

The Case for **PAID FAMILY LEAVE** in Ohio



October 2024

Dear Friends,

With generous funding from the Annie E. Casey Foundation, Groundwork Ohio has been proud to explore Paid Family Leave policy for Ohioans. Since January 2024, Groundwork Ohio has led comprehensive efforts to assess the impact of paid leave through data and research, gathered feedback from families with lived experience, and engaged stakeholders from diverse regions across the state. Caitlin Feldman of Groundwork Ohio has spearheaded the organization of a cross-sector workgroup consisting of leaders, concerned citizens, and passionate advocates. Together, they aim to deepen collective understanding of the legislative history, identify current and future opportunities, and determine strategic approaches to advance paid family leave in Ohio.

We are thrilled to introduce our latest report, *The Case for Paid Family Leave in Ohio*, where we examine the critical value of paid family leave for infants, parents, and families. The benefits are vast, including improved health outcomes for mothers and babies, reduced infant mortality rates, and diminished emotional and financial stress. Yet, despite these well-documented advantages, 76 percent of Ohioans are employed in jobs that do not offer access to paid family leave. Those with access are most often white individuals earning six-figure salaries. A comprehensive paid

family leave policy for all Ohioans presents an opportunity to enhance health equity and strengthen economic support for families in need during one of life's most physically and emotionally demanding transitions.

We look forward to our continued work alongside stakeholders across the state as we work to identify our ongoing role in making progress on this critical strategy. As we do so, after having evaluated the far-reaching benefits of paid leave and challenges to making progress for Ohioans, we have also taken the opportunity to investigate Groundwork's own organizational leave policy. With the support of the Groundwork Ohio Board of Directors, we are now proudly implementing a new and improved paid parental leave policy for our team. This change sends a strong and consistent message to both our internal and external stakeholders that this policy is a priority and progress is possible.

We hope you'll join us!

Lynanne Gutierrez



Lynanne Gutierrez
*President & CEO,
Groundwork Ohio*

Introduction

In 2024 we mark the 31st anniversary of the enactment of the Family and Medical Leave Act (FMLA), signed by President Clinton in 1993 as the first major legislative accomplishment of his administration. This historic legislation, offering federal entitlement to unpaid, job-protected leave for certain family and medical reasons, was a major win for American women and families. Though beneficial, enactment of the FMLA was not without its challenges. Variations of the FMLA legislation were introduced in Congress every legislative session from 1984 to 1993, halted repeatedly by lobbyists and political gridlocking.¹ Congress successfully passed the legislation in 1991 and 1992 but it was vetoed both times by President George H.W. Bush.²

Approximately 8.4 million people, or 5.3 percent of eligible workers, utilize FMLA each year,³ a critically small portion of the overall workforce. The FMLA has significant limitations forcing over 40 percent of the total U.S. workforce to the fringes of a benefit made inaccessible due to legal technicalities.



The FMLA includes five primary constraints preventing access:

1. A characterization of family that is limited to spouse, children, and parents. This excludes modern families and LGBTQ+ populations with more expansive definitions of family.⁴
2. Not all employers are required to participate—only those with 50 employees or more are required to offer the benefit.
3. To access the benefit, an employee must be employed with a qualifying organization for at least one year.
4. The employee must have worked at least 1,250 hours in the past year.
5. FMLA provides unpaid leave, which many families cannot afford.⁵

Paid Family Leave (PFL) is a crucial solution that fills the gaps of FMLA and encompasses more people who need time away from work to address family needs. This report will offer a comprehensive overview of paid family leave policies emerging in state legislatures across the nation. While there are many types of policies offering paid time away from work, Groundwork Ohio specializes in championing high-quality early learning and healthy development strategies from the prenatal period to age five. This report will focus on the overall impact of paid family leave on women, children, and families and will not be exhaustive on all types of family leave and caregiving. Furthermore, the Groundwork Ohio team acknowledges that childbirth is an issue impacting many individuals and not solely cis-gendered women and parents. This report will use language consistent with that of the research cited but is not meant to limit the parameters of motherhood, fatherhood, or childbirth.

Types of Leave



The Family and Medical Leave Act (FMLA)

Eligible employees of covered employers may take up to 12 weeks of unpaid, job-protected leave from work for certain medical and family reasons, including childbirth, the employee's serious health condition, or to care for the employee's spouse, child, or parent with a serious health condition.⁶



The Federal Employee Paid Leave Act (FEPLA)

Under Title 5 of the United States Code (U.S.C.), an amendment was made to the FMLA allowing up to 12 weeks of paid parental leave for Federal employees following the birth or placement (for adoption or foster care) of a child. This paid parental leave program for federal employees is designed to be available regardless of medical need and is distinct from pregnancy-related medical leave.⁷



Paid Family Leave (PFL)

Partially or fully compensated time away from work for specific and significant family caregiving needs (paid family leave). Family caregiving needs include those such as the arrival of a new child or the serious illness of a family member.⁸



Paid Sick Leave

Employees earn or accrue paid sick leave based on the number of hours worked. Accrued time may be used for absences due to short-term illness or injury and to support preventive health care for the employee or employee's family.









Deployment-Related Leave

Covers leave when a loved one has current or impending active-duty military service. This allows families to tend to financial or logistical arrangements, or spend time with a loved one home from service on short-term leave.



Safe Leave

If a worker or loved one is a victim of sexual or domestic violence, safe leave allows time away from work for mental health, to relocate, or to seek legal support if applicable.

Leave Type	Job Protection	Paid	Leave Length	Allowable Circumstances	Limitations
FMLA 	✓		Up to 12 weeks	1) Childbirth; 2) Employee's serious health condition; 3) To care for the employee's spouse/child/parent with a serious health condition.	1) Limited definition of family; 2) Limited circumstances for leave; 3) Many employers are excluded from requirement to offer FMLA due to gaps in the policy.
FEPLA 	✓	✓	Up to 12 weeks	Paid parental leave in the event of: 1) Childbirth; 2) Foster placement; 3) adoption placement.	1) Applies only to Federal employees; 2) Must meet FMLA eligibility criteria; 3) Employee must return to work for at least 12 weeks following paid leave.
PFL 	Varies by policy	✓	Varies by policy	1) Birth 2) Employees own serious medical condition; 3) To care for a serious illness of an employee's family member.	1) Policy varies widely across the U.S. depending on locality and state; 2) Often not available to public-sector employees; 3) Percentage of wage replacement varies by policy; 4) Job protection is not included in each policy.
Paid Sick Leave 	✓	Varies by policy	Varies by employer	1) Absences due to short-term illness or injury 2) To support preventive health care for employee or employee's family.	1) Availability is dependent upon one's employer as there is currently no federal legal requirement for paid sick leave; 2) Only available in a few states for private sector employees; 3) When available, sick leave is accrued based on number of hours worked.
Deployment-Related Leave 	Varies by policy	✓	Varies by policy	1) A loved one has current or implanting active-duty military service; 2) To spend time with a loved one home from service on short-term leave.	1) Must work for a covered employer; 2) Must meet eligibility criteria; 3) Typically included in PFML or other benefits policies that vary by state and employer in the absence of federal provision for deployment-related leave.
Safe Leave 	Varies by policy	✓	Varies by policy	1) A worker or loved one is a victim of sexual or domestic violence 2) Time off for mental health, to relocate, or seek legal support.	1) Must work for a covered employer; 2) Must meet eligibility criteria; 3) Typically included in PFML or other benefits policies that vary by state and employer in the absence of federal provision for deployment-related leave.

Global and National Paid Leave

How the U.S. Measures Up Globally

The United States is one of six countries in the world, and the only wealthy country, without national paid maternity leave. Zero weeks of paid maternity leave is an abysmally far cry from the average 29 weeks of paid maternity leave sanctified in most other countries, with some offering as much as 52-82 weeks of paid leave after birth.⁹ While most countries include paid leave policies, pay is generally a percentage of base salary up to a certain maximum. This program is typically financed through social insurance, taxes, or contributions from employers and workers.

In the absence of a functioning paid leave insurance system, U.S. workers are likely to repurpose earned vacation or sick time for family and healthcare reasons, leading to increased burnout, turnover, and poorer mental health

outcomes.¹⁰ Many employees may find solace in the availability of short-term disability coverage, although this is also not widely available nor evenly distributed. Among private sector employees, only about 1 in 10 of the lowest 10 percent of earners have access to short-term disability coverage. While 51 percent of full-time workers have access to short-term disability benefits, only 22 percent of part-time workers can say the same.¹¹ The availability of short-term disability coverage, then, similarly reflects the deplorable lack of paid family leave for these same groups of workers.

Lack of financial safety nets force 25 percent of workers to return to work

just ten days after giving birth.¹² Though paid family leave is not the reality for most U.S. employees, the prospect of such policies is extremely popular among voters with 94 percent of Democrats, 83 percent of Independents, and 74 percent of Republicans in support of a national paid family leave policy.¹³

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The State of Paid Leave in the U.S.

Despite the lack of a federally mandated paid family leave, state legislatures across the U.S. have stepped up. In 2023, 21 states and the District of Columbia had enacted paid leave laws, up from just four states in 2016,¹⁴ demonstrating strong momentum around this issue in recent history. Of the 22, 14 states and D.C. include comprehensive, mandatory paid leave options while the remaining eight have elected voluntary systems in which the benefit is managed in the private insurance market. Eighteen states have fully implemented the benefit while the remaining four will become effective in the next few years. In each of the 21 states and D.C. with paid leave legislation, the systems function for both public and private sector employees.¹⁵ Of noteworthy mention is Colorado, the only state to enact a paid family leave statute through a ballot measure with a substantial 15.5 percent margin of victory.¹⁶

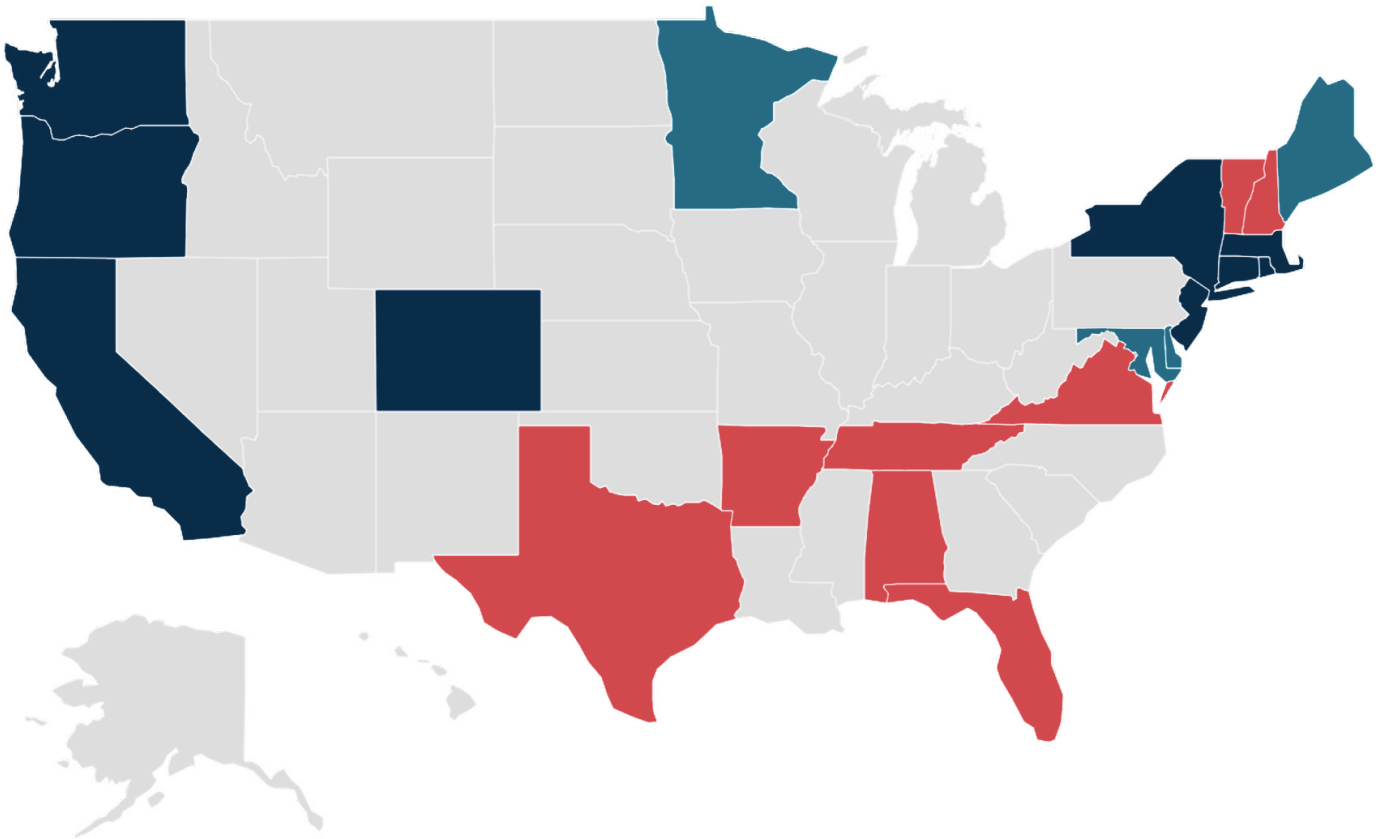


Fig. 1: Dark blue = Mandatory system (active); light blue: Mandatory system (not yet active); Red: Voluntary system (Active).¹⁶

Each separately enacted state policy varies regarding the number of paid weeks of leave, total paid leave an employee can access within one year, eligibility requirements, wage replacement rate, and so on. The piecemeal approach without a national policy leaves great disparities in access and availability. All over the globe, childbirth, family care needs, and personal illness necessitate paid leave from work—yet, in the U.S., a person’s right to this benefit is dependent upon their state of residence.

The recent growth of paid family leave policies still leaves significant room for improvement. Today, only one-quarter of U.S. workers have access to paid family leave, and access is not distributed equally. Black and Hispanic workers are less likely than their white coworkers to have access to paid family leave, and low-wage workers are less likely than high-wage earners to have access.¹⁷ Furthermore, of the states that have successfully enacted paid family leave policies, none offer greater than 12 weeks of paid leave, many offer between two and six weeks, and several are at the discretion of private insurance policies as shown in Figure 2.

In the U.S., a person’s right to this benefit is *dependent upon their state of residence*

State; Mandatory vs. Voluntary (M/V)	Parental Leave	Family Caregiving Leave	Personal Medical Leave	Military Leave	Safety Leave	Job Protection
Alabama (V)	Set by insurer	Set by insurer	N/A ^{1b}	Set by insurer	None	No
Arkansas (V)	Set by insurer	Set by insurer	N/A ^{1b}	Set by insurer	None	No
California (M)	8 weeks	8 weeks	52 weeks ^{1b}	8 weeks	None	No
Colorado (M)	12 weeks	12 weeks	12 weeks	12 weeks	12 weeks	Yes, if employed by current employer 180+ days.
Connecticut (M)	12 weeks	12 weeks	12 weeks	12 weeks	12 weeks	No
Delaware (M)	12 weeks	12 weeks	12 weeks	None	None	No
District of Columbia (M)	12 weeks	12 weeks	12 weeks	None	None	No
Florida (V)	At least 2 weeks ^{1a}	At least 2 weeks ^{1a}	N/A ^{1b}	At least 2 weeks ^{1a}	None	No
Maine (M)	12 weeks	12 weeks	12 weeks	12 weeks	12 weeks	Yes, if employed by current employer for 120+ days.
Maryland (M)	12 weeks	12 weeks	12 weeks	12 weeks	None	Yes
Massachusetts (M)	12 weeks	12 weeks	20 weeks	12-26 weeks	None	Yes
Minnesota (M)	12 weeks	12 weeks	12 weeks	12 weeks	12 weeks	Yes, if employed by current employer for 90+ days.
New Hampshire (V)	At least 6 weeks ^{1a}	At least 6 weeks ^{1a}	At least 6 weeks ^{1a 1b}	At least 6 weeks ^{1a}	None	No
New Jersey (M)	12 weeks	12 weeks	26 weeks ^{1b}	None	None	No
New York (M)	12 weeks	12 weeks	26 weeks ^{1b}	12 weeks	None	Yes
Oregon (M)	12 weeks	12 weeks	12 weeks	None	12 weeks	Yes, if they worked for an employer for 90+ days.
Rhode Island (M)	6 weeks	6 weeks	30 weeks ^{1b}	None	1 week	Yes
Tennessee (V)	Set by insurer	Set by insurer	N/A ^{1b}	Set by insurer	None	No
Texas (V)	At least 2 weeks ^{1a}	At least 2 weeks ^{1a}	N/A ^{1b}	At least 2 weeks ^{1a}	None	No
Vermont (V)	At least 6 weeks ^{1a}	At least 6 weeks ^{1a}	At least 6 weeks ^{1a}	At least 6 weeks ^{1a}	None	No
Virginia (V)	Set by insurer	Set by insurer	N/A ^{1b}	Set by insurer	None	No
Washington (M)	12 weeks	12 weeks	12 weeks	12 weeks	None	Yes

Fig. 2: Table demonstrating various lengths of leave by category and job protection provisions offered in states with paid leave policies.

1a) Minimum duration of leave benefit by law. Private insurers can choose to provide more generous coverage.

1b) State has pre-existing disability insurance market.

How Ohio Compares in the National Context

Just as the U.S. trails behind global buy-in of paid family leave programs, so too does Ohio trail behind progress in other states. Out of 21 states and D.C. that have active paid family leave laws, five are Republican-led states, including Texas, Arkansas, Tennessee, Alabama, and Florida. These five offer paid family leave policies, which function on a voluntary system rather than a mandatory one (see Figure 1). The voluntary laws in these five states allow the provision of benefits in the private insurance market. New Hampshire and Vermont, historically Democrat-led states, also operate this policy on a voluntary basis, however, utilize a single insurance carrier to provide a base plan for the state with government oversight.¹⁹

Mandatory laws exist in the remaining 15 states and D.C. and include comprehensive, state-paid leave. Most of these policies rely on a social insurance policy funded through payroll taxes. The single exception to the rule is New York state, which requires paid leave through a mandatory private insurance system. While writing this document, the Virginia legislature enacted SB373 to establish a state-administered family and medical leave program, an upgrade from their previously voluntary paid leave system that would have expanded this benefit to all public and private sector employees. SB373 was swiftly vetoed by Governor Glenn Youngkin on April 5, 2024.¹⁸

Ohio Landscape

Recent data shows 76 percent, or 4.4 million Ohioans, work in jobs without the possibility of paid family leave.¹⁹ Although no statewide structure for paid family leave for public sector employees exists at this time, Ohio legislators demonstrated recognition of its benefits in 1997 when the Ohio legislature enacted House Bill 215, allowing paid family leave provisions for state of Ohio employees.²⁰ This policy for state of Ohio employees recently expanded to provide 12 consecutive weeks of continuous leave following the birth or adoption of a child(ren) at 70 percent of the employee's base pay.²¹ Aside from expanded benefits for state employees, more than a quarter century later paid family leave policy in Ohio continues to show minimal progress. In the wake of this reality, many local communities are left to enact their own paid family leave policies.



76% of Ohioans work in jobs without the possibility of paid family leave.

Ohio Legislative History

In 2016, the administration of Governor John Kasich enacted a preemptive law prohibiting cities and counties from requiring employers to provide paid sick days or paid family leave if the employer would incur any cost.²² Ohio's preemptive law targeting paid family leave was in response to the first paid leave bill introduced to the Ohio House of Representatives in 2015.²³ Representatives Christie Kuhns (D-Cincinnati) and Janine Boyd (D-Cleveland Heights) made Ohio legislative history with House Bill 511 (HB511), with the goal of creating a statewide family and medical leave insurance benefit. HB511 and its companion bill in the Senate (SB307) fell flat after its introduction in the Insurance Committee in the 131st General Assembly (2015-2016).

Preemption: a legal method by which higher levels of government may enact legislation that limits or eliminates the power of a lower level of government to regulate specific issues.

Similar disappointing outcomes were fated for:

132nd General Assembly (2017-2018)	133rd General Assembly (2019-2020)	134th General Assembly (2021-2022)
HB550 SB261	HB91 SB91	HB491

Local Policy

In 2015, Dayton was the first major Ohio city to offer paid parental leave for its municipal employees, impacting approximately 1,900 workers.²⁴ Success in Dayton spurred similar policies for municipal employees in Cincinnati in 2016, followed by Columbus in 2017.²⁵ Cleveland enacted paid family leave for city employees in 2023.²⁶ Other communities including Beachwood, Upper Arlington, Oberlin, Newburgh Heights, and Middletown, along with Cuyahoga, Summit, and Lucas Counties,²⁵ have followed the state government's example and implemented paid family leave policies for municipal employees.

In much the same way that paid family leave benefits vary from state to state, policies between Ohio communities also differ significantly. The greatest variance is seen in the benefit amount, which ranges from full salary in some counties to a percentage of the employee's salary in other counties. While some city employees may be able to access the paid leave benefit immediately, others have an unpaid waiting period. An array of restrictions also dictates the type of circumstance permitting use of the policy.



As we see time and again, one's ability to access paid family leave depends not just on where you live but also where you are employed, as these policies only apply to city and state employees.

Local-to-State Strategy

Due to longstanding political contention at the federal level, a national paid leave system still feels out of reach since it has been more than 30 years following the enactment of the FMLA. When advancement is slow in Washington, the most granular levels of government are positioned to have the most significant and direct impact on families and young children. County governments play an essential role in reducing the impacts of poverty on families and developing children through investments in infrastructure, programs, and other meaningful initiatives to support thriving communities and positive outcomes for families and young children.

When considering strategies for paid family leave, a local-to-state pipeline may be a promising method to build momentum, popularity, and sustainability. When local municipalities empower their business community and bolster infrastructure on a small scale, arguments against paid family leave may begin to lose their bite. As popularity and awareness increase, a natural coalition between cities may form, building partnerships and a strong network of paid leave advocates throughout the state. This may be the most effective and efficient way to advance paid leave policies in states where the legislature is hesitant to enact a bill allowing paid leave for all. While such accomplishments may be easier wins in traditionally Democratic states (California, for example, enacted the first U.S. paid leave policy in 2002 with the very first bill introduced on the subject),²⁷ a more long-term strategy involving local governments as part of a wider coalition may be more effective in states that resist social investments.

Impact of Paid Leave Policies

Ohio's youngest children need supportive policies to reach their full potential. Gaps in public policy that necessitate a mother returning to work too soon after childbirth mean babies carry some of the greatest burdens of our broken insurance and labor systems. In Ohio, we see evidence of this burden when we consider one in five children ages 0-5 live in poverty, one in ten live in extreme poverty,²⁸ and 7.06 of every 1,000 infants born in Ohio do not reach their first birthday.²⁹ Ohio mothers see similarly deplorable outcomes, with 18.8 of every 100,000 live births resulting in maternal death (greater than the U.S. average of 17.1). Black mothers are 2.2 times more likely to die from pregnancy-related causes than their white peers.³⁰ Paid family leave policies are not just pro-family, but lifesaving - a solution that can help families and communities thrive.

Infants

An infant's brain develops at a rapid rate, forming one million new neural connections every second. Strong neural connections fostered through nurturing experiences with attentive caregivers lay a strong foundation for success in future academics, health, and behavior. Healthy development begins early and is influenced by environmental input. Enriching experiences lead to stronger outcomes across the lifespan of an infant, while the absence of enriching and engaging experiences leads to poorer language and emotional developmental outcomes.³¹

Babies carry some of the greatest burdens of our broken insurance and labor systems.

Infants whose caregivers can access paid family leave see significant decreases in infant mortality due to expanded ability to attend to the infant's needs, fewer incidents of head trauma (attributed to lower levels of caregiver stress), and stronger participation in regular medical check-ups resulting in timely care and more immunizations.³⁴ Because mothers with paid leave are more likely to breastfeed, infants are also more likely to experience the benefits of breastfeeding, such as improved digestive and immune system functioning and decreased likelihood of asthma, ear

infections, gastrointestinal infections, and childhood obesity.³² While the national preterm birth rate is 10.4 for the U.S. overall, Ohio receives a D grade with a preterm birth rate of 10.8 percent.³³ Evidence of paid family leave policies in California, New Jersey, New York, and Rhode Island have demonstrated a reduction in low birthweight and preterm births, especially for Black mothers.³⁴

Perhaps one of the greatest and most observable benefits of paid family leave includes evidence of stronger infant-parent bonding. Emotional and physical bonding, strengthened through a caregiver's love, time, and attention, interacts with developing hormones and brain chemicals that help a baby's brain learn and grow, fostering a sense of identity and management of emotions,³⁵ leading to better physical and mental health outcomes as infants age. As children whose parents had access to paid leave grow, they demonstrate higher levels of education and wages than those who did not, and supportive paid family leave policies furthermore appear to support greater intergenerational mobility.³⁶

Parents

Women's Mental Health

The time following childbirth presents a series of substantial emotional, physical, and relational changes. Colloquially referred to as the “fourth trimester,” the first few months after birth are a time of significant adjustment and discovery for parents and infants alike. Life’s tectonic plates shift rapidly in the months following

birth, yet nearly 23 percent of U.S. women returned to work within ten days of giving birth citing financial reasons. This is a significant concern given the physical and mental health implications of returning to work too soon, as well as logistical challenges for working families as most childcare centers will not accept infants under six weeks of age, and infant care is significantly more costly than care for older children.³⁷

Though a large portion of women return to work within ten days of birth, postpartum mental health concerns often begin to arise within 14 days of birth and impact approximately 19 percent of people who have given birth. Research

indicates a strong association between length of leave and decreased postpartum depressive symptoms, decreased incidence of severe postpartum depression, and increased access to prompt treatment, preventing postpartum depression from developing into chronic depression.³⁸

Women's Physical Health

With greater access to advanced education and more opportunities for career advancement, many women are delaying marriage and pregnancy, with women in their 30s and 40s seeing birth rate increases while teenagers and women in their 20s saw overall reductions in birth rates.³⁹ With changing birth patterns also come changes in health outcomes for women of advanced maternal age, including increased risk of genetic disorders, pregnancy-related complications, and increased potential to develop chronic conditions,⁴⁰ underscoring the importance of supportive policies that are preventative and serve to support both mother and baby.

New mothers with access to paid leave are more likely to breastfeed their infant for a lengthier time, as an analysis of California’s Paid Leave Program found the duration of breastfeeding increased from two to 12 weeks under supportive policies. Mothers with paid leave see a 51 percent decrease in re-hospitalization risk and better outcomes in blood pressure, pain levels, and greater engagement in exercise.

Too often women are forced to choose between making rent and caring for a new infant at the expense of mental and physical health. While we know there are numerous benefits, far too few families have access to paid

Beyond the benefits of increased bonding, attachment, and decreased postpartum depression, paid leave is linked to improved physical health and well-being.

family leave. Under current policy conditions, low-income women of color are the least likely to have access but stand to benefit the most in terms of economic stability, pregnancy and birthing outcomes, and reductions in infant mortality.⁴¹

Women's Workforce Participation

Women working full-time in Ohio earn a median income of \$44,230, or 78.5 cents of every dollar their male counterparts earn. Though there are more women than men with college degrees at every level of education, there are no occupations in Ohio in which women earn more than men on average.³³ This issue is multifaceted and complex, but some of the most common attributable factors include discriminatory hiring practices, unreasonably high child care costs, and the tendency for women to be more likely to assume a stronger caregiving role at home. This often reduces opportunities for the female workforce to advance in their careers

and reduces compound earning potential, otherwise known as the "Motherhood Penalty."⁴³

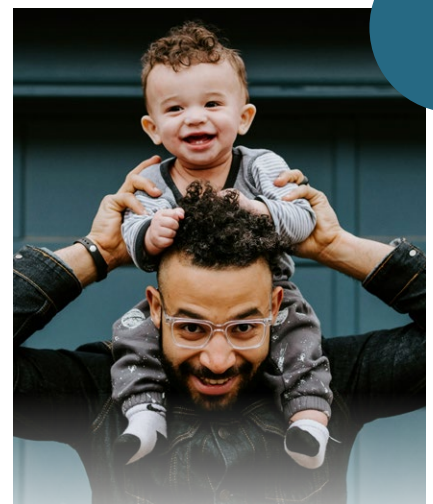
Employers with supportive paid leave policies and greater flexibility for birthing mothers not only promote diminishment of gender wage gaps, but increase women's labor market participation by 6 percentage points in the first year of a birth, and 20-50 percent within 5 years after a birth. These findings are consistent with reports indicating women experience greater job satisfaction and experience higher workplace participation overall.⁴⁴

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Fathers

The benefits of paid family leave are not solely seen by women and infants. Paid leave for fathers also shows numerous benefits, both for the father as a new parent and for the infant. Fathers who take leave from work at the time of birth are more likely to be involved in child care later in the child's life, and children whose fathers are more involved in their early childhood development demonstrate heightened language skills, cognitive test scores, and social development as they age.⁴⁵ Paid leave policies that include fathers encourage a more equitable division of child care responsibilities among parents, setting the stage for stronger families and enabling women to play a larger role in the labor market.

Like mothers, fathers may face impossible decisions between earning an income and playing a role in raising their child(ren). Because paid leave policies for new fathers are even less common than those for mothers, fathers spend half as much time on average as mothers caring for and bonding with newborns.⁴⁶ Globally, 70 countries offer paid paternity leave for new fathers averaging 8 weeks of paid leave. In the U.S., the median length of leave for fathers is about one week.³¹ While paid family leave policies can increase the likelihood of men taking leave, fathers appear less likely to take their full leave



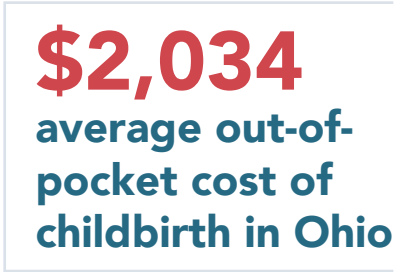
than mothers. Research indicates fathers are more likely to go back to work quickly to fill the income gap in the absence of paid leave for mothers. Therefore, the wage replacement rate is shown to be a significant predictor of whether men will exhaust the leave available to them.

Fully paid, job-protected leave increases the likelihood of men taking the full amount of leave they are entitled to in states or municipalities offering the benefit.³¹



Families

Having a baby comes at a significant cost. Even if new parents have health insurance benefits, the average out-of-pocket cost of childbirth in the U.S. ranges from \$1,077 in Washington, D.C., to \$2,473 in South Carolina, and an average of \$2,034 in Ohio.⁴⁷ Combine childbirth costs with expenses such as transportation to medical appointments, clothing, diapers, formula, breast pumps, and other items, and it becomes clear that unpaid leave is an unaffordable luxury for many hardworking families.



Paid family leave is closely linked with lack of affordable child care in Ohio, where child care access disparities are especially pronounced for Black and Hispanic families. Recent data shows that only 4.3 percent of low- and moderate-income children ages 0-2 received child care subsidies to offset cost burdens.²⁸ Coupled with the physical and emotional benefits, paid leave lasting 12 weeks also minimizes direct cost to families for center-based infant care and child care, the average cost of which is nearly the same as the average annual tuition and fees at a public four-year university.

Married parents with two children at the poverty line may expect to pay 62.6 percent of their household income for center-based infant and child care.⁴⁸

Paid family leave policies increase family economic stability, housing security, and food security by meaningfully decreasing poverty.¹¹ In states that have enacted paid family leave programs, weekly family income benefits range from \$700 in Rhode Island and California to \$996 in Oregon, based on median earnings for full-time workers in each state,⁴⁹ compared to \$0 families could expect under the FMLA alone.

When financial strain is minimized, so too are levels of overall family stress.⁵⁰ Not insignificantly, paid leave policies and subsequent decreases in poverty and mental stress are strongly associated with reduced rates of divorce⁵¹ and fewer incidents of intimate partner violence,⁵² demonstrating significant interpersonal and societal benefits are within reach when we decrease poverty with policies proven to work.

Businesses

In the absence of state or federal paid leave programs, several Fortune 500 companies including Nestle, Netflix, Johnson & Johnson, Nationwide Insurance, and Microsoft have voluntarily adopted paid leave policies because they are an effective and efficient way to promote a contented and productive workforce. Often, this benefit is only possible for large employers with more resources, potentially giving larger corporations the upper hand over small business benefit packages. Non-profit employers are more likely to offer paid leave benefits, however most companies offering paid family leave only make this benefit available to full-time employees. Because women are more likely than men to hold part-time jobs, this has a disproportionately negative impact on women in the workforce.¹⁰

Though the benefits of paid family leave are both numerous and invaluable for families, government-mandated paid family leave faces criticism on the argument that such a policy would impose harsh burdens on businesses. Perceived implications including but not limited to harm to the state economy, business closures, and increased paperwork, taxes, and/or costs to consumers are menacing fears indeed. The lion's share of trepidation lies with

Many concerns about paid family leave appear unsubstantiated by research and survey data

outcomes for small businesses that may be excessively harmed by additional regulations. The National Federation of Independent Business (NFIB) argues that paid leave mandates minimize small businesses' ability to increase wages or hire more employees and expand health insurance and other benefits while remaining workers are left to absorb the workloads of the absent employee.⁵³

Although the incurred cost and undue harm arguments are popular among opponents, many concerns about paid family leave appear unsubstantiated by research and survey data. Despite the lack of evidence regarding costliness of such a program, there are other hesitations with merit. It is noteworthy to consider that paid family leave, and particularly those policies that include a provision for job protection, may result in disruptions while training new staff or sourcing temporary workers whose work performance may vary in quality.

Benefits for Small Businesses

Small businesses are often challenged to compete with their large business counterparts while offering lesser benefit portfolios. This can create hiring disadvantages for small businesses and is one factor that can dismantle a level playing field.⁵⁴ When paid leave is supported by a public insurance program with shared cost, small businesses have a stronger platform with which to hire the best talent and compete with the power of large businesses that possess a greater pool of resources. In a survey conducted in California, small businesses reported paid family leave had either no effect or a positive effect on productivity, profitability, turnover, and morale, with businesses reporting no incurred cost due to the program.⁵⁵

Benefits for Large Businesses

Small businesses are not the only employers who gain from paid leave policies. Supportive programs like paid leave aid with recruitment, enhance employee retention, and ultimately augment worker productivity. Employee retention minimizes turnover costs, which can add up to as much as 24-150 percent of annual wages and become a significant cost burden for large businesses recruiting for many positions at once.⁵⁶

Like small businesses, profitability increases are seen in large businesses offering paid leave benefits. On average, large employers offering paid leave experience 4.6 percent greater revenue compared to those without paid leave, and 6.8 percent more profit per full-time employee. The numbers are even more staggering when considering manufacturing companies, which saw a \$2.57 return for every \$1.00 investment in their workforce. Technology companies saw \$2.64 per \$1.00 investment.⁵⁶

Paid leave is good for business, increasing productivity in measurable dollars and cents. Paid leave systems also benefit employers directly, as organizations pay an average of \$6.87 weekly per full-time worker for Paid Time Off (PTO) systems

but gain an average of \$12.32 of value from increased productivity and reduced turnover per worker. Paid leave may also counter unionization of the workplace, as being a union member is significantly correlated with negotiating paid leave from the employer. If employees already have access to a supportive leave structure, it is less likely unionization will occur.⁵⁷

Manufacturing companies saw a
\$2.57 return
for every \$1.00 investment in their workforce



State Economy

Apprehension of paid family leave policies is often rooted in fear of the unknown costs for businesses, consumers, and the dread of forced tax increases. In many states that have implemented paid family leave, the cost of paid leave is shared between employers and employees by including a small payroll tax. Whether this pool of funds is fully sufficient to cover the cost of the leave depends on the length and generosity of the benefit.⁵⁸ In addition to a significant reduction in child poverty, stronger upward social mobility for children as they age, better education outcomes, and more robust labor market participation from parents, Ohio's elected officials may be interested in the estimated savings and short-term financial benefits in combination with the long-term benefits.

Currently, a full-time worker in Ohio who takes four weeks of unpaid leave forfeits approximately \$3,100 in income. If women in Ohio could participate in the labor force at the same rate as women in countries with paid leave policies, the state would see approximately \$3.9 billion more in wages statewide,⁵⁹ simultaneously boosting the state economy and helping to stabilize families. To take it one step further, the Federal Reserve estimates that Ohio's overall GDP would have increased by \$67 billion between 2005-2019 if gender and racial wealth gaps were closed.⁶² While paid family leave policy is not a magic wand solution to workplace racial and gender equality, there is a substantial body of evidence to support paid family leave as one highly effective intervention to minimize these known gaps.¹³

For families who take job-protected leave through the FMLA, one in ten workers enroll in at least one form of public assistance due to the absence of income. Paid family leave reduces demand on the social welfare system by bolstering wages for working families, resulting in a 39 percent drop in public assistance enrollment overall and a staggering 40 percent reduction in enrollment in state-subsidized food stamp programs.⁶¹ In short: paid family leave reduces dependence on social welfare programs because full-time employed adults can better afford to feed, house, and care for their families.

\$3,100
approximate
income forfeited in
OH for four weeks
of unpaid leave



Conclusion

Paid family leave extends beyond temporary leave after birth and can be designed as an inclusive, wraparound policy to support pregnant people during pregnancy-related medical appointments, high-risk pregnancies, and medically fragile infants and children in addition to other medical leave benefits such as coping with one's own medical diagnosis or caring for elderly loved ones.

Empirical support for paid family leave policy is well-documented in research and these policies are popular among voters regardless of party affiliation. The United States lags far behind its international allies, especially when considering many countries in the global North and South that enacted national paid maternity leave policies one hundred years ago.¹⁴ Traction for this issue has been building in states across the nation and now is the time to act. Paid family leave policies are beneficial for communities, businesses, and the state economy, and are potentially life-saving for individuals and families. Research demonstrates harmful trends in causes of death when states evoke pre-emptive laws that prohibit health-promoting legislation, such as Ohio.⁶² We must consider the cost of continuous inaction to the tune of billions in terms of the state GDP, family healthcare costs, and workforce instability in the business sector, as well as the life and death costs associated with the lack of access to supportive paid leave policies.

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