

# Testimony of Debra Ness National Partnership for Women & Families

Hearing on
"Investing in the Future of the Federal Workforce: Paid
Parental Leave Improves Recruitment and Retention"

Joint Hearing Before the
Joint Economic Committee
and
Subcommittee on the Federal Workforce, Postal Service
and the District of Columbia,
Committee on Oversight and Government Reform
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Good morning. I am Debra Ness, President of the National Partnership for Women & Families. The National Partnership is a non-profit, non-partisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care, and policies that help workers in the United States meet the dual responsibilities of work and family.

We lead a broad, diverse coalition of more than 200 groups dedicated to defending and expanding the Family and Medical Leave Act (FMLA) on behalf of workers in the United States. The coalition includes groups representing the faith community, women, seniors, veterans, people with disabilities, and many others.

When we're not protecting the FMLA from regulatory changes that could scale back its basic protections, we are working to expand it by securing paid family and medical leave so that no worker has to choose between a paycheck and caring for a loved one or recovering from illness.

It is an honor to be here today to testify in support of the Federal Employees Paid Parental Leave Act of 2007 (HR 3799). The Act will provide federal employees with eight weeks of paid leave after the birth or adoption of a child. Its enactment would be an excellent step toward making family and medical leave a reality for many more workers.

# The Need for Paid Family Leave

The entire world recognizes the importance of paid leave from work after the birth of a child. A study last year found that the United States was one of only four nations (the others being Liberia, Papua New Guinea, and Swaziland) that do not provide paid leave from work after childbirth. 168 nations provided such leave, and of those more than half offer 14 or more weeks off work with pay. There's good reason: According to the World Health Organization, "[a] period of absence from work after birth is of utmost importance to the health of the mother and the infant. This is conducive to both the optimal growth of the infant and the bonding between mother and infant." Women need time to establish breastfeeding. Children need to attend their early doctor appointments and to bond with their parents. Families need time to be together and to care for each other.

Right now in the United States, the FMLA is the *only* federal statute that guarantees workers time off after the birth or adoption of a new child. It provides 12 weeks of unpaid leave for caregiving purposes. Unfortunately, two in five workers do not qualify for FMLA leave or do not work for a covered employer; most of them risk losing their jobs and health insurance if they take time off after the birth or adoption of a child.

The FMLA also falls short because so many workers cannot afford to take the unpaid leave it provides. Based on studies and calls to our help desk, we have found that workers either do not take leave or cut their leave short because they cannot afford to go without pay. According to a Department of Labor survey commissioned in 2000, 78 percent of FMLA covered employees who did not take leave when they needed to did not do so because they could not afford to take unpaid leave.<sup>3</sup> Furthermore, two in five workers who did take leave cut it short because they could not afford to go without a paycheck.<sup>4</sup>

As it stands now, relatively few workers in this country have the peace of mind of knowing that their employer will provide paid parental leave if they adopt or have a child. For those with paid leave, there is great variation in how much leave workers receive. Many of those differences are based on the type of position they have, their gender, and their employer. Those with higher paying and white collar jobs are more likely to have

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<sup>&</sup>lt;sup>1</sup> Jody Heymann, et al., *The Work, Family, and Equity Index: Where Does the United States Measure Up*?, 2007. Harvard School of Public Health, Project on Global Working Families, Boston, MA (available at http://www.mcgill.ca/files/ihsp/WFEIFinal2007.pdf).

<sup>&</sup>lt;sup>2</sup> World Health Organization, *Health aspects of maternity leave and maternity protection, Statement to the International Labor Conference*, June 2, 2000 (available at http://www.who.int/reproductive-health/publications/maternal mortality 2000/Health aspects of maternity leave.en.html).

<sup>&</sup>lt;sup>3</sup> David Cantor et al, Balancing the Needs of Families and Employers: Family and Medical Leave Surveys 2000 Update, conducted by Westat for the U.S. Department of Labor, Washington, DC, 2000 2-16.

<sup>4</sup> Id

<sup>&</sup>lt;sup>5</sup> Maternity Leave in the United States, Fact Sheet, Institute for Women's Policy Research, (August 2007) available at <a href="http://www.iwpr.org/pdf/parentalleaveA131.pdf">http://www.iwpr.org/pdf/parentalleaveA131.pdf</a>)

paid maternity or paternity leave benefits than low-income workers, who may need such benefits more because they have no savings that they can use while on leave. <sup>6</sup>

The National Partnership for Women & Families is not only an advocate for paid leave; we are also an employer, and we believe actions speak louder than words. Although we are only a midsize employer, we provide up to 12 weeks of paid family and medical leave, including maternity and paternity leave, a year at 70 percent of an employee's salary. We do this for several reasons. First, as an organization advocating for women and their families, we know that this paid leave is important and the right thing to do. Second, we know that providing paid family and medical leave improves our ability to compete for the type of skilled and dedicated workers we need and it helps us keep them. In the end, the cost of replacing a worker is higher than the cost of providing paid leave, and it makes a huge difference in employee morale – which is priceless.

I want to be honest and say that I know that is not easy when employees are out for extended leave. Over a ten month period last year, we experienced six maternity and paternity leaves. At the time we had a staff of about 25 people so, at one point, one-fifth of our staff was on leave. We could only afford to hire temporary staff to fill one of these positions. For the rest, other staff members pitched in, we relied a bit more on outside consultants, and basically muddled through as best we could. But at no time did we think about altering our policies. Everyone on staff did all they could to help out because they knew the National Partnership's family and medical leave policies would be there for them in the future, and that their colleagues would support them – just as they were supporting their colleagues now. Our working parents are still with us – so in the long run, we gained by providing them with paid family leave.

The stories of workers who either do not have paid maternity or paternity leave or who must cut their leave short because they need a paycheck illustrate how important this benefit is for workers.

For example Sharon McDougle, a technician for an aerospace company in Texas, did not have enough vacation and sick time after her second child was born to take maternity leave. She could not take unpaid leave because her husband was laid off when she was seven months pregnant. As a result, Sharon reports she was:

back on the job at two weeks after I had the baby. And it was terrible. I was the walking dead. It was like I was sleepwalking. I look back now and I don't know how I did it. I guess I just did it because I had to. There was no other choice. Without my paycheck, we had no money.<sup>7</sup>

<sup>&</sup>lt;sup>6</sup> *Id* 

<sup>&</sup>lt;sup>7</sup> Betty Holcomb, *Why Americans Need Family Leave Benefits-And How They Can Get Them*, A Report for the National Partnership for Women & Families (available at <a href="http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.org/site/DocServer/WhyAmericansNeedFamilyLeaveBenefits.pdf?docID=1">http://www.nationalpartnership.pdf?docID=1">http://www.nationalpartnership.pdf?docID=1">http://www.nationalpartnership.pdf?docID=1">http://www.nationalpartnership.pdf?docID=1">http://www.natio

When Sharon tried to return to work, she learned she had to produce a note from her doctor. In the week that it took her to track down the doctor and get the note, she and her family had to rely on money donated to them by coworkers.

Sharon's story is all too familiar. Last month, the National Partnership for Women & Families created a new website, <a href="www.thanksFMLA.org">www.thanksFMLA.org</a> that encourages workers to send in their stories about how FMLA leave has been important to them. Through the website, we received this story from a woman in Colorado that illustrates how difficult it is to go without paid maternity leave:

I needed to take FMLA when I was pregnant. My job didn't offer paid leave when I gave birth to my daughter. Because of FMLA I was guaranteed time off when I was put on bed rest. Because it was unpaid I had to work from my bed and go back to work before my daughter was ready for me to go back. Financially I needed to go back to work. My daughter was 4 weeks old and on oxygen. I had to make special arrangements for a family friend to watch her instead of the childcare facility because of her age and special needs.<sup>8</sup>

We can and must do better for America's workers. The FMLA has been a huge help to the millions of workers who have been able to take it. But it is time to take the next step and make paid family and medical leave a reality for everyone.

The National Partnership for Women & Families Supports the Federal Employees Paid Parental Leave Act of 2007

Enactment of the Federal Employees Paid Parental Leave Act of 2007 would be an important step in helping more workers afford to take the leave they need. The bill covers nearly all federal workers and House and Senate employees and provides up to eight weeks of paid leave when they have or adopt a child.

It is remarkable how many people, even in Washington D.C., do not realize this bill is necessary. Most people assume that federal workers have guaranteed paid maternity and paternity leave, in part because people assume that the federal government is a model employer. Sadly, in this instance it is not. The lack of paid leave at the federal level makes it more difficult for advocates to argue that private companies should provide leave. Thus this legislation would not only help federal workers tremendously, it also will create a model and show the country that the government really does value families.

The Federal Employees Parental Leave Act would make paid maternity and paternity leave a reality for a very diverse workforce. The federal workforce has a high percentage of women (44%), African Americans (17%), Asians (5%), and Native Americans (1.9%). In fact, the employment participation of African Americans, Asians and Native Americans in the federal government is higher than their participation in the civilian

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<sup>&</sup>lt;sup>8</sup> Email Received by the National Partnership for Women & Families, <u>www.thanksfmla.org</u>, on February 5, 2008.

labor force. <sup>9</sup> There is very little data on race and ethnicity and paid leave; however what we have been able to piece together using income information indicates that people of color may be less likely to have access to paid maternity and paternity leave than white workers.

The Act would also apply to federal employees at all parts of the wage spectrum, unlike plans in some businesses that only cover high level employees. This would further help people of color and women, who tend to be at the lower end of the federal pay scale and more likely to need paid leave. Finally, given the geographic diversity of the federal workforce, this Act would allow us to bring paid maternity leave and paternity leave to workers in every corner of the country.

Another critically important aspect of the Federal Employees Parental Leave Act is that it provides eight weeks of leave for women and men. Parity in maternity and paternity leave is exceptionally important and is a bedrock principle that has helped make the FMLA a success. Benefits that favor women over men can reinforce stereotypes regarding the "proper" role of women as caretakers, not as workers. Providing parity in benefits breaks down these stereotypes and increases the ability of men to participate fully in their families' lives. The Act also contains parity for birth and adoptive parents. Again, this is fair, right, and critically important.

Finally, we want to stress that we see this bill as an excellent start in providing the benefits all workers need. Maternity and paternity leave are critical for new parents. However, care for a new child is by no means the only caregiving challenge workers face. As the FMLA has demonstrated, workers face their own health challenges that require absence from work for recuperation or treatment, and they have caregiving responsibilities for spouses, older children, and their own parents. The FMLA recognizes these needs and provides unpaid leave for all of them. Just as a paycheck is necessary to make maternity and paternity leave a reality for many workers, pay during leave to provide other types of caregiving or self care is essential. Thus, we are confident that this Act is just a first step in providing the benefits that will help federal workers meet all of their caregiving responsibilities.

How States are Moving Forward on Paid Parental Leave

Realizing the importance of paid family and medical leave, states are starting to provide it. Already, the six states or territories with temporary disability programs (California, Hawaii, New Jersey, New York, Rhode Island and Puerto Rico) provide wage replacement for women during disability due to pregnancy.

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<sup>&</sup>lt;sup>9</sup> OPM, *Federal Civilian Workforce Statistic: The Fact Book 2005 Edition* (February 2006) at 9, 10 and 47. According to OPM, Hispanics make up 7.3% of the federal workforce which is lower than their presence in the civilian labor force.

<sup>&</sup>lt;sup>10</sup> *Id.* at 38 and 52.

#### California

In 2004, California became the first state to provide wage replacement while a worker is on family leave. The most comprehensive of its kind, the law has given more than 13 million California workers (nearly one-tenth our country's workforce) partial income replacement (roughly 55 percent of wages) while they care for a new child or seriously ill family member. Premiums for the program are paid entirely by workers and are incorporated into the state's temporary disability fund. Critically, the wage replacement program covers *all* California workers who pay into the system; it is not limited to those who are covered by the federal or state family medical leave act. Thus, the program reaches workers who may need it the most—those who are not covered because they work for small businesses or do not have a long tenure at their current job. Studies of workers using the wage replacement offered by the law show that 88 percent do so to care for a new baby and 12 percent do so to take care of another family member. The surface of th

#### **Washington State**

In May of 2007, Washington State became the second state to enact a paid parental leave program. Washington's program will provide \$250.00 per week for five weeks to new parents who are staying home with their child. The program also covers more workers than the FMLA and provides job-protected leave for employees who work in establishments with more than 25 employees. Washington created a committee to explore funding options for the bill. In the short term, the committee has recommended using the general fund of the state.

## Paid Family and Medical Leave Campaigns in Other States

In the past year there have been active campaigns to make paid family and medical leave available to workers in New Jersey, New York, Illinois, and Oregon. New Jersey and New York are still in the midst of those campaigns, and we are hopeful they will soon join California and Washington in providing paid leave beyond the disability coverage they currently provide. In fact, earlier this week, the New Jersey Senate voted to approve a six week paid family and medical leave bill; the New Jersey Assembly is slated to vote on the measure on March 13. Additionally, lawmakers in Arizona, Massachusetts, Pennsylvania and Texas introduced bills to create paid family and medical leave.

## Conclusion

Too often we give only lip service to the family values we claim to hold dear. Passing the Federal Employees Parental Leave Act is an opportunity to show that lawmakers really do believe that caring for a new child is important to parents and worthy of support. We are very pleased that it has been introduced and that you are holding this hearing, and we will continue to work for passage of this and similar measures to ensure all workers have access to paid leave when they need it. It's good for business, good for the economy, good for communities, and good for families. Establishing paid family and medical leave is an opportunity to put our family values to work.

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<sup>&</sup>lt;sup>11</sup> California's temporary disability system already provided payment when a worker was unable to work because of the worker's own disability, including disability due to pregnancy.

<sup>&</sup>lt;sup>12</sup> California Employment Development Department, Press Release, July 1, 2005 (available at <a href="http://www.edd.ca.gov/nwsrel05-36.pdf">http://www.edd.ca.gov/nwsrel05-36.pdf</a>).