



Many Americans support paid family leave — until they see the cost

Vanessa Brown Calder

December 21, 2018

Washington state is on the cusp of implementing a statewide paid leave program on Jan. 1, and Washington, D.C. passed a paid leave policy expected to take effect in 2020. While state and city paid leave programs roll out, there is continued chatter about the prospect of a national paid family leave policy.

Of the existing congressional proposals, Sen. Kirsten Gillibrand's (D-N.Y.) FAMILY Act, which provides 12 weeks of paid leave for parental, family or personal medical conditions, seems by far the most popular among legislators. The proposal has 34 Democratic and independent co-sponsors in the Senate.

Advocates of government-supported paid leave often claim broad-based public support for a program like the FAMILY Act that cuts across ideological lines. Indeed, some polls have found that a hypothetical national paid leave policy garners around 75 or 85 percent support.

But it turns out that public support falls substantially when Americans are asked about the law's particulars. A nationally representative survey published this week asked Americans what they are willing to pay for a paid leave program, and at the first mention of costs, overall support declined by 27 percent, and Republican support fell by almost 50 percent, though a slim majority of all current workers still supported it.

This is in response to the \$200 annual cost advocates use, and this cost utilizes the most favorable underlying assumptions. But when Americans are asked about the costs of paid family leave using more realistic assumptions, opposition grows.

For example, it seems probable that workers would use national paid family leave at least as often and for as long as they use national unpaid family leave. But using this assumption pushes costs up to around \$450 annually, and at that price, 52 percent of adults are opposed to establishing a new program.

Perhaps more stunning is the public response to other details of the FAMILY Act. Past Pew polling found that 82 percent of Americans thought mothers should receive paid leave following the birth or adoption of their child.

However, among those that supported providing paid leave, only 12 percent of Americans overall and 17 percent of Democrats thought the federal government should pay for it.

As Pew finds elsewhere in the report, “of four policies tested, proposals in which paid leave benefits are provided directly [by] the government receive the least support.” Of course, the federal government paying for paid leave is a core feature of the FAMILY Act.

Opinion research indicates Americans don’t like other aspects of the FAMILY Act’s design either. For instance, 62 percent of Americans oppose establishing a paid leave program when families that don’t use benefits would be required to pay higher taxes to provide benefits to other workers.

But this is the design of the FAMILY Act, which levies a payroll tax on all workers, whether they use the benefit or not.

When other tradeoffs are tested, support for the program is low. For example, when establishing a paid leave program means smaller pay raises in the future or reducing other benefits (like health care or vacation days), between 60 to 68 percent of Americans oppose it.

Unfortunately, smaller pay raises or fewer benefits are a likely outcome of the FAMILY Act. Payroll taxes, like those that support the FAMILY Act, are part of an employee’s total compensation. Either reduced wages or benefits are likely consequences for employees subjected to the tax.

That’s because employers are generally indifferent toward providing compensation as wages or benefits, but they are interested in limiting total business costs for a given productivity level.

No doubt these aren’t the results some action-oriented policymakers involved in paid leave policy want to hear. But family-focused policymakers could improve families’ lives in other ways.

For instance, the new poll suggests around 80 percent of Americans support creating Universal Savings Accounts (USAs), which provide tax-advantaged savings for paid family leave expenses, and this result aligns with past polling. USAs have the added benefit of sidestepping new taxes and other objectionable features of the FAMILY Act.

Policymakers can also help families in other ways. For example, mothers rated more affordable daycare options and more flexible schedules or telework as the best ways to help them balance work and family life.

These responses line up well with prior Rockefeller Foundation polling, which found that more paid time off was less important to working parents than job flexibility.

Where state and local occupational licensing requirements get in the way of affordable care, and labor regulations get in the way of flexible work, these issues could be addressed.

It seems that when it comes to the FAMILY Act, conventional wisdom about its popularity is simply wrong. The good news is there are a variety of alternatives for policymakers that want to make a difference in families’ lives.

Vanessa Brown Calder is a policy analyst at Cato Institute