A paid family leave policy would fuel a stronger Louisiana

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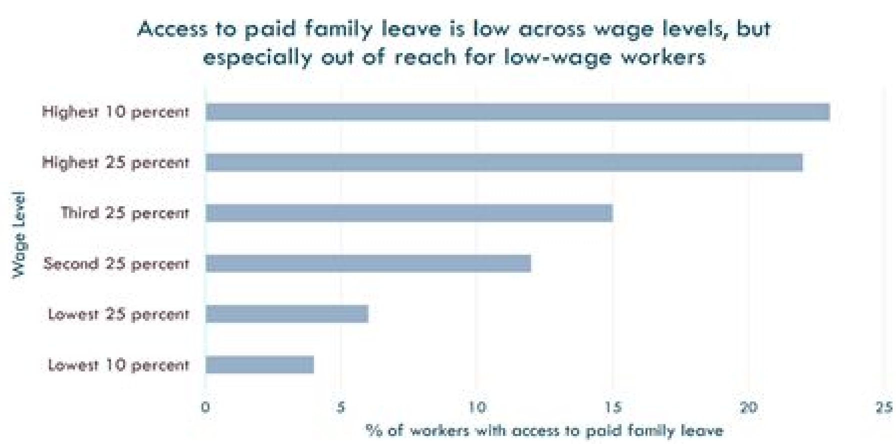
Most workers encounter a period in their life when they need time off from work to take care of their own health or that of a loved one, whether it be a newborn baby or a sick family member. Unfortunately, the vast majority of workers in Louisiana cannot take time off from work to provide that care while still getting paid. This lack of access to paid leave forces Louisiana workers to choose between their or their loved one's health and their own economic security.

It doesn't have to be this way. Louisiana has an opportunity to join the growing number of states that have established a statewide paid family leave policy to ensure adequate paid time-off for workers who need to provide care to a family member or are seriously ill themselves. Paid family leave policies in other states and countries have produced overwhelmingly positive outcomes and provide models for how Louisiana could move forward.

Lack of access to paid leave

A study by the International Labor Organization found that the United States is just one of three countries in the world that does not have a national paid family leave policy. While the federal Family and Medical Leave Act (FMLA) allows some workers to take up to 12 weeks of unpaid leave, many can't afford to take leave without pay and others don't qualify due to exemptions in the law. This system of *unpaid* leave perpetuates class-based health inequities, as only the wealthy are financially able to take advantage of leave through FMLA.

The vast majority of private employers don't offer any paid family leave. Only 14 percent of civilian employees have access to paid family leave through their job, according to a 2016 report from the U.S. Department of Labor Statistics. Low-wage workers are significantly less likely to have access to employer-based paid family leave than their higher-paid counterparts, with only 6 percent reporting having access to paid family leave.



Source: U.S. Department of Labor, Employee Benefits in the US

Workers in Louisiana have *especially* low access to paid family leave. A statewide survey found that only 35 percent of new moms in Louisiana were able to take any length of paid leave (including paid sick, vacation, or family leave) following childbirth, compared to the national average of 55 percent. That's because Louisiana doesn't have a statewide paid family leave policy and is home to a disproportionate share of low-wage workers. Louisiana has the highest percentage of workers earning the minimum wage in the nation, and the median weekly wage is 9 percent below the national average.

Paid family leave improves health outcomes

Increasing access to paid family leave for new mothers could substantially improve maternal and child health outcomes in Louisiana, which current ranks 48th in the nation for overall health of women and children. Research shows that paid family leave is linked to improved long- and short-term health of mothers and babies. Research in California, the first state to pass a statewide paid family leave policy, shows increased incidence and duration of breastfeeding and bonding with children, both of which have extensive positive impacts on the physical, mental, and emotional health of mother and child. A state paid family leave would enable Louisiana's parents to invest much needed time into their families without sacrificing financial security.

Paid family leave policy in other states

Louisiana can look to states that have already passed paid family leave policies for guidance in establishing its own paid family leave policy. As of 2018, four states have already established state-run paid family leave programs, and two others are in the implementation process.

Comparison of State Paid Family Leave Policies in 2018

	CA	NJ	RI	NY	DC	WA
Max. Length of Leave in 12-month period	6 weeks	6 weeks	4 weeks	8 weeks	8 weeks	12 weeks
Funding Mechanism	Employee only	Joint employee-employer	Employee only	Employee only	Employer only	Joint employee-employer
Percent Contribution	1% of worker's first $114,967 in wages	0.19% of worker's first $33,700 for employees. Rate for employers varies from 0.10 to 0.75%	1.1% of worker's first $69,300 in wages	0.126% of worker's first $68,347 in wages	0.62% of wages or of annual self-employment income	0.4% of worker's taxable wage base* 67% contributed by employee, 33% by employer
Progressive benefits? If no, what is the set % of average weekly wage (AWW)?	Yes	No; 66% of AWW	No; 60% of AWW	No; 50% of AWW	Yes	Yes

*Small businesses with less than 50 workers are exempt from contributing.
Sources: "State Paid Family and Medical Leave Insurance Laws," National Partnership for Women and Families, February 2018. "Paid Family Leave: Information for Employees," Paid Family Leave, Accessed June 2018.

State paid family leave policies operate as insurance programs in which employees and/or employers contribute to an insurance fund via a payroll deduction. The state administers the fund to provide a partial wage replacement for workers who take leave to provide caregiving. The leave ranges from 4 to 12 weeks, and benefit amounts also vary from state to state. In some states, the benefit amount is a fixed percentage of workers' average weekly wage, while in others, benefits are progressive, or dependent on income. In those states, workers earning lower wages receive a higher percentage of their average weekly wage when they take paid family leave, to ensure they can afford to take leave. In both systems, states determine a maximum weekly benefit amount as well as a cap on the amount of a worker's taxable income that is subject to the payroll deduction.

The business case for a paid family leave policy

A state paid family leave policy in Louisiana would not only improve the health and economic security of workers and their families, it would also make businesses and workers more productive. Statewide paid family leave policies create certainty for employers and employees, and take the burden of providing paid leave off employers. An evaluation of the effect of the state's paid family leave policy on businesses in California revealed that 90 percent of employers said the policy had a "positive" or "no noticeable effect" on productivity, performance, and profitability in their organizations. Small business owners in California reported the highest level of support for the state paid family leave policy of all businesses surveyed.

Paid family leave is good for business
• Improves worker retention • Reduces turnover costs • Increases worker productivity • Strengthens employee loyalty and morale • Enables small businesses to compete with larger businesses for employees
Sources: National Partnership for Women and Families, Paid Family and Medical Leave: Good for Business, March 2015.

What's next for Louisiana?

A state paid family leave policy would strengthen Louisiana's families, improve health outcomes across generations and support businesses. Paid family leave is critical to ensuring that women have a chance to recuperate after giving birth, babies form stable relationships with their parents and get proper nourishment from breastfeeding, and workers can take time when they or a loved one fall ill. The policies also create uniformity and certainty for employees and employers that boosts morale and productivity.

This policy brief is the first in a series of LBP analyses related to paid family leave and Louisiana.

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