

STATEMENT FOR THE RECORD

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FOR THE

U.S. SENATE FINANCE COMMITTEE ROUNDTABLE

ENTITLED

PAID LEAVE PROPOSALS IN THE COVID-19 ERA

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The Paid Family Leave team at the Bipartisan Policy Center thanks the Senate Finance Committee working group co-chairs, Senator Cassidy and Senator Hassan, as well as Chairman Grassley, Ranking Member Wyden, and all Members of the Committee for today's roundtable discussion regarding paid leave proposals in the COVID-19 era.

We are particularly grateful to Senators Cassidy and Hassan - and their talented staff - for founding and leading this important working group over the last year. The Bipartisan Policy Center (BPC) is a Washington, DC-based think tank that actively fosters bipartisanship by combining the best ideas from both parties to promote health, security, and opportunity for all Americans. In 2018, BPC launched a Paid Family Leave Task Force, led by Maria Contreras-Sweet, the 24th Administrator of the Small Business Administration, and former Senators Chris Dodd and Rick Santorum, which has urged Congress to strengthen our nation's paid leave policies.

Paid family leave enjoys broad bipartisan support across the country. Paid family leave also enjoys broad bipartisan support here in Congress. Within the last year, bold bipartisan legislation has passed into law providing federal employees with paid parental leave and millions of Americans with paid sick and paid family leave benefits during the COVID-19 pandemic.

The emergency family leave provisions in the Families First Coronavirus Response Act (FFCRA) have gone a long way to helping workers. Under the law, parents facing school and child care closures are eligible for roughly 10 weeks of emergency paid family leave while workers with COVID-19 or who are caring for a loved one with COVID-19 are eligible for 10 days of paid sick leave. Unfortunately, analysis has shown these important leave provisions may only cover about 25 percent of workers.

As the economy reopens, working families will continue to face unprecedented challenges balancing work and caregiving responsibilities. BPC recommends that Congress make three changes to the temporary emergency leave provisions to help more workers meet these demands: (1) remove the 500 employee cap for the paid sick and paid family caregiving leave programs; (2) expand paid family caregiving leave to new parents and to those providing care to vulnerable adult dependents; and (3) authorize an extension to cover a second wave of the pandemic.

First, expand FFCRA to companies of all sizes.

A robust emergency paid family leave program should be a national economic priority. The business case is significant and material. Paid leave programs have been associated with higher employee retention, lower companywide turnover rates, increased job satisfaction, and improved productivity. In fact, more than 70 percent of companies offering paid family leave report increased employee productivity.

Yet, prior to COVID-19, 81 percent of American workers did not have access to a defined paid family leave benefit and those who did have access were concentrated at the top income levels. Importantly, only six percent of workers with earnings in the lowest ten percent of weekly wages had access to paid family leave while 34 percent of workers with earnings in the highest ten percent of weekly wages had access to paid family leave.

Prior to COVID-19, more than 69 percent of America's lowest-wage private sector workers had no access to paid sick days, compared to only six percent of highest-wage earners. And, more than 40 percent of service-sector workers had no access to a single paid sick day.

To regain our bounding economy, we need sidelined workers to return to work safely. A recent BPC survey revealed that Americans are looking to Congress to help accomplish this through pragmatic solutions tethered to employment, such as unemployment insurance reform, benefit portability, and paid family leave benefits. American consumers have shown a preference for paid family and paid sick leave as well. In a recent survey of consumers, 67 percent say they will patronize companies that take care of their employees and treat them well. A strong plurality of consumers say they are more likely to purchase products or services from companies that provide their employees paid sick leave (65 percent). Moreover, a 2017 study found that paid sick leave is proven to reduce the spread of disease in workplaces by increasing the rate at which sick employees stay home from work and reduces the economic burden of staying home on minorities, women, and families.

Congress correctly recognized the need for paid sick and paid family leave as the COVID-19 pandemic struck and implemented FFCRA benefits that are working. In a recent survey with Morning Consult, BPC found that a strong plurality of smaller to mid-size employers (21-500 employees) say the FFCRA helps their business.

However, because the FFRCA emergency paid sick and family leave provisions do not apply to large employers, many of the most vulnerable workers are left without coverage. Congress should lift the employee cap and provide paid family leave to all workers and tax credits to all employers in this tumultuous time.

Second, extend the paid family caregiving leave to include caregivers of newborn and adopted children as well as adult dependents.

The FFRCA paid family caregiving leave covers time off for parents with children out of school or without child care, but many other family caregiving needs are left unmet by the program.

As COVID-19 rages across the country, the prospect of exposure to the virus in the hospital is placing an added strain on families expecting a new baby. The precarious journey does not end for most parents with a healthy delivery; they return home to find constrained, unsettling options for child care as well. The pandemic has restricted many family members, who could provide critical relief to exhausted new parents, monitor for post-partum physical and mental health, and furnish food and comfort. Parents also struggle with the quandary of when they will feel comfortable sending their vulnerable new baby to child care so they can return to work. Pre-pandemic, the lack of paid family leave was estimated to force one in four new mothers to return to work within 10 days of giving birth. Paid parental leave is proven to reduce infant mortality rates, improve infant health and child development outcomes, and reduce reliance on public assistance. In the COVID-19 era, paid family leave is essential to protect these vulnerable infants, support their uniquely stressed parents, and ensure this new generation of Americans has a healthy start to life.

Parental leave is not the only thing left out of FFRCA, so is paid family caregiving leave. A COVID-19 era survey showed that 45 percent of voters are caring for a loved one right now. While a quarter of those people are caring for a child out of school, the majority are caring for an aging adult or loved one with a disability or serious illness. While the Department of Labor has ruled that FFCRA can cover some dependent children above the age of 18, more needs to be done. Prior to the pandemic, approximately 40 million Americans were providing unpaid elder care in this country, of which roughly eight million also had children living at home. The increased risk of viral exposure in institutional elder care settings has only exacerbated this dynamic leaving many families providing full-time care for their aging or vulnerable loved ones.

It is critical that we support the most vulnerable members of our society by expanding FFCRA to cover parental leave for new parents and caregivers of adult dependents.

Third, extend the FFCRA leave provisions through June 2021

The nature and course of the viral pandemic is still unknown, but many experts predict the late fall and winter will bring a second rise in the virus. To avoid political delays or operational disruption to these critical emergency provisions as the health crisis potentially continues, we recommend extending the FFCRA paid leave provisions through June 2021. The statutory change should provide discretionary authority to the Secretary of Labor, in consultation with the Secretary of Health and Human Services, to implement the extension based on the status of the viral spread, drug therapies, and the need for continued paid sick and family leave coverage.

In conclusion, extending temporary paid sick and paid family leave programs to more workers and their employers will help restart the American economy.