

## **Paid Family Leave Finds Proponents on the Right**

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During the 2016 presidential campaign, Donald Trump rolled out a set of family-policy proposals, including tax relief for parents. Backing an idea that his eldest daughter, Ivanka, had put before him, Trump announced shortly before the election that his administration would “provide six weeks of paid maternity leave to any mother with a newborn child whose employer does not provide the benefit,” a program that he said the unemployment-insurance fund would finance.

As president, Trump made good on his first promise when he signed the Tax Cuts and Jobs Act at the end of 2017. Though many on the right opposed increasing the child tax credit, the final bill raised it from \$1,000 to \$2,000 per child, thanks especially to the advocacy of GOP senators Marco Rubio (Fla.) and Mike Lee (Utah).

But Trump’s maternity-leave pledge has yet to come to fruition. Instead, it has kicked off a complex policy debate among conservatives over what has been, until recently, an almost exclusively left-wing goal: a federal paid-parental-leave program. Despite a rise in support for the idea on the right, some conservatives believe that such a program is unnecessary or unworkable and that it would require the federal government to overstep its bounds. Even among those who favor parental leave, there remains plenty of division over what policy structure best aligns with GOP principles.

The best federal protection for workers whose employers don’t offer a paid-leave program of any kind — whether for new parents, family caregivers, or seriously ill workers — is currently the Family and Medical Leave Act of 1993 (FMLA), which guarantees twelve weeks of unpaid leave for qualifying reasons. That could include caring for a newborn or a sick family member as well as personal leave to recover from a surgery or illness.

The United States is the only country in the Organisation for Economic Co-operation and Development that does not have a federal paid-leave program, and, according to the Bureau of Labor Statistics, only 17 percent of all civilian workers in the U.S. had access to paid family leave in 2018 (a statistic that excludes parents who took paid time off to be with a newborn using other available types of leave, such as vacation or personal days). That figure varied with the size of the workplace: Eleven percent of workers at businesses with somewhere between one and 49

employees had access to paid leave, compared with 25 percent at companies with at least 500 employees.

In the view of progressives, this status quo is unacceptable and perhaps even unjust. Many on the left believe that a lack of paid leave penalizes women in a unique way and harms the U.S. economy. A 2017 paper from the Brookings Institution argued that lack of child care and paid leave contributes to the declining rate of women's labor-force participation, undercutting their progress. Though not about family leave, a recent article in *The Economist* expressed a similar view of how childbearing supposedly disadvantages women: "Having children lowers women's lifetime earnings, an outcome known as the 'child penalty.'"

The notion that women's long-term participation in the labor market is a necessary condition of both their personal fulfillment and our country's economic progress has spurred Democratic lawmakers to propose a wide variety of family-related entitlement programs — all of which involve higher taxes and increased federal spending.

Massachusetts senator and Democratic presidential candidate Elizabeth Warren, for instance, has a proposal that she claims will enable universal child care by imposing a wealth tax. Senator Patty Murray (D., Wash.) has a bill, co-sponsored by nearly three dozen of her fellow Democratic senators, that would make child care a federal entitlement. This legislation, the Child Care for Working Families Act, would require families under 150 percent of the state median income to pay no more than 7 percent of their income on child care; families under 75 percent of the state median income would pay nothing.

It's little surprise, then, that Democrats' preferred solution when it comes to paid leave is yet another entitlement. Earlier this year, New York senator Kirsten Gillibrand — who in August became one of the first Democratic candidates to drop out of the 2020 race — reintroduced her Family and Medical Insurance Leave Act, or FAMILY Act. During her brief campaign, Gillibrand made the legislation a fixture of her rhetoric, insisting that it was a key part of what made her the best candidate to represent American women.

Though Gillibrand has exited the race, her legislation remains the chief Democratic-party proposal for paid family leave. The FAMILY Act would guarantee twelve weeks of paid time off for new parents, family caregivers, or sick workers. To finance this system, the bill would increase the payroll tax by 0.4 percentage points, split evenly between employers and employees, except in the case of self-employed workers, who would shoulder the entire tax burden themselves.

Though about a dozen Democratic senators haven't signed on to co-sponsor the FAMILY Act, every senator competing for the 2020 presidential nomination has.

A growing number of conservative policymakers, meanwhile, argue that Republicans ought to offer their own proposals, so as not to cede the debate entirely to progressives. Americans tend to favor a federal paid-leave policy of some kind, and if conservatives remain silent, the thinking goes, voters will be inclined to accept the Democratic plan as the only option.

The public seems open to a family-leave program less expensive than what progressives favor. A poll conducted by the Cato Institute in December 2018 found that almost three-quarters of respondents (74 percent) supported a federal program to provide twelve weeks of paid leave — but only until costs were mentioned. A little more than half of respondents (54 percent) said they'd be willing to pay as much as \$200 annually in higher taxes to fund a twelve-week paid-leave program like the FAMILY Act.

But if such a program required taxpayers to pay \$450 annually in higher taxes, more than half (52 percent) would oppose it, and the percentage would rise to 56 percent if the annual tax increase amounted to \$1,200 per taxpayer. Those figures are low-, mid-, and high-cost estimates for the FAMILY Act that Cato tabulated using a cost calculator from the American Enterprise Institute–Brookings Institution working group on paid family leave.

So far, the chief proposals from Republican politicians deal only with parental leave, or paid time off for new parents, which conservative supporters of the idea view as an answer to the charge that pro-lifers care about the unborn but not about families or young children. For his part, and in an effort to make good on his campaign rhetoric, President Trump has included paid maternity leave as a line item in his proposed budget every year since he took office, making himself the only president, Republican or Democrat, ever to do so.

Ivanka Trump has focused on the issue in her work for the administration, meeting with conservative politicians in Washington to convince them that a federal paid-leave plan isn't at odds with their philosophy or methods and in fact ought to be a priority for a pro-family political party. She hasn't managed to convince all the skeptics, but at a recent National Review Institute event, she pointed to the fact that, over the course of 2019, six U.S. senators have teamed up to propose three distinct parental-leave bills, all of them conservative alternatives to the FAMILY Act.

The first such proposal has existed in some form since early 2018, when Kristin Shapiro of the Independent Women's Forum wrote a paper called "A Budget-Neutral Approach to Parental Leave." "There is a way for the federal government to provide paid parental leave to every worker in the United States at no additional cost," Shapiro argued: "offer new parents the opportunity to collect early Social Security benefits after the arrival of their child in exchange for their agreeing to defer the collection of their Social Security retirement benefits." This idea is sometimes known as "earned leave."

Her preliminary calculations, using the Social Security disability-benefits formula, suggested that parents could offset the cost of taking twelve weeks of Social Security benefits early — to enable them to take paid leave equivalent to about 45 percent of their usual wages — by deferring collection of their Social Security benefits for six weeks after reaching retirement age. This proposal first found support in the office of a GOP lawmaker: Florida senator Marco Rubio. Since he began touting the idea as a feasible conservative policy, two sets of Republican senators have proposed bills built on Shapiro's framework.

Rubio, along with Utah senator Mitt Romney, has introduced the New Parents Act, which would allow parents to use Social Security benefits to finance up to three months of parental leave after

the birth or adoption of a child. It would permit parents to take these benefits even if they were not employed at the time of a child's birth, so long as they had a sufficient earnings history. Parents could offset the costs of their early receipt of the benefits by choosing either to delay retirement for three to six months or to reduce their Social Security benefits for the first five years after retirement.

Another two Republican senators, Mike Lee (Utah) and Joni Ernst (Iowa), are co-sponsoring the Child Rearing and Development Leave Empowerment Act, or the CRADLE Act. The Lee-Ernst formulation of Shapiro's earned-leave idea would permit new parents to take one, two, or three months of paid-leave benefits in exchange for postponing collection of their Social Security after retirement for two, four, or six months. Unlike the Rubio-Romney bill, the CRADLE Act would require that parents be employed at the time of a child's birth or adoption. It also would require them to leave work for the entire time they are collecting the benefits, while the Rubio-Romney bill would allow them to continue working.

At an event in July outlining both pieces of legislation, Caleb Orr, a policy adviser for Rubio, explained the fine distinction between the two bills by noting that requiring a set period of leave in order to obtain the benefit — as the Lee-Ernst bill would do — might discourage some parents from choosing to take leave at all, undermining the policy's goal.

“The main practical fact that we encounter in requiring leave is that most low-income mothers don't work salaried professions,” he said. “Requiring leave in a one-month-to-three-month fashion, in a standardized way, simply does not match with the reality of low-wage work forces.” Orr argued that the Rubio-Romney bill would benefit small-business employees not eligible for unpaid leave under the FMLA, as well as those who might work part-time or from home after the birth of a child.

But those who prefer the Lee-Ernst legislation emphasize that conservatives should have the goal not of increasing women's participation in the work force but rather of incentivizing parents to leave work entirely and focus on their children. Policy advisers for Ernst and Lee, speaking on the same panel as Orr, noted that the CRADLE Act reinforces the importance of parents' not having any work-related distractions while caring for a newborn. If the benefit is not linked to a requirement that parents actually take time off, they said, this goal could be harder to achieve.

In addition to these two slightly different policies, Senators Bill Cassidy (R., La.) and Kyrsten Sinema (D., Ariz.) are offering the first bipartisan parental-leave proposal. Their plan, which does not yet have a title or publicly available legislative text, would allow new parents to obtain an advance of up to \$5,000 on their child tax credit during the first year after having or adopting a child.

Parents who took the benefit would offset the cost by receiving a smaller child tax credit the subsequent ten years; those who took the full \$5,000 would receive a maximum of \$1,500 annually rather than \$2,000. Low-income parents who do not qualify for the fully refundable portion of the credit would receive an advance on the child tax credit equivalent to twelve weeks' wages, and those parents' credits would be lowered over the subsequent 15 years.

Though none of these proposals has been scored by the Congressional Budget Office, their sponsors tout them as budget-neutral. Conservatives who back one or more of these bills are quick to point out that each plan would repurpose existing federal programs rather than create a new entitlement. Unlike the FAMILY Act, each plan would give parents the choice to opt in rather than coercing all workers, and their employers, to pay increased taxes regardless of whether or how often they will use the benefits.

Despite this proliferation of policy ideas from Republican senators, some conservatives still have reservations about allowing the federal government to become enmeshed in a paid-leave program in the first place.

“Instead of enacting a new national entitlement, policymakers should work toward solutions that would increase voluntary employer-provided paid leave and that would give workers greater ability to take leave,” Rachel Greszler, a research fellow at the Heritage Foundation, wrote in a January article.

As a matter of principle, many believe that a federal program, no matter its form, would contravene federalism and usurp the role of state and local governments. In practice, critics say, even the conservative plans would cost too much and be less effective than policies that incentivize businesses to offer their own paid-leave plans.

In her article, Greszler cited a Heritage study estimating that a federal paid-maternity-leave program providing up to twelve weeks of benefits — at about 50 or 60 percent of regular pay, as the Social Security earned-leave plans would provide — would cost about \$114 billion over ten years. A program that offered paid leave at 100 percent of pay would cost \$198 billion over ten years, and including family and medical leave in addition to parental leave would cost \$231 billion.

Right-wing opponents of federal paid leave point to the success of state-level programs, as well as the recent increase in the availability of employer-based paid leave. According to one survey from the Society for Human Resource Management, the percentage of companies offering paid leave has risen from 12 percent in 2014 to 35 percent last year, nearly tripling. But for many of parental leave’s proponents, whether progressive or otherwise, 35 percent is nowhere near good enough.

Skeptics on the right are correct that the public might be happy with increasing access to paid leave in a way that doesn’t require any federal spending. Of the 82 percent of respondents to a 2017 Pew study who said new mothers should receive paid leave, 61 percent said employers should finance that leave, though they were divided on whether the government ought to mandate that employers do so; only 21 percent said that government, whether federal (12 percent) or state and local (9 percent), should fund paid leave for new mothers. More recently, the Cato survey last December found 25 percent saying they had wanted or needed leave in the past year, and 24 percent saying they had taken it, with just 1 percent unable to do so. Among those who had taken leave, 75 percent said they had received full or partial pay, and 48 percent said at least some of their leave had been unpaid.

Pointing to such statistics, conservative opponents of federal paid leave suggest that the upsides are too slim to be worth the potentially exorbitant costs. Much of their concern stems from a belief that, once established, even a limited parental-leave program would expand to cover other forms of leave. Conservatives who think along these lines are right to note that federal programs almost never shrink over time and in fact tend to grow. They fear that a Social Security earned-leave scheme easily could be undone by future politicians' allowing parents to renege on their obligation to offset the costs of their early benefits receipt.

But the holdouts seem to be slowly losing ground in the public debate. Some of the most conservative senators in the Republican party have thrown their weight behind paid parental leave, and plenty of policymakers on the right argue that giving parents more control over the benefits for which their payroll taxes qualify them — so that they can spend more time at home — accomplishes both small-government and pro-family goals.

Those on the right who favor a federal parental-leave program don't yet have a clear path to enacting such a policy. None of the bills that repurpose existing spending has garnered sponsors aside from the two senators proposing it — although Republican representatives Dan Crenshaw (Texas) and Ann Wagner (Mo.) are sponsoring a version of the Rubio-Romney legislation in the House.

Neither President Trump nor his eldest daughter has given any indication as to which of the bills he or she prefers, though Ivanka has noted that some aspects of the proposals aren't mutually exclusive. She has emphasized, too, that the administration wouldn't back any plan that places a mandate on employers, especially small businesses. In the meantime, most conservative proponents seem content to wait for a bigger coalition to form around one or more of the ideas on the table.

As Democrats continue to back paid leave as a means of expanding government involvement in family life and reinforcing a progressive conception of gender equality, Republicans have an opportunity to demonstrate that policies to support parents and strengthen families can be at the heart of a successful conservative agenda.