



Would Paid Family Leave Be Good for New Mexico?

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What Is—And Isn't—"Paid Family Leave"?

Although the specifics differ from one circumstance to another, the term “family leave” generally means job-protected leave from employment for family care of one kind or another. It can include situations such as serious health conditions of the employee, care of a seriously ill spouse, child, or parent, or the birth, adoption or care of a child.

It is not the same as maternity/paternity leave (although it can include that) or ordinary sick leave (which generally does not mean the same thing).

Even though the President's Commission on the Status of Women recommended a form of paid family leave as far back as 1963, 53 years later no federal law provides for paid family or medical leave.

The United States has had unpaid family leave since 1993, when President Clinton signed the Family and Medical Leave Act (FMLA). The FMLA grants 12 weeks of unpaid leave for workers who have been on the job at least one year, who work for a company with 50 or more employees, and who can satisfy other requirements concerning hours and earnings.

Under these criteria, fewer than 20% of new mothers and only about 50% of the overall U.S. workforce qualifies. But the key word here is *unpaid*. Even for those whose workplaces are mandated to grant the FMLA benefit, many employees simply cannot afford to take it. According to the United Nations, the United States lags behind virtually all developed countries in providing for some form of paid family leave.

With no federal relief in sight, states and local jurisdictions and a handful of large corporations are starting to step up. Six states currently offer paid family leave: California, Illinois, New Jersey, Ohio, Rhode Island, and Virginia. (A bill passed in Washington state in 2008, but it has not been implemented.)

¹ Onuma, Felicia, “More State and Local Governments Now Offer Paid Family Leave “ CLASP, April 1, 2015. Retrieved August 5, 2015 from <http://www.clasp.org/issues/work-life-and-job-quality/in-focus/more-state-and-local-governments-now-offer-paid-family-leave#sthash.14qu3XPx.dpuf>

Recently the Governor of New York announced plans for legislation, and the City of San Francisco will soon consider expansion beyond that provided by the state. A few cities and counties have also instituted paid family leave, usually for municipal employees¹. Currently only 12% of all private sector employees in the United States have access to paid family leave through their employer.

Despite these statistics, better family leave policies enjoy widespread public support from both women and men according to national polls. A 2010 survey of registered voters found that 76% wanted paid leave laws for family care and childbirth; 69% endorsed paid sick day laws; and 82% said they would support legislators who worked for stronger laws against discrimination and unfair treatment at work.

Overall 64% supported policies to give workers the right to ask for a flexible schedule—70% of women, and 71% of parents.² This issue is one that cuts across party lines to find bi-partisan support: 73% of Republicans, 87% of independents, and 96% of Democrats agree that the issue is important.³

Why Is Paid Family Leave Important For New Mexico?

It is in New Mexico's interest to craft a system whereby both women and men can take care of children and elderly parents when an emergency arises—without losing their jobs or suffering setbacks at work. Women are now a permanent part of the workforce, and men are increasingly participating in child and family care. The problems of work-family balance are not going to go away.

According to the Department of Workforce Solutions, women make up almost half of New Mexico's workforce in every age group except ages 65-74, where women actually outnumber men. But because women are still the primary caretakers in society and still make less than men overall, lack of paid leave can mean they are forced to give up a job altogether when an emergency arises. And while an increasing number of men are also taking on caregiving obligations, men who ask for leave time are often denied or penalized because of stereotypes that caregiving is only "women's work."

The benefits to New Mexico of taking the lead in offering paid family leave are substantial. There are real benefits to the working women and men in our state, to their families and communities, and to their employers. Paid leave would help address issues of poverty in New Mexico and help stabilize families in our state. Employers benefit from a stable, dependable work force, with less turnover and more focus on the job. By staking out a leadership role in this rapidly emerging area of public policy, New Mexico could distinguish itself as a smart place for companies to do business.

What Are the Real Costs of Paid Family Leave?

Despite widespread public support, some business groups—and the lawmakers and candidates they support—generally oppose legislation for paid family leave. Overwhelmingly, they base their objection on one claim: They say it would cost employers too much.

However the facts do not support this claim.

California, Rhode Island, and New Jersey all provide paid family leave programs financed entirely by employee payroll taxes.

²Rockefeller/TIME poll commissioned by the Center for American Progress and Maria Shriver, September 2009. Retrieved September 29, 2011 from http://www.americanprogress.org/issues/2010/03/work_survey.html

³"New Poll Shows Bipartisan Voter Mandate for Family Friendly Workplace Policies," National Partnership for Women and Families, Washington, D.C., December 3, 2012. Retrieved January 7, 2014 from <http://www.nationalpartnership.org/news room/press releases/new poll shows bipartisan mandate.html>

Here's how those systems work: The employer deducts a mandatory contribution from an employee's wages, similar to unemployment insurance. There are no direct costs to employers. Eligible workers who take time to bond with a new biological, adopted, or foster child, or to care for a seriously ill child, spouse, parent, or domestic partner can receive various levels of wage replacement benefits (none at the 100% level) for varying periods of time. If the federal statute covers the individual she or he must take this leave concurrently with the 12 weeks of unpaid FMLA leave.

A second objection raised by employers, even when they do not bear the direct costs of leave, is that temporary replacement of the employee would add to the costs of doing business and become financially burdensome to the employer.

Again, this claim is not supported by the facts.

Extensive research on existing paid leave programs cited by the Institute for Women's Policy Research* in Washington suggests that paid leave leads to negligible costs to employers in terms of temporary employee replacement costs or overtime paid to existing employees. There are also few if any costs—and potentially gains—in terms of employee morale and productivity. Conversely, if the employee is forced to quit the job due to lack of leave, studies document a substantial cost to employers of replacing that employee. The costs vary widely depending on the employee category being studied, ranging from \$2,000 to \$14,000.

While the costs to employers when paid family leave is provided are small or negligible, the costs to families of not having such a system are substantial. In two-earner families, the lower earner—usually the woman—may be forced to leave a job altogether, and, when the need for leave has passed, may not be able to find a new job.

In a one-earner family, such a loss may result in the need for public assistance.

What Are the Benefits of Paid Family Leave for New Mexico?

Paid family leave would go a long way toward fighting poverty in New Mexico. Many families cannot live on one income; many families are headed by a single parent. When one job—or the only job in the family—is permanently lost due to serious illness or the temporary need to care for a new child or ailing parent, poverty is often the result. Even if families can still survive without public assistance, the ability to save for a better future and contribute to the economy overall will be severely curtailed.

Paid family leave will improve the lives of New Mexicans who are living paycheck to paycheck. Research shows not only that paid leave is an incentive to return to work, but also that the wage replacement provided during the leave time improves employee morale, has positive or no effects on workplace productivity, and reduces costs to employers through improved employee retention. Wage replacement obviously improves family incomes during the leave period, and reduces pressure on family budgets.

Single mothers will be helped the most. According to the U.S. Census Bureau, New Mexico has the highest poverty rate in the nation. Many of those families are headed by single mothers and many are on public assistance. Sixty percent of New Mexico children in single parent families are classified as poor. Paid family leave would help keep single mothers in the workforce and help lift them out of poverty. Data from the

*Unless otherwise noted, all research in remaining sections are drawn from Gault, et. al., "Paid Parental Leave in the United States," Washington, D.C. Institute for Women's Policy Research, March, 2014. www.iwpr.org

National Longitudinal Survey of Youth shows that paid family leave reduces the likelihood of receiving public assistance in the year after the birth of a child, and that women who are offered paid family leave are 39% less likely to receive public assistance than women who keep working and have no leave at all. Data also shows that for families who do receive public assistance in the year after birth, new mothers who were offered paid leave report \$413 less in public assistance than those mothers who were not offered paid leave.

Paid family leave could help grow New Mexico's intellectual capital, stop the brain drain, and attract workers from other areas. According to the U.S. Department of Labor, college graduates and those with some college but no degree constitute roughly 60% of the U.S. workforce. Female workers in these two categories actually outnumber male workers. A higher retention rate for workers with paid family leave applies to these workers as well as those with lower education levels. None of the states bordering New Mexico offers paid family leave, and if New Mexico were to implement it, we are likely to attract better-educated workers with stronger ties to the permanent workforce from bordering states. Paid family leave would also likely be a factor in decisions by New Mexico college graduates as to whether to remain in the state or seek work in another location.

Paid family leave will help New Mexico grow our state's future from the grass roots up. Reducing the need for public assistance frees up government spending for investment in other activities that support economic growth. Research suggests that expanding paid leave is likely to have economy-wide benefits such as reduced government spending on public assistance and increased labor force participation, which would bring concomitant economic gains, generating a larger tax base and increased consumer spending.

Where Are We On Legislation For Paid Family Leave In New Mexico?

The New Mexico House passed **HM 2 PARENTAL PAID-LEAVE WORKING GROUP** Memorial in 2015. The Memorial calls for the Working Group to make findings and develop recommendations for the establishment of a publicly managed parenting workers' leave fund.

The Working Group is expected to conduct a listening and advocacy tour around the state beginning in mid-2016, meeting with community groups, government entities, thought and political leaders to gain input and insight into what will be best for New Mexico.

The Working Group is aiming to have proposed legislation ready for introduction in the 2017 session of the New Mexico legislature.

What Can New Mexico Citizens Do to Further the Cause of Paid Family Leave?

New Mexico citizens should watch for notice of meetings around the state in the second half of 2016, and attend to provide community input and discussion. In addition, they should talk to candidates and officeholders to be sure they are aware of and support efforts to institute paid family leave in New Mexico. Finally, they should be ready to support legislation to be introduced in 2017.