DATA BRIEF

ZERO TO FIVE





THE CASE FOR PAID FAMILY LEAVE

Overview

Paid family leave provides the opportunity for Montanans to take time off for medical or family-related issues, without facing the financial burden of unpaid leave.[1] Studies conducted in states with paid family leave policies show positive impacts for businesses, communities, the economy, and overall public health.[2,3,4] Private and public employers in Montana are already beginning to offer paid family leave to employees, prompting other employers to consider the same.[5,6]

What is Paid Family Leave?

Paid family leave provides benefits to individuals who need to take time off from their job to care for a seriously ill family member or domestic partner. Benefits are also available to parents who need time to bond with a new child entering their life either by birth, adoption, or foster care placement. Unlike the Family Medical Leave Act (FMLA), paid family leave is not guaranteed for all employees in the United States or Montana.[7] Paid family leave can be administered through an existing state disability or unemployment insurance program or as a standalone program funded through payroll deductions that employees, employers, or both contribute to.[8,9]

Why do we need it?

It is important to note that FMLA is not paid leave. While some employers may offer paid vacation, sick leave, or enrollment in a short-term disability program, these programs are available to very few employees. In 2018, only 13% of workers in the United States had access to paid family leave.[1] The majority of these employees work full-time in professional jobs or for large companies. This means part-time, entry-level employees are unlikely to have paid family leave.[7] Currently, only five states – California, New Jersey, New York, Rhode Island, and Washington - have paid family medical leave policies and mandated pay for

FAMILY FORWARD MONTANA

ZERO TO FIVE

for our children, for our future

UNIVERSITY OF MONTANA | CENTER FOR CHILDREN, FAMILIES AND WORKFORCE DEVELOPMENT

sick leave.[8] Three additional states have passed paid family leave laws that are currently being codified and will be implemented in the next two to three years.[8] Federal employees across the United States who qualify for FMLA are among the newest workers with access to paid parental leave following a birth or adoption, effective October 1, 2020.[3]

Why is it important to Montanans?

Paid family leave in Montana could benefit both employers and employees. For employees, it would have a positive financial impact and support a healthy work-life balance. For employers, it would help with talent recruitment and retention. For society overall, it would help promote women in the workplace and have a positive economic impact.

Economic Impact

The reality for many in the general population is that any major medical-related issue can result in extreme financial hardship for families. Many families are unable to take unpaid leave due to the potential loss of essential income. Single-parent families and families living in poverty are disproportionately likely to face increased financial risks associated with unpaid leave and limited access to paid leave benefits.[1] Additionally, health events are often associated with high medical costs, and unpaid leave further increases employees' financial burden.[2] Economic statistics highlight higher financial insecurity among Montanans:

- 28% of jobs are low-wage
- 43% of employees do not have employer-based health insurance
- 20% of single mothers work low-wage jobs[2]

Women in the Workforce

The National Partnership for Women and Families found that women with access to paid family leave were more likely to return to work and



families with access to paid family leave were less likely to use public assistance programs.[4] Working women comprise 48% of the Montana workforce, and many households rely on the income of women in the workforce.[1] Additional research shows policies that help balance work and family life can have positive outcomes for early childhood health, household income and job stability, productivity at work, and greater overall public health outcomes.[4]

Supporting Work-Life Balance

Montanans support paid family leave and understand the value of policies to support children and families. In a Montana Department of Labor and Industry survey, 73% of Montanans supported paid leave to care for an aging parent, 66% supported paid maternity leave, and 60% supported paid parental leave (offered to both mothers and fathers). Sixty-seven percent of Montanans also felt that paid family leave was good for children and families.[10]

Employer Recruitment and Retention

Paid family leave is also a good business practice and strengthens the workforce with competitive

job prospects.[10] Because employees with paid leave are more likely to return to work, employers save the cost of high-turnover, estimated to be between $4,000 and $12,000 annually, to replace a single employee.[1] Organizations also report that they remain profitable with paid family leave policies, and employees with access to paid leave have consistent or improved morale and productivity.[1,7]

Conclusion

Less than 15% of employees in the United States have access to paid family leave benefits. A high proportion of single-parent families and families in poverty experience a financial burden when taking family or medical leave.[1] Those businesses that offer paid family leave report consistently high employee morale, productivity, and retention, while employees have more time to bond with a new child or care for an aging parent.[10] Simply put, paid family leave supports businesses, employers, and communities through financial stability in times of family or medical needs requiring time away from work.

Resources

Time for Montana: Paid Leave for All timeformontana.org

Washington State Paid Family and Medical Leave paidleave.wa.gov

Paid Family and Medical Leave Employer Toolkit (WA)

California State Disability Insurance Online Informational Tutorials and Videos

New York Paid Family Leave Fact Sheets

References

[1]Montana Budget & Policy Center, November 2015. Paid Family and Medical Leave: Supporting Families, Businesses, and The Economy

[2]Bureau of Business and Economic Research, 2019. University of Montana. Struggling to get paid time off.

[3]National Archives and Records Administration, 2020. Federal Register. Paid Parental Leave

[4]National Partnership for Women and Families, 2019. Paid Leave Research.

[5]Gallatin County. Montana, January 2020. Paid Parental Leave (PPL) Policy

[6]Missoula County Department of Human Resources. Paid Parental Leave (PPL) Policy

[7]Congressional Research Service, May 2019. Paid Family Leave in the United States

[8]A Better Balance, July 2020. Overview of Paid Family & Medical Leave Laws in the United States

[9]National Conference of State Legislatures, September 2020. State Family and Medical Leave Laws.

[10]Montana Business Quarterly, Autumn 2015. Montana's Labor Shortage and Paid Family Leave

UNIVERSITY OF MONTANA
CENTER FOR CHILDREN, FAMILIES AND WORKFORCE DEVELOPMENT

FAMILY FORWARD MONTANA

ZERO TO FIVE
for our children, for our future