

First Impressions: Comparing State Paid Family Leave Programs in Their First Years

Rhode Island's First Year of Paid Leave in Perspective

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Family caregiving is a major challenge for millions of Americans. Today, more than 30 million working families include young children, nearly four million children are born each year, and more than 25 million people with paying jobs also provide unpaid care to loved ones every year.¹ Yet the majority of working people in the United States cannot take time away from their jobs to welcome new children or care for their loved ones without risking loss of their jobs or their economic security because they do not have access to paid family leave.²

Three states – **California, New Jersey and Rhode Island** – have sought to change this by putting in place public policies that respond to working families' need for paid family leave. These states' programs insure workers for a share of their usual wages while they take time away from their jobs to care for a family member with a serious health condition or to bond with a new child. Each of these states' paid family leave insurance programs build upon longstanding state temporary disability insurance programs that workers can use to take time away from their jobs to address their own serious health issues, including preparing for or recovering from childbirth.

California's and New Jersey's paid family leave programs have insured workers since 2004 and 2009, respectively. Rhode Island's program just celebrated its first anniversary. This analysis draws on program utilization data from each state to assess workers' use of paid family leave in the first year of each program's operation. The analysis provides useful insights into the most common reasons people take leave, and a window into the gender dynamics of leave taking.

Key Findings

Last year, in 2014, California's paid family leave program celebrated its 10th implementation anniversary and New Jersey's paid family leave program celebrated its fifth implementation

anniversary. On January 5, 2015, Rhode Island's paid family leave program celebrated its first implementation anniversary. To mark these milestones, the National Partnership for Women & Families conducted an original analysis comparing the first year of each of the programs. We collected historical claim records from the agencies in California (from July 2004-June 2005), New Jersey (from July 2009-June 2010) and Rhode Island (from January-December 2014) charged with implementing the paid leave programs to better understand the types of claims filed and the gender differences in program participation during each program's first year. We accounted for workforce size, women's workforce participation rates, and the birth rates and median age differences within each state.³

Key findings of our comparative analysis show:

- ▶ **First-year use of leave was higher in California than in New Jersey or Rhode Island.** This was likely due, in large part, to funding dedicated to education and outreach in the California program's first year. However, subsequent data on awareness of the state's program has made clear that one year of education and outreach is not enough.
- ▶ **Across all three programs' first years, workers used paid family leave most often to care for a new child.** However, Rhode Island's program was used for family caregiving more often than the California and New Jersey programs in their first years. This difference could be due to several factors, including greater understanding of the program and the fact that Rhode Island's population is older than the other two states' populations were. Therefore, family care needs there may be more acute.
- ▶ **Women were the vast majority of claimants in all three states during the first year of each program,** although men filed a higher percentage of claims in the first year of Rhode Island's program than did men in the first year of California's and New Jersey's programs.
- ▶ **Rhode Island experienced higher rates of men participating in the first year of its program, primarily to care for new children,** despite Rhode Island having a lower birthrate than the other two states during the first years of each program.

Background

California, New Jersey and Rhode Island have their own statewide paid family leave programs that provide eligible workers with a portion of their usual wages when they need to take time away from their jobs to bond with a newborn, newly adopted or newly placed foster child, or to care for a family member with a serious health condition. Each state added paid family leave insurance to longstanding temporary disability insurance programs that already provided for longer-term, personal medical leave. This maximized efficiency and lowered implementation and administrative costs.⁴ It also means that, in all three states, eligible workers are entitled to both paid family and medical leave. For example, a woman who gives birth in those three states can take a period of disability or medical leave, followed by a period of family leave.

All three states fund the paid family leave portions of their programs through employee-paid payroll deductions and administer their programs through their temporary disability insurance programs. Paid family leave funds in each state are solvent and have even experienced surpluses. Specific program information for each of the three states is described below.

CALIFORNIA

- ▶ Passed in 2002 and implemented in 2004, California's paid family leave program (Family Temporary Disability Insurance) provides up to six weeks of benefits for eligible individuals who must take time away from their jobs to care for a seriously ill child, spouse, parent or registered domestic partner, or to bond with a new child. As of July 1, 2014, California workers can also receive paid family leave benefits when taking time away from their jobs to care for a parent-in-law, grandparent, grandchild or sibling with a serious health condition.⁵
- ▶ Benefits for disability and family care are funded by employees only (currently at one percent of annual wages). The program provides for up to 52 weeks of disability insurance pay and six weeks of paid family leave. The payroll deduction amount fluctuates within a small range annually. The typical benefit is 55 percent of a worker's weekly wages, up to a maximum of \$1,104 per week in 2015.⁶ To qualify for the maximum weekly benefit amount, an individual must be paid at least \$25,385.46 in one of the calendar quarters used to determine program eligibility.⁷
- ▶ California workers have filed approximately 1.7 million family leave claims since the state implemented its program on July 1, 2004 – 1.5 million of which were filed by parents seeking time to care for new children.⁸

NEW JERSEY

- ▶ Passed in 2008 and implemented in 2009, New Jersey's paid family leave program (Family Leave Insurance) provides up to six weeks of benefits to eligible individuals to bond with newborn or newly adopted children and to care for a spouse, domestic partner, civil union partner, parent or child with a serious health condition.⁹
- ▶ Unlike California, New Jersey separates family leave insurance contributions from temporary disability insurance contributions. The family leave program is financed 100 percent by worker payroll deductions, whereas the state's temporary disability insurance program is financed jointly by employee and employer payroll contributions. Starting January 1, 2015, each worker contributes 0.09 percent of the taxable wage base into the family leave insurance fund. For 2015, the taxable wage base is the first \$32,000 in covered wages paid during the calendar year.¹⁰ The weekly benefit rate is 66 percent of a worker's average weekly wage, up to a maximum benefit of \$604.¹¹
- ▶ New Jersey workers have filed more than 162,000 family leave claims since the state implemented its program on July 1, 2009 – 133,000 of which were filed by parents seeking time to bond with a new child.¹²

RHODE ISLAND

- ▶ Passed in 2013 and effective January 5, 2014, Rhode Island's paid family leave program (Temporary Caregiver Insurance) provides up to four weeks of benefits to eligible individuals to bond with a newborn or newly adopted child and to care for a child, parent, parent-in-law, grandparent, spouse or domestic partner with a serious health condition. Rhode Island's law offers workers fewer weeks of paid family leave than California's and New Jersey's; however, workers are protected against job loss and retaliation for taking paid family leave.¹³

- ▶ Benefits for disability and family care are funded by employees only. The withholding rate as of January 1, 2015, is 1.2 percent of a worker’s first \$64,200 in wages.¹⁴ The maximum weekly benefit is \$770.¹⁵
- ▶ In Rhode Island, one year after the program’s implementation, nearly 4,000 workers have filed paid family leave claims. Nearly three-quarters of those claims were filed by parents seeking time to bond with a new child.¹⁶

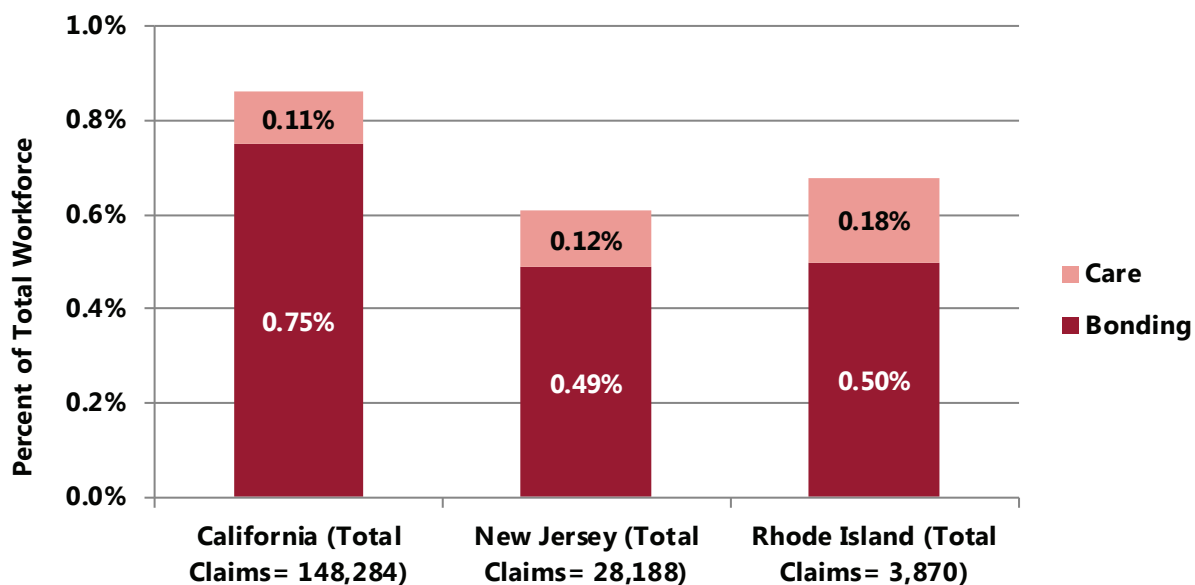
State Paid Family Leave Program Participation in the First Year

On the first-year anniversary of Rhode Island’s paid family leave insurance program, we reviewed claims reports for each of the three state programs to see if there were trends and patterns. We assessed the extent to which Rhode Island’s paid family leave program is used overall, as well as by gender and claim type, compared to the claims approved in the first year of the programs in California and New Jersey. As more states consider adopting paid family and medical leave programs, these preliminary assessments can help policymakers and program administrators better predict how their programs will be used. The findings also provide a foundation for future research.

Although the workforce populations among the three states varied greatly in the years analyzed,¹⁷ Californians filed claims at a higher rate than workers in the two other states (Figure 1). Adjusting for workforce population size, in the first year of each program, California’s program was most used, and New Jersey’s was least used. In California, 0.86 percent of eligible workers filed claims for bonding or caregiving. In New Jersey, 0.61 percent of eligible workers filed claims. And in Rhode Island, 0.68 percent of eligible workers filed claims.¹⁸

Adjusting for workforce population size, in the first year of each program, California’s program was most used, and New Jersey’s was least used.

FIGURE 1. STATE PAID LEAVE PROGRAM PARTICIPATION RATE (WORKFORCE POPULATION ADJUSTED)



The higher participation rate for California’s program, compared to New Jersey’s and Rhode Island’s, is likely a product of an outreach and education campaign executed and paid for by the state during the program’s first year of operation. New Jersey and Rhode Island had no such funding or outreach plans in their laws. In 2003-2004, the California Employment Development Department (EDD), the state agency administering the family temporary disability insurance program, conducted a one-year public education campaign including:

- ▶ Promotional billboards near heavily trafficked public highways and hospitals;
- ▶ Informational brochures and posters available in a number of languages (including Vietnamese, Chinese, Spanish and Tagalog); and
- ▶ Direct outreach to clinics and community centers in major urban areas including Fresno, San Diego, the San Francisco Bay Area and Los Angeles.¹⁹

EDD’s efforts to educate Californians about the new paid family leave benefit were hampered by the fact that only \$1 million of EDD funds were used for the initial statewide advertising campaign.²⁰ Paid family leave outreach received a significant boost from a coalition of advocacy organizations, including the Legal Aid Society—Employment Law Center, Equal Right Advocates and the Labor Project for Working Families. The Asian Law Caucus and the California Women’s Law Center provided legal advice and information on the new law through their hotlines and legal clinics.²¹ So while formal outreach and education efforts by EDD were significantly limited, the coalition raised funds from foundations to provide trainings on paid family leave to advocates and union representatives through multiple organizations over several years.²²

Still, awareness in California remains low, especially among economically vulnerable workers, and efforts are underway to use recently secured funding to promote awareness and encourage program use.²³ This is particularly important in light of recent data showing that Californians’ awareness of the program has declined and few people know about the law’s 2014 family care expansions.²⁴

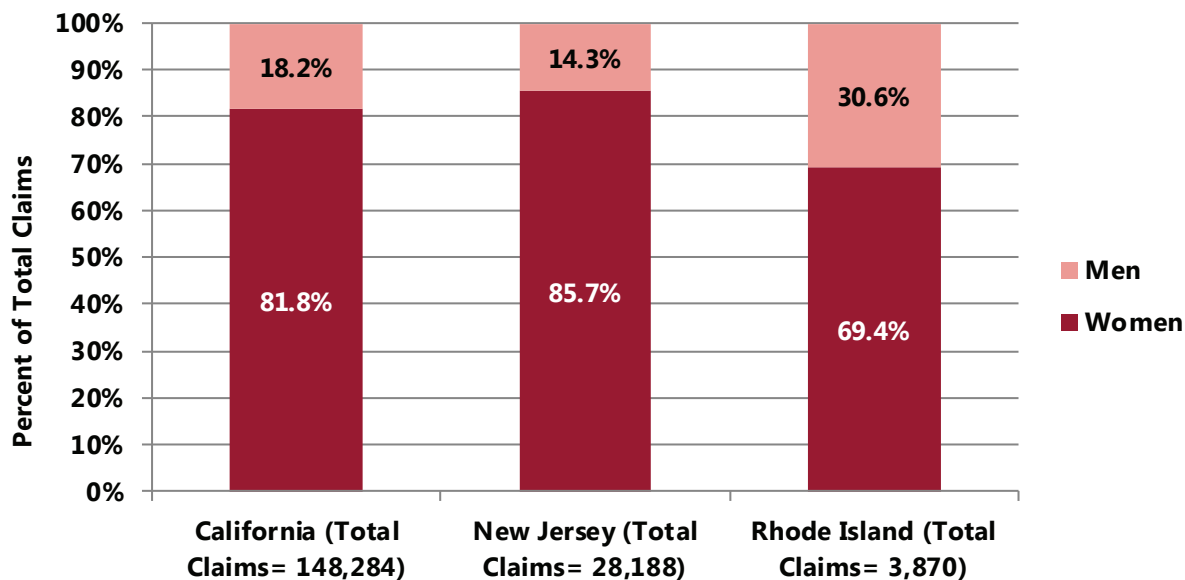
Women Use Paid Family Leave Programs at Higher Rates Than Men, but Rhode Island Shows Early Signs of a Better Balance

Both women and men benefit from paid family leave, yet our analysis reveals that women filed the vast majority of claims in the first years of California’s, New Jersey’s and Rhode Island’s programs (Figure 2): 82 percent of claims in California, 86 percent in New Jersey and 69 percent in Rhode Island.

However, Rhode Island’s program reflects a growing trend toward gender equality in the workforce and in program use. Nearly 31 percent of Rhode Islanders who participated in the state paid family leave program during its first year were men; that participation rate is about twice the rate for men in New Jersey in its first year (14.3 percent) and more than one-and-a-half times the rate for men in California in its first year (18.2 percent). This difference is even more striking when the relatively even gender balance within Rhode Island’s workforce is taken into account. Women made up nearly half of Rhode Island’s workforce (48 percent in 2014), a higher percentage than in California (45 percent in 2005) and a slightly higher percentage than in New Jersey (47 percent in 2010).²⁵

Note: This analysis had a one-year scope, but longitudinal program data from California suggests greater gender equity in program participation over time. Men comprised just 18 percent of those who took leave during the program’s first year, but they comprised approximately one-third of workers taking leave for both child bonding and family care in 2014.²⁶

FIGURE 2. PARTICIPATION BY GENDER



Bonding With a Newborn or Adopted Child is the Most Common Reason Workers Take Paid Family Leave, But Family Caregiving in Rhode Island is More Common Than in Other States

Through all three paid family leave programs, workers may take time away from their jobs for two reasons: to care for a newborn, newly adopted or newly placed foster child (bonding claims), or to care for a child, spouse or other family member with a serious health condition (family care claims).

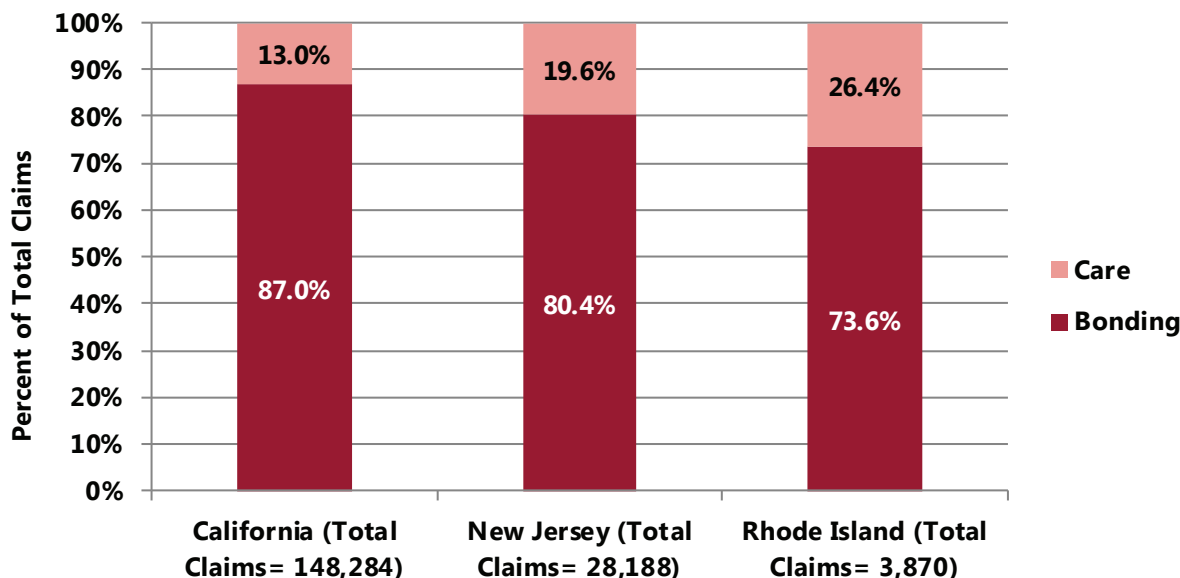
The vast majority of workers – both women and men – who took paid family leave through these programs in their first years did so to bond with a new child (Figures 3 and 4). This was particularly true in California (87 percent) and New Jersey (80.4 percent). It was also true – although to a lesser extent – in Rhode Island (73.6 percent) (Figure 3). This means that a higher percentage of workers in Rhode Island filed family care claims (26 percent) than in New Jersey (20 percent) and California (13 percent). This difference may be explained, in part, by Rhode Island’s higher median age and higher proportion of people 65 and older,²⁷ but it might also be due to greater awareness that the program can be used for family care. It is too early to tell whether the fact that paid family leave is available to care for more family members in Rhode Island plays a role in greater rates of leave taking for family caregiving in the state; data for the first year show that three percent of family care claims were filed by workers who needed family leave benefits to care for someone other than a parent, spouse or child.

Men as Family Caregivers

The first year of Rhode Island’s program is notable because a greater percentage of men took leave to bond with new children than was the case in the first year of the paid family leave programs in California and New Jersey. Rhode Island is the only state in which the types of claims (bonding compared to family care) filed by men were similar to the types of claims filed by women (Figure 4). Three-quarters of men who filed claims and nearly three-quarters of women who filed claims did so to bond with a new child. In comparison, during the first year of the programs in California and New Jersey, claims filed by women were disproportionately skewed toward child bonding when compared to

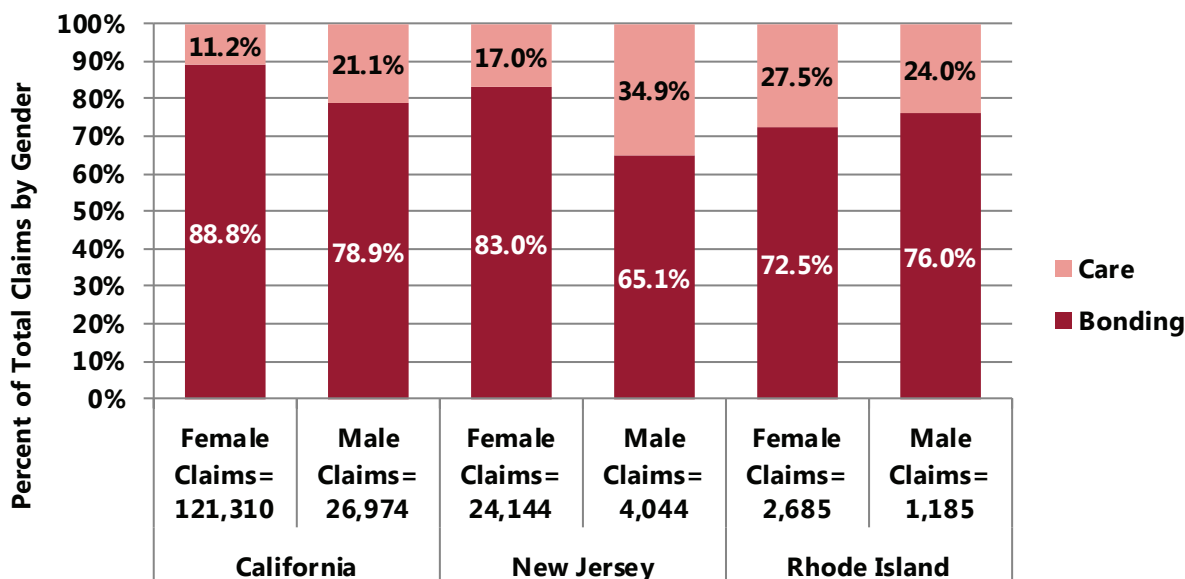
claims filed by men. Even adjusting for Rhode Island’s birthrate, which is lower than California’s and New Jersey’s were, Rhode Island men filed claims for bonding versus care at similar rates to Rhode Island women.²⁸

FIGURE 3. PARTICIPATION BY TYPE OF CLAIM



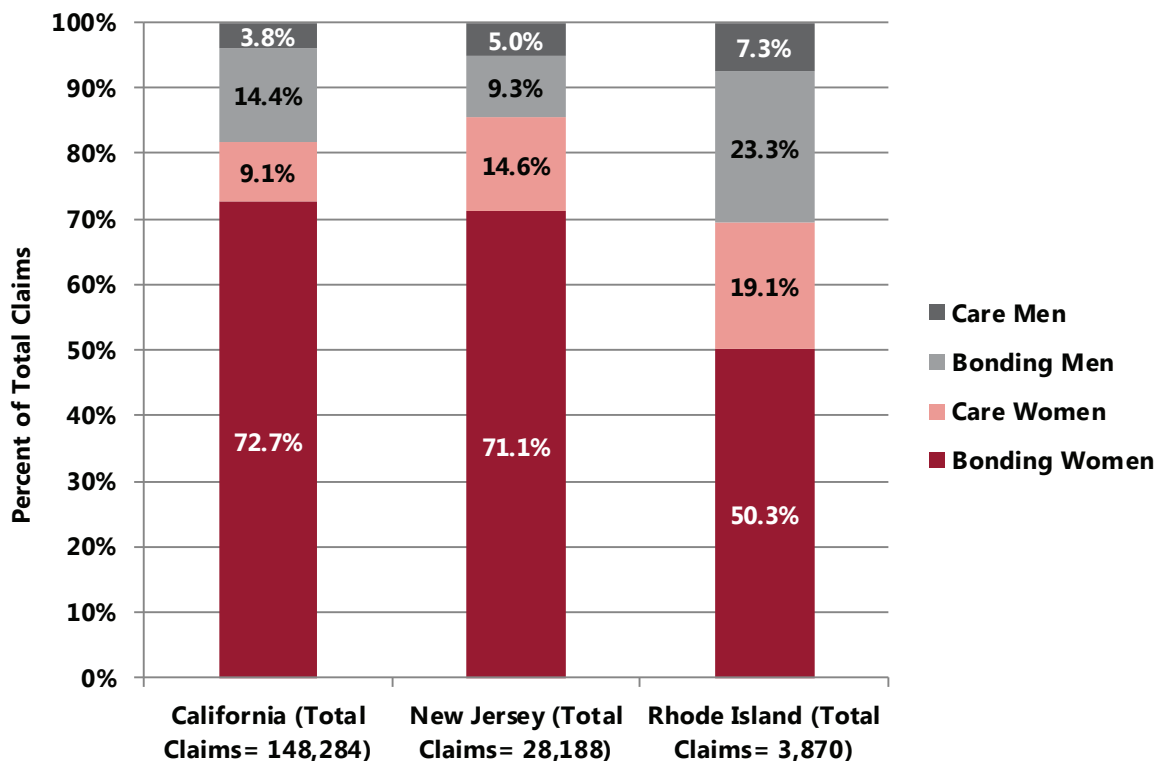
Conversely, in California and New Jersey, men who filed claims were much more likely than women to provide care to a seriously ill family member. In the first years of California’s and New Jersey’s programs, men who filed claims did so for family caregiving at roughly twice the rate of women (Figure 4). In Rhode Island, however, there was approximately the same likelihood that a woman would file a claim for family caregiving as a man (27.5 percent of claims filed by women and 24 percent of claims filed by men were for family caregiving).

FIGURE 4. PARTICIPATION BY TYPE OF CLAIM AND GENDER



One possible explanation for the difference between the states on this is that neither California nor New Jersey permitted workers to use paid family leave to care for their in-laws and grandparents until California’s recent expansion in 2014. Rhode Island has permitted workers to use paid family leave to care for in-laws and grandparents since its inception, which means that a higher share of women may be taking paid family leave to care for in-laws, grandparents, or other family members. Rhode Island’s caregiving claims deserve further in-depth gender analysis.

FIGURE 5. PARTICIPATION BY GENDER AND TYPE OF CLAIM



Overall, it is clear that Rhode Island’s program in its first year was not simply a program used by women to care for new children. Rhode Island’s program was more balanced in terms of the types of claims filed and participation by men (Figure 5).

Conclusion

Since 2004, hundreds of thousands of workers in California, New Jersey and Rhode Island have participated in family leave insurance programs to care for new children and family members with serious health conditions. Our analysis of the first year of each program demonstrates that only a small share of the workforce uses paid family leave programs; that outreach and education are important vehicles to educate workers about the programs; that both women and men make use of these programs; and that – if Rhode Island’s trends hold and California’s longitudinal experience serves as a guide – more gender equality in taking leave may be on the horizon.

This analysis of the first year of the nation’s first three state paid family leave programs should help policymakers who are considering implementing programs in their states and provide a foundation for future research.

- 1 U.S. Census Bureau. (2014). *American Community Survey 1-Year Estimates 2013, Table DP02: Selected Social Characteristics in the United States*. Retrieved 4 February 2015, from http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_1YR_DP02&prodType=table; Martin, J. A., Hamilton, B. E., Ventura, S. J., Osterman, M. J., & Mathews, T. J. (2013). Births: final data for 2011. *National Vital Statistics Report*, 62(1), 1-70.; Lyles, L. (2014, September 24). In Support of Paid Leave: 25 Million Stories [Blog post]. United States Department of Labor Publication. Retrieved 4 February 2015, from <http://social.dol.gov/blog/in-support-of-paid-leave-25-million-stories>
- 2 U.S. Bureau of Labor Statistics. (2014, September). *Employee Benefits in the United States National Compensation Survey: Employee Benefits in the United States, March 2014* (Tables 16 and 32). Retrieved 4 February 2015, from <http://www.bls.gov/ncs/ebs/benefits/2014/ebbl0055.pdf>
- 3 Program claim records provided by State of California Employment Development Department, State of New Jersey Department of Labor and Workforce Development Office of Research and Information, and State of Rhode Island Department of Labor and Training- Labor and Market Information. (All records are on file with the National Partnership for Women & Families.)
- 4 The other states that have temporary disability insurance programs in place are Hawaii and New York.
- 5 Calif. Unemp. Ins. Code §§ 3300-3304.
- 6 State of California Employment Development Department. (2014). *State Disability Insurance – Quick Statistics: Paid Family Leave Average Weekly Benefit*. Retrieved 4 February 2015, from http://www.edd.ca.gov/about_edd/pdf/qspfl_Avg_WBA.pdf; State of California Employment Development Department. (2014). *State Disability Insurance – Quick Statistics: Disability Insurance Average Weekly Benefit Amount*. Retrieved 4 February 2015, from http://www.edd.ca.gov/about_edd/pdf/qsdI_Avg_WBA.pdf. Data are through December 2014.
- 7 State of California Employment Development Department. (2014). *Paid Family Leave Benefits*. Retrieved 4 February 2015, from http://www.edd.ca.gov/Disability/PFL_Benefit_Amounts.htm
- 8 State of California Employment Development Department. (2014). *State Disability Insurance – Quick Statistics: Paid Family Leave Claims Filed*. Retrieved 4 February 2015, from http://www.edd.ca.gov/About_EDD/Quick_Statistics.htm (Data are through December 2014.)
- 9 N.J. Stat. §§ 43:21-27(k),(o), 43:21-39(b)(2).
- 10 State of New Jersey Department of Labor and Workforce Development Office of Research and Information. (2014, December). *Costs to the Worker*. Retrieved 4 February 2015, from <http://lwd.state.nj.us/labor/fli/content/cost.html>
- 11 State of New Jersey Department of Labor and Workforce Development. (2015). *Calculating Benefit Amounts - State Plan*. Retrieved 2 February 2015, from http://lwd.dol.state.nj.us/labor/tdi/worker/state/sp_calculating_bene_amounts.html
- 12 State of New Jersey Department of Labor and Workforce Development. (2009-2014). *Family Leave Program Statistics*. Retrieved 4 February 2015, from http://lwd.dol.state.nj.us/labor/fli/content/fli_program_stats.html (Unpublished calculation; Data are through December 2014.)
- 13 R.I. Gen. Laws §28-41-35(f) et seq.
- 14 State of Rhode Island Department of Labor and Training. (2014). *Temporary Disability Insurance/Temporary Caregiver Insurance*. Retrieved 4 February 2015, from <http://www.dlt.ri.gov/tdi/>
- 15 State of Rhode Island Department of Labor and Training. (2014). *Temporary Disability Insurance/Temporary Caregiver Insurance, Frequently Asked Question*. Retrieved 4 February 2015, from <http://www.dlt.ri.gov/tdi/tdifaqs.htm> Average claim amount is as of December 2014.
- 16 Figures provided to the National Partnership by the Rhode Island Department of Labor and Training. Rhode Island Department of Labor and Training. (n.d.). *Monthly Update: Temporary Disability Insurance Program: January to December 2014*.
- 17 California's workforce is more than three times the size of New Jersey's and Rhode Island's workforces combined. Using the year ending each program's first year of implementation as a marker, there were 17.2 million people in California's workforce in 2005, New Jersey had a workforce population of 4.6 million in 2010, and Rhode Island had a workforce population of 570,382 in 2013.
- 18 These percentages are used to compare the proportions of claims relative to the state workforce population within that state for the given year. Note that the total number of claims are defined here as claims eligible to receive benefits rather than the total number of claims filed. In the case of New Jersey, total number of claims are the claims eligible to receive benefits and have gender and claim type information available.
- 19 Firestein, N., O'Leary, A., & Savitsky, Z. (2011). *A Guide to Implementing Paid Family Leave: Lessons from California*. Labor Project for Working Families and Berkeley Center for Health, Economic & Family Security Publication. Retrieved 4 February 2015, from http://paidfamilyleave.org/pdf/pfl_guide.pdf
- 20 Ibid.
- 21 Ibid.
- 22 See note 19.
- 23 California Legislative Analyst's Office. (2014, August). *Supplemental Report of the 2014-15 Budget Package* (p. 22). Retrieved 4 February 2015, from <http://www.lao.ca.gov/reports/2014/supplemental/2014-15-supplemental-report.pdf>
- 24 DiCamillo, M., & Field, M. (2015, January). *Just 36% of Voters Aware of State's Paid Family Leave Program*. Release #2494. Field Research Corporation and California Center for Research on Women and Families. Retrieved 4 February 2015, from <http://www.field.com/fieldpollonline/subscribers/RIs2494.pdf>
- 25 Even with current data, the ratios of women to men in the workforce are similar to those reported in the first year of each program. Time has not made much of a difference in increasing California's or New Jersey's share of women in the workforce. As of 2014, women make up 45.6 percent of the workforce in California, 47.6 percent of the workforce in New Jersey, and 48.3 percent of the workforce in Rhode Island.
- 26 State of California Employment Development Department. (2014). *State Disability Insurance (SDI) Statistical Information*. Retrieved 4 February 2015, from http://www.edd.ca.gov/disability/pdf/qspfl_PFL_Program_Statistics.pdf (Showing gender breakdown for family care and care claims from July 2006 through June 2014)
- 27 U.S. Census Bureau. (2015). *Quick Facts Beta: Percent of Population 65 and older*. Retrieved 4 February 2015, from <http://www.census.gov/quickfacts/table/PST045213/00,06,44,34>
- 28 California had a higher rate of women who gave birth in 2004 (6.94 percent of all females 16 years and over in the labor force), compared to women who gave birth in New Jersey in 2008 (5.01 percent), and women who gave birth in Rhode Island in 2012 (4.23 percent). Taking this into account, there are still differences in men's program participation rates across the three states, with men in Rhode Island filing a higher share of bonding claims than men in California or New Jersey.

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help women and men meet the dual demands of work and family. More information is available at www.NationalPartnership.org.

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