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Paid parental leave in the United States

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The United States provides no federal paid leave to new parents; however, four states have implemented payroll-tax-funded paid family leave programs that provide wage replacement during time off from work to care for and bond with a new child. In the absence of such paid leave, employed new parents must either take unpaid leave, quit their job, or return to work sooner than they may have preferred. See text box for a glossary of parental leave terms. While some employers do provide paid parental leave, relatively few employees have access to it. Low-wage workers are particularly unlikely to have access to paid leave through their employers. Both Democrats and Republicans have expressed support for national legislation to address the issue of paid parental leave, and in his January 2018 State of the Union address to Congress, President Trump said,

“let us support working families by supporting paid family leave.”¹ In an effort to help inform the policy discussion, the articles in this issue, which follow this general introduction to the topic, present findings from two studies related to paid parental leave.

Paid leave provisions in the United States

As Figure 1 illustrates, the United States is unique among Organization for Economic Cooperation and Development (OECD) countries in not providing paid family leave. All other OECD countries have some paid maternal leave ranging from 12 to 166 weeks. In fact, over three-quarters of OECD countries also provide paid paternity leave. In this country, access to paid and unpaid leave varies greatly on a number of factors including type of work, work history, and state of residence. Unpaid job protection is provided through the Family and Medical Leave Act of 1993 to qualifying individuals nationwide. However, because of

Parental Leave Terms

Family and Medical Leave Act (FMLA)	Federal legislation passed in 1993 guaranteeing employees with qualified family and medical reasons up to 12 weeks of job-protected unpaid leave each year.
Paid Family Leave	Paid leave, including paid maternity or paternity leave, allowing an employee to care for a family member. May be provided through a state-mandated program or by employers.
Short-Term Disability Benefits	Paid leave due to a temporary disability, including pregnancy and recovery from childbirth. May be provided through a state-mandated program or by employers.
Sick Leave	Employer-provided paid leave allowing employees to care for themselves or an ill family member.
Temporary Assistance for Needy Families (TANF)	Federal block grant to states providing time-limited cash assistance to low-income families with children, generally including families with infants/newborns.

eligibility restrictions, just under 60 percent of employees are estimated to be covered by this protection, with coverage largely concentrated among professional workers.²

Paid family leave may be provided by employers, and is mandated in several states, but is not available to most American workers. In 2017, only 15 percent of civilian workers in the United States had access to paid family leave. Short-term disability benefits, which could be used to cover time off for a pregnancy or to recover from childbirth, were accessible to 39 percent of employees, while 72 percent had access to paid sick leave.³ Low-wage workers have even less access to these benefits. For example, in 2017, among workers with wages in the bottom quartile, only 6 percent had access to paid family leave, 19 percent to short-term disability benefits, and 46 percent to paid sick leave.⁴

State-provided paid leave

To date, six states and Washington, D.C., have adopted paid parental leave programs, either through paid family leave to care for a new child, or temporary disability insurance when a mother is unable to work during pregnancy and recovery from childbirth, or both. Table 1 summarizes the provisions available in the five states that have implemented such programs so far. Washington, D.C. and Washington State will be implementing paid family leave programs in 2020.

Most states also provide an exemption from Temporary Assistance for Needy Families (TANF) work requirements to allow mothers of young children to receive benefits while they care for an infant. The article in this issue by Chris Herbst examines the effects of these work requirements on children's cognitive ability. The other article, by Marci Ybarra, Alexandra Stanczyk, and Yoonsook Ha examines the relationships between state-provided paid family leave and temporary disability insurance, TANF generosity, welfare participation, and material hardship.

State-provided paid family leave

Paid family leave programs provide wage replacement during time off from work to care for a family member, including caring for and bonding with a new child. As of 2018, wage replacement rates range from 50 percent in New York to 70 percent for the lowest-earning parents in California. Paid leave lasts from four weeks in Rhode Island, to eight weeks in New York; the leave period in New York will be extended to 12 weeks in 2021. Washington State's paid family leave program is expected to provide a wage replacement rate of 90 percent for the lowest-income workers, and a leave period of 12 weeks.

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State-provided temporary disability insurance

Unlike paid family leave programs that provide paid leave for caregiving purposes, temporary disability insurance programs provide wage replacement (generally half to two-thirds of pre-leave earnings) for leave due to a disability, including pregnancy and recovery from childbirth. Temporary disability insurance programs typically provide 6 to 10 weeks of leave for a normal birth and generally require a determination of need by a health-care provider.

TANF and low-income women with infants

Low-income single mothers often rely on TANF after the birth of a child. While those receiving TANF benefits are required to participate in work-related activities (including subsidized or unsubsidized employment, job training, GED or postsecondary course-taking, or community service) for at least 30 hours per week, states may grant exemptions from these requirements. Of the 50 states and Washington, DC, all but four provide work exemptions for mothers of

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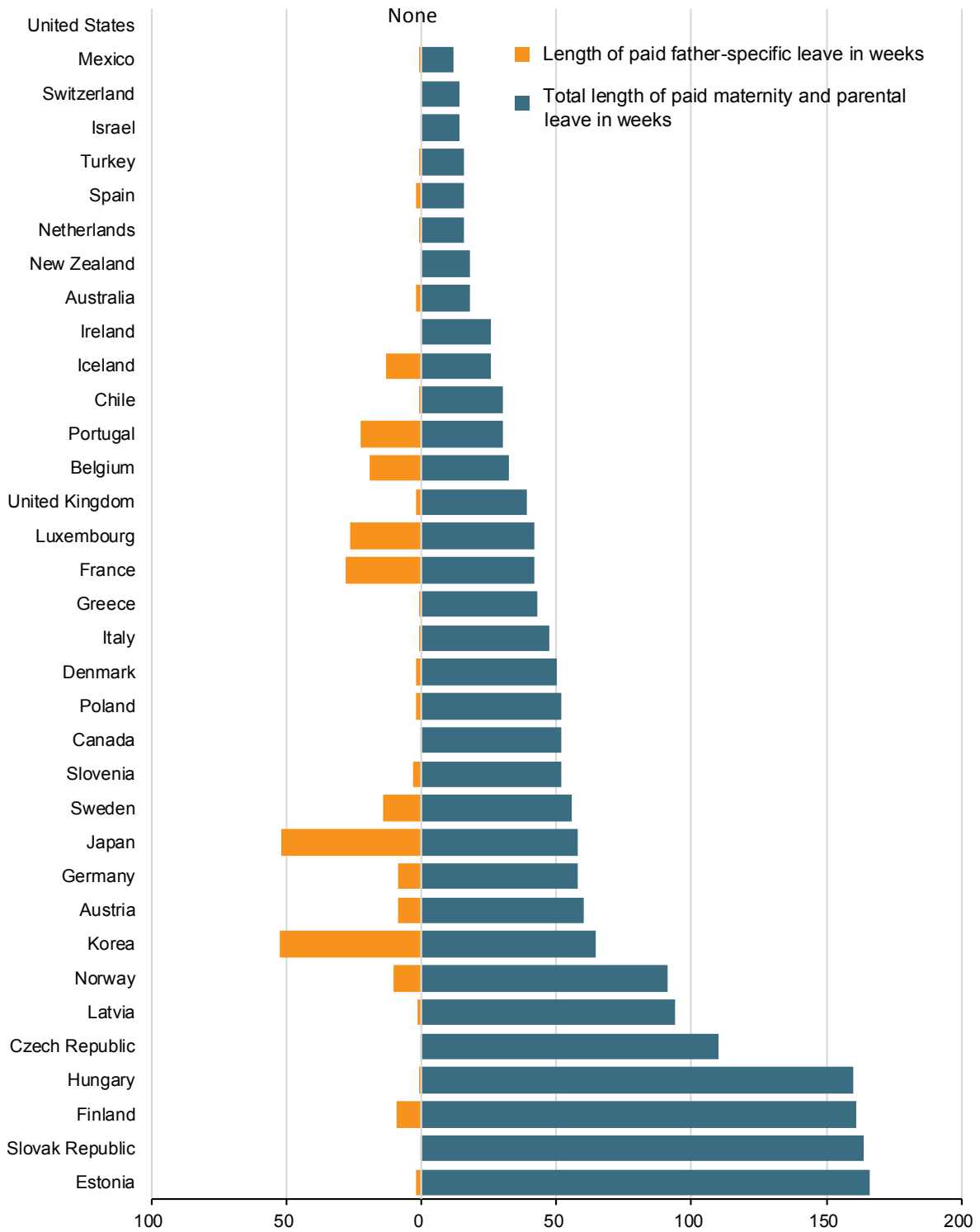


Figure 1. Paid family leave provisions are available in other OECD countries, but not in the United States.

Table 1
Provisions of Paid Parental Leave Programs in Five States, 2018

	California	Hawaii	New Jersey	New York	Rhode Island
State Offers Paid Family Leave (PFL) Program?	Yes	No	Yes	Yes	Yes
State Offers Temporary Disability Insurance (TDI) Program?	Yes	Yes	Yes	Yes	Yes
Year Programs Were Enacted or Implemented	TDI enacted in 1946; PFL implemented in 2004	TDI enacted in 1969	TDI enacted in 1948; PFL implemented in 2009	TDI enacted in 1949; PFL implemented in 2018	TDI enacted in 1942; PFL implemented in 2014
Length of PFL Period to Bond With a New Child ^a	6 weeks	n/a	6 weeks	8 weeks, rising to 12 weeks in 2021	4 weeks
Length of Temporary Disability Paid Leave When Mother is Unable to Work During Pregnancy and Recovery From Childbirth	For a normal pregnancy, 4 weeks before expected delivery date and 6 weeks after the actual delivery	Up to 26 weeks as determined by physician; typically 6–8 weeks after giving birth	For a normal pregnancy, 4 weeks prior to birth and 6 weeks after	For a normal pregnancy, 4 weeks prior to giving birth and 4–6 weeks after	Up to 30 weeks as determined by qualified healthcare provider; typically 6 weeks
Wage Replacement Rate	In 2004–2017: 55% Beginning January 1, 2018: ranges from 60 percent for highest earners to 70 percent for lowest earners	58% ^b	67%	For TDI: 50% For PFL: 50% in 2018, 55% in 2019	4.62% of wages paid during the highest quarter of worker's base period (equivalent to approximately 60% of average weekly wage)
Minimum Weekly Payment	\$50 as of January 1, 2018	No minimum ^b	No minimum	No minimum	\$89 as of January 3, 2016
Maximum Weekly Payment	\$1216 as of January 1, 2018	\$620 as of January 1, 2018 ^b	\$637 as of January 1, 2018	For TDI: \$170 For PFL: 50% of New York State average weekly wage, \$653 in 2018	\$817 as of July 3, 2016
Eligibility Criteria	Earnings of \$300 in past year	14 weeks in the past year of at least 20 hours/week employment and total earnings of at least \$400	Earnings of \$8,500 in past year, or at least \$169 a week for 20 weeks	26 consecutive weeks of employment for those working at least 20 hours/week; 175 days of work for those working less than 20 hours/week	Earnings of \$12,120 in past year or \$4,040 in past year and at least \$2,020 in one quarter, with total earnings at least 1.5 times the highest quarter earnings
Is PFL Job-Protected?	No: Workers may be covered by federal and state unpaid leave programs	No: Workers may be covered by federal and state unpaid leave programs	No: Workers may be covered by federal and state unpaid leave programs	Yes	Yes

Notes:

^aLeave to bond with a new child includes newborn, adopted, and foster children in California, New York, and Rhode Island, and newborn or adopted children in New Jersey.

^bHawaii provisions shown are the minimum required benefit standards. Hawaii employers have the option to either purchase insurance that meets these standards, or to self-insure by offering a paid leave program that is equivalent to or better than the minimum standards.

young children. These exemptions are based on the age of the youngest child, and range in length from 3 to 24 months.

Effects of TANF and paid parental leave provisions on low-income families

The two articles in this issue look at the effects of TANF and state paid parental leave provisions on low-income women and their children.

First, Chris Herbst looks at the causal effects of TANF work requirement policies on the cognitive development of disadvantaged children. He concludes that maternal work during the first year of life has negative effects on children's cognitive ability scores, with the effects decreasing for later returns to work until about the eighth month of life.

Second, Marci Ybarra, Alexandra Stanczyk, and Yoonsook Ha examine the relationships between state-provided paid leave (including both paid family leave and temporary disability insurance), TANF generosity, welfare participation, and material hardship. They provide evidence that paid leave programs, most notably temporary disability insurance, may act as economic buffers for low-income single mothers and their children following a birth.

Together, these articles provide additional evidence that a national paid parental leave policy could help address the inequities inherent in the current patchwork of leave options, which are particularly limited for low-income parents.■

¹Available at <https://www.whitehouse.gov/briefings-statements/president-donald-j-trumps-state-union-address/>

²J. A. Klerman, K. Daley, and A. Pozniak, *Family and Medical Leave in 2012: Technical Report*. Washington, DC: U.S. Department of Labor; K. R. Phillips, *Getting Time Off: Access to Leave among Working Parents*, Washington, DC: Urban Institute, 2004.

³Bureau of Labor and Statistics, Employee Benefits Survey, March 2017.

⁴Bureau of Labor and Statistics, Employee Benefits Survey, March 2017.