



**PAID FAMILY LEAVE
AT
FORTUNE 100 COMPANIES:**

A BASIC STANDARD BUT STILL NOT THE GOLD STANDARD

A REPORT BY THE JOINT ECONOMIC COMMITTEE MAJORITY STAFF

SENATOR CHARLES E. SCHUMER, CHAIRMAN

REP. CAROLYN B. MALONEY, VICE CHAIR

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Executive Summary

Employers and employees are searching for ways to balance the competing demands of work and family. As a guide for policymakers, this report examines how firms design their paid leave policies. The majority staff of the Joint Economic Committee asked Fortune 100 companies about the length of paid leave that they provide for new parents. Among the firms that responded, about three-quarters offer mothers a specific parental leave program, either through paid family or disability leave, and the median length of leave for mothers is six to eight weeks. However, only one-third of firms report that they offer fathers paid parental leave and the median length of leave for fathers is only two weeks.

Many Fortune 100 firms allow their employees to use a mix of different kinds of leave when they have a child, which significantly increases the number of weeks available to new parents. Most Fortune 100 firms (75 percent) allow employees to use accrued sick days to care for a new child. Combining paid leave from all sources—family leave, pregnancy-related disability leave, and the allowable use of paid sick days—firms offer mothers a median of 12 weeks and fathers six weeks of paid leave. Among our sample, nine-out-of-ten firms report offering some kind of paid leave—family leave, pregnancy-related disability leave, or allowed use of accrued paid sick days—for the birth of a child.

Of the Fortune 100 respondents who offer paid leave, a significant share also provide employees with unpaid leave beyond that required by the Family and Medical Leave Act (FMLA) for the birth of a child. Overall, 40 percent of Fortune 100 firms provide both some type of paid leave alongside additional weeks of unpaid leave. Among the firms offering additional weeks of unpaid leave, the median length of leave offered on top of the 12 weeks of unpaid FMLA leave is 14 weeks. Thus, employees in these firms have access to six months (26 weeks) of unpaid, job-protected parental leave, on top of any paid leave that their firm offers.

As policymakers work to implement paid leave policies, Fortune 100 companies provide a good model. Nearly all of these firms offer parents paid time off when they have a new child. However, while these firms offer more leave than typically provided by other U.S. companies, the length remains far below the leave policies implemented in the European Union or nearly all other advanced economies. Further, this leave is usually cobbled together from various programs and, especially for fathers, is based on using accrued sick days rather than having access to paid family leave.

Introduction

The difficulties that workers encounter when faced with the competing demands of family and work responsibilities are well known. Employers and employees alike are searching for ways to get the job done, while also ensuring that families are cared for. Unlike a generation ago, most U.S. families do not have the option of a stay-at-home parent to provide care for children, the elderly, or the sick, and therefore these responsibilities fall on family members who work outside the home. The federal Family and Medical Leave Act (FMLA) provides job-protected, unpaid leave for eligible workers in covered establishments who are new parents or who have a serious health condition or have an immediate relative with a serious health condition. However, FMLA is not available to everyone and it is unpaid, significantly limiting its usefulness for many workers who cannot afford to take unpaid time off work.

There is bi-partisan interest at both the federal and state level in establishing paid family leave as a minimum employment standard. As policymakers consider introducing paid family leave, a central question is what is an appropriate length of leave? There are several models to look to.

To retain workers and reduce turnover, the European Union, and a handful of states have each implemented some form of paid family leave, ranging from 14 weeks in Europe to five weeks in California. Further, U.S. federal lawmakers themselves typically offer paid leave: Congressional offices each set their own leave packages and most include paid parental leave, with the average length being six to eight weeks.¹

An alternative method to guide the length of paid family leave is to look to the standards currently in place among the U.S. firms that offer it. To this end, the JEC requested information from firms that are the most likely to offer paid leave: the top 100 U.S. companies, as listed in *Fortune* magazine's 2007 list of the Fortune 500.² The JEC Questionnaire asked whether these firms offer male and female employees paid leave upon the birth of a child and the duration of the leave. The results show that these firms overwhelmingly offer women paid leave for the birth of a child and the leave is typically six to eight weeks long.³

Background: The Need for Family Leave is a New Workplace Reality

Family leave has become an increasingly important workplace policy because most families no longer have a stay-at-home parent to provide care for a new child or a seriously ill family member. Over the past generation, there has been a significant increase in the employment of mothers outside the home: between 1975 and 2006, the labor force participation rate for mothers rose from 47.4 to 70.6 percent.⁴ The majority (68.0 percent) of children in married-couple families are being raised without a stay-at-home parent⁵ and 18.4 percent of children are living in working, single-parent families.⁶ The literature on maternal and infant health indicates that while the optimal length of parental leave varies according to a wide range of factors, including the preferences of the parents, whether both parents are involved in primary care, and the difficulty of the pregnancy and childbirth, the length of leave is best measured in months, rather than weeks or days.⁷ With both parents typically working, this means that families with a new child need a considerable amount of time away from work, which may be difficult for the family to access if that time is unpaid. Research has found, however, that employers that

accommodate working parents and provide paid time off are rewarded with lower turnover and higher productivity.

Families Need Time to Care

Having access to paid, rather than unpaid, leave is a necessity, not a luxury, for working families. Two-parent families typically need to have both parents working. The typical working wife brings home over a third (35 percent) of her family's total income.⁸ The long-term trends in family income show that the inflation-adjusted income of married-couple families with stay-at-home wives is the same today as it was in 1979 and it is only families with working wives who have seen any real income gains.⁹ Because both parents work—and in many cases, need to work—paid leave has taken on increased importance. Paid leave has been shown to promote maternal employment and job retention, increasing the long-term employment and earning prospects of working parents, compared to unpaid leave.¹⁰ Paid leave also improves children's health by giving mothers time to breastfeed, reducing the risk of infections, and increasing the likelihood that children are taken to the doctor to receive the full battery of immunizations.¹¹

However, even though paid leave is increasingly a necessity for working families, it remains relatively uncommon in our country and workers typically only have the option of taking unpaid leave.¹² The Department of Labor reports that while eight percent of private-sector employers offer paid family leave, 82 percent offer unpaid leave. The wide availability of unpaid leave is due to the 1993 FMLA, which established a minimum standard that allows eligible employees to take up to 12 weeks per year of unpaid, job-protected leave upon the birth or adoption of a child, or to care for qualifying family members or themselves in the event of a serious health condition. A majority (61.7 percent) of public and private sector workers are eligible to take unpaid leave under the FMLA, but many families cannot afford to take it.¹³ Most (77.6 percent) of those who do not exercise their right to leave under the FMLA report that one reason they did not take leave was because they could not afford to go without pay.¹⁴

Besides being unpaid, and thus unaffordable for many families, the FMLA does not cover the entire workforce. FMLA does not apply to private companies with fewer than 50 employees, which categorically excludes just under one-third of the labor force.¹⁵ Further, to be eligible for leave, employees must have been with a single employer for at least a year and logged over 1,250 hours in the past year, equivalent to working an average of 24 hours per week. The job tenure requirements leave out many young workers who are most likely to be in need of parental leave since the median age of first birth is 25 years.¹⁶ Among parents aged 18 to 25 with a child under the age of two, 43.3 percent of women and 31.2 percent of men have been with their current employer for less than a year and therefore are categorically excluded from taking leave under FMLA.¹⁷

The Business Case for Paid Family Leave

There is solid evidence that paid leave policies are good for employers, as well as employees. The clearest benefit to employers is reduced employee turnover, but there is also evidence of improved productivity: workers who can meet their family responsibilities and are feeling healthy are less-stressed and better able to focus on their jobs while at work, and are thus, more productive. Research shows that businesses that offer paid family leave benefit from increased productivity and morale, reduced absenteeism, and lower turnover and training costs.¹⁸

Firms can see the benefits of paid family leave most directly in terms of reduced employee turnover. Women who had access to leave—either paid or unpaid—at the birth of their first child are more likely to go back to their job after childbirth.¹⁹ Research further confirms that paid leave is a better retention policy than unpaid leave because the probability of returning to the same employer after having a child is 5.4 percentage points greater for women who received paid maternity leave compared to those who received unpaid maternity leave.²⁰ Women report that access to workplace flexibility, including paid leave, is of particular importance in their decision to stay on the job, rather than quit altogether.²¹

Lowering turnover rates can reduce costs significantly for employers. The average cost of turnover for an employer is about 25 percent of an employee's salary.²² To get a good estimate of costs, we need to include not only the costs to search for a new employee, but also training costs. Estimates are that it takes six weeks for a new staffer to learn their job and achieve the productivity of the person that they replaced.²³ One study in New Jersey found that in the private sector, the full cost of turnover, which includes the costs of hiring, comprehensive recruiting, screening, interviewing, and training, has been found to range from \$6,495 for a worker in the leisure and hospitality industry to \$18,615 for a worker in the information industry. Depending on the rate of turnover and cost of replacing new workers, a small company might spend over \$15,000 annually while a larger one (more than 1,000 employees at one site) could spend more than \$180,000.²⁴ The savings that employers could accrue by offering paid leave can more than offset costs of hiring temporary workers or paying overtime to current workers.²⁵

Private Sector Response to Work-Family Balance: The Fortune 100

This report looks to the Fortune 100 to see what length of leave is typical among firms that offer paid leave for the birth or adoption of a child. The Fortune 100 is a list of the largest U.S.-based corporations, based on revenue calculated from publicly available data. This is a good sample to use because large firms such as these are far more likely than smaller firms to offer paid leave and, further, many of the Fortune 100 firms have established programs to recruit and retain valuable female employees. A quarter of these firms appear on the *Working Mother* list of the “100 Best Companies” that provide policies aimed at balancing work and family.²⁶ Therefore, this sample of firms is likely to have implemented the most generous paid leave policies of any U.S. employers.

Data and Method

From September through November 2007, the Joint Economic Committee asked the Fortune 100 companies to respond to a simple set of questions:

- Do they offer paid maternity or paternity leave for the birth or adoption of a child and, if so, for how many weeks each? If maternity leave is provided, is this through a disability leave program?²⁷
- Do they offer unpaid maternity or paternity leave for the birth and adoption of a child on top of the 12 weeks required by FMLA and, if so, for how many weeks each?
- Do they allow employees to use accrued sick leave to care for a new child and, if so, how many weeks?

The typical leave package offered at Fortune 100 firms was derived by examining the 53 responses received. The respondent and non-respondent firms represent similar industries limiting the possibility of response bias, although respondent firms were more likely to be on the *Working Mother* list. (See Appendix for more information on the JEC Questionnaire.) Many firms responded with a minimum and maximum number of weeks of paid leave, depending on the employee's job category or tenure or other requirements and our analysis provides measures of both the minimum and the maximum weeks provided. (The Appendix contains the sample means.)

Most firms reported that they offer employees several different kinds of leave that they can combine when they have a new child. The three specific types of leave that we include are paid family leave, paid pregnancy-related disability leave, and the allowable use of accrued paid sick days. Each of these leaves is designed to serve a distinct purpose:

- **Paid family leave** is often modeled on the uses set out in the FMLA and provides weeks of leave for parents to care for a new child and may also provide leaves for serious health conditions.
- **Pregnancy-related disability leave** is leave for the mother to recover from childbirth. According to the Pregnancy Discrimination Act of 1978, employers must treat pregnant workers the same as other employees with temporary medical disabilities in all conditions of employment, such as pay and fringe benefits, including paid sick days, health insurance coverage and temporary disability insurance. Therefore, if a firm has a disability plan, then they must cover pregnancy and recovery from childbirth under this plan.
- **Paid sick days** cover short-term illnesses, such as colds and flu, and regular doctor visits, alongside being available for health emergencies. Many firms allow employees to bank their accrued sick days for use when they have a child. This policy, however, means that employees do not have this time available for unanticipated short-term illnesses if it is used for family and medical leave.

Firms may also allow employees to use accrued vacation to care for a new child, but that was

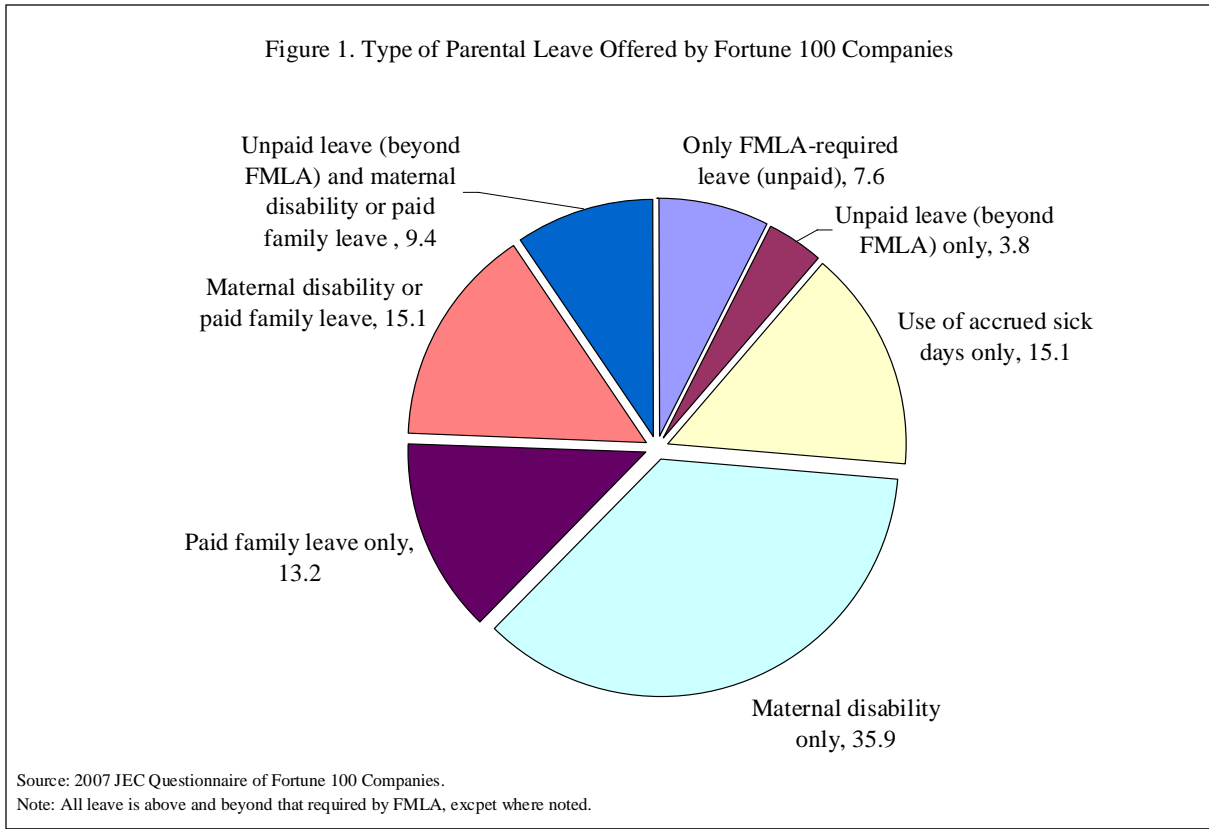
outside the scope of our questionnaire and may lead us to *understate* the overall findings. We refer to “paid leave” generically when we include all three kinds of leave, but this report also clearly distinguishes among firms that have a specific parental leave policy or offer pregnancy-related disability leave, and those that only allow employees to use accrued sick days.

Findings

Fortune 100 firms overwhelmingly offer some paid time off to care for a new child and recover from childbirth. Among the companies in the Fortune 100 that responded to the JEC questionnaire, three-quarters (73.6 percent) offer mothers either paid family or disability leave. Firms are more likely to offer paid family leave to mothers than to fathers as only 32.1 percent report offering paid family leave to fathers. However, most (75.5 percent) firms allow employees to use accrued sick days, and among our sample, nine-out-of-ten (88.7 percent) report offering some kind of paid leave—family leave, pregnancy-related disability leave, or allowing the use of accrued paid sick days—for the birth of a child.

Types of Leave

Most firms offer some type of paid leave, but a handful offer no paid leave of any kind. Figure 1 shows the distribution of different kinds of leave offered by Fortune 100 companies. Over one-third (35.9 percent) only provide pregnancy-related disability leave, and another 15.1 percent provide both disability and paid family leave. Just 13.2 percent of firms offer only paid family leave for the birth of a child and 15.1 percent offer employees only the use of accrued sick leave. One-in ten (9.4 percent) provide both paid leave (either pregnancy-related disability or paid family leave) as well as additional weeks of unpaid leave above and beyond that required by FMLA. Among the respondents, 7.6 percent report that they offer no leave above and beyond that required by FMLA.



Length of Leave

Table 1 breaks down the typical weeks of leave offered to employees at the responding Fortune 100 companies. In terms of paid family leave, firms typically offer mothers six weeks and fathers two weeks of paid leave. If we include the maximum number of weeks they could receive (often, but not always, tied to seniority), firms offer mothers a median of eight weeks, but continue to offer fathers a median of two weeks. In terms of maternal disability leave, Fortune 100 companies who offer this kind of leave typically provide six to eight weeks, where the range is usually based on the time necessary to recover from a vaginal or Caesarian childbirth, respectively. Among those firms that allow employees to use accrued sick days, employees are typically offered six to eight weeks of leave. Combining leave from all three sources (and accounting for whether the employer noted whether the leaves could be taken sequentially), the median number of weeks available to new mothers rises to 12, and the median of the maximum number of weeks rises 14. Fathers are offered a median of six weeks of leave.

TABLE 1. WEEKS OF PAID LEAVE FOR THE BIRTH OF A CHILD

	Median Weeks of Paid Leave Offered	Maximum Weeks of Paid Leave Offered
Paid family leave		
Mothers	6.0	8.0
Fathers	2.0	2.0
Maternal disability leave	6.0	8.0
Allowed use of paid sick days only	6.0	8.0
Combined weeks of paid leave available		
Mothers	12.0	14.0
Fathers	6.0	6.0

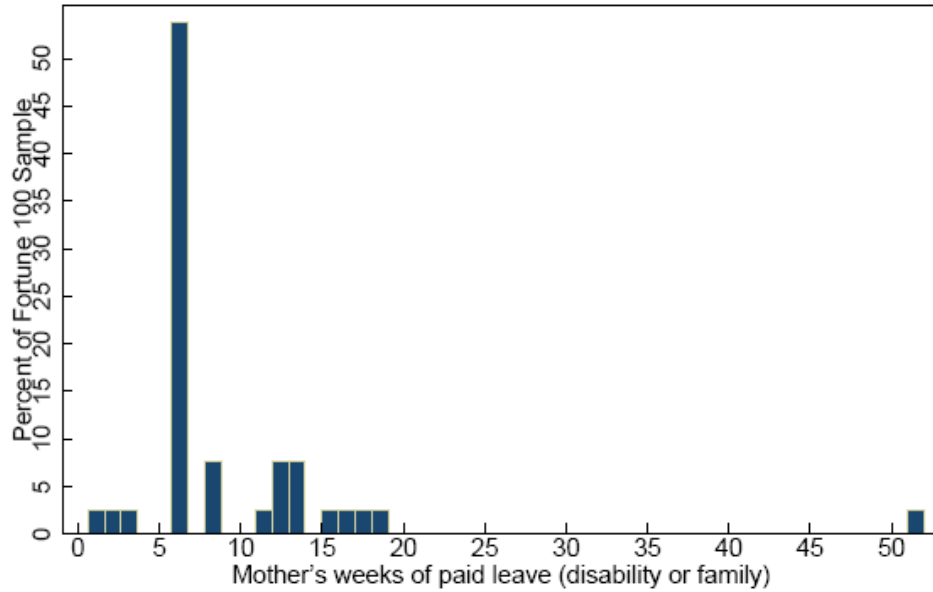
Source: 2007 JEC Questionnaire of the Fortune 100.

Note: Nine firms that reported allowing employees to use sick days did not report the actual number of days available.

Figures 2a and 2b show the distribution of minimum weeks of paid family leave offered by Fortune 100 companies in our sample to mothers (including maternal disability) and fathers, not including the use of accrued sick days. The number of paid weeks offered to mothers is clustered around six to eight weeks as three-fifths (61.5 percent) of Fortune 100 companies offer leave in this range. By contrast, nearly two-thirds (64.7 percent) of firms offer only one or two weeks of leave to fathers.

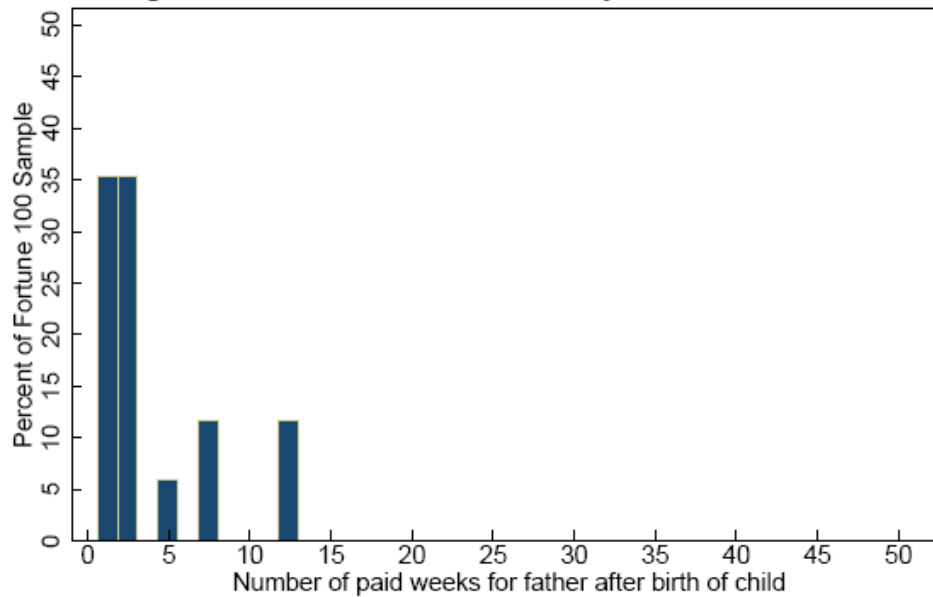
Figures 3a and 3b show the distribution of minimum weeks of paid leave offered by Fortune 100 companies combined from all three sources: family leave, pregnancy-related disability leave, and the allowable use of paid sick days. There is wide variety in the lengths of total leave possible: more than half (55.8 percent) of firms offer mothers at least 12 weeks of paid leave, but a third (34.9 percent) offer less than eight weeks. For fathers, there are fewer weeks available: 62 percent of firms offer fathers less than eight weeks of paid leave. However, a significant share of firms (18.9 percent), offer 26 weeks of paid leave or more to fathers, roughly the same offered to mothers.

Figure 2a. Weeks of Paid Family & Disability Leave for Mothers



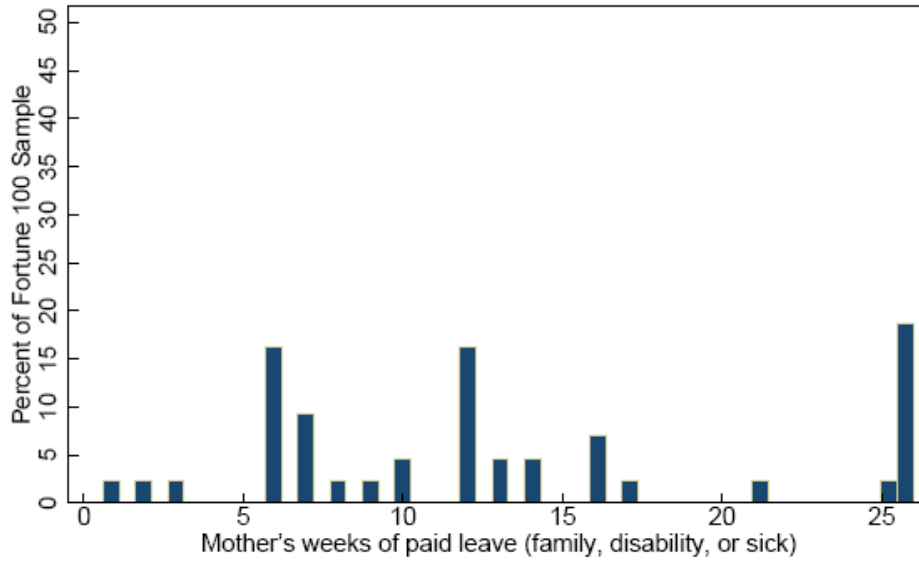
Source: 2007 JEC Questionnaire of the Fortune 100.

Figure 2b. Weeks of Paid Family Leave for Fathers



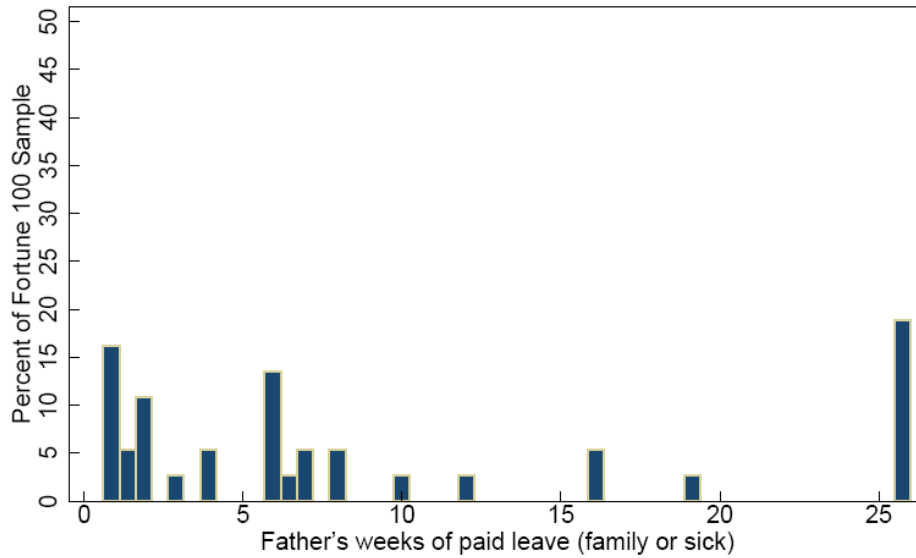
Source: 2007 JEC Questionnaire of the Fortune 100.

Figure 3a. Weeks of Combined Paid Leave for Mothers



Note: The eight firms offering more than 26 weeks of paid leave are coded as offering 26 weeks.
 Source: 2007 JEC Questionnaire of the Fortune 100.

Figure 3b. Weeks of Combined Paid Leave for Fathers



Note: The six firms offering more than 26 weeks of paid leave are coded as offering 26 weeks.
 Source: 2007 JEC Questionnaire of the Fortune 100.

As shown above in Figure 1, 3.8 percent of firms offer only unpaid leave and 9.4 percent offer a combination of either pregnancy-related disability leave or paid family leave and unpaid leave above that required by the FMLA. However, many firms who allow employees to use paid sick days also provide unpaid leave beyond that required by FMLA and when we include these firms, a total of 39.6 percent of firms offer both paid and unpaid leave beyond FMLA. Among firms offering unpaid leave above and beyond the 12 weeks required by the FMLA, the median number of weeks is 14.

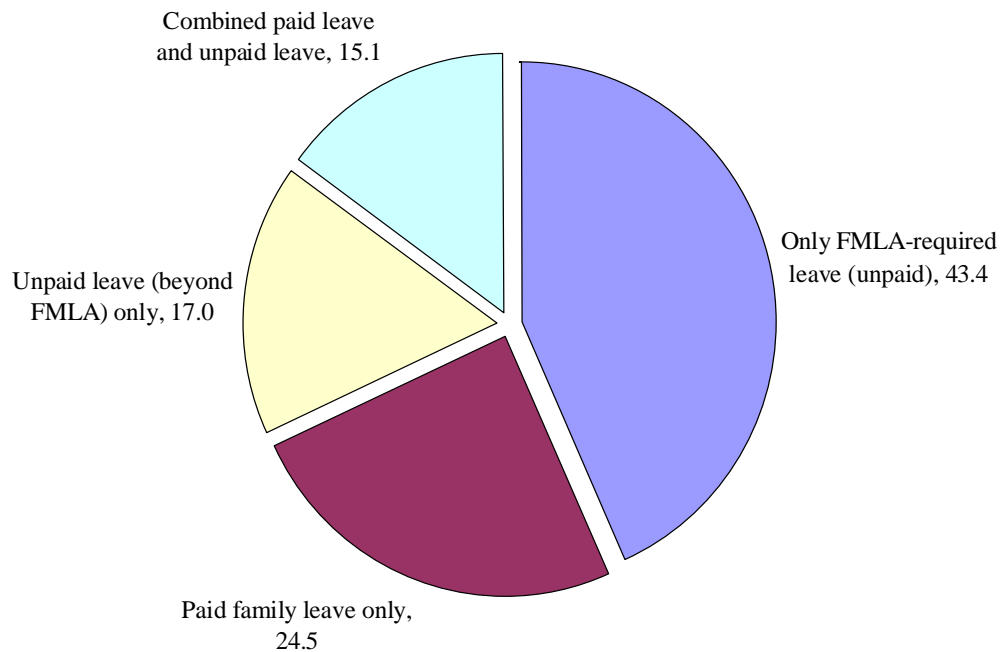
Gender Gap in Access to Paid Family Leave

There is a clear gender gap in access to paid family leave. While mothers and fathers typically are allowed to use the same number of sick days and receive the same amount of unpaid family leave, many firms continue to offer a specific paid parental leave program only for mothers, most often in the form of pregnancy-related disability leave. The equality in the availability of sick days and unpaid family leave does not make up for the lack of fathers' access to paid family leave. Fathers (and mothers) may need their sick days to help care for a sick child or their own illness. Further, in two-thirds of two-earner couples, the husband earns more than the wife²⁸ and therefore, for many families, it is harder for the father to take unpaid time off work because it costs the family more in terms of lost wages. Moving towards greater equality in access to paid family leave would enable more fathers to bond with and care for their new children, while continuing to recognize that childbirth requires recovery for the mother.

Paid Leave for Adoptive Parents

The JEC Questionnaire also asked whether paid or unpaid leave was provided for adoptive parents. Fortune 100 firms offer adoptive parents less leave, primarily because much of the leave for mothers is through paid disability programs that only apply to the biological mother. Figure 4 shows the distribution of leave available to adoptive parents. Nearly half (43.4 percent) of Fortune 100 firms offer adoptive parents no leave when they adopt their child above the unpaid leave required by FMLA. A quarter (24.5 percent) of firms offer only paid family leave at the time of adoption, 17.0 percent offer only unpaid family leave (above that required by FMLA), and 15.1 percent offer both paid and unpaid family leave. Firms offering paid leave typically offer adoptive mothers 4.0 weeks and adoptive fathers 3.0 weeks. The small fraction of firms that offer unpaid leave above and beyond the 12 weeks required by FMLA to adoptive parents typically offer parents 14 weeks of leave, giving these employees access to six months of unpaid leave.

Figure 4. Type of Adoptive Leave Offered by Fortune 100 Companies



Source: 2007 JEC Questionnaire of Fortune 100 Companies.

Note: All leave is above and beyond that required by FMLA, except where noted.

Part-time Workers

Most Fortune 100 companies (82.1 percent) report that paid parental leave is available to both full- and part-time employees. The typical threshold for part-time workers to receive benefits is set at 20 hours per week. Because full-time workers are nearly twice as likely as part-time workers to have paid family leave, the Fortune 100 companies appear to be ahead of their counterparts on coverage.

Fortune 100 Firms' Paid Leave: Less than in Europe, but More than in Most States

With a median of six to eight weeks of leave for new mothers and two weeks for new fathers, the Fortune 100's policies put them far behind the European Union (EU). The EU requires that member countries offer a minimum of 14 weeks of paid maternity leave as a basic employment standard, but most countries offer more than the minimum.²⁹

Fortune 100 companies' policies on paid leave are, however, broadly consistent with recent experiments in paid family leave at the state level.³⁰ California and Washington recently passed paid family leave and on March 4, 2008, New Jersey's paid family leave bill passed the Senate and it is anticipated that it will easily pass in the General Assembly in coming weeks and be

signed by the Governor. California and New Jersey's plans build on the states longstanding temporary disability insurance (TDI) programs. In 2004, California extended their TDI program to offer six weeks of comprehensive partial wage-replacement family leave, on top of up to ten weeks of pregnancy-related leave (four weeks before and six weeks after the birth³¹), more than what the JEC Questionnaire found that Fortune 100 firms offer mothers and fathers.³² New Jersey's bill also provides six weeks of partial wage-replacement on top of pregnancy-related leave. There are three other states (Hawaii, New York, and Rhode Island) that have TDI programs, and across all five TDI states (including California and New Jersey), mothers are granted a minimum of six weeks of leave to recover from childbirth, which is consistent with the length of pregnancy-related disability leave offered by Fortune 100 firms.³³

New York also has a bill pending that would expand their TDI program with much longer paid family leave than offered by Fortune 100 firms. The New York State Assembly passed the Working Families Time to Care Act on June 22, 2007 and it awaits movement in the state Senate. This bill provides 12 weeks of paid leave to care for a new baby or a newly placed adopted child, or for a seriously ill family member, including a spouse, parent, in-law, sibling, child or domestic partner on top of the existing TDI benefits for birth mothers.

Other states are starting from scratch to establish paid family leave and these states are offering shorter leaves than the typical Fortune 100 firm. In May 2007, Washington became the first state to pass paid family leave as a new, stand-alone program. This legislation provides five weeks of partially paid leave and the financing mechanism remains to be worked out.³⁴ In Illinois, the Family Leave Insurance Program has been introduced, which would allow for four weeks paid family and medical leave with the financing shared between employers and employees.

Implications for Federal Policymaking

At Fortune 100 companies that offer paid leave for a new child, women typically receive six to eight weeks of paid family leave, while men receive just two weeks. For mothers, this length of leave is consistent with recently passed legislation in California, and Washington, and that pending in New Jersey as well as some proposed federal legislation.

Many Fortune 100 employees have the option of patching together leave from a variety of programs: family leave, pregnancy-related disability leave, and the allowable use of paid sick days. This patchwork, however, leads to two problems. Fathers are not offered very much leave, because they are ineligible for disability leave for childbirth, and employees who use up their sick days must hope that they—or their new child—does not get sick later on. Paid parental leave would address the former problem as it would be available to both mothers and fathers, but employees also need access to sick days if they or their children get sick. This is addressed in separate legislation—the Healthy Families Act (HR-1542 and S-910)—that aims to provide every worker with at least seven paid sick days. (The JEC will publish the findings of the Fortune 100 Questionnaire on paid sick days in coming months.)

Lawmakers have introduced a number of paid family leave bills in the 110th Congress (Table 2). Only two of these bills would provide paid leave to all workers (S-1681 and HR-3192), while

the other three are models that would start by providing paid leave to either federal employees or Senate employees. Each of these bills offers mothers eight weeks of leave, which is higher than the median length of paid leave offered by Fortune 100 companies. Two bills, however, S-80 and S-880, provide fathers with only a week of leave, which is far below that typically offered by Fortune 100 companies. S-1681, HR-3192 and HR-3799 (which would cover workers for our nation's largest employer, the federal government) allow mothers and fathers the same length of leave, encouraging fathers to be active participants in their children's new lives. Further, this gives families the option of sequencing leave, so that the mother can take the first months off to recover from childbirth and care for the new baby, then the father can take off time after the mother goes back to work.

Table 2. Selected Congressional Legislation on Family-Friendly Workplace Policies

Bill Number	Title	Sponsor	Brief Description
S. 1681	Family Leave Insurance Act of 2007	Sen. Chris Dodd and Sen. Ted Stevens	S. 1681 would provide up to 8 weeks of paid leave to new parents or those caring for seriously ill family members.
H.R.3799	Federal Employees Paid Parental Leave Act	Rep. Carolyn Maloney, Rep. Danny Davis, Rep. Steny Hoyer, Rep. Tom Davis, and Rep. George Miller	H.R. 3799 would require that 8 of the 12 FMLA weeks, that are available to federal workers, be paid.
H.R. 3192 (introduced in 109 th Congress)	Paid Family and Medical Leave Act of 2005	Rep. Pete Stark	H.R. 3192 would establish a nationwide insurance program to pay 55 percent of earnings for 12 weeks of family leave to all workers.
S.80	Executive Branch Family Leave Act	Sen. Ted Stevens, Sen. Lisa Murkowski, and Sen. Kay Bailey Hutchison	S. 80 would provide Executive branch employees 8 weeks of paid maternity leave, and 5 days of paternity leave following the birth of a child.
S.880	Senate Family Leave Act	Sen. Ted Stevens, Sen. Robert Byrd, and Sen. Daniel Inouye	S. 880 would provide Senate employees 8 weeks of paid maternity leave and 5 days of paid paternity leave following the birth of a child.

Source: Congressional Research Service.

Conclusions

Fortune 100 firms overwhelmingly offer paid leave to new mothers, in addition to paid sick days. Among our sample, three-quarters offer mothers either paid family or disability leave and less than one-third report offering paid family leave to fathers. While mothers need more time to recover physically from the rigors of childbirth and to breastfeed, fathers are also needed at home to help care for the new child. New paid family leave policies should follow the FMLA and allow both mothers and fathers similar lengths of time to care for and bond with a new child.

Fortune 100 firms offer a basic set of leave policies, which are consistent with the lengths of leave being proposed in the states and offered by Congressional offices, although they are far less generous than in Europe. Research shows that the companies that offer paid leave benefit because they have increased employee retention, which can significantly reduce turnover costs, as well as higher productivity and improved employee morale.

Fortune 100 companies' policies should offer a model for implementing paid family leave as a basic employment standard for all workers in the United States, in addition to paid sick days. Paid parental leave is part of a broader set of new workplace policies that Americans need to meet the competing demands of work and family.

Appendix: Questionnaire Responses from the Fortune 100

The companies in the JEC Questionnaire were taken from the top 100 companies on *Fortune* magazine's 2007 list of the Fortune 500.³⁵ Each year, *Fortune* Magazine publishes the list of the U.S.-based corporations with the largest revenue. Fortune 100 companies disproportionately come from the insurance and financial services sector, the health care and pharmaceuticals industry, the defense and manufacturing sector, the oil industry, and the telecommunications industry.

We attempted to make contact with each of the Fortune 100 companies to determine whether they would be receptive to receiving and filling out the family-leave questionnaire. Only one company did not respond to our phone inquiries; therefore we sent questionnaires to 99 of the Fortune 100. Of those 99, four formally declined to participate. Of the remaining 95, 53 completed the JEC Questionnaire.

Any questionnaire may have "response bias," where the respondents differ greatly from the total population. Table A1 looks at one factor in possible response bias: do the responding firms come from different industries than the non-responding firms? We find that the companies that responded to the JEC Questionnaire do not appear to come from different industries than those who did not. Thirty-four percent of the respondents were from the insurance and financial services sector. Along with companies from the oil, retail, and defense and manufacturing sectors, they constituted sixty-four percent of the respondents. Other respondents were from health services, technology and telecommunications industries. Of the 47 companies that did not respond to the questionnaire, 30 of them (64 percent) were from the insurance and financial services, health care services and pharmaceuticals, defense and manufacturing, and telecommunication/ media industries. However, the Fortune 100 companies who responded to our survey may be more inclined to care about work/life issues. Eighteen of the companies that responded were on the *Working Mothers* list of 'Best Companies for Women for 2007,' compared to six of the non-responding companies. Thus, although the respondent and nonrespondent companies represent similar industries, limiting the potential for response bias, respondents are more likely to care about work/life issues in general.

Table A1. Fortune 100 Industry Groups by Response

Type of Company	Respondents	Nonrespondents
Insurance/ Financial Services	18	10
Health Care Services/ Pharmaceuticals	4	9
Defense-related/ Manufacturing	6	5
Oil	5	3
Telecommunications/ Media	3	6
Computer/ Technology	4	4
Retail	5	1
Misc.	8	9

Note: 'Misc.' includes motor vehicles, chemical, food, beverage, agricultural and grocery, shipping, and chemical companies.

Table A2. Fortune 100 Sample Observations and Means

Question	Observations	Mean	Std. Dev.	Min	Max
Sample (<i>Participate=1, Decline to Participate=0</i>)	57	0.930	0.258	0	1
1. Does your company provide any paid leave for parents	53	0.792	0.409	0	1
<i>If provided, concurrent with family leave</i>	7	1.000	0.000	1	1
<i>If provided, concurrent with sick leave</i>	2	1.000	0.000	1	1
1a. If yes, could you please tell us how many days or weeks					
Mothers after the birth of a child for disability leave :	12	12.750	12.828	6	52
<i>If provided, minimum weeks for disability leave</i>	16	6.000	0.000	6	6
<i>If provided, maximum weeks for disability leave</i>	16	8.250	1.000	8	12
Mothers after the birth of a child for parental leave :	10	7.660	4.826	0.6	13
<i>If provided, minimum weeks for maternity leave</i>	3	4.667	2.309	2	6
<i>If provided, maximum weeks for maternity leave</i>	3	14.000	10.392	8	26
Fathers after the birth of a child:	14	3.686	4.235	0.6	13
<i>If provided, minimum weeks for paternity leave</i>	2	5.000	4.243	2	8
<i>If provided, maximum weeks for paternity leave</i>	2	8.000	5.657	4	12
Mothers after the adoption of a child:	19	5.321	3.935	0.5	13
<i>If provided, minimum weeks for adoption leave</i>	1	8.000	.	8	8
<i>If provided, maximum weeks for adoption leave</i>	1	12.000	.	12	12
Fathers after the adoption of a child:	18	4.339	3.747	0.5	13
<i>If provided, minimum weeks for adoption leave</i>	2	5.000	4.243	2	8
<i>If provided, maximum weeks for adoption leave</i>	2	8.000	5.657	4	12
1b. Which employees are eligible for this paid leave? Full-	38	1.184	0.393	1	2
<i>If provided, threshold for eligibility in hours</i>	18	19.844	0.826	17.5	22
1c. Do employees have the option of taking the leave either consecutively or spread through the year? (Yes=1, No=0)	39	0.487	0.506	0	1
1d. Is there any limit on the number of times an employee can take paid leave (beyond the 12 weeks provided under the federal Family and Medical Leave Act)? (Yes=1, No=0)	37	0.378	0.492	0	1
<i>If provided, threshold for leave in weeks</i>	7	36.429	20.148	8	52

Table A2. Fortune 100 Sample Observations and Means ctd.

Question	Observations	Mean	Std. Dev.	Min	Max
2. Does your company provide any job-protected unpaid leave for parents following the birth or adoption of a child beyond the 12 weeks required under the federal Family and Medical Leave Act (FMLA)? (Yes=1, No=0)	51	0.451	0.503	0	1
2a. If yes, could you please tell us how many days or weeks (reported as weeks) of job-protected unpaid leave you offer beyond FMLA to:					
Mothers after the birth of a child: _____ weeks	18	27.056	21.883	4	92
<i>If provided, minimum weeks for maternity leave</i>	2	13.000	1.414	12	14
<i>If provided, maximum weeks for maternity leave</i>	2	40.000	0.000	40	40
Fathers after the birth of a child: _____ weeks	15	25.400	22.583	4	92
<i>If provided, minimum weeks for paternity leave</i>	2	13.000	1.414	12	14
<i>If provided, maximum weeks for paternity leave</i>	2	40.000	0.000	40	40
Mothers after the adoption of a child: _____ weeks	15	25.400	22.583	4	92
<i>If provided, minimum weeks for adoption leave</i>	2	13.000	1.414	12	14
<i>If provided, maximum weeks for adoption leave</i>	2	40.000	0.000	40	40
Fathers after the adoption of a child: _____ weeks	15	25.400	22.583	4	92
<i>If provided, minimum weeks for adoption leave</i>	2	13.000	1.414	12	14
<i>If provided, maximum weeks for adoption leave</i>	2	40.000	0.000	40	40
2b. Which employees are eligible for this unpaid leave? Full-	23	1.043	0.209	1	2
<i>If provided, threshold for eligibility in hours</i>	6	19.744	0.397	19.231	20
2c. Do employees have the option of taking the leave either	24	0.625	0.495	0	1
2d. Is there any limit on the number of times an employee can take unpaid leave (beyond the 12 weeks provided under the federal Family and Medical Leave Act)? (Yes=1, No=0)	23	0.348	0.487	0	1
<i>If provided, limits for leave in weeks</i>	1	8.000	.	8	8

Table A2. Fortune 100 Sample Observations and Means ctd.

Question	Observations	Mean	Std. Dev.	Min	Max
3. Does your company provide any paid sick leave? (Yes=1,	51	0.902	0.300	0	1
<i>If specified, other leave that employees can substitute for</i>	12	-2.417	0.515	-3	-2
3a. If yes, could you please tell us how many days of paid sick	34	98.147	126.669	5	365
<i>If provided, minimum days</i>	6	14.500	9.050	6	30
<i>If provided, maximum days</i>	6	46.333	42.945	15	130
3b. Can employees use paid sick leave following the birth or	43	0.907	0.294	0	1
<i>If provided, number of days</i>	22	89.409	118.842	5	365
<i>If provided, minimum days</i>	8	26.875	8.839	5	30
<i>If provided, maximum days</i>	8	48.750	33.568	20	130
3c. Is paid sick leave offered for a qualifying medical condi- tions under FMLA, other than the birth of adoption of a child? (Yes=1, No=0)	44	0.886	0.493	-2	1
<i>If provided, days</i>	25	124.800	125.306	5	365
<i>If provided, minimum days</i>	4	11.750	12.203	5	30
<i>If provided, maximum days</i>	4	75.250	63.221	20	130
3d. Which employees are eligible for this paid leave? Full-time	44	1.136	0.347	1	2
<i>If provided, threshold for eligibility in hours</i>	20	20.473	3.318	17.5	34

¹U.S. Congressional offices each set their own leave policies and most offer paid family leave. House offices, of which 80 percent offer paid leave, typically provide 7.6 weeks of paid family leave and Senate offices, of which 96 percent offer paid leave, typically provide 6.1 weeks. *Senate Compensation Survey, 2006* and *House Compensation Study, 2006*.

²See <http://fortune100s.com/fortune100/>, for the Fortune 100 listing.

³The JEC Questionnaire included questions on Fortune 100 firms paid sick days policies and we will be releasing those findings in a separate report.

⁴Bureau of Labor Statistics, *Women in the Labor Force: A Databook*, Table 7, page 18 (September 2007).

⁵Author's calculations from Bureau of Labor Statistics data and *Women in the Labor Force: A Databook*, Table 16 (September 2007).

⁶U.S. Census Bureau, *Current Population Survey, 2007 Annual Social and Economic Supplement*. Table POV13. http://pubdb3.census.gov/macro/032007/pov/new13_100_01.htm.

⁷Judith Galtry, and Paul Callister. 2005. "Assessing the Optimal Length of Parental Leave for Child and Parental Well-Being: How Can Research Inform Policy?" *Journal of Family Issues* 26 (2):219-46.

⁸Bureau of Labor Statistics, *Women in the Labor Force: A Databook*, Table 24, page 67 (September 2007).

⁹Heather Boushey, "Perspectives on Work/Family Balance and the Federal Equal Employment Opportunity Laws," Testimony before the Equal Employment Opportunity Commissions, April 17, 2007.

¹⁰Lawrence M. Berger, Jennifer Hill, and Jane Waldfogel, "Maternity Leave, Early Maternal Employment and Child Health and Development in the US," *The Economic Journal*, February 2005, 115(501): F29-F47; Heather Boushey, "Family Friendly Policies: Helping Mothers Make Ends Meet," *Review of Social Economy*, forthcoming 2008; and Australian Equal Opportunity for Women in the Workplace, *Paid Maternity Leave—the Business Case*, 2003 www.eowa.gov.au/Developing_a_Workplace_Program/Employment_Matter_Resources/EM_5_Resources/EOWA_Paid_Mat_Leave_Info/The_Business_Case.htm.

¹¹Lawrence M. Berger, Jennifer Hill, and Jane Waldfogel, "Maternity Leave, Early Maternal Employment and Child Health and Development in the US," *The Economic Journal*, February 2005, 115(501): F29-F47.

¹²Parental leave includes both maternity and paternity leave. See Bureau of Labor Statistics, *National Compensation Survey: Employee Benefits in Private Industry in the United States*, March 2007, www.bls.gov/ncs.

¹³Westat, *Balancing the Needs of Families and Employers: Family and Medical Leave Act Surveys, 2000 Update, Report for the U.S. Department of Labor*, 2001, Table A2-3.1.

¹⁴Westat, *Balancing the Needs of Families and Employers: Family and Medical Leave Act Surveys, 2000 Update, Report for the U.S. Department of Labor*, 2001, Table 2.17.

¹⁵Small Business Administration, *Employer Firms, Establishments, Employment, and Annual Payroll Small Firm Size Classes, 2005*, available at http://www.sba.gov/advo/research/us_05ss.pdf.

¹⁶Data are for 2005. National Center for Health Statistics, *National Vital Statistics Reports, Volume 56, Number 6*, Tables 10 and 14, available at http://www.cdc.gov/nchs/data/nvsr/nvsr56/nvsr56_06.pdf.

¹⁷Heather Boushey, "Job Tenure and Firm Size Exclude Many Young Parents from Family and Medical Leave," Washington, DC: Center for Economic and Policy Research, June 2007.

¹⁸Jane Waldfogel, "The Impact of the Family Medical Leave Act," *Journal of Policy Analysis and Management*, vol. 18, Spring 1999; Christine Siegwath Meyer, Swati Mukerjee, and Ann Sestero, "Work-Family Benefits: Which Ones Maximize Profits?" *Journal of Managerial Issues*, 13(1):28-44, Spring 2001; Families and Work Institute, *Business Work-Life Study*, 1998, available at <http://www.familiesandwork.org/summary/worklife.pdf>; Children's Defense Fund-Minnesota, *Parental Leave in Minnesota: A Survey of Employers*, Winter 2000, <http://www.cdf-mn.org/PDF/Publications/ParentalLeave.pdf>; and "Limits of Family Leave," *Chicago Tribune*, May 4, 1999.

¹⁹Christopher Ruhm, "The Economic Consequences of Parental Leave Mandates: Lessons from Europe." *Quarterly Journal of Economics*, 285-317 (1998); Heather Boushey, "Family Friendly Policies: Helping Mothers Make Ends Meet," *Review of Social Economy*, forthcoming 2008.

²⁰Heather Boushey, "Family Friendly Policies: Helping Mothers Make Ends Meet," *Review of Social Economy*, forthcoming 2008.

²¹Joan Williams, Jessica Manvell, and Stephanie Bornstein, "Opt-out or Pushed Out?: How the Press Covers Work/Family Conflict." "University of California, Hastings College of the Law, 2006, p. 39.

²²Employment Policy Foundation, Factsheet: Turnover Costs (Washington, DC, Oct. 2004).

²³S. Holterman, *All Our Futures*, Barking: Barnardo's, 1995, p. 102-112.

²⁴Eileen Appelbaum, and Ruth Milkman. "Achieving a Workable Balance: New Jersey Employer's Experiences Managing Employee Leaves and Turnover" *Center for Women and Work, School of Management and Labor Relations, Rutgers, The State University of New Jersey*, New Brunswick, NJ 2006, p. 17-19.

²⁵Eileen Appelbaum, and Ruth Milkman. "Achieving a Workable Balance: New Jersey Employer's Experiences Managing Employee Leaves and Turnover" *Center for Women and Work, School of Management and Labor Relations, Rutgers, The State University of New Jersey*, New Brunswick, NJ 2006, p. ii.

²⁶However, as noted in Vicky Lovell, "Maternity Leave in the United States," Washington, DC: Institute for Women's Policy Research, many of the firms on the *Working Mother* list actually do not provide paid family leave. <http://www.iwpr.org/pdf/parentalleaveA131.pdf>.

²⁷We did not ask the Fortune 100 firms what share of employees use paid leave, nor whether the leave is available to every employee. Given that most responses indicate that paid leave is primarily available for women through a short-term disability program, this is more than likely to be available to all workers.

²⁸Bureau of Labor Statistics, *Women in the Labor Force: A Databook*, Table 25, page 68 (September 2007).

²⁹Janet Gornick and Marcia Meyers, 2003. *Families That Work: Policies for Reconciling Parenthood and Employment*, Russell Sage Foundation.

³⁰Labor Project for Working Families, *Paid Leave Activity in Other States*, available at <http://www.paidfamilyleave.org/otherstates.html>.

³¹State of California Employment Development Department, *Disability Insurance: Frequently Asked Questions*, available at <http://www.edd.ca.gov/direp/difaq1.htm#Pregnancy>.

³²The law was passed in September 2002 and became effective on January 1, 2004, with benefits payable for leave commencing on or after July 1, 2004. California's paid family leave is not a form of job protection. The program does not guarantee an employee the right to take leave, nor does it require an employer to hold an employee's job open while the employee is on leave. Paid leave can be taken all at one time, or intermittently—i.e., in hourly, daily, or weekly increments. While the previously existing State Disability Insurance benefit provides partial wage replacement to individuals who cannot work because of their own illness or injury, the new paid family leave benefit provides partial wage replacement to individuals who must take time off from work to care for a seriously ill family member or new child. Workers who take leave under the paid family leave program receive approximately 55 percent of their wages, subject to a statutory cap. Only workers who pay into the State Disability Insurance system—i.e., almost all private sector employees and some public sector employees—are eligible for paid leave. The paid family leave law does not require an employee to work a minimum number of hours or days before becoming eligible for paid family leave benefits. Georgetown University Law Center, *Laws Impacting Workplace Flexibility*, available at <http://www.law.georgetown.edu/workplaceflexibility2010/law/ca.cfm>; U.S. Government Accountability Office, *Women and Low-Skilled Workers: Other Countries' Policies and Practices That May Help These Workers Enter and Remain in the Labor Force*, GAO-07-817, June 2007, footnote 7.

³³Hawaii, New York, and Rhode Island offer mothers longer leaves as necessary to recover from childbirth. In New York, the length is capped at 26 weeks and in Rhode Island, the cap is 30 weeks. Rhode Island Department of Labor & Training, <http://www.dlt.ri.gov/tdi/tdifaqs.htm>. New York State Workers' Compensation Board, http://www.wcb.state.ny.us/content/main/offthejob/CommonQuestions_DB.jsp. Noraine Ichikawa, DC Program Specialist, State of Hawaii Department of Labor and Industrial Relations, January 29, 2008.

³⁴Beginning in October 2009, parents of newborn and newly adopted children who have worked 680 hours or more in the prior year will be able to take up to 5 weeks off work with a benefit of \$250 per week, pro-rated for part-time workers. While the leave was initially funded through an employee-paid payroll tax, the bill that passed establishes a joint legislative task force to recommend, among other things, a funding source for the program before January 1, 2008. The Washington law does provide some employees who take leave with job protection. Economic Opportunity Institute, *Our Successes* available at http://www.econop.org/about_us/our_successes.html#paid_family_leave; U.S. Government Accountability Office, *Women and Low-Skilled Workers: Other Countries' Policies and Practices That May Help These Workers Enter and Remain in the Labor Force*, GAO-07-817, June 2007, footnote 8.

³⁵See <http://fortune100s.com/fortune100/>, for the Fortune 100 listing.