



Testimony of Amy Traub
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Thank you, Members of the Workforce Development Joint Budget Hearing, for the opportunity to submit testimony in support of a strong paid family leave program in New York State. My name is Amy Traub and I am a Senior Policy Analyst at Demos. Demos is a public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy. Paid family leave is critical to ensuring an equal chance in our economy for all working New Yorkers.

Demos' research finds that 6.4 million working New Yorkers do not receive any paid family leave through their employers.¹ While some of New York's most dynamic and deep-pocketed companies have recognized the business benefits of offering paid family leave to their employees, many companies cannot afford to finance the benefit themselves, and a majority of workers lack this critical source of support even in the industries where paid leave is most abundant. Ensuring that the next generation gets a healthy, loving start in life – and that families don't fall into poverty as they struggle to care for one another in times of sickness – are society-wide challenges, not problems that individual families and businesses can solve on their own.

A strong paid family leave program would ensure that when workers need to be with their families to bond with a new child or care for a seriously ill family member they will be able to meet these health and family responsibilities without putting their jobs and financial stability at risk. Adequate wage replacement is important to protect low wage workers who live paycheck to paycheck and do not have savings to fall back on. A strong paid family leave program will:

- Cover all workers
- Provide up to twelve weeks of leave
- Provide two-thirds wage replacement when a worker is on leave
- Provide job protection to workers who take leave
- Raise the benefit under Temporary Disability Insurance

Paid family leave must cover all workers. A program that does not apply to smaller businesses will exclude millions of workers. There is no financial penalty for any business under the Paid Family Leave program in the budget because it is an insurance program – workers are paid by the insurance provider when on leave, not by the employer. The employer can use the worker's salary to pay for any costs associated with the leave, such as increasing hours or replacements. An insurance program where everyone participates is what makes the benefit

¹ See <http://www.demos.org/publication/lagging-leave-while-businesses-fall-short-new-york-state-can-become-leader-paid-family-l> for a copy of this research



affordable to all employers and employees. No social insurance program excludes businesses based on size.

Workers need up to twelve weeks of leave. According to physicians, twelve weeks of leave is the minimal time parents need to bond and care for newborns, with lasting impacts for healthy child development. This twelve week period is also critical for breastfeeding, which provides major health benefits to both mothers and babies. Experience in the states that have paid family leave programs – California, New Jersey, and Rhode Island – show that workers take only the time they need. Many will not take the full twelve weeks.

A sufficient wage replacement rate (the percentage of a worker's income the worker receives while on leave) is critical to ensure that workers receive enough income to afford to take leave. Low-wage workers generally have little or no savings. Receiving only half their wages while on leave is insufficient to allow them to take time off. Under a proposal of 50% wage replacement a minimum wage worker would get just \$180/week. Low-wage workers will not be able to take this leave, even though they have paid for it. A wage replacement rate of two-thirds will provide low-wage workers with the opportunity to access more of their wages while on leave, which will enable them to take the leave.

Workers will be unwilling to risk their jobs to take paid family leave benefits without job protection. When workers aren't able to take leave and then return to their job they end up on public assistance, costing taxpayers money. Job-protected leave is especially important for keeping mothers attached to the workforce and reducing the income hit women take when they become mothers. Analysis of the Rhode Island paid leave program shows that 40% of workers would not have taken the paid family leave benefit without the job protection that the Rhode Island program guarantees.

The benefit for Temporary Disability Insurance has been at \$170 a week since 1989, this benefit is too low to protect workers from financial difficulty when they utilize it. A meaningful increase ensures that workers can avoid financial hardship, provides parity for workers dealing with their own disability and those caring for a family member, and provides an adequate benefit for women who experience complications during pregnancy. This benefit needs to be raised to provide the families of today access to financial stability when utilizing Temporary Disability Insurance.

The time is now for New York to establish a strong paid family leave insurance program and we have the opportunity to do that through the FY 2016-17 budget. I urge you to enact a program that covers all workers, provides 12 weeks of leave, provides two-thirds wage replacement, provides job protection, and raises the Temporary Disability Insurance benefit.