

Stock Daily Dish

From the Editorial Advisory Board: Family leave

November 25, 2019

As a former small business owner with as many as 60 full-time employees, I can attest to both the need for paid family leave and the difficulty of shouldering the expense. The Family and Medical Leave Insurance (FAMLI) bill that is being introduced this session addresses both issues. (I am a founding member of Good Business Colorado, a business organization advocating for economic mobility for Colorado workers.)

While the bill details have not been finalized, it will create an insurance program, which both employees and employers will pay into. The premiums are estimated to be between \$1 and \$5 per week depending on how much the person earns. Employees will be eligible for 12 weeks of wage replacement at between 75 percent and 90 percent of their earnings up to \$1,000 per week. Lower-paid employees will get a higher percentage of their pay and higher earners a lower percent. The rules for qualification, documentation and job guarantees mirrors that of the Federal Medical Family Leave Act with one important distinction: Every worker in Colorado will be covered no matter how many people his or her company employs, including those who are self employed.

A 2017 study by The Small Business Majority found that 70 percent support paid family leave. Employees are paid from the insurance fund so their employer can hire temporary help or offer overtime to other employees. A Rutgers University study showed New Jersey's paid leave program increased retention, decreased turnover and improved productivity. This bill will also allow smaller businesses to compete for talent with larger companies that are able to offer a paid leave benefit.

Wages have not kept up with costs. Many working people are barely able to provide for their family's basic needs. An unforeseen medical situation can be a disaster. Hard-working Coloradans should not have to choose between caring for themselves or for a loved one and putting food on the table.

FAMLI will provide meaningful help to working people just when they need it the most.

Most Americans approve of paid leave — in theory. In a 2016 Pew Research Institute study, more than 80 percent of respondents favored such a benefit. Of course, it got a bit more complicated if you tried to discuss who was responsible for providing it and who was going to pay.

The majority of supporters thought leave should be paid for by employers rather than the state or federal government (the self-pay option under consideration in Colorado wasn't on the list of choices). A 2018 Cato Institute study found that 74 percent of adults would support a federally-funded leave program, but supporters dropped rapidly as imagined costs rose. Higher taxes,

higher debt and a proportional decrease in funding for other government programs were all unpopular trade-offs.

According to Pew, just half of approving adults think a leave program should be mandatory. While many employers do offer a benefits program, the corresponding employees tend to be wealthier and more educated on average. Seventy-three percent of those making more than \$75,000 annually reported receiving either full or partial salary while on an approved leave, compared to just 36 percent of those earning under \$30,000 annually.

Paid leave needs to be a more equitable benefit. As it currently stands, those likely to have access to paid leave are the same people who already have greater opportunities to develop personal rainy day funds. It is the children of families that are already under financial pressure who will miss the chance for early bonding with parents — bonding shown to enhance mental health and resilience later in life.

The United States may be the only industrialized nation without paid leave, but the problem isn't that no Americans spend time with infant children or aging parents. Many can — but the privilege should not be reserved for those with a plush benefits package.

So what's not to like in the Democrat's Family And Medical Leave "Insurance" bill? Who doesn't think time off for family emergencies or the birth of a new child is worthwhile? If it is such a good idea, it makes you wonder why the bill's authors are so reluctant to ask voters to approve this new tax? To avoid TABOR, they are pretending this new payroll tax is not a tax but rather a "fee." And they may be partially right. This new tax should be called a "super tax." If the final legislation mimics that which the authors submitted last year, you will soon be paying a new tax of up to 0.99 percent of your pay. That is a 21 percent increase in your state taxes to pay for just this one program. And that rate is just for the first year.

Based upon the numbers of people who already take unpaid family leave, the costs being used to sell this bill to us — \$1 to \$5 per employee per week — are nowhere near the real costs that will be incurred. The costs will go up and the legislation requires the unelected director of FAML I to annually reset the tax rate to whatever rate he or she deems necessary. No maximum. Ever.

On top of these very serious flaws in the program, there are numerous other unbelievable things in the legislation. For example, businesses not only pay nothing to fund this program, but they will also get paid by their employees to take the FAML I tax out of their paychecks. Remarkable.

So instead of an open and frank discussion of the costs and benefits we are being asked to pay for, we will get cute names for the program, unrealistic cost predictions, and imaginary unicorns to pay for the whole thing. Welcome to one-party rule.

Universal basic income. We can create whatever accommodation, credit, incentive, or scam we like, the real answer to ensuring dignity of life, at all stages of life is universal basic income.

Now that I've got that out of my system, I applaud Sen. Winters and Rep. Gray for bringing paid leave legislation, as well as Rep. Herod for legislation on universal college savings. Sure, I happen to think that it's a good idea that a person facing a medical or emotional emergency

should be able to recover with dignity, and to that end an assurance that they can then continue their life upon the end of the emergency helps recovery. I also agree that educational opportunity should not be limited by a person's parents' resources.

I also believe that a person who simply hates their job should have the same opportunity to continue their career, as in so doing they may avoid a medical or emotional emergency, and that should include the opportunity to get a new education and a new career.

Paid family would provide stability to some families, college savings would provide opportunity to some families, and neither of course will result in universal anything.

Sure, paid family leave gives employers an advantage in employee retention and productivity. Those advantages, of course, only being advantages if no one else is doing it. I'd say therefore that's the wrong reason to do it.

To the end that a marginal increase in families becoming acculturated to a source of stability that isn't their "job" will have a sympathetic increase in the acceptance that perhaps a job should not be the source of other things, particularly dignity, may also be the wrong reason. But it's mine.

Regardless, I support the half-measure, not because they work, rather, a stumble in the right direction is still progress.