

**Hearing on Legislative Proposals for Paid Family
and Medical Leave**

HEARING
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Hearing on Legislative Proposals for Paid Family and Medical Leave

U.S. House of Representatives,
Committee on Ways and Means,
Washington, D.C



HOUSE COMMITTEE ON WAYS & MEANS
CHAIRMAN RICHARD E. NEAL

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

FOR IMMEDIATE RELEASE
January 21, 2020
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CONTACT: (202) 225-3625

Chairman Neal Announces a Hearing on Legislative Proposals for Paid Family and Medical Leave

House Ways and Means Chairman Richard E. Neal announced today that the Committee will hold a hearing titled “Legislative Proposals for Paid Family and Medical Leave” on Tuesday, January 28th at 10 AM in room 1100 Longworth House Office Building.

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to make a submission, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Tuesday, February 11, 2020**. For questions, or if you encounter technical problems, please call (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but reserves the right to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

The Committee seeks to make its facilities accessible to persons with disabilities. If you require special accommodations, please call (202) 225-3625 in advance of the event (four business days' notice is requested). Questions regarding special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available at <http://www.waysandmeans.house.gov/>

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WITNESSES**PANEL 1**

Representative Rosa DeLauro (CT-03)
Member, US House of Representatives

Representative Ann Wagner (MO-02)
Member, US House of Representatives

Representative Elise Stefanik (NY-21)
Member, US House of Representatives

PANEL 2

Ms. Joan Lunden
Joan Lunden Productions

Ms. Kemi Role
Director of Work Equity, National Employment Law Project

Ms. Sharon Terman
Director, Work and Family Program, Legal Aid at Work

Ms. Rebecca Hamilton
Co-CEO, W.S. Badger Company

Ms. Vicki Shabo
Senior Fellow for Paid Leave Policy and Strategy, New America

Ms. Hadley Heath Manning
Director of Policy, Independent Women's Forum

Diversified Reporting Services, Inc.

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LEGISLATIVE PROPOSALS FOR PAID FAMILY AND MEDICAL LEAVE

Tuesday, January 28, 2020

House of Representatives,

Committee on Ways and Means,

Washington, D.C.

The Committee met, pursuant to notice, at 10:03 a.m. in Room 1100 Longworth House Office Building, Hon. Richard Neal [Chairman of the Committee] presiding.

*Chairman Neal. The committee will come to order. Before we begin this morning, I want to take a moment to mark the passing of our longtime friend and colleague, Pete Stark, who was a member of this committee for a long, long time.

I think it is fitting that we think of him today because Pete introduced the very first bill to create a comprehensive earned paid leave benefit for all American workers. And it was, like other times, an acknowledgment that Pete was on the right side of history and the responsibilities of this committee.

So I think that if we could just embrace a moment of silence in memory of our colleague, Pete Stark, it would be appropriate.

[Pause.]

*Chairman Neal. Thank you. Let me say good morning and welcome to today's hearing to discuss legislative proposals to provide paid family and medical leave for American workers.

Next Tuesday will mark the twenty-seventh anniversary of the enactment of the Family and Medical Leave Act. This historic legislation gave most American workers the right to take unpaid leave to care for a child, a parent, or a spouse, or to deal with their own serious medical condition. When FMLA was debated, naysayers claimed that it would create an epidemic of absenteeism, and harm our economy. In fact, President George H.W. Bush vetoed it several times before President Bill Clinton signed it into law.

We now know the naysayers were mistaken. The FMLA has helped our economy and saved money for American businesses by keeping workers in the workforce, instead of forcing them to drop out entirely to deal with urgent family needs. I am proud of the fact that I voted for FMLA, and was one of its original sponsors. And to have an opportunity to make it the law of the land should be the highlight for those of us who did undertake that vote.

But we know today that FMLA is simply not enough. This is because, while FMLA entitles workers to leave, if that leave isn't paid, many workers simply cannot afford to take it. Right now, workers must rely on a patchwork of options with huge gaps. A limited number of states provide coverage to all of their workers. Some employers provide paid leave to their most highly-compensated employees, and a smaller group provide it to all of their employees. Some workers spend down all of their savings, and some leave the workforce and never return. This status quo leaves out the majority of the middle class, and does far too little to keep Americans of all income levels in the labor force.

Admittedly, the biggest driver of our declining labor force participation rate is our aging population and the higher likelihood of disability as we age. But we also know too many Americans who want to work who then are left out of the labor force.

We know, from states' experience and many rigorous, long-term studies, that comprehensive, guaranteed paid family and medical leave increases labor force participation and keeps workers from being left out. Paid leave increases labor force participation rates, not just for new mothers who are consistently more likely to work with higher earnings when paid maternity leave is available, but also for family caregivers of both genders.

In California, researchers found that comprehensive paid leave increased labor force participation among unpaid family caregivers by 8 percent in 2008, and 14 percent in 2011.

Although I have great admiration for employers like our witness, Rebecca Hamilton, who choose to provide paid leave for their employees without any state or federal support, such employers are the exception, not the rule. Less than one-fifth of our workers are offered paid family leave by their employers. And even in the current tight labor market, the vast majority of recent growth in employer-sponsored paid leave benefits

went to highly-paid workers, leaving most middle-class workers behind.

The current situation also disadvantages small businesses. Without a federal backstop for paid leave, small businesses are at a competitive disadvantage compared to bigger American competitors, who can spread the cost over a larger pool of employees, and especially compared to foreign competitors whose employees get state-funded benefits.

I am really proud of the fact that Massachusetts is one of the states that has chosen to guarantee paid leave to workers and employers. But for our national economy to be its strongest, we cannot depend on individual state efforts to address labor force participation. As our economy changes, workers will need portable benefits to allow them to move nimbly from one job to another. If all workers are expected to balance work and family, we need to offer them real wage replacement paid leave, so they can pay the bills. I am proud to be an original sponsor of the FAMILY Act, which does precisely that.

The FAMILY Act uses a well-tested mechanism to allow all workers to earn paid leave protection by making small, monthly contributions. By contrast, I am concerned about the proposals that would force new parents to choose between paid leave and Social Security benefits they need to protect their families, and to have a secure retirement. For example, using analysis from the Social Security Chief Actuary, the committee estimates that, under such proposals, a medium-earning new mom who took paid leave for the birth of two children would receive about \$11,000 in paid leave benefits, and then have her Social Security benefits cut by \$29,000.

American workers, employers, and the American economy need comprehensive, paid family and medical leave now.

I want to thank our witnesses for joining us here today. We look forward to working with our colleagues to advance workable solutions for American families.

[The statement of Chairman Neal follows:]

[Chairman Neal statement](#)

*Chairman Neal. With that, let me recognize the ranking member, Mr. Brady, for an opening statement.

*Mr. Brady. Thank you, Chairman Neal, for calling this important hearing today. And welcome to our Members of Congress here to testify.

We have a strong economy, thanks to the economic and regulatory reforms put forward by Republicans and President Trump, including a long-awaited tax reform. But as American families get off the sidelines and back to work, lawmakers have an opportunity to make it easier for them to balance the competing demands of work and family through an effective paid family leave policy. If we do it right, we can allow moms and dads to pursue their careers while building strong and thriving families.

Paid family leave is an issue that the President, Republicans, Democrats alike all agree is crucial. We have succeeded in providing greater opportunities for all Americans, and now we can provide greater support for their families as parents rejoin the workforce. Thousands of families welcome a new child into their home each day, whether by birth, by adoption, as with our family, or as foster parents. Other families take on the important work of taking care of an aging relative. Every family's situation is unique.

I know today our Democrat colleagues want to discuss one Democratic proposal, but Republicans have many proposals, some thoughtful ones on paid family leave. And we have a proven track record of supporting America's working families. Republicans support expanding access to paid family and medical leave, and we should embrace proven policies that give workers in the 21st century flexibility at their jobs, not a smaller paycheck for life.

In 2017 we doubled the child tax credit in the Tax Cuts and Jobs Act, and expanded it to millions more Americans. In 2018 alone, 39 million families benefitted from the credit, receiving an average of \$2,200 per family.

Republicans also created the first-ever national policy on paid family medical leave by creating the Family Medical Leave Tax Credit. This policy incentivizes more job creators to offer workers up to 12 weeks of paid family and medical leave. Last year we successfully fought and worked with our Democrat colleagues to extend that credit for an additional year.

For the first time, as part of the bipartisan SECURE Act, we were able to conclude in the final law a new baby savings provision. This will allow millions of parents to borrow and replenish from their savings plan to pay for expenses, including leave from work for new babies and adoptions.

And finally, it would be foolish for us not to recognize gains families have enjoyed in the Trump economy. Our jobs market is the envy of the world. Wages are growing, particularly for women and lower income. Businesses of all sizes are offering more generous benefit packages to attract and retain workers, including with programs like paid leave.

These accomplishments are important parts of the spectrum of solutions needed to support America's families and raising the next generation. I think the worst thing we could do as policymakers is reverse these historic economic gains workers are experiencing through massive tax hikes, especially on their paychecks.

And the leading -- that is our concern. The leading Democrat proposal for paid leave, the Family Act, is a huge tax hike that American workers who are living from paycheck to paycheck can't afford. Democrats, our colleagues, claim the Family Act will be fully paid for by just a .4 percent payroll tax increase, equivalent to just "the cost of a cup of coffee per week." But the nonpartisan Joint Committee on Taxation sees it another way, and proves that wrong. They estimate the true cost of the Family Act will require a substantial new payroll tax increase, anywhere between 2.7 and 3.1 percent.

I would like to submit this letter from the Joint Committee for the record.

*Chairman Neal. So ordered.

[The information follows:]

[Joint Committee on Taxation letter](#)

*Mr. Brady. So put it in perspective. This would cost an average worker making \$50,000 a year well over \$1,500 a year in new taxes. Put it this way: a family with two teachers would pay \$120,000 more in payroll taxes over their career, \$120,000, whether they use the program or not. That could buy an awful lot of diapers, groceries, and college costs.

Americans deserve a paid family leave plan that helps families and small businesses, not a one-size-fits-all Washington mandate, which is why Ways and Means Republicans are working with their colleagues on a plan that will increase access to paid leave, will build on what is already working, and will ensure families can choose what works for them.

We believe we need to evaluate the incentives we have in place today to encourage expansion of employer-provided paid leave, making permanent the paid Family Medical Leave Tax Credit. We should also continue to empower our job creators so they can tailor paid leave plans that fit their workers' needs, not Washington's.

We also know many small and mid-sized businesses simply can't afford to offer formal paid leave benefits. We should focus on them, increasing access to private insurance options, making it easier for small businesses to pool together to lower their costs.

We agree with Chairman Neal. Low-wage workers are also at a disadvantage, and the least likely to have access to paid leave through an employer, just as they are benefitting most from the surge in wages in the new economy. They may have to take on debt, or put off bills to cover lost wages after the birth of a baby. Federal efforts should focus on these low-income families, particularly families in at-risk communities, where paid leave can contribute to better health for new moms and their babies.

And Mr. Chairman, I will -- I am going a little over time here, and I apologize. I

need to raise one last issue.

As a minority we have few rights in the House. And later this week the full House will vote to repeal a previously-passed authorization for the use of military force.

Regrettably, Speaker Pelosi will use a procedure that blocks one of the few rights granted the minority, the motion to recommit. I think silencing the minority on one of the most crucial issues we in Congress can address, the process of going to war, is just wrong. And I want to respectfully and strongly raise my objections to that.

[The statement of Mr. Brady follows:]

[Ranking Member Brady statement](#)

*Mr. Brady. With that, I look forward to hearing from the witnesses. Thank you for calling this hearing, Mr. Chairman.

*Chairman Neal. Thank you, Mr. Brady. And without objection, all members' opening statements will be made a part of the record. Let me now introduce our witnesses. We have two distinguished panels of witnesses here today. We will begin with our member panel, and then move to our panel of outside experts and industry representatives.

On the first panel I have the honor of welcoming three of our esteemed colleagues. First, we will hear from Representative Rosa DeLauro from the 3rd district of Connecticut. Representative DeLauro has been a longtime champion for working families throughout her career.

Next, we will have Representative Ann Wagner from the 2nd district in Missouri. Representative Wagner serves as vice ranking member of the House Financial Services Committee and the House Foreign Affairs Committee.

Finally, we will hear from Representative Elise Stefanik, representing the 21st district of New York. She serves on the House Armed Services Committee, the Committee on Education and Labor, and the Permanent Select Committee on Intelligence.

With that, Ms. DeLauro, you are recognized.

STATEMENT OF HON. ROSA DELAURO, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF CONNECTICUT

*Ms. DeLauro. Thank you very much, Mr. Chairman. I appreciate being here today. And to Ranking Member Brady, thank you, as well, for welcoming me here today, as well as I want to recognize the chair of the Worker and Family Support Subcommittee, Congressman Danny Davis. I appreciate all of you and all of the members.

To start I also would like to take a moment to honor the late Congressman Pete Stark. He was a longtime leader of the Ways and Means Subcommittee on Health. Before I introduced the FAMILY Act, I worked with Pete on it. His staff and mine worked on this for years ahead of introduction. I relied on his expertise on paid leave. And without him I doubt we would have been able to fashion the bill that we have today.

But now, paid leave is finally at the center of our public discourse. The issue and the environment have collided. The Ways and Means Committee has hosted one full committee hearing on paid leave, one subcommittee hearing, and now this one. Chairmen Neal and Davis have taken this issue to the forefront of the agenda for Ways and Means. And we are closer than ever to making this a reality for families.

And none of this would be possible without the coalition led by the National Partnership for Women and Families. They have fought tooth and nail to bring this issue to the forefront, building on their legacy of securing the Family and Medical Leave Act, the most consequential social policy enacted into law in the last 30 years.

The biggest economic challenge of our time is that people's pay is not keeping up with skyrocketing costs. Few can afford to lose several weeks' worth of wages, whether for an ill loved one, or the birth of a child. It pushes them over the edge. Yet few have the support they need in the form of paid leave. In fact, fewer than 40 percent of working

people have access to paid leave for a serious personal illness. Only 19 percent have access to paid leave to care for a family member. And while more and more states as well as private businesses are implementing paid leave, it should not depend on your zip code. Paid leave is an economic necessity, critical for economic security.

This is an issue that is very personal to me. In 1986 I was diagnosed with ovarian cancer. I was working for the then-Senator Christopher Dodd. I went to him on a Thursday and told him I would be hospitalized on Sunday and also said to him I didn't know whether or not I was ever coming back.

And what did the Senator say to me? He said, "Rosa, go and get well, no matter how long it takes. You are still my chief of staff. You do not have to worry about your paycheck." I was a staff member, three kids in school, and we were concerned about how we were going to be able to make it. And with the support of my family and my friends and, yes, my employer, by the grace of God and biomedical research, I recovered and I have been cancer free for over 30 years.

Two years ago --

[Applause.]

*Ms. DeLauro. Thank you. Two years ago, my mother was dying, a hundred and three years old. Boy, was she a feisty person.

[Laughter.]

*Ms. DeLauro. I got to be by her side. She was also on the city council for 35 years in the City of New Haven. But I got to be by her side for six weeks, every day and every night. I could do so -- no one told me, as a Member of Congress, that your job isn't there, that you are not going to get a paycheck. It was a blessing, a blessing that cannot be there just for staffers or for Members of Congress. The United States needs a national paid family leave policy, and we need it now.

So after three years of careful deliberation and coalition building, I introduced the Family Act with Senator Kirsten Gillibrand in 2013.

The Family Act sets out a gold standard for paid leave for working people, provides up to 12 weeks of partial wages to take time away to address a serious personal or family health issue, to care for our newborn or newly adopted child, or for circumstances arising from a loved one's military deployment or serious injury. It is self-funded through payroll contributions from employers and employees of just two tenths of one percent, \$.02 per \$10 in wages.

It has a record 203 cosponsors in the House, 34 in the Senate. It is bipartisan. So were similar proposals in the states. So far, nine states, including the District of Columbia, have passed paid leave programs. They go even further in terms of leave duration, family members covered, wage replacement offered, or employment protections.

We can learn from those innovations, and we can learn from the businesses who support paid leave: Main Street Alliance; American Sustainable Business Council. Close to 100 businesses or business leaders support the Family Act.

I am so glad to see my colleagues on the other side of the aisle supporting paid leave in such form, because the issue is non-partisan. It is important proposals, however, do not harm people in the process. Many of the proposals, as currently written, will force workers to put their retirement in jeopardy by taking from Social Security, or putting families with young children at risk when they need that help the most.

Income support only for new parents is not enough. Seventy-five percent of workers who take FMLA currently do so to address the serious health condition of their own or a loved one.

Let us provide the paid leave that families and workers need and they deserve. Celebrating middle-class families is not enough. We need to elevate them, and we can do

that with the Family Act.

I apologize for going over time, and thank you very much for allowing me to be here this morning.

[The statement of Ms. DeLauro follows:]

[Statement of Representative DeLauro](#)

*Chairman Neal. Thank you, Ms. DeLauro. And you should know that reference that you made to Chris Dodd, I have had three cases in my offices over my time here, and I handled it exactly the way Chris Dodd handled it.

With that, let me recognize the gentlelady from Missouri, Ms. Wagner.

STATEMENT OF HON. ANN WAGNER, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MISSOURI

*Ms. Wagner. Thank you. Good morning and thank you, Chairman Neal and Ranking Member Brady, for hosting this hearing. And I appreciate your commitment to finding solutions for American families, along with the dedication and leadership of my colleagues, Representative DeLauro and Representative Stefanik. I am encouraged to see both Republicans and Democrats coming to the table with rolled-up sleeves.

As a mother, a grandmother, and an employer of young parents, I know that having a baby is both a time of great joy and often anxiety. Along with rent and groceries, parents are now paying for medical bills, diapers, car seats, and countless baby supplies. With sleepless nights, the hospital recovery, and figuring out how to feed and bathe a baby, the last thing a new parent should have to worry about is whether one is going to lose a job or miss a paycheck.

Evidence demonstrates that maternity leave reduces infant mortality and improves mothers' health, lowering the risk of depression and birth complications. Paternity leave improves a father's connection to his child.

I wrote the New Parents Act two years ago, in consultation with Senator Marco Rubio, to start building consensus on a budget-neutral parental leave program that can become law. My legislation essentially allows parents to take an advance from their future earnings to finance up to three months of parental leave, and the specifics are in my written testimony.

I am encouraged, as Senators Cassidy, and Sinema, and Representatives Allred, Cunningham, Stefanik, and Herrera Beutler have recently adopted the general model and introduced a similar plan that would give parents a financial option when they welcome a

new child into their lives.

I am also encouraged that, thanks to the strong economy, more and more companies are providing new benefits to employees and their families. In fact, according to a 2018 Bureau of Labor Statistics data, the vast majority of Americans do have access to parental leave of some type, only it is often unpaid.

In small, private industry establishments -- and this is -- these are important figures. In small industry establishments with up to 50 workers, 80 percent of workers have access to unpaid leave. At establishments with 50 to 99 workers, that number jumps to 88 percent. And in establishments with 100 to 500 workers, they offer unpaid leave to 95 percent of workers. To be clear, some of these employers also have paid leave options, with only 25 percent, though, of civilian workforce receiving paid leave.

But the problem we face is that many new moms and dads have the ability to take time off unpaid, but are unable to take advantage of it because they can't afford it. Almost half of American families live paycheck to paycheck, making it difficult to take unpaid leave. And 17 percent of families without paid parental leave end up turning to public assistance when they have to take time off from work after having a child. This number jumps to 48 percent among parents making less than \$30,000.

We need to help these families make ends meet when they bring life into the world. And, depending on how Congress crafts a program, offering families financial options during this time can extend the time parents spend with their children, save taxpayer money, and empower parents to eventually return to work.

If we are serious about expanding parental leave options, we must pursue flexible and targeted solutions that will fill in gaps for Americans who need help the most. There are many options beyond a one-size-fits-all entitlement program that layers over states, and burdens companies that already offer paid leave. There are tailored options that do not

disproportionately burden low-income families in order to benefit families with more opportunity, more savings, and financial security, or those already receiving paid leave.

Progressive, voluntary benefit options like the New Parents Act and the Advancing Support for Women -- for Working Families Act offer parents choice, freedom, and flexibility without imposing small business mandates or raising taxes on low-income Americans and workers who choose not to or cannot have children.

I appreciate the diversity of viewpoints in this room, and I look forward to working with committee members on both sides of the aisle to further develop ideas that would expand access to paid leave, and help moms and dads during one of life's most precious and exceptional moments. And I thank you.

[The statement of Ms. Wagner follows:]

[Statement of Representative Wagner](#)

*Chairman Neal. I thank the gentlelady.

Let me recognize the gentlelady from New York, Ms. Stefanik, to proceed.

STATEMENT OF HON. ELISE STEFANIK, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW YORK

*Ms. Stefanik. Thank you, Chairman Neal, Ranking Member Brady, and members of the Ways and Means Committee, for the opportunity today to testify with my colleagues.

It is encouraging to see strong bipartisan interest in this important issue, and multiple ideas on how Congress can help hardworking families access paid leave.

Our workforce in America has been transformed in the 21st century. As women now hold the majority of jobs in this country, more jobs are conducted remotely, and younger workers increasingly value flexibility in their work arrangements. Developing solutions to help new parents and working families thrive in this modern workforce is necessary for the continued economic success of our nation, and the well-being of the next generation of Americans.

Parental bonding is critical to a newborn's health and early development, yet many new parents cannot afford significant time off without income. In 2016, roughly 37 percent of Americans had to take on debt to cover parental leave. Still, 41 percent were forced to cut their leave time short due to these financial constraints. Our hardworking families deserve better.

Last year I was proud to introduce H.R. 5296, the Advancing Support for Working Families Act, with Congressman Allred, Senator Cassidy, Senator Sinema, and a bipartisan group of colleagues from both chambers. Our bill delivers the first bipartisan and bicameral plan to help hardworking families now by funding paid parental leave, infant care, or other critical first-year expenses, and does it without raising taxes or creating new federal mandates.

Under this proposal, new parents would have the option of advancing up to \$5,000

from their future child tax credits immediately upon the birth or adoption of a child, and then would receive an adjusted credit for the next 10 years. Parents can currently claim an annual child tax credit of up to \$2,000 for each child under the age of 17. So new parents who utilize the whole \$5,000 advance would receive an adjusted child tax credit of up to \$1,500 annually for the following 10 years.

Importantly, parents who are not eligible for the full refundable portion of the child tax credit under current law would still have the option to bring forward an amount equal to 12 weeks of full wage replacement. To limit any potential burden for these families, their offset would be spread over a longer 15-year window.

Why does this bipartisan effort work for American families?

First, our solution does not create a new federal program, and it does not raise taxes on workers. It simply improves the popular and successful child tax credit to better match the individual needs of new families. Child-related expenses can be particularly high during a child's first year, so families should be free to utilize the child tax credit when they need it the most. Giving new parents control over the timing of this critical benefit makes it more responsive to the realities facing hardworking Americans.

Second, this solution is fully compatible and complementary to state and local paid leave laws that exist in a patchwork across the country, including in my home state of New York. It does not reduce the amount of paid leave New York workers receive, but gives families the option for additional cash to cover expenses like childcare or medical bills. Additionally, it provides a paid leave option to newer workers and the self-employed who may fall outside of the coverage under state laws.

Third, our solution enhances the positive trend of private-sector employers providing greater benefits to their workers, including paid family leave. The strong economy has elevated workers and put the onus on companies to do more to attract and

retain skilled workers. And paid leave has improved retention, productivity, and morale.

A family's choice to advance some of their child tax credit is their own, and it does not reduce the strong incentive on the private sector to do more for their workers and provide benefits like paid family leave. Nor does it abdicate the responsibility from the many employers who already offer paid leave to their employees. As Congress considers the various legislation on this issue, I would urge my colleagues not to pit proposals against each other, but instead weigh each innovative proposal individually on its merits.

With our bill, I believe the question to ask yourself is simple: Are there families in your district who would be better off if they had the option to advance support in that critical first year of parenthood? I know that, for families across New York's 21st district, my answer is a clear yes.

With that, I yield back.

[The statement of Ms. Stefanik follows:]

[Statement of Representative Stefanik](#)

*Chairman Neal. I thank the gentlelady.

Without objection, I would also like to enter into the record a statement submitted by the lead sponsor of H.R. 5296, Representative Colin Allred of Texas.

[The statement of Mr. Allred follows:]

[Letter from Representative Colin Allred](#)

*Chairman Neal. He notes in his statement that, while H.R. 5296 would provide support to new families, it should not be considered the solution to the nation's need for a paid leave policy.

So I want to thank all of you for your testimony. If members of the committee have questions for our panelists, now is the time.

I recognize the ranking member, Mr. Brady.

*Mr. Brady. So I just want a brief comment. So Representative DeLauro, it comes as a shock to absolutely no one that your mom was feisty.

[Laughter.]

*Ms. DeLauro. She was an equal opportunity antagonist to every mayor in the City of New Haven.

[Laughter.]

*Mr. Brady. Well, I suspect that, if we looked into the families of Ms. Wagner and Ms. Stefanik, we would find the exact same gene in there.

*Ms. DeLauro. I am sure.

*Mr. Brady. I just want to -- that is right. So, for your wonderful moms, thank you all for being feisty about trying to find the right solutions for how we provide access to the paid medical leave for our workers.

*Ms. DeLauro. Thank you so much. Thank you.

*Mr. Brady. Thank you for that.

*Ms. DeLauro. If I could for one second, I would be remiss if I didn't say a thank-you to one of the members of this subcommittee who served in the Connecticut legislature, and was a forerunner of family and medical leave, and that is John Larson. He did so in the Connecticut state legislature, worked with Senator Dodd on the legislation. So I just wanted to mention one of your colleagues. Thank you. Thank you very, very much for

this opportunity.

*Chairman Neal. Thank you. Are there other questions for our panelists?

[No response.]

*Chairman Neal. Well, we want to thank you for your testimony today. And out of respect for your schedule, and consistent with past practices, we will not ask you to stay. I appreciate you taking the time to appear before us today, and I look forward to all of us continuing the conversation.

We will now move to our second panel. Let's give them a moment to take their seats.

[Pause.]

*Chairman Neal. First we have Ms. Joan Lunden, the former host of Good Morning America.

Next we will have Ms. Kemi Role, the director of Work Equity at the National Employment Law Project.

Ms. Sharon Terman is the director of Work and Family Program, and senior staff attorney of Legal Aid at Work in California.

Next we will welcome Ms. Rebecca Hamilton, who is the co-CEO of the W.S. Badger Company.

Next we have Ms. Vicki Shabo, a senior fellow for paid leave policy and strategy at the Better Life Lab.

And finally, we will hear from Ms. Hadley Heath Manning, the director of policy at the Independent Women's Forum.

Each of your statements will be made part of the record in their entirety. I would ask that you summarize your testimony in five minutes or less. And to help with that time, there is a timing light at your table. When you have one minute left, the light will switch

from green to yellow, and then finally proceed to red when the five minutes are up.

Ms. Lunden, you are recognized.

STATEMENT OF JOAN LUNDEN, JOAN LUNDEN PRODUCTIONS

*Ms. Lunden. Good morning, Chairman Neal, and Ranking Member Brady, and everyone on this committee, and I appreciate the opportunity to speak to you today on behalf of the Family and Medical Insurance Leave Act.

My name is Joan Lunden. I am a journalist. I am also a women and family and caregiving advocate. I am also a wife, and mother to seven children. And I was the caregiver to my late mother, who suffered from dementia, and to my late brother, who suffered from the many complications of type 2 diabetes. So I am also part of the sandwich generation, caring for children at the same time as caring for aging parents and ailing siblings, all while working full-time.

For me, the juggling act of being a working mom began in 1980, when I became host of Good Morning America, just 7 weeks after having my first child. But I was fortunate. I worked for a company, ABC TV, that not only gave me time off when each of my daughters was born, but when I returned to work I was privileged to be one of the first working women in the country to be allowed to bring my infant daughter to work with me. Those perks were unheard of at the time, but I then started getting boxes of mail from women all over the country saying, "We need help like that, but we don't have access to any kind of benefits."

Perhaps it was having the good fortune of being in that wonderful position that kind of lit the fire in me to embark on a path as a women and family advocate.

Of course, things have changed a lot since 1980. The Family and Medical Leave Act was passed, but that is unpaid leave, and doesn't really cover caregiving for everyone. Some states, as we have heard, have passed their own comprehensive paid leave policies, and more companies are now offering paid leave to employees. But, as I understand it,

fewer than half of American workers currently have access to that kind of employer-provided paid leave.

Statistics show us that 1 in 4 moms in this country return to work just 10 days after childbirth, even though all the research tells us that time off after giving birth results in improved health for babies and parents, both physically and mentally.

Our world is quite different today, I think, than the world that we all grew up in, where extended families lived close together and were there for each other in the time of need. Today's world is a mobile one. Families are dispersed. Young people often move far away from home to find work. And that leaves both older parents and young, growing families far apart when a crisis hits.

According to the Department of Health and Human Services, about half of Americans turning 65 today will develop some kind of a disability that is serious enough that they will require care. What that means is that the number of American workers who will need personal medical leave, either for themselves or for another family member, is only going to increase. We are in the middle of a caregiving crisis, and that is why I so strongly believe that any paid leave policy should address the full range of caregiving needs that families will face.

I think it is fair to say that all of us, at some point or another, will have to give or receive care. And let's face it, there is never a good time for a health crisis, whether it is emergency back surgery or tending to an aging parent or, in my case, having treatment for cancer. I will tell you that, when you hear those words, "You have cancer," you are paralyzed. You know your life is in the balance, and you have to attend to your medical attention, but you don't want to lose work.

I think people want to work. They want to pay their bills. But far too many are ending up in debt. They shouldn't lose their jobs, or their homes in many cases, simply

because they want to have a baby or to care for a family member in need. We need to support families, and we need to keep people engaged in our workforce. And paid family and medical leave will support families and employers because they won't have to lose workers when life happens.

In the end, not having to make that choice between income and caring for a loved one, I think, will make us all stronger, both at work and at home. And families everywhere are counting on all of you, Congress, to adopt this kind of comprehensive paid leave that will help all of us when we need it the most.

Thank you very much.

[The statement of Ms. Lunden follows:]

[Statement of Joan Lunden](#)

*Chairman Neal. Thank you, Ms. Lunden.

Let me recognize Ms. Role to proceed.

Put your microphone on, please.

STATEMENT OF KEMI ROLE, DIRECTOR OF WORK EQUITY, NATIONAL
EMPLOYMENT LAW PROJECT

*Ms. Role. Thank you. Good morning, Chairman Neal, Ranking Member Brady, and members of the committee. I am grateful for the opportunity to testify today, and for your attention to this critical issue.

I am Kemi Role, director of work equity at the National Employment Law Project, a nonprofit research, policy, and capacity-building organization that, for more than 50 years, has sought to ensure that America upholds the promise of opportunity and economic security for all of its workers, including those between jobs who require employment services. NELP has a long history of fighting for social insurance programs that are universal, equitable, and accessible.

I am here today to share with you why the FAMILY Act is such a critical investment for all workers, particularly those often left behind in the legislative process.

Let me say at the outset that paid family and medical leave is already a reality in the United States, but only for those people fortunate enough to be in a position to work for an employer who provides it. What I wish to spotlight today are the millions of workers who have been systemically excluded from accessing this benefit. This Congress has the opportunity to ensure that, for millions of workers and their families, caring for themselves and/or their families does not put them at risk for financial catastrophe.

There is broad agreement that the current reality of who gets paid leave and how they access it is not working, and that it exacerbates inequality. Through NELP's decades of engagement in policy and research, we know that we must center the needs of the most systemically oppressed workers, those traditionally left behind by theoretically universal programs if we are to truly have an expanded and equitable paid leave program.

So-called colorblind policy approaches have ignored a long arc of structural racism, occupational segregation, and harmful narratives about black and brown workers that curtail job opportunities and benefits for workers.

We also can't design a program without acknowledging the reality that the bulk of caregiving work in the country is done by women.

These structural issues contribute to the fact that women and people of color are also more likely to be concentrated in low-wage and low-quality jobs that offer fewer protections and workplace supports. We must ensure that paid leave addresses the context that families of color face, and doesn't exacerbate the economic, racial, and health inequities that already exist.

We can't ignore the reality that, in decades past, caregiving work was provided largely by unpaid or poorly paid full-time domestic labor, and that labor was provided overwhelmingly by black women who were expected to provide poorly compensated caregiving work outside of their own homes.

There has been relatively little attention paid to the particular work and family needs of women of color, even though women of color often hold dual roles as breadwinners and caregivers for their families, and are the majority of employed caregivers for other families. To ensure that we do not once again exclude home care and domestic workers from essential protections, we must create a paid family and medical leave program that covers all workers.

One of the best provisions of the FAMILY Act is its coverage of those working part-time, as well as contingent and self-employed workers and workers for employers of any size. Almost 25 million workers in the U.S., about 11 percent of the workforce, receive independent contract earnings. Generally speaking, worker protections and social insurance programs are struggling to keep up with the dramatic and sweeping changes that

are taking place in the way work is characterized and performed. As a result, millions of workers are operating without many of the basic protections that the rest of us take for granted, creating a downward spiral in job quality and threatening the integrity of the structural supports we rely on.

Another key aspect of the Family Act is its portability. People are shifting jobs faster than ever before. Low-income workers are especially likely to change jobs, due to the frequent churn that is common in low-wage industries, much of which is involuntarily foisted upon workers.

Given this reality, if we really want to provide effective paid leave for our workforce, we need to move away from a framework in which benefits are tied to a specific employer. If we maintain a system where credits are built up and then lost during every subsequent change in employment, then we are perpetuating and compounding the inequity inherent in our current system.

It is clear that a universal paid leave program is long overdue, which is why NELP supports this committee taking swift action to advance the FAMILY Act. We favor this bill over all other proposals because it is the only one that has several key components that will dramatically expand universal coverage and equity. Paid family leave will actually give workers real choices, rather than the illusion of choice that exists now. It could provide a step toward worker freedom, which makes for a more inclusive, better society.

Thank you so much for your time and attention today. I will be pleased to answer any questions you may have today or at a later date. NELP is very excited to work with you all in the partnership to fight to ensure that Congress passes the FAMILY Act.

[The statement of Ms. Role follows:]

[Statement of Kemi Role](#)

*Chairman Neal. Thank you, Ms. Role.

Ms. Terman, you are recognized to proceed, please.

STATEMENT OF SHARON TERMAN, DIRECTOR, WORK AND FAMILY
PROGRAM, LEGAL AID AT WORK

*Ms. Terman. Good morning and thank you, Chairman Neal, Ranking Member Brady, and members of the committee. My name is Sharon Terman, and I direct the Work and Family Program at Legal Aid at Work, a California-based organization that promotes the workplace rights and well-being of families with low incomes.

We were among the groups that helped pass California's first-in-the-nation paid family leave law in 2002. And with our partners in the California Work and Family Coalition, we have advocated to make the program more equitable and accessible to those who need it most.

I am pleased to appear before so many members from my home state, including those who have been longstanding champions of paid leave. I am honored to testify about California's successful paid family leave program, the lessons we have learned over 15 years, and the urgency of passing comprehensive paid leave for all Americans.

At Legal Aid at Work we hear directly from low-wage workers every day who are struggling to keep their jobs and income while caring for themselves or their loved ones. Most of our clients are women of color, and many are single parents who are sandwiched between caring for children and elderly relatives. For them, paid leave is a lifeline, allowing them to heal and tend to their families without risking the paycheck they need to keep a roof overhead and food on the table.

We know, from a large body of research and our clients' lived experiences, that California paid family leave has improved the health, well-being, and economic security of millions of families, especially families with low incomes. Paid leave allows people with serious illnesses to recover. It reduces hospital and nursing homes stays. It decreases

maternal depression, and leads to positive health outcomes for children. And it improves retention of new parents in the workforce, increasing their lifelong earnings and strengthening our economy.

We recently heard from Patty, a customer service representative and new mom who was overwhelmed with anxiety when her baby was born at less than one percentile birth weight, and could not breastfeed. Here is what Patty said: "I couldn't imagine not having the paid leave. I am not sure it would have been possible to deal with all of that, along with the stresses of my job. I imagine, if it weren't for paid leave, I would have had to quit. There is no way I would have been able to comfortably leave my underweight baby with anyone."

In addition to helping families, paid leave is also good for employers. Despite initial business opposition, the overwhelming majority of California employers have reported either positive or neutral effects on their business. For small employers, paid leave levels the playing field, allowing them to compete with bigger businesses. Business groups have not opposed, and some have supported recent expansions to pay leave, all of which have received bipartisan support.

While California's paid leave program has been tremendously successful, we also have learned important lessons that should inform national policy.

First, the benefit rate must be high enough so that low-wage workers can afford to take leave.

Second, paid leave must be job-protected, so that workers cannot be fired for taking leave.

Third, the definition of family must be inclusive to allow extended family and other close loved ones to provide care.

The experience of one of our callers shows why each of these elements is so

essential. Tamisha is a single mother whose daughter, Brooklyn, was diagnosed with a malignant brain tumor when she was five years old. Tamisha lived in the hospital with Brooklyn while she underwent chemotherapy and radiation. Because Tamisha did not qualify for job protection, she lost her job. Because she did not have high enough wage replacement, she lost her apartment. And because other close family members could not receive paid leave to help her, Tamisha had to bear the burden on her own.

Brooklyn is now stable, but Tamisha is still struggling to re-enter the workforce, and rents a room in her cousin's home. Her mom, who was retired, had to dip into her savings to support her. This is what Tamisha asked me to tell you: "How would you feel if your child or grandchild had cancer? A parent has to be in the hospital. They will not treat your child without an adult. So if it is a single-parent household, how will the mother be able to work, and pay bills, and keep the lights on, and also ensure that their child gets the treatment they need? It is a Catch-22. It needs to be changed."

Stories like Tamisha's have inspired California policymakers to improve our paid leave program. By listening to families and learning from our state, Congress has the opportunity to establish inclusive, equitable, paid leave from the start.

The FAMILY Act takes the right approach. Funded sustainably without raiding other essential programs like Social Security, it will create a federal baseline standard for paid leave, allowing everyone to provide or receive care, no matter where they live or work. It would provide comprehensive paid leave, covering both bonding for a new child, and caring for one's own or loved one's illness.

All of us at some point will need time to care for ourselves or someone we love. In just the past five years, I myself have needed paid leave to recover from breast cancer, bond with my daughter, and care for my mom in the final months and days of her life. These experiences are part of being human. They shouldn't cause financial ruin.

It is time for Congress to pass the FAMILY Act.

Thank you, and I look forward to answering your questions.

[The statement of Ms. Terman follows:]

[Statement of Sharon Terman](#)

*Chairman Neal. Thank you, Ms. Terman.

Ms. Hamilton is recognized to proceed, please.

STATEMENT OF REBECCA HAMILTON, CO-CEO, W.S. BADGER COMPANY

*Ms. Hamilton. Thank you. Chairman Neal, Ranking Member Brady, and members of the committee, thank you for this opportunity to share my story.

My name is Rebecca Hamilton, and I am the co-CEO of the W.S. Badger Company. We are a small, family-owned and -run, mission-driven company based in rural New Hampshire. Today, with 100 employees, we manufacture a wide range of organic personal care products that are sold globally. We actively strive to create a family-friendly workplace, where all of our employees are treated as valuable members of our community.

We provide a living starting wage of \$15 an hour, and our benefits include 5 weeks of paid family and medical leave, beyond the mandatory FMLA; 2 weeks of paid family caregiver leave; long and short-term disability; 23 paid vacation days; 14 paid holidays; 40 hours of paid health leave; an annual wellness fund of \$1,000 to cover expenses not covered by medical benefits; flexible work schedules; a babies at work program; subsidized child care that is near-onsite; and a free organic lunch that is served daily during a paid half-hour break.

We offer these benefits, not only because it aligns with our mission as a family-friendly workplace, but also because it makes good business sense. Badger has been in business for 25 years, and offering generous benefits such as paid leave has resulted in a near zero rate of turnover, and very low rates of absenteeism.

Federal paid leave would be a game changer for many working families, and it would level the playing field for the millions of small businesses nationwide that are struggling to attract and retain engaged, skilled workers. The most effective paid leave policy for small businesses is a social insurance program where small businesses have low, predictable contributions, rather than having to cover the cost of paid leave themselves.

We are well aware that not every employer can afford to offer the level of benefits that we do, and that not every employee is fortunate enough to work for a business that can provide paid time off to care for a family member or a loved one. However, no one should have to choose between earning a paycheck and caring for a sick child, a loved one, an ailing parent, or taking care of their own health.

I want to share a story of a Badger employee, Emily Hall Warren. She is the mother of three young boys, taking paid leave care for her husband diagnosed with cancer. Emily has worked at Badger for over eight years, and is a valuable member of our team. Her husband, Bill, is self-employed, and her salary and health benefits are critical for their family.

In November of 2017, Emily Hall Warren's husband, Bill, was diagnosed with stage 4 metastasized thyroid cancer. As a mother of three active school-aged children, being able to take paid time off to care for her husband was an incredible benefit to both of them, both emotionally and financially.

Like most self-employed workers, Bill did not have disability insurance. Paid FMLA allowed her to take time off to be with Bill in the hospital, to attend follow-up appointments, to care for their children solo while Bill recovered. Without this benefit, either Bill's health, her children's care, or her job would have suffered. With the benefit, she was able to move more easily through a really trying time for her family. Everyone, from her family, to us, her employer, were able to benefit from this outcome.

At Badger we recognize how important comprehensive paid family and medical leave is to workers, and how an inclusive paid leave policy is necessary to support and retain valued employees like Emily, and like others. We didn't want her to have to choose between the health of her family and our commitment to our business. Giving her the space to care for her family meant that she didn't have to make that choice.

We have prioritized this benefit for our employees, and we have seen the return on investment, both through cost savings and a healthier, happier, and more productive workforce.

We proudly support paid FMLA, and we believe in the need for a strong and comprehensive national paid leave policy that covers all working people.

Thank you for listening, and for providing this forum for discussion on such a critical nationwide issue.

[The statement of Ms. Hamilton follows:]

[Statement of Rebecca Hamilton](#)

*Chairman Neal. Thank you, Ms. Hamilton. And you should know
Congresswoman Kuster promote your products.

[Laughter.]

*Ms. Hamilton. Thank you.

*Chairman Neal. Ms. Shabo is recognized.

STATEMENT OF VICKI SHABO, SENIOR FELLOW FOR PAID LEAVE POLICY
AND STRATEGY, NEW AMERICA

*Ms. Shabo. Thank you, Chairman Neal, good morning. Chairman, Ranking Member Brady, and members of the committee, my name is Vicki Shabo, and I am a senior fellow for paid leave policy and strategy at New America's Better Life Lab.

The testimony we have heard today illustrates people's need for paid leave across their life spans. And it reminds us that paid leave is a health care issue, as well as an economic security and a labor force imperative.

Today just 19 percent of workers have paid family leave through their jobs. Only 40 percent are covered by short-term disability insurance products offered by their employer. One hundred and thirteen million people are left behind. Paid leave programs are in place, or will soon be in place in 8 states and D.C., but that leaves 42 states, people, residents behind.

Access to paid leave shouldn't depend on where you live, where you work, or your job. And listening to the other speakers here today, Republican and Democrat, left and right, I think it is safe to say that we are unified in our pursuit of a national solution. But how we get there, whether we address only some families' care needs, rather than recognizing the sanctity of all families, whether we consign some workers and businesses to uncertainty by excluding them, or bring everyone in, whether we finance a plan by forcing people to make tradeoffs between their current needs and their future financial security, rather than creating a sustainably funded, inclusive program are questions that you must resolve.

I have a strong view on the right approach, based on a decade of helping lawmakers, advocates, and businesses shape policies that now provide security and

certainty to tens of millions of people and their loved ones.

I believe the bipartisan Family Act is the right approach, if we are serious about achieving higher labor force participation, higher earnings for women and their families, and a culture that makes it more possible for men to be caregivers.

The FAMILY Act is the right approach if we are serious about reducing health care costs, improving health outcomes, stimulating business productivity, and strengthening the economy.

The FAMILY Act is the right approach if we are seeking to close gaps in gender, racial, and economic inequalities, as well as gaps among urban, suburban, and rural America, in terms of access to care and economic opportunity.

But we won't close these gaps or achieve these outcomes with more of the status quo, where access to paid leave depends on employers.

The 2017 tax credit did nothing to create greater equality and access to benefits. And in fact, disparities have grown. We won't close these gaps by leaving unaddressed the needs of 75 percent of FMLA takers who are caring not for a new child, but dealing with their own serious health issue or caring for a loved one. We won't close these gaps by forcing new parents to take substantial and unconscionable Social Security benefit cuts in exchange for paid leave -- will only exacerbate disparities, because women, low-income people, and people of color are both less likely to have paid leave now, and most likely to rely on Social Security benefits in retirement.

The child tax credit, new baby loan similarly assumes that the only source of revenue available is workers' own future financial security. And it forces immediate tradeoffs at a time when child care costs are highest.

The bipartisan Family Act covers all workers for all FMLA reasons, with 12 weeks of paid leave that is responsibly and sustainably funded. It would make paid leave

available to workers across the country and wage spectrum, while still providing states and employers with flexibility to provide more generous benefits.

Creating a national plan that is inclusive of all FMLA reasons is consistent with every state program. In fact, the Business Roundtable recently released a letter asking Congress to act on comprehensive national paid leave.

Moreover, valuing all types of care will help to bring people together across generations, fuel a sense of empathy, diminish a risk of resentment, and ensure everyone's stake in contributing to this earned benefit.

As drafted, the FAMILY Act would have dramatic effects on families, reducing economic insecurity by a whopping 81 percent, nationwide, when a main breadwinner needs 12 weeks of family or medical leave.

But there is room for improvement. When the FAMILY Act was first introduced in 2013, it was more generous than either of the two then-existing paid leave programs. Now it is comparatively modest, compared to all nine. Program assessments, including those that skeptics cite to argue against the FAMILY Act, actually make explicit suggestions about eligibility, wage replacement rules, and employment protections to better serve low-wage workers.

There are a few key adjustments I would recommend as you mark up this bill.

With respect to family caregiving and low-wage workers, there are a few key adjustments I would recommend as you mark up this bill.

First, with respect to family caregiving, the FAMILY Act currently embraces the FMLA's definition and adds domestic partners. But to provide maximum flexibility to families, as we all agree that they need, and as every state has done, the committee should consider making the definition of family in the bill more inclusive. This would disproportionately help black and Latinx families, LGBTQ people, and people with

disabilities and their caregivers.

Second, with respect to wage replacement, the Family Act's current two-thirds wage replacement is the minimum that researchers believe is required to serve all workers, but their gold star recommendation is 80 percent. Most states have adopted progressive wage replacement so that low-income workers have a higher share of their wages replaced.

And finally, anti-retaliation protections are quite important. Most states have embraced stronger language than the FAMILY Act, including full job protection.

There are other tweaks to consider in my testimony, including to eligibility rules. But I want to leave you with this. Investing in paid leave is an investment in a brighter future. The Family Act would greatly improve the quality of life for America's families, create certainty for everyone, and boost labor force participation in the country's economy.

I look forward to answering your questions and to helping you and your staff as you craft legislation.

[The statement of Ms. Shabo follows:]

[Statement of Vicki Shabo](#)

[Vicki Shabo appendix](#)

*Chairman Neal. Thank you, Ms. Shabo.

Ms. Manning is recognized. Please proceed.

STATEMENT OF HADLEY HEATH MANNING, DIRECTOR OF POLICY,
INDEPENDENT WOMEN'S FORUM

*Ms. Manning. Thank you, Chairman Neal, and Ranking Member Brady, and members of the committee for including me in this important discussion today. My name is Hadley Heath Manning, and I am the policy director for Independent Women's Forum. I am also the mother of two young children, and I have taken two paid maternity leaves myself in the last four years, so I can appreciate personally the importance of this issue.

In my role at IWF I also manage a group of female employees, and I have two direct reports who will be giving birth at the same time this spring, so I understand how this issue impacts employers, as well.

That said, I want to agree with all my fellow panelists that expanding access to paid family and medical leave is a noble goal. The real issue that we are here to discuss today is how: How do we expand access to this benefit without creating new burdens and new distortions?

My fellow panelists have been very positive on the FAMILY Act, proposed legislation that would impose a new payroll tax on all workers to fund benefits for those who qualify. I want to offer a different, more critical perspective on this approach, and I hope redirect the conversation toward better solutions.

Lawmakers and the American people should be aware that the FAMILY Act comes with serious policy tradeoffs, risks, and downsides. Namely, such a program will exacerbate inequality, backfire on workers, and reduce overall economic opportunity.

First, let's talk about inequality. Government-paid family and medical leave programs like the FAMILY Act have been shown in other places to distribute money from low-income workers to upper-income people. Studies from California, New Jersey,

Canada, Sweden, Iceland, Belgium, and Norway all demonstrate this effect. As scholars concluded in Norway, these programs constitute a "pure leisure transfer to middle and income (sic) families at the expense of some of the least well-off in society." This is regressive, not progressive.

Given that the problem of a lack of paid family medical leave is most pronounced among low-income people, lawmakers should not establish a program that disadvantages this group further. I know that the intention of the FAMILY Act is to help and not hurt low-income people, but we must judge policy by results and not intentions.

Furthermore, the FAMILY Act would unfairly burden families with stay-at-home parents and caregivers, as well as childless families, who have less need of caregiving and parental leave benefits.

Secondly, the FAMILY Act would backfire on workers, particularly women, by reducing the incentive for employers to offer customized paid leave packages, and increasing the incentive for workplace discrimination. The FAMILY Act prescribes a one-size-fits-all, taxpayer-funded paid leave benefit. Employers will focus on compliance with this government-mandated benefit, rather than offering individualized and customized paid leave benefits that respond more directly to workers' needs.

And the FAMILY Act will encourage discrimination, particularly against women. The availability of government-provided paid-leave benefits will increase perceptions among employers that women will take longer and more frequent leaves from work, and this will widen the gender wage gap. In fact, Pew Research has documented the strong positive correlation between more generous paid family leave programs and wider gender pay gaps, pointing to data from 16 OECD countries.

Thirdly and finally, the FAMILY Act will burden workers with a new tax, and reduce overall economic opportunity. The funding mechanism for the FAMILY Act is a

new payroll tax, a regressive tax, which, regardless of how it is split between employers and employees, will ultimately be borne by workers. The Congressional Budget Office recognizes, as do most economists, that employees ultimately pay the cost of payroll taxes levied on employers in the form of reduced wages.

And the funding mechanism for the FAMILY Act is not its only economic cost. Businesses face a real burden when employees are not present at their jobs. While we want workers to have the option to take leave when they have a family or medical emergency, we also have to recognize that the flip side for employers is greater absenteeism, and greater labor force uncertainty. These costs on employers will ultimately suppress job creation, wage growth, and economic opportunity for everyone.

Given these risks and downsides associated with the FAMILY Act, lawmakers should consider other approaches to expanding paid family and medical leave. Rather than instituting a universal one-size-fits-all policy, lawmakers should focus any government intervention on helping those who need support most, while otherwise allowing businesses and employees to continue to find their own personalized solutions that work best for them.

IWF has been proud to advance innovative policy solutions that are voluntary, that are flexible, and that don't increase the tax burden on America's working families. These should be the principles that we work toward in developing and advancing policies for paid family and medical leave. Thank you.

[The statement of Ms. Manning follows:]

[Statement of Hadley Heath Manning](#)

*Chairman Neal. Thank you, Ms. Manning. We will now proceed to questioning under the five-minute rule.

Consistent with committee practice, I will recognize those members present at the time that the gavel came down. Let me begin by recognizing myself.

Ms. Lunden, thank you for being here today. You testified that ABC was willing to give you paid leave and other support you needed to balance your work and your family, and that helped you advance your career. But you also point out that you have heard often from viewers whose experiences were very different. Could you tell us more about some of those stories?

*Ms. Lunden. You know, back then there wasn't Facebook or email, so it was boxes and boxes and boxes that just kept coming in from women all across the country that said, you know, this is a step in the right direction, and it is something that is visible, so that employers see it. But we all need help, and what are we supposed to do?

And here we are, I think that is 40 years later, and we are really still asking that question. What are they all supposed to do?

And these days I hear from people literally day in and day out -- just the other day I heard from a couple and she got late-stage cancer. She had to quit her job. But the husband was the only one around to take care of her. He lost his job because he spent so much time with her. And now they are losing their home, and they are in what is called medical bankruptcy.

I hear these stories all the time, whether it is, you know, a young mother trying to have a child, or -- really, more often today I hear about it, whether it is a daughter or granddaughter, or whoever, taking care of an older parent who is aging, and they are the only ones around. And often they don't even tell their employer what they are taking on -- that they are staying up all night, you know, with a sick parent, and then coming into work

during the day. That employer thinks they are just not focused, or they don't care enough. But they are afraid to even say anything because they are afraid they will be passed over for a promotion, for a raise.

I mean we are in a terrible situation. The only thing I really worry about is that, if we kind of kick the can down the road, these people that we are really talking about, not people who work for big companies with great paid leave programs, or in states that have a comprehensive program, but these people that we are talking about, they are the ones that are going to absolutely depend on that Social Security when they get there.

I hear all the time that what they are doing quite often -- Boomers, like me -- are taking out of their own retirement savings in order to care for parents who are in their nineties that never expected to live that long, and didn't provide for themselves. So that is, I think, just exacerbating the problem, which is why we have got to somehow help the families now, when they need it.

*Chairman Neal. Thank you. Ms. Shabo, I have been very interested in labor participation rates, as this committee will testify, and the best way to increase labor force participation, which is lagging. And it is an under-reported part of America's economic ecology. Would you discuss what happened to labor force participation in states that have enacted comprehensive paid leave?

*Ms. Shabo. Yes. Thank you for the question. Labor force participation is really, really important. We want people to be working. We want to especially make it possible for women to contribute as fully as they can to the economy. We want to create opportunities for men to provide care, so that women can be part of the labor force and maximize their value in that way.

In states like California, where people have now had access to paid leave for more than 15 years, there are numerous studies that show that when women have access to paid

leave, they are more likely to return to work, they are more likely to have higher wages in the year after a child's birth. The most recent study shows that maternal detachment from the labor force decreased by 20 to 50 percent after California's paid leave program went into place.

And we know that, by making some enhancements to wage replacement rate and job protection, we can even improve labor force participation rates more, and create more equitable leave-taking across the spectrum.

The other thing that is really important about this is we know, from international studies, that when men take leave to care for a new child, women have earnings that are seven percent higher. And so, creating equitable leave-taking, gender-equal leave-taking, leave-taking also with respect to caregiving, where, similarly in California, women are more likely to be working after, as your opening statement said, labor force participation and paid leave are highly correlated.

*Chairman Neal. Thank you. Ms. Hamilton, nationally we see that a lot of higher-paid professional workers, although not enough of them, are offered paid family leave by their employers. But lower-paid workers, including service workers and factory workers, are not. At W.S. Badger you provide paid leave to all your employees, from top to bottom. How does that affect your bottom line? And would it be easier for you to offer your workers paid leave, if you and your family workers could pay into a fund like one created by the FAMILY Act, and then draw benefits as needed?

*Ms. Hamilton. We have made a decision that we are going to offer paid family leave across the board, because we recognize the long-term benefit. As a family owned and operated business, we are not just looking at quarterly profits as the only indicator of success. We are looking at having a business that is going to be around for multiple generations. And our employees have an average stay at Badger of seven years. Many of

them are over 10 years. And so, when we are looking at offering leave, that short amount of time that we are offering to support each of our employees ends up building a relationship that is much longer and, in the end, helps us be more successful as a business.

*Chairman Neal. Thank you. With that, let me recognize the ranking member, Mr. Brady.

*Mr. Brady. Thank you, Mr. Chairman. Thank you again to all of our witnesses today. We have a common goal. And I think, if I look at the dais up here, Republicans and Democrats -- and back home, as a former Chamber of Commerce executive, I watched our local businesses work hard to accommodate the needs of their workers, whether it is for children or for aging parents. So we share that common goal.

And I think our focus, the big gaps in America, seem to be workers who are at small and medium-sized businesses seem to face the biggest challenges. And, as the chairman said, low-income workers. I think that is where our focus ought to be.

We do have a concern that a federal mandate that is accompanied by smaller paychecks can have unintended consequences. I thought of two teachers paying \$120,000 in higher taxes, smaller paychecks, over their career, or two Millennials with successful careers paying over \$200,000, whether they use the program or not -- is a concern for us. So we are looking for solutions that both keep people in the workforce, keep their paychecks growing.

I noticed on labor participation rate, that six of the states with mandated family leave -- their women have lower than the national average labor participation rate. California, New York, Washington, New Jersey, Rhode Island, Connecticut, their workers participate, women workers, less than the national average. And I notice a study published by the National Bureau of Economic Research, a recent one, concluded that California's paid family leave program -- good news is increased time with family. That -- woohoo,

that is what we want. But it also reduced female employment by seven percent, and lowered their annual wages by eight percent. That is what we don't want.

So, Ms. Manning, from your understanding of these programs, how do we do both, encourage female workers to participate in the workforce, but design a program where companies can tailor and customize it to their workers, where their paychecks grow and their opportunities grow, as well? What are your thoughts?

*Ms. Manning. You know, when it comes to labor force participation, of course, more is better. But we also ought to ask ourselves the question, why. Why are workers not participating in the workforce? And in some cases, for example, working moms with young children, sometimes it is an intentional choice that they choose, to take time out of the labor force.

And in fact, the study that you mentioned out of California, some critics of the study have said, well, this is because the first wave of women to take advantage of the new program in California were mostly upper-income women. And that goes back to the distributionary effects that I mentioned, that these programs disproportionately benefit upper-income women. And in those cases, maybe those families have the flexibility, to use a phrase riffing on Sheryl Sandberg, to lean out a little bit, and to trade some higher wages for more time with family. And if that is the preference of women workers, then that is something we ought to applaud.

Really, I believe the goal of policymakers should be to foster an economy and to foster a country where people can live in accordance with their own preferences. And if that is participating in the workforce and leaning in, and having a full-time job, then that should be available to workers.

The problem is when we institute policy like the Family Act, we are basing this on the presumption that every family looks the same, and that every worker has the same

value for the same benefits. Each of the policies that we heard discussed in the first panel will come with tradeoffs. The Family Act assumes that all workers are willing to accept the same tradeoff. The other policies that we are discussing put those tradeoffs in the hands of workers and families.

*Mr. Brady. So to your point, I think in the states with federally- or state-mandated programs, it is often individuals in the lowest income bracket that receive these benefits. So -- and as Republicans, we are looking at how do we look at the social safety net the federal government currently provides, and adjust them, redesign them so that we can incentivize employers who have those low-income workers to offer those benefits. In other words, really focus it on those groups. Any advice on what kind of design that would look like?

*Ms. Manning. Certainly, I think we should look for -- first, to reforming existing programs. The FAMILY Act would establish a new program with a new payroll tax, a new economic burden, whereas we have myriad programs at the federal level that are aimed at helping women, family, children's -- childcare, and development. We looked at those programs and tried to catch families at this crisis point, keeping them out of dependence on other forms of government assistance. That would be a better approach than creating a new program.

*Mr. Brady. Great, thank you. And again, I want to stress this is an issue I think Republicans and Democrats can work together on. Thank you.

*Chairman Neal. I thank the gentleman. With that let me recognize the gentleman from Texas, Mr. Doggett, to inquire.

*Mr. Doggett. Thank you, Mr. Chairman. I would like to share with my colleagues this morning some of the Texans who would benefit directly from approval of the Family Act.

When John and Linnie Scott from Cibola came by my Washington office last October with their newborn, John summed up what is at stake here today, I think very perfectly, in saying, "My work is my work, but my child is my heart." Without federal action to establish a comprehensive, paid Family and Medical Leave Act policy, Americans will face the impossible choice between choosing between their health or the health and well-being of a loved one, someone that they care about, and just being able to pay their bills.

In Texas, even unpaid leave under the existing Family Medical Leave Act is inaccessible for 62 percent of working Texans. Let me just restate the significance of that. A majority of people who work in Texas today cannot even access unpaid leave under the Family Medical Leave Act that we have.

A group that called themselves the Texas Dadvocates and their families came by to visit about this issue and share their stories about the need for Congress to act on paid leave.

[Video.]

*Mr. Doggett. Well, you don't have to wear Texas boots like Kenny -- Kevin to be in his shoes, and to know that time away from work because of a serious personal or family illness or a newborn is really important.

A national paid leave policy is not just healthy for the soul. I think it keeps Americans healthier and decreases health care costs, as we have heard from testimony this morning. No patient should face a diagnosis of bankruptcy of the type Ms. Lunden just referred to when they get a health diagnosis. But if the doctor's instruction is to take time off and take care of yourself, and there is no paid family medical leave, working families have a false choice.

The FAMILY Act that Representative DeLauro has worked on for so many years --

I am pleased to be an original cosponsor of it -- I believe will provide the compensation we need.

The New Parents Act, the Republican alternative from Ms. Wagner and Mr. Rubio, may be well-intentioned. But I have to say I think it could really be called punished leave, because it does punish working Americans for using paid leave by cutting Social Security and forcing parents to make an unfair choice between what they need right now and something they will very much need as they grow older. Under this plan, a middle-income parent making 55,000 taking leave for two children will cost them about -- almost \$30,000 in Social Security cuts in exchange for a little more than 10,000 in wage replacement. A big net loss.

Ms. Role, you described the disparities and -- that we already have with reference to race and gender. How would this Republican approach perpetuate these inequities?

*Ms. Role. Thank you so much for that question. Too much of the conversation about worker benefits like paid leave is about all of the choices that workers supposedly have, involving everything from taking paid leave to the kinds of jobs they hold. And we have to step back and recognize that we have been systemically limiting workers' choices.

If we ask workers today to raid the Social Security funds in order to raise -- to care for present family and medical needs, we are asking them to, essentially, risk their economic security during their golden years to make rent this month. We are forcing people into taking a loan. And so this is not really a choice for too many people when presented with immediate medical or caregiving needs.

And if workers dip into their Social Security and cannot retire at 65, that is a source of caregiving loss to the current working generation. Again, to complicate this even more, we have to remember that Social Security also provides a disability benefit.

So what happens to workers who are providing caregiving? They see their Social

Security benefits cut, and then become too disabled to work. Now they are -- their families suffer income loss twice. And so we have to be careful that immediate income loss is compounded in the future Social Security benefits, because now, instead of having no income quarters, there will be negative income quarters.

So, to the issue of poverty and old age, we must address the wealth gap in all benefits. But increasing Social Security, as many members of this committee have been fighting to do, is of paramount importance.

*Mr. Doggett. Thank you all.

*Chairman Neal. I thank the gentleman. With that let me recognize the gentleman from Florida, Mr. Buchanan.

*Mr. Buchanan. Thank you, Mr. Chairman. I want to thank all of our witnesses.

And Ms. Lunden, I want to thank you for your incredible career. Being a Baby Boomer, a lot of us here, we have watched you over the years. So thank you so much for, especially this effort, but all the other things you have done.

You mentioned -- you have made a point that it is 10 days, the average woman. Is that what you said, she has a baby and she is back to work in 10 days?

*Ms. Lunden. One in four women in the country come back to work just 10 days after childbirth. I just can't even imagine that. I mean, and especially if you have a cesarean, the idea that you are going to go back to work in 10 days because of absolute financial necessity, it is more than unheard of. It is -- no woman should be doing that.

And an employer -- I mean, then what do they think of that employee who is -- you know, they are going to think that they are unfocused, that they don't really care about their job. It is just really unfathomable that we have women going back to work that soon because they just can't afford not to.

*Mr. Buchanan. Yes, I -- let me -- that was pretty incredible, but I didn't know

what that time frame is.

But I just think back to -- you were talking about before, and, you know, I grew up one of six kids, the oldest of six. But -- in eight years. And my dad worked two jobs. My mom stayed at home. My dad worked in the factory. My mom went back to the factory after all the kids were in school. But that was kind of what happened in our neighborhood, our communities back then.

But everything has changed. Now there are more women in the workforce. So we all agree, I think on both sides of the aisle, this is something we can do, I think, on a bipartisan basis. We have got to find a way to come together to be able to deal with that.

The other thing I will just say now, my wife and I have been married 43 years. We have two sons. Now we have got six grandkids, five and under. And I -- we are in a better situation financially than, obviously, our parents were. But it is unbelievable with, you know, working with -- one has four and one has two -- at how they can go back to work. Both of them had successful careers, but it is difficult to do much work at all. So I just want to mention that I do think we have to find ways to pay for what we are going to do, what makes sense.

I would just tell you, from the employee standpoint, one more tax -- a lot of people, or 62 percent of Americans, live paycheck to paycheck. We can't put more taxes and burden them more. That is why I think the tax credit is something we have to clearly take a look at.

And then let me just say, from a small business standpoint, I chaired our local chamber, 2,600 businesses in there. Most of them, 90 percent, were 15 employees or less. The average benefit that gets paid out by an employer is somewhere between, let's say, of -- a salary of 50 you are paying, but you are paying another 20 to 40 percent in additional benefits, and matching taxes, and everything else. So this is one more tax that they would

have to pick up. And so I think it is something, clearly, that needs to be looked at.

So Ms. Manning, let me ask you, when you look at these different proposals today, or maybe thoughts that you have-- doesn't a tax credit make more sense than putting additional tax on employees and workers, as well as employers?

*Ms. Manning. Thank you for the question. I believe part of policymaking is problem solving. But to get the right sized solution, we have to examine the nature and scope of the problem, get the right sized problem.

In these debates there is a tendency for both sides to use statistics that support their point of view. And I want to comment on the one-in-four statistic that we constantly hear about the women returning to work within 10 days of giving birth. That is based on one study with a sample size of 93 women. So relatively small, compared to the general population. And so I don't know if it is the most credible statistic.

That said, I don't doubt that there is a subset of workers in our population who face a crisis when they have a new baby or a medical emergency and need --

*Mr. Buchanan. Well, one of the proposals was a tax credit. Does that make sense? Because I am -- ideally, want to see us build some common ground, and maybe that is -- like Reagan said, you can't -- if you can't get a whole loaf, work on a half a loaf. That is my mindset.

*Ms. Manning. Right.

*Mr. Buchanan. But is that something that makes some sense, in terms of a tax credit? That is something maybe we can move quickly down the road and get passed through the Senate --

*Ms. Manning. It is, in particular, when that tax credit, like the tax credit in the Tax Cuts and Jobs Act, is targeted towards workers with modest incomes. Because those are the workers most likely to fall in that category of those who face a difficult time.

*Mr. Buchanan. Thank you, and I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentleman from California, Mr. Thompson --

*Mr. Thompson. Thank you, Mr. Chairman.

*Chairman Neal. -- to inquire.

*Mr. Thompson. Thanks to all the witnesses for being here. You all did an outstanding job.

As we have discussed in this hearing today, and in last year's hearing on this issue, my state, California, was the first in the nation to implement a statewide paid leave program. And when we did, we began that process, right up until the time that we did it, opponents told us that it would be apocalyptic. Critics said we couldn't afford it, it would be too hard to implement, it would hurt our economy, it would cripple small business.

But now, 15 years later, those warnings have not proven accurate at all. Over 90 percent of employers say that the paid leave program has either a positive effect or no effect at all. And the numbers were even higher for small business owners.

California is the world's fifth largest economy, larger than the economies of the UK, India, and France. California is in an eight-year consecutive run on economic growth, and the state economy is expected to outpace the national average through 2020. Over the past 10 years, California's labor productivity has increased more, and increased faster than almost every other state in the nation.

The implementation of statewide paid leave did not cripple small businesses: 3.9 million small businesses today employ 7 million people, both of which have trended steadily upwards since 2010.

Nor did paid leave kill jobs. The California unemployment rate has gone down nearly every month since November of 2010.

So I want to thank all of you witnesses, and Ms. Terman or Ms. Shabo -- I don't know who would feel more comfortable in answering this question, but the -- has the sky fallen in California after we have done our family leave? To your knowledge, has the California economy collapsed under the weight of its paid leave program?

*Ms. Terman. Thank you for the question, Congressman, and thank you for your leadership. The sky has not fallen in California. As you point out, we have the fifth-largest economy in the world. And there were initial dire predictions by the business community that paid family leave would harm businesses, and the opposite has been proven to be true. The studies have proven overwhelming support among businesses that this policy has been beneficial to their businesses and to their bottom line.

And we see also that 70 percent of small businesses support a policy that is just like California's, modeled off the FAMILY Act, which has small contributions from employers and employees that would essentially allow for predictable and affordable, small, modest contributions, so that they can avoid having to pay larger sums when a crisis strikes.

*Mr. Thompson. Ms. Shabo, do you want to add anything to that?

*Ms. Shabo. The only thing I will add to it is to bring in a story from a woman named Sarah Piepenburg, who runs a vinegar store in Minneapolis. And she was here talking to Members of Congress about a year ago, when the bill was reintroduced in this Congress. She has written about it since.

She talked about how, as a small business owner, she had two employees, each of whom had very serious health issues. And she personally felt like she needed to provide them income replacement while they were out. That meant that she couldn't pay her own personal rent, she couldn't pay her business's mortgage. She looked into getting insurance on the private market, and realized it was incredibly expensive.

And the reason that she supports the FAMILY Act is that small, predictable

contributions into a fund means that her employees would be taken care of in those situations, and she would be able, if she needed to, to hire a replacement worker during that time. So she would both deal with her own labor force needs during the time when her employees were out, and they would have the income replacement that they need.

And to underscore Ms. Terman's point, 7 in 10 small business owners across the country, businesses with 100 or fewer employees, support the FAMILY Act's shared cost model for exactly that reason.

*Mr. Thompson. Thank you. And, Ms. Terman, you have devoted your career to helping low-income individuals. How has access to paid leave changed things for your clients?

*Ms. Terman. Paid leave has been vital for workers' own health, for their family's health and well-being, for their economic security, for their labor force participation. It makes the difference between being able to pay the bills and keep food on the table so that people don't have to make these impossible choices between their families and their economic security.

*Mr. Thompson. Thank you very much.

Ms. Hamilton, you said that you have employed your policies for more than economic reasons. It is the right thing to do. But what are the economics of your program? What went into consideration?

*Ms. Hamilton. Well, I think that, right now, the challenge, as other panelists have said, is that it is unpredictable. So, in any given year, we don't know what the economic impact is going to be. We have made a commitment to cover paid leave, but it depends on the employee, how long they need to go out, whether we need to cover the costs. And so, for us, having a predictable small amount that we are paying each year would make much more financial sense.

*Mr. Thompson. Thank you. Thank you all very much. I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentleman from Nebraska, Mr. Smith, to inquire.

*Mr. Smith of Nebraska. Thank you, Mr. Chairman, and thank you, certainly, to our panel here today. I think this is a timely discussion. Certainly, I think we are just hearing various ideas here. It is thoughtful.

And I do want to emphasize that the stakes are high. Ms. Manning pointed out some data. Others of you have, as well. So it is important that, when we take federal action, that it be done right.

Now, I hesitate to think that requiring -- I happen to represent the largest agricultural district in America, with more farmers and ranchers than any other district. Self-employed individuals, small business owners that can't logistically or feasibly step away from their operation and the operation continue. And yet, they would pay both sides of the payroll tax. So they would be paying considerably, and yet highly unlikely to access the benefit.

So the one-size-fits-all approach, I really hesitate -- well, actually, I think the one-size-fits-all approach, I think, is a deal-breaker. Instead, we want to focus on solutions where I think there is common agreement that we want to encourage employers to do this.

I think back of my childhood. After I went to school, my mother re-entered the workforce as a public school teacher. The school district at the time would have been considered generous on maternity leave, but two personal days. So if I had an activity during the school day, it was highly unlikely that my mother would be able to attend that without maybe even being docked in pay.

So, while the employer in that case was considered generous on maternity leave, that inflexibility, I think, did not bode well for workers -- in this case, professional

educators. And I think, in this modern economy, we need flexibility. We need customization, as has been mentioned.

Ms. Hamilton listed how her business operates, and how her employees -- how she engages in the workforce, virtually. And right now, we have workforce realities that exist where there is upward pressure on wages, and increasing pressure to do well by our employees. And across America, across the private sector or public sector, you name it, and flexibility and customization is key, especially in this modern economy.

I do want to reflect a little bit on some public opinion in terms of the payroll tax, and whether or not it should be used to shore up Social Security or provide a new benefit. And I would ask unanimous consent to submit this --

*Chairman Neal. So ordered.

*Mr. Smith of Nebraska. -- survey for the record.

[The information follows:]

[AARP insert for the record](#)

*Mr. Smith of Nebraska. Ms. Manning, do you think it is even realistic, when we talk about the funding mechanisms here, is it even realistic to think that the tax would remain at 0.4 percent? Or will there need to be an even greater amount to make all of this work in a one-size-fits-all approach?

*Ms. Manning. I don't think a 0.4 percent payroll tax is going to be nearly adequate to cover all of the costs and claims of a new program of the size and scope of the federally-proposed Family Act.

When we look to the experience of states, the states that have similar programs, the use rates of these programs, the percentage of people who are eligible for benefit to actually take the benefits, has been very, very low in every case. And maybe that is due to a lack of awareness or other program design flaws, but a federal program would much likely have much higher use rates. And I think, you know, advocates for such a program should hope for higher use rates, but that means there will be higher costs.

And I know that Ranking Member Brady submitted into the record a new estimate from the Joint Committee on Taxation that shows that the cost estimate, based on an independent analysis, would be closer to three percent of payroll. We ought to consider that the government's record in terms of projecting the costs of new social programs has generally been a poor record, where the costs have been underestimated, the benefits have been overestimated. And for those reasons I am skeptical that 0.4 percent is sufficient.

*Mr. Smith of Nebraska. Okay, thank you. I appreciate that reflection. And I think, as I mentioned before, the stakes are high, and there have been numerous intentions that the federal government do something good. And when they take action, it can actually achieve the opposite.

And I just so appreciate the various perspectives shared here today, and it is important that we continue to work on solutions. Thank you very much.

*Chairman Neal. I thank the gentleman. Let me recognize the gentleman from Connecticut --

*Mr. Larson. I thank the chairman --

*Chairman Neal. -- Mr. Larson.

*Mr. Larson. -- and I thank him for the hearing. I thank our panelists for your expert testimony and passionate feelings.

I want to commend Rosa DeLauro, who is the author of the FAMILY Act, who was here and every bit as feisty, as the chairman pointed out, as her mother was. And having known them both, and Senator Dodd, who introduced the Family and Medical Leave Act on a federal level, I want to commend them.

Our witnesses today have, I think, provided us with an opportunity. I think there is general consensus here with respect to the need and the concern. But where we differ is, when it comes to the reality of, well, then how do you pay for this.

Now, this is a common theme in Congress. As the chairman of the Social Security Subcommittee, everybody agrees with the importance of Social Security. They understand that, if we do nothing, it will be cut by 20 percent, that if we kick the can down the road and do nothing, that these cuts continue to take place.

There are those that would advocate privatization of Social Security.

And I note that a number of our colleagues and, of course, the proposals today, I think, are all worthy, and they should be examined in terms of what they will accomplish.

And Ms. Manning, you spent a great deal of time talking about the FAMILY Act, but we heard nothing positive or constructive about what you would actually propose, or your organization would propose in terms of an actual policy, even though on your website it would show cutting Social Security or privatizing Social Security as a path forward. And, I don't know, do you think that that is a path forward?

*Ms. Manning. IWF has supported a variety of proposals to expand access to paid family and medical leave, including the earned leave proposal that you mentioned, because these proposals suit our principles of policies that actually enhance the choices available to workers, rather than taking choices away.

And I would include, in addition to the earned leave proposal, the proposal that Representative Stefanik presented, as well as support for tax credits and tax-free savings accounts, reforms to health savings accounts and flexible savings accounts that could allow workers to better prepare for --

*Mr. Larson. Yes, see, and you --

*Ms. Manning. -- the Working Families Flexibility Act, the --

*Mr. Larson. -- mentioned also that -- the inequities that exist.

Ms. Role, during the testimonies Ms. Manning said, in fact, it would exacerbate inequalities. Does cutting Social Security by raising the retirement age help or harm women?

*Ms. Role. Thank you for the question. Based on what we know, given the requirements of cutting and dipping into your economic security, we estimate that this has the potential for expanding and increasing some of the wealth gap disparities that we see, particularly around gender.

*Mr. Larson. So the wealth gap disparities already exist, and this would only further exacerbate those inequalities that already exist. How about for women of color, specifically?

*Ms. Role. Well, we do know that the biggest drivers of the growing racial wealth gap are household income, unemployment, inheritance.

And so, as I mentioned previously, we know that often women of color disproportionately bear the burden of being both care providers and caregivers in their

work and in their home. And so we expect to see that, for this population, the potential for job loss, income loss would potentially have catastrophic impact on their families --

*Mr. Larson. And for low-income workers?

*Ms. Role. Specifically, as well, for low-income workers who often don't have the cushion in order to stem this type of catastrophic shock to their families.

And often times, most folks who are bearing the burden of the cost are doing so by, you know, charging to high-cost credit cards, those types of spaces.

*Mr. Larson. As Mr. Lewis on our committee has pointed out, that -- Social Security and its inequities that exist there are the big civil rights movement of the future, primarily because of the inequities that exist, especially amongst people of color, and especially in women, specifically. This notion that we can never adjust anything because one size fits all, I find particularly interesting, as well, since Social Security is a one-size-fits-all bill. It also covers disability. It also covers dependent children and spouses and a death benefit.

Do the panelists think that that is a bad outcome, the one size that fits all for Social Security?

Not everybody uses their disability policy, either. But when they need it, it is there to save and protect the American people who we are sworn to serve. I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentleman from Pennsylvania, Mr. Kelly, to inquire.

*Mr. Kelly. I thank the chairman and thank you all for being here.

Ms. Lunden, I can't tell you the number of times I have watched you on TV. So after Mass in the morning I would be going to work, and I would put it on in the waiting room and our customers enjoyed watching that. The reason I say in our waiting room, I am an automobile dealer.

So I -- and again, I don't want anybody to take this the wrong way. Other than Ms. Hamilton, have any of you ever been involved in actually funding any of these wonderful government programs called wage taxes? Because I think only employers actually do that.

Ms. Hamilton, I don't know how your company does what it does. I just know, in the field that I am in, I don't know how we would be able to absorb -- and we are all competing for talent, right? And part of that is how much can you pay somebody, and what is the benefits package.

And I always used to talk to the people at the dealership that say we need to hire this person, and I would say, "How much is it going to cost us?" And they would come up with an hourly wage.

I said, "Well, you better add another 40 or 50 -- 45 percent to the benefits package," because there was -- often times was a disconnect from that.

So, listen, I don't think there is anything more well-intended than a government program. But I also think there is nothing that has more unintended consequences than a government that takes all of its revenue out of the pockets of a taxpayer. So these are wonderful government programs. But the question is -- and I think Mr. Larson just said it -- well, who pays for it?

Now, we have about 225 people that, on the fifth of the month and the twentieth of the month expect a paycheck. Now, in addition to the paycheck they take home, there is another part of that paycheck that was paid for. And on Social Security it is a 6.2, 12.4 match, up to 137,000. And each year, with Social Security, that cap keeps going up on the salary level, because we have allowed it to grow, because we know we need to do that.

But I always wonder about -- how do we make sure these programs are sustainable? I know, as the father of 4 and a grandfather to 10, the worst thing you can ever do is promise them something that you can't provide in the future. And so I worry about that.

And I look at how we structure all this. And, I mean it, of all those people that we pay every two weeks, I don't know if they are registered Republican or Democrat. I don't know if they vote in elections. In fact, I don't even know if they vote for me when they do have an opportunity to do that. But what I do know is they get really concerned about their take-home pay. And what I do know is that, for employers, it is really difficult to absorb more and more costs of operation. Most of us don't mind paying tax on profits. That is easy. But when your cost of operation keeps going up and up and up, and you don't have any relief from that, it is the old story: don't worry about the meal, just load the wagon.

I got to tell you, I am really concerned about this. There is none of us on this panel -- this is not a Republican or Democrat issue. This is an American issue. Do we want to have this available to all these folks that work for us for mutual success? Yes, we do. The question is, is it sustainable? Is it affordable? And at what level does it cap out and we finally say, hey, you know what? You had a terrible year last year, you lost a lot of money, but every paycheck you are going to have a deduction on that.

So, listen, I want people to have the security. I want people to be able to come to work every day. And we all compete for talent against other people in the same businesses. Right?

Ms. Manning, my main concern -- Ms. Hamilton, I mean this, I need to talk to you. I don't know how you all do what you do. We are trying to do it. But unfortunately, I got a Dodge Toyota store on one side of me, and a Buick GMC store on the other side that -- they don't offer the same benefits I do, and I can't compete with them often times when I am trying to recruit somebody, because we try to offer more benefits.

Ms. Manning, going forward, what is the cost of doing all these things?

Now, I know Mr. Brady talked about the actual cost to be 2.7 to 3.1 percent. Wage

taxes, especially, are things that are actually built into your business plan. I just want us all to make sure we are aware of who it is that feeds this wonderful government. It is hardworking American taxpayers. It is not some dream, it is not some magic wish. Where will all this money come from in the future?

I think the worst we can do is promise something we can't provide for.

*Ms. Manning. I think it is an important point that employers face operational costs, including labor costs. And while we all share the desire to enhance every job to the point of having a certain level of wages and benefits, that when we do that, when government mandates that all -- the full plate of benefits is available to every worker and every job, then the only mechanism that employers have left for reducing their overall labor costs is simply offering fewer jobs to start with.

And one of the greatest challenges facing families in poverty in this country is not a lack of on-the-job benefits, but it is a lack of a job, a lack of an income to start with. And so I think we have got to keep our eye on the ball, as far as that is concerned. We want the first level of opportunity available to everyone.

*Mr. Kelly. Okay, and under the Tax Cuts and Jobs Act we have improved the take-home pay for every single American so they can afford to do some of these things. The child tax credit? Incredible.

So the only thing I want to tell you is, listen, it is great to have that goose that lays the golden egg. Let's just make sure we are keeping the goose in good health so we can keep getting more eggs. Thank you. I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentleman from Oregon, Mr. Blumenauer --

*Mr. Blumenauer. Thank you.

*Chairman Neal. -- to inquire.

*Mr. Blumenauer. You know, I listen to my good friend from Pennsylvania talk about the challenge of keeping up with the dealership on the right and the dealership on the left. Well, in this country, he doesn't have to compete with Social Security, because everybody is treated the same. So you eliminate that competition, and you provide a powerful benefit.

And I appreciate my friend from Nebraska talking about this being personal. Ms. Lunden, that was a powerful personal testimony you gave that I think we can all relate to. I have two kids who have been going through this with four children. And luckily, they have had paid family leave. We have got two of our alumni association and two current employees who are new parents. And it is a graphic example of what paid family leave has meant for them and those essential early times of life.

I appreciate my friend, Mr. Thompson, talking about what California's pioneering efforts were. And I am proud to say that we have piggy-backed a little bit on you. We often are overcome by Californians and your influence. But we went to school on your paid family leave. We weren't discouraged.

Indeed, our state passed what I think most people will say -- last year, the most progressive paid leave policy in the country, with bipartisan support, even with the scary example from California to the north. It provides 12 weeks of paid leave. But, unlike other paid leave laws, it insures nearly all workers have access to paid leave. Individuals can take up to 12 weeks paid, including new parents, victims of domestic violence, and people who need to care for an ill family member.

And to qualify you need just \$1,000 a year in wages. It means that low-income and part-time workers can access the benefits. It is the first law to pay low-income workers 100 percent of their wages when they are off, with a cap on the weekly benefits of over \$1,200 a month. It provides employment protections for those who need to take

leave -- and it is paid for by a payroll tax, the workers and the employees. So everybody pays. It is a level playing field.

You know, I appreciate people concerned about costs, and I think we ought to consider the costs of not having paid family leave. What happens for people who neglect health?

Ms. Lunden, I think you said something, you wondered how people could go back to work in less than two weeks, which a quarter of them do. What is the cost of that to their health? What is the cost to not actually having a good start for a child, regardless of income levels, in terms of development, in terms of long-term health and educational costs?

And I really appreciated, Ms. Hamilton, you talking about -- you are a business, and you did this for good business reasons. As I understand it, you are telling us there is lower turnover with your workforce. It seems that people like working for you. I am assuming that has some impact on productivity. Does it?

*Ms. Hamilton. Absolutely. I mean, what I find is really interesting at Badger is that we have very rare cases where we actually have to have employee discipline because people aren't working hard enough, or they are not coming in and doing their job. They are very independent, self-motivated, and committed to the company. And it comes from a mutual respect that they feel that they are treated as a human and, in return, they come back and they put their all into our business.

*Mr. Blumenauer. Thank you. Mr. Chairman, in answer to Mr. Kelly's question if any of you have any experience with this, all of you who earn a salary in the United States that is subject to Social Security -- you have experience with it.

You know what it means. You see it in your paycheck. I don't think you are rising up in rebellion and want to opt out of Social Security or Social Security disability. You have that experience, and you have given us a picture of how to broaden that

experience to include paid family leave. I deeply appreciate your testimony today.

And I hope, Mr. Chairman, this is something we can move forward with, looking at the total cost, total benefits. I think it is going to be a bargain.

*Chairman Neal. I thank the gentleman. Let me recognize the gentleman from New York, Mr. Reed, to inquire.

*Mr. Reed. Well, thank you, Mr. Chairman, and thank you to the witnesses for being here today. And I will open my remarks by saying there is a lot of good news here. I am always an optimist. A lot of good news here.

It seems to me the question of paid leave is a consensus position. Republicans and Democrats want to provide paid leave in America. That should be celebrated today. And I applaud the chairman for putting this panel together to highlight that good news.

The question is how do we pay for it. That really is the question that I am looking for input on. And, as a person who believes in Social Security on the Republican side, and I know my Republican colleagues join me in protecting Social Security, is there anyone on this panel that would do anything or recommend that we do anything as policymakers to threaten the sanctity and security of the long-term solvency of Social Security? Would anybody advocate that we do that?

I take silence as advocacy to not threaten Social Security.

So when we talk about payroll taxes, when we talk about putting the burden on the payroll taxes, let us always remember that the payroll taxes are the primary revenue sources for Social Security. And Social Security is something I will fight for day in and day out, as somebody who has lived through that, as my story has attested to, to make sure that we do nothing until we make sure Social Security is secure for the future generations to come.

The same thing can be said about Medicare. Should we do anything that is going to jeopardize the long-term solvency of Medicare, knowing that, in 2026, Medicare is

insolvent?

Should we adopt any policies today to pay for paid leave by threatening the ability to solve Medicare's solvency issue?

I will take silence as advocacy that we should protect Medicare.

So when we talk about the how, I am very interested in consensus from the witnesses that I have seen in the testimony. The priority is the what, make sure we have paid leave?

So the how, when we get there, has anyone considered what we are doing in New York, for example, on the panel in regards to ensuring this cost by having employees insure or contribute toward an insurance policy that would cover paid leave?

Ms. Shabo?

*Ms. Shabo. Yes, I think -- I appreciate your position on Medicare and Social Security. I think we all share it. But I would submit that it is not a tradeoff between these programs. Families need all of these things --

*Mr. Reed. Well, with that I disagree with you, Ms. Shabo. I am asking your question about --

*Ms. Shabo. So on --

*Mr. Reed. -- insuring this risk.

*Ms. Shabo. Yes. So on the insurance question --

*Mr. Reed. You are opposed to insuring this?

*Ms. Shabo. No, I think we are advocating for insurance.

*Mr. Reed. Perfect.

*Ms. Shabo. And the way that we would -- that I would propose to do that is through the FAMILY Act, which is creating a social insurance fund very similar to what you have in New York --

*Mr. Reed. Administering --

*Ms. Shabo. -- paid for through small payroll deductions.

*Mr. Reed. Administered through Social Security Administration, right?

*Ms. Shabo. Through a new office --

*Mr. Reed. So you are putting the burden on Social Security Administration to administer this program, as opposed to -- I would suggest maybe there is an alternative of a private insurance company that could provide that administration, rather than -- we are already seeing long lines, long delays in Social Security.

The Administration has been over working with the Social Security administrator. I can tell you I have heard from thousands of seniors that are so frustrated with the response time of Social Security, and going through Social Security disability reviews, and the integrity issues that we are facing in Social Security. And you are advocating that we put a further burden on that administration?

Ms. Manning, you seem to be wanting to offer something here.

*Ms. Manning. Yes. I just recently participated on a task force in the State of Colorado, where we considered a variety of different ways for the Centennial State to expand access to paid family medical leave, including a private solution that would have allowed private insurance companies to offer a benefit to employers to, basically, try to solve this problem through a private solution. And we talked about some of the pros and cons of that approach, certainly speed to market and customer service.

I fundamentally disagree that eliminating market competition serves workers and customers better. I think market competition actually serves us all better in any marketplace.

So I think it is a worthwhile approach that we can consider --

*Mr. Reed. So --

*Ms. Manning. -- with a host of other ideas.

*Mr. Reed. So would -- let me pose it this way. Would anyone on the panel, if we were able get consensus up here in the Senate and the House to take care of paid leave by having it covered -- the how question answered through a private insurance product that we were able to create, and to promote, and have widely accessible across America, would anybody on the panel suggest that would be a wrong course to pursue, and would not work because it is fundamentally flawed?

And what --

*Ms. Shabo. I would want to know what is it going to cost.

*Mr. Reed. So you --

*Ms. Shabo. Is it going to cost more? Is there going to be enforcement?

*Mr. Reed. So when we get all that answered in a positive way --

*Ms. Shabo. Are people able to access their benefits?

*Mr. Reed. So you are saying we should pursue it? So everybody on the witness says -- panel should pursue it, because you are not opposed to it.

*Ms. Shabo. I am saying you should follow the path that eight states and D.C. have taken, which is to create a largely public program. Or, in the New York case --

*Mr. Reed. Okay.

*Ms. Shabo. -- you have a --

*Mr. Reed. But if we can accomplish it, isn't the goal to get paid leave as soon as possible? And if we can do it together, I would encourage us to do it together. And I think the private option would be the best pursuit here.

Just my opinion, Mr. Chairman.

*Chairman Neal. I thank the gentleman.

*Mr. Reed. And I yield back.

*Chairman Neal. With that let me recognize the gentleman from Wisconsin, Mr. Kind, to inquire.

*Mr. Kind. Thank you, Mr. Chairman. And I want to thank you for holding this. It is such an important hearing.

I want to thank all the witnesses for your excellent testimony here today.

I am, obviously, not the only one in the room making a simple observation that it is all women who are the panelists here testifying about the need for this policy, and that it was three House female Members who came and testified in the first panel.

And I think the point needs to, obviously, be made that this is important for the male workforce, as well, for our child-rearing and our family caregiving responsibility, and striking that right balance between work and family. And I think we need more discussion surrounding that, as well, because it is self-evident, but I think it is an important underlying aspect of the policy that we are trying to get at here today.

But let me just take another aspect of why this is important for the strength of our economy that we move forward on paid family and medical leave. I mean, right now, we are pulling up short on hitting our GDP growth targets. And if we can't figure out a way to break that conundrum, it is game over. There is no way we are going to be a prosperous, innovative nation, moving forward, capable of dealing with an aging population, unless we are able to bump the GDP numbers up in the future.

And we all know that the two key ingredients to that is workforce participation and worker productivity. And this policy, I think, addresses both directly, as far as getting more people entered into the workforce, knowing that they have an option when it comes to child-rearing or taking care of a family or a close loved one who is in need of medical attention, without jeopardizing workforce participation.

And I also would submit that it is important for worker productivity that you have

that balance in life, too, that we are going to be able to get more out of our workers, knowing they have that backstop and that protection of paid family medical leave.

Ms. Shabo, I mean, is there anything in your data or the studies that you have been showing about the importance of GDP growth in moving forward on this policy?

*Ms. Shabo. Absolutely. The Department of Labor estimates that our economy would be \$500 billion bigger if women were able to participate as they do in other countries. And part of the reason that that would be the case is that they would have access to paid family leave.

I think we have to look at the costs, not the cost of what this program is, which would be small and predictable to individuals and to businesses, but the cost of doing nothing. Right now, the Center for American Progress estimates that \$22.5 billion is lost in wages to families right now, families who could be contributing to the economy, families who could be saving for their children's education, families that could be saving more for their own retirement.

We know that when women and men leave the workforce to care for an aging parent, they are losing \$300,000, on average. And the most shocking statistic to me that was recently released is that the folks who are providing care to children are also increasingly providing care to a loved one who is ill or disabled. And these are not Boomers, for the most part. These are folks in the Millennial generation and the Gen X generation, which is me. We are in our prime of our working lives. And if we are not able to participate in the workforce to build our careers and our jobs to be able to provide for our families, we are jeopardizing ourselves for generations to come.

*Mr. Kind. And we are talking about the workforce as we find it, too, because, obviously, there is no baby boom on the horizon that is going to bail us out, as far as workforce needs. This place is so tied up in knots when it comes to a sensible immigration

policy, that we can't rely on that to address workforce needs in the future, too.

But here is something standing in front of us that we could actually take action on that could be a positive impact, as far as getting that worker productivity and participation rate up.

And, Ms. Manning, listen. I am sensitive to an over-reliance on payroll tax and the aggressive -- or regressive nature that that brings. And I have been outspoken about that for some time. But I was listening carefully to your testimony about what solutions you have to offer, and it sounds like you are talking about narrowing the scope of coverage, as one, but also kind of allowing the private sector to figure this out, and let them move forward on it.

I mean, am I missing a different funding mechanism that you are pointing to right now, how we can -- ultimately, getting back to my friend's comment in New York -- it does come down to funding, ultimately.

*Ms. Manning. Well, in terms of whether the private market or public policy should be used to address the issue, I think we are really looking at two different things.

The market is, in many ways, alleviating this need. Because, as we have seen over the past 3 years, 100 major employers are offering paid leave benefits that they hadn't in the past, due to a booming economy and a tight labor market. So, for the workers who benefit from those new and expanded policies, yes, the market is solving the problem for them.

But I think there is a different and separate problem, which is a safety net issue. And that is where I think there is a fundamental difference, that the FAMILY Act is a universal program, whereas there are different solutions that maybe haven't even been written into live legislation yet, where we could explore patching holes in our social safety net to help families on the brink of poverty.

*Mr. Kind. Well, I would certainly encourage you to think more about this, because, clearly, while the private market is heading in the right direction, I mean, we are hearing from voices across the country that it is not happening soon enough, or it is not coming up with the answers that we need, and time is of the essence.

So I want to thank you all, your testimony here today. Thank you, Mr. Chairman. I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the -- well, the gentleman is back. Mr. Schweikert is recognized.

*Mr. Schweikert. Thank you, Mr. Chairman. This is actually, for many of us, a really interesting subject, because I think there is actually a bipartisan desire here to make this work. But for some of us -- and, Mr. Chairman, this is another one of those occasions -- sorry, this is a side conversation he and I have all the time -- I wish we could grab a couple of highly technical experts, put a handful of us in a back room, and walk through the math. Because if we listen to parts of our discussion, it is a financing discussion.

You know, how do you finance parts of this without creating regressivity in a payroll tax? How do you maximize a benefit so it doesn't have certain offsets in future Social Security values?

And then there is some of us who want to also maybe go more global. And my friend from Wisconsin, who I think just snuck out -- our office has an absolute fixation on fertility rates.

The fact of the matter is -- just three quick subjects: one, financing; number two, family formation. We need to deal with the reality of the United States has been below replacement rate since 1971, and the curve has steepened fairly dramatically.

And now we are going through something very unique in our times, a time of economic stability, lower quartile, some of the best wage growth in modern economic

times, and yet birth rates continue to collapse. It makes it really hard to make Social Security, Medicare, programs like that that are pay-as-you-go programs, work into the future.

So how do you tie in a discussion of paid family leave into the global discussion of what do these programs look like over the next three decades, when we are digesting the Baby Boomers, economic stability in our society? And how do you finance it?

And then the third thing -- and here is where the actual question is -- and forgive me, my eyesight is marginal, at best. From California, that law was passed early 2000s, 2001, 2002?

*Ms. Terman. It was passed in 2002. It went into effect in 2004.

*Mr. Schweikert. No, we get -- in one of my binders here I have a -- some report that had sort of mixed numbers, saying it has been used by this many, it has had this benefit. But then there are also some statistics in the side bar over here saying that they have actually seen return rates back to the labor force being somewhat impaired, that some marginal wage growth for populations that have participated in the program actually seem to be lower.

Can you help me just understand? Am I seeing noise in the data, or are those statistically significant?

*Ms. Terman. Yes. So there have actually been numerous studies in California that have shown that paid family leave has increased labor force participation, particularly for mothers who have been shown to --

*Mr. Schweikert. No, no, I -- and this one was referring to return rates.

*Ms. Terman. Yes. So -- and -- exactly, including return rates. We have seen that --

*Mr. Schweikert. Now, that is interesting, because this one -- okay, it is not worth

doing right now. Maybe when I am -- because it was saying return rates were actually lower than --

*Ms. Terman. Yes, there has been a recent study that was sort of an outlier.

*Mr. Schweikert. Okay.

*Ms. Terman. And so this study is different than the bulk of the research that had been done before. But what makes this study different is that it studied the very first cohort of women who took paid family leave with the very first program in the country. And there is reason to believe that that group of women is not at all representative of the people --

*Mr. Schweikert. Okay, now that --

*Ms. Terman. -- that take paid --

*Mr. Schweikert. -- is fair, and we are often having to do this to try to get honest math.

Does anyone here have any expertise in the program rolling out in Washington State?

*Ms. Shabo. Yes.

*Mr. Schweikert. Can you just touch on solely its financing model?

*Ms. Shabo. So the Washington State program is financed as the Family Act would be. It is a shared payroll deduction of, I believe, four-tenths of one percent, split in different ways between employers and employees. And it is in my appendix to my testimony, actually.

*Mr. Schweikert. Now, wasn't there an argument that they are actually -- they barely -- have they just begun?

*Ms. Shabo. They just began. So they just --

*Mr. Schweikert. And they are already projecting some -- missing their financial

projections?

*Ms. Shabo. I haven't seen that. I know that they were able to repay the fiscal note that was assigned to the bill, so that they got their program up and running, their payroll tax collection from employers went smoothly. They just started paying benefits on January 1st of this year.

*Mr. Schweikert. Okay, so it could have been --

*Ms. Shabo. And so, you know, to Ms. Manning's point, takeup is -- my understanding is people are using this program.

*Mr. Schweikert. Now, in --

*Ms. Shabo. They did a great job of outreach and education, so --

*Mr. Schweikert. Now, was there a voluntary --

*Ms. Shabo. -- people are using the program.

*Mr. Schweikert. -- participation in that one?

*Ms. Shabo. No, it is mandatory, just like all the other ones.

*Mr. Schweikert. Okay. Ms. Manning, in the last couple of seconds, if I were -- just wanted to find a state that actually had been creative in its financing mechanisms, where would I look?

*Ms. Manning. They have all been, essentially, the same, a payroll tax mechanism.

*Mr. Schweikert. Okay. And has any state even played with a sort of voluntary type of participation, where it is --

*Ms. Manning. Yes, New Hampshire. The governor of New Hampshire bid out to insurers the possibility of a voluntary program that was extremely complicated. And the insurers all came back and said, "We don't know how to price the risk of this program, so we can't, and we will pass the risk on to employers."

*Mr. Schweikert. Okay --

*Chairman Neal. I thank the gentleman.

*Mr. Schweikert. -- Mr. Chairman, thank you.

*Chairman Neal. Consistent with committee practice, we will now move to two Democrats and one Republican, as the questioning ratio proceeds. With that, Mr. Pascrell is recognized.

*Mr. Pascrell. Mr. Chairman, thank you. I would like to thank all the folks who came to testify today. They did a great job.

But I would like to set the record straight, Mr. Chairman, if I may.

*Chairman Neal. Yes.

*Mr. Pascrell. About the payroll tax required for the FAMILY Act, H.R. 1815, I want to insert into the record the detailed analysis from the Social Security's chief actuary, which concluded that the Family Act, H.R. 1815, would be fully financed with an estimated 0.31 percentage point increase in the payroll tax --

*Chairman Neal. So ordered.

*Mr. Pascrell. -- for employees and employers, a total payroll tax rate of an estimated 0.62.

[The information follows:]

[Social Security Office of the Actuary letter](#)

*Mr. Pascrell. So this is about two bucks a week. I just want to correct the record, make sure -- and I send this to you, as the proof of the pudding. Thank you.

How do we compare to other OECD countries? Finland offers 161 weeks, 161 weeks. South Korea, 65 weeks. Canada, 51 weeks. United Kingdom, 39 weeks. Ireland, 26 weeks. Israel, 15 weeks. Us, zip, zero. So every country except America offers paid family medical leave. We are dead last. We are dead last.

So Lauren Agaratus, she is from Mercer County in New Jersey. She -- paid leave was not available when her daughter, Stephanie, was born with a kidney condition. Lauren and her husband almost lost a home, ended up \$20,000 in debt because of Stephanie's health issues.

In 2011 Stephanie needed a kidney transplant. Thanks to New Jersey's law -- few states have these laws -- Lauren could take paid leave to care for Stephanie. That is what we are talking about here, these kinds of situations. And there is a lot of them. Without losing her job or her life savings.

So millions of Americans today are being squeezed by unimaginable daily life costs, combined with the specter of unexpected medical expenses, the cost of caring for an aging family member. Our nation's failure to provide any amount of guaranteed paid leave -- like a straightjacket, that is what it is, for those trying to start families and build lives for themselves.

Even the United States postal workers, employees who deliver and collect our mail in the rain, the sleet, the ice, snow -- that is not a commercial, it is true -- are not entitled to paid leave. None of them. These dedicated employees left out of the new benefit we added to the defense bill. We did. Federal employees must still take unpaid leave to care for a new child or tend to an aging member.

Unpaid leave nearly bankrupted Lauren Agaratus and her family when Stephanie

was born. Her case is tragically common.

The Republican proposals on the table before us today would only hurt people like Lauren and her hardworking family.

Look, I'm tired of hearing isn't it nice that we all care about the same thing, and we all got proposals on the table. They are, like, 180 degrees apart from one another. They are not close because they start out with a different basis, a different level.

So, Mr. Chairman, we have a long ways to go. I am always willing to reach out to the other side. But let's be honest from the point that we are starting. Thank you.

*Chairman Neal. I thank the gentleman. With that let me recognize the gentleman from Chicago, Mr. Davis, to inquire.

*Mr. Davis. Thank you, Mr. Chairman. And, first of all, I would like to ask unanimous consent to enter these eight letters of support from organizations representing children, families, workers, and employers who support H.R. 1185.

*Chairman Neal. So ordered.

[The information follows:]

[American Academy of Pediatrics](#)

[Center for Law and Social Progress](#)

[First Focus](#)

[Jewish Women International](#)

[National Council of Jewish Women](#)

[National Partnership for Women and Families](#)

[National Task Force to End Domestic Violence](#)

[Young Women's Christian Association](#)

*Mr. Davis. Thank you, Mr. Chairman. I also would like to be associated with the observation of Representative Kind, when he looked at the composition of both panels, in terms of all of the witnesses being female. And I must emphasize that we are talking about family paid leave.

I have been around a lot of people who chatted a great deal during the weekend relative to what a great athlete Kobe Bryant was, and how much he meant to athletics. And it just occurred to me what a great father he was, and what a great family team member that he was. And so I don't think Ron's observation can go unheralded.

Let me thank all of the witnesses for coming. Ms. Role, more than 30 percent of the children in my congressional district in Chicago live in families with incomes below the poverty line. About half of my constituents are African-American. I am committed to ensuring that any federal paid leave policy protects all kinds of workers, not just the most secure.

Also, I am deeply concerned about proposals that propose to cut Social Security and increase retirement insecurity, which sort of reminds me of the way payday loans work. You get immediate help, but you pay a real steep price later on. So I am not excited about those proposals.

Ms. Role, let me ask you what kind of price do my constituents pay for not having access to paid leave? And how does it affect their ability to increase their wages over time, and get better jobs?

*Ms. Role. Thank you for the question. As we know that, for people of color and your constituents that you lift up who need family or medical leave, discrimination, retaliation, and job loss are real threats.

As we know, overall, nearly 40 percent of workers have no legal guarantee of job protection through the FMLA, which means employers can dictate whether and how a

person is able to take time for a personal or family health issue. So, for many people of color, this results in job loss or the continual fear that providing caregiving will result in job loss.

And job loss, especially for low-income workers, is also associated with future unemployment spells, settling for lower-quality jobs in the future, family disruption, withdrawal from important social structures, depression, and long-term effects on children's well-being and education.

So a meaningful option is to take paid leave, and to return to work without any loss in seniority or stature -- significantly important to ensure we are reducing the long-term pay gap.

*Mr. Davis. Thank you very much.

Ms. Terman, my congressional district also has one of the highest percentages of children being cared for by their grandparents, followed closely by two other districts in the area. The burden of caregiving often falls heavily on African-American women, while many of these grandmothers work in caring for young children and aging family members, also dealing with their own medical issues.

What has the California experience really meant for this category, or these categories of individuals?

*Ms. Terman. Thank you for the question. We know that the number of children being raised by grandparents has doubled since the 1970s, and I think that really goes to the changing nature of our families, and the need for our paid family and medical leave laws to reflect the diversity of our families, and all of the different ways that we care for one another.

California's program, thankfully, has been amended to cover both grandchildren and grandparents, as well as siblings and parents in law. We could go even further, I think, to

reflect an even more inclusive definition of family.

But just to give one example of how important this expanded definition has been in California, we heard from a woman named Sally who was 74 years old and worked at a large retail store. And her twin sister had been diagnosed with terminal cancer. At the time, siblings were not covered under California's law, and so she was unable to take paid family leave to care for her.

Her story and others like it inspired the amendment to California's law to make the definition more inclusive, and we know that that -- having a more inclusive definition is absolutely critical for, in particular, families of color, who are more likely to live in multi-generational households, also for people with or caring for those with disabilities, veterans, and people in the LGBTQ community.

*Mr. Davis. Thank you, Mr. Chairman. I yield back.

And Ms. Hamilton, I really appreciate your company. I admire your company.

*Chairman Neal. I thank the gentleman. Let me recognize the gentlelady from Indiana, Mrs. Walorski, to inquire.

*Mrs. Walorski. Thank you, Mr. Chairman. I would like to yield 30 seconds to our ranking member, Mr. Brady.

*Mr. Brady. Thank you, Representative Walorski, thank you for your leadership full-time on the issue of paid family leave.

Thank you to the gentleman from New Jersey, for introducing the Social Security actuary's report. But I would be cautious on embracing it. One, it does admit that the cost will be 50 percent higher for families in their paychecks, but here is the concern. Under the Social Security actuary, it estimates that less than one-half of one percent of American workers would ever use the FAMILY Act to take care of a sick parent or a sick child. So if you embrace this report, either you accept the FAMILY Act helps very few people in

those situations, or the Social Security actuary got it wrong, and has woefully underestimated. And, in fact, more people may be helped with that.

Mrs. Walorski?

*Mrs. Walorski. Thank you. And to reclaim my time, I just wanted to sound a note off here of how optimistic I am that we are having this conversation today. You know, we have been working on this. A lot of members have been working on this on both sides of the aisle, because we recognize the importance of doing something that is pro-family and pro-worker in 2020. Here we are, having this conversation.

We know, it is proven, what paid family time off means. And everybody here has talked about it today. And I want to repeat how much in favor of this that I am, because I think, in a 21st century workforce, we have to address the issues that are keeping people back from being able to get in and stay in the workforce because they need the benefit of being able to balance so many things at this time.

I really do think it is a good thing that we are talking about the little, tiny things in - when it comes to funding this, and that we have an opportunity to not only have your input, but to have a discussion up here about funding. And how do we make this work? And how do we keep this balance? And I think that any time members, in a bipartisan way, can have conversations about balancing funding, and making this work, and making it right, and doing something that is pro-family and pro-worker, it is worth the time.

And so I so much appreciate all of your time for coming here today.

I do think that, you know, when we look at these one-size-fit-all government solutions, and we look at top-down federal programs, I think that time and time again, we have seen these big government programs fail. And they just don't live up to lofty promises. It just doesn't happen, for one reason or another. They leave people behind, and they leave taxpayers holding the bag.

But I do think, because we have so much agreement on the principles of what we are all talking about -- all of you on this panel, and all of us up here sharing insights and passion, and wanting to come to a conclusion here -- I think, just personally, the Family Act that we are talking about does raise payroll taxes. That is a real issue, because now we are talking about workers where they live, as if it is not hard enough to be able to balance all the bills and all these things, we are taking more money away before we are giving another benefit forward.

And in the labor force right now in my district, in northern Indiana, we need 10,000 more workers today that we don't even have. So we have got contracts on hold, buildings on hold, expansions on hold because we need more workers into the field.

And so I am looking at that and I am thinking, you know, I have been working on an approach, as well, that would increase access to paid family leave without crowding out existing benefits offered by employers with a public mandate. Last month I spoke at the White House Summit on Child Care and Paid Family Leave. I had a chance to talk with President Trump about the issue. And I appreciate the President and Ivanka Trump's leadership, and their continued focus on moving this conversation forward.

I think these are real, great signs that we can see around this nation of we are coming together to do something that is a great thing for the American worker. We have a real opportunity to find common ground on paid medical leave to more workers without taking actions that will reduce family economic dependence (sic), hurting small business, or interfering with employers and employees working together to find something that fits and is flexible, and can be used by more people. Instead of raising taxes and imposing inflexible government mandates, I think what you are seeing here today is the beginning of a group that is willing to have conversations to move this forward and come to common ground.

And Ms. Manning, I just wanted to hear a little bit more about some of the things you had talked about earlier on what are we really doing when we are talking about taking and putting an additional payroll mandate on top of workers, especially at the low-income level?

*Ms. Manning. Certainly, thank you. And I think the discussion about how much the payroll tax will be is important. It is very difficult to make that cost project. But in addition to the question of how much, we should also consider who bears that burden, and who pays? It is a payroll tax. Payroll taxes, by nature, are regressive, meaning low-income people bear the burden, and these programs -- the evidence shows -- disproportionately benefit upper-income people.

So I think a question for law-makers should be, are we willing to take even one dollar from low-income workers to fund a better work-life balance for upper-income --

*Mrs. Walorski. I appreciate it. I got to stop there.

Thanks, Mr. Chairman. I yield back.

*Chairman Neal. I thank the gentlelady. Let me recognize the gentlelady from California, Ms. Sanchez. And, as we do, wish her a happy birthday, as well.

[Applause.]

*Ms. Sanchez. You had to go and do it, Mr. Chairman. I am trying to hide from my birthdays. But thank you very much.

[Laughter.]

*Ms. Sanchez. I want to thank the chairman, and I want to thank all of our witnesses for joining us here today. I am glad that we are taking the next step toward universal paid family and medical leave by examining some of the legislative proposals that have been presented.

The overwhelming majority of Americans don't have access to paid family leave.

Now, as a caregiver myself for my mother, who has Alzheimer's, and as a mom, this is really personal to me. And it is extremely important for communities like mine. I am a Gen Xer, even though my 10-year-old son likes to call me Boomer, as an insult. But to borrow a phrase from Mr. Suozzi of this committee, I am in that sandwich generation, or, as he likes to say, the Panini generation that gets squeezed with caregiving at both ends.

But it hits communities of color particularly hard. And when you hear statistics like the fact that three-quarters of Latino workers don't have the chance to take care of themselves, their loved ones, or a newborn without fear of complete financial ruin -- not just financial hit, but, like, financial ruin -- we should all agree that that is unacceptable.

And the question is, then, okay, well then, what are you going to do about it?

The two proposals that we have heard about today would mean something radically different for communities like the community I come from.

The proposal from my Republican colleagues would force millions of new parents who don't have paid leave from their employer or from their state to make a devastating choice. They will have to decide between taking a meager benefit that replaces less than half of their income for a few months in exchange for a permanent cut to their Social Security benefits. For new parents who are already struggling to save for retirement, this is a choice that would haunt them for the rest of their lives. And for workers who need to take leave to help themselves or family through a difficult time, the bill just ignores them completely.

That is why I am proud to cosponsor the FAMILY Act, which rejects the idea that anyone should sacrifice their retirement security in order to take care of an immediate need.

Every single person in this room at some point will need leave. Too many people think that a tragedy can't happen to us until it actually does. A debilitating disease or a traumatic injury is always somebody else's sad story until it is ours or a loved one's. The

FAMILY Act can't change those basic fact of life, but it will give every working family some piece of mind during difficult times.

Fortunately, we are not starting from scratch. We can learn from states like California, who have led the way. I am proud of saying that, as California goes, so eventually will the rest of the country. We are just ahead of the curve.

I want to begin my questions by starting with Ms. Terman. I wonder if you could elaborate on how paid caregiving leave affected health disparities in the State of California.

*Ms. Terman. Yes, thank you for that question. We know that paid family leave in California has had dramatically positive impacts on health and well-being, both for families' own health -- workers' own health, for the health of their loved ones, and for the health of new children.

When it comes to the health of people who are being cared for, who are taking paid family leave, we have seen an 11 percent reduction in nursing home stays in California because people have been able to take the time that they need to care for their loved ones. We have also seen that, when children have a parent who are able to stay with them in the hospital, their hospital stays are reduced by one-third.

*Ms. Sanchez. So would it be fair to say that, while it may cost something on the front end, there are definitely savings to the economy on the back end?

*Ms. Terman. Absolutely. I mean this is a smart investment that pays for itself many times over in terms of the health impact and the economic security impacts for families.

*Ms. Sanchez. Thank you, I appreciate that answer.

Ms. Role, could you elaborate a little bit more on the stressors that women of color, in particular, are under when they become new mothers or caregivers?

*Ms. Role. Thank you. So we know, through decades of significant literature that

has been documented about how the social determinants of health -- the conditions in which people grow, live, work, and age shape health outcomes.

And so, due to the interlocking nature of structural oppression's impact on health, particularly women of color tend to experience greater health needs and have more caregiving responsibilities, which makes paid leave even more important for these communities.

So to be truly effective, we have to ensure that women of color can participate fully in the labor force and family paid -- and family caregiving.

*Ms. Sanchez. And Ms. Role, in the limited time I have left, could you just tell me what are the ways that a Social Security cut would affect women of color under the Wagner bill?

*Ms. Role. That is a great question. I will defer to my colleagues to maybe speak more specifically to how that would show up.

*Ms. Shabo. Sure.

*Ms. Sanchez. Ms. Shabo?

*Ms. Shabo. Yes, really briefly, women of color earn wages that are much lower than white men. The wage gap is substantial. They have lower wealth. Their Social Security benefits are lower. So any program that gives them the false choice of accepting paid parental leave benefits or taking a benefit cut at retirement is going to disproportionately impact them.

And we also know that people of color, about 30 percent of them, rely on Social Security for about 90 percent of their monthly income in retirement. So this is a Hobson's choice, to say the least, but a dire benefit cut that we are asking the very people who can least afford a cut to take.

*Chairman Neal. I thank the gentlelady. Let me --

*Ms. Sanchez. Thank you.

*Chairman Neal. -- recognize the gentlelady from Alabama, Ms. Sewell, to inquire.

*Ms. Sewell. Thank you, Mr. Chairman, and I want to thank all of our panelists today. Both panels, I thought, were informative. I would have loved to have seen men on those panels and not all women, but I think that -- what I hope your take-away will be is that all of us care about this issue. We have to figure out a solution that makes sense for everyone.

For me, I want to make sure that a paid family leave is truly comprehensive. We talked about the definition of family, and making sure that that is inclusive.

For me, I don't have children, but I have elderly parents. And I saw my whole world kind of change when my dad had a massive stroke 14 years ago. He lived for 10 years after that massive stroke, but it really up-ended our whole family, and affected everyone in our family in different ways. My mom retired early. She gave up a job that she loved. She also gave up being on the city council in Selma, after many, many years. And it just changed our whole dynamic.

And what was clear to me, that while money -- sending money home when I was in New York City -- helped, what they needed was a whole-family approach to making sure that our family survived the stroke.

And I am blessed to say that I moved back home to Alabama, not to run for Congress, but to help take care of my dad. But I can tell you that making sure that the definition of what we talk about in terms of family leave is truly comprehensive -- yes, we care about that parent and that new mom and dad, but we also want to make sure that we are taking care of the whole family.

Joan, we have watched you on television. You talk about the sandwich, or Panini

situation that you are in. Can you talk a little bit more about why it is important that we make sure that we are being comprehensive in our approach to family paid leave?

*Ms. Lunden. Well, I want to make sure that we do address the caregiving needs, because, if you look at our population, we heard earlier that we are having fewer births, but we are having increasing needs for caregivers. We are told, by 2030, there will be far more people over 65 than there will be under 18 years of age. And the nature of that population is also changing, in that there are many, many women who live longer and are alone and are in poverty.

So the idea of taking away anything from the -- their Social Security really frightens me, because I feel like it is just kicking the problem to a --

*Ms. Sewell. To the future.

*Ms. Lunden. -- a later time.

*Ms. Sewell. Absolutely.

*Ms. Lunden. So -- and I kind of came to this whole space organically, because I took care of my mom and my brother, and made every mistake along the way, and said people need to be better prepared, and just decided I was a conduit, so started speaking in it. But the more I learn about it, and the more I hear from people, I hear from a lot of people that are in that Boomer generation -- and now much, much younger -- who are either dipping into their own retirement savings, or are not putting away --

*Ms. Sewell. Enough money.

*Ms. Lunden. -- retirement savings that they would have done, but they have to use them for parents who are living into their late eighties and nineties, who --

*Ms. Sewell. Absolutely.

*Ms. Lunden. -- never expected to live that long.

*Ms. Sewell. And, Ms. Role, can you talk a little bit about how this inequity is

exacerbated if you are in an under-served community, or if you are a person of color, because I know that our family dynamic tends to be more inclusive. I was wondering if you could talk a little bit about that.

I just think that we -- aside from having to figure out how to pay for this, we have to also make sure that the law makes sense for the whole person throughout their whole life. Any thoughts that you may have on that?

*Ms. Role. Yes, definitely. And, as was previously noted that often we see in black and Latinx communities, that we are multi-generational, multi-generational caregivers, and in thinking about your question, I want to call on my personal experience of having been a caregiver for my mother.

And one of the things that always struck me was how much shame and sadness that she held that her twenty-something-year-old, you know, daughter, who was on the early path of her career --

*Ms. Sewell. Yes.

*Ms. Role. -- had to drop everything to fly home to support her. And so her questions were always, "Is your paycheck going to be affected?" "What is your boss going to think?"

And for me, so much of what a paid family medical leave program offers is also dignity --

*Ms. Sewell. Yes.

*Ms. Role. -- not just for the caregiver, but also the care receiver, because my mom is the love of my life. In that moment I just wanted her to focus on her healing.

And so I also want to lift up that, in addition to the economic disparities, the mental toll, health care disparities of not having this type of program, are very significant, particularly for low-wage women of color.

*Ms. Sewell. Amen. I yield back.

*Chairman Neal. I thank the gentlelady. Let me recognize the gentleman from Ohio, Dr. Wenstrup, to inquire.

*Mr. Wenstrup. Thank you, Mr. Chairman, thank you very much.

Thank you all for being here. As a father of two small children, I certainly recognize the value of, especially, having that time -- we have one we had and one we adopted in that time -- with them is very important. The needs are tremendous. And certainly, having an income during that time is tremendously helpful when it can happen.

You know, in the Tax Cut and Jobs Act, we created some opportunities for 12 weeks of paid family and medical leave. We see also the opportunity for a tax credit for employers if they pay to deduct, like, 25 percent of the wages that they may -- so there is a lot of ideas out there to try and make this work, and work on both ends.

And, you know, as I talk to people, some would say, "Oh, I think I would rather borrow from my retirement for a short period of time, rather than paying a tax for the rest of my life, working life." So there is a lot of things that fit differently into people's lives that may work better for them.

But when I started in my practice, I had two employees. And you know, so if one person is out, that is 50 percent of my staff. And I was fortunate, because if someone was sick, or that happened, my mother came in. She is a retired LPN, and she could come in, and we could get through the day. But these are the challenges of a small business, right?

And so, when you look at the costs, they are also -- you know, what it is when an employee is out, how do you manage that?

Later I joined a large group of over 20 doctors, 300 employees. We had much greater flexibility, as far as benefits that we could offer. So that really leads me to where I want to go with the challenges to small businesses.

So, Ms. Manning, can you speak to some of the unique challenges, sort of based on the scenario I just gave you, that a small business would face under the Family Act?

*Ms. Manning. Right. I appreciate the question. And we have talked some about the diversity of our economy, the diversity of industries and businesses of different types, from farmers to small businesses. Independent Women's Forum offers a paid maternity leave plan. It is totally dependent on the circumstances of the business, of the industry, of the job, in terms of what the economic benefit to an employer is for offering paid family and medical leave.

So, with that said, I think the big contrast between the ideas or the directions that we are considering here today is that somebody has got to make a choice. You know, you can say of the Republican plans that workers are forced to make a choice. We are forced to make choices every day, every time I get a paycheck I am forced to choose what to do with my paycheck.

But under the Family Act, it is not workers making a choice, it is law-makers making a choice for us. It is public policy and bureaucrats making that choice, versus giving individuals -- employers and workers -- that choice, and giving small business owners the choices, as well.

*Mr. Wenstrup. I appreciate that. You know, the other thing that we have to consider, as law-makers, is what can we actually get done. What can we actually get done that would make it through the Senate and be signed by the President? These are the realities we have to face.

And, you know, sometimes I think we do a little bit better when we, as a group -- and maybe with you -- have a roundtable without cameras, where we actually talk about that, as opposed to sometimes the ideology that exists.

But going back to you again, Ms. Manning, specifically how would a payroll tax

increase, which estimates say would be about three percent, affect small businesses and their employees?

*Ms. Manning. Well, certainly, small businesses have different needs. They typically don't have as many resources to dedicate to administrative costs. They don't have a big HR department to help them handle, you know, compliance with various government programs, including -- now we are talking about maybe competing state and federal programs on the issue of paid family and medical leave. So that burden is very real for small businesses.

Of course, job protection, while it is something that helps more workers take advantage of leave, on the flip side, when small businesses have key employees that may be absent from the workplace for months at a time due to a leave, that comes with a very substantial cost to those businesses, even more so, in many cases, than the cost to large businesses.

So that, once again, demonstrates the problem with the one-size-fits-all solution, in that some businesses may say, "Yes, I would rather contribute to this fund," and it takes away the competition among employers on this specific benefit or variable. Other businesses certainly, you know, I am sure would happy to be at this table as stakeholders in this discussion, and they would say that the Family Act does more harm to their business than good.

*Mr. Wenstrup. Yes, I hope that we can continue the discussion, obviously, with creating flexibility. And I know my experience, you know, with having two employees at one time, I had to pay a firm to make sure I was compliant with everything, OSHA, et cetera, et cetera. These are all expenses that add up. They make it more challenging.

But I also think, from the employees' standpoint, I would like them to have more flexibility, just as we want them to have flexibility of how they manage their retirement, as

well.

So thank you, I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentlelady from Washington State, Ms. DelBene, to inquire.

*Ms. DelBene. Thank you, Mr. Chairman. And thank you to all of you for being here to talk about this very important issue.

From the State of Washington -- and we recently began our own paid leave program -- I know there was a question earlier about financing, and a discussion about financing falling short. And we checked in with our state officials -- I had never heard that -- and they confirm, as well, that that is not true. We have a new program that went in place at the beginning of the year. Under the Washington State program, private companies can offer their own paid leave benefit if it is as good or better than the state benefit.

Ms. Shabo, when we look at the interaction of federal legislation and state legislation, do you think that is a good model to follow?

*Ms. Shabo. I think what is exciting is that the federal government, you all, have the opportunity to put in place a very robust federal baseline. I think we have to be cognizant of the fact that there are now -- or will be, by the time you pass a law, most likely unless you do it very quickly -- eight states plus D.C., and maybe more that have laws in place, and we need to figure out how to sequence federal and state benefits so that workers in states with paid leave programs now are not -- are left better off and not worse off.

*Ms. DelBene. Thank you. Also, early states found that utilization among low-wage earners was extremely low when a single percentage was applied to the maximum benefit amount. So if someone who earns at or just above minimum wage may not be able to take the benefit at 60 percent of their normal weekly pay -- so, for example, \$50,000 a year in my district simply does not go as far as compared to other parts of the country. A

partial replacement of \$50,000 a year may not be workable for a family. So how should we account for cost-of-living differences when we are determining the percentage of wage replacement, Ms. Shabo?

*Ms. Shabo. That is a great question. I want to also just correct the -- correct some misperceptions as to how the programs have played out with respect to utilization. So research that was recently done, analysis done by the National Partnership for Women and Families, showed that, actually, at the \$50,000 wage level or less -- if you look at aggregate -- utilization in California and New Jersey and Rhode Island was about where it needed to be, in terms of relationship between the workforce and utilization.

Where we saw the -- where they saw the drop off was really among \$25,000 or less, so the minimum-wage folks that you are talking about. And the studies that have been done have shown that if you create progressive wage replacement rates -- 80 percent or more for lower-wage workers -- they are going to be better able to take the program. If you put employment protections in place, the jobs will be safe, people will feel more comfortable. So these are some fixes that we can apply.

In terms of how we made sure that a federal program addresses the needs of low-wage workers, I would really encourage the committee to look at what the most recent states have done. So the most recently-passed laws, plus the enhancements in New Jersey, replace 80 to 100 percent of wages for low-wage workers.

And in my testimony, in the appendix, I detailed at each quartile of wages what a worker would receive. So you can see that, between 80 and 100 percent of wages will be replaced in most stages. For median wage workers it is between 50 and 80 percent.

I think we often get stuck talking a lot about the very top and the very bottom, and we also need to pay attention to the middle, folks who are living paycheck-to-paycheck, who might be caring both for children and loved ones, who are moderate income, who

would be really harmed under some of the other proposals, like the Social Security cut proposal, but who would see a substantial benefit under the FAMILY Act.

And we always have to answer the question about what are families giving up now, versus the small, predictable payroll deduction that they would be paying.

And the last point is people are willing to pay. So public opinion polling, multiple public opinion polls, have shown that 70 percent or more of workers are willing to pay 1 percent of their wages or higher, which is far more than a federal program is estimated to cost by the Social Security actuary and by most cost models that have been done on state programs.

*Ms. DelBene. Well, thank you.

And Ms. Hamilton, as a business owner I know how important your workforce is. I used to be CEO of a small company, and benefits were a key part of making sure we had a great workforce. That was our competitive advantage. So I wondered if you can talk a little bit about how paid leave benefits your ability to recruit and retain employees.

*Ms. Hamilton. Sure. Well, over the past couple of years I have been part of a number of workforce development forums throughout the State of New Hampshire. And in New Hampshire we are really -- in general, businesses have been struggling to find a talented workforce. We have a high attrition rate of young professionals. We have over 60 percent of post-high school are leaving the state, and over 50 percent post-college are leaving the state.

And what I found was really striking in those forums is that many of the businesses were having trouble finding the talented workforce, and Badger does not. Every time we put out a job offering, we find many, many talented potential employees that we are able to choose from. We have employees that stay for an average of 7 years, many of them over 10 years. And so we are really finding that, while it is an issue in our state, it is not an

issue for us. And we believe that a big part of it is the benefits we are offering, and, in particular, paid family leave.

*Ms. DelBene. Thank you. I yield back, Mr. Chairman.

*Chairman Neal. I thank the gentlelady. Let me recognize the gentlelady from California, Ms. Chu, to inquire.

*Ms. Chu. Mr. Chair, I would like to submit for the record written testimony from the -- a group that has advocated for paid family leave for quite some time, the National Partnership for Women and Families, and the report called "Paid Family and Medical Leave: A Racial Justice Issue and Opportunity."

*Chairman Neal. So ordered.

[The information follows:]

[NPWF Issue Brief](#)

*****COMMITTEE INSERT*****

*Ms. Chu. Thank you. Well, first, I cannot even believe that some of my colleagues feel that cutting Social Security is a way to pay for paid family leave. We know, from other hearings, that so many older Americans already live in poverty, even though they contributed to Social Security for decades.

And using Social Security to pay for paid family leave would be a huge hit to those who take it. In fact, the Ways and Means staff calculated that a middle-earner parent who takes leave for two children would receive about 11,000 in paid leave benefits, but lose \$29,000 in future Social Security benefits. So it would be an actual hit to their income.

So I think that we must have proposals like the Family Act, which would benefit the country, because I know that it has worked in my home state of California. And I would like to address this question to Vicki Shabo.

Before I represented California's 27th district in Congress, I served for years in the California State Assembly. And I am proud to say that I was there to vote for passage of our nation's first paid family leave bill in 2002. This groundbreaking state law was the first step in bringing this country to where it is today, and now California's paid family leave policy has been in place for 15 years. So it is a good means by which to examine the long-term benefits of the law.

So, Ms. Shabo, in your testimony you reference some of this in your research about how Californians have benefitted from paid family leave. Can you expand on some of these positive outcomes?

*Ms. Shabo. Absolutely. And I will defer to Ms. Terman, as well, who is from California, if I miss anything.

So in terms of women and labor force participation and earnings, we know that there are multiple studies that show that California's program increased labor force participation, increased earnings, also increased leave-taking, especially among Latinx and

low-income women, that led to higher breastfeeding rates. Low-income women who took paid leave were more likely to return to the same employer, so good for the employer, good for the employee.

In terms of nursing home utilization, it diminished by 11 percent, so that is good for families, good for the public fisc.

In terms of other outcomes, reduced use of other public assistance programs, so economic self-sufficiency for folks.

And then men. The other really exciting thing we have seen in California is the dramatic increase in men taking leave. So when the program started in 2004, men were just less than 15 percent of the workers who took paid family leave, and now they are 40 percent. So this is part of a culture shift.

We at New America just released a report on men and caregiving, men and paid leave, and we know that men want to provide leave to be with their -- want to have leave to be with their families, want to provide care, but often are held back by the lack of policy and societal expectations. And California has really overcome a big hurdle in that way.

Did I leave anything out?

*Ms. Chu. Ms. Terman, do you want to say something else?

*Ms. Terman. Sure, yes. The only thing I would add is just the importance of California's program also being so comprehensive in touching on not only bonding for both fathers and mothers and caregiving, but also an employee's own condition. We know that -- studies have shown that, when people have access to paid leave, they recover more quickly. They are able to afford and complete cancer treatments, for example.

We heard from one woman, a single mom who was 26 years old, and she was diagnosed with a rare form of uterine cancer, just weeks after having her first child. Paid leave enabled her to keep her family afloat, while she was receiving chemotherapy. And

her mom and her sister were also able to care for her and her family.

So I think just the comprehensive nature of the program has really improved the health of all families in California.

*Ms. Shabo. You know, one other thing to add that just strikes me as I am tying together the payroll tax conversation and the outcomes conversation, as California has had temporary disability insurance through the state in place for decades, since the 1950s, it added paid family leave in place in 2002, went into place in 2004, it has been expanded to have a more inclusive family definition, to add more job protection, to remove a waiting period. The payroll tax rate in California is one percent, and it has never gone above that. It sometimes comes down.

So when we are thinking about costing out a federal program, the sky-will-fall predictions of ridiculous payroll tax rates that are nowhere to be found in the state, I think we can look to California to feel very comfortable that we are safe with where these estimates are.

*Ms. Chu. Thank you. I yield back.

*Chairman Neal. I thank the gentlelady. Let me recognize the gentleman from Texas, Mr. Arrington, to inquire.

*Mr. Arrington. Thank you, Mr. Chairman, for holding this important hearing. And I appreciate all the panelists for their good input and sincere desire to help families, especially working families, at tough times.

And we have talked about -- let me say that my general philosophy and approach to policy-making is that strong nations are nothing more than just the cumulative effect of strong families. So I do think one measure of success for policy-making is "are we strengthening the family." And I think the stress and strain that working -- especially working lower-income, middle-income -- folks are feeling is real. And then you put the

largest generational retirement and aging group in the history of the world on that, and you are looking at some big challenges in the future.

But I think Ms. Manning's statement is worth restating, in that we must judge policies not by their intentions, but by their results. And I am concerned about the Family Act for a number of reasons.

I am concerned, number one, that it is going to displace state and local sort of control over how best to serve their population. It is going to displace employer-based programs that are designed to meet the needs of specific companies and their employees.

The cost of this is tremendous. The average income, family income in my district, in rural west Texas, is \$41,000. And a 3 percent increase in the payroll tax would be \$1,200. These folks don't have \$1,200. The majority of them are living paycheck to paycheck. I daresay more than half don't have \$500 in their checking or savings account, and we are going to ask them to pay \$1,200 more a year, which begs the question for me -- and, Ms. Manning, you can start, and I may just open it up.

But where is the data? I am always suspect when Washington policy-makers gather around with great intentions, and say, "We have the solution, and we understand the need and desire of our citizens." So is there good data on the employees who are at the lower-income and middle-income, who are willing to make the tradeoff of three percent increase?

I cited my average family income of \$41,000 a year, and they would pay 1,200. Is there data there that suggests that folks are willing to get this one-size-fits-all federal mandate for the cost of the taxes they will pay? Do you know of any specific data or research in that regard?

*Ms. Manning. Well, my fellow panelist mentioned a poll that has been conducted that asks specifically about the cost. Of course, I think the cost estimate, as I mentioned

earlier, is too low. And many workers say that they would make that tradeoff.

However, if --

*Mr. Arrington. For a three percent increase?

*Ms. Manning. No, for a lesser increase. But my point is, even if that were true, if that were true, that the vast majority of American workers were willing to make this tradeoff, then the federal government could establish a voluntary social insurance program, where people opted to pay the payroll tax, and then they opted to become eligible for these benefits.

But the reality is it is not something that all Americans want. That is why it has to be mandatory.

*Mr. Arrington. Well, I have other concerns. And with the last minute of my time here, the fact that we have these various entitlement programs that -- some of them earned benefits, some of them welfare entitlement programs. I haven't seen one that hasn't grown, that hasn't expanded in benefits without the ability to pay for itself, without the funding behind it. That is just the way it works up here.

And we have two of the most important safety net programs for seniors that are insolvent, including Social Security, where we want to add another layer of bureaucracy behind backlogs and other bureaucratic problems at the Social Security Administration. And we want to add a new entitlement program without fixing the one that exists. I just -- it blows my mind. It absolutely blows my mind.

And we have done some things bipartisan, Mr. Chairman, I thought were great out of the SECURE Act. Let people draw down, penalty free, some of their 401(k) money, tax credits. I think incentivizing, creating a market, letting the private sector meet that need, I think, will go a lot further, and we will all be a lot happier, as a result, and there will be a lot more choice for our citizens.

With that, Mr. Chairman, I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentlelady from Wisconsin, Ms. Moore, to inquire.

*Ms. Moore. Good afternoon. It is afternoon.

*Chairman Neal. It is.

*Ms. Moore. I have really, really appreciated this hearing. It is so timely. And I, too, am noticing that the panel is all women. I am sure that wasn't done deliberately, but I think it really does speak to the fact that, not only are women the only human beings that give birth and become mothers, and possession is nine tenths of the law, so --

[Laughter.]

*Ms. Moore. It is your responsibility to find child care, to pay for child care. But it is not just childcare. It is care-taking, as we have experienced, as we have heard today from Ms. Role and also the star -- we all knew who you were when you walked in the room, but we didn't know this part of your life, as well.

But we also do the bulk of the care-taking. And even when it is -- when we are guys, and it is our mom who is disabled, or -- it is the daughter-in-law who goes to the nursing home, and who goes, and helps clean up, and helps provide the bath and the care-taking. And so it really is time to have this confrontation -- this conversation, a full-throated conversation.

You know, it really struck me that the first Social Security check that was received was January 31st, in 1940. Just about right now, Miss Ida May Fuller went to her mailbox and got her first Social Security check. And, you know, it is sort of ironic that the first Social Security check was received by a woman because, back in 1940, only 27 percent of the workforce was female, as compared to 47 percent now.

And I have heard some of the panelists and my colleagues say that women really

outpace men in the workforce today. And, of course, data indicate that, of those women who are in the workforce, 75 percent of them have children at home. So they are care-taking and working.

And so, given that just a little background, I want to ask a question -- I have questions for all of you and, unfortunately, I don't have the time. But I guess I want to start out by asking Ms. Shabo a question. And I guess we have heard a great deal from Ms. Manning about how increasing the payroll tax would have a disparate impact.

And it is regressive. I agree with you, Ms. Manning, that payroll taxes are regressive. But I guess I want you to sort of lean into the notion that somehow it won't be worth it.

*Ms. Shabo. Yes, and thank you for asking that. So I think the status quo is regressive. People are suffering in disproportionate -- disproportionately when they don't have access to paid leave. And the people who don't have access to paid leave are those who are lower-wage, often people of color, often lower-wage women who are providing the bulk of care, who might have multi-generational caregiving responsibilities.

I think what we know from this data is that people are more than willing to pay for a program structured like the FAMILY Act, particularly one that includes family caregiving and personal medical leave, because those are the reasons that they can foresee that they will most benefit from a program.

Having a child may be predictable in most cases -- maybe not for adoption, but in most other cases. Having a medical issue or a family member who got sick is not predictable. And those are the exact periods of time where you need to have extra income to be able to make ends meet. You need to have the security of being able to keep your job.

So these are the programs that people like. Eighty percent of voters say that they

like the FAMILY Act approach. Given multiple other proposals, it is still the approach that they like, and that is true across party lines.

And in terms of willingness to pay, and the value of paying, we have to remember that most people who are living paycheck to paycheck are making horrible tradeoffs when they need to take access to -- when they need access to leave. According to the Pew Research Center, about 40 percent of lower-wage workers are turning to public assistance programs, are dipping into savings that are earmarked for a different purpose, are going into debt, are unable to pay their bills. So the idea of having a predictable, small payroll deduction cost coming out of your paycheck, and that your employer is also matching, is a fair, efficient, sustainable way that provides certainty and security for workers.

*Ms. Moore. Okay. Well, thank you so much. And Ms. Role, I just want to point out it is very chilling for you to say that this will fall disproportionately on the backs of women of color. And I guess I just want you to use a few seconds to share with us the low-wage status of these women, and how this might help.

*Ms. Role. Well, as we said, you know, one thing that we know is that, for women of color, if paid leave is available to them, then fewer women of color get left behind when illness necessitates caregiving in their families.

And as I mentioned earlier, women of color often play the dual role of caregiver, both in the home and outside of the home. So this also means that, particularly for women of color, if they have access to paid leave, they don't lose the progress that they have made in their work lives any time something unexpected happens, and they have more options available to them.

*Ms. Moore. Thank you for your indulgence, Mr. Chairman. And, you know, I do hope that this committee will lean into other solutions. This family leave is only one issue related to the status of women not having, you know, some relief from caregiving.

And I have some Social Security proposals, earned income tax expansions that really address this very same issue.

And I thank you for your indulgence and thank the witnesses.

*Chairman Neal. I thank the gentlelady. Let me recognize the gentleman from Michigan, Mr. Kildee, to inquire.

*Mr. Kildee. Thank you, Mr. Chairman, for holding this very important hearing, and thank you to all the witnesses for a discussion that, obviously, affects virtually every American, in one way or the other.

As we have heard, the composition of the workforce has changed pretty dramatically over the past several decades. In my home state of Michigan, half the workforce, nearly half of the workforce, are women in dual-earner households. At the same time, in my home state the share of the state's population over 65 will grow by nearly 40 percent in the next 15 years.

So, while families have to balance work, child care, and elder care, the problem is only going to get worse unless we address it. The ability to take leave is increasingly important.

The problem is some skeptics of paid family leave or flexible workforce policies claim that these practices are too costly. And it is just interesting that -- I don't believe that such an analysis fully contemplates the true cost of the current environment, the cost of decreased or worse health outcomes as a result of not having access to care, or the loss of a job as a result of an individual being forced to leave work in order to take care of a family member.

There is an economic implication for that throughout the economy, the loss of productivity. But the social cost that is borne by somebody -- we all pay, whether we want to admit it or not, whether we measure the cost or not, we all pay. The question is, are we

going to pay in a fashion that provides policy that is consistent with our values? And that is what we are trying to get at today.

I also will say that I don't think most of the businesses that I talked to when really contemplating this agree that this sort of policy would be harmful to them, and I will give you an example.

In my own home state, in my district, Gougeon Brothers, Incorporated in Bay City, Michigan provides their employees with unlimited paid family and medical leave. According to their annual reports, which I have looked at -- and I visited this company -- their employees take an average of four sick days a year. They are not abusing the system. They are using it when they need to. Their productivity is stronger, as a result of these policies. Their employees stay with the company longer. They have an average of 20 years' seniority in this company. Their only real turnover comes from people who retire.

So I guess, Ms. Hamilton, in listening to your testimony, it sort of sounded pretty similar to what I have heard from this particular company in my district and others. But I would like you to just mention a little bit, because there has been a focus on smaller businesses. And we heard from my colleague, Mr. Wenstrup, about his experience. Could you just explain, from your point of view, how smaller businesses would benefit from this policy?

*Ms. Hamilton. Sure. So I have a company, Badger, that I run, that has 100 employees. But I also have a small restaurant that I own, as well. And we have about 20 employees, only 7 full-time employees. And we are in the first year of business. And in the first few months of business, our main chef had to leave because of an illness. And, as a small business that couldn't afford to have the kind of benefits that Badger had, we were stuck in a place where we had to both pay for his time, and also hire a replacement, which was really damaging to the business in that early few months. And then, later on in the

year, my business partner had a baby, and so also took time. And my other business partner had a medical surgery.

And so we are still in business, miraculously, in the first year. But if I think about the benefit of having had this type of insurance that we could have had a small amount that we were paying just throughout for those seven employees, that three of those seven employees that went out in that first year, it would have been a much less of a burden for that small business. And for Badger, still being a small business with 100 employees, we do pay for medical leave, and it would be much easier for our budgeting process to be able to know what that is in advance, and -- rather than have it be unknown every year.

*Mr. Kildee. Thank you. And I wonder, Ms. Lunden, if you might comment. The -- you mentioned in your testimony the thousands of letters that you received back when people wrote letters, I suppose.

*Ms. Lunden. Yes.

*Mr. Kildee. It is all email or something else now. That is a pretty interesting focus group. I would suspect -- and just maybe have you comment on this -- whether the people who were feeling that stress were experiencing more stress in their life as a result of not being able to have access to medical leave, or less stress. And what do we know about the effect that stress has on health, on productivity, on other things that have an economic impact?

*Ms. Lunden. Well, from reading those letters, and now more recently, from reading Facebook posts constantly, and people just coming in to me on my website, I mean, they are completely stressed out.

Now, I must say, I am also a small business owner, and I usually have anywhere from two to three full-time employees. And I feel so inadequate, hearing what Badger is doing. But it is impractical. And I struggle with this all the time. I mean, I had an

employee leave, and I was doing maternity leave pay, but I had to go and hire another person to replace her. And the economics -- I can't just miraculously make what I am earning go up to compensate for that. And I really contemplated whether I should even keep my production company opening -- open and working on projects like this. But they are meaningful to me, and I want to do something, I want to continue working and trying to make a difference.

But it is very, very difficult, when you have a company as small as I do. So, as I listen to all this, the idea of putting the onus on an employer -- and I don't think -- I think there are many, many companies that are small like me, under 10, under 5 people -- it is just -- it is impractical to think that we can carry that burden.

But I would be willing to pay, as an employer, and I think my employees would, too. Of course, they are all women. They are all young women, all having children. And if we had the option to do that so that I had the comfort in knowing that my employees were going to be taken care of, I would be ecstatic over that, because I always feel bad not being able to lay out the kinds of things that your company that has, I don't know, 100 employees can do. It is no-can-do when you have two, three, four employees.

*Mr. Kildee. Thank you so much. My time has expired. I thank the chairman for his indulgence.

*Chairman Neal. Let me recognize the gentleman from Virginia, Mr. Beyer, to inquire.

*Mr. Beyer. Mr. Chairman, thank you very much. And thank you so much for having this hearing today on one of the most important issues under this committee's jurisdiction. I look forward to working with you on the markup of the FAMILY Act as soon as possible.

I am also very proud that Virginia is about to become the ninth state taking steps

towards a state-paid leave program. They are having a hearing today in Richmond on a bill that will provide up to 12 weeks paid leave care for a new child, attend to a medical condition, or care for an ill family member.

Senator Jennifer Boysko, with whom I shared an office for a year, and Delegate Jennifer Carroll Foy are our state champions.

I would also like to introduce for the record, without objection, a statement from the Main Street Alliance supporting the bill, and from the National Task Force to End Sexual and Domestic Violence. So if there is no objection?

*Chairman Neal. No objection.

[The information follows:]

[Main Street Alliance](#)

[National Task Force to End Domestic Violence](#)

*Mr. Beyer. And to go quickly, first to my friend, Mr. Arrington mentioned that we shouldn't be introducing a new entitlement system before we fix Social Security. Well, before us is John Larson's wonderful Social Security 2100 bill that does, in fact, fix it through the end of the century. And I hope that we will act on it this year.

To my friend, the ranking member, Mr. Brady's point, the -- that letter from the Joint Committee on Taxation, let me quote. This is from Thomas Barthold, who leads it: "You also asked the payroll tax necessary to cover the administrative costs and benefits estimated by the Congressional Budget Office, and the percentage of such costs a four-tenths-of-a-percent tax would cover. At this time, we do not know estimated administrative costs and benefits." Let me emphasize that: We don't know.

Later on, he says, finally, "You asked about a payroll tax necessary to cover 203 to 226 billion." That was an estimate that came from a conservative, right-wing group, not the Congressional Budget Office. That is where this three percent number gets tossed around. If you look at the Social Security actuary, he says 0.31 percent. So if we go back to the regressive stuff, if 54 million Americans are making \$18,000 a year, let's see, that is \$54 a year. That is \$1 a week.

The second point I want to make is that capitalism and our reliance on market forces are completely dependent on the growth of America's people. Our birth rate just has hit five straight years falling down. It is now at a record low in the history of our republic. We are not at replacement value.

We have this anti-immigrant fervor led by our President. We need more children. It is essential. Unless we want to become Italy or Japan, we need to do things that are family-friendly, that encourage people to have children, and make it possible for them.

Next I would like to offer that years ago I visited the Prison Fellowship, which used to be in my congressional district, founded by the famous Chuck Colson, led by my friend,

the Republican Attorney General of Virginia, Mark Earley. With 2.2 million Americans locked up, the largest number in the world, the greatest percentage in the world, Chuck Colson once told me it is simply the failure of fathers. That is what drives our prison system.

And yet what we see is a plan to make fathers much more engaged in their children's lives. We see, from the California experience, when you have paid family medical leave, fathers want to be and are ever more active with them. Think of what we will save in the prison population when we do this.

My friend, Ron Kind, talked about workforce participation. And, again, economic growth is completely driven by two things: growth in the workforce, workforce participation; and productivity. It is not driven by tax cuts. As we have just seen, the GDP growth rate in the last year went from 3.1, to 2.2, to 2.1, and finished at 1.8, according to the Federal Bank of Atlanta. What we want to do, if we want this economy to grow, is to get more people in it, and more productivity. And this will do it.

And finally, it is -- it boggles my mind that this can be described as regressive, rather than progressive. That makes no sense, since the workers at the bottom are the ones disproportionately affected by this. These are people making minimum wage, and they are the ones with the greatest job insecurity. I just pointed out they are not making \$50,000 a year. Let's say they are making \$30,000 a year. At -- and let's just take the Social Security at three percent. That means, you know, \$90 a year. Again, less than two bucks to get a benefit that they don't have for security that they don't have.

And the people up at the high end, they are going to -- they are three-tenths of a percent. It is going to be a lot more than somebody making \$80,000 a year.

If you look it overall, benefit, family, security, this is very progressive policy, and I thank all of you for being part of this.

And with that, Mr. Chairman, I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentleman from Pennsylvania, Mr. Evans, to inquire.

*Mr. Evans. Thank you, Mr. Chairman. I am also on the Small Business Committee. I am vice chair of that committee, so I want to delve down a little bit more about small business and what it means to our economy.

And women are the fastest-growing entrepreneurs in the nation, particularly women of color. But Ms. Hamilton, how else would employers benefit from a national paid leave program? Can you speak a little bit to that?

*Ms. Hamilton. Sure. Well, it certainly is a benefit because of the longevity of our employees, and our ability to attract talented workforce, and also for women coming back to work after childbirth. We have over 60 percent women at Badger, and we have a very high rate of women coming back to work after they give birth to their children.

And so I think that being able to support their career growth is a huge benefit to our business.

*Mr. Evans. Ms. Lunden, you also -- could you comment on, from a small business perspective, what it would mean in terms of a national program?

*Ms. Lunden. Well, having been a women's and family advocate, I, of course, would like to be able to have a -- an ambitious, comprehensive paid leave policy in place for my business. But it is the economics involved.

But the people I hear from all the time, they are in the middle to lower income. Many of them don't work for big companies that have paid leave. And so, you know, it is only those states that have enacted some kind of a policy. And if you don't live in that state, you are not in that zip code, they really, many, many times don't have another family member, just because -- by virtue of how we are all living in the world today. And they

don't have that support. They don't have the help.

And so I hear from them all the time that they are struggling, financially. And all too often -- something we need to point out -- caregivers are known to have many, many more health problems, and they are -- statistically, they don't have the longevity that other people who are not caregivers have.

So we have to worry about all of the health issues. And health issues bring with them health costs. So I think that we are kind of getting into the root, finally, of the problem here. That is what you are doing, instead of just putting Band-Aids on things. You are getting to the root of the problem that is, in my opinion, this is going to bring down health costs in America.

I don't have all the statistics that the experts here on the panel here have, but I hear from people all the time, mostly women, that they don't take care of their own health because they are so focused on taking care of the health of older relatives, and they end up, you know, not catching cancer soon enough when it can be easily treated, as opposed to when it is in stage four.

So you really have to look at all the kind of the fingers that reach out that affect the psyche of people today, the embarrassment that they don't want to go to their employer and say, "I have got to take care of an aging parent or a sick sibling." So there is a lot more involved here than actually just the costs.

And again, as a worker or an employer, I would like to buy that insurance policy at a reasonable cost to make sure that, if something happens along the way, that I will have coverage. That is kind of the way I look at it, as buying that insurance policy.

*Ms. Hamilton. I would also like to add one other thing, which is I think it is hard to quantify the value of employees that have been at a company for a long time. For us, once we have an employee who has learned our business inside and out, we can find

someone to replace them who has the same experience in the industry, but we can't find someone who understands our business in that way.

And so, having an insurance program that supports those employees so that they don't have to make a choice between their family and our business, is an incalculable benefit to our business.

*Mr. Evans. Ms. Lunden, you touched on something I had here, which -- I am going to go to Ms. Role. What does research show how health outcomes for care recipients and caregivers who have access to paid leave -- what does it show? It looked like you started to talk a little bit about that, in terms of the benefit of it.

*Ms. Lunden. What is the question?

*Mr. Evans. The question is what does research show how health outcomes for care recipients and caregivers have access to paid leave? You were starting to talk a little bit about that.

*Ms. Lunden. I hear about it anecdotally all the time, but perhaps somebody here on the panel has -- can go to actual research studies.

*Mr. Evans. Does anybody have anything relating?

*Ms. Shabo. Yes, I think there is -- this has been -- the direct link between paid leave itself and caregiver health outcomes probably needs more work. But we do know that, when people have access to paid leave as caregivers, they have lower levels of stress, and they feel like they are more supported, which presumably leads to better outcomes.

*Mr. Evans. Thank you, Mr. Chairman. I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentleman from New York, Mr. Suozzi, to inquire.

*Mr. Suozzi. Thank you, Mr. Chairman. And thank you for bringing this important issue to all of us. I want to thank all of the panelists who are here today.

We really appreciate the fact that you took a lot of time to prepare for this, and to come down here, and to spend all these hours here. We are very grateful to you for your help with this.

I think we first would start that we all recognize -- all of the witnesses -- there is a problem in America. Right? Does everybody agree with that?

Ms. Lunden, Ms. Role, a problem in this country?

*Ms. Lunden. I don't think you would find a woman in this country that would disagree with that.

*Mr. Suozzi. So would you agree with that, Ms. Manning? It is a big problem?

*Ms. Manning. I would say there is a problem, but it is not a universal problem.

*Mr. Suozzi. Okay, so let me just point out a couple different facts.

There is only two countries in the world that don't provide a guarantee for paid maternity leave, the United States of America and Papua New Guinea. Only two countries in the world that don't provide a guarantee for paid medical leave.

The U.S. is one of only 2 industrialized countries in the world -- and there is about 40 industrialized countries in the world -- that do not offer temporary income support in some form to workers with a serious medical condition.

So we are an outlier. It is -- we have to all agree that it is a big problem in our nation, as a whole, that we need to deal with. And all of your testimony today makes that very, very clear.

Of the existing law in the United States, which pays for unpaid leave, family medical leave, 21 percent are for -- usually for new parents, 55 percent are for people with illnesses, and 18 percent are for caregivers.

So, you know, this is -- resonates a lot with me. I grew up in a house, all four of my grandparents lived in my house. Three were very sick. My mother did most of the

work. We did the work. I did the work, as well, taking care of my parents -- my grandparents.

My parents, as a result, got home health care insurance, long-term health care insurance. They died recently. They were 95 and 93. They had home health care aides. But the whole idea of the sandwich generation -- and I know that Ms. Sanchez mentioned before that I call it the Panini Generation because it is kind of, you know, squashed down, it has got cheese, and it is all melted, it is a really messy, you know, we went through that in our family.

So we have got to figure out how we can find common ground on this. I am a cosponsor of the Family Leave Act. So do all of you support that, with the exception of Ms. Manning? Do you all support that currently, the bill as it is?

Are there any improvements that you would like to see, Ms. Shabo?

*Ms. Shabo. Yes, I think there are definitely ways to improve the bill to ensure that access will be as maximally equitable, especially for low-wage workers, as possible, and to reflect the diversity of family members.

So wage replacement, more progressive wage replacement, a broader and more inclusive definition of family, which every single state has done.

*Mr. Suozzi. New York State is very progressive on this. We just passed a pretty big --

*Ms. Shabo. Yes.

*Mr. Suozzi. -- on this in 2016.

*Ms. Shabo. Yes, and wage replacement -- I mean, I am sorry, I already talked about wage replacement.

Some employment protections that are strengthened from the bill -- ideally, full job protection.

I think also eligibility rules, because of the public employees that are carved out of Social Security, I think we want to make sure that public employees like the school teacher parents that members have talked about here are included.

I am thinking about also making sure that the eligibility rules really do reflect folks who have taken time out of the workforce to provide care that are back --

*Mr. Suozzi. I am concerned about some carve-outs for postal employees, the federal workers right now.

*Ms. Shabo. Well, I think --

*Mr. Suozzi. I just thought I would point that out.

Ms. Hamilton, is there something that you would like to see to improve this, or are you happy with the way it is now?

*Ms. Hamilton. Well, I am not a legislator, so I don't know the ins and outs of the bill, more the general -- what the bill is offering. And I believe that what it is offering is very important, and I want to see an insurance of this sort for Badger and for other companies.

*Mr. Suozzi. And the other three of you, are there any things that you would like to see, specifically, that you are not happy with right now?

*Ms. Lunden. I would also say that, you know, it was in 1980 when I heard from so many women saying, "But what about us?" And here we are, 40 years later, and we really are still asking that exact same question.

There are those of us who, you know, make incomes that are substantial, or that work for a big company, where we get paid leave, or that are fortunate enough to live in a state where they have had policy enacted. But for all the rest of those women out there, and men -- but it is really women out there that are saying, "What about us?" And to me, I want to see a program enacted that can finally answer that question for all of those people

who are just not covered by the system, and who have no other recourse.

And I also want us to remember that the statistics that you just quoted about what percentages need assistance, that is going to change. Those percentages are going to change with our aging population.

*Mr. Suozzi. There will be more caregivers.

*Ms. Lunden. Oh, there are going to be far more people in the caregiving stage.

*Mr. Suozzi. Mr. Chairman, I see my time is running out, so I just will have to cut you off, Ms. Lunden, and I am sorry.

Let me just point out that, in 1900, Americans, senior citizens, had 60 to 70 possible relatives that could help take care of them in 1900. Today it is one-and-a-half potential people that could take care of them, because more people are living longer, families are smaller, people move away from the area.

So we have a big storm coming in our country when it comes to caregiving, as well as these other problems we are facing. Thank you, Mr. Chairman.

*Chairman Neal. I thank the gentleman. Let me call upon the gentleman from California, Mr. Panetta, to inquire.

*Mr. Panetta. Thank you, Mr. Chairman and Ranking Member Brady.

I think, as has been expressed throughout this hearing, we do appreciate the topic of this hearing. And thanks to all the witnesses for being here, but also your preparation, and, obviously, your service, for what you have done and what you, I know, will continue to do with or without the help of Congress. So thank you very much.

Look, I think we understand, and as you heard, at some point in our lives many of us will need to take time off of work for a serious illness, to care for a loved one, and -- or for the birth or even the adoption, thank goodness, of children. However, only 40 percent of American workers, as has been said today, have access to paid personal medical leave

for a serious illness. And only 14 percent have access to paid family leave.

Now, as you have heard from many of the California members on this dais, we are all very proud that we come from a state that has long, long recognized that no worker should have to choose between sacrificing their jobs, career opportunities, or a paycheck, and caring for their family during the toughest times. That is why I am a proud cosponsor of the bipartisan FAMILY Act, which would ensure that all Americans are afforded similar benefits that we enjoy in California.

Now, I personally know the benefits of paid family leave. As a father, as a husband, and even as a boss of a congressional office, thanks to the taxpayers and my constituents on the Central Coast who allowed us to do that. But, despite the success of paid family leave in California, some families don't have access to a paid family leave program.

Now, there has been a lot about different types of families that have been discussed today. But I want to focus in particular on LGBTQ parents who, unfortunately, often find themselves excluded from the support that does exist. According to a 2018 survey of LGBTQ workers, less than half said that their employer's policy covers new parents equally.

Now, if I could direct my questions to Ms. Shabo, how -- if you could, explain how the FAMILY Act would address the diversity of working families that we do have in this country, including families like LGBTQ?

*Ms. Shabo. Sure. So the Family Act applies equally to people of all genders. It applies equally to birth parents and adoptive parents and foster parents. It applies to people who are caring for a loved one, and for someone's own serious health issue.

The states have expanded to include broader definitions of families, including in three of the most recently amended or created laws, people who are related by blood or

affinity, which has a very important impact, both for the LGBTQ community, as well as for people with disabilities and their caregivers.

I think we have to remember, though, that the FAMILY Act doesn't exist in isolation. I know that Congress -- the House passed the Equality Act earlier this Congress, and that is an important protection that would run side by side, to make sure that a benefit that exists, that protects LGBTQ families and people equally, is able to be used without somebody fearing discrimination at their job.

*Mr. Panetta. Good. Now, earlier in your testimony you talked about -- and I think these were your words, and I apologize if they weren't -- anti-retaliation parts, or safeguards of the FAMILY Act. Can you talk about that, as well?

*Ms. Shabo. Sure. So the Family Act and the FMLA run parallel to one another. So the FMLA carves out about 40 percent of workers, disproportionately lower-wage workers, and people who have not been on the job for a long period of time, or part-time workers. The FAMILY Act provides wage replacement to all of those folks. But what we know from states is that, if you don't have full job protection, you may not feel secure taking the leave that is provided.

The FAMILY Act, when it was first drafted in 2013, tried to address that issue by saying that nobody can be discriminated against or retaliated against for applying for or receiving the paid leave benefits that the Family Act provides. But we now have examples from states that have built upon that, and strengthened it. New York includes full job protection. Oregon includes full job protection. Rhode Island includes job protection for the family leave component.

So there are just ways to think about that this committee or the Education and Labor Committee could strengthen the employment protections so that the full effect of the Family Act benefits could be realized by the most vulnerable workers that are out there.

*Mr. Panetta. Outstanding. Now, as we know, and as we have heard, California has had experience in this area. Ms. Terman, talk to us about the lessons learned, and the improvements that have been made to California's Family Leave Act.

*Ms. Terman. Yes. Thank you for that question. And just picking up on Ms. Shabo's testimony, one of the key lessons is that we absolutely need to provide job protection to workers who are eligible for paid family leave. We hear too many stories from people who have, basically, been forced to choose between caring for their families and keeping their jobs.

We heard recently from a busser in San Francisco who earned just over the minimum wage, Jorge, and he wanted to take paid family leave for his new child. He wasn't qualified for job protection. And his boss said, "If you do that, you will lose your job." And so he actually would have forgone his paid family leave, but his child needed him. His child was born with health complications, and he had to go back to the hospital. And he lost his job. And that was really devastating.

So that is one of the key lessons, in addition to the others that Ms. Shabo pointed out.

*Mr. Panetta. Exactly. Thank you. Thanks to all of you. I yield my time back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentlelady from Florida, Ms. Murphy, to inquire.

*Ms. Murphy. Thank you, Mr. Chairman. And thank you to all the witnesses for your compelling testimonies.

I also appreciated my colleagues from the first panel for taking the time to come and present their proposals before this committee.

You know, in the past hearings I have articulated my unequivocal support for creating a reliable pathway for hardworking Americans to obtain paid family and medical

leave. And today I really appreciate this committee taking the time to dig into the specific details on these legislative proposals.

You know, it is distressing to me how few Americans are lucky enough to work for an employer that provides paid leave benefits, and even fewer are lucky enough to live in a state that offers this benefit. Access to paid leave cannot and should not be based on where you live, or who you work for.

My Florida constituents and I happen to live in a state that doesn't offer paid leave. So my understanding for the urgency of Congress to act is very personal.

You know, a number of years ago I had received a really exciting job offer. But knowing I wanted to start a family, I asked about the leave policy. And the company told me, you know, "You can take any vacation days that you manage to accrue by the time you have your baby, and you can have three months of leave without pay." And I just asked myself, you know, how could I make this work? And the answer was I couldn't. I simply couldn't. And so I passed on that job offer. And it is a situation that I know isn't uncommon across this country.

And moreover, I represent a district with a lot of young, working families who, as the witnesses have said, are a part of the sandwich generation or, as my Italian-American colleague colorfully called it, the Panini Generation. These are people pressed between the responsibilities of caring for aging parents or ailing family members and raising young children.

You know, caring for a newborn or a sick family member or your own illness, those are among life's most challenging moments. And this country has to do better to create that paid family leave framework that would support these hardworking Americans, not penalize them. I think at some point in all of our careers, each of us will need to take time away from work to be there when we are needed most. And I think, truly, this is the right

thing to do.

We always talk about our family values. We believe in family values. And I think, if you believe in family values, then you have to value families. And, in order to value families, you have to provide them the support they need.

I personally think the FAMILY Act, as currently drafted, is the best approach, and the most comprehensive proposal. There are still a lot of details to work through. But I think that is why we are here today.

And I think that creating a new earned benefit is far more preferable to the Republican proposal that cuts Social Security earnings later in life. The Social Security beneficiaries in my district depend on every single dollar of the benefit that they have earned and paid for. Seniors have it hard enough as it is. We shouldn't be raiding their retirement savings. I am positive that policymakers can come up with a solution that is win-win, and not a tradeoff.

One final thing I will say, too, is that, as chair of Future Forum -- this is a caucus of 50 of the youngest members of the Democratic Caucus -- we focus on a lot of issues that matter to next-generation Americans, including paid family leave. In fact, we have held events where dadvocates, which are men who are advocating for paternity leave, have presented their stories and their advocacy. We have also had a number of business owners talk about the economic and human benefits of having progressive workforce policies.

Ms. Hamilton, it is great to have you on the panel. And, as a small business owner that offers comprehensive paid leave, can you talk about some of those human and economic benefits?

Have you seen the same sort of return on investments of providing comprehensive leave?

And do you think other small businesses could see the value of the -- or would they

be concerned about the proposed payroll tax?

*Ms. Hamilton. Well, I think that the proposed payroll tax is minimal, and it is something that even a small business could afford. And I think that the value is -- it is hard to calculate in dollars. But when you look at the long-term success of a business, our success is hinged on our employees, and having a talented and committed workforce.

And there is not a whole lot that you can do that makes them a committed workforce more than supporting people when they are in their greatest times of need, when they have a baby, when they have a loved one they have to care for, when they are out because of some kind of medical leave. When you are able to offer support to people during those times, they, in turn, feel very committed to the business. And that, in turn, leads to having a successful business.

*Mrs. Murphy. So it sounds like this type of program and support would actually contribute to our economy, as well as to the human interactions and in relationships that we have.

*Ms. Hamilton. Absolutely. And I had mentioned earlier that I was part of a number of workforce development forums where, in New Hampshire, there are a number of businesses that aren't offering the types of benefits that we do who are struggling to find talented workforce. And we see a marked difference then, where we are not following the trends of our state, that we are able to find and retain workforce.

We have a near zero rate of attrition, and a really high longevity. And I think that is a big part of what has made us successful as a business. We have been in business for 25 years. We have never had to take outside investments. And that is something that has helped us to be very successful.

*Chairman Neal. I thank the gentlelady.

*Mrs. Murphy. I thank you, and I yield back.

*Chairman Neal. With that let me recognize the gentleman from Nevada, Mr. Horsford, to inquire.

*Mr. Horsford. Thank you very much, Mr. Chairman and to the ranking member for this hearing. I want to thank all of our witnesses and my colleagues, Representatives DeLauro, Wagner, and Stefanik, for their proposals.

And I want to commend my colleague from Florida, the chair of the Future Forum, as the member of that caucus. This is one of the priorities that we have set, as younger members of this body, because it is reflective of the priorities of our constituents.

And as a husband, as a father of three, as someone who believes in co-parenting, I don't believe that the burden of having to take family or parental leave should rest with one partner. That should be the responsibility of everyone who is helping to raise that child. And so I want a policy that addresses the intersectionality with the gender bias that we have in our law, with the income inequality that you all have highlighted, and the racial inequities that have been touched on.

In my home state of Nevada, 63 percent of working Nevadans do not have access to unpaid leave under the federal Family and Medical Leave Act, which is an existing law, let alone employer-sponsored paid leave benefits. This means that most Nevadans face impossible choices when starting a family, raising a family, or if they or their loved one is ill and requires time away from work.

As we have already discussed, the FAMILY Act would provide workers 12 weeks of paid leave, 66 percent of their wages to take care of their own health conditions, support the process of pregnancy, as well as child birth, support family members suffering from a health condition, or military caregiving. So I believe that this proposal will make an incredible difference in the lives of my constituents.

But today I want to tell you about one of the constituents who shared his story, Jose

Maseas from Las Vegas. He wrote to my office, sharing his family's experience living without paid leave. Jose's mother, Tomasita, was a loyal employee at an event maintenance company for over a decade, and had no access to paid leave. One of her constant fears was getting sick, because a sick day would mean a day without pay. And that was simply not an option for her or her family.

One day, Tomasita began feeling sick. And as more days passed, her illness worsened. She had no other choice but to continue to work and hope it would pass. On May 6, 2013, Tomasita put her uniform on and went off to work. And that would be the last time Jose would hug his mother goodbye. Later that day Tomasita suffered a stroke and collapsed during her shift, while cleaning toilets at a workplace. She fell into a coma, and passed away not long after. Jose ended his letter sharing with me, "I know paid leave legislation will not bring my Tomasita back. But it can prevent another son or daughter from losing their mother because she couldn't afford to be sick."

This is a heart-breaking story, but one that is all too common for our constituents. According to the National Partnership for Women and Families, only 25 percent of Latino workers and 43 percent of black workers report having access to any paid or partially-paid parental leave, compared to 50 percent of white workers. On top of that, black mothers are more likely to quit or be fired from their jobs, and this risk of pregnancy-related deaths for black women is three to four times higher than those of white women.

Ms. Role, you are an expert on inequity based on race. What effect does paid family leave policies like the Family Act have on social determinants of health, the conditions in which people are born, grow, live, work, and age over time?

*Ms. Role. Thank you so much for that question. And that personally touches me, as someone who worked in health care, in direct health care services, for over 15 years.

And some of the things that we know -- and I can speak to this personally, from

what I saw in our work -- is that there are impacts, in terms of the entire family, the impact on children, particularly, that can show up in terms of increase in suspension, behavioral issues, the impact in education.

But we also know that there are significant impacts on health. You speak to the impact of delayed health care-seeking behaviors, and the cascading effect that that can happen, both for the individual and their family, and their loved ones. And working in a direct-service health care setting, we saw that significantly. And often we saw that that disproportionate burden was on the head of household. And in the particular neighborhood I was in, those were primarily Latinx and black women.

And so, the impacts do not only impact the individual, but they also impact the community. And the thing that I want to underscore is that we have talked a lot about the cost of this plan. We are all already bearing the cost. I spoke of my experience as a caregiver and the cost of flights, the cost of missed pay when I was working at an hourly, part-time position. All of those things are expenses that we are all shouldering. So to have a structural support that actually supports those costs would be significant.

*Chairman Neal. I thank the gentlelady. Let me recognize the gentleman from Illinois, Mr. Schneider, to inquire.

*Mr. Schneider. Thank you, Chairman Neal. And thank you, as well, for hosting this hearing. And to our witnesses, thank you for your patience staying here. I know it has been a long day, but I appreciate you sharing your thoughts, your perspectives, your experiences.

I will start with my story, a fairly simple story. Right before our oldest son was born -- a little different circumstances, but the company I worked for closed the division I worked for. So I was given a generous severance package, but I had the chance to stay home for his birth, and be there for the first several weeks of his life. The relationship I

have with my son -- both my sons, but it started with the foundation I got as a first-time father -- was clearly enhanced by the experience I had, being able to be home, being able to help my wife with those early weeks for several weeks.

That has translated, 26 years later, almost 27 years later now, to a continued special relationship I have with my children. With confidence I have as a father, I think it has been good for my family, certainly good for me personally, and I hope good for my sons. It is something that I wish for everyone.

It has been often remarked in this hearing today that we have a panel of all women. But I think it is important to emphasize that this is not a woman's issue, it is a family issue, and it affects mothers and fathers and partners and, most particularly, our children.

But that is only a piece of it, because it is also those times when we have to take care of an ailing spouse or child, a condition we may face, or ailing parents.

We know that paid leave goes beyond maternity care. And a mother in my district told me the story about having to take care of her son, who is dealing with opioid addiction, something that is affecting our entire country. It requires, being that kind of caregiver, a major investment of time and energy. But having the security to know that you have your job waiting for you, that you will have economic resources during that time, is really important.

As Ms. Terman mentioned, simply being human should not be the cause of financial ruin.

But I think this is larger than a moral issue. There is smart policy here, as well, policy for our economy, for our businesses. A study by the Boston Consulting Group interviewed more than 250 HR managers at various companies, and they concluded that paid leave is good business because -- and I am quoting -- when employees are able to take off the time that they need, they are better employees when they return to work.

I see you nodding, Ms. Hamilton. I suspect you have had that experience with your employees. By providing that paid leave, companies are able to retain experienced workers, significantly reduce the cost of recruiting, of training, the costs of turnover. And not to mention the impact it has on employee morale, on teamwork within corporations, on productivity. This policy is good for individuals, it is good for families. It is good for our communities and the businesses that make up the communities. It is good for our ultimate economy.

Now, one of the issues is that small businesses often lack the capital to provide that short-term disability. The program we are talking about today would level that playing field. And, Ms. Terman, you talk in your testimony about how the data from states is implemented -- that have implemented this reflect this. Could you elaborate a little bit on that in the minute we have left, two minutes?

*Ms. Terman. Sure, yes. There has been polling done by the Small Business Majority, which found that 70 percent of small businesses actually support this kind of policy, in part because it does allow them to level the playing field and compete with larger businesses who have the ability to afford more generous benefits.

Also, as Ms. Hamilton has pointed out, it allows for employers to have these predictable, affordable payments over time, as opposed to having to deal with a crisis in the moment, which costs a lot more money than making these small investments. This is a smart investment for workers and for communities.

*Mr. Schneider. You know, from my experience as a small business owner, the ability to plan for that, to know a set-aside expense shared with the employees -- by the way, it benefits the employee, it benefits the company, we are sharing that expense -- it is much different than dealing with someone -- I had an employee whose husband was diagnosed with kidney cancer, and we gave her time, and we did what we could do, but that

was an unplanned -- and that carries a different burden.

Ms. Hamilton, in the last few seconds, are you -- specifically, are you doing manufacturing in New Hampshire, as well as --

*Ms. Hamilton. Yes. So we do manufacturing in rural New Hampshire in a town of 800 people.

*Mr. Schneider. So it is the vertical integration, if you will, the business. You have people of all different skills, I suspect.

*Ms. Hamilton. We do. We have technical people, we have quality, R&D, manufacturing, all the way through marketing, sales --

*Mr. Schneider. But I have -- from my own experience in small business, they all depend on each other. And --

*Ms. Hamilton. Yes.

*Mr. Schneider. -- yes, there will be times when someone is out, and you cover for that, and maybe you bring in temporary. But knowing that the team is going to be there, and the team is going to be there for me if I have a circumstance, how does that play out with the morale of the business, the productivity, as you look long-term for your future?

*Ms. Hamilton. Well, I mean, it is a huge morale booster to have employees that are there for a long time. When you have a high attrition rate, that impacts everyone at the company. And so, having a really tight-knit community, where people know each other over the years, and rely on each other -- and also, like you said, when people are out on maternity or paternity leave, other people are covering their work. We also have a babies at work program, which -- we have had fathers bring their baby, as well.

And so, there is a -- very much of a community feel, where people are working together. And that gives a really positive outlook on the business, and helps with people's productivity and commitment.

*Mr. Schneider. Thank you. I am over time. I appreciate the extra time. I yield back.

*Chairman Neal. I thank the gentleman. Let me recognize the gentleman from California, Mr. Gomez, to inquire.

*Mr. Gomez. Thank you, Mr. Chairman. I greatly appreciate you holding this hearing on the Family Act. It is an important issue, it has broad support throughout the country. So I want to request unanimous consent to submit for the record a letter from over 700 organizations supporting the Family Act.

*Chairman Neal. So ordered.

[The information follows:]

[FAMILY Act Coalition Letter](#)

*Mr. Gomez. I would also like to get -- to ask for unanimous consent to submit for the record a report from the National Partnership for Women and Families, outlining their promise of paid family leave, and the detailed policy choices we must consider.

*Chairman Neal. So ordered.

[The information follows:]

[NPWF Report for the Record](#)

*Mr. Gomez. So this is an issue that is personal for me, since I grew up in a time where my parents worked four or five jobs a week to make ends meet. And when one of us would get sick when we were a kid in my family -- I am the youngest of six -- they would have to make the choice between who would take care of the child if they ended up in the hospital.

When I was seven years old I ended up in the hospital for about a week. And between my parents missing shifts at work, not getting paid for those shifts at work, it put a big financial burden on my family, plus the hospital bills that came afterwards. So that -- if we had paid family leave at that time, it would have been completely different.

But I come from California. I am glad it -- a bill was passed in 2002, implemented in 2004, a huge bill, but it was something that has never been tried before, something that was considered brand new and revolutionary.

So when you do that, you don't know exactly how it will be implemented and how it will work. But it was a success in some regards.

But one of the things we looked at and learned is that you need a strong three-legged stool. There are three issues that need to be in place that will help paid family work for everybody on every rung of the economic ladder.

Job protection. If you can't be guaranteed that you will have a job when you take the time off, then you are not going to use it. So that is where the Federal Medical Leave Act comes into play.

Wage replacement. It must be significant enough so that people actually can take time off during that time.

And the last one is knowledge of the program. So I actually studied it, I actually worked on it. I passed AB908 when I was in the California legislature to deal with one of the issues.

A quick question, Ms. Manning. You mentioned the faults of California. You cite a study by the California State Senate. When was that study conducted?

*Ms. Manning. I believe it was before the most recent round of reforms.

*Mr. Gomez. Yes. So it was conducted in 2014. I actually have it right here on me. I read through it. I know it very well, because I read that same study. And one of the things addressed the wage replacement.

So what we did in California was that we made a progressive structure for the people at the lowest rungs would get a higher wage replacement versus the higher-income people. Right?

So you are giving a kind of a incomplete view, and don't --

*Ms. Manning. May I respond?

*Mr. Gomez. No.

*Ms. Manning. I am sorry.

*Mr. Gomez. This is my time.

*Ms. Manning. Sorry.

*Mr. Gomez. So you are giving a kind of an incomplete view of the program.

No legislation is perfect. You have to make adjustments. Right? How do -- and once you make those adjustments, you have to go and evaluate if that program is working differently.

Ms. Terman?

*Ms. Terman. Yes.

*Mr. Gomez. Terman. What has the -- what are the numbers showing since that law went into place?

*Ms. Terman. Yes. Well, thank you for your leadership, and also for sharing your story. And it has been really important. I can tell you, from the people that we

speaking to, it has made a huge difference.

Before the amendment that you sponsored in California, we spoke to a father, Jason, who is -- whose baby was born at 26 weeks gestation. He was only able to spend two hours with his child in the NICU because he couldn't afford to take time off. He was the sole breadwinner for his family.

But recently we spoke to a woman who is a single mom, works as a waitress in Pittsburg, California. We were able to tell her, "You can get 70 percent of your wages replaced while you are recovering from childbirth and bonding with your child." And she was really, really thrilled to hear that.

And I think about what would we tell a woman from Pittsburgh, Pennsylvania about what she gets. That would be nothing. And that is why we need a universal paid family leave law that gives enough wage replacement so people can support their families.

*Mr. Gomez. And wage replacement is key. Right? It has to be high enough for people to actually use it.

If you are a working-class person, and you are working, like my parents, three, four, five jobs a week to make ends meet, but you struggle on that 100 percent of your salary, getting 55 percent is not going to work. Seventy percent is actually -- is not just seventy percent, because they don't pay state taxes on it. It actually comes out to closer to 80 percent. And even the 60 percent -- because the people who are making higher income and pay higher taxes often get closer to 75 percent wage replacement.

So, in order to have a good program that works, we need to know the details, something that is equitable -- not equal, equitable -- making sure that the people at the lowest rungs get the most help, and thereby actually doing what the program set out to do in the first place.

With that I yield back.

*Chairman Neal. I thank the gentleman.

Let me also thank our witnesses for their testimony today. I think it was very helpful. Please be advised that members have two weeks to submit written questions to be answered later in writing. Those questions and your answers will be made part of the formal hearing record.

And with that the committee stands adjourned.

[Whereupon, at 2:02 p.m., the Committee was adjourned.]

QUESTIONS FOR THE RECORD

[Representative Ron Estes of Kansas](#) – [Answer from Ms. Hadley Heath Manning](#)

MEMBER SUBMISSIONS

[Representative Cedric Richmond of Louisiana](#)

[Representative Brian Higgins of New York](#)

[Representative John Larson of Connecticut 1](#)

[Representative John Larson of Connecticut 2](#)

[Representative John Larson of Connecticut 3](#)

[Representative John Larson of Connecticut 4](#)

SUBMISSIONS FOR THE RECORD

[9 to 5](#)

[1000 Days](#)

[Alzheimer's Impact Association](#)

[American Academy of Pediatrics](#)

[American Council of Life Insurers](#)

[American Federation of Teachers](#)

[Aparna Mathur](#)

[Association of Women's Health, Obstetric, and Neonatal Nurses](#)

[Center for American Progress](#)

[Center for Law and Social Progress](#)

[Consortium for Citizens with Disabilities](#)

[ERISA Industry Committee](#)

[Evermore](#)

[Family Values @ Work](#)

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[Human Rights Campaign](#)

[Institute for Women's Policy Research](#)

[Joshua Seidman](#)

[Julie Kashen](#)

[Kathleen Bryant](#)

[Kathleen Romig](#)

[Lawyer's Committee for Civil Rights Under Law](#)

[Leadership Conference on Civil and Human Rights](#)

[Lia Parada](#)

[Main Street Alliance](#)

[March of Dimes](#)

[Mom Congress](#)

[MomsRising](#)

[NARAL Pro-Choice America](#)

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[National MS Society](#)

[National Partnership for Women and Families](#)

[National Resource Center on Domestic Violence](#)

[National Women's Law Center](#)

[National Task Force to End Sexual and Domestic Violence](#)

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[Shilpa Phadke](#)

[Sun Life](#)

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[TIME'S UP](#)

[Trust for America's Health](#)

[Washington Center for Equitable Growth](#)

[Wendy Chun-Hoon](#)

[Young Women's Christian Association](#)

[Zero to Three](#)