Literature Review: Paid Family Leave in the United States

Overview

Purpose
This literature review surveys the existing evidence base on the effects of paid family leave on children’s health, with particular attention to effects related to the initiation and duration of breastfeeding. The health benefits of breastfeeding will not be a subject of this literature review, as they have been discussed in previous reviews. This review also discusses the economic benefits of paid family leave where information about them is available.

Methods
This review includes a summary of existing US paid family leave laws and findings from peer-reviewed literature, gray literature, and surveillance data. Research investigating family leave without regard to pay was not included. There are only a handful of state-based paid family leave policies in the United States, and all have been implemented within the past decade. As such, there were no exclusion criteria; all relevant articles were reviewed. The articles reviewed were published between 1999 and 2015. Surveillance data included are the most recent data available.

Roadmap
1. Paid family leave in the US
2. Health effects of paid family leave
3. Socio-economic effects of paid family leave
4. Gaps in research

Paid family leave in the US

Studies based on nationally representative survey data indicate that women’s access to maternity leave, whether paid or unpaid, has decreased over the past two decades. Researchers noted a decline in women’s eligibility for paid maternity leave between 1993 and 2005. An analysis of the National Study of Employers (NSE) found that between 1998 and 2005, women who received disability payments due to childbirth were less likely to receive fully paid maternity leaves from their employers. Two analyses of subsequent waves of the NSE also found that employers were becoming less likely to offer fully paid maternity leave.
Three states have paid family leave laws – California, New Jersey, and Rhode Island. Each of the three established these programs through an existing state Short-Term Disability Insurance (SDI) program. Pregnancy-related disability was already covered through the SDI program; these laws added provisions for paid leave to bond with children after their birth or adoption, or to take care of sick family members.

California
California’s Family Temporary Disability Insurance program, known as Paid Family Leave (PFL), was signed into law in 2002 and began to pay benefits in 2004. California PFL provides up to six weeks of benefits for eligible individuals to take time off to care for a seriously ill child, spouse, parent, parent-in-law, sibling, or registered domestic partner, or to bond with a new child. The typical benefit is 55 percent of weekly earnings up to a cap that is indexed to the average state wage. As of January 1, 2015, the weekly cap is $1104.

New Jersey
Passed in 2008 and implemented in 2009, New Jersey's paid family leave law, referred to as Family Leave Insurance, provides eligible individuals with up to six weeks of benefits to bond with newborn or newly adopted children or to care for a spouse, domestic partner, civil union partner, parent or child with a serious health condition. The weekly benefit rate is 66 percent of a worker's average weekly wages, up to a maximum benefit of $604 in 2015.

Rhode Island
Rhode Island’s paid family leave program, known as Temporary Caregiver Insurance, is the most recent state-level paid family leave law in the country. Passed in 2013 and implemented in 2014, the law provides 4 weeks of benefits to bond with a newborn or newly adopted child and to care for a child, parent, parent-in-law, grandparent, spouse or domestic partner with a serious health condition. Unlike the other two state paid family leave laws, workers in Rhode Island are protected against job loss and retaliation for taking paid family leave. In 2014, the maximum weekly benefit was $770.

Other jurisdictions
Puerto Rico, a territory of the United States, provides 8 weeks of employer-paid leave for women after the birth or adoption of a child under the Working Mothers Protection Act. Women typically take 4 weeks of prenatal leave and 4 weeks of postnatal leave; however, women may choose to take as little as one week of prenatal leave, giving them 7 weeks of postnatal bonding leave. Women who are unable to return to work after using the 8 weeks of leave can apply for benefits through Puerto Rico’s Temporary Disability Insurance program. Washington passed a paid family leave law in 2007 that would have provided a flat rate of $250 per week to all eligible individuals to bond with a newborn or newly adopted child or take care of a seriously ill family member. However, Washington does not have a state short-term disability insurance program, and the legislation did not include a mechanism to pay for the leave program. As a result, the law has been on hold since its passage.
Cities with Paid Family Leave
Several cities – including Washington, DC, St. Paul, MN, and Austin, TX – provide paid family leave benefits to municipal employees. The duration of leave provided varies by jurisdiction. St. Paul offers four weeks of paid leave for birthing parents and two weeks of leave for non-birthing partners. Austin provides six weeks of paid leave, and DC provides eight weeks. All pay employees at their full, regular salaried rate. San Francisco also offers its own Paid Parental Leave program to municipal employees, which supplements the state’s partial income replacement through PFL. In each case, the city funds these programs, though in Washington, DC, the costs are absorbed by each agency.xiii

Health effects of paid family leave

California has seen an increase in breastfeeding since the introduction of paid family leave. Self-reported breastfeeding rates at 3, 6, and 9 months each increased by about a third between 1993 and 2005.xiv In 2014, 63 percent of California babies were breastfed xv which meets the Healthy People 2020 objective for breastfeeding at 6 months.xvi In a smaller study, use of PFL affected the duration of roughly doubled the median duration of breastfeeding, from five to eleven weeks for mothers in high-quality jobs (defined by the researchers as jobs with employer-sponsored health insurance that pay at least $20/hour) and from five to nine weeks for mothers in low-quality jobs.xvii

Breastfeeding rates in New Jersey may also have increased. State-level surveillance data from the CDC’s National Immunization Survey appear to indicate an upward trend on five breastfeeding measures (ever breastfeeding; breastfeeding at 6 and 12 months; and exclusive breastfeeding at 3 and 6 months).xviii The increase is more marked in California but appears to also hold for New Jersey. This trend is in absolute terms and was not tested for statistical significance.

Breastfeeding rates have increased more in California than in the general US population. Breastfeeding rates have increased across the country over the past decade, but they have gone up more in California. The increases in breastfeeding at 3, 6, and 9 months were significantly greater in California than in the US population as a whole.xix This suggests an independent effect of PFL on breastfeeding rates in California, though more research would be necessary to determine that conclusively. The difference in exclusive breastfeeding rate in California compared to the US was marginal at 6 months; there was no difference between rates at 3 months.

Paid family leave has an impact on breastfeeding rates among low-income women. The use of PFL made a difference for new mothers in low-quality jobs in California: 92.5 percent of those who used PFL initiated breastfeeding, compared with 83.3 percent of those who did not use PFL.xx

Socio-economic effects of paid family leave

Employees who take paid family leave are more likely to return to the workforce. Among women working at least part-time, those who take paid leave are 93 percent more likely to be working at postpartum months 9-12 than are those who did not take any leave. This finding
holds regardless of marital status.\textsuperscript{xiii} In another study, more than 95 percent of those who took a family leave returned to work at the end of the leave period, and more than four-fifths returned to the same employer they had worked for prior to the leave. Among workers in low-quality jobs (defined by the same criteria as noted above), use of the PFL program was associated with a greater likelihood of returning to the same employer after a family leave – a retention rate of 83 percent for those who used the PFL program compared to 74 percent for those who did not.\textsuperscript{xii}

**Taking paid family leave is associated with higher future income.** Women who report paid family leaves of 30 or more days are 54 percent more likely to report wage increases in the year following the child’s birth compared to women who take no family leave.\textsuperscript{xxii} Another study found that women who take paid family leave have post-birth wages that are 9 percent higher than the wages of other mothers, after controlling for demographic and job-related characteristics.\textsuperscript{xxiv} An analysis in California suggested PFL increased the usual weekly work hours of employed mothers of one-to-three year-old children by 6 to 9 percent.\textsuperscript{xxv}

**Employees who take paid leave are less likely to use public assistance.** In one study, women who took paid leave were 39 percent less likely to report receiving public assistance in the year following the child’s birth than those who took no leave. Women who took paid leave report on average $413 less in public assistance in the year following the child’s birth compared to women who took no leave. The analytical models in this study controlled for several potential confounding variables, including: wage and salary, wage trajectories prior to a child’s birth, family income, age, education, health, and pre-birth receipt of public assistance. There was a similar effect for men who took paid family leave compared to those who did not.\textsuperscript{xxvi}

**Paid family leave has other equity-related implications.** Because California’s PFL program applies to almost all private-sector employees, it has the potential to reduce racial and economic disparities in leave-taking. One analysis showed that increases in leave-taking after the implementation of PFL were significantly higher for women of color, low-income women, and women with less than a college degree.\textsuperscript{xxvii} California women in low-quality jobs who used PFL were more likely to say that taking leave had a positive effect on their ability to care for their child (91 vs. 71 percent) compared to those who did not take paid leave. The same group of women were also more likely to say that taking leave had a positive effect on their ability to arrange childcare compared to women who did not take paid leave.\textsuperscript{xxviii} While this particular study did not stratify its analysis based on race, women of color are disproportionately less likely to have access to paid maternity leave through their employer.\textsuperscript{xxix} Other researchers have noted significant racial disparities in access to paid leave nationwide, with Latinos being the least likely to have paid leave or workplace flexibility.\textsuperscript{xxx}

### Gaps in research

**Limited body of research:** There is only a handful of research on the effects of paid family leave in the United States. Most research on family and/or parental leave looks at duration of leave without regard to whether or not it was paid. This severely limits the universe of this review: this summary covers fewer than a dozen studies. More and better studies on the link between paid
family leave and breastfeeding are needed, especially analyses that focus on race and income, or states other than California.

Small/non-representative samples: Because only three states offer paid family leave, the available data are limited in their broad applicability. This limitation may begin to resolve itself over the next few years, as paid family leave laws seem to be gaining traction at the state level. New York has a paid leave bill pending.\textsuperscript{xxxi} And according to the Washington Post, “Connecticut, Vermont and New Hampshire have formed task forces to study the issue. Several states, including North Carolina, Colorado and Oregon, have considered it and may move bills again.”\textsuperscript{xxxi} [Opportunity for model policy language?]

Puerto Rico: None of the articles reviewed for this memo included research from Puerto Rico, the only US jurisdiction that has mandatory employer-sponsored family leave at 100 percent pay. CDC breastfeeding surveillance data also does not include Puerto Rico. Data on breastfeeding initiation and/or duration rates would have been a good addition to this literature review.

\textsuperscript{1} Huang, R., Yang, M. (2015). Paid maternity leave and breastfeeding practice before and after California’s implementation of the nation’s first paid family leave program. Economics and Human Biology [2015, 16:45-59].
\textsuperscript{5} Calif. Unemp. Ins. Code §§ 3300-3304.
\textsuperscript{6} \url{http://www.edd.ca.gov/pdf_pub_ctr/de2588.pdf}
\textsuperscript{9} R.I. Gen. Laws §28-41-35(f) et seq.
\textsuperscript{11} Act No. 3 of March 13, 1942, P.R. Laws Ann. tit. 29 §§467-74.
\textsuperscript{12} \url{http://pearsonbenefitsus.com/summary-of-puerto-rico-maternity-provision/}
\textsuperscript{13} \url{http://wamu.org/news/14/09/30/dc_government_workers_get_eight_weeks_paid_family_leave}
\textsuperscript{14} Huang, R., Yang, M. (2015).
\textsuperscript{16} The Surgeon General’s Call to Action to Support Breastfeeding: Fact Sheet. \url{http://www.surgeongeneral.gov/library/calls/breastfeeding/factsheet.html} (Accessed 17 March 2015);
\textsuperscript{17} Applebaum, E. and Milkman, R. (2011). Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California. Available at \url{http://www.paidfamilyleave.org/pdf/leaves_that_pay.pdf}
\textsuperscript{19} Huang, R., Yang, M. (2015).