.
- While 79% of high-income mothers receive benefits under California's family leave program, only 36% of low-income mothers do.
- While about 75% to 85% of high-income mothers receive benefits from Canada's parental leave program, only about 45% of low-income mothers do.
- While 68% of high-income mothers collect more than 26 weeks of benefits under the United Kingdom's parental leave program, only 31% of low-income mothers do.
- Studies of programs operated by New Jersey, Rhode Island, Norway, Sweden, Iceland, and Belgium all raise similar concerns. As one of the studies' authors concluded, the programs are a "pure leisure transfer to middle and upper income families ... at the expense of some of the least well off in society."

BETTER WAYS TO SUPPORT FAMILY LEAVE

- We can expand access to family leave without disadvantaging low-income families.
- Policies such as "Earned Leave," reforms to tax-preferred savings accounts, and creating a voluntary family and medical leave insurance program could support family leave without taxing low-income families to fund a program that offers them disproportionately little benefit.
- The key feature of each of these programs is that participation is voluntary and they impose no costs on non-participants.

For more on this topic, read IWF's policy focus at iwf.org.