

Simulation of Program Benefits for Paid Family and Medical Leave

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Preliminary Results -- Please Do Not Cite or Quote

Table 1. Design Features of Four Potential National Leave Policies

- **The Family Act (Proposed)**

- 67% of usual weekly wages up to \$1,000
- Eligibility requirements based on Social Security disability Insurance and recent employment (modeled as two Social Security credits in the previous year, about \$2,500)
- Up to 12 weeks for all family or medical leave reasons

- **California (2004)**

- 55% of weekly wages up to \$1,129
- Earning \$300 in previous year
- Up to 52 weeks for medical leaves and 6 weeks for family care leaves

- **New Jersey (2008)**

- 67% of weekly wages up to \$615
- Earning \$8,500 in previous year or worked at least 20 weeks
- Up to 26 weeks for medical leaves and 6 weeks for family care leaves

- **Rhode Island (2013)**

- 60% of weekly wages up to \$817
- Earning \$11,520 in previous year
- Up to 30 weeks for medical leaves and 4 weeks for family care leaves, job protected family leaves

Figure 1. IWPR-ACM Simulation Model

- Uses 2012 FMLA Employees survey for behavioral models
- Predicts leave taking and other data on to 2012-2016 ACS labor force
- Loops for 6 reasons (own health, maternity, **new child**, child care, spouse care and parental care)
- Divides the value of leave time at the worker's wage level into employer-provided wages, program benefits, and uncompensated time
- Workers expected to take highest benefits offered by program or employer

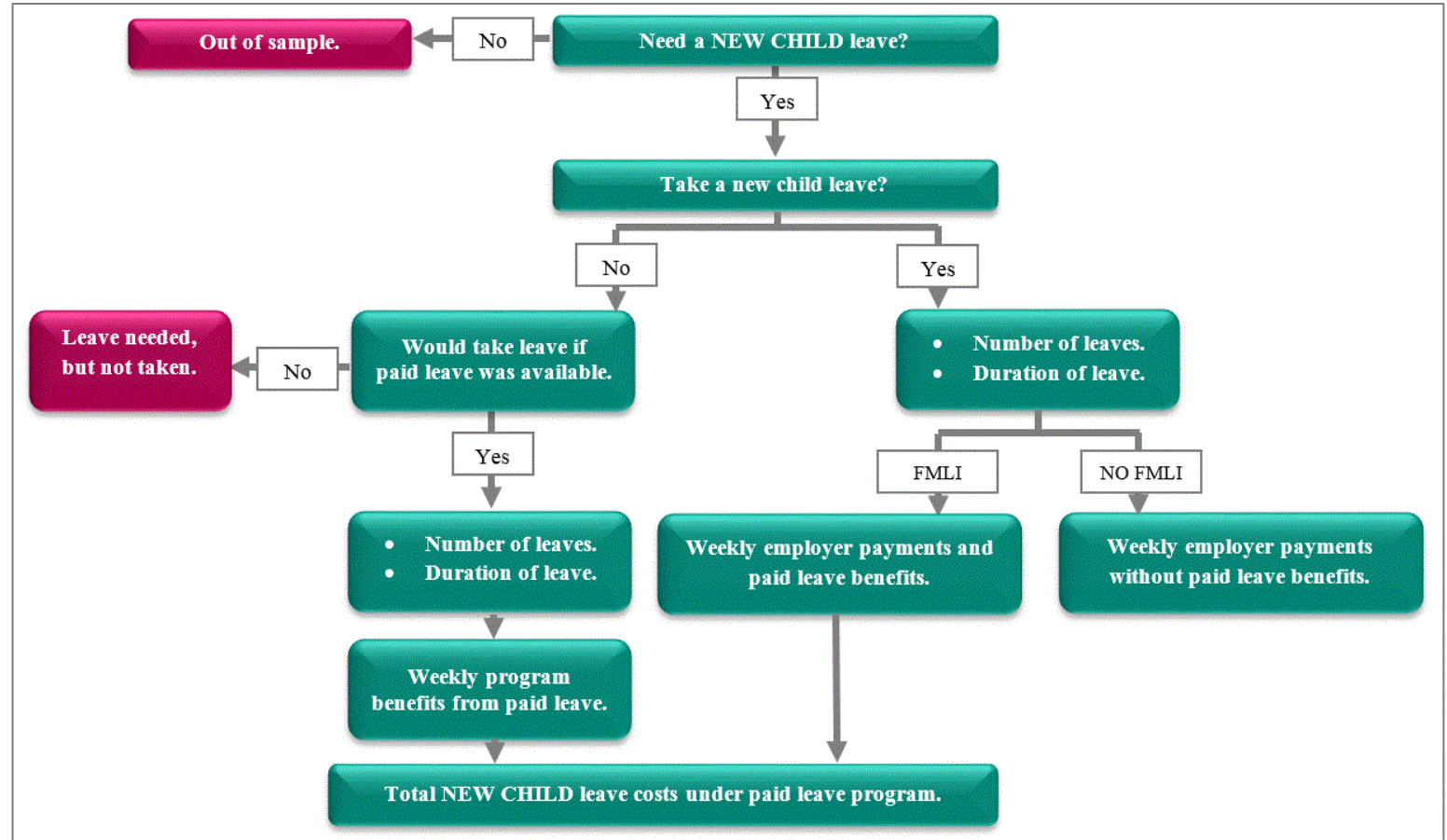
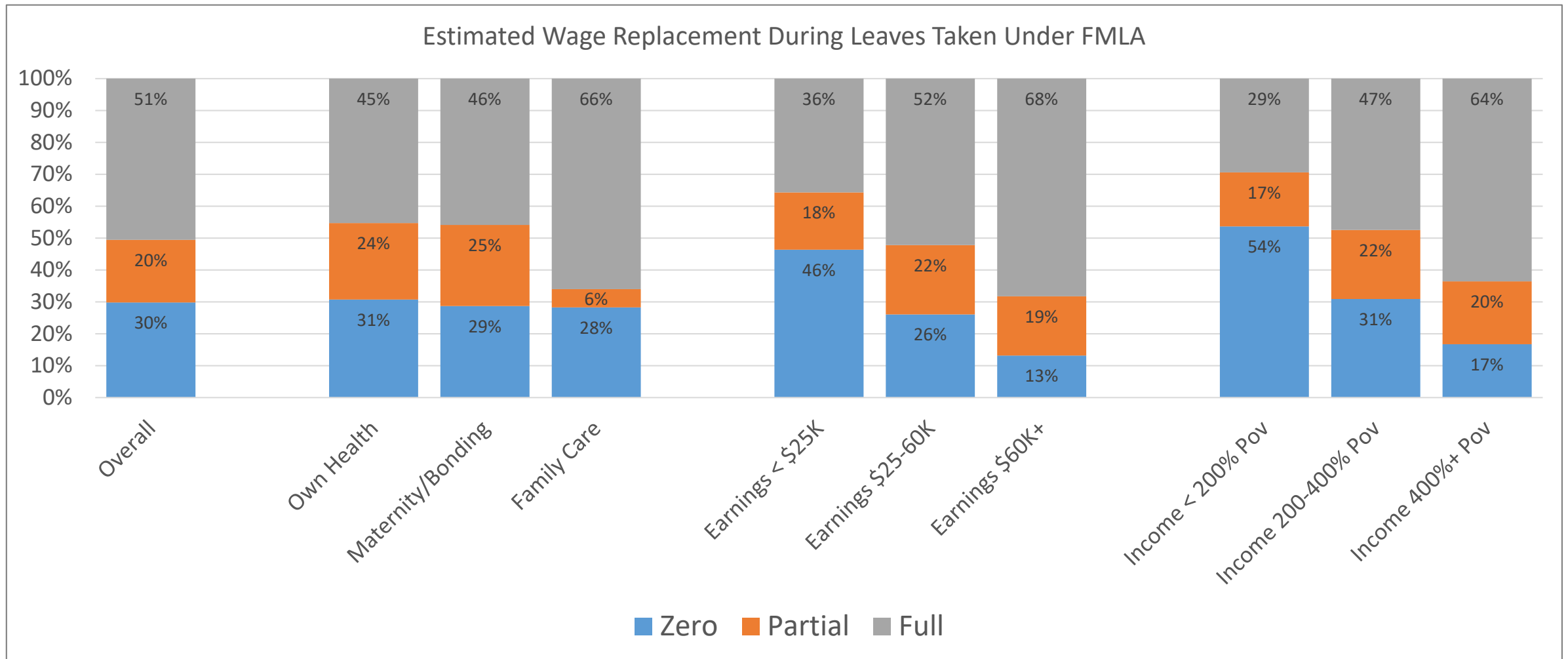


Figure 2. Access to Paid Leave is Unevenly Distributed Across Working People



Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications run June 2018.)

Table 2. Estimates of Cost for Family and Medical Leave Insurance for Four Program Designs

	FAMILY	California	New Jersey	Rhode Island
Number of Leaves Taken and Receiving FMLI Benefits				
Own Serious Health Condition	6,120,192	6,635,119	5,482,112	5,948,167
Maternity/Parental	2,971,824	2,999,079	2,660,686	2,679,533
Family Care	802,550	879,150	658,288	864,480
Total	9,894,566	10,513,348	8,801,086	9,492,180
Weeks Receiving Program Benefits				
Own Serious Health Condition	6.8	9.1	8.4	8.3
Maternity/Parental	7.6	7.0	6.1	5.4
Family Care	3.8	3.1	3.1	2.4
Overall	6.8	8.0	7.3	6.9
Average Weekly Benefit	\$510	\$432	\$449	\$494
Total Benefit Cost (\$millions)	\$31,808.9	\$33,648.9	\$26,917.0	\$30,710.0
Cost as a Percent of QCEW Total Earnings	0.42%	0.44%	0.35%	0.40%

Source: Estimates based on IWPR-ACM Family and Medical Leave Simulation model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications)

Note: Quarterly Census of Employment and Wages (QCEW) total wages based on BLS databases for Private, State, and Local government workers.

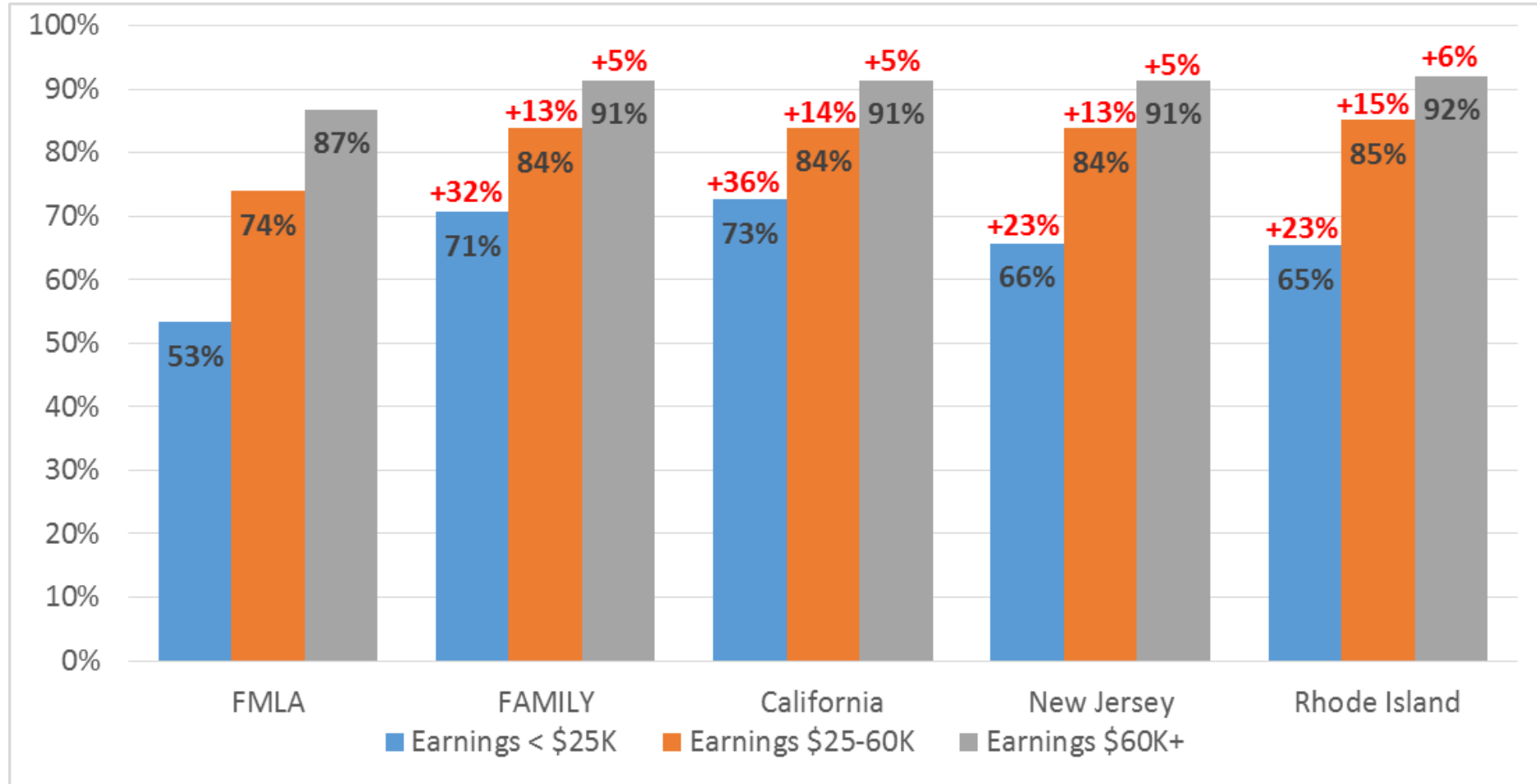
Table 3. Providing Paid Leave Increases Share of Workers Taking Leave Each Year by 7-11 percent, Overall

	FMLA	FAMILY	CA	NJ	RI
Own Health	8.9%	9.7%	9.9%	9.5%	9.6%
Maternity/Parental	2.8%	3.0%	3.0%	3.0%	3.0%
Family Care	3.7%	4.1%	4.1%	4.0%	4.1%
Overall	13.4%	14.6%	14.9%	14.3%	14.5%
Increase Over FMLA		9.1%	11.2%	7.1%	8.5%

Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications)

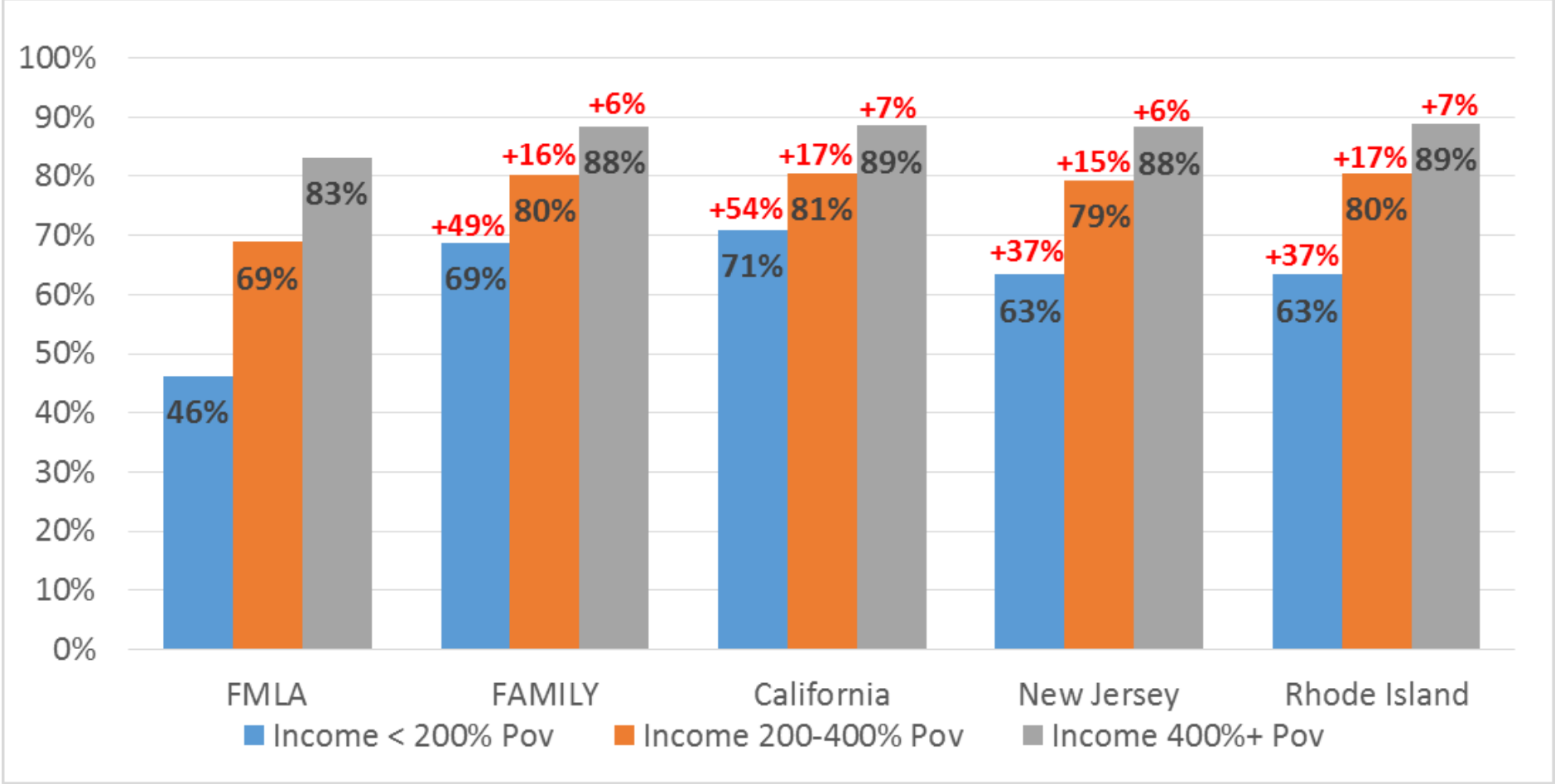
NOTE: Within columns, the rows do not sum to the Overall because workers can take leave for more than one reason in a year.

Figure 3. FMLI Programs Would Increase Access to Paid Leave – Especially for Lower Wage Workers



Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications run June 2018.)

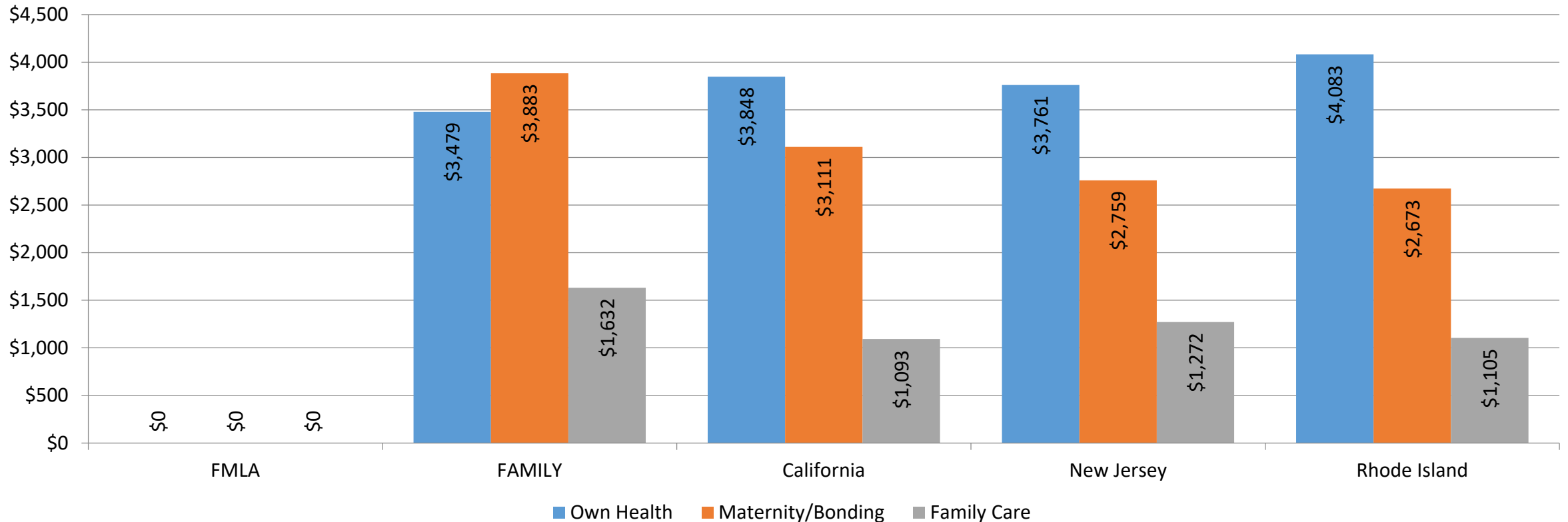
Figure 4. FMLI Programs Would Increase Access to Paid Leave – Especially for Lower Income Families



Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications run June 2018.)

Figure 5. FMLI Benefits are Substantial and Reflect both Differences in Wage Replacement Formulas and Maximum Weeks Available

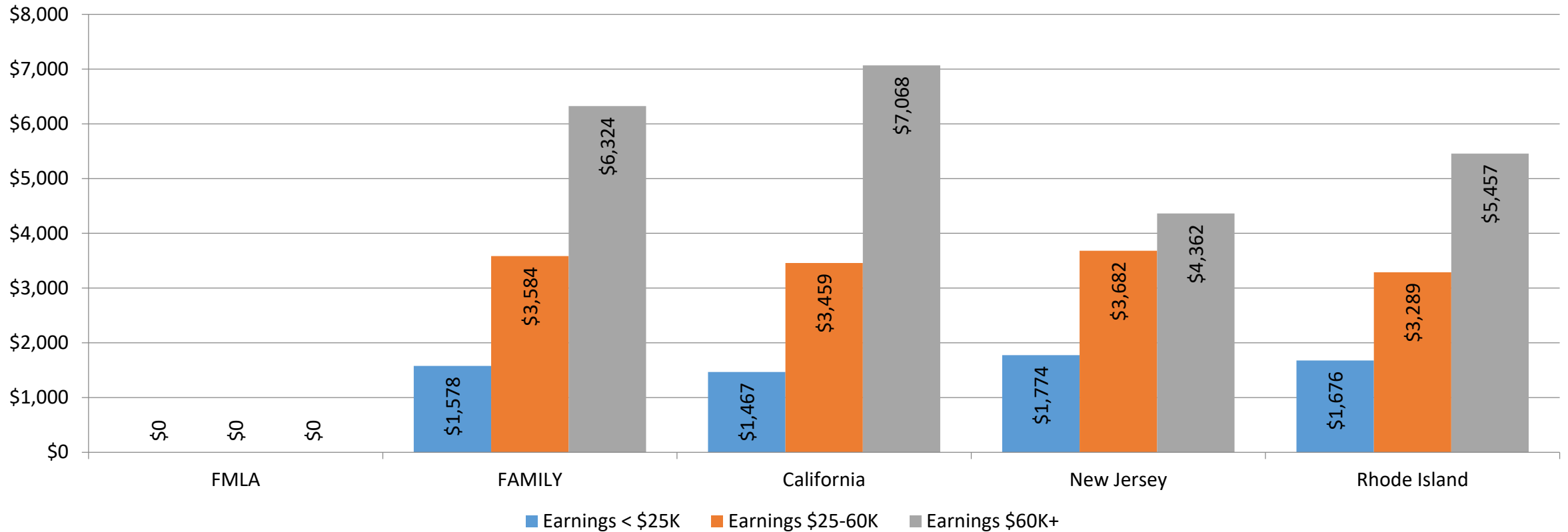
Program Benefits for Leaves Filing Eligible Claims (Excluding Zero) by Family or Medical Need



Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications run June 2018.)

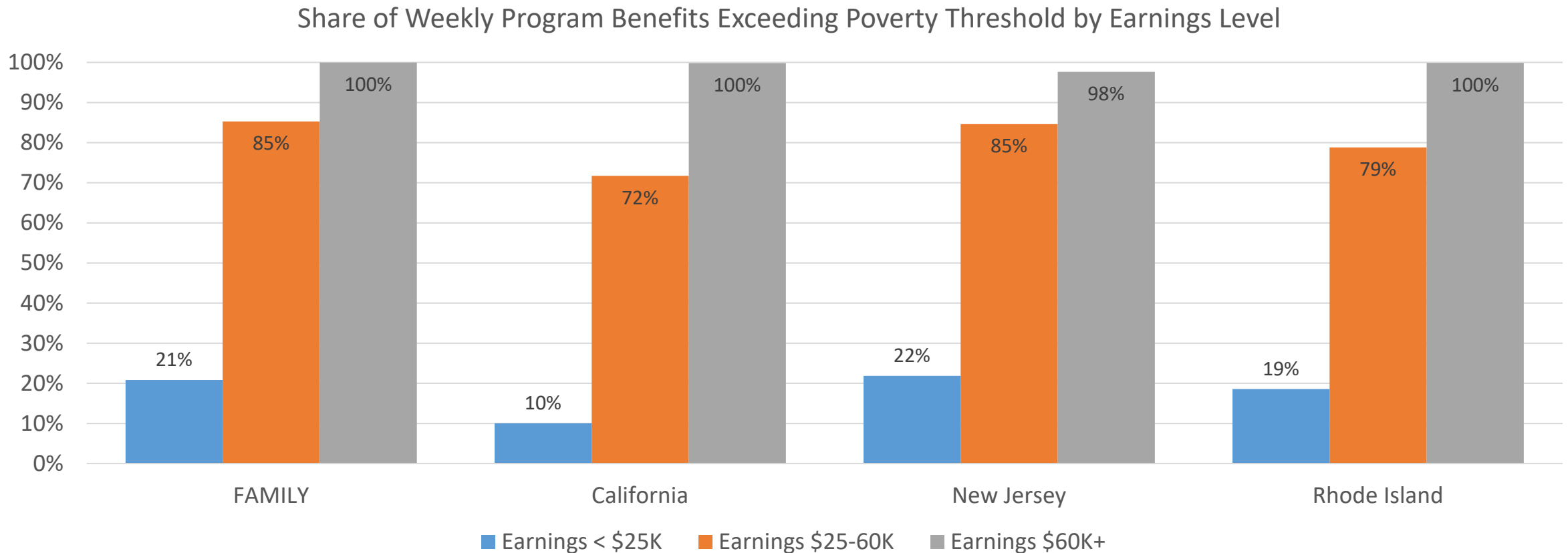
Figure 6. Estimated Program Benefits Are Proportional to Wages, but Program Designs Matter

Program Benefits for Leaves Filing Eligible Claims (Excluding Zero) by Earnings Level



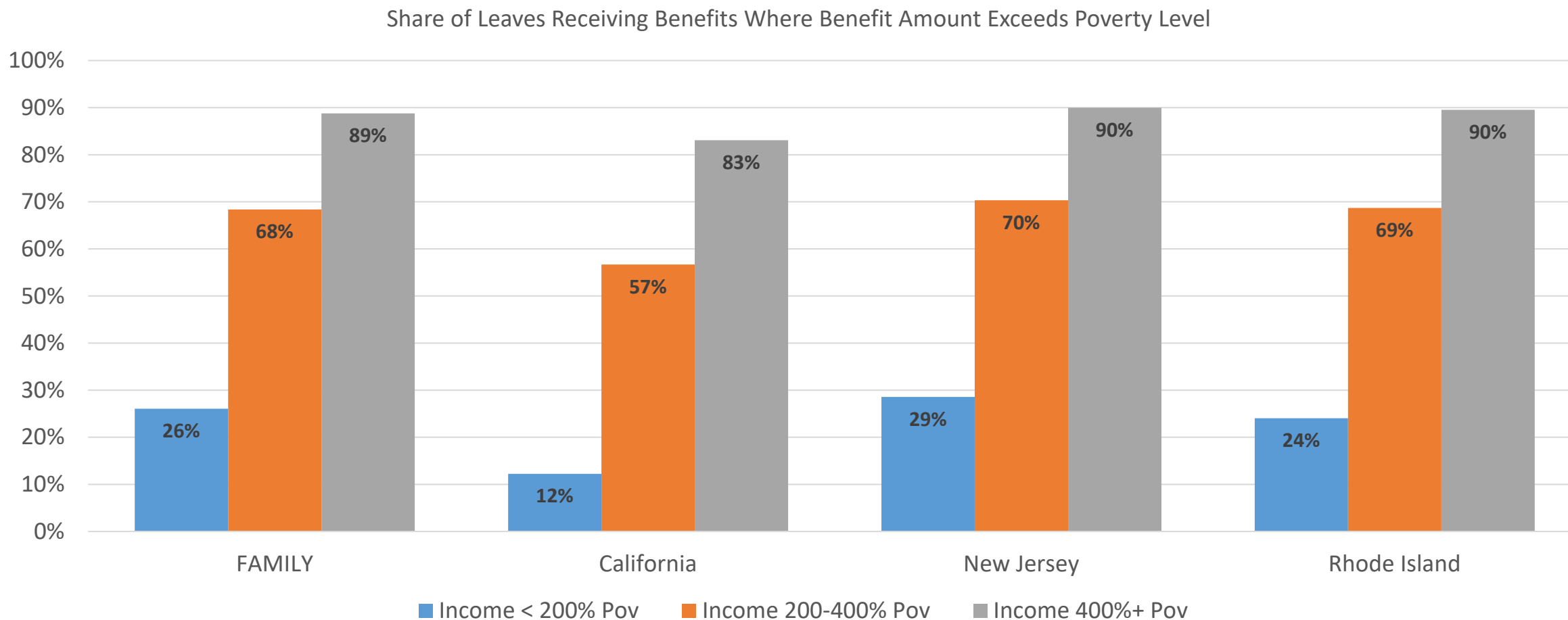
Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications run June 2018.)

Figure 7. Proposed Partial Wage Replacement Formulas Do Not Provide Adequate Benefits to Lift Many Low-Wage Workers Above Poverty



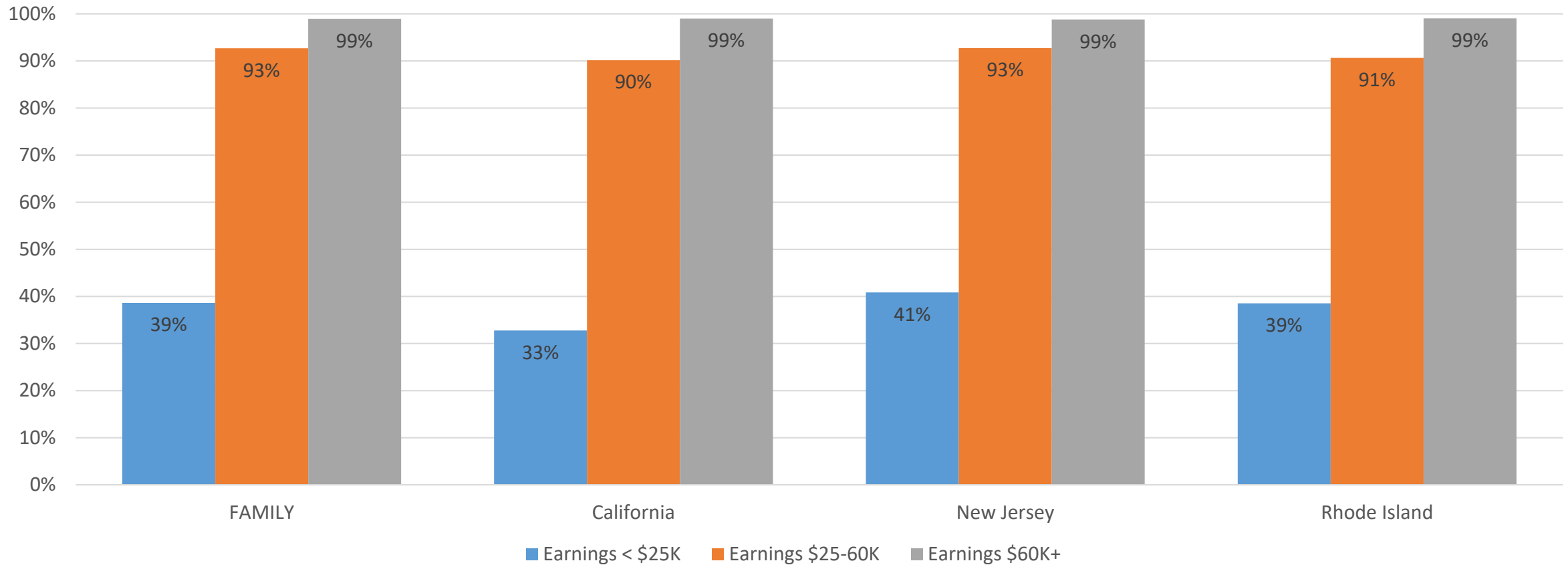
Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications run June 2018.)

Figure 8. Proposed Partial Wage Replacement Formulas Do Not Provide Adequate Benefits to Lift Many Workers in Low-Income Families Above Poverty



Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications.)

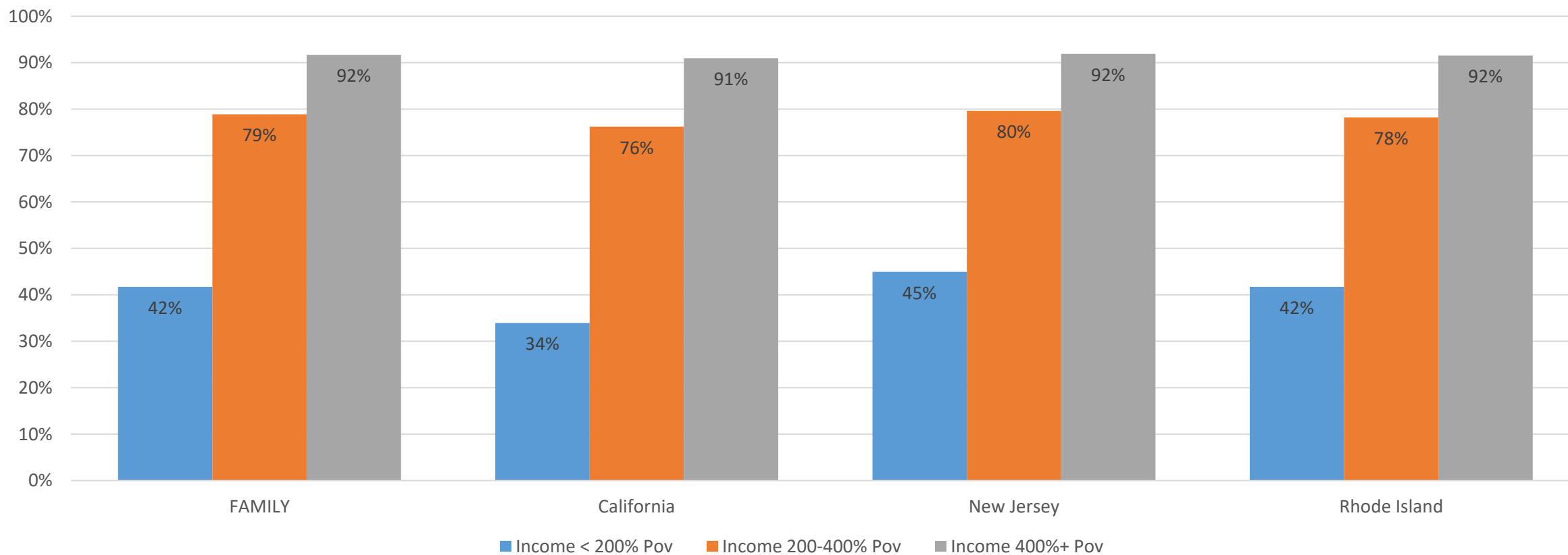
Figure 9. When Program Benefits and Employer-Provided Wages Are Taken Together, Weekly Incomes during Leave Exceed the Poverty Line by at Least One-Third for Low-Wage Workers



Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications.)

Note: Leaves that are uncompensated are excluded.

Figure 10. When Program Benefits and Employer-Provided Wages Are Taken Together, Weekly Incomes during Leave Exceed the Poverty Line by at least One-Third for Workers in Low-Income Families



Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey and 2012 FMLA Employees survey. (5 replications.)

Note: Leaves that are uncompensated are excluded.