



There's a bipartisan push around paid family leave brewing in the Senate

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Republicans keep proposing federal paid family leave bills no one likes. Now, Sens. Kyrsten Sinema and Bill Cassidy want to find a compromise.

Republicans have spent two years trying to deliver on Donald Trump's campaign pledge to give working parents paid maternity leave. Democrats have a few different policy proposals on the table, but Republicans keep coming up with the same unpopular idea: give Americans the option to cut into their Social Security benefits early to pay for family leave.

But on Wednesday, Republican Sen. Bill Cassidy (LA) announced he is working with newly elected Democratic Sen. Kyrsten Sinema (AZ) to lead the Senate's first bipartisan push to address family leave. It's something they hope the president will sign onto, but it's not yet clear what this proposal will look like, or how it would be paid for. (Cassidy didn't give a timeline.) It does, however, signal a significant shift in a conversation around federal paid family that has been stuck at the ideological poles of both parties.

The United States is the only industrialized nation in the world without a federal paid family leave program. As is, only 17 percent of workers get paid leave from their employers — a statistic that shrinks dramatically for low-income workers, just 6 percent of whom have access to paid family leave benefits. Some states have been trying to address this on their own. This year, Washington state residents began paying into a comprehensive paid family and medical leave program that was passed on a bipartisan basis. New York, New Jersey, California, Rhode Island, and the District of Columbia also have implemented programs.

“What started as something that is extremely bold has really become more mainstream, and the only people who don't know it are the people in Congress,” said Vicki Shabo, a paid family leave expert with New America, a liberal-leaning think tank.

That Republicans in Congress are seriously talking about family leave really comes down to Trump's daughter and adviser Ivanka Trump, who herself said she is trying to buck the “GOP orthodoxy” around family leave. But so far, the results have stuck to party lines.

Sen. Marco Rubio (R-FL) reintroduced a bill last week — the Economic Security for New Parents Act — which would allow parents to access their Social Security benefits early for at least two months of leave, in turn delaying their benefits by three to six months when they retire. The bill is very similar to another proposal by Sens. Joni Ernst (R-IA) and Mike Lee (R-UT) — the Cradle Act, which again would force families to trade retirement benefits for family leave.

Both proposals are limited to child care, rather than a more comprehensive approach addressing medical leave or elder care.

It might be a while until we see the Cassidy-Sinema proposal. But the fact that they're working together shows Congress is taking on a more serious effort to address family leave in a divided Washington.

Republicans have been putting forward "budget neutral" family leave plans that even conservatives don't like

Republicans are talking about paid family leave.

"This is not just a family issue or a women's issue, it's an economic issue that affects the country as a whole," Aparna Mathur, an economic policy expert with the conservative American Enterprise Institute, said Wednesday, explaining how a policy long associated with left-leaning orthodoxy, is now making its way across the aisle. In 2016, Trump proposed six-week paid maternity leave as federal policy.

But so far, Republicans have been hellbent on proposing a "budget-neutral approach to parental leave," and it's resulted in proposals that neither conservatives nor liberals are getting behind.

Here are some of the proposals Republicans have put forward so far:

1) In 2017, Sen. Deb Fischer (R-NE) got her proposal passed in the Republicans' tax cut law for a tax credit of up to 25 percent for businesses offering paid family leave for up to 12 weeks. The tax credit applies if the company reimburses at least 50 percent of the income and if workers earn less than \$72,000 a year. It's not yet clear if businesses are actually capitalizing on the tax credit, or how many people are benefiting.

2) Republicans like Rep. John Katko (R-NY) have proposed establishing "parental savings accounts" — a tax-advantaged account with which parents can save to take leave. Of course, the inherent problem with tax-savings accounts is that many lower income families don't have money to save in the first place, tax-advantaged or not.

3) Two main conservative proposals around a paid federal family leave program — one being from Rubio, and the other from Ernst and Lee — allow families to tap into Social Security benefits early and then delay their retirement benefits in the future. It's an idea that came from the Independent Women's Forum, a conservative nonprofit, and is designed to only impact those that choose to take the benefit. The idea behind these two proposals is that they don't create a new revenue source. But that creates an interesting dilemma. Social Security isn't a personal insurance program, it's a communal pool, and pulling out of it early could drive a hole into benefits overall. The Ernst-Lee proposal tries to mitigate this by having the Treasury reimburse the funds, whereas the Rubio proposal does not.

"The worst-case scenario to use existing government program could actually destroy Social Security," Jessica Mason, a policy expert with the National Partnership for Women and Families, said.

The idea is not getting much love on the right, either. Daniel Horowitz, editor of the Conservative Review, summed up the proposal as simply "adding a new entitlement while exacerbating the decline of another."

“Raise your hand if you believe for a second that once we allow a new entitlement to pop out of the genie’s bottle it somehow won’t become its own fiscal mandate minus the funding from Social Security,” [Horowitz writes](#). “Also, raise your hand if you believe we have the guts to deny these people their Social Security once this generation of young parents drawing upon the perspective family leave program reaches retirement.”

Another conservative commentator, Tiana Lowe with the Washington Examiner, made the same case as Horowitz, [saying the math doesn’t add up for Rubio’s proposal](#). Of course, there’s been conservative pushback to federal paid family leave all along. Here’s how Rachel Greszler, with the [Heritage Foundation](#), reacted to Trump’s campaign pledge to established federal paid family leave:

This would establish a new national entitlement program that could expand along the same lines as other federal entitlements, potentially costing hundreds of billions of dollars per year. A federal PFL could dismantle existing private and state policies that are arguably better equipped to meet their unique workers’ and populations’ needs and would push at least part of the cost of existing programs onto federal taxpayers.

The ideas, and the backlash, show the line conservatives have to walk get on board with a paid federal family leave programs. They see an economic and family benefit to paid federal leave, but they don’t like the idea of a creating a new “entitlement” program and haven’t been willing to create a new revenue source to support it.

The major flaws of Republicans’ proposals so far

Cassidy himself outlined the challenges Republicans are facing with their proposals so far.

Citing an [AEI-Brookings study on paid family leave](#), which states families with income less than \$70,000 are in most need of a federal paid family leave proposal, Cassidy said he is analyzing the current Republicans proposals from the perspective of lower income Americans — and they fall short.

He used the example of a lower-income woman: Not college educated, limited in her salary, making ends meet paycheck to paycheck. That woman, Cassidy said, is “probably unlikely to borrow from future Social Security and pay it back, because she is struggling to make it happen. She is probably unlikely to do a voluntary credit account, because again, let’s assume she’s incredibly frugal. But she is paying her rent, she’s paying everything else, we hope she is doing a 529 for her kids’ education, maybe a health savings account for a family. This would be a third account, and I think that would be a little less likely.”

This is the biggest flaw of these proposals.

“The bigger picture is that these are all operating from a space of scarcity, with respect of what is provided to people and with respect to revenue,” Shabo said of all the Republican proposals. In other words, none of them are creating new revenue sources; they’re asking people to make tradeoffs in situations that tradeoffs often can’t be made, like elder care and retirement.

As [Vox’s Li Zhou reported](#), Democrats have approached family leave by establishing a new tax; Sen. Kirsten Gillibrand (D-NY), has a proposal that would provide three months of family leave — whether they were a caregiver for a family member or a new parent — reimbursing 66 percent of workers’ salaries, including at least \$250 per month to each worker, capped at \$4,000

per month per person. It pays for it through a 0.2 percent payroll tax on worker's wages, split between an employee and employer. Hillary Clinton, in 2016, had a proposal that implemented a wealth tax.

But the idea of a new tax is already proving to be difficult for Republicans to swallow. Cassidy called a possible payroll tax "regressive," and it's not clear what he and Sinema can build bipartisan support for.

Herein lies the challenge.

There's precedent for bipartisan work on paid family leave

The bottom line is that paid family leave is incredibly popular, and there is broad consensus that the outcomes of taking leave are positive across parties. A 2018 survey from the National Partnership for Women and Families, showed 84 percent of Americans across both parties supporting a federal paid family leave program.

Lawmakers on the state level recognize this. In Washington state, for example, the state legislature passed a Paid Family and Medical Leave program in 2017 with bipartisan support. Their program, a compromise between Republican and Democratic lawmakers, has both employers and employees paying into a system, with a payroll tax set at 0.4 percent of wages; 63 percent of the tax is paid by employees and 37 percent paid by the employers. The benefit is calculated based on wage, and workers who make less than the state's average wage would get 90 percent of the salary reimbursed for about 12 weeks.

Put in real terms, according to the Seattle Times, an employee making \$50,000 annually would pay \$2.42 a week, their employer would pay \$1.42 a week, and they'd get a weekly benefit of about \$703.

Massachusetts, under Republican Gov. Charlie Baker, passed a paid family leave bill in 2018, which provides 12 weeks of paid family leave for new parents, and up to 20 weeks of medical leave for caretaking, with a capped benefits of 64 percent of the state average weekly wage, or \$850 a week. It's paid through a 0.63 percent payroll tax, split almost evenly between employees and employers.

All to say there is precedent for bipartisan work on paid family leave that Cassidy and Sinema could tap into.

Of course, the polling gets more complicated when Americans are asked how they want to pay for this program federally. As conservatives are quick to point out, support for the program does drop when Americans are told what the annual taxes would amount to in a lump sum.

Ironically, however, polling both from the CATO Institute and the National Partnership for Women and Families found the least popular method to pay for family leave is what Republicans keep proposing: cutting into Social Security early.