INTRODUCTION

One of the great challenges our society faces is balancing work and family. We value work for its role in producing and sustaining economic growth. We increasingly recognize the importance of strong families in building healthy and dynamic communities. But finding a proper balance between the demands of work and the needs of families is difficult. More mothers with children work than ever before. More single parent households exist. Most people must work to provide for their families but are torn between the demands of their jobs and the needs of their children, spouses and aging parents. At the same time businesses are finding it difficult to recruit, train and retain skilled workers.

Public policy must play a role in helping to resolve this situation; the issue is too big for people to solve on their own.

The birth or adoption of a child, personal illness, or the illness of a family member are often life changing events. Whether the change is positive and welcomed or sad and difficult it often is exhausting for the primary caregiver and can be financially crippling as well.

The dynamics of work and family life have changed in the last 50 years. In 1955, 27 percent of mothers who had children under the age of 18 worked. In 1999, 72 percent of mothers who had children under the age of 18 worked and almost 65 percent of these women had children under the age of 6, according to the US Bureau of Labor Statistics. In addition to more dual-earner married couples, there are more single-parent households. Today about 12 percent of households are headed by a single mother and 4 percent by a single father.

Most women with young children now have paying jobs. Many working couples are sandwiched between caring for the needs of young children and aging parents. Regardless of their work status, women continue to be the primary caretakers of children and elderly parents. For many women this represents a serious economic as well as emotional burden. Before 1993, when the federal Family Medical Leave Act (FMLA) was passed, working women who put the needs of their families first often had no choice but to quit their job-hoping that sometime in the future they could find another comparable one.

The FMLA provides help for some employees to balance work and family responsibilities. It guarantees that eligible workers-male or female-can take up to 12 weeks of unpaid leave for a variety of family-related reasons without losing their jobs. Just over half of workers in the US are covered. But the reality is that those who benefit most are those who can afford to be without a paycheck for up to 12 weeks, those who have paid sick and vacation leave...
and those who live in states with temporary disability insurance programs (like New Jersey).

Now momentum appears to be mounting for paid family leave benefits. According to the National Partnership for Women and Families, eight states have held hearings on family leave benefits proposals in the last year and family leave benefits legislation has been introduced in at least 18 states. In addition, six states have recently funded studies of the costs and benefits of providing family leave benefits.

Two states—California and New Hampshire—completed their studies this year. The California study indicated that it would cost a maximum of 88 cents a week per employee ($46 annually) to expand California's State Temporary Disability program to cover family leave. In New Hampshire, which does not have a temporary disability insurance program, it would cost $1.83 a week ($95 annually) to set up a program to provide these benefits.

Various ways are being considered in these states to provide the necessary funding for proposed paid family leave provisions. Among the proposals are:

- Allowing people on unpaid leave to qualify for unemployment compensation or state temporary disability insurance
- Allowing employees to use their own sick time for family medical needs
- Offering financial incentives such as tax credits for businesses to provide more generous family leave benefits

In New Jersey legislation has been introduced to require businesses to provide paid family leave. Employers would not directly pay for their workers' leave. Rather, all businesses and workers would chip in through the state's Unemployment Insurance Trust Fund or the Temporary Disability Benefits program to pay for these benefits. If this legislation becomes law, New Jersey would be the first state in the nation to give workers 12 weeks of paid leave to care for newborn or newly adopted children or to care for a sick family member.

BACKGROUND: THE US AND THE WORLD

Outside the US, paid leave is not a new concept. Paid maternity leave was available early in the 20th century in Europe, after ratification of the International Labor Organization's Maternity Protection Convention. In 1919, six countries instituted job-guaranteed maternity leaves and nine offered some wage replacement during leaves following childbirth. These policies have resulted in increasingly more generous benefits over time, with leave periods lengthened and wage replacement rates increased.

Among industrial countries today, only the United States, New Zealand and Australia offer no legislated paid maternity leave. According to a recent International Labor Organization report, 120 countries now require employers to provide paid maternity leave. In most instances, women receive some percentage of their total wages, usually paid from the country's social security system.

In 1942, when substantial numbers of women in the US were in the labor force, the Women's Bureau of the Department of Labor recommended that employed women have six
weeks of prenatal leave and two months of leave following childbirth. These policies were never enacted in the US because men returning from military service when World War II ended replaced most women laborers.

In the US, development of family leave policy began in the states. States with temporary disability insurance programs were required by federal regulations to provide insurance benefits during women's medical recovery from childbirth following passage of the Pregnancy Discrimination Act in 1978. By 1987, nine states had enacted unpaid maternity leave provisions; in the next two years another 14 states enacted either maternity or parental leave. Advocates began to lobby at the federal level to establish standard leave practices across the nation.

Before passage of the FMLA in 1993, family or medical leave coverage was not common. Many, but not all, employers gave fulltime workers paid vacation and sick leave as part of a benefits package. Some employees had access to family and medical leave through union contracts, employer policies or state statutes. In some instances employers would hold jobs for their most valued employees while they settled in with a new child, cared for a sick family member or tended to their own health needs. Others simply replaced these workers. Workers who lost their jobs, seniority and wages had the added stress of knowing they would have to look for a new job when family matters settled down. Since most caregivers tend to be women, women's salaries and pensions suffer the most when their service is not continuous.

PUBLIC SUPPORT FOR FAMILY LEAVE

Surveys consistently show how important paid leave is to workers. One-third believe the difficulty of combining work and family is women's biggest work-related problem and nearly three fourths think the government should do more to help. According to a survey undertaken by the National Partnership for Women & Families, a majority of both male and female respondents-regardless of age, race, income, education or parental status- favor mandated paid leave.

Opinions vary on how family leave should be financed. In a 1998 poll, approximately 82 percent of women and 75 percent of men said that unemployment or disability insurance should be expanded to provide partial income for workers who leave their jobs temporarily to take care of a sick family member or a baby. Another survey in October 2000 found that 89 percent of parents of young children and 84 percent of all adults support expanding disability or unemployment insurance as a vehicle for paid family leave.

FAMILY AND MEDICAL LEAVE ACT of 1993

Responding to public pressure, Congress in 1993 passed the Family and Medical Leave Act (FMLA) with support from the Clinton Administration. President Clinton actually favored a paid leave policy, recognizing that many workers simply could not afford an unpaid leave. He said it would "strengthen parents' bonds with both their children and their jobs," and added, "We ought to set a goal that all parents can take the time they need for their families without losing the income they need to support them."
The federal law provides up to 12 weeks of unpaid leave within a 12-month period for the birth and care of an infant, placement of an adoptive or foster child, care for an immediate family member (including elderly parents) with a serious health condition or the worker's own serious health condition. It applies to private companies with 50 or more employees, to state and local government employees, and to some federal employees. Although only 11 percent of all private businesses in the US were covered under the FMLA in 2000, over half of all employees work in covered businesses, a fact consistent with the reality that far more employees work for large businesses than small ones.

To qualify for family or medical leave, employees must have worked at least 1,250 hours (the equivalent of just over 31 40-hour weeks) during the 12 months before leave is needed; have worked for that employer for at least 12 months; and work at a location where at least 50 persons work for that employer within a 75-mile radius. The FMLA requires that employers maintain group health insurance benefits for eligible employees on the same terms as coverage would have been provided if the employees were not on leave. Upon return from FMLA leave, an employee must be restored to the same or an equivalent job.

FINDINGS OF THE COMMISSION ON FMLA

A bipartisan commission of business, labor and government representatives was created by the Family and Medical Leave Act to evaluate the impact of the law. This Commission surveyed employers and employees and issued a report, *Balancing the Needs of Families and Employers: Family and Medical Leave Surveys*, in 1995. This report found that the FMLA was helping workers balance work and family.

According to the report, nine of ten companies reported virtually no, or only minimal, cost associated with FMLA compliance. In addition, two-thirds of covered businesses had expanded their leave policies to assist workers since the law was established - and the vast majority reported no negative impact on business performance.

With respect to workers, the Commission further found that:

- Since 1993, over 35 million workers have taken leave for family medical reasons.
- The most common reason for taking leave was to care for one's own serious illness, accounting for approximately 48 percent of all leave-taking. Needing time off to care for an ill parent (23 percent) or child (20 percent) were the next most frequently mentioned reasons.
- On average, workers who took leave did so infrequently and for relatively short periods of time. The median length of leave was 10 days.
- Employees age 25 to 34 have been most likely to take leave as were employees with children, hourly employees and those with family incomes of $20,000 to $30,000 a year.
- In 1995, approximately 20 percent of the workers covered by the FMLA needed leave for family or medical reasons. Approximately 17 percent of these employees took leave for a reason covered by FMLA. The remaining 3 percent needed but did not take leave. Two-thirds of this group said they continued to work because they could not afford the loss of wages during their leave.
94 percent of leave takers returned to the same employer.
Approximately 70 percent of leave takers reported receiving some pay during their leave. Over 46 percent of employees reported receiving full pay; while almost 20 percent reported receiving partial pay. Employees who did not receive pay during their leave were more likely to be the youngest or oldest workers, non-salaried, non-union, never married, in the lowest education and income groups or Hispanic.

The Commission made two suggestions for future action:

- Expand coverage of the FMLA to more workers
- Find new ways to provide paid leave to workers who cannot deal with serious family and medical emergencies because they cannot afford to take time off from work

UNPAID VS. PAID LEAVE

Although companies can voluntarily include specific provisions for a paid family leave program (as opposed to paid sick and vacation leave) in their benefits packages, only 2 percent of medium and large companies in the US did so in 1997, according to the Bureau of Labor Statistics. Companies offering paid family leave were selective: their professional, technical, clerical and sales employees were three times more likely than their blue collar and service employees to participate in a paid family leave program, according to the Bureau of Labor Statistics. In 1998, 4 percent of public sector employees participated in paid family leave programs.

According to the FMLA Commission, approximately 70 percent of workers reported receiving some pay during their leave. For most workers, pay was in the form of paid sick leave (61 percent). It is important to remember that approximately half of the workers who took leave did so because of their own serious health condition that would be covered by their own sick leave. For others who took leave, sources of income were vacation leave (39 percent), personal leave (26 percent) and temporary disability insurance (18 percent).

About three-fourths of those who were paid received their full salary and received it for their complete leave period. Most of the remaining paid leave-takers received only partial pay but for the full period of their leave.

The Commission further indicates that males who took FMLA leave were more likely to receive pay than females. Salaried workers were more likely to receive pay (88 percent) than hourly workers (54 percent). About three-fourths of those who took leave and had relatively high education and household income levels were paid while on leave. By contrast, younger employees (age 18 to 24), those who have never been married, those with less than a high school education and those with household incomes of less than $20,000 were unlikely to have been paid.

For many people, unpaid leave is not an affordable option. Studies show that nearly one in 10 FMLA users is forced onto public assistance while on unpaid leave. Of workers with annual family incomes of less than $20,000 who are most likely to take an unpaid leave, 27 percent must borrow money to survive, 38 percent delay paying bills, 32 percent cut their
leave short and 15 percent resort to welfare.\textsuperscript{vi}

**ISSUES FOR WORKING PARENTS**

There is increased evidence of a widening gap in working conditions among poor and middle income employees and upper income employees. Nearly 90 percent of private businesses are not covered by the FMLA and almost 34 million employees work for non-covered businesses. Approximately 35 percent of non-covered businesses are in the service sector and roughly 80 percent of non-covered businesses have 10 or fewer employees.

In her book, *The Widening Gap*, Dr. Jody Heymann of the Harvard School of Public Health quantifies how family caregiving interrupts the work lives of American parents. She found that standard work schedules and family leave policies fail working parents, impede job performance and impair the educational success of children.

Among her findings:

- Working conditions are the most inflexible for poor and middle-income employees whose families are more likely to suffer sicknesses and have more chronic conditions than upper-income adults and children.
- Leave from work to care for their children's health or to address critical educational issues is unavailable to tens of millions of Americans.
- Working women receive less help at home and are hemmed in by having far less sick leave time and work flexibility than men.
- Lower and middle-income working adults spend substantially more time caring for elderly parents and parents-in-law: 47 percent of lower income working adults and 41 percent of middle income working adults give one to four hours of unpaid assistance per month compared to 27 percent of workers in the top quarter of income. Yet those with lower income have considerably less paid leave and flexibility to meet these needs.
- Parents whose children had reading and math scores in the bottom quarter were more likely to lack paid vacation leave, sick leave and work flexibility.
- 42 percent of voluntary cutbacks in work were taken to care for children (including adult children); 15 percent to care for parents; 12 percent for spouses or partners; and 24 percent for other family members.

Given the situation she has discovered, it is clear that paid leave would help poor and middle-income workers because it would give those workers greater flexibility to care for their families' needs while at the same time providing essential financial support.

**NEW JERSEY’S OPPORTUNITY**

The issue of family leave in New Jersey is somewhat different than in most states. New Jersey and only four other states (California, Hawaii, New York and Rhode Island) provide temporary disability insurance (TDI) benefits to employees who become disabled due to injury or illness outside the workplace. TDI provides partial wage replacement to employees with non-work related, short-term medical disabilities, including pregnancy and...
the birth of a child. Pregnancy is treated like any other medically justifiable condition that prevents an employee from performing his or her job. Currently TDI does not cover caregiving to members of an individual's family, which would include a newborn child.

TDI is funded by mandatory employer and employee contributions. Most New Jersey companies that employ at least one person and earn at least $1,000 annually are subject to the provisions of the Temporary Disability Benefits Law. These companies either must contribute to the state's TDI fund or carry an approved private plan for temporary disability. Companies may self insure, carry private insurance or participate in a union welfare fund or labor-management welfare fund. Self-insurance plans must be authorized by the state and all employees must receive at least as many benefits as those provided by the state.

Both employer and employee contribute to the temporary disability insurance fund in New Jersey. In 1999, employers and employees together paid approximately $378.6 million in TDI taxes, of which $144.3 million was paid by employers and $234.3 million was paid by 2.7 million covered workers. These numbers indicate that in 1999, employers paid an average of $1.03 per week per employee and the workers paid an average of $1.67 a week for TDI coverage. From these payroll tax revenues, disabled employees are paid two-thirds of an average weekly salary, up to the maximum amount payable, which was $417 per week for disabilities beginning during 2001.

Duration of benefits is based on the individual circumstances of each claim and the judgment of the certifying physician regarding the nature of the disability. Usually, pregnancy is payable 4 to 6 weeks before the baby is due and 6 to 8 weeks after birth. Benefits are provided for up to 26 weeks with a doctor's written recommendation.

In 1998, 16 percent of all TDI claims paid by the state were pregnancy-related. According to the New Jersey Department of Labor, women on pregnancy-related leave were paid an average of $262 per week over an 81-day period in 1998. This average weekly benefit is now approximately $325.

According to the National Partnership for Women and Families, TDI systems nationally help at least 22 percent of those covered to take medical leave when they need it. Although TDI addresses the medical aspect of pregnancy, it extends only as long as a doctor sees fit; it does not cover fathers; and it does not address the issue of bonding between parents and their child. TDI as currently practiced in New Jersey also does not cover the medical needs of family members.

In certain ways New Jersey is a leader. Temporary Disability benefits allow all covered workers in New Jersey to care for their own health needs with less likelihood of bankrupting themselves. Still, the high cost of living in New Jersey complicates the decision of taking needed personal time off. Data indicate that lower and middle-income families are increasingly unable to survive certain types of family medical crises. Although the state's TDI program serves some needs of pregnant women and disabled employees, a broader use of the fund would provide families an important safety net.

Today New Jersey is one of a number of states considering legislation that would take family leave further-protecting more workers under the law and expanding the possibilities
of pay during family leave. A number of different approaches are being proposed.

- Senate Bill 1923 and Assembly Bill 3049 would provide up to 12 weeks of unemployment benefits (UI) to new parents to allow them to stay home with a newborn or newly adopted child during the first 12 months following birth or adoption. The weekly benefit amount paid under the bill for birth and adoption leave is the same as the weekly amount for regular UI benefits, is subject to the same one-week waiting period and is reduced by any payments made to the worker during the leave period by the worker's employer. The leave period does not include any period in which a worker receives benefits for temporary disability.

The Office of Legislative Services (OLS) estimates that up to 44,500 workers a year probably would use paid leave at a yearly cost of up to $101.1 million. The payments would come from the Unemployment Insurance fund, which is financed by employer and employee contributions. In 1999, employers and employees together paid approximately $1 billion in UI taxes, $937.9 million of which was paid by employers and $92.5 million was paid by employees. Employers paid an average of $4.87 per week per employee and workers paid an average of 48 cents a week for UI coverage.

As safeguards to protect the UI fund, the bills say the state Labor Commissioner can suspend participation in the program if the amount of benefits paid exceeds $130 million annually, or if the amount needed to fund the program would trigger increases in employer UI rates. OLS estimates that it is unlikely that the bill would cause increased UI costs for any employer in the foreseeable future because the balance of the UI fund is approximately $700 million higher than what would trigger an increase in UI taxes for all employers. In addition, because the legislation does not charge individual employer UI accounts for these benefits, no individual employer would experience an increase in payroll taxes based on employees who take advantage of the program.

- Assembly Bill A-2037 would provide up to 12 weeks of benefits for family temporary disability or birth and adoption leave. Leave benefits to care for sick family members would be paid from TDI; leave benefits to be at home with newborn and newly adopted children would be paid from UI.

OLS estimates that between 35,600 and 37,000 workers would take family temporary disability and between 41,900 and 44,500 workers would take birth and adoption leave. Extending these benefits would cost approximately $144 million, OLS estimates. Of the workers who would take leave under this bill, most would use the benefit to care for newborn or newly adopted children. The second largest group would be those taking care of sick children, followed by care for sick parents and sick spouses.

Benefits paid to workers covered under the state TDI plan would be funded by a tax on workers equal to one-tenth of one percent of the current base salary ($22,100 in 2000). The bill includes changes in the state UI law designed to provide an immediate reduction in UI taxes for employers and to minimize the likelihood of future UI tax increases. No employer's individual account would be charged for benefits paid under
the bill. The bill reduces the UI taxes of all employers by 10 percent if the UI fund reserve ratio is higher than 4 percent.

- Assembly bill A-1577 would extend the use of TDI benefits to include not only the covered worker, but also newborns, newly adopted children and sick parents, children or spouses. The Office of Legislative Services has not estimated the fiscal impact of this bill.

In each of these bills, the worker would be paid leave benefits at the same weekly rate as current UI or TDI benefits. Although the maximum payment in 2001 to a qualified worker on UI leave is $446 per week or $417 per week under TDI leave, few workers are paid at that rate. A worker on leave is more likely to be paid the average rate of $294 a week in UI benefits or $325 a week in TDI benefits. A worker who qualifies for benefits at the average rate would be paid a total of $3,528 in UI benefits over a 12-week period or $3,900 in TDI benefits. Under these bills, an employer may require that an employee use all sick pay or other fully paid leave before receiving benefits and may reduce the 12 weeks of benefits by the number of days of that fully paid leave.

EMPLOYERS' CONCERNS

Business interests in the US have generally been opposed to extending the provisions of the FMLA and have not favored wage replacement; and yet larger American corporations are providing more paid benefits and additional flexibility to their experienced employees in order to keep trained workers in a tight labor market. These corporations have the wherewithal to offer expanded benefits packages. According to an article in March 1998, Allstate and Merrill Lynch each have generous benefits plans. Merrill Lynch pays for 13 weeks of maternity leave for employees with one year of service; Allstate provides 20 weeks of paid leave for workers with 10 years of service.

The New Jersey Chamber of Commerce and the New Jersey Business and Industry Association (NJBIA) have lobbied hard against extending leave benefits. Each organization's web site is set up to allow web users to directly contact legislators by e-mail-presumably to voice opposition to the bills which have been introduced.

Assertions by NJBIA have included:

- "The cost to business, especially small businesses, will be astronomical."
- "This will disrupt virtually every workplace in New Jersey, and will result in a serious loss of productivity for most businesses."
- "This is a European-style benefit which no other state has at this point."

It is interesting to note, however, that hyperbolic rhetoric often accompanies reforms that seemed radical to some but today are mainstream. Indeed, worker-rights always seem to engender strong, even knee-jerk, business opposition. But arguments made against them often do not withstand the test of time.

Consider that in the 1930s, the National Association of Manufacturers said unemployment insurance would mean "ultimate socialistic control of life and industry."
On the same topic, Rep. John Taber of New York told Congress, "Never in the history of the world has any measure been brought in here so insidiously designed so as to prevent business recovery, to enslave workers, and to prevent any possibility of the employers providing work for the people."

In 1938, Rep. Edward Cox of Georgia expressed his opposition to legislation establishing minimum wages and standards for overtime pay and child labor by saying, "It will destroy small industry." He said such measures were "the product of those whose thinking is rooted in an alien philosophy and who are bent upon the destruction of our whole constitutional system and the setting up of a red-labor communistic despotism upon the ruins of our Christian civilization."

Today, the business community argues that payroll taxes (like Social Security, unemployment insurance and temporary disability insurance) are especially burdensome to small businesses because they must pay whether the company makes money or not. It frames its argument against the bills that would extend benefits based on the total cost to the UI and the TDI funds and the potential need to raise UI and TDI rates in the future to cover these additional expenses.

Although several polls cited earlier in this paper show that more than 80 percent of adults support expanding unemployment or disability insurance as a vehicle for paid family leave, the New Jersey Chamber of Commerce currently is lobbying to lower unemployment insurance rates for business and eliminate employee payments. The rate reduction recommended would save the average company $59 per employee per year and the average employee $44 per year.

MAKING FAMILY LEAVE WORK

A key consideration for administering leave programs, from a business perspective, is how work will be accomplished while the employee is on leave. The bipartisan Commission stated that the most commonly reported method for covering the work of employees on FMLA leave is to assign work temporarily to other employees (98 percent). About 41 percent of establishments reported they hire an outside temporary replacement. Roughly 15 percent said they put work on hold until the employee returns from leave. Nine percent reported having the employee perform some work while on leave. Proportionately more large establishments hire an outside temporary replacement or have the employee perform some work while on leave.

It is certainly true that small businesses are least able to shift responsibilities to other employees and they may be least able financially to afford replacement workers. But small businesses obviously hire people who have babies, who get sick themselves and whose family members get sick. Under New Jersey's TDI program, only people who themselves are sick currently are entitled to 26 weeks of paid leave benefits. Although temporarily losing a valued employee is difficult, businesses currently make adjustments when employees take leave for their own serious health conditions - the most common reason for taking unpaid leave from a job.
Small businesses make the argument that they cannot cope with the absence of employees and they will be unable to find substitute workers. But there is a flip side: if an employee of a small business has a personal family crisis and is unable to take the time needed to deal appropriately with that crisis, both the person and the employer suffer. The employee will be distracted and will be spending work time trying to deal with a problem that would be more efficiently handled outside the workplace. The current options force an employee who cannot afford to lose a paycheck to work less efficiently or quit. Neither option is desirable.

For several reasons, paid family leave presents a third, arguably more equitable option:

- **Costs would be shared by all workers and all employers.** Providing benefits through Unemployment Insurance or Temporary Disability would, in fact, subsidize the cost of paid leave to small businesses. Small businesses are fearful that they will have to carry the double burden of paying for the salary of an employee on leave as well as that of a replacement, but small businesses would not directly pay the salary of employees on leave. Benefits would be paid out of either UI or TDI. Any increases necessary to keep the UI or TDI funds solvent would be evenly spread among all workers and all businesses in the state.

- **The cost of a replacement worker's salary is offset** by the probability that an employee not granted a leave might elect to withdraw from the work force, forcing the employer to bear the greater cost of recruiting and training a new employee.

- **Benefits provided by large and small companies would be more equal.** A small company with ten employees in New Jersey now pays less than $1,000 annually in TDI taxes for all of its employees. In return, if an employee of this company were to develop a personal medical condition that requires leave, that employee would have the same rights and benefits as someone working for a major corporation in this state. Rather than lose a good, experienced employee, that small company is able to keep its valued employee and spread the cost of that person's illness among all workers and all companies in the state. While small businesses with 50 or fewer employees are exempt from the federal Family and Medical Leave Act, the bills introduced in New Jersey would cover them. So, while small businesses today cannot offer the range of benefits that bigger businesses can, they would benefit from being able to offer their employees the same paid leaves that corporations can offer - without having to pay the full cost of the leave.

In a survey of attitudes and practices of small businesses, many companies expressed the sentiment that as inconvenient as it would be to have key employees take a three-month leave, it would be worse to lose them permanently. Many small businesses indicated that they would do what was necessary in order to make it possible to hang on to them. Being able to provide paid family leave to employees at a subsidized cost is one more tool which will help small businesses keep key employees. ix

**CONCLUSION: WORK AND EQUITY**

Today it is ironic that those who have the least need for paid family leave often have the
greatest access, while those with the greatest need often have the least access. Indeed, the person most likely to be given paid leave is a salaried male with a relatively high education and income who works for a company of 50 or more. The person least likely to be given a paid leave is a young woman with children who is paid hourly, earns less than $20,000 a year and works in the service sector. The man is more likely to be taking time off for his own health problems; the woman is more likely to be taking time off to care for her children or her parents. The man is more likely to be able to absorb the cost of an unpaid leave than the woman earning $20,000 a year.

Few these days are shocked to read that the average pay package, including options, for chief executives in 200 companies was more than $20 million in 2000 or that the average American chief executive made 475 times more than the average blue collar worker in 1999. More disturbing to some was the fact that, last year, Xerox gave G. Richard Thorman $800,000 a year for the rest of his life, after he had been chief executive for 13 months. X

It should be no less disturbing to know that many who find nothing to object to in these pay packages still oppose extending benefits to some of the neediest workers in our society - and on grounds that it would be too expensive.

It is clear that in today's dramatically changed work environment, "business as usual" is no longer sufficient. Successful companies pay increasing attention to ethnic and religious diversity, personal and family needs, and employee enrichment in order to recruit and retain good employees. With more women in the workforce and more aging parents living longer, it should not be too much to ask the business community to help in the societal challenge of figuring out how to help employees balance work and family life.

Legislated paid leave policy would be an important move towards increased equity among rich and poor, males and females and across our diverse communities. A body of evidence suggests that giving employees a sense of mission, worth and proprietorship leads to increased loyalty and higher productivity. The fact that 95 percent of the workers who were granted family leave returned to their place of employment suggests that businesses benefit when they express concern for their workers and put that concern into practice.

FOOTNOTES

i Testimony of Vicky Lovell, Ph.D. Institute for Women's Policy Research Publication #B235, 9/7/00, p.1.


iv Seattletimes.com, November 30, 1999, "New parents could be paid while taking family leave", Anne Gearan.
Compensation and Working Conditions, Fall 2000, Table B-1, Bureau of Labor Statistics.

Speakout.com, 2/21/01, "Should Family and Medical Leave Be Expanded?" Jenny Murphy.

USA Today, 3/3/98

National Partnership for Women & Families, State Leave Benefit Initiatives, 2/12/01
